



QUARTERLY ACTIVITIES REPORT FOR THE 3 MONTH PERIOD ENDING 31 DECEMBER 2017

31 JANUARY 2018

HIGHLIGHTS FOR THE QUARTER

- Two major gold project acquisitions and proposed joint venture agreements announced during the Quarter:
 - Heads of Agreement executed with Mongbwalu Gold Mines SA ("MGM") and Fimosa Capital Limited ("Fimosa") for Vector to hold a 60% interest in the world-class Adidi-Kanga Gold Project located in the Ituri Province of the DRC
 - Binding agreements executed with state-owned gold mining company Société Minière de Kilo Moto ("SOKIMO") to finalise joint venture agreements for its 100% owned Kibali South Gold Project and Nizi Gold Project located in the Ituri and Haut Uele Provinces in the DRC
- Key technical consultants and advisors engaged during the Quarter to complete the due diligence reviews and to be subsequently appointed as the Adidi-Kanga Project Development team once the transaction has been completed
- Subsequent to the Quarters end, Vector confirmed successful completion of all technical and DRC legal due diligence on the Adidi-Kanga Gold Project, and advised that it was to proceed to finalise and execute all joint venture and transaction documentation
- Legal documentation with Fimosa and MGM's legal advisors continued during the Quarter with the Company looking to finalise the transaction in February 2018
- Vector management meeting senior SOKIMO staff to advance the acquisition of the 60-70% interests in the Kibali South and Nizi Gold Projects
- Execution and commencement of diamond drilling by African Drilling Limited ("ADL") for an initial 4,000m in-fill and extensional diamond drilling program at the Kabotshome Gold Prospect at the Maniema Gold Project
- Company continues to assessing opportunities for the commencement of small scale mining operations at the Maniema Gold Project
- Subsequent to the Quarters end, experienced DRC finance executive, Mr Andrew Steers appointed as CFO and Company Secretary, with the resignation of Mr Neville Bassett in the role and from the Board of the Company

The Board of Vector Resources Limited ("Vector" or the "Company") provides the following operations report and quarterly cash flow report (Appendix 5B) of its activities during the three months ended 31 December 2017.



ADIDI-KANGA GOLD PROJECT ACQUISITION

On 22 December 2017, the Company announced that it has executed a binding Heads of Agreement for the purchase of its 60% interest in the Adidi-Kanga Gold Project from MGM and Fimosa (refer **ASX Announcement 22 December 2017**).

The Adidi-Kanga Gold Project, a world class gold project, is located in the Moto goldfields in the Ituri Province of the DRC. The Adidi-Kanga Gold Project forms part of the Mongbwalu Gold Project, which comprises 13 licences extending over 5,033km². These licences were previously the subject of extensive exploration activities by AngloGold Ashanti, before being acquired by Fimosa in 2013.

The Adidi-Kanga Gold Project sits on granted Mining Lease PE5105 and is currently held by MGM as a joint venture between Fimosa (86.14%) and Sokimo (13.86%).



Figure 1: The Adidi-Kanga Gold Mine - Mongbwalu Gold Project Development Site located on Mining License PE5105

Between 2005 and 2013, AngloGold Ashanti completed significant exploration and development activities on the Mongbwalu licences. 173,276m of drilling has been completed on a 25m x 50m spacing and up to a 200m x 200m spacing across the broader license area and including 432 RC holes for 52,994m and 572 diamond holes for 119,278m. AngloGold Ashanti reported several historical resources, including SAMREC compliant Resources between 2010 and 2013 for the Adidi-Kanga Gold Mine.

The latest AngloGold Ashanti SAMREC Mineral Resource for the Project has been calculated at 11.9Mt at an average grade of 7.65g/t of gold for 2.9 million ounces at a 2.8g/t cut-off. Of this

5.4Mt at 7.64g/t for gold of 1.3 million ounces (2.8g/t cut-off) is in the Indicated Category and 6.5Mt at 7.65g/t for gold of 1.6 million ounces (2.8g/t cut-off) is in the Inferred Category. The Indicated Category is based on drill hole spacing of 25m x 50m and Inferred Category is based on spacing of 100m x 100m. The Company has not been provided with any more recent estimates or data that is relevant to the above SAMREC Mineral Resource.

