

2014 AGM Presentation



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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.

Assets and Strategy

Secure advanced assets within stable, low risk environments

Australia

- 7 ELs
- NSW and SA
- All in joint venture
- Little work by VAR
- Subdued work by partners in 2014

Investments

- 5 companies
- Wide commodity spread
- Current value - \$2.9M



France

- 2010 – Numerous countries / projects assessed
- France stood out
- Applications started mid-2011
- 3 PERs granted
- Exploration has commenced

Australian Exploration

- JV partners spent \$0.26 million (\$0.7 million in 2013)
- Expenditure mainly into two areas –
 1. Achilles – Cu/Pb/Zn
 2. Callabonna and Quinyambie - U
- JV expenditures minimal for other projects
- No interest for grass-roots joint ventures
- Non-JV tenements within Australia relinquished



Work now focussed into France

Investments

- Value of investments declined due to weak current market
- But valuable portfolio remaining

	No. shares or options	VAR Ownership % of issued shares	Price (\$/s) As of 17/11/14	Value \$
Eastern Iron Limited shares (EFE)	52,857,142	36.7%	\$ 0.03	\$ 1,585,714
WPG Resources shares (WPG)	10,407,837	4.2%	\$ 0.04	\$ 426,721
Agua Resources shares (AGR)	1,175,000	-	\$ 0.04	\$ 45,825
AGR options (50c)	200,000	-	\$ -	\$ -
Silver City Minerals shares (SCI)	14,536,499	12.5%	\$ 0.03	\$ 436,095
Silver City Minerals options (25c)	4,775,061	-	\$ -	\$ -
Thomson Resources shares (TMZ)	18,000,000	25.7%	\$ 0.03	\$ 450,000
Thomson Resources options (30c)	5,000,000	-	\$ -	\$ -
Market value of shares and options				\$ 2,944,356

Variscan in France

- **4 years of work**
- **EU subsidiary - Variscan Mines SAS**
- **Strong French team and the most complete database for western Europe**
- **Advanced Cu-Pb-Zn, Au, Sn and W projects identified**
- **8 Exploration Licence Applications (PER)**
- **Recent approvals of Tennie, St Pierre and Merleac PERs**
- **Exploration commenced at all three**
- **Heightened publicity in French press (Le Monde, Les Echos etc.)**
- **Administration and political support across many levels**

Leading the revival of French mining industry

Why France?

➤ Strong mineral endowment

Uranium - formerly one of Europe's largest producers

Gold – Salsigne and Limoges region

Tin - Abbaretz – similarities to Cornwall

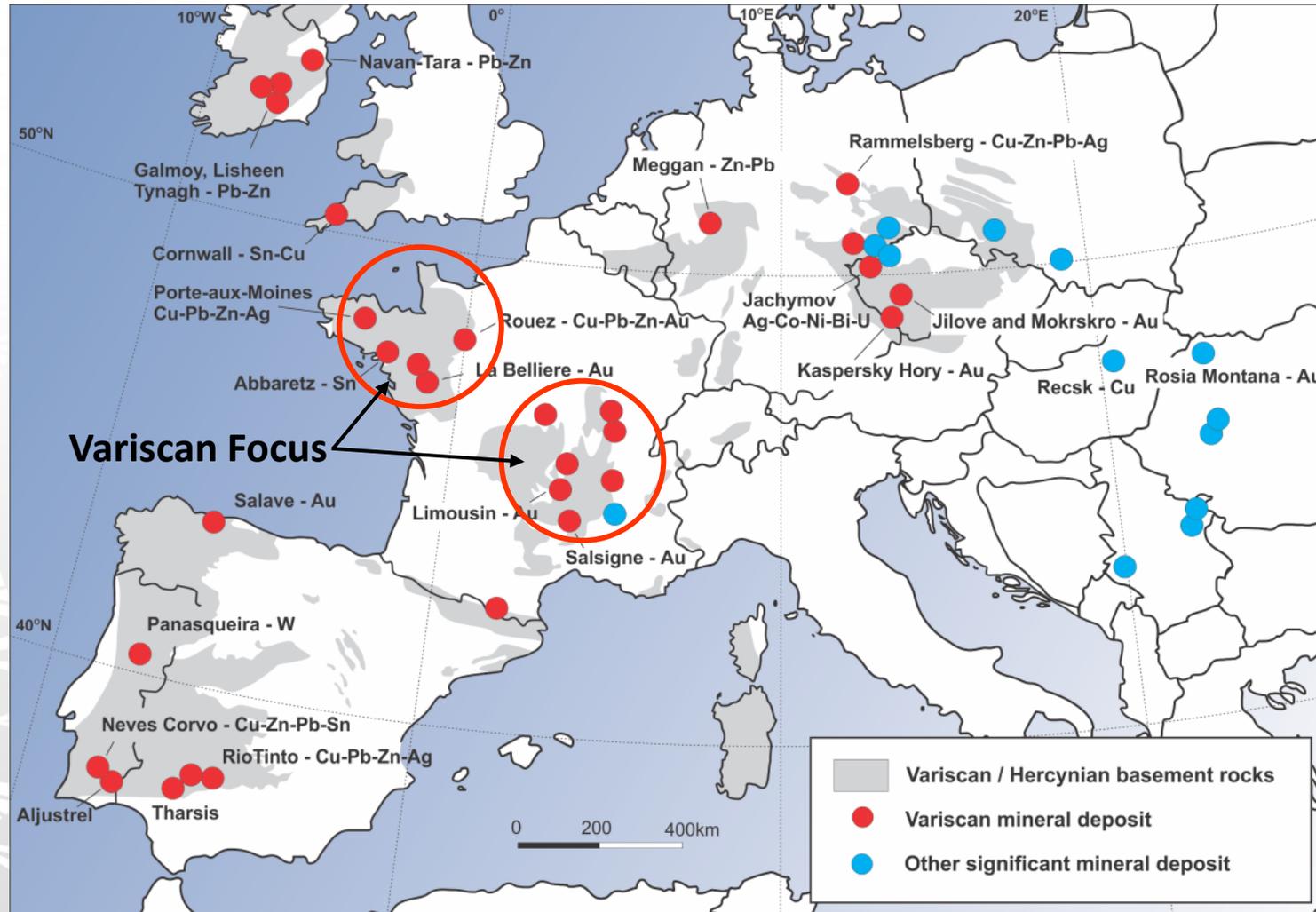
Copper-lead-zinc – numerous MVT, Sedex and VMS deposits

- **Excellent prospectivity** – no significant exploration for decades
- **Low competitor activity** – barriers to entry
- **Excellent infrastructure and available skilled workforce**
- **Government support and workable mining code**



Reactivation of mining sector underway

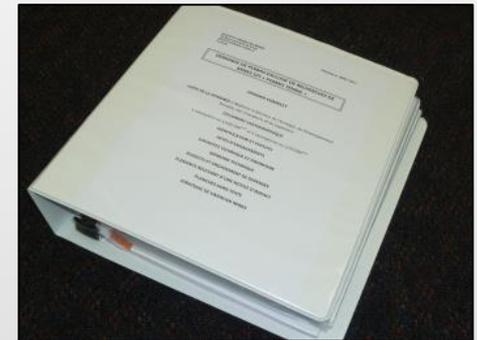
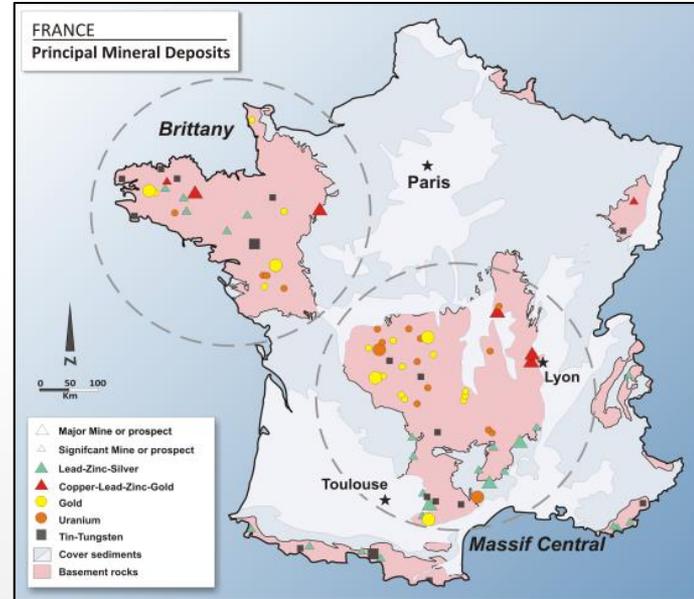
Significant deposits in Europe



