



VARISCAN SECURES THE ST PIERRE GOLD EXPLORATION LICENCE

- ❖ **Variscan Mines SAS, a wholly owned subsidiary of Variscan Mines Limited, has received approval for its second exploration licence in France.**
- ❖ **The St Pierre licence covers an area of 386 square kilometres around the La Bellière gold mine, which until 1952 is reported to have produced approximately 334,000 ounces of gold from ore averaging 12 g/t gold.**
- ❖ **Mining was conducted intermittently over a strike length of 1.6 kilometres to a maximum depth of 170 metres below surface.**
- ❖ **Gold mineralisation at La Bellière is shear hosted and contains high grade quartz veins up to 16 metres wide surrounded by zones of lower grade stockwork mineralisation.**
- ❖ **The potential of the La Bellière shear system to host multi-million ounce deposits is considered good.**
- ❖ **The regional exploration potential is also considered excellent, with additional sub-parallel shear zones evident.**
- ❖ **Aside from two shallow BRGM holes drilled during the 1980's, no significant exploration is believed to have been conducted within the area since 1952.**
- ❖ **The approval confirms Variscan's capacity to work together with the French Government and local communities and within the French mining code.**
- ❖ **Variscan will compile geological data and commence mapping/structural studies to generate short term drill targets around the old mine workings and undertake auger geochemical surveying over the shear zones to define new targets.**
- ❖ **Additional licence applications covering other prospective French projects 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 of the grant of its second exploration licence within Brittany, France. The licence (Permis Exclusif de Recherche or PER) covers an important hard-rock gold district believed to have been the third largest gold producer in France.

The St Pierre PER covers an area of 386 square kilometres around the La Bellière gold mine located in the Department of Maine et Loire, approximately 60 kilometres east of the regional centre Nantes (Figure 1).

From 1906 to 1952 the mine produced about 334,000 ounces of gold* (plus silver) up to a maximum depth of 170 metres below surface intermittently over a strike length of about 1.6 kilometres (Figure 2). The average production grade was 12 g/t gold, mined from a series stacked, high grade veins hosted within an east-west oriented shear zone. The high grade quartz – sulphide veins individually vary in true thickness from 1 to 16 metres and dip steeply to the south (Figure 3).

