

> QUARTERLY REPORT

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The Directors of Vector Resources Limited ("Vector" or the "Company" ASX: VEC) are pleased to provide the quarterly report for the period ended 30 June 2012.

At the date of this Quarterly Report, the Company has 236,493,707 fully paid ordinary shares and 94,016,722 listed options (\$0.25 exercise, 30 January 2015 expiry) on issue.

Key highlights

- Muriels Extension partial PoW approved;
- Gwendolyn Phase 3 drill program completed;
- Gwendolyn Phase 4 PoW approved;
- Gwendolyn Resource upgrade;
- Petrology report carried out on Gwendolyn;
- Mineralisation continues to expand in all directions;
- High Grade intercepts identified from initial Phase 3 drill program;
- Interpretation work on aeromagnetic surveys over Mt Palmer is nearing completion;
- Gwendolyn Mining Lease M77/1263 granted;
- Gwendolyn Autumn Flora Survey completed with no issues identified; and
- Gwendolyn geotechnical analysis underway.

During the fourth quarter of the financial year the Company has continued the aggressive exploration program at Gwendolyn East with outstanding results.

In addition to the projects located within the Southern Cross hub the Earahedy basin has also significantly progressed during the quarter. Further details of the advancements of these projects are described in the following pages.

Southern Cross

Mt Dimer (M77/427, M77/428, M77/957, M77/958, M77/965, E77/1992, P77/4081)

During the quarter flora reviews were carried out on M77/427 and 428 with an aim to determine the extent of historical clearing on the tenements prior to the Company taking control. This work is part of the ongoing monitoring of the historical mining areas and the success of rehabilitation during the period of abandonment. The Company has also been developing a comprehensive environmental management plan for the area to assist with future approvals.

The 2 Program of Works (PoW) submitted in October and December 2011 for 483 holes totalling 24,150 metres of RAB drilling to explore the new green field targets identified from the geochemical drilling are still pending approval due to delays from the Kalgoorlie branch of the DEC. Once approval is obtained the technical team will commence the RAB program based in priority order.

Gwendolyn (E77/1580 & M77/1263)

Gwendolyn East previous tenement P77/3976 was converted to a mining lease M77/1263 in May 2012 and has been the priority of the Company during the quarter with the majority of the technical team focusing on the Phase 3 and 4 drilling programs. These drill programs have been a combination of extensional and infill drilling of the current mineralisation envelope that has been targeting the oxidised, transition and fresh material to expand the known resource for future surface and underground mining potential.

During the quarter the company drilled a total of 115 holes for 12,438 metres of reverse circulation (RC) drilling with the use of two rigs, one track mounted and the other truck. As of the end of June 2012 there were 60 entire drill holes and 29 partial drill holes awaiting assay results. The results of these programs to date have been highly successful with the continued identification of mineralisation outside of the current envelope as well as the identification of an additional 3 high grade perpendicular lodges.

