vector
resources ltd

and controlled entities

ABN 99 107 541 453

ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2019

Directors

Mr Gary Castledine	Non-executive Chairman
Mr Michael Hendriks	Non-executive Director
Mr Guy-Robert Lukama	Non-executive Director (appointed 31 January 2019)
Dr. Joas Kabete	Non-Executive Director (appointed 13 June 2019)

Company Secretary

Mr Michael Hendriks

Registered Office and Principal Office

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83 Mill Point Road
South Perth WA 6151

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Website: www.vectorres.com.au

Postal Address

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South Perth WA 6151

Auditors

Ernst & Young
Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000

ASX Code

VEC

Share Registry

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

Tel: 1300 554 474 or +61 (2) 8280 7111

ABOUT VECTOR RESOURCES LIMITED

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

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The Board of Vector Resources Limited ("Vector" or the "Company") is pleased to provide the following operations report of its activities during the year ended 30 June 2019.

ADIDI-KANGA GOLD PROJECT ACQUISITION

In December 2017, the Company announced that it had entered into a Heads of Agreement with Fimosa Capital Limited ("Fimosa") and Mongbwalu Gold Mines S.A. ("MGM") for its purchase of an approximately 60% interest in the Adidi-Kanga Gold Project ("the Project") (ASX Announcement 22 December 2017). Further, in January 2018, the Company completed its legal and technical due diligence on the Project, noting no significant or material issues and that the Vector Board had approved the Company to advance to the documentation stage of the deal (ASX Announcement 15 January 2018).

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 documentation required to be able to advance the Project through completion of a Definitive Feasibility Study ("DFS"), to a positive Decision to Mine and the successful development of the Project (ASX Announcement 24 July 2018).

The legal completion of the Agreements was subject to a number of conditions precedent to be completed between the parties. These conditions were finalised and on 11 January 2019 and the Company announced the legal completion of the acquisition (ASX Announcement 11 January 2019). Further, on 7 March 2019, the Company announced the payment of the first tranche of consideration made to the vendor, Mongbwalu Goldfields Investment Limited ("MGI").

To acquire its interest in the Project, the Company has made certain milestone payments and has committed to future milestone payments to MGI, these being:

i. Tranche 1 – the Company paid US$5 million (AUD$7.093 million) in cash and issued 315.6 million ordinary shares in Vector to MGI (being the equivalent of US$5 million) on 7 March 2019.

ii. Tranche 2 – this milestone payment is due to be paid to MGI within 30 days of a positive Decision to Mine being made for the Project with an agreed timeframe of 9 months for Definitive Feasibility Study (DFS) completion. The Tranche 2 payments require the Company to pay MGI a further US$5 million in cash and, at the Company's discretion, either pay MGI a further US$5 million in cash or issue the equivalent of a further US$5 million in Vector ordinary shares to MGI. If the US$5 million is to be settled via the issue of Vector ordinary shares, the number of shares to be issued would be based on a volume weighted average price ("VWAP") for the 10 trading days prior to the issue date and based on the prevailing exchange rates at the time.

iii. Tranche 3 – this milestone payment is due to be paid to MGI within 10 days of the commencement of the commercial sale of gold from the Project. The Tranche 3 payments require the Company to pay MGI a further US$5 million in cash and, at the Company's discretion, either pay MGI a further US$5 million in cash or issue the equivalent of a further US$5 million in Vector ordinary shares to MGI. If the US$5 million is to be settled via the issue of Vector ordinary shares, the number of shares to be issued would be based on a VWAP for the 10 trading days prior to the issue date and based on the prevailing exchange rates at the time.

iv. Initial Shareholder Loan- the Sale Agreement stipulates that the Vector must make available to the Project a shareholder loan facility of up to US$10 million within 10 days of completion of the transaction. The first US$5 million repaid under this initial loan shall be repaid to MGI rather than Vector. Further, if the loan has been partially drawn down or remains undrawn 9 months after the completion of the transaction, an upfront payment is required to be made to MGI being US$5 million less 70% of the drawn funds.

v. Decision to Mine Shareholder Loan- the Sale Agreement stipulates that the Vector must make available to the Project a shareholder loan facility of up to US$110 million within 10 days of a decision to mine being made. The first US$55 million repaid under the decision to mine loan shall be repaid to MGI rather than Vector. Further, if the loan has been partially drawn down or remains undrawn 12 months after a positive decision to mine, an upfront payment is required to be made to MGI being US$55 million less 70% of the drawn funds. If a positive decision to mine is not made no amounts are payable under this agreement.

Any issue of shares under Tranches 2 or 3 and the decision to mine shareholder loan 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 US$5 million cash consideration that was paid on 7 March 2019 was funded via a US$4.75 million convertible note facility provided by MEF I, L.P and Riverfort Global Opportunities PCC Ltd ("MEF/Riverfort Facility"), with an additional US$0.25 million being provided to the Company under similar terms as the MEF/Riverfort Facility via a shareholder of the Company, Temorex Pty Ltd.

The agreement entered into for the MEF/Riverfort Facility also provided for the roll-up of the existing US$0.95 million of convertible notes that was owed to Riverfort Global Opportunities PCC Ltd (previously known as Cuart Investments PCC Ltd).

MEF/Riverfort and Temorex have agreed in principal to a standstill, as the Company works towards recapitalisation.

Since finalising the settlement of Tranche 1 of the Project acquisition, the Company has been searching for investors to provide funding to repay the MEF/Riverfort Facility and to provide the necessary funding to complete the DFS and an initial exploration program at the Adidi-Kanga Gold Project.

In order to finalise the intended funding, the Company has been in negotiations with MEF, Riverfort, MGI and the local Congolese bank that holds security over the Project in relation to debt that was previously incurred by MGI. As previously disclosed, the Company is a guarantor on the loan facility with the local Congolese Bank and the intention has been that this loan (of up to US$20 million) would be repaid once the Project reaches a positive Decision to Mine for the Project. A financial liability has been recognised for this US$20 million based on the maximum expected credit loss the Group may incur as guarantor of this loan facility.

The Company recognises that continued support and forbearance from existing creditors has been required while negotiations are ongoing. These negotiations have been extensive and have been subject to ongoing delays in reaching agreement between all parties involved beyond that initially expected by the Company and as a result, the fundraising activities have also been delayed. The Company intends, subsequent to the issue of the 2019 financial report, to continue it's advanced negotiations with a credible foreign investor who is actively involved in a number of large-scale infrastructure projects in the Democratic Republic of Congo ("DRC"). The various parties to the transaction including MEF, Riverfort, MGI and the Congolese bank holding security over the Project are aware of these negotiations. The Company is confident of a successful outcome to its proposed recapitalisation and the development of this advanced globally significant gold project. The Company continues to advance due diligence with a number of other international parties.

On 21 September 2020 the Company announced that it had received a notice of breach of the Adidi Kanga Share Sale and Purchase agreement from Mongbwalu Goldfields Investment Ltd (MGI) requiring rectification by 28 September 2020. The Company has written to MGI requesting withdrawal of the Notice as Vector disputes the legal validity of this notice and reserves its legal rights (refer ASX Announcement on 21 September 2020).

Project Background

The 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.

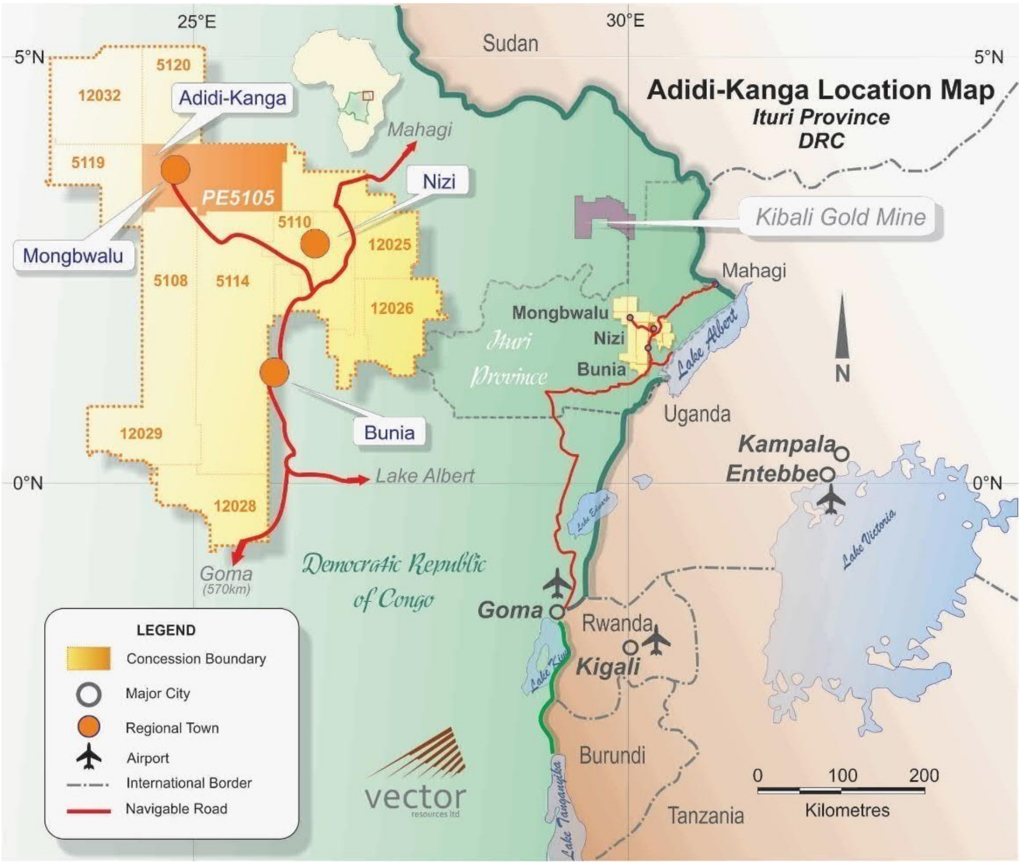

Figure 1: Location of the Adidi-Kanga Gold Project on PE5105 in the Ituri Province of the DRC

The Project comprises a granted Mining License, PE5105, one of 13 licenses extending over 5,033km^2 that were the subject of extensive exploration activities by AngloGold Ashanti.

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

Between 2005 and 2013, AngloGold Ashanti completed significant exploration and development activities at the Project, which included 173,276m of drilling on a 25m x 50m spacing and up to a 200m x 200m spacing across the broader license area and including 432 RC holes for 52,994m and 572 diamond holes for 119,278m.

AngloGold Ashanti reported several historical resources, including a number of SAMREC compliant Resources between 2010 and 2013 for the Project that have been previously been reported 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 the 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 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. The Company will require further electronical and mechanical assessments prior to determining the 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 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.

Exploration Target Defined at Adidi-Kanga

The Company finalised its review of historical exploration and mining data that it acquired in its acquisition of the Project and has now defined a significant new zone of gold mineralisation, comprising 13 exploration targets that are conceptual in nature. These targets have a size range from 102Mt to 117Mt @ grade range of 3.8g/t to 6.7g/t Au for 12.5Moz to 25.2Moz (“Exploration Target”)(ASX Release 12 March 2019).

Exploration target cautionary statement

The potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration to determine a mineral resource and there is no certainty that future exploration work will result in determination of mineral resources.

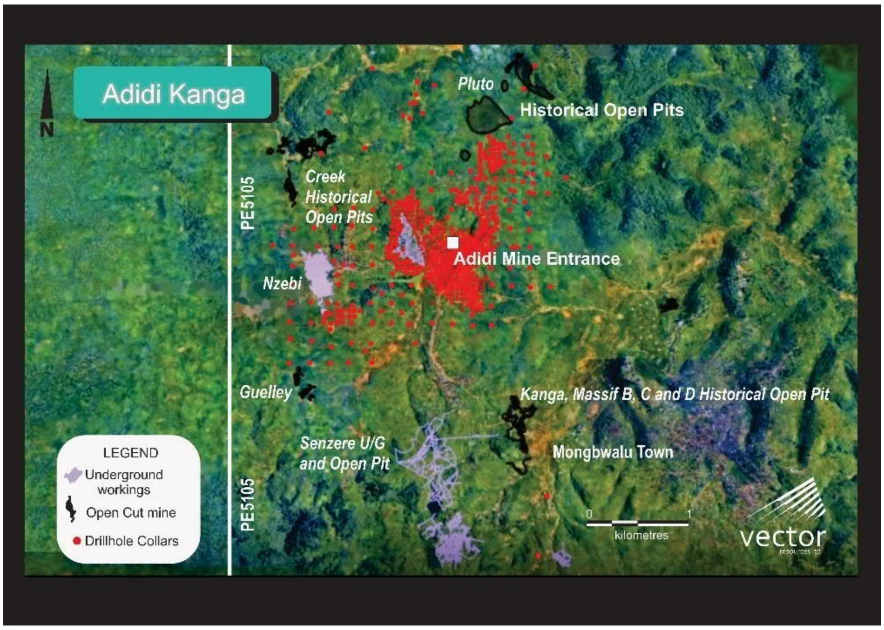

Figure 6: PE5105 – Prospects with Exploration Targets and extensive surveyed underground and open cut colonial mine workings showing the extent of gold mineralisation and Adidi-Kanga exploration activities

Table 1 below summarises the lower and upper tonnage and grade ranges for individual exploration targets within the Exploration Target, with size ranges defined by ounces.