Strong Mineral Endowment

French Resources Sector

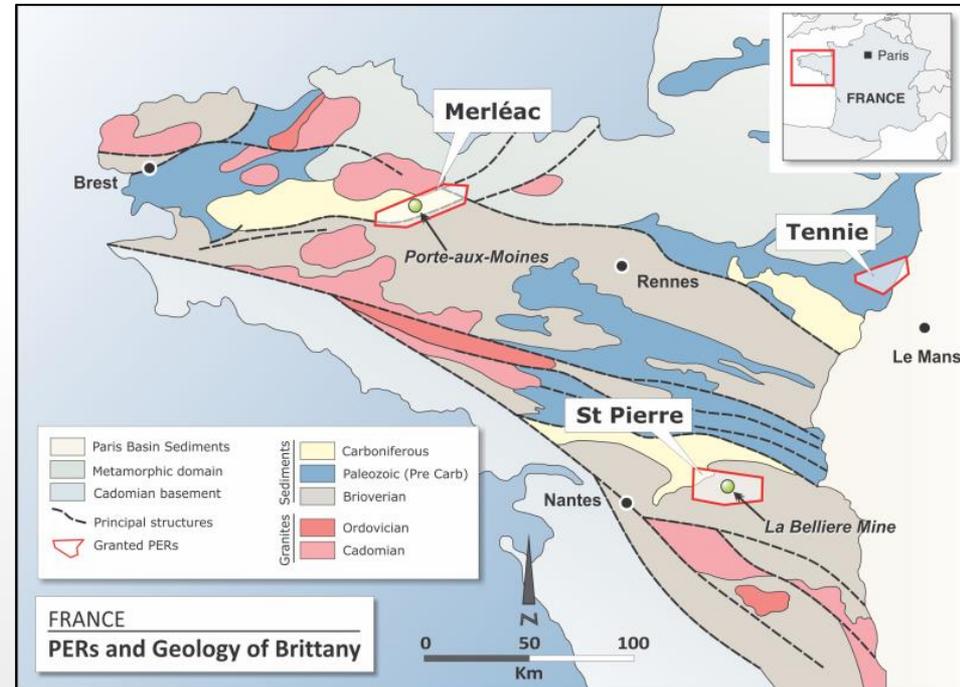
- Two highly prospective mineral regions
- No new exploration licences for >20 years
- No mineral mines (last closed in 2002)
- Well defined and 'bankable' mining laws
- Complex 2 year application period for licences
- Government support to reactivate mining sector
- Private sector investment strongly encouraged
- Australia seen as favourable partner



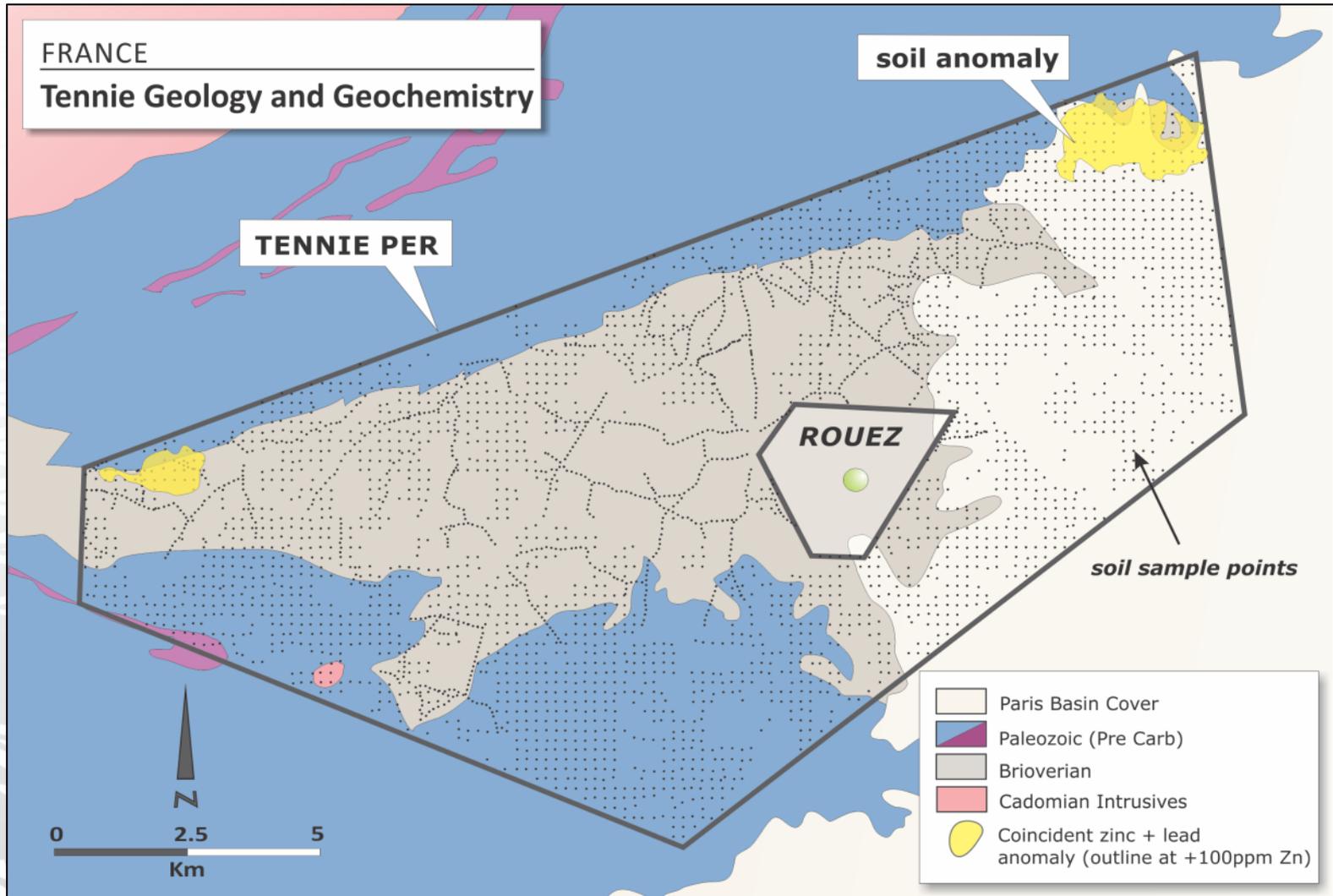
No other major country shares this position

Tennie PER

- **Granted June 2013**
- **205 km²**
- **Exploring for Rouez analogue**
- **Large Cu-Au-Pb-Zn deposits**
- **Iberian Pyrite Belt equivalent?**
- **Shallow open cut on supergene Au**
- **Thin veneer of loess hides deposits**
- **Auger soil sampling on 200x200m grid now complete**
- **Two subtle Cu-Pb-Zn anomalies**

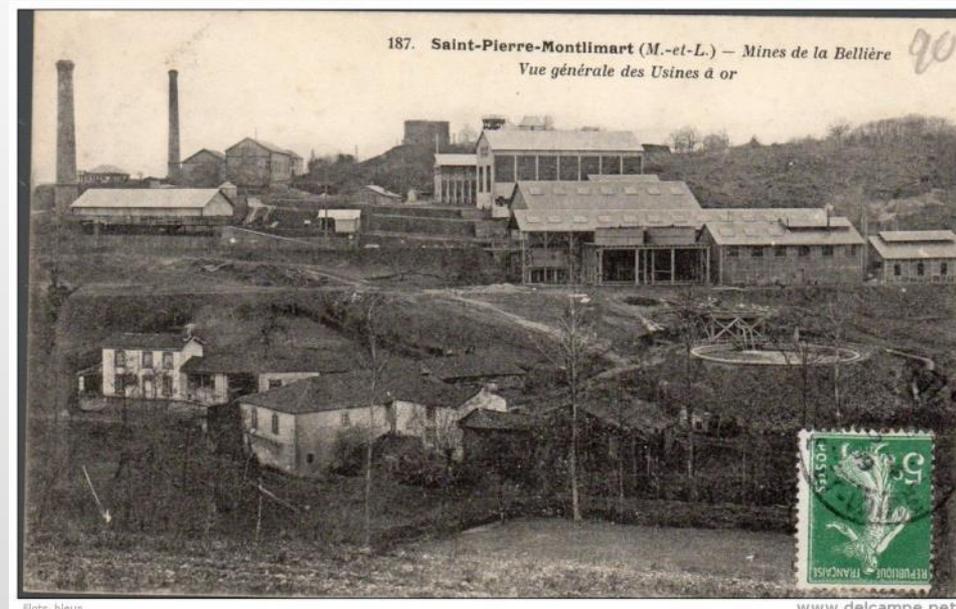
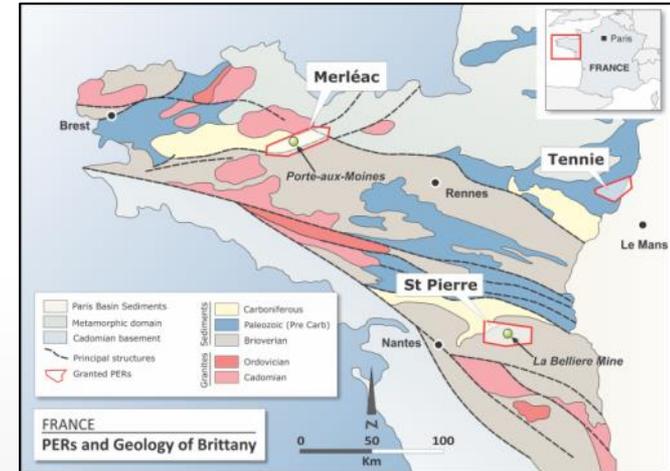


