



**Notice of General Meeting**

**Explanatory Statement**

**and**

**Proxy Form**

**TIME**

11.00am (WST)

**DATE**

Monday, 4 May 2015

**PLACE**

Suite 4, Henry James Building  
8 Alvan Street  
Subiaco WA 6008

## **NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of members of Vector Resources Limited (**Vector** or the **Company**) will be held on Monday, 4 May 2015, commencing at 11.00am (WST) at Suite 4, Henry James Building, 8 Alvan Street, Subiaco, Western Australia.

The enclosed Explanatory Statement accompanies and forms part of this Notice of General Meeting.

### **AGENDA**

#### **SPECIAL BUSINESS**

##### **Disposal of Company's Main Undertaking**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That, for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the disposal by the Company of its interest in the share capital of Golden Iron Resources Ltd on the terms and conditions set out in the Explanatory Statement.*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **BY ORDER OF THE BOARD**

**Neville Bassett**  
**Company Secretary**  
31 March 2015

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is given that the General Meeting of the Shareholders to which this Notice relates will be held at 11.00am (WST) on Monday, 4 May 2015 at:

**Suite 4, Henry James Building  
8 Alvan Street  
Subiaco WA 6008**

### YOUR VOTE IS IMPORTANT

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The business of the General Meeting affects your shareholding and your vote is important.

### VOTING ELIGIBILITY

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The Directors have determined pursuant to *Regulation 7.11.37* of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 11.00am (WST) on 2 May 2015.

### VOTING IN PERSON

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To vote in person, attend the General Meeting at the time, date and place set out above.

### VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Sections 250BB and 250BC of the *Corporations Act* provide that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the *Corporations Act* provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the *Corporations Act* provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

# EXPLANATORY STATEMENT

## 1. INTRODUCTION

This Explanatory Statement has been prepared for the information of members of Vector Resources Limited (“the company”) in connection with the business to be conducted at the General Meeting of members to be held at Suite 4, Henry James Building, 8 Alvan Street, Subiaco, Western Australia on Monday, 4 May 2015 at 11.00am (WST).

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice.

## 2. DISPOSAL OF COMPANY’S MAIN UNDERTAKING

### 2.1 Background

The Resolution seeks shareholder approval for the disposal by the Company 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**).

On 13 March 2015, the Company announced to ASX that it had entered into a binding heads of agreement with the Longflex Metals Joint Venture between Longflex Southern Cross Mining Limited and Riverglen Corporation Pty Ltd (**Longflex**) (**Agreement**) in respect to the 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.

A summary of the key terms of the Agreement are set out in Section 2.3 below.

## 2.2 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. Shareholders should be aware that following the proposed disposal of the Company's main undertaking, ASX may require the Company to seek shareholder approval pursuant to ASX Listing Rule 11.1.2 and/or re-comply with Chapters 1 and 2 of the Listing Rules pursuant to ASX Listing Rule 11.1.3 with respect of any future transaction the Company may enter into.

A disposal by a listed entity of its main undertaking can also raise issues under Listing Rule 12.1 and 12.2, which oblige a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient, and its financial condition adequate, to warrant its continued listing and continued quotation of its securities.

*ASX Guidance Note 12 states, the disposal by a listed entity of its main undertaking may be a precursor to the entity embarking on a new business venture, either immediately or once a suitable business has been identified and acquired. In the latter case, notwithstanding Listing Rule 12.3, ASX will, in the absence of any other reason to suspend the quotation of the entity's securities, generally continue the quotation of its securities for up to six months to allow it time to identify, and make an announcement of its intention to acquire, a suitable new business.*

*If an entity is not able to make an announcement of its intention to acquire a new business, within six months of completing the disposal of its main undertaking, ASX will generally exercise its discretion under Listing Rule 12.3 to suspend the quotation of its securities at the end of that six month period. The suspension will continue until the entity makes an announcement acceptable to ASX about its future activities.*

The proposed Resolution seeks Shareholder approval for the Disposal to Longflex or alternatively, the Disposal on equivalent, or terms no less favourable than the consideration outlined in Section 2.3 (ii), to another non-related party in the event the Disposal to Longflex does not settle.

## 2.3 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 cash sum of \$455,000.

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.

There is no current intention for there to be any change to the Board or senior management.

## 2.4 Indicative Timetable

Subject to ASX Listing Rule and Corporations Act requirements, the Company anticipates completion of the Disposal will be in accordance with the following timetable:

Event	Date
ASX announcement of Disposal	13 March 2015
General Meeting to approve Disposal	4 May 2015
Completion of Disposal	4 May 2015

## 2.5 Financial effect of the Disposal on the Company

There will be no impact on the net asset position of the company as reflected in the Statement of Financial Position presented as at 31 December 2014, other than replacing exploration and evaluation expenditure assets with cash. The carrying value of exploration and evaluation expenditure assets was impaired to the amount of the Disposal consideration at 31 December 2014.

