



Vector Resources Ltd
ABN 99 107 541 453

PO Box 1922
West Perth
WA 6872

Tel: (08) 9486 1122
Fax: (08) 9486 1011

12 January 2009

Dear Shareholder

General Meeting

Enclosed with this letter are documents in relation to a general meeting of the Company to be held on Friday, 20 February 2009 at 10.00am at Level 8, Exchange Plaza, 2 The Esplanade, Perth, Western Australia:

- 1 Notice of General Meeting and Explanatory Memorandum.
- 2 Statement by Messrs Anthony Short, Gordon Sklenka and Roland Berzins.
- 3 Statement by Bluefind Pty Ltd and Kapiri Holdings Pty Ltd.
- 4 Proxy Form.

Yours sincerely

Roland Berzins
Company Secretary

Vector Resources Limited

ACN 107 541 453

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM

Date of Meeting: Friday, 20 February 2009

Time of Meeting: 10:00am WDST

**Place of Meeting: Level 8, Exchange Plaza, 2 The Esplanade,
Perth, Western Australia**

VECTOR RESOURCES LIMITED
ACN 107 541 453

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Vector Resources Limited ACN 107 541 453 will be held at Level 8, Exchange Plaza, 2 The Esplanade, Perth, Western Australia on Friday, 20 February 2009 at 10:00am (WDST).

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting contains information relevant to the various matters to be considered at the Meeting.

AGENDA

1. APPOINTMENT OF MR GEOFFREY GANDER AS A DIRECTOR

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

'That Mr Geoffrey Gander be and is hereby appointed a director of the Company (effective immediately on passing of this resolution).'

2. REMOVAL OF MR ANTHONY SHORT AS A DIRECTOR

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

'That, pursuant to section 203D of the Corporations Act, Mr Anthony Short be and is hereby removed as a director of the Company (effective immediately on passing of this resolution).'

3. REMOVAL OF MR GORDON SKLENKA AS A DIRECTOR

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

'That, pursuant to section 203D of the Corporations Act, Mr Gordon Sklenka be and is hereby removed as a director of the Company (effective immediately on passing of this resolution).'

4. REMOVAL OF MR ROLAND BERZINS AS A DIRECTOR

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

'That, pursuant to section 203D of the Corporations Act, Mr Roland Berzins be and is hereby removed as a director of the Company (effective immediately on passing of this resolution).'

5. REMOVAL OF MR MARIO BOLIVAR AS A DIRECTOR

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

'That, pursuant to section 203D of the Corporations Act, Mr Mario Bolivar be and is hereby removed as a director of the Company with immediate effect.'

6. REMOVAL OF MR BRUCE MCLEOD AS A DIRECTOR

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

'That, pursuant to section 203D of the Corporations Act, Mr Bruce McLeod be and is hereby removed as a director of the Company with immediate effect.'

Roland Berzins
Company Secretary

12 January 2009

PROXY INSTRUCTIONS

Members are advised that:

- each member has a right to appoint a proxy to attend and vote for them;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint either 1 or 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment is for 2 proxies and does not specify the proportion or number of votes each proxy may exercise, then, in accordance with section 249X(3) of the *Corporations Act*, each proxy may exercise half of the votes.

The member may specify the manner in which the proxy is to vote on each resolution or may allow the proxy to vote at his or her discretion.

In accordance with section 250BA of the *Corporations Act*, the Company specifies that the proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be posted or delivered to the registered office of the Company at Suite 4, 16 Ord Street, West Perth, Western Australia, 6005 or sent to that office by facsimile on +61 8 9486 1011.

Those documents must be received by the Company at least 48 hours before the time for holding the Meeting, or adjourned Meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a body corporate, in a manner permitted by the *Corporations Act*. In the case of shares jointly held by two or more persons, at least one joint holder must sign the proxy form.

A proxy form is attached to this Notice.

VOTING ENTITLEMENT

In accordance with Regulation 7.11.37 of the *Corporations Act*, the Company has set a date to determine the identity of those entitled to attend and vote at the Meeting. For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding at 4:00pm (WDST) on 18 February 2009. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

VECTOR RESOURCES LIMITED

ACN 107 541 453

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with information to assess the merits of the resolutions contained in the accompanying Notice of Meeting of the Company.

