



STRONG GOLD ANOMALIES DEFINED AT ST PIERRE

- ❖ **Soil sampling defines two strong gold-in-soil anomalies within the St Pierre exploration licence.**
- ❖ **Soil sampling conducted to follow up previous rock chip sampling which recorded high grade assays up to 21.5g/t gold.**
- ❖ **Large 800 x 500 metre zone of strongly anomalous values up to 809ppb gold (0.81g/t gold) in soils defined at Belleville.**
- ❖ **One kilometre long zone of anomalism with assays up to 228ppb gold defined over the western section of the Bégrolle trend.**
- ❖ **Results confirm confidence that significant high grade, shear hosted gold deposits could be discovered within the licence.**
- ❖ **Next steps are assessment of old BRGM work and shallow RAB drilling traverses to test anomalies.**
- ❖ **St Pierre results highlight multi-project potential of Variscan's portfolio.**

Variscan Mines Limited (ASX: VAR) is pleased to announce its wholly owned subsidiary Variscan Mines SAS has received further encouraging, highly anomalous gold assays from soil sampling within its St Pierre exploration licence (PER) in Brittany, France.

Strongly elevated gold assays in soils up to 0.8g/t gold were recorded in two areas at the Bégrolle and Belleville prospects located south of the old La Bellière gold mine.

Two east-west oriented gold trends up to one kilometre in strike length were defined, one of which is directly associated with a high grade rock chip sample grading 21.5g/t gold as reported earlier this year (ASX announcement 16 February 2015) clearly highlighting the prospectivity of the area for high grade, shear-hosted gold deposits.

Recent work at St Pierre

Following the receipt of high grade rock chip and grab samples from within the St Pierre exploration licence, the Company commenced detailed soil sampling surveys at the Bégrolle and Belleville prospects located between one to two kilometres south of the old La Bellière gold mine. The mine formerly produced 335,000 ounces gold at 12g/t Au and was the third largest gold production source in France.

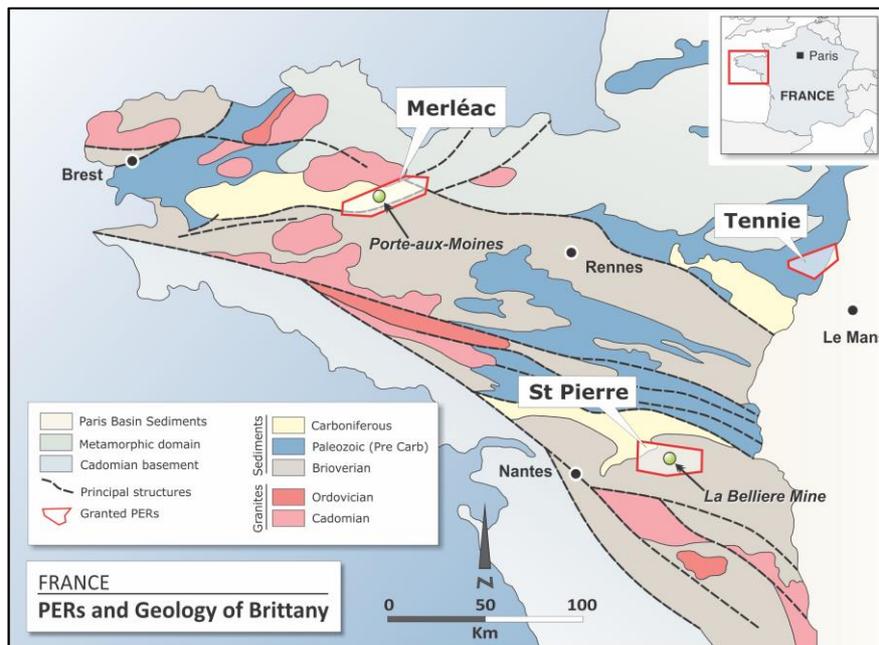


Figure 1 - Location of the St Pierre PER and other Variscan PERs

Two strongly gold anomalous trends have been defined in the soil sampling corresponding to auriferous shear zones detected in previous BRGM (Bureau de Recherches Géologiques et Minières - the French geological survey) exploration work.

Belleville

Recent soil sampling covered the western end of the shear zone over the area where a rock chip sample grading 21.5g/t gold was obtained by Variscan as reported to the ASX on 16 February 2015. A large 800 x 500 metre zone of strongly anomalous values with numerous assays in excess of 100ppb gold has been defined which included a top value of 809ppb gold (0.81g/t gold) in soils near the centre of the anomaly, 50 metres north of the high grade rock chip sample.

Within the gold anomaly the soil sampling has defined a linear trend of highly anomalous samples with a similar orientation to gold bearing shear structure at the La Bellière Mine (Figure 2). Former BRGM exploration in this area included shallow percussion drilling (generally around 40-50 metres deep) which, from available data, appears to have tested part of the anomaly and intersected gold bearing zones.

