ASX Announcement | 30 September 2025
Variscan Mines Limited (ASX:VAR)

FINANCIAL REPORT – YEAR ENDED 30 JUNE 2025

Variscan Mines Limited ("Variscan" or the "Company") encloses its full year financial report for the year ended 30 June 2025.

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

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About Variscan Mines Limited (ASX:VAR)

Variscan Mines Limited (ASX:VAR) is a growth oriented, natural resources company focused on the acquisition, exploration and development of high-quality strategic mineral projects. The Company has compiled a portfolio of high-impact base-metal interests in Spain, 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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Financial Report
For the year ended
30 June 2025

Variscan Mines Limited (ASX:VAR)
ABN: 16 003 254 395

Contents

Corporate Directory

Directors

Mr Anthony Wehby	Non-Executive Chairman
Mr Stewart Dickson	Managing Director & CEO
Mr Nicholas Farr-Jones AM	Non-Executive Director
Dr Frank Bierlein	Non-Executive Director

Company secretary

Mr Mark Pitts

Registered office

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Share register

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P: 1300 288 664

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000
Australia
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Securities Exchange Listing

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

Your directors submit their report for the year ended 30 June 2025.

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

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 2023. 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.

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:

Director	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 – 27 June 2025) Firetail Resources Ltd (10 November 2022 – September 2023)

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	9,497,795	4,166,667	-
Mr Stewart Dickson	42,872,070	4,166,667	-
Mr Nicholas Farr-Jones	8,666,812	2,285,714	-
Mr Frank Bierlein	388,411	-	-

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 $920,387 (2024: $650,271).

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.

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) 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.

Significant events after the reporting date

On 5 August 2025, the Company announced that firm commitments for a placement of $2,571,507 had been received, which was to be completed in two tranches. Tranche 1 was completed using the Company's existing share placement capacity on 13 August 2025 through the issue of 117,428,656 shares at $0.005 per share, raising $587,143 before costs. Tranche 2 was partially completed on 29 September 2025, following shareholder approval received at the Company's general meeting of shareholders held on 17 September 2025. This saw the issue of 332,571,344 shares at $0.005, raising $1,662,857 before costs. Furthermore, following receipt of shareholder approval at that same meeting, the Company issued 199,999,994 free-attaching options to the participants in both tranches of the placement, on the basis of one new option for every two shares subscribed for. These options are exercisable at $0.008 each, on or before 30 September 2028.

Also on 5 August 2025, the Company also announced the opportunity to earn into two highly prospective zinc projects in the Republic of Ireland. Known as the Midlands and Waterford projects, the Company has the right to earn up to a 60% interest in the projects through the expenditure of $3,300,000 in three tranches over three years, with the remaining 40% ownership to be agreed at a later date.

Other than noted above, there were, at the date of this report, no matters or circumstances which have arisen since 30 June 2025 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.

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
$0.015	30 November 2026	ORD	152,666,746
$0.01	30 November 2026	ORD	42,619,048
$0.008	29 September 2028	ORD	199,999,994
			395,285,788

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 12 & 13 to the financial statements for further details of the options and rights outstanding.

During the period, 195,285,794 options were issued, no options were exercised, and 65,888,890 options lapsed. From 1 July 2025 to the date of this report, 199,999,994 options (as shown in the table above) have been issued, and no other options have been exercised, cancelled or have lapsed.

During the period, no performance rights were issued, cancelled or exercised. From 1 July 2025 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 2025 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.

Details of key management personnel

Details of the Key Management Personnel 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.

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 2024 or 30 June 2025.

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:

	2025	2024	2023	2022	2021
Loss per share (cents)	(0.14)	(0.18)	(0.31)	(0.31)	(0.32)
Net loss ($)	(920,387)	(650,271)	(886,240)	(827,051)	(684,613)
Share Price at 30 June	$0.006	$0.005	$0.012	$0.025	$0.075

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 (2024: £132,500 p.a. plus VAT as applicable) as at 30 June 2025.
- Termination payments: Nil.

