

ASX Announcement
31 October 2019

QUARTERLY ACTIVITIES REPORT – PERIOD ENDING 30 SEPTEMBER 2019

Gold exploration and development company Vango Mining Limited (ASX: VAN) (“Vango”, “the Company”) is pleased to present its Quarterly Activities Report for the period ending 30 September 2019.

Vango Mining Limited (“Vango or “the Company”) is an exploration and mining development company primarily focused on developing the Company’s key asset: The **Marymia Gold Project** (“Marymia”, “the Project”), located in the Mid-West region of Western Australia.

The Company has two main near-term objectives:

- I) To continue to grow the Company’s high-grade gold resource base at Marymia, and,
- II) To become a significant, stand-alone, gold producer.

The Company has continued to make significant progress towards achieving these objectives during the September Quarter.

The geology of the Marymia Gold Project and significant prospects are shown on Figure 1.

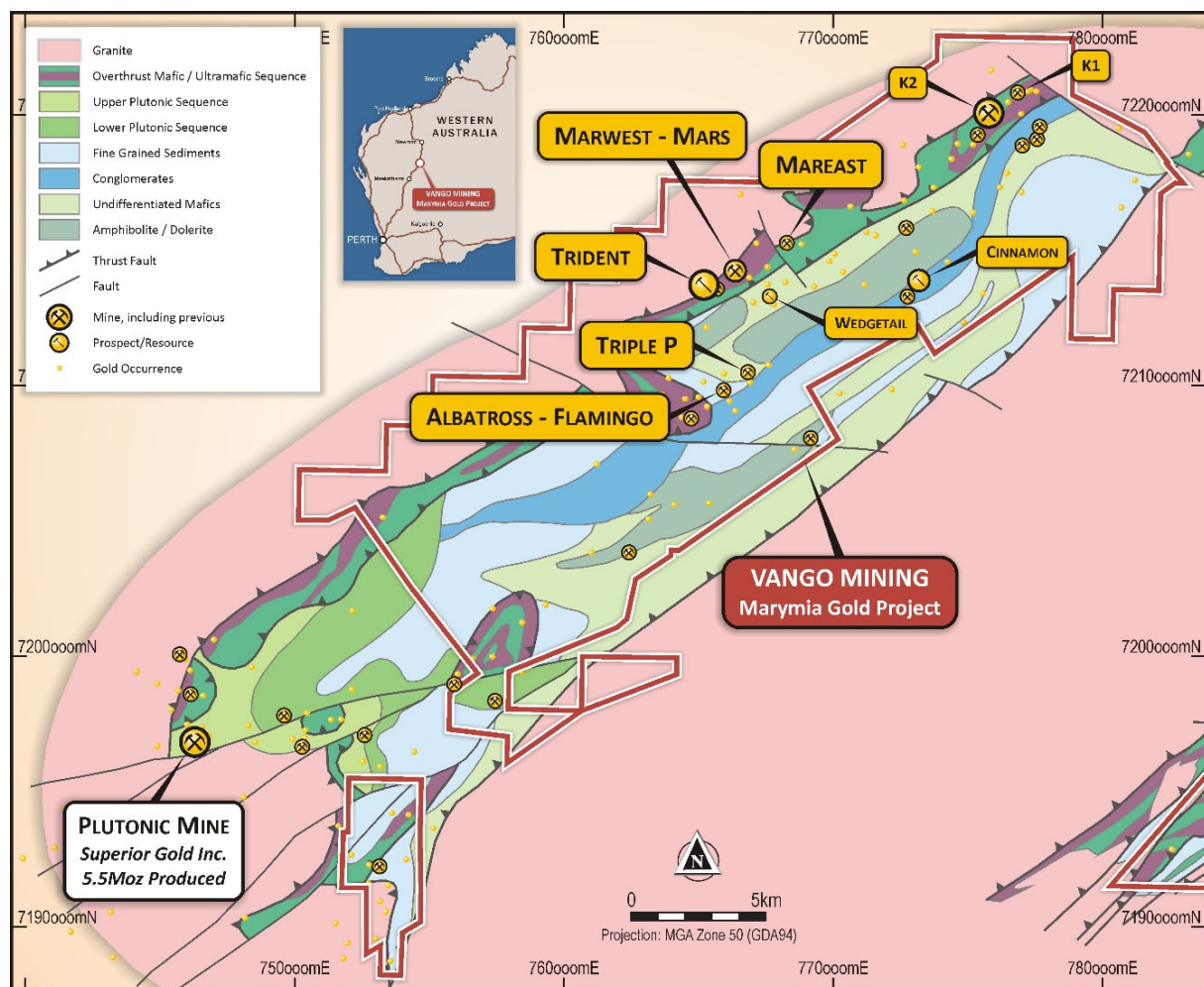


Figure 1: Marymia Gold Project, tenements outline and geology with key prospects

QUARTER HIGHLIGHTS

OPERATIONS

Drilling at the Trident-Marwest-Mareast Corridor delivers further high-grade results

The very high-grade Trident gold resource is open beyond the 1km strike length tested to date, and the area of resource drilling represents just 20% of the 5km strike length of the Trident-Marwest-Mareast Gold Corridor (see Figure 2 below). Vango is focused on targeted drilling within this gold corridor, with the aim of delivering a significant upgrade to the existing high-grade resource.

