

ASX Announcement

31 January 2018

QUARTERLY ACTIVITIES REPORT – PERIOD ENDING 31 DECEMBER 2017

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 31 December 2017.

Vango is a mineral resources company focused on the exploration and development of its 100%-owned Plutonic Dome Gold Project in the Mid-West region of Western Australia. It plans to systematically develop the Project’s assets into a significant, long term gold mining operation.

QUARTER HIGHLIGHTS

Exploration and Development

- Plans confirmed for next phase of work at Flagship Trident Gold Deposit and K2 Gold Deposit within the Plutonic Dome Gold Project.
- **Trident**
 - Targeted pre-collared diamond drilling programme of up to 17 holes for ~4,000m at the high-grade Trident Deposit.
 - Drilling designed to better define and extend the very high-grade core at Trident; and
 - Upgrade existing Resources for economic evaluation to support a stand-alone mining and processing operation.
- **K2**
 - Development work to commence at K2 Deposit in preparation for commencement of mining operations.
 - New, updated de-watering programme for K2 Underground confirmed – programme to facilitate refurbishment prior to mining at K2.
 - Resource expansion drilling of up to 17 holes for ~3,380m also planned – targeting high grade zones which will be the focus of Vango’s initial underground mine plans at K2.
- Above programmes scheduled to commence in Q1, 2018 – results to be released as they become available.

Corporate

- Mr Sean Zhou appointed Managing Director
- New strategic shareholder secured
- \$1.5 million funding secured to help fund next phase of field work at Plutonic Dome

NEXT PHASE OF EXPLORATION AT HIGH GRADE TRIDENT GOLD DEPOSIT

During the quarter, Vango announced plans for its next phase of exploration at the Company’s flagship Trident Gold Deposit within its 100%-owned Plutonic Dome Gold Project in the Mid-West region of Western Australia (ASX announcement, 27 November 2017).

The Company plans to undertake a targeted, pre-collared diamond drilling programme at Trident (Figure 7: Plutonic Dome Project Location Map). The programme will consist of up to 17 holes for a total of approximately 4,000 metres, on 40 metre spaced cross sections over a strike length of approximately 400 metres at the high-grade core of the Trident Deposit. Drilling is planned to include approximately 2,150 metres of reverse circulation pre-collar and approximately 1,850 metres of diamond drilling.

The programme is schedule to commence and be completed in the current quarter, and assay results will be released as they become available.

This phase of drilling is designed to define and extend the very-high grade core of the Trident Deposit and establish a JORC 2012 Indicated Resource which will help facilitate the economic evaluation for a potential stand-alone underground gold mining and processing operation at the Deposit.

Subject to results, further drilling will be planned to further extend the Trident Deposit and potentially link the deposit to the interpreted up-plunge Marwest Deposit (Figure 1).

