vector
resources ltd
and controlled entities

ABN 99 107 541 453

Annual Report

For the year ended
30 June 2017

CORPORATE DIRECTORY

Directors

Gary Castledine	Non-executive Chairman
Michael Hendriks	Non-executive Director
Jason Brewer	Non-executive Director
Neville Bassett	Non-executive Director

Company Secretary

Neville Bassett

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Auditors

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REVIEW OF ACTIVITIES

Operations

During the year, Vector Resources Limited ("Vector" or "the Company") completed the acquisition of its 70% interest in the Maniema Gold Project, located in the Maniema Province in the Democratic Republic of Congo ("DRC").

On 14 September 2016, the Company announced that it has entered a Binding Heads of Agreement, whereby the Company had agreed to acquire African Royalty Company Pty Ltd's rights under an agreement that it had entered with a local Congolese mining and exploration company, WB Kasai Investments Congo SARL ("WBK") pursuant to which the Company would acquire the 70% interest in the Maniema Gold Project.

The acquisition was completed following shareholder approval on 30 November 2016 at the Company's Annual General Meeting, completion of all legal, financial and technical due diligence, and execution of all joint venture documentation. This included the incorporation of Vectors Congolese subsidiary, Vector Resources Congo SA and the joint venture company, Maniema Gold Company which now holds the seven granted exploration licences.

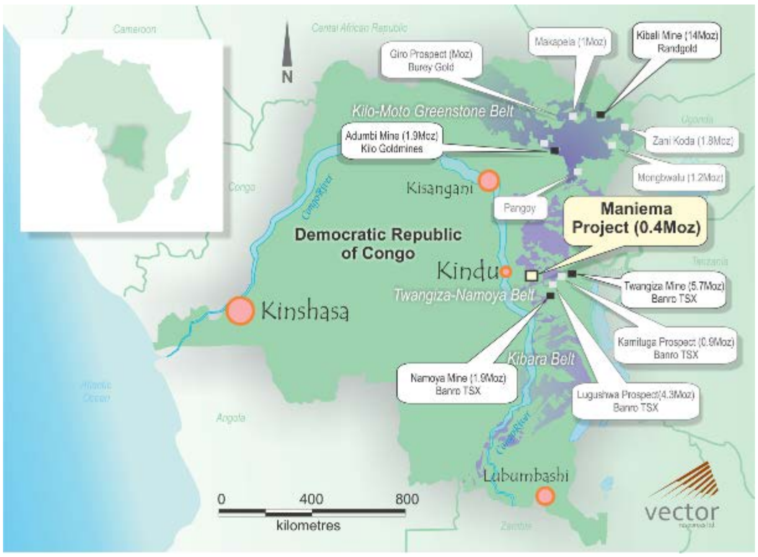

Figure 1 Location of the Maniema Gold Project

The Maniema Gold Project (the "Project") is located in the world renowned Twaniza-Namoya gold corridor and in the northern part of the Kibaran Gold Belt (**Figure 1**). The Project includes seven exploration permits, including PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812, which covers an area of over 500km².

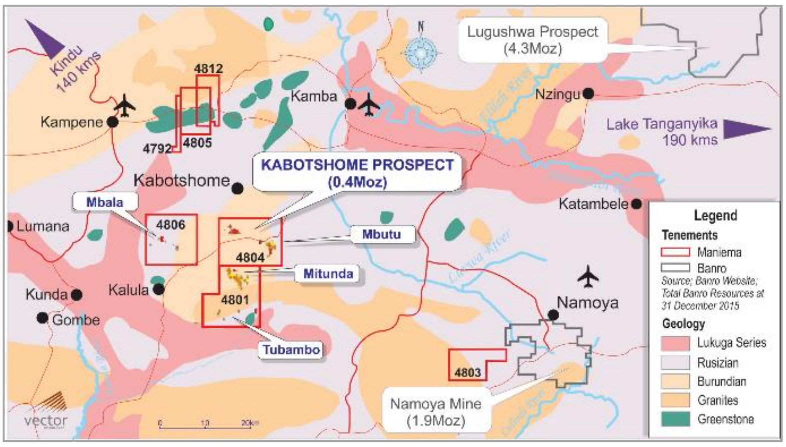

Figure 2 Location of the Maniema Gold Project's Seven Exploitation Permits and Key Gold Prospects

Kabotshome Gold Prospect

On 17 January 2017, the Company announced its maiden inferred JORC 2012 compliance Resource at the Kabotshome Gold Prospect ("Kabotshome") of 421,000oz of gold. Kabotshome is the most advanced of the five prospects initially identified from historical exploration work completed at Maniema Gold Project.

Tables 1 and 2, as part of the JORC guidelines have been completed with the confidence and thoroughness that has resulted in the Company completing a Mineral Resource that is compliance with JORC code (2012 edition).

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

Table 1 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

Table 2 Kabotshome Gold Prospect Mineral Resource reported with no top-cut

Kabotshome is the subject of a drilling program, which is due to commence shortly with the drillers equipment currently mobilising to site. The program includes 6 diamond drill holes for in-fill and extensional drilling to both test and confirm previous high grade intercepts at depth and along strong.

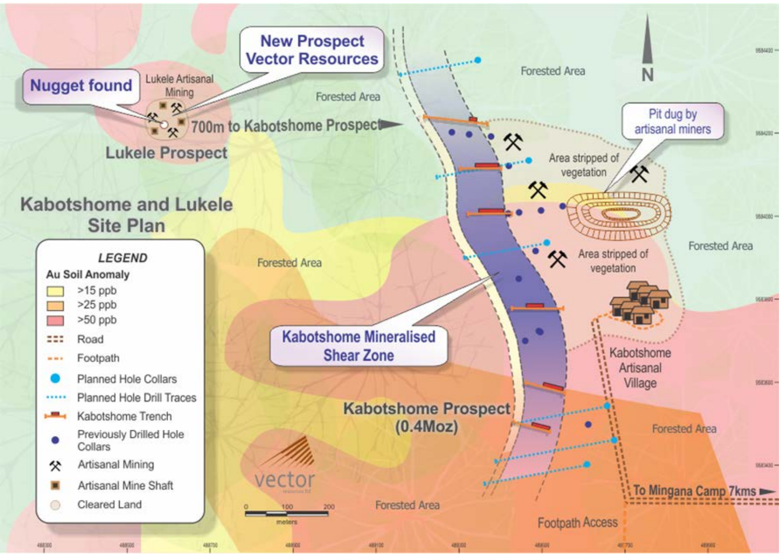

Figure 3 Kabotshome Ore Body – location of recent new prospect, Lukele Prospect

The Company has recently announced (29 September 2017) a new discovery near Kabotshome, named the Lukele Prospect. The Company announced the results of two nuggets (0.18g and 0.19g) found by local artisanal miners, with a confirmed 94% gold content as tested by the Perth Mint using Precious Metals XRF analyser.

The Company has recently completed the building of a 20-man exploration camp (Mingana Camp) to facilitate the drilling program at Kabotshome and for ongoing geological field work at the Project. The camp will allow the Company to continue its geological (and drilling) programs at its major prospects, being well located both Kabotshome and Mitunda.

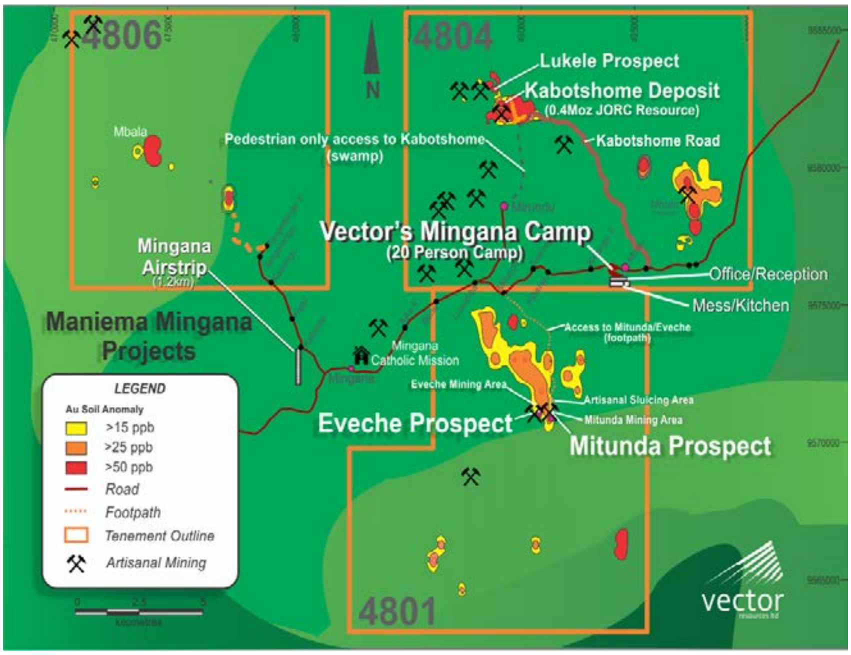

Figure 4 Regional map showing the location of Vector's Mingana Camp in relation to Kabotshome

Mitunda Gold Prospect

The Mitunda Gold Prospect ("Mitunda") is located on PR4801 and is located immediately south of the Company's Kabotshome Prospect.

During the year, the Company's geological team completed an inspection of the shallow surface and underground artisanal mining areas at Mitunda. The Company has identified over 1,000 artisanal miners that are mining a high-grade paleo-channel in which the primary source of gold appears proximal to the current workings.

The geological team will map the surface expression of all the artisanal workings, in relation to the historical drilling and geochemistry, to allow the Company to target both the primary source and to outline the potential in the paleo-channel extensions.

