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Corporate Directory

Directors
Brian Davis (Chairman)
Leslie Ingraham
Brenton Lewis

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Vincent Algar

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Securities Exchange Listing
Yellow Rock Resources Limited shares (YRR) are listed on the Australian Securities Exchange (ASX).
Letter from the Chairman

The last twelve months have seen an increase in the pace of positive change for YRR. Our CEO, Vincent Algar has achieved remarkable success in advancing our flagship Gabanintha Vanadium Project. Vincent and his team have led us through the erratic, and often depressed share market to maintain the company’s equilibrium and focus to achieve some excellent and cost-effective results.

We have advanced from an exploration company with a good vanadium resource to one with an excellent vanadium resource. We have now completed many of the necessary steps to upgrade the resource and develop the project to become a mine.

Resource drilling as well as geotechnical, mining, environmental and heritage studies are progressing well at Gabanintha. To date there have been some outstanding drill results, from both core and RC, with grades exceeding 1.0% V₂O₅ over the whole distance of the infill resource drilling area (about 2 kilometres). Some individual grades from the main mineralised zone are up to 2.2% V₂O₅ (the highest reported in an Australian vanadium deposit). It is expected that the new resource estimation will confirm a consistent main ore zone above 1% V₂O₅. This would rank Gabanintha as one of the world’s most significant high grade vanadium deposits.

A Mining Lease (MLA51/878) has been applied for to cover the vanadium resource and we look forward to advancing the project into the Feasibility stage with further metallurgical tests, plant and process studies, resource estimation and mining optimisation.

The Gabanintha ground to the northeast and to the west of the vanadium resource is also proven to host copper and gold and we expect to explore further the opportunities this may offer.

The focus on becoming a producer of high quality vanadium has led YRR to engage with end-user consumers, particularly in the Vanadium Redox Battery (VRB) market. It is pleasing to note that YRR is well advanced in establishing strong links with battery market leaders.

YRR has also started a 100% owned subsidiary company, V SUN Pty Ltd to operate in the VRB and electrolyte market and partner with Eon Environmental Pty Ltd in integrated VRB-based solar and wind power installations through Australia.

I am looking forward to reporting the continued successful development of YRR in the vanadium industry in the next year.

Brian Davis
BSc DipEd MAusIMM RPGeo (AIG) MAICD
Chairman
29 September 2015
Directors Report

CORPORATE

Yellow Rock Resources has made positive progress across the financial year. Here is a summary of events:

- Concept Engineering Study on the Gabanintha Vanadium Deposit completed.
- Estimated C1 cash operating cost of A$7.26/kg (A$3.29/lb) vanadium pentoxide (+98.5% V2O5 Flake) could position Yellow Rock as a competitive open pit producer;
- Estimated capital cost to first production of A$230 million including A$18.5 million of contingency to direct costs
- Initiating further Metallurgical Testing and Plant Studies by Battery Limits Pty Ltd.
- Application for a Mining Lease (MLA51/878) to cover the Gabanintha Resource
- Completion of the Stage 1 Environment Survey and Desktop Study by Biologic Environmental Pty Ltd.
- Completion of a Heritage and Anthropology Survey over the MLA area
- Completion of 5955m RC and 761m DC drilling program over a 2km strike length (about 16%) of Gabanintha resource
- Drill results contain 158 significant (>0.5% V2O5, >4m in width) intersections as well as the highest-grade RC intersections identified on the project to date with up to 2.15% V2O5. These confirm Gabanintha’s position as one of the highest-grade vanadium deposits currently being advanced globally.
- The drilling intersected 15 individual 1m assays over 1.50% V2O5 in seven separate drill holes. Significant areas of very high grades never seen in previous wide spaced drilling have been identified in consecutive holes and over multiple adjacent sections.
- The 8-hole, large diameter Diamond drilling program results compliment successful RC drilling. Correlations between the diamond drilling and RC drilling results are excellent.
- Assay results identified consistent, wide-drilled widths greater than 20m containing significant grades. Assays indicate exceptional high grade zones above 1.3% V2O5 within the massive magnetite-vanadium-titanium rich horizon. Individual grades up to 2.20% V2O5 and intersections above 1.5% V2O5 were encountered in the core.
- The gabbro sequence immediately above the massive magnetite zone consists of up to four sequences of iron-vanadium-titanium mineralization above 0.4% V2O5, with consistent bands of lower grade between them. The total thickness of this sequence intersected in drilling so far exceeds 160m.
- Regeneration of the database and completion of cross section interpretations for new resource estimate
- Engagement of AMC consultants to complete the Resource Estimation and Pit Optimisation studies
- YRR joined CEC (Clean Energy Council) and attended the Vanitec Conference in London

1 ASX Announcement July 13, 2015
YRR held discussions with various Vanadium Redox Battery (VRB) producers about possible vertical integration of the Gabanintha Project into vanadium flake and electrolyte production.

YRR has formed a 100% owned subsidiary company, VSUN Pty Ltd to partner with VRB battery producers and installers.

Native Title discussions continued with the Yugunga Nya and the Wutha groups through the Yamatji Marlapa Aboriginal Corporation (YMAC) about the Nowthanna licence (MLAS1/771) granting process.

A presentation was made to the Native Title claimants through the Central Land Council, Alice Springs, Northern Territory about Exploration Licence Application E27503 in the western Aileron/southern Tanami district as part of the granting process.

RETIREMENT OF CHAIRMAN AND COMPANY SECRETARY
On 2 September 2014 the Chairman and Company Secretary announced their intention to retire at the 2014 annual general meeting to focus on other business interests, with their resignations taking effect of 26 November 2014.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR
Brian Davis was appointed as a director of the Company on 11 September 2014 and was subsequently appointed Chairman on 1 December 2014.

APPOINTMENT OF CHIEF EXECUTIVE OFFICER
On 19 November 2014, the Company appointed Mr Vincent Algar as Chief Executive Officer.

Mr Algar is a geologist by profession with over 24 years’ experience in the mining industry spanning underground and open cut mining operations, greenfields exploration, project development and mining services in Western Australia and Southern Africa. He brings significant experience in the management of publicly listed companies, which includes the entire compliance, marketing and management process and encompasses the development of internal geological and administrative systems, exploration planning and execution, plus project acquisition and deal completion.

Mr Lorry Hughes resigned as CEO on 18 November 2014.

RIGHTS ISSUE
Yellow Rock completed a non-renounceable pro-rata rights issue and shortfall placement raising $794,712 (before costs) in the 2014 financial year. A total of 79,471,254 fully paid ordinary shares at $0.01 per share and 79,471,254 free attaching unlisted options exercisable at $0.015 each on or before 31st December 2017.

In the current period, the Company completed the Rights Issue shortfall placement by the issue of 257,581,364 shares and 257,581,364 unlisted options exercisable at $0.015 each on or before 31 December 2017, raising a further $2,575,813.

Total funds raised under the Rights Issue and shortfall was $3,370,525.

During the year, 75,204,900 unlisted options exercisable at $0.015 each on or before 31 December 2017 have been exercised raising a further $1,128,073.

Yellow Rock is well funded to complete exploration and development programs in the near term.
The following is a summary of events at Gabanintha during the year:

- Successful completion of 5,955m RC and 761m diamond drilling programs.
- Final RC drilling results include the discovery of new high grade zones strongly supporting robust vanadium grades and associated simple geometry.
  - RC results contained 158 significant intersections greater than 0.5% V₂O₅ and wider than 4 metres.
RC drilling intersected individual high grades up to 2.15% V₂O₅, including 15 individual 1m assays over 1.50% V₂O₅ in seven separate drill holes and significant areas of very high grades never seen in previous wide spaced drilling.

- Final diamond drill assay results included new individual intersections of up to 2.20% V₂O₅ in GDH0913.
  - New core results contain 19 significant intersections greater than 0.5% V₂O₅ and wider than 4 metres. These include 7 significant intersections greater than 1.0% V₂O₅ and wider than 4 metres.
  - Diamond results have confirmed the presence of robust widths of the high-grade vanadium magnetite layer seen throughout the RC drilling, including up to 14m at 1.44% V₂O₅ from 131m in GDH913 (includes 7m at 1.76% V₂O₅ from 135m).
  - The high-grade vanadium magnetite zone is consistently overlain by a gabbro sequence of vanadium and magnetite mineralised rocks up to 160m thick.

- Mining Lease application MLA51/878 over the Gabanintha vanadium deposit is currently being considered by the Mines Department

- Updated resource estimate and mining study in progress.

The consistent and predictable geology of the high grade vanadium magnetite zone, particularly its consistent thickness, provide a strong basis for the resource estimation process. The grade of the magnetite zone, showing consistent levels well above 1% V₂O₅, with high iron and titanium content, point to a resource which is comparable to other world class deposits currently in production or in development elsewhere.

Analysis of the results from the RC drilling identified multiple drilled widths containing significant grades. Intersections include;
- 34m at 0.77% V₂O₅ from 86m, including 8m at 1.29% V₂O₅ from 103m in GRC0166;
- 16m at 1.31% V₂O₅ from 12m in GRC0162;
- 12m at 1.36% V₂O₅ from 36m in GRC0163;
- 13m at 1.24% V₂O₅ from 77m in GRC0165;
- 17m at 0.87% V₂O₅ from 84m including 9m at 1.17% V₂O₅ in GRC0161
• 40m at 0.97 % V₂O₅ from 24m in GRC0170 including 29m at 1.15 % V₂O₅ from 34m (this zone includes assays up to 1.49% V₂O₅)
• 39m at 0.84% V₂O₅ from 47m in GRC0194 including 13m at 1.22% V₂O₅ from 70m
• 37m at 0.94% V₂O₅ from 65m in GRC0174 including 16m at 1.32 % V₂O₅ from 86m (this zone include 4m at 1.47% V₂O₅ and 1m at 1.51% V₂O₅)
• 37m at 0.82% V₂O₅ from 48m in GRC0203 including 15m at 1.18% V₂O₅ from 64m (this includes a zone of 6m at 1.33% V₂O₅)
• 36m at 1.00% V₂O₅ from surface in GRC0192 including 20m at 1.18% V₂O₅ from 12m (this includes 9m at 1.32 % V₂O₅)

- The new results contain 158 significant (>0.5% V₂O₅, >4m in width) intersections as well as the highest-grade RC intersections identified on the project to date with up to 2.15% V₂O₅. These confirm Gabanintha’s position as one of the highest-grade vanadium deposits currently being advanced globally. The drilling intersected 15 individual 1m assays over 1.50% V₂O₅ in seven separate drill holes. Significant areas of very high grades never seen in previous wide spaced drilling have been identified in consecutive holes and over multiple adjacent sections. (See Figures 6, 7 and 8).

- High grade intersections greater than 1.35 % V₂O₅ over widths of 4m or more include;
  • 7m at 1.44% V₂O₅ from 27m in GRC0169 (this include 4m at 1.51% V₂O₅)
  • 7m at 1.44% V₂O₅ in GRC0173 from 70m (this include 1m at 1.51 % V₂O₅ and 1m at 1.52% V₂O₅)
  • 4m at 1.38 % V₂O₅ from 55m in GRC0189
  • 12m at 1.36% V₂O₅ from 36m in GRC0163 including 7m at 1.40 % V₂O₅ (includes 1m at 1.52% V₂O₅)
  • 10m at 1.36% V₂O₅ in GRC0204 from 98m including 8m at 1.43 % V₂O₅ from 99m.
  • 7m at 1.35% V₂O₅ in GRC0164 from 57m
  • 5m at 1.35 % V₂O₅ in GRC167 from 124m

Figure 4: Location of Gabanintha Vanadium Project showing the current drilling area and new Mining Lease Application.
Diamond drilling final results compliment successful RC program.
The Company completed an eight-hole, 761m large diameter diamond drilling program as part of its infill drilling program, allowing the Company to move rapidly towards upgrading and updating its resource estimate. Large diameter diamond drilling core provided the highest possible quality sample and an excellent check and correlation with the previous RC drilling results. Two core holes (GDH915 and GDH917) were drilled to twin the RC holes GRC0105 and GRC0162 respectively.