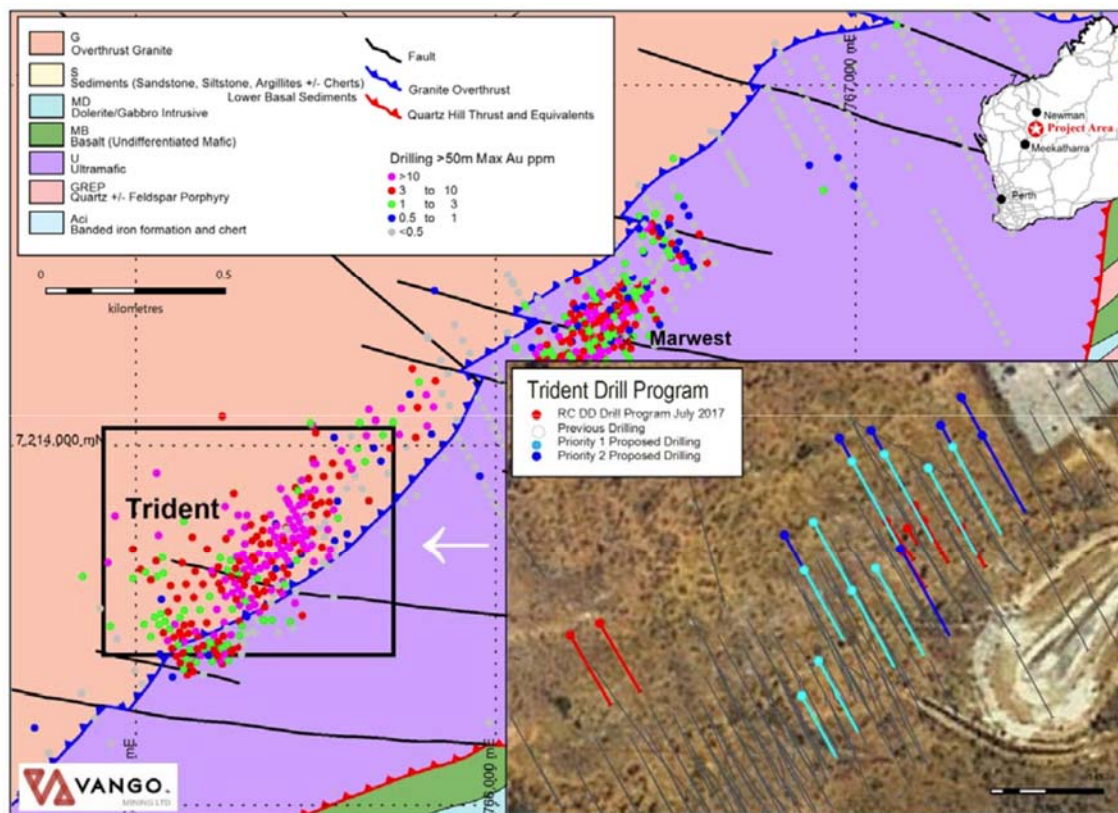


Figure 1: Plan of Trident gold deposit and inset of the upcoming planned drilling programme

Background to Trident Drilling Programme

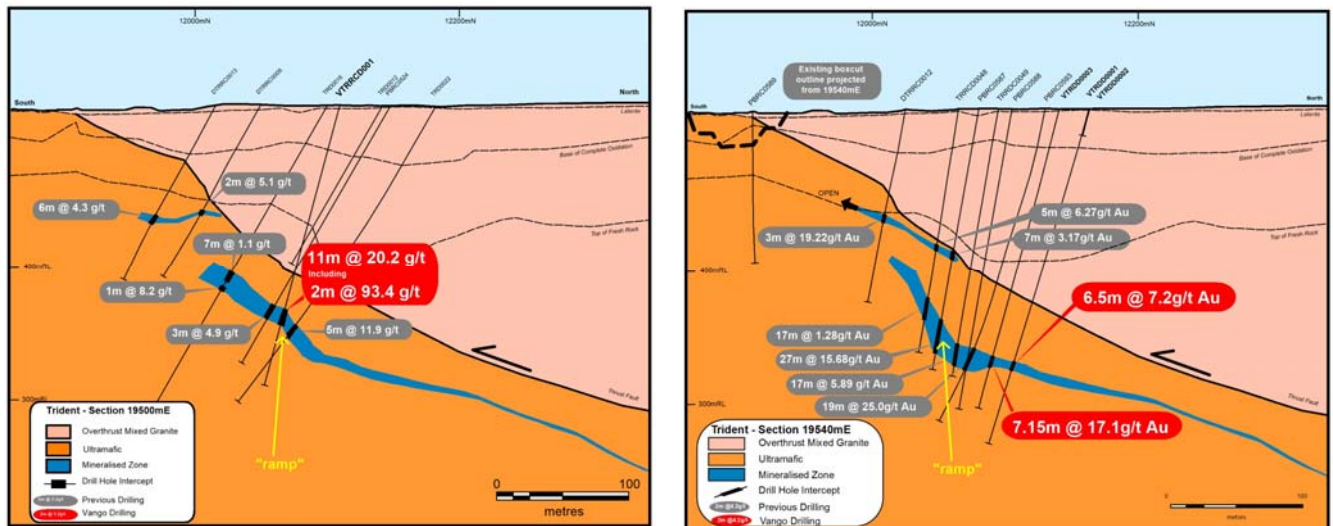
Previous drilling at the Trident Gold Deposit resulted in the definition of an indicated and inferred resource of 2.21Mt @ 5.3 g/t gold (Au) containing 378,600 oz Au (prepared and first disclosed under the 2004 JORC Code, 1st October 2014).

The deposit has a central high-grade zone located between 150 and 200 metres below surface. This high grade 'core' of mineralisation is associated with a steepening and thickening of the mineralised zone referred to as a roll-over or 'ramp' in the ultramafic schist host unit, within a larger package of

moderate to high metamorphic grade ultramafic rocks.

