

ASX Announcement

29 March 2017

VANGO TO COMMENCE DE-WATERING AT K2 GOLD DEPOSIT

Gold exploration and development company Vango Mining Limited (ASX: VAN) (Vango, the Company) is pleased to announce the commencement of its de-watering program at the K2 Gold Deposit within the Company's 100%-owned Plutonic Dome Gold Project in the Mid West region of Western Australia.

This represents a key milestone in the Project's development timeline as Vango prepares to begin mining operations at K2, which are anticipated to commence in Q3, 2017.

Vango have received all approvals to commence construction and commissioning for its de-watering program, including the requisite works approval from the Western Australian Department of Environment Regulation (DER) and Mining Proposal from the Department of Mines and Petroleum.

The Company advises that plant and infrastructure is currently being mobilised to site ahead of an eight day establishment and commissioning period. De-watering will then commence (in accordance with a DER licence) with a 65-day pumping program, which will be completed in the June quarter.

The de-watering program will facilitate the inspection and assessment of the K2 decline as the water is removed to determine what refurbishment work, if any, is required. It will also provide the Company with access to the decline in order to conduct targeted drilling and preparatory activities for mining.

The de-watering program will be conducted by leading earthmoving, mining and civil contractor, Central Earthmoving Company, and de-watering and water management solutions provider, National Pump & Energy.

Vango Mining executive chairman Bruce McInnes said:

"We are delighted to be in a position to commence de-watering at the K2 Deposit. Despite an extended period of heavy seasonal rain at the project area, we have been able to instigate and embark on the de-watering program as per our operational time table, which is particularly pleasing. This will enable us to maintain our development schedule at K2, which remains on track to see Vango mining first ore in the third quarter this year."

Vango also advises that a detailed inspection of historic drill data has determined that only a small number of additional drill holes will be required to further define easily accessible resources, located above the water line and to the side of the K2 decline, approximately 200 metres from the portal. This will have a positive impact on the development timeline and cost at K2, as the Company had initially factored in the requirement to conduct a larger program in this phase of drilling. Details and timing of proposed upcoming drilling programs at the Plutonic Dome Project will be provided in the near future.

K2 Development Plan

The K2 Deposit is part of Vango's 100%-owned Plutonic Dome Gold Project, which covers an area of 412 km². K2 is located in the north-eastern extent of the Project, approximately 35km by haul road from Billabong Gold Pty Ltd's (Billabong) Plutonic Gold Mine Treatment Plant.

Vango has a binding Ore Treatment Agreement with Billabong to facilitate the processing of ore from K2 (ASX announcement 24 September 2014). Billabong is a subsidiary company of Toronto Venture Exchange-listed Superior Gold Inc. (TSXV: SGI).

The K2 Deposit was last mined in 1997 by Resolute Mining who completed an underground development Feasibility Study in 1996. Resolute excavated a boxcut and established the decline to access underground drill positions before the mine was prematurely closed in 1998 after only minor amounts of ore extraction.

Vango and Dampier Gold Limited (ASX: DAU) (Dampier) have a Heads of Agreement for the funding and profit share arrangements over the future proposed production and extraction of gold from the K2 Deposit (ASX announcement, 16 December 2016).

Vango recently released a positive update of its Definitive Feasibility Study for the K2 Deposit (ASX announcement, 14 February 2017), and is progressing to expedite its plans to bring K2 into production, pursuant to its agreement with Dampier. In parallel, the Company plans to also expedite exploration and development of the larger Trident Deposit within the Project area, with a view to developing Trident into a long term gold producing operation.

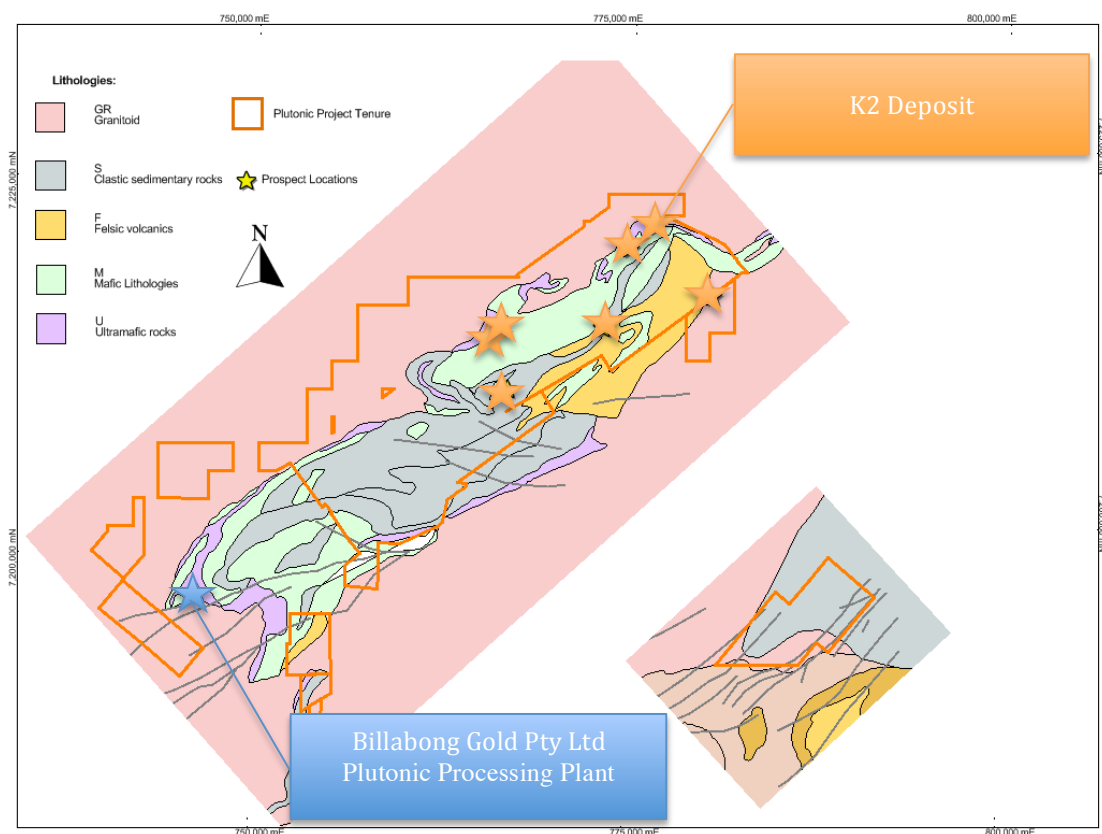


Figure 1: K2 Deposit Location Plan

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