VECTOR RESOURCES LIMITED
and its Controlled Entities

ABN 99 107 541 453

Half-Year Financial Report

31 December 2012

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DIRECTORS' REPORT

The Directors of Vector Resources Limited (the "Company" or "Vector") and its controlled entities (the "Group") submit herewith the financial report for the six months ended 31 December 2012 ("half-year").

DIRECTORS
The names of the Company's Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Gary Castledine	Non-executive Chairman
Mr Jian-Hua Sang	Vice Chairman (appointed 13 September 2012)
Mr Glyn Povey	Managing Director
Mr Neville Bassett	Non-executive Director and Company Secretary
Mr Brian Williams	Non-executive Director
Mr Robert Hyndes	Non-executive Director (resigned 13 September 2012)
Mr Damien O'Reilly	Chairman (resigned 22 November 2012)

DIVIDENDS
No dividends were paid or declared during the period. No recommendation for the payment of dividends has been received.

REVIEW AND RESULTS

Capital Raising
On 19 July 2012, the Company completed the allotment of 88,016,722 options expiring 30 January 2015, exercisable at $0.25 at an issue price of $0.01 each raising $880,167 pursuant to a non-renounceable entitlement issue offer.

On 23 July 2012, the Company announced that it was to raise $4 million through a two tranche placement to a strategic partner of 51,090,538 ordinary fully paid shares at $0.08 each, together with a free 1:1 attaching listed option at an exercise price of $0.25 expiring 30 January 2015 (the "Placement").

i. Tranche 1 – On the 26 July 2012, $2,467,829 was raised through the issue of 30,847,874 Shares under the Company's 15% placement capacity (ASX Listing Rule 7.1); and

ii. Tranche 2 – Following shareholder approval, the balance of $1,619,413 was completed on the 4 September 2012 through the issue of 20,242,664 Shares together with the 51,090,538 free attaching Listed Options on a 1:1 basis.

5,000,000 listed options exercisable at $0.25 each and expiring 30 January 2015 was issued to Indian Ocean Capital as a placement fee for the placement above.

Operations
Vector Resources Limited (Vector or the Company) is a Western Australian focused resource company. During the first half of the 2012 financial year the Company has continued the aggressive exploration program at Gwendolyn East. In addition to this drilling the Company has progressed work activities on the resource model and completed multiple surveys in preparation for submission of the mining proposal.

Ravensgate Consultants were contracted to conduct the independent resource estimation for Gwendolyn during this period. The exploration team have also conducted several field trips to the Clampton Project conducting mapping and surface sample in areas of interest.

Anglo American, as part of the Earaheedy Joint Venture farm-in completed the initial 7,587 RC metre drill program on the Hammerhead and Leopard Projects.

Gwendolyn M77/1263 and E77/1580

The Gwendolyn portfolio consists of two tenements, M77/1263 and E77/1580.

The two Gwendolyn tenements have been the priority of Vector's technical team and Phase 3, 4 and 5 of the drilling programs have been completed or currently still active. These drill programs have been a combination of extensional and infill drilling of the current mineralisation envelope that has been targeting the oxidised, transition and fresh material to expand the known resource for future surface and underground mining potential.

Throughout the half year, the company drilled a total of 14,005 metres of reverse circulation (RC) drilling with the use of two rigs, one track mounted and the other truck. The results of these programs have been highly successful with the continued identification of mineralisation outside of the current envelope as well as the identification of additional high grade perpendicular lodes. A completed revised geological logging of all previously drilled RC holes and recently drilled RC holes gave a better understanding of the geology, structure and alteration of the Gwendolyn deposit and lead to a mature geological model controlling the mineralisation. Hence the resource extensions and structurally controlled high grade drill targets were tested with good assay results.