Drilling completed by Vango in its 2017 field season produced very-high grade gold intersections which confirmed previous drilling results (and included a predominance of RC drilling) and also extended the high-grade zones. Highlights from Vango's previous phase of drilling are included below:

- **11m @ 20.2 g/t Au** from 161m **including 2m @ 93 g/t Au** in hole VTRRCD0001;
- **5.75m @ 4.7 g/t Au** from 192.25m **including 1.75m @ 10.48 g/t Au** in hole VTRRCD0003;
- **7.15m @ 17.1 g/t Au** from 193.85m, **including 3.6m @ 24.4 g/t Au** in hole VTRDD0003;
- **6.5m @ 7.2 g/t Au** from 199.5m, **including 2m @ 14.7 g/t Au** in hole VTRDD0001.



Figures 2 and 3: Cross sections through Trident drilling completed June-July 2017

Refer to ASX announcements dated 29 June 2017 and 17 July 2017 for further details on this phase of drilling.

K2 GOLD DEPOSIT DEVELOPMENT PROGRAMME

Vango also announced plans for the next programme of development work at the K2 Gold Deposit, within the Plutonic Dome Gold Project, during the quarter (ASX announcement, 30 November 2017).

This will involve de-watering of the K2 underground development and also a targeted drilling programme designed to upgrade the existing resource at K2. This works programme is scheduled to commence in the current quarter and represents a key phase in Vango's development timeline for the commencement of mining operations at the K2 Deposit.

De-watering Programme

Vango's Project Manager Peter Hepburn-Brown completed a review of current de-watering plans for K2 (initially announced in ASX announcement, 29 March 2017), and has developed an updated de-watering programme which is planned to commence in early Q1, 2018. The new de-watering programme will comprise up to three bore holes which will be drilled from surface into the old underground workings at K2. Borehole pumps will then be installed to facilitate the de-watering via the boreholes (Figures 4 and 5: De-watering drill holes plan).

The updated de-watering plan represents a safer and more cost effective and efficient solution for the de-watering of K2. It will allow de-watering to be undertaken prior to the commencement of any required underground rehabilitation and will also allow for the proposed resource expansion drilling at K2 to proceed prior to the commencement of mining activities. In addition, on completion of the de-watering programme, it is proposed that the boreholes may be used as service holes for the proposed underground mine at K2.

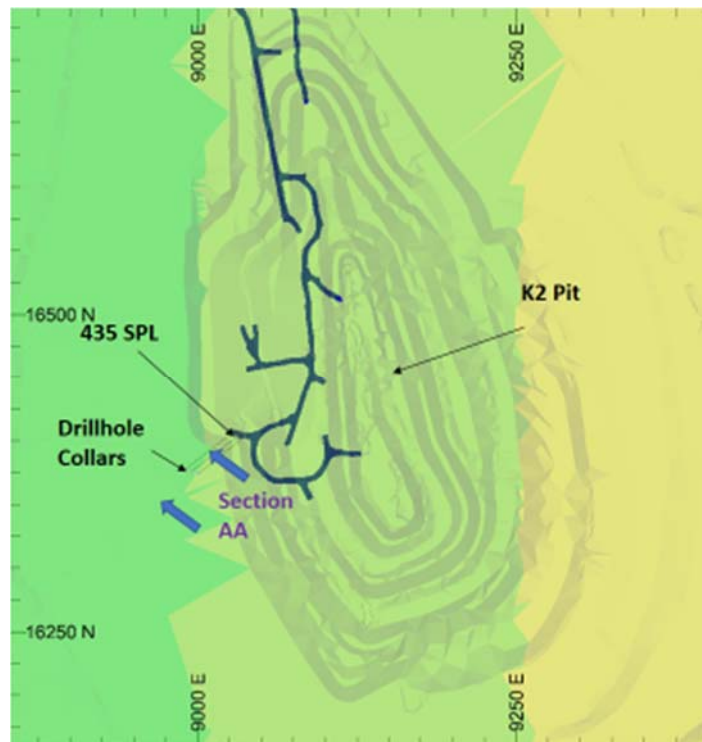


Figure 4: Plan view of proposed K2 de-watering borehole drill programme.

