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If you are in any doubt about how to deal with this document, you should contact your broker, financial, tax, legal or other professional adviser immediately.

Third Supplementary Bidder's Statement

Accept the Offer

by

Vango Mining Limited (ACN 108 737 711)

to purchase all of your ordinary shares in

Dampier Gold Limited (ACN 141 703 399)

For the Offer Price of two (2) Vango Mining Shares for every seven (7) of your Dampier Gold Shares.

If you have any questions, including in relation to how to accept the Offer, please call the Vango Mining Limited Offer Information Line on 1300 737 760 (toll free for callers within Australia) or on +61 2 9290 9600 (for callers outside Australia).

The Offer closes at 7.00pm (Sydney time) on 16 November 2018, unless extended.

Vango Mining Limited (ACN 108 737 711)

Third Supplementary Bidder's Statement

Important information

Nature of this document

This document is a supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth). It is the third supplementary bidder's statement (**Third Supplementary Bidder's Statement**) to the bidder's statement dated 17 September 2018 (**Original Bidder's Statement**) issued by Vango Mining Limited (ACN 108 737 711) (**Vango Mining**) in relation to its off-market takeover bid for all of the ordinary shares in Dampier Gold Limited (ACN 141 703 399) (**Dampier Gold**).

This Third Supplementary Bidder's Statement is dated 14 November 2018 and supplements, and should be read together with, the first supplementary bidder's statement dated 15 October 2018 (**First Supplementary Bidder's Statement**), the replacement bidder's statement dated 15 October 2018 (**Replacement Bidder's Statement**) which replaced the Original Bidder's Statement and the second supplementary bidder's statement dated 15 October 2018 (**Second Supplementary Bidder's Statement**). The First Supplementary Bidder's Statement, Replacement Bidder's Statement and Second Supplementary Bidder's Statement were lodged with the Australian Securities and Investments Commission on 15 October 2018.

Inconsistency

This Third Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Original Bidder's Statement, First Supplementary Bidder's Statement, Replacement Bidder's Statement and Second Supplementary Bidder's Statement.

Other notices

Unless the context otherwise requires, terms defined in the Replacement Bidder's Statement have the same meaning as in this Third Supplementary Bidder's Statement.

In this Third Supplementary Bidder's Statement, all references to the Bidder's Statement are references to the Replacement Bidder's Statement.

A copy of this Third Supplementary Bidder's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

This Third Supplementary Bidder's Statement is or will be available on the ASX website at www.asx.com.

Key dates

Key dates	
Date of the Original Bidder's Statement	17 September 2018
Date of the Replacement Bidder's Statement	15 October 2018
Date of Offer	15 October 2018
Date of the Second Supplementary Bidder's Statement	15 October 2018
Date of this Third Supplementary Bidder's Statement	14 November 2018
Offer closes (unless extended)	7.00pm (Sydney time) on 16 November 2018
Key contacts	
Share register for the Offer Boardroom Pty Limited Grosvenor Place Level 12, 225 George Street Sydney NSW 2000	Vango Mining Offer Information Line* • 1300 737 760 (toll free) for callers within Australia • +61 2 9290 9600 for callers outside Australia *Calls to these numbers may be recorded

1 Introduction

1.1 Summary

- (a) Vango Mining provides this Third Supplementary Bidder's Statement in response to:
 - (i) claims of Dampier Gold in the **Fourth Supplementary Target's Statement** dated 30 October 2018 (released to the ASX on 5 November 2018) and Independent Expert's Report (**IER**) dated 1 November 2018 (released to the ASX on 5 November 2018). Vango Mining considers that certain claims of Dampier Gold in these documents are deficient, inadequate or misleading;
 - (ii) the commencement of court proceedings by Billabong Gold Pty Ltd (**Billabong**), a subsidiary of Superior Gold Inc (**Superior Gold**), in relation to claims under the Ore Treatment Agreement set out in section 11.3 of the Replacement Bidder's Statement and section 1 of the Second Supplementary Bidder's Statement; and
 - (iii) ASX announcements by Dampier Gold in relation to both the IER and the commencement of litigation by Billabong.
- (b) The **Offer** on the terms set out in the Replacement Bidder's Statement (as supplemented by the Second Supplementary Bidder's Statement and the Third Supplementary Bidder's Statement) is now unconditional and Vango Mining encourages Dampier Gold Shareholders to accept the Offer without delay. The **Offer Price** is two Vango Mining Shares for every seven Dampier Gold Shares.

