

29 January 2010



## **QUARTERLY REPORT**

The Directors of Vector Resources Limited (“Vector” or the “Company”) have pleasure in presenting their quarterly report for the period ended 30 December 2009.

### **Company Profile**

Vector is an Australian based resource company focused on indentifying and acquiring ‘company making’ resource project and investment opportunities domestically and internationally.

## **CORPORATE**

### **General Meeting of Shareholders**

The Company held its Annual General Meeting of Shareholders on the 30 December 2009.

### **Escrowed Securities**

In December 2009 the Company released 29,957,350 fully paid ordinary shares from escrow.

## **OPERATIONS**

### **Nabberu Project**

This Project is located in central Western Australia, approximately 150km north of Wiluna and 750km north east of Perth in the Nabberu Basin and consists of five (5) exploration licences (E69/2061-5 inclusive) and a number of licence applications (E69/2505, E69/2509-12, E69/2514, E69/2540-1, P52/1274, P69/61-3, L69/14).

Native Title negotiations regarding the tenement applications are on-going.

The Company continues to maintain and preserve the value of the granted tenements.

### **New Projects and Opportunities**

During the quarter Vector has reviewed and undertaken due diligence on a number of resource projects and opportunities. While these projects are considered prospective and have merit they have not met the required investment criteria set by the board.

The Company will continue to identify and assess ‘company making’ projects and opportunities that have the capacity to add significant long term shareholder value.

## **Appendix 5B**

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

# 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 LTD

ABN

96 107 541 453

Quarter ended ("current quarter")

31 DECEMBER 2009

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date ( 6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(11)	(59)
(b) development	-	-
(c) production	-	-
(d) administration	(119)	(246)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	69	76
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	5	5
<b>Net Operating Cash Flows</b>	<b>(56)</b>	<b>(224)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	4	4
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	50	50
<b>Net investing cash flows</b>	<b>54</b>	<b>54</b>
1.13 Total operating and investing cash flows (carried forward)	(2)	(170)

+ See chapter 19 for defined terms.

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**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2)	(170)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (con note)	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(2)	(170)
1.20	Cash at beginning of quarter/year to date	7,358	7,526
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	7,356	7,356

**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	70
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

**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
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+ See chapter 19 for defined terms.

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3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	50
4.2	Development	-
<b>Total</b>		<b>50</b>

**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	285	355
5.2 Deposits at call	7,056	7,003
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>7,341</b>	<b>7,358</b>

**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		
6.2	Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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.*

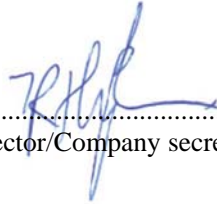
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	105,633,333	105,633,333	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	29,957,350 (out of escrow)	-	-
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>	104,886,666	104,886,666	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 30/06/2012
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: **29 January 2010**  
(Director/Company secretary)



Print name: **Robert Hyndes**

## 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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