



Yellow Rock Resources Limited

ACN 116 221 740

Annual Report

30 June 2014

Contents

Corporate Directory	3
Directors Reports	4
Corporate Governance Statement	21
Statement of Comprehensive Income	31
Statement of Financial Position	32
Statement of Changes in Equity	33
Statement of Cash Flows	34
Notes to the financial statements	35
Directors' Declaration	55
Auditor's Independence declaration	56
Independent Auditor's report	57
ASX Additional Information	59

Corporate Directory

Directors

Sydney Chesson (Chairman)
Brenton Lewis
Leslie Ingraham
Brian Davis

Chief Executive Officer

David Lorry Hughes

Secretary

Simon Chesson

Registered Office

420 Newcastle Street
West Perth WA 6005

Principal Office

420 Newcastle Street
West Perth WA 6005

Telephone

08 9227 6300

Facsimile

08 9227 6400

Share Registry

Computershare Investor Services Pty Ltd
Level 2
45 St George's Terrace
Perth WA 6000
Telephone 08 9323 2000
Facsimile 08 9323 2000

Auditors

Abbott Audit Services Pty Ltd
3 Alvan Street
Mount Lawley WA 6050

Australian Securities Exchange

Yellow Rock Resources Limited shares (YRR) are listed on the Australian Securities Exchange and options are unlisted.

Directors Report

CORPORATE

SUMMARY OF CORPORATE, RESOURCE AND EXPLORATION ACTIVITY

- Retirement of Chairman and Company Secretary
- Appointment of Non-Executive Director
- Appointment of Chief Executive Officer
- Rights Issue completed
- 86th Vanitec Meeting hosted in Perth, Western Australia
- Gabanintha Vanadium Deposit Concept Engineering Study
- Gabanintha Vanadium Mineral Resource Estimate
- Gabanintha Copper and Gold Drilling
- Nowthanna Hill Uranium Mineral Resource Estimate

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.

The Company thanks Syd and Simon for their assistance and efforts for the Company, in particular in relation to the Vanitec Meeting held in Perth between March and April 2014 and the Rights Issue capital raising summarised below.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Brian Davis was appointed as a director of the Company on 11 September 2014.

APPOINTMENT OF CHIEF EXECUTIVE OFFICER

On the 4th June Yellow Rock Resources Limited (ASX: YRR) ("Yellow Rock" or "the Company") appointed experienced geologist David "Lorry" Hughes as Chief Executive officer (see ASX announcement 5 June 2014). Mr Hughes is an economic geologist and corporate executive with over 20 years' experience in Australia and internationally across all aspects of the resources industry including exploration, development, mining and finance.

Lorry is a geology graduate from Curtin University in Western Australia and has worked in a number of roles in Australia in various gold, uranium and base metal mining operations including technical services manager of the Ranger Uranium Mine in the Northern Territory for Rio Tinto. More recently, Lorry was Managing Director and CEO of ASX listed South Boulder Mines Limited where he successfully oversaw the discovery and initial development of the Colluli Potash Project in Eritrea.

Mr Hughes holds a BSc in Geology, is member of the AusIMM and resides in Perth, Western Australia.

RIGHTS ISSUE

Yellow Rock completed a non-renounceable pro-rata rights issue and shortfall placement raising \$794,712 (before costs) as at 30 June 2014. 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.

From 1 July 2014 to the date of this report the Company completed the Rights Issue shortfall placement by issue of 257,581,364 shares and 257,581,364 unlisted options exercisable at \$0.015 each on or before 31 December 2017 since 30 June 2014, and raising a further \$2,575,813.

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

At the date of this report and after 30 June 2014, 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 making a total of \$4,498,598 raised since the last annual general meeting of the Company

Yellow Rock is well funded to complete exploration and development programs in the near term.

86TH VANITEC MEETING HOSTED IN PERTH, WESTERN AUSTRALIA

Yellow Rock hosted the 86th Vanitec Meeting at the Crown Hotel in Perth, Western Australia in April 2014. This was the first time that Vanitec has held a meeting in Australia. The purpose of Vanitec meetings are to facilitate members networking, discussing new developments in the Vanadium industry and conducting vanadium related business.

In hosting the event in Perth, Yellow Rock showcased the Gabanintha Vanadium Project to some of the world's largest steel and metal alloy producers, and technology entities involved in the development of the Vanadium Redox Flow Battery.

Vanitec is the premier vanadium industry body, is based in London and is a technical and scientific committee which brings together representatives of companies and organisations involved in the mining, processing, manufacture, research and use of vanadium and vanadium-containing products.

