



Building a next-generation mineral development and mining company

Fully Underwritten Rights Issue - April 2018

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This presentation incorporates by reference the ASX announcement relating to the Porte-aux-Moines Mineral Resource estimation which was released to the market on 20 June 2016. The announcement is available from the Company's website at www.variscan.com.au or from the ASX. It contains the Competent Persons statements and the JORC Table 1 relating to the JORC 2012 Mineral Resource estimation. Variscan confirms that it is not aware of any new information or data that materially affects the information included in the announcement and that all material assumptions and technical parameters underpinning the resource estimate continue to apply and have not materially changed.

The information in this presentation 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 Ltd 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 this report of the information compiled by him in the form and context in which it appears.

Executive Summary

2017/2018 – Substantial progress in delivering change

▪ **Strategy:**

- Delivered the Company's objectives of re-balancing sovereign exposure
- Programme of change created a more efficient and stream-lined business
- Continue to pursue growth through the acquisition and development of additional base and strategic metals projects

▪ **Asset Portfolio:**

- Acquired option over the highly prospective Rosario copper project in Chile for up to \$5m
- Sale of 20% interest in Couflens for up to \$4.25m
- Re-structuring of asset portfolio retains optionality, beneficial and economic interests over the existing French licences.

▪ **Corporate:**

- Leadership changes in Australia & France → lower costs & better information flows
- Reduction in board size and change of Company Secretary
- Fixed costs continue to fall esp. following sale of French subsidiary, Variscan Mines SAS

▪ **Finance:**

- No new equity raised since May 2016

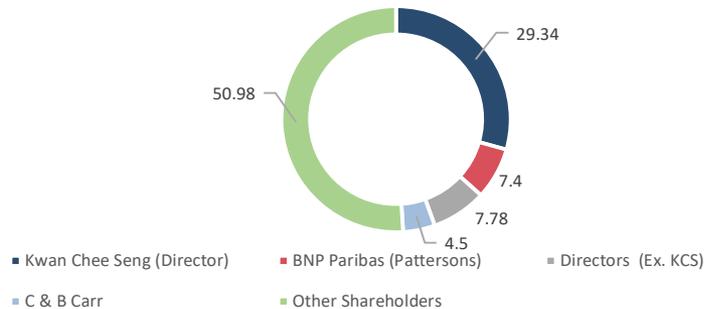
▪ **Rights Issue:**

- 5 for 6 renounceable pro rata entitlement offer to raise approximately \$2.25m (before expenses)
- 1 for 1 free attaching option with exercise price of 0.8c
- New shares to be issued at 0.4c per share
- Funds to be used to accelerate the development of existing and new mineral projects in Europe and South America
- Support from Variscan's major shareholders and Directors: take up respective entitlements for a total of approximately \$0.79m
- Patersons Securities appointed as Underwriter and Lead Manager

Well positioned for future growth

Corporate & Capital Structure

Shareholder Ownership (%) (Pre-Rights Issue)



Source: Company; Boardroom

Capital Structure (Pre-Rights Issue)

| | |
|---------------------------|-------------|
| Number of Shares in issue | 676,061,932 |
| Share Price | 0.6c |
| Market Capitalisation | A\$4.1m |
| Cash | A\$ 0.81m |
| Debt | \$0.34m |

Source: Company; Bloomberg

Share Price Performance YTD 2018



Source: Bloomberg.

Options (Pre-Rights Issue)

- Listed Options
 - Nil
- Unlisted Options
 - 12,450,000 with an exercise price of A\$0.05
Expiry 3 December 2018
 - 10,000,000 with an exercise price of A\$0.03
Expiry date 20 November 2021
 - 10,000,000 with an exercise price of A\$0.05
Expiry date 20 November 2022

Source: Company

▪ Share Price data as 03 April 2018

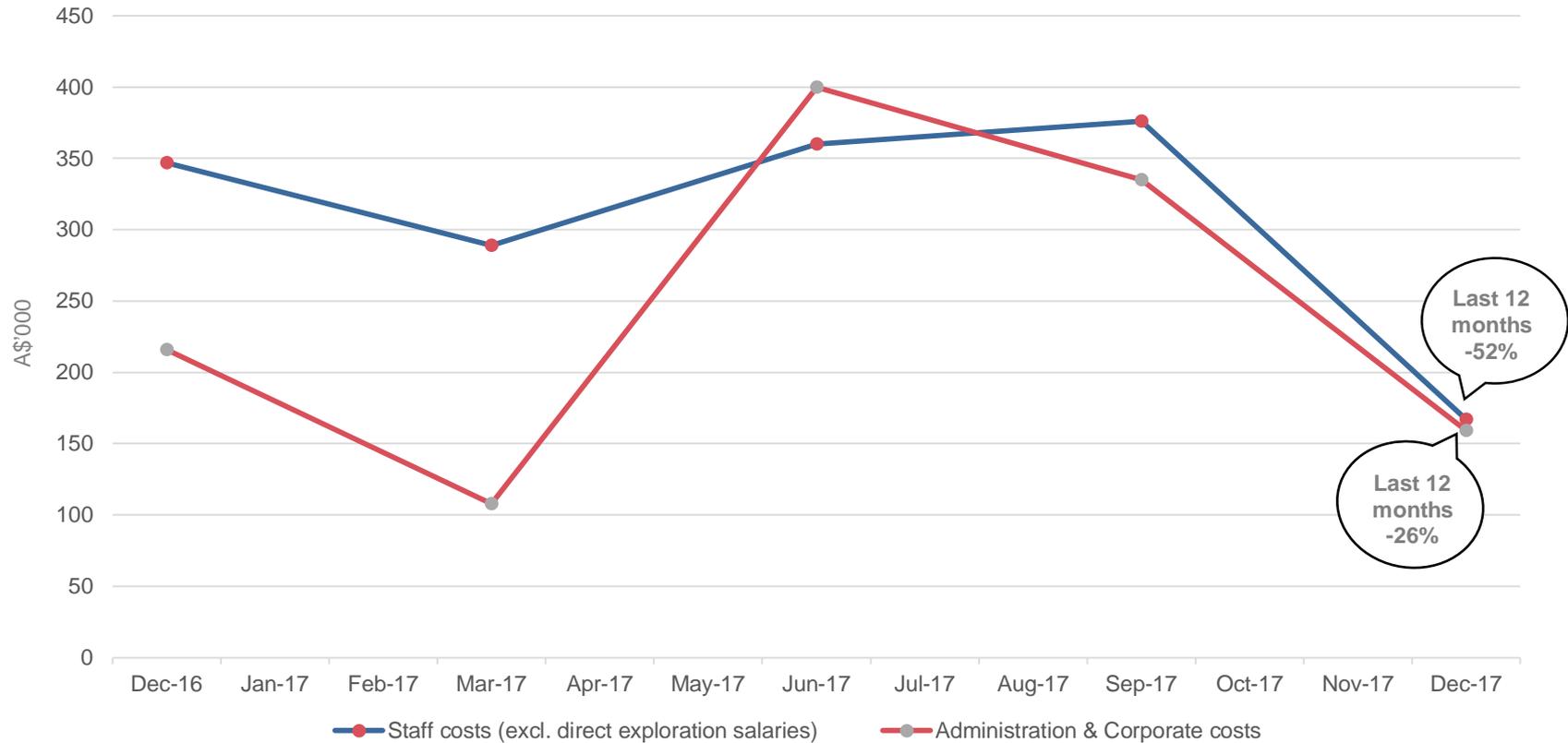
▪ Cash as reported in Interims as at 31 Dec 2017 announced to ASX on 16 March 2018 and excludes initial cash consideration of A\$0.2m from sale of Variscan Mines SAS & 20% interest in Couflens

