



Bolaven Plateau Bauxite Project

Vango Mining Ltd is currently refocusing on a core project in developing a large proven bauxite deposit in southern Laos.



Since 2006, Vango Mining Ltd has held a 49 percent interest in a joint venture termed Sino Australian Resources Company Limited (SARCO) with the other 51 percent belonging to China Nonferrous Metal Industry's Foreign Engineering and Construction Company (NFC).

The latter focuses on nurturing its core competitive edge and established distinguished capabilities on social resources integration and large-scale nonferrous metal project management. Demand for bauxite, which is used in aluminium production, is soaring - fuelled by heavy demand from China.

NFC has established its major markets, and is positively seeking for further projects related to resources in the developed mining capital markets such as Australia.

The aggregate area of 487 square kilometers in southern Laos is under a joint venture between SARCO (owned by Vango Mining Ltd) and NFC.

In May 2011, Vango Mining Ltd and its partner NFC jointly made a decision to pursue an initial public offering of SARCO on the ASX to raise A\$200million in new equity to finance the planned US\$600million construction of 600,000ton alumina refinery in Laos. However, due to the low demand for bauxite at that time, this objective had been deferred.

Vango Mining Ltd had signed an option with Southwest Pacific Bauxite HK Ltd which expired in September 2015, for the purchase of Vango Mining's 49 percent interest.

Tenements

SARCO has access to two tenements with bauxite bearing areas on the Bolaven Plateau in southern Laos, working cooperatively with the existing tenement holders:

- LSI tenement – a 138 square kilometer tenement in which SARCO has a 51 percent



interest in a 66 square kilometer block;

- Yuqida tenement – a 421 square kilometer tenement in which SARCO has a direct holding of 35 percent ownership interest.



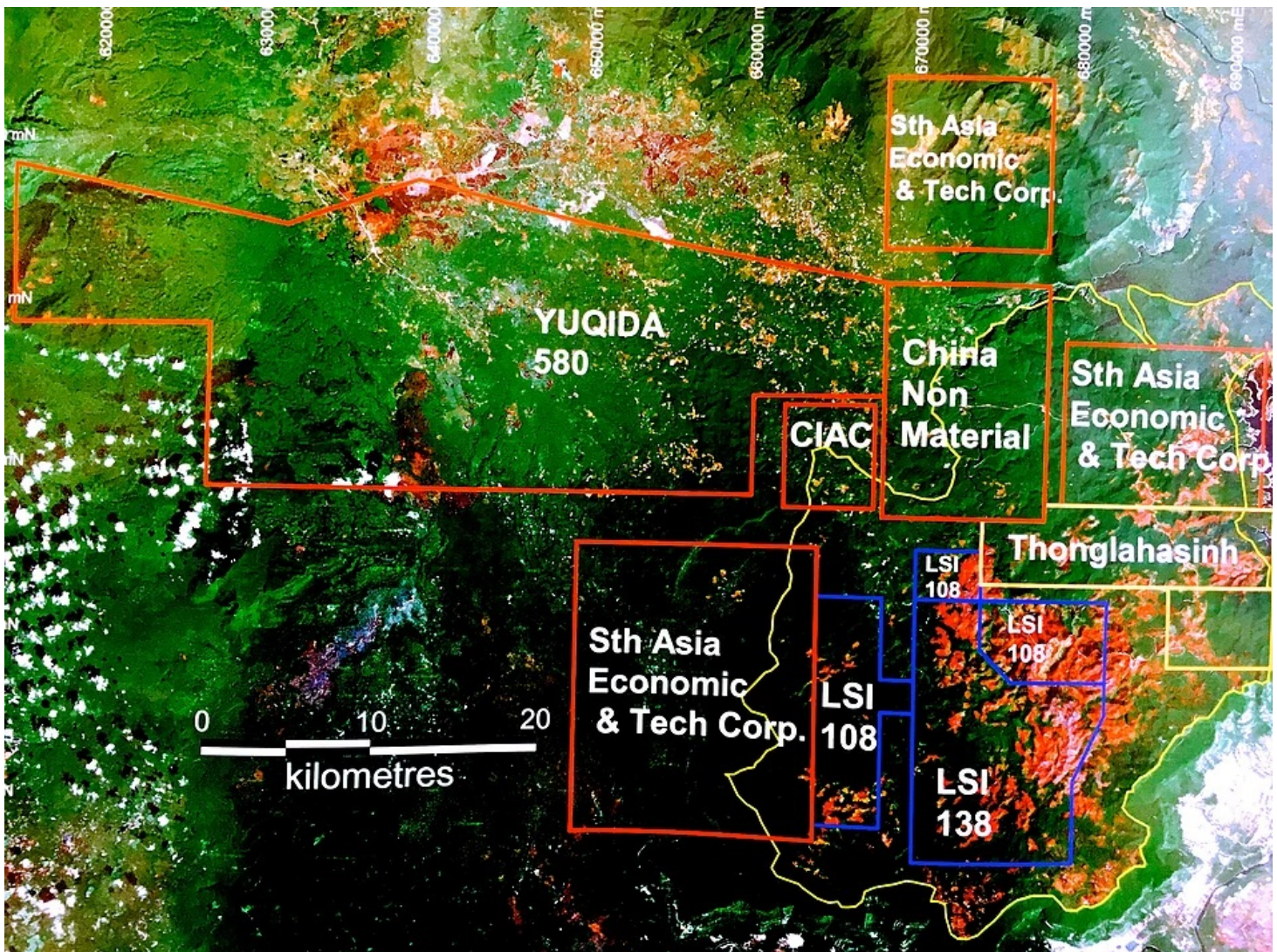
The ability to move the project towards development has been greatly enhanced by the signing of the contract to build a rail link to transport both raw material/alumina from Laos to China. This would ultimately enhance the commercial viability of this project.