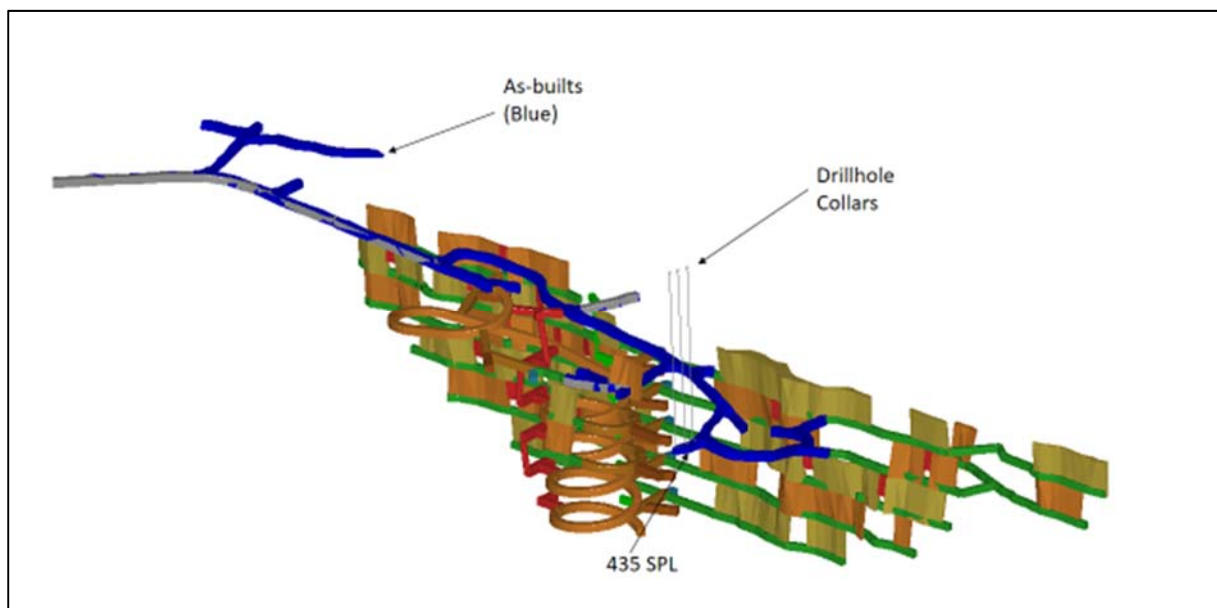


Figure 5: Isometric View to the north east of proposed K2 de-watering borehole drill programme with modelled development and stope production areas as well as the existing decline shown in blue

K2 Drill Programme

The Company also plans to undertake a pre-collared diamond drilling programme of up to 17 holes for a total of approximately 3,380 metres at the K2 Deposit. This phase of drilling will commence with 14 priority-1 holes for approximately 2,800 metres. Drilling is designed to increase the confidence in the existing K2 Resource in zones which will be the focus of the Company's initial underground mine plans at the Deposit.

Subject to results from the initial 14 holes, the programme may be extended to include an additional three second priority holes for a further 580 metres (Figure 6: Drill Plan for proposed drilling at K2).

Vango plans to commence drilling at K2 upon completion of drilling at the Trident Deposit at the Plutonic Dome Project.

