



ABN 99 107 541 453

Notice of Annual General Meeting

Explanatory Statement

and

Proxy Form

Date of Meeting

Wednesday, 30 November 2016

Time of Meeting

5.00 pm (WST)

Place of Meeting

Ground Floor, London House
216 St Georges Terrace
Perth WA 6000

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Vector Resources Limited (**Vector** or the **Company**) will be held on Wednesday, 30 November 2016, commencing at 5.00pm (WST) at Ground Floor, 216 St Georges Terrace, Perth, Western Australia.

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

AGENDA

ORDINARY BUSINESS

Accounts and Reports

To receive and consider the annual financial report for the financial year ended 30 June 2016, together with the reports by directors and auditors thereon.

To consider and, if thought fit, pass the following resolutions as **ordinary resolutions**:

Resolution 1: Adoption of Remuneration Report

That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company's 2016 Annual Report for the financial year ended 30 June 2016 be adopted.

Note: *The vote on this resolution is advisory only and does not bind the directors of the Company.*

Resolution 2: Re-election of Director (Mr G Castledine)

That, Mr Gary Castledine, being a Director of the Company who retires by rotation in accordance with Clause 6.3 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.

Resolution 3: Re-election of Director (Mr M Hendriks)

That, for the purpose of clause 6.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Michael Hendriks, a Director, having been appointed on 22 June 2016 and holding office until this annual general meeting, and being eligible, is re-elected as a Director.

SPECIAL BUSINESS

Resolution 4 – Approval of change in scale of the Company's activities

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

*That, for the purpose of Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the scale of its activities by the acquisition of all of the rights and interest of African Royalty Company Pty Ltd ACN 609 521 155 (**AFP**) in the WBK Agreement on the terms of the Heads of Agreement (**Acquisition**) and in the manner described in the Explanatory Statement.*

Short explanation: The proposed acquisition of AFP's rights in the WBK Agreement will, if successful, result in the Company acquiring a 70% interest in the Maniema Gold Project (**Project**), situated in the Maniema Province, Democratic Republic of Congo upon Completion. The Acquisition will constitute a significant change to the scale of the Company's activities. The Listing Rules require the Company to seek Shareholder approval of a proposed significant change to the scale of its activities. Further information about Resolution 4 is contained in the Explanatory Statement.

Resolution 5 – Approval to issue WBK Consideration Shares

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

*That, subject to the approval of Resolutions 4, 6, 7 and 8 and Completion occurring, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue to shareholders and advisers of WB Kasai Investments Congo SARL (No RCCM: CD/KIN/RCCM/16-B-9390) (**WBK**) 1,500,000,000 Shares (**WBK Consideration Shares**) under the Heads of Agreement and the WBK Agreement on the terms and conditions set out in the Explanatory Statement.*

Resolution 6 – Approval to issue AFP Consideration Shares

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

*That, subject to the approval of Resolutions 4, 5, 7 and 8 and Completion occurring, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue to AFP or its nominees of 500,000,000 Shares (**AFP Consideration Shares**) under the Heads of Agreement on the terms and conditions set out in the Explanatory Statement.*

Resolution 7 – Approval to issue Adviser Shares

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

*That, subject to the approval of Resolutions 4, 5, 6 and 8 and Completion occurring, for the purposes of Listing Rules 7.1 and for all other purposes, Shareholders approve the issue to its promoters and advisers (or their nominees) of 250,000,000 Shares (**Adviser Shares**) in consideration for their services to the Company as promoters and advisers to the Acquisition and the Capital Raising on the terms and conditions set out in the Explanatory Statement.*

Resolution 8 – Approval to issue Shares under the Placement

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

That, subject to the approval of Resolutions 4 to 7, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue to sophisticated investors of the number of Shares, based on an issue price of \$0.001 per Share, that is equivalent in value to \$1,650,000 less:

- (a) the total amount raised pursuant to the Rights Issue (including any placement of the Shortfall); and*
- (b) \$300,000 (being the value of the Convertible Loan which will be converted into Shares upon Completion),*

on the terms and conditions set out in the Explanatory Statement.

Resolution 9 – Approval for Mr Gary Castledine to participate in the Shortfall Placement and the Placement

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

That, subject to the approval of Resolution 4, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the subscription by Mr Gary Castledine, a non-executive director of the Company or his nominee, under the Shortfall Placement and/or the Placement for up to 50,000,000 Shares at an issue price of \$0.001 per Share, on the terms and conditions set out in the Explanatory Statement.

Resolution 10 – Approval for Mr Neville Bassett to participate in the Shortfall Placement and the Placement

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

That, subject to the approval of Resolution 4, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the subscription by Mr Neville Bassett, a non-executive director of the Company or his nominee, under the Shortfall Placement and/or the Placement for up to 50,000,000 Shares at an issue price of \$0.001 per Share, on the terms and conditions set out in the Explanatory Statement.

Resolution 11 – Approval for Mr Michael Hendriks to participate in the Shortfall Placement and the Placement

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

That, subject to the approval of Resolution 4, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the subscription by Mr Michael Hendriks, a non-executive director of the Company or his nominee, under the Shortfall Placement and/or the Placement for up to 50,000,000 Shares at an issue price of \$0.001 per Share, on the terms and conditions set out in the Explanatory Statement.

Resolution 12 – Approval to issue Adviser Shares to Westar Capital Limited

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

*That, subject to the approval of Resolutions 4 to 8 and Completion occurring, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Westar Capital Limited (**Westar**) of 35,000,000 Adviser Shares in consideration for Westar's services to the Company as a promoter and adviser to the Acquisition and the Capital Raising on the terms and conditions set out in the Explanatory Statement.*

Voting at General Meeting

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 4.00pm (WST) on 28 November 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting Exclusions

For the purpose of Listing Rule 14.11, the following voting exclusion statements apply to the resolutions. The Company will disregard any votes on the following resolutions cast by or on behalf of the following persons:

Resolution	Excluded Parties
Resolution 1	1) A member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report. 2) A Closely Related Party of such a member (together “prohibited persons”).
Resolution 2	N/A
Resolution 3	N/A
Resolution 4	AFP, WBK and any person who might obtain a benefit, except a benefit solely in the capacity as of a holder of ordinary securities, if Resolution 4 is passed, and any of their Associates.
Resolution 5	WBK and its nominees and any of their Associates.
Resolution 6	AFP and its nominees and any of their Associates.
Resolution 7	A person who is entitled to receive or may receive Adviser Shares and any of their Associates.
Resolution 8	A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder if Resolution 8 is passed, and any of their Associates.
Resolution 9	Mr Gary Castledine and any of his Associates.
Resolution 10	Mr Neville Bassett and any of his Associates.
Resolution 11	Mr Michael Hendriks and any of his Associates.
Resolution 12	Mr Neville Bassett and any of his Associates and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder if Resolution 12 is passed, and any of his Associates.

However, the Company need not disregard a vote on a Resolution if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the Chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance a direction on the proxy form to vote as the proxy decides.

Proxy and voting entitlement instructions are included on the Proxy Form accompanying this Notice of Meeting.

BY ORDER OF THE BOARD

N J Bassett
Company Secretary
31 October 2016

EXPLANATORY STATEMENT

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the annual general meeting of Shareholders to be held at Ground Floor, 216 St Georges Terrace, Perth, Western Australia on Wednesday, 30 November 2016 at 5.00pm (WST).

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

2016 ANNUAL REPORT

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Annual Report will be tabled at the Meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Annual Report. There is no requirement for a formal resolution on this item.

Representatives from the Company's auditors, Grant Thornton Audit Pty Ltd, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

Annual Report Online

Shareholders who have not elected to receive a hard copy of the Annual Report can access the report on the company's website at www.vectorresources.com.au

1. ADOPTION OF REMUNERATION REPORT – Resolution 1

1.1 General

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report for the year ended 30 June 2016 contains the Remuneration Report which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for the Directors and Key Management Personnel.

Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

1.2 Voting consequences

If at least 25% of the votes cast on a Remuneration Report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

1.3 Voting prohibition

Under sections 250R(4) and (5) of the Corporations Act, Key Management Personnel and their Closely Related Parties may not vote on Resolution 1 and may not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or the proxy is given to the Chairperson and expressly authorises the Chairperson to exercise the proxy.

The Chairperson will use any such proxies to vote in favour of Resolution 1.

1.4 Directors' recommendation

The Directors decline to make a recommendation on how Shareholders should vote in respect of Resolution 1 as they each hold a material personal interest in the outcome of the Resolution.

2. RE-ELECTION OF DIRECTOR – Resolution 2

Resolution 2 relates to the re-election of Mr Gary Castledine as a Director.

In accordance with the requirements of clause 6.3 of the Constitution and the Corporations Act, one-third of the Directors of the Company retire from office at this Meeting. Mr Gary Castledine retires by rotation and, being eligible, offers himself for re-election.

A summary of the qualifications and experience of Mr Castledine is provided in the Annual Report.

All the Directors, except for Mr Castledine, recommend that Shareholders vote in favour of Resolution 2.

3. RE-ELECTION OF DIRECTOR – Resolution 3

Resolution 3 relates to the re-election of Mr Michael Hendriks as a Director.

Pursuant to clause 6.3 of the Constitution, the Directors may appoint any person as a Director either to fill a casual vacancy or as an additional Director. However, under clause 6.3 of the Constitution, any such appointment concludes at the next general meeting of the Company following the appointment. The Director is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

The Board appointed Mr Hendriks as non-executive Director of the Company on 22 June 2016.

A summary of the qualifications and experience of Mr Hendriks is provided in the Annual Report.

All the Directors, except for Mr Hendriks, recommend that Shareholders vote in favour of Resolution 3.

4. APPROVAL OF CHANGE IN SCALE OF THE COMPANY'S ACTIVITIES – Resolution 4

4.1 Background

On 14 September 2016, the Company announced that it had entered into a binding Heads of Agreement (**Heads of Agreement**) with African Royalty Company Pty Ltd ACN 609 521 155 (**AFP**) pursuant to which the Company will acquire, by way of assignment, all of the AFP's rights and interest in a heads of agreement between AFP and WB Kasai Investments Congo SARL (No RCCM: CD/KIN/RCCM/16-B-9390) (**WBK**) and, in doing so, will acquire a 70% interest in the Maniema Gold Project, situated in the Maniema Province, Democratic Republic of Congo (**Project**) upon completion of the Acquisition (**Completion**)

4.2 The Maniema Project

The Project is located in the Maniema Province, approximately 260km south-west of the town of Bukavu, and 160km south of Kindu in east central Democratic Republic of Congo. The Project comprises seven granted exploitation licences, PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812, which cover an area of over 500km² (**Licences**).

The Licences contain four main prospects, Kabotshome, Mbutu, Mitunda, Mbala and Tubambo, that have been defined within the Project area from previous exploration with the Kabotshome Project being the most advanced.

The Project is situated in the Twangiza-Namoya Belt, in the northern part of the Kibara Belt. The Kibara belt is the result of an extensive orogeny, taking place between 1400 and 950 Ma, and contains a wide variety of deposits, comprising typically shear-related granophile elements including tin, tungsten, lithium, beryllium, tantalum, and gold.

The Licences are situated in one of the world's principal Precambrian orogenic-metallogenic provinces, which hosts Banro Corporation's Namoya and Twangiza Gold Mines within the Twangiza-Namoya belt immediately to the east and Randgold Resources and AngloGold Ashanti's world class Kibali Gold Mine in the Kilo-Moto belt to the north.

The map set out in Annexure A shows the location of the Licences in the Democratic Republic of Congo.

4.3 Summary of the Heads of Agreement

Under the Heads of Agreement, AFP has agreed to sell and the Company has agreed to purchase all of AFP's rights and interests in the WBK Agreement (**Acquisition**).

The Consideration for the Acquisition comprises:

- (a) the payment of US\$2,500 to AFP for a preliminary due diligence report, which was paid to AFP prior to execution of the Heads of Agreement;
- (b) a cash payment of \$50,000 to AFP, which was paid on execution of the Heads of Agreement and which AFP directed the Company to pay to WBK in satisfaction of the AFP's obligations under clause 2(a) of the WBK Agreement;
- (c) the issue by the Company on Completion of:

- (i) 500,000,000 Shares to AFP or its nominees (**AFP Consideration Shares**); and
- (ii) 250,000,000 Shares to the Company's advisors in consideration for services provided in relation to the Acquisition and the Capital Raising (**Adviser Shares**); and
- (d) the Company assuming all of AFP's obligations (including obligations in relation to cash payments or issues of shares) under the WBK Agreement on and from Completion (see section 4.4).

Completion of the Acquisition is subject to the satisfaction of various conditions, including:

- (a) the Company completing a rights issue with Shareholders to raise up to \$1,349,071 (**Rights Issue**);
- (b) the Company completing a placement, at an issue price of not less than \$0.001 per Share, to sophisticated investors to raise an amount which is equal to \$1,650,000 less the total amount raised pursuant to the Rights Issue (**Placement**);
- (c) the Company appointing one representative of AFP to its Board;
- (d) the Company and AFP obtaining all necessary shareholder and regulatory approvals under law and all necessary third party consent to complete the Acquisition, including Shareholders' approval of the Acquisition at a general meeting of the Company for the purposes of ASX Listing Rule 11.1.2;
- (e) the Company and WBK entering into a royalty agreement relating to the royalty granted to WBK under the WBK Agreement;
- (f) AFP, WBK and the Company executing all necessary documentation and joint venture agreements to establish and incorporate a joint venture company for the Project in the DRC (**JVCo**) such that the Company holds a 70% interest in JVCo upon its incorporation;
- (g) WBK transferring the Licences to JVCo; and
- (h) JVCo appointing a CEO and DRC-based exploration team to manage the Project exploration activities.

The Heads of Agreement provides that, prior to Completion, WBK must give certain covenants to the Company in writing in relation to the WBK Agreement, including agreeing that all Shares issued under the WBK Agreement may be subject to conditions, including escrow conditions in accordance with the Listing Rules, and that the issue of any Shares will be deferred to the extent that the resulting voting power of a Shareholder will increase to more than 20% of the voting Shares in contravention of section 606(1) of the Corporations Act.

Completion will take place within 10 Business Days of the satisfaction or waiver of the conditions precedent to the Heads of Agreement and is intended to occur immediately prior to with settlement under WBK Agreement (**Settlement**).

4.4 Overview of the WBK Agreement

The Heads of Agreement provides that the Company will acquire all of AFP's rights and assume all of AFP's obligations under the WBK Agreement.

Under the WBK Agreement (as assigned to the Company), the parties will at settlement of the WBK Agreement, establish JVCo, which on Settlement will have shareholding interests of:

- (a) WBK - 30%; and
- (b) Company - 70%.

The WBK Agreement also provides that the Company will be granted a pre-emptive right to acquire up to a further 10% shareholding interest in JVCo, on terms to be established, upon establishment of a JORC Code (2012) indicated Mineral Resource in excess of 1 million ounces at a cut-off grade in excess of 2.5g/t on the Project.

The consideration for the acquisition of a 70% interest in JVCo and other rights granted under the WBK Agreement comprises:

- (a) \$50,000 cash paid to WBK within 60 days of execution of the WBK Agreement, which has been satisfied by AFP having directed the \$50,000 payment paid by the Company on execution of the Heads of Agreement to WBK;
- (b) \$300,000 cash upon the Licences being transferred to JVCo;
- (c) \$600,000 cash upon the board of JVCo making a decision to develop the Project;
- (d) the issue to WBK's shareholders and advisors of:
 - (i) 1,500,000,000 Shares on Settlement (**WBK Consideration Shares**); and
 - (ii) 500,000,000 Shares upon the establishment of a JORC Code (2012) Mineral Resource in excess of 1 million ounces at a cut-off grade in excess of 2.5g/t on the Project (**Milestone Shares**), which will be subject to Shareholder approval,

on the basis that the Shares must be apportioned amongst the WBK shareholders and advisers such that no one person or its Related Parties will hold more the 9.99% of the Shares;

- (e) the parties executing a royalty agreement which provides that upon commencement of production from the Project, JVCo will pay WBK shareholders and advisors (in proportions nominated by WBK) a royalty of 1% of gross revenue on all bullion or other mineral sales made by JVCo from the Project; and
- (f) the Company sole funding all exploration and administrative costs for exploration of the Project up to development stage as shareholder loans to JVCo, to be repaid on a priority basis from the commencement of production, and must invest a minimum of \$1 million into JVCo in the 12 months from Settlement for exploration.