Exploration Targets	Exploration Target Size					
	Lower limit of Target Range			Upper Limit of Target Range		
	Million Tonnes	Grade g/t Au	Million Ounces	Million Tonnes	Grade g/t Au	Million Ounces
Issuru	5.4	2.6	0.45	6.2	7.7	1.54
Creek G4	8.7	3.7	1.03	10.0	5.9	1.90
Creek D7	20.0	3.4	2.19	23.0	6.8	5.03
Adidi Kanga D7-Central	7.4	2.7	0.64	8.5	6.3	1.71
Pluto-Adidi North	6.3	1.5	0.30	7.2	5.9	1.37
MYX East - Tchangaboli	9.7	2.1	0.65	11.1	6.6	2.35
Tchangaboli SE ext.	4.8	2.1	0.32	5.5	6.6	1.16
Senzere, Maranga, Mosaba, Massifs B;C;D	25.9	5.8	4.83	29.8	6.3	6.04
Nzebi West - Guelley	3.6	7.5	0.87	4.1	12.3	1.64
Yalala	2.7	0.5	0.04	3.0	0.8	0.08
Aboa/Dala	2.7	1.0	0.09	3.1	3.5	0.35
Creek 17A	0.3	3.4	0.03	0.3	6.8	0.07
Nzebi SW	4.2	7.5	1.01	4.8	12.3	1.91
	Lower Target Range			Upper Target Range		
	Million Tonnes	Grade g/t Au	Million Ounces	Million Tonnes	Grade g/t Au	Million Ounces
	102	3.8	12.5	117	6.7	25.2

Table 1: PE5105 Exploration Target Tabulation

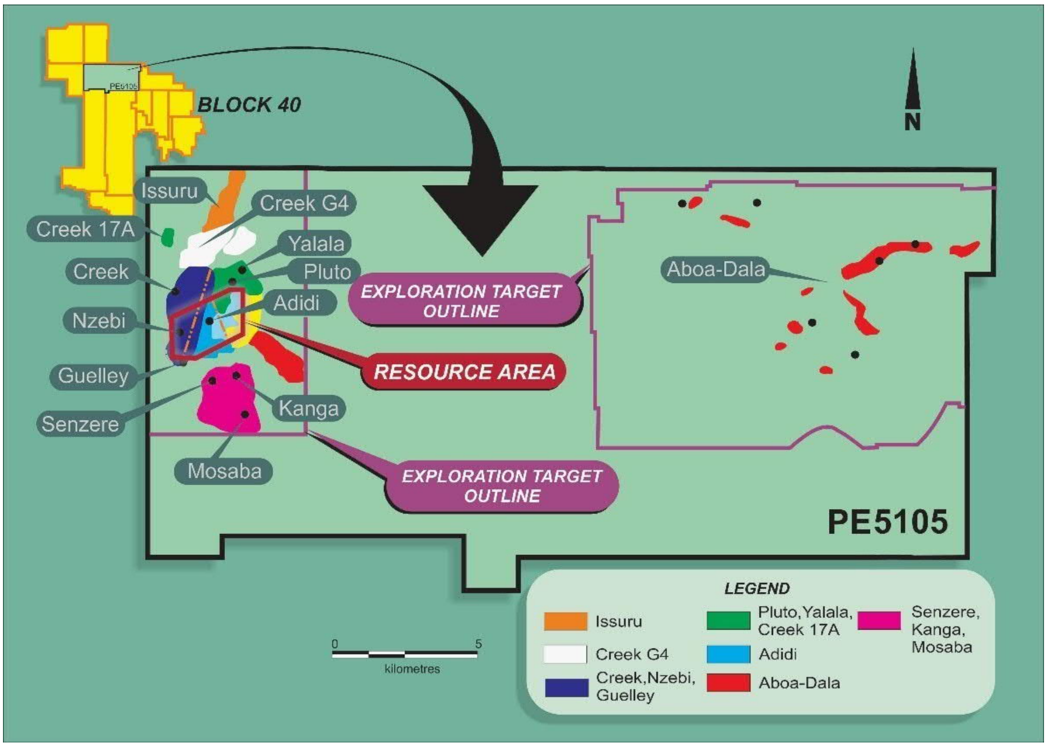

Figure 7: PE5105 Exploration Targets with Resource Area outlined which is excluded from the Exploration Target range calculation showing ~15km North South strike

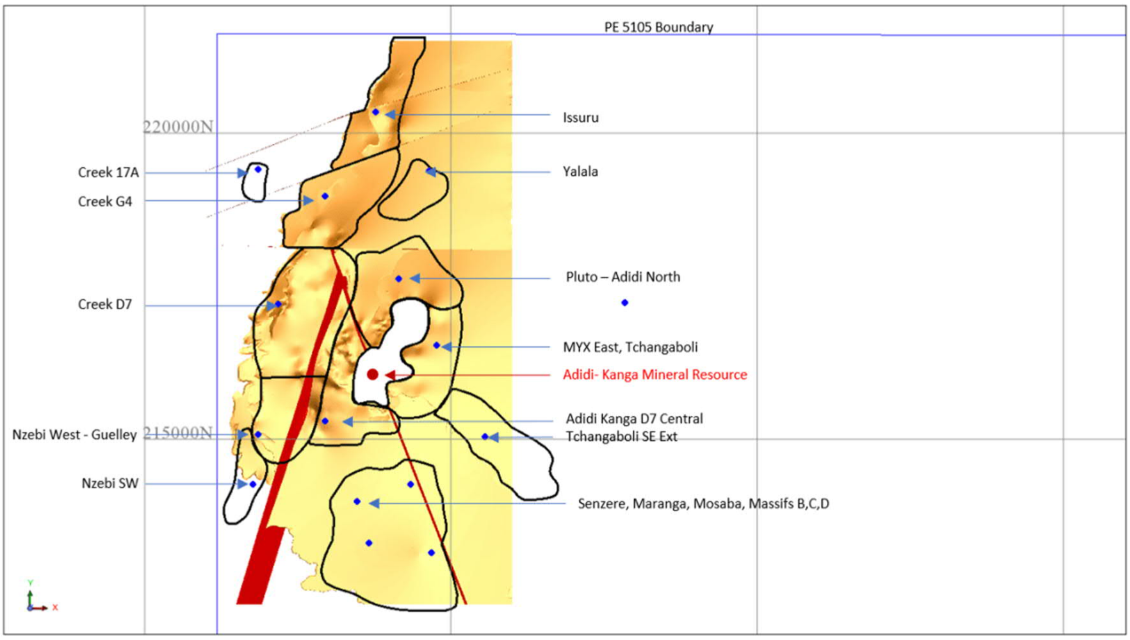

Figure 8: Western Exploration Targets PE5105 with Adidi Kanga's 3.2Moz JORC 2012 Mineral Resource excluded

This Exploration Target adds to the existing Adidi-Kanga Mineral Resource of 15.0 Mt at 6.6g/t gold for 3.2Moz, 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).

Project Structure

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

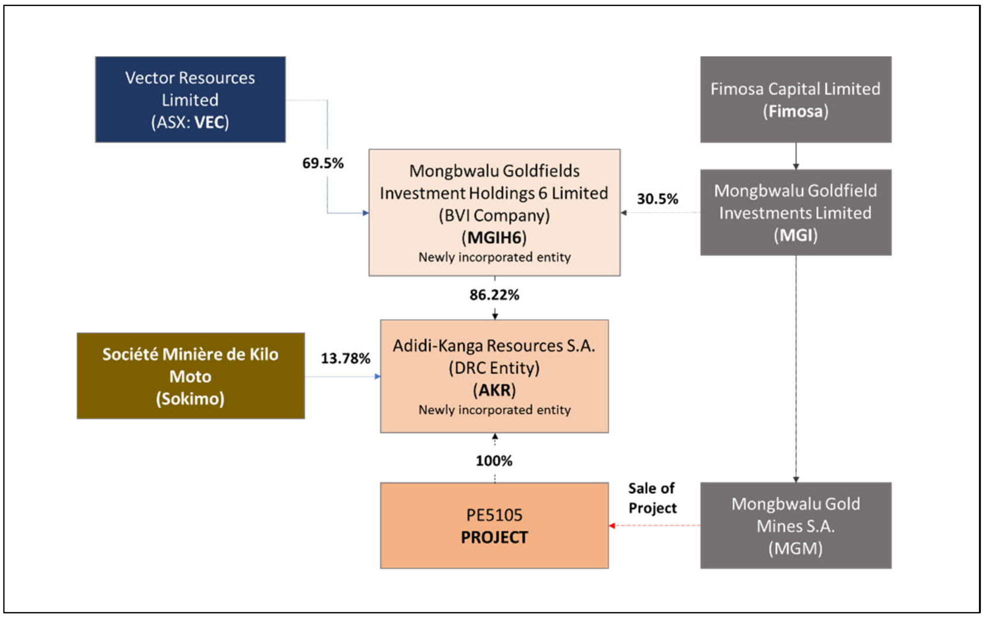

Figure 9: The Adidi-Kanga Gold Project ownership structure

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

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

A new DRC based 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 an approximately 60% Project ownership interest), with the remaining 13.78% shareholding held by DRC State gold mining company, Société Minière de Kilo Moto DRC ("SOKIMO").

AKR will hold Mining License PE5105 and all Project assets and will also be a guarantor to the local Congolese Bank which currently holds security over the Project in relation to debt incurred by MGI (up to US$20 million).

SOKIMO ACQUISITIONS, KIBALI SOUTH AND NIZI GOLD

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

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

However, with the Company concentrating all of its efforts and resources on the Project, the commercial negotiations with SOKIMO did not eventuate and no commercial terms were reached. The Company has, as a result, written down its investment in these projects and written off all capitalised exploration expenditure in relation to both the Kibali South and Nizi Gold Projects.

The Company does not currently expect to conclude any further acquisitions in the foreseeable future.

MANIEMA GOLD PROJECT

For part of the 2019 financial year, the Company continued to advance its exploration activities at its 70% owned Maniema Gold Project, located in the Maniema Province in the DRC. The Maniema Gold Project is located in the world renowned Twangiza-Namoya Gold corridor and in northern part of Kibaran Gold Belt and comprises seven granted exploration licences.

Whilst the activities were promising, the Company believes that with its focus on the Project, that the Maniema Project was not sufficiently advanced to warrant further activity or investment by the Company. This resulted in the Company suspending and now terminating all activities at the project.

In late October 2019, the Company received a letter from its partner (WB Kasai Investments Congo) on the Maniema Project giving notice of termination of the arrangement. Prior to receipt of this notice the Company had intended to notify its partner of the Company's intention to withdraw from the arrangement. The Company is proposing to return the project to WB Kasai and terminate the existing arrangement.

The Company has, as a result, written down its investment in the project and written off all capital exploration expenditure in relation to Maniema.

CAPITAL RAISING ACTIVITIES

As announced by the Company on 7 March 2019, and as a result of finalising the financial completion of the acquisition of the Project, the Company completed a private placement to raise $2.6 million (before capital raising costs) to investors qualifying under Section 708 of the Corporations Act 2001. Shares under this private placement were allocated on 7 March 2019 and 146.6 million new ordinary shares were issued. The proceeds were used to pay existing creditors, working capital and to commence the DFS activities at Adidi-Kanga.

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 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.

Information included in this release relating to the JORC (2012) Mineral Resource Estimate for the Adidi-Kanga Gold Project in the DRC is extracted from the Company's ASX Release of 5 February 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

FORWARD LOOKING STATEMENTS

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

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

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

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

Your directors present the annual financial report of Vector Resources Limited Company (the "Company" or "Vector") and its controlled entities (the "Group" or "consolidated entity") for the financial year ended 30 June 2019.

DIRECTORS

The names of the Directors in office during the entire financial year and up to the date of this report, unless otherwise indicated, are:

Mr Gary Castledine	Non-executive Chairman	
Mr Michael Hendriks	Non-executive Director	
Mr Guy-Robert Lukama	Non-executive Director	Appointed 31 January 2019
Mr Yves Ilunga	Non-executive Director	Appointed 31 January 2019 Resigned 13 June 2019
Mr Jason Brewer	Non-executive Director	Resigned 11 February 2019
Dr. Joas Kabete	Non-Executive Director	Appointed 13 June 2019

COMPANY SECRETARY

Mr Andrew Steers resigned as Company Secretary on 31 January 2020. Mr Michael Hendriks was appointed as Company Secretary on 31 January 2020.

PRINCIPAL ACTIVITIES

At the date of this report, the Company is principally focussed on progressing its interests in the Adidi-Kanga Gold Project (part of the Mongbwalu Gold Project) ("the Project").

During the year the Company had continued its focus on the exploration and development of gold assets in the Democratic Republic of Congo ("DRC"), which commenced in January 2017 with the acquisition of its 70% interest in the Maniema Gold Project and the subsequent joint arrangements and partnerships with the Congolese state-owned gold mining company Société Minière de Kilo Moto ("SOKIMO") on the Kibali South and Nizi Gold Projects. Whilst these activities were promising, the Company believes that with its focus on the Project, that the Maniema, Kibali South and Nizi Gold Projects were not sufficiently advanced to warrant further activity or investment by the Company. This resulted in the Company suspending and subsequently terminating all activities other than those at the Project.

OPERATING AND FINANCIAL REVIEW

Operating Activities

A detailed review of the operations of the Group is contained in the Operations Report. The Group's key focus is the funding, exploration and development of the Project in the DRC.

