



OFFER DOCUMENT

For a non-renounceable pro rata entitlement issue on the basis of one (1) New Share for every one (1) Share held by Eligible Shareholders on the Record Date at an issue price of \$0.001 per New Share, to raise up to \$1,349,071 before the costs of the issue (**Offer**).

The Offer opens on 13 December 2016 and closes at 5.00pm (AEDT) on 22 December 2016 (unless extended). Valid acceptances must be received before the closing time.

Lead Manager

Sanlam Private Wealth Pty Ltd (AFSL: 337927)

IMPORTANT NOTICE

This document is not a prospectus and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

The New Shares offered by this Offer Document should be considered speculative.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

IMPORTANT NOTES

General

This Offer Document was prepared by Vector Resources Limited (ACN 107 541 453) (**Company**) and is dated 2 December 2016.

This Offer Document contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the Corporations Act) of the Company and has been prepared in accordance with section 708AA of the Corporations Act (as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). In broad terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document.

This Offer Document is not a prospectus and the level of disclosure in it is significantly less than that required in a prospectus. It does not contain all of the information which may be required by an investor to make a decision regarding the Offer. This document has not been lodged with ASIC.

The information in this Offer Document does not constitute investment or financial product advice. Eligible Shareholders should therefore consider whether the Shares offered under this Offer Document are a suitable investment in light of their own investment objectives and financial circumstances and the merits of risks involved, having regard to their own knowledge of the Company and the disclosures made by the Company to ASX. In particular, Eligible Shareholders should consider the risk factors set out in Section 4 of this Offer Document which could affect the performance of the Company or the value of their investment in the Company.

If after reading this Offer Document Eligible Shareholders have any questions regarding the Offer they should contact their stockbroker, accountant or other professional advisers before deciding whether or not to accept the Offer.

Neither ASX nor ASIC takes any responsibility for the contents of this Offer Document or the merits of the investment to which this Offer Document relates.

Information about the Company

Announcements released by the Company are available from the ASX website (www.asx.com.au) and the Company's website (www.vectorresources.com.au). Although these announcements are not incorporated into this Offer Document, Eligible Shareholders should have regard to them before making a decision whether or not to participate in the Offer, or to otherwise invest in the Company.

The Company may release further announcements after the date of this Offer Document and throughout the Offer Period, which may be relevant to an Eligible Shareholder's consideration of the Offer. Eligible Shareholders should check whether any announcements have been released by the Company after the date of this Offer Document before taking any action or deciding to do nothing in relation to the Offer. These announcements will be available from the ASX website (www.asx.com.au) and the Company's website (www.vectorresources.com.au).

No representations

No person is authorised to give information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Forward-looking statements

This Offer Document contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects', including certain intentions, expectations and plans of the Company, which may or may not be achieved. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this Offer Document, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company and the Directors cannot and do not give any representation, warranty, guarantee or assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur. Further, other than by lodgement of a replacement or supplementary offer document during the period of the Offer, if required by law, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

Applications

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Forms sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Overseas Shareholders

The Company is of the view that it is unreasonable to make the Offer under this Offer Document to Shareholders outside of Australia and New Zealand having regard to:

- the number of Shareholders registered outside of Australia and New Zealand;
- the number and value of the New Shares that would be offered to Shareholders registered outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to offer the New Shares under this Offer Document to Shareholders registered outside of Australia and New Zealand. Please refer to Section 1.15 for further information.

This Offer Document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Past performance

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

Risks

Refer to the 'Risk factors' in Section 4 of this Offer Document.

Privacy Act

If you complete an Entitlement and Acceptance Form for New Shares, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1998* (Cth), the Corporations Act and certain rules such as the ASX

Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form for New Shares, the Company may not be able to accept or process your Application.

Definitions, Currency and Time

Capitalised terms in this Offer Document are generally defined terms. Their meaning is set out in Section 5 of this Offer Document.

All references in this Offer Document to “\$”, “AUD” or “dollar” are references to Australian currency unless otherwise indicated.

All references in this document to time relate to Western Standard Time in Perth, Western Australia.

CORPORATE DIRECTORY

Directors

Gary Charles Castledine
(Non-Executive Director)

Neville John Bassett
(Non-Executive Director)

Michael Petrus Hendriks
(Non-Executive Director)

Company Secretary

Neville John Bassett

Registered and Principal Office

Suite 4, Henry James Building
8 Alvan Street
SUBIACO WA 6008

Telephone: (08) 6188 7800

Facsimile: (08) 9381 9888

Website: www.vectorresources.com.au

Securities Exchange Listing

ASX Limited
(Home Branch – Perth)
ASX Code: VEC

Lead Manager

Sanlam Private Wealth
Level 15
37 York Street
Sydney NSW 2000

Share Registry*

Link Market Services Limited
Level 4, Central Park
152 St Georges Terrace
PERTH WA 6000

Auditor*

Grant Thornton Audit Pty Ltd
Level 1
10 Kings Park Road
WEST PERTH WA 6005

* These parties are included for information purposes only. They have not been involved in the preparation of this Offer Document.

