



## ADDITIONAL 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 recorded in the third hole sampled (PAM8) 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 (32.2% Zn Eq).*
  - 4.0 metres @ 9.0% zinc, 2.6% lead, 0.12% copper, 105.0 g/t silver, 0.6 g/t gold from 247.5 metres (15.4% Zn Eq).*
  - 3.5 metres @ 10.8% zinc, 3.5% lead, 0.20% copper, 195.6 g/t silver, 1.2 g/t gold from 259.5 metres (21.2% Zn Eq).*
- ▼ PAM8 results correspond with high-grade mineralisation defined in previous two drill holes (PAM5 and PAM16).
- ▼ Interpreted mineralised envelope defined over a strike length in excess of 250 metres.
- ▼ Potential economic significance of the deposit continues to be confirmed.
- ▼ Assays will contribute to the calculation of a 2012 JORC compliant Resource, planned for completion later this year.
- ▼ Versatile Time Domain Electromagnetic survey (VTEM) to identify new VMS deposits at Merléac completed with results expected in August.

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 within the Merléac exploration licence, Brittany, France.

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

The new assays provide strong evidence that a robust JORC compliant resource estimate can be generated for the deposit once 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 and 20 July 2015 the Company announced that it had received assays from ALS Geochemistry for two of the drill holes sampled, PAM5 and PAM16 which recorded a number of outstanding, high grade, zinc-dominant, polymetallic intersections.

The Company has now received assays for the third drill hole, PAM8 (Figures 1 and 2) which was drilled towards the eastern margin of the currently defined mineralisation envelop, approximately 130 metres east of the PAM5 intercepts. Within the massive sulphide zone three high grade intersections have been 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 (Tables A and C), with calculated values up to 32.2% Zn Eq, verifying the high grade nature of the Porte-aux-Moines mineralization.

**Table A - PAM8 ALS assay intervals**

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	32.2%
247.5	251.5	4.0	9.0	2.6	0.1	105.0	0.6	15.4%
259.50	263.00	3.5	10.8	3.5	0.2	195.6	1.2	21.2%

*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.*

The intersections in PAM8 are interpreted to have good stratigraphic continuity to the high grade mineralisation defined in holes PAM5 and PAM16 (refer ASX announcements 19 May and 20 July 2015). As recorded in all three BRGM holes, this area of Porte-aux-Moines appears to have three distinct zones of high grade mineralisation strongly suggesting the presence of a stacked mineralised system commonly found in other VMS deposits world-wide.

