



ANNUAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2018**



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Michael Hendriks	Non-executive Director
Jason Brewer	Non-executive Director

Company Secretary

Andrew Steers

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ABOUT VECTOR RESOURCES LIMITED

Vector Resources Limited (ASX:VEC) is an Australian Securities Exchange ("ASX") listed gold exploration and development company focused on the Maniema Gold Project in the Democratic Republic of Congo ("DRC"), as well as a number of key acquisitions that are underway also in the DRC that include a 60% interest in the world class Adidi-Kanga Gold Project.

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 (ASX Announcement 17 January 2017).



The Board of Vector Resources Limited (“**Vector**” or the “**Company**”) is pleased to provide the following operations report of its activities during the year ended 30 June 2018.

ADIDI-KANGA GOLD PROJECT ACQUISITION

In December 2017, the Company announced that it had entered into a Heads of Agreement with Fimosa Capital Limited (“**Fimosa**”) and Mongbwalu Gold Mines S.A. (“**MGM**”), to establish a new joint venture (“**JV**”) to develop the Adidi-Kanga Gold Project (**ASX Announcement 22 December 2017**).

In January 2018, the Company completed its legal and technical due diligence on the Project, noting no significant or material issues and that the Vector Board had approved the Company to advance to the documentation stage of the deal (**ASX Announcement 15 January 2018**).

In recent months, the Company and Mongbwalu Goldfields Investment Limited (“**MGI**”) have been working to finalise and execute the sale and JV documentation required to be able to advance the Project through completion of a Definitive Feasibility Study, to a positive Decision to Mine and the successful development of the Project.

In July 2018, the Company confirmed that the two key agreements required to document the sale, structure and operation of the joint venture have now been executed (**ASX Announcement 24 July 2018**).

These two key agreements, the Share Sale and Purchase Agreement (“**Sale Agreement**”) and Shareholders Agreement (“**Shareholders Agreement**”) remain subject to various conditions precedent and execution of ancillary documentation that are nearing completion and are expected to be completed by 2 October 2018.

1. Adidi-Kanga Gold Project Background

The Adidi-Kanga Gold Project is located in the Moto goldfields, 84km north-west of the town of Bunia, the provincial capital of the Ituri Province of the DRC.

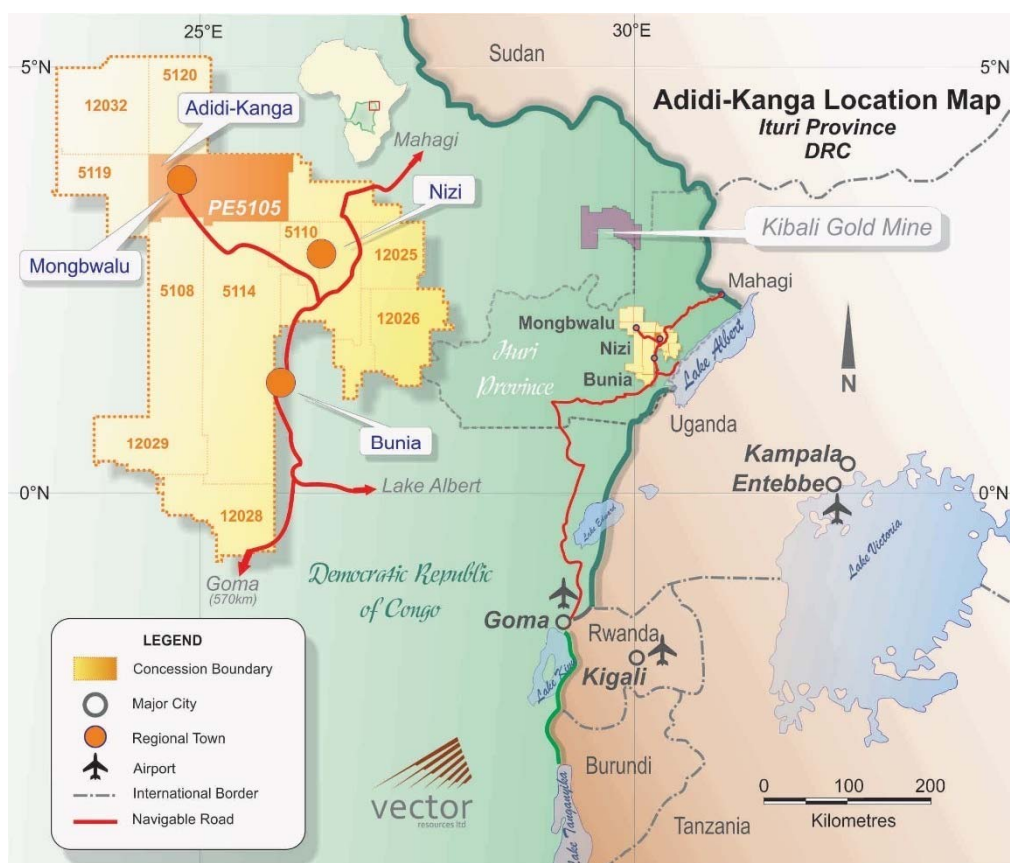


Figure 1: Location of the Adidi-Kanga Gold Project on PE5105 in the Ituri Province of the DRC



The Adidi-Kanga Gold comprises granted Mining License PE5105, one of 13 licenses extending over 5,033km² that were the subject of extensive exploration activities by AngloGold Ashanti.



Figure 2: The Adidi-Kanga Gold Project - Mongbwalu Gold Project Development Site located on Mining License PE5105

Between 2005 and 2013, AngloGold Ashanti completed significant exploration and development activities at the Project, which included 173,276m of drilling 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 a number of SAMREC compliant Resources between 2010 and 2013 for the Project and have been reported previously by the Company in its ASX Release on 22 December 2017.

In February 2018, the Company completed its internal review of the 2013 Mineral Resource Estimate reported by AngloGold Ashanti under SAMREC, with independent verification completed by BM Geological Services. The verification process resulted in an upgrade in the Mineral Resource Estimate to 15.0Mt @ 6.6g/t Au for 3.2Moz of contained gold, reported in line with JORC (2012) Guidelines. The Mineral Resources Estimate includes 46% in Indicated Category for 6.9MT @ 6.74g/t AUD for 1.5Moz and 8.1MT @ 6.6g/t Au for 1.7Moz in the Inferred Category (**ASX Announcement 5 February 2018**).

A Feasibility Study for the development of the Adidi-Kanga Gold Project was also completed 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 approx. US\$70m and included such items as crushers, ball mill, Knelson concentrator, compressors, mobile crusher, pumps, screens and mobile mining equipment. The estimated cost of approx. US\$70m is based on historical purchase records of AngloGold Ashanti and the Company has not yet performed a market valuation of this equipment.

The Company will require further electronical and mechanical assessments prior to determining the full value and extent of potential use of this equipment in future operations.



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

The review of the status of the Adidi-Kanga Gold Project has confirmed that the Project is already permitted for development, with Environmental and Social Impact Assessments completed and financial guarantees in place with the appropriate regulatory and administrative bodies. This confirmation was an important step in the process to ensure that the Company could achieve the completion of a Definitive Feasibility Study in a quick timeframe.

2. New Joint Venture Structure

Vector will hold an initial 60% interest in the Project, as illustrated in Figure 6 below.

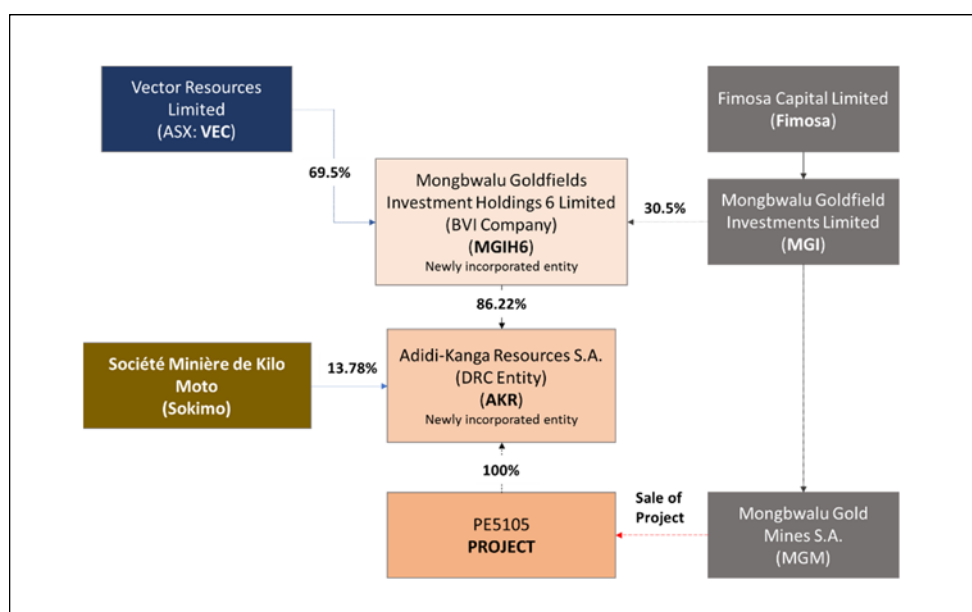


Figure 6: The Adidi-Kanga Gold Project Joint Venture and Ownership Structure

Vector's interest in the Project is to be held through a 69.5% interest in the BVI joint venture company, Mongbwalu Goldfields Investment Holdings 6 Limited ("MGIH6"). The balance of the joint venture company is held by Fimosa's wholly owned subsidiary MGI.

Under the Shareholders Agreement, Vector's interest in the Project can increase to 86.22% if MGI exercise their option under the Shareholders Agreement for the sale of all of MGI's shares and its loan accounts at Fair Market Value to the Company. This option can be triggered by MGI at any time after a positive Decision to Mine has been made.

A new DRC based joint venture company, Adidi-Kanga Resources S.A. ("AKR") has also been established to own and operate the Project. MGIH6 will hold an 86.22% interest in AKR, (providing Vector with a 60% Project interest), with the remaining 13.78% shareholding held by DRC State gold mining company, Société Minière de Kilo Moto DRC ("SOKIMO").