Tennie Soil Survey

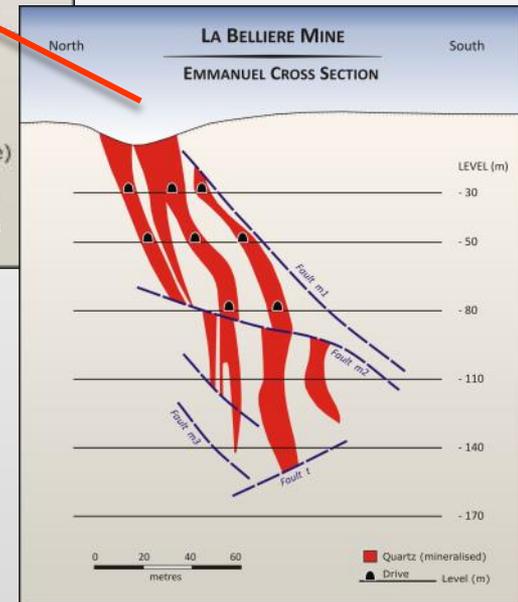
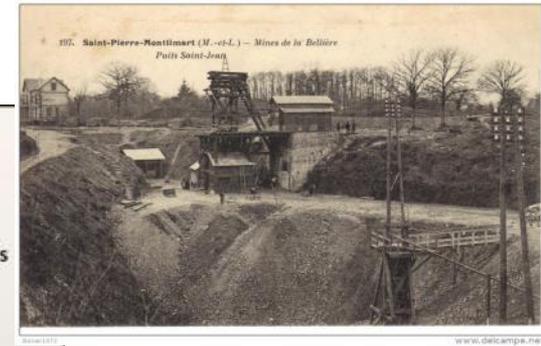
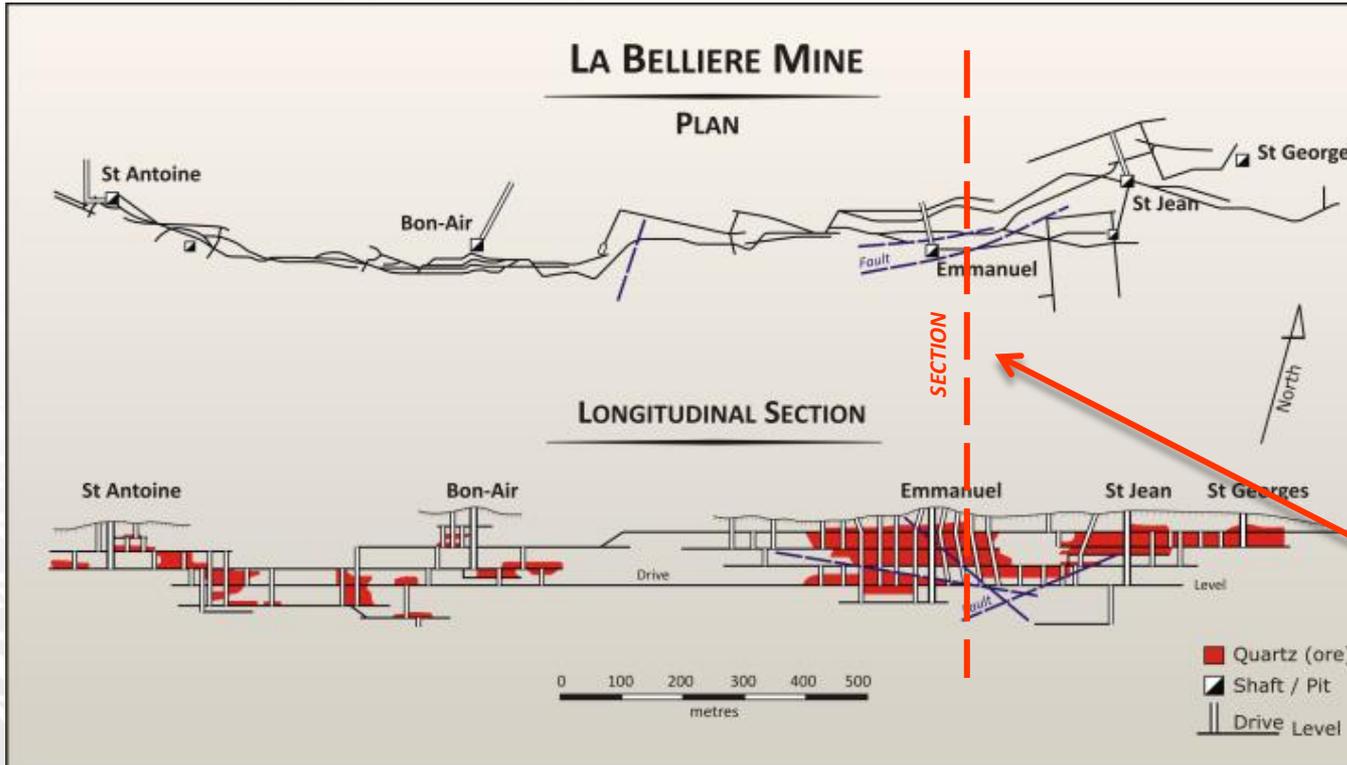


St Pierre PER

- 386 km² over France's third largest goldfield
- La Bellière Mine produced 325,000oz Au to 1952
- High grade – 12g/t
- Complex link structures in major shear zone
- Deepest mining to -170 metres
- +1.6km strike length
- Evidence of shallow, thick, un-mined gold zones
- Parallel shears present
- Patchy former exploration



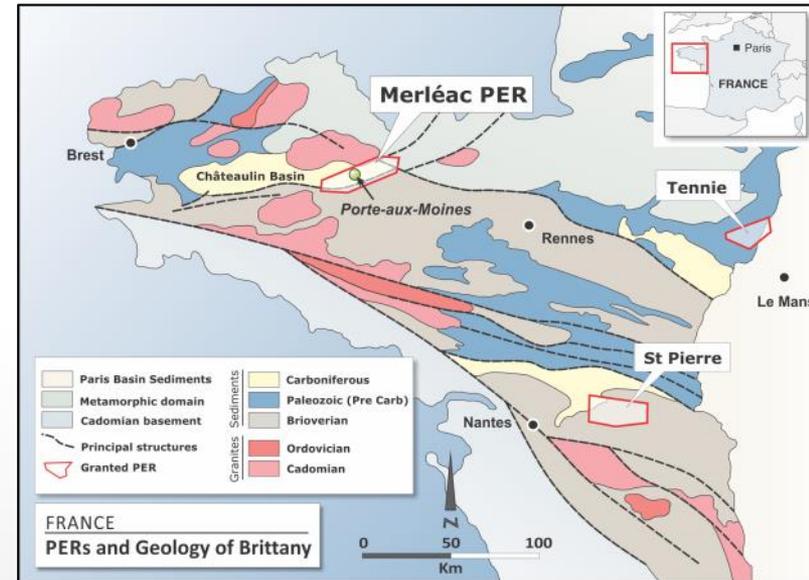
St Pierre



- Data compilation and 3D model well advanced
- Soil geochemistry commenced
- Drilling anticipated next year

Merléac PER

- 411 km² over significant VMS region
- Porte-aux-Moines : Zn-Pb-Cu-Ag-(Au)
- Extensive work by BRGM in 1980s
- 6.8km surface, 2.4km underground drilling
- 2km of underground development
- BRGM resource and metallurgical work
- High grade Zn-Pb-Cu-Ag mineralization up to 20m thick to 300m below surface
- Little exploration outside main envelope
- Excellent regional potential