Future Developments, Prospects and Strategy

The Group will continue to focus its operating and geological activities on advancing the Project in the DRC. On completion of the proposed funding for the Project as described in the Operations Report, the Company will focus on completing a DFS for this project.

Operating Results

The net loss of the Group after income tax for the year amounted to $22,039,219 (2018: $2,258,138). The loss for the 2019 financial year principally arose from the Group's impairment of the previously capitalised exploration and evaluation expenditure for the Maniema, Kibali South and Nizi Gold Projects, finance costs and consulting fees as well as administrative and corporate costs.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

As noted in the Operations Report the Company is in the process of finalising funding for the Project advancement. The Group's strategy is to continue to work towards completing the DFS on the Project.

During the year, there was no other significant changes in the state of affairs of the Group other than that referred to in the financial statements or notes thereto and in the Operations Report.

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

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, apart from:

- During July 2019, four separate loan agreements were entered into, totalling $115,000. Interest payable is 10% per month. The loans are to be repaid on recapitalisation of the Company.
- During the period, 25 October 2019 to 15 November 2019, the Company agreed convertible loans (October 2019 Convertible Note Deed) with eighteen parties totalling $365,000. 50% (A$182,500) of these funds was made available immediately and used for working capital purposes. The remaining 50% is available upon signing a binding agreement resulting in a recapitalisation event for the Company. No interest is payable on the loans and following the recapitalisation of the company, the loans will be converted at a 200% (2 x loan value) basis into ordinary shares, following shareholder approval and on recapitalisation of the Company.
- During the period, 25 March 2020 to 15 April 2020, due to the delays in agreeing a binding recapitalisation agreement, an amendment to the October 2019 Convertible Note Deed, Variation to the Convertible Note Deed (March 2020 Variation) was agreed by twelve of the original eighteen October 2019 Noteholders, allowing a further $132,500 of the remaining 50% balance ($182,500) of the funds to be used for working capital with the conversion amended from 200% (2x loan value) to 300% (3 x loan value). The balance of the Undrawn funds is A$50,000 on the October 2019 Convertible Note. These loans will be converted on recapitalisation of the company.
- During the period, 25 March 2020 to 15 April 2020, a separate Convertible Note Deed (March 2020 Convertible Note Deed) was agreed between the Company and three parties totalling $25,000. No interest is payable and the conversion will be triggered by the recapitalisation of the Company. This conversion will be on a 300% (3 x loan value) basis and shares to be issued upon completion of the recapitalisation of the Company. There remains $5,000 of this convertible note yet to be drawn down.
- During the period, 25 August 2020 to 10 September 2020, a separate Convertible Note Deed (August 2020 Convertible Note Deed) was agreed between Vector and seven parties totalling $115,000. No interest is payable and the conversion will be triggered by the recapitalisation of the Company. This conversion was on the 300% (3 x loan value) basis and shares to be issued upon completion of the recapitalisation of the Company.
- On 31 January 2020, Mr Andrew Steers resigned as Chief Financial Officer and Company Secretary. On the same date, Mr Michael Hendriks, a Non-executive Director, was appointed as Chief Financial Officer and Company Secretary.
- In March 2020, the world health organisation declared COVID-19 a pandemic. Global travel restrictions and disruption have caused delays in obtaining project financing and advancing activities for the Adidi Kanga Project.

- On 21 September 2020 the Company announced that it had received a notice of breach of the Adidi Kanga Share Sale and Purchase Agreement from Mongbwalu Goldfields Investment Ltd (MGI) requiring rectification by 28th September 2020. The Company has written to MGI requesting withdrawal of the Notice as Vector disputes the legal validity of this notice and reserves its legal rights (refer ASX Announcement on 21 September 2020).
- On 22 September 2020, the Company received a final demand from WB Kasai Investments Congo, the JV Partner on the Maniema Gold Project, for approximately US$160k of unpaid licence fees on the project. The Company has asked for more information on the matter.

DIVIDENDS

There were no dividends paid or declared during or since the end of the financial year (2019: None).

LIKELY DEVELOPMENTS

The Group will continue to focus on the funding and development of the Project.

ENVIRONMENTAL REGULATIONS

The Group has a policy of, at minimum complying, but in most cases exceeding, its environmental performance obligations. No environmental breaches have been notified by any government agency during the year ended 30 June 2019. The Board believes that the Group has adequate systems in place for the management of its environmental regulations.

DIRECTORS' QUALIFICATIONS AND EXPERIENCE

Gary Castledine Non-executive Chairman

Mr Gary Castledine was appointed a director of the Company on 24 February 2009.

Mr Castledine has over 20 years' experience in stockbroking and capital markets. He was previously a founding director and the head of corporate with a Perth, Western Australia based specialist boutique securities dealer and corporate advisory firm. Mr Castledine currently specialises in corporate finance with boutique investment banking and corporate advisory firm Westar Capital Ltd. Mr Castledine's experience has enabled him to gather an extensive suite of clients in a corporate advisory role which has seen him involved in many capital raisings and IPO's across a spectrum of industries. He is currently a member of the Stockbrokers Association of Australia.

Interest in Securities at the date of this report:

Mr Castledine has an indirect interest in 24,874,987 ordinary shares.

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

The Gruden Group Limited	20 August 2014 to 30 December 2019
Quantify Technology Holdings Limited	5 February 2016 to present

Michael Hendriks Non-executive Director

Mr Michael Hendriks was appointed a director of the Company on 22 June 2016.

Mr Hendriks is a Chartered Accountant and has gained extensive experience in the financial services sector in various roles in the banking and stockbroking industries. He also has extensive experience as a company director and secretary holding various executive and non-executive directorships of listed and unlisted companies in both the industrial and resource sectors.

Interest in Securities at the date of this report:

Mr Hendriks has an indirect interest in 7,649,249 ordinary.

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

Guy-Robert Lukama Non-executive Director

Mr Guy-Robert Lukama was appointed a director of the Company on 31 January 2019.

Mr. Lukama is the Managing Director of MGI and will be an important representative for the Project in the DRC. Mr. Lukama brings with him significant mining and investment banking experience in Africa. He has previously held the position of Managing Director for AngloGold Ashanti in the DRC and Managing Director for the Project. He is currently the Chairman of the Board for Bank of Africa in the DRC and has held various roles with Banque Commerciale du Congo ("BCDC").

Interest in Securities at the date of this report:

Mr Lukama has an indirect interest in 315,656,566 ordinary.

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

Joas Kabete Non-executive Director

Dr Joas Kabete was appointed a director of the Company on 13 June 2019.

Dr Kabete is a representative for Mongbwalu Goldfields Investment Limited on the Vector Board.

Dr. Kabete is a senior geologist with over 30 years of experience in Africa, including extensive experience in gold projects in both Tanzania and the Democratic Republic of Congo. Dr. Kabete will be a significant asset to the Board with his technical and project experience.

Interest in Securities at the date of this report: Nil

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

Yves Ilunga Non-executive Director (Resigned 13 June 2019)

Mr Yves Ilunga was appointed a director of the Company on 31 January 2019 and resigned on 13 June 2019.

Mr Ilunga brings with him significant financial and mining experience gained in Africa, having held the role of Chief Financial Officer for a number of companies including Dangote Cement in the Republic of Congo and Sierra Rutile Limited. He has also worked with Endeavour Mining, AngloGold Ashanti and De Beers. Mr Ilunga is an Associate of the South African Institute of Chartered Accountants and holds an MBA from the Graduate School of Business, University of Cape Town, South Africa.

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

Jason Brewer Executive Director (Resigned 11 February 2019)

Mr Jason Brewer was appointed a director of the Company on 16 January 2017 and resigned on 11 February 2019.

Mr Brewer (M.Eng (Hons) ARSM) has over 18 years' international experience in the natural resources sector and in investment banking.

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

COMPANY SECRETARY

Michael Hendriks Company Secretary

Mr Andrew Steers was Company Secretary until his resignation on 31 January 2020.

Mr Steers was replaced by Mr Michael Hendriks (a current Non-executive Director of the Company) who was appointed Company Secretary on 31 January 2020. Mr Hendriks is a Chartered Accountant and member of the Australian Institute of Company Directors.

MEETINGS OF DIRECTORS

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

	Directors' Meetings	
	Number Eligible to Attend	Number Attended
Gary Castledine	3	3
Michael Hendriks	3	3
Guy-Robert Lukama[1]	-	-
Yves Illunga[2]	-	-
Jason Brewer[3]	3	3
Dr. Joas Kabete[4]	-	-

1. Guy-Robert Lukama was appointed on 31 January 2019.
2. Yves Illunga was appointed on 31 January 2019 and resigned on 13 June 2019
3. Jason Brewer resigned on 11 February 2019.
4. Dr Joas Kabete was appointed on 13 June 2019.

NON – AUDIT SERVICES

During the year Ernst & Young did not perform any other services in addition to their statutory duties (2018: None). Information in respect to auditor remuneration is disclosed at Note 6.

AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Auditor's Independence Declaration is set out on page 22 and forms part of the Directors' Report for the year ended 30 June 2019.

PROCEEDINGS OF BEHALF OF THE COMPANY

No other person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings against the Company, or to intervene in any proceedings to which the Company is a part, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No other proceedings have been brought or intervened in on behalf of the Company under section 237 of the Corporations Act 2001.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors of the Company and other Key Management Personnel ("KMP") of the Group in accordance with the Corporations Act 2001 and its regulations. These remuneration disclosures have been audited.

For the purposes of this report, KMP of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly. Other than its Directors, Mr Simon Youds, Chief Executive Officer and Mr Andrew Steers, the former Chief Financial Officer and Company Secretary, were also considered KMP for the 2019 and 2018 financial years.

Remuneration Philosophy

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

To this end, the Group embodies the following principles in its remuneration framework:

'The Board as a whole is responsible for considering remuneration policies and packages applicable both to board members and senior executives of the Group. The Board remuneration policy is to ensure the remuneration package, which is not linked to the performance of the Group, properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.'

Description	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Net loss after tax	$22,039,219	$2,258,138	$633,548	$7,119,882	$10,359,725
Share price at start of year	2.1 cents	0.5 cents	1.5 cents	3.7 cents	3.3 cents
Share price at end of year	1.2 cents	2.1 cents	0.5 cents	1.5 cents	3.7 cents
Basic loss per share	1.00 cents per share	0.17 cents per share	0.08 cents per share	2.5 cents per share	2.88 cents per share
Total dividends (cents per share)	NIL	Nil	Nil	Nil	Nil

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and senior manager remuneration is separate and distinct.

Non-executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The current aggregate remuneration is $250,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive Directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a Director of the Company.

Non-executive Directors are encouraged by the Board to hold shares in the Company. It is considered good governance for directors to have a stake in the Company on whose board he or she sits.

The remuneration of Non-executive Directors for the period ended 30 June 2019 is detailed on page 18.

Managing Director and Executive Remuneration Structure

Based on the current stage in the Company's development, its size, structure and strategies, the Board considers that the key performance indicator in assessing the performance of Executives and their contribution towards increasing shareholder value is share price performance and activities towards the development of key projects over the review period.

Individual and Company operating targets associated with traditional financial and non-financial measures are difficult to set given the small number of Executives and their need to be flexible and multi-tasked, as the Company responds to a continually changing business environment. Consequently, a formal process of defining Key Performance Indicators ("KPIs") and setting targets against the KPIs has not been adopted at the present time.

The proportion of fixed remuneration and variable remuneration is established for each Executive by the Board.

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration, which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board; having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration industry and external advice. Executives receive their fixed remuneration in cash.

Performance based remuneration

Short-Term Incentive ("STI")

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

Long Term Incentive ("LTI")

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

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

During the 2019 financial year, no performance rights were issued to KMP. In the prior year, performance rights issued to KMP which will vest subject to pre-defined performance hurdles being achieved were allocated to KMP, including the directors. The grant of performance rights aims to reward Executives in a manner that aligns remuneration with the creation of shareholder wealth.

Performance measures to determine vesting

The vesting of the performance rights is subject to the attainment of defined Group performance criteria, chosen to align the interests of employees with shareholders, representing key drivers for delivering long term value. During the 2019 financial year, no options were issued to executives. The performance measures for the prior year options related to:

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

Termination and change of control provisions

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

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

No hedging of LTIs

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

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2019 (2018: None).

Voting and comments made at the Company's 2018 Annual General Meeting

The Company held it's Annual General Meeting for the 2018 financial year on 30 November 2018. The

Company received 100% of "yes" votes from shareholders eligible to vote on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at its Annual General Meeting or throughout the year on it's remuneration practices.

Chief Executive Officer Services Contract – Mr Simon Youds

Mr Simon Youds was appointed Chief Executive Officer of the Company on 16 January 2017.

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

- Remuneration:
    - Fixed remuneration of $150,000 per annum which increased to $180,000 from September 2017, subject to annual review; and
    - Entitlement to participate in STI and LTI plans at the Board's discretion, however no determination has been made at this stage. The grant of STIs/LTIs will be subject to vesting conditions based on KPIs to be agreed between the parties.
- Termination and notice:
    - Resignation by Mr Youds on 2 months' written notice.
    - Termination by the Company on 2 months' written notice. The Company may elect to make a payment in lieu of the notice period (based on the fixed component of Mr Youds remuneration).
    - Termination by the Company without notice for serious misconduct or other circumstances justifying summary dismissal.
    - On termination, any entitlements held under the Company's LTI and STI plans will be treated (and may be retained or forfeited) in accordance with applicable plan rules from time to time.