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1. DETAILS OF THE OFFER

1.1 The Transaction

On 14 September 2016, the Company announced that it had entered into a binding Heads of Agreement (**Heads of Agreement**) with African Royalty Company Pty Ltd ACN 609 521 155 (**AFP**) pursuant to which the Company will acquire, by way of assignment, all of the AFP's rights and interest in a heads of agreement between AFP and WB Kasai Investments Congo SARL (No RCCM: CD/KIN/RCCM/16-B-9390) (**WBK**) and, in doing so, will acquire a 70% interest in the Maniema Gold Project (**Transaction**), situated in the Maniema Province, Democratic Republic of Congo (**Project**) upon completion of the Transaction.

Completion of the Transaction is subject to the satisfaction of various conditions, including:

- (a) the Company closing the Offer to raise up to \$1,349,071;
- (b) the Company completing a placement, at an issue price of not less than \$0.001 per Share, to sophisticated investors to raise an amount which is equal to \$1,650,000, less the total amount raised pursuant to the Offer (**Placement**);
- (c) the Company appointing one representative of AFP to its Board;
- (d) the Company and AFP obtaining all necessary shareholder and regulatory approvals under law and all necessary third party consent to complete the Transaction, including Shareholders' approval of the Transaction at a general meeting of the Company for the purposes of ASX Listing Rule 11.1.2 – this condition was satisfied at the AGM;
- (e) the Company and WBK entering into a royalty agreement relating to the royalty granted to WBK under the WBK Agreement;
- (f) AFP, WBK and the Company executing all necessary documentation and joint venture agreements to establish and incorporate a joint venture company for the Project in the Democratic Republic of the Congo (**JVCo**) such that the Company holds a 70% interest in JVCo upon its incorporation;
- (g) WBK transferring seven granted exploitation licences over which the Project is operated, comprising PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812 and which cover an area of over 500km² (**Licenses**) to JVCo; and
- (h) JVCo appointing a chief executive officer and an exploration team based in the Democratic Republic of the Congo to manage the Project exploration activities.

Further details of the Transaction can be found in the Company's Notice of Annual General Meeting dated 31 October 2016 (**Notice of Meeting**) which is available free of charge on the Company's website, <http://www.vectorresources.com.au/irm/content/asx-announcements.aspx?RID=8>. The Notice of Meeting can also be obtained on the ASX announcements platform at <http://www.asx.com.au/asxpdf/20161031/pdf/43cj9j6lrg51fk.pdf>.

1.2 The Offer

The Company is making a non-renounceable pro-rata offer to Eligible Shareholders of New Shares on the basis of one (1) New Share for every one (1) Share held on the Record Date, at an issue price of \$0.001 each to raise up to \$1,349,071 (before costs) (**Offer**).

The Offer is being undertaken in conjunction with the Placement to raise a combined fixed amount of \$1,650,000 (before costs) (**Capital Raising**) and the proposed Transaction.

The successful completion of the Capital Raising is a condition precedent to the completion of the Transaction.

New Shares will be fully paid ordinary shares which, upon issue, will rank equally with existing Shares on issue.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction such fraction will be rounded down to the nearest whole number.

1.3 Eligibility

The Offer is made to Eligible Shareholders only, being Shareholder whose details appear on the Company's register of Shareholders as at the Record Date with a registered address in Australia or New Zealand.

At the AGM, Shareholders approved the issue of additional Shares as detailed in Section 1.5. These additional Shares will not be issued prior to the Record Date and, therefore, will not entitle the holders of those Shares to participate in the Offer.

1.4 Indicative Timetable

Event	Date
Release of Offer Document, Appendix 3B and section 708AA notice to ASX	2 December 2016
Notice sent to Shareholders	5 December 2016
"Ex" Date (date from which Shares commence trading without the entitlement to participate in the Offer)	7 December 2016
Record Date 7.00pm (AEDT) (date for determining Entitlements of Eligible Shareholders to participate in the Offer)	8 December 2016
Offer Document and Entitlement and Acceptance Form sent to Eligible Shareholders	13 December 2016
Offer Opening Date	13 December 2016
Last date to extend the Offer Closing Date	19 December 2016
Offer Closing Date 5.00pm (AEDT)	22 December 2016
Shares quoted on a deferred settlement basis	23 December 2016
ASX notified of under subscriptions	29 December 2016
Anticipated date for the issue of the New Shares	3 January 2017
Deferred settlement trading ends	3 January 2017
Normal trading (on a T+2 basis) commences	4 January 2017

Note: The dates in the above timetable are indicative only and subject to change. Further, the dates are subject to the Listing Rules and other applicable laws. The Directors reserve the right to vary these dates.