The Company continued to receive encouraging results during the half year period from RC assays with announcements from July through to December identifying significant intercepts above 0.8g/t as detailed below:

- 1m @ 61.62g/t from 92m;
- 11m @ 49.48g/t Au from 10m, inclusive of 1m @ 114.50g/t from 12m, 1m @ 339g/t from 13m;
- 4m @ 47.99g/t from 33m;
- 3m @ 42.79g/t from 88m;
- 2m @ 39.64g/t from 62m;
- 8m @ 26.87g/t from 4m;
- 2m @ 22.92g/t from 64m;
- 4m @ 19.79g/t from 132m;
- 3m @ 14.45g/t from 29m;
- 2m @ 12.35g/t from 92m;
- 3m @ 10.94g/t from 96m;
- 1m @ 10.94g/t from 143m;
- 1m @ 10.29g/t from 138m;
- 1m @ 9.53g/t from 6m;
- 2m @ 9.19g/t from 95m;
- 1m @ 8.15g/t from 103m;
- 3m @ 8.82g/t Au from 0m;
- 1m@ 8.47g/t from 110m;
- 3m @ 8.21g/t from 110m;
- 5m @ 7.85g/t from 44m;
- 5m @ 7.36g/t from 112m;
- 1m @ 7.21g/t Au from 21m;
- 2m @ 5.60g/t from 9m;
- 5m @ 5.43g/t from 113m;
- 2m @ 4.92g/t from 154m;
- 8m @ 4.79g/t from 101m
- 2m @ 4.2g/t from 4 m;
- 1 m @ 4.14g/t Au from 15m;
- 3m @ 4.08g/t from 110 m.
- 3m @ 3.54g/t from 102m;
- 3m @ 3.48g/t from 102m;
- 1m @ 3.48g/t from 48m;
- 5m @ 3.38g/t from 19m;
- 5m @ 3.33g/t from 113m;
- 1m @ 3.30g/t from 129m;
- 8m @ 3.23g/t from 51m;
- 1m @ 3.18g/t from 68m;
- 16m @ 3.15g/t from 112m;
- 9m @ 3.04g/t Au from 6m;
- 1m @ 2.95g/t Au from 6m;
- 1m @ 2.94g/t from 1m;
- 5m @ 2.83g/t from 64m;
- 5m @ 2.68g/t from 40m;
- 6m @ 2.66g/t from 93m;
- 13m @ 2.64g/t from 127m;
- 2m @ 2.52g/t from 112m;
- 5m @ 2.51g/t from 84m;
- 4m @ 2.46g/t from 122m:
- 9m @ 2.43g/t from 95m;
- 3m @ 2.43g/t from 116m;
- 3m @ 2.30g/t from 34m;
- 4m @ 2.11g/t from 133m;
- 10m @ 1.89g/t from 19m;
- 3m @ 1.75 g/t Au from 0m;
- 8m @ 1.72g/t from 84m;
- 5m @ 1.31g/t from 19m; and
- 10m @ 1.19g/t from 19m.

