



Half Year Financial Report

31 December 2021

ABN 68 108 737 711

VANGO MINING LIMITED
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FOR THE HALF YEAR ENDED 31 DECEMBER 2021



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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
Company Secretary	Ian Morgan	
Registered Office	Aurora Place Building 1, Level 29 88 Phillip Street Sydney NSW 2000	
Principal place of business	Aurora Place Building 1, Level 29 88 Phillip Street Sydney NSW 2000	
Share Register	Boardroom Limited Level 12, Grosvenor Place 225 George Street The Rocks NSW 2000	
	Telephone: 1300 737 760 (in Australia) Website: boardroomlimited.com.au	
Auditor	RSM Australia Partners Level 13 60 Castlereagh Street Sydney NSW 2000	
Solicitors	Lawton Macmaster Legal Level 9 40 The Esplanade Perth WA 6000	
Stock exchange listing	Australian Securities Exchange ASX Code: VAN, VANOB	
Website	www.vangominer.com	

Your directors present their report on the consolidated entity consisting of Vango Mining Limited and the entities it controlled (the "Group") at the end of, or during, the half-year ended 31 December 2021.

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
Shengqiang (Sean) Zhou	- Non-Executive Deputy Chairman
Zhenzhu (Carol) Zhang	- Non-Executive Director
Yan Chao (Hunter) Guo	- Non-Executive Director
Craig Wallace	- Non-Executive Director

Principal Activities

The 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 \$1,071,138 (31 December 2020: \$2,432,251) reflecting several cost saving initiatives. Factors contributing to the decreased loss include that the Group incurred less expense from loss on issue of shares \$9,274 (31 December 2020: 780,516) as well as the reversal of the share based payments expense due to changes in the assumptions around the probability of achieving the performance hurdles.

The Group currently has no borrowings. Corporate overheads and most other cost centres remained broadly in line with the corresponding 6 months in 2020. This reflects the ongoing activities in exploration activity.

Exploration and Development Activities

Vango's core focus for the half-year ended 31 December 2021 was on its 2021 drilling campaign at the Marymia Gold Project. This extensive campaign targeted priority open-pits within the Marymia Project, which are not currently part of the Marymia JORC 2012 resource - 1.02Moz @ 3.0 g/t Au₂. (VAN ASX, 20/05/20)

The aim of the drilling campaign is to add significant near-surface resources amenable to open pit mining, as part of any future mining operation at the Project. It is also designed to deliver 'critical mass' to increase the mine life of a proposed future mining operation from Marymia's resource base.

Vango commenced and completed the first phase of this drilling campaign during the half. This comprised 8,914 metres of reverse circulation (RC) drilling across 56 holes, at all 11 targeted open-pits. (Table 1).

The 11 open pit targets were ranked in order of priority, based on historic gold inventory and a review of historic drilling. The 11 open pits are; Apollo, Exocet, Ibis, Kookaburra, Parrot, Pigeon, Prickleys, Redfin, Rosella, Skyhawk and Speckled (Figure 1).

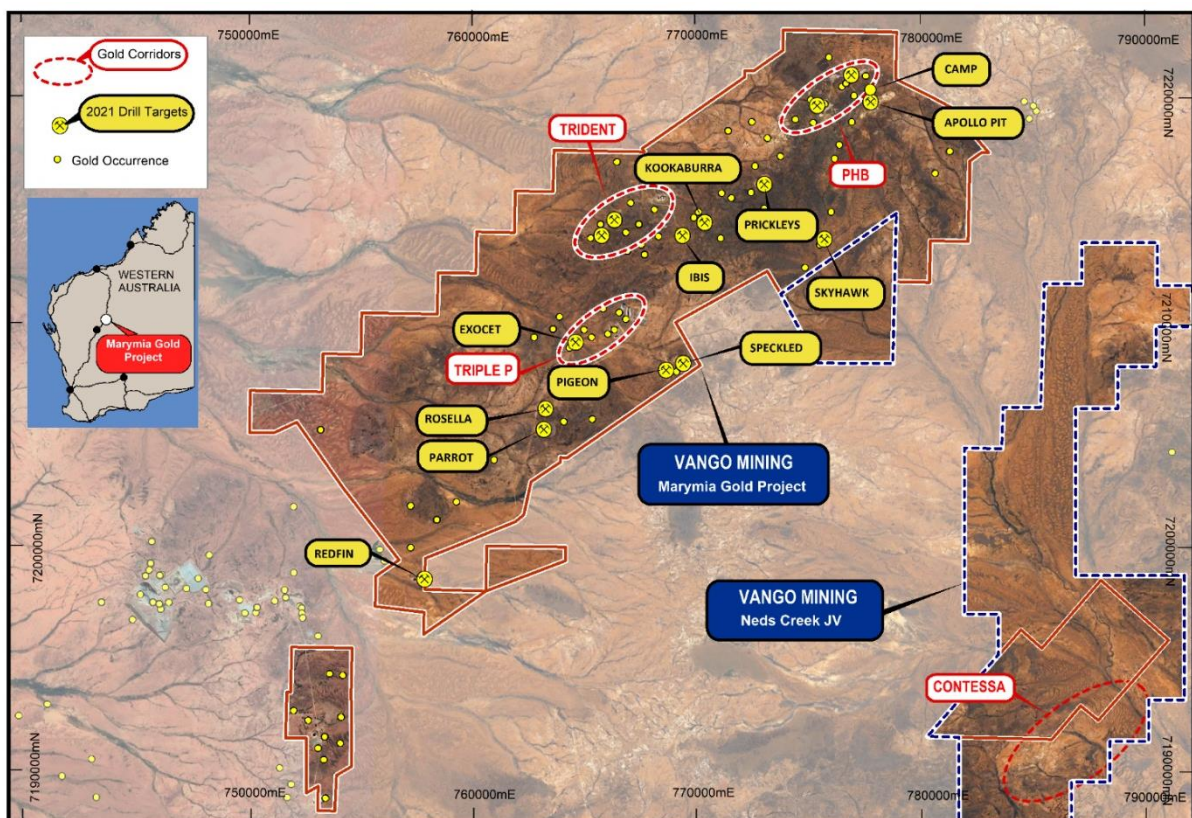


Figure 1: Marymia Gold Project showing the 11 priority open pits targeted in 2021 drilling campaign

During the half-year, all results were reported from eight open-pit targets - Skyhawk, Parrot, Apollo, Prickleys, Ibis, Exocet, Rosella and Pigeon. Results from the remaining three open-pits were released subsequent to the half (ASX announcements, 19 January and 21 February 2022).

