



ANNOUNCEMENT

6 May 2014

A water-bearing fissure was intersected during routine underground development at the Lily Mine, resulting in a temporary flooding of the lower level of the mine. The ingress of water into the mine is the result of the unusual heavy rainfall in the region, which also had a negative impact on operations.

All water from the fissure has been drained and the flooding has stopped. The mine has now been completely de-watered. The financial effect of the incident is expected to be approximately A\$1 million in lost revenue.

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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 4.7 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.

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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 32,000 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% during 2014). The remaining interest in each project is held by Lomshiy 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 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".

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