

## ASX ANNOUNCEMENT

20 October 2016

ASX Market Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

### TECHNICAL DUE DILIGENCE COMPLETED COMPANY TO PROCEED WITH MANIEMA GOLD PROJECT ACQUISITION

- Successful site visit and technical due diligence review completed by the Company's consultants
- Historical geological database obtained, certified sampling and testwork documentation reviewed and previous diamond drill core inspected
- Work completed by the Company's technical consultants to date has confirmed the integrity of the historical exploration and diamond drilling work completed at the main Kabotshome Prospect that identified over 800m strike length of gold mineralisation which remains open in all directions
- Site investigations have further highlighted the potential for additional mineralisation east of the main Kabotshome Prospect from extensive artisanal alluvial workings, with the extent and tenor of this mineralisation determined to now be a priority of the future exploration work program
- Resource modelling work now underway to determine a JORC 2012 compliant resource
- Future exploration program being finalised for the Maniema Gold Project and to include infill and extensional drilling program at Kabotshome and further work at Mbutu, Mitunda, Mbala and Tubambo that were defined within the Maniema Gold Project area from previous exploration

Vector Resources Limited ("**Vector**" or the "**Company**") is pleased to announce that it has elected to proceed with the acquisition of a 70% interest in the Maniema Gold Project ("**Project**") located in the Democratic Republic of Congo following completion by its consultants of technical due diligence. The proposed acquisition, now remains subject only to finalisation of legal due diligence, which is well advanced, shareholder approval and completion of the Company's proposed A\$1,650,000 capital raising.

The Company's technical consultants accompanied by an in-country Congolese exploration and management team completed site investigations and a thorough technical due diligence review of the Maniema Gold Project between 26 September and 3 October 2016.

The focus of the site visit was to allow the Company's technical consultants to obtain an overall assessment of the historical exploration activities completed between 2011 and 2013, which included geophysics, stream sediment sampling, soil geochemistry, trenching and drilling. It was also an opportunity to identify the additional work program required to complete infill and extensional drilling that will be required to increase confidence in the mineralised inventory.

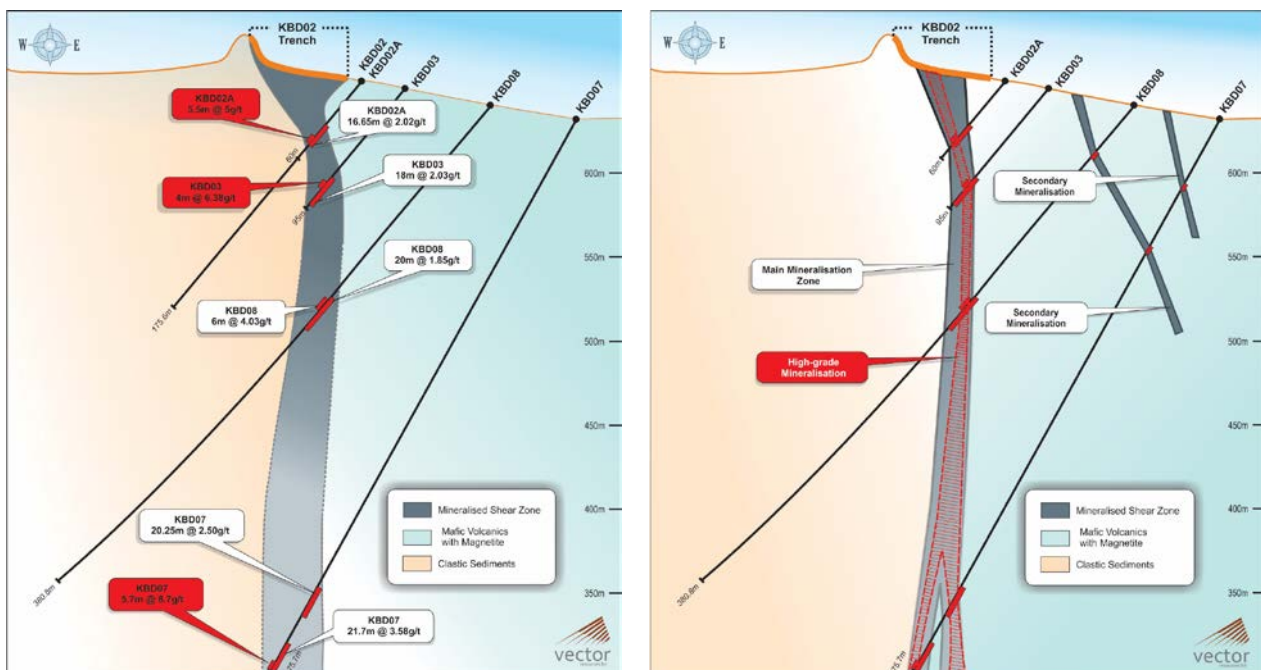
During the technical due diligence review and site visit, technical and administrative meetings were held in Kinshasa and Kindu, which allowed the Company's consultants to discuss the historical exploration activities with the project geologists and obtain the extensive geological database and certified sampling and testwork documentation. Further meetings with local government officials were also held.



