

## QUARTERLY ACTIVITIES REPORT FOR THE 3 MONTH PERIOD ENDING 30 JUNE 2017

31 July 2017

### HIGHLIGHTS FOR THE QUARTER

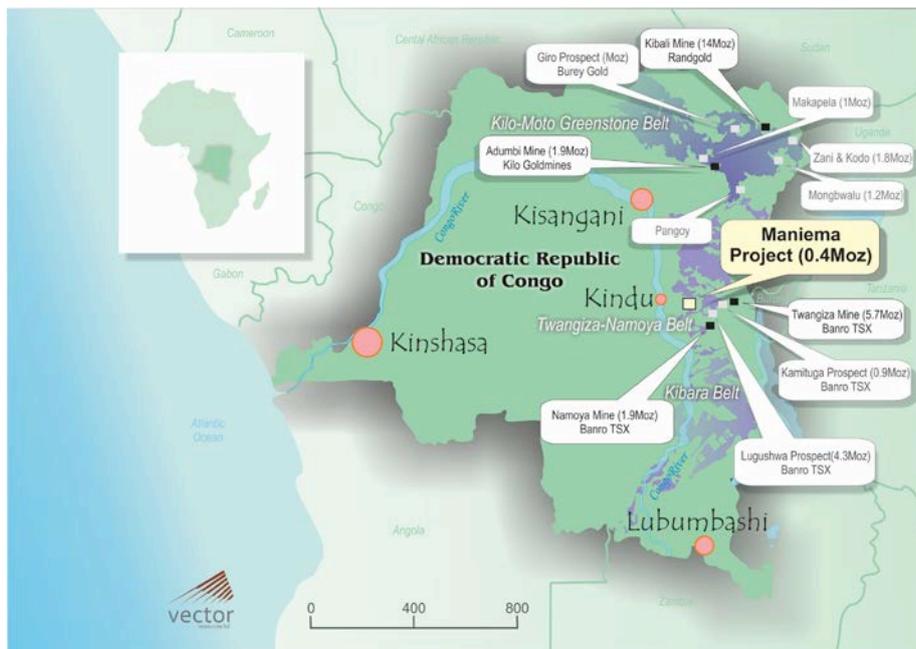
- Exploration activities at main Kabotshome Gold Prospect and Mitunda and Namoya West Gold Prospects continued during the Quarter
- At Kabotshome a number of exploration initiatives were advanced including the preparation of the exploration camp for the upcoming diamond drilling program and mapping of the extensive artisanal mining activities following the observation and identification of visible gold
- Diamond drilling tender advanced and planned to be awarded in the current quarter and focused primarily on the Kabotshome Gold Prospect to test and confirm previous high grade intercepts and allow In-fill and extensional drilling along strike and at depth
- Visible gold observed and identified by the Company's geological team at artisanal activities at both the Kabotshome and Mitunda Gold Prospects
- At the Mitunda Gold Prospect visible gold samples recovered from the surface and underground artisanal mining areas were identified as being supergene in origin and are considered by Vector's management to confirm the significant gold endowment
- During the Quarter Vector's geological team continued to map the extensive surface artisanal mining areas at the Mitunda Gold Prospect focussed on identification of the primary source of mineralisation and planning of potential diamond drill holes to further test the gold potential
- Subsequent to the Quarters end, the Company completed a placement to sophisticated and professional investors to raise gross proceeds of approx. A\$787,360 to accelerate the previously announced diamond drill program at the Company's advanced Kabotshome Gold Prospect and to fund further due diligence on the potential acquisition of a number of advanced and major resource project acquisitions in the DRC that senior management have been negotiating
- The Company also announced subsequent to the Quarters end, that high-grade stream sediment assay result of 18.8g/t gold from the Company's Namoya West Gold Prospect confirmed historical high grade alluvial and stream sediment samples in 2010 of 64.1g/t, 71g/t, 65.1g/t, 43.4g/t and 36.7g/t gold

The Board of Vector Resources Limited ("Vector" or the "Company") provides the following operations report and quarterly cash flow report (Appendix 5B) of its activities during the three months ended 30 June 2017.

