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ASX Announcement | 31 October 2024

Variscan Mines Limited (ASX:VAR)

2024 Annual Report

Variscan Mines Limited ("Variscan" or the "Company") encloses its annual report for the year ended 30 June 2024.

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, Chile and Australia. Its primary focus is the development of its advanced zinc projects in Spain. The Company's name is derived from the Variscan orogeny, which was a geologic mountain building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangea.

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

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ANNUAL REPORT 2024

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

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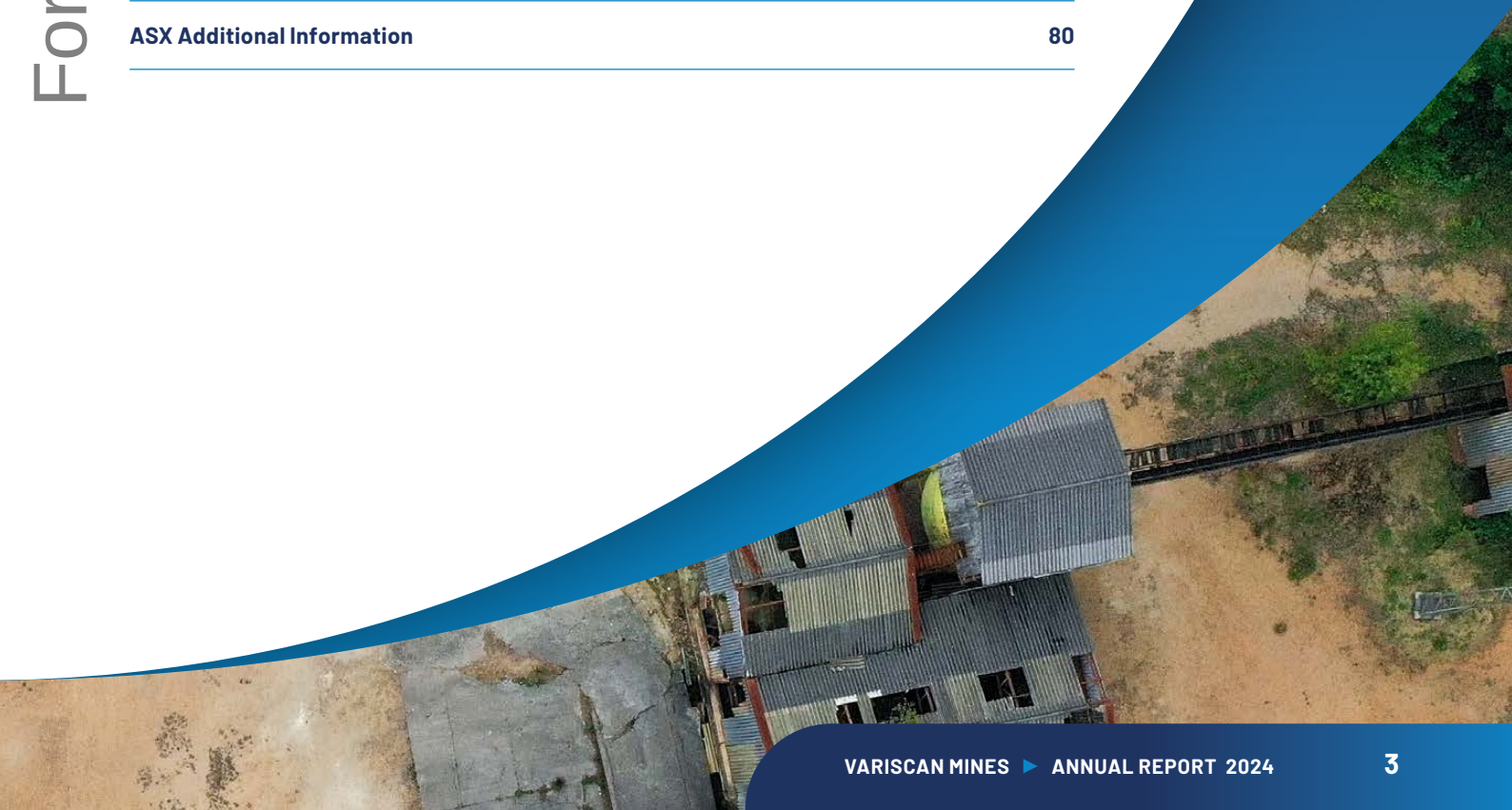


Chairman's Letter

We are proud of the significant progress made in executing our exploration and development plans for our flagship Novales-Udias Zinc Project in northern Spain during the year ended 30 June 2024 (FY24).

This period notably saw the issue of an initial high-grade Mineral Resource Estimate and secured a new lease agreement over the San Jose mine site and facilities. All of which supports and aligns with our rapidly evolving mine re-start strategy over the Novales-Udias Project.

In addition, our exploration activities, led by a successful underground drilling campaign, have yielded very exciting results. Further, we significantly increased the size of the Novales-Udias Project, via the addition of several new licence areas.

We continue to generate momentum and I am pleased to say that further key project development milestones have been realised in the early part of FY25.

On behalf of the Board of Directors of Variscan Mines, I am pleased to report on our achievements during the financial year ended 30 June 2024 (FY24). During this year we made significant progress towards bringing the Novales-Udias Zinc Project back into production.

Midway through FY24, Variscan announced its maiden JORC Mineral Resource Estimate (MRE) for the historically producing San Jose Mine that lies within the Novales-Udias Project. The Operational Review that immediately follows this Letter will discuss the makeup of this MRE in more detail. A key take-away from this initial estimate is that San Jose hosts of one of the highest grade zinc mineral resources currently held by an ASX-listed company.

The Operational Review also provides shareholders with detail on the exploration successes and associated development activities undertaken during the year. These activities included successful underground drilling campaigns in the San Jose Mine, and a structural geological assessment over the linked San Jose and Udias Mines. The positive results of the drilling and study work have given us confidence that the mineral resources contained in our Novales-Udias asset have significant growth potential. Your Board have undertaken to report an updated MRE by the close of calendar year 2024.

Another significant development during FY24 was the realization of our growth ambitions by substantially upsize the Project's land area. In April 2024, Variscan was conditionally awarded five new exploration licences, comprising 36.66km2 in aggregate, by the Government of Cantabria. These new licences, which boost the land package of Variscan's Novales-Udias Project by around 70%, are immediately adjacent to the existing San Jose and Buenahora tenements and contain attractive exploration targets.

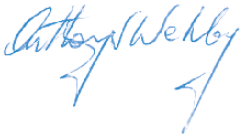
While successfully executing on our plans to grow the scale of the Project we at the same time met another objective, which was the extend the lease on the San Jose Mine site and facilities. This lease extension, done at a competitive, commercial rate in line with prevailing local norms for industrial sites, is a key enabler to support Variscan's current activities and future objective mine re-start.

Late in FY24 and early in FY25 the Company undertook two funding initiatives. The first was a small interim placement which was followed by a Fully Underwritten Renounceable Rights Issue to raise approximately $2m. These raisings saw strong support from our largest shareholder and also attracted some new sophisticated investors with experience in the natural resources sector. At the time of writing, I am pleased to note the early positive response of shareholders to this Rights Issue.

Looking ahead, it is apparent that FY25 will be a transformational year for your Company. Completion of the Rights Issue will provide funds and impetus to accelerate project activities. Deliverables set to be released in the near future include an updated Mineral Resource Estimate and a Mine Re-Start Study. We are hopeful that both will be well received by investors and the wider market.

In closing, I would like to express my thanks to both our management team and staff for their unwavering commitment over the past year. I also want to show my appreciation to local communities and regional authorities with whom we work, the Government of Cantabria included, for their ongoing support,. I also express my appreciation to our loyal shareholders for their support during FY24 when the share price has not reflected the achievements of the Company. Like all junior mining companies, we have faced tough market conditions. We are well positioned to capitalize on the substantial progress made to date and look forward to delivering development milestones.

Yours sincerely



Anthony Wehby
Non-executive Chair

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Operational Review

▶ Group Highlights – Year in Review

Variscan has made great strides in executing its development plan for the Company's exciting Novales-Udias Zinc Project in northern Spain over the course of the financial year ended 30 June 2024 (FY24).

All of our exploration and development activities show demonstrable progress as we continue to advance one of the highest-grade zinc deposits in Europe towards re-starting production.

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FY24 Highlights

- Delivery of an initial maiden high-grade Mineral Resource Estimate
- Reporting multiple sets of positive drilling results from a successful, extended, infill and expansion underground drilling campaign defining new zones of high-grade mineralisation
- Comprehensive geological assessment and structural targeting study completed by world-renowned expert, Dr. Brett Davis
- 70% expansion of the tenure area to +100km^2 via the addition of five new licences → new target areas with the potential to increase project scale
- New Lease Agreement over the San Jose Mine site and facilities secured

Post Period Achievements

- Marketing Agreement executed with Square Resources
- Newly compiled, assays from historic underground face-sampling and drilling results at the Udias Mine show very high-grade zinc-lead results, confirming mineralization outside of the current Mineral Resource Estimate footprint
- Launched fully underwritten Rights Issue to raise ~$2.067m with significant support from Variscan's major shareholder and attracting new sophisticated and professional investors

Future Milestones & Activities in FY25

- Maiden underground drilling campaign at Udias Mine
- Updated Mineral Resources Estimate
- Publication of Mine Re-Start Study
- Evaluation of additional assets

▶ Spain

Variscan holds two very attractive zinc-rich, proven producing assets in Spain.

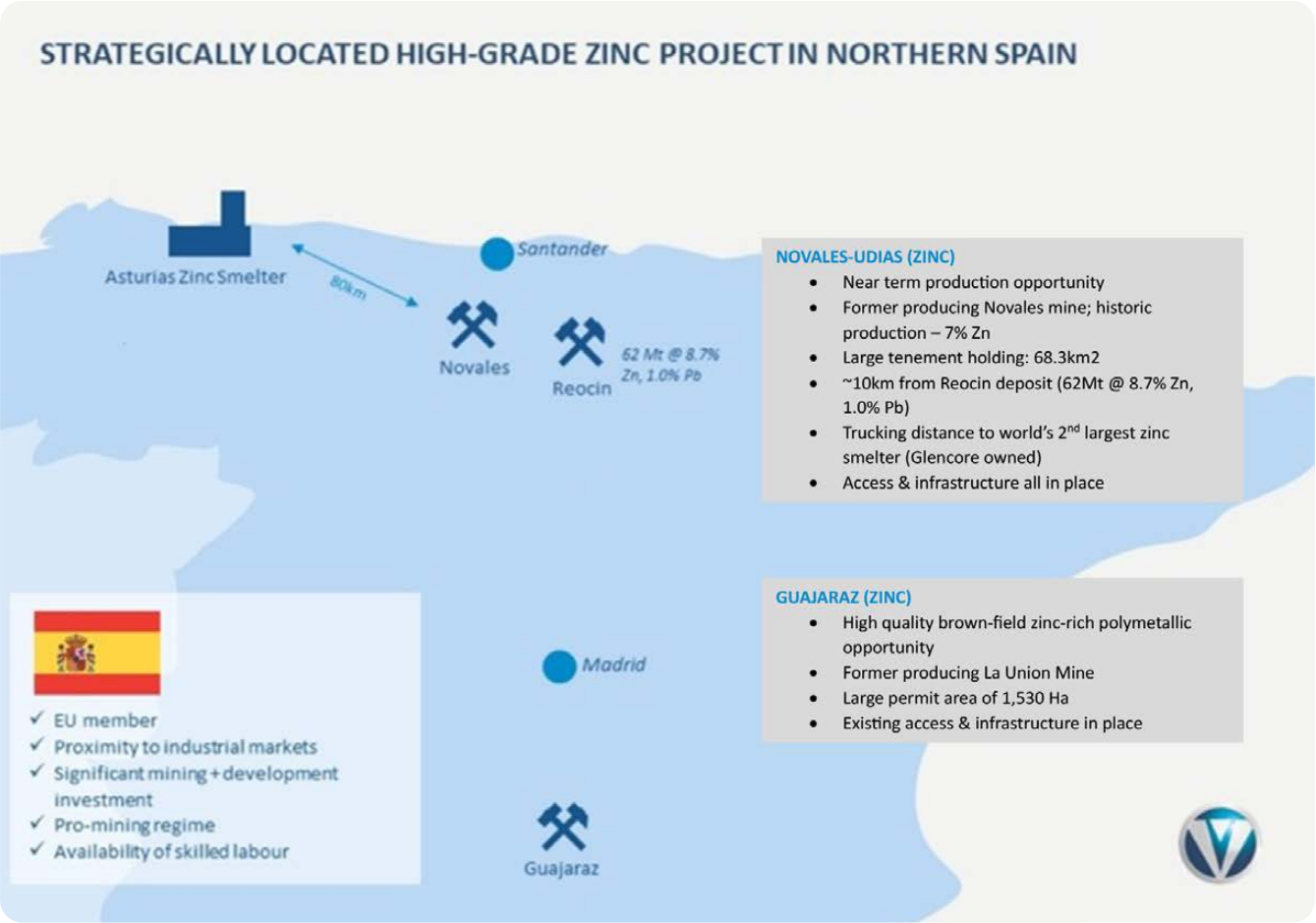

Figure 1. Variscan's Spanish Zinc Projects

Novales-Udias Project

Variscan Mines' FY24 exploration and development activities were again focussed on the Company's flagship Novales-Udias Project, located in the Basque-Cantabrian Basin approximately 30km from the regional capital, Santander in northern Spain.

Our work has significantly advanced the project and builds on the compound progress made over preceding years. The results from our exploration activities, especially drilling, and study work, notably the initial Mineral Resource Estimate and structural geology review, have reinforced our confident view that Novales-Udias Project has a realistic prospect of recommencing mining once again. This remains our primary focus and our future work plans align to deliver one of the highest-grade, development stage zinc deposits in Europe towards re-starting production.

Key advantages and attributes of the Novales-Udias Project.

- A near term zinc production opportunity (subject to further positive exploration and development work)
- A maiden JORC compliant Mineral Resource Estimate of 1.08 Mt at 9% Zn defined in FY24
- A large tenement holding of +100 km^2 (including a number of granted mining tenements)
- Regional exploration potential for further discoveries analogous to Reocin (total past production and remaining resource 62Mt @ 8.7% Zn and 1.0% Pb)[1,2]

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- Novales Mine is within trucking distance (~ 80km) from the zinc smelter in Asturias
- Classic MVT carbonate hosted zinc-lead deposits
- Historic production of high-grade zinc; average grade reported as ~7% Zn[3]
- Simple mineralogy of sphalerite-galena-calamine
- Mineralisation is strata-bound, epigenetic, lenticular and sub-horizontal
- Reported historic production of super high grade 'bolsas' (mineralised pods and lenses) commonly 10-20% Zn and in some instances +30% Zn
- Assay results of targeted grab samples taken from within the underground Novales Mine recorded 31.83% Zn and 62.3% Pb[4]
- Access and infrastructure all in place
- Local community and government support due to historic mining activity

▶ *Note: (1) Velasco, F., Herrero, J.M., Yusta, I., Alonso, J.A., Seebold, I. and Leach, D., 2003 - Geology and Geochemistry of the Reocin Zinc*

▶ *Note: (2) Cautionary statement: references in this report to the publicly stated resource tonnes and grade of the Project (Reocin) are historical and foreign in nature and not reported in accordance with the JORC Code 2012, or the categories of mineralisation as defined in the JORC Code 2012. A competent person has not completed sufficient work to classify the resource estimate as mineral resources or ore reserves in accordance with the JORC Code 2012. It is uncertain that following evaluation and/or further exploration work that following evaluation and/or further exploration work that the foreign/historic resource estimates of mineralisation will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code 2012.*

▶ *Note: (3) These figures have been taken from historical production data from the School of Mines in Torrelavega historical archives*

▶ *Note: (4) Refer to ASX announcement dated 19 December 2019*

Award of new licences substantially increases size of the Novales-Udias Project

In early April 2024, Variscan's Novales-Udias Project was significantly increased, after the Company was conditionally awarded five new exploration licences, comprising 36.66km2 in aggregate, by the Government of Cantabria (see ASX announcement dated 8 April 2024).

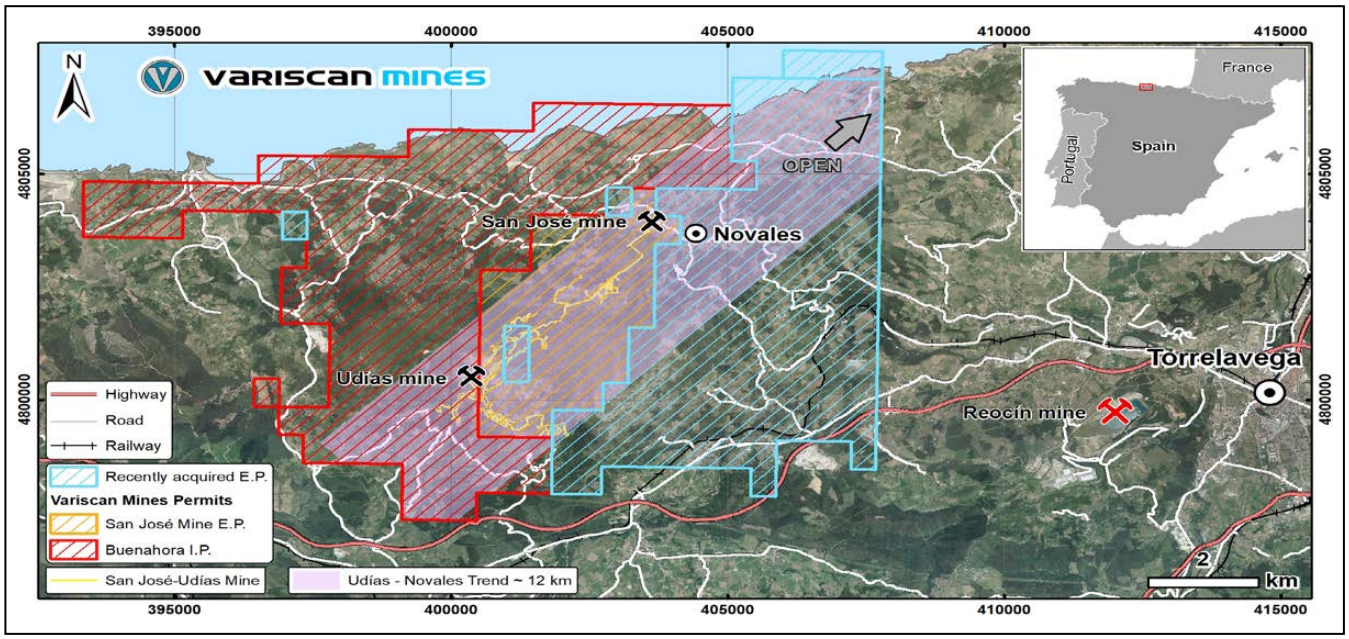

Figure 2. Map of enlarged licence areas and extension of Novales Trend to the North-East

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Licence Area	Size (km²)
Esperanza	34.44
Estela	0.56
Elena	0.28
Candela	1.11
Valeria	0.28
TOTAL	36.66

Table 1. Map of enlarged licence areas and extension of Novales Trend to the North-East

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These new licences, which have increased the land package of Variscan's Novales-Udias Project by around 70%, are immediately adjacent to the existing San Jose and Buenahora tenements. They extend the Novales Trend to the northeast to approximately 12 km in strike length. These additional tenements represent a de-risked exploration opportunity for the Company, which extend over very prospective areas, increase the scale of the Novales-Udias Project.

One of these newly acquired licences, the Estela licence, hosts the main shaft of the Udias Mine (Pozo Madroño) and some major underground developments, and infills a previous gap in the San Jose licence.

This excellent step forward in the growth of the Novales-Udias project has the potential to increase scale and tonnage in this proven, high grade zinc district. This is supported by the positive results from historical exploration, collated by Variscan. The Variscan exploration team identified the location of 53 drillholes over the Esperanza licence area (see Figure 3) which include:

- **DDH S-21:** 6.0m @ 9.62% Zn
- **DDH S-163:** 7.3m @ 6.50% Zn
- **DDH S-162:** 3.2m @ 9.57% Zn.