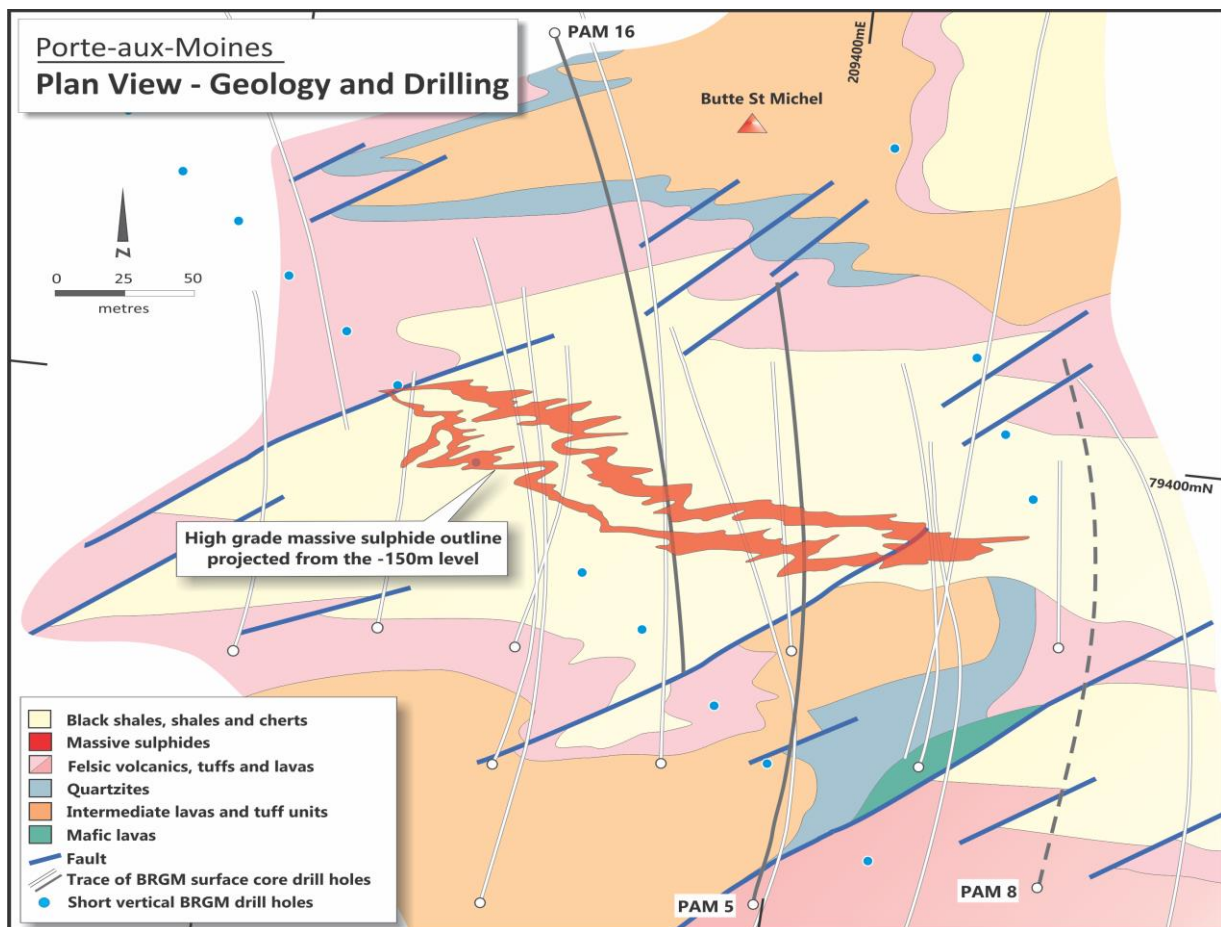
The latest results also indicate that the mineralised envelope has been defined over a strike length in excess of 250 metres at about the 100 metre RL, with PAM8 located below and to the east of the high

grade mineralisation as defined in previous underground development by the BRGM (see Figure 1 for projected position of the BRGM massive sulphide envelope and PAM8 drill hole trace).