## MANIEMA GOLD PROJECT

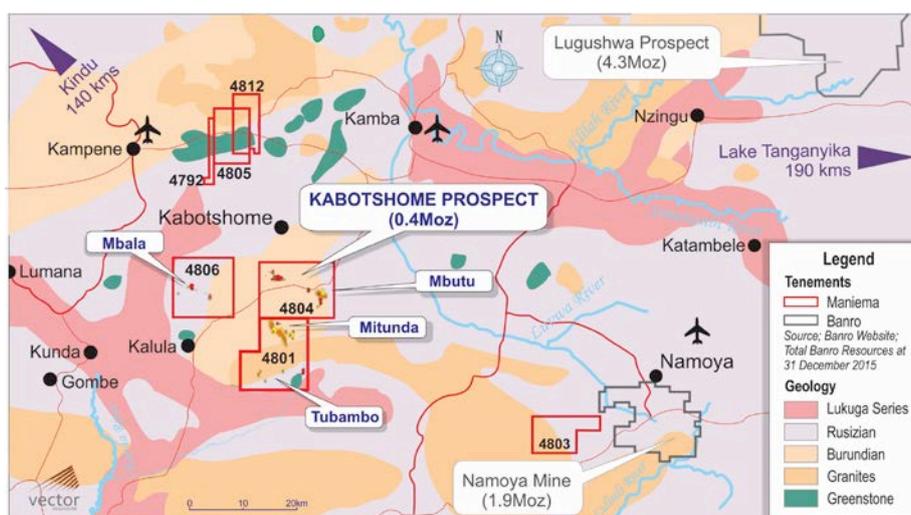
During the Quarter, the Company continued to advance its exploration activities at its 70% owned Maniema Gold Project, located in the Maniema Province in the Democratic Republic of Congo.

The Maniema Gold Project is located in the world renowned and Twangiza-Namoya Gold corridor and in northern part of Kibaran Gold Belt and comprises seven granted exploration licences.



**Figure 1** Location of the Maniema Gold Project

The exploration licenses cover an area of over 500km<sup>2</sup> and include PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812.



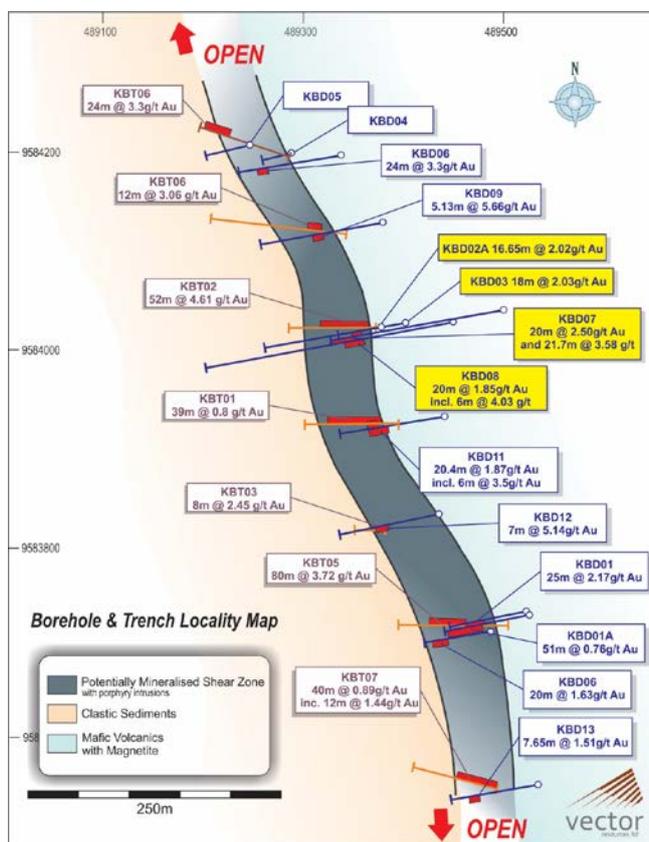
**Figure 2** Location of the Maniema Gold Project's Seven Exploration Licenses and Main Gold Prospects

The Company's principal focus during the Quarter was on work at the Kabotshome, Mitunda and Namoya West Prospects that have been defined within the Maniema Gold Project area from previous exploration. The Kabotshome Gold Prospect is the most advanced.

