

2 December 2016

Dear Shareholder

PRO-RATA NON-RENOUCEABLE RIGHTS ISSUE

We are writing to you as a registered holder of shares in Vector Resources Limited (**Company**).

As announced to ASX on 14 September 2016, the Company is undertaking a pro rata non-renounceable offer of ordinary fully paid shares to eligible shareholders. The offer is on the basis of one (1) new share (**New Share**) for every one (1) share held by eligible shareholders of the Company as at 7.00pm AEDT on 8 December 2016 (**Record Date**) at an issue price of \$0.001 per Share, to raise up to \$1,349,071 (**Offer**).

The Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth) (as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

An Offer Document in relation to the Offer has been lodged with ASX setting out the terms and the timetable for the Offer, as shown below. A copy of the Offer Document is available on the ASX website at www.asx.com.au (ASX code: VEC) and on the Company's website at www.vectorresources.com.au.

Use of Proceeds

Proceeds from the Offer will be applied towards funding the proposed acquisition of a 70% interest in the Maniema Gold Project in the Democratic Republic of Congo (**Transaction**), conducting evaluation and exploration programs on the Maniema Gold Project, costs of the issue and for general working capital. The cash costs of the Offer will be approximately \$100,000 (assuming full subscription).

Information about the Offer

1. The Offer is being made to eligible shareholders, being persons who are registered as shareholders of the Company on the Record Date and have a registered address in Australia or New Zealand. In calculating entitlements under the Offer, fractions will be rounded down to the nearest whole number. Shareholders who, at the Record Date, do not have an address registered in either Australia or New Zealand will not be eligible to participate in the Offer.
2. The Offer opens on 13 December 2016 and is expected to close at 5.00pm (AEDT) on 22 December 2016.
3. The Offer is non-renounceable which means that entitlements to participate in the Offer are not tradeable on the ASX or otherwise transferable.
4. Up to 1,349,071,146 New Shares may be issued under the Offer (based on the current capital structure of the Company), resulting in total ordinary fully paid shares in the Company of up to 2,698,142,292 shares. New Shares issued under the Offer will rank equally with the Company's existing fully paid ordinary shares.
5. The Offer is being undertaken in conjunction with the placement to sophisticated investors to raise a combined fixed amount of \$1,650,000 (before costs) and the Transaction (**Capital Raising**). Further details of the Transaction can be found in the Company's Notice of Annual General Meeting dated 31 October 2016 (**Notice of Meeting**) which is available free of charge on the Company's website, <http://www.vectorresources.com.au/irm/content/asx-announcements.aspx?RID=8>. The Notice of Meeting can also be obtained on the ASX announcements platform at <http://www.asx.com.au/asxpdf/20161031/pdf/43cj9j6lrg51fk.pdf>.

6. The successful completion of the Capital Raising is a condition precedent to the completion of the Transaction.
7. There is no minimum subscription under the Offer and the Offer is not underwritten.
8. The Company may at its discretion make a placement to professional and sophisticated investors of any entitlements under the Offer which are not taken up by shareholders ("**Shortfall**"). The Company will endeavour to ensure that no party will receive Shortfall Shares that would result in that party having a relevant interest in more than 19.9% of the total Shares on issue.

Timetable

The Offer is proposed to be conducted according to the following timetable:

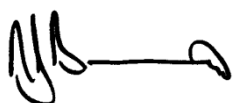
Event	Date
Release of Offer Document, Appendix 3B and section 708AA notice to ASX	2 December 2016
Notice sent to shareholders	5 December 2016
"Ex" Date (date from which shares commence trading without the entitlement to participate in the Offer)	7 December 2016
Record Date 7.00pm (AEDT) (date for determining entitlements of eligible shareholders to participate in the Offer)	8 December 2016
Offer Document and entitlement and Acceptance Form sent to eligible shareholders	13 December 2016
Offer opening date	13 December 2016
Last date to extend the Offer closing date	19 December 2016
Offer closing date 5.00pm (AEDT)	22 December 2016
Shares quoted on a deferred settlement basis	23 December 2016
ASX notified of under subscriptions	29 December 2016
Anticipated date for the issue of the New Shares	3 January 2017
Deferred settlement trading ends	3 January 2017
Normal trading (on a T+2 basis) commences	4 January 2017

Note: The dates in the above timetable are indicative only and subject to change. Further, the dates are subject to the Listing Rules and other applicable laws. The Directors reserve the right to vary these dates.

You are not required to do anything in response to this letter. This letter is provided for your information only and does not constitute an offer of New Shares under the Offer. An offer document will be sent to eligible shareholders on about 13 December 2016.

Further information

For further information, please see the Company's announcements on ASX (www.asx.com.au) (ASX code: VEC) and on the Company's website (www.vectorresources.com.au) or contact the Company on (08) 6268 2622 during normal business hours.



Neville Bassett
Company Secretary