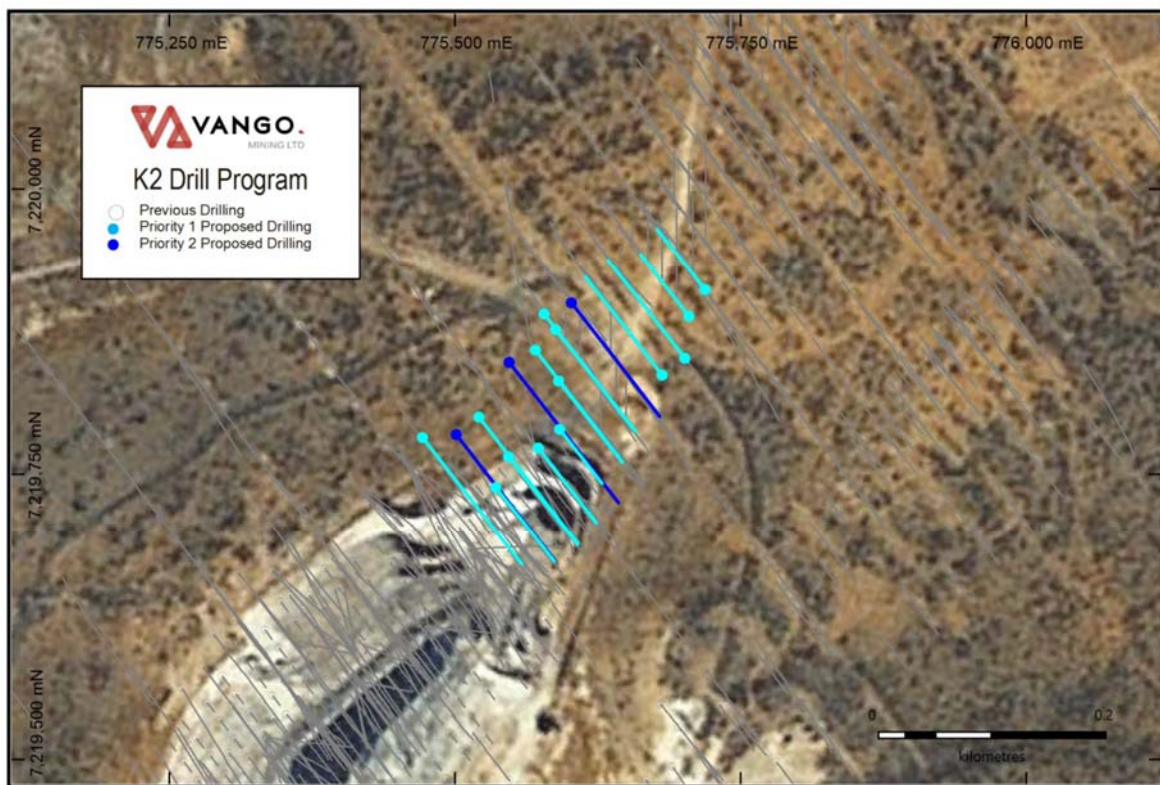


Figure 6: Drill Plan for upcoming drill programme at K2 Gold Deposit

About the K2 Gold Deposit

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 (Figure 7). It is the Project's most advanced deposit and Vango aims to develop it into a significant gold producing asset, potentially in conjunction with development of the Trident Gold Deposit and supporting a stand-alone gold mining and processing operation. Vango released a positive update of its Definitive Feasibility Study for the K2 Deposit (ASX announcement, 14 February 2017), and is now progressing plans to bring K2 into production. 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.

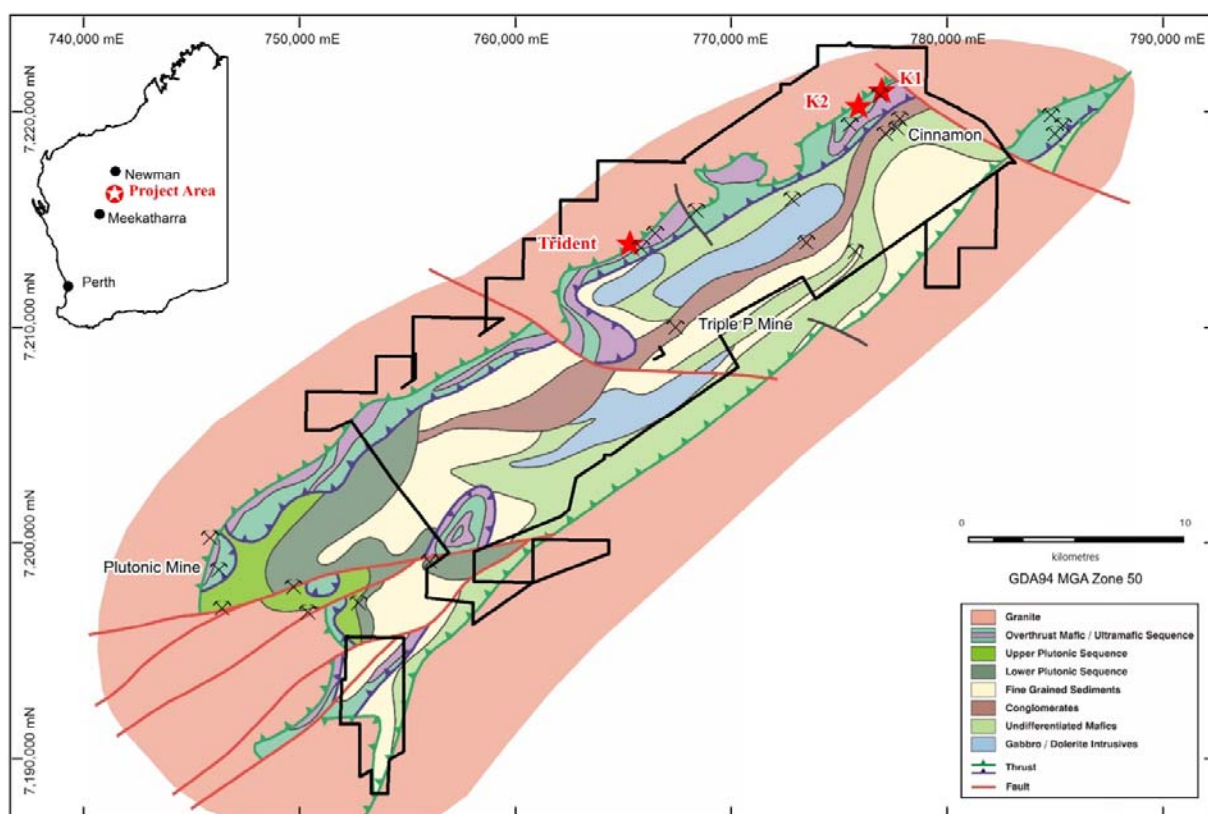


Figure 7: Plutonic Dome Gold Project Location Map

DRILLING AT YOWEREENA GOLD PROJECT (Lodestar Minerals earning-in to up to 80% interest)

In November, drilling commenced at Vango's Gold Project in the Peak Hill Mineral Field in Western Australia.

