



ABN 99 107 541 453

Notice of General Meeting

Explanatory Statement

and

Proxy Form

Date of Meeting

Monday, 29 April 2019

Time of Meeting

8.00 am (WST)

Place of Meeting

Ground Floor – London Room, London House
216 St Georges Terrace
Perth WA 6000

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NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Members of Vector Resources Limited (**Vector** or the **Company**) will be held on Monday, 29 April 2019, commencing at 8.00am (WST) at the London Room, Ground Floor, 216 St Georges Terrace, Perth, Western Australia.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Meeting.

AGENDA

Resolution 1: Approval to Issue Convertible Notes – Riverfort Global Opportunities

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 2,200,000 Convertible Notes to Riverfort Global Opportunities PCC Ltd to replace 2,200,000 existing convertible notes, on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast in favour of the resolution by or on behalf of Riverfort Global Opportunities PCC, any person who will participate in the proposed issue of Convertible Notes and any person who will obtain a material benefit as a result of the proposed issue of Convertible Notes, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 2 – Approval to Issue Convertible Notes – MEF I, L.P.

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 3,500,000 Convertible Notes to MEF I, L.P. to replace 3,500,000 existing Convertible Notes, on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast in favour of the resolution by or on behalf of MEF I, L.P., any person who will participate in the proposed issue of Convertible Notes and any person who will obtain a material benefit as a result of the proposed issue of Convertible Notes, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 3 – Ratification of Issue of Convertible Notes – Temorex Pty Ltd

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 250,000 Convertible Notes issued to Temorex Pty Ltd, on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast in favour of this resolution by or on behalf of Temorex Pty Ltd, any person who participated in the issue of the Convertible Notes, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy

Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4 – Ratification of Issue of Shares in relation to the Convertible Notes

To consider and, if thought fit, to pass the following resolutions as separate **ordinary resolutions**:

Resolution 4(a):

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue to Riverfort Global Opportunities PCC Ltd of 3,800,000 Shares as satisfaction of the upfront commitment fee on the Convertible Note Facility with MEF I, L.P and Riverfort Global Opportunities PCC Ltd and on the terms and conditions set out in the Explanatory Statement.

Resolution 4(b):

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue to MEF I, L.P. of 40,900,000 Shares as satisfaction of the upfront commitment fee on the Convertible Note Facility with MEF I, L.P and Riverfort Global Opportunities PCC Ltd and on the terms and conditions set out in the Explanatory Statement.

Resolution 4(c):

That for the purposes of ASX Listing Rules 7.4 and for all other purposes, Shareholders ratify the issue to Temorex Pty Ltd of 10,000,000 Shares as satisfaction of the upfront commitment fee on the Convertible Note Facility with Temorex Pty Ltd and on the terms and conditions set out in the Explanatory Statement.

Resolution 4(d):

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue to Empire Capital Partners Pty Ltd of 16,750,000 Shares as consideration for transaction services and fees provided by Empire Capital in connection with the Company's execution and draw down of the Convertible Note Facility with MEF I, L.P and Riverfort Global Opportunities PCC Ltd and on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast in favour of resolutions 4(a), 4(b), 4(c) and 4(d) by or on behalf of Riverfort Global Opportunities PCC Ltd, MEF I, L.P., Temorex Pty Ltd, Empire Capital Partners Pty Ltd respectively, any person who participated in the issues of the Shares, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5 – Ratification of Issue of Securities – Advisor Shares

To consider and, if thought fit, to pass the following resolutions as separate **ordinary resolutions**:

Resolution 5(a):

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue to Pinnacle Corporate Finance Pty Ltd of 4,000,000 Shares as consideration of transaction services and fees provided and to be provided to the Company in relation to capital raising activities and on the terms and conditions set out in the Explanatory Statement.

Resolution 5(b):

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue to Dutch Ink (2010) Pty Ltd of 3,000,000 Shares as consideration of transaction services and fees provided and to be provided to the Company in relation to capital raising activities and on the terms and conditions set out in the Explanatory Statement.

