



VARISCAN SECURES TWO NEW EXPLORATION LICENCES

- V
Two new exploration licences containing advanced projects granted in France
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Silfiac Licence (zinc-lead-silver-germanium)
 - Hosts the high-grade Plélauff zinc-lead-silver-germanium deposit which was subject to underground mine exploration by the BRGM in the 1960's
 - BRGM work defined continuous mineralisation to a depth of approx. 130 metres - which remains open at depth - and generated a non-JORC resource
 - Plélauff is located 25 kilometres from Variscan's zinc-rich Porte-aux-Moines VMS deposit and represents a possible additional production source
- V
Loc Envel Licence (tungsten)
 - Covers region believed to have excellent potential for high-grade tungsten deposits
 - Previous exploration at Coat-an-Noz reported high grade tungsten-copper drill hole intersections and generated a non-JORC resource
- V
New projects enhance Variscan's high quality, multi-commodity portfolio that currently stands at six granted licences
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Two additional licence applications are within the approvals process

Variscan Mines Limited (ASX: VAR) is pleased to announce that its wholly owned European subsidiary Variscan Mines SAS has received confirmation that it has been granted two further exploration licences in Brittany, France. Both licences cover regions where former exploration work identified high-grade prospects with excellent potential for discovery of economic deposits.

The Silfiac licence includes the advanced, high grade Plélauff zinc-lead-silver-germanium deposit which was explored with underground development by the Bureau de Recherches Géologiques et Minières (BRGM), the French Geological Survey in the 1960's and is located just 25 kilometres from Variscan's Porte-aux-Moines VMS deposit.

The Loc Envel licence covers the Coat-an-Noz skarn tungsten-copper prospect where former core drilling by SNEAP and the BRGM is reported to have generated high-grade assays and the calculation of a non-JORC resource.

The addition of Silfiac and Loc Envel to the portfolio builds on Variscan's first mover advantage in France and is in line with the Company's strategy of targeting high quality brownfield mineral projects with strong prospects for economic discoveries.

SILFIAC PROJECT

The Silfiac licence (Permis Exclusif de Recherche or PER) was selected to cover part of the Western Armorican Massif where high grade, zinc-lead-silver-germanium vein systems had previously been discovered and described by the BRGM. The licence covers 173 square kilometres over a set of north-north-west oriented shears which host the veins within metamorphosed sediments and an intrusive granodiorite complex.

These veins are considered attractive exploration targets by the Company as -

1. They display very close geologic and depositional event similarities to the Saint Salvy deposit, mined by Pennaroya between 1975 and 1990, and located in the Massif Central, France. This mine produced a total of 2.8Mt of ore at a grade of 11.7% zinc, 150 g/t germanium and 38 g/t silver, and
2. They lie within a short trucking radius (approx. 25 kilometres) of the zinc-rich Porte-aux-Moines VMS deposit (Figure 1), the focus of Variscan's recent exploration work and which the Company believes has good potential to become a mine.