Resolutions 1 to 4 –Appointment and Removal of Directors

On 22 December 2008 the Company was served with a request from Bluefind Pty Ltd, Kapiri Holdings Pty Ltd and Mr Chris Wells, being shareholders together with at least 5% of the votes that may be cast at a general meeting of the Company, to convene a general meeting of the Company to consider the following resolutions:

1. The appointment of Mr Geoffrey Gander as a director.
2. The removal of Mr Anthony Short, the Company's non-executive chairman, as a director.
3. The removal of Mr Gordon Sklenka, the Company's only executive director, as a director.
4. The removal of Mr Roland Berzins, a non-executive director of the Company and the company secretary, as a director of the Company.

The shareholders making the request have exercised their right under the *Corporations Act* to provide to shareholders a statement in relation to the proposed resolutions. A copy of that statement accompanies this document.

Messrs Short and Sklenka are the founding directors of your Company. Mr Berzins was appointed as a director of the Company on 4 October 2005. Messrs Short, Sklenka and Berzins have exercised their right under the *Corporations Act* to provide to shareholders a statement in relation to the proposed resolutions to remove them as directors. A copy of that statement accompanies this document.

Resolutions 5 and 6 – Removal of directors

On 6 January 2009 the Company was served with a request from Spartan Nominees Pty Ltd, Fay Holdings Pty Ltd and Formaine Pty Ltd, being shareholders in the Company with at least 5% of the votes that may be cast at a general meeting of the Company, to convene a general meeting of the Company to consider the following resolutions:

1. The removal of Mr Mario Bolivar, a non-executive director of the Company, as a director.
2. The removal of Mr Bruce McLeod, a non-executive director of the Company, as a director.

The reasons provided by the shareholders making the request for the proposed removal of Messrs Bolivar and McLeod are as follows:

'Both Mr Bolivar and Mr McLeod were nominated to the board of Vector as a result of the proposed Colombian transaction. As this project has now been formally terminated there is no need for either of these parties to remain on the board. There is also a severe conflict of interest issue at stake here because there appears to be a close relationship between them and the parties who are attempting to take control by removing the founding board without making a takeover offer to all shareholders. These parties include Mr Chris Wells who is a broker at Indian Ocean Capital and whose company stood to receive 30 Million options had the Colombian deal proceeded.'

Mr Bolivar was appointed as a non-executive director of the Company on 10 September 2008. Mr Bolivar is a resident of Columbia and has extensive experience and expertise in identifying, evaluating projects and developing new projects in Columbia.

Mr McLeod was appointed as a non-executive director of the Company on 9 October 2008. Mr McLeod has extensive experience in the resource sector and in particular the mineral sands sector.

The appointment of both Mr Bolivar and Mr McLeod as directors was pursuant to a Terms Sheet entered into by the Company to acquire an interest in the Magdalena Iron Sands Project located in Columbia, which Terms Sheet was terminated on 5 December 2008 by reason of the fact that various conditions precedent set out in the Terms Sheet had not been satisfied by the due date of 5 December 2008 and a material adverse change had occurred in relation to the Project due to significant delays in approval of the applications for mining concession agreements underpinning the Project.

Mr McLeod has requested the inclusion of the following statement on his behalf:

'Due to pre-arranged international travel commitments and the unreasonably short 48 hour period of time imposed on me to provide a statement in response to the Section 249D Notice, I am unfortunately not in a position to provide a meaningful and considered statement to be included in the Notice of Meeting.

However, as I am permitted to do under Section 203D of the Corporations Act, I intend to provide a statement prior to the meeting, which will then be read out at the meeting. In that statement I intend to focus on three items, namely (i) my position as an independent, non executive director of your company; (ii) my opinion of events relating to the Colombian Mining Corporation transaction; and (iii) my experience of corporate governance matters within your company.

If shareholders wish to discuss matters relating to the Section 249D Notice, or other matters relating to the proposed meeting they should email me directly at epcapital@optusnet.com.au.'

Statement of Mr. Anthony Short, Mr. Gordon Sklenka and Mr. Roland Berzins against the resolutions for their removal as Directors of Vector Resources Limited.

Your **founding directors floated** Vector Resources Limited (VEC) on the basis that it had a highly prospective **flagship** development in the **Nabberu Iron project**, where results to date have proven significant **iron deposits**, with company structure, strategy and **our commitment** as directors fully disclosed at the time of listing. We believe it **important** for all **shareholders to understand** a request for the general meeting of the company under section 249D of the Corporations Act 2001 (Cth), has come about and as such provide the following for your consideration;

