



Annual Report

For the Financial Year Ended

30 June 2018

ABN 68 108 737 711

VANGO MINING LIMITED
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FOR THE YEAR ENDED 30 JUNE 2018



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Directors Bruce McInnes (Executive Chairman)
Shengqiang (Sean) Zhou (Managing Director)
Zhenzhu (Carol) Zhang (Non-Executive Director)

Company Secretary Ian Morgan

Registered Office Suite 3, Level 39
259 George Street
Sydney NSW 2000

Principal place of business Suite 3, Level 39
259 George Street
Sydney NSW 2000

Share Register Boardroom Limited
Level 7
207 Kent Street
Sydney NSW 2000

Telephone: +61 2 9251 6812
Facsimilie: +61 2 9279 0664

Auditor Ernst & Young
Ernst & Young Centre
200 George Street
Sydney NSW 2000

Solicitors Gilbert + Tobin
Level 35, Tower Two
International Towers
200 Barangaroo Avenue
Sydney NSW 2000

Stock exchange listing Australian Securities Exchange
ASX Code: VAN, VANO

Website www.vangomining.com



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the “consolidated entity”) consisting of Vango Mining Limited (referred to hereafter as the “Company” or “parent entity”) and the entities it controlled for the year ended 30 June 2018.

1. INFORMATION ON DIRECTORS

The names and details of the Company’s Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Name:	Mr Bruce McInnes
Title:	Non-executive director (9 May 2013 – 24 October 2013) Executive Deputy Chairman (25 October 2013 – 14 August 2014) Executive Chairman (15 August 2014 – present)
Qualifications:	B.Comm (Accounting)
Experience and expertise:	Mr McInnes has been in the public and commercial accounting sectors for over 30 years. He was a founding partner and is now the senior partner at accounting firm McInnes & Associates based in Leeton New South Wales. Bruce also owns a large agricultural business in Riverina, New South Wales. Mr McInnes had also volunteered as the treasurer of Telstra Child Flight, a not-for-profit organisation that provides helicopter transport for sick and injured children in remote areas of New South Wales.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special Responsibilities:	Chairman of the Audit Committee and Remuneration Committee
Interests in shares:	14,350,918
Interests in options:	Nil

Name:	Mr Shengqiang (Sean) Zhou
Title:	Non-executive director (Appointed 15 August 2014), Managing Director (Appointed 30 January 2018)
Qualifications:	B.Comm, Masters Project Management
Experience and expertise:	Mr Zhou has over 13 years’ experience in project management, funds management and investment banking with a focus on infrastructure investment in the Asia Pacific Region. During Mr Zhou’s time as Head of the China team of Inbound Investment at CPG Capital Partners Ltd, a Singapore based investment bank, he was responsible for raising over US\$500 million in funding. Prior to CPG, Sean was General Manager Australia for Shanghai General Metal Structural Engineering Limited.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special Responsibilities:	Audit Committee, Remuneration Committee
Interests in shares:	24,289,873
Interests in options:	Nil



Name:	Mrs Zhenzhu (Carol) Zhang
Title:	Non-executive director (Appointed 25 August 2015)
Qualifications:	Masters Project Management
Experience and expertise:	Dr Zhang has a PHD in management. Prior to joining Vango she was an associate professor at Tianjin University, teaching logistics management.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special Responsibilities:	None
Interests in shares:	86,354,474
Interests in options:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.



2. DIRECTORS' MEETINGS

The number of meetings of the company's Board of Directors ("the Board") held during the year ended 30 June 2018 and the number of meetings attended by each director during the time the Director held office was:

	Board		Audit Committee	
Director	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Bruce McInnes	9	9	-	-
Shengqiang (Sean) Zhou	9	9	-	-
Zhenzhu (Carol) Zhang	9	9	-	-

3. INFORMATION ON COMPANY SECRETARY

The following person/s held the position of Company Secretary during the financial year.

Mr Ian Morgan (Appointed 15 May 2017)

B Bus (NSW Institute of Technology), M Com Law (Macquarie University), Grad Dip App Fin (Securities Institute of Australia) CA, ACIS, MAICD, F Fin

Mr Morgan was appointed Company Secretary on 18 May 2017. He is a Chartered Accountant and Chartered Company Secretary with over 35 years' experience and provides secretarial and advisory services to a range of companies, including holding the position of Company Secretary for other listed public companies.

Mr Mark Camilleri (Appointed 7 December 2015, Resigned 15 May 2017)

B. Bus, Sturt University, MBA UTS

Mr Camilleri is a qualified accountant with over 28 years' experience in senior executive roles with a track record for the growth of multi-million dollar start-up companies and experience in contract and license agreement negotiations.

4. PRINCIPAL ACTIVITIES

The consolidated entity is presently focusing on gold exploration and the development of its wholly owned Plutonic Dome Gold Project in Western Australia. The consolidated entity's immediate goal is to become a gold producer.

5. OPERATING AND FINANCIAL REVIEW

REVIEW OF OPERATIONS

Vango Mining Limited ("Vango or "the Company") is an exploration and mining development company operating in Australia and Laos. The Company's primary focus is the development of a stand-alone gold mining and processing operation at the Plutonic Dome (Marymia) Project in the central west of Western Australia.



The Company has made significant progress towards achieving this objective during the 2017/2018 financial year (FY 17/18).

PLUTONIC DOME (MARYMIA) GOLD PROJECT

The 100%-owned Plutonic Dome Gold (Marymia) Project ("the Project") is located in the Mid-West region of Western Australia. Vango plans to systematically develop the assets into a significant, long term gold mining operation.

During FY 17/18 the Company has focused on drilling to define and expand the high-grade Trident Gold Deposit as well as targeting other resource targets including the Cinnamon gold deposit (see Figure 1 for geology and location of key gold deposits at Plutonic Dome). The Company's objective is to define sufficient resources to support a stand-alone mining and processing operation.

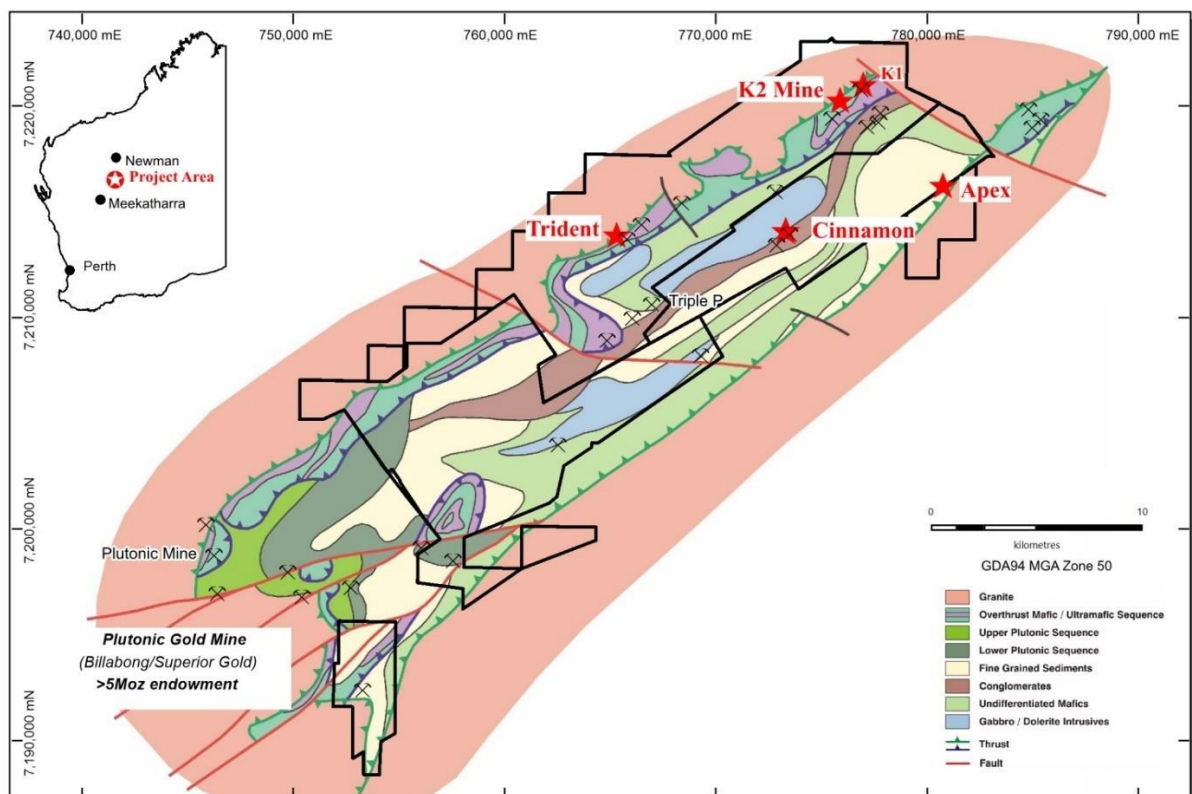


Figure 1: Plutonic Dome Gold Project location and geology map with Trident and K2 location

Trident Gold Deposit

During the FY 17/18 Vango completed two highly successful drilling programs at its Trident Gold Deposit.

The initial drilling programme completed in Q3 2017 included five diamond drill-holes for 946 metres plus three RC holes for 747 metres. The diamond drilling was designed to test for extensions to existing zones of high-grade mineralisation associated with a central high-grade zone located between 150 and 200 metres below surface at Trident. The drilling delivered exceptional, high-grade intersections including:

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



Further drilling was commenced during Q2 and Q3 2018 and was again focused on defining and extending the very-high grade core of the Trident gold deposit in order to upgrade to a JORC 2012 compliant Indicated Resource for further development studies. The new programme comprised 35 RC and pre-collared diamond drill holes for a total of 7324 metres and included the following significant intersections:

- 8.8m @ 6.1 g/t Au from 144m incl. 3m @ 9.8 g/t Au and in hole VTRRC00010,
- 2.33m @ 7.2 g/t Au from 161.92m incl. 1.08m @ 13.0 g/t Au in hole VTRRC00010,
- 2m @ 7.3 g/t Au from 187m incl. 1m @ 10.7 g/t Au in hole VTRRC00010,
- 3.3m @ 6.7 g/t Au from 211.7m incl. 1.3m @ 15.3 g/t Au in hole VTRRC00022,
- 7m @ 18.2 g/t Au from 218m incl. 2.02m @ 44.0g/t Au in hole VTRRC00013,
- 3.76m @ 12.8 g/t Au from 222.24m incl. 1m @ 40.5 g/t Au in hole VTRRC00015,
- 11.48m @ 11.5 g/t Au from 159m incl. 4m @ 26.1 g/t Au in hole VTRRC00016,
- 6m @ 15.4 g/t Au from 198m including 4m @ 22.5 g/t Au in VTRRC00007, and
- 3m @ 15.3 g/t Au from 161m including 1.05m @ 40.3 g/t Au in VTRRC00008.

In addition three diamond drillholes tested the Trident gold deposit at depth and intersected the mineralised ultramafic horizon 600m below surface and 1km down dip in VTRRC0029 and included VTRRC00028 that intersected 3.5m @ 10.9 g/t Au from 349m incl. 1.5m @ 22.1g/t Au from 350m.

Further details of the drill program, and the results, are provided in ASX announcements of 25 June, 27 May, 16 May and 24 April 2018. Figure 2, below, shows Trident geology and drilling undertaken in the phase of drilling completed in the June quarter. Figures 3 and 4 are cross sections through Trident deposit.

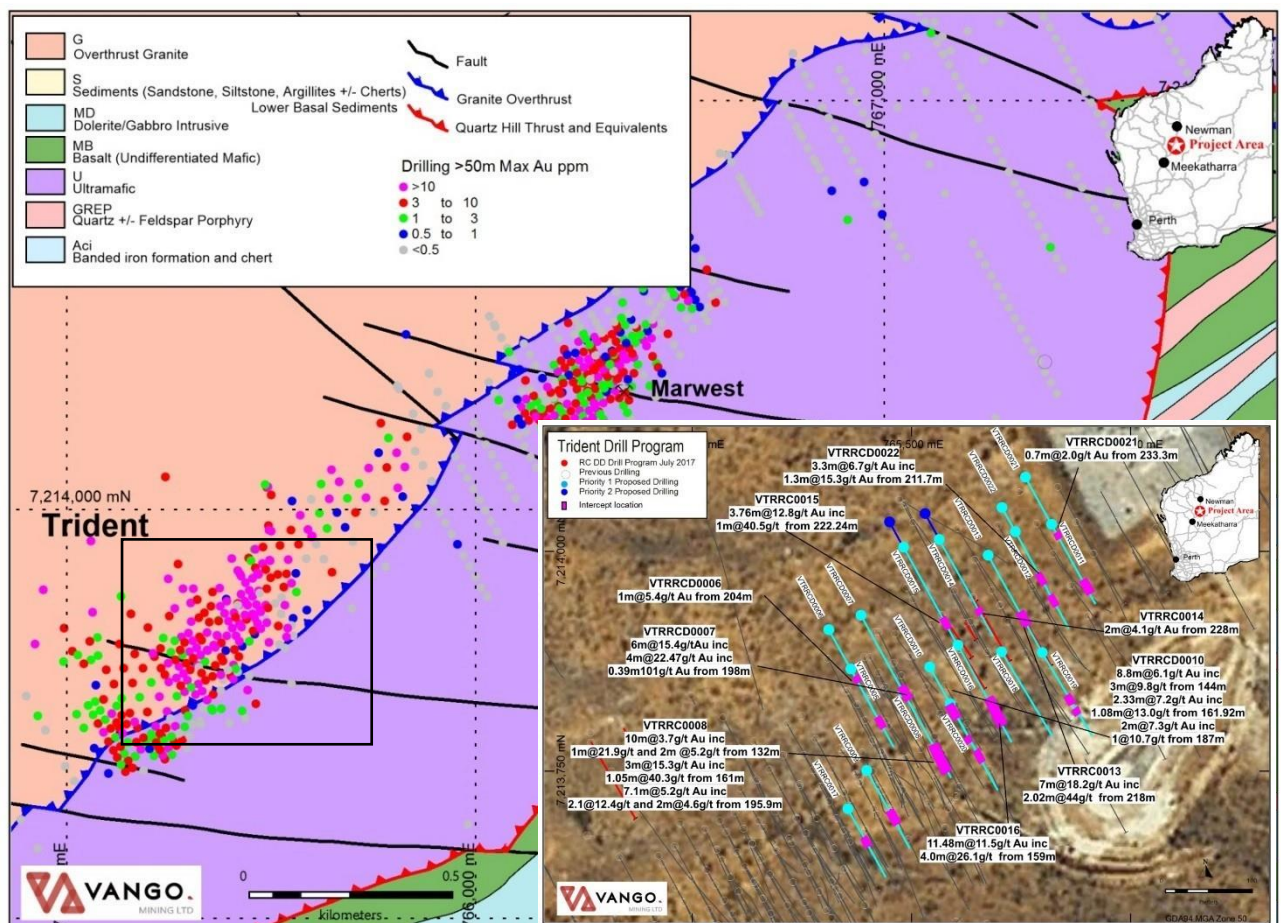


Figure 2: Plan showing Trident gold deposit and Marwest with geology and drilling completed to date