On 6 September 2017, the Company announced a new gold prospect located only 500m from Mitunda called the Eveche Gold Prospect ("Eveche"). Eveche comprises multiple quartz vein sets that have been exposed from artisanal mining activities, with one main steeply dipping quartz vein mapped over an initial strike length of 600m and which remains open at depth and strike.

The Mitunda Prospect remains a high priority for the Company who are actively working with its joint venture partners and local government officials to find better ways to regulate the artisanal mining activities at Mitunda, as well as ways to manage the purchase and sale of the artisanal gold production.

Namoya West Prospect

The Namoya West Prospect ("Namoya West") is located on PR4803 and is adjacent to Banro Corporations (TSX: BAA) Namoya Open Pit Gold Mining Operation.

On 20 July 2017, the Company announced that high-grade stream sediment assay results of 18.8g/t gold from Namoya West had confirmed historical high grade alluvial and stream sediment samples in 2010 of 64.1g/t, 65.1g/t, 43.4g/t and 36.7g/t gold.

The Company's technical team believe that the number, grade and unmodified physical nature of the visible gold samples show minimal transport from the primary source.

Corporate

During the year the Company:

(i) Executed an unsecured loan facility for A$300,000 with Perth based 1620 Capital Pty Ltd to fund working capital and due diligence cost associated with the acquisition of the Maniema Gold Project.

(ii) Finalised the due diligence for the purchase of its 70% interest in the Maniema Gold Project, which included exploration licences PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812 in the Democratic Republic of Congo.

(iii) Completed a A$1,650,000 capital raising in the December 2016 quarter, via:

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; and

B. 300,928,854 shares issued through the conversion of the interim loan facility that was secured on 31 October 2016.

Subsequent to year end, the company completed a placement to sophisticated and professional investors of 157,472,151 Shares at an issue price of $0.005 per share to raise gross proceeds of approximately $787,360.

Competent Person Statement

The information in this report 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.

DIRECTORS' REPORT

Your directors present the annual financial report on the Company and its controlled entities (the "Group") for the financial year ended 30 June 2017.

DIRECTORS AND COMPANY SECRETARY

The names of the Directors and Company Secretary in office at any time during or since the end of the year are:

Gary Castledine	Non-executive Chairman
Michael Hendriks	Non-executive Director
Jason Brewer	Non-executive Director (appointed 16 January 2017)
Neville Bassett	Non-executive Director and Company Secretary

PRINCIPAL ACTIVITIES

The principal activity of the Group is mineral exploration. As reported in the *Review of Activities*, the Group has acquired a 70% interest in the Maniema Gold Project in the Democratic Republic of Congo.

OPERATING AND FINANCIAL REVIEW

Operating Activities

A detailed review of the operations of the Group is contained in the *Review of Activities*. The Group's key focus is the exploration and development of the Maniema Gold Project in the DRC and the ongoing review and assessment of other gold projects in Africa.

Future Developments, Prospects and Strategy

The Group will continue to focus its operating and geological activities on advancing the Maniema Gold Project in the DRC. In addition, the Company will continue to review and assess new opportunities to add further gold projects in Africa.

Operating Results

The net loss of the Group after income tax for the year amounted to $671,434 (2016: loss of $7,105,184). The loss reported for the 2017 financial year related to the Group's administrative and corporate costs. Expenditure on the Maniema Gold Project has been capitalised to Exploration and Evaluation Expenditure Assets in the Statement of Financial Position. The 2016 financial year loss included a number of one off items, as noted below:

	2017 $	2016 $
Fair value loss on embedded derivative	-	6,780,000
Amortised cost of embedded derivative	-	178,139
Loss from discontinued operations	-	442
	-	6,958,581

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

As noted in the *Review of Activities* the Company finalised the purchase of a 70% interest in the Maniema Gold Project in the DRC. The Group's strategy is to continue to review and assess gold opportunities in Africa, including advancing the development of the Maniema Gold Project.

During the year, there was no other significant changes in the state of affairs of the Group other than that referred to in the financial statements or notes thereto and in the *Review of Activities*.

The *Independent Auditor's Report* on page 19 contains a statement of material uncertainty regarding continuation as a going concern. For further comment refer to Note 1(y) in the *Notes to the Financial Statements.*

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen, since the end of the financial year, which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the company in subsequent financial years, other than the Company completing a placement to sophisticated and professional investors of 157,472,151 Shares at an issue price of $0.005 per share to raise gross proceeds of approximately $787,360.

DIVIDENDS

There were no dividends paid or declared during or since the end of the financial year.

LIKELY DEVELOPMENTS

The Group will continue to focus on the advancement and development of the Maniema Gold Project, whilst continuing to assess and review other gold project opportunities in Africa.

ENVIRONMENTAL REGULATIONS

The Group has a policy of at minimum complying, but in most cases exceeding, its environmental performance obligations. No environmental breaches have been notified by any government agency during the year ended 30 June 2017. The Board believes that the company has adequate systems in place for the management of its environmental regulations.

DIRECTORS' QUALIFICATIONS AND EXPERIENCE

Gary Castledine **Non-executive Chairman**

Mr Gary Castledine was appointed a director of the company on 24 February 2009.

Mr Castledine has over 20 years' experience in stockbroking and capital markets. He was previously a founding director and the head of corporate with a Perth, Western Australia based specialist boutique securities dealer and corporate advisory firm. Mr Castledine is currently specialising in corporate finance with boutique investment banking and corporate advisory firm Westar Capital Ltd. Mr Castledine's experience has enabled him to gather an extensive suite of clients in a corporate advisory role which has seen him involved in many capital raisings and IPO's across a spectrum of industries. He is currently a member of the Stockbrokers Association of Australia.

Interest in Securities
Mr Castledine has an indirect interest in 19,374,987 ordinary shares.

Directorships held in other listed companies over the last 3 years:

Laconia Resources Limited	7 May 2015 to 18 October 2016
The Gruden Group Limited	20 August 2014 to present
Quantify Technology Holdings Limited	5 February 2016 to 1 March 2017

Michael Hendricks **Non-executive Director**

Mr Michael Hendricks was appointed a director of the company on 22 June 2016.

Mr Hendricks is a Chartered Accountant and has gained extensive experience in the financial services sector in various roles in the banking and stockbroking industries. He also has extensive experience as a company director and secretary holding various executive and non-executive directorships of listed and unlisted companies in both the industrial and resource sectors.

Interest in Securities
Mr Hendricks has an indirect interest in 1,649,249 ordinary shares.

Directorships held in other listed companies over the last 3 years:

Primary Gold Limited	1 August 2010 to 31 March 2014

Jason Brewer Executive Director

Mr Jason Brewer was appointed a director of the company on 16 January 2017.

Mr Brewer (M.Eng (Hons) ARSM) has over 18 years' international experience in the natural resources sector and in investment banking.

Mr Brewer has experience in a variety of commodities having worked in underground and opencast mining operations in Australia, Canada and South Africa. In addition, he has worked for major global investment banks including Dresdner Kleinwort Benson, NM Rothschild & Sons (Australia) Limited and Investec Bank (Australia) Limited in London, Sydney and Perth. He has extensive experience in delivery of African projects and has significant experience as an ASX company Director.

Interest in Securities
Mr Brewer has an indirect interest in 50,000,000 ordinary shares.

Directorships held in other listed companies over the last 3 years:

Cape Lambert Resources Limited	December 2013 to present
Kupang Resources Limited	September 2013 to present
Force Commodities Limited	June 2017 to present
Black Mountain Resources Limited	3 February 2012 to 31 January 2017
International Goldfields Limited	December 2015 to September 2016
Global Strategic Metals Limited	December 2013 to August 2014

Neville Bassett Non-executive Director

Mr Neville Bassett was appointed a director of the company on 22 April 2010.

Mr Bassett is a Chartered Accountant operating his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. Mr Bassett has been involved with numerous public company listings and capital raisings. His involvement in the corporate arena has also taken in mergers and acquisitions, and includes significant knowledge and exposure to the Australian financial markets. Mr Bassett has experience in matters pertaining to the *Corporations Act*, ASX listing requirements, corporate taxation and finance.

Interests in Securities
Mr Bassett has an indirect interest in 17,960,000 ordinary shares.

Directorships held in other listed companies over the last 3 years:

Laconia Resources Limited	7 May 2015 to present
Longford Resources Limited	22 March 2004 to present
Meteoric Resources NL	29 November 2012 to present
Pointerra Limited	30 June 2016 to present
The Gruden Group Limited	20 August 2014 to 13 May 2016
Quantify Technology Holdings Limited	5 February 2016 to 1 March 2017

COMPANY SECRETARY

Mr Neville Bassett held the position of Company Secretary throughout the duration of the financial year.

MEETINGS OF DIRECTORS

During the financial year, 10 meetings of directors were held. Attendances by each Director during the year were:

	Directors' Meetings	
	Number Eligible to Attend	**Number Attended**
Gary Castledine	10	10
Michael Hendricks	10	10
Jason Brewer	3	3
Neville Bassett	10	10

NON – AUDIT SERVICES

During the year Grant Thornton Audit Pty Ltd did not perform any other services in addition to their statutory duties. Information in respect to auditor remuneration is disclosed at Note 6.

AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

The Auditor's Independence Declaration is set out on page 18 and forms part of the *Directors' Report* for the year ended 30 June 2017.

PROCEEDINGS OF BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings against the company, or to intervene in any proceedings to which the company is a part, for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company under section 237 of the *Corporations Act 2001*.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and other Key Management Personnel (KMP) of the company in accordance with the *Corporations Act 2001* and its regulations. It also provides the remuneration disclosures required by paragraphs *Aus 25.4 to Aus 25.7.2 of AASB* 124 *Related Party Disclosures,* which have been transferred to the Remuneration Report in accordance with *Corporations Regulation 2M.6.04*. These remuneration disclosures have been audited.

