



ASX Code: VAR  
 ACN: 003 254 395  
 Issued Shares: 306M  
 Unlisted Options: 150M  
 VAR Cash Balance: \$0.7M  
 VAR Investments: \$2.4M

#### Directors

Pat Elliott  
 Greg Jones  
 Jack Testard  
 Kwan Chee Seng  
 Dr Kah Foo  
 Michael Moore

#### Top Shareholders

Kwan Chee Seng  
 UOB Kay Hian Private Limited  
 Chris and Betsy Carr  
 RHB Securities PTE LTD  
 Dr Foo Fatt Kah

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## Highlights

### Merléac

- ✔ Further high grade zinc assays received from historical drill core analysis at the high grade Porte-aux-Moines zinc-lead-copper-silver-gold VMS deposit
- ✔ Holes recorded numerous high grade zinc-rich intersections including –
  - **PAM16 - 19.5 metres @ 6.5% zinc, 1.0% lead, 1.3% copper, 94.5 g/t silver, 1.0 g/t gold from 301.5 metres (zinc equivalence of 15.3% Zn Eq), including 6.5 metres @ 9.3% zinc, 1.9% lead, 1.5% copper, 142.9 g/t silver, 1.4 g/t gold from 304.5 metres (21.4% Zn Eq)**
  - **PAM8 - 3.0 metres @ 17.2% zinc, 3.7% lead, 1.53% copper, 159.3 g/t silver, 1.9 g/t gold from 237 metres (32.2% Zn Eq)**
- ✔ Mineralised envelope defined over a strike length in excess of 250 metres
- ✔ Assays will contribute to the calculation of a 2012 JORC compliant Resource
- ✔ Old mine and exploration data for Porte-aux-Moines recently received from BRGM. Conversion to electronic formats for use in Resource estimate has commenced
- ✔ Successful completion of **VTEM** survey and modelling work over southern section of Merléac exploration licence
- ✔ Initial work defined **14 'Tier 1' high priority targets**, a number of which have similar geophysical characteristics to Porte-aux-Moines
- ✔ VTEM anomaly extends for approximately 400 metres over Porte-aux-Moines potentially increasing the strike length to currently defined high grade mineralisation

### St Pierre

- ✔ Soil sampling at the Belleville prospect extended the strongly gold anomalous zone to the west recording values up to 2.4g/t gold in soils.

### New Licences

- ✔ Two additional high quality exploration licences containing advanced projects with potential for high grade discoveries granted
- ✔ **Silfiac** licence hosts the high-grade **Plélauff** zinc-lead-silver-germanium deposit which was subject to underground mine exploration by the BRGM in the 1960's defining continuous mineralisation to a depth of approx. 130 metres and which is open at depth
- ✔ Plélauff is located 25 kilometres from Porte-aux-Moines and represents a possible additional production source
- ✔ **Loc Envel** licence covers region believed to have excellent potential for high-grade tungsten deposits notably around Coat-an-Noz
- ✔ Previous exploration at **Coat-an-Noz** reported high grade tungsten-copper drill hole intersections and generated a pre-JORC resource

### Corporate

- ✔ Mike Moore appointed as Non-Executive Director to the Variscan Board
- ✔ At the end of the quarter, Variscan held \$0.7 million in cash. Liquid investments held in other resources companies totalled approximately \$2.4 million

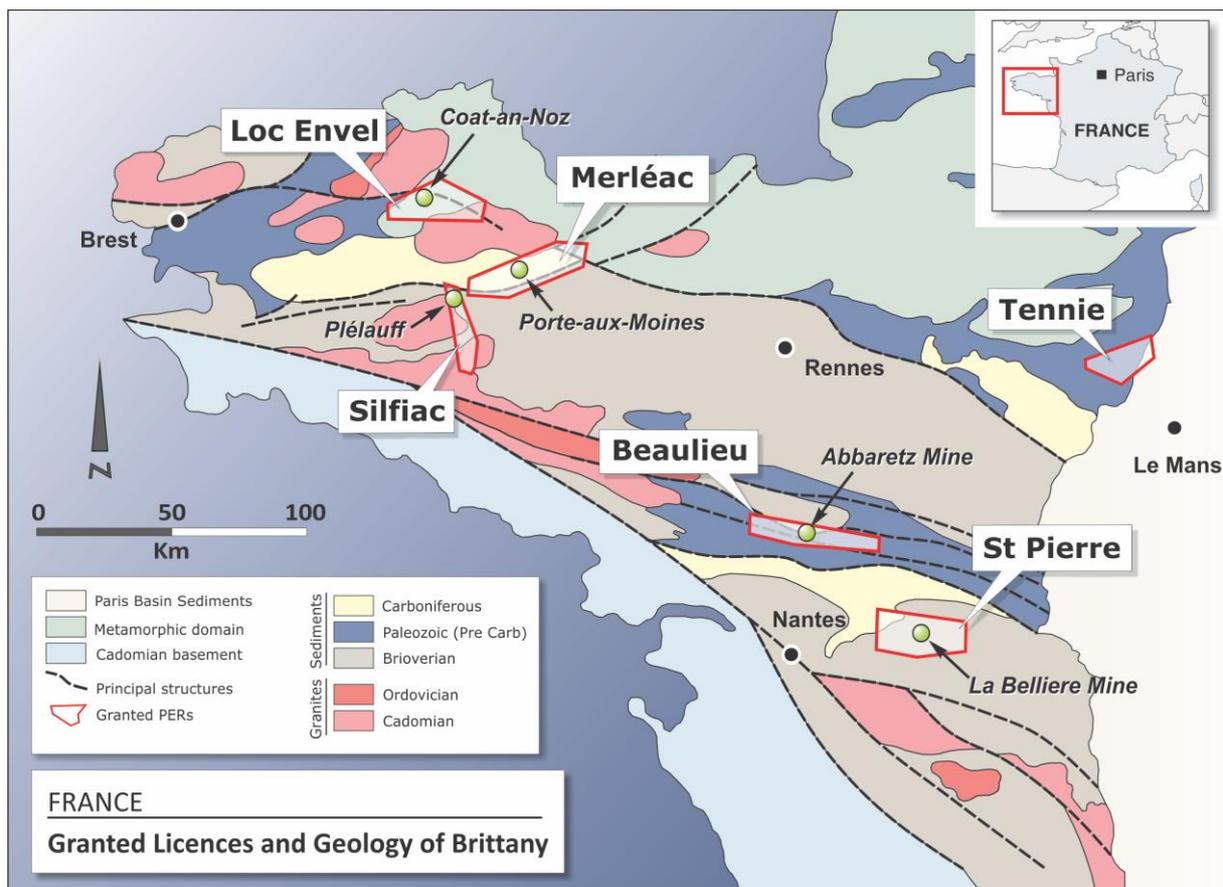
## Exploration

### FRANCE

During the reporting period Variscan continued exploration work for volcanogenic massive sulphide (VMS) deposits at its Merléac licence, which contains the high-grade Porte-aux-Moines zinc-lead-copper-silver-gold deposit in Brittany, France.

