



APPROVALS RECEIVED FOR ST PIERRE GOLD DRILLING

- ▼ **Drilling approvals for St Pierre gold project received from local authorities**
- ▼ **Drill rigs are expected to arrive at the site shortly**
- ▼ **An initial 1,300 metre RC and diamond drilling program is scheduled to test two highly prospective targets –**

Belleville - a 900 x 400 metre bedrock gold anomaly where previous sampling recorded rock chips up to 21.5g/t gold and soil values up to 2.4g/t gold

Ville Tirard - where historic drilling is reported to have intersected thick zones (estimated >15-20m true width) of near-surface gold mineralisation with grades averaging around 3-4g/t gold

Variscan Mines Limited (ASX: VAR) is pleased to announce its wholly owned subsidiary Variscan Mines SAS has received formal government approval for its drilling programme to test highly prospective gold targets within its St Pierre Gold Project. As outlined by the Company to the ASX on 19 January, Variscan has signed a contract with Cofor Drilling to provide services for the planned drilling within both the St Pierre gold and Merleac zinc licences.

Drill rigs are expected to arrive at site shortly with drilling activities to commence once preparatory work is finalised.

At St Pierre, previous exploration by Variscan defined two outstanding gold targets along strike from and to the south of the La Bellière gold mine, believed to be France's third largest gold mine, which is recorded to have produced 334,000 ounces gold at a grade of 12g/t gold until 1952.

These are the Belleville and Ville Tirard prospects which will be tested by a combination of shallow traverse RC and core diamond drilling.

At Belleville (Figure 1) previous exploration has defined a 900 x 400 metre zone of strongly anomalous gold values up to 2.4g/t gold in soils displaying a similar gross orientation to the gold bearing shear structure at the La Bellière mine (ASX announcement 2 June 2015 and September 2015 Quarterly). Two traverses of 16 inclined, 60 metre deep RC holes (for around 1000 metres) are planned to test the anomaly across the interpreted east-north-east striking shear zone (Figure 2).

At Ville Tirard, two shallow core holes will test an area where old drilling (1952) at the western end of the main gold field is recorded in reports held by the BRGM (Bureau de Recherches Géologiques et Minières - the French geological survey) 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.

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 attempt to intersect the mineralisation.

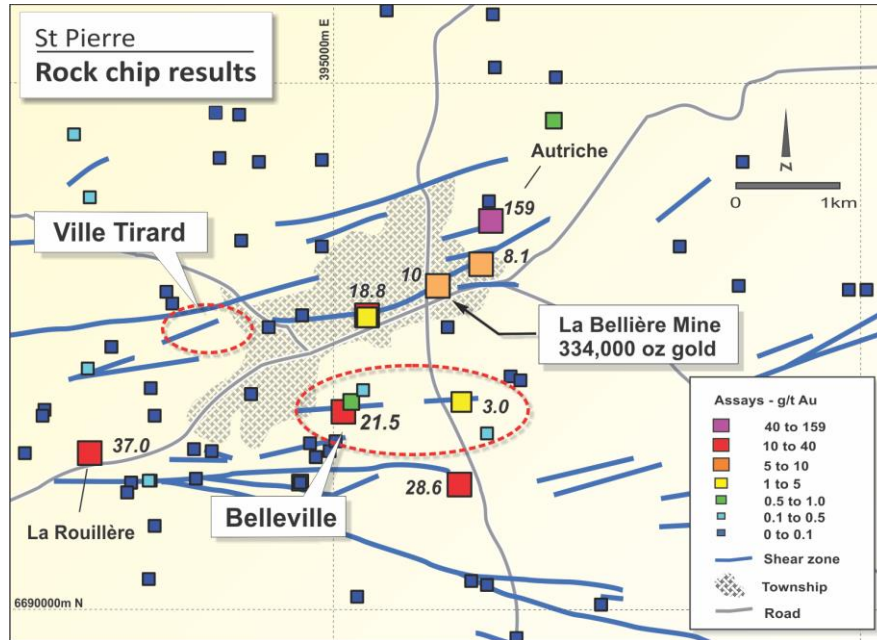


Figure 1: Rock chip / float sampling results, mapped shear zones and key prospect locations