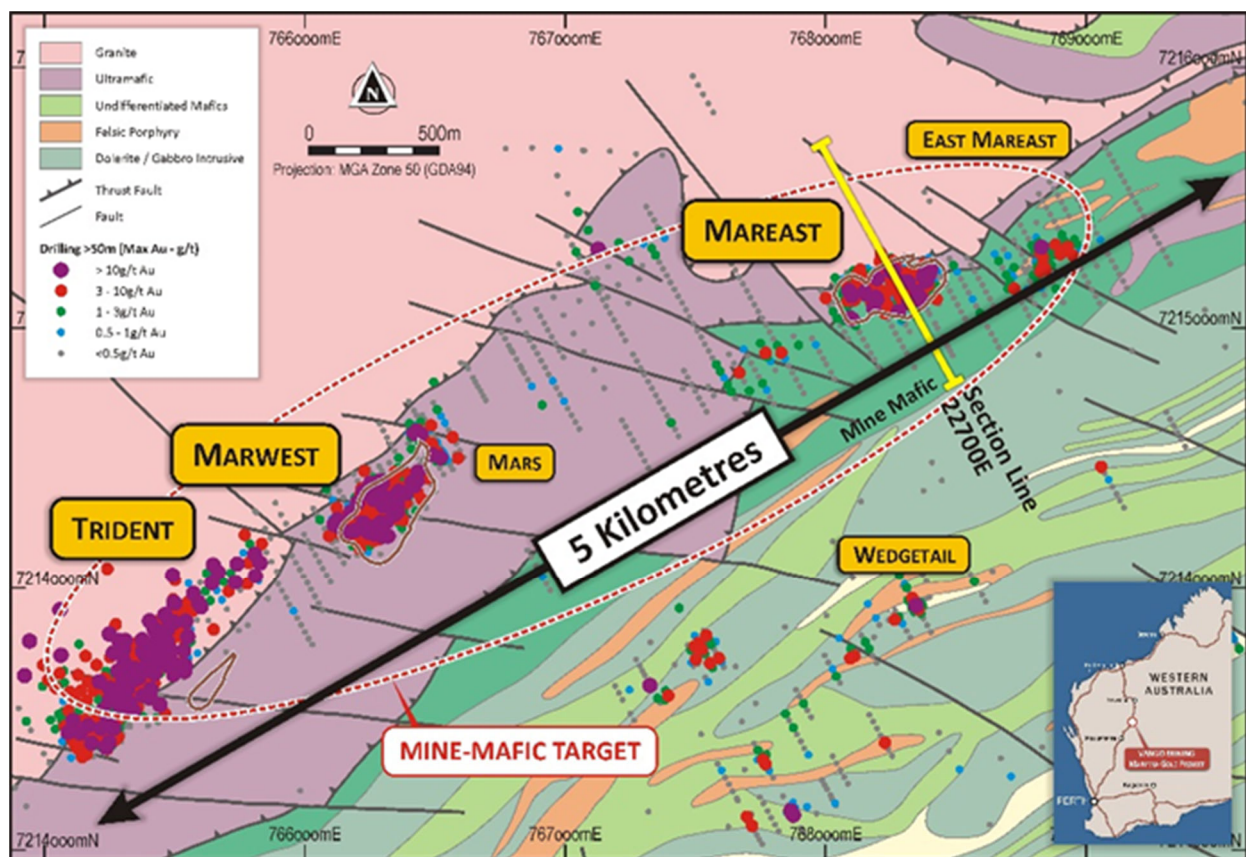


Figure 2: Trident-Marwest-Mareast Corridor with location of key drilling targets

During the Quarter final results were released from drilling of the Mareast deposit, located 4km northeast of Trident and hosted by the Plutonic Mine-Mafic unit - that is also interpreted to lie below Trident and which remains largely untested.

This drilling was designed to define and extend open-pitiable gold resources below the base of the Mareast open-pit, and to locate high-grade shoots that may extend down-plunge and at depth. Key high-grade intersections included¹:

- 2m @ 26.0 g/t Au from 28m incl. 1m @ 50.0 g/t Au in VMERC0022
- 1m @ 22.4 g/t Au from 40m in VMERC0017
- 8m @ 2.35 g/t Au from 0m incl. 2m @ 5.15 g/t Au and 2m @ 3.89 g/t Au in VMERC0014

These results were delivered along strike from previous very high-grade intersections announced in the previous quarter (see cross section Figure 3) that included²:

- 9m @ 15.0 g/t Au from 28m incl. 5m @ 25.8 g/t Au incl. 3m @ 39.8 g/t Au in VMERC0012

The high-grade gold intersections at Mareast are hosted by a thick mafic unit interpreted to be analogous to the **Mine-Mafic** that hosts the major Plutonic gold deposit, 30km to the southwest (>5.5Moz produced to date, see Figure 1). Mareast may represent the surface expression or "tip of the iceberg" of a plunging corridor of mineralised Mine-Mafic, potentially extending for over 5km under the Trident- Marwest-Mareast Corridor (see Figure 2).