1.5 Proposed Use of Funds

The application of funds raised from this Offer and the Placement is summarised in the table below. For the purposes of detailing the use of funds raised under this Offer Document, it is assumed that other Securities will not be issued by the Company between the date of this Offer Document and the Record Date.

Use of funds	Full Subscription
Cash consideration payable to WBK	\$300,000
Transaction and capital raising costs	\$100,000
JORC Code resource definition drilling program	\$500,000
Trenching, sampling and surveying	\$200,000
Assaying and test work	\$300,000
Corporate and administrative costs and working capital	\$250,000
Total	\$1,650,000

Notes:

This budget summary is prepared on the basis of the following assumptions:

1. As the Transaction is conditional upon the success of the Capital Raising (which includes the Offer), which is for a defined amount of \$1,650,000 both the maximum and minimum amount to be raised under the Offer and the Placement is \$1,650,000.
2. The Company expects that on the success of the Capital Raising and the consequent raising of \$1,650,000, it will have sufficient funds to complete the Transaction and conduct its exploration and development activities for the next 12 months.
3. Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results forthcoming from the respective work programs. Actual expenditure may differ from the above estimates due to a change in market conditions, the development of new opportunities, the results obtained from exploration and other factors (including the risk factors outlined in Section 4).
4. The above table represents statements of the intended use of the funds raised by the Company as at the date of this document. Exploration budgets may change as the conducted programs provide encouragement or disappointment and new opportunities may be identified elsewhere.
5. It is anticipated that the funds available as unallocated working capital may be applied towards any contingency resulting in unforeseen expenses associated with the Company's projects, and also towards expenses incurred in identifying and generating new mineral exploration projects. Such expenses may include the cost of purchasing exploration data, commission expert reports/studies, acquiring exploration rights and due diligence costs of reviewing potentially suitable projects, including associated travel, legal and other professional expenses.

1.6 Entitlements and Acceptance

The Entitlement of Eligible Shareholders to participate in the Offer is determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

In determining Entitlements, any fractional Entitlement will be rounded down to the nearest whole number.

Acceptance of Entitlement in Full

If you are an Eligible Shareholder and wish to take up **all** of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form.

Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of New Shares for which you wish to accept (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

Entitlements Not Taken Up

If you decide not to accept all or part of your Entitlement pursuant to the Offer, you are not required to take any action. The New Shares not accepted will form part of the Shortfall and may be placed at the Company's discretion to professional and sophisticated investors in connection to with the Placement.

1.7 No Entitlement trading

The Entitlements to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of Entitlements on the ASX and you may not dispose of your Entitlement to subscribe for New Shares under the Offer to any other party.

If you do not take up your Entitlement under the Offer by the Closing Date, the Offer to you will lapse.

1.8 Underwriting

The Offer is not underwritten.

1.9 Minimum Subscription

The Offer itself is not subject to a minimum subscription requirement.

However, as the Transaction is conditional upon a minimum of \$1,650,000 being raised under the Capital Raising (which includes the Offer), New Shares will not be issued pursuant to the Offer unless the full amount of \$1,650,000 is raised under the Capital Raising.

1.10 Shortfall

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will be dealt with by the Directors in accordance with this Section 1.10.

Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to deal with the Shortfall Shares which are not taken up by Eligible Shareholders under the Offer within 3 months after the Closing Date, including by inviting persons to apply for the Shortfall Shares. Such Shortfall Shares will only be issued at an issue price that is not less than the issue price offered to Eligible Shareholders under this Offer Document and will not be issued to the Directors or to related parties (or their Associates).

No issue will be made under the Shortfall if this would result in a person acquiring a relevant interest in more than 10% of the voting Shares immediately following that issue.

1.11 Opening and Closing Dates

The Offer opens on the Opening Date, being 13 December 2016. The Company will accept Entitlement and Acceptance Forms until 5.00pm (AEDT) on the Closing Date or such other date as the Directors determine, subject to the Listing Rules.

1.12 Issue and Despatch

The issue of New Shares offered by this Offer Document and the despatch of holding statements are expected to occur on 3 January 2017.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

1.13 ASX Quotation

Application has been made to the ASX for quotation of the New Shares. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of

the merits of the Company or the New Shares now offered for subscription. Issues of New Shares under the Offer will only be made after permission for their quotation on the ASX has been granted.

