ASX Announcement

30 June 2013

vector resources ltd

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QUARTERLY REPORT

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 2013.

At the date of this Quarterly Report, the Company has 303,053,625 fully paid ordinary shares and 150,107,260 listed options ($0.25 exercise, 30 January 2015 expiry) on issue.

Key highlights

- **DMP approval of the Gwendolyn Mining Proposal;**
- **DEC 'Permits To Clear' for Gwendolyn Mining Proposal granted;**
- **Mining concept review nearing completion;**
- **Clampton and Mt Palmer review; and**
- **Earaheedy JV progressing.**

Gwendolyn

During the fourth quarter of the financial year, the Company has reviewed the various options available at the time to develop the mineral resources on M77/1263. The current mining concept for the Gwendolyn East Cutback Project currently being considered is a toll processing option designed to treat a bulk sample batch of material to carry out a metal balance reconciliation to determine the course gold influence.

The Mining Proposal submitted in December 2012 was approved on 14 June 2013 by the Department of Mines and Petroleum (DMP). This approval process experienced delays within the Environmental Division.

The Company obtained the required 'Clearing Permits' from the Department of Environment and Conservation (DEC) for the Phase 2 scope of operations on 6 June 2013. This approval was on schedule with the Company's original plans for the completion of Phase 1 and potential commencement of Phase 2.

The Company has continued to work with the Resource and Safety Division of DMP on the Safety Management Plan. Final site inspection is pending for State Mining Engineers (SME) consent to commence the potential mining operations of Phase 1.

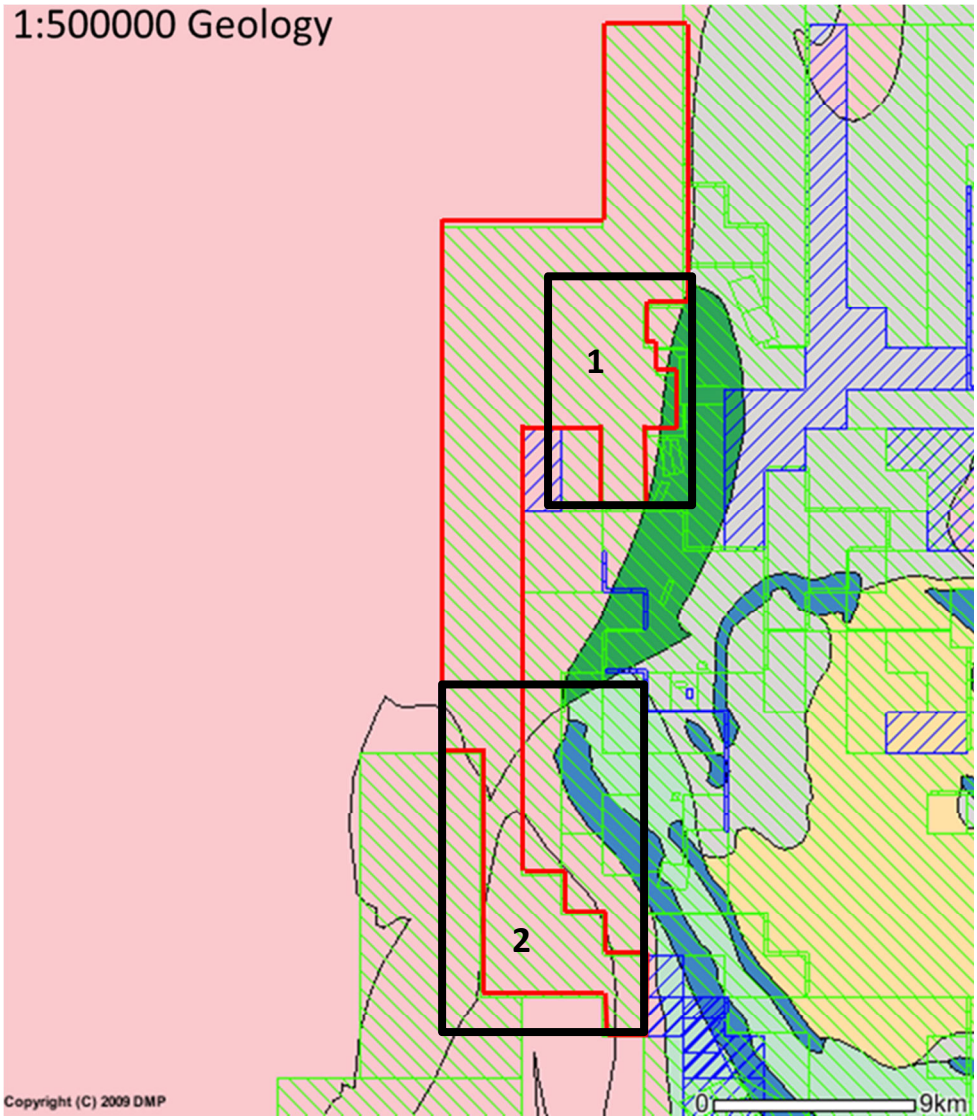
The Company has continued its discussions with the various Shires and Main Roads to finalise the approval requirements for the use and permits for the relevant road network for transport of materials to a suitable toll processing facility.