For the purposes of this report, Key Management Personnel of the company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly. Other than its Directors, Mr Simon Youds, Chief Executive Officer is also considered key management personnel.

For the purposes of this Remuneration Report, the term 'Executive' encompasses all Directors and the Company Secretary of the company.

Remuneration Philosophy

The performance of the company depends upon the quality of its Directors and Executives. To prosper, the company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the company embodies the following principles in its remuneration framework:

'The Board as a whole is responsible for considering remuneration policies and packages applicable both to board members and senior executives of the company. The Board remuneration policy is to ensure the remuneration package, which is not linked to the performance of the company, properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.'

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and senior manager remuneration is separate and distinct.

Non-executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the *ASX Listing Rules* specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The current aggregate remuneration is $250,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive Directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a Director of the company.

Non-executive Directors are encouraged by the Board to hold shares in the company. It is considered good governance for directors to have a stake in the Company on whose board he or she sits.

The remuneration of Non-executive Directors for the period ended 30 June 2017 is detailed on page 14.

Managing Director and Executive Remuneration Structure

Based on the current stage in the company's development, its size, structure and strategies, the Board considers that the key performance indicator in assessing the performance of Executives and their contribution towards increasing shareholder value is share price performance over the review period.

Individual and company operating targets associated with traditional financial and non-financial measures are difficult to set given the small number of Executives and their need to be flexible and multi-tasked, as the company responds to a continually changing business environment. Consequently, a formal process of defining Key Performance Indicators (KPI's) and setting targets against the KPI's has not been adopted at the present time.

The proportion of fixed remuneration and variable remuneration is established for each Executive by the Board.

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration, which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board; having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration industry and external advice. Executives receive their fixed remuneration in cash.

Variable Remuneration – Short-Term Incentive (STI)

The objective of the STI is to link the achievement of corporate and operational objectives over the year with the remuneration received by the Executives charged with achieving that increase. The total potential STI available is set at a level so as to provide sufficient incentive to the Executives to achieve the performance goals and such that the cost to the company is reasonable in the circumstances.

Annual STI payments granted to each Executive depend on their performance over the preceding year and are based on recommendations from the Chief Executive Officer and/or the Chairman following collaboration with the Board. Typically included are measures such as contribution to strategic initiatives, risk management and leadership/team contribution.

The aggregate of annual STI payments available for Executives across the company is subject to the approval of the Board. Payments are usually delivered as a cash bonus. There were no STI payments made during the financial year.

Variable Remuneration – Long-Term Incentive (LTI)

The objective of the LTI plan is to reward Executives in a manner, which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the company's performance.

The level of LTI granted is, in turn, dependent on a number of factors including, the seniority of the Executive and the responsibilities the Executive assumes in the company.

LTI grants to Executives are delivered in the form of options. These options are issued at an exercise price determined by the Board at the time of issue.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

However, under certain circumstances, including breach of employment conditions, the Directors may cause the options to expire prior to their vesting date. In addition, individual performance is more commonly rewarded over time by STIs.

No LTI options were issued during the financial year.

Chief Executive Officer Services Contract – Mr Simon Youds

Mr Simon Youds was appointed Chief Executive Officer of the Company on 16 January 2017.

The material terms of the Chief Executive Officer's Contract in summary are:

- Remuneration:
  - Fixed remuneration of $150,000 per annum, subject to annual review; and
  - Entitlement to participate in short term incentive ("STI") and long term incentive ("LTI") plans at the Board's discretion, however no determination has been made at this stage. The grant of STIs/LTIs will be subject to vesting conditions based on key performance indicators to be agreed between the parties.
- Termination and notice:
  - Resignation by Mr Youds on 2 months' written notice.
  - Termination by the Company on 2 months' written notice. The company may elect to make a payment in lieu of the notice period (based on the fixed component of Mr Youds remuneration).
  - Termination by the Company without notice for serious misconduct or other circumstances justifying summary dismissal.
  - On termination, any entitlements held under the Company's long term and short term incentive plans will be treated (and may be retained or forfeited) in accordance with applicable plan rules from time to time.

Former Managing Director Executive Services Contract – My Glyn Povey

The former Managing Director Mr Glyn Povey's executive service contract expired in February 2014 and an extension of the contract was in place until his resignation on 22 June 2016.

The material terms of the former Managing Director's Executive Service Contract in summary were:

- Fixed remuneration:
  - $100,000 (reduced down from $350,000 per annum in April 2013) per year plus 9% superannuation;
- Variable remuneration:
  - Short-term incentives (STI) – up to 20% bonus on base annual salary upon successful achievement of the KPI's (to be agreed and ratified by the board); and
  - Long-term incentives (LTI)
    - First Performance Hurdle (identification of 200,000oz JORC resource) - 2,000,000 options, exercisable at 20 cents expiring 3 years from date of issue
    - Second Performance Hurdle (identification of 400,000oz JORC resource) - 2,000,000 options exercisable at 20 cents expiring 3 years from date of issue
    - Third Performance Hurdle (Pre-Feasibility Study in relation to any of the company projects) - 4,000,000 options exercisable at 20 cents expiring 4 years from date of issue

- Termination of Employment
  - The initial term of the contract is for 36 months commencing on 14 February 2011. The contract expired on 14 February 2014. An extension of contract is in place.
  - The contract may be terminated by the Company with 6 months written notice or by the Managing Director by giving 3 months written notice.

The contract lapsed on 14 February 2014. The former Managing Director invoiced on a month to month at the same rate of $100,000 per annum when based at the Perth office and at a rate of $2,500 per day when based on-site.

Other Executive Benefits

There are no other fringe benefits provided to KMP. In 2016, fringe benefits were provided through the provision of company parking bays.

Remuneration of key management personnel and the five highest paid executives of the Group

Remuneration for the year ended 30 June 2017 and 2016

2017

		Short-Term			**Post-Employment**	**Share based Payment**	**Total**	**Performance Related**
		Consulting Fees	**Directors Fees**	**Salaries and Wages**	**Super-annuation**	**Options**		
		$	**$**	**$**	**$**	**$**	**$**	**%**
Directors	***Year***							
G Castledine	2017	-	48,000	-	-	-	48,000	-
	2016	16,666	10,000	-	-	-	26,666	-
M Hendricks	2017	-	36,000	-	-	-	36,000	-
	2016	-	-	-	-	-	-	-
J Brewer	2017	-	27,500	-	-	-	27,500	-
	2016	-	-	-	-	-	-	-
N Bassett	2017	-	48,000	-	-	-	48,000	-
	2016	24,000	26,667	-	-	-	50,667	-
G Povey	2017	-	-	-	-	-	-	-
	2016	52,152	-	-	-	-	52,152	-
B Williams	2017	-	-	-	-	-	-	-
	2016	-	26,667	-	-	-	26,667	-
Total	**2017**	**-**	**159,500**	**-**	**-**	**-**	**159,500**	**-**
	2016	**92,818**	**63,334**	**-**	**-**	**-**	**156,152**	**-**
Other Key Management Personnel								
S Youds	2017	109,250	-	-	-	-	109,250	-
	2016	-	-	-	-	-	-	-
Total	**2017**	**109,250**	**-**	**-**	**-**	**-**	**109,250**	**-**
	2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**

*During the 2016 year, the directors forgave debts relating to their consulting and directors fees totalling $267,918. This is not included in the table above. For more information refer to Note 23.

Details of the director-related entities that received the consulting fees are:

Neville Bassett	Mandevilla Pty Ltd
Glyn Povey	Lost State Pty Ltd

Compensation Options Granted and vested during the year as part of emoluments

No compensation options were issued to Key Management Personnel or Specified Executives during the year (2016: Nil).

Shareholdings – 2017

Number of Shares held by Directors and Specified Executives:

Directors

	Balance 01.07.2016	Held at Appointment	Options Exercised	Net Change Other*	Balance 30.06.2017
Gary Castledine	1,187,494	-	-	18,187,493	19,374,987
Michael Hendricks	824,625	-	-	824,624	1,649,249
Neville Bassett	480,000	-	-	17,480,000	17,960,000
Jason Brewer	-	50,000,000	-	-	50,000,00
Total	2,492,119	50,000,000	-	36,492,117	88,984,236

**Net Change Other refers to shares purchased during the financial year and in respect to Mr Castledine and Mr Bassett 7,000,000 shares issued to a related entity for advisory services.*

Option holdings – 2017

Number of Options held by Directors and specified Executives:

Directors

	Balance 01.07.2016	Received as Remuneration	Net Change Other*	Balance 30.06.2017	Number Vested / Exercisable
Gary Castledine	-	-	-	-	-
Michael Hendricks	-	-	-	-	-
Neville Bassett	-	-	-	-	-
Jason Brewer	-	-	-	-	-
Glyn Povey	-	-	-	-	-
Brian Williams	-	-	-	-	-
Total	-	-	-	-	-

**Net Change Other refers to options purchased, sold or expired during the financial year.*

No options were exercised during the year by the Directors.

As at 30 June 2017, nil listed options (2016: nil) and nil unlisted options (2016: nil) are on issue.

Loans made by/(to) Director and Director related entities

There were no loans outstanding or other transactions with key management personnel and their related parties during the year ended 30 June 2017.