These estimates are considered foreign and are not reported in line with the JORC (2012) Code. A Competent Person has not done sufficient work to classify these estimates under the JORC (2012) Code. It is uncertain that following further work that the foreign estimates will be able to be reported as mineral resource in accordance with the JORC (2012) Code. The Competent Person acknowledges that this mineral resource is foreign. The Competent Person confirms that the above SAMREC Mineral Resource is an accurate and reliable representation of the available information.



Figure 2: Drilling core yard at the Adidi-Kanga exploration site

Subsequent to the end of the Quarter, the Company confirmed that it has completed its technical & legal due diligence for the Adidi-Kanga Gold Project and reported no significant or material issues or discrepancies (refer **ASX Announcement 15 January 2018**).

The Company has also reported that a number of positive findings have been identified, particularly in respect to the exploration and drilling work completed and review of the resource database which has identified the opportunity to incorporate additional areas of mineralisation defined by previous wider spaced drilling by AngloGold Ashanti into a new JORC (2012) compliant resource that the Company is aiming to complete in the March 2018 quarter.

A Feasibility Study for the development of the Adidi-Kanga Mine was also finalised by AngloGold Ashanti, who commenced initial mine construction activities with the purchase and delivery to site of approximately 70% of the mechanical equipment proposed to be installed under the Feasibility Study.

This equipment is documented to have been purchased at an estimated cost of over US\$70m and included such items as crushers, ball mill, Knelson concentrator, compressors, mobile crusher, pumps, screens and mobile mining equipment.

The Company has performed an initial inspection of the mechanical and other equipment at the site and were satisfied with the condition and safety of the equipment. Further electrical and mechanical assessments will be required before the Company can fully determine the value of the equipment for future operational plans.



Figure 3 & 4: Mechanical plant, equipment & storage at the Adidi-Kanga site
Figure 5: Adidi-Kanga camp and kitchen area

The review of the status of the Adidi-Kanga Gold Mine has confirmed that the mine is already permitted for development, with Environmental and Social Impact Assessments completed and financial guarantees in place with the appropriate regulatory and administrative bodies.

The Vector Board has approved the Company to finalise the joint venture and transaction documentation with the relevant parties and this is progressing well. The Company is confident that the documentation will be completed in February 2018.



SOKIMO ACQUISITIONS, KIBALI SOUTH AND NIZI GOLD

On 7 December 2017, the Company announced that it had signed two binding agreements with SOKIMO under which the Company would finalise its due diligence and key terms for joint ventures to be established for the exploration and development of the Kibali South and Nizi Gold Projects located in the Ituri and Kilo Provinces in north-eastern DRC.

Kibali South Gold Project

The Kibali South Gold Project is located in the Moto goldfields of the north east DRC, approx. 560km north east of the city of Kisangani and 150km west of the Ugandan border town of Arua.

