



## **Half Year Financial Report**

**31 December 2020**

**ABN 68 108 737 711**

**VANGO MINING LIMITED**  
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**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**



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Directors	Bruce McInnes	- Executive Chairman
	Andrew Stocks	- Managing Director, Resigned 14 December 2020
	Shengqiang (Sean) Zhou	- Non-Exec Deputy Chairman
	Zhenzhu (Carol) Zhang	- Executive Director, to 28 October 2020
		- Non-Executive Director, from 28 October 2020
	Yan Chao (Hunter) Guo	- Non-Executive Director
	Craig Wallace	- Non-Executive Director from 11 January 2021
Company Secretary	Ian Morgan	
Registered Office	Suite 3544, Level 35, Tower 1 Barangaroo International Towers 100 Barangaroo Avenue Sydney NSW 2000	
Principal place of business	Suite 3544, Level 35, Tower 1 Barangaroo International Towers 100 Barangaroo Avenue Sydney NSW 2000	
Share Register	Boardroom Limited Level 12, Grosvenor Place 225 George Street The Rocks NSW 2000	
	Telephone: +61 2 9290 9600 Facsimile: +61 2 9290 9655	
Auditor	RSM Australia Partners Level 13 60 Castlereagh Street Sydney NSW 2000	
Solicitors	All Mining Legal Pty Ltd Suite 2 257 York Street Subiaco WA 6008	
Stock exchange listing	Australian Securities Exchange ASX Code: VAN, VANOB	
Website	<a href="http://www.vangomining.com">www.vangomining.com</a>	

Your directors present their report on the consolidated entity consisting of Vango Mining Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

### Directors

The names of the Company's Directors in office during the Period and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Bruce McInnes	- Executive Chairman
Andrew Stocks	- Managing Director, Resigned 14 December 2020
Shengqiang (Sean) Zhou	- Non-executive Deputy Chairman
Zhenzhu (Carol) Zhang	- Executive Director, to 28 October 2020 - Non-Executive Director, from 28 October 2020
Yan Chao (Hunter) Guo	- Non-Executive Director
Craig Wallace	- Non-Executive Director from 11 January 2021

### Principal Activities

The Consolidated Group is focused on the exploration and development of its 100%-owned Marymia Gold Project in the Mid-West region of Western Australia ("the Project"). It plans to systematically develop the Project's assets into a significant, long term gold mining operation.

### Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,432,251 (31 December 2019: \$2,611,093). The results were broadly in line with the previous reporting period other than a fair value gain on financial assets of \$763,818 a loss on the issue of shares to settle liabilities of \$780,516 neither of which appeared in the previous reporting period.

Interest on borrowings and convertible notes decreased substantially to \$251,085 (31 December 2019: \$557,279) reflecting the conversion of convertible notes during the half year. Corporate overheads and most other cost centres remained broadly in line with the corresponding 6 months in 2019. This reflects the ongoing activities in exploration activity.

- i) To continue to grow the Company's high-grade gold resource base at Marymia; and
- ii) To become a significant stand-alone gold producer.

Drilling completed during the six-month period included 75 reverse circulation drillholes 21 of which had a Diamond Drill cored tail (DD). A summary of the holes locations is in the Table below.

Area	Holes	RC	DD
PHB Corridor	29	5751.4	1412.8
TRIDENT Corridor	35	6622	1781.8
Total	64	12373.4	3194.6



Highlights of the drilling are summarised below for the Marymia Project. These intercepts generally represent extensions of the known mineralising system and will be used to upgrade resource modelling within these areas. The very high grades at the Trident Extended area confirm the extension of this impressive system significantly towards the Marwest area (Figure 2).

**Trident Extended<sup>3,4</sup>:**

- 7m @ 8.7 g/t Au from 110m in VTRRC0068 incl 2m @ 27.6 g/t Au from 110m and 1m @ 17.4 g/t Au from 114m;  
and 4m @ 6.3 g/t Au from 129m in VTRRC0068 incl 1m @ 21.4 g/t Au from 131m;
- 4m @ 3.9 g/t from 161m in VTRRC0069.
  - 9m @ 26.2 g/t Au from 137m incl. 2m @ 102.2 g/t Au from 139m in VTRRC0066
  - 2m @ 7.34 g/t Au incl. 1m @ 11.62 g/t Au from 191m, and,
  - 2m @ 12.18 g/t Au incl. 1m @ 22.9 g/t Au from 221m in VTRRC0059

