



AIM: VGM

25 January 2010

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

Exploration Drilling Results

Vatukoula, (AIM: VGM), the Fijian gold producer, is pleased to announce the initial results from its exploration programme targeting an economic resource suitable for surface mining.

Highlights:

- Drilling has identified multiple mineralised structures
- Structures interpreted to be open along strike and depth
- Selected drill hole intersections include:
 - MA 738 - 5.35m at 5.97 g/t of Gold
 - MA 740 - 6.03m at 2.06 g/t of Gold
 - MA 743 - 2.85m at 5.38 g/t of Gold
 - MA 747 - 1.45m at 6.57 g/t of Gold

In September 2009 Vatukoula announced that it had begun the surface mining and treatment of near surface oxidised gold mineralisation, and had begun a 10 hole diamond drilling exploration programme near the Korowere hill area targeting the near surface extension of the President Dyke and associated gold mineralisation. All 10 holes have now been drilled under this programme. The drilling results are given in Table 1 below.

Initial drilling intersected multiple mineralised structures around old surface operations specifically around the President Dyke where mineralisation remains open along strike and at depth.

In addition to the current drilling programme, historical surface mapping and drill intercepts will be used to develop an exploration programme to delineate the extent of the mineralisation with a view to estimating a Mineral Resource and possibly a Mineral Reserve for the oxidised mineralisation. Any such resource (and/or reserve) statement prepared in respect of the oxidised mineralisation will be announced if and when completed.

Success in these investigations would lead to a review of all Vatukoula's leases in the wider region for potential oxidised mineralisation and its possible inclusion in the long term mine plan of the Vatukoula Gold Mine.

Importantly, the Mineral Reserve and Mineral Resource estimate announced on 13 January 2010 excludes any oxide material that is presently being evaluated in this exploration programme.

David Paxton, CEO of Vatukoula Gold Mines commented – "We are pleased with the results of the oxide ore exploration to date which have confirmed management's belief in additional near surface gold mineralisation; if this is proved, and is of sufficient scale and grade, it will add to the production profile of the Mine. This exploration work has progressed well and is in conjunction with our continued production of gold from existing operations. Management

recognises that it is important to maintain our efforts in increasing production from existing reserves, whilst also exploring the potential to grow the reserve base. We look forward to reporting on our gold production for the quarter in March.”

Qualified Person Kiran Morzaria B.Eng. (ACSM), MBA, has reviewed and approved the information contained in this announcement. Kiran holds a Bachelor of Engineering (Industrial Geology) from the Camborne School of Mines and an MBA (Finance) from CASS Business School. Kiran is the Finance Director of Vatukoula.

Enquiries:

Vatukoula Gold Mines plc
David Paxton + 44 20 7016 7861
Kiran Morzaria

W.H. Ireland Limited
David Porter + 44 20 7220 1666
James Joyce

Arbuthnot Securities Limited
John Prior +44 20 7012 2000
Edward Burbidge

Bishopsgate Communications
Michael Kinirons +44 20 7562 3395

Table 1 Drilling Results

Hole Number	Northing (Coordinates)	Easting (Coordinates)	Relative Level in metres	Azimuth (Degrees)	Dip (Degrees)	Mineralised Intervals (g/t Au)	From (m)
MA-737	11611.99	5952.76	10124.65	330.00	-30.00	2.35m @ 1.85	49.1
						0.80m @ 2.29	80.65
MA-738	11610.75	5953.58	10124.74	330.00	-45.00	0.50m @ 2.19	32.5
						5.35m @ 5.97	89
MA-739	11610.17	5951.45	10124.69	300.00	-30.00	1.00m @ 4.58	79.6
						2.5m @ 0.8018	82.6
						0.61m @ 1.66	91.6
MA-740	11609.82	5952.31	10124.93	298.36	-42.82	0.75m @ 1.30	33.6
						6.03m @ 2.06	84.9
MA-742	11557.74	5878.40	10112.26	326.95	-29.55	0.54m @ 1.51	35.28
						1.25m @ 0.81	41.2
						0.20m @ 1.99	70.4
MA-743	11557.61	5878.48	10111.87	326.54	-45.03	1.00m @ 0.97	62.5
						2.05m @ 1.19	63.55
						2.85m @ 5.38	83.45
MA-744	11555.49	5876.72	10112.05	300.13	-30.69	0.70m @ 2.59	13
						0.25m @ 1.40	29.05
MA-746	11554.77	5877.72	10111.59	11.48	-84.90	0.15m @ 12.97	5.9
MA-747	11555.49	5876.50	10112.64	298.42	-11.98	0.42m @ 3.81	28.6
						0.80m @ 3.36	30.1
						0.45m @ 1.01	45.55
						2.95m @ 1.68	46.6
						1.30m @ 1.57	49.6
						1.20m @ 1.78	51.1
						0.85m @ 3.50	53
						1.45m @ 2.54	54.1
						1.45m @ 6.57	55.6
						1.40m @ 3.23	57.1
						0.10m @ 11.58	61.6
						0.23m @ 2.14	63.1
MA-748	11557.72	5878.41	10112.85	323.95	-10.90	0.30m @ 6.71	19.4
						0.25m @ 9.45	24
						0.30m @ 1.15	27.3
						0.20m @ 6.85	27.9
						0.60m @ 1.95	30.9
						1.55m @ 1.50	33.5
						0.82m @ 3.62	35.4
						0.20m @ 1.10	40.9
						0.85m @ 1.24	42.9