



March 2014 Quarterly Report

30 April 2014

Highlights

- Record tonnes milled of 131,950 tonnes for the quarter.
- Gold production of 7,786 oz for the quarter.
- Average gold price received of A\$1,447/oz (US\$1,300 /oz) for the quarter.
- Cash costs of A\$1,168/oz (US\$1,049/oz) for the quarter.
- All-in sustaining costs of A\$1,458/oz (US\$1,310/oz) for the quarter.
- Cash operating profit of A\$2,215,000 for the quarter.
- Secured loan of A\$12.5 million.

Quarterly Overview

Gold production for the quarter was 7,786 oz despite difficult underground and milling conditions experienced as a result of higher than average rainfall in the region. Tonnage throughput at both operations was increased to balance the lower grade at the Barbrook Mine. Notwithstanding the decline in grades at Barbrook, the mine produced the highest quarterly gold output since the mine was re-opened in 2011.

Mining revenue was A\$11,274,808 for the quarter off the back of a more stable gold price. Operating costs were high and can be attributed to the increased level of maintenance required for the underground trackless mining machinery (TMM) fleet at Lily Mine.

The Company's relationship with its workforce's labour union remains stable as it enters annual wage negotiations. No work stoppages or other labour-related incidents have occurred or are anticipated, while every effort is being made to ensure that there is no loss of production during this period.

The Company continues to maintain a good safety record and its mines have successfully completed all recent safety compliance audits by the relevant authorities. The Lost Time Injury Frequency Rate (LTIFR) safety factor continues to reduce and was recorded at 1.15 for the quarter.

No regional exploration took place in the quarter but the resumption of exploration activities will be reviewed in the coming months.

Outlook

The company successfully secured a A\$12.5 million loan in March. The funds will be utilised to optimise the current operations and to provide much needed working capital. This will include the purchase of additional underground trackless machinery at Lily Mine to ensure increases in production levels and to alleviate the pressure on the TMM fleet.

The loan also allows for the commencement of the Barbrook Stage 2A expansion project which is designed to increase production to 180,000 ore tonnes per annum. The funds will be utilised to optimise the current production operations above 10 Level and to initiate development of the decline from 10 Level to 12 Level into the unmined extensions of the Taylors and French Bob ore bodies.

For personal use only

Operations

Lily Mine

The high rainfall during the quarter had a negative effect on operations. Ingress of water along geological fractures and faults resulted in higher than normal underground water pumping requirements. Working conditions became increasingly difficult and normal blasting and loading operations were hampered. Damage to TMM tyres and other component breakdowns increased and resulted in higher than normal maintenance costs and operating down-time on certain essential equipment. The wet conditions also negatively affected ground stability and some stoping areas were abandoned prematurely.

Run-of-mine grades were affected as adjustment to daily planning schedules became necessary to counter the changing operating conditions. Despite these issues, the average grade was 2.14 g/t.

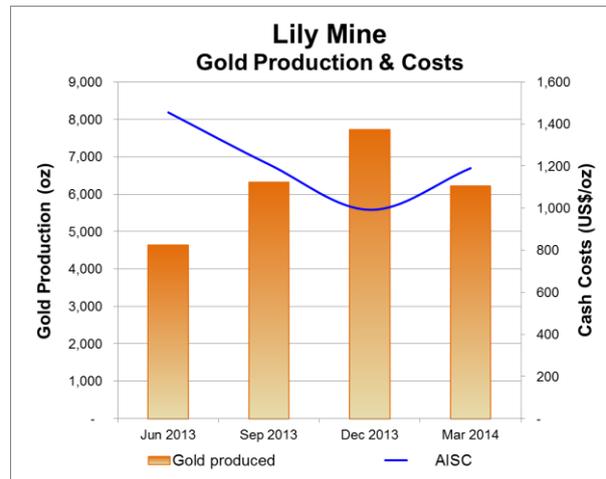
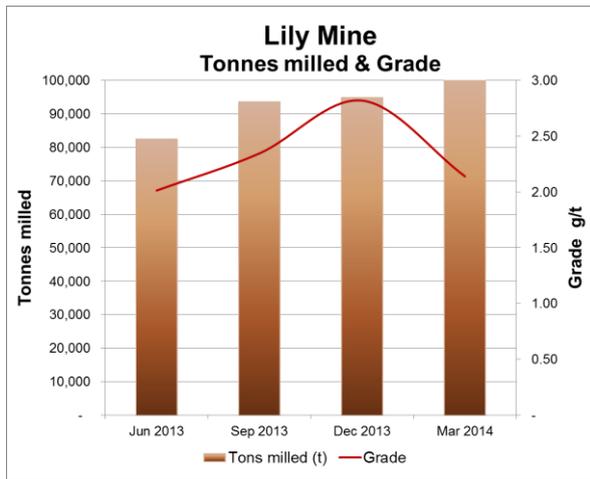
Waste development remains a priority and will be greatly improved with the purchase of additional underground equipment during the coming quarter.