Resolution 5(c):

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue to Mr Makonga Pelesa of 2,000,000 Shares as consideration of services provided by Mr. Pelesa as a government relations consultant to the Company in the Democratic Republic of Congo and on the terms and conditions set out in the Explanatory Statement.

Resolution 5(d):

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue to Mr Afi Falanka of 1,000,000 Shares as consideration of services provided by Mr. Falanka as a technical and geological consultant to the Company in the Democratic Republic of Congo and on the terms and conditions set out in the Explanatory Statement.

Resolution 5(e):

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue to Mr Gode Munganga of 1,000,000 Shares as consideration of services provided by Mr. Munganga as a logistics and supply consultant to the Company in the Democratic Republic of Congo and on the terms and conditions set out in the Explanatory Statement.

Resolution 5(f):

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue to Mr Jean Lukusa of 1,000,000 Shares as consideration of services provided by Mr. Lukusa as a technical and geological consultant to the Company in the Democratic Republic of Congo and on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast in favour of resolutions 5(a), 5(b), 5(c), 5(d), 5(e) and 5(f) by or on behalf of Pinnacle Corporate Finance Pty Ltd, Dutch Ink (2010) Pty Ltd, Makonga Pelesa, Afi Falanka, Gode Munganga and Jean Lukusa respectively, any person who participated in the issues of Shares, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting at General Meeting

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 5.00pm (WST) on 26 April 2019. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxy and voting entitlement instructions are included on the Proxy Form accompanying this Notice of Meeting.

BY ORDER OF THE BOARD

A N Steers
Company Secretary
28 March 2019

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at a general meeting of Shareholders to be held at the London Room (Ground Floor), 216 St Georges Terrace, Perth, Western Australia on Monday, 29 April 2019 at 8.00 am (WST).

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Meeting.

2. APPROVAL TO ISSUE CONVERTIBLE NOTES – RESOLUTIONS 1 AND 2

2.1 Background

On 26 February 2019, the Company executed a Convertible Note Agreement with Riverfort Global Opportunities PCC Ltd (**Riverfort**) and MEF I, L.P. (**MEF**) (together the **Investors**) to raise US\$4.75 million (**CN Facility**) to fund the Company cash component for its acquisition of a 60% interest in the Adidi-Kanga Gold Project (the **Project**) in the Democratic Republic of Congo (**DRC**) (the **Acquisition**). On 7 March 2019, the Company announced the financial settlement of the Acquisition and that it had entered into the CN Facility.

The Company has also entered a second Convertible Note Deed with Temorex Pty Ltd (**Temorex**) to raise a further US\$250,000 (**Temorex CN Agreement**), also used to fund the cash component due by the Company on the Acquisition.

The Company has drawn down the available funding under both the CN Facility (of US\$4.75m) and the Temorex CN Agreement (US\$0.25m) in order to meet its first tranche of cash consideration (of US\$5m) due to Mongbwalu Goldfields Investment Limited (**MGI**) under the Share Sale & Purchase Agreement (**Sale Agreement**) for the Acquisition.

Pursuant to the CN Facility and the Temorex CN Agreement, the Company issued to:

- (a) Riverfort - 2,200,000 Convertible Notes to raise US\$1.25m (cash) and to rollover US\$0.95m of debt owing under a facility agreement to Cuart Investments PCC Ltd (an entity associated with Riverfort);
 - (b) MEF – 3,500,000 Convertible Notes to raise US\$3.5m (cash); and
 - (c) Temorex – 250,000 Convertible Notes to raise US\$0.25m (cash),
- (the **Existing Convertible Notes**).

The Existing Convertible Notes have been issued on terms whereby their conversion to Shares is restricted.

Under the CN Facility, the Investors are restricted on converting their Existing Convertible Notes to a maximum of 407,973 Shares until the Company obtains shareholder approval for issue of replacement Convertible Notes. The Company must seek Shareholder approval for the issue of the 5,700,000 Convertible Notes

to the Investors to replace the Existing Convertible Notes within 60 days of 26 February 2019.