AKR will hold Mining License PE5105 and all Project assets, including the approx US\$70m of equipment previously ordered and delivered to the Project site in 2013 by AngloGold Ashanti.

In addition, as part of the structuring of the JV, US\$150m of shareholder loans owing to Fimosa from the historical expenditure on the Project, will be transferred to AKR and will be for the economic benefit of the MGIH6 shareholders. The transfer of this loan represents a significant future benefit to the shareholders of MGIH6 and for Vector.

It is expected that this loan will incur an annual interest charge of 10% and Vector will be assigned 69.5% of the value of this loan in line with its shareholding in MGIH6. The repayment of this loan will be made from future surplus cash flows from the operations of AKR. The repayment will only occur after normal operating costs and external financing costs have been paid, sustaining CAPEX requirements have been provided for and the repayment of the shareholder loans that will be incurred to complete the DFS and for initial development obligations have been repaid in full. As such, it will be the final shareholder loan to be repaid from future profits of the operation.

To acquire the 60% interest in the Project, the Company has committed to future milestone payments to MGI (see Section 3 below), as well as deferred loan repayments to MGI that are to be made from surplus cashflows and profits of the operations of the Project (see Section 4 below). If all the milestone payments and the deferred payments are achieved and paid to MGI, the Company will pay a total of US\$90m to MGI with only \$20m payable prior to the commercial sale of gold from the Project.

Upon Completion of the acquisition and issue of the Tranche 1 shares noted at Section 3 below, MGI has the right to appoint up to 2 directors to the Board of Vector.

3. JV Milestone Payments

Under the terms of the Sale Agreement, Vector is required to make the following cash and share based payments:

- i. **Tranche 1** – within 10 business days of the satisfaction of the Conditions Precedent, the Company must pay to MGI US\$5m in cash and at the Company's discretion, either pay MGI a further US\$5m of cash or issue to MGI US\$5m of Ordinary Shares in Vector at a price of A\$0.022/share and based on the prevailing exchange rates.
- ii. **Tranche 2** – within 30 days of a positive Decision to Mine for the Project, the Company must pay MGI a further US\$5m in cash and at the Company's discretion, either pay MGI a further US\$5m of cash or issue to MGI a further US\$5m of Ordinary Shares in Vector based on a VWAP for the 10 trading days prior to the issue date and on the prevailing exchange rates.
- iii. **Tranche 3** – within 10 days of the commencement of commercial sale of gold from the Project, the Company must pay MGI US\$5m in cash and at the Company's discretion, either pay MGI a further US\$5m of cash or issue to MGI US\$5m of Ordinary Shares in Vector based on a VWAP for the 10 trading days prior to the issue date and on the prevailing exchange rates.

Any issue of shares under Tranches 1, 2 or 3 are subject to the Company obtaining all relevant regulatory approvals, including where applicable shareholder approval. If these approvals are not obtained for any reason, the Company must pay the share based consideration in cash. Subsequent to the year end, on 21 September 2018 the Company obtained approval at a general meeting of shareholders for the issue of the tranche 1 equity component. These shares will not be issued until the acquisition has been completed.

After the issue of the Tranche 1 shares, MGI is anticipated (based on prevailing exchange rates at the date of this announcement) to hold approx. 18% of the total outstanding shares of Vector. Upon issue of the Tranche 2 and Tranche 3 shares (based on prevailing exchange rates at the date of this announcement and assuming an issue price of A\$0.027 per share, being the last traded price prior to the release of this announcement), MGI will hold approx. 28% and 36% respectively. These holdings after Tranches 2 and 3 are assuming no further equity issues by the Company.



In addition, Fimosa will also receive a 2.5% sales royalty from the commencement of gold production to be payable by AKR.

The Company has agreed to place its shares held in MGIH6 into escrow, until all milestone payments (as outlined in Section 3) and deferred payments (as outlined in Section 4 below) have been paid to MGI and the DFS has been delivered and a positive Decision to Mine has been made (refer section 5 below for further details of the proposed escrow agreement).

4. Key JV Funding Obligations

Vector will be solely responsible for the funding and management of the Definitive Feasibility Study, which is to be completed within 9 months of Completion of the acquisition.

Vector is to fund this DFS up to a minimum amount of US\$10m. This funding will be advanced by the Company via a shareholder loan through MGIH6 to AKR. On repayment of this shareholder loan, 70% of each dollar will be paid to MGI (up to a total of US\$5m) and the remaining 30% will be paid to Vector. After the payment of US\$5m to MGI, all remaining repayments of this shareholder loan are repayable (100%) to Vector.

Upon a positive Decision to Mine, Vector will also be responsible for arranging and sourcing the necessary mine funding to complete the mine development up to a minimum US\$110m. This funding will again be advanced by the Company via a shareholder loan through MGIH6 to AKR. On repayment of this second shareholder loan, 70% of each dollar will be paid to MGI (up to a total of US\$55m) and the remaining 30% will be paid to Vector. After the payment of US\$55m to MGI, all remaining repayments of this second shareholder loan are repayable (100%) to Vector.

In addition, as part of the arranging and sourcing of the mine development funding, US\$20.0m of existing indebtedness of MGI owed to a local Congolese bank will be refinanced by the Company. Subsequent to the year end, the Company confirmed that it had 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.

SOKIMO ACQUISITIONS, KIBALI SOUTH AND NIZI GOLD

On 7 December 2017, the Company announced that it had signed two agreements with SOKIMO under which the Company would finalise its due diligence and key terms for joint arrangements and partnerships 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 (**ASX Announcement 7 December 2017**).

Since executing those agreements, the Company has announced that it has completed its technical and legal (DRC) due diligence and will continue commercial negotiations with SOKIMO (**ASX Announcement 26 February 2018**).

The Company is currently finalising the key terms for the commercial agreement that will govern the arrangement and the Company is expecting to sign an agreement for the Kibali South Gold Project and an Amodiation Agreement for the Nizi Gold Project. The Amodiation Agreement will act as a formal lease over the tenements and will govern the future production from the asset, as a partnership between SOKIMO and Vector.



The 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.

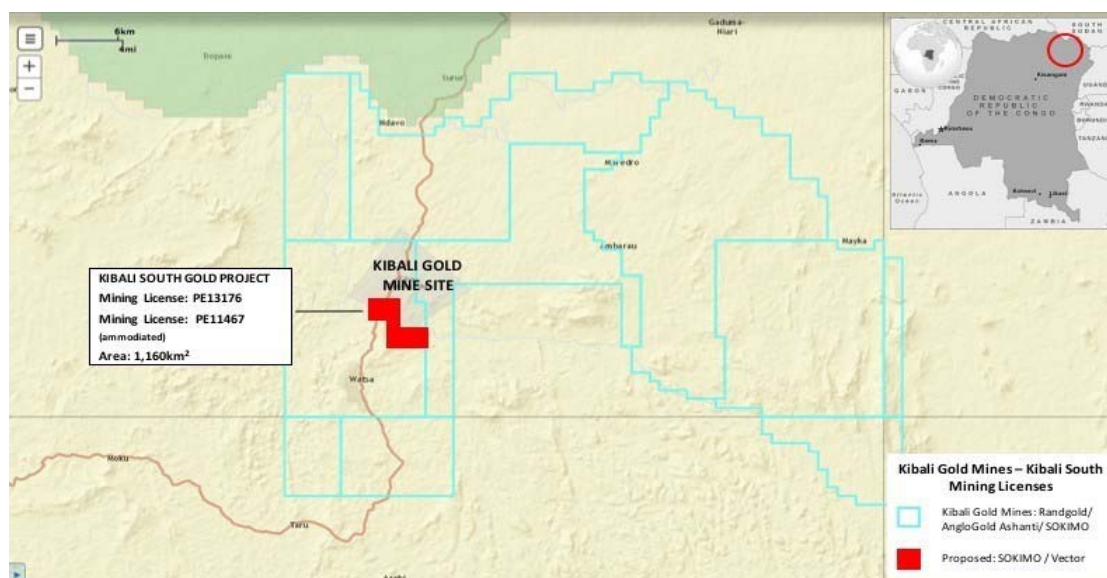


Figure 7: Location of the Kibali South Gold Project relative to the Kibali Gold Mine its license

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%).

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.

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 JORC (2012) Code. A Competent Person has not done sufficient work to classify these estimates under JORC (2012) Code. It is uncertain that following further work the foreign estimates will be able to be reported as mineral resource in accordance with 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 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.



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.

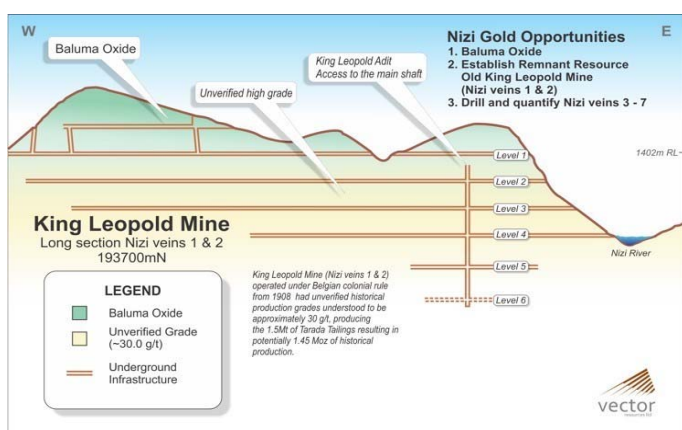
The Exploration Target for the Baluma Gold Oxide Project is 8.0 - 10.5 Mt at a grade range of 0.8g/t to 3.1g/t for 271,000 oz to 1,052,000 oz ("**Exploration Target**").

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.