Drilling to convert exploration target to JORC resource

Merléac Target

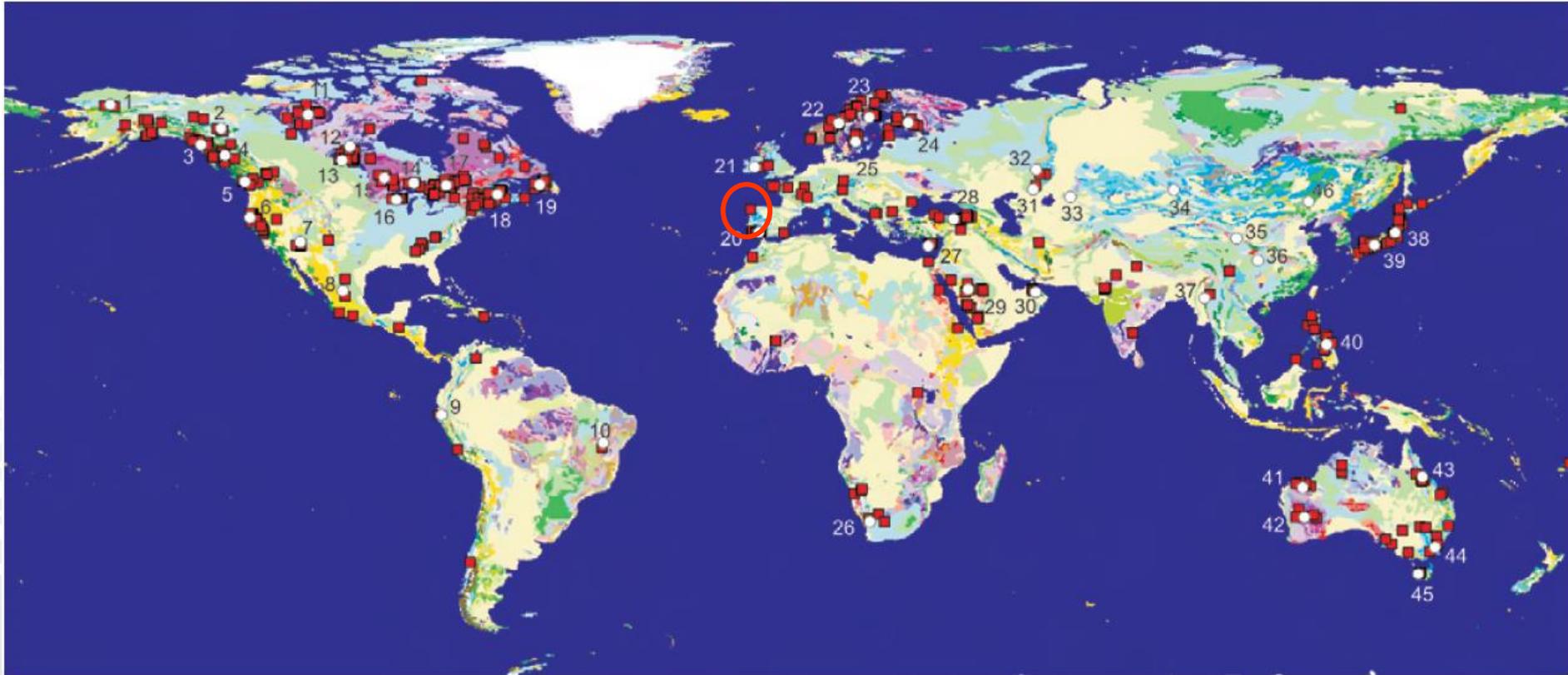
- Classic volcanogenic massive sulphide (VMS) deposits
- High grade zinc-lead-copper sulphides with silver (and gold?) credits
- Similar to deposits such as Teutonic Bore/Jaguar, Rosebery, Woodlawn etc.
- Simple conceptual model – KISS exploration
- Cluster of deposits?

Australian Examples

Deposit	Tonnes(M)	Cu %	Zn %	Pb %	Au g/t	Ag g/t
Woodlawn	17.7	1.7	9.9	3.8	1.4	80
Rosebery	28.3	0.6	14.3	4.3	2.4	145
Hellyer	16.9	0.4	13.8	7.2	2.5	167
Que River	6.0	0.4	12.5	7.0	3.4	171
Golden Grove	17.3	3.2	2.0	0.2	0.5	29
Teutonic Bore	2.5	3.5	9.6	0.8	0.2	146

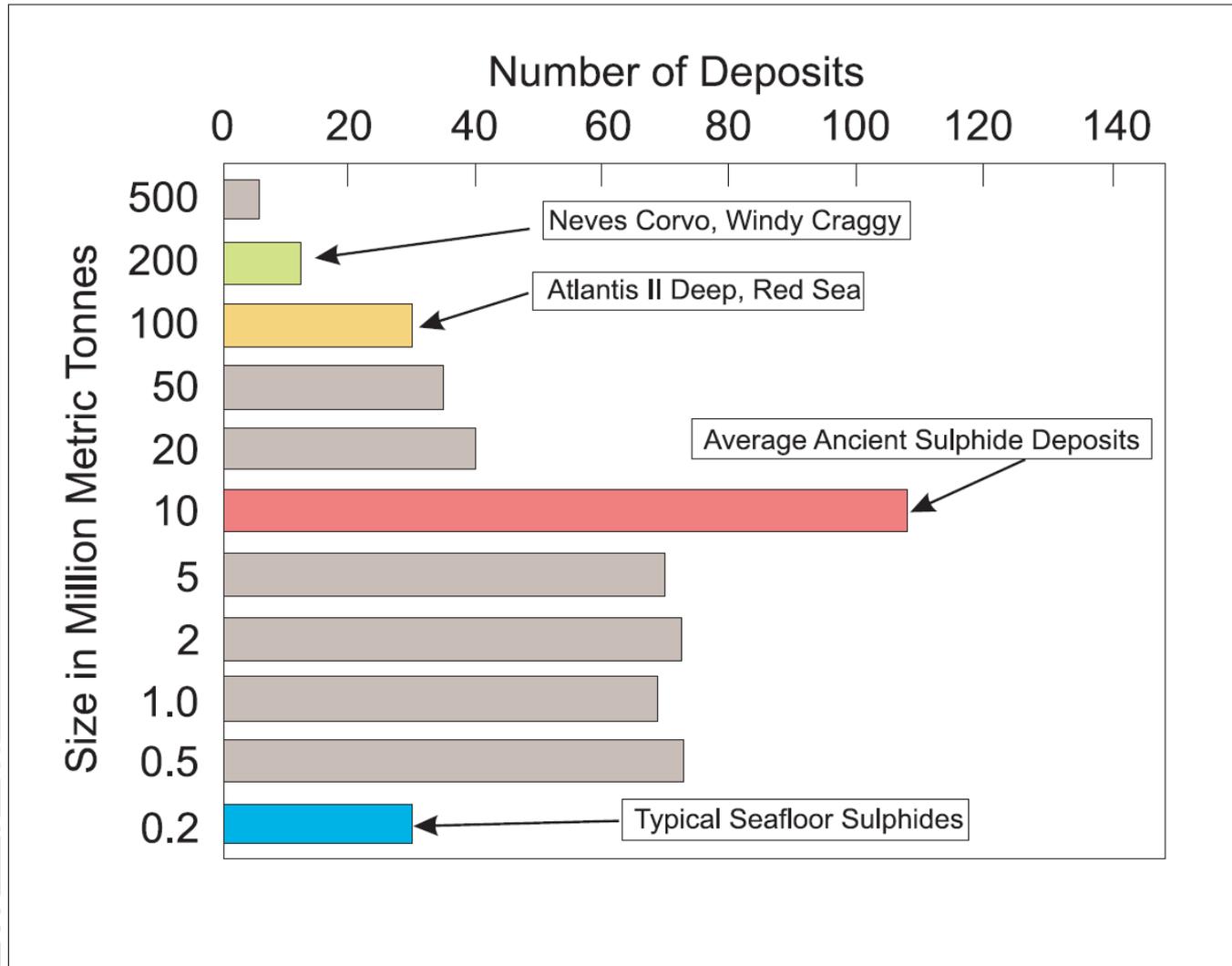
USGS site address - http://mrdata.usgs.gov/vms/download_vms-csv.zip

