

ASX Announcement

30 January 2009

The directors of Vector Resources Ltd ("Vector") have pleasure in presenting their quarterly report for the period ended 31 December 2008

Operations

Nabberu

Ivan Well (E69/2062)

As mentioned in the September quarterly report an RC drilling program comprising 13 angled holes for 2,095m in four fences was carried out over the western half of the tenement to test a linear gravity anomaly.



RC Drilling – Ivan Well Prospect

All assay results from the RC drilling are now at hand. As predicted, there is a surficial concentration of oxide iron mineralisation at all holes grading 40-50% Fe, underlain by hematitic and magnetitic mineralization consistently grading 22-28% Fe, with low S,P and Al impurities but moderately high silica content. Laboratory pulps from selected intervals of massive magnetite mineralisation were submitted for Davis Tube testwork to determine amenability to beneficiation. Preliminary results confirm grades in excess of 60% Fe but further work is necessary to optimize grades and minimize silica.

Positive results from the Davis Tube tests will provide justification for further RC drilling in the first half of 2009, co-incident with a program at Miss Fairbairn Hills.

Nabberu Iron Project has produced encouraging results showing significant iron content and despite lengthy delays in obtaining aboriginal heritage clearance, drilling rigs and assay results, the Company has made steady progress. The historically held view that the Frere Formation was not capable of hosting massive iron mineralisation is clearly incorrect. With such ongoing encouragement, the Company has applied for additional ground adjacent to its existing tenure, through wholly owned subsidiary Louise Minerals Pty Ltd. The entire Nabberu Basin is now tightly held under mining tenure by major players in the iron ore industry.

Miss Fairbairn Hills (E69/2063)

A number of co-incident air magnetics and gravity anomalies in the western part of the tenement await aboriginal heritage clearance before being tested by vertical RC drilling in the March 2009 quarter.

The long delays for heritage surveys and assay results in the December 2008 quarter has provided an opportunity to document and analyse geological mapping and rock chip geochemistry that was carried out late in 2007 in the eastern half of the tenement. Preliminary analysis has already highlighted a number of prospects with potential for primary manganese and iron mineralisation. The airmagnetics structural analysis done in mid 2008 will be used for further interpretation and the definition of targets for detailed follow-up and possible drilling.

Corporate

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

Termination of Magdalena Iron Sands Project in Columbia

As announced to the ASX on 5th December 2008, Vector Resources Limited terminated the Term Sheet to acquire an interest in the Magdalena Iron Sands project located in Colombia because:

- Various conditions precedent set out in the Term Sheet had not been satisfied by the due date of 5 December 2008; and
- A material adverse change had occurred in relation to the Project due to significant delays in approval of the applications for mining concession agreements underpinning the Project

On three separate occasions the Company agreed to extend the deadline for completion of the transaction to provide the vendors more time to satisfy outstanding conditions, including most importantly, finalising mining concession agreements with the relevant Columbian government body to secure exploration rights for the Project area. In circumstances where the shareholder approval to issue shares in the Company as part of the acquisition itself expired on 5 December 2008, your founding directors considered it was not in the best interests of shareholders to proceed with the transaction.

+ See chapter 19 for defined terms.

As a consequence of the termination, the Company has delivered a notice of demand to the vendors for the repayment of monies advanced in relation to the Project. The Company has not yet received a response.

As a consequence, the Company has launched legal proceedings.

Calling of General Meeting - S249D

The Company received a requisition from shareholders holding more than 5% of the issue capital to call a general meeting under Section 249D of the Corporations Act. The requisition has been received from Bluefind Pty Ltd and Kapiri Holdings Pty Ltd for the purpose of putting to shareholders resolutions for the removal of Mr Anthony Short, Mr Gordon Sklenka and Mr. Roland Berzins as directors and the appointment of Mr Geoffrey Gander as director.

The Company received a requisition from shareholders holding more than 5% of the issue capital to call a general meeting under Section 249D of the Corporations Act. The requisition has been received from Spartan Nominees Pty Ltd, Fay Holdings Pty Ltd and Formaine Pty Ltd for the purpose of putting to shareholders resolutions for the removal of Mr. Mario Bolivar and Mr. Bruce McLeod as directors.

Board Appointment

During the December quarter Mr. Bruce McLeod was appointed as a non executive director of the Company solely to assist with the proposed Magdalena Iron Sands Project, which has now been terminated.

Company Growth Plans

The Company continues to explore growth opportunities and enhance relationships with key strategic industry personnel with the definitive aim of maximising shareholder value. Currently under review are a number of opportunities with significant potential and synergies with the Company's existing project. A strong cash position means the Company is ideally placed to take advantage of new opportunities that continue to arise as rationalisation occurs across the iron ore sector. The founding directors are confident that the vision and strategy implemented is in the best interests of shareholders and the growth prospects of the Company.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

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")

31 DECEMBER 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a)exploration and evaluation	434	(498)
(b) development	(568)	(568)
(c) production		
(d) administration	(268)	(873)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	105	261
1.5 Interest and other costs of finance paid		(2)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(297)	(1,680)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects		
(b)equity Investments		
(c) other fixed assets	(20)	(27)
1.9 Proceeds from sale of: (a) prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities	(805)	(835)
1.11 Loans repaid by other entities	900	900
1.12 Other (share application)		
Net investing cash flows	75	38
1.13 Total operating and investing cash flows (carried forward)	(222)	(1,642)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(222)	(1,642)
	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	(222)	(1,642)
1.20	Cash at beginning of quarter/year to date	8,510	9,930
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	8,288	8,288

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

N/A

+ See chapter 19 for defined terms.

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	250
4.2 Development	
Total	250

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	8,288	526
5.2 Deposits at call	-	7,984
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	8,288	8,510

+ See chapter 19 for defined terms.

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 <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	105,633,333	75,675,983	
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>			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	104,886,666	104,886,666	<i>Exercise price</i> 20.0c	<i>Expiry date</i> 30 June 2012
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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: 30 January 2009.....

(Director/Company secretary)

Print name:.....Roland H Berzins

+ See chapter 19 for defined terms.

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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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.

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