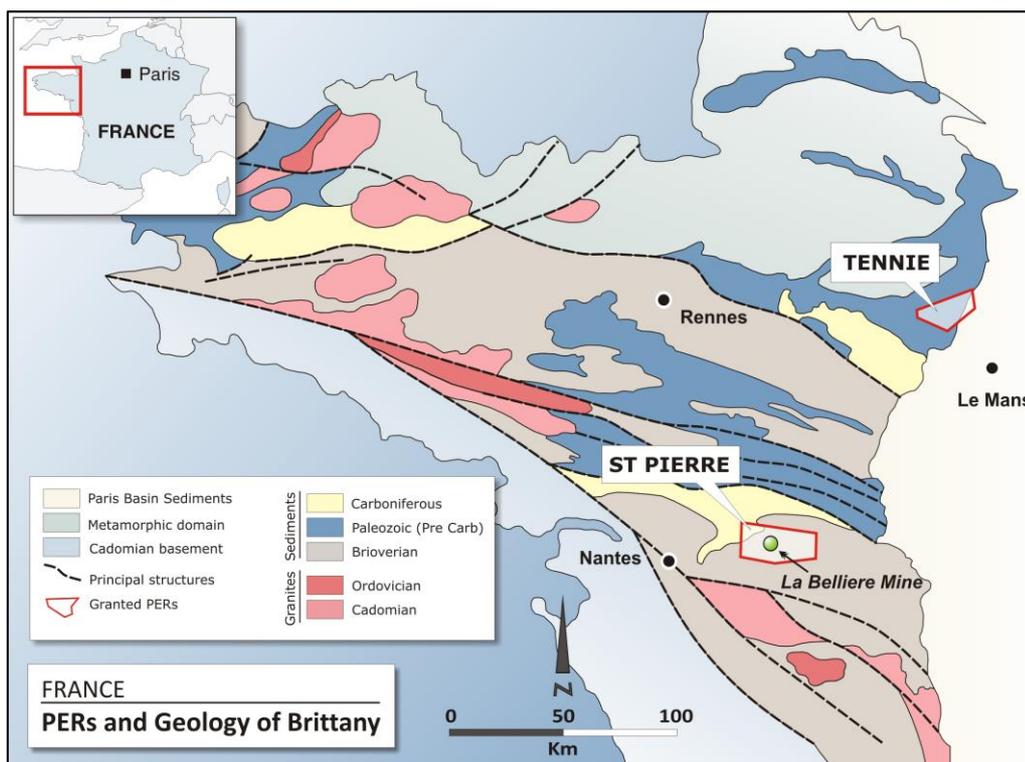


Figure 1 – Location of the St Pierre PER

Within the shear, between these thicker veins, the country rocks are invaded by structurally controlled stockwork vein / veinlet arrays identical in composition to the main lodes. Old records obtained by Variscan document zones of lower grade material between the high grade veins which were not mined. The width of the mineralised shear is believed to approach 30-50 metres in the mine workings (Figure 3) and offers bulk mineable potential.

The richest part of the La Bellière deposit is characterised by large scale and very intense quartz – sericite – pyrite hydrothermal alteration which bleaches the country rocks, forming a halo up to 200 metres on the flanks of the shear. Given the scale and intensity of this alteration and the nature and style of the mineralisation, Variscan believes that La Bellière displays the hallmarks of a major orogenic shear-hosted gold system with potential to host multi-million ounce gold deposits.

* C Louis. *Les exploitations minières dans le Massif Armoricain. Déclin ou progrès.* In: *Norois*. N°141, 1989. pp. 5-32.

To the north and south of La Bellière old data also indicates the presence of parallel shears, highlighting the potential for additional gold deposits within the immediate proximity of the mine and throughout remainder of the St Pierre PER.