The Maniema Gold Project area and regional administrative offices in Maniema Province

Technical activities were largely centred on exploration license PR4804, where previous exploration had identified the Kabotshome Prospect as being the most the most advanced prospect.

The Kabotshome Prospect has an associated soil gold anomaly of >100ppb which transgresses the exploration license area over more than 1km. Drilling has tested mineralisation along a 25m to 50m wide vertical shear zone coincident with the NNW orientated fold axis of a major anticlinal fold over a distance of 800m and to a vertical depth of 300m. A total of 17 holes (including 3 re-drills), have previously been drilled along the main target in Kabotshome. All drill holes intersected gold mineralisation along the Kabotshome structure. This mineralisation was generally 15m to 25m wide with a grade range of 1.5 to 2.5g/t gold.



Section showing main intercepts in drill holes KBD02, KBD02A, KBD03, KBD07 and KBD08 with apparent thicknesses with the main and secondary mineralised zones

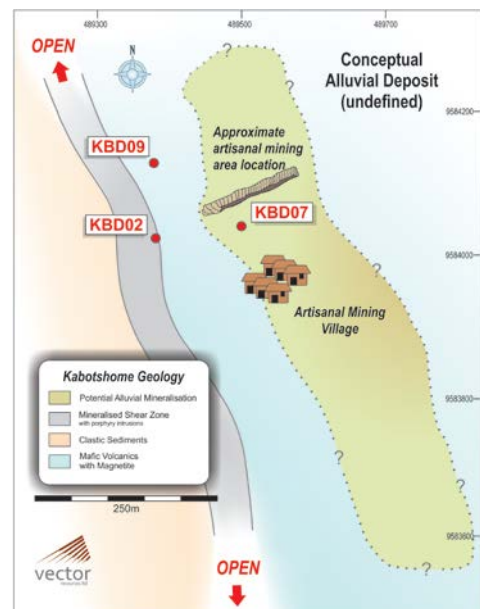
Best grades were reported where the main shear zone identified at surface intersects the sediments as shown in KBD07 which reported 20.25m @ 2.5g/t gold (from 319m) including 8m @ 4.03g/t gold and 21.7m @ 3.58g/t gold (from 354m) including 5.7m @ 8.74g/t gold down to 300m below surface (Figures above and below). Nearly all intersections reported a higher-grade, narrower interval (between 5 and 7 metres), with grades of 5-8g/t gold and up to 118.5 g/t gold (refer ASX:ERN Announcement 18 March 2013).

High grade mineralisation had been determined to associated with a higher degree of pyrite mineralisation, brecciation. Minor free gold is present. The drilling also revealed the presence of thin, secondary mineralised zones, predominantly within the mafic volcanics to the east of the main shear zone (refer to figures below). These appear to be sub-vertical and parallel to the main zone of mineralisation.

The Kabotshome Prospect was historically reported as being the location of an alluvial mine site operated by the Belgians until the 1960's and during the site visit artisanal mining activities near the collar of KBD07 were investigated.