To assess the validity of this Exploration Target, the Company anticipates undertaking a drilling program to verify the existing drilling information and to convert the drilling information into a mineral resource estimate. The Nizi Gold Project remains subject to further commercial negotiations with Sokimo, and the Company is unable to provide timing on when these activities will be concluded. However, the Company anticipates that the drilling program and mineral resource estimate will take approximately 12 months to complete once it has started.

The Exploration Target is based on unverified reports of Auger and RAB drilling conducted under Sokimo's direction. This has been used by the Company to determine exploration target grade ranges and tonnage ranges for the Exploration Target. Sufficient information is not available to provide a Mineral Resource Estimate.

On completion of a partnership agreement for Nizi, 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.



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.

Figure 8: Historical King Leopold Mine Cross section 193700 showing extent of underground workings



MANIEMA GOLD PROJECT

During the year, the Company continued to advance its exploration activities at its 70% owned Maniema Gold Project, located in the Maniema Province in the DRC. The Maniema Gold Project is located in the world renowned Twangiza-Namoya Gold corridor and in northern part of Kibaran Gold Belt and comprises seven granted exploration licences (in the final stages of being converted to small scale mining leases).

Kabotshome Gold Prospect

Drilling activities at the Kabotshome Gold Prospect, located on Mining Licenses 4804 commenced in December 2017 following the execution of a diamond drilling contract with African Drilling Limited (ADL), the preparation of the drill pads and associated work, and ADL's mobilisation to site.

Testing of the extensions to the previously identified gold mineralisation at depth to the north and south of the Kabotshome Gold Prospect is targeting the twin thick high-grade gold mineralisation intersected in the previous deepest diamond hole drilled to date at the Kabotshome Gold Prospect.

The diamond core from the drilling campaigns has been transported to the Maniema core yard adjacent to Vector's Mingana Exploration camp. Holes KBDD002 and KBDD003 have been sampled and are being prepared for export and transport to ALS in Johannesburg for sample preparation and assaying at its laboratory subsequent to the year end.

Vectors geological team note that the gold mineralisation at Kabotshome is fine grained with occasional visible gold seen in the core and requires assay to establish the actual gold distribution. Not all quartz veining, breccia or sulphide occurrences contain gold at Kabotshome, however there is a strong relationship in this deposit. As each hole is completed Vector's geologists' understanding of the relationships behind the gold distribution at this complex gold prospect continues to advance. The Company plans to report the current 6-hole program once the assays have been received.

The observations by the Company's geologists and results so far have provided the confidence in planning the subsequent drilling in the overall program in line with the Company's plans for a feasibility study this includes improved drill definition through closer drill patterns to improve geological confidence.

The initial 6 holes planned for the 4,000 drill metre program was planned to test the depth and strike extensions both north and south and provide some infill data for Vector's current Kabotshome inferred resource of 7.0 million tonnes at 1.88 g/t for 421,000oz Gold (**ASX Announcement 17 January 2017**).

Current drill-rig capacity has limited Vector's geologist's intent to fully test the deeper wider zones. Subsequent holes have intersected the mineralised structures as planned and await sampling, sample dispatch and assay to confirm gold mineralisation. The deep wider higher grade gold mineralisation intersections witnessed in historical drilling will require larger drill rig capacity currently being planned.

The addition of a precious metals x-ray fluorescence (XRF) analyser unit at the Mingana camp to provide guidance on gold grades in Mitunda concentrates will improve Vector's geologists in understanding the gold distribution at Mitunda. Further sampling is proposed once a reliable access road is established.

CAPITAL RAISING 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 A\$3,240,000 (net proceeds of A\$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.

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.



Your directors present the annual financial report of Vector Resources Limited Company (the “Company” or “Vector”) and its controlled entities (the “Group” or “consolidated entity”) for the financial year ended 30 June 2018.

DIRECTORS

The names of the Directors in office at any time during or since the end of the year, unless otherwise indicated, are:

Gary Castledine	Non-executive Chairman	
Michael Hendriks	Non-executive Director	
Jason Brewer	Non-executive Director	
Neville Bassett	Non-executive Director and Company Secretary	Resigned 4 January 2018

COMPANY SECRETARY

Mr Andrew Steers Appointed 4 January 2018

PRINCIPAL ACTIVITIES

The Company continued its focus on the exploration and development of gold assets in the Democratic Republic of Congo (“DRC”), which commenced in January 2017 with the acquisition of its 70% interest in the Maniema Gold Project.

At the date of this report, the Company is progressing several acquisitions and partnerships for further DRC based gold projects. This includes finalizing the acquisition of 60% of the Adidi-Kanga Gold Project (part of the Mongbwalu Gold Project), as well as joint arrangements and partnerships with the Congolese state-owned gold mining company Société Minière de Kilo Moto (“SOKIMO”) on the Kibali South and Nizi Gold Projects.

OPERATING AND FINANCIAL REVIEW

Operating Activities

A detailed review of the operations of the Group is contained in the *Operating Report*. 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, which includes the acquisition of the Adidi-Kanga Gold Project.

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. On completion of the acquisition of the Adidi-Kanga Gold Project, the Company will focus on completing a definitive feasibility study for this project as well as continuing 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 \$2,258,138 (Restated 2017: \$633,548). The loss reported for the 2018 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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

As noted in the *Operations Report* the Company is in the process of finalising the Adidi-Kanga gold Project acquisition. The Group's strategy is to continue to review and assess gold opportunities in Africa, including advancing the development of the Maniema Gold Project and completing the definitive feasibility study on Adidi-Kanga 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*.

For further comment refer to Note 1(c) in the *Notes to the Financial Statements* with regards to the Company's ability to continue as a going concern.

EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year end, on 18 September 2018, the Company and MGI provided an update on satisfaction of further key conditions associated with its acquisition of a 60% interest in the Adidi-Kanga Gold Project.

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.

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.

No matters or circumstances, besides those disclosed at note 21, have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

DIVIDENDS

There were no dividends paid or declared during or since the end of the financial year (2017: None).

LIKELY DEVELOPMENTS

The Group will continue to focus on the advancement and development of the Maniema Gold Project, whilst continuing to finalise, assess and progress the Adidi-Kanga Gold Project.

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 2018. The Board believes that the Group 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 currently specialises 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 at the date of this report

Mr Castledine has an indirect interest in 19,374,987 ordinary shares and 6,000,000 performance rights expiring 31 December 2018.

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 at the date of this report

Mr Hendricks has an indirect interest in 1,649,249 ordinary shares and 6,000,000 performance rights expiring 31 December 2018.

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

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 at the date of this report

Mr Brewer has an indirect interest in 50,000,000 ordinary shares and 6,000,000 performance rights expiring 31 December 2018.

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 (resigned 4 January 2018)

Mr Neville Bassett was appointed a director of the company on 22 April 2010 and resigned on 4 January 2018.

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.

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 resigned the position of Company Secretary on 4 January 2018.

Andrew Steers Company Secretary (Appointed 4 January 2018)

Mr Steers is an experienced senior finance executive with considerable experience in mining in Africa and Australia. A Chartered Accountant with a formal background from KPMG, Mr Steers has held various CFO roles with ASX listed mining entities, including IMX Resources Limited and Equatorial Resources Limited. In addition, Mr Steers was the former Group Finance Manager and Company Secretary of TSX listed Moto Goldmines Limited, who's primary asset was the Kibali Gold Mine in the DRC and facilitated the sale to Randgold Resources and Anglo for C\$490 million.

MEETINGS OF DIRECTORS

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

	Directors' Meetings	
	Number Eligible to Attend	Number Attended
Gary Castledine	7	7
Michael Hendricks	7	7
Jason Brewer	7	7
Neville Bassett	3	3

NON – AUDIT SERVICES

During the year Ernst & Young did not perform any other services in addition to their statutory duties (2017: Grant Thornton Audit Pty Ltd: None). 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 22 and forms part of the *Directors' Report* for the year ended 30 June 2018.

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 of the Company and other Key Management Personnel ("KMP") of the Group in accordance with the *Corporations Act 2001* and its regulations. These remuneration disclosures have been audited.

For the purposes of this report, KMP of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly. Other than its Directors, Mr Simon Youds, Chief Executive Officer and Mr Andrew Steers, Chief Financial Officer and Company Secretary are also considered KMP.

Remuneration Philosophy

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

To this end, the Group 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 Group. The Board remuneration policy is to ensure the remuneration package, which is not linked to the performance of the Group, properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.'

Description	30 June 2018	Restated 30 June 2017	30 June 2016	30 June 2015	30 June 2014
Net loss after tax	\$2,258,138	\$633,548	\$7,119,882	\$10,359,725	\$13,507,383
Share price at start of year	0.6 cents	1.5 cents	3.7 cents	3.3 cents	3.6 cents
Share price at end of year	2.1 cents	0.5 cents	1.5 cents	3.7 cents	3.9 cents
Basic loss per share	0.17 cents per share	0.08 cents per share	2.5 cents per share	2.88 cents per share	4.46 cents per share
Total dividends (cents per share)	Nil	Nil	Nil	Nil	Nil

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.

REMUNERATION REPORT (AUDITED) (continued)

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 2018 is detailed on page 18.

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 (KPIs) and setting targets against the KPIs 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.

Performance based remuneration

Short-Term Incentive ("STI")

The Group currently has no short term performance based remuneration components built into executive remuneration packages.

Long Term Incentive ("LTI")

The Group's LTI awards are aimed specifically at creating long term shareholder value and the retention of Executives. The Group has implemented an Employee Incentive Plan ("Plan") which enables the provision of a range of different employee share scheme ("ESS") interests to Executives and employees. These ESS interest or awards include options, performance rights, service rights, deferred shares, exempt shares, cash rights and stock appreciation rights.

REMUNERATION REPORT (AUDITED) (continued)

During the 2018 financial year, performance rights which will vest subject to pre-defined performance hurdles were allocated to KMP, including the directors. The grant of performance rights aims to reward Executives in a manner that aligns remuneration with the creation of shareholder wealth. Refer to page 18 for the number and value of options issued to Executives during the year.