Balances receivable/(payable) to Directors and Director related companies as at end of year:

	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
JC Trust	11,000	-
Mandevilla Pty Ltd	12,600	-
Perizia Investments Pty Ltd	12,600	-
Abminga Nominees Pty Ltd	18,000	-
	54,200	-

Details of the director-related entities that balances are payable to are:

Jason Bewer	JC Trust
Neville Bassett	Mandevilla Pty Ltd
Gary Castledine	Perizia Investments Pty Ltd
Michael Hendriks	Abminga Nominees Pty Ltd

Services provided by Director related entities

For services provided by Director Related Entities, refer to *Remuneration Report* disclosed in the *Directors' Report* for Consulting Fees paid to the Directors and their related or associated entities for matters of an administrative nature and conducted on normal commercial terms.

END OF AUDITED REMUNERATION REPORT

INDEMNIFYING AND INSURANCE OF DIRECTORS AND OFFICERS

During the current financial year, the company paid a premium to insure the directors and officers of the company against liabilities of costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of directors or officers of the company. In accordance with a confidentiality clause under the insurance policy, the amount of premium paid to insurers for 2017 has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

OPTIONS AND UNISSUED SHARES UNDER OPTIONS

At the date of this report, nil unlisted options (2016: nil unlisted options) have been issued by the company and the number of unissued ordinary shares of the company under option is nil (2016: nil).

There have been no issue of ordinary shares as a result of the exercise of options during or since the end of the financial year.

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.

Signed in accordance with a resolution of the Board of Directors.

Gary Castledine
Chairman

DATED at PERTH this 29th September 2017

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Auditor's Independence Declaration to the Directors of Vector Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Vector Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M P Hingeley
Partner - Audit & Assurance

Perth, 29 September 2017

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Independent Auditor's Report
to the Members of Vector Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Vector Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 (y) “Going Concern” in the financial statements, which indicates that the Group incurred a net loss of $671,434 during the year ended 30 June 2017 and had net cash outflows from operating activities of $329,006. As stated in Note 1(y), these events or conditions, along with other matters as set forth in Note 1(y), indicate that a material uncertainty exists that may cast doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and Evaluation Assets – valuation Note 1(g) and 12	

As at 30 June 2017, the Group had $5.4 million of exploration and evaluation expenditure capitalised on the statement of financial position.
 	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
 	
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
 	
This area is a key audit matter due to the valuation of exploration and evaluation assets being a significant risk.
	Our procedures included, amongst others:
	
	• Obtaining the management prepared reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
	• Reviewing management’s area of interest considerations against AASB 6;
	• Conducting a detailed review of management’s assessment of trigger events prepared in accordance with AASB 6 including;
	  – Tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;
	  – Enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of managements’ budgeted expenditure;
	  – Understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;
	• Assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; and
	• Reviewing the appropriateness of the related disclosures within the financial statements.

Information Other than the Financial Report and Auditor’s Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2017, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 16 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Latitude Consolidated Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M P Hingeley
Partner - Audit & Assurance

Perth, 29 September 2017

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The attached financial statements and notes are in accordance with the *Corporations Act 2001*, and:

    a. Comply with *Australian Accounting Standards* (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
    b. Give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Group; and
    c. Comply with *International Financial Reporting Standards* as disclosed in Note 1.

2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. The Chief Executive Officer and Chief Financial Officer have provided the following declaration required by section 295A of the *Corporations Act 2001*:

    a. The financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
    b. The financial statements, and the notes for the financial year comply with the Accounting Standards; and
    c. The financial statements and notes for the financial year give a true and fair view.

This declaration is made in accordance with a resolution of the Board of Directors.

Gary Castledine
Chairman

DATED this 29th September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Consolidated Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Other Income	4	2,504	3,904
Forgiveness of debt		-	146,974
Fair value gain/(loss) on embedded derivative		-	(6,780,000)
Impairment of financial assets		(6,299)	-
Employee benefits expense		(107,207)	(3,267)
Consulting fees		(850)	(89,417)
Administration expenses		(168,218)	(97,271)
Depreciation expense		(377)	-
Due Diligence expense		(85,037)	(42,500)
Finance Costs		(15,058)	(178,139)
Occupancy costs		(15,567)	(2,938)
Directors fees		(159,500)	(49,583)
Other expenses from ordinary activities		(77,939)	(27,203)
Loss before tax		(633,548)	(7,119,440)
Income tax	5	-	-
Loss for the year from continuing operations		**(633,548)**	**(7,119,440)**
Loss for the year from discontinued operations	9	-	(442)
Loss for the year		**(633,548)**	**(7,119,882)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Change in fair value of financial assets		(14,698)	14,698
Exchange differences on translating foreign operations		(23,188)	-
Other comprehensive (loss)/income for the year, net of tax		**(37,886)**	**14,698**
Total comprehensive loss for the year		**(671,434)**	**(7,105,184)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Note	Consolidated Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Loss for the year Attributable to:			
Non-controlling interest		(44,418)	-
Members of the parent entity		(589,130)	(7,119,882)
		(633,548)	**(7,119,882)**
Total comprehensive loss for the year attributable to:			
Non-controlling interest		(48,449)	-
Members of the parent entity		(622,985)	(7,105,184)
		(671,434)	**(7,105,184)**
Basic loss per Share			
Loss from continuing operations		(0.001)	(0.025)
Loss from discontinued operations		-	(0.000)
Total		**(0.001)**	**(0.025)**
Diluted loss per Share			
Loss from continuing operations		(0.001)	(0.025)
Loss from discontinued operations		-	(0.000)
Total		**(0.001)**	**(0.025)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Consolidated As at 30 June 2017 $	 As at 30 June 2016 $
Assets			
Current Assets			
Cash and cash equivalents	7	378,811	173,252
Other receivables	8	10,709	23,565
Total Current Assets		389,520	196,817
Non-Current Assets			
Property, plant and equipment	10	12,688	-
Financial assets	11	-	20,997
Exploration and evaluation expenditure assets	12	5,414,784	-
Total Non-Current Assets		5,427,472	20,997
Total Assets		5,816,992	217,814
Liabilities			
Current Liabilities			
Trade and other payables	13	208,172	16,099
Borrowings	14	19,281	-
Total Current Liabilities		227,453	16,099
Total Liabilities		227,453	16,099
Net Assets		5,589,539	201,715
Equity			
Share capital	15	44,406,871	38,340,151
Reserves	16	-	-
Other components of equity	17	(19,157)	14,698
Accumulated losses	18	(38,742,264)	(38,153,134)
Total equity attributable to the owners of the parent		5,645,450	201,715
Non-controlling interests		(55,911)	-
Total Equity		5,589,539	201,715

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

		Consolidated	
		Year Ended 30 June 2017	Year Ended 30 June 2016
	Note	$	$
Cash Flow from Operating Activities			
Interest received		2,504	3,907
Payment to suppliers and employees		(331,510)	(540,696)
Net Cash Used in Operating Activities	20	(329,006)	(536,789)
Cash Flow from Investing Activities			
Payments for property, plant and equipment		(13,306)	-
Payments for exploration, evaluation and development		(510,534)	(279,104)
Acquisition costs		(350,000)	-
Due diligence costs		(85,037)	(42,500)
Proceeds from sale of Golden Iron Resources Ltd		-	455,000
Net Cash (Used in) / Provided by Investing Activities		(958,877)	133,396
Cash Flow from Financing Activities			
Finance Costs		(15,058)	-
Proceeds from borrowings		319,647	-
Proceeds from issue of shares		1,296,000	280,000
Share issue costs		(83,280)	(10,576)
Net Cash Provided by Financing Activities		1,517,309	269,424
Net Increase / (Decrease) in Cash Held		229,426	(133,969)
Cash at the Beginning of the Year		173,252	307,221
Exchange differences on cash and cash equivalents		(23,867)	-
Cash at the End of the Year	7	378,811	173,252

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital $	Option Reserve $	Other Compon-ents of Equity $	Accumulated Losses $	Attributable to Owners of the parent $	Non-Controlling Interests $	Total $
Consolidated							
Balance as at 30 June 2015	**25,120,727**	**2,502,913**	**-**	**(33,536,165)**	**(5,912,525)**	**-**	**(5,912,525)**
Loss for the period	-	-	-	(7,119,882)	(7,119,882)	-	(7,119,882)
Other comprehensive income for the period	-	-	14,698	-	14,698	-	14,698
Total comprehensive income for the period	-	-	14,698	(7,119,882)	(7,105,184)	-	(7,105,184)
Expiration of share options	-	(2,502,913)	-	2,502,913	-	-	-
Convertible note conversion	12,950,000	-	-	-	12,950,000	-	12,950,000
Proceeds from share issue	280,000	-	-	-	280,000	-	280,000
Share issue expenses	(10,576)	-	-	-	(10,576)	-	(10,576)
Balance as at 30 June 2016	**38,340,151**	**-**	**14,698**	**(38,153,134)**	**201,715**	**-**	**201,715**
Balance as at 30 June 2016	**38,340,151**	**-**	**14,698**	**(38,153,134)**	**201,715**	**-**	**201,715**
Loss for the period	-	-	-	(589,130)	(589,130)	(44,418)	(633,548)
Other comprehensive income for the period	-	-	(33,855)	-	(33,855)	(4,031)	(37,886)
Total comprehensive income for the period	-	-	(33,855)	(589,130)	(622,985)	(48,449)	(671,434)
Issue of shares for acquisition	4,500,000	-	-	-	4,500,000		4,500,000
Proceeds from share issue	1,650,000	-	-	-	1,650,000		1,650,000
Share issue expenses	(83,280)	-	-	-	(83,280)		(83,280)
Non-controlling interest	-	-	-	-	-	(7,462)	(7,462)
Balance as at 30 June 2017	**44,406,871**	**-**	**(19,157)**	**(38,742,264)**	**5,645,450**	**(55,911)**	**5,589,539**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CORPORATE INFORMATION

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, *Australian Accounting Standard*s and other authoritative pronouncements of the *Australian Accounting Standards Board. Compliance* with *Australian Accounting Standards* results in full compliance with the *International Financial Reporting Standards* (IFRS) as issued by the *International Accounting Standards Board* (IASB). Vector Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Vector Resources Limited (Vector or the company) is a public company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Suite 4, Henry James Building, 8 Alvan Street, Subiaco, Western Australia.