Board of Directors

| | | |
|---|-------------------------------------|---|
| <p>Patrick Elliott</p>  | <p>Non-Executive Chairman</p> | <ul style="list-style-type: none"> ▪ 35+ years experience in investment and corporate management. ▪ Previous experience: Consolidated Gold Fields Australia Limited, Head of Corporate Finance for Morgan Grenfell Australia, MD of Natcorp ▪ Current Chairman of Argonaut Resources NL (ASX), Cap-XX Limited (AIM) and Tamboran Resources (private) ▪ Non-Executive Director of Global Geoscience Limited (ASX), Kirrama Resources (private) and various privately owned companies. |
| <p>Stewart Dickson</p>  | <p>Chief Executive Officer</p> | <ul style="list-style-type: none"> ▪ 10+years investment banking experience. ▪ Most recently, Managing Director and Head of Metals & Mining at Cantor Fitzgerald Europe, based in London. ▪ Former British Army officer ▪ Non-Executive Director of Trans-Siberian Gold plc (TSG.LN) ▪ MBA from Henley Business School |
| <p>Greg Jones</p>  | <p>Executive Technical Director</p> | <ul style="list-style-type: none"> ▪ Geologist. 30+ years of exploration and operational experience ▪ Held senior positions in Western Mining Corporation and Sino Gold Mining Limited. ▪ Awarded the Institute Medal for academic excellence whilst at the University of Technology, Sydney UTS ▪ Credited with economic discoveries including the Blair nickel and the Orion gold deposits in Western Australia. ▪ Director of Silver City Minerals Limited, Thomson Resources Ltd* and Moly Mines Limited |
| <p>Kwan Chee Seng</p>  | <p>Non-Executive Director</p> | <ul style="list-style-type: none"> ▪ Successful entrepreneur and investor (29% shareholder in VAR) ▪ Holds investments in the renewable sustainable energy, base metal resources and the biotechnology businesses ▪ Executive Director of private equity firm, Luminor Capital |
| <p>Dr. Foo Fatt Kah</p>  | <p>Non-Executive Director</p> | <ul style="list-style-type: none"> ▪ 20+ years experience in the investment banking, fund management and advisory businesses spanning Europe and Asia. ▪ Previously Head of Asian Equities and Co-Head of the Investment Bank for SG Securities Asia, Executive Director of CyberVillage Holdings Ltd ▪ Currently Managing Director of private equity firm, Luminor Capital and Lead Independent Director of PEC Ltd. ▪ Qualified in Medicine (MB, BCh BAO) and holds MBA from the Queen's University, United Kingdom |
| <p>Mike Moore</p>  | <p>Non-Executive Director</p> | <ul style="list-style-type: none"> ▪ 15+ years operational and executive management experience in Australia, West Africa and France. ▪ Previously held senior and executive management roles at Rock Australia Mining & Civil Pty Ltd, Carnegie Minerals PLC and Montezuma Mining ▪ Previously been a director of Carnegie Minerals Gambia Ltd and Cordier Mines SAS (France). ▪ Qualified Mining engineer from the Camborne School of Mines |

