

Completion of Milling Campaign and Strategic Review of Activities

Vector Resources Limited (Vector or the Company) advises that it has received reconciled mill metal balance results on the processing of ore from the bulk sample program from its Gwendolyn Gold Project.

The ore processed resulted in 29,219 dmt being milled with an overall reconciled mill head grade of 3.50 gpt, compared with the estimated belt sampling head grade of 3.63 gpt, with a recovered grade of 3.35gpt.

The bulk sample campaign produced 3,150 Au ounces with the average mill feed grade achieved significantly below the Company's expectations based on the independent assessment from the grade control model.

The gold recovery has been insufficient to cover the costs of the milling campaign. As a result the company has taken steps to negotiate settlement terms and will institute measures to reduce overhead costs. If necessary, the Company will undertake a capital raising to provide additional working capital.

The Company has arranged for full repayment of its existing secured debt facility, to be replaced by unsecured convertible notes (Notes). The principle terms of the Notes, conversion of which will be subject to shareholder approval, are as follows:

Redemption Date: 12 months from date of issue

Conversion Price: the lesser of:

- (a) The lowest issue price of Shares during the Conversion Period; or
- (b) the price that is 80% of the volume weighted average market price of the company's ordinary fully paid shares calculated over the last 5 days on which sales were recorded before the date of conversion and issue.

Conversion Period: A noteholder may convert at any time prior to the Redemption Date.

Interest Rate: Nil%

The Company is undertaking a review of the Gwendolyn project's reconciliation based on the metal balance achieved, with the aim to reconcile against the previous independent assessment in light of the results of the bulk sample campaign.

The bulk sample program was undertaken to allow the Company to accurately forecast the economics of the remaining Phase 1 and larger-scale Phase 2 operations at Gwendolyn, based on an established set of parameters obtained from the bulk sample. The future direction of exploration and mining activities at Gwendolyn will be dependent on the review.

The Company has also taken the decision to relinquish its interest in the Muriels Extension project.

The Company is taking the opportunity to review its entire tenement portfolio and will also continue to assess new project opportunities that the Board believes will add shareholder value.

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