

ACQUISITION OF ADVANCED AFRICAN GOLD PROJECT

SEPTEMBER | 2016

INVESTOR PRESENTATION

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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.

ADVANCED NEW OPPORTUNITY

- Agreement executed to acquire a 70% interest in the advanced Maniema Gold Project
- Seven granted Exploration Licenses covering over 500km² of prospective ground in the Democratic Republic of Congo.
- Historical exploration identified five mineralised prospects, the most advanced being the Kabotshome Project.
- Over 800m strike length of gold mineralisation identified at Kabotshome through trenching and 2,514m diamond drilling
- Gold mineralisation was generally 15m to 25m wide with grades of 1.5-2.5g/t Au and extending to depths of over 300m
- Experienced in-country exploration and management team
- Site visit commenced to finalise due diligence and planned future resource definition exploration programs
- A\$1.65m capital raising to proceed to fund acquisition and planned exploration activities over the next 12 months.



TRANSACTION OVERVIEW



- Agreement to acquire African Royalty Company's rights to acquire a 70% interest in Maniema Gold Project from WB Kasai Investments Congo SARL
- Acquisition subject to completion of due diligence and receipt of applicable shareholder and regulatory approvals
- Cash of \$50,000 now and \$300,000 on completion of due diligence, execution of joint venture and license transfers
- Cash of \$600,000 on gold project development decision
- Issue of 2,000M VEC shares to project vendors and advisors
- Issue of 250M VEC shares to company's advisors
- Deferred issue of 500M shares to project vendors and advisors on 1Moz JORC 2012 resource at grade of +2.5g/t
- Royalty of 1% of gross revenue on bullion sales to vendors
- Vector to raise \$1.65M and to invest min \$1.0M over next 12 months into the Project

CAPITAL AND TRANSACTION STRUCTURE

Ordinary Shares on Issue	1,349M
Capital Raising ¹	1,650M
Shares Issued for Acquisition ²	2,250M
TOTAL ON ISSUE	5,249M
Cash Post Capital Raising	\$1.8M
Total Debt	Nil
Market Capitalisation ³	\$5.3M

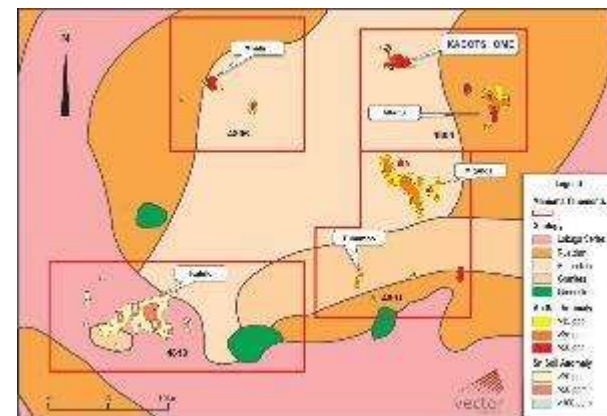
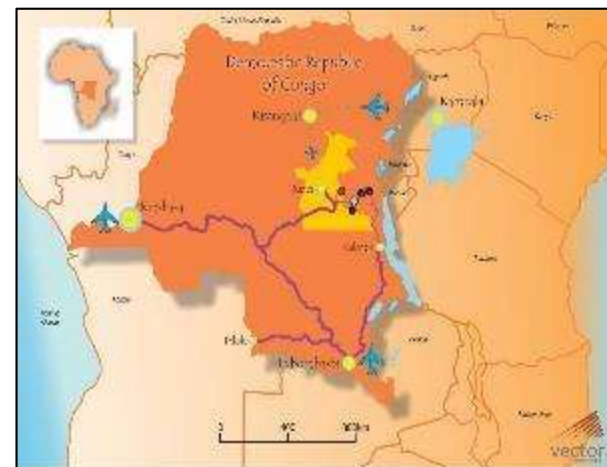
¹ Rights issue and placement at 0.1c/share

² Excludes 500M milestone shares to be issued on 1Moz JORC resource at grades of +2.5g/t