1.2 Dampier Gold releases Fourth Supplementary Target's Statement and IER

- (a) On 30 October 2018, Dampier Gold sent its **Third Supplementary Target's Statement** to Vango Mining which disclosed that Dampier Gold had commissioned an independent expert's report in relation to the Offer.
- (b) On 5 November 2018, Dampier Gold sent its **Fourth Supplementary Target's Statement** to Vango Mining. The Fourth Supplementary Target's Statement included the IER prepared by Stantons International Securities Pty Ltd and an Independent Technical Assessment and Valuation (**Dunbar Report**) prepared by Dunbar Resource Management.
- (c) The independent expert, Stantons International Securities Pty Ltd, is a subsidiary of Dampier Gold's auditors, Stantons International Audit and Consulting Pty Ltd, these companies are referred to together as **Stantons International** in this announcement.
- (d) Vango Mining believes that the Fourth Supplementary Target's Statement and the IER published by Dampier Gold on 5 November 2018 are misleading to Dampier Gold Shareholders.
 - (i) The IER disregards the market value of Vango Mining Shares in favour of a technical valuation of Vango Mining's assets when assessing the Offer. This methodology is not in line with market practice.

- (ii) The IER finds that further dilutive share issues will be required to fund Dampier Gold's expenditure contributions to secure a joint venture interest in the K2 Mine but the IER disregards this critical issue in determining the value per Dampier Gold Share. If Dampier Gold raises the specified additional funding of \$2,754,760 at a price of \$0.025 (the recent Private Placement price set out in section 4(d)), it would require the issue of a further 110,190,400 Dampier Gold Shares. The dilutionary impact would mean that, instead of a preferred value per Dampier Gold Share of 6.01 cents (as outlined in the IER), the preferred value based on the IER would be 3.61 cents per Dampier Gold Share. This is not addressed at all in the IER.
- (e) In addition, Vango Mining has serious concerns as to the independence of the expert commissioned by Dampier Gold to prepare the IER. There has been inadequate disclosure of the conflicts of interest that accompany Dampier Gold's auditors being commissioned to prepare the IER. Stantons International has been Dampier Gold's auditor for 9 years and has been commissioned by the Dampier Gold Board to do major pieces of recent financial analysis for Dampier Gold. Dampier Gold announced the appointment of a genuine third party financial adviser and then announced that adviser had been terminated. Dampier Gold and that adviser are now in dispute. Dampier Gold then resorted to appointing its own auditor as an independent expert. By no standard is Stantons International sufficiently independent to carry out this role. Dampier Gold Shareholders should be deeply concerned by the independence of the IER and the circumstances of Stantons' appointment.

1.3 Vango Mining encourages Dampier Gold Shareholders to accept the Offer without delay

- (a) Vango Mining encourages you to accept Vango Mining's Offer without delay. As you may have seen from the announcement made by Vango Mining on 30 October 2018, the Offer is unconditional and if you intend to accept the Offer, there is no reason to delay acceptance.
- (b) Vango Mining's Offer of two Vango Mining Shares for every seven Dampier Gold Shares has an implied value for your Dampier Shares of 5.6 cents, a **premium of 86.7%** to the closing price of Dampier Gold Shares prior to the announcement of the Offer.
- (c) The Offer is due to close at 7PM (Sydney time) on 16 November (unless it is extended). If you do not return your acceptance form without delay you risk missing the opportunity to convert your Dampier Gold Shares into Vango Mining Shares at a significant premium to the market price for Dampier Gold Shares in the period prior to the announcement of the Offer on 17 September 2018.

2 Ore Treatment Agreement

2.1 Commencement of proceedings by Billabong

- (a) As set out in section 11.3 of the Replacement Bidder's Statement and section 1 of the Second Supplementary Bidder's Statement, Vango Mining is in a dispute with Billabong in relation to the Ore Treatment Agreement.

