



ABN 99 107 541 453

***Notice of General Meeting***

***Explanatory Statement***

***and***

***Proxy Form***

**Date of Meeting**

Thursday, 28 February 2019

**Time of Meeting**

8.00 am (WST)

**Place of Meeting**

Ground Floor – London Room, London House  
216 St Georges Terrace  
Perth WA 6000

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## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Members of Vector Resources Limited (**Vector** or the **Company**) will be held on Thursday, 28 February 2019, commencing at 8.00am (WST) at the London Room, Ground Floor, 216 St Georges Terrace, Perth, Western Australia.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Meeting.

### AGENDA

#### Resolution 1: Ratification of Prior Issue of Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 210,000,000 Shares to Mongbwalu Goldfields Investments Limited (Co Registration Number: 133304) (MGI) at an issue price of \$0.022 each (Initial MGI Consideration Shares), on the terms and conditions set out in the Explanatory Statement.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the resolution by or on behalf of MGI, any person who participated in the issue of Shares and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### Resolution 2 – Approval to Issue Remaining MGI Consideration Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve a total of 105,656,566 Shares to be issued to Mongbwalu Goldfields Investments Limited (Co Registration Number: 133304), or the parties as advised by MGI, as the remaining consideration under the Sale Agreement, at an issue price of A\$0.022 each (Remaining MGI Consideration Shares), on the terms and conditions set out in the Explanatory Statement.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the resolution by or on behalf of MGI, any person who will participate in the proposed issue of Shares and any person who will obtain a material benefit as a result of the proposed issue of Shares, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### Resolution 3 – Approval to Issue Medea Natural Resources Shares

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*That for the purposes of Listing Rules 7.1 and for all other purposes, Shareholders approve the issue to Medea Natural Resources Limited (or its nominees) 10,000,000 Shares (Medea Natural Resources Shares) in consideration for its services to the Company as debt and structure finance advisers on the terms and conditions set out in the Explanatory Statement.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by or on behalf of Medea Natural Resources Limited, any person who will participate in the proposed issue of Shares and any person who will obtain a material benefit as a result of the proposed issue of Shares, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those

persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Resolution 4 – Approval to Issue Medea Future Materials Shares**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*That for the purposes of Listing Rules 7.1 and for all other purposes, Shareholders approve the issue to Medea Future Materials Fund L.P. (or its nominees) of US\$600,000 of Shares (**Medea Future Materials Shares**) as satisfaction of the upfront or establishment fee on the Medea Future Materials Committed Debt Facility on the terms and conditions set out in the Explanatory Statement.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by or on behalf of Medea Future Materials Fund L.P., any person who will participate in the proposed issue of Shares, any person who will obtain a material benefit as a result of the proposed issue of Shares, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Resolution 5 – Approval to Issue FT General Trading Shares**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*That for the purposes of Listing Rules 7.1 and for all other purposes, Shareholders approve the issue to FT General Trading LLC (or its nominees) 15,000,000 Shares (**FT General Trading Shares**) for the upfront or establishment fee on the FT General Trading Debt Facility on the terms and conditions set out in the Explanatory Statement.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by or on behalf of FT General Trading LLC, any person who will participate in the proposed issue of Shares, any person who will obtain a material benefit as a result of the proposed issue of Shares, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Resolutions 6(a), 6(b) and 6(c): Issue of Advisor Shares**

To consider and, if thought fit, to pass the following resolutions as separate **ordinary resolutions**:

##### ***Resolution 6 (a):***

*That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 35,000,000 Shares to Blackstone Resources Pty Ltd (or its nominees) to satisfy advisory and success fees due to Blackstone Resources Pty Ltd in relation to the Adidi-Kanga Gold Project acquisition, on the terms and conditions set out in the Explanatory Statement forming part of this Notice.*

**Resolution 6 (b):**

*That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 10,000,000 Shares to Ntsu Mining Pty Ltd (or its nominees) to satisfy advisory and success fees due to Ntsu Mining Pty Ltd in relation to the Adidi-Kanga Gold Project acquisition, on the terms and conditions set out in the Explanatory Statement forming part of this Notice.*

**Resolution 6 (c):**

*That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 15,000,000 Shares to Pelesa & Associates (DRC) (or its nominees) to satisfy legal fees due to Pelesa & Associates (DRC) in relation to the Adidi-Kanga Gold Project acquisition, on the terms and conditions set out in the Explanatory Statement forming part of this Notice.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of resolutions 6(a), 6(b) and 6(c) by or on behalf of Blackstone Resources Pty Ltd, Ntsu Mining Pty Ltd, Pelesa & Associates, any person who will participate in the issues of Shares, any person who will obtain a material benefit as a result of the proposed issue of Shares, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Resolution 7: Approval for Future Issue of Shares**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 300,000,000 Shares on the terms and conditions set out in the Explanatory Statement forming part of this Notice.*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by or on behalf of any person who will participate in the proposed issue of Shares or who will obtain a material benefit as a result of the proposed issue of Shares, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting at General Meeting**

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 5.00pm (WST) on 26 February 2019. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxy and voting entitlement instructions are included on the Proxy Form accompanying this Notice of Meeting.

**BY ORDER OF THE BOARD**

**A N Steers**  
**Company Secretary**  
29 January 2019

# EXPLANATORY STATEMENT

## 1. INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at a general meeting of Shareholders to be held at the London Room (Ground Floor), 216 St Georges Terrace, Perth, Western Australia on Thursday, 28 February 2019 at 8.00 am (WST).

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Meeting.

