



VANGO MINING LTD
ACN 108 737 711

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of 1 Option for every 2 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Option to raise up to \$187,792 (before expenses) (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

The Offer is fully underwritten by K S Capital Pty Limited ACN 124 761 557 AFSL No. 316880 (**Underwriter**). Refer to Section 11.4 for details regarding the terms of the Underwriting Agreement.

This Offer closes at 5:00pm AEST on 30 September 2016. Valid acceptances must be received before that date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Mr Bruce McInnes (Executive Chairman)
Mr Shengqiang (Sean) Zhou (Non-Executive Director)
Dr Zhenzhu (Carol) Zhang (Non-Executive Director)

Company Secretary

Mr Mark Camilleri

Registered Office

Suite 2, Level 5
71 Macquarie Street
Sydney NSW 2000

Telephone: + 61 2 9251 6012
Facsimile: +61 2 9247 6728
Website: www.vangomining.com

Share Registry*

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Telephone: 1300 737 760/+61 2 9290 9600
Facsimile: + 61 2 9279 0664

Auditor*

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

Principal Place of Business

Suite 2, Level 5
71 Macquarie Street
Sydney NSW 2000

ASX Code:

VAN

Solicitors

Gilbert + Tobin
1202 Hay Street
West Perth WA 6005

Underwriter

K S Capital Pty Limited AFSL No 316880
Level 2,
22 Pitt Street
SYDNEY NSW 2000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

Important dates*

Announcement of Offer and lodgement of Appendix 3B	26 August 2016
Lodgement of Prospectus with the ASIC and the ASX	5 September 2016
Notice sent to Shareholders	6 September 2016
Ex date (date Shares are quoted ex-rights)	8 September 2016
Record Date for determining Entitlements	5:00pm AEST 9 September 2016
Prospectus/Entitlement and Acceptance Form sent out to Shareholders and Opening Date of the Offer	13 September 2016
Closing Date**	5:00pm AEST 30 September 2016
Options quoted on a deferred settlement basis	4 October 2016
ASX notified of undersubscriptions	4 October 2016
Allotment Date of the Options	10 October 2016
Despatch of holding statements	11 October 2016
Quotation on normal settlement basis of Options issued under the Offer**	11 October 2016

* These dates are indicative only. The Directors reserve the right to vary these dates without prior notice, subject to the ASX Listing Rules.

**The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Options are expected to commence trading on the ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 5 September 2016 and was lodged with the ASIC on that date. The ASIC and the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The Company will apply to the ASX for Official Quotation of the Options offered pursuant to this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus. Any information or representation not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that Eligible Shareholders read this Prospectus in its entirety and seek professional advice where necessary. The Options the subject of this Prospectus should be considered highly speculative.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form accompanying this Prospectus as described in Section 7.4 of this Prospectus. An application for Options will only be accepted by completing the relevant section of the Entitlement and Acceptance Form and/or by making payment as described in Sections 7.5 and 7.6 of this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation.

Neither this document nor the Options the subject of the Offer have been, nor will be, registered under the United States Securities Act of 1933, as amended or under the securities legislation of any state of the United States of America, or any applicable securities laws of a country of jurisdiction outside of Australia. Accordingly, subject to certain exceptions, the Options the subject of the Offer may not, directly or indirectly, be offered or sold within a country or jurisdiction outside of Australia or to or for the account or benefit of any national resident or citizen of, or any person located in a country or jurisdiction outside of Australia.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and such other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and the Directors.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 10 of this Prospectus.

Key definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Please refer to Section 13 of this Prospectus for a list of defined terms.

Risk factors

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 10 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

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4. INVESTMENT OVERVIEW

Investment Overview

This section provides a summary of information that is key to a decision to invest in Shares and Options. This is a summary only. Potential investors should read this entire Prospectus carefully.

If you are unclear in relation to any aspect of the Offer, or if you are uncertain whether Options and, on exercise of the Options, Shares are a suitable investment for you, you should consult your financial or other professional adviser.

Question	Response	Where to find more information
What is being offered and at what price?	<p>The Company is offering Options to Eligible Shareholders by a pro-rata non-renounceable entitlement issue.</p> <p>Under the Offer, Eligible Shareholders may subscribe for 1 Option for every 2 Shares held on the Record Date, at a price of \$0.001 per Option, with each Option having an exercise price of \$0.06 and expiring at 5:00pm on 15 March 2018.</p>	Section 7.1
How many new securities will be issued?	<p>The maximum number of Options that will be issued under the Offer (if the Offer is fully subscribed) is approximately 187,791,935 Options.</p> <p>The Company will apply to the ASX for Official Quotation of the Options offered pursuant to this Prospectus. If ASX does not admit the Options to Official Quotation before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not allot or issue any Options and will repay all moneys received in connection with Applications for the Options within the time prescribed under the Corporations Act, without interest.</p>	Sections 7.1 and 7.12
What is the amount that will be raised under the Offer and what is the purpose of the Offer?	<p>If the Offer is fully subscribed, the Company will raise approximately \$187,792 through the issue of Options (before expenses of the Offer).</p> <p>The purpose of the Offer is to pay the expenses of the Offer and to provide the Company with a small amount of additional working capital. Any funds from the issue of Shares on exercise of the Options will be applied to paying down debt, exploration and development, including in connection with the K2 deposit and the Trident deposit which form part of the Plutonic Dome Project, and the remainder to general working capital and corporate overheads.</p> <p>Section 8 provides further details on funds raised</p>	Sections 7.1 and 8.1

Question	Response	Where to find more information
	under the Offer will be applied.	
Who is eligible to participate in the Offer?	<p>The Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia on the Record Date.</p> <p>If you are not an Eligible Shareholder, you are not able to participate in the Offer.</p>	Section 7.1
What are the alternatives for Eligible Shareholders?	<p>The Offer is non-renounceable so you cannot trade your Entitlements. As an Eligible Shareholder, you may:</p> <ul style="list-style-type: none"> • take up all of your Entitlements; • take up part of your Entitlements, and allow the balance of your Entitlements to lapse; or • allow all of your Entitlements to lapse. <p>If you take up your full entitlement, you will not be able to apply for additional Options.</p>	Sections 7.4, 7.5, 7.6 and 7.7
Can I trade my Entitlement?	No. The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.	Section 7.7
Is the Offer underwritten?	<p>KS Capital Pty Limited is the Underwriter to the Offer.</p> <p>The Underwriter is not a related party of the Company and has no current relevant interest in Shares.</p> <p>The Underwriter must apply for the Shortfall in accordance with the terms of the Underwriting Agreement. The Underwriter has entered into commitments with sub-underwriters to subscribe for all or part of the Shortfall. The sub-underwriters include Directors and major Shareholders of the Company. It is unlikely that any sub-underwriter will, by its sub-underwriting, increase its relevant interest in Shares to 20% or more. The details of the sub-underwriters are set out in Section 7.8.</p> <p>It is proposed that the allotment of the Shortfall under the Underwriting Agreement and the allotment of Securities under this Offer will occur on the same day.</p>	Sections 7.8 and 11.4
How will Shortfall be allocated?	Any remaining Shortfall will revert to the Underwriter pursuant to the Underwriting Agreement. Pursuant to the sub-underwriting arrangements, the majority of the Shortfall will be taken up by the sub-underwriters.	Sections 7.8 and 11.4

Question	Response	Where to find more information
<p>Company update</p>	<p>In addition to its announcements on the ASX, the Company wishes to update shareholders on the following:</p> <ul style="list-style-type: none"> • <u>Debt facilities update</u> <p>On 12 April 2016, the Company announced that it completed discussions with certain directors and a number of major shareholders who agreed to commit \$4.5 million towards a total debt facility of \$6 million to assist in the mining of the Plutonic Dome Project. As at the date of this Prospectus, the Company has received approximately \$3.3 million of the approximately \$4.5 million agreed to be committed by Directors and major shareholders, and \$200,000 from \$1.5 million to be sought from third parties.</p> <p>The material terms of these loan arrangements and details of the funds received as at the date of this Prospectus are set out in Section 11.3(a).</p> <ul style="list-style-type: none"> • <u>Plutonic Dome acquisition update</u> <p>As announced on 25 August 2016, the Company has now completed its acquisition of Dampier Gold Limited's interest in Dampier (Plutonic) Pty Limited.</p> <ul style="list-style-type: none"> • <u>Review of tenements at the Plutonic Dome Project</u> <p>The Company presently intends to review its current tenements in respect of the Plutonic Dome Project in order to determine the most appropriate way to deal with the vast number of tenements acquired.</p> <ul style="list-style-type: none"> • <u>Early stage discussions in respect of the farm-in and development of the Plutonic Dome Project</u> <p>The Company is in early stage discussions with third parties in connection with potential farm-in arrangements and the potential development of the K2 deposit forming part of the Plutonic Dome Project. There is no guarantee that any of those discussions will result in binding agreements being entered into.</p> <p>Further details of the Company update are set out in Section 11.3. In addition, the Company has entered into an underwriting agreement with the Underwriter. The material terms of which are set out in Section 11.4. Eligible Shareholders should consider Sections 11.3 and 11.4 prior to deciding</p>	<p>Sections 11.3 and 11.4</p>