- (b) On 8 November 2018, Billabong commenced proceedings against Vango Mining and DPPL in the Supreme Court of Western Australia in relation to Billabong's claims under an Ore Treatment Agreement that were described in section 1 of the Second Supplementary Bidder's Statement. Billabong commenced proceedings by way of service of a Writ of Summons (**Writ**) on Vango Mining.
- (c) Billabong is seeking a declaration that Vango Mining and DPPL breached an alleged first right of refusal under the Ore Treatment Agreement and further seeks an injunction requiring Vango Mining and DPPL to comply with Billabong's alleged first rights of refusal or, alternatively, pay damages.
- (d) The Writ does not provide particulars of the events giving rise to any claims of Billabong, any evidence on which Billabong will rely or the quantum of any damages claim. Billabong has not served any Statement of Claim containing any such details.
- (e) Vango Mining notes that Billabong's claim:
 - (i) to the extent it is a claim against DPPL, relates to matters occurring at a time when DPPL was a wholly owned subsidiary of Dampier Gold;
 - (ii) relates to matters which occurred in 2016 and the first half of 2017 and which have therefore been known to Billabong for a substantial period of time;
 - (iii) is made under the Ore Treatment Agreement, which Vango Mining terminated more than 12 months ago; and
 - (iv) is substantially similar to the subject of a previous dispute notice given by Billabong in July 2017 set out in section 11.3 of the Replacement Bidder's Statement but which Billabong elected not to proceed with at that time.
- (f) For these reasons, Vango Mining considers that the claims of Billabong are speculative and without merit. Vango Mining intends to vigorously defend the proceedings. Vango Mining does not consider it necessary to recognise a contingent liability in the accounts of Vango Mining in these circumstances.

2.2 Dampier Gold's claims regarding the commencement of proceedings by Billabong

- (a) **Alleged breach of Warranty under the Terms Sheet**
 - (i) In the ASX announcement made by Dampier Gold on 9 November 2018, Dampier Gold stated that it was concerned that Vango Mining may have breached a warranty of the Terms Sheet between Dampier Gold and Vango Mining that relates to the K2 Mine Arrangement.
 - (ii) If Dampier Gold intends to allege that Vango Mining breached a warranty in the Terms Sheet by not disclosing the Ore Treatment Agreement or any rights of first refusal under it, the allegation is hopeless. Each of the warranties Vango Mining made to Dampier Gold in the Terms Sheet were qualified by matters disclosed to Dampier Gold.
 - (iii) Dampier Gold's then wholly-owned subsidiary DPPL was a party to the Ore Treatment Agreement, and directors of Dampier Gold – namely, Malcolm

Carson and Hui Guo – were signatories to the Ore Treatment Agreement and the relevant transaction documents, and were clearly aware of the terms of such transactions between Vango Mining, Northern Star (from which Billabong claims to have acquired its interests), Dampier Gold and DPPL.

(b) **Vango Mining’s alleged failure to provide disclosure of the risk of litigation**

- (i) Dampier Gold also claims in the ASX announcement of 9 November 2018 that the risk of potential litigation by Billabong was only disclosed in the Replacement Target’s Statement dated 25 October 2018.
- (i) However, at the time of disclosure of the dispute with Billabong in the Replacement Bidder’s Statement dated 15 October 2018 and the Second Supplementary Bidder’s Statement dated 15 October 2018, Vango Mining anticipated that there would be a commercial resolution of the dispute with Billabong which would not be material and would not involve litigation.
- (ii) In notices of dispute in both 2017 and 2018, Billabong sought to resolve the disputes by negotiation. As circumstances have arisen, Vango Mining has updated the market as required.

3 Dampier Gold commissioned its auditors to prepare the IER

- (a) Stantons International, who provided the IER, are also auditors of Dampier Gold. Stantons International should not have been commissioned to act as an independent expert in circumstances where there are serious questions as to their independence. It is highly unusual that a company would engage its auditors to act as an independent expert.
- (b) Following comments of Vango Mining, Dampier Gold claimed in the ASX announcement of 12 November 2018 that the role of the auditor necessitates independence and as a result the auditor is the appropriate person to prepare an independent expert report. This claim is patently absurd for any number of reasons, including:
 - (i) the matter at issue here is that Stantons International is not independent because it is already the auditor (in addition to its other recent roles acting for Dampier Gold). As a long-term audit relationship exists, it is the conflict arising between Stantons International’s interests and work in that role and its duties and obligations as “independent” expert which is the very concern;
 - (ii) the IER, unlike an independent audit opinion, contains retail financial product advice provided for the benefit of Dampier Gold’s Shareholders. The duties and obligations of an independent expert are to the shareholders of Dampier Gold. It is inherent in the engagement of a company’s auditors as an independent expert that a conflict of interest will arise. Stantons International are essentially scrutinising their own historical work and taking instructions from directors who have commissioned them for a significant number of engagements over the years; and
 - (iii) it is extraordinary for an auditor to accept a role as independent expert and for a Board, acting in the interests of their own shareholders, to consider it appropriate to make such an appointment.

