

ASX ANNOUNCEMENT

NOTICE OF ANNUAL GENERAL MEETING AND ANNUAL REPORT

Please find attached the company's Notice of Annual General Meeting to be held on Friday, 20 November 2015 at 10.00am.

The company advises that the Annual Report comprises only the documents previously lodged with ASX.

Neville Bassett
Company Secretary

15.10.2015

ASX ANNOUNCEMENT

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Gabanimtha Gold, Copper
Nowthanna Uranium
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Yellow Rock **RESOURCES**

Notice of Annual General Meeting

Explanatory Statement

and

Proxy Form

Date of Meeting

Friday, 20 November 2015

Time of Meeting

10.00am (WST)

Place of Meeting

129 Edward Street
Perth WA 6000

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of members of Yellow Rock Resources Limited (**Yellow Rock** or the **Company**) will be held on Friday, 20 November 2015, commencing at 10.00am (WST) at 129 Edward Street, Perth, Western Australia.

The enclosed Explanatory Statement accompanies and forms part of this Notice of annual general meeting.

AGENDA

ORDINARY BUSINESS

Accounts and Reports

To receive and consider the annual financial report for the financial year ended 30 June 2015, together with the reports by directors and auditors thereon.

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. Adoption of Remuneration Report

That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company's Annual Report for the financial year ended 30 June 2015 be adopted.

Note: *The vote on this resolution is advisory only and does not bind the directors of the Company.*

Voting Exclusion Statement:

Pursuant to section 250R(4) of the Corporations Act, the Company is required to disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of any of the following persons:

- (a) member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member (together "prohibited persons").

However, the Company will not disregard a vote if:

- (c) the prohibited person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (d) the vote is not cast on behalf of a prohibited person.

2. Re-election of Director (Mr B Lewis)

That Mr Brenton Lewis, being a Director of the Company who retires by rotation in accordance with Clause 7.3(a) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.

SPECIAL BUSINESS

3. Approval of 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Ratification of Prior Issue of Performance Rights

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 Performance Rights on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Approval for the Issue of Performance Rights to Directors

To consider and, if thought fit, to pass each of the following resolutions as a separate **ordinary resolution**:

5.1 Approval for the Issue of Performance Rights to Mr Ingraham

That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of up to 10,000,000 Performance Rights to Mr Leslie Ingraham on the terms set out in the Explanatory Statement, be and is hereby approved.

5.2 Approval for the Issue of Performance Rights to Mr Davis

That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of up to 6,000,000 Performance Rights to Mr Brian Davis on the terms set out in the Explanatory Statement, be and is hereby approved.

5.3 Approval for the Issue of Performance Rights to Mr Lewis

That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of up to 4,000,000 Performance Rights to Mr Brenton Lewis on the terms set out in the Explanatory Statement, be and is hereby approved.

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution 5 by any Director eligible to participate in the issue of Performance Rights, including their respective associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. Change of Company Name

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

That, with effect from the date that ASIC alters the details of the Company's registration in accordance with section 157 of the Corporations Act, the name of the Company be changed to Australian Vanadium Limited.

BY ORDER OF THE BOARD

Neville Bassett
Company Secretary
12 October 2015

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the annual general meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on 20 November 2015 at:

**129 Edward Street
Perth WA 6000**

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5.00pm (WST) time on 18 November 2015.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Sections 250BB and 250BC of the Corporations Act provide that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of members of Yellow Rock Resources Limited ("the Company") in connection with the business to be conducted at the annual general meeting of members to be held at 129 Edward Street, Perth, Western Australia on Friday, 20 November 2015 at 10.00am (WST).

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of annual general meeting.

2. 2015 ANNUAL REPORT

In accordance with the requirements of the Company's Constitution and the Corporations Act, the 2015 Annual Report will be tabled at the annual general meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report. There is no requirement for a formal resolution on this item.

Representatives from the Company's auditors, Abbott Audit Services Pty Ltd, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

Annual Report Online

Shareholders who have not elected to receive a hard copy of the Annual Report can access the report on the company's website at www.yellowrock.com.au

3. ADOPTION OF REMUNERATION REPORT – Resolution 1

3.1 General

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report for the year ended 30 June 2015 contains the Remuneration Report which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for the Directors and Key Management Personnel.

Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3.2 Voting consequences

If at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

4. RE-ELECTION OF DIRECTOR – Resolution 2

Resolution 2 relates to the re-election of Mr Brenton Lewis as a Director.