Question	Response	Where to find more information
	whether to participate in the Offer.	
What are the key risks of further investment in the Company?	<p>Potential investors should be aware that subscribing for Options in the Company involves a number of risks. Some of the more significant risks which affect an investment in the Company are summarised below. Please refer to Section 10 for further details of both the risks set out below and a number of other risks that are relevant to a decision to apply for Options.</p> <ul style="list-style-type: none"> • <u>Going concern/solvency</u> <p>The ability of the Company to continue as a going concern is dependent upon the Company being able to raise additional funds (beyond this raising) as required to fund debt repayments, ongoing exploration commitments and for working capital. The Company, like many junior resource companies, currently relies on capital markets and shareholder and third party loans for access to capital and its ability to raise capital is influenced by the gold and other commodity market generally and other economic factors including the cost of production.</p> <p>No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations or the Company could face solvency issues. This could have a material adverse effect on the Company's activities and potentially its solvency.</p> <p>Further, the significant majority of the net funds anticipated to be under this Offer are in connection with the exercise price of the Options if the holders of the Options choose to exercise them. There is no guarantee that the price of the Shares will rise to or maintain a price that will exceed the exercise price of the Options or, if it does, that any Options will be exercised. Accordingly, there is no guarantee that the exercise price of the Options will be received by the Company.</p> <p>If approximately 4.5% of the Options are not exercised by the end of 2016, and the Company's discussions with third parties as set out in Sections 11.3(a) and 11.3(d) do not result in binding commitments to advance sufficient funds, the Company will need to have found other sources of</p>	Section 10

Question	Response	Where to find more information
	<p>capital to fund its anticipated exploration and development activities and to meet its interest repayment obligations in respect of debt; it is anticipated that any such capital would take the form of additional support from shareholders, likely to be in the nature of additional debt or through further debt or equity raisings. Should the Company be unable to raise capital as and when required, there is a material uncertainty as to whether the Company will be able to continue as a going concern.</p> <p>Any additional equity financing (including under this Offer) may:</p> <ul style="list-style-type: none"> (i) be dilutive to Shareholders (see further Section 7.10); (ii) be undertaken at lower prices than the current market price; or (iii) involve restrictive covenants which limit the Company's operations and business strategy. <p>Any additional debt funding is likely to be on terms at least as onerous as those set out in Section 11.3(a).</p> <p>As set out in Section 11.3(a), the Company has received part of the funds in connection with the debt facilities announced in April. There is no guarantee if and when the remaining funds will be received by the Company. In respect of certain funds already received, while the Company has agreed initial terms, the Company is in the process of negotiating and executing full form loan agreements with the relevant lenders. These lenders may insist on terms which may be substantially different to those anticipated by the Company as set out in Section 11.3(a), or may not proceed with their remaining commitments.</p> <p>There is no guarantee that any discussions with third parties to advance funds to the Company will result in binding commitments being entered into.</p> <ul style="list-style-type: none"> • <u>Potential for dilution if Shareholders do not participate in the Offer</u> <p>Upon implementation of the Offer, assuming all Entitlements are accepted the number of outstanding options will increase from 250,000 currently on issue to 188,041,935 and this has the</p>	

Question	Response	Where to find more information
	<p>potential to increase the number of Shares on issue from 375,583,869 to 563,625,804. This means that each Option exercised will represent a lower proportion of the ownership of the Company.</p> <ul style="list-style-type: none"> • <u>Quotation risk</u> <p>If an insufficient number of Eligible Shareholders take up their Entitlements under this Offer, there is a risk that the Offer will not be able to satisfy the ASX conditions to quotation relating to spread. Consequently, there is a risk that the Options will not be quoted.</p> <ul style="list-style-type: none"> • <u>Underwriting risk</u> <p>The Company has entered into the Underwriting Agreement, subject to certain terms and conditions. If certain conditions are not satisfied or certain events occur, the underwriter may terminate the Underwriting Agreement.</p> <ul style="list-style-type: none"> • <u>Gold, bauxite and other commodity price volatility</u> <p>The prices of gold, bauxite and other commodities inherently fluctuate and are affected by numerous factors beyond the control of the Company.</p> <ul style="list-style-type: none"> • <u>Mining industry risk</u> <p>Mining exploration and production is inherently risky and speculative in nature, and may be hampered by circumstances beyond the control of the Company. There is no guarantee that additional gold or bauxite deposits will be discovered in the locations being explored by the Company.</p> <ul style="list-style-type: none"> • <u>Reliance on key personnel</u> <p>Currently, the Company has personnel who are key to its business. There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis.</p> <ul style="list-style-type: none"> • <u>Counterparty risk – joint venture counterparties and contractors</u> <p>There is a risk of financial failure, insolvency and/or default by the Company's contractual counterparties, including:</p> <ol style="list-style-type: none"> 1. lenders and those who have made commitments to lend; 	

Question	Response	Where to find more information
	<p>2. participants in any joint venture to which the Company is or may become a party; and</p> <p>3. the contractors and other service providers used by the Company in its activities.</p> <p>In the event that any of the Company's joint venture counterparties, or other contractual counterparties, become insolvent, it may be difficult for the Company to enforce its rights under the relevant joint venture agreement and/or associated agreements. Further, if any of agents or contractors of the Company default or become insolvent, this may adversely affect the ability of the Company to perform its obligations under contracts.</p> <ul style="list-style-type: none"> • <u>Country risk</u> <p>The Company operates in countries outside Australia and there are risks that changes in the legal business environment in those places such as currency controls, price controls, regulatory changes and political changes may adversely affect the value of the Company's assets.</p> <ul style="list-style-type: none"> • <u>Competition</u> <p>Competition from Australian and international gold and bauxite producers, developers and explorers may affect the potential future cash flow and earnings which the Company may realise from its operations.</p> <ul style="list-style-type: none"> • <u>General</u> <p>These risks, together with other risks both specific to the Company and other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options, and any Shares acquired on exercise of the Options, in the future. Accordingly, an investment in the Company should be considered speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.</p>	
<p>What is the effect on control of the Company?</p>	<p>The effect on the control of the Company will depend on the take-up of Entitlements by Eligible Shareholders and whether the Options are in fact exercised.</p> <p>The Underwriter does not currently have a relevant</p>	<p>Section 7.9</p>

Question	Response	Where to find more information
	<p>interest in the Company and does not currently hold any options or convertible notes in the Company. If none of the Eligible Shareholders take up their Entitlement and the Underwriter subscribes for the Shortfall and exercises all of the Options issued pursuant to this Offer but no other options are exercised, the relevant interest of the Underwriter will be 33.3%. However, the Underwriter has entered into various sub-underwriting arrangements with the Directors and management of the Company and certain of the Company's largest Shareholders in relation to any Shortfall. It is not envisaged that any sub-underwriter will, by its sub-underwriting, increase its relevant interest in Shares to 20% or more.</p> <p>By reason of the above, the Offer will not result in any party gaining control of the Company.</p> <p>The potential for Options forming part of the Shortfall to be exercised following their issue and the impact this may have on control of the Company has also been considered further in Section 7.9.</p>	

5. BRIEF INSTRUCTIONS FOR ELIGIBLE SHAREHOLDERS

The number of Options to which you are entitled is shown in the Entitlement and Acceptance Form. You may participate in the Offer as follows:

<p>If you wish to accept your Entitlement in full:</p> <ul style="list-style-type: none">• pay the amount indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised Customer Reference Number (CRN) indicated so that the funds are received before 5.00pm (AEST) on the Closing Date; or• complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on your Entitlement and Acceptance Form. <p>Please refer to Section 7.4(a) of this Prospectus for further details on applying for Options.</p>	<p>If you only wish to accept part of your Entitlement:</p> <ul style="list-style-type: none">• pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised reference number indicated so that the funds are received before 5.00pm (AEST) on the Closing Date; or• fill in the number of Options you wish to accept in the space provided on the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies (at \$0.001 per Option). <p>Please refer to Section 7.4(b) of this Prospectus for further details on applying for Options.</p>
<p>No ability to apply for additional Options Eligible Shareholders who have subscribed for their Entitlement in full may not apply for Options in addition to their Entitlement.</p>	<p>If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything. If Eligible Shareholders do not take up their entitlement, their existing interest in the Company may be diluted on the exercise of the Options acquired under this Offer. Please refer to Section 7.10 of this Prospectus.</p>

6. CHAIRMAN'S LETTER

Dear Shareholder

The Board is pleased to offer Shareholders the opportunity to participate in a 1-for-2 non-renounceable entitlement issue of new Options. The primary purpose of the Offer is not to raise significant funds for the Company but to provide Eligible Shareholders with the opportunity to further invest in the future development of the Company by acquiring Options at a minimal price.

All shareholders registered at 5:00 pm AEST on 9 September 2016 will be entitled to participate in a non-renounceable issue of Options on the basis of 1 Option for every 2 Shares held.

The Closing Date for acceptances is 5:00 pm AEST on 30 September 2016.

The Directors intend to take up their individual entitlement to Options in full, and recommend that Shareholders join us.