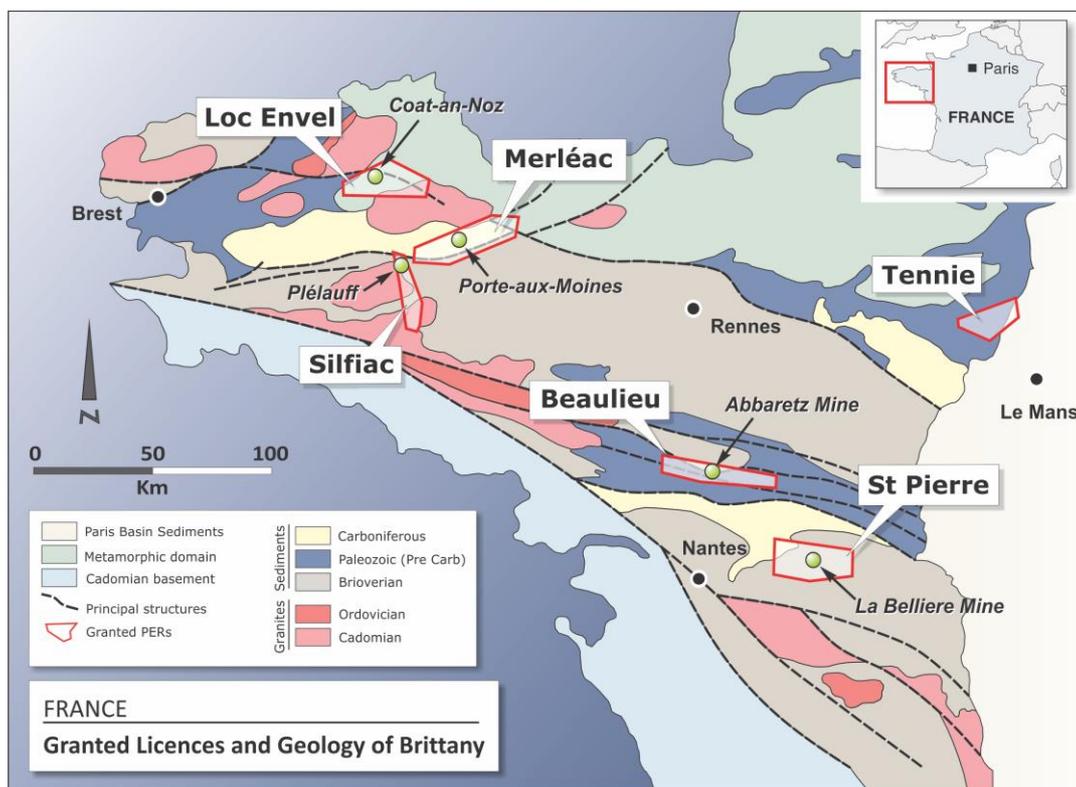


Figure 1 - Location of the Silfiac and Plélauff exploration licences and other Variscan PERs

The most important deposit defined to date is the high grade Plélauff zinc-lead-silver-germanium deposit believed to have been mined around the 8th Century. Plélauff was discovered by the BRGM in the late 1950s following the completion of regional exploration including stream sediment geochemistry, soil sampling, trenching and electrical geophysics. From 1961 to 1963 the BRGM completed substantial underground mine development on Plélauff, sinking a shaft and developing two main levels at 80 and 130 metres below the surface (Figure 2, Plate 1), strike driving the lode

and systematically channel sampling and mapping the deposit.

In summary, this work -

- a. Successfully defined continuous, high grade zinc-lead-silver-germanium (>10% zinc+lead) mineralisation averaging between 2.5 to 4 metres thick,
- b. Defined the main lode over a strike length of 230 metres on the lower level and indicated that mineralisation is increasing in strike length at depth (Figure 2),
- c. Intersected a further zone of mineralisation at the southern end of the 130m level which may link with the main zone of depth, and
- d. Indicated that the base metal sulphides (galena and sphalerite) contained significant silver, germanium and cadmium, potentially important future byproducts.

Variscan considers the exploration potential to expand the deposit to be excellent as no drilling was completed in or around Plélauff and it remains open at depth.

Elsewhere within the Plélauff shear, additional mineralised dilational jogs can be expected and thus the Company believes that the scope for the discovery of unexplored and blind ore shoots within the Plélauff structure is high.

In addition, no significant exploration is believed to have been conducted in the region since the 1960's. The five kilometre wide north-north-west striking structural corridor that hosts the Plélauff deposit is also believed to host other Plélauff type shears, providing good potential for further high grade zinc-lead-silver-germanium deposits within this very under-explored region.