If shareholder approval is received, the Company will issue new Convertible Notes to the Investors to replace the Existing Convertible Notes that were issued to the Investors on or around 26 February 2019. If shareholder approval of Resolutions 1 and 2 is not received, the Company will be required to repay outstanding amounts on the Existing Convertible Notes issued to the Investors within five (5) business days of the Meeting.

Under the Temorex CN Agreement the Company must seek shareholder approval within 60 days of 26 February 2019 to ratify the issue of the Convertible Notes issued to Temorex and these Convertible Notes cannot be converted to Shares until shareholder approval is obtained.

2.2 Terms of Convertible Notes

The key terms of the replacement Convertible Notes to be issued to Riverfort and MEF under the CN Facility and the Convertible Notes issued to Temorex under Temorex CN Agreement are:

1. The face value of each Convertible Note is US\$1.20.
2. The Convertible Notes do not bear interest.
3. The term (maturity date) of the Convertible Notes is 12 months from the issue date.
4. The Convertible Notes incur an early repayment penalty of 5% if repaid within 180 days of issue date and 10% if repaid after 180 days of issue date.
5. The Convertible Notes may be converted to Shares at any time after 90 days from the issue date, or at any time after a default event occurs.
6. Each Convertible Note shall be convertible in part or in full into new Shares of the Company determined by applying the lower of (i) dividing the face value of the relevant Convertible Notes by 90% of the lowest volume weighted average price in the five (5) days prior to conversion and (ii) \$0.018 per share.
7. Shares issued on the conversion of the Convertible Notes issued to the Investors must be issued within 2 ASX trading days after conversion. Shares issued on the conversion of the Convertible Notes issued to Temorex must be issued as soon as practicable after conversion and in any event within the time required by the Listing Rules.
8. The Convertible Notes are not transferable except with the prior written consent of the Company.
9. The Convertible Notes do not provide for any voting rights at Shareholder meetings unless and until converted into Shares. A convertible note holder is not (by virtue of the Convertible Note) entitled to participate in any new issue of securities to Shareholders without first converting the Convertible Note into Shares.
10. If, before the maturity date there is a reorganisation, reconstruction, consolidation, sub-division or bonus-issue of the capital of the Company, the Convertible Notes shall be reorganised, reconstructed, consolidated or sub-divided on the same basis so that each Investor is treated in the same manner as the other shareholders in the Company and to ensure that:

- (a) the value of any Shares and Convertible Notes issued are not adversely affected; and
 - (b) no Investor is conferred with any additional benefits which are not also conferred on Shareholders.
9. The Convertible Notes will not be quoted on ASX. The Company will apply for quotation on ASX of all Shares issued on conversion of Convertible Notes in accordance with the Listing Rules.
 10. The Convertible Notes to be issued to the Investors will be secured. The Company has executed a General Security Deed with the Investors that will remain until all outstanding amounts are paid under the CN Facility.
 11. The Convertible Notes to be issued to Temorex will be unsecured. .

2.3 Number of Shares issued on conversion of Convertible Notes

The table below provides an estimated range of the number of Shares that could be issued under the Convertible Notes issue to Riverfort, MEF and Temorex should they be converted. The table provides a range of exchange rates based on set appreciation or depreciation, as well as a range of potential Share prices.

Exchange Rate	Range of VEC Share Prices		
	VWAP \$0.01 ²	VWAP \$0.014 ²	VWAP \$0.018 ³
Current Exchange Rate: USD:AUD - 0.71	1,005,633,803 ⁴	718,309,859 ⁴	558,685,446 ⁴
5% appreciation of the AUD ¹	957,746,479 ⁴	684,104,628 ⁴	532,081,377 ⁴
10% appreciation of the AUD ¹	914,212,548 ⁴	653,008,963 ⁴	507,895,860 ⁴
5% depreciation of the AUD ¹	1,058,561,898 ⁴	756,115,641 ⁴	588,089,943 ⁴
10% depreciation of the AUD ¹	1,117,370,892 ⁴	798,122,066 ⁴	620,761,607 ⁴

¹ Appreciation/depreciation based against the Current Exchange Rate stated above

² The VWAP represents the volume weighted average price estimate. The Company has used \$0.01 as the lowest VWAP for this table based on past performance of the share price over the past 30 trading days.