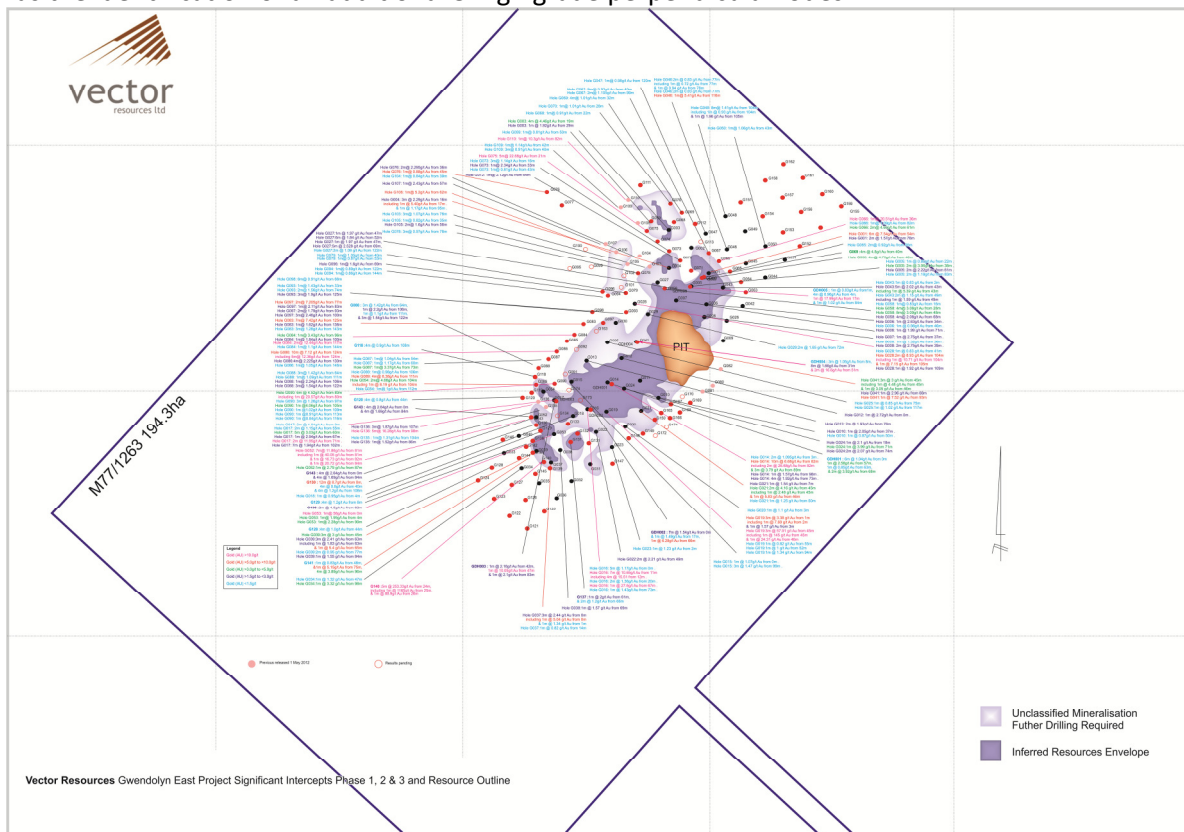


Figure 1: The plan view above represents the collar locations of the RC holes that reported significant intercepts above 0.8 g/t.



Table 1: of drill hole single assay results with significant gold intercepts 0.8g/t Au or greater

SiteID	Coordinates - PSAD56 Zone 21N					Intercepts				
	Dip	Azimuth	North	East	TDepth	DepthFrom	DepthTo	Au g/t	Intercept	Significant Intercepts
G046	-60	130	736029	6711292	120	25	26	3.9	1	
G046	-60	130	736025	6711289	120	116	117	5.4	1	
G047	-60	130	735983	6711318	150	120	121	1.0	1	
G048	-60	130	736025	6711358	150	104	105	0.9	8	8m @ 1.4 g/t from 104 m
						105	106	2.0		
						106	107	0.9		
						107	108	0.8		
						108	109	1.8		
						109	110	1.8		
						110	111	1.9		
G050	-60	130	736105	6711295	108	43	44	1.1	1	
G052	-60	130	735643	6710952	150	81	82	40.5	7	7m @ 11.9 g/t from 81m
						82	83	16.7		
						83	84	1.5		
						84	85	20.7		
						85	86	0.6		
						86	87	0.3		
G053	-60	130	735675	6710919	120	0	1	56.0	1	
G053	-60	130	735675	6710919	120	4	5	2.0	1	
G053	-60	130	735675	6710919	120	99	100	2.3	1	
G054	-60	130	735656	6711004	150	104	105	8.2	2	2m @ 4.7 g/t from 104 m
						105	106	1.2		
						112	113	1.0		
G058	-90	0	735905	6711214	72	16	17	0.8	4	4m @ 3.09 g/t
						28	29	1.7		
						29	30	4.6		
						30	31	4.5		
						31	32	1.6	4	4m @ 2.08 g/t
						68	69	2.5		
						69	70	2.7		
						70	71	1.8		
71	72	1.4								
G059	-60	130	735877	6711346	96	50	51	0.8	1	
G065	-60	130	736034	6711244	100	56	57	0.9	2	2m @ 0.93 g/t
						57	58	1.0		
G066	-60	130	736008	6711267	100	36	37	20.5	1	
						61	62	8.5	2	2m @ 4.63 g/t
						62	63	0.8		
						82	83	1.1	1	
G067	-60	130	735989	6711285	114	99	100	1.3	2	2m @ 1.11 g/t
						100	101	0.9		
G068	-60	130	735923	6711347	108	22	23	0.9	1	
G070	-60	130	735918	6711380	120	28	29	1.0	1	
G072	-60	130	735940	6711273	100	64	65	2.1	1	
G073	-60	130	735918	6711288	100	16	17	0.8	3	3m @ 1.14 g/t
						17	18	1.6		
						18	19	1.0		
						33	34	2.3	1	
						43	44	0.8	1	

* Notes on sample intercept widths: The metre intervals detailed in the table above are measured down-hole lengths and are unlikely to be indicative of true width.



Table 1, continued: of drill hole single assay results with significant gold intercepts 0.8g/t Au or greater

