# GOLD ASSAYS FROM ST PIERRE GOLD PROJECT

## Highlights:

- ***15 Reverse Circulation ("RC") holes drilled across the Belleville prospect***
- ***450 sample assays received for Belleville from ALS Geochemistry***
- ***Assays up to 4.59g/t gold returned, mainly from eastern drill traverse***
- ***Free gold identified in some samples***
- ***Further 473 samples currently undergoing sample preparation***
- ***Second tranche of assay results from ALS expected within next 4 weeks***

The Board of Variscan Mines Limited ("Variscan" or the "Company") (ASX:VAR) announces the first set of assay results from the recently completed RC drill programme over the Belleville prospect as well as assays from core drilling of the Ville Tirard prospect at the Company's wholly owned St Pierre gold project in the Brittany region, France.

### Belleville

The objective of the RC drill programme was to define the hard rock source of a strong gold geochemical anomaly identified from previous rock chip and soil sampling. A total of 15 RC holes for 923 metres were successfully completed at Belleville during June.

To date 450 gold assays have been received from ALS Geochemistry in Ireland which accounts for approximately 50% of the 15 drill holes, mainly from the eastern drill traverse (Figure 1).

These holes intersected alternating greywackes and schists similar to those found at the La Belliere Gold Mine 750 metres to the north, with some samples recording quartz veining and sulphides, including pyrite, pyrrhotite and chalcopyrite, with minor arsenopyrite, galena and sphalerite which are commonly associated with high grade gold mineralization.

In addition, free gold was panned in some samples, indicating the coarse nature of gold within the mineralised system (and confirmed in the variable gold re-assays by ALS – see Table 1), and thus potential difficulty in obtaining reliable gold assays.

A spot high of 4.59g/t gold (hole RCSTP004, 36-37 metres) over one metre (down-hole) (Table 1) confirms the potential for high grades at Belleville and warrants further analysis of the gold mineralisation. Evaluation of these results and comparison to geological observations is continuing.

Samples from the majority of holes from the western traverse (the centre of the gold anomaly) as well as two holes from the centre of the eastern traverse (473 samples in total) have been sent to the sample preparation facility in southern France. These will be sent to ALS over the next few weeks for gold analysis.