Directors and KMP remuneration for the year ended 30 June 2025

	Short-term benefits			Long-term benefits	Post-employment	Share-based payments			
	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	-	267,989	-	-	-	-	-	267,989	-
N Farr-Jones	36,000	-	-	-	-	-	-	36,000	-
F Bierlein	36,000	-	-	-	-	-	-	36,000	-
Sub-total	**122,000**	**267,989**	**-**	**-**	**-**	**-**	**-**	**389,989**	**-**
Other KMP									
M Pitts	89,733	-	-	-	-	-	-	89,733	-
Sub-total	**89,733**	**-**	**-**	**-**	**-**	**-**	**-**	**89,733**	**-**
Total Remuneration	**211,733**	**267,989**	**-**	**-**	**-**	**-**	**-**	**479,722**	**-**

Directors and KMP remuneration for the year ended 30 June 2024

	Short-term benefits			Long-term benefits	Post-employment	Share-based payments			
	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	-
M Moore	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**	**-**

Share holdings and transactions of Key Management Personnel

	Balance at 1 July 2024 / upon appointment	Shares issued on exercise of options / performance rights	Shares granted in lieu of fees	Net change other	Balance at 30 June 2025 / upon resignation
A Wehby	1,164,461	-	-	8,333,334	9,497,795
S Dickson	13,824,450	-	20,714,286	8,333,334	42,872,070
N Farr-Jones	1,523,955	-	2,571,428	4,571,429	8,666,812
F Bierlein	388,411	-	-	-	388,411
M Pitts	-	-	-	-	-

Option holdings and transactions of Key Management Personnel

	Balance at 1 July 2024 / upon appointment	Granted as remuneration	Lapsed/Expired	Net change other (a)	Balance at 30 June 2025 / upon resignation	Vested and exercisable at 30 June 2025
A Wehby	1,500,000	-	(1,500,000)	4,166,667	4,166,667	4,166,667
S Dickson	3,000,000	-	(3,000,000)	4,166,667	4,166,667	4,166,667
N Farr-Jones	1,500,000	-	(1,500,000)	2,285,714	2,285,714	2,285,714
F Bierlein	1,500,000	-	(1,500,000)	-	-	-
M Pitts	1,500,000	-	(1,500,000)	-	-	-

(a) - These options were issued to Directors as free-attaching options to their participation in the share issues in December 2024. Under Australian Accounting Standards, these are considered to be a share-based payment, however were not granted as remuneration during the year.

Performance Rights holdings of Key Management Personnel

	Balance at 1 July 2024 / upon appointment	Granted as remuneration	Exercised	Balance at 30 June 2025 / upon resignation	Vested and exercisable at 30 June 2025
A Wehby	-	-	-	-	-
S Dickson	-	-	-	-	-
N Farr-Jones	-	-	-	-	-
F Bierlein	-	-	-	-	-
M Pitts	-	-	-	-	-

Options and performance rights

Options and Rights granted during the year

No Options or Rights were granted as remuneration during the year. 10,619,048 options were issued to key management personnel as free-attaching options to their participation in a share placement. Under the requirements of the Australian Accounting Standards, as these options were granted as free-attaching to the issue of shares in settlement of the loans provided by the Directors, they fall under the purview of AASB *Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments* and therefore a fair value of $26,298 has been recognised in relation to these options. The fair value of these options was determined by reference to the Black-Scholes option pricing model, the key inputs and valuations of which are summarised below:

	Director Free-Attaching Options FY25
Underlying security spot price on date of grant	$0.007
Exercise price	$0.01
Grant date	17 December 2024
Expiration date	30 November 2026
Total life (years)	2.0
Expected volatility	100%
Risk-free rate	3.94%
Expected dividend yield	-
Value per security	$0.0025
Number of securities	10,519,048
Portion vested at balance date	100%
Remaining life (years)	1.4
Total value	$26,298

Options and Rights lapsed during the year

9,000,000 unquoted options held by Key Management Personnel exercisable at various prices expired unexercised on 30 November 2024.

Options and Rights exercised during the year

No options or rights were exercised during the year.

Transactions with directors and key management personnel

During the current year, amounts totalling $55,900 were paid to Endeavour Corporate Pty Ltd, a Company Associated with Mr Mark Pitts, for accounting and administration services (2024: $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 11. At 30 June 2025, a total of $13,500 (exclusive of GST) was payable to Endeavour Corporate in relation to these services (2024: $4,000) related to these services.