Chief Financial Officer Services Contract – Mr Andrew Steers

Mr Andrew Steers was appointed Chief Financial Officer of the Company on 4 September 2017. He Subsequently resigned on 31 January 2020. .

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

- Remuneration:
    - Fixed remuneration of $180,000 per annum which increased to $246,375 from January 2018, and is subject to annual review; and
    - Entitlement to participate in STI and LTI plans at the Board's discretion, however no determination was made. [The grant of STIs/LTIs will be subject to vesting conditions based on key performance indicators to be agreed between the parties].
- Termination and notice:
    - Resignation by Mr Steers on 1 month's written notice.
    - Termination by the Company on 1 month's written notice. The Company may elect to make a payment in lieu of the notice period (based on the fixed component of Mr Hendriks remuneration).
    - Termination by the Company without notice for serious misconduct or other circumstances justifying summary dismissal.
    - On termination, any entitlements held under the Company's LTI and STI plans will be treated (and may be retained or forfeited) in accordance with applicable plan rules from time to time.
    -

Chief Financial Officer and Company Secretarial Services Contract – Mr Michael Hendriks

Mr Michael Hendriks was appointed Chief Financial Officer and Company Secretary of the Company on 31 January 2020.

The material terms of the Chief Financial Officer and Company Secretarial Contract in summary were:

- Remuneration:
  - Fixed remuneration of $3,000 per month.
- There is no termination or notice period applicable.

Details of remuneration

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

KMP of the Group

		Short-Term		Post-Employment		Share-based Payment Rights	Total	Performance Related
		Salary, Fees & Bonuses	Non-Monetary	Superan-nuation	Retirement benefits			
	Year	$	$	$	$	$	$	%
Directors								
G Castledine[1]	2019	284,000	-	-	-	35,921	319,921	11
	2018	36,000	-	-	-	84,079	120,079	70
M Hendriks	2019	36,000	-	-	-	35,921	71,921	50
	2018	36,000	-	-	-	84,079	120,079	70
G Lukama[2]	2019	-	-	-	-	-	-	-
J Kabete	2019	-	-	-	-	-	-	-
Y Ilunga[3]	2019	-	-	-	-	-	-	-
J Brewer[4]	2019	61,000	-	-	-	35,921	71,921	37
	2018	60,000	-	-	-	84,079	144,079	58
J Kabete[5]	2019	-	-	-	-	-	-	-
N Bassett[6]	2018	18,000	-	-	-	120,000	138,000	87
Total	2019	381,000	-	-	-	107,763	488,763	-
	2018	150,000	-	-	-	372,237	522,237	-
Other Key Management Personnel								
S Youds	2019	180,000	-	-	-	110,076	290,076	38
	2018	173,750	-	-	-	241,924	415,674	58
A Steers	2019	396,375	-	-	-	68,797	465,172	15
	2018	193,453	-	-	-	151,203	344,656	44
Total	2019	576,375	-	-	-	178,873	755,248	-
	2018	367,203	-	-	-	393,127	760,330	-

1. *$60,000 was paid for Mr Castldine's services during the current year, with $224,000 remaining unpaid as at 30 June 2019.*
2. *Mr Lukama was appointed on 31 January 2019*
3. *Mr Illunga was appointed on 31 January 2019 and resigned on 13 June 2019.*
4. *Mr Brewer resigned on 11 February 2019.*
5. *Dr Kabete was appointed on 13 June 2019.*
6. *Mr Bassett resigned on 4 January 2018. The Board exercised its discretion to allow Mr Bassett to keep his award. No incremental fair value was attributed. At the date of his resignation the share price was 3.2 cents*

Performance Rights vested during the year as part of emoluments

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

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

Shareholdings – 2019

Number of Shares held by Directors and other KMP:

	Balance on 1.7.2018 or appointment date	Disposed of during the year	Vesting of Performance Rights	Net Change Other	Balance on 30.06.2019
Directors					
Gary Castledine	18,874,987	-	6,000,000	-	24,874,987
Michael Hendriks	1,649,249	-	6,000,000	-	7,649,249
Guy-Robert Lukama[1]	-	-	-	315,656,566	315,656,566
Yves Ilunga[2]	-	-	-	-	-
Joas Kabete[4]	-	-	-	-	-
Jason Brewer[3]	50,000,000	-	6,000,000	(56,000,000)	-
Other Key Management Personnel					
Simon Youds	2,000,000	-	16,000,000	-	18,000,000
Andrew Steers	-	-	10,000,000	-	10,000,000
Total	72,524,236	-	44,000,000	259,656,566	376,180,802

1. *Mr Lukama was appointed on 31 January 2019. Mr Lukama is the Managing Director of significant shareholder MGI and his indirect interest in these shares has been included above.*
2. *Mr Illunga was appointed on 31 January 2019 and resigned on 13 June 2019.*
3. *Mr Brewer resigned on 11 February 2019. The number of shares held by Mr. Brewer on resignation are reflected in "net change other".*
4. *Dr Kabete was appointed on 13 June 2019.*

Rights holdings – 2019

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

	Balance on 1.7.2018 or appointment date	Received as Remuneration	Vested and exercised	Balance on 30.06.2019	Number Vested / Exercisable
Directors					
Gary Castledine	6,000,000		(6,000,000)	-	-
Michael Hendriks	6,000,000		(6,000,000)	-	-
Guy-Robert Lukama[1]	-	-	-	-	-
Yves Ilunga[2]	-	-	-	-	-
Joas Kabete[4]	-	-	-	-	-
Jason Brewer[3]	6,000,000		(6,000,000)	-	-
Other Key Management Personnel					
Simon Youds	16,000,000		(16,000,000)	-	-
Andrew Steers	10,000,000		(10,000,000)	-	-
Total	44,000,000		(44,000,000)	-	-

1. *Mr Lukama was appointed on 31 January 2019*
2. *Mr Illunga was appointed on 31 January 2019 and resigned on 13 June 2019.*
3. *Mr Brewer resigned on 11 February 2019.*
4. *Dr Kabete was appointed on 13 June 2019.*

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

There were no loans made to KMP or other transactions with KMP and their related parties during the year ended 30 June 2019.

Balances payable to Directors and KMP relating to directors' and consulting fees at end of year:

	2019 $	2018 $
Abminga Nominees Pty Ltd	90,000	54,000
JC Trust	-	15,000
Perizia Investments Pty Ltd	224,000	15,000
TAAH Pty Ltd	223,187	-
Youds Mining Consults Pty Ltd	120,000	-
	657,187	84,000

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

Michael Hendriks	Abminga Nominees Pty Ltd
Jason Brewer	JC Trust
Gary Castledine	Perizia Investments Pty Ltd
Andrew Steers	TAAH Pty Ltd
Simon Youds	Youds Mining Consultants Pty Ltd

END OF AUDITED REMUNERATION REPORT

INDEMNIFYING AND INSURANCE OF DIRECTORS AND OFFICERS

During the current financial year, the company paid a premium to insure the directors and officers of the Company against liabilities of costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of directors or officers of the Company. In accordance with a confidentiality clause under the insurance policy, the amount of premium paid to insurers for 2019 has not been disclosed.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit. No payments have been made to indemnify Ernst & Young Australia during or since the financial year.

SHARES UNDER OPTION

There are no ordinary shares under option or performance rights on issue at the date of this report.

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

Gary Castledine
Chairman
DATED at PERTH this 30 September 2020

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Auditor's independence declaration to the directors of Vector Resources Limited

As lead auditor for the audit of the financial report of Vector Resources Limited for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
30 September 2020

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Independent auditor's report to the members of Vector Resources Limited

Report on the audit of the financial report

Disclaimer of opinion

We were engaged to audit the financial report of Vector Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matters described in the *Basis for disclaimer of opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for disclaimer of opinion

We draw attention to Note 1(c) in the financial report which indicates that the Group incurred losses of $22,039,219 during the year ended 30 June 2019 and at that date its current liabilities exceeded its current assets by $25,975,190. As further disclosed in Note 1(c), the Group has had to undertake a number of fundraisings during the course of the 2019 financial year and subsequent to that, has limited cash available and has had difficulty in securing sufficient additional funding to be able to fulfil future committed operational expenditure. As at the date of this report, we have been unable to obtain sufficient appropriate audit evidence as to whether the Group can achieve the matters disclosed in Note 1(c) and hence remove significant doubt as to its ability to continue as a going concern for the period within 12 months of the date of this auditor’s report.

As disclosed in Notes 17 and 27, the Group completed the acquisition of the Adidi-Kanga Gold Project (Project) during the year. As an asset acquisition, there is a requirement to identify and recognise the individual identifiable assets acquired and liabilities assumed. The cost of the acquisition is allocated to these assets and liabilities on the basis of their relative fair values at the date of acquisition. We have been unable to determine whether we have been provided with all contracts and other information necessary to confirm that all required assets, liabilities and non controlling interests have been recognised and appropriately measured. As a result, we were unable to determine whether all adjustments necessary to appropriately account for the acquisition of the Project were reflected in the financial report.

As disclosed in Note 1(c), the Group received a notice of breach (Notice) of the Adidi-Kanga Share Sale and Purchase Agreement from the vendor, Mongbwalu Goldfields Investment Limited (MGI) which required rectification by 28 September 2020. The Group wrote to MGI disputing the validity of the Notice, requesting its withdrawal and reserving its rights. The Notice has not been withdrawn as at the date of approval of the financial report. Under the Notice, MGI has indicated that it will do all things as may be necessary to enforce and protect its rights. As a result of this matter, we were unable to determine whether any adjustments were necessary to the carrying amounts of recorded assets or liabilities included in the consolidated statement of financial position or to the applicable notes to the financial report.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the *Basis for disclaimer of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Report on the audit of the remuneration report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of Vector Resources Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Building a better working world

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
Perth
30 September 2020

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

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

  i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date; and.

  ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a);

(c) subject to the matters set out in Note 1(c), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

On behalf of the Board

Gary Castledine

Chairman

Perth, 30 September 2020

	Note	2019 $	2018 $
Interest income	4	395	2,455
Fair value movement on derivative liability		3,293,466	-
Employee benefits expense		(328,516)	(63,500)
Consulting fees		(3,337,869)	(218,368)
Administration expenses		(42,052)	(120,700)
Compliance and regulatory expenses		(176,712)	(123,304)
Depreciation expense		(14,373)	(3,362)
Due diligence expenses		(372,199)	(356,220)
Finance costs		(9,459,773)	(114,240)
Occupancy costs		(87,594)	(24,885)
Directors fees		(125,000)	(150,000)
Share-based payment expenses		(391,354)	(880,646)
Promotion and travel expenses		(265,995)	(134,912)
Foreign exchange loss		(32,025)	-
Impairment of exploration and evaluation	10	(10,244,457)	-
Other expenses from ordinary activities		(455,161)	(70,456)
Loss before tax		(22,039,219)	(2,258,138)
Income tax	5	-	-
Loss for the year		(22,039,219)	(2,258,138)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(301,099)	580,519
Other comprehensive (loss)/income for the year, net of tax		(301,099)	580,519
Total comprehensive loss for the year		(22,340,318)	(1,677,619)
Loss for the year attributable to:			
Non-controlling interest		(6,773,819)	(991)
Members of the parent entity		(15,265,400)	(2,257,147)
		(22,039,219)	(2,258,138)
Total comprehensive loss for the year attributable to:			
Non-controlling interest		(6,224,710)	118,832
Members of the parent entity		(16,115,608)	(1,796,451)
		(22,340,318)	(1,677,619)
Basic and diluted loss per share (cents)	25	(0.01)	(0.17)

The accompanying notes form part of these financial statements.

	Note	2019 $	2018 $
Assets			
Current Assets			
Cash and cash equivalents	7	24,883	746,952
Other receivables	8	126,820	71,816
Prepayments		30,958	25,738
Total Current Assets		182,661	844,506
Non-Current Assets			
Property, plant and equipment	9	136,817	52,223
Exploration and evaluation assets	10	135,524,333	10,700,089
Total Non-Current Assets		135,661,150	10,752,312
Total Assets		135,843,811	11,596,818
Liabilities			
Current Liabilities			
Trade and other payables	11	4,020,381	486,516
Borrowings	12	15,384,967	1,113,455
Financial Guarantee	13	28,516,026	
Derivative liability	14	264,281	-
Total Current Liabilities		48,185,655	1,599,971
Non-Current Liabilities			
Borrowings	12	61,682,966	-
Total Non-Current Liabilities		61,682,966	-
Total Liabilities		109,868,621	1,599,971
Net Assets		25,975,190	9,996,847
Equity			
Contributed equity	15	61,052,046	48,188,346
Reserves	16	7,033,396	863,150
Accumulated losses		(56,264,811)	(40,999,411)
Total equity attributable to the owners of the parent		11,820,631	8,052,085
Non-controlling interests	21	14,154,559	1,944,762
Total Equity		25,975,190	9,996,847

The accompanying notes form part of these financial statements.