Delivering a more sustainable cost-base

Dramatic reductions in fixed corporate costs

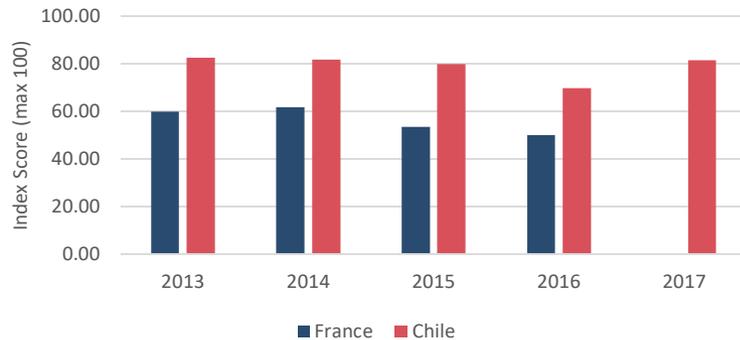


Source: Company Quarterly Reports & Appendix 5B filings

Strong focus on husbanding of limited capital resources

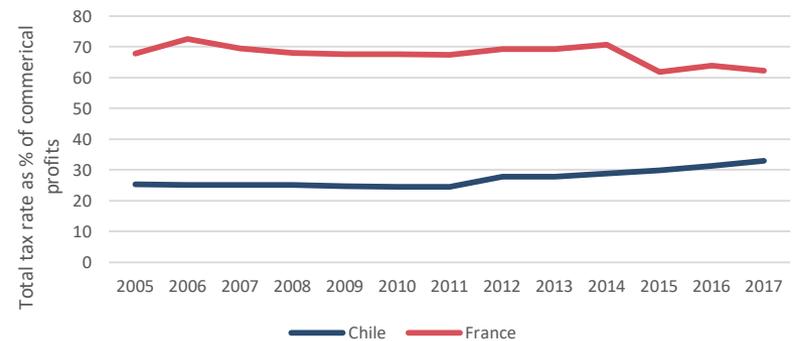
Re-balancing sovereign exposure

Investment Attractiveness Index – Chile is consistently top 10 ranked



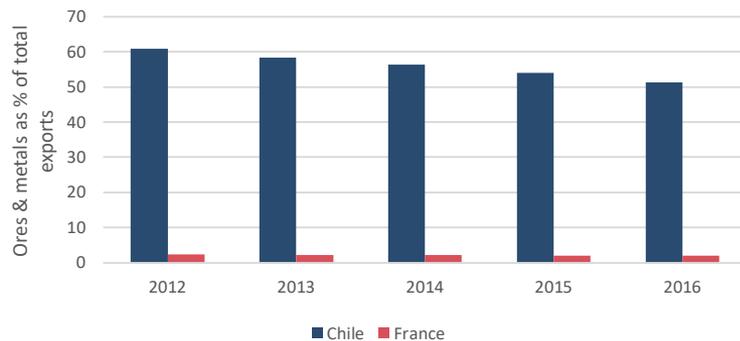
Source: Fraser Institute

Total Tax rate – contrasting taxation regimes



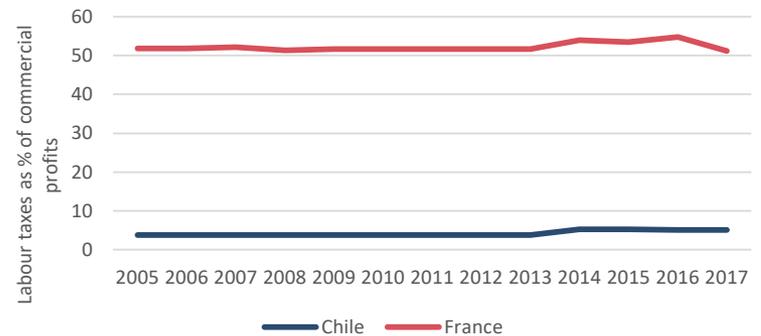
Source: World Bank

Exporting metals – Copper of national economic importance to Chile



Source: World Bank

Labour Taxes – divergent approach has significant cost implications



Source: World Bank

Opportunities in Chile lower our risk and cost profile

▪ Investment Attractiveness Index – no 2017 data available for France

Chile – Favourable Mining Jurisdiction

New President – Enhancing an already favourable mining jurisdiction

New president says Chile will be a First World country by 2025



New president says Chile will be a First World country by 2025
dallasnews.com

5 Likes · 2 Comments

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Add a comment...

Rick Rule
CEO at Sprott US Holdings Inc. 15h ...

The best jurisdiction in the world, for mining investment, in my view

Like Reply

Source: LinkedIn

No.1 Copper Producer (2017e) ('000 metric tonnes)

| | |
|-----------|-------|
| Chile | 5,330 |
| Peru | 2,390 |
| China | 1,860 |
| USA | 1,270 |
| Australia | 920 |
| DRC | 850 |
| Mexico | 755 |
| Zambia | 755 |
| Indonesia | 650 |
| Canada | 620 |

Source: USGS

Chile & Copper are synonymous

Chile – Option to Acquire the Rosario Copper Project

Rosario - Highly Prospective Copper Project

- Low - cost, step - wise option to acquire a highly prospective copper project in Chile
- Delivers the Company’s stated strategy of acquiring new opportunities outside of France and re - balancing the Company’s sovereign exposure
- Copper grades up to 4.26 % Cu recorded from historic (2012-2014) surface rock chip and grab samples within two mineralised zones believed to extend at least 6 kilometres in strike length
- Mineralization found at Rosario is consistent with iron - oxide - copper - gold (IOCG) type deposit which are common in the region
- IOCG deposits are extremely attractive due to their large size and or high grade, polymetallic nature and simple metallurgy which tends to facilitate low-cost mining.
- Rosario project is located approximately 120 km by road east of the port city of Chanaral in the Atacama Region of northern Chile.
- Rosario lies about 20 km north of the El Salvador mine (owned by CODELCO) - one of the country’s larger copper operations.
- Initial field work seeking to validate the high - grade potential and size of Rosario and may include drilling as soon as practicable

Source: Company Announcement; USGS

Project location



Source: Company

Transaction delivers on our stated strategy

Chile – Rosario Copper Project

Historical small-scale workings at Rosario



~20m shaft at Salvadora

Source: Company



Tenement marker for Rosario 6



Identified 13x DDH across project

Close proximity to El Salvador Copper Mine (CODELCO)