Merléac – VMS model



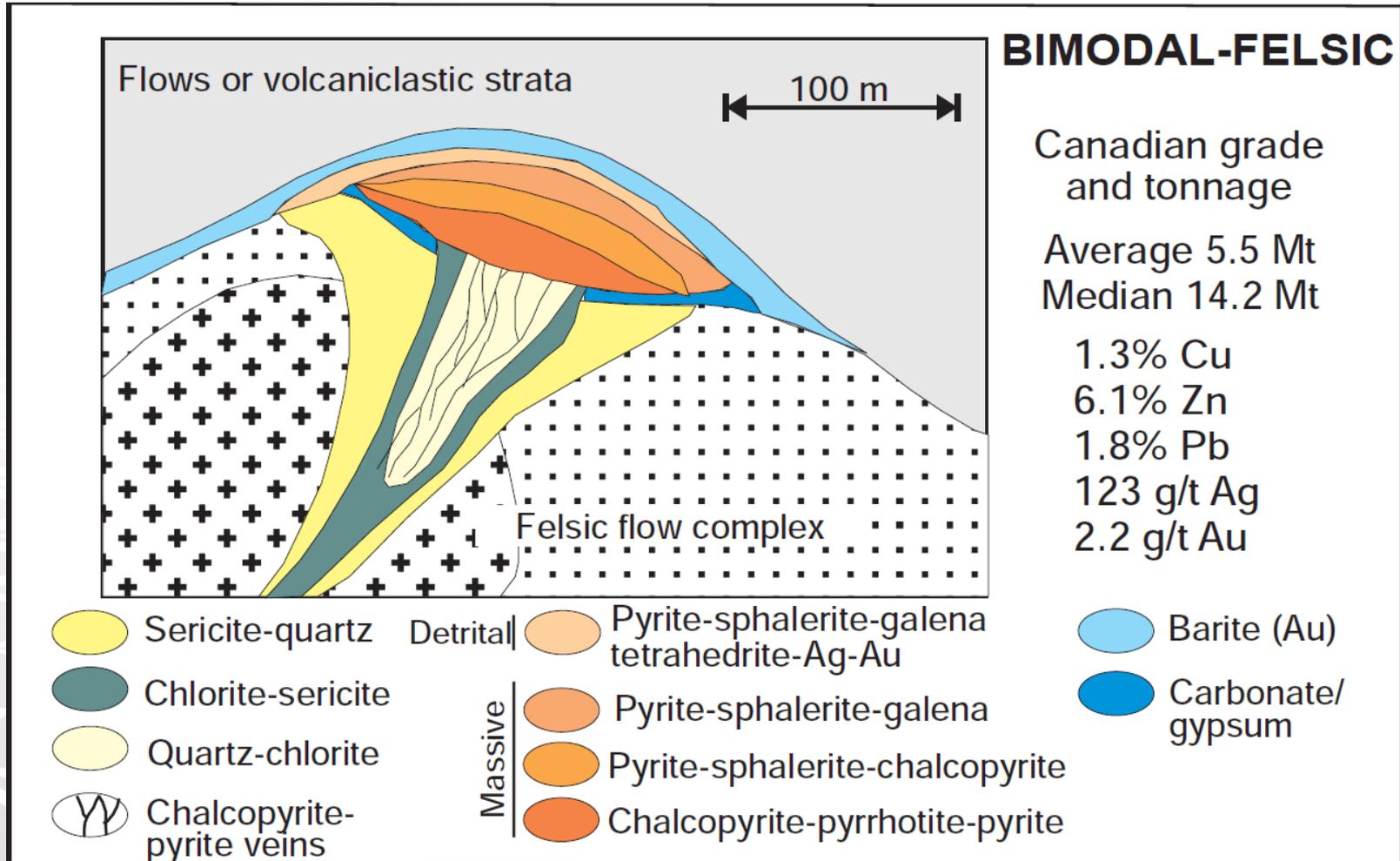
Wide geographic distribution

Merléac – VMS model



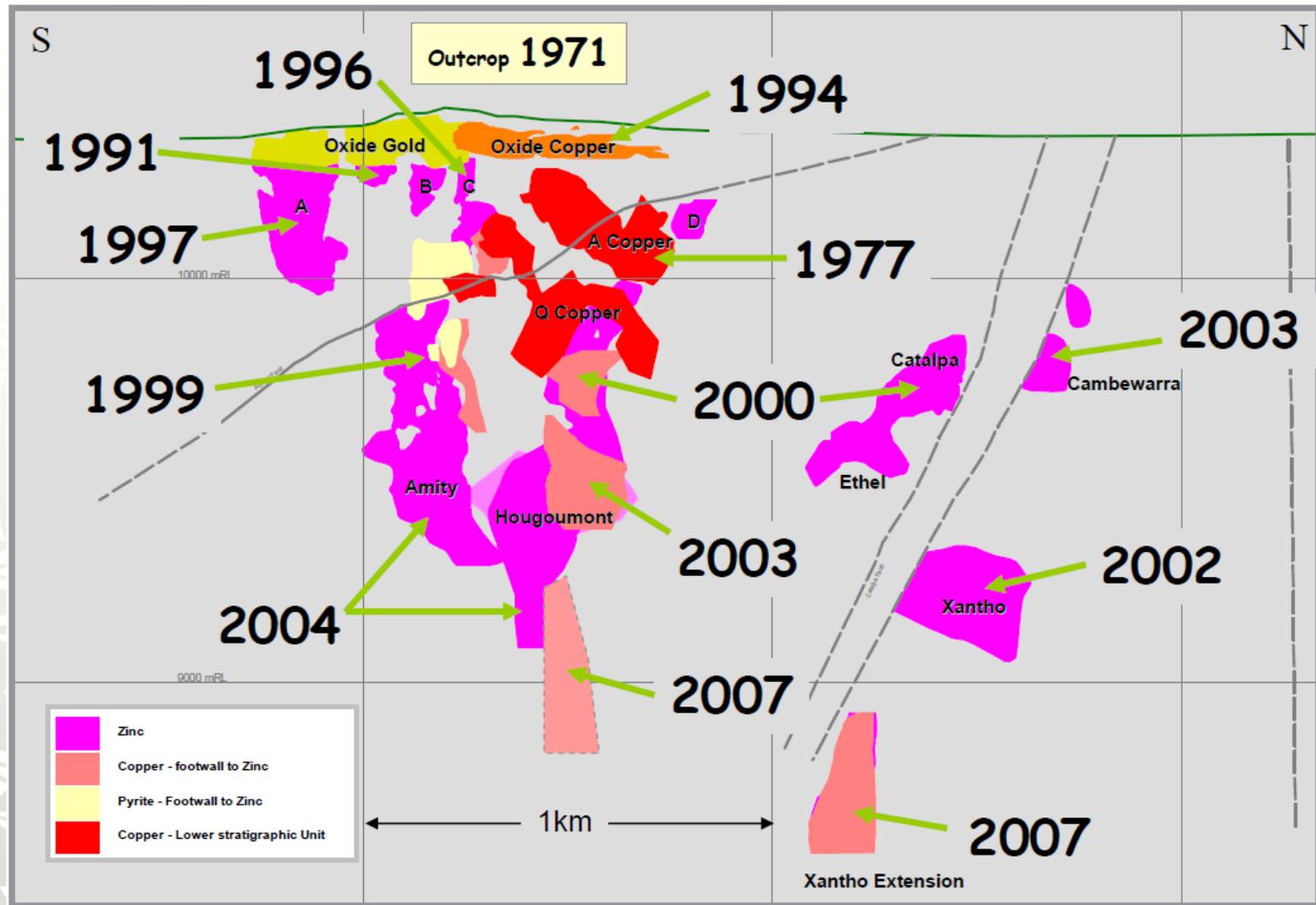
Size distribution

Merléac – VMS model



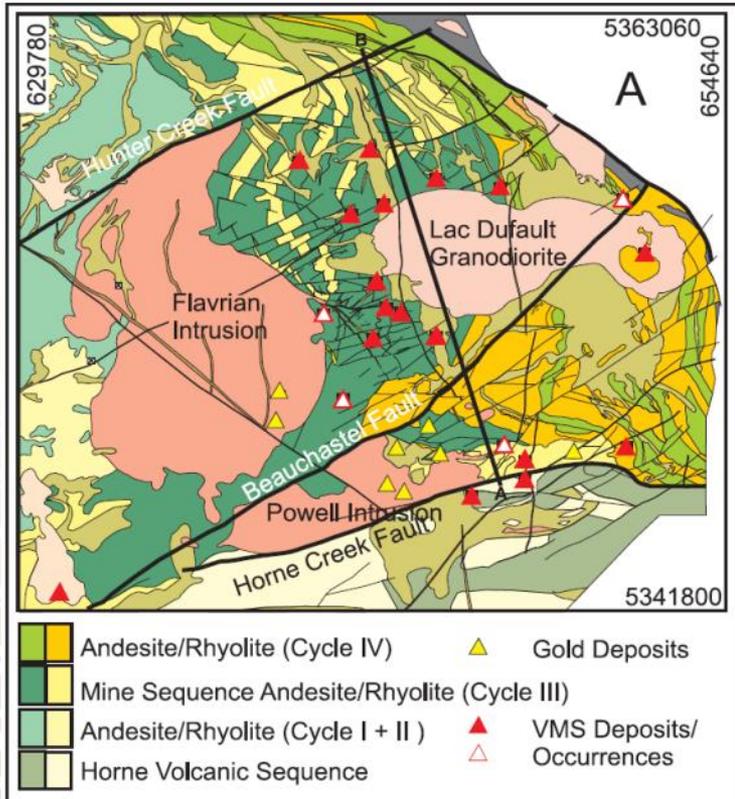
Similarities to Porte-aux-Moines?

