

ASX ANNOUNCEMENT

15 January 2018

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

VECTOR CLOSES DUE DILIGENCE PERIOD ON ADIDI-KANGA GOLD PROJECT ACQUISITION

- **Successful site visit and technical due diligence review completed by Vector's technical team**
- **Legal due diligence satisfied in the DRC**
- **The historical geological database has been obtained, certified sampling and testwork documentation has been reviewed and previous drill core has been inspected**
- **Vector's technical team have confirmed the integrity of the historical exploration work and site investigations have further highlighted the potential for additional mineralisation**
- **Resource modelling is already underway to determine a JORC (2012) compliant resource for the Adidi-Kanga Gold Project**
- **Further engineering work to be completed on mechanical mining equipment on site and purchased as part of the transaction**

Vector Resources Limited ("**Vector**" or the "**Company**") is pleased to announce the successful completion of the due diligence period under the Heads of Agreement it executed with Mongbwalu Gold Mines SA ("**MGM**") and Fimosa Capital Limited ("**Fimosa Capital**") for the purchase of 60% of the Adidi-Kang Gold Project ("**HOA**") in the Democratic Republic of Congo ("**DRC**").

The proposed acquisition is now subject to the completion and documentation of the joint venture agreements between the parties, as well as obtaining shareholder approval for the issue of US\$5 million of ordinary shares in Vector as part of the purchase consideration.

As previously outlined (refer **ASX Release 22 December 2017**), the Company is required to pay US\$5.0 million in cash and US\$5.0 million of ordinary shares in the Company ten (10) days after the execution of the formal transaction documentation. This is subject to receiving all necessary approvals including shareholders' approval for the equity payment. It is anticipated that Vector will hold an Extraordinary General Meeting ("**EGM**") of its shareholders as soon as practical.

The recent visit to the Adidi-Kanga Gold Project (the "**Project**") by Vector's technical team, was to allow the Company to assess the historical exploration and resource drilling, review the mining and metallurgical Feasibility Study work that has previously been completed by Anglo Gold Ashanti and inspect the significant mechanical mining equipment currently on site.

The Company has previously provided an update on the progress of its due diligence activities (refer **ASX Release 5 January 2018**) and had reported that they had yet to identify any major issues or highlighted any

areas of concern. With the technical and legal due diligence now completed, the Company can confirm that this statement remains true and it has not identified any material or significant flaws.

As such, the Company has today issued a notice of satisfaction of the due diligence (the “**Notice of Satisfaction**”) to MGM and Fimosa Capital, confirming that the Company will be proceeding with the transaction. Both parties have confirmed receipt of the Notice of Satisfaction and are extremely pleased that Vector will be joining them as its joint venture partner at the Project.

The Company has previously noted (refer **ASX Announcement 5 January 2018**) that a number of positive findings have been identified in the due diligence review, in particular the opportunity to incorporate additional areas of mineralisation defined by previous wider spaced drilling by AngloGold Ashanti into a new JORC (2012) compliant resource that the Company is aiming to complete in the March 2018 quarter. The completion of the recent site visit, which was attended by the Company’s Competent Person and Senior Geologist, Mr Peter Stockman, has further confirmed this opportunity as well as the potential for other targets within the project area.

No further issues were discovered in relation to the development and mining approvals in place, which as previously noted includes a completed Environmental and Social Impact Assessment and financial guarantees in place with the appropriate regulatory and administrative bodies in the DRC.

The review by Vectors technical team of the estimated 115 sea containers, that approximate 70% of the mechanical equipment required for the first process module under the previous AngloGold Ashanti Feasibility Study, was also extremely positive and the team noted that much of the equipment had not been touched and had been appropriately secured at the site. The Company plans to engage both electrical and mechanical engineers to review this equipment in more detail as soon as possible.



Figure 1, 2 and 3: Mechanical plant and equipment at the Adidi-Kanga site

The Company, MGM and Fimosa Capital continue to advance the transaction documentation and remain confident that this can be completed towards the end of January 2018, with the Company seeking approval to hold its EGM as soon as possible after transaction completion.

The Company’s CEO, Mr Simon Youds noted that “this Project is truly a world class deposit and we are extremely confident that this project can be brought into production in the near future, which is a common goal between all of the JV partners”.

ENDS

Simon Youds
Chief Executive Officer

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About Vector Resources Limited

Vector Resources Limited (ASX:VEC) is an Australian Securities Exchange listed gold exploration and development company focused on the exploration and development of gold projects in the Democratic Republic of Congo, including its Maniema Gold Project.

The Maniema Gold Project was acquired by the Company in December 2016. The Project is located in the world renowned and under explored Twangiza-Namoya Gold corridor. The Project comprises seven granted exploitation licences: PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812 and which cover an area of over 500km² and include five main prospects; Kabotshome, Mbutu, Mitunda, Mbala and Tubambo that have been defined within the project area from previous exploration. The Kabotshome Gold Prospect is the most advanced and where the Company announced a maiden Inferred Mineral Resource (JORC 2012) estimate of 7.0 million tonnes at 1.88g/t gold for 421,000 ounces of gold (refer ASX announcement 17 January 2017).

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, in the case of estimates of a Mineral Resource, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the competent person's (Mr Peter Stockman's) findings are presented has not been materially modified from the original market announcement.

Forward looking statements

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

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

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

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