³ Based on 0.1c/share rights issue and placement price

MANIEMA GOLD PROJECT

- Located in Maniema Province, 160km east of Kindu in east central Democratic Republic of Congo
- Exploration licenses: PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812
- In the Twangiza-Namoya Belt, in northern part of Kibara Belt which hosts Banro Corp's Namoya and Twangiza Gold Mines
- Kibara Belt contains a wide variety of deposits, comprising typically shear-related granophile elements including tin, tungsten, lithium, beryllium, tantalum, and gold.
- Five main prospects; Kabotshome, Mbutu, Mitunda, Mbala and Tubambo defined from previous exploration.
- Geology in the Maniema prospects consists mostly of metasediments and lightly metamorphosed mafic rocks, both volcanic and intrusive, from Kibaran and Rusizian, with large granitic intrusions, generally on the edge of the license area



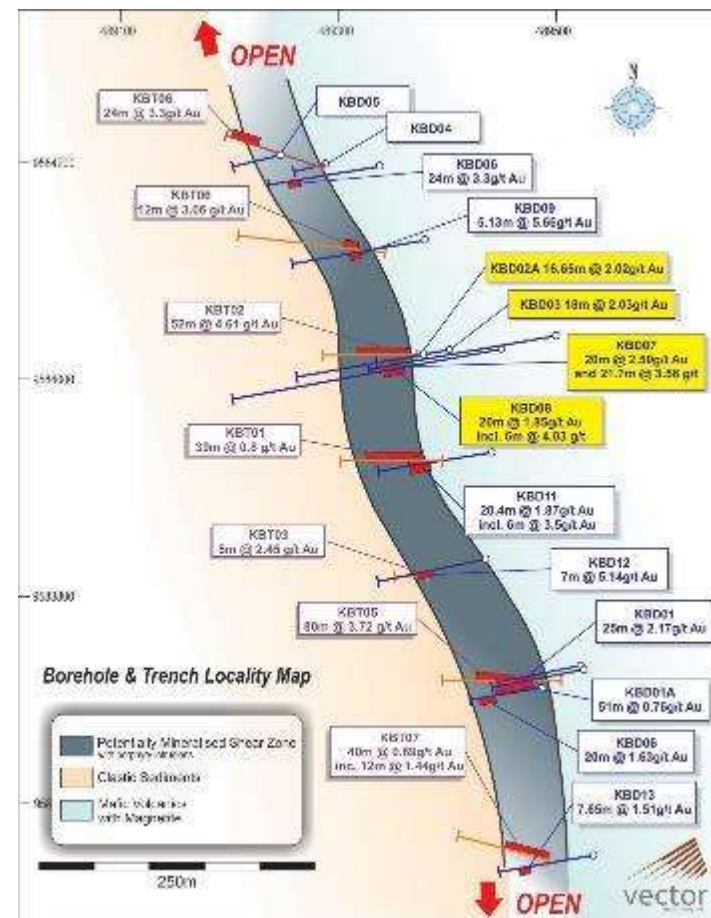
HISTORICAL EXPLORATION

- Exploration of license areas has included geophysics, stream sediment sampling, soil geochemistry, trenching and drilling
- Diamond drilling has previously been carried out on the Kabotshome, Mitunda and Mbutu prospects
- Kabotshome was an alluvial mine operated until the 1960's and today is still actively exploited by artisanal miners
- Kabotshome has an associated soil gold anomaly of >100ppb which transgresses the target area over more than 1km.
- Drilling at Kabotshome has tested mineralisation along a 25m to 50m wide vertical shear zone coincident with the NNW orientated fold axis of a major anticlinal fold
- Gold mineralisation is associated with pyrite and minor arsenopyrite in quartz veins as well as silicified host rock and felsic porphyries which have intruded the shear
- Minor free gold is present