Exploration work included receipt of assays for the final two drill core holes from previous exploration work completed by the Bureau de Recherches Géologiques et Minières (BRGM), the French Government's geological survey. The Company also completed a Versatile Time Domain Electromagnetic (VTEM) survey and initial follow-on work to identify priority targets.

In addition, during October Variscan was granted two further exploration licences, the Silfiac zinc-lead-silver-germanium and Loc Envel tungsten-copper PERs. This takes the total number of licences granted to the Company since June 2013 to six, and covers a combined total of 1789 square kilometres. Each licence surrounds or contains either significant old mine workings, high grade assay results and/or pre-JORC resource estimates generated by former explorers.

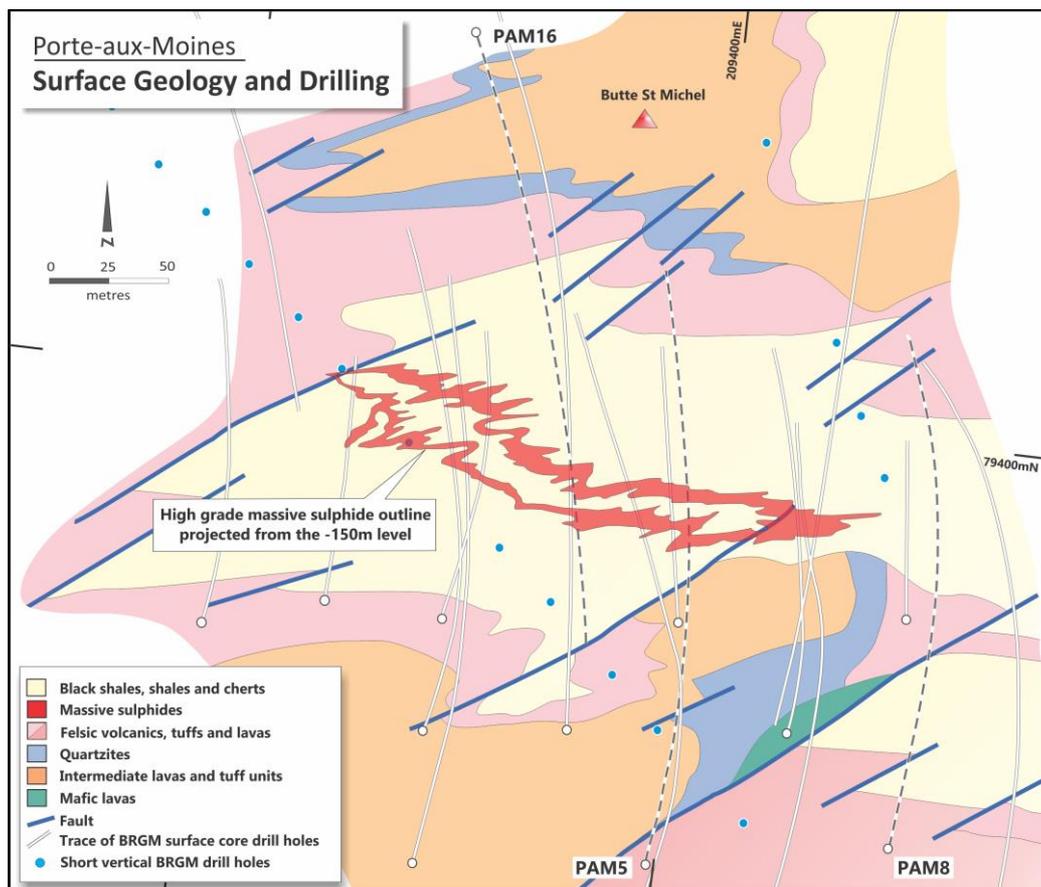


**Figure 1 - Location of granted Variscan exploration licences including the recently granted Silfiac and Loc Envel PERs**

## MERLÉAC PROJECT

### Porte-aux-Moines

During the quarter the Company received further encouraging base and precious metal assays from sampling of the two final historic BRGM diamond drill core holes (PAM8 and PAM16) within the Porte-aux-Moines VMS deposit. The holes are part of a major exploration programme conducted by the BRGM into Porte-aux-Moines from 1975 to the mid 1980's which outlined 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 2: Location of holes PAM5, 8 and 16 at Porte-aux-Moines**

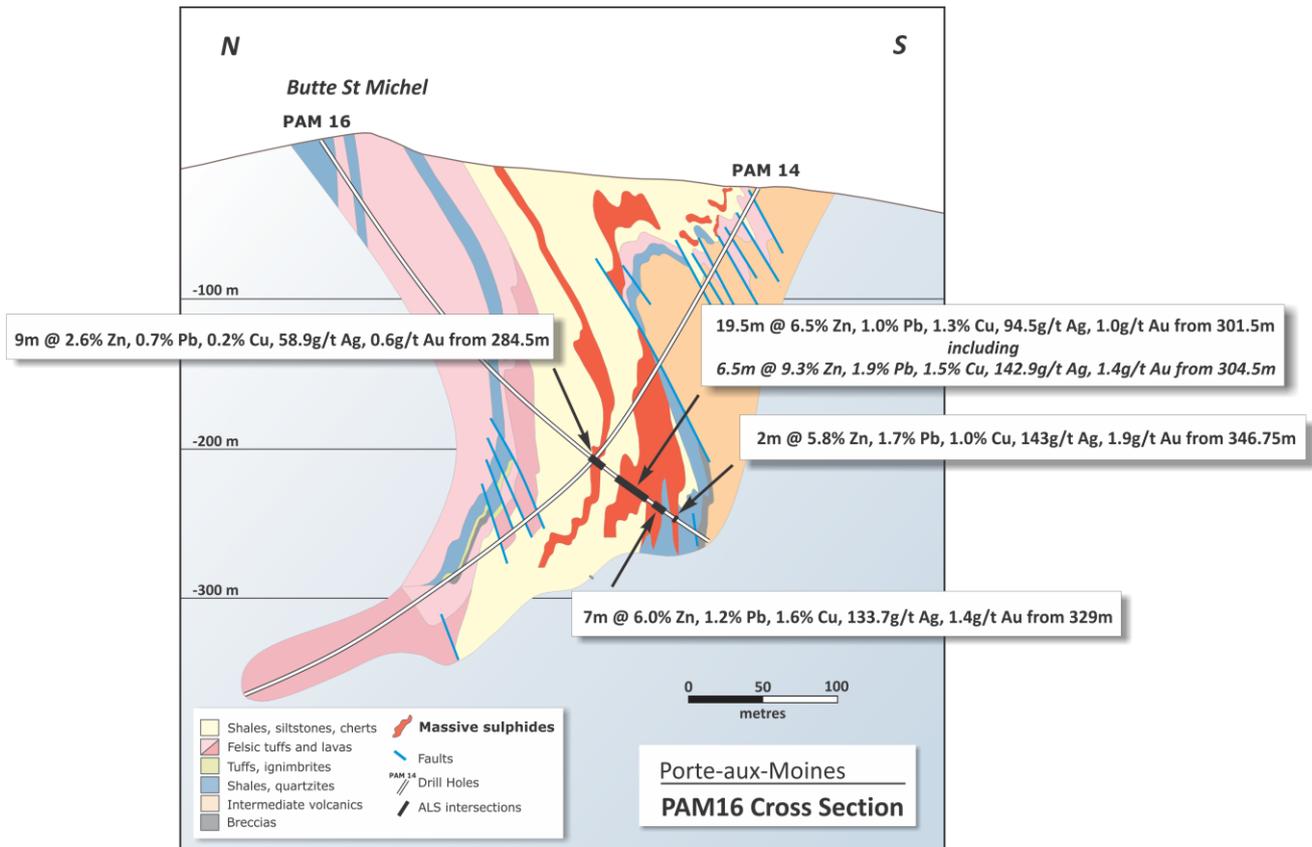
PAM16 was drilled near the centre of known mineralisation, approximately 50 metres up dip and to the west of the PAM5 intercepts. Within the massive sulphide zone a number of high grade intersections were recorded including -

