



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

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VARISCAN **MINES**

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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[Share Registry](#)

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[Auditors](#)

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Australia
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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 <i>(appointed 6 February 2026)</i> |
| Dr Frank Bierlein | Non-executive Director |
| Mr Nicholas (Nick) Farr-Jones | Non-executive Director <i>(resigned 6 February 2026)</i> |

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

| | Notes | Consolidated | |
|---|-------|---------------------|---------------------|
| | | Six months to | Six months to |
| | | 31 December 2025 | 31 December 2024 |
| | | \$ | \$ |
| 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

| | Notes | Consolidated | |
|---|-------|---------------------|-------------------|
| | | 31 December 2025 | 30 June 2025 |
| | | \$ | \$ |
| 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

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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

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Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2025

| | Notes | Consolidated | |
|---|-------|--------------------------------------|--------------------------------------|
| | | Six months to 31 December 2025 | Six months to 31 December 2024 |
| | | \$ | \$ |
| 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

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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.

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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) |

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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 |

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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.

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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.

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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 |

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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.

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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 |

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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.

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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.

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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.

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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.



Stewart Dickson

Managing Director

Dated this 16th day of March 2026

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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

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