- (c) Stantons International have been auditors to Dampier Gold for each financial year between 2011 and 2018. Indeed, Stantons International have been the only auditors Dampier Gold has had since listing on the ASX in 2010. Stantons International also provided the investigating accountant's report on Dampier Gold's initial public offering in 2010.
- (d) Vango Mining is particularly concerned by Dampier Gold commissioning Stantons International to provide the IER in circumstances where it had previously appointed and then terminated (without explanation) a third party corporate adviser, RFC Ambrian, as its corporate adviser in relation to the Offer. ASX did not permit Dampier Gold to release, and it was required to delete, the defective valuation material it included in its original Target's Statement. Following these events, Dampier Gold then appointed its own auditor as an independent expert.
- (e) In the ASX announcement of 12 November 2018, Dampier Gold noted "the key valuation judgements leading to the opinion of the IER were made by DRM", with the independence of the Dunbar Report claimed to provide an adequate basis for such valuation judgements. While the IER may rely on the Dunbar Report, it is the IER (prepared by the conflicted Stantons International) which provides the valuation of the Offer disclosed in the Fourth Supplementary Target's Statement and used by Dampier Gold as the basis on which it recommends Dampier Gold Shareholders reject the Offer.
- (f) In the ASX announcement of 12 November 2018, Stantons International disclosed that it had been paid fees of over \$82,000 over the past 12 months for the IER, its audit services and a prior independent expert's report (discussed in paragraph (h) below). The IER accounted for only 48% of these fees, reflecting the considerable and significant other services which have been provided by Stantons International to Dampier Gold and the degree to which Stantons International is conflicted.
- (g) The disclosure of fees in the ASX announcement of 12 November 2018 also notes that Stantons International have been engaged to provide audit services to Dampier Gold for the financial year ending 30 June 2019. This reflects that Stantons International have a continuing financial interest in remaining auditors to Dampier Gold.
- (h) In January 2018, Stantons International acted as independent expert for Dampier Gold on the proposed sale by Dampier Gold of Aurigin Foods Pty Ltd (**Aurigin**) to Aurigin Australia Limited (**AAL**), a company associated with Malcolm Carson and Hui Guo.
 - (i) The independent expert's report of Stantons International concluded that the proposed sale by Dampier Gold of Aurigin was not fair but reasonable for shareholders of Dampier Gold not associated with AAL.
 - (ii) Following completion of the sale, Dampier Gold provided Aurigin with an unsecured and interest free loan of \$500,000 which remains outstanding. At the balance date for Dampier Gold's Annual Report 2018, the value of the loan had been fully provided for as a doubtful debt.
- (i) Stantons International provided the IER in its capacity as a licensed financial services provider. Licensed financial services providers have legal obligations to manage conflicts of interest. By accepting the engagement, Stantons International placed itself in a position where there was a material conflict between its own

interests as an independent expert (and accompanying duties owed to Dampier Gold Shareholders) and the interests of its audit client, Dampier Gold. As a licensed financial services provider, Stanton's International should not have permitted such conflicts to arise.

- (j) Vango Mining also notes that, earlier this year, an independent expert's report prepared by Stanton's International in a separate takeover resulted in the Takeovers Panel making a declaration of unacceptable circumstances (*Re Strategic Minerals Corp NL* [2018] ATP 5 at [36]). The Takeovers Panel ordered that Stanton's International prepare a revised independent expert's report and that the report be reviewed by ASIC prior to release to shareholders.

4 The IER finds that Dampier Gold will be required to undertake further dilutive share issues to secure a joint venture interest