Performance measures to determine vesting

The vesting of the performance rights is subject to the attainment of defined group performance criteria, chosen to align the interests of employees with shareholders, representing key drivers for delivering long term value. The performance measures for the 2018 performance rights are as follows:

- 100% vest on either:
 - the certification by an independent competent person of a JORC Reported resource or reserve on the Maniema Gold Project of at least 1,000,000 ounces of gold of which at least 25% is in the indicated or better classification (reported in accordance with clause 50 of the JORC Code); or
 - the certification by an independent competent person of a JORC Reported resource or reserve on any project acquired by the Group of at least 3,000,000 ounces of gold of which at least 25% is in the indicated or better classification (reported in accordance with clause 50 of the JORC Code).

Termination and change of control provisions

When employment ceases prior to the vesting of an award, the incentives are forfeited unless the Board applies its discretion to allow vesting at or post cessation of employment in appropriate circumstances.

In the event of a change of control of the Company, the performance period end date will generally be brought forward to the date of the change of control and the options and rights will vest in full, subject to ultimate Board discretion.

No hedging of LTIs

As part of the Company's Securities Trading Policy, the Company prohibits KMP from entering into arrangements to protect the value of unvested LTI awards. This includes entering into contracts to hedge exposure to options, performance rights or shares granted as part of their remuneration package.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2018 (2017: Nil).

Voting and comments made at the Company's 2017 Annual General Meeting

The Company received 100% of "yes" votes on its remuneration report for the 2017 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

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

REMUNERATION REPORT (AUDITED) (continued)

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 which increased to \$180,000 from September 2017, subject to annual review; and
 - Entitlement to participate in STI and 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 LTI and STI plans will be treated (and may be retained or forfeited) in accordance with applicable plan rules from time to time.

Chief Financial Officer Services Contract – Mr Andrew Steers

Mr Andrew Steers was appointed Chief Financial Officer of the Company on 4 September 2017.

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

- Remuneration:
 - Fixed remuneration of \$180,000 per annum which increased to \$246,375 from January 2018, subject to annual review; and
 - Entitlement to participate in STI and 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 Steers on 1 month's written notice.
 - Termination by the Company on 1 month's written notice. The Company may elect to make a payment in lieu of the notice period (based on the fixed component of Mr Steers 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 LTI and STI plans will be treated (and may be retained or forfeited) in accordance with applicable plan rules from time to time.

REMUNERATION REPORT (AUDITED) (continued)

Details of remuneration

Details of the remuneration of KMP of the Group are set out in the following table.

KMP of the Group

		Short-Term		Post-Employment		Share based Payment Rights	Total	Performance Related
	Year	Salary & Fees \$	Non-Monetary \$	Superannuation \$	Retirement benefits \$	\$	\$	%
Directors								
G Castledine	2018	36,000	-	-	-	84,079	120,079	70
	2017	48,000	-	-	-	-	48,000	-
M Hendricks	2018	36,000	-	-	-	84,079	120,079	70
	2017	36,000	-	-	-	-	36,000	-
J Brewer	2018	60,000	-	-	-	84,079	144,079	58
	2017	27,500	-	-	-	-	27,500	-
N Bassett ¹	2018	18,000	-	-	-	120,000	138,000	87
	2017	48,000	-	-	-	-	48,000	-
Total	2018	150,000	-	-	-	372,237	522,237	-
	2017	159,500	-	-	-	-	159,500	-

¹ Mr Bassett resigned on 4 January 2018. The Board exercised its discretion to allow Mr Bassett to keep his award. No incremental fair value was attributed. At the date of his resignation the share price was 3.2 cents.

Other Key Management Personnel

S Youds	2018	173,750	-	-	-	241,924	415,674	58
	2017	109,250	-	-	-	-	109,250	-
A Steers	2018	193,453	-	-	-	151,203	344,656	44
	2017	-	-	-	-	-	-	-
Total	2018	367,203	-	-	-	393,127	760,330	-
	2017	109,250	-	-	-	-	109,250	-

Performance Rights granted and vested during the year as part of emoluments

The following performance rights over ordinary shares of the Company were granted or vested during the year:

	Grant Date	Granted Number	Vesting Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Vested Number
Directors							
Gary Castledine	30/11/17	6,000,000	(1)	31/12/2018	-	0.02	-
Michael Hendricks	30/11/17	6,000,000	(1)	31/12/2018	-	0.02	-
Neville Bassett ⁽ⁱ⁾	30/11/17	6,000,000	(1)	31/12/2018	-	0.02	-
Jason Brewer	30/11/17	6,000,000	(1)	31/12/2018	-	0.02	-
Other Key Management Personnel							
Simon Youds	13/12/17	16,000,000	(1)	31/12/2018	-	0.02	-
Andrew Steers	13/12/17	10,000,000	(1)	31/12/2018	-	0.02	-

ⁱ Mr Bassett resigned on 4 January 2018. This adjustment reflects the balance at date of resignation.

REMUNERATION REPORT (AUDITED) (continued)

(1) Vesting of the performance rights granted is dependent on either of the following performance criteria being met:

- Certification by an independent competent person of a JORC Reported resource or reserve on the Maniema Gold Project of at least 1,000,000 ounces of gold of which at least 25% is in the indicated or better classification (reported in accordance with clause 50 of the JORC Code); or
- Certification by an independent competent person of a JORC Reported resource or reserve on any project acquired by the Group of at least 3,000,000 ounces of gold of which at least 25% is in the indicated or better classification (reported in accordance with clause 50 of the JORC Code).

Shareholdings – 2018

Number of Shares held by Directors and other KMP:

	Balance 01.07.2017	Disposed of during the year	Net Change Other	Balance 30.06.2018
Directors				
Gary Castledine	19,374,987	(500,000)	-	18,874,987
Michael Hendricks	1,649,249	-	-	1,649,249
Neville Bassett ¹	17,960,000	-	(17,960,000)	-
Jason Brewer	50,000,000	-	-	50,000,000
Other Key Management Personnel				
Simon Youds	-	-	-	-
Andrew Steers	-	-	-	-
Total	88,984,236	(500,000)	(17,960,000)	70,524,236

¹ Mr Bassett resigned on 4 January 2018. This adjustment reflects the balance at date of resignation.

Rights holdings – 2018

Number of Options/ Rights held by Directors and other KMP:

	Balance 01.07.2017	Received as Remuneration	Net Change Other	Balance 30.06.2018	Number Vested / Exercisable
Directors					
Gary Castledine	-	6,000,000	-	6,000,000	-
Michael Hendricks	-	6,000,000	-	6,000,000	-
Neville Bassett ¹	-	6,000,000	(6,000,000)	-	-
Jason Brewer	-	6,000,000	-	6,000,000	-
Other Key Management Personnel					
Simon Youds	-	16,000,000	-	16,000,000	-
Andrew Steers	-	10,000,000	-	10,000,000	-
Total	-	50,000,000	-	44,000,000	-

¹ Mr Bassett resigned on 4 January 2018. This adjustment reflects the balance at date of resignation.

No options/rights were exercised during the year by the Directors (2017: None).

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

There were no loans made to KMP or other transactions with KMP and their related parties during the year ended 30 June 2018.

REMUNERATION REPORT (AUDITED) (continued)

Balances payable to Directors relating to accrued directors' fees at end of year:

	2018 \$	2017 \$
JC Trust	15,000	11,000
Mandevilla Pty Ltd	-	12,600
Perizia Investments Pty Ltd	15,000	12,600
Michael Hendricks	54,000	18,000
	<u>84,000</u>	<u>54,200</u>

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

Jason Brewer	JC Trust
Neville Bassett	Mandevilla Pty Ltd
Gary Castledine	Perizia Investments Pty Ltd

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 2018 has not been disclosed. This is permitted under Section 300(9) of the *Corporations Act 2001*.

SHARES UNDER OPTION

There are no ordinary shares under option at the date of this report.

Performance rights on issue at the date of this report are as follows:

Date issued	Expiry date	Exercise price (cents)	Number of Performance Rights
13 December 2017	31 December 2018	Nil	60,000,000
Total number of performance rights outstanding at the date of this report			<u>60,000,000</u>

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

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

No options were exercised during the year.

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



Gary Castledine
Chairman

DATED at PERTH this 28th September 2018

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

As lead auditor for the audit of Vector Resources Limited for the year ended 30 June 2018, I declare 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.

This declaration is in respect of Vector Resources Limited and the entities it controlled during the financial year.



Ernst & Young



Pierre Dreyer
Partner
28 September 2018

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 (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, 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, notes to the 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 consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial 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 auditor 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(c) in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant 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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of capitalised exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
<p>At 30 June 2018 the Group held capitalised exploration and evaluation assets of \$10,700,089.</p> <p>The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The directors did not identify any impairment indicators.</p> <p>Refer to Note 10 in the financial report for capitalised mineral exploration and evaluation asset balances and related disclosures.</p>	<p>We considered and challenged the Group's assessment as to whether there were impairment indicators present that required the capitalised exploration and evaluation assets to be tested for impairment as at 30 June 2018.</p> <p>In performing our procedures, we:</p> <ul style="list-style-type: none"> ▶ Considered whether the Group's right to explore was current, which included obtaining and assessing supporting documentation such as license agreements; ▶ Considered the Group's intention to carry out significant ongoing exploration and evaluation activities in the relevant areas of interest which included reviewing the Group's Board approved cash-flow forecast and enquiring of senior management and Directors as to their intentions and the strategy of the Group; ▶ Assessed whether exploration and evaluation data exists to indicate that the carrying value of exploration and evaluation assets is unlikely to be recovered through development or sale; and ▶ Assessed the adequacy of the disclosures in Note 10 of the financial report.

