



HIGH GRADE DRILL ASSAYS FROM PORTE-AUX-MOINES

- ❖ **Initial assays received from historic drill core from the Porte-aux-Moines deposit within the Merléac licence.**
- ❖ **A number of high grade intersections from the first hole (PAM5) generated including -**
 - 31 metres @ 10.4% zinc, 2.1% lead, 1.2% copper, 105.5 g/t silver, 1.0 g/t gold from 236 metres (zinc equivalence of 19.6% Zn Eq).*
- ❖ **Very high grade zinc equivalent intercepts in excess of 25% Zn Eq within the broader mineralised zones including -**
 - 8 meters @ 25.0% zinc, 5.4% lead, 1.6% copper, 208.5 g/t silver, 1.39 g/t gold from 236 metres (zinc equivalence of 41.5% Zn Eq).*
- ❖ **Deposit appears part of a typical VMS cluster that has the potential generate significant tonnages of high grade mineralisation.**
- ❖ **Assays will contribute to the calculation of a 2012 JORC compliant Resource, planned for completion later this year.**
- ❖ **Two further drill holes will be sent to ALS over the coming weeks.**
- ❖ **A number of gossans defined within Merléac licence provide strong regional exploration upside.**

Variscan Mines Limited (ASX: VAR) is pleased to announce its wholly owned subsidiary Variscan Mines SAS has received highly encouraging base and precious metal assays from sampling of historic diamond drill core from the Porte-aux-Moines volcanogenic massive sulphide (VMS) deposit in Brittany, France.

Very high grade polymetallic intervals within massive sulphide horizons were recorded in the first of three historic holes to be sampled. The results confirm the high grade nature of the deposit and provide strong evidence that a robust resource JORC compliant resource estimate can be generated for the deposit once further assays are received and additional geological work is completed.

Porte-aux-Moines and Recent work

Recently the Company commenced work on three remaining surface core holes that the BRGM (Bureau de Recherches Géologiques et Minières - the French geological survey) drilled into Porte-aux-Moines as part of a major exploration programme carried out into the deposit from the mid 1970's. The BRGM completed over nine kilometres of drilling, plus substantial underground development outlining zones of high grade zinc-lead-copper-silver-gold mineralization up to 20 metres thick from near surface to a depth of about 300 metres (Figures 2 and 3).

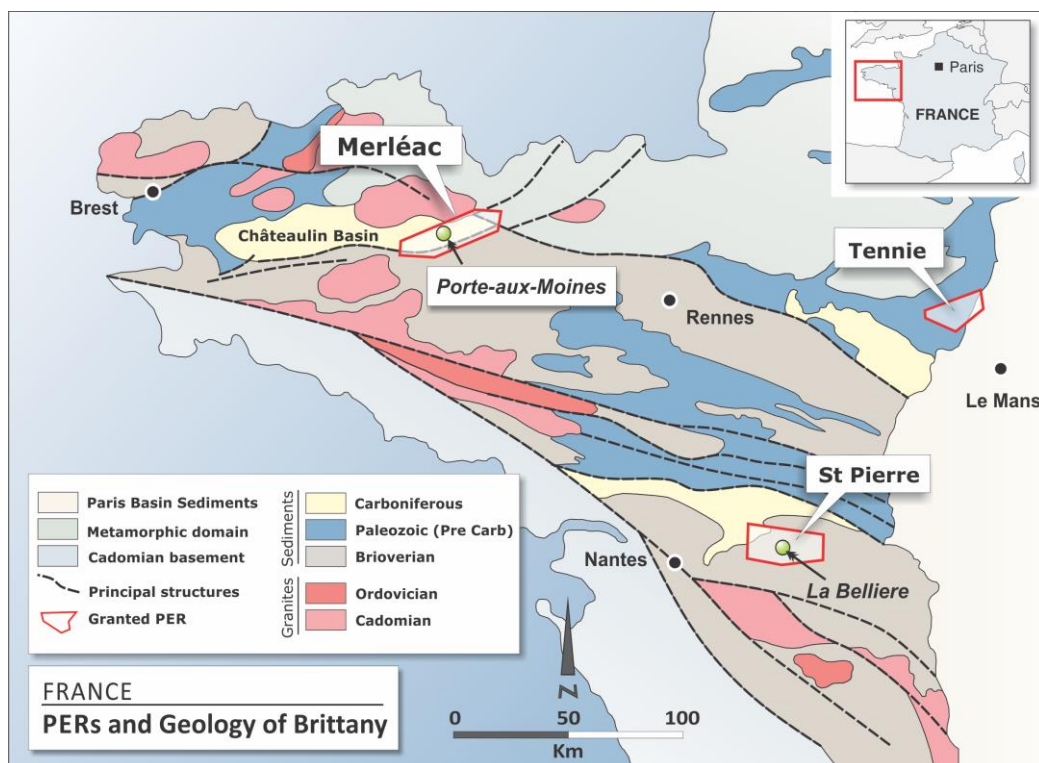


Figure 1 - Location of the Merléac PER, the Porte-aux-Moines deposit and other Variscan exploration licences