At the end of the previous financial year, Messrs Wehby and Dickson provided the Company with working capital loans totalling $50,000 each ($100,000 total). Additionally, during the current year, Mr Farr-Jones provided the Company with a working capital loan of $32,000. These loans were converted during the year to a total of 21,238,097 ordinary shares, with 10,519,048 free attaching options (with a deemed fair value of $26,298) as noted in the table above. The value of options received for each Director is as follows:

	Fair Value of free-attaching options issued
A Wehby	$10,292
S Dickson	$10,292
N Farr-Jones	$5,714
Total	$26,298

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.

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	6
Dr Frank Bierlein	6	5
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 2025 (2024: Nil).

Signed this 30th day of September 2025 in accordance with a resolution of the Directors.

Stewart Dickson
Managing Director

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

David Healy

Perth, Western Australia	**D B Healy**
30 September 2025	**Partner**

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Notes	Consolidated 2025 $	Consolidated 2024 $
Continuing operations			
Interest income	*3*	7,137	9,464
Other income	*3*	-	1,073
Total income		**7,137**	**10,537**
Compliance expenses		(96,517)	(50,154)
Professional services expenses		(350,043)	(264,574)
Finance expenses		(156)	(171)
Occupancy expenses		(360)	-
Directors' expenses		(378,658)	(259,055)
Travel and accommodation expenses		-	(10,230)
Loss on settlement of financial liabilities	*11, 13*	(26,298)	-
Other expenses		(52,923)	(75,966)
Total expenses		**(904,955)**	**(660,150)**
Realised gain/(loss) on foreign exchange		(18,654)	(2,136)
Unrealised gain/(loss) on foreign exchange		(3,915)	1,478
Total foreign exchange loss		**(22,569)**	**(658)**
Loss before income tax expense		**(920,387)**	**(650,271)**
Income tax expense	*4*	-	-
Loss for the year		**(920,387)**	**(650,271)**
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		20,479	(54,233)
Other comprehensive (loss) / income for the year, net of tax		**20,479**	**(54,233)**
Total comprehensive loss for the year		**(899,908)**	**(704,504)**
Basic and diluted loss per share (cents per share)	*15*	(0.14)	(0.18)

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

Consolidated Statement of Financial Position

As at 30 June 2025

		Consolidated	
		2025	2024
	Notes	$	$
Assets			
Current assets			
Cash and cash equivalents	*6*	451,939	250,260
Trade and other receivables	*7*	179,985	122,784
Total current assets		**631,924**	**373,044**
Non-current assets			
Plant and equipment	*8*	91,026	61,765
Deferred exploration and evaluation expenditure	*9*	10,672,695	9,331,873
Other non-current assets		74,025	66,737
Total non-current assets		**10,837,746**	**9,460,375**
Total assets		**11,469,670**	**9,833,419**
Liabilities			
Current liabilities			
Trade and other payables	*10*	341,827	409,617
Financial liabilities	*11*	250,000	100,000
Total current liabilities		**591,827**	**509,617**
Total liabilities		**591,827**	**509,617**
Net assets		**10,877,843**	**9,323,802**
Equity			
Issued capital	*12*	37,974,222	36,066,871
Reserves	*14*	662,036	302,259
Accumulated losses		(27,758,415)	(27,045,328)
Total equity		**10,877,843**	**9,323,802**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

