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ASX Announcement | 10 July 2026

Variscan Mines Limited (ASX:VAR)

MAIDEN DRILLING PROGRAMME AT GUAJARAZ Zn (+Pb-Ag-Cu) PROJECT ABOUT TO COMMENCE

5-HOLE DIAMOND DRILLING PROGRAMME TO TEST HIGH-PRIORITY ZINC-POLYMETALLIC TARGETS

Highlights

- **Multi-project portfolio** – The Guajaraz project complements the Company's flagship Novales-Udías zinc project in Cantabria, demonstrating Variscan's robust pipeline of high-impact base-metal assets in Spain.
- **Polymetallic upside –** Guajaraz is a polymetallic Zn-rich + lead (Pb) – silver (Ag) – copper (Cu) project. Historical grab samples have returned up to 0.9% Cu and 278 ppm Ag, highlighting significant Pb, Ag and Cu prospectivity alongside the primary Zn targets.
- **Maiden drilling programme to target mineralisation and unexploited structures** – 5 priority diamond drill holes for 1,430 m available for follow-up testing of down-dip extensions to historically exploited mineralisation and base metal anomalies. The drilling is specifically designed to test for deeper, carbonate-hosted replacement-type Zn mineralisation and sub-parallel structures north of the historical ENE-trending La Unión mine (Figure 1), whilst safely avoiding the submerged historical mine workings.
- **Strategic advancement** – This imminent drilling campaign satisfies the operational requirements necessary to file for a 3-year extension of the Guajaraz tenement in September 2026.
- **Site preparation underway** – Drill sites have been finalised following crop harvests, ensuring optimal, immediate, and cost-effective access for the drilling rig.
- **Strong corporate momentum** – With multiple active exploration fronts across the Novales-Udias Project and Guajaraz, backed by a recent capital raising (refer ASX announcement 11 May 2026), the Company anticipates a strong flow of operational news over the coming months.

Variscan Mines Limited (ASX:VAR) ("Variscan" or "the Company") is pleased to advise that its maiden drilling programme at the Guajaraz Project in the Central Zone of the Iberian Massif, central Spain, will commence shortly. The programme follows the Company's extensive geological mapping, geochemical sampling, and an 8.5 line-km Deep Ground Penetrating Radar (DGPR) survey, which have defined several high-priority polymetallic targets. Variscan has designed a diamond drilling programme to test these targets at depth and has engaged experienced contractor Geoplanning to execute the campaign.

This exploration expansion runs parallel to ongoing underground and surface campaigns across the Company's flagship Novales-Udias Zinc (Zn) project in Cantabria.

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Tony Wehby, Chairman of Variscan, commented:

"Following our recent capital raising, the Variscan team is moving forward with renewed vigour across our entire Spanish portfolio.

While surface and underground drilling campaigns continue to expand our mineralised footprint at Novales, this maiden drilling programme at Guajaraz represents an expansion of our regional exploration footprint. By deploying a targeted, diamond drilling campaign, we are testing the broader potential of this heavily mineralised, yet underexplored, polymetallic system and simultaneously securing our tenement standing heading into the final stretch of the year."