The drilling programme was managed and conducted by Lodestar Minerals Limited (ASX: LSR) (Lodestar). Lodestar has a Farm-in Agreement with Vango under which Lodestar may earn an 80% interest in the Yowereena Gold Project by sole funding total annual expenditure within the project area of \$357,000 within 12-months (ASX announcement 14 March 2017).

Lodestar's drilling targeted the Boundary Fence Prospect and had two main objectives, to extend testing beyond the area previously drilled by Marymia Exploration and to confirm the high-grade gold results reported in historic RAB drilling.

Fifty-seven Aircore drilling holes were completed. Four of these targeted historic drill holes which had reporting significant gold intersections in order to validate these historical results. The results of the validation drilling are summarised in Table 1.

HoleID	Intersection
LNR964	11m at 7.3g/t Au from 0m
YHR-15	12m at 8.1g/t Au from 0m
LNR965	6m at 1.5g/t Au from 5m or 19m at 0.8g/t from 5m
YHR-90	19m at 3.3g/t Au from 5m
LNR966	1m at 1.2g/t Au from 10m or 26m at 0.2g/t Au from 0m
YHR-98	26m at 2.1g/t Au from 0m
LNR973	3m at 1.6g/t Au from 41m or 11m at 0.1g/t Au from 45m
YHR-54	11m at 10.5g/t Au from 45m, includes 1m at 110g/t Au from 45m

Table 1. Lodestar Minerals drilling at Yowereena Gold Project: Boundary Fence prospect validation drill holes.

Aircore drilling confirmed high-grade, near surface gold (including grades of up to 23.5g/t Au) at Boundary Fence. Generally, however, the earlier results from specific holes were not been replicated. The control on the high-grade gold is not known and the reason for the discrepancy is not clear. Thick zones of low grade mineralisation have been intersected within the prospect area defined by historic drilling and given the wide traverse spacing it is believed there is potential for lode-style gold, such as structurally controlled plunging ore shoots, within the current drill pattern.

Drilling extending beyond the original prospect area was completed on 50m hole spacing. In contrast to the original grid, the Lodestar drill holes were drilled towards the south east, perpendicular to the northeast striking sequence and it is evident that significant gaps exist in the original drilling.

Next Steps

Thick zones of sub-1g/t gold, with localised higher grades, occur within a north-dipping, low angle fault defined by abundant quartz veining and quartz-sericite alteration. It is believed that there is potential for economic grades of mineralisation to occur within the fault in discrete structural settings. In-fill drilling is necessary to map out the gold distribution in greater detail.

Further detail on Lodestar's programmes at the Yowereena Gold Project is provided in Lodestar ASX announcements of 13 November 2017, 27 December 2017 and 17 January 2018.

CORPORATE

Managing Director appointed

Subsequent to the quarter, in January, Vango announced the appointment of Mr Sean Zhou as the Company's Managing Director. Mr Zhou was previously a Non Executive Director of the Company, and he commenced in his new role effective from 30 January 2018.

Mr Zhou played a key role in the achievement of the Company's funding and corporate objectives during his tenure as a Non Executive Director of Vango, and as Managing Director he will have a pivotal role in the daytoday management of the corporate and operational aspects of the Company.

He will work closely with Executive Chairman Bruce McInnes and Vango's technical management team.

Vango is excited by the appointment of Mr Zhou to this key leadership position. His appointment strengthens the Company's executive management team and broadens its relevant skill sets as it continues to execute its plans to develop the 100% owned Plutonic Dome Gold Project in the mid-west region of Western Australia into a major gold mining operation.

Mr Zhou is a highly successful senior business executive with more than 15 years' experience in investment banking, funds management, international business and government relations. He also has strong interests and extensive business relationships in the mining sector and heavy industries in Australia and China, and has specific expertise in providing infrastructure investment solutions for organisations in the Asia Pacific Region.