1.14 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as 'CHESS'. All trading on ASX in Shares will be settled through CHESS. ASX Settlement Pty Ltd (**ASX Settlement**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

The Company's Registry operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. Both these sub-registers constitute the Company's principal register of Shareholders.

Holders of Shares will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored or other participant in CHESS, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of Shares issued under this Offer Document, provide details of your holder identification number, and provide the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the issuer sponsored sub-register, your statement will be despatched by the Company's Registry and will contain the number of Shares issued to you under this Offer Document and your security holder reference number (SRN).

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.15 Treatment of Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Company is of the view that it is unreasonable to make the Offer to Shareholders without registered addresses in Australia or New Zealand (**Ineligible Shareholders**) having regard to the:

- (a) number of Ineligible Shareholders;
- (b) number and value of New Shares that would be offered to Ineligible Shareholders; and
- (c) cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, the Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

1.16 Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Eligible Shareholders should consult their professional tax advisor in connection with subscribing for New Shares under this Offer Document.

1.17 Rights and Liabilities attaching to New Shares

The New Shares will rank equally in all respects with existing Shares (including, for example, with respect to dividends, voting and bonus issues). Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

1.18 Risk Factors

As with any investment in Securities, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 4 of this Offer Document. The New Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Offer Document in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

Factors affecting an investment in the Company include stock market fluctuations, exploration and development risks, resource and reserve estimates, joint venture risk, insurance risk, competition risks, foreign currency exchange rate fluctuations, economic risks and external market factors, additional requirements for capital and governmental policy regarding environmental protection.

1.19 Withdrawal of Offer

The Directors may at any time decide to withdraw this Offer Document and the Offer at any time prior to the issue of New Shares under the Offer. If the Offer is withdrawn, the Company will return all Application Money (without interest) within 28 days of giving such notice of withdrawal.

1.20 Governing Law

This Offer Document and the contracts formed on acceptance of the Entitlement and Application Form are governed by the laws applicable in Western Australia. Each Applicant for New Shares submits to the exclusive jurisdiction of the courts of Western Australia and the courts of the Commonwealth of Australia sitting in Perth, Western Australia.

1.21 Nominees, Trustees and Custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas should seek independent advice as to how they should proceed.

1.22 Enquiries concerning Offer Document

This Offer Document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

If you have any questions regarding your Entitlement or the Offer, please contact the Company on (08) 6268 2622 (for calls within Australia) or +61 8 6268 2622 (outside Australia), from 8.30am to 5.00pm WST, Monday to Friday.

2. EFFECT OF CAPITAL RAISING AND TRANSACTION

2.1 Effect on Cash Reserves

If all of the Entitlements under the Offer are accepted and the Placement closed fully subscribed, the cash reserves of the Company will increase by approximately \$1,650,000 (before costs).

2.2 Effect on the Capital Structure

The anticipated capital structure of the Company assuming completion of the Capital Raising and the Transaction is summarised in the table below.

The capital structure may change if any new Securities are issued (none are contemplated) before the Record Date. Any increase to the number of Shares on issue will increase the number of New Shares which may be issued under the Offer by a corresponding amount.

Shares	Number
Shares on issue at date of the Offer	1,349,071,146
New Shares offered under the Offer	1,349,071,146
Placement (as approved by shareholders at the AGM)	300,928,854
Proposed issue of WBK Consideration Shares – Resolution 5 in the Notice of Meeting	1,500,000,000
Proposed issue of Adviser Shares – Resolution 7 in the Notice of Meeting	250,000,000
Proposed issue of AFP Consideration Shares – Resolution 6 in the Notice of Meeting	500,000,000
Total Shares on issue at completion of the Offer and the Transaction	5,249,071,146

Notes:

1. The number of Shares assumes completion of the Transaction and the Capital Raising as they are inter-dependent upon each other. In the event that the Capital Raising is not completed, New Shares will not be issued under the Offer.
2. A reference to Resolutions is a reference to resolutions proposed in the Notice of Meeting.
3. The proposed issue of WBK Consideration Shares, Adviser Shares and AFP Consideration Shares are subject to completion of the Transaction and raising at least \$1,650,000 under the Capital Raising.
4. The Company is required to issue to WBK's shareholders with and additional 500,000,000 Shares (**Milestone Shares**) upon the establishment of a Mineral Resource under the JORC Code in excess of 1 million ounces at a cut-off grade in excess of 2.5g/t gold on the Project, subject to Shareholder approval.