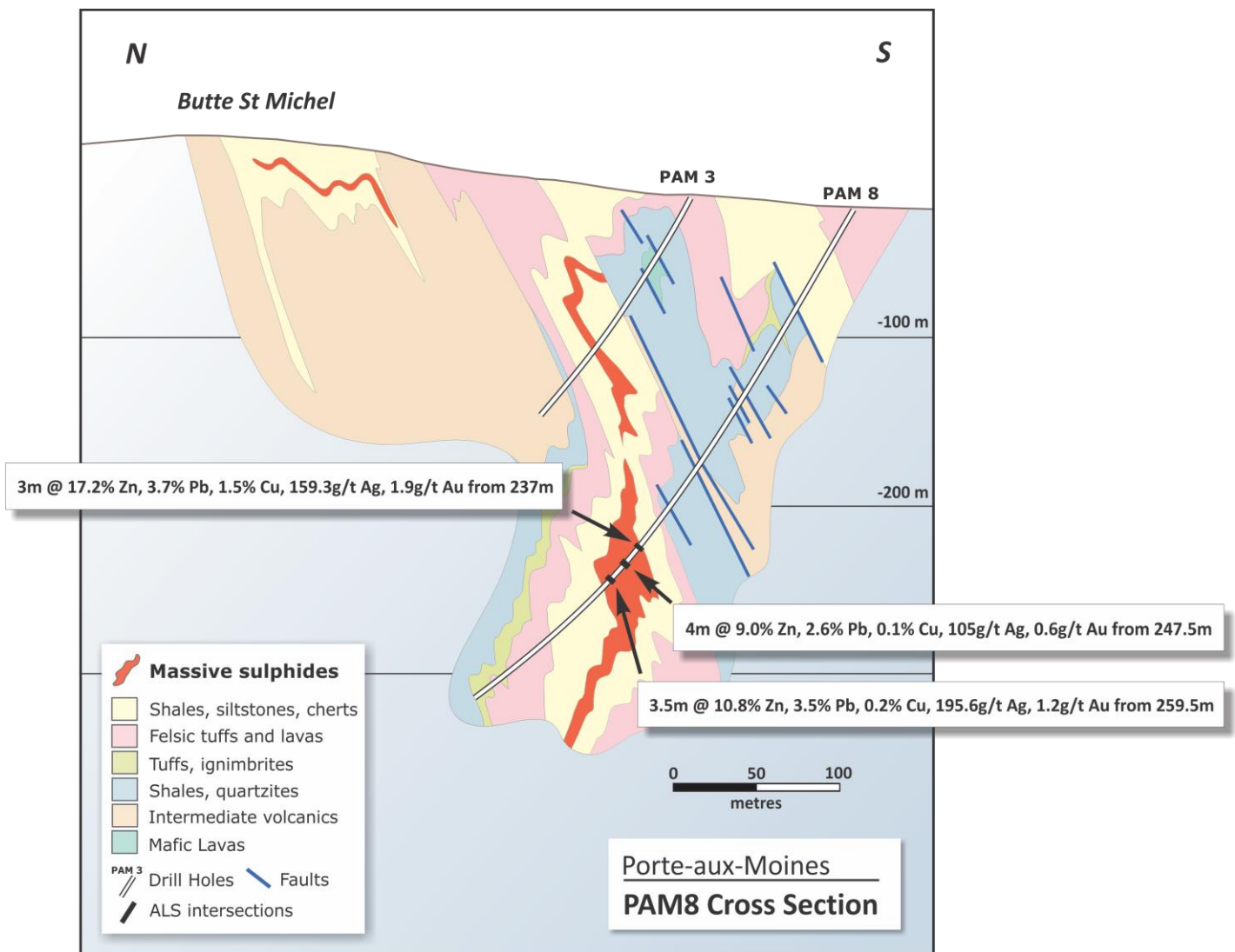
As for the previous two holes, the PAM8 ALS assays are close in value to the original BRGM assays (Table B), again confirming the overall good quality of the BRGM work. This provides high confidence in the veracity and accuracy of the BRGM assays in the remaining nine kilometres of drilling and underground development which will allow Variscan use them in the calculation of a Resource at Porte-aux-Moines to 2012 JORC standards. The Company intends commencing the Resource estimation work once the BRGM provides the geological and assay files for Porte-aux-Moines currently stored at its office in Orleans.

**Table B - PAM8 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
237.0	240.0	3.0	17.2	3.7	1.5	159.3	1.9	13.8	3.1	1.6	157.0	1.8	3.9%
247.5	251.5	4.0	9.0	2.6	0.1	105.0	0.6	9.6	2.9	0.1	113.5	0.8	-1.5%
259.5	263.0	3.5	10.8	3.5	0.2	195.6	1.2	12.4	4.5	0.1	216.4	1.2	-3.1%



**Figure 1 – Plan view of the surface geology at Porte-aux-Moines and BRGM core drilling showing the location of PAM8 (dotted line) and the approximate projected position of the high grade massive sulphide zones 150 metres below the surface as interpreted by the BRGM.**



**Figure 2 - Cross section through the Porte-aux-Moines deposit highlighting the high grade ALS assays in PAM8. The geological interpretation comes from BRGM reports.**

## Planned Work

Over the coming months work planned by Variscan includes the following -

1. Access and digitally convert all the hard copy data held by the BRGM for Porte-aux-Moines to generate a cohesive 3D geological model of the deposit.
2. Complete sufficient additional technical work, including possible shallow drilling to calculate a 2012 JORC compliant Resource for the deposit.
3. Data modelling from the VTEM survey to generate targets.
4. Follow-up ground EM surveys over VTEM anomalies as required.
5. Commence drilling in and around the Porte-aux-Moines system and possibly regionally to follow up targets generated from the geophysics and through rock chip geochemistry.