Settlement will occur within 5 Business Days of the Company notifying WBK (on or before 30 November 2016) that it is proceeding to Settlement subject to the various conditions to the WBK Agreement having been satisfied or waived. The conditions to the WBK Agreement are largely replicated in the Heads of Agreement and will be satisfied if the conditions precedent to the Heads of Agreement are met.

4.5 Capital Raising

The Company has entered into a mandate agreement with Sanlam Private Wealth Management as lead manager (**Sanlam** or **Lead Manager**) to raise \$1.65 million under a rights issue and Share placement to fund acquisition costs and exploration on the Project.

On or about 31 October 2016 the Company entered into a convertible loan agreement with the Lender for the loan of \$300,000 to the Company which, subject to approval of Resolutions 4 to 8, will convert into Shares issued under the Placement (**Convertible Loan**) (see Section 8). The \$300,000 loan was provided to the Company on the date of the Convertible Loan.

Prior to the Meeting, the Company intends to announce a non-renounceable rights issue for the issue of 1 new Share for each Share held at an issue price of \$0.001 to raise up to \$1,349,071 (**Rights Issue**).

Completion of the Rights Issue and the issue of Shares under the Rights Issue will be subject to the approval of Resolutions 4 to 8.

Subject to the approval of Resolutions 4 to 8, following the Rights Issue, the Company intends to complete a placement of Shares, at an issue price of not less than \$0.001 per Share, to sophisticated investors to raise an amount which is equal to \$1,650,000 less:

- (a) the total amount raised pursuant to the Rights Issue (including any placement of the Shortfall); and
- (b) \$300,000 (being the value of the Convertible Loan which will be converted into Shares upon Completion in accordance with the terms of the Convertible Loan),

including the issue of 300,000,000 Shares to the Lender or their nominees for the conversion of the Convertible Loan (**Placement**).

4.6 Board and management changes

Subject to the passing of Resolutions 4 to 8, prior to Completion occurring, AFP will nominate its representative to be appointed as a Director of the Company and the Company will appoint AFP's nominated representative as a non-executive Director.

Mr Gary Castledine, Mr Neville Bassett and Mr Michael Hendriks will remain on the Board as non-executive Directors.

4.7 Listing Rules requirements

In summary, Listing Rule 11.1 provides that a listed company that proposes to make a significant change to the nature or scale of its activities must:

- (a) if ASX requires, obtain the approval of shareholders of its ordinary securities to undertake the change; and
- (b) if ASX requires, meet the requirements in Chapters 1 and 2 of the Listing Rules for the admission of a company to the official list of ASX as if the company were applying for its initial admission.

ASX has exercised its discretion pursuant to Listing Rule 11.1 and has required that the Company seek Shareholder approval for the Transaction as, if successful, the Transaction would result in a change of the scale of the Company's activities.

ASX has informed the Company in-principle that if Shareholders approve Resolution 4, the Company will not be required to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

Information required by the Listing Rules (as set out above) is set out in this Explanatory Statement.

4.8 Proposed capital structure of the Company

The table below shows the pro forma capital structure of the Company assuming that:

- (a) Resolutions 4 to 8 are approved; and
- (b) the entire Convertible Loan is converted into Shares at Completion.

Current Shares on issue	1,349,071,146
Proposed Capital Raising to raise a total of A\$1,650,000 (including rights issue to raise up to A\$1,349,071, conversion of Convertible Loans and Placement)	1,650,000,000
Proposed issue of Shares to AFP at Completion (the AFP Consideration Shares)	500,000,000
Proposed issue of Shares to advisers at Completion (the Adviser Shares)	250,000,000
Proposed issue of Shares to WBK at Completion (WBK Consideration Shares)	1,500,000,000
Proposed maximum total shares on issue after completion of the Transaction	5,249,071,146
Milestone Shares	500,000,000
Maximum total Shares on issue after completion of the Transaction	5,749,071,146

4.9 Trading in Shares

As at the date of this Notice, a total of 1,349,071,146 Shares are quoted on ASX.

Set out below is a table showing relevant trading prices of Shares on ASX.

Comparative trading period price of Shares	Price of Shares
Highest trading price in the 4 months prior to the date this Notice was lodged with ASX	\$0.005

Lowest trading price in the 4 months prior to the date this Notice was lodged with ASX	\$0.001
Closing trading price on the last trading day before the Announcement Date	\$0.004
Last available closing price of Shares on ASX prior to the date of the Notice – 31 October 2016	\$0.002

4.10 The Company's current activities

The Company is an Australian incorporated company which has to date focussed on exploration for gold and other minerals in Western Australia.

On 12 February 2016, the Company completed the sale of its subsidiary, Gold Iron Resources Limited, which held interests in a number of gold exploration projects in Western Australia, including the Athenia Project, the Gwendolyn East Cutback Project, the Great Bingin Project, the Mount Palmer Project and the Mount Dimer Project.

Since then, the Company has not held any material assets and has been reviewing and evaluating various potential asset acquisitions, which were mostly in relation to gold exploration projects but also included the potential acquisition of a telematics and global security industry provider, M2M Global Technology.

Further information regarding the Company and its projects is set out in the following documents, which can be found on the Company's website (<http://www.vectorresources.com.au>) or on the ASX announcements webpage (ASX Code: VEC):

- (a) Maniema Technical Due Diligence Complete (announced to ASX on 20 October 2016);
- (b) Due Diligence and On-Site Inspections Commence (announced to ASX on 30 September 2016);
- (c) Annual Report to Shareholders (announced to ASX on 29 September 2016);
- (d) Acquisition of Advanced African Gold Project (announced to ASX on 14 September 2016);
- (e) Quarterly Activities Report (announced to ASX on 29 July 2016);
- (f) Quarterly Activities Report (announced to ASX on 29 April 2016);
- (g) Quarterly Activities Report (announced to ASX on 29 January 2016);
- (h) Disposal of Mineral Interests (announced to ASX on 8 December 2015);
- (i) September 2015 Quarterly Report and Appendix 5B (announced to ASX on 29 September 2015); and
- (j) Non-binding Tern Sheet to acquire M2M Global (announced to ASX on 7 September 2015).

4.11 Directors' recommendations and key considerations for Shareholders on Resolution 4

(a) Interests of the Directors

The Directors declare that they do not hold any interest in AFP or WBK.

(b) Recommendation of the Directors

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

Based on the information available, including that contained in this Explanatory Statement, all of the Directors consider that the Transaction is in the best interests of the Company.

(c) Reasons for the Directors recommendations / advantages

The following is a list of the key reasons the Directors recommend that Shareholders vote in favour of the change in scale of the activities of the Company pursuant to Resolution 4, and consequently, the Transaction:

- (i) The Project represents a significant opportunity for the Company (see Section 4.2 for further details regarding the Project).
- (ii) The Transaction may improve share value for Shareholders.
- (iii) The Transaction presents a significant opportunity for the Company to increase the scale of its activities and undertake significant exploration activities for the first time since it completed the sale of its subsidiary, Gold Iron Resources Limited, on 12 February 2016. This should increase the number and size of the investor pool that may invest in the Company and provide greater market liquidity.
- (iv) After completion of the Transaction and the Capital Raising, the Company is likely to have improved access to the funding required to continue the exploration and possible future development of the Project.
- (v) The Transaction presents an opportunity for the Company to diversify into a new (for the Company) and highly prospective exploration region while maintaining the Company's focus on exploration and mining for gold.
- (vi) If the Transaction is not completed, it is possible that the Company's securities will be suspended from trading by the ASX on the basis that the Company may not have sufficient operations to convince ASX that its activities warrant that the Company's continued listing and that the Company is in compliance with Listing Rule 12.1.