		Consolidated	
		2025	2024
	Notes	$	$
Cash flows from operating activities			
Payments to suppliers and employees		(773,160)	(637,981)
Interest received		7,137	9,464
Finance costs		(156)	(171)
Net VAT refunds received from Spanish authorities		-	269,739
Net cash outflow from operating activities	*21*	**(766,179)**	**(358,949)**
Cash flows from investing activities			
Exploration and evaluation expenditure		(1,414,874)	(1,114,159)
Payments for property, plant and equipment		(39,162)	-
Net cash outflow from investing activities		**(1,454,036)**	**(1,114,159)**
Cash flows from financing activities			
Proceeds from issue of shares		2,367,335	595,000
Share funds received in advance		-	84,000
Working capital loans from Directors	*11*	32,000	100,000
Loan funds received	*11*	250,000	-
Payments for share issue costs		(234,684)	(72,000)
Net cash inflow from financing activities		**2,414,651**	**707,000**
Net increase / (decrease) in cash and cash equivalents		194,436	(766,108)
Cash and cash equivalents at the beginning of the year		250,260	1,017,571
Effect of exchange rate fluctuations on cash held		7,243	(1,203)
Cash and cash equivalents at the end of the year	*6*	**451,939**	**250,260**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Consolidated				
	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
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**
1 July 2024	36,066,871	207,300	94,959	(27,045,328)	9,323,802
Loss for the year	-	-	-	(920,387)	(920,387)
Other comprehensive income / (loss) for the year, net of income tax	-	-	20,479	-	20,479
Total comprehensive income / (loss) for the year	**-**	**-**	**20,479**	**(920,387)**	**(899,908)**
Issue of share capital for cash	2,367,335	-	-	-	2,367,335
Issue of shares and options under loan agreements	132,000	26,298	-	-	158,298
Issue of share capital in lieu of fees	163,000	-	-	-	163,000
Issue of options as share issue costs	(520,300)	520,300	-	-	-
Lapse of options	-	(207,300)	-	207,300	-
Share issue costs	(234,684)	-	-	-	(234,684)
30 June 2025	**37,974,222**	**546,598**	**115,438**	**(27,758,415)**	**10,877,843**

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

1. Corporate information

The financial report of Variscan Mines Limited (Variscan or the Company) for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 30 September 2025. 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 material 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 2025.

Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2025

In the year ended 30 June 2025, 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 2024. 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.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

For the year ended 30 June 2025, the Group recorded a net loss after tax of $920,387 (2024: $650,271), and net cash outflows from operating and investment activities of $2,220,215 (2024: $1,473,108). At 30 June 2025, the Group had $451,939 in cash and cash equivalents (30 June 2024: $250,260) and net working capital of $40,097 (30 June 2024: $136,573).

2. Summary of material accounting policies (continued)

Subsequent to the end of the financial year the Company has issued 400,000,000 shares at $0.005 per share, raising $2 million before costs. Additionally, the Company has issued 51,301,370 in full satisfaction for the outstanding loan balance of $250,000 plus $6,507 in accrued interest.

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.

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.

2. Summary of material accounting policies (continued)

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 (2024: 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.

2. Summary of material accounting policies (continued)

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.

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.

2. Summary of material accounting policies (continued)

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.

Translation of Group Companies' functional currency to presentation currency

During the current period, the results of the Spanish subsidiaries were translated into Australian Dollars (presentation currency). Income and expenses for each profit or loss item were translated at the average exchange rate, unless this was not a reasonable approximation of the cumulative effects of the rates prevailing on the transaction dates, in which case income and expenses were translated at the dates of the transactions. Assets and liabilities were translated at exchange rates prevailing at reporting date. All resulting exchange differences were recognised in other comprehensive income, until the date of disposal of the net investment in the foreign operation, at which point the cumulative amount of the foreign currency translation reserve will be recognised in the net loss for the year.

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.

2. Summary of material accounting policies (continued)

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.

3. Income

	Consolidated	
	2025	2024
	$	$
Income		
Interest income	7,137	9,464
Other income	-	1,073
	7,137	**10,537**

4. Income tax

	Consolidated	
	2025	2024
	$	$
Prima facie income tax (credit) on operating (loss) at 30% (2024: 30%)	(276,116)	(195,081)
Non-deductible expenses / (Non-assessable income)	9,064	-
Deferred tax assets not recognised	267,052	195,081
Income tax expense	-	-

4. Income tax (continued)

	Consolidated	
	2025	2024
	$	$
Deferred tax assets have not been recognised in respected to the following items		
Unrecognised deferred tax assets		
Accrued expenses and provisions	21,247	104,784
Capital raising costs	70,405	6,600
Income tax losses	5,221,300	5,140,265
	5,312,952	**5,251,649**
Unrecognised deferred tax liabilities		
Temporary timing differences related to:		
Exploration and evaluation expenditure	(2,303,324)	(1,901,108)
Net deferred tax asset not recognised	**3,009,628**	**3,350,541**

No provision for income tax is considered necessary in respect of the Company for the period ended 30 June 2025.

