

ASX Announcement

20th August 2008

Exploration Potential Greater Than 1 billion tonnes

Magdalena Iron Sands Project

Highlights

- **Exploration Potential* of + 1 billion tonnes Magnetite bearing sands**
- **Appointment of Chinese markets specialist**
- **Recruitment of specialist geologist to drive exploration**
- **Completion of airborne magnetic survey**
- **Additional areas to be acquired**

Exploration Potential* for Magdalena Iron Sands Project

Vector and its consultants have been highly encouraged by the potential of the project to host large tonnages of Magnetite rich sands. To assist in determining the Exploration Potential* of the project Vector has requested its consulting geologist, Mr Nicholas Revell, to prepare a preliminary assessment on the Exploration Potential* of the Project area. Based on conservative assumptions used to calculate tonnes contained, Mr. Revell has concluded that given the geological setting and recent beach sands sampling the Project has the potential to host **1 billion to 1.5 billion tonnes** of sands that contain a significant percentage of high quality magnetite. Upon the completion of the acquisition, work will commence to define a JORC compliant resource and commencement of bulk sampling to be used for metallurgical testwork to assist in identifying end buyers for the product and determine mineral composition of the deposit.

Appointment of Chinese Markets Expert

The company is pleased to advise that Mr Bruce Richardson has joined Vector in the role of President, Marketing and Business Development. Bruce has over 25 years experience developing business opportunities in China and has held senior positions in industry and Government, most recently with the Western Australian Government as Manager China, receiving and advising trade delegations principally in the iron and steel industry.

Bruce has recently visited steel industry customers in China to discuss potential supply arrangements and business cooperation and to source the mining and processing equipment necessary to develop the iron sands project in Columbia. Initial feedback has been positive and sample testwork will soon be undertaken on behalf of potential buyers in China.

Specialist Project Geologist

Colombia Mining Corporation (CMC) are extremely pleased to obtain the services of Mr Rudy Smithwick who is a consulting geologist based in North Carolina USA. Mr Smithwick specialises in sediments and has extensive experience in drilling offshore sediments such as those contained in the project area. He has just completed a three week assignment for CMC and has been highly encouraged by the size and potential of the project. Mr Smithwick will continue to remain as a consultant to CMC post the acquisition by Vector and his primary role will be to design and manage a drilling program that will enable a JORC compliant resource to be calculated for the Project.

Magnetic Survey

CMC have recently completed a low level aero magnetic survey of the entire project area to assist in defining areas of concentration of heavy minerals. The survey has been extremely useful in identifying the areas that should obtain priority once drilling commences and has also been used to identify further areas for acquisition or application.

Additional Project Areas

Vector have been so encouraged by the Magdalena Iron Sands Project that in conjunction with CMC they have contracted to acquire additional areas adjacent to the project areas to be acquired from CMC. The areas have been all acquired 100% with no work commitments and one of the areas is a granted exploitation licence and EPA approval to proceed has been lodged.

Gordon Sklenka

Director

For further details please contact Mr Gordon Sklenka +618 9486 1122.

The information in this report that relates to exploration results is based on information compiled by Mr. Nicholas Revell who is a member of the Australasian Institute of Mining and Metallurgy. Mr. Revell 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 for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

** The term "Exploration Potential" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. Exploration Potential is conceptual in nature, as it is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.*