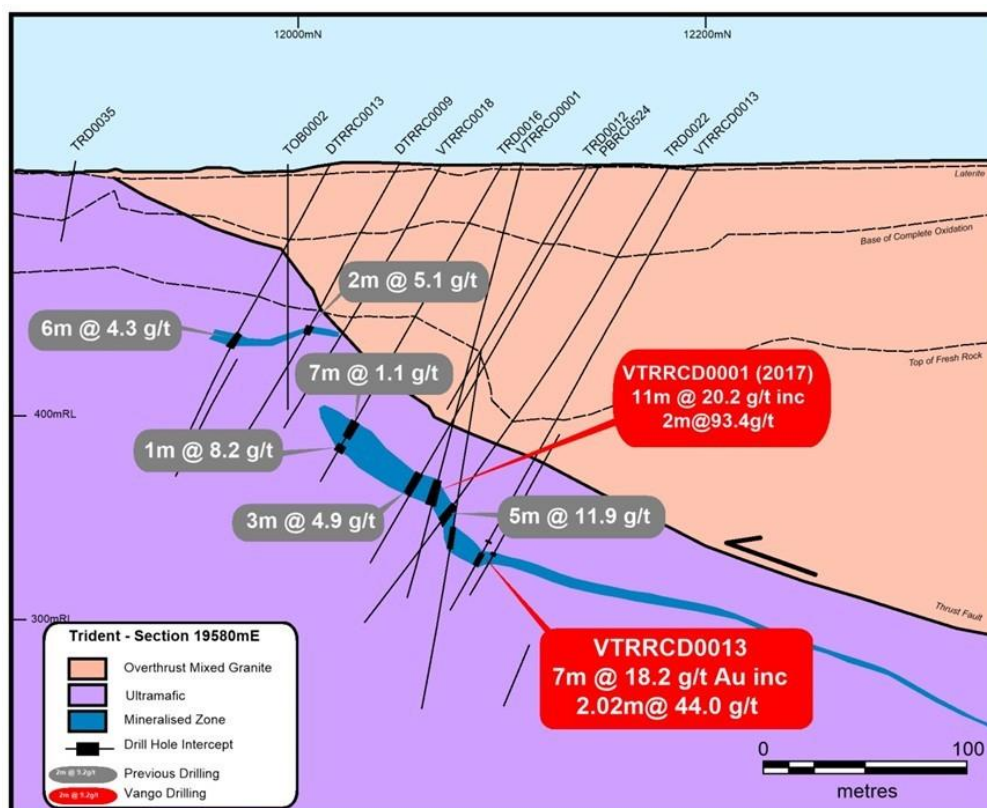


Figure 3: Trident gold deposit, cross section 19580mE

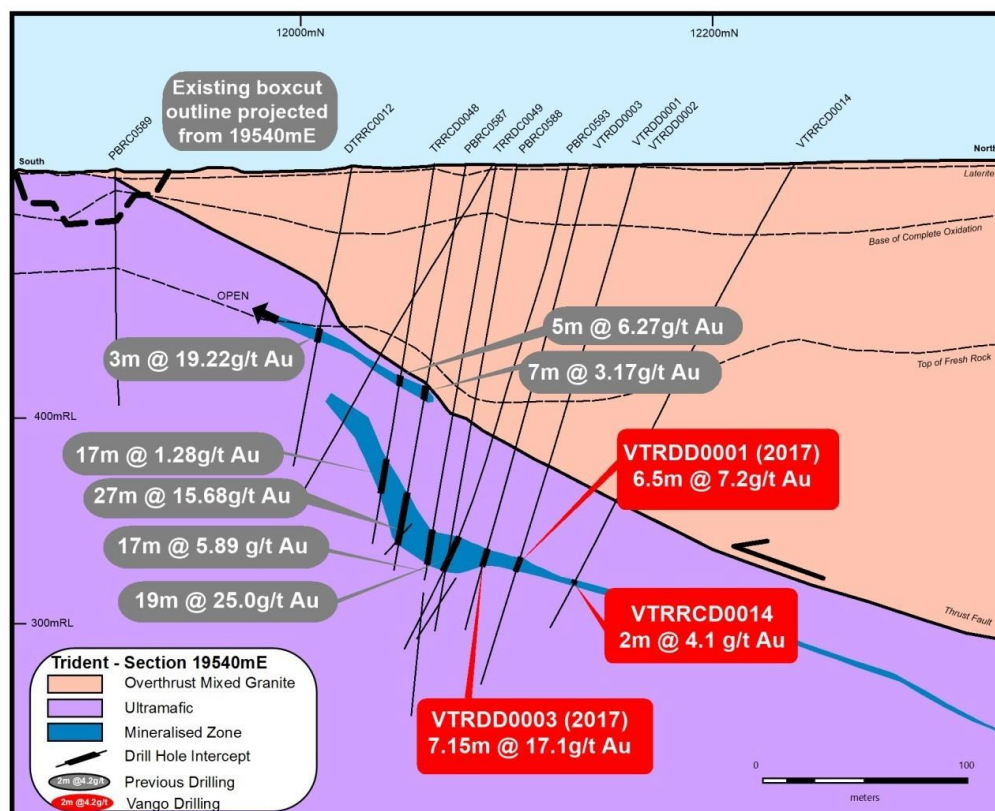


Figure 4: Trident gold deposit, cross section 19540mE



Cinnamon Gold Deposit:

Post FY 17/18 end initial drilling was completed on the Cinnamon gold deposit.

The Cinnamon deposit is located in the central part of the project area (see Figure 1). The majority of the mineralisation is contained within a conglomerate, associated with the contact between a mafic-volcaniclastic/conglomerate footwall and felsic-volcaniclastic/conglomerate hanging wall (see Figure 5).

The initial diamond drilling programme of two diamond drill-holes, for 607.5m of drilling, was designed to test and extend existing gold mineralised zones and provide geological information to characterise and identify the potential controls on the mineralised system.

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

- 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: 39m @ 4.56 g/t Au from 76m including 10m @ 12.72 g/t Au

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

VBGRCD0001:

- 10m @ 2.69 g/t Au from 106m including 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 6):

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

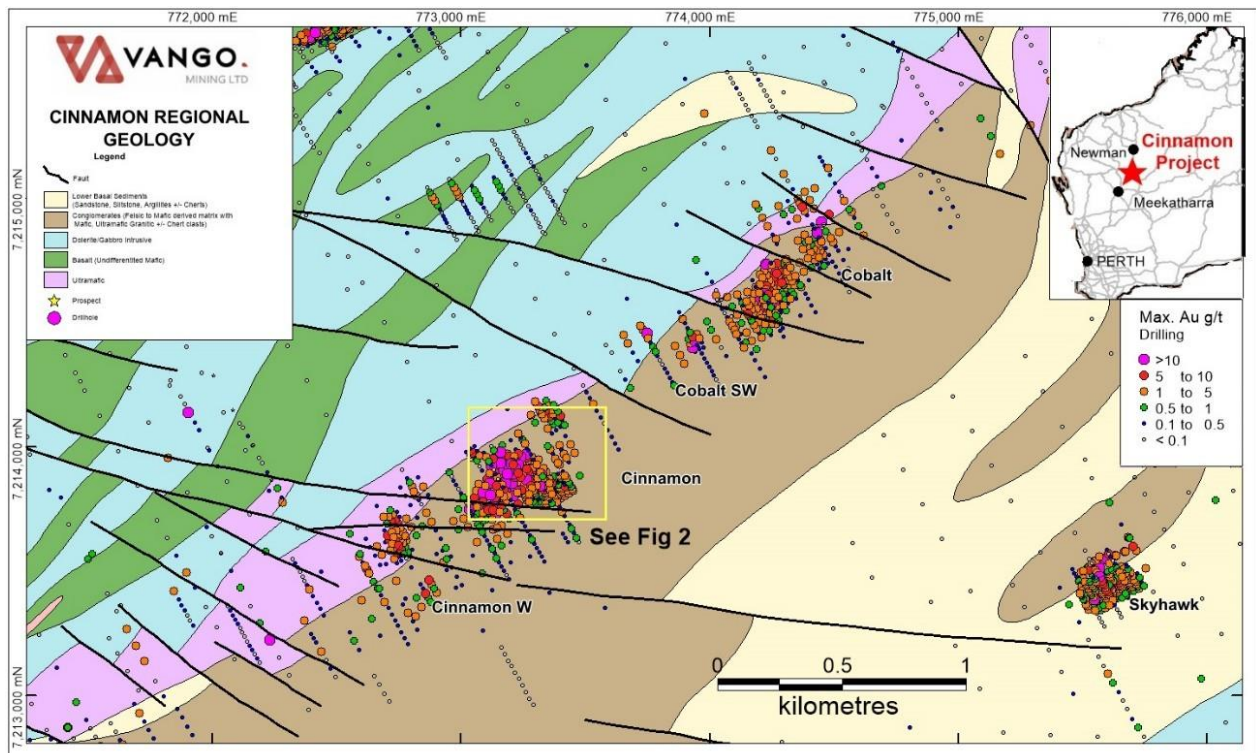
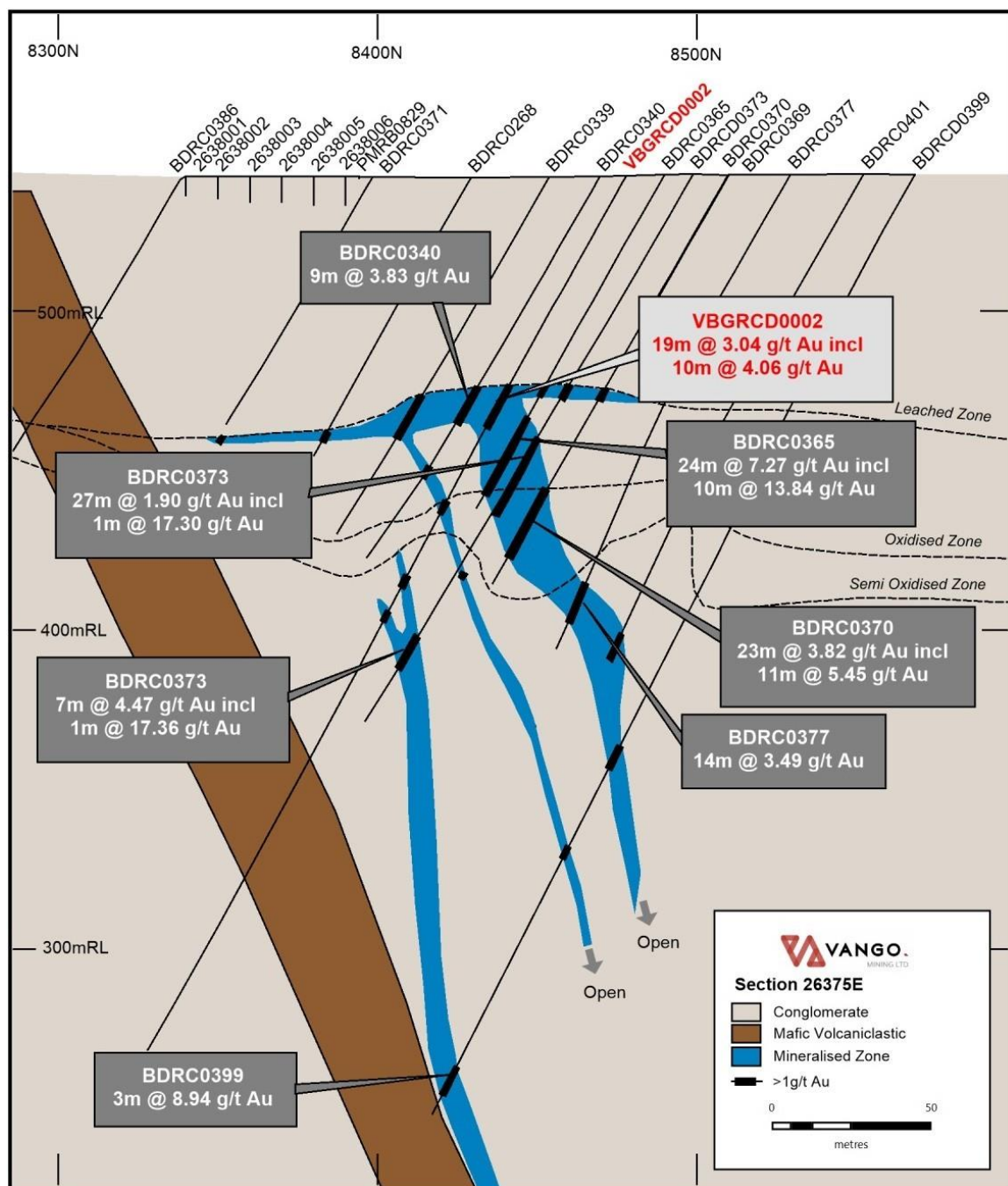


Figure 5: Plan of the Cinnamon area geology with drilling completed to date and recent drilling



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 (see Figure 5 for location).





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 K2 deposit, where a DFS on underground mine production has been completed (update to the K2 Deposit Definitive Feasibility Study released 14 February 2017), 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.

Other Infrastructure and Development Activities at Plutonic Dome:

The Company has re-established the airstrip and an up to 70 man fully serviced camp facility at Plutonic Dome. Existing haul roads and previously excavated open pits will also be utilised when re-instating the Plutonic Dome (Marymia) Gold Operation.

A dewatering bore has been completed into the existing decline at K2 that will be reamed so that dewatering may commence when required.

Other Exploration Including Apex Prospect:

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 (Figure 5: Coarse vein-gold in float). 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.



Post the FY 17/18 end programme of geochemical drilling has been completed comprising 175 shallow rotary air blast (RAB) holes for 1,750 metres of drilling. 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

Subsequent to the FY 17/18, Vango completed a successful Placement to sophisticated and professional investors to raise approximately \$5.2 million via the issue of approximately 28.3 million fully paid ordinary shares at \$0.18 per share.

Funds raised will be used for planned exploration and development of the Plutonic Dome Gold Project.

Options were also offered under the Placement on the basis of one free attaching option for every two new shares subscribed for, exercisable at \$0.27 and expiring two years from the date of issue.

A total of 29,078,644 New Shares and 16,192,792 New Options were issued to eligible shareholders on 11-12 July 2018. These Options listed on the ASX.

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

Retirement of Company Debt

Vango also recently announced plans to retire a significant amount of debt from its balance sheet via the issue of ordinary shares in the Company to holders of debt in the Company (ASX announcements 2 July and 5 April 2018).

On 19 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, in order to retire a substantial amount of unsecured debt.

The conversion of this debt is a core priority for the Company and will deliver a stronger capital position and clean balance sheet as it seeks to advance the development of the Plutonic Dome Project.

A General Meeting of shareholders was held on Wednesday, 27 August 2018 to approve the issue of shares to retire this debt, and was approved. The shares were subsequently issued on 19 September 2018. Refer ASX announcement 20 September 2018.

Update on Farm-in Joint Venture for K2 Gold Mine

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 Mine with Dampier Gold (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 Mine to receive up to a 50% interest joint venture in the K2 Mine.

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 advises 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 Mine 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.

