



March 2012 Quarterly Report

27 April 2012

Highlights

- Gold production was 5,779 ounces for the quarter.
- Cash operating profit was A\$3.4 million for the quarter.
- Gold production at Lily was 4,674 ounces at a cash operating cost of US\$970 per ounce.
- Gold production at Taylors was 1,104 ounces at a cash operating cost of US\$905 per ounce.
- Numerous, additional exploration targets identified in new survey.
- BFS for Barbrook Stage 2 expansion underway.

Quarterly Overview

Gold production dropped slightly at the Lily Mine on lower head grades. This was in line with the planned mining sequence which requires the extraction of lower grade ore blocks during the first 6 months of the year. Operating costs were within target but, because of the lower gold production, cash costs in US\$ per ounce are higher than the previous quarter.

The Taylors Mine increased gold production but this was lower than planned as a consequence of lower grades (approximately 1 g/t lower due to excessive mining dilution). Operating costs were within target but, as a result of the lower than expected gold production, cash costs in US\$ per ounce were higher than the previous quarter.

Exploration at the Bonnie Dundee Prospect (adjacent to Worcester Mine) resulted in the delineation of near surface Mineral Resources at the Independent workings (57,000 oz @ 3.5 g/t). Ground resistivity continued during the quarter, resulting in the identification of mineralised structures covered by overburden.

During the quarter, the Company commissioned consultants to complete a detailed geological analysis of its prospecting and mining rights. The results of this comprehensive survey have highlighted numerous, prominent target sites requiring follow-up prospecting. In light of this, the Company is in the process of developing a revised exploration strategy.

Outlook

Although production dipped slightly in the March quarter, the ramp up at both Lily and Taylors Mines is still on track. Production can be expected to improve over the next two quarters when both mines are expected to mill increased tonnes. Grades are scheduled to increase at Taylors in the current quarter and the grade at Lily in the third and fourth quarters. Operating costs are under control and the extensive capital expenditure programme in the first 6 months of the year is scheduled to reduce by the third quarter. Improved cash flows are anticipated in the final two quarters of the calendar year.

Work has started on the Bankable Feasibility Study for Barbrook Stage 2, which is now scheduled for completion in January 2013. In-fill diamond drilling to upgrade Mineral Resources will commence in the current quarter. A comprehensive programme of metallurgical test work will also be carried out to provide guidance on process parameters. In particular, it is aimed at confirming the suitability of using the BIOX process for treating the refractory Barbrook ores.

For personal use only

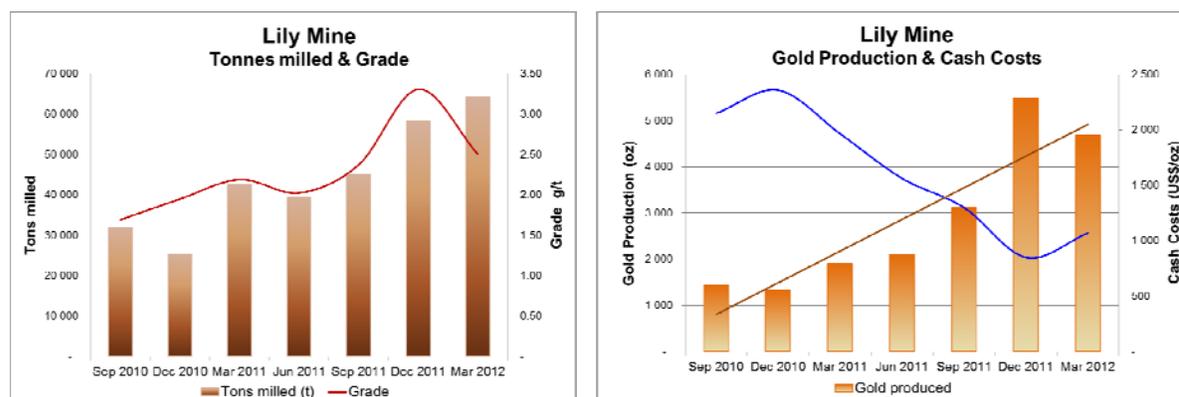
Operations

Lily Mine

Development rates improved and tonnages milled continued to increase while the average grade dropped in line with the mining plan and ore extraction sequence. Milled tonnages are expected to increase in the current quarter, although grades will remain relatively low before increasing in the third and fourth quarters.