## 2. RATIFICATION OF PRIOR ISSUE OF SHARES

### Resolution 1

#### 2.1 Background

On 24 July 2018, the Company announced the execution of Share Sale and Purchase Agreement (**Sale Agreement**) and Shareholders Agreement (**Shareholders Agreement**) for the purchase of the Company's 60% interest in the Adidi-Kanga Gold Project (the **Project**) in the Democratic Republic of Congo (**DRC**) (the **Acquisition**). On 11 January 2019, the Company announced Completion of the Acquisition.

Refer to **Annexure A** of this Explanatory Statement for a copy of the ASX announcement made by the Company in relation to the Acquisition on 11 January 2019, which contains further information relating to the Acquisition and the Sale Agreement and Shareholders Agreement.

The Sale Agreement provides for the sale of 69.5% of the outstanding shares of Mongbwalu Goldfields Investment Holdings 6 Limited (**MGIH6**). MGIH6 holds an 86.22% in the Project. This results in a total interest of 60% of the Project for the Company.

Pursuant to Sale Agreement entered between the Company and Mongbwalu Goldfields Investment Limited (**MGI**), the Company has undertaken to issue to MGI (or an entity, person or associate determined by MGI) US\$5,000,000 of Shares based on a conversion price of A\$0.022 (**MGI Consideration Shares**). The Company and MGI agreed on 18 January 2019, that the total shares to be issued is 315,656,566 which is based on an A\$/US\$ exchange rate of 0.72.

The total number of MGI Consideration Shares to be issued was determined by the following formula:

$$\text{MGI Consideration Shares} = \frac{(5,000,000 / 0.72)}{0.022} = 315,656,566$$

Where 0.72 is the agreed AUD/US exchange rate and 0.022 is the agreed share issue price.

On 25 January 2019, the Company issued a total of 210,000,000 of the MGI Consideration Shares to MGI as part consideration (**Initial MGI Consideration Shares**) out of its 15% annual placement capacity. The remaining 105,656,566 Shares (**Remaining MGI Consideration Shares**) remain subject to Shareholder approval as is being sought through Resolution 2 of this Notice.

The Company had previously sought and obtained Shareholder approval to issue the MGI Consideration Shares at the Company's general meeting held on 21

September 2018. As the shares were not issued within three (3) months the Company is unable to utilise this previous approval.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Initial MGI Consideration Shares.

The Company is seeking approval from its Shareholders to issue the Remaining MGI Consideration Shares under Resolution 2.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## **2.2 Listing Rules information requirements**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the MGI Consideration Shares:

- (a) 210,000,000 Shares were issued to MGI;
- (b) the deemed issue price per Share was \$0.022;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Initial MGI Consideration Shares were issued in consideration for the Acquisition and accordingly were issued for nil cash consideration and no funds were raised through the issue of the Shares; and
- (e) the Initial MGI Consideration Shares issued to MGI are subject to a voluntary escrow period of 12 months from issue date that will end on 25 January 2020, but the Company will apply for quotation of the Initial MGI Consideration Shares on ASX.

## **2.3 Directors' recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 1.

# **3. APPROVAL TO ISSUE REMAINING MGI CONSIDERATION SHARES Resolution 2**

## **3.1 Background**

Please refer to section 2.1 of this Explanatory Statement for the background to Resolution 2.

## **3.2 Listing Rules information requirements**

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12-month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12-month period, except with

the prior approval of shareholders of the company in a general meeting of the precise terms and conditions of the proposed issue.

The effect of Resolution 2, if passed, will be that the issue of the Remaining MGI Consideration Shares will be exempt from the 15% limit under Listing Rule 7.1.

Approval of Resolution 2 will allow the Company to issue the Remaining MGI Consideration Shares and provide the Company with flexibility during the next 12-month period to issue further equity securities to raise further capital if required.

In accordance with Listing Rule 7.3, the following details are provided in relation to Resolution 2:

- (a) 105,656,566 Shares are to be issued pursuant to Resolution 2 to MGI or its nominees;
- (b) the deemed issue price per Share is \$0.022;
- (c) the Remaining MGI Consideration Shares will be issued on one date within three (3) months of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by the ASX;
- (d) the Remaining MGI Consideration Shares will be issued in consideration for the Acquisition and accordingly will be issued for nil cash consideration and no funds will be raised through the issue of the Shares;
- (e) the Remaining MGI Consideration Shares will be issued as fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Remaining MGI Consideration Shares issued to MGI (or any of its associates) will be subject to a voluntary escrow period of 12 months from issue date, but the Company will apply for quotation of the Remaining MGI Consideration Shares on ASX.

### 3.3 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 2.

## 4. APPROVAL TO ISSUE MEDEA NATURAL RESOURCES SHARES Resolution 3

### 4.1 Background

The Company has engaged Medea Natural Resources Limited (**Medea Natural Resources**), a capital advisory and structuring firm with its registered office in London, United Kingdom. Medea Natural Resources will undertake structuring work for the Company on all debt and structured finance options for the proposed development of the Adidi-Kanga Gold Project, as well as other potential opportunities. The Company is seeking approval to issue 10,000,000 Shares as a signing and commencement fee (**Medea Natural Resources Shares**). This fee is in lieu of any monthly or ongoing retainer arrangement that is typical for these engagements.

The Company considers that the fees payable for the services rendered under the engagement of Medea Natural Resources would typically range between GBP180,000 to GBP225,000, based on a monthly retainer of between GBP20,000 and GBP25,000 and an expectation the engagement would extend for a minimum of 9 months. Accordingly, this would result in an issue price if converted of between



A\$0.033 and A\$0.041 per Share issued and based on a AUD/GBP exchange rate of 0.55.