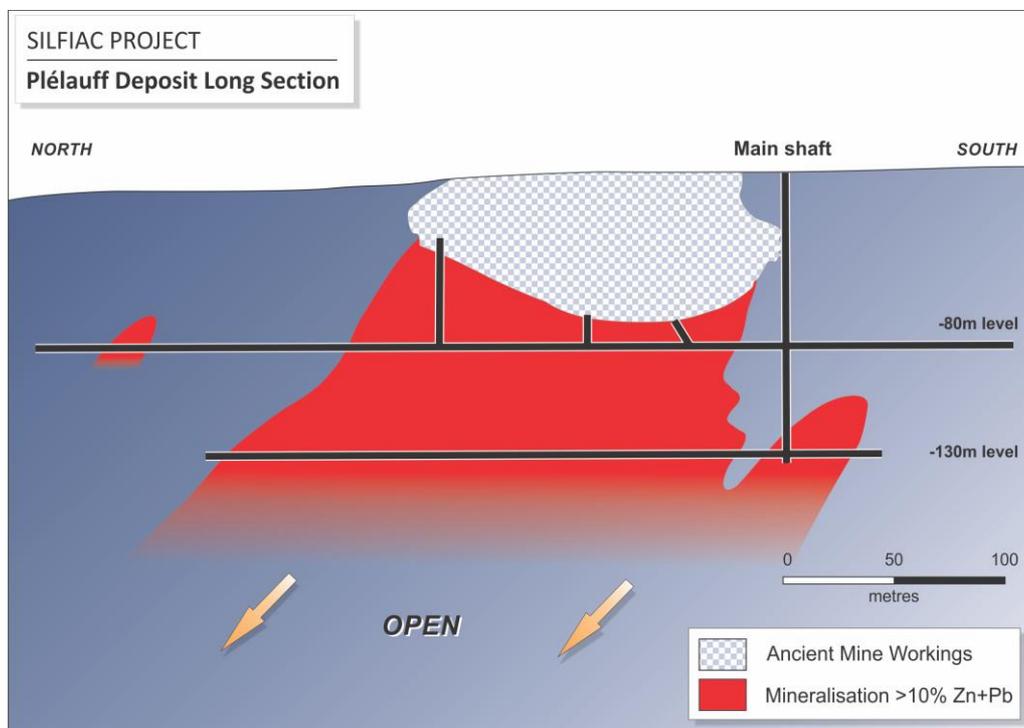
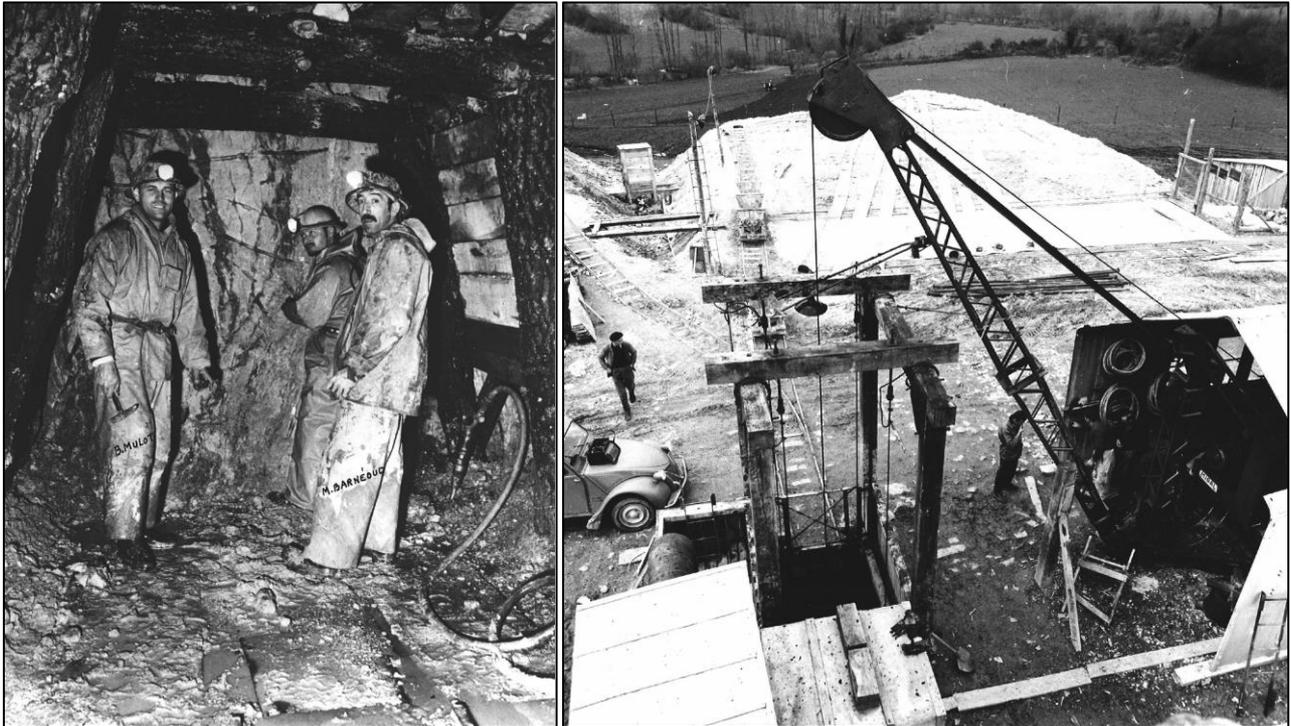


Figure 2: Long section of the Plélauff zinc-lead-silver-germanium deposit as defined in underground development by the BRGM.



