

> QUARTERLY REPORT

Directors

Gary Castledine (Chairman)
Glyn Povey (Managing Director)
Neville Bassett
Brian Williams

Company Secretary

Neville Bassett

Address

Level 1, 3 Richardson Street
PO Box 1325
West Perth WA 6872
Australia

Contact

P: +61 (0)8 6188 7800
F: +61 (0)8 9481 8772
contact@vectorresources.com.au
www.vectorresources.com.au

Share Registry

Link Market Services Ltd
Level 4, 152 St Georges Terrace
Perth WA 6000
Australia

P: +61 1300 554 474
F: +61 (0)2 9287 0303
www.linkmarketservices.com.au

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 2014.

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.

Gwendolyn Gold Project

Mobilisation of temporary infrastructure needed to undertake the bulk sampling program on the Gwendolyn Gold Project commenced late in March 2014 with mining operations commencing in April on pits 'A' and 'B' of Phase 1. Conventional free dig mining operations were undertaken with an excavator, articulated dump trucks and associated ancillary equipment.

Processing of ore commenced on the bulk sample early June 2014.

Subsequent to the end of the quarter, the company received reconciled mill metal balance results on the processing of ore from the bulk sample program from its Gwendolyn Gold Project.

The ore processed resulted in 29,219dmt being milled with an overall reconciled mill head grade of 3.50gpt, compared with the estimated belt sampling head grade of 3.63gpt, with a recovered grade of 3.35gpt.

The bulk sample campaign produced 3,150 Au ounces with the average mill feed grade achieved significantly below the Company's expectations based on the independent assessment from the grade control model.

The gold recovery has been insufficient to cover the costs of the milling campaign.

The Company is undertaking a review of the Gwendolyn project's reconciliation based on the metal balance achieved, with the aim to reconcile against the previous independent assessment in light of the results of the bulk sample campaign.



The bulk sample program was undertaken to allow the Company to accurately forecast the economics of the remaining Phase 1 and larger-scale Phase 2 operations at Gwendolyn, based on an established set of parameters obtained from the bulk sample. The future direction of exploration and mining activities at Gwendolyn will be dependent on the review.

The Company is taking the opportunity to review its entire tenement portfolio and will also continue to assess new project opportunities that the Board believes will add shareholder value.

END

Further information contact:

Tel: +61 8 6188 7800

Email: contact@vectorresources.com.au

Interests in Mining Tenements

WESTERN AUSTRALIA

GOLDEN IRON RESOURCES LIMITED

Athenia Project (Gold)

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed	Interest acquired or increased (%)	Interest at end of quarter (%)
M77/1260	Granted	100	0	0	100

Clampton Project (Gold)

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed	Interest acquired or increased (%)	Interest at end of quarter (%)
E77/1591	Granted	100	100	0	0

Gwendolyn East Cutback Project (Gold)

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed	Interest acquired or increased (%)	Interest at end of quarter (%)
E77/1580	Granted	100	0	0	100
G77/119	Granted	100	0	0	100
L77/245	Granted	100	0	0	100
L77/247	Granted	100	0	0	100
L77/248	Granted	100	0	0	100
M77/1263-l	Granted	100	0	0	100

Great Bingin Project (Gold)

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed	Interest acquired or increased (%)	Interest at end of quarter (%)
M77/1255	Granted	100	0	0	100

Mount Dimer Project (Gold)

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed	Interest acquired or increased (%)	Interest at end of quarter (%)
E77/1992	Granted	100	0	0	100
E77/2050	Granted	100	0	0	100
L77/83	Granted	100	0	0	100
L77/135	Granted	100	0	0	100
L77/147	Granted	100	0	0	100
M77/427	Granted	100	0	0	100
M77/428	Granted	100	0	0	100
M77/957	Granted	100	0	0	100
M77/958	Granted	100	0	0	100
M77/965	Granted	100	0	0	100
P77/4081	Granted	100	0	0	100
P77/4086	Granted	100	0	0	100

Mount Palmer Project (Gold)

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed	Interest acquired or increased (%)	Interest at end of quarter (%)
E77/1318	Granted	100	0	0	100
E77/1386	Granted	100	100	0	0
P77/3678	Granted	100	0	0	100

MURIELS EXTENSION PTY LTD

Muriels Extension Project (Gold)

Tenement	Status	Interest at beginning of quarter (%)	Interests relinquished, reduced or lapsed	Interest acquired or increased (%)	Interest at end of quarter (%)
M37/661	Granted	100	0	0	100
P37/7580	Granted	100	0	0	100
P37/7581	Granted	100	0	0	100
P37/7582	Granted	100	0	0	100
P37/7583	Granted	100	0	0	100
P37/7584	Granted	100	0	0	100
P37/7585	Granted	100	0	0	100
P37/7586	Granted	100	0	0	100
P37/7587	Granted	100	0	0	100

EARAHEEDY JOINT VENTURE

Earaheedy East Project (Iron Ore)

Tenement	Status	Interest at beginning of quarter (%)	Interests sold to JV partner (%) Relinquished/reduced /lapsed	Interest acquired or increased (%)	Interest at end of quarter (%)
E69/2063-I	Granted	100	100	0	0
E69/2064-I	Granted	100	100	0	0
E69/2065-I	Granted	100	100	0	0
E69/2375-I	Granted	100	100	0	0
E69/2750-I	Granted	100	100	0	0
E69/2934	Granted	100	100	0	0
E69/2483	Granted	100	100	0	0
E69/2766	Application	100	100	0	0

Appendix 5B

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

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

99 107 541 453

Quarter ended ("current quarter")

30 JUNE 2014

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	1,032	1,032
1.2	Payments for (a) exploration & evaluation	(177)	(1,216)
	(b) development	-	(73)
	(c) production	(678)	(678)
	(d) administration	(28)	(562)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	32
1.5	Interest and other costs of finance paid	-	(10)
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		151	(1,475)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(5)	(11)
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		-	(11)
1.13	Total operating and investing cash flows (carried forward)	146	(1,486)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	146	(1,486)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	(10)
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	1,650
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	-	1,640
	Net increase (decrease) in cash held	146	154
1.20	Cash at beginning of quarter/year to date	1,025	1,017
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,171	1,171

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	85
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

	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	135
4.2 Development	-
4.3 Production	500
4.4 Administration	90
Total	725

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	1,159	1,013
5.2 Deposits at call	12	12
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,171	1,025

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	E77/1591	Surrendered	100	-
	E77/1386	Surrendered	100	-
	E69/2063	Cazaly/Louise JV – Surrendered	Interest in JV 50%	-
	E69/2064	Cazaly/Louise JV – Surrendered	Interest in JV 50%	-
	E69/2065	Cazaly/Louise JV – Surrendered	Interest in JV 50%	-
	E69/2375	Cazaly/Louise JV – Surrendered	Interest in JV 50%	-
	E69/2750	Cazaly/Louise JV – Surrendered	Interest in JV 50%	-
	E69/2934	Cazaly/Louise JV – Surrendered	Interest in JV 50%	-
	E69/2483	Cazaly/Louise JV – Surrendered	Interest in JV 50%	-
	E69/2766	Cazaly/Louise JV – Surrendered	Interest in JV 50%	-
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 <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	303,053,625	303,053,625	-	-
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>			<i>Exercise price</i>	<i>Expiry date</i>
		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			<i>Exercise Price</i>	<i>Expiry Date</i>
		-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter – Director options extinguished	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

+ 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 2014
(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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