SiteID	Coordinates - PSAD56 Zone 21N					Intercepts					
	Dip	Azimuth	North	East	TDepth	DepthFrom	DepthTo	Au g/t	Intercept	Significant Intercepts	
G075	-60	130	735864	6711330	100	21	22	0.8	2	2m @ 1.82 g/t	
						22	23	2.8			
						24	25	107.7	2		2m @ 54.55 g/t
						25	26	1.4			
G076	-60	130	735671	6711401	84	36	37	3.8	2	2m @ 2.30 g/t	
						37	38	0.8			
						45	46	0.9	1		
G078	-60	130	735848	6711236	132	78	79	1.0	3	3m @ 1.0 g/t from 78 m	
						79	80	0.6			
						80	81	1.3			
G079	-60	130	735822	6711200	126	40	41	1.1	1		
						53	54	0.9	1		
G083	-60	130	735703	6711396	150	118	119	4.1	1		
						125	126	4.3	7	7m @ 7.42 g/t	
						126	127	18.3			
						127	128	2.6			
						128	129	9.2			
						129	130	5.4			
						130	131	11.2			
						131	132	0.9			
						136	137	1.6	1		
						143	144	2.0	3	3m @ 1.28 g/t	
144	145	0.9									
145	146	1.0									
G084	-60	130	735686	6711377	150	96	97	3.4	1		
						100	101	1.8	1		
						117	118	23.7	2	2m @ 12.44 g/t	
						118	119	1.2			
						144	145	1.1	1		
G085	-60	130	735671	6711362	174	83	84	1.1	1		
						86	87	0.9	1		
G086	-60	130	735653	6711344	168	124	125	4.5	2	2m @ 17.85 g/t	
						125	126	31.2			
						127	128	14.1	2	2m @ 13.04 g/t	
						128	129	12.0			
						130	131	4.3	4	4m @ 2.22 g/t	
						131	132	1.6			
						132	133	2.2			
						133	134	0.8			
146	147	1.1	1								
G087	-60	130	735634	6711330	126	54	55	1.0	1		
						60	61	1.2	1		
						73	74	3.4	1		
G088	-60	130	735651	6711049	150	64	65	3.1	3	3m @ 3.4 g/t from 64 m	
						65	66	0.4			
						66	67	0.8			
						106	107	2.2	1		
						111	112	1.1	1		
						122	123	1.2	3	3m @ 1.5 g/t from 122 m	
						123	124	1.1			
124	125	2.3									

* Notes on sample intercept widths: The metre intervals detailed in the table above are measured down-hole lengths and are unlikely to be indicative of true width.



Table 1, continued: of drill hole single assay results with significant gold intercepts 0.8g/t Au or greater

SiteID	Coordinates - PSAD56 Zone 21N					Intercepts				
	Dip	Azimuth	North	East	TDepth	DepthFrom	DepthTo	Au g/t	Intercept	Significant Intercepts
G089	-60	130	735643	6711016	156	106	107	1.0	1	
						111	112	22.6	4	4m @ 8.38 g/t
						112	113	8.9		
						113	114	1.0		
						114	115	1.1		
G090	-60	130	735680	6711019	150	80	81	20.6	1	
						82	83	1.4	1	
						84	85	1.1	2	2m @ 1.83 g/t
						85	86	2.6		
						97	98	1.0	1	
						99	100	1.9	1	
						101	102	0.8	1	
						105	106	4.1	1	
						109	110	1.0	1	
						113	114	0.9	1	
116	117	0.8	1							
G093	-60	130	735821	6711162	150	33	34	1.4	1	
						74	75	1.9	2	2m @ 1.6 g/t from 74 m
						75	76	1.3		
						125	126	3.4	3	3m @ 1.9 g/t from 125 m
						126	127	1.4		
127	128	0.9								
G094	-60	130	735784	6711196	150	122	123	0.9	1	
						144	145	0.9	1	
G096	-60	130	735775	6711204	96	69	70	1.6	1	
G097	-60	130	735776	6711142	120	77	78	13.1	2	2m @ 7.21 g/t
						78	79	1.4		
						83	84	2.1	1	
						93	94	2.4	1	
						94	95	1.2	1	
						100	101	2.6	3	3m @ 2.46 g/t
						101	102	4.0		
102	103	0.9								
G098	-60	130	735754	6711162	120	66	67	1.5	3	3m @ 1.29 g/t
						67	68	0.8		
						68	69	1.6		
						71	72	0.9	1	
G103	-60	130	735868	6711251	100	49	50	1.6	2	2m @ 1.3 g/t
						50	51	1.1		
						78	79	0.8	2	3m @ 1.1 g/t
						79	80	1.6		
						80	81	0.8		
G104	-60	130	735848	6711276	100	39	40	1.0	1	
G105	-60	130	735823	6711260	100	35	36	1.0	1	
						56	57	1.4	2	2m @ 1.6 g/t
						57	58	1.8		
G106	-60	130	735799	6711285	100	62	63	1.0	1	
G107	-60	130	735778	6711301	100	57	58	1.0	1	
G109	-60	130	735809	6711375	100	40	41	3.0	1	
						42	43	1.0	1	

* Notes on sample intercept widths: The metre intervals detailed in the table above are measured down-hole lengths and are unlikely to be indicative of true width.



