



## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2018

31 OCTOBER 2018

### HIGHLIGHTS FOR THE QUARTER

#### Adidi-Kanga Gold Project Acquisition

- Acquisition of a 60% interest in the world class Adidi-Kanga Gold Project in the Democratic Republic of Congo nears completion with execution of key acquisition and loan funding documentation during the Quarter
- The Adidi-Kanga Gold Mine, has a Mineral Resource Estimate of 15.0Mt @ 6.6g/t Au for 3.2Moz of contained gold reported in line with JORC 2012 guidelines (ASX Announcement 5 February 2018), and was previously owned by AngloGold Ashanti, who between 2005 and 2013 expended over US\$520m on exploration and development activities, including 173,276m of diamond and RC drilling, completion of a Feasibility Study and the commencement of initial mine construction activities with the purchase and delivery to site of 70% of the mechanical equipment proposed to be installed under the Feasibility Study
- During the Quarter, Vector and Fimosa Capital Limited's 100% subsidiary Mongbwalu Goldfields Investment Limited executed the Share Sale and Purchase Agreement and Shareholders Agreements to acquire its interest in Mongbwalu Goldfields Investment Holdings 6 Limited through which Vector would hold its interest in Adidi-Kanga Resources Limited, the new joint venture company established to develop the Project
- Shareholders overwhelmingly approved the issue of the tranche 1 equity consideration due to Mongbwalu Goldfields Investment Limited on completion of the Adidi-Kanga acquisition and associated resolutions at a General Meeting of Shareholders held on 21 September 2018
- Additional acquisition documentation executed during the Quarter included the Escrow Agreement and Technical Services Agreements, with all remaining documentation agreed and awaiting execution and confirmation from the Company's DRC based lawyer
- During the Quarter, Vector also confirmed that all loan documentation had been executed for a Committed Debt Facility for US\$20m with Medea Future Materials Fund L.P. and which is proposed to be used to satisfy potential repayment of existing indebtedness at the Adidi-Kanga Gold Project due to a local DRC bank on a positive Decision to Mine
- Subsequent to the Quarters end, Vector also announced that it had accepted a US\$35m committed offer of funding from Dubai-based FT (Fast Telecom) General Trading LLC that is proposed to be used by the Company to fund the Adidi-Kanga Gold Project acquisition, completion of the Definitive Feasibility Study and potential future development activities
- Vector, Fimosa Capital Limited and Mongbwalu Goldfields Investment Limited continue to work together to satisfy the few remaining conditions for the acquisition to be completed in early November 2018, with senior members of the Company currently in the DRC finalising the completion of the remaining conditions precedent

### Kibali South and Nizi Gold Projects Acquisition

- The Company has continued to advance negotiations with DRC state-owned gold mining company Société Minière de Kilo Moto to finalise the terms and conditions on the Kibali South and Nizi Gold Projects located in the Ituri and Haut Uele Provinces in the DRC
- Vector remains committed to completing these negotiations and successfully developing these projects in partnership with Société Minière de Kilo Moto, once it has completed its acquisition of the Adidi-Kanga Gold Project in the current Quarter

### Maniema Gold Project Exploration

- The Company continued to advance its exploration activities at its 70% owned Maniema Gold Project, located in the Maniema Province in the DRC during the Quarter
- A total of 2,261m of diamond drilling has been completed by African Drilling Limited, KBDD005A, KBDD006, KBDD007A were completed during the Quarter for a total of 543m drilled and drilling at KBDD008 commenced on 23 September 2018
- Samples have been dispatched to ALS Johannesburg for assaying, with results pending

The Board of Vector Resources Limited ("**Vector**" or the "**Company**") is pleased to provide the following operations report and quarterly cash flow report (Appendix 5B) of its activities during the three months ended 30 September 2018.



## ADIDI-KANGA GOLD PROJECT ACQUISITION

During the Quarter, Vector executed the key acquisition documents for its purchase of a 60% interest in the world-class Adidi-Kanga Gold Project ("**Adidi-Kanga**" or the "**Project**") in the Democratic Republic of Congo ("**DRC**") (ASX Announcement 24 July 2018).

These legally binding agreements form the basis for the purchase of Vector's interest in the Project, the structure for the joint venture ("**JV**") between the various parties and the operation of that JV to complete a Definitive Feasibility Study ("**DFS**") to develop the Project.

Vector and Fimosa Capital Limited ("**Fimosa**") and its 100% wholly owned subsidiary, Mongbwalu Goldfields Investment Limited ("**MGI**") finalised and executed the sale and JV documentation necessary to be able to advance the Project through completion of a DFS, to a positive Decision to Mine and the successful development of the Project.