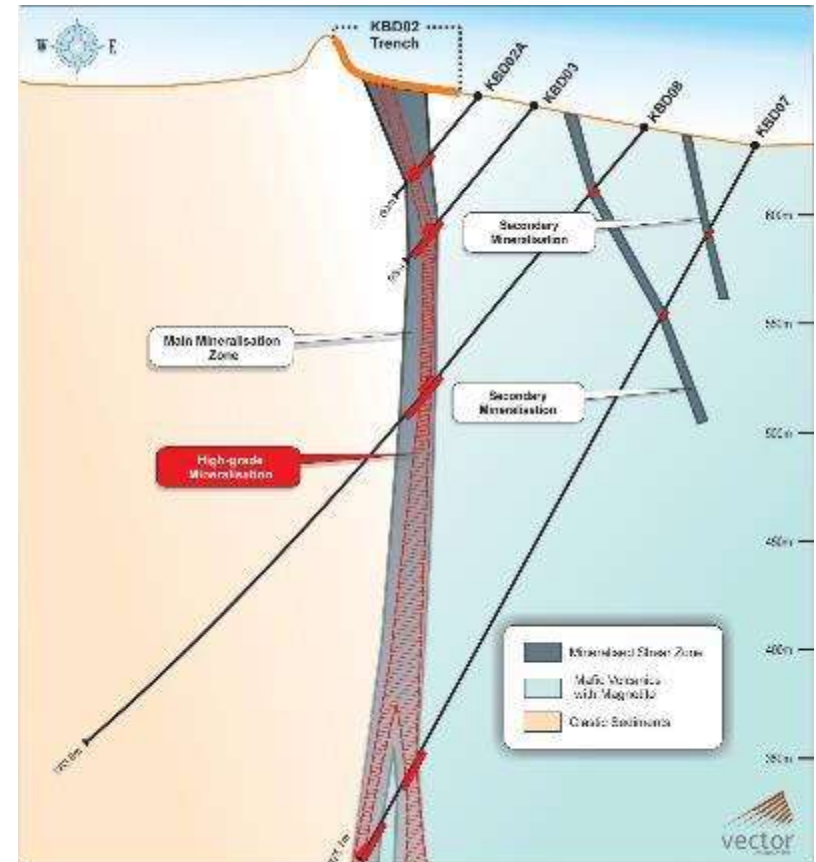
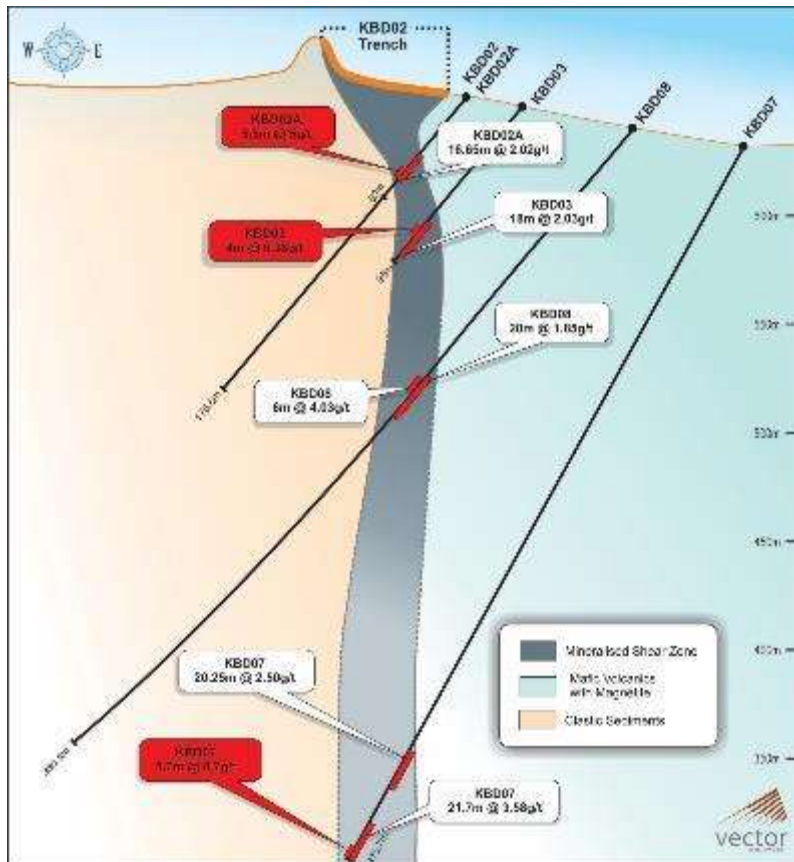


KABOTSHOME EXPLORATION

- 17 diamond holes along the main target
- All intersected gold mineralisation
- Mineralisation was generally 15m to 25m wide
- Gold grades range of between 1.5 to 2.5g/t Au
- Best grades reported where main shear zone identified at surface intersects the sediments
- KBD07 incl. 20.25m @ 2.5g/t (from 319m) including 8m @ 4.03g/t and 21.7m @ 3.58g/t (from 354m) including 5.7m @ 8.74g/t
- Nearly all intersections reported higher-grade, narrower interval (5-7m), with grades of 5-8g/t and up to 118.5 g/t
- High grade mineralisation associated with higher degree of pyrite mineralisation, brecciation and occasionally free gold.