GABANINTHA VANADIUM PROJECT CONCEPT ENGINEERING STUDY

Subsequent to the end of the annual reporting period the Company commenced a concept engineering study for the generation of vanadium pentoxide (V₂O₅) products from the Gabanintha Vanadium Project. The project is located approximately 43km south of the mining town of Meekatharra in Western Australia (see ASX announcement dated 24 July 2014).

The study is being conducted by Perth-based process engineering consultancy group Battery Limits Pty Ltd ("Battery Limits") and is expected to be complete in September 2014. Battery Limits are highly experienced and have extensive knowledge of the Gabanintha Vanadium Deposit having completed a concept study for the production of ferro-vandium (FeV80) in 2009.

The aim of the current concept study is to assess the potential for a smaller more economical vanadium project that can take advantage of near surface high-grade mineralisation found at the Gabanintha Deposit.

The scope of the study includes;

- Preparing a start-up project scenario based on small scale mining and processing to produce V₂O₅ products with consideration given to whole ore roasting
- Designing a conceptual flowsheet and plant description
- Defining conceptual capital and operating cost estimates and conducting financial analysis to assess potential project economics.

Recent developments in vanadium redox battery technology for grid-scale energy storage and the potential for them to positively impact vanadium demand have underpinned the assessment of production options including high purity vanadium pentoxide products.

GABANINTHA VANADIUM MINERAL RESOURCE ESTIMATE

Yellow Rock is developing the Gabanintha high-grade Vanadium Deposit that is located within eight granted exploration licenses and one exploration license application in the Gabanintha Formation in the north of the Murchison granite-greenstone terrane of the Archaean Yilgarn Craton, Western Australia (Figure 1).

Vanadium mineralisation is associated with titaniferous magnetite bands ranging in size from a few metres to 30m thick that outcrop at surface. There are two distinct zones of mineralisation; a separate basal, massive, high grade zone and an upper disseminated zone with lower grade. The deposit is over 12km along strike, outcrops at surface, is largely continuous and is open at depth. Over 13,000m of drilling has been conducted on the deposit comprising 155 reverse circulation (RC) holes and nine diamond (DD) holes. These holes have been geologically logged and sampled and were used to determine a JORC 2004 Compliant Mineral Resource Estimate in 2011 (Table below).

Engineering scoping studies into the development of a vanadium open pit at Gabanintha conducted in 2009 demonstrated that an operation to mine and beneficiate ore to produce ferro-vanadium is technically and commercially viable. Recent developments in vanadium redox battery technology for grid-scale energy storage with improved vanadium demand fundamentals have underpinned the technical assessment into production options including high purity vanadium pentoxide products. The Company is focused on definition of the most economical start-up mining and product combination that minimises capital expense and maximises value.

MINERAL RESOURCES STATEMENT

GABNINTHA PROJECT

JORC 2004 Mineral Resource Estimate by CSA (4th February 2011)

Material	JORC Resource Class	Million tonnes	In situ bulk density	V ₂ O ₅ %	Fe%	TiO ₂ %	SiO ₂ %	Al ₂ O ₃ %	LOI%
High grade	Indicated	14.4	4.17	1.03	42.14	12.07	11.42	7.84	3.37
	Inferred	46.0	4.16	0.97	42.15	11.19	12.37	8.28	3.20
Subtotal		60.4	4.16	0.98	42.15	11.40	12.15	8.17	3.24
Low grade	Indicated	42.7	2.71	0.44	23.37	6.08	29.25	18.09	8.94
	Inferred	22.7	2.67	0.42	22.65	6.08	30.62	16.96	6.92
Subtotal	Indicated	57.0	2.97	0.59	28.10	7.59	24.76	15.51	7.54
Subtotal	Inferred	68.8	3.51	0.79	35.70	9.50	18.40	11.15	4.43
Total		125.8	3.25	0.70	32.60	8.64	21.29	13.13	5.84

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.

The Company has completed an annual review of the Gabanintha Vanadium Resource and concluded that at this time, during a Concept Engineering Study, there is no immediate requirement to update or revise the Gabanintha Resource Estimation since there has been no material change to the database since the last estimation. There is

insufficient data generated on the vanadium ore body since 2011 to add to the current knowledge. On completion of the Concept Engineering Study further drilling of the resource will be planned to generate material for metallurgical testing and possibly upgrading the category of the resource in certain areas. Recent drilling has concentrated on gold and copper exploration on the eastern areas of the Gabanintha tenements, away from and not connected to, the vanadium resource.

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 modeled by Snowden & Associates in 1998 as follows:

Lease	Category	Tonnes	Grade	Contained Tonnes
MLA51/771 (Yellow Rock)	Indicated Resource	3,059,000	0.437 kg/t U ₃ O ₈	1,337 U ₃ O ₈

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 has not yet been 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.