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 - PAM8 ALS RESULTS**
*Collar co-ordinates - 260545mE 6815470mN RL 265.2m (RGF 93 – Lambert 93). Total hole depth 362.2m*

Assay Number	from	to	interval	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Zn Eq %
MLCDDH00110	117.0	118.0	1.0	0.0	-	-	-	0.01	0.0%
MLCDDH00111	188.0	189.0	1.0	0.0	-	-	-	0.02	0.1%
MLCDDH00112	189.0	190.0	1.0	0.0	-	-	-	0.02	0.1%
MLCDDH00113	190.0	191.0	1.0	0.0	-	-	-	0.03	0.1%
MLCDDH00114	191.0	192.0	1.0	0.0	-	-	-	0.04	0.1%
MLCDDH00115	192.0	193.0	1.0	0.0	-	0.0	-	0.04	0.1%
MLCDDH00116	193.0	194.0	1.0	0.1	0.0	0.0	-	0.04	0.2%
MLCDDH00117	199.0	200.0	1.0	0.1	0.0	0.0	2.0	0.03	0.2%
MLCDDH00119	200.0	201.0	1.0	0.2	0.0	0.0	1.0	0.02	0.4%
MLCDDH00120	201.0	202.0	1.0	0.0	0.1	-	2.0	0.03	0.2%
MLCDDH00121	202.0	203.0	1.0	0.0	-	-	-	0.03	0.1%
MLCDDH00122	203.0	204.0	1.0	0.0	-	-	1.0	0.03	0.1%
MLCDDH00123	204.0	205.0	1.0	0.0	-	-	1.0	0.04	0.1%
MLCDDH00124	205.0	206.0	1.0	0.0	-	-	-	0.02	0.1%
MLCDDH00125	229.0	230.0	1.0	0.1	-	-	3.0	0.04	0.2%
MLCDDH00126	230.0	231.0	1.0	0.0	-	-	-	0.04	0.1%
MLCDDH00127	231.0	232.0	1.0	0.0	-	0.0	-	0.04	0.2%
MLCDDH00128	232.0	233.0	1.0	0.3	-	0.1	2.0	0.05	0.7%
MLCDDH00129	233.0	234.0	1.0	0.2	0.1	0.2	4.0	0.09	1.1%
MLCDDH00130	234.0	235.0	1.0	0.1	0.0	0.0	5.0	0.24	0.7%
MLCDDH00131	235.0	236.0	1.0	1.0	0.2	0.2	29.0	0.34	3.0%
MLCDDH00132	236.0	237.0	1.0	0.6	0.0	0.3	13.0	0.34	2.4%
MLCDDH00133	237.0	238.0	1.0	4.7	0.8	1.1	116.0	1.16	<b>13.6%</b>
MLCDDH00134	238.0	239.0	1.0	21.2	2.0	1.9	163.0	2.85	<b>37.6%</b>
MLCDDH00135	239.0	240.0	1.0	25.8	8.3	1.5	199.0	1.63	<b>45.4%</b>
MLCDDH00137	240.0	241.0	1.0	0.2	0.1	0.0	8.0	0.42	1.3%
MLCDDH00138	241.0	242.0	1.0	0.1	0.0	0.0	4.0	0.24	0.8%
MLCDDH00139	242.0	242.5	0.5	0.1	0.0	0.0	4.0	0.22	0.7%
MLCDDH00140	242.5	243.5	1.0	0.1	0.0	0.0	6.0	0.28	0.8%
MLCDDH00141	243.5	244.5	1.0	0.4	0.1	0.3	20.0	0.44	2.7%
MLCDDH00142	244.5	245.5	1.0	0.0	0.0	0.2	12.0	0.23	1.3%
MLCDDH00143	245.5	246.5	1.0	0.0	0.0	1.7	34.0	0.28	<b>6.2%</b>
MLCDDH00144	246.5	247.5	1.0	0.4	0.0	0.1	6.0	0.34	1.4%
MLCDDH00145	247.5	248.5	1.0	5.5	1.5	0.1	51.0	0.57	<b>9.4%</b>
MLCDDH00146	248.5	249.5	1.0	1.2	0.4	0.1	31.0	0.53	3.6%
MLCDDH00147	249.5	250.5	1.0	17.3	6.4	0.1	220.0	0.77	<b>30.0%</b>
MLCDDH00148	250.5	251.5	1.0	11.8	2.2	0.2	118.0	0.70	<b>18.4%</b>
MLCDDH00149	251.5	252.5	1.0	1.1	0.4	0.0	20.0	0.36	2.7%
MLCDDH00150	252.5	253.5	1.0	0.1	0.0	0.0	11.0	0.23	0.8%
MLCDDH00151	253.5	254.5	1.0	0.6	0.2	0.0	13.0	0.18	1.5%
MLCDDH00152	254.5	255.5	1.0	0.3	0.1	0.0	5.0	0.08	0.7%
MLCDDH00153	255.5	256.5	1.0	0.2	0.0	0.0	3.0	0.07	0.4%
MLCDDH00154	256.5	257.5	1.0	1.5	0.5	0.1	15.0	0.09	2.8%
MLCDDH00155	257.5	258.5	1.0	0.1	0.0	0.0	3.0	0.15	0.5%

