



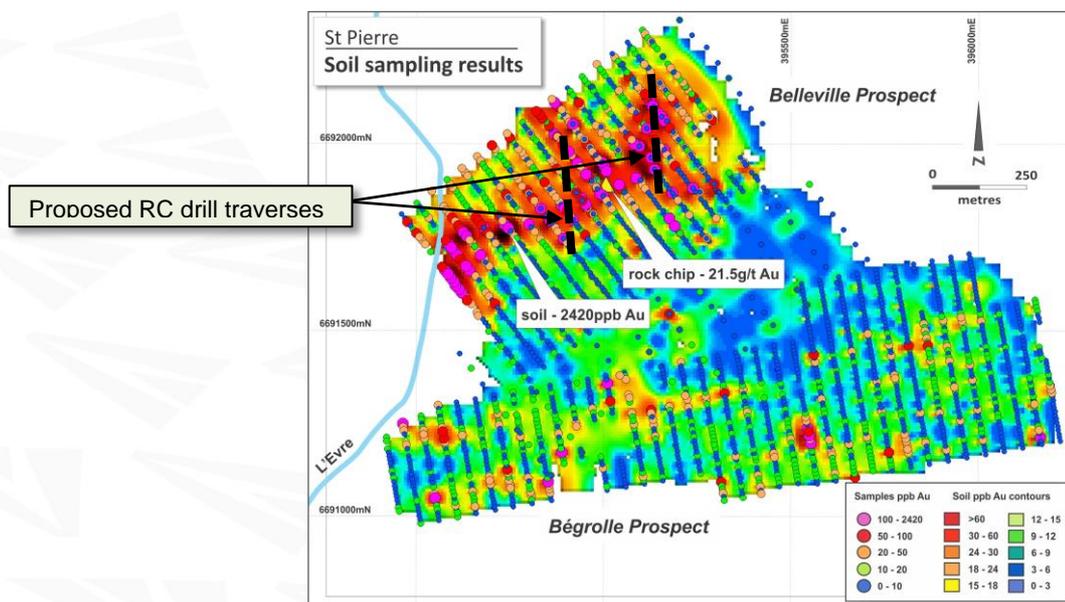
FIRST PHASE OF ST PIERRE GOLD DRILLING COMPLETE

- ❶ Diamond drilling at the Ville Tirard gold prospect has been completed with assay results for the first hole expected shortly
- ❷ RC drilling has now commenced at the Belleville prospect, where previous work defined a strong 900 x 400 metre bedrock gold anomaly with soil values up to 2.4g/t gold and rock chips up to 21.5g/t gold
- ❸ 16 holes for 1,000 metres of RC drilling will test Belleville with initial assays from this phase expected in April

Variscan Mines Limited (ASX: VAR) is pleased to advise that diamond drilling of the Ville Tirard gold prospect within the St Pierre project has been completed. Two drill holes tested a zone where old drilling (1952) at the western end of the main gold field is recorded to have intersected broad zones of gold mineralisation with individual assays up to 33g/t gold, averaging in the range of 3-4g/t Au.

Given the age of the drilling, the precise position of the 1952 holes is uncertain, so Variscan completed two shallow, inclined diamond holes to cross the projected position of the shear to attempt to intersect the mineralisation. Both holes have now been logged and cut, with samples for the first hole now with ALS Ireland for assay. Assay results are expected shortly.

RC drilling has now commenced at Belleville, to test a strong 900 x 400 metre bedrock gold anomaly where previous sampling recorded rock chips up to 21.5g/t gold and soil values up to 2.4g/t gold (Figure below) (ASX announcement 2 June 2015 and September 2015 Quarterly). Two traverses of inclined, 60 metre deep RC holes (16 holes for around 1,000 metres) are planned to test the anomaly across the interpreted east-north-east striking shear zone. Initial assay results are expected in early May.



Yours faithfully



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Greg Jones

Managing Director

Competent Persons Statement

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.