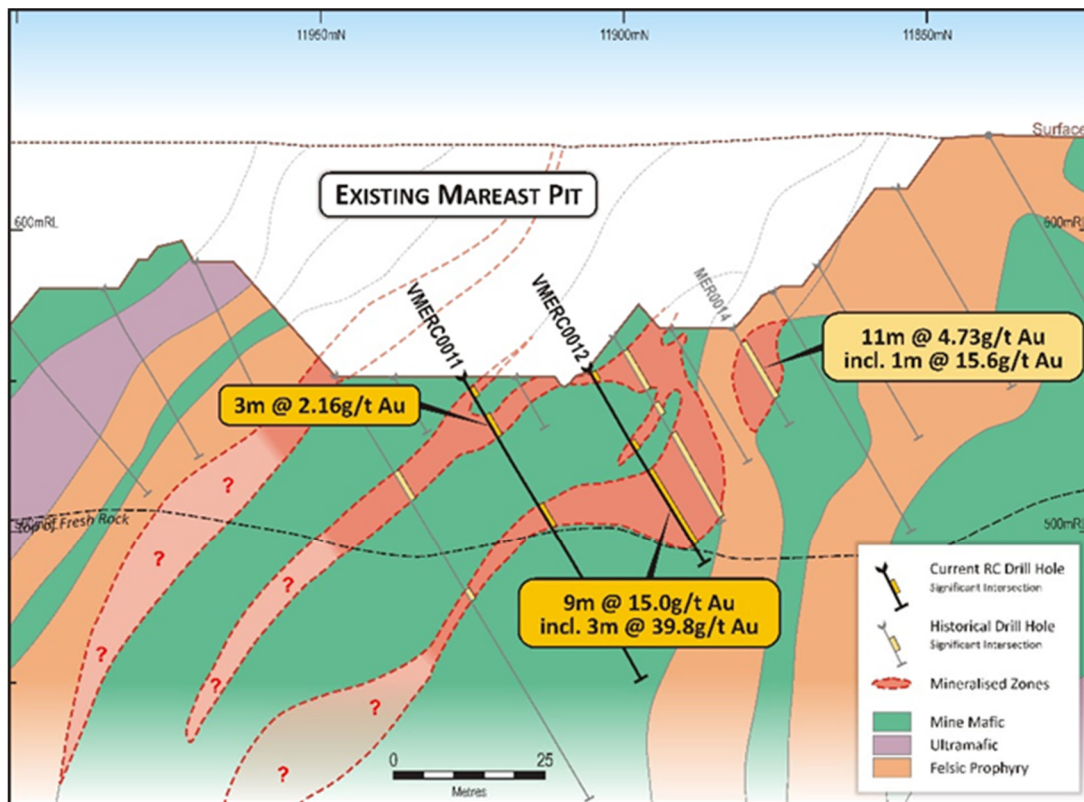


Figure 3: Mareast cross section 22,700mE showing high-grade gold intersections in Mine Mafic

High-grade gold intersections were also reported for the **Wedgetail** deposit during the quarter. Wedgetail is an open-pit resource target located on a parallel structure southeast of the Trident-Marwest-Mareast corridor (see Figure 1). Results included:

- **6m @ 5.83 g/t Au from 25m incl. 3m @ 11.7 g/t Au incl. 1m @ 30.6 g/t Au in VWERC0007³**

The drilling results from the Trident-Marwest-Mareast Corridor will be incorporated into an upgrade of the current JORC 2012 Mineral Resource estimate and this will, in turn, support detailed planning for both open-pit and underground mine development and feasibility studies for the proposed, stand-alone gold mining operation at the Marymia Project.

Drilling at Triple P-Albatross Flamingo-Exocet Corridor confirms high-grade resource potential

Results were also received from drilling of open-pit and underground targets in the **Triple-P** area during the quarter (see Figure 1). Mineralisation here is interpreted to be hosted by a repeat of the Plutonic "Mine-Mafic" that hosts the majority of gold mineralisation in the Marymia Belt, but is largely obscured by sedimentary rocks in this area. Previous historical intersections in this area include **7m @ 15.7 g/t Au from 144m incl. 3m @ 28.1 g/t Au⁴** in PMDD0002 from an interpreted high-grade shoot below the Triple-P-Zone B pits.

The initial drilling included 10, wide-spaced reverse circulation (RC) drillholes below both the Triple-P and Zone B open pits (see Figure 4 for locations and geology and Figure 5, a cross section through key intersections). This drilling produced multiple, very high-grade, gold intersections including⁴:

- **4m @ 23.0 g/t Au from 109m incl. 1m @ 85.0 g/t Au in VPPRC0008 (Triple-P)**
- **3m @ 7.79 g/t Au from 124m incl. 1m @ 16.5 g/t Au in VPPRC0007 (Triple-P)**
- **4m @ 9.48 g/t Au from 177m incl. 1m @ 25.0 g/t Au in VPPRC0005 (Triple-P, Zone B)**
- **4m @ 6.38 g/t Au from 164m incl. 2m @ 10.9 g/t Au in VPPRC0004 (Triple-P, Zone B)**

