ASX Announcement
17 July 2019

VANGO EXERCISES OPTION TO FARM-IN TO LODESTAR'S NED'S CREEK PROJECT

Drilling to follow-up previous very high-grade intersections and define resources

- **Vango has exercised the option to earn 51% of Ned's Creek by spending $5M within three years**
- **Near term focus is drilling the Contessa Prospect targeting new high-grade gold resources around previous very high-grade intersections including:**
  - **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**
- **Exploration will also advance other high-grade gold discoveries at Ned's Creek including Gidgee Flat and Brumby (see Figure 2)**
- **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**
- **Ned's Creek doubles Vango's strategic land holding in the Marymia district and is a significant step in its strategy to establish a major gold mining hub in the region**

Gold exploration and development company Vango Mining Limited ("Vango" or "the Company") (ASX:VAN) is pleased to announce that it has exercised its option to enter into a Farm-in and Joint Venture ("JV") agreement to earn a 51% interest in Lodestar Minerals' Limited ("Lodestar") (ASX:LSR) Ned's Creek Project ("Ned's Creek") ("Farm-In").

Vango is delighted to exercise the Option and enter into the Farm-in and JV agreement for Ned's Creek, which effectively doubles the Company's strategic landholding 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.

Vango and Lodestar entered into a binding terms sheet in May under which Vango secured an exclusive, four-month Option to enter into a Farm-in and JV agreement with Lodestar at Ned's Creek, whereby Vango may earn a 51% interest in the Ned's Creek Project by expending $5 million on exploration over a three-year period (with a minimum spend of $1 million per annum).

Details of the Farm-in and JV agreement are provided in Vango's ASX announcement of 1 May 2019.

Vango now advises that is has successfully completed its assessment of the Ned's Creek tenements and has exercised the Option, and the two companies will now move to finalise the Farm-In and JV Heads of Agreement.

As per the terms sheet, a $200,000 Option exercise fee is now payable to Lodestar, to be paid via the issue of Vango shares (to be issued at the Vango closing price at today's date).

The Neds Creek Project is located 20km to the southeast of Vango's 100%-owned Marymia Gold Project, 300km northeast of Meekatharra in the Mid-West region of Western Australia (see location Figure 1), where Vango's targeted, ongoing drilling programs are focused on substantially expanding the high-grade resource to support a proposed large-scale, stand-alone gold mining and processing operation at Marymia.

Background to the Ned's Creek Project

Vango has exercised the Option based on the high-level of prospectivity and resource potential of the Ned's Creek tenements, and specifically the **Contessa** Prospect. Previous drilling of Contessa by Lodestar (LSR release 12 June 2018) delivered multiple high-grade gold results within an approximately 400m strike length zone on the southeast margin of an intrusive Syenite (a.k.a Contessa Granite) (see Figure 2). This includes very high-grade intersections on section 29,760mN (see cross section Figure 3):

- **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 g/t Au** in diamond drillhole **LND003**

Open pit potential has also been identified, around previous shallow intersection:

- **21m @ 3.0 g/t Au from 40m incl. 1m @ 13.1 g/t Au in LNR656** section 29690mN (Figure 4).

The key previous intersections are summarised in Table 1 and individual assays in Appendix 2.

Follow up drilling is being planned for Contessa with the objective of defining both open pit and high-grade underground resources.

Other key high-grade gold prospects around the margin of the highly prospective Syenite unit will also be reviewed, including **Gidgee Flat** and **Brumby** (see Figure 2). Syenites are associated with major gold deposits in other parts of the Yilgarn Craton, including the world-class Wallaby gold deposit in the Laverton District.

