



VARISCAN SECURES CORNERSTONE INVESTOR

Raises \$1.35 million in Share Placement and launches Share Purchase Plan

Variscan Mines Limited (ASX: "VAR" or "the Company") is pleased to announce it has secured A\$1.35 million from institutional and sophisticated investors through a share placement that will enable the Company to complete a JORC Resource for its high grade Porte-aux-Moines zinc deposit in Brittany, France ("Placement"). The Placement was underpinned by a cornerstone investment of A\$750,000 by institutional investor Acorn Capital Limited ("Acorn").

In addition to the Placement, the Board of Variscan has also resolved to offer eligible shareholders the opportunity to participate in a Share Purchase Plan ("SPP") to raise an additional A\$400,000.

Funds raised by the Placement and SPP will enable the completion of a JORC Compliant Resource for its high grade Porte-aux-Moines zinc deposit (located within the Merleac licence), progress the Company's exploration activities within its key tenements in France and provide working capital. Variscan Managing Director Greg Jones commented: "Securing Acorn Capital as a cornerstone investor is a clear endorsement of the quality of the Company's assets and the short-term upside available at its advanced Porte-aux-Moines zinc project. Variscan welcomes Acorn as a major shareholder and looks forward to working with the group in the future."

Under the Placement, shares were issued at 2.3 cents per share, representing a 20.2% discount to the 5 day VWAP of 2.9 cents per share preceding the Company's trading halt on 23 November 2015. In total, 56,521,739 shares will be issued together with one unlisted option (exercisable at 5 cents per share with a two year expiry) for every two shares issued. The issue of the options will be subject to approval by shareholders at a general meeting to be convened as soon as practicable

Patersons Securities Limited acted as Lead Manager to the share placement.

Share Purchase Plan

In order to provide all eligible shareholders of the Company with the ability to participate in this capital raising, the Company is undertaking the SPP whereby eligible shareholders on the Company's register at 7pm (Sydney time) on 24 November 2015 (being the Record Date) with registered addresses in Australia and New Zealand, irrespective of the size of their shareholding, will have the opportunity to purchase up to A\$15,000 worth of fully paid ordinary shares in the Company at a price of 2.3 cents per share (subject to obtaining an ASX waiver)("Waiver")(see Waiver below), or at 2.31 cents per share if the Waiver is not granted. The Company hopes to receive a decision on the Waiver within 10 days and will announce the Waiver decision as soon as possible.

The Company is finalising the SPP Offer booklet which is anticipated to be dispatched to eligible shareholders within the next 2 weeks and which will contain full terms and conditions of the SPP which is anticipated to close on or about 23 December 2015.

Waiver

ASX Listing Rule 7.2 (Exception 15) states that the issue price of shares under a share purchase plan must be at least 80% of the VWAP for shares in that class, calculated over the last 5 trading days on which sales were recorded, either before the day on which the issue was announced or before the day on which the issue was made. The Company's intended price of 2.3 cents per share equates to 79.8% of the 5 day VWAP of the Company's shares. The Company is seeking the Waiver to allow the SPP issue price to be 2.3 cents per share, being the same as the Placement. The Waiver is being sought by the Company in order to encourage participation in the SPP by the Company's existing shareholders and to ensure that they are offered the opportunity to participate on the same issue price per share as the incoming Placement participants.

Yours faithfully



Greg Jones

Managing Director

For further information:

Greg Jones
Variscan Mines Limited
P: +61 2 9906 5220
E: info@variscan.com.au

Media enquiries:

Rebecca Lawson
Media and Capital Partners
P: +61 433 216 269
E: rebecca.lawson@mcpartners.com.au