Following the first-phase of the drilling campaign, Vango commenced follow-up, second phase drilling at targets which delivered positive results from the completed first round of drilling, to test for further extensions of gold mineralisation to add to the Marymia resource base.

Subsequent to the quarter, this second-phase drilling was completed at the Skyhawk and Parrot open-pits. Results from second-phase drilling at Skyhawk have been reported (ASX announcement, 25 February 2022) and results from the Parrot open-pit are pending.

Pigeon Open Pit

Five drillholes were completed at the Pigeon open-pit, and all five holes returned significant gold intercepts, including:

- 2m @ 1.2 g/t Au from 94m in VPIRC0005 including 1m @ 1.9 g/t Au from 94m
- 3m @ 3.2 g/t Au from 133m in VPIRC0005 including 1m @ 8.31 g/t Au from 134m
- 1m @ 2.5 g/t Au from 159m in VPIRC0005 (repeat of 8.84 g/t Au)
- 2m @ 4.9 g/t Au from 166m in VPIRC0005 incl 1m @ 8.7 g/t from 166m
- 1m @ 1.2 g/t from 190m in VPIRC0005
- 9m at 3 g/t Au from 111m in VPIRC0004 incl. 3m at 7.9 g/t Au from 114m
- 2m at 1 g/t Au from 157m in VPIRC0004
- 4m at 1.1 g/t Au from 134m in VPIRC0001
- 2m at 2.2 g/t Au from 115m in VPIRC0002
- 7m at 0.8 g/t Au from 124m in VPIRC0002
- 12m at 1 g/t Au from 121m in VPIRC0003

The results showed the continuity of a strong gold zone that broadly follows an interpreted mineralised structure, following the contact between sediments and mafic packages. Results from hole VPIRC0005 suggested this structure is still important but has been offset somewhat by a later structure. This structure appears to have offset this mineralised zone and opens up the potential at Pigeon significantly to the west, which is also supported by historical intercepts.

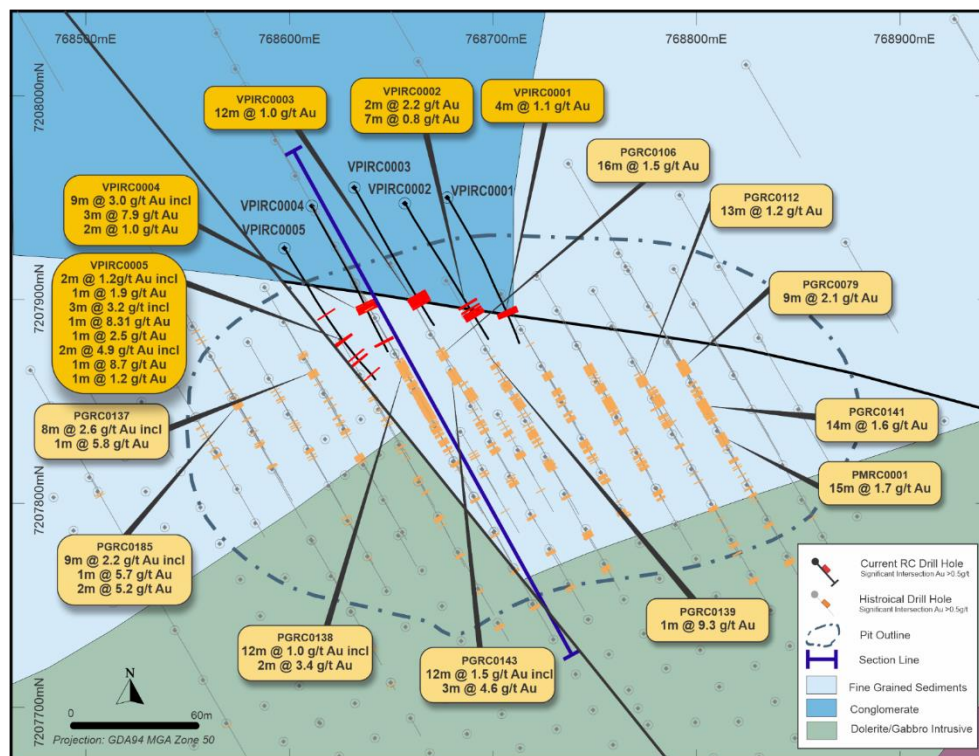
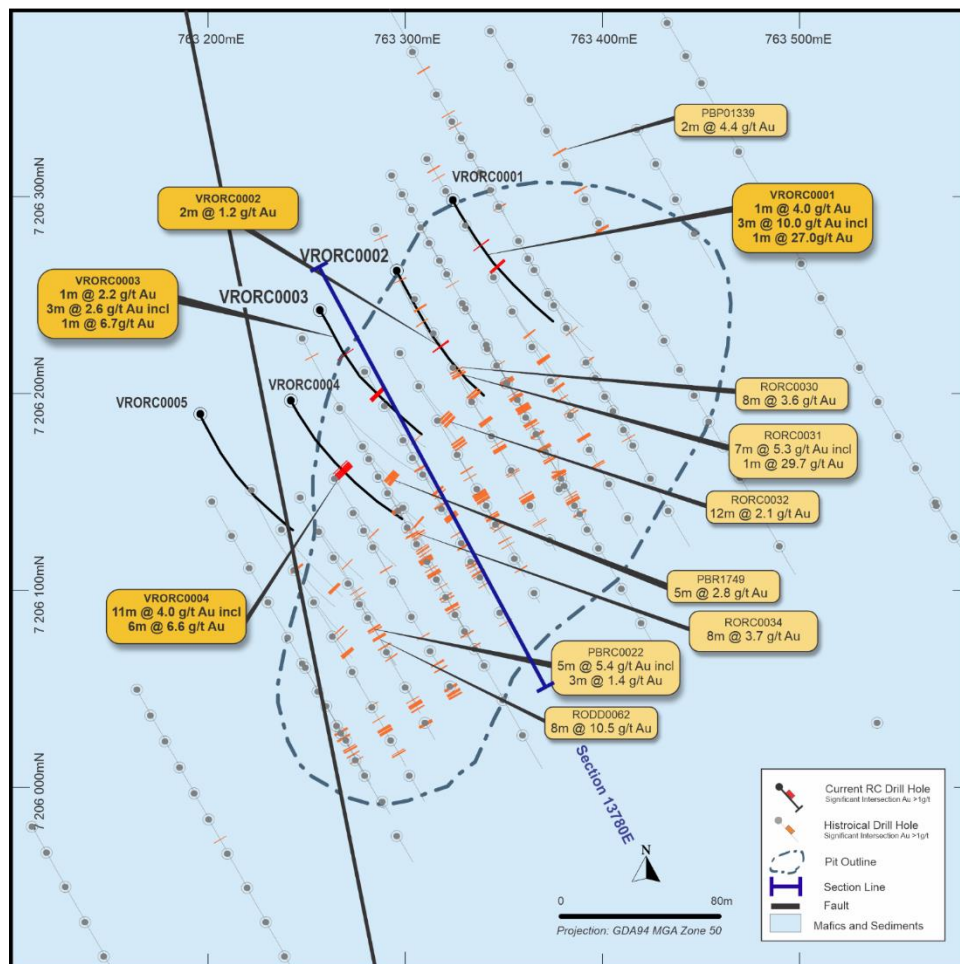


