FURTHER HIGH GRADE ZINC ASSAYS FROM PORTE-AUX-MOINES

- **Further assays received from historic drill core at the Porte-aux-Moines VMS deposit within the Merléac exploration licence.**
- **A number of high grade intersections generated in second hole PAM16 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 (zinc equivalence of 15.3% Zn Eq).

  7 metres @ 6.0% zinc, 1.2% lead, 1.6% copper, 133.7 g/t silver, 1.4 g/t gold from 329 metres (17.5% Zn Eq)

- **Includes an intercept in excess of 20% zinc equivalent within the broader mineralised zone -**

  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)

- **Work continues to confirm the potential economic significance of the deposit.**
- **Assays will contribute to the calculation of a 2012 JORC compliant Resource, planned for completion later this year.**
- **Final drill hole (PAM8) is currently at ALS for assaying.**

Variscan Mines Limited (ASX: VAR) is pleased to announce its wholly owned subsidiary Variscan Mines SAS has received further 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.

High grade zinc-lead-copper-silver-gold intervals within massive sulphide horizons were recorded in the second of three historic holes to be sampled. The results continue to confirm the high grade nature of the deposit and the quality of the previous exploration work completed by the BRGM.

The new assays also provide strong evidence that a robust JORC compliant resource estimate can be generated for the deposit once further assays are received and additional geological work is completed.

Recent work and new assays

Recent work by Variscan Mines at the Porte-aux-Moines VMS deposit within the Merléac exploration licence has included logging and sampling of three remaining surface core holes drilled into the deposit as part of a nine kilometre programme conducted by the BRGM (Bureau de Recherches Géologiques et Minières - the French geological survey) during the late 1970s. On 19 May 2015 the Company announced that it had received assays from ALS Geochemistry for the first of the drill holes sampled, PAM5 which recorded a number of outstanding, high grade, zinc-dominant, polymetallic intersections.

The Company has now received assays for the second of the drill holes, PAM16 (Figures 1 and 2) which 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 have been 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 metres @ 6.0% zinc, 1.2% lead, 1.6% copper, 133.7 g/t silver, 1.4 g/t gold from 329 metres

2 metres @ 5.8% zinc, 1.7% lead, 1.0% copper, 143 g/t silver, 1.9 g/t gold from 348.75 metres

Within the first, thick intersection a higher grade zone has been 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 high grade zones in this area.

The zinc equivalence of the high grade intersections in PAM16 are above 15% Zn Eq (Tables A and C), with calculated values up to 21.4% Zn Eq, continuing to confirm the high grade nature of the Porte-aux-Moines mineralization, a critical ingredient for the definition of an economic deposit.

Table A - PAM16 ALS assay intervals

	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%

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.

