

ASX Announcement
31 January 2019

QUARTERLY ACTIVITIES REPORT – PERIOD ENDING 31 DECEMBER 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 31 December 2018.

Vango Mining is focused on developing its 100%-owned Marymia Gold Project (formerly the Plutonic Dome Gold Project) in the Mid-West region of Western Australia into a significant, long term gold mining operation supported by a stand-alone processing plant.

QUARTER HIGHLIGHTS

Mining Planning

The Company’s activities in the December quarter focused on mine planning to determine the feasibility of commencing mining operations at the Marymia Gold Project (see Figure 1, Project location map, over page).

Vango has been advancing studies into the design and engineering of a stand-alone processing plant at the Project. The initial findings have been sufficiently encouraging that the Company will now look to integrate open-pit and underground mine planning with the completion of an upgraded processing plant study to produce a Pre-Feasibility/Feasibility Study for the Marymia Gold Project.

Critical inputs to the mine planning work in the quarter included geotechnical and metallurgical drilling, the results of which will provide critical data which will be fed into the mining plan and the processing plant study.

The **geotechnical drilling** at Trident (West) has provided information to determine the stability of ground conditions to assist in the design of the proposed open pit as well as portal access to the proposed high-grade underground mine at Vango’s core, high-grade, Trident Gold Deposit.

Samples from the **metallurgical drilling** are undergoing metallurgical test work to confirm the gold recoveries and crushing/grinding conditions of ore from Trident West, and provide critical information to assist final design of the Project’s proposed stand-alone processing plant.

The above work forms a key component of the mine planning process and is well advanced.

Exploration and Development

The Company also maintained its commitment to exploration, which is aimed at defining and identifying additional resources to support the Company’s proposed stand-alone gold mining operation over a significant mine life.

During the quarter the Company completed **Resource definition at Trident and Trident West**. This drilling delivered further high-grade gold results and extended definition of the high-grade zone to the near-surface Trident West deposit. This drilling is also of key importance to the mine planning process as, following receipt of final drilling results, an updated JORC 2012 Mineral Resource estimate will be confirmed for Trident, which is the critical input to the final open-pit and underground mining plan for

Trident - the key production centre for the planned stand-alone mining and processing operation at the Marymia Gold Project.

Drilling was also completed at the **Cinnamon deposit** and also returned significant broad and high-grade gold intersections, which further highlighted the potential of Cinnamon to provide a significant, longer term, contribution to the Company's proposed mining operation.

Corporate

MOU with China ZhengHe Industrials

In November 2018, Vango entered into a Memorandum of Understanding (MOU) with major Chinese engineering and construction group China ZhengHe Industrials, of the Shandong Province, to provide Vango a 'one-stop-shop' solution for the mining and processing plant technical, equipment purchasing and supply and financial leasing requirements for the Marymia Project. The parties are now undertaking a period of due diligence. This has included a highly positive site visit to the Project by a delegation from China Zhenghe Industrials led by Chairman, Mr Zang Ning, earlier this month. Following successful completion of due diligence, the parties plan to enter into a binding agreement for the development of the Marymia Project.

Dampier Gold (ASX: DAU) Takeover Offer

Vango formally closed its takeover offer for Dampier Gold on 4 January 2019. Vango is now the single largest shareholder in Dampier with a holding of 22.08% % of the issued equity capital of Dampier.

Billabong Claim

Vango Mining is on track to file its defence to the Billabong claim in February and remains of the view that the Billabong claim is speculative and without merit. Vango Mining will vigorously defend the Billabong claim.

Dampier Gold (ASX: DAU) Binding Term Sheet

Vango continues to work with Dampier Gold in accordance with the Binding Terms Sheet between the parties dated 12 May 2017 (**Binding Terms Sheet**). Under the Binding Terms Sheet (and as confirmed in Dampier Gold's ASX announcement of 16 May 2017), Dampier Gold will contribute up to \$3 million to the development of the K2 underground mine. Under the Binding Terms Sheet, Dampier Gold will obtain a joint venture interest equal to the contribution by Dampier Gold as a proportion of the capital cost estimate for the development of the K2 underground mine. Given that Billabong's claim relates to the Binding Terms Sheet, such that Dampier Gold could potentially be affected by the Billabong claim, Vango Mining will keep Dampier Gold updated as to the progress of the claim.

