Yellow Rock Resources Limited
ABN: 90 116 221 740

420 Newcastle Street
West Perth WA 6005

PO Box 332
Leederville WA 6903

Telephone: (08) 9227 6300
Facsimile: (08) 9227 6400
Email: info@yrr.com.au

ACTIVITIES REPORT FOR THE QUARTERLY PERIOD END ON 30 SEPTEMBER 2011

GABANINTHA VANADIUM PROJECT

The Gabanintha Titaniferous – Vanadiferours Magnetite deposit is located in the Murchison Province of Western Australia. The project consists of 9 granted tenements and 3 Mining Lease applications. All are located 43 kilometers south of Meekatharra via the Great Northern Highway. The Gabanintha deposit is comprised of massive to disseminated bands of titaniferous magnetite (and ilmenite) hosted in a differentiated gabbro of the Gabanintha Formation. There are two distinct zones of mineralization a basal, massive, high grade band and an upper disseminated band with lower grade. The deposit strikes north-northwest in the project area and dips at 45^{o} to 60^{o} to the southwest. The mineralized bands are 5 – 30m thick and share the same orientation as the gabbro host.

Gabanintha Mining Review

- Recently completed review of metallurgical and treatment options has identified:
  - Further metallurgical testing is required across the ore types (Oxide, Transition, Fresh for Scree, Main and Hangingwall ores)
  - Further drilling is required in Fresh ore material within the resource
  - The density database needs to be enlarged to provide data for comprehensive gravity separation tests
  - Previous metallurgical results confirmed that magnetic separation works well in Fresh material and that more Davis Tube Recovery tests are needed
  - More gravity separation testing is required to provide more definite results.

Further Planning for Development of the Vanadium, Titanium, Iron Deposit

- YRR is preparing an application for a Mining Lease over the deposit.
- YRR has commissioned Geologica to prepare a detailed scoping study for the engagement of relevant consultants to develop a full mining feasibility study.
- YRR is seeking engineering design consultants for the preparation of plans for development of the deposit.
- YRR is also seeking interest from consultants to provide further design services including environmental and related studies necessary to move forward with the mining of the deposit.

Gabanintha Mining Review

An initial review of metallurgical and treatment options was completed and several areas critical to the development of Gabanintha were identified.

The total Inferred and Indicated Mineral Resource completed (February 2011) stands at 125.8 million tonnes at 32.26%Fe, 21.29% SiO_2, 13.13% Al_2O_3, 8.64% TiO_2 and 0.70% V_2O_5. However this resource contains both high and low grade material and includes all material types.

Further metallurgical testing is required across the ore types revealed in previous testing (Oxide, Transition, Fresh for Scree, Main and Hangingwall ores). See Figure 1 below:

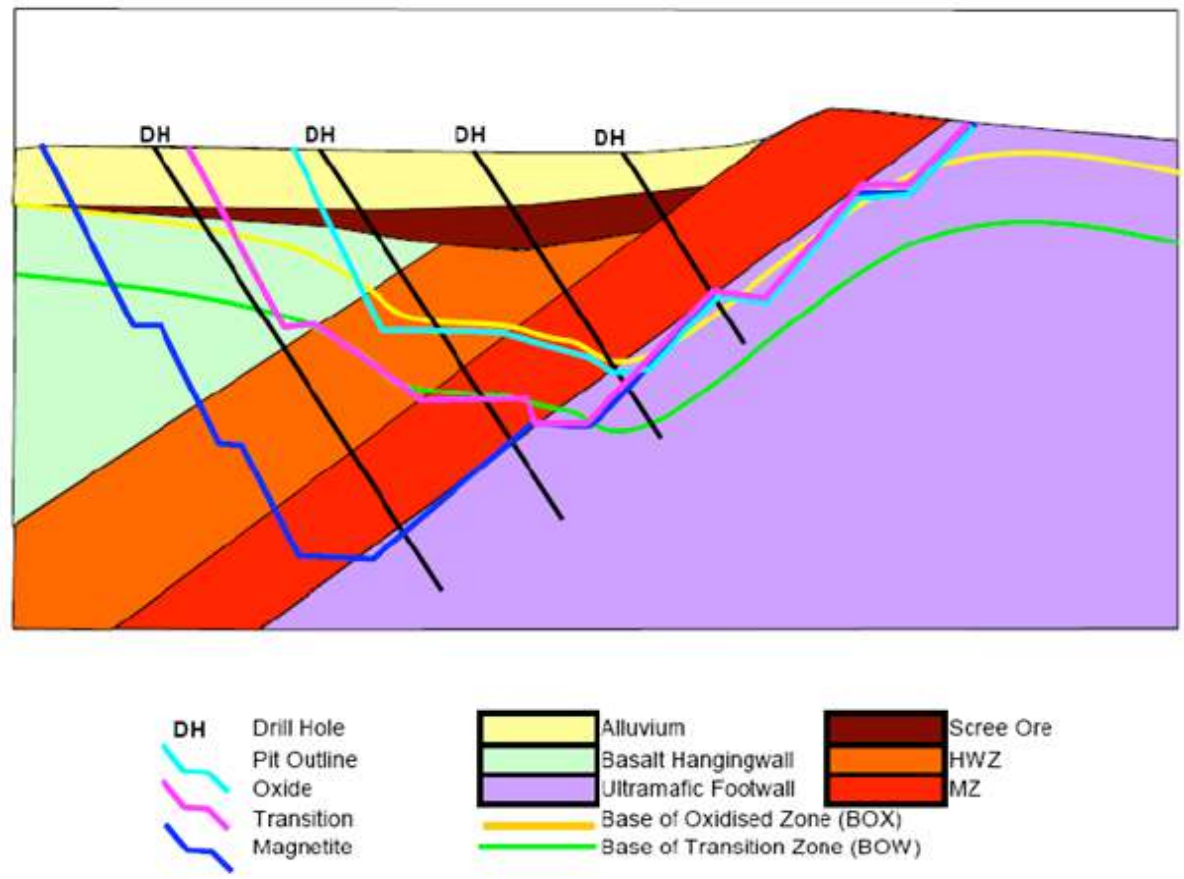


Figure 1 – Schematic profile at Gabanintha showing ore types, weathering and pit shells

Drilling is required to produce sufficient Fresh ore material within the resource to confirm metallurgical characteristics. To date 70% of the ore intersected within a preliminary pit shell is Oxide or Transition and located in the upper part of the weathering profile. Thus additional drilling will be designed to obtain Fresh ore for testing as well as to revise the resource and extend the pit shell deeper.

A resource definition diamond drill programme is planned to be completed during the next quarter.

Further density sampling is required to provide robust measurements for comprehensive heavy media separation tests. Therefore a measurement campaign on existing RC chips and core is planned to upgrade the knowledge of density changes with ore type.

Initial analysis of geochemical data shows that some elements are significantly different in Fresh material compared to Oxide or Transition. E.g.

Fresh material has:

Lower Aluminium (by 3.5%)

Higher Iron (by 10%)

Higher MgO (by 1.7%)

Lower Silica (by 8.9%)

Higher Titanium (by 2.3%)

Higher Vanadium (by 0.3%)

Previous metallurgical test results confirmed that magnetic separation works well in Fresh and Transition material, although tests on Oxide ore were inconclusive. A 10% loss of volume to waste was achieved (90% recovery) when Fresh and Transition ore was passed through magnetic separation. These same tests confirmed that up to 8% of the silica content is also reduced. Further, tests are required to validate the behaviour of bulk materials through a magnetic separation plant.

Preliminary results from sizing tests indicate that grind size will assist the concentration of iron, titanium and vanadium and that silica and aluminium are increased in the fines fraction.

Initial gravity separation tests proved inconclusive and insufficient data is available to draw valid conclusions. More tests are planned.

Gabanintha Copper-Gold Exploration Programme

A comprehensive geochemical sampling programme has been commissioned for September-October 2011

This will involve approximately 508 line kilometres of sampling at 100 metre line spacing to collect 5080 samples for multi-element analysis.

The field campaign has begun in the northern part of the tenements adjacent to the historical Gabanintha Gold Mine and nearby gold and copper occurrences.

The sampling work is being completed by Allegro Logistics and is expected to take several months to complete.

Along with continuing geological mapping and compilation of geophysical data this major exploration program is expected to lead to the discovery of several gold and copper targets.

