



## QUARTERLY REPORT

September 2014

**Yellow Rock Resources  
Limited**

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### Projects:

**Gabanintha Vanadium**

**Gabanintha Gold, copper**



## ACTIVITIES REPORT FOR THE QUARTERLY PERIOD ENDED 30 SEPTEMBER 2014

### KEY HIGHLIGHTS

- Concept Engineering Study on the Gabanintha Vanadium Deposit completed in August provides strong encouragement to advance the project to the next stages of feasibility by mid-2015;
- Estimated C1 cash operating cost<sup>1</sup> of A\$7.26/kg (A\$3.29/lb) vanadium pentoxide (+98.5% V<sub>2</sub>O<sub>5</sub> Flake) could position Yellow Rock as a competitive open pit producer;
- Estimated capital cost to first production of A\$230 million including A\$18.5 million of contingency to direct costs;
- Appointment of experienced geologist Brian Davis as a Non-Executive Director;
- Retirement and pending resignation of Non-Executive Chairman and Company Secretary as of the date of the Company's Annual General Meeting to be held on the 26<sup>th</sup> November 2014;
- The Company continued to engage with the broader financial and strategic investment community to improve access to future exploration and development capital;
- Option conversions raise \$1.1 million plus an expected R & D tax refund of ~\$240,000 to be received in November to boost cash position. Cash at end of September ~\$3.8 million ensures Yellow Rock is well funded to significantly advance projects.

### CONCEPT STUDY PARAMETERS – CAUTIONARY STATEMENT<sup>2</sup>

*The Concept Study in this report (nominal +/- 50% accuracy) is based on low level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the current conclusions of the Concept Study will be realised. There is a low level of geological confidence associated with Indicated and Inferred Mineral Resources and there is no certainty that further exploration and development work will result in the estimation of Ore Reserves or that the production target itself will be realised.*

*The Company advises the Concept Study results and production targets reflected in this announcement are highly preliminary in nature as conclusions are drawn from the average grade of Indicated and Inferred Resources. A generic mining cost per tonne of material moved and an average resource grade has been used to determine overall mining and processing costs as*

*opposed to a detailed mining block model evaluation to produce a detailed mining schedule.*

*The Company has concluded it has a reasonable basis for providing the forward looking statements included in this report. The detailed reasons for that conclusion are outlined throughout this report and in particular in Appendix B – Statements, headed “Forward Looking and Cautionary Statements”.*

Yellow Rock Resources Limited (ASX: YRR) (“Yellow Rock” or “the Company”) is pleased to provide the following quarterly update on its exploration and development activities during and subsequent to 30 September 2014.

### **GABANINTHA VANADIUM PROJECT SUMMARY (100% OWNED)**

During the September Quarter Yellow Rock completed a Concept Engineering Study (“CES”) for the generation of vanadium pentoxide (+98.5% V<sub>2</sub>O<sub>5</sub> Flake) from the Gabanintha Vanadium Deposit in Western Australia (see ASX announcements dated 24 July 2014 and 15 September 2014).

The CES was compiled by independent Perth-based process engineering consultancy group Battery Limits Pty Ltd with the assistance of a number of mining and industry consultancy groups in conjunction with Yellow Rock personnel. It highlights the technical and economic potential of the Gabanintha deposit to support an open pit mining and processing operation to produce V<sub>2</sub>O<sub>5</sub>.

The CES considered a number of mine production, grade and processing rate scenarios to determine the most economically robust combinations on which to use as a basis for further economic and technical evaluation. A key outcome of the study was to define the parameters of an economic project given the high grade nature of the Gabanintha Mineral Resource.

The Company believes there is significant potential within the existing resource to increase the estimated grade of high grade mineralisation domains by completing targeted infill drilling and utilising selective modelling techniques. The current Mineral Resource Estimate is based on geological data from 164 holes comprising 13,124m on an along strike drill spacing of between 100m – 500m (Figure 1).

Currently the best option for a commercially attractive operating and capital cost combination based on limited financial assessment is to produce 10,000 tpa of high-purity +98.5% V<sub>2</sub>O<sub>5</sub> Flake via open pit mining and a salt roast-leach extraction process. The capital cost of this option is estimated to be A\$230 million with an estimated C1 operating cost of A\$7.26/kg (A\$3.29/lb) vanadium pentoxide.

The capital cost includes an average contingency of 8.8% of direct costs which has been applied on an equipment item by item basis. A further nominal \$20 million has been added for mine pre-strip capital in the financial assessment. The assumed price used to economically evaluate the project is a flat non-escalated A\$15/kg (A\$6.80/lb) against the current price of ~A\$15.40/kg (~A\$7.00/lb). Key outcomes are shown in Table 1.