The consolidated financial statements for the year ended 30 June 2017 were approved and authorised for issue by the board of directors on 29 September 2017.

The principal activity of the company is exploration for minerals.

1. Summary of Significant Accounting Policies

This financial report includes the consolidated financial statement and notes of Vector Resources Limited and Controlled Entities (the "Group" or "Consolidated Entity").

a. Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Accounting Standards, Australian Accounting* Interpretations, other authoritative announcements of the *Australian Accounting Standards Board* (the "AASB") and the *Corporations Act 2001*.

Australian Accounts Standards set out accounting policies that the *AASB* has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with *Australian Accounting Standards* ensures that the financial statements and notes also comply with *International Financial Reporting Standards*. Material accounting policies adopted in the preparation of this financial report are presented below.

They have consistently been applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

This financial report is presented in Australian dollars.

b. *New and amended standards adopted by the Group in this financial report*

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

c. *Impact of standards issued but not yet applied by the Group*

New and revised accounting standards and amendments that are currently issued for future reporting periods that are relevant to the Group include:

AASB 9 *Financial Instruments*
AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The effective date is for annual reporting periods beginning on or after 1 January 2018.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. In summary, AASB 15:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time at a point in time;
- provides a new and more detailed guidance on specific topics (eg multiple element arrangements, variable pricing, rights of return and warranties); and
- expands and improves disclosures about revenue.

When this Standard is first adopted for the year ending 30 June 2018, there will be no material impact on the transactions and balances recognised in the financial statements.

d. *Operating Segments*

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by the company's chief operating decision maker which, for the company, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the *Statement of Comprehensive Income* and *Statement of Financial Position*. Refer to Note 19 for Segmental Information. The company currently only operates in the exploration industry in the Democratic Republic of Congo.

e. Foreign Currency Translation

i. Functional and Presentation Currency

Both the functional and presentation currency of the Company and its Australian subsidiaries is Australian dollars (A$). The functional currency of the foreign operations, Vector Resources Congo SA and Maniema Gold Company SA, is US dollars ($).

ii. Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the Consolidated Statement of Financial Position date.

f. Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment losses.

Costs include expenditures that are directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant, equipment and computers	3 to 5 years
Building improvements	7 years
Motor vehicles	7 years

i. Impairment

The carrying value of property, plant, equipment and motor vehicles are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating unit to which the assets belong are written down to their recoverable amount.

ii. De-recognition

An item of property, plant, equipment or motor vehicle is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the *Consolidated Statement of Profit or Loss and Other* in the period the item is de-recognised.

g. *Exploration and Evaluation Expenditure*

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and:

- It is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- Exploration and evaluation activities are continuing in the area of interest but at balance date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off or impaired to profit and loss.

h. *Impairment of Non-financial Assets*

At each reporting date, the company assesses whether there is any indication that a non-financial asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount of plant, equipment, exploration and evaluation expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An assessment is also made at each reporting date as to whether there is any indication that a previously recognised impairment loss may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed that carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

i. Cash and Cash Equivalents

Cash and cash equivalents in the *Consolidated Statement of Financial Position* comprise cash at bank and in hand and short-term deposits with an original maturity of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the *Consolidated Statement of Cash Flows*, cash and cash equivalents consist of cash and cash equivalents defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in the current liabilities on the *Consolidated Statement of Financial Position*.

j. Trade and Other Receivables

Trade and other receivables, which generally have 30 – 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any uncollectible amounts.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts known to be uncollectible are written off when identified. A provision for impairment is raised when there is objective evidence that the company will not be able to collect the debts.

k. Financial Assets

Financial assets are available for sale financial assets which are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise of investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as Current Assets.) The fair values for the available for sale assets are determined by the market price of the equities at balance date (see Note 11).

l. Trade and Other Payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

m. Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

o. Operating Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense in profit and loss on a straight-line basis over the lease term.

p. Gold Sales

Gold sales are measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

q. Interest Income

Revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

r. Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

s. Earnings per Share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the parent adjusted for:

- Cost of servicing equity (other than dividends) and preference shares dividends;
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discriminatory changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

t. *Income Tax*

Deferred income tax is provided on all temporary differences at the *Consolidated Statement of Financial Position* date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Unrecognised deferred income tax assets are reassessed at each *Consolidated Statement of Financial Position* date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The carrying amount of deferred income tax assets is reviewed at each *Consolidated Statement of Financial Position* date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax asset and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the *Consolidated Statement of Financial Position* date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the *Consolidated Statement of Comprehensive Income*.

u. *Other Taxes*

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the *Consolidated Statement of Financial Position*.

Cash flows are included in the *Consolidated Statement of Cash Flows* on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of amounts of GST recoverable from, or payable to, the taxation authority.

v. Employee Benefits

i. Wages, salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

ii. Superannuation
Contributions made by the Group to employee superannuation funds, which are defined contribution plans, are charged as an expense when incurred.

w. Principles of Consolidation

A controlled entity is any entity over which Vector Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the Equity section of the *Consolidated Statement of Financial Position* and in the *Consolidated Statement of Comprehensive Incom*e.

x. *Comparative Figures*

When required by *Accounting Standards*, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

y. *Going Concern*

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of Vector's assets and the discharge of its liabilities in the normal course of business.

The Group made a loss of $671,434 (2016: $7,105,184) including a fair value loss on embedded derivative of nil (2016: $6,780,000), amortised cost of embedded derivative of nil (2016: $178,139) and loss from discontinued operations of nil (2016: $442) for the year ended 30 June 2017 and had a net cash outflow from operating activities of $329,006 (2016: $536,789).

The Board considers that Vector is a going concern and recognises that additional funding is required to ensure that it can continue to fund its operations during the twelve month period from the date of this report. Such additional funding, as the company has successfully accessed previously, can be derived from either one or a combination of the following:

- Raising additional capital to fund the Group's ongoing operational and working capital requirements, as and when required; or
- Debt finance, including convertible notes issues; or

Subsequent to year end, the Group completed a capital raising of $787,360. Consequently, the Board considers the Group is a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Accordingly, the Directors believe that subject to prevailing equity market conditions, Vector will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

Should Vector be unable to obtain sufficient funding as outlined above, there is a material uncertainty that may cast significant doubt whether it will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should it not continue as a going concern.

z. *Financial Instruments*

Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Available-for-sale financial assets

Available-for-sale (AFS) financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as Current Assets.) The fair values for the available for sale assets are determined by the market price of the equities at balance date. All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses, which are recognised in profit or loss.

Reversals of impairment losses for AFS securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which requires a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

All financial assets are determined to be Level 1.

aa.Profit or loss from discontinued operations

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale. Profit or loss from discontinued operations, including prior year components of profit or loss, are presented in a single amount in the statement of profit or loss and other comprehensive income. This amount, which comprises the post-tax profit or loss of discontinued operations and the post- tax gain or loss resulting from the measurement and disposal of assets classified as held for sale is further analysed in Note 9. The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the reporting date for the latest period presented.

bb. Non-current assets and liabilities classified as held for sale and discontinued operations

When the Group intends to sell a non-current asset or a group of assets (a disposal group), and if sale within twelve (12) months is highly probable, the asset or disposal group is classified as 'held for sale' and presented separately in the statement of financial position. Liabilities are classified as 'held for sale' and presented as such in the statement of financial position if they are directly associated with a disposal group.

Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some 'held for sale' assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's accounting policy for those assets. Once classified as 'held for sale', the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations (see Note 9).

2. Critical Accounting Estimates and Judgements

The Directors re-evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Judgements – Exploration and Evaluation Expenditure

The Group's policy for exploration and evaluation is discussed in Note 1(g). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through the profit or loss.

Key Judgements - Fair Value of Financial Instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see Note 11).

3. Financial Risk Management

a. Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Group operations.

The Group does not trade in derivatives.

i. Treasury Risk Management

The Board meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

ii. Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

b. Interest Rate Risk

At 30 June 2017, the effect on profit/(loss) and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated	
	Year Ended 30 June 2017 $	**Year Ended 30 June 2016 $**
Change in Profit/(Loss)		
Increase in interest rate by 1%	(5,958)	(66,502)
Decrease in interest rate by 1%	5,958	66,502
Change in Equity		
Increase in interest rate by 1%	(5,958)	(66,502)
Decrease in interest rate by 1%	5,958	66,502

The Group's exposure to risk of changes in market interest rates relates primarily to the company's cash balances. The Board constantly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates.

	Floating Interest Rate		**Fixed Interest Rate <1 Year**		**Non-interest Bearing**		**Total**	
	2017 $	**2016 $**	**2017 $**	**2016 $**	**2017 $**	**2016 $**	**2017 $**	**2016 $**
Consolidated								
Financial Assets								
Cash and cash equivalents	340,716	152,812	12,000	14,760	26,095	5,680	378,811	173,252
Receivables	-	-	-	-	10,709	23,565	10,709	23,565
Available for sale financial assets	-	-	-	-	-	20,997	-	20,997
	340,716	152,812	12,000	14,760	36,804	50,242	389,520	217,814
Weighted average interest rate	0.60%	0.75%	-	-				

	Floating Interest Rate		Fixed Interest Rate <1 Year		Non-interest Bearing		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$
Consolidated								
Financial Liabilities								
At amortised cost								
Payables	-	-	-	-	208,172	16,099	208,172	16,099
Borrowings	-	-	-	-	19,281	-	19,281	-
	-	-	-	-	227,453	16,099	227,453	16,099

All trades and other payables within the Group are due in less than one (1) year.

c. *Credit Risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date for financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the *Consolidated Statement of Financial Position* and *Notes to the Financial Statements*.