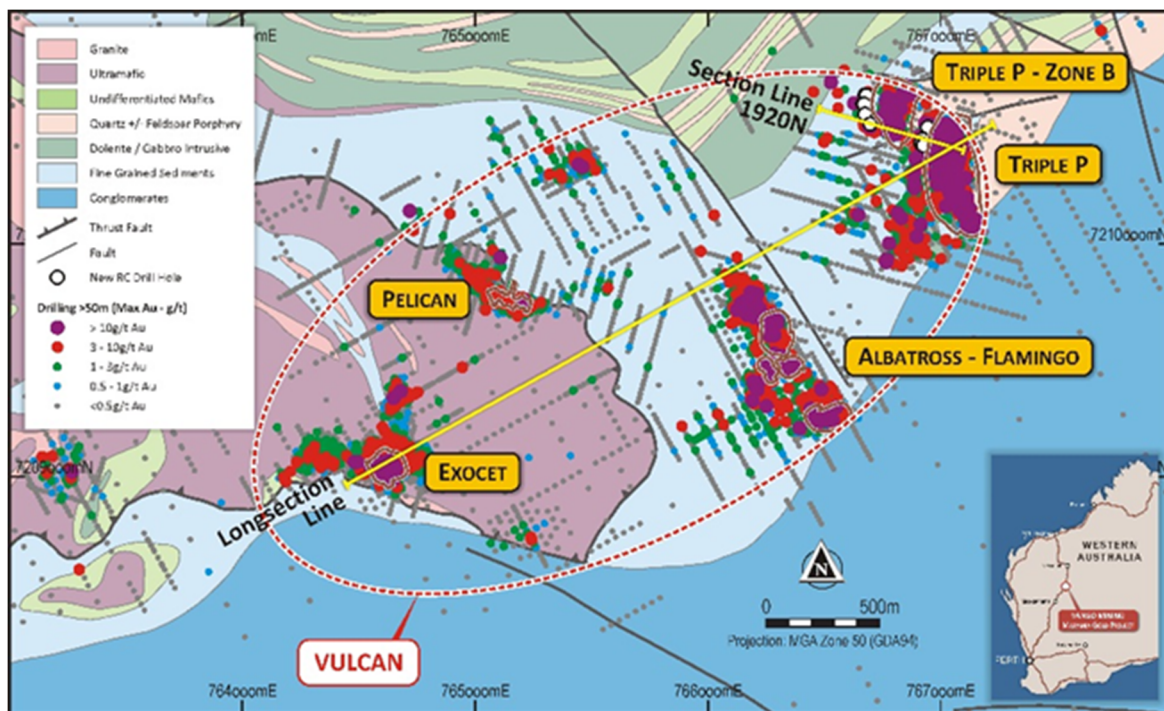


Figure 4: Mareast cross section 22,700mE showing high-grade gold intersections in Mine Mafic

The high-grade gold mineralisation at Triple-P and Zone B is interpreted to be hosted by the same Mine-Mafic unit that hosts the Plutonic gold deposit. The Mine Mafic is interpreted to have been thrust to a shallow position in the Triple-P area where it is structurally “right-way-up” and overlies the ultramafic units (see Figure 5 below).

