

> VECTOR WELCOMES STRATEGIC PARTNER

Key Highlights:

- Chinese backed group takes strategic stake in Vector through two tranche Placement;
- Placement of A\$4 million for 19.9% stake in Vector; and
- Group will become a key partner of Vector, who are rapidly progressing WA gold project to production; and
- New investor has ability to facilitate the plant procurement and provide associated infrastructure to take Vector into production.

Australian gold company Vector Resources (**ASX: VEC**) (“Vector” or “the Company”) is pleased to announce that it has secured a significant Chinese backed investor, Eagle Brilliant Holdings Limited (“EBH”), who will become a strategic partner to the Company as it progresses its Gwendolyn East gold project in Western Australia to production.

Under the terms of the agreement, EBH will subscribe for 51,090,538 ordinary fully paid shares (**Shares**) at \$0.08 per share, together with 51,090,538 free attaching listed options exercisable at \$0.25 each on or before 30 January 2015 (**Listed Options**), to take an initial 19.9% interest.

The A\$4.087 million investment will be used to progress the Company’s Gwendolyn East gold project towards production and for working capital purposes.

The Placement will be completed in two tranches:

- (i) Tranche 1 – 30,847,874 Shares to raise \$2,467,829 to be issued under the Company’s 15% placement capacity under ASX Listing Rule 7.1; and
- (ii) Tranche 2 – 20,242,664 Shares to raise a further \$1,619,413, together with the 51,090,538 free attaching Listed Options, to be issued following the approval of the company’s shareholders in general meeting.

It is anticipated that the shareholder meeting to approve the second tranche of the investment will be held by the end of August 2012.

EBH will be entitled to appoint one nominee to the Board of the Company.

The Placement of Shares and Listed Options was arranged by Indian Ocean Capital Pty Ltd.

Vector Managing Director Glyn Povey welcomed EBH as a cornerstone investor.

“The Board were extremely pleased not only to welcome the strategic investment from Eagle Brilliant Holdings but also the ability to partner with an experienced company through to production at Gwendolyn East,” he said.

“EBH, as part of its wider investment group, have the ability to facilitate the plant procurement and provide associated infrastructure and technical skills to take Vector into production.”

EBH is a privately controlled, multi-national company focused on the exploration, development and processing of mineral resources around the world. EBH’s focus is to develop and invest in quality exploration and mining projects and provide off-take arrangements upon project development.

The Chairman and CEO of EBH, Mr Jiaping Jiang, is founder of the group behind EBH, the Chinese based TianDiLong Group Co. Ltd (“TDL”). TDL has grown from its beginnings as a packaging company in east China’s Jiangsu Province to become a global enterprise with a diversified business portfolio including the manufacture of copper cathodes, rods and electric wires. TDL is now one of China’s leading copper rod and cable production companies.

TDL also invests in a diverse range of projects from mining through to shopping malls and biochemistry projects.

TDL has more than 20 operational entities, four offices in Hong Kong, Beijing, Shanghai and Nanjing and corporate assets of more than RMB10 billion (A\$1.5 billion).

Mr Jiang said “as a Chinese private investment group, TDL and EBH are interested in international exploration and mining opportunities. We have assessed a number of opportunities and see Australia as a very attractive destination with huge potential for more discoveries of a variety of minerals. Vector has a competent and committed Board and management and we are pleased to have selected Vector for investment as they embark on some very promising gold projects”.

Gwendolyn

The Gwendolyn project consists of two tenements with historical gold mining. The tenements (E77/1580 and M77/1263) cover more than 487 hectares and lie within known gold producing areas in the Southern Cross region of Western Australia.

Past production at the site includes documented recovered gold grades of 15.7gpt from mining the Archaean banded iron formation hosted gold ore bodies at nearby Evanston and adjacent Blue Peter, Kitchie’s and Goldies workings.



The indicated and inferred resource for Gwendolyn currently stands at 4,215,930 tonnes grading at 1.58gpt gold for 214,500 ounces.

This announcement effects the end of the Company's trading halt.

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For further information please contact:

Glyn Povey
Managing Director
Vector Resources Limited
T: 08 6188 7800
E: contact@vectorresources.com.au

David Tasker
Professional Public Relations
T: 08 9388 0944/ 0433 112 936
E: david.tasker@ppr.com.au

Competent Person's Statement:

The information in this report that relates to Exploration Results or Mineral Resources of Vector Resources Ltd and its subsidiaries is based on information reviewed by Arnel Mendoza, who is a Member of the Australian Institute of Geoscientists ("AIG") and a Member of The Australasian Institute of Mining and Metallurgy. Mr Mendoza is a full-time employee of the Company.

Mr Mendoza 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Arnel Mendoza consents to the inclusion in this announcement of the matter based on his information in the form and context it appears.