³ For the purposes of this table and in accordance with the terms of the CN Facility and Temorex CN Agreement, the table uses \$0.018 as the highest VWAP. Conversions are made based on the lower of (i) a 10% discount to the lowest VWAP in a 5-day period prior to conversion or (ii) \$0.018 per share.

⁴ The face value (being \$1.20 per Convertible Note) has been used to determine the potential dilution in the table above.

2.4 Listing Rules information requirements

Resolution 1 seeks Shareholder approval to issue 2,200,000 Convertible Notes to Riverfort, which will replace the existing convertible notes held by Riverfort.

Resolution 2 seeks Shareholder approval to issue 3,500,000 Convertible Notes to MEF, which will replace the existing convertible notes held by MEF.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on commencement of that 12-month period.

The effect of Resolutions 1 and 2 will be to allow the Directors to issue the replacement Convertible Notes to Riverfort and MEF and the conversion of any of these Convertible Notes into Shares will not be included in the Company's 15% annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolutions 1 and 2:

- (a) the number of securities to be issued to Riverfort if Resolution 1 is approved is 2,200,000 Convertible Notes;
- (b) the number of securities to be issued to MEF if Resolution 2 is approved is 3,500,000 Convertible Notes;
- (c) the number of Shares to be issued on conversion of the Convertible Notes will be determined in accordance with the exchange rate (AUD and US) and the Company's share price at the time of each conversion (see section 2.3 above);
- (d) the Convertible Notes will be issued progressively on one or more dates no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) the issue price for Shares issued on conversion of the Convertible Notes to Shares will be the lower of (i) \$0.018 per share and (ii) 90% of the lowest volume weighted average price in the five (5) days prior to each conversion;
- (f) the key terms of the Convertible Notes are stated in section 2.2;
- (g) the Shares issued under a conversion of a Convertible Note will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (h) the funds received by the Company under CN Facility for the issue of the Convertible Notes to the Investors have been used to part fund the US\$5m cash component of the consideration due to MGI under the Sale Agreement; and
- (i) the Shares issued under any conversion of a Convertible Note will not be subject to any escrow period and the Company will apply for quotation of the Shares on ASX.

2.5 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolutions 1 and 2.

3. RATIFICATION OF CONVERTIBLE NOTES – TEMOREX PTY LTD Resolution 3

3.1 Background

Please refer to section 2.1 of this Explanatory Statement for the background to Resolution 3.

Resolution 3 seeks Shareholder approval to ratify the issue 250,000 Convertible Notes to Temorex.

Under the Temorex CN Agreement, the Company has issued 250,000 Convertible Notes to Temorex.

Conversion of these Convertible Notes is subject to Shareholders ratifying the issue of the Convertible Notes. The Company must seek shareholder ratification of the issue of these Convertible Notes within 60 days of 26 February 2019 and no conversions can be made until shareholders ratify the issue of the Convertible Notes.

3.2 Listing Rules information requirements

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

In accordance with Listing Rule 7.5, the following details are provided in relation to Resolution 3:

- (a) 250,000 Convertible Notes have been issued to Temorex;
- (b) the number of Shares to be issued on conversion of the Convertible Notes will be determined in accordance with the exchange rate (AUD and US) and the Company's share price at the time of each conversion (see section 2.3 above);
- (c) the Convertible Notes were issued at a face value of US\$1.20 each;
- (d) the issue price for any conversion of the Convertible Notes to Shares will be the lower of (i) \$0.018 per share and (ii) 90% of the lowest volume weighted average price in the five (5) days prior to each conversion;
- (e) the key terms of the Convertible Notes are stated in section 2.2;
- (f) the Shares issued under a conversion of a Convertible Note will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Convertible Notes were issued to part fund the US\$5m cash component of the consideration paid to MGI under the Sale Agreement; and
- (h) the Shares issued under any conversion of a Convertible Note will not be subject to any escrow period and the Company will apply for quotation of the Shares on ASX.

3.3 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

4. RATIFICATION OF ISSUES OF SECURITIES IN RELATION TO CONVERTIBLE NOTES Resolutions 4(a), 4(b), 4(c) and 4(d)

4.1 Background

Please refer to section 2.1 of this Explanatory Statement for the background to the Convertible Notes.

