

ASX ANNOUNCEMENT

10 January 2017

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

VECTOR COMPLETES ACQUISITION OF ADVANCED MANIEMA GOLD PROJECT

- Acquisition of a 70% interest in the advanced Maniema Gold Project successfully completed
- Capital raising finalised with the full A\$1.65m raised to fund the acquisition and planned exploration activities at the Maniema Gold Project over the next 12 months
- All acquisition and joint venture documentation executed and local subsidiary and joint venture companies established and operating with in-country management team in place
- Technical consultants finalising planned work programs for 2017 and progressing commencement of resource definition drilling program and completion of initial resource estimation work
- Discussions with key executives advanced to strengthen the Company's management team capabilities and enable planned gold exploration programs at the Maniema Gold Project to commence later this month

Vector Resources Limited ("**Vector**" or the "**Company**") is pleased to announce that it has successfully completed its acquisition of a 70% interest in the Maniema Gold Project ("**Project**") located in the Maniema Province, in the Democratic Republic of Congo.

The acquisition of the Maniema Gold Project follows completion of the transaction announced on 14 September 2016, where the Company had agreed to acquire African Royalty Company Pty Ltd ("**ARC**") rights under an agreement that it had entered into with local Congolese mining and exploration company, WB Kasai Investments Congo SARL ("**WBK**") ("**WBK Agreement**") pursuant to which the Company would acquire a 70% joint venture interest in the Project ("**Acquisition**").

Completion of the Acquisition follows receipt of shareholder approvals on 30 November 2016 at the Annual general meeting, completion of all legal, financial and technical due diligence, and execution of all joint venture documentation including the incorporation of the Company's Congolese subsidiary, the incorporation of the joint venture company and the transfer of the seven granted exploration licenses into the joint venture company.

The Company has also completed the required A\$1.65m Capital Raising, paid the initial cash consideration for the Acquisition and has allotted the shares associated with capital raising and the Acquisition on the following basis:

- (a) 1,349,071,146 shares issued under the Company's recently completed non-renounceable pro-rata offer to existing shareholders and placement of shortfall shares;
- (b) 300,928,854 shares issued through the conversion of the interim loan facility that was secured on 31 October 2016;
- (c) 2,000,000,000 shares issued as consideration for the acquisition of the 70% interest in the Maniema Gold Project; and
- (d) 250,000,000 shares to the Company's advisors in consideration for services provided in relation to the Acquisition and the Capital Raising.

In accordance with the terms of the Acquisition, the Company has also executed a royalty agreement for the payment of a royalty to WBK and ARC of 1% of gross revenue on all bullion or other mineral sales made by the joint venture. The Company is also in the process of strengthening the Company's management team capabilities with the appointment of both a Chief Executive Officer to manage the Project and Company's planned exploration activities and a representative of ARC to the Board of the Company.

Commenting on the completion of the Acquisition Vector's Chairman, Gary Castledine said,

"We are pleased that we have been able to move so efficiently to complete the acquisition of our 70% interest in the Maniema Gold Project."

"With the acquisition now completed, our shareholders now have a majority interest in an advanced gold project, that includes the Kabotshome Gold Prospect and a further four defined gold prospects, within seven exploration licenses located within one of the world's most highly prospective gold mining regions." Mr Castledine added.

"The Maniema Project is in a region that has attracted significant investment in gold exploration, with established gold mining operations such as Randgold Resources and AngloGold Ashanti's Kibali Gold Mine in the Kilo-Moto belt to the north and Banro Corp's Namoya and Twangiza Gold Mines within the Twangiza-Namoya belt immediately to the east of us. We have also seen the success of ASX listed gold exploration company Burey Gold to the north and Resolute Mining's recent investment in the country too."

"We are excited to now be in a position to shortly be actively exploring in the region and to be working with our local partners WBK in making the Maniema Gold Project a success."