Highly encouraging assays have now been received from ALS Geochemistry for the first hole, PAM5, drilled towards the centre of the deposit. A number of high grade, zinc-dominant, polymetallic intersections have been recorded at a 4% zinc equivalent cut-off (Table A) including -

14 metres @ 7.1% zinc, 1.2% lead, 1.0% copper, 101.1 g/t silver, 0.83 g/t gold from 211 metres

31 metres @ 10.4% zinc, 2.1% lead, 1.2% copper, 105.5 g/t silver, 1.0 g/t gold from 236 metres

5 metres @ 6.2% zinc, 0.8% lead, 0.3% copper, 93.0 g/t silver, 0.43 g/t gold from 290 metres

Within the broader mineralised zones, much higher grade intersections (Table A) have been recorded including -

8 meters @ 11.8% zinc, 2.0% lead 1.1% copper, 165.9 g/t silver, 1.36 g/t gold from 212 metres

8 meters @ 25.0% zinc, 5.4% lead 1.6% copper, 208.5 g/t silver, 1.39 g/t gold from 236 metres

6 meters @ 16.0% zinc, 3.2% lead 0.7% copper, 170.7 g/t silver, 1.71 g/t gold from 249 metres

The zinc equivalence of the intersections generally exceed 15% Zn Eq (Tables A and C), with calculated values up to 41.5% Zn Eq, clearly highlighting the high grade nature of the Porte-aux-Moines mineralization and confirming a critical ingredient for the definition of an economic deposit.

Table A - PAM5 ALS assay intervals

	From (m)	To (m)	Interval (m)	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Zn Eq%
	211	225	14	7.1	1.2	1.0	101.1	0.83	14.6%
including	212	220	8	11.8	2.0	1.1	165.9	1.36	22.8%
	236	267	31	10.4	2.1	1.2	105.5	1.00	19.8%
including	236	244	8	25.0	5.4	1.6	208.5	1.39	41.5%
including	249	255	6	16.0	3.2	0.7	170.7	1.71	27.7%
	290	295	5	6.2	0.8	0.3	93.0	0.43	10.8%
including	291	292	1	17.1	2.2	1.1	296.0	0.87	30.5%

Importantly, the ALS assays are, on average, slightly higher grade than the original BRGM assays, confirming the general overall accuracy and very good quality of the BRGM work (Table B). This provides high confidence in the veracity of the BRGM assays for the remaining nine kilometres of drilling and underground development which Variscan plans to use in the recalculation the Porte-aux-Moines Resource to 2012 JORC standards. The Company intends commencing this work next quarter.

TABLE B - PAM 5 assay comparison

	From (m)	To (m)	Interval (m)	ALS assays					BRGM assays				
				Zn %	Pb %	Cu %	Ag g/t	Au g/t	Zn %	Pb %	Cu %	Ag g/t	Au g/t
	211	225	14	7.1	1.2	1.0	101.1	0.83	7.5	1.3	0.9	93.1	0.58
including	212	220	8	11.8	2.0	1.1	165.9	1.36	11.9	2.0	0.9	145.0	0.90
	236	267	31	10.4	2.1	1.2	105.5	1.00	9.8	2.1	1.3	109.0	0.90
including	236	244	8	25.0	5.4	1.6	208.5	1.39	22.8	5.3	1.8	211.0	1.30
including	249	255	6	16.0	3.2	0.7	170.7	1.71	15.9	3.0	0.8	184.0	2.00
	290	295	5	6.2	0.8	0.3	93.0	0.43	NA	NA	NA	NA	NA
including	291	292	1	17.1	2.2	1.1	296.0	0.87	18.6	3.0	1.0	217.0	NA