The issue of the Convertible Notes by the Company incurred a number of share-based payments and the Company is seeking ratification from the Shareholders for these issues through Resolutions 4(a), 4(b), 4(c) and 4(d).

The Company is seeking ratification of the following issues of Shares:

- (a) Resolution 4(a) – 3,800,000 Shares to Riverfort;
- (b) Resolution 4(b) – 40,900,000 Shares to MEF;
- (c) Resolution 4(c) – 10,000,000 Shares to Temorex; and
- (d) Resolution 4(d) – 16,750,000 Shares to Empire Capital Partners Pty Ltd.

Details of each Resolution are provided below:

5.1.1 Resolution 4(a)

The Company agreed to issue 3,800,000 Shares to Riverfort as a loan commitment fee on the CN Facility. The commitment fee became payable on the execution and provision of funding under the CN Facility and the Shares were issued at a deemed price of A\$0.18.

5.1.2 Resolution 4(b)

The Company agreed to issue 40,900,000 Shares to MEF as a loan commitment fee on the CN Facility. The commitment fee became payable on the execution and provision of funding under the CN Facility and the Shares were issued at a deemed price of A\$0.18.

5.1.3 Resolution 4(c)

The Company agreed to issue 10,000,000 Shares to Temorex as a loan commitment fee on the Temorex CN Agreement. The commitment fee became payable on the execution and provision of funding under the Temorex CN Agreement and the Shares were issued at a deemed price of A\$0.18.

5.1.4 Resolution 4(d)

The Company agreed to issue 16,750,000 Shares to Empire Capital Partners Pty Ltd (**Empire Capital**), the facilitator and advisor on the CN Facility. The issue of shares became due and payable on (i) execution of term sheet – 1,750,000 Shares and (ii) execution and provision of funding under the CN Facility – 15,000,000 Shares. The Shares were issued at a deemed price of A\$0.18.

4.2 Listing Rules information requirements

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Shares in relation to the CN Facility:

- (a) the Shares issued by the Company were:
 - (i) 3,800,000 Shares were issued to Riverfort;
 - (ii) 40,900,000 Shares were issued to MEF;
 - (iii) 10,000,000 Shares were issued to Temorex; and
 - (iv) 16,750,000 Shares were issued to Empire Capital;
- (b) the deemed issue price for all Shares issued was \$0.018;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued for nil cash consideration and no funds were raised through the issue of the Shares; and
- (e) the Shares issued are not subject to any escrow period.

4.3 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolutions 4(a), 4(b), 4(c) and 4(d).

5. RATIFICATION OF ISSUE OF SECURITIES – ADVISOR SHARES Resolutions 5(a), 5(b), 5(c), 5(d), 5(e) and 5(f)

5.1 Background

The Company has engaged a number of advisors to assist with its capital raising activities and its activities in the DRC. Resolutions 5(a) and 5(b) relate to advisor fees paid in Shares and resolutions 5(c), 5(d), 5(e) and 5(f) relate to consultants based in the DRC.

The Company is seeking ratification of the following issues of Shares:

- (a) Resolution 5(a) – 4,000,000 Shares to Pinnacle Corporate Finance Pty Ltd;

- (b) Resolution 5(b) – 3,000,000 Shares to Dutch Ink (2010) Pty Ltd;
- (c) Resolution 5(c) – 2,000,000 Shares to Mr Makonga Pelesa;
- (d) Resolution 5(d) – 1,000,000 Shares to Mr Afi Falanka;
- (e) Resolution 5(e) – 1,000,000 Shares to Mr Gode Munganga; and
- (f) Resolution 5(f) – 1,000,000 Shares to Mr Jean Lukusa.

Details of each Resolution are provided below:

6.1.1 Resolution 5(a)

The Company agreed to issue 4,000,000 Shares to Pinnacle Corporate Finance Pty Ltd (Pinnacle) as advisor shares to assist the company in its current capital refinancing activities. The Company issued the Shares at a deemed price of \$0.018 per Share, representing a total of \$72,000. As a result of paying the advisor fees in Shares, the Company is not required to pay any ongoing or monthly retainers or further advisor fees. The Company believes that this share issue equates to 6 months of advisor fees at \$12,000 per month.

