

14 June 2017

ASX Limited
20 Bridge Street
Sydney NSW 2000

Attention: Dawn James
Adviser, Listings Compliance (Perth)

Dear Dawn

VECTOR RESOURCES LIMITED: ASX QUERY

I refer to your ASX Query letter dated 13 June 2017, in respect to Vector Resources Limited's ("**Vector**" or the "**Company**") announcement dated 9 June 2017 lodged on the ASX Market Announcements Platform entitled "Gold Nuggets Discovered at Mitunda Confirms Gold Potential" ("**Announcement**").

1. What is VEC's basis for describing the rocks in the photographs as "gold nuggets"? In answering this question, please set out VEC's basis for concluding that gold is present in the nuggets.

The Company's Senior Geologist, Mr Diallo Abdoulaye and Project Geologist, Mr Afi Falanka under the guidance of Vector's Consultant Geologist Mr Peter Stockman have as part of the Company's 2017 Exploration Program been evaluating artisanal mining activities at the Company's Maniema Gold Project, including the Mitunda Gold Prospect and other prospects located on PR4801.

Artisanal mining activities at the Mitunda Gold Prospect are considered by the Company to be extensive with over 2,000 artisanals in the area.

During the course of the Company's exploration activities at the Mitunda Gold Prospect, the Company's management team have seen the excavation of artisanal gold, and artisanal miners have presented numerous hand specimens of visible gold including a number that were determined to be "gold nuggets" to the Company's technical team and geologists. The Company's Announcement of 9 June 2017 was in respect to several hand specimens that the Company's technical team and geologists were able to review, inspect and weigh whilst on site at the Mitunda Gold Prospect.

The visual gold hand specimens, of which photographs were included in the Company's Announcement of 9 June 2017, were classified as "gold nuggets" by the Company's Project Geologist, Mr Falanka, at the Mitunda Gold Prospect, following an assessment of them on site. This assessment was subsequently supported by the Company's Consultant Geologist and Competent Person, Mr Peter Stockman.

The Company's geologists all have sufficient experience of relevance to the styles of artisanal gold mineralisation and the type of deposit being mined at the Mitunda Gold Prospect.

Mr Falanka, holds a BSc (Geology) from Kinshasa University and has 10 years' experience in mineral exploration and mining in gold, tin, copper, zinc, iron in the Democratic Republic of Congo.

Mr Falanka has worked in a senior geological capacity on gold projects in Maniema Province and at the Maniema Gold Project for over 5 years and was involved in all aspects of the previous exploration programs conducted at the Maniema Gold Project, including the Mitunda Gold Prospect.

Mr Falanka determined the hand specimens of visible gold to be “gold nuggets” following his assessment which included a visual inspection of the hand specimens, subsequent weighing of them, and was based on his assessment of the significantly high level of visible gold in the hand specimen, its estimated physical density and estimated purity based on his high level of experience in the region and on site.

2. What is VEC’s basis for stating that the weight of the “gold nuggets” varied between 3kgs and 6kgs? In answering this question please confirm whether the “gold nuggets” were weighed and if so, by whom, using what device?

The “gold nuggets” were weighed by the Company’s Project Geologist, Mr Falanka on site at the Mitunda Gold Prospect. The “gold nuggets” were weighed in the presence of the artisanal miners on site.

Four “gold nuggets” were weighed. The results of which were two “gold nuggets” of 6kg, one “gold nugget” of 4kg and one “gold nugget” of 3kg. In addition, much smaller visible gold specimens were also weighed and evaluated by the Company’s Project Geologist.

The “gold nuggets” were weighed using portable suspension balance scales that are used by the artisanal mining cooperatives for the measurement of all artisanal gold that is mined and sold at the Mitunda Gold Prospect.

3. Please advise whether VEC was aware of the gold content in the “gold nuggets” at the time it disclosed the weight of the “gold nuggets”?

As advised in the Company’s Announcement of 9 June 2017, the Company disclosed that the “gold nuggets” had “unknown gold content”.

The Company was not able to complete any assays of the “gold nuggets” or purchase them from the artisanal miners for further detailed analyses.

4. What proportion of the “gold nuggets” is estimated to be gold? In answering this question please confirm who visually inspected the “gold nuggets”, where the “gold nuggets” were inspected and any analysis conducted at the time.

The “gold nuggets” were weighed and inspected by the Company’s Project Geologist, Mr Falanka, at the Mitunda Gold Prospect.

The Company advised in the Announcement of 9 June 2017, that the “gold nuggets” had “unknown gold content”.

The Company was not able to complete any assays of the “gold nuggets” or further analyses at that time, or purchase them from the artisanal miners for further detailed analyses.

The Company’s Project Geologist, Mr Falanka, considered the gold content of the “gold nuggets” to be high based upon his visual assessment and inspection of the hand specimen and his view on the high level of visible gold, the gold purity based on colour and density and high level of experience in the region and in artisanal gold mining areas in the Democratic Republic of Congo.