Figure 2: Plan View Pigeon Open-Pit

Rosella is interpreted to be a faulted-off continuation of the adjacent Parrot Open Pit, which may present the potential for large-scale open-pit development and mining across the two open-pits. Gold mineralisation at Rosella is well-defined along a north-west dipping structure within mafics, and near the contact with sediments in places.

- 1m at 4.0 g/t Au from 54m in VRORC0001
- 3m at 10.0 g/t Au from 80m in VRORC0001 incl 1m @ 27.0 g/t Au from 80m
- 2m @ 1.2 g/t Au from 89m in VRORC0002
- 1m @ 2.2 g/t Au from 50m in VRORC0003
- 3m at 2.6 g/t Au from 101m in VRORC0003 incl 1m @ 6.7 g/t Au from 102m
- 11m at 4 g/t Au from 83m in VRORC0004 incl. 6m at 6.6 g/t Au from 85m



Exocet Open Pit

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- 1m at 1.1 g/t Au from 83m in VEXRC0001
- 6m at 1.3 g/t Au from 68m in VEXRC0002 incl. 1m at 3.7 g/t Au from 72m
- 1m at 2.8 g/t Au from 97m in VEXRC0002
- 2m at 0.8 g/t Au from 55m in VEXRC0003
- 3m at 0.9 g/t Au from 71m in VEXRC0003 incl. 1m at 1.1 g/t Au from 72m
- 1m at 5.2 g/t Au from 135m in VEXRC0004

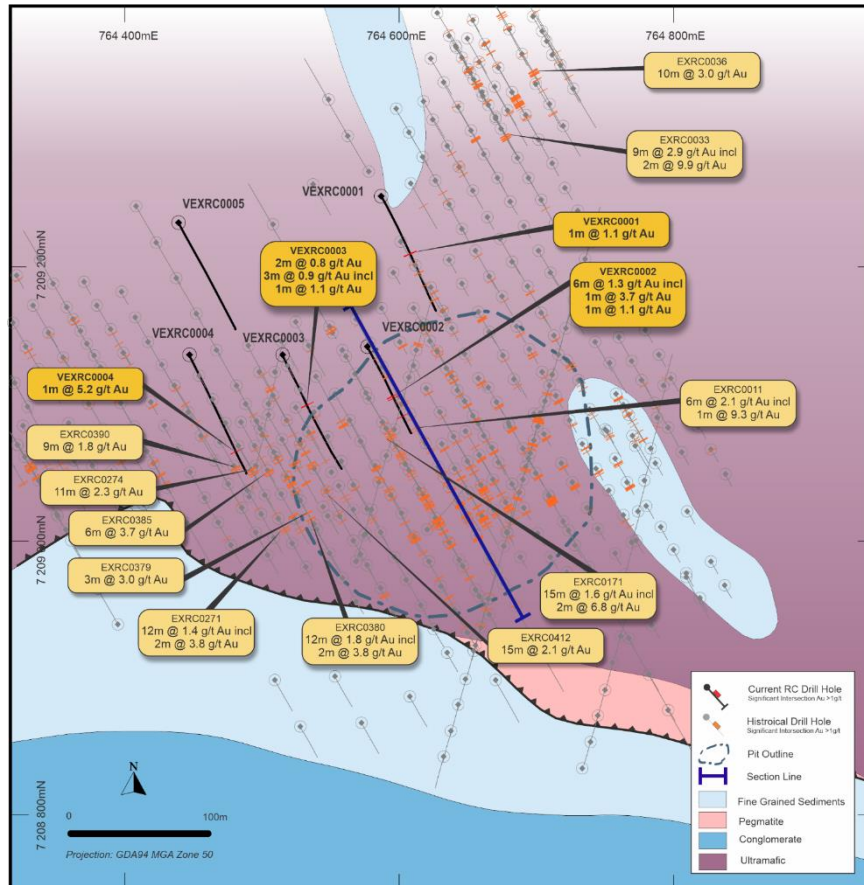


Figure 4: Exocet Plan view showing historical and current drilling

Ibis Open Pit

The mineralisation at Ibis sits within steep mineralised shears partially controlled by the contact between a felsic intrusive and mafics. Five holes were completed at the Ibis open-pit, and four holes returned gold grades greater than 1g/t (often within broader mineralised envelopes of >0.3g/t Au). The results confirmed the continuity of the mineralised structures below the Ibis open-pit and extended gold mineralisation to a greater depth than previous drilling. Results included:

- 7m @ 0.7 g/t Au from 72m in VIBRC0001 Incl 2m @ 1.3 g/t Au from 77m
- 2m @ 2.1 g/t Au from 87m in VIBRC0002
- 1m @ 1 g/t Au from 108m in VIBRC0002
- 1m @ 1.6 g/t Au from 89m in VIBRC0003
- 5m @ 0.5 g/t Au from 71m in VIBRC0005 Incl 1m @ 1.3 g/t Au from 71m and 1m @ 1.5 g/t Au from 75m