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

## 2.6 Reasons for the Disposal

The Directors believe that following an assessment of the advantages and disadvantages disclosed below the Disposal is in the best interests of the Company.

### Advantages

The Directors believe that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Disposal:

- (a) The Disposal allows the Company to reduce costs (both direct tenement costs and corporate overheads) and provides otherwise unavailable capital to enable the Company to consider alternative asset acquisitions that the Directors believe will add value to Shareholders;
- (b) The consideration from the Disposal will provide capital to the Company which will be used to source new opportunities, including conducting due diligence; and
- (c) The Disposal will provide capital to the Company with no dilutionary impact on shareholders, in a current market environment where it is difficult to secure capital.

### Disadvantages

The Directors believe that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Disposal:

- (a) The Company will not be able to participate in or derive any future potential benefit from exploration on Golden Iron's tenement portfolio, if any;
- (b) The Disposal involves the Company selling its principal, and only asset, which may not be consistent with the investment objectives of all Shareholders;
- (c) There is a risk that the Company may not be able to locate and complete the acquisition of other suitable investment opportunities within a reasonable time; and
- (d) In the event that the Company is not able to secure a new investment opportunity there is the risk that the Company's securities will be suspended from quotation in the circumstances outlined in 2.2 above.

## **2.7 Director Recommendations**

The Directors do not have any material interest in the outcome of the Resolution other than as a result of their interest, if any, arising solely in the capacity as security holders.

The Board has approved the proposal to put the Resolution to Shareholders.

Each of the Directors intends to vote all of their Shares in favour of the Resolution.

Based on the information available, all of the Directors consider that the proposed Disposal is in the best interests of the Company and recommend that the Shareholders vote in favour of the Resolution.

## **3. DEFINITIONS**

**\$** means Australian dollars.

**ASX** means ASX Limited ABN 98 008 624 691.

**ASX Listing Rules** means the official listing rules of ASX.

**Board** means the current board of directors of the company.

**Constitution** means the Company's Constitution.

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Directors** means the current directors of the company.

**Explanatory Statement** means this Explanatory Statement.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Notice** or **Notice of Meeting** or **Notice of General Meeting** means this Notice of General Meeting including the Explanatory Statement and the Proxy Form.

**Share** means a fully paid ordinary share in the capital of the company.

**Shareholder** means the holder of a fully paid ordinary share in the capital of the company.

**Vector** or **the Company** means Vector Resources Limited ABN 99 107 541 453.



# PROXY FORM

The Secretary  
Vector Resources Limited  
PO Box 1325  
West Perth WA 6872 Fax: (08) 9381 9888

I/We (full name) \_\_\_\_\_  
of \_\_\_\_\_  
being a member(s) of Vector Resources Limited, hereby appoint as my/our proxy

\_\_\_\_\_ of \_\_\_\_\_  
or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the Annual General Meeting of the company to be held at 11.00am (WST) on Monday, 4 May 2015 and at an adjournment thereof in respect of \_\_\_\_\_% of my/our shares or, failing any number being specified, ALL of my/our shares in the company.

## RESOLUTION

	FOR	AGAINST	ABSTAIN
Disposal of Company's Main Undertaking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Where permitted, the Chairperson intends to vote all undirected proxies in favour of all resolutions.*

*If the member is an individual or joint holder:*

\_\_\_\_\_  
Usual Signature

\_\_\_\_\_  
Usual Signature

*If the member is a company:*

Signed in accordance with the Constitution of the company in the presence of:

\_\_\_\_\_  
Director/Sole Director

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Sole Director and Sole Secretary

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

## INSTRUCTIONS FOR COMPLETING PROXY FORM

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (refer below) or sent by facsimile to that office on fax 08 9381 9888 to be received not less than 48 hours prior to the time of the Meeting.
5. Signing Instructions

**Individual:** where the holding is one name, the Shareholder must sign.

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the company before the meeting or at the registration desk on the day of the meeting.

## LODGING YOUR PROXY FORM

To be valid, your proxy form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 11.00am (WST) on Saturday, 2 May 2015. Any proxy form received after that time will not be valid for the scheduled meeting.

In person:                      Vector Resources Limited  
Suite 4, Henry James Building  
8 Alvan Street  
Subiaco WA 6008

By mail:                         Vector Resources Limited  
PO Box 1325  
West Perth WA 6875

By fax:                         (08) 9381 9888