



DRILLING TO TEST TARGETS AT ST PIERRE WITH UP TO 21.5g/t GOLD AT SURFACE

- ▼ **Previous rock chip sampling at the St Pierre Gold Project returned numerous high grade assays up to 159g/t gold**
- ▼ **Follow up around a 21.5g/t gold rock chip at Belleville defined an 900 x 400 metre zone of strongly anomalous gold values with up to 2.4g/t gold in soils**
- ▼ **At Ville Tirard prospect historic drilling is reported to have intersected thick zones of near-surface gold mineralisation with grades averaging around 3-4g/t gold**
- ▼ **Drill programme has been finalised to test these two high quality targets mid-year**
- ▼ **The prospects lie within the St Pierre Licence over historic La Bellière gold mine, which produced 334,000 ounces at 12g/t gold**

Variscan Mines Limited (ASX: VAR) is pleased to announce its wholly owned subsidiary Variscan Mines SAS has finalised planning of the drill programme at the St Pierre exploration licence (PER) in Brittany, France. The St Pierre licence covers the old La Bellière gold mine, believed to be France's third largest gold mine, which produced 334,000 ounces gold at 12g/t gold until 1952.

During 2014/2015 exploration within the licence included a broad programme of rock chip and float sampling which generated a number of high grade results up to 159g/t gold across five main areas of interest. Follow-up detailed soil sampling has been completed at selected prospects, with additional analysis of historical mine and exploration work.

Two areas for drilling have been defined at Ville Tirard and Belleville (Figure 1) to the west and south of the St Pierre township where a proposed combination of shallow traverse RC and core diamond drilling will test these high quality targets.

Belleville

- ▼ Initial work by Variscan at the Belleville prospect included prospect scale rock chip and grab sampling which generated high grade samples up to 21.5g/t gold from quartz-rich float in the centre of the prospect (ASX announcement 16 February 2015).

Detailed follow-up sampling in two programmes defined an 900 x 400 metre zone of strongly anomalous gold values up to 2.4g/t gold (or 2420ppb gold) in soils displaying a similar gross orientation to the gold bearing shear structure at the La Bellière Mine (ASX announcement dated 2 June 2015 and September 2015 Quarterly) (Figure 2).