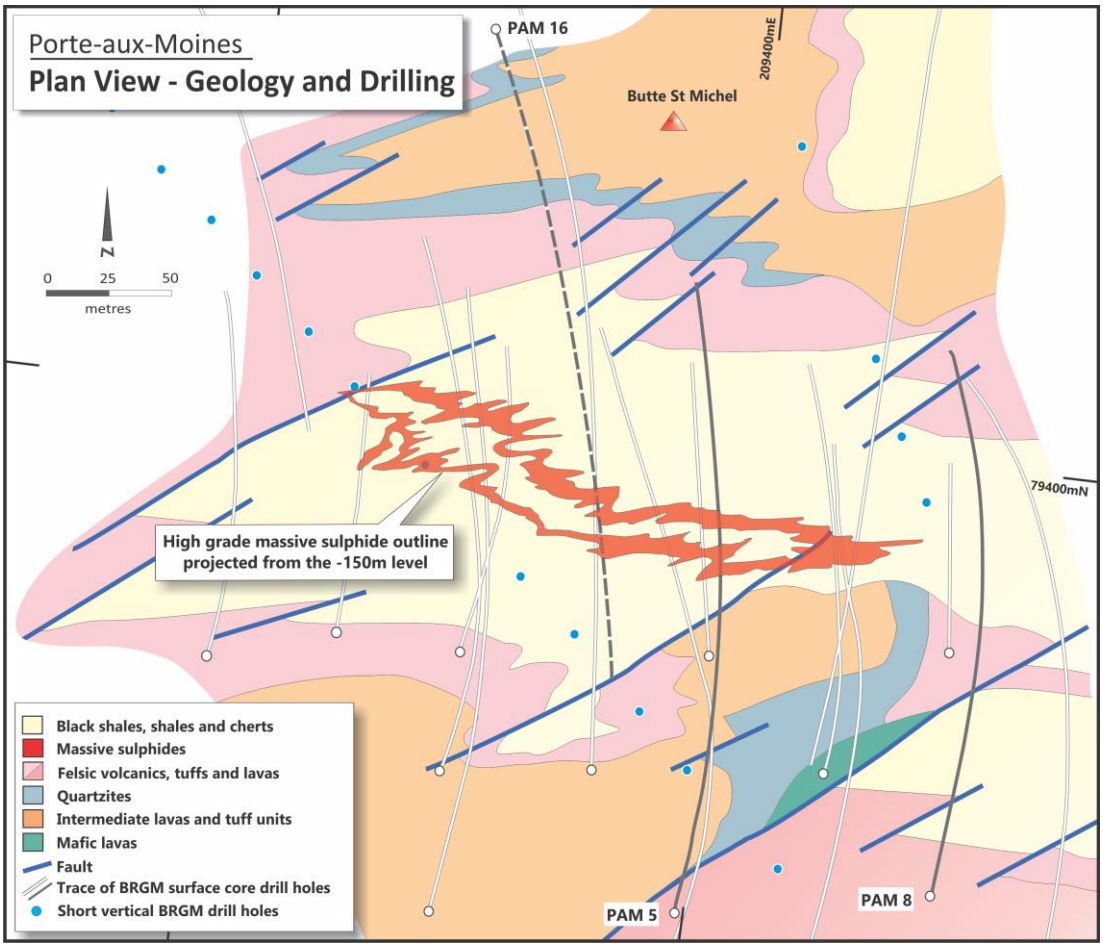

Figure 1 – Plan view of the surface geology at Porte-aux-Moines and BRGM core drilling showing the location of PAM16 (dotted line) and the approximate projected position of the high grade massive sulphide zones 150 metres below the surface as interpreted by the BRGM.

As for PAM5, the PAM16 ALS assays are close in value to the original BRGM assays with the new assays overall generally slightly higher grade (see Zn Eq variance - Table B), confirming the accuracy and very good quality of the BRGM work. This provides high confidence in the veracity of the BRGM assays for the remaining nine kilometres of drilling and underground development.

Table B - PAM16 assay comparison

				ALS assays					BRGM assays					Zn Eq variance
	From (m)	To (m)	Interval (m)	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Zn %	Pb %	Cu %	Ag g/t	Au g/t	ALS-BRGM
	284.5	293.5	9.0	2.6	0.7	0.2	58.9	0.6	2.2	0.6	0.1	34.1	0.2	2.0%
	301.5	336.0	34.5	5.3	0.9	1.2	86.0	0.9	5.3	0.8	1.1	84.2	0.8	0.3%
including	301.5	321.0	19.5	6.5	1.0	1.3	94.5	1.0	6.7	1.0	1.2	87.3	0.8	0.8%
including	304.5	311.0	6.5	9.3	1.9	1.5	142.9	1.4	NA	NA	NA	NA	NA	NA
including	329.0	336.0	7.0	6.0	1.2	1.6	133.7	1.4	6.4	0.8	1.5	126.9	1.3	0.7%
	346.8	348.8	2.0	5.8	1.7	1.0	143.0	1.9	5.2	1.4	1.2	135.0	1.5	1.2%

The final drill remaining to be analysed, PAM8 is now at ALS. PAM8 is located at the eastern end of known mineralisation (Figure 1) which appears to have good stratigraphic continuity to that defined in holes PAM5 and PAM16. As recorded in all three BRGM holes, the central area of Porte-aux-Moines appears to have at least two to three distinct zones of high grade mineralisation strongly suggesting the presence of a stacked mineralised system commonly found in other VMS deposits world-wide.

Assays for PAM8 are expected to be received shortly and will be used to help finalise verification of the remaining BRGM assays to assist in the recalculation the Porte-aux-Moines Resource to 2012 JORC standards.

