

Vango Mining Limited

ABN 68 108 737 711

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM

A general meeting of the Company will be held at Suite 3542, Level 35, Tower 1, 100 Barangaroo Avenue, Sydney, New South Wales, 2000, Australia on Friday 31 May 2019 at 10.00 am (AEST)

This notice of meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the company by telephone on +61 (0) 2 811 44553.

Shareholders are urged to attend or vote by lodging the proxy enclosed with the Notice.

Vango Mining Limited

ABN 68 108 737 711

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Shareholders of Vango Mining Limited (**Company**) will be held at Suite 3542, Level 35, Tower 1, 100 Barangaroo Avenue, Sydney, New South Wales, 2000, Australia on Friday 31 May 2019 at 10.00 am (AEST) (**Meeting**).

The Explanatory Memorandum provides additional information in relation to each of the Resolutions to be considered at the Meeting. The Proxy Form and Explanatory Memorandum form part of this Notice.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 6 of the Explanatory Memorandum.

AGENDA

1. Resolution 1 – Approval to issue Plan Shares and provide a Plan Loan to Shengqiang (Sean) Zhou.

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

'That, for the purposes of Listing Rule 10.14 and sections 200B, 200E and 208 of the Corporations Act and all other purposes, Shareholders approve:

- (a) the issue of 30,000,000 Plan Shares at \$0.18 each under the Plan; and*
- (b) the provision of a Plan Loan under the Plan for the sole purpose of acquiring the Plan Shares referred to in paragraph (a) above,*

to Mr Shengqiang (Sean) Zhou (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.'

Voting Exclusion Statement for Resolution 1

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of any Director of the Company who is eligible to participate in the Plan, and any Associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statements for Resolution 1

In accordance with sections 200E and 224 of the Corporations Act, a vote on Resolution 1 may not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, the retiree or any of their associates (**Resolution 1 Restricted Parties**). However, a Resolution 1 Restricted Party may cast a vote on Resolution 1 as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Resolution 1 Restricted Parties.

In addition, in accordance with section 250BD of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (c) a member of the Key Management Personnel; or
- (d) a Closely Related Party of such a member.

However, a person (the voter) described in paragraphs (c) and (d) above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (e) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
- (f) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and
 - (ii) expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting Intentions of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

2. Resolution 2 – Approval to issue Performance Options Shengqiang (Sean) Zhou.

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

‘That, pursuant to and in accordance with Listing Rule 10.14 and sections 195(4), 200B, 200E and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 40,000,000 Performance Options to Director Mr Shengqiang (Sean) Zhou (or his nominee) under the Equity Incentive Plan on the terms and conditions set out in the Explanatory Memorandum, being as follows:

- (a) 5,000,000 Category A Performance Options;*
- (b) 5,000,000 Category B Performance Options;*
- (c) 10,000,000 Category C Performance Options;*
- (d) 5,000,000 Category D Performance Options;*
- (e) 5,000,000 Category E Performance Options; and*
- (f) 10,000,000 Category F Performance Options.’*

3. Resolution 3 – Approval to issue Performance Options to Bruce McInnes.

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

‘That, pursuant to and in accordance with Listing Rule 10.14 and sections 195(4), 200B, 200E and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 40,000,000 Performance Options to Director Mr Bruce McInnes (or his nominee) under the Equity Incentive Plan on the terms and conditions set out in the Explanatory Memorandum, being as follows:

- (a) 5,000,000 Category A Performance Options;*

- (b) 5,000,000 Category B Performance Options;
- (c) 10,000,000 Category C Performance Options;
- (d) 5,000,000 Category D Performance Options;
- (e) 5,000,000 Category E Performance Options; and
- (f) 10,000,000 Category F Performance Options.'

4. Resolution 4 – Approval to issue Performance Options to Zhenzhu (Carol) Zhang.

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

'That, pursuant to and in accordance with Listing Rule 10.14 and sections 195(4), 200B, 200E and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 20,000,000 Performance Options to Director Ms Zhenzhu (Carol) Zhang (or her nominee) under the Equity Incentive Plan on the terms and conditions set out in the Explanatory Memorandum, being as follows:

- (a) 2,500,000 Category A Performance Options;
- (b) 2,500,000 Category B Performance Options;
- (c) 5,000,000 Category C Performance Options;
- (d) 2,500,000 Category D Performance Options;
- (e) 2,500,000 Category E Performance Options; and
- (f) 5,000,000 Category F Performance Options.'

Voting Exclusion Statement for Resolutions 2, 3 and 4

The Company will disregard any votes cast in favour of Resolutions 2, 3 and 4 by or on behalf of any Director of the Company who is eligible to participate in the Equity Incentive Plan, and any Associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statements for Resolutions 2, 3 and 4

In accordance with sections 200E and 224 of the Corporations Act, a vote on Resolutions 2, 3 and 4 may not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, the retiree or any of their associates (**Resolutions 2, 3 and 4 Restricted Parties**). However, a Resolutions 2, 3 and 4 Restricted Party may cast a vote on the relevant Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Resolutions 2, 3 and 4 Restricted Parties.

In addition, in accordance with section 250BD of the Corporations Act, a vote on Resolutions 2, 3 and 4 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described in paragraphs (c) and (d) above may cast a vote on Resolutions 2, 3 and 4 as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolutions 2, 3 and 4; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on Resolutions 2, 3 and 4; and
 - (ii) expressly authorises the Chair to exercise the proxy even though Resolutions 2, 3 and 4 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting Intentions of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolutions 2, 3 and 4, subject to compliance with the Corporations Act.

Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the company by telephone on +61 (0)2 8114 4553.

How to vote

Shareholders can vote by either:

- (a) attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- (b) appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their Proxy Form online, by hand, by post or by facsimile.

Voting in person or by attorney

To vote in person Shareholders, or their attorneys should attend the Meeting at Suite 3542, Level 35, Tower 1, 100 Barangaroo Avenue, Sydney, New South Wales 2000, Australia on Friday 31 May 2019 at 10.00 am (AEST).

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. A certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for Proxy Forms below.

Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. Written proof of the representative's appointment (including any authority under which it is signed) must be lodged with, or presented to, the Company before the Meeting.

Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances.

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

(d) Proxy receipt

Proxies must be received by 10.00 am (AEST) on Wednesday 29 May 2019. Proxies received after this time will be invalid.

Voting entitlements

The directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00 pm (AEST) on Wednesday 29 May 2019.

BY ORDER OF THE BOARD



Ian Morgan

Company Secretary

Dated: 30 April 2019

EXPLANATORY MEMORANDUM

1. Purpose

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of the Company.

This Explanatory Memorandum forms part of the Notice, which should be read in its entirety.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Definitions Table at Section 6 in this Explanatory Memorandum.

The Proxy Form is located after the Explanatory Memorandum.

2. Capital structure and voting power**2.1. Impact of Resolutions on capital structure**

Resolutions 1 to 4 inclusive all seek Shareholder approval for the issue of securities in the Company.

The Company currently has on issue 596,949,469 Shares, 16,253,904 Listed Options and Convertible Notes which may be converted into a maximum of 44,047,619 Shares.

In addition, if the Resolutions are passed the Company will issue 30,000,000 Shares pursuant to Resolution 1 and 100,000,000 Performance Options pursuant to Resolutions 2, 3 and 4.

The Plan Shares and the Performance Options to be issued pursuant to the Resolutions (assuming these Performance Options are exercised) together represent:

- (a) 21.78% of the total number of Shares on issue assuming no Listed Options are exercised, and no Convertible Notes are converted; and
- (b) 19.78% of the total number of Shares on issue assuming the exercise of all Listed Options and the conversion of all Convertible Notes.

The capital structure of the Company as at the date of this Notice is set out in Table 1 below:

Table 1

Number of Shares on issue as at the date of the Notice	596,949,469
Number of Listed Options on issue as at the date of the Notice	16,253,904
Maximum number of Shares issuable upon conversion of the Convertible Notes	44,047,619
Total number of Shares on issue assuming the exercise of all Listed Options and the conversion of all Convertible Notes	657,250,992

The capital structure of the Company following the issue of Plan Shares and Performance Options pursuant to the Resolutions, assuming all Resolutions are passed at the Meeting, is set out in Table 2 below:

Table 2

Number of Shares on issue as at the date of the Notice	596,949,469
Number of Listed Options on issue as at the date of the Notice	16,253,904
Maximum number of Shares issuable upon conversion of the Convertible Notes	44,047,619
Number of Plan Shares to be issued pursuant to Resolution 1	30,000,000
Number of Performance Options to be issued pursuant to Resolutions 2, 3 and 4	100,000,000
Total number of Shares on issue assuming the Resolutions are passed (and the Plan Shares and Performance Options are issued), all Performance Options and Listed Options are exercised and all Convertible Notes are converted	787,250,992

2.2. Impact of Resolutions on substantial holders

Resolutions 1 to 4 inclusive all seek Shareholder approval for the issue of securities in the Company. If passed, these Resolutions will have an impact on the voting power of the following substantial Shareholders in the Company who have 5% or more of the voting power in the Company.