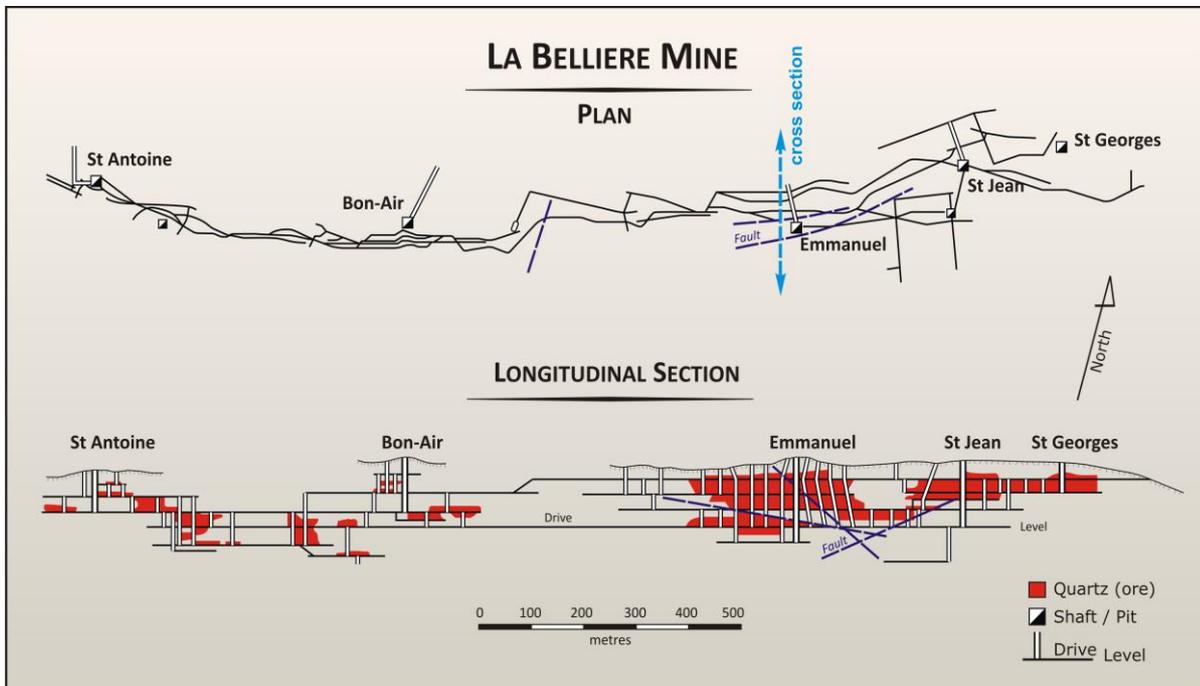


Figure 2 – Plan and long section views of La Bellière mine

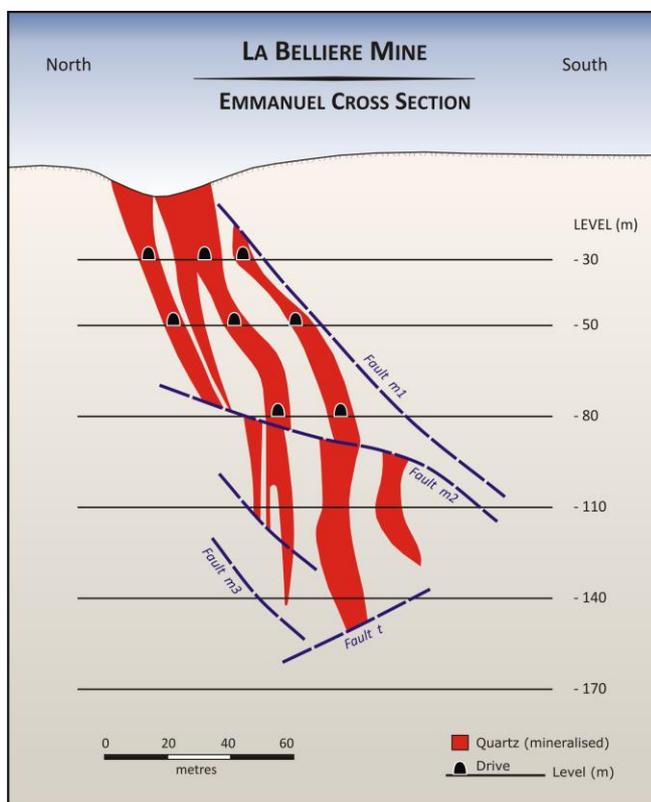


Figure 3 – Cross section through Emmanuel - La Bellière mine

Variscan will shortly commence compilation and assessment of geological data held at the BRGM (Bureau de Recherches Géologiques et Minières - the French Geological Survey) and commence mapping/structural studies to generate short term drill targets in and around the old mine workings. A combination of shallow drill holes to follow-up targets defined from old mine development assays and/or drill holes, as well as deeper drilling to test the down plunge extensions of the La Bellière vein system is envisaged. Variscan also intends to commence an extensive programme of shallow auger and rock chip geochemistry covering other shear zones within the PER to define additional targets within this underexplored region.

Commenting on the granting of the St Pierre PER, Variscan's Managing Director, Greg Jones said: "This continues the flow of positive developments for Variscan in France. The St Pierre PER is the second exploration licence granted to Variscan following the approval of the Tennie PER as announced on 28 June 2013. These PERs represent some of the first new exploration licences granted in France for more than two decades and clearly establish Variscan as one of France's pre-eminent exploration companies.

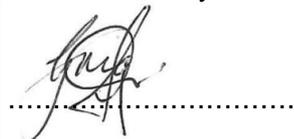
"It again demonstrates Variscan's capacity to successfully work together with the French Government and local communities and within the French mining code.

"The St Pierre project is particularly exciting as it covers one of the country's more important goldfields, where previous mining had selectively extracted substantial high grade ore from quartz veins hosted within a broad, mineralised shear zone. Shear systems like that found at La Bellière frequently host multi-million ounce gold deposits and are one of the more important sources for gold production world-wide.

"As well as the previously mined high grade veins, old drill data and reports currently available to Variscan indicate the possible presence of thick zones of lower grade but nevertheless potentially economic gold mineralisation that may represent shallow, bulk mineable targets for future exploration. These will be one the first targets to be tested by Variscan once initial geological work is completed and approvals to commence drilling are received.

Since gold mining halted at La Bellière in 1952, the only significant documented exploration in the goldfield has been conducted by the BRGM, who drilled two shallow diamond holes at the mine during the 1980's. No other modern exploration has been carried out and the project is considered highly underexplored and an outstanding new asset for the Company."

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 NL 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.

Background

Variscan (formerly PlatSearch NL) is a diversified resource company with exploration projects in eastern Australia and France and a strong portfolio of investments within a number of ASX-listed resource companies.