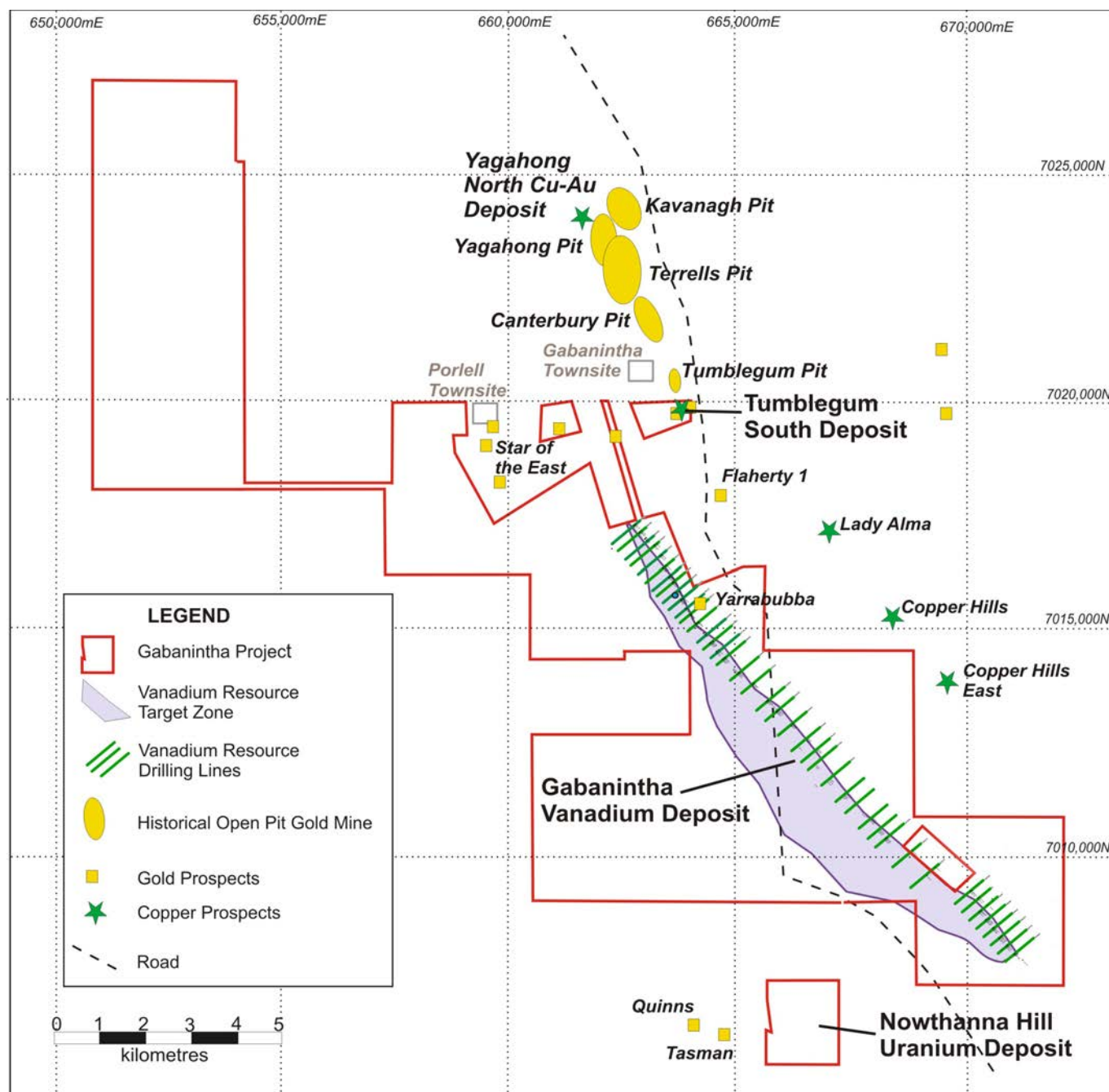


Figure 1: Location of the Gabanintha Vanadium Deposit, the Tumblegum South Prospect and the Nowthanna Hill Project, south of Meekatharra in Western Australia.

GABANINTHA COPPER AND GOLD DRILLING

The Company announced in November 2013 (see ASX announcement dated 27th November 2013) highly encouraging results from three Reverse Circulation (RC) drill holes drilled into the Northern Sector of the Gabanintha tenements in the Mid-West of Western Australia. The drilling was carried out at the Tumblegum South Prospect (Figure 1).