VMS model – Local Clusters



Gossan Hill – Discovery History

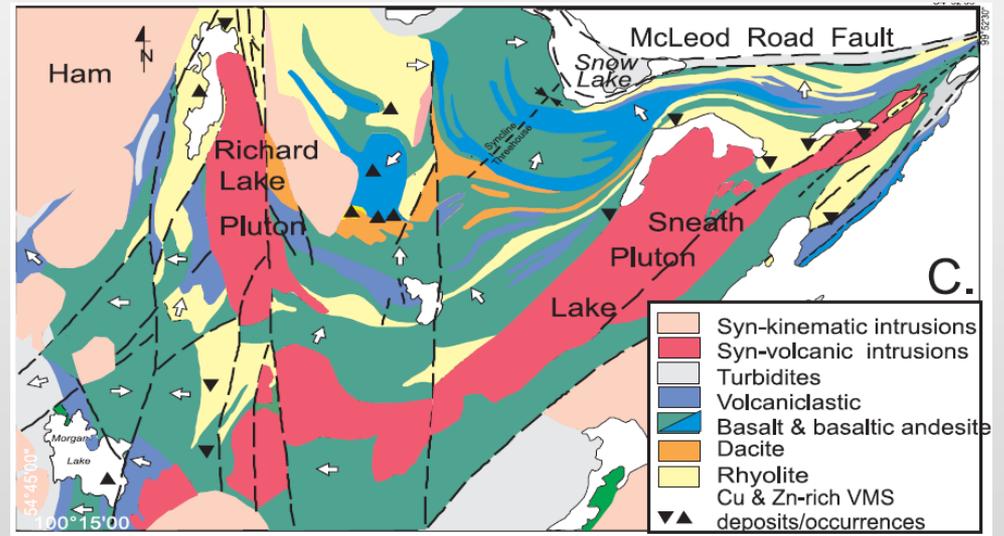
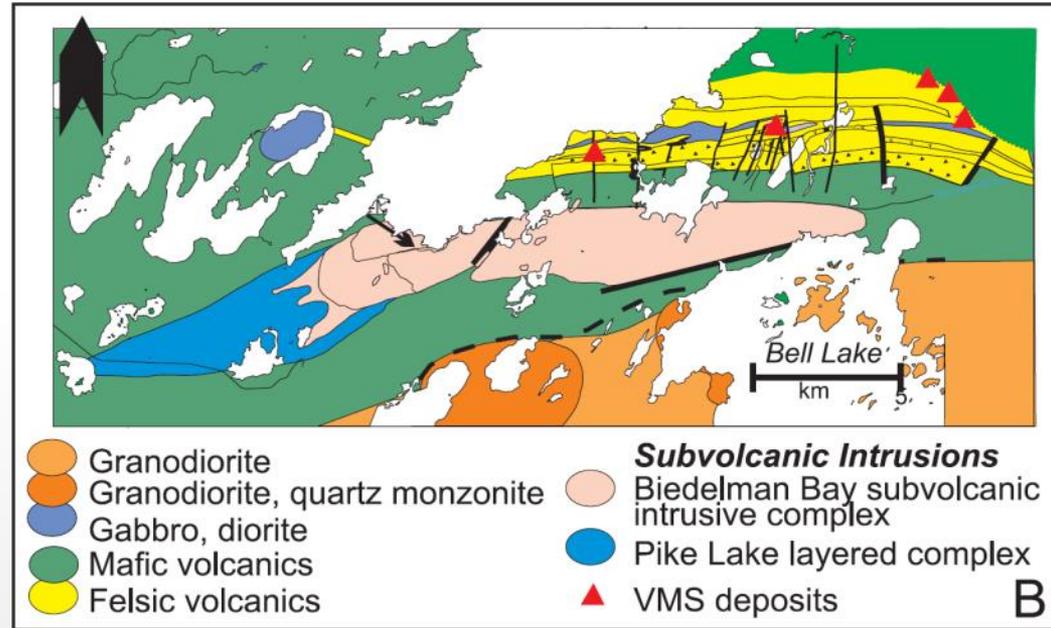
VMS model – Regional Clusters



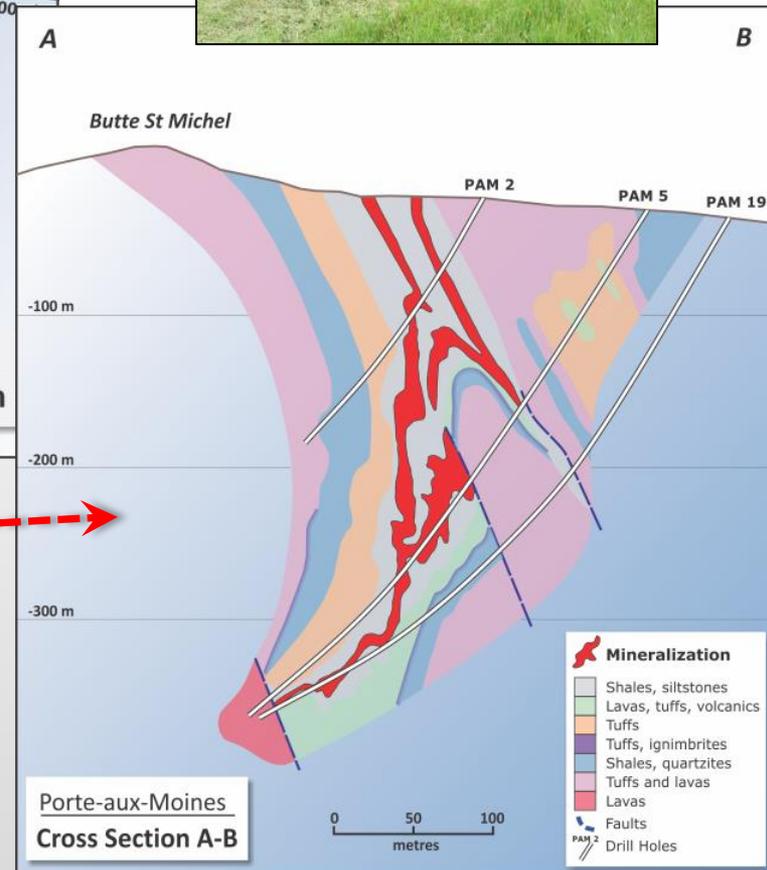
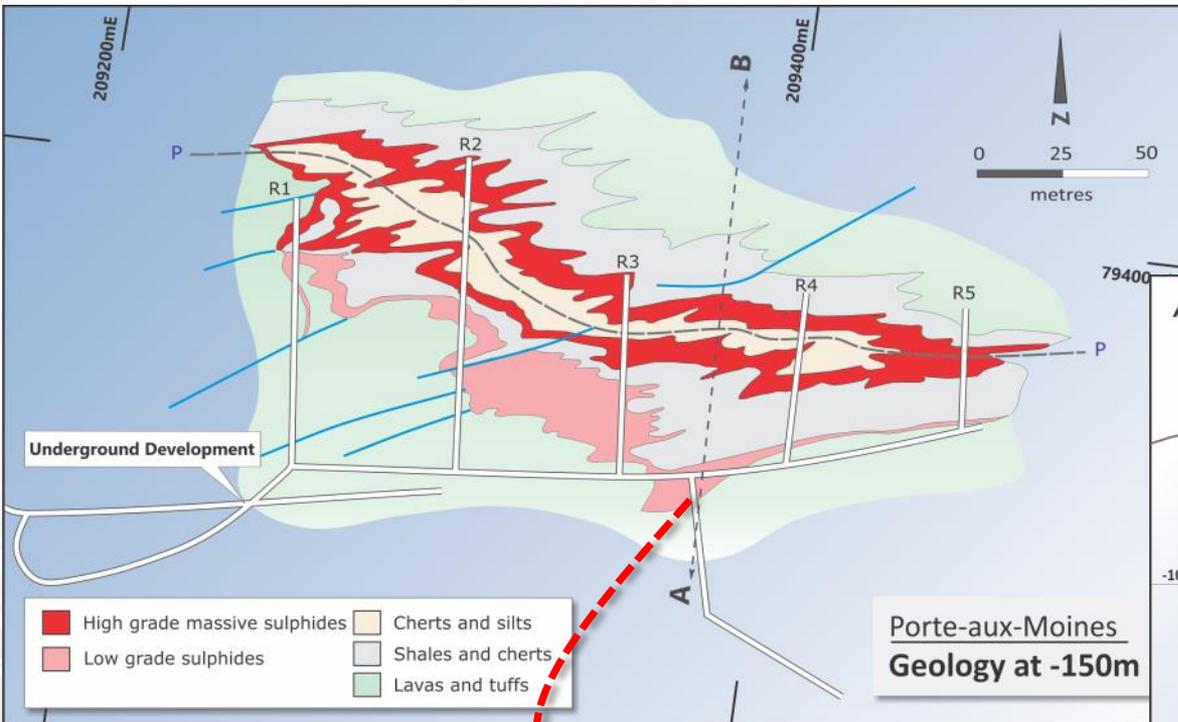
A – Noranda