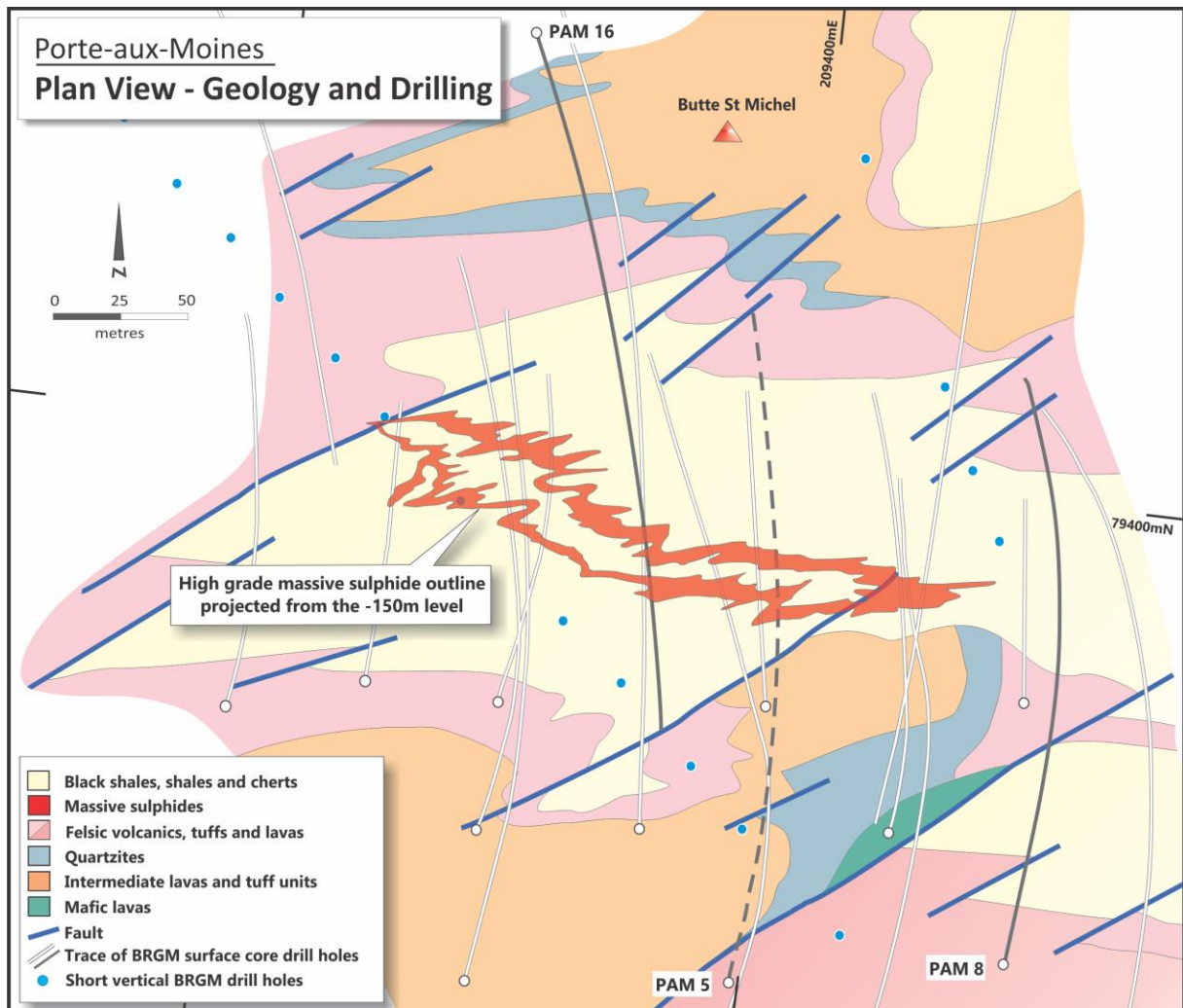


Figure 2 – Plan view of the surface geology at Porte-aux-Moines and BRGM core drilling showing the location of PAM5 and the approximate projected position of the high grade massive sulphide zones 150 metres below the surface as interpreted by the BRGM.

Exploration Potential

Logging of the BRGM core holes by Variscan geologists has confirmed that Porte-aux-Moines exhibits many of the classic geological features found in other VMS deposits, in particular the possibility of a cluster of sulphide lenses within the project area. Similar to PAM5, holes PAM8 and PAM16 (Figure 2) have recorded multiple intersections of polymetallic mineralisation indicating perhaps three mineralising events over a 50 meter interval within the mine sequence.

This suggests the scope for the discovery of a stacked massive sulphide system and provides encouragement that Porte-aux-Moines could be significantly larger than currently defined.

