

## **QUARTERLY ACTIVITIES REPORT FOR THE 3 MONTH PERIOD ENDING 31 DECEMBER 2016**

31 January 2017

### **HIGHLIGHTS FOR THE QUARTER**

- Shareholders approved the acquisition of a 70% interest in the advanced and highly prospective Maniema Gold Project, located in the Maniema Province, in the Democratic Republic of Congo
- Satisfaction of key conditions to the acquisition following completion of legal, financial and technical due diligence on the Maniema Gold Project by the Company's consultants
- Vector appointed leading global financial services and investment house, Sanlam Private Wealth as lead manager to its proposed A\$1,650,000 capital raising to complete the acquisition and to fund future exploration obligations on the Maniema Gold Project
- Unsecured A\$300,000 loan facility executed with Perth based, 1620 Capital Pty Limited
- Completion of non-renounceable pro-rata Entitlement Rights Issue of one new share for every one share held by eligible shareholders at a price of \$0.001 raised A\$515,620

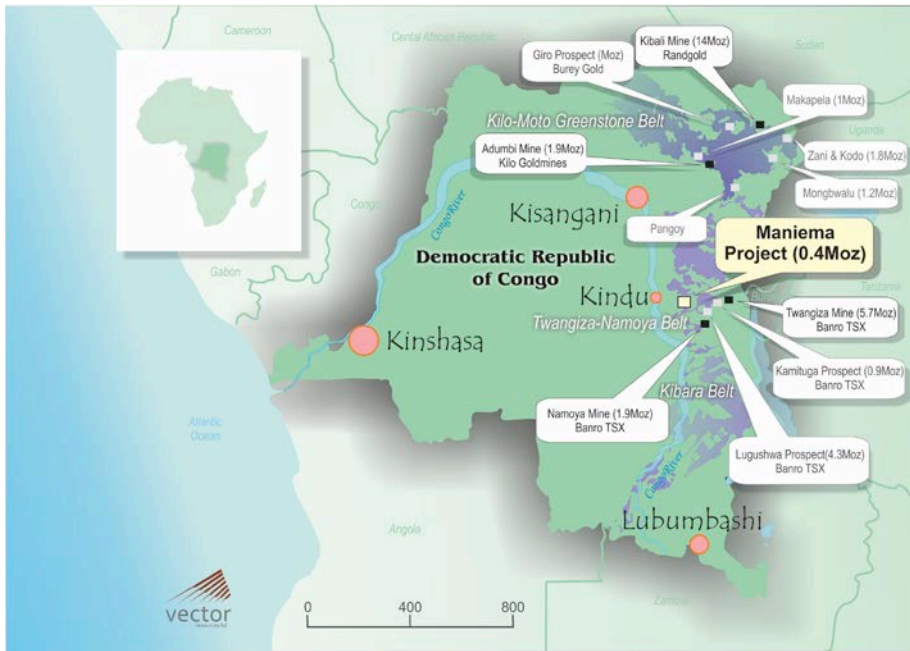
### **MATERIAL EVENTS SUBSEQUENT TO THE QUARTER'S END**

- Acquisition of the Maniema Gold Project successfully completed
- Capital raising finalised with placement of Entitlement Rights shortfall to raise a further A\$833,451
- Management team capabilities strengthened with appointment of experienced Chief Executive Officer and Senior Consulting Geologist to oversee activities at the Maniema Gold Project
- All joint venture documentation executed and in-country senior Congolese management appointed
- Maiden Inferred JORC 2012 Resource of 6,966,000 tonnes at 1.9g/t Au for 421,000oz (20g/t Au top-cut) at Kabotshome Gold Prospect, one of 5 prospects within the Maniema Gold Project

The Board of Vector Resources Limited ("Vector" or the "Company") provides the following operations report and quarterly cash flow report (Appendix 5B) of its activities during the three months ended 31 December 2016.