The Company previously sought and obtained Shareholder approval for the issue of the Medea Natural Resources Shares at the general meeting of Shareholders held on 21 September 2018. As the Company did not issue the Shares within the time period specified, the Company is again seeking approval for the issue of the Medea Natural Resources Shares.

Medea Natural Resources is not a Related Party of the Company.

## **4.2 Listing Rules information requirements**

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12-month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12-month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

The effect of Resolution 3 if passed, will be that the issue of Shares will be exempt from the 15% limit under Listing Rule 7.1.

Approval of Resolution 3 will allow the Company to issue the Medea Natural Resources Shares, and provide the Company with flexibility during the next 12-month period to issue further equity securities in order to raise further capital if required.

In accordance with Listing Rule 7.3, the following details are provided in relation to Resolution 3:

- (a) The maximum number of Shares to be issued pursuant to Resolution 3 is 10,000,000 Shares;
- (b) The deemed issue price per share is \$0.037;
- (c) The Medea Natural Resources Shares will be issued on one date within three (3) months of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by the ASX;
- (d) The Medea Natural Resource Shares will be issued to Medea Natural Resources or its nominees in consideration for Medea Natural Resources entering into the debt and structured finance engagement and for the future services to be provided under that engagement. Accordingly, the Medea Natural Resources Shares will be issued for nil cash consideration and no funds will be raised through the issue of the Shares; and
- (e) The Medea Natural Resources Shares will be fully paid ordinary Shares in the capital of the Company to be issued on the same terms and conditions as the existing Shares on issue. The Company will apply for quotation of the Shares on ASX.

## **4.3 Directors' recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

## 5. APPROVAL TO ISSUE MEDEA FUTURE MATERIALS SHARES Resolution 4

### 5.1 Background

On 18 September 2018, the Company announced that it had executed a US\$20m Committed Debt Facility with Medea Future Materials Fund L.P. (**Medea Future Materials**)(through its General Partner Linkwood Holdings Pte Ltd and associated investment vehicles)(the **Medea Future Materials Committed Debt Facility**).

The Medea Future Materials Committed Debt Facility was provided to satisfy the condition precedent attached to both the Sale Agreement and Shareholders Agreement in relation to the Acquisition, to issue a standby letter of credit or other facility in respect of approximately. US\$20m of existing indebtedness owing to a local DRC bank for the Project.

Upon completion of the Definitive Feasibility Study and a positive Decision to Mine for the Project, this facility may be drawn to repay the indebtedness owed by the Company to the local DRC bank if the Company is unable to find alternative means in which to repay this loan.

Associated with the Medea Future Materials Committed Debt Facility, the Company is required to pay an upfront fee to Medea Future Materials equal to 3% of the total debt facility (US\$600,000). This upfront (or establishment) fee is payable in Shares based on a 30 day volume weighted average price and A\$/US\$ exchange rate based on the rates quoted by the Reserve Bank of Australia on the relevant issue date. The Company may instead elect to pay the US\$600,000 fee in cash.

The Company proposes to pay the fee in Shares subject to Shareholder approval of Resolution 4.

The final conversion requires the application of the relevant exchange rate between the Australian dollar and the United States dollar and also the relevant 30 day volume weighted average price. Accordingly, the Company cannot presently state the exact number of Shares that will be issued.

The formula for the issue of the Medea Future Materials Shares is based on the below:

$$\text{Medea Future Materials Shares} = \frac{600,000}{\text{ER}} \div \text{SP}$$

Where ER is the AUD/US exchange rate at the time of issue and published by the Reserve Bank of Australia and SP is the volume weighted average price for Shares traded on ASX over the 30 days prior to issue of the Shares.

The table below provides an estimated range of the number of Medea Future Materials Shares that could be issued. The table provides a range of exchange rates based on set appreciation or depreciation, as well as a range of potential Share prices.

Exchange Rate	Proposed Medea Future Materials Share Issue		
	VWAP \$0.02 <sup>2</sup>	VWAP \$0.03 <sup>2</sup>	VWAP \$0.04 <sup>2</sup>
Current Exchange Rate: USD:AUD - 0.72	41,666,667	27,777,778	20,833,333
5% appreciation of the AUD <sup>1</sup>	39,682,540	26,455,026	19,841,270
10% appreciation of the AUD <sup>1</sup>	37,878,788	25,252,525	18,939,394
5% depreciation of the AUD <sup>1</sup>	43,859,649	29,239,766	21,929,825
10% depreciation of the AUD <sup>1</sup>	46,296,296	30,864,198	23,148,148

<sup>1</sup> Appreciation/depreciation based against the Current Exchange Rate stated above

<sup>2</sup> The VWAP represents the volume weighted average price estimate. The Company has used \$0.02 as the lowest VWAP for this table based on past performance of the share price over the past 30 trading days.

Medea Future Material Fund is not a Related Party of the Company.

## 5.2 Listing Rules information requirements

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12-month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12-month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

The effect of Resolution 4 if passed, will be that the issue of Shares will be exempt from the 15% limit under Listing Rule 7.1.

Approval of Resolution 4 will allow the Company to issue the Medea Future Materials Shares, and provide the Company with flexibility during the next 12-month period to issue further equity securities in order to raise further capital if required.

In accordance with Listing Rule 7.3, the following details are provided in relation to Resolution 4:

- (a) The number of Shares to be issued will be determined in accordance with the formula stated in Section 5.1, provided that the maximum number of Shares to be issued pursuant to Resolution 4 is 46,296,296 Shares;
- (b) The deemed issue price will be the VWAP of Shares calculated over the last 30 days on which sales in Shares on ASX are made before the date of issue of the Medea Future Consideration Shares;
- (c) The Medea Future Materials Shares will be issued on one date within three (3) months of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by the ASX;
- (d) The Medea Future Materials Shares will be issued to Medea Future Materials or its nominees as satisfaction for the payment of the Upfront (or Establishment) fee for the Medea Future Materials Committed Debt Facility

of US\$600,000. Accordingly, the Medea Natural Resources Shares will be issued for nil cash consideration and no funds will be raised through the issue of the Shares; and

- (e) The Medea Future Materials Shares will be fully paid ordinary Shares in the capital of the Company to be issued on the same terms and conditions as the existing Shares on issue. The Company will apply for quotation of the Shares on ASX.