Source: Company

El Salvador - Access to infrastructure, services & supportive community

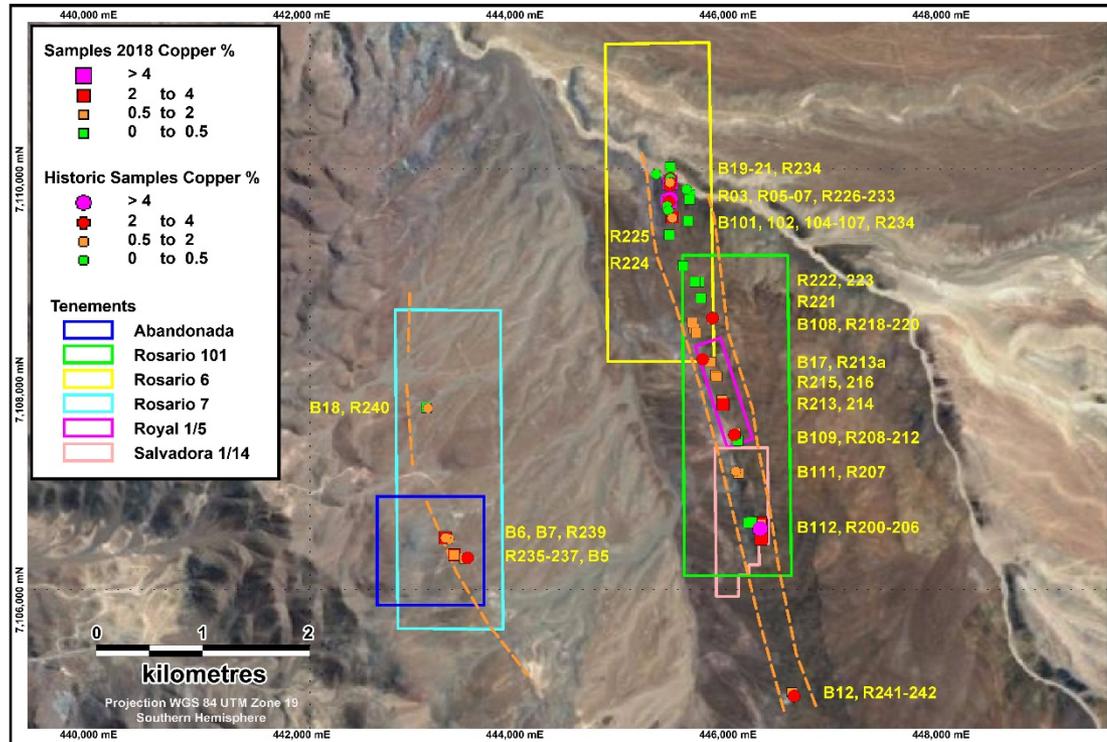


Source: Company

Operating in an established mining region

Rosario Copper Project – Promising start to fieldwork

Selective rock chip and grab sampling validates the high grade potential of the Rosario Project



Source: Company

Assay results of samples recorded copper grades up to 4.82% Cu

Rosario Copper Project – Way forward

Positive initial fieldwork conducted

- 44 samples were taken across the Rosario Project and adjacent licences to complement the historic sampling conducted between 2012-2014
- Sampling confirmed surface outcrops of high grade copper
- Assay results of samples recorded copper grades up to 4.82% Cu
- Sampling validates historic copper grades up to 4.26% Cu recorded in surface rock chip and grab samples within two mineralised zones believed to extend at least 6 kilometres in strike length
- Over 50% of samples taken recorded copper grades 1%+ Cu
- Samples were assayed by ALS at La Serena, Chile
- Field work programme being designed and expected to lead to early reconnaissance drilling

Source: Company

Looking Ahead...

- Further exploration activities to be conducted are expected to include:
 - detailed geological mapping over Zone “A” of Rosario 6;
 - geochemical survey using traverses by auger or drilling over the alteration zone;
 - detailed ground magnetic survey
 - Scout RC drilling on geochemical anomalies, copper-bearing structures and under existing workings (at depths well past the oxidised level of ~30m);
 - Submission of large bulk samples from RC drill-holes for preliminary mineral process testing; and
 - Resource drilling using a combination of both RC and oriented diamond drill holes for structural interpretation.
- Proposed testwork is relatively quick and low cost to achieve
- Confirmation of legal title as licences are upgraded to Exploitation Licences
- Potential acquisition of adjacent licences at no increase to option consideration payable

Source: Company

Strong merit for additional exploration & clear pathway to commence drilling

France – Sale of 20% interest in Couflens

Transaction Highlights

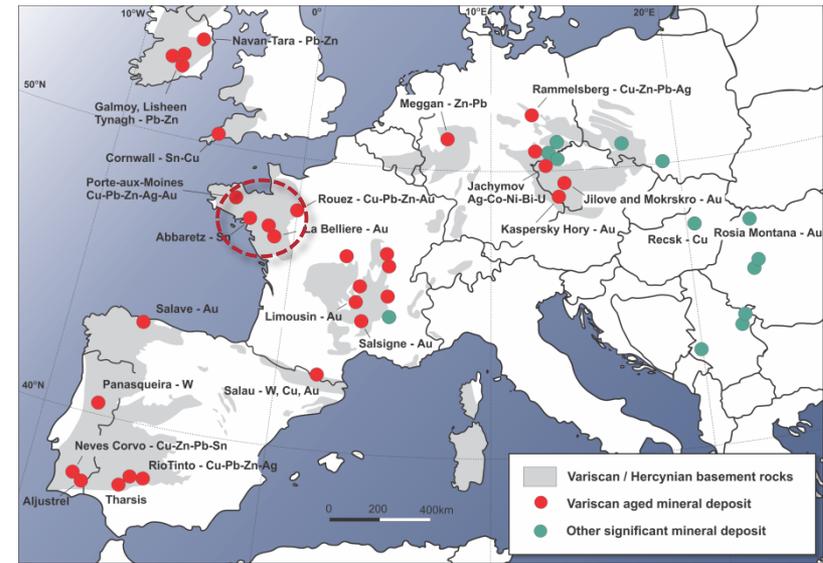
- Sale of 20% interest in Couflens PER, to Apollo Minerals (ASX:AON) for total consideration of up to \$4.25m
- Sale structured through sale of French subsidiary, Variscan Mines SAS.
- Existing licences owned by Variscan Mines SAS (excluding Couflens PER) will be conditionally acquired by a new wholly owned subsidiary, Variscan Mines Europe Limited.
- The commercial effect of the sale together with the transfer of assets is to transfer legal and beneficial ownership of the Company's 20% interest in the Couflens PER to Apollo.
- Apollo to assume certain contractual liabilities (existing and future) of Variscan Mines SAS up to an amount of €0.4m (approximately \$0.6m)