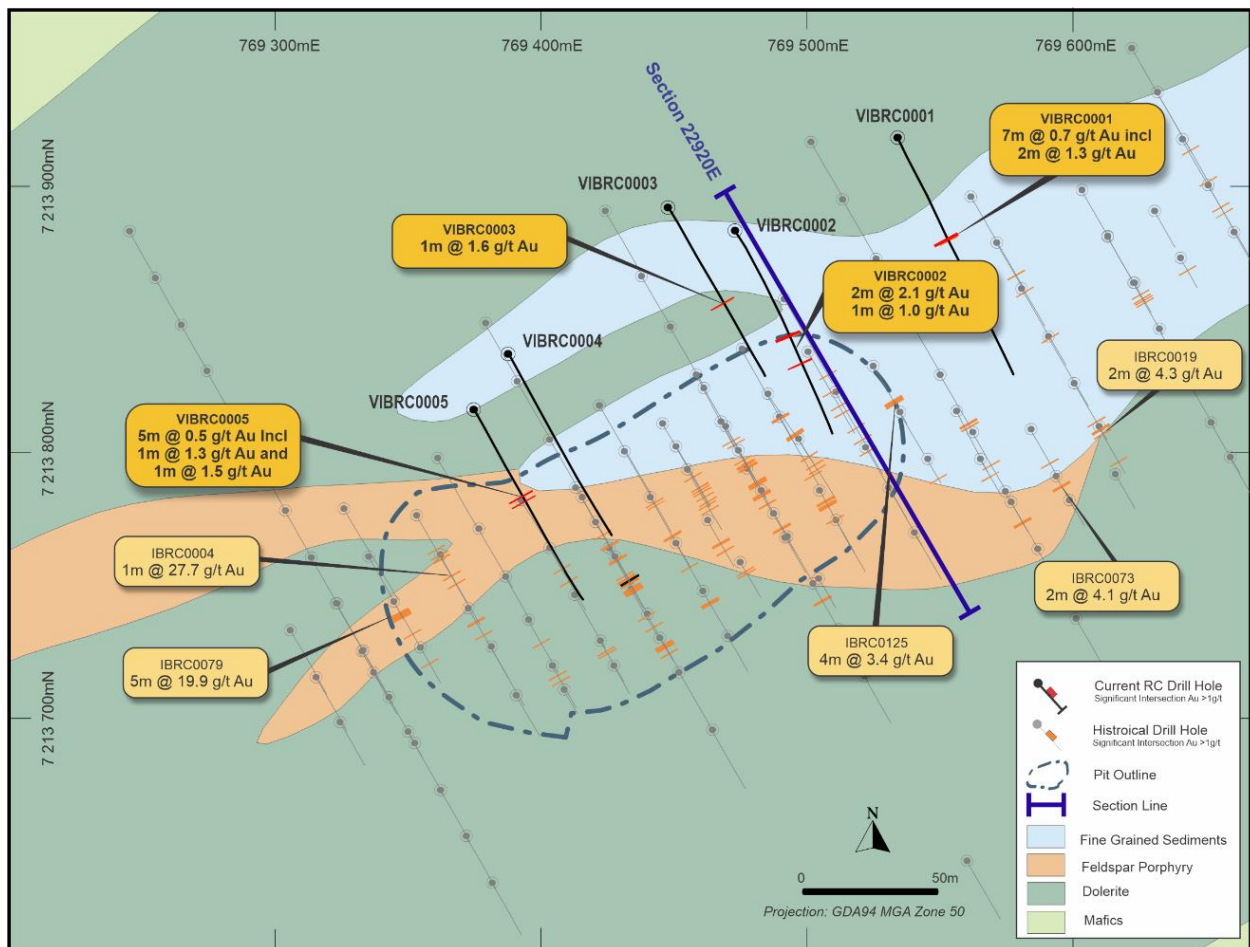


Figure 5: Plan View Ibis Area

Prickleys Open Pit

Eight holes at the Prickleys open-pit area were reported. There are significant historic gold intercepts below the Prickleys open-pit, and drilling tested for extensions to this mineralisation as well as repeating structures at depth.

Six holes returned gold greater than 1g/t and all holes returned gold greater than 0.5g/t. Results confirmed the continuity of the mineralised structures below the open-pit and significantly extended the depth of the mineralisation in many cases. Results included:

- 10m @ 1.6 g/t Au from 116m in VPKRC0006 incl 3m @ 4.3 g/t Au from 116m
- 4m @ 1.0 g/t Au from 45m in VPKRC0007 incl 1m @ 3.5 g/t Au from 48m
- 11m @ 0.4 g/t Au from 72m in VPKRC0007 incl 1m @ 1.2 g/t Au from 75m
- 10m @ 0.3 g/t Au from 128m in VPKRC0002 incl 1m @ 1.3 g/t Au from 135m
- 6m @ 0.5 g/t Au from 139m in VPKRC0004 incl 1m @ 1.2 g/t Au from 143m
- 13m @ 0.7 g/t Au from 150m in VPKRC0005 incl 1m @ 2.6 g/t Au from 153m