The more significant zinc anomalies identified from historical geochemical sampling typically range 4,000 – 9,000 ppm Zn (maximum 33,600 ppm Zn) and 380 – 2280 ppm Pb, making for compelling drill targets.

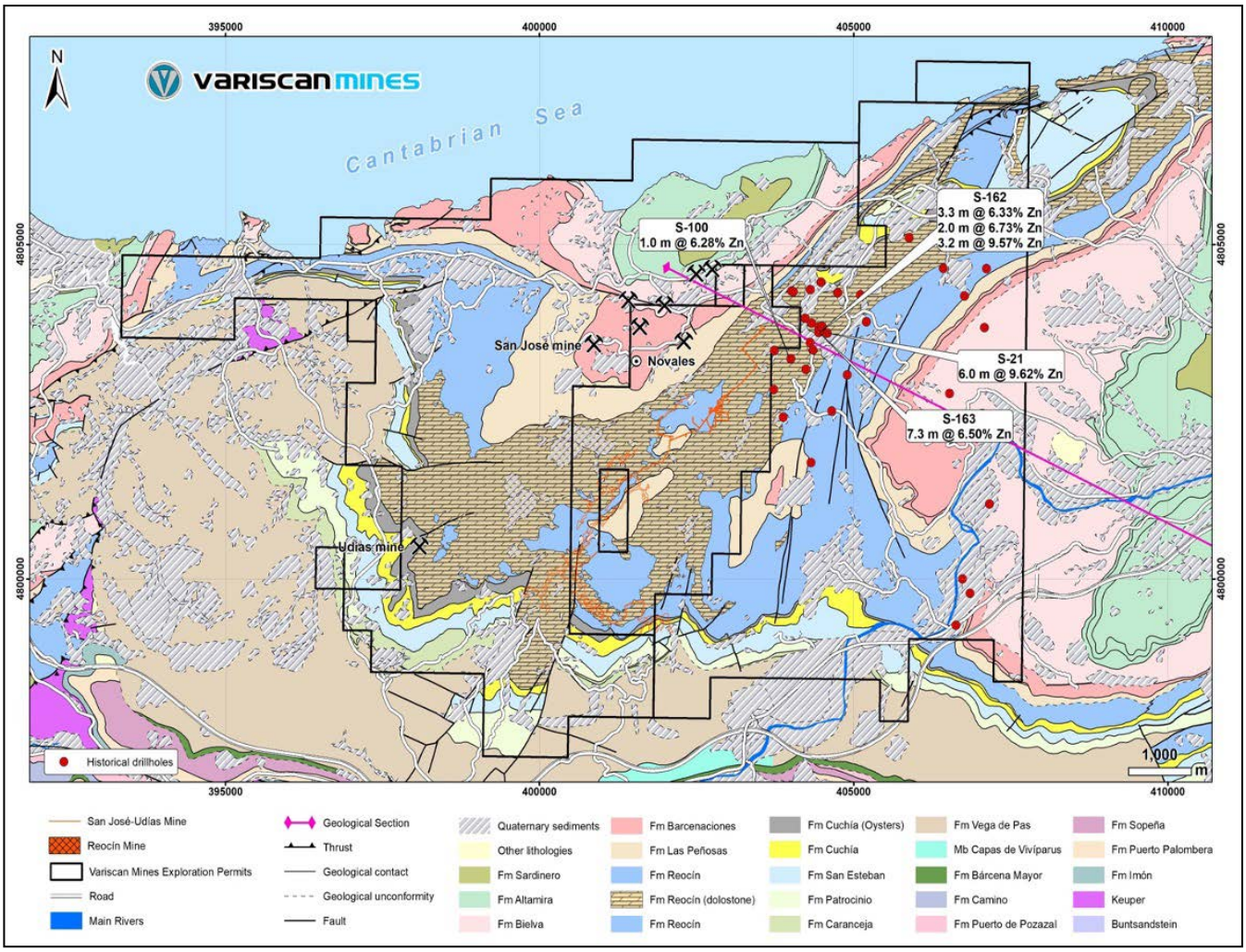

Figure 3. Map of enlarged licence areas and historical drilling over the Esperanza Licence

The future workplan for these new tenements includes drilling with applications already submitted.

FY24 Novales-Udias exploration and development activities

During the year, the Variscan team have been busy on the ground with all work-streams aligned towards the achievement of an initial JORC-compliant Mineral Resource Estimate as well as working towards the re-start of mining operations. That has been and remains our main effort.

Acquiring and interpreting historical data to gain operational leverage

Since we acquired the Novales-Udias project, we have sought to acquire available exploration and production data to augment our own fieldwork and studies. Having collated a significant and valuable drilling database, as well as geological and mine plans, we have gained operational leverage. Our extensive geological understanding has been developed efficiently and effectively, saving time and money.

In August 2023, Variscan Mines announced exploration and archival work at the San Jose Mine (see ASX announcement dated 7 August 2023) which confirmed a south-west extension and continuity of mineralisation from the San Jose Mine, on the Novales-Udias Trend. The extension of mineralisation, along strike, revealed from new data collated by Variscan Mines, comprised, 131 historical drillholes for 7,398 metres. Undoubtedly this shed a bright light on the upside potential to the south-west of the San Jose Mine and drew focus onto the potential significance of the Udias Mine. This evolved with further positive sampling data reported post period (see ASX Announcement dated 10 September 2024) and has advanced further with Variscan expecting to commence drill-testing the Udias Mine complex for the first time in the fourth quarter of 2024.

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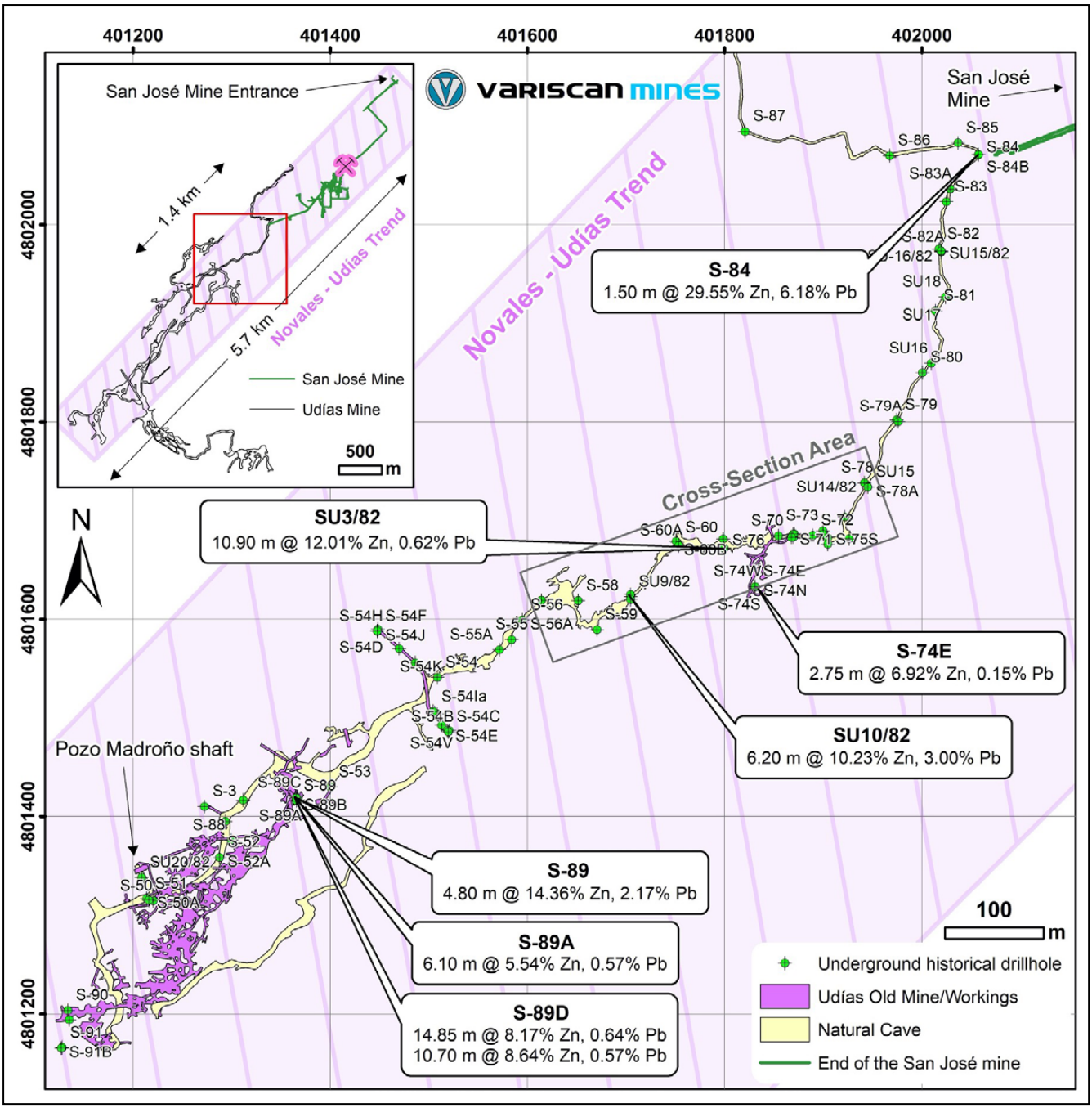

Figure 4. Plan view of drill-hole data illustrating significant exploration potential as mineralisation extends on strike to the south west of San Jose Mine

Revised structural and geological assessment highlights continuity and new drill targets at San Jose Mine

Mid-February 2024 saw Variscan report the findings of a comprehensively updated, structural geological assessment and structural targeting study at the San Jose Mine and the surrounding Novales Trend (see ASX announcement dated 19 February 2024).

The study, completed by world renowned expert, Dr. Brett Davis, resulted in a significantly improved understanding of the controls on multi-phase Zn-Pb mineralization within the San Jose and Udias mine systems.

Its outcomes confirm the orientation of the dominant structural trends as a highly effective vectoring tool for drilling and future exploration. The study identified new targets within the San Jose Mine for immediate drill-testing and highlighted numerous target zones within the broader Novales – San Jose – Udias corridor.

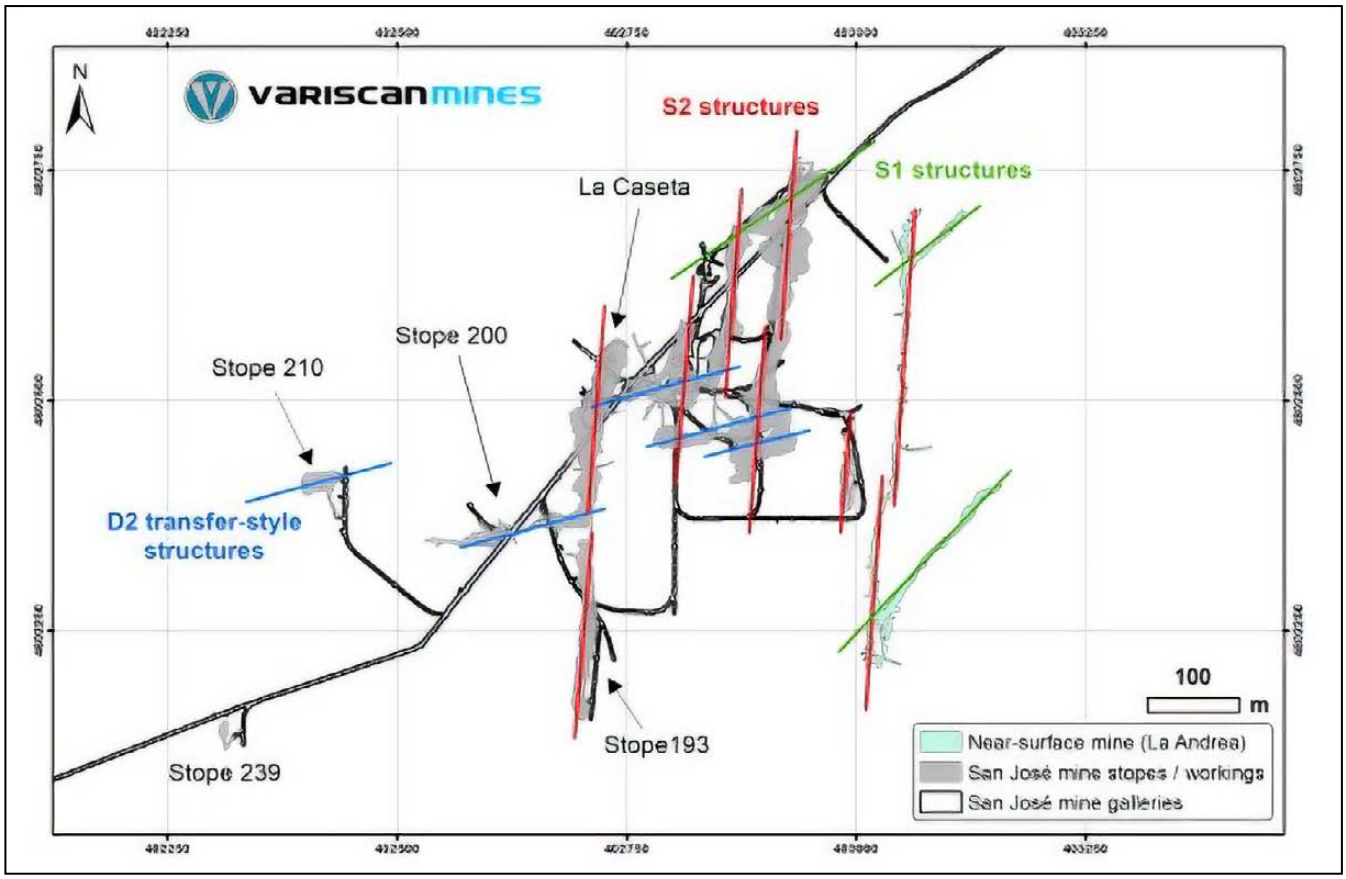

Figure 5. Approximate orientation of the dominant D1 and D2 structures overlaid with existing mine development at the San Jose Mine

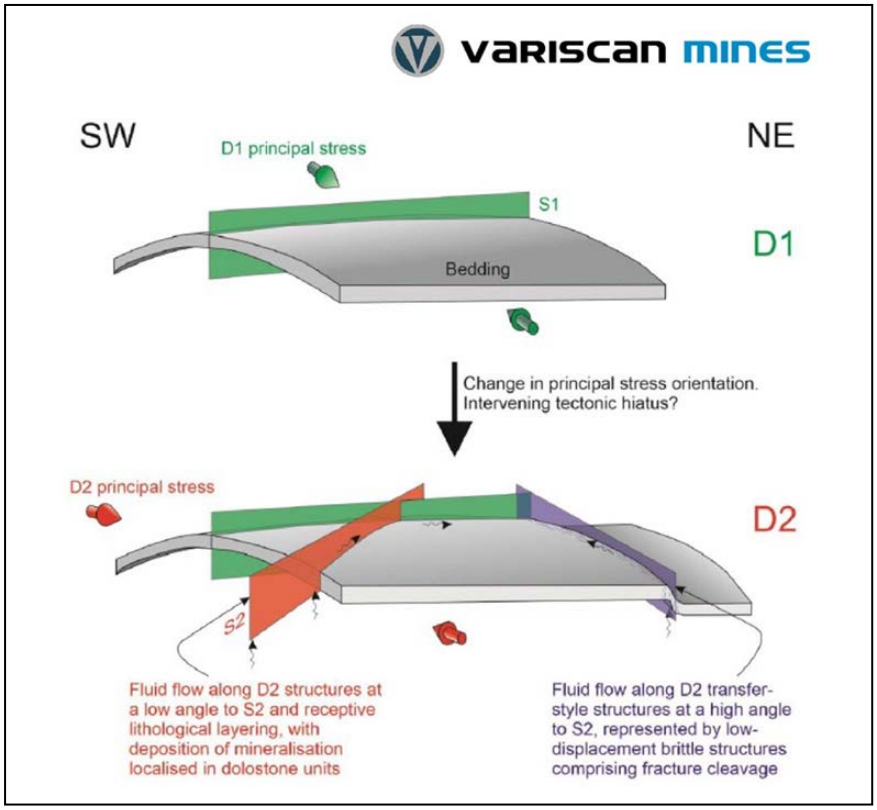

Figure 6. Interpreted tectonic evolution of the structurally controlled -mineralization-fluid flow system at San Jose

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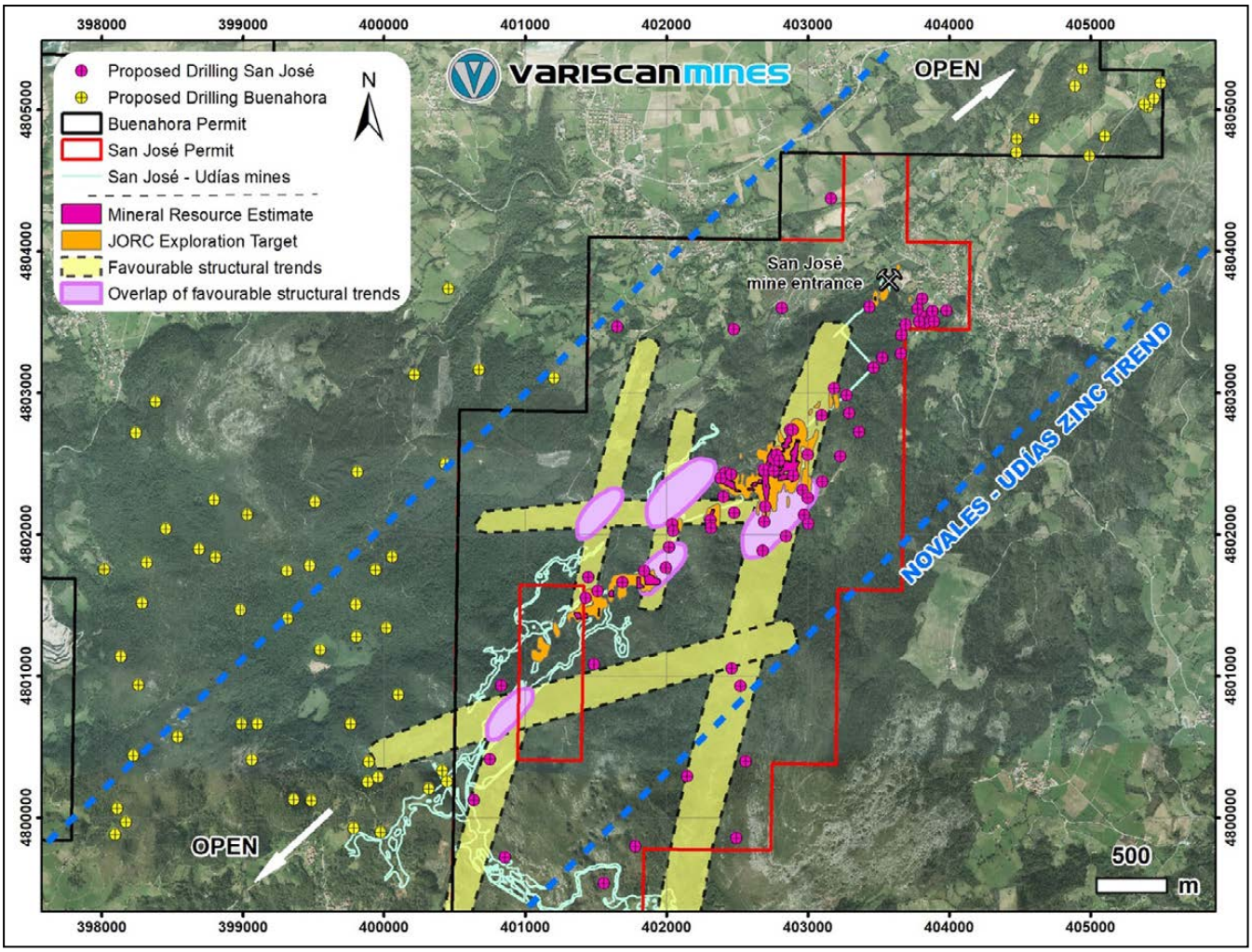

Figure 7. Regional-scale structures overlaid on JORC Exploration Target and proposed surface drillhole locations proximal and further afield to the Udias – San Jose – Novales mine system and Zinc Trend.