Geotechnical assessment of the diamond holes will allow important geotechnical parameters to be identified for use in open pit wall angles and behavior during the mining study.

Assay results\textsuperscript{2} identified consistent, wide-drilled widths greater than 20m containing significant grades. Assay grades from the quality core have again confirmed the presence of exceptional high grade zones above 1.3% $V_2O_5$ within the high-grade magnetite-vanadium-titanium rich horizon. Individual grades up to 2.20% $V_2O_5$ and intersections above 1.5% $V_2O_5$ were encountered in the core and complement the intersections seen in the RC drilling results. The gabbro sequence immediately above the high grade zone consists of up to four sequences of iron-vanadium-titanium mineralization above 0.4% V2O5, with consistent bands of lower grade between them. The total thickness of this sequence intersected in drilling so far exceeds 160m. The mineralised rocks are magnetite banded gabbro, with massive magnetite bands from centimetre to metre scale, as well gabbros containing grains of vanadium-rich magnetite disseminated throughout.

The detailed logging of the close spaced drilling is allowing for an accurate interpretation of the high and low grade mineralised sequence which forms part of the resource estimation process.

Intersections greater than 0.5% $V_2O_5$ and greater than 4 metres in thickness include;

- 30m at 0.99% $V_2O_5$ from 115m in GDH913 including 14m at 1.44% $V_2O_5$ from 131m (this zone includes assays up to 2.20% $V_2O_5$ and 7m at 1.76% $V_2O_5$ from 135m) - See Figure 6 for core images of this zone.
- 28m at 0.99% $V_2O_5$ from 132m in GDH916 including 18m at 1.24% $V_2O_5$ from 139m (this zone includes 6m at 1.35% $V_2O_5$ from 139m and 6m at 1.32% $V_2O_5$ from 146m)
- 27.2m at 0.87% $V_2O_5$ from 86m in GDH911 including 13.4m at 1.12 % $V_2O_5$ from 98.9m (this zone includes 7m at 1.29% $V_2O_5$ from 104m)
- 25m at 0.90% $V_2O_5$ from 119m in GDH912 including 17m at 1.07% $V_2O_5$ from 124m (this includes a zone of 6m at 1.21% $V_2O_5$ from 128m)
- 21m at 0.94% $V_2O_5$ from 100m in GDH914 including 12m at 1.19% $V_2O_5$ from 109m

\textsuperscript{2} ASX Announcement July 13, 2015
Complete lists of significant intersections greater than 0.5% V₂O₅ over an interval of 4m or greater drilled width as well as JORC 2012 Table 1 disclosures are reported in the original ASX announcements on May 25, June 12 and July 13 2015.

A summary of geological and resource observations from the drilling is shown below:

- New diamond results contain 19 significant intersections greater than 0.5% V₂O₅ and wider than 4 metres. These include 7 significant intersections greater than 1.0% V₂O₅ and wider than 4 metres.

- Drilling has intersected individual high grades up to 2.20% V₂O₅, including 6 individual 1m assays over 1.50% V₂O₅ in GDH913.

- RC and diamond drilling identified extensive areas of +1.3% V₂O₅ in the basal “massive” magnetite zone which is identified along 2km of strike drilled. These “sweet spots” indicate areas where the vanadium replacement into the magnetite structure during the igneous crystallization process has been very efficient. The resulting grades are comparable to world-class magnetite vanadium operations which display similar physical and chemical characteristics.

- The consistent “massive” magnetite zone occurs as the lowermost mineralised horizon in all drillholes. It consists of a massive vanadium, titanium magnetite rock. The gabbro sequence immediately above the high grade zone consists up to four sequences of iron-vanadium-titanium mineralization grading above 0.4% V₂O₅ with consistent bands of lower grade between them. The mineralised rocks are magnetite banded gabbro, with massive magnetite bands from centimetre to metre scale, as well as gabbros containing grains of vanadium rich magnetite scattered throughout.
• The mineralised zones are westerly dipping at between 45 and 55 degrees. Drilling is oriented at -60 degrees to the east-north-east (050), and intersects the mineralisation at close to true widths.

• The rocks identified in the core are often weathered. The weathering profile is variable and varies in intensity with depth. The gabbro sequence is weathered more deeply than the high grade magnetite horizon. In all cases the grade of vanadium mineralisation is unaffected by the degree of weathering with some lower grade zones being upgraded.

• Drilling has also identified variable levels of transported cover, some of which contains high levels of iron and vanadium mineralisation. The distribution and nature of this cover material will be assessed in the resource estimation and mining study process.

• Figures 6, 7 and 8 show schematic drill sections generated from the drilling. The section locations are shown in Figure 5. The background image to the sections was created using Discover 2014 MapInfo Pro Bundle Surfaces menu. V$_2$O$_5$ results for drillholes gridded with interactive grid, using Inverse Distance Weighting, a cell size of 1m, elliptical search bias of 60m x 20m oriented predominantly at 45° to vertical. The subsequent gridded data was then queried by Multiple Value Ranges (0.1, 0.4, 0.7, 0.9, 1.3% V$_2$O$_5$), and coloured to produce the image.

The drilling has allowed the acquisition of other important high-quality data such as geotechnical logging and metallurgical sample collection which are currently underway and will be used in future mining study work later in 2015. The combined diamond and RC results from the 2015 programs at Gabanintha point strongly to a resource which is comparable to other world class deposits currently in production or in development elsewhere in the world.

![Figure 6: Cross Section GDH913 to GRC0172](image-url)
Figure 7: Cross Section GHD912 to GRC191

Figure 8: Cross Section GDH911 to GRC0105
Figure 9: Core Photos of GDH913 from 127m to 146m. Interval labels show V$_2$O$_5$ % Assay grades. Red vertical markers indicate the start and end of an interval. Different colour labels represent different grade ranges. Each tray is 1m across. The images run down the core and from left to right. The bottom of the left hand image continues at the top of the right hand image.

The current JORC resource estimate for Gabanintha is set out in the attached table by CSA Global

<table>
<thead>
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<th>Material</th>
<th>JORC Resource Class</th>
<th>Million tonnes</th>
<th>In Situ Bulk Density</th>
<th>V$_2$O$_5$ %</th>
<th>Fe%</th>
<th>TiO$_2$ %</th>
<th>SiO$_2$ %</th>
<th>Al$_2$O$_3$ %</th>
<th>LOI%</th>
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<tbody>
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<td>High Grade</td>
<td>Indicated</td>
<td>14.4</td>
<td>4.17</td>
<td>1.03</td>
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<td>4.16</td>
<td>0.97</td>
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<td>11.19</td>
<td>12.37</td>
<td>8.28</td>
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<td></td>
<td>Sub-total</td>
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<td>4.16</td>
<td>0.98</td>
<td>42.15</td>
<td>11.40</td>
<td>12.15</td>
<td>8.17</td>
<td>3.24</td>
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<tr>
<td>Low Grade</td>
<td>Indicated</td>
<td>42.7</td>
<td>2.71</td>
<td>0.44</td>
<td>23.37</td>
<td>6.08</td>
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<td>0.42</td>
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<td>18.40</td>
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<td></td>
<td>Sub-total</td>
<td>125.8</td>
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<td>0.70</td>
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<td>8.64</td>
<td>21.29</td>
<td>13.13</td>
<td>5.84</td>
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</table>

**NOTE:** In-situ dry bulk density has been assigned based on V2O5 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% V2O5 for Low Grade (LG) and 0.7% V2O5 for High Grade (HG). Tonnages have been rounded to reflect that this is an estimate.
COMPETENT PERSON’S 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 BSc DipEd who is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and 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.

NOWTHANNA HILL URANIUM PROJECT

Nowthanna Hill is a clay and calcrete-hosted uranium deposit between approximately 1 metre and 7 metres beneath surface of the Quinns Lake drainage. Historical exploration and resource drilling on MLA51/771 was completed by Dominion Mining Ltd and Defiance Mining/Acclaim Uranium NL. The mineralisation varies in thickness from 1 to 2 metres over a strike distance of approximately 2 kilometres. (see YRR ASX announcement dated 20 December 2012). The uranium mineralisation is contained with the mineral carnotite (uranium-potassium vanadate).

The extent of the shallow uranium Exploration Target as defined by Acclaim Uranium NL was modelled by Snowden & Associates in 1998 as follows:

<table>
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<th>Lease</th>
<th>Category</th>
<th>Tonnes</th>
<th>Grade</th>
<th>Contained</th>
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<tbody>
<tr>
<td>MLA51/771 (Yellow Rock)</td>
<td>Indicated</td>
<td>3,059,000</td>
<td>0.437 kg/t U₃O₈</td>
<td>1,337 U₃O₈</td>
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NOTE: THIS RESOURCE WAS ESTIMATED UNDER JORC 2004 GUIDELINES

The information that refers to Exploration Results and Mineral Resources in this announcement on Nowthanna Hill 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 and access to the Nowthanna lease was disallowed during Native Title discussions.

Further drilling and resource work is required in order to validate the historical data, revise resource status, update mining parameters and compliance with JORC 2012 standards. However the Mining Lease is still under application and work cannot begin until it is granted.

Native Title discussions and negotiations have been ongoing for this lease application and have delayed exploration programs. The Company is looking forward to resolving the Native Title issues and resuming work on this interesting deposit so that it can be taken into production.

MINERAL RESOURCES & RESERVES GOVERNANCE

Yellow Rock has appropriate systems in place and suitably qualified and competent geological consultants to complete any resource estimation or review to the required standards as shown in the 2012 JORC Code Guidelines. The Quality Assurance, Sampling Systems, Assay Procedures, Data Recording, Interpretation Standards and Resource Estimation Methods and other parameters as set out in Table 1 of the JORC Code 2012 Guidelines are closely followed. The Company policy is that all steps are recorded during the resource drilling program and then the estimation stage. All results from field logs and assays to database entries and modelling data are validated, reviewed and checked by independent and qualified geological personnel.

However, the current resource was completed under the 2004 guidelines and, since there has been no additional data added, this resource is in the process of being revised with reference to the JORC Code 2012 Guidelines. The Company will report any future Mineral Resources and Reserves Estimates in accordance with the JORC Code 2012.
**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. 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.

**NORTHERN TERRITORY**
Cabe Resources Ltd, a 100% owned YRR subsidiary has four tenement applications in the Northern Territory. Two of these are west of Alice Springs in the Arunta-Aileron region and two are in the West Arnhem region.

Discussions with Traditional Owners on Exploration Licence Applications for Uranium in the Northern Territory are continuing and a CLC meeting was attended at Emu Bore in the southern Tanami area. Lease E27503 is on a timeline to be granted soon and E25418 is still under negotiation.
OTHER ACTIVITIES

- The Company joined the Clean Energy Council (CEC) of Australia as an associate member. The CEC is the Peak body for the clean energy Industry. Yellow Rock has become a member as part of its long term objectives in the Vanadium Redox Flow Battery Market.
- The Company formed a 100% - owned subsidiary, VSUN Pty Ltd to conduct business in the VRB and Electrolyte market.