Table 1 Plutonic Dome Gold Project Mineral Resources at June 2016

Deposit	OP/UG	Measured		Indicated		Inferred		Total		
		Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Tonnes (000's)	Au g/t	Ounces (000's)
*K2	UG	-	-	198	8.9	217	6.7	415	7.7	103
Sub-total		-	-	198	8.9	217	6.7	415	7.7	103
**K2SE	OP	-	-	1,048	1.1	937	1.1	1,985	1.1	70
Sub-total		-	-	1,048	1.1	937	1.1	1,985	1.1	70
**K3	OP	-	-	456	1.8	462	1.7	919	1.7	51
Sub-total		-	-	456	1.8	462	1.7	919	1.7	51
**Marwest	OP	-	-	-	-	267	2.5	268	2.5	21
Sub-total		-	-	-	-	267	2.5	268	2.5	21
***Trident	OP	-	-	-	-	-	-	-	-	-
	UG	-	-	854	6.2	1,356	4.8	2,210	5.3	379
Sub-total		-	-	854	6.2	1,356	4.8	2,210	5.3	379
***K1	OP	593	2.0	123	1.9	171	3.7	888	2.3	66
	UG	-	-	-	-	-	-	-	-	-
Sub-total		593	2.0	123	1.9	171	3.7	888	2.3	66
***PPP	OP	-	-	294	2.6	88	2.1	382	2.5	31
	UG	-	-	106	4	91	3.9	196	4	25
Sub-total		-	-	400	3	179	3	579	3	56
***Cinnamon	OP	-	-	961	2.3	54	2.3	1,015	2.3	74
	UG	-	-	-	-	-	-	-	-	-
Sub-total		-	-	961	2.3	54	2.3	1,015	2.3	74
Total		593	2.0	4,040	3.1	3,643	3.5	8,279	3.1	820

OP = open pit, UG = underground. Underground resources reported above a 3.0g/t Au cut-off.

* Resources reported in accordance with JORC 2012 Edition of Guidelines above a 3.0g/t Au cut-off grade.

** Resources reported in accordance with JORC 2012 Edition of Guidelines above a 0.5g/t Au cut-off grade.

*** Resources reported in accordance with JORC 2004 Guidelines. OP= open pit resources, reported within optimised conceptual pit shells at \$1,700/oz gold price above a 0.5g/t Au cut off. UG= underground resources, reported above a 3.0 g/t Au cut-off grade.

Due to rounding, tonnages and grades may not equate to exact contained ounces



Competent Person Statements:

The information in this presentation 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.

The information in this presentation that relates to Mineral Resources was prepared and first disclosed under the 2004 JORC Code on 1st October 2014. It has not been updated to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported. Vango Mining Limited confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resources announcement titled "Resource Upgrade at Plutonic Dome Gold Project" prepared and first disclosed under the 2004 JORC Code on 1st October 2014 and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed.

The information in this presentation that relates to Mineral Resources is based on information 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. 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.

SARCO

SARCO is a 226mt bauxite resource comprised of two tenements on the Bolaven Plateau, located in southern Laos. The project is subject to a joint venture between Vango (49%) and NFC-China (51%). Total accessible tenure holding is 487km² across two tenements. The Company has resumed discussions with NFC-China as to how best to extract future value from this holding.

B Financial Performance & Financial Position

The financial results of the Company for the year ended 30 June 2018 are:

	Year ended 30-Jun-18	Year ended 30-Jun-17
Cash and cash equivalents	26,830	204,595
Net assets	2,081,396	3,484,536
Revenue	1,822	21,899
Net loss after tax	(3,565,396)	(5,576,790)
Loss per share (cents)	(0.82)	(1.42)
Dividend (\$)	-	-



Financial Performance

The financial result for the year ended 30 June 2018 is a net loss after tax of \$3,565,396. This represents a decrease of 36% compared to the prior year. Factors contributing to the decreased loss include:

- The share of the SARCO loss in 2017 was \$2,269,082 following a write down of the investment in the SARCO books
- Interest charges were \$1,237,624 (2017: \$947,239) following drawdown of loans
- Corporate costs increased to \$1,885,154 (2017: \$1,443,917) reflecting a significant increase in exploration activities requiring corporate support

The Company is aiming to create value for shareholders through its exploration expenditure and move to commence mining at the companies Marymia tenements but currently has no revenue generating operations. A small amount of revenue was generated from interest income.

Financial Position

The Company's main activity during the year was conducting exploration on the Plutonic Dome/Marymia Gold Project. The total investment in the Plutonic Dome project increased during the financial year by \$5,577,963 by way of expenditure on exploration, sampling, ore testing, minerals analysis, related lease maintenance and the establishment of an exploration camp on site.

The Company raised a net \$679,763 from share issues. In addition, \$1,482,492 of expenses were settled by the issue of 32,555,389 fully paid ordinary shares at \$0.045 and \$0.05 per share. Borrowings increased from \$5,143,099 to \$10,463,712 including accrued interest. This debt was subject to a conversion to equity post financial year end. The net assets of the Group have reduced by \$1,403,140 primarily as a result of the reliance on debt funding over the financial year.

C Business Strategies and Prospects for future financial years

The Company actively evaluates the prospects of each project as results from each program become available, these results are available via the ASX platform for shareholders information. The Company then assesses the continued exploration expenditure and further asset development. The Company will continue the evaluation of its mineral projects in the future and undertake generative work to identify and acquire new resource projects.

There are specific risks associated with the activities of the Company and general risks which are largely beyond the control of the Company and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Company and the market price of the Company's shares.

a) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment,



mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

b) Environmental Risks

The operations and proposed activities of the Company are subject to the laws and regulations of Australia and Laos concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

c) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

d) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- i. general economic outlook;
- ii. introduction of tax reform or other new legislation;
- iii. interest rates and inflation rates;
- iv. changes in investor sentiment toward particular market sectors;
- v. the demand for, and supply of, capital; and
- vi. terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

e) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income, the Company will require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes, as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

6. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.



7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The Company completed the following share and debt issues during the financial year:

- 3,500,000 fully paid ordinary shares were issued at \$0.05 each in settlement supplier and contractor fees for services provided to the company.
- Convertible Note were issued totalling \$1,500,000 on an unsecured basis with a coupon rate of 15% p.a. convertible into fully paid ordinary shares on or before the maturity date of 19 April 2019 at \$0.18 per share.
- 29,055,389 fully paid ordinary shares were issued at \$0.045 each, in settlement of \$1,170,292 of debt from unrelated third parties and in settlement of \$137,200 for contractor service payments.
- 11,329,389 fully paid ordinary shares were issued at \$0.06 each, raising \$679,763 upon conversion of options.
- Finance facilities were arranged on an unsecured basis for a total of \$8,332,000 from various related and unrelated non- finance entities and as at year end a total of \$7,282,000 was drawn by the company, as follows:
 - a. Mr Donjie (David) Zhang, who is the husband of Zhenzhu (Carol) Zhang, non-executive Director of the Company, acquired a significant interest in Gifted Force International Limited and controls that company. Gifted Force International Limited loaned the Company \$1,500,000 at an interest rate of 25%p.a. for an initial two-year term that was extended to 14 September 2018.
 - b. Mr ShengQiang (Sean) Zhou, a Director of the Company, has loaned the Company \$200,000 at an interest rate of 10% pa at call.

<u>Interest Rate per annum</u>	<u>Loan Facility</u>	<u>Amount Drawn</u>	<u>Term</u>
	<u>A\$'000</u>	<u>A\$'000</u>	
25%	4,850	3,800	2 years
10%	1,832	1,832	18 months
10%	1,650	1,650	At call
	8,332	7,282	

8. EVENTS SUBSEQUENT TO BALANCE DATE

On 12 July 2018 the Company completed a placement of 29,078,644 Fully Paid Ordinary Shares at 18 cents per share together with one free attaching Options for every 2 new shares, totaling 14,539,331 Options, together with a Corporate advisory fee of 1,653,461, options. The total of 16,192,792 options are exercisable into one fully paid ordinary share at a strike price of \$0.27 per share, on or before 11 July 2020. The total capital raised was \$5,234,155.92 prior to issue costs.

At a General Meeting of Shareholders held on 27 August 2018 the following resolutions to issue fully paid ordinary shares to lenders were approved as follows:

- To issue to ShengQuian (Sean) Zhu, a Director of the Company, 4,777,960 Fully Paid Ordinary Shares at an issue price of \$0.045 per share, together with 2,762,913 Fully Paid Ordinary Shares at an issue price of \$0.06 per share in full settlement of \$380,782 of unsecured loans together with accrued interest extended to the company.
- To issue to Gifted Force International Limited, a Related Party of the Company, 4,759,889 Fully Paid Ordinary Shares at an issue price of \$0.045 per share, together with 31,116,479 Fully Paid Ordinary



Shares at an issue price of \$0.06 per share in full settlement of \$2,081,183 of unsecured loans together with accrued interest extended to the company.

- To issue to a number of unrelated parties of the company a total of 49,395,775 Fully Paid Ordinary Shares at an issue price of \$0.06 per share, in full settlement of \$2,963,747 of unsecured loans together with accrued interest extended to the company.
- To Issue a Convertible Note for a total amount of \$2,500,000 to an unrelated party of the company, at an annual interest rate of 8% per annum, payable at maturity, convertible into Fully Paid Ordinary Shares, at or before 18 months from the issue date of the note at a strike price of \$0.07 cents per share. The note may convert into a maximum of 35,714,285 Fully Paid Ordinary Shares. These shares issues were finalised subsequent to the 2018 Financial Year End.
- On 17 September 2018 the Company announced an off-market takeover offer for all the issued capital of Dampier Gold Limited of two fully paid ordinary shares of the Company for every seven fully paid ordinary Dampier Gold Mining shares.
- On 19 September 2018, the Company raised \$22,000 by the cash placement of 122,223 Shares at an issue price of \$0.18 per share and 61,112 New Options. These Options listed on the ASX

9. ENVIRONMENTAL ISSUES

The Company is not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Company. Other than extensive exploration drilling and related activities, there were no other ground disturbing activities conducted during the financial year.

10. REMUNERATION REPORT (Audited)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*. The remuneration arrangements detailed in this report are for the Directors who held office during the financial year as follows:

<u>Director</u>	<u>Position</u>	<u>Appointed</u>	<u>Resigned</u>
Bruce McInnes	Executive Chairman	15 August 2014	Current
	Non-executive Deputy Chairman	25 October 2013	14 August 2014
	Non-Executive Director	9 May 2013	24 October 2013
Shengqiang Zhou	Executive Director	15 August 2014	Current
Zhenzhu Zhang	Non-Executive Director	25 August 2015	Current

A Remuneration Philosophy

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise). Key management personnel of the Company comprise the Board of Directors only.

The performance of the Company depends upon the quality of its key management personnel. To prosper the Company must attract, motivate and retain appropriately skilled directors and executives. The Company's



broad remuneration policy is to ensure the remuneration package rewards performance, properly reflects the person's duties and responsibilities and is competitive in attracting, retaining and motivating people of the highest quality.

B Remuneration Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Company's development. During the financial year the Board has engaged the services of a remuneration consultant to review and provide comparisons for recommendations when setting the remuneration received by Directors. It is considered that the size of the Board along with the level of activity of the Company renders this impractical and the full Board considers in detail all of the matters for which the Directors are responsible.

Executive Remuneration Structure

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice.

Executive remuneration and incentive policies and practices must:

- be aligned with the Company's vision, values and overall business objectives;
- be designed to motivate the executives to pursue the Company's long term growth and success; and
- demonstrate a clear relationship between the Company's overall performance and the performance of executives.

The nature and amount of remuneration of executives are assessed on a periodic basis by the Board (in the absence of a Remuneration Committee) for their approval, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing executives.

The main objectives sought when reviewing executive remuneration is that the Company has:

- coherent remuneration policies and practices to attract and retain executives;
- executives who will create value for shareholders
- competitive remuneration offered benchmarked against the external market; and
- fair and responsible rewards to executives having regard to the performance of the Company, the performance of the executives and the general pay environment.

There is no predetermined equity compensation element within the remuneration structure nor are there predetermined performance conditions to be satisfied. All directors and executives are entitled to participate in the Vango Employee Loan Share Plan.

Further details relating to remuneration of Executive Directors are contained in the remuneration table disclosed in Section D of this Report; and within the Notes to the Financial Statements: Note 24 Key Management Personnel Disclosures.

Non-Executive Remuneration Structure



Non-executive directors are remunerated by way of fees, in the form of cash, non-cash benefits and superannuation contributions. The Board's intention is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board of Directors determines the payments to the non-executive directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required.

The maximum aggregate fee pool to be paid to Directors (excluding executive directors) is set at \$250,000 per year (in accordance with the Company's Constitution) and as approved by the shareholders of the Company.

Non-executive directors are able to participate in share-based incentive plans and encouraged to hold shares in order to align director's interests with shareholder interests.

Non-executive directors may enter into separate consultancy mandates with the Company for the provision of professional and technical services that fall outside the scope of their directorship role. Under this mandate directors receive a consultancy fee in connection with time spent on Company business, including reasonable expenses incurred by them in carrying out this consultancy role.

During the financial year, non-executive directors received a total of \$20,333 (2017: \$10,000). An amount of \$29,300 has been accrued for Executive Directors and \$63,800 for Non-Executive Directors.

Further details relating to remuneration of non-executive directors are contained in the remuneration table disclosed in Section D of this Report; and within the Notes to the Financial Statements: Note 24 Key Management Personnel Disclosures.

C Remuneration and Performance

Director remuneration is currently not linked to either long term or short term performance conditions. The Board feels that the shares currently on issue to the Directors are sufficient, long term incentive to align the goals of the Directors with those of the shareholders to maximise shareholder wealth, and as such, has not set any performance conditions for the Directors of the Company. The Board will continue to monitor this policy to ensure that it is appropriate for the Company in future years.



D Details of Remuneration

The key management personnel of the Company are the Board of Directors. Details of the remuneration of the Directors of the Company for the financial year ended 30 June 2018 are set out below.

2018	Salary & fees \$	Non- monetary \$	Other \$	Post- employment benefits	Share-based payment	Total \$	Share-based payments as a % of total remuneration
				Superannuation \$	Vango share Plan \$		
Executive Director							
B McInnes	173,790	-	-	16,510	-	190,300	-
S Zhou	130,000	-	-	20,333	-	150,333	-
Non-Executive Directors							
Z Zhang	40,000	-	-	3,800	-	43,800	-
Total	343,790	-	-	40,643	-	384,433	-

Details of the remuneration of the Directors of the Company for the financial year ended 30 June 2017 are set out below:

2017	Salary & fees \$	Non- monetary \$	Other \$	Post- employment benefits	Share-based payment	Total \$	Share-based payments as a % of total remuneration
				Superannuation \$	Vango share Plan \$		
Executive Directors							
B McInnes	132,000	-	-	12,540	-	144,540	-
Non-Executive Directors							
S Zhou	40,000	-	-	3,800	-	43,800	-
Z Zhang	40,000	-	-	3,800	-	43,800	-
Total	212,000	-	-	20,410	-	232,140	-

Contractual Arrangements

Mr Bruce McInnes – Executive Chairman

- Contract commencement date: There is no service agreement in place. Director fees commenced on date of appointment as director
- Term: Open, although subject to retirement by rotation under the Company's Constitution.

Mr Shengqiang (Sean) Zhou – Executive Director

- Contract commencement date: There is no service agreement in place. Director fees commenced on date of appointment as director
- Term: Open, although subject to retirement by rotation under the Company's Constitution.



Mrs Zhenzhu (Carol) Zhang – Non-Executive Director

- Contract commencement date: There is no service agreement in place. Director fees commenced on date of appointment as director
- Term: Open, although subject to retirement by rotation under the Company's Constitution.