The average operating cost of vanadium mining producers globally is estimated to be ~A\$9.72/kg (~A\$4.40/lb).

Item	Units	Case
V <sub>2</sub> O <sub>5</sub> Production	Tpa	10,000
V <sub>2</sub> O <sub>5</sub> Feed	%	1% V <sub>2</sub> O <sub>5</sub> Bene
Feed Rate	Tpa	2,100,000
Capital Cost Estimate	A\$ M	\$230 M
Op Cost Estimate	A\$/kg V <sub>2</sub> O <sub>5</sub>	7.26
Concept Study Price Used	A\$/kg V <sub>2</sub> O <sub>5</sub>	15.00
Current V <sub>2</sub> O <sub>5</sub> Price	A\$/kg V <sub>2</sub> O <sub>5</sub>	15.40

Table 1: Key Project Parameters (Exchange rate used A\$:US\$ 0.9).

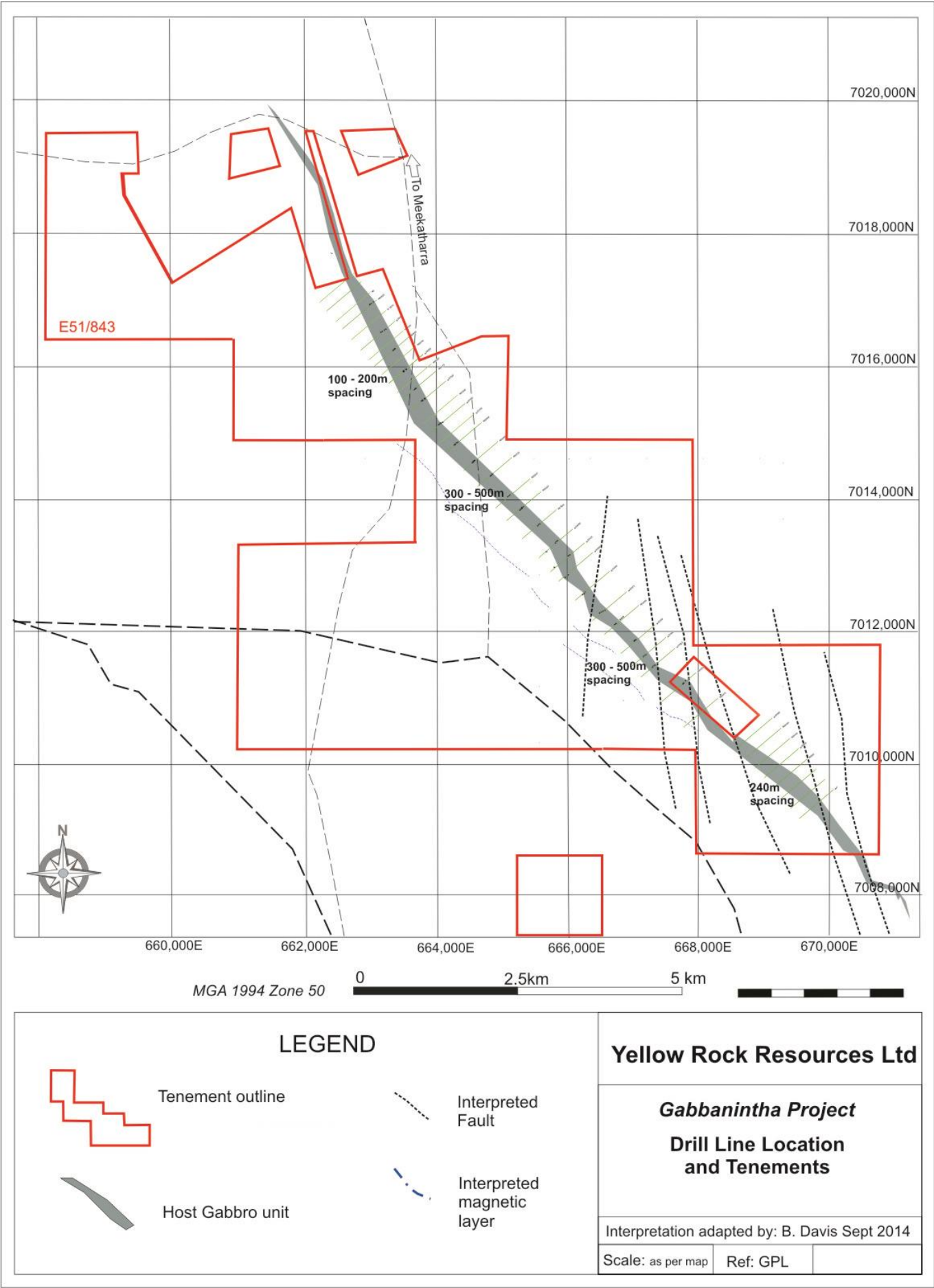


Figure 1: Plan view of the Gabbanintha Vanadium Project showing the mineralised gabbro host unit and vanadium resource drilling lines.