Further details on Vango's December 2018 quarter activities are available at the Vango website, <http://www.vangomining.com>

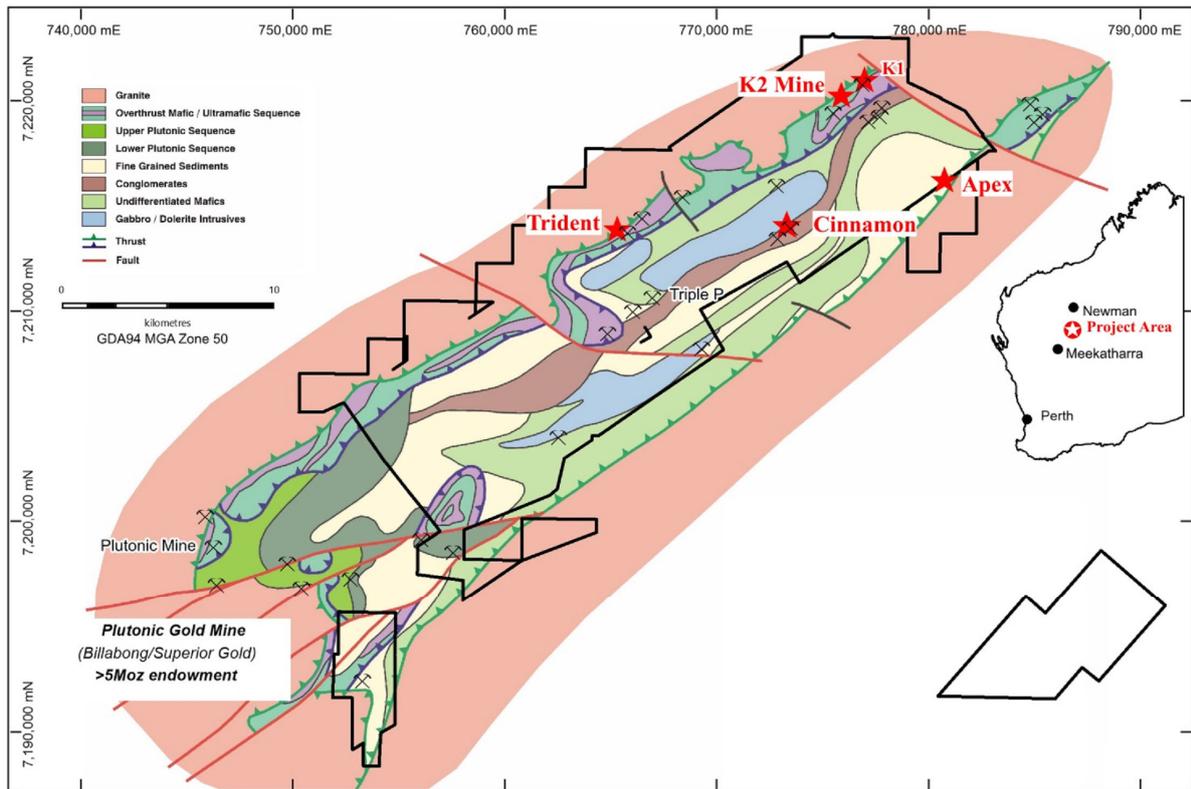


Figure 1: Marymia Gold Project (formerly Plutonic Dome Gold Project) location map

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Competent Persons Statement

Previously Released Information

This ASX announcement refers to information extracted from reports available for viewing on Vango's website www.vangominig.com

Vango confirms it is not aware of any new information or data that materially affects the information included in the original market announcements, and, in the case of exploration targets, that all material assumptions and technical parameters underpinning the exploration targets in the relevant market announcements continue to apply and have not materially changed. Vango confirms that the form and context in which the Competent Person's findings presented have not been materially modified from the original market announcements.

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.