The impact on voting power (on a fully diluted basis) of substantial holders of Shares, and the proposed recipients of Plan Shares and Performance Options pursuant to the Resolutions, before and after the Meeting is summarised in Table 3 below:

Table 3 *

Substantial holders	Before		After			
	No. of Equity Securities	% of voting power	No of Plan Shares	No. of Performance Options	No. of Equity Securities	% of voting power
Mr Ruogu Ma	94,604,596	14.39%	-	-	94,604,596	12.02%
Mr YanChao Guo	90,701,035	13.80%	-	-	90,701,035	11.52%
Ms Zhenzhu (Carol) Zhang	86,354,474	13.14%	-	20,000,000	106,354,474	13.51%
Mr Malcolm Smith	47,426,682	7.22%	-	-	47,426,682	6.02%
Mr Christopher Kuznetsoff	42,315,052	6.44%	-	-	42,315,052	5.38%
Shengqiang (Sean) Zhou	24,289,873	3.70%	30,000,000	40,000,000	94,289,873	11.98%
Bruce McInnes	14,350,918	2.18%	-	40,000,000	54,350,918	6.90%

* Table 3 has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

1. Table 3 assumes that all of Resolutions 1 to 4 are passed by Shareholders at the Meeting and that all Plan Shares and Performance Options the subject of the Resolutions have been issued as contemplated by the Resolutions.
2. Table 3 assumes that all Listed Options and Performance Options have been exercised and that all Convertible Notes have been converted into Shares.

The impact on voting power (on an undiluted basis) of substantial holders of Shares, and the proposed recipients of Plan Shares and Performance Options pursuant to the Resolutions, before and after the Meeting is summarised in Table 4 below:

Table 4 *

Substantial holders	Before		After		
	No. of Shares	% of voting power	No of Plan Shares	No. of Shares	% of voting power
Mr Ruogu Ma	94,604,596	14.39%	-	94,604,596	12.02%
Ms Zhenzhu (Carol) Zhang	86,354,474	13.14%	-	84,354,474	10.97%
Mr YanChao Guo	54,986,749	8.37%	-	54,986,749	6.98%
Mr Malcolm Smith	47,426,682	7.22%	-	47,426,682	6.02%
Mr Christopher Kuznetsoff	42,315,052	6.44%	-	42,315,052	5.38%
Shengqiang (Sean) Zhou	24,289,873	3.70%	30,000,000	54,289,873	6.90%
Bruce McInnes	14,350,918	2.18%	-	14,350,918	1.82%

* Table 4 has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

1. This Table 4 assumes that all of Resolutions 1 to 4 are passed by Shareholders at the Meeting and that all Plan Shares and Performance Options the subject of the Resolutions have been issued as contemplated by the Resolutions.
2. This Table 4 assumes that none of the Listed Options and Performance Options have been exercised and that none of the Convertible Notes have been converted into Shares.

3. Resolution 1 – Approval to issue Plan Shares and provide a Plan Loan to Shengqiang (Sean) Zhou

3.1. General

Under Resolution 1 the Company is proposing, subject to obtaining Shareholder approval, to issue 30,000,000 Plan Shares to the Managing Director of the Company, Mr Shengqiang (Sean) Zhou, and offer to the Director a Plan Loan to pay for the subscription price for the Plan Shares under the Plan.

The Board has determined that the issue of the Plan Shares to the Director, together with the provision of a Plan Loan, is an appropriate form of long term incentive to a person who is essential to the operation of the Company's ongoing business.

3.2. Issue price of Plan Shares

Each Plan Share will be issued at \$0.18. The issue price was determined by considering the closing Share price on 8 March 2019 and the highest and lowest closing Share price for the 12 months before 8 March 2019, which prices are set out in the table below:

Table 5

Highest price/date	Premium / (Discount) to \$0.18	Lowest price/date	Premium / (Discount) to \$0.18	Latest price/date	Premium / (Discount) to \$0.18
	%		%		%
\$0.250	(28.00%)	\$0.054	233.33%	\$0.150	20.00%
29 June 2018		14 March 2018		8 March 2019	

The proposed issue price of \$0.18 per Plan Share is a price within the Share price range for the 12 months ended on 8 March 2019. The Plan Share price represents a 28.00% discount to the highest closing Share price over the 12 month before 8 March 2019 and a 20.00% premium to the closing Share price on 8 March 2019. \$0.18 per Plan Share represents a significant premium (233.33%) to the lowest closing Share price over the 12 month period before 8 March 2019.

3.3. Chapter 2E of the Corporations Act

Resolution 1 relates to the proposed issue of Plan Shares to Director Mr Shengqiang (Sean) Zhuo, together with the provision of an interest-free limited recourse loan to pay the subscription price for the Shares, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Plan Shares constitutes the giving of a financial benefit, as defined in the Corporations Act, to Mr Zhou who is a related party of the Company by virtue of being a Director.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act for the issue of the 30,000,000 Plan Shares to Mr Zhou.

3.4. Information required by the Corporations Act

The following information in relation to the proposed issue of Plan Shares and provision of the Plan Loan, the subject of Resolution 1, is provided to Shareholders for the purposes of section 219 of the Corporations Act and with reference to ASIC Regulatory Guide 76 Related Party Transactions:

3.4.1. Identity of the related party

Mr Shengqiang (Sean) Zhuo, a director of the Company.

3.4.2. Nature of the financial benefit

The proposed financial benefit is the issue of 30,000,000 Plan Shares and the provision of a Plan Loan in the sum of \$5,400,000 to pay the subscription price for the Plan Shares.

Given the repayment terms of the Plan Loan as set out below, the Plan Loan effectively creates an option-like mechanism. That is, the Plan Loan is interest free until such time as it becomes due for repayment, and if the Shares purchased using the Plan Loan are sold for an amount less than the amount of the Plan Loan, Mr Zhou would only be required to repay the loan and any interest up to the amount of the sale proceeds. Alternatively, if the Plan Shares are sold for an amount greater than the amount of the Plan Loan and any interest, the Director will be entitled to any excess of the sale proceeds (after deducting the costs of and expenses of sale) over the outstanding amount of the Plan Loan.

Plan Shares: The Plan Shares will be issued, and the Plan Loan will be provided, under the terms and conditions of the Plan.

All Plan Shares will rank equally with the Shares then on issue and holders have full legal and beneficial ownership of their Plan Shares but any dealings with those Plan Shares are restricted as provided for under the Plan.

Plan Loan: In summary, the terms of the Plan Loan are:

Use of Funds: The entire amount of the Plan Loan must be applied to paying the subscription price for Plan Shares which, at or about the time the Plan Loan is made, are subscribed for by the Director. No proceeds of a Plan Loan can be used for any other purpose.

Interest: The Plan Loan is interest free. Interest would be payable where an amount is outstanding under a Plan Loan from when the Plan Loan becomes due for repayment during the period that it remains unpaid.

Term: The Plan Loan is for a term of 3 years, or earlier if a prescribed repayment event occurs, including where Mr Zhou ceases to be an employee because his employment is terminated for cause.

Security and holding lock: Mr Zhou will charge in favour of the Company all of its rights, title and interest to each Loan Share, any cash dividends paid on the Plan Shares and the proceeds of disposal of the Plan Shares by way of security for the performance of the Director's obligations under the Plan. During the 'Restrictive Period', which is the period commencing on issue of the Plan Shares and ending on the date that is 2 years after that date, or such other date determined by the Board, the Director must not assign, transfer, sell, grant an encumbrance over or otherwise deal with a Plan Share. The Company may enter into such arrangements as it considers necessary to enforce these restrictions, including the imposition of a holding lock in respect of the Plan Shares.

Repayment terms: The Plan Loan is limited recourse. If the Plan Shares purchased using a Plan Loan are sold for an amount less than the amount of the Plan Loan and any interest, the borrower will only be required to repay the loan and any interest to the amount of the sale proceeds. The Company will have no other recourse against the borrower for the balance of any loan and any interest not met by the sale proceeds. If the Plan Shares are sold for an amount greater than the amount of a Plan Loan and any interest, the Director will be entitled to any excess of the sale proceeds (after deducting the costs of and expenses of sale) over the outstanding amount of the Plan Loan. If the Director's employment is terminated for cause, the Director shall not be entitled to retain the balance of any proceeds of the sale of their Plan Shares but must forfeit those proceeds to the Company.

Early repayment: Mr Zhou may elect to repay the Plan Loan in whole or in part at any time.

Bonus Issues: Any bonus shares issued to Mr Zhou in respect of Plan Shares are deemed to also be Plan Shares upon their issue.

3.4.3. Reasons for giving the financial benefit

The primary purpose for the issue of the Plan Shares and provision of the Plan Loan to Mr Zhou is:

- (a) to provide a market linked incentive package to Mr Zhou, as Managing Director to encourage a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances, the Directors consider (in the absence of Mr Zhou) that the incentive intended for Mr Zhou represented by the issue of 30,000,000 Plan Shares and the provision of a Plan Loan, is a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation; and
- (b) to assist in the reward, retention and motivation of Mr Zhou in the ongoing operations and strategic direction of the Company, whilst maintaining the Company's cash reserves.