Due to the current climate within the resource sector and lower gold price, discussions with the various contractor and service providers have progressed with reviews of previous pricing being undertaken. The revision of the resource and reserve work for Phase 1 is nearing completion.

The Company's systems, standards and procedures for operational readiness in anticipation of potential production operations are complete. These systems, standards and procedures will be utilised as a minimum standard of acceptance for all contract companies to comply with and will form the backbone of the Company's safety management systems during operations.

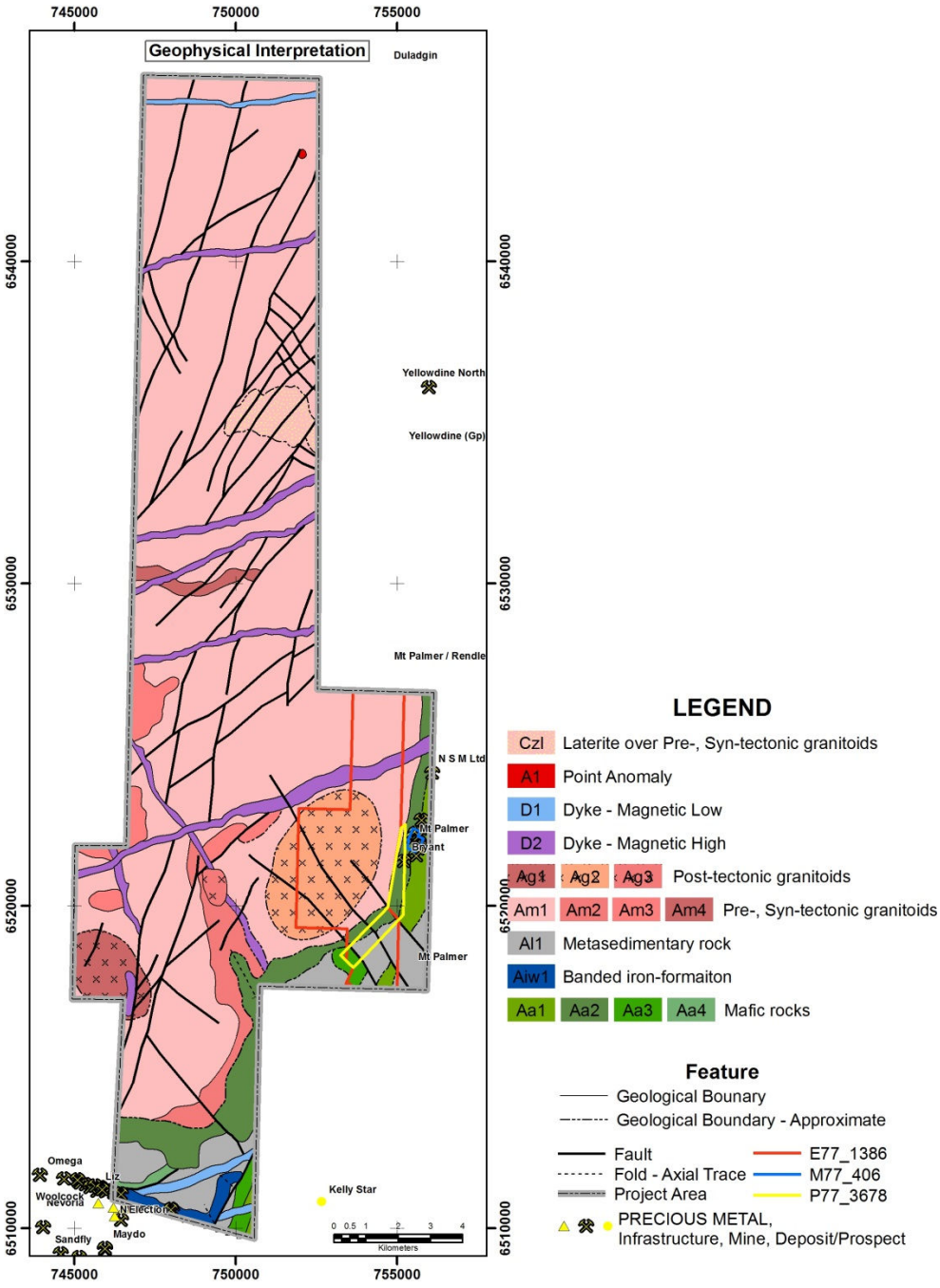
Clampton

A review of the Clampton project was undertaken during the quarter in two specific locations identified during the aeromagnetic interpretation work. This work was carried out to refine potential exploration targets identified and assist with the design of further ground studies and possible geochemical drill locations.



Mt Palmer

During the quarter the Company continued the geological review of the Mt Palmer project based on historical data, field work and recent interpretations of aeromagnetic surveys. This work has identified two main areas that present all the required characteristics for hosting gold mineralisation.



The Southern end of E77/1318 is located to the North of the old Nevoria Gold Mine. Nevoria produced 5,857,800 tonnes of ore for 446,376 Au ounces from gold hosted in Banded-Iron-Formation (BIF). The BIF is associated with the Southern Cross Greenstone Belt which is known as a good host for gold mineralisation. The presence of old mines in the area is also evidence for the presence of gold in the region. Further exploration will be undertaken to gain a better understanding of the mineralisation.

The second area of interest is located on tenements E77/1386 and P77/367 which is situated to the West of the old Mt Palmer and Yellowdine Gold Mines. Reported production from this area was 158,000 ounces averaging 15.7 Au g/t. The area is located on the eastern side of the Southern Cross Greenstone Belt and is quite isolated, but one of the major significant producers in the region. Host