

ASX Announcement

31 October 2008

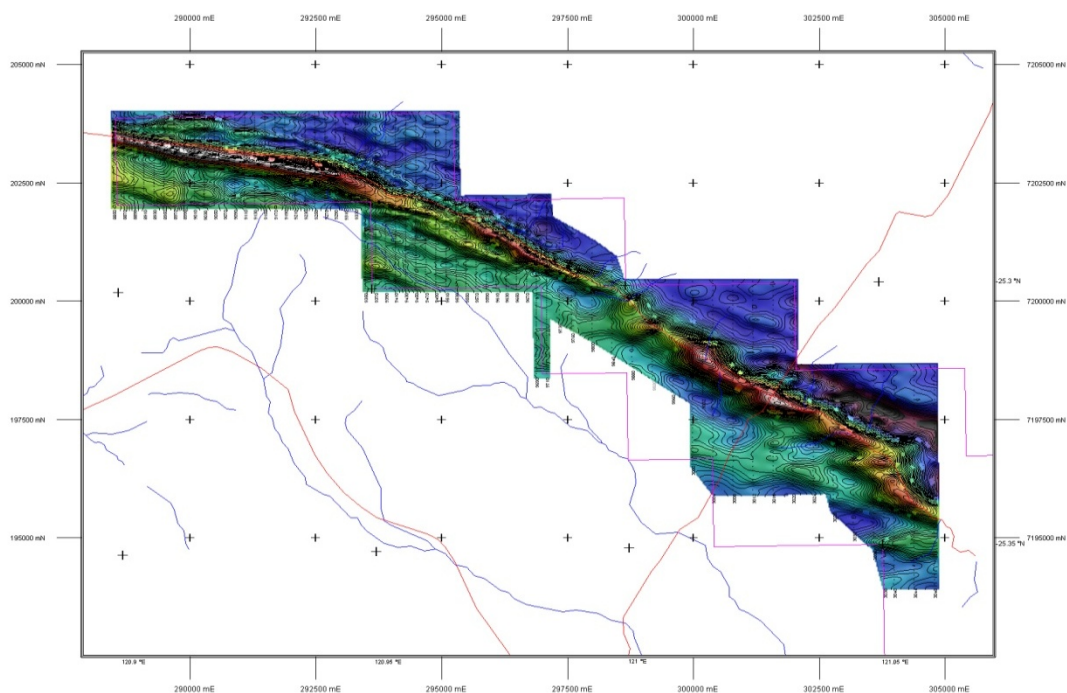
The directors of Vector Resources Ltd ("Vector") have pleasure in presenting their quarterly report for the period ended 30 September 2008

Operations

Nabberu Iron Ore Project

Ground-based gravity surveys in May and June 2008 over E69/2062 and the western end of E69/2063 provided anomalies that suggested the presence of enriched iron mineralisation at depth. RC drilling was required to verify the presence and grade of the mineralisation.

E69/2062 was the first of the two areas to undergo an aboriginal heritage survey and obtain Programme of Works approval from DoIR. N/S lines of 3-4 RC holes angled 60° to the north were planned at 1km intervals to test the high order gravity anomaly over the western 3km of the tenement. Two further lines were planned over gravity highs near the Canning Stock Route. The gravity highs are largely coincident with a sparsely vegetated topographic ridge and no clearing or ground preparation was required for drill access.



A total of 13 angled holes for 2095m were completed in the first phase of drilling. Drilling was restricted to the western four lines due to access complications on the Canning Stock Route.

Each metre of drilling was sampled and only those samples showing significant Fe were submitted for analysis. Hematite mineralisation was composited over 2m and magnetite mineralisation composited over 5m.

The most western line of holes intersected significant intervals of massive magnetite mineralisation which was still present at the limit of drilling. A preliminary interpretation of the geology indicates variable dip and complex folding/faulting so the geometry of the resource is not well understood yet.

The massive iron formation intersected in the other three lines to the east was more restricted and variable. The holes may need re-logging in detail to interpret the geometry and determine if the gravity anomaly had been adequately tested.

