



**QUARTERLY REPORT**

**December 2014**

**Yellow Rock Resources  
Limited**

**ASX: YRR**  
**FRA: JT7.F**

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**Projects:**

**Gabanintha Vanadium**

**Gabanintha Gold, copper**



**ACTIVITIES REPORT FOR THE QUARTERLY  
PERIOD ENDED 31 DECEMBER 2014**

**KEY HIGHLIGHTS**

- The Gabanintha Vanadium project is advancing through the stages of feasibility and the following progress has been made to date:
  - Awarding the initial Metallurgical Testing and Plant Studies to Battery Limits Pty Ltd.
  - Awarding the Stage 1 Environment Survey and Desktop Study to Biologic Environmental Pty Ltd.
  - Approval of a Programme of Works for 5400m of RC and 900m of Diamond infill drilling to provide more information on a 2 kilometre section of the Gabanintha vanadium deposit. This represents approximately 16% of the current resource strike length. The programme will provide samples for metallurgical testing and allow open pit optimisation studies and ore characterisation to begin.
  - Discussions with the Yamatji Marlpa Aboriginal Corporation representing the Yugunga Nya people about the proposed heritage and anthropological survey.
  - Preparation of a Supporting Geological Report for a Mining Lease Application over the Gabanintha vanadium deposit.
- The Company continued to engage with the broader financial and strategic investment community to improve access to future exploration and development capital.
- Cash at end of December ~\$3.7 million ensures Yellow Rock is well funded to significantly advance projects.

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 31 December 2014.

### Metallurgical testing

The initial metallurgical testing and plant studies work has been awarded to Battery Limits Pty Ltd after consideration of several different submissions from suitable companies. The proposed work for the next quarter will commence when suitable samples are taken during the planned drilling program. Tests include crushing and grinding tests, analysis of recoveries from oxide, transition and fresh ore using gravity and magnetic separation techniques and confirmation of suitable process plant options.

### Environmental Survey

Several quotations from companies for the Stage 1 Environment Survey and Desktop Study were received in the quarter. This work has been awarded to Biologic Environmental Pty Ltd. A zoologist and a botanist travelled to site at the end of December and conducted the field work component of the study, recording fauna and flora sightings and establishing the nature of the ecological communities present on the leases. The results of this work along with the formal report based on all field and desktop research is expected to be completed at the end of the next quarter.

### Drilling

A Programme of Works for 5400m of RC and 900m of Diamond infill drilling was approved by DMP in December. This programme is designed to provide more information on a 2 kilometre section of the Gabanintha vanadium deposit (see Figure 1 below). This represents approximately 16% of the current resource strike length. The programme will provide samples for metallurgical testing and allow open pit optimisation studies and ore characterisation to begin.