Production 2011/12	June Qtr	Sep Qtr	Dec Qtr	March Qtr
Ore tonnes mined	42,772 t	51,216 t	58 785 t	57 570 t
Ore tonnes milled	39,200 t	44,953 t	58 080 t	64 076 t
Grade	2.02 g/t	2.37 g/t	3.31 g/t	2.50 g/t
Recovery	82 %	90%	89%	91%
Gold Produced	2,097 oz	3,105 oz	5 493 oz	4 674 oz

Cash operating costs were in keeping with expectations at US\$970 per ounce. Capital Expenditure was high at A\$4.0 million for the quarter, following a decision to further improve the loading and hauling capacity of the trackless mining fleet in anticipation of the final production ramp up in the next quarter.



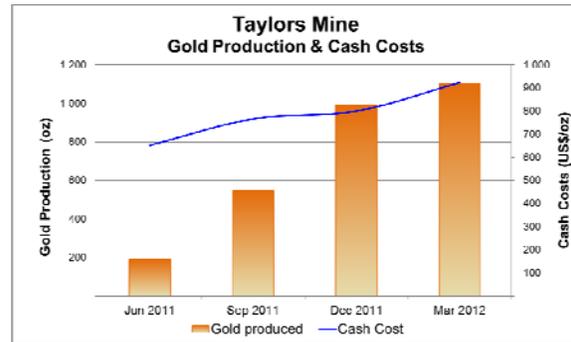
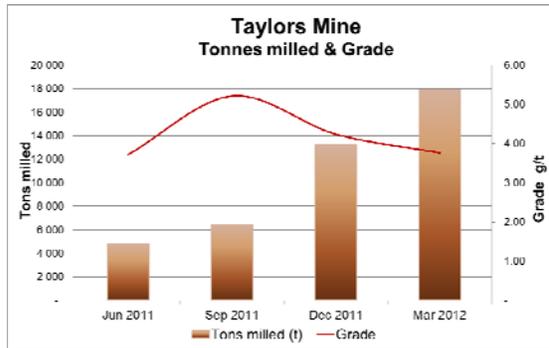
Taylor's Mine

The Taylor's Mine achieved a large increase in tonnage mined and milled but the grade dropped as result of excessive dilution during mining. This issue is receiving attention and will result in grades improving as the mining team becomes more familiar with the nature of the Taylor's ore body.

The terms of the Off-Take Agreement require that a minimum concentrate grade of 50 g/t is produced. However, because of the mineralogical characteristics of the Taylor's ore body, this has an adverse effect on gold recoveries. Negotiations are underway to reduce this contractual minimum grade in order to improve gold recoveries.

Production 2011/12	June Qtr	Sep Qtr	Dec Qtr	March Qtr
Ore tonnes mined	-	7,633 t	12 681 t	21 921 t
Ore tonnes milled	4,800 t	6,726 t	13 208 t	17 866 t
Grade	3.72 g/t	5.21 g/t	4.24 g/t	3.77 g/t
Recovery	33 %	51 %	55%	51%
Gold Produced	187 oz	545 oz	991 oz	1 104 oz

Cash operating costs increased slightly to US\$905 per ounce as a result of the lower grade, but are expected to decline over the next few quarters. Capital expenditure was approximately A\$0.6 million, which included the electrification of the underground workings.



Corporate

Cash operating profit was A\$3.4 million for the quarter. After corporate expenditure of A\$624,000 and exploration expenditure of A\$141,000 the Net Profit for the quarter was A\$1.4 million. Capital Expenditure was A\$4.6 million, which included new trackless equipment at Lily that was bank financed. The cash balance at the end of the quarter was A\$3.5 million.

Exploration

Field exploration activities during the quarter were confined to the Bonnie Dundee Prospect, where investigations of open pit possibilities continue with the objective of defining supplementary Mineral Resources to add critical mass to the Ore Reserves at the Worcester Project.