2.3 Effect on the Company's Financial Position

This Section contains an unaudited statement of financial position for the Company, with the relevant information extracted from the Company's management accounts as at 30 September 2016.

The unaudited pro-forma statement of financial position of the Company presents the Company's financial position as at 30 September 2016 as if the Company had completed the Transaction at that date. The assumptions used in order to arrive at an unaudited pro-forma consolidated statement of financial position for the Company as at 30 September 2016 are set out at the end of the statement of financial position.

The Company will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after Completion.

The unaudited pro-forma statement of financial position is indicative only. The Company has drawn its own conclusions based on the known facts and other publicly available information. If the factors, circumstances, assumptions or other information should prove to be different to that described, the conclusions may change accordingly.

Unaudited Pro Forma Statement of Financial Position					
	Unaudited as at 30 September 2016 (\$)	Capital Raising (i)	Cash Consideration (ii)	Share Consideration (ii)	Pro-forma after Transaction
ASSETS					
Current Assets					
Cash and Cash Equivalents	90,072	1,550,000	(300,000)		1,340,072
Other Receivables	11,497				11,497
Total Current Assets	101,569				1,351,569
Non-Current Assets					
Minerals interest	50,000		300,000	2,250,000	2,600,000
Financial Assets	20,997				20,997
Total Non-Current Assets	70,997				2,620,997
Total Assets	172,566				3,972,566
LIABILITIES					
Current Liabilities					
Trade and Other Payables	31,099				31,099
Total Current Liabilities	31,099				31,099
Total Liabilities	31,099				31,099
NET ASSETS	141,467				3,941,467
EQUITY					
Issued Capital	38,340,151	1,550,000		2,250,000	42,140,151
Option Reserve	2,502,913				2,502,913
Accumulated Losses	(40,701,597)				(40,701,597)
Total Equity	141,467				3,941,467

Notes: This table above is prepared on the basis of the following assumptions:

1. The Capital Raising is successfully completed, raising a minimum of \$1,650,000 (before costs).
2. Costs of the Capital Raising (including the Offer), including the fees of the Lead Manager, ASX costs and legal fees are approximately \$100,000.
3. The Licences are successfully transferred to JVCo and a payment of \$300,000 is made to WBK, pursuant to the WBK Agreement.
4. There is no adjustment for the operating costs of the Company between 30 September 2016 and the date of completion of the Transaction.

2.4 Effect on Control

(a) The Offer

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act which sets out, among other things, the effect of the Offer on the control of the Company. This notice may be viewed on the websites of the Company and ASX.

The potential effect the Capital Raising and the Transaction will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings.

If all Eligible Shareholders take up their Entitlements in full, the Offer will not diminish the percentage shareholding and voting power of each Eligible Shareholder.

If some Eligible Shareholders do not take up their Entitlement in full, then their percentage shareholding and voting power in the Company will be diluted. The percentage shareholding and voting power of non-resident Shareholders not eligible to participate in the Offer will also be diluted by New Shares issued under the Offer.

It is not expected that the Offer will have any material impact on the control of the Company.

The Company will ensure that under the Placement (including any Shortfall Shares):

- (i) Shares will not be issued to any parties which will receive WBK Consideration Shares under the Transaction or their Associates; and
- (ii) no party will receive Shares that would result in that party having a relevant interest in more than 19.9% of the total Shares on issue.

(b) Placement and Transaction

The issue of Shares under the Placement and pursuant to the Transaction will result in the dilution of existing Shareholders percentage interests and voting power as follows, assuming that other Shares are not issued prior to that time:

Event	Shares issued	Dilution (rounded)
Placement		
Shares issued under the Placement – assuming Eligible Shareholders do not take up their Entitlements	1,650,000,000	122.31%
Shares issued under the Placement – assuming Eligible Shareholders all take up their Entitlements in full	300,928,854	11.15%
Transaction – initial consideration Shares		
Shares issued pursuant to the Transaction at Completion – assuming Eligible Shareholders do not take up their Entitlements and excluding the Placement	2,250,000,000	166.78%
Shares issued pursuant to the Transaction at Completion – assuming Eligible Shareholders all take up their Entitlements in full and excluding the Placement	2,250,000,000	83.39%
Transaction – Milestone Shares		
Shares issued pursuant to the Transaction as Milestone Shares – assuming Eligible Shareholders do not take up their Entitlements and excluding both the Placement and the initial consideration Shares	500,000,000	37.06%

Shares issued under the Placement as Milestone Shares – assuming Eligible Shareholders all take up their Entitlements in full and excluding both the Placement and the initial consideration Shares	500,000,000	18.53%
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In addition, under the terms of the Transaction, no recipient of Shares will receive a relevant interest in Shares or voting power in the Company equal to or greater than 10%.