### **ACQUISITION OF MANIEMA GOLD PROJECT**

During the Quarter, at the Annual General Meeting held on 30 November 2016, shareholders overwhelmingly voted in favour of all resolutions associated with the Company's proposed acquisition of a 70% interest in the Maniema Gold Project, located in the Maniema Province in the Democratic Republic of Congo.

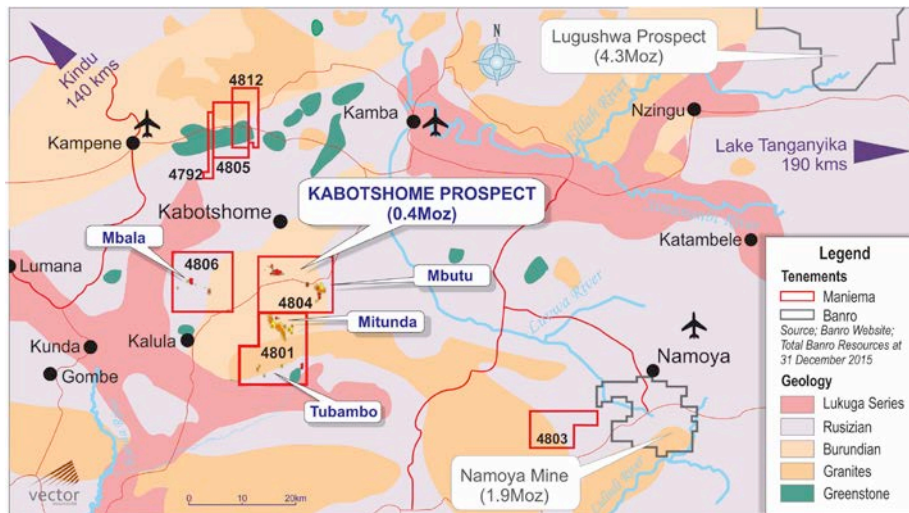


Location of the Maniema Gold Project

The Maniema Gold Project is located in the Maniema Province of the Democratic Republic of Congo.

The Project is located in the under explored Twangiza-Namoya Gold corridor and in the northern part of the Kibara Belt, which hosts two gold mining operations owned by TSX-listed Banro Corporation.

During the Quarter, the Company and its consultants accompanied by an in-country Congolese exploration and management team completed site investigations and a thorough technical due diligence review of the Maniema Gold Project. A site visit in September and October 2016, provided the Company with a greater understanding of the historical exploration activities completed between 2011 and 2013, which included geophysics, stream sediment sampling, soil geochemistry, trenching and drilling. It was also an opportunity to identify the additional work programs necessary to advance the project in 2017.



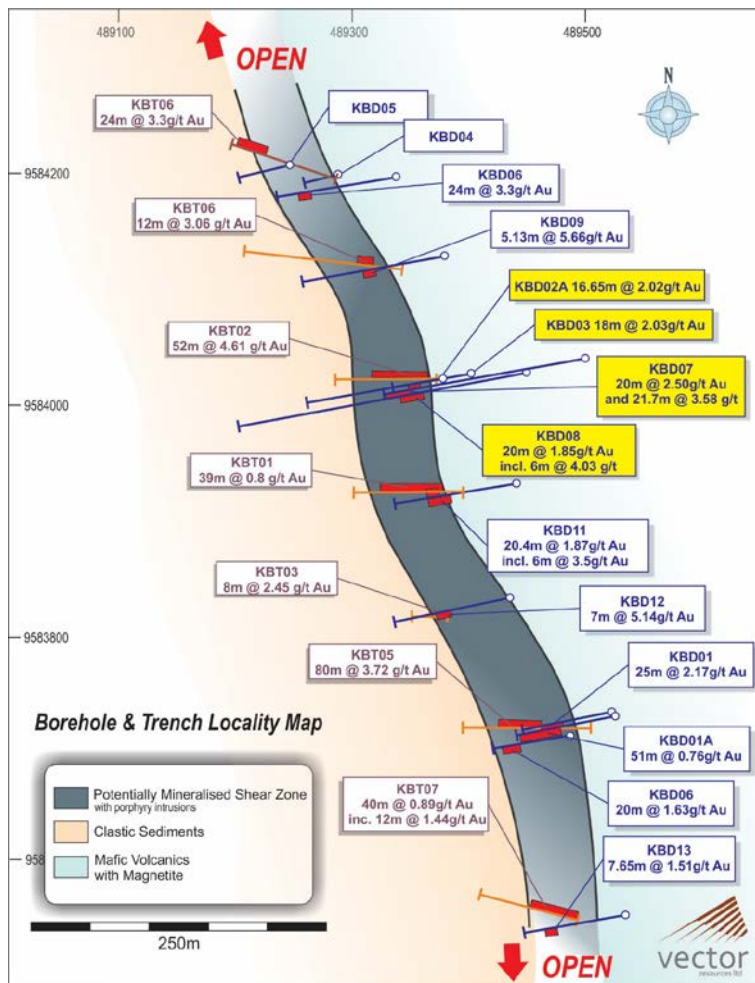
Location of the Maniema Gold Project's Seven Exploration Licenses