Receivable balances are monitored on an on-going basis with the result that the Group does not have a significant exposure to bad debts.

The credit risk for counterparties included in trade and other receivables at 30 June 2017 is detailed below:

	Consolidated	
	Year Ended 30 June 2017	Year Ended 30 June 2016
	$	$
Trade and Other Receivables		
Other Receivables	10,709	23,565
	10,709	23,565

Trade and other receivables within the Group are expected to be received as follows:

Less than 6 months	10,709	23,565
6 months to 1 year	-	-
1 to 5 years	-	-
Over 5 years	-	-
	10,709	23,565

Receivables that are unlikely to be recovered have been impaired in full. The remainder of the receivables are not past due and have not been impaired.

d. *Liquidity Risk*

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

e. *Fair Values*

The net fair value of the Group's at-call and short-term deposits with banks, accounts receivables and payables are in line with the carrying values.

No financial assets and financial liabilities are readily traded on organised markets in standard form other than available for sale financial assets.

The aggregate fair value and carrying amounts of financial assets and financial liabilities at balance date are as follows:

	Consolidated	
	Year Ended 30 June 2017	**Year Ended 30 June 2016**
	$	**$**
Financial Assets		
Cash and cash equivalents	378,811	173,252
Trade and other receivables	10,709	23,565
Available for sale financial assets	-	20,997
	389,520	217,814

The fair values are comparable to their carrying amount.

Financial Liabilities		
Trade and other payables	208,172	16,099
Borrowings	19,281	-
	227,453	16,099

4. Revenue

	Consolidated	
	Year Ended 30 June 2017	**Year Ended 30 June 2016**
	$	**$**
Non-Operating Activities		
Interest received	2,504	3,904
	2,504	3,904

5. Income Tax Expense

(a) The components of income tax expense comprise of:

Current Tax	-	-
Deferred Tax	-	-
Under/Over provision from previous years	-	-

(b) The prima facie tax benefit on loss from ordinary activities before tax is reconciled to the income tax as follows:

	Consolidated	
	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Prima facie tax (benefit) on operating loss from ordinary activities before tax at 27.5%	(190,064)	(1,953,925)
Due diligence DRC Congo Assets	23,385	-
Eliminate expenses of DRC subsidiaries (not tax consolidated)	40,717	-
Impairment of financial assets available-for-sale	1,732	4,042
Fines and penalties	347	-
Fair value gain on a derivative	-	1,864,500
Tax effect on timing difference	11,248	(58,669)
Capital raising and other costs deducted	(31,326)	(42,776)
Unrealised foreign exchange gain	(6,377)	-
Deferred tax assets not brought to account	150,338	186,828
Income tax for the year	-	-

(c) Deferred tax assets/liabilities:

	Consolidated	
	Year Ended 30 June 2017	**Year Ended 30 June 2016**
Deferred tax balances	**$**	**$**
Deferred tax liabilities:		
Capitalised exploration expenditure	-	-
	-	-
Deferred tax assets:		
Capital Raising	-	-
Available for sale financial assets	-	-
Provisions and accruals	-	-
Carry forward income tax losses	-	-
Carry forward capital losses	-	-
Deferred tax assets not recognised	-	-
Net deferred tax asset/liability	-	-
Unrecognised deferred tax balances		
Deferred tax assets:		
Available for sale financial assets	97,020	91,246
Capital raising costs	40,346	25,966
Provisions and accruals	11,248	4,125
Loss on the fair market value adjustment on derivative	-	-
Carry forward capital losses	791,838	791,838
Carry forward income tax losses	9,669,025	9,535,721
	10,609,477	10,448,896

(d) Tax losses

The company has Australian income tax losses of $35,160,092 (2016: $34,675,351), Australian capital losses of $2,879,411 (2016: $2,879,411) and Democratic Republic of Congo income tax losses of $148,060 (2016: nil) for which no deferred tax asset is recognised in the *Statement of Financial Position*. Losses are recoupable subject to relevant Australian and Democratic Republic of Congo taxation statutory requirements being met.

The tax benefits of the above deferred tax assets will only be obtained if:

(a) The company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilized;
(b) The Company continues to comply with the conditions for deductibility imposed by law; and
(c) No changes in income tax legislation adversely affect the company in utilising the benefits.

6. Auditor's Remuneration

Amounts received or due and receivable by the auditors, Grant Thornton Audit Pty Ltd, for:

	Consolidated	
	Year Ended 30 June 2017	**Year Ended 30 June 2016**
	$	**$**
Auditing or reviewing of the financial statements	42,825	38,560
	42,825	38,560

7. Cash and Cash Equivalent

	Consolidated	
	Year Ended 30 June 2017	**Year Ended 30 June 2016**
	$	**$**
Cash at bank	366,811	161,252
Restricted cash (a)	12,000	12,000
Total	378,811	173,252

Details of interest rates are disclosed in Note 3.

(a) Included in the Cash at Bank above are restricted funds relating to bonds:

Credit Card Bond	12,000	12,000
Total	12,000	12,000

8. Trade and Other Receivables

Current

	Consolidated	
	Year Ended 30 June 2017	**Year Ended 30 June 2016**
	$	**$**
Other Receivables	10,709	23,565
	10,709	23,565

9. Assets and Disposal Group Classified as Held for Sale

On 13 March 2015 the Company entered into a binding term sheet with Longflex Southern Cross Mining Limited and Riverglen Corporation Pty Ltd (**Longflex**) (**Agreement**) for the disposal of its entire interest in the share capital of Golden Iron Resources Ltd (**Golden Iron**), the holder of the Company's portfolio of mineral interests, being the main undertaking of the Company (**Disposal**).

The key terms of the Disposal are as follows:

(i) Completion of the Disposal is subject to and conditional on:

(a) The Company obtaining shareholder approval for the Disposal pursuant to ASX Listing Rule 11.2; and

(b) Satisfactory completion of due diligence by Longflex; and

(c) Completion of a formal share sale agreement on terms reasonably acceptable to Vector and Longflex;

(ii) The consideration to be paid by Longflex for the Disposal is the sum of $455,000.

The Company obtained Shareholder approval on 4 May 2015.

On 8 December 2015, the Company announced that it had terminated the Agreement with Longflex.

The Company entered into a new agreement with Toil Resources Pty Ltd for the disposal of Golden Iron Resources Ltd on terms no less favourable and for the same consideration payable pursuant to the Longflex Agreement.

During the 2016 year, the Company completed the disposal of its interest in the share capital of Golden Iron Resources Ltd.

Opening loss of the Company and subsidiaries' until the date of disposal and the profit and loss from re-measurement and disposal of assets and liabilities classified as held for sale is summarised as follows:

	Consolidated	
	Year Ended 30 June 2017 $	**Year Ended 30 June 2016 $**
Operating sales revenue	-	-
Cost of sales	-	-
Other income	-	2
Debt forgiveness	-	120,944
Administration expenses	-	-
Impairment of exploration and evaluation	-	-
Exploration expenditure not capitalised	-	(121,382)
Occupancy costs	-	-
Other expenses	-	(6)
	-	(442)
Loss for the year from discontinued operations	-	(442)

The major classes of assets and liabilities of the Company included in the disposal group classified as held for sale as at 30 June are as follows:

Assets and Disposal Group Classified as Held for Sale (Continued)

	As at 30 June 2017	As at 30 June 2016
Non-current assets:		
Property, plant and equipment	-	-
Exploration and evaluation expenditure assets	-	-
Current assets		
Inventories	-	-
Other receivables	-	-
Cash and cash equivalents	-	-
Assets classified as held for sale	-	-
Trade and other payables	-	-
Liabilities classified as held for sale	-	-

Cash flows generated by the Company and subsidiaries for the reporting periods under review until the disposal are as follows:

Operating activities	-	-
Investing activities	-	-
Cash flows from discontinued operations	-	-

10. Property, Plant and Equipment

Property Plant & Equipment by category:

	Consolidated	
	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Motor Vehicles		
Opening balance	-	-
Plus: additions	13,058	-
Less: depreciation	(377)	-
Net exchange differences	7	-
	12,688	-
Total Property, Plant and Equipment		
Opening balance	-	-
Plus: additions	13,058	-
Less: depreciation	(377)	-
Net exchange differences	7	-
	12,688	-

11. Financial Assets

	Consolidated	
	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Available for Sale Financial Assets	314,951	314,951
Provision for impairment	(314,951)	(293,954)
	-	20,997

Available for sale financial assets have been valued based on the market value at the year end. The available for sale financial assets are considered to be a level 1. Given the significant decline in market value at 30 June 2017, the Group has recognised an impairment charge of $20,997.

12. Exploration and Evaluation Expenditure

Non-Current

	Consolidated	
	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Deferred exploration expenditure, at cost	5,414,784	-
Exploration expenditure movement:		
Brought forward at beginning of year	-	-
Acquisition of 70% interest in Maniema Gold Project(i)	4,850,000	-
Exploration expenditure capitalised during year	564,784	-
Carried forward exploration expenditure	5,414,784	-

The value of the company's interest in exploration evaluation expenditure is dependent upon:

- The continuance of the company's right of tenure of the areas of interest;
- The results of future exploration; or
- The recoupment of costs through successful development and exploitation of the areas of interest or, alternatively, by their sale.

