



ASX Announcement | 16 March 2026
Variscan Mines Limited (ASX:VAR)

FINANCIAL REPORT – HALF-YEAR ENDED 31 DECEMBER 2025

Variscan Mines Limited (“Variscan” or the “Company”) encloses its half-year financial report for the period ended 31 December 2025.

This announcement has been approved for release by Mr Mark Pitts, Company Secretary, Variscan Mines Limited.

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About Variscan Mines Limited (ASX:VAR)

Variscan Mines Limited (ASX:VAR) is a growth oriented, natural resources company focused on the acquisition, exploration and development of high-quality strategic mineral projects. The Company has compiled a portfolio of high-impact base-metal interests in Spain and Australia. Its primary focus is the development of its advanced zinc projects in Spain.

To learn more, please visit: www.variscan.com.au

For more information



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Interim Financial Report
for the half-year ended
31 December 2025

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Corporate Information

Directors

Mr Anthony Wehby	<i>Non-executive Chairman</i>
Mr Stewart Dickson	<i>Managing Director & CEO</i>
Dr Frank Bierlein	Non-executive Director
Mr Vaughan (Tom) Kent	Non-executive Director

Company Secretary

Mr Mark Pitts

Registered Office

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Auditors

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Securities Exchange Listing

Variscan Mines Limited's shares are listed on the Australian Securities Exchange (ASX: VAR)

Competent Persons Statements

Where Company refers to exploration results, historical data and mineral resource estimates previously advised to the ASX it confirms that it is not aware of any new information or data that materially affects the information included in previous announcements and all material assumptions and technical parameters disclosed in those announcements continue to apply and have not materially changed.

Directors' Report

Your Directors of Variscan Mines Limited (the "Company") submit the Interim Financial Report of the Group, being the Company and its controlled entities ("Variscan" or the "Group"), for the half year ended 31 December 2025. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Mr Anthony Wehby	Non-executive Chairman
Mr Stewart Dickson	Managing Director & CEO
Mr Vaughan (Tom) Kent	Non-executive Director (appointed 6 February 2026)
Dr Frank Bierlein	Non-executive Director
Mr Nicholas (Nick) Farr-Jones	Non-executive Director (resigned 6 February 2026)

Review of operations

Financial Summary

The Group incurred a net loss of \$653,827 for the half year ended 31 December 2025 (31 December 2024: \$541,061).

As at 31 December 2025, the Group had cash and cash equivalents of \$635,389 (30 June 2025: \$451,939) and net assets of \$12,438,967 (30 June 2025: \$10,877,843).

Operational review

Variscan Mines Limited (ASX:VAR) made significant progress during the half-year ended 31 December 2025 as it advanced its Explorer-Producer strategy, focused on progressing the restart of the San Jose Mine while continuing underground exploration and technical work at the Udías Mine within the Novales-Udías Zinc Project in northern Spain.

During the half-year, the Company achieved key regulatory and technical milestones that materially de-risk the pathway to recommencing operations and support expansion of the broader district-scale opportunity. In particular, the period included formal approval of the Restoration Plan over the San Jose and Udías mining licences, the completion of a high-resolution 3D laser survey of the Udías underground workings, the acquisition of a substantial historic drill database covering newly granted licences in the broader district, and (in the December 2025 quarter) receipt of government approval of the Preliminary Mining Plan (Anteproyecto) for the San Jose Mine. Variscan also completed a strongly supported capital raise to fund near-term technical and development activities.

Novales-Udías Zinc Project, Spain

Permitting and approvals – San Jose and Udías Mining Licences

In the September 2025 quarter, Variscan reported formal approval of the Restoration Plan covering the San Jose and Udías mining licences. The approved Restoration Plan covers both the historical San Jose Mine and the Udías workings, creating a unified regulatory framework to advance preparatory development activities. In addition, the scope of the Restoration Plan was expanded to include an extensive surface drilling campaign over the mining licence areas, with 69 diamond drillholes for approximately 13,800 metres approved.

In the December 2025 quarter, Variscan achieved a further major permitting milestone with the Government of Cantabria approving the Preliminary Mining Plan (Anteproyecto) for the San Jose Mine. This approval enables pre-works, underground development and trial mining ahead of a proposed mine restart and represents a further de-risking step toward recommencing production at San Jose. The approval provides a framework for early operational activities, including work associated with existing underground infrastructure, mine access, transportation, electrical installation, drainage and underground safety systems. Together with the previously approved mining licences, Restoration Plan and annual Plan de Labores, the Anteproyecto provides approval to proceed with underground trial mining and small-scale exploitation, while additional permitting processes continue in parallel.