The number of Plan Shares to be offered to Mr Zhou has been determined based upon a consideration of:

- (c) the cash remuneration of Mr Zhou;
- (d) the fact that Mr Zhou has been a Director of the Company since 2014 and Managing Director since 30 January 2018;
- (e) the fact that Mr Zhou has been instrumental in securing funding to permit the Company to expand throughout the past 3 years;
- (f) the fact that since Mr Zhou's appointment as a Director, the market capitalisation of the Company increased significantly;
- (g) Mr Zhou's knowledge of technical aspects of the Company and the environment in which it operates, which that the Company must retain for its ongoing success; and
- (h) the Company's desire to establish incentives to ensure continuity of service of Directors such as Mr Zhou who has appropriate knowledge and expertise, while maintaining the Company's cash reserves.

3.4.4. Opportunity costs and benefits foregone

The Directors have considered the potential opportunity costs and benefits foregone by the proposed issue of the Plan Shares and provision of the Plan Loan to Mr Zhou.

The Directors do not consider that the provision of the Plan Loan will materially affect the Company's ability to pay its creditors as it does not involve any actual payments of cash nor does it involve the Company disposing of any assets.

There may be a potential opportunity cost and benefit foregone by the Company in providing the Plan Loan to the Directors insofar as:

- (a) there is no interest payable on the Plan Loan by Mr Zhou. Applying an interest rate of 7.29% per annum (based on the margin loan rate as per the Reserve Bank of Australia's Indicator lending Rates for February 2019) the interest foregone on the Plan Loan is estimated to be \$1,315,628 to Mr Zhou, assuming monthly repayment of interest and principal repayment at the end of the Plan Loan term; and
- (b) the Plan Loan is limited recourse. Therefore, if the market price of the Shares is less than the issue price at the date repayment of the Plan Loan, the Company will not recoup the full face-value of the Plan Loan.

The Company will not incur any costs or fees in relation to the issue of the Plan Shares to Mr Zhou other than:

- (a) listing fees payable to ASX, estimated to be \$14,907 (assuming an \$0.18 share price); and
- (b) a value equal to the amount determined in accordance with the Accounting Standards for any payroll tax given that the Plan Shares will be included as wages for the purpose of payroll tax.

3.4.5. Mr Zhou's current holdings

Mr Zhou currently holds 24,289,873 Shares.

Shareholders should note that it is also proposed to issue Performance Options to Mr Zhou pursuant to Resolution 2.

3.4.6. Dilution effect of issue of Plan Shares on existing members' interests

If Resolution 1 is passed, the Company will issue a total of 30,000,000 Plan Shares to Mr Zhou.

As at the date of this Notice, the Company has on issue:

- (a) 596,949,469 Shares;
- (b) 16,253,904 Listed Options; and
- (c) Convertible Notes:
 - (i) two Convertible Notes with a face value of \$1,000,000 and \$500,000 respectively, which may be converted at \$0.18 per Share; and
 - (ii) one Convertible Note with a face value of \$2,500,000, which may be converted at \$0.07 per Share.

The maximum number of Shares into which the Convertible Notes may convert is 44,047,618 Shares.

If Resolutions 2, 3, and 4 are passed the Company will issue 100,000,000 Performance Options which, if exercised, will convert to 100,000,000 Shares.

If the Plan Shares the subject of Resolution 1 are issued to Mr Zhou, and assuming that Resolutions 2 to 4 (inclusive) are passed, the holdings of existing Shareholders will be diluted by 17.88% on an undiluted basis and 16.51% on a fully diluted basis by the issue of the Plan Shares.

3.4.7. Total remuneration package

Mr Zhou's Directors' fees remuneration per annum and the total financial benefit to be received by him in this current financial year ended 30 June 2019, as a result of the issue of the Plan Shares and the provision of the Plan Loan the subject of Resolution 1 is as follows:

Base Salary	Super-annuation	Value of Plan Shares and Plan Loan the subject of Resolution 1	Value of Performance Options the subject of Resolution 2	Total financial benefit
\$120,000	\$12,000	\$936,000	\$1,257,000	\$2,325,000

The Company has determined an indicative valuation of \$0.0312 per Plan Share (and accompanying Plan Loan) using the Binomial Model (see below).

3.4.8. Valuation of Plan Shares and Plan Loan

Accounting Standards require that shares issued under an employee incentive share plan in conjunction with non-recourse loans are to be accounted for as options. Accordingly, the

Company has valued the Plan Shares proposed to be issued to Mr Zhou, together with the Plan Loan, on this basis using the Binomial Model.

If Resolution 1 is passed, the amounts receivable from the Director in relation to the Plan Loan would not be recognised in the Company's financial statements. Plan Shares issued under the Plan would be recognised as Shares issued at nil value with a share-based payment expense recognised in the Company's Consolidated Statement of Comprehensive Income, based on an estimated fair value using the Binomial Model.

As the Plan Shares have no performance hurdles attached to them, all the share-based payment expense would be recognised in the financial period the Plan Shares are granted.

Based on the indicative valuation set out below, the Share Based Payment Reserve in the Company's Consolidated Statement of Financial Position would also increase by \$936,000.

This amount (or part of the amount) would be transferred from the Share Based Payment Reserve to Issued Capital when (and if) a 'Repayment Event' occurs. If there is no 'Repayment Event', the amount (or part of the amount) would remain in the Share Based Payment Reserve.

The valuation of the Plan Shares has been prepared using the following assumptions:

(a) Valuation Date	8 March 2019
(b) Share Price	\$0.15
(c) Dividend Yield	0.0%
(d) Issue Price	\$0.18
(e) Risk free interest rate	1.61%
(f) Volatility	37.60%
(g) Time (years to expiry)	Three years

For the purposes of calculating the value of each Plan Share, the Company has:

- (a) assumed the Share price is \$0.15, which was the closing price of Shares on ASX on 8 March 2019, being the latest available price on the date of valuation of the Plan Shares;
- (b) assumed a dividend yield of 0% based on the Company's dividend history;
- (c) used a risk-free interest rate of 1.61%, (estimated based on the yield on Australian government bonds with a 3-year maturity as at the date of valuation of the Plan Shares); and
- (d) used a volatility of the Share price of 37.60% as determined by analyzing the historical share volatility of the Company's and comparable Australian junior resource company shares.

Based on the above, the Company has calculated an indicative value of one Plan Share to be \$0.0312. Accordingly, an indicative value of all Plan Shares, proposed to be issued pursuant to Resolution 1 is \$936,000.

Any change in the variables applied in the Binomial Model calculation between the date of the valuation of 8 March 2019 and the date the Plan Shares are issued would have an impact on their value.

3.4.9. Company's historical Share price

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 8 March 2019:

Highest price/date	Lowest price/date	Latest price/date
\$0.250	\$0.054	\$0.150
29 June 2018	14 March 2018	8 March 2019

3.4.10. Other information

The arm's length and reasonable remuneration exceptions to the prohibition on providing a financial benefit to a related party are not available to the Company for Resolution 1 because the amount of the financial benefit to be provided is considered to be in excess of market rates.

Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the Plan Shares and providing the Plan Loan pursuant to Resolution 1.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders in relation to the financial benefits contemplated by Resolution 1.

3.4.11. Directors' interest in the outcome

Mr Zhou has an interest in Resolution 1 because he will be issued 30,000,000 Plan Shares and provided a Plan Loan in the sum of \$5,400,000 to pay the subscription price for the Plan Shares if Resolution 1 is passed.

Mr McInnes and Ms Zhang do not have an interest in the outcome of Resolution 1

3.4.12. Directors' recommendations

The Directors have declined to make a recommendation on Resolution 1.

Mr Zhou declines to make a recommendation on Resolution 1 as he has a material personal interest in the outcome of that Resolution as it relates to the proposed issue of Plan Shares and provision of a Plan Loan to him individually.

Mr McInnes and Ms Zhang also decline to make a recommendation on Resolution 1. ASIC Regulatory Guide 76: Related Party Transactions notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other's remuneration as there may be a conflict of interest. Whilst Mr McInnes and Ms Zhang do not have a material personal interest in the outcome of Resolution 1, given it is proposed that they be issued with Performance Options under the Company's Equity Incentive Plan under Resolutions 3 and 4 respectively, they have declined to make a recommendation on Resolution 1 in line with the ASIC guidance.

3.5. Listing Rule 7.1

Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Approval pursuant to Listing Rule 7.1 is not required (under Exception 14 to Listing Rule 7.1) in order to issue the Plan Shares the subject of Resolution 1 as approval is being obtained under Listing Rule 10.14.

Whilst approval is not being sought under Listing Rule 7.1, Shareholders should note that the issue of Plan Shares the subject of Resolution 1 will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

3.6. Sections 200B and 200E of the Corporations Act

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on leaving their employment with the Company or a related body corporate (the Group).

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office (as defined in the Corporations Act) in the Group if it is approved by shareholders or an exemption applies.