- The listing of VEC was partly funded by **Indian Ocean Capital** who is largely **behind** the **249D** meeting request to remove the current founding directors. In April 2008 the **Magdalena Iron Sands** project in Colombia was **presented** to the VEC board by **Indian Ocean Capital** and at that time the project appeared to be highly prospective on face value.
- Your Board decided to commit to this project however **from inception** the finalisation of the agreement has been **plagued** with **delays** and **frustration** in getting a clear picture of when the **Vendors** would **deliver** the project, **if ever**, on the basis that it had been presented your Board.
- As part of the Colombian project agreement, **Mr Bruce McLeod** (Sydney based) and **Mr Mario Bolivar** (Columbia based) **joined** the **Board** representing the **interests** of the **Vendors** but were unable to assist in achieving completion of the transaction. **Neither** of these two **directors holds any shares** in your company and their **interests do not coincide** with any of us as **shareholders** in a Western Australian based Resources Company.
- Your **founding directors** were put under a lot of **pressure** by Indian Ocean Capital, Mr McLeod and Mr Bolivar to **pursue** and **continue** with the Colombian **project despite** the fact that clear title and **crucial mining agreements could not** possibly **be delivered** at the time.
- **Significant doubts** remained in relation to **key aspects** of the proposed **project** but **Indian Ocean Capital, Mr McLeod** and **Mr Bolivar** continued to **push** for **settlement** of the transaction.
- **Your Board** was **not willing** to put the Company's **funds** to such a **highly risky** position and as a result has since **received** much **criticism** from those who stood to gain from the transaction. **Mr Bolivar** whose company was one of the **Vendors** and **Indian Ocean Capital**, a company which Mr. Christopher Mark Wells works for as a stockbroker, and who stood to **gain 30 million options** in **VEC**.

Additionally the 294D meeting request calls for the immediate **appointment** of **Mr. Geoffrey Gander** as a director. **Mr. Gander** currently holds **two directorships** after his **recent resignation** from the Board of Australian Gold Investments Limited (ASX:

AGV), who announced his resignation as director to the ASX on October 13th 2008 quoting “**Geoff’s** overseas **travel commitments** have **increased** significantly since he joined the Board late last year and he recently decided that he is **not able** to continue to **dedicate** the **time required** to this role at AGV”. This poses the question what has changed in less than three months and **does Mr. Gander have the time to dedicate to VEC** in the best interests of shareholders?

Your **founding directors** are facing a resolution for **removal** from **your company** which would **result in non shareholders controlling** your company. There are obvious **conflicts of interest** from **those** who have **called** for the 249D **meeting** and the **two directors** who **represent** the **vendors** of the Columbian project. **Our concern** is the Magdalena Irons Sands **Project** will be **pursued** if the proposed resolutions for **our removal** are **successful**.

In **considering** the **resolutions** of Bluefind Pty Ltd, Kapri Holdings Pty Ltd and Christopher Mark Wells, who requested 294D general meeting to **remove** us, the **founding directors**, from the Board of VEC **please consider**;

- Combined we have over **50 years experience** in the administration and management of listed public companies, corporate finance and the mining industry. Such a broad cross section of experience and skills is vital for a junior resource company.

Our aspirations for the Company have not changed since successfully listing VEC Resources in December 2007, and we continue to serve the **best interests of shareholders** as board members by striving to:

- Improve and build upon potential reserves and with a view to moving the company towards effective and efficient production
- Create wealth for all shareholders, a key priority as we too are shareholders
- Provide an independent view and apply a thorough due diligence process to all new potential projects acquisitions and developments
- Ensure good corporate governance
- Implement a focused and responsible approach to the preservation and application of company cash reserves

Your **founding directors** continue to **work towards further development** of the Nabberu project and are currently evaluating new projects that will help to make VEC into a strong investment for all shareholders. We fail to see how our removal as directors, and the appointment of Mr Geoff Gander and continuation as directors of Mr. McLeod and Mr. Bolivar, will facilitate this.

We urge all shareholders to **vote against** the **resolutions** to appoint Mr. Geoff Gander and **to remove** Mr. Anthony **Short**, Mr. Gordon **Sklenka** and Mr. Roland **Berzins** as directors of Vector Resources Limited, a **vote to save your company**.

Yours Sincerely,

Mr. Anthony Short – Chairman

Mr. Gordon Sklenka – Director

Mr. Roland Berzins – Director

STATEMENT TO MEMBERS OF VECTOR RESOURCES LIMITED

Bluefind Pty Ltd (ABN 68 105 706 296) (incorrectly stated as "Bluefin Pty Ltd" on the Company Register of Members), Kapiri Holdings Pty Ltd (ABN 47 003 401 938) and Christopher Mark Wells, being members of Vector Resources Limited (**the Company**), and who collectively hold approximately 5% of the votes that may be cast at a general meeting of the Company, have requested the directors of the Company to hold a general meeting (**General Meeting**) under Section 249D of the Corporations Act 2001 (**the Act**). The resolutions to be considered at the General Meeting propose to remove Mr Anothony Short, Mr Gordon Sklenka and Mr Roland Berzins (**Directors**) as directors of the Company.