Udías Mine – underground drilling and technical work

During the half-year, Variscan continued underground diamond drilling at the Udías Mine and progressed key technical workstreams that support both near-term development planning and ongoing exploration targeting.

Directors' Report

The Company completed a detailed 3D laser survey of the Udías Mine to improve the understanding of historical underground development and to support drill targeting. This work materially improved the Company's ability to model and target mineralisation in three dimensions and to refine drilling plans.

In the December 2025 quarter, the Company reported high-grade underground drilling results at the Udías Mine, including the highest-grade zinc intercept drilled by the Company to date (as reported in the period's ASX releases). Drilling at Udías confirmed continuation of zinc mineralisation along structural trends and in previously undrilled areas, with drilling completed outside the current Mineral Resource Estimate, supporting the potential for further resource growth. Intervals correlated well with exceptionally high-grade historic face sampling results.

District-scale growth – historic drill database and drilling permits

During the September 2025 quarter, Variscan significantly expanded its geological database through the acquisition of 146 historic surface drillholes totalling 52,034 metres across newly granted licences (including Hipolita, Esperanza and Ana Isabel). The historic drill data includes multiple high-grade zinc and lead intercepts and is expected to assist in accelerating district-scale exploration planning and evaluation.

In addition, with the approval of the Restoration Plan and associated permitting progress, Variscan secured approval for a substantial surface drilling program over the mining licence areas (69 drillholes for ~13,800 metres). The Company advised that this campaign is designed to step out from the existing Mineral Resource Estimate around San Jose and extend on-trend toward additional mineralised zones.

Mine Re-Start Study

Across the half-year, Variscan progressed workstreams feeding into its Mine Re-Start Study for the San Jose Mine, including metallurgical and geotechnical inputs. The Company expects to publish this report within the March 2026 quarter.

Significant events after balance date

On 21 January 2026 the Company announced that it had processed the conversion of 772,306 unquoted options (exercisable at \$0.008 on or before 29 September 2028) into ordinary shares of the Company upon receipt of a valid exercise notice.

On 30 January 2026 the Company announced that it had entered into a binding term sheet for a \$1 million Convertible Loan Note Facility with a small syndicate of professional and sophisticated investors. As at the date of this report, this facility remains undrawn. As part of the agreement, the Company issued 15 million unquoted options (exercisable at \$0.008 on or before 28 September 2028) to the lead financial advisor of the facility (or its nominees).

On 6 February 2026 the Company announced the appointment of Vaughan (Tom) Kent as a non-executive director, and the resignation of Nicholas Farr-Jones from the Board.

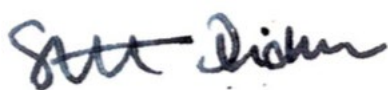
On 3 March 2026 the Group announced that the proposed Earn-In and Joint Venture Agreement ("Definitive Agreement") with MDF Global Limited ("MDF"), Zinc GroupCo Pty Ltd ("ZincCo") (together, the "Vendors") and BMex Pty Ltd ("BMex") had not been executed within the prescribed timeframe. The Group had sought and obtained shareholder approval to execute the Definitive Agreement at its 2025 Annual General Meeting, and the terms of the approval required the execution to occur within 3 months of the date of the meeting. Certain of the conditions precedent, were not satisfied within the prescribed timeframe and therefore the Definitive Agreement was not executed. The Group intends seeking to negotiate a revised date by which the conditions precedent to execution of the Definitive Agreement must be satisfied with the Vendors and BMex.

Other than the above, there has been no additional matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Auditor Independence Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year report. This Independence Declaration is set out on page 6 and forms part of this Directors' Report for the half year ended 31 December 2025.

Signed in accordance with a resolution of the Directors.



