

ASX ANNOUNCEMENT

5 January 2018

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

MAJOR DRC GOLD PROJECT ACQUISITIONS UPDATE

The Directors of Vector Resources Limited (“**Vector**” or the “**Company**”) are pleased to provide an update on its two recently announced gold joint venture transactions that it are progressing in the Democratic Republic of Congo (“**DRC**”):

1. Binding agreements with state-owned gold mining company Société Minière de Kilo Moto (“**SOKIMO**”) to finalise joint venture agreements for its 100% owned **Kibali South Gold Project** and **Nizi Gold Project** located in the Ituri and Haut Uele Provinces in the DRC (refer **ASX Announcement 7 December 2017**); and
2. Heads of Agreement executed with Mongbwalu Gold Mines SA and Fimosa Capital Limited for Vector to hold a 60% interest in the world-class **Adidi-Kanga Gold Mine**, part of the Mongbwalu Gold Project located in the Ituri Province of the DRC (refer **ASX Announcement 22 December 2017**).

The successful conclusion of these new joint venture transactions, are anticipated to give Vector a significant land position and resource holding in one of the world’s largest greenstone belts, and which will be in addition to the Company’s current 70% joint venture interest in the Maniema Gold Project in the DRC, that is subject to ongoing resource in-fill and extensional drilling activities.

The Company’s technical management team and its consultants have completed extensive due diligence work over the past 4 weeks and are currently working in the DRC completing further site visits to these projects to finalise the technical due diligence work. In addition, the Company’s directors and lawyers in Australia and the DRC have progressed legal due diligence and the proposed joint venture documentation. Both new transactions remain on schedule for completion in January and February 2018.

1. Adidi-Kanga Gold Project

The Adidi-Kanga Gold Mine is considered by Vector’s management to be a truly world-class project that has the potential to transform the Company into a major gold exploration and development company in the DRC.

The Adidi-Kanga Gold Mine is located in the Moto goldfields in the Ituri Province of the DRC.

It comprises granted Mining License PE5105, one of 13 licenses extending over 5,033km² that were the subject of extensive exploration activities by AngloGold Ashanti.



Figure 1: The Adidi-Kanga Gold Mine - Mongbwalu Gold Project Development Site located on Mining License PE5105

Between 2005 and 2013, AngloGold Ashanti completed significant exploration and development activities.

173,276m of drilling has been completed on a 25m x 50m spacing and up to a 200m x 200m spacing across the broader license area and including 432 RC holes for 52,994m and 572 diamond holes for 119,278m. AngloGold Ashanti reported several historical resources, including a SAMREC compliant Resources between 2010 and 2013 for the Adidi-Kanga Gold Mine which was reported in Vectors ASX release on 22 December 2017.

A Feasibility Study for the development of the Adidi-Kanga Mine was also finalised by AngloGold Ashanti, who commenced initial mine construction activities with the purchase and delivery to site of approximately 70% of the mechanical equipment proposed to be installed under the Feasibility Study at a cost of over US\$70m.

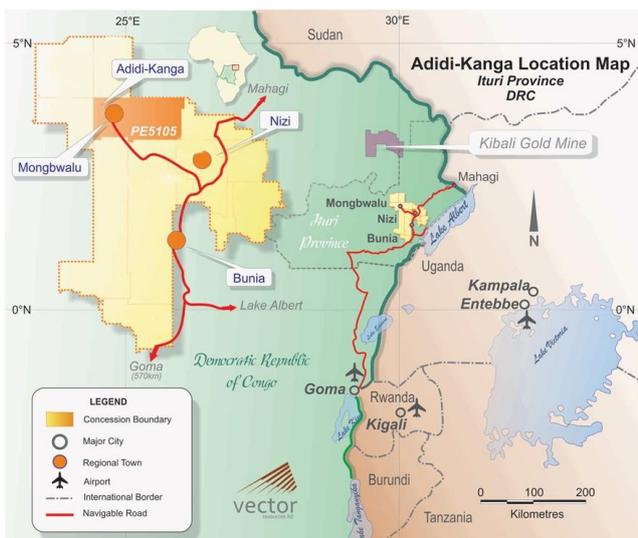


Figure 2: Location of the Adidi-Kanga Gold Mine

The Company's technical team and consultants are well advanced in its due diligence review of the Adidi-Kanga Gold Mine.

A review of the historical exploration and resource drilling is ongoing. The mining and metallurgical Feasibility Study work, that has already been completed by AngloGold Ashanti, is being assessed and will determine the amount of work that Vector will need to complete upon finalisation of the proposed joint venture.

The technical due diligence work completed by the Company to date has not identified any major issues or highlighted any areas of concern.

A number of positive findings have been identified in the due diligence review, particularly in respect to the exploration and drilling work completed and review of the resource database which has identified 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.

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In addition, a review of the status of the Adidi-Kanga Gold Mine, has confirmed that the mine is already permitted for development, with Environmental and Social Impact Assessments completed and financial guarantees in place with the appropriate regulatory and administrative bodies in the DRC.

The Company's technical management and consultants are currently in the DRC to finalise the technical due diligence work.



Figure 3: Drilling core sheds at the Adidi-Kanga exploration site

A site visit is scheduled to take place later this week, during which time the Company's technical management team will complete an inspection of the drill core shed, and the exploration and operations camp.

Management will also complete a review 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, that was purchased and delivered to site.



Figure 4, 5 and 6: Mechanical plant and equipment at the Adidi-Kanga site

This equipment is documented to have been purchased at an estimated cost of over US\$70m and included such items as crushers, ball mill, Knelson concentrator, compressors, mobile crusher, pumps, screens and mobile mining equipment. An assessment of this equipment will be completed.