### 5.3 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

## 6. APPROVAL TO ISSUE FT GENERAL TRADING SHARES Resolution 5

### 6.1 Background

On 17 October 2018, the Company announced that it had received a committed offer for debt funding of up to US\$35m from FT General Trading LLC (**FT General Trading**) and on 11 January 2019 the Company confirmed that it had executed all loan agreements in relation to this debt facility (**FT General Trading Debt Facility**).

Associated with the FT General Trading Debt Facility, the Company is required to pay an upfront fee (or establishment fee) equal to A\$300,000 to the lender. This upfront (or establishment) fee is payable in Shares at an issue price of \$0.02 per Share for the issue of a total of 15,000,000 Shares (**FT General Trading Shares**).

FT General Trading is not a Related Party of the Company.

### 6.2 Listing Rules information requirements

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12-month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12-month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

The effect of Resolution 5 if passed, will be that the issue of Shares will be exempt from the 15% limit under Listing Rule 7.1.

Approval of Resolution 5 will allow the Company to issue the Medea Natural Resources Shares, and provide the Company with flexibility during the next 12-month period to issue further equity securities in order to raise further capital if required.

In accordance with Listing Rule 7.3, the following details are provided in relation to Resolution 5:

- (a) The maximum number of Shares to be issued pursuant to Resolution 5 is 15,000,000 Shares;
- (b) The deemed issue price per Share is \$0.02;
- (c) The FT General Trading Shares will be issued on one date within three (3) months of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by the ASX;

- (d) The FT General Trading Shares will be issued to FT General Trading or its nominees in consideration for FT General Trading as satisfaction for the payment of the upfront (or establishment) fee for the FT General Trading Debt Facility of A\$300,000. Accordingly, the FT General Trading Resources Shares will be issued for nil cash consideration and no funds will be raised through the issue of the Shares; and
- (e) The FT General Trading Shares will be fully paid ordinary Shares in the capital of the Company to be issued on the same terms and conditions as the existing Shares on issue. The Company will apply for quotation of the Shares on ASX.

### **6.3 Directors' recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

## **7. ISSUE OF ADVISOR SHARES**

### **Resolutions 6 (a), 6 (b) and 6 (c)**

#### **7.1 General/Background**

Pursuant to various consulting and advisor agreements, the Company has undertaken to issue 60,000,000 Shares to the advisors and consultants in relation to the Adidi-Kanga Gold Project acquisition (**Advisor Shares**).

The Company is proposing to issue, subject to obtaining Shareholder approval, the following Advisor Shares under each resolution:

- (a) Resolution 6(a) – 35,000,000 Shares to Backstone Resources Pty Ltd (or its nominee);
- (b) Resolution 6(b) – 10,000,000 Shares to Ntsu Mining Pty Ltd (or its nominee); and
- (c) Resolution 6(c) – 15,000,000 Shares to Pelesa & Associates (or its nominee).

Details of each Resolution are provided below:

##### **7.1.1 Resolution 6(a)**

The issue of the Advisor Shares to Backstone Resources Pty Ltd (or its nominee) relates to both advisory and success fees owing by the Company on successful Completion of the Acquisition. The Company has committed to issuing 35,000,000 shares based on total fees owing of US\$350,000 and represents an issue price of A\$0.014 per Share based on a A\$/US\$ exchange rate of 0.72.

Backstone Resources Pty Ltd is not a Related Party of the Company.

##### **7.1.2 Resolution 6(b)**

The issue of the Advisor Shares to Ntsu Mining Pty Ltd (or its nominee) relates to both advisory and success fees owing by the Company on successful Completion of the Acquisition. The Company has committed to issuing 10,000,000 Shares based on total fees owing of US\$100,000 and represents an issue price of A\$0.014 per Share based on a A\$/US\$ exchange rate of 0.72.

Ntsu Mining Pty Ltd is not a Related Party of the Company.

### **7.1.3 Resolution 6(c)**

The issue of the Advisor Shares to Pelesa & Associates (or its nominee) relates to legal and consulting fees owing by the Company on successful Completion of the Acquisition. The Company has committed to issuing 15,000,000 Shares based on total fees owing of US\$150,000 and represents an issue price of A\$0.014 per Share based on a A\$/US\$ exchange rate of 0.72.

Pelesa & Associates is not a Related Party of the Company.

## **7.2 Listing Rules information requirements**

In accordance with Listing Rule 7.3, the following details are provided in relation to Resolutions 6(a), 6(b) and 6(c):

- (a) The number, issue price and recipients of the Advisor Shares to be issued by the Company are:
  - (i) Resolution 6(a) - 35,000,000 Shares to Backstone Resources Pty Ltd (or its nominee) at an issue price per Share equal to A\$0.014;
  - (ii) Resolution 6(b) - 10,000,000 Shares to Ntsu Mining Pty Ltd (Or its nominee) at an issue price per Share of A\$0.014; and
  - (iii) Resolution 6(c) - 15,000,000 Shares to Pelesa & Associates (or its nominee) at an issue price per Share of A\$0.014.
- (b) The Advisor Shares under Resolutions 6(a), 6(b) and 6(c) will be issued on one or more dates within three (3) months of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by the ASX.
- (c) The Shares issued will be fully paid ordinary shares in the capital of the Company to be issued on the same terms and conditions as the existing Shares on issue. The Company will apply for quotation of the Advisor Shares on ASX.
- (d) The Advisor Shares are to be issued by the Company for nil consideration in satisfaction of the advisory, legal and success fees owed by the Company to various parties, as described in Section 7.1 above for each resolution.