2. Restatement of comparative information

Why significant	How our audit addressed the key audit matter
<p>During the current year the Group reviewed the accounting treatment of its acquisition of 70% of the share capital of Maniema Gold Company SA ("MGCSA"), a company holding certain exploration and development licenses in the Democratic Republic of Congo.</p> <p>The acquisition occurred in the prior year and the Group assessed that it had control over MGCSA.</p> <p>As a result of this review, the Group determined that it had previously only recognised its share of the net assets acquired in MGCSA, and had not accounted for the non-controlling interest in the net assets acquired.</p> <p>Furthermore, in reassessing the accounting treatment, the Group determined that the fair value adjustments to the carrying amounts of the assets acquired had not been treated as assets of the foreign operation. Accordingly, these assets were not expressed in the functional currency of the foreign operation and translated into the presentation currency of the Company in accordance the Accounting Standards.</p> <p>A prior year adjustment has been recognised to account for the full value of the assets acquired, which includes the non-controlling interest therein, as well as adjustments related to the recognition of the relevant assets in the functional currency of the foreign operation and their subsequent translation into the presentation currency of the Company. The Group has disclosed the restatement of comparative information in note 26 to the financial report.</p>	<p>We have assessed the underlying contracts relating to the MGCSA acquisition and evaluated the accounting impact under the relevant accounting standards.</p> <p>We reviewed the disclosures in relation to the restatement of comparative information set out in note 26 to the financial report, to determine if they are in compliance with the Australian Accounting Standards.</p>

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 Company's 2018 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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 on the other information obtained prior to the date of this auditor's report, 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 relating 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 14 to 20 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Vector Resources Limited for the year ended 30 June 2018, 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.



Ernst & Young



Pierre Dreyer
Partner
Perth
28 September 2018

In accordance with a resolution of the directors of Vector Resources Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a);
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

On behalf of the Board



Gary Castledine

Chairman

Perth, 28 September 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018



		2018	Restated 2017
	Note	\$	\$
Interest Revenue	4	2,455	2,504
Impairment of financial assets		-	(6,299)
Employee benefits expense		(63,500)	(107,207)
Consulting fees		(218,368)	(850)
Administration expenses		(120,700)	(32,998)
Compliance and regulatory expenses		(123,304)	(135,219)
Depreciation expense		(3,362)	(377)
Due Diligence expense		(356,220)	(85,037)
Finance Costs		(114,240)	(15,058)
Occupancy costs		(24,885)	(15,567)
Directors fees		(150,000)	(159,500)
Share-based payment expenses		(880,646)	-
Promotion and travel expenses		(134,912)	-
Other expenses from ordinary activities		(70,456)	(77,939)
Loss before tax		(2,258,138)	(633,548)
Income tax	5	-	-
Loss for the year		(2,258,138)	(633,548)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Change in fair value of financial assets		-	(14,698)
Exchange differences on translating foreign operations		580,519	(678,953)
Other comprehensive income/(loss) for the year, net of tax		580,519	(693,651)
Total comprehensive loss for the year		(1,677,619)	(1,327,199)
<i>Loss for the year attributable to:</i>			
Non-controlling interest		(991)	(44,418)
Members of the parent entity		(2,257,147)	(589,130)
		(2,258,138)	(633,548)
<i>Total comprehensive loss for the year attributable to:</i>			
Non-controlling interest		118,832	(245,179)
Members of the parent entity		(1,796,451)	(1,082,020)
		(1,677,619)	(1,327,199)
Basic and diluted loss per share (cents)	22	(0.17)*	(0.08)*

* The loss per share calculations have been adjusted by a factor of 1.072 to reflect the bonus element of the placement and capital raising completed during the year.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018



		2018	Restated 2017
	Note	\$	\$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	7	746,952	366,811
Other receivables	8	71,816	22,709
Prepayments		25,738	-
Total Current Assets		844,506	389,520
<i>Non-Current Assets</i>			
Property, plant and equipment	9	52,223	12,688
Exploration and evaluation	10	10,700,089	6,837,590
Total Non-Current Assets		10,752,312	6,850,278
Total Assets		11,596,818	7,239,798
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	11	486,516	208,172
Borrowings	12	1,113,455	19,281
Total Current Liabilities		1,599,971	227,453
Total Liabilities		1,599,971	227,453
Net Assets		9,996,847	7,012,345
Equity			
Contributed equity	13	48,188,346	44,406,871
Reserves	14	863,150	(478,192)
Accumulated losses		(40,999,411)	(38,742,264)
Total equity attributable to the owners of the parent		8,052,085	5,186,415
Non-controlling interests		1,944,762	1,825,930
Total Equity		9,996,847	7,012,345

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018



	Note	2018 \$	2017 \$
Cash Flow from Operating Activities			
Interest received		2,455	2,504
Payments to suppliers and employees		(657,666)	(343,510)
Due diligence costs		(356,220)	(85,037)
Net Cash Used in Operating Activities	16	(1,011,431)	(426,043)
Cash Flow from Investing Activities			
Payments for property, plant and equipment		(41,936)	(13,306)
Payments for exploration and evaluation		(3,320,979)	(510,534)
Acquisition costs		-	(350,000)
Net Cash Used in Investing Activities		(3,362,915)	(873,840)
Cash Flow from Financing Activities			
Finance Costs		-	(15,058)
Proceeds from borrowings		969,490	319,647
Proceeds from issue of shares		3,995,361	1,296,000
Share issue costs		(245,886)	(83,280)
Net Cash Provided by Financing Activities		4,718,965	1,517,309
Net Increase in Cash and Cash Equivalents Held		332,619	217,426
Cash and Cash Equivalents at the Beginning of the Year		366,811	173,252
Exchange differences on cash and cash equivalents		35,522	(23,867)
Cash and Cash Equivalents at the End of the Year	7	746,952	366,811

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Contributed Equity \$	Option and Share based Payment Reserve \$	Other Reserves \$	Accumulated Losses \$	Attributable to Owners of the parent \$	Non-Controlling Interests \$	Total \$
Consolidated							
Balance at 1 July 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 – restated (see note 26)	-	-	(492,890)	-	(492,890)	(200,761)	(693,651)
Total comprehensive income for the period – restated	-	-	(492,890)	(589,130)	(1,082,020)	(245,179)	(1,327,199)
Issue of shares for acquisition of interest in Maniema Gold Company SA	4,500,000	-	-	-	4,500,000	-	4,500,000
Recognition of minority interest - restated (see note 26)	-	-	-	-	-	2,071,109	2,071,109
Convertible note conversion	1,650,000	-	-	-	1,650,000	-	1,650,000
Proceeds from share issue	(83,280)	-	-	-	(83,280)	-	(83,280)
Balance at 30 June 2017 - restated	44,406,871	-	(478,192)	(38,742,264)	5,186,415	1,825,930	7,012,345
Balance at 1 July 2017 - restated	44,406,871	-	(478,192)	(38,742,264)	5,186,415	1,825,930	7,012,345
Loss for the period	-	-	-	(2,257,147)	(2,257,147)	(991)	(2,258,138)
Other comprehensive income for the period	-	-	460,696	-	460,696	119,823	580,519
Total comprehensive income for the period	-	-	460,696	(2,257,147)	(1,796,451)	118,832	(1,677,619)
Issue of shares for acquisition	-	-	-	-	-	-	-
Proceeds from share issue	4,027,361	-	-	-	4,027,361	-	4,027,361
Share issue expenses	(245,886)	-	-	-	(245,886)	-	(245,886)
Share based payments	-	880,646	-	-	880,646	-	880,646
Balance at 30 June 2018	48,188,346	880,646	(17,496)	(40,999,411)	8,052,085	1,944,762	9,996,847

The accompanying notes form part of these financial statements.

CORPORATE INFORMATION

This financial report includes the consolidated financial statements and notes of Vector Resources Limited (the “Company” or “Vector”) and its controlled entities (the “Group” or “Consolidated Entity”).

Vector is a public company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Suite 16, 83 Mill Point Road, South Perth, Western Australia.

The consolidated financial statements for the year ended 30 June 2018 were approved and authorised for issue by the board of directors on 28 September 2018.

The principal activity of the company is exploration for minerals.

1. Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied, unless otherwise indicated.

a. Basis of preparation

The consolidated financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Vector Resources Limited is a for-profit entity for the purpose of preparing the financial statements. The consolidated financial statements are presented in Australian dollars, the functional currency of the Company.

(i) Compliance with IFRS

The consolidated financial statements of Vector also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

(iii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which have been measured at fair value.

b. New and amended accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been early adopted by the Group for the annual reporting period ended 30 June 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, is set out below:

AASB 9: Financial Instruments and associated Amending Standards

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

1. Summary of Significant Accounting Policies (continued)

The Group intends to apply the new standard retrospectively at the date of initial application, being 1 January 2018, but will not restate comparative information. Based on the financial instruments held at 30 June 2018, no significant change in the measurement of the Group financial assets or liabilities is expected on adoption of the Standard.

On adoption of AASB 9 the Group will classify financial assets as subsequently measured at either amortised cost or fair value, depending on the business model for those assets and on the asset's contractual cash flow characteristics. In this regard, available for sale equity investments will be reclassified as financial assets at fair value through profit and loss, and loans and receivables will be reclassified as financial assets at amortised cost.

AASB 15: Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The Group has considered the impact of adopting AASB 15 and determined that the new standard is unlikely to have a material impact on the Group.

AASB 16: Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116 : *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

1. Summary of Significant Accounting Policies (continued)

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Group has performed a preliminary review of the adoption of AASB 16. As a result of this review the Group has determined that there is unlikely to be a material impact from the adoption of AASB 16 on its business.

c. *Going Concern*

The consolidated financial statements have been prepared on a going concern basis, which assumes the commercial realisation of the future potential of the Group's assets and the discharge of its liabilities in the normal course of business.

The Group made a loss of \$2,258,138 (2017 restated: \$633,548) for the year ended 30 June 2018 and had a net cash outflow from operating activities of \$1,011,431 (2017: \$426,043).

The Board considers that the Group 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 Group 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.

