



28 July 2011

## ACTIVITIES REPORT FOR THE QUARTERLY PERIOD ENDED ON 30 JUNE 2011

### GABANINTHA VANADIUM PROJECT

As previously reported, Yellow Rock Resources Ltd (YRR) commissioned CSA Global Pty Ltd ("CSA") to review the Mineral Resource estimate for the Gabanintha project. The review forms part of a broader strategy aimed at defining the technical direction for the next phase of project development. The resource review resulted in significant grade improvement for the resource due to tighter modelling constraints and a reclassification to Indicated and Inferred.

The high-grade component of the resource indicates this is one of the richest vanadium projects in Australia. The overall mineral resource according to CSA is 125mt with the high-grade component being 60.4Mt @ 0.98% V<sub>2</sub>O<sub>5</sub>, 42.15% Fe and 11.4% TiO<sub>2</sub> (Indicated and Inferred).

No in-ground work was carried out during the quarter. In conjunction with CSA, the Company has been reviewing various options for progressing the Gabanintha project to unlock the projects inherent value.

The Gabanintha titaniferous – vanadiferous magnetite deposits are located in the Murchison Province of Western Australia. The project consists of five leases located 43 kilometres south east of Meekatharra via the Great Northern Highway (see Figure 1). The Gabanintha deposit is comprised of massive to disseminated bands of titaniferous - vandiferous magnetite (and ilmenite) hosted in a differentiated gabbro of the Gabanintha Formation. There are two distinct zone of mineralisation a basal, massive, high grade band and an upper disseminated band with lower grade (see Figure 2).

The Mineral Resources at the Gabanintha project are classified using the JORC code 2004. The Resources are classified as a mixture of Indicated and Inferred Resources as outlined in the summary table below.

**Table 1. Gabanintha Magnetite-Vanadiferous-Ilmenite Deposit - Mineral Resource Estimate**

Material	JORC Resource Class	Million tonnes	In Site Bulk Density	V2O5%	Fe%	TiO2%	SiO2%	AL2O3%	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
	Sub-total	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
	Sub-total	65.4	2.70	0.43	23.12	6.08	29.73	17.70	8.24
Total	Indicated	57.0	2.97	0.59	28.10	7.59	24.76	15.51	7.54
	Inferred	68.8	3.51	0.79	35.70	9.50	18.40	11.15	4.43
	Total	125.8	3.25	0.70	32.26	8.64	21.29	13.13	5.84

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Note: In-situ dry bulk density has been assigned based on  $V_2O_5$  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 0.3%  $V_2O_5$  for Low Grade (LG) and 0.7%  $V_2O_5$  for High Grade (HG). Tonnages have been rounded to reflect that this is an estimate.