A 5,000 tpa case without beneficiation demonstrated a lower capital cost with higher operating costs which requires further economic evaluation. At this stage the Company is of the opinion that the optimum potential development production rate will be in the range of 5,000 to 10,000 tpa.

The Company considers results from the CES to be significantly encouraging to warrant further technical and financial evaluation. Yellow Rock is currently considering a number of technical programs and management options to advance the project toward Bankable Feasibility. A number of proposals from highly experienced metallurgical, mining and environmental services groups will be evaluated over the course of the next period to ensure a cost efficient and technically robust development path is selected.

The Company plans to enter service agreements with a combination of internal and external specialists from the resources industry to deliver a Pre-feasibility Study ("PFS") by mid-2015, which is a normal precursor for a Full Feasibility Study to support a project of the specific nature and size of Gabanintha.

The results of the PFS will be critical for the decision making process and should provide a strong marketing tool for the Company to engage with potential strategic partners that can assist with the further stages of mine development and financing.

In support of the planned PFS the Company is reviewing the geological resource model, near-term drilling plans and sampling requirements to deliver a JORC 2012 Compliant Mineral Resource Estimate.

Near term follow-up field work programs are in the advanced planning stages and are expected to include database improvements, drilling, baseline environmental data capture and initial stakeholder liaison. Key activities will include;

- Reverse Circulation and Diamond drilling to;
  - Target higher grade near surface mineralisation zones;
  - Improve geological definition of the oxide transitional and primary mineralisation zones;
  - Undertake comprehensive metallurgical testwork for material to be beneficiated;
  - Provide samples for potential strategic investor testing.

## **GABANINTHA VANADIUM PROJECT DETAIL**

### **MINING AND FEED PREPARATION**

The project would involve contract open pit mining and crushing of vanadium-titanium-iron ore and focus on high grade near surface zones from within the resource. The contractor would drill, blast and deliver to a stockpile. For the study a waste to ore strip ratio of 1:1 has been used with a mining cost of \$10/t.

Ore will then be crushed and ground prior to magnetic separation, producing a concentrate which is then filtered prior to being fed to the roast leach plant. The CES flowsheet for  $V_2O_5$  production is shown in Figure 2.

### **PROCESSING**

The crushed ore is to be mixed with a sodium salt (preferably soda ash) and fed to a rotary kiln operated at  $\sim 1,000^\circ\text{C}$  with a retention time in the hot zone for two hours. Solubilisation of vanadium as sodium meta-vanadate ( $\text{NaVO}_3$ ) between 85-90% can be expected.

The roasted vanadium salt discharging from the kiln will be cooled to  $\sim 300^\circ\text{C}$  and passed to a regrinding mill at an assumed p80 106 micron. The slurry will be discharged into the 1<sup>st</sup> tank of the atmospheric leach circuit (ATL) at  $\sim 50\%$  w/w solids.

The ATL is comprised of a cascade of three stirred tanks operating at  $30\text{-}40^\circ\text{C}$  for a nominal retention time of two hours. Assumed extraction is 85-90% of vanadium from the ore. Vanadium concentration up to 50 g/L can be expected.

Discharge slurry from the ATL circuit would be fed into a 6-stage Counter Current Decantation (CCD) circuit where residue is washed using recycled water to separate the pregnant leach liquor from the leach residue. In each CCD stage, the incoming thickener underflow would be diluted with recycled thickener overflow to reduce the pulp density to about 5% (w/w) solids before pumping to a flocculant contact tank adjacent to the thickener feedwell. Dilute flocculant solution is to be added to the contact tank to aid settling.

CCD1 overflow proceeds to the desilication circuit whilst CCD6 underflow reports to the Tailings Neutralisation circuit. Alternatively, a pressure filtration circuit may be employed for the solid liquid separation.

The desilication circuit includes three stirred tanks in a cascade to provide an overall retention time of one hour at 60°C. In this circuit, aluminium sulphate is to be added in order to reject silica as sodium aluminosilicate. A dilute aluminium sulphate solution is to be dosed into Tank 1, at a stoichiometric ratio to the silica tenor in the feed at a molar ratio of Al:Si at 1.2:1 (assumption). A diagrammatic summary of the study flowsheet is included as Figure 2.

Desilication discharge is to be advanced to a clarifier where coagulant and flocculant will be added to improve the clarity. The clarifier overflow can be introduced to a polishing filter whilst the underflow is to be forwarded to a pressure filter.

