

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

Operational Results for the Year Ended 31 December 2019

Vatukoula Gold Mines Plc (VGM) announces its unaudited operational results from its 100% owned Vatukoula Gold Mine in Fiji for the year ended 31 December 2019.

	12 months ended Dec 2019	12 months ended Dec 2018
<u>Underground Mining</u>		
Total underground tonnes mined (ore, waste & capital)	403,155	417,570
Operating development (metres)	11,237	9,987
Capital development (metres)	6,422	7,605
Total development (metres)	17,659	17,592
<u>Sulphide Plant</u>		
Sulphide ore delivered (tonnes)	311,053	334,520
Sulphide head grade (grams/tonne)	4.08	3.99
<u>Oxide Plant</u>		
Oxide ore delivered (tonnes)	20	7,008
Oxide head grade (grams/tonne)	1.24	2.19
<u>Tailing Retreatment Plant</u>		
Tailing ore delivered (tonnes)	211,717	342,315
Tailing head grade (grams/tonne)	1.28	1.44
<u>Total (sulphide+oxide+tailing retreatment)</u>		
Ore processed (tonnes)	522,769	676,835
Average ore head grade (grams/tonne)	2.95	2.70
Total recovery	71.06%	69.33%
Gold produced	35,560	41,137
Gold shipped	35,560	42,213
<u>Cash Costs</u>		
Operating cash cost per ounce shipped (US\$/ounce)	1,052	940
All in cash cost per ounce shipped (US\$/ounce)	1526	1,317
Average realised gold price (US\$/ounce)	1,393	1,267

Underground Production and Development

Total tonnes of ore and waste mined decreased by 4% to 403k tonnes in 2019 from 418k tonnes in 2018. A total of 311kt ore was delivered to the mill from underground in 2019, an 8% decrease from 335kt in 2018.

The capital development is required to sustain ore output in 2019 and beyond. In order to achieve the mine's nameplate capacity of 680kt per annum and to reduce unit cost, substantial funding is required for mine development and mill retrofitting.

The average underground ore grade in 2019 was 4.08 grams per tonne, compared to 3.99 grams per tonne in 2018. The overall average ore grade in 2019 is 2.95 grams per tonnes, compared to 2.70 grams per tonne in 2018.

Vatukoula Treatment Plant (“VTP”)

Total ore processed was 522kt in 2019, including 311kt underground ore and 211kt tailings, compared to 677kt in 2018.

The average head grade was 2.95 grams per tonne in 2019 from 2.70 gram per tonne in 2018. This was due to lower grade of underground ore and higher percentage of low-grade re-processed tailings.

The overall mill recovery was 71% in 2019, compared to 69% in 2018.

Gold shipped was 36k ounces in 2019, a 15% decrease over 42k ounces in 2018.

Cash Costs

The unit operating cash costs increased to US\$1052 per ounce in 2019 from US\$940 per ounce in 2018. The higher unit cash cost in 2019 than in 2018 is mainly due to lower gold ounces shipped compared to budgeted ounces of 49k for 2019. All-in sustaining costs increased to US\$1,526 per ounce in 2019 from US\$ 1,317 per ounce in 2018 mainly due to capital expenditure VTP processing plant and dolphin shaft.

New Development and Events

After the completion of new Heavy Fuel Oil (HFO) power plant, VGML’s other major on-going capital projects are construction of Dolphin Shaft, VTP mill retrofitting, and construction of tailing dam #7.

A joint venture agreement with Pangea Gold Corporation Limited based in Hong Kong was signed on 26 September 2017 to build a new processing plant to process underground ore with capacity of 2000t/d and to modify current processing plant to reprocess tailings with capacity of 3000t/d. The construction of a new 2000t/d was completed in June 2019 with total capital costs of approximately US\$30 million. Retrofitting of the existing processing plant was completed in April 2019 with total capital costs of approximately US\$12 million.

Enquiries:

Vatukoula Gold Mines plc

Yingbin Ian He

Email: he1987@yahoo.com

Or

Yi Huang

Email: yi.h@vgml.com.fj