

**ASX Announcement**  
**31 October 2018**

## **QUARTERLY ACTIVITIES REPORT – PERIOD ENDING 30 SEPTEMBER 2018**

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 2018.

Vango’s primary focus is the development of a stand-alone gold mining and processing operation at the Plutonic Dome (Marymia) Gold Project (“Marymia Gold Project”) in the Mid-West region of Western Australia. The Company plans to systematically develop the Project’s assets into a significant, long term gold mining operation.

### **QUARTER HIGHLIGHTS**

#### **Off-market Takeover Bid for Dampier Gold Limited**

- During the quarter Vango launched an off market takeover bid for Dampier Gold Limited comprising two Vango shares for every seven Dampier ordinary shares – Offer represents a significant premium to the prevailing Dampier share price.

#### **Exploration and Development**

- Vango has continued its highly successful drilling programme, including testing of high-grade gold targets at the Trident and Cinnamon gold deposits and initial testing of the Apex Prospect on the Marymia Gold Project.
- Further drilling of the Trident gold deposit intersected the mineralised Trident ultramafic at a distance of 1km (down-dip) to the west of the drill-defined high-grade gold mineralised zone (“high-grade core”) at Trident, effectively tripling the size of the Trident target zone.
- The drilling also produced high-grade gold intersections 500m (down dip) to the west of the Trident high-grade core including:
  - VTRRCD0028: 3.5m @ 10.9 g/t Au from 349m incl. 1.5m @ 22.1g/t Au from 350m, indicating that a second high-grade zone may have been discovered.
- High Grade gold intersections have also been produced from initial drilling of the Cinnamon gold deposit, including:
  - VBGRCD0001: 10m @ 2.69 g/t Au from 106m incl. 0.9m @ 10.31 g/t Au & 2m @ 8.5 g/t Au; 5m @ 3.03 g/t Au from 128m incl. 2m @ 5.64 g/t Au; 2m @ 20.78 g/t Au from 164m
  - VBGRCD0002: 19m @ 3.04 g/t Au from 74m including 10m @ 4.06 g/t Au.

These drilling intersections enhance the potential of Cinnamon to be a near-term development asset to support the Marymia Gold Project stand-alone mining and processing operation

- The Company generated another high-grade gold target through the discovery of widespread coarse “nugget” gold at surface and vein-hosted gold in float samples at the Apex Prospect. Geochemical drilling to be followed by initial RC drilling to test for bedrock gold mineralisation.

- Additional metallurgy was completed for the Trident gold deposit as part of the stand-alone mining and processing Scoping Study for the Marymia Gold Project, producing encouraging results that lifted gold recovery up to 90%. Additional metallurgy is planned for the Cinnamon gold deposit to add this deposit to the stand-alone study. Drilling results for the Trident and Cinnamon gold deposits will be incorporated into a JORC 2012 resource upgrade for the Marymia Gold Project prior to mining studies and scheduling for the proposed stand-alone mining and processing operation scoping then feasibility studies.

### Corporate

- Highly successful \$5.2 million cash placement completed to fund accelerated exploration at Plutonic Dome
- Company's debt position significantly reduced with \$5.4 million debt converted to equity

