



Victorian Gold Mines N.L
ACN 139 255 771 ABN 82 139 255 771
Suite 304, 22 St Kilda Road, St Kilda, VIC 3182
Phone: (03) 9692 7222
Fax: (03) 9529 8057
Email generaladmin@victoriangoldmines.com.au

8 September 2010

Company Announcements
Australian Stock Exchange
Level 45
Rialto South Tower
525 Collins Street
MELBOURNE VIC 3000

Dear Sir,

ACQUISITION OF NORTH AFRICAN INTERESTS – UPDATE

Further to the Company's announcement of 29 July 2010 the Company is pleased to announce that formal transaction documentation has now been signed between the parties reflecting the terms announced to the market on 29 July 2010.

Pursuant to this agreement the parties are continuing to conduct mutual due diligence. Both parties anticipate completing due diligence investigations by no later than the end of September. Subject to the satisfactory outcome of due diligence enquires, the parties anticipate the initial tranche of the transaction to be completing by the end of September. David Regan will join the board in an executive role concentrating on the development of the Celamin assets. Ralph Stagg, the technical director of Celamin will also join the board in the future. The Annual General Meeting of the Company will be held on or about October 20, 2010 in Sydney.

The company would like to point out that this transaction agreement has been completed on a timely basis and this shows the dedication of both groups to work together in progressing the VGM/Celamin merger/acquisition. Given the demand for fertilizer base products such as phosphate, it will not be surprising that the market will continually re rate the company in expectation of the development of its first mine by the end of 2013.

Yours sincerely
VICTORIAN GOLD MINES LIMITED

KEVIN NICHOL
Chairman