Table 1, continued: of drill hole single assay results with significant gold intercepts 0.8g/t Au or greater

SiteID	Coordinates - PSAD56 Zone 21N					Intercepts					
	Dip	Azimuth	North	East	TDepth	DepthFrom	DepthTo	Au g/t	Intercept	Significant Intercepts	
G110	-60	130	735824	6711390	100	82	83	1.0	1		
G135	-60	130	735655	6710966	120	86	87	1.0	1		
						104	105	1.0	1		
G136	-60	130	735636	6710978	120	98	99	72.5	3	3 m @ 26.3 g/t or 13m 6.8 g/t	
						99	100	5.7			
						100	101	0.9			
						102	103	2.0	1		
						107	108	4.3	1		
109	110	0.9	1								
G137	-60	130	735704	6710893	110	61	62	2.0	1		
						66	67	0.9	2	2m @ 1.2 g/t from 66 m	
						67	68	1.5			
G138	-60	130	735626	6710893	120	62	63	0.9	2		2m @ 1.5 g/t from 62 m
						36	64	2.1			
G140	-60	130	735649	6710850	110	24	25	2.4	5	5m @ 253.334 g/t from 24 m	
						25	26	1165.0			
						26	27	88.9			
						27	28	7.5			
28	29	2.9									
G141	-60	130	735626	6710870	148	48	49	0.8	1		
						75	76	5.2	1		
G181	-60	130	735631	6710964	120	4	8	4.0	1		
						93	94	2.9	7	7m @ 4.7 g/t from 93 m	
						94	95	10.2			
						95	96	0.2			
						96	97	13.9			
						97	98	4.5			
98	99	0.7									
99	100	0.6									
G188	-60	130	735838	6711206	106	32	36	4.0	2		
						88	92	4.0	1		
G190	-60	130	735895	6711239	120	24	28	4.0	1		
						60	64	4.0	1		
G193	-60	130	735785	6710990	100	4	8	4.0	2		
						61	62	141.4	8	8m @ 21.1 g/t from 61 m	
						62	63	10.6			
						63	64	1.7			
						64	65	5.4			
						65	66	1.4			
						66	67	5.9			
67	68	1.3									
68	69	1.3									
GDH001	-60	130	735792	6711018	149	0	1	1.9	6	6m @ 1 g/t from 0 m	
						1	2	0.8			
						2	3	1.0			
						3	4	0.7			
						4	5	1.0			
						5	6	0.8			
						57	58	2.6	1		
						63	64	0.9	1		
68	69	2.6	2	2m @ 3.92 g/t from 68 m							
69	70	5.2									

* Notes on sample intercept widths: The metre intervals detailed in the table above are measured down-hole lengths and are unlikely to be indicative of true width.



Table 1, continued: of drill hole single assay results with significant gold intercepts 0.8g/t Au or greater

SiteID	Coordinates - PSAD56 Zone 21N					Intercepts				
	Dip	Azimuth	North	East	TDepth	DepthFrom	DepthTo	Au g/t	Intercept	Significant Intercepts
GDH002	-60	130	735748	6710967	120	0	1	3.3	7	7m @ 1.53 g/t from 0 m
						1	2	1.6		
						2	3	1.0		
						3	4	0.1		
						4	5	3.0		
						5	6	0.0		
						6	7	1.8		
						17	18	1.5	1	
66	67	6.3	1							
GDH003	-60	130	735678	6710983	120	42	43	2.2	1	
						47	48	10.1	1	
						83	84	2.1	1	
GDH004	-60	130	735845	6711102	119	8	9	1.2	3	3m @ 1.05 g/t from 8 m
						9	10	0.7		
						10	11	1.3		
						31	32	3.5	8	8m @ 1.66 g/t from 31 m
						32	33	0.9		
						33	34	0.0		
						34	35	0.0		
						35	36	6.0		
						36	37	0.1		
						37	38	0.9		
						38	39	1.9		
						51	52	10.5	2	2m @ 16.6 g/t from 51 m
52	53	22.8								
GDH005	-60	130	735954	6711213	87	1	2	0.8	1	
						4	5	1.1	4	4m @ 0.95 g/t from 4 m
						5	6	0.9		
						6	7	1.0		
						7	8	0.9		
						17	18	18.0	1	
84	85	1.0	1							
GDH006	-60	130	735880	6711220	93	48	49	1.0	1	
						52	53	1.1	13	13m @ 1.19 g/t from 52 m
						53	54	0.9		
						54	55	1.9		
						55	56	0.9		
						56	57	0.8		
						57	58	2.4		
						58	59	1.8		
						59	60	0.5		
						60	61	2.1		
						61	62	0.2		
						62	63	0.3		
						63	64	1.4		
64	65	1.3								
72	73	4.0	1							

* Notes on sample intercept widths: The metre intervals detailed in the table above are measured down-hole lengths and are unlikely to be indicative of true width.

The Gwendolyn East project has continued to produce exciting drill results throughout the Phase 3 program with the mineralisation envelope continuing to expand and identification of additional super high grade cross - structures. These drill results were used in combination with the Phase 1 and 2 programs to conduct an internal resource review.