- **19.5 metres @ 6.5% zinc, 1.0% lead, 1.3% copper, 94.5 g/t silver, 1.0 g/t gold from 301.5 metres**
- **7.0 metres @ 6.0% zinc, 1.2% lead, 1.6% copper, 133.7 g/t silver, 1.4 g/t gold from 329 metres**

Within the first, thick intersection a higher-grade zone has defined as follows -

- **6.5 metres @ 9.3% zinc, 1.9% lead, 1.5% copper, 142.9 g/t silver, 1.4 g/t gold from 304.5 metres**

These intersections can be directly correlated with those recorded in PAM5 and confirm the good interpreted continuity of the thick and high-grade zones in this area.



**Figure 3: Cross section through PAM16 showing latest ALS assays**

PAM8 was drilled towards the eastern margin of the currently defined mineralisation envelope, approximately 130 metres east of the PAM5 intercepts. Within the massive sulphide zone three high grade intersections were recorded at a 4% Zn Eq cut-off including -

- **3.0 metres @ 17.2% zinc, 3.7% lead, 1.53% copper, 159.3 g/t silver, 1.9 g/t gold from 237 metres**
- **4.0 metres @ 9.0% zinc, 2.6% lead, 0.12% copper, 105 g/t silver, 0.6 g/t gold from 247.5 metres**
- **3.5 metres @ 10.8% zinc, 3.5% lead, 0.2% copper, 195.6 g/t silver, 1.2 g/t gold from 259.5 metres**

The zinc equivalence of the high grade intersections in PAM8 are all above 15% Zn Eq (Table A), with calculated values up to 32.2% Zn Eq, verifying the high grade nature of the Porte-aux-Moines mineralization.

The intersections in PAM8 are interpreted to have good stratigraphic continuity to the high-grade mineralisation defined in holes PAM5 and PAM16.

The latest results also indicate that the mineralised envelope has been defined over a strike length in excess of 250 metres at about the 100 metre RL, with PAM8 located below and to the east of the high grade mineralisation as defined in previous underground development by the BRGM (see Figure 2 for projected position of the BRGM massive sulphide envelope and PAM8 drill hole trace).

Similar to PAM5, the ALS assays for both PAM8 and 16 are close in value for all elements to the original BRGM assays, confirming the general overall accuracy and high quality of the BRGM work. This provides high confidence in the veracity and accuracy of the BRGM assays in the remaining nine kilometres of drilling and underground development which will allow Variscan use them in the calculation of a Resource at Porte-aux-Moines to 2012 JORC standards.

The Company has recently received scanned copies of the mine and exploration files for Porte-aux-Moines from the BRGM and has commenced converting this information to electronic formats in preparation for use in its Resource estimation work.

**Table A: ALS assay results from BRGM core holes into Porte-aux-Moines deposit**

**PAM5**

	From (m)	To (m)	Interval (m)	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Zn Eq
	211.0	225.0	14.0	7.1	1.2	1.0	101.1	0.8	12.1%
including	212.0	220.0	8.0	11.8	2.0	1.1	165.9	1.4	18.7%
	236.0	267.0	31.0	10.4	2.1	1.2	105.5	1.0	17.1%
including	236.0	244.0	8.0	25.0	5.4	1.6	208.5	1.4	36.7%
including	249.0	255.0	6.0	16.0	3.2	0.7	170.7	1.7	23.2%
	290.0	295.0	5.0	6.2	0.8	0.3	93.0	0.4	8.8%
including	291.0	292.0	1.0	17.1	2.2	1.1	296.0	0.9	24.8%

**PAM16**

	From (m)	To (m)	Interval (m)	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Zn Eq
	284.5	293.5	9.0	2.6	0.7	0.2	58.9	0.6	6.3%
	301.5	336.0	34.5	5.3	0.9	1.2	86.0	0.9	13.1%
including	301.5	321.0	19.5	6.5	1.0	1.3	94.5	1.0	15.3%
including	304.5	311.0	6.5	9.3	1.9	1.5	142.9	1.4	21.4%
including	329.0	336.0	7.0	6.0	1.2	1.6	133.7	1.4	17.5%
	346.8	348.8	2.0	5.8	1.7	1.0	143.0	1.9	17.0%

**PAM8**

	From (m)	To (m)	Interval (m)	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Zn Eq
	237.0	240.0	3.0	17.2	3.7	1.5	159.3	1.9	27.1%
	247.5	251.5	4.0	9.0	2.6	0.1	105.0	0.6	12.8%
	259.5	263.0	3.5	10.8	3.5	0.2	195.6	1.2	16.5%

*The Zinc Equivalent is based on zinc (US\$2,000 per tonne), lead (US\$1,800 per tonne), copper (US\$5,600 per tonne), silver (US\$15 per ounce) and gold (US\$1,150 per ounce). The zinc equivalent calculation represents the total metal value for each metal, multiplied by a price based conversion factor, summed and expressed in equivalent zinc percent per tonne. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. Nevertheless, it is the Company's opinion that all the elements included in the metal equivalents calculation have good potential to be recovered as is commonly the case for similar VMS deposits worldwide. The zinc equivalent calculation is intended as an indicative value only.*

## Exploration

Porte-aux-Moines exhibits many of the classic geological features found in other VMS deposits, in particular the possibility for a cluster of sulphide lenses within the project area. Logging of the BRGM holes recorded multiple intersections of polymetallic mineralisation indicating perhaps three mineralising events over a 50-metre 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.