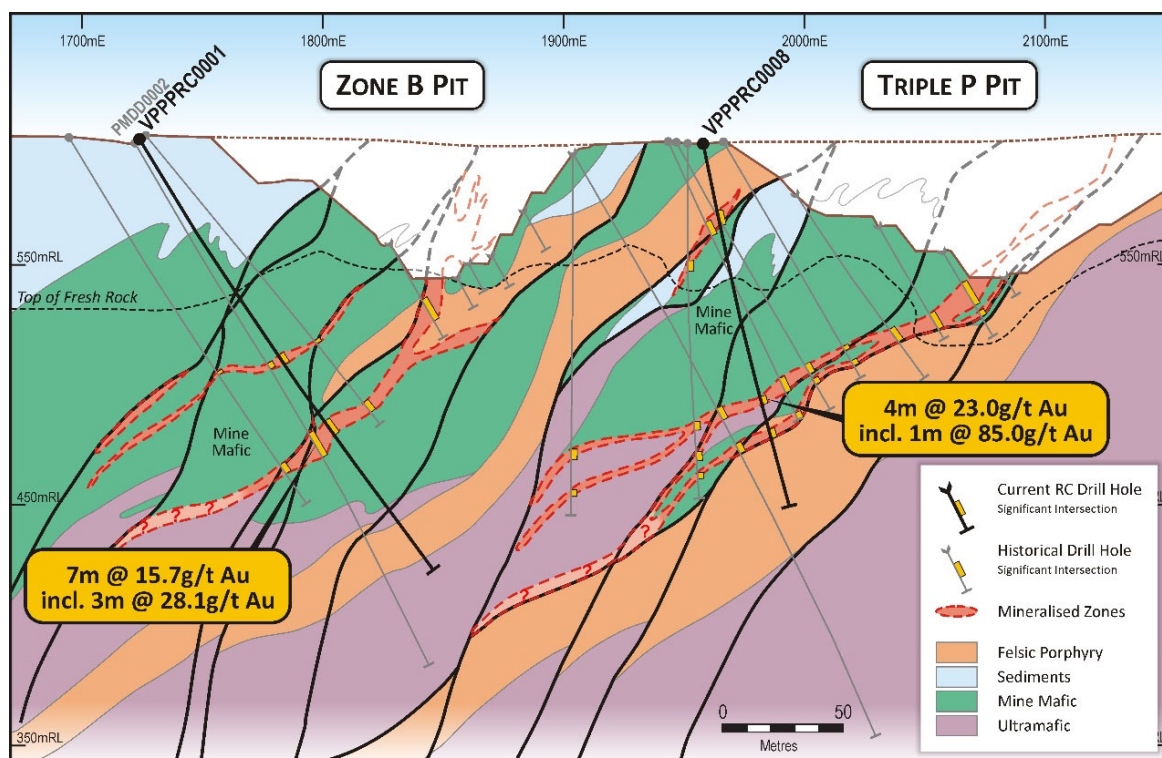


Figure 5: Triple-P and Zone B cross section 1920mN, showing shallow plunging high-grade shoot targets

Gravity (density) and magnetics inversions indicate that the (high-density) Mine-Mafic unit continues down-dip to the west of Triple-P under shallow dipping sedimentary units, but has been periodically thrust to a shallower position by repeats of the steeply dipping fault structures that control the high-grade gold mineralisation. This scenario is repeated at Zone B (see Figure 5 above), and also at **Albatross-Flamingo** and at **Exocet**, over 2km to the west (see schematic section, Figure 6).

