



Victorian Gold Mines N.L
ACN 139 255 771 ABN 82 139 255 771
PO Box 1075 Bendigo Central Victoria 3552
Phone: 03 5441 5678
Fax: 03 5442 5038
Email generaladmin@victoriangoldmines.com.au

ASX Announcement

22 February 2010

Dear Option Holders,

PRO-RATA (1:2) NON-RENOUCEABLE RIGHTS ISSUE OF OPTIONS

As announced to the market on 5 February 2010, Victorian Gold Mines NL will complete a Pro-Rata Non-Renounceable Rights Issue of Options (**Options**). The Rights Issue of Options is fully explained in the Prospectus, which has been lodged with ASIC and released on to the ASX announcements platform. The Prospectus is available on the company's website, www.victoriangoldmines.com.au. The timetable for the rights issue is set out at page 2 of this letter.

DETAILS

The new issue is a pro-rata non-renounceable rights issue of up to 14,067,001 Options over shares in Victorian Gold Mines NL (ASX: VGM) on the basis of one (1) Option for every two (2) VGM Shares held on the Record Date of Wednesday 3 March 2010. The issue price is 1 cent per Option and the issue may raise up to \$140,067.01. The Options will be exercisable at 20 cents each on or before 31 March 2014. VGM will apply to have the Options quoted on the ASX.

PARTICIPATION BY OPTION HOLDERS

You must be registered as a VGM Shareholder on Wednesday 3 March 2010, (**Record Date**) to be eligible to participate in the rights issue.

VGM advises that existing option holders can participate in the rights issue by converting their options into VGM Shares before the Record Date. Option holders should contact Victorian Gold Mines NL on 03 5441 5678 to request an Option Exercise Notice.

If you wish to convert your Options into VGM Shares, you must complete the Option Exercise Notice, attach a cheque for the correct amount and ensure that the Option Exercise Notice is received by VGM before 1 March 2010 to ensure you are entered onto the register by the Record Date.

Any Option Exercise Notices received after the Record Date will not convert into VGM Shares which are eligible to participate in the rights issue. VGM will not be responsible for any postal or delivery delays.

NON-RENOUCEABLE RIGHTS ISSUE INFORMATION – ASX REQUIREMENTS

The following information is provided to option holders in accordance with the ASX Listing Rules. Full details of the rights issue are contained in the Prospectus which will be sent to eligible shareholders on 5 March 2010.

- Shareholder approval is not required for the rights issue
- The rights issue is non-renounceable
- Shareholders may not apply for additional Options beyond their entitlement.
- The maximum number of Options which may be issued is 14,067,001 Options



Victorian Gold Mines N.L
ACN 139 255 771 ABN 82 139 255 771
PO Box 1075 Bendigo Central Victoria 3552
Phone: 03 5441 5678
Fax: 03 5442 5038
Email generaladmin@victoriangoldmines.com.au

- The securities rank equally in all respects from the date of allotment with existing options issued and which were announced to the market on 5 February 2010.
- Fractional entitlements to the Options will be disregarded.
- Only security holders resident in Australia and New Zealand are eligible to participate in the offer. Shareholders outside of Australia and New Zealand are unable to participate in the offer.
- Closing date for receipt of acceptances 5.00 pm (AEDT) on 26 March 2010
- The rights issue is not underwritten.
- The Prospectus and entitlement and acceptance form will be sent to eligible Shareholders on 5 March 2010.
- Despatch date of holding statements for options is 7 April 2010.
- Funds raised will be used for working capital.

TIMETABLE FOR THE RIGHTS ISSUE

EVENT	DATE
Announcement of Non- Renounceable Rights Issue	5 February 2010
Lodgment of Prospectus with ASIC	22 February 2010
Notice sent to Shareholders detailing rights issue	23 February 2010
Application for listing of Options and Prospectus to ASX	23 February 2010
Shares quoted by ASX on an 'ex' entitlement basis	25 February 2010
Record Date to determine entitlements	3 March 2010
Dispatch of Prospectus and Entitlement and Acceptance Form	5 March 2010
Acceptances Closing Date	26 March 2010
Options quoted on a deferred settlement basis	29 March 2010
Notification to ASX of under subscriptions	30 March 2010
Dispatch date of holding statements	7 April 2010

Mr Michael Trifunovic
Company Secretary