The Company intends commencing resource estimation work once it has received files for the Porte-aux-Moines deposit currently stored at the BRGM in Orleans.

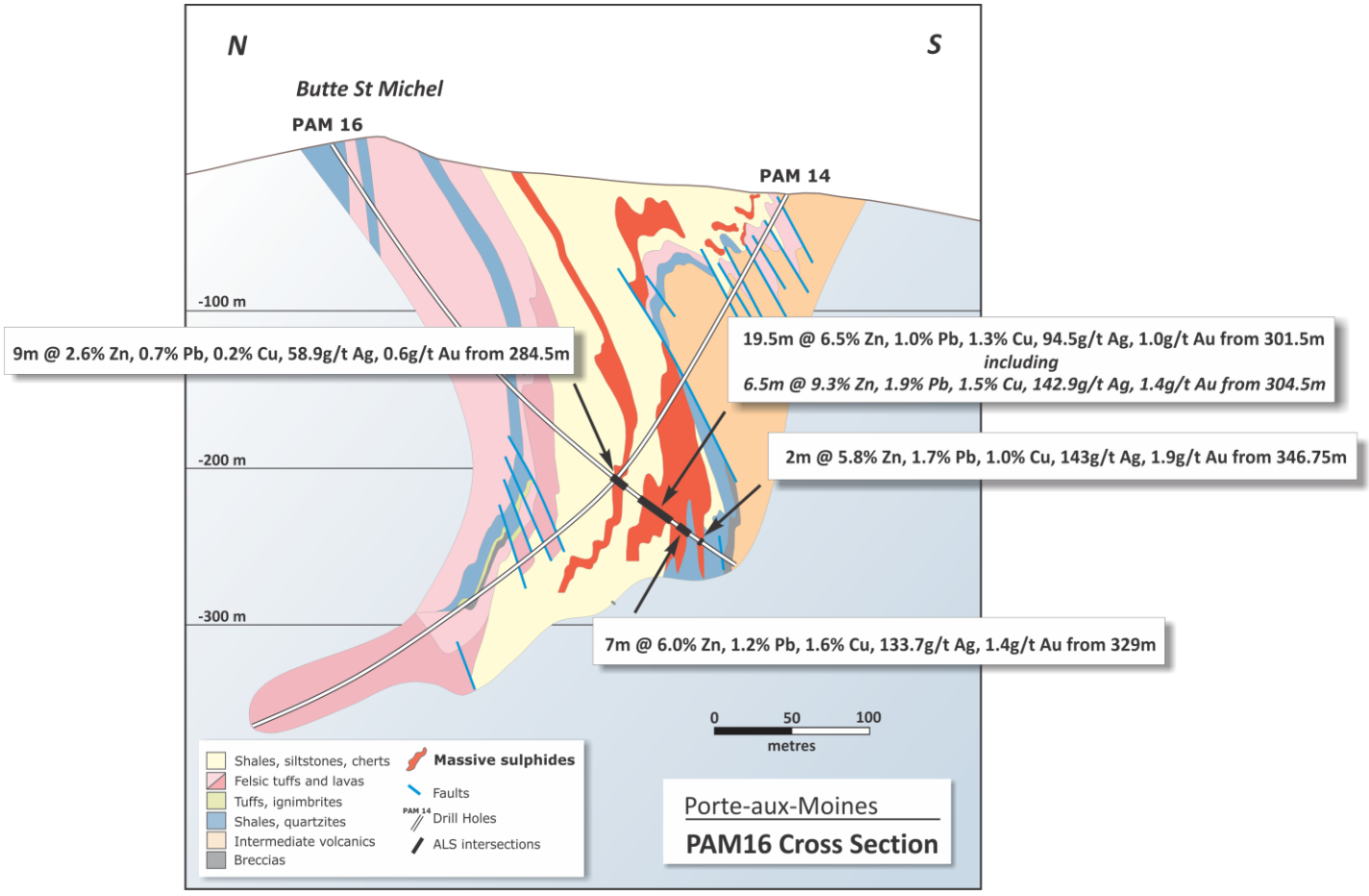

Figure 2 - Cross section through the Porte-aux-Moines deposit highlighting the ALS assays in PAM16. The geological interpretation comes from BRGM reports.