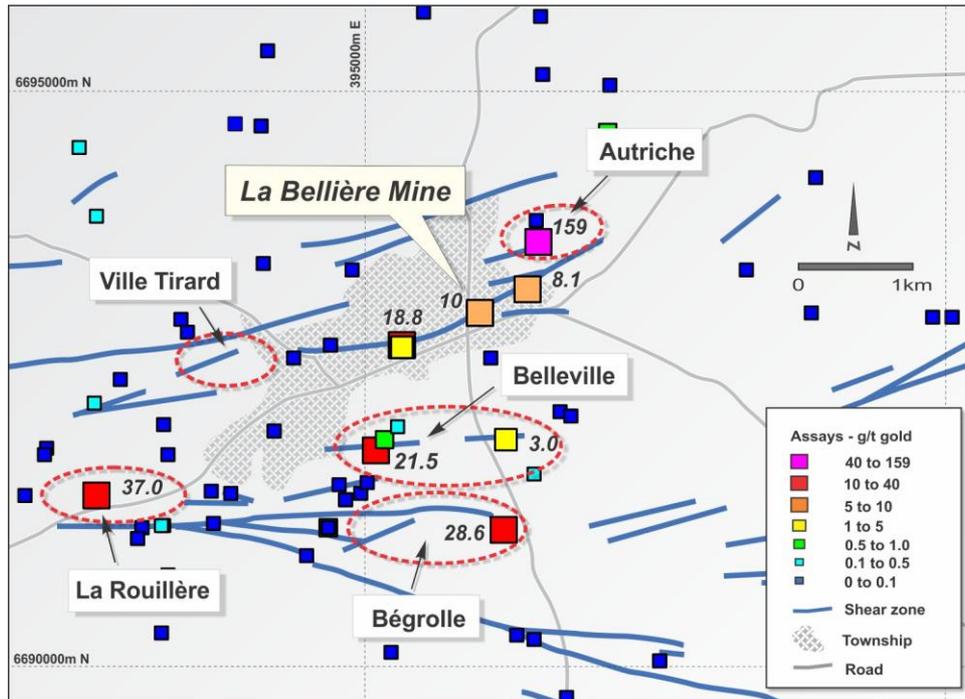


Figure 1: Rock chip / float sampling results, mapped shear zones and key prospect locations

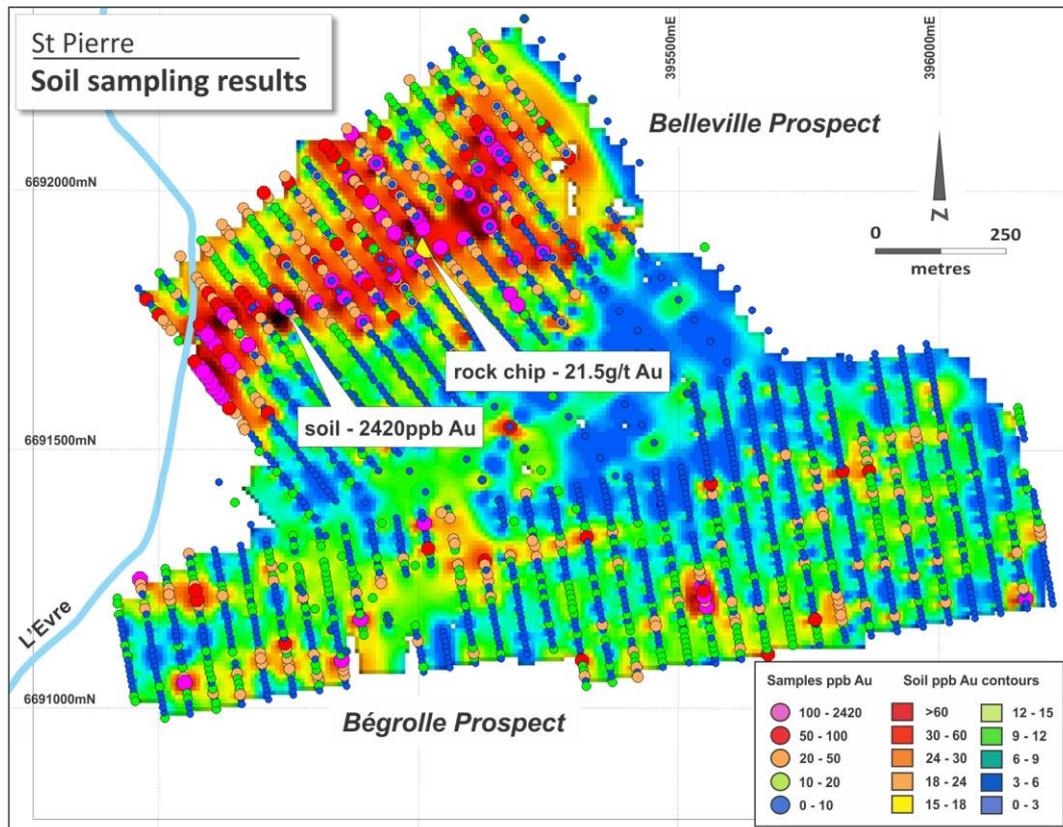


Figure 2: Belleville / Bégrolle gold prospects at St Pierre showing soil sampling completed to date and strong anomalism defined

Former BRGM exploration in this area included shallow percussion drilling (generally around 40-50 metres deep) which, from available data, appears to have tested only the northern fringe of the anomaly and has intersected gold-bearing zones.