**Trident Deep<sup>4</sup>**

- 11.69m @ 3.9 g/t from 321.31m in VTRRC0064 incl 1m @ 25.27 g/t from 324m
- 5.4m @ 1.7 g/t from 308m in VTRRC0065

**MarEast<sup>3</sup>**

- 10m @ 3.40 g/t Au incl. 4m @ 4.09 g/t Au from 94m in VMERC0030, down-plunge from previous intersection 10m @ 22.6 g/t Au incl. 6m @ 33.3 g/t Au in VMERC00251

**PHB<sup>1,3</sup>**

- 4m @ 6.56 g/t Au incl. 1.0m @ 12.5 g/t Au from 87m<sup>2</sup>, Main Lode, and, 18m @ 1.58 g/t Au incl. 8m @ 2.29 g/t Au from 290m, West Lode, in VHBRC0008
- 3m @ 5.93 g/t Au incl. 1m @ 12.36 g/t Au from 117m in VHBRC0022, Central Lode
- 6m @ 3.68 g/t Au incl. 1m @ 11.96 g/t Au from 232m in VHBRC0021, West Lode
- 4m @ 3.83 g/t Au incl. 1m @ 12.61 g/t Au from 209m in VHBRC0019, West Lode
- 3m @ 3.90 g/t Au incl. 1m @ 9.94 g/t Au from 131m in VHBRC0006, Main Lode

**K1<sup>1</sup>**

- 6m @ 8.66 g/t Au including 2m @ 23.8 g/t Au from 128m in VK1RC0018 (true width)
- 4m @ 3.12 g/t Au including 1m @ 9.34 g/t Au from 90m, and,  
3m @ 4.49 g/t Au including 2m @ 6.73 g/t Au from 105m in VK1RC0020

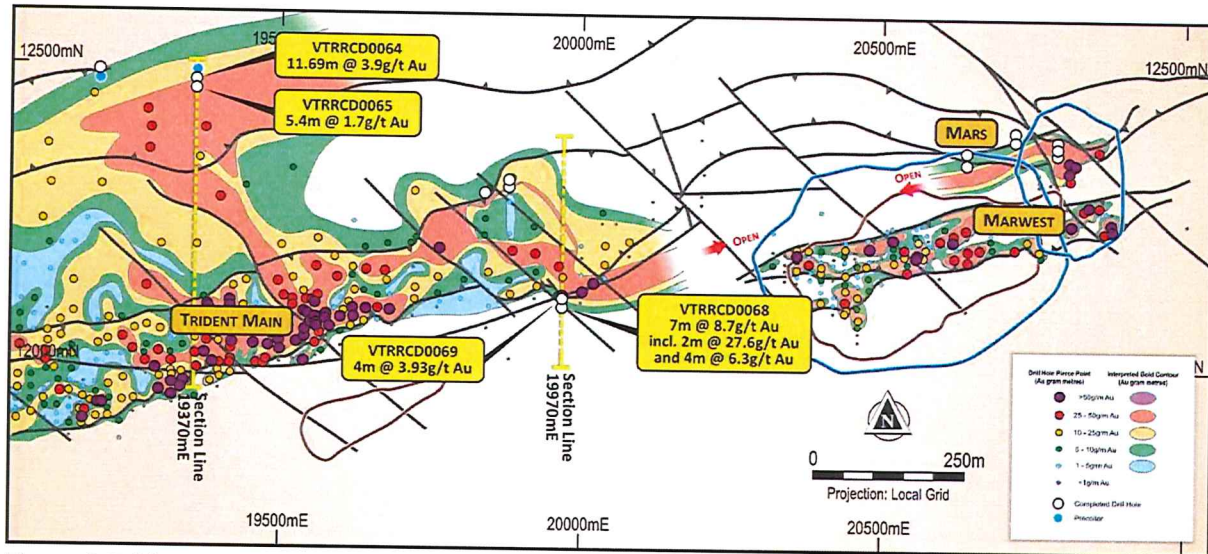


Figure 2 Trident – Marwest area final results 2020 drilling.

### Ned's Creek

An 11-hole program with 4 diamond tails was completed during the period at the Ned's Creek JV. Drilling at the Neds Creek project that are subject to Farm-in and Joint Venture arrangements with Lodestar Minerals Limited (Figure 1). The Company may earn a 51% interest in the tenements by expending A\$5 million over three years.