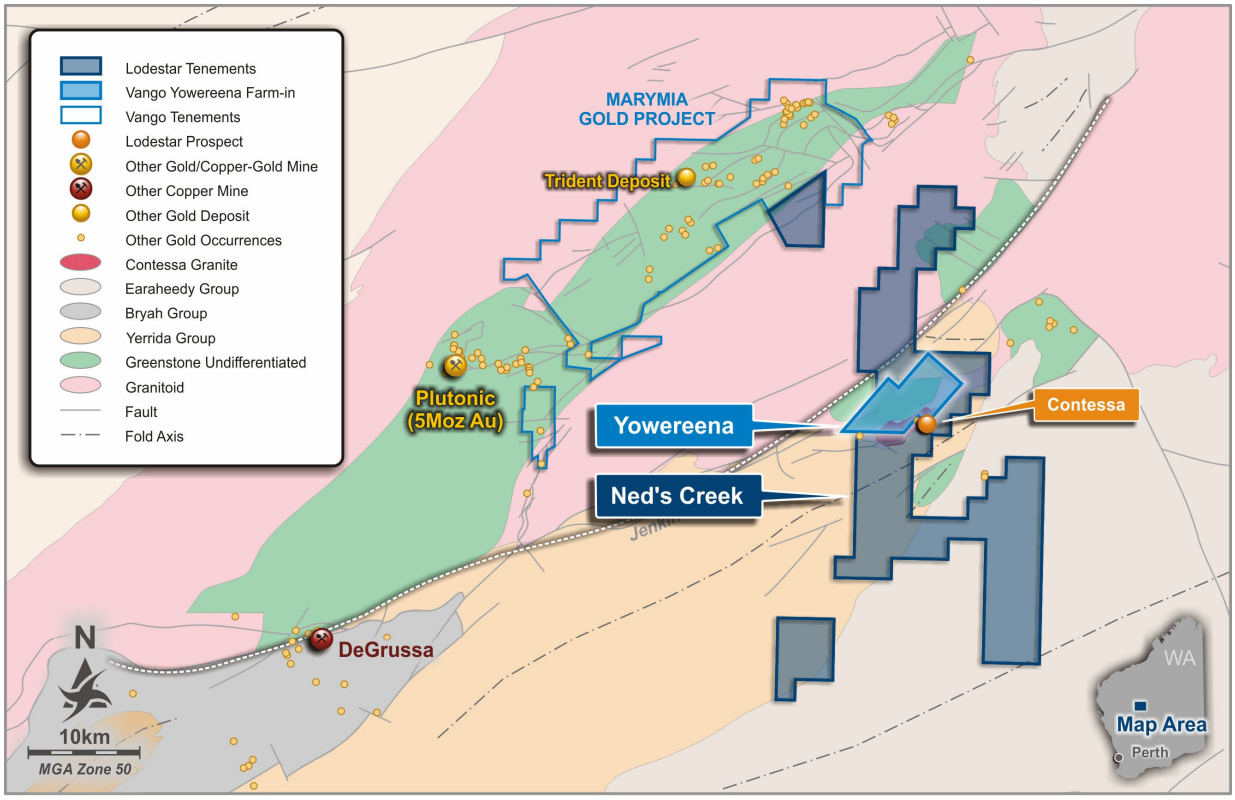

Figure 1: Ned's Creek Tenements including Contessa Prospect location, adjacent to Marymia Gold Project