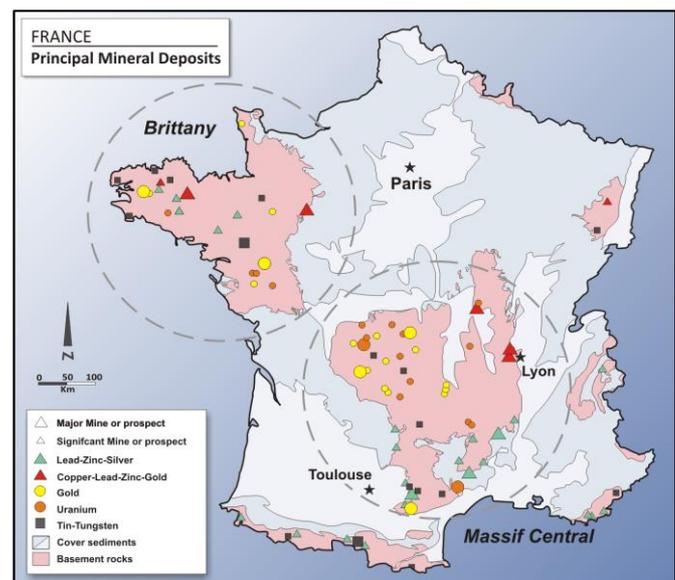
In mid-2010 Variscan expanded its project search to include advanced and brown-field opportunities to meet its business objective of becoming a producer. The Company identified a range of opportunities within Europe and has progressed substantial evaluation and acquisition work. Variscan has incorporated a wholly owned European subsidiary, Variscan Mines SAS, established and equipped an office in Orleans, France, and employed a team of experienced French geologists to assist in the work.

It is one of the most active resource companies in the region.

Variscan has targeted Europe due to its favourable geology, strong mineral endowment, good infrastructure and relatively modest sovereign risk. Europe has a long and rich history of mining stretching from pre early Greek and Roman times through to the present day and is well endowed with mineral deposits that have helped to dramatically shape the history of the region. Mineral deposits which have been a crucial part of the development and industrialisation of Europe include –

- the rich silver deposits of Laurion on the Greek Attica coast,
- the world-class copper, silver and iron deposits of Rio Tinto which were the most important source of metals for the Roman empire,
- the tin deposits of Cornwall, source of much raw material used in the Bronze age,
- the rich silver/copper/lead deposits of Rammelsberg which were an indispensable factor in the European resurgence after the Dark Ages, the Renaissance.

One of the key regions of interest for Variscan is France, formerly one of the larger European producers of metals such as lead-zinc-silver, gold and uranium. Interest in mining within France declined rapidly from about the mid 1980's. The last significant metal mine closed around 2002 and no new exploration licences have been granted for more than two decades. Large parts of the main mineral provinces of France are essentially unexplored, with little modern exploration or application of recent advances in the concepts of ore deposit formation.



JORC Code – Table 1

Section 2 - Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|--|---|---|
| Mineral tenement and land tenure status | <p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p> | <p>St Pierre PER ((Permis Exclusif de Recherche) located in the Department of Maine et Loire, approximately 60 kilometres east of Nantes granted to Variscan Mines Limited on 4 February 2014.</p> <p>No known impediments for future exploration and development</p> |
| Exploration done by other parties | Acknowledgment and appraisal of exploration by other parties. | <p>No significant field work to date by Variscan.</p> <p>Last significant gold exploration in area believed to have been conducted by BRGM in the 1980s. No exploration results quoted.</p> |
| Geology | Deposit type, geological setting and style of mineralisation. | Shear-hosted gold deposit containing thick high grade veins and lower grade stockwork mineralisation. |
| Further work | <p>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p> | <p>Compilation and assessment of the large amount of geological data held at the BRGM (Bureau de Recherches Géologiques et Minières - the French geological survey). Commence mapping/structural studies to generate short term drill targets in and around the old mine workings. A combination of shallow drill holes to follow-up targets defined from old mine development assays and/or drill holes, as well as deeper drilling to test the down plunge extensions of the La Bellière vein system is envisaged. Commence extensive programme of shallow auger and rock chip geochemistry covering other shear zones to within the PER.</p> |