In accordance with the requirements of clause 7.3(a) of the Company's Constitution and the Corporations Act, one-third of the directors of the Company retire from office at this annual general meeting of the Company, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election

Mr Lewis retires by rotation and, being eligible, offers himself for re-election.

A summary of the qualifications and experience of Mr Lewis is provided in the Annual Report.

All the Directors, except for Mr Lewis, recommend that Shareholders vote in favour of Resolution 2

5. APPROVAL of 10% PLACEMENT CAPACITY – Resolution 3

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 5.2 below).

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

5.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation (at the date of this Explanatory Statement) of \$9,135,405.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: YRR).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 or 7.4; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

5.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 5.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the number of Equity Securities currently on issue.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.006 (50% decrease in issue price)	Funds raised based on issue price of \$0.012 (issue price)	Funds raised based on issue price of \$0.024 (100% increase in issue price)
761,283,723 (Current)	76,128,372	\$456,770	\$913,540	\$1,827,080
1,141,925,584 (50% increase)	114,192,558	\$685,155	\$1,370,310	\$2,740,621
1,522,567,446 (100% increase)	152,256,744	\$913,540	\$1,827,080	\$3,654,161

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 9 October 2015.
2. The issue price set out above is the last closing price of the Shares on the ASX prior to the date of this Notice.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (iii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for exploration and evaluation of the company's existing projects and general working capital; or
- (ii) as non-cash consideration for the acquisition of new assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to a number of factors, including:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing Shareholders and/or new investors who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Capacity will be the vendors of the new assets or investments.

(f) Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained approval under ASX Listing Rule 7.1A at its annual general meeting held on 27 November 2014.

In accordance with ASX Listing Rule 7.3A.6, the following information is provided to shareholders regarding the equity securities issued in the previous 12 months preceding the date of the Annual General Meeting (that is, 20 November 2015).

Listing Rule 7.3A.6(a)

The table below shows the total number of equity securities issued in the previous 12 months preceding the date of the annual general meeting and the percentage that those issues represent of the total number of equity securities on issue at the commencement of that 12 month period.

Total number of equity securities issued in the 12 months preceding the date of the meeting	10,000,000
Percentage that they represent of the total number of equity securities on issue at the commencement of that 12 month period	0.75%

Listing Rule 7.3A.6(b)

The tables below set out specific details for each issue of equity securities that have taken place in the 12 month period prior to the date of the annual general meeting.

Date of issue	29 May 2015
Number issued	10,000,000 Performance Rights
Summary of terms	Refer Annexure "A"
Names of the persons who received securities or basis on which those persons were determined	Vincent Algar - CEO
Price	Nil – Part of remuneration package
Discount to market price (if any)	N/A
For cash issues	
Total cash consideration received	N/A
Amount of cash consideration spent	N/A
Use of cash consideration	N/A
Intended use for remaining amount of cash (if any)	N/A
For non-cash issues	
Non-cash consideration paid	Incentive as part of remuneration package
Current value of that non-cash consideration	N/A – Performance conditions not yet satisfied

5.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

6. RATIFICATION OF PRIOR ISSUE OF OPTIONS – Resolution 4**6.1 Background**

Resolution 4 seeks Shareholder ratification of the issue of 10,000,000 Performance Rights to Mr Vincent Algar, the Chief Executive Officer, as announced to the ASX on 29 May 2015, for the purposes of satisfying Listing Rule 7.4.

No funds were raised from the issue. The Performance Rights were issued as part of Mr Algar's remuneration package to provide a performance linked incentive.

6.2 Listing Rule 7.4

Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the Shares on issue at the commencement of that 12 month period. The issue of 10,000,000 Performance Rights did not exceed the 15% limit.

Listing Rule 7.4 provides that where a company ratifies a prior issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing the company's 15% capacity and enabling it to issue further securities up to that limit.

If Resolution 4 is approved, the Performance Rights will not be included in the Company's 15% calculation for the purposes of Listing Rule 7.1.

6.3 Listing Rule 7.5

The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5. In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the issue pursuant to Resolution 4:

(i) **Number of securities issued**

10,000,000

(ii) **Price at which securities were issued**

Nil – The Performance Rights were issued as part of a remuneration package to provide a performance linked incentive.

(iii) **The terms of the securities**

The Performance Rights were issued on the terms and conditions as outlined in Annexure "A".