### **OFF-MARKET TAKEOVER OFFER FOR DAMPIER GOLD LIMITED**

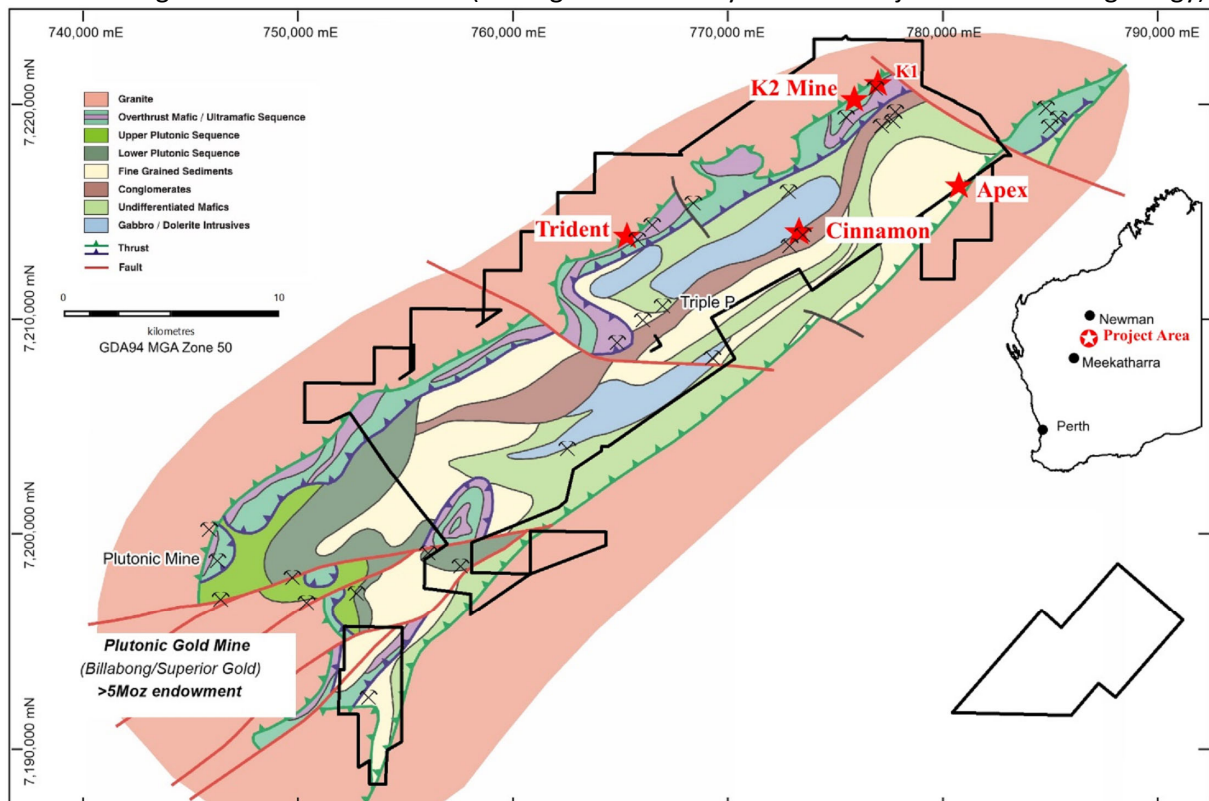
On 17 September Vango announced an off market takeover offer for all of the issued capital of Dampier Gold Limited (ASX: DAU) ('Dampier') comprising two Vango shares for every seven Dampier ordinary shares. Based on the prevailing share prices at the time of the announcement, this valued the Vango bid at 5.6 cents per Dampier share, and represented a significant premium to the Dampier share price at the time and in the period leading up to the bid.

Vango advised the market that it had pre bid acceptance agreements in place representing 12.63% of the company. This was subsequently diluted by a share issue made by Dampier during the takeover offer period to 9.13%.

The takeover bid currently remains open with Vango announcing after the end of the quarter that the bid has become unconditional.

### **NEW HIGH-GRADE GOLD INTERSECTIONS AT THE TRIDENT AND CINNAMON GOLD DEPOSITS:**

During the September Quarter Vango continued its drilling programme, testing a series of high-grade gold targets at the Trident and Cinnamon deposits on the 100%-owned Marymia Gold Project in the Mid-West region of Western Australia (See Figure 1 for Marymia Gold Project location and geology).



**Figure 1: Plutonic Dome Gold Project location and geology map with Trident, Cinnamon and Apex locations**

### Deeper Drilling Significantly Extends the Trident Gold Deposit Target Zone:

Further RC and diamond drilling tested for deeper extensions and repeats of the high-grade Trident gold deposit, as well as defining the near surface oxide material on the western side of the deposit (see Figure 2 for drilling completed during the Quarter).

The drilling was highly successful, intersecting high-grade gold mineralisation at a distance of 500m (down dip from surface) to the west of Trident's high-grade drill-defined mineralised core, including:

- **VTRRCD0028: 3.5m @ 10.9 g/t Au from 349m including 1.5m @ 22.1g/t Au from 350m,**

This intersection indicates that a second high-grade gold zone may have been discovered.

In addition, a very deep hole (VTRRCD0029) tested the Trident mineralised zone at around 1000m (down dip) to the west of the high-grade core of the Trident gold deposit and showed the alteration system extending strongly with a 12m wide zone of biotite altered and mineralised ultramafic host rock. Gold assays were weakly anomalous, but significant potential remains for gold mineralisation to extend to this depth and the Trident target zone has effectively tripled in size.

Other significant results were received from drilling of the near-surface, western, projection of the Trident deposit (see Figure 2), including the following intersections:

- **VTRDD0030: 2m @ 4.9 g/t Au from 37m, 5m @ 1.0g/t Au from 44m and 3.4m @ 3.4g/t from 68.6m including 1m @ 7.2g/t Au**
- **VTRRC0032: 6m @ 3.7g/t Au from 56m incl. 1m @ 16.2g/t Au, 6m @ 1.9g/t Au from 24m including 2m @ 3.2g/t Au and 5m @ 2.7g/t Au from 46m including 2m @ 4.9g/t Au**
- **VTRRC0033: 4m @ 1.1g/t Au from 43m and 2m @ 2.2g/t Au from 58m, and,**
- **VTRRC0034: 2m @ 1.4g/t Au from 24m**