B – Flin Flon

C – Snow Lake

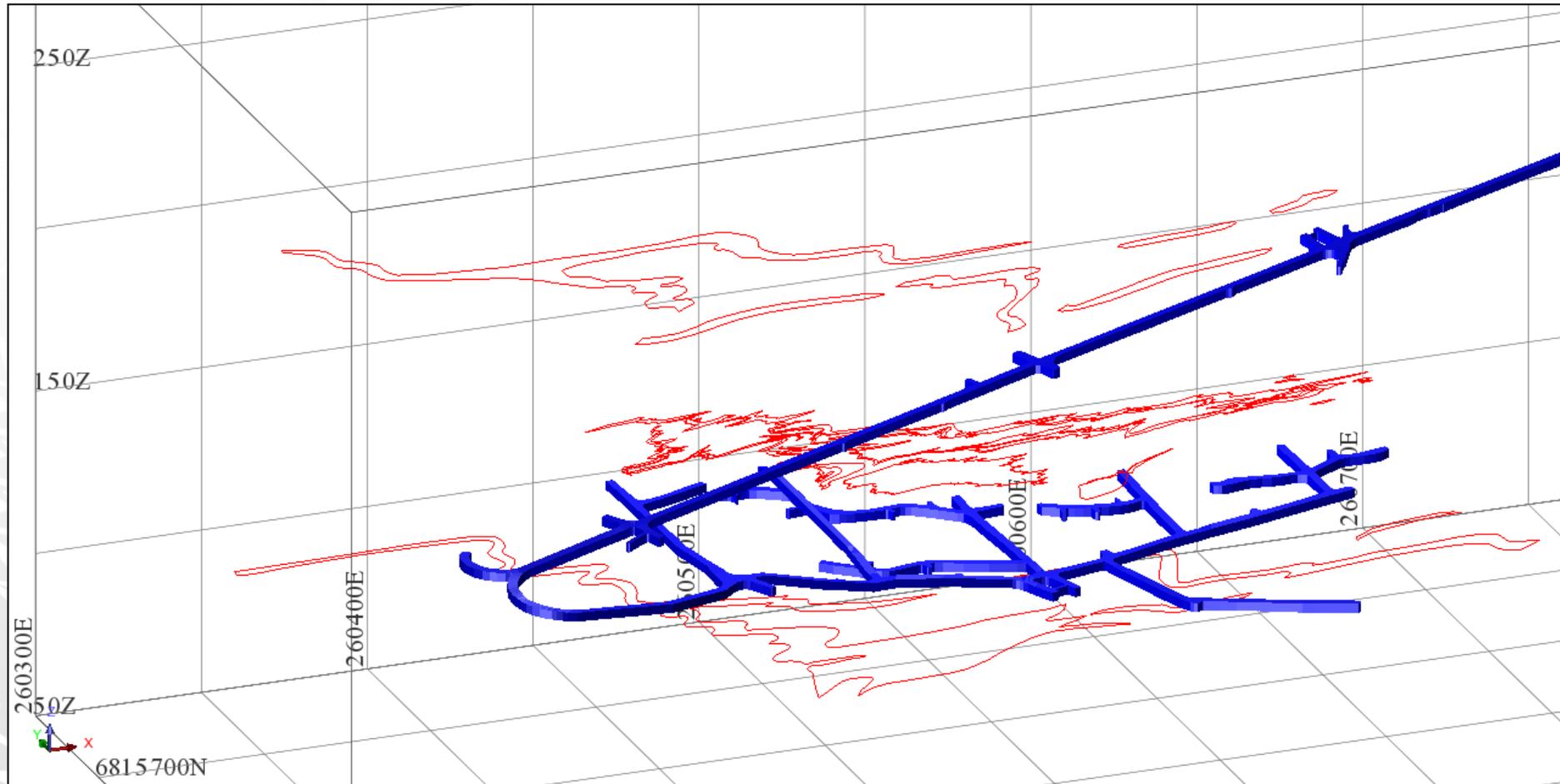


Porte-aux-Moines



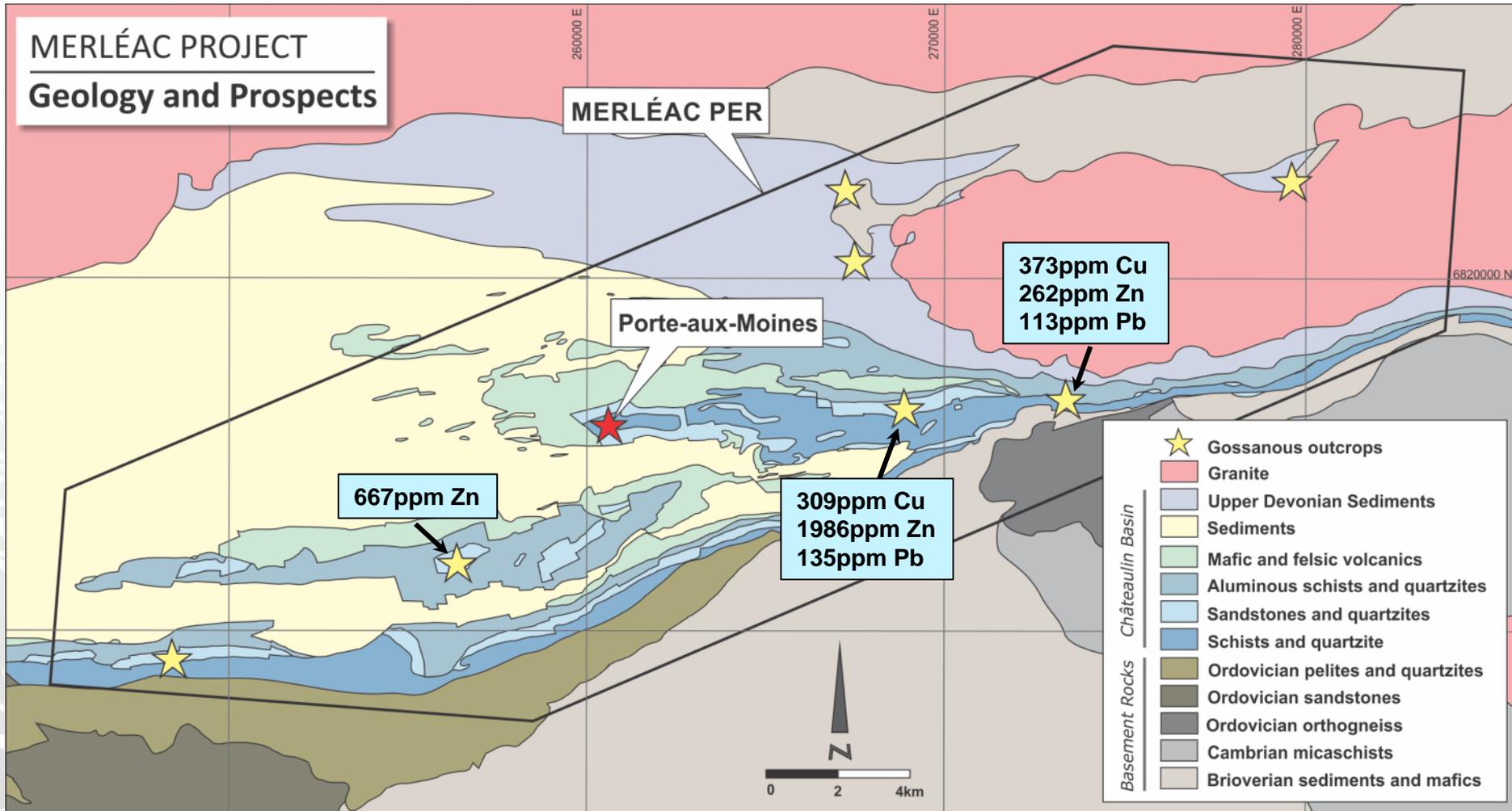
- Well defined to 300m below surface
- Can be taken to JORC resource status with confirmatory work including drilling
- Additional ore lenses?