(iv) **The basis on which allottees were determined**

The Performance Rights were issued to the Company's CEO, Mr Vincent Algar.

(v) **The use (or intended use) of the funds raised**

No funds were raised from the issue. The Performance Rights were issued to provide a performance linked incentive.

7. APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS – Resolution 5

Shareholder approval is being sought for the granting of Performance Rights (“PRs”) to the Executive Director, Mr Leslie Ingraham, Non-Executive Chairman, Mr Brian Davis and Non-Executive Director, Mr Brenton Lewis (collectively the “Key Management Personnel” or “KMP”) as follows:

- (i) up to 10,000,000 PRs to Mr Ingraham, which, subject to satisfaction of vesting criteria, can convert to up to 10,000,000 Shares (Resolution 5.1);
- (ii) up to 6,000,000 PRs to Mr Davis, which, subject to satisfaction of vesting criteria, can convert to up to 6,000,000 Shares (Resolution 5.2); and
- (iii) up to 4,000,000 PRs to Mr Lewis, which, subject to satisfaction of vesting criteria, can convert to up to 6,000,000 Shares (Resolution 5.3).

The role and responsibilities of these Directors is material to the success of Yellow Rock

A Performance Right is a right to be issued a Share upon satisfaction of specified performance conditions and the expiry of a vesting period. The performance conditions that are required to be satisfied for the PRs’ to vest and convert into Shares is as follows:

- (a) In respect to 50% of the Performance Rights for each KMP:
 - (i) upon the Company releasing a Mineral Resource Statement containing a JORC 2012 Compliant Resource; and
 - (ii) the Company’s Shares trading at a volume weighted average market price of greater than 1.9 cents per share calculated over 20 consecutive trading days on which the Company’s shares have actually traded; and
- (b) In respect to the remaining 50% of the Performance Rights for each KMP:
 - (i) upon the Company releasing a Mineral Resource Statement containing a JORC 2012 Compliant Resource that includes Resources in the Measured Category; and
 - (ii) the Company’s Shares trading at a volume weighted average market price of greater than 3.0 cents per share calculated over 20 consecutive trading days on which the Company’s shares have actually traded

Substantial effort will need to be made by the KMP over this period and the issue of PRs’ will be an incentive to motivate the KMP. As the PRs’ will vest, convert to shares and deliver a benefit to the KMP only if the mineral resource vesting conditions are met and the Company’s share price appreciates to the levels triggering the conversion of the PRs, Shareholder interest is aligned to any benefits that may flow to the KMP.

At this stage, the Company is not planning to adopt a Performance Rights Plan but rather seeks shareholder approval for the specific grant of PRs’ to the KMP. A formal plan may be adopted for implementation in the future.

The Board is aware that the ASX Corporate Governance Guidelines discourage participation in equity incentive schemes by Non-executive Directors.

The Board has determined that the anticipated time commitment, contacts and skills of the Non-executive Directors cannot be adequately remunerated by a conventional fee for service basis and believe that an equity incentive linked to appropriate vesting conditions over time will provide the best possible alignment of Board and shareholder interests, all things considered.

As outlined below, Shareholder approval must be sought, in accordance with ASX Listing Rule 10.14, for the grant of PRs to Messrs Ingraham, Davis and Lewis.

The Board have concluded that the remuneration for Messrs Ingraham, Davis and Lewis (including the proposed grants of PRs) are reasonable and appropriate having regard to the circumstances of the Company and Messrs Ingraham, Davis and Lewis's duties and responsibilities.

The Shares issuable upon exercise of the PRs to be granted to the KMP represent a maximum of 2.56% of the current issued Shares of the Company.

Shareholder approval is required under Listing Rule 10.11 for the issue of PRs to Messrs Ingraham, Davis and Lewis as they are Directors and therefore a related party of the Company. The Board has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by section 211 of the Corporations Act is relevant in the circumstances and accordingly, the Company will not also seek approval for the issue of Performance Rights to Messrs Ingraham, Davis and Lewis pursuant to section 208 of the Corporations Act.