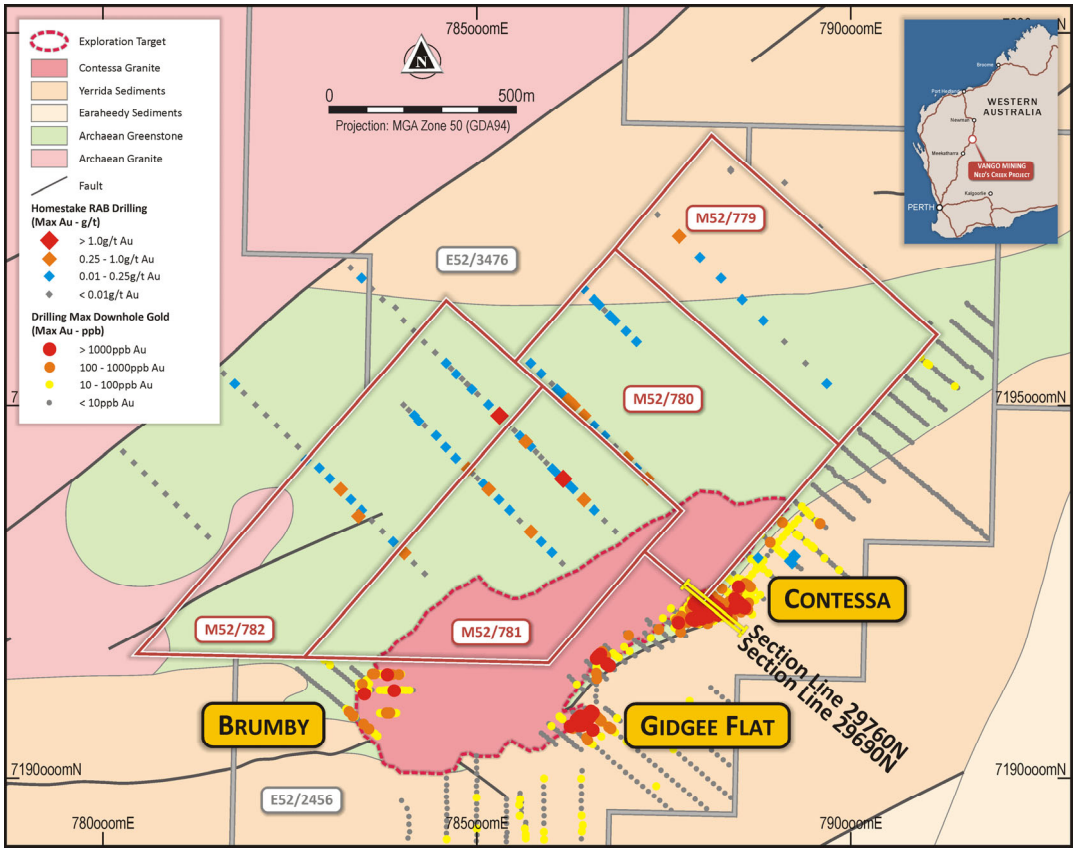

Figure 2: Ned's Creek tenements with drilling showing key cross section locations at Contessa Prospect

