

ASX Announcement  
21 November 2019

## **STRATEGIC PARTNERSHIP AGREEMENT WITH CHINA NON-FERROUS (NFC) FOR FINANCING & DEVELOPMENT OF MARYMIA GOLD PROJECT**

### ***Agreement outlines framework for \$70M Project financing & EPC Contract***

Gold exploration and development company Vango Mining Ltd (“Vango” or “the Company”) is pleased to announce it has entered into a Strategic Partnership Framework Agreement (Agreement) with China Nonferrous Metal Industry’s Foreign Engineering and Construction Co Ltd (NFC) in relation to the financing and development of Vango’s 100%-owned Marymia Gold Project in the Mid-West region of Western Australia.

The Agreement represents a non-binding Term Sheet which outlines the framework under which NFC proposes to provide project financing currently estimated at AUD\$70 million and an Engineering, Procurement and Construction (EPC) contract to Vango to facilitate the development of the Marymia Project into a significant, high-grade, standalone gold mining operation.

The Agreement is a significant milestone in the development pathway of the Marymia Project, and represents the formal starting point in the Company’s relationship with NFC for the financing and development of the Project.

Under the terms of the Agreement, NFC will assign a work team to the Marymia Project site within 30 days of signing the Agreement to carry-out a site inspection and to assess the scope of work to be undertaken.

Vango will provide NFC with detailed information in relation to the Marymia Project, which includes, but is not limited to, any geological, location and resource data, and other detailed deliverables required for the Project to reach its future operational objectives.

Subject to the successful completion of the site inspection, and a positive assessment of its outcomes, NFC proposes to undertake engineering design, equipment purchase and project construction, and delivery of the Marymia Project by way of an EPC contract model. The formal EPC contract would be executed separately, subject to the mutual agreement of material terms and conditions by both parties.

In support of the development of the Marymia Project, NFC proposes to provide financing currently estimated at AUD\$70 million for the Project. The formal financing agreement, including material terms and conditions in relation to the total amount to be provided, interests, warrantee terms and repayment schedule would be executed in a separate contract, subject to the mutual agreement of such terms by both parties.

After executing formal, binding EPC and financing contracts, Vango would agree to issue Vango shares to the value of AUD\$13 million to NFC, at a share price AUD\$0.35 per share. NFC would agree not to trade these shares before such time that the Marymia Project commenced production. Subject to ASX and ASIC regulations, in the event that Vango’s 20-day VWAP immediately prior to the commencement of production falls below AUD\$0.35 per share, Vango would issue additional shares to NFC to ensure that NFC’s holding value is AUD\$13 million.

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Vango would also agree to offer NFC a standard anti-dilution clause in the finalised formal agreements, which would give NFC the right to participate in any future Vango equity raising and retain its equity holding position in Vango on a pro-rata basis.

### **SARCO Bauxite Project**

Vango also holds the SARCO Bauxite Project in Laos within its project portfolio. Vango and NFC currently have a long-standing Memorandum of Understanding (MoU) in relation to the potential financing and development of the SARCO Project. Vango and NFC agree that after the execution of a formal, binding EPC contract in relation to the Marymia Project, NFC would transfer its remaining interests in the SARCO project to Vango (or Vango's appointed nominee), and waive any loan obligation that SARCO and/or Vango might have to NFC, subject to final documentation in a formal SARCO share transfer agreement.

### **About NFC**

NFC is listed on the Shenzhen Stock Exchange and is based in Beijing. NFC is one of China's leading construction and engineering groups and builds, owns and operates base metal mines, processing plants and smelters around the world.

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