Assay Number	from	to	interval	Zn %	Pb %	Cu %	Ag g/t	Au g/t	Zn Eq %
MLCDDH00156	258.5	259.5	1.0	0.1	0.0	0.0	7.0	0.27	0.8%
MLCDDH00158	259.5	260.5	1.0	14.6	2.6	0.2	214.0	1.45	<b>25.5%</b>
MLCDDH00159	260.5	261.5	1.0	12.9	6.4	0.1	280.0	1.42	<b>28.2%</b>
MLCDDH00160	261.5	262.0	0.5	13.2	6.4	0.1	339.0	1.84	<b>30.9%</b>
MLCDDH00161	262.0	263.0	1.0	3.7	0.0	0.2	21.0	0.28	<b>5.2%</b>
MLCDDH00162	263.0	264.0	1.0	1.1	0.0	0.0	7.0	0.26	1.9%
MLCDDH00163	264.0	265.0	1.0	0.8	0.0	0.1	4.0	0.18	1.4%
MLCDDH00164	265.0	266.0	1.0	0.2	0.0	0.0	2.0	0.07	0.4%
MLCDDH00165	266.0	267.0	1.0	0.5	0.0	0.0	2.0	0.07	0.8%
MLCDDH00166	267.0	268.0	1.0	0.5	0.0	0.1	4.0	0.13	1.1%
MLCDDH00167	268.0	269.0	1.0	0.0	0.0	0.1	3.0	0.22	0.9%
MLCDDH00168	269.0	270.0	1.0	0.1	0.0	0.1	5.0	0.29	1.1%
MLCDDH00169	270.0	270.5	0.5	0.0	0.0	0.1	3.0	0.15	0.7%
MLCDDH00170	270.5	271.5	1.0	0.1	0.0	0.1	2.0	0.15	0.8%