The Project comprises seven granted exploration licences which cover an area of over 500km<sup>2</sup> ("Licenses")

These include PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812 and

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.

A total of 17 holes have been drilled along the main target at the Kabotshome Gold Prospect. All drill holes intersected gold mineralisation along the Kabotshome structure.



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

This mineralisation was generally 15m to 25m wide with a grade range of 1.5 to 2.5g/t gold.

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 gold (from 319m) including 8m @ 4.03g/t gold and 21.7m @ 3.58g/t gold (from 354m) including 5.7m @ 8.74g/t gold. Nearly all intersections reported a higher-grade, narrower interval (between 5 and 7 metres), with grades of 5-8g/t gold 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 Company confirmed during the Quarter that it had completed its technical due diligence on the Maniema Gold project and would be proceeding with the acquisition. Work completed by the Company's technical consultants during the Quarter confirmed the integrity of the historical exploration and diamond drilling work completed at the main Kabotshome Gold Prospect that identified over 800m strike length of gold mineralisation which remains open in all directions.

The Company's site investigations had further highlighted the potential for additional mineralisation east of the main Kabotshome Gold Prospect from extensive artisanal alluvial workings, with the extent and tenor of this mineralisation determined to now be a priority of the future exploration work program

During the Quarter, the Company's consultants commenced resource modelling to determine a JORC 2012 compliant resource for the Kabotshome Gold Prospect.

## CAPITAL RAISING TO COMPLETE THE ACQUISITION OF THE MANIEMA GOLD PROJECT

During the Quarter, the Company announced that it would be proceeding with an A\$1,650,000 capital raising to complete the acquisition of the Maniema Gold Project and to fund its future exploration obligations on and up-front cash consideration payments to the vendors. The proposed capital raising comprised:

- a non-renounceable pro-rata offer to existing Shareholders of one new Share for every Share held at an issue price of \$0.001 per new Share (**Rights Issue**) to issue up to 1,349,071,146 Shares to raise up to \$1,349,071 (before costs); and

- (b) 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 A\$1,650,000 less the total amount raised pursuant to the Rights Issue (including any placement of the shortfall from the Rights Issue).

The Company appointed Sanlam Private Wealth Australia on 18 October 2016, as the Company's lead manager of the capital raising. Sanlam Private Wealth Australia is a leading global financial services and investment house with extensive experience in serving the needs of private investors, corporate clients and institutional investors. It is part the Sanlam Group, one of the largest financial services groups in South Africa, and with 23 international offices managing over ZAR240 billion in assets under management and administration for 30,000 clients.

On 31 October 2016, the Company completed an unsecured A\$300,000 loan facility with Perth based, 1620 Capital Pty Limited, that was to be used by the Company to fund working capital costs and due diligence costs associated with the acquisition of the Maniema Gold Project. The facility, which was provided on an interest free basis, was negotiated by Sanlam Private Wealth Australia and was to convert into shares issued under the proposed placement as part of the Company's A\$1,650,000 capital raising.