GRC1157 intersected 10 metres at 2.59 g/t Au and 0.10% Cu from 33m to 43m down hole. This includes 1m at 6.99 g/t Au from 39 to 40 metres down hole. Also intersected in the same hole was 1 metre at 1.26 g/t Au from 50m to 51m and 1 metre at 3.46 g/t Au and 0.5% Cu from 143m to 144m down hole. This hole was drilled to intersect a possible north-south trending structure.

GRC1158 intersected 5 metres at 8.72 g/t Au and 3.05 % Cu from 31m to 36m down hole including 1m at 11.4 g/t Au and 12.3 % Cu. GRC1158 was drilled to target a southwest – northeast trending structure.

GRC1159 intersected 5m at 9.64 g/t Au and 0.18% Cu from 58m to 63m down hole. The results from the initial 12 hole program are considered to be highly encouraging and worthy of follow up exploration programs. Results are shown in the table below:

Hole ID	Easting UTM Zone 51 (m)	Northing UTM Zone 51 (m)	Relative Level (m)	Azimuth Degrees True north	Dip Degrees	End of Hole Depth (m)	Intercepts
GRC1159	663743	7019954	468	268	-60 ⁰	116	58-63m (5m) at 9.64 g/t Au and 0.18% Cu
GRC1158	663612	7019732	468	290	-60 ⁰	198	31-36m (5m) at 8.72 g/t Au and 3.05 % Cu including; 32-33m (1m) at 11.4 g/t Au and 12.3 % Cu and; 162 – 164m (2m) at 4.64 g/t Au and 0.21% Cu
GRC1157	663611	7019942	468	315	-60 ⁰	198	33-43m (10m) at 2.59 g/t Au and 1016 ppm Cu 49-51m (2m) at 0.64 g/t Au and 1921 ppm Cu 142-144m (2m) at 2.03 g/t Au and 0.32 % Cu
GRC1156	663599	7019937	468	050	-60 ⁰	204	No significant assays
GRC1155	668332	7013604	468	050	-60 ⁰	168	109-110m (1m) at 0.65 g/t Au
GRC1154	668005	7013919	468	230	-60 ⁰	348	344-346m (2m) at 0.14% Cu
GRC1153	668201	7013804	468	230	-60 ⁰	330	299-300m (1m) at 0.16 % Cu
GRC1152	668167	7013757	469	050	-60 ⁰	330	7-24m (18m) at 0.42% Cu Including 2m at 2.19% Cu from 20m
GRC1151	667888	7013785	475	050	-60 ⁰	354	277-286m (9m) at 0.15% Cu
GRC1150	663679	7019892	475	050	-60 ⁰	300	105-106m (1m) at 0.11% Cu and 0.91 g/t Au
GRC1149	663663	7019879	498	050	-60 ⁰	300	61-62m (1m) at 0.29% Cu and 0.36 g/t Au
GRC1148	663434	7019699	490	050	-60 ⁰	255	No significant assays

Significant Results from 2013 RC Drilling at the Tumblegum South Prospect.

Note: that all depths and intersection widths are in metres down hole. True dip, width and azimuth of the mineralised structures are unknown because they are derived from logging RC chips. Therefore any extrapolations of these measurements are interpretive.

A new RC drilling program has been designed to follow up on the above intercepts. This will involve approximately 20 holes of about 80 metres depth for 1,600 metres of drilling.

Current geological interpretation is that several mineralized structures orientated approximately 005 degrees are parallel to a large quartz vein as well as the main contact between basalt and ultramafic units and form the target zones for this new program. Detailed 1:10,000 scale mapping of outcrops, shears, quartz veins and workings will

be conducted to confirm the structural orientation of the mineralization prior to drilling.

Comment

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. In addition surface sampling assays and drill sample results may also be discussed in the context of information describing the presence of anomalous mineral content. The above information relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Mineral Reserves. Hence the terms Resource (s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Declaration

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 mineralisation and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr. Davis consents to the inclusion in the report of the matters based on the information made available to them, 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.