On June 25th the Company released a resource upgrade that has significantly increased in size by 92% and classification as a result of the Phase 3 program which is a 544% increase on the resource since June 2011. The fully diluted indicated resource is now a combination of 2,619,990 tonnes at 1.81 g/t for 151,791 Au ounces of material and 238,000 tonnes at 0.7 g/t for 5,600 Au ounces of tails, totalling 2,857,990 tonnes at 1.72 g/t for 157,391 Au ounces. The fully diluted inferred resource is now 1,357,940 tonnes at 1.31 g/t for 57,109 Au ounces of material, giving a total of 4,215,930 tonnes at 1.58 g/t for 214,500 Au ounces.

Table 2: Gwendolyn Resource Table at 0.2 g/t Au Grade Shell

Project	Measured Resource			Indicated Resources			Inferred Resource			Total Resource		
	Tonnes	g/t Au	Total Oz Au	Tonnes	g/t Au	Total Oz Au	Tonnes	g/t Au	Total Oz Au	Tonnes	g/t Au	Total Oz Au
Gwendolyn				2,619,990	1.81	151,791	1,357,940	1.31	57,109	3,977,930	1.63	208,900
Gwendolyn Tails				238,000	0.70	5,600				238,000	0.70	5,600
Project Total				2,857,990	1.72	157,391	1,357,940	1.31	57,109	4,215,930	1.58	214,500

A total of 181,200 Au ounces have been added to the historical resource of 33,300 Au ounces in less than a year and the Company is fast tracking activities towards potential near-term production. Having a large amount of material now in the indicated category gives the Company the ability to move towards mine feasibility. There are still a large number of assay results pending and 38 holes remaining to be drilled in the Phase 3 program as at the end of June, before Phase 4 commences. The Company now has a global resource of 308,765 Au ounces with significant upside potential on all tenements currently reporting JORC resources.

Table 3: Vector Resources Limited Global Resource Table at 0.2 g/t Au Grade Shell

JORC Category	Measured Resource			Indicated Resources			Inferred Resource			Total Resource		
	Tonnes	g/t Au	Total Oz Au	Tonnes	g/t Au	Total Oz Au	Tonnes	g/t Au	Total Oz Au	Tonnes	g/t Au	Total Oz Au
Mt Dimer *	88,800	4.6	10,400				429,570	5.0	68,555	518,370	4.7	78,955
Gwendolyn				2,619,990	1.8	151,791	1,357,940	1.3	57,109	3,977,930	1.6	208,900
Gwendolyn Tails				238,000	0.7	5,600				238,000	0.7	5,600
Great Bingin *							54,700	7.4	12,960	54,700	7.4	12,960
Athenia *							49,300	1.5	2,350	49,300	1.5	2,350
Total	88,800	4.6	10,400	2,857,990	1.7	157,391	1,891,510	2.3	140,974	4,838,300	2.0	308,765

Internal Resource Estimate of the Gwendolyn East Gold Project June 2012

The Company's Internal Resource Estimate for the Gwendolyn East Gold Project June 2012 was completed by the Company's Exploration Manager Mr Arnel Mendoza using IDW3 analysis. Mr Arnel Mendoza is a competent person capable to perform the model and resource evaluation and he is a Member of the Australian Institute of Geoscientists ("AIG") and a Member of The Australasian Institute of Mining and Metallurgy. The resource estimate is based on a mineralization model and no geological controls at this stage; the geological model is currently in progress. SRK will complete a final Phase 3 resource upgrade once the remaining complete or partial RC hole samples are received. The key elements of the Internal Mineral Resource study for the Gwendolyn project are:

- Assessment of quality and continuity of the lithological and grade data;
- Estimation of the Au Mineral Resource; and
- Classification and reporting of the estimate in accordance with the JORC Code (2004 Edition).

The Gwendolyn East Project is at an exploration/resource definition stage. The existence of historical drilling and three new RC and diamond drilling programs allowed a geostatistical domain based on the Au grade continuity to be created. This geostatistical domain, named Mineralisation 0.2 g/t is based on a low cut-off grade envelope (shell) of 0.2 g/t.



Figure 2: Gwendolyn Primary JORC Resource >0.2 g/t Au cut-off grade

Within the 0.2 g/t Mineralisation Domain, the in-situ Gwendolyn indicated Mineral Resource is estimated to be 2,619,990 tonnes at an Au grade of 1.81 g/t with a gold content of 151,791 oz. Within the 0.2 g/t Mineralisation Domain, the in-situ Gwendolyn inferred Mineral Resource is estimated to be 1,357,940 tonnes at an Au grade of 1.31 g/t with a gold content of 57,109 oz.

Figure 3: Gwendolyn Tailings JORC Resource: 0.7 g/t Au cut-off grade

The Gwendolyn Tails Indicated Mineralisation Resource is estimated to be 238,000 tonnes at an Au grade of 0.7 g/t, containing 5,600 oz, as previously stated in the SRK report attached to the December 2011 resource upgrade announcement.