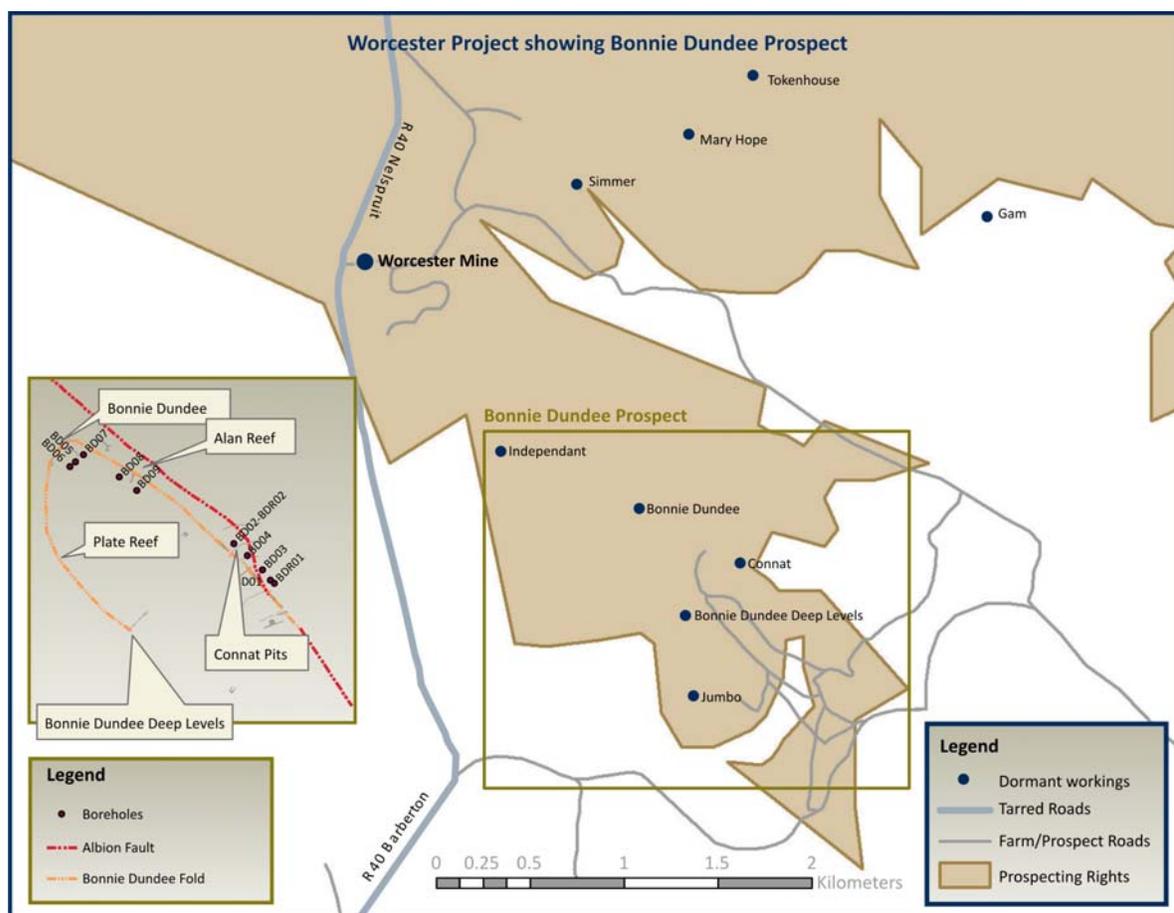
A detailed evaluation of the Company's extensive regional exploration data base by independent geological experts was also undertaken during the quarter.

Bonnie Dundee Prospect

Dewatering and sampling of underground prospect development were completed while work continued on the second phase of ground resistivity. A preliminary Mineral Resource of **510,000t @ 3.47g/t (56,700 oz)** comprising shallow, underground mineralisation has been delineated at the Independent workings (included in the 2011 Mineral Resources and Ore Reserves Statement).

Sampling of the Connat Reef pits was completed, where diamond drilling revealed the presence of a 200m long zone of mineralisation within a shear associated with the Albion Fault. The assay results of the samples are still awaited.

Implementation of a second stage of drilling will be considered once the results of phase 2 of the resistivity programme covering the area between Bonnie Dundee Prospect and the Worcester Mine are received. The objective of this geophysical programme is to trace the lateral extent of and relationships between the known mineralised structures.