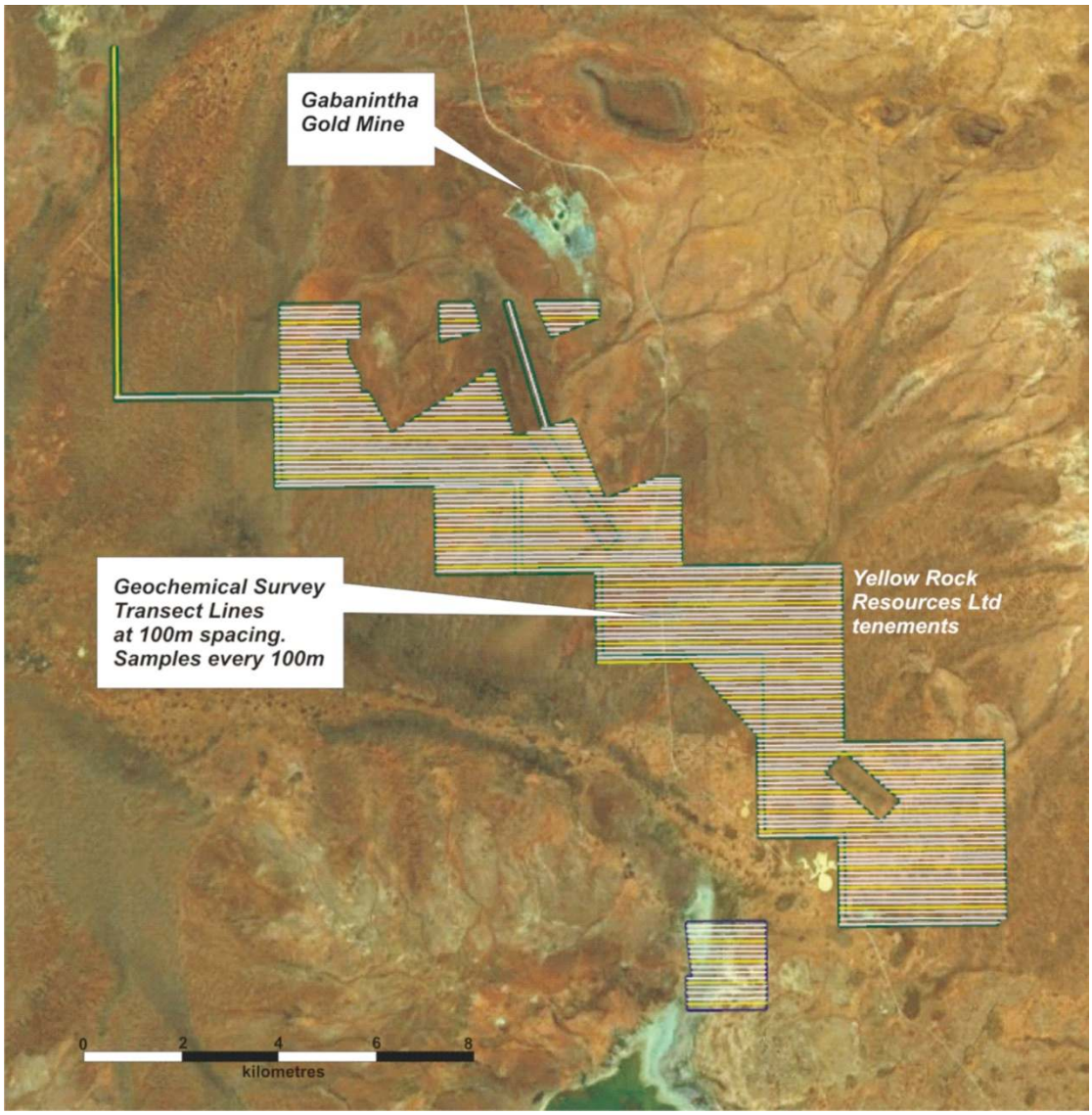


Figure 2 – Proposed Geochemical Transect Lines

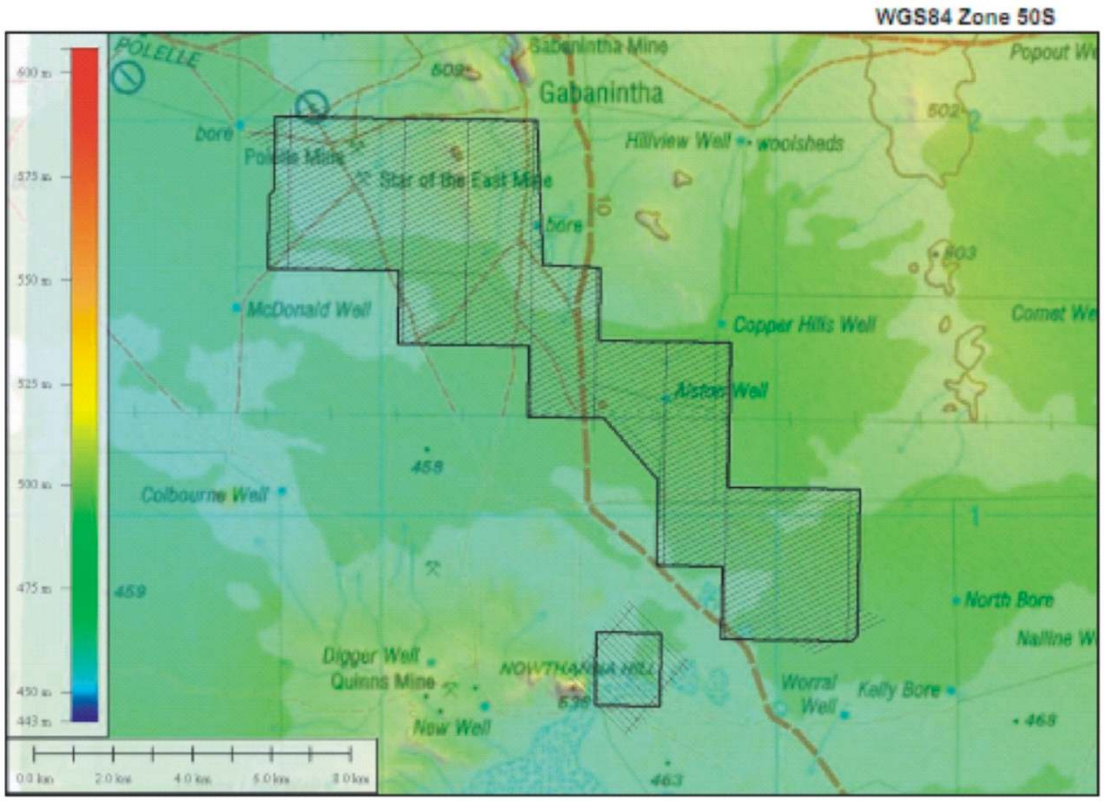
Gabanintha Geophysical Survey

A helicopter-borne Time Domain Electromagnetic and Magnetic Survey (HELITEM) was completed at Gabanintha. This survey has utilized the expert services of Fugro Airborne Services Pty Ltd and involves the use of a HELITEM magnetometer system towed behind the helicopter at a minimum height of 35 metres above the terrain. The electro-magnetic signals transmitted and received from the Scintrex CS3 magnetometer are stored as raw data as well as being processed throughout the flight and through the differential GPS and altimeter instrumentation. The resulting time-domain responses are processed by computer at base to derive precise, calibrated magnetic as well as location data for mineral exploration maps.

The HELITEM survey covered 537 line kilometres on flight paths 150 metres apart across all the YRR Gabanintha tenements.

The HELITEM method is particularly useful for identification of deeper or hidden sulphide-bearing orebodies and detailed structures under alluvial cover. The precision of the technique is several times higher than conventional airborne magnetic surveys.

The data from HELITEM survey is now being interpreted by the Company's geological consultant.



Block	Area (km^2)	Line Spacing (m)	Total Line Kilometres
Main Area	66.3	150	493
Smaller Area	3.1	150	44
Totals	**69.4**		**537 line km**

Figure 3 - HELITEM Flight Paths

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.

Brian 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.

Brian Davis has sufficient experience which is relevant to the style of mineralization 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 them, in the form and context in which it appears".

Brian Davis BSc DipEd RPGeo MAusIMM

Principal Consultant

GEOLOGICA PTY LTD

Sydney Chesson

Chairman