Transaction Benefits for Variscan Shareholders

- Restructuring of the French licences (excluding Couflens PER) retains optionality, beneficial and economic interests.
- Substantial reduction to fixed cost base in France.
- Delivers the Company's objectives of re-balancing the Company's sovereign exposure and continues with the programme of change
- Delivery of the Company's stated strategy and allows appropriate capital allocation.
- Total consideration of up to \$4.25m payable in cash and the future issue of new shares in Apollo provides an appropriate blend of certainty of funds and upside potential through share price appreciation.

Source: Company

Restructuring retains optionality, beneficial and economic interests



Source: Company

Transaction delivers a number of benefits to our shareholders

France – Asset Portfolio

Prioritising our portfolio

| Project | Area (kmsq ²) | Metal | Former Mine | High grade exploration results |  BRGM data available | Historical Mineral Resource Estimate | JORC Mineral resource Estimate |
|-----------|---------------------------|--------------------|---|--|---|---|---|
| Merléac | 411 | Zn, Pb, Cu, Ag, Au | |  |  |  |  |
| St Pierre | 386 | Au |  |  |  | | |
| Beaulieu | 278 | Sn,W |  |  |  |  | |
| Silifac | 173 | Zn, Pb, Ag, Ge | |  |  |  | |
| Tennie | 205 | Zn, Pb, Cu, Au |  | |  | | |
| Loc Envel | 336 | W, Cu | |  |  |  | |

Source: Company

Highly focused approach exercising capital discipline

- It is assumed that the sale of Couflens will complete in accordance with the conditions set out in the ASX announcement dated 08 March 2018

Operating in France

Bringing the latest industry technology to France (e.g. VTEM)



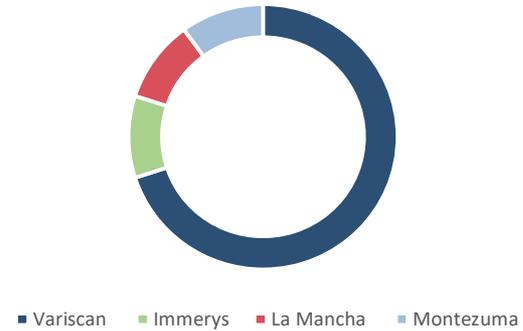
Source: Company

- The first company to conduct RC drilling in France



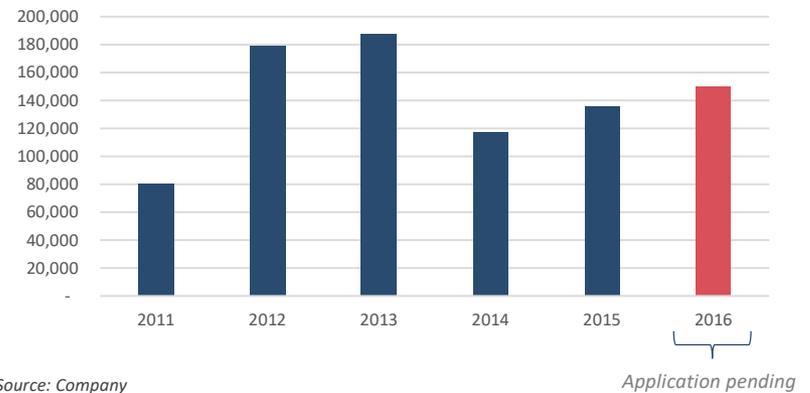
Source: Company

VAR is the largest holder of exploration permits (PER) in France



Source: www.mineralinfo.fr, Company

VAR receives R&D rebates (CIR) for scientific /exploration work



Source: Company

Developing understanding and transferring skills

- VTEM: Versatile Time Domain Electromagnetic survey
- PER: permis exclusive de recherché

Merléac (100% interest)

Merléac – Overview

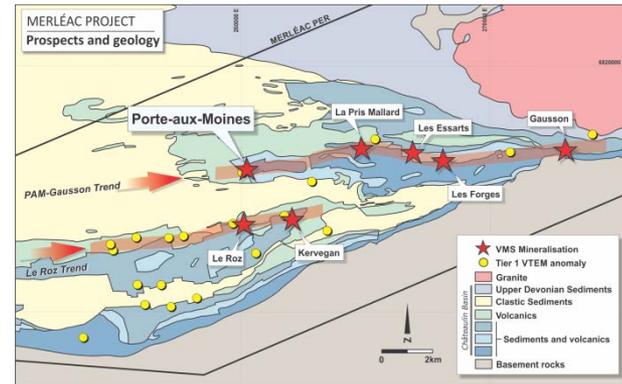
- Licence granted November 2014
- Volcanogenic Massive Sulphide (VMS)
- Well-defined high grade Zn-Pb-Cu-Ag-Au deposit at **Porte-aux-Moines**
- Access to extensive work by BRGM from 1975 to 1985
 - ~6,843m surface drilling
 - ~2,830m underground drilling
 - ~2km underground development
- JORC Resource: 2.2Mt @ 6% Zn, 1.3%Pb, 0.8% Cu, 81g/t Ag, 0.9g/t Au
- Value of work completed to date estimated to be >A\$10M