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 2025 of $17,404,333 (2024: $17,134,217).

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% (2024: 30%) of approximately $5,221,300 (2024: $5,140,265) 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 (2024: $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	
	2025	2024
	$	$
Amounts received or due and receivable by:		
HLB Mann Judd (WA) Partnership, for:		
Audit and review of the financial report of Variscan Mines Limited (a)	47,259	39,656
	47,259	**39,656**

a) Includes accruals at balance date.

6. Cash and cash equivalents

	Consolidated	
	2025	2024
	$	$
Cash at bank and in hand	451,939	250,260
	451,939	**250,260**

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	
	2025	2024
	$	$
Current		
Other Debtors	30,419	1,269
GST/VAT receivable	131,340	102,611
Prepayments	18,226	18,904
	179,985	**122,784**

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.

8. Plant & equipment

	Consolidated	
	2025	2024
	$	$
Plant and equipment – at cost	126,062	82,274
Accumulated depreciation	(35,036)	(20,509)
Net book value	91,026	61,765
Reconciliation of plant and equipment is as follows:		
Opening carrying value	61,765	71,158
Additions	39,162	-
Depreciation	(16,646)	(9,957)
Impact of foreign exchange	6,745	564
	91,026	**61,765**

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	
	2025	2024
	$	$
Exploration and evaluation phase:		
Costs brought forward	9,331,873	8,097,650
Costs incurred during the year	973,165	1,272,166
Depreciation capitalised (refer Note 8)	16,646	9,957
Impact of foreign currency exchange differences	351,011	(47,900)
Costs carried forward	**10,672,695**	**9,331,873**
Exploration expenditure costs carried forward are made up of:		
Novales/Udias Zinc Project - Spain	9,895,706	8,608,577
Guajaraz Zinc Project – Spain	776,989	723,296
Costs carried forward	**10,672,695**	**9,331,873**

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. Trade and other payables

	Consolidated	
	2025	2024
	$	$
Trade creditors (a)	271,003	127,152
Accrued expenses	70,824	282,466
	341,827	**409,617**

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

11. Financial liabilities

	Consolidated	
	2025	2024
	$	$
Loans from Directors (a)	-	100,000
Loan from shareholder (b)	250,000	-
	250,000	**100,000**
Reconciliation of financial liabilities:		
Opening value	100,000	-
Additions – loans advanced during the period (from Directors)	32,000	100,000
Additions – loans advanced during the period (from shareholder)	250,000	-
Converted to shares (Note 12)	(132,000)	-
Closing value	**250,000**	**100,000**
Reconciliation of loss on settlement:		
Carrying value of financial liabilities settled during the year:	132,000	-
Less: Fair value of shares issued in settlement	(132,000)	-
Less: Fair value of options issued as free-attaching to shares issued in settlement (Note 13)	(26,298)	-
Loss on settlement of financial liabilities	**(26,298)**	**-**

a) In June 2024, the Group was provided with short-term working capital loans from directors Mr Anthony Wehby and Mr Stewart Dickson. The loans were convertible to ordinary shares, subject to shareholder approval, at a conversion price of $0.006 per share. On 18 December 2024, these loans were converted into 21,238,097 ordinary shares and 10,619,048 free-attaching options. As these options form part of the settlement of financial liabilities, in accordance with the requirements of the Australian Accounting Standards, a fair value of $26,298 has been recognised (as detailed in Note 13 below) which forms the basis of the loss recorded on the settlement of the financial liabilities.

b) On 27 June 2025, the Company received a loan from a shareholder totalling $250,000. This loan, which is repayable at the earlier of 18 months from the advance date of the loan or at the completion of the next major capital raise by the Company, attracts interest at a rate of 10% per annum. Subsequent to year end, on 29 September 2025, following receipt of approval at a general meeting of the Company's shareholders, the Company issued 51,301,370 in full satisfaction for the outstanding loan balance of $250,000 plus $6,507 in accrued interest.

12. Contributed equity

	Consolidated	
	2025	2024
	$	$
Share capital		
782,857,708 (2024: 379,000,368) ordinary shares fully paid	40,627,003	37,964,668
Share issue costs	(2,652,781)	(1,897,797)
	37,974,222	**36,066,871**

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.