## **7.3 Directors' recommendation**

The Directors unanimously recommend Shareholders vote in favour of each of Resolutions 6(a), 6(b) and 6(c).

## **8. APPROVAL FOR FUTURE ISSUE OF SHARES**

### **Resolution 7**

### **8.1 Background**

Resolution 7 seeks Shareholder approval for the issue of up to 300,000,000 Shares. The capital raising will be undertaken via the issue of Shares to sophisticated and professional investors pursuant to section 708 of the Corporations Act.

The Company intends to use the funds from the capital raising towards progressing the Company's Maniema Gold Project (including resource definition drilling, assaying and test work), the identification of new project opportunities in the resource sector, costs of the offer and for additional working capital. The level and

nature of work undertaken on the Maniema Gold Project will be dependent on the results of first pass drilling.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on commencement of that 12-month period.

The effect of Resolution 7 will be to allow the Directors to issue the Shares comprising the capital raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## **8.2 Listing Rules information requirements**

In accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 7:

- (a) The maximum number of Shares to be issued is 300,000,000 Shares;
- (b) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue and allotment will occur progressively;
- (c) The Shares will be issued at a price of at least 80% of the average market price of the Company's shares as traded on ASX over the 5 day period on which sales in Shares are recorded preceding the date of issue of the Shares or, if the Shares are offered pursuant to a prospectus, at least 80% of the volume weighted average market price of the Company's shares as traded on the ASX over the 5 day period on which sales in the Company's shares are recorded preceding the date of issue of the prospectus;
- (d) The placement will be made at the discretion of the Directors. It is intended that the allottees will be sophisticated and professional investors pursuant to section 708 of the Corporations Act. No related party of the Company will be permitted to participate in the capital raising;
- (e) The Shares issued will be fully paid ordinary shares in the capital of the Company to be issued on the same terms and conditions as the Company's existing Shares – the Company will apply for quotation of the Shares on ASX; and
- (f) The Company intends to use the funds raised from the capital raising towards progressing the Company's Maniema Gold Project (including resource definition drilling, assaying and test work), the identification of new project opportunities in the resource sector, expected costs and purchase consideration for additional project acquisitions in the DRC, costs of the offer and for additional working capital. It is not expected that these funds will be used, if raised, for the Adidi-Kanga acquisition, exploration or DFS activities.

## **8.3 Directors' recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 7.



## DEFINITIONS

In this Notice and Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

**Acquisition** means the acquisition by the Company of a 60% interest in the Project pursuant to the Transaction.

**Advisor Shares** means the Shares to be issued under Resolutions 6(a), 6(b) and 6(c) to various consultants and advisors in relation to the acquisition of the Project.

**Associate** has the meaning set out in the Listing Rules.

**ASX** means ASX Limited ABN 98 008 624 691.

**A\$** means Australian dollars.

**Board** means the board of Directors of the Company.

**Chairperson** means the Chairperson of the Meeting.

**Company** or **Vector** means Vector Resources Limited ABN 99 107 541 453.

**Completion** means completion of the Acquisition under the Sales Agreement and Shareholders Agreement.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**DRC** means the Democratic Republic of Congo.

**Explanatory Statement** means this Explanatory Statement.

**FT General Trading** means FT General Trading LLC and entity registered and operating in Dubai, United Arab Emirates.

**FT General Trading Debt Facility** means a US\$35,000,000 debt facility provided by FT General Trading to the Company and as announced by the Company on 17 October 2018 and 11 January 2019 to the ASX.

**FT General Trading Shares** means the Shares to be issued under Resolution 5 to FT General Trading.

**Future Issue of Shares** means the Shares that may be issued under Resolution 7.

**Initial MGI Consideration Shares** means 210,000,000 Shares issued to MGI on 22 January 2019, representing the part satisfaction of the first tranche of shares payable to MGI under the Sale Agreement, for the acquisition of a 60% interest in the Project.

**Listing Rules** means the official listing rules of ASX.

**Maniema Gold Project** means the 70% owned gold project owned by the Company in the Maniema Province of the DRC, acquired by the Company in December 2016.

**Medea Future Materials** means Medea Future Materials Fund L.P, and its general trading partner Linkwood Holdings Pte Ltd and its associated investment vehicles registered in Singapore.



**Medea Future Materials Shares** means the Shares to be issued under Resolution 4 of this Meeting to Medea Natural Resources.

**Medea Natural Resources** means Medea Natural Resources Limited, a capital advisory and structuring firm with its registered office in London, United Kingdom.

**Medea Natural Resources Shares** means the Shares to be issued under Resolution 3 of this Meeting to Medea Natural Resources.

**Meeting** means the meeting convened by the Notice of Meeting.

**MGI** means Mongbwalu Goldfields Investment Limited, an entity incorporated in the Seychelles (Company Registration Number 133304).

**MGI Consideration Shares** means the first tranche of shares payable to MGI under the Sale Agreement with MGI, as part of the consideration for the acquisition of a 60% interest in the Project.

**MGIH6** means Mongbwalu Goldfields Investments Holding 6 Limited a company incorporated in the British Virgin Islands (Company Registration Number 1571486).

**Notice** or **Notice of Meeting** means the notice of general meeting which forms part of this Explanatory Statement.

**Project** means the Adidi-Kanga Gold Project.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Party** has the meaning given to it in the Listing Rules.