### KABOTSHOME GOLD PROSPECT

During the Quarter the Company continued its mapping and surveying of the artisanal activities, with particular focus on the shallow underground and open pit artisanal activities.

In addition the Company's senior in-country management and exploration team were focused on finalisation of the establishment of the exploration camp and completing the pre-drilling preparation work required for diamond drilling that is proposed to be undertaken at the Kabotshome Gold Prospect.



**Figure 3** Simplified geological map showing drill hole and trench localities at the Kabotshome Gold Prospect

The Kabotshome Gold Prospect, which already has an Inferred Mineral Resource estimate of 6,966,000 tonnes at 1.9g/t Au for 421,000oz with a 20g/t Au top-cut (refer ASX Announcement 17 January 2017), is proposed to be the primary subject of a diamond drilling program to test for resource extensions along strike.

It is also planned to improve the confidence of the mineralisation between the current 150m resource depth cut-off and 250m vertical metres, close to the depth of KBD07's mineralisation twin intersection of 20m at 2.50g/t and 21.7 @ 4.03g/t (ASX:ERN Announcement 18 March 2013 and refer **Figure 3**).

Further investigation of the mining activities currently being conducted by artisanal miners proceeded during the Quarter to better understanding the potential of the oxide material that is currently being excavated.

During the Quarter, the Company continued to progress the diamond drilling tender which is to be focused primarily on the Kabotshome Gold Prospect an to test and confirm previous high grade intercepts and allow in-fill and extensional drilling along strike and at depth. The 4,000m diamond drilling program will primarily be focused on the Company' advanced Kabotshome Gold Prospect, with approx. 2,750m of the program to be completed there. 12 holes are proposed to be completed with the deepest hole to be drilled to an approx. depth of 330m.

The drilling at the Kabotshome Gold Prospect is expected to be completed over a period of approx. 2 months.

The Company anticipates that the diamond drilling contract will be awarded in the current quarter following finalisation of the tender evaluation by the Company's technical and geological team. The diamond drilling program is scheduled to commence this quarter following the contractors' mobilisation to site.

### **MITUNDA GOLD PROSPECT**

During the Quarter, Company's senior geologists completed an inspection of the shallow surface and underground artisanal mining areas at the Mitunda Gold Prospect.

Over 1,000 artisanals have been identified at the Mitunda Gold Prospect mining a high-grade paleo-channel in which the primary source of gold appears proximal to the current workings. Limited historical drilling appears to have not effectively targeted the mineralisation at Mitunda.

The paleo-channel is under approx. 11m of laterite sediment and both the laterite and paleo-channel have angular material. The Company's activities at the Mitunda Gold Prospect include sampling of each layer from the artisanal workings from the top of the existing pit to approx. 12m depth and testing for free gold and determination of the orientation of the alluvial channel. The mapping of the surface expression of all the artisanal workings, in relation to the historical drilling and geochemistry, is being completed to allow the Company to target both the primary source and to outline the potential in the paleo-channel extensions. Give the Mitunda Gold Prospect's proximity to Kabotshome, there is the potential to drill test this area once the Company has a better understanding of this high potential mineralisation.

The Company's reports and inspections of the significant artisanal gold production areas at the prospect as well as preliminary information collected during the previous quarter has made the Mitunda Gold Prospect a major priority for the Company to follow up as part of its 2017 Exploration Program.

During the Quarter, the Company's senior management and geologists observed and inspected a number of visible gold specimens that were recovered by artisanal miners in the 50 to 80 centimetre thick gravel layer at the base of the lateritic profile. The presence of the large number of visible gold specimens and scale of the artisanal mining activity at the Mitunda Gold Prospect is considered by management to be a clear indication of the gold potential at this location.