(d) Potential disadvantages of the Transaction

Potential disadvantages of the Transaction include:

- (i) The Transaction, if completed, will result in the issue of up to approximately 4,400,000,000 Shares (including Shares issued under the Rights Issue, Placement, AFP Consideration Shares, WBK Consideration Shares, Adviser Shares and Milestone Shares). The

issue of the Shares will have an immediate dilutionary effect on the ownership of existing Shareholders, being approximately 426% (assuming that the Milestone Shares are issued).

- (ii) The Company will be changing the scale of its activities to include exploration for gold in the Democratic Republic of Congo, where the Company has not previously held assets or operated. This change may not be consistent with the investment objectives of all Shareholders.
- (iii) There are various risk factors associated with the conduct of mining exploration in the Democratic Republic of Congo, many of which are common with the conduct of mining exploration generally but may also include political risks and other risks that are specific to operating in the Democratic Republic of Congo. Please refer to Section 4.11(e) for an outline of the most significant of these risk factors.
- (iv) There is no guarantee that the exploration and development proposed to be conducted following the completion of the Transaction at the Project will result in any beneficial economic outcome.

(e) Potential risks

There are a number of risks associated with change in the Company's scale of the activities and the development and operation of the Project by JVCo following the successful Acquisition which may impact on the Company's future performance.

In addition, there are various risks inherent in the conduct of any mining exploration activities generally. Shareholders should give careful consideration to each of the risks. The risks below identify some of the key risks specific to an investment in the Company. However, these risks should not be taken as an exhaustive list of all risks which the Company could be subject to.

The various risks include the following:

(i) Lease and licence risks

The Company's and JVCo's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences (including the Licences), concessions, leases, permits and regulatory consents in the Democratic Republic of Congo which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, may depend on JVCo being successful in obtaining the required statutory approvals for its proposed activities and having the licences, concessions, leases, permits or consents that it holds renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection with them.

In particular, there are risks that the Licences may not be renewed when required, may be withdrawn, may be made subject to limitations at the discretion of the government or authorities of the Democratic Republic of Congo or that changes to the conditions of the Licences will impact on JVCo's and the Company's Project activities.

(ii) *Future capital requirements*

The Company's ongoing activities may require substantial financing in the future for its business activities. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

(iii) *Exploration risks*

Mining exploration and development is a high risk undertaking. The success of the Project depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Licences and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Licences may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the Licences.

The exploration costs for the Project are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Project's viability.

(iv) *Resource estimates*

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend, to some extent, on interpretations, which may prove to be inaccurate and require adjustment. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect JVCo's and the Company's operations.

(v) *Ability to exploit successful discoveries*

It may not always be possible for JVCo and/or the Company to exploit successful discoveries which may be made in areas of the Project. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities or land beneficiaries that may

require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of WBK or other companies whose interests and objectives may not be the same as the Company's.

(vi) *Commodity price fluctuations*

The Company's potential earnings will be largely derived from the sale of mineral commodities (including gold and base metals). Accordingly, the Company's future revenues and cash flow will be impacted by fluctuations in the prices and available markets of these commodities. Any future revenue derived through any future sales of valuable minerals exposes the potential income of the Company to commodity price risks.

Commodity prices fluctuate and may be affected by numerous factors beyond the control of the Company including:

- A. current and expected future supply and demand for relevant commodities in the region and globally;
- B. forward-selling by producers;
- C. the level of production costs in major commodity-producing regions;
- D. macroeconomic factors such as expectations regarding inflation and interest rates; and
- E. the development of new technologies including any substitute products in relation to the current uses of particular commodities.

Any substantial decline in the price of those commodities or in transport or distribution costs may have a material adverse effect on the Company and the value of its Shares.

(vii) *Mining and development risks*

Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

(viii) *Title risks*

Interests in tenements are governed by legislation in their respective jurisdictions and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it reporting commitments, as well as other conditions requiring compliance. Consequently, JVCo could lose title to or its interest in the Licences if licence conditions are not met.

(ix) *Environment and government approvals*

The operations and activities of JVCo and the Company are subject to environmental laws and regulations applicable in the Democratic Republic of Congo. As with most exploration projects and mining operations, JVCo's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct, and will try to ensure that JVCo conducts, their operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(x) *In-country/political risks*

The operations and activities of JVCo and the Company in the Democratic Republic of Congo are exposed to political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to currency exchange rates; changing political conditions; restrictions on border crossings and trade; changes to laws and policies; labour unrest; foreign exchange and currency controls; renegotiation or nullification of existing concessions, licenses and permits; and failure to agree to terms of required agreements with the government or authorities of the Democratic Republic of Congo.

The Democratic Republic of Congo is considered to have high political and sovereign risk. Changes, if any, in mining or investment policies or shifts in political attitude in the Democratic Republic of Congo may adversely affect the Company's operations or profitability. Failure to comply strictly with applicable laws, regulations and local policies and practices relevant to the Project and the operations of JVCo and the Company could result in loss, reduction or expropriation of the Licences and other entitlements.

(xi) *Exchange rate fluctuations*

International prices of most commodities are denominated in United States dollars, whereas the income and expenditure of the Company, whilst operating on Australian projects, will be in Australian currency. This will expose the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, subject to any currency hedging the Company may undertake. The exchange rate is affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook.

(xii) *Global economic conditions*

Recent global economic conditions have been characterised by volatility. Access to financing has been negatively impacted by many factors as a result of the recent global financial crisis. This may impact the Company's ability to obtain financing on favourable terms in the future. Factors such as inflation, currency fluctuations, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and share price can be affected by these global economic conditions which are beyond the control of the Company and its Directors.

(i) *Realising value from projects*

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

The Directors have between them significant experience in ASX-listed mineral exploration companies. However, no assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(ii) *Joint venture parties, agents and contractors*

The Company's interest in the Project arises through its interest in JVCo. Accordingly, the Company relies significantly on the strategic relationship with its joint venture partner, WBK.

The Company may also enter into, or be assigned rights under, contract, including access arrangements, with third parties and have to rely on WBK and/or certain third parties to provide the JVCo and the Company with essential access to the Project area. There can be no assurance that the Company's relationships WBK or third parties will be able to be maintained or that new ones will be successfully formed and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones.

(iii) *Mineral assemblage and consistency*

The value of, and ability to mine, a resource is partially dependent on the mineral assemblage and / or quality and surrounding geological and soil setting. Information is not always necessarily available at the commencement of exploration, and is established at varying stages throughout development. Such data can affect the Company's and JVCO's ability to successfully extract, treat or sell the product. The Company makes all efforts to determine this information at practical stages throughout exploration to reduce risks associated with mineral assemblage and quality.

(iv) *Competition*

The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

(v) *Insurance risk*

In certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

(vi) *Key personnel*

Recruiting and retaining qualified personnel are important to the Company's success, particularly for the Company's operations in the Democratic Republic of Congo. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance that there will be no detrimental impact on the Company if such persons employed cease their employment with the Company.

4.12 Directors voting intentions

Each Director, in their capacity as Shareholders (where applicable), intends to vote in favour of Resolution 4.

Each of the Directors declares that they do not have any shareholding interest in either AFP or WBK.