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

Should the Group 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 consolidated financial statements. The consolidated 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 the Company or Group not continue as a going concern.

d. *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the parent entity and its subsidiaries as at 30 June each year. Control is achieved when the Consolidated Entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Consolidated Entity controls an investee if and only if the Consolidated Entity has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Consolidated Entity re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Consolidated Entity obtains control over the subsidiary and ceases when the Consolidated Entity loses control of the subsidiary.

1. Summary of Significant Accounting Policies (continued)

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Consolidated Entity and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Consolidated Entity's accounting policies. All inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation

e. 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 Group's chief operating decision maker which, for the Group, is the Board of Directors of the Company. 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*. The Group currently only operates in the exploration industry in the DRC.

f. Foreign Currency Translation

i. Functional currency

The functional currency of the Company and each of 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. All exchange differences in the consolidated financial report are recognised in profit or loss with the exception of exchange differences on intercompany loans which are not expected or planned to be repaid. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

iii. Foreign operations

Where the functional currency of a subsidiary is not Australian Dollars the assets and liabilities of the subsidiary at reporting date are translated into the presentation currency of the Company at the rate of exchange ruling at the balance sheet date and the income statements are translated by applying the average exchange rate for the year. Any exchange differences arising on this retranslation are taken directly to the foreign currency translation reserve in equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity and relating to that particular foreign operation is recognised in Profit or Loss.

1. Summary of Significant Accounting Policies (continued)

g. 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 Group 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
Motor vehicles	7 years

i. Impairment

The carrying value of property, plant and equipment is 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 and equipment is de-recognised upon disposed of, 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.

h. Exploration and Evaluation

Expenditure on the acquisition, exploration and evaluation relating to an area of interest is carried forward as an asset 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.

i. Impairment of Non-financial Assets

At each reporting date, the Group assesses whether there is any indication that a non-financial asset may be impaired. Where an indicator of impairment exists, the Group 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.

1. Summary of Significant Accounting Policies (continued)

The recoverable amount of an asset is the higher of its fair value less costs of disposal 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 an indication exists, the recoverable amount of the asset in question 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. 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.

j. 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.

k. Receivables

Receivables, 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 receivables is reviewed on an ongoing basis. Debts known to be uncollectible are written off when identified. An allowance account for impairment is raised when there is objective evidence that the Group will not be able to collect the debts.

l. Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group 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.

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.

1. Summary of Significant Accounting Policies (continued)

n. *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.

o. *Contributed Equity*

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

p. *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.

q. *Income Tax*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

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.

1. Summary of Significant Accounting Policies (continued)

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 assets 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.

o. 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.

r. 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.

1. Summary of Significant Accounting Policies (continued)

ii. Superannuation

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

s. *Comparative Figures*

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

t. *Borrowings*

Borrowings are initially measured at fair value less directly attributable transactions costs, except for borrowings carried at fair value through profit or loss, which are measured initially at fair value.

After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method, except for financial liabilities held for trading or designated as fair value through profit and loss ("FVTPL"), that are carried subsequently at fair value with gains or losses recognised in profit or loss.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

u. *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

v. *Share based payments*

The Consolidated Entity provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

In valuing equity-settled transactions, no account is taken of any vesting conditions (such as service conditions), other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a Black & Scholes model. Further details of which are given in note 25.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

1. Summary of Significant Accounting Policies (continued)

At each subsequent reporting date until vesting, the cumulative charge to profit or loss is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to profit and loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of dilutive earnings per share.

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 Judgement – Exploration and evaluation

The Group's policy for exploration and evaluation is discussed in Note 1(h). 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 Judgement – functional currency of Vector Resources Congo SA and Maniema Gold Company SA

Each entity within the Group is required to determine its functional currency. Management consider US Dollars to be the functional currency of Vector Resources Congo SA and Maniema Gold Company SA. In arriving at this determination, management has given priority to the currency that influences the costs incurred on exploration and evaluation activities as they consider this to be a primary indicator of the functional currency.

Key Judgement – Accounting for contingent consideration payable on an asset acquisition

In accounting for the cash component of contingent consideration payable on an asset acquisition, including future royalties, the Group considers AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* to be the applicable Accounting Standard. Accordingly, no obligation for the cash component of contingent consideration payable based on the future performance of the asset and actions of the Group is recognised at the date of purchase of the related asset.

2. Critical Accounting Estimates and Judgements

Key estimate - Share-based payments

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an appropriate valuation model, using the assumptions as discussed in note 25.

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 and borrowings.

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 2018, the effect on profit/(loss) and equity as a result of a reasonably possible change in the interest rate, with all other variables remaining constant would be as follows:

	2018	2017
	\$	\$
Change in Profit/(Loss)		
Increase in interest rate by 1%	(3,674)	(5,958)
Decrease in interest rate by 1%	3,674	5,958
Change in Equity		
Increase in interest rate by 1%	(3,674)	(5,958)
Decrease in interest rate by 1%	3,674	5,958

The Group's exposure to risk of changes in market interest rates relates primarily to the Group'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.

3. Financial Risk Management (continued)

	Floating Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total	
	2018	2017	<1 Year		2018	2017	2018	2017
	\$	\$	2018	2017	2018	2017	\$	\$
Consolidated								
<i>Financial Assets</i>								
Cash and cash equivalents	746,952	340,716	12,000	12,000	-	26,095	758,952	378,811
Receivables	-	-	-	-	59,816	10,709	59,816	10,709
	746,952	340,716	12,000	12,000	59,816	36,804	818,768	389,520
Weighted average interest rate	0.04%	0.60%	-	-				

	Floating Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total	
	2018	2017	<1 Year		2018	2017	2018	2017
	\$	\$	2018	2017	2018	2017	\$	\$
Consolidated								
<i>Financial Liabilities</i>								
At amortised cost								
Payables	-	-	-	-	486,516	208,172	486,516	208,172
Borrowings	-	-	1,092,462	-	20,993	19,281	1,113,455	19,281
	-	-	1,092,462	-	507,509	227,453	1,599,971	227,453
Weighted average interest rate	-	-	10.0%	-				

c. Credit Risk

Credit risk arises from the financial assets of the Consolidated Entity, which comprises cash and cash equivalents, trade and other receivables, and deposits. The maximum exposure to credit risk, at balance date for these financial assets, is the carrying amount, net of any allowance account 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 on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group currently does not have any material debtors apart from GST receivable which is claimed at the end of each quarter during the year.

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

	2018	2017
	\$	\$
Less than 6 months	59,816	10,709
	59,816	10,709

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. All liabilities of the Group are due in less than 6 months.

3. Financial Risk Management (continued)

e. Fair Values

The net fair value of the Group's at-call and short-term deposits with banks, accounts receivables and payables approximate their carrying values. Due to the short term nature of the Group's borrowings, the carrying value of the loans at the balance sheet date appropriates fair value.

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

Financial Assets

Cash and cash equivalents	758,952	378,811
Trade and other receivables	59,816	10,709
	<u>758,761</u>	<u>389,520</u>

The fair values are comparable to their carrying amount.

Financial Liabilities

Trade and other payables	486,516	208,172
Borrowings	1,113,455	19,281
	<u>1,599,971</u>	<u>227,453</u>

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

2018	On Demand \$	Less than 1 year \$	Total \$
Interest-bearing loans and borrowings	-	1,092,462	1,092,462
Interest free loans and borrowings	-	20,993	20,993
Trade and other payables	-	486,516	486,516
	<u>-</u>	<u>1,599,971</u>	<u>1,599,971</u>
2017	On Demand \$	Less than 1 year \$	Total \$
Interest-bearing loans and borrowings	-	-	-
Interest free loans and borrowings	-	19,281	19,281
Trade and other payables	-	208,172	208,172
	<u>-</u>	<u>227,453</u>	<u>227,453</u>

4. Revenue

Non-Operating Activities

Interest received	2,455	2,504
	<u>2,455</u>	<u>2,504</u>

5. Income Tax Expense

	2018 \$	2017 \$
(a) The components of income tax expense comprise of:		
Current income tax	-	-
Deferred income tax	-	-
Income tax for the year	-	-

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

Prima facie tax benefit on operating loss before tax at 27.5% (2017: 27.5%)	(620,988)	(174,226)
Tax effect on non-deductible expenditure	306,612	59,804
Deferred tax assets not brought to account	314,376	114,422
Income tax for the year	-	-
Unrecognised deferred tax balances		
Deferred tax assets:		
Available for sale financial assets	97,020	97,020
Capital raising costs	161,399	40,346
Provisions and accruals	24,285	11,248
Carry forward capital losses	791,838	791,838
Carry forward income tax losses	9,983,401	9,669,025
	11,057,943	10,609,477

(d) Tax losses

The company has Australian income tax losses of \$39,182,687 (2017: \$35,160,092), Australian capital losses of \$2,879,411 (2017: \$2,879,411) and DRC income tax losses of \$72,738 (2017: \$148,060) for which no deferred tax asset is recognised in the Statement of Financial Position. Losses are recoupable subject to relevant Australian and DRC taxation statutory requirements being met.

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

- The Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- The Group entities continue to comply with the conditions for deductibility imposed by law; and
- No changes in income tax legislation adversely affect the Group entities in utilising the benefits.

6. Auditor's Remuneration

During the year the following fees were paid or payable for service provided by the auditor of the parent entity, its related practices and non-related audit firms:

Ernst & Young – audit or review of financial reports	40,000	-
Grant Thornton Audit Pty Ltd - audit and review of financial reports	27,951	42,825
	67,951	42,825

- At the Company's request Grant Thornton Audit Pty Ltd resigned as auditors with the approval of ASIC, to allow the appointment of Ernst & Young as the Company's auditors.

7. Cash and Cash Equivalents

Cash at bank	746,952	366,811
Total	746,952	366,811

Details of interest rates are disclosed in Note 3.