A Programme of Works and request for heritage survey has been lodged for Hawkins Knob area on E69/2063 for a second RC programme. It is anticipated that 2062 will also be revisited at this time.

Colombian Mining Corporation

On 30 May 2008, the Company announced that it had entered into a binding agreement to acquire an interest in a significant Magnetite Iron Sands project in the Magdalena Delta region of Colombia. Vector and its consultants have been highly encouraged by the potential of the project.

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

The acquisition was approved by shareholders on 5th September 2008. The issue of the first tranche of shares was extended by mutual agreement between the parties to 31st October 2008.

Corporate.

The current shareholding of the Company is 105,633,333 fully paid ordinary shares and 104,866,666 options.

During the September 2008 quarter, Mr. Mario Bolivar was appointed to the board of the Company. Mr. Bolivar has extensive experience and expertise in identifying, evaluating and developing new project opportunities in Colombia and will be the in country director responsible for the Magdalena Iron Sands Project.

R Berzins

Company Secretary

Information in this report pertaining to mineral resources and exploration results was compiled by Mr N Revell who is a member of Aus.I.M.M. Mr. Revell has sufficient experience which is relevant to the style of mineralization 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 which it appears.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

VECTOR RESOURCES LIMITED

ABN

99 107 541 453

Quarter ended ("current quarter")

30 SEPTEMBER 2008

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | | |
| 1.2 Payments for (a)exploration and evaluation (b) development (c) production (d) administration | (932) (605) | (932) (605) |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | 156 | 156 |
| 1.5 Interest and other costs of finance paid | (2) | (2) |
| 1.6 Income taxes paid | | |
| 1.7 Other (provide details if material) | | |
| Net Operating Cash Flows | (1,383) | (1,383) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a)prospects (b)equity Investments (c) other fixed assets | (7) | (7) |
| 1.9 Proceeds from sale of: (a) prospects (b)equity investments (c)other fixed assets | | |
| 1.10 Loans to other entities | (30) | (30) |
| 1.11 Loans repaid by other entities | | |
| 1.12 Other (share application) | | |

+ See chapter 19 for defined terms.

| | | | |
|------|--|---------|---------|
| | Net investing cash flows | (37) | (37) |
| 1.13 | Total operating and investing cash flows (carried forward) | (1,420) | (1,420) |
| 1.13 | Total operating and investing cash flows (brought forward) | (1,420) | (1,420) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | | |
| 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 (provide details if material) | | |
| | Net financing cash flows | - | - |
| | Net increase (decrease) in cash held | (1,420) | (1,420) |
| 1.20 | Cash at beginning of quarter/year to date | 9,930 | 9,930 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 8,510 | 8,510 |

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 | 120 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | |

1.25 Explanation necessary for an understanding of the transactions

+ See chapter 19 for defined terms.

| |
|-----|
| N/A |
|-----|

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

| |
|-----|
| Nil |
|-----|

- 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

| |
|-----|
| Nil |
|-----|

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 | Nil | N/A |
| 3.2 Credit standby arrangements | Nil | N/A |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 500 |
| 4.2 Development | |
| Total | 500 |

Reconciliation of cash

+ See chapter 19 for defined terms.

| 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 | 526 | 481 |
| 5.2 Deposits at call | 7,984 | 9,449 |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 8,510 | 9,930 |

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 | N/A | | | |
| 6.2 Interests in mining tenements acquired or increased | N/A | | | |

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 | | | | |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

| | | | | | |
|------|---|-------------|-------------|-----------------------|--------------------|
| 7.3 | +Ordinary securities | 105,633,333 | 75,675,983 | | |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | | 9,150,000 | Release from escrow | |
| 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) | 104,886,666 | 104,886,666 | <i>Exercise price</i> | <i>Expiry date</i> |
| 7.8 | Issued during quarter | | | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Roland H Berzins..... Date: 31 October 2008.....
(Director/Company secretary)

Print name:.....Roland H Berzins

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 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Accounting 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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