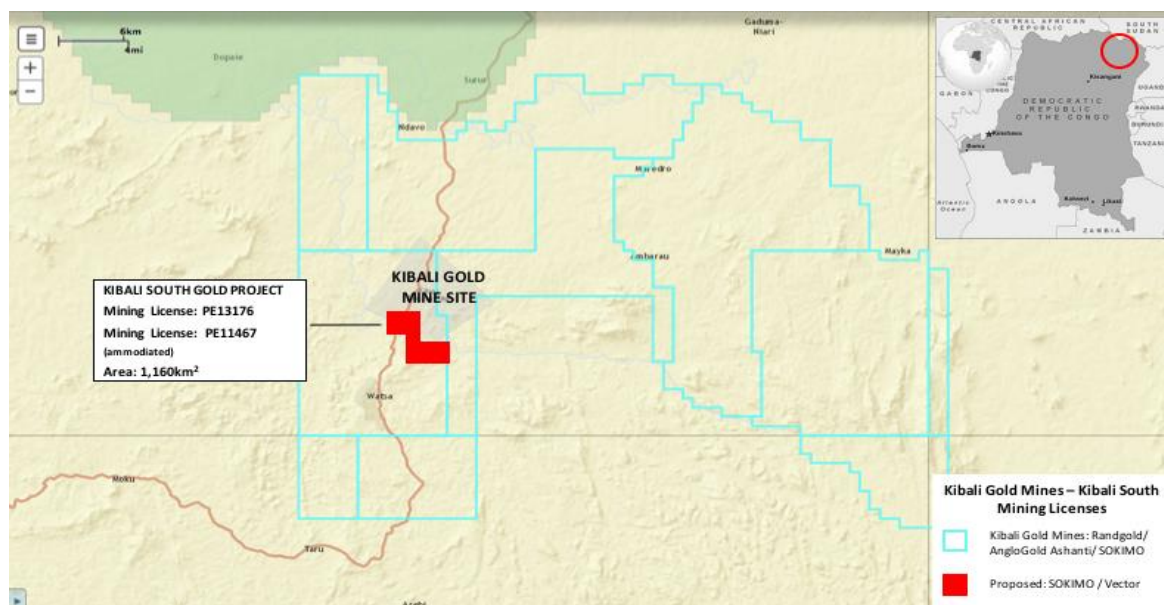


Figure 6: Location of the Kibali South Gold Project relative to the Kibali Gold Mine its licenses

The Kibali South Gold Project is situated on two permit areas, Mining License PE13176 and Mining License PE11467, which is located immediately adjacent to the Kibali Gold Mine and within 1 to 2km's from the processing plant and main pit. It is surrounded by 10 Mining Licenses, that cover an area of 1,836km² and which are held by Kibali Goldmines, a joint venture between Randgold Resources Limited (45%), AngloGold Ashanti 45%) and SOKIMO (10%).

Kibali Goldmines operates the Kibali Gold Mine, which is Africa's largest gold mining operation.



Figure 7 and 8: The Kibali South Gold Project is located approx. 1km to 2km from the Kibali Gold Mine and Processing Plant

SOKIMO hold 100% of PE13176 upon which the majority of the Kibali South Gold Project is located, having received an amodiation from Kibali Goldmines in respect to the portion of PE11467 that holds the balance of the Kibali South Gold Project.

SOKIMO has signed a *Contract d'Assistance Technique et Financiere* under which Kibali Goldmines must locate, drill and return to SOKIMO new deposits that may be mined economically by them. This is the basis under which part of PE11467 has been "carved-out" and provided to SOKIMO and will now form part of the proposed joint venture with Vector.

In line with Listing Rule 5.12 and Listing Rule 3.1, the Company views the size and nature of the mineralisation and the amodiation of the mineralisation from the Kibali Goldmines as being capable of 'a stand-alone mine' making this information material to release to market under Listing Rule 3.1.

Resource estimation work completed by previous owners of the Kibali South Gold Project between 2009 and 2011 was assessed in 2014 by Coffey South Africa, a reputable global resource consultancy to be sufficient to quote a Mineral Resource under the South African Code for the reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code) 2007 Edition amended July 2009. The SAMREC code uses similar categories as the JORC code so can be considered on a similar basis to the categories used by the JORC Code.

The mineral resource over the Kibali South Gold Project has been calculated as 28.1Mt at an average grade of 1.63g/t of gold for 1.47 million ounces at a 0.5g/t cut-off, all of which is in the Inferred Category.

These estimates are considered foreign and are not reported in line with the JORC (2012) Code. A Competent Person has not done sufficient work to classify these estimates under the JORC (2012) Code. It is uncertain that following further work that the foreign estimates will be able to be reported as mineral resource in accordance with the JORC (2012) Code. The Competent Person acknowledges that this mineral resource is foreign. The Competent Person confirms that the above SAMREC Mineral Resource is an accurate and reliable representation of the available information.

The Company has completed a site visit to the Kibali South Gold Project and is currently completing its technical due diligence on the project. The Company is currently working within the 90 day due diligence period and is expecting to finalise both its due diligence and commercial negotiations in the latter half of February 2018.

Nizi Gold Project

The Nizi Gold Project is located in the Kilo Province of the DRC approx. 120km south-east of the Kibali South Gold Project and 25km from the town of Bunia. It is situated on Mining License PE5110, which is the site of the previously operated King Leopold Mine, that was mined during Belgium colonial times between 1908 to the 1960's.