4.13 Consequences if Resolution 4 is not approved

In the event Resolution 4 is not approved by Shareholders at the Meeting:

- (a) the scale of the Company's activities will not change and the Transaction will not proceed;
- (b) if the Transaction does not proceed, the Company will not be able to complete the Capital Raising and will not raise up to A\$1,650,000 from the Capital Raising;
- (c) the market price for Shares traded on ASX may decline substantially; at the date of the Company's announcement of the Transaction on 14 September 2016, Shares traded on ASX at \$0.004; since 14 September 2016, Shares have traded on ASX at prices in the range of \$0.001 to \$0.004;
- (d) the Company will need to cover the expenses incurred in negotiating the Transaction, which may severely impact on the Company's future;
- (e) the Company's securities may be suspended from trading by the ASX on the basis that the Company may not have sufficient operations to convince ASX that its activities warrant that the Company's continued listing and that the Company is in compliance with Listing Rule 12.1; and
- (f) the Board will continue to review potential new project acquisitions with the financial resources available after payment of expenses in relation to the Transaction.

4.14 Financial information about the Company

- (a) This Section contains an unaudited statement of financial position for the Company, with the relevant information extracted from the Company's management accounts as at 30 September 2016.
- (b) The unaudited pro-forma statement of financial position of the Company presents the Company's financial position as at 30 September 2016 as if the Company had completed the Transaction at that date. Acquisition accounting entries have been based on the terms of the Heads of Agreement and the assumptions used in order to arrive at an unaudited pro-forma consolidated statement of financial position for the Company as at 30 September 2016 are set out at the end of the statement of financial position.
- (c) The Company will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after Completion.
- (d) The unaudited pro-forma statement of financial position is indicative only. The Company has drawn its own conclusions based on the known facts and other publicly available information. If the factors, circumstances, assumptions or other information should prove to be different to that described, the conclusions may change accordingly.

Vector Resources Limited Statement of Financial Position	As at 30 September \$	Capital Raising (i)	Cash Consideration (ii)	Share Consideration (ii)	Pro-forma
Assets					
Current Assets					
Cash and Cash Equivalents	90,072	1,550,000	(300,000)		1,340,072
Other Receivables	11,497				11,497
Total Current Assets	<u>101,569</u>				<u>1,351,569</u>
Non-Current Assets					
Minerals interest	50,000		300,000	2,250,000	2,600,000
Financial Assets	20,997				20,997
Total Non-Current Assets	<u>70,997</u>				<u>2,620,997</u>
Total Assets	<u>172,566</u>				<u>3,972,566</u>
Liabilities					
Current Liabilities					
Trade and Other Payables	31,099				31,099
Total Current Liabilities	<u>31,099</u>				<u>31,099</u>
Total Liabilities	<u>31,099</u>				<u>31,099</u>
Net Assets	<u>141,467</u>				<u>3,941,467</u>
Equity					
Issued Capital	38,340,151	1,550,000		2,250,000	42,140,151
Option Reserve	2,502,913				2,502,913
Accumulated Losses	(40,701,597)				(40,701,597)
Total Equity	<u>141,467</u>				<u>3,941,467</u>

Notes:

This table is prepared on the basis of the following assumptions:

1. The entire amount of the Convertible Loan funds are converted to Shares issued under the Placement in accordance with the terms of the Convertible Loan.
2. The Capital Raising, consisting of the Convertible Loan, the Rights Issue and the Placement, is successfully completed, raising a total of \$1,650,000.
3. Costs of the Placement, including the fees of the Lead Manager, ASX costs and legal fees are \$100,000.
4. The Licences are successfully transferred to JVCo and a payment of \$300,000 is made to WBK, pursuant to the WBK Agreement, as set out in Section 4.4.
5. There is no adjustment for the operating costs of the Company between 30 September 2016 and the date of completion of the Transaction.

4.15 Effect of Transaction on assets

The effect of the Transaction will be:

- (a) to increase total cash from approximately \$90,000 (cash in bank at 30 September 2016) to approximately \$1,340,000 after Completion and the Capital Raising (refer to above pro-forma balance sheet); and
- (b) the Company will hold a majority interest in a substantial gold project requiring the Company to spend at least \$1 million on exploration on the Project within the first 12 months after Completion.

4.16 Effect of Transaction and Capital Raising on expenditure

- (a) The table below is a summary of the expenditure budgets for the Company over the next 12 months.
- (b) This budget summary is prepared on the basis that the Company will raise up to \$1,650,000 pursuant to the Capital Raising (see Section 4.5 for further details regarding the Capital Raising).
- (c) The expenditure budgets are subject to possible change depending on the outcome of exploration results and other factors beyond the Company's control.

Use of funds (12 months)	Budget (assuming raising of \$1.65 million)
WBK cash consideration	\$300,000
Acquisition and Capital Raising costs	\$100,000
JORC 2012 Resource Definition Drilling Program	\$500,000
Trenching, Sampling and Surveying	\$200,000
Assaying and Testwork	\$300,000
Corporate and administrative costs and working capital	\$250,000
Total	\$1,650,000

Notes:

This budget summary is prepared on the basis of the following assumptions:

1. As the Transaction is conditional upon the success of the Capital Raising, which is for a defined amount of \$1,650,000 both the maximum and minimum amount to be raised under the Placement is \$1,650,000.
2. The Company expects that on the success of the Capital Raising and the consequent raising of \$1,650,000, it will have sufficient funds to complete the Transaction and conduct its exploration and development activities for the next 12 months.

3. Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results forthcoming from the respective work programmes. Actual expenditure may differ from the above estimates due to a change in market conditions, the development of new opportunities, the results obtained from exploration and other factors (including the risk factors outlined in Section 4.11(e) above).
4. The above table represents statements of the intended use of the funds raised by the Company as at the date of this document. Exploration budgets may change as the conducted programmes provide encouragement or disappointment and new opportunities may be identified elsewhere.
5. It is anticipated that the funds available as unallocated working capital may be applied towards any contingency resulting in unforeseen expenses associated with the Company's projects, and also towards expenses incurred in identifying and generating new mineral exploration projects. Such expenses may include the cost of purchasing exploration data, commission expert reports/studies, acquiring exploration rights and due diligence costs of reviewing potentially suitable projects, including associated travel, legal and other professional expenses.

4.17 Future capital requirements

The Company received the Convertible Loan, in the amount of \$300,000, on or about 31 October 2016. These funds will largely be used to fund the Transaction costs and the entire Convertible Loan will be converted into Shares under the Placement (see Section 8).

Subject to Completion occurring, the Company also intends to complete the Rights Issue and the Placement to raise a further \$1,350,000 (before costs).

On completion of the Capital Raising and the Transaction, the Company anticipates that it will have sufficient funds to conduct its proposed exploration and development activities at least for the next 12 months without the need to conduct any further capital raising.

4.18 Financial outlook for the Company

This Explanatory Statement does not include any financial forecasts or projections for revenue or profit in relation to the Company.

The Company considers that the inclusion of financial forecasts would be speculative and potentially misleading for Shareholders given:

- (a) the current assets of the Company and those which it proposes to acquire pursuant to the Transaction are for the most part presently not sufficiently developed to provide reasonable forecast information;
- (b) development is subject to inherent risks associated with material grades and quantities, mining equipment availability, the granting of production licenses, extraction and logistics costs; and
- (c) the future market prices for gold are inherently uncertain.

4.19 Costs of the Transaction

The Company estimates it will incur fees for services provided in connection with the Transaction, including for legal, taxation and corporate advisers (including the Lead Manager), in the amount of approximately \$100,000 (not including GST).

The total amount of cash that the Company may become obliged to pay to satisfy all expenses incurred by it and relating to the Transaction will be provided from the Company's existing cash balance and funds to be raised under the Capital Raising.

4.20 Effect of the Transaction on capital structure

The anticipated capital structure of the Company assuming successful completion of the Transaction is set out in Section 4.8.

The Transaction is conditional on the Capital Raising and contemplates the issue of Shares to AFP, WBK and the Company's advisers (Resolutions 5, 6 and 7). If the Transaction reaches Completion, a maximum total of 4,400,000,000 Shares may be issued. Consequently, the total issued capital of the Company may increase in connection with the Transaction to 5,749,071,146 Shares.

The Transaction, if successful, will not result in a change of control of the Company, as no one person will acquire a relevant interest in the Company's Shares in excess of 20% of the total Shares on issue on Completion.

