

26 August 2016

Letter to Option Holder

Dear Option Holder

NOTICE TO OPTIONHOLDERS (EX \$0.26 EXP 07/03/17) - ENTITLEMENT OFFER

We refer to the options held by you to acquire fully paid ordinary shares in the capital of Vango Mining Limited ACN 108 737 711 (**Company**) exercisable at \$0.26 each on or before 7 March 2017 (**Existing Options**).

As announced by the Company to ASX on 26 August 2016, the Company intends to lodge a prospectus on or around 5 September 2016, offering eligible shareholders the opportunity to acquire options (**New Options**) over fully paid ordinary shares in the capital of the Company (**Shares**) through a pro-rata non-renounceable entitlement issue of one (1) New Option for every two (2) Shares held on the record date at an issue price of \$0.001 per New Option, with each New Option having an exercise price of \$0.06 and expiring on 15 March 2018, to raise up to \$187,792 (before expenses) (**Entitlement Offer**). The New Options are expected to be listed subject to compliance with ASX Listing Rules.

The Entitlement Offer is fully underwritten by KS Capital Pty Limited (ACN 124 761 557)(AFSL No. 316880).

Your Existing Options do not contain any right to participate in the Entitlement Offer. This letter informs you of the Company's intention to undertake the Entitlement Offer, for the purposes of you being able to exercise your Existing Options in accordance with their terms and be issued with the associated Shares prior to the Record Date for determining entitlements in relation to the Entitlement Offer.

Should you wish to exercise your Existing Options and thereby be eligible to participate in the Entitlement Offer (in respect of the Shares allotted and issued to you upon exercise of your Existing Options), you must deliver to the registered office of the Company **by no later than 5:00pm AEST on 9 September 2016** the following:

- 1 completed application form to exercise Existing Options specifying the number of Existing Options to be exercised (**Option Exercise Notice**);
- 2 your Existing Option certificate covering that number of Existing Options; and
3. payment of the exercise price made payable to the Company in immediately available funds,

and comply with any other terms that your Existing Options may require.

Option Exercise Notices are available from Mark Camilleri, Company Secretary, on +61 407 666 937.

Only shareholders with a registered address in Australia are eligible to participate in the Entitlement Offer. Therefore, if you are not a resident of Australia, you will not be entitled to participate in the Entitlement Offer even if you exercise your Existing Options.

Before deciding whether to exercise all or any of your Existing Options, you should consider the terms of the Entitlement Offer and the exercise price of your Existing Options and, if necessary, consult with your professional advisor.

If you do not wish to exercise your Existing Options and participate in the Entitlement Offer you do not need to take any action.

ACN: 68 108 737 711

SUITE 2, LEVEL 5, 71 MACQUARIE STREET, SYDNEY NSW 2000 AUSTRALIA

<http://www.vangomining.com>

Should you have any queries please contact the Company Secretary on +61 407 666 937.

Yours faithfully

Company Secretary
Mark Camilleri

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