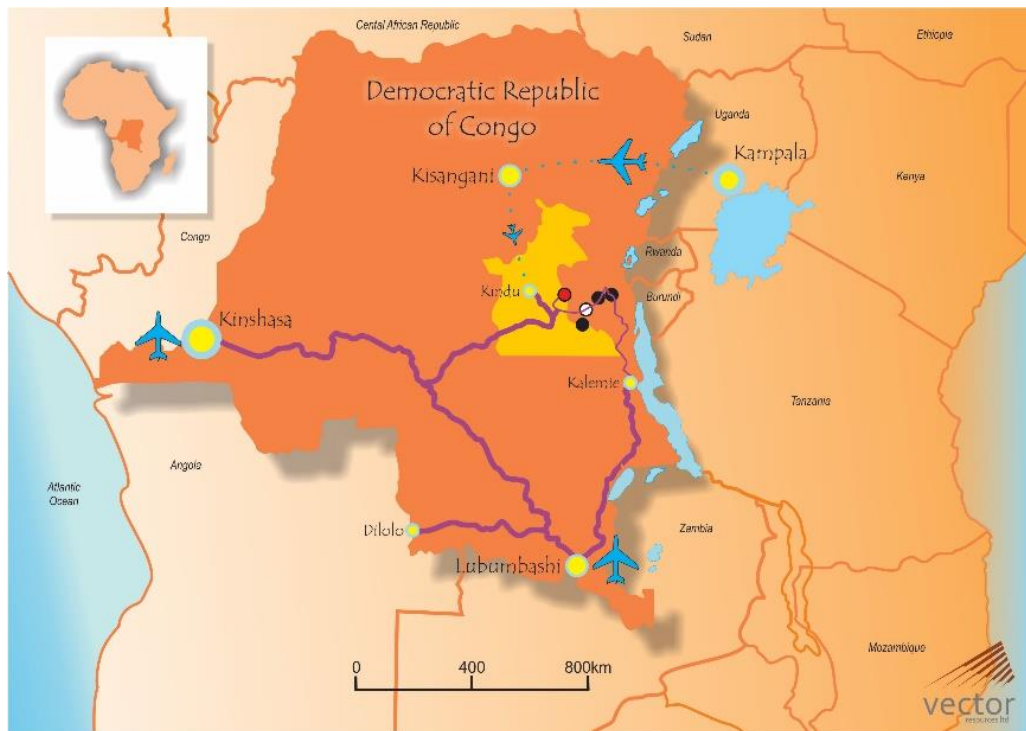
"Over the coming weeks, we will be looking to strengthen the Company's management team capabilities to enable us to implement our planned gold exploration programs at the Maniema Gold Project which we will look to commence later this month."

"Our technical consultants have already determined an initial Exploration Target for the Kabotshome Gold Prospect and with an established in-country exploration team, they are fast progressing our first resource definition drilling program and resource estimation work is already underway based on the historical work that has been completed. " Mr. Castledine commented.

THE MANIEMA GOLD PROJECT

The Project is located in the Maniema Province, approx. 260km southwest of the town of Bukavu, and 160km south of Kindu in east central Democratic Republic of Congo.

The Project comprises seven granted exploitation licences: PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812 and which cover an area of over 500km² (“Licenses”)



Location of the Maniema Gold Project

The Licenses contain five main prospects; Kabotshome, Mbutu, Mitunda, Mbala and Tubambo that have been defined within the project area from previous exploration. The Kabotshome Project is the most advanced.

The Project is situated in the Twangiza-Namoya Belt, in the northern part of the Kibara Belt. The Kibara Belt contains a wide variety of deposits, comprising typically shear-related granophile elements including tin, tungsten, lithium, beryllium, tantalum, and gold.

The geology in the Maniema prospects consists mostly of metasediments and lightly metamorphosed mafic rocks, both volcanic and intrusive, from the Kibaran and Rusizian, with large granitic intrusions, generally situated on the edge of the tenement.

