

## **QUARTERLY ACTIVITIES REPORT FOR THE 3 MONTH PERIOD ENDING 31 MARCH 2017**

### **HIGHLIGHTS FOR THE QUARTER**

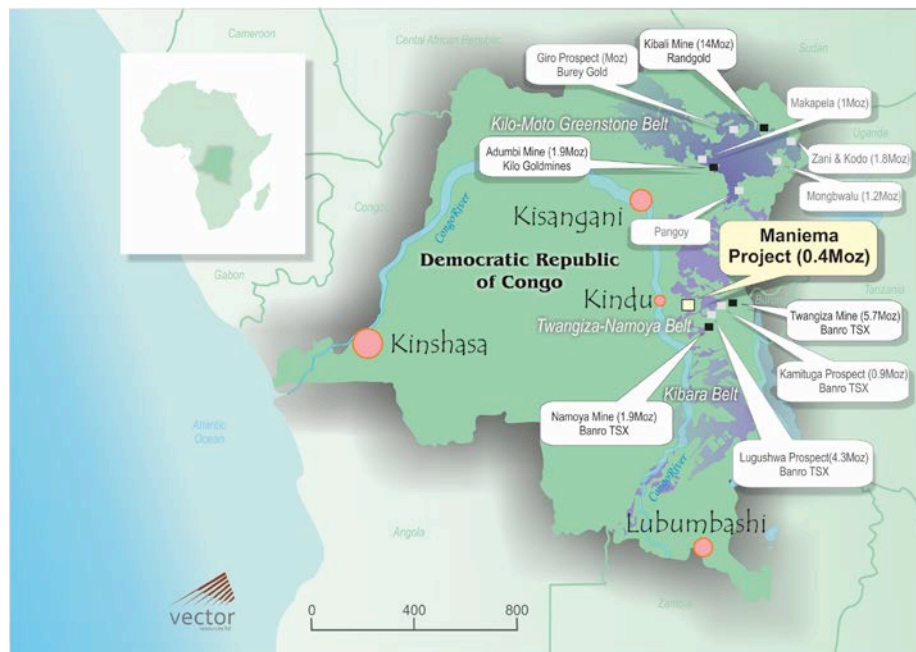
- **Successfully completed the acquisition of the advanced Maniema Gold Project**
- **Maiden Inferred JORC 2012 Resource of 6,966,000 tonnes at 1.9g/t Au for 421,000oz (20g/t Au top-cut) at Kabotshome Gold Prospect, one of 5 prospects within the Maniema Gold Project**
- **Commenced 2017 exploration program at main Kabotshome Gold Prospect, Mbutu and Mitunda Gold Prospects and Namoya West**
- **Visible gold observed in artisanal workings at Kabotshome and Mitunda Gold Prospects**
- **Review of diamond drill core from historic drilling at Kabotshome Gold Prospect confirmed visible gold in hole KBD07 with last drill metre returning 20.3g/t**
- **Visible gold observed in follow up to high grade 2010 historical stream sampling and associated pitting results at Namoya West**
- **4,000m diamond drilling program tender commenced and focused primarily on the Kabotshome Gold Prospect to both test and confirm previous high grade intercepts and allow In-fill and extensional drilling along strike and at depth**
- **Site logistics advanced during the Quarter with significant work underway in respect to exploration camp, main access road re-establishment and site communications set-up**
- **Management team capabilities strengthened with appointment of experienced Chief Executive Officer and Senior Consulting Geologist and several key in-country senior Congolese management**
- **A\$1.65 million capital raising finalised with placement of Entitlement Rights shortfall**
- **Shareholders approved one for five share consolidation with shares**

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 March 2017.

## ACQUISITION OF MANIEMA GOLD PROJECT

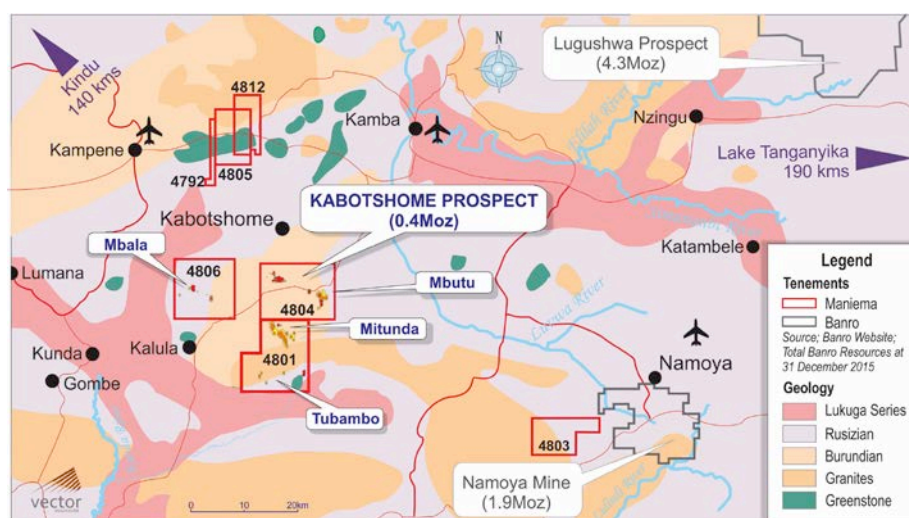
During the Quarter, the Company successfully completed the acquisition of a 70% interest in the Maniema Gold Project, located in the Maniema Province in the Democratic Republic of Congo.