This Prospectus includes details of the Offer, together with an overview of the key risks associated with investing in the Company. I urge you to read this Prospectus carefully and seek professional advice to determine whether this investment is appropriate for you. **In particular Shareholders should consider the going concern/solvency risk contained at Section 10.2(a) and should be aware of the fact that if approximately 4.5% of the Options are not exercised by the end of 2016, and the Company's discussions with third parties as set out in Sections 11.3(a) and 11.3(d) do not result in binding commitments to advance sufficient funds, the Company will need to have found other sources of capital to fund its anticipated exploration and development activities and to meet its interest repayment obligations in respect of debt; it is anticipated that any such capital would take the form of additional support from shareholders, likely to be in the nature of additional debt or through further debt or equity raisings. Should the Company be unable to raise capital as and when required, there is a material uncertainty as to whether the Company will be able to continue as a going concern.**

The Board takes this opportunity to thank all Shareholders for their continued support of the Company.

Yours faithfully



Bruce McInnes
Executive Chairman

7. DETAILS OF THE OFFER

7.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Option for every two (2) Shares held by Shareholders registered at the Record Date at an issue price of \$0.001 per Option, with Option each having an exercise price of \$0.06 and expiring on 15 March 2018. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of approximately 187,791,935 Options will be issued pursuant to this Offer to raise up to \$187,792.

As at the date of this Prospectus the Company has 115,000 Convertible Notes on issue which may be converted at \$0.02 per share into Shares (5,750,000 Shares) prior to the Record Date in order to participate in the Offer. In addition the Company has 250,000 options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 8.3 of this Prospectus for information on the exercise price and expiry date of the options on issue.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in Section 9.1 of this Prospectus. The Company will apply to the ASX for Official Quotation of the Options issued pursuant to this Prospectus. If ASX does not admit the Options to Official Quotation before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not allot or issue any Options and will repay all moneys received in connection with Applications for the Options within the time prescribed under the Corporations Act, without interest.

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 9.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the proposed use of funds are set out in Section 8.1.

7.2 Minimum subscription

There is no minimum subscription.

7.3 Opening and Closing Dates

The Offer will open for receipt of acceptances on 13 September 2016 and will close at 5.00pm AEST on 30 September 2016, or such later date as the Directors, in their absolute discretion and subject to compliance with the ASX Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

7.4 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
- (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft or arrange BPAY®, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
- (i) fill in the number of Options you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft or arrange BPAY®, for the appropriate application monies (at \$0.001 per Option); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Eligible Shareholders who take their full entitlement will not be entitled to subscribe for additional Options.

7.5 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Vango Mining Ltd**" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry at the address set out in the Corporate Directory no later than 5:00pm AEST on the Closing Date.

7.6 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Options which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (EST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit. Any application monies received for more than your final allocation of Options (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

If you have multiple holdings you will have multiple BPAY® Customer Reference Numbers (CRNs). To ensure you receive your Options in respect of that holding, you must use the specific biller code and the customer reference number shown on each personalised Application Form when paying for any Options that you wish to apply for in respect of that holding.

Please note that if you inadvertently use the same Customer Reference Number for more than one of your applications, you will be deemed to have applied for the entitlement to which that Customer Reference Number applies and any excess amount will not be deemed to be an application for additional Options, and will be refunded.

7.7 No trading of entitlements

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

7.8 Underwriting

The Offer of up to \$187,792 is fully underwritten by K S Capital Pty Limited (**Underwriter**). Refer to Section 11.4 for the material terms of the Underwriting Agreement with the Underwriter.

The Directors of the Company and certain of the Company's shareholders (or persons or entities associated with those Directors and shareholders) have agreed to sub-underwrite an aggregate of approximately \$160,000. The commitments of the sub-underwriters are as follows:

Name of sub-underwriter	Sub-underwriting commitment (% of Shortfall)	Maximum number of Options to be acquired under sub-underwriting
Zhenzhu Zhang	17.43%	32,725,000
Bruce McInnes*	10.01%	18,800,000
Shengqiang (Sean) Zhou	5.33%	10,000,000
Ruogu Ma	21.43%	40,250,000
Malcolm Smith	17.44%	32,750,000
Christopher Kuznetsoff	11.54%	21,675,000
Martine Beaumont	2.02%	3,800,000
Total	85.20%	160,000,000

* Bruce McInnes is anticipated to sub-underwrite in his own capacity in respect of approximately 8.35 million Options and is anticipated to act as agent or bare trustee in respect of the remaining approximately 10.45 million Options for other sub-underwriters; none of whom are Directors, related parties or substantial Shareholders.

The Underwriter may appoint additional sub-underwriters to sub-underwrite the Offer. The Underwriter is responsible for paying all fees and commissions due to sub-underwriters and brokers appointed by the Underwriter in respect of the underwriting of the Offer.

7.9 Effect on control of the Company

If all Eligible Shareholders take up their Entitlements, the Offer is not expected to have a material effect on the control of the Company.

If some Eligible Shareholders do not take up or are not issued their full Entitlements under the Offer, then their percentage shareholding (and consequently voting rights) in the Company will be diluted by Shares issued on exercise of the Options.

As the Company is a listed company, any potential acquisition of Shares on the exercise of the Options will be subject to the prohibitions in section 606 of the Corporations Act. Section 606 of the Corporations Act prevents the acquisition of a relevant interest in voting shares in a company if the transaction would cause a person's voting power in the company to increase:

- (a) from 20%, or below 20%, to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

Exceptions to this provision are set out in section 611 of the Corporations Act, which allows such transactions (including in connection with the exercise of Options) to occur if, among other things, Shareholder approval is obtained, the affected person acquires a 3% relevant interest in a 6 month period (the so called '3% creep in 6 months') or in the case of a rights issue if certain conditions are met (which conditions are not satisfied under this Offer).

The Underwriter is not presently a Shareholder of the Company and the extent to which Shares are issued upon the future exercise of the Options acquired pursuant to the underwriting will increase the Underwriters' voting power in the Company. The Underwriter is not a related party of the Company for the purpose of the Corporations Act. The Underwriter's present relevant interest and changes under several scenarios are set out in the table below and are based on the assumption that all Options issued pursuant to the Offer are exercised into Shares.

Event	Shares held by Underwriter	Voting power of Underwriter
Date of Prospectus	Nil	0.00%
Completion of Entitlement Issue		
▪ Fully subscribed	Nil	0.00%
▪ 75% subscribed	46,947,984*	8.33%
▪ 50% subscribed	93,895,968*	16.66%
▪ 0% subscribed	187,791,935*	33.33%

* Shares that will be held by the Underwriter assuming exercise of the Options acquired as Shortfall under the Offer and assuming all Shareholders exercise the Options they acquire under the Offer.

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer and assumes all Options acquired by the Underwriter are converted into Shares. However, it is unlikely that no Shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriter will reduce by a corresponding amount for the amount of entitlements under the Offer taken up by Eligible Shareholders, as shown in the table above.

In addition, it is noted that the Underwriter has entered into various sub-underwriting arrangements with other parties in relation to subscribing for any Shortfall as described in Section 7.8.

The present relevant interest of the sub-underwriting parties comprising Directors and shareholders of the Company (other than Martine Beaumont) and changes to their relevant interest under several scenarios are set out in the table below and are based on the assumption that all Options issued pursuant to the Offer are exercised into Shares:

Event	Shares and voting power held by relevant sub-underwriter					
	Zhenzhu Zhang	Bruce McInnes	Shengqiang (Sean) Zhou	Ruogu Ma	Malcolm Smith	Christopher Kuznetsoff
Date of Prospectus	48,478,106 Shares 12.91% of votes	12,350,918 Shares 3.29% of votes	14,749,000 Shares 3.93% of votes	59,653,100 Shares 15.88% of votes	48,543,553 Shares 12.92% of votes	32,104,303 Shares 8.55% of votes
Completion of Entitlement Issue						
▪ Fully subscribed by all Shareholders including the sub-underwriters*	72,717,159 Shares 12.91% of votes	18,526,377 Shares 3.29% of votes	22,123,500 Shares 3.93% of votes	89,479,650 Shares 15.88% of votes	72,815,330 Shares 12.92% of votes	48,156,455 Shares 8.55% of votes
▪ 75% subscribed by all Shareholders including the sub-underwriters*	74,838,643 Shares 13.28% of votes	21,682,511 Shares 3.85% of votes	22,779,874 Shares 4.04% of votes	92,085,509 Shares 16.35% of votes	74,934,883 Shares 13.30% of votes	49,562,165 Shares 8.80% of votes
▪ 50% subscribed by all Shareholders including the sub-underwriters*	76,960,127 Shares 13.66% of votes	24,838,644 Shares 4.41% of votes	23,436,248 Shares 4.16% of votes	94,691,368 Shares 16.81% of votes	77,054,436 Shares 13.68% of votes	50,967,875 Shares 9.05% of votes
▪ 0% subscribed by all Shareholders including the sub-underwriters*	81,203,095 Shares 14.41% of votes	31,150,911 Shares 5.53% of votes	24,748,997 Shares 4.39% of votes	99,903,086 Shares 17.73% of votes	81,293,542 Shares 14.43% of votes	53,779,295 Shares 9.55% of votes

* Shares and voting power that will be held by the relevant sub-underwriter assuming exercise of the Options acquired as Shortfall and assuming all Shareholders exercise the Options they acquire under the Offer. Assumes all sub-underwriters are Eligible Shareholders. Sub-underwriters may hold Options (and any Shares on exercise of those Options) through persons or entities associated with the relevant sub-underwriter.