rocks include hornblende, actinolite and tremolite schists, with metamorphism commonly upper amphibolite and sometimes reaching the granulite facies. The orebodies are massive quartz reefs which include zones of assimilated country rocks. The quartz reefs occupy fold hinges and the limbs of minor folds. This area now presents a target for the discovery of new reefs, further exploration of these areas will assist in defining possible mineralisation.

Earaheedy Basin

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

Anglo American Farm-in

AAEA completed geological mapping on the tenement E69/2065 and several targets were identified on the westerns areas (Mako Prospect). Chert-rich BIF and GIF units were observed on the eastern areas with limited enrichment potential on the Tiger Prospect. The planned work has been completed as per the schedule and it's expected to define by late July the final location of drill holes for the late September RC drilling campaign.

Native Title

From the 6th to the 10th of May a low impact survey was conducted with the CDNT to tenement E69/2934 (West Hammerhead) for geological mapping. No significant sites were found on the tenement and all the areas were cleared for low impact work.

Technical

Geological Mapping at Mako Prospect, western areas of tenement E69/2065 (18th – 25th of April)

Outcrops of the BIF (banded iron formation) and GIF (granular iron formation) units are rare and limited to laterised subcrops and gravels when interbedded with siltstone and highly jointed crags/boulders in the hillsides when more chert dominated. The siltstone units are more easily weathered and form shallow valleys. Flakes of siltstone protrude vertically and are cleaved by recent weathering. This makes it difficult to determine structural measurements S0 and S1. Slightly more iron rich beds within the siltstone have a hard vitreous goethite coating and they can form small ridges within siltstone clearings. The quartzite is the most exposed unit and forms a relatively high ridge line running roughly north-west south-east across the tenement. The Mako prospect has been separated into three areas based on variations in the geology and structure. These are outlined below.