	Note	2019 $	2018 $
Cash Flow from Operating Activities			
Interest received		395	2,455
Payments to suppliers and employees		(665,342)	(657,666)
Due diligence costs		(21,000)	(356,220)
Net Cash Used in Operating Activities	19	(685,947)	(1,011,431)
Cash Flow from Investing Activities			
Payments for property, plant and equipment		(98,967)	(41,936)
Payments for exploration and evaluation		(2,003,000)	(3,320,979)
Acquisition of Adidi-Kanga Gold Project	17	(7,093,205)	-
Net Cash Used in Investing Activities		(9,195,172)	(3,362,915)
Cash Flow from Financing Activities			
Finance costs		(227,000)	-
Proceeds from borrowings		8,204,000	969,490
Repayment of borrowings		(1,066,000)	-
Proceeds from issue of shares		2,638,000	3,995,361
Share issue costs		(390,000)	(245,886)
Net Cash Provided by Financing Activities		9,159,000	4,718,965
Net (decrease)/increase in cash and cash equivalents held		(722,119)	332,619
Cash and cash equivalents at the beginning of the year		746,952	366,811
Exchange differences on cash and cash equivalents		-	35,522
Cash and cash equivalents at the end of the year	7	24,833	746,952

The accompanying notes form part of these financial statements.

	Contributed Equity $	Share based Payment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Attributable to owners of the parent $	Non-Controlling Interests $	Total $
Consolidated							
Balance at 1 July 2017	44,406,871	-	(478,192)	(38,742,264)	5,186,415	1,825,930	7,012,345
Loss for the year	-	-	-	(2,257,147)	(2,257,147)	(991)	(2,258,138)
Other comprehensive income for the year	-	-	460,696	-	460,696	119,823	580,519
Total comprehensive loss for the year	-	-	460,696	(2,257,147)	(1,796,451)	118,832	(1,677,619)
Proceeds from share issue	4,027,361	-	-	-	4,027,361	-	4,027,361
Share issue expenses	(245,886)	-	-	-	(245,886)	-	(245,886)
Share based payments	-	880,646	-	-	880,646	-	880,646
Balance at 30 June 2018	48,188,346	880,646	(17,496)	(40,999,411)	8,052,085	1,944,762	9,996,847
Balance at 1 July 2018	48,188,346	880,646	(17,496)	(40,999,411)	8,052,085	1,944,762	9,996,847
Loss for the year	-	-	-	(15,265,400)	(15,265,400)	(6,773,819)	(22,039,219)
Other comprehensive income/(loss) for the year	-	-	(850,208)	-	(850,208)	549,109	(301,099)
Total comprehensive loss for the year	-	-	(850,208)	(15,265,400)	(16,115,608)	(6,224,710)	(22,340,318)
Acquisition of Adidi-Kanga	6,313,131	6,629,100	-	-	12,942,231	18,434,507	31,376,738
Issue of shares	7,095,036	-	-	-	7,095,036	-	7,095,036
Share issue expenses	(544,467)	-	-	-	(544,467)	-	(544,467)
Share based payments		391,354	-	-	391,354	-	391,354
Balance at 30 June 2019	61,052,046	7,901,100	(867,704)	(56,264,811)	11,820,631	14,154,559	25,975,190

The accompanying notes form part of these financial statements.

CORPORATE INFORMATION

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

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

The consolidated financial statements for the year ended 30 June 2019 were approved and authorised for issue by the board of directors on 30 September 2020.

The principal activity of the company is exploration for minerals.

1. Summary of Significant Accounting Policies

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

a. Basis of preparation

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

(i) Compliance with IFRS

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

(ii) New and amended standards adopted by the Group

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

AASB 9 Financial Instruments ("AASB 9")

The Group adopted AASB 9 with the date of initial recognition being 1 July 2018. In accordance with the transitional provisions of AASB 9, comparative have not been restated and they continue to be reported under AASB 139. AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement ("AASB 139"), bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment and hedge accounting.

Initial recognition and measurement

At initial recognition financial assets are recognised at fair value. Transaction costs are included in the fair value for financial assets not at fair value through profit or loss.

Classification and subsequent measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria; the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the SPPI criterion). The SPPI test is applied to the entire financial asset, even if it contains an embedded derivative.

At the date of initial application, existing financial assets and liabilities of the Group were assessed in terms of the requirements of AASB 9.

The assessment was conducted on instruments that had not been derecognised as at 1 July 2018. In this regard, the Group has determined that the adoption of AASB 9 has impacted the classification of financial instruments at 1 July 2018 as follows:

Class of financial instrument presented in the statement of financial position	Original measurement category under AASB 139 (prior to 1 July 2018)	New measurement category under AASB 9 (from 1 July 2018)
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Other receivables, excluding GST receivable	Loans and receivables	Financial assets at amortised cost
Trade and other payables	Financial liability at amortised cost	Financial liabilities at amortised cost
Borrowings	Financial liability at amortised cost	Financial liabilities at amortised cost

The change in classification of financial instruments has not resulted in any re-measurement adjustments at 1 July 2018.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments) – relevant to the Group
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) – not relevant to the Group
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) – not relevant to the Group
- Financial assets at fair value through profit and loss – relevant to the Group.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Interest received is recognised as part of finance income in profit and loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost are measured at fair value through profit and loss.

Impairment of financial assets

In relation to the financial assets carried at amortised cost, AASB 9 requires an expected credit loss model to be applied as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. AASB 9 requires the Group to measure the loss allowance at the amount equal to lifetime expected credit loss ("ECL") if the credit risk on the instrument has increased significantly since initial recognition. On the other hand, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the portion of the lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. ECL's are based on the difference between contractual cashflows due in accordance with the contract and all the Group expects to receive. The shortfall is then discounted at an approximation to the assets original effective interest rate.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

As at 1 July 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supporting information. In accordance with AASB 9, the Group recognised an expected credit loss on adoption of the standard where required. No adjustments arose as a result of this review.

AASB 15 Revenue from Contracts with Customers ("AASB 15")

The Group adopted AASB 15 with the date of initial recognition being 1 July 2018. As the Group is not currently generating revenue, the adoption of AASB 15 had no impact on the Group.

(iii) Historical cost convention

These financial statements have been prepared on the basis of historical cost, except for certain financial assets and liabilities which have been measured at fair value.

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been early adopted by the Group for the annual reporting period ended 30 June 2019.

The policies which may be relevant to the Group are set out in the table below:

Standard/Interpretation	Application date of standard	Application date for Group
AASB 16 Leases	1 January 2019	1 July 2019
Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019	1 July 2019
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	1 July 2020
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	1 July 2020
Conceptual Framework	1 January 2020	1 July 2020
2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020	1 July 2020

Management has assessed the impact of the above standards and does not expect any adjustments to arise on adoption.

c. Going Concern

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

The Group made a loss of $22,039,219 (2018 : $2,258,138) for the year ended 30 June 2019 and had a net cash outflow from operating and investing activities of $685,947 and $9,195,172 respectively (2018: $1,011,431 and $3,362,915 respectively). The Group also had a working capital deficiency of $48,002,994 (2018: $755,465) as at 30 June 2019. The Group had cash of $22,870 on hand at 30 September 2020.

During the 2019 year, the Group continued to actively manage its operating and overhead expenditure. It was able to secure additional funding during the year to 30 June 2019 of $10,452,000 (2018: $969,940) through borrowings of $8,204,000 (see Note 12) and an equity raising of $2,638,000 (net of costs) in order to assist in meeting its ongoing working capital requirements and committed obligations.

The Group's most significant commitment during the 2019 financial year was concluding the acquisition of the Adidi-Kanga Gold Project (see Note 17). The settlement of the first tranche of consideration for this acquisition took place on 7 March 2019. This first tranche of the acquisition comprised the payment of US$5 million ($7,093,205) in cash and the issue of shares as required under the Share Sale and Purchase Agreement entered into with the vendor, MGI.

This US$5 million payment to MGI as well as the refinancing of the convertible note of US$950,000 from Riverfort (previously known as Cuart Investments PCC Ltd) was financed by way of the issue of convertible notes by Riverfort of US$2,200,000 and MEF of US$3,500,000 (see Note 12). These convertible notes were initially repayable by 24 February 2020. Subsequently, MEF/Riverfort and Temorex have agreed in principal to a standstill, as the Company works towards recapitalisation.

Since finalising the settlement of tranche 1 of the Adidi-Kanga Gold Project acquisition, the Company has been searching for investors to provide funding to potentially repay the MEF/Riverfort convertible notes and to provide the necessary funding to complete the DFS and an initial exploration program at the Adidi-Kanga Gold Project.

In order to finalise the intended funding, the Company has been in negotiations with MEF, Riverfort, MGI and the local Congolese bank that holds security over the Adidi-Kanga Gold Project in relation to debt that was previously incurred by MGI. As previously disclosed to the market, the Company is a guarantor on the loan facility with the local Congolese Bank and the intention has been that this loan (of up to US$20 million) would be repaid once the Adidi-Kanga Gold Project reaches a positive Decision to Mine for the Project.

These negotiations have been extensive and have been subject to ongoing delays in reaching agreement between all parties involved. These delays have been beyond that initially expected by the Directors and as a result, the fundraising activities have also been delayed. Subsequent to the 2019 year end, the Group has:

- Entered into four separate loan agreements in July 2019, totalling $115,000. Interest payable on this facility is 10% per month. The loan is to be repaid on successful recapitalisation of the Company.
- During the period 25 October 2019 to 15 November 2019, the Company entered into convertible loans ("October 2019 Convertible Note Deed") with 18 parties totalling $365,000. Half of these funds, being $182,500 was made available immediately and used for working capital purposes. The remaining 50% is available upon signing a binding agreement resulting in a recapitalisation event for the Company. No interest is payable on these loans and, following the successful recapitalisation of the Company, the loans will be converted at a 200% basis (twice the loan face value) into ordinary shares of the Company, following shareholder approval.
- During the period 25 March 2020 to 15 April 2020, due to further delays in agreeing a binding recapitalisation agreement, an amendment and variation to the October 2019 Convertible Note Deed ("March 2020 Variation") was agreed by 12 of the original 18 October 2019 Noteholders, allowing a further $132,500 of the remaining $182,500 balance of the funds to be provided to the Group for working capital purposes. The conversion basis into ordinary shares was amended from a 200% to a 300% basis, applicable on the further $132,500 withdrawn amount only, upon shareholder approval. The remaining $50,000 under this facility have not yet been drawn down. These loans will be converted on recapitalisation of the company.
- During the period 25 March 2020 to 15 April 2020, a separate Convertible Note Deed ("March 2020 Convertible Note Deed") of $30,000 was agreed between the Company and three parties totalling $25,000. No interest is payable on this facility and, following the successful recapitalisation of the Company, the notes will be converted on a 300% basis (three times the loan face value) into ordinary shares of the Company, upon shareholder approval. The remaining $5,000 under this facility have not yet been drawn down.
- During the period 25 August 2020 to 10 September 2020, a separate Convertible Note Deed ("August 2020 Convertible Note Deed") was agreed between the Company and seven parties totalling $115,000. No interest is payable on this facility and, following successful recapitalisation of the Company, the notes will be converted on a 300% basis (three times the loan face value) into ordinary shares of the Company, upon shareholder approval.

On 21 September 2020, the Company announced that it had received a notice of breach ("Notice") of the Adidi-Kanga Share Sale and Purchase agreement from MGI requiring rectification by 28 September 2020. The Company has written to MGI requesting withdrawal of the Notice as Vector disputes the legal validity of the Notice and reserves its legal rights (refer ASX Announcement on 21 September 2020).

In order to manage the Group's commitments due to the delays in finalising funding for the project, the Directors have sought and obtained ongoing and continued forbearance from the vast majority of its existing creditors until such time as the Company is successfully recapitalised. This includes obtaining an in principal to standstill on the convertible notes provided by MEF and Riverfort, as the Company works towards recapitalisation.

The Directors consider that the Group is a going concern and recognise that continued support and forbearance from existing creditors as well as additional funding is required to ensure that it can continue to fund its operations during the twelve month period from the date of this report. The Company is currently in advanced negotiations with a credible foreign investor who is actively involved in a number of large-scale infrastructure projects in the DRC. The various parties to the transaction including MEF, Riverfort, MGI and the Congolese bank holding security over the Project are aware of these negotiations. The Directors are confident of a successful outcome to its proposed recapitalisation and the development of the Adidi-Kanga Gold Project.

Such additional funding, as the Group has successfully accessed in the past, can be derived from either one or a combination of the following:

- The successful completion of a transaction to adequately recapitalise the Group and fund the development of the Adidi-Kanga Gold Project which will require a successful resolution to the disputed "notice of breach" received from MGI
- The provision of loans and funding of working capital requirements by shareholders, as indicated through the various loans and convertible notes provided during 2019 and 2020 as detailed above, and
- The ability to successfully renegotiate and extend the repayment terms of existing debt facilities.

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

Should the Group be unable to obtain sufficient funding as outlined above, there is a material uncertainty that may cast significant doubt whether it will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

d. Basis of consolidation

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

Specifically, the Consolidated Entity controls an investee if and only if the Consolidated Entity has:

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

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

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

e. Operating Segments

Operating segments are identified, and segment information disclosed on the basis of internal reports that are regularly provided to or reviewed by the Group's chief operating decision maker which, for the Group, is the Board of Directors of the Company. In this regard, such information is provided using similar measures to those used in preparing the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position. The Group currently has one segment in relation to exploration activity in the DRC.

f. Foreign Currency Translation

i. Functional currency

The functional currency of the Company and each of its Australian subsidiaries is the Australian dollar ($). The functional currency of the foreign operations, Vector Resources Congo SA, Maniema Gold Company SA, Mongbwalu Goldfields Investment Holdings 6 Limited and Adidi-Kanga Resources S.A., is US dollars (US$).

ii. Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the Consolidated Statement of Financial Position date. All exchange differences in the consolidated financial report are recognised in profit or loss with the exception of exchange differences on intercompany loans which are not expected or planned to be repaid.