Previous unreported drilling at the site has been aligned in parallel with the stratigraphy on a mineralised structure on a topographic high in the vicinity of the artisanal workings. This historical drilling is viewed as being ineffective by Vector's management in testing for what has strong potential to be the primary source of the extensive artisanal workings.

In addition during the Quarter, Vector's senior management and its Joint Venture partners met with key local government officials and discussed ways to better regulate the artisanal mining activities at the Mitunda Gold Prospect and to look at ways to manage the purchase and sale of the artisanal gold production. Government officials and local officials were very supportive of the Company's planned initiatives, which it plans to implement in conjunction with its Joint Venture partners over the coming quarters.

### **EVENTS SUBSEQUENT TO THE QUARTERS END**

#### **CAPITAL RAISING COMPLETED**

On 10 July 2017, the Company announced that it has received firm commitments for a placement to sophisticated and professional investors to raise approx. A\$787,360.

Cleared funds for were subsequently received by the Company. A total of 157,472,151 fully paid ordinary shares in the capital of the Company were issued to investors at an issue price of A\$0.005 per share.

The Placement was made to investors qualifying under Section 708 of the Corporations Act and the Company used its existing 15% issue capacity under Listing Rule 7.1 to complete the issue.

The Placement was strongly supported by predominantly new overseas investors as well as advocates of the Company's growth strategy in the DRC. The funds raised have provided the Company with further working capital that will enable it to accelerate its planned 4,000m diamond drilling program at its Maniema Gold Project, including an initial 2,750m at the Kabotshome Gold Prospect.

The funds will also be used by the Company to complete further due diligence in the current quarter on the potential acquisition of a number of advanced and major resource project acquisitions in the DRC that senior management have been negotiating.

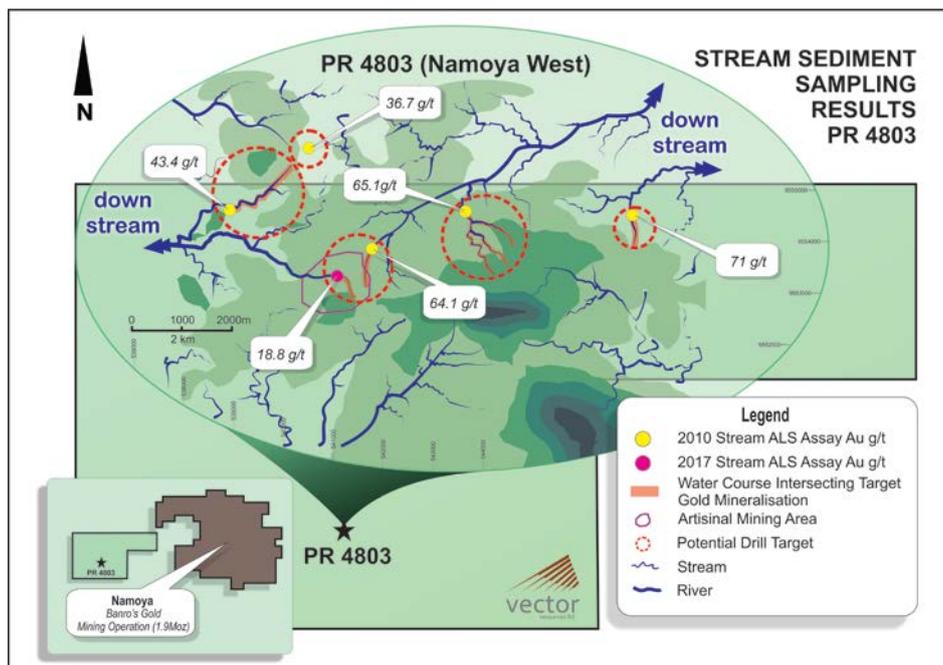
**SAMPLE RESULTS CONFIRMS HIGH GRADE POTENTIAL AT NAMOYA WEST PROSPECT**

On 20 July 2017, the Company announced that high-grade stream sediment assay result of 18.8g/t gold from the Company's Namoya West Gold Prospect had confirmed historical high grade alluvial and stream sediment samples in 2010 of 64.1g/t, 71g/t, 65.1g/t, 43.4g/t and 36.7g/t gold.