- (a) Stanton's International disclose in the IER that the balance of the 50% joint venture interest in relation to the K2 Mine is yet to be earned and find that Dampier Gold is likely to need to raise additional equity (cash) of \$2,754,760 to earn a 50% joint venture interest. Stanton's International considers that Dampier Gold may also need to raise additional funds to bring the K2 Mine into production.
- (b) In the ASX announcement of 12 November 2018, Dampier Gold asserted that both Vango Mining and Dampier Gold will require additional capital raisings and the methodology used in the IER is consistent. However, it is important to note that only Dampier Gold requires further capital raisings in order to acquire a joint venture interest in the K2 Mine (the joint venture interest held by Dampier Gold being the key assumption underpinning value in the IER).
- (c) The IER notes that the terms on which Dampier Gold could raise additional equity are uncertain and accordingly there is a risk that funds may be raised at a lower price than the range of values for Dampier Gold Shares (\$0.0402 to \$0.0799 per Dampier Gold Share, such valuations assume Dampier Gold has a 50% joint venture interest in the K2 Mine), which would further dilute value to existing Dampier Gold Shareholders.
- (d) Dampier Gold has undertaken significantly dilutive share issues since the Offer was made. The **Private Placement** conducted by Dampier Gold on 16 October 2018, in which 40M Dampier Gold Shares were issued at \$0.025 per Dampier Gold Share (a 124% discount to the implied value of the Offer Price) diluted the issued capital of Dampier Gold by 33.4% (based on 119,640,141 Dampier Gold Shares on issue prior to the Private Placement).
 - (i) As noted in the IER, additional, significantly dilutive capital raisings will be required as Dampier Gold will require \$2,754,760 to possibly acquire a 50% joint venture interest.
 - (ii) For example, were Dampier Gold to raise additional funding of \$2,754,760 at a price of \$0.025, the Private Placement price, it would require the issue of a further 110,190,400 Dampier Gold Shares.
 - (iii) The dilutionary impact of this raising would mean that, instead of a preferred value per Dampier Gold Share of 6.01 cents (as outlined in the IER), the preferred value would be 3.61 cents per Dampier Gold Share.

- (e) Dampier Gold is currently seeking shareholder approval to top up its placement capacity. In the Notice of Annual General Meeting, to be held on 29 November 2018, Dampier Gold has sought shareholder approval for the ability to issue equity amounting to up to 10% of the issued capital of Dampier Gold. Dampier Gold may be considering imminent dilutionary share issues.
- (f) The IER makes no assumptions in its valuation methodology, or provides any assessment at all, of how such dilutive capital raisings will affect the valuations of Dampier Gold Shares. The valuations of Dampier Gold Shares have been calculated by Stantons International based on the current issued capital of Dampier Gold, with no provision made for the necessary further capital raising required by Dampier Gold to earn up to a 50% joint venture interest in the K2 Mine. As a result, the valuations of Dampier Gold Shares, based on Dampier Gold holding a 50% joint venture interest in the K2 Mine, are misleading as they do not account for the dilutive effect of further capital raisings.

5 Dampier Gold has released an IER that is deficient and inadequate in its valuation methodology

5.1 The IER disregards the market value of Vango Mining Shares in favour of a technical valuation of Vango Mining's assets

- (a) Vango Mining refutes any suggestion that Vango Mining Shares are overvalued. It is the view of Vango Mining that the market value of Vango Mining Shares provides the most accurate assessment of value for Vango Mining Shares.
- (b) The valuation methodology in the IER disregards the market value of Vango Mining Shares in favour of the technical valuation provided in the Dunbar Report. This approach results in an artificial understatement of the realisable value of Vango Mining Shares and is not in accordance with recognised market practice.
- (c) ASIC's Regulatory Guide 111 provides for the assessment of the value of non-cash consideration on the basis that the expert should consider the depth of the market, volatility and whether or not the market value is likely to represent the value if the takeover bid is successful, but makes no provision for a technical or adjusted net asset valuation, as adopted in the IER, to allow for a complete disregard of the market value of the shares being offered.
- (d) The IER discounts the market value of Vango Mining Shares on the basis that trading in Vango Mining Shares is illiquid. Vango Mining considers that, whilst Vango Mining Shares are relatively tightly held, there is a sufficiently liquid market for the share price of Vango Mining to be a reliable measure of its value. Table 1 demonstrates that approximately \$7M of Vango Mining Shares have traded on ASX in the six months prior to this Third Supplementary Bidder's Statement.

Table 1: Trading in Vango Mining Shares over the past 6 months (Source: Capital IQ)

Month ended	VWAP for month	Monthly volume	As % of issued share capital	Value traded (\$)
12-Nov-18	0.182	3.0	0.5%	550,777

Month ended	VWAP for month	Monthly volume	As % of issued share capital	Value traded (\$)
11-Oct-18	0.178	3.4	0.6%	615,223
12-Sep-18	0.198	2.9	0.6%	579,288
10-Aug-18	0.192	8.8	1.8%	1,686,534
12-Jul-18	0.200	9.0	1.9%	1,787,390
12-Jun-18	0.155	11.6	2.5%	1,800,886
Total				7,020,097

- (e) As noted in section 3.6 of the IER, the maximum number of consideration shares to be issued under the terms of the Offer, approximately 34.2 million shares, represents only 5.51% of Vango Mining's total shares on issue. Vango Mining believes that Stantons International should also have taken this into account in assessing the market liquidity for Vango Mining Shares and the impact of the Offer.
- (f) In an ASX announcement on 12 November 2018, Dampier Gold claimed that a "sufficient liquid and active market is considered to be where 1% of a company's shares trade per week". However, Dampier Gold did not provide any reference or source for this claim. Vango Mining considers that while its shares are tightly held, there is a sufficiently liquid market for Vango Mining Shares.