Mr Falanka holds a BSc (Geology) from Kinshasa University and has 10 years’ experience in mineral exploration and mining in the Democratic Republic of Congo.

Mr Falanka has sufficient experience of relevance to the styles of artisanal gold mineralisation and the type of deposit being mined at the Mitunda Gold Prospect.

Mr Falanka has worked in a senior geological capacity on gold projects in Maniema Province and at the Maniema Gold Project for over 5 years and was involved in all aspects of the previous exploration programs conducted at the Maniema Gold Project, including the Mitunda Gold Prospect.

Discussions on site, by the Company's technical team with artisanal miners and the Presidents of the artisanal mining cooperatives, indicated that the typical gold content of gold found in the Maniema Province was reasonably high and greater than 85%.

Discussions by the Company's CEO, Mr Simon Youds, with gold buyers in Kampala, Uganda, the main market for the sale of gold nuggets from the Democratic Republic of Congo, indicated that fire assays of the gold nuggets from the Democratic Republic of Congo indicated the gold purity of artisanal mined gold to be in the range of 85-95%.

5. What is the geological nature of the rocks in which the gold exists?

As advised in the Company's Announcement of 9 June 2017, the Company disclosed that the gold is believed to be supergene in origin and found in the base of the lateritic profile towards the southern end of the extensive soil anomaly present at the Mitunda Gold Prospect.

This geological setting implies placer gold and given its location within the boundaries of the Mitunda Gold Prospect license area and previously identified gold geochemical anomaly is viewed by the Company as high priority for follow up exploration work to determine the primary source. Specimens appear to be placer gold in gravels ranging from 3kg to 6kg lateritic rock with high content of non-pervasive visible gold.

Historical diamond drilling by ASX listed Erongo Energy Limited in 2012 identified two flat lying mineralised structures with associated arsenopyrite and quartz veins at the Mitunda Gold Prospect. Anomalous historical soil sample results from work completed by Erongo Energy Limited suggested that the mineralised structures intersected are part of several parallel flat lying structures orientated to the north-northeast.

The Company is conducting exploration work to better understand the extent of the potential structures and explain the existence of the extensive soil anomalies and artisanal workings and identify the primary source of mineralisation.

6. Noting the physical appearance of the "gold nuggets" in the photographs, what is the basis for the Company's statement that the senior geologist has the view that the gold in these "gold nuggets" is of reasonably high purity? Please comment on any analysis which supports VEC's statement.

Refer to response to Questions 1, 2, 3 and 4.

The view was reached following the assessment of the visual gold hand specimens, of which photographs were included in the Company's Announcement of 9 June 2017, by the Company's Project Geologist, Mr Falanka, at the Mitunda Gold Prospect, following an assessment of them on site. This assessment was subsequently supported by the Company's Consultant Geologist and Competent Person, Mr Peter Stockman.

The Company's geologists all have sufficient experience of relevance to the styles of artisanal gold mineralisation and the type of deposit being mined at the Mitunda Gold Prospect.

Mr Falanka, who has worked in a senior geological capacity on gold projects in Maniema Province and at the Maniema Gold Project for over 5 years and has been involved in all aspects of the previous exploration programs conducted at the Maniema Gold Project, including the Mitunda Gold Prospect determined the hand specimens of visual gold to be "gold nuggets" and to be of "reasonably high purity".

This assessment was based on his experience and was based amongst other things on the significantly high level of visible gold (greater than 50% of the hand specimen) and its weight and estimated physical density.

7. Please provide detail regarding where the “gold nuggets” were extracted on the tenement.

The “gold nuggets” were extracted from underground artisanal mining areas on the Mitunda Gold Prospect on PR4801.

The Company’s Project Geologist Mr Falanka determined that the “gold nuggets” were extracted from underground workings approximately 12m down at the base of the laterite layer and within the footprint of the geochemical footprint of the Mitunda Gold Prospect and at the time he was on site.

This determination was based on the associated rock type and stratigraphy.

The exact location on the Mitunda Gold Prospect license area was not recorded at the time of extraction by the artisanal miners, but is considered to be approx. E491155, N 9571792 and elevation 710m.

8. Please provide any information in relation to Table 1 of the JORC Code which the Company is aware of in relation to the information set out in the Announcement.

The Company views the level of understanding of this mineralisation to not be at a level consistent with being able to fill out Table 1.

This assessment of the mineralisation is considered early in its evolution despite the high levels of visible gold mineralisation mined by artisanal miners.

While this is significant information in determining the potential for further development and priority of the Mitunda Gold Prospect, it is insufficient data to allow the Company’s technical management and geologists to establish an indication of a potential exploration target size.

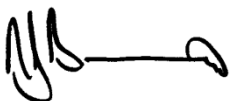
9. Please confirm that VEC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is in compliance with the Listing Rules and in particular, Listing Rule 3.1.