Variscan quickly started to drill test some of the newly identified targets within the San Jose Mine as part of the ongoing underground drilling campaign at the time.

Successful underground drilling campaign yields excellent high grade zinc results and is expanded

Drilling is at the centre of our exploration activities and during the reporting period Variscan has been pleased to report multiple sets of positive drilling results.

In recent years, the Variscan management team made the decision to acquire its own portable drill rig which means that by using our trained staff, we are able to conduct underground drilling programs efficiently, cost effectively and with a high degree of flexibility. Throughout the reporting period and beyond, having this in-house capability has allowed Variscan to continue drilling in contrast to the wider junior mining sector which signalled reduced drilling activity amid challenging capital market conditions. This strategy has proved highly successful.

In October 2023 (see ASX announcement dated 5 October 2023), high grade zinc assay results from underground drilling defined a new lower lens of high-grade zinc mineralization below La Catedral stope in the San Jose Mine. Selected drilling results included:

- **NDDT007B:** 21.85m @ 8.50% Zn, 0.38% Pb
- **NDDT007:** 23.35m @ 7.09% Zn, 1.72% Pb
- **NDDT014:** 14.55m @ 5.81% Zn, 0.90% Pb
- **NDDT012:** 10.30m @ 5.09% Zn, 0.19% Pb
- **NDDT010:** 3.80m @ 24.58% Zn, 3.13% Pb
- **NDDT008:** 9.30m @ 5.18% Zn, 0.13% Pb

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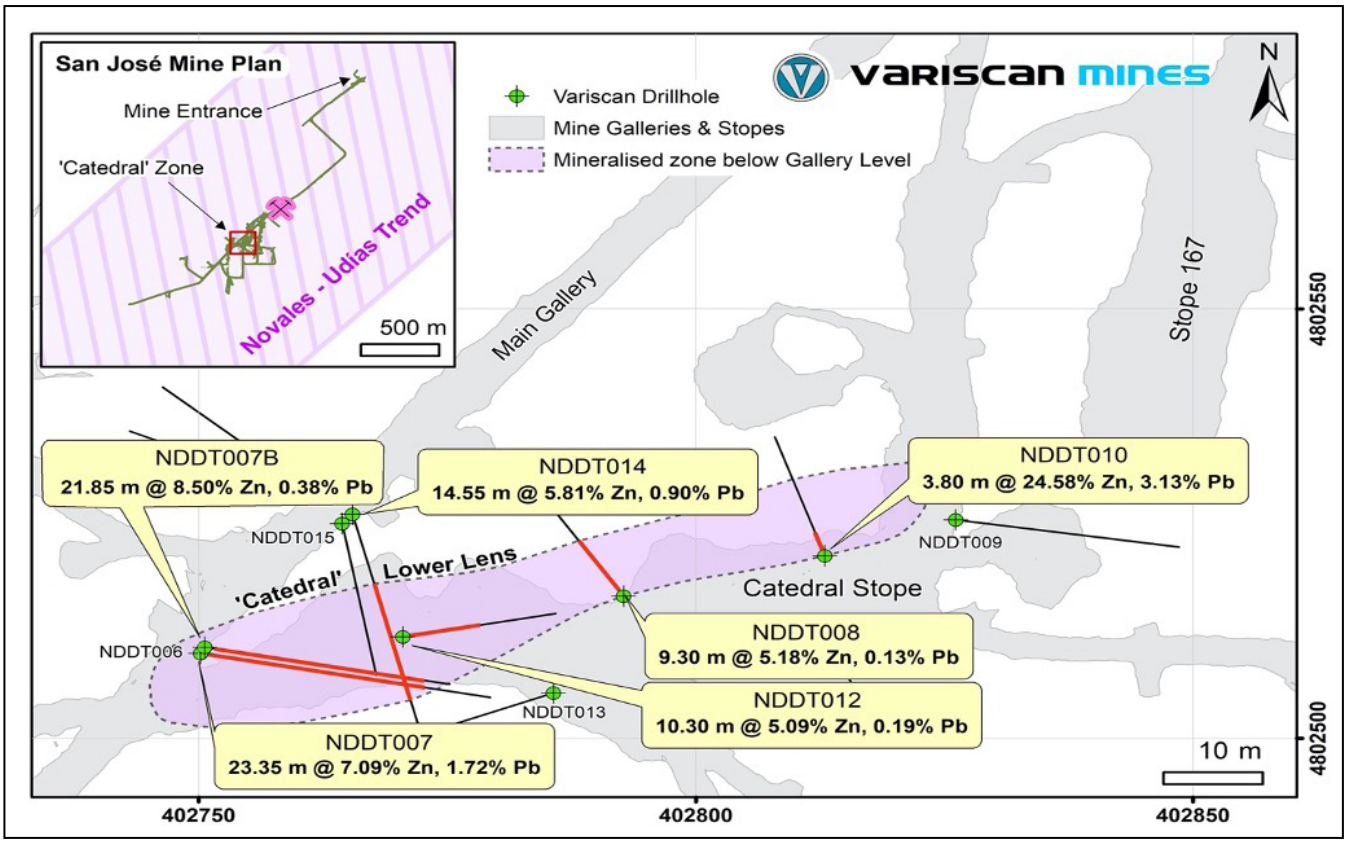

Figure 8. Plan view of drill-hole data illustrating newly defined La Catedral Lower Lens, Central Zone, San Jose Mine

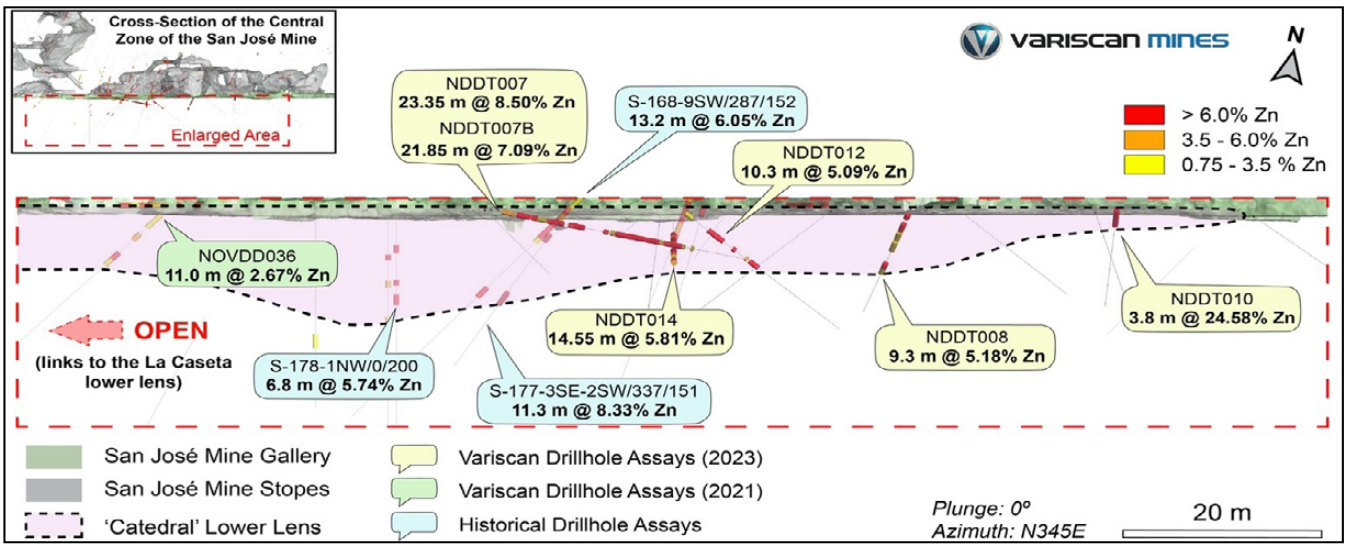

Figure 9. Cross-section of newly defined La Catedral Lower Lens, Central Zone, San Jose Mine

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Early March 2024 saw Variscan report the discovery of further high-grade zinc intercepts from its underground diamond drilling program at the San Jose Mine (see ASX announcement dated 4 March 2024). Selected drilling results included:

- **NDDT027** 14.5 m @ 8.93% Zn, 0.50% Pb
- **NDDT028** 6.0 m @ 6.59% Zn, 0.62% Pb
- **NDDT029** 11.6 m @ 8.43% Zn, 1.61% Pb
- **NDDT020** 3.0 m @ 5.55% Zn, 0.41% Pb
- **NDDT026** 7.0 m @ 5.30% Zn, 0.04% Pb

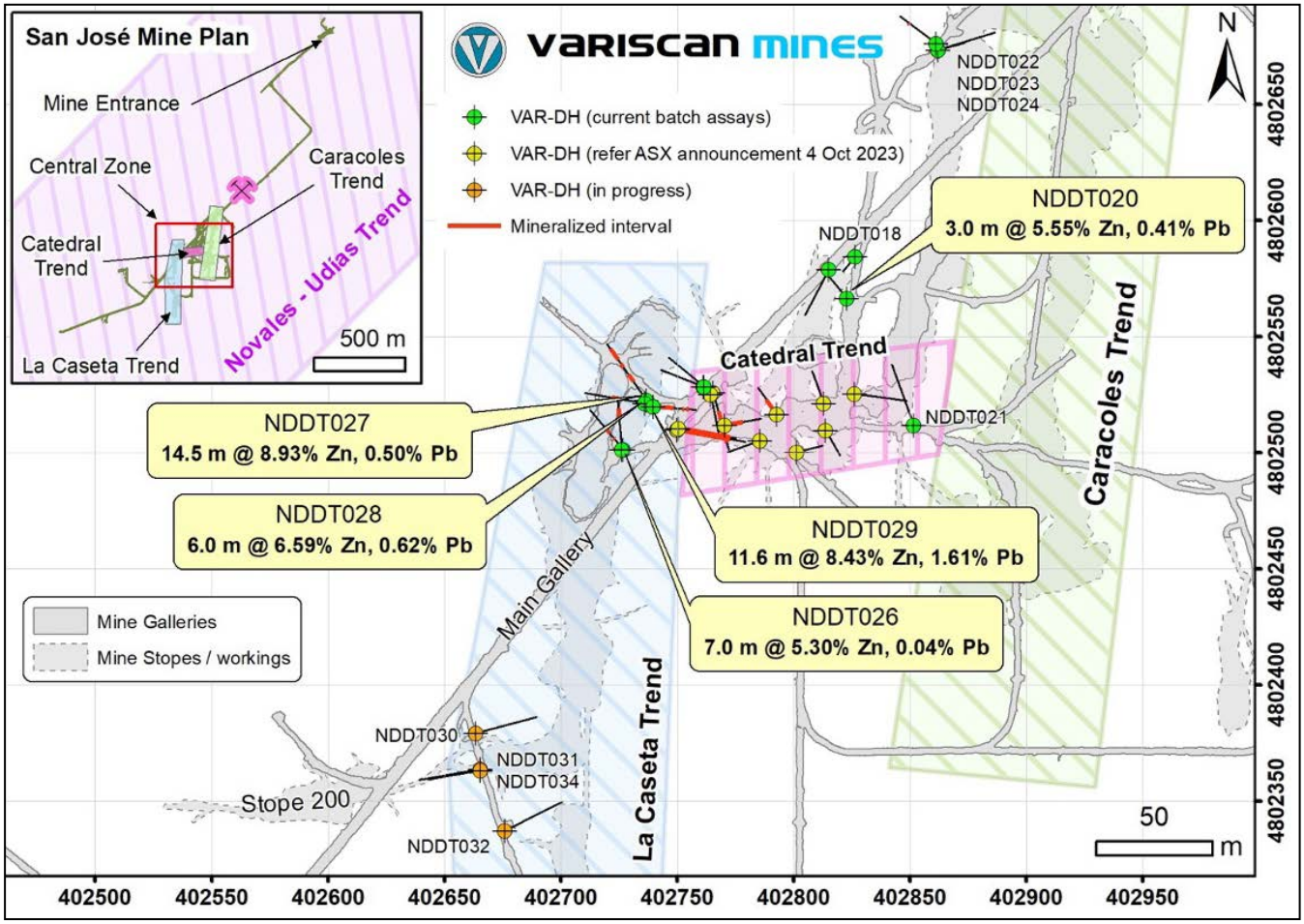

Figure 10. Plan view of new drill-hole data over the Central Zone, San Jose Mine

This round of drilling results supported the Mineral Resource Estimate model (having been published in November 2023 – see below for further discussion) with positive infill drill intercepts. It also confirmed the potential for additional lenses below the existing model and further extensions.

To follow-up success, the Variscan management team upscaled and extended the drilling campaign, further details of which are set out in post-period exploration results set out below.

An initial, maiden high-grade Mineral Resource Estimate published

In late November 2023, Variscan announced an initial, maiden JORC Mineral Resource Estimate (MRE) for the historically producing San Jose Mine of 1.1Mt @ 9.0% Zn and 1.2%Pb at a cut-off grade of 2% Zn (see ASX announcement dated 28 November 2023). The maiden MRE for the San Jose Mine is one of the highest grade zinc mineral resources currently owned by an ASX-listed company.

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Deposit	Classification	Tonnes (Kt)	Zn %	Pb %	Zn + Pb %
	Indicated	490	10.0	1.7	11.7
San Jose	Inferred	250	12.3	1.6	14.0
	Sub-total	**740**	**10.8**	**1.7**	12.5
San Jose (NE)	Inferred	260	4.7	0.1	**4.8**
Udías (NE)	Inferred	90	6.5	0.4	**6.8**
Total	**Indicated**	**490**	**10.0**	**1.7**	**11.7**
	Inferred	**590**	**8.2**	**0.8**	**8.9**
TOTAL		1,080	9.0	1.2	10.2

Table 2. JORC Mineral Resource Estimate for San Jose Mine and north-eastern Udías by deposit and classification reported above a 2% Zn cut-off

► *Notes:*

- *Due to effects of rounding, the total may not represent the sum of all components.*
- *Mineral resource is reported from all blocks, classified as either Indicated or Inferred, where interpolated block grade is ≥2.0% Zn.*
- *Block model is coded where blocks have been depleted by historical underground mining activities.*
- *A density value of 3 t/m3 is applied to all blocks.*

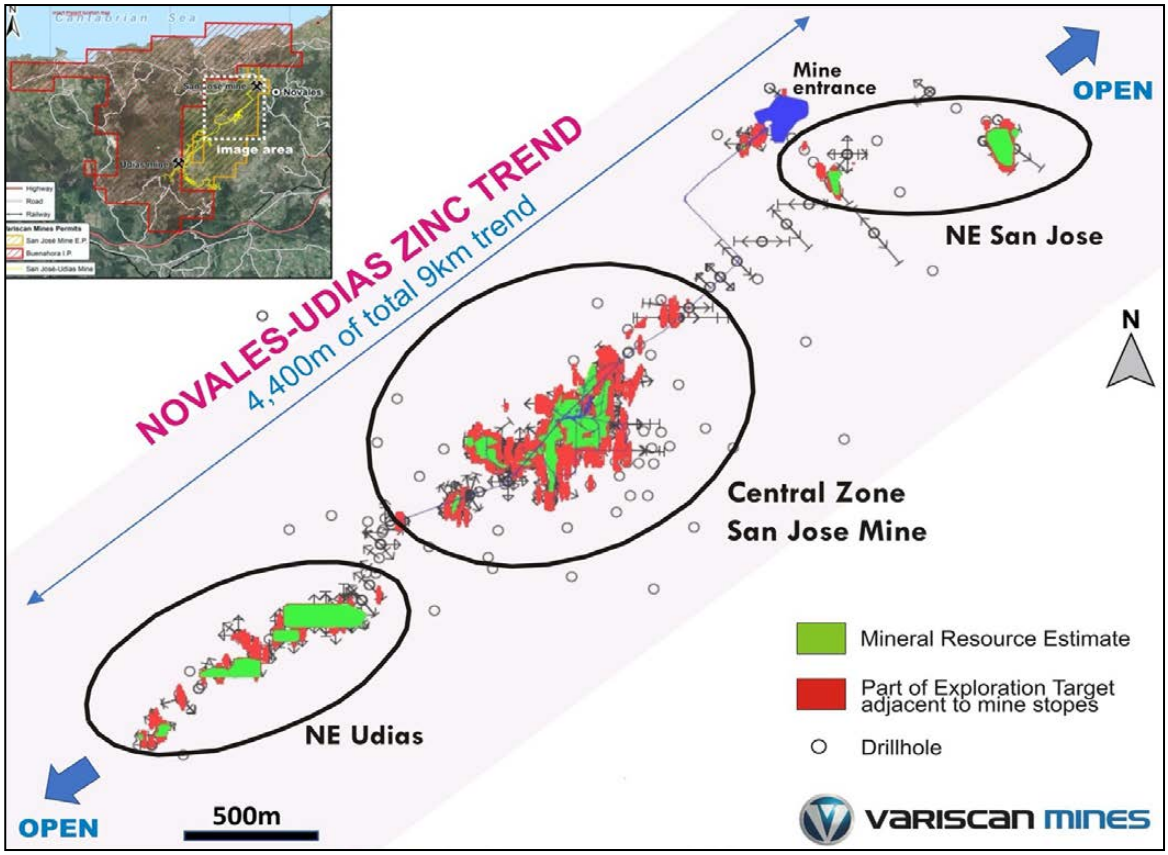

Table 11. JORC Mineral Resource Estimate for San Jose Mine and north-eastern Udías by deposit

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Resources in the Indicated category represent 45% of the MRE, with grades notably higher (10% Zn) than those in the Inferred category (8.2% Zn), providing potential for significant grade and tonnage increases with infill drilling.

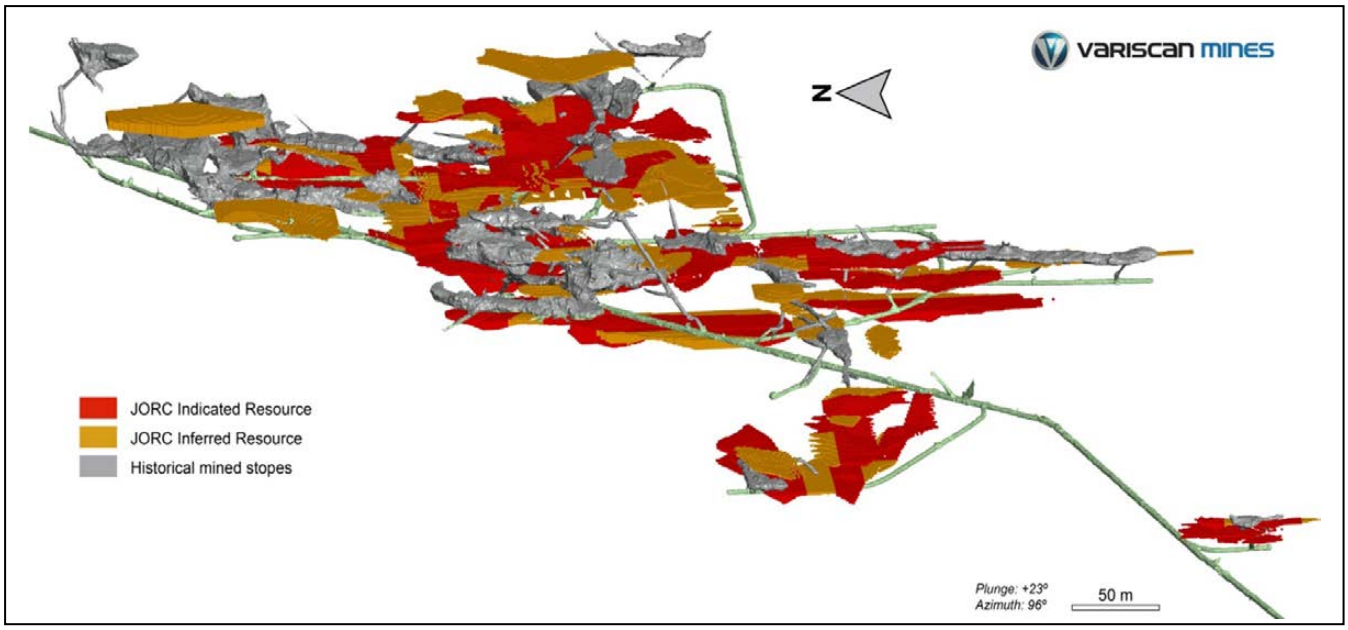

Figure 12. Mineral Resource Estimate categories in 3D View

Importantly, the deposit is already considered to be of sufficient grade, quantity, and continuity to have reasonable prospects for eventual economic extraction. This initial, maiden resource for the San Jose Mine is a significant milestone for the Company. It validates the success of our exploration activities to date and establishing a platform upon which we can continue to build a resource inventory as well as advance mine re-start assessments.