Plates 1 and 2 - Underground crew on the 130m level and surface infrastructure of Main shaft - Plélauff

LOC ENVEL PROJECT

The Loc Envel exploration licence covers an area of 336 square kilometres in northwest Brittany (Figure 1) over a region believed to have good potential for high grade tungsten-copper deposits.

Work by Variscan has identified several potentially commercial styles of deposits within the licence closely associated with several small trondhjemite intrusives -

- A.** High grade scheelite + (wolframite) + chalcopyrite exo-skarns with semi massive to massive pyrrhotite mineralization similar to the Salau (Pyrénées, France), Pine Creek (California, USA) and Cantung (Yukon, Canada) deposits;
- B.** Substantial quartz + scheelite + wolframite + molybdenite vein stockwork systems of the Hemerdon Ball (South Devon, UK) type; and
- C.** Sheeted vein quartz + scheelite + wolframite + (cassiterite) + base metal sulphides in the apices leucogranite and granitic porphyry intrusive stocks.

The most significant deposit defined to date is Coat-an-Noz where scheelite-bearing skarns (type **A** mineralisation) have been defined over a two kilometre strike length in exploration carried out from 1960 to 1977 by the BRGM and SNEAP (Société National Elf Aquitaine Petroliers).

Although data from this exploration is yet to be accessed and evaluated, diamond drilling from the Coat-an-Noz prospect (Figure 3) is reported to have generated high grade tungsten (+copper) intercepts within the laterally continuous skarn system and enabled SNEAP to calculate a non-JORC resource. This represents a priority target for Variscan.

Further evidence of the prospectivity of the area is provided at the Toul Pors prospect where exploration work including trenching and short (100 metre) core holes has identified a large

stockwork of quartz-tungsten-molybdenite bearing veins hosted by amphibolites within the cupola of the Toul Pors granite (Figure 3).