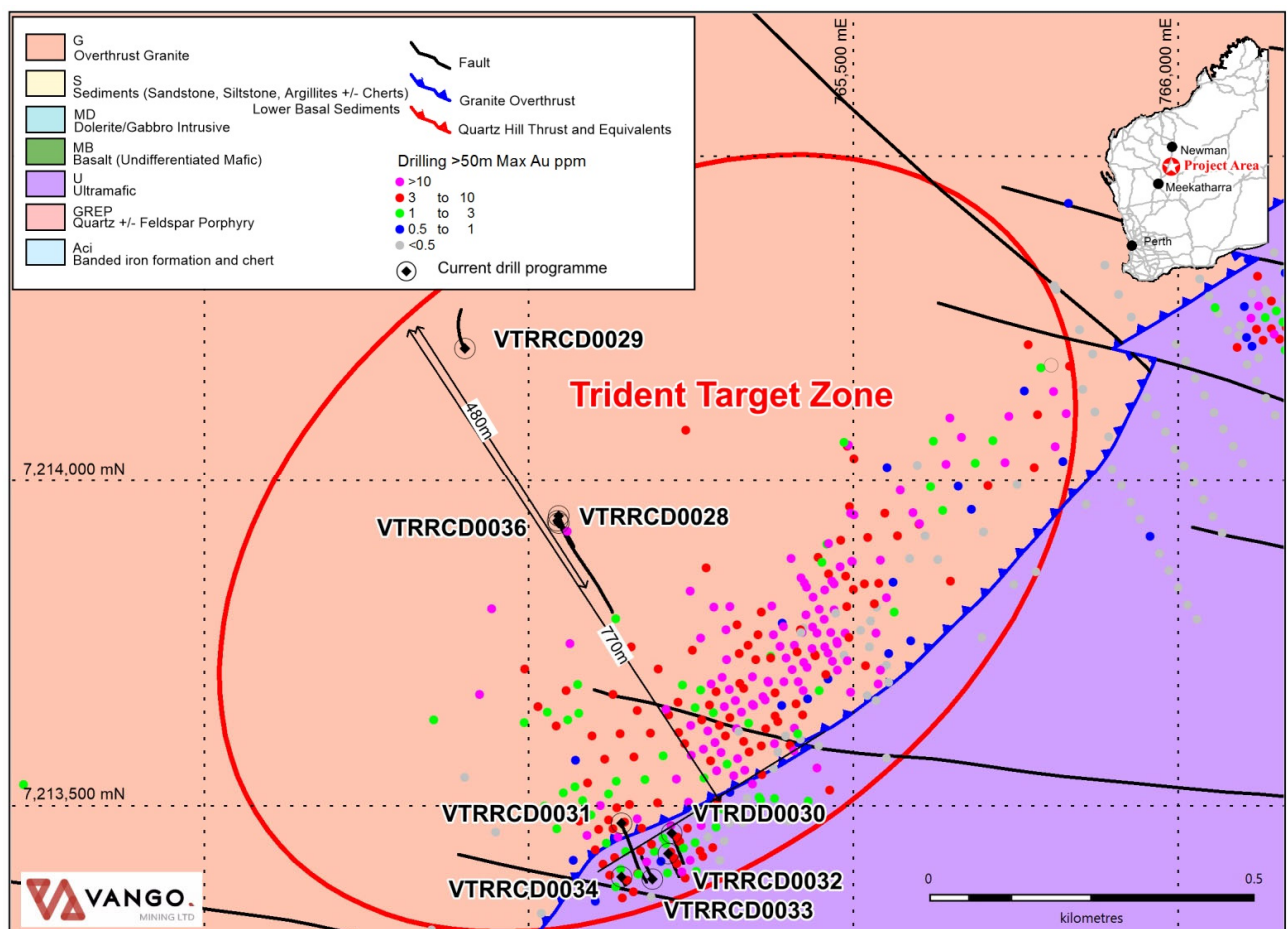
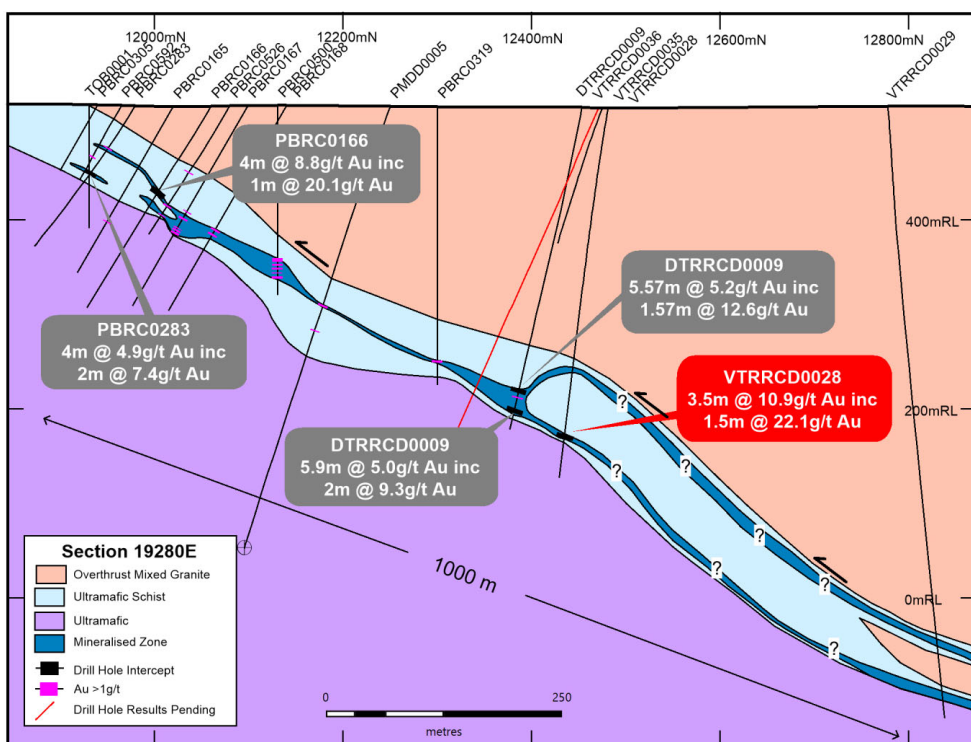