Mineralization remains open along strike, and at depth. Subsequent drilling and exploration work undertaken by VAR has confirmed the potential to grow the MRE. Variscan expect to publish an updated MRE before the end of calendar year 2024.

Lease San Jose Mine site & facilities extended; a key enabler supporting our mine re-start strategy

In early calendar year 2024, Variscan signed a new agreement to lease the San Jose Mine site and facilities for a period of three years, extendable up to six years, at the option of Variscan, at a competitive, commercial rate in line with prevailing local norms for industrial sites (see ASX announcement dated 29 January 2024). The site owners, Groupo Anibal are a supportive local partner and Variscan shareholder. As this site is already permitted for mineral exploration, development and mining activities, with extensive in-situ facilities and infrastructure already in place, the signing of the extended lease is a key enabler to support Variscan's stated mine re-start strategy. By leveraging these facilities, we can hopefully lower our re-start capex requirements and timeframes.

The site confers a number of advantages to Variscan:

- 31,199m^2 site adjacent to the village of Novales is already permitted for use for mineral exploration, development and mining activities;
- Access to the main portal of the underground San Jose Mine;
- The site comprises 5 permanent buildings. The total area of constructed buildings is 1,157m2 with the ability add more warehouse area if required;
- The property has existing water supply, which is being upgraded and single-phase power. The site was previously supplied with overhead 3-phase power, re-connection will be assessed during Mine Re-Start Study work;
- Excellent core logging and storage facilities established (see Figures 14 & 15);
- Direct access via sealed roads capable of taking heavy goods vehicles;
- Site is within trucking distance (~145km) from the San Juan de Nieva zinc smelter operated by Asturiana de Zinc (100% owned by Glencore).
- Site is ~30km southwest from the regional capital, Santander which has an international airport and a deep water port with freight terminals.

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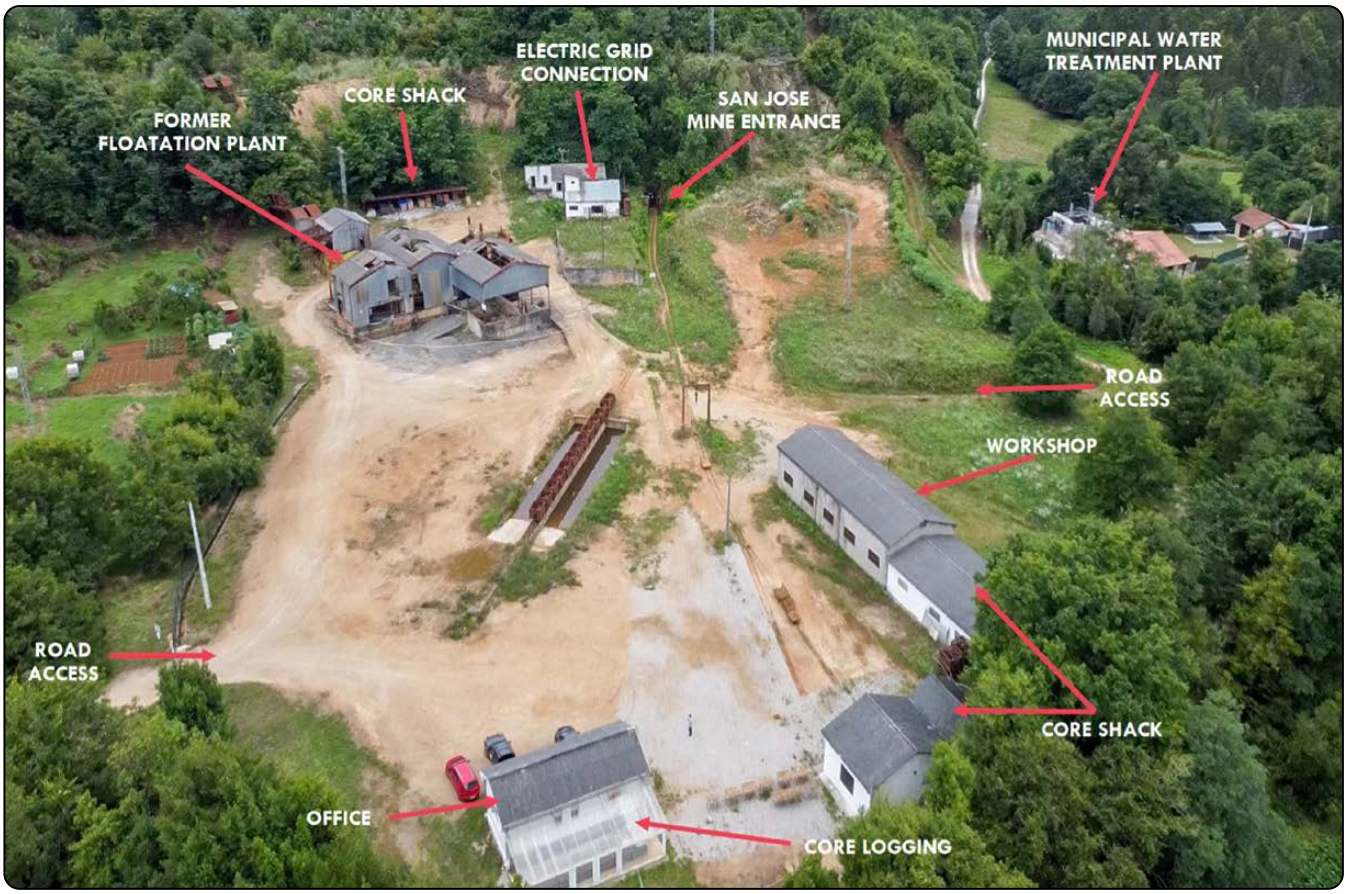

Figure 13. Aerial view of San Jose Mine Site & Facilities

Figure 14. San Jose Mine Site Core Logging Area

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Figure 15. San Jose Mine Site Core Storage

Guajaraz Project (central Spain).

The Guajaraz Project is a prospective brown-field zinc-rich polymetallic opportunity with known mineral occurrences. The Project is located in the highly mineralised Central Zone of the Iberian Massif, which ranks as one of the most mineralised units globally and represents the internal zone of the prolific European Variscan Orogenic belt. Variscan believes Guajaraz represents an excellent, de-risked brownfield polymetallic project. Reflective of this belief in the prospectivity of this Project, the Company filed an application with the authorities in Castilla-La Mancha during FY24 for a 3-year extension of the current exploration licence over the Guajaraz tenement area. This 3-year extension, covering the period 2023 through 2026 was granted to Variscan Mines' local Spanish subsidiary, Variscan La Mancha in late October 2023.

▶ Post FY24 year end

Further exploration activities.

Subsequent to the end of Variscan's FY24, exploration activities have continued apace.

Extended underground drilling continues to yield positive intercepts

Variscan has continued and expanded its drilling activities. In very early FY25, Variscan informed investors that drilling had intersected significant zinc mineralisation outside of the Mineral Resource Estimate model delivering growth potential (see ASX announcement dated 11 July 2024. The strong assay results received from this underground infill and extensional drilling campaign with significant drilling results include:

- **NDDT033:** 14.10 m @ 5.31% Zn, 0.44% Pb
- **NDDT032:** 11.00 m @ 6.66% Zn, 0.72% Pb
- **NDDT034:** 4.65 m @ 5.49% Zn, 0.14% Pb
- **NDDT035:** 4.00 m @ 5.92% Zn, 0.26% Pb

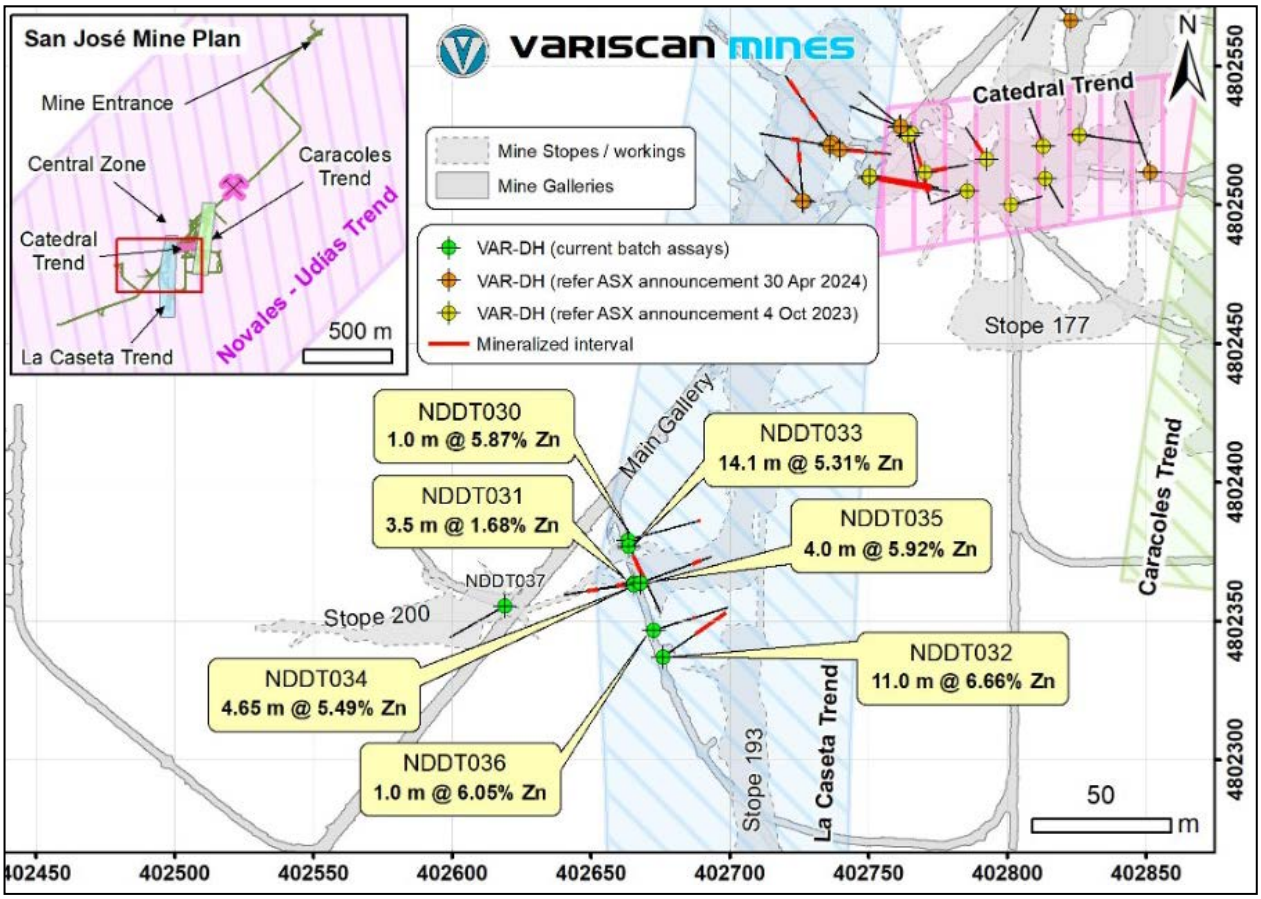

Figure 16. Plan view of new drill-hole data over the Central Zone, San Jose Mine

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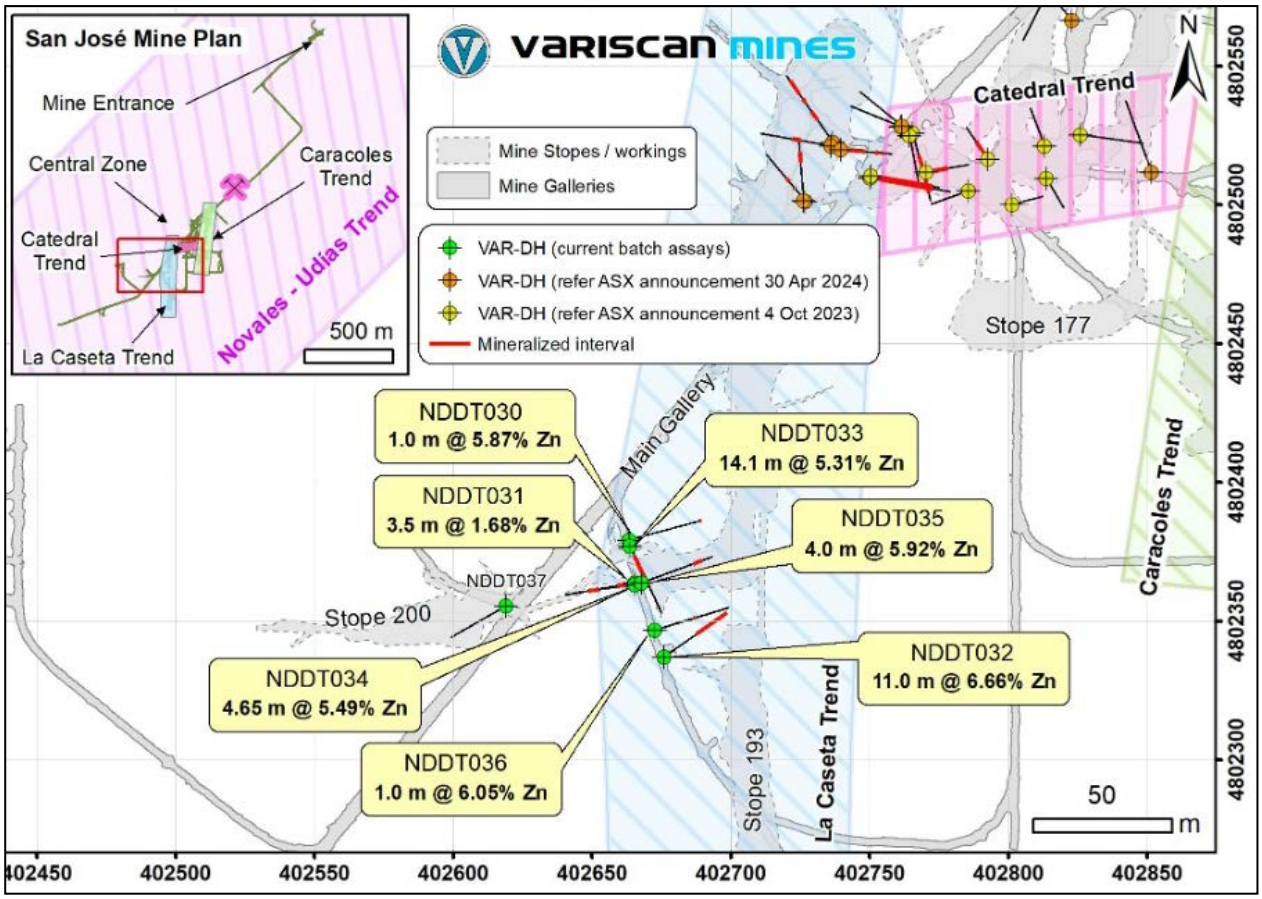

Figure 17. 3D section view of drill-hole locations testing D2 structural targets between Stope 200 and beside the La Caseta Trend in the San Jose Mine

Drilling has continued seamlessly from FY24 into FY25. The program is targeting previously untested southwest extensions of the San Jose Mine as well as testing geologically informed potential feeder zones in the central zone of the San Jose Mine. Results are yet to be published. All available drilling results will be incorporated into the Mineral Resource Estimate update scheduled for release in late CY2024

Historic underground face-sampling Sampling data a positive prelude to maiden drilling in the Udias Mine

Towards the end of Q1 FY25, (ASX announcement dated, 10 September 2024) Variscan announced that newly compiled, assays from historic underground face-sampling at the Udias Mine had revealed very high-grade zinc-lead results, further confirming mineralization outside of the current Mineral Resource Estimate footprint (see ASX announcement dated 10 September 2024). 337 samples were compiled over distance of 2.2km which includes the following high-grade sample results taken along development drives and faces:

- **Sample UTS-15:** 4.50m @ 26.47% Zn, 19.46% Pb
- **Sample UTB-65L:** 2.80m @ 35.87% Zn, 0.17% Pb
- **Sample UTB-11:** 4.00m @ 21.50% Zn, 0.32% Pb
- **Sample B-20:** 3.00m @ 28.20% Zn, 5.90% Pb
- **Sample UTB-32:** 2.00m @ 36.95% Zn, 0.41% Pb
- **Sample UTB-132:** 2.00m @ 35.39% Zn, 0.07 % Pb
- **Sample UTB-86:** 4.00m @ 16.39% Zn, 2.18% Pb
- **Sample D-5:** 1.55m @ 41.00% Zn, 0.22% Pb

These samples together with historic drilling results report August 2023 (see previous discussion above) have supported the definition of exciting high-priority targets for our forthcoming, maiden underground drilling at the Udias Mine, which is due to start in H1 FY25.