The provisions of the Corporations Act relating to termination benefits apply to each of the Directors.

Additionally, persons subject to the restrictions remain subject to them for at least three years after they cease to be a managerial or executive officer.

Under the termination benefits laws, the term 'benefit' has a wide operation and is likely to include:

- (a) the continuation of any interest free arrangement for any Plan Loan provided to Mr Zhou under the Plan;
- (b) the waiver of any requirement to immediately repay a Plan Loan provided to Mr Zhou under the Plan; or
- (c) the waiver of any restriction on the assignment, transfer, sale, grant of an encumbrance over or dealing with any Plan Shares by Mr Zhou,

in circumstances where a Director ceases to be a director of the Company (each a Benefit).

Shareholder approval is therefore being sought under sections 200B and 200E of the Corporations Act for the provision of the Plan Loan to Mr Zhou so that the value of the benefit will be disregarded when calculating Mr Zhou's cap for the purposes of calculating the permissible termination benefits payable under the Corporations Act.

Section 200E of the Corporations Act requires certain information to be provided to Shareholders in approving a termination benefit as follows:

3.6.1. Details of the termination benefits

The Plan contains a rule whereby the Board may at any time waive or amend the application of any of the Plan rules in relation to a participant in the Plan, including the waiver of the 'Restrictive Period', during which a participant is prohibited from assigning, transferring, selling, granting an encumbrance over or otherwise dealing with a Plan Share.

Accordingly, for example, notwithstanding that Mr Zhou may have ceased to be an employee because his employment was terminated for cause and ordinarily this would constitute a 'Repayment Event', the Board may waive or amend this provision such that the Director continues to have the benefit of the interest free Plan Loan for a period after he has ceased to be a Director.

3.6.2. Value of the termination benefits

The value of the potential termination benefits cannot be quantified at this point, as the manner in which the value is calculated depends on various matters, events and circumstances that will, or are likely to, affect the calculation of the value.

Specifically, the value of a particular benefit will depend on factors such as the Company's Share price at the time, and the number and value of Plan Shares held by Mr Zhou at the time.

In relation to a Benefit under the Plan that is a continuation of an interest free loan once the Director has ceased to be a Director of the Company, it will depend on the prevailing market rates for loans obtained on commercial arm's length terms.

3.6.3. Voting exclusion statement

A voting exclusion statement has been included in the Notice in relation to Resolution 1.

3.7. Listing Rules 10.14 and 10.15

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the grant of Plan Shares to Mr Zhou.

The following information is provided to Shareholders for the purposes of Listing Rule 10.15:

3.7.1. Name of person

Mr Shengqiang (Sean) Zhuo, who is a director of the Company.

3.7.2. Maximum number of securities to be issued

If Resolution 1 is passed, Mr Zhou will be issued 30,000,000 Plan Shares.

3.7.3. Issue price of securities

The Plan Shares will be issued for \$0.18 each.

3.7.4. Previous issues

No securities have been issued under the Plan since the last approval.

3.7.5. Names of persons referred to in Listing Rule 10.14 entitled to participate in the Plan

The persons referred to in Listing Rule 10.14 entitled to participate in the Plan are each of the Directors of the Company, being Mr Zhou, Mr McInnes and Ms Zhang.

3.7.6. Voting exclusion statement

A voting exclusion statement has been included in the Notice in relation to Resolution 1.

3.7.7. Terms of any loan in relation to the acquisition

The Company will provide an interest free, limited recourse loan with a three-year term to Mr Zhou to fund the payment of the subscription price for the Plan Shares.

The loans will otherwise be provided on the terms and conditions described in the summary of the Plan Loan set out in Section 3.4 of this Explanatory Memorandum.

3.7.8. Date by which the Company will issue the securities

The Plan Shares the subject of Resolution 1 will be issued no later than 12 months after the date of the Meeting.

4. Resolutions 2, 3, and 4 – Approval to Issue Performance Options to Directors

4.1. General

The Company is proposing, subject to obtaining Shareholder approval, to issue a total of 100,000,000 Performance Options, as detailed in Section 4.5.2 of this Explanatory Memorandum, to Mr Shengqiang (Sean) Zhou, Mr Bruce McInnes and Ms Zhenzhu (Carol) Zhang under the company's Equity Incentive Plan as part of their remuneration as Directors of the Company.

4.2. Section 195(4) of the Corporations Act

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors do not have a material personal interest in the issue of Options under Equity Incentive Plan other than to him or herself. However, given that it is proposed that all Directors will be issued Options under the Equity Incentive Plan pursuant to Resolutions 2, 3, and 4 they may be considered to have a material personal interest in the outcome of Resolutions 2, 3 and 4, in which case the Directors would be unable to form a quorum. Accordingly, the Directors consider it prudent to exercise their right under section 195(4) of the Corporations Act to put the matters to Shareholders to resolve.

4.3. Listing Rules 10.14 and 10.15

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of the Performance Options under the company's Equity Incentive Plan to each of the Directors.

Approval for the grant of the Performance Options is sought for the purposes of Listing Rule 10.14 and for all other purposes.

The following information in relation to the Performance Options it is proposed be issued to the Directors the subject of Resolutions 2, 3 and 4 is provided to Shareholders for the purposes of Listing Rule 10.15:

Performance Options	Category A	Category B	Category C	Category D	Category E	Category F	Total
	000's	000's	000's	000's	000's	000's	000's
Director							
Shengqiang (Sean) Zhou	5,000	5,000	10,000	5,000	5,000	10,000	40,000
Bruce McInnes	5,000	5,000	10,000	5,000	5,000	10,000	40,000
Zhenzhu (Carol) Zhang	2,500	2,500	5,000	2,500	2,500	5,000	20,000
Total	12,500	12,500	25,000	12,500	12,500	25,000	100,000

4.3.1. Maximum securities that may be granted

The maximum number of securities that may be acquired by all persons for whom approval is required is as follows:

Performance Options	Category A	Category B	Category C	Category D	Category E	Category F	Total
	000's	000's	000's	000's	000's	000's	000's
Director							
Shengqiang (Sean) Zhou	5,000	5,000	10,000	5,000	5,000	10,000	40,000
Bruce McInnes	5,000	5,000	10,000	5,000	5,000	10,000	40,000
Zhenzhu (Carol) Zhang	2,500	2,500	5,000	2,500	2,500	5,000	20,000
Total	12,500	12,500	25,000	12,500	12,500	25,000	100,000

4.3.2. Price

Each Performance Option will be issued for nil cash consideration as they will form part of the remuneration of each Director for services provided as a director of the Company.

No funds will be raised from the issue of the Performance Options which are the subject of Resolutions 2, 3 and 4.

4.3.3. Previous issues

No securities have been issued under the Equity Incentive Plan since the last approval.

4.3.4. Names of persons referred to in Listing Rule 10.14 entitled to participate in the Equity Incentive Plan

The persons referred to in Listing Rule 10.14 entitled to participate in the Equity Incentive Plan are each of the Directors of the Company, being Mr Zhou, Mr McInnes and Ms Zhang.

4.3.5. Voting exclusion statement

A voting exclusion statement has been included in the Notice in relation to Resolutions 2, 3 and 4.

4.3.6. Terms of any loan in relation to the acquisition

There are no loans applicable to the Performance Shares to be issued pursuant to Resolutions 2, 3 and 4.

4.3.7. Date by which the Company will issue the securities

The Company will issue the Performance Options which are the subject of Resolutions 2, 3 and 4 within 12 months of the date of the Meeting.

4.4. Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in sections 217 to 227 of the Corporations Act; and

- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Options constitutes giving a financial benefit, as defined in the Corporations Act, to Shengqiang (Sean) Zhou, Bruce McInnes and Ms Zhenzhu (Carol) Zhang who are related parties of the Company by virtue of being Directors.

4.5. Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Performance Options:

4.5.1. Identity of the related parties to whom the resolutions which form part of Resolutions 2, 3 and 4 permit financial benefits to be given

The Performance Options will be issued to Shengqiang (Sean) Zhou, Bruce McInnes and Ms Zhenzhu (Carol) Zhang, each directors of the Company.

4.5.2. Nature of the financial benefit

Resolutions 2, 3, and 4 seek approval from Shareholders to allow the Company to issue the Performance Options as follows:

Each Category A Performance Option entitles the holder to subscribe for a share, subject to the production of 100 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition A**).

Upon satisfaction or waiver of Option Vesting Condition A, each Category A Performance Option is exercisable at \$0.25 on or before the date that is 3 years from the date of issue of the Category A Performance Option. The terms of the Category A Performance Options are set out at Schedule 1.

Each Category B Performance Option entitles the holder to subscribe for a share, subject to the definition by the Company (or an entity controlled by the Company) of a total (measured, indicated and inferred) JORC 2012-compliant resource of 1,000,000 ounces of contained gold at an average grade greater than or equal to 3 grams per tonne (**Option Vesting Condition B**). Nb. The performance target is 1,000,000 ounces of contained gold at an average grade greater than or equal to 3 grams per tonne. The grade given is a performance hurdle only and has no relationship to the tonnage being targeted; i.e. this is not an exploration target.