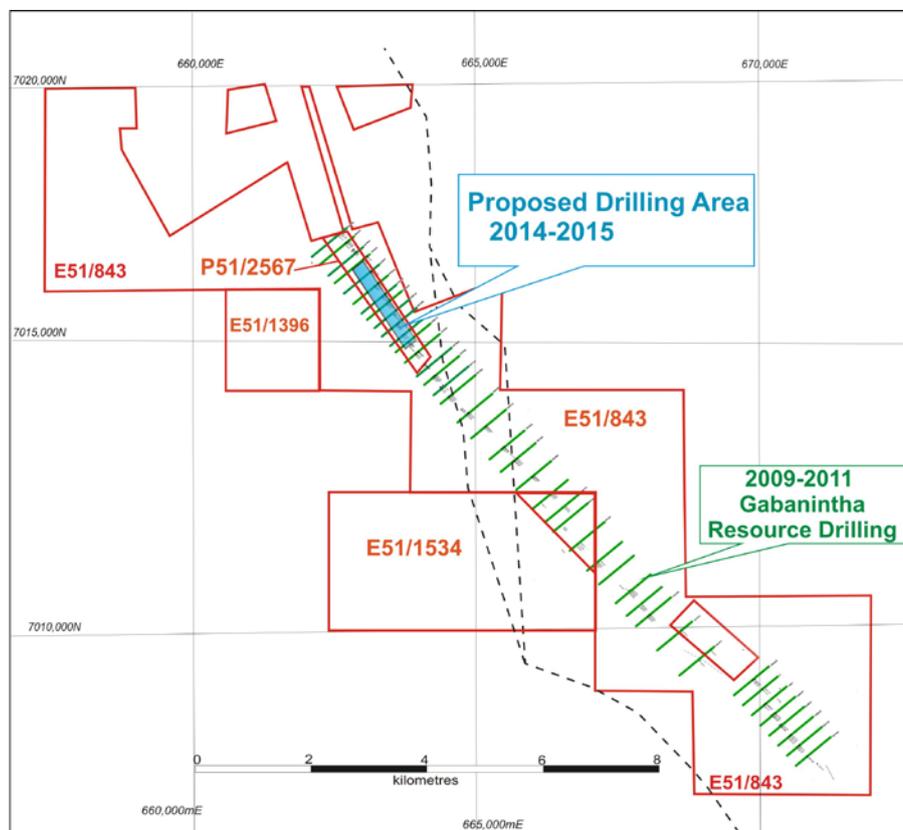


Figure 1: Plan view of the Gabanintha Vanadium Project showing the vanadium resource drilling lines and the area for the newly approved drilling programme.

## Heritage

Discussions continued with the Yamatji Marlpa Aboriginal Corporation representing the Yugunga Nya people about the proposed heritage and anthropological survey.

## Mining Lease

As part of the ongoing development schedule a Mining Lease Application over the Gabanintha vanadium deposit is necessary. The preparation of a Supporting Statement and Mineralisation Report is underway and will be submitted next quarter.

## CORPORATE

### Management Changes

Four new appointments have been made to the Yellow Rock team. Experienced geologist Vincent Algar has been appointed CEO; previous Director Brian Davis has taken on the role of Non-Executive Chairman, while Neville Bassett has been appointed Company Secretary and Kristy Horton is now Office Manager. This team will now place Yellow Rock on a strong footing for progressing the Gabanintha Project.

### Cash Position

Cash as at the end of December is ~\$3.7M. Yellow Rock is well funded to complete significant exploration and development programs planned for 2015.

Tenement Information as Required by Listing Rule 5.3.3					
For the Quarter Ended 31 December 2014					
Project	Location	Tenements	Economic Interest	Notes	Change in Quarter
WESTERN AUSTRALIA					
Gabanintha	Gabanintha	EL51/1534	100% Granted		0
	Gabanintha	E51/1576	100% Granted		0
	Gabanintha	EL51/843	100% Granted		0
	Gabanintha	E51/1396	100% Granted		0
	Gabanintha	P51/2634	100% Granted		0
	Gabanintha	P51/2635	100% Granted		0
	Gabanintha	P51/2636	100% Granted		0
	Gabanintha	P512566	100% Granted		0
	Gabanintha	P51/2567	100% Granted		0
Nowthanna	Nowthanna	MLA51/771		100% On application	0
NORTHERN TERRITORY					
Arunta Region	Mt Denison	ELA 25418		100% On application	0
	Mt Nicker	ELA27503		100% On application	0
West Arnhem	Table Hill	ELA 28158		100% On application	0
	Mann	ELA 28159		100% On application	0

For further information, please contact:

Vincent Algar, CEO

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## 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 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 2012 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.

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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
<b>Subtotal</b>		<b>60.4</b>	<b>4.16</b>	<b>0.98</b>	<b>42.15</b>	<b>11.40</b>	<b>12.15</b>	<b>8.17</b>	<b>3.24</b>
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		57.0	2.97	0.59	28.10	7.59	24.76	15.51	7.54
Subtotal		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.

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## 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.