

KordaMentha

ASX Announcement

30 April 2021

Vector Resources Limited (Administrators Appointed)
ACN 107 541 453 ('the Company')
ASX Code: VEC

Extension of convening period

The Administrators applied to the Supreme Court of Western Australia on 14 April 2021, seeking orders to extend the convening period in which the second meeting of creditors of the Company is required to be convened ('Convening Period'). The Convening Period was previously due to end on 19 April 2021.

The Orders made on 16 April 2021 extended the Convening Period to now end on 19 October 2021. The second meeting of creditors of the Company must now be held on or before 26 October 2021, being five business days after the end of the Convening Period.

The extension to the convening period was sought in light of the following considerations:

- International litigation and arbitration proceedings ('the Proceedings') are continuing as the Administrators seek to preserve the Company's interests in the Adidi-Kanga project. A short update as to the status of the Proceedings is below.
- The outcome of the Proceedings has the potential to impact prospective Deed of Company Arrangement proposals.
- The outcome of the Proceedings also has the potential to materially change the Company's financial position.

We consider that the extension of time is generally in the interests of creditors.

The Administrators may apply for a further extension of the Convening Period if required.

Proceedings Update

As previously announced, the Company received notice of breach of the Adidi Kanga Share Sale and Purchase Agreement ('SSPA') from Mongbwalu Goldfields Investment Ltd ('MGI'). Subsequently, MGI requested that the escrow agent, Harneys Corporate Services Limited ('HCSL'), deliver to MGI the Company's shares in Mongbwalu Goldfields Investment Holdings 6 Limited ('MGIH6') which are held in escrow under the terms of the Escrow Agreement.

The Company and MGI have been in dispute since this time. We provided an update on the dispute and various related matters in our ASX announcement on 26 February 2021. A further update is below.

Arbitration process

A timeline has recently been set for the arbitration process. This matter continues to progress under the direction of the International Chamber of Commerce.

Proceedings in the Eastern Caribbean Supreme Court ('ECSC')

As previously announced, the stop notice filed in the ECSC restrained MGIH6 and HCSL from transferring, or having any other dealings associated with, the Company's shares in MGIH6 without first providing the Company and its legal advisers with 14 days' notice.

On 8 March 2021, HCSL's solicitors provided a notice of intention to transfer the shares to MGI in 14 days.

The Administrators made two subsequent applications on 17 March 2021 in the ECSC to protect the shares from being transferred in a manner inconsistent with the Federal Court of Australia orders detailed in our 26 February 2021 announcement as follows:

- for the assistance of the ECSC to give effect to the declarations made by the Federal Court of Australia.
- for orders to appoint joint provisional liquidators to the Company in the British Virgin Islands.

Both of the above proceedings are being pursued to protect the Company's shares in MGIH6. These proceedings have been set down for a full hearing on 6 May 2021. The ECSC has also restrained any release of documents under the Escrow Deed until that time. It is possible that there will be a reserved judgement for either of these proceedings which we understand may extend the process time further.

Recapitalisation update

The Administrators continue to work with potentially interested parties in the recapitalisation of the Company. The Administrators remain committed to the recapitalisation process and thank you for your support during this period. The contact details for the Voluntary Administrators are:

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About KordaMentha Restructuring

KordaMentha Restructuring is the distressed business division of KordaMentha, an advisory and investment firm that helps clients to grow, protect and recover value.

KordaMentha Restructuring works with companies in financial distress – to restructure and to stabilise the business or to recover value on behalf of stakeholders. They have over 170 professional staff with diverse backgrounds and deep experience from accounting and agriculture to mining and real estate.