Artisanal mining area in alluvial gravels and conglomerate



Artisanal mining in relation to past drilling and structure, incl. conceptual area of alluvial mineralisation as yet undefined

The current artisan mining is in the form of a deep, wide trench with some development of wall batters and berms. The trench is aligned in an east/west direction therefore at right angles to the Kabotshome structure as defined by past drilling and trenching. Excavation extends for approximately 50m in length, 10m wide and up to 15m deep.

The artisanal operation is understood to be targeting this same alluvial material mined by the Belgians. Based on the number of different flow regimes being actively worked in the artisanal pit walls, this alluvial material appears extensive. It is assumed that this material must be mineralised to some degree based on the level of activity during the site visit. This alluvial material is viewed as not being associated with the Kabotshome mineralisation, so is in addition to the current mineralisation. The Company's consultants have confirmed that establishing the extent and tenor of this unexpected zone will be a priority for further work at the site.

The Company's consultants were further able to review all the historic diamond drill core that is stored close to the Kabotshome Prospect area. A number of the diamond hole collars were also located and established with the aid of handheld GPS and the reported collar positions.





KBD Series Diamond Core Storage



Half core from KBD 07, showing entire hole sampling

The condition of this diamond core was seen as being good and capable of re-sampling should that prove to be a requirement for the Company to revalidate any previous results. The method of half core sampling was also confirmed on site.

In addition to the diamond core from the 17 holes that had previously been drilled along the main target at the Kabotshome Prospect, diamond core from previous drilling on two of the other prospects was also located in the core storage area. This includes drilling that was completed on the Mitunda Prospect also located on exploration license PR4804 and south east of the Kabotshome Prospect, and the Mbala Prospect located on exploration license PR4806 and immediately west of the Kabotshome Prospect.

The Company's technical consultants have now finalised their due diligence review and submitted their report to the Board. The report has confirmed that the integrity of the historical exploration and diamond drilling work completed at Project. The report further sets out recommendations to complete infill and extensional drilling to increase confidence in the mineralised inventory.

The Company's consultants are now completing resource modelling work to determine a JORC 2012 compliant resource and preparing a detailed exploration program for the Project.

Based on the findings of the due diligence review and site visit, the Company will now proceed with the proposed acquisition of a 70% interest in the Project, subject to shareholder approval and finalisation of legal due diligence, joint venture documentation and completion of the Company's proposed A\$1,650,000 capital raising ("**Capital Raising**").

As previously announced (refer ASX Announcement dated 18 September 2016) the Company has appointed Sanlam Private Wealth Australia as the Company's lead manager of its proposed Capital Raising. Proceeds from the Capital Raising will be used to complete the Project acquisition, and to fund its future exploration obligations on the Project and up-front cash consideration payments to the Project vendors.

The Company will also shortly be despatching a Notice of Meeting to its shareholders seeking the relevant approvals to proceed with the proposed Project acquisition and will be issuing an Offer Document in compliance with section 708AA of the Corporations Act to complete a proposed Rights Issue to raise up to A\$1,349,071 (before costs) through the issue up to 1,349,071,146 Shares at \$0.001 per Share.

A placement at an issue price of \$0.001 per Share, to sophisticated investors is also proposed to raise an amount which is equal to A\$1,650,000 less the total amount raised pursuant to the Rights Issue (including any placement of the shortfall from the Rights Issue). The Placement will be subject to shareholder approval

to the extent that the Company does not have sufficient capacity under Listing Rule 7.1 to issue the Shares under the Placement.

ENDS

N J Bassett

Company Secretary

For further information, please visit [www.vectorresources.com.au](http://www.vectorresources.com.au)

#### **Competent Person Statement**

The information in this announcement that relates to Exploration Targets, Exploration Results and Mineral Inventory is based on information compiled by Mr Peter Stockman who is a full time employee of Stockman Geological Solutions Pty Ltd. Mr Stockman is a member of the Australasian Institute of Mining and Metallurgy. Stockman Geological Solutions is engaged by Vector Resources Ltd as a consultant geologist.

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

#### **Forward looking statements**

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

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

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

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