On 13 December 2016, the Company despatched the Rights Issue Prospectus to shareholders to issue up to 1,349,071,146 Shares and raise A\$1,349,071 through a non-renounceable pro-rata offer of one new Share for every Share held at an issue price of \$0.001 per new Share.

The Rights issued closed on 22 December 2016, with valid applications from shareholders for 515,619,915 Shares to raise A\$515,620. The Company further received commitments for 100% of the 833,451,231 Shortfall Shares to raise the balance of A\$833,521 on the same terms as the Rights Issue Prospectus.

#### **EVENTS SUBSEQUENT TO THE QUARTERS END**

Subsequent to the Quarters End, on 10 January 2017, the Company announced that it had completed the acquisition of the Maniema Gold Project and had completed all legal, financial and technical due diligence, and executed all joint venture documentation including the incorporation of the Company's Congolese subsidiary and the incorporation of the joint venture company.

The Company also confirmed that it had completed its A\$1,650,000 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 non-renounceable pro-rata Rights Issue 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.

On 16 January 2017, the Company announced the appointment of highly experienced mining executive, Mr Simon Youds, as Chief Executive Officer and Mr Peter Stockman, as Senior Consulting Geologist. Mr Jason Brewer was also appointed a Director of the Company. The appointments followed completion of the Company's acquisition of the Maniema Gold Project and have allowed the Company to immediately commence its exploration and development activities on site.

The Company further announced on 17 January 2017, a maiden Inferred Mineral Resource estimate for the Maniema Gold Project's most advanced prospect, the Kabotshome Gold Prospect of 6,966,000 tonnes at 1.9g/t Au for 421,000oz with a 20g/t Au top-cut.

The resource was determined following extensive review and verification of historical exploration work, geological database and certified sampling and testwork documentation by the Company's technical consultants and competent person. Further detailed resource modelling and estimation work is ongoing for the Kabotshome Prospect aimed at both increasing the resource size and upgrading the confidence levels.

Maniema Gold Project – Kabotshome Gold Prospect: Mineral Resource (January 2017)			
Classification	Tonnes (t)	Grade (Au g/t)	Gold (ozs)
Inferred	6,966,000	1.88	421,000

Kabotshome Gold Prospect Mineral Resource reported with a 20g/t Au top-cut

Maniema Gold Project – Kabotshome Gold Prospect: Mineral Resource (January 2017)			
Classification	Tonnes (t)	Grade (Au g/t)	Gold (ozs)
Inferred	6,966,000	2.17	486,000

Kabotshome Gold Prospect Mineral Resource reported with no top-cut

The Mineral Resource estimate has been reported in accordance with the guidelines of the JORC Code (2012 edition). 100% of the contained gold in the Kabotshome Gold Prospect Mineral Resource is in the Inferred Mineral Resource category.

ENDS

Simon Youds  
Chief Executive Officer

**For further information:**

Phone: +61 (8) 6188 7800

E-mail: [info@vectorresources.com.au](mailto:info@vectorresources.com.au)

Web: [www.vectorresources.com.au](http://www.vectorresources.com.au)

Twitter: @VECResources

Facebook: @VECResources



## **About Vector Resources Limited**

Vector Resources Limited (ASX:VEC) is an Australian Securities Exchange listed gold exploration and development company focused on the Maniema Gold Project in the Democratic Republic of Congo.

The Maniema Gold Project was acquired by the Company in December 2016. The Project is located in the world renowned and under explored Twangiza-Namoya Gold corridor. The Project comprises seven granted exploitation licences: PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812 and which cover an area of over 500km<sup>2</sup> and include five main prospects; Kabotshome, Mbutu, Mitunda, Mbala and Tubambo that have been defined within the project area from previous exploration. The Kabotshome Gold Prospect is the most advanced and where the Company announced a maiden Inferred Mineral Resource (JORC 2012) estimate of 7.0 million tonnes at 1.88g/t gold for 421,000 ounces of gold.

## **Competent Person Statement**

*The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets, Mineral Resources or Ore Reserves has been 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.