

## **QUARTERLY ACTIVITIES REPORT FOR THE 3 MONTH PERIOD ENDING 30 SEPTEMBER 2017**

26 OCTOBER 2017

### **HIGHLIGHTS FOR THE QUARTER**

- Successful exploration activities undertaken at Maniema Gold Project during the Quarter resulted in two new gold discoveries - Eveche Gold Prospect and Lukele Gold Prospect
- The Eveche Gold Prospect is located on license PR 4801, 500m from the existing Mitunda Gold Prospect and comprises multiple quartz vein sets with one main steeply dipping quartz vein mapped over an initial strike length of 600m and which remains open at depth and along strike and where visible gold has been observed by Vector's senior management
- The new Lukele Gold Prospect is located 700m west of the Company's main Kabotshome Gold Prospect which has an Inferred Mineral Resource of 6,966,000 tonnes at 1.9g/t gold for 422,000ozs (refer ASX Announcement 17 January 2017) and comprises exposed weathered metasediments and numerous cross cutting vein structures again with visible gold identified
- Diamond drilling contract executed with African Drilling Limited for an initial 4,000m in-fill and extensional diamond drilling program to commence at the Kabotshome Gold Prospect
- Mobilisation of African Drilling Limited to site commenced during the Quarter with diamond drilling activities now ongoing at the Kabotshome Gold Prospect
- Company currently assessing opportunities for the commencement of small scale mining operations at the Maniema Gold Project
- Discussions advanced during the Quarter on new project acquisitions, with the Company's technical management currently in the DRC undertaking site visits, technical due diligence and detailed negotiations scheduled in early November 2017
- Appointment of highly experienced finance executive, Mr Andrew Steers as Chief Financial Officer to strengthen the Company's senior management team as it expands its activities in the DRC

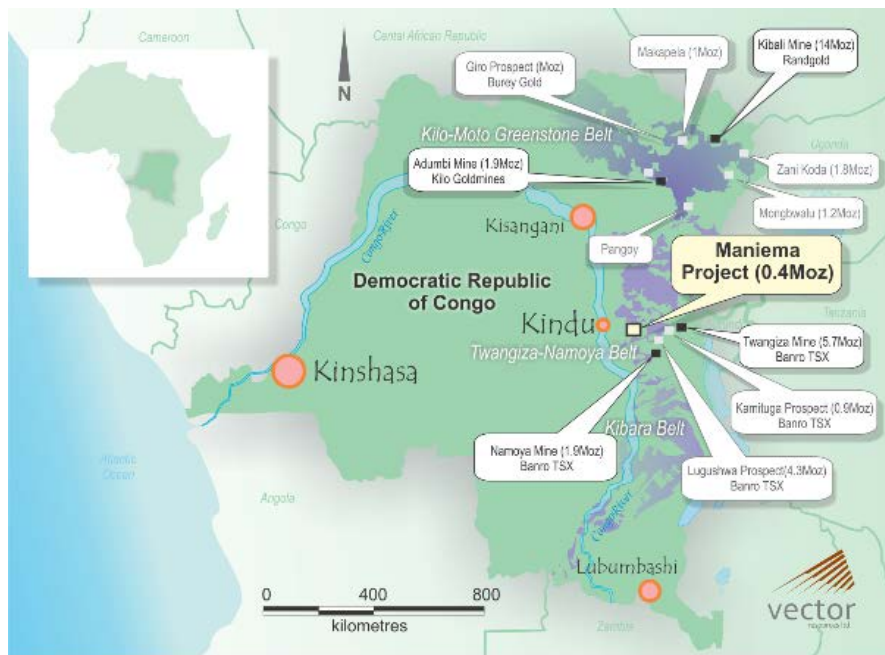
The Board of Vector Resources Limited ("Vector" or the "Company") provides the following operations report and quarterly cash flow report (Appendix 5B) of its activities during the three months ended 30 September 2017.

## MANIEMA GOLD PROJECT

During the Quarter, the Company continued to advance its exploration activities at its 70% owned Maniema Gold Project, located in the Maniema Province in the Democratic Republic of Congo (“DRC”).