**Remaining MGI Consideration Shares** means 105,656,566 Shares to be issued to MGI, representing the final share issue in satisfaction of the first tranche of shares payable to MGI under the Sale Agreement, as part of the consideration for the acquisition of a 60% interest in the Project.

**Resolution** means resolution set out in this Notice.

**Sale Agreement** means the Share Sale and Purchase Agreement entered between MGI and the Company for the sale of 69.5% of the shares outstanding in MGIH6, and the ultimate purchase of a 60% interest in the Project.

**Section** means a section of this Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Shareholders Agreement** means the agreement entered between MGI, MGIH6 and the Company for the operation of the joint venture between MGI and the Company for the operation of MGIH6.

**Transaction** means the transaction for the Company to acquire a 60% interest in the Project pursuant to the Sale Agreement and Shareholders Agreement.

**US\$** means United States of American dollars.

**Vector** or the **Company** means Vector Resources Limited ABN 99 107 541 453.

**VWAP** means the volume weighted average price of Shares traded on ASX, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period,

permitted trades during the post-trading hours period, out of hours trades and exchange traded options exercises.

**WST** means Australian Western Standard Time, being the time in Perth, Western Australia.

**\$ or A\$** means Australian dollars unless expressly stated otherwise.

## PROXY FORM

The Secretary  
Vector Resources Limited  
Suite 16, 83 Mill Point Road  
South Perth WA 6151

I/We (full name)

\_\_\_\_\_

of \_\_\_\_\_

being a member(s) of Vector Resources Limited, hereby appoint as my/our proxy

\_\_\_\_\_

of \_\_\_\_\_

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the general meeting of the Company to be held at 8.00am on Thursday, 28 February 2019 and at an adjournment thereof in respect of \_\_\_\_\_% of my/our Shares or, failing any number being specified, ALL of my/our Shares in the Company.

### RESOLUTIONS

		FOR	AGAINST	ABSTAIN
1	Ratification of Prior Issues of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Approval to Issue Remaining MGI Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval to Issue Medea Natural Resources Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval to Issue Medea Future Materials Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval to Issue FT General Trading Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6(a)	Issue of Advisor Shares – Blackstone Resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6(b)	Issue of Advisor Shares – Ntsu Mining	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6(c)	Issue of Advisor Shares – Pelesa & Associates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Approval of Future Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Where permitted, the Chairperson intends to vote all undirected proxies in favour of all resolutions.*  
If the member is an individual or joint holder:

\_\_\_\_\_  
Usual Signature

Dated this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Usual Signature

2019.

### If the member is a Company:

Signed in accordance with the  
constitution of the company  
in the presence of:

\_\_\_\_\_  
Director/Sole Director

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Sole Director and Sole  
Secretary

Dated this \_\_\_\_\_

day of \_\_\_\_\_

2019.

## INSTRUCTIONS FOR COMPLETING PROXY FORM

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (refer below) or sent by email to that office at [info@vectorres.com.au](mailto:info@vectorres.com.au) to be received not less than 48 hours prior to the time of the Meeting.
5. Signing Instructions

**Individual:** where the holding is one name, the Shareholder must sign.

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting.

### LODGING YOUR PROXY FORM

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at the address given below no later than 5.00pm (WST) on 26 February 2019. Any proxy form received after that time will not be valid for the scheduled meeting.

In person: Vector Resources Limited  
Suite 16, 83 Mill Point Road  
South Perth WA 6151

By mail: Vector Resources Limited  
Suite 16, 83 Mill Point Road  
South Perth WA 6151

By email: [info@vectorres.com.au](mailto:info@vectorres.com.au)

**ANNEXURE A**  
**VECTOR RESOURCES ASX ANNOUNCEMENT 11 JANUARY 2019**



## ASX ANNOUNCEMENT

11 January 2019

ASX Market Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

### Vector Completes Acquisition of World-Class Adidi-Kanga Gold Project

- Acquisition of a 60% interest in the world-class Adidi-Kanga Gold Project located in the Ituri Province of the Democratic Republic of Congo completed
- All necessary joint venture documentation and related agreements and approvals have now been received and executed by all parties
- Loan documentation executed with FT General Trading LLC for the provision of up to US\$35m of debt funding to be used for the acquisition, development and working capital costs associated with the Adidi-Kanga Gold Project (ASX Announcement 17 October 2018)
- Financial settlement of the acquisition proceeding, with the Tranche 1 (US\$5m) share issuance to Mongbwalu Goldfields Investment Limited underway and an initial US\$10m drawdown of loan funds under the US\$35 million FT debt facility to pay the Tranche 1 (US\$5m) acquisition payment and fund US\$5m of initial costs associated with the Company's immediate commencement of activities on site and on the Definitive Feasibility Study
- The Adidi-Kanga Gold Mine, has a JORC (2012) Mineral Resource Estimate of 15.0Mt @ 6.6g/t Au for 3.2Moz of contained gold, which includes 46% in Indicated Category for 6.9MT @6.74g/t Au for 1.5Moz and 8.1MT @ 6.6g/t Au for 1.7Moz in the Inferred Category (ASX Announcement 5 February 2018)
- Previous work completed by AngloGold Ashanti, who between 2005 and 2013 expended over US\$520m on exploration and development activities, includes 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

Vector Resources Limited ("Vector" or the "Company") is pleased to advise that all necessary Joint Venture ("JV") documentation and associated agreements in relation to its proposed acquisition of a 60% interest in the world-class Adidi-Kanga Gold Project located in the Ituri Province of the Democratic Republic of Congo ("DRC") have now been executed.