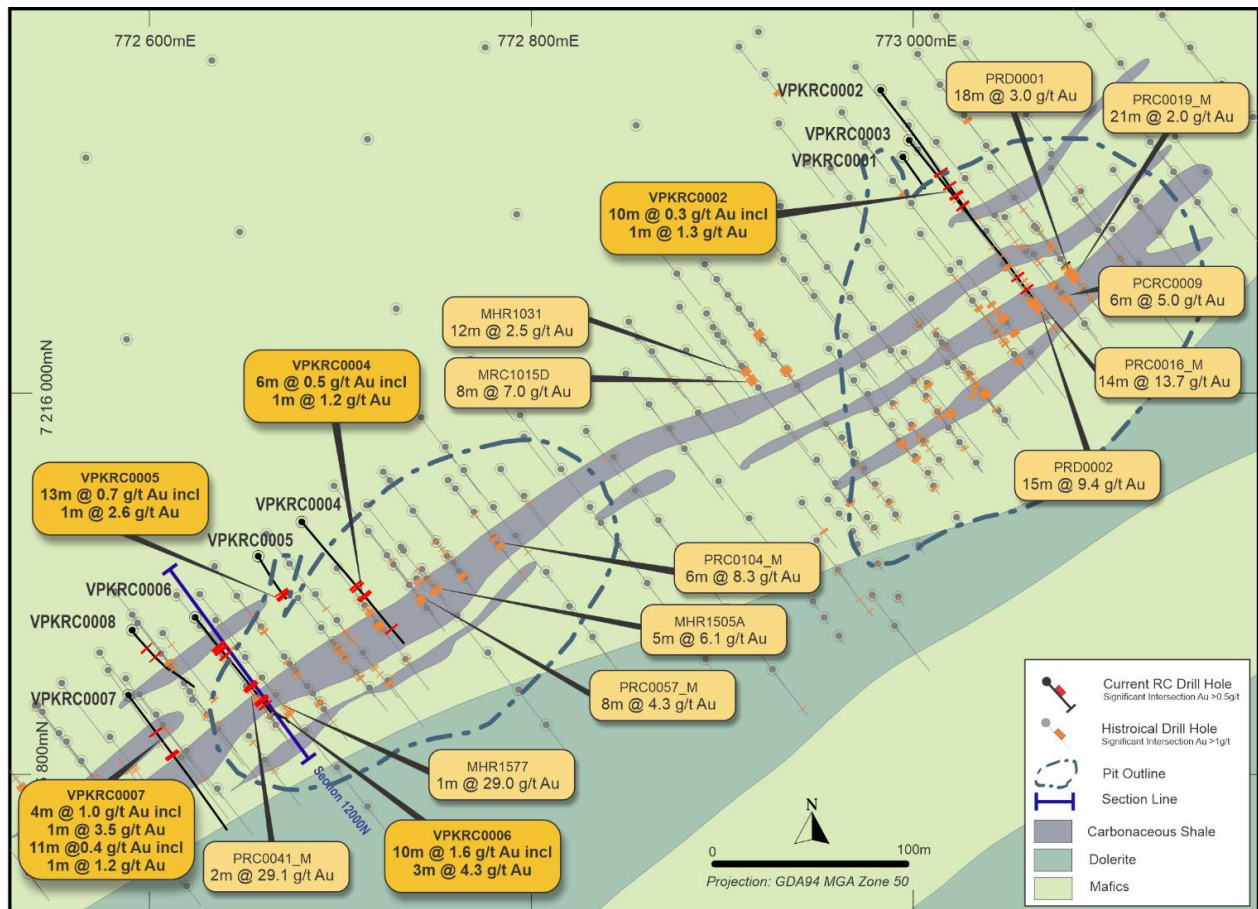


Figure 6: Plan View Prickleys Area

Parrot Open Pit

Four drill holes for a total of 815m were completed at the Parrot open-pit target. Drilling at the Parrot (and Apollo) open-pits targeted the identification of un-mined high-grade mineralisation below these pits, which were previously mined to shallow depths only at a time of low gold prices.

Results successfully confirmed the continuity of the mineralised structures below the pits and in areas of previous gold mineralisation, and continued to strengthen the significant open-pit potential at the Marymia Project. Results included;

- **3m @ 1.3 g/t Au from 124m in VPARC0003**
- **1m @ 2.5 g/t Au from 177m in VPARC0001**
- **12m @ 2.6 g/t Au from 43m in PARC0073**
- **2m @ 11.1 g/t Au from 99m in PBR7797**
- **8m @ 1.6 g/t Au from 67m in PBRD1753**

Apollo Open Pit

Three holes for 471m were completed at the Apollo open-pit. As with the drilling at Parrot, the Apollo drilling targeted un-mined high-grade mineralisation below the open-pit, and results. Highlight Apollo open-pit results, including intersections from previous drilling, included;

- **2m @ 6.0 g/t Au from 80m in VAPRC0003**

- 1m @ 1.5 g/t Au from 48m in VAPRC0002
- 6m @ 19.7 g/t Au from 50m in ARC0067
- 4m @ 3.7 g/t Au from 56m in ARC0074
- 4m @ 11.0 g/t Au from 54m in ARC0105
- 8m @ 2.5 g/t Au from 52m in ARC0115
- 3m @ 15.3 g/t Au from 40m in ARC0129

Skyhawk Open Pit

Seven holes were completed at the Skyhawk open-pit for a total of 1,148m. This drilling returned multiple high-grade intersections, and reaffirmed and strengthened the significant open-pit potential at Skyhawk. Highlight results, including intersections from previous drilling, included;

- 16m @ 4.4 g/t Au, from 54m in VSKRC0007, including 6m @ 8.2 g/t Au
- 1m @ 12.1 g/t Au from 55m in VSKRC0003
- 1m @ 3.1 g/t Au from 48m in VSKRC0003
- 6m @ 1.9 g/t Au from 21m in VSKRC0004 incl 1m @ 6.4 g/t Au
- 3m @ 2.5 g/t Au from 59m in VSKRC0006 incl 1m @ 6.1 g/t Au
- 18m @ 2.0 g/t Au from 76m in DSHRC0023
- 16m @ 3.5 g/t Au from 132m in DSHRC0014
- 12m @ 2.5 g/t Au from 65m in DSHRC0004

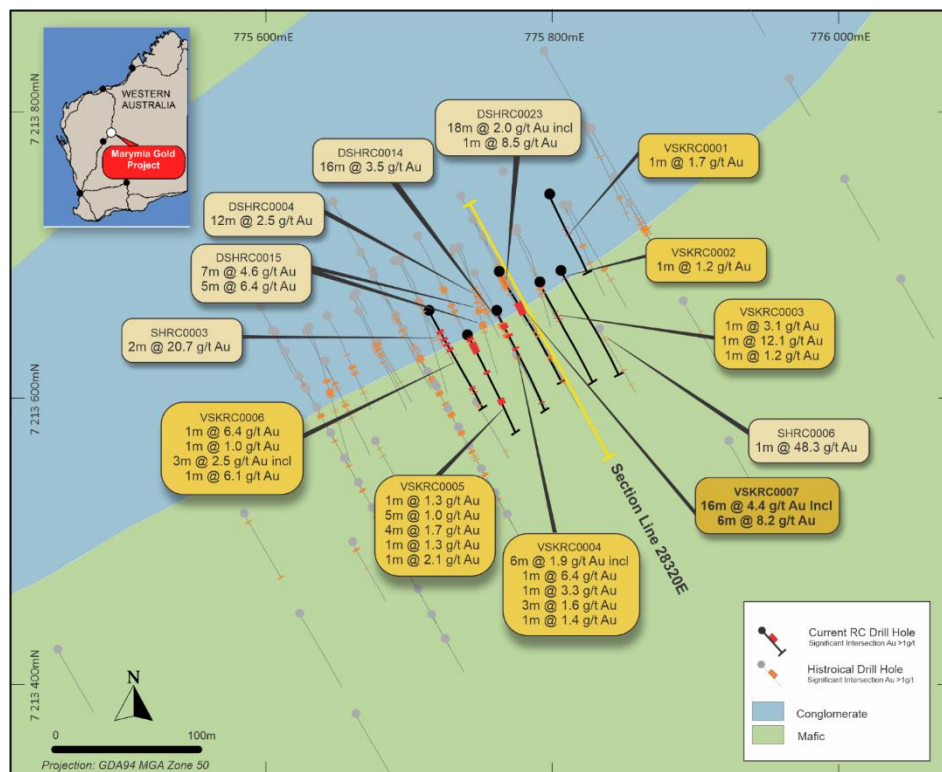


Figure 7: Drilling plan Skyhawk showing current Vango drilling and previous drilling intersections.