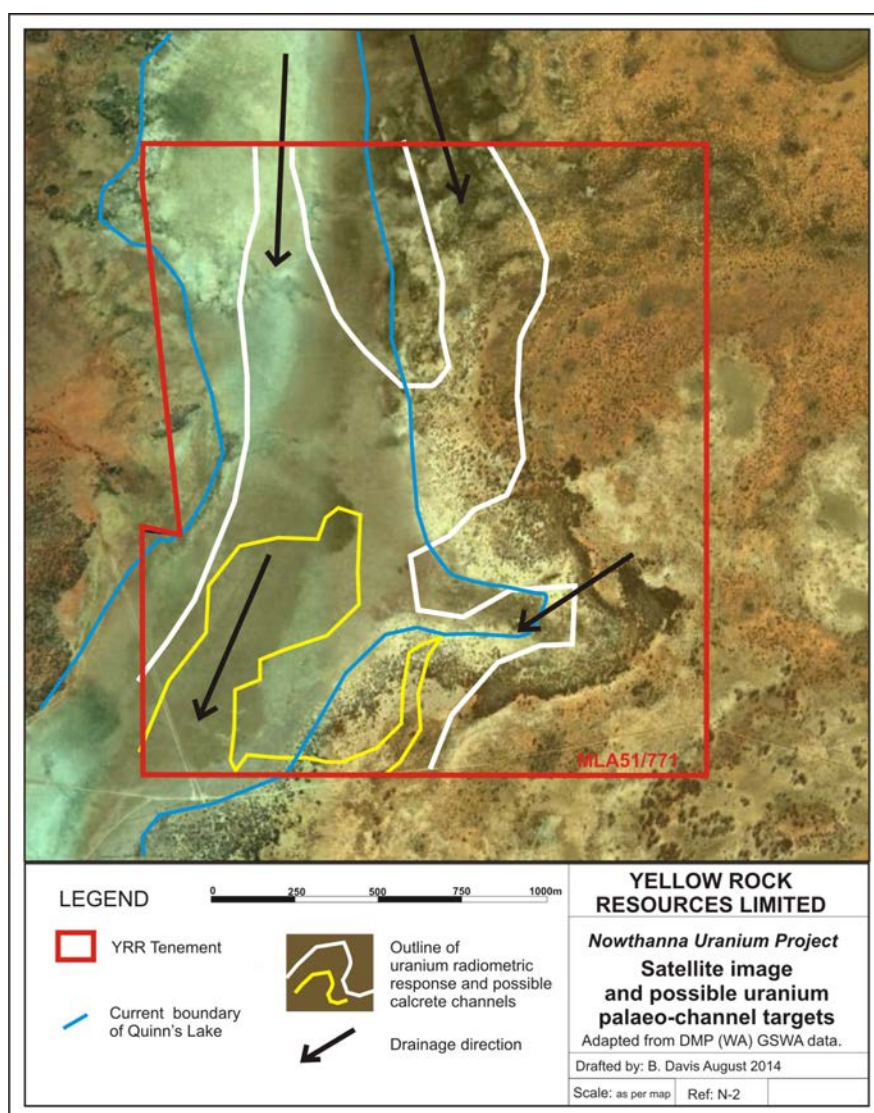


Figure 2: Satellite image of Nowthanna Mining Lease Application M52/771

DIRECTORS

The names of the directors of the company in office during the financial year and up to the date of this report are as follows:

Current Board Members

Sydney Chesson	appointed 10 February 2011
Brenton Lewis	appointed 15 July 2010
Leslie Ingraham	appointed 31 January 2011
Brian Davis	appointed 11 September 2014

Directors were in office from the beginning of the financial year until the date of this report unless otherwise stated.

The particulars of the qualifications, experience and special responsibilities of each director are as follows:

SYDNEY CHESSON

Non-Executive Chairman

M.B.A, C.R.E.M, C.S.M, F.A.I.C.D

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 Sydney Chesson was appointed as a Director on 10 February 2011.

Mr Sydney Chesson has announced his intention to retire as a director at the conclusion of the 2014 annual general meeting.

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 private companies as well as 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

BBS (Hons), MBS

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 four years Mr Lewis has held the following other listed company directorships:

Aurium Resources Limited

BRIAN DAVIS

Non-Executive Director

BSc, DipEd RPGeo (MAIG) MAusIMM Mr Davis BSc, DipEd RPGeo (MAIG) MAusIMM

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.

MANAGEMENT

DAVID LORRY HUGHES

Chief Executive Officer

BSc.(Geology), MAusIMM

Mr Hughes is an economic geologist and corporate executive with over 20 years experience in Australia and internationally across all aspects of the resources industry including exploration, development, mining and finance. Lorry is a geology graduate from Curtin University in Western Australia and has worked in a number of senior management roles in various gold, uranium, base metal and industrial mineral mining and development companies.

Mr Hughes was appointed on 4 June 2014.

LESLIE INGRAHAM

Mr Ingraham as an Executive Director is responsible for the development of the Company's strategies and policies and the day to day management of the Company's business and financial activities.

Management services other than the executive director and CEO are contracted out.