6.1.2 Resolution 5(b)

The Company agreed to issue 3,000,000 Shares to Dutch Ink (2010) Pty Ltd (Dutch Ink) as advisor shares to assist the company in its current capital refinancing activities. The Company issued the Shares at a deemed price of \$0.018 per Share, representing a total of \$54,000. As a result of paying the advisor fees in Shares, the Company is not required to pay any ongoing or monthly retainers or further advisor fees. The Company believes that this share issue equates to 6 months of advisor fees at \$9,000 per month.

6.1.3 Resolution 5(c)

The Company agreed to issue 2,000,000 Shares to Mr Makonga Pelesa who is a key government relations consultant to the Company in the DRC. The Company issued the Shares at a deemed price of \$0.018 per Share, representing a total of \$36,000. This payment, which equates to US\$25,000 (at AUD/US 0.70), represents a commitment made by the Company to grant a success fee to Mr Pelesa that he has agreed to accept in Shares.

6.1.4 Resolution 5(d)

The Company agreed to issue 1,000,000 Shares to Mr Afi Falanka who is a key technical and geological consultant to the Company in the DRC. The Company issued the Shares at a deemed price of \$0.018 per Share, representing a total of \$18,000. This payment, which equates to US\$12,500 (at AUD/US 0.70), represents a commitment made by the Company to grant a success fee to Mr Falanka that he has agreed to accept in Shares.

6.1.5 Resolution 5(e)

The Company agreed to issue 1,000,000 Shares to Mr Gode Munganga who is a key logistics and supply consultant to the Company in the DRC. The Company issued the Shares at a deemed price of \$0.018 per Share, representing a total of \$18,000. This payment, which equates to US\$12,500 (at AUD/US 0.70), represents a commitment made by the Company to grant a success fee to Mr Munganga that he has agreed to accept in Shares.

6.1.6 Resolution 5(f)

The Company agreed to issue 1,000,000 Shares to Mr Jean Lukusa who is a key technical and geological consultant to the Company in the DRC. The Company issued the Shares at a deemed price of \$0.018 per Share, representing a total of \$18,000. This payment, which equates to US\$12,500 (at AUD/US 0.70), represents a commitment made by the Company to grant a success fee to Mr Lukusa that he has agreed to accept in Shares.

5.2 Listing Rules information requirements

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Advisor Shares:

- (a) the Shares issued by the Company were:
 - (i) 4,000,000 Shares were issued to Pinnacle;
 - (ii) 3,000,000 Shares were issued to Dutch Ink;
 - (iii) 2,000,000 Shares were issued to Mr Pelesa;
 - (iv) 1,000,000 Shares were issued to Mr Falanka;
 - (v) 1,000,000 Shares were issued to Mr Munganga; and
 - (vi) 1,000,000 Shares were issued to Mr Lukusa;
- (b) the deemed issue price for all Share issues was \$0.018;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued for nil cash consideration and no funds were raised through the issue of the Shares; and
- (e) the Shares issued are not subject to any escrow period.

5.3 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolutions 5(a), 5(b), 5(c), 5(d), 5(e) and 5(f).

DEFINITIONS

In this Notice and Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Acquisition means the acquisition by the Company of a 60% interest in the Project pursuant to the Transaction.

Advisor Shares means the Shares to be issued under Resolutions 5(a), 5(b), 5(c), 5(d), 5(e) and 5(f) to various consultants and advisors in relation to the acquisition of the Project.

Associate has the meaning set out in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691.

A\$ means Australian dollars.

Board means the board of Directors of the Company.

Chairperson means the Chairperson of the Meeting.

Company or **Vector** means Vector Resources Limited ABN 99 107 541 453.

Convertible Note means the convertible notes to be issued to Riverfort, MEF and Temorex under the CN Facility and the Temorex CN Agreement.

CN Facility means the convertible note facility entered into by the Company with Riverfort and MEF on or around 26 February 2019.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

DRC means the Democratic Republic of Congo.