DIRECTORS

The names of the directors of the Company in office during or since the end of the financial year and up to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Brian Davis (Non-Executive Chairman) - appointed director 11 September 2014 and Chairman 1 December 2014
Leslie Ingraham (Executive Director)
Brenton Lewis (Non-Executive Director)
Sydney Chesson (Non-Executive Chairman) - resigned 26 November 2014

The qualifications, experience and special responsibilities of each Director are as follows:

BRIAN DAVIS
Non-Executive Director
B.Sc. Dip.Ed MAusIMM RPGeo (AIG) MAICD

Mr Davis is a 40 year veteran of the resources industry and has been principal of exploration and resource development consultancy group Geologica Pty Ltd for the last 16 years. During his extensive career he has worked in exploration and mining for small and large resource companies focussed on commodities including gold, base metals, vanadium, iron ore, coal, rare earths and diamonds both in Australia and overseas.

Mr Davis was appointed as a director on 11 September 2014 and as Chairman on 1 December 2014.

LESLIE INGRAHAM
Executive Director

Mr Ingraham has been in private business for over 20 years and is an experienced mineral prospector and professional investor. He has successfully worked as a consultant for both private companies and companies listed on the Australian Stock Exchange. Core competencies include capital raising, shareholder liaison and prospecting.

Mr Ingraham was appointed as a director on 31 January 2011.

BRENTON LEWIS
Non-Executive Director
BSc (Hons), MBSc

Mr Lewis is an academic who has spent the past 20 years in the tertiary education sector. He has held management positions including Head of Department and Head of Post Graduate studies. He has published, taught and researched in areas including Ethics and Psychopathology. He has been a consultant to various Health agencies including the Hong Kong Hospital Authority and the WA Health Department. He has served on numerous Boards of Management including academic and non-government organisations.

Mr Lewis was appointed as a director on 15 July 2010. During the past three years Mr Lewis has held the following other listed company directorships:
- Aurium Resources Limited
SYDNEY CHESSON
Non-Executive Chairman - resigned 26 November 2014

Mr Sydney Chesson has over 30 years experience in business in Western Australia. He has extensive experience, as a director, advisor, representative and agent for WA businesses and companies. Mr Chesson is or has been a non-executive director and chairman of a number of public companies listed on the Australian Stock Exchange. He is chairman of AustAsia Group and holds a Master of Business Administration, Juris doctor (law degree) and certificate of real estate management.

Mr Chesson was appointed as a Director on 10 February 2011 and resigned on 26 November 2014.

COMPANY SECRETARY
NEVILLE BASSETT
Company Secretary
Mr Bassett is a chartered accountant with over 30 years of experience. He has been involved with a diverse range of Australian public listed companies in directorial, company secretarial and financial roles.

Mr Bassett was appointed as company secretary on 26 November 2014.

Interests in the shares and options of the company and related bodies corporate
As at the date of this report, the interests of the Directors and executives in the shares and options of Yellow Rock Resources Limited were:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Ordinary Shares</th>
<th>Number of Options over Ordinary Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Davis</td>
<td>2,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Leslie Ingraham</td>
<td>20,478,774</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Brenton Lewis</td>
<td>4,333,950</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Vincent Algar</td>
<td>381,822</td>
<td>-</td>
</tr>
</tbody>
</table>

1 Mr Algar also holds 10,000,000 performance rights. Refer to the Remuneration Report for further details.

CORPORATE INFORMATION
Corporate Structure
Yellow Rock Resources Limited is a limited liability company that is incorporated and domiciled in Australia. Yellow Rock Resources Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

Yellow Rock Resources Limited - parent entity
Australian Uranium Pty Ltd - 100% owned controlled entity
Cabe Resources Limited - 100% owned controlled entity
VSUN Pty Ltd - 100% owned controlled entity

Nature of Operations and Principal Activities
The principal continuing activities during the year of entities within the consolidated entity were exploration for vanadium/titanium, uranium, copper and gold and other economic resources.

As at the date of this report, the following tenements are owned 100% by the Company and the Company has legal title and interest:
WESTERN AUSTRALIA
Gabanintha Tenements – Vanadium, Titanium, Iron, Copper and Gold (Held by Yellow Rock Resources Limited – 100%)
EL 51/1534
EL 51/1576
EL 51/843
EL 51/1396
PL 51/2634
PL 51/2635
PL 51/2636
PL 51/2566
PL 51/2567
MLA 51/771 On application (Held by Yellow Rock Resources Limited – 100%)
MLA 51/878 On Application (Held by Yellow Rock Resources Limited – 100%)
E51/1685 On Application (Held by Yellow Rock Resources Limited – 100%)

NORTHERN TERRITORY
Arunta Region Tenements (Held by Cabe Resources Limited – 100%)
ELA 25418 Mt. Denison - On application
ELA 27503 Mt. Nicker - On application

West Arnhem Tenements (Held by Cabe Resources Limited - 100%)
ELA 28158 Table Hill - On application
ELA 28159 Mann - On application

OPERATING AND FINANCIAL REVIEW
Operating Review
A review of operations for the financial year is contained within this Directors' Report.

Consolidated loss after income tax for the financial year was $1,434,013 (2014: $12,072,826). The loss for the year ended 30 June 2014 included an allowance for impairment on capitalised exploration and evaluation of $11,485,591. There was no impairment during the year ended 30 June 2015.

Financial Position
At 30 June 2015, the Group had cash reserves of $1,813,074 (2014: $477,454).

Dividends
No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS
Significant changes in the state of affairs of the company during the financial year are detailed in the company review.

In the opinion of the directors, there were no other significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

EVENTS SUBSEQUENT TO REPORTING DATE
No matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years, other than as outlined in the company review which is contained in this Annual Report.
LIKELY DEVELOPMENTS AND EXPECTED RESULTS
The Company will continue to pursue its principal activity of exploration and evaluation, particularly in respect to the Projects as outlined in the company review. The Company will also continue to pursue other potential investment opportunities to enhance shareholder value.

MEETINGS OF DIRECTORS
The numbers of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Board of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number eligible to attend</td>
</tr>
<tr>
<td>Brian Davis</td>
<td>5</td>
</tr>
<tr>
<td>Leslie Ingraham</td>
<td>6</td>
</tr>
<tr>
<td>Brenton Lewis</td>
<td>6</td>
</tr>
<tr>
<td>Sydney Chesson</td>
<td>1</td>
</tr>
</tbody>
</table>

REMUNERATION REPORT (AUDITED)
This report details the nature and amount of remuneration for each director and executive of Yellow Rock Resources Limited. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the Corporations Act 2001.

For the purposes of this report Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report the term “executive” includes those key management personnel who are not directors of the parent company.

Remuneration Committee
The full Board carries out the role and responsibilities of the Remuneration Committee and is responsible for determining and reviewing the compensation arrangements for the Directors themselves, the Managing Director and any Executives.

Executive remuneration is reviewed annually having regard to individual and business performance, relevant comparative remuneration and internal and independent external advice.

A. Remuneration policy
The board policy is to remunerate directors at market rates for time, commitment and responsibilities. The board determines payments to the directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors’ fees that can be paid is subject to approval by shareholders in general meeting, from time to time. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors’ interests with shareholders interests, the directors are encouraged to hold shares in the company.

The company’s aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and directors are remunerated to a level consistent with the size of the Company.

The executive directors and full time executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.
All remuneration paid to directors and executives is valued at the cost to the company and expensed.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.

The Company did not pay any performance-based component of remuneration during the year.

B. Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-executive Director Compensation

Objective
The Board seeks to set aggregate compensation at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure
The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination approved by shareholders was an aggregate compensation of $500,000 per year.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Non-Executive Directors’ remuneration may include an incentive portion consisting of options, as considered appropriate by the Board, which may be subject to Shareholder approval in accordance with ASX listing rules.

Separate from their duties as Directors, the Non-Executive Directors undertake work for the Company directly related to the evaluation and implementation of various business opportunities, including mineral exploration/evaluation and new business ventures, for which they receive a daily rate. These payments are made pursuant to individual agreement with the non-executive Directors and are not taken into account when determining their aggregate remuneration levels.

Executive Compensation

Objective
The entity aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward executives for company and individual performance against targets set by appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the company; and
- ensure total compensation is competitive by market standards.

Structure
In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.
Remuneration consists of a fixed remuneration and a long term incentive portion as considered appropriate.

Compensation may consist of the following key elements:
- Fixed Compensation;
- Variable Compensation;
- Short Term Incentive (STI); and
- Long Term Incentive (LTI).

fixed Remuneration
The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration sector and external advice.

The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay - Long Term Incentives
The objective of long term incentives is to reward directors/executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the director’s/executive’s job responsibilities. The objectives vary, but all are targeted to relate directly to the Company’s business and financial performance and thus to shareholder value.

Long term incentives (LTI’s) granted to directors and executives are delivered in the form of options or performance rights.

LTI grants to executives are delivered in the form of employee share options or performance rights. Options are issued at an exercise price determined by the Board at the time of issue. The employee share options generally vest over a selected period.

The objective of the granting of options or rights is to reward executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTI’s are made to executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company’s performance.

The level of LTI granted is, in turn, dependent on the Company’s recent share price performance, the seniority of the executive, and the responsibilities the executive assumes in the Company.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual’s performance over time.

C. Employment contracts of directors and senior executives
The employment arrangements of the directors are not formalised in a contract of employment.

Remuneration and other terms of employment for the Chief Executive Officer are formalised in an employment contract. Major provisions are set out below.

Vincent Algar, Chief Executive Officer from 19 November 2014:
- Annual base salary of $200,000 plus superannuation
- Notice period required to be given by the Company or employee for termination of one month, except in the case of gross misconduct
- Payment of termination benefit on termination by either party equal to the amount in lieu of the notice period
- 10,000,000 performance rights that will each convert into one ordinary share upon the satisfaction of the following milestones:
In respect to 5,000,000 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

In respect to 5,000,000 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.

The performance rights expire on 2 February 2020 and contain standard terms and conditions relevant to lapse of entitlement or right to conversion on cessation of employment.

David Lorry Hughes, Chief Executive Officer until 18 November 2014:

• Annual base salary, exclusive of superannuation of $150,000.
• No set term of agreement
• Payment of termination benefit on termination by either party equal to the amount in lieu of the notice period
• Notice period required to be given by the employee for termination of 4 weeks.
• 5,000,000 options exercisable at $0.03 each on or before a date 5 years from the date or issue and 5,000,000 options exercisable at $0.06 each on or before a date 5 years from the date or issue.

D. Details of remuneration for year
Details of the remuneration of directors, the key management personnel and specified executives of Yellow Rock Resources Limited are set out in the following table. There are no other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.
<table>
<thead>
<tr>
<th>Directors</th>
<th>Year</th>
<th>Salary &amp; Fees</th>
<th>Superannuation</th>
<th>Options</th>
<th>Total</th>
<th>Remuneration consisting of option during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Brian Davis (appointed 11 September 2014)</td>
<td>2015</td>
<td>28,179</td>
<td>2,677</td>
<td>-</td>
<td>30,856</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Leslie Ingraham</td>
<td>2015</td>
<td>214,967</td>
<td>-</td>
<td>-</td>
<td>214,967</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>258,300</td>
<td>-</td>
<td>-</td>
<td>258,300</td>
<td>-</td>
</tr>
<tr>
<td>Brenton Lewis</td>
<td>2015</td>
<td>36,530</td>
<td>3,470</td>
<td>-</td>
<td>40,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>46,782</td>
<td>3,407</td>
<td>-</td>
<td>50,189</td>
<td>-</td>
</tr>
<tr>
<td>Sydney Chesson (resigned 26 November 2014)</td>
<td>2015</td>
<td>41,667</td>
<td>-</td>
<td>-</td>
<td>41,667</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>173,333</td>
<td>-</td>
<td>-</td>
<td>173,333</td>
<td>-</td>
</tr>
<tr>
<td>Executives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vincent Algar¹ (appointed 19 November 2014)</td>
<td>2015</td>
<td>90,642</td>
<td>4,948</td>
<td>-</td>
<td>95,590</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>David Lorry Hughes (resigned 18 November 2014)</td>
<td>2015</td>
<td>64,170</td>
<td>5,491</td>
<td>-</td>
<td>69,661</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>10,385</td>
<td>961</td>
<td>-</td>
<td>11,346</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2015</td>
<td>476,155</td>
<td>16,586</td>
<td>-</td>
<td>492,741</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>488,800</td>
<td>4,368</td>
<td>-</td>
<td>493,168</td>
<td>-</td>
</tr>
</tbody>
</table>

¹ Mr Algar was granted 10,000,000 performance rights which may convert into ordinary shares upon the satisfaction of operating milestones. Refer to his employment contract details in this Remuneration Report for further information.