F Share-based Compensation

The Company rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options and shares. Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or to receive any guaranteed benefits.

Options

There were no options granted to key management personnel as part of remuneration during the financial year, nor were shares issued upon exercise of options.

As at the date of this report 31,789,014 unlisted options acquired as part of prior period rights issue, exercisable at \$0.06 per share expired and 6,000,000 unlisted options were exercised at \$0.06 during the financial year. At balance date, the relevant interest of each key management personnel in options of the Company were:

	Balance at the start of the year	Acquired	Granted as part of remuneration	Expired	Converted	Balance at end of the year	Vested and exercisable
2018							
Bruce McInnes	6,175,460	-	-	(4,175,460)	(2,000,000)	-	-
Shengqiang Zhou	7,374,501	-	-	(5,374,501)	(2,000,000)	-	-
Zhenzhu Zhang	24,239,053	-	-	(22,239,053)	(2,000,000)	-	-
	37,789,014	-	-	(31,789,014)	(6,000,000)	-	-
2017							
Bruce McInnes	-	6,175,460	-	-		6,175,460	6,175,460
Shengqiang Zhou	125,000	7,374,501	-	(125,000)		7,374,501	7,374,501
Zhenzhu Zhang	-	24,239,053	-	-		24,239,053	24,239,053
	125,000	37,789,014		(125,000)		37,789,014	37,789,014



Shares

At the General Meeting of shareholders held on 27 August 2018, shareholders approved the establishment of the Vango Mining Share Plan ('Share Plan') in accordance with ASX Listing Rule 7.2 and sections 259B(2) and 260c(4) of the Corporations Act. Under the Share Plan, eligible participants are provided with a non-recourse loan from the Company to fund the subscription price of issued shares in accordance with the terms and conditions of the Share Plan. Eligible participants of the Share Plan may not deal with the shares while the loan remains outstanding. A summary of the terms and conditions of the Share Plan is set out below and a full copy of the Share Plan is available on the Company's website www.vangomining.com.

- (a) **Eligibility:** The Board may from time to time, invite executive and non-executive Directors and full-time or part-time employees of the Company (or its subsidiaries) to participate in the Share Plan.
- (b) **Shares and Purchase Price:** The Directors will determine the number of Share Plan Shares to be offered to Eligible Persons and the price per Share Plan Share. Different numbers of Share Plan Shares may be offered to different Eligible Persons and at different prices per Share Plan Share.
- (c) **Loan:** The Board may at the time an Eligible Person is invited to participate in the Share Plan either invite the Eligible Person to apply for a loan from the Company for the purpose of funding in whole or in part the acquisition of the Share Plan Shares being offered, require the Eligible Person to pay some money to the Company for the purpose of acquiring Share Plan Shares or a combination of both.

The rules of the Share Plan envisage the loans will be interest free and limited recourse such that the Company will accept in full satisfaction of repayment of a loan, the amount of the proceeds of sale of the related Share Plan Shares after deducting the costs and expenses of sale in the event that the proceeds of sale are less than the amount of the loan outstanding.

Unless otherwise determined, the loan period ends when the Share Plan Shares are forfeited including, without limitation, on termination of employment or office for cause, when the Share Plan Shares are disposed of other than in accordance with the rules of the Share Plan or such other date as specified in an Eligible Person's offer documentation.

- (d) **Forfeiture:** The Share Plan Shares offered under the Share Plan may be subject to forfeiture conditions and disposal restrictions as determined by the Board and specified in offer documents to be provided to Eligible Persons. The Board's current policy is for each allocation of Share Plan Shares to be restricted from sale for 2 years following the issue date.

An Eligible Person's Share Plan Shares will be forfeited if the Eligible Person ceases to be an employee or Director because their employment is terminated for cause. If an Eligible Person's Share Plan Shares are forfeited, and those Share Plan Shares are sold pursuant to the rules of the Share Plan, the proceeds will first be applied against the loan balance of the Eligible Person and any surplus proceeds shall be forfeited to the Company.



- (e) **Restrictions on Share Plan Shares:** Share Plan Shares cannot be dealt with unless they are not subject to any conditions and there is no outstanding loan on the Share Plan Shares.
- (f) **Cash distributions:** Subject to any contrary determination by the Board, cash dividends which are paid in respect of a Share Plan Share will be applied by the Company in paying any interest and repaying the principal amount outstanding under the related loan.
- (g) **Amendment:** The Board has the ability to amend or waive the rules of the Share Plan at any time, including with retrospective effect, except that any amendments which affect an Eligible Person's existing entitlements or obligations require the prior written consent of 75% of the Eligible Persons affected by the amendment unless the amendment is primarily necessitated to ensure compliance with the Company's constitution or applicable laws, to avoid adverse tax implications or to correct manifest errors.

Although these are shares for legal and taxation purposes, Accounting Standards require they be treated as options for accounting purposes. Their value is the estimated fair value using the Black-Scholes option pricing model which is expensed in the year of issue.

In accordance with the terms and conditions of the Share Plan, the shares are under a Company-imposed trading lock until such time as each Director has repaid the loan provided by the Company to fund the subscription price for shares issued to them. It is at the Board's discretion whether to seek early repayment of the loan should the Director cease to be employed by the Company.



At balance date the relevant interest of each key management personnel in ordinary fully paid shares of the Company were:

	Balance at the start of the year	Acquired	Granted as part of remuneration	Other	Balance at end of the year
2018					
Bruce McInnes	12,350,918	2,000,000	-	-	14,350,918
Shengqiang Zhou	14,749,000	2,000,000	-	-	16,749,000
Zhenzhu Zhang	48,478,106	2,000,000	-	-	50,478,106
	75,578,024	6,000,000	-	-	81,578,024
2017					
Bruce McInnes	12,350,918	-	-	-	12,350,918
Shengqiang Zhou	14,749,000	-	-	-	14,749,000
Zhenzhu Zhang	48,478,106	-	-	-	48,478,106
	75,578,024	-	-	-	75,578,024

Link to Performance

Shares issued under the Share Plan are treated as options for accounting purposes, there are no performance requirements to be met before exercise can take place largely because by setting the option price or share price at a level above the current share price at the time the options or shares are granted, the Board considers this to be a sufficient, long-term incentive to align the goals of the Directors and management with those of the shareholders to improve the Company's performance. The Board will continue to monitor this policy to ensure that it is appropriate for the Company in future years.

G Adoption of Remuneration Report by Shareholders

The adoption of the Remuneration Report for the financial year ended 30 June 2017 was put to the shareholders of the Company at the Annual General Meeting held on 30 November 2017. The company received more than 91% of votes in favour of its Remuneration Report and the resolution was passed without amendment on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Remuneration Report



11. SHARES UNDER OPTION

On 7 March 2017 125,000 options to subscribe for fully paid ordinary shares at \$0.26 per share expired unexercised.

On 15 March 2018 177,572,621 options exercisable at \$0.06 per share expired unexercised.

On 11-12 July 2018 the Company issued 16,192,792 options under a placement. These options are exercisable at \$0.27 per share and have an expiry date of 11 July 2020.

No person entitled to exercise these options had or has any right by virtue of the option to participate in any share issue of the Company or any related body corporate.

12. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year. There were no dividends paid, recommended or declared during the current or previous financial year.

13. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

14. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring all its Directors and current Executive Officers against a liability incurred as such a director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

15. INDEMNIFICATION OF AUDITORS

To the extent permitted by Law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during the financial year.

16. NON-AUDIT SERVICES

There were no non-audit services provided by the Company's auditors during the financial year.



17. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration for the financial year ended 30 June 2018 has been received as required under Section 307C of the *Corporations Act 2001* and can be found on the following page.

Signed in accordance with a resolution of the Board of Directors.

Mr Bruce McInnes
Executive Chairman

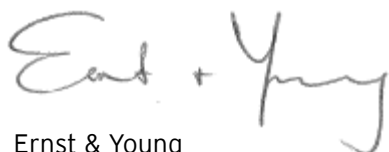
Sydney, New South Wales
28 September 2018

Auditor's Independence Declaration to the Directors of Vango Mining Limited

As lead auditor for the audit of Vango Mining Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Vango Mining Limited and the entities it controlled during the financial year.



Ernst & Young



Scott Jarrett
Partner
Sydney
28 September 2018



CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Vango Mining Limited seeks to act professionally and ethically while executing its responsibilities as it guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board has adopted a corporate governance framework which it considers to be suitable given the size, history and strategy of the Company, having considered the principles and best practice recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) (Principles and Recommendations). As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration. The Company's Corporate Governance Plan can be located on its website.

In accordance with ASX Listing Rule 4.10.3, the Company is required to disclose the extent to which it has followed the Principles and Recommendations during the financial year. The Company's compliance with and departures from the Principles and Recommendations are set out below.

Principles and Recommendations		Compliance	Comment
1.	Lay solid foundations for management and oversight		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Complies	The Company's Corporate Governance Statement includes a Board Charter, which discloses the specific responsibilities of the Board. The Board delegates responsibility for the day to day operations and administration of the Company to the Managing Director. The Corporate Governance Statement is posted on the Company's website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Complies	The Board of Directors has procedures in place to select the most suitable candidate with the appropriate experience to ensure a balanced and effective board.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	New directors receive a letter of appointment which sets out the terms of their appointment. Senior executives have a formal job description and letter of appointment



			describing the term of office, duties, rights, responsibilities and entitlements upon termination.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complies	The appointment, performance, review, and where appropriate, the removal of the Company Secretary is a key responsibility of the Board. All directors have access to the Company Secretary who is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes the requirements for a board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined and published under the Act.</p>	Does not comply	<p>Due to the Company's size and nature of operations the company has not implemented a diversity policy, nor developed measurable objectives in relation to gender diversity at the various levels of the Company's business.</p> <p>The Company has included the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board at the end of the Corporate Governance Statement, under the section titled "Gender Diversity".</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance</p>	Does not comply	The Company has not yet established a formal process for evaluating the performance of the Board and its committees although there is a peer



	of the board, its committees and individual directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		review procedure for evaluating the performance of individual directors. The Board intends to put in place an evaluation process by an independent consultant as the Company develops.
1.7	A listed entity should: (c) have and disclose a process for periodically evaluating the performance of its senior executives; and (d) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Does not comply	The Company has not established a policy on evaluating the performance of its senior executives. No formal performance review of the senior executives took place during the financial year. However, the Board has regularly monitored the performance of senior executives on an informal basis during the tenure of their appointments.
2.	Structure the Board to Add Value		
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the process it employs to address board succession issues to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Does not comply	Given the present size of the Company, the existing Board structure is able to meet the needs of the Company in the examination of selection and appointment practices without the establishment of a nomination committee of the Board.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently	Complies	The board's composition and the experience and qualifications of each board member is disclosed in the Directors' Report. The Board should



	has or is looking to achieve in its membership.		represent a broad range of qualifications, experience and expertise considered of benefit to the Company and be structured in such a way that it has a proper understanding of, and competency in, the current and emerging issues facing the Company, and can effectively review management's decisions.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 (which appears on page 16 of the ASX Recommendations and is entitled "Factors relevant to assessing the independence of a director") but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Complies	The names of the directors considered to be independent are disclosed in the Corporate Governance Statement under the section titled "Directors in Office". Where a director has an interest, position association or relationship of the type described in Box 2.3, the Board will disclose the reasons why it is of the opinion that it does not compromise the independence of that director, should the situation occur. The length of service of each director is disclosed in the Director's Report.
2.4	A majority of the board of a listed entity should be independent directors.	Does not comply	During the financial year the Board consisted of three directors. Executive Chairman Bruce McInnes and executive director Shengqiang Zhou., and Non executive director Zhenzhu Zhang. It is considered the Directors are free of any business or other relationship that could materially interfere with the independent exercise of their judgement. The Company intends to follow the recommendation again when the Company's operations reach an appropriate size and it is cost effective to do so
2.5	The chair of the board of a listed entity should be an independent director and, in	Does not comply	The Company had an independent Chairman up until Mr Graham



	particular, should not be the same person as the CEO of the entity.		McGeagh's resignation in August 2014 as Non-Executive Chairman. Following Mr McGeagh's resignation, the appointment of executive director Mr Bruce McInnes to the role of Chairman means the Company no longer complies.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively.	Complies	On appointment an induction program is available to directors that includes individual sessions with members of the executive team and the Company Secretary.
3.	Act ethically and responsibly	Complies	
4.	Safeguard integrity in financial reporting		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which;</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Does not comply	The Board has not established a separate Audit Committee. The full board acts from time to time in undertaking Audit Committee matters. The qualifications of the Board and the number of times the committee meet are set out in the Directors Report. The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually, taking into consideration assessment of performance, existing value and tender costs.



4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complies	The board requires the Executive Director and CFO to provide such a statement at the relevant time.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complies	The Company's external auditor attends the Company's AGM and is available to answer questions relevant to the audit.
5.	Make timely and balanced disclosure		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Complies	The Company's Corporate Governance Statement states the policy and procedures to ensure compliance with ASX Listing Rule disclosure requirements. The Board has delegated the function of continuous disclosure as required under the ASX Listing Rule to the Executive Chairman and the Company Secretary to assess the type of information that needs to be disclosed and to ensure that Company's announcements are made in a timely manner, are factual, do not omit material information and are in compliance with the ASX Listing Rules.
6	Respect the rights of security holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website	Complies	The Board's policy is for all investors to have equal and timely access to material information concerning the Company, including its financial position, performance, ownership and governance.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	The Board has established practices to facilitate communication with the Company's shareholders. The Company Secretary and the Executive Chairman oversees this process through the Company's website and direct mailing



			of announcements by email. Briefings are held with professional investors. Prior to such briefings, information to be given will be first released to ASX (if not previously released) and later broadcast to shareholders and investors who have registered their email address with the Company.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complies	All shareholders are notified in writing of general meetings and encouraged to attend and participate.
6.4	A listed entity should give security holders the option to receive communications from, and send to, the entity and its security registry electronically	Complies	Shareholders may communicate via electronic means with the Company's share registry and may register to access personal shareholding information and receive electronic information.
7	Recognise and manage risk		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Does not comply	The Company's Corporate Governance Statement includes a business risk oversight and management policy. The Board monitors and receives advice as required on areas of operational and financial risk, and considers appropriate risk management strategies. Specific areas of risk that are identified are regularly considered at Board meetings. Included in these areas are performance of activities, human resources, health, safety and the environment, continuous disclosure obligations, asset protection and financial exposures.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and	Complies	The board is responsible for approving and overseeing the risk management system. The board reviews, at least annually, the effectiveness of the risk management controls and procedures.



	(b) disclose, in relation to each reporting period, whether such a review has taken place.		
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.	Does not comply	The Company does not have a formal internal audit function. However, the Audit Committee and the Board oversee the effectiveness of internal controls. The Board actively encourages the external auditor to raise internal control issues.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complies	The Company has disclosed a number of risks associated with its activities in the Directors' Report.
8	Remunerate fairly and responsibly		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Does not comply	The Board has not established a separate remuneration committee. The full Board presently performs the function of a remuneration committee. A separate remuneration committee may be established when appropriate, as the Company's activities develop in size, nature and scope and where increased efficiency and effectiveness can be derived from having a separate committee.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors	Complies	The Company has separate policies relating to the remuneration of non-executive directors and that of executive directors and senior



	and the remuneration of executive directors and other senior executives.		executives. This information is detailed in the Remuneration Report, which forms part of the Directors' Report in this Annual Report. The Company's constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Complies	The Company has a Securities Trading Policy which applies to all directors, officers and employees.