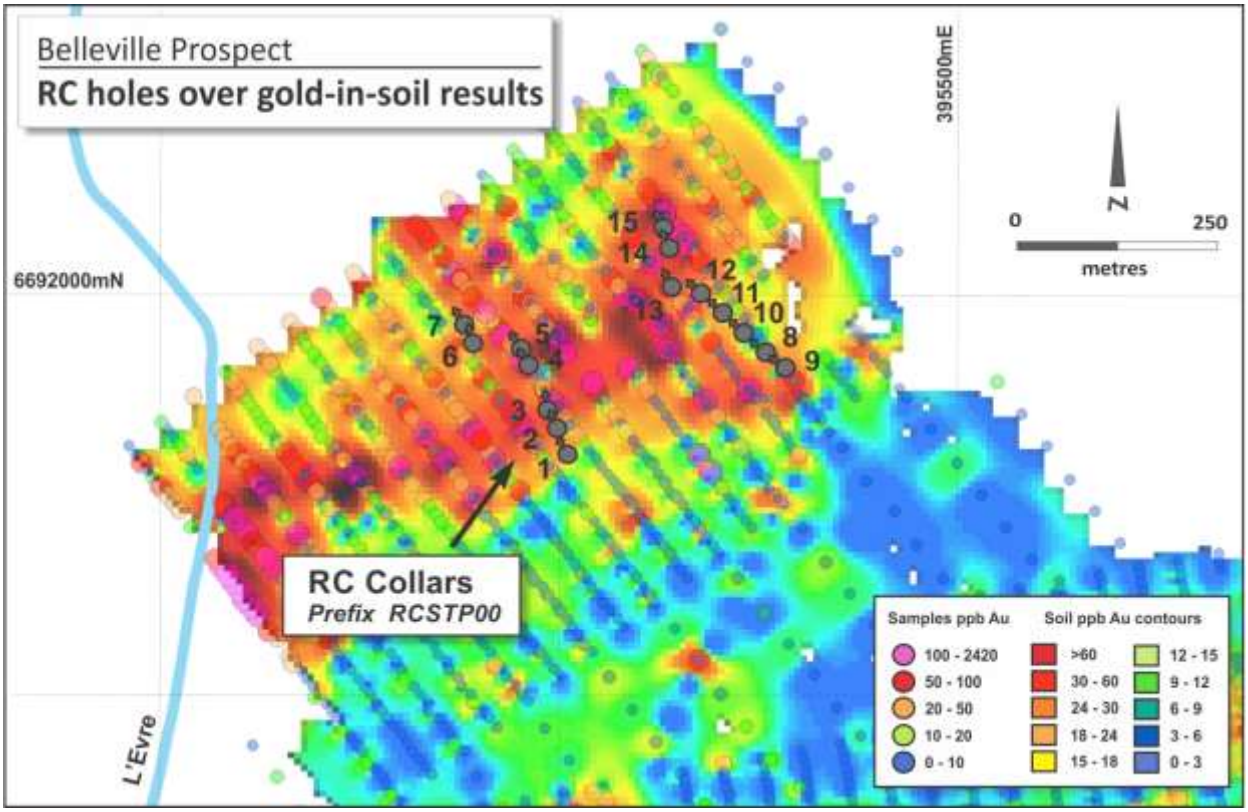


***Figure 1 – RC drill hole collar positions at the Belleville gold prospect***

**TABLE 1 – SIGNIFICANT ASSAYS ABOVE 0.2g/t GOLD AT BELLEVILLE**

| Hole ID | From (m) | To (m) | Gold Assay (g/t Au) | Gold Re-assay 1 (g/t Au) | Gold Re-assay 2 (g/t Au) |
|---|---|---|---|---|---|
| RCSTP002 | 47 | 48 | 0.40 | | |
| RCSTP004 | 0 | 1 | 1.02 | 1.15 | |
| RCSTP004 | 2 | 3 | 0.47 | 0.30 | |
| RCSTP004 | 36 | 37 | 4.59 | 1.64 | 1.40 |
| RCSTP006 | 1 | 2 | 0.22 | | |
| RCSTP006 | 2 | 3 | 0.78 | | |
| RCSTP006 | 3 | 4 | 0.45 | | |
| RCSTP006 | 5 | 6 | 0.24 | | |
| RCSTP006 | 9 | 10 | 2.59 | | |
| RCSTP006 | 10 | 11 | 0.75 | | |
| RCSTP013 | 34 | 35 | 0.21 | 0.24 | |

Note - All other samples received to date from the Belleville RC drilling have gold assays lower than 0.2g/t Au

**TABLE 2 – DRILL HOLES AND GOLD ASSAY STATUS FROM ST PIERRE**

| Hole ID | Easting (m) | Northing (m) | Azimuth | Dip | Hole Depth (m) | ALS gold assays |
|---|---|---|---|---|---|---|
| RCSTP001 | 395032.7 | 6691799.8 | 333 | 50 | 60 | In process |
| RCSTP002 | 395019.0 | 6691831.7 | 335 | 50 | 63 | Partially completed |
| RCSTP003 | 395009.4 | 6691854.5 | 350 | 50 | 66 | In process |
| RCSTP004 | 394984.5 | 6691911.8 | 335 | 50 | 45 | Complete |
| RCSTP005 | 394976.5 | 6691930.5 | 330 | 50 | 60 | In process |
| RCSTP006 | 394916.4 | 6691939.0 | 350 | 50 | 72 | Partially completed |
| RCSTP007 | 394898.5 | 6691969.5 | 330 | 50 | 72 | In process |
| RCSTP008 | 395281.1 | 6691928.7 | 310 | 50 | 60 | Complete |
| RCSTP009 | 395305.4 | 6691906.7 | 310 | 50 | 60 | Complete |
| RCSTP010 | 395254.9 | 6691952.3 | 310 | 50 | 60 | Complete |
| RCSTP011 | 395229.0 | 6691976.4 | 310 | 50 | 60 | In process |
| RCSTP012 | 395202.5 | 6692000.0 | 310 | 50 | 60 | In process |
| RCSTP013 | 395165.8 | 6692011.0 | 335 | 55 | 65 | Complete |
| RCSTP014 | 395162.6 | 6692058.9 | 335 | 55 | 60 | Complete |
| RCSTP015 | 395153.3 | 6692079.0 | 335 | 55 | 60 | Complete |
| SCSTP001 | 394554.8 | 6692849.4 | 27 | 45 | 100.7 | Complete |
| SCSTP002 | 394554.8 | 6692849.4 | 50 | 45 | 143.8 | Complete |