Area	Holes	RC	DD
Neds Ck	11	1016	636.51

Highlights of the results are as follows<sup>2</sup>

- 11m @ 2.29 g/t Au incl. 1m @ 15.2 g/t Au from 52m in VCTRC0015, and
- 3m @ 3.61 g/t Au incl. 1m @ 8.25 g/t Au from 46m in VCTRC0012

### Previous releases referenced:

<sup>1</sup> High-Grade Lode Discovery in PHB Corridor at Marymia, ASX: 24/09/2020

<sup>2</sup> High grade drilling results up to 15g/t from Ned's Creek, ASX: 23/11/2020

<sup>3</sup> Vango on Track for significant resource upgrade, ASX: 14/12/2020

<sup>4</sup> High Grade Gold Extensions at Trident, ASX: 14/02/2021

The information in this report that relates to exploration results has been reviewed, compiled and fairly represented by Mr David Jenkins, a Member of the Australian Institute of Geologists and a full time employee of Terra Search Pty Ltd. Mr Jenkins has sufficient experience, including over 28 years' experience in exploration and resource evaluation relevant to the style of mineralisation and type of deposits under consideration to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee ('JORC') Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Jenkins consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

## Corporate

During the year, In June (ASX announcement, 15 June 2020), the Company successfully completed an equity capital raise, raising \$15 million via the issue of 187.5 million ordinary shares in Vango at an issue price of \$0.08 per share. The funds raised were used to;


- advance the high-grade resource growth and development programme on the Company's Marymia Gold Project, including:
  - Drilling of immediate high-grade extension resource targets
  - Drill testing of larger scale 'Plutonic' analogue targets Technical and economic studies for mining project development; and for
- General Working Capital purposes

Blue Ocean Equities acted as Sole Lead Manager to the Placement.

The Company also converted \$2.423 million of debt into equity through the issue of 30.3 million new shares at the same (\$0.08) issue Price.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

  
Bruce McInnes  
Executive Chairman  
16 March 2021



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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Vango Mining Limited for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

*RSM*

**RSM AUSTRALIA PARTNERS**

*G N SHERWOOD* *GNS*

**G N SHERWOOD**  
Partner

Sydney, NSW  
Dated: 16 March 2021

VANGO MINING LIMITED  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020



	Note	Consolidated	
		31-Dec-2020	31-Dec-2019
		\$	\$
<b>REVENUE AND OTHER INCOME</b>			
Other income	4	1,192,065	69,470
<b>EXPENSES</b>			
Depreciation	5	(43,473)	(26,614)
Interest expense		(251,085)	(557,279)
Consulting fees		(463,507)	(344,533)
Legal fees		(397,409)	(235,916)
Directors fees and remuneration		(504,135)	(445,720)
Employee costs		(509,419)	(346,623)
Loss on issue of shares to settle liabilities	6	(780,516)	-
Other expenses	5	(674,772)	(723,878)
<b>Loss before tax from continuing operations</b>		<b>(2,432,251)</b>	<b>(2,611,093)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Vango Mining Limited</b>		<b>(2,432,251)</b>	<b>(2,611,093)</b>
<b>Other comprehensive loss for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the half-year attributable to the owners of Vango Mining Ltd</b>		<b>(2,432,251)</b>	<b>(2,611,093)</b>
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share attributable to the ordinary equity holders of the company:</b>			
Basic loss per share	16	(0.26)	(0.403)
Diluted loss per share	16	(0.26)	(0.403)

The above half yearly consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the half year consolidated financial statements.

VANGO MINING LIMITED  
CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION  
AS AT 31 DECEMBER 2020