The Maniema Gold Project is located in the world renowned Twangiza-Namoya Gold corridor and in northern part of Kibaran Gold Belt and comprises seven granted exploration licences.



Location of the Maniema Gold Project

The exploration licenses cover an area of over 500km<sup>2</sup> and include PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812.

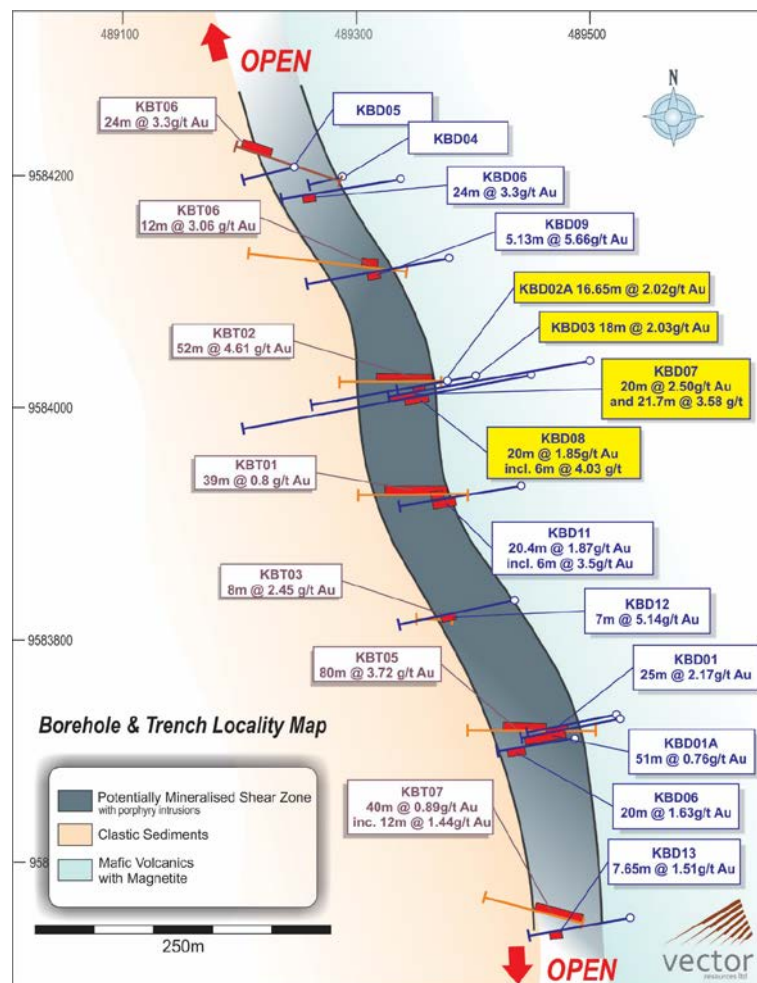


Location of the Maniema Gold Project's Seven Exploration Licenses and Main Gold Prospects

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 Gold Prospect 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. 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 (refer ASX:ERN Announcement 18 March 2013).



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

## MAIDEN INFERRED MINERAL RESOURCE ESTIMATE

During the Quarter, the Company 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.

## 2017 GOLD EXPLORATION PROGRAM COMMENCED - VISIBLE GOLD IDENTIFIED

During the Quarter the Company commenced its 2017 gold exploration program at the Maniema Gold Project. Work during the Quarter was focused on project mapping, surveying and sampling at the Kabotshome Gold Prospect, at the Mbutu and Mitunda Gold Prospects and on the Namoya West license that is located immediately adjacent to Banro Corporation's (TSE:BAN) operating Namoya Gold Mine.

At the Kabotshome Gold Prospect, the Company's initial focus is on mapping and surveying of the artisanal activities, with particular focus on the shallow underground and open pit artisanal activities. These open pit activities are located on echelon to the main Kabotshome structure and centred near to the KBD07 drill collar.