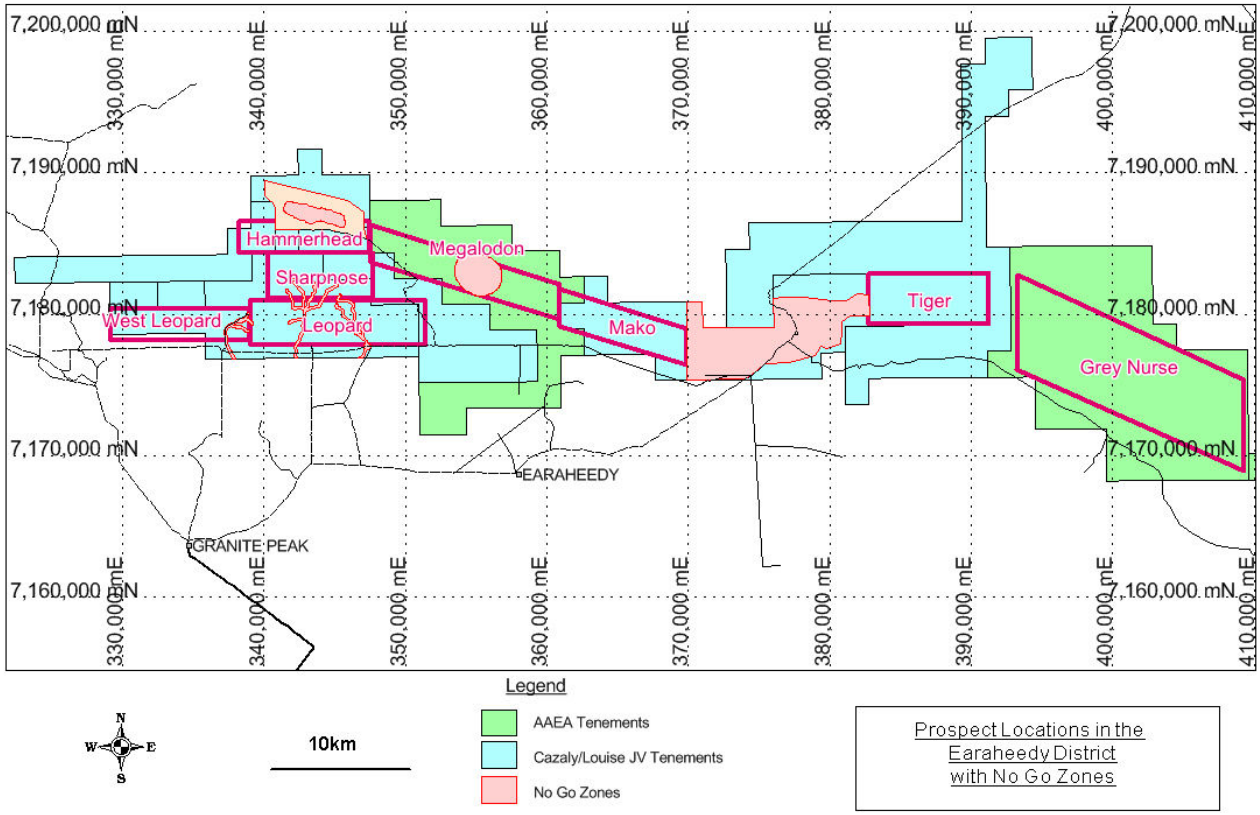
Western Mako: is characterised by the iron units striking roughly NW-SE. The lower iron unit is demagnetised and the upper iron unit is repeated by a series of thrust faults. Western Mako shows potential for mineralisation. All Fe enrichment observed during mapping is found here. The banding is preserved however the silica appears to have been replaced by goethite and the magnetite has been oxidised to hematite/martite. This enrichment was followed for 100m along strike to the west up to an exposure of chert rich BIF. The demagnetised area in the lower iron unit could not be investigated as it is completely under cover.