His previous roles include Overseas Market Development Director for Shanghai General Metal Structuring Engineering Company Limited, a major Chinese engineering and construction company which has completed more than 500 industrial projects across 30 Chinese cities in the past 25 years. Mr Zhou was also previously the Head of Chinese infrastructurefocused investment bank and funds management business, CPG Capital Partners Ltd.

Mr Zhou has a Bachelor Degree in Commerce and a Master of Project Management Degree from the University of Sydney and resides in Sydney Australia. Further details on Mr Zhou and his experience are provided in ASX announcement of 30 January 2018.

New Strategic Shareholder

Also in January, Vango secured a new strategic shareholder, Major Chinese commodity trader, Mr Guo YanChao, to help support the Company's corporate objectives.

Mr Guo acquired a total of 28.5 million Vango shares at a price of 5.5c per share, for a total consideration of \$1,567,500 (excluding transaction costs), in a series of on-market trades from a group of Vango shareholders – outside of the Company's top five shareholders. Vango's top five shareholders remains unchanged from that reported in its 2017 Annual Report, released on 29 September 2017.

Mr Guo is a highly successful and well known Chinese businessman who has extensive understanding of the Chinese macro economy and global markets. He has more than 20 years' experience in commodity trading and futures investment, and is the major shareholder and senior executive of a major Chinese commodities trading house which has annual turnover of more than US\$2 billion and generates annual profits of in excess of US\$100 million.

Mr Guo has a strong belief and confidence in the quality of the Plutonic Dome Gold Project, and the Company's exploration and development plans to realise the value of the Project, and his initial investment in Vango provides strong validation of these plans.

\$1.5 million in Funding Secured

During the quarter, the Company announced it had secured convertible notes totalling \$1.5 million to help fund the next phase of exploration and development at the Plutonic Dome Project (ASX announcement, 20 October 2017).

The convertible notes have a term of 18 months and will expire on 19 April 2019. The coupon rate is 15% per annum and all interest is payable at maturity.

Convertible note holders can elect to convert their principal into Vango ordinary fully paid shares at a conversion price of \$0.18 per share at any time up to the maturity date. If converted in full, the notes would convert to a maximum of 8,333,333 shares – approved by shareholders on 30 November 2017.

If convertible note holders elect not to convert their investment into shares by the maturity date, the Company will payout convertible note holders in full, including any interest payable. The Company can elect to payout note holders in full at any time up to the maturity date, including any interest payable.

Also, at the maturity date, subject to the mutual agreement between the Company and the note holders, the convertible notes may be rolled over for a period of a further 18 months. If the convertible notes are rolled over for the additional 18-month period, the note holders would forego their rights to convert their principal into shares. The Company would retain its right to payout the note holders in full at any time up to the maturity date of the further 18-month period.

The convertible notes were provided by existing and new investors in Vango. The Company would like to acknowledge their support and looks forward to commencing the next phase of field work at Plutonic Dome in the current quarter.

ENDS

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Competent Person's Statement

The information in this report that relates to exploration results has been compiled by Mr David Jenkins, a full time employee of Terra Search Pty Ltd, geological consultants employed by Vango Mining Ltd. Mr Jenkins is a Member of the Australian Institute of Geoscientists and has sufficient experience in the style of mineralisation and type of deposit under consideration and the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results ("JORC Code"). Mr Jenkins consents to the inclusion in the report of the matters based on the 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.

JORC 2012 Table 1 - Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Reported assays are from quarter core, HQ diamond core. This is considered to be sufficient material for a representative sample Duplicates are taken of the second quarter of core every 20 samples to ensure the samples were representative.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> HQ Diamond Face Sampling, Reverse Circulation hammer
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Recovery in diamond drilling based on measured core returned for each 3m RC drilling was bagged on 1m intervals and an estimate of sample recovery has been made on the size of each sample.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Reverse Circulation holes are being logged on 1m intervals Diamond holes are logged in detail based on geological boundaries. Diamond holes are logged on 1m intervals for geotechnical data. Selected intervals have been sampled using spectral devices.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	<ul style="list-style-type: none"> Quarter HQ Core - Diamond drilling, on selected intervals of between 0.25-1.2m length. Sampling using a diamond saw. Duplicates taken every 20 samples by sampling a second quarter of the

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>HQ core, or from a second split directly from the cyclone</p> <ul style="list-style-type: none"> Standards submitted every 20 samples of tenor similar to those expected in the sampling. Cone splitter on the cyclone was used to produce a 1m sub-sample on the RC rig In unprospective lithologies these 1m samples were composited using a PVC spear over 4m intervals.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Samples analysed at Intertek Laboratories using a 50g Fire Assay method. Samples are dried, crushed and pulverised prior to analysis.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Intercepts have been calculated using a 2 g/t cut off and internal waste of up to 2m thickness.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Handheld GPS has been used to locate the drillholes. DGPS survey is planned for final data pickup REFLEX Gyro Tool used for downhole surveys on all holes
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Drilling within 20m of existing drillholes
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to 	<ul style="list-style-type: none"> Intercepts given are downhole widths with the true widths not determined.