These two key agreements, the Share Sale and Purchase Agreement ("**Sale Agreement**") and Shareholders Agreement ("**Shareholders Agreement**") (together the "**Agreements**"), remain subject to various conditions precedent, which includes the execution of ancillary documentation that were progressed during the Quarter and which are continuing to be progressed by all parties.

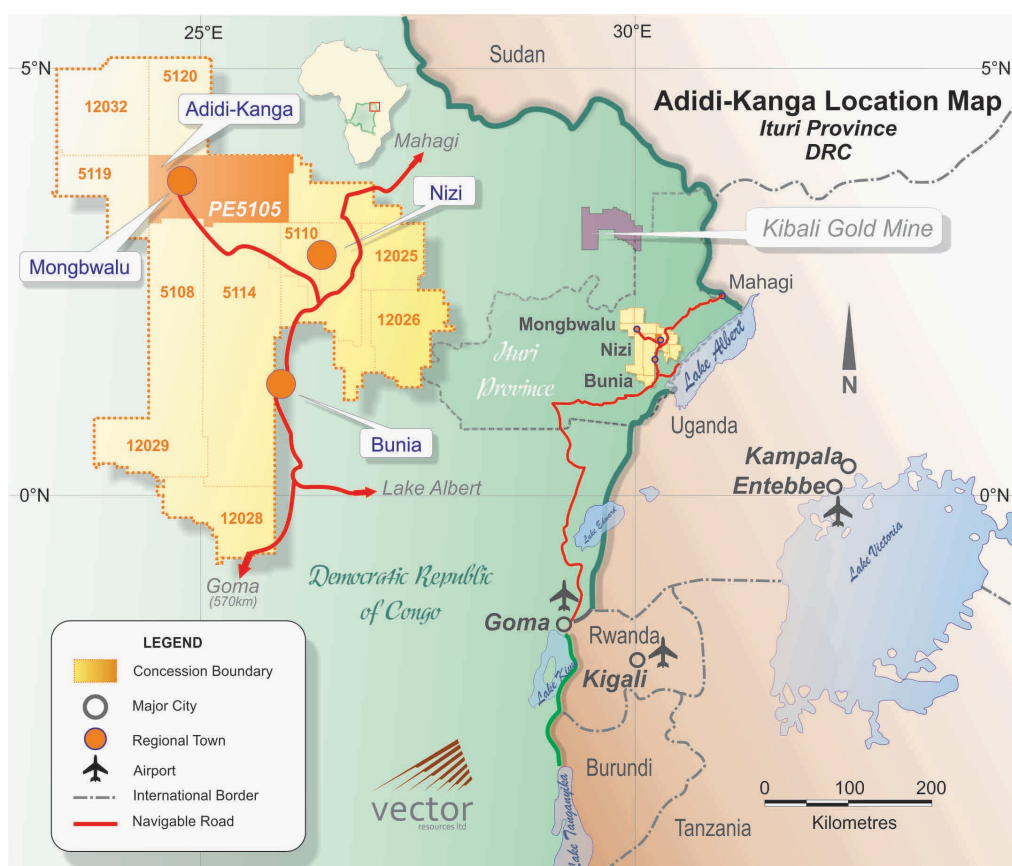
It was anticipated that the conditions precedent would be completed during the Quarter, however, all parties have agreed to extend the date of completion and settlement of the acquisition.

The extensions have been required to ensure the acquisition is completed in accordance with the Agreements and to allow finalisation of the in-country documentation and new joint venture agreement with Société Minière de Kilo Moto DRC ("SOKIMO").

Vector, Fimosa and MGI and their respective advisors are all working together to satisfy the remaining conditions and it is anticipated by all parties that the acquisition will be completed in early November 2018.

### 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 5,033km<sup>2</sup> that were the subject of extensive exploration activities by AngloGold Ashanti.

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 which have been reported previously by the Company in its ASX Release on 22 December 2017.



**Figure 2:** Adidi-Kanga Gold Project - Mongbwalu Gold Project Development Site

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 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 electrical and mechanical assessments prior to determining the full value and extent of potential use of this equipment in future operations.

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 DFS in a short timeframe.



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

## New Joint Venture Structure

Vector will hold an initial 60% interest in the Project.