To assure a high recovery of ammonium meta vanadate (AMV) precipitation, it is desirable that the desilicified pregnant leach solution to be concentrated up to 90-100 g/L  $V_2O_5$ .

AMV is to be precipitated from the solution obtained from the Evaporative Concentration step by adding ammonium sulphate solids to the solution under controlled conditions. The circuit requires at least six stages, two operating at 60°C, where ammonium sulphate is added with pH controlled at ~8.5 with concentrated  $H_2SO_4$  with a retention time of two hours. (Assumption  $NH_4^+$ :V molar ratio of 2.0).

The other four stages are to be equipped with chillers to drop the temperature down to 10 °C gradually with seeding to encourage precipitation and crystal growth. Assume four hours retention time and the  $V_2O_5$  recovery of 99%. AMV crystals will be recovered by filtration. (AMV can also be sold to chemical customers or subject to further processing as is the case assumed for this study).

The production of  $V_2O_5$  flakes from AMV is achieved in a kiln fired at 650-750 °C. Ammonia is driven off at about 450°C and then fused to produce  $V_2O_5$  flakes at ~750°C. ( $V_2O_5$  flakes can be used as the starting product in the preparation of electrolytes for vanadium redox batteries and sold to chemical customers or converters for further processing to ferrovandium).

## **CAPITAL COSTS**

A summary of processing capital cost estimates are shown in Table 2. The capital cost includes an average contingency of 8.8% of direct costs which has been applied on an equipment item by item basis. A further nominal \$20 M has been added for mine pre-strip capital in the financial assessment. The total pre-production capital cost is ~\$230 M.

## **OPERATING COSTS**

A summary of total operating cost estimates are shown in Table 3. Mining costs are estimated at \$10/t ore mined at a waste to ore ratio of 1:1. Freight costs are estimated at \$150/t product and General and Administration are included in operating costs.

### **<sup>1</sup>Estimated C1 cash operating cost**

Estimated C1 cash operating cost is defined in Table 3 and 4. Only site based General and Administration is included.



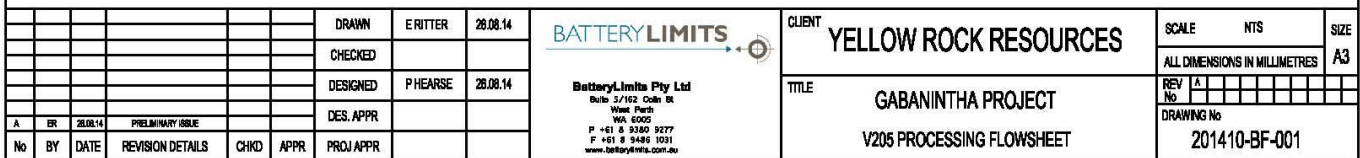


Figure 2: Concept Engineering Study flowsheet for vanadium pentoxide production for the Gabanintha project.

Description	1% V <sub>2</sub> O <sub>5</sub> Beneficiation 10,000 tpa
Plant Site Bulk Earthworks	3,227,087
Primary Crushing	8,436,646
Stockpile and Reclaim	1,321,696
Grinding	10,400,686
Magnetic Separation and Filtration	6,374,883
Roaster	47,606,249
Atmospheric Leach	931,730
Leach Residue Filtration	4,594,241
Desilication and Solution Clarification	1,933,691
Evaporation and Crystallisation	18,105,335
Calcination	21,328,603
Reagent Mixing and Distribution	896,682
Tails Thickening and Disposal	4,398,110
Plant and Instrument Air	290,050
Plant Water and Services	1,563,438
Sewerage Treatment	200,758
Fuel Storage and Distribution	864,604
Administration Buildings	757,919
Workshops and Stores	765,218
Laboratory	764,361
Power Supply and Reticulation	14,077,226
Communications	608,598
Mobile Fleet	3,062,011
Process Plant Piping	14,166,344
Borefield and Raw Water Supply	4,394,032
Potable Water Supply	217,522
Access Road	1,023,971
Construction Equipment	6,552,648
<b>TOTAL Direct Costs</b>	<b>178,864,339</b>
EPCM	24,551,552
Commissioning	1,636,770
Initial Fills	111,720
Spare Parts	4,910,310
Temporary Facilities	481,491
<b>TOTAL Indirect Costs</b>	<b>31,691,843</b>
<b>TOTAL CAPITAL ESTIMATE</b>	<b>210,556,183</b>

Table 2: Capital Cost Estimate Summary (A\$)