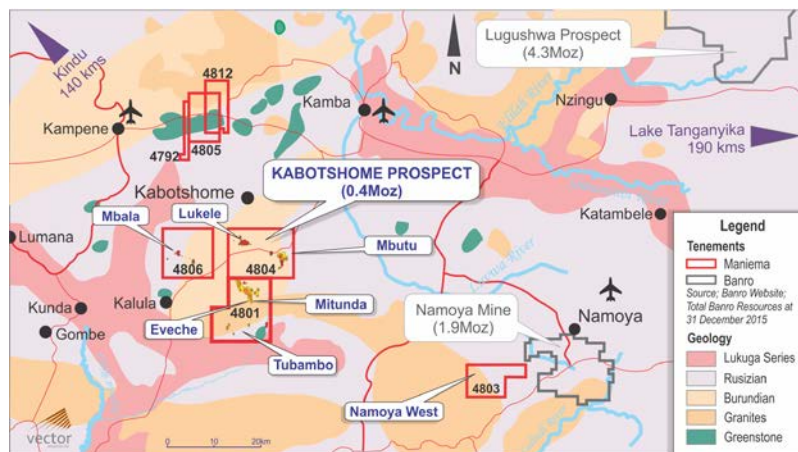
The Maniema Gold Project is located in the world renowned and Twangiza-Namoya Gold corridor and in northern part of Kibaran Gold Belt and comprises seven granted exploration licences.

The Company is currently finalising the conversion of these exploration licences to small scale mining operation leases. The Company is currently reviewing the opportunity to establish bulk sampling activities to produce gold at its Maniema Gold Project and these licence conversions will allow these production activities to commence.



**Figure 1** Location of the Maniema Gold Project

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



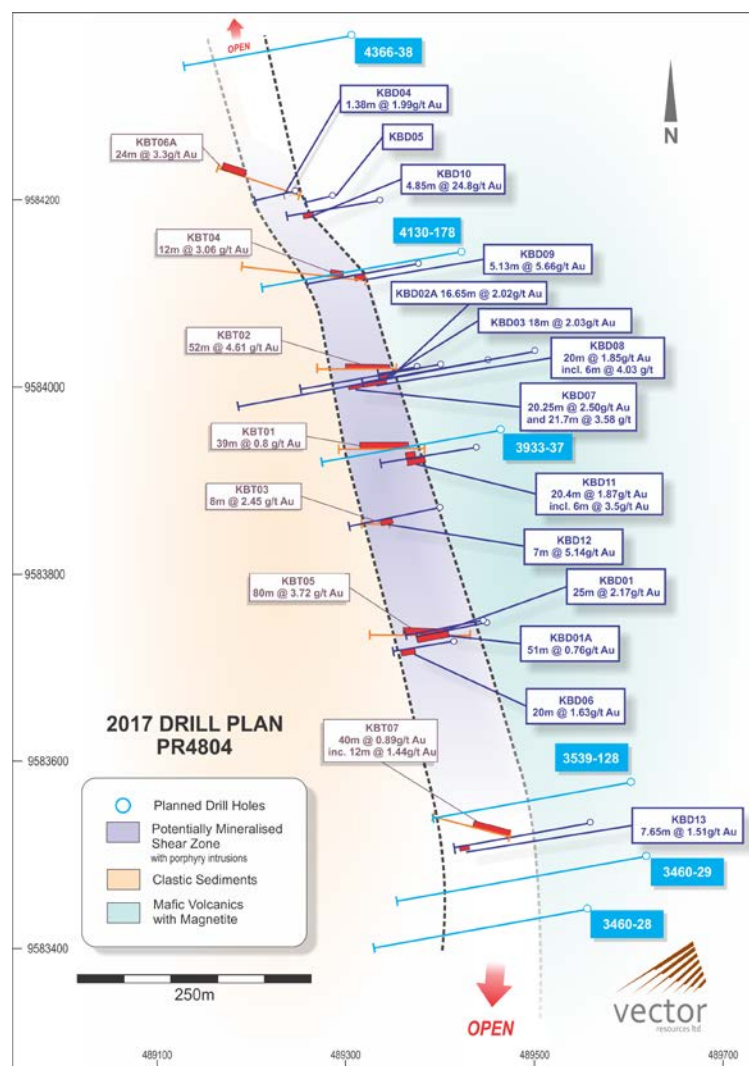
**Figure 2** Location of the Maniema Gold Project’s Seven Exploration Licenses and Main Gold Prospects

