

ASX ANNOUNCEMENT

31 August 2017

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

DRILLING UPDATE FOR KABOTSHOME GOLD PROSPECT

- **Diamond drilling plan now finalised for the first 6 holes to be drilled at the Kabotshome Gold Prospect, one of several defined gold prospects at the Maniema Gold Project in the DRC**
- **In-fill and extensional drilling at the Kabotshome Gold Prospect, which already has a JORC Inferred Resource of 6.97Mt at 1.9g/t Au for 421,000oz and which remains open along strike and at depth**
- **Mobilisation to site is now underway by the Company's drilling contractor with on-site activities scheduled to commence on 5 September 2017**
- **In-fill and extensional drilling at Kabotshome Gold Prospect to both test and confirm previous high grade intercepts at depth and along strike**
- **Extensions at depth to the north and south of the existing Kabotshome Gold Prospect resource to be tested given twin thick high-grade gold intersections that were previously reported at the base of drill hole KBD07 (20.25m at 2.5g/t (from 319m) including 8m at 4.03g/t and 21.7m at 3.58g/t (from 354m) including 5.7m at 8.74g/t)**
- **In-fill drilling to also proceed to the north between existing drill holes KBD10 and KBD09 (4.85m at 24.8g/t and 5.13m at 5.66g/t) and drill holes KBD02A and KBD03 (16.65m at 2.02g/t and 18m at 2.03g/t)**
- **Strike extensions to the north and south at the Kabotshome Gold Prospect also to be tested with three diamond holes to be drilled and to follow up on previous trenching that reported 24m at 3.33g/t in KBT06A and 12m at 3.06g/t in KBT04**
- **Drilling of the initial 6 holes at Kabotshome Gold Prospect to be completed over the next two months**

Vector Resources Limited (“**Vector**” or the “**Company**”) is pleased to provide a drilling update on the planned drilling program and activities that is scheduled to commence at the Kabotshome Gold Prospect at the Company's Maniema Gold Project located in the Democratic Republic of Congo (“**DRC**”).

The Company announced on 8 August 2017 and 21 August 2017 that it had awarded and executed a diamond drilling contract with African drilling company, African Drilling Limited (“**ADL**”). A total 4,000m drilling program is planned by the Company at the Maniema Gold Project with an initial 6 holes approved to be completed at the advanced Kabotshome Gold Prospect. The balance of diamond drilling program is to be focussed on the Company's Kabotshome Gold Prospect and also at the Mitunda and Namoya West Gold Prospects where visible gold has been identified and once ongoing further exploration work has been completed. With mobilisation now well underway, activities at site and at the Company's Exploration Camp are scheduled to commence from 5 September 2017.

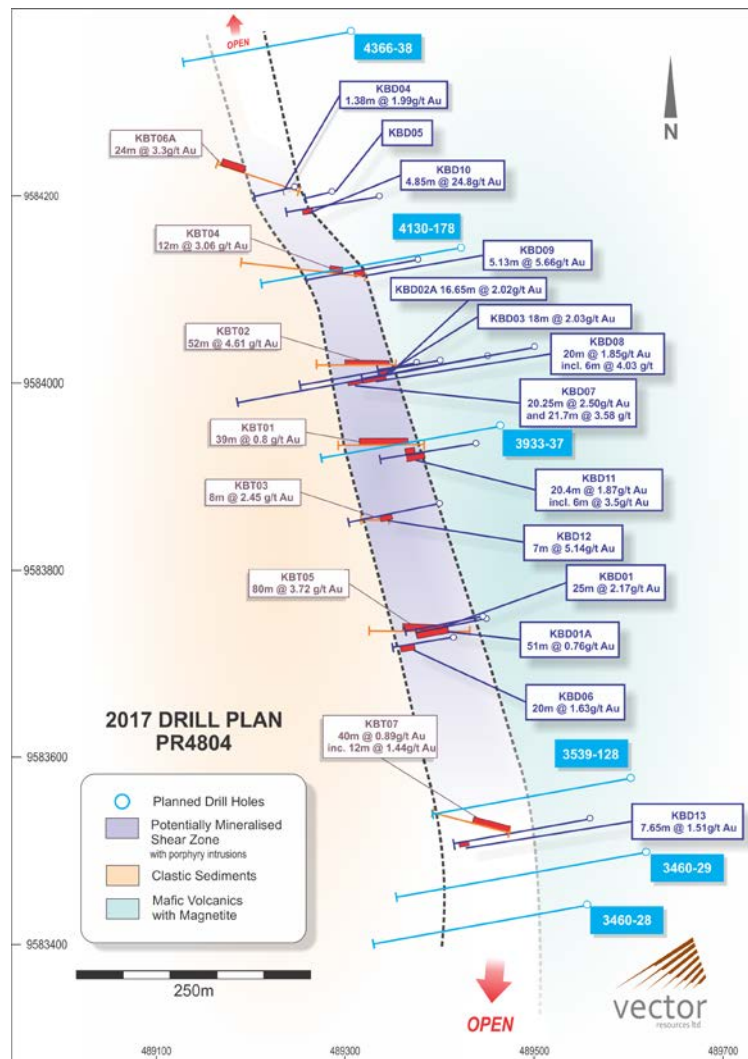


Figure 1: Plan of 6 diamond holes to test ore body extensions at Kabotshome Gold Prospect

The initial 6 hole drilling program planned at the Kabotshome Gold Prospect has been designed as part of an in-fill and extensional program around the existing JORC Inferred Resource of 6.97Mt at 1.9g/t Au for 421,000oz and which remains open along strike and at depth. The drilling program will further assist in the broader drilling program planned by the Company's technical management.