KABOTSHOME EXPLORATION



KABOTSHOME EXPLORATION TARGET

- Initial Exploration Target for Kabotshome of between 7.0Mt at 1.9 g/t (423,000ozs) and 7.5Mt at 2.5 g/t (603,000ozs)
- Exploration Target based on previous exploration work, geological modelling and mineralisation work completed
- From the 17 holes drilled, 14 were used to construct a classical sectional mineralised model
- 7 sections were constructed across structure perpendicular to the mineralisation where the mineralised envelope was defined using cut-off grade of 0.5 g/t to 150m depth
- Exploration Target's quantity and grade is conceptual in nature. There has been insufficient verification of mineralised estimates and exploration results to outline a JORC 2012 Compliant Mineral Resource
- Further work necessary to raise the estimation to JORC 2012 standards



ACTIVITIES HAVE ALREADY COMMENCED

- Site visit by the Company's technical consultants underway
- Past exploration has established confidence in the continuity of mineralisation
- Review underway of all available geological data and previously documented historical exploration activities
- In-country exploration and management team in place
- Work done to date has already identified the additional work to be completed
- A 2,500m infill and extensional drilling program is planned to increase confidence in the mineralised inventory
- Upon shareholder approval and completion of capital raising, Company will commence a JORC 2012 Resource Definition Drilling Program at Kabotshome
- Further trenching, sampling and surveying to be completed on regional targets and identified prospects



CAPITAL RAISING TO FUND ACTIVITIES



- Company to raise \$1.65M to complete the acquisition, fund exploration and meet cash payments to vendors
- Non-renounceable rights issue to existing shareholders of one new share for every share held at issue price of \$0.001/share to raise \$1.35M (before costs of the issue)
- Placement to sophisticated investors at min \$0.001/share to raise the balance of funds
- Rights Issue made pursuant to an Offer Document in compliance with section 708AA of the Corporations Act
- Placement will be subject to shareholder approval to the extent that Company does not have sufficient capacity under Listing Rule 7.1
- Timetable for acquisition and Record Date for Rights Issue to be provided following completion of due diligence and prior to dispatch of Notice of Meeting to shareholders

USE OF FUNDS	
Cash Consideration for Acquisition	\$350,000
JORC 2012 Resource Drill Program	\$500,000
Trenching, Sampling and Surveying	\$200,000
Assaying and Testwork	\$300,000
Capital Raising Fees and Expenses	\$100,000
Admin and Working Capital	\$200,000
TOTAL	\$1,650,000

The above is a statement of current intentions. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis. Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors

MANAGEMENT TO BE STRENGTHENED

- Existing Board has proven corporate finance, capital markets and financial management capabilities and includes:
 - Gary Castledine - Non-executive Chairman
 - Michael Hendricks - Non-executive Director
 - Neville Bassett - Non-executive Director
- Two new directors to be appointed on completion including a representative from African Royalty Company
- New directors to have proven African exploration and mine development experience and credentials
- New CEO to be appointed to drive exploration programs and deliver growth and shareholder value
- Established in-country exploration team to manage ongoing site activities



MINING IN THE DRC

- DRC has one of the largest endowments of natural resources in Africa
- Investment in the mining sector has been crucial to the DRC's economic growth
- Home to some of the largest and highest grade reserves of commodities such as cobalt, copper, gold, tin and diamonds
- Significant investment in road and power infrastructure and in major project development and mineral production
- Other major gold mining operations include Randgold Resources, AngloGold Ashanti and Banro Corporation
- With about 4% of the world's copper reserves and one-third of its cobalt reserves majors such as Freeport McMoran, Katanga Mining and MMG Limited developing and expanding new mines



CONTACT DETAILS

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- For further information on the transaction and historical exploration work completed please refer to:

ASX:VEC announcement dated 14 September 2016

ASX:ERN announcement dated 18 March 2013



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.
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