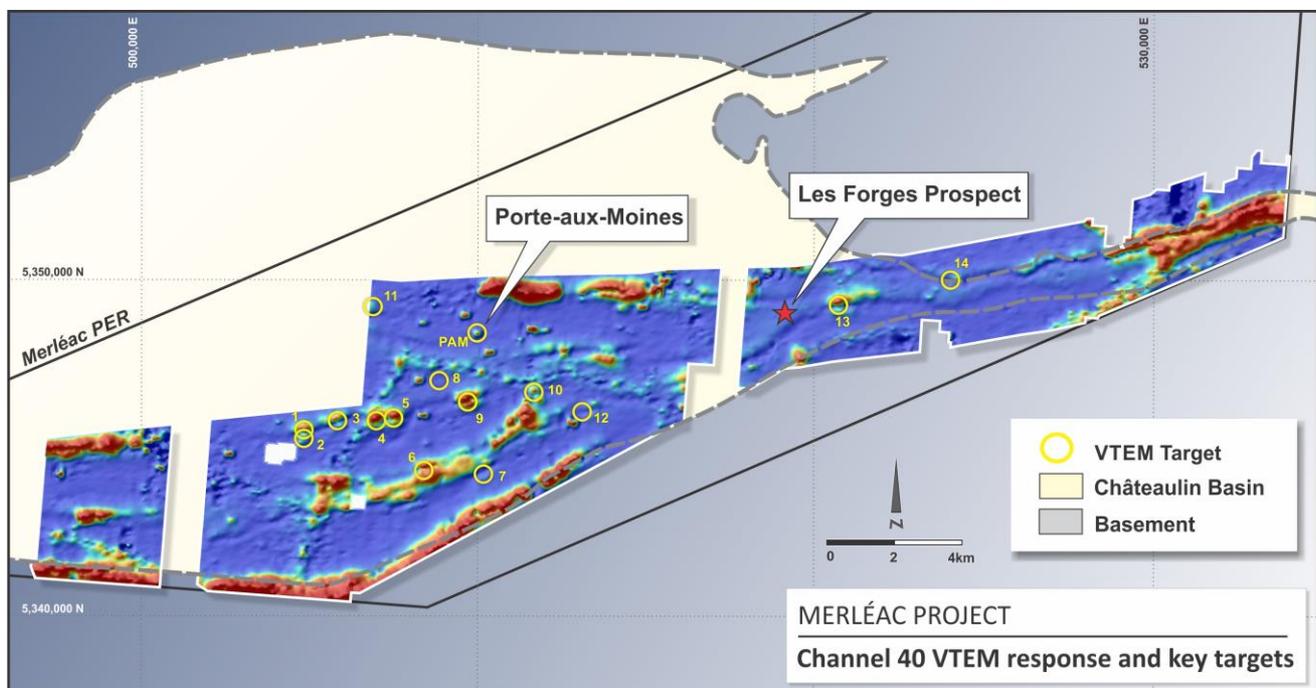
One of the first priorities for the Company once it has converted and modelled all the BRGM data for the deposit will be to expand mineralisation by drilling down dip and along strike from the currently defined envelope.

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 80 kilometres along strike and within structurally repeated blocks in the Merléac licence.

Within these rock units Variscan has defined outcropping gossanous zones containing highly anomalous base and precious metal values interpreted to represent the oxidised expressions of underlying sulphides. 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.

On 28 September 2015, Variscan announced that it had completed modelling of a large, heli-borne, VTEM survey. The survey was designed to test the key target VMS mineralisation areas in and around the Porte-aux-Moines deposit and within the broader Merléac licence. The survey covered approximately 160 square kilometres of the southern section of Merléac, testing about 50 strike kilometres of the Porte-aux-Moines host stratigraphy.

Resource Potentials Pty Ltd, an independent geophysical group specialising in the processing of VTEM, modelled data produced from the survey. This work generated a large number of conductive anomalies (Figure 4) many of which are due to subsurface electromagnetic (EM) responses.



**Figure 4: 'Tier 1' VMS targets over Channel 40 response plot at Merléac**

The survey:

- Detected the Porte-aux-Moines deposit, which clearly stands out as a bulls-eye anomaly with a modelled strike length of about 400 metres at the projected position of mineralisation as defined in the old BRGM drilling and development.
- Successfully identified 14 high priority 'Tier 1' targets with moderate to strong, early to late time EM responses, in many cases similar to those generated at the Porte-aux-Moines deposit and which are possibly caused by sulphide-rich bedrock sources.
- Identified approximately 50 other conductors that may be due to sulphide zones but are close to buildings, power lines or other 'conductive' infrastructure, which requires field checks to confirm the source of the anomalism.

The high priority 'Tier 1' conductors are located in three principal areas. These are -