Extensions to the gold mineralisation at depth to the north and south of the Kabotshome Gold Prospect is planned. This is testing the twin thick high-grade gold mineralisation intersected in the deepest diamond hole drilled to date at the Kabotshome Gold Prospect, KBD07. This hole reported grade intercepts of 20.25m at 2.5g/t (from 319m) including 8m at 4.03g/t and 21.7m at 3.58g/t (from 354m) including 5.7m at 8.74g/t. Two new diamond holes, Borehole ID (BHID) 4130-178 and BHID 3933-37 will test the depth extensions of the gold mineralisation to the north and south respectively.

Three further diamond holes, BHID 4366-38 is proposed to test the northern extension of the Kabotshome Gold Prospect and BHID 3460-28 and BHID 3460-29 are designed to test the southern extensions of strike. BHID 4366-38 to the north of the existing resource will follow up on previous shallow trenching work that was completed and that reported 24m at 3.33g/t in KBT06A and 12m at 3.06g/t in KBT04. BHID 3460-28 and BHID 3460-29 will test the extensions to the south and follow up on results from trench KBT07 which reported 40m at 0.89g/t including 12m at 1.44g/t.

BHID 3539-128 is an infill hole designed to improve resource model confidence in the sparsely drilled southern area.

6-HOLE PROGRAM			NOMINAL COLLAR LOCATION			Comment / Outcome	
Section #	SXN_ID	BHID	Depth	XP	YP		ZP
23	3539	3539-128	226	489602	9583577	625	Drilling below KBD13 - southern infill drilling improving model data confidence
8	4130	4130-178	245	489422	9584145	627	Drilling below KBD09 - test deeper northern high grade extension
25	3460	3460-28	124	489556	9583488	625	No previous drilling - southern infill hole improving model data confidence
2	4366	4366-38	53	489304	9584376	707	No previous drilling - northern extension hole to extend strike to north
13	3933	3933-37	228	489464	9583955	638	Drilling below KBD11 (test deeper southern high grade extension)
25	3460	3460-29	231	489619	9583499	620	No previous drilling - southern extension hole to extend strike to south

Table 1: Summary of initial 6 diamond hold program at Kabotshome Gold Prospect

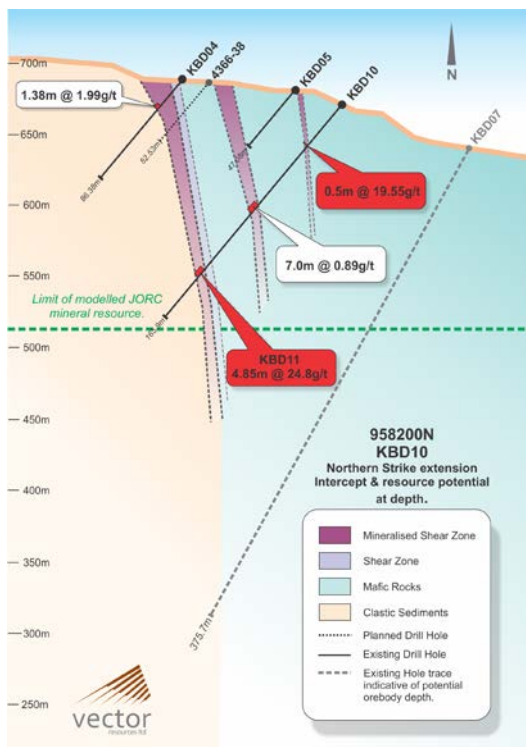


Figure 2: Cross section of hole planned to test northern extension including KBD07 trace for depth comparison

Figure 2 (left) shows a cross section of the plan to test the northern extension of the Kabotshome Gold Prospect.

BHID 4366-38 hole is designed to test the northern extension, which was not properly tested by the historical drilling and holes KBD04 and KBD05, which did not reach the intended target and were collared to the west of an optimal collar location.

The cross section shows the deepest ore body intersection (KBD07 hole trace) which is approx. 400m to the south of planned hole BHID 4366-38. It has been superimposed to provide potential depth extension for future drill planning.

The green dotted horizontal line shows the Mineral Resource cut-off (at this cross-section) used in the Kabotshome Gold Prospect JORC Inferred Resource of 6.97Mt at 1.9g/t Au for 421,000gz gold. Above this line the ore body is modelled as inferred resource, whilst below it is uncategorised and not considered resource due to lack of data density.

ENDS

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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.