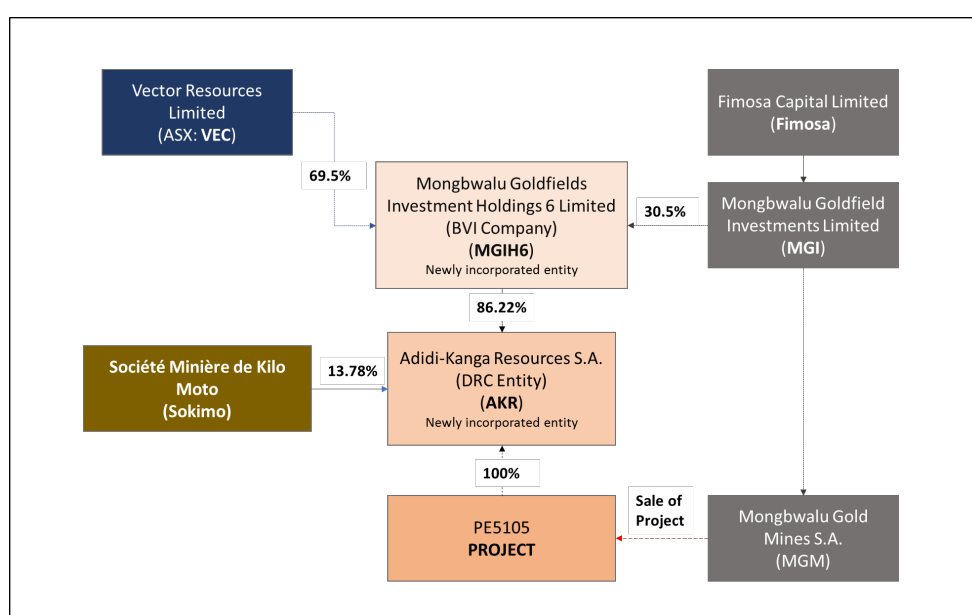


Figure 6: The Adidi-Kanga Gold Project Joint Venture and Ownership Structure

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

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, SOKIMO.

In addition, as part of the structuring of the JV, US\$150m of existing 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 (i.e. repayable to) the MGIH6 shareholders.

The transfer of this loan represents a significant future benefit to the shareholders of MGIH6 and thus 69.5% to be repaid through future profits of the Project to Vector.

It is proposed 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 (US\$30m – see heading **JV Milestone Payments** below), as well as deferred loan repayments to MGI (US\$60m – see heading **Key JV Obligations** below) that are to be made from surplus cashflows and profits of the operations of the Project through the repayment of shareholder loans.

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 below, MGI has the right to appoint up to 2 directors to the Board of Vector.

### **JV Milestone Payments**

Under the terms of the Sale Agreement, Vector is required to make the following cash and share based payments to MGI, noting that all share based payments noted below can be replaced with cash payments at the Company's election:

- i. **Tranche 1** – within 10 business days of the satisfaction of the Conditions Precedent, Vector must pay to MGI US\$5m in cash and at Vector'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, Vector must pay MGI a further US\$5m in cash and at Vector'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, Vector must pay MGI US\$5m in cash and at Vector'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. The Company held a general meeting of its shareholders on 21 September 2018 and shareholders approved the issue of shares under Tranche 1 on completion of the acquisition.

In addition, if the Company raises additional funding specifically for the Project whilst the Definitive Feasibility Study work is ongoing, 50% of any funds raised in excess of US\$10m will be used to prepay the deferred purchase consideration due to MGI.

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 and deferred payments have been paid to MGI and the DFS has been delivered and a positive Decision to Mine has been made. This escrow agreement is one of the conditions precedent for deal completion and has been executed by the parties.

### **Key JV Funding Obligations**

Vector will be solely responsible for the funding and management of the DFS, 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 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.

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.

### **Satisfaction of Conditions Precedent**

Vector, Fimosa and MGI are working together to complete all conditions precedent contained within the Agreements in early November 2018. These conditions precedent include:

- i. Agreeing a work-plan and budget for the exploration and DFS phases of the Project;

- ii. Execution of an Escrow Agreement;
- iii. Issuance of a Standby Letter of Credit and the execution of a Codebition Agreement in relation to the Project's existing external debt facility
- iv. Execution of a Loan Repayment Agreement;
- v. Execution of a Codebition Agreement in relation to the Project's existing external debt facility; and
- vi. Execution of new AKR joint venture and associated documentation and agreements.

The table below provides a summary of the status of each condition precedent:

Condition Precedent	Status
Work Plan & Budget for DFS	<b>SATISFIED</b>
Escrow Agreement	<b>SATISFIED</b>
Issuance of Standby LC or similar facility	Facility executed with Medea Future Materials Fund (ASX Announcement 18 September 2018)
Loan Repayment Agreement	Finalised, awaiting execution of in-country (DRC) documentation
Codebition (Co-Debtor) Agreement	Documentation updated and being finalised by parties
Execution of AKR JV and associated documentation	Awaiting confirmation of status by the Company's DRC based lawyers and advisors

Members of the Company's senior management are currently in the DRC finalising satisfaction of the few outstanding conditions and settlement of the acquisition in early November 2018.



