



ASX / MEDIA ANNOUNCEMENT

18 September 2014

Yellow Rock Resources  
Limited

ASX: YRR  
FRA: JT7.F

ABN: 90 116 221 740

Street Address:  
420 Newcastle Street  
West Perth WA 6005

Postal Address:  
PO Box 332  
Leederville WA 6903

Tel: +61 8 9227 6300  
Fax: +61 8 9227 6400

Email:  
[yrrinfo@yellowrock.com.au](mailto:yrrinfo@yellowrock.com.au)

Web: [www.yellowrock.com.au](http://www.yellowrock.com.au)

Projects:

Gabanintha Vanadium

Gabanintha Gold, copper



## Listing Rule 5.16 and Exploration Target Clarification

Yellow Rock Resources Limited (“the Company”) provides the following clarification under Listing rule 5.16 in relation to the Concept Study announced on Monday 15 September 2014 for the Gabanintha Vanadium Project and the Exploration Target included in the Investor Presentation announced on Tuesday 16 September 2014.

### *Listing Rule 5.16.3 – Proportion of Resources*

The Concept Study is underpinned by 100% of the resources announced for the Gabanintha Vanadium project and includes 45.3% Inferred Mineral Resources at a density of 2.97 and 54.7% Indicated Mineral Resources at a density of 3.51.

An average grade of mineralised material at 1% Vanadium Pentoxide was used in order to derive costs and processing options.

NOTE: The Concept Study has only a +/- 50% reliability due to the limited amount of drilling completed to date and the fact that a pit shell has not yet been modelled, and therefore the necessity to use average grades and global tonnes.

### *Modifying Factors Applied to the Gabanintha Resources and in relation to the Concept Study*

Estimation and modelling techniques

- Samples were composited to 1 metre intervals, intercepts interpreted at 0.5% V2O5 cutoff.
- There is no previous production data.
- Deleterious elements were routinely determined during the assay process for all samples within the resource estimation. Sulphur, phosphorus, lead, copper and zinc are not sufficiently abundant to cause economic or environmental issues. Amounts of silica, iron and aluminium are high enough in the gangue material to allow a classification into Low Grade and High Grade ore.
- The original resource estimation block model provided the tonnage and grade basis for the Concept Study. Details are in the Resource Report.
- No selective mining units have been used because any Concept Study parameters were based only on total throughput, average grades, average recoveries and assumed tonnages.
- No assumptions have been made about the recovery of by-products.
- No detail on validation, checking and comparison of model data was covered by the Concept Study.

#### Moisture

- Dry tonnes used in the Concept Study because the resource tonnage was based on dry densities.

#### Cut-off parameters

- Ore zones above 0.5% V<sub>2</sub>O<sub>5</sub> used within the Resource Estimate wire frames.

#### Mining factors or assumptions.

- Assumed Excavator operation by open pit and haulage to stockpiles within 1 kilometre of pit.

#### Metallurgical factors or assumptions.

- Assumed ability to extract V<sub>2</sub>O<sub>5</sub> by gravity and magnetic separation, roast & leach methods from previous metallurgical test data.

#### Bulk density

- Assumed from averages of core and Reverse Circulation determinations for oxide, transition & fresh ore.

#### Classification

- The geological continuity and quality in the RC chips and diamond core is excellent.
- Tonnages derived from block model of wire-framed high grade & low grade ore zones.
- Grades based on assays received and included within wire frames as modelled within the resource estimation. Continuity of grades and geology is very good and there is a high level of confidence attached to the quality and consistency of the data as well as to the continuity between sections, along strike and down-dip.
- The resource estimation appropriately accords with the view of the Competent Person.

#### Audits or reviews

- The resource was completed by independent experts and then reviewed recently by company geologists. This resulted in the identification of areas where more drilling is needed in order to upgrade to Measured Mineral Resource category.

#### Discussion of relative accuracy/ confidence

- The resource estimate is considered to be in accordance with the relative degree of confidence expected of mineralisation in the categories of Indicated and Inferred Mineral Resources. The techniques and methods were of sufficient quality and rigour to ensure that the resulting estimate fairly represented the nature of the mineralised body. Accuracies and degrees of confidence cannot reliably be ascribed to such an estimate since all the inherent assumptions made when completing an estimate will have their own margins of error or reliability. For example an individual element assay may have an inherent variability constrained by the laboratory methods used or the element assayed (some are notoriously difficult to assay) such that the assay should be stated in terms of +/- 5% for some and +/- 20% for others. Similarly the statistical variance of all the methods used in resource estimation should also be stated to arrive at a global variance factor for the whole resource.
- The Concept Study applies to the entire resource estimate for the Gabanintha Vanadium Project.

#### Market Assessment Criteria

- Further work as set out in the "Next Steps" section of the Concept Study announcement of 15 September 2014 is required to provide details regarding market assessment criteria for the Gabanintha Vanadium Project.

#### Economics

- The Company notes that the Concept Study and production targets reflected in the Concept Study Announcement of 15 September 2014 are preliminary in nature as conclusions are based on lower-level technical and economic assessments are insufficient to support Ore Reserves or to provide assurance of an economic development at this stage, or to provide certainty that the conclusions of the Engineering Concept Study will be realised.

#### Financing

- The Company notes that no statements have been made regarding financing of the Gabanintha Vanadium Project and financing is yet to be secured for the Gabanintha Vanadium Project.

#### ***Exploration Target – Investor Presentation announced 16 September 2014***

The Exploration Target for the Gabanintha Vanadium Project was first announced to ASX on 5 May 2012. The basis of the Exploration Target is as follows:

- Modelling of the Gabanintha HELITEM survey data by Fugro Airborne Services Pty Ltd.
- The model shows a strong continuation of the iron-titanium-vanadium deposit down dip to the west as well as parallel multiple iron-bearing formations in the hanging wall.
- The data indicates a much larger volume of magnetic ore extending to greater depths than previously thought.
- Grades are expected to fall into the range of the current JORC Indicated and Inferred Resource.
- Further information is contained in the announcement of 5 May 2012.

Yours faithfully

**Leslie Ingraham, Executive Director**

-ENDS-

#### **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. 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.