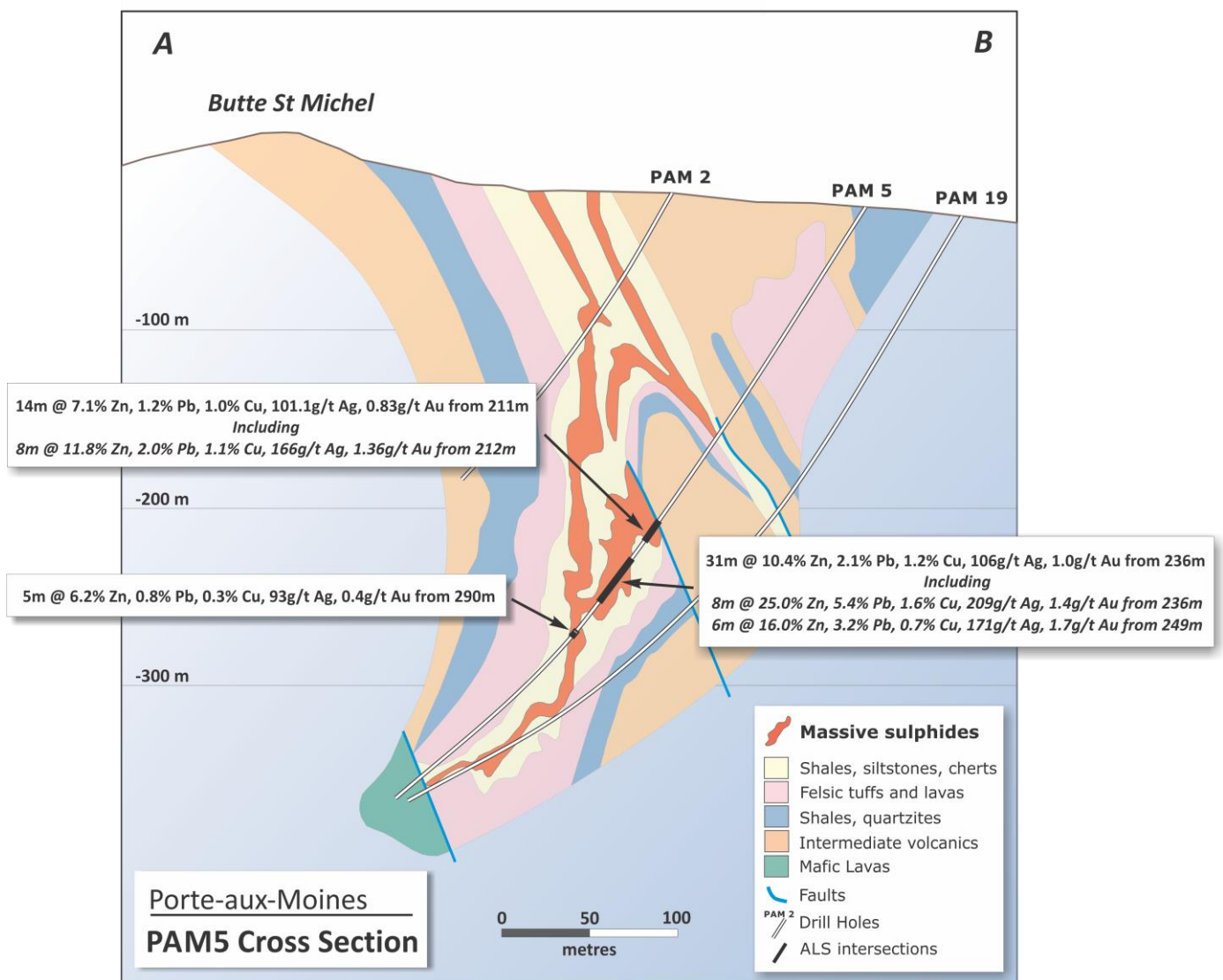


Figure 3 - Cross section through the Porte-aux-Moines deposit highlighting the ALS assays in PAM5. The geological interpretation comes from BRGM reports. Based on the BRGM interpretation of the mineralised envelopes and the core angles of sulphide layering as recorded by Variscan geologists in PAM5, the average true width of the intersections is estimated to be about 50 to 60% of the downhole lengths.

In addition, the regional potential within the Merléac licence for additional VMS deposits is considered excellent. Porte-aux-Moines is hosted within a sequence of vitric tuffs and pyritic black shales (the mine sequence) located in a bimodal sequence of felsic and intermediate/mafic volcanics. This sequence of rocks can be traced for approximately 70 kilometres along strike and within structurally(?) repeated blocks in the Merléac licence.

Within these rock units Variscan has defined outcropping gossans containing highly anomalous base and precious metal values interpreted to represent the oxidised expressions of underlying massive sulphides/stockwork zones (see announcements dated 8 December 2014 and 5 February 2015). Some of these gossans were previously mined by shallow open pits for iron up until the 19th century and generally have not been explored below the iron oxide cap aside from shallow BRGM drilling in some locations. They represent immediate exploration targets.

To help target potential VMS deposits in and around Porte-aux-Moines and beneath the gossans a large heli-borne electromagnetic (VTEM) survey has been planned over the more prospective parts of the belt. The survey will cover approximately 180 square kilometres of the southern section of the Merléac licence and will commence as soon as government approvals are received.

Planned Work

Over the next six months Variscan plans to -

1. Re-assay the remaining two available holes - PAM8 and PAM16
2. Access and digitally convert all the hard copy data held by the BRGM for Porte-aux-Moines to generate a cohesive 3D model of the deposit.
3. Complete sufficient additional technical work, including possible shallow drilling to calculate a JORC compliant Resource on the deposit.
4. Complete the VTEM survey over the more prospective parts of Merléac.
5. Possibly complete ground EM surveys over Porte-aux-Moines and to follow up VTEM anomalies.
6. Detailed mapping and sampling of other outcropping iron rich horizons to identify other possible massive sulphide deposits.
7. Commence drilling in and around the Porte-aux-Moines system and possibly regionally to follow up targets generated from the geophysics.