Planned Work

Over the next six months Variscan plans to -

1. Re-assay PAM8
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. 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 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.

TABLE C - PAM16 ALS RESULTS

Collar co-ordinates - 260,366mE, 6,815,810mN (RGF 93 – Lambert 93)

Assay Number	from	to	interval	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Zn Eq %
MLCDDH00171	237.70	238.70	1.0	0.0	0.0	-	2.0	0.06	0.2%
MLCDDH00172	238.70	239.70	1.0	0.1	0.1	-	4.0	0.08	0.5%
MLCDDH00174	239.70	240.70	1.0	0.0	0.0	-	2.0	0.06	0.2%
MLCDDH00175	240.70	241.70	1.0	0.0	0.0	-	1.0	0.02	0.1%
MLCDDH00176	241.70	242.70	1.0	0.0	-	-	2.0	0.03	0.1%
MLCDDH00177	242.70	243.70	1.0	0.0	-	0.0	1.0	0.03	0.1%
MLCDDH00178	243.70	244.70	1.0	-	0.0	-	1.0	0.03	0.1%
MLCDDH00179	244.70	245.70	1.0	-	-	-	-	0.01	0.0%
MLCDDH00180	245.70	246.70	1.0	-	-	-	-	0.04	0.1%
MLCDDH00181	246.70	247.70	1.0	0.0	0.0	0.0	2.0	0.08	0.3%
MLCDDH00182	257.00	258.00	1.0	0.0	0.0	0.0	4.0	0.12	0.4%
MLCDDH00183	258.00	259.00	1.0	0.1	0.0	0.0	4.0	0.14	0.5%
MLCDDH00184	259.00	260.00	1.0	0.2	0.0	0.0	4.0	0.13	0.6%
MLCDDH00185	260.00	261.00	1.0	0.5	0.0	0.0	3.0	0.12	0.9%
MLCDDH00186	261.00	262.00	1.0	0.2	0.2	0.0	7.0	0.15	0.9%
MLCDDH00187	262.00	263.00	1.0	0.2	0.1	0.0	7.0	0.17	0.8%
MLCDDH00188	263.00	264.00	1.0	0.2	0.0	0.0	6.0	0.30	1.0%
MLCDDH00189	264.00	265.00	1.0	0.2	0.0	0.0	2.0	0.12	0.5%
MLCDDH00191	265.00	266.00	1.0	0.0	0.0	0.0	3.0	0.08	0.3%
MLCDDH00192	266.00	267.00	1.0	0.0	0.0	0.1	1.0	0.09	0.4%
MLCDDH00193	267.00	268.00	1.0	0.2	0.0	0.0	1.0	0.07	0.5%
MLCDDH00194	268.00	269.00	1.0	0.0	0.0	0.0	1.0	0.09	0.3%
MLCDDH00195	269.00	270.00	1.0	0.0	0.0	0.0	1.0	0.10	0.3%
MLCDDH00196	270.00	271.00	1.0	0.0	0.0	0.0	1.0	0.13	0.4%
MLCDDH00197	271.00	272.00	1.0	0.1	0.0	0.0	3.0	0.15	0.6%
MLCDDH00198	272.00	273.00	1.0	0.2	0.0	0.0	3.0	0.21	0.8%
MLCDDH00199	273.00	274.00	1.0	0.3	0.1	0.0	2.0	0.07	0.6%
MLCDDH00200	274.00	275.00	1.0	0.2	0.1	0.1	2.0	0.09	0.7%
MLCDDH00201	275.00	276.00	1.0	0.4	0.0	0.4	8.0	0.15	2.0%
MLCDDH00202	276.00	277.00	1.0	0.5	0.0	0.3	4.0	0.15	1.7%
MLCDDH00203	277.00	278.00	1.0	0.7	0.1	1.2	17.0	0.24	**5.1%**
MLCDDH00204	278.00	279.00	1.0	0.9	0.2	0.5	10.0	0.16	2.9%
MLCDDH00205	279.00	280.00	1.0	0.8	0.0	0.4	8.0	0.18	2.5%
MLCDDH00206	280.00	280.50	0.5	0.4	0.2	0.9	86.0	0.23	**5.4%**
MLCDDH00207	280.50	281.50	1.0	0.8	0.2	0.6	22.0	0.16	3.4%
MLCDDH00208	281.50	282.50	1.0	0.1	0.0	0.4	18.0	0.45	2.4%
MLCDDH00209	282.50	283.50	1.0	-	0.0	0.0	2.0	0.26	0.6%
MLCDDH00211	283.50	284.50	1.0	0.0	0.0	0.0	3.0	0.74	1.6%
MLCDDH00212	284.50	285.50	1.0	0.1	0.0	0.4	75.0	1.00	**4.7%**
MLCDDH00213	285.50	286.50	1.0	0.1	0.0	0.5	81.0	1.20	**5.6%**
MLCDDH00214	286.50	287.50	1.0	1.8	0.1	0.3	75.0	0.80	**5.9%**
MLCDDH00215	287.50	288.50	1.0	7.6	3.2	0.1	123.0	1.04	**15.7%**
MLCDDH00216	288.50	289.50	1.0	1.1	0.2	0.1	17.0	0.17	2.3%
MLCDDH00217	289.50	290.50	1.0	1.4	0.2	0.1	12.0	0.16	2.4%
MLCDDH00218	290.50	291.50	1.0	2.8	0.4	0.1	22.0	0.26	**4.2%**
MLCDDH00219	291.50	292.50	1.0	4.4	1.9	0.0	83.0	0.61	**9.3%**
MLCDDH00220	292.50	293.50	1.0	4.1	0.8	0.0	42.0	0.45	**6.8%**
MLCDDH00222	293.50	294.50	1.0	1.6	0.3	0.0	15.0	0.15	2.6%

