



Victorian Gold Mines N.L
ACN 139 255 771 ABN 82 139 255 771
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ASX Announcement

1 June 2010

Pro Rata Non – Renounceable rights issue of contributing shares

Victorian Gold Mines NL (**VGM** or **Company**) (ACN 139 255 771) announces that it will undertake a capital raising through a 1 for 5 pro-rata non-renounceable rights issue of Contributing Shares (**Contributing Shares**) to Shareholders. The Company intends to issue to Shareholders a prospectus for the rights issue on or about 1 July 2010.

The Company will also place up to 22,500,000 Contributing Shares with professional and sophisticated investors. Funds raised from the allotment of Contributing Shares to sophisticated and professional investors, will be used for the introduction of new projects, support of the Company's objectives and to enhance activities associated with the Company's efforts in West Africa and Indonesia. Approximately 4,200,000 Contributing Shares will be allotted immediately and the balance will be issued subject to obtaining the necessary shareholder approvals.

Terms of the Contributing Shares

Contributing Shares will be issued on the following terms:

- 1) each Contributing Share:
 - a) is paid to 0.001 cent;
 - b) has an amount unpaid of 10 cents; and
 - c) has the right to participate in new issues of securities in the proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited);
- 2) the Company shall not make a call in respect of any amount unpaid on a Contributing Share unless the day on which the call will be payable is on or after 3 years from the date on which the Company was admitted to the official list of ASX (i.e. 15 December 2012) and shall call not more than 2 cents in any 6 month period thereafter;
- 3) holders of Contributing Shares have no obligation to meet a call made by the Company, however, non-payment of a call will result in the forfeiture of the relevant Contributing Share;
- 4) holders of Contributing Shares are permitted to pay up the full amount remaining unpaid at any time (without the Company first being required to make a call), in which case the Contributing Share will become a (fully paid) Share and will rank pari passu with all Shares on issue;
- 5) if a holder of a Contributing Share tenders part of the amount remaining unpaid (but not the full amount) on the Contributing Share other than in satisfaction of a call:



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- a) the rights attached to the Contributing Share will not change (including the amounts paid and unpaid); and
 - b) the amount tendered will be returned; and
- 6) if there is a reorganisation of the issued capital of the Company (including, and not limited to, a consolidation, subdivision, cancellation, reduction or return of capital):
- a) the number of Contributing Shares must be reorganised in the same proportion as all other classes of shares on issue; and
 - b) the reorganisation must not involve a cancellation or reduction of the total amount payable and unpaid by holders of the Contributing Shares. The amount payable will be reflected proportionately given the type of reorganisation.

The Company will seek quotation of the Contributing Shares on the ASX.

Timetable

The pro rata non-renounceable rights issue timetable is set out below.

EVENT	DATE
Announcement of the Offer	1 June 2010
Lodgment of Prospectus with the ASIC	21 June 2010
Notice sent to Option holders detailing rights issue	21 June 2010
Notice sent to Shareholders detailing rights issue	22 June 2010
Shares quoted by ASX on an 'ex' entitlement basis	24 June 2010
Record Date to determine entitlements	30 June 2010
Dispatch of Prospectus and Entitlement and Acceptance Form	1 July 2010
Opening Date	5 July 2010
Closing Date	19 July 2010
Contributing Shares quoted on a deferred settlement basis	20 July 2010
Dispatch date of holding statements	23 July 2010

Mr Michael Trifunovic
Company Secretary