The operational focus in the coming months is to improve the maintenance scheduling and reduce operating costs in the TMM section. No deviation from plan is anticipated with respect to tonnes milled and gold production. Cash operating costs for the quarter were US\$1,018/oz.

Summary	Jun 2013 Qtr	Sept 2013 Qtr	Dec 2013 Qtr	Mar 2014 Qtr
Ore tonnes mined	82,750	93,455	94,925	102,457
Ore tonnes milled	82,556	93,555	94,872	102,303
Grade (g/t)	2.01	2.35	2.82	2.14
Recovery (%)	87	90	90	88
Gold Produced (oz)	4,641	6,326	7,732	6,217
Cash Costs (US\$/oz)	1,210	949	836	1,018
AISC (US\$/oz)	1,455	1,071	1,007	1,190

(AISC = All-in Sustaining Costs as recommended by the World Gold Council)

Capital expenditure for the quarter was A\$1.03 million, incurred mainly on waste development, ventilation requirements, water reticulation and underground drilling.



Barbrook Mine

Tonnes milled during the quarter were on target. Unfortunately, grade control problems resulted in run-of-mine grades remaining low. Lack of operational flexibility in the current mining areas impedes meaningful ore management and, therefore, the mill feed remains variable. Additional attention will be given to this issue in the coming months.

Plant recoveries continue to improve (62%) and gold production was 1,733 oz for the quarter, despite a disappointing mill feed grade of 2.63 g/t.

The commencement in the second quarter of the Barbrook Stage 2A expansion plan will facilitate increased optimisation of the current underground operations and an improvement in tonnage throughput and grade management.

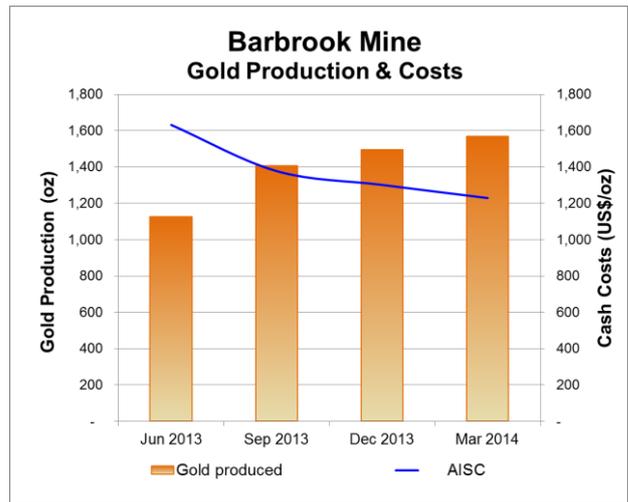
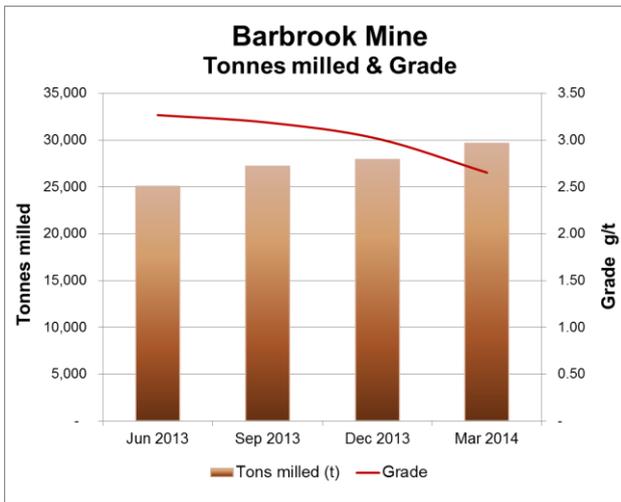
Summary	Jun 2013 Qtr	Sept 2013 Qtr	Dec 2013 Qtr	Mar 2014 Qtr
Ore tonnes mined	25,579	27,480	27,254	26,862
Ore tonnes milled	25,043	27,175	27,879	29,647
Grade (g/t)	3.27	3.19	3.01	2.65
Recovery (%)	43	51	55	62
Gold Produced (oz)	1,126	1,408	1,495	1,569
Cash Costs (US\$/oz)	1,487	1,312	1,219	1,173
AISC (US\$/oz)	1,632	1,378	1,288	1,230

