

13 March 2013

Dear Shareholder

**Notice of Non-Renounceable Rights Issue**

We are writing to you in relation to your shareholding in Vector Resources Limited (**Company**).

The Company has announced to ASX Limited (**ASX**) the details of a pro rate non-renounceable entitlement issue on the basis on one (1) new fully paid ordinary share (**New Share**) for every two (2) shares held by eligible shareholders of the Company as at 7.00pm AEDT on 20 March 2013 (**Record Date**) at an issue price of \$0.03 per New Share to raise approximately \$3,851,045 (**Offer**).

As you are a shareholder with a registered address outside of Australia and New Zealand (**Foreign Shareholder**), the Offer will not be extended to you. The Company has determined, in accordance with the Corporations Act and ASX Listing Rule 7.7, that it would be unreasonable to make the Offer to Foreign Shareholders after taking into account the following:

- (i) the number of shareholders outside of Australia and New Zealand as a proportion of the total shareholders of the Company;
- (ii) the number and value of New Shares that would be offered to shareholders outside of Australia and New Zealand; and
- (iii) the costs of complying with the legal requirements and the requirements of regulatory authorities in overseas jurisdictions.

The Company has appointed Indian Ocean Capital Pty Ltd (**Nominee**) as an ASIC-approved nominee to subscribe for the New Shares which Foreign Shareholders would be entitled to if they were eligible to participate in the Offer (**Nominee Shares**). The Nominee will then sell the Nominee Shares and remit the net proceeds from the sale of the Nominee Shares to the Foreign Shareholders in their respective proportions.

The Nominee will have the absolute and sole discretion to determine the timing and price at which the Nominee Shares may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of the Nominee Shares will firstly be applied against expenses of such sale, including brokerage, and any balance will form part of the proceeds payable to the Foreign Shareholders (if any).

The Company will forward the proceeds of the sale of the Nominee Shares (if any) as soon as reasonably practicable to the Foreign Shareholders in proportion to their respective share holdings (after deducting the subscription price, brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee may sell Nominee Shares, Foreign Shareholders may nevertheless receive no net proceeds if the subscription price plus costs of the sale are greater than the sale proceeds.

Both the Company and the Nominee take no responsibility for the outcome of the sale of the Nominee Shares.

If you have any questions concerning this letter please contact the Company on +61 8 6188 7800 or contact your stockbroker or other professional adviser.

Yours faithfully

N J Bassett  
**Company Secretary**