		Consolidated	
		31-Dec-2020	30-Jun-2019
	Note	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		5,454,349	3,949,054
Trade and other receivables		621,016	316,295
Other		89,986	81,607
<b>Total current assets</b>		<b>6,165,350</b>	<b>4,346,956</b>
<b>Non-current assets</b>			
Investment accounted for using the equity method	7	-	-
Financial assets fair value through profit and loss	8	823,447	1,722,227
Property, plant and equipment		1,533,779	1,110,187
Exploration evaluation expenditure	9	45,367,415	38,982,736
Mining rehabilitation fund contribution		280,319	197,825
<b>Total non-current assets</b>		<b>48,004,960</b>	<b>42,012,975</b>
<b>Total assets</b>		<b>54,170,311</b>	<b>46,359,931</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		3,923,669	4,849,679
Borrowings	10	-	3,174,266
Provisions		52,727	52,727
<b>Total current liabilities</b>		<b>3,976,396</b>	<b>8,076,672</b>
<b>Non-current liabilities</b>			
Provisions		8,824,047	8,585,292
<b>Total non-current liabilities</b>		<b>8,824,047</b>	<b>8,585,292</b>
<b>Total liabilities</b>		<b>12,800,443</b>	<b>16,661,964</b>
<b>Net assets</b>		<b>41,369,868</b>	<b>29,697,967</b>
<b>EQUITY</b>			
Issued capital	11	119,970,827	106,207,395
Reserves	12	16,379,673	16,038,953
Accumulated losses		(94,980,632)	(92,548,381)
<b>Total equity</b>		<b>41,369,868</b>	<b>29,697,967</b>

The above half yearly consolidated statement of financial position should be read in conjunction with the notes to the half year consolidated financial statements.

VANGO MINING LIMITED  
CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020



	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
<b>Balance at 30 June 2019</b>	<b>78,323,936</b>	<b>15,361,216</b>	<b>(85,395,691)</b>	<b>8,289,461</b>
Loss for the year	-	-	(2,611,093)	(2,611,093)
Other comprehensive income for the year, net of tax	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(2,611,093)</b>	<b>(2,611,093)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	52,280	-	-	52,280
Convertible note converted	14,880,927	-	-	14,880,927
Increase in option reserve	-	340,720	-	340,720
Share based payments	1,806,483	-	-	1,806,483
Equity settlement of short-term loans	1,859,852	-	-	1,859,852
<b>Balance at 31 December 2019</b>	<b>96,923,478</b>	<b>15,701,936</b>	<b>(88,006,784)</b>	<b>24,618,630</b>
<b>Balance at 30 June 2020</b>	<b>106,207,395</b>	<b>16,038,953</b>	<b>(92,548,381)</b>	<b>29,697,967</b>
Loss after income tax expense for the year	-	-	(2,432,251)	(3,614,092)
Other comprehensive income for the year, net of tax	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(2,432,251)</b>	<b>(3,614,092)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	8,725,084	-	-	8,725,084
Convertible notes converted	2,423,000	-	-	2,423,000
Increase in option reserve	-	340,720	-	340,720
Share based payments	1,834,832	-	-	1,834,832
Loss on issue of shares (Note 6)	780,516	-	-	780,516
<b>Balance at 31 December 2020</b>	<b>119,970,827</b>	<b>16,379,673</b>	<b>(94,980,632)</b>	<b>41,369,868</b>

The above half yearly consolidated statement of changes in equity should be read in conjunction with the notes to the half year consolidated financial statements



**VANGO MINING LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**



	<b>Consolidated</b>	
	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows used in operating activities</b>		
Payment to suppliers and employees	(2,010,425)	(1,117,455)
Interest received	299	882
Other receipt	124,524	-
Interest paid	(325,880)	(190,068)
<b>Net cash flows used in operating activities</b>	<b>(2,211,482)</b>	<b>(1,306,641)</b>
<b>Cash flows used in investing activities</b>		
Proceeds from sale of financial assets	1,662,598	-
Payments for property, plant and equipment	(467,064)	(201,815)
Payments for exploration and evaluation	(6,145,925)	(2,218,025)
Payments to mining rehabilitation fund	(82,494)	-
<b>Net cash flows used in investing activities</b>	<b>(5,032,885)</b>	<b>(2,419,840)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	9,777,305	1,000,850
Share issue transaction costs	(527,775)	-
Proceeds from borrowings	-	1,839,400
Repayment of borrowings	(499,868)	(530,000)
<b>Net cash flows from financing activities</b>	<b>8,749,662</b>	<b>2,310,250</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,505,295</b>	<b>(1,416,231)</b>
Cash and cash equivalents at the beginning of the year	3,949,054	1,489,801
<b>Cash and cash equivalents at the end of the period</b>	<b>5,454,349</b>	<b>73,570</b>

The above half yearly consolidated statement of cash flows should be read in conjunction with the notes to the half year consolidated financial statements

## 1. CORPORATE INFORMATION

The interim unaudited consolidated financial statements of Vango Mining Limited and its subsidiaries (collectively, the Group) for the half year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 16 March 2021. Vango Mining Limited (the Company or the parent) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange. The nature of the operations and principal activities of the Group are described in the directors' report. The registered office and principal place of business of the Company is Suite 3544, Level 35, Tower 1, Barangaroo International Towers, 100 Barangaroo Avenue, Sydney NSW 2000.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### (b) Going concern