No performance-related payments were made during the year. Performance hurdles are not attached to remuneration options, however the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

**E. Compensation options granted to key management personnel**

No options were granted to Directors or executives during the year ended 30 June 2015.

**F. Shares issued to key management personnel on exercise of compensation options**

No shares were issued to Directors or executives on exercise of compensation options during the year.

**G. Compensation options lapsed during the year**

The following options issued to David Lorry Hughes lapsed upon his resignation.

- 5,000,000 unlisted options expiring 18 June 2019 at an exercise price of 3 cents each
- 5,000,000 unlisted options expiring 18 June 2019 at an exercise price of 6 cents each
H. Option holdings of key management personnel

<table>
<thead>
<tr>
<th>Directors</th>
<th>Balance 1 July 2014</th>
<th>Granted as Remuneration</th>
<th>Options Exercised</th>
<th>Options Expired / Cancelled</th>
<th>Net Change</th>
<th>Balance 30 June 2015</th>
<th>Number vested and exercisable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Davis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,000,000^-1</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Leslie Ingraham</td>
<td>10,000,000</td>
<td></td>
<td></td>
<td></td>
<td>-10,000,000</td>
<td>10,000,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Brenton Lewis</td>
<td>1,250,000</td>
<td></td>
<td></td>
<td></td>
<td>-1,250,000</td>
<td>1,250,000</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Sydney Chesson</td>
<td>10,190,000</td>
<td></td>
<td></td>
<td></td>
<td>(10,190,000)^2</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Executives

| Vincent Algar        |                     |                          |                   |                             |            | -        | -                  |
| David Lorry Hughes   | 10,000,000          |                          |                   |                             | -10,000,000 | -        | -                  |

1 Options held at date of appointment.
2 10,000,000 options disposed of and 190,000 options held at date of resignation.
3 Mr Algar holds 10,000,000 performance rights which may convert into ordinary shares upon the satisfaction of operating milestones. Refer to his employment contract details in this Remuneration Report for further information.

I. Shareholdings of key management personnel

<table>
<thead>
<tr>
<th>Directors</th>
<th>Balance 1 July 2014</th>
<th>Received as Remuneration</th>
<th>Options Exercised</th>
<th>Acquired/ Disposed</th>
<th>Net Change</th>
<th>Balance 30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Davis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,000,000^-1</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Leslie Ingraham</td>
<td>20,478,774</td>
<td></td>
<td></td>
<td></td>
<td>20,478,774</td>
<td>-</td>
</tr>
<tr>
<td>Brenton Lewis</td>
<td>4,333,950</td>
<td></td>
<td></td>
<td></td>
<td>4,333,950</td>
<td>-</td>
</tr>
<tr>
<td>Sydney Chesson</td>
<td>20,380,000</td>
<td></td>
<td></td>
<td></td>
<td>-20,380,000</td>
<td>-</td>
</tr>
</tbody>
</table>

Executives

| Vincent Algar        |                     |                          |                   |                   | 381,822     | -        | 381,822            |

1 Shares held at date of appointment.

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm’s length.

I. Loans and other transactions with key management personnel

There were no loans to or from key management personnel.

The Group engaged the following entities during the financial year for the following services on normal commercial terms:

Accounting, bookkeeping and financial management fees
AustAsia Accounting Services Pty Ltd, an entity related to Sydney Chesson $84,333

Legal Fees
AustAsia Legal Pty Ltd, an entity related to Sydney Chesson $32,312

Rent at 420 Newcastle Street, West Perth, WA 6005
AREIT Diversified Fund, an entity related to Sydney Chesson $40,333

As at 30 June 2015, no amounts were outstanding to the above entities.
INSURANCE OF OFFICERS
The Company has in place an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers has not been disclosed. This is permitted under Section 300(9) of the Corporations Act 2001.

SHARE OPTIONS
At the date of this report options were outstanding for the following unissued ordinary shares:
- 261,847,718 unlisted options expiring 31 December 2017 at an exercise price of 1.5 cents each

No person entitled to exercise these options had or has any right, by virtue of the option, to participate in any share issue of any other body corporate.

ENVIRONMENTAL REGULATIONS
The Company is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

AUDITOR
Abbott Audit Services Pty Ltd continues in office in accordance with Section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES
No non-audit services were provided by our auditors, Abbott Audit Services Pty Ltd during the year.

AUDITOR’S DECLARATION OF INDEPENDENCE
The auditor’s independence declaration for the year ended 30 June 2015, as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

Signed in accordance with a resolution of directors.

Brian Davis
Chairman
30 September 2015
Corporate Governance Statement

This Corporate Governance statement of Yellow Rock Resources Limited (the ‘company’) has been prepared in accordance with the 3rd Edition of the Australia Securities Exchanges (‘ASX’) Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council (‘ASX Principles and Recommendations’).

The Recommendations are guidelines and not prescriptions. The Council recognises that the range in size and diversity of companies is significant and that smaller companies from the outset may face particular issues in following all the Recommendations. If a company considers that a Recommendation is not appropriate to its particular circumstances, it has the flexibility not to adopt it.

The Board has adopted the best practice Recommendations as outlined by the Council to the extent that is deemed appropriate considering the current size and operations of the company.

This statement has been approved by the company’s Board of Directors (‘Board’) and is current as at 30 September 2015.

The ASX Principles and Recommendations and the company’s response as to how and whether it follows those recommendations are set out below.

**Principle 1: Lay solid foundations for management and oversight**

**Recommendation 1.1 - A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.**

As the Board acts on behalf of and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations and strives to meet those expectations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The role of the Board is to oversee and guide the management of Yellow Rock Resources Ltd with the aim of protecting and enhancing the interests of its shareholders and taking into account the interests of other stakeholders including employees and the wider community.

The Board has adopted a formal Charter which clearly establishes the relationship between the Board and management and describes their functions and responsibilities.

The Board is responsible for setting the strategic direction of the Company, establishing goals for management and monitoring the achievement of those goals.

The Board operates within the broad principles and responsibilities described in the following:

- ensuring the Company’s conduct and activities are ethical and carried out for the benefit of all its stakeholders;
- development of corporate strategy, implementation of business plans and performance objectives;
- reviewing ratifying and monitoring systems of risk management, codes of conduct and legal and regulatory compliance;
- the appointment of the Company’s Managing Director, Chief Executive Officer (or equivalent), Chief Financial Officer, Company Secretary and other senior executives;
- monitoring senior executives’ performance and implementation of strategy;
- determining appropriate remuneration policies;
• allocating resources and ensuring appropriate resources are available for management;
• approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
• approving and monitoring financial and other reporting.

Other than as specifically reserved to the Board, responsibility for the day-to-day management of the Company’s business activities is delegated to the Executive Director and Chief Executive Officer.

The Board’s charter is available on the company’s website at www.yellowrock.com.au.

**Recommendation 1.2 - A listed entity should:** (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. An election of directors is held each year. A director that has been appointed during the year must stand for election at the next Annual General Meeting (‘AGM’). Directors are appointed for a maximum term of three years. Retiring directors are not automatically re-appointed. The company provides to shareholders in the Notice of AGM relevant information for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The Board’s charter, which is available on the company’s website at www.yellowrock.com.au more fully sets out the specific responsibilities of the Board. Corporate expectations are set out in the directors’ letters of appointment.

**Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.**

The terms of the appointment of a non-executive director are set out in writing and cover matters such as the term of appointment, time commitment envisaged, required committee work and other special duties, requirements to disclose their relevant interests which may affect independence, corporate policies and procedures, indemnities, and remuneration entitlements.

Executive directors and senior executives, where applicable, are issued with service contracts which detail the above matters as well as the person or body to whom they report, the circumstances in which their service may be terminated (with or without notice), and any entitlements upon termination.

**Recommendation 1.4 - The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.**

The Company Secretary reports directly to the Board through the Chairman and is accessible to all directors.

**Recommendation 1.5 - A listed entity should (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity’s diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or (2) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.**
Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. Accordingly, the Company has established a diversity policy which is available on the Company’s website.

The Board has a commitment to promoting a corporate culture that is supportive of diversity and encourages the transparency of Board processes, review and appointment of Directors. The Board is responsible for developing policies in relation to the achievement of measurable diversity objectives and the extent to which they will be linked to the Key Performance Indicators for the Board, Managing Director and senior executives.

To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations. The Diversity Policy does not form part of an employee’s contract of employment with the company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, the Diversity Policy forms a direction of the company with which an employee is expected to comply.

RESPONSIBILITIES

The Board is responsible for developing measurable objectives (and these will be developed when the Board believes that the Company has reached a level of development that warrants these objectives) and strategies to meet the Objectives of the Diversity Policy (Measurable Objectives). The Board is also responsible for monitoring the progress of the Measurable Objectives through the monitoring, evaluation and reporting mechanisms listed below. The Board may also set Measurable Objectives for achieving gender diversity and monitor their achievement.

The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.

The Company’s diversity strategies may include:

- recruiting from a diverse range of candidates for all positions, including senior executive roles and Board positions;
- reviewing pre-existing succession plans to ensure that there is a focus on diversity;
- encouraging female participation across a range of roles across the Company;
- reviewing and reporting on the relative proportion of women and men in the workforce at all levels of the Company;
- articulating a corporate culture which supports workplace diversity and in particular, recognizes that employees at all levels of the Company may have domestic responsibilities;
- developing programs to encourage a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development; and
- any other strategies that the Board or the Nomination Committee develops from time to time.

At the date of this report the Company has 4 full-time employees of which one is female. No women are currently represented on the Board.

Due to the current size, nature and scale of the Company’s activities the Board has not yet developed objectives regarding gender diversity. As the size and scale of the Company grows the Board will set and aim to achieve gender diversity objectives as director and senior executive positions become vacant and appropriately qualified candidates become available.
MONITORING AND EVALUATION
The Chairman will monitor the scope and currency of this policy.

The company with oversight form the Board is responsible for implementing, monitoring and reporting on the Measurable Objectives.

Measurable Objectives if set by the Board will be included in the annual key performance indicators for the Chief Executive Officer / Chief Operations Officer and senior executives.

In addition, the Board will review progress against the Objectives (if set) as a key performance indicator in its annual performance assessment.

REPORTING
The Board may include in the Annual Report each year:

- the Measurable Objectives, if any, set by the Board;
- progress against the Objectives; and
- the proportion of women employees in the whole organisation, at senior management level and at Board level.

No entity within the consolidated entity is a ‘relevant employer’ for the purposes of the Workplace Gender Equality Act 2012 and therefore no Gender Equality Indicators to be disclosed.

Recommendation 1.6 - A listed entity should (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Board has not adopted any formal procedures for the review of the performance of the Board, however the performance of the Board is reviewed regularly by the Chairman, which is currently considered to meet the Board’s obligations sufficiently.

The review process takes into consideration all of the Board’s key areas of responsibility and accountability and is based on an amalgamation of factors including capability, skill levels, understanding of industry complexities, risks and challenges, and value adding contributions to the overall management of the business. The Board member assessment measures are the responsibility of the Chairman but are focused on objective and tangible criteria such as:

- Performance of the Company
- Accomplishment of long term strategic objectives
- Development of management
- Growth in shareholder value

Primarily, the review will be carried out through consultation by the Chairman and with the individual Directors. Directors whose performance is consistently unsatisfactory may be asked to retire.