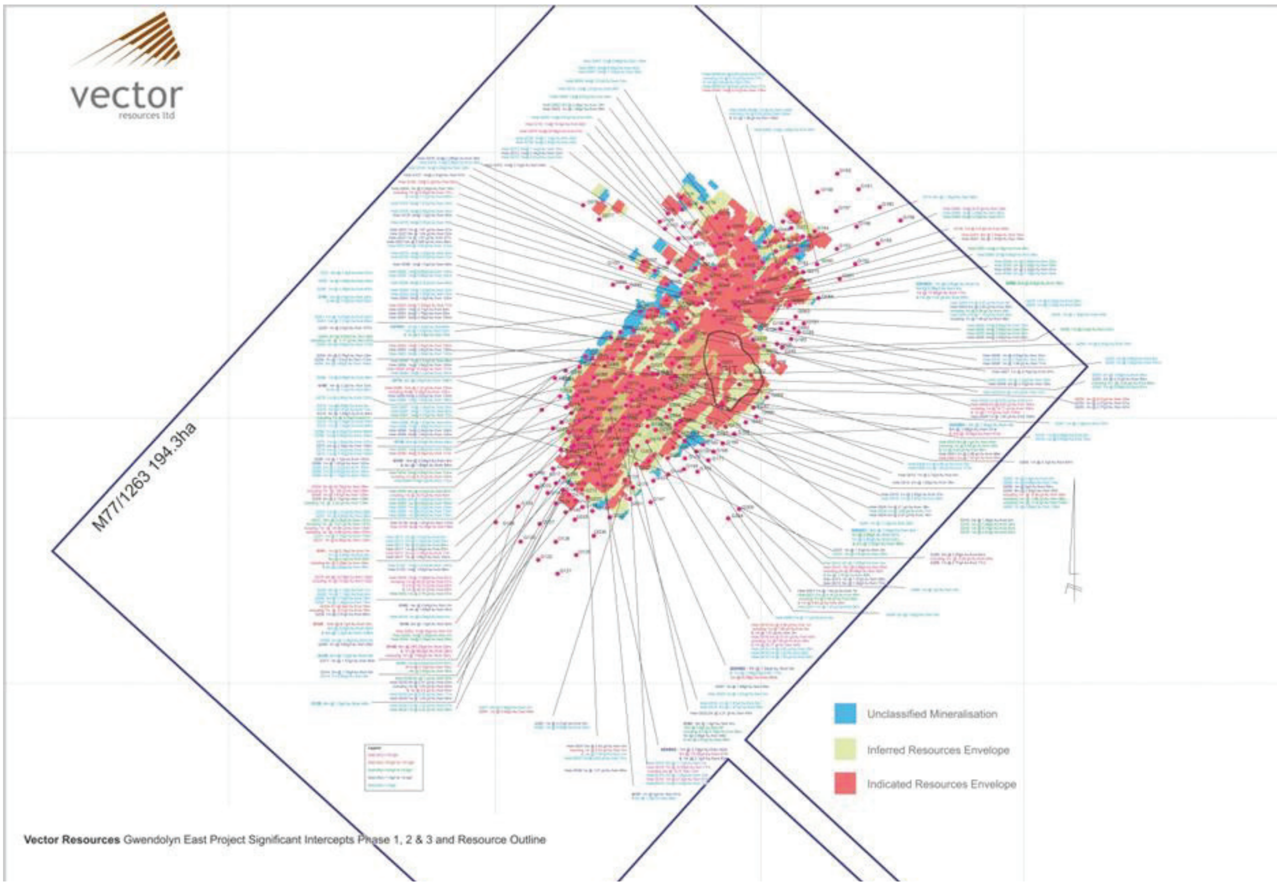

Figure 1: Plan view of collar locations of the RC holes that reported significant intercepts above 0.8g/t

Metallurgy

Metallurgical test work was completed on the Gwendolyn East Cutback Project during this period.

Gwendolyn Project Work

During this period, the Company, with the assistance of various consultant groups completed the necessary surveys, analysis and documentation required to complete the Mining Proposal for the Gwendolyn East Cutback Project. This work included the completion of:

- Flora spring and autumn surveys;
- Fauna spring survey;
- Heritage survey;
- Hydrology survey;
- Mine design;
- Closure plan; and
- Completed Mining Proposal.

The Mining Proposal for the Gwendolyn East Cutback Project was submitted to the Department of Mines and Petroleum in December 2012.

Clampton (E77/1591)

A follow-up field trip was undertaken to the initial trip in Q1 in November to identify possible access locations and the continued detailed mapping of outcrops within the areas of interest.

Mt Palmer (E77/1318, E77/1386 and P77/3678)

Further work has been carried out from the interpretation of the aeromagnetic data reported last quarter that identified 23 areas of significant interest. 8 of the 23 areas were identified as priority 1 targets and have been further investigated through desktop reviews. From this work, the Company will formulate an exploration program for these 8 targets that will initially consist of field trips to carry out detailed mapping and rock chip sampling where appropriate with the aim of conducting an auger sampling program in 2013.