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

As disclosed in the financial statements, the consolidated entity incurred a loss of \$2,432,251 and had net cash outflows from operating and investing activities of \$2,211,482 and \$5,032,885 respectively for the half-year ended 31 December 2020. As at that date the consolidated entity had net current assets of \$2,188,954 and net assets of \$41,369,868.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group has a cash balance of \$5,454,349 at balance sheet date;
- The planned exploration activities over the next 12 months will require additional capital of approximately \$12 million however the Group has the ability to scale back exploration activities in order to preserve cash if required;
- The Company has the ability to raise additional share capital pursuant to the Corporation Act. The directors are confident that additional share capital can be raised as required having issued additional net share capital of \$13,763,432 in the 6 months ended 31 December 2020;

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

### (c) New / revised accounting standards and interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## 3. OPERATING SEGMENTS

### *Identification of reportable segments*

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

As of the date of this report the consolidated entity operates entirely in the industry of exploration of minerals in Australia, following the 2017 write-down of the investment in the SARCO JV in Laos. The company determined that it has only one segment being exploration of minerals in Australia.

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

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

## 4. Other income

	Consolidated	
	31-Dec-2020	31-Dec-2019
	\$	\$
Fair value gain/ (loss) on financial assets	763,818	-
Interest	299	882
Government grants and subsidies	147,881	-
Other	280,067	68,588
<b>Other income</b>	<b>1,192,065</b>	<b>69,470</b>

## 5. Expenses

	Consolidated	
	31-Dec-2020	31-Dec-2019
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	43,473	26,614
Employee share-based payments (Note 11)	340,720	340,720
<i>Other expenses</i>		
Auditors remuneration	-	628
ASX listing fees	66,713	103,528
Rent	53,350	104,469
Corporate registers	1,174	810
Insurance expenses	188,999	64,018
Share registry expenses	44,598	28,687
Advertising and promotion expenses	5,250	16,623
Travel expenses	66,629	113,907
Other expenses	248,060	291,208
	674,773	723,878

## 6. Loss from debt to equity conversion

During the half financial year the Company has settled financial liabilities by issue of fully paid ordinary shares. In accordance with the interpretation 19 of AASBs. The fair value of the shares issued in excess of the carrying value of financial liabilities has been expensed in the financial year with excessed the fair value of the shares issued being recorded as equity.



## 7. Investments accounted for using the equity method

	Consolidated	
	31-Dec-2020	30-Jun-2020
	\$	\$
Interest in joint venture entity -SARCO	3,124,569	3,124,569
Impairment - SARCO	(3,124,569)	(3,124,569)
	<u>-</u>	<u>-</u>

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

The share of the joint venture loss after income tax for the half-year was \$Nil (2019: \$ Nil).

## 8. Financial assets fair value through profit or loss

	Consolidated	
	31-Dec-2020	30-Jun-2020
	\$	\$
1,468,937 (38,786,191 Jun 2020) shares held in Dampier Gold Limited listed on the ASX (Opening Balance)	42,611	969,655
Fair Value adjustment - Dampier Gold Limited	30,836	77,572
75,000,000 shares held in Lodestar Minerals Limited listed on the ASX (Opening Balance)	675,000	600,000
Fair Value adjustment - Lodestar Minerals Limited	75,000	75,000
	<u>823,447</u>	<u>1,722,227</u>

## 9. Exploration and evaluation expenditure

	Consolidated	
	31-Dec-2020	30-Jun-2020
	\$	\$
Exploration and evaluation - at cost	52,242,635	45,857,956
Less: Impairment	(6,875,220)	(6,875,220)
	<u>45,367,415</u>	<u>38,982,736</u>

## 9. Exploration and evaluation expenditure (continued)

### Reconciliations

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

	Exploration and evaluation \$
Balance at 30 June 2020	38,982,736
Additions	6,145,924
Addition to provision for rehabilitation	238,755
Disposals	-
Impairments	-
Balance at 31 December 2020	<u>45,367,415</u>

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

## 10. Borrowings

	Consolidated	
	31-Dec-2020	30-Jun-2020
	\$	\$
<i>Current</i>		
Loans 15%(i)	-	573,762
Convertible notes - 8% (ii)	-	2,422,867
Convertible notes - 15% (iii)	-	177,637
	<u>-</u>	<u>3,174,266</u>
<i>Non-current</i>	<u>-</u>	<u>-</u>

- i. In September 2020, the company repaid these loans with cash.
- ii. On 20 August 2020, these 8% Convertible Notes were converted to equity at \$0.08 per share pursuant to shareholders approval on 13 August 2020.
- iii. On 6 Jul 2020, the accrued interests of 15% convertible notes were repaid by cash.