These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

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

iii. Foreign operations

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

g. Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment losses.

Costs include expenditures that are directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant, equipment and computers	3 to 5 years
Motor vehicles	7 years

i. Impairment

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating unit to which the assets belong are written down to their recoverable amount.

ii. Derecognition

An item of property, plant and equipment is derecognised upon disposed of, or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period the item is de-recognised.

h. Exploration and Evaluation

Expenditure on the acquisition, exploration and evaluation relating to an area of interest is carried forward as an asset at cost where rights to tenure of the area of interest are current and:

- It is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- Exploration and evaluation activities are continuing in the area of interest but at balance date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off or impaired to profit and loss.

i. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that a non-financial asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An assessment is also made at each reporting date as to whether there is any indication that a previously recognised impairment loss may no longer exist or may have decreased. If such an indication exists, the recoverable amount of the asset in question is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed that carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

j. Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents defined above, net of outstanding bank overdrafts.

k. Receivables

Policy since 30 June 2018

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less any expected credit loss.

The Group assesses the loss allowance at the amount equal to lifetime expected credit loss ("ECL") if the credit risk on the instrument has increased significantly since initial recognition. On the other hand, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of the lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. ECL's are based on the difference between contractual cashflows due in accordance with the contract and all the Group expects to receive. The shortfall is then discounted at an approximation to the assets original effective interest rate.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Policy up to 30 June 2018

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any uncollectible amounts.

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

l. Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

m. Leases

Leases were classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

The minimum lease payments of operating leases, where the lessor effectively retained substantially all of the risks and benefits of ownership of the leased item, were recognised as an expense in profit and loss on a straight-line basis over the lease term.

n. Interest Income

Interest income is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

o. Contributed Equity

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

p. Earnings per Share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the parent adjusted for:

- Cost of servicing equity (other than dividends) and preference shares dividends;
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discriminatory changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares,
- Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

q. Income Tax

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

Deferred income tax is provided on all temporary differences at the Consolidated Statement of Financial Position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Unrecognised deferred income tax assets are reassessed at each Consolidated Statement of Financial Position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The carrying amount of deferred income tax assets is reviewed at each Consolidated Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Consolidated Statement of Financial Position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Consolidated Statement of Comprehensive Income.

o. Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of amounts of GST recoverable from, or payable to, the taxation authority.

r. Employee Benefits

i. <u>Wages, salaries, annual leave and sick leave</u>

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

ii. <u>Superannuation</u>

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

s. Comparative Figures

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

t. Borrowings

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

After initial recognition , borrowings are subsequently measured at amortised cost using the EIR method, except for financial liabilities designated as fair value through profit and loss ("FVTPL"), that are carried subsequently at fair value with gains or losses recognised in profit or loss. Separated embedded derivatives are also classified as fair value through profit or loss and are recognised in the consolidated statement of financial position as "derivative liability".

u. Borrowing costs

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

v. Financial Guarantees

Financial guarantees provided on behalf of parties outside the Group are measured at the higher of the amount of the expected loss allowance and the amount initially recognised less any income recognised. The expected credit loss is calculated as the present value of the amount payable in the event of default by the debtor less any amounts that the entity expects to receive from the debtor or any other party.

w. Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

x. Share based payments

The Consolidated Entity provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). In addition, shares have been issued in exchange for various services provided by third party entities such as debt financing and consultancy services.

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

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a Black & Scholes option pricing model. Further details of which are given in note 28.

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

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

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

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

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

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

2. Critical Accounting Estimates and Judgements

The Directors re-evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Judgement – Exploration and evaluation

The Group's policy for exploration and evaluation is discussed in Note 1(h). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploitation, then the relevant capitalised amount will be written off through the profit or loss.

Key Judgement – functional currency of Vector Resources Congo SA, Maniema Gold Company S.A., Mongbwalu Goldfields Investment Holdings 6 Limited and Adidi-Kanga Resources S.A.

Each entity within the Group is required to determine its functional currency. Management consider US Dollars to be the functional currency of Vector Resources Congo SA, Maniema Gold Company S.A., Mongbwalu Goldfields Investment Holdings 6 Limited and Adidi-Kanga Resources S.A. In arriving at this determination, management has given priority to the currency that influences the costs incurred on exploration and evaluation activities as they consider this to be a primary indicator of the functional currency. Additionally, all financing arrangements in place for these entities have been in US Dollars.

Key Judgement- Control of subsidiaries

On acquisition of interests in other entities the Group considers whether control is obtained with reference to three factors, as outlined in the accounting standards, being whether they have:

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

In arriving at the determination, management considers all relevant facts and circumstances and the relevant terms of the various shareholder agreements. Following the acquisitions made during the current year management has considered that they have control over Mongbwalu Goldfields Investment Holdings 6 Limited and Adidi-Kanga Resources S.A on the basis that they have majority of the Directors on the Board of these entities, ability to direct the day-to-day operations and ability to direct decisions regarding financing.

There are a number of decisions, impacting the relevant activities which would require unanimous agreement and could indicate that the parties have joint control over the arrangement. One significant area of judgement in this assessment is the decision to extend the timeline for the completion of the Definitive Feasibility Study. Management concluded that these exist to protect the other parties' investment in the project by giving them the ability to halt further investments if the information uncovered would render the project economically or technically not viable. Management concluded that these rights would not constitute an active right to make relevant decisions in the exploration stage of the project.

Another area of significant judgement is the approval or rejection of the decision to mine. If a party rejects the decision while the other party accepts it, the rejecting party has to provide reasons that they need mitigated and must do so within a defined timeframe. Management has assessed these rights and concluded that this would not provide the other party with joint control, but merely with a mechanism to request additional procedures to to be comfortable with the decision to commence mining or reject the project. In case no agreement is reached, the Group has the right to acquire the interest from the other party.

Management will continue to monitor the arrangement and update the assessment based on changes in facts and circumstances.

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

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

Key estimate - Share-based payments

The Consolidated Entity measures the cost of equity-settled transactions with employees and other parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an appropriate valuation model, using the assumptions as discussed in note 28.

Key estimate – measurement of certain borrowings

The Group is required to estimate the amount and timing of the anticipated repayment dates applicable to certain borrowings where the anticipated repayments in future are dependent on a number of factors including timing of any future production activities. Any changes in the estimated timing or amount of repayments will impact the measurement of these borrowings and these changes could be significant.

The fair value of these borrowing on initial acquisition has been estimated with reference to a market interest rate.

3. Financial Risk Management

a. Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable, trade and other payables, derivative liabilities and borrowings.

The Group does not trade in derivatives.

i. Treasury Risk Management

The Board meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

ii. Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

b. Interest Rate Risk

At 30 June 2019, the effect on profit/(loss) and equity as a result of a reasonably possible change in the interest rate, with all other variables remaining constant would be as follows:

	2019 $	2018 $
Change in Profit/(Loss)		
Increase in interest rate by 1%	248	3,674
Decrease in interest rate by 1%	(248)	(3,674)
Change in Equity		
Increase in interest rate by 1%	248	(3,674)
Decrease in interest rate by 1%	(248)	3,674

The Group's exposure to risk of changes in market interest rates relates primarily to the Group's cash balances. The Board constantly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates.

	Floating Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$	$	$
Consolidated Financial Assets								
Cash and cash equivalents	24,883	746,952	-	-	-	-	24,883	758,952
Other receivables	-	-	12,000	12,000	114,820	59,816	126,820	59,816
	24,883	746,952	12,000	12,000	114,820	59,816	151,703	818,768

	Floating Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$	$	$
Consolidated Financial Liabilities								
At amortised cost								
Payables	-	-	-	-	4,020,381	486,516	4,020,381	486,516
Borrowings – current	-	-	43,878,888	1,092,462	22,105	20,993	43,900,993	1,113,455
Borrowings – non current	-	-	61,682,966	-	-	-	61,682,966	-
Derivative liability	-	-	-	-	264,281	-	264,281	-
	-	-	105,561,854	1,092,462	4,306,767	507,509	109,686,621	1,599,971

c. Credit Risk

Credit risk arises from the financial assets of the Consolidated Entity, which comprises cash and cash equivalents, trade and other receivables, and deposits. Credit risk also arises where the Group provides guarantee's over other parties loans.

The maximum exposure to credit risk, at balance date for these financial assets and guarantees, is the carrying amount, net of any allowance account for impairment of those assets, as disclosed in the Consolidated Statement of Financial Position and Notes to the Financial Statements. Receivable balances are monitored on an on-going basis with the result that the Group does not have a significant exposure to changes in credit risk from other parties. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Details of the Group's guarantees have been provided in Note 12. The Group currently does not have any material debtors apart from a GST receivable which is claimed at the end of each quarter during the year.

d. Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. All liabilities of the Group other than non-current borrowings are due in less than 6 months. The guarantee has been assumed to be a current liability as the Group has no control or oversight over the loan amount.

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

	Up to 12 months 2019 $	Up to 12 months 2018 $	1 to 5 years 2019 $	1 to 5 years 2018 $	> 5 years 2019 $	> 5 years 2018 $	Total 2019 $	Total 2018 $
Payables	4,020,381	486,516	-	-	-	-	4,020,381	486,516
Borrowings – current	46,190,099	1,113,455	-	-	-	-	46,190,099	1,113,455
Borrowings – non current	-	-	-	-	75,244,534	-	75,244,534	-
Derivative liability	264,281	-	-	-	-	-	264,281	-
	50,474,761	1,599,971	-	-	75,244,534	-	125,719,295	1,599,971

e. Fair Values

The net fair value of the Group's at-call and short-term deposits with banks, accounts receivable and payables approximate their carrying values. For the Group's current borrowings, the carrying value of the loans at the balance sheet date, excluding any transaction cost components, appropriates fair value.

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

Financial Assets	2019 $	2018 $
Cash and cash equivalents	24,883	746,952
Trade and other receivables	126,820	71,816
	151,703	818,768

The fair values are comparable to their carrying amount.

Financial Liabilities		
Trade and other payables	4,020,381	486,516
Borrowings – current and non-current	105,583,959	1,113,455
Derivative liability	264,281	-
	109,686,621	1,599,971

4. Income

Interest received	395	2,455
	395	2,455

5. Income Tax Expense

	2019 $	2018 $
(a) The components of income tax expense comprise of:		
Current income tax	-	-
Deferred income tax	-	-
Income tax for the year	-	-

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

	2019	2018
Prima facie tax benefit on operating loss before tax at 30% (2018: 30%)	(6,611,765)	(677,441)
Tax effect of non-deductible expenditure	1,432,873	306,612
Deferred tax assets not brought to account	5,178,892	370,829
Income tax expense	-	-

Unrecognised deferred tax balances	2019 $	2018 $
Deferred tax assets:		
Financial assets	97,020	97,020
Capital raising costs	339,533	161,399
Provisions and accruals	16,550	24,285
Carry forward capital losses	791,838	791,838
Carry forward income tax losses	16,543,209	9,983,401
	17,788,150	11,057,943

(c) Tax losses

The company has Australian income tax losses of $50,173,869 (2018: $39,182,687), Australian capital losses of $2,879,411 (2018: $2,879,411) and DRC income tax losses of $4,970,162 (2018: $72,738) for which no deferred tax asset is recognised in the Statement of Financial Position. Losses are recoupable subject to relevant Australian and DRC taxation statutory requirements being met.

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

(a) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) The Group entities continue to comply with the conditions for deductibility imposed by law; and

(c) No changes in income tax legislation adversely affect the Group entities in utilising the benefits.

6. Auditor's Remuneration

	2019 $	2018 $

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

Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities- Ernst & Young	123,933	40,000
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities- Grant Thornton	-	27,951
	123,933	67,951

(i) At the Company's request Grant Thornton Audit Pty Ltd resigned as auditors in 2018 with the approval of ASIC, to allow the appointment of Ernst & Young as the Company's auditors.

7. Cash and Cash Equivalents

Cash at bank	24,883	746,952
Total	24,883	746,952

Details of interest rates are disclosed in Note 3.

8. Other Receivables

Current	2019 $	2018 $
GST Receivable	86,046	48,007
Other Receivables	40,774	23,809
	126,820	71,816

(a) Included in other receivables above are restricted funds relating to bonds:

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

9. Property, Plant and Equipment

	Total
Carrying amount	$
At 1 July 2017	12,688
Additions	41,936
Depreciation for the year	(3,362)
Exchange differences	960
At 30 June 2018	52,223
Additions	99,003
Depreciation for the year	(14,485)
Exchange differences	76
At 30 June 2019	136,817

10. Exploration and Evaluation

	2019	2018
	$	$
Opening Balance	10,700,089	6,837,590
Exploration expenditure capitalised during the year	4,092,834	3,320,979
Acquisition of Adidi-Kanga Gold Project	130,343,373	-
Write-off[1]	(10,244,457)	-
Foreign currency translation adjustment	632,494	541,520
	135,524,333	10,700,089

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

- The continuance of the Group's right of tenure of the areas of interest;
- The results of future exploration; or
- The recoupment of costs through successful development and exploitation of the areas of interest The Group's exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

AKR is a guarantor on a loan facility as a result of debt that was previously incurred by MGI with a local Congolese Bank (Trust Merchant Bank SA). The security is over the AKR Project up to a value of US$20 million.