It is estimated that up to 1.45Moz's may have been extracted during the period of operation of the King Leopold Gold Mine.

In addition to the King Leopold Gold Mine several other gold prospects have been identified on the Nizi Gold Project License. This includes the Baluma Gold Oxide Project, which has been partially defined by SOKIMO through two SOKIMO drilling programs, Auger and RAB. These drill programs have defined potential oxide mineralisation. The base data from these drilling programs has not yet been made available to Vector, however, the composite grades and drill hole collars already provided to the Company on a project plan has allowed an initial Exploration Target to have been estimated by the Company.

The Exploration Target for the Baluma Gold Oxide Project is 10.5 Mt at a grade range of 0.8g/t to 3.1g/t for 271,000 oz to 1,052,000 oz ("**Exploration Target**").

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. In addition, surface sampling assays and drill sample results may also be discussed in the context of information describing the presence of anomalous metal content. The information relating to an Exploration Target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Mineral Reserves. Hence the terms Resource (s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

It is proposed that the Company will complete a more detailed review of the Nizi Gold Project, with particular reference to the King Leopold Gold Mine, where reports indicate that there are 7 veins identified at Nizi of which only 2 (veins 1 and 2) have previously been mined. The Company is confident that the area remains highly prospective for gold based on on-going artisanal mining that also continues in the area.

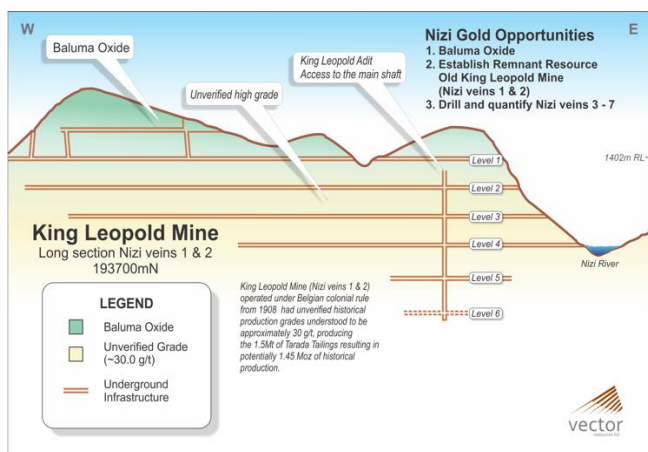


Figure 9: Historical King Leopold Mine Cross section 193700 (refer Nizi Plan Figure 2) showing extent of underground workings

Whilst the Company has established and reported an Exploration Target for the Baluma Gold Oxide Project, an estimation of the potential from the remanent mineralisation at the King Leopold Gold Mine and Veins 3-7 has not been possible at this stage requiring further geological investigation.

The Company will continue to assess the various other prospects within the licence area based on data available from SOKIMO.

During the Quarter, the Company commenced drilling at Kabotshome under the diamond drilling contract that it has executed with African Drilling Limited ("**ADL**"). The drilling campaign has gained significant momentum during the month of January 2018, following the December holidays and the Company will be sending samples to Johannesburg for testing in February.

The first 6 holes were planned to 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.