Figure 2: Plan of Trident gold deposit and the completed drilling programme with high-grade gold results



**Figure 3: Cross section 19,280mE through Trident, showing latest high-grade gold intersections**

### **Broad High-Grade Gold Intersections from the Cinnamon Gold Deposit:**

During the Quarter the Company produced broad, high-grade, gold intersections from its initial drilling programme at the Cinnamon gold deposit (see Figure 1 for location and Marymia Project geology).

The initial diamond drilling programme of two diamond drill-holes, for 600m of drilling, was designed to test and extend existing gold mineralised zones and provide geological information to characterise and identify the potential controls on this conglomerate hosted mineralised system (see Figure 4, Cinnamon drill hole locations).

Previous, predominantly RC drilling intersections (ASX release by Dampier Gold, 14th July 2011) included:

- DRC0003: 19m @ 6.85 g/t Au from 132m including 11m @ 10.57 g/t Au
- DRC0430: 24m @ 4.75 g/t Au from 146m including 12m @ 7.64 g/t Au and,
- BDRC0365: 24m @ 7.27 g/t Au from 76m including 10m @ 13.84 g/t Au (Figure 5)

Key gold intersections produced from the initial two diamond drill-holes at Cinnamon include:

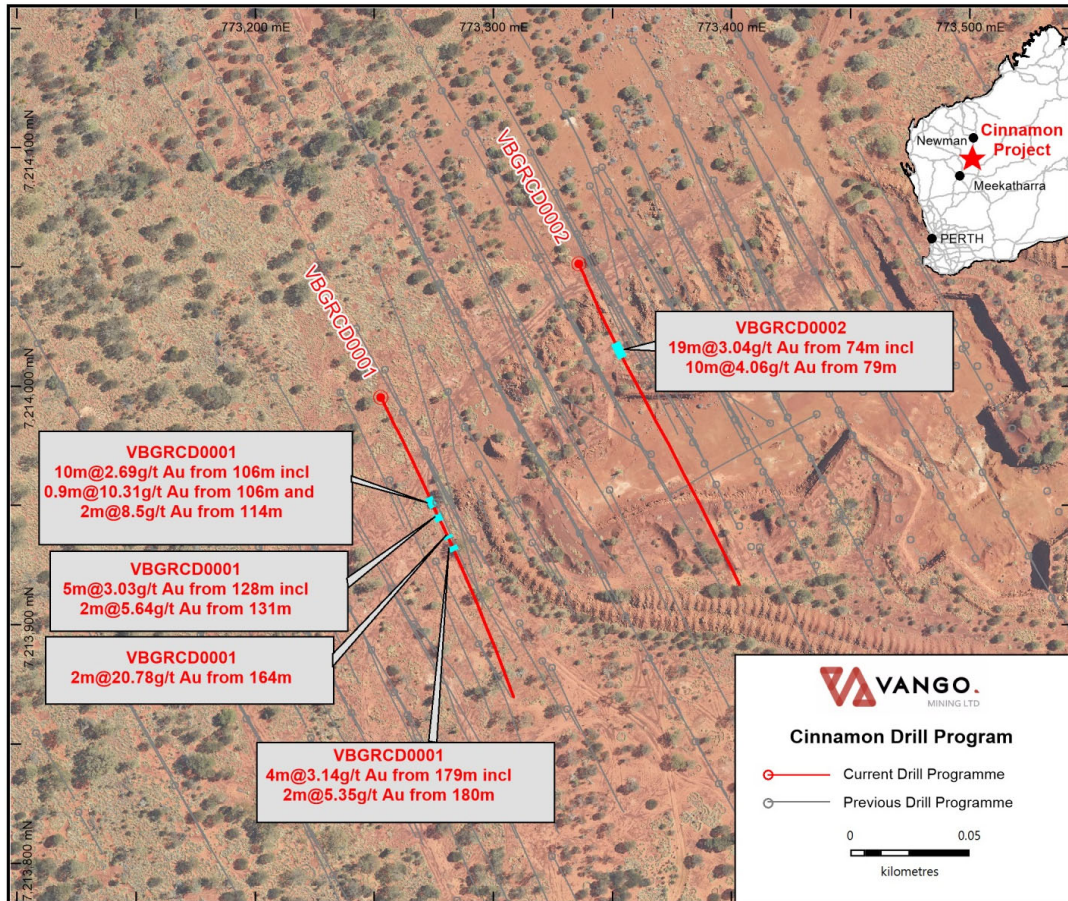
#### **VBGRCD0001:**

- 10m @ 2.69 g/t Au from 106m incl. 0.9m @ 10.31 g/t Au & 2m @ 8.5 g/t Au from 114m,
- 5m @ 3.03 g/t Au from 128m including 2m @ 5.64 g/t Au from 131m,
- 2m @ 20.78 g/t Au including 1m @ 38.8 g/t Au from 164m, and,
- 4m @ 3.14 g/t from 179m including 2m @ 5.35 g/t Au from 180m.

#### **VBGRCD0002 (see cross section Figure 5):**

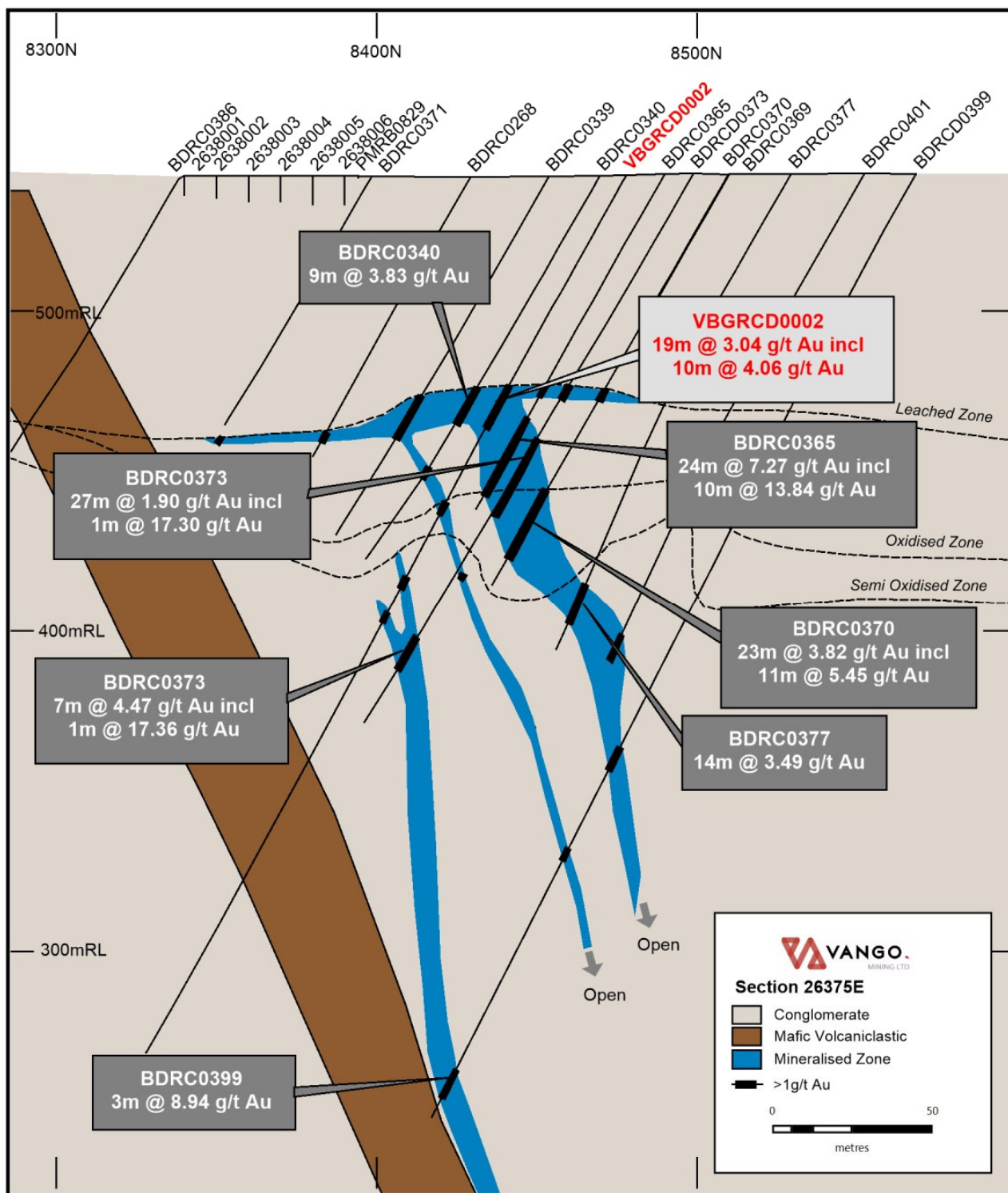
- 19m @ 3.04 g/t Au from 74m including 10m @ 4.06 g/t Au from 79m.