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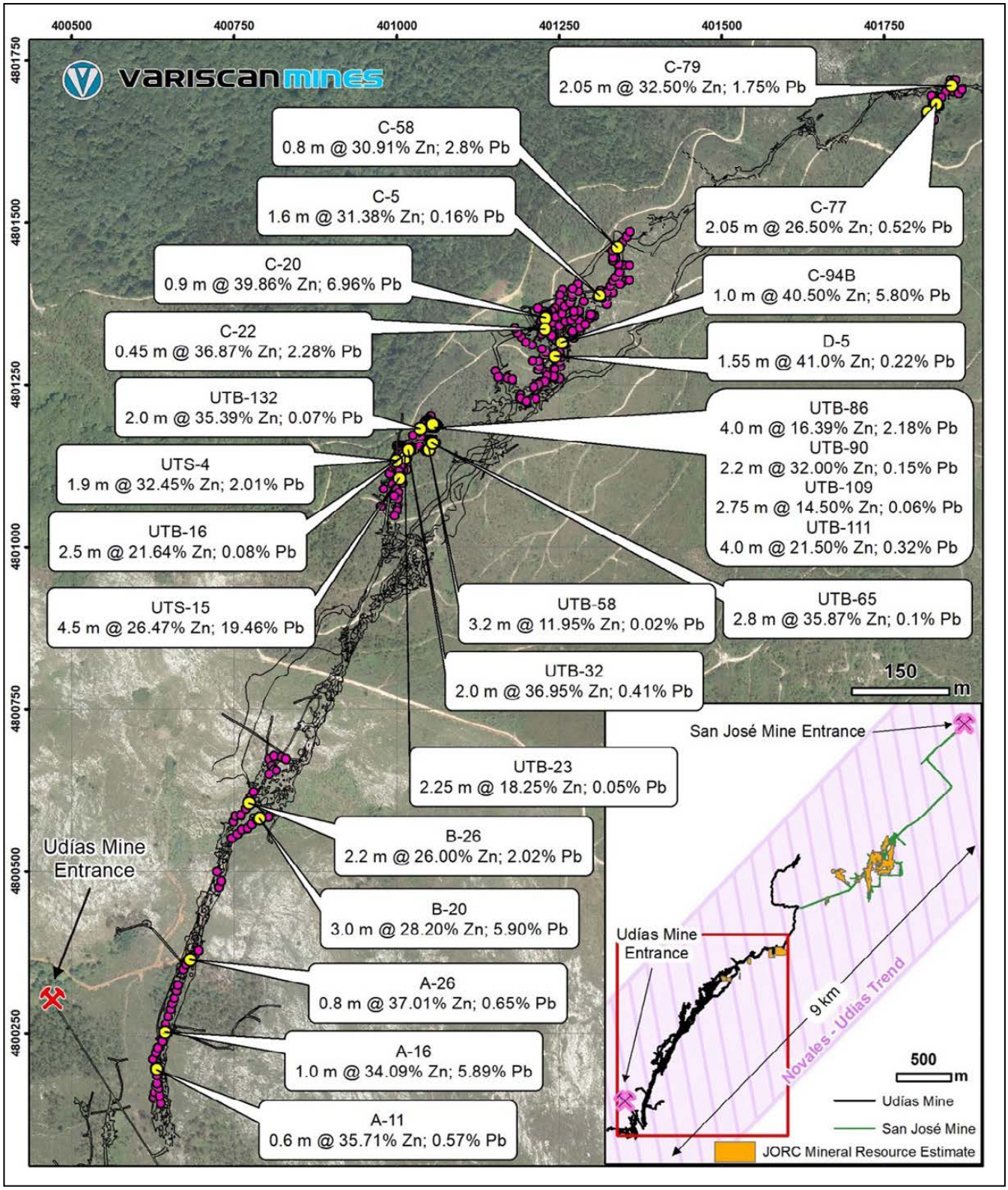

Figure 18. Plan view of underground face sampling results in the Udias Mine

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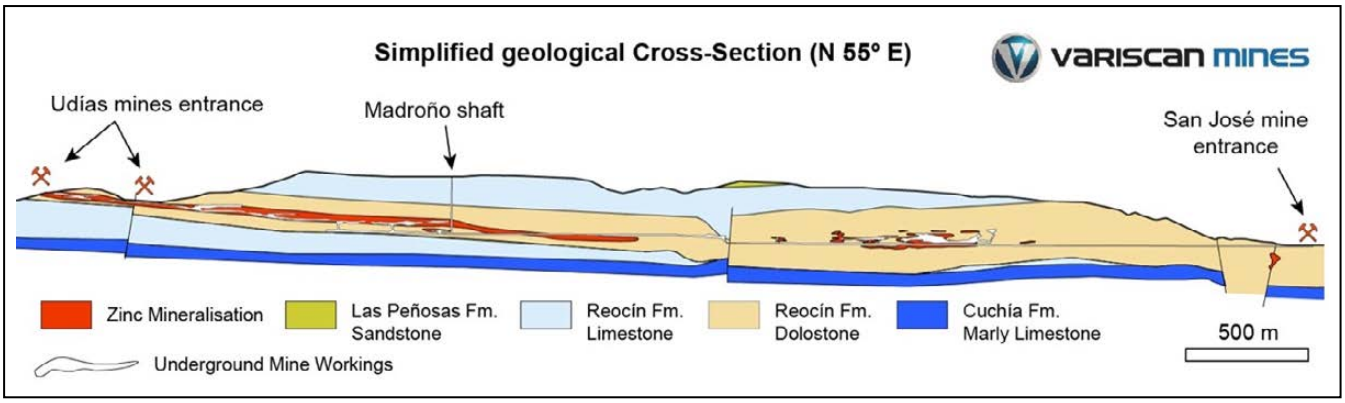

Figure 19. Simplified geological cross-section showing connectivity and continuity between San Jose Mine and Udias Mine

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▶ New capital raised

Just after the end of FY24, Variscan completed an interim funding initiative, which raised $294,000 through the issue of 49,000,000 new ordinary shares, priced at $0.006 per share (see ASX announcement dated 22 July 2024).

This placement was supported by the Company's largest shareholder, Zinc GroupCo and also attracted some new sophisticated investors. At the same time, Variscan directors provided an additional $100,000 of unsecured working capital loans, convertible into new shares on the same terms of the Interim Placement (subject to shareholder approval).

In mid-August 2024, a direct placement was subsequently made to Zinc GroupCo (see ASX announcement dated 23 August 2024). This issue raised a further $90,000 for the Company, via the issue of 15,000,000 new ordinary shares at $0.006 per share. The issue saw Zinc GroupCo increase its holding in Variscan to 22.57%.

In late September 2024, Variscan announced a fully underwritten renounceable Entitlement Offer to raise approximately $2.067m. It has received strong support from Variscan's major shareholder Zinc GroupCo, and also attracted some new sophisticated investors (see ASX announcement dated 26 September 2024). This is a strong signal amid challenging market conditions for junior mining companies,

All these additional funds will be directed towards accelerated exploration and drilling programs and development studies at the Company's flagship Novales-Udias Zinc project as well as operational working capital requirements.

▶ Marketing Agreement for sale of future zinc & lead production secured

In mid-August 2024, Variscan announced the appointment of Square Trading Singapore Pte Ltd as its exclusive marketing manager for the worldwide sale of zinc concentrates from its Novales-Udias and Guajaraz Projects in Spain (see ASX announcement dated 13 August 2024).

In an associated development, Square Trading will also assist Variscan to secure third party financing to construct and operate the mines being developed by the Company.

Square brings considerable global marketing and trading experience and capacity across a number of commodities. We are pleased to have a marketing partner who is aligned with the Company and its shareholders by virtue of its co-ownership of the Company's largest shareholder, Zinc GroupCo.

▶ Exit from Chile

Variscan announced its decision to relinquish the Company's limited interest in the Rosario Project in Chile. Given the ongoing success of exploration and development work occurring at the Company's Spanish assets, Variscan has resolved to focus its capital and resources on these highly promising zinc projects. The decision is aligned with Variscan's key objective; the re-commencement of mining at the Novales-Udias Project. As a result, the Company has relinquished its interest in the Chilean project and ceased all business activities within Chile.

Looking ahead and note of thanks

As the Chairman has noted in his opening letter, we expect FY25 to be a transformational year for Variscan. We expect a number of very significant milestones for the Novales-Udias Project to be achieved in FY25.

The current financial year has got off to a good start, continuing on the progress made in FY24, A number of exploration activities have already been completed – and more are in the pipeline, including the maiden underground drilling campaign at the Udias Mine.

Variscan is also now well progressed on both an updated Mineral Resource Estimate and the compilation of a Mine Re-Start Study. Both these much-anticipated reports are expected to be released in the first half of Variscan's 2025 financial year.

I want to personally thank the entire team at Variscan for their hard work over our FY24. Their sustained efforts were critical to the delivery of our development plans and genuine exploration successes achieved over the past 12 months. Their labours have also set Variscan up for the realisation of some ultra-important development milestones over the near-term, headed by the updated Mineral Resource Estimate and compilation of the Mine Re-Start Study.

I also want to thank our host local communities as well as the regional authorities, the Government of Cantabria included, for their ongoing support, as we develop the Novales-Udias Project. Last but not least, I want to say thank you to the Board of Directors and our loyal shareholders for their ongoing support, as the planned transformation of Novales-Udias from project-status to producing mine status draws ever closer. My commitment and conviction to achieve this objective is more resolute than ever.

Stewart Dickson
Managing Director & CEO

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▶ Annual Mineral Resource Statements

Annual Review

The Company has conducted a review of its mineral resources at the end of the financial year and has compiled this Mineral Resource Statement in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. The Company has no Ore Reserve estimates.

San Jose Mine – Novales-Udias Project

The San Jose Mine is situated within the Company's Novales-Udias Project area which is located near the town of Novales, in the region of Cantabria, Spain. The project is centred around the former producing San Jose underground zinc-lead mine with a large surrounding area of exploration opportunities over the 9km Novales Trend, which includes a number of satellite underground and surface workings.

During the year the Company engaged ERM Sustainable Mining Services team (previously CSA Global)(ERM) to undertake a review and prepare a Mineral Resource estimate for the San Jose deposit and the adjacent north-eastern part of the Udías deposit, both of which were previously mined for zinc during the 20th century.

The Mineral Resource estimate was initially published via an ASX announcement dated 28 November 2023.

Resources

As at 30 June 2024, total JORC 2004 Measured, Indicated and Inferred mineral resources were as follows:

San Jose Mine – Novales-Udias Project - Mineral Resource Reported above a 2% Zn cut-off					
Deposit	**Classification**	**Tonnes (Kt)**	**Zn %**	**Pb %**	**Zn + Pb %**
	Indicated	490	10.0	1.7	11.7
San Jose	Inferred	250	12.3	1.6	14.0
	Sub-total	**740**	**10.8**	**1.7**	12.5
San Jose (NE)	Inferred	260	4.7	0.1	**4.8**
Udîas (NE)	Inferred	90	6.5	0.4	**6.8**
Total	**Indicated**	**490**	**10.0**	**1.7**	**11.7**
	Inferred	**590**	**8.2**	**0.8**	**8.9**
TOTAL		**1,080**	**9.0**	**1.2**	**10.2**

Mineral Resource Estimation Governance Statement

The Company ensures that the Mineral Resource estimates are subject to appropriate levels of governance and internal controls. The Mineral Resource has been generated by employees and consultants of the Company who are experienced in best practices in modelling and estimation methods and have undertaken reviews of the quality and suitability of the underlying information used to generate the resource estimation.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in reserves or resources being restated.

The Company will report any future mineral reserves and resources estimates in accordance with the 2012 JORC Code.

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▶ Competent Persons Statements

Exploration

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Dr. Michael Mlynarczyk. Dr Mlynarczyk is a Principal consultant for Redstone Exploration Services, a geological consultancy acting as an external consultant to Variscan Mines and is a Professional Geologist (PGeo) of the Institute of Geologists in Ireland, and European Geologist (EurGeol) of the European Federation of Geologists, as well as a Fellow of the Society of Economic Geologists (SEG). Mr Mlynarczyk has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr. Mlynarczyk consents to the disclosure of the information in this report in the form and context in which it appears.

Mineral Resource Estimate

The information in this report that relates to Mineral Resources is based on, and fairly reflects, information compiled by Dr. Michael Mlynarczyk. Dr. Michael Mlynarczyk is a Principal consultant for Redstone Exploration Services, a geological consultancy acting as an external consultant to Variscan Mines and 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. Michael Mlynarczyk has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr. Michael Mlynarczyk consent to the disclosure of the information in this report in the form and context in which it appears.

Where reference is made to previous releases of exploration results in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements.

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Directors' Report

Your directors submit their report for the year ended 30 June 2024.

▶ Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Anthony ('Tony') Wehby MAICD

Non-Executive Chairman *(Appointed 20 October 2022)*

Tony is a former Partner of PriceWaterhouseCoopers and Corporate Finance Specialist.

Tony is an experienced listed company director with over 50 years of executive and non-executive experience.

Having operated in the mining industry for a considerable time, he is currently a non-executive director on the Board of Kingston Resources Ltd a listed Asia Pacific gold producer. He has previously been Chairman of Tellus Resources Limited, Non-executive Chairman of Aurelia Metals Limited and a Director of Ensurance Ltd and Harmony Gold (Aust) Pty Ltd.

Tony has a financial consulting practice focused on strategic advice and he is a member of the Australian Institute of Company Directors.

Stewart Dickson BA (Hons), MBA

Managing Director *(Appointed 1 May 2017)*

Stewart is an experienced corporate financier with a decade of investment banking experience. Most recently, he was Managing Director and Head of Metals & Mining at Cantor Fitzgerald Europe, based in London. He had responsibility for client coverage of public and private mining companies across precious metals and base metals, bulks, fertilizers and specialty metals. He has a broad range of international financial advisory, equity capital markets and corporate broking transaction experience including initial public offerings, financings and M&A.

Prior to investment banking, Mr Dickson served in the British Army as a commissioned officer and saw operational service overseas. Stewart is a graduate of University College London and holds an MBA from Henley Business School.

Nicholas Farr-Jones AM LLB

Non-executive Director *(Appointed 1 July 2022)*

Nick has over 25 years of experience in the global mining sector as a specialist in natural resources investment and corporate governance. Additionally, he is an experienced public company director.

Nick qualified as a lawyer before pursuing a career in investment banking. Notably he was responsible for the metal derivative business of Societe Generale in Europe and Africa before leading its commodity finance business in Australia. He is currently a Director of Taurus Funds Management, headquartered in Sydney, which specialises in bespoke financing solutions for global mid-tier and junior mining companies. Nick also holds a number of charitable appointments and is a highly regarded speaker on leadership. He was awarded the Order of Australia in 1992 for services to rugby union, having captained the Australian rugby team to World Cup success in 1991.

Dr Frank Bierlein PhD, FAIG, MSED, MSGA

Non-Executive Director *(Appointed 20 October 2022)*

Frank is a geologist with 30 years of experience as a consultant, researcher and lecturer and industry professional. Additionally, he is an experienced public company director.

Frank has held exploration and generative geology management positions with QMSD Mining Co Ltd, Qatar Mining, Afmeco Australia and Aveva NC, and consulted for among others, Newmont Gold, Resolute Mining, Goldfields International, Freeport McMoRan, and the International Atomic Energy Agency. He was a non-executive director of Gold Australia Pty Ltd from 2015 to 2019 and chaired the Advisory Board of a Luxembourg based private equity fund between 2014 and 2022. He is currently a Non-executive Director on the Boards of Blackstone Minerals Limited and Impact Minerals Limited.

Frank has worked on six continents spanning multiple commodities and over the course of his career has published and co-authored more than 130 articles in peer reviewed scientific journals.

Frank obtained a PhD (Geology) from the University of Melbourne, is a Fellow of the Australian Institute of Geoscientists (AIG) and a member of both the Society of Economic Geologists (SEG) and the Society of Geology Applied to Mineral Deposits.

Mark Pitts BBus, FCA, GAICD

Company Secretary *(Appointed 2 March 2018)*

Mark is a Fellow of Chartered Accountants Australia and New Zealand and a graduate member of the Australian Institute of Company Directors. He has more than 30 years' experience in statutory reporting and business administration.

Mark has been directly involved with and consulted to a number of public companies holding senior financial management positions. He is a Principal in the Company Secretarial and CFO advisory divisions of the Automic Group providing secretarial support and corporate and compliance advice, pursuant to a contract with the Company. He has no fixed term with the option of termination by either party with two months' written notice. Mr Pitts is not entitled to any termination payments other than for services rendered at time of termination.

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Directorships of other listed companies

Directorships of other ASX listed companies held by Directors in the 3 years immediately before the end of the financial year are as follows:

Directors	Company
Mr Tony Wehby	Ensurance Ltd (3 May 2018 – 17 November 2023) Kingston Resources Ltd (4 July 2016 – Current)
Mr Stewart Dickson	None
Mr Nicholas Farr-Jones	None
Mr Frank Bierlein	Impact Minerals Ltd (13 October 2021 – Current) PNX Metals Ltd (18 June 2021 – April 2023) Blackstone Minerals Ltd (12 November 2021 – Current) Firetail Resources Ltd (10 November 2022 – September 2023)

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▶ Directors' interests in shares and options

As at the date of this report, the interests of the Directors in the shares, options and performance rights of Variscan Mines Limited were:

	Number of securities held directly and indirectly		
Director	Ordinary shares	Options	Performance Rights
Mr Tony Wehby	1,164,461	1,500,000	-
Mr Stewart Dickson	13,824,450	3,000,000	-
Mr Nicholas Farr-Jones	1,523,955	1,500,000	-
Mr Frank Bierlein	388,411	1,500,000	-

▶ Principal activities

The principal continuing activity of the Group is the exploration for economic metal and mineral deposits.

▶ Results

The net result of operations of the Group after applicable income tax was a loss of $650,271(2023: $886,240).

▶ Dividends

No dividends were paid or proposed during the year.

▶ Review of operations

Group Overview.

During the financial year, the Group's operations have been focused on the exploration of its wholly owned Zinc projects in Spain.

Board & Management Changes.

During the year, there have been no board or management changes.

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▶ Risk Management

The Company takes a proactive approach to risk management.

The Board is responsible for ensuring that risks, including emerging risks, and also opportunities, are identified on a timely basis and the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. Given the size of the Company and its stage of development all Board members are involved and have responsibility for management of risk.

▶ Material business risks

There are inherent risks associated with the exploration for minerals.

The Group faces the usual risks encountered by companies engaged in the exploration, evaluation and development of minerals. The material business risks for the Group include:

External Risks

Environmental risks

The Company's operations and projects are subject to the laws and regulations of the jurisdictions in which it has interests and carries on business (Spain and Chile) regarding environmental compliance and relevant hazards. There is also a risk that the environmental laws and regulations may become more onerous, making the Group's operations more expensive which may adversely affect the financial position and /or performance of the Group. The Directors are not aware of any Breaches of environmental law by the Company.

Government regulations and tenement risks

Changes in laws and regulations or government policies may adversely affect the Group's operations. There is no guarantee that current or future exploration claim applications or existing tenancy renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration tenements. Loss of tenements may adversely affect the financial position and /or performance of the Group.

Operating Risks

Exploration and development risk

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, not all exploration activity will lead to the discovery of economic deposits. Major expenditure may be required to locate and establish Ore Reserves, to establish rights to mine, to receive all necessary operating permits, to develop metallurgical processes and to construct mining and processing facilities at a particular site.

In addition to the risks described above, the Group's ability to successfully develop projects is contingent on the Group's ability to fund those projects through debt or equity raisings.

▶ Significant changes in the state of affairs

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial period, other than as disclosed in this report.

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▶ Significant events after the reporting date

On 22 July 2024 the Company announced the issue of 49,000,000 fully paid ordinary shares at an issue price of $0.006, raising $294,000, to further progress the Novales-Udias Zinc project.

This share placement includes a free-attaching option on the basis of 1 option for every 2 shares subscribed, subject to shareholder approval. The options are exercisable at $0.01 each, with an expiry period of 2 years from the date of issue.

On 13 August 2024 the Company announced the signing of an exclusive Marketing Agreement with Square Trading Singapore Pte Ltd, for the exclusive marketing rights to all zinc concentrate from the Novales-Udias and Guajaraz projects in Spain. The term of the agreement will end 5 years from the date of the first invoice issued to a customer relating to the delivery of zinc concentrate products.

On 23 August 2024 the Company announced the issue of 15,000,000 fully paid ordinary shares at an issue price of $0.006, raising $90,000, as an addition to the placement announced on 22 July 2024. This placement to the Company's largest shareholder, Zinc GroupCo Pty Ltd also includes the free-attaching options on the basis of 1 option for every 2 shares subscribed, subject to shareholder approval. The options are exercisable at $0.01 each, with an expiry period of 2 years from the date of issue.

On 20 September 2024 the Company announced that Mr. Nicholas Farr-Jones had also provided the Group with a working capital loan of $32,000 on the same basis as Messrs Wehby and Dickson, as detailed in Notes 10 and 16.

On 26 September 2024 the Company announced a fully underwritten 2 for 3 renounceable entitlement issue to raise approximately $2.067 million before costs of the offer.

Other than noted above, there were, at the date of this report, no matters or circumstances which have arisen since 30 June 2024 that have 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 years.

▶ Indemnification and insurance of directors and officers

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

The Company maintains adequate Directors and Officers insurance coverage.

▶ Insurance premiums

During the financial period the Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

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▶ Likely developments and expected results

As the Group's mineral projects are at an early stage of exploration, it is not appropriate to speculate on likely future developments or results.

▶ Shares under option or issued on exercise of options

Details of unissued shares or interests under option for Variscan Mines Limited as at the date of this report are:

Exercise Price of Option	Expiry Date of Options	Class of Share received upon exercise	Number of Shares under option
$0.12	30 September 2024	ORD	2,500,000
$0.045	30 November 2024	ORD	4,000,000
$0.055	30 November 2024	ORD	4,000,000
$0.065	30 November 2024	ORD	4,000,000
$0.0275	15 March 2025	ORD	51,388,890
			65,388,890

The holders of these options and performance rights do not have the right, by virtue of the option or performance rights, to participate in any share issue of the Company or of any other body corporate or registered scheme.

Refer to the Remuneration Report and Notes 11 & 12 to the financial statements for further details of the options and rights outstanding.

During the period, no options were issued or exercised, and 16,500,000 options lapsed. From 1 July 2024 to the date of this report, no options have been issued, exercised, cancelled or have lapsed.

