



26 June 2009

AIM: VGM

**Vatukoula Gold Mines plc
("VGM" or "the Company")**

Grant of Options and Warrants

In the Re-Admission document dated 13 March 2008, VGM stated its intention to grant 121,000,000 options to the directors and consultants to subscribe for 1 new ordinary share in the Company at a price of 6 pence per share. In November 2008 when David Paxton was appointed as Chief Executive Officer to the Company and awarded options with an exercise price of 2 pence per share, the board thought it appropriate to grant the 121,000,000 options when it was able to do so, with an exercise price of 2 pence per share, thereby broadly aligning the option terms across the members of the board. Therefore, the options have been granted to the following persons, as per the Re-Admission document:

		No. of Options	Exercise Price	% of current issued share capital
Ian Colin Orr Ewing	Executive Chairman	10,000,000	£0.02	0.37 %
Kiran Caldas Morzaria	Finance Director	15,000,000	£0.02	0.55 %
David Anthony Lenigas	Executive Director	30,000,000	£0.02	1.10 %
John Ian Stalker	Non – Executive Director	30,000,000	£0.02	1.10 %
Neil Lindsey Herbert	Non – Executive Director	20,000,000	£0.02	0.73 %
Donald Strang**	Consultant	15,000,000	£0.02	0.55 %
Emma Curnow***	Consultant	1,000,000	£0.02	0.03%
Total		121,000,000	£0.02	4.42

** Donald Strang was formerly a non executive director of the Company but resigned on 18 December 2008; he currently provides consulting services to the Company

*** Emma Curnow has provided corporate and financial services to the Company in the past but no longer does so

Each option is exercisable until 31 March 2013.

In addition, the Board has granted additional options and warrants as follows:

- 43,150,000 options to the mine management and local employees in Fiji. Each option carries the right to subscribe for 1 ordinary share of 0.10 pence each in the capital of the Company at a price of 1 pence, exercisable up to five years after the commencement of employment with the Company; and
- 22,750,000 warrants to Brand Securities Ltd as part payment of introductory fees associated with the placing announced on 20 April 2009. Each warrant carries the right to subscribe for 1 ordinary share of 0.10 pence in the capital of the Company at a price of 1 pence, exercisable up to 23 December 2010.

The total of the options and warrants granted today is 186,900,000 or approximately 6.83% of the issued ordinary share capital. The total number of options and warrants granted to directors, employees, consultants and professional advisers is 300,328,885, of which 230,550,000 are held by directors, employees and consultants and 69,778,885 are held by professional advisers. Directors, employees and consultants hold options which represent 8.43% of the currently issued share capital of VGM.

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