[1] All previously capitalised exploration and evaluation expenditure in relation to the Kibali South and Nizi Gold sites has been fully written off during the current year following the Group's decision to cease activity at the project. In addition, all previously capitalised exploration and evaluation expenditure in relation to the Maniema Gold Project in the DRC has been fully written off following the Group's decision to cease activity at the project.

11. Trade and Other Payables

	2019	2018
Current	$	$
Trade Payables	3,047,520	356,203
Other Payables	323,674	47,763
Due to Directors and other KMP	649,187	84,000
	4,020,381	486,516

12. Borrowings

	2019	2018
Current interest free loans	$	$
Unsecured loan[1]	22,105	20,993
	22,105	20,993
Current interest bearing loans		
Unsecured loans[2]	298,743	307,263
Convertible notes[3] - unsecured	7,935,112	785,199
Shareholder Loan Obligations[5]	7,129,007	-
	15,362,862	1,092,462
	15,384,967	1,113,455
Non-current interest bearing loans		
Unsecured loan[4]	61,682,966	-
	77,067,933	-

Finance costs in the consolidated statement of profit or loss and other comprehensive income have arisen as a result of establishment costs, interest payments and the unwind of financial liabilities carried at amortised cost using the effective interest rate method in relation to the following facilities:

1. The unsecured loan is non-interest bearing and has no fixed term of repayment.

2. The unsecured loans at the previous year end of $307,263 from Mr Bin Liu and Mr John Boardman, attracted interest at 10% per annum and were repayable at the earlier of 3 months from initial drawdown or 10 days after the successful completion of the Adidi-Kanga acquisition. On 19 September 2018, both loans repayment dates were extended to 30 September 2018. At the 2018 General Meeting held on 21 September 2018, the shareholders approved the conversion of these loans plus interest into ordinary shares at $0.02 per share per share amounting in 8,250,000 shares issued to be issued to both Mr Bin Liu and Mr John Boardman.

   During the year, an unsecured loan of $300,000 was advanced by Contact Nominees Pty Ltd. This loan, as well total accrued interest of $331,000, was settled via a cash payment of $325,000 and the issue of 17,000,000 shares at a price of 1.8 cents per share ($306,000) during the year.

   Unsecured loans of $235,000 and $285,176 were provided by Crestlea Holdings Pty Ltd ("Crestlea") and a shareholder, Temorex Pty Ltd ("Temorex") respectively. These loans attracted accrued interest of $55,000 and $215,367 from Crestlea and Temorex respectively. $225,000 of the loan from Crestlea Holdings was settled via the issue of 12,500,000 shares at 1.8 cents per share, while $260,000 of the Temorex loan was settled via the issue of 14,444,44 shares at 1.8 cents per share. In addition, $150,000 was repaid to Termorex in cash. The loans outstanding at 30 June 2019 from Crestlea Holdings and Temorex were $65,000 and $90,543 respectively. Both loans are accruing interest at 10% per month, with repayment extended subsequent to year end to be due on successful recapitalisation of the Company. Both loans are unsecured.

   An unsecured loan of $100,000 was advanced by Robinson Corp Ltd Pty in May 2019. This loan bears interest at 10% per month, compounded bi-monthly. The balance at 30 June 2019 was $143,200 with repayment subsequently extended to be payable upon recapitalisation of Vector.

3. The Convertible Note of $785,199 at the previous year end was held by Cuart Investments PCC Ltd ("Cuart"), and attracted interest at 9% per annum, had a face value of US$570,000 and a maturity date of 30 September 2018. The loan was refinanced on 8 October 2018. The refinanced loan had a face value of US$1,000,000 and an interest rate of 9% per annum. The maturity date was extended to 31 March 2019. The loan was convertible into ordinary shares, by mutual consent of the Company and Cuart , at the lesser of a fixed conversion price and 93% of the lowest daily VWAP during the 10 trading days immediately prior to the conversion date. Transaction costs of US$119,221 were incurred.

This convertible note from Cuart was refinanced by rolling it into new convertible notes issued to Riverfort Global Opportunities PCC Ltd ("Riverfort") of US$2,200,000 and MEF I, L.P. ("MEF") of US$3,500,000 ("MEF/Riverfort Facility"). These convertible notes were repayable by 24 February 2020 and included a 90-day standstill preventing MEF/Riverfort from converting whilst shareholder approval for the issue was obtained. The repayment terms of this MEF/Riverfort Facility are that it is subject to a repayment multiplier that is adjusted based on the timing of repayment.

An additional US$0.25 million was also provided to the Company by Temorex under similar terms as the MEF/Riverfort Facility.

A separate derivative liability has been recognised in relation to the conversion features on these convertible notes. Refer to note 13 for additional information.

4. This loan was part of the acquisition of the Adidi-Kanga Gold Project and was recognised at acquisition. This loan is from Fimosa Capital, a related party of the vendor of the Adidi-Kanga Gold Project. The loan bears interest at a rate of 6% per annum with interest payments, which are payable quarterly, accruing from 31 March 2019. This loan has been accounted for at amortised cost using an market rate of interest of 15% per annum.

   The loan is repayable from the date of first production and future repayments will be only be made after payment of all operating costs, government obligations (including a legal reserve), payment of royalties to SOKIMO and the repayment of any third-party debt obligations.

5. The AKR Sale Agreement stipulates that the Vector must make available to the Project a shareholder loan facility of up to US$10 million within 10 days of completion of the transaction. The first US$5 million repaid under this initial loan shall be repaid to MGI rather than Vector. Further, if the loan has been partially drawn down or remains undrawn 9 months after the completion of the transaction, an upfront payment is required to be made to MGI being US$5 million less 70% of the drawn funds. As Vector has an obligation to pay the US$5 million this has been recognised as a liability from the date of acquisition.

13. Guarantees

	2019 $	2018 $
Financial Guarantee	28,516,026	-

AKR is a guarantor on a loan facility as a result of debt that was previously incurred by MGI with a local Congolese Bank (Trust Merchant Bank SA). The security is over the AKR Project up to a value of US$20 million. It is the Group's understanding that the outstanding loan balance exceeds this amount and a loss allowance has been recognised for the full value of the guarantee.

14. Derivative Liability

	2019 $	2018 $
Derivative liability - at fair value through profit and loss	264,281	-

This derivative liability arose on the issue of the convertible notes to Riverfort and MEF as described in note 12. As the conversion rights in each of these convertible notes result in a variable number of shares being issued, and the notes were not issued in the functional currency of the Company, they did not meet the definition of equity and have been bifurcated from the host debt instrument and classified and measured as a financial liability at fair value though profit and loss.

15. Contributed Equity

	2019 $	2018 $
Ordinary Shares – issued and fully paid		
At the beginning of the reporting period	48,188,346	44,406,871
Fully paid ordinary shares issued from capital raising	2,638,000	3,995,361
Fully paid ordinary shares issued at fair value of services rendered	3,556,037	32,000
Fully paid ordinary shares issued to settle loan at fair value	901,000	-
Fully paid ordinary shares issued at the agreed acquisition obligation	6,313,131	-
Share issue costs	(544,468)	(245,886)
At reporting date	61,052,046	48,188,346

	Number of shares	Number of shares
Opening balance	1,387,286,491	1,049,814,340
Issued during the period	751,103,400	337,472,151
Closing balance	2,138,389,891	1,387,286,491

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes all contributed equity.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

16. Reserves

		2019 $	2018 $
Options and Share based Payments Reserve	(i)	7,901,100	880,646
Foreign Currency Translation Reserve	(ii)	(867,704)	(17,496)
Total Reserves		7,033,396	863,150

(i) Option and Share Based Payments Reserve

At the beginning of the year	880,646	-
Options issued	391,354	880,646
Share based payments[1]	6,629,100	
Expiration of share options	-	-
At reporting date	7,901,100	880,646

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

[1] Share based payments recognised for the current year and in relation to the acquisition of the Adidi-Kanga Gold Project, specifically, the share-based payment components of Tranche 2 and Tranche 3 consideration as described in Note 16.

(ii) Foreign Currency Translation Reserve

At the beginning of the year	(17,496)	(478,192)
Exchange differences on translating foreign operations	(850,208)	460,696
At reporting date	(867,704)	(17,496)

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

17. Acquisition of Adidi-Kanga Gold Project

On 11 January 2019, the Company announced the completion of the acquisition of its 59.92% indirect interest in the Adidi-Kanga Gold Project. As part of the acquisition the Company acquired a 69.5% interest in Mongbwalu Goldfields Investment Holdings 6 Limited which in turn owns 86.22% of Adidi-Kanga Resources S.A..

The Company settled the first tranche of consideration, being US$5 million ($7,093,205) in cash and the issue of 315.6 million ordinary shares in Vector on 7 March 2019.

Tranche 2 and 3 deferred consideration is payable as follows:

i. Tranche 2 – this milestone payment is due to be paid to the vendor within 30 days of a positive Decision to Mine being made. The Tranche 2 payments require the Company to pay a further US$5 million in cash and, at the Company's discretion, either pay a further US$5 million in cash or issue the equivalent of a further US$5 million in Vector ordinary shares to the vendor. If the US$5 million is to be settled via the issue of Vector ordinary shares, the number of shares to be issued would be based on a volume weighted average price ("VWAP") for the 10 trading days prior to the issue date and based on the prevailing exchange rates at the time.

ii. Tranche 3 – this milestone payment is due to be paid to the vendor within 10 days of the commencement of the commercial sale of gold. The Tranche 3 payments require the Company to pay a further US$5 million in cash and, at the Company's discretion, either pay a further US$5 million in cash or issue the equivalent of a further US$5 million in Vector ordinary shares to MGI. If the US$5 million is to be settled via the issue of Vector ordinary shares, the number of shares to be issued would be based on a VWAP for the 10 trading days prior to the issue date and based on the prevailing exchange rates at the time.

Additional deferred consideration is also embedded within the repayment terms for the Shareholder loan facilities as follows:

i. Initial Shareholder Loan- the Sale Agreement stipulates that the Vector must make available to the Project a shareholder loan facility of up to US$10 million within 10 days of completion of the transaction. The first US$5 million repaid under this initial loan shall be repaid to MGI rather than Vector. Further, if the loan has been partially drawn down or remains undrawn 9 months after the completion of the transaction, an upfront payment is required to be made to MGI being US$5 million less 70% of the drawn funds.

ii. Decision to Mine Shareholder Loan- the Sale Agreement stipulates that Vector must make available to the Project a shareholder loan facility of up to US$110 million within 10 days of a decision to mine being made. The first US$55 million repaid under the decision to mine loan shall be repaid to MGI rather than Vector. Further, if the loan has been partially drawn down or remains undrawn 12 months after a positive decision to mine, an upfront payment is required to be made to MGI being US$55 million less 70% of the drawn funds. If a positive decision to mine is not made no amounts are payable under this agreement.

Any issue of shares under Tranches 2 or 3 is 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 proposed share-based consideration in cash. Under the Group's accounting policy, the potential cash components of the Tranche 2 and 3 payments and the shareholder loans have been disclosed as contingent liabilities. Refer to note 26.

The Group's acquisition of the Adidi-Kanga Gold Project was accounted for as an asset acquisition in the consolidated financial statements. The following table illustrates the apportionment of the acquisition cost to the assets and the liabilities of the Adidi-Kanga Gold Project at their relative fair values at the acquisition date.

	11 January 2019 $
Consideration for the Adidi-Kanga Gold Project acquisition	20,585,100
Assignment of carrying amounts in Adidi-Kanga Gold Project on acquisition at their relative fair values:	
Exploration and evaluation expenditure	130,343,373
Borrowings	(91,323,766)
Minority interest recognised	(18,434,507)
Total net assets acquired	20,585,100

The deferred exploration and evaluation expenditure relates in its entirety to the Adidi-Kanga Gold Project.

18. Dividends

No dividends have been paid or declared in respect of the year ended 30 June 2019 (2018: nil).

19. Cash Flow Information

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

	2019 $	2018 $
Loss for the year	(22,039,219)	(2,258,138)
Non-cash flows in loss from ordinary activities		
Depreciation expense	14,373	3,362
Shares issued for services rendered	1,290,140	32,000
Non-cash finance costs	9,232,773	124,684
Share based payment expense	391,354	880,646
Other	-	2,516
Impairment of exploration expenditure	10,244,457	-
Change in fair value of derivative liability	(3,293,466)	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(60,224)	(74,845)
Increase in trade and other payables	3,533,865	278,344
Net cash used in operating activities	(685,947)	(1,011,431)

20. Segment Information

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

Non-current assets		
Australia	-	-
DRC	154,329,005	10,752,312
	154,329,005	10,752,312

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

21. Controlled Entities

a. Composition of the Group

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

	Principal Activity	Country of Incorporation	Ownership Interest 2019	Ownership Interest 2018
			%	%
Vector DR Congo SA	Gold Exploration	DRC	100	100
Maniema Gold Company SA	Gold Exploration	DRC	70	70
Louise Minerals Pty Ltd	Mineral Exploration	Australia	100	100
Muriels Extension Pty Ltd	Mineral Exploration	Australia	100	100
Mongbwalu Goldfields Investment Holdings 6 Limited	Investment holding	BVI	69.5	-
Adidi-Kanga Resources S.A.	Mineral Exploration	DRC	59.92*	-

* Mongbwalu Goldfields Investment Holdings 6 Limited (69.5% owned by Vector) in turn owns 86.22% of Adidi-Kanga Resources S.A.

