



ASX ANNOUNCEMENT

18 September 2018

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

ADIDI-KANGA GOLD PROJECT ACQUISITION

- Committed Debt Facility for US\$20m executed with Medea Future Materials Fund
- Facility proposed to be used towards satisfaction of key condition precedent for repayment of existing indebtedness at the Adidi-Kanga Gold Project due to a local DRC bank on completion of the Definitive Feasibility Study and a positive Decision to Mine
- Additional competing funding proposals being finalised of up to US\$35m to fund up-front acquisition costs, the Definitive Feasibility Study and initial project development costs
- Documentation of this funding is to be completed on or before 2 October 2018.
- Satisfaction of further conditions precedent to settlement of the Company's acquisition of its 60% interest of the Adidi-Kanga Gold Project are anticipated within the next 10 days with the execution of the Codebition Agreement and Loan Repayment Agreement expected
- Execution and regulatory approval of the DRC based documentation of the new DRC based joint venture company and associated agreements expected to be completed by 30 September 2018
- Settlement by Vector of its acquisition of a majority interest in the Adidi-Kanga Gold Project expected to occur by 2 October 2018, with both the Company and Mongbwalu Goldfields Investment Limited committed to finalising settlement by this date

Vector Resources Limited ("Vector" or the "Company") and Mongbwalu Goldfields Investment Limited ("MGI") are pleased to provide an update on satisfaction of further key conditions associated with its acquisition of a 60% interest in the world-class Adidi-Kanga Gold Project ("Adidi-Kanga" or the "Project") in the Democratic Republic of Congo ("DRC").

As announced on 5 September 2018, the Company and MGI had satisfied the majority of the key conditions precedent to complete the acquisition and all parties were working to satisfy the remaining conditions by 15 September 2018.

The Company is pleased to confirm that it has now executed loan documentation for a US\$20m Committed Debt Facility with resources focus fund Medea Future Materials Fund L.P. ("Medea")(through its General Partner Linkwood Holdings Pte Ltd and associated investment vehicles). The facility has been provided by Medea for the Company to satisfy the condition precedent relating to the issue of a Standby Letter of Credit in respect to approx. US\$20m of existing indebtedness at the Adidi-Kanga Gold Project that is due to a local DRC bank upon completion of the Definitive Feasibility Study and a positive Decision to Mine for the Project. If drawn, this facility will be used for the sole purpose of repaying the debt owed to the local Congolese bank.

The execution of this US\$20m Committed Debt Facility is an important and crucial step in finalising the acquisition of its interest in the Adidi-Kanga Gold Project and the Company is now awaiting confirmation from MGI and the local Congolese bank that the condition precedent has been met. Securing this facility is a major endorsement of the significant potential of the Adidi-Kanga Gold Project and the Company's proposed development.

A summary of the key conditions precedent and their current status is summarised below:

CONDITIONS PRECEDENT TO SETTLEMENT	STATUS
Work-plan/ budget for Exploration and Definitive Feasibility Study agreed	SATISFIED
Execution of Escrow Agreement	SATISFIED
Execution of Loan Repayment Agreement	Documentation underway
Issuance of Standby Letter of Credit (or similar facility)	Facility Agreement executed, awaiting confirmation of satisfaction of CP
Execution of Codebition Agreement	Documentation being updated
Execution of new DRC JV documentation and associated agreements	Documentation agreed and awaiting execution

The Company is also pleased to confirm that it has received several competing proposals for project funding of up to US\$35m. The current proposals, which are being finalised, allow the Company to meet the US\$5m of up-front acquisition costs, US\$10m of Definitive Feasibility Study costs and initial project development costs.

The competing funding proposals are also considered by the Company to be a further endorsement of the world-class nature of the Adidi-Kanga Gold Project.

A further outstanding condition precedent to completion of the acquisition of its interest in the Adidi-Kanga Gold Project is the execution of the Codebition Agreement and Loan Repayment Agreement. Both these agreements are being advanced by the parties as a matter of priority and the Company expect execution of these documents over the next 10 days.

To ensure that the transaction is successfully concluded, Vector and MGI have agreed to extend the date by which settlement must occur through to 2 October 2018, however, both parties believe the significant momentum achieved to date should see the completion accelerated ahead of this date.

Mr Guy-Robert Lukuma, the Managing Director of MGI, advised:

"MGI is committed to work towards settlement of the transaction. Adidi-Kanga is a world-class gold project and its successful development is important to all stakeholders in the DRC."

"We are all working to finalise the outstanding documentation and satisfy the few remaining conditions precedent and look forward to moving this project forward towards development."

"The DRC has some of Africa's largest gold resources and Adidi-Kanga has the potential to be one of Africa's largest gold mining operations. You only have to look at the Kibali Gold Mine to recognise the opportunity that is in front of both MGI and Vector. We are both working towards the same goal and are keen to complete the Definitive Feasibility Study and move towards a Decision to Mine over the next 12-months."

- 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 Resource Estimates 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 licenses 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.