The Board aims to ensure that shareholders are informed of all information necessary to assess the performance of the directors. Information is communicated to the shareholders through:

- the annual report which is distributed to all shareholders;
- the half-yearly report;
- the annual general meeting and other meetings to obtain shareholder approval for Board actions as appropriate; and
- continuous disclosure in accordance with ASX Listing Rule 3.1 and the Company’s continuous disclosure policy.
Recommendation 1.7 - A listed entity should (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Board has not adopted any formal procedures for the review of the performance of senior executives, however the Board will, as required, adopt an on-going assessment process to measure senior executive performance, with outcomes utilised to determine senior executive remuneration.

At the date of this report the Company executives comprised the Executive Director and CEO. There are 2 other full-time employees.

Principle 2: Structure the board to add value

Recommendation 2.1 - The board of a listed entity should (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The functions that would be performed by a nomination committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company’s Board and the stage of the Company’s development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 2.1 during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company’s circumstances.

Recommendations of candidates for new directors are made by the directors for consideration by the Board as a whole. If it is necessary to appoint a new director to fill a vacancy on the Board or to complement the existing Board, a wide potential base of possible candidates is considered. If a candidate is recommended by a director, the Board assesses that proposed new director against a range of criteria including background, experience, professional skills, personal qualities, the potential for the candidate’s skills to augment the existing Board and the candidate’s availability to commit to the Board’s activities. If these criteria are met and the Board appoints the candidate as a director, that director must retire at the next following General Meeting of Shareholders and will be eligible for election by shareholders at that General Meeting.

Recommendation 2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

In view of its size the Board does not maintain a formal skills matrix that sets out the mix of skills and diversity that the Board aims to achieve in its membership. However, the individual directors and the Board as a whole recognise the importance for the Board to have the skills, knowledge, experience and diversity of background required to effectively steer the company over time in response to market developments, opportunities and challenges. The Board recognises certain core skills that are required for the Board to ensure effective stewardship of the company. These include business and strategic expertise, experience with financial markets, industry knowledge, accounting and finance skills, project management experience and personal ethics, attributes and skills. The current Board members represent individuals that have extensive business and industry experience as well as professionals that bring to the Board their specific skills in order for the company to achieve its strategic, operational and compliance objectives. Their suitability to the directorship has been determined.
primarily on the basis of their ability to deliver outcomes in accordance with the company’s short and longer term objectives and therefore deliver value to shareholders.

**Recommendation 2.3 - A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.**

Details of the Board of directors, their appointment date, length of service and independence status is as follows:

<table>
<thead>
<tr>
<th>Director’s name</th>
<th>Appointment date</th>
<th>Length of service at reporting date</th>
<th>Independence status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Davis</td>
<td>11 September 2014</td>
<td>1 year</td>
<td>Independent – Non-Executive Chairman</td>
</tr>
<tr>
<td>Brenton Lewis</td>
<td>15 July 2010</td>
<td>5 years 2 months</td>
<td>Independent – Non-Executive Director</td>
</tr>
<tr>
<td>Leslie Ingraham</td>
<td>31 January 2011</td>
<td>4 years 8 months</td>
<td>Not Independent – Executive Director</td>
</tr>
</tbody>
</table>

The Board has reviewed the position and associations of each of the directors in office at the date of this report and considers that Mr Brian Davis and Mr Brenton Lewis are independent non-executive directors. Mr Leslie Ingraham, Executive Director is not considered independent in terms of Recommendation 2.3 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of other directors, as appropriate.

**Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.**

Having regard to the response to Recommendation 2.3 above, a majority of the Board is comprised of independent directors.

**Recommendation 2.5 - The Chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.**

The Chair is independent as disclosed in Recommendation 2.3.

**Recommendation 2.6 - A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.**

The company has, due to the Board’s size, an informal induction process. New directors are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the company concerning performance of directors. Directors receive a formal letter of appointment setting out the key terms and conditions relevant to that appointment. Generally, directors undertake their own continuing education.
Principle 3: Act ethically and responsibly

**Recommendation 3.1 - A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.**

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. The “Code of Conduct” sets out the principles, practices, and standards of personal behaviour the Company expects people to adopt in their daily business activities.

All Directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company’s expectations as set out in the Code of Conduct.

All Directors, officers and employees are expected to:

- comply with the law;
- act in the best interests of the Company;
- be responsible and accountable for their actions; and
- observe the ethical principles of fairness, honesty and truthfulness, including prompt disclosure of potential conflicts.

The Code of Conduct is available on the company’s website.

**Securities Trading by Directors and Employees**

Yellow Rock Resources Ltd has adopted a Securities Trading Policy. The policy summarises the law relating to insider trading and sets out the policy of the company on directors, officers, employees and consultants dealing in securities of the company. The Securities Trading Policy is available on the company’s website.

This policy is provided to all directors and employees and compliance with it is reviewed on an ongoing basis in accordance with the company’s risk management systems.

Principle 4: Safeguard integrity in corporate reporting

**Recommendation 4.1 - The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.**

The functions that would be performed by an audit committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company’s Board and the stage of the Company’s development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 4.1 during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company’s circumstances.

However meetings are held throughout the year between the Board, the Company Secretary and the company’s auditors to discuss the company’s ongoing activities and any proposed changes prior to their implementation.
The Audit Committee is responsible for reviewing the integrity of the company’s financial reporting and overseeing the independence of the external auditors. The Board sets aside time to deal with issues and responsibilities usually delegated to the Audit Committee to ensure the integrity of the financial statements of the company and the independence of the auditor.

The Board reviews the audited annual and half-year financial statements and any reports which accompany published financial statements and recommends their approval to the members. The Board also reviews annually the appointment of the external auditor, their independence and their fees. Details of the qualifications and experience of the members of the Committee, being the full Board, are contained in the ‘Information on directors’ section of the Directors’ report.

External Auditors

The Company’s policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. It is Abbott Audit Services Pty Ltd’s policy to rotate engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the notes to the financial statements in the Annual Report.

There is no indemnity provided by the Company to the auditor in respect of any potential liability to third parties.

Recommendation 4.2 - The board of a listed entity should, before it approves the entity’s financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For the financial year ended 30 June 2015 and the half-year ended 31 December 2014, the company’s CEO and CFO, or equivalents, provided the Board with the required declarations.

Recommendation 4.3 - A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

A representative of the company’s external audit firm attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 - A listed entity should (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.

The company maintains a written policy that outlines the responsibilities relating to the directors, officers and employees in complying with the company’s continuous disclosure obligations. Where any such persons are of any doubt as to whether they possess information that could be classified as market sensitive, they are required to notify the Company Secretary immediately in the first instance. The policy provides the mechanism by which relevant market sensitive information that may have a material effect on the price of the company’s securities is released to the ASX in a timely manner.

The Company Secretary has primary responsibility for the disclosure of material information to ASIC and ASX and maintains a procedural methodology for disclosure, as well as for record keeping.
The Board reviews the Company’s compliance with this policy on an ongoing basis and will update it from time to
time, if necessary.
The company’s Continuous Disclosure Policy is available on its website.

**Principle 6: Respect the rights of security holders**

*Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.*
The company maintains information in relation to corporate governance documents, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details on the company’s website.

*Recommendations 6.2 and 6.3*

*A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2).*

*A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).*

The company is committed to promoting effective communications with shareholders by ensuring they and the investment market generally are provided with full and timely disclosure of its activities and providing equal opportunity for all stakeholders to receive externally available information issued by the company in a timely manner. The company provides shareholders with periodic updates on its business. Shareholders are encouraged to communicate by electronic means and to participate at the Annual General Meeting, to ensure a high level of accountability and identification with the company’s strategy and goals. The company’s Shareholder Communication Policy is available on its website.

*Recommendation 6.4 - A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

The company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Computershare Investor Services Pty Ltd at www.computershare.com.au.
Principle 7: Recognise and manage risk

Recommendations 7.1 & 7.2

The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity’s risk management framework (7.1).

The board or a committee of the board should: (a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).

The functions that would be performed by a risk committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company’s Board and the stage of the Company’s development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 7.1 during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company’s circumstances.

The Board reviews risks to the company at regular Board meetings. The Company’s policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company’s business objectives.

The company manages material business risks under a risk management policy which is available on its website. There is an ongoing program to identify, monitor and manage compliance issues and material business risks with a view to enhancing the value of every shareholder’s investment and safeguarding the company’s investments. The Board reviews the identification, management and reporting of risk as part of the annual budget process. More frequent reviews are undertaken as conditions or events dictate. Where necessary, the board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

Recommendation 7.3 - A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Board has the responsibility for ensuring the effectiveness of risk management and internal compliance and control. As part of the review process the Board considers the extent to which the risk process has been successful in retrospect with regard to the identification and mitigation of risks. This is required at all times and the Board actively promotes a culture of quality and integrity.

The company does not have an internal audit function due to its size; however the company’s procedures and policies are subject to regular review. The Board also liaises closely with the company’s external auditor to identify potential improvements to the risk management and internal control procedures. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. Management practices have been established to ensure:

- The Company’s operations are safe and conducted in accordance with all applicable laws including the applicable health and safety regulations;
- Capital expenditure and revenue commitments above a certain size obtain prior Board approval;
- Financial exposures are controlled, including the potential use of derivatives;
- Occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- Material contracts are reviewed by qualified legal personnel and
- Business transactions are properly authorised and executed;
- The quality and integrity of personnel;
- Financial reporting accuracy and compliance with the financial reporting regulatory framework; and
- Environmental regulation compliance.

Recommendation 7.4 - A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The company does not believe it has any material exposure to economic, environmental and social sustainability risks.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 - The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The functions that would be performed by a remuneration committee are currently performed by the full Board. Having regard to the number of members currently comprising the Company’s Board and the stage of the Company’s development, the Board does not consider it appropriate to delegate these responsibilities to a sub-committee. Accordingly the Company was not in compliance with Recommendation 8.1 during the financial year. These arrangements will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company’s circumstances.

Details of the qualifications and experience of the members of the committee, being the full Board, is detailed in the ‘Information on Directors’ section of the Directors’ report.

The Board oversees remuneration policy and monitors remuneration outcomes to promote the interests of shareholders by rewarding, motivating and retaining employees.

An outline of the Company’s remuneration policies in respect of directors and executives is set out in the audited Remuneration Report contained in the Directors’ Report. Detailed disclosure of the remuneration paid to the Company’s directors and executives is set within the Remuneration Report section of this annual report.

The Company’s aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and Directors are remunerated to a level consistent with the size of the Company.

In determining remuneration, the Board has taken a view that the full Board will hold special meetings or sessions as required. No Director participated in any deliberation regarding his or her own remuneration or related issues. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and remuneration received by directors and executives in the current period is contained in the “Remuneration Report” within the Directors’ Report of the Annual Report.

The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of this size and maturity.
**Recommendation 8.2 -** A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

An outline of the Company's remuneration policies in respect of directors and executives is set out in the audited Remuneration Report contained in the Directors’ Report.