(ii) Material partly-owned subsidiary - Maniema Gold Company SA

Reconciliation of non-controlling interest:

	2019	2018
	$	$
Balance at 1 July 2018	1,944,762	1,825,930
Share of loss for the year	(1,481,076)	(991)
Share of translation reserve	(11,724)	119,823
Balance at 30 June 2019	451,962	1,944,762

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

Current assets	28,516	27,081
Non-current assets	45,023	9,616,720
Current liabilities	-	(3,134,180)
Non-current liabilities	288,082	-
Non-controlling interest	451,962	1,944,762
Revenue	-	-
Loss for the year	(4,936,920)	(3,303)
Loss attributable to non-controlling interest	(1,481,076)	(991)

(iii) Material partly-owned subsidiary – Adidi-Kanga Resources SA

Reconciliation of non-controlling interest:

	2019	2018
	$	$
Balance at 1 July 2018	-	-
Acquisition of subsidiary	18,434,507	-
Share of loss for the year	(5,292,743)	-
Share of translation reserve	560,833	-
Balance at 30 June 2019	13,702,597	-

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

	2019 $	2018 $
Current assets	-	-
Non-current assets	284,194,050	-
Current liabilities	29,096,372	-
Non-current liabilities	175,826,428	-
Non-controlling interest	13,702,597	-
Revenue	-	-
Loss for the year since acquisition date	(13,206,403)	-
Loss attributable to non-controlling interest	(5,292,743)	-

22. Commitments and Contingencies

	2019 $	2018 $
Exploration Expenditure		
No later than one (1) year	-	-
Longer than one (1) year, but not longer than five (5) years	-	-
Longer than five (5) years	-	-
	-	-
Operating Leases		
No later than one (1) year	-	11,094
	-	11,094

23. Related Party Transactions

Loans from Director and Director related entities

Balances payable to Directors and Director related companies as at end of year for unpaid remuneration related services:

	2019 $	2018 $
Abminga Nominees Pty Ltd	90,000	54,000
JC Trust	-	15,000
Perizia Investments Pty Ltd	216,000	15,000
TAAH Pty Ltd	223,187	-
Youds Mining Consults Pty Ltd	120,000	-
	649,187	84,000

Services provided by Director related entities

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

Remuneration of Key Management Personnel

Short-term	957,375	517,203
Post-employment superannuation	-	-
Option based payments	286,636	765,364
	1,244,011	1,282,567

Other Transactions with Key Management Personnel

There are no other transactions with Key Management Personnel during the current year.

24. Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, apart from:

- During July 2019, four separate loan agreements were entered into, totalling $115,000. Interest payable is 10% per month. The loan is to be repaid on recapitalisation of the Company.
- During the period, 25 October 2019 and 15 November 2019, the Company agreed convertible loans (October 2019 Convertible Note Deed) with eighteen parties totalling $365,000. 50% (A$182,500) of these funds was made available immediately and used for working capital purposes. The remaining 50% is available upon signing a binding agreement resulting in a recapitalisation event for the Company. No interest is payable on the loans and following the recapitalisation of the company, the loans will be converted at a 200% (2 x loan value) basis into ordinary shares, following shareholder approval.
- During the period, 25 March 2020 and 15 April 2020, due to the delays in agreeing a binding recapitalisation agreement, an amendment to the October 2019 Convertible Note Deed, Variation to the Convertible Note Deed (March 2020 Variation) was agreed by twelve of the original eighteen October 2019 Noteholders, allowing a further $132,500 of the remaining 50% balance ($182,500) of the funds to be used for working capital with the conversion amended from 200% (2x loan value) to 300% (3 x loan value). The balance of the Undrawn funds is A$50,000 on the October 2019 Convertible Note.
- During the period, 25 March 2020 and 15 April 2020, a separate Convertible Note Deed (March 2020 Convertible Note Deed) was agreed between the Company and three parties totalling $25,000. No interest is payable and the conversion will be triggered by the recapitalisation of the Company. This conversion will be on a 300% (3 x loan value) basis and shares to be issued upon completion of the recapitalisation of the Company. There remains $5,000 of this convertible note yet to be drawn down.
- During the period, 25 August 2020 and 10 September 2020, a separate Convertible Note Deed (August 2020 Convertible Note Deed) was agreed between Vector and seven parties totalling $115,000. No interest is payable and the conversion will be triggered by the recapitalisation of the Company. This conversion was on the 300% (3 x loan value) basis and shares to be issued upon completion of the recapitalisation of the Company.
- On 31 January 2020, Mr Andrew Steers resigned as Chief Financial Officer and Company Secretary. On the same date, Mr Michael Hendriks, a Non-executive Director, was appointed as Chief Financial Officer and Company Secretary.
- In March 2020, the world health organisation declared COVID-19 a pandemic. Global travel restrictions and disruption have caused delays in obtaining project financing and advancing activities for the Adidi Kanga Project.
- On 21 September 2020 the Company announced that it had received a notice of breach of the Adidi Kanga Share Sale and Purchase agreement from Mongbwalu Goldfields Investment Ltd (MGI) requiring rectification by 28th September 2020. The Company has written to MGI requesting withdrawal of the Notice as Vector disputes the legal validity of this notice and reserves its legal rights (refer ASX Announcement on 21 September 2020).

- On 22 September 2020, the Company received a final demand from WB Kasai Investments Congo, the JV Partner on the Maniema Gold Project, for approximately US$160k of unpaid licence fees on the project. The Company has asked for more information on the matter.

25. Earnings per Share

	2019 $	2018 $
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	(15,305,400)	(2,257,147)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	1,664,288,110	1,301,898,358

Information on the classification of options / rights

As the Group has made a loss for the years ended 30 June 2019 and 2018, all options/rights on issue (see note 25) and additional shares potentially issuable under the Adidi-Kanga Acquisition (see note 16) are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options/rights could potentially dilute basic earnings per share in the future.

26. Parent Entity Information

Information relating to Vector Resources Ltd

	2019 $	2018 $
Current Assets	153,515	583,265
Total Assets	243,790	10,017,440
Current Liabilities	(19,158,722)	(1,559,149)
Total Liabilities	(19,158,722)	(1,559,149)
Net (Liabilities)/Assets	(18,914,932)	8,458,292
Issued Capital	61,052,046	48,188,346
Option Reserve	7,901,100	880,646
Accumulated losses	(87,868,078)	(40,610,700)
Total Shareholder's Equity	(18,914,932)	8,458,292
Loss of the parent Entity	(47,257,378)	(1,984,080)
Total Loss of the parent entity	(47,257,378)	(1,984,080)

27. Contingent Liabilities and Contingent Assets

During the year, the Group acquired an approximately 60% interest in the Adidi-Kanga Gold Project. The agreement includes contingent consideration payable (see Note 16) in relation to:

i. Tranche 2 – this milestone payment is due to be paid to the vendor within 30 days of a positive Decision to Mine being made. The Tranche 2 payments require the Company to pay a further US$5 million in cash

ii. Tranche 3 – this milestone payment is due to be paid to the vendor within 10 days of the commencement of the commercial sale of gold. The Tranche 3 payments require the Company to pay a further US$5 million in cash

iii. Decision to Mine Shareholder Loan- the Sale Agreement stipulates that the Vector must make available to the Project a shareholder loan facility of up to US$110 million within 10 days of a decision to mine being made. The first US$55 million repaid under the decision to mine loan shall be repaid to MGI rather than Vector. Further, if the loan has been partially drawn down or remains undrawn 12 months after a positive decision to mine, an upfront payment is required to be made to MGI being US$55 million less 70% of the drawn funds. If a positive decision to mine is not made no amounts are payable under this agreement.

As part of the existing ownership agreements and the share sale agreement for the purchase of Adidi Kanga the following entities have royalties payable on future production of the Project:

i. Societe Miniere De Kilo-Moto - 1% of returns calculated in accordance with the mining license fee terms and conditions

ii. Mongbwalu Gold Mines Sa - 2.5% of the net smelter return in respect of all sales of product

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

28. Share Based Payments

(a) Employee Incentive Plan

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

There were no performance rights issued in 2019.

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

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

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

The performance rights vest on the second criteria listed above.

Fair value of performance rights granted

There were no performance rights issued in 2019.

The fair value of the performance rights granted during the previous year was $0.02 The price was calculated by using the Black-Scholes European Option Pricing Model taking into account the terms and conditions upon which the performance rights were granted.

	2019	2018
Exercise price (cents)	-	Nil
Expected life (years)	-	1.1
Underlying share price (cents)	-	$0.02
Expected share price volatility	-	128.0%
Risk free interest rate	-	2.08%
Expected dividend yield		0%

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

(b) Summary of Share-Based Payment

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

	2019		2018	
	Number of performance rights	Fair value (Cents)	Number of performance rights	Fair value (Cents)
Outstanding as at 1 July	60,000,000	0.02	-	-
Granted	-	-	60,000,000	0.02
Forfeited	-	-	-	-
Exercised	(60,000,000)	0.02	-	-
Outstanding as at 30 June	-	-	60,000,000	0.02
Exercisable as at 30 June	-	-	-	-

(c) Expenses arising from share-based payment transactions

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

	2019	2018
Shares and performance rights included in share-based payments expense	391,354	880,646

(d) Shares issued to suppliers

During the current year, 182,846,834 shares were issued to third party service providers for services rendered at the value of the services provided. The value of the shares issued was $3,556,037 (2018: $32,000).

(e) Acquisition of interest in the Adidi-Kanga Gold Project

An amount of $6,629,100 has been recognised in respect of the share-based payment component of the Tranche 2 and Tranche 3 deferred consideration. Refer to Note 16 for addition information

Additional information required by the Australian Securities Exchange (ASX) listing rules as at 4 September 2020

List of 20 largest shareholders

Rank	Name	Shares Held	% of total shares
1	MONGBWALU GOLDFIELDS INVESTMENT LIMITED	315,656,566	14.76%
2	CITICORP NOMINEES PTY LIMITED	58,857,210	2.75%
3	EMPIRE CAPITAL PARTNERS PTY LTD	48,750,000	2.28%
4	SPINITE PTY LTD	42,000,000	1.96%
5	GREYWOOD HOLDINGS PTY LTD	39,000,000	1.82%
6	1620 CAPITAL PTY LTD	38,304,864	1.79%
7	WB KASAI INVESTMENT LIMITED	37,000,000	1.73%
8	BNP PARIBAS NOMINEES PTY LTD	33,170,189	1.55%
9	GLENEAGLE SECURITIES NOMINEES PTY LIMITED	30,000,000	1.40%
10	BNP PARIBAS NOMS PTY LTD	27,563,142	1.29%
11	GOLDFIRE ENTERPRISES PTY LTD	25,577,778	1.20%
12	FILMRIM PTY LTD	25,000,000	1.17%
12	JJC CONSULTING SERVICES (SINGAPORE) PTE LTD	25,000,000	1.17%
13	CRESTLEA HOLDINGS PTY LTD	24,679,363	1.15%
14	MR JOSEPHUS JEFFREY VERHEGGEN	24,550,000	1.15%
15	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	23,188,956	1.08%
16	ATTOLLO INVESTMENTS PTY LTD	22,081,112	1.03%
17	MRS SANDY TOSSOUN	20,014,720	0.94%
18	CHALEYER HOLDINGS PTY LTD	20,000,000	0.94%
19	GOLDFIRE ENTERPRISES PTY LTD	19,800,000	0.93%
20	CONTACT NOMINEES PTY LTD	17,000,000	0.79%
	TOTAL	917,193,900	42.89%

Substantial Shareholders

As at 4 September 2020 there was one Substantial Shareholder on the Company's share register:

Mongbwalu Goldfields Investment Limited 315,656,566 shares 14.76%

Distribution of shareholder's holdings

Ordinary shares held	Number of shareholders	Number of Shares
1 to 1,000	84	32,901
1,001 to 5,000	318	951,474
5,001 to 10,000	151	1,199,522
10,001 to 100,000	912	42,250,657
100,001 and Over	947	1,658,508,503
Total	2,412	1,702,943,057
Unmarketable Parcels	702	4,347,266

Enquiries

Shareholders with any enquiries about any aspect of their shareholdings should contact the Company's share register as follows:

Link Market Services
Level 12, QVI Building
250 St Georges Terrace
Perth WA 6000

Tel: 1300 554 474 or +61 2 8280 7111
Web: www.linkmarketservices.com.au

Stock Exchange Listing

The Company's shares are listed on the Australian Securities Exchange (ASX) under the code VEC.

Restricted Securities

There are no restricted securities or securities subject to voluntary escrow.

Voting Rights

Shares

On a show of hands every member present in person or by proxy or attorney or being a corporation by its authorised representative who is present in person or by proxy, shall have one vote for every fully paid ordinary share of which he is a holder.

Options

Options have no voting rights until such options are exercised as fully paid ordinary shares.

On-market Buy-back

Currently there is no on-market buy-back of the Company's securities.

Unquoted Securities

None

Tenements held as at 30 June 2020

Location	Tenement	Percentage Interest Held (%)
Democratic Republic of Congo - Maniema Province	PR4792	70
	PR4801	70
	PR4803	70
	PR4804	70
	PR4805	70
	PR4806	70
	PR4812	70
Democratic Republic of Congo – Adidi-Kanga Gold Project	PE5105	60

The Board of Directors of Vector Resources Limited are responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

ASX Listing Rule 4.10.3 requires listed companies to disclose the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period. The Corporate Governance Statement and the Appendix 4G statement have been released to the ASX and can be found on the Company's website at www.vectorres.com.au.