Empire Capital means Empire Capital Partners Pty Ltd.

Existing Convertible Notes has the meaning set out in section 2.1 of the Explanatory Statement.

Explanatory Statement means this Explanatory Statement.

Investors means both Riverfort and MEF.

Listing Rules means the official listing rules of ASX.

Meeting means the meeting convened by the Notice of Meeting.

MEF means MEF I, L.P.

MGI means Mongbwalu Goldfields Investment Limited, an entity incorporated in the Seychelles (Company Registration Number 133304).

Notice or **Notice of Meeting** means the notice of general meeting which forms part of this Explanatory Statement.

Project means the Adidi-Kanga Gold Project.

Proxy Form means the proxy form accompanying the Notice.

Resolution means resolution set out in this Notice.

Riverfort means Riverfort Global Opportunities PCC Ltd.

Sale Agreement means the Share Sale and Purchase Agreement entered between MGI and the Company for the sale of 69.5% of the shares outstanding in Mongbwalu Goldfields Investment Holdings 6 Ltd, and the ultimate purchase of a 60% interest in the Project.

Section means a section of this Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Temorex means Temorex Pty Ltd.

Temorex CN Agreement means the convertible note facility entered into by the Company with Temorex on or around 26 February 2019.

Transaction means the transaction for the Company to acquire a 60% interest in the Project pursuant to the Sale Agreement and Shareholders Agreement.

US\$ means United States of American dollars.

Vector or the **Company** means Vector Resources Limited ABN 99 107 541 453.

VWAP means the volume weighted average price of Shares traded on ASX, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded options exercises.

WST means Australian Western Standard Time, being the time in Perth, Western Australia.

\$ or A\$ means Australian dollars unless expressly stated otherwise.

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PROXY FORM

The Secretary
Vector Resources Limited
Suite 16, 83 Mill Point Road
South Perth WA 6151

I/We (full name)

of _____

being a member(s) of Vector Resources Limited, hereby appoint as my/our proxy

of _____

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the general meeting of the Company to be held at 8.00am on Monday, 29 April 2019 and at an adjournment thereof in respect of _____% of my/our Shares or, failing any number being specified, ALL of my/our Shares in the Company.

RESOLUTIONS

		FOR	AGAINST	ABSTAIN
1	Approval to Issue Convertible Notes – Riverfort	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Approval to Issue Convertible Notes – MEF I, L.P.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Ratification of Issue Convertible Notes - Temorex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4(a)	Ratification of Issue of Shares – Riverfort	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4(b)	Ratification of Issue of Shares – MEF I, L.P.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4(c)	Ratification of Issue of Shares – Temorex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4(d)	Ratification of Issue of Shares – Empire Capital Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(a)	Ratification of Issue of Shares – Pinnacle Corporate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(b)	Ratification of Issue of Shares – Dutch Ink	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(c)	Ratification of Issue of Shares – Mr Pelesa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(d)	Ratification of Issue of Shares – Mr Falanka	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(e)	Ratification of Issue of Shares – Mr Munganga	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5(f)	Ratification of Issue of Shares – Mr Lukusa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Where permitted, the Chairperson intends to vote all undirected proxies in favour of all resolutions.
If the member is an individual or joint holder:

Usual Signature

Dated this _____ day of

Usual Signature

2019.

If the member is a Company:

Signed in accordance with the constitution of company in the presence of:

Director/Sole Director

Director/Secretary

Sole Director and Sole
Secretary

Dated this

_____ day of

2019.

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (refer below) or sent by email to that office at info@vectorres.com.au to be received not less than 48 hours prior to the time of the Meeting.
5. Signing Instructions

Individual: where the holding is one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting.

LODGING YOUR PROXY FORM

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at the address given below no later than 5.00pm (WST) on 26 April 2019. Any proxy form received after that time will not be valid for the scheduled meeting.

In person: Vector Resources Limited
Suite 16, 83 Mill Point Road
South Perth WA 6151

By mail: Vector Resources Limited
Suite 16, 83 Mill Point Road
South Perth WA 6151

By email: info@vectorres.com.au