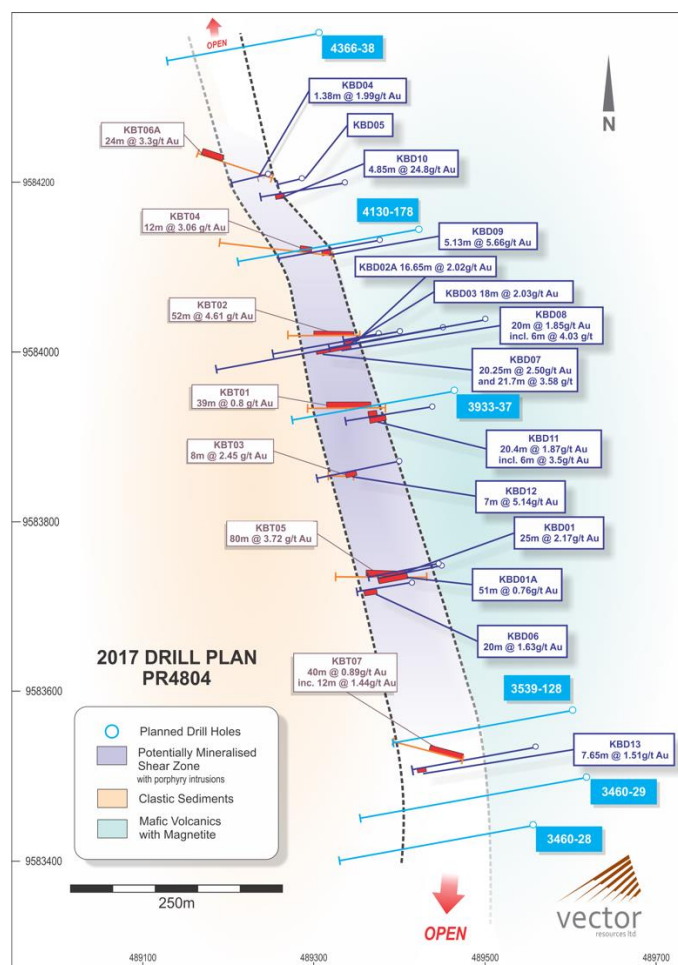


Figure 11 Plan of 6 diamond holes to test ore body extensions at Kabotshome Gold Prospect

Other Gold Prospects

With activities focused on the current drilling campaign, the Company does not have any material update to report on the other identified prospects within the Maniema Project.



CORPORATE ACTIVITIES

As announced by the Company on 7 December 2017 and as a result of executing the binding agreements with SOKIMO, the Company received firm commitments for a A\$3,240,000 (before raising costs) private placement to investors qualifying under Section 708 of the Corporations

Act 2001 and the Company used its existing 15% issue capacity under Listing Rule 7.1 to complete the issue. Shares under this private placement were allocated on 14 December 2017.

A total of 180,000,000 new ordinary shares have been issued for gross proceeds of \$3,240,000 (net proceeds of \$3,045,600). The capital raising was oversubscribed and was not underwritten.

The Company has used the proceeds to fund the up-front costs associated with the two SOKIMO agreements and for the Adidi-Kanga Gold Project acquisition, as well as general working capital.

On 22 December 2017 and as a result of the execution of its HOA for the acquisition 60% of the Adidi-Kanga Gold Project, the Company received a committed offer of funding of US\$10 million from Aggelos Capital Ltd. This debt facility is to be provided to fund the upfront acquisition costs on the Adidi-Kanga acquisition (US\$5 million due on joint venture documentation and transaction completion) and as additional working capital for the Company and its joint venture activities.

This facility will be executed and drawn on once the Company has finalised the joint venture and transaction documentation for the Adidi-Kanga acquisition expected to occur in February 2018. The loan will have a 36-month term and an annual interest coupon of 6% (payable quarterly in arrears – in cash or shares at Vector's discretion). In addition, the lender will be entitled to up to 15% of the gold production from the project at a 2% discount to the prevailing gold price.

Subsequent to the Quarter ending, the Company announced (refer **ASX Announcement 4 January 2018**) the continued strengthening of its executive team with the permanent appointment of Mr Andrew Steers as the Company's Chief Financial Officer and Company Secretary. Mr Steers, who has significant DRC based experience, will be highly beneficial to the team as the Company finalises its acquisition transactions and commences expanded operations in the DRC.

The Company also confirmed the resignation of Neville Bassett, a non-executive director and the Company Secretary on 4 January 2018.

ENDS

Simon Youds

Chief Executive Officer

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About Vector Resources Limited

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

The Maniema Gold Project was acquired by the Company in December 2016. The Project is located in the world renowned and under explored Twangiza-Namoya Gold corridor. The Project comprises seven

granted exploitation licences: PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812 and which cover an area of over 500km² and include seven main prospects; Kabotshome, Mbutu, Mitunda, Mbala, Eveche, Lukele and Tubambo that have been defined within the project area from previous and recent exploration. The Kabotshome Gold Prospect is the most advanced with an 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