	Number	Value
		$
Movements in ordinary shares on issue		
At 1 July 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**	**36,066,871**
Shares issued for cash	359,333,529	2,367,335
Shares issued for repayment of loan agreements with directors (Note 11)	21,238,097	132,000
Shares issued in lieu of directors fees (a)	23,285,714	163,000
Options issued in lieu of share issue costs (Note 13)	-	(520,300)
Share issue costs	-	(234,684)
At 30 June 2025	**782,857,708**	**37,974,222**

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 195,285,794 unquoted options on issue at balance date. Refer Note 13 for details.

13. Share-based payments and unquoted options

Option pricing model and terms of options

The Company has 78,833,394 unquoted options currently on issue as a result of share-based payment arrangements, as well as 116,452,400 unquoted options issued as free-attaching options to placements.

No Options or Rights were granted as remuneration during the year. 10,619,048 options were issued to key management personnel as free-attaching options to their participation in a share placement. Under the requirements of the Australian Accounting Standards, as these options were granted as free-attaching to the issue of shares in settlement of the loans provided by the Directors, they fall under the purview of AASB Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* and therefore a fair value of $26,298 has been recognised in relation to these options.

78,833,394 options issued during the financial year to underwriters and lead managers to the issue of shares 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 financial year:

	Director Free-Attaching Options FY25	Lead Manager & Underwriter Options
Underlying security spot price on date of grant	$0.007	$0.013
Exercise price	$0.01	$0.015
Grant date	17 December 2024	29 November 2024
Expiration date	30 November 2026	30 November 2026
Total life (years)	2.0	2.0
Expected volatility	100%	100%
Risk-free rate	3.94%	3.94%
Expected dividend yield	-	-
Value per security	$0.0025	$0.0066
Number of securities	10,519,048	78,833,394
Portion vested at balance date	100%	100%
Remaining life (years)	1.4	1.42
Total value	$26,298	$520,300

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 particip ant resigns from the Company.

There have been no cancellations or modifications to any of the plans during 2025 and 2024. No securities have been issued under the ESOP during the financial year ended 30 June 2025 (2024: Nil).

13. Share-based payments and unquoted options (continued)

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

	Number	Value $
Movements in unquoted options on issue		
At 1 July 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**
Expiry of options	(65,888,890)	(207,300)
Issue of options as free-attaching to placement	105,833,352	-
Issue of options to Directors as free-attaching to placement	10,619,048	26,298
Issue of options in lieu of share issue costs	78,833,394	520,300
At 30 June 2025	**195,285,794**	**546,598**

The outstanding balance as at 30 June 2025 is represented by:

Exercise Price of Option	Expiry Date of Options	Class of Share received upon exercise	Number of Shares under option
$0.015	30 November 2026	ORD	152,666,746
$0.01	30 November 2026	ORD	42,619,048
			195,285,794

13. Share-based payments and unquoted options (continued)

Weighted Average disclosures for unquoted options granted by the parent entity

	2025 $	2024 $
Weighted average exercise price of options at 1 July	$0.036	$0.057
Weighted average exercise price of options granted during period	$0.014	$0.0275
Weighted average exercise price of options expired during period	$0.036	$0.076
Weighted average exercise price of options outstanding at 30 June	$0.014	$0.036
Weighted average exercise price of options exercisable at 30 June	$0.014	$0.036
Weighted average contractual life remaining (years)	1.42	0.637
Range of exercise price	$0.01 - $0.015	$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 2023	2,500,000	70,000
Performance rights exercised	(2,500,000)	(70,000)
At 30 June 2024	-	-
No movements during the year	-	-
At 30 June 2025	-	-

Performance rights issued as share-based payments

No performance rights were issued during the financial year as share-based payments (2024: Nil).