Earaheedy Basin
Earaheedy Joint Venture (50% Vector Resources/50% Cazaly Resources)

During the first haft year to December 2012 Cazaly Resources completed the following exploration works within Exploration Licences E52/2183, E69/2061, E69/2062, E69/2063 and E69/2376 as managers of the Earaheedy (West) Joint Venture Project:

- Completed government tenement and expenditure reporting requirements.
- Requested Goodwork Holdings to rehabilitate drill holes, drill pads, access tracks and drill sumps from Q2 drilling within Exploration Licence E69/2063.
- Aboriginal heritage survey completed to the Cecil Rhodes Prospect within Exploration Licence E69/2375 with MNR and CDNTS representatives.

Earaheedy Project Review – exploration targeting and discussions on the future direction of the project.

Anglo American Farm-in

- AAEA completed a 1:20,000 scale geological map and enrichment/mineralization map on the Hammerhead, Sharpnose, Leopard and West Leopard Projects, covering an area of 200km^2.
- Results up to date show that the extension of the enrichment is coincident with the mapping conducted by AAEA. A supergene assemblage of hematite and goethite enriched the primary magnetite – silica – chert meso-bands of the iron rich units of the Frere Formation. Structurally controlled deeper enrichment is observed down hole.
- Two Land Access Agreements were signed during the period with the Wiluna and MNR Claim Groups including all the tenements under the JV.
- AEEA completed a 1:20,000 scale geological map and enrichment/mineralization map on the Mako Prospect.
- A detailed petrographic study conducted on rock chip samples and RC chip samples concluded that six paragenetic stages exist for the iron formation and associated terrigenous clastic lithofacies in the Frere Formation including: Authigenesis and Early Diagenesis, Late Diagenesis and Deformation and Supergene Enrichment and Laterite Formation.

59 RC holes were completed (7,587m) on the Hammerhead, Leopard and West Leopard Projects. A supergene assemblage of hematite and goethite enriched the magnetite – silica – chert meso-bands of the iron rich units of the Frere Formation. Best intercepts (~10-15m up to 50% Fe and up to 60% CaFe) are hosted by grainstone and iron rich BIF seated between siltstones units. Post-enrichment processes (weathering/erosion) would play an important role on the preservation of the enriched units.

AUDITORS' INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors Grant Thornton Audit Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year report. This Independence Declaration is set out on page 6 and forms part of this Directors' Report for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors.

Gary Castledine

Date: 15 March 2013
Perth, Western Australia

Competent Person Statement

The information in this announcement 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").

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 for 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.

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Auditor's Independence Declaration
To The Directors of Vector Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Vector Resources Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Partner - Audit & Assurance

Perth, 15 March 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Notes	31 Dec 2012	31 Dec 2011
		$	$
Other Income	2	46,067	103,478
Exploration & project evaluation expenses		-	(17,910)
Capitalised Exploration Written Off		(55,553)	-
Travel and Promotion		(49,072)	(77,845)
Impairment of investments		(4,399)	4,355
Employee benefit expenses		(165,864)	(520,245)
Consulting fees		(200,234)	(48,270)
Compliance and regulatory expenses		(83,286)	(57,246)
Depreciation		(19,673)	(23,497)
Directors' fees		(115,125)	(92,500)
Occupancy expenses		(62,505)	(61,911)
Other expenses		(191,609)	(200,029)
Loss on sale of investment		(1,195)	-
Loss before tax		(902,448)	(991,620)
Income tax expense		-	-
Loss for the period		(902,448)	(991,620)
Other comprehensive income			
Other comprehensive income		-	-
Other comprehensive Income for the period, net of tax		-	-
Total comprehensive loss for the period		(902,448)	(991,620)
Loss Attributable to:			
Members of the parent entity		(902,448)	(991,620)
		(902,448)	(991,620)
Other comprehensive income attributable to:			
Members of the parent entity		-	-
		-	-
Basic earnings per Share		($0.007)	($0.006)
Diluted earnings per Share		($0.007)	($0.006)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Notes	31 Dec 2012 $	30 Jun 2012 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,005,963	1,472,567
Other receivables		350,502	323,257
Total Current Assets		1,356,465	1,795,824
Non-Current Assets			
Property, plant & equipment		320,767	349,408
Financial assets		7,549	13,143
Deferred Exploration Expenditure		17,055,078	13,209,918
Total Non-Current assets		17,383,394	13,572,469
Total Assets		18,739,859	15,368,293
LIABILITIES			
Current liabilities			
Trade and other payables		775,535	1,181,838
Provisions		143,105	116,981
Total Current Liabilities		918,640	1,298,819
Total Liabilities		918,640	1,298,819
NET ASSETS		17,821,219	14,069,474
EQUITY			
Issued Capital		23,486,717	19,757,534
Option Reserve		2,502,913	1,577,903
Accumulated losses		(8,168,411)	(7,265,963)
TOTAL EQUITY		17,821,219	14,069,474