8. Trade and Other Receivables

	2018 \$	2017 \$
<i>Current</i>		
Other Receivables	71,816	22,709
	71,816	22,709

(a) Included in other receivables above is restricted funds relating to bonds that has been reclassified from cash and cash equivalents in the prior year to better reflect the nature of the asset:

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

9. Property, Plant and Equipment

	Motor Vehicles	Computer Equipment	Plant and Equipment	Total
Gross carrying amount – at cost	\$	\$	\$	\$
At 1 July 2016	-	-	-	-
Additions	13,058	-	-	13,058
At 30 June 2017	13,058	-	-	13,058
Additions	33,851	1,754	6,331	41,936
Exchange differences	1,160	-	-	1,160
At 30 June 2018	48,069	1,754	6,331	56,154
Accumulated Depreciation				
At 1 July 2016	-	-	-	-
Depreciation for the year	377	-	-	377
Exchange differences	(7)	-	-	(7)
At 30 June 2017	370	-	-	370
Depreciation for the year	2,705	59	598	3,362
Exchange differences	167	3	30	200
At 30 June 2018	3,242	61	628	3,931
Net Book Value				
At 30 June 2017	12,688	-	-	12,688
At 30 June 2018	44,827	1,693	5,703	52,223

10. Exploration and Evaluation

	2018 \$	Restated 2017 \$
Opening Balance	6,837,590	-
Acquisition of controlling interest in Maniema Gold Project (i)	-	6,928,571
Exploration expenditure capitalised during the year	3,320,979	564,784
Foreign currency translation adjustment	541,520	(655,765)
	10,700,089	6,837,590

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

- The continuance of the Group'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
- The Group'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 Maniema Gold Company SA ("MGCSA") which holds the seven exploration licences relating to the Maniema Gold Project. Under the terms of the agreement:
- a. the Group will pay \$600,000 to the vendor should the project go into development;
 - b. the Group will issue an additional 100,000,000 shares to the vendors and advisers on establishment of a JORC (2012 code) resource in excess of 1 million ounces at a cut of grade of 2.5g/t; and
 - c. the Group will pay a royalty of 1% of all bullion and other mineral sales made from the project.

The cash obligations under this arrangement have been accounted for as contingent liabilities and no liability has been recognised at the balance sheet date. The equity settled component is a share based payment - see note 25.

11. Trade and Other Payables

	2018 \$	2017 \$
<i>Current</i>		
Trade Payables	356,203	152,791
Other Payables	47,763	1,181
Due to Directors and related entities (i)	84,000	54,200
	486,516	208,172

- (i) Relates to accrued Directors fees at 30 June 2018 and 2017.

12. Borrowings

	2018	2017
	\$	\$
<i>Current interest free loans</i>		
Unsecured Loan (i)	20,993	19,281
	20,993	19,281
<i>Current interest bearing loans</i>		
Unsecured Loans (ii)	307,263	-
Convertible Debt (iii)	785,199	-
	1,092,462	-
	1,113,455	19,281

- (i) The unsecured loan is non-interest bearing and has no fixed term of repayment.
- (ii) The unsecured loans from Mr Bin Liu and Mr John Boardman, attracted interest at 10% per annum and were repayable at the earlier of 3 months from initial drawdown or 10 days after the successful completion of the Adidi-Kanga acquisition. On 19 September 2018, both loans repayment dates were extended to 30 September 2018. Subsequent to year end, at the General Meeting held on 21 September 2018, the shareholders approved the conversion of the loans (plus interest into ordinary shares at \$0.02 per share per share amounting in 8,250,000 shares issued to be issued to both Mr Bin Liu and Mr John Boardman.
- (iii) The Convertible Note was held by Cuart Investments PCC Ltd, attracted interest at 9% per annum, had a face value of US\$570,000 and a maturity date of 30 September 2018. The loan was convertible into ordinary shares, by mutual consent of the Company and Cuart Investments PCC Ltd, at the lesser of a fixed conversion price and 93 % of the lowest daily VWAP during the 10 trading days immediately prior to the conversion date. Transaction costs of US\$ 69,000 were incurred. Subsequent to year end, at the General Meeting held on 21 September 2018, the shareholders approved the conversion of the loan (plus interest) to be converted into up to 50,000,000 ordinary shares.

13. Contributed Equity

Ordinary Shares – issued and fully paid	2018	2017
	\$	\$
At the beginning of the reporting period	44,406,871	38,340,151
Fully paid ordinary shares issued from capital raising	3,995,361	1,349,071
Fully paid ordinary shares issued for services rendered	32,000	-
Fully paid ordinary shares issued to settle loan	-	300,929
Fully paid ordinary shares issued for acquisition	-	4,500,000
Share issue costs	(245,886)	(83,280)
At reporting date	48,188,346	44,406,871
	Number of shares	Number of shares
Opening balance	1,049,814,340	269,814,340
Issued during the period	337,472,151	780,000,000
Closing balance	1,387,286,491	1,049,814,340

13. Contributed Equity (continued)

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.

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 all contributed equity.

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.

14. Reserves

	2018 \$	Restated 2017 \$
Options and Share based Payments Reserve(a)	880,646	-
Other Reserves (b)	(17,496)	(478,192)
Total Reserves	863,150	(478,192)

(a) Option and Share Based Payments Reserve

At the beginning of the year	-	-
Options issued	880,646	-
Expiration of share options	-	-
At reporting date	880,646	-

This reserve is used to recognise the value of equity-settled share-based payment transactions for the acquisition of project interests and the provision of share-based incentives to directors, employees and consultants.

(b) Other Reserves

	Foreign currency translation reserve \$	AFS financial asset reserve \$	Total \$
Balance at 1 July 2016	-	14,698	14,698
AFS financial assets:			
Revaluation decrement	-	(14,698)	(14,698)
Exchange differences on translating foreign operations - restated	(478,192)	-	(478,192)
Balance at 30 June 2017 - restated	(478,192)	-	(478,192)
Exchange differences on translating foreign operations	460,696	-	460,696
Balance at 30 June 2018	(17,496)	-	(17,496)

14. Reserves (continued)

The Foreign Currency Translation Reserve is used to record exchange differences arising on translation of the Group entities that do not have a functional currency of Australian dollars and have been translated into Australian dollars for presentation purposes.

The AFS financial asset reserve was used to record fair value movements on available for sale investments.

15. Dividends

No dividends have been paid or declared in respect of the year ended 30 June 2018 (2017: nil).

16. Cash Flow Information

Reconciliation of loss after income tax to net cash outflow from operating activities:

	2018	Restated 2017
	\$	\$
Loss for the year	(2,258,138)	(633,548)
<i>Non-cash flows in loss from ordinary activities</i>		
Depreciation expense	3,362	377
Shares issued for services rendered	32,000	-
Finance costs	124,684	15,058
Share based payment expense	880,646	-
Other	2,516	-
Impairment of financial assets	-	6,299
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(74,845)	856
Increase in trade and other payables	278,344	184,915
Net cash used in operating activities	<u>(1,011,431)</u>	<u>(426,043)</u>

17. Segment Information

During the current year, the Group has only one operating segment being gold exploration in the DRC. All other activities are considered to relate to the Corporate Head Office.

Non-current assets

Australia	-	-
DRC	10,752,312	6,850,278
	<u>10,752,312</u>	<u>6,850,278</u>

Non current assets for this purpose consist of plant and equipment and evaluation and evaluation assets.

18. Controlled Entities

a. Composition of the Group

Controlled entities included in the consolidated financial statements are listed below:

	Principal Activity	Country of Incorporation	Ownership Interest	
			2018 %	2017 %
Vector DR Congo SA	Gold Exploration	DRC	100	100
Maniema Gold Company SA	Gold Exploration	DRC	70	70
Louise Minerals Pty Ltd	Mineral Exploration	Australia	100	100
Muriels Extension Pty Ltd	Mineral Exploration	Australia	100	100

b. Material partly-owned subsidiary - Maniema Gold Company SA

Reconciliation of non-controlling interest:

	2018 \$	Restated 2017 \$
Balance at 1 July 2017	1,825,930	-
Arising on acquisition of interest in subsidiary	-	2,071,109
Share of loss for the year	(991)	(44,418)
Share of translation reserve	119,823	(200,761)
Balance at 30 June 2018	1,944,762	1,825,930

The financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations.

Current assets	27,081	24,873
Non-current assets	9,616,720	6,061,560
Current liabilities	(3,134,180)	(719,559)
Non-current liabilities	-	-
Non-controlling interest	1,944,762	1,825,930
Revenue	-	-
Loss for the year since acquisition date	(3,303)	(148,060)
Loss attributable to non-controlling interest	(991)	(44,418)

19. Commitments and Contingencies

	2018 \$	2017 \$
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	-	-
	-	-
Operating Leases		
No later than one (1) year	11,094	-
	11,094	-

20. Related Party Transactions*Loans from Director and Director related entities*

Balances payable to Directors and Director related companies as at end of year:

	2018	2017
	\$	\$
JC Trust	15,000	11,000
Mandevilla Pty Ltd	-	12,600
Perizia Investments Pty Ltd	15,000	12,600
Abminga Nominees Pty Ltd	54,000	18,000
	<u>84,000</u>	<u>54,200</u>

Services provided by Director related entities

Directors services are provided by Director Related Entities, refer to *Remuneration Report* disclosed in the *Directors' Report* for fees earned by the Directors and their related or associated entities.

Remuneration of Key Management Personnel

Short-term	517,203	268,750
Post-employment superannuation	-	-
Option based payments	765,364	-
	<u>1,282,567</u>	<u>268,750</u>

Other Transactions with Key Management Personnel*Maniema Gold Project Acquisition*

The Maniema Gold Project was acquired in 2017 from an entity for 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:

- 28.75% interest is held by Mandevilla Pty Ltd, a company of which Mr Neville Bassett is a director and a controlling shareholder; and
- 28.75% interest is held by Perizia Investments Pty Ltd, a company of which Mr Gary Castledine is a director and a controlling shareholder.

21. Events Subsequent to Balance Date

Subsequent to year end, on 18 September 2018, the Company and MGI provided an update on satisfaction of further key conditions associated with its acquisition of a 60% interest in the Adidi-Kanga Gold Project.