Unless otherwise stated, the Company's corporate governance practices were in place for the full financial year ended 30 June 2018. There have been some Board changes subsequent to the year end and instances where the Company no longer complies with the Recommendations have been noted above.

For further information on corporate governance policies adopted by the Company, refer to our website, www.vangominer.com. A summary of the principal corporate governance practices is set out below.

The Role of the Board & Management

The Board is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

The Board is responsible for:

- developing, approving and monitoring implementation of corporate policy, strategy and performance objectives;
- developing and monitoring adoption of the most appropriate principles of corporate governance;
- reviewing and ratifying systems of risk management and internal control, codes of conduct and legal compliance;
- approving of monitoring the progress of major capital expenditure projects, funding programmes, acquisitions and divestments;
- reviewing and approving annual business plans, operating and capital budgets;
- reviewing and ratifying systems for health, safety, and environment management and controls;
- appointing and evaluating the performance of senior executives; and
- selecting and appointing new directors to the Board, and evaluating the performance of all members of the Board.

Scheduled meetings of the Board are to be held throughout the year and the Board meets on other occasions to deal with matters that require attention between scheduled meetings. The Board delegates



responsibility for the day to day operations and administration of the Company to the Managing Director. In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Company to facilitate the carrying out of their duties as directors.

The Company has obligations to its stakeholder to ensure it is managed with appropriate due diligence and that all necessary processes are implemented to minimise risk and maximise business opportunities.

To this end, all commercial arrangements, capital expenditure other commitments are appropriately documented and have been authorised by the Board.

Composition of the Board

The composition of the Board is determined in accordance with the Company Constitution.

The Board determines its size and composition, subject to the terms of the Constitution. The Board does not believe that it should establish a limit on tenure other than stipulated in the Company's Constitution.

While tenure limits can help to ensure fresh ideas and viewpoints available to the Board, they have the disadvantage of losing the contribution of directors who have been able to develop an increasing insight into the Company and its operations.

Director Independence

The Company recognises that independent Directors are important in verifying to shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. Where practical, it is intended that the Board should comprise a majority of independent non-executive directors and comprise directors with a broad range of qualifications, skills, expertise and experience from a diverse range of backgrounds. Where practical it is also intended that the Chair be an independent non-executive director.

Directors of Vango Mining Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. The Board has adopted a definition of independence based on that set out in Principle 2 of the ASX Corporate Governance Revised Principles and Recommendations. The Board regularly reviews the independence of each director in light of their interests disclosed to the Board.



Directors in Office

At the date of this statement the following Directors are in office:

Name	Position	Independent
Mr Bruce McInnes	Executive Chairman	No
Mr Shengqiang Zhou	Managing Director	No
Mrs ZhenZhu Zhang	Non-Executive Director	No

As a substantial shareholder of the Company, Mrs Zhang are not considered to be independent. The skills, experience, expertise and tenure of each director are disclosed in the Directors' Report within this Annual Report.

Appointment to the Board

The Board of Directors undertakes the role of a Nomination Committee which identifies and recommends potential director appointments. Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective board. Any director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next Annual General Meeting and is then eligible for re-election by the shareholders.

New directors receive a letter of appointment which sets out the terms of their appointment. On appointment, an induction program is available to directors that include individual sessions with members of the executive team.

Evaluation of Senior Executives

Senior executives have a formal job description and letter of appointment describing the term of office, duties, rights, responsibilities and entitlements upon termination.

Ethical Business Practices

The Board is bound by the Company's Board Charter and Code of Conduct (as disclosed in the Company's Corporate Governance Plan). The Board understands the obligations for ethical and responsible decision making. All Directors and Officers are expected to:

- a) comply with the law;
- b) act in the best interests of the Company;
- c) be responsible and accountable for their actions; and
- d) observe the ethical principles of honesty and fairness, including prompt disclosure of potential conflicts.



The Board has procedures in place for reporting any matters that may give rise to unethical practices or conflicts between the interests of a director or senior executive and those of the Company. These procedures are reviewed as required by the Board. The Company has adopted a Conflict of Interest Policy, as a part of the Code of Conduct that clarifies the processes for directors and senior executives to determine and disclose when a conflict of interest exists.

Shareholding and Trading

The Board encourages directors and senior executives to own shares in the Company to further link their interests with the interests of all shareholders. Trading of shares by directors and senior executives is prohibited under certain circumstances and as described in the ASX Listing Rules and during certain periods of the financial year. A director or senior executive must not deal in the Company's shares at any time when he or she has unpublished information which, if generally available, might affect the share price. Directors and senior executives are required to first obtain consent from the Chairman or Company Secretary before dealing in the Company's securities.

Safeguard Integrity

The Board of Directors performs the duties of the Audit and Risk Committee and operates under a charter to enable it to perform its role and responsibilities. Where appropriate, the Company's external auditors are invited to attend Board meetings relating to Audit and Risk matters. As the Board is comprised of two executive directors and one non-executive director, the Company does not comply with ASX Recommendation 4.2 which recommends that the audit committee is structured as follows:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent chair, who is not chair of the board
- has at least three members

The Board considers that the Company is not of a size at the moment that justifies having a separate audit committee and additional independent non-executive directors. Though the Company intends to seek out and appoint additional independent directors to the Board when size and scale of the Company justify and warrant their inclusion, for the time being the Company maintains a mix of Directors from different backgrounds with complementary skills and experience. The qualifications of the Directors together with their attendances at Board Meetings are disclosed in the Directors' Report within this Annual Report.

The Role of the Audit and Risk Committee is typically to assist the Board to fulfil its responsibilities in relation to the identification of the areas of significant business risks and monitor the following:

- the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- compliance with all applicable laws, regulations and company policy;
- the effectiveness and adequacy of internal control process;
- the performance of the Company's external auditors and their appointment and removal;



- the independence of the external auditor and the rotation of the lead engagement partner; and
- the identification and management of business risks.

The Executives of the Company provide the Board with additional assurances regarding the reliability of the financial information for inclusion in the financial statements. The Chief Executive Officer is in his or her Executive and Financial capacity required to declare to the Board that in his or her opinion the Financial Statements and the note to the Accounts within the Annual Report are in accordance with the Corporations Act 2001, comply with the Accounting Standards and the Corporations Regulations 2001 and give a true and fair view of the financial position of the Company and are based upon a sound system of risk management and internal compliance and control prior to the signing of the Directors' Declaration in the Annual Report.

Independent Advice

The Board recognised that in certain circumstances individual directors may need to seek independent professional advice, at the expense of the Company. Any advice received will be made available to other directors.

Timely and Balanced Disclosure

The Board recognises the need to comply with ASX Listing Rule 3.1 concerning continuous disclosure.

At each meeting of directors, consideration is given as to whether notice of material information concerning the Company, including its financial position, performance, ownership and governance has been made available to all investors.

The Continuous Disclosure Policy also requires senior executives in possession of disclosable information to comply with the policy.

Communication with Shareholders

The Board aims to ensure that shareholders, on behalf of whom they act, are informed of all major developments affecting the Company's activities and its state of affairs, including information necessary to assess the performance of the directors.

Communication with shareholders is achieved through the distribution of the following information:

- The Annual Report distributed to shareholders;
- The Half Yearly Report and Quarterly Reports which is available on the Company's website;
- The Annual General Meeting and General Meetings called to obtain shareholder approval for board action as appropriate. Shareholders are encouraged to attend and participate at the Company's Annual General Meeting and General Meetings;
- Letters to shareholders when considered appropriate and informative;
- Announcements on the Australian Securities Exchange; and



- Investor information on the Company's website www.vangomining.com

The Company strives to ensure that company announcements via the ASX are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner.

Shareholders' Role

The shareholders of the Company are responsible for voting on the election of directors at the Annual General Meeting in accordance with the constitution.

All directors (other than the Managing Director) are subject to re-election by rotation, no later than every three years.

The Annual General Meeting also provides shareholders with the opportunity to express their views on matters concerning the Company and to vote on other items of business for resolution by shareholders. The Company's auditor, Ernst & Young, make available a partner of the firm to be in attendance at the Annual General Meeting and to be available to answer shareholder questions in relation to the audit.

Risk Management

The entire Board is responsible for overseeing the risk management function. The Board is responsible for ensuring the risks and opportunities are identified on a timely basis. The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategies and policies, internal compliance and internal control.

The Board has mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Implementation of Board approved operating plans and budgets;
- Board monitoring of progress against these budgets, including the monitoring of key performance indicators of both financial and non-financial nature; and
- The establishment of committees to report on specific risks when identified.

Internal Risk Management System Compliance

The Board has not received a report from management as to the effectiveness of the Company's management of its material business risks. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be items for deliberation at Board Meetings.

Please refer to the Operating and Financial Review for further detail on the Company's material risks.

The Board requires that the Chief Executive Officer and Chief Financial Officer, or equivalent, every half year, to provide a statement confirming that a sound system of risk management and internal control is in



place and that the system is operating effectively in all material respects in relation to financial risks. The Board has received that assurance.

Monitoring Performance

The Board and senior executives monitor the performance of the Company through the preparation of monthly management accounts. The monthly management accounts are prepared using accrual accounting and report each segment's result. The monthly management accounts are compared to monthly budgets, which have been prepared on the basis of capital availability and exploration results. The monitoring of the Company's performance by the Board and management assists in identifying the correct allocation of resources to maximise the overall return to shareholders.

A performance evaluation of executives was not undertaken during the year. However, the Board has regularly monitored the performance of both executives on an informal basis during the tenure of their appointments.

Remunerate fairly

Details of the structure of non-executive directors' and senior executives' remuneration are included in the Remuneration Report within the Directors' Report in this Annual Report.

The role of the Remuneration Committee is undertaken by the full Board of Directors. The Board has adopted a Remuneration Committee Charter to ensure that the responsibilities of the Board are discharged in an appropriate manner.

The role of the Remuneration Committee is to determine the Company's remuneration plans, policies and practices, including compensation arrangements for non-executive directors, executive directors and senior executives. It is also responsible for considering general remuneration policies and practices, recruitment and termination policies and superannuation requirements.

The Company has a policy to preclude its executives from entering into transactions to limit their economic risk from investing in the company shares, options or rights where those investments are unvested and has made executives aware of their obligations in relation to financial commitments against shares issued under the share plan and has requested that they take sufficient professional advice in relation to their individual financial position.

There are no retirement schemes or retirement benefits other than statutory benefits for non-executive directors.



Gender Diversity

The Company has not yet adopted a diversity policy as part of their Corporate Governance Plan. However, the Company recognises the benefits arising from board diversity, and is committed to providing a diverse workplace that embraces and promotes diversity.

The Company is an equal opportunity employer and chooses candidates after canvassing the market on the basis of selecting the most appropriate candidate based on merit and suitability for the role.

The Company is currently in an early stage of its development and given that the Company currently has few employees, the application of measurable objectives in relation to gender diversity, at various levels of the Company's business, is not considered to be appropriate nor practical. The participation of women in the Company at 30 June 2018 was as follows:

- | | |
|--|-------|
| • Women employees in the Company | 0% |
| • Women in senior management positions | 0% |
| • Women on the Board | 33.3% |



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General Information

The financial report covers Vango Mining Limited as a consolidated entity consisting of Vango Mining Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Vango Mining Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Vango Mining Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principle place of business is:

Suite 3, Level 39
259 George Street
Sydney, NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the director's report, which is not a part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 28 September 2018.

VANGO MINING LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018



		Consolidated	
	Note	2018	2017
		\$	\$
Revenue from continuing operations	6	1,882	21,899
Net gain on sale of tenement		-	-
Share of losses of associates accounted for using the equity method	7	-	(2,269,082)
Expenses			
Depreciation and amortisation expense	8	(6,496)	-
Impairment of interest in joint venture entity		-	(855,487)
Impairment of exploration and evaluation assets	8	-	-
Interest expense		(1,237,621)	(947,239)
Other expenses	8	(2,323,161)	(1,526,881)
Loss before tax from continuing operations		(3,565,396)	(5,576,790)
Income tax expense	9	-	-
Loss after income tax expense for the year attributable to the owners of Vango Mining Limited		(3,565,396)	(5,576,790)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Vango Mining Ltd		(3,565,396)	(5,576,790)
		<u>Cents</u>	<u>Cents</u>
Loss per share attributable to the ordinary equity holders of the company:			
Basic loss per share	34	(0.82)	(1.42)
Diluted loss per share	34	(0.82)	(1.42)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

VANGO MINING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2018



		Consolidated	
	Note	2018	2017
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	10	26,830	204,595
Trade and other receivables	11	294,792	176,010
Other	12	43,892	140,549
Total current assets		365,514	521,154
Non-current assets			
Investment accounted for using the equity method	13	-	-
Property, plant and equipment	14	792,955	3,354
Exploration evaluation expenditure	15	21,297,424	13,300,054
Mining Rehabilitation Fund Contribution		81,897	-
Total non-current assets		22,172,276	13,303,408
Total assets		22,537,790	13,824,562
LIABILITIES			
Current liabilities			
Trade and other payables	16	4,249,052	2,308,495
Borrowings	17	10,463,712	5,143,099
Provisions	18	52,727	488,432
Total current liabilities		14,765,491	7,940,026
Non-current liabilities			
Provisions	19	5,690,903	2,400,000
Total non-current liabilities		5,690,903	2,400,000
Total liabilities		20,456,394	10,340,026
Net assets		2,081,396	3,484,536
EQUITY			
Issued capital	20	51,961,963	49,799,707
Reserves	21	14,185,914	14,185,914
Accumulated losses	22	(64,066,481)	(60,501,085)
Total equity		2,081,396	3,484,536

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

VANGO MINING LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018



	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2016	47,802,485	14,067,324	(54,924,295)	6,945,514
Loss after income tax expense for the year	-	-	(5,575,790)	(5,575,790)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(5,576,790)	(5,576,790)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	1,997,222	118,590	-	2,115,812
Share based payments	-	-	-	-
Balance at 30 June 2017	49,799,707	14,185,914	(60,501,085)	3,484,536
Balance at 1 July 2017	49,799,707	14,185,914	(60,501,085)	3,484,536
Loss after income tax expense for the year	-	-	(3,565,396)	(3,565,396)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(3,565,396)	(3,565,396)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	679,763	-	-	679,763
Issue of shares to settle loans and expenses	1,482,492	-	-	1,482,492
Balance at 30 June 2018	51,961,963	14,185,914	(64,066,481)	2,081,396

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

VANGO MINING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018



		Consolidated	
	Note	2018	2017
		\$	\$
Cash flows used in operating activities			
Payment to suppliers and employees		(700,812)	(1,541,250)
Interest received	6	1,882	1,395
Rent received		-	55,701
Refund of Office Lease Security Deposit		85,078	-
Interest paid		(25,000)	(28,696)
Net cash flows used in operating activities	33	(638,852)	(1,512,850)
Cash flows used in investing activities			
Payments for property, plant and equipment	14	(796,097)	(3,354)
Acquisition of exploration & evaluation assets		-	(422,945)
Refund of security deposits		-	23,461
Payments for exploration and evaluation		(4,624,568)	(1,461,648)
Payments to mining rehabilitation fund		(81,897)	-
Net cash flows used in investing activities		(5,502,562)	(1,864,486)
Cash flows from financing activities			
Proceeds from issue of shares	20	679,763	1,797,132
Share issue transaction costs	20	-	-
Proceeds from borrowings	17	5,283,885	1,801,000
Repayment of borrowings	17	-	(30,000)
Net cash flows provided by financing activities		5,963,648	3,568,132
Net increase / (decrease) in cash and cash equivalents		(177,766)	190,796
Cash and cash equivalents at the beginning of the year		204,595	13,799
Cash and cash equivalents at the end of the period	10	26,830	204,595

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



1. CORPORATE INFORMATION

The consolidated financial statements of Vango Mining Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 28 September 2018. Vango Mining Limited (the Company or the parent) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange. The nature of the operations and principal activities of the Group are described in the directors' report. Information on the Group's structure is provided in Note 30. Information on other related party relationships is provided in Note 28.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements of the Group are for the financial year ended 30 June 2018.