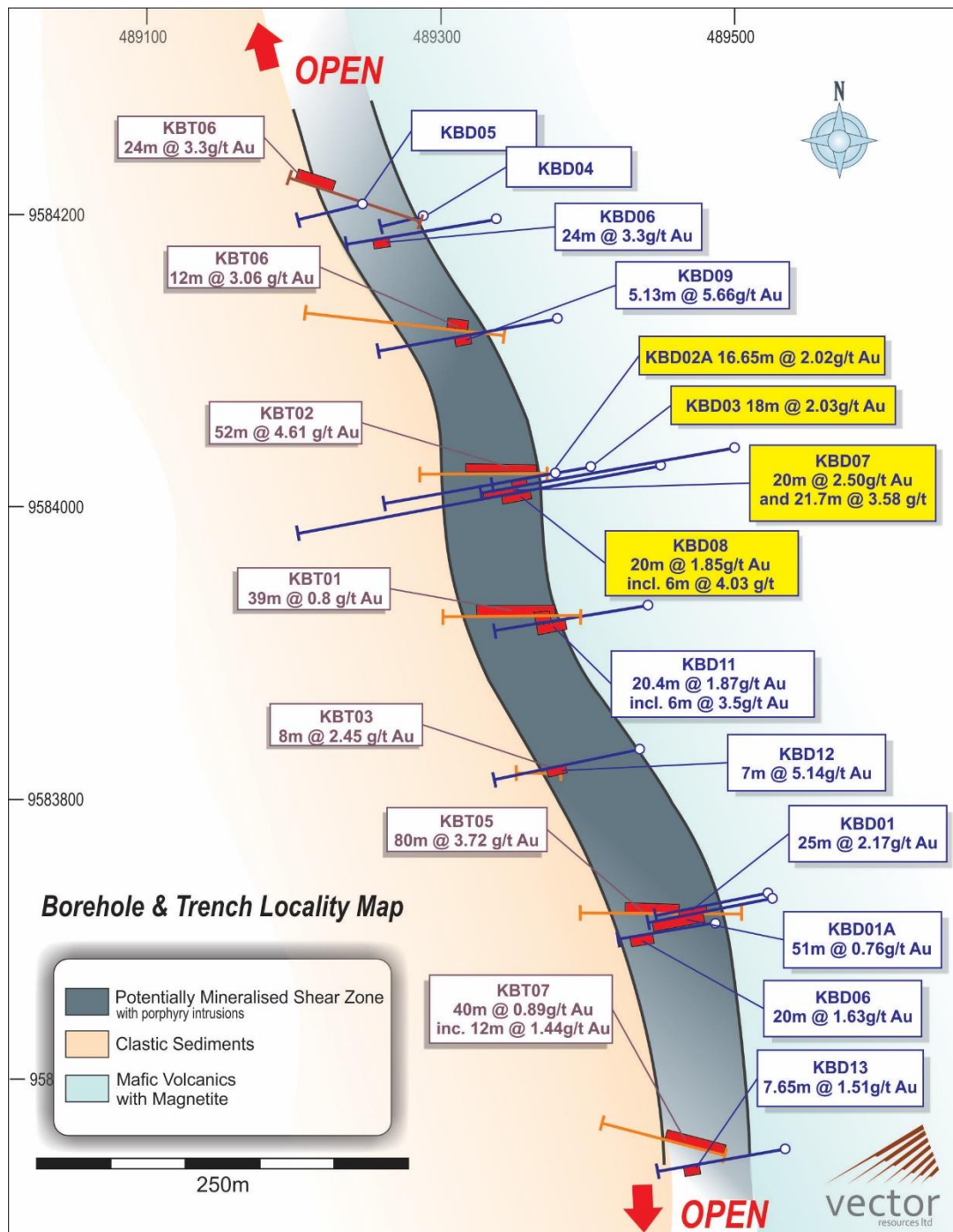
Exploration of the licence areas covering the Maniema Gold Project has included geophysics, stream sediment sampling, soil geochemistry, trenching and drilling.

Five different prospects were identified from soil sampling, and four of these were then trenching to better define drill targets. Drilling was carried out on the Kabotshome, Mitunda and Mbutu prospects.

The Kabotshome Project, was an alluvial mine site operated by the Belgians until the 1960's and today is still actively exploited by artisanal miners.

Kabotshome has an associated soil gold anomaly of >100ppb which transgresses the target area over more than 1km. Drilling has tested mineralisation along a 25m to 50m vertical shear zone coincident with the NNW orientated fold axis of a major anticlinal fold over a distance of 800m and to a vertical depth of 300m.

A total of 17 holes (including 3 re-drills), have been drilled along the main target in Kabotshome. All drill holes intersected gold mineralisation along the Kabotshome structure. This mineralisation was generally 15m to 25m wide with a grade range of 1.5 to 2.5g/t Au.