Yours faithfully



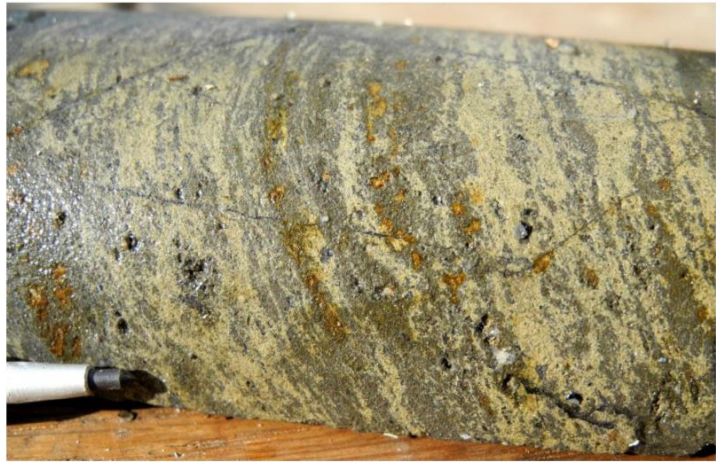
Greg Jones
Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Greg Jones, BSc (Hons), who is a member of the Australasian Institute of Mining and Metallurgy. Mr Jones is a Director of Variscan NL and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX



Massive sulfide zone in PAM 5



High grade, sphalerite (light honey colour) dominant massive sulfides in PAM 5

TABLE C - PAM5 ALS RESULTS

Collar co-ordinates - 260,530mE, 6,815,469mN, RL: 266m, End of hole: 421.1m

Sample Number	From (m)	To (m)	Interval (m)	Zn%	Pb%	Cu%	Ag g/t	Au g/t	Zn Eq%
MLCDDH00001	123.60	124.60	1.00	0.05	0.01	0.01	1	0.0	0.1%
MLCDDH00002	124.60	125.60	1.00	0.03	0.01	<0.005	1	0.0	0.1%
MLCDDH00003	125.60	126.60	1.00	0.02	0.01	<0.005	1	0.0	0.1%
MLCDDH00004	126.60	127.60	1.00	0.03	0.02	<0.005	3	0.0	0.2%
MLCDDH00005	127.60	128.60	1.00	0.09	0.02	<0.005	2	0.1	0.2%
MLCDDH00006	128.60	129.60	1.00	0.03	0.02	<0.005	1	0.0	0.1%
MLCDDH00007	129.60	130.60	1.00	0.02	<0.01	<0.005	<1	0.0	0.0%
MLCDDH00008	132.45	133.45	1.00	0.01	<0.01	<0.005	1	0.0	0.1%
MLCDDH00009	208.00	209.00	1.00	0.03	0.01	0.06	4	0.0	0.4%
MLCDDH00010	209.00	210.00	1.00	0.01	<0.01	<0.005	2	0.1	0.2%
MLCDDH00011	210.00	211.00	1.00	0.02	0.01	0.01	3	0.1	0.3%
MLCDDH00012	211.00	212.00	1.00	4.96	0.80	0.48	55	1.2	10.3%
MLCDDH00013	212.00	213.00	1.00	15.10	3.95	1.14	257	1.5	30.3%
MLCDDH00014	213.00	214.00	1.00	11.35	1.53	1.53	286	2.2	27.4%
MLCDDH00015	214.00	215.00	1.00	11.70	1.66	0.59	185	1.0	20.8%
MLCDDH00017	215.00	216.00	1.00	11.50	2.56	0.63	181	1.0	21.4%
MLCDDH00018	216.00	217.00	1.00	8.38	1.03	1.32	129	1.2	18.1%
MLCDDH00019	217.00	218.00	1.00	9.09	1.44	1.05	63	1.0	16.4%
MLCDDH00020	218.00	219.00	1.00	12.80	1.57	0.89	82	0.8	20.0%
MLCDDH00021	219.00	220.00	1.00	9.62	1.80	0.92	89	1.0	17.6%
MLCDDH00022	220.00	221.00	1.00	1.53	0.18	0.28	28	0.3	3.6%