Upon satisfaction or waiver of Option Vesting Condition B, each Category B Performance Option is exercisable at \$0.25 on or before the date that is 3 years from the date of issue of the Category B Performance Option. The terms of the Category B Performance Options are set out at Schedule 2.

Each Category C Performance Option entitles the holder to subscribe for a share, subject to the definition by the Company (or an entity controlled by the Company) of a total (measured, indicated and inferred) JORC 2012-compliant resource of 1,500,000 ounces of contained gold at an average grade greater than or equal to 3 grams per tonne (**Option Vesting Condition C**). Nb. The performance target is 1,500,000 ounces of contained gold at an average grade greater than or equal to 3 grams per tonne. The grade given is a performance hurdle only and has no relationship to the tonnage being targeted; i.e. this is not an exploration target.

Upon satisfaction or waiver of Option Vesting Condition C, each Category C Performance Option is exercisable at \$0.30 on or before the date that is 5 years from the date of issue of the Category C Performance Option. The terms of the Category C Performance Options are set out at Schedule 3.

Each Category D Performance Option entitles the holder to subscribe for a share, subject to the production of 10,000 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition D**).

Upon satisfaction or waiver of Option Vesting Condition D, each Category D Performance Option is exercisable at \$0.35 on or before the date that is 5 years from the date of issue of the Category D Performance Option. The terms of the Category D Performance Options are set out at Schedule 4.

Each Category E Performance Option entitles the holder to subscribe for a share, subject to the Company the production of 50,000 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition E**).

Upon satisfaction or waiver of Option Vesting Condition E, each Category E Performance Option is exercisable at \$0.50 on or before the date that is 5 years from the date of issue of the Category E Performance Option. The terms of the Category E Performance Options are set out at Schedule 5.

Each Category F Performance Option entitles the holder to subscribe for a share, subject to the price of the Company's shares traded on ASX achieving a 20 day volume weighted average price of \$1.00 per share (**Option Vesting Condition F**).

Upon satisfaction or waiver of Option Vesting Condition F, each Category F Performance Option is exercisable at \$0.60 on or before the date that is 5 years from the date of issue of the Category F Performance Option. The terms of the Category F Performance Options are set out at Schedule 6.

4.5.3. Reasons for giving the financial benefit

The primary purpose for the issue of the Performance Options to the Directors is to provide a market linked incentive package for each Director and to encourage a greater involvement in the achievement of the Company's objectives. The issue of the Performance Options is a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number of Performance Options to be offered has been determined based upon a consideration of:

- (a) the cash remuneration of each Director;
- (b) the Company's desire to attract and retain suitably qualified directors; and
- (c) the Company's desire to establish incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

4.5.4. Opportunity costs and benefits foregone

The Directors do not consider that there would be any opportunity costs and benefits foregone by the proposed issue of the Performance Options to the Directors.

The Company will not incur any costs or fees in relation to the issue of the Performance Options, however if all of the Performance Options are exercised the Company would incur costs of approximately \$55,212 in listing fees for the Shares which are issued following such exercise (assuming a Share price of \$0.60, the highest exercise price).

4.5.5. Existing relevant interests

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

Director	Shares	Performance Options
Shengqiang (Sean) Zhou	24,289,873	nil
Bruce McInnes	14,350,918	nil
Zhenzhu (Carol) Zhang	86,354,474	nil

Assuming that Resolutions 1, 2, 3, and 4 are approved by Shareholders, all of the Performance Options are issued, vested and exercised to obtain Shares, and no other Equity Securities are issued or exercised, the respective interests of the Directors in the Company would be as follows:

- (a) Mr Shengqiang (Sean) Zhou's interest would represent approximately 15.04% of the Company's enlarged capital;
- (b) Mr Bruce McInnes interest would represent approximately 8.67% of the Company's enlarged capital; and
- (c) Ms Zhenzhu (Carol) Zhang's interest would represent approximately 16.96% of the Company's enlarged capital.

4.5.6. Dilution effect

If Resolutions 2, 3, and 4 are passed the Company will issue 100,000,000 Performance Options which, if exercised, will convert to 100,000,000 Shares.

As at the date of this Notice, the Company has on issue:

- (a) 596,949,469 Shares;
- (b) 16,253,904 Listed Options; and
- (c) Convertible Notes:
 - (i) two Convertible Notes with a face value of \$1,000,000 and \$500,000 respectively, which may be converted at \$0.18 per Share; and
 - (ii) one Convertible Note with a face value of \$2,500,000, which may be converted at \$0.07 per Share.

The maximum number of Shares into which the Convertible Notes may convert is 44,047,618 Shares.

If Resolution 1 is passed, the Company will issue a total of 30,000,000 Plan Shares to Mr Zhou.

Assuming the Plan Shares the subject of Resolution 1 are issued to Mr Zhou, if Resolutions 2 to 4 (inclusive) are passed, the holdings of existing Shareholders will be diluted by 17.88% on an undiluted basis and 16.51% on a fully diluted basis by the issue of the Performance Options.

4.5.7. Remuneration of Directors

The total annual remuneration arrangements for each of the Directors as at the date of this Notice are set out below:

Director	Salary and fees (inclusive of superannuation)	Short Term Incentive	Long Term Incentive
Shengqiang (Sean) Zhou	\$132,000	nil	nil
Bruce McInnes	\$198,000	nil	nil
Zhenzhu (Carol) Zhang	\$44,000	nil	nil

4.5.8. Valuation

The Company has valued the Performance Options proposed to be issued to the Directors using a Binomial Model.

If Resolutions 2, 3 and 4 are passed, Performance Options issued would be initially recognised in the Share Based Payment Reserve in the Company's Consolidated Statement of Financial Position based on an estimated fair value using the Binomial Model, with a corresponding share-based payment expense recognised in the Company's Consolidated Statement of Comprehensive Income.

In accordance with Accounting Standards, the Vesting Conditions were not taken into account when estimating the fair value of the Performance Options at the Valuation Date.

Instead, the Vesting Conditions are taken into account by adjusting the number of Performance Options included in the measurement of the transaction amount so that, ultimately, the amount recognised for services received as consideration for the Performance Options granted will be based on the number of Performance Options for which the performance milestone is satisfied.

The valuation of the Performance Options has been prepared using the following assumptions:

Variable	Input					
	Category A	Category B	Category C	Category D	Category E	Category F
Valuation Date	8 March 2019					
Share Price	\$0.15					
Dividend Yield	0.0%					
Exercise Price per Share	\$0.25	\$0.25	\$0.30	\$0.35	\$0.50	\$0.60
Risk free interest rate	1.61% per annum		1.69% per annum			
Volatility	37.60%		56.70%			
Time (years to expiry)	Three		Five			

For the purposes of calculating the value of each Performance Option, the Company has:

- (a) assumed a Share price of \$0.15, being the closing price of Shares traded on the official list of ASX on 8 March 2019;
- (b) assumed a dividend yield of 0% based on the Company's dividend history;
- (c) used a risk-free interest rates of 1.61% (three years) and 1.69% (five years), (estimated based on the yield on Australian government bonds with respectively 3-year and 5-year maturities as at the date of valuation of the Performance Options); and
- (d) used a volatility of the Share price of 37.60% (three years) and 56.70% (five years) as determined by analysing the historical share volatility of the Company's and comparable Australian junior resource company shares.

Based on the above, the Company has calculated indicative values of Performance Options to be as follows:

Performance Options	Category A	Category B	Category C	Category D	Category E	Category F	Total
Number (000's)	12,500	12,500	25,000	12,500	12,500	25,000	100,000
Indicative value per Performance Option	\$0.0167	\$0.0167	\$0.0473	\$0.0423	\$0.0307	\$0.0252	\$0.0314
Total indicative value	\$208,750	\$208,750	\$1,182,500	\$528,750	\$383,750	\$630,000	\$3,142,500

Directors' fees remuneration per annum and the total financial benefit to be received by Directors in this current financial year ended 30 June 2019, as a result of the issue of the Plan Shares and the provision of the Plan Loan the subject of Resolution 1 and the Performance Options the subject of Resolutions 2, 3 and 4 are as follows:

Director	Salary and fees (inclusive of superannuation)	Value of Plan Shares and Plan Loan the subject of Resolution 1	Value of Performance Options the subject of Resolutions 2, 3 and 4	Total financial benefit
Shengqiang (Sean) Zhou	\$132,000	\$936,000	\$1,257,000	\$2,325,000
Bruce McInnes	\$198,000	-	\$1,257,000	\$1,455,000
Zhenzhu (Carol) Zhang	\$44,000	-	\$628,500	\$672,500
Total	\$374,000	\$936,000	\$3,142,500	\$4,452,500

In determining the Performance Option arrangements, the board took into account the nature of the position, the function and purpose of the Performance Option component of the Company's remuneration strategy and other components of the Director's remuneration, together with the Equity Incentive Plan.