During the period, no performance rights were issued or cancelled, and 2,500,000 performance rights were exercised. From 1 July 2024 to the date of this report, no performance rights have been issued, exercised, cancelled or have lapsed.

▶ Remuneration report (audited)

This remuneration report for the year ended 30 June 2024 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations.

This information has been audited as required by section 308(3C) of the Act. The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

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▶ Details of key management personnel

Details of KMP of the Group are set out below:

Directors	
Mr Anthony Wehby	Non-Executive Chairman
Stewart Dickson	Managing Director & CEO
Nicholas Farr-Jones	Non-Executive Director
Dr Frank Bierlein	Non-Executive Director
Mark Pitts	Company Secretary

▶ Remuneration philosophy

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered.

The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation;
- Transparency; and
- Capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short- and long-term incentives in line with the Company's limited financial resources.

Fees and payments to the Company's Non-Executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-Executive Directors, Senior Executives and Officers are entitled to receive options under the Company's Employee Share Option Plan ("ESOP"), subject to Shareholder approval.

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▶ Non-Executive Directors remuneration arrangements

Directors are entitled to remuneration out of the funds of the Company, but the remuneration of the Non-Executive Directors (NED) may not exceed in any year the amount fixed by the Company in general meeting for that purpose.

The aggregate remuneration of the NEDs has been fixed at a maximum of $250,000 per annum to be apportioned among the NEDs in such a manner as the Board determines. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

The Chairman's fee is set at $50,000 p.a. and NED fees at $36,000 p.a. which are consistent with industry average fees. At present, no Committee fees are paid to Directors.

▶ Use of remuneration consultants

No remuneration consultants were engaged during the years ended 30 June 2023 or 30 June 2024.

▶ Profit and Share Price Performance

In considering remuneration the Board has had regard to the following data in respect of the current and previous four financial years:

	2024	2023	2022	2021	2020
Loss per share (cents)	(0.18)	(0.31)	(0.31)	(0.32)	(0.76)
Net loss ($)	(650,271)	(886,240)	(827,051)	(684,613)	(1,125,142)
Share Price at 30 June	$0.005	$0.012	$0.025	$0.075	$0.016

▶ Service agreements

Remuneration and other terms of engagement for key management personnel are formalised in contractor agreements.

Details of these arrangements are set out below:

Managing Director – Stewart Dickson

- **Contract term:** No fixed term. Either party may terminate the letter of employment with six months' notice.
- **Remuneration:** £132,500 p.a. plus VAT as applicable (2023: £132,500 p.a. plus VAT as applicable) as at 30 June 2024.
- **Termination payments:** Nil.

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Directors and KMP remuneration for the year ended 30 June 2024

	Short-term benefits			Long-term benefits	Post-employment	Share-based payments (a)			
	Salary & fees	Consulting fees	Other short-term benefits	Long service leave	Superannuation	Options	Performance rights	Total	Performance based
	$	$	$	$	$	$	$	$	$
Directors									
A Wehby	50,000	-	-	-	-	-	-	50,000	-
S Dickson	-	274,110	-	-	-	-	-	274,110	-
N Farr-Jones	36,000	-	-	-	-	-	-	36,000	-
F Bierlein	36,000	-	-	-	-	-	-	36,000	-
Sub-total	**122,000**	**274,110**	**-**	**-**	**-**	**-**	**-**	**396,110**	**-**
Other KMP									
M Pitts	63,875	-	-	-	-	-	-	63,875	-
Sub-total	**63,875**	**-**	**-**	**-**	**-**	**-**	**-**	**63,875**	**-**
Total Remuneration	**185,875**	**274,110**	**-**	**-**	**-**	**-**	**-**	**459,985**	**-**

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Directors and KMP remuneration for the year ended 30 June 2023

Details of the nature and amount of each major element of the remuneration of each director of the Company and other key management personnel of the Group are:

	Short Term			Long-term benefits	Post-employment	Share-based payments (a)			
	Salary & fees	Consulting fees	Other short-term benefits	Long service leave	Superannuation	Options	Performance rights	Total	Performance based
	$	$	$	$	$	$	$	$	$
Directors									
A Wehby (b)	33,252	-	-	-	-	10,600	-	43,852	-
S Dickson	-	257,076	-	-	-	21,200	7,296	285,572	2.6%
N Farr-Jones	36,000	-	-	-	-	10,600	-	46,600	-
F Bierlein (b)	25,085	-	-	-	-	10,600	-	35,685	-
F K Foo (c)	20,788	-	-	-	-	-	-	20,788	-
M Moore (d)	27,000	-	-	-	-	10,600	-	37,600	-
Sub-total	**142,125**	**257,076**	**-**	**-**	**-**	**63,600**	**7,296**	**470,097**	**1.6%**
Other KMP									
M Pitts	60,000	-	-	-	-	10,600	-	70,600	-
Sub-total	**60,000**	**-**	**-**	**-**	**-**	**10,600**	**-**	**70,600**	**-**
Total Remuneration	**202,125**	**257,076**	**-**	**-**	**-**	**74,200**	**7,296**	**540,697**	**1.3%**

(a) Includes a portion of options and rights issued during previous years, which continue to vest in accordance with their vesting conditions.
(b) Appointed 20 October 2022
(c) Resigned 30 November 2022
(d) Resigned 31 March 2023

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Share holdings and transactions of Key Management Personnel

	Balance at 1 July 2023 / upon appointment	Shares issued on exercise of options / performance rights	Shares granted in lieu of fees	Net change other	Balance at 30 June 2024 / upon resignation
A Wehby	837,260	-	327,201	-	1,164,461
S Dickson	9,737,192	2,500,000	1,587,258	-	13,824,450
N Farr-Jones	1,288,371	-	235,584	-	1,523,955
F Bierlein	152,827	-	235,584	-	388,411
M Pitts	-	-	-	-	-

Option holdings and transactions of Key Management Personnel

	Balance at 1 July 2023 / upon appointment	Granted as remuneration	Lapsed/Expired	Balance at 30 June 2024 / upon resignation	Vested and exercisable at 30 June 2024
A Wehby	1,500,000	-	-	1,500,000	1,500,000
S Dickson	7,500,000	-	(4,500,000)	3,000,000	3,000,000
N Farr-Jones	2,250,000	-	(750,000)	1,500,000	1,500,000
F Bierlein	1,500,000	-	-	1,500,000	1,500,000
M Pitts	4,500,000	-	(3,000,000)	1,500,000	1,500,000

▶ Performance Rights holdings of Key Management Personnel

	Balance at 1 July 2023 / upon appointment	Granted as remuneration	Exercised	Balance at 30 June 2024 / upon resignation	Vested and exercisable at 30 June 2024
A Wehby	-	-	-	-	-
S Dickson	2,500,000	-	(2,500,000)	-	-
N Farr-Jones	-	-	-	-	-
F Bierlein	-	-	-	-	-
M Pitts	-	-	-	-	-

▶ Compensation options and performance rights granted during the year

Options and Rights granted during the year

No Options or Rights were granted during the year.

Options and Rights granted during the previous year

12,000,000 unquoted options were granted as compensation during the previous period to directors and key management personnel, the details of which are as follows:

	Options - Tranche 7	Options – Tranche 8	Options – Tranche 9
Number of securities granted	4,000,000	4,000,000	4,000,000
Grant date	30 November 2022	30 November 2022	30 November 2022
Expiration date	30 November 2024	30 November 2024	30 November 2024
Exercise price	$0.045	$0.055	$0.065

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The fair value of the options issued as compensation as set out above was determined by reference to the Black-Scholes option pricing model, the key inputs into which and resulting valuation are summarised as follows:

	Options - Tranche 7	Options - Tranche 8	Options – Tranche 9
Underlying security spot price on date of grant	$0.022	$0.022	$0.022
Exercise price	$0.045	$0.055	$0.065
Grant date	30 November 2022	30 November 2022	30 November 2022
Expiration date	30 November 2024	30 November 2024	30 November 2024
Total life (years)	2	2	2
Expected volatility	100%	100%	100%
Risk-free rate	3.11%	3.11%	3.11%
Expected dividend yield	-	-	-
Value per security	$0.008	$0.007	$0.0062
Number of securities	4,000,000	4,000,000	4,000,000
Remaining life (years)	0.42	0.42	0.42
Total value	**$32,000**	**$28,000**	**$24,800**

Options and Rights lapsed during the year

8,250,000 unquoted options held by Key Management Personnel exercisable at various prices expired unexercised on 30 November 2023.

Options and Rights lapsed during the prior year

500,000 unquoted options held by Key Management Personnel exercisable at $1.00 each expired unexercised on 20 November 2022.

Options and Rights exercised during the year

A total of 2,500,000 performance rights were exercised during the year and, as a result, 2,500,000 new ordinary shares were issued.

Options and Rights exercised during the prior year

No Options or Rights were exercised during the prior year.

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Transactions with directors and key management personnel

During the current year, amounts totalling $48,000 were paid to Endeavour Corporate Pty Ltd, a Company Associated with Mr Mark Pitts, for accounting and administration services (2023: $48,000).

These amounts are separate from the fees paid to Mr Pitts through his role as Company Secretary and are not included in the Key Management Personnel remuneration table on page 10. At 30 June 2024, a total of $4,000 (exclusive of GST) was payable to Endeavour Corporate (2023: $8,000).

At the end of the financial year, Messrs Wehby and Dickson provided the Company with working capital loans totalling $50,000 each ($100,000 total). These loans mature on 31 July 2025 and contain a mechanism by which the loans may be converted to shares upon receipt of approval by the Company's shareholders. If the loans are not converted, they are subject to an interest rate of 1% per month.

Directors' Benefits, Emoluments and Share Options

During its annual budget review, the Board reviews the Directors' Emoluments.

Remuneration levels, including participation in the Company's ESOP, are set to provide reasonable compensation in line with the Company's limited financial resources. During the year no Director of the Company has received or become entitled to receive any additional benefits to their ordinary directors' fees by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Due to the difficulty in the measurement of performance using quantitative indicators in the mineral exploration industry, there is no formal link between financial performance of the group and remuneration levels.

There is no retirement scheme for Non-Executive Directors.

End of Audited Remuneration report.

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▶ Meetings of directors

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director for which they were entitled to attend.

Due to the size and composition of the board, the roles of the Audit and Risk and Remuneration Committees are fulfilled by the board as a whole.

Director	Number of Meetings Held whilst a director	Number Attended
Mr Anthony Wehby	6	6
Mr Stewart Dickson	6	6
Mr Nicholas Farr-Jones	6	5
Dr Frank Bierlein	6	6
Total Number of Meetings Held	**6**	

Non-audit services

The Company's auditor did not provide any non-audit services during the year ended 30 June 2024 (2023: Nil).

Signed this 27th day of September 2024 in accordance with a resolution of the Directors.

Stewart Dickson
Managing Director

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Auditor's Independence Declaration

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Variscan Mines Limited for the year ended 30 June 2024, 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
27 September 2024

D B Healy
Partner

hlb.com.au

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

▶ For the year ended 30 June 2024

	Notes	Consolidated 2024 $	Consolidated 2023 $
Continuing operations			
Interest income	3	9,464	9,530
Other income	3	1,073	-
Total income		**10,537**	**9,530**
Compliance expenses		(50,154)	(62,630)
Professional services expenses		(264,574)	(270,550)
Finance expenses		(171)	(31)
Directors' expenses		(259,055)	(271,323)
Travel and accommodation expenses		(10,230)	-
Share based payments	12,13	-	(108,744)
Exploration expenses		-	(21,432)
Capitalised exploration expenditure written-off	9	-	(78,726)
Other expenses		(75,966)	(89,638)
Total expenses		**(660,150)**	**(903,074)**
Realised gain/(loss) on foreign exchange		(2,136)	8,217
Unrealised gain/(loss) on foreign exchange		1,478	(913)
Total foreign exchange loss		**(658)**	**7,304**
Loss before income tax expense		**(650,271)**	**(886,240)**
Income tax expense	4	-	-
Loss for the year		**(650,271)**	**(886,240)**
Other comprehensive income, net of income tax *Items that may be reclassified subsequently to profit or loss*			
Exchange differences on translation of foreign operations		(54,233)	63,543
Other comprehensive (loss) / income for the year, net of tax		**(54,233)**	**63,543**
Total comprehensive loss for the year		**(704,504)**	**(822,697)**
Basic and diluted loss per share (cents per share)	14	(0.18)	(0.31)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

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Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	6	250,260	1,017,571
Trade and other receivables	7	122,784	375,680
Total current assets		**373,044**	**1,393,251**
Non-current assets			
Plant and equipment	8	61,765	71,158
Deferred exploration and evaluation expenditure	9	9,331,873	8,097,650
Other non-current assets		66,737	67,798
Total non-current assets		**9,460,375**	**8,236,606**
Total assets		**9,833,419**	**9,629,857**
Liabilities			
Current liabilities			
Trade and other payables	10	509,617	254,179
Total current liabilities		**509,617**	**254,179**
Total liabilities		**509,617**	**254,179**
Net assets		**9,323,802**	**9,375,678**
Equity			
Issued capital	11	36,066,871	35,344,243
Reserves	13	302,259	875,774
Accumulated losses		(27,045,328)	(26,844,339)
Total equity		**9,323,802**	**9,375,678**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

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Consolidated Statement of Cash Flows

▶ For the year ended 30 June 2024

	Notes	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Payments to suppliers and employees		(637,981)	(574,826)
Exploration and evaluation expenditure		-	(21,432)
Interest received		9,464	9,530
Finance costs		(171)	(31)
Net VAT refunds received from Spanish authorities		269,739	-
Net cash outflow from operating activities	20	**(358,949)**	**(586,759)**
Cash flows from investing activities			
Exploration and evaluation expenditure		(1,114,159)	(1,598,957)
Payments for property, plant and equipment		-	(11,353)
Net cash outflow from investing activities		**(1,114,159)**	**(1,610,310)**
Cash flows from financing activities			
Proceeds from issue of shares		595,000	1,255,000
Share funds received in advance		84,000	-
Working capital loans from Directors	10	100,000	-
Payments for share issue costs		(72,000)	-
Net cash inflow / (outflow) from financing activities		**707,000**	**1,255,000**
Net decrease in cash and cash equivalents		(766,108)	(942,069)
Cash and cash equivalents at the beginning of the year		1,017,571	1,945,935
Effect of exchange rate fluctuations on cash held		(1,203)	13,705
Cash and cash equivalents at the end of the year	6	**250,260**	**1,017,571**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

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Consolidated Statement of Changes in Equity

▶ For the year ended 30 June 2024

	Consolidated				
	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
1 July 2022	34,018,303	636,838	85,649	(25,977,099)	8,763,691
Loss for the year	-	-	-	(886,240)	(886,240)
Other comprehensive income, for the year, net of income tax	-	-	63,543	-	63,543
Total comprehensive income / (loss) for the year	**-**	**-**	**63,543**	**(886,240)**	**(822,697)**
Issue of share capital for cash	1,255,000	-	-	-	1,255,000
Issue of share capital in lieu of fees	70,940				70,940
Share based payments	-	108,744	-	-	108,744
Lapse of options	-	(19,000)	-	19,000	-
30 June 2023	**35,344,243**	**726,582**	**149,192**	**(26,844,339)**	**9,375,678**
1 July 2023	35,344,243	726,582	149,192	(26,844,339)	9,375,678
Loss for the year	-	-	-	(650,271)	(650,271)
Other comprehensive loss for the year, net of income tax	-	-	(54,233)	-	(54,233)
Total comprehensive loss for the year	**-**	**-**	**(54,233)**	**(650,271)**	**(704,504)**
Issue of share capital for cash	595,000	-	-	-	595,000
Share capital funds received in advance	84,000	-	-	-	84,000
Issue of share capital in lieu of fees	45,628	-	-	-	45,628
Exercise of performance rights	70,000	(70,000)	-	-	-
Lapse of options	-	(449,282)	-	449,282	-
Share issue costs	(72,000)	-	-	-	(72,000)
30 June 2024	**36,066,871**	**207,300**	**94,959**	**(27,045,328)**	**9,323,802**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

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Notes to the Financial Statements

▶ 1. Corporate information

The financial report of Variscan Mines Limited (Variscan or the Company) for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 27 September 2024. Variscan is a for-profit entity for the purposes of preparing the financial statements.

Variscan Mines Limited (the parent) is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange under ASX Code VAR.

The consolidated financial statements comprise the financial statements of Variscan Mines Limited and its subsidiaries (the Group or Consolidated Entity).

The nature of the operations and principal activities of the Group are described in the Directors' Report.

▶ 2. Summary of significant accounting policies

Basis of preparation.

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. It has been prepared on a historical cost basis except for investments in listed shares, which are measured at fair value.

Statement of compliance.

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

Accounting standards issued but not yet effective.

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have been assessed has having no material impact on the Group's financial statements and have not been adopted by the Group for the year ended 30 June 2024.

Adoption of new and revised standards.

Standards and Interpretations applicable to 30 June 2024

In the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period beginning on or after 1 July 2023. As a result of this review, the Group has determined there is no material impact of the new and revised standards on the results for the financial year, and no changes required to Group Accounting Policies.

Basis of consolidation.

The consolidated financial statements comprise the financial statements of Variscan Mines Limited (Variscan or the Company) and its subsidiaries as at 30 June each year. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. At this date, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate.

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Going Concern.

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Directors believe that the Group will have sufficient working capital to meet its minimum project development and administrative expenses in the next twelve months following the date of signing of the financial report.

For the year ended 30 June 2024, the Group has incurred a loss before tax of $650,271 and net cash outflows from operating and investing activities of $1,473,108. As at 30 June 2024 the Group had $250,260 in cash and cash equivalents and a deficiency of net current assets of $136,573.

Subsequent to the end of the financial year the Company has issued 64,000,000 shares at $0.006 per share, raising $384,000.

Additionally, on 26 September 2024 the Company announced a fully underwritten 2 for 3 renounceable entitlement issue to raise approximately $2.067 million before costs of the offer. The offer is expected to close on 23 October 2024.

Whilst not immediately required, the Group may need to raise additional funds to meet its planned and budgeted exploration expenditure as well as regular corporate overheads.

The Group's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions. Additional sources of funding available to the Group include a capital raising via preferential issues to existing shareholders or placements to new and existing investors. If necessary, the Group can delay exploration expenditure and the directors can also institute cost saving measures to further reduce corporate and administrative costs.

However, should the above planned activities to raise or conserve capital not be successful, there exists a material uncertainty which may cast significant doubt surrounding the Group's ability to continue as a going concern and, therefore, realise its assets and dispose of its liabilities in the ordinary course of business and at the amounts stated in the financial report.

Exploration and evaluation.

Exploration and evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest. Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; and
- Exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration and evaluation – impairment

The Group assesses at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation costs whether the above carry forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the profit or loss when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis.

Provisions are made where farm-in partners are sought and there is a possibility that carried-forward expenditures may have to be written off in the future if a farm-in partner is not found. In the event that farm-in agreements are reached or the Group undertakes further exploration in its own right on those properties, the provisions would be reviewed and if appropriate, written back.

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Financial assets and liabilities.

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

The Group makes use of a simplified approach for expected credit losses and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Plant and equipment.

Plant and equipment assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, namely motor vehicles and plant and equipment – depreciated over 2 to 5 years (2023: 2 to 5 years).

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Share-based payment transactions.

In addition to salaries, the Group provides benefits to certain employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

There is currently an Employee Share Option Plan in place to provide these benefits.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Black-Scholes or binomial option pricing model, or in the case of listed options, the listed option price at the date the options were issued.

In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately. However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and the new award are treated as if there was a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

Income tax.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

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Currency.

Functional currency translation

The functional and presentation currency for the parent company is Australian dollars ($). The functional currency of overseas subsidiaries is the local currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the translation. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Impairment of assets.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Contributed equity.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Significant accounting judgements, estimates and assumptions.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Company measures the cost of equity-settled share-based payments at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted and estimates of volatility.