Two traverses of inclined shallow RC drilling have been planned to test the anomaly across the interpreted east-north-east striking shear zone. This will commence once final local approvals and access agreements are signed and a rig mobilised to site.

Ville Tirard

During the final years of mining in the St Pierre region, two inclined drill holes (circa 1951) approximately 40 and 60 metres deep are recorded to have been drilled below outcropping mineralisation at the western end of the main La Bellière shear system approximately 200 metres north of the old St Antonie gold mine (Figure 3).

In reports held by the BRGM (Bureau de Recherches Géologiques et Minières - the French geological survey) both holes are recorded to have intersected broad zones (estimated >15-20 metres true width) of gold mineralisation with individual assays between 0.5 to 33g/t gold, averaging in the range of 3-4 g/t Au.

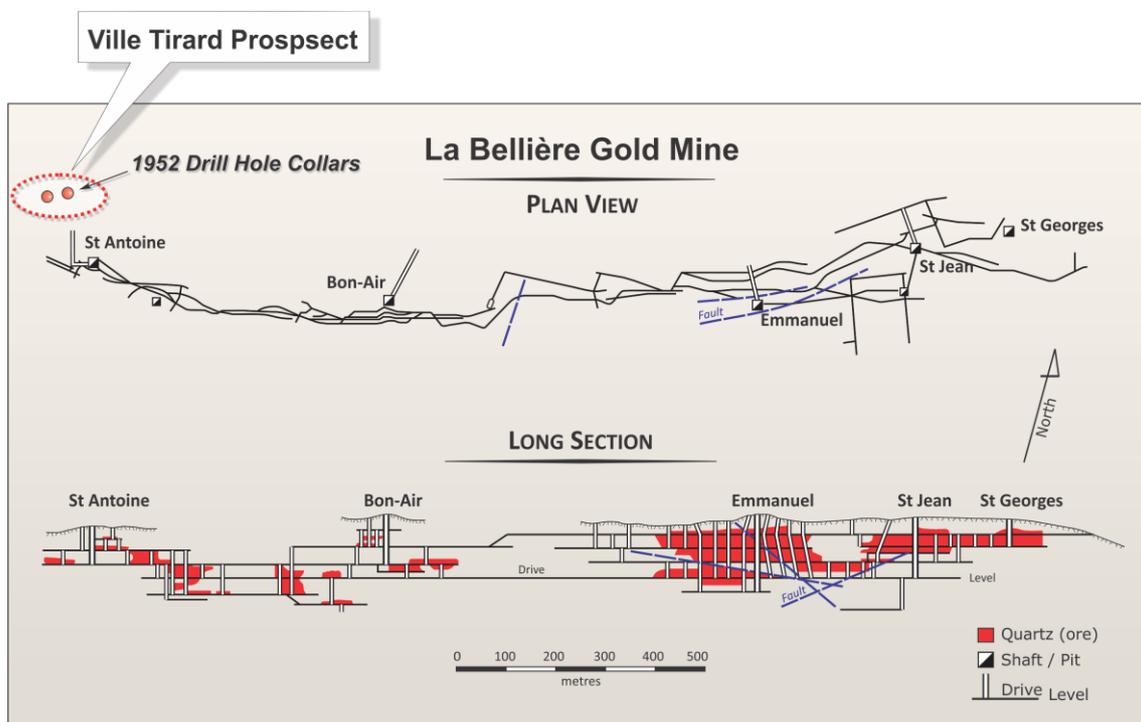
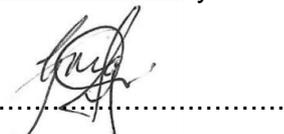


Figure 3 - Approximate location of Ville Tirard prospect and drill collars from 1952 drilling projected onto the plan view of La Bellière gold mine workings

Given the age of the drilling, the precise position of the collars is uncertain, so Variscan plans to drill two shallowly inclined core holes, each to about 150 metres, to cross the projected position of the shear and to intersect the mineralisation.

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.