(c) **Substantial holders**

The Shares proposed to be issued pursuant to the Capital Raising and the Transaction will also affect the substantial holding interests in the Company.

In summary, a person will have a substantial holding in the Company if they and their “associates” (as defined under the Corporations Act) hold a relevant interest in (i.e. control) 5% or more of the Shares on issue.

The Company anticipates that on completion of the Transaction, closing of the Capital Raising and the issuing of the Milestone Shares to WBK’s shareholders, the following parties will have substantial holdings:

Shareholder	Holding	Percentage interest
Co Lab Theory (Pty) Ltd or its nominees	533,400,000	9.28%

Notes: The table above assumes that:

1. the named party does not receive any Shares under the Placement; and
2. all of the Milestone Shares are issued.

3. ACTION REQUIRED BY SHAREHOLDERS

3.1 How to Accept the Offer

If you are an Eligible Shareholder and you wish to take up all or part of your Entitlement, you must accept the Offer by completing the personalised Entitlement and Acceptance Form mailed to you with this Offer Document. Your personalised Entitlement and Acceptance Form will detail your Entitlement to New Shares under the Offer. You should complete the form in accordance with the instructions set out on the reverse side of the form.

Acceptance of Entitlement in Full

If you are an Eligible Shareholder and wish to take up **all** of your Entitlement under the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form.

Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of New Shares you wish to accept (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

Non-Acceptance of Entitlement

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares not applied for will form part of the Shortfall and will be dealt with by the Directors in accordance with Section 1.10.

3.2 Acceptance of Terms and Form of Payment

All Applications for New Shares must be made on the Entitlement and Acceptance Form. Any Application will be treated as an offer from the Applicant to acquire New Shares on the terms and conditions set out in this Offer Document. The Directors reserve the right to reject any Applications for New Shares.

If you are paying by cheque please make the cheque payable to '**Vector Resources Limited Offer A/C**' and cross it 'Not Negotiable'. Please ensure that your completed Entitlement and Acceptance Form and your cheque is received by the Company's Share Registry no later than 5.00pm (AEDT) on the Closing Date at:

By Post:

Vector Resources Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001
Australia

By Hand:

Vector Resources Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 *(Please do not use this address for mailing purposes)*

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. Investors who elect to pay by BPAY will not need to return their completed Entitlement and Acceptance Form.

Please note that payment via BPAY must be made by no later than **5:00pm (AEDT) on 22 December 2016**.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above.

If you have multiple holdings you will have multiple BPAY customer reference numbers. To ensure you receive your Entitlement in respect of that holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

3.3 Application Money and refunds

Application Money will be held on trust for applicants until New Shares are issued under this Offer Document.

Any Application Money received in excess of an Applicant's final allocation of New Shares (including any Shortfall Shares) will be refunded as soon as possible after issue.

If the Offer is withdrawn, all Application Money will be refunded as soon as possible. Refund payments will be by cheque made payable to the registered holder and will be sent to the address last recorded on the Company's register of shareholders.

Interest will not be paid to Applicants on any Application Money which is refunded and any interest earned on Application Money will belong to the Company.

3.4 Effect of taking up your Entitlement

Submitting an Entitlement and Acceptance Form or making payment using BPAY® constitutes a binding offer to subscribe for New Shares on the terms and conditions set out in this Offer Document. Once lodged, an Entitlement and Acceptance Form cannot be withdrawn. The Entitlement and Acceptance Form does not need to be signed to be binding.

If an Entitlement and Acceptance Form is not completed or submitted correctly, it may still be treated as a valid Application. The Company's decision whether to treat an Application as valid and how to construe, amend or complete or submit the Application is final.

The Company reserves the right (in its sole discretion) to:

- (a) reject any Application that it believes comes from a person who is not an Eligible Shareholder; and
- (b) reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claim to be entitled to participate in the Offer proves to be false, exaggerated or unsubstantiated.

3.5 ASX quotation

The Company has applied to ASX for quotation of the New Shares. If ASX does not grant quotation to the New Shares, then the Company will not issue any of the New Shares and will refund all Application Money without interest.

3.6 Issue of New Shares

The Company expects to issue the New Shares under the Offer on 3 January 2017 and send holding statements for the New Shares on that date. The New Shares will not be issued until ASX grants quotation of the New Shares.

It is your responsibility to determine your holdings before trading in New Shares. Any person who sells New Shares before receiving confirmation of their holding will do so at their own risk.