Parameter	Units	Case
V <sub>2</sub> O <sub>5</sub> Production	Tpa	10,000
V <sub>2</sub> O <sub>5</sub> Feed	%	1% V <sub>2</sub> O <sub>5</sub> Bene
Feed Rate	Tpa	2,100,000
Mining Cost	A\$/kg V <sub>2</sub> O <sub>5</sub>	2.00
Processing	A\$/kg V <sub>2</sub> O <sub>5</sub>	5.11
Freight to Market	A\$/kg V <sub>2</sub> O <sub>5</sub>	0.15
<b>Total</b>	<b>A\$/kg V<sub>2</sub>O<sub>5</sub></b>	<b>7.26</b>
<b>Annual Operating Cost</b>	<b>A\$</b>	<b>72,600,000</b>

Table 3: Total Operating Costs Estimate Summary (A\$)

A summary of processing operating costs are shown in Table 4.

Parameter	Units	Case
<b>V<sub>2</sub>O<sub>5</sub> Production</b>	<b>Tpa</b>	<b>10,000</b>
<b>V<sub>2</sub>O<sub>5</sub> Feed</b>	<b>%</b>	<b>1% V<sub>2</sub>O<sub>5</sub> Bene</b>
Feed Rate	Tpa	2,100,000
Labour	A\$/kg V <sub>2</sub> O <sub>5</sub>	0.90
Power	A\$/kg V <sub>2</sub> O <sub>5</sub>	0.02
Reagents	A\$/kg V <sub>2</sub> O <sub>5</sub>	2.69
Consumables	A\$/kg V <sub>2</sub> O <sub>5</sub>	0.15
Maint Materials	A\$/kg V <sub>2</sub> O <sub>5</sub>	1.17
G & A	A\$/kg V <sub>2</sub> O <sub>5</sub>	0.18
<b>Total</b>	<b>A\$/kg V<sub>2</sub>O<sub>5</sub></b>	<b>5.11</b>

Table 4: Processing Operating Costs Estimate Summary (A\$)

## <sup>2</sup> CAUTIONARY STATEMENTS AND DISCLAIMERS IN RELATION TO THE CONCEPT ENGINEERING STUDY

### Forward Looking Statements

This report contains certain forward looking statements. The words "expect", "forecast", "should", "projected", "could", "may", "predict", "plan" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings, cash flows costs and financial position and performance are also forward looking statements. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statement about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results or trends to differ materially. These variations, if materially adverse, may affect the timing or the feasibility of the development of the Gabanintha project.

The Company believes it has a reasonable basis for making the forward-looking statements in this report, including with respect to any production targets, based on the information contained in this report.

### Competent Person Reference

The information in this statement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by independent consulting geologist Brian Davis B.Sc (Hons), Dip.Ed. Mr Davis is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Brian Davis is employed by Geologica Pty Ltd and is a Non-Executive Director of Yellow Rock Resources Ltd. Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken 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. Davis consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears". The information that refers to Exploration Results and Mineral Resources in this announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since last reported.

The information in this statement that relates to ore processing and vanadium pentoxide production is based on information compiled by independent process engineering company Battery Limits Pty Ltd (Battery Limits). Mr Phil Hearse, Managing Director of Battery Limits, is the Competent Person for the purpose of this release with regard to the processing aspects. Mr Hearse (B App Sc Prim Met) (MBA) is a metallurgist with 40 years' experience. He is a Fellow of The Australian Institute of Mining and Metallurgy. Mr Hearse has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the 2012 JORC Code.

Mr. Hearse consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears.



## Cautionary Statements

The Company advises the Engineering Concept Study results and Production targets reflected in this announcement are preliminary in nature as conclusions are based on lower-level technical and economic assessments and are insufficient to support Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Engineering Concept Study will be realised. There is a lower level of geological confidence associated with mineral resources and there is no certainty that further exploration work will result in the determination of Measured mineral resources or that the production target itself will be realised.

## Listing Rule 5.19

The information in this report was originally released in announcements dated 15 September 2014 and 18 September 2014.

All the material assumptions underpinning the production target and forecast financial information from the original ASX announcements continue to apply and have not materially changed.

## **GABANINTHA GOLD AND BASE METAL PROJECTS (100% OWNED)**

Immediately adjacent to and within the Gabanintha Project there is significant potential for the discovery of gold and base metal deposits. At the Tumblegum South Prospect (Figure 3), the Company discovered significant gold and copper mineralisation in RC drilling conducted in November 2013 (see *ASX announcement dated 27 November 2013*). The mineralisation is interpreted to be an extension of the Tumblegum Deposit which is owned by listed mining company Monument Mining Limited (MMY.V).

A significant reverse circulation (RC) drill program had previously been approved at the Tumblegum South Prospect to follow-up gold and copper targets (see *ASX announcement dated 3 March 2014*). This program has been delayed due to the assessment of drilling requirements for the Gabanintha Vanadium Project so the field programs can be combined and executed together to improve exploration efficiency and to reduce overall exploration costs.