The underground workings were identified adjacent to the main Kabotshome structure suggesting additional mineralised structures to the east and possibly linked to previously drilled subsidiary structures further north but outside the envelop of the current resource.



Quartz vein material (near KBD01 borehole location) showing free gold and pyrite and artisanal activity near to KBD07 drill collar and on echelon to main Kabotshome structure



The Company further completed a review and audit of the diamond drill core and historic assay results during the Quarter. This audit identified the increased grades at depth as suggested by the assay results from KBD07. Hole KBD07 included 20.25m @ 2.5g/t (from 319m) including 8m @ 4.03g/t and 21.7m @ 3.58g/t (from 354m and incl 5.7m @ 8.74g/t). The audit and review of the KBD07 core observed visible gold in the last drill metre. Hole KBD07 finished in mineralisation with the last drill metre (from 375m) returning an assay of 20.3g/t.

Work at the Mitunda Gold Prospect during the Quarter, focused on reconnaissance and mapping work around artisanal workings.

Approx. 1,000 artisanal miners have been identified at the Mitunda Gold Prospect mining a high-grade paleo-channel in which the primary source of gold appears proximal to the current workings. Limited historical drilling appears to have not effectively targeted the mineralisation at Mitunda.

The paleo-channel is under approx. 11m of laterite sediment and both the laterite and paleo-channel have angular material indicating that the gold & rocks haven't travelled far meaning the primary source is close by.

The Company's current reconnaissance and mapping work at the Mitunda Gold Prospect will include sampling of each layer from the artisanal workings from the top of the existing pit to approx. 12m depth and testing for free gold and determination of the orientation of the alluvial channel. The mapping of the surface expression of all the artisanal workings, in relation to the historical drilling and geochemistry, will also allow the Company to target both the primary source and to outline the potential in the paleo-channel extensions. Given the Mitunda Gold Prospect's proximity to Kabotshome, there is the potential to drill test this area once the Company has a better understanding of this high potential mineralisation.

During the Quarter, the Company's exploration team completed a detailed audit and review of historical exploration activities conducted on site at the Namoya West Gold Prospect.

The Namoya West Gold Prospect is located on PR 4803 at the southern end of the Twangiza-Namoya gold belt.

It is located immediately west of TSE-listed Banro Corporation's Namoya Gold Mine, which commenced production in 2016. The Namoya Gold Mine, is a heap leach – CIL plant operation which has a Proven and Probable Mineral Reserve of 20.94Mt grading 2.02 g/t and containing 1.36Mozs of gold and Measured and Indicated resources of 25.68Mt grading 1.96 g/t and containing 1.62Mozs.

This review work identified exceptionally high grade historical stream sediment sampling and associated pitting results that were recorded in programs completed in 2010.

The Company's exploration team collected one stream sediment sample and two soil samples at the Namoya West Gold Prospect, all of which indicated visible gold.



Visible gold from sampling at Namoya West

Samples were taken to validate the historic high grade results.

The samples have been despatched to South Africa for analyses with the results outstanding as at the end of the Quarter.

The Company is proposing to complete a detailed geochemical survey in the current quarter aimed at identifying the primary source of the gold at the Namoya West Gold Prospect. This will be achieved through a detailed stream geochemistry program with targeted mapping and soil sampling to follow.

On visual analysis, the Company's exploration team view the primary source of this gold mineralisation as being proximal given, the condition of what they view as visible gold coupled with, the close proximity of Banro Corporation's Namoya Gold Mine and the longest tributary being 800m from the high grade historical stream sediment and pitting results, all of which are located well within the existing exploration license.

#### **LOGISTICS AND EXPLORATION CAMP RE-ESTABLISHMENT**

During the Quarter, the Company has successfully started to re-establish the exploration camp at the Maniema Gold Project ahead of an acceleration of activities in 2017. The main access road is in the process of being upgraded, which will provide suitable access to the Kabotshome Gold Prospect for drill rigs and support vehicles once the Company's planned drilling program commences. The nearby air strip is also being cleared and prepared for utilisation. Further improvements to site access, logistics and site infrastructure and communications are ongoing and are expected to have a significant impact on field activities.

#### **4,000M DIAMOND DRILLING TENDER PROCESS COMMENCED**

The Company commenced the tender process for its proposed 4,000m diamond drilling program at the Maniema Gold Project during the Quarter.

The commencement of tender process followed meetings earlier in the Quarter with several drilling contractors with an established presence and with proven capabilities in conducting drilling programs on gold projects in the DRC.