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:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
S Chesson	-	190,000
L Ingraham	20,478,774	10,000,000
B Lewis	4,333,950	1,250,000
B Davis	1,000,000	1,000,000
D. L. Hughes	5,000,000	15,000,000

COMPANY SECRETARY

SIMON CHESSON

Company Secretary

M.B.A (UWA), CPA, CFP, B.Comm, C.S.M, FinSIA

Mr Simon Chesson has been awarded the degrees of Master of Business of Administration, and a Bachelor of Commerce. He is a qualified Certified Practising Accountant, a qualified Certified Financial Planner, and an affiliate of the Securities Institute of Australia.

Mr Simon Chesson has over 15 years experience in business, accounting, and the property industry. He has extensive experience as a Director and company secretary of numerous public and private companies.

Mr Simon Chesson was appointed as company secretary on 1 August 2011.

Mr Simon Chesson has announced his intention to retire as Company Secretary at the 2014 Annual General Meeting.

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
Australian Vanadium Resources Pty Ltd	-	100% owned controlled entity
Apogei Pty Ltd	-	20% owned

Nature of Operations and Principal Activities

The principal continuing activities during the year of entities within the consolidated entity was 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 Ltd – 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 – Uranium (Held by Yellow Rock Resources Ltd – 100%)

NORTHERN TERRITORY

Arunta Region Tenements (Held by Cabe Resources Ltd – 100%)

ELA 25418 Mt. Denison - On application

ELA 27503 Mt. Nicker - On application

West Arnhem Tenements (Held by Cabe Resources Ltd - 100%)

ELA 28158 Table Hill - On application

ELA 28159 Mann - On application

OPERATING AND FINANCIAL REVIEW

Review of Operations

A review of operations for the financial year and the results of those operations are contained within the company review.

Operating Review

Consolidated loss after income tax for the financial year was \$12,072,826 (2013: \$392,263). The loss for the year included an allowance for impairment on capitalised exploration and evaluation of \$11,485,591 (2013: \$nil).

Financial Position

At 30 June 2014, the Group had cash reserves of \$477,454 (2013: \$923,836).

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 BALANCE 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 and as set out below:

- (a) Added new tenement application E51/1576 to the Gabanintha portfolio.
- (b) Completed rights issue shortfall placement by issue of 256,731,510 shares and 256,731,510 unlisted options exercisable at \$0.015 each on or before 31 December 2017 since 30 June 2014, and raising \$2,567,315
- (c) Issued 74,904,900 shares upon the exercise of 74,904,900 unlisted options exercisable at \$0.015 each on or before 31 December 2017 since 30 June 2014, and raising \$1,071,118
- (d) Issued call on partly paid shares on 5 September 2014.
- (e) Commenced concept engineering study for the Gabanintha Vanadium Project.
- (f) Brian Davis was appointed as a director on 11 September 2014.

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 more particularly 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:

	Board of Directors	
	Number eligible to attend	Number attended
S Chesson	9	9
L Ingraham	9	9
B Lewis	9	7
B Davis	0	0

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, and includes one executive in the parent group receiving the highest remuneration.

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%, 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/ executives are delivered in the form of options.

LTI grants to Executives are delivered in the form of employee share options. These 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 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. Other major provisions of the agreements relating to remuneration are set out below and as announced on 4 June 2014.

David Lorry Hughes, Chief Executive Officer:

- No set term of agreement
- Annual base salary, exclusive of superannuation of \$150,000.
- 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 of issue and 5,000,000 options exercisable at \$0.06 each on or before a date 5 years from the date of issue.

D. Details of remuneration for year

Directors

Details of the remuneration of directors of the 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.

		Short Term Benefits	Post Employment	Shared Based Payments		
Directors	Year	Salary & Fees \$	Superannuation \$	Options \$	Total \$	Remuneration consisting of option during the year %
Sydney Chesson	2014	173,333	-	-	173,333	-
	2013	146,667	-	-	146,667	-
B Lewis	2014	46,782	3,407	-	50,189	-
	2013	42,412	3,817	-	46,229	-
L Ingraham	2014	258,300	-	-	258,300	-
	2013	220,000	-	-	220,000	-
B Davis (appointed 11/9/14)	2014	-	-	-	-	-
	2013	-	-	-	-	-
Simon Chesson	2014	24,000	-	-	24,000	-
(Company Secretary)	2013	24,000	-	-	24,000	-
D Hughes	2014	10,385	961	-	11,345	-
	2013	-	-	-	-	-
Total	2014	512,800	4,368	-	517,168	-
	2013	433,079	3,817	-	436,896	-

There were no performance related payments 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 to key management personnel

During the year ended 30 June 2014 10,000,000 options were granted to David Lorry Hughes as part of his remuneration package as announced on 4 June 2014.

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

No shares were issued to Directors and Executives on exercise of compensation options during the year.