During the quarter there was no on ground exploration conducted on the Gabanintha Projects and exploration work was restricted to technical assessment of historic data and discussions with strategic parties to advance the non-core projects toward commercial outcomes.

## **CORPORATE**

### **Management Changes**

On the 11<sup>th</sup> of September Yellow Rock appointed experienced geologist Brian Davis Bsc, DipEd RPGeo (MAIG) MAusIMM to The Board of Directors as a Non-Executive Director (see *ASX announcement 5 June 2014*). Mr Davis is a 40 year veteran of the resources industry and has been principal of exploration and resource development consultancy group Geologica Pty Ltd for the last 16 years. During his extensive career he has worked in exploration and mining for small and large resource companies focused on commodities including gold, base metals, vanadium, iron ore, coal, uranium, rare earths and diamonds both in Australia and overseas.

Mr. Davis has a Bachelor of Science degree in geology at King's College, London, UK in addition to a Diploma in Education from the University of Western Australia. A registered practising geoscientist (RPGeo), he is professionally affiliated with the industry by way of the Australian Institute of Geoscientists and The Australasian Institute of Mining and Metallurgy.

Mr. Davis is currently the Competent Person for Yellow Rock and has been involved with the Company's Projects since 2007.

Mr. Davis also is a Board Member on two Not for Profit Organizations, WA Lions Drug Education Foundation (WALDEF) and Local Drug Action Groups Inc (LDAG). Both organizations are committed to drug and alcohol education and abuse prevention programs.