3.7 Enquiries concerning your Entitlement

If you have any questions regarding your Entitlement or the Offer, please contact the Company on (08) 6268 2622 (for calls within Australia) or +61 8 6268 2622 (outside Australia), from 8.30am to 5.00pm WST, Monday to Friday

4. RISK FACTORS

4.1 General

The New Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. Please note that the summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

Applicants should give careful consideration to each of the risks. The risks below identify some of the key risks specific to an investment in the Company. However, these risks should not be taken as an exhaustive list of all risks which the Company could be subject to.

3.2 Company and Transaction Specific Risks

The following risks have been identified as being key risks associated with an investment in the Company generally as well as risks associated with the Transaction. These risks may adversely affect the Company's financial position, prospects and price of its Securities.

(a) Lease and licence risks

The Company's and JVCo's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences (including the Licences), concessions, leases, permits and regulatory consents in the Democratic Republic of Congo which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, may depend on JVCo being successful in obtaining the required statutory approvals for its proposed activities and having the licences, concessions, leases, permits or consents that it holds renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection with them.

In particular, there are risks that the Licences may not be renewed when required, may be withdrawn, may be made subject to limitations at the discretion of the government or authorities of the Democratic Republic of Congo or that changes to the conditions of the Licences will impact on JVCo's and the Company's Project activities.

(b) Future capital requirements

The Company's ongoing activities may require substantial financing in the future for its business activities. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

(c) Exploration risks

Mining exploration and development is a high risk undertaking. The success of the Project depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities,

securing and maintaining title to the Licences and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Licences may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the Licences.

The exploration costs for the Project are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Project's viability.

(d) Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend, to some extent, on interpretations, which may prove to be inaccurate and require adjustment. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect JVCo's and the Company's operations.

(e) Ability to exploit successful discoveries

It may not always be possible for JVCo and/or the Company to exploit successful discoveries which may be made in areas of the Project. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities or land beneficiaries that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of WBK or other companies whose interests and objectives may not be the same as the Company's.

(f) Commodity price fluctuations

The Company's potential earnings will be largely derived from the sale of mineral commodities (including gold and base metals). Accordingly, the Company's future revenues and cash flow will be impacted by fluctuations in the prices and available markets of these commodities. Any future revenue derived through any future sales of valuable minerals exposes the potential income of the Company to commodity price risks.

Commodity prices fluctuate and may be affected by numerous factors beyond the control of the Company including:

- (i) current and expected future supply and demand for relevant commodities in the region and globally;
- (ii) forward-selling by producers;
- (iii) the level of production costs in major commodity-producing regions;
- (iv) macroeconomic factors such as expectations regarding inflation and interest rates; and
- (v) the development of new technologies including any substitute products in relation to the current uses of particular commodities.

Any substantial decline in the price of those commodities or in transport or distribution costs may have a material adverse effect on the Company and the value of its Shares.

(g) Mining and development risks

Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

(h) Title risks

Interests in tenements are governed by legislation in their respective jurisdictions and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it reporting commitments, as well as other conditions requiring compliance. Consequently, JVCo could lose title to or its interest in the Licences if licence conditions are not met.

(i) Environment and government approvals

The operations and activities of JVCo and the Company are subject to environmental laws and regulations applicable in the Democratic Republic of Congo. As with most exploration projects and mining operations, JVCo's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct, and will try to ensure that JVCo conducts, their operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(j) In-country/political risks

The operations and activities of JVCo and the Company in the Democratic Republic of Congo are exposed to political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to currency exchange rates; changing political conditions; restrictions on border crossings and trade; changes to laws and policies; labour unrest; foreign exchange and currency controls; renegotiation or nullification of existing concessions, licenses and permits; and failure to agree to terms of required agreements with the government or authorities of the Democratic Republic of Congo.

The Democratic Republic of Congo is considered to have high political and sovereign risk. Changes, if any, in mining or investment policies or shifts in political attitude in the Democratic Republic of Congo may adversely affect the Company's operations or profitability. Failure to comply strictly with applicable laws, regulations and local policies and practices relevant to the Project and the operations of JVCo and the Company could result in loss, reduction or expropriation of the Licences and other entitlements.

(k) Exchange rate fluctuations

International prices of most commodities are denominated in United States dollars, whereas the income and expenditure of the Company, whilst operating on Australian projects, will be in Australian currency. This will expose the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, subject to any currency hedging the Company may undertake. The exchange rate is affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook.

(l) **Global economic conditions**

Recent global economic conditions have been characterised by volatility. Access to financing has been negatively impacted by many factors as a result of the recent global financial crisis. This may impact the Company's ability to obtain financing on favourable terms in the future. Factors such as inflation, currency fluctuations, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and share price can be affected by these global economic conditions which are beyond the control of the Company and its Directors.