In addition, all approvals required for the acquisition to be completed and the newly formed JV company to commence site development and Definitive Feasibility Study ("DFS") activities have also been issued and executed.

Accordingly, the Company and Mongbwalu Goldfields Investments Limited ("MGI") are pleased to advise that the transaction, which will result in Vector holding a 60% interest and managing the world-class Adidi-Kanga Gold Project, has now been completed.

Financial settlement of the transaction is well advanced and requires the Company to:

- i. Pay the Tranche 1 acquisition payment of US\$5m in cash to MGI (or its nominee) within 10 business days of Completion; and
- ii. Issue US\$5m of shares in Vector to MGI (or its nominee) at a price of A\$0.022 per share.

The issue of US\$5m of shares in Vector to MGI (or its nominee) was approved at a general of shareholders that was held on 21 September 2018. As this shareholder approval was received more than three months ago, the Company has applied to the Australian Securities Exchange ("ASX") for a waiver under Listing Rule 14.7. This application requests approval to issue the shares to MGI (or its nominees) later than three months after the meeting held and if received the Company would issue the shares to MGI (or its nominees) immediately.

The Company notes that if the ASX do not approve the waiver, the Company will be required to seek shareholder approval as soon as practical and it will seek to do this. The delay in issuing these shares to MGI (or its nominee) does not prevent the completion of this acquisition and as previously advised in its news release of 24 July 2018, if the shareholders do not approve the issue of the shares the Company is able to pay the amount due in cash. This is as agreed with MGI in the Share Sale and Purchase Agreement.

As a result of this pending waiver application, that ASX has requested that the Company remain in a trading suspension. The ASX have indicated that the result of the waiver application will be available by close of business Wednesday, 16 January 2019.

The Tranche 1 payment of US\$5m in cash will be made from loan proceeds under the US\$35m debt facility from FT General Trading LLC ("FT"). The Company and FT have executed the loan agreement in line with the terms disclosed by the Company in its ASX announcement on 17 October 2018, and Vector has already submitted a Loan Utilisation Request for US\$5m.

The Company has also submitted a further Loan Utilisation Request to FT for US\$5m from the available US\$10m Tranche 2 loan amount. These funds are to be used to allow the Company to immediately commence activities on site at the Adidi-Kanga Gold Project and to commence work on the DFS.

Commenting on the Completion of the acquisition, Vector's Chairman, Mr Gary Castledine said:

*"The completion of this acquisition and the associated debt funding has been an exhaustive process for the Company, but one well worth the wait and provides the platform for Vector to make the transition into one of Africa's top gold producers.*

*With an aggressive development strategy mapped out, the team is now eager to focus its resources on completion of the DFS and on undertaking further exploration across the Adidi-Kanga Gold Project area to fully realise the potential that we believe exists.*

*I would like to thank the Vector team and our partners in the DRC for their tireless work and commitment over the past year to finalise this significant transaction, which is a truly remarkable opportunity for all involved.*

*We now look forward to working with all key stakeholders in the DRC and with our joint venture partners MGI and SOKIMO and on delivering this world-class gold project for our shareholders and for the communities in the DRC and in the Ituri Province who will benefit from its successful development."*

### **Addi-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 JV to develop the Addi-Kanga Project (**ASX Announcement 22 December 2017**).

In January 2018, the Company announced that it had 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**).

On 24 July 2018, the Company announced that it had reached agreement with MGI via the execution of the Share Sale and Purchase Agreement ("**Sale Agreement**") and the Shareholders Agreement ("**Shareholders Agreement**") (together referred to as the "**Agreements**"). These two key Agreements finalised the sale and JV documentation required 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 (**ASX Announcement 24 July 2018**).

The completion of the Agreements has been subject to a number of conditions precedent, and the parties initially agreed a period of 45 days under which to complete these conditions precedent. Delays in several of these conditions has resulted in the Company and MGI executing a number of Addendums to the Agreements which provided for an extension of time to complete the conditions precedent.

The conditions precedent, as reported previously by the Company, included:

- i. Agreeing a work-plan and budget for the exploration and DFS phases of the Project;
- ii. Execution of an Escrow Agreement;
- iii. Execution of a Loan Repayment Agreement;
- iv. Issuance of a Standby Letter of Credit and the execution of a Codebition Agreement in relation to the Project's existing external debt facility; and
- v. Execution of new Addi-Kanga Resources SA ("**AKR**") joint venture and associated documentation and agreements.

The execution of the new AKR joint venture and associated documentation and agreements relates to the documentation required in the DRC and the Company has sought to ensure that this documentation was properly executed by all parties, including Société Minière de Kilo Moto (SOKIMO), and with the approval of all relevant government departments.

With the Completion and receipt of the AKR joint venture and associated documentation from SOKIMO, all condition precedents have now been met. The Company was able to confirm the execution and receipt of these documents on 31 December 2018 and as such the Company was immediately placed into a Trading Halt that day.



As stated above, with the Completion of the acquisition now finalised, financial settlement is well advanced and is to be completed in accordance with the administrative provisions of the Agreements.

The Company has previously disclosed all key terms of the Agreements (**ASX Announcement 24 July 2018**) and these and further background on the Adidi-Kanga Gold Project and joint venture structure are also included in the Appendices to this announcement.