4.21 Effect of the Transaction on shareholding interests and voting power

The Transaction, if successful, will involve the Capital Raising and the issue of Shares to AFP, WBK and the Company's advisers (Resolutions 5, 6 and 7), each of which will dilute the shareholding interests of existing Shareholders.

If all Shares proposed to be issued pursuant to the Capital Raising and the Acquisition are issued (including the AFP Consideration Shares, the WBK Consideration Shares, the Milestone Shares and the Adviser Shares), the issued share capital of the Company will increase by a factor of approximately 426%, and the recipients of those Shares will not be evenly distributed among the existing Shareholders of the Company. As a result the shareholding interests of some existing Shareholders will be diluted.

The Shares proposed to be issued pursuant to the Transaction and the Capital Raising will also affect the substantial holding interests in the Company. In summary, a person will have a substantial holding in the Company if they (together with their Associates) hold a relevant interest in 5% or more of the Shares on issue.

As at the date of this Notice the following Shareholders hold a substantial interest in the Company.

Shareholder	Shares Held	% of Issued Capital
Goldfire Enterprises Pty Ltd	126,403,400	9.37%
JJC Consulting Services (Singapore) Pte Ltd	125,000,000	9.27%
Spinite Pty Ltd	100,000,000	7.41%
Myra Nominees Pty Ltd	100,000,000	7.41%
TOTAL	451,403,400	33.46%

On Completion and the issuing of the Milestone Shares, the maximum interests of those Shareholders (assuming full subscription by these Shareholders to their rights under the Rights Issue) would be:

Shareholder	Shares Held	% of Issued Capital
Goldfire Enterprises Pty Ltd	252,806,800	4.40%
JJC Consulting Services (Singapore) Pte Ltd	250,000,000	4.35%
Spinite Pty Ltd	200,000,000	3.48%

Myra Nominees Pty Ltd	200,000,000	3.48%
TOTAL	902,806,800	15.70%

4.22 Effect of the Transaction on the Company's financial position

The Transaction will affect the Company's financial position.

An outline of the manner in which the Company's financial position may change is set out in Section 4.14.

4.23 Effect of the Transaction on accounting policies

On successful Completion, the Company's accounting policies will not change.

5. APPROVAL TO ISSUE WBK CONSIDERATION SHARES - Resolution 5

5.1 Background

Pursuant to Heads of Agreement and the WBK Agreement, the Company has undertaken to issue to WBK's shareholders and advisers 1,500,000,000 Shares on Completion (**WBK Consideration Shares**).

5.2 Listing Rules information requirements

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in a general meeting of the precise terms and conditions of the proposed issue.

The effect of Resolution 5, if passed, will be that the issue of Shares will be exempt from the 15% limit under Listing Rule 7.1.

Approval of Resolution 5 will allow the Company to issue the WBK Consideration Shares, and provide the Company with flexibility during the next 12 month period to issue further equity securities in order to raise further capital if required.

In accordance with Listing Rule 7.3, the following details are provided in relation to Resolution 5:

- (a) The maximum number of securities to be issued on Completion pursuant to Resolution 5 is 1,500,000,000 Shares.
- (b) The WBK Consideration Shares will be issued at Completion but in any event within 3 months of the date of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by ASX.
- (c) The WBK Consideration Shares will be issued to WBK's shareholders and advisers in percentages nominated by WBK and WBK must apportion the WBK Consideration Shares amongst the WBK shareholders and advisers such that none of the WBK shareholders or advisers (or their Related Parties) will hold more the 9.99% of the Shares following Completion and the issuing of the Milestone Shares.

- (d) The WBK Consideration Shares will be issued in consideration for the Acquisition and accordingly will be issued for nil cash consideration and no funds will be raised through the issue of the Shares.
- (e) The WBK Consideration Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the existing Shares on issue; the Company will apply for quotation of the Shares on ASX.
- (f) An appropriate voting exclusion statement is included in the Notice.

5.3 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

6. APPROVAL TO ISSUE AFP CONSIDERATION SHARES - Resolution 6

6.1 Background

Pursuant to Heads of Agreement, the Company has undertaken to issue 500,000,000 Shares to AFP or its nominees on Completion (**AFP Consideration Shares**).

6.2 Listing Rules information requirements

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in a general meeting of the precise terms and conditions of the proposed issue.

The effect of Resolution 6, if passed, will be that the issue of Shares will be exempt from the 15% limit under Listing Rule 7.1.

Approval of Resolution 6 will allow the Company to issue the AFP Consideration Shares, and provide the Company with flexibility during the next 12 month period to issue further equity securities in order to raise further capital if required.

In accordance with Listing Rule 7.3, the following details are provided in relation to Resolution 6:

- (a) The maximum number of Shares to be issued pursuant to Resolution 6 is 500,000,000 Shares.
- (b) The AFP Consideration Shares will all be issued at the same time on Completion but in any event within 3 months of the date of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by ASX.
- (c) The AFP Consideration Shares will be issued in consideration for the Acquisition and accordingly will be issued for nil cash consideration and no funds will be raised through the issue of the Shares.
- (d) The AFP Consideration Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the existing Shares on issue; the Company will apply for quotation of the Shares on ASX.
- (e) An appropriate voting exclusion statement is included in the Notice.

6.3 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 6.

7. APPROVAL TO ISSUE ADVISER SHARES - Resolution 7

7.1 Background

Pursuant to Heads of Agreement, the Company has undertaken to issue 250,000,000 Shares to the promoters and advisers to the company in relation to the Transaction and the Capital Raising upon Completion (**Adviser Shares**).

7.2 Listing Rules information requirements

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

The effect of Resolution 7, if passed, will be that the issue of Shares will be exempt from the 15% limit under Listing Rule 7.1.

Approval of Resolution 7 will allow the Company to issue the Adviser Shares, and provide the Company with flexibility during the next 12 month period to issue further equity securities in order to raise further capital if required.

In accordance with Listing Rule 7.3, the following details are provided in relation to Resolution 7:

- (a) The maximum number of Shares to be issued pursuant to Resolution 7 is 250,000,000 Shares.
- (b) The Adviser Shares will all be issued at the same time on Completion but in any event within 3 months of the date of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by ASX.
- (c) The Adviser Shares will be issued in consideration for the services provided by various promoters and advisers to Company in relation to the Transaction and the Capital Raising and accordingly the Adviser Shares will be issued for nil cash consideration and no funds will be raised through the issue of the Shares.
- (d) The Adviser Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the existing Shares on issue; the Company will apply for quotation of the Shares on ASX.
- (e) An appropriate voting exclusion statement is included in the Notice.

7.3 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 7.

8. APPROVAL TO ISSUE SHARES UNDER PLACEMENT – Resolution 8

8.1 Background

Resolution 8 seeks Shareholder approval under Listing Rule 7.1 for the issue of the Placement, which will be a placement to sophisticated investors and the Lender of the number of Shares, based on an issue price of \$0.001 per Share, that is equivalent in value to A\$1,650,000, less the total amount raised pursuant to the Rights Issue (including the Shortfall Placement).

In accordance with the terms of the Convertible Loan, subject to the passing of this Resolution 8, the Placement will include the issue of 300,000,000 Shares to convert the Convertible Loan into Shares with no further payment required.

Resolution 8 is subject to Resolutions 4 to 7 being approved by Shareholders. The Transaction is subject to successful completion of the Placement as contemplated by this Resolution.

The purpose of Resolution 8 is to provide the Company with the ability to conduct the Placement by means of a placement of Shares to sophisticated investors and the Lender, thereby raising additional funds for the exploration of the Project and funds necessary to:

- (a) pay any additional expenses and costs incurred in conducting the Transaction; and
- (b) fund the Company's ongoing general working capital requirements which will increase if the Transaction is successful and the Company's operations increase in size and scale.

The maximum amount that may be raised on the issue of the Placement is \$1,350,000. This assumes that there is no take up of the Rights Issue but that 300,000,000 Shares are issued under the Placement to the Lender to convert the Convertible Loan into Shares with no additional payment.