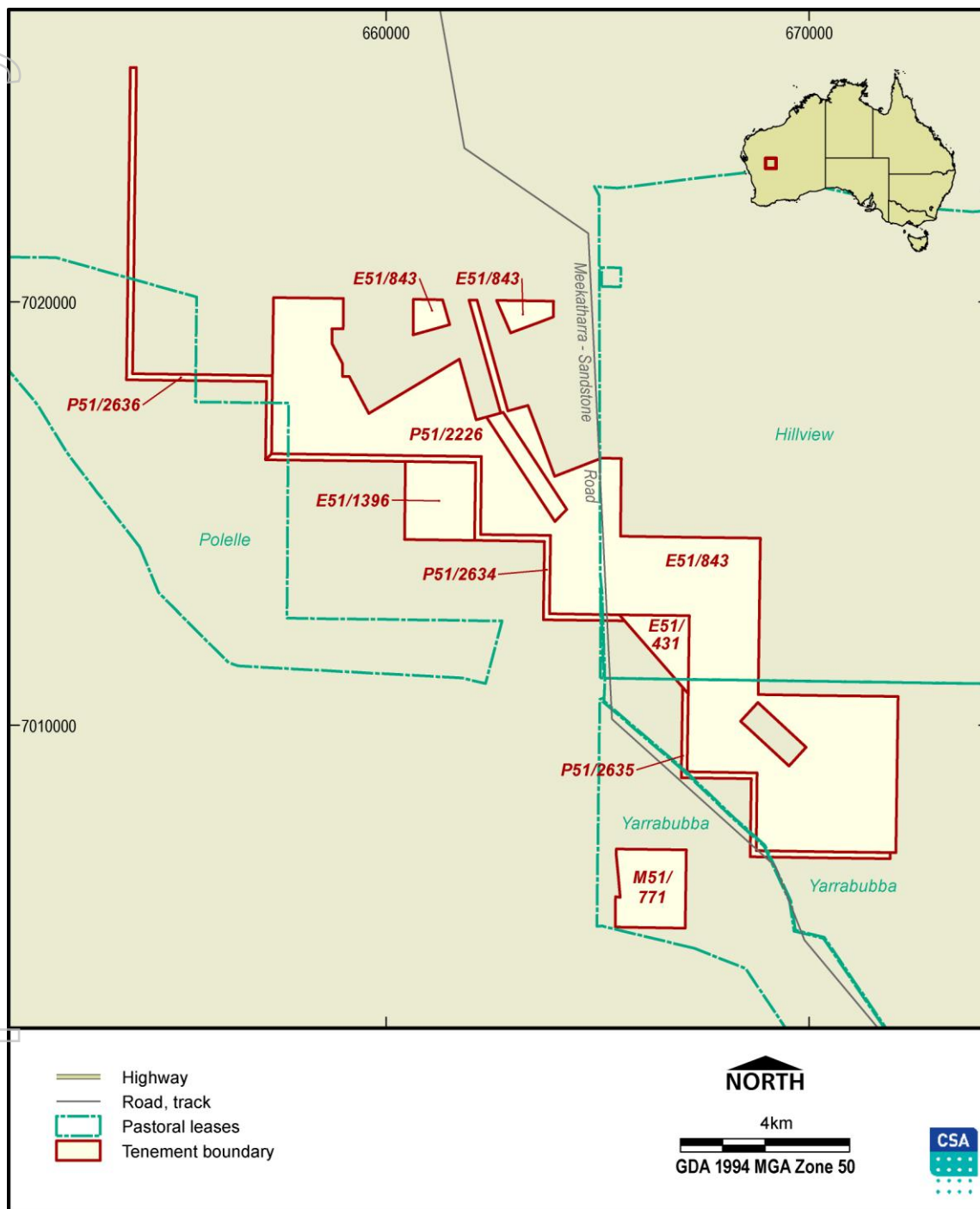


Figure 1. Tenement location plan

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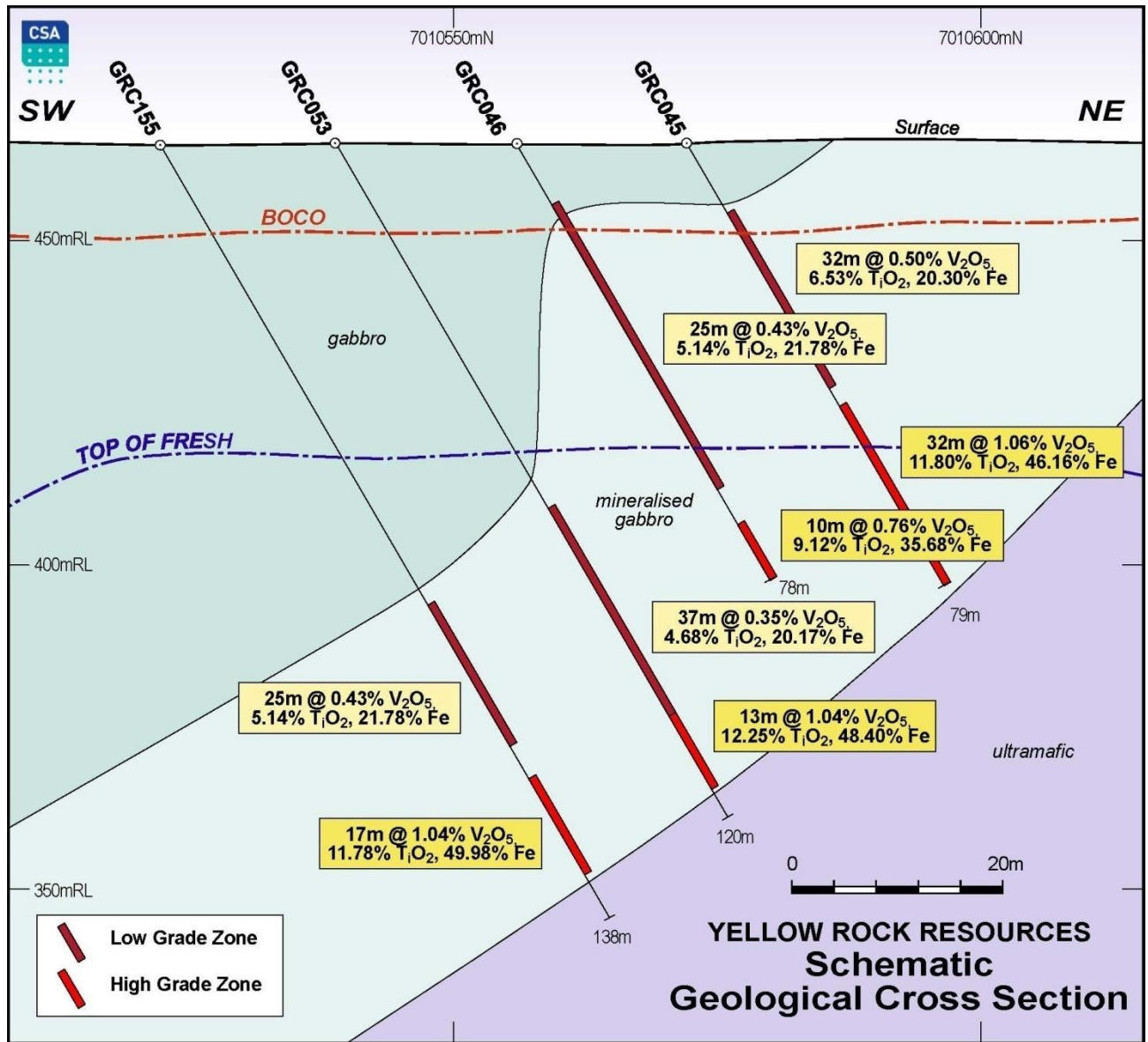


Figure 2. Schematic cross-section

*Competent Persons Statement*

The Mineral Resource estimates discussed in this report were prepared under the supervision of Mr Galen White BSc AusIMM, a full time employee of CSA Global Pty Ltd and is a competent person as defined by the Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition. Mr White consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

**Sydney Chesson  
Chairman**