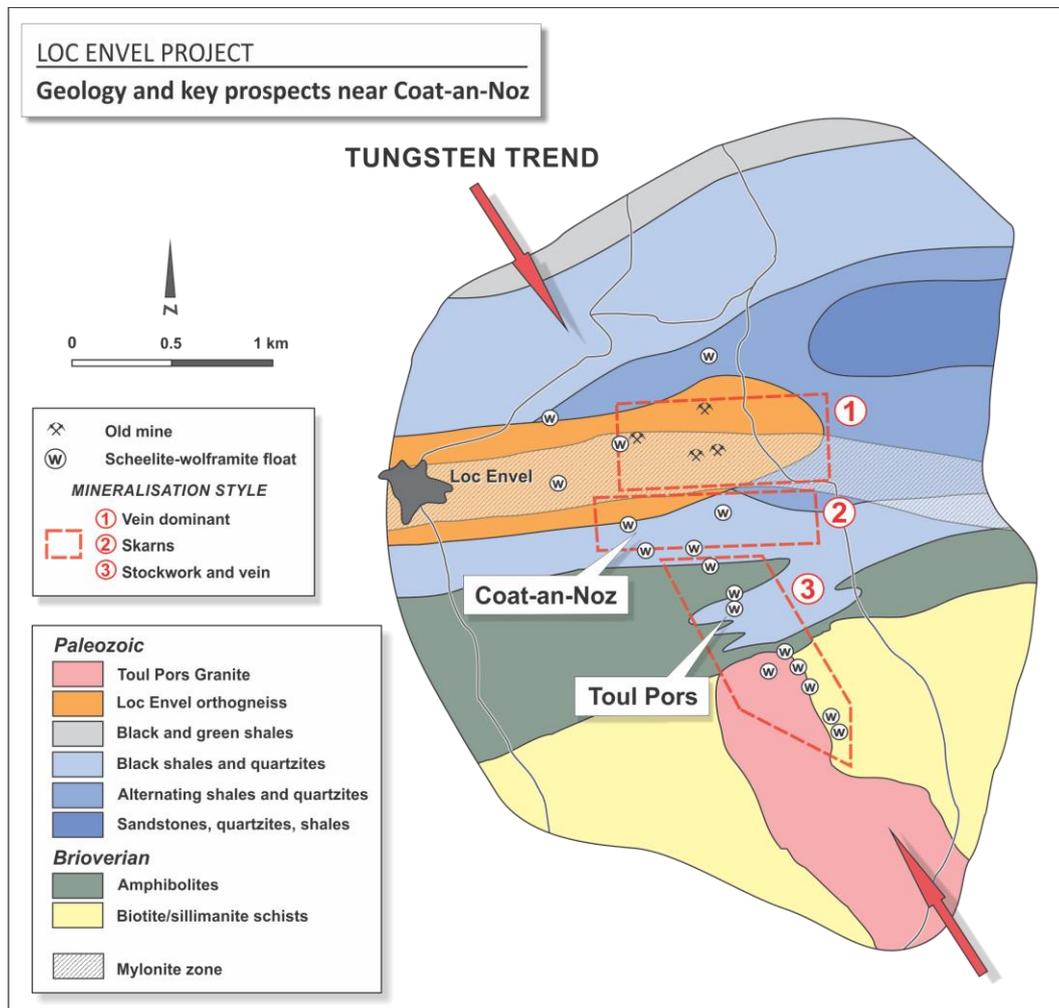


Figure 3: Geology and main prospect areas near Coat-an-Noz (map courtesy of Prof Eric Marcoux, University of Orleans)

FUTURE WORK

The Company considers the exploration potential for economic deposits within the licences to be very good and will shortly commence accessing and reviewing geological and exploration data for the projects. In particular Variscan plans to focus its initial work on the Plélauff deposit and the Coat-an-Noz prospect.

The planned work programmes include -

- Compilation, digitising and interpretation of data
- Drilling of advanced targets to confirm and extend mineralization
- Possible JORC compliant Resource estimates

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.

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JORC CODE - TABLE 1
Section 2 - Reporting of Exploration Results

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • Loc Envel and Silfiac PER (Permis Exclusif de Recherche de Miniere, a French exploration licence). • No known impediments for future exploration and development.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • Last significant exploration in Loc Envel is believed to have been conducted in the 1970s and at Silfiac in the 1960s. <p>Loc Envel</p> <ul style="list-style-type: none"> • Substantial exploration conducted in the past by the BRGM and SNEAP (1960 to 1977) consisting of soil geochem, geophysical programmes and drilling at a number of tungsten prospects. • A Resource estimate for Coat-an-Noz was calculated by SNEAP and has been published by the BRGM. • Data for the Coat-an-Noz prospect is held by the BRGM and TOTAL and has not yet been accessed. <p>Silfiac</p> <ul style="list-style-type: none"> • Plélauff was discovered by the BRGM in the late 1950s following the completion of regional exploration including stream sediment geochemistry, soil sampling, trenching and electrical geophysics. • From 1961 to 1963 the BRGM completed substantial underground mine development on Plélauff, sinking a shaft and developing two main levels at 80 and 130 metres below the surface, strike driving the lode and systematically channel sampling and mapping the deposit. • No drilling is believed to have been conducted at Plélauff.
<i>Geology</i>	<ul style="list-style-type: none"> • Loc Envel - Tungsten rich skarn, stockwork and vein deposits associated with trondhjemite ("I" type granites) intrusives • Silfiac – Hydrothermal, shear-hosted, vein-style Zn-Pb-Ag-Ge sulphide deposits
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • No drill core has yet been observed by Variscan geologists.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • Not applicable
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • No drill holes are reported in this announcement
<i>Diagrams</i>	<ul style="list-style-type: none"> • PER location diagram provided. Other diagrams from old BRGM reports and from the University of Orleans.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • Prospect information taken from BRGM reports and published geological data
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • Much of the geological and previous exploration and mining data for Loc Envel is held by TOTAL and will be reported by the Company as it is accessed, compiled and evaluated.
<i>Further work</i>	<ul style="list-style-type: none"> • Compilation, digitising and interpretation of data • Drilling of advanced targets to confirm and extend mineralization • Possible resource estimates • Regional exploration programmes including electrical geophysics, mapping and soil sampling • Follow-up drilling programs on new targets