## 11. Issued capital

	31-Dec-2020	30-Jun-2020	31-Dec-2020	30-Jun-2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	1,030,954,860	831,394,506	121,270,827	106,207,395
<i>Movements in ordinary share capital</i>				
<b>Details</b>	<b>Date</b>	<b>No. of shares</b>	<b>Issue price</b>	<b>\$</b>
<b>Balance</b>	<b>1 Jul 2020</b>	<b>831,394,506</b>		<b>106,207,395</b>
Placement	20 Aug 2020	131,910,748	0.08	10,552,860
Convertible Note conversion	20 Aug 2020	30,287,500	0.08	2,423,000
Share based payment	14 Dec 2020	705,349	0.11	77,588
Share based payment	14 Dec 2020	427,972	0.11	47,077
Share based payment	14 Dec 2020	1,833,330	0.11	201,666
Share based payment	14 Dec 2020	1,895,455	0.11	208,500
Share based payment	14 Dec 2020	32,500,000	0.04	1,300,000
Share issue transaction costs				(1,827,775)
Loss on issue of shares (Note 6)				780,516
<b>Balance</b>	<b>31 Dec 2020</b>	<b>1,030,954,860</b>		<b>119,970,827</b>

## 11. Issued capital (continued)

### Ordinary shares

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

### Options

On 24 June 2019 the Company issued a total of 100,000,000 unlisted performance options to the members of the board. The details of the term, exercise price and performance hurdles are disclosed in Note 14.

On 6 August 2020, the company issued 6,000,000 options to its advisors in addition to the amounts invoiced. The strike price of the options is 11.2c with a three year term from the date of issue. The valuation attached to these options is not considered material and consequently they have not been accounted for within the half year report.

### Share buy-back

There is no current on-market share buy-back.

## 12. Movement in reserves

	31-Dec-2020	30-Jun-2020
	\$	\$
Share based payments reserve	16,379,673	16,038,953

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

### Movements in reserves

Movements during the current and previous financial half-year are set out below:

	Consolidated	
	31-Dec-2020	30-Jun-2020
	\$	\$
Opening balance	16,038,953	15,361,216
Share options vesting expense	340,720	677,737
Closing balance	16,379,673	16,038,953



### 13. Contingent liabilities

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

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

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

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

#### Dampier Gold Ltd

On 14 November 2019 the Consolidated entity advised Dampier Gold Limited (ASX:DAU) (Dampier") by letter that it would not grant further extension to the earn-in period under the Binding Term Sheet for the K2 joint venture. Vango concluded that it would be in the best interests of both companies and their shareholders to not extend the termination date any further. On 12 February 2020, Dampier served on a letter of demand for an amount totalling \$21.57 million being their estimate of losses arising from their claim of non-performance by the consolidated entity under the binding Term sheet for a farm in agreement on the K2 mining lease M52/183. Dampier has commenced proceedings in the Supreme Court of Western Australia. It is the position of the Directors that the claim is spurious and consequently it is expected that Vango will win the litigation matter should it proceed to trial. To this extent, the Directors have exercised their judgement in concluding that it is not necessary to raise any provision in this regard. In addition, the Directors have concluded that the possibility of any settlement by Vango in this regard is remote and consequently no contingent liability disclosures have been included in the financial statements.

#### Billabong Gold Pty Ltd

Vango Mining Limited filed its defence of a Billabong Gold Pty Ltd claim in February 2019. Billabong is seeking a declaration that Vango Mining and DPPL (previously owned by Dampier Gold Limited) breached an alleged first right of refusal under an Ore Treatment Agreement and further seeks an injunction requiring Vango Mining and DPPL to comply with Billabong's alleged first rights of refusal or, alternatively, damages. Vango. It is the position of the Directors that the claim is spurious and consequently it is expected that Vango will win the litigation matter should it proceed to trial. To this extent, the Directors have exercised their judgement in concluding that it is not necessary to raise any provision in this regard. In addition, the Directors have concluded that the possibility of any settlement by Vango in this regard is remote and consequently no contingent liability disclosures have been included in the financial statements.