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
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The mineralised core size is NQ .</li> <li>• 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.</li> <li>• BRGM sampling was taken at between 0.5 to 2 metre intervals. The Variscan samples were at 0.5 to 1 metre intervals.</li> <li>• Quarter core samples were bagged and sample prepped by the BRGM and then sent to ALS Geochemistry, Ireland.</li> <li>• Original BRGM samples were from quarter core. The new Variscan samples are mainly from the remaining quarter of the 1970's BRGM sampling.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• PAM8 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.</li> <li>• Core was not oriented.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• The drill core was stored in plastic trays and was logged for core recoveries. Most mineralised intercepts recorded &gt;95% recoveries.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• PAM8 was logged by Variscan geologists</li> <li>• Details were entered into the geological database</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• Samples were collected by BRGM personnel, bagged and tagged with unique sample numbers.</li> <li>• Sample numbers were entered against down-hole depths and sent to Variscan geologists</li> <li>• Average weight per sample was around 2kg</li> <li>• Samples were prepared by the BRGM</li> <li>• Samples were dried and crushed to -2 mm</li> <li>• Samples were then split down with riffle box to recover 100 g</li> <li>• The sample splits were pulverized in a hammer mill to -80 µm</li> <li>• Samples were transported to ALS Geochemistry Ireland for analysis</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• 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 HNO<sub>3</sub> , KClO<sub>4</sub> and HBr and the final solution in dilute aqua regia).</li> <li>• 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)</li> <li>• 10% of samples were analysed as duplicates for QA/QC control.</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>• Logging and BRGM assay checks against visible sulphide mineralisation completed by Variscan geologists.</li> <li>• 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.</li> <li>• BRGM blanks and standards were included within the samples submitted to ALS.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• Samples were located within PAM8 by core blocks marking depths down hole.</li> <li>• The PAM8 collar position and downhole surveys were provided by the BRGM.</li> <li>• Projection and recording of data points into the GIS database into the RGF93 system.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• Quarter core sampling at a maximum downhole intervals of 1 metre defined by geology and previous BRGM sampling intervals.</li> <li>• 1 to 2 metre sample compositing used for comparison work against the original BRGM samples.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• PAM8 was drilled from south to north at a reasonably high angle to the interpreted sub-vertical to very steeply north dipping mineralisation.</li> <li>• 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.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• Samples were prepared at the BRGM prep facilities and transported to ALS Geochemistry Ireland by commercial carrier.</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>• Merléac PERM (Permis Exclusif de Recherche de Mine, a French exploration licence)</li> <li>• No known impediments for future exploration and development</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>• Last significant exploration in area is believed to have been conducted by BRGM in the 1980s.</li> <li>• 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.</li> <li>• Subsequently the BRGM conducted substantial core drilling (+9km) and underground development on Porte-aux-Moines.</li> <li>• In addition, the BRGM conducted significant mapping, geochemical and geophysical programmes around Porte-aux-Moines and regionally.</li> <li>• Much of the exploration data is held by the BRGM and will be compiled and assessed by the Company.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>• Volcanogenic Massive Sulphide (VMS) deposits</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• Three full core holes (PAM5, PAM8, PAM16) have been accessed and logged by Variscan geologists at the BRGM core facility, Orleans.</li> <li>• Original BRGM logs, coordinate/downhole data and assays for PAM16 have been compiled by Variscan geologists.</li> <li>• Additional data for other holes and underground development is to be provided to Variscan by the BRGM.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• No aggregation or high grade cuts have been applied to the data reported</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• The orientation of PAM8 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 PAM8.</li> <li>• Based on the BRGM interpretation of the mineralised envelopes and the core angles of sulphide layering as recorded by Variscan geologists in PAM8, the average true width of the intersections is estimated to be around 60-80 % of the downhole lengths</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• Diagrams for the Porte-aux-Moines deposit have been taken from published BRGM reports.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>• All samples taken are published within the report</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>• 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, compiled and evaluated.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>• Digitising and interpretation of all data for Porte-aux-Moines deposit, including other surface and underground drill holes and underground development</li> <li>• Generation of 3D model of geology and mineralisation envelopes</li> <li>• Possible shallow drilling within Porte-aux-Moines</li> <li>• Generation of a JORC compliant resource estimate</li> <li>• VTEM Geophysical survey over mineralised lithological units, notably around Porte-aux-Moines and southern half of licence</li> <li>• Possible follow-up ground EM surveys to more accurately define any significant anomalies defined from the VTEM</li> <li>• Follow-up diamond drilling along strike and down dip at Porte-aux-Moines and on new regional targets</li> </ul>