In addition to the Directors and large shareholders of the Company set out in the table above, the Underwriter has also entered into a sub-underwriting agreement with Martine Beaumont as set out in Section 7.8. As Martine Beaumont's voting power in the Company is less than 5 per cent, potential changes to her relevant interest have not been included in the table above.

As mentioned above in this Section 7.9, section 606 of the Corporations Act prevents a sub-underwriter from exercising their Options in circumstances where that exercise would result in the sub-underwriter increasing their relevant interest from 20%, or below 20%, to more than 20%, unless the relevant sub-underwriter

complies with one of the exceptions in Section 611 of the Corporations Act, such as, for example, obtaining Shareholder approval for that increase.

The Company does not expect these underwriting and sub-underwriting arrangements to have any material effect on the control of the Company.

7.10 Dilutionary effect

Shareholders should note that if they do not participate in the Offer, their holdings, upon the future exercise of the Options, are likely to be diluted by approximately 33.33% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders, assuming the exercise of the Options, is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	2.67%	5,000,000	10,000,000	1.79%
Shareholder 2	5,000,000	1.33%	2,500,000	5,000,000	0.89%
Shareholder 3	2,000,000	0.53%	1,000,000	2,000,000	0.35%
Shareholder 4	1,000,000	0.27%	500,000	1,000,000	0.18%
Shareholder 5	250,000	0.07%	125,000	250,000	0.04%

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Underwriting. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.
2. This table assumes no existing options or convertible notes are exercised and converted into Shares by both the Record Date and the date of allotment under this Offer.

7.11 Shortfall

If you do not wish to take up any part of your Entitlement, you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will revert to the Underwriter and be treated in accordance with the Underwriting Agreement (**Shortfall Offer**). It is proposed that the allotment of the Shortfall under the Underwriting Agreement and the allotment of Securities under this Offer will occur on the same day.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Option to be issued under the Shortfall Offer shall be \$0.001 being the price at which Options have been offered under the Offer.

The Underwriter reserves the right to place the Shortfall at their absolute discretion in accordance with Underwriting Agreement. Accordingly, do not apply for Shortfall unless instructed to do so by the Underwriter.

7.12 ASX listing

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of

the Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Options and will repay all application monies for the Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

7.13 Issue of Options

Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Pending the issue of the Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Options issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus as soon as practicable after their issue.

7.14 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Options will not be issued to Shareholders with a registered address which is outside Australia.

Shareholders resident in Australia holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

This Prospectus may not be distributed in the United States.

7.15 Market Prices of Options on ASX

The Company does not currently have any listed Options on issue.

The Company is a disclosing entity for the purposes of the Corporations Act and its quoted securities, including its Shares, are enhanced disclosure securities quoted on the ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent respective dates of those sales were:

Highest	\$0.055	6 July 2016
Lowest	\$0.036	22 August 2016
Last	\$0.049	2 September 2016

7.16 Taxation implications

Shareholders should obtain independent advice on the taxation implications arising out of their participation in the Offer.

7.17 Enquiries

Any questions concerning the Offer should be directed to Mark Camilleri, Company Secretary, on +61 407 666 937.

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8. PURPOSE AND EFFECT OF THE OFFER

8.1 Purpose of the Offer and use of funds

The purpose of the Offer is to raise up to \$187,792 to pay the expenses of the Offer and any excess funds arising from the Offer will be applied to general working capital and corporate overheads. Any funds raised from the issue of Shares on exercise of the Options will be applied as follows:

- (a) from each dollar raised, 75 per cent will be applied to paying down debt up to \$4.5 million. Section 11.3(a) sets out the material terms of this debt;
- (b) from each dollar raised, 20 per cent until the debt has been repaid, and thereafter 95 per cent, will be applied to development and exploration, including of the K2 deposit and the Trident deposit forming part of the Plutonic Dome Project; and
- (c) from each dollar raised, the remaining 5 per cent will be applied to general working capital and corporate overheads.

Refer to Section 11.10 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including technical success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Any additional funds raised from the participation of Eligible Shareholders in the Offer following the exercise of their options prior to the Record Date will be applied to the Company's general working capital and administration expenses.

8.2 Condensed Balance Sheet

The unaudited condensed balance sheet as at 31 December 2015 and the unaudited pro-forma balance sheet as at 31 December 2015 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma condensed balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The pro-forma unaudited condensed balance sheet as at 31 December 2015 has been adjusted for the following transactions or events:

- (a) the Offer of 187,791,935 Options pursuant to this Prospectus to raise up to \$187,792; and
- (b) the estimated expenses of the Offer of approximately \$80,000.

As there is no guarantee that the Options will be exercised and the exercise price received by the Company, the pro-forma unaudited condensed balance sheet does not include the exercise price for the Options.

	Unaudited 31 Dec 15	Unaudited Pro-forma 31 Dec 15
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents ¹	239,191	346,983
Trade and other receivables	99,591	99,591
Other	116,499	116,499
Total Current Assets	455,281	563,073
Non-Current Assets		
Investment accounted for using the equity method	3,144,166	3,144,166
Exploration evaluation expenditure	4,978,145	4,978,145
Total Non-Current Assets	8,122,311	8,122,311
Total Assets	8,577,592	8,685,384
LIABILITIES		
Current Liabilities		
Trade and other payables	898,300	898,300
Borrowings	174,534	174,534
Employee benefits	65,059	65,059
Total Current Liabilities	1,137,893	1,137,893
Total Liabilities	1,137,893	1,137,893
Net Assets	7,439,699	7,547,491
EQUITY		
Issued capital ¹	47,014,061	47,014,061
Reserves	14,067,324	14,175,116
Accumulated losses	(53,641,686)	(53,641,686)
Total Equity	7,439,699	7,547,491

1. The pro-forma transaction results in an increase in cash (\$187,792, less costs \$80,000) and a corresponding increase in the option reserve of \$107,792

Notes to pro-forma condensed balance sheet

The pro-forma balance sheet:

- (a) includes gross proceeds raised pursuant to the Offer (less estimated Offer costs);
- (b) assumes that no existing options are exercised prior to the Record Date for this Offer; and
- (c) does not take into account any transactions between 31 December 2015 and the date of this Prospectus. This pro-forma condensed balance sheet only reflects the transactions the subject of this Prospectus.

Material balance changes and transactions for the period since the review date, 31 December 2015 include:

- (a) as announced on 14 January 2016, the part placement of shortfall shares from its non-renounceable pro-rata entitlement issue pursuant to an Offer Memorandum dated 18 September 2015, which part placement of shortfall shares raised \$750,600;
- (b) as announced on 12 April 2016, the Company completed discussions with Directors and a number of major shareholders who agreed to commit \$4.5 million towards a debt facility of \$6 million to assist the funding of mining the Plutonic Dome Project and the upfront portion of the purchase price (\$2.2 million) for the remaining equity of Dampier in the Plutonic Dome Project. The remaining \$1.5 million was anticipated to be placed with third parties as and when required. Please refer to Section 11.3 which sets out the funds received as at the date of this Prospectus and certain material terms of those debt facilities;
- (c) as announced through the issue of an Appendix 3B on 6 July 2016, the Company issued 2,299,550 Shares at an issue price of \$0.02 per Share on the conversion of certain convertible notes; and
- (d) as announced on 25 August 2016, the Company acquired from Dampier its interest in DPPL, the holder of the Plutonic Dome project. Consideration for the acquisition was an upfront payment of \$2.2 million with up to an additional \$4 million payable as contingent consideration, subject to aggregate production levels. In addition, Dampier will be paid a royalty capped at \$2 million. The closing of this transaction was further to announcements made on 19 January 2016 and 12 May 2016.

8.3 Effect of the Offer

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Convertible Notes are converted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	375,583,869
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	375,583,869

Options

	Number
Options currently on issue - exercisable at \$0.26 on or before 7 March 2017	250,000
New Options offered pursuant to the Offer	187,791,935
Total Options on issue after completion of the Offer	188,041,935

Convertible Notes

	Number
--	--------

Convertible Notes currently on issue	115,000
Convertible Notes offered pursuant to the Offer	Nil
Total Convertible Notes on issue after completion of the Offer	115,000

The capital structure on a fully diluted basis as at the date of this Prospectus would be 381,583,869 Shares and on completion of the Offer (assuming all Entitlements are accepted and no options are exercised, and no convertible notes are converted, prior to the Record Date) would be 569,375,804 Shares, assuming all Options are exercised.

No Shares or options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

The principal effects of the Offer on cash reserves will be as follows:

- (a) assuming all Options offered under the Prospectus are issued, the cash reserves of the Company will increase by \$107,792 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) assuming all Options offered under the Prospectus are exercised, the cash reserves of the Company will increase by a further \$11,267,516.10. There is no guarantee that the Options will be exercised and the exercise price received by the Company.

8.4 Details of substantial shareholders

Based on the publically available information and the Company's share register prior to the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Ruogu Ma	59,653,100	15.88%
Malcolm John Smith	48,543,553	12.92%
Zhenzhu Zhang	48,478,106	12.91%
Christopher Kuznetsoff	32,104,303	8.55%

The Offer will have no effect on the quantity of Shares held by these substantial Shareholders as only Options are being issued. The impact of the Offer, and the underwriting arrangements, on control of the Company is set out in Section 7.9. Many of the substantial Shareholders will also be sub-underwriters to the Offer. Their various sub-underwriting commitments are described in Section 7.8 and the impact of the sub-underwriting commitments on the control of the Company is set out in Section 7.9.