Drilling at Ned's Creek Joint Venture Project

During the period, the latest phase of drilling was completed at Vango's Ned's Creek joint venture Project with Lodestar Minerals Limited (Lodestar) (ASX: LSR), in the Mid-West region of WA (Figure 1).

The program comprised 29 holes for a total for 3,715m as follows;

- 12 vertical RC holes, drilled to a depth of 90m over an area of 120m by 140m, to verify significant supergene gold intersected in previous aircore drilling and support a maiden resource estimate for the supergene hosted mineralisation;
- 14 holes targeting the Contessa granite contact as a potential source of the widespread supergene and nugget-related gold discovered in the Contessa area; and
- 3 additional RC holes completed on the contact zone, 1500m southwest of Contessa, at the Central Park prospect.

Results are currently pending.

Vango is earning a 51% interest in the Ned's Creek Project by spending \$5 million on exploration over 3 years (ASX: VAN announcements, 1 May 2019 and 17 July 2019).

Further details of the current phase of drilling at the Contessa target are provided in Lodestar's (ASX: LSR) announcements, of 6 October 2021 and 18 October 2021.

Corporate

During the period under review, the Company successfully completed an equity capital raise, raising \$2 million via the issue of 30.8 million ordinary shares in Vango at an issue price of \$0.065 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.

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.

Competent Person

The information in this announcement is extracted from reports lodged as market announcements available on the Company's website <https://vangominer.com/>.

The Company confirms that it is not aware of any new information that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

This report is made in accordance with a resolution of director's, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Bruce McInnes
Executive Chairman
16 March 2022

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

www.rsm.com.au

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 2021, 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

G N SHERWOOD
Partner

Sydney, NSW

Dated: 16 March 2022

VANGO MINING LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021



	Note	Consolidated	
		31-Dec-2021	31-Dec-2020
		\$	\$
REVENUE AND OTHER INCOME			
Other income	4	216,747	1,192,065
EXPENSES			
Depreciation	5	(51,737)	(43,473)
Fair value adjustment on financial assets fair value through profit or loss	8	(14,689)	-
Interest expense		(8,873)	(251,085)
Share Based Payment Expense	11	587,657	(340,720)
Consulting fees		(128,624)	(463,507)
Legal fees		(370,653)	(397,409)
Directors fees and remuneration		(376,994)	(163,415)
Employee costs		(342,993)	(509,419)
Loss on issue of shares to settle liabilities	6	(9,275)	(780,516)
Other expenses	5	(571,704)	(674,772)
Loss before tax from continuing operations		(1,071,138)	(2,432,251)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Vango Mining Limited		(1,071,138)	(2,432,251)
Other comprehensive loss for the period		-	-
Total comprehensive loss for the half-year attributable to the owners of Vango Mining Ltd		(1,071,138)	(2,432,251)
		Cents	Cents
Loss per share attributable to the ordinary equity holders of the company:			
Basic loss per share	14	(0.10)	(0.26)
Diluted loss per share	14	(0.10)	(0.26)

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 2021



		Consolidated	
		31-Dec-2021	30-Jun-2021
	Note	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		319,729	6,186,363
Trade and other receivables		210,845	297,686
Other		52,086	52,086
Total current assets		582,660	6,536,135
Non-current assets			
Investment accounted for using the equity method	7	-	-
Financial assets fair value through profit and loss	8	831,481	756,885
Property, plant and equipment		1,685,603	1,613,756
Exploration evaluation expenditure	9	52,212,766	47,779,551
Mining rehabilitation fund contribution		370,606	280,319
Total non-current assets		55,100,456	50,430,511
Total assets		55,683,116	56,966,646
LIABILITIES			
Current liabilities			
Trade and other payables		2,268,667	4,103,616
Provisions		52,727	52,727
Total current liabilities		2,321,394	4,156,343
Non-current liabilities			
Provisions		9,228,234	9,228,234
Total non-current liabilities		9,228,234	9,228,234
Total liabilities		11,549,628	13,384,577
Net assets		44,133,488	43,582,069
EQUITY			
Issued capital	10	126,439,864	124,229,650
Reserves	11	16,127,181	16,714,838
Accumulated losses		(98,433,557)	(97,362,419)
Total equity		44,133,488	43,582,069

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 2021



	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance at 30 June 2020	106,207,395	16,038,953	(92,548,381)	29,697,967
Loss for the year	-	-	(2,432,251)	(2,432,251)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(2,432,251)	(2,432,251)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	8,725,084	-	-	8,725,084
Convertible note converted	2,423,000	-	-	2,423,000
Increase in option reserve	-	340,720	-	340,720
Share based payments	1,834,832	-	-	1,834,832
Equity settlement of short-term loans	780,516	-	-	780,516
Balance at 31 December 2020	119,970,827	16,379,673	(94,980,632)	41,369,868
Balance at 30 June 2021	124,229,650	16,714,838	(97,362,419)	43,582,069
Loss after income tax expense for the year	-	-	(1,071,138)	1,071,138)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,071,138)	(1,071,138)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	2,000,000	-	-	2,000,000
Convertible notes converted	-	-	-	-
Increase/(decrease) in option reserve	-	(587,657)	-	(587,657)
Share based payments	200,939	-	-	200,939
Loss on issue of shares (Note 6)	9,275	-	-	9,275
Balance at 31 December 2021	126,439,864	16,127,181	(98,433,557)	44,133,488

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 2021



	Consolidated	
	31-Dec-21	31-Dec-20
	\$	\$
Cash flows used in operating activities		
Payment to suppliers and employees	(1,436,915)	(2,010,425)
Interest received	2	299
Other receipts	226,238	124,524
Interest paid	(8,873)	(325,880)
Net cash flows used in operating activities	(1,219,548)	(2,211,482)
Cash flows used in investing activities		
Proceeds from sale of financial assets	-	1,662,598
Payments for property, plant and equipment	(123,584)	(467,064)
Payments for exploration and evaluation	(4,433,215)	(6,145,925)
Payments to mining rehabilitation fund	(90,287)	(82,494)
Net cash flows used in investing activities	(4,647,086)	(5,032,885)
Cash flows from financing activities		
Proceeds from issue of shares	-	9,777,305
Share issue transaction costs	-	(527,775)
Repayment of borrowings	-	(499,868)
Net cash flows from financing activities	-	8,749,662
Net (decrease)/increase in cash and cash equivalents	(5,866,634)	1,505,295
Cash and cash equivalents at the beginning of the year	6,186,363	3,949,054
Cash and cash equivalents at the end of the period	319,729	5,454,349

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 2021 were authorised for issue in accordance with a resolution of the directors on 16 March 2022. 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 Aurora Place, Building 1, Level 29, 88 Phillip Street, 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 2021 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 2021 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 \$1,071,138 and had net cash outflows from operating and investing activities of \$1,219,548 and \$4,647,086 respectively for the half-year ended 31 December 2021. As at that date the consolidated entity had net current liabilities of \$1,738,734 and assets of \$44,133,488.

