

## EMPLOYEE UPDATE ON AFROCAN

1 July 2016

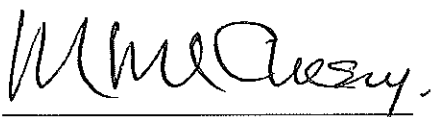
AfroCan, the Canadian company which contracted to invest in Vantage Goldfields, failed to make payments of US\$2.5 million by yesterday 30 June 2016. This is a serious breach of the agreement with Vantage signed on 27 May 2016. The signing of the agreement was jointly announced by the CEO of AfroCan, Brian Barrett, and Vantage Goldfields (copy attached).

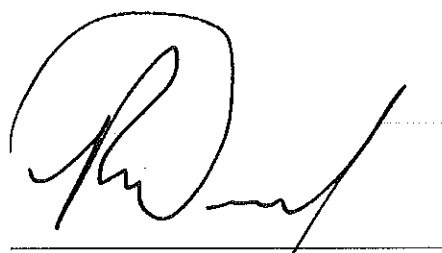
Brian Barrett followed this up with a visit to the Nelspruit Head office on 13 June 2016 at which he addressed all senior staff and union leadership confirming his commitment to the investment and development of the mines. Since then, and despite numerous warnings of their breach, AfroCan has failed to make the payments due.

The proceeds of the AfroCan investment formed a major component of the Business Rescue Plan for the Lily Mine and this will result in further delays to the implementation of the plan. AfroCan has no right to withdraw or to terminate the agreement and Vantage is committed to implementing whatever steps are necessary to enforce the agreement.

Vantage Goldfields and the Business Rescue Practitioner remain committed to the Business Rescue Plan and will, in collaboration with employees and unions, seek alternative funding solutions to implement the plan.

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M McChesney  
Chief Executive Officer  
Vantage Goldfields Pty Limited

  
R Devereux  
Business Rescue Practitioner  
Lily Mine