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Issued Capital $	Option Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2012	19,757,534	1,577,903	(7,265,963)	14,069,474
Loss for the period	-	-	(902,448)	(902,448)
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive loss for the period	-	-	(902,448)	(902,448)
Shares Issued*	4,087,243	-	-	4,087,243
Transaction costs on share issue**	(358,060)	44,843	-	(313,217)
Options Issued***	-	880,167	-	880,167
Balance as at 31 December 2012	23,486,717	2,502,913	(8,168,411)	17,821,219

	Issued capital $	Option Reserve $	Accumulated Losses $	Total equity $
Balance at 1 July 2011	16,144,617	1,130,867	(5,685,957)	11,589,527
Loss for the period	-	-	(991,620)	(991,620)
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive loss for the period	-	-	(991,620)	(991,620)
Shares Issued#	1,000,000	-	-	1,000,000
Share based payments##	-	334,298	-	334,298
Transaction costs on share issue	-	-	-	-
Balance as at 31 December 2011	17,144,617	1,465,165	(6,677,577)	11,932,205

The accompanying notes form part of these financial statements.

**Issue of 51,090,538 fully paid ordinary shares at $0.08 each.*
***Transaction costs include the issue of 5,000,000 options (exercisable at $0.25 and expire 30 January 2015) as part of a placement fee valued at 0.89686 cents each, total value $44,843. The options were valued using Black Scholes methodology.*
****Issue of 88,016,722 options (exercisable at $0.25 and expire 30 January 2015) at $0.01 each*
#Issue of 12,500,000 fully paid ordinary shares at $0.08 each.
##Issue of 10,000,000 options (exercisable at $0.20 and expiring on 21 December 2014) valued at 2.58 cents each, total value $279,619 and 4,000,000 options (exercisable at $0.40 and expiring on 21 December 2015) valued at 1.92 cents each, total value $76,679. The options were valued using Black-Scholes methodology.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	31 Dec 2012 $	31 Dec 2011 $
Cash flows from operating activities		
Interest received	47,529	121,561
Payment to suppliers and employees	(886,412)	(765,378)
Net cash flows from/(used in) operating activities	(838,883)	(643,817)
Cash flows from investing activities		
Payments for exploration and evaluation	(4,212,019)	(2,706,975)
Payments for plant, property and equipment	(56,605)	(59,711)
Net cash flows from/(used in) investing activities	(4,268,624)	(2,766,686)
Cash flows from financing activities		
Proceeds from issue of shares and options	4,640,903	1,994,640
Net cash flows from/(used in) financing activities	4,640,903	1,994,640
Net increase/(decrease) in cash and cash equivalents	(466,604)	(1,415,863)
Cash and cash equivalents at beginning of period	1,472,567	5,265,206
Cash and cash equivalents at end of period	1,005,963	3,849,343

The accompanying notes form part of these financial statements.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Accounting Policies

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Vector Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2012 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss of $902,448 for the six months ended 31 December 2012 (2011:$991,620). The Group recognised a reduction in total cash flows for the six months ended 31 December 2012 totalling $466,604 (2011:$1,415,863).