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 is in the advanced stages of negotiation with regards to entering into a convertible note facility that will provide access to \$7.5m in funding. In the interim, the Group has entered into a short term funding arrangement whereby it has access to a facility of \$1.5m that will be repayable out of the proceeds of the convertible note within the next three months.;
- The planned exploration activities over the next 12 months will require additional capital of approximately \$7 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;

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-2021	31-Dec-2020
	\$	\$
Fair value gain/ (loss) on financial assets	89,286	763,818
Interest	2	299
Government grants and subsidies	74,960	147,881
Other	52,499	280,067
Other income	216,747	1,192,065

5. Expenses

	Consolidated	
	31-Dec-2021	31-Dec-2020
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	<u>51,737</u>	<u>43,473</u>
Employee share-based payments (Note 11)	<u>(587,657)</u>	<u>340,720</u>
<i>Other expenses</i>		
ASX listing fees	72,896	66,713
Rent	68,194	53,350
Corporate registers	1,104	1,174
Insurance expenses	206,576	188,999
Share registry expenses	56,879	44,598
Advertising and promotion expenses	18,351	5,250
Travel expenses	28,248	66,629
Other expenses	119,456	248,060
	<u>571,704</u>	<u>674,773</u>

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-2021	30-Jun-2021
	\$	\$
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 (2020: \$ Nil).

8. Financial assets fair value through profit or loss

	Consolidated	
	31-Dec-2021	30-Jun-2021
	\$	\$
1,468,937 shares held in Dampier Gold Limited listed on the ASX (Opening Balance)	42,599	42,611
Fair Value adjustment - Dampier Gold Limited	(14,689)	(12)
89,285,715 (75,000,000 Jun 2021) shares held in Lodestar Minerals Limited listed on the ASX (Opening Balance)	714,286	875,000
Fair Value adjustment - Lodestar Minerals Limited	89,285	(160,714)
	<u>831,481</u>	<u>756,885</u>

9. Exploration and evaluation expenditure

	Consolidated	
	31-Dec-2021	30-Jun-2021
	\$	\$
Exploration and evaluation - at cost	59,087,986	54,654,771
Less: Impairment	(6,875,220)	(6,875,220)
	<u>52,212,766</u>	<u>47,779,551</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 2021	47,779,551
Additions	4,433,215
Balance at 31 December 2021	52,212,766

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. Issued capital

	31-Dec-2021 Shares	30-Jun-2021 Shares	31-Dec-2021 \$	30-Jun-2021 \$
Ordinary shares - fully paid	1,129,937,632	1,096,077,031	126,439,864	124,229,650
<i>Movements in ordinary share capital</i>				
Details	Date	No. of shares	Issue price	\$
Balance	1 Jul 2021	1,096,077,031		124,229,650
Share based payment	14 Jul 2021	3,091,370	0.065	200,939
Placement	5 Nov 2021	30,769,231	0.065	2,000,000
Loss on issue of shares (Note 6)				9,275
Balance	31 Dec 2021	1,129,937,632		126,439,864

10. 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 15.

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 Loan Plan

On 5 Nov 2021 the Company issued a total of 130,000,000 Shares to key employees for a price of \$0.09 per Share, and provided a limited recourse loan to acquire those Shares repayable during the period of up to three years commencing on the date the Shares are issued. The details of the term, exercise price and performance hurdles are disclosed in Note 13. The transactions have been treated as an option and valued accordingly based on the requirements of AASB2, Share-Based Payments.

Share buy-back

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

11. Movement in reserves

	31-Dec-2021	30-Jun-2021
	\$	\$
Share based payments reserve	<u>16,127,181</u>	<u>16,714,838</u>

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-2021	30-Jun-2021
	\$	\$
Opening balance	16,714,838	16,038,953
Share options vesting expense	213,447	675,885
Reversal of previous years share options vesting expense	(801,104)	-
Closing balance	<u>16,127,181</u>	<u>16,714,838</u>

12. Contingent liabilities

As disclosed in the 2021 Annual Report, the Group was in ongoing litigation with both Dampier Gold Limited and Billabong Gold Pty Ltd. A judgement was delivered in respect of the Billabong matter on 14 December 2021 and the Dampier matter is ongoing. At present the Directors do not believe that it is reasonably possible to estimate any potential obligation in relation to these matters with sufficient reliability and consequently no provisions have been raised as at the balance date. The Directors do not believe that the settlement of any obligations arising from these matters will be material.

13. Related party transactions

Transactions with related parties

During the half year to 31 December 2021 the following material transactions with related parties occurred.

Key management personnel

The Company issued performance options to key management personnel as part of remuneration on 24 June 2019. These performance options are subject to performance hurdles, and as at the date of this report, these hurdle conditions have not been met. The details of these performance options are as follows.

Category	Expiry Date	Exercise Price	Zhou	McInnes	Zhang	Total
A	18/06/2022	\$ 0.25	5,000,000	5,000,000	2,500,000	12,500,000
B	18/06/2022	\$ 0.25	5,000,000	5,000,000	2,500,000	12,500,000
C	18/06/2024	\$ 0.30	10,000,000	10,000,000	5,000,000	25,000,000
D	18/06/2024	\$ 0.35	5,000,000	5,000,000	2,500,000	12,500,000
E	18/06/2024	\$ 0.50	5,000,000	5,000,000	2,500,000	12,500,000
F	18/06/2024	\$ 0.60	10,000,000	10,000,000	5,000,000	25,000,000
Total			40,000,000	40,000,000	20,000,000	100,000,000

Performance Hurdles

Category A. Production of 100 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition A**).

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

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

Category D. The production of 10,000 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition D**).