(m) **Realising value from projects**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

The Directors have between them significant experience in ASX-listed mineral exploration companies. However, no assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(n) **Joint venture parties, agents and contractors**

The Company's interest in the Project arises through its interest in JVCo. Accordingly, the Company relies significantly on the strategic relationship with its joint venture partner, WBK.

The Company may also enter into, or be assigned rights under, contract, including access arrangements, with third parties and have to rely on WBK and/or certain third parties to provide the JVCo and the Company with essential access to the Project area. There can be no assurance that the Company's relationships WBK or third parties will be able to be maintained or that new ones will be successfully formed and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones.

(o) **Mineral assemblage and consistency**

The value of, and ability to mine, a resource is partially dependent on the mineral assemblage and / or quality and surrounding geological and soil setting. Information is not always necessarily available at the commencement of exploration, and is established at varying stages throughout development. Such data can affect the Company's and JVCo's ability to successfully extract, treat or sell the product. The Company makes all efforts to determine this information at practical stages throughout exploration to reduce risks associated with mineral assemblage and quality.

(p) **Competition**

The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

(q) **Insurance risk**

In certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

(r) **Key personnel**

Recruiting and retaining qualified personnel are important to the Company's success, particularly for the Company's operations in the Democratic Republic of Congo. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance that there will be no detrimental impact on the Company if such persons employed cease their employment with the Company.

(s) **Sharemarket Conditions**

The market price of the Company's Securities may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

4.2 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Document. Therefore, the New Shares offered pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

5. DEFINED TERMS

Adviser Shares means the 250,000,000 Shares to be issued in accordance with the Heads of Agreement to the advisors and promoters of the Company in consideration for services provided in relation to the Transaction and the Capital Raising, the subject of Resolution 7 in the Notice of Meeting.

AEDT means Australian Eastern Daylight Time.

AFP means African Royalty Company Pty Ltd (ACN 609 521 155).

AFP Consideration Shares means the 500,000,000 Shares to be issued to AFP or its nominees upon Completion under the Heads of Agreement, the subject of Resolution 6 in the Notice of Meeting.

AGM means the annual general meeting of the Company held on 30 November 2016.

Applicant means a person who submits an Entitlement and Acceptance Form.

Application an Entitlement and Acceptance Form submitted to the Company.

Application Money means money received from persons applying for New Shares.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning set out in the Listing Rules.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Capital Raising means the capital raising conducted by the Company under the Offer and the Placement.

Closing Date means the closing date of the Offer, being 5.00pm (AEDT) on 22 December 2016.

Company means Vector Resources Limited (ACN 107 541 453).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date with a registered address in Australia or New Zealand.

Entitlement means the entitlement to subscribe for New Shares under the Offer.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Heads of Agreement has the meaning given to that term in Section 1.1.

Ineligible Shareholder means a Shareholder who is not an Eligible Shareholder.

JORC Code means the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' 2012 edition, published by the Joint Ore Reserve Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientist and the Minerals Council of Australia.

JVCo has the meaning given to that term in Section 1.1.

Licences has the meaning given to that term in Section 1.1.

Listing Rules means the ASX Listing Rules published and distributed by ASX.

Milestone Shares has the meaning given to that term in Section 2.2.

New Share means a new Share proposed to be issued pursuant to this Offer.

Notice of Meeting means the Notice of Annual General Meeting issued by the Company dated 31 October 2016 to convene the AGM.

Offer means the offer of New Shares under this Offer Document, as set out in Section 1.2.

Offer Document means this Offer Document dated 2 December 2016.

Opening Date means the opening date of the Offer, being 13 December 2016.

Placement has the meaning given to that term in Section 1.1.

Project has the meaning given to that term in Section 1.1.

Record Date means 7.00pm (AEDT) on 8 December 2016.

Security has the meaning given to that term in section 92(4) of the Corporations Act.

Share means an ordinary fully paid share in the capital of the Company.

Share Registry means Link Market Services Limited (ABN 54 083 214 537).

Shareholder means a holder of Shares.

Shortfall means those New Shares under the Offer not applied for by Eligible Shareholders by the Closing Date.

Transaction has the meaning given to that term in Section 1.1.

WBK means WB Kasai Investments Congo SARL (No RCCM: CD/KIN/RCCM/16-B-9390).

WBK Agreement means agreement between WBK and AFP (undated) in relation to the Project.

WBK Consideration Shares means the 1,500,000,000 Shares to be issued to WBK's shareholders and advisers upon completion under the Heads of Agreement and the WBK Agreement, the subject to Resolution 5 in the Notice of Meeting.

WST means Australian Western Standard Time.