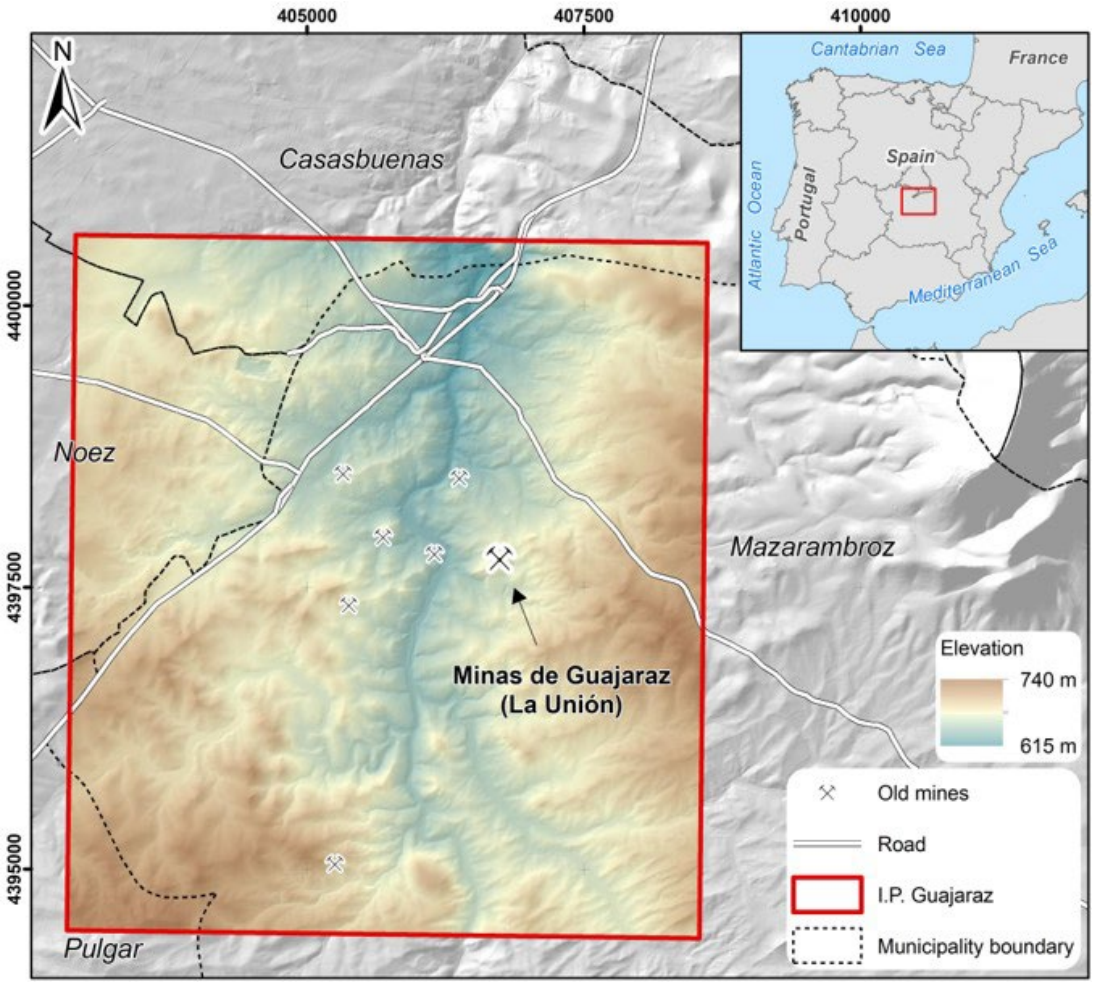


Figure 1: Guajaraz location map

PROJECT BACKGROUND & GEOLOGY

The Guajaraz Project consists of a 1,530 ha brownfield exploration permit located in the highly mineralised Central Zone of the Iberian Massif, approximately 60 km southwest from Madrid and 20 km from Toledo in the Province of Castilla La Mancha. The project comprises seven known mineral occurrences, centred on the historical La Unión (La Económica) underground mine, which was periodically active from 1945 until the mid-1980s. The mining complex is composed of a network of galleries and shafts extending to a depth of 280m over 10 separate levels.

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Historical records indicate that the mine produced high-grade Ag-rich Pb and Zn sulphides (galena, sphalerite), with concentrates reportedly averaging ~70% Pb and 51% Zn, alongside strong Ag credits (1,500–3,000 ppm in concentrate). A historic non-JORC compliant Zn-Pb-Ag resource estimate was compiled by the Spanish state-owned company ENADMISA in 1990.

GUAJARAZ PROJECT DRILLING PROGRAMMEME DESIGN

The maiden programme has been designed to test key targets identified by geological mapping, historical data review, and a DGPR survey. Diamond drilling will be utilised to provide continuous core samples, allowing Variscan to determine whether the Zn-Pb-Ag polymetallic mineralisation identified at surface continues at depth and to refine the structural model of the Toledo Shear Zone within the tenement.