## 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 venture 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, JV and partnership negotiations with SOKIMO (ASX Announcement 26 February 2018).

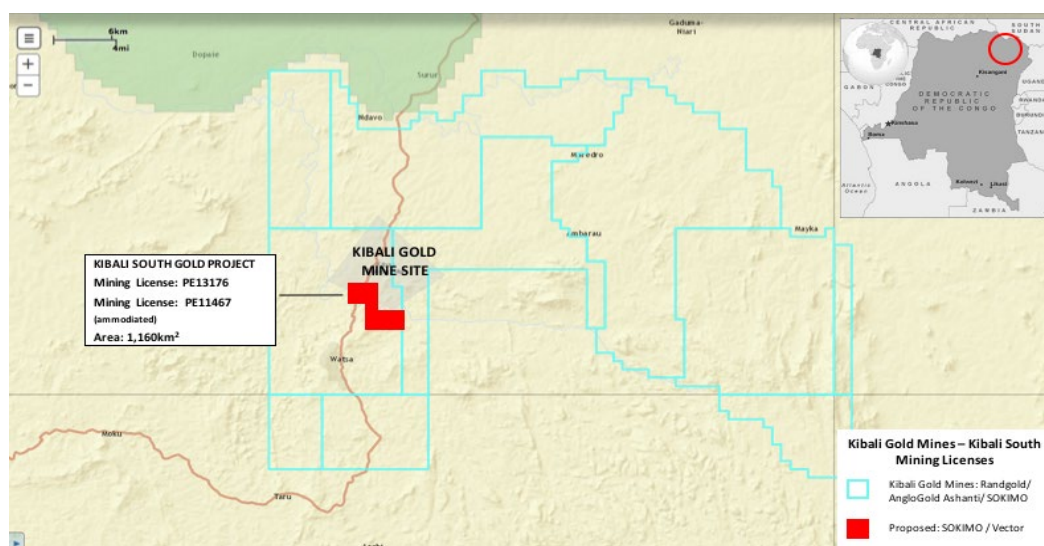
During the Quarter the Company continued its discussions with SOKIMO on the key terms for the commercial, JV and partnership terms that will govern the arrangements.

Numerous meetings by Vector's representatives with SOKIMO in the DRC and Johannesburg have taken place over the Quarter on the key commercial terms for these partnerships.

The Company is proposing to accelerate these discussions and finalise this exciting partnership with SOKIMO upon completion of the acquisition of the Adidi-Kanga Gold Project.

## Kibali South Gold Project Background

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 licenses

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

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

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.

In line with Listing Rule 5.12 and Listing Rule 3.1, the Company views the size and nature of the mineralisation and the amodiation of the mineralisation from the Kibali Goldmines as being

capable of 'a stand-alone mine' making this information material to release to market under Listing Rule 3.1.

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

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

*These estimates are considered foreign and are not reported in line with 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.*

## Nizi Gold Project Background

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.

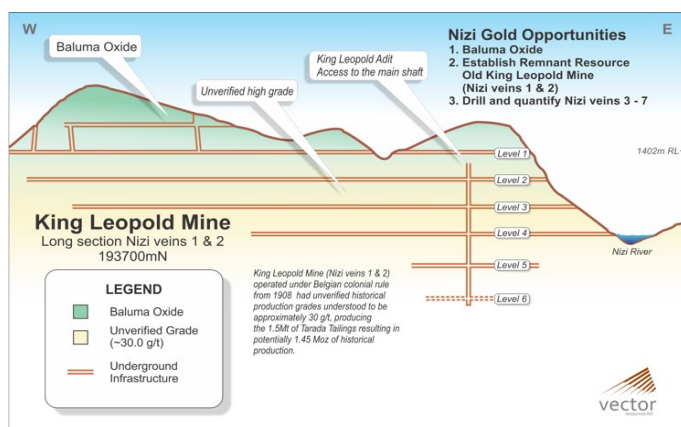
The Exploration Target for the Baluma Gold Oxide Project is 8.0 - 10.5 Mt at a grade range of 0.8g/t to 3.1g/t for 271,000 oz to 1,052,000 oz ("**Exploration Target**").

*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 Vectorwill 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. Refer to **ASX Announcement 7 December 2017**, in relation to estimated historical production from the King Leopold Mines.