The level of remuneration reflects the anticipated time commitments and responsibilities of the position having regard to the financial constraints on the company. Senior executives may be remunerated using combinations of fixed and performance based remuneration. Salaries are set at levels reflecting market rates having regard to the financial constraints on the company and performance based remuneration, when offered, will be linked to specific performance targets that are aligned to both short and long term objectives.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

**Recommendation 8.3 -** A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.

The use of derivatives or other hedging arrangements for unvested securities of the company or vested securities of the company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the company, this will be disclosed.
Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$200,247</td>
<td>$380,185</td>
</tr>
<tr>
<td>Exploration and evaluation expenditure</td>
<td>$(328,484)</td>
<td>$(35,038)</td>
</tr>
<tr>
<td>Impairment of exploration and evaluation</td>
<td>-</td>
<td>$(11,485,591)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$(4,344)</td>
<td>$(4,629)</td>
</tr>
<tr>
<td>Directors fees and benefits expenses</td>
<td>$(327,490)</td>
<td>$(517,168)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>$(973,942)</td>
<td>$(410,585)</td>
</tr>
<tr>
<td><strong>Loss before income tax expense</strong></td>
<td>$(1,434,013)</td>
<td>$(12,072,826)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net loss for year</strong></td>
<td>$(1,434,013)</td>
<td>$(12,072,826)</td>
</tr>
</tbody>
</table>

**Other comprehensive income**

Other comprehensive income for the year, net of tax - -

**Total comprehensive loss attributable to members of Yellow Rock Resources Limited**

<table>
<thead>
<tr>
<th>Note</th>
<th>Cents</th>
<th>Cents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic / diluted earnings per share</td>
<td>$(0.19)</td>
<td>$(2.37)</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
# Statement of Financial Position

As at 30 June 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

## ASSETS

### Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalent</td>
<td>1,813,074</td>
<td>477,454</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>274,623</td>
<td>2,406,971</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>2,087,697</td>
<td>2,884,425</td>
</tr>
</tbody>
</table>

### Non-Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and equipment</td>
<td>15,120</td>
<td>18,249</td>
</tr>
<tr>
<td>Deferred exploration expenditure</td>
<td>14,170,808</td>
<td>13,162,620</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>14,185,928</td>
<td>13,180,869</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS** = 16,273,625  
**2014 ASSETS** = 16,065,293

## LIABILITIES

### Current Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>242,750</td>
<td>48,989</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>242,750</td>
<td>48,989</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES** = 242,750  
**2014 LIABILITIES** = 48,989

**NET ASSETS** = 16,030,875  
**2014 NET ASSETS** = 16,016,304

## EQUITY

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued capital</td>
<td>61,706,476</td>
<td>60,257,892</td>
</tr>
<tr>
<td>Reserves</td>
<td>22,544,306</td>
<td>22,544,306</td>
</tr>
<tr>
<td>Accumulated Losses</td>
<td>(68,219,907)</td>
<td>(66,785,894)</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>16,030,875</td>
<td>16,016,304</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## Statement of Changes in Equity

For the year ended 30 June 2015

<table>
<thead>
<tr>
<th></th>
<th>Issued Capital $</th>
<th>Accumulated Losses $</th>
<th>Other Reserves $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 1 July 2013</strong></td>
<td>59,499,090</td>
<td>(54,713,068)</td>
<td>22,544,306</td>
<td>27,330,328</td>
</tr>
<tr>
<td><strong>Loss for the year</strong></td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive loss for the year</strong></td>
<td></td>
<td>-</td>
<td></td>
<td>- (12,072,826)</td>
</tr>
<tr>
<td>Securities issued during the year</td>
<td></td>
<td>794,712</td>
<td></td>
<td>794,712</td>
</tr>
<tr>
<td>Capital raising costs</td>
<td>(35,910)</td>
<td>-</td>
<td></td>
<td>(35,910)</td>
</tr>
<tr>
<td><strong>Balance as at 30 June 2014</strong></td>
<td>60,257,892</td>
<td>(66,785,894)</td>
<td>22,544,306</td>
<td>16,016,304</td>
</tr>
<tr>
<td><strong>Loss for the year</strong></td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive loss for the year</strong></td>
<td></td>
<td>-</td>
<td></td>
<td>- (1,434,013)</td>
</tr>
<tr>
<td>Partly paid ordinary shares written off</td>
<td>(2,159,250)</td>
<td>-</td>
<td></td>
<td>(2,159,250)</td>
</tr>
<tr>
<td>Securities issued during the year</td>
<td>3,703,887</td>
<td>-</td>
<td></td>
<td>3,703,887</td>
</tr>
<tr>
<td>Capital raising costs</td>
<td>(96,053)</td>
<td>-</td>
<td></td>
<td>(96,053)</td>
</tr>
<tr>
<td><strong>Balance as at 30 June 2015</strong></td>
<td>61,706,476</td>
<td>(68,219,907)</td>
<td>22,544,306</td>
<td>16,030,875</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
# Statement of Cash Flows

For the year ended 30 June 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(1,227,915)</td>
<td>(877,807)</td>
</tr>
<tr>
<td>Interest received</td>
<td>51,555</td>
<td>11,724</td>
</tr>
<tr>
<td>Net receipts from other entities</td>
<td>242,032</td>
<td>150,697</td>
</tr>
<tr>
<td>Expenditure on mining interests</td>
<td>(328,484)</td>
<td>(35,038)</td>
</tr>
<tr>
<td><strong>Net cash provided by / (used) in operating activities</strong></td>
<td>6(i)</td>
<td>(1,262,812)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on mining interests</td>
<td>(1,008,188)</td>
<td>(440,591)</td>
</tr>
<tr>
<td>Payment for property plant &amp; equipment</td>
<td>(1,215)</td>
<td>(1,300)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(1,009,403)</td>
<td>(441,891)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue of shares</td>
<td>3,703,887</td>
<td>794,712</td>
</tr>
<tr>
<td>Payment of capital raising costs</td>
<td>(96,053)</td>
<td>(35,910)</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td>3,607,834</td>
<td>758,802</td>
</tr>
<tr>
<td><strong>Net increase in cash held</strong></td>
<td>1,335,619</td>
<td>(443,513)</td>
</tr>
<tr>
<td><strong>Cash at beginning of the financial year</strong></td>
<td>477,455</td>
<td>920,967</td>
</tr>
<tr>
<td><strong>Cash at end of financial year</strong></td>
<td>6</td>
<td>1,813,074</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of Yellow Rock Resources Limited (the “Company”) and Controlled Entities (the “Consolidated Entity” or “Group”) for the year ended 30 June 2015.

Yellow Rock Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of operations and principal activities of the Group are described in the Directors' Report.

1(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis has been used. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The presentation currency is Australian dollars.

1(b) Adoption of new and revised standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Group’s accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

1(c) Statement of Compliance

The financial report was authorised for issue on 30 September 2014.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS).

1(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Yellow Rock Resources Limited (“Company” or “Parent Entity”) and its subsidiaries as at 30 June each year (“Consolidated” or “Group”). Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Investments in subsidiaries are accounted for at cost in the individual financial statements of Yellow Rock Resources Limited.
The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

1(e) Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

1(f) Cash and cash equivalents
Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

1(g) Trade and other receivables
Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

1(h) Income Tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:
- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:
- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.
The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

1(j) Financial assets

Financial assets within the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss are directly attributable as transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.
(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the statement of profit or loss and other comprehensive income.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

1(k) Exploration and evaluation expenditure
Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration an evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:
   (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
   (b) exploration and evaluation activities in the area have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.
Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

1(l) Impairment of assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset’s value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

1(m) Trade and other payables
Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

1(n) Share-based payment transactions
The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Yellow Rock Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).
The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group’s best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The amount charged or credited to the statement of profit or loss and other comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

1(o) Issued capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1(p) Segment Reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company. No segment reporting is required, as the Group only operates in one segment, being mineral exploration within Australia.

1(q) Earnings per share
Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

1(r) Investments in associates
An associate is an entity over which the consolidated entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.
Investments in associates are accounted for in the parent entity using the cost method and in the consolidated entity using the equity method of accounting. Under the equity method, the investment in an associate is initially recorded at cost. The carrying amount of the investment is adjusted to recognise changes in the consolidated entity’s share of net assets of the associate since the acquisition date. The consolidated entity’s share of post-acquisition profits or losses is recognised in the statement of profit or loss and its share of post-acquisition movements in other comprehensive income is presented as part of the consolidated entity’s other comprehensive income.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group’s interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

1(s) Plant and equipment
Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and equipment</td>
<td>5 to 10 years</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>8 years</td>
</tr>
</tbody>
</table>

The assets’ residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment
The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the assets belongs, unless the asset’s value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(ii) Derecognition and disposal
An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognised.
1(t) Significant Accounting Estimates and Judgments

Significant accounting judgments
In the process of applying the Group’s accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Exploration and evaluation assets
The Group’s accounting policy for exploration and evaluation expenditure is set out at Note 1(l). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the statement profit or loss and other comprehensive income.

Significant accounting estimates and assumptions
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of assets
In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined from market value.
2. REVENUEx AND EXPENSES

2(a) Revenue
Interest received  51,555  11,724
R & D concession  148,692  368,461

Total Revenue  200,247  380,185

2(b) Other Expenses
Salaries and wages  198,678  -
Superannuation  18,178  -
Stock exchange and registry fees  68,918  31,158
Rent and office facility expenses  62,863  59,735
Legal fees  77,275  85,047
Auditor’s fees  17,500  25,500
Travel and accommodation  110,241  26,552
Other corporate and administration expenses  420,289  182,593

Total Other Expenses  973,942  410,585

3. INCOME TAX

3(a) Income tax expense

Loss for the year  (1,434,013)  (12,072,826)
Prima facie income tax (benefit) @ 30% (2014: 30%)  (430,204)  (3,621,848)

Tax effect of non-deductible items  99,128  3,445,677
Deferred tax assets not brought to account  331,076  176,170

Total income tax expense  -  -

3(b) Deferred tax assets
Deferred tax assets not brought to account arising from tax losses, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 (h) occur:  1,475,450  1,144,374

4. AUDITORS’ REMUNERATION

Amounts, paid or due and payable to Abbott Audit Services Pty Ltd for:
- audit or review services  17,500  25,500

Total  17,500  25,500
5. **EARNINGS PER SHARE (EPS)**

<table>
<thead>
<tr>
<th>Basic earnings per share</th>
<th>Cents</th>
<th>Cents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(0.19)</td>
<td>(2.37)</td>
</tr>
</tbody>
</table>

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

- **Net loss for the year**: (1,434,013) (12,072,826)

- **Weighted average number of ordinary shares used in the calculation of basic EPS**: 737,845,561 508,497,459

6. **CASH AND CASH EQUIVALENTS**

- **Cash at bank**: 313,074 477,454
- **Short term deposits**: 1,500,000 -

Cash at bank earns interest at floating rates based on daily deposit rates.

Cash and cash equivalents for the purpose of the statement of cash flows are comprised of cash at bank and short term deposits.

