



ASX ANNOUNCEMENT

5 September 2018

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

FURTHER CONDITIONS SATISFIED FOR ADIDI-KANGA GOLD PROJECT ACQUISITION

- A number of key conditions precedent to settlement of Vector's acquisition of a 60% interest in the world-class Adidi-Kanga Gold Project have been satisfied
- Date for satisfaction of outstanding conditions precedent has been extended to 15 September 2018 to ensure that the settlement of Vector's acquisition is completed
- Execution of Escrow Agreement now completed by all relevant parties
- Work-plan and budget also agreed and signed-off for completion of the Adidi-Kanga Definitive Feasibility Study and associated exploration work
- Committed loan facility documentation well advanced with UK based mining fund, expected to satisfy potential repayment (of approx. US\$20m) of existing indebtedness at the Adidi-Kanga Gold Project due to a local DRC bank on completion of the Adidi-Kanga Definitive Feasibility Study and a positive Decision to Mine
- Parties have also agreed to update a further key agreement, the Codebition Agreement to simplify current documentation requirements and settlement of the acquisition
- Vector also continues to advance loan documentation in respect of an additional loan facility of up to US\$20m to fund acquisition payments and the Definitive Feasibility Study costs
- Documentation and associated agreements of the new DRC based joint venture company, all agreed between the relevant parties, who are now working to ensure that the relevant shareholder meetings and regulatory approvals are obtained in the DRC
- Both Vector and the Adidi-Kanga Gold Project vendor, Mongbwalu Goldfields Investment Limited are continuing to work towards finalising settlement of the acquisition as soon as possible

Vector Resources Limited ("**Vector**" or the "**Company**") and Mongbwalu Goldfields Investment Limited ("**MGI**") are pleased to provide an update on satisfaction of key conditions precedent in respect to the documentation of Vector's proposed acquisition of a 60% interest in the world-class Adidi-Kanga Gold Project ("**Adidi-Kanga**" or the "**Project**") in the Democratic Republic of Congo ("**DRC**").

As announced on 24 July 2018, the Company and MGI have completed and executed the two key agreements – the Share Sale & Purchase Agreement and the Shareholders Agreement (together the "**Agreements**") – for the acquisition.

To complete the acquisition the two parties allocated 45 days from the execution date of these agreements to satisfy various condition precedents for settlement of the acquisition to be completed.

Vector is pleased to confirm that a number of these key conditions precedent, have been satisfied during this period. The parties have also agreed that, in order to finalise the outstanding conditions precedent, an extension to 15 September 2018 is required and has been agreed to ensure that the process is satisfactorily completed.

The key conditions precedent and their current status is summarised below:

CONDITIONS PRECEDENT TO SETTLEMENT	STATUS
Work-plan/ budget for Exploration and Definitive Feasibility Study agreed	SATISFIED
Execution of Escrow Agreement	SATISFIED
Execution of Loan Repayment Agreement	Documentation underway
Issuance of Standby Letter of Credit (or similar facility)	Documentation underway
Execution of Codebition Agreement	Documentation being updated
Execution of new DRC JV documentation and associated agreements	Documentation agreed

Execution of the outstanding documents and satisfaction of the Conditions Precedent are now expected to be completed by 15 September 2018, which has been agreed and amended in the Agreements.

The Company is also pleased to confirm that it has successfully confirmed the financing terms upon which it is proposing to satisfy the condition precedent relating to the issue of a Standby Letter of Credit in respect to approx. US\$20m of existing indebtedness at the Adidi-Kanga Gold Project that is due to a local DRC bank. Over the past several weeks, the Company has received several financing proposals and is now proposing that this condition precedent will be met through the execution of a Committed Debt Facility with Medea Mining Fund L.P ("**Medea**") (through its incorporated Master Fund and associated investment vehicles) for US\$20m.

This committed debt facility is currently being documented by Medea's legal counsel and is proposed to be provided for the repayment of the US\$20m of existing indebtedness once (i) Vector completes the Definitive Feasibility Study, (ii) the shareholders of MGIH6 approve a positive Decision to Mine and (iii) if Vector is then unable to refinance the existing debt with other external parties.

Associated with this facility is the execution of a Codebition Agreement. The parties have agreed that this agreement is now to be simplified and is expected to be executed on or before 15 September 2018, along with the Loan Repayment Agreement, which has also been agreed and is ready to be executed by the relevant parties.

In addition, the Company is also pleased to confirm that it has received additional debt funding proposals in respect to the required project funding, needed to fund the US\$5m up-front cash acquisition payment and the US\$10m Definitive Feasibility Study costs. Documentation of this facility is now being advanced and is expected to be completed on or before 15 September 2018.

The final Condition Precedent that is required to be satisfied to enable settlement of Vector's acquisition of the 60% interest in the Adidi-Kanga Project is in relation to the execution of the new DRC based joint venture and associated documentation and agreements. The Company is pleased to confirm that all agreements have been documented and agreed between the parties. The parties are now working to ensure that the relevant shareholder and stakeholder meetings and regulatory approvals are obtained from all required parties in the DRC to allow execution of these various agreements.

Vector is very pleased with the progress that has been made and both it and MGI continue to work collaboratively towards finalising this transaction as soon as possible.

- 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 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 500km² and include seven main prospects; Kabotshome, Mbutu, Mitunda, Mbala, Eveche, Lukele and Tubambo that have been defined within the project area from previous and recent exploration. The Kabotshome Gold Prospect is the most advanced with an 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 Resource Estimates 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 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.

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