Shareholders approved the Equity Incentive Plan at the Annual General Meeting held on 30 November 2017.

The purpose of the Equity Incentive Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Employees;

- (b) link the reward of Eligible Employees to performance and the creation of Shareholder value;
- (c) align the interests of Eligible Employees more closely with the interests of Shareholders by providing an opportunity for Eligible Employees to receive an equity interest in the form of Awards;
- (d) provide Eligible Employees with the opportunity to share in any future growth in value of the company; and
- (e) provide greater incentive for Eligible Employees to focus on the Company's longer-term goals.

Under their employment agreements with the Company the Directors' remuneration consists of:

- (a) fixed remuneration;
- (b) short-term incentives, and
- (c) long-term incentives.

The Company has made significant progress towards achieving its objective in achieving the development of a stand-alone gold mining and processing operation at the Plutonic Dome (Marymia) Project in the central west of Western Australia. There are significant opportunities and challenges in both the near and long-term, and the proposed issue of the Performance Options is designed to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value.

The Board believes that incentivising the Directors with Performance Options is a prudent means of conserving the Company's available cash reserves. Additionally, the Company would raise funds as a result of the Performance Options being exercised.

4.5.9. Other information

The arm's length and reasonable remuneration exceptions to the prohibition on providing a financial benefit to a related party are not available to the Company for Resolutions 2, 3 and 4 because the amounts of each of the financial benefit to be provided are considered to be in excess of market rates.

Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the Performance Options pursuant to Resolutions 2, 3 and 4.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders in relation to the financial benefits contemplated by Resolutions 2, 3 and 4.

4.5.10. Interests of directors

Mr Shengqiang (Sean) Zhou has an interest in Resolution 2 because if it is passed he will be issued 40,000,000 Performance Options. The other directors do not have an interest in Resolution 2.

Mr Bruce McInnes has an interest in Resolution 3 because if it is passed he will be issued 40,000,000 Performance Options. The other directors do not have an interest in Resolution 3.

Ms Zhenzhu (Carol) Zhang has an interest in Resolution 4 because if it is passed she will be issued 20,000,000 Performance Options. The other directors do not have an interest in Resolution 4.

4.5.11. Directors' recommendations

The Directors decline to make a recommendation to Shareholders in relation to the resolutions due to their material personal interests in the outcome of the Resolutions.

ASIC Regulatory Guide 76: Related Party Transactions notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other's remuneration as there may be a conflict of interest.

Mr Zhou, Ms Zhang and Mr McInnes have a material personal interest in the outcome of Resolutions 2, 3, and 4, given it is proposed that they be issued with Performance Options under the Equity Incentive Plan.

5. Sections 200B and 200E of the Corporations Act

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on leaving their employment with the Company or a related body corporate (the Group). Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office (as defined in the Corporations Act) in the Group if it is approved by shareholders or an exemption applies.

The provisions of the Corporations Act relating to termination benefits apply to each of the Directors. Additionally, persons subject to the restrictions remain subject to them for at least three years after they cease to be a managerial or executive officer.

Under the termination benefits laws, the term 'benefit' has a wide operation and is likely to include:

- (a) the continuation by the holder of any interest in the Performance Options issued under the Equity Incentive Plan;
- (b) the waiver of any Performance Option lapsing condition on any option which a Director has become entitled to but not vested at the date of termination or vested rights which the Director would have become entitled to during the three months following termination had the termination not occurred;
- (c) the adjustment to or variation to the terms of exercise of the Performance Options including any variation, reduction or waiving the Vesting Conditions attaching to the Performance Options; and
- (d) the waiver of any restriction on the assignment, transfer, sale, grant of an encumbrance over or dealing with any Performance Options by a Director,

in circumstances where a Director ceases to be a director of the Company (each a Benefit).

Shareholder approval is therefore being sought under sections 200B and 200E of the Corporations Act for the granting of the Performance Options to the Directors so that the value of the Benefit will be disregarded when calculating the relevant Director's cap for the purposes of calculating the permissible termination benefits payable under the Corporations Act.

Section 200E of the Corporations Act requires certain information to be provided to Shareholders in approving a termination benefit as follows:

5.1.1. Details of the termination benefits

The Equity Incentive Plan contains a rule whereby the Board may at any time waive or make adjustments to or vary the terms of exercise of a Performance Option, including reducing or waiving the Vesting Conditions attaching to Performance Options in whole or in part at any time and in any particular case. Any proposed variation or adjustment will be subject to any requirements of the Corporations Act and/or the Listing Rules (including shareholder approval).

Accordingly, for example, notwithstanding that a Director may have ceased to be an employee because his employment was terminated for cause and ordinarily this would constitute an option lapsing event, the Board may waive or amend this provision such that the Director continues to have the benefit of the Performance Option for a period after he or she has ceased to be a Director.

5.1.2. Value of the termination benefits

The value of the potential termination benefits cannot be quantified at this point, as the manner in which the value is calculated depends on various matters, events and circumstances that will, or are likely to, affect the calculation of the value.

Specifically, the value of a particular benefit will depend on factors such as the Share price at the time, and the number and value of Performance Options held by that Director at the time.

5.1.3. Voting exclusion statement

A voting exclusion statement has been included in the Notice in relation to Resolutions 2, 3, and 4.

6. Definitions table

\$	means Australian dollars.
AEST	means Australian Eastern Standard Time.
Associate	has the meaning given to that term in the Listing Rules.
ASX	means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the Directors.
Category A Performance Options	means an option to acquire a Share on the terms set out in Schedule 1.
Category B Performance Options	means an option to acquire a Share on the terms set out in Schedule 2.
Category C Performance Options	means an option to acquire a Share on the terms set out in Schedule 3.
Category D Performance Options	means an option to acquire a Share on the terms set out in Schedule 4.
Category E Performance Options	means an option to acquire a Share on the terms set out in Schedule 5.
Category F Performance Options	means an option to acquire a Share on the terms set out in Schedule 6.
Chair	means the individual elected to chair the Meeting.
Closely Related Party	of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is on the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of this definition.

Company means Vango Mining Limited (ACN 108 737 711).

Constitution means the Company's constitution, as amended from time to time

Convertible Notes means the convertible notes on issue by the Company as at the date of the Notice, summarised as follows:

- (a) Principal: \$1,000,000; Interest: 15% per annum, payable at maturity; Maturity date: 19 April 2019; Conversion: Holder may convert all or part of the principal at any time prior to the maturity date at a fixed price of \$0.18 per Share; Security: Unsecured; Maximum number of converted Shares under this note: 5,555,556 Shares;
- (b) Principal: \$500,000; Interest: 15% per annum, payable at maturity; Maturity date: 19 April 2019; Conversion: Holder may convert all or part of the principal at any time prior to the maturity date at a fixed price of \$0.18 per Share; Security: Unsecured; Maximum number of converted Shares under this note: 2,777,778 Shares; and
- (c) Principal: \$2,500,000; Interest: 8% per annum, payable at maturity; Maturity date: 19 March 2020; Conversion: Holder may convert all or part of the principal at any time prior to the maturity date at a fixed price of \$0.07 per Share; Security: Unsecured; Maximum number of converted Shares under this note: 35,714,285 Shares.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Equity Incentive Plan means the Vango Mining Limited Employee Equity Incentive Plan, as summarised in the Company's Notice of Meeting announced to ASX on 26 October 2017.

Exercise Price means the amount payable to the Company upon the exercise of each option.

Explanatory Memorandum	means this explanatory memorandum accompanying the Notice.
Issued Capital	means issued Shares from time to time.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listed Options	means the listed options on issue as at the date of the Notice, exercisable at \$0.27 on or before 11 July 2020.
Listing Rules	means the ASX Listing Rules.
Loan Share	means a share issued under the Plan.
Meeting	means the General Meeting convened by the Notice.
Notice	means the Notice of General Meeting including this Explanatory Memorandum.
Option Vesting Condition A	has the meaning given to that term in Section 4.5.2 of this Explanatory Memorandum.
Option Vesting Condition B	has the meaning given to that term in Section 4.5.2 of this Explanatory Memorandum.
Option Vesting Condition C	has the meaning given to that term in Section 4.5.2 of this Explanatory Memorandum.
Option Vesting Condition D	has the meaning given to that term in Section 4.5.2 of this Explanatory Memorandum.
Option Vesting Condition E	has the meaning given to that term in Section 4.5.2 of this Explanatory Memorandum.
Option Vesting Condition F	has the meaning given to that term in Section 4.5.2 of this Explanatory Memorandum.
Performance Options	means the Category A Performance Options, Category B Performance Options, Category C Performance Options, Category D Performance Options, Category E Performance Options and Category F Performance Options.