**Figure 4: Plan of the Cinnamon with drill hole locations including VBGRCD0001 and VBGRCD0002**

- These two diamond drill-holes have confirmed the general location of higher gold-grades as previously indicated by reverse circulation (RC) drilling in oxide-transition and fresh material and successfully confirmed the high-grade mineralisation at Cinnamon that extends for 2.4km to the northeast in the direction of the Cobalt prospect.



**Figure 6: Cross section through Cinnamon deposit, 26,375N (looking southwest)**

Further drilling is planned to better define and extend the Cinnamon gold mineralised zones and target further discoveries along the strike of the conglomerate, and to further enhance Cinnamon's potential as a near-term development asset.

#### **Scoping Study for Stand-alone Mining and Processing Operation at Plutonic Dome:**

Based on the highly positive results of the drilling at Trident and Cinnamon the Company has commissioned a Scoping Study into a high-grade, stand-alone, gold mining and processing operation at the Plutonic Dome Gold Project.

Modular processing plant specialists, Como Engineers, have been appointed to carry out initial Scoping Studies on a stand-alone, modular processing plant for the Project. The plant will be designed to process a “base case” of high-grade gold resources from the Trident and K2 deposits, targeting a processing rate of 250,000 tonnes per annum (TPA)) and recovering up to 50,000oz per annum of gold for a minimum of five years.

The targeted production would include the Trident gold deposit, where drilling has focused on the very-high grade core of the deposit, and the Cinnamon gold deposit where drilling is planned to continue.

Once this ongoing drilling programme is completed a resource upgrade will be completed (JORC 2012) to support the stand-alone mining and processing plan.

Additional metallurgy was completed for the Trident gold deposit which indicated up to 90% gold recovery at 100-micron grind and standard leaching times. Metallurgical test work will also be carried out for Cinnamon.

Following the resource upgrade, initial mining studies will also be carried out for Trident and Cinnamon, to be added to the existing mining schedule for the nearby K2 deposit (see DFS update, released February 2017), and incorporated with the processing plant Scoping Study.

Following completion of the Scoping Study, the Company plans to undertake a DFS for the stand-alone, high-grade focused, gold mining and processing project at Plutonic Dome.

#### **Coarse Vein and Nugget Gold Located at Apex Prospect:**

During the September Quarter Vango also reported the discovery of widespread coarse “nugget” gold at-surface and vein-hosted gold in float samples at the Apex prospect (see Figure 1 for location).

The Apex prospect is located in the north east of the Project (Figure 1). The Company recently conducted a first-pass reconnaissance exploration program at Apex and other tenements in the area, led by leading minerals prospector Bob Creasy. This field program returned multiple coarse gold “nuggets” and located the coarse vein-gold in weathered float in an area of shallow cover. The float is interpreted as being in close proximity to a contact zone between a Syenite intrusive and inter-bedded mafics and ultramafic meta-volcanics.

A programme of geochemical (rotary air drilling) was completed in the area of reported gold nuggets. Significant bedrock anomalies will be followed up with RC drilling and material results will be reported when available.

### **CORPORATE**

#### **Strongly supported Placement raises \$5.2m**

Vango completed a successful cash placement to sophisticated and professional investors to raise approximately \$5.2 million via the issue of approximately 29 million fully paid ordinary shares at \$0.18 per share.

Funds raised will be used to advance the exploration and development of the Plutonic Dome Gold Project.

Options were also issued as part of the Placement, with one free attaching option issued for every two new shares subscribed for, exercisable at \$0.27 and expiring two years from the date of issue.

The issue 29,078,644 New Shares and 14,539,331 New Options to eligible shareholders was finalised on Thursday 12 July 2018. The options issued are listed and commenced trading on the ASX on 17 July 2018.

DJ Carmichael Pty Limited acted as Corporate Adviser and Lead Manager to the Share Placement.

## Retirement of Company Debt

Vango finalised arrangements to retire a significant amount of debt from its balance sheet through the issue of ordinary shares in the Company to holders of debt in the Company (ASX announcement 24 September 2018).

The Company issued 83,275,167 shares at 6.0 cents per share and 9,537,840 shares at 4.5 cents per share, to the total value of \$5,425,713 to Company debt holders to retire a substantial amount of unsecured debt.

A General Meeting of shareholders, on Monday 27 August 2018, approved the issue of shares to retire debt.

The conversion of debt delivers the Company a stronger capital position as it advances the development of the Plutonic Dome (Marymia) Gold Project.

## Update on Farm - in Joint Venture for K2 Gold Project

Further to its ASX announcement of 9 April 2018, the Company provides the following further update on the proposed Farm-in Joint Venture for the K2 Gold Project with Dampier Gold Limited (ASX: DAU).

On 16 May 2017, Vango and Dampier entered into a binding terms sheet for Dampier to provide up to \$3 million in funding for the development of the K2 Gold Project to receive a 50% interest joint venture in the K2 Project.