Capitalisation and write-off of capitalised exploration costs

The determination of when to capitalise and write-off exploration expenditure requires the exercise of judgement based on assessments of results, various assumptions, and other factors such as historical experience, current and expected economic conditions. Refer to Note 9 for further details.

Earnings/Loss per share.

Basic earnings/loss per share is calculated as net profit/loss attributable to members of the Group, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

Diluted earnings/loss per share is calculated as net profit/loss attributable to members of the Group, adjusted for:

- Costs of servicing equity.
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses.
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Segment reporting.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

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▶ 3. Income

	Consolidated	
	2024 $	2023 $
Income		
Interest income	9,464	9,530
Other income	1,073	-
	10,537	**9,530**

▶ 4. Income tax

	Consolidated	
	2024 $	2023 $
Prima facie income tax (credit) on operating (loss) at 30% (2023: 30%)	(195,081)	(265,872)
Non-deductible expenses / (Non-assessable income)	-	2,191
Deferred tax assets not recognised	195,081	263,681
Income tax expense	-	-
Deferred tax assets have not been recognised in respected to the following items		
Unrecognised deferred tax assets		
Accrued expenses and provisions	104,784	63,151
Capital raising costs	6,600	8,250
Income tax losses	5,140,265	5,098,539
	5,251,649	**5,169,940**

	Consolidated	
	2024 $	2023 $
Unrecognised deferred tax liabilities		
Temporary timing differences related to:		
Exploration and evaluation expenditure	(2,799,562)	(2,429,295)
Net deferred tax asset not recognised	**2,452,087**	**2,740,645**

No provision for income tax is considered necessary in respect of the Company for the period ended 30 June 2024.

No recognition has been given to any deferred income tax asset which may arise from available tax losses. The Company has estimated its losses at 30 June 2024 of $17,134,217 (2023: $16,995,129).

No recognition has been given to any deferred income tax liabilities which may arise from the recognition of capitalised exploration and evaluation expenditures, as the Company has sufficient expected carried-forward tax losses to negate such a liability.

A benefit of 30% (2023: 30%) of approximately $5,140,265 (2023: $5,073,573) associated with the tax losses carried forward will only be obtained if:

- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- The Company continues to comply with the conditions for deductibility imposed by the law; and
- No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

Tax consolidation.

Variscan Mines Limited and its 100% owned Australian subsidiaries formed a tax consolidated group with effect from 1 November 2007. Variscan Mines Limited is the head entity of the tax consolidated group. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Franking credits.

Franking credits of $2,810,116 (2023: $2,810,116) are available for subsequent years.

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

- Franking credits that will arise from the payment of the amount of the provision for income tax,
- Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

▶ 5. Auditors' remuneration

	Consolidated	
	2024 $	2023 $
Amounts received or due and receivable by:		
HLB Mann Judd (WA) Partnership, for:	39,656	36,750
Audit and review of the financial report of Variscan Mines Limited (a)	**39,656**	**36,750**

(a) Includes accruals at balance date.

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6. Cash and cash equivalents

	Consolidated	
	2024 $	2023 $
Cash at bank and in hand	250,260	1,017,571
	250,260	**1,017,571**

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

7. Receivables

	Consolidated	
	2024 $	2023 $
Current		
Other Debtors	1,269	-
GST/VAT receivable	102,611	356,170
Prepayments	18,904	19,510
	122,784	**375,680**

Receivables are non-interest bearing and generally 30-day terms and trading terms are being followed by debtors and there are no overdue amounts. An allowance for expected credit losses is recognised when there is objective evidence that it is impaired. No allowance for expected credit losses is required.

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▶ 8. Plant & equipment

	Consolidated	
	2024 $	2023 $
Plant and equipment – at cost	82,274	82,991
Accumulated depreciation	(20,509)	(11,833)
Net book value	**61,765**	**71,158**
Reconciliation of plant and equipment is as follows:		
Opening carrying value	71,158	67,351
Additions	-	11,353
Depreciation	(9,957)	(7,546)
Impact of foreign exchange	564	-
	61,765	**71,158**

Depreciation expenses related to the plant and equipment utilised solely in the exploration and evaluation activities of the Group is capitalised to deferred exploration and evaluation expenditure. Refer Note 9.

▶ 9. Deferred exploration and evaluation expenditure

	Consolidated	
	2024 $	2023 $
Exploration and evaluation phase:		
Costs brought forward	8,097,650	6,710,006
Costs incurred during the year	1,272,166	1,231,286
Depreciation capitalised (refer Note 8)	9,957	7,546
Written-off during the year (a)	-	(78,726)
Impact of foreign currency exchange differences	(47,900)	227,538
Costs carried forward	**9,331,873**	**8,097,650**

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	Consolidated	
	2024 $	2023 $
Exploration expenditure costs carried forward are made up of:		
Novales/Udias Zinc Project - Spain	8,608,577	7,396,914
Guajaraz Zinc Project – Spain	723,296	700,736
Costs carried forward	**9,331,873**	**8,097,650**

(a) During the previous financial year, as a result of the Group's continued focus on its Spanish assets, the amount capitalised to the Rosario Copper Project in Chile was written off.

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 2. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

▶ 10. Current liabilities – payables

	Consolidated	
	2024 $	2023 $
Trade creditors (a)	127,152	164,845
Trade creditors	282,466	89,334
Loans from Directors (b)	100,000	-
	509,617	**254,179**
Reconciliation of short-term director loans:		
Opening value	-	-
Accrued expenses	100,000	-
Closing value	**100,000**	**-**

(a) Trade creditors are non-interest bearing and are generally settled on 30-day terms.

(b) In June 2024, the Group was provided with short-term working capital loans from directors Mr Anthony Wehby and Mr Stewart Dickson. The loans may be convertible to ordinary shares, subject to shareholder approval, at a conversion price of $0.006 per share. Should shareholder approval not be obtained, the loans are repayable before 31 July 2025 and will attract an interest rate of 1% per month.

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▶ 11. Contributed equity

	Consolidated	
	2024 $	2023 $
Share capital		
379,000,368 (2023: 338,003,630) ordinary shares fully paid	37,964.668	37,170,040
Share issue costs	(1,897,797)	(1,825,797)
	35,982,871	**35,344,243**

Terms and conditions of contributed equity.

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Options

Options do not carry voting rights or rights to dividends until options are exercised.

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	Number	Value $
Movements in ordinary shares on issue		
At 1 July 2022	266,732,024	34,018,303
Shares issued for cash	66,666,667	1,200,000
Shares issued in lieu of share issue costs	1,527,778	27,500
Shares issued in lieu of directors fees (a)	3,077,161	70,940
Subscription funds for unissued shares (b)	-	55,000
Share issue costs	-	(27,500)
At 30 June 2023	**338,003,630**	**35,344,243**
Shares issued for cash	33,055,555	595,000
Shares issued for funds received in prior year (b)	3,055,556	-
Shares issued in lieu of directors fees (a)	2,385,627	45,628
Conversion of performance rights	2,500,000	70,000
Share funds received in advance (c)	-	84,000
Share issue costs	-	(72,000)
At 30 June 2024	**379,000,368**	**35,982,871**

(a) 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.

(b) In June 2024, the Company received $55,000 relating to the second tranche of the share placement conducted during the year. The shares relating to these funds were issued on 21 August 2024.

(c) On 28 June 2024 the Company received $84,000 relating to the share placement completed on 22 July 2024.

The Company has 65,888,890 unquoted options on issue at balance date. Refer Note 12 for details.

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▶ 12. Share-based payments and unquoted options

Option pricing model and terms of options.

TThe Company has 14,500,000 unquoted options currently on issue as a result of share-based payment arrangements, as well as 51,388,890 unquoted options issued as free-attaching options to placements.

No options were issued during the current financial year as share-based payments to directors and other key management personnel (2023: 12,000,000 options issued to directors and other key management personnel).

The options issued during the previous financial year were valued by reference to the Black-Scholes option pricing model.

The following table lists the inputs into this model and the terms of options granted in the Company during the previous financial year:

	Options - Tranche 7	Options - Tranche 8	Options – Tranche 9	Options – Broker Options
Underlying security spot price on date of grant	$0.022	$0.022	$0.022	$0.075
Exercise price	$0.045	$0.055	$0.065	$0.12
Grant date	30 November 2022	30 November 2022	30 November 2022	28 June 2021
Expiration date	30 November 2024	30 November 2024	30 November 2024	30 September 2024
Total life (years)	2	2	2	3.25
Expected volatility	100%	100%	100%	125%
Risk-free rate	3.11%	3.11%	3.11%	0.20%
Expected dividend yield	-	-	-	-
Value per security	$0.008	$0.007	$0.0062	$0.049
Number of securities	4,000,000	4,000,000	4,000,000	2,500,000
Portion vested at balance date	100%	100%	100%	100%
Remaining life (years)	0.42	0.42	0.42	0.25
Total value	$32,000	$28,000	$24,800	$125,000

Types of share-based payment plans.

Share-based payments

An Employee Share Option Plan (ESOP) has been established where selected officers, employees and consultants of the Company can be issued with options over ordinary shares in Variscan Mines Limited. The options, issued for nil consideration, will be issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX. Options expire if not exercised 90 days after a participant resigns from the Company.

There have been no cancellations or modifications to any of the plans during 2024 and 2023. No securities have been issued under the ESOP during the financial year ended 30 June 2024 (2023: Nil).

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Summary of movement of unquoted options on issue in the parent entity.

	Number	Value $
Movements in unquoted options on issue		
At 1 July 2022	19,500,000	574,135
Issue of options to Directors and Key Management Personnel	12,000,000	84,800
Lapse of options	(500,000)	(19,000)
Expense recognised for further vesting during the year	-	16,647
Issue of options as free-attaching to placement	15,277,779	-
At 30 June 2023	**46,277,779**	**656,582**
Expiry of options	(16,500,000)	(449,282)
Issue of options as free-attaching to placement	36,111,111	-
At 30 June 2024	**65,888,890**	**207,300**

The outstanding balance as at 30 June 2024 is represented by:

Exercise Price of Option	Expiry Date of Options	Class of Share received upon exercise	Number of Shares under option
$0.12	30 September 2024	ORD	2,500,000
$0.045	30 November 2024	ORD	4,000,000
$0.055	30 November 2024	ORD	4,000,000
$0.065	30 November 2024	ORD	4,000,000
$0.0275	15 March 2025	ORD	51,388,890
			65,888,890

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Weighted Average disclosures for unquoted options granted by the parent entity.

	2024 $	2023 $
Weighted average exercise price of options at 1 July	$0.057	$0.106
Weighted average exercise price of options granted during period	$0.0275	$0.04
Weighted average exercise price of options expired during period	$0.076	$1.00
Weighted average exercise price of options outstanding at 30 June	$0.036	$0.057
Weighted average exercise price of options exercisable at 30 June	$0.036	$0.057
Weighted average contractual life remaining (years)	0.637	1.15
Range of exercise price	$0.0275 - $0.12	$0.0275 - $0.12

Summary of movement of performance rights on issue in the parent entity.

	Number	Value $
Movements in performance rights on issue		
At 1 July 2022	2,500,000	62,704
Expense recognised for further vesting during the year	-	7,296
At 30 June 2023	**2,500,000**	**70,000**
Performance rights exercised	(2,500,000)	(70,000)
At 30 June 2024	**-**	**-**

Performance rights issued as share-based payments.

During a previous financial year, the shareholders of the Company approved the issue of 2,500,000 performance rights to the Company's Managing Director and CEO, Stewart Dickson. The fair value of these performance rights was determined by reference to the underlying share price on the date of grant, being $0.028 per security. These performance rights were exercised during the current financial year. Details of the performance rights exercised during the financial year are as follows:

Performance Condition	Expiry Date of Rights	Fair value per security	Number of Rights
Continuous service until 30 November 2021	30 November 2023	$0.028	1,250,000
Continuous service until 30 November 2022	30 November 2023	$0.028	1,250,000
			2,500,000

▶ 13. Reserves

	Consolidated	
	2024 $	2023 $
Share-based compensation reserve	207,300	726,582
Foreign currency translation reserve	94,959	149,192
	302,259	**875,774**
Share-based compensation reserve (a)		
Balance at the beginning of financial year	726,582	636,838
Share-based payments	-	108,744
Lapse of options	(449,282)	(19,000)
Exercise of performance rights	(70,000)	-
Balance at end of financial year	**207,300**	**726,582**
Foreign currency translation reserve (b)		
Balance at the beginning of financial year	149,192	85,649
Effect of exchange rate fluctuation	(54,233)	63,543
Balance at end of financial year	**94,959**	**149,192**

(a) Share-based compensation reserve

The share-based compensation reserve is used to recognise the fair value of unlisted options and performance rights issued but not exercised as described in Note 2 and referred to in Note 12.

(b) Foreign currency translation reserve

The foreign currency translation reserve recognised the net exchange differences on foreign operations.

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▶ 14. Earnings/(Loss) per share

	Consolidated	
	2024 $	2023 $
Earnings/(loss) used in calculating basic and diluted earnings/(loss) per share	(650,271)	(886,240)

	Consolidated	
	2024 Number	2023 Number
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted EPS	364,624,334	286,866,914

	Consolidated	
	2024 Cents per share	2023 Cents per share
Basic and diluted earnings/(loss) per share	(0.16)	(0.31)

All potential ordinary shares for the calculation of diluted loss per share are considered anti-dilutive.

▶ 15. Key management personnel

Key management personnel (KMP) remuneration.

	Consolidated	
	2024 $	2023 $
Compensation for key management personnel		
Short-term employee benefits	459,985	459,201
Share-based payments	-	81,496
Total compensation	**459,985**	**540,697**

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▶ 16. Related party disclosures

Subsidiaries

The consolidated financial statements include the financial statements of Variscan Mines Limited (the Parent Entity) and the following subsidiaries:

Name	Country of incorporation	% Equity interest 2024	% Equity interest 2023	$ Investment 2024	$ Investment 2023
Bluestone 23 Pty Ltd	Australia	100	100	5,000	5,000
Variscan Mines Europe Limited	UK	100	100	1	1
Slipstream Resources Spain Pty Ltd	Australia	100	100	2,403,748	2,403,748
Slipstream Resources Spain 2 Pty Ltd	Australia	100	100	686,531	686,531
Variscan Mines Cantabria, SL	Spain	100	100	4,439	4,439
Variscan Mines La Mancha, SL	Spain	100	100	4,500	4,500

Transactions with key management personnel

During the current year, amounts totalling $48,000 were paid to Endeavour Corporate Pty Ltd, a Company Associated with Mr Mark Pitts, for accounting and administration services (2023: $48,000). These amounts are separate from the fees paid to Mr Pitts through his role as Company Secretary and are not included in the Key Management Personnel remuneration table on page 10 of the remuneration report. At 30 June 2024, a total of $4,000 (exclusive of GST) was payable to Endeavour Corporate Pty Ltd (2023: $8,000).

At the end of the financial year, Messrs Wehby and Dickson provided the Company with working capital loans totalling $50,000 each ($100,000 total). These loans mature on 31 July 2025 and contain a mechanism by which the loans may be converted to shares upon receipt of approval by the Company's shareholders. If the loans are not converted, they are subject to an interest rate of 1% per month. Refer Note 10.

▶ 17. Farm-in / Farm-out arrangements

The Company is a party to a number of exploration farm-in / farm-out agreements to explore for copper, gold, zinc, lead and uranium. Under the terms of the agreements the Company may be required to contribute towards the exploration and other costs if it wishes to maintain or increase its percentage holdings. These arrangements are not separate legal entities. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to Variscan at reporting date resulting from these arrangements. Percentage equity interests in these arrangements at 30 June 2024 were as follows:

	Consolidated 2024 % Interest	Consolidated 2023 % Interest
Hillston – diluting to 16%	39.2%	39.2%
Callabonna – diluting to 30%	49%	49%

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▶ 18. Segment information

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 Managing Director 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 for the years ended 30 June 2024 and 2023.

	Australia		Spain		Total	
	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $
Segment income	9,464	9,530	1,073	-	**10,537**	**9,530**
Segment loss before income tax expense	(651,344)	(865,314)	1,073	(20,926)	**(650,271)**	**(886,240)**
Segment assets	212,068	974,554	9,621,351	8,655,303	**9,833,419**	**9,629,857**
Segment liabilities	(456,041)	(206,655)	(53,576)	(47,524)	**(509,617)**	**(254,179)**
Non-current asset additions	-	-	1,282,123	1,238,832	**1,282,123**	**1,238,832**

▶ 19. Commitments

Exploration licence expenditure requirements.

In order to maintain the Group's tenements in good standing with the various mines departments, the Group may be required to incur exploration expenditure under the terms of each licence.

There are nil exploration licence commitments at year end (2023: nil).

Milestone consideration – Spanish Zinc Project Acquisition.

In accordance with the acquisition of the Spanish Zinc Projects, 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.

As at the date of this report, the Directors are of the view that the work conducted on the projects to date is not of a sufficiently advanced stage to determine the probability of meeting these milestones and therefore no current obligation has been recorded in this financial report.

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▶ 20. Statement of Cash Flows

	Consolidated	
	2024 $	2023 $
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
Operating loss after income tax	(650,271)	(886,240)
Share-based payment expense	-	108,744
Capitalised exploration expenditure written off	-	78,726
Shares issued in lieu of fees	45,628	70,940
Foreign exchange variances	(53,594)	(8,217)
Net VAT refunds received from Spanish authorities	269,739	-
Change in assets and liabilities:		
(Increase)/decrease in receivables	1,899	2,738
(Decrease)/increase in trade and other creditors	27,650	46,550
Net cash outflow from operating activities	**(358,949)**	**(586,759)**

For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Group does not have any unused credit facilities.

	Consolidated	
	2024 $	2023 $
The balance at 30 June comprised:		
Cash and cash equivalents	250,260	1,017,571
	250,260	**1,017,571**

▶ 21. Financial risk management objectives and policies

The Company's Board considers the Company's overall risk management framework and policies, including quarterly review by the Board of the Company's financial position and financial forecasts and maintaining adequate insurances.

AASB 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

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Capital management.

The Group considers its capital to comprise its ordinary share capital and its retained earnings, net of accumulated losses.

In managing its capital, the Group's primary objective as an explorer is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. The Group has no debt at the year-end hence has a nil gearing ratio.

In making decisions to adjust its capital structure to achieve these aims, either through altering its new share issues, or consideration of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

Financial instrument risk exposure and management.

As is common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. These main risks, arising from the group's financial instruments are interest rate risk, liquidity risk, share market risk and credit risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

General objectives, policies and processes.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives quarterly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Liquidity risk.

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Board receives cash flow projections on a monthly basis as well as information regarding cash balances. At balance date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The expected settlement of the Group's financial liabilities is as follows:

	Carrying amount	Contracted cash flows	< 6 months	6-12 months	1-2 years	2-5 years
30 June 2024						
Trade and other payables	509,617	509,617	509,617	-	-	-
	509,617	509,617	509,617	-	-	-
30 June 2023						
Trade and other payables	254,179	254,179	254,179	-	-	-
	254,179	254,179	254,179	-	-	-

Interest rate risk.

At reporting date, the Group is exposed to floating weighted average interest rates at 30 June 2024 for financial assets as follows:

	Consolidated	
	2024	2023
Weighted average rate of cash balances	1.18%	1.55%
Cash balances	$250,260	$1,017,571

All other financial assets and liabilities are non-interest bearing.
The Group's exposure to interest rate risk is set out in the following tables:

	Consolidated Pre-tax Loss lower / (higher)		Consolidated Equity lower / (higher)	
	2024 $	2023 $	2024 $	2023 $
+1% (100 basis points)	2,503	10,175	2,503	10,175
-1% (100 basis points)	(2,503)	(10,175)	(2,503)	(10,175)

The above table reflects the impact on the Group's loss before income tax and equity from a movement in interest rates of 1%, or 100 basis points, for the current and comparative financial periods.

Share market risk.

The Company relies greatly on equity markets to raise capital for its exploration activities and is thus exposed to equity market volatility. When market conditions require, for prudent capital management, in consultation with its professional advisers the Group looks to alternative sources of funding, including the sale of assets and royalties.