Assay Number	from	to	interval	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Zn Eq %
MLCDDH00223	294.50	295.50	1.0	0.5	0.2	0.0	8.0	0.13	1.1%
MLCDDH00224	295.50	296.50	1.0	0.2	0.1	0.0	2.0	0.06	0.5%
MLCDDH00225	296.50	297.50	1.0	0.0	-	0.1	1.0	0.02	0.2%
MLCDDH00226	297.50	298.50	1.0	0.0	0.0	0.1	1.0	0.04	0.3%
MLCDDH00227	298.50	299.50	1.0	0.9	0.1	0.1	6.0	0.11	1.7%
MLCDDH00228	299.50	300.50	1.0	1.1	0.3	0.3	12.0	0.09	2.5%
MLCDDH00229	300.50	301.50	1.0	0.3	0.0	0.3	15.0	0.23	2.0%
MLCDDH00230	301.50	302.50	1.0	6.5	0.1	0.5	25.0	0.59	**9.6%**
MLCDDH00231	302.50	303.50	1.0	5.7	0.5	0.8	63.0	0.69	**11.2%**
MLCDDH00232	303.50	304.50	1.0	5.1	1.0	0.6	50.0	1.01	**10.7%**
MLCDDH00233	304.50	305.50	1.0	13.9	2.9	1.1	123.0	1.66	**25.6%**
MLCDDH00234	305.50	306.50	1.0	10.0	2.4	2.2	106.0	1.30	**23.2%**
MLCDDH00236	306.50	307.50	1.0	11.7	1.9	1.3	171.0	1.63	**24.3%**
MLCDDH00237	307.50	308.50	1.0	5.7	0.4	3.5	248.0	1.14	**23.9%**
MLCDDH00238	308.50	309.50	1.0	7.1	1.3	0.8	91.0	1.49	**15.6%**
MLCDDH00239	309.50	310.00	0.5	7.4	1.7	0.8	90.0	1.01	**15.1%**
MLCDDH00240	310.00	311.00	1.0	8.7	2.6	0.6	145.0	1.54	**18.9%**
MLCDDH00241	311.00	312.00	1.0	4.7	0.8	0.4	49.0	0.60	**8.9%**
MLCDDH00242	312.00	313.00	1.0	4.1	0.7	0.8	38.0	0.45	**8.6%**
MLCDDH00243	313.00	314.00	1.0	6.9	0.2	0.8	56.0	0.93	**12.5%**
MLCDDH00244	314.00	315.00	1.0	9.1	1.3	1.1	89.0	1.39	**17.9%**
MLCDDH00245	315.00	316.00	1.0	6.9	1.2	0.9	146.0	0.68	**15.3%**
MLCDDH00246	316.00	317.00	1.0	6.4	0.5	0.9	55.0	0.65	**11.9%**
MLCDDH00247	317.00	318.00	1.0	1.0	0.3	3.5	97.0	1.01	**15.2%**
MLCDDH00248	318.00	319.00	1.0	1.9	0.4	2.8	108.0	0.77	**14.3%**
MLCDDH00249	319.00	320.00	1.0	5.9	0.7	1.0	74.0	0.86	**12.8%**
MLCDDH00250	320.00	321.00	1.0	1.8	0.3	1.8	64.0	0.86	**10.1%**
MLCDDH00251	321.00	322.00	1.0	1.8	0.4	0.2	23.0	0.30	3.8%
MLCDDH00252	322.00	323.00	1.0	2.7	0.7	0.2	21.0	0.21	**4.7%**
MLCDDH00254	323.00	324.00	1.0	0.1	0.0	0.5	11.0	0.08	1.8%
MLCDDH00255	324.00	325.00	1.0	2.5	0.4	0.3	21.0	0.33	**4.7%**
MLCDDH00256	325.00	326.00	1.0	1.3	0.3	0.8	27.0	0.25	**4.8%**
MLCDDH00257	326.00	327.00	1.0	1.8	0.4	0.4	33.0	0.40	**4.8%**
MLCDDH00258	327.00	328.00	1.0	0.2	0.1	0.0	17.0	0.22	1.2%
MLCDDH00259	328.00	329.00	1.0	1.9	0.7	0.5	35.0	0.75	**6.0%**
MLCDDH00260	329.00	330.00	1.0	2.7	0.5	2.7	98.0	1.36	**15.6%**
MLCDDH00261	330.00	331.00	1.0	2.5	0.6	1.3	160.0	0.99	**12.3%**
MLCDDH00262	331.00	332.00	1.0	4.6	0.9	1.5	104.0	1.05	**14.0%**
MLCDDH00263	332.00	333.00	1.0	10.7	2.1	2.1	195.0	1.41	**25.7%**
MLCDDH00264	333.00	334.00	1.0	6.5	1.4	1.3	143.0	1.33	**17.3%**
MLCDDH00265	334.00	335.00	1.0	9.3	1.8	0.8	152.0	1.44	**19.5%**
MLCDDH00266	335.00	336.00	1.0	6.1	1.0	1.7	84.0	2.25	**17.9%**
MLCDDH00267	336.00	337.00	1.0	0.8	0.2	0.2	13.0	0.21	2.1%
MLCDDH00268	337.00	338.00	1.0	0.0	-	-	1.0	0.06	0.1%
MLCDDH00269	338.00	339.00	1.0	-	-	-	1.0	0.04	0.1%
MLCDDH00270	343.75	344.75	1.0	0.0	-	-	1.0	0.04	0.1%
MLCDDH00271	344.75	345.75	1.0	0.1	0.0	0.0	2.0	0.10	0.3%
MLCDDH00272	345.75	346.75	1.0	0.2	0.1	0.1	24.0	0.32	1.8%
MLCDDH00274	346.75	347.75	1.0	3.5	0.6	0.8	135.0	1.95	**13.3%**
MLCDDH00275	347.75	348.75	1.0	8.0	2.7	1.2	151.0	1.84	**20.8%**
MLCDDH00276	348.75	349.75	1.0	0.0	-	-	1.0	0.04	0.1%