Criteria	JORC Code explanation	Commentary
	<i>have introduced a sampling bias, this should be assessed and reported if material.</i>	
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples sealed in bulka bag with signed tape, unbroken when delivered to lab
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Preliminary review of standards, blanks and Duplicates indicate sampling and analysis has been effective

JORC 2012 Table 1 - Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<p>30km northeast of Plutonic gold mine in the Plutonic Dome Gold Project in the Mid-West region of Western Australia</p> <p>M52/217 - granted tenement in good standing. (Trident)</p> <p>M52/183 - granted tenement in good standing. (K1)</p>
Exploration done by other parties.	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Extensive previous work by Resolute Mining, Homestake Gold and Dampier Gold
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Gold mineralisation is hosted within a shear zone within mafics and ultramafics. The high grade 'core' of mineralisation is associated with a steepening and thickening of the mineralised zone within the host shear zone - referred to as a roll-over or 'ramp'.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 	<ul style="list-style-type: none"> Location of Drillholes based on handheld GPS, DGPS locations to be obtained. Northing and easting data within 3m accuracy RL data ± 5m Down hole length ± 0.1 cm

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Intercepts have been calculated using a 2 g/t cut off and internal waste of up to 2m thickness. No upper cut off has been applied.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Orientation of mineralised lodes are still to be ascertained.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

VANGO MINING LIMITED

ABN

68 108 737 711

Quarter ended ("current quarter")

December 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers			
1.2 Payments for			
(a) exploration & evaluation		(899)	(1,938)
(b) development		-	-
(c) production		-	-
(d) staff costs		(76)	(147)
(e) administration and corporate costs		(288)	(463)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		1	2
1.5 Interest and other costs of finance paid		(101)	(111)
1.6 Income taxes paid		-	-
1.7 Research and development refunds		-	-
1.8 Other		-	-
1.9 Net cash from / (used in) operating activities		(1,363)	(2,657)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		-	-
(b) tenements (see item 10)		-	-
(c) investments		-	-
(d) other non-current assets		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings	2,020	3,680
3.6	Repayment of borrowings	(143)	(188)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (issue of options)	-	-
3.10	Net cash from / (used in) financing activities	1,877	3,492

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	525	204
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,363)	(2,657)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,877	3,492
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,039	1,039

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,039	525
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,039	525

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
80
-

Director fees and reimbursement of Company expenses \$80,000

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	7,551	6,501
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	1,500	1,500

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

- 1 Unsecured 2-year term loans are accruing interest at 25%pa (\$3,800,000) and 10% (\$2,701,000) payable 6 months in arrears, excluding interest.
- 2 During the September 2017 quarter, \$1,500,000 was borrowed as follows:
 - a. A\$ 500,000 from Li Yue Xie (at call, interest rate 15% per annum and unsecured)
 - b. A\$ 1,000,000 from MOU Holdings Pty Ltd (at call, interest rate 15% per annum and unsecured)
 - c. On 20 October 2017, the loans were converted by the Company issuing convertible notes carrying an interest rate of 15%pa payable on maturity, a term of 18 months, unsecured, and a fixed conversion price of 18 cents per share at the election of each noteholder. **(Notes)**
 - d. On 30 November 2017, the Company's shareholders resolved to approve the issue of the Notes in accordance with ASX Listing Rule 7.1.
- 3 Financing facilities are available, unsecured and drawn from various unrelated and non-financing entities:

Interest Rate per annum	Loan Facility A\$'000	Amount Drawn A\$'000
25%	4,850	3,800
10%	2,701	2,701
	7,551	6,501

9. Estimated cash outflows for next quarter**\$A'000**

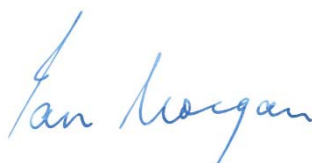
9.1	Exploration and evaluation	1,000
9.2	Development	300
9.3	Production	-
9.4	Staff costs	100
9.5	Administration and corporate costs	300
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	1,700

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: 31 January 2018

Print name: Ian Morgan

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.