Category E. The production of 50,000 ounces of gold bars from ore produced by the Company (or an entity controlled by the Company) (**Option Vesting Condition E**).

Category F. The price of the Company's shares traded on ASX achieving a 20-day volume weighted average price of \$1.00 per share (**Option Vesting Condition F**).

13. Related party transactions (continued)

At balance date, the relevant interest of each key management personnel in options of the Company were:

	Balance at the start of the year	Acquired	Granted as part of remunerati on	Expired	Converted	Balance at end of the year	Vested and exercisable
2021							
Bruce McInnes	40,000,000	-	-	-	-	40,000,000	-
Craig Wallace	-	-	-	-	-	-	-
Shengqiang Zhou	40,000,000	-	-	-	-	40,000,000	-
Zhenzhu Zhang	20,000,000	-	-	-	-	20,000,000	-
Yanchao Guo	-	-	-	-	-	-	-
	100,000,000	-	-	-	-	100,000,000	-
2020							
Bruce McInnes	40,000,000	-	-	-	-	40,000,000	-
Andrew Stocks	-	-	-	-	-	-	-
Shengqiang Zhou	40,000,000	-	-	-	-	40,000,000	-
Zhenzhu Zhang	20,000,000	-	-	-	-	20,000,000	-
Yanchao Guo	-	-	-	-	-	-	-
	100,000,000	-	-	-	-	100,000,000	-

13. Related party transactions (continued)

On 5 Nov 2021 the Company issued a total of 130,000,000 Plan Shares for a price of \$0.09 per Plan Share, and provision of a loan to acquire those Shares repayable during the period up to three years commencing on the date the Shares are issued. The details of the Share Loan Plan are as follows.

1. The Company issued 50,000,000 Plan Shares for a price of \$0.09 per Plan Share to Bruce McInnes. Subject to the terms of the Plan, the Plan Shares cannot be sold, transferred, assigned, charged or otherwise encumbered until the following Vesting Conditions are satisfied, unless waived by the Board in accordance with the Plan (such period being the Restriction Period):
 - i. 25,000,000 Shares to be issued and vesting within one month of approval by Shareholders;
 - ii. 25,000,000 Shares to be issued within one month of approval by Shareholders and vesting after the following conditions precedent:
 - a) Bruce McInnes remains a Director until the date the Shares vest;
 - b) and whichever occurs first:
 - A. two years after the date the Shares are issued; and
 - B. the Company's JORC 2012 resource determined by a Competent Person independent to the Company increases to 1.8 million ounces of gold.
2. The Company issued 40,000,000 Plan Shares for a price of \$0.09 per Plan Share to Shengqiang (Sean) Zhou. Subject to the terms of the Plan, the Plan Shares cannot be sold, transferred, assigned, charged or otherwise encumbered until the following Vesting Conditions are satisfied, unless waived by the Board in accordance with the Plan (such period being the Restriction Period):
 - i. 10,000,000 Shares to be issued and vesting within one month of approval by Shareholders;
 - ii. 10,000,000 Shares to be issued within one month of approval by Shareholders and vesting after the following conditions precedent:
 - a) Shengqiang (Sean) Zhou remains a Director until the date the Shares vest; and
 - c) One year after the date the Shares are issued: and
 - iii. 10,000,000 Shares to be issued within one month of approval by Shareholders and vesting after the following conditions precedent;
 - a) Shengqiang (Sean) Zhou remains a Director until the date the Shares vest; and
 - b) Two years after the date the Shares are issued: and
 - iv. 10,000,000 Shares to be issued within one month of approval by Shareholders and vesting after the following conditions precedent;

13. Related party transactions (continued)

- a) Shengqiang (Sean) Zhou remains a Director until the date the Shares vest; and
 - b) Three years after the date the Shares are issued.
3. The Company issued 40,000,000 Plan Shares for a price of \$0.09 per Plan Share to Zhenzhu (Carol) Zhang. Subject to the terms of the Plan, the Plan Shares cannot be sold, transferred, assigned, charged or otherwise encumbered until the following Vesting Conditions are satisfied, unless waived by the Board in accordance with the Plan (such period being the Restriction Period):
- i. 20,000,000 Shares to be issued and vesting within one month of approval by Shareholders;
 - ii. 20,000,000 Shares to be issued within one month of approval by Shareholders and vesting after the following conditions precedent;
 - a) Zhenzhu (Carol) Zhang remains a Director until the date the Shares vest; and
 - b) and whichever occurs first:
 - A. two years after the date the Shares are issued; and
 - B. the Company's JORC 2012 resource determined by a Competent Person independent to the Company increases to 1.8 million ounces of gold.

The Company recognised an amount of \$213,447 as Directors Fees in the half year relating to the Fair Value assessment of these fully vested Performance Options and Loan Plan Shares issued to Directors of the Company.

The total valuations of the performance options at issue date was \$3,142,500 assuming 100 % certainty of achieving all performance hurdles and vesting of all options issued. The possibility of achieving these performance hurdles has been evaluated in the current reporting period, and the Company recognised \$801,104 as a reversal of previous years share based payments expenses against the reserve.

The total valuations of the Loan Plan Shares at issue date was \$1,451,825 assuming 100 % certainty of achieving all conditions and vesting of all Loan Plan Shares issued.

The Company will review the Fair Value assessment at each reporting date and adjust for movements of the unvested Performance Options and Plan Shares through profit or loss, taking into account any change in circumstance surrounding the holder and the likely achievement of the 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

At the half year end the company had no receivable from and payable to related parties.

14. Earnings/(loss) per share

	Consolidated	
	31-Dec-2021	31-Dec-2020
	\$	\$
Loss after income tax expense for the year attributable to the owners of Vango Mining Limited	(1,071,138)	(2,432,251)
Basic loss per share (cents)	(0.10)	(0.26)
Diluted loss per share (cents)	(0.10)	(0.26)
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	1,098,949,989	949,084,847

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.

15. 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:

2021

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
Total			100,000,000	-	-	-	100,000,000

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
Total			100,000,000	-	-	-	100,000,000

16. Events after the reporting period

No matters of circumstances have arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

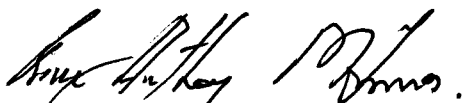
In the Directors' opinion:

- 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 2021 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 2022

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

www.rsm.com.au

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 2021, 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 2021 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 2021 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



Gary Sherwood
Partner

Sydney, NSW
Dated 16 March 2022