(a) Going concern

The financial report has been prepared on a going concern basis, which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The consolidated entity has incurred a net loss after tax for the financial year ended 30 June 2018 of \$3,565,396 (2017: \$5,576,790) and experienced net cash outflows from operating activities of \$638,852 (2017: \$1,512,850). In addition, current liabilities exceed current assets by \$14,399,977 (2017: \$7,418,872). Subsequent to year end, the group agreed to the conversion of \$5,425,713 of borrowings to equity and completed a capital Raising of \$5.2 million.

The ability of the Company to continue as a going concern is dependent on the Company being able to continue to raise additional funds as required to fund ongoing exploration and evaluation commitments for the Plutonic Dome Gold Project, repay borrowings and fund working capital. The Directors believe that they will be able to raise additional equity capital and/or debt as required. The Directors believe that the Company will continue as a going concern. As a result, the financial report has been prepared on a going concern basis. However, should the Company be unsuccessful in undertaking additional raisings, there is a significant uncertainty whether the Company will be able to continue as a going concern. No adjustments have been made relating to the recoverability of assets and classification of liabilities that might be necessary should the Company not continue as a going concern."

(b) Basis of preparation

These general purposes consolidated financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Accounting Standards Board.



These consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, and derivative financial instruments.

The Company is of a kind referred to in Corporation Instrument 2016/191, issued by the Australian Securities and Investment Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporation Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(c) Compliance with IFRS

These consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(d) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial



statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Subsidiaries are all those entities over which the Company has the power to govern the financial operating policies, generally accompanying a shareholding of more than one-half of the voting rights

(f) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(h) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:



- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other shorty-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised costs using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

(k) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

(l) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment ((excluding land) over their expected useful lives as follows:

Computer equipment and software	3 years
Furniture and other office equipment	5 years
Motor vehicles	3 years
Field equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is de-recognised upon disposal or when there is no future economic benefit to the Group. Any gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.



(m) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(n) Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploitation activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Indirect costs relating to exploration and evaluation areas of interest are capitalised in the year they are incurred. A regular review is undertaken for each area of interest to determine the appropriateness of continuing to carry forward costs. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

The Company as part of its operations has entered into farm-in and farm-out arrangements. In respect to these transactions the Company adopts the following policies:

When the Company is acting as the farmee its expenditure is recognised under the arrangement in respect of its own interest and that retained by the farmor, as and when the costs are incurred.

The farmee accounts for its expenditures under a farm-in arrangement in the same way as directly incurred E&E expenditure.

For the arrangements of which the Company is the farmor it accounts for the farm-out arrangement as follows:

- The farmor does not record any expenditure made by the farmee on its behalf
- The farmor does not recognise a gain or loss on the farm-out arrangement but rather, redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained
- Any cash consideration received is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

(o) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. When the carrying amount of an asset exceeds its carrying amount, the asset is considered impaired and written down to its recoverable amount.



Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted shares prices for publicly traded companies or other available fair value indicators.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(r) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employee's services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments

Equity-settled and cash settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair market value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, ('Market conditions') together with non-vesting conditions that do not



determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period (equity reserves). The cumulative charge to profit and loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made, provided the original terms of the award are met. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

The Company provides benefits to employees (including Directors) of the Company and external parties to the Company in the form of share-based payment transactions, whereby employees and external parties render services in exchange for shares or options over shares ("equity-settled transactions").

No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

(s) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the



weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(u) Goods and Services Tax (GST) and other similar taxes

Revenues, expenses, assets and liabilities are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Commitments or contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(v) New accounting standards and interpretations adopted

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of new standards and interpretations effective as of July 1, 2017.

Several amendments apply for the first time in the current year. However, they do not impact the annual consolidated financial statements of the Group

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.



(i) Note 13 Investments Accounted for Using the Equity Method

The Company's investments accounted for using the equity method are periodically tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is determined as the higher of the fair value less cost of disposal.

The Directors fully impaired the carrying value of the Company's investments accounted for using the equity method in the 2017 Financial year. The Directors are not aware of any events or changes since the 2017 year end which may potentially give cause to reinstating any carrying value as at the statement of financial position date.

(ii) Note 15 – Exploration & Evaluation Expenditure

The Company's accounting policy for exploration and evaluation is set out in Note 2(n) above. If, after having capitalised expenditure under this policy, the Directors conclude that the Company is unlikely to recover the expenditure by future exploration or sale, then the relevant capitalised amount will be written off to the Statement of Comprehensive Income.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Australian Accounting Standards issued but not yet mandatory for the financial year ending June 30, 2018 have not been adopted by the Group in the preparation of this financial report and are set out below:

Standard/Interpretation	Effective for the annual reporting period beginning on	Expected to be initially applied in the financial year ending
AASB 9 Financial Instruments	July 1, 2018	June 30, 2019
AASB 15 Revenue from Contracts with Customers	July 1, 2018	June 30, 2019
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	July 1, 2018	June 30, 2019
AASB 16 Leases	July 1, 2019	June 30, 2020
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions [AASB 21]	July 1, 2018	June 30, 2019
AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts [AASB 4]	July 1, 2018	June 30, 2019
AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration	July 1, 2018	June 30, 2019
AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and Other Amendments	July 1, 2018	June 30, 2019
IFRIC 23 Uncertainty over Income Tax Treatments	July 1, 2019	June 30, 2020
IFRS 17 Insurance Contracts	July 1, 2021	June 30, 2022



AASB 9 Financial Instruments

A finalised version of AASB 9 has been issued which contains accounting requirements for financial instruments, replacing AASB 139 Financial Instruments: Recognition and Measurement. The standard contains requirements in the areas of classification and measurement, impairment, hedge accounting and derecognition. This standard applies to annual reporting periods beginning on or after January 1, 2018 and will be applicable for the Group for the annual reporting period beginning July 1, 2018.

Based on the Group's preliminary assessment, it does not expect the application of the new standard to have a material impact on the results of the Group.

AASB 15 Revenue from Contracts with Customers

The core principle of AASB 15 is that an entity recognises revenue in accordance with the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. New disclosures about revenue are also introduced. The Group has undertaken a comprehensive analysis of the impact of the new standard in order to determine how the contractual terms of the Group's principle revenue streams should be treated under AASB 15. As the majority of the Group's revenue is derived from the sale of Rare Earths in which the transfer of risks and rewards, under current accounting, occurs at the same time as the satisfaction of the performance obligation under AASB 15, it is expected that there will be no material changes in respect of the timing and amount of revenue currently recognised by the Group. This standard applies to annual reporting periods beginning on or after January 1, 2018 and will not be applicable for the Group for the annual reporting period beginning July 1, 2018 as the Group do not have any revenue.

The Group anticipates that the remainder of the above amendments and interpretations will not have a material impact on the financial report of the Group in the year or period of initial application.

5. OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

As of the date of this report the consolidated entity operates entirely in the industry of exploration of minerals in Australia, following the write-down of the investment in the SARCO JV in Laos. The company determined that it has only one segment being exploration of minerals in Australia.

The 2017 comparatives set out the previous segments based on the geographical location of Australia and Laos.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the type of product and service. The Group has determined that the reportable operating segments are based on geographical locations as this is the source of the Group's major assets which are in Australia and Laos.



5. OPERATING SEGMENTS (continued)

Segment assets and results

Financial information reported are the assets and results of Australia and Laos respectively and is representative of the nature and financial effects of the business activities in which the company engages and the economic environment in which it operates.

Corporate office activities

Corporate office activities are not allocated to operating segments and form part of the reconciliations to net profit/(loss) after tax.

	Australia \$	Laos \$	Total \$
Segment performance			
12 months ended 30 June 2017			
Revenue			
Segment revenue	-	-	-
Segment result	-	(3,124,569)	(3,124,569)
Unallocated items			
Other corporate revenue			21,899
Interest expense			(947,239)
Share based payments			-
Other corporate expenses			(1,526,881)
Net loss before income tax expense			(5,576,790)

	Australia \$	Laos \$	Total \$
Segment assets			
As at 30 June 2017			
Investments accounted for using the equity method	-	-	-
Property, plant and equipment	3,354	-	3,354
Exploration and evaluation	13,300,054	-	13,300,054
Total segment assets	13,303,408	-	13,303,408



5 OPERATING SEGMENTS (continued)

Reconciliation of segment assets to group assets

Total segment assets	-	-	13,303,408
Cash and cash equivalents			204,595
Trade and other receivables			176,010
Other current receivables			140,549
Total Assets			13,824,562

Segment liabilities

As at 30 June 2017

Total segment liabilities	2,400,000	140,000	2,540,000
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Reconciliation of segment liabilities to group liabilities

Total segment liabilities	2,400,000	140,000	2,540,000
Other corporate liabilities			7,589,811
Total Liabilities			10,129,811

6. REVENUE

	Consolidated	
	2018	2017
	\$	\$
Interest	1,882	1,395
Rent	-	20,260
Other	-	244
Revenue	<u>1,882</u>	<u>21,899</u>

7. SHARE OF LOSSES OF JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated	
	2018	2017
	\$	\$
Share of loss - joint ventures	(-)	(2,269,082)



8. EXPENSES

	Consolidated	
	2018	2017
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	6,496	-
<i>Impairment</i>		
Exploration and evaluation - note 15	-	-
<i>Other expenses</i>		
Auditors remuneration	74,640	50,995
Directors' fees and remuneration	384,433	197,613
Employee costs	332,831	339,996
Corporate registers and ASX listing fees	80,449	114,787
Insurance Expenses	40,356	29,766
Consulting fees	392,727	85,190
Legal fees	312,508	48,703
Travel expenses	159,225	211,427
Tenement related expenses	3,538	82,964
Other expenses	542,454	365,440
	2,323,161	1,526,881

9. INCOME TAX

	Consolidated	
	2018	2017
	\$	\$
<i>Income tax expense</i>		
Current tax	-	-
Deferred tax	-	-
Aggregate income tax expense	-	-



9. Income Tax (continued)

	Consolidated	
	2018	2017
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(3,565,396)	(5,576,790)
Tax at the statutory rate of 27.5%	(980,484)	(1,533,617)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	-	235,259
Non-assessable items	(38,058)	(39,036)
Tax losses (used) / unused and unrecognised	<u>1,018,542</u>	<u>1,337,394</u>
Income tax expense	<u>-</u>	<u>-</u>
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	<u>49,414,936</u>	<u>41,973,529</u>
Potential tax benefit @ 27.5%	<u>13,589,107</u>	<u>11,542,720</u>

From 1 July 2005, Vango Mining Limited formed a tax consolidated group. There is presently no tax sharing or funding arrangements in place. The above potential tax benefit for losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

<i>Deferred tax assets and liabilities not recognised</i>		
Unused tax losses	13,589,107	11,542,720
Taxable temporary differences	80,808	(843,095)
Share issue costs	<u>25,668</u>	<u>63,726</u>
	<u>13,695,583</u>	<u>10,763,351</u>

The above potential tax benefit has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.



10. CASH & CASH EQUIVALENTS

	Consolidated	
	2018	2017
	\$	\$
Cash at bank	26,830	204,595
	<u>26,830</u>	<u>204,595</u>

11. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2018	2017
	\$	\$
Trade receivables	-	-
Other receivables	294,792	176,010
	<u>294,792</u>	<u>176,010</u>

Impairment of receivables

Receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired.

12. OTHER – CURRENT

	Consolidated	
	2018	2017
	\$	\$
Bank guarantee for office lease	33,206	118,284
Prepayments	686	12,265
Tenement security deposit	10,000	10,000
	<u>43,892</u>	<u>140,549</u>

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated	
	2018	2017
	\$	\$
Interest in joint venture entity	3,124,569	3,124,569
Impairment	(3,124,569)	(3,124,569)
	<u>-</u>	<u>-</u>

Refer to note 31 for further information on interests in joint ventures.



The consolidated entity continues to have a 49% interest in the joint venture entity Sino Australian Resources (Laos) Co. Ltd ("SARCO") which is incorporated in Laos PDR and is involved in the exploration of bauxite resources in the Bolaven Plateau in Laos. The joint venture is currently not actively exploring, and the Company fully provisioned the asset value in the 2017 Financial year.

The share of the joint venture loss after income tax for the year was \$Nil (2017:\$ 2,269,082).

14. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2018	2017
	\$	\$
Office equipment	3,354	3,354
Less: Accumulated depreciation	-	-
	3,354	3,354
Field equipment	796,097	-
Less: Accumulated depreciation	(6,496)	-
	789,601	-
Total	792,955	3,354

	Office Equipment	Field Equipment	Total
Consolidated			
Balance at 30 June 2016	-	-	-
Additions	3,354	-	3,354
Depreciation	-	-	-
Balance at 30 June 2017	3,354	-	3,354
Additions	-	796,097	796,097
Depreciation	-	(6,496)	(6,496)
Balance at 30 June 2018	3,354	789,601	792,955

Depreciation charge includes \$0 (2017: \$0) charged to exploration and evaluation expenditure.



15. EXPLORATION AND EVALUATION EXPENDITURE

	2018 \$	2017 \$
Exploration and evaluation - at cost	28,172,644	20,175,274
Less: Impairment	<u>(6,875,220)</u>	<u>(6,875,220)</u>
	<u>21,297,424</u>	<u>13,300,054</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Exploration & Evaluation \$
Balance at 1 July 2016	5,707,938
Acquisition of Dampier Plutonic	3,593,160
Additions	3,998,956
Disposals	-
Impairments	<u>-</u>
Balance at 30 June 2017	13,300,054
Additions	4,706,467
Addition to provision for rehabilitation	3,290,903
Disposals	-
Impairments	<u>-</u>
Balance at 30 June 2018	<u>21,297,424</u>

On 26 August 2016 the Company acquired Dampier Plutonic Pty Ltd which held a 40% interest in the tenements in which the Company holds 60% giving the Company full ownership of the tenements.

The asset value in the Books of Dampier Plutonic Pty Ltd was \$1,323,410. The excess consideration paid by the Company for Dampier Plutonic Pty Ltd was \$2,269,750.

Consideration for the sale included an initial payment of \$2.2 million plus further payments of \$1 million each on reaching total production from the project tenements of 45,000 ozs, 100,000 ozs, 200,000 ozs and 300,000ozs, for a potential amount owed of an additional \$4 million. In addition, the Company will pay a royalty to Dampier Gold Ltd, capped at \$2 million based on production. The royalty will be payable on each ounce of gold sold with the royalty rate dependant on the gold price at the London Spot Fix AM (USD/oz) on the date of the mint receipt.