Plan	means the Vango Mining Limited Employee Loan Share Plan, formerly known as the Ord River Resources Employee Loan Share Plan, as summarised in the Company's Notice of Meeting announced to ASX on 17 July 2018.
Plan Loan	means a loan to acquire Plan Shares made pursuant to the Plan.
Plan Share	means a Share issued pursuant to the Plan.
Proxy Form	means the proxy form accompanying the Notice.
Relevant Interest	has the meaning given in the Corporations Act.
Resolution	means a resolution contained in the Notice.
Shareholder	means a member of the Company from time to time.
Share	means a fully paid ordinary share in the capital of the Company.
Vesting Condition	means the performance, vesting or other conditions (if any) as determined by the Board (in its absolute discretion) and set out in the Certificate or Offer which are, subject to the Rules of the Equity Incentive Plan, required to be satisfied, reached or met before a Performance Option vests and can be exercised.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1

Category A Performance Options

Terms of Category A Performance Options

A Category A Performance Option entitles the holder to subscribe for an ordinary share (**Share**) in Vango Mining Limited (ACN 108 737 711) (**Company**) on the terms and conditions of the Vango Mining Limited Employee Equity Incentive Plan (**Rules**) and otherwise as set out below.

1. Performance milestone

Subject to the Rules, each Category A Performance Option can only be exercised by the holder if the Company has achieved production of 100 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition A**).

2. Exercise

- (a) The exercise price of each Category A Performance Option is \$0.25 (**Exercise Price**).
- (b) The Category A Performance Options can be exercised in accordance with clause 14.1(a)(i) of the Rules, in whole or in part subject to clause 14.4 of the Rules.
- (c) The Last Exercise Date for the Category A Performance Options is the date that is 3 years from the date of issue of the Category A Performance Option.
- (d) A Category A Performance Option cannot be exercised if the exercise would result in the Category A Performance Option holder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act.

3. Shares issued on exercise

Subject to these terms and conditions and the Rules, each Category A Performance Option shall carry the right to subscribe for one Share in the Company which once issued and allotted will rank pari passu with the existing Shares of the Company.

4. Quotation

- (a) The Category A Performance Options will not be quoted on the ASX.
- (b) A certificate will be issued for the Category A Performance Options.
- (c) The Company will make an application to the ASX for the quotation of the Shares issued on the exercise of the Category A Performance Options.

5. Notice

The Category A Performance Options can only be exercised by notice in writing to the Company together with payment of the Exercise Price in accordance with clause 14.3 of the Rules.

6. Participation in new issues

A Category A Performance Option holder will only be permitted to participate in a new issue of securities of the Company to existing holders of Shares on the prior exercise of the Category A Performance Options in accordance with clause 17.2 of the Rules.

7. Dividends

The Category A Performance Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Category A Performance Options.

8. Transferability

The Category A Performance Options are not transferrable except in accordance with clause 16.1 of the Rules.

9. Rights issues

The Exercise Price of the Category A Performance Options will be adjusted for pro rata issues in accordance with clause 17.3 of the Rules.

10. Bonus issues

The number of Shares to be issued pursuant to the exercise of Category A Performance Options will be adjusted for bonus issues in accordance with clause 17.4 of the Rules.

11. Adjustments for reorganisation

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Category A Performance Options will be reorganised in accordance with the ASX Listing Rules and clause 17.5 of the Rules.

12. Issue of Shares

- (a) Shares that are issued as a result of the exercise of Category A Performance Options may be held in the name of the Category A Performance Option holder's nominee.
- (b) Shares issued pursuant to the exercise of the Category A Performance Options will be issued in accordance with clause 14.6 of the Rules.

Schedule 2

Category B Performance Options

Terms of Category B Performance Options

A Category B Performance Option entitles the holder to subscribe for an ordinary share (**Share**) in Vango Mining Limited (ACN 108 737 711) (**Company**) on the terms and conditions of the Vango Mining Limited Employee Equity Incentive Plan (**Rules**) and otherwise as set out below.

1. Performance milestone

Subject to the Rules, each Category B Performance Option can only be exercised by the holder upon the definition by the Company (or an entity controlled by the Company) of a total (measured, indicated and inferred) JORC 2012-compliant resource of 1,000,000 ounces of contained gold at an average grade greater than or equal to 3 grams per tonne (**Option Vesting Condition B**).

2. Exercise

- (a) The exercise price of each Category B Performance Option is \$0.25 (**Exercise Price**).
- (b) The Category B Performance Options can be exercised in accordance with clause 14.1(a)(i) of the Rules, in whole or in part subject to clause 14.4 of the Rules.
- (c) The Last Exercise Date for the Category B Performance Options is the date that is 3 years from the date of issue of the Category B Performance Option.
- (d) A Category B Performance Option cannot be exercised if the exercise would result in the Category B Performance Option holder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act.

3. Shares issued on exercise

Subject to these terms and conditions and the Rules, each Category B Performance Option shall carry the right to subscribe for one Share in the Company which once issued and allotted will rank pari passu with the existing Shares of the Company.

4. Quotation

- (a) The Category B Performance Options will not be quoted on the ASX.
- (b) A certificate will be issued for the Category B Performance Options.
- (c) The Company will make an application to the ASX for the quotation of the Shares issued on the exercise of the Category B Performance Options.

5. Notice

The Category B Performance Options can only be exercised by notice in writing to the Company together with payment of the Exercise Price in accordance with clause 14.3 of the Rules.

6. Participation in new issues

A Category B Performance Option holder will only be permitted to participate in a new issue of securities of the Company to existing holders of Shares on the prior exercise of the Category B

Performance Options in accordance with clause 17.2 of the Rules.

7. Dividends

The Category B Performance Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Category B Performance Options.

8. Transferability

The Category B Performance Options are not transferrable except in accordance with clause 16.1 of the Rules.

9. Rights issues

The Exercise Price of the Category B Performance Options will be adjusted for pro rata issues in accordance with clause 17.3 of the Rules.

10. Bonus issues

The number of Shares to be issued pursuant to the exercise of Category B Performance Options will be adjusted for bonus issues in accordance with clause 17.4 of the Rules.

11. Adjustments for reorganisation

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Category B Performance Options will be reorganised in accordance with the ASX Listing Rules and clause 17.5 of the Rules.

12. Issue of Shares

- (a) Shares that are issued as a result of the exercise of Category B Performance Options may be held in the name of the Category B Performance Option holder's nominee.
- (b) Shares issued pursuant to the exercise of the Category B Performance Options will be issued in accordance with clause 14.6 of the Rules.

Schedule 3

Category C Performance Options

Terms of Category C Performance Options

A Category C Performance Option entitles the holder to subscribe for an ordinary share (**Share**) in Vango Mining Limited (ACN 108 737 711) (**Company**) on the terms and conditions of the Vango Mining Limited Employee Equity Incentive Plan (**Rules**) and otherwise as set out below.

1. Performance milestone

Subject to the Rules, each Category C Performance Option can only be exercised by the holder upon the definition by the Company (or an entity controlled by the Company) of a total (measured, indicated and inferred) JORC 2012-compliant resource of 1,500,000 ounces of contained gold at an average grade greater than or equal to 3 grams per tonne (**Option Vesting Condition C**).

2. Exercise

- (a) The exercise price of each Category C Performance Option is \$0.30 (**Exercise Price**).
- (b) The Category C Performance Options can be exercised in accordance with clause 14.1(a)(i) of the Rules, in whole or in part subject to clause 14.4 of the Rules.
- (c) The Last Exercise Date for the Category C Performance Options is the date that is 5 years from the date of issue of the Category C Performance Option.
- (d) A Category C Performance Option cannot be exercised if the exercise would result in the Category C Performance Option holder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act.

3. Shares issued on exercise

Subject to these terms and conditions and the Rules, each Category C Performance Option shall carry the right to subscribe for one Share in the Company which once issued and allotted will rank pari passu with the existing Shares of the Company.

4. Quotation

- (a) The Category C Performance Options will not be quoted on the ASX.
- (b) A certificate will be issued for the Category C Performance Options.
- (c) The Company will make an application to the ASX for the quotation of the Shares issued on the exercise of the Category C Performance Options.

5. Notice

The Category C Performance Options can only be exercised by notice in writing to the Company together with payment of the Exercise Price in accordance with clause 14.3 of the Rules.

6. Participation in new issues

A Category C Performance Option holder will only be permitted to participate in a new issue of securities of the Company to existing holders of Shares on the prior exercise of the Category C

Performance Options in accordance with clause 17.2 of the Rules.

7. Dividends

The Category C Performance Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Category C Performance Options.

8. Transferability

The Category C Performance Options are not transferrable except in accordance with clause 16.1 of the Rules.

9. Rights issues

The Exercise Price of the Category C Performance Options will be adjusted for pro rata issues in accordance with clause 17.3 of the Rules.

10. Bonus issues

The number of Shares to be issued pursuant to the exercise of Category C Performance Options will be adjusted for bonus issues in accordance with clause 17.4 of the Rules.

11. Adjustments for reorganisation

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Category C Performance Options will be reorganised in accordance with the ASX Listing Rules and clause 17.5 of the Rules.

12. Issue of Shares

- (a) Shares that are issued as a result of the exercise of Category C Performance Options may be held in the name of the Category C Performance Option holder's nominee.
- (b) Shares issued pursuant to the exercise of the Category C Performance Options will be issued in accordance with clause 14.6 of the Rules.