Sample Number	From (m)	To (m)	Interval (m)	Zn%	Pb%	Cu%	Ag g/t	Au g/t	Zn Eq%
MLCDDH00023	221.00	222.00	1.00	0.38	0.11	1.11	20	0.2	4.4%
MLCDDH00024	222.00	223.00	1.00	0.89	0.16	1.23	15	0.1	5.0%
MLCDDH00025	223.00	224.00	1.00	0.39	0.05	0.32	6	0.0	1.5%
MLCDDH00026	224.00	225.00	1.00	1.15	0.22	1.86	20	0.1	7.1%
MLCDDH00027	225.00	226.00	1.00	0.14	0.05	0.35	6	0.1	1.4%
MLCDDH00028	226.00	227.00	1.00	0.32	0.04	0.10	4	0.2	1.1%
MLCDDH00029	227.00	228.00	1.00	0.82	0.16	0.04	5	0.1	1.3%
MLCDDH00030	228.00	229.00	1.00	0.05	0.02	0.04	2	0.0	0.3%
MLCDDH00031	229.00	230.00	1.00	0.04	0.02	0.04	2	0.0	0.3%
MLCDDH00032	230.00	231.00	1.00	0.32	0.02	0.19	4	0.1	1.1%
MLCDDH00033	231.00	232.00	1.00	<0.01	<0.01	<0.005	2	0.0	0.1%
MLCDDH00034	232.00	233.00	1.00	0.01	<0.01	<0.005	<1	<0.01	0.0%
MLCDDH00036	233.00	234.00	1.00	0.27	0.05	0.02	4	0.1	0.5%
MLCDDH00037	234.00	235.00	1.00	0.56	0.13	0.04	7	0.1	1.1%
MLCDDH00038	235.00	236.00	1.00	0.39	0.06	0.07	5	0.1	1.0%
MLCDDH00039	236.00	237.00	1.00	20.50	4.60	1.34	123	1.8	34.2%
MLCDDH00040	237.00	238.00	1.00	20.20	5.06	1.39	126	1.7	34.3%
MLCDDH00041	238.00	239.00	1.00	26.60	3.33	2.12	166	1.2	41.4%
MLCDDH00042	239.00	240.00	1.00	29.40	7.78	1.29	302	1.5	49.4%
MLCDDH00043	240.00	241.00	1.00	32.20	6.34	3.70	197	0.7	53.8%
MLCDDH00044	241.00	242.00	1.00	29.50	5.90	1.23	272	1.2	46.5%
MLCDDH00045	242.00	243.00	1.00	20.40	4.93	0.94	261	1.6	36.3%
MLCDDH00046	243.00	244.00	1.00	20.80	5.40	0.90	221	1.5	35.8%
MLCDDH00047	244.00	245.00	1.00	0.80	0.14	0.47	24	0.3	3.3%
MLCDDH00048	245.00	246.00	1.00	0.67	0.09	0.18	8	0.2	1.7%
MLCDDH00050	246.00	247.00	1.00	0.31	0.13	0.35	10	0.2	1.9%
MLCDDH00051	247.00	248.00	1.00	0.66	0.05	2.23	31	0.4	8.3%
MLCDDH00052	248.00	249.00	1.00	1.59	0.05	1.03	21	0.3	5.6%
MLCDDH00053	249.00	250.00	1.00	12.80	0.34	0.30	30	1.1	16.5%
MLCDDH00054	250.00	251.00	1.00	15.45	7.01	0.77	359	1.8	35.3%
MLCDDH00055	251.00	252.00	1.00	20.40	1.54	0.50	116	1.9	29.1%
MLCDDH00056	252.00	253.00	1.00	9.65	0.94	0.86	107	2.6	19.9%
MLCDDH00057	253.00	254.00	1.00	16.20	3.32	1.39	213	1.4	30.4%
MLCDDH00058	254.00	255.00	1.00	21.60	6.11	0.47	199	1.4	35.3%
MLCDDH00059	255.00	256.00	1.00	6.09	1.05	0.63	122	1.9	14.9%
MLCDDH00060	256.00	257.00	1.00	2.63	0.42	0.29	49	1.9	8.1%
MLCDDH00061	257.00	258.00	1.00	2.06	0.58	0.32	61	1.7	7.8%
MLCDDH00062	258.00	259.00	1.00	0.58	0.07	0.04	10	0.4	1.7%
MLCDDH00063	259.00	260.00	1.00	5.21	0.14	0.39	24	0.5	7.9%
MLCDDH00064	260.00	261.00	1.00	1.34	0.05	0.56	14	0.3	3.7%
MLCDDH00065	261.00	262.00	1.00	0.09	0.01	3.50	33	0.3	11.1%
MLCDDH00066	262.00	263.00	1.00	0.12	0.03	2.56	24	0.4	8.5%
MLCDDH00067	263.00	264.00	1.00	0.04	0.01	0.28	10	0.2	1.4%
MLCDDH00068	264.00	265.00	1.00	0.90	0.26	0.62	32	0.2	3.9%
MLCDDH00070	265.00	266.00	1.00	1.85	0.26	5.34	84	0.4	19.5%
MLCDDH00071	266.00	267.00	1.00	1.12	0.25	1.68	21	0.2	6.8%
MLCDDH00072	267.00	268.00	1.00	0.89	0.16	0.17	4	0.0	1.7%
MLCDDH00073	268.00	269.00	1.00	0.06	0.02	0.29	8	0.1	1.2%
MLCDDH00074	269.00	270.00	1.00	0.20	0.02	0.30	5	0.1	1.3%
MLCDDH00075	270.00	271.00	1.00	0.53	0.20	0.45	13	0.1	2.4%
MLCDDH00076	271.00	272.00	1.00	0.53	0.25	0.31	8	0.1	1.9%
MLCDDH00077	272.00	273.00	1.00	0.42	0.11	0.28	10	0.1	1.8%
MLCDDH00078	273.00	274.00	1.00	0.44	0.08	0.31	12	0.1	1.8%
MLCDDH00079	274.00	275.00	1.00	0.27	0.05	0.33	10	0.1	1.6%
MLCDDH00080	275.00	276.00	1.00	0.09	0.01	0.25	4	0.0	0.9%
MLCDDH00081	276.00	277.00	1.00	0.06	<0.01	0.08	2	0.0	0.4%
MLCDDH00082	277.00	278.00	1.00	0.06	<0.01	<0.005	<1	0.0	0.1%
MLCDDH00083	278.00	279.00	1.00	0.03	<0.01	<0.005	<1	0.0	0.1%
MLCDDH00084	279.00	280.00	1.00	0.03	<0.01	<0.005	<1	0.0	0.1%
MLCDDH00085	280.00	281.00	1.00	<0.01	<0.01	<0.005	1	0.0	0.1%