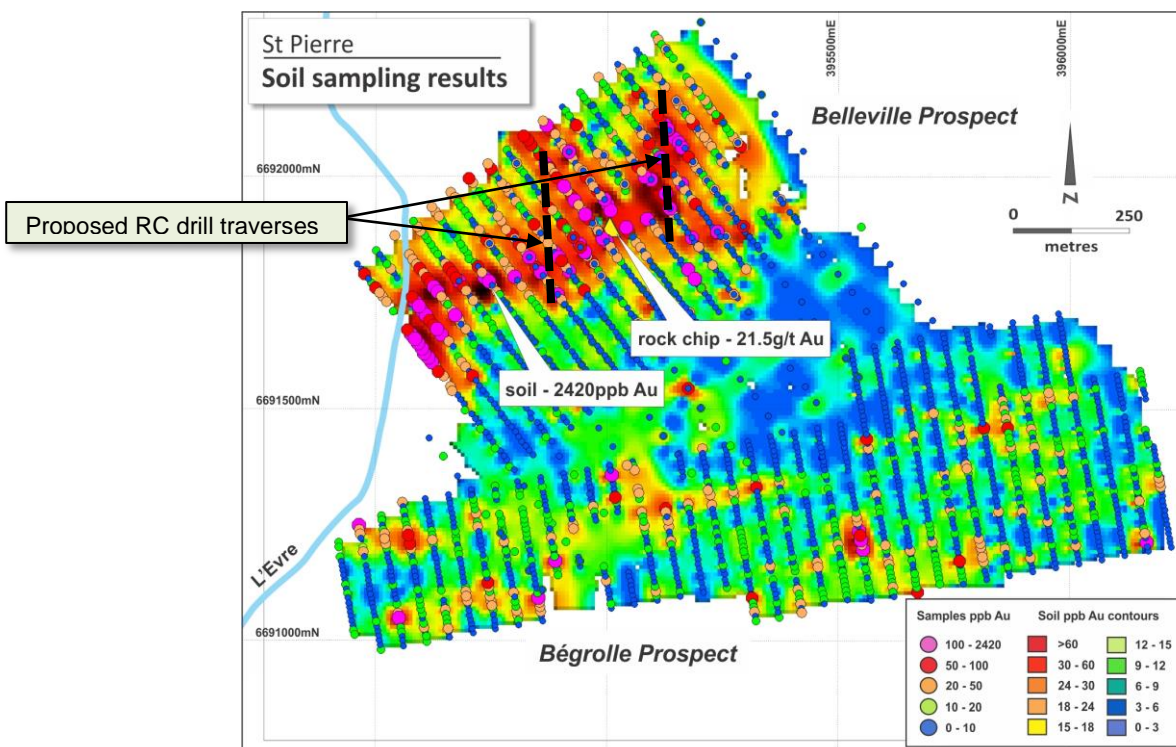


Figure 2: Belleville gold prospect at St Pierre showing soil sampling completed to date and strong anomalism defined

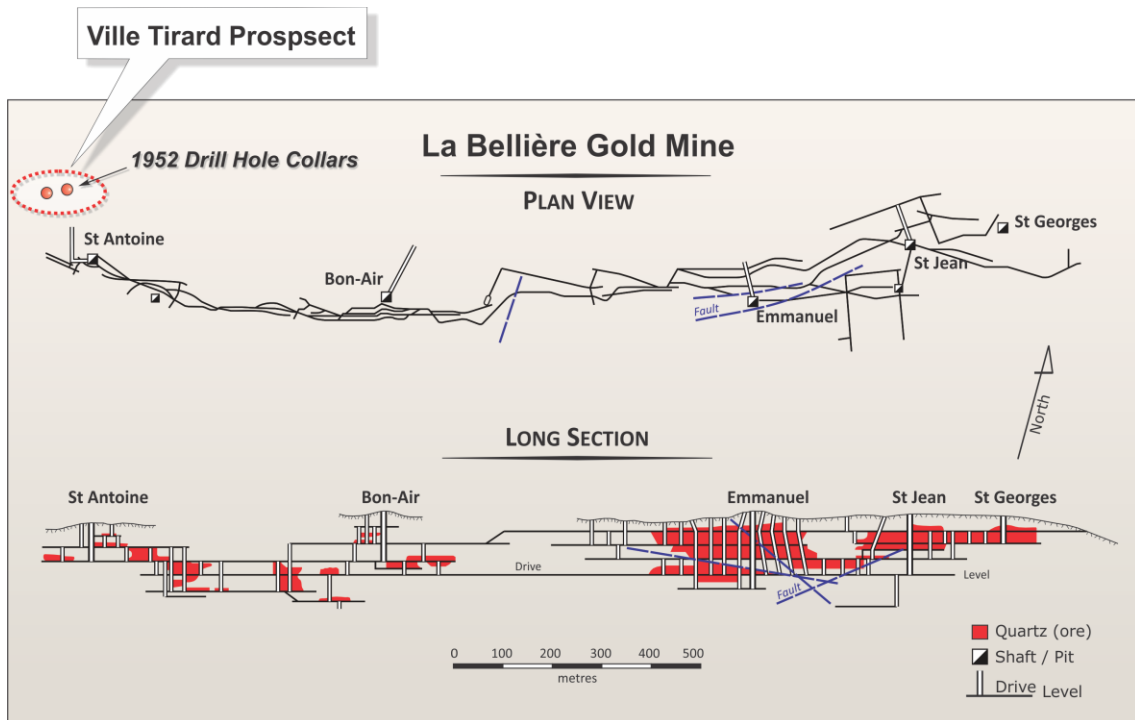
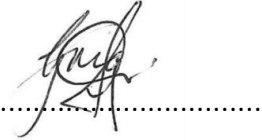


Figure 3 - Approximate location of Ville Tirard prospect and drill collars from 1952 drilling projected onto the plan view of La Bellière gold mine workings

Yours faithfully



Greg Jones

Managing Director

Competent Persons Statement

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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