

Vantage Goldfields

Press Statement

6 April 2016

The Lily Mine suffered a tragic *force majeure* event two months ago which cut off all means of production. This resulted in three employees being buried in a sinkhole and rescue efforts were severely hampered without direct access to the mine workings.

Our major focus has been, and continues to be, the recovery of the missing employees and to re-open the mine so that normal operations can be resumed. We have a clear plan to achieve this which we intend to implement and which has been communicated many times before.

Importantly the Mine now has no means of generating income. Despite considerable efforts to raise the necessary finance to resuscitate MIMCO, the company which owns Lily Mine, this exercise has had its constraints and requires more time.

A mechanism exists in law for distressed companies such as MIMCO to avoid job losses, to access capital and to restructure the business so that it can resume normal operations. The directors of MIMCO, a subsidiary of Vantage Goldfields, have used this mechanism to place MIMCO into Business Rescue with immediate effect. Vantage Goldfields and its other subsidiaries, including Barbrook, continue to operate as normal.

It should be noted that this decision is not as a result of mismanagement or market conditions. This step was necessary because of a most unpredictable and tragic event. The business rescue process will give the company time and protection to raise the necessary funds to resume operations. Lily Mine has considerable ore reserves for many years to come and has a robust operating margin at current gold prices.

---oOo---