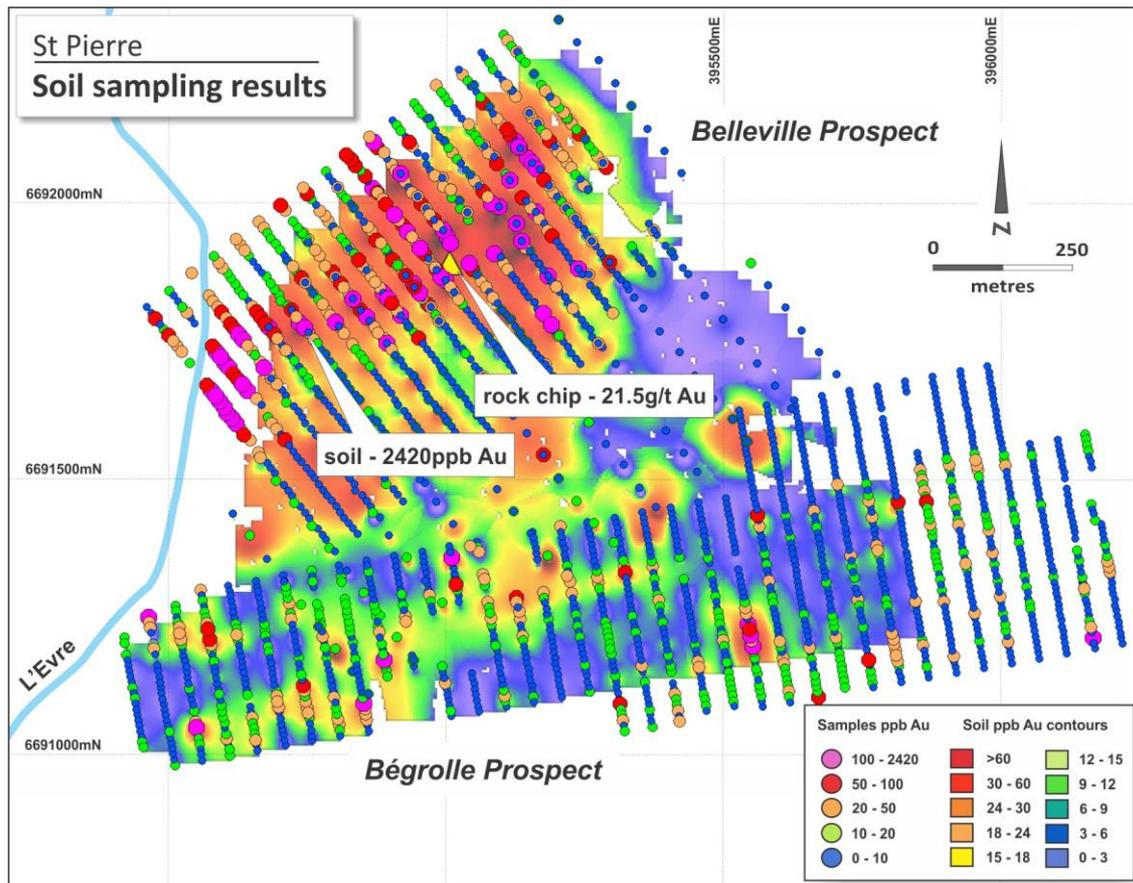
1. Within the main Porte-aux-Moines block, to the west and east of the deposit. At the Les Forges prospect, EM anomalism was detected over a length of about 800 metres immediately along strike from an area where previous float sampling by Variscan over old iron workings generated strongly anomalous zinc-lead-copper-gold assays.
2. A west-north-west oriented belt located approximately two kilometres south of Port-aux-Moines. Eight moderate to intense anomalies were detected over a strike length of about seven kilometres. No significant previous exploration is believed to have been conducted in this area.
3. A third volcano-sedimentary belt located approximately four kilometres south of the Port-Aux-Moines where previous work by Variscan had identified geochemically anomalous gossanous and stockwork material in the west of the Merléac licence. The VTEM survey defined an intense region of conductive bedrock to the east of these prospects containing three targets with strike lengths up to 800 metres.

Each of the three target regions is located within or adjacent to strongly magnetic bedrock sources interpreted to represent either basaltic/andesitic/dacitic volcanic rocks closely related to mineralisation at Porte-aux-Moines or intrusives that may have been the heat engines that assisted VMS deposit formation.

Variscan is highly encouraged by the results of the survey and will commence immediate follow up work, including detailed modelling of key targets to define the depth, geometry and significance of the conductive zones and where applicable, follow up ground EM surveys to more accurately pinpoint potential sulphide zones, soil or possible shallow RAB drill traverses over selected conductors, and core drilling.

### **ST PIERRE GOLD PROJECT**

Results received from further extensional sampling around the Belleville prospect continue to provide strong encouragement. Former work by Variscan defined an 800 x 500 metre zone of strongly anomalous values up to 809 ppb gold (0.81g/t gold) (see ASX announcement dated 2 June 2015). The new work has extended this anomaly approximately 100 metres to the west and recorded higher grade gold-in-soil values up to 2.4g/t gold (or 2420ppb gold) (Figure 5) within the main area of anomalism, clearly highlighting the strength and quality of the prospect.



**Figure 5: Gold-in-soil results from Belleville / Bégrolle prospects. Triangular points are rock chips (g/t gold). Underlying contours are from the initial soil programme with all assay points, including latest extension to survey plotted over the top.**

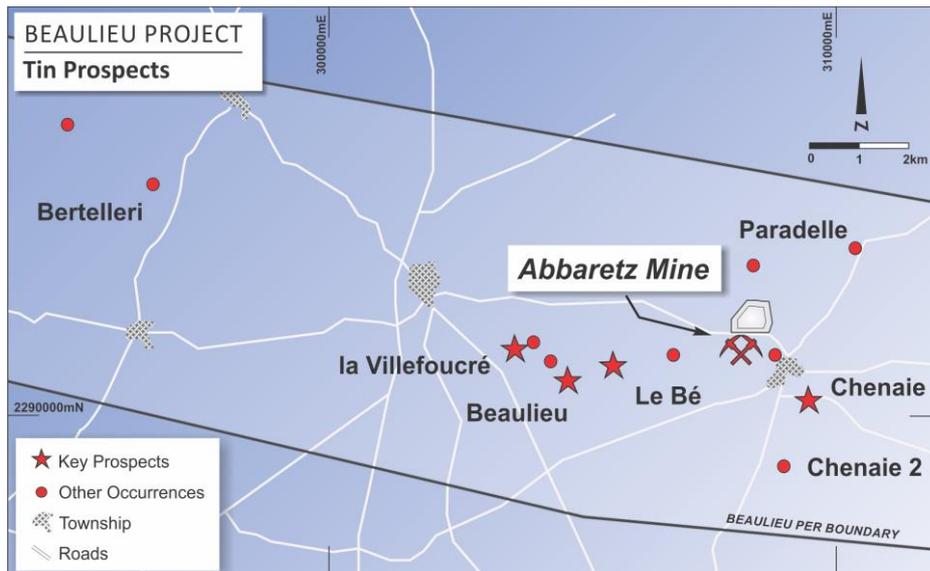
Variscan continues discussions with other resource groups for the potential joint venture of St Pierre to assist in the exploration of the property.

## BEAULIEU TIN PROJECT

On 9 June 2015 Variscan announced that it had been granted its fourth exploration licence over France's largest hard rock tin district around the Abbaretz tin mine. The Beaulieu exploration licence (PER) covers an area of 278 square kilometres over a tin-rich region 40 kilometres north of the port city of Nantes.

Tin is believed to have been mined from the region since 1200BC and during the modern era significant production was derived from Abbaretz by Société Nantaise des Minerais de l'Ouest (SNMO). During the 1960s and 1970s, following the closure of the mine, the BRGM conducted significant exploration in the region defining pre-JORC resource estimates at the Beaulieu and Chenaie prospects.