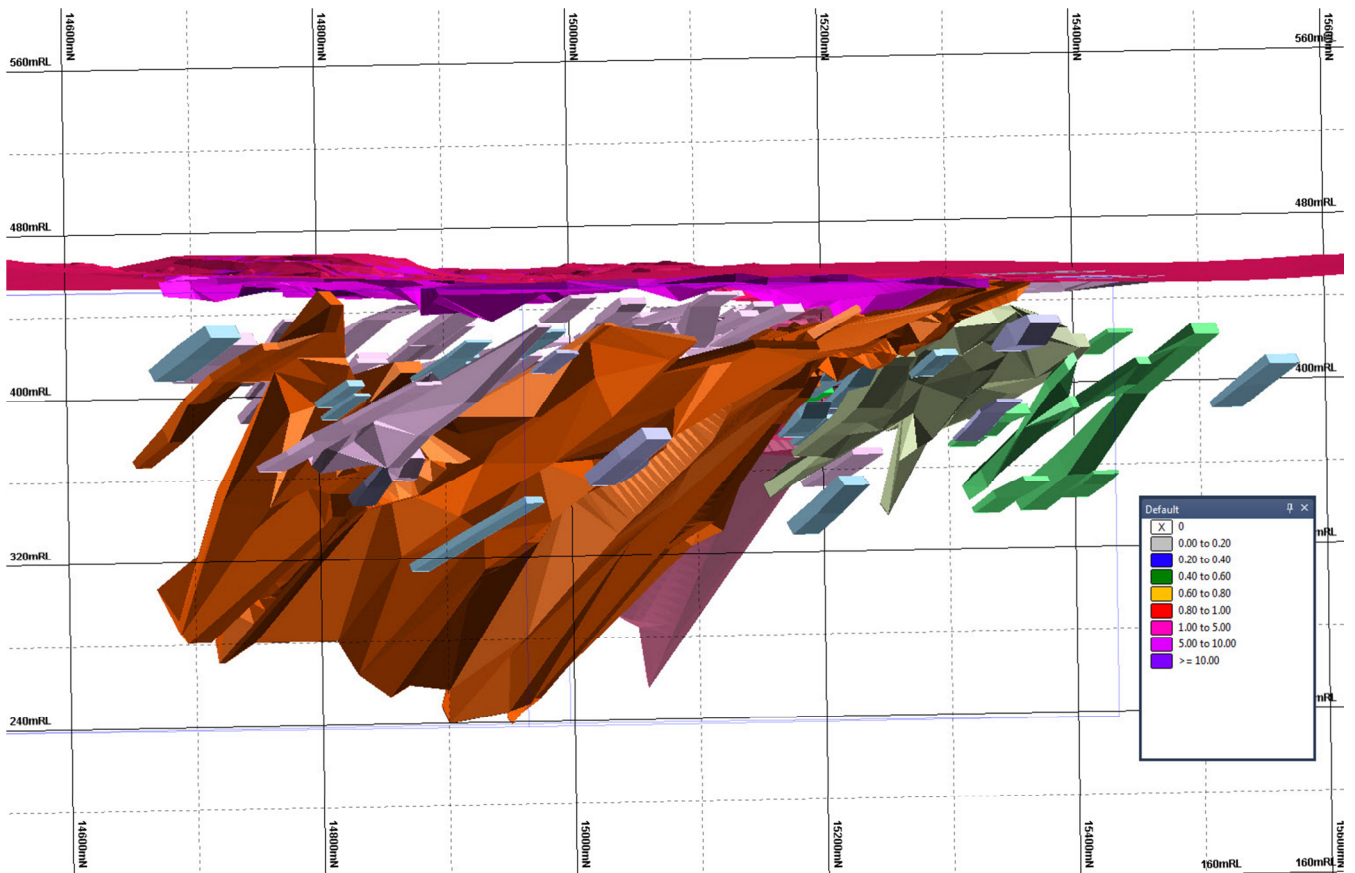


Figure 4: Mineralisation Model looking NE

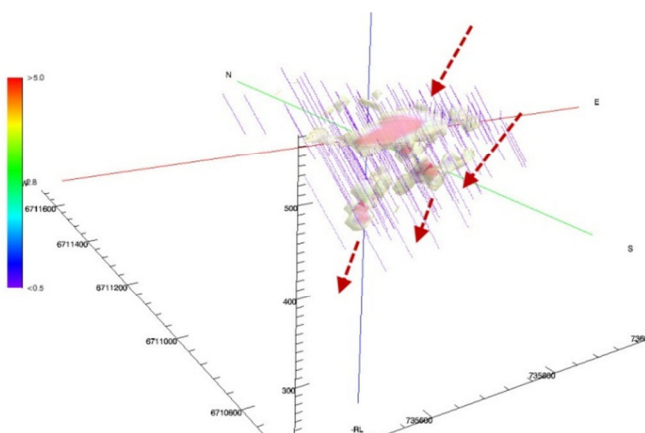


Figure 5: Spadis Software Mineralisation Model looking NE

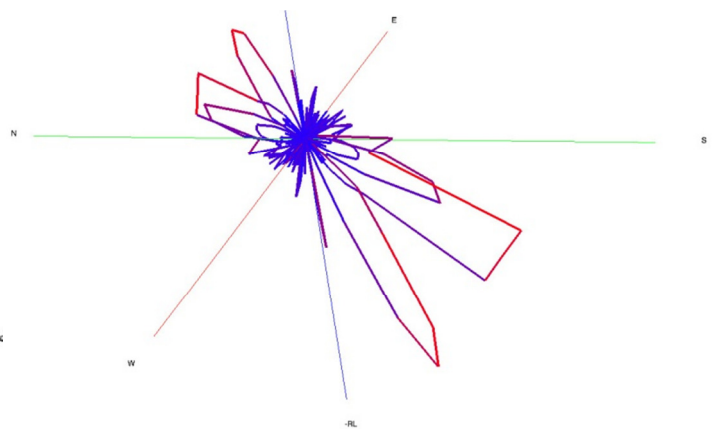


Figure 6: Spadis rose diagram looking NE

Additional activities completed during the quarter relating to Gwendolyn include the granting from the Department of Mines and Petroleum (DMP) of the mining lease M77/1263 which was a conversion of P77/3976. This is a major administrative milestone as the Company looks towards potential near turn production at Gwendolyn.

Petrology Results

Outstanding high grade intercepts were identified in many of the 115 holes drilled during the quarter, with RC hole G140 in particular returning grades between 1,165 g/t – 1,475 g/t from multiple samples and two different laboratories. This super high grade intercept had further analytical work carried out with the assistance of mineralogists Roger Townend and Associates who carried out analytical work with slides and determined the presence of multiple types of gold formations within Goethite and quartz material from the sample. This report was released to the market on the 30 May 2012.



Figure 6: Polished sections of coarse free gold, gold in quartz, gold in goethite, gold in goethite, gold veins in goethite

Environmental

In May 2012 the Company engaged Niche Environmental Services to conduct an Autumn Flora Survey over the Gwendolyn East project. This survey was extremely favourable with no significant issues identified. The vegetation in the survey area was not considered to have a high conservation value and is not considered to be likely to be a threatened or priority ecological community. Stage 2, Spring Flora Survey will be undertaken in September 2012 in conjunction with the necessary Fauna Survey to enable the company to progress to a mining proposal application.

PoW Approval

The Company applied to the DMP for a Phase 4 Program of Works (PoW) that encompassed the majority of the tenement on a 20 metre by 25 metre grid pattern. The Phase 4 PoW was approved by the DMP in June 2012 and will allow the Company to continue its drilling campaign without interruption. The program is designed to carry out continued extensional drill in all directions of the current mineralisation envelope while having the drill density required to improve on JORC categorisation. This program will also allow the Company to carry out sterilisation drilling on the tenement for proposed locations for site infrastructure and further geotechnical analysis for structural analysis.