Prefixes - RCSTP for Belleville and SCSTP for Ville Tirard

Stewart Dickson, CEO, said, “The drilling at Belleville was the first RC drilling programme completed in France. We look forward to receiving the second tranche of assay results. Once we have a complete set of assay results we will take a more informed decision on the future work and prospects for Belleville.”

**Ville Tirard**

Assays received from ALS have confirmed the initial review of core from Ville Tirard as announced to the ASX on 31 May 2017, with no significant results recorded. Given the age of the former drilling, the precise position of the collars is uncertain and further drilling across the shear system will be required to locate the high grade mineralised zone as formerly defined in the historic work (1952).

For further information:

Variscan Mines Limited P: +61 9902 5220

E: info@variscan.com.au

*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.*

# JORC Code – Table 1

## Section 1 - Sampling Techniques and Data

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Sampling techniques** | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • At Ville Tirard two diamond drill holes were completed in February and March 2017<br>• Core size was HQ<br>• Sampling boundaries were set according to Variscan geologists<br>• Most samples were taken at 1 m intervals (and/or defined by geology).<br>• Half core samples obtain by core sawing<br>• Samples were crushed to -2mm and riffle split to 100 g which were then bagged and sent to ALS Geochemistry Ireland.<br>• At Belleville 15 Reverse Circulation (RC) drill holes were completed in April and May 2017<br>• Samples were at 1 m intervals<br>• Sample weights per meter drilled were recorded<br>• Entire samples (averaging 30 to 35 kg each) were taken from site to the E-Mines sample prep laboratory in southern France<br>• Samples were then dried and riffle split to obtain approx. 3 kg which was pulverised (min. 80% passing 75 micron)<br>• 100 g split product sent to ALS Geochemistry Ireland. |
| **Drilling techniques** | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • Core holes were collared and drilled with "PQ" diameter core to a downhole depth of around 10m before switching over to "HQ" diameter core.<br>• Reverse circulation holes were drilled using 3 ½" diameter RC bits.<br>• RC cuttings were collected in an on-rig cyclone. |
| **Drill sample recovery** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • Drilled passes were shortened during diamond drilling in intensively fractured intervals or in presence of argillic material to improve recovery rates.<br>• The drill core was stored in plastic trays and was logged for core recoveries. Most mineralised intercepts recorded >90% recoveries.<br>• During RC drilling, where water ingress was high, care was taken to reduce water loss to a minimum. At the end of every sample interval holes were purged by air to minimize water influence.<br>• RC cuttings were stored into woven fabric bags and weighed to compare against theoretical mass. Most mineralised intercepts recorded >95% recoveries. |
| **Logging** | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant* | • Diamond and RC intervals were logged and sampled by Variscan geologists<br>• Each sample was briefly described with details entered into the geological database<br>• Core and RC cuttings were photographed. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *intersections logged.* | |
| **Sub-sampling techniques and sample preparation** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Samples were collected by E-Mines personnel (sample preparation laboratory), bagged and tagged with unique sample numbers.<br>• Sample numbers were entered against down-hole depths (except for SCSTP001 at Ville Tirard), checked against the sample request and confirmed to Variscan geologists<br>• Average weight per sample was around 100 g of -2 mm material<br>• Samples were transported to ALS Geochemistry Ireland for analysis<br>• Samples were pulverized in a hammer mill to >80% passing -80 µm |
| **Quality of assay data and laboratory tests** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | • Gold was analysed at ALS by Au 30g fire assay and AA finish. When high grade gold results were recorded, additional gold assays were completed by fire assay and a gravimetric finish.<br>• 10% of samples were analysed as duplicates for QA/QC control. |
| **Verification of sampling and assaying** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Data storage in Excel spreadsheets and GIS database<br>• Core drill holes at Ville Tirard twinned former holes S1 and S2DD, located according plans generated by Compagnie des Mines de la Bellière in 1952.<br>• RCSTP004 at Belleville twinned one former 'wagon drill' hole completed by the BRGM in 1990. |
| **Location of data points** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • At Ville Tirard, samples were identified by core blocks marking depths down-hole.<br>• RC and core drill collar positions were surveyed using hand-held GPS<br>• Downhole surveys for core and RC drilling were taken every 30 meters by the contract drilling group (Cofor) using a downhole camera system<br>• Recording of data points used RGF93-Lambert93 projection |
| **Data spacing and distribution** | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • At Belleville, two RC drill traverses oriented NNW were completed. Each hole was drilled at -55° to ~N335° and averaged 60-65m in depth.<br>• Traverse spacing was approximately 250m, with holes drilled at 30m intervals.<br>• RC sample intervals were at one meter. No compositing.<br>• Half core sampling was up to 2.4 metres (defined by geology), but generally a |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | maximum downhole interval of one meter. |
| **Orientation of data in relation to geological structure** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • Core and RC holes were drilled from south to north at 45° and 55° respectively to intersect interpreted steep south-dipping gold mineralisation.<br>• Core angles of strongly fractured rocks were consistently high throughout the Ville Tirard holes, averaging +70 degrees to the core axis, providing a reasonable test against mineralised zones. |
| **Sample security** | • *The measures taken to ensure sample security.* | • Samples were transported to the E-Mines Dun facility by Variscan geologists.<br>• Samples were transported to ALS Geochemistry Ireland by FedEx transport. |
| **Audits or reviews** | • *The results of any audits or reviews of sampling techniques and data.* | • There has been no external audit or review of the Company's techniques or data. |