Central Mako: is characterised by the CID and DID exposures which are only found here. CID floats are found in low valleys. The CID is defined by the hematised wood fragments. A sample was collected for assay to deduce the Fe grade. The DID was observed at MA23 (364556, 7178932) and MA39 (364402, 7178946). The DID is

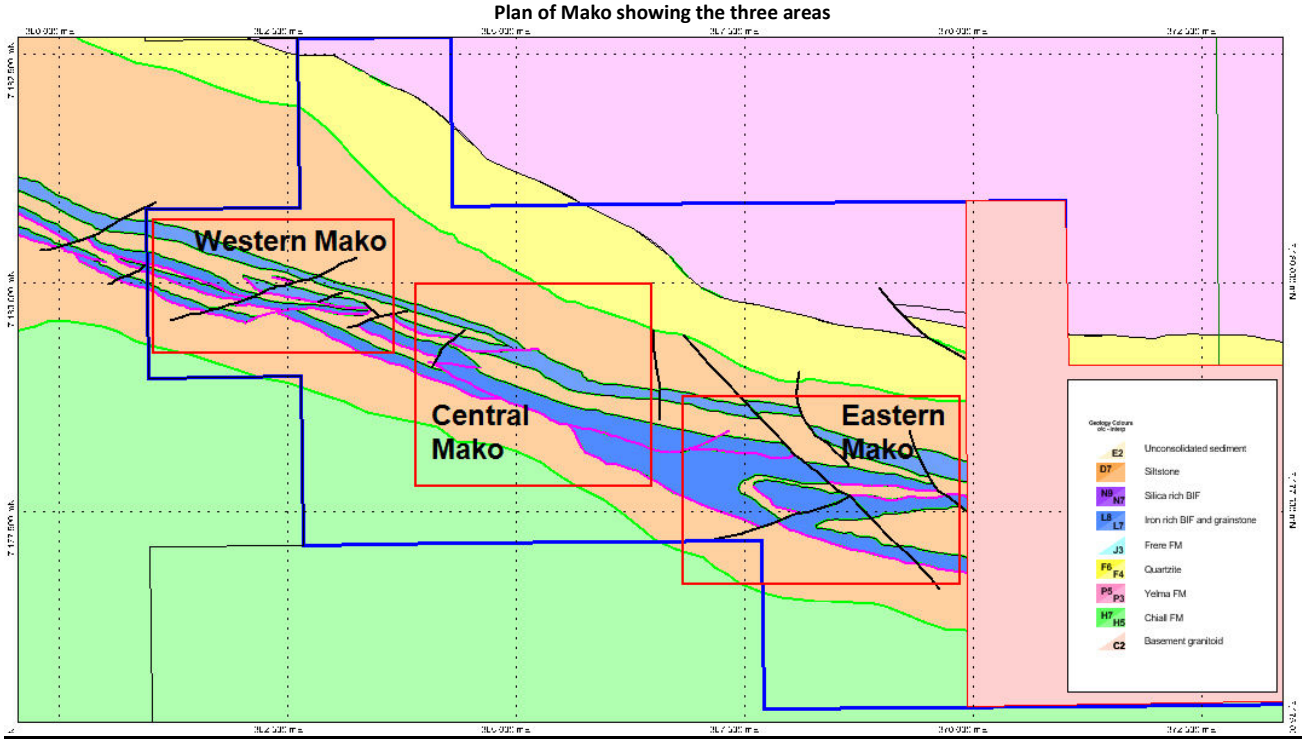
formed of angular to subangular pisolites up to 1cm in size of maghemite in a goethitic/silty matrix. The exposures are roughly along the same northings and situated at the eastern and western end of BIF/GIF ridge line approximately 100m lengths.

Eastern Mako: is the most structurally complex area. The major structure is a tight recumbent west plunging (50 degrees) anti-form. The limbs consist of the upper iron unit and the centre is composed of deformed siltstones. The southern limb has a steep dip (70-80 degrees) to the north whereas the northern limb has a shallow dip (19-21 degrees) to the north. The upper iron unit is dominated by chert (>90%). Subcrops and gravels of chert rich GIF and BIF are abundant. The siltstones are depleted in iron and crop out as light yellow/white flakes. It was hypothesised the iron has been leached and the fluids flowed down plunge enriching the western side of Mako, however, no replacement textures were observed. It is therefore likely the unit was deposited as more chert rich.