Geotechnical

The Company engaged SRK Consulting's Geotechnical Division to carry out detailed structural logging and analysis on the PQ³ diamond core drilled in the Phase 3 program. This work will result in the development of a structural model to assist with geological constraints and pit design parameters and is due for completion in Q1 of the new financial year.

Metallurgical

The Company has engaged METS to carry out the metallurgical test work and analysis for flow sheet, mass balance and process design for the Gwendolyn project. The diamond core drilled during the Phase 3 program will be utilised for this purpose. All necessary information has been provided to the team who are currently conducting the initial test work with the aim for completion by the end of September.

Clampton (E77/1591)

The interpretation of the aeromagnetics has identified two major areas of interest. Initial desktop work has commenced on these areas in preparation for field visits in Q1. The technical team will conduct ground field investigations including mapping and surface sampling. The results of this work will refine potential exploration targets for drilling.

Mt Palmer (E77/1318, E77/1386, P77/3678)

The raw data provided from the aeromagnetic survey is currently with the geophysicist consultants for interpretation. There have been significant delays in receiving the interpretation for the external consultants with the timeframe now projected for completion during the first week of August 2012. Once completed, the team will use this data along with the information collected from the previous field trips to identify potential exploration targets and determine if extensional structures to adjoining tenements that had substantial historical mining exist.

Leonora

Muriels Extension (M37/661, P37/7580-7587)

The exploration team submitted a PoW for 172 RAB holes totalling 8,600 meters to the Department of Mines and Petroleum (DMP) in November 2011, approval for two of the three programs was received in June 2012. These programs and the associated site works will be carried out once drilling activities at Gwendolyn have been completed. The third PoW is currently still pending.