14. Reserves

	Consolidated	
	2025	2024
	$	$
Share-based compensation reserve	546,598	207,300
Foreign currency translation reserve	115,438	94,959
	662,036	**302,259**
Share-based compensation reserve		
Balance at the beginning of financial year	207,300	726,582
Share-based payments	546,598	-
Lapse of options	(207,300)	(449,282)
Exercise of performance rights	-	(70,000)
Balance at end of financial year	**546,598**	**207,300**
Foreign currency translation reserve		
Balance at the beginning of financial year	94,959	149,192
Effect of exchange rate fluctuation	20,479	(54,233)
Balance at end of financial year	**115,438**	**94,959**

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 13.

b) *Foreign currency translation reserve*

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

15. Earnings/(Loss) per share

	Consolidated	
	2025	2024
	$	$
Earnings/(loss) used in calculating basic and diluted earnings/(loss) per share	(920,387)	(650,271)

	Consolidated	
	2025	2024
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted EPS	653,514,331	364,624,334

15. Earnings/(Loss) per share (continued)

	Consolidated	
	2025	2024
	Cents per share	Cents per share
Basic and diluted earnings/(loss) per share	(0.14)	(0.16)

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

16. Key management personnel

Key management personnel (KMP) remuneration

	Consolidated	
	2025	2024
	$	$
Compensation for key management personnel		
Short-term employee benefits	479,722	459,985
Total compensation	**479,722**	**459,985**

17. Related party disclosures

Subsidiaries

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

		% Equity interest		$ Investment	
Name	Country of incorporation	2025	2024	2025	2024
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 $55,900 were paid to Endeavour Corporate Pty Ltd, a Company Associated with Mr Mark Pitts, for accounting and administration services (2024: $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 11. At 30 June 2025, a total of $13,500 (exclusive of GST) was payable to Endeavour Corporate (2024: $4,000) related to these services.

17. Related party disclosures (continued)

At the end of the previous financial year, Messrs Wehby and Dickson provided the Company with working capital loans totalling $50,000 each ($100,000 total). Additionally, during the current year, Mr Farr-Jones provided the Company with a working capital loan of $32,000. These loans were converted during the year to a total of 21,238,097 ordinary shares, with 10,519,048 free attaching options (with a deemed fair value of $26,298 – refer Note 13). The value of options received for each Director is as follows:

	Fair Value of free-attaching options issued
A Wehby	$10,292
S Dickson	$10,292
N Farr-Jones	$5,714
Total	$26,298

18. 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 2025 were as follows:

	Consolidated	
	2025	2024
	% Interest	% Interest
Hillston – diluting to 16%	39.2%	39.2%
Callabonna – diluting to 30%	49%	49%

19. 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.

19. Segment information (continued)

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 2025 and 2024.

	Australia		Spain		Total	
	2025 $	2024 $	2025 $	2024 $	2025 $	2024 $
Segment income	7,137	9,464	-	1,073	**7,137**	**10,537**
Segment loss before income tax expense	(918,154)	(651,344)	(2,233)	1,073	**(920,387)**	**(650,271)**
Segment assets	419,148	212,068	11,050,522	9,621,351	**11,469,670**	**9,833,419**
Segment liabilities	(515,076)	(456,041)	(76,751)	(53,576)	**(591,827)**	**(509,617)**
Non-current asset additions	-	-	1,028,973	1,282,123	**1,028,973**	**1,282,123**

20. 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 (2024: 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.

21. Statement of Cash Flows

	Consolidated	
	2025	2024
	$	$
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
Operating loss after income tax	(920,387)	(650,271)
Shares issued in lieu of fees	163,000	45,628
Foreign exchange variances	(796)	(53,594)
Loss on settlement of financial liability	26,298	-
Net VAT refunds received from Spanish authorities	-	269,739
Change in assets and liabilities:		
(Increase)/decrease in receivables	(253)	1,899
(Decrease)/increase in trade and other creditors	(34,041)	27,650
Net cash outflow from operating activities	**(766,179)**	**(358,949)**

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	
	2025	2024
	$	$
The balance at 30 June comprised:		
Cash and cash equivalents	451,939	250,260
	451,939	**250,260**

	Consolidated	
	2025	2024
	$	$
The Group had the following non-cash financing activities during the year:		
Conversion of financial liabilities to equity (Note 11)	132,000	-
	132,000	**-**

22. 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.