5.2 The IER accepts that the Offer Price provides a substantial premium based on recently traded share prices of Vango Mining and Dampier Gold

- (a) The IER notes that at "recent traded share prices, and at the price of the most recent placements by both Dampier and Vango, the Takeover Offer of 2 Vango shares for every 7 Dampier shares represents a substantial premium to Dampier's recent traded share price, well in excess of a "normal" control premium."
- (b) If, as it should have been, the market value of Vango Mining Shares is adopted as an appropriate valuation methodology then, based on the implied value of the Offer Price prior to the Announcement Date, the Offer Price:
 - (i) exceeds the range of values (\$0.0293 to \$0.0452 per Dampier Gold Share) based on an assumption that Dampier Gold holds only a 4.1% joint venture interest in relation to the K2 Mine; and
 - (ii) falls within the range of values (a low value of \$0.0402 and a high value of \$0.0799 per Dampier Gold Share) for Dampier Gold Shares based on an assumption that Dampier Gold holds a 50% joint venture interest in relation to the K2 Mine.
- (c) The IER accepts that if these share prices are sustained, then accepting the Offer provides shareholders in Dampier Gold with an opportunity to realise their investment at a significant premium.
- (d) The IER notes that before the announcement of the Offer, "Vango shares were last traded at 19 cents, and had a one month and three-month VWAP of approximately 20 cents". The IER notes that over the past year the volatility of Vango Mining's

shares was 82%, within the range of 70% to 100% expected for a junior exploration company.

- (e) Vango Mining's capital raising on 4 July 2018, a share placement to sophisticated and professional investors, was conducted at a price of 18 cents per Vango Mining Share and raised approximately \$5.1 million. This result illustrates there has been recent market demand and price discovery at this price.
- (f) Table 2 below sets out the Vango Mining share price based on VWAP over the past six months. Table 2 indicates that the Vango Mining share price has been consistent in a weak broader junior resources market and has sustained a price of over 18 cents over the last five months.

Table 2: VWAP of Vango Mining Shares over the past 6 months (Source: Capital IQ)

VWAP period	Vango Mining VWAP (A\$)
1 month	0.185
2 month	0.181
3 month	0.187
4 month	0.188
5 month	0.193
6 month	0.176

- (g) In an ASX announcement on 12 November 2018, Dampier Gold requested Vango Mining set out the reasons it considers that its share price is sustainable at over 18 cents. Vango Mining relies on the data set out in paragraphs (d) to (f) above in respect of such queries.

5.3 The “technical valuation” adopted in the IER in relation to Vango Mining Shares does not reflect Vango Mining’s recent successful drilling

- (a) **Recent drilling results are not included in the Dunbar Report**
 - (i) As discussed in the Dunbar Report, Vango Mining has undertaken significant exploration work within the Plutonic Dome (Marymia) Project since mid-2017, with the majority of drilling having been conducted at Trident and Cinnamon. The results of this exploration work have not yet been used to update Mineral Resource estimates.
 - (ii) The results of the Vango Mining exploration and resource delineation drilling programme, which is on-going, have been released to the market since drilling commenced in mid-2017. These results have not yet been incorporated into updated Mineral Resource estimates. The Dunbar Report does not include these exploration and resource delineation results or any geotechnical information in their assessment of the valuation of Vango Mining Shares and values Vango Mining’s assets (excluding K2) based on its current Mineral Resource estimate, employing an exploration project multiple range.