Merléac – Field View



Source: Company

Merléac – Exciting Prospects with ore grade drill intersections



VMS deposits are attractive exploration projects

- Mix of base and precious metals (Zn, Pb, Cu, Ag, Au)
- Limits downside risk to metal price fluctuations
- VMS deposits tend to be large & occur in clusters
- Simple geology and relative ease of targeting and exploration
- Additional discoveries typically follow
- Large, discrete lenses of high grade ore enables cost-effective mining
- Well understood technical characteristics such as metallurgy and concentrate quality

Merléac is a high priority mineral project

Merléac – Porte-aux-Moines – JORC Mineral Resource Estimate

JORC (2012) Mineral Resource Estimate

| As at 31 May 2016 | Tonnes | Zinc % | Lead % | Copper % | Silver g/t | Gold g/t |
|-------------------|-----------|--------|--------|----------|------------|----------|
| INDICATED | | | | | | |
| Main | 291,000 | 6.1 | 1.2 | 0.8 | 7.65 | 0.9 |
| HW1 | - | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| HW2 | - | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 291,000 | 6.1 | 1.2 | 0.8 | 7.65 | 0.9 |
| INFERRED | | | | | | |
| Main | 1,505,000 | 6.1 | 1.3 | 0.9 | 86.0 | 0.9 |
| HW1 | 361,000 | 5.1 | 1.3 | 0.3 | 61.3 | 0.8 |
| HW2 | 44,000 | 5.4 | 2.0 | 0.1 | 82.3 | 0.0 |
| Total | 1,910,000 | 5.9 | 1.3 | 0.8 | 81.2 | 0.9 |
| TOTAL | | | | | | |
| Main | 1,796,000 | 6.1 | 1.3 | 0.9 | 84.4 | 0.9 |
| HW1 | 361,000 | 5.1 | 1.2 | 0.3 | 61.3 | 0.8 |
| HW2 | 44,000 | 5.4 | 2.0 | 0.1 | 82.3 | 0.0 |
| Total | 2,201,000 | 6.0 | 1.3 | 0.8 | 80.6 | 0.9 |

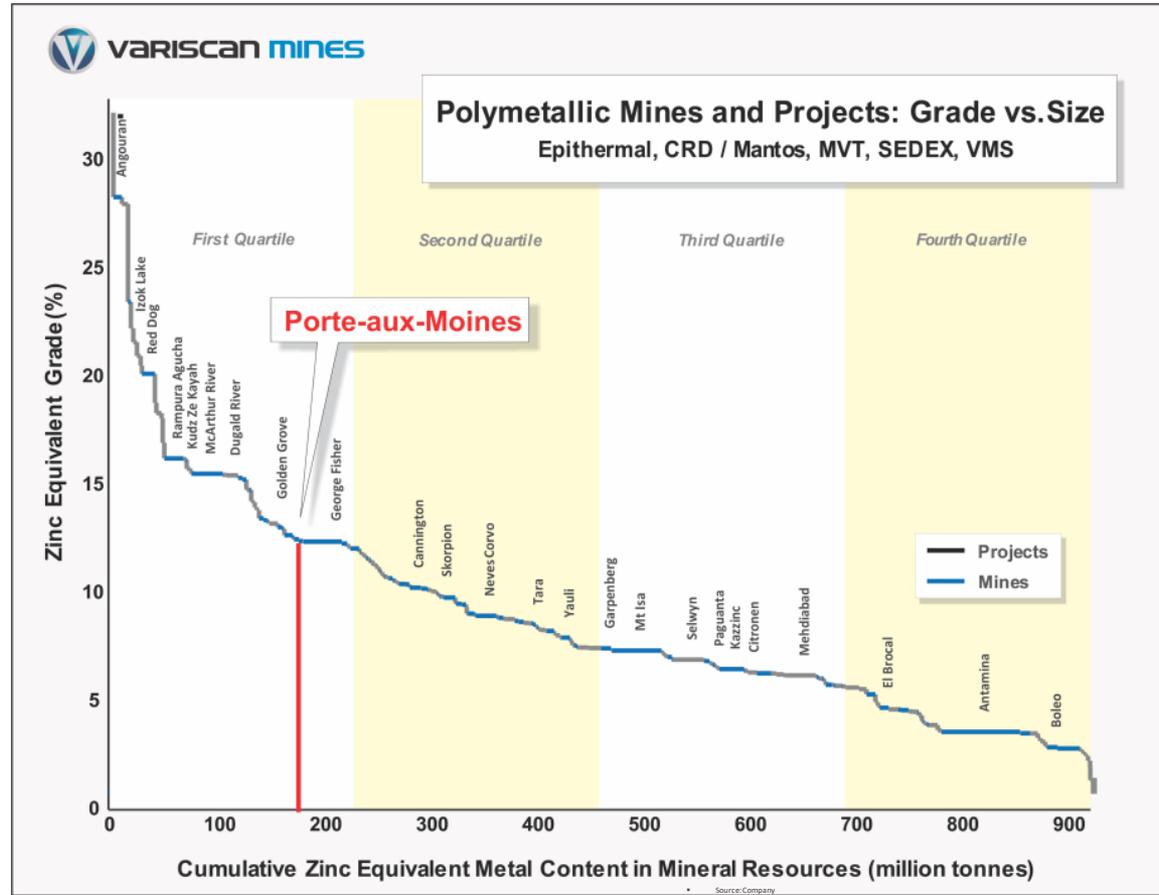
- Announced 06 June 2016
- Confirmed previous BRGM (non- JORC) mineral resource estimate
- CSA Global agrees with the general approach adopted towards estimation and classification of the Mineral Resource and review supports their conclusion that it is appropriate for the data and current level of knowledge about the deposit.
- Conservative estimate using 8% Zn Eq cut-off grade
- Objective to increase size of the resource
- Subsequent feasibility studies