Stewart Dickson

Managing Director

Dated this 16th day of March 2026

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Variscan Mines Limited for the half-year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
16 March 2026



D B Healy
Partner

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HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2025

		Consolidated	
		Six months to 31 December 2025	Six months to 31 December 2024
	Notes	\$	\$
Continuing operations			
Interest income		1,360	4,885
Total income		1,360	4,885
Compliance expenses		(67,263)	(87,493)
Professional services expenses		(162,068)	(196,731)
Finance expenses		(15)	(111)
Occupancy expenses		(512)	-
Directors' expenses		(128,064)	(193,017)
Exploration and evaluation expenditure expensed as incurred		(201,180)	-
Loss on settlement of financial liability	6	(67,500)	-
Travel and accommodation expenses		-	(18,782)
Other expenses		(30,769)	(30,612)
Total expenses		(657,371)	(526,746)
Realised (loss)/gain on foreign exchange		714	(16,476)
Unrealised (loss)/gain on foreign exchange		1,470	(2,724)
Total foreign exchange (loss)/gain		2,184	(19,200)
Loss before income tax		(653,827)	(541,061)
Income tax expense		-	-
Loss for the period after income tax		(653,827)	(541,061)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(21,149)	24,970
Other comprehensive income / (loss) for the period, net of tax		(21,149)	24,970
Total comprehensive loss for the period		(674,976)	(516,091)
Loss per share			
Basic and diluted loss per share (cents per share)	3	(0.06)	(0.10)

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Financial Position

As at 31 December 2025

		Consolidated	
		31 December	30 June
		2025	2025
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents		635,389	451,939
Trade and other receivables		251,773	179,985
Total current assets		887,162	631,924
Non-current assets			
Property, plant and equipment		86,834	91,026
Deferred exploration and evaluation expenditure	4	11,599,372	10,672,695
Other non-current assets		100,018	74,025
Total non-current assets		11,786,224	10,837,746
Total assets		12,673,386	11,469,670
Liabilities			
Current liabilities			
Trade and other payables		234,419	341,827
Financial liabilities	8	-	250,000
Total current liabilities		234,419	591,827
Total liabilities		234,419	591,827
Net assets		12,438,967	10,877,843
Equity			
Issued capital	5	39,839,072	37,974,222
Reserves	6	1,012,137	662,036
Accumulated losses		(28,412,242)	(27,758,415)
Total equity		12,438,967	10,877,843

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2024

	Consolidated				
	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
1 July 2024	36,066,871	207,300	94,959	(27,045,328)	9,323,802
Loss for the period	-	-	-	(541,061)	(541,061)
Other comprehensive income for the period, net of income tax	-	-	24,970	-	24,970
Total comprehensive income/(loss) for the period	-	-	24,970	(541,061)	(516,091)
Issue of shares for cash	2,367,335	-	-	-	2,367,335
Issue of shares to Directors under loan agreements	132,000	-	-	-	132,000
Issue of shares in lieu of fees	163,000	-	-	-	163,000
Issue of options as share issue costs	(520,300)	520,300	-	-	-
Lapse of options	-	(207,300)	-	207,300	-
Share issue costs paid	(190,740)	-	-	-	(190,740)
31 December 2024	38,018,166	520,300	119,929	(27,379,089)	11,279,306
1 July 2025	37,974,222	546,598	115,438	(27,758,415)	10,877,843
Loss for the period	-	-	-	(653,827)	(653,827)
Other comprehensive loss for the period, net of income tax	-	-	(21,149)	-	(21,149)
Total comprehensive income/(loss) for the period	-	-	(21,149)	(653,827)	(674,976)
Issue of shares for cash	2,315,000	-	-	-	2,315,000
Loss on settlement of financial liability with equity	-	67,500	-	-	67,500
Issue of options as share issue costs	(303,750)	303,750	-	-	-
Share issue costs paid	(146,400)	-	-	-	(146,400)
31 December 2025	39,839,072	917,848	94,289	(28,412,242)	12,438,967

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2025

		Consolidated	
		Six months to 31 December 2025	Six months to 31 December 2024
	Notes	\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(514,156)	(509,727)
Interest received		1,360	4,885
Finance costs		(15)	(111)
Exploration and evaluation expenditure		(201,180)	-
Net cash outflow from operating activities		(713,991)	(504,953)
Cash flows from investing activities			
Exploration and evaluation expenditure		(1,020,972)	(797,273)
Purchase of property, plant and equipment		(5,907)	(7,178)
Net cash outflow from investing activities		(1,026,879)	(804,451)
Cash flows from financing activities			
Proceeds from issue of shares – placement and entitlement offer	5	2,065,000	2,367,335
Proceeds from issue of shares – loan agreements	5	-	32,000
Share issue costs paid		(146,400)	(190,740)
Net cash inflow from financing activities		1,918,600	2,208,595
Net increase in cash and cash equivalents		177,730	899,191
Cash and cash equivalents at the beginning of the period		451,939	250,260
Effect of foreign exchange rate fluctuations on cash held		5,720	2,464
Cash and cash equivalents at the end of the period		635,389	1,151,915