The acquisition has been treated in the 2017 financial year as an asset acquisition under AASB3, and as such the total carrying value of the E&E grossed up for the initial rehabilitation provision recognised upon acquisition of \$0.96 million, would be recorded as the fair value of the assets

During the period, the Company has assessed the exploration and evaluation assets for impairment under AASB6, noting no indicators are present which would warrant a full analysis under AASB136

16. TRADE AND OTHER PAYABLES

	Consolidated	
	2018	2017
	\$	\$
Trade payables	3,151,525	1,864,473
Other payables	1,097,527	444,022
	<u>4,249,052</u>	<u>2,308,495</u>

17. BORROWINGS

	Consolidated	
	2018	2017
	\$	\$
Current		
Interest Free (iii)	240,000	
Loans 8% (iii)	2,502,952	-
Loans 10% (iv)	443,960	554,114
Loans 25% (ii)	5,083,567	4,433,189
Convertible notes (i)	2,193,233	155,796
	<u>10,463,712</u>	<u>5,143,099</u>
Non Current		
Loans 25% (i)	-	-

- i. The Company raised \$2,000,000 via an issue of 2,000,000 Convertible Notes in August and September 2017 and in May 2018. The Convertible Notes have a term of 2 years, are convertible at \$0.18 per share at the Noteholder's election at any time, accrue interest daily at 15% per annum with interest payable maturity, or on conversion.
- ii. During the financial year the liability arising from the loan facilities incurring interest at a 25% increased by a net \$650,378 by way of additional short term loans and interest accruals payable in arrears. The Plutonic Dome tenements had been pledged as security for these loans. After the end of financial year, the notes were converted to equity at \$0.06 per share.



- iii. The Company raised an additional \$2,000,000 in short term loans on an unsecured basis. An additional \$240,000 was received as an interest free short-term cash advance in March 2018.
- iv. No Additional loans were issued bearing an interest rate of 10%

18. PROVISIONS – CURRENT

	Consolidated	
	2018	2017
	\$	\$
Employee benefits	<u>52,727</u>	<u>488,432</u>

19. PROVISIONS – NON-CURRENT

	Consolidated	
	2018	2017
	\$	\$
Rehabilitation - Plutonic Dome Gold Project	<u>5,690,903</u>	<u>2,400,000</u>

Under an assessment issued by Department of Mines, Industry Regulation and Safety of Western Australia in accordance with the Mining Rehabilitation Fund Act 2012, an assessment of the rehabilitation liability was made on the companies mining exploration tenements. The Company has made a provision for this liability in this financial year for the full assessed amount.



20. CONTRIBUTED EQUITY

	2018 Shares	2017 Shares	2018 \$	2017 \$
Ordinary shares - fully paid	<u>463,853,820</u>	<u>419,969,042</u>	<u>51,961,963</u>	<u>49,799,707</u>

Movements in ordinary share capital

Details	Date	No. of shares	Issue Price	\$
Balance	1 July 2016	375,583,869		47,802,485
Issue of shares – placement adjustment	4 Nov 2016	455	\$0.06	27
Issue of shares - placement	6 Jan 2017	18,417,718	\$0.045	828,680
Issue of shares - placement	9 Feb 2017	15,500,000	\$0.045	697,500
Issue of shares - placement	8 Mar 2017	10,467,000	\$0.045	471,015
Share issue transaction costs		-		-
Balance	30 June 2017	419,969,042		49,799,707
Issue of shares – placement	17 Oct 2017	3,500,000	\$0.05	175,000
Issue of shares - placement	1 Mar 2018	29,055,389	\$0.05	1,307,492
Exercise of Options	26 Mar 2018	11,329,389	\$0.06	679,763
Balance	30 June 2018	<u>463,853,820</u>		<u>51,961,963</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

There were no options granted to key management personnel as part of remuneration during the financial year. The Company undertook a 1 for 2 rights issue of options in September 2016. These options had an exercise price of \$0.06 per share and expired on 15 March 2018. Directors initially took up their full entitlement. A total of 11,329,389 shares were issued upon exercise of these \$0.06 options, of which Directors exercised a total of 6,000,000.



Capital risk management

The Group's capital includes share capital, reserves and accumulated losses. The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns

20 CONTRIBUTED EQUITY (continued)

for shareholders and benefits for other stakeholders. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to achieve this, the Group may issue new shares in order to meet its financial obligations. There are no externally imposed capital requirements.

21. RESERVES

	Consolidated	
	2018 \$	2017 \$
Share based payments reserve	<u>14,185,914</u>	<u>14,185,914</u>

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

22. ACCUMULATED LOSSES

	Consolidated	
	2018 \$	2017 \$
Accumulated losses at the beginning of the financial year	(60,501,085)	(54,924,295)
Loss after income tax expense for the year	<u>(3,565,396)</u>	<u>(5,576,790)</u>
	<u>(64,066,481)</u>	<u>(60,501,085)</u>

23. FINANCIAL INSTRUMENTS

Financial risk management

The Group's activities expose it to a variety of financial risks: (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk in these areas is not significant enough to warrant a formalised specific risk management program. Risk management is carried out by the Board of Directors in their day to day function as the overseers of the business.



23 FINANCIAL INSTRUMENTS (continued)

The Group holds the following financial instruments at 30 June:

	Consolidated	
	2018	2017
	\$	\$
Financial assets		
Cash and cash equivalents	26,830	204,595
Trade and other receivables - current	294,792	176,010
Other	43,892	140,549
	<u>365,514</u>	<u>521,154</u>
Financial liabilities		
Trade and other payables	4,249,052	2,308,495
	<u>10,463,712</u>	<u>5,143,099</u>
	<u>14,712,764</u>	<u>7,451,594</u>

Foreign Currency risk

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The Group does not enter into derivative financial instruments to hedge such transactions denominated in a foreign currency. At the balance sheet date, the consolidated entity had no exposure to foreign currencies, hence no sensitivity analysis has been performed.

Price risk

The Group is not exposed to any significant price risk given it does not derive revenue from sale of products. Management is aware that the fair value of mining projects can be impacted by commodity price changes (predominantly bauxite, alumina, aluminium, gold and copper) and could impact future revenues once operational.



23 FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

	2018		2017	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$	%	\$
Financial assets				
Cash and cash equivalents	0.10	26,830	0.10	204,595
Short term deposits	-	-	1.30	118,284
Long term deposits	-	-	-	-
		<u>26,830</u>		<u>322,879</u>
Financial liabilities				
Convertible notes	15.00	2,742,952	30.00	155,796
Short term loan	25.00	5,083,567	25.00	4,433,189
Short term loan	10.00	443,960	10.00	554,114
Short term loan	8.00	2,193,233	25.00	-
		<u>10,463,712</u>		<u>5,143,099</u>

The Group does not rely on the generation of interest on cash and cash equivalents to provide working capital and as a result does not consider this to be material to the Group, hence, no sensitivity analysis has been performed. Borrowings are made at fixed interest rates.

The Company raised \$2,000,000 via an issue of 2,000,000 Convertible Notes in August and September 2017 and in May 2018. The Convertible Notes have a term of 2 years, are convertible at \$0.18 per share at the Noteholder's election at any time, accrue interest daily at 15% per annum with interest payable maturity, or on conversion.

During the financial year the liability arising from the loan facilities incurring interest a 25% increased by a net \$650,378 by way of additional short term loans and interest accruals payable in arrears.

The Company raised an additional \$2,000,000 in short term loans on an unsecured basis. An additional \$240,000 was received as an interest free short-term cash advance in March 2018.



23 FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a counter party to a financial instrument fails to meet its contractual obligations. The carrying amount of cash and cash equivalents and trade and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

Cash and short term liquid investments are placed with reputable banks and the Group does not have any material credit risk exposure to any single debtor or group of debtors.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities as and when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and raising additional capital as and when needed. If the Group does not raise capital in the short term, it can continue as a going concern by reducing planned but not committed exploration expenditure until funding is available and / or entering into joint venture arrangements where exploration is funded by the joint venture partner.

Remaining contractual maturities

The table below analyses the Group's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	<6 months	>6 - 12 months	> 12 months	Total Contractual Cash Flows	Carrying Amount
30 June 2018					
Financial liabilities					
Trade and other payables	4,249,052	-	-	4,249,052	4,249,052
Borrowings	10,463,712	-	-	10,463,712	10,463,712
Provisions	52,727	-	-	52,727	52,727
	<u>14,765,491</u>	<u>-</u>	<u>-</u>	<u>14,765,491</u>	<u>14,765,491</u>



23 FINANCIAL INSTRUMENTS (continued)

				Total Contractual Cash Flows	Carrying Amount
	<6 months	>6 - 12 months	> 12 months		
30 June 2017					
Financial liabilities					
Trade and other payables	2,308,495	-	-	2,308,495	2,308,495
Borrowings	709,910	4,433,189	-	5,143,099	5,143,099
Provisions	40,819	-	-	40,819	40,819

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Group does not have any financial instruments carried at fair value and consequently does not have any Level 1, Level 2, or Level 3 financial instruments. There were no transfers between Level 1, Level 2 or Level 3 during the current or previous period.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amount of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. Borrowings have been entered into close to year end and no significant changes in interest rates were noted that would change the fair value.

24. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2018	2017
	\$	\$
Short-term employee benefits	343,790	212,000
Post-employment benefits	40,643	20,140
	<u>384,433</u>	<u>232,140</u>



25. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Group:

	Consolidated	
	2018	2017
	\$	\$
<i>Audit services – Ernst & Young</i>		
Audit or review of the financial statements	74,640	50,400

26. CONTINGENT LIABILITIES

This note provides details of the consolidated entity's contingent liabilities, based on the probability that payment is considered unlikely, along with details of contingent liabilities which our directors consider should be disclosed.

Sino Australian Resources (Laos) Co., Ltd (SARCO), is a joint venture project between the Company (49%) and China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd (NFC) (51%). Until 30 September 2009, the Company solely funded all exploration activities conducted by SARCO in Laos and since 1 October 2010 NFC has been funding ongoing exploration activities.

In accordance with the Joint Venture agreement, at the time NFC's contribution has reached the level of the company's initial contribution, both the Company and NFC are obliged to contribute their respective share of funding requirements for any further activity.

An audit of the Company's contributions to SARCO JV expenditures from inception to 30 September 2009 was performed by NFC in 2012. On completion NFC challenged a total of \$1.1 million in expenditure that is currently included as part of the total Company contribution recorded by the Group, although no formal claim has been made by NFC. The amount in dispute is \$1,109,000 which forms the contingent liability. The Company has the right to audit the NFC contributions. At this time no such audit has been undertaken, although any findings from such an audit may constitute a future claim by the Company on NFC. The Company is working amicably with NFC to resolve this disputed amount.

The agreement to purchase all of the issued capital in Dampier (Plutonic) Pty Ltd includes contingent capital payments dependent on production from the project tenements and contingent royalty payments dependent on the gold price. Details of these contingent payments are included in note 15.



27. COMMITMENTS

	Consolidated	
	2018	2017
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	191,085	120,750
One to five years	382,170	50,312
	<u>573,255</u>	<u>171,062</u>

Operating lease commitments relate to contracted amounts for offices under non-cancellable operating leases which expire 30 November 2018. At the date of this financial report the company is finalising negotiations on a lease arrangement on a new office.

28. RELATED PARTY TRANSACTIONS

Parent entity

Vango Mining Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 30.

Joint ventures

Interests in joint ventures are set out in note 31.

Key management personnel

Over the 2018 Financial year an amount of \$150,138 was reimbursed to Mr McInnes for Travel and Accommodation expenditure, initially incurred personally and includes amounts for company contractors, consultants and potential investors.

Disclosures relating to key management personnel are set out in note 24 and the remuneration report in the directors' report.

Transactions with related parties

There were no other transactions with related parties in the financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.



28. RELATED PARTY TRANSACTIONS continued

Loans to/from related parties

At the Financial year end the company had entered into the following unsecured loan arrangements from related parties.

<u>Lender</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Term</u>
Shenqiang (Sean) Zhou	\$166,000	25%	2 years
Shenqiang (Sean) Zhou	\$215,000	10%	At Call
Gifted Force International Ltd	\$1,867,000	25%	2 Years
Gifted Force International Ltd	\$214,000	10%	At Call

Mr Zhou is a Director of the Company.

Gifted Force International Ltd is controlled by Mr Donjie (David) Zhang the husband of Mrs Zhenzu (Carol) Zhang, a Non-executive Director of the company.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

29. PARENT ENTITY INFORMATION

	Parent	
	2018	2017
	\$	\$
Current assets	365,514	521,148
Total assets	21,825,131	12,645,491
Current liabilities	14,543,327	7,720,955
Total liabilities	15,983,327	9,160,955
Shareholders' equity		
Issued capital	51,961,962	49,799,707
Share-based payments reserve	14,185,914	14,185,914
Accumulated losses	(60,306,071)	(60,501,085)
	5,841,805	3,484,536
Loss for the year	(3,345,372)	(2,448,067)
Total comprehensive loss for the year	(3,345,372)	(2,448,067)

30. SUBSIDIARIES



The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

Name of entity	Country of incorporation	Equity holding	
		2018 %	2017 %
Dampier Plutonic Pty Ltd	Australia	100.00	100.00
Tanami Northern Gold Pty Ltd	Australia	100.00	100.00
Nicholson East Pty Ltd	Australia	100.00	100.00
Nicholson West Pty Ltd	Australia	100.00	100.00
Suplejack Pty Ltd	Australia	100.00	100.00
Coolan Yard Pty Ltd	Australia	100.00	100.00
Ord River Resources (PNG) Pty Ltd	Australia	100.00	100.00
Aileigh Pty Ltd	British Virgin Islands	100.00	100.00
Carpe Diem Limited	Papua New Guinea	100.00	100.00
Tampara Limited	Papua New Guinea	100.00	100.00
Rotokas Limited	Papua New Guinea	100.00	100.00

The acquisition of Dampier Plutonic Pty Ltd was completed on 25 August 2016.

31. INTERESTS IN JOINT VENTURES

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures is set out below:

Joint venture	Principal activities	Consolidated percentage interest	
		2018 %	2017 %
JV entity – Sino Australian Resources (Laos) Co. Ltd	Exploration of bauxite resources in the Bolaven Plateau, Laos	49.00	49.00

Information relating to the joint venture partnership is set out below.

	Consolidated	
	2018 \$'000	2017 \$'000
<i>Share of assets and liabilities</i>		
Current assets	-	7,462
Non-current assets	-	4,536
Total assets	-	11,998
Current liabilities	-	14,732
Total liabilities	-	14,732



Foreign exchange adjustment	-	-
Net assets	-	(2,734)
Proportion of the Group's ownership	49%	49%
Carrying amount of the investment	-	-

32. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 12 July 2018 the Company completed a placement of 29,078,644 Fully Paid Ordinary Shares at 18 cents per share together with one free attaching Options for every 2 new shares, totaling 14,539,331 Options, together with a Corporate advisory fee of 1,653,461, options. The total of 16,192,792 options are exercisable into one fully paid ordinary share at a strike price of \$0.27 per share, on or before 11 July 2020. The total capital raised was \$5,234,155.92 prior to issue costs.