Work already completed by the Company in the previous quarter identified visible gold in stream sediments.

Samples of alluvial material were taken in February 2017 (refer ASX Announcement dated 28 February 2017).

The Company's technical team believe that the number, grade and unmodified physical nature of the visible gold samples show minimal transport from the primary source.



**Figure 4** Stream Sampling Results at Namoya West

Sample_ID	Ticket No	Easting	Northing	Elevation	Type	Tenement	Au_g/t
LUK003	VR0003	540474	9553806	703	Stream	4803	18.8

**Table 1** Reconnaissance site visit stream sediment samples taken by Vector's geologists and sent for analysis to test sample logistics and spot test historical sample analyses.

Permit No	Sample ID	Sample Type	Easting	Northing	Au g/t
4803	AF 066 SS	Alluvial Working	540260	9554898	36.7
4803	AF 067 SS	Alluvial Working	541439	9552921	6.17
4803	AF 068 SS	Alluvial Working	540803	9554037	64.1
4803	AF 069 SS	Alluvial Working	542339	9553247	2.76
4803	AF 071 SS	Alluvial Working	541525	9554378	65.1
4803	AF 072 SS	Alluvial Working	543064	9554336	71.5
4803	AF 073 SS	Alluvial Working	542428	9553909	0.1
4803	AF 077 SS	Alluvial Working	542439	9553227	26.1
4803	AF 078 SS	Alluvial Working	539654	9554323	43.4
4803	AF 079 SS	Alluvial Working	470635	9624633	18.5

**Table 2** Results of historical samples collected from alluvial workings at Namoya West

The 2017 high-grade stream sediment assay result, LUK003 confirms the historical stream sediment results completed on the Namoya West Gold prospect, indicating numerous gold sources in the local area.

The Company's technical team believe that the coarse nature of the visible gold identified may suggest minimal transport from the primary source. This is further confirmed by the proximity of the watercourses' headwaters, where Vector's geologists view the combination of high-grade stream sediments, their proximity to the various watercourses' sources along the ridge line, high levels of artisanal activity and the proximity of Namoya mine as promising indicators to the potential for an extensive area with high gold endowment and the potential for an extensive new gold discovery.

The planned work for the current quarter at the Namoya West Gold Prospect includes further mapping and understanding of exposed artisanal gold workings. Using mapping of the artisanal workings, the wide extent of the stream sediment results coupled with the proximity of the individual watercourse headwaters as guides, targeted geochemical sampling programs within the drainage systems, possible follow-up soil geochemistry and possibly even early stage diamond drill holes can be planned especially in the vicinity of artisanal workings.

ENDS

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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 Maniema Gold Project in the Democratic Republic of Congo.

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 500km<sup>2</sup> 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.

### **Competent Person Statement**

The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets, Mineral Resources or Ore Reserves has been compiled by Mr Peter Stockman who is a full time employee of Stockman Geological Solutions Pty Ltd. Mr Stockman is a member of the Australasian Institute of Mining and Metallurgy. Stockman Geological Solutions is engaged by Vector Resources Ltd as a consultant geologist.

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

### **Forward looking statements**

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

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary 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.

### Tenement Information as required by Listing Rule 5.3.3

The following is a table setting out the information as required by ASX Listing Rule 5.3.3, namely:

1. Mining tenements held at the end of the Quarter and their location;
2. Mining tenements disposed during the Quarter and location;
3. Beneficial percentage interests held in farm-in or farm-out agreements at end of Quarter; and
4. Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed of during the Quarter.

Location	Tenement	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest at end of quarter (%)
Democratic Republic of Congo – Maniema Province	PR4792	70	-	-	70
	PR4801	70	-	-	70
	PR4803	70	-	-	70
	PR4804	70	-	-	70
	PR4805	70	-	-	70
	PR4806	70	-	-	70
	PR4812	70	-	-	70