The accompanying notes form part of these financial statements

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 1: Basis of Preparation

These condensed interim financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements comprise the consolidated condensed interim financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. The interim financial statements do not include full disclosures of the type normally included in the annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as the annual financial report. It is recommended these interim financial statements be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by Variscan Mines Limited and its subsidiaries during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The financial statements have been prepared on a historical cost basis, except for financial assets carried at fair value. Historical cost is based on the fair values of the consideration given in exchange for assets, goods and services. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the interim financial statements, the half year has been treated as a discrete reporting period.

(a) [Statement of compliance](#)

The financial report was authorised for issue on 16 March 2026.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

[New Standards and Interpretations applicable for the half year ended 31 December 2025](#)

In the period ended 31 December 2025, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

[Standards and Interpretations in issue not yet adopted](#)

The Directors have also reviewed all of the new and revised Standards and Interpretations on issue not yet adopted for the period ended 31 December 2025. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(b) [Going concern](#)

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. For the half-year ended 31 December 2025, the Group recorded a net loss after tax of \$653,827 (2024: \$541,061), and net cash outflows from operating and investment activities of \$1,740,870 (2024: \$1,309,404). At 31 December 2025, the Group had \$635,389 in cash and cash equivalents (30 June 2025: \$451,939) and net working capital of \$652,743 (30 June 2025: \$40,097).

Notwithstanding the above, and whilst not immediately required, the Group will need to raise further funds to meet its planned exploration and development expenditure and corporate overheads. The Group's ability to raise additional funds will be impacted by the success of exploration activities and market conditions. The Directors have reviewed the Group's overall financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will have sufficient funds available for at least 12 months to achieve its objectives, noting that it will need to raise further funding or reduce or delay expenditures.

Should these planned activities to raise or conserve capital not be successful, there exists a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and, therefore, to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 2: Segment Reporting

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

Based on the quantitative thresholds included in AASB 8, there are currently two geographical segments, being Australia and Spain, which are considered for management purposes to form part of the single reportable segment of mineral exploration.

Segment information

The following tables present revenue and profit information and certain asset and liability information regarding geographical segments:

	As at	Australia \$	Spain \$	Total \$
Segment assets	31 December 2025	613,205	12,060,181	12,673,386
	30 June 2025	419,148	11,050,522	11,469,670
Segment liabilities	31 December 2025	(155,799)	(78,620)	(234,419)
	30 June 2025	(515,076)	(76,751)	(591,827)
Non-current asset additions	31 December 2025	-	1,000,833	1,000,833
	30 June 2025	-	1,028,973	1,028,973

	For the half year ended	Australia \$	Spain \$	Total \$
Segment income	31 December 2025	1,360	0	1,360
	31 December 2024	(7,479)	12,364	4,885
Segment loss before income tax expense	31 December 2025	(652,685)	(1,142)	(653,827)
	31 December 2024	(551,249)	10,188	(541,061)

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 3: Loss Per Share

Basic and diluted loss per share

	Consolidated	
	Six months to	Six months to
	31 December	31 December
	2025	2024
Basic and Diluted loss per share (cents per share)	(0.06)	(0.10)

Gain/(Loss)

The Gain or (Loss) used in the calculation of basic and diluted gain/(loss) per share is as follows:

	Consolidated	
	Six months to	Six months to
	31 December	31 December
	2025	2024
	\$	\$
Loss used in the calculation of basic loss per share	(653,827)	(541,061)

Weighted average number of ordinary shares

The weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:

	Consolidated	
	Six months to	Six months to
	31 December	31 December
	2025	2024
	Number	Number
Weighted average number of ordinary shares for the purpose of basic loss per share	1,049,972,784	526,279,813
There is no impact of potential ordinary shares as they are not considered to be dilutive	-	-
Weighted average number of ordinary shares for the purpose of diluted loss per share	1,049,972,784	526,279,813

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 4: Deferred Exploration and Evaluation Expenditure

Carrying value

	Consolidated	
	31 December	30 June
	2025	2025
	\$	\$
Exploration and evaluation costs	11,599,372	10,672,695