The ability of the Company and the Group to continue to pay its debts as and when they fall due is dependent upon the Company successfully raising additional share capital.

The Directors have reached this conclusion based on completing the capital raising pursuant to the non-renounceable rights issue announced on 11 March 2013. The non-renounceable rights issue to shareholders is on a one ordinary fully paid share ("New Share") for every two shares held at 7:00pm AEDT on 20 March 2013 ("Record Date") at an issue price of $0.03 each ("Rights Issue").

The maximum number of New Shares which may be issued under the Rights Issue is 128,368,185 to raise approximately $3,851,045.

The corporate and administrative cost overheads of the Group have been restructured to achieve a reasonable level of cost reductions.

Having regard to these factors the directors are of the opinion that the basis upon which the financial statements are presented is appropriate in the circumstances. In the event that further capital cannot be raised, the Company may be required to realise its assets and extinguish its liabilities other than in the normal course of the business and at amounts different from those stated in the financial statements.

The financial statements do not include adjustments, if any, relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Operating Segments
From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position. The Company operates in two operating segments, being iron ore and gold exploration in Australia.

NOTE 2: LOSS FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	Consolidated Group	
	31 December 2012	**31 December 2011**
Interest income	46,067	103,478

NOTE 3: SEGMENT INFORMATION

a. Type and Location

The operating segments are identified by the Directors based on the type of exploration being conducted by the Group. Financial information of these operating businesses is reported to the Board on a regular basis.

During the current period the Group has two operating segments being Iron Ore and Gold exploration located in Western Australia. All other activities are considered to relate to the Corporate Head Office.

b. Basis of accounting for purposes of reporting by operating segments

Unless stated otherwise, all amounts reported to the Directors are determined in accordance with accounting policies that are consistent with those adopted in the Annual Financial Statement of the Group.

Segment Performance	Iron Ore		Gold		Head Office		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	$	$	$	$	$	$	$	$
Revenue	573	477	7,798	5,399	37,696	97,602	46,067	103,478
Employee benefits expenses	-	-	(272)	(3,498)	(165,592)	(516,748)	(165,864)	(520,245)
Consulting fees	-	-	-	-	(200,234)	(48,270)	(200,234)	(48,270)
Compliance and regulatory expenses	-	-	(3,000)	(4,922)	(80,286)	(52,324)	(83,286)	(57,246)
Depreciation	-	(1,512)	(474)	(474)	(19,199)	(21,511)	(19,673)	(23,497)
Exploration expenditure and project evaluation	-	(18,241)	-	(41)	-	372	-	(17,910)
Capitalised Exploration Written Off	-	-	(55,553)	-	-		(55,553)	
Occupancy costs	-	(23)	(1,022)	(461)	(61,483)	(61,427)	(62,505)	(61,911)
Directors' fees	-	-	-	-	(115,125)	(92,500)	(115,125)	(92,500)
Impairment of assets held for resale	-	-	-	-	(4,399)	4,355	(4,399)	4,355
Promotion and travel	-	-	(91)	(132)	(48,981)	(77,713)	(49,072)	(77,845)
Other expenses	(335)	(11,389)	(5,570)	(4,094)	(185,704)	(184,545)	(191,609)	(200,029)
Loss on sale of investment	-	-	-	-	(1,195)	-	(1,195)	-
	(335)	(31,165)	(65,982)	(13,622)	(882,198)	(1,050,311)	(948,515)	(1,095,098)
Loss for the period	238	(30,688)	(58,184)	(8,223)	(844,502)	(952,709)	(902,448)	(991,620)