There may exist, on the company's exploration properties, areas subject to claim under Native Title or containing sacred sites or sites of significance. As a result, the company's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

(i) On 10 January 2017, the Company completed the acquisition of a 70% interest in the Maniema Gold Project, located in the Maniema Province in the Democratic Republic of Congo. The acquisition costs is made up of:

a. $350,000 cash
b. 400,000,000 shares at $0.01 to the vendors; and
c. 50,000,000 shares at $0.01 to advisers.

13. Trade and Other Payables

Current

	Consolidated	
	Year Ended 30 June 2017	Year Ended 30 June 2016
	$	$
Trade Payables	152,791	11,163
Other Payables	1,181	4,936
Due to Directors and related entities	54,200	-
	208,172	16,099

14. Borrowings

	Consolidated	
	Year Ended 30 June 2017	Year Ended 30 June 2016
	$	$
Current		
Unsecured Loan	19,281	-
	19,281	-

The unsecured loan is non-interest bearing and has no fixed term of repayment.

15. Share Capital

Ordinary Shares

Share capital 1,049,814,340 (2016: 269,814,340) fully paid ordinary shares.

	Consolidated	
	Year Ended 30 June 2017	Year Ended 30 June 2016
	$	$
At the beginning of the reporting period	38,340,151	25,120,727
Fully paid ordinary shares issued from conversion of convertible note	-	12,950,000
Fully paid ordinary shares issued to settle loan	300,929	-
Fully paid ordinary shares issued during the period from capital raising	1,349,071	280,000
Fully paid ordinary shares issued for acquisition	4,500,000	-
Share issue costs	(83,280)	(10,576)
At reporting date	44,406,871	38,340,151

	Number of shares	Number of shares
Opening balance	269,814,340	80,814,340
Settlement of convertible note	-	185,000,000
Issued during the period	780,000,000	4,000,000
Closing balance	1,049,814,340	269,814,340

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one (1) vote when a poll is called, otherwise each shareholder has one (1) vote on a show of hands.

Issued capital was consolidated after a resolution was passed at the shareholders' meeting on 29 March 2017. Hence, the number of Shares have been adjusted for a 1 for 5 consolidation.

Capital Management
Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital and options.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

16. Reserves

Options and Share Based Payments Reserve

	Consolidated	
	Year Ended 30 June 2017	**Year Ended 30 June 2016**
	$	**$**
At the beginning of the reporting period	-	2,502,913
Options issued	-	-
Expiration of share options	-	(2,502,913)
At reporting date	-	-

	Number of options	**Number of options**
Opening balance	-	800,000
Issued during the period	-	-
Forfeited during the period	-	-
Expired during the period	-	(800,000)
Closing balance	-	-

17. Other Components of Equity

The details of other reserves are as follows:

	Foreign currency translation reserve $	AFS financial assets reserve $	Total $
Balance at 1 July 2015	-	-	-
OCI for the year:			
AFS financial assets:			
Current year gains	-	14,698	14,698
Balance at 30 June 2016	-	14,698	14,698

	Foreign currency translation reserve $	AFS financial assets reserve $	Total $
Balance at 1 July 2016	-	14,698	14,698
OCI for the year:			
AFS financial assets:			
Current year gains/(loss)	-	(14,698)	(14,698)
Exchange differences on translating foreign operations	(19,157)	-	(19,157)
Balance at 30 June 2017	(19,157)	-	(19,157)

18. Accumulated Losses

Accumulated Losses

	Consolidated	
	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
At the beginning of the reporting period	38,153,134	33,536,165
Loss for the period	589,130	7,119,882
Expiration of share options	-	(2,502,913)
At reporting date	38,742,264	38,153,134

19. Segmental Information

a. Type and Location

The operating segments are identified by the Directors based on the type of exploration being conducted by the Group. Financial information of these operating businesses is reported to Board on a half yearly basis.

During the current year, the Group has only one operating segment being Gold exploration located in the Democratic Republic of Congo. All other activities are considered to relate to the Corporate Head Office.

b. Basis of accounting for purposes of reporting by operating segments

Unless stated otherwise, all amounts reported to the Directors are determined in accordance with accounting policies that are consistent with those adopted in the Annual Financial Statement of the Group.

c. Discontinued operations

During the 2016 period the Company disposed of its interest in Golden Iron Resources Limited which held tenements in Western Australia. This related to the Gold Segment (Refer to Note 9).

Segment Information (continued)

Segment Performance	**Gold**		**Other**		**Total**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**	**$**	**$**
Operating sales revenue	-	-	-	-	-	-
Revenues from discontinued operations	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Cost of goods sold from discontinued operations	-	-	-	-	-	-
Other income	-	-	2,504	3,904	2,504	3,904
Forgiveness of debt	-	-	-	146,974	-	146,974
Fair value gain/(loss) on embedded derivative	-	-	-	(6,780,000)	-	(6,780,000)
Impairment of financial assets	-	-	(6,299)	-	(6,299)	-
Employee benefits expenses	(106,848)	-	(359)	(3,267)	(107,207)	(3,267)
Consulting fees	-	-	(850)	(89,417)	(850)	(89,417)
Administration expenses	(25,628)	-	(142,590)	(97,271)	(168,218)	(97,271)
Depreciation expense	(377)	-	-	-	(377)	-
Due diligence expenses	-	-	(85,037)	(42,500)	(85,037)	(42,500)
Finance costs	-	-	(15,058)	(178,139)	(15,058)	(178,139)
Occupancy costs	(15,207)	-	(360)	(2,938)	(15,567)	(2,938)
Directors' fees	-	-	(159,500)	(49,583)	(159,500)	(49,583)
Other expenses	-	-	(77,939)	(27,203)	(77,939)	(27,203)
	(148,060)	-	(485,488)	(7,119,440)	(633,548)	(7,119,440)
Operating losses from discontinued operations	-	(442)	-	-	-	(442)
Loss for the period	(148,060)	(442)	(485,488)	(7,119,440)	(633,548)	(7,119,882)

Segment Information (continued)

	Gold*		Other#		Total	
	2017	2016	2017	2016	2017	2016
	$	$	$		$	$
Segment Assets						
Exploration Expenditure						
Opening balance	-	-	-	-	-	-
Acquisition	4,850,000	-	-	-	4,850,000	-
Exploration expenses capitalised	564,784	-	-	-	564,784	-
	5,414,784	-	-	-	5,414,784	-
Other assets	38,783	-	363,425	217,814	402,208	217,814
Total Assets	5,453,567	-	363,425	217,814	5,816,992	217,814
Segment liabilities	(91,837)	-	(135,616)	(16,099)	(227,453)	(16,099)
Net Assets	5,361,730	-	227,809	201,715	5,589,539	201,715

**Gold segment represents Democratic Republic of Congo*
#Head Office represents Australia

20. Cash Flow Information

a. *Reconciliation of cash*

Cash at the end of the financial year as shown in the *Consolidated Statement of Cash Flows* is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents

	Consolidated	
	Year Ended 30 June 2017 $	**Year Ended 30 June 2016 $**
Cash at bank and in hand	378,811	173,252
Reconciliation of loss after income tax to net cash outflow from operating activities		
Loss for the year	(633,548)	(7,105,184)
Non-cash flows in loss from ordinary activities		
Depreciation expense	377	-
Due diligence expense	85,037	-
Forgiveness of debt	-	(268,477)
Finance costs	15,058	178,139
Fair value loss on embedded derivative	-	6,780,000
Gain on the financial assets available for sale	-	(14,698)
Impairment of financial assets	6,299	-
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	12,856	(20,522)
Increase/(Decrease) in trade and other payables	184,915	(86,047)
Net cash used in operating activities	(329,006)	(536,789)

21. Controlled Entities

a. Composition of the Group

Controlled Entities included in the consolidated financial statements are listed below. The financial year ends for the controlled entities are the same as the parent entity.

	Principal Activity	Country of Incorporation	Ownership Interest 2017 %	Ownership Interest 2016 %
Vector DR Congo SA	Gold Exploration	Democratic Republic of Congo	100	-
Maniema Gold Company SA	Gold Exploration	Democratic Republic of Congo	70	-
Louise Minerals Pty Ltd	Mineral Exploration	Australia	100	100
Muriels Extension Pty Ltd	Mineral Exploration	Australia	100	100
Pure Dawn Pty Ltd*	Investment	Australia	-	100

**Pure Dawn Pty Ltd was dormant during the 2016 year and was deregistered in 2017.*

b. Losing control over a subsidiary during the reporting period

During the 2016 year, the Group disposed of its 100% equity interest in its subsidiary, Golden Iron Resources Ltd. The subsidiary was classified as held for sale in the 2015 financial statements (see Note 9).

Consideration of $455,000 was received in 2016. At the date of disposal, the carrying amounts of Golden Iron Resources Ltd's net assets were as follows:

	$
Non-current assets:	
Property, plant and equipment	-
Exploration and evaluation expenditure assets	455,000
Current assets	
Inventories	-
Other receivables	-
Cash and cash equivalents	-
Total assets	455,000
Current liabilities	
Trade and other payables	-
Total liabilities	
Total net assets	455,000
Net cash received	**455,000**
Loss on disposal	**-**

22. Commitments and Contingencies

	Consolidated	
	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
Exploration Expenditure		
No later than one (1) year	-	-
Longer than one(1) year, but not longer than five (5) years	-	-
Longer than five (5) years	-	-
	-	-

23. Related Party Transactions

Loans made by/(to) Director and Director related entities

The Group owed Directors and companies associated with the Directors amounts relating to funds advanced and services provided.