Listing rules 10.13 requires the following information to be provided in relation to the PRs proposed to be granted to the KMP:

- (a) The number of PRs (and hence the maximum number of Shares) to be issued is 20,000,000 allocated as follows:

Mr Ingraham – 10,000,000

Mr Davis – 6,000,000

Mr Lewis – 4,000,000

- (b) No consideration will be payable by Messrs Ingraham, Davis and Lewis at the time of issue of the PRs or upon vesting thereof into Shares (no loans will be made by the Company in connection with the issue of these PRs or their vesting, if any, into Shares).
- (c) The PRs will be issued on the one date to Messrs Ingraham, Davis and Lewis as soon as practicable after the Meeting, but in any event no later than one month after the date of the Meeting (or such later date as permitted by ASX by way of a waiver from the Listing Rules).
- (d) The PRs will have an expiry date of 2 February 2020 and, subject to satisfaction of vesting criteria (detailed elsewhere in this Explanatory Statement), conversion of PRs to Shares may occur in that period.
- (e) In addition to the vesting conditions outlined above, the other terms and conditions of the PRs are provided in Annexure A of the Explanatory Statement.
- (f) A voting exclusion statement in respect of Resolution 5 is included in the Notice.

The Directors have a vested interest in the proposed issue of PRs' and therefore makes no recommendation, however they note that the benefit, if any, from the grant of the PRs' will only flow if the mineral resource vesting conditions are met and the Company's share price appreciates to the levels triggering the conversion of the PRs, which would be value accretive to all Shareholders. The Directors also consider the quantum of PRs' to be reasonable in the circumstances.

8. CHANGE OF COMPANY NAME – Resolution 6

The Directors have determined to change the Company name to “Australian Vanadium Limited”. Resolution 6 seeks Shareholder approval for the change of name in accordance with section 157 of the Corporations Act.

The Directors believe the change of name better reflects the Company’s principal activities and its emphasis and objectives relative to vanadium.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

If approved, the change of name will take effect from the date ASIC alters the details of the Company’s registration in accordance with section 157 of the Corporations Act.

9. DEFINITIONS

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691.

ASX Listing Rules means the official listing rules of ASX.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- i) is not included in the A&P/ASX 300 Index; and
- ii) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means this Explanatory Statement.

Yellow Rock or the Company means Yellow Rock Resources Limited ACN 116 221 740.

Key Management Personnel means has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Meeting means the annual general meeting to be held on 20 November 2015.

Notice means the notice of annual general meeting which forms part of this Explanatory Statement.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2015.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a fully paid ordinary share in the capital of the Company

10% Placement Capacity has the meaning given in Section 5.1 of this Notice.

Annexure "A"

TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

- (i) **Conversion on achievement of milestones:** Each Performance Right will automatically convert into one Share:
 - (c) In respect to 50% of the Performance Rights:
 - (i) upon the Company releasing a Mineral Resource Statement containing a JORC 2012 Compliant Resource; and
 - (ii) the Company's Shares trading at a volume weighted average market price of greater than 1.9 cents per share calculated over 20 consecutive trading days on which the Company's shares have actually traded; and
 - (d) In respect to 50% of the Performance Rights:
 - (i) upon the Company releasing a Mineral Resource Statement containing a JORC 2012 Compliant Resource that includes Resources in the Measured Category; and
 - (ii) the Company's Shares trading at a volume weighted average market price of greater than 3.0 cents per share calculated over 20 consecutive trading days on which the Company's shares have actually traded.
- (ii) **Lapse:** A Performance Right will lapse on the earliest to occur of: (a) a purported transfer, assignment, mortgage, charge, disposition of or encumbrance of the Performance Right, other than with the prior written consent of the Board; (b) the holder of such Performance Right (a "**Performance Rights Holder**") ceasing to be an employee, officer or service provider ("**Eligible Person**") to the Company for any reason, subject to the provisions described below; (c) a determination by the Board that a Performance Rights Holder has acted fraudulently or dishonestly or is in breach of his or her obligations to the Company; (d) subject to any automatic vesting in accordance with other terms, if applicable vesting conditions have not been met in the prescribed period; or (e) the expiry date of 2 February 2020.
- (iii) **Cessation of Entitlement – Death or Ill Health:** Subject to any invitation's terms and conditions, if the Performance Rights Holder ceases to be an Eligible Person due to ill health or death, then (a) if all relevant vesting conditions are met the Performance Rights may be exercised (by the personal representatives in the case of death) until they lapse in accordance with the terms of the Performance Rights; or (b) if any relevant vesting conditions have not been met, the Performance Rights will automatically lapse immediately upon the Performance Rights Holder ceasing to be an Eligible Person.
- (iv) **Cessation of Entitlement – Termination for Cause:** Subject to any invitation's terms and conditions, if the Performance Rights Holder is terminated for cause, then (a) if all relevant vesting conditions are met, the right to exercise Performance Rights is immediately suspended for a period of 10 Business Days, during which period the Board may determine to lift the suspension and allow such Performance Rights to be exercisable for a period of 20 Business Days after the holder ceases to be an Eligible Person, following which such Performance Rights will lapse (however, if the Board does not determine to lift the suspension, the Performance Rights will automatically lapse at the end of the 10 Business Day suspension); or (b) if any relevant vesting conditions have not been met, the Performance Rights will lapse on the day the holder ceases to be an Eligible Person.
- (v) **Cessation of Entitlement – Termination by Consent or Cessation of Employment for Other Reasons:** Subject to any invitation's terms and conditions, if the Performance Rights Holder ceases to be an Eligible Person (a) by their own volition; (b) by reason of redundancy; or (c) for reasons other than ill health or death, termination for cause or by consent, or redundancy, then: (A) if all relevant vesting conditions are