	Iron Ore		Gold		Head Office		Total	
	31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012
	$	$	$	$	$	$	$	$
Segment Assets								
Exploration Expenditure								
Opening balance	1,785,166	1,595,873	11,424,752	5,002,886	-	-	13,209,918	6,598,759
Exploration expenses capitalised	56,793	227,899	3,843,920	6,427,907	-	-	3,900,713	6,655,806
Exploration Written off	-	(38,606)	(55,553)	(6,041)	-	-	(55,553)	(44,647)
	1,841,959	1,785,166	15,213,119	11,424,752	-	-	17,055,078	13,209,918
Other assets	77,621	89,533	594,486	565,082	1,012,674	1,503,760	1,684,781	2,158,375
Total Assets	1,919,580	1,874,699	15,807,605	11,989,834	1,012,674	1,503,760	18,739,859	15,368,293
Segment liabilities	(9,000)	(110,001)	(382,866)	(65,032)	(526,774)	(1,123,786)	(918,640)	(1,298,819)
Net Assets	1,910,580	1,764,698	15,424,739	11,924,802	485,900	379,974	17,821,219	14,069,474

NOTE 4: ANGLO AMERICAN FARM-IN – EARAHEEDY JOINT VENTURE ("ANGLO")

On 26 September 2011, Vector and Cazaly Resources collectively the Earaheedy Joint Venture (EJV) signed a farm-in agreement with Anglo American, the global diversified mining house ("Anglo").

- The farm-in allows Anglo to earn a 75% interest in the Earaheedy Project
- Staged success payments of up to $51million to the EJV
- Anglo to undertake due diligence exploration program of a minimum of 7,500 metres of RC or diamond drilling to be completed within 18 months.
- Anglo will then have the right to earn;
    - An initial 51% interest in the project by paying $1million to the EJV and expending $20million within 4 years.
    - 75% interest by completing a Bankable Feasibility Study (BFS) and payment of an additional $5million to the EJV.
- Following the delivery of a positive BFS, a success payment of $45million would be payable to the EJV. The EJV is to have the right to contribute to the project or dilute to a royalty of 1.25% FOB.
- The EJV retains sole rights to the southern portion of the project area which is considered highly prospective for manganese mineralisation

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated 31 December 2012 $	Consolidated 30 June 2012 $
Cash and cash equivalents		
Cash at bank	557,876	978,480
Secured Credit card bond	12,000	12,000
Secured Environmental bond	282,000	328,000
Secured Property bond	154,087	154,087
	1,005,963	1,472,567

NOTE 6: COMMITMENTS AND CONTINGENCIES

	Consolidated 31 December 2012 $
Exploration Expenditure	
No later than one (1) year	601,258
Longer than one(1) year, but not longer than five (5) years	2,164,046
Longer than five (5) years	3,524,400
	6,289,704

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

Rights Issue

On 22 February 2013, Vector announced that it plans to undertake a one-for-two rights issue at 3c to raise $3.9m.

The maximum number of New Shares which may be issued under the Rights Issue is 128,368,185 to raise approximately $3,851,045 (based on the current capital structure of the Company). The Offer Document has been lodged on the 11 March 2013.

NOTE 8: DIVIDENDS

No dividends have been paid or declared in respect of the half-year ended 31 December 2012.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Vector Resources Limited, I state that:

In the opinion of the directors:

- the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

  i. give a true and fair view of the financial position as at 31 December 2012 and the performance for the half-year ended on that date; and

  ii. comply with Accounting Standard AASB 134 *Interim Financial Reporting*.

- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

Signed in accordance with a resolution of the Board of Directors.

Gary Castledine
Chairman

Perth, 15 March 2013

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Independent Auditor's Review Report
To the Members of Vector Resources Ltd

We have reviewed the accompanying half-year financial report of Vector Resources Ltd ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Vector Resources Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Vector Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit we have not become aware of any matter that makes us believe that the half-year financial report of Vector Resources Ltd is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding Going Concern

Without qualification to the conclusion expressed above, we draw attention to Note 1 to the financial statements which indicates that the consolidated entity incurred a net loss of $902,448 for the six months ended 31 December 2012 and, as of that date, the consolidated entity's total cash outflows totalled $466,604. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Partner - Audit & Assurance

Perth, 15 March 2013