



ASX ANNOUNCEMENT

5 JULY 2012

BARBROOK STAGE 2 FEASIBILITY STUDY UPDATE

Vantage Goldfields Limited (ASX:VGO) is pleased to advise on its decision to upgrade the project study currently being conducted on the Stage 2 expansion of operations at the Barbrook Mines Complex ("Barbrook") to a Bankable Feasibility Study ("BFS"). A budget of \$2.8m to be funded out of available cash flow has been approved for this, which is scheduled for completion in January 2013.

The following progress has been made on the BFS activity:

Appointment of Consultants

Although the Company is conducting most of the developmental test work in-house under the project management of Dr Tony Parry, various independent consultancies have been appointed to provide professional services on specific components of the study.

Included in these are Turgis Consulting ("Turgis") and MDM Engineering who are, respectively, commissioned to design the mining and related underground infrastructure and the metallurgical plant.

Gold Fields Group Technical Services have been appointed to provide metallurgical consulting and supervision of the BIOX technology test work. Subject to the results of this test work, the intention is to enter into a licensing agreement in due course with the Gold Fields Group, the owners of the BIOX technology.

It is the intention that Turgis will sign off the BFS once the study is completed.

BIOX Pilot Plant

A BIOX pilot plant has been purchased by the Company for the relevant test work. It was "hot commissioned" during June and is scheduled to receive the first continuous concentrate feed in early July.

DMS Pilot Plant

Test work to determine the viability of upgrading the run of mine ore grade to the proposed BIOX plant will also commence using a Dense Media Separation ("DMS") pilot plant owned by the Company.

Drilling Program

As the intention is to commence Stage 2 production by mining the down dip extension of the ore body currently being extracted in the Taylors Mine section of Barbrook, a diamond drilling program has commenced which is designed to upgrade the existing mineral resource estimate below present workings.

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A total of some 7,400 meters of drilling is planned for this. Three drill rigs have been installed in existing underground development. This drilling program will be accelerated through the installation of a further two rigs in July.

For further information please contact:

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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;

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 Lomshiyo 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”.