## Section 2 Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Mineral tenement and land tenure status** | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • St Pierre PERM (Permis Exclusif de Recherche de Mine, a French exploration licence)<br>• No known impediments for future exploration and development |
| **Exploration done by other parties** | • *Acknowledgment and appraisal of exploration by other parties.* | • Last significant gold exploration in area is believed to have been conducted by BRGM and SNEAP in the 1980s and Normandy La Source in the 1990's.<br>• Deeper diamond drilling of the eastern end of the La Belliere mine was completed as well as shallow drilling on subsidiary shears. |
| **Geology** | • *Deposit type, geological setting and style of mineralisation.* | • Shear hosted gold deposits |
| **Drill hole Information** | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • Summary information for the recent Ville Tirard and Belleville drill holes provided. |
| **Data aggregation methods** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short* | • No aggregation or high grade cuts have been applied to the data reported |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | |
| **Relationship between mineralisation widths and intercept lengths** | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • The orientations of the two Ville-Tirard holes and the 15 Belleville holes are considered a reasonable test of the projected high grade mineralised zones which are interpreted to dip from sub vertical to very steeply south (based on old BRGM exploration and mine data). |
| **Diagrams** | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Diagram for Belleville prospect with RC collars provided. |
| **Balanced reporting** | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • All gold assays above 0.2g/t Au for Belleville are provided within the report (12 samples out of 690 samples for both prospects analysed to date by ALS). Any sample below 0.2g/t Au is not considered significant. |
| **Other substantive exploration data** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • Much of the available historic exploration and mining data (that was held by the BRGM) has been complied and converted to electronic formats by Variscan. Where possible, this has previously been published by Variscan, but given the age of much of the information and the difficulty in verifying key aspects of the data, only a limited amount can be reported. |
| **Further work** | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Continued compilation and assessment of the large amount of geological data held at the BRGM.<br>• Further assays of Belleville RC drilling from ALS<br>• Geological and target assessment – possible new programme generation<br>• Possible additional soil geochemistry and mapping.<br>• Possible follow-up electrical geophysics to more accurately define any significant anomalies defined from the soil geochemistry.<br>• Drill testing. |