Earaheedy Basin

Earaheedy Joint Venture (50% Vector Resources / 50% Cazaly Resources)

During the April – June 2012 Quarter Cazaly Resources completed the following exploration works within Exploration Licences E52/2183, E69/2061, E69/2062, E69/2063 and E69/2376 as managers of the Earahedy (West) Joint Venture Project:

- The completion of earthworks, including track development and upgrade, and drill sump excavation, for exploratory drilling within Exploration Licence E69/2063
- 20 RC drill holes for 1,523 metres were drilled within Exploration Licence E 69/2063 between the 7th May and the 19th May 2012 targeting high-grade surface manganese mineralisation hosted by the Frere Formation, and the inferred continuation of mineralisation under colluvial cover
- Reconnaissance field work within Exploration Licence E52/2183, including the collection of two rock chip samples and Niton handheld XRF analysis
- Earahedy Project Review – exploration targets and future work (ongoing)
- Department of Minerals and Petroleum reporting (ongoing)
- Meeting with CDNTS and AAEA regarding the possible drilling of 3 RC holes outside of 'cleared' areas in E69/2375 during 2010.



Anglo American Farm-in

Vector Resources and Cazaly Resources limited (ASX:CAZ) (collectively the Earahedy Joint Venture, "EJV") previously announced a farm-in agreement with Anglo American ("Anglo"), the global diversified mining house, covering a large part of the EJV's Earahedy Iron project in the Wiluna region of Western Australia.

EJV's Earahedy project covers an area in excess of 1,700 km² and includes a substantial strike extent of iron ore prospective Frere Formation. The farm-in Agreement relates to an area of approximately 890 km².

During the quarter, Anglo received results from a native title heritage survey conducted during the last quarter allowing access for low impact activities on areas within E69/2064, E69/2065 and E69/2375. Some areas will require heritage monitors during exploration.

Anglo completed a 1:20,000 scale geological map and enrichment/mineralisation map on the Cecil Rhodes Project (E69/2375), covering an area of \approx 200 km². Anglo geologists have identified two iron rich units ('Lower Iron Formation', LIF, and Upper Iron 'Formations', UIF). These two rich iron units coincide with the interception from the aeromagnetic survey conducted by Fugro in late 2011.

Three rock chip samples were collected and submitted to ALS Analytical Laboratories in Perth. Detrital iron stones crop out sparsely and discontinuously in several areas proximal to good hematite enrichment of the granular iron formation with Fe content up to 49.9%. A total of 11 samples were submitted to Minerex Petrographic Services for polished thin sections.

The first reverse circulation drilling campaign to be conducted by Anglo at the Earahedy Joint Venture (Cecil Rhodes Project) is scheduled to commence in Late August. Permits have been submitted and a high impact heritage survey completed.

Appendix 5B

Attached is a copy of the Company's Mining Exploration and Entity Quarterly Report in accordance with Listing Rule 5.3.

ENDS

Notes on sample intercept widths: The metre intervals detailed in the table above are measured down-hole lengths and are unlikely to be indicative of true width.

** Notes on Exploration Targets: In accordance with Clause 18 of the JORC Code, it is important to note that the 'Target Resource' referred to above remains subject to further exploration and evaluation to bring the 'unclassified material' to a JORC Compliant resource. The current interpretation is conceptual in nature and remains preliminary and is based on exploration, evaluation and resource definition work undertaken to date.*

Competent Person's Statement

The information in this report that relates to Exploration Results or Mineral Resources of Vector Resources Ltd and its subsidiaries is based on information reviewed by Arnel Mendoza, who is a Member of the Australian Institute of Geoscientists ("AIG") and an employee of the Company.

Mr Mendoza has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Arnel Mendoza consents to the inclusion in this announcement of the matter based on his information in the form and context it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Vector Resources Ltd

ABN

99 107 541 453

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(2,618)	(6,421)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(208)	(1,231)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	35	211
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (Due Diligence on Golden Iron Resources Ltd Takeover)	-	-
	Net Operating Cash Flows	(2,791)	(7,441)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(14)	(90)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(14)	(90)
1.13	Total operating and investing cash flows (carried forward)	(2,805)	(7,531)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,805)	(7,531)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	3,739
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	-	3,739
	Net increase (decrease) in cash held	(2,805)	(3,792)
1.20	Cash at beginning of quarter/year to date	4,278	5,265
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,473	1,473

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	93
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

This includes payments to directors and for accounting services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,759
4.2 Development	-
4.3 Production	-
4.4 Administration	441
Total	2,200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	979	918
5.2 Deposits at call	494	3,360
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,473	4,278

*Note: Subsequent to quarter end an additional \$3.34m was raised. During the current quarter, an additional \$1.69m is to be raised (subject to shareholder approval).

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	P77/3976	Lapsed – converted to M77/1263	100%	0%
6.2 Interests in mining tenements acquired or increased	E77/1992	Application was granted	100%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	205,645,833	205,645,833	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	5,000,000	-	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 20/12/2014
	5,000,000	-	\$0.20	20/12/2014
	6,000,000	-	\$0.25	30/01/2015
	4,000,000	-	\$0.40	20/12/2015
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	176,886,666	176,886,666	\$0.20	30/06/2012
7.11 Debentures <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

7.12	Unsecured notes <i>(totals only)</i>	-	-
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31/7/2012
(Director and Company Secretary)
Print name: Neville Basset

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.