Within the licence, numerous prospects of vein-style tin mineralization hosted both within leucogranites and within altered Paleozoic sediments that overlie deeper, unexposed granites have been defined (Figure 6). The Company considers the exploration potential for economic tin deposits within the licence to be very good and has commenced work including soil sampling work around the main areas of mineralisation to help define the extent of the tin bearing zones as a precursor to drilling.



**Figure 6: Prospect locations within the western half of the Beaulieu PER.**

## RECENTLY GRANTED LICENCES

On 16 October 2015, Variscan announced that its wholly owned European subsidiary Variscan Mines SAS received confirmation it had been granted two further exploration licences in Brittany, France. Both licences cover regions where former exploration work identified high-grade prospects with excellent potential for discovery of economic deposits.

## SILFIAC

The Silfiac licence was selected to cover part of the Western Armorican Massif where high grade, zinc-lead-silver-germanium vein systems had previously been discovered and described by the BRGM. The licence covers 173 square kilometres over a set of north-north-west oriented shears which host the veins within metamorphosed sediments and an intrusive granodiorite complex.

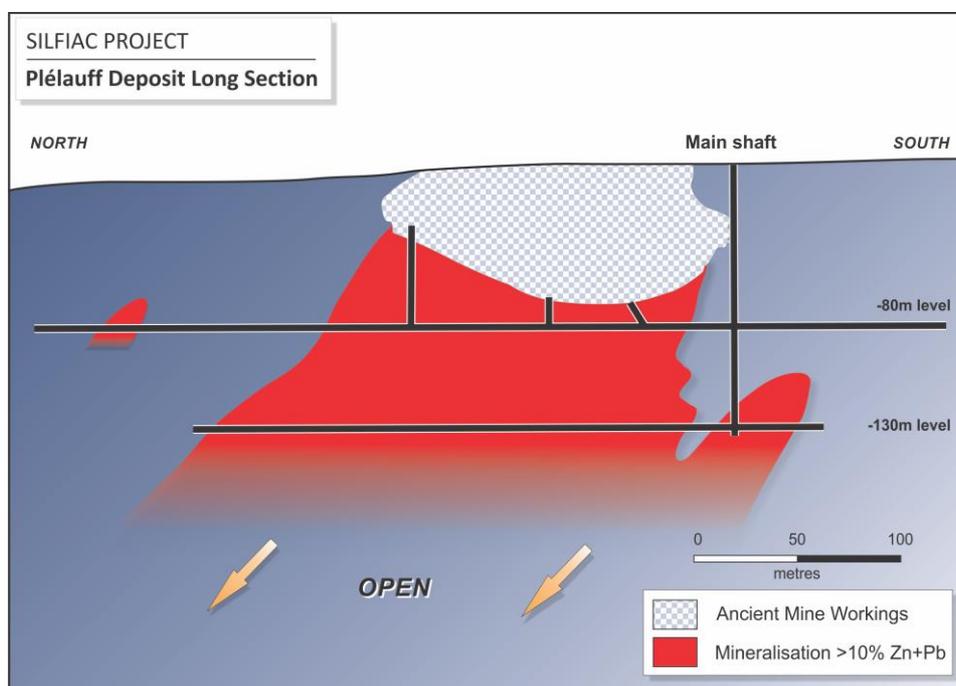
These veins are considered attractive exploration targets by the Company as -

1. They display very close geologic and depositional event similarities to the Saint Salvy deposit, mined by Pennaroya between 1975 and 1990, and located in the Massif Central, France. This mine produced a total of 2.8Mt of ore at a grade of 11.7% zinc, 150 g/t germanium and 38 g/t silver, and
2. They lie within a short trucking radius (approx. 25 kilometres) of the zinc-rich Porte-aux-Moines VMS deposit (Figure 1), the focus of Variscan's recent exploration work and which the Company believes has good potential to become a mine.

The most important deposit defined to date is the high grade Plélauff zinc-lead-silver-germanium deposit believed to have been mined around the 8th Century. Plélauff was discovered by the BRGM in the late 1950s following the completion of regional exploration including stream sediment geochemistry, soil sampling, trenching and electrical geophysics. From 1961 to 1963 the BRGM completed substantial underground mine development on Plélauff, sinking a shaft and developing two main levels at 80 and 130 metres below the surface (Figure 7, Plates 1 and 2), strike driving the lode and systematically channel sampling and mapping the deposit.

In summary, this work -

- a. Successfully defined continuous, high grade zinc-lead-silver-germanium (>10% zinc+lead) mineralisation averaging between 2.5 to 4 metres thick,
- b. Defined the main lode over a strike length of 230 metres on the lower level and indicated that mineralisation is increasing in strike length at depth (Figure 7),
- c. Intersected a further zone of mineralisation at the southern end of the 130m level which may link with the main zone of depth, and
- d. Indicated that the base metal sulphides (galena and sphalerite) contained significant silver, germanium and cadmium, potentially important future byproducts.