The Company's principal focus during the Quarter was on work at the Kabotshome, Mitunda and Namoya West Prospects that have been defined within the Maniema Gold Project area from previous exploration. The Kabotshome Gold Prospect is the most advanced. This work has resulted in two new gold discoveries, Eveche (located 500m from the Mitunda Prospect) and Lukele (700m from the Kabotshome Prospect), that will also be prioritised in terms of ongoing exploration activities.

### KABOTSHOME GOLD PROSPECT

During the Quarter, the Company executed its first diamond drilling contract with African Drilling Limited ("ADL") for a 4,000m drilling program.

The first 6 holes will focus on the Kabotshome Gold Prospect and has been designed as part of an in-fill and extensional program around the existing JORC Inferred Resource of 6.97MT at 1.9g/t Au for 421,000oz and which remains open along strike and at depth.



**Figure 3** Plan of 6 diamond holes to test ore body extensions at Kabotshome Gold Prospect

Extensions to the gold mineralisation at depth to the north and south of the Kabotshome Gold Prospect is planned as part of the drilling program. This is to test the twin thick high-grade mineralisation intersected in the deepest diamond hole drilled to date at the Kabotshome Gold Prospect, KBD07.

This previous drill hole reported grade intercepts of 20.25m at 2.5g/t (from 319m) include 8m at 4.03g/t and 21.7m at 3.58g/t (from 354m) including 5.7m at 8.74g/t.

In-fill drilling to also proceed to the north between existing drill holes KBD10 and KBD09 (4.85m at 24.8g/t and 5.13m at 5.66g/t) and drill holes KBD02A and KBD03 (16.65m at 2.02g/t and 18m at 2.03g/t)

Strike extensions to the north and south at the Kabotshome Gold Prospect also to be tested with three diamond holes to be drilled and to follow up on previous trenching that reported 24m at 3.33g/t in KBT06A and 12m at 3.06g/t in KBT04

## LUKELE GOLD PROSPECT

During the Quarter, ongoing mapping and surveying work by the Company's geologists on existing and historical artisanal sites around the main Kabotshome Gold Prospect, led to a new gold discovery on licence PR4804, located just 700m from Kabotshome – the Lukele Gold Discovery (refer ASX Announcement dated 29 September 2017).

Surface artisanal mining activities at Lukele have exposed weathered metasediments and numerous cross cutting vein structures. The Company's technical management and geologists were also able to observe limited artisanal gold production from oxidised material.

Small gold specimens recovered from the Lukele Gold Prospect by the Company's geologists analysed using the precious metals XRF analyser at the Perth Mint indicated results of 94% gold content. The Company's geologists are currently mapping the area in order to improve the geological understanding and its relationship to the nearby Kabotshome Gold Prospect.



**Figure 4** Location of the Lukele Gold Prospect on PR 4804, exploration camp and other key gold prospects

The Company's exploration camp facilities was also completed and upgraded during the Quarter and is now able to accommodate up to 20 people. The exploration camp, which includes all administration and telecommunications facilities, is well positioned among the main gold prospects of the Maniema Gold Project. During the Quarter the Company also completed work that has led to the re-establishment of the local airstrip.



## MITUNDA AND EVECHE GOLD PROSPECTS

During the Quarter, Company's senior geologists continued to conduct mapping of the Mitunda Gold Prospect. This included reviews of a number of areas that are subject to small scale artisanal mining activities.

This work resulted in the discovery of a major new gold prospect, the Eveche Gold Prospect (refer ASX Announcement dated 6 September 2017). The Eveche Gold Prospect is located on PR 4801 and is only 500m from the Company's Mitunda Gold Prospect.