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9. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

9.1 Options

(a) **Exercise Price**

The exercise price of each Option is \$0.06 (**Exercise Price**)

(b) **Entitlement**

Each Option entitles the holder to subscribe (in cash) for one Share in the capital of the Company.

(c) **Option Period**

The Options expire at 5:00pm AEST on 15 March 2018 (**Expiry Date**). Subject to paragraph 9.1 (h), Options may be exercised at any time prior to the Expiry Date and Options not so exercised will automatically lapse on the Expiry Date.

(d) **Ranking of Share Allotted on Exercise of Option**

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects *pari passu* with the existing Shares in the capital of the Company on issue at the date of issue.

(e) **Quotation**

The Company will apply for Official Quotation of the Options.

(f) **Voting**

A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

(g) **Transfer of an Option**

Options are transferrable at any time prior to the Expiry Date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX.

(h) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(i) **Method of Exercise of an Option**

(i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise**). Options may be exercised by the Option Holder by completing the Notice of Exercise and forwarding the same to

the Company's share registry to be received prior to the Expiry Date. The Notice of Exercise must state the number of Options exercised and the consequent number of Shares to be allotted; which number of Options must be:

- (A) a multiple of 5,000 if only part of the Option Holder's total Options are exercised; or
- (B) the total of all Options held by that Option Holder, including if the total number of Options held by an Option Holder is less than 5,000 or a number which is not a multiple of 5,000.
- (ii) The Notice of Exercise forwarded by an Option Holder must be accompanied by payment in accordance with paragraph 9.1 (h) for the relevant number of Options exercised.
- (iii) Subject to paragraph 9.1 (i) (i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
- (iv) Within 14 business days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares so subscribed for by the Option Holder.
- (v) If the Company is listed on the ASX, the Company will within three (3) business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the ASX Listing Rules.
- (vi) The Company will generally comply with the requirements of the ASX Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there is any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the ASX Listing Rules, the timetable outlined in the ASX Listing Rules shall apply.
- (j) **Reconstruction**
- In the event of a reconstruction or reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Corporations Act and ASX Listing Rules applying to the reconstruction or reorganisation of capital, at the time of the reconstruction or reorganisation.
- (k) **Participation in New Share Issues**
- There are no participation rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to

the Expiry Date unless and until the Options are exercised. The Company will ensure that prior to the Expiry Date, the record date for the purposes of determining entitlements to any new such issue, will be at least five (5) business days after such new issues are announced (or such other date if required under the ASX Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

(l) **No Change of Options' Exercise Price or Number of Underlying Options**

There are no rights to change the Exercise Price or the number of underlying Shares if there is a bonus issue to the holders of Shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend investment) the Exercise Price shall be reduced according to the formula specified in the ASX Listing Rules.

9.2 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being the underlying securities of the Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

9.2.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

9.2.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held.

9.2.3 Dividend rights

Subject to the Corporation Act, the ASX Listing Rules, the rights of any preference Shareholders or the holders of any Shares with special dividend arrangements, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as are referred to in the resolution and which plan provides for any dividend which the Directors may declare from time to time and payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

9.2.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

9.2.5 Shareholder liability

As the Shares issued pursuant to the exercise of the Options will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

9.2.6 Transfer of shares

Generally, Shares are freely transferable, subject to formal requirements. The Directors may refuse to register any transfer of Shares (other than an ASX settlement transfer) where the ASX Listing Rules permit or require the Company to do so.

9.2.7 Future increase in capital

Without prejudice to any special right previously conferred on the holder of an existing Share or class of Shares, unissued Shares are under the

control of the Directors of the Company. Subject to the restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act, the Directors may issue Shares at the issue price that the Directors determine and with such rights or restrictions as the Directors shall, in their absolute discretion, determine.

9.2.8 Variation of rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up, may be varied with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

9.2.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10. RISK FACTORS

10.1 Introduction

The Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares and Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

10.2 Company specific

(a) Going Concern/solvency

The ability of the Company to continue as a going concern is dependent upon the Company being able to raise additional funds (beyond this raising) as required to fund debt repayments, ongoing exploration commitments or potential production and for working capital. The Company, like many junior resource companies, currently relies on capital markets and shareholder and third party loans for access to capital and its ability to raise capital is influenced by the gold, bauxite and other commodity market generally and other economic factors including the cost of production.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations or the Company could face solvency issues. This could have a material adverse effect on the Company's activities and potentially its solvency.

Further, the significant majority of the net funds anticipated to be raised under this Offer are in connection with the exercise price of the Options if the holders of the Options choose to exercise them. There is no guarantee that the price of the Shares will rise to or maintain a price that will exceed the exercise price of the Options or, if it does, that any Options will be exercised. Accordingly, there is no guarantee that the exercise price of the Options will be received by the Company.

If approximately 4.5% of the Options are not exercised by the end of 2016, and the Company's discussions with third parties as set out in Section 11.3(a) and 11.3(d) do not result in binding commitments to advance sufficient funds, the Company will need to have found other sources of capital to fund its anticipated exploration and development activities and to meet its interest repayment obligations in respect of debt; it is anticipated that any such capital would take the form of additional support from shareholders, likely to be in the nature of

additional debt or through further debt or equity raisings. Should the Company be unable to raise capital as and when required, **there is a material uncertainty as to whether the Company will be able to continue as a going concern.**

Any additional equity financing (including under this Offer) may:

- (i) be dilutive to Shareholders (see further Section 7.10);
- (ii) be undertaken at lower prices than the current market price; or
- (iii) involve restrictive covenants which limit the Company's operations and business strategy.

Any additional debt funding is likely to be on terms at least as onerous as those set out in Section 11.3(a).

As set out in Section 11.3(a), the Company has received part of the funds in connection with the debt facilities announced in April. There is no guarantee if and when the remaining funds will be received by the Company. In respect of certain funds already received, while the Company has agreed initial terms, the Company is in the process of negotiating and executing full form loan agreements with the relevant lenders. These lenders may insist on terms which may be substantially different to those anticipated by the Company as set out in Section 11.3(a), or may not proceed with their remaining commitments.

There is no guarantee that any discussions with third parties to advance funds to the Company will result in binding commitments being entered into.

(b) **Potential for dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted the number of outstanding options will increase from 250,000 currently on issue to 188,041,935 and this has the potential to increase the number of shares on issue from 375,583,869 to 563,625,804. This means that each Option exercised will represent a lower proportion of the ownership of the Company.

Exercise of the outstanding options and the Options under this Offer will dilute current shareholdings in the Company. However, it is not possible to predict how many Options may be exercised and at that time what the value of the Company or a Share will be and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to this Prospectus being lodged is not a reliable indicator as to the potential trading price after implementation of the Offer.

(c) **Quotation risk**

If an insufficient number of Eligible Shareholders take up their Entitlements under this Offer, there is a risk that the Offer will not be satisfy the ASX conditions to quotation relating to spread. Consequently, there is a risk that the Options will not be quoted. If ASX does not admit the Options to Official Quotation before the expiration of 3 months after the date of issue of this Prospectus, or such period as

varied by the ASIC, the Company will not allot or issue any Options and will repay all moneys received in connection with Applications for the Options within the time prescribed under the Corporations Act, without interest.

(d) **Underwriting risk**

The Company has entered into the Underwriting Agreement, subject to certain terms and conditions. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement.

If the Underwriting Agreement is terminated and the Offer does not proceed or the Offer does not raise the funds (including through the exercise of the Options) required by the Company, the Company could need to find alternative financing to meeting its funding requirements. There is no guarantee that alternative funding could be sourced, either at all or on satisfactory terms and conditions.

(e) **Gold, bauxite and other commodity price volatility**

The prices of gold, bauxite and other commodities inherently fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world and regional demand for and supply of the commodity, forward selling and other hedging activities by producers, the level of production costs in major gold producing or bauxite producing regions, gold reserve movements at central banks and speculative trading. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional economic activity.

It is not useful to predict or quantify the effect of these factors, individually or in aggregate, on the gold price or the bauxite price as the occurrence of those factors, and the level of impact that those factors are likely to have, are beyond the control of the Company.

However, a sustained drop in the market price of gold or bauxite may adversely affect the financial performance and position of the Company as:

- (i) it may become less profitable for the Company to pursue its gold exploration operations;
- (ii) less funds will be available to conduct exploration and development activities;
- (iii) the Company's tenement interests may need to be written down due to the determination that future cash flows do not recover the carrying value; and
- (iv) in the event that the Company successfully completes the exploration stage of its projects, it may not be economically feasible for the Company to commence mining and processing activities.

(f) **Mining industry risks**

Mineral exploration and mining may be hampered by circumstances beyond the control of the Company, and are speculative operations which by their nature are subject to a number of inherent risks, including the following:

(i) **Exploration risks**

Currently, other than in connection with the K2 deposit forming part of the Plutonic Dome Project, the Company's main activity is in exploration. The success of the Company in this activity depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's existing exploration and proposed mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and proposed mining tenements may be unsuccessful, and therefore may result in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of tenements.

