

> QUARTERLY REPORT

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The Directors of Vector Resources Limited ("Vector" or the "Company" ASX: VEC) are pleased to provide the quarterly report for the period ended 30 June 2016.

As previously announced, Vector entered into a non-binding term sheet for the proposed acquisition of telematics and global security industry provider, M2M Global Technology Ltd ("M2M") (*Announcement – 7 September 2015*). Whilst the Company has progressed due diligence on M2M, final audited financial statements remain outstanding as part of the due diligence process.

As the term sheet with M2M is non-binding and due to delay on receipt of due diligence materials, the Company has commenced review of a number of potential acquisitions in the resource sector. The Company has held non-binding, preliminary discussions regarding review and possible acquisition of projects in the resource sector, in line with the prior main undertaking of the Company.

During the previous quarter, the Company completed the disposal of its main undertaking.

As previously reported, a disposal by a listed entity of its main undertaking may 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.

The Company has been notified by ASX that they will afford the Company a period of six months from the date of notification from ASX that it is compliant with listing rule 12.1. If the Company does not demonstrate compliance with this rule to the ASX's satisfaction by the close of business on 9 September 2016, ASX may suspend the Company's securities from official quotation.

Interests in Mining Tenements

Nil

END

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