Location of Tiger and Mako Prospects in the Earaheedy District



Plan of Mako showing the three areas



Drilling Targets

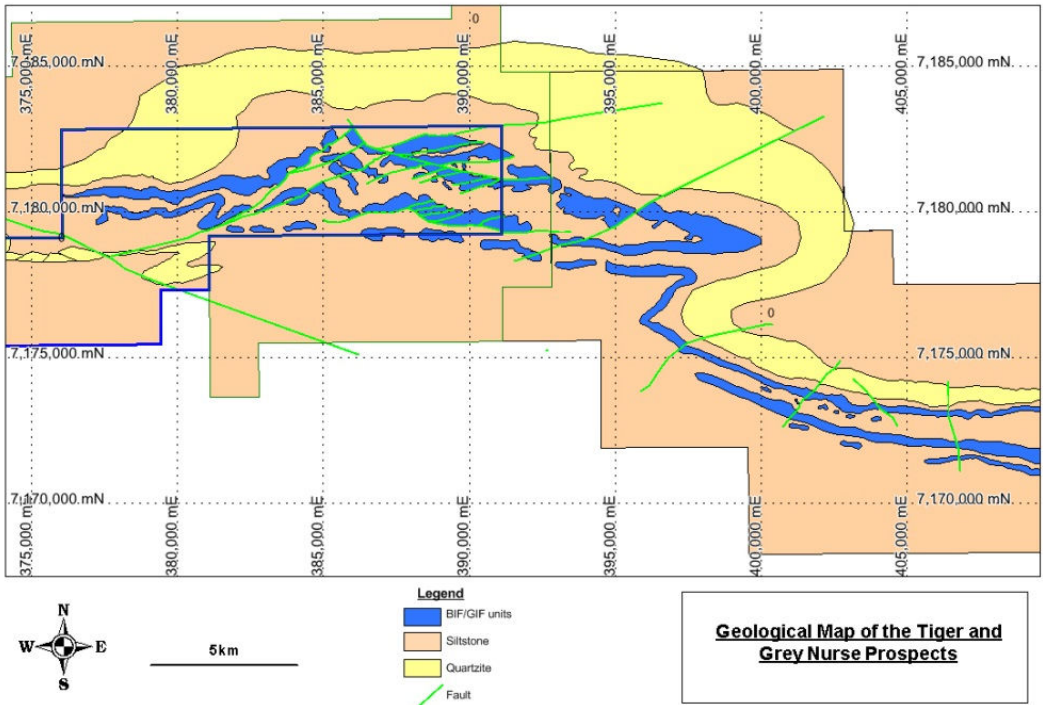
Mako 1: the demagnetised area in Western Mako is along the lower iron unit and strikes for 1.5km and is approximately 300m in width. It is completely covered by fine silts and spinifex.
Mako 2: is a 100m long ridge line with substantial DID at the eastern and western ends. Laterised subcrops of GIF/BID (banded iron deposits) and siltstone form the top of the ridge line. It is possible the DID formed from erosion off this ridge line, suggesting it may still host subsurface mineralisation.
Mako 3: is a 100m area of surface enrichment. Banding is still preserved with the silica appearing to have been replaced by goethite and the magnetite replaced by hematite/martite.
Mako 4: CID deposit in Central Mako. The surface expression is roughly 80m in length and 50m across. It is bounded by siltstones to the north and DID to the south. However the magnetic signature extends southwards for at least 1km. The depth extents of the CID are unclear.

Tiger Prospect, eastern areas of tenement E69/2065 (22nd – 28th of May)
The banded iron units (BIF) and granular iron units (GIF) of the Frere Formation are highly chert rich (average over 85%) with numerous interbeds of siltstone (Fig. 3). The chert rich BIF and GIF forms topographic highs and the siltstone forms relatively flat topographic lows. Creeks have incised into siltstone interbeds. The more silty parasequences form gentle slopes and have developed a lateritic hardcap due to more intense weathering. The exposures of the BIF/GIF units closely follow the contours suggesting shallower dipping stratigraphy than in the West of Earaheedy. It is also possible near-vertical weathering cracks in subcrops have previously been mistakenly measured as S0. Several open and isoclinal folds have also been observed. The contact between the siltstone and the iron units is gradational with an increasing number of chert beds closer to the boundary.