There is no guarantee that the Company will discover additional gold or bauxite deposits at the locations explored by the Company or that those deposits will be in commercially viable or be economically viable.

(ii) **Production risks**

There are inherent risks and uncertainties associated with developing a mine from the exploration stage through to production, including those which arise out of dealings with counterparties (including joint venture partners, mineral processors and financiers) and Government Agencies, and those which are beyond the control of the mine developer, including adverse weather conditions and interruptions in supply chains or transport routes. During the development period the anticipated economic feasibility of the mine may deteriorate owing to cyclical or sustained changes in, amongst other things, commodity prices, funding costs or cost inflation associated with capital expenditure. Although it is the Company's plan to concentrate on projects with the potential for near term production, there is no guarantee that any project will achieve production within the time period or time periods contemplated by the Company, in a faster time period than alternate projects available to the Company, or at all.

(iii) **Resource estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Downward adjustments to resource estimates could adversely impact the Company's future plans and ultimately its financial performance and value.

The Company confirms that resource estimates, where made by the Company, were appropriate when made, but may change significantly when new information becomes available.

(iv) **Regulatory and co-operation requirement**

It may not always be possible for the Company to exploit successful discoveries (including the K2 deposit forming part of the Plutonic Dome Project) which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.

The inability of the Company to obtain the necessary regulatory and third party consents and cooperation in connection with the Company's activities may impede or frustrate the Company's efforts in advancing those activities. This in turn may adversely impact the Company's business plans and in turn its financial performance and value.

As noted in Section 11.3(e), while the Company considers that it has all required permits for its current activities, the Company has requested that the status of its permits are confirmed by the Department of Mining and Petroleum. If any issues are discovered in connection with the Company's permits, this could result in additional expense or time to rectify.

(v) **Native title and title risks**

The effect of the native title laws that presently apply in Australia is that exploration and mining tenement applications and project developments may be affected by native title claims or procedures. This may preclude or delay granting of permits to explore or mine on some tenements. The presence of Aboriginal sacred sites on tenements held by the Company may limit or preclude exploration or mining activity within the sphere of influence of those sites and delays and expenses may be incurred in obtaining clearances.

The funds raised under the Offer will assist the Company to keep its tenement interests in good standing in the short-to-medium term.

Land access has been negotiated with land owners on a number of the project areas in Australia. In respect of the Plutonic Dome Project, it is contemplated that access will be provided under a number of agreements with third parties. Access to other project areas will have to be negotiated with other land owners and/or government authorities. Interests in tenements in Australia and Laos are governed by legislation in their respective jurisdictions and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it reporting commitments, as well as other conditions requiring compliance, eg environmental obligations and minimum expenditure requirements. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient

funds are available to meet expenditure commitments or alternatively, be subject to fines imposed by the relevant authority.

(g) **Key personnel**

Recruiting and retaining qualified personnel are important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong.

Currently, the Company has personnel who are key to its business. There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis. The inability to do so could have a significant adverse impact on the financial performance of the Company and its ability to implement its business plans and capitalise on both its existing and potential investment opportunities.

(h) **Risk in connection with DPPL**

As announced on 25 August 2016, the Company has now completed the acquisition of DPPL. The transaction was effected through a share sale. As with all transactions of this type, all rights, obligations and liabilities of the acquired company will remain with that company. Although DPPL may have obligations, commitments or liabilities of which the Company may be unaware (including obligations which might be material), the Company has obtained from Dampier a number of warranties including that DPPL owns the relevant tenements free from any encumbrances not disclosed to the Company and that at completion DPPL has no current assets, no receivables and no liabilities (including contingent liabilities) other than those relating to the terms and conditions attaching to the tenements. There may be royalties associated with these tenements.

(i) **Counterparty risk – joint venture counterparties and contractors**

There is a risk of financial failure, insolvency and/or default by the Company's contractual counterparties, including:

- (i) lenders and those who have made commitments to lend;
- (ii) participants in any joint venture to which the Company is or may become a party; and
- (iii) the contractors and other service providers used by the Company in its activities.

The Company has no reason to believe that any of its joint venture counterparties, contractors or service providers may default under their respective agreements with the Company or become insolvent.

However, in the event that any of the Company's joint venture counterparties, or other contractual counterparties, become insolvent, it may be difficult for the Company to enforce its rights under the relevant joint venture agreement and/or associated agreements. Further, if any of agents or contractors of the Company default or become insolvent, this may adversely affect the ability of the Company to perform its obligations under contracts. Such circumstances may negatively

impact the value of the Company's assets and the ongoing financial performance of the Company.

If any of the Company's contractual counterparties default in the performance of their obligations, it may be necessary to approach courts in Laos or Australia to seek enforcement or some other remedy, if no alternative settlement can be reached. Legal action can be uncertain and costly. There is a risk that the Company may not be able to seek legal redress against a defaulting counterparty, or that legal remedy will not be granted on satisfactory terms.

(j) **Country risk**

The Company operates in countries outside Australia and there are risks that changes in the legal business environment in those places such as currency controls, price controls, regulatory changes and political changes may adversely affect the value of the Company's assets. Some of the jurisdictions in which the Company operates have legal systems and laws different to Australia that may lead to uncertainty for the Company in enforcing legal and contractual rights in those jurisdictions. If the Company is unable to enforce its legal and contractual rights this may have a material adverse effect on the Company.

The Company has projects located in Laos held through Sino Australian Resources (Laos) Co., Ltd (SARCO). There can be no assurance that the systems of government and the political systems in overseas countries will remain stable nor any assurance that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in these countries will not be amended or replaced in the future to the detriment of the Company's business and/or projects.

The Company is unaware of any such proposals as at the date of this Prospectus. However, changes in foreign government policies that restrict or prohibit the repatriation of funds or the conduct of projects held by the Company in the relevant jurisdictions could limit the ability of the Company to redeploy capital invested in those jurisdictions into more profitable investments in other jurisdictions and the Company's ability to dispose of its interest in those projects (e.g. the SARCO Project). This has the potential to adversely affect the Company's business strategy and its ongoing financial performance.

(k) **Environmental risks**

The operations and activities of the Company in Australia are subject to State and Federal laws and regulations concerning the environment. The Company also has operations and activities in Laos which are subject to Laos environmental laws and regulations. Non-compliance with these laws and regulations could result in pecuniary penalties, criminal sanctions as well as 'cease work' orders.

The Company attempts to conduct its operations and activities to the highest standard of environmental obligations, including compliance with all environmental laws. The Company has ceased all field work in Laos in light of its prior proposals to dispose of its interests in its SARCO

Project, which proposals the Company is no longer pursuing for the time being.

As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Presently, the Company's main activities are in exploration, all of which are in their early stages. Therefore, the Directors do not anticipate the Company's activities and operations will cause significant environmental damage.

(l) **Competition**

Competition from Australian and international gold and bauxite producers, developers and explorers may affect the potential future cash flow and earnings which the Company may realise from its operations. For example, the introduction of new mining and processing facilities and any increase in competition and supply in the global gold and bauxite markets could lower the price of these commodities. The Company may also encounter competition from other mining and exploration companies for the acquisition of new projects or to secure services in connection with mining projects.

(m) **Insurance coverage risk**

Exploration and development operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes and other environmental occurrences, political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes, changes in regulatory environment, monetary losses and possible legal liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and development is not generally available to the Company or to other companies in the industry on acceptable terms. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

(n) **Records**

The Company's historical record-keeping has been poor, although current management is making an effort to address this. This may have compliance and business organisational consequences.

10.3 **General investment risks**

The following risks have been identified as being general investments risks and therefore these risks apply to an investment in the Company:

(a) **Securities Investment risk**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies.

These factors may materially and adversely affect the market price of the securities regardless of the Company's performance. General factors that may impact the market price of Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

There is no guarantee as to the profitability, dividends, return on capital or the price at which securities in the Company may trade on the market.

(b) **Liquidity risk**

There can be no assurance that there will be an active market for Options and any Shares acquired on exercise of the Options or that the price of Options and Shares will increase.

There may be relatively few buyers or sellers of Option or Shares on ASX at any given time. This may affect the volatility of the market price of the Options and the Shares. It may also affect the prevailing market price at which securityholders in the Company are able to sell their securities in the Company. This may result in the Company's securityholders receiving a market price for their Options and any Shares acquired on exercise of the Options that is less or more than the price paid.

(c) **Economic Risks**

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

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

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(d) **Unforeseen expenses**

The Company may be subject to significant unforeseen expenses or actions.

This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

(e) **Litigation risk**

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

(f) **Joint venture parties, contractors and agents**

The Directors are unable to predict the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Company is or may become a party;
- (ii) insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or
- (iii) insolvency or other managerial failure by any of the other service providers used by the Company for any activities.