LSI tenement

Prior to Vango Mining’s involvement in this tenement, China Nonferrous International Mining Company Ltd (CNMIM) carried out reconnaissance work, which indicated widespread occurrence of bauxite within the tenement, designated 66 Block. The bauxite bearing area containing the estimated resource is 1.9 kilometers. Considerable additional potential is present in other areas of the LSI tenement.

Yuqida tenement

Yuqida Tenement has an area of 421 square kilometers under the licence terms. In 2008, extensive program of mapping and drill hole pegging was undertaken with a total mapped area of 64km of laterite now mapped. Additional areas of bauxite have been located and assessed to upgrade the size of the exploration target on the Yuqida Tenement from its previous 64 square kilometer area to 67 square kilometers.



Location and Coverage

The working area is approximately 138km and located on the Bolaven Plateau, Champasak, south Laos, bordering on Cambodia in the south, adjacent to Vietnam in the east, and within view of Thailand shortly after crossing the Mekong River in the west.

In Laos, most places are only accessible by highway. Pakse, the capital of Champasak, around 600km away from the nation’s capital Vientiane, is located near the Mekong River, accessible via National Highway No.13 which crosses Laos from north to south and ultimately to Cambodia.

As the centre of Bolaven Plateau, Paksong is 50km east of Pakse and accessible through tarred highway No.23. The

Bolaven Plateau is connected with major cities such as Attapu and Sekong by highways No.16, 18 and 20. The working area is located 45km southeast of Paksong and accessible via a sandstone road.

Geography

The Bolaven Plateau is a wide and gentle platform stretching northwestwards, 1000-1200 metres high in elevation. Its basement consists of Triassic – Cretaceous clastic sedimentary rocks and is covered by basalt of plateau eruptions and leakage current.

Basalt is distributed around Paksong dome fold. Within the plateau the relief is relatively gentle. Its average elevation is in order of 120 metres while the biggest is 1716 metres in the northeast part. Deeply cut cliffs and canyons are around the Bolaven Plateau.

Southern Laos has a tropical monsoon climate. This is featured by an annual temperature varying between 20-30 Celsius degrees with the lowest average monthly temperature being 21 degrees occurring in December. The highest average monthly temperature being 29 degrees occurs in April. In a year, this tropical region has two seasons:

- Dry Season from November to next April
- Wet Season from May to October

The Bolaven Plateau experiences a mean annual precipitation of 3,743mm of rain and the maximum reaches 3,987mm. The large precipitation in plateau and mountains posed intensive weathering on Bolaven Plateau basalt.

Rail Link

In late 2015, the People's Republic of China and Lao People's Democratic Republic signed a US\$5billion contract to build a rail link between these two nations. This rail line will transport both goods and passengers through the region and is expected to give the underdeveloped, landlocked nation of Laos a much-needed economic boost.

The Lao People's Democratic Republic expects the China-Laos railway project and another high-speed line to lower the cost of exports and consumer goods while boosting investment in the impoverished nation of nearly seven million people.

On 9 March 2016, the management of Vango Mining Ltd made the decision to terminate discussions around a possible sale with a view to re-engaging with the project as a potential to remain a partner in a project of this magnitude.



GOLD DEVELOPMENT AND EXPLORATION