10. Please confirm that VEC’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of VEC with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that its responses to the questions herein have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of VEC with delegated authority from the board to respond to ASX on disclosure matters

Yours sincerely



Neville Bassett
Company Secretary

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 500km² 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.



13 June 2017

Mr Neville Bassett
Company Secretary
Vector Resources Limited
Suite 4, Henry James Building
8 Alvan Street
Subiaco, WA 6008

By email:

Dear Mr Bassett

VECTOR RESOURCES LIMITED (“VEC”): ASX Query

ASX Limited (“ASX”) refers to VEC’s announcement dated 9 June 2017 lodged on the ASX Market Announcements Platform (“MAP”) entitled “Gold Nuggets Discovered at Mitunda Confirms Gold Potential” (“Announcement”).

ASX refers to the following:

Listing Rules and Guidance

1. ASX Listing Rule 5.7 which provides in relation to reports of exploration results for material mining projects:

An entity publicly reporting in relation to a +material mining project, either:

- (a) *exploration results for the first time; or*
- (b) *any new exploration results,*

must include all of the following information in a market announcement and give it to ASX for release to the market.

5.7.1 As an appendix to the market announcement, a separate report providing all information that is material to understanding the exploration results, in relation to each of the criteria in section 1 (sampling techniques and data) and section 2 (reporting of exploration results) of Table 1 in Appendix 5A (JORC Code). An entity that determines that one or more of those criteria is not material for this purpose must identify each such criterion and explain why it has determined that it is not material to understanding the exploration results.

5.7.2 As an appendix to the market announcement, a separate table setting out the following information for material drill-holes unless the +entity determines that the information is not material:

- *easting and northing of the drill-hole collar;*
- *elevation or RL of the drill-hole collar;*

- *dip and azimuth of the hole;*
- *down hole width and depth; and*
- *end of hole.*

An entity that determines that a drill-hole table setting out the information described above is not material, is not required to attach the table to the market announcement but must explain why it has determined that the table is not material to understanding the exploration results.

2. Clause 18 of the JORC Code which states:

Exploration Results include data and information generated by mineral exploration programmes that might be of use to investors but which do not form part of a declaration of Mineral Resources or Ore Reserves.

The reporting of such information is common in the early stages of exploration when the quantity of data available is generally not sufficient to allow any reasonable estimates of Mineral Resources.

If a company reports Exploration Results in relation to mineralisation not classified as a Mineral Resource or an Ore Reserve, then estimates of tonnages and average grade must not be assigned to the mineralisation unless the situation is covered by Clause 17, and then only in strict accordance with the requirements of that Clause.

Examples of Exploration Results include results of outcrop sampling, assays of drill hole intersections, geochemical results and geophysical survey results.

3. Clause 19 of the JORC which states in part:

Public Reports of Exploration Results must contain sufficient information to allow a considered and balanced judgement of their significance. Reports must include relevant information such as exploration context, type and method of sampling, relevant sample intervals and locations, distribution, dimensions and relative location of all relevant assay data, methods of analysis, data aggregation methods, land tenure status plus information on any of the other criteria listed in Table 1 that are material to an assessment.

4. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

5. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

Pursuant to Listing Rule 18.7, ASX requires VEC to answer the following questions in a format suitable for release to the market:

1. What is VEC's basis for describing the rocks in the photographs as "gold nuggets"? In answering this question, please set out VEC's basis for concluding that gold is present in the nuggets.

2. What is VEC's basis for stating that the weight of the "gold nuggets" varied between 3kgs and 6kgs? In answering this question please confirm whether the "gold nuggets" were weighed and if so, by whom, using what device?
3. Please advise whether VEC was aware of the gold content in the "gold nuggets" at the time it disclosed the weight of the "gold nuggets"?
4. What proportion of the "gold nuggets" is estimated to be gold? In answering this question please confirm who visually inspected the "gold nuggets", where the "gold nuggets" were inspected and any analysis conducted at the time.
5. What is the geological nature of the rocks in which the gold exists?
6. Noting the physical appearance of the "gold nuggets" in the photographs, what is the basis for the Company's statement that the senior geologist has the view that the gold in these "gold nuggets" is of reasonably high purity? Please comment on any analysis which supports VEC's statement.
7. Please provide detail regarding where the "gold nuggets" were extracted on the tenement.
8. Please provide any information in relation to Table 1 of the JORC Code which the Company is aware of in relation to the information set out in the Announcement.
9. Please confirm that VEC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
10. Please confirm that VEC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of VEC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 5.00 pm WST on Wednesday 14 June 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in VEC's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, VEC's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Dawn.James@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to VEC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that VEC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a voluntary suspension of VEC's securities under Listing Rule 17.2.

If you wish to request a voluntary suspension, you must tell us:

- the reasons for the suspension;
- how long you expect the suspension to last;
- the event you expect to happen that will end the suspension;
- that you are not aware of any reason why the suspension should not be granted; and
- any other information necessary to inform the market about the suspension, or that we ask for.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Dawn James

Adviser, Listings Compliance (Perth)