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11. ADDITIONAL INFORMATION

11.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

11.2 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to offers of securities, or options to acquire securities, which are quoted enhanced disclosure (ED) securities and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
29/08/2016	Appendix 3B
26/08/2016	Letter to Convertible Note Holders
26/08/2016	Letter to Option Holders
26/08/2016	Non-Renounceable Entitlement Offer of Options
26/08/2016	Change in Substantial Holding
26/08/2016	Change of Director's Interest Notice
25/08/2016	100% Ownership Plutonic Dome Now Complete
24/08/2016	Trading Halt
27/07/2016	Quarterly Activities Report
27/07/2016	Quarterly Cashflow Report
06/07/2016	Appendix 3B
12/05/2016	DAU: Sale of Plutonic Dome Gold Project
12/05/2016	Completed Agreement of Sale – Plutonic Dome
28/04/2016	Quarterly Activities Report
28/04/2016	Quarterly Cashflow Report Appendix 5B
12/04/2016	Debt Raising Facility Announcement
15/03/2016	Half Year Accounts
09/03/2016	SARCO Project Update
29/01/2016	Quarterly Activities Report

Date	Description of Announcement
29/01/2016	Quarterly Cashflow Report
19/01/2016	100% Purchase of Plutonic Dome Gold Project
19/01/2016	DAU: Sale of Plutonic Dome Gold Project
14/01/2016	Appendix 3B
14/01/2016	Placement of Rights Issue Shortfall
07/12/2015	Company Secretary Appointment/Resignation
20/11/2015	Results of Annual General Meeting
30/10/2015	Market Update Plutonic Dome Joint Venture
30/10/2015	Quarterly Cashflow Report
30/10/2015	Quarterly Activities Report
20/10/2015	Notice of Annual General Meeting/Proxy Form
16/10/2015	Change of Director's Interest Notice (x3)
16/10/2015	Appendix 3B
16/10/2015	Completion of Rights Issue
14/10/2015	Rights Issue Closure and Notice of Shortfall
30/09/2015	Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX in Sydney during normal office hours.

The announcements are also available through the Company's website www.vangominig.com.

11.3 Company update

In addition to its announcements on the ASX, the Company wishes to update shareholders on the following:

(a) Debt facilities update

On 12 April 2016, the Company announced that it completed discussions with certain directors and a number of major shareholders who agreed to commit approximately \$4.5 million towards a total debt facility of \$6 million to assist in the mining of the Plutonic Dome Project and that the remaining \$1.5 million of that debt facility would be placed with third parties. As at the date of this Prospectus, the Company has received:

- (i) approximately \$3.3 million of the approximately \$4.5 million agreed to be committed by Directors and major shareholders; and
- (ii) approximately \$200,000 of the approximately \$1.5 million to be placed with third parties.

Shareholder loans

The Company and the following Shareholders (or their associates) agreed to advance the following amounts via letter agreements dated on or about 31 March 2016, each of which was executed with a view to entering into full form loan agreements:

Shareholder/associate	Amount committed	Approximate amount received as at the date of this Prospectus
Ruoguo Ma, and Brook & Valley Pty Limited	\$2,000,000	\$700,000
Gifted Force International Limited	\$2,000,000	\$2,000,000
Kristofer Sales	\$200,000	\$200,000
Christopher Kuznetsoff	\$350,000	\$300,000
Michelle Le Pavoux	\$100,000	\$100,000
Total	\$4,650,000	\$3,300,000

The terms of the letter agreements provided that the loans would be on the following terms:

- (i) the debt is for a maximum term of 24 months with the Company having the ability to repay all or part of the debt after 6 months;
- (ii) the interest rate is 25 per cent payable six monthly in arrears; and
- (iii) security will only be provided over certain tenements if required and only on the condition that the lender acknowledges that Shareholder approval must first be obtained by the Company calling an Extraordinary General Meeting of Shareholders. As at the date of this Prospectus, no lender has required that any such approval be sought for security to be granted in its favour.

As at the date of this Prospectus, the Company has entered into a full form loan agreement dated 30 May 2016 with Gifted Force International Limited, a company incorporated in the British Virgin Islands and which, as it is owned by her husband, is related to Zhenzhu (Carol) Zhang, a director and major shareholder of the Company. Set out below are the key terms of that loan agreement:

- (i) the loan is for an amount of \$2 million which is fully drawn down and is repayable on 26 May 2018. Earlier repayment may be required in an event of default or if the lender requires payment to be accelerated following a review of the Company's financial circumstances. The Company may choose to repay the principal sum or the amount unpaid at any time;

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- (ii) the interest rate is 25 per cent per annum, which interest is calculated on bi-annual rests and payable 6 months in arrears commencing on 26 May 2016. Interest may be capitalised by the lender as it deems appropriate;
 - (iii) technically under the loan agreement, the Company charges certain property and tenements forming part of the Plutonic Dome Project as security for the loan and, on demand from the lender will procure the execution in favour of the lender of certain collateral securities. The lender acknowledges that the security will not be held on a sole or exclusive basis. As the granting of such security would require Shareholder approval, the understanding between the parties is that security will be granted in favour of the lender on demand, but subject to Shareholder approval. As at the date of this Prospectus, the lender has not required that any such approval be sought for security to be granted in its favour.

It is anticipated that the full form loan agreements to be entered into with the other relevant Shareholders (or their associates) will be on substantially similar terms to those agreed with Gifted Force International Limited. However, in the case of the funds advanced by Brook & Valley Pty Limited, it is anticipated that the loan will be repayable during or about August or September 2018.

Third party loans

In connection with the remaining approximately \$1.5 million of the debt facility announced on 12 April 2016 which is being sought from third parties, the Company has received approximately \$200,000 from AGH Demolition & Asbestos Removal Pty Limited on substantially similar terms as the letter agreement described above (except that the letter agreement with AGH Demolition & Asbestos Removal Pty Limited is silent as to security), with a view to entering into full form agreement on terms substantially similar to the full form loan agreement entered into with Gifted Force International Limited. In addition, the Company is in early stage discussions with other third parties in respect of the remaining \$1.3 million. There is no guarantee that any of those discussions will result in binding agreements being entered into.

(b) Plutonic Dome acquisition update

As announced on 25 August 2016, the Company has now completed its acquisition of Dampier Gold Limited's interest in Dampier (Plutonic) Pty Limited.

The move by the Company to effect 100% ownership of the Plutonic Dome Project tenements was announced on 19 January 2016. At the time a Heads of Agreement had been entered into in relation to the acquisition by the Company of Dampier's interest in DPPL, DPPL held legal title to and a 40% beneficial interest in the tenements. Although further discussions between Dampier and the Company led to the consideration of a varied transaction structure (proceeding by way of tenement sale rather than the acquisition of DPPL shares) the key commercial terms (including price) did not change. Ultimately, the transaction proceeded on the share sale basis originally contemplated in the 19 January 2016 announcement by the Company and at the price referred to in that announcement.

(c) **Review of tenements at the Plutonic Dome Project**

The Company presently intends to review its current tenements in respect of the Plutonic Dome Project in order to determine the best way to deal with the vast number of tenements acquired through DPPL.

(d) **Early stage discussions in respect of the farm-in and development of the Plutonic Dome Project**

The Company is in early stage discussions with third parties in connection with potential farm-in arrangements and the potential development of the K2 deposit forming part of the Plutonic Dome Project. As at the date of this prospectus, neither party has passed due diligence. There is no guarantee that any of those discussions will result in binding agreements being entered into.

(e) **Permitting of mining development and exploration activities**

While the Company considers that it has all required permits for its current activities, the Company has requested that the Department of Mining and Petroleum confirm the status of the Company's permits.

11.4 **Summary of Underwriting Agreement**

Pursuant to an agreement between K S Capital Pty Limited (**Underwriter**) and the Company (**Underwriting Agreement**), the Underwriter has agreed to fully underwrite the Offer of up to 187,791,935 Options (**Underwritten Options**).

Pursuant to the Underwriting Agreement, the Company has agreed to:

- (a) pay the Underwriter an underwriting fee of \$11,268 (being 6% of the amount raised under the Offer); and
- (b) reimburse the Underwriter for all reasonable expenses incidental to the offer.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate, without cost or liability, its obligations under the Underwriting Agreement if:

- (a) **Misleading statement in the Prospectus:** from or after the date of this Prospectus a material statement in the Prospectus is found to be untrue, misleading or deceptive or it is found that the Prospectus contains a material omission;
- (b) **ASIC stop order, hearing or investigation:** ASIC issues a stop order under section 739(1) or (3) of the Corporations Act, gives notice of intention to hold a hearing in relation to the Prospectus pursuant to section 739(2) of the Corporations Act, applies for an order under Part 9.5 of the Corporations Act in relation to the Prospectus or the Offer or commences any investigation, examination or hearing or gathers information under Part 3 of the ASIC Act in connection with the Prospectus or the Offer;
- (c) **Notices concerning the Prospectus:** any person (provided that if that person is the Underwriter, the Underwriter must act in good faith) gives a notice under section 730 or section 733(3) of the Corporations Act or withdraws a consent previously given under section 720 of the Corporations Act, in relation to the Prospectus;