Credit risk.

Credit risk arises principally from the Group's cash, cash equivalents, receivables and tenement security deposits.

The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Foreign currency risk.

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the Australian dollar. The Group does not enter into derivative financial instruments to hedge such transactions denominated in a foreign currency. The Group is primarily exposed to change in Euro/$ exchange rates for the year ended 30 June 2024, although this exposure and all other foreign currency exposure during the current financial year has been assessed as immaterial.

Other receivables.

Other receivables comprise GST. Credit worthiness of debtors is undertaken when appropriate.

Equity price risk.

During the previous year, the Group disposed of its investments in equity interests in listed securities, and therefore, no equity price risk exposure exists at 30 June 2024 (2023: Nil exposure).

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Accounting policies.

Accounting policies in relation to financial assets and liabilities and share capital are contained in Note 2.

Fair value of financial assets and liabilities.

The fair value of all monetary financial assets and financial liabilities of the Group approximate their carrying value.

There are no off-balance sheet financial asset and liabilities at year-end.

All financial assets and liabilities were denominated in Australian dollars during the years ended 30 June 2024 and 2023.

Fair value risk

The group uses three different methods in estimating the fair value of a financial investment. The methods comprise -

- Level 1 – the fair value is calculated using quoted prices in active markets; and
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – the fair value is estimated using inputs other than quoted prices.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs.

The fair value of derivatives that do not have an active market are based on valuation techniques. Level 2 derivatives include market observable inputs whilst level 3 derivatives do not include market observable inputs.

Transfer between categories

There were no transfers between levels during the year.

▶ 22. Parent entity information

	Consolidated	
Information relating to the parent entity Variscan Mines Limited:	**2024**	**2023**
Current assets	193,157	974,547
Total assets	9,485,005	9,582,334
Current liabilities	533,279	206,654
Total liabilities	533,279	206,654
Net Assets	**8,951,726**	**9,375,680**
Issued capital	36,066,871	35,344,243
Accumulated losses	(27,322,445)	(26,695,145)
Reserves	207,300	726,582
Total shareholders' equity	**8,951,726**	**9,375,680**
(Loss) of the parent entity	(627,300)	(556,225)
Other comprehensive income	-	-
Total comprehensive (loss) of the parent entity	**(627,300)**	**(556,225)**

The accounting policies of the Parent Entity are consistent with those of the Group as disclosed in Note 2, except for Investments in Subsidiaries, which are accounted for at cost less accumulated impairment losses.

The Parent Entity has no commitments or contingencies.

23. Events after the reporting date

On 22 July 2024 the Company announced the issue of 49,000,000 fully paid ordinary shares at an issue price of $0.006, raising $294,000, to further progress the Novales-Udias Zinc project. This share placement includes a free-attaching option on the basis of 1 option for every 2 shares subscribed, subject to shareholder approval. The options are exercisable at $0.01 each, with an expiry period of 2 years from the date of issue.

On 13 August 2024 the Company announced the signing of an exclusive Marketing Agreement with Square Trading Singapore Pte Ltd, for the exclusive marketing rights to all zinc concentrate from the Novales-Udias and Guajaraz projects in Spain. The term of the agreement will end 5 years from the date of the first invoice issued to a customer relating to the delivery of zinc concentrate products.

On 23 August 2024 the Company announced the issue of 15,000,000 fully paid ordinary shares at an issue price of $0.006, raising $90,000, as an addition to the placement announced on 22 July 2024. This placement to the Company's largest shareholder, Zinc GroupCo Pty Ltd also includes the free-attaching options on the basis of 1 option for every 2 shares subscribed, subject to shareholder approval. The options are exercisable at $0.01 each, with an expiry period of 2 years from the date of issue.

On 20 September 2024 the Company announced that Mr. Nicholas Farr-Jones had also provided the Group with a working capital loan of $32,000 on the same basis as Messrs Wehby and Dickson, as detailed in Notes 10 and 16.

On 26 September 2024 the Company announced a fully underwritten 2 for 3 renounceable entitlement issue to raise approximately $2.067 million before costs of the offer.

Other than noted above, there were, at the date of this report, no matters or circumstances which have arisen since 30 June 2024 that have 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 years.

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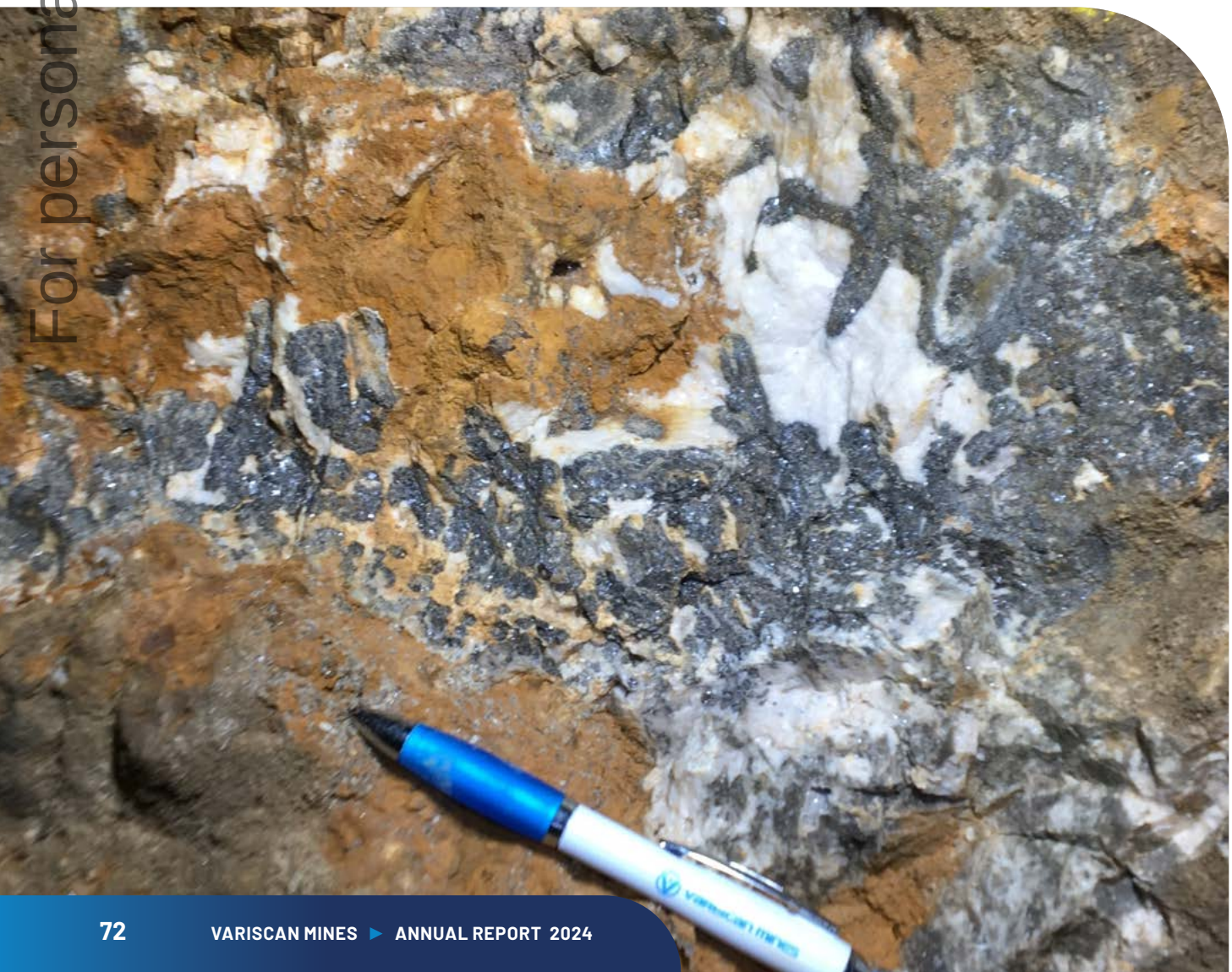

Consolidated Entity
Disclosure Statement

Entity Name	Entity Type	Body Corporates		Tax Residency	
		Place of Incorporation	% Share Capital Held	Australian or Foreign	Foreign Jurisdiction
Variscan Mines Limited	Body Corporate	Australia	100%	Australian	N/A
Bluestone 23 Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Variscan Mines Europe Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Slipstream Resources Spain Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Slipstream Resources Spain 2 Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Variscan Mines Cantabria, SL	Body Corporate	Spain	100%	Foreign	Spain
Variscan Mines La Mancha, SL	Body Corporate	Spain	100%	Foreign	Spain

All Australian entities are part of the Variscan Mines Limited tax consolidated group.

Variscan Mines Europe Limited is currently a dormant entity.

None of the abovementioned entities acts as a trustee of a trust within the Consolidated Entity, nor is a partner in partnership with the Consolidated Entity, nor is a participant in a joint venture within the Consolidated Entity.

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Directors' Declaration

1. In the directors' opinion:

   (a) the financial statements and notes set out on pages 45 to 72 are in accordance with the Corporations Act 2001, including:

      (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

      (ii) giving a true and fair view of the group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

3. The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2024 required by section 295A of the *Corporations Act 2001*.

4. 4. The Consolidated Entity Disclosure Statement as set out on page 73 is true and correct.

This declaration is made in accordance with a resolution of the directors.

Stewart Dickson
Managing Director

27 September 2024

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Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT
To the Members of Variscan Mines Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Variscan Mines Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 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 opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation assets Refer to Note 9	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focused on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed which suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; • We considered management's assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We examined the exploration budget for the year ending 30 June 2025 and discussed with management the nature of planned ongoing activities; • We verified a sample of exploration expenditure capitalised; and • We examined the disclosures made in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Variscan Mines Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

David Healy

D B Healy
Partner

Perth, Western Australia
27 September 2024

Schedule of Tenements

Listing of tenements held as at 18 October 2024

Tenement	Tenement No.	Interest	Joint Venture Details
SPAIN			
Cantabria			
Buenahora Fraction 1	IP 16.662-01	100%	
Buenahora Fraction 2	IP 16.662-02	100%	
San José	EC 94	100%	
La Torra	EC 512	100%	
Tres Amigos	EC 1565	100%	
Torpeza	EC 2557	100%	
Andrea	EC5220	100%	
Andrea-demasía a	EC5374	100%	
Es	EC8049	100%	
Dudosa	EC8165	100%	
Cargadoiro	EC11589	100%	
Tres amigos-demasía a	EC11594	100%	
Flor del pueblo	EC12942	100%	
Torpeza-demasía a	EC12952	100%	
Torpeza-3ª demasía a	EC13079	100%	
Torpeza-2ª demasía a	EC13080	100%	
Flor del pueblo-demasía a	EC13154	100%	
Dudosa-demasía a	EC13170	100%	
Andrea-3ª demasía a	EC13175	100%	
Andrea-2ª demasía a	EC13176	100%	
Cargadoiro-demasía a	EC13260	100%	
Ampliación a Matilde	EC13641	100%	
Aumentada	EC14238	100%	
Campitos	EC14554	100%	
Campitos-demasía a	EC14640	100%	
Carmenchu	EC14945	100%	
Amelita	EC14949	100%	
Eloísa	EC14947	100%	

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Tenement	Tenement No.	Interest	Joint Venture Details
Ampliación a Matilde-demasía a	EC14948	100%	
Cargadoiro 2	EC14954	100%	
Amelita-demasía a	EC14979	100%	
Carmenchu-demasía a	EC14980	100%	
Eloísa-demasía a	EC14981	100%	
Carmenchu-2ª demasía a	EC14982	100%	
6º Aumento a porvenir	EC15672	100%	
Ampliación a Matilde-demasía a	EC13641-10	100%	
Campitos-segunda demasía a	EC14554-20	100%	
Cargadoiro 2- demasía a	EC14954-10	100%	
Carmenchu-tercera demasía a	EC14980-30	100%	
6º Aumento a porvenir-demasía a	EC15672-10	100%	
Torpeza-tercera demasía a	EC2557-30	100%	
Esperanza	IP 16674	100%	
Estela	IP 16672	100%	
Elena	IP 16673	100%	
Candela	IP 16676	100%	
Valeria	IP 16675	100%	
Toledo			
Guajaraz	IP 4.203	100%	

Tenement	Tenement No.	Interest	Joint Venture Details
CHILE			
Rosario			
Rosario 6 1-40	0310259624	10.4%	Note 4
Rosario 7 1-60	0310259632	10.4%	Note 4
Rosario 101	03102N2229	10.4%	Note 4
Salvadora	0310231355	10.4%	Note 4
Abandonara	0310248487	10.4%	Note 4

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Tenement	Tenement No.	Interest	Joint Venture Details
NEW SOUTH WALES			
Willyama	EL 8075	0%	Note 1
Hillston	EL 6363	39.2%	Perilya can earn 80%, Eaglehawk 9.8%
Native Dog	EL 8236	0%	Note 1
Woodlawn South	ELs 7257 and 7469	0%	Royalty interest only

Tenement	Tenement No.	Interest	Joint Venture Details
SOUTH AUSTRALIA			
Junction Dam	EL 5682	0%	Marmota acquired 100% ownership. See Note 2
Callabonna	EL 5360	49%	Red Metal 51%, can earn 70%

Tenement	Tenement No.	Interest	Joint Venture Details
FRANCE – Note 4			
St Pierre	PER	100%	
Beaulieu	PER	100%	

EL = Exploration Licence

PER = Permis Exclusif de Recherche (France)

IP = Investigation Permit (Spain)

EC = Exploration Concession (Spain)

Note 1: On 1 July 2019 the Company announced it had successfully renegotiated the terms of the existing Option Agreement to provide the Company with a participating interest of 10.4%. The Company can earn up to 90% of the project through payment of amounts totaling approximately US$2.25 milllion.

Note 2: Under an agreement with Silver City Minerals Limited, Broken Hill Operations and Eaglehawk Geological Consulting Pty Ltd Variscan has converted its interest in parts of these tenements to a NSR (Net Smelter Return).

Note 3: Marmota has earned 100% of the uranium rights only in EL 5682. Variscan has a 0.5% net profits royalty on production from a uranium mine.

Note 4: The remaining exploration licences owned by Variscan Mines SAS (excluding the Couflens PER) have been conditionally acquired by a new wholly owned subsidiary, Variscan Mines Europe Limited. Pursuant to the approval for the Subsidiary Sale, the Ministry of Economy and Finance has imposed, without prior consultation, the compulsory relinquishment of the remaining licences. The Company has approved the relinquishment request and has yet to receive a response. The timetable for the completion of the relinquishment process is unknown.

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▶ Details of Joint Ventures

Callabonna EL 5360, SA

Variscan 49%. Red Metal has earned a 51% interest by spending $1 million and can earn a 70% interest by spending $3 million. Variscan then can contribute with 30% or reduce to a 15% interest, carried to completion of a BFS and repayable from Variscan's share of net proceeds of mine production.

Hillston EL 6363, NSW

Variscan 39.2% and Eaglehawk 9.8%, Perilya 51%. Perilya can earn an 80% interest in this tenement by completing expenditure of $1.5 million. Variscan and Eaglehawk can then each participate with their respective interests of 16% and 4% or convert to a 10% and 2.5% free-carried interest to completion of a BFS. On completion of a BFS, Variscan and Eaglehawk can participate or convert their interests to a NSR royalty.

Woodlawn South ELs 7257 and 7469, NSW

Variscan holds an NSR royalty interest in both these tenements.

Willyama and Native Dog, ELs 8075 and 8236 NSW

Under various agreements with Silver City Minerals Limited, Variscan holds an NSR royalty interest in each of these tenements.

▶ Governance Framework

The Board of Variscan Mines Limited (Variscan) has responsibility for corporate governance for the Company and its subsidiaries (the Group) and has implemented policies, procedures and systems of control with the intent of providing a strong framework and practical means for ensuring good governance outcomes which meet the expectations of all stakeholders.

The Corporate Governance Statement, dated 30 June 2024, sets out corporate governance practices of the Group which, taken as a whole, represents the system of governance.

The framework for corporate governance follows the 4th Edition of the ASX Corporate Governance Council's Principles and Guidelines. The Directors have implemented policies and practices which they believe will focus their attention and that of their Executives on accountability, risk management and ethical conduct. The Board will continue to review its policies to ensure they reflect any changes within the Group, or to accepted principles and good practice.

Where the Board considers the Group is not of sufficient size or complexity to warrant adoption of all the recommendations set out in the ASX Corporate Governance Council's published guidelines, these instances have been highlighted.

This Corporate Governance Statement together with governance policies and committee charters is available on our website at https://www.variscan.com.au/index.php/corporate-information/corporate-governance.

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Shareholder Information

Shareholder Information as at 18 October 2024

Ordinary fully paid shares

443,000,368 fully paid ordinary shares on issue.

Substantial shareholders	Shareholding	%
ZINC GROUPCO PTY LTD	100,000,000	22.573%
SLIPSTREAM RESOURCES INTERNATIONAL PTY LTD <SLIPSTREAM CAPITAL A/C>	43,891,667	9.908%
CITICORP NOMINEES PTY LIMITED	35,416,901	7.995%
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	26,828,750	6.056%

As at 18 October 2024, there were 1,145 shareholders with less than a marketable parcel of $500.

Top 20 shareholders of ordinary shares	Number	%
ZINC GROUPCO PTY LTD	85,444,444	19.288%
SLIPSTREAM RESOURCES INTERNATIONAL PTY LTD <SLIPSTREAM CAPITAL A/C>	43,891,667	9.908%
CITICORP NOMINEES PTY LIMITED	35,416,901	7.995%
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	26,828,750	6.056%
SPELT KENT PTY LTD <SPELT KENT SUPER FUND A/C>	20,301,668	4.583%
ZINC GROUPCO PTY LTD	14,555,556	3.286%
FELDI LIMITED	13,824,450	3.121%
WAINIDIVA PTY LTD	11,666,667	2.634%
MRS LARA WEHBY	9,583,334	2.163%
BNP PARIBAS NOMS PTY LTD	8,449,762	1.907%
OFFELBAR PTY LTD	8,333,333	1.881%
HISPANIBAL SL	7,150,000	1.614%
LIGHTNING JACK PTY LTD <INDIGO FAMILY A/C>	7,080,000	1.598%
POWERHOUSE VENTURES LIMITED	6,400,566	1.445%
MR PETER FABIAN HELLINGS & MRS JACQUELINE KIM GUN HELLINGS <BOX SUPER FUND A/C>	5,000,000	1.129%
OPEKA DALE PTY LTD <OPEKA DALE P/L S/F NO 2 A/C>	5,000,000	1.129%
SPINERGY CAPITAL PTY LTD	5,000,000	1.129%
MR GEORGE DAVID BUTKERAITIS	4,852,842	1.095%

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Top 20 shareholders of ordinary shares	Number	%
ESM LIMITED	3,768,957	0.851%
MS JASMINE LOUISE HELLINGS	3,550,000	0.801%
Total Securities of Top 20 Holdings	326,098,897	73.611%
Total of Securities	**443,000,368**	

Distribution of shareholders			
Range	No of shareholders	Ordinary shares	%
1 – 1,000	730	147,944	0.030
1,001 – 5,000	174	435,724	0.100
5,001 – 10,000	60	473,339	0.110
10,001 – 100,000	245	10,155,527	2.290
100,001 – and over	207	431,787,834	97.470
	1,416	**443,000,368**	**100.000**

Unquoted securities

The Company has the following unquoted securities on issue:

Description	Number	Number of holders
Unquoted options, exercisable at $0.12 on or before 30 September 2024	2,500,000	1
Unquoted options, exercisable at $0.045 on or before 30 November 2024	4,000,000	7
Unquoted options, exercisable at $0.055 on or before 30 November 2024	4,000,000	7
Unquoted options, exercisable at $0.045 on or before 30 November 2024	4,000,000	7
Unquoted options, exercisable at $0.0275 on or before 15 March 2025	51,388,890	4

Voting rights

There are no restrictions on voting rights for ordinary shares. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof.

Option holders have no voting rights until the options are exercised.

There is no current on-market buy-back.

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