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.

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.

21. Events Subsequent to Balance Date (continued)

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.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

22. Earnings per Share

	2018 \$	Restated 2017 \$
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	(2,257,147)	(589,130)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	1,301,898,358	696,827,902

The loss per share calculations for the year ended 30 June 2018 and 30 June 2017 have been adjusted by a factors of 1.072 to reflect the bonus element of the placement and capital raising completed during the year.

Information on the classification of options / rights

As the Group has made a loss for the years ended 30 June 2018 and 2017, all options/rights on issue (see note 25) are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options/rights could potentially dilute basic earnings per share in the future.

23. Parent Entity Information

Information relating to Vector Resources Ltd

Current Assets	583,265	1,027,826
Total Assets	10,017,440	5,725,155
Current Liabilities	(1,559,149)	(135,616)
Total Liabilities	(1,559,149)	(135,616)
Net Assets	8,458,292	5,589,539
Issued Capital	48,188,346	44,406,871
Option Reserve	880,646	-
Accumulated losses	(40,610,700)	(38,817,332)
Total Shareholder's Equity	8,458,292	5,589,539
Loss of the parent Entity	(1,984,080)	(678,899)
Total Loss of the parent entity	(1,984,080)	(678,899)

24. Contingent Liabilities and Contingent Assets

During the prior year, the Group acquired a 70% interest in the Maniema Gold Project (refer Notes 10 and 20). The agreement includes contingent consideration payable (see note 10).

Commitments relating to the Maniema Gold Project

In terms of the shareholders agreement with WB Kasai Investments Congo SARL ("WBK"):

- 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 project 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 project 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 million into the project company over the 12 months from Settlement (10 January 2017) for exploration on the Project.

25. Share Based Payments

(a) Employee Incentive Plan

The Group has provided benefits to directors, employees and contractors of the Company in the form of performance rights under the Company's Employee Incentive Plan as approved at the General Meeting on 29 March 2017, constituting a share-based payment transaction. The exercise prices of the performance rights granted on 30 November 2017 was nil per right and all performance rights granted have an expiry date of 31 December 2018.

Performance rights granted carry no dividend or voting rights. When exercisable, each performance right is convertible into one ordinary share of the Company with full dividend and voting rights.

Vesting of the performance rights granted is dependent on the specific performance criteria being met. 100% of the performance rights vest on either:

- the certification by an independent competent person on or before 31 December 2018 of a JORC Reported resource or reserve on the Maniema Gold Project of at least 1,000,000 ounces of gold of which at least 25% is in the indicated or better classification (reported in accordance with clause 50 of the JORC Code); or
- the certification by an independent competent person on or before 31 December 2018 of a JORC Reported resource or reserve on any project acquired by Vector Resources Ltd of at least 3,000,000 ounces of gold of which at least 25% is in the indicated or better classification (reported in accordance with clause 50 of the JORC Code).

Fair value of performance rights granted

The fair value of the performance rights granted during the year was \$0.022 (2017: nil). The price was calculated by using the Black-Scholes European Option Pricing Model taking into account the terms and conditions upon which the performance rights were granted.

	2018
Exercise price (cents)	Nil
Expected life (years)	1.1
Underlying share price (cents)	\$0.02
Expected share price volatility	128.0%
Risk free interest rate	2.08%

25. Share Based Payments (continued)

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

(b) Summary of Share-Based Payment

Set out below are summaries of the share-based payment granted:

	2018		Restated 2017	
	Number of performance rights	Fair value (Cents)	Number of performance rights	Fair value (Cents)
Outstanding as at 1 July	-	-	-	-
Granted	60,000,000	0.02	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding as at 30 June	60,000,000	0.02	-	-
Exercisable as at 30 June	-	-	-	-

The weighted average remaining contractual life of share performance rights outstanding at the end of the period was 0.5 years, and the exercise price is nil.

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	2018	Restated 2017
Shares and performance rights included in share-based payments expense	880,646	-

(d) Shares issued to suppliers

On 11 December 2017, the Company issued 1,777,778 ordinary shares at a fair value of \$32,000 to Stocks Digital for services rendered. No shares or options were issued to suppliers in the prior year.

(e) Acquisition of interest in the Maniema Gold Project

In terms of the acquisition agreement, the Group will issue an additional 100,000,000 shares to WBK and advisors on establishment of a JORC (2012 code) resource in excess of 1 million ounces at a cut off grade of 2.5g/t. As the fair value of the asset acquired could not be reliably determined, the share based payment transaction was measured with reference to the fair value per share of \$0.01 at the date of acquisition. The non-vesting condition has been incorporated into the valuation by applying a probability factor. Management determined that the value of this sharebased payment arrangement was not material.

26. RESTATEMENT OF COMPARATIVE INFORMATION

On 10 January 2017, Vector acquired 70% of the share capital of MGCSA, a company holding certain exploration and development licences in DRC. The Group has assessed that it has control over MGCSA.

During the current reporting period the Group reviewed its accounting treatment of the transaction as only the Group's share of the net assets acquired had previously been recognised. A prior period adjustment has been recognised to account for the full value of the net assets acquired and the non-controlling interest therein.

In addition, the Group has made adjustments to the carrying amount of exploration assets acquired to reflect the value of the assets in the functional currency of the operation to which the assets relate and to translate the assets into Australian dollars at the applicable period end rate pursuant to the requirements of AASB 121: *The Effects of Changes in Foreign Exchange Rates*. Previously the exploration assets acquired had been accounted for at cost in the functional currency of the parent and not in the functional currency of the operation to which the assets relate.

The impact of the correction of the errors on the 30 June 2017 comparatives is summarised as follows:

	As at 30 June 2017 \$	Impact of correction of prior period error \$	Restated As at 30 June 2017 \$
Statement of Financial Position (Extract)			
Exploration and evaluation expenditure assets	5,414,784	1,422,806	6,837,590
NET ASSETS	5,589,539	1,422,806	7,012,345
Foreign currency translation reserve	(19,157)	(459,035)	(478,192)
Non-controlling interest	(55,911)	1,881,841	1,825,930
TOTAL EQUITY	5,589,539	1,422,806	7,012,345

The Statement of Financial Position amounts other than those mentioned above were not affected by the correction of the prior period errors.

Statement of Comprehensive Income (Extract)

	Year ended 30 June 2017	Impact of correction of prior period error	Restated Year ended 30 June 2017
Operating loss for the year	(633,548)	-	(633,548)
Other comprehensive income for the year - exchange differences	(23,188)	(655,765)	(678,953)
Other comprehensive loss for the year	(37,886)	(655,765)	(693,651)
Total comprehensive loss for the year	(671,434)	(655,765)	(1,327,199)
Total comprehensive loss attributable to the non-controlling interest	(48,449)	(196,730)	(245,179)
Total comprehensive loss attributable to the parent entity	(622,985)	(459,035)	(1,082,020)

The correction of the error did not have any impact on the loss per share.

Additional information required by the *Australian Securities Exchange* (ASX) listing rules as at 24 September 2018.

List of 20 largest shareholders

Rank	Name	Shares Held	% of total shares
1	JBCM CONSULTING PTY LTD	50,000,000	3.60%
2	WB KASAI INVESTMENTS CONGO SARL	42,000,000	3.03%
3	RED STAR DEVELOPMENTS PTE LTD	40,000,000	2.88%
4	GOLDFIRE ENTERPRISES PTY LTD	32,000,000	2.31%
5	BNP PARIBAS NOMS PTY LTD	29,663,142	2.14%
6	JJC CONSULTING SERVICES (SINGAPORE) PTE LTD	25,000,000	1.80%
7	CITICORP NOMINEES PTY LIMITED	22,984,093	1.66%
8	1620 CAPITAL PTY LTD	22,372,905	1.61%
9	CHALEYER HOLDINGS PTY LTD	20,000,000	1.44%
9	MR MAKONGA NGOY PELASA	20,000,000	1.44%
9	MR LUFUNGA MBAYO PELASA	20,000,000	1.44%
10	J P MORGAN NOMINEES AUSTRALIA LIMITED	19,521,180	1.41%
11	THREEBEE INVESTMENT GROUP PTY LTD	18,400,000	1.33%
12	BONTOWN PTY LTD	17,000,000	1.23%
13	ATTOLLO INVESTMENTS PTY LTD	16,747,778	1.21%
14	DAVY CORP PTY LTD	14,906,691	1.07%
15	FILMRIM PTY LTD	14,000,000	1.01%
16	MEDEK INVESTMENTS PTY LTD	13,293,339	0.96%
17	PERIZIA INVESTMENTS PTY LTD	11,786,417	0.85%
18	GREYWOOD HOLDINGS PTY LTD	11,500,000	0.83%
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,894,001	0.79%
20	MANDEVILLA PTY LTD	10,640,000	0.77%
	TOTAL	482,709,546	34.80%

Substantial Shareholders

As at 25 September 2018 there were no Substantial Shareholders on the Company's share register.

Distribution of shareholder's holdings

Ordinary shares held	Number of shareholders	Number of Shares
1 to 1,000	84	32,901
1,001 to 5,000	318	951,474
5,001 to 10,000	151	1,199,522
10,001 to 100,000	912	42,250,657
100,001 and Over	946	1,342,851,937
Total	2,411	1,387,286,491
Unmarketable Parcels	702	4,347,266

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.

Unquoted Securities

Class	Number of Securities	Number of Holders	Holders of 20% or more of the class
Unlisted Performance Rights Expiry 31 December 2018	60,000,000	7	(i)

- (i) As all performance rights were issued under the Company's Employee Incentive Plan, as per Listing Rule 4.10.16, no disclosure of holders of 20% or more is required.

Location	Tenement	Percentage Interest Held (%)
Democratic Republic of Congo - Maniema Province	PR4792	70
	PR4801	70
	PR4803	70
	PR4804	70
	PR4805	70
	PR4806	70
	PR4812	70

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.vectorres.com.au.