The controls on the mineralisation and the gold-in-soil anomalism are currently incompletely understood. Data from the old work is in the process of being obtained from the BRGM to be used in the design of Variscan follow up work including possible shallow RAB drilling.

Bégrolle

At Bégrolle, to the south of the Belleville prospect, the soil work has defined a linear, one kilometre long, east-west oriented zone of gold anomalism (Figure 2). As at Belleville, the soil sampling recorded a number of plus 100ppb gold assays, notably in the western half of the zone, with a top value of 228ppb gold (or 0.23g/t gold).

This zone relates to a series of old shallow gold workings (pits and adits) which followed sulphide-bearing quartz veining within silicified sediments. The BRGM conducted some shallow drilling towards the east and west extremities of the shear although available records recovered to date are incomplete.

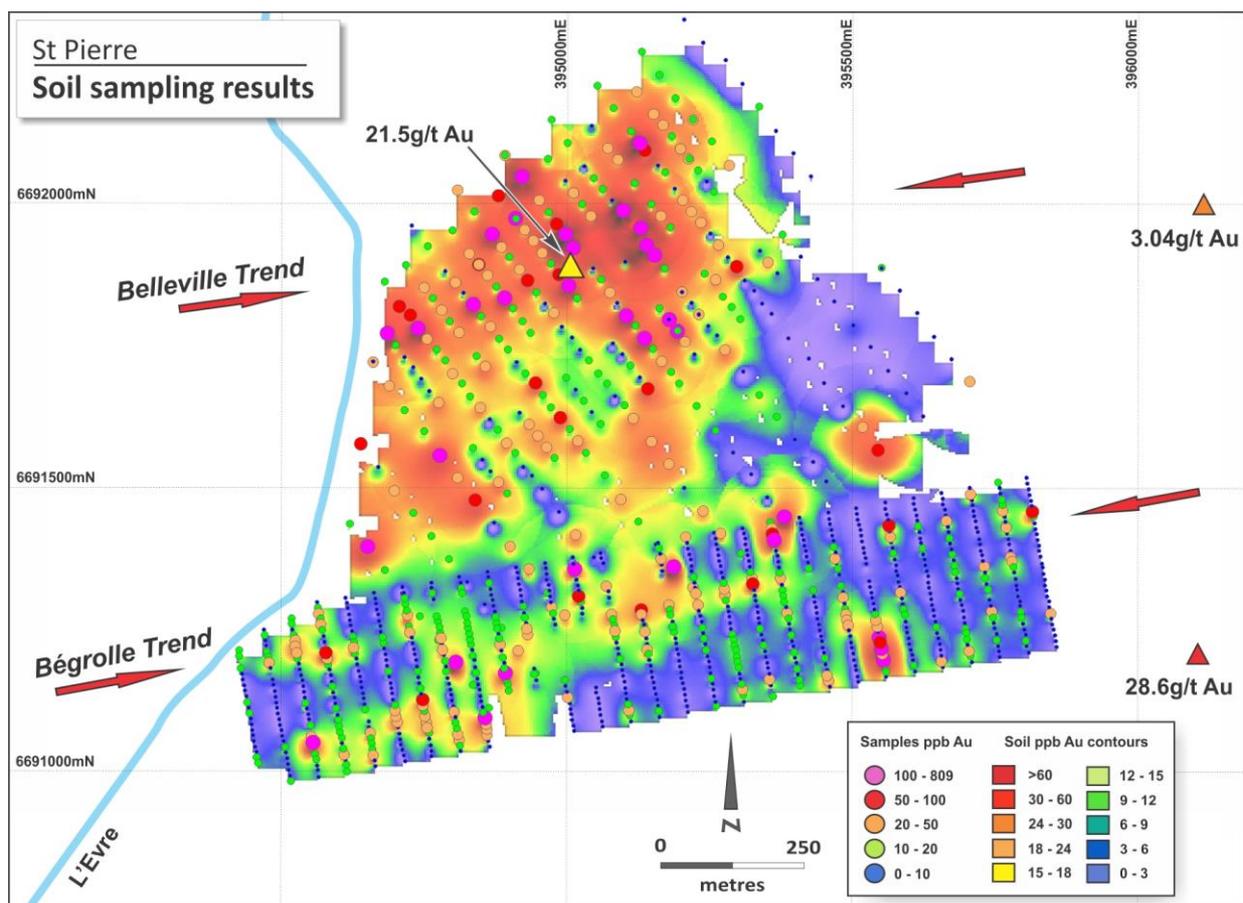


Figure 2 - Gold-in-soil results from Belleville / Bégrolle prospects. Triangular points are rock chips (g/t gold).

The new gold assays are highly encouraging and continue to support Variscan's belief that significant high grade, shear hosted gold deposits will be discovered within the licence. The soil sampling has tested just two of the numerous targets defined by previous Variscan work.