6(a) Reconciliation of loss for the year to net cash flows from operating activities:

<table>
<thead>
<tr>
<th>Loss for the year</th>
<th>(1,434,013)</th>
<th>(12,072,826)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>4,344</td>
<td>4,629</td>
</tr>
<tr>
<td>Impairment of exploration and evaluation</td>
<td>-</td>
<td>11,485,591</td>
</tr>
</tbody>
</table>

**Changes in operating assets and liabilities**

<table>
<thead>
<tr>
<th>Increase in receivables</th>
<th>(26,902)</th>
<th>(217,765)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in payables</td>
<td>193,759</td>
<td>39,947</td>
</tr>
</tbody>
</table>

**Net cash flows from operating activities**

|                     | (1,262,812) | (760,424) |

6(b) **Non-cash financing and investing activities**

There were no non-cash financing and investing activities during the year.
7. TRADE AND OTHER RECEIVABLES

Current

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>GST receivable</td>
<td>109,015</td>
<td>5,178</td>
</tr>
<tr>
<td>Other receivables</td>
<td>165,608</td>
<td>242,544</td>
</tr>
<tr>
<td>Partly paid share receivable</td>
<td>-</td>
<td>2,159,250</td>
</tr>
<tr>
<td></td>
<td>274,623</td>
<td>2,406,971</td>
</tr>
</tbody>
</table>

Other receivables are non-interest bearing and generally repayable within 12 months. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

8. PLANT & EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>17,999</td>
<td>16,784</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(9,247)</td>
<td>(6,752)</td>
</tr>
<tr>
<td></td>
<td>8,752</td>
<td>10,032</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(8,632)</td>
<td>(6,783)</td>
</tr>
<tr>
<td></td>
<td>6,368</td>
<td>8,217</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>32,999</td>
<td>31,784</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(17,879)</td>
<td>(13,535)</td>
</tr>
<tr>
<td></td>
<td>15,120</td>
<td>18,249</td>
</tr>
</tbody>
</table>

8(a) Movements in carrying amounts

Movements in the carrying amounts for each class of plant and equipment during the financial year:

<table>
<thead>
<tr>
<th></th>
<th>Plant &amp; Equipment</th>
<th>Motor Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2013</td>
<td>10,975</td>
<td>10,603</td>
<td>21,578</td>
</tr>
<tr>
<td>Additions</td>
<td>1,300</td>
<td>-</td>
<td>1,300</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(2,243)</td>
<td>(2,386)</td>
<td>(4,629)</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2014</strong></td>
<td><strong>10,032</strong></td>
<td><strong>8,217</strong></td>
<td><strong>18,249</strong></td>
</tr>
<tr>
<td>Additions</td>
<td>1,215</td>
<td>-</td>
<td>1,215</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(2,495)</td>
<td>(1,849)</td>
<td>(4,344)</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2015</strong></td>
<td><strong>8,752</strong></td>
<td><strong>6,368</strong></td>
<td><strong>15,120</strong></td>
</tr>
</tbody>
</table>
9. DEFERRED EXPLORATION EXPENDITURE

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td>Expenditure brought forward</td>
<td>$13,162,620</td>
</tr>
<tr>
<td>Expenditure incurred during the year</td>
<td>$1,008,188</td>
</tr>
<tr>
<td>Expenditure written off during the year</td>
<td>$0</td>
</tr>
<tr>
<td>Expenditure carried forward</td>
<td>$14,170,808</td>
</tr>
</tbody>
</table>

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploration, or alternatively, sale of the respective areas of interest, at amounts at least equal to the carrying value.

10. TRADE AND OTHER PAYABLES

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables and accruals</td>
<td>$242,750</td>
</tr>
<tr>
<td></td>
<td>$242,750</td>
</tr>
</tbody>
</table>

Trade creditors are non-interest bearing and are normally settled on 30 day terms. Due to the short term nature of trade payables and accruals, their carrying value is assumed to approximate their fair value.

11. ISSUED CAPITAL AND RESERVES

11(a) Issued and paid up capital

<table>
<thead>
<tr>
<th></th>
<th>Number 2015</th>
<th>Number 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares - fully paid</td>
<td>$61,698,476</td>
<td>$58,090,642</td>
</tr>
<tr>
<td>Ordinary shares - partly paid</td>
<td>8,000</td>
<td>2,167,250</td>
</tr>
<tr>
<td></td>
<td>$61,706,476</td>
<td>$60,257,892</td>
</tr>
</tbody>
</table>

11(b) Movement in ordinary share on issue

(i) Ordinary share - fully paid

<table>
<thead>
<tr>
<th>Balance at beginning of year</th>
<th>Number 2015</th>
<th>Number 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$428,497,459</td>
<td>$349,026,205</td>
</tr>
<tr>
<td></td>
<td>$58,090,642</td>
<td>$57,331,840</td>
</tr>
</tbody>
</table>

   | Balance at end of year | Number 2015 | Number 2014 |
   |                        | $761,283,723 | $428,497,459 |
   |                         | $61,698,476  | $58,090,642  |

(ii) Ordinary share - partly paid ($0.0389 unpaid)

<table>
<thead>
<tr>
<th>Balance at beginning of year</th>
<th>Number 2015</th>
<th>Number 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$80,000,000</td>
<td>$80,000,000</td>
</tr>
<tr>
<td></td>
<td>$2,167,250</td>
<td>$2,159,250</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Call on partly paid shares cancelled</th>
<th>Number 2015</th>
<th>Number 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-$(2,159,250)</td>
<td>-</td>
</tr>
</tbody>
</table>

   | Balance at end of year | Number 2015 | Number 2014 |
   |                        | $80,000,000  | $80,000,000 |
   |                         | $8,000       | $2,167,250  |

Total issued shares

<table>
<thead>
<tr>
<th>Total issued shares</th>
<th>Number 2015</th>
<th>Number 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$841,283,723</td>
<td>$508,497,459</td>
</tr>
<tr>
<td></td>
<td>$61,706,476</td>
<td>$60,257,892</td>
</tr>
</tbody>
</table>

11(c) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.
11(d) Share Options
At 30 June 2015, the following options over unissued ordinary shares were outstanding:
- 261,847,718 unlisted options expiring 31 December 2017 at an exercise price of 1.5 cents each

The following options expired or were cancelled during the year:
- 230,000,000 unlisted options expiring 31 December 2014 at an exercise price of 2.5 cents each
- 5,000,000 unlisted options expiring 18 June 2019 at an exercise price of 3 cents each
- 5,000,000 unlisted options expiring 18 June 2019 at an exercise price of 6 cents each

11(e) Performance Rights
10,000,000 performance rights which will each convert into one ordinary share on achievement of certain operating and share price milestones were granted to the Chief Executive Officer, Mr Vincent Algar, during the year ended 30 June 2015. There is significant uncertainty in relation to the achievement of the milestones.

11(e) Share-based payment reserve
The share-based payments reserve is used to recognise the fair value of options issued.

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>12. INVESTMENTS IN ASSOCIATES</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Investment in associate at cost</td>
<td>2,550,000</td>
<td>2,550,000</td>
<td></td>
</tr>
<tr>
<td>Allowance for impairment</td>
<td>(2,550,000)</td>
<td>(2,550,000)</td>
<td></td>
</tr>
</tbody>
</table>

Interest is held in the following associated company:

<table>
<thead>
<tr>
<th>Name</th>
<th>Principal Activities</th>
<th>Country of Incorporation</th>
<th>Ownership Interest Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apogei Pty Ltd</td>
<td>Mineral</td>
<td>Australia</td>
<td>20 Ordinary</td>
</tr>
<tr>
<td></td>
<td>Exploration</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12(a) Equity accounted losses of associate are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td>Share of associate’s loss before income tax</td>
<td>-</td>
</tr>
<tr>
<td>Share of associate’s income tax</td>
<td>-</td>
</tr>
<tr>
<td>Share of associate’s loss after income tax</td>
<td>-</td>
</tr>
</tbody>
</table>
13. COMMITMENTS

Exploration Commitments

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the accounts. Due to the nature of the Group’s operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishment of tenure or any new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended. The minimum expenditure commitment on the tenements is:

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>Not later than one year</td>
<td>167,816</td>
<td>119,576</td>
</tr>
</tbody>
</table>

13(a) Operating Lease Commitments

Minimum lease payments payable for non-cancellable operating leases contracted for but not recognised in the financial statements:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than 12 months</td>
<td>60,000</td>
<td>61,300</td>
</tr>
<tr>
<td>Between 12 months and five years</td>
<td>39,945</td>
<td>-</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>99,945</td>
<td>61,300</td>
</tr>
</tbody>
</table>

The non-cancellable lease is for office premises. It commenced on 1 June 2015 and ends on 28 February 2017, with rent payable monthly in advance. A CPI review will be applied to the minimum lease payments on 1 June 2016.

14. CONTINGENT LIABILITIES

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the Group has an interest. It is impossible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the Group. However, at the date of this report, the Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over tenements held by the Group.

15. FINANCIAL REPORTING BY SEGMENTS

AASB 8 requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During the year, the Group considers that it operated in only one segment, being mineral exploration within Australia.

The Group is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the customer is located.

Segment assets are allocated to countries based on where the assets are located. All the assets are located in Australia only.
16. RELATED PARTY TRANSACTIONS

16(a) Subsidiaries
The consolidated financial statements include the financial statements of Yellow Rock Resources Limited and the subsidiaries listed in the following table.

<table>
<thead>
<tr>
<th>Country of Incorporation</th>
<th>Equity Holding 2015 %</th>
<th>Equity Holding 2014 %</th>
<th>Principal Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Uranium Pty Ltd</td>
<td>100</td>
<td>100</td>
<td>Mineral exploration</td>
</tr>
<tr>
<td>Cabe Resources Ltd</td>
<td>100</td>
<td>100</td>
<td>Mineral exploration</td>
</tr>
<tr>
<td>VSUN Pty Ltd ¹</td>
<td>100</td>
<td>100</td>
<td>Development of vanadium battery opportunities</td>
</tr>
</tbody>
</table>

¹ Formerly Australian Vanadium Resources Pty Ltd.

16(b) Director-related entities
The Group engaged the following entities during the financial year for the following services on normal commercial terms:

<table>
<thead>
<tr>
<th>Service Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting, bookkeeping and financial management fees</td>
<td>84,333</td>
<td>77,401</td>
</tr>
<tr>
<td>AustAsia Accounting Services Pty Ltd, an entity related to Sydney Chesson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Fees</td>
<td>32,312</td>
<td>44,868</td>
</tr>
<tr>
<td>AustAsia Legal Pty Ltd, an entity related to Sydney Chesson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent at 420 Newcastle Street, West Perth, WA 6005</td>
<td>40,333</td>
<td>40,000</td>
</tr>
<tr>
<td>AREIT Diversified Fund, an entity related to Sydney Chesson</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
17. PARENT ENTITY DISCLOSURES

17(a) Summary financial information

<table>
<thead>
<tr>
<th></th>
<th>Parent 2015</th>
<th>Parent 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>2,087,697</td>
<td>2,884,425</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>14,185,928</td>
<td>13,180,869</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>16,273,625</td>
<td>16,065,293</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>242,750</td>
<td>48,989</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>242,750</td>
<td>48,989</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued capital</td>
<td>61,706,476</td>
<td>60,257,892</td>
</tr>
<tr>
<td>Reserves</td>
<td>22,544,306</td>
<td>22,544,306</td>
</tr>
<tr>
<td>Accumulated losses</td>
<td>(68,219,907)</td>
<td>(66,785,894)</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>16,030,875</td>
<td>16,016,304</td>
</tr>
</tbody>
</table>

Financial performance

<table>
<thead>
<tr>
<th></th>
<th>Parent 2015</th>
<th>Parent 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss for the year</td>
<td>(1,434,013)</td>
<td>(12,072,826)</td>
</tr>
<tr>
<td><strong>Total comprehensive loss</strong></td>
<td>(1,434,013)</td>
<td>(12,072,826)</td>
</tr>
</tbody>
</table>

17(b) Guarantees

Yellow Rock Resources Limited has not entered into any guarantees.

17(c) Other Commitments and Contingencies

Yellow Rock Resources Limited (parent entity) has exploration commitments and operating lease commitments as described in Note 13(a). It has no contingent liabilities other than those discussed in note 14.

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

18(a) Compensation of Key Management Personnel

Refer to the remuneration report contained in the Directors’ Report for details of the remuneration paid or payable to each member of the Group’s key management personnel.

<table>
<thead>
<tr>
<th></th>
<th>Parent 2015</th>
<th>Parent 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Director and Executive Disclosures

<table>
<thead>
<tr>
<th>Compensation of key management personnel</th>
<th>Parent 2015</th>
<th>Parent 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term personnel benefits</td>
<td>476,155</td>
<td>488,800</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>16,586</td>
<td>4,368</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>492,741</td>
<td>493,168</td>
</tr>
</tbody>
</table>

18(b) Loans and Other Transactions with Key Management Personnel

There were no loans to key management personnel or their related entities during the financial year.