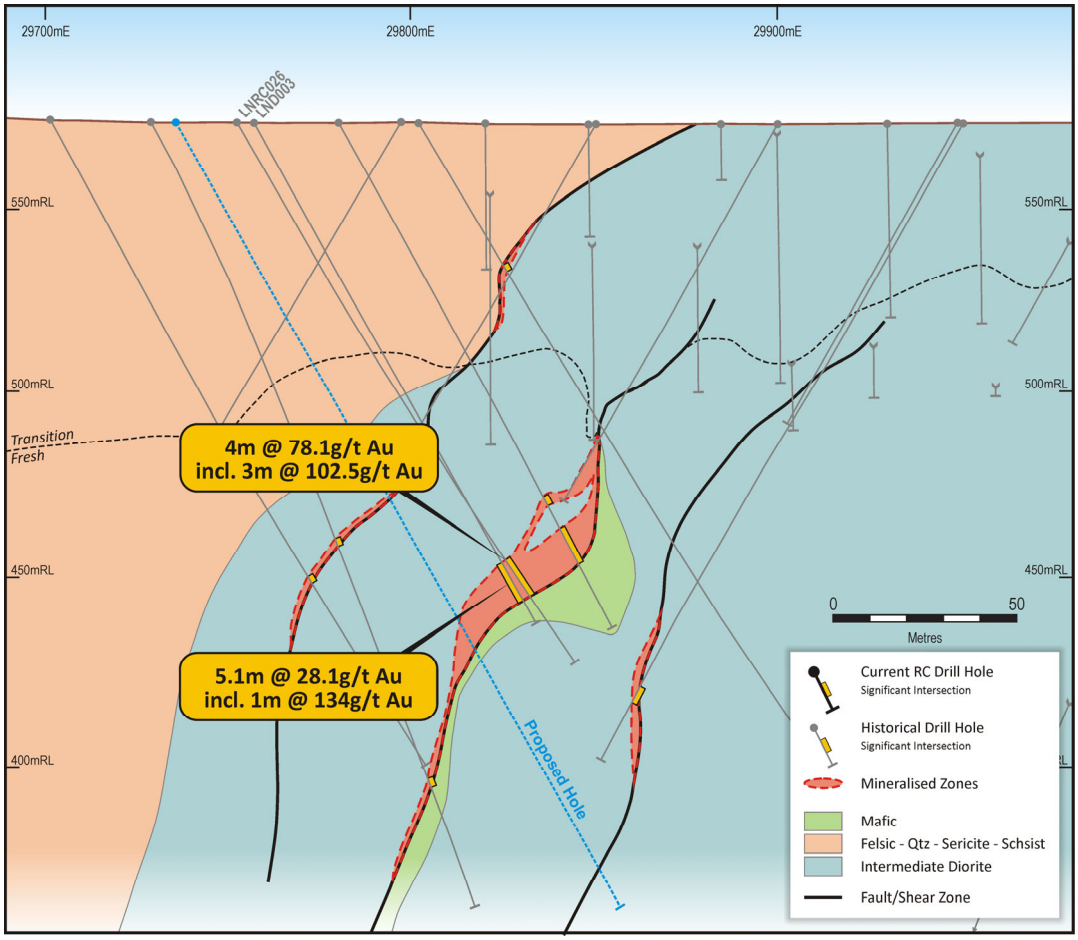

Figure 3: Ned's creek, Contessa Prospect, Cross section 29,760mN

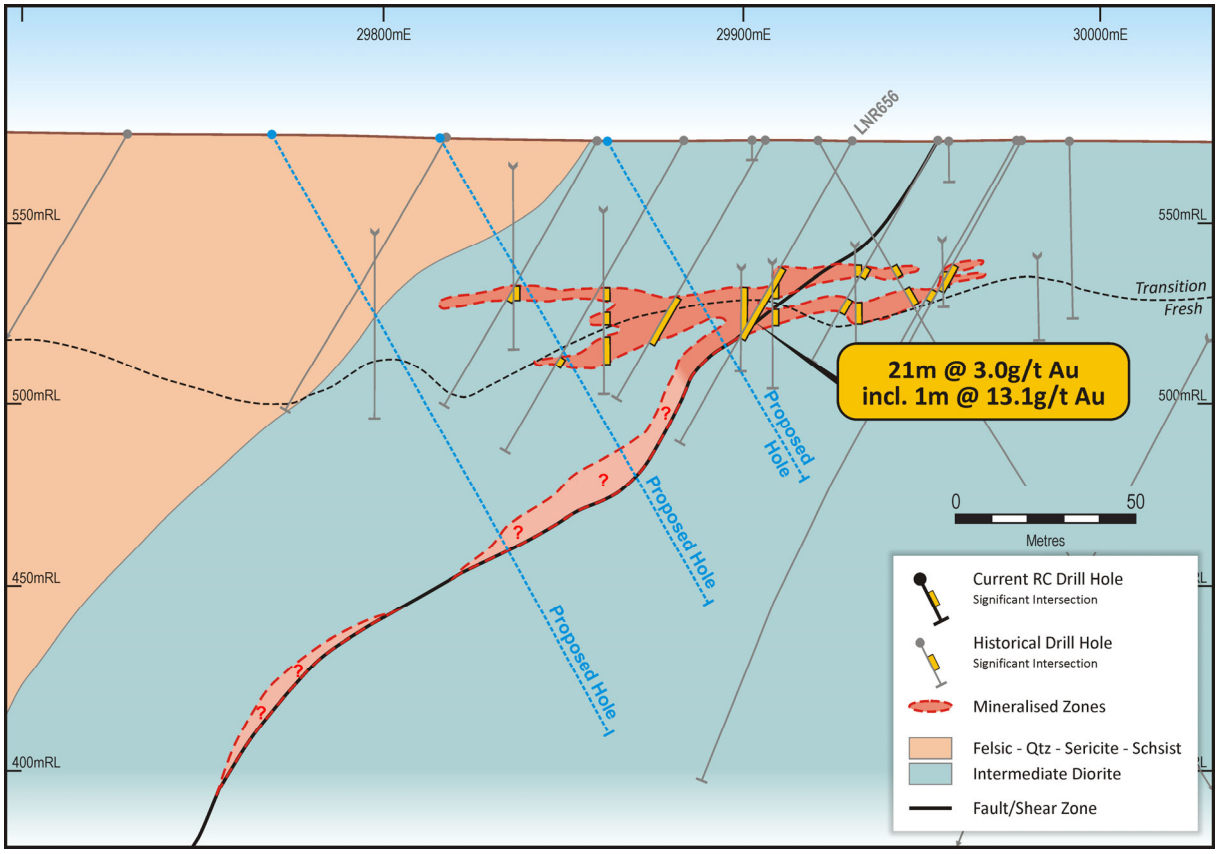

Figure 4: Ned's creek, Contessa Prospect, Cross section 29,690mN

Table 1 Ned's Creek, Contessa Prospect, significant intersections:

Prospect	Hole_ID	Section	From	To	m	g/t Au	Cut-off grade
Contessa	**LNRC026**	20,760mN	140.00	147.00	7.00	**45.3**	1 g/t
	Including		140.00	145.00	5.00	**63.0**	2 g/t
	Including		140.00	144.00	4.00	**78.1**	3 g/t
	Including		140.00	143.00	3.00	**102.5**	3 g/t
	Including		140.00	142.00	2.00	**139.5**	3 g/t
Contessa	**LND003**	20,760mN	140.35	148.10	7.25	**18.7**	1 g/t
	Including		143.00	148.10	5.10	**28.1**	2 g/t
	Including		143.00	144.00	1.00	**134.0**	3 g/t
Contessa	**VMWRC0005**	20,690mN	40.00	61.00	21.00	**3.0**	1 g/t
	Including		47.00	51.00	4.00	**5.2**	3 g/t
	and Including		53.00	56.00	3.00	**5.9**	3 g/t
	and including		59.00	60.00	1.00	**13.1**	3 g/t

ENDS

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Competent Persons Statement

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.

Appendix 1: Significant Assays – Contessa Key Intersections

Hole_ID	From Depth	To Depth	Data Type	Au
LND003	111	112	HCORE	0.099
LND003	112	113	HCORE	0.148
LND003	113	114	HCORE	0.724
LND003	114	115	HCORE	0.279
LND003	115	116	HCORE	0.036
LND003	116	117	HCORE	0.001
LND003	121	122.3	HCORE	0.059
LND003	122.3	122.7	HCORE	1.02
LND003	122.7	123.7	HCORE	0.004
LND003	139	140	HCORE	0.004
LND003	140	140.35	HCORE	0.005
LND003	140.35	140.6	HCORE	2.45
LND003	140.6	141	HCORE	0.264
LND003	141	142	HCORE	0.013
LND003	142	143	HCORE	0.78
LND003	143	144	HCORE	134
LND003	144	144.92	HCORE	0.914
LND003	144.92	145.9	HCORE	1.41
LND003	145.9	146.54	HCORE	2.59
LND003	146.54	147	HCORE	4.32
LND003	147	147.6	HCORE	0.771
LND003	147.6	148.1	HCORE	5.89
LND003	148.1	149	HCORE	0.084
LND003	149	150	HCORE	0.016
LND003	150	151	HCORE	0.006
LND003	151	152	HCORE	0.028
LND003	152	152.75	HCORE	0.059
LND003	152.75	153.1	HCORE	1.28
LND003	153.1	154	HCORE	0.121
LND003	154	155	HCORE	0.219
LNR656	30	35	CHIPS	0.022
LNR656	35	40	CHIPS	0.164
LNR656	40	41	CHIPS	1.01
LNR656	41	42	CHIPS	2.15
LNR656	42	43	CHIPS	0.193
LNR656	43	44	CHIPS	4.09
LNR656	44	45	CHIPS	1.16
LNR656	45	46	CHIPS	0.094
LNR656	46	47	CHIPS	0.362
LNR656	47	48	CHIPS	5.64
LNR656	48	49	CHIPS	8.17
LNR656	49	50	CHIPS	1.74

Hole_ID	From Depth	To Depth	Data Type	Au
LNR656	50	51	CHIPS	5.18
LNR656	51	52	CHIPS	0.523
LNR656	52	53	CHIPS	0.12
LNR656	53	54	CHIPS	8.99
LNR656	54	55	CHIPS	3.5
LNR656	55	56	CHIPS	5.15
LNR656	56	57	CHIPS	0.142
LNR656	57	58	CHIPS	0.452
LNR656	58	59	CHIPS	0.271
LNR656	59	60	CHIPS	13.1
LNR656	60	61	CHIPS	1.19
LNR656	61	62	CHIPS	0.951
LNR656	62	63	CHIPS	0.15
LNR656	63	64	CHIPS	0.033
LNR656	64	65	CHIPS	0.074
LNR656	65	66	CHIPS	0.052
LNRC026	118	119	CHIPS	0.014
LNRC026	119	120	CHIPS	0.006
LNRC026	138	139	CHIPS	0.049
LNRC026	139	140	CHIPS	0.251
LNRC026	140	141	CHIPS	151
LNRC026	141	142	CHIPS	128
LNRC026	142	143	CHIPS	28.5
LNRC026	143	144	CHIPS	4.68
LNRC026	144	145	CHIPS	2.65
LNRC026	145	146	CHIPS	1.22
LNRC026	146	147	CHIPS	1.02
LNRC026	147	148	CHIPS	0.442
LNRC026	148	149	CHIPS	0.19
LNRC026	149	150	CHIPS	0.443
LNRC026	150	151	CHIPS	1.21
LNRC026	151	152	CHIPS	0.52
LNRC026	152	153	CHIPS	0.454
LNRC026	153	154	CHIPS	0.337
LNRC026	154	155	CHIPS	0.185
LNRC026	155	156	CHIPS	0.226
LNRC026	156	157	CHIPS	0.074
LNRC026	157	158	CHIPS	0.062
LNRC026	158	159	CHIPS	0.158
LNRC026	159	160	CHIPS	0.093

JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.*	• RC drill holes were sampled at 1m intervals throughout, with 4m composites also collected through weathered or less altered material. Samples collected from the cyclone were laid in plastic bags in sequence on the ground in rows of 20. • Sample representivity is maintained by placing the samples in a pre-numbered calico bag with a corresponding sample book entry. Certified reference materials, field duplicates and laboratory repeat samples are analysed routinely. • 1m RC samples were collected as a 2.5kg split in calico bags attached to the on-board cone splitter. Composite 4m metre samples were collected by spearing down the side of the plastic bag using a PVC spear and combined to create a 2.5 to 3.0kg composite sample. The samples were submitted to a commercial laboratory for drying, crushing, and pulverising to produce a 40g charge for fire assay of gold and determination of sulphur by LECO furnace.
Drilling techniques	• *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).*	• RC drilling using a 5.5" face sampling hammer. • RC holes were surveyed with a REFLEX EZ-GYRO north-seeking gyro survey tool.
Drill sample recovery	• *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.*	• Sample recoveries and wet samples were monitored and recorded qualitatively in Lodestar's drill hole database. Recoveries were generally 80 -100% and approximately 1% were reported as wet samples. • High pressure air used to maintain a dry sample and drill sampling equipment was cleaned regularly to minimise contamination. • No relationship between sample recovery and grade has been established.
Logging	• *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,*	• Chip samples were routinely geologically logged throughout the hole. • Logging is qualitative in nature. • All RC holes are geologically logged in full.

Criteria	JORC Code explanation	Commentary
	channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *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.* • *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.*	• No core samples taken. • Individual 1m split samples collected from the cone splitter are submitted for assay. Most samples were dry. Selected intervals were composited from bagged 1m bulk samples to produce a 2.5kg 4m composite using a PVC spear. All samples for assay are stored in pre-numbered bags and submitted to Bureau Veritas Laboratories for sample preparation and analysis. • Sample preparation for drill samples involves drying the whole sample, crushing to 3mm and pulverising to 90% passing -75 microns. The pulverised sample was split with a rotary sample divider to obtain a 40 gram charge. Duplicate field samples (1:25), certified reference standards (1:20) and laboratory repeats are used to monitor satisfactory reproducibility. • Sample size is appropriate for early exploration drilling where mineral grainsize is unknown.
Quality of assay data and laboratory tests	• *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.*	• Following sample preparation a 40 gram charge was submitted for fire assay (with ICP-AES finish); the detection limit is 1ppb. 1:20 duplicate samples retained for analysis after fine crushing. 1:20 pulverised samples analysed for satisfactory grind size. The fire assay method is considered an estimation of total gold content. • No geophysical tools were used to determine any element concentrations. • Laboratory QAQC includes the use of laboratory standards and replicates; Review of Lodestar's reference standards and field duplicates indicate acceptable accuracy and precision.
Verification of sampling and assaying	• *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.*	• Significant intersections have not been independently validated at this time. • No twinned holes have been completed for Lodestar drilling. • Field and laboratory data are collected electronically and entered into a relational database. Data collection protocols are recorded in Lodestar's operation manual. • There has been no adjustment to assay data.
Location of data points	• *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.*	• Drill hole locations are fixed by handheld GPS, accuracy is estimated to be +/-5 metres. • Drill hole coordinates were recorded in MGA94 Zone 50 grid. • The topography within prospect areas is generally flat; RL's are averaged from GPS readings of individual drill holes in

Criteria	JORC Code explanation	Commentary
		each area and are subject to significant error. In the Contessa and Gidgee Flat areas drill hole collar RL's have been adjusted to the DEM surface derived from a detailed aeromagnetic survey using Bendix/King radar altimeter equipment with a resolution of 0.3m.
Data spacing and distribution	• *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.*	• Drill holes at Contessa were placed at a nominal hole spacing of 50m (north-south) and 40m (east-west) and at Gidgee Flat 50m (north-south) and 30m (east- west). • The drilling subject of this announcement has not been used to prepare Mineral Resource estimates at this stage. • No compositing was been applied for the RC samples.
Orientation of data in relation to geological structure	• *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 have introduced a sampling bias, this should be assessed and reported if material.*	• At Contessa the target mineralisation is believed to dip towards the north based on limited diamond drilling and a marker graphitic shear. • No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored at Lodestar's exploration camp in sealed bags under supervision prior to dispatch by Lodestar contractors and registered courier to Bureau Veritas - UltraTrace Laboratories.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out.