Planned follow up work includes -

- compilation and assessment of previous BRGM drilling, and
- shallow RAB drilling across higher grade zones to test shear systems.

Additional soil sampling is currently being processed and will be released when all assays are returned.

Yours faithfully


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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.

JORC Code – Table 1

Section 1 - Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> • Soil samples were collected at Belleville at 50m intervals along 100m spaced lines, with infill in some areas to 50x25m pattern. • At Bégrolle samples were collected at 10m intervals along 50m spaced lines. • Samples were taken with hand held augers from surface up (minus organic/leaf matter) to a depth of 120cm with the “B” horizon. • Company geologists logged each sample and recorded the position with handheld Garmin GPS. • Sample size was around 1-2 kg
Drilling techniques	<ul style="list-style-type: none"> • No drilling undertaken
Drill sample recovery	<ul style="list-style-type: none"> • No drilling undertaken
Logging	<ul style="list-style-type: none"> • Each sample was briefly described with details entered into the geological database
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • Samples were transported to e-Mines sample prep./assay laboratory located in Dun, southern France • Samples were dried and crushed to -2 mm • Samples were then split down with a riffle box • The sample splits were pulverized in a hammer mill to -80 µm • 100 grams of the material per sample was packaged and sent to the ALS Geochemistry laboratory - Ireland for analysis • Sample sizes and preparation techniques employed are considered to be appropriate for the generation of early stage exploration results
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • Samples were also sent to the ALS Lab (Ireland) for gold analysis. • Gold was analysed by method Au-AA24 (50g fire assay with an AA finish). Samples assaying > 10 ppm were re-assayed using method Au-GRA22 (50g fire assay with a gravimetric finish).
Verification of sampling and assaying	<ul style="list-style-type: none"> • Data storage in Excel spreadsheets and GIS database • Further field checking of samples with anomalous pathfinder or precious metal assays is planned
Location of data points	<ul style="list-style-type: none"> • GPS coordinates captured with Garmin GPS in latitude-longitude decimal degrees • Projection and recording of data points into the GIS database into the RGF93-Lambert93 system
Data spacing and distribution	<ul style="list-style-type: none"> • Soil samples were collected at Belleville at 50m intervals along 100m spaced lines, with infill in some areas to 50x25m pattern. • At Bégrolle samples were collected at 10m intervals along 50m spaced lines.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Soil grids were at a high angle to perpendicular to interpreted strike of auriferous structures. • Due to relatively poor outcrop and previous old mining of quartz rich outcrops, definition of insitu material was sometimes difficult and it was often not possible to clearly define the orientation of the underlying mineralisation.
Sample security	<ul style="list-style-type: none"> • Samples were transported to the Dun facility by Variscan geologists and Kuhene + Nagel transporter. • Gold samples were sent to ALS Geochemistry Ireland by DHL
Audits or reviews	<ul style="list-style-type: none"> • There has been no external audit or review of the Company’s techniques or data.

Section 2 - Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • St Pierre PERM (Permis Exclusif de Recherche de Mine, a French exploration licence) • No known impediments for future exploration and development
Exploration done by other parties	<ul style="list-style-type: none"> • Last significant exploration in area is believed to have been conducted by BRGM in the 1980s and by Normandy La Source in 1996. • Core drilling by both groups was completed on the central-eastern end of the La Bellière structure in an attempt to intersect along strike and down-plunge projections from the old workings. Much of the drilling is believed to have not effectively tested the area. • The BRGM also conducted soil sampling programmes and shallow RAB/RC/core drilling on a number of regional prospects. Variscan is in the process of compiling and interpreting the data.
Geology	<ul style="list-style-type: none"> • Orogenic shear hosted gold deposits.

Criteria	• Commentary
<i>Drill hole Information</i>	<ul style="list-style-type: none"> No drill core has been logged by Variscan geologists to date. The bulk of technical data for old drill holes is held by the BRGM and has been accessed by Variscan geologists.
<i>Data aggregation methods</i>	<ul style="list-style-type: none">
<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"> Diagram for gold-in-soil results provided in the report.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> It is not practicable or appropriate to report all individual soil sampling results. Gridding/imaging was performed in MapInfo Professional Discover 2014. An Inverse Distance Weighting method was used with a 120m circular search with four search sectors. Contouring was then applied to the grid (see Fig. 2). All data points have been shown in Fig. 2 to indicate that contouring was appropriate.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Much of the previous exploration data held by the BRGM. It is currently being complied and evaluated.
<i>Further work</i>	<ul style="list-style-type: none"> Detailed auger soil sampling over key prospects outlined from Variscan work. RAB drilling over gold anomalous areas. Completion of 3D modelling work for La Bellière mine. Logging of old BRGM and other core, notably over the La Bellière mine. Core drilling of La Bellière mine targets. Core/RC drilling of regional targets.