The Terms Sheet stated: *"Notwithstanding the fact that this Terms Sheet is legally binding on the parties, if either party notifies the other in writing expressing an intention for a formal joint venture agreement to replace this Terms Sheet, then both parties agree to then negotiate in good faith and use their best endeavours to execute a detailed joint venture agreement on normal terms (which includes clauses that are usually contained in such joint venture agreements) embodying the terms and conditions contained in this Terms Sheet."*

Vango has previously acknowledged that it has received a draft formal Joint Venture Agreement from Dampier pursuant to the process outlined above in the Terms Sheet.

Vango remains of the opinion that, in its current form, the formal draft Joint Venture Agreement submitted to it by Dampier does not represent terms agreeable to Vango, and on this basis it is currently not in a position to enter into a Joint Venture with Dampier for the K2 Project under the terms presented in Dampier's draft formal Joint Venture Agreement.

The Company reiterates that it remains willing to work towards a formal agreement agreeable to all parties, and will continue discussions with Dampier on this basis. It will update the market on any material progress as it comes to hand.

## 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"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul> | <ul style="list-style-type: none"> <li>Reported assays are from quarter core, HQ diamond core. This is considered to be sufficient material for a representative sample</li> <li>Duplicates are taken of the second quarter of core every 20 samples to ensure the samples were representative.</li> </ul>                              |
| Drilling techniques                            | <ul style="list-style-type: none"> <li>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).</li> </ul>   | <ul style="list-style-type: none"> <li>HQ Diamond</li> <li>Face Sampling, Reverse Circulation hammer</li> </ul>   |
| Drill sample recovery                          | <ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>  | <ul style="list-style-type: none"> <li>Recovery in diamond drilling based on measured core returned for each 3m</li> <li>RC drilling was bagged on 1m intervals and an estimate of sample recovery has been made on the size of each sample.</li> </ul>   |
| Logging  | <ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>  | <ul style="list-style-type: none"> <li>Reverse Circulation holes are being logged on 1m intervals</li> <li>Diamond holes are logged in detail based on geological boundaries.</li> <li>Diamond holes are logged on 1m intervals for geotechnical data.</li> <li>Selected intervals have been sampled using spectral devices.</li> </ul> |
| Sub-sampling techniques and sample preparation | <ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling</li> </ul>   | <ul style="list-style-type: none"> <li>Quarter HQ Core - Diamond drilling, on selected intervals of between 0.25-1.2m length.</li> <li>Sampling using a diamond saw.</li> <li>Duplicates taken every 20 samples by sampling a second quarter of the HQ core, or from a second split</li> </ul>  |

| Criteria  | JORC Code explanation   | Commentary  |
|---|---|---|
|   | <p><i>stages to maximise representivity of samples.</i></p> <ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>   | <p>directly from the cyclone</p> <ul style="list-style-type: none"> <li>• Standards submitted every 20 samples of tenor similar to those expected in the sampling.</li> <li>• Cone splitter on the cyclone was used to produce a 1m sub-sample on the RC rig</li> <li>• In unprospective lithologies these 1m samples were composited using a PVC spear over 4m intervals.</li> </ul> |
| Quality of assay data and laboratory tests              | <ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul> | <ul style="list-style-type: none"> <li>• Samples analysed at Intertek Laboratories using a 50g Fire Assay method.</li> <li>• Samples are dried, crushed and pulverised prior to analysis.</li> </ul>  |
| Verification of sampling and assaying                   | <ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Intercepts have been calculated using a 2 g/t cut off and internal waste of up to 2m thickness.</li> </ul>   |
| Location of data points                                 | <ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• Handheld GPS has been used to locate the drillholes.</li> <li>• DGPS survey is planned for final data pickup</li> <li>• REFLEX Gyro Tool used for downhole surveys on all holes</li> </ul>   |
| Data spacing and distribution                           | <ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Drilling within 20m of existing drillholes</li> </ul>  |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• Intercepts given are downhole widths with the true widths not determined.</li> </ul>   |

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

**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"> <li>Type, reference name/number, location and ownership including agreements or material</li> <li>issues with third parties such as joint ventures, partnerships, overriding royalties, native</li> <li>title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments</li> <li>to obtaining a licence to operate in the area.</li> </ul>   | <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"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>   | <ul style="list-style-type: none"> <li>Extensive previous work by Resolute Mining, Homestake Gold and Dampier Gold</li> </ul>  |
| Geology                                 | <ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>   | <ul style="list-style-type: none"> <li>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'.</li> </ul> |
| Drill hole Information                  | <ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results</li> <li>including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level - elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth hole length.</li> </ul> </li> <li>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</li> </ul> | <ul style="list-style-type: none"> <li>Location of Drillholes based on handheld GPS, DGPS locations to be obtained.</li> <li>Northing and easting data within 3m accuracy</li> <li>RL data <math>\pm 5</math>m</li> <li>Down hole length <math>\pm 0.1</math> cm</li> </ul>  |



| Criteria  | JORC Code explanation  | Commentary  |
|---|--|---|
|   | <i>explain why this is the case.</i>   |   |
| <i>Data aggregation methods</i>   | <ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>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.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul> | <ul style="list-style-type: none"> <li>Intercepts have been calculated using a 2 g/t cut off and internal waste of up to 2m thickness.</li> <li>No upper cut off has been applied.</li> </ul> |
| <i>Relationship between mineralisation widths and intercept lengths</i> | <ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>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').</i></li> </ul>   | <ul style="list-style-type: none"> <li>Orientation of mineralised lodes are still to be ascertained.</li> </ul>   |