The Tiger Prospect is the most structurally complex area in the Earaheedy District. The 3VD RTP regional magnetics show the iron units to be highly fragmented and thrust repeated. Field measurements and the 3VD RTP magnetics show deformation stresses from the north-west and overprinting from the north-east with S1 usually 70-80 degrees towards 340 or 161 degrees. S0 was more difficult to observe but in good outcrops was measured between 20-40 degrees to the north. No surface enrichment has been observed in the Tiger Prospect.

It is not recommended to drill in the Tiger Prospect due to the lack of surface enrichment. No further work is planned in this area for 2013.

Geological map showing the continuation of stratigraphy from the Tiger Prospect



Drilling

It's expected to submit the permits of work to the DMP in late July and the notification to intention of drilling to CDNTS in early July. A high impact activities survey is planned for mid-August. A final field trip in order to define the drill hole locations in tenement E69/2065 and E69/2064 is planned by late July.

Corporate

During the quarter, the Company completed a non-renounceable pro-rate entitlement issue of 40,472,021 New Shares on the basis of one(1) New Share for every two(2) Shares at an issue price of $0.03 per New Share to raise $1,214,160 (before costs).

The funds will be put towards on-going review, evaluation and exploration on the Company's existing projects and additional working capital.

Appendix 5B

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

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 Ed Mead, who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Mead is a consultant of the Company.

Mr Mead 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 2012 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ed Mead 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 Limited

ABN	Quarter ended ("current quarter")
99 107 541 453	30 JUNE 2013

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (12 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(464)	(4,792)
	(b) development	(14)	(257)
	(c) production	-	-
	(d) administration	(219)	(1,223)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	54
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(693)	(6,218)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(57)
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	-	(57)
1.13	Total operating and investing cash flows (carried forward)	(693)	(6,275)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(693)	(6,275)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,147	5,819
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	1,147	5,819
	Net increase (decrease) in cash held	454	(456)
1.20	Cash at beginning of quarter/year to date	563	1,473
1.21	Exchange rate adjustments to item 1.20	-	
1.22	**Cash at end of quarter**	1,017	1,017

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	115
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.

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

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	191
4.2	Development	-
4.3	Production	-
4.4	Administration	319
	Total	**510**

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	569	115
5.2	Deposits at call	448	448
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	1,017	563

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	E69/2510	Cazaly/Louise JV - Withdrawal	*Interest in JV 50%	0
		E69/2511	Cazaly/Louise JV - Withdrawal		
		E69/2541	Cazaly/Louise JV - Withdrawal		
		P69/61-I	Cazaly/Louise JV - Withdrawal		
		P69/62-1	Cazaly/Louise JV - Withdrawal		
		P69/63-1	Cazaly/Louise JV - Withdrawal		
		E69/2512	Cazaly/Louise JV - Withdrawal		
		E69/2514	Cazaly/Louise JV - Withdrawal		
		E69/2462-I	Cazaly/Louise JV - Withdrawal		
		E69/2881	Cazaly/Louise JV - Withdrawal		
		E69/2376-1	Cazaly/Louise JV - Surrendered		
6.2	Interests in mining tenements acquired or increased	-	-	-	-

+ 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** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	**+Ordinary securities**	303,053,625	303,053,625	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	46,317,254 -	46,317,254 -	- -	- -
7.5	**+Convertible debt securities** (*description*)	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	-	-
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
		4,000,000	-	$0.20	20/12/2014
		4,000,000	-	$0.20	20/12/2014
		150,107,260	-	$0.25	30/01/2015
		4,000,000	-	$0.40	20/12/2015
7.8	Issued during quarter			*Exercise Price*	*Expiry Date*
		-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter – Director options extinguished	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

+ See chapter 19 for defined terms.

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 July 2013
(Director/Company secretary)
Print name: Neville Bassett

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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