Porte-aux-Moines 3D model

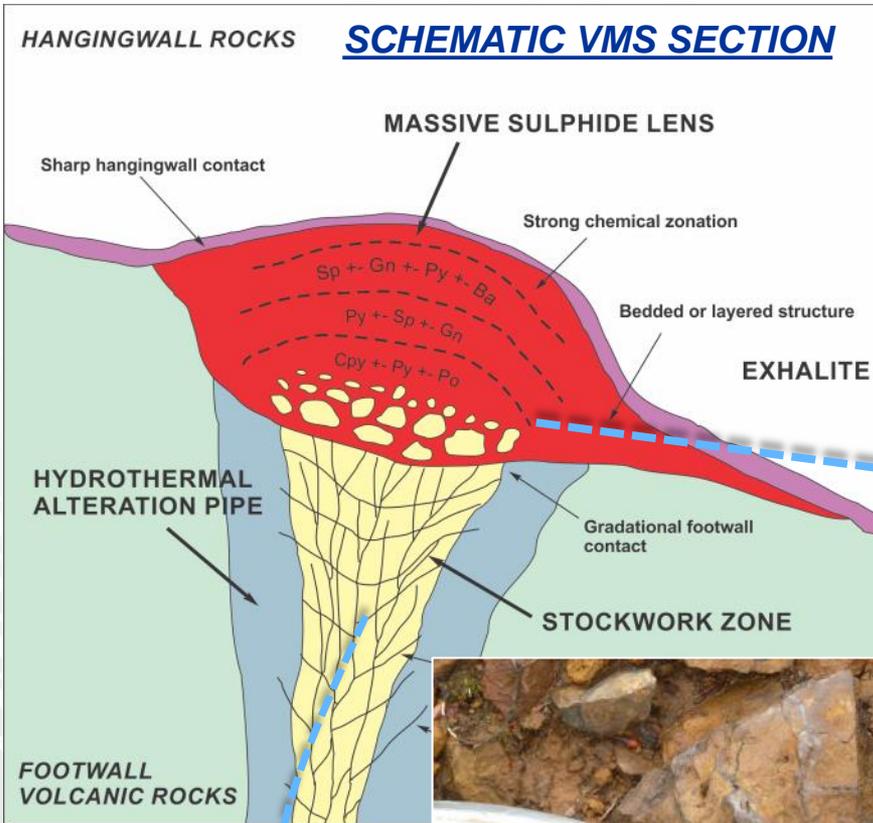


Digitizing of data in progress

Merléac Gossans



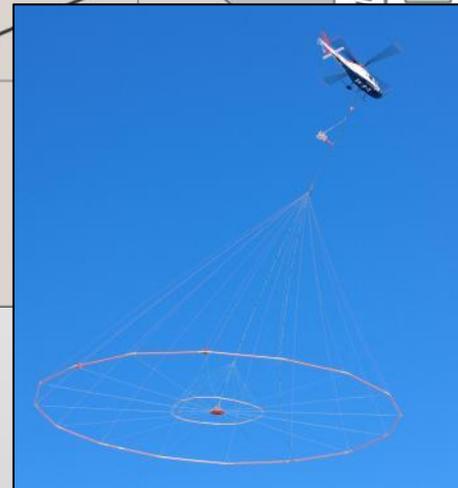
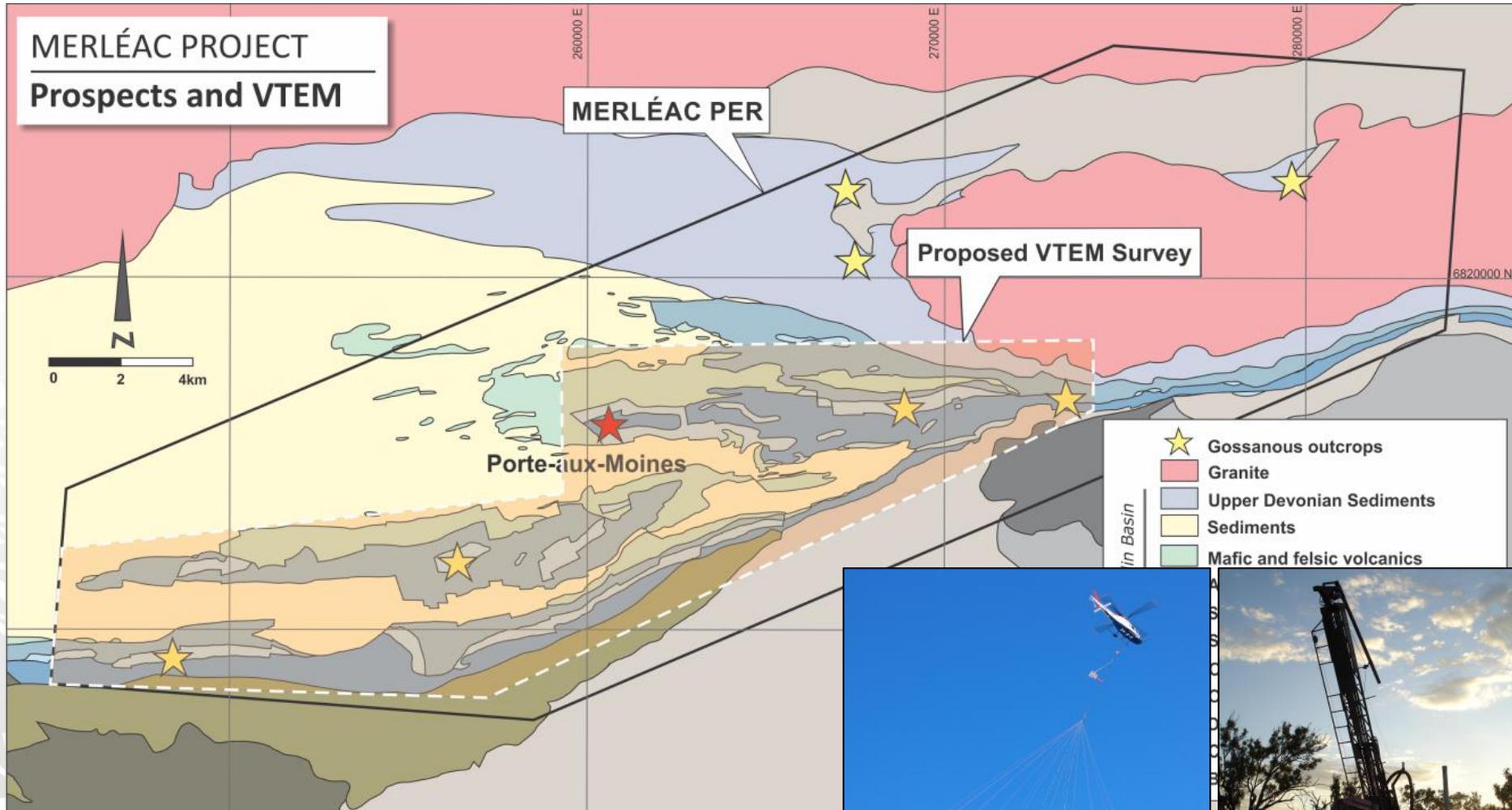
Merléac Gossans



Weathered Stockwork

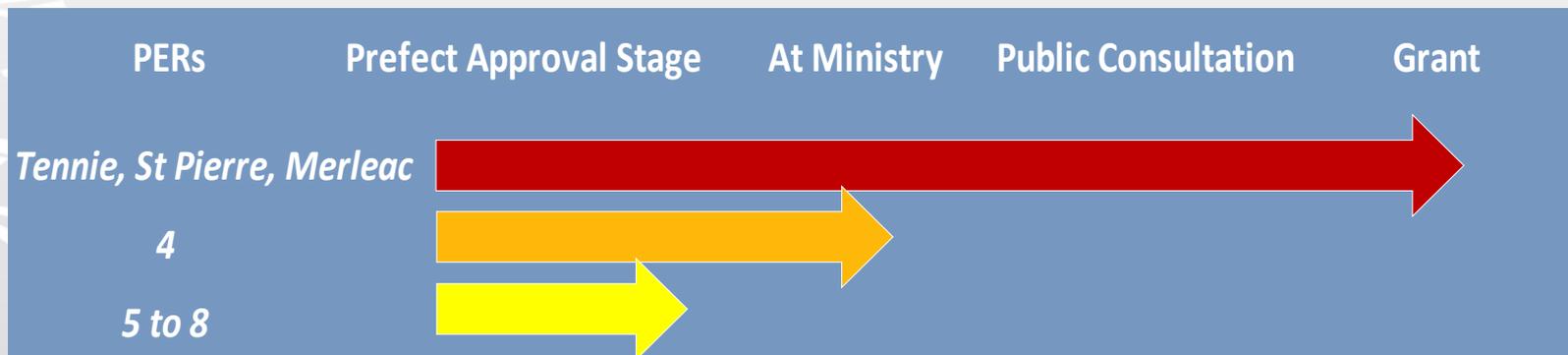
Ancient iron workings over gossan

Merléac 2014/15 Plan



Other Applications

- Five other applications in process
- One has advanced significantly
- Tungsten district with high grade drill intersections (skarn style)
- Good local support
- Four other applications cover tungsten, tin, gold and VMS targets
- More successful approvals anticipated



2014/15 Plan

Exploration

- St Pierre soil survey
- St Pierre and Porteaux-Moines drilling
- PAM Resource
- Merleac VTEM
- Mapping / sampling /drilling of gossans

Assets

- Secure additional PER grants
- New PER applications
- Additional targeting work

Corporate

- Capital raising for drilling – next year
- JV of some PERs?

THANK YOU & QUESTIONS?

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