8.2 Listing Rules information requirements

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

If approval is obtained for Resolution 8, the issue of Shares under the Placement will not be included in calculating the Company's 15% issuing capacity for the purposes of Listing Rule 7.1.

In accordance with Listing Rule 7.3, the following information is provided to enable Shareholders to assess the merits of Resolution 8 for the purposes of Listing Rule 7.1:

- (a) The maximum number of Shares proposed to be issued is 1,350,000,000 (assumes that there is no take up of the Rights Issue).
- (b) The Shares issued under Resolution 8 will all be issued at the same time within 5 Business Days after the close of the offer period under the Rights Issue but in any event within 3 months of the date of the Meeting or within

such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by ASX.

- (c) The issue price of the Shares will be \$0.001 per Share.
- (d) The Lead Manager in consultation with the Directors will determine to whom the Shares will be issued, but none of these persons will be related parties of the Company other than as contemplated by Resolutions 9, 10 and 11.
- (e) The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the existing Shares on issue; the Company will apply for quotation of the Shares on ASX.
- (f) The Company intends to use the funds raised from the Placement to provide funds to:
 - (i) explore the Project;
 - (ii) to pay any additional expenses and costs incurred in conducting the Transaction; and
 - (iii) fund the Company's ongoing general working capital requirements which will increase if the Transaction is successful and the Company's operations increase in size and scale.
- (g) It is intended that all the Shares issued under the Placement will be issued on the same date.
- (h) An appropriate voting exclusion statement is included in the Notice.

8.3 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

9. APPROVAL FOR MR GARY CASTLEDINE, MR NEVILLE BASSETT AND MR MICHAEL HENDRIKS TO PARTICIPATE IN THE SHORTFALL PLACEMENT AND THE PLACEMENT – Resolutions 9, 10 and 11

9.1 Background

The Company is seeking Shareholder approval to enable Mr Gary Castledine (non-executive Chairman) Mr Neville Bassett (non-executive Director) and Mr Michael Hendriks (non-executive Director), to participate in the:

- (a) the Shortfall Placement; and
- (b) the Placement.

Mr Castledine, Mr Bassett and Mr Hendriks each wishes to subscribe for 50,000,000 Shares under the Shortfall Placement and/or the Placement. The Shares will be issued on the same terms as all other Shares issued under the Shortfall Placement and the Placement, including the issue price of \$0.001 per Share.

Completion of the Rights Issue (including the Shortfall Placement) and the Placement is subject to and conditional upon Resolutions 4 to 8 being approved by Shareholders. Consequently, the ability of Mr Castledine, Mr Bassett and Mr Hendriks

to participate in the Shortfall Placement and the Placement is conditional upon Resolutions 4 to 8 and this Resolution 9 being approved by Shareholders.

9.2 Corporations Act exemption

For a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 210 of the Corporations Act provides that Shareholder approval is not required to give a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the public company and the Related Party were dealing at arm's length; or
- (b) are less favourable to the Related Party than arm's length terms.

The Shares proposed to be issued to Mr Castledine, Mr Bassett and Mr Hendriks or their nominees are proposed to be issued on the same terms and at the same price as all other Shares issued to non-related parties under the Shortfall Placement and the Placement and are for the purposes of a capital raising.

Accordingly:

- (a) in respect of Resolution 9, the Directors (other than Mr Castledine) consider that the terms of the proposed issue of Shares to Mr Castledine would be reasonable in the circumstances if the Company and Mr Castledine were dealing at arm's length and have resolved that Shareholder approval is not required for the purposes of section 208 of the Corporations Act as the exemption under section 210 of the Corporations Act applies;
- (b) in respect of Resolution 10, the Directors (other than Mr Bassett) consider that the terms of the proposed issue of Shares to Mr Bassett would be reasonable in the circumstances if the Company and Mr Bassett were dealing at arm's length and have resolved that Shareholder approval is not required for the purposes of section 208 of the Corporations Act as the exemption under section 210 of the Corporations Act applies; and
- (c) in respect of Resolution 11, the Directors (other than Mr Hendriks) consider that the terms of the proposed issue of Shares to Mr Hendriks would be reasonable in the circumstances if the Company and Mr Hendriks were dealing at arm's length and have resolved that Shareholder approval is not required for the purposes of section 208 of the Corporations Act as the exemption under section 210 of the Corporations Act applies.

9.3 Listing Rule information requirements

- (a) In accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 9:

- (i) Subject to the passing of Resolutions 4 to 8 and this Resolution 9, Mr Castledine or his nominee will subscribe for and may be issued up to 50,000,000 Shares under the Shortfall Placement and/or the Placement.
 - (ii) The maximum number of securities that may be issued Mr Castledine or his nominee is 50,000,000 Shares.
 - (iii) The Shares will be issued on the same date and terms as those to be issued to non-related parties under the Shortfall Placement and the Placement, but in any event within 1 month of the Meeting, or within such other time as may be permitted by the Listing Rules or any waiver(s) of the Listing Rules granted by ASX.
 - (iv) The Shares will be issued for consideration of \$0.001 per Share.
 - (v) A maximum of \$50,000 will be raised from the issue of up to 50,000,000 Shares to Mr Castledine, which will be used in the same manner as other funds raised under the Capital Raising as outlined in Section 4.16.
 - (vi) The Shares the subject of Resolution 9 are fully paid ordinary Shares and will rank equally with existing Shares, and will be quoted by ASX.
 - (vii) An appropriate voting exclusion statement is included in the Notice.
- (b) In accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 10:
- (i) Subject to the passing of Resolutions 4 to 8 and this Resolution 10, Mr Bassett or his nominee will subscribe for and may be issued up to 50,000,000 Shares under the Shortfall Placement and/or the Placement.
 - (ii) The maximum number of securities that may be issued Mr Bassett or his nominee is 50,000,000 Shares.
 - (iii) The Shares will be issued on the same date and terms as those to be issued to non-related parties under the Shortfall Placement and the Placement, but in any event within 1 month of the Meeting, or within such other time as may be permitted by the Listing Rules or any waiver(s) of the Listing Rules granted by ASX.
 - (iv) The Shares will be issued for consideration of \$0.001 per Share.
 - (v) A maximum of \$50,000 will be raised from the issue of up to 50,000,000 Shares to Mr Bassett, which will be used in the same manner as other funds raised under the Capital Raising as outlined in Section 4.16.
 - (vi) The Shares the subject of Resolution 10 are fully paid ordinary Shares and will rank equally with existing Shares, and will be quoted by ASX.
 - (vii) An appropriate voting exclusion statement is included in the Notice.
- (c) In accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 11:

- (i) Subject to the passing of Resolutions 4 to 8 and this Resolution 11, Mr Hendriks or his nominee will subscribe for and may be issued up to 50,000,000 Shares under the Shortfall Placement and/or the Placement.
- (ii) The maximum number of securities that may be issued Mr Hendriks or his nominee is 50,000,000 Shares.
- (iii) The Shares will be issued on the same date and terms as those to be issued to non-related parties under the Shortfall Placement and the Placement, but in any event within 1 month of the Meeting, or within such other time as may be permitted by the Listing Rules or any waiver(s) of the Listing Rules granted by ASX.
- (iv) The Shares will be issued for consideration of \$0.001 per Share.
- (v) A maximum of \$50,000 will be raised from the issue of up to 50,000,000 Shares to Mr Hendriks, which will be used in the same manner as other funds raised under the Capital Raising as outlined in Section 4.16.
- (vi) The Shares the subject of Resolution 11 are fully paid ordinary Shares and will rank equally with existing Shares, and will be quoted by ASX.
- (vii) An appropriate voting exclusion statement is included in the Notice.

9.4 Directors' recommendation

The Directors (other than Mr Castledine, who has a material personal interest in Resolution 9) recommend that Shareholders vote in favour of Resolution 9.

The Directors (other than Mr Bassett, who has a material personal interest in Resolution 10) recommend that Shareholders vote in favour of Resolution 10.

The Directors (other than Mr Hendriks, who has a material personal interest in Resolution 11) recommend that Shareholders vote in favour of Resolution 11.