The priority programme comprises 5 angled diamond drill holes for 1,430 metres. The holes are designed to intersect the predominantly south-dipping mineralised structures.

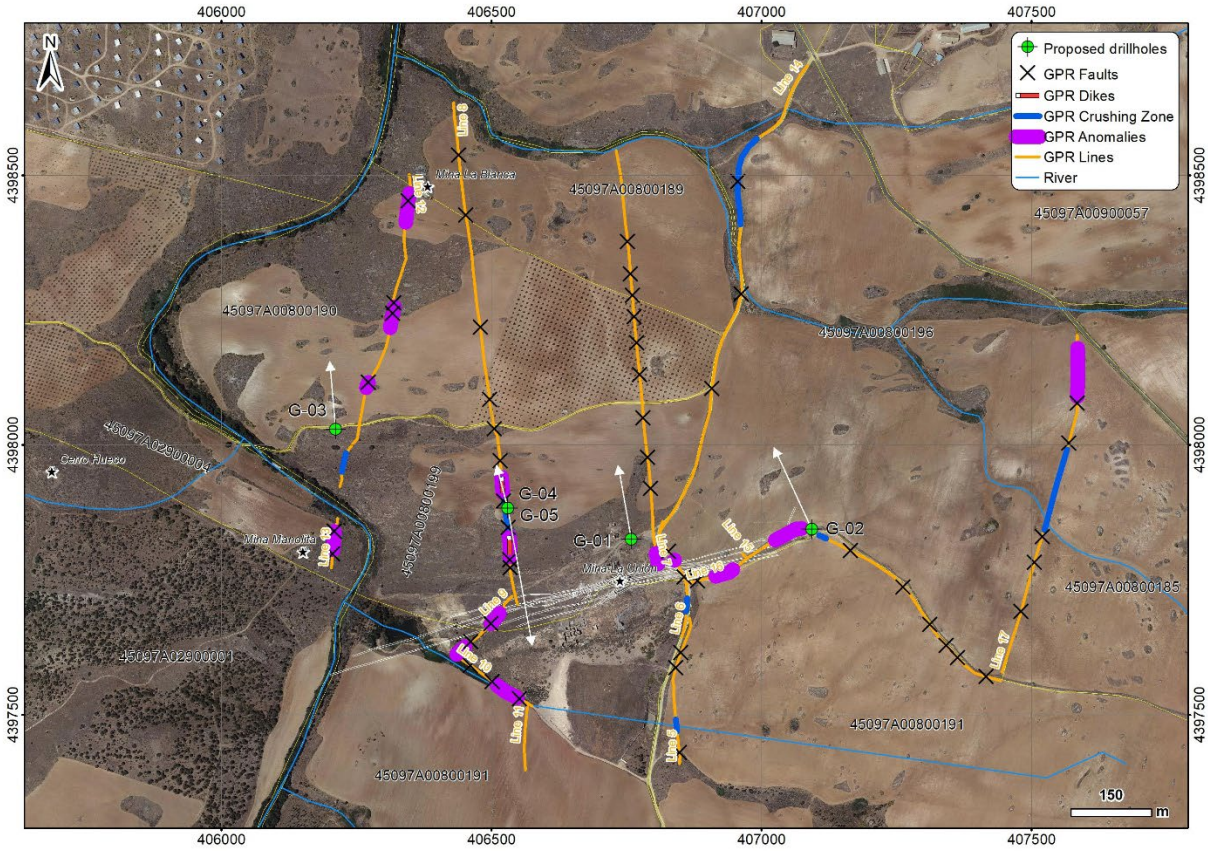


Figure 2. Proposed 2026 Guajaraz drill hole locations – topographical background

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TARGET AREAS AND DRILLING RATIONALE

The programme (refer to Figure 3) avoids drilling across the principal sub-vertical La Unión vein structure to mitigate the risk of intersecting unmapped and likely flooded historical workings. Instead, drilling will be focused on testing the broader mineral system:

- **Hole G-01 (Enadmisa Conceptual Target)**: Designed to test a geological model proposed by historical explorers (Enadmisa) immediately north of the main mine, targeting a conceptual mineralised structure at depth, and the eastern extension of a possible sub-parallel mineral trend identified at Mina Manolita.
- **Hole G-02 (Northern Displacement Target):** Geological mapping indicates a potential northward displacement of the main mineralised structure, evidenced by ENE-aligned highly silicified outcrops. The ~260 m hole aims to intersect this displaced continuation, as well as several mineralised structures identified in historical mapping and a strong DGPR anomaly.
- **Hole G-03 (Cerro Hueco Structure):** Aimed at testing a potential sub-parallel mineralised structure to the ENE of Cerro Hueco, targeting calc-silicate outcrops and a coincident DGPR anomaly.
- **Hole G-04 (Mina Manolita Structure):** Designed to test second sub-parallel structure passing near Mina Manolita to the WNW, and directly targeting a prominent geophysical anomaly identified in the DGPR survey.
- **Hole G-05 (Deep-seated carbonate-replacement Zn lenses):** Designed to test the carbonate strata in the lowermost part of the mine with historically-described high-grade replacement type Zn mineralisation.

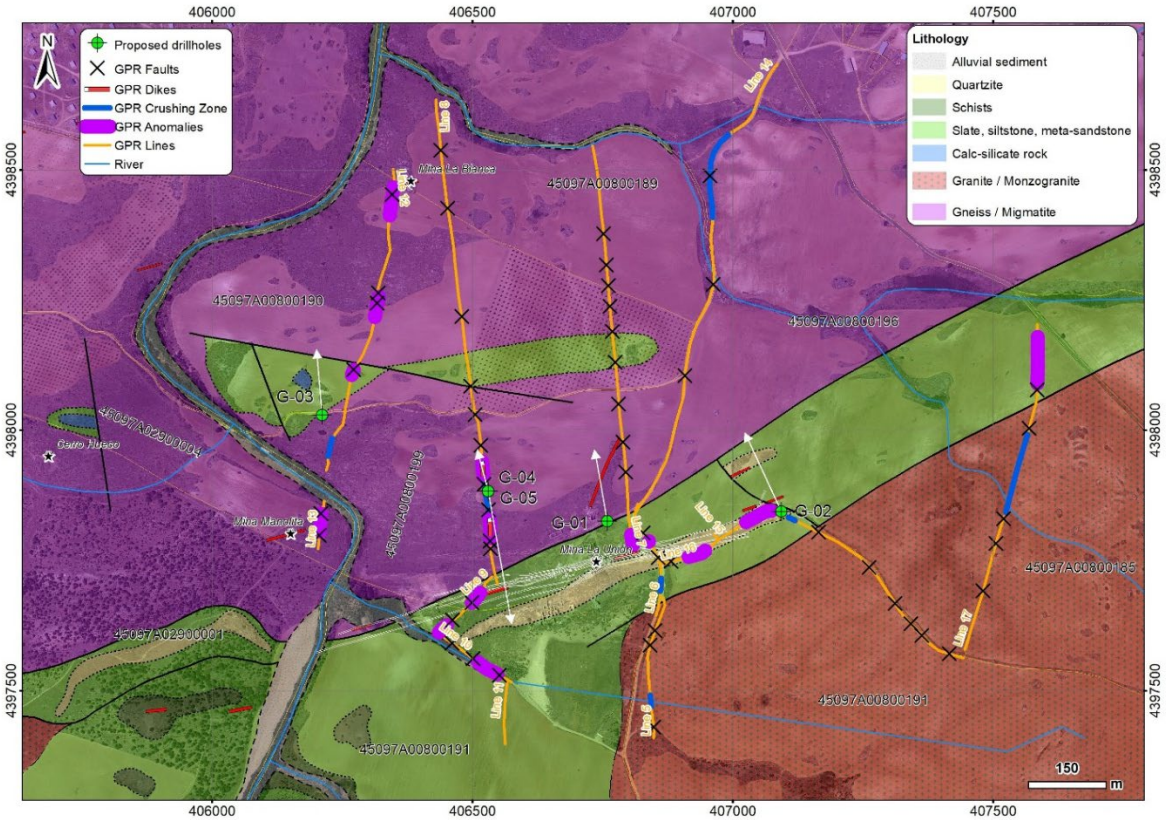


Figure 3. Proposed 2026 Guajaraz drill hole locations – background geology

Next Steps & Way Forward

- Imminent deployment and commencement of the Guajaraz diamond drilling campaign.
- Filing for a 3-year extension of the Guajaraz tenement in September 2026.
- Ongoing underground drilling and pending channel sample assays from the Emilia Mine at Novales.
- Infrastructure and power upgrades at Novales-Udias to support deeper underground development.
- Advancement of the Mine Restart Study parameters (refer ASX announcement 25 March 2026), including the commissioning of hydrogeological and environmental Impact studies.

ENDS

To ask questions directly to the Variscan management team and access media content, visit our interactive investor website at: https://variscan.com.au/s/aa7e61

This ASX announcement has been approved by the Board and authorised for issue by Tony Wehby, Chairman, Variscan Mines Limited

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About Variscan Mines Limited (ASX:VAR)

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Project Summary