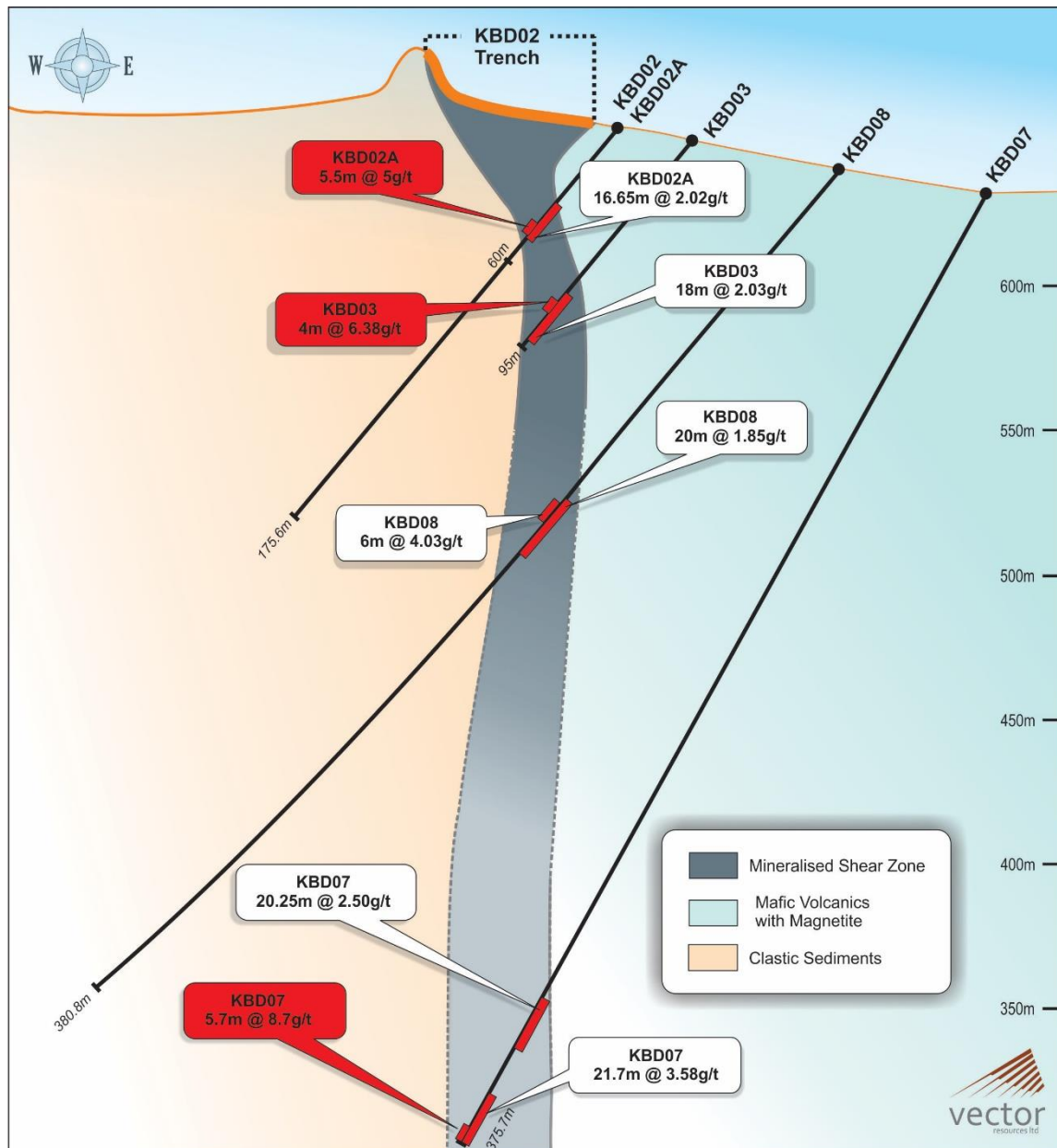


Simplified geological map showing drill hole and trench localities at the Kabotshome Project

Best grades were reported where the main shear zone identified at surface intersects the sediments as shown in KBD07 which reported 20.25m @ 2.5g/t Au (from 319m) including 8m @ 4.03g/t Au and 21.7m @ 3.58g/t Au (from 354m) including 5.7m @ 8.74g/t Au down to 300m below surface (Figures above and below).

Nearly all intersections reported a higher-grade, narrower interval (between 5 and 7 meters), with grades of 5-8g/t Au and up to 118.5 g/t (refer ASX:ERN Announcement 18 March 2013). High grade mineralisation is associated with a higher degree of pyrite mineralisation, brecciation and occasionally free gold.