(AISC = All-in Sustaining Costs as recommended by the World Gold Council)

Cash operating costs at Barbrook Mine reduced further to US\$1,173 per oz and all-in sustaining costs were US\$1,230 per oz. Capital expenditure was A\$232,000 for the quarter, the majority of which was spent on exploration drilling below 10 Level, continued work on the feasibility study and expansion plan, and optimisation of the CIL processing tanks.

For personal use only

For personal use only



Barbrook Stage 2A Expansion

A total of 7,174 metres of the Barbrook Stage 2A BFS diamond drilling has been completed, of which 315 metres were drilled during the quarter. Drilling results continue to confirm the down-dip continuity of the ore body below 10 Level.

The expansion project team has been assembled and has begun with compiling more detailed design parameters and capital expenditure estimates in anticipation of the official commencement of the project during the second quarter.

Exploration

No exploration was conducted during the quarter.

Corporate

The Company reported a Cash Operating Profit of A\$2,215,000 for the quarter. Capital expenditure reduced to A\$1,262,000 and the cash balance at 31 March 2014 was A\$13,060,000.

---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 and Barbrook Mines Complex.

The Company has three advanced projects and total estimated Mineral Resources of 4.5 million ounces, including estimated Ore Reserves of 0.5 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 with the objective of producing 35,000 ounces of gold per annum for at least 11 years.
- The Barbrook Mines Complex ("Barbrook") 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 commenced mining at Barbrook about 3 years ago. The Barbrook Stage 1 trial mining operation (Taylors Mine) was completed at the end of 2013. This operation was successful, thus paving the way to commence with the Barbrook Stage 2 expansion programme in 2014. The "Barbrook Expansion Plan" targets initial production levels of 15,000 oz pa. A full Bankable Feasibility Study on Barbrook Stage 2 is expected to be completed in the fourth quarter of 2014. The Stage 2 expansion plan has the objective of raising production to 60,000 oz pa in the next few years.
- The Worcester Project is a dormant mine which is being evaluated as part of the Company's exploration and evaluation programme. The Company has successfully completed a Pre-Feasibility Study on the viability of developing a new mine on the defined Ore Reserves at the Worcester mine.

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.

For personal use only

Vantage holds an extensive portfolio of project opportunities at various stages of appraisal. These exploration targets include a number of known gold deposits which are being 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 S Mawson, Mineral Resource Management Consultant, who is a member of the South African Council for Natural Scientific Professions ("SACNASP") and Mr M Begg, General Manager, who is a member of the Geological Society of South Africa ("GSSA") and SACNASP. The GSSA is a Recognised Overseas Professional Organisation ("ROPO"). Mr Mawson is responsible for the Mineral Resource modelling. Mr Begg is responsible for the Mineral Resource reporting. Both 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. All four persons have sufficient relevant experience to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

---oOo---

For personal use only