**-ENDS-**

**For further information:**

**Simon Youds**

Chief Executive Officer  
Vector Resources

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

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

Twitter: @VECResources

Facebook: @VECResources

**About Vector Resources Limited**

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

**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 licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may

in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

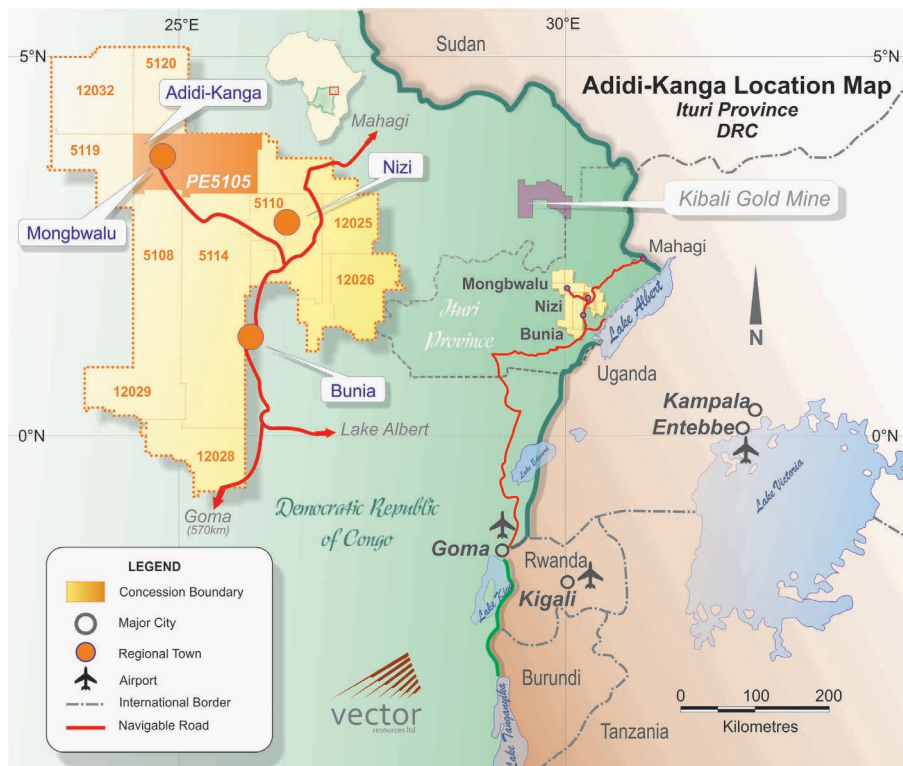
Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the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

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

## APPENDIX A

### 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 project 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.



**Figure 2:** The Adidi-Kanga Gold Project - 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 Au 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.



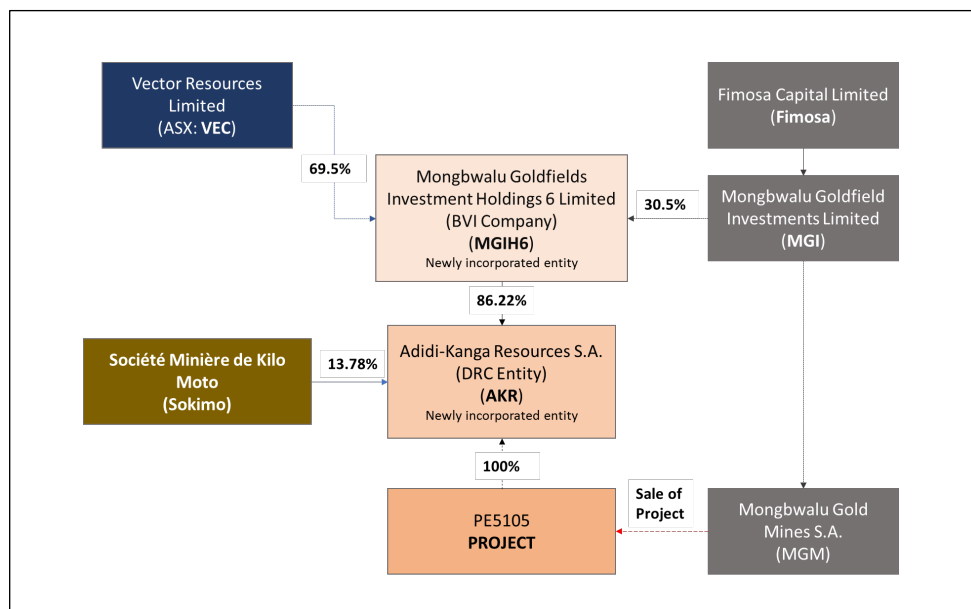
**Figure 3, 4 and 5:** Mechanical plant, equipment and storage and camp facilities at the Adidi-Kanga site

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 DFS in a quick timeframe.

## APPENDIX B

### 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

## Appendix C

### Key Terms of Acquisition and JV Agreements

1. 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.
2. AKR will hold Mining License PE5105 and all Project assets, including the approximately US\$70m of equipment previously ordered and delivered to the Project site in 2013 by AngloGold Ashanti.
3. US\$150m of shareholder loans owing to Fimosa from the historical expenditure on the Project, will be transferred from MGM to AKR and will be for the economic benefit of the MGIH6 shareholders. 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 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.
4. To acquire the 60% interest in the Project, the Company has committed to future milestone payments to MGI:
  - 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.



5. Any additional funding (capital or debt) raised specifically for the Project whilst the DFS work is ongoing, requires the prepayment of 50% of any funds raised in excess of US\$10m (expected cost of the DFS) against the deferred purchase consideration due to MGI.
6. Royalty of 2.5% (sales royalty from the commencement of gold production) to be payable by AKR to MGI.
7. The Company has agreed to place its shares held in MGIH6 into escrow, until all milestone payments (see point 4 above) and deferred payments (see point 8 below) have been paid to MGI and the DFS has been delivered and a positive Decision to Mine has been made.
8. 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 repaid 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 repaid 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\$20m of existing indebtedness of MGI owed to a local Congolese bank will be refinanced by the Company.

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