## 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")**

**September 2018**

| Consolidated statement of cash flows                      | Current<br>quarter \$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                       |
| 1.1 Receipts from customers                               |                            |                                       |
| 1.2 Payments for  |                            |                                       |
| (a) exploration & evaluation                              | (3,527)                    | (3,527)                               |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) staff costs   | (76)                       | (76)                                  |
| (e) administration and corporate costs                    | (457)                      | (457)                                 |
| 1.3 Dividends received (see note 3)                       |                            |                                       |
| 1.4 Interest received                                     | 1                          | 1                                     |
| 1.5 Interest and other costs of finance paid              | -                          | -                                     |
| 1.6 Income taxes paid                                     | -                          | -                                     |
| 1.7 Research and development refunds                      | -                          | -                                     |
| 1.8 Other   | -                          | -                                     |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(4,059)</b>             | <b>(4,059)</b>                        |
| <b>2. Cash flows from investing activities</b>            |                            |                                       |
| 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<br>quarter \$A'000 | Year to date<br>(3 months)<br>\$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)                   | -                          | -                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>-</b>                   | <b>-</b>                              |

|             |   |              |              |
|-------------|---|--------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |              |              |
| 3.1         | Proceeds from issues of shares  | 5,256        | 5,256        |
| 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   | (228)        | (228)        |
| 3.5         | Proceeds from borrowings  | 1,029        | 1,029        |
| 3.6         | Repayment of borrowings   | -            | -            |
| 3.7         | Transaction costs related to loans and borrowings   | -            | -            |
| 3.8         | Dividends paid  | -            | -            |
| 3.9         | Other (issue of options)  |              |              |
|             | Repayment of Plan Loan made under "Vango Mining Limited Employee Loan Share Plan" – approved on 27 August 2018 by members | 599          | 599          |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>   | <b>6,656</b> | <b>6,656</b> |

|           |  |                 |         |
|-----------|--|-----------------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |                 |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 36 <sup>1</sup> | 36      |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (4,059)         | (4,059) |
| 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)             | 6,656           | 6,656   |

<sup>1</sup> Including cash security deposit \$10,000.

| Consolidated statement of cash flows |   | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|-------------------------|---------------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held | -                       | -                               |
| 4.6                                  | Cash and cash equivalents at end of period        | 2,633                   | 2,633                           |

| 5.  | Reconciliation of cash and cash equivalents<br>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  | 2,633                   | 36                       |
| 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)  | 2,633                   | 36                       |

**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

Reimbursement of expenses \$21,380.  
Director fees \$157,684

**Current quarter  
\$A'000**

179

-

**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**

-

-



| 8. <b>Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>  | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|---|---|--|
| 8.1 Loan facilities   | 1,715   | 1,715  |
| 8.2 Credit standby arrangements   | -   | -  |
| 8.3 Other (please specify)  | 4,000   | 4,000  |
| 8.4 Included below a description of each facility above. 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 Loan facilities (unsecured)**

| Interest Rate per<br>annum | Loan Facility<br>A\$'000 | Amount Drawn<br>A\$'000 | Term      |
|----------------------------|--------------------------|-------------------------|-----------|
| Nil%                       | 200                      | 200                     | At call   |
| 10%                        | 1,015                    | 1,015                   | 6 Months  |
| 15%                        | 500                      | 500                     | 18 Months |
|                            | 1,715                    | 1,715                   |           |

**2 Other (Convertible Notes- unsecured)**

| Interest Rate per<br>annum | Note Facility<br>A\$'000 | Amount Drawn<br>A\$'000 | Conversion price per<br>Share | Term      |
|----------------------------|--------------------------|-------------------------|-------------------------------|-----------|
| 8% payable on<br>maturity  | 2,500                    | 2,500                   | 7 cents                       | 18 months |
| 15% payable on<br>maturity | 1,500                    | 1,500                   | 18 cents                      | 18 months |
|                            | 4,000                    | 4,000                   |                               |           |

**PLEASE NOTE**

Over the September 2018 Quarter, Vango Mining Limited Issued 92,813,016 fully paid ordinary shares in lieu of the repayment of debt obligations totalling \$5,425,713.

| 9. <b>Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|--|----------------|
| 9.1 Exploration and evaluation                     | 380            |
| 9.2 Development                                    | -              |
| 9.3 Production                                     | -              |
| 9.4 Staff costs                                    | 66             |
| 9.5 Administration and corporate costs             | 304            |
| 9.6 Other (provide details if material)            | -              |
| <b>9.7 Total estimated cash outflows</b>           | <b>750</b>     |

| 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 October 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.