

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

VANGO MINING LIMITED

ABN

68 108 737 711

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1,144)	(1,144)
(b) development	-	-
(c) production	-	-
(d) staff costs	(130)	(130)
(e) administration and corporate costs	(524)	(524)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,800)	(1,800)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	1,001	1,001
3.6	Repayment of borrowings	(500)	(500)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	501	501

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period ¹	1,533	1,533
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,800)	(1,800)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(-)	(-)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	501	501

¹ Including Security deposits totalling \$43,280

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period²	234	234

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	234	234
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	234	234

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
193
-

Reimbursement of expenses \$49,562.
Director fees \$143,640

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

² Including Security deposits totalling \$43,280

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	2,301	1,501
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	12,500	12,500
8.4 Included below a description of each facility above. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

1 Loan facilities (unsecured)

Interest Rate per annum	Loan Facility A\$'000	Amount Drawn A\$'000	Term
12%	1,001	1,001	3 Months
15%	500	500	18 Months
12%	800	-	3 months
	2,301	1,501	

2 Other (Convertible Notes- unsecured)

Interest Rate per annum	Note Facility A\$'000	Amount Drawn A\$'000	Conversion price per Share	Term
8% payable on maturity	2,500	2,500	7 cents	18 months
12% payable on maturity	10,000 ³	10,000	27 cents	4 Feb 2021
	12,500	12,500		

³ The Company has received notice from all holders of convertible notes on 26 August 2019 of their intention to exercise their conversion into equity. Settlement is anticipated in the coming quarter. Settlement is subject to ratification of the \$10M convertible note, proposed for approval at the Company's AGM on 29 November 2019.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	850
9.2 Development	-
9.3 Production	-
9.4 Staff costs	175
9.5 Administration and corporate costs	550
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,575⁴

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-			

⁴ The Company's actual operating cash outflows were \$1,800,000 (September 2019 quarter) and are forecast to be \$1,575,000 (December 2019 quarter), which is mainly discretionary expenditure.

Cash on hand at 30 September 2019 totalled \$234,000.

The Company is in discussions with potential investors to raise funds and expects that September 2019 cash on hand, aggregated with fund raising expected during the December 2019 quarter, will cover expected non-discretionary cash outflows during the December 2019 quarter.

The Company would raise additional funds before committing to further operating cash outflows of the same scale.

The Company expects that funds will be available to finance future operations and that realisation of assets and settlement of liabilities will occur in the normal course of business.

Whilst it develops the Marymia Gold Project, the Company expects to continue to have negative operating cash flows.

In order to commercialise the Marymia Gold Project and generate future revenues, additional funding will be required.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Director/Company secretary)

Date: 31 October 2019

Print name: Ian Morgan

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.