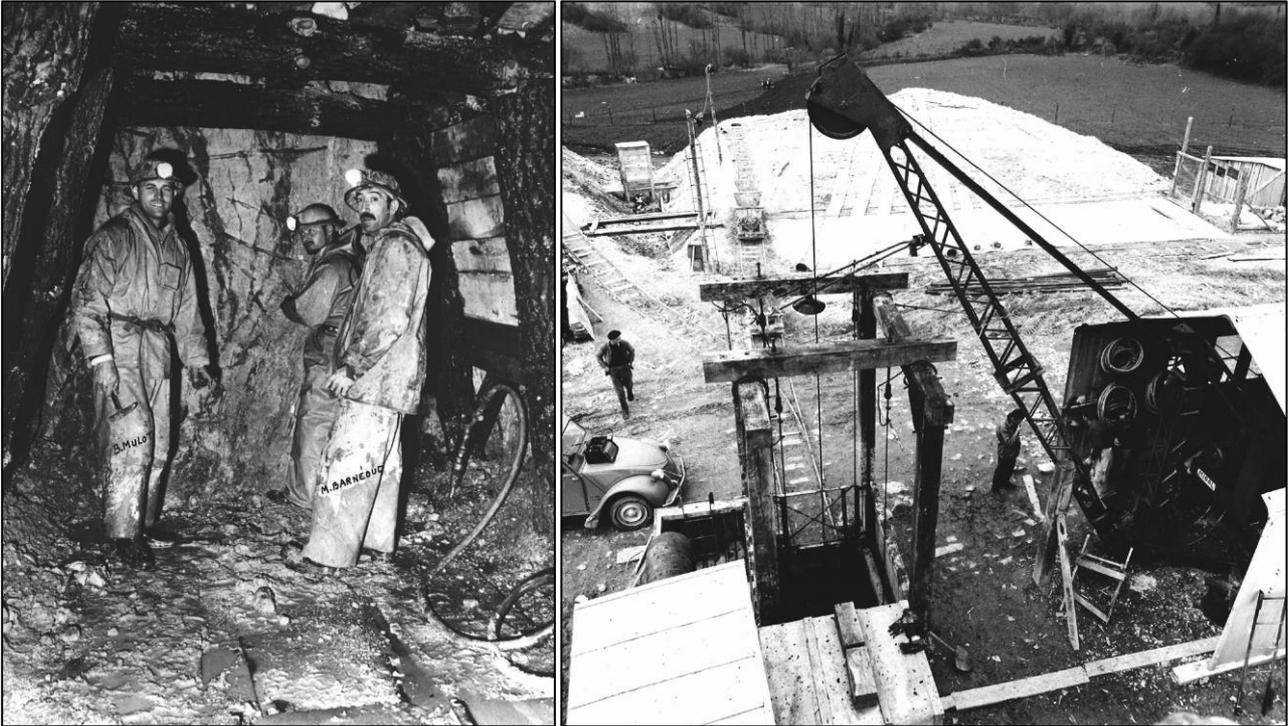


**Figure 7: Long section of the Plélauff zinc-lead-silver-germanium deposit as defined in underground development by the BRGM.**

Variscan considers the exploration potential to expand the deposit to be excellent as no drilling was completed in or around Plélauff and it remains open at depth.

Elsewhere within the Plélauff shear, additional mineralised dilational jogs can be expected and thus the Company believes that the scope for the discovery of unexplored and blind ore shoots within the Plélauff structure is high.

In addition, no significant exploration is believed to have been conducted in the region since the 1960's. The five kilometre wide north-north-west striking structural corridor that hosts the Plélauff deposit is also believed to host other Plélauff type shears, providing good potential for further high grade zinc-lead-silver-germanium deposits within this very under-explored region.



*Plates 1 and 2 - Underground crew on the 130m level and surface infrastructure of Main shaft - Plélauff*

## LOC ENVEL PROJECT

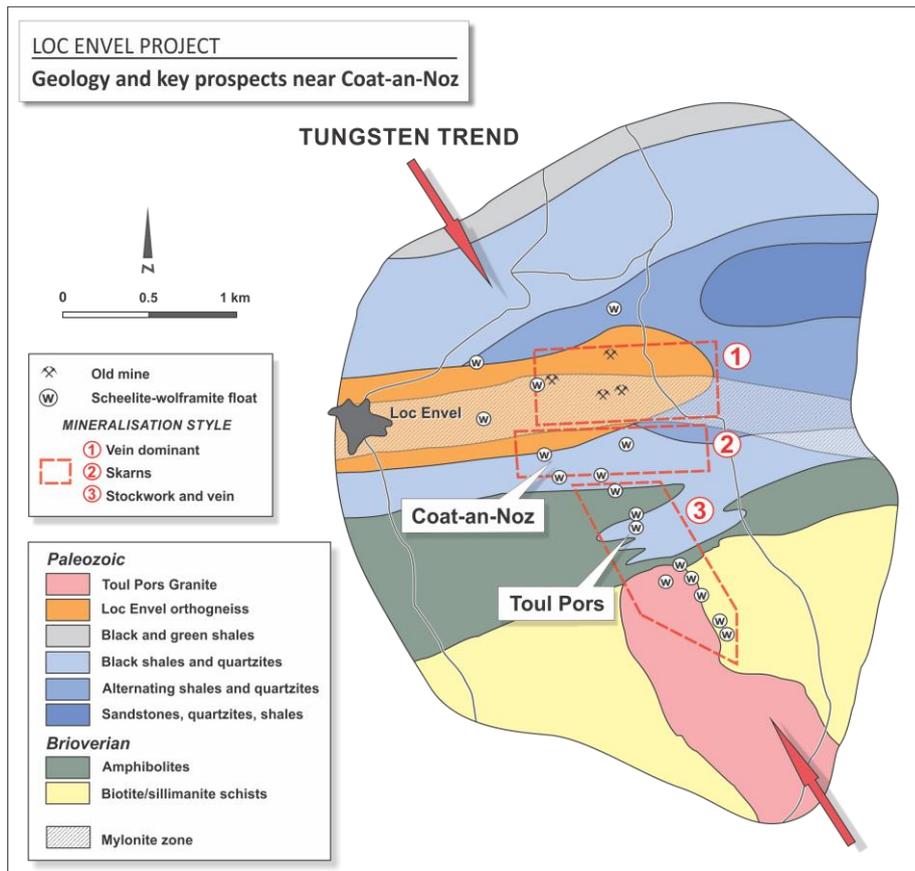
The Loc Envel exploration licence covers an area of 336 square kilometres in northwest Brittany (Figure 1) over a region believed to have good potential for high grade tungsten-copper deposits.

Work by Variscan has identified several potentially commercial styles of deposits within the licence closely associated with several small trondhjemite intrusives -

- A.** High grade scheelite + (wolframite) + chalcopyrite exo-skarns with semi massive to massive pyrrhotite mineralization similar to the Salau (Pyrénées, France), Pine Creek (California, USA) and Cantung (Yukon, Canada) deposits;
- B.** Substantial quartz + scheelite + wolframite + molybdenite vein stockwork systems of the Hemerdon Ball (South Devon, UK) type; and
- C.** Sheeted vein quartz + scheelite + wolframite + (cassiterite) + base metal sulphides in the apices leucogranite and granitic porphyry intrusive stocks.

The most significant deposit defined to date is Coat-an-Noz where scheelite-bearing skarns (type **A** mineralisation) have been defined over a two kilometre strike length in exploration carried out from 1960 to 1977 by the BRGM and SNEAP (Société National Elf Aquitaine Petroliers).

Although data from this exploration is yet to be accessed and evaluated, diamond drilling from the Coat-an-Noz prospect (Figure 8) is reported to have generated high grade tungsten (+copper) intercepts within the laterally continuous skarn system and enabled SNEAP to calculate a non-JORC resource. This represents a priority target for Variscan.



**Figure 8: Geology and main prospect areas near Coat-an-Noz (map courtesy of Prof Eric Marcoux, University of Orleans)**

Further evidence of the prospectivity of the area is provided at the Toul Pors prospect where exploration work including trenching and short (100 metre) core holes has identified a large stockwork of quartz-tungsten-molybdenite bearing veins hosted by amphibolites within the cupola of the Toul Pors granite (Figure 8).

## OTHER APPLICATIONS

Variscan has two other applications for exploration licences in France within the approvals process, each over projects with good potential for short term resource generation and/or major new discoveries.