## 14. Related party transactions

### *Transactions with related parties*

During the half year to 31 December 2020 the following material transactions with related parties occurred.

### *Key management personnel*

The terms of the 100,000,000 performance options remain the same as those disclosed in the Annual Report for the year ended 30 June 2020.

On 25 November 2020, the company issued 32,500,000 shares at \$0.04c per share to Yanchao Gou as settlement for a \$1,300,000 liability for capital raising costs as approved at the AGM. The Company recognised an amount of \$340,720 as Directors Fees in the half year relating to the Fair Value assessment of these fully vested performance options issued to Directors of the Company. The total valuations at issue date was \$3,142,500 assuming 100 % certainty of achieving all performance hurdles and vesting of all options issued. The Performance hurdles have been assessed in the current reporting period as reasonable and achievable. The Company will review the Fair Value assessment at each reporting date and adjust for movements of the unvested performance options through profit or loss, taking into account any change in circumstance surrounding the option holder and the likely achievement of the performance hurdles.

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

### *Loans to/from related parties*

At the half year end the company had no material loan arrangements from related parties.

### *Receivable from and payable to related parties*

As at 31 December 2020 the Company had deferred payment to related parties of post-tax salary as follows:

Mrs Zhenzhu (Carol) Zhang (Executive Director) - \$28,560

## 14. Events occurring after the reporting period

On 22 January 2021, the Company acquired 14,285,715 fully paid ordinary shares and 7,142,858 3 cent options expiring 31 Dec 2022 in Lodestar Minerals Limited listed on the ASX by issuing of 2,352,941 fully paid ordinary Vango shares at \$0.085 per share.

## 15. Earnings/(loss) per share

	Consolidated	
	31-Dec-2020	31-Dec-2019
	\$	\$
Loss after income tax expense for the year attributable to the owners of Vango Mining Limited	<u>(2,432,251)</u>	<u>(2,611,093)</u>
Basic loss per share (cents)	(0.26)	(0.403)
Diluted loss per share (cents)	<u>(0.26)</u>	<u>(0.403)</u>
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	<u>949,084,847</u>	<u>647,865,745</u>

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



## 16. Share-based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee. Please refer to note 13 for details of the performance hurdles that are required to be satisfied before the share options can be exercised.

Set out below are summaries of options granted under the plan:

### 2020

Grant Date	Expiry Date	Exercise Price	Balance at the start of the year	Granted	Exercised	Others	Balance at the end of the year
24/06/2019	18/06/2022	\$ 0.25	25,000,000	-	-	-	25,000,000
24/06/2019	18/06/2024	\$ 0.30	25,000,000	-	-	-	25,000,000
24/06/2019	18/06/2024	\$ 0.35	12,500,000	-	-	-	12,500,000
24/06/2019	18/06/2024	\$ 0.50	12,500,000	-	-	-	12,500,000
24/06/2019	18/06/2024	\$ 0.60	25,000,000	-	-	-	25,000,000
<b>Total</b>			<b>100,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000,000</b>

### 2019

Grant Date	Expiry Date	Exercise Price	Balance at the start of the year	Granted	Exercised	Others	Balance at the end of the year
24/06/2019	18/06/2022	\$ 0.25	-	25,000,000	-	-	25,000,000
24/06/2019	18/06/2024	\$ 0.30	-	25,000,000	-	-	25,000,000
24/06/2019	18/06/2024	\$ 0.35	-	12,500,000	-	-	12,500,000
24/06/2019	18/06/2024	\$ 0.50	-	12,500,000	-	-	12,500,000
24/06/2019	18/06/2024	\$ 0.60	-	25,000,000	-	-	25,000,000
<b>Total</b>			<b>-</b>	<b>100,000,000</b>	<b>-</b>	<b>-</b>	<b>100,000,000</b>




In the Directors' opinion:

- a) the half yearly financial statements and notes are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half year ended on that date, and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Board of Directors



Bruce McInnes  
Executive Chairman

16 March 2021

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## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF

### Vango Mining Limited

#### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Vango Mining Limited which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

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

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Vango Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Vango Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vango Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink, appearing to read 'GNS', is written over the printed name and title of Gary Sherwood.

**Gary Sherwood**  
Partner

Sydney, NSW  
Dated 16 March 2021