met, the Performance Rights may be exercised for a period of 20 Business Days after the holder ceases to be an Eligible Person, following which such Performance Rights will lapse; or (B) if any relevant vesting conditions have not been met, the Performance Rights will lapse on the day the Performance Rights Holder ceases to be an Eligible Person.

- (vi) **Change of Control:** All unvested Performance Rights automatically vest and are automatically exercised on the occurrence of a change of control, subject to the total number of ordinary shares that the Performance Shares in aggregate convert into not being more than 10% of the issued ordinary capital of the Company as at the date of conversion.
- (vii) **Reorganisation:** In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued shares, the number of Performance Rights to which each Performance Rights Holder is entitled will be adjusted in the manner provided for in the ASX listing rules applicable at the time the reorganisation comes into effect.
- (viii) **Assignability:** If the Performance Right Holder purports to transfer, assign, mortgage, charge or otherwise dispose of or encumber any Performance Rights, the Performance Rights immediately lapse. Performance Rights are transferable only to the extent necessary to allow exercise by personal in the event of death of the holder.

Change of Control means:

- (a) a Takeover Bid is made to acquire all Shares, a person obtains a Voting Power in the Company of more than 50%, and the Takeover Bid is or has become unconditional;
- (b) a Court has sanctioned a compromise or arrangement (other than for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other entity or entities);
- (c) a selective buy-back or capital reduction is announced in respect of the Company which would result in a person who previously had Voting Power of less than 50% in the Company obtaining Voting Power of more than 50%; or
- (d) a person otherwise lawfully acquires a Voting Power in the Company of more than 50%.

PROXY FORM

The Secretary
Yellow Rock Resources Limited
129 Edward Street
Perth WA 6000

I/We (full name)

of _____

being a member(s) of Yellow Rock Resources Limited, hereby appoint as my/our proxy

of _____

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the annual general meeting of the Company to be held at 10.00am on Friday, 20 November 2015 and at an adjournment thereof in respect of _____% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – B Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Prior Issue of Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.1 Issue of Performance Rights to Mr Ingraham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2 Issue of Performance Rights to Mr Davis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.3 Issue of Performance Rights to Mr Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Where permitted, the Chairman intends to vote all undirected proxies in favour of all resolutions.

If the member is an individual or joint holder:

Usual Signature

Dated this _____ day of

Usual Signature

2015.

If the member is a Company:

Signed in accordance with the
Constitution of the company
in the presence of:

Director/Sole Director

Director/Secretary

Sole Director and Sole Secretary

Dated this _____ day of

2015.

INSTRUCTIONS FOR COMPLETING PROXY FORM

NOTES

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (refer below) or sent by facsimile to that office on Fax: 08 9486 8066 to be received not less than 48 hours prior to the time of the Meeting.
5. Signing Instructions

Individual: where the holding is one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting.

6. Important for Resolution 1:

If the Chair of the Meeting or any member of the Key Management Personnel of the Company or a Closely Related Party of a member of the Key Management Personnel of the Company is your proxy and you have not directed the proxy how to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company or Closely Related Party of a member of the Key Management Personnel is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

LODGING YOUR PROXY FORM

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at the address given below no later than 10.00am (WST) on 18 November 2015. Any proxy form received after that time will not be valid for the scheduled meeting.

In person: Yellow Rock Resources Limited
129 Edward Street
Perth WA 6000

By mail: Yellow Rock Resources Limited
129 Edward Street
Perth WA 6000

By fax: (08) 9486 8066