The Novales Project is located in the Basque-Cantabrian Basin, some 30km southwest from the regional capital, Santander. The project is centred around the former producing San Jose underground mine with a large surrounding area of exploration opportunities which include a number of satellite underground and surface workings and areas of zinc anomalism identified from recent and historic geochemical surveys. Variscan has delineated a significant 12km mineralised trend and a sub-parallel 3km trend from contemporary and historical data across both the Buenahora exploration and Novales mining permits.

The San Jose Mine is nearby (~9km) to the world class Reocin Mine which is the largest known strata-bound carbonate-hosted Zn-Pb deposit in Spain[1] and one of the world's richest MVT deposits[2]. Further it is within trucking distance (~80km) from the San Juan de Nieva zinc smelter operated by Asturiana de Zinc (100% owned by Glencore). Significantly, the Novales Project includes a number of granted mining tenements[3].

Competent Person Statement

The information in this document that relates to technical information about the Guajaraz Project is based on and fairly represents information and supporting documentation compiled and reviewed by Dr. Mike Mlynarczyk, Principal of Redstone Exploration Services, a geological consultancy acting as an external consultant for Variscan Mines. Dr. Mlynarczyk is a Professional Geologist (PGeo) of the Institute of Geologists of Ireland, and European Geologist (EurGeol) of the European Federation of Geologists, as well as Fellow of the Society of Economic Geologists (SEG). Dr. Mlynarczyk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ('JORC Code'). Dr. Mlynarczyk consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

The information in this document that relates to previous exploration results was prepared pre-2012 JORC code. It is the opinion of Variscan that the exploration data is reliable. Although some of the data is incomplete, nothing has come to the attention of Variscan that causes it to question the accuracy or reliability of the historic exploration. Refer ASX announcement 29 July 2019.

Forward Looking Statements

Forward-looking statements are only predictions and are not guaranteed. They are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of the Company. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ from those referred to in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this announcement will occur as contemplated.

[1] Velasco, F., Herrero, J.M., Yusta, I., Alonso, J.A., Seebold, I. and Leach, D., (2003) 'Geology and Geochemistry of the Reocin Zinc-Lead Deposit, Basque-Cantabrian Basin, Northern Spain' Econ. Geol. v.98, pp. 1371-1396.
[2] Leach, D.L., Sangster, D.F., Kelley, K.D., Large, R.R., Garven, G., Allen, C.R., Gutzner, J., Walters, S., (2005) 'Sediment-hosted lead-zinc deposits: a global perspective'. Econ. Geol. 100th Anniversary Special Paper 561 607
[3] Refer to ASX announcement of 29 July 2019