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- (d) **Lodgement of supplementary Prospectus:** a supplementary or replacement Prospectus is lodged under the Corporations Act without the prior written approval of the Underwriter (which approval may not be unreasonably withheld);
 - (e) **Changes in prospects of the Company:** any adverse change occurs in the condition, financial position or prospects of the Company or a related body corporate that is, in the Underwriter's reasonable opinion, material;
 - (f) **Breach of constitution:** the Company or any of its subsidiaries (if any) breaches its Constitution;
 - (g) **Breach of material contract:** any person breaches any material contract;
 - (h) **Termination of material contracts:** a Material Contract is terminated (whether by breach or otherwise), rescinded, altered or amended, without the prior consent of the Underwriter, or any such contract is found to be void, voidable or unenforceable;
 - (i) **Breach of law or regulation:** the Company or any of its subsidiaries or any Officer of the Company or a subsidiary contravenes any provision of the Corporations Act, the ASX Listing Rules or any other legislation of the Commonwealth of Australia or any State or Territory of Australia which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;
 - (j) **Prescribed Occurrence:** a Prescribed Occurrence (as defined in section 652C(1) or (2) of the Corporations Act but substituting the Company for "target") occurs in relation to the Company or any of the Company's subsidiaries;
 - (k) **Insolvency:** an insolvency event occurs or, in the reasonable opinion of the Underwriter, is likely to occur;
 - (l) **Breach of agreement:** the Company or any of its subsidiaries is in breach of any provision of the Underwriting Agreement that, in the Underwriter's reasonable opinion, is material.
 - (m) **Breach of warranty:** any warranty given by the Company under the Underwriting Agreement is not true in any respect that, in the Underwriter's reasonable opinion, would materially and adversely affect the Company or the Offer or has ceased to be true;
 - (n) **Conviction of Officers:** any Officer of the Company or any of its subsidiaries is charged with or convicted of any criminal offence involving fraudulent or dishonest conduct;
 - (o) **Unapproved alteration of capital:** the Company alters, or announces an intention to alter, its capital structure or its constitution without the prior consent of the Underwriter (such consent not to be unreasonably withheld);
 - (p) **Unapproved encumbrances:** the Company or any of its subsidiaries gives security in favour of any person who is not a security holder at the date of the Underwriting Agreement;

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- (q) **False or misleading information given to the Underwriter:** any information that, in the Underwriter's reasonable opinion, would materially and adversely affect the Company or the Offer, was supplied at any time by or on behalf of the Company to the Underwriter in respect of any aspect of the Company or any of its subsidiaries or the Offer is or becomes misleading or deceptive;
 - (r) **Quotation on ASX:** 3 months or such other period agreed by the Underwriter elapses after the date of issue of the Prospectus without ASX granting quotation of the Options on the securities market operated by ASX;
 - (s) **Grant by ASX:** any grant by ASX referred to in (r) is withdrawn or is made subject to any conditions other than the standard conditions that may be imposed by ASX on its permission for the quotation of the Options;
 - (t) **Statements issued in breach of agreement:** during the term of the Underwriting Agreement the Company or its officers breach certain undertakings made by the Company in connection with certain statements relating to the Company and the Offer;
 - (u) **Withdrawal of Prospectus:** the Company withdraws the Prospectus;
 - (v) **Significant Change to Management or Board:** either or both of Mr Bruce McInnes or Mr Shengqiang (Sean) Zhou cease to be Directors of the Company without the approval of the Underwriter (which approval may not be unreasonably withheld or delayed);
 - (w) **Judgement:** a judgement in an amount exceeding \$250,000 is obtained against the Company or any subsidiary and is not set aside or satisfied within 5 Business Days;
 - (x) **Requirement to repay Application Money:** any circumstance arises after the Prospectus is lodged a consequence of which is either that the Company is required to repay the money received from Applicants or to offer Applicants an opportunity to withdraw their Applications and receive a refund of their application money;
 - (y) **Movement in the All Ordinaries Index:** the All Ordinaries Index of ASX is at any time on any 3 consecutive business days prior to settlement of the Options 90% or less of the level that Index attained at the close of trading on the business day before the date of signing the Underwriting Agreement; or
 - (z) **Movement in the ASX Small Ords Index:** the ASX Small Ords Index is at any time on any 3 consecutive business days prior to settlement of the Options 90% or less of the level that Index attained at the close of trading on the business day before the date of signing the Underwriting Agreement.

The Underwriting Agreement contains a number of conditions that must be satisfied by the Company before the Underwriter's obligation to underwrite the Offer commences that are considered standard for an agreement of this type. If any of these conditions are not satisfied by the relevant date the Underwriter will be entitled to terminate the Underwriting Agreement.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

Sub-underwriting arrangements

As noted in Section 7.8 above, the Underwriter has entered into sub-underwriting arrangements with various parties.

Sub-underwriting commission is payable by the Underwriter out of the fees it receives from the Company under the Underwriting Agreement.

11.5 Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board of Directors is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent that they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has disclosed the reasons for the departure in its Corporate Governance Statement for the financial year ended 30 June 2015. This can be found in the Company's Annual Report for the financial year ended 30 June 2015.

11.6 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest may not be present while the matter is being considered at the meeting and may not vote on the matter.

Shareholder loans

As noted in Section 11.3(a), an entity related to Zhenzhu (Carol) Zhang has advanced a loan in an amount of approximately \$2 million to the Company. The Directors consider that loan to be on arms-length terms on the basis that it is on substantially similar terms as have been agreed or anticipated to be agreed with other Shareholders who have advanced or agreed to advance loans to the Company as part of the debt facility announced in April 2016.

Bruce McInnes and Sean Zhou, or persons or entities related to them, do not intend to advance loans to the Company.

Sub-underwriting

As noted in Sections 7.8 and 11.4 above, the Underwriter has entered into sub-underwriting arrangements with various parties, including members of the board

of directors of the Company. Set out in the table below are the sub-underwriting commitments of each of the Directors and the potential number of Options (and therefore shares) they may acquire if the full sub-underwriting commitment is called on:

Director	Committed sub-underwriting amount (\$)	Potential number of Options /Shares on exercise
Bruce McInnes	\$18,800	18,800,000
Shengqiang (Sean) Zhou	\$10,000	10,000,000
Zhenzhu (Carol) Zhang	\$32,725	32,725,000

11.7 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Convertible Notes	Entitlement	\$
Bruce McInnes	12,350,918	Nil	Nil	6,175,459	\$6,176
Shengqiang (Sean) Zhou	14,749,000	125,000	Nil	7,374,500	\$7,375
Zhenzhu Zhang	48,478,106	Nil	Nil	24,239,053	\$24,239

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by the Company in a general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Financial year ended 30 June 2014*	Financial year ended 30 June 2015*	Proposed financial year ending 30 June 2016
Bruce McInnes	\$188,324.00	\$216,429.00	\$0
Shengqiang (Sean) Zhou	Not applicable	\$84,839.00	\$0
Zhenzhu Zhang	Not applicable	Not applicable	\$0

* including share based payments under the Vango Share Plan as disclosed in the Company's 2014 and 2015 annual reports.

11.8 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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- (d) the formation or promotion of the Company;
 - (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
 - (f) the Offer,

and no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

KS Capital Pty Limited is the Underwriter to the Offer and will be paid an underwriting fee of \$11,268 in respect of this Offer. Refer to Section 11.4 for further details of the Underwriting Agreement. During the 24 months preceding lodgement of this Prospectus with the ASIC, K S Capital Pty Limited has not been paid fees by the Company.

Gilbert + Tobin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Gilbert + Tobin \$30,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Gilbert + Tobin has been paid, or has billed, fees totalling \$126,180 (excluding GST and disbursements) for legal services provided to the Company.

11.9 Consents

Each of the parties referred to in this Section 11.9:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and
- (c) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) K S Capital Pty Limited as Underwriter to the Offer; and
- (b) Gilbert + Tobin as solicitors to the Company in relation to the Offer.

There may be a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any

statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

11.10 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$80,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

Item	\$
Underwriter fees	11,268
ASIC fees	2,350
ASX fees	20,720
Other expenses, including legal fees, share registry costs, and printing and distribution.	45,662
Total	80,000

11.11 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 2 9251 6012 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.vangomining.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

11.12 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

11.13 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

11.14 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a securityholder and carry out administration. By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use and disclose the information for the purposes set out in this Section 11.14 and the privacy disclosure statement in the Entitlement and Acceptance Form.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus. A fee may be charged for access.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

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12. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in blue ink, appearing to read "Bruce McInnes". The signature is written in a cursive style with a large, sweeping initial 'B'.

Mr Bruce McInnes
Executive Chairman
For and on behalf of
VANGO MINING LIMITED

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13. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Options pursuant to the Offer or a Shareholder or other party who applies for Shortfall pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASIC Act means the Australian Securities and Investments Commission Act 2001 (Cth).

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the applicable date specified in the timetable set out at the commencement of this Prospectus (unless extended).

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

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Dampier means Dampier Gold Limited (ACN 141 703 399).

Directors means the directors of the Company as at the date of this Prospectus.

DPPL means Dampier (Plutonic) Pty Limited (ACN 131 670 963).

Eligible Shareholder means a Shareholder with a Registered Address in Australia on the Record Date.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

EST means Eastern Standard Time as observed in Sydney, New South Wales.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Option Holder means a holder of an Option.

Plutonic Dome Project means the Plutonic Dome Gold Project located in central Western Australia.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

SARCO Project means the SARCO Bauxite Project located in southern Laos, which is undertaken pursuant to a joint venture arrangement between the Company and China Nonferrous Metal Industry's Foreign Engineering and Construction Co. Limited.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Options not applied for under the Offer (if any).

Underwriter means K S Capital Pty Limited (ACN 124 761 557) AFSL No. 316880.

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