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 there were the following unissued ordinary shares for which options were outstanding:

- 230,000,000 unlisted options expiring 31 December 2014 at an exercise price of 2.5cents each.
- 261,847,718 unlisted options expiring 31 December 2017 at an exercise price of 1.5 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.

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 2014, 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.



Sydney Chesson
Non-Executive Chairman
Perth

Date: 26 September 2014

Corporate Governance Statement

The Board of Directors of Yellow Rock Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Yellow Rock Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. This statement reports on Yellow Rock Resources Limited's key governance principles and practices.

1. COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

The Company, as a listed entity, must comply with the Corporations Act 2001 and the ASX Limited (ASX) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations published by the ASX Corporate Governance Council (ASXCGC). Where a recommendation has not been followed, that fact is disclosed, together with the reasons for the departure.

The table below summaries the Company's compliance with the Corporate Governance Council's Recommendations:

Principle #	ASX Corporate Governance Council Recommendations	Reference	Comply
Principle 1 Lay solid foundations for management and oversight			
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	2(a)	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	2(h), 3(b), Remuneration Report	Yes
1.3	Provide the information indicated in the Guide to reporting on principle 1.	2(a), 2(h), 3(b), Remuneration Report	Yes
Principle 2 Structure the board to add value			
2.1	A majority of the board should be independent directors.	2(b), 2(e)	Yes
2.2	The chair should be an independent director.	2(c), 2(e)	Yes
2.3	The roles of chair and chief executive officer should not	2(b), 2(c)	Yes
2.4	The Board should establish a nomination committee.	2(b), 2(c)	Yes
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	2(h)	Yes
2.6	Provide the information indicated in the Guide to reporting on principle 2.	2(b), 2(c), 2(d), 2(e), 2(h)	Yes Yes
Principle 3 Promote ethical and responsible decision-making			
3.1	Establish a code of conduct and disclose the code or a summary as to: <ul style="list-style-type: none"> the practices necessary to maintain confidence in the company's integrity; the practices necessary to take into account the company's legal obligations and the reasonable expectations of its stakeholders; and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. company's legal obligations and the reasonable expectations of its stakeholders; and 	4(a)	Yes

Principle 4 Safeguard integrity in financial reporting

4.1	The Board should establish an audit committee.	3(a)	Yes
4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the Board; and 	3(a)	Yes
4.3	The audit committee should have a formal charter.	3(a)	Yes
4.4	Provide the information indicated in the Guide to reporting on principle 4.	3(a)	Yes

Principle 5 Make timely and balanced disclosure

5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	5(a), 5(b)	Yes
5.2	Provide the information indicated in the Guide to reporting on principle 5.	5(a), 5(b)	Yes

Principle 6 Respect the rights of shareholders

6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	5(a), 5(b)	Yes
6.2	Provide the information indicated in the Guide to reporting on principle 6.	5(a), 5(b)	Yes

Principle 7 Recognise and manage risk

7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	6(a)	Yes
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	6(a), 6(b), 6(d)	Yes
7.3	The Board should disclose whether it had received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	6(c)	Yes
7.4	Provide the information indicated in the Guide to reporting on principle 7.	6(a), 6(b), 6(c), 6(d)	Yes

Principle 8 Remunerate fairly and responsibly

8.1	The Board should establish a remuneration committee.	3(b)	No
8.2	The remuneration committee should be structured so that it: <ul style="list-style-type: none"> consists of a majority of independent directors is chaired by an independent chair has at least three (3) members 	3(b)	No
Remuneration Report			
8.3	Provide the information indicated in the Guide to reporting on principle 8.	3(b)	Yes

2 THE BOARD OF DIRECTORS**2(a) Roles and Responsibilities of the Board**

The Board is accountable to the shareholders and investors for the overall performance of the Company and takes responsibility for monitoring the Company's business and affairs and setting its strategic direction, establishing and overseeing the Company's financial position.

The Board is responsible for:

- 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 to 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.

2(b) Board Composition

The Directors determine the composition of the Board employing the following principles:

- the Board, in accordance with the Company's constitution must comprise a minimum of three Directors;
- the roles of the Chairman of the Board and of the Chief Executive Officer should be exercised by different individuals;
- the majority of the Board should comprise Directors who are non-executive;
- the Board should represent a broad range of qualifications, experience and expertise considered of benefit to the Company; and
- the Board must be structured in such a way that it has a proper understanding of, and competency in, the current and emerging issues facing the Company, and can effectively review management's decisions.

The Board is currently comprised of two Non-Executive Directors. At all times during the year the Board comprised a majority of Non-Executive Directors. The skills, experience, expertise, qualifications and terms of office of each director in office at the date of the annual report are included in the Directors' Report.

The Chair is currently independent.