Assay Number	from	to	interval	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Zn Eq %
MLCDDH00277	349.75	350.75	1.0	0.0	-	-	1.0	0.03	0.1%
MLCDDH00278	350.75	351.75	1.0	0.0	-	-	1.0	0.02	0.1%
MLCDDH00279	351.75	352.75	1.0	0.0	-	-	1.0	0.02	0.1%
MLCDDH00280	359.00	360.00	1.0	0.0	0.0	-	-	-	0.0%
MLCDDH00281	360.00	361.00	1.0	0.1	0.0	0.1	3.0	0.06	0.7%
MLCDDH00282	361.00	362.00	1.0	0.4	0.2	0.9	15.0	0.10	3.7%
MLCDDH00283	362.00	363.00	1.0	0.3	0.3	0.2	6.0	0.04	1.2%
MLCDDH00284	363.00	364.00	1.0	0.0	0.0	-	1.0	0.01	0.1%
MLCDDH00285	364.00	365.00	1.0	0.0	0.0	-	2.0	0.03	0.1%
MLCDDH00286	365.00	366.00	1.0	0.4	0.0	0.0	4.0	0.03	0.6%
MLCDDH00287	366.00	366.50	0.5	0.0	-	-	1.0	0.01	0.1%
MLCDDH00288	366.50	367.50	1.0	0.1	0.1	-	2.0	0.02	0.2%
MLCDDH00290	367.50	368.50	1.0	0.2	0.1	0.0	4.0	0.01	0.4%
MLCDDH00291	368.50	369.50	1.0	0.9	0.1	0.0	7.0	0.03	1.4%
MLCDDH00292	369.50	370.50	1.0	0.1	0.0	0.0	3.0	0.01	0.3%
MLCDDH00293	370.50	371.50	1.0	0.0	-	-	-	-	0.0%