Schedule 4

Category D Performance Options

Terms of Category D Performance Options

A Category D Performance Option entitles the holder to subscribe for an ordinary share (**Share**) in Vango Mining Limited (ACN 108 737 711) (**Company**) on the terms and conditions of the Vango Mining Limited Employee Equity Incentive Plan (**Rules**) and otherwise as set out below.

1. Performance milestone

Subject to the Rules, each Category D Performance Option can only be exercised by the holder upon the production of 10,000 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition D**).

2. Exercise

- (a) The exercise price of each Category D Performance Option is \$0.35 (**Exercise Price**).
- (b) The Category D Performance Options can be exercised in accordance with clause 14.1(a)(i) of the Rules, in whole or in part subject to clause 14.4 of the Rules.
- (c) The Last Exercise Date for the Category D Performance Options is the date that is 5 years from the date of issue of the Category D Performance Option.
- (d) A Category D Performance Option cannot be exercised if the exercise would result in the Category D Performance Option holder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act.

3. Shares issued on exercise

Subject to these terms and conditions and the Rules, each Category D Performance Option shall carry the right to subscribe for one Share in the Company which once issued and allotted will rank pari passu with the existing Shares of the Company.

4. Quotation

- (a) The Category D Performance Options will not be quoted on the ASX.
- (b) A certificate will be issued for the Category D Performance Options.
- (c) The Company will make an application to the ASX for the quotation of the Shares issued on the exercise of the Category D Performance Options.

5. Notice

The Category D Performance Options can only be exercised by notice in writing to the Company together with payment of the Exercise Price in accordance with clause 14.3 of the Rules.

6. Participation in new issues

A Category D Performance Option holder will only be permitted to participate in a new issue of securities of the Company to existing holders of Shares on the prior exercise of the Category D Performance Options in accordance with clause 17.2 of the Rules.

7. Dividends

The Category D Performance Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Category D Performance Options.

8. Transferability

The Category D Performance Options are not transferrable except in accordance with clause 16.1 of the Rules.

9. Rights issues

The Exercise Price of the Category D Performance Options will be adjusted for pro rata issues in accordance with clause 17.3 of the Rules.

10. Bonus issues

The number of Shares to be issued pursuant to the exercise of Category D Performance Options will be adjusted for bonus issues in accordance with clause 17.4 of the Rules.

11. Adjustments for reorganisation

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Category D Performance Options will be reorganised in accordance with the ASX Listing Rules and clause 17.5 of the Rules.

12. Issue of Shares

- (a) Shares that are issued as a result of the exercise of Category D Performance Options may be held in the name of the Category D Performance Option holder's nominee.
- (b) Shares issued pursuant to the exercise of the Category D Performance Options will be issued in accordance with clause 14.6 of the Rules.

Schedule 5

Category E Performance Options

Terms of Category E Performance Options

A Category E Performance Option entitles the holder to subscribe for an ordinary share (**Share**) in Vango Mining Limited (ACN 108 737 711) (**Company**) on the terms and conditions of the Vango Mining Limited Employee Equity Incentive Plan (**Rules**) and otherwise as set out below.

1. Performance milestone

Subject to the Rules, each Category E Performance Option can only be exercised by the holder upon the production of 50,000 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition E**).

2. Exercise

- (a) The exercise price of each Category E Performance Option is \$0.50 (**Exercise Price**).
- (b) The Category E Performance Options can be exercised in accordance with clause 14.1(a)(i) of the Rules, in whole or in part subject to clause 14.4 of the Rules.
- (c) The Last Exercise Date for the Category E Performance Options is the date that is 5 years from the date of issue of the Category E Performance Option.
- (d) A Category E Performance Option cannot be exercised if the exercise would result in the Category E Performance Option holder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act.

3. Shares issued on exercise

Subject to these terms and conditions and the Rules, each Category E Performance Option shall carry the right to subscribe for one Share in the Company which once issued and allotted will rank pari passu with the existing Shares of the Company.

4. Quotation

- (a) The Category E Performance Options will not be quoted on the ASX.
- (b) A certificate will be issued for the Category E Performance Options.
- (c) The Company will make an application to the ASX for the quotation of the Shares issued on the exercise of the Category E Performance Options.

5. Notice

The Category E Performance Options can only be exercised by notice in writing to the Company together with payment of the Exercise Price in accordance with clause 14.3 of the Rules.

6. Participation in new issues

A Category E Performance Option holder will only be permitted to participate in a new issue of securities of the Company to existing holders of Shares on the prior exercise of the Category E Performance Options in accordance with clause 17.2 of the Rules.

7. Dividends

The Category E Performance Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Category E Performance Options.

8. Transferability

The Category E Performance Options are not transferrable except in accordance with clause 16.1 of the Rules.

9. Rights issues

The Exercise Price of the Category E Performance Options will be adjusted for pro rata issues in accordance with clause 17.3 of the Rules.

10. Bonus issues

The number of Shares to be issued pursuant to the exercise of Category E Performance Options will be adjusted for bonus issues in accordance with clause 17.4 of the Rules.

11. Adjustments for reorganisation

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Category E Performance Options will be reorganised in accordance with the ASX Listing Rules and clause 17.5 of the Rules.

12. Issue of Shares

- (a) Shares that are issued as a result of the exercise of Category E Performance Options may be held in the name of the Category E Performance Option holder's nominee.
- (b) Shares issued pursuant to the exercise of the Category E Performance Options will be issued in accordance with clause 14.6 of the Rules.

Schedule 6

Category F Performance Options

Terms of Category F Performance Options

A Category F Performance Option entitles the holder to subscribe for an ordinary share (**Share**) in Vango Mining Limited (ACN 108 737 711) (**Company**) on the terms and conditions of the Vango Mining Limited Employee Equity Incentive Plan (**Rules**) and otherwise as set out below.

1. Performance milestone

Subject to the Rules, each Category F Performance Option can only be exercised by the holder upon the price of the Company's shares traded on ASX achieving a 20 day volume weighted average price of \$1.00 per share (**Option Vesting Condition F**).

2. Exercise

- (a) The exercise price of each Category F Performance Option is \$0.60 (**Exercise Price**).
- (b) The Category F Performance Options can be exercised in accordance with clause 14.1(a)(i) of the Rules, in whole or in part subject to clause 14.4 of the Rules.
- (c) The Last Exercise Date for the Category F Performance Options is the date that is 5 years from the date of issue of the Category F Performance Option.
- (d) A Category F Performance Option cannot be exercised if the exercise would result in the Category F Performance Option holder (or someone else) breaching the prohibition set out in section 606 of the Corporations Act.

3. Shares issued on exercise

Subject to these terms and conditions and the Rules, each Category F Performance Option shall carry the right to subscribe for one Share in the Company which once issued and allotted will rank pari passu with the existing Shares of the Company.

4. Quotation

- (a) The Category F Performance Options will not be quoted on the ASX.
- (b) A certificate will be issued for the Category F Performance Options.
- (c) The Company will make an application to the ASX for the quotation of the Shares issued on the exercise of the Category F Performance Options.

5. Notice

The Category F Performance Options can only be exercised by notice in writing to the Company together with payment of the Exercise Price in accordance with clause 14.3 of the Rules.

6. Participation in new issues

A Category F Performance Option holder will only be permitted to participate in a new issue of securities of the Company to existing holders of Shares on the prior exercise of the Category F Performance Options in accordance with clause 17.2 of the Rules.

7. Dividends

The Category F Performance Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Category F Performance Options.

8. Transferability

The Category F Performance Options are not transferrable except in accordance with clause 16.1 of the Rules.

9. Rights issues

The Exercise Price of the Category F Performance Options will be adjusted for pro rata issues in accordance with clause 17.3 of the Rules.

10. Bonus issues

The number of Shares to be issued pursuant to the exercise of Category F Performance Options will be adjusted for bonus issues in accordance with clause 17.4 of the Rules.

11. Adjustments for reorganisation

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the Category F Performance Options will be reorganised in accordance with the ASX Listing Rules and clause 17.5 of the Rules.

12. Issue of Shares

- (a) Shares that are issued as a result of the exercise of Category F Performance Options may be held in the name of the Category F Performance Option holder's nominee.
- (b) Shares issued pursuant to the exercise of the Category F Performance Options will be issued in accordance with clause 14.6 of the Rules.

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (AEST) on Wednesday, 29 May 2019.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, **10:00am (AEST) on Wednesday, 29 May 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged in the following method:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Vango Mining Limited

ABN 68 108 737 711

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Vango Mining Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **Suite 3542, Level 35, Tower 1, 100 Barangaroo Avenue, Sydney, New South Wales, 2000, Australia on Friday, 31 May 2019 at 10:00am (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorize the Chair to exercise my/our proxy on Resolutions 1, 2, 3 and 4 (except where I/we have indicated a different voting intention below) even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval to Issue Plan Shares and provide a Plan Loan to Shengqiang (Sean) Zhou	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue Performance Options Shengqiang (Sean) Zhou	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue Performance Options to Bruce McInnes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue Performance Options to Zhenzhu (Carol) Zhang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2019