10. APPROVAL TO ISSUE ADVISER SHARES TO WESTAR CAPITAL LIMITED – Resolution 12

10.1 Background

The Company is seeking Shareholder approval to enable Westar Capital Limited (**Westar**), to receive 35,000,000 Adviser Shares.

Westar is a Related Party of the Company because Mr Neville Bassett, a director of the Company, is the major shareholder of Westar.

Westar has provided corporate transaction advice to the Company in relation to the Transaction and the Capital Raising. As consideration for those services, the Company has agreed that 35,000,000 of the 250,000,000 Adviser Shares will be issued to Westar.

The issuing of the Adviser Shares is conditional on the passing of Resolutions 4 to 8 and Completion occurring. Consequently, the ability of Westar to receive its 35,000,000 Adviser Shares is conditional on Resolutions 4 to 8 and this Resolution 12 being approved by Shareholders and Completion occurring.

10.2 Corporations Act exemption

For a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 210 of the Corporations Act provides that Shareholder approval is not required to give a financial benefit on terms that:

- (c) would be reasonable in the circumstances if the public company and the Related Party were dealing at arm's length; or
- (d) are less favourable to the Related Party than arm's length terms.

The Adviser Shares proposed to be issued to Westar or its nominees are proposed to be issued on the same terms and at the same price as all other Adviser Shares issued to non-related parties in consideration of the corporate transaction advice and other related services provided by the Company's advisers in relation to the Transaction and the Capital Raising. Accordingly, the Directors (other than Mr Bassett) consider that the proposed issue of Adviser Shares to Westar would be reasonable in the circumstances if the Company and Westar were dealing at arm's length and have resolved that Shareholder approval is not required for the purposes of section 208 of the Corporations Act as the exemption under section 210 of the Corporations Act applies.

10.3 Listing Rule information requirements

In accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 12:

- (a) Subject to the passing of Resolutions 4 to 8 and this Resolution 12 and Completion occurring, Westar will be issued up to 35,000,000 Shares of the 250,000,000 Adviser Shares.
- (b) The maximum number of securities that may be issued to Westar is 35,000,000 Shares.
- (c) The Adviser Shares proposed to be issued pursuant to Resolution 12 will be issued on the same date and terms as the Adviser Shares that are issued to non-related parties (see Section 7) but in any event within 1 month of the date of the Meeting, or within such other time as may be permitted by the Listing Rules or any waiver(s) of the Listing Rules granted by ASX.
- (d) The Shares will be issued in consideration for the corporate transaction advice provided by Westar to the Company in relation to the Transaction and the Capital Raising and accordingly no funds will be raised through the issue of the Shares.
- (e) The Shares the subject of Resolution 12 are fully paid ordinary Shares and will rank equally with existing Shares, and will be quoted by ASX.

- (f) An appropriate voting exclusion statement is included in the Notice.

10.4 Directors' recommendation

The Directors (other than Mr Bassett, who has a material personal interest in Resolution 13) recommend that Shareholders vote in favour of Resolution 13.

DEFINITIONS

In this Notice and Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Acquisition means the acquisition by the Company of a majority interest in the Project pursuant to the Transaction.

Adviser Shares the Shares to be issued in accordance with the Heads of Agreement to the advisors and promoters of the Company in consideration for services provided in relation to the Acquisition and the Capital Raising.

AFP means African Royalty Company Pty Ltd ACN 609 521 155.

AFP Consideration Shares means the 500,000,000 Shares to be issued to AFP or its nominees upon Completion under the Heads of Agreement.

Annual Report means the 2016 Annual Report of the Company for the financial year ending 30 June 2016.

Associate has the meaning set out in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691.

Board means the board of Directors of the Company.

Capital Raising means the Convertible Loan, the Rights Issue and the Placement to raise a total of \$1,650,000.

Chairperson means the Chairperson of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Completion means completion of the Acquisition under the Heads of Agreement.

Constitution means the Company's constitution.

Convertible Loan means the convertible loan agreement dated on or about 31 October 2016 for the Lender to loan the amount of \$300,000 to the Company and which will be converted to 300,000,000 Shares to be issued under the Placement.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Directors' Report means the Directors' report in the Annual Report.

DRC means the Democratic Republic of Congo.

Explanatory Statement means this Explanatory Statement.

Heads of Agreement means the binding heads of agreement dated 14 September 2016, between the Company and AFP.

JVCo means the joint venture company for the Project to be formed under the WBK Agreement (see Section 4.4).

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Lead Manager or **Sanlam** means Sanlam Private Wealth Management.

Lender means 1620 Capital Pty Limited.

Licences means the seven granted exploitation licences comprising the Project: PR4792, PR4801, PR4803, PR4804, PR4805, PR4806 and PR4812 and which cover an area of over 500km².

Listing Rules means the official listing rules of ASX.

Meeting means the meeting convened by the Notice of Meeting.

Milestone Shares means the 500,000,000 Shares to be issued upon the establishment of a JORC (2012 Code) resource in excess of 1 million ounces at a cut-off grade in excess of 2.5g/t on the Project, subject to Shareholder approval.

Notice or **Notice of Meeting** means the notice of annual general meeting which forms part of this Explanatory Statement.

Placement means the placement to sophisticated investors described in Section 8.

Related Party has the meaning given to it in the Listing Rules.

Remuneration Report means the remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2016.

Resolution means resolution set out in this Notice.

Rights Issue means the proposed non-renounceable pro-rata offer of 1 new Share for every 1 Shares held by Shareholders at an issue price of 0.1 cents per Share to raise up to \$1,349,071, which the Company intends to announce prior to the Meeting.

Project means the Maniema Gold Project described in Section 4.2.

Proxy Form means the proxy form accompanying the Notice.

Section means a section of this Explanatory Statement.

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

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Rights Issue before the closing date of the Rights Issue.

Shortfall Placement means the placement of the Shortfall to sophisticated investors.

Transaction means the transaction for the Company to acquire a majority interest in the Project pursuant to the Heads of Agreement as described in Section 4.1.

US\$ means United States of American dollars.

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

WBK means WB Kasai Investments Congo SARL (No RCCM: CD/KIN/RCCM/16-B-9390).

WBK Agreement means the agreement between WBK and AFP (undated) in relation to the Project.

WBK Consideration Shares means the 1,500,000,000 Shares to be issued to WBK's shareholders and advisers upon Completion under the Heads of Agreement and the WBK Agreement.

WST means Australian Western Standard Time, being the time in Perth, Western Australia.

\$ means Australian dollars unless expressly stated otherwise.

PROXY FORM

The Secretary
Vector Resources Limited
PO Box 7315
Perth WA 6850

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 general meeting of the Company to be held at 5.00pm on Wednesday, 30 November 2016 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.

RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – G Castledine	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – M Hendrik	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of change in scale of the Company's activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to issue WBK Consideration Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval to issue AFP Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to issue Adviser Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval to issue Shares under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval for Mr Gary Castledine to participate in the Shortfall Placement and the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Approval for Mr Neville Bassett to participate in the Shortfall Placement and the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Approval for Mr Michael Hendriks to participate in the Shortfall Placement and the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Approval to issue Adviser Shares to Westar Capital	<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

Dated this _____ day of

Usual Signature

2016.

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

2016.

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 6268 2699 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.

6. Important for Resolution 1:

If the Chairperson of the Meeting or any member of the Key Management Personnel of the Company or a Closely Related Party of a member of the Key Management Personnel of the Company is your proxy and you have not directed the proxy how to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chairperson, another member of the Key Management Personnel of the Company or Closely Related Party of a member of the Key Management Personnel is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

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 5.00pm (WST) on 28 November 2016. Any proxy form received after that time will not be valid for the scheduled meeting.

In person: Vector Resources Limited
Level 4, 216 St Georges Terrace,
Perth, WA 6000

By mail: Vector Resources Limited
PO Box 7315
Perth WA 6850

By fax: (08) 6268 2699

ANNEXURE A – Project location