This wider target zone is referred to as “Vulcan” (see Figure 4) and has similar dimensions (>3km x >1km) to the Plutonic gold deposit and, moving forward, will represent a priority exploration and resource development target for Vango.

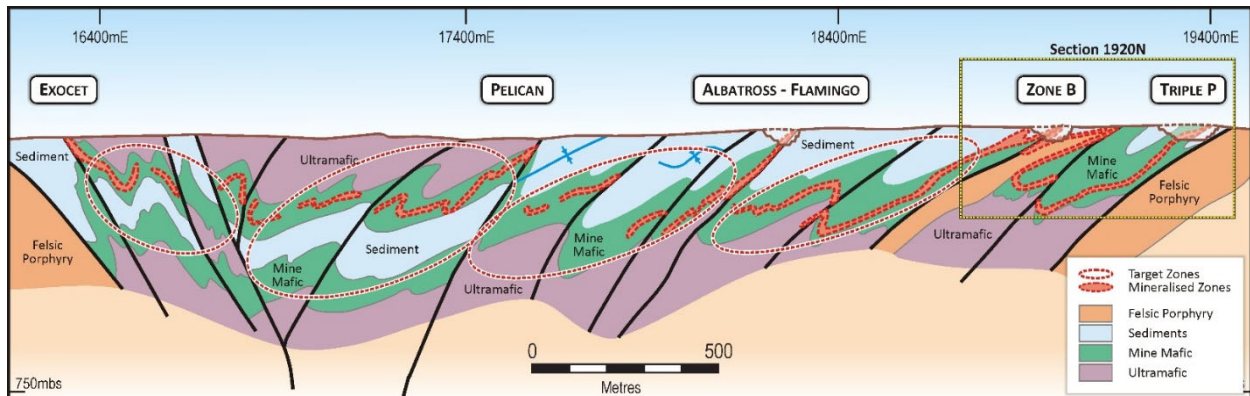


Figure 6: Schematic section through Triple-P, Albatross-Flamingo, Exocet interpreted from drilling & geophysics

Neds Creek Joint Venture – option exercised to earn 51% of Ned’s Creek Project

During the September Quarter Vango exercised an option to earn 51% of the Ned’s Creek project tenements (Lodestar Minerals Ltd, ASX:LSR) by spending \$5M within three years. Ned’s Creek is located 20 km from Vango’s Marymia Gold Project (see Figure 7 below).