Criteria	Commentary
Mineral tenement and land tenure status	• Contessa is located on E52/2456, within Lodestar's Ned's Creek project. The tenement is owned by Audacious Resources, a wholly-owned subsidiary of Lodestar Minerals and expires on 16/09/2020. The tenement is within the native title claim WC99/46 of the Yugunga-Nya Group. Lodestar has signed a Heritage Agreement with the traditional owners to carry out mineral exploration on the tenement. • Yowereena – Contessa may extend into M52/780. The tenements on which the historic exploration was completed and in which Lodestar is earning an 80% interest are held by Vango Mining Limited and Dampier (Plutonic) Pty Ltd (a wholly-owned subsidiary of Vango Mining Limited). ○ M52/780 expires on 26/09/2034 (VANGO 60/100:DAMPIER 40/100). • Lodestar is earning an 80% interest in the tenements by spending $357,000 before the anniversary of the farm-in agreement, in May 2018. • M52/780 is located within the Yugunga Nya people native title claim WAD6132/1998.
Exploration done by other parties	• Exploration commenced at McDonald Well in the late 1960's, WMC explored for Zambian Copper Belt style mineralisation and completed regional geological mapping and sampling, followed by minor percussion drilling. CRA Exploration completed regional mapping and auger sampling, also at McDonald Well. No significant anomalies were identified on the tenements. Minor exploration drilling by Barrick and CRA Exploration east and south of Contessa intersected ultramafic lithologies, confirming the extent of the greenstone sequence in this area. There has been no material exploration by other parties over the Contessa area. • Gold exploration in the Plutonic Well greenstone belt commenced in 1986. Marymia Exploration, in their 1994 report, declares that there had been little or no previous exploration within the Yowereena tenements.
Geology	• The geology of the project area comprises the northern margin of the Proterozoic Yerrida Basin. The geology forms two discrete units; Proterozoic sediments of the Yerrida Basin that are prospective for sediment-hosted copper and base metal mineralisation in black shale and carbonate sequences, with evidence of secondary and primary copper mineralisation in the Thaduna district, overlie Archaean basement rocks on the northern margin of the Yerrida Basin. The basement-sediment contact trends east-west and Lodestar's exploration has identified extensive gold anomalism adjacent to this contact. The basement consists of granite and fringing mafic to intermediate and ultramafic rocks that are not well exposed at surface. The mafic-ultramafic rocks and the adjacent granite that hosts gold mineralisation are thought to be Archaean in age but may be part of the Glenburgh orogenic event along the northern Yilgarn margin. Identification of syenite-hosted, intrusion-related gold mineralisation at Brumby and Gidgee Flat indicates that this region differs from other lode gold occurrences in the Plutonic Well greenstone belt and the surrounding Proterozoic fold belt and does not form part of the adjacent Marymia Inlier.
Drill hole information	• Tabulated data is provided in Table 1.
Data aggregation methods	• Assay data are reported as individual 1 metre results for RC samples.
Relationship between mineralisation widths and intercept lengths	• Drilling was oriented towards 130 degrees, perpendicular to the regional strike of stratigraphy. Measurement of foliation in the area indicates steep dips however mineralisation appears to dip shallowly to steeply to the north. The actual dip of mineralisation and its relationship to the drill hole intersections is not confirmed at this stage of exploration but is estimated to approximate true width at Contessa.
Diagrams	• See Figure 2.
Balanced reporting	• All relevant assay data is reported in Table 1.
Other substantive exploration data	• None to report.
Further Work	• Contiguous supergene gold mineralisation was intersected by aircore drilling. RC drilling has confirmed and extended the mineralisation and demonstrated a spatial association with the granite contact. This contact is open along strike from the RC drilling and requires systematic drill testing. Diamond drilling and RC drilling will provide additional coverage between the current RC drill program and the granite contact.