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



## MANIEMA GOLD PROJECT

During the Quarter, the Company continued to advance its exploration activities at its 70% owned Maniema Gold Project, located in the Maniema Province in the 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.

### Kabotshome Drilling Update

During the September Quarter, the Company successfully drilled 542.7 diamond drill metres at

its Kabotshome Prospect at the Maniema Gold Project completing KBDD005A, KBDD006, KBDD007A and commenced KBDD008 on 23 September 2018. This completes a total of 2,260.6 diamond drill metres in the current program to the end of the Quarter.

Delays with logistics and drilling have adversely impacted the sampling and dispatch of samples to the ALS laboratory in Johannesburg. Drill sampling continued throughout the Quarter, with the second and third batch of samples to be dispatched for assays shortly. Results from the first batch of samples are pending.

### **Mitunda and Eveche Gold Projects**

Construction of the Mitunda Project area access road continued during the Quarter, with approximately half of the 6km access road now passable by light vehicle traffic.

This improved access has enabled a work program to be planned involving the sampling of selected artisanal shafts across the Mitunda artisanal workings. This material is planned to be processed using the Gold Katcha and Gold Konca small-scale gravity gold processing equipment to assess the gravity gold content.

With improved access to the area, a further assessment of the Eveche Gold Project artisanal mining area was carried out during the Quarter. The main Eveche workings are now a long open trench into hard rock after the coalescing of a series of deep pits through the colluvium exposed mineralization below. The hard rock mining is in a carbonaceous phyllites with one main quartz vein and possibly several stringers. Gold is reported to occur in the phyllites and in the quartz vein.



## **CORPORATE ACTIVITIES**

### **General Meeting of Shareholders**

During the Quarter, the Company held a General Meeting of Shareholders on 21 September 2018 to approve the issue of the Tranche 1 equity consideration (US\$5m at \$0.022 per share) due to MGI on completion of the Adidi-Kanga acquisition, as well as several other resolutions for shareholders consideration (ASX Announcements 21 August 2018 and 21 September 2018).

At the meeting, all resolutions were carried on a show of hands and with validly appointed proxies of over 99% in favour of each resolution.

### **US\$20m Committed Debt Facility**

During the Quarter, the Company 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) (ASX Announcement 18 September 2018).

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 was 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.

### **US\$35M Committed Offer of Debt Funding - Adidi-Kanga**

Subsequent to the Quarter end, the Company announced that it had accepted a committed offer of debt funding of US\$35m ("**Debt Facility**") with a Dubai based entity – FT General Trading LLC ("**FT General**"), a diversified industrial group targeting strategic investments in world-class gold mining projects in Africa (**ASX Announcement 17 October 2018**).

The Debt Facility funding is proposed to be used by Vector for payments relating to the acquisition of Adidi-Kanga, the completion of the DFS for Adidi-Kanga and for its potential future development.

#### **Key Facility Terms**

The Company has been advancing several competing funding proposals to meet the up-front acquisition costs, costs to complete the DFS and to also meet some of the initial Project development costs. After several meetings between FT General and representatives of the Company's executive management and Board in London and Dubai, the Vector Board has accepted the committed offer of funding by FT General, based on the competitive terms and structure of the proposed financing, which it believes will allow the Company to aggressively advance the Adidi Kanga Gold Project.

FT General is already progressing several direct strategic investments in Africa's mining sector with a particular focus on advanced gold projects as well as gold trading and physical gold holdings, as part of their investment strategy to establish a broad Dubai based, well-funded gold mining company, targeting direct minority investments in gold projects in West and Southern Africa.

The Debt Facility is proposed for a total amount of US\$35m and is repayable in full on maturity. Tranches 1 and 2 are repayable in 36 months from the drawdown of Tranche 1, and Tranche 3 is repayable in 24 months of its drawdown. Interest of 7.0% p.a. is payable on a quarterly basis in arrears, in cash or at the Lender's election in shares at the 10-day VWAP. There are no early repayment penalties with this facility.



The principal loan amount outstanding can also be converted into shares in Vector, from completion of the DFS and subject to shareholder approval, with the initial US\$5m Tranche 1 amount converting at a 25% premium to the Company's 10-day VWAP share price (5 days before and 5 days after the drawdown date); and the US\$10m Tranche 2 amount and the US\$20m Tranche 3 amount at a 50% premium to the Company's 10-day VWAP share price (5 days before and 5 days after the drawdown date).

– ENDS –

**Simon Youds**

Chief Executive Officer

**For further information:**

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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 500km<sup>2</sup> 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).

**Competent Person Statement**

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

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

### **Forward looking statements**

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

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

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

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

### Tenement Information as required by Listing Rule 5.3.3

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

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

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