The Company's constitution requires one-third of the Directors (or the next lowest whole number) to retire by rotation at each Annual General Meeting (AGM). The Directors to retire at each AGM are those who have been longest in office since their last election. Where Directors have served for equal periods, they may agree amongst themselves or determine by lot who will retire. A Director must retire in any event at the third AGM since he or she was last elected or re-elected. Retiring Directors may offer themselves for re-election.

A Director appointed as an additional or casual Director by the Board will hold office until the next AGM when they may be re-elected.

The Managing Director is not subject to retirement by rotation and, along with any Director appointed as an additional or casual Director, is not to be taken into account in determining the number of Directors required to retire by rotation.

2(c) Chairman and Chief Executive Officer

The Chairman is responsible for:

- leadership of the Board;
- the efficient organisation and conduct of the Board's functions;
- the promotion of constructive and respectful relations between Board members and between the Board and management;
- contributing to the briefing of Directors in relation to issues arising at Board meetings;
- facilitating the effective contribution of all Board members; and
- committing the time necessary to effectively discharge the role of the Chairman.

The Chief Executive Officer is responsible for:

- implementing the Company's strategies and policies; and
- the day-to-day management of the Company's exploration and development activities

Board policy specifies that the roles of the Chairman and the Chief Executive Officer should be separate roles to be undertaken by separate people.

The Chair is currently independent.

2(d) Nomination Committee

The Company does not comply with ASX Recommendation 2.4. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.

Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the Company's website.

2(e) Independent Directors

The Company recognises that independent Directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. The Board assesses each of the directors against specific criteria to decide whether they are in a position to exercise independent judgment.

Directors of Yellow Rock Resources Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another Company member other than as a Director.

The Board currently comprises two independent non-executive Directors.

In accordance with the definition of independence above, and the materiality thresholds set, the following Directors of Yellow Rock Resources Limited are considered to be independent:

Name	Position
Sydney Chesson	Non-Executive Chairman
Brenton Lewis	Non-Executive Director

The following persons hold office as directors of Yellow Rock Resources Limited at the date of this report:

Name	Term on Office
Sydney Chesson	Since 10 February 2011
Leslie Ingraham	Since 31 January 2011
Brenton Lewis	Since 15 July 2010
Brian Davis	Since 11 September 2014

2(f) Avoidance of conflicts of interest by a Director

In order to ensure that any interests of a Director in a particular matter to be considered by the Board are known by each Director, each Director is required by the Company to disclose any relationships, duties or interests held that may give rise to a potential conflict. Directors are required to adhere strictly to constraints on their participation and voting in relation to any matters in which they may have an interest.

2(g) Board access to information and independent advice

Directors are able to access members of the management team at any time to request relevant information.

There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

2(h) Review of Board performance

The performance of the Board is reviewed regularly by the Chairman. The Chairman conducts performance evaluations which involve an assessment of each Board member's performance against specific and measurable qualitative and quantitative performance criteria. The Board member assessment measures are the responsibility of the Chairman. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Yellow Rock Resources Limited. Primarily, the review will be carried out through consultation by the Chairman and with individual Directors. Directors whose performance is consistently unsatisfactory may be asked to retire.

3. BOARD COMMITTEES

3(a) Audit Committee

Given the size and scale of the Company's operations the full Board undertakes the role of the Audit Committee. The Audit Committee does not comply with ASX Recommendation 4.2 as the Chair of the Board is Chair of the Audit Committee and the Audit Committee does not comprise only Non-Executive Directors. The role and responsibilities of the Audit Committee are summarised below.

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.

The Board is also responsible for establishing policies on risk oversight and management. The Company has not formed a separate Risk Management Committee due to the size and scale of its operations.

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.

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.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and preparation and content of the audit report.

There were no non-audit services provided by the auditors during the year.

3(b) Remuneration Committee

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

The Board has not established a separate Remuneration Committee due to the size and scale of its operations. This does not comply with Recommendation 8.1 however the Board as a whole takes responsibility for such issues.

The responsibilities include setting policies for senior officers remuneration, setting the terms and conditions for the CEO, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and undertaking reviews of the CEO's performance.

The Company has structured the remuneration of its senior executive, where applicable, such that it comprises a fixed salary, statutory superannuation and, where applicable, participation in the Company's employee share option plan. The Company believes that by remunerating senior executives in this manner it rewards them for performance and aligns their interests with those of shareholders and increases the Company's performance.

Non-executive directors are paid their fees out of the maximum aggregate amount approved by shareholders for non-executive director remuneration. The Company does not adhere to Recommendation 8.2 Box 8.2 'Non-executive directors should not receive options or bonus payments'. The Company has and may, in the