Documentation and legal due diligence is also well advanced and on schedule to be completed later this month. The Company's lawyers in Australia and the DRC are finalising their legal due diligence work and the joint venture and associated documentation. Meetings between the parties were held in Europe in late December and are scheduled in the DRC shortly.

Execution of the new joint venture documentation remains on track to be completed in January 2018.

2. Kibali South Gold Project Update

The Kibali South Gold Project is located in the Moto goldfields in the Ituri Province of the DRC. It comprises two granted mining licenses, PE13176 and PE11467.

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It is located immediately adjacent to the Kibali Gold Mine, Africa's largest gold mining operation, a joint venture between Randgold Resources Limited ("Randgold")(45%), AngloGold Ashanti ("Anglo")(45%) and SOKIMO (10%).

A site visit to the Kibali South Gold Project and a preliminary technical due diligence review was completed by the Company in late 2017.

The Company's technical management team are now in the DRC to complete a final and more detailed due diligence review and site visit.

Legal due diligence is ongoing by the Company's lawyers in the DRC.

Further meetings with senior management from SOKIMO are scheduled later this month in South Africa and the DRC, with negotiations on the key joint venture terms and timings to be finalised.

The Company is very pleased with the progress that is being made and the relationship that has been built with SOKIMO.

Finalisation of due diligence reviews and joint venture negotiations for the Kibali South Gold Project remain on schedule and are anticipated to be completed by the end of February 2018.

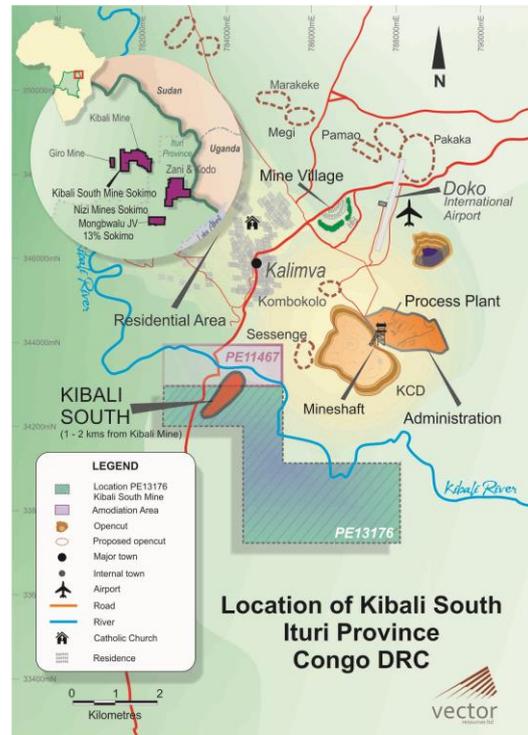


Figure 7: The Kibali South Gold Project and location to the Kibali Gold Mine and associated infrastructure

3. Nizi Gold Project Update

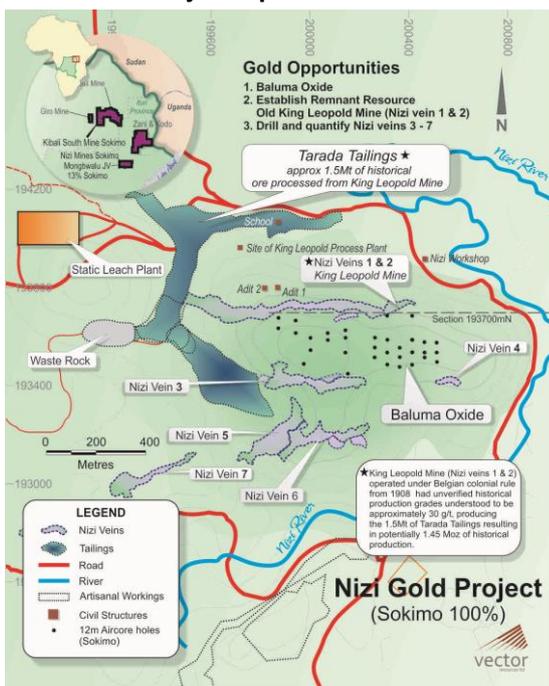


Figure 8: The Nizi Gold Project and identified gold prospects including the Baluma Gold Oxide Project

The Nizi Gold Project is located in the Haut Uele Province of the DRC and comprises one granted mining license, PE5110.

The license area comprises the previously operated King Leopold Mine, that was mined during Belgium colonial times and operated between 1908 to the 1960's. The area is also the subject to an existing gold tailings retreatment operation, the Tarada Tailings, by SOKIMO.

In addition to the King Leopold Gold Mine several other gold prospects have been identified and these are currently the subject of the ongoing technical due diligence work on the Nizi Gold Project.

A key area of focus of the technical due diligence review is the Baluma Gold Oxide Project, which has already been explored by SOKIMO through two auger and RAB drilling programs. These drill programs have defined potential oxide mineralisation.

The Company's technical management team have already completed a preliminary technical due diligence review and site visit in late 2017 from which an initial Exploration Target for the Baluma Gold Oxide Project was determined and published in the Company's ASX announcement on 7 December 2017.

It is proposed that with the Company's technical management team now in the DRC, a further and final site visit and detailed due diligence review will be completed. This will include amongst other things, a review of the base data from the previous Baluma Gold Oxide Project drilling programs and a focus on the King Leopold Gold Mine, where historical reports have indicated that there are 7 veins identified of which only 2 (veins 1 and 2) have previously been mined.

Finalisation of due diligence reviews and joint venture negotiations for the Nizi Gold Project also remain on schedule and are anticipated to be completed by the end of February 2018.

ENDS

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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.