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ANNOUNCEMENT:

VICTORIAN GOLD MINES NL: SET TO DRILL THIS MONTH.

Victorian Gold Mines NL (ASX Code VGM) have signed up drilling company Blacklaws Drilling Pty Ltd to complete a drilling program at the companies Wedderburn gold mining lease near Bendigo Victoria. Victorian Gold Mines NL are trying to locate what has been termed "The Ballroom" which is believed to contain a gold bearing saddle reef laying to the east of the original historical discovery.

The previous Victorian Gold Mines management did refurbish the old shaft, but failed to locate the gold bearing quartz reef. Over 100 tonne of material has been stockpiled and will be used to blend with any gold bearing material. The objective is to put down between 3 to 5 RC drill holes in order to locate the exact location of the reef system and determine its width and the gold values before the company decides to reopen the refurbished shaft that would enable the restarting of mining activities. The depth of the reef system is expected to be about 40 metres from the surface.

Scheduling issues and subsequent poor weather have delayed drilling, which was set down for the last week of June. Victorian Gold Mines hopes to complete this program this month, assay the material and release its results and the company's intentions as to the future of the Wedderburn project.

The company did have a contract with a local plant operator, but did not process any material even though it paid a rental for some months. That contract was cancelled once the new management took over in April, but can be initiated once there is gold bearing material to be processed. The plant is located nearby and the company will be able to re establish processing access and employ local miners associated with the plant operator.

The company's local geologist, the processing plant operator and one of the company's directors are expected to be on hand to ensure the efficient completion of the drilling program. Shareholders will be continually informed as to the Wedderburn developments.

Kevin Nichol, Chairman
Victorian Gold Mines NL.