

> Mining Approvals Secured for Gwendolyn

Highlights

- **WA Department of Mines and Petroleum has approved the Mining Proposal for the Gwendolyn East Cutback Gold Project near Southern Cross in WA**
- **WA Department of Mines and Petroleum has approved all necessary environmental permits to clear land for the Gwendolyn East Cutback Gold Project**
- **Vector now finalising a review of its mining options including a Phase One high-grade toll treatment operation to maximise upfront cash-flow**
- **Mining and processing contracts are being finalised to a position to be awarded**

Vector Resources Ltd (ASX: VEC) ("Vector" or "the Company") is pleased to announce that the Western Australian Department of Mines and Petroleum (DMP) has approved the Mining Proposal submitted in December 2012 for the Gwendolyn East Cutback Gold Project near Southern Cross.

Vector has also received the necessary permits to clear native vegetation under the Environmental Protection Act 1986 from the DMP for the Gwendolyn East Cutback Gold Project

This key approval and permit means Vector are now in a position to finalise the review of its mining options and progress towards awarding contracts in order to begin production and cash-flow.

Among the options being considered is a Phase 1 high-grade toll-treatment operation which would have the benefit of incurring low capital expenditure while generating early cash flow.

The review underway includes a detailed assessment of the Gwendolyn resource, which has a host of high-grade lodes, to ensure it is optimised for a high-grade toll-treatment project. This review will also enable Vector to finalise the development timetable for Gwendolyn.

Vector is in advanced negotiations with mining contractors and is also close to finalising an agreement with a nearby processor to toll treat the Gwendolyn ore.

The toll treatment strategy is based on four separate open pits along the strike of the main mineralised corridor, with each being mined to a depth of approximately 30 to 40m below surface. The highly weathered nature of the near-surface deposit means there will be no drill and blast activities required until mining reaches a depth of approximately 95m below surface.

Gold-bearing ore will be stockpiled on the run of mine (ROM) pad and then transported to the toll processing facility via heavy-haulage road trains.

The toll treatment process of Phase 1 will enable Vector to compare the projected volumes and grades to the amount of recovered metal, processed ore and other key benchmarks. This work will establish a set of data parameters that will give Vector a greater understanding of the mineralogy as related to the modelling work and the Phase 2 design criteria.

Phase 2 is based on mining of the oxide pits to an approximate depth of 75m. This phase will link the four pits of Phase 1 into a single open pit. Ore would again be stockpiled and transported for processing in a similar fashion to Phase 1.



During and on completion of the proposed Phase 2 operations, Vector would review the total metal balance and reconciliations for the project, including the additional data obtained during mining activities, to improve the Company's knowledge of the geology and resource. This work will provide a clear indication of the potential for a Phase 3 operation, including the potential to extend the open pit operations and/or the potential for underground mining options.

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