(b) **Trident deposit**

- (i) In relation to the Trident deposit, Vango Mining notes the Dunbar Report (repeated in Dampier Gold's ASX announcement of 12 November 2018) highlights concerns regarding:
 - (A) "the geology and extreme deformation in the ultramafic host to the Trident mineralisation";
 - (B) "the ability of the mineralisation to be extracted by underground mining methods"; and
 - (C) "the eventual economic extraction of mineralisation due to what DRM considers to be the extremely poor ground conditions".
- (ii) The Dunbar Report also notes that "the observations of the author outlined above are restricted to the portion of the deposit where Mr Dunbar worked and the specific locations that were observed. The recently drilled extensions to the mineralisation may have very different geotechnical characteristics." Vango Mining believes that the concerns expressed in the Dunbar Report are based on incomplete, out-of-date and inadequate information.
- (iii) Vango Mining understands that the conclusions drawn by the principal author are based on experience that the principal author of the Dunbar Report has had with a reverse circulation (**RC**) drilling programme at Trident which predated the recent exploration work. The principal author of the Dunbar Report relies on RC drilling information to determine deformation and draw conclusions with respect to "the ability of the mineralisation to be extracted by underground mining methods". Such an approach is not appropriate and is indicative of a lack of understanding of what is required to properly evaluate the potential mineability of a high-grade gold deposit such as Trident.
- (iv) Vango Mining has undertaken significant exploration work within the Plutonic Dome (Marymia) Project since mid-2017, with the majority of drilling having been conducted at Trident. Vango Mining has deliberately incorporated oriented diamond core drilling, focused on the high-grade core of the Trident gold deposit, in order to evaluate the structural and geotechnical aspects of the Trident gold deposit to determine underground and / or open pit mining methods that will maximise extraction and minimise dilution with respect to the high-grade gold mineralisation that has been intersected.
- (v) Vango Mining is undertaking geotechnical drilling to determine open pit / portal access mining parameters at Trident West and additional drilling to allow Indicated Mineral Resource estimation for open pit mine optimisation and planning and to update the Mineral Resource estimate for the deeper, very high-grade gold mineralisation. Whilst this work is ongoing, and feasibility work incorporating the new drilling results will be required to assess the development of Trident, Vango Mining believes that the concerns expressed in the Dunbar Report are unfounded, particularly given the potential for open pit mining and portal access.

(c) **Vango Mining's share price has responded to drilling results**

- (i) The significant increase in the Vango Mining share price set out in the IER has taken place in response to market announcements made in relation to the exploration work carried out since mid-2017.
- (ii) Vango Mining believes that given the limitations of the Dunbar Report, Stantons International should not have disregarded the merits of a market-based valuation in favour of the valuation provided in the Dunbar Report.

5.4 Vango Mining's accounts have been prepared on the basis it will continue as a going concern

- (a) In an ASX announcement on 12 November 2018, Dampier Gold requested Vango Mining provide an opinion from a suitably qualified professional in relation to questions of solvency.
- (b) Vango Mining notes that its independent auditor's report to Vango Mining Shareholders, provided by Ernst & Young, in both the 2018 and 2017 Annual Reports noted there was material uncertainty in relation to Vango Mining's ability to continue as a going concern.
- (c) This was due to Vango Mining being dependent on being able to continue to raise additional funds required to fund ongoing exploration and evaluation commitments for the Plutonic Dome Gold Project, repay borrowings and fund working capital. This was disclosed in section 4.6(b) of the Replacement Bidder's Statement.
- (d) However, such funding arrangements and uncertainty are not unusual given Vango Mining is an ASX-listed junior mineral resources company. Dampier Gold itself acknowledges in its Annual Report 2018 that due to the nature of its activities, being mineral exploration and development, that it does not have ready access to credit facilities and its primary source of funding are equity raisings.
- (e) Since 30 June 2018, it is important to note that Vango Mining has also successfully undergone a balance sheet restructuring with a significant debt to equity conversion. This has been disclosed in section 5.1 of the Replacement Bidder's Statement.
- (f) As set out in section 2.1(d), Vango Mining notes that in circumstances where it has not been provided with particulars of the events giving rise to any claims of Billabong, any evidence on which Billabong will rely or the quantum of any damages claim, that it does not consider the commencement of litigation by Billabong will adversely affect Vango Mining's ability to raise capital.

6 Dampier Gold has misrepresented the findings of the IER in the Fourth Supplementary Target's Statement

- (a) The Fourth Supplementary Target's Statement substantively misrepresents the conclusions of the IER.
- (b) There is no disclosure in the Fourth Supplementary Target's Statement that the preferred value of the Dampier Gold Shares, set out in the IER and disclosed in the Fourth Supplementary Target's Statement, depends on Dampier Gold obtaining a

50% joint venture interest under the Terms Sheet between Vango Mining and Dampier Gold.