Reconciliation

	Consolidated	
	Six months to	Year to
	31 December	30 June
	2025	2025
	\$	\$
Opening balance	10,672,695	9,331,873
Expenditure incurred	986,711	973,165
Depreciation capitalised	8,215	16,646
Impact of foreign currency exchange differences	(68,249)	351,011
Closing balance	11,599,372	10,672,695

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 5: Issued Capital

Contributed Equity

	31 December 2025	30 June 2025
	\$	\$
Share capital		
1,247,159,078 ordinary shares fully paid (30 June 2025: 782,857,708)	39,839,072	37,974,222

Movement in ordinary shares on issue

	Six months to 31 December 2025		Year to 30 June 2025	
	Number	\$	Number	\$
Balance at beginning of period	782,857,706	37,974,222	379,000,368	36,066,871
Shares issued for cash	413,000,000	2,065,000	359,333,527	2,367,335
Shares issued subject to loan agreements with Directors	-	-	21,238,097	132,000
Shares issued as offset of amounts owed to shareholder (a)	51,301,372	250,000	-	-
Shares issued in lieu of directors fees (b)	-	-	23,285,714	163,000
Options issued as share issue costs (c)	-	(303,750)	-	(520,300)
Other share issue costs	-	(146,400)	-	(234,684)
Balance at end of period	1,247,159,078	39,839,072	782,857,706	37,974,222

- a) On 17 September 2025, shareholders approved the issue of 51,301,372 shares and 25,650,685 options (exercisable at \$0.008 on or before 29 September 2028) to settle a shareholder loan of \$250,000, resulting in a loss on settlement of \$67,500 for the fair value of the options received by the shareholder (refer Note 6).
- b) Shares issued in lieu of directors fees were valued by reference to the Company's shares as quoted on the ASX for the month to which the liability related.
- c) The Company issued options to Lead Managers and Underwriters of offers made during the current and previous financial periods. These options, which have been valued using the Black-Scholes Option Pricing Model, have been recognised as share issue costs during the period. Refer Note 6 for details.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 6: Reserves and Share-based Payments

Reserves

	31 December 2025	30 June 2025
	\$	\$
Share based payment reserve	917,848	546,598
Foreign currency translation reserve	94,289	115,438
Total Reserves	1,012,137	662,036

Movement in share-based payment reserve

	Six months to 31 December 2025		Year to 30 June 2025	
	Number	\$	Number	\$
Balance at beginning of period	195,285,794	546,598	65,888,890	207,300
Issue of options as free-attaching to placement	206,499,994	-	105,833,352	-
Issue of options in lieu of share issue costs	112,500,000	303,750	78,833,394	520,300
Issue of options to Directors as free-attaching to placement	-	-	10,619,048	26,298
Issue of options to Shareholder as free-attaching to shares issued under loan agreement (a)	25,650,685	67,500		
Lapse of options	-	-	(65,888,890)	(207,300)
Balance at end of period	539,936,473	917,848	195,285,794	546,598

- a) On 17 September 2025, shareholders approved the issue of 51,301,372 shares and 25,650,685 options (exercisable at \$0.008 on or before 29 September 2028) to settle a shareholder loan of \$250,000, resulting in a loss on settlement of \$67,500 for the fair value of the options received by the shareholder.

The following share-based payment arrangements were in place during the period:

Unlisted options

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting terms	Current Status
				\$	\$		
Lead manager & underwriter options – FY25	78,833,394	18 Dec 2024	30 Nov 2026	\$0.015	\$0.0066	Immediately	Vested / Exercisable
Director free-attaching options – FY25	10,519,048	17 Dec 2024	30 Nov 2026	\$0.01	\$0.0025	Immediately	Vested / Exercisable
Lead manager options – FY26 & Loan agreement attaching options	138,150,685	29 Sep 2025	29 Sep 2028	\$0.008	\$0.0027	Immediately	Vested / Exercisable

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 6: Reserves and Share-based Payments

The fair value of services rendered in return for unlisted options is based on the fair value of the unlisted options granted, measured using the Black-Scholes model. The following inputs were used in the measurement of the fair values at grant date of the unquoted options in place during the period:

	Lead manager options – FY26 & Loan Agreement Attaching Options	Director Free-Attaching Options - FY25	Lead Manager & Underwriter Options - FY24
Fair value (per security) at grant date	\$0.0027	\$0.0025	\$0.0066
Share price at grant date	\$0.005	\$0.007	\$0.013
Exercise price	\$0.008	\$0.01	\$0.015
Expected volatility	100%	100%	100%
Option life	3 years	2 years	2 years
Expected dividends	-	-	-
Risk-free interest rate	3.35%	3.94%	3.94%
Number of options	138,150,685	10,519,048	787,833,394
Total fair value of securities granted	\$371,250	\$26,298	\$520,300

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 7: Financial Instruments

Not measured at fair value (but fair value disclosures are required)

The Directors consider that the carrying amounts of current receivables and current payables are a reasonable approximation of their fair values.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 8: Financial Liabilities

Carrying value

	Consolidated	
	31 December	30 June
	2025	2025
	\$	\$
Financial liabilities	-	250,000

Reconciliation

	Consolidated	
	Six months to	Year to
	31 December	30 June
	2025	2025
	\$	\$
Opening balance	250,000	100,000
Loans advanced during the period	-	282,000
Loans settled through the issue of shares and options (Notes 5 & 6)	(250,000)	(132,000)
Closing balance	-	250,000

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 9: Contingencies and Commitments

Contingencies

There has been no change in contingent liabilities since the last annual reporting date (30 June 2025: \$nil).

Milestone consideration

In accordance with the acquisition agreements, the Company must issue additional shares upon the satisfaction of certain exploration milestones. These milestones are for the definition, in accordance with JORC 2012, of an Inferred Mineral Resource (or greater) of:

- Milestone 1: 4 million tonnes at 7% Zn
- Milestone 2: 8 million tonnes at 7% Zn

Upon satisfaction of each of these milestones, the Company must issue 27,500,000 ordinary shares to the vendors of Slipstream Spain Pty Ltd and Slipstream Spain 2 Pty Ltd, and 2,426,471 shares to Hispanibal S.L. as the vendor of the "Hispanibal Option", for a total of 59,852,941 Ordinary Shares if both milestones are met. Pursuant to the Hispanibal Option being settled, a deferred cash payment of €200,000 is payable upon the publication of a JORC compliant mineral resource. This is expected to be payable upon achievement of Milestone 1 as set out above.

As at the date of this report neither of these milestones have been reached.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 10: Significant Events after Balance Date

On 21 January 2026 the Company announced that it had processed the conversion of 772,306 unquoted options (exercisable at \$0.008 on or before 29 September 2028) into ordinary shares of the Company upon receipt of a valid exercise notice.

On 30 January 2026 the Company announced that it had entered into a binding term sheet for a \$1 million Convertible Loan Note Facility with a small syndicate of professional and sophisticated investors. As at the date of this report, this facility remains undrawn. As part of the agreement, the Company issued 15 million unquoted options (exercisable at \$0.008 on or before 28 September 2028) to the lead financial advisor of the facility (or its nominees).

On 6 February 2026 the Company announced the appointment of Vaughan (Tom) Kent as a non-executive director, and the resignation of Nicholas Farr-Jones from the Board.

On 3 March 2026 the Group announced that the proposed Earn-In and Joint Venture Agreement (“Definitive Agreement”) with MDF Global Limited (“MDF”), Zinc GroupCo Pty Ltd (“ZincCo”) (together, the “Vendors”) and BMex Pty Ltd (“BMex”) had not been executed within the prescribed timeframe. The Group had sought and obtained shareholder approval to execute the Definitive Agreement at its 2025 Annual General Meeting, and the terms of the approval required the execution to occur within 3 months of the date of the meeting. Certain of the conditions precedent, were not satisfied within the prescribed timeframe and therefore the Definitive Agreement was not executed. The Group intends seeking to negotiate a revised date by which the conditions precedent to execution of the Definitive Agreement must be satisfied with the Vendors and BMex.

Other than the above, there has been no additional matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Notes to the Condensed Interim Financial Statements

For the half-year ended 31 December 2025

Note 11: Significant Accounting Estimates and Judgements

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2025.

Directors' Declaration

In the opinion of the Directors of Variscan Mines Limited (the 'Company'):

1. the accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - a. giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year then ended; and
 - b. complying with Australian Accounting Standard AASB134 "Interim Financial Reporting", the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the board of Directors.

A handwritten signature in blue ink, appearing to read 'Stewart Dickson', is written over a faint, light blue circular stamp.

Stewart Dickson

Managing Director

Dated this 16th day of March 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Variscan Mines Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Variscan Mines Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Variscan Mines Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
16 March 2026



D B Healy
Partner