Sample Number	From (m)	To (m)	Interval (m)	Zn%	Pb%	Cu%	Ag g/t	Au g/t	Zn Eq%
MLCDDH00087	281.00	282.00	1.00	<0.01	<0.01	<0.005	<1	0.0	0.1%
MLCDDH00088	282.00	283.00	1.00	0.05	0.01	<0.005	3	0.1	0.2%
MLCDDH00089	283.00	284.00	1.00	0.12	0.03	0.01	4	0.1	0.4%
MLCDDH00090	284.00	285.00	1.00	0.62	0.09	0.03	7	0.1	1.1%
MLCDDH00091	285.00	286.00	1.00	2.55	0.41	0.06	22	0.2	4.0%
MLCDDH00092	286.00	287.00	1.00	0.96	0.06	0.04	7	0.1	1.5%
MLCDDH00093	287.00	288.00	1.00	5.15	0.78	0.14	77	0.4	8.7%
MLCDDH00094	288.00	289.00	1.00	1.61	0.10	0.06	9	0.1	2.2%
MLCDDH00095	289.00	290.00	1.00	2.81	0.01	0.05	8	0.1	3.3%
MLCDDH00096	290.00	291.00	1.00	3.92	0.08	0.17	21	0.3	5.5%
MLCDDH00097	291.00	292.00	1.00	17.05	2.21	1.08	296	0.9	30.5%
MLCDDH00098	292.00	293.00	1.00	2.84	0.71	0.14	65	0.4	6.0%
MLCDDH00099	293.00	294.00	1.00	1.40	0.34	0.06	28	0.2	2.9%
MLCDDH00100	294.00	295.00	1.00	5.64	0.88	0.23	55	0.4	9.0%
MLCDDH00101	295.00	296.00	1.00	0.35	0.10	0.23	10	0.2	1.6%
MLCDDH00102	296.00	297.00	1.00	0.07	0.04	0.02	5	0.2	0.5%
MLCDDH00103	297.00	298.00	1.00	0.17	0.06	0.01	4	0.1	0.4%
MLCDDH00105	376.00	377.00	1.00	0.23	0.02	0.03	5	0.1	0.7%
MLCDDH00106	377.00	378.00	1.00	0.20	0.02	0.04	4	0.1	0.6%
MLCDDH00107	378.00	379.00	1.00	0.52	0.11	0.03	4	0.1	1.0%
MLCDDH00108	379.00	380.00	1.00	0.24	0.07	0.09	7	0.1	0.9%
MLCDDH00109	380.00	381.00	1.00	0.45	0.07	0.04	5	0.1	0.9%

Zinc equivalence above 4% Zn Eq in **bold**

Zinc Eq metal prices (USD) - Zn \$2,300/t, Pb \$2,000/t, Cu \$6400/t, Ag \$17/oz, Au \$1200/oz

JORC Code – Table 1

Section 2 - Reporting of Exploration Results

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> • Samples were taken from sawn quarter core stored at the BRGM (Bureau de Recherches Géologiques et Minières - the French geological survey) core farm in Orleans. • The mineralised core size is NQ . • Sampling boundaries were set according to boundaries defined in former BRGM sampling from the 1970's, adding 3 additional sampled metres at the footwall and the hangingwall of the mineralised horizons.. These were checked and signed off by Variscan geologists. • Much of the BRGM sampling was taken at 2 metre intervals. The Variscan samples were at 1 metre intervals. • Quarter core samples were bagged and sample prepped by the BRGM and then sent to ALS Geochemistry, Ireland. • Original BRGM samples were from quarter core. The new Variscan samples are mainly from the remaining quarter of the 1970's BRGM sampling.
Drilling techniques	<ul style="list-style-type: none"> • PAM5 was collared and drilled with "PQ" diameter core to a downhole depth of some 50m before switching over to "HQ" diameter core to 200 m and then to thin wall "NQ" core for the balance of the hole. • Core was not oriented.
Drill sample recovery	<ul style="list-style-type: none"> • The drill core was stored in plastic trays and was logged for core recoveries. Most mineralised intercepts recorded >95% recoveries.
Logging	<ul style="list-style-type: none"> • PAM5 was logged by Variscan geologists overseen by independent senior geologist with experience in VMS deposits, as well as logging and sampling techniques • The independent geologist completed a report on geological observations and recommendations for future work. • Each sample was briefly described with details entered into the geological database
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • Samples were collected by BRGM personnel, bagged and tagged with unique sample numbers. • Sample numbers were entered against down-hole depths and sent to Variscan geologists • Average weight per sample was around 2kg • Samples were prepared by the BRGM • Samples were dried and crushed to -2 mm • Samples were then split down with riffle box to recover 100 g • The sample splits were pulverized in a hammer mill to -80 µm • Samples were transported to ALS Geochemistry Ireland for analysis
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The ALS assay method used for base metals was ME-ICPORE (multi element analysis of base metal ores and mill products by atomic emission spectrometry using inductively coupled plasma spectrometer) which uses a highly oxidizing attack designed for high grade sulphides (the sample is dissolved with HNO₃ , KClO₄ and HBr and the final solution in dilute aqua regia). • Gold was analysed using a 30 g fire assay and AA finish (AA-AU21). When high grade gold results were recorded, additional gold assays were completed with fire assay and a gravimetric finish. (Au-GRA21) • 10% of samples were analysed as blanks and duplicates for QA/QC control.
Verification of sampling and assaying	<ul style="list-style-type: none"> • Data storage in Excel spreadsheets and GIS database. • Logging and BRGM assay checks against visible sulphide mineralisation completed by Variscan and independent geological expert. • ALS assays checked against BRGM assays from the 1970's. Overall repeatability between the ALS and BRGM assays is considered very good for all elements. • BRGM blanks, duplicates and standards were included within the samples submitted to ALS.
Location of data points	<ul style="list-style-type: none"> • Samples were located within PAM5 by core blocks marking depths down hole. • The PAM5 collar position and downhole surveys were provided by the BRGM. • Projection and recording of data points into the GIS database into the RGF93 system.
Data spacing and distribution	<ul style="list-style-type: none"> • Quarter core sampling at a maximum downhole intervals of 1 metre defined by geology and previous BRGM sampling intervals. • 1, 2 and 3 metre sample compositing used for comparison work against the original BRGM samples.