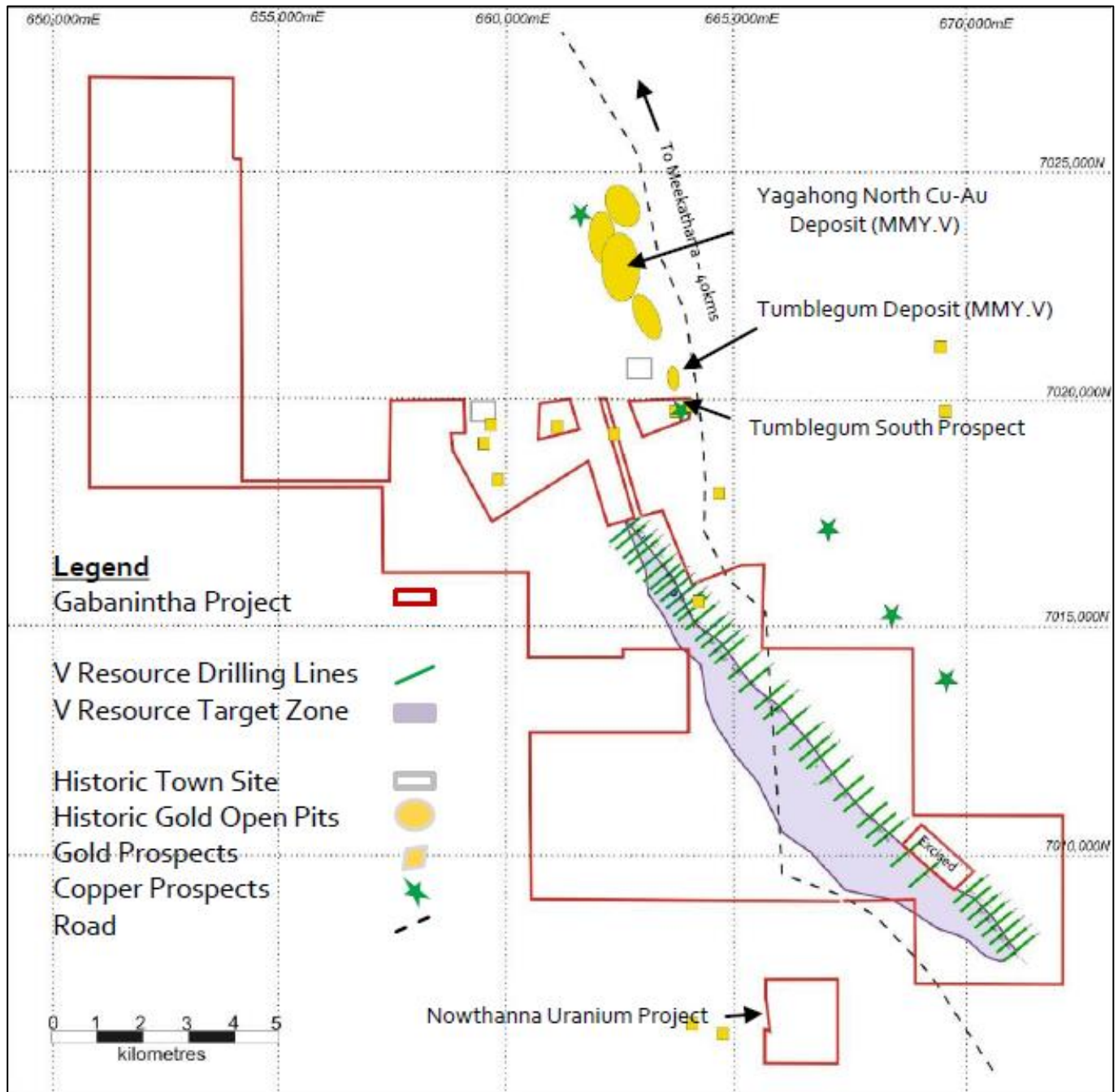


Figure 3: Plan view of the Gabanintha Project showing the Tumblegum South Prospect in relation to the Gabanintha Vanadium Deposit area.

On the 2<sup>nd</sup> of September Yellow Rock announced the intended retirement of both Mr. Sydney Chesson as Director and Chairman of the Company, and Mr. Simon Chesson as Company Secretary from the date of the Company Annual General Meeting, to be held on the 26<sup>th</sup> November 2014 (see ASX announcement dated 2 September 2014).

### Rights Issue and Cash Position

Subsequent to the end of the June quarter Yellow Rock completed a non-renounceable pro-rata rights issue and shortfall placement raising \$3,362,027 (before costs). A total of 336,202,700 fully paid ordinary shares at \$0.01 per share and 336,202,700 free attaching unlisted options exercisable at \$0.015 each on or before 31<sup>st</sup> December 2017.

Further to this during the quarter a total of 75,204,900 unlisted options exercisable at \$0.015 each were converted into ordinary shares to raise an additional \$1,128,073. In addition a Research and Development Australian Taxation Office refund of \$240,000 is expected to be received in November culminating in a strong cash position. Cash as at the end of September is \$3,758,000. Yellow Rock is now well funded to complete significant exploration and development programs in the near term.

## Global Marketing and Industry Participation

During the period management continued to grow the Company profile and global exposure within the investment community and vanadium market in general. A global investment roadshow was completed as part of ongoing Company promotion and included investor presentations in Australia, US, Canada, UK and UAE. In addition to meeting with financial investors, specialist US-based vanadium marketing and vanadium redox battery companies were included to build potential strategic business relationships and to better understand the vanadium market.

Further, on the 16 September (see ASX announcement dated 16 September 2014) Yellow Rock participated and presented at the Metal-Pages China Metals Week conference in Beijing, China. The conference is a significant event in the global metals trade calendar and plays an integral part in analysis and discussion on the applications and markets for speciality metals.

These programs and participation within the industry will be ongoing and in support of this Yellow Rock has engaged with US-based industrial and public relations, corporate advisory and research firm Arrowhead Business and Investment Decisions LLC ('ABID') to further connect with investors. ABID will compile a technical research report and distribute it to their extensive investor network in North America and Europe. The research report is expected to be compiled in the next period and will be lodged on the company website.

## Upcoming Events

Further to the Company's immediate technical program for the Gabanintha Projects becoming finalised Yellow Rock plans to continue to reach out to financial and strategic investors. Subsequent to the end of the period, from the 22-23<sup>rd</sup> October Yellow Rock management participated in an annual Vanitec event in London to continue engaging with the vanadium industry.

Vanitec is a technical and scientific committee which brings together representatives of companies and organisations involved in the mining, processing, manufacture, research and use of vanadium and vanadium-containing products from across the globe. Vanitec operates as a not-for-profit organisation with the objective of researching and promoting the use of vanadium bearing materials. Yellow Rock looks forward to continued participation with Vanitec and the vanadium industry to assist engagement with potential development partners for the Gabanintha Vanadium Project.

Tenement Information as Required by Listing Rule 5.3.3 For the Quarter Ended 30 September 2014				
Project	Location	Tenements	Economic Interest Notes	Change in Quarter
WESTERN AUSTRALIA				
Gabanintha	Gabanintha	EL51/1534	100% On application	
	Gabanintha	E51/1576	Granted 100%	
	Gabanintha	EL51/843	Granted 100%	
	Gabanintha	E51/1396	Granted 100%	
	Gabanintha	P51/2634	Granted 100%	
	Gabanintha	P51/2635	Granted 100%	
	Gabanintha	P51/2636	Granted 100%	
	Gabanintha	P512566	Granted 100%	
	Gabanintha	P51/2567	Granted 100%	
Nowthanna	Nowthanna	MLA51/771	100% On application	
NORTHERN TERRITORY				
Arunta Region	Mt Denison	ELA 25418	100% On application	
	Mt Nicker	ELA27503	100% On application	
West Arnhem	Table Hill	ELA 28158	100% On application	
	Mann	ELA 28159	100% On application	