Source: Company, Competent Persons Report

Promising polymetallic resource defined with high-grade Zinc component

Merléac– Porte-aux-Moines – Zinc Rich, High grade Polymetallic VMS Deposit

High grade underpins further development

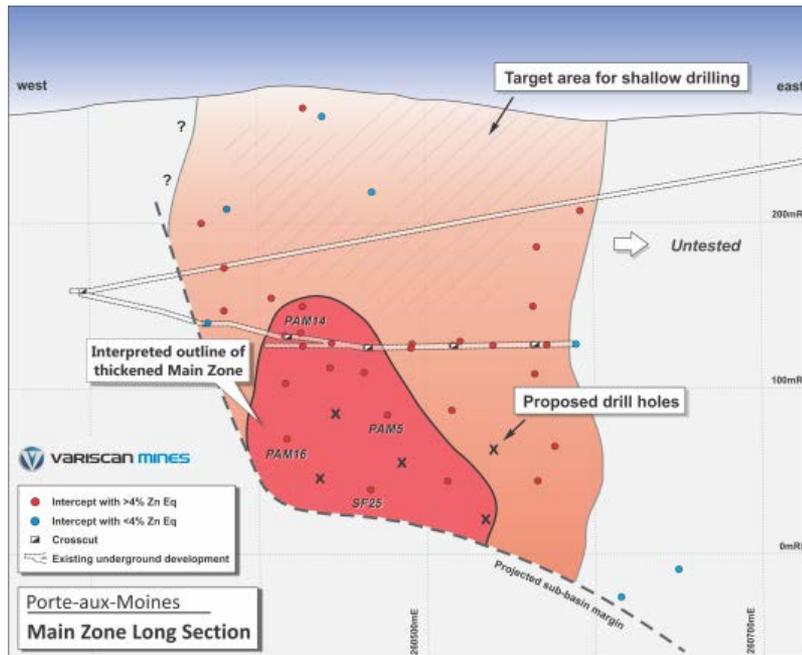


Source: Company

Top Quartile Grade Zinc Deposit

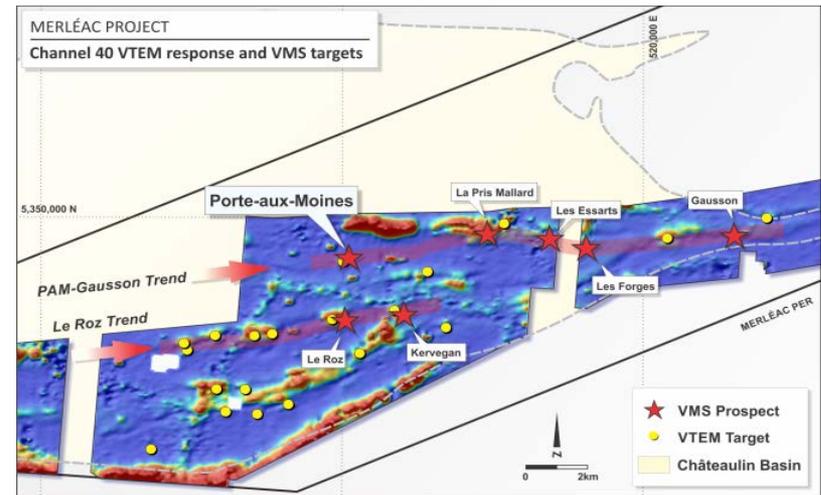
Merléac – Outlook – seeking to increase JORC Resource

Drilling (3x DDH) delayed



Source: Company

Further exploration applied to VMS targets confirmed by VTEM



Source: Company

Focus on Resource expansion before commencing feasibility studies

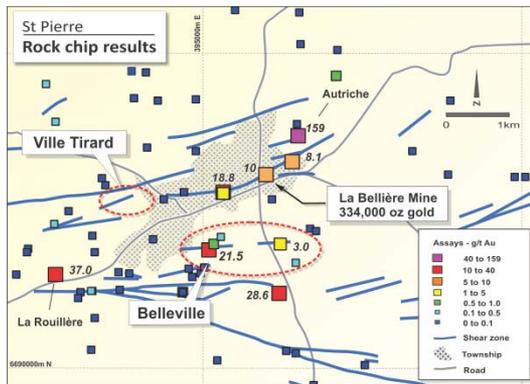
Saint-Pierre-Montlimart (100% interest)

St Pierre – Overview

- Licence granted February 2014
- Shear zone - quartz veins - production grade of 12g/t Au
- 3rd largest goldfield in France
- La Belliere Mine operated 1905-1952 - produced 334,000oz Au
- Variscan has access to data set from BRGM
- 2 new prospects defined: Ville Tirard & Belleville
- High grade outcrop chip samples (up to 159g/t Au) & strong soil anomalies