Regional Exploration

Consultants, ASVI Technical Services Group (“ASVI”), were commissioned during the quarter to compile a comprehensive report on the exploration potential of Vantage’s exploration and mining rights in the Barberton Goldfield. Their brief was to analyse the large data base of regional exploration information (geological, geochemical and geophysical) accumulated by Vantage over many years within the context of the airborne magnetic and radiometric survey completed by the Company in 2010.

ASVI’s report includes an improved structural geological map of the region as well as the details of a large number of prioritised targets for follow-up exploration. Some of these targets were previously identified by Vantage, but most are newly identified sites. Such is the enhanced scope of identified exploration potential that a revised exploration strategy is being formulated.

--- oOo ---

For further information please contact:

The Company:

Mr Mike McChesney
Chief Executive Officer
Vantage Goldfields Limited
South Africa & Australia
+27 13 753 3046
<http://www.vantagegoldfields.com>

About Vantage Goldfields Limited

Vantage holds mining and exploration rights to a large area within the Barberton Goldfield district, the second largest goldfield in South Africa. This district has a long history of gold production and is the location of several operating gold mines containing multi-million ounce gold deposits, including the Lily Mine, which was acquired and developed by Vantage in 1997 and which has already produced more than 100,000 ounces of gold.

The Company has three advanced projects and total estimated Mineral Resources of 4.5 million ounces, including estimated Ore Reserves of 0.7 million ounces. The Mineral Resources and Ore Reserves statement can be accessed via the following link;

http://www.vantagegoldfields.com/gold_reserves_resources.htm

The advanced projects are:

- The Lily Mine is an underground operation. It has well established surface and underground infrastructure and the Company is expanding operations to produce 35,000 ounces of gold per annum from the second quarter of 2012, for at least 12 years.
- The Barbrook Mines Complex is in the process of being developed. It has approximately 50 km of underground development tunnelling providing ready access to defined Mineral Resources and Ore Reserves. The Company has completed advanced investigations into a resumption of mining in two stages. The first (Taylors Mine) has commenced preliminary production of concentrates from underground mining in accordance with a Bankable Feasibility Study. The Barbrook Stage 2 expansion will be a major expansion targeting approximately 70,000 ounces per annum gold production. A Bankable Feasibility Study for the Stage 2 expansion has now commenced.
- The Worcester Project is a dormant mine which is being evaluated as part of the Company's exploration and evaluation programme. The Company has completed a Pre Feasibility Study to investigate the viability of developing a new mine on the defined Mineral Resources.

Vantage's interest in each project is 74% (other than the Lily Project, in which the interest is currently 85%, but which will be reduced to 74% by 2014). The remaining interest in each project is held by Lomshiyi Investments (Pty) Ltd, the Company's Black Economic Empowerment partner.

Vantage holds an extensive portfolio of project opportunities at various stages of appraisal. These exploration targets include a number of known gold deposits which will be investigated as potential mining projects.

Competent Persons Statement

The principal Competent Persons responsible for the Mineral Resource and Ore Reserve information in this announcement are Mr M Begg, General Manager, who is a member of the Geological Society of South Africa ("GSSA") and a member of the South African Council for Natural Scientific Professions ("SACNASP") and Dr W Stear, Executive Director, who is a fellow of AusIMM. The GSSA is a Recognised Overseas Professional Organisation ("ROPO"). These persons are responsible for the Mineral Resource reporting, assisted by Messrs. M Baynes and M Williams, who are both registered professional geologists and members of GSSA, Mr C Brown, Group Planning Manager and a member of the South African Institute of Mining and Metallurgy ("SAIMM") and Mr T Cronwright, Group Surveyor. All these persons are full time employees of Vantage. The Competent Person responsible for the Independent Audit of the Mineral Resource is Professor R C A Minnitt, JCI Professor of Mineral Resources and Reserves, School of Mining Engineering, University of Witwatersrand, South Africa. Professor Minnitt is a fellow of the AusIMM. Mr Begg, Dr Stear and Prof Minnitt have sufficient relevant experience to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

For personal use only