**For further information, please contact:**

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## Investor Coverage

Recent news on the Company activities can be found on the Yellow Rock Resources website <http://www.yellowrock.com.au/>

## About Yellow Rock Resources Limited

Yellow Rock is developing the Gabanintha high-grade Vanadium Deposit located in the Murchison Province ~43kms south of the mining town of Meekatharra in Western Australia. The project consists of eight granted exploration licenses and one exploration license application in the Gabanintha Formation in the north of the Murchison granite-greenstone terrane of the Archaean Yilgarn Craton.

Mineralisation is associated with titaniferous magnetite bands ranging in size from a few metres to 30m thick that outcrop at surface. There are two distinct zones of mineralisation a separate basal, massive, high grade zone and an upper disseminated zone with lower grade. The deposit is over 12km along strike, outcrops at surface and is largely continuous. Over 13,000m of drilling has been conducted on the deposit comprising 155 reverse circulation (RC) holes and nine diamond (DD) holes. These holes have been geologically logged and sampled and were used to determine a JORC 2004 Compliant Mineral Resource Estimate in 2011 (Table below).

A Concept Engineering Study completed in 2014 (see ASX announcement dated 15 September 2014) into the development of an open cut vanadium mine at Gabanintha demonstrated that an operation to mine, beneficiate and process ore to produce vanadium pentoxide is technically and commercially viable. Recent developments in vanadium redox battery technology for grid-scale energy storage with improved vanadium demand fundamentals have underpinned the recent work programs. The Company is focused on definition of the most economical start-up mining and product combination that minimises capital expense and maximises value.

Material	JORC Resource Class	Million tonnes	In situ bulk density	V <sub>2</sub> O <sub>5</sub> %	Fe%	TiO <sub>2</sub> %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI%
High grade	Indicated	14.4	4.17	1.03	42.14	12.07	11.42	7.84	3.37
	Inferred	46.0	4.16	0.97	42.15	11.19	12.37	8.28	3.20
Subtotal		60.4	4.16	0.98	42.15	11.40	12.15	8.17	3.24
Low grade	Indicated	42.7	2.71	0.44	23.37	6.08	29.25	18.09	8.94
	Inferred	22.7	2.67	0.42	22.65	6.08	30.62	16.96	6.92
Subtotal	Indicated	57.0	2.97	0.59	28.10	7.59	24.76	15.51	7.54
Subtotal	Inferred	68.8	3.51	0.79	35.70	9.50	18.40	11.15	4.43
	<b>Total</b>	<b>125.8</b>	<b>3.25</b>	<b>0.70</b>	<b>32.60</b>	<b>8.64</b>	<b>21.29</b>	<b>13.13</b>	<b>5.84</b>

Note: In-situ dry bulk density has been assigned based on V<sub>2</sub>O<sub>5</sub> grade, therefore density values quoted here are weighted average values. The Mineral Resource was estimated as a block model within constraining wireframes based upon logged geological boundaries and grade cut-offs of 0.30% V<sub>2</sub>O<sub>5</sub> for Low Grade (LG) and 0.70% V<sub>2</sub>O<sub>5</sub> for High Grade (HG). Tonnages have been rounded to reflect that this is an estimate.

The Gabanintha Project area is also highly prospective for gold and copper mineralisation.

## Competent Person Statement

The information in this statement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by independent consulting geologist Brian Davis B.Sc (Hons), Dip.Ed. Mr Davis is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Brian Davis is employed by Geologica Pty Ltd and is a Non-Executive Director of Yellow Rock Resources Limited. Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken 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. Davis consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears". The information that refers to Exploration Results and Mineral Resources in this announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since last reported.

## Forward Looking Statements

No representation or warranty is made as to the accuracy, completeness or reliability of the information contained in this release. Any forward looking statements in this presentation are prepared on the basis of a number of assumptions which may prove to be incorrect and the current intention, plans, expectations and beliefs about future events are subject to risks, uncertainties and other factors, many of which are outside Yellow Rock Resources Limited's control. Important factors that could cause actual results to differ materially from the assumptions or expectations expressed or implied in this presentation include known and unknown risks. Because actual results could differ materially to the assumptions made and Yellow Rock Resources Limited's current intention, plans, expectations and beliefs about the future, you are urged to view all forward looking statements contained in this release with caution. The release should not be relied upon as a recommendation or forecast by Yellow Rock Resources Limited. Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.