The immediate focus at Ned’s Creek will be drilling the Contessa Prospect, to potentially define new, high-grade, gold resources around previous very high-grade intersections, including⁵:

- **4m @ 78.1 g/t Au from 140m including 3m @ 102.5 g/t Au in drillhole LNRC026, and,**
- **5.1m @ 28.1 g/t Au from 143m incl. 1m @ 134 g/t Au in follow-up diamond drillhole LND003**

A required minimum annual expenditure of \$1M will also advance other high-grade gold discoveries at Ned’s Creek on the margin of a Syenite unit, including Gidgee Flat and Brumby as well as targets on the Yowereena JV mining leases (see Figure 7 below). Upon earning 51%, Vango may increase its interest to 80% should Lodestar not elect to contribute its pro-rata 49% share and revert to a 20% free carried interest.

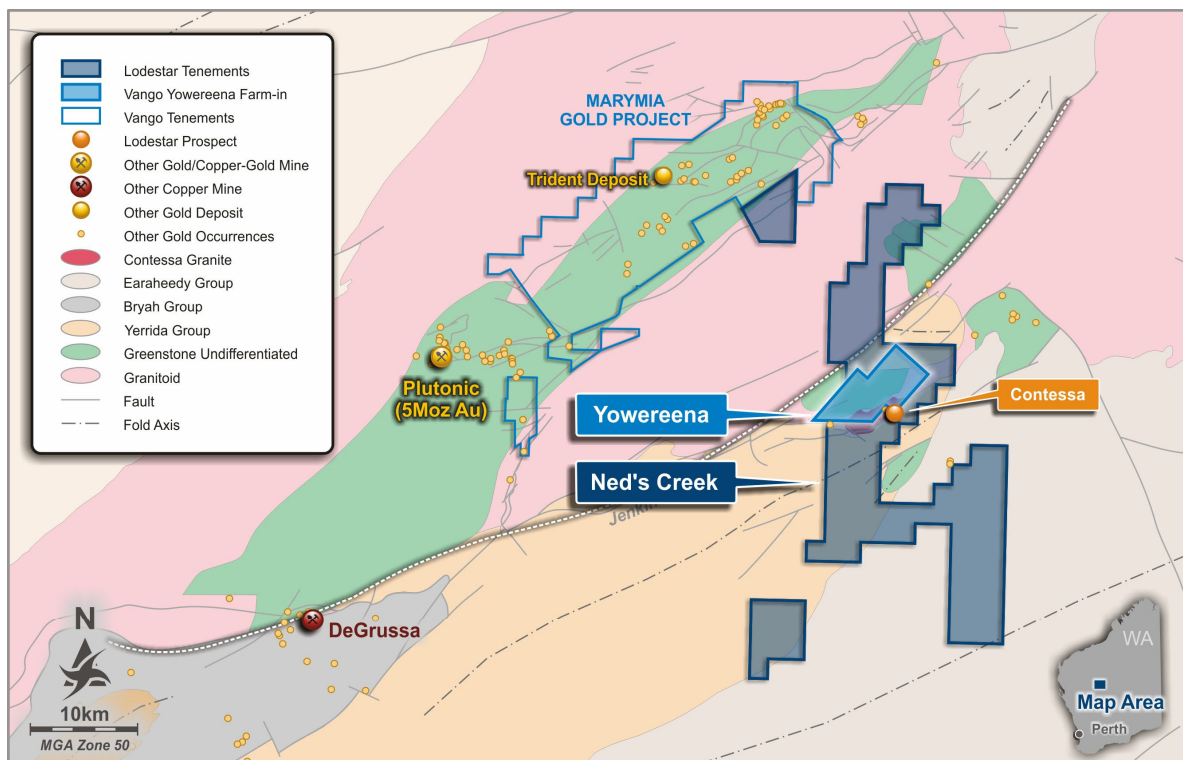


Figure 7: Ned’s Creek Tenements including Contessa Prospect location, adjacent to Marymia Gold Project

Resource Upgrade and Mine Planning

In parallel with its targeted ongoing drilling programs, Vango continued its detailed review of the extensive database of historical, predominantly shallow (<80m deep) drilling and integrating historical results with geophysical models to define and refine new targets for high-grade, gold discoveries with the potential to significantly add to the Company's high-grade gold resource base.