Other transactions with key management personnel are described in Note 16(b).
19. SHARE-BASED PAYMENTS

19(a) Share-based payments expensed
No share-based payments were expensed during the year ended 30 June 2015 or 30 June 2014.

19(b) Summary of options granted as share-based payments

<table>
<thead>
<tr>
<th>Grant Date</th>
<th>Expiry Date</th>
<th>Exercise Price</th>
<th>Balance at 1 July 2014</th>
<th>Granted during the year</th>
<th>Exercised during the year</th>
<th>Expired or cancelled 30 June 2015</th>
<th>Balance at 30 June 2015</th>
<th>Vested and exercisable at 30 June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>25/11/2011</td>
<td>31/12/2014</td>
<td>$0.025</td>
<td>200,000,000</td>
<td>-</td>
<td>-</td>
<td>(200,000,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>04/02/2013</td>
<td>31/12/2014</td>
<td>$0.025</td>
<td>30,000,000</td>
<td>-</td>
<td>-</td>
<td>(30,000,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>19/06/2014</td>
<td>18/06/2019</td>
<td>$0.030</td>
<td>5,000,000</td>
<td>-</td>
<td>-</td>
<td>(5,000,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>19/06/2014</td>
<td>18/06/2019</td>
<td>$0.060</td>
<td>5,000,000</td>
<td>-</td>
<td>-</td>
<td>(5,000,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>240,000,000</td>
<td>-</td>
<td>-</td>
<td>(240,000,000)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Weighted average exercise price $0.026

19(c) Performance rights
10,000,000 performance rights which will each convert into one ordinary share on achievement of certain operating and share price milestones were granted to the Chief Executive Officer, Mr Vincent Algar, during the year ended 30 June 2015. There is significant uncertainty in relation to the achievement of the milestones and hence no value has been ascribed to them.

Refer to the Remuneration Report for the terms and conditions of the rights.

20. FINANCIAL RISK MANAGEMENT

The consolidated entity’s principal financial instruments comprise receivables, payables, cash and short-term deposits. The consolidated entity manages its exposure to key financial risks in accordance with the consolidated entity’s financial risk management policy. The objective of the policy is to support the delivery of the consolidated entity’s financial targets while protecting future financial security.

The main risks arising from the consolidated entity’s financial instruments are interest rate risk, credit risk and liquidity risk. The consolidated entity does not speculate in the trading of derivative instruments. The consolidated entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

20(a) Risk Exposures and Responses

Interest rate risk
The consolidated entity’s exposure to risks of changes in market interest rates relates primarily to the consolidated entity’s cash balances. The consolidated entity constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed
and variable interest rates. As the consolidated entity has no interest-bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At the reporting date, the consolidated entity had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (interest-bearing accounts)</td>
<td>1,813,074</td>
<td>477,454</td>
</tr>
</tbody>
</table>

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At 30 June 2015, if interest rates had moved as illustrated in the table below, with all other variables held constant, post tax profit and equity relating to financial assets of the consolidated entity would have been affected as follows:

<table>
<thead>
<tr>
<th>Estimates of reasonably possible movements:</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post tax profit - higher / (lower)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+0.5%</td>
<td>9,065</td>
<td>2,387</td>
</tr>
<tr>
<td>-0.5%</td>
<td>(9,065)</td>
<td>(2,387)</td>
</tr>
<tr>
<td>Equity - higher / (lower)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+0.5%</td>
<td>9,065</td>
<td>2,387</td>
</tr>
<tr>
<td>-0.5%</td>
<td>(9,065)</td>
<td>(2,387)</td>
</tr>
</tbody>
</table>

20(b) Liquidity Risk
The consolidated entity has no significant exposure to liquidity risk as there is effectively no debt. The consolidated entity manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

20(c) Credit risk
Credit risk arises from the financial assets of the consolidated entity, which comprise deposits with banks and trade and other receivables. The consolidated entity’s exposure to credit risk arises from potential default of the counterparty, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the statement of financial position represents the consolidated entity’s maximum exposure to credit risk in relation to those assets.

The consolidated entity does not hold any credit derivatives to offset its credit exposure.

The consolidated entity trades only with recognised, creditworthy third parties and as such collateral is not requested nor is it the consolidated entity’s policy to securitise its trade and other receivables.

Receivable balances are monitored on an ongoing basis with the result that the consolidated entity does not have a significant exposure to bad debts.

There are no significant concentrations of credit risk within the consolidated entity.

20(d) Capital Management Risk
Management controls the capital of the consolidated entity in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group’s capital by assessing the consolidated entity’s financial risks and
adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

The consolidated entity has no external loan debt facilities other than trade payables. There have been no changes in the strategy adopted by management to control capital of the consolidated entity since the prior year.

20(e) Commodity Price and Foreign Currency Risk
The consolidated entity’s exposure to price and currency risk is minimal given the consolidated entity is still in the exploration phase.

20(f) Fair Value
The methods of estimating fair value are outlined in the relevant notes to the financial statements. All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

21. EVENTS SUBSEQUENT TO THE REPORTING DATE
No matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years, other than as outlined in the company review which is contained in this Annual Report.
Directors’ Declaration

The directors of the company declare that:

1. the financial statements and notes, are in accordance with the Corporations Act 2001 and:
   a. comply with Accounting Standards, which, as stated in accounting policy Note 1(c) to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
   b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company and consolidated entity;

2. the Directors and Company Secretary have each declared that:
   a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view;

3. in the directors’ opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Brian Davis
Chairman

30 September 2015
AUDITOR’S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF YELLOW ROCK RESOURCES LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii) No contraventions of any applicable code of professional conduct in relation to the audit.

GRAEME WOVOODICH, C.P.A.

Registered Company Auditor No. 13421

Dated this 30 day of September 2015
Independent Auditor’s Report to the Members of

Yellow Rock Resources Limited

We have audited the accompanying financial report of yellow rock resources limited, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors’ declaration.

Directors’ Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards. The directors are also responsible for the remuneration disclosures contained in the directors’ report.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used...
and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor’s Independence Declaration, a copy of which is included in the directors’ report.

**Auditor’s Opinion**

In our opinion:

1. the financial report of yellow rock resources limited is in accordance with:

   (a) the Corporations Act 2001, including:

      (i) giving a true and fair view of the financial position at 30 June 2015 and of its performance for the year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and

   (b) other mandatory financial reporting requirements in Australia.

**Remuneration Reports**

We have audited the Remuneration Report included in directors’ report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor’s Opinion

In my opinion, the Remuneration Report of Yellow Rock Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2011.

GRAEME WOVODICH, C.P.A.

Registered Company Auditor No. 13421

Dated this 30 day of September 2015
ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

1. SHAREHOLDINGS

The issued capital of the Company as at 25 September 2015 is:

Ordinary Shares  761,283,723
Partly Paid Shares  80,000,000
Unlisted options  272,907,968 (expiring 31 December 2017)

Ordinary Shares
All issued ordinary fully paid shares carry one vote per share.

<table>
<thead>
<tr>
<th>Shares Range</th>
<th>Holders</th>
<th>Units</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 1,000</td>
<td>52</td>
<td>25,628</td>
<td>0.00</td>
</tr>
<tr>
<td>1,001 – 5,000</td>
<td>175</td>
<td>547,390</td>
<td>0.07</td>
</tr>
<tr>
<td>5,001 – 10,000</td>
<td>195</td>
<td>1,741,972</td>
<td>0.23</td>
</tr>
<tr>
<td>10,001 – 100,000</td>
<td>879</td>
<td>43,887,526</td>
<td>5.76</td>
</tr>
<tr>
<td>100,001+</td>
<td>787</td>
<td>715,081,207</td>
<td>93.94</td>
</tr>
<tr>
<td>Total</td>
<td>2,088</td>
<td>761,283,723</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Unmarketable Parcels
There were 885 holders of less than a marketable parcel of ordinary shares.

2. TOP 20 SHAREHOLDERS AS AT 25 SEPTEMBER 2015

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Mr Neale Parsons</td>
<td>22,000,000</td>
<td>2.89</td>
</tr>
<tr>
<td>2 Jalein Pty Ltd &lt;Elbaja A/C&gt;</td>
<td>20,000,000</td>
<td>2.63</td>
</tr>
<tr>
<td>3 Kimbriki Nominees Pty Ltd &lt;Kimbriki Hamilton SF A/C&gt;</td>
<td>17,185,753</td>
<td>2.26</td>
</tr>
<tr>
<td>4 Sunarp Pty Ltd &lt;Whittle Investment A/C&gt;</td>
<td>15,500,000</td>
<td>2.04</td>
</tr>
<tr>
<td>5 Mr Michael Arendt</td>
<td>14,500,000</td>
<td>1.90</td>
</tr>
<tr>
<td>6 Mr Peter James Muir</td>
<td>12,516,034</td>
<td>1.64</td>
</tr>
<tr>
<td>7 Toulon Pty Ltd &lt;The Eoannidis A/C&gt;</td>
<td>11,000,005</td>
<td>1.44</td>
</tr>
<tr>
<td>8 Pershing Australia Nominees Pty Ltd &lt;Phillip Securities HK A/C&gt;</td>
<td>10,900,000</td>
<td>1.43</td>
</tr>
<tr>
<td>9 Mr John Foti</td>
<td>10,000,000</td>
<td>1.31</td>
</tr>
<tr>
<td>10 Hush Hush Pty Ltd</td>
<td>10,000,000</td>
<td>1.31</td>
</tr>
<tr>
<td>11 Myoora Pty Ltd</td>
<td>10,000,000</td>
<td>1.31</td>
</tr>
<tr>
<td>12 Millcrest Pty Ltd</td>
<td>9,847,007</td>
<td>1.29</td>
</tr>
<tr>
<td>13 Mr Izaak Trajkovski</td>
<td>9,692,768</td>
<td>1.27</td>
</tr>
<tr>
<td>14 Mr Peter &amp; Mrs Lee-Anne Champion &lt;Champion S/F A/C&gt;</td>
<td>9,580,000</td>
<td>1.26</td>
</tr>
<tr>
<td>15 Kelro Pty Ltd &lt;Alubo A/C&gt;</td>
<td>8,350,000</td>
<td>1.10</td>
</tr>
<tr>
<td>16 Mr Tod Charles Butcher</td>
<td>8,000,000</td>
<td>1.05</td>
</tr>
<tr>
<td>17 Mr Charles Michael Higgins</td>
<td>7,500,000</td>
<td>0.99</td>
</tr>
<tr>
<td>18 Rilukin Holdings Pty Ltd</td>
<td>7,000,000</td>
<td>0.92</td>
</tr>
<tr>
<td>19 Mr Brenton David Witcombe</td>
<td>6,700,000</td>
<td>0.88</td>
</tr>
<tr>
<td>20 Mr Neale Parsons</td>
<td>6,000,000</td>
<td>0.79</td>
</tr>
<tr>
<td>Total</td>
<td>226,271,567</td>
<td>29.72</td>
</tr>
<tr>
<td>Total Remaining Holders Balance</td>
<td>535,012,156</td>
<td>70.28</td>
</tr>
</tbody>
</table>
3. UNLISTED OPTIONS
There are 272,907,968 unlisted options as at 25 September 2015, as follows:

<table>
<thead>
<tr>
<th>Expiry Date</th>
<th>Exercise Price</th>
<th>Number of Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2017</td>
<td>$0.015</td>
<td>272,907,968</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>272,907,968</td>
</tr>
</tbody>
</table>

4. SUBSTANTIAL SHAREHOLDERS AS AT 25 SEPTEMBER 2015
There were no substantial holders on 25 September 2015.

5. RESTRICTED SECURITIES SUBJECT TO ESCROW PERIOD
There are no Restricted Securities as at 25 September 2015.

6. GROUP CASH AND ASSETS
In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets for the period ended 30 June 2015 in a way that is consistent with its business objective and strategy.