22. Financial risk management objectives and policies (continued)

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 2025						
Trade and other payables	341,827	341,827	341,827	-	-	-
Financial liabilities	250,000	250,000	250,000	-	-	-
	591,827	591,827	591,827	-	-	-
30 June 2024						
Trade and other payables	409,617	409,617	409,617	-	-	-
Financial liabilities	100,000	100,000	100,000	-	-	-
	509,617	509,617	509,617	-	-	-

22. Financial risk management objectives and policies (continued)

Interest rate risk

At reporting date, the Group is exposed to floating weighted average interest rates at 30 June 2025 for financial assets as follows:

	Consolidated	
	2025	2024
Weighted average rate of cash balances	0.76%	1.18%
Cash balances	$451,939	$250,260

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)	
	2025	2024	2025	2024
	$	$	$	$
+1% (100 basis points)	4,519	2,503	4,519	2,503
-1% (100 basis points)	(4,519)	(2,503)	(4,519)	(2,503)

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 2025, 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

The Group no longer has investments in equity interests in listed securities, and therefore, no equity price risk exposure exists at 30 June 2025 (2024: Nil exposure).

22. Financial risk management objectives and policies (continued)

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 2025 and 2024.

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.

23. Parent entity information

	Consolidated	
	2025	**2024**
Information relating to the parent entity Variscan Mines Limited:		
Current assets	418,873	193,157
Total assets	10,953,839	9,485,005
Current liabilities	515,076	533,279
Total liabilities	515,076	533,279
Net Assets	**10,438,763**	**8,951,726**
Issued capital	37,974,222	36,066,871
Accumulated losses	(28,082,057)	(27,322,445)
Reserves	546,598	207,300
Total shareholders' equity	**10,438,763**	**8,951,726**
(Loss) of the parent entity	(966,912)	(627,300)
Other comprehensive income	-	-
Total comprehensive (loss) of the parent entity	**(966,912)**	**(627,300)**

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.

24. Events after the reporting date

On 5 August 2025, the Company announced that firm commitments for a placement of $2,571,507 had been received, which was to be completed in two tranches. Tranche 1 was completed using the Company's existing share placement capacity on 13 August 2025 through the issue of 117,428,656 shares at $0.005 per share, raising $587,143 before costs. Tranche 2 was partially completed on 29 September 2025, following shareholder approval received at the Company's general meeting of shareholders held on 17 September 2025. This saw the issue of 332,571,344 shares at $0.005, raising $1,662,857 before costs. Furthermore, following receipt of shareholder approval at that same meeting, the Company issued 199,999,994 free-attaching options to the participants in both tranches of the placement, on the basis of one new option for every two shares subscribed for. These options are exercisable at $0.008 each, on or before 30 September 2028.

Also on 5 August 2025, the Company also announced the opportunity to earn into two highly prospective zinc projects in the Republic of Ireland. Known as the Midlands and Waterford projects, the Company has the right to earn up to a 60% interest in the projects through the expenditure of $3,300,000 in three tranches over three years, with the remaining 40% ownership to be agreed at a later date.

Other than noted above, there were, at the date of this report, no matters or circumstances which have arisen since 30 June 2025 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.

Consolidated Entity Disclosure Statement

For the year ended 30 June 2025

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with the s295(3A)(a) of the Corporations Act 2001 and includes the required information for Variscan Mines Limited and the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

Tax Residency

S295(3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgement as there are different interpretation that could be adopted and which could give rise to different conclusions regarding residency.

In determining tax residency, the Group has applied the following interpretations:

Australian Tax Residency

Current legislation and judicial precent has been applied, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency

Where appropriate, independent tax advisers have been engaged to assist in the determination of tax residence to ensure applicable foreign tax legislation has been complied with.

		Body Corporates		Tax Residency	
Entity Name	Entity Type	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.

Directors' Declaration

1. In the directors' opinion:

   (a) the financial statements and notes set out on pages 17 to 43 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 2025 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 2025 required by section 295A of the *Corporations Act 2001*.

4. The Consolidated Entity Disclosure Statement as set out on page 44 is true and correct.

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

Stewart Dickson
Managing Director

30 September 2025

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 2025, 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 2025 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 2026 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 2025,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.

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 2025.

In our opinion, the Remuneration Report of Variscan Mines Limited for the year ended 30 June 2025 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
30 September 2025