## AUSTRALIA

Exploration activity within Variscan's Australian joint ventures was subdued for the quarter. No significant work was completed.

## Investments

Variscan maintains a diversified portfolio of investments within a number of ASX-listed resource companies. The companies within the portfolio are:

- Eastern Iron – Advanced iron project and potential for VMS copper-gold mineralisation in Victoria

- Silver City Minerals – Exploration interests at Broken Hill, NSW and near Taupo, NZ
- Thomson Resources – Large landholdings for copper, gold and tin within the Thomson and Lachlan Fold Belts, NSW
- Agua – Phosphate and potash projects in Brazil

## Business development

Variscan continues to progress project acquisition work in France. It is currently in the advanced stages to secure additional licences within regions with demonstrated potential to host significant mineral deposits. The Company has significantly reduced its landholding of projects in both NSW and SA and has scaled back expenditure within Australia to assist in preserving its cash position.

## Financial and Corporate

### **FINANCE**

Cash expenditure by Variscan on exploration and project appraisal for the quarter was \$0.5 million. Expenditure by joint venture parties on projects in which Variscan has an interest was approximately \$85,000 for the quarter. Cash available for Variscan at the end of June was \$0.7 million. As at 27 October 2015, the total value of the Variscan shareholdings in ASX listed resource companies stood at approximately \$2.4 million.

### **Variscan Mines Limited**



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 Mines Limited 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.*

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## JORC Code – Table 1

### Section 1 - Sampling Techniques and Data for St Pierre

Criteria	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• Soil samples were collected at Belleville at 50m intervals along 100m spaced lines, with infill in some areas to 50x25m pattern.</li> <li>• At Bégrolle samples were collected at 10m intervals along 50m spaced lines.</li> <li>• Samples were taken with hand held augers from surface up (minus organic/leaf matter) to a depth of 120cm with the “B” horizon.</li> <li>• Company geologists logged each sample and recorded the position with handheld Garmin GPS.</li> <li>• Sample size was around 1-2 kg</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• No drilling undertaken</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• No drilling undertaken</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• Each sample was briefly described with details entered into the geological database</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• Samples were transported to e-Mines sample prep./assay laboratory located in Dun, southern France</li> <li>• Samples were dried and crushed to -2 mm</li> <li>• Samples were then split down with a riffle box</li> <li>• The sample splits were pulverized in a hammer mill to -80 µm</li> <li>• 100 grams of the material per sample was packaged and sent to the ALS Geochemistry laboratory - Ireland for analysis</li> <li>• Sample sizes and preparation techniques employed are considered to be appropriate for the generation of early stage exploration results</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• Samples were also sent to the ALS Lab (Ireland) for gold analysis.</li> <li>• Gold was analysed by method Au-AA24 (50g fire assay with an AA finish). Samples assaying &gt; 10 ppm were re-assayed using method Au-GRA22 (50g fire assay with a gravimetric finish).</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• Data storage in Excel spreadsheets and GIS database</li> <li>• Further field checking of samples with anomalous pathfinder or precious metal assays is planned</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• GPS coordinates captured with Garmin GPS in latitude-longitude decimal degrees</li> <li>• Projection and recording of data points into the GIS database into the RGF93-Lambert93 system</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• Soil samples were collected at Belleville at 50m intervals along 100m spaced lines, with infill in some areas to 50x25m pattern.</li> <li>• At Bégrolle samples were collected at 10m intervals along 50m spaced lines.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• Soil grids were at a high angle to perpendicular to interpreted strike of auriferous structures.</li> <li>• Due to relatively poor outcrop and previous old mining of quartz rich outcrops, definition of insitu material was sometimes difficult and it was often not possible to clearly define the orientation of the underlying mineralisation.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• Samples were transported to the Dun facility by Variscan geologists and Kuhene + Nagel transporter.</li> <li>• Gold samples were sent to ALS Geochemistry Ireland by DHL</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• There has been no external audit or review of the Company’s techniques or data.</li> </ul>

### Section 2 - Reporting of Exploration Results

Criteria	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>• St Pierre PERM (Permis Exclusif de Recherche de Mine, a French exploration licence)</li> <li>• No known impediments for future exploration and development</li> </ul>

<b>Criteria</b>	<b>Commentary</b>
<b><i>Exploration done by other parties</i></b>	<ul style="list-style-type: none"> <li>• Last significant exploration in area is believed to have been conducted by BRGM in the 1980s and by Normandy La Source in 1996.</li> <li>• Core drilling by both groups was completed on the central-eastern end of the La Bellière structure in an attempt to intersect along strike and down-plunge projections from the old workings. Much of the drilling is believed to have not effectively tested the area.</li> <li>• The BRGM also conducted soil sampling programmes and shallow RAB/RC/core drilling on a number of regional prospects. Variscan is in the process of compiling and interpreting the data.</li> </ul>
<b><i>Geology</i></b>	<ul style="list-style-type: none"> <li>• Orogenic shear hosted gold deposits.</li> </ul>
<b><i>Drill hole Information</i></b>	<ul style="list-style-type: none"> <li>• No drill core has been logged by Variscan geologists to date. The bulk of technical data for old drill holes is held by the BRGM and has been accessed by Variscan geologists.</li> </ul>
<b><i>Data aggregation methods</i></b>	<ul style="list-style-type: none"> <li>• None</li> </ul>
<b><i>Relationship between mineralisation widths and intercept lengths</i></b>	<ul style="list-style-type: none"> <li>• No drill holes are reported in this announcement.</li> </ul>
<b><i>Diagrams</i></b>	<ul style="list-style-type: none"> <li>• Diagram for gold-in-soil results provided in the report.</li> </ul>
<b><i>Balanced reporting</i></b>	<ul style="list-style-type: none"> <li>• It is not practicable or appropriate to report all individual soil sampling results.</li> <li>• Gridding/imaging was performed in MapInfo Professional Discover 2014. An Inverse Distance Weighting method was used with a 120m circular search with four search sectors. Contouring was then applied to the grid. All data points have been shown to indicate that contouring was appropriate.</li> </ul>
<b><i>Other substantive exploration data</i></b>	<ul style="list-style-type: none"> <li>• Much of the previous exploration data held by the BRGM. It is currently being compiled and evaluated.</li> </ul>
<b><i>Further work</i></b>	<ul style="list-style-type: none"> <li>• Detailed auger soil sampling over key prospects outlined from Variscan work.</li> <li>• RAB drilling over gold anomalous areas.</li> <li>• Logging of old BRGM and other core, notably over the La Bellière mine.</li> <li>• Core/RC drilling of regional targets.</li> </ul>