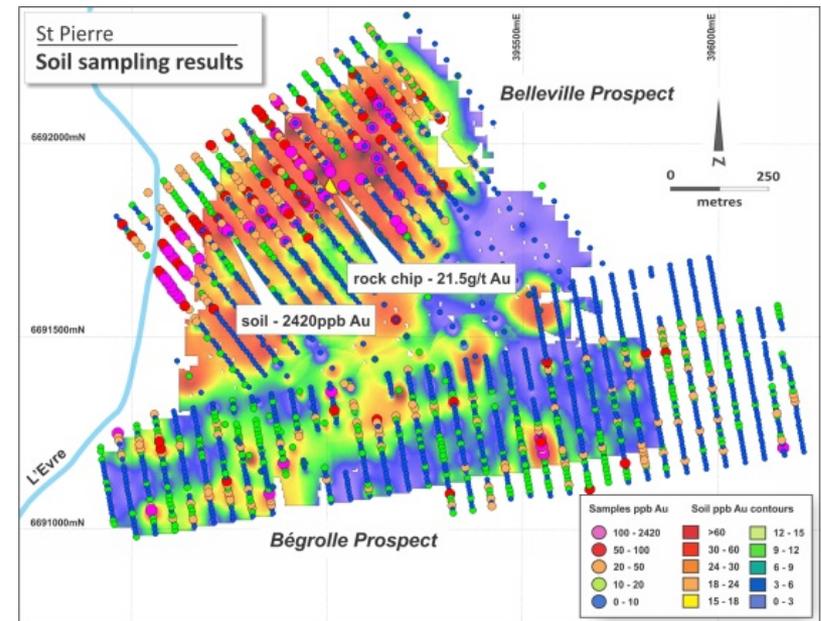
Source: Company

St Pierre – Rock chip samples



Source: Company

St Pierre – Soil Sampling Results followed up with RC drill traverse



Source: Company

St Pierre is a promising gold project on the site of a former mine

Saint-Pierre-Montlimart – Outlook

Drilling (2x DDH) complete at Ville Tirard



Source: Company

Drilling (RC) complete at Belleville



Source: Company

Outcomes

Overall drill programme successfully completed

- Ville Tirard
 - Following up high grade drill intercepts recorded in 1952
 - DDH: SCSTP001: 100.7m deep
 - DDH: SCSTP002: 143.8m deep
 - Sheared, highly silicified volcanics
 - Believed to have missed target due to difficulty in locating exact position of old drill holes.
 - Further work required to locate up-dip projection of gold lode

- Belleville
 - 15 holes completed
 - 923m drilled
 - Intersections recorded include –
 - 2m at 2.61 g/t Au, and
 - 1m at 1.96 g/t Au
 - Further project work to advance geological understanding

Source: Company

Further work required to advance geological understanding

Rights Issue – Offering Details

Overview

- 5 for 6 renounceable pro rata entitlement offer to raise approximately \$2.25m (before expenses)
- 1 for 1 free attaching option with exercise price of 0.8c
- New shares to be issued at 0.4c per share
- Funds to be used to accelerate the development of existing and new mineral projects in Europe and South America
- Support from Variscan’s major shareholders and Directors of intention to take up respective entitlements for a total of approximately \$0.79m
- Patersons Securities appointed as Underwriter and Lead Manager

Timetable

| | |
|---------------|---|
| 24 April 2018 | Lodgement of Prospectus with ASIC |
| 26 April 2018 | Notice to security holders |
| 30 April 2018 | Record Date for determining Entitlements |
| 03 May 2018 | Opening date & despatch of Prospectus to Shareholders |
| 16 May 2018 | Entitlement trading ends |
| 23 May 2018 | Closing Date of Entitlement Offer |
| 29 May 2018 | Despatch Date |

Source: Company

Source: Company

Rights Issue – Offering Details

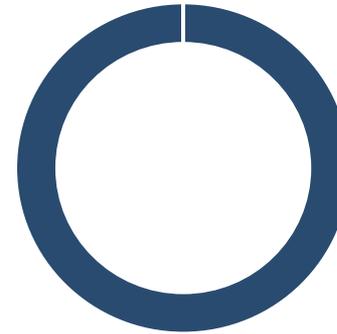
Use of Funds

| Use of Funds | Amount | Percentage |
|---|--------------------|-------------|
| Ongoing exploration operations | \$750,000 | 33.3% |
| Search for new mineral projects | \$255,000 | 11.3% |
| Administration and working capital (including shareholder loan repayment) | \$1,024,853 | 45.5% |
| Anticipated expenses of Entitlement Offer | \$223,687 | 9.9% |
| Total | \$2,253,540 | 100% |

Source: Company

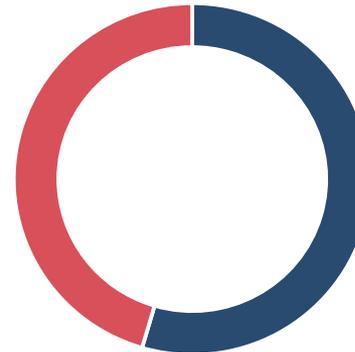
Capital Structure

- Pre-Rights Issue



Total: 676,061,932 shares in issue

- Post Rights Issue



Total: 1,239,446,875 shares in issue

Source: Company

Summary & Outlook

Summary

- **Ambitious** exploration & development mineral company
- **Vision** to build a profitable and sustainable base and strategic metals company for the benefit of all stakeholders
- **Delivering Change**
 - Re-balancing sovereign exposure
 - Cost-reduction & capital allocation
 - Sale of 20% interest in Couflens
- **Equity is undervalued**
- **Strong & supportive shareholders**
- **Experienced Board**
- **Further growth** through the acquisition and development of additional base and strategic metals projects

Near Term Objectives ...

- **Corporate**
 - Selectively pursuing other development opportunities in low risk regions which are undervalued
 - Further reduction of fixed costs
 - Completion of sale of 20% interest in Couflens
- **Operational – Chile**
 - Further exploration activities at Rosario to include:
 - detailed geological mapping over Zone “A” of Rosario G;
 - geochemical survey using traverses by auger or drilling over the alteration zone;
 - detailed ground magnetic survey
 - Scout RC drilling on geochemical anomalies, copper-bearing structures and under existing workings (at depths well past the oxidised level of ~30m);
 - Submission of large bulk samples from RC drill-holes for preliminary mineral process testing; and
 - Resource drilling using a combination of both RC and oriented diamond drill holes for structural interpretation.
 - Confirmation of legal title as licences are upgraded to Exploitation Licences
 - Potential acquisition of adjacent licences at no increase to option consideration payable

Well-positioned for future growth



Building a next-generation mineral development and mining company

Fully Underwritten Rights Issue - April 2018