At a General Meeting of Shareholders held on 27 August 2018 the following resolutions to issue fully paid ordinary shares to lenders were approved as follows:

- To issue to ShengQuian (Sean) Zhu, a Director of the Company, 4,777,960 Fully Paid Ordinary Shares at an issue price of \$0.045 per share, together with 2,762,913 Fully Paid Ordinary Shares at an issue price of \$0.06 per share in full settlement of \$380,782 of unsecured loans together with accrued interest extended to the company.
- To issue to Gifted Force International Limited, a Related Party of the Company, 4,759,889 Fully Paid Ordinary Shares at an issue price of \$0.045 per share, together with 31,116,479 Fully Paid Ordinary Shares at an issue price of \$0.06 per share in full settlement of \$2,081,183 of unsecured loans together with accrued interest extended to the company.
- To issue to a number of unrelated parties of the company a total of 49,395,775 Fully Paid Ordinary Shares at an issue price of \$0.06 per share, in full settlement of \$2,963,747 of unsecured loans together with accrued interest extended to the company.
- To Issue a Convertible Note for a total amount of \$2,500,000 to an unrelated party of the company, at an annual interest rate of 8% per annum, payable at maturity, convertible into Fully Paid Ordinary Shares, at or before 18 months from the issue date of the note at a strike price of \$0.07 cents per share. The note may convert into a maximum of 25,714,285 Fully Paid Ordinary Shares. At the date of this report these share issues are being finalised.
- On 17 September 2018 the Company announced an off-market takeover offer for all the issued capital of Dampier Gold Limited of two fully paid ordinary shares of the Company for every seven fully paid ordinary Dampier Gold Mining shares.
- On 19 September 2018, the Company raised \$22,000 by the cash placement of 122,223 Shares at an issue price of \$0.18 per share and 61,112 New Options. These Options listed on the ASX.

33. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

Consolidated



	2018 \$	2017 \$
Loss after income tax expense for the year	(3,565,396)	(5,575,790)
Adjustments for:		
Depreciation and amortisation	6,496	-
Net gain on sale of tenement	-	-
Impairment of exploration and evaluation assets	-	855,487
Interest accrued on convertible notes and loans	1,212,619	918,543
Share based payments to suppliers	224,700	
Share of loss of joint venture entity	-	2,269,082
Change in operating assets and liabilities		
(Increase) in trade and other receivables	(118,782)	(39,571)
(Increase)/decrease in other receivables	96,659	(12,265)
(Decrease)/increase in trade and other payables	1,940,557	(131,861)
(Decrease)/increase in provisions	(435,705)	204,525
Net cash used in operating activities	<u>(638,852)</u>	<u>(1,512,850)</u>

34. EARNINGS/(LOSS) PER SHARE

	Consolidated 2018	2017
Loss after income tax expense for the year attributable to the owners of Vango Mining Limited	<u>(3,565,396)</u>	<u>(5,576,790)</u>
Basic loss per share (cents)	(0.82)	(1.42)
Diluted loss per share (cents)	<u>(0.82)</u>	<u>(1.42)</u>
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	<u>435,035,681</u>	<u>393,416,600</u>

Basic earnings/(loss) per share (EPS) is calculated by dividing the net profit/(loss) attributable to ordinary shareholders for the reporting period, after excluding any costs of servicing equity (other than ordinary shares), by the weighted average number of ordinary shares of the Company. Other potential ordinary shares have not been included in the calculation of diluted earnings per share as they are not considered dilutive.



In the Directors' opinion:

- a) the financial statements and notes set out on pages 44 to 81 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date, and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 2(c) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board of Directors

Bruce McInnes
Executive Chairman

28 September 2018

Independent Auditor's Report to the Members of Vango Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vango Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2a in the financial report, which describes the events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matter to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of exploration and evaluation expenditure

Why significant to the audit

As disclosed in Note 15 of the financial report, as at 30 June 2018 the Group held deferred exploration and evaluation expenditure of \$21.2m (\$13.3m at 30 June 2017).

The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure may exceed its recoverable amount.

The determination as to whether there are any indicators to require deferred exploration and evaluation expenditure to be assessed for impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year the Group determined that there had been no indicators of impairment.

Due to the size of the deferred exploration and evaluation expenditure asset relative to the Group's total assets and the judgment involved in assessing whether indicators of impairment exist at 30 June 2018, this was a key audit matter.

How our audit addressed the matter

Our audit procedures included the following:

- ▶ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing relevant documentation such as license agreements.
- ▶ Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area.
- ▶ Considered the results of exploration and evaluation activities carried out in the relevant licensed area.
- ▶ Considered whether the exploration and evaluation activities within each area of interest had reached a stage where the commercial viability of extracting the resource could be made.
- ▶ Considered whether any other data or information exists which indicates that the carrying amount of the deferred exploration and evaluation expenditure asset is unlikely to be recovered in full from successful development or by sale.
- ▶ Assessed the adequacy of disclosure included in the financial report.

2. Carrying value of borrowings

Why significant to the audit

The Group had borrowings of \$10.4m outstanding at 30 June 2018 (\$5.1m at 30 June 2017).

How our audit addressed the matter

Our audit procedures included the following:

This was a key audit matter due to the materiality of the amounts involved to the overall financial statements and increase in number of different borrowing arrangements and amount of borrowings.

Refer to Note 17 within the financial report for the amounts recorded on the consolidated statement of financial position as at 30 June 2018 and related disclosures.

- ▶ Read the various loan agreements and assessed whether the arrangements had been accounted for in accordance with Australian Accounting Standards;
- ▶ Assessed the completeness of the loan balances as at 30 June 2018 ;
- ▶ Agreed loan drawdown amounts to the Group's bank statements;
- ▶ Recalculated the Group's interest expense and accrued interest for the year ended 30 June 2018 to assess whether the interest was calculated correctly in accordance with the terms of the loan agreements; and
- ▶ Assessed the adequacy of disclosure included in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2018 Annual Report other than the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

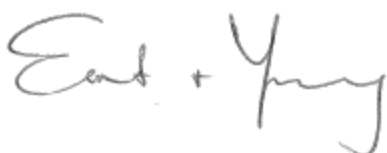
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 24 of the directors' report for the year ended 30 June 2018.


In our opinion, the Remuneration Report of Vango Mining Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Scott Jarrett
Partner
Sydney
28 September 2018



Additional information as required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below.

1. Number of Holders of each class of equity security and the voting rights attached as at 25 September 2018

Class of Security	No. of Holders	Voting Rights Attached
Ordinary Shares	2,701	Each shareholder is entitled to one vote per share held
Listed Options - \$0.27	68	There are no voting rights attached to these options

2. Distribution of fully paid ordinary shareholders and option holders as at 25 September 2017

Range of Holding	Fully paid ordinary shares	listed options exercisable at \$0.06 on or before 15 Mar 18
1-1,000	906	0
1,001 – 5,000	596	3
5,000 – 10,000	285	3
10,001 – 100,000	644	46
100,001 - over	270	16
	2,701	68

3. Holders of non-marketable parcels as at 25 September 2017

Holders of non-marketable parcels are deemed to be those who shareholding is valued at less than \$500.

- There are 594 shareholders who hold less than a marketable parcel of shares.
- The number of fully paid ordinary shareholdings held in less than marketable parcels is 97,405.

4. Substantial shareholders as at 21 September 2017

Shareholder	Number Shares Held	Percentage
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	99,427,373	16.971%
REAL AUSTRALIA PTY LTD <THE JEHIEL FAMILY A/C>	46,900,000	8.005%
MR CHRISTOPHER KUZNETSOFF	41,122,128	7.019%
AKARING PTY LTD <AKARING A/C>	35,876,368	6.124%
MR RUOGU MA	34,125,629	5.825%
BROOK & VALLEY PTY LTD	29,346,967	5.009%



5. Twenty largest shareholders of quoted ordinary shares as at 25 September 2018

Shareholder Name	Number of Shares	Percentage of Issued Capital
1. BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	99,427,373	16.971%
2. REAL AUSTRALIA PTY LTD <THE JEHIEL FAMILY A/C>	46,900,000	8.005%
3. MR CHRISTOPHER KUZNETSOFF	41,122,128	7.019%
4. AKARING PTY LTD <AKARING A/C>	35,876,368	6.124%
5. MR RUOGU MA	34,125,629	5.825%
6. BROOK & VALLEY PTY LTD	29,346,967	5.009%
7. MR SHENGQIANG ZHOU	22,289,873	3.805%
8. XIAOHUI LIU	20,179,909	3.444%
9. MR YANCHAO GUO	14,000,000	2.390%
10. XIAO YUE DOU	12,132,000	2.071%
11. VANDERFOUR PTY LTD <NEW BEES FAMILY A/C>	11,111,112	1.897%
12. KRIS SALES	10,553,986	1.801%
13. ZHONGZE CHEN	10,467,000	1.787%
14. Mr FENG ZHU	9,187,306	1.568%
15. MS MARTINE BEAUMONT	9,132,112	1.559%
16. MS MICHELE ROUGE LE PAVOUX	6,988,271	1.193%
17. B & K MCINNES SUPERANNUATION FUND PTY LTD	6,631,352	1.132%
18. THELMA JEAN SUPERANNUATION P/L <THELMA JEAN SUPER FUND A/C>	6,348,020	1.084%
19. MR XIAOYUE DOU	6,109,408	1.043%
20. MR JOHN FRANCIS GRIFFIN	5,512,848	0.941%
Totals for Top 20	437,441,662	74.666%

6. Twenty Largest Option holders as at 25 September 2018

Option holder Name	Number of Options	% of Issued
1. VANDERFOUR PTY LTD <NEW BEES FAMILY A/C>	5,555,556	34.180%
2. REAL AUSTRALIA PTY LTD <THE JEHIEL FAMILY A/C>	2,793,312	17.185%
3. DJ CARMICHAEL PTY LTD	1,481,794	9.117%
4. MR ROSS JEREMY TAYLOR <JAMANARO A/C>	762,778	4.693%
5. MALT PARTNERS PTY LTD <MALT PARTNERS S/F A/C>	750,000	4.614%
6. MR MYLES ROBERT ANDERSON	650,000	3.999%
7. YINGCHUN LI	555,556	3.418%
8. MS TIANJUN LU	380,000	2.338%
9. MR BRUCE ANDREW STEWART	277,778	1.709%
10. G S MANAGEMENT PTY LTD	277,778	1.709%
11. MR TERRY R WALTON	225,000	1.384%
12. NORTH OF THE RIVER INVESTMENTS PTY LTD	152,945	0.941%
13. ZERO NOMINEES PTY LTD	138,889	0.854%
14. NEW BEE BROTHERS INVESTMENT PTY LTD	138,889	0.854%
15. BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP>	122,347	0.753%
16. MRS JENNIFER WILCOCK & MR HAROLD WILCOCK & MR IAN WILCOCK <HAROLD WILCOCK SNR A/C>	103,900	0.639%
17. H & N WILCOCK PTY LTD <H & N WILCOCK FAMILY A/C>	100,000	0.615%
18. MR DONALD LLOYD MCKENZIE	85,000	0.523%
19. MR JOHN FRANCIS GRIFFIN & MRS PATRICIA MARY GRIFFIN <GRIFFIN FAMILY S/FUND A/C>	83,334	0.513%
20. MR RICHARD MCCAUGHEY	83,334	0.513%
Totals for Top 20	14,718,190	90.552%



7. Restricted Securities - Employee Loan Share Plan

On 20 December 2013, Shareholders approved the implementation of the “Ord River Resources Employee Loan Share Plan” (Share Plan). An Eligible Participant who is invited to subscribe for Share Plan shares may also be invited to apply for a non-recourse loan up to the amount payable in respect of the shares accepted by the Eligible Participant.

There are currently 7,000,000 shares that have been issued under this Share Plan (2 January 2014) with the subscription price of \$0.16 per share and 12,000,000 shares that have been issued under this Share Plan (19 December 2014) with the subscription price of \$0.20, having been funded by the Company for these shares in accordance with the terms and conditions of the Share Plan. These shares are currently under a Company-imposed trading lock until such a time as the loan has been repaid.

While these are issued shares for legal and taxation purposes, Accounting Standards require they be recognised as shares issued at nil value and accounted for as options with a share-based payment expense to the Company. The repayment term of each loan to the Eligible Participant is five (5) years. The loans are interest free. A full summary of the Share Plan was set out in the Notice of Meeting dated 20 November 2013.

8. Share buy-backs

There is no current on-market buy-back in place.



9. Interest in Mining Licence

The Company is an exploration entity, below is a list of its interest in licences, where the licences are situated, and the percentage of interest held.

Project	Location	Tenement	% Held at End of Quarter	% Acquired During Quarter	% Disposed During Quarter	Status
Plutonic Dome	Western Australia	E52/2071	100	-	-	Granted
		E52/2072	100	-	-	Granted
		M52/183	100	-	-	Granted
		M52/217	100	-	-	Granted
		M52/218	100	-	-	Granted
		M52/219	100	-	-	Granted
		M52/220	100	-	-	Granted
		M52/226	100	-	-	Granted
		M52/227	100	-	-	Granted
		M52/228	100	-	-	Granted
		M52/229	100	-	-	Granted
		M52/230	100	-	-	Granted
		M52/231	100	-	-	Granted
		M52/232	100	-	-	Granted
		M52/233	100	-	-	Granted
		M52/234	100	-	-	Granted
		M52/235	100	-	-	Granted
		M52/246	100	-	-	Granted
		M52/247	100	-	-	Granted
		M52/257	100	-	-	Granted
		M52/258	100	-	-	Granted
		M52/259	100	-	-	Granted
		M52/269	100	-	-	Granted
		M52/270	100	-	-	Granted
		M52/278	100	-	-	Granted
		M52/279	100	-	-	Granted
		M52/291	100	-	-	Granted
		M52/292	100	-	-	Granted
		M52/293	100	-	-	Granted
		M52/299	100	-	-	Granted
		M52/303	100	-	-	Granted
		M52/304	100	-	-	Granted
		M52/305	100	-	-	Granted
		M52/306	100	-	-	Granted



Project	Location	Tenement	% Held at End of Quarter	% Acquired During Quarter	% Disposed During Quarter	Status
		M52/320	100	-	-	Granted
		M52/321	100	-	-	Granted
		M52/323	100	-	-	Granted
		M52/366	100	-	-	Granted
		M52/367	100	-	-	Granted
		M52/369	100	-	-	Granted
		M52/370	100	-	-	Granted
		M52/396	100	-	-	Granted
		M52/478	100	-	-	Granted
		M52/572	100	-	-	Granted
		M52/593	100	-	-	Granted
		M52/654	100	-	-	Granted
		M52/748	100	-	-	Application
		M52/779	100	-	-	Granted
		M52/780	100	-	-	Granted
		M52/781	100	-	-	Application
		M52/782	100	-	-	Application
		P52/1220	100	-	-	Granted
		P52/1221	100	-	-	Granted
		P52/1222	100	-	-	Granted
		P52/1223	100	-	-	Granted
		P52/1393	100	-	-	Granted
SARCO	Laos	Yuqida	17.15 ¹	-	-	Granted
		LSI66	25 ¹	-	-	Granted

Notes:

1 The SARCO (Sino Australian Resources Co., Limited) is a joint venture between Vango (49%) and NFC-China (51%). LSI66 is 51% owned by SARCO and Yuqida is 35% owned by SARCO (moving to 49% post grant of mining lease). The 17.15% interest held in Yuqida and 25% LSI66 represents the ultimate beneficial ownership by Vango.