The Eveche Gold Prospect 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 along strike.

The main steeply dipping quartz vein at the Eveche Gold Prospect is located on the western boundary of the same geochemical anomaly where the Mitunda Gold Prospect is located.



**Figure 5** Active artisanal workings (looking south) that have exposed a near vertical major quartz vein over 600m with visible gold mineralisation

Artisanal miners are actively mining areas of the Eveche Gold Prospect and have exposed a major North-South striking vein.

The current mining activities appear to be focused on multiple small vein sets with the major artisanal excavation based on an extensive vein that is exposed for over 600m in length and the excavation is 1.5m in width. The vein is near vertical and dipping to the west.

During site visits and mapping work by Vector's senior management and geologists, visible gold mineralisation was observed in the main quartz vein, in cross cutting structures and in weathered metasediments sitting immediately above additional flat dipping quartz veins.

In addition to the main quartz vein, minor vein sets were also identified by the Company's senior management whilst on site.

These veins sets were noted to be flatter and also North-South in strike, dipping at 65° to the north and only 10 to 15cm wide with flatter East-West veins dipping north with similar widths.

Visible gold was also identified from weathered metasediments sitting immediately above the flat dipping quartz veins, with smaller quartz veins also seen.



**Figure 6:** Gold bearing oxide material – flat quartz vein at base of photo

During management's time at the Eveche Gold Prospect, artisanal miners were seen to be crushing the quartz vein material and recovering gold through multiple small sluicing races.

Given the extensive exposure of the main quartz vein at the Eveche Gold Prospect, which is almost as long as the main structure at the Kabotshome Gold Prospect located on the Company's contiguous PR 4804 license located to the north, further mapping and sampling work is underway.

## **CORPORATE ACTIVITIES**

On 10 July 2017, the Company announced that it has received firm commitments for a placement to sophisticated and professional investors to raise approx. A\$787,360.

Cleared funds for were subsequently received by the Company. A total of 157,472,151 fully paid ordinary shares in the capital of the Company were issued to investors at an issue price of A\$0.005 per share.

The Placement was made to investors qualifying under Section 708 of the Corporations Act and the Company used its existing 15% issue capacity under Listing Rule 7.1 to complete the issue.

The Placement was strongly supported by predominantly new overseas investors as well as advocates of the Company's growth strategy in the DRC. The funds raised have provided the Company with further working capital that will enable it to accelerate its planned 4,000m diamond drilling program at its Maniema Gold Project, including an initial 2,750m at the Kabotshome Gold Prospect.

The funds will also be used by the Company to complete further due diligence in the current quarter on the potential acquisition of a number of advanced and major resource project acquisitions in the DRC that senior management have been negotiating.

In addition, during the Quarter and as a result of the increase in activities in the DRC, the Company strengthened its senior executive team and DRC experience with the appointment of senior finance executive Mr. Andrew Steers.

Mr. Steers has commenced as CFO on initial contract basis and brings significant senior finance, commercial and in-country experience.

The strengthened management team are continuing to advance its negotiations with a number of parties to secure additional licenses and projects in the DRC.

Subsequent to the end of the Quarter, the Company's senior management team were in the DRC undertaking site visits and completing technical due diligence in respect to two major acquisition opportunities. Detailed negotiations on these acquisitions are scheduled in early November 2017.

The Company remains committed to establishing itself as a major DRC focused mining and exploration company.

ENDS

Simon Youds  
Chief Executive Officer

**For further information:**

Phone: +61 (8) 6188 7800

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

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

Twitter: @VECResources

Facebook: @VECResources

## **About Vector Resources Limited**

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

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

## **Competent Person Statement**

The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets, Mineral Resources or Ore Reserves has been compiled by Mr Peter Stockman who is a full time employee of Stockman Geological Solutions Pty Ltd. Mr Stockman is a member of the Australasian Institute of Mining and Metallurgy. Stockman Geological Solutions is engaged by Vector Resources Ltd as a consultant geologist.

Mr Stockman has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Stockman consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

## **Forward looking statements**

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.



### Tenement Information as required by Listing Rule 5.3.3

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

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

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