

ASX Compliance Pty Ltd  
20 Bridge Street  
SYDNEY NSW 2000  
Attention: Lux Wigneswaran

8<sup>th</sup> February 2017

I refer to your letter dated 7 February 2017 and respond to your questions, using your numbering, as follows:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

Yes as previously announced, we expect to remain in negative cash flow until commencement of mining operations which are to be undertaken by the middle 2017.

2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

As previously announced, the Company has entered into Heads of Agreement with Dampier Gold Limited (DAU) to fund up to the sum of \$3m for the development of the K2 mine.

In addition, the Company is in discussions with existing shareholders and third parties to place and issue additional shares with those parties. These discussions are well advanced and are expected to be finalised by the end of February 2017.

3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Please refer to points 1 and 2 above

4. Please provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

Please refer to points 1 and 2 above

5. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

We can confirm that the Company is compliant with Listing Rule 3.1

6. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Approved by the Board of the Company

**For Further information, please contact:**

**Mark Camilleri**

Company Secretary

Tel: +61 407 666 937

Email: [markcamilleri@vangominig.com](mailto:markcamilleri@vangominig.com)



7 February 2017

Mr Mark Camilleri  
Company Secretary  
Vango Mining Limited  
Level 5, 71 Macquarie Street  
Sydney NSW 2000

By Email

Dear Mr Camilleri,

**Vango Mining Limited (the “Company”): Appendix 5B Query**

I refer to the Company’s Appendix 5B quarterly report for the period ended 31 December 2016 lodged with ASX Market Announcements Platform on 31 January 2017 (the “Appendix 5B”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$830,000;
- cash at the end of the quarter of \$211,000; and
- estimated cash outflows for the next quarter of \$900,000.

It is possible to conclude, based on the information in the Appendix 5B that if the Company were to continue to expend cash at the rate indicated by the Appendix 5B, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to respond separately to each of the following questions and requests for information:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

5. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9.30am AEDT on Monday, 13 February 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and

- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

*[sent electronically without signature]*

Lux Wigneswaran

**Principal Adviser, Listings Compliance (Sydney)**