- (c) There is considerable uncertainty whether Dampier Gold will obtain sufficient funding for a 50% joint venture interest or if it does, what the dilutionary effect will be, as discussed in section 4 above.
- (d) Any joint venture interest of Dampier Gold of less than 50% will produce preferred values which are lower than the current estimates of preferred value disclosed in the Fourth Supplementary Target's Statement. This is not addressed in the Fourth Supplementary Target's Statement.
- (e) Dampier Gold claims in the ASX announcement of 12 November 2018 that the Fourth Supplementary Target's Statement provides a summary of findings of the IER. However, the findings which are presented in the IER are misleading without disclosure of the key assumptions, being Dampier Gold either holding a 4.1% or 50% joint venture interest in the K2 Mine.
- (f) Vango Mining considers the Fourth Supplementary Target's Statement to be misleading. Vango Mining encourages Dampier Gold to amend the Fourth Supplementary Target's Statement to provide accurate disclosure of the key assumptions and findings of the IER.

7 The Offer provides attractive premia and no superior offer has been received

7.1 The Offer provides an attractive premium for Dampier Gold Shares

- (a) In contrast to the claims of Dampier Gold in the Replacement Target's Statement that the Offer is "inadequate", Vango Mining believes the Offer Price represents excellent value for Dampier Gold Shareholders particularly given that the implied value of the Offer represents very attractive premiums to the recent traded prices for Dampier Gold Shares:
 - (i) 86.7% to Dampier Gold's closing share price of \$0.030 per share on 14 September 2018, the day prior to the announcement of the Offer;
 - (ii) 98.3% to Dampier Gold's one month VWAP of \$0.02824 per share, up to and including 14 September 2018; and
 - (iii) 98.7% of Dampier Gold's three month VWAP of \$0.02818, up to and including 14 September 2018.

Note, all these premia were before the dilutive share issuances, conducted during the Offer period, described above in section 4(d).

- (b) Dampier Gold Shares have not traded at or above the implied value of the Offer Price over the last year. Vango Mining has a demonstrated track record of growth with a share price appreciation of 255% over the course of 2018 to 14 September 2018.
- (c) Dampier Gold also makes a number of statements in the Replacement Target's Statement about the low liquidity of Vango Mining Shares without any comparison

to the liquidity of Dampier Gold Shares, which is significantly lower. Vango Mining Shares offer significantly more liquidity than Dampier Gold Shares:

- (i) Vango Mining Shares had 11 zero trade days between 1 January and 17 September 2018 (**Announcement Date**) while Dampier Gold had 100 zero trade days in that time; and
- (ii) in the three months prior to the Announcement Date, 12.4% of the total Vango Mining Shares on issue were traded whilst only 1.5% of total Dampier Gold Shares on issue were traded.

Further detail on the liquidity of Vango Mining Shares is set out in section 5.1(d) above.

- (d) On 30 October 2018, Vango Mining freed the Offer of defeating conditions. As a result, the Offer is now wholly unconditional and Dampier Gold Shareholders are encouraged to accept the Offer immediately.

7.2 No superior offer has been received

Dampier Gold also states in the Replacement Target's Statement that "Accepting Vango's Offer may deprive you of the ability to consider an alternative proposal, should one emerge." At this stage, no alternative offers, superior or otherwise, have been presented to Dampier Gold Shareholders despite the Offer, under the Original Bidder's Statement, being published 8 weeks ago. Further, no statements of intention to release an alternative offer, superior or otherwise, have been made.

7.3 Dampier Gold's share price may fall materially upon close of the Offer

Upon close of the Offer and there being no competing proposals for Dampier Gold Shares, it is possible that the trading price of Dampier Gold Shares will fall. Vango Mining notes that the Dampier Gold closing share price on 14 September 2018, the last trading day prior to the Announcement Date, was \$0.030 and since then Dampier Gold has conducted the significantly dilutive share issuances described in section 4(d) at the lower issue price of \$0.025. Vango Mining believes that Dampier Gold's current share price is being substantially supported by the Offer.

8 Approval of Third Supplementary Bidder's Statement

This Third Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the directors of Vango Mining.

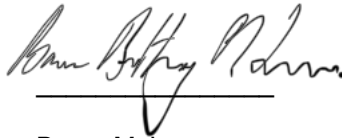
date 14 November 2018

Signed for and on behalf of

Vango Mining Limited

by

sign here ►

A handwritten signature in black ink, appearing to read 'Bruce McInnes', is written over a horizontal line.

Bruce McInnes

Executive Chairman