Criteria	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • PAM5 was drilled from south to north at a reasonably high angle to the sub-vertical to steeply north dipping mineralisation. • Core angles of sulphide and host rock bedding were consistently high to the core axis throughout the hole, averaging approximately +50 degrees to the core axis, providing a reasonable test through the mineralised zones.
Sample security	<ul style="list-style-type: none"> • Samples were prepared at the BRGM prep facilities and transported to ALS Geochemistry Ireland by commercial carrier DHL.
Audits or reviews	<ul style="list-style-type: none"> • There has been no external audit or review of the Company's techniques or data.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • Merléac PERM (Permis Exclusif de Recherche de Mine, a French exploration licence) • No known impediments for future exploration and development
Exploration done by other parties	<ul style="list-style-type: none"> • Last significant exploration in area is believed to have been conducted by BRGM in the 1980s. • VMS potential of the region was recognised by the BRGM who conducted regional stream sediment programmes during the mid-1970s. The Porte-aux-Moines deposit was discovered in 1975 when follow-up soil sampling and shallow drilling intersected massive sulphides. • Subsequently the BRGM conducted substantial core drilling (+9km) and underground development on Porte-aux-Moines. • In addition, the BRGM conducted significant mapping, geochemical and geophysical programmes around Porte-aux-Moines and regionally. • Much of the exploration data is held by the BRGM and will be compiled and assessed by the Company.
Geology	<ul style="list-style-type: none"> • Volcanogenic Massive Sulphide (VMS) deposits
Drill hole Information	<ul style="list-style-type: none"> • Three full core holes (PAM5, PAM8, PAM16) have been accessed and logged by Variscan geologists at the BRGM core facility, Orleans. • Original BRGM logs, coordinate/downhole data and assays for PAM5 have been compiled by Variscan geologists. • Additional data for other holes and underground development is to be provided to Variscan by the BRGM.
Data aggregation methods	<ul style="list-style-type: none"> • No aggregation or high grade cuts have been applied to the data reported
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • The orientation of PAM5 is considered a reasonable test of the high grade mineralised zones which appear to dip from sub vertical to very steeply north at the point of intersection by PAM5. • Based on the BRGM interpretation of the mineralised envelopes and the core angles of sulphide layering as recorded by Variscan geologists in PAM5, the average true width of the intersections is estimated to be about 50 to 60% of the downhole lengths
Diagrams	<ul style="list-style-type: none"> • Diagrams for the Porte-aux-Moines deposit have been taken from published BRGM reports.
Balanced reporting	<ul style="list-style-type: none"> • All samples taken are published within the report
Other substantive exploration data	<ul style="list-style-type: none"> • Much of the previous exploration, mining, metallurgical and hydrological data is currently held by the BRGM and will be reported by the Company as it is accessed, compiled and evaluated. • Two further core holes are to be sampled, sent to ALS for re-assay and reported in a similar manner to PAM5
Further work	<ul style="list-style-type: none"> • Sampling and assessment of holes PAM8 and PAM16 • Digitising and interpretation of all data for Porte-aux-Moines deposit, including other surface and underground drill holes and underground development • Generation of 3D model of geology and mineralisation envelopes • Possible shallow drilling within Porte-aux-Moines • Generation of a JORC compliant resource estimate • VTEM Geophysical survey over mineralised lithological units, notably around Porte-aux-Moines and southern half of licence • Possible follow-up ground EM surveys to more accurately define any significant anomalies defined from the VTEM • Detailed mapping and sampling of other outcropping iron rich horizons to identify other possible massive sulphide deposits. • Follow-up diamond drilling along strike and down dip at Porte-aux-Moines and on new regional targets