The 4,000m diamond drilling program will primarily be focused on the Company's advanced Kabotshome Gold Project, with approx. 2,750m of the program to be completed there. 12 holes are proposed to be completed with the deepest hole to be drilled to an approx. depth of 330m. The drilling at the Kabotshome Gold Prospect is expected to be completed over a period of approx. 2 months.

The key aims of the diamond drilling program at the Kabotshome Gold Prospect is to complete in-fill drilling towards the southern end of the existing resource and to complete extensional drilling to the north where the mineralisation remains open along strike. In addition, the drilling program has also been designed to test and confirm the previous high grade intercepts at depth.

In addition to the diamond drilling at the Kabotshome Gold Prospect, the planned drilling program will potentially also include drilling at the Mbutu and Mitunda Gold Prospects and at the Namoya Gold Prospect. The extent of the diamond drilling at these prospects and the priority of drilling at each prospect, will be determined based on the results of the additional geological work planned. Drilling at these prospects will extend the drilling program by a further month, with up to a further 8 holes drilled.

The Company anticipates that the diamond drilling contract will be awarded in the current quarter following tender evaluation by the Company's technical and geological team. The diamond drilling program is scheduled to commence following the contractors' mobilisation to site.

#### **APPOINTMENT OF EXPERIENCED CHIEF EXECUTIVE OFFICER AND OTHER SENIOR MANAGEMENT**

During the Quarter, the Company announced the appointment of highly experienced mining executive, Mr Simon Youds, as Chief Executive Officer. Mr Youds is a qualified Mining Engineer and holds a MBA from Deakin University. He has over 20 years' experience working in the global resources industry primarily in Africa, South America, PNG and Australia.

Among other senior roles, Simon has fulfilled the role of Managing Director at Consolidated Minerals in Australia and Chief Executive Officer of African Iron Limited in the Republic of Congo. Mr Youds has been instrumental in the start-up of a number of gold mining operations in Africa including: Mining Manager at the North Mara Gold Mine in Tanzania; Mine Superintendent at Barrick Gold Limited's Bulyanhulu Gold Mine in Tanzania; and Project Director at the Bibiani Underground Gold Project in Ghana.

In addition, the Company appointed Mr Peter Stockman as Senior Consulting Geologist and Mr Jason Brewer as Director of the Company.

Further in-country senior management and technical appointments were made during the Quarter including experienced Congolese geologists, Mr Falanka Afi Antoine, Mr Lukusa Mukengabantu Jean and Mr Diallo Abdoulaye who have all been appointed to manage and implement the Company's exploration activities under the oversight of the Company's Senior Consulting Geologist, Mr Peter Stockman.

In addition to the technical appointments, the Company has also appointed Mr Makonga Ngoy Pelasa as the Company's Country Director and Mr Munganga Sumaili Gode as Logistics and Administration Manager.

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

During the Quarter, the Company completed its A\$1,650,000 capital raising to complete the acquisition of the Maniema Gold Project, through the placement of the Shortfall Shares under the Rights Issue that was completed in the previous quarter on 22 December 2016.

Under the terms of the Rights Issue Prospectus, the Company proposed 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 833,451,231 Shortfall

Shares were placed during the Quarter to raise the balance of A\$833,521 on the same terms as the Rights Issue Prospectus.

The Rights Issue was in addition to the unsecured A\$300,000 loan facility that was completed on 31 October 2016.

During the Quarter, the Company paid the up-front cash consideration for the acquisition of the Maniema Gold Project, allotted the shares associated with the A\$1.65m capital raising and the shares associated with 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.

#### **SHAREHOLDERS APPROVE ONE FOR FIVE SHARE CONSOLIDATION COMPLETED**

On 29 March 2017, shareholders approved a consolidation of the share capital of the Company on the basis of one new share to be issued for every five shares held by shareholders.

The share consolidation was completed subsequent to the Quarters end.

ENDS

Simon Youds  
Chief Executive Officer

#### **For further information:**

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### **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.

### Tenement Information as required by Listing Rule 5.3.3

The following is a table setting out the information as required by ASX Listing Rule 5.3.3, namely:

1. Mining tenements held at the end of the Quarter and their location;
2. Mining tenements disposed during the Quarter and location;
3. Beneficial percentage interests held in farm-in or farm-out agreements at end of Quarter; and
4. Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed of during the Quarter.

Location	Tenement	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
Democratic Republic of Congo – Maniema Province	PR4792	-	-	70	70
	PR4801	-	-	70	70
	PR4803	-	-	70	70
	PR4804	-	-	70	70
	PR4805	-	-	70	70
	PR4806	-	-	70	70
	PR4812	-	-	70	70