The drilling also revealed the presence of thin, secondary mineralised zones, predominantly within the mafic volcanics to the east of the main shear zone (refer to figures below). These appear to be sub-vertical and parallel to the main zone of mineralisation.



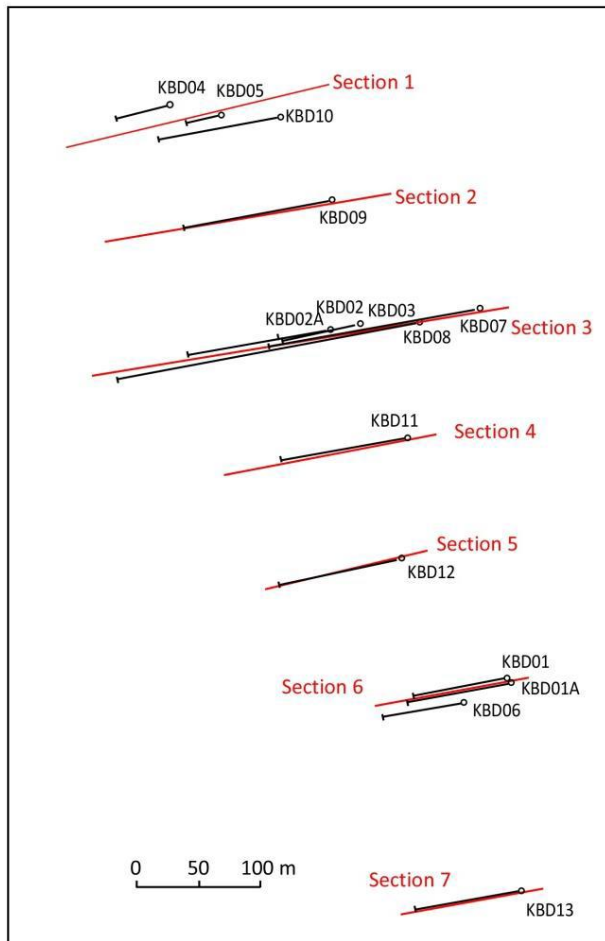
Section showing main intercepts in drill holes KBD02, KBD02A, KBD03, KBD07 and KBD08 with apparent thicknesses

KABOTSHOME EXPLORATION TARGET RANGE

An Exploration Target has already been established by the Company's technical consultants. The Exploration Target range is based on a review conducted by the Company and its technical consultants on the previous historical exploration conducted by Erongo Energy Limited between 2011 and 2013.

From the 17 holes drilled, 14 were used to construct a classical sectional mineralised model.

Seven sections (refer to figure below) were constructed across the Kabotshome structure perpendicular to the mineralisation where the mineralised envelope was defined using a cut-off grade of 0.5 g/t to a depth of 150m based on approximate averaged diamond drilling depth.



Location of the sections used in the mineralisation model

The mean grade was calculated from the subset of assays within each mineralised envelope by simple averaging of the grades.

This has resulted in an Exploration Target ranging from 7.0Mt at a grade of 1.9 g/t (423,000 contained ounces) to 7.5Mt at a grade of 2.5 g/t (603,000 contained ounces). The Exploration Target is conceptual in nature and has been based on previous exploration work, geological modelling and mineralisation work completed. There has been insufficient verification of mineralised estimates and exploration results to outline a JORC 2012 Compliant Mineral Resource.

A parallel estimate was produced by interpolating the values using the inverse distance weighted method. Fire assay was the analysis technique used.

Further work underway by the Company's technical consultants is anticipated to raise the estimation to JORC standards which will largely address the requirements of Table 1 in the 2012 JORC guidelines.

The past work has established confidence in the continuity of mineralisation and identified additional work involving infill and extensional drilling that will be required to increase confidence in the mineralised inventory.

The Company is currently finalising its planned work program on the Kabotshome Project for 2017.

ENDS

N J Bassett
Company Secretary

For further information please visit www.vectorresources.com.au

Competent Person Statement

The information in this announcement that relates to Exploration Targets, Exploration Results and Mineral Inventory is based on information compiled by Mr Peter Stockman who is a full time employee of Stockman Geological Solutions Pty Ltd. Mr Stockman is a member of the Australasian Institute of Mining and Metallurgy. Stockman Geological Solutions is engaged by Vector Resources Ltd as a consultant geologist.

Mr Stockman has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Stockman consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Forward looking statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.