Balances receivable/(payable) to Directors and Director related companies as at end of year:

	Year Ended 30 June 2017 $	Year Ended 30 June 2016 $
JC Trust	11,000	-
Mandevilla Pty Ltd	12,600	-
Perizia Investments Pty Ltd	12,600	-
Abminga Nominees Pty Ltd	18,000	-
	54,200	-

Services provided by Director related entities

For services provided by Director Related Entities, refer to *Remuneration Report* disclosed in the *Directors' Report* for Consulting Fees earned by the Directors and their related or associated entities for matters of an administrative nature and conducted on normal commercial terms.

Remuneration of Key Management Personnel

	Consolidated	
	Year Ended 30 June 2017	**Year Ended 30 June 2016**
	$	**$**
Short-term	268,750	156,152
Forgiveness of debt	-	(267,919)
Post-employment superannuation	-	-
Option based payments	-	-
	268,750	(111,767)

During the 2016 year, the directors forgave directors' fees and consulting fees totalling $267,918. Details of the movement in the fees payable to the directors are set out in the table below:

	B Williams $	G Castledine $	N Bassett $	G Povey $	Total $
Payable at 30 June 2015	**80,666**	**80,000**	**152,000**	**280,077**	**592,743**
Invoiced including GST through 2016	29,335	30,000	70,933	45,767	176,035
Fees Forgiven*	(42,145)	(19,417)	(85,413)	(120,944)	(267,919)
GST Forgiven*	(4,215)	(1,942)	(8,541)	(12,094)	(26,792)
Payout	(63,641)	(88,641)	(128,979)	(192,806)	(474,067)
Outstanding as at 30 June 2016	**-**	**-**	**-**	**-**	**-**

*Fees forgiven and GST forgiven were applied against 2016 payables first and the remaining balance was applied against 2015 payables.

Other Transactions with Key Management Personnel

Services

A capital raising fee of $36,673 was paid to Westar Capital Ltd, a company of which Mr Neville Bassett is a director and shareholder. The amounts paid were on arm's length commercial terms.

Maniema Gold Project Acquisition

The Maniema Gold Project was acquired from an entity which Mr Jason Brewer is a Director.

Mintaka Nominees Pty Ltd received 7,000,000 Shares at $0.01 as adviser fees in relation to the Maniema Gold Project acquisition. The following related party companies are shareholders of Mintaka Nominees Pty Ltd:

o 28.75% interest is held be Mandevilla Pty Ltd, a company of which Mr Neville Bassett is a director and a controlling shareholder; and

o 28.75% interest is held be Perizia Investments Pty Ltd, a company of which Mr Gary Castledine is a director and a controlling shareholder.

24. Events Subsequent to Balance Date

No matters or circumstances have arisen, since the end of the financial year, which significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years, other than the Company completing a placement to sophisticated and professional investors of 157,472,151 Shares at an issue price of $0.005 per share to raise gross proceeds of approximately $787,360.

25. Earnings per Share

	Consolidated	
	Year Ended 30 June 2017 $	**Year Ended 30 June 2016 $**
Net loss for the year	(589,129)	(7,105,184)
Weighted average number of ordinary shares outstanding during the year used in calculations of EPS	650,197,902	261,289,639
EPS – dollars	(0.001)	(0.025)
Diluted EPS - dollars	(0.001)	(0.025)

26. Parent Entity Information

	Consolidated	
Information relating to Vector Resources Ltd	**Year Ended 30 June 2017 $**	**Year Ended 30 June 2016 $**
Current Assets	1,027,826	217,814
Total Assets	5,725,155	217,817
Current Liabilities	(135,616)	(16,099)
Total Liabilities	(135,616)	(16,099)
Net Assets	5,589,539	201,718
Issued Capital	44,406,871	38,340,151
Accumulated losses	(38,817,332)	(38,138,433)
Total Shareholder's Equity	5,589,539	201,718
Loss of the parent Entity	(678,899)	(7,108,113)
Total Loss of the parent entity	(678,899)	(7,108,113)

27. Interest in Joint Ventures

During the period, the Group acquired a 70% joint venture interest in the Maniema Gold Project by executing an Agreement to acquire African Royalty's rights under the WBK Agreement.

Under the terms of the Agreement and the WBK Agreement:

- the Company will take assignment of African Royalty's rights and assume its obligations under the WBK Agreement;
- the Company will be responsible for sole funding all exploration and administrative costs associated with exploration of the Project up to a development stage, with such funding advanced as shareholder loans to the Joint Venture Company, Maniema Gold Company SA, to be repaid on a priority basis from the commencement and proceeds of production;
- the Company will be granted a pre-emptive right to acquire up to a further 10% shareholding in the Joint Venture Company upon definition of a JORC (2012 Code) indicated resource in excess of 1 million ounces at a cut off grade in excess of 2.5g/t, on terms to be agreed between the parties;
- the Company will undertake to invest a minimum of $1.0 million into the Joint Venture Company over the 12 months from Settlement for exploration on the Project; and
- the Company will enter into a royalty agreement under which the Company will grant a royalty of 1% of gross revenue on all bullion or other mineral sales made by the Joint Venture Company from the Project to the WBK and African Royalty stakeholders.

28. Contingent Liabilities and Contingent Assets

During the period, the Group acquired 70% interest in the Maniema Gold Project (refer Note 12 and 27). The agreement includes contingent liabilities of:

- a $600,000 cash payment to the vendor should the Joint Venture develop the project. The likelihood of meeting this milestone was unable to be determined at the date of this report;
- issue an additional $500,000 fully paid ordinary shares on establishment of a JORC (2012 code) resource in excess of 1 million ounces at a cut off grade of 2.5g/t; and
- upon the Project commencing production, the Company will pay a Royalty of 1% on all bullion or other mineral sales made from the Project.

29. Share Based Payments

There were no share based payments made during the financial year.

The weighted average exercise price, outstanding options and options exercised are as follows:

2017

	Number of options	Weighted Average Exercise Price
Opening balance	-	-
Issued during the period	-	-
Expired during the period	-	-
Exercised during the period	-	-
Closing balance	-	-

There were no outstanding options at the end of the reporting period.

2016

	Number of options	Weighted Average Exercise Price
Opening balance	800,000	$2.00
Issued during the period	-	-
Forfeited during the period	(800,000)	$2.00
Exercised during the period	-	-
Closing balance	-	-

ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by the *Australian Securities Exchange* (ASX) listing rules as at 18 September 2017.

List of 20 largest shareholders

Ranking	Name	Shares Held	% of total shares
1	GLENEAGLE SECURITIES NOMINEES PTY LIMITED	60,708,500	5.03%
2	WB KASAI INVESTMENTS CONGO SARL	60,000,000	4.97%
3	GOLDFIRE ENTERPRISES PTY LTD	57,561,360	4.77%
4	JC TRUST PTY LTD	50,000,000	4.14%
5	GREYWOOD HOLDINGS PTY LTD	41,500,000	3.44%
6	MS CHUNYAN NIU & MS RAN LI	39,500,000	3.27%
7	MR BIN LIU	39,500,000	3.27%
8	DAVY CORPY PTY LTD	35,100,000	2.91%
9	MS CLAUDINE MAYNARD	35,000,000	2.90%
10	MR ROBERT ANDREW MCCRAE	32,665,999	2.71%
11	JJC CONSULTING SERVICES (SINGAPORE) PTE LTD	25,000,000	2.07%
12	MR MAKONGA NGOY PELASA	20,000,000	1.66%
13	MR LUFUNGA MBAYO PELASA	20,000,000	1.66%
14	SPINITE PTY LTD	20,000,000	1.66%
15	CHALEYER HOLDINGS PTY LTD	20,000,000	1.66%
16	MYRA NOMINEES PTY LIMITED	20,000,000	1.66%
17	1620 CAPITAL PTY LTD	19,472,151	1.61%
18	THREEBEE INVESTMENT GROUP PTY LTD	19,300,000	1.60%
19	MR ANTOINE LOKONDO	18,000,000	1.49%
20	FILMRIM PTY LTD	17,200,000	1.42%
		650,508,010	53.90%

Substantial Shareholders

Name	Shares Held	% of total shares
GLENEAGLE SECURITIES NOMINEES PTY LIMITED	60,708,500	5.03%

Distribution of shareholder's holdings

Ordinary shares held	Number of shareholders	Number of Shares
1-1,000	74	31,087
1,001-5,000	329	989,959
5,001-10,000	157	1,239,272
10,001-100,000	430	17,754,100
100,001 and over	469	1,187,272,073
Total	**1,459**	**1,207,286,491**
Unmarketable Parcels	827	8,333,351

Enquiries

Shareholders with any enquiries about any aspect of their shareholdings should contact the Company's share register as follows:

Link Market Services
Level 12, QVI Building
250 St Georges Terrace
Perth WA 6000

Tel: 1300 554 474 or +61 2 8280 7111
Web: www.linkmarketservices.com.au

Stock Exchange Listing

The Company's shares are listed on the *Australian Securities Exchange* (ASX) under the code VEC.

Restricted Securities

There are no restricted securities or securities subject to voluntary escrow.

Voting Rights

Shares

On a show of hands every member present in person or by proxy or attorney or being a corporation by its authorised representative who is present in person or by proxy, shall have one vote for every fully paid ordinary share of which he is a holder.

Options

Options have no voting rights until such options are exercised as fully paid ordinary shares.

On-market Buy-back

Currently there is no on-market buy-back of the Company's securities.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Vector Resources Limited are responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

ASX Listing Rule 4.10.3 requires listed companies to disclose the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period. The Corporate Governance Statement and the Appendix 4G statement have been released to the ASX and can be found on the Company's website at www.vectorresources.com.au