We are writing to you, as fellow shareholders, to explain why we believe you should vote "**FOR**" the proposed resolutions:

1. We are of the opinion that the Directors hold too many directorships of public companies and, as a result, have not devoted sufficient time to focus on the specific requirements and needs of your Company. Mr Short holds 5 public company directorships, Mr Sklenka holds 7 public company directorships and Mr Berzins holds 3 public company directorships. The current market capitalisation of the Company is approximately \$4 million, which is significantly below cash backing. We believe this will only improve once there has been a change to the board and there is a more focused approach to the preservation of cash and the review and ultimate acquisition of the appropriate strategic asset(s) by the Company.
2. The Company is speculative in nature and needs to preserve its cash reserves. The current funds being expended on administrative expenses (as per the publicly released quarterly cashflow reports) are, in our view, excessive. A new board of directors will immediately cut these costs and ensure all available funds are focussed on the evaluation and acquisition of projects that build shareholder value in the Company.

VECTOR RESOURCES LTD
ACN 107 541 453

PROXY FORM

Name
Address

Appointment of a proxy

I/We being a member(s) of Vector Resources Ltd hereby appoint:

(Write here the name of the person you are appointing)

or failing the person named, or if no person is named, the Chairman as my/our proxy and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the general meeting of Vector Resources Ltd to be held at Level 8, Exchange Plaza, 2 The Esplanade, Perth, Western Australia at 10:00am (WDST) on Friday, 20 February 2009 and at any adjournment of that meeting.

Appointment of a second proxy

I/We wish to appoint a second proxy

mark with an "X" if you wish to appoint a second proxy AND % OR State the percentage of your voting rights or the number of shares for this Proxy Form

Resolutions

	For	Against	Abstain*
1 APPOINTMENT OF MR GEOFFREY GANDER AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 REMOVAL OF MR ANTHONY SHORT AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 REMOVAL OF MR GORDON SKLENKA AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 REMOVAL OF MR ROLAND BERZINS AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 REMOVAL OF MR MARIO BOLIVAR AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 REMOVAL OF MR BRUCE MCLEOD AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

Contact Email address

Contact Telephone Number

 ()

Signature(s)

Shareholder 1	Shareholder 2	Shareholder 3
Director	Director/Secretary	Sole Director and Secretary

Proxies may be lodged either by facsimile to the Company's registered office on +61 08 9486 1011, or by mail or delivery to the registered office at Suite 4, 16 Ord Street, West Perth, Western Australia. To be valid, a proxy form must be received by the Company no later than 48 hours before the time appointed for the General Meeting. For assistance in completing this form, please refer to the next page of this form.

INSTRUCTIONS FOR COMPLETION OF THE PROXY FORM

Shareholders Name

This is the name of the shareholder as it appears on the Company's share register. For the purposes of this General Meeting, shares will be taken to be held by those persons who are the registered holders at 4:00pm WDST 18 February 2009.

Appointment of Proxy

A shareholder entitled to attend and vote at the General Meeting is entitled to appoint not more than two persons (whether shareholders or not) as proxy or proxies to attend in the shareholder's place at the General Meeting. The proxy has the same right as the shareholder to speak and vote at the General Meeting. If you leave this section blank, the Chairman of the meeting will be your proxy.

Appointing a Second Proxy

If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.

Vote on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the resolution/s you wish to direct your proxy to vote on. You can split your vote on any resolution/s by inserting the number/s of shares you wish to vote in the appropriate box/es. Please ensure you clearly mark the box by placing a mark or the number of shares you are voting.

Contact Email and Telephone

This will help us if there are any problems with your proxy form.

Signature(s)

This form must be signed. If your shares are held in joint names, only one shareholder must sign but if a separate proxy form is lodged by more than one joint holder then the proxy lodged by the joint holder whose name appears first on the Company's share register will be valid to the exclusion of other proxies. If you are signing as an Attorney, then the Power of Attorney (or a certified copy) must accompany this form. Only duly authorised officer(s) can sign on behalf of a company. Please sign in the boxes provided which state the office held by the signatory.

Delivery of Proxy

To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting, that is by 10:00am (WDST), 18 February 2009, by hand, post or facsimile.