Bold zinc equivalent is above 4% Zn Eq

Zinc equivalent calculated at Zn - US$2,000/t, Pb - US$1,800/t, Cu - US$5,600/t, Ag - US$15/oz, Au - US$1,150/oz

JORC Code – Table 1

Section 1 - Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• 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. These were checked and signed off by Variscan geologists. • BRGM sampling was taken at between 0.5 to 2 metre intervals. The Variscan samples were at 0.5 to 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	• PAM16 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	• The drill core was stored in plastic trays and was logged for core recoveries. Most mineralised intercepts recorded >95% recoveries.
Logging	• PAM16 was logged by Variscan geologists • Details were entered into the geological database
Sub-sampling techniques and sample preparation	• 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	• 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 (AA23). 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 duplicates for QA/QC control.
Verification of sampling and assaying	• Data storage in Excel spreadsheets and GIS database. • Logging and BRGM assay checks against visible sulphide mineralisation completed by Variscan geologists. • 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 and standards were included within the samples submitted to ALS.
Location of data points	• Samples were located within PAM16 by core blocks marking depths down hole. • The PAM16 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	• Quarter core sampling at a maximum downhole intervals of 1 metre defined by geology and previous BRGM sampling intervals. • 1 to 2 metre sample compositing used for comparison work against the original BRGM samples.
Orientation of data in relation to geological structure	• PAM16 was drilled from north to south at a reasonably high angle to the interpreted sub-vertical to very steeply north dipping mineralisation. • Core angles of sulphide and host rock bedding were consistently high to the core axis throughout the hole providing a reasonable test through the mineralised zones.
Sample security	• Samples were prepared at the BRGM prep facilities and transported to ALS Geochemistry Ireland by commercial carrier.
Audits or reviews	• 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	• 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	• 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	• Volcanogenic Massive Sulphide (VMS) deposits
Drill hole Information	• 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 PAM16 have been complied by Variscan geologists. • Additional data for other holes and underground development is to be provided to Variscan by the BRGM.
Data aggregation methods	• No aggregation or high grade cuts have been applied to the data reported
Relationship between mineralisation widths and intercept lengths	• The orientation of PAM16 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 PAM16. • Based on the BRGM interpretation of the mineralised envelops and the core angles of sulphide layering as recorded by Variscan geologists in PAM16, the average true width of the intersections is estimated to be around +80 % of the downhole lengths
Diagrams	• Diagrams for the Porte-aux-Moines deposit have been taken from published BRGM reports.
Balanced reporting	• All samples taken are published within the report
Other substantive exploration data	• 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, complied and evaluated. • One further core hole (PAM8) is to be re-assayed at ALS and reported in a similar manner to PAM5 and PAM16
Further work	• Sampling and assessment of holes PAM8 • 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 • Follow-up diamond drilling along strike and down dip at Porte-aux-Moines and on new regional targets