Detailed mine planning is continuing to focus on the very high-grade Trident gold resource, as well as various open-pit resources and targets.

New high-grade gold resources defined during the Company's targeted and ongoing drilling programs will be progressively added to the mine plan, prior to incorporation with feasibility studies for a proposed significant, stand-alone, gold mining and processing operation at the Marymia Gold Project.

CORPORATE

Option Exercised to Farm-in to Lodestar's Ned's Creek Project

On 17 July 2019, Vango exercised its option to enter into a Farm-in and Joint Venture agreement to earn a 51% interest in Lodestar Minerals' Limited Ned's Creek Project. The exercise of this option and entry into the Farm-in and JV agreement for Ned's Creek effectively doubles the Company's strategic landholding in the Marymia district and consolidates its position as the dominant player in the region. The Farm-in and JV also represents a significant component of Vango's strategy of establishing a major gold mining hub in the region.

NFC Delegation Visit

In July 2019, the Company hosted senior representatives from China Nonferrous Metal Industry's Foreign Engineering and Construction Company Limited (NFC) at its Sydney office. During the four day visit, the companies discussed options as to how they might potentially work together to support the achievement of Vango's vision of becoming a significant long term gold mining and stand-alone ore processing company. Vango sees great benefit in exploring the potential of how it might utilise NFC's strong engineering, equipment supply and financing capability to help facilitate the development of the world class Marymia Gold Project. NFC subsequently invited members of the Vango Board to visit them in Beijing to continue discussions and have expressed a desire to send a technical team to inspect the Marymia Gold Project.

Conversion of Convertible Notes

On 26 August 2019, Vango received notifications from two holders of convertible notes issued by the Company, requesting that the outstanding notes convert into Vango ordinary fully paid shares including:

- A \$2.5 million note with an interest rate of 8% per annum at a conversion price of 7 cents per share; and
- A \$10 million note with an interest rate of 12% per annum at a conversion price of 27 cents per share.

This direction from two major Vango investors reflects their confidence in the Company and the quality and potential of the high grade Marymia Gold Project.

Previous releases referenced:

¹ Further Very-High Grade Gold Intersections at Marymia ASX:14/08/2019

² High-Grade Gold Intersections Extend Trident-Mareast Corridor ASX:23/05/2019

³ High-Grade Shallow Gold Intersections Wedgetail & Mareast ASX:02/07/2019

⁴ New Very High-Grade Gold Zone discovered at Marymia Project ASX: 05/08/2019

⁵ Vango Exercises Option – Ned's Creek High-Grade Gold Project ASX: 17/07/2019

⁶ Conversion of Convertible Notes ASX: 26/08/2019

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For further information, please contact:

Vango Mining Limited

E: info@vangomining.com

T: +61 2 8114 4553

W: www.vangomining.com

Media and Investor Inquiries:

James Moses

E: james@mandatecorporate.com.au

T: +61 420 991 574

Competent Persons Statements

The information in this report that relates to exploration results has been reviewed, compiled and fairly represented by Mr Jonathon Dugdale, a Fellow of the Australian Institute of Mining and Metallurgy ("FAusIMM") and a full time employee of Discover Resource Services Pty Ltd, contracted to Vango Mining Ltd. Mr Dugdale has sufficient experience relevant to the style of mineralisation and type of deposits under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee ("JORC") Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Dugdale consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

Certain statements contained in this announcement, including information as to the future financial or operating performance of the Company and its projects, may be forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.