

13 March 2015

ASX Market Announcements
Level 4
20 Bridge Street
SYDNEY NSW 2000

Binding Heads of Agreement for Disposal of Mineral Interests

Vector Resources Limited (**Vector** or **the Company**) advises that it has entered into a binding heads of agreement with the Longflex Metals Joint Venture between Longflex Southern Cross Mining Limited and Riverglens Corporation Pty Ltd (**Longflex**) (**Agreement**) for the disposal of its entire interest in the share capital of Golden Iron Resources Ltd (**Golden Iron**), the holder of the Company's portfolio of mineral interests, being the main undertaking of the Company (**Disposal**).

Golden Iron's tenement portfolio comprises:

- Athenia Project;
- Great Bingin Project;
- Gwendolyn East Cutback Project;
- Mount Dimer Project; and
- Mount Palmer Project.

As previously announced, in view of market conditions and the current economic climate the Company was assessing divestment of its mineral interests. Following the disappointing result from the bulk sample programme on the Gwendolyn East Cutback Project, the Company commenced a review of its entire tenement portfolio and is currently assessing new project opportunities that the Board believes will add shareholder value.

The Company has limited cash resources to undertake any meaningful exploration programmes and, on review, limited opportunity to raise new capital without a change of focus.

As part of the ongoing review process the Company is looking at possible investment opportunities outside of the Company's existing principal activity of mineral exploration. Dependant on the nature and scale of any investment, the Company may be required, pursuant to ASX Listing Rules, to obtain shareholder approval to any transaction and to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

Based on the Company's current position, the Directors consider that the proposed Disposal is in the best interests of the Company and will allow it to seek new opportunities to add Shareholder value.

Key Terms

The key terms of the Disposal are as follows:

- (i) Completion of the Disposal is subject to and conditional on:
 - (a) the Company obtaining shareholder approval for the Disposal pursuant to ASX Listing Rule 11.2;
 - (b) satisfactory completion of due diligence by Longflex; and
 - (c) obtaining any other third party and regulatory approvals that may be required.
- (ii) The consideration to be paid by Longflex for the Disposal is the sum of \$425,000.



The Company is bound by an exclusivity period commencing on the date of the heads of agreement and ending on the 15 April 2015.

The parties intend to enter into a formal share sale agreement and any ancillary documents required to give effect to the Disposal as soon as practicable.

Financial effect of the Disposal on the Company

The impact of the Disposal on the Company's financial position will be:

1. The extinguishment of all debt;
2. On completion provide net cash of approximately \$200,000;
3. The release of all security obligations; and
4. Other than cash, the company will have no assets.

There will be no impact on the capital structure of the Company.

ASX Requirements

ASX Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities which involves the disposal of its main undertaking, it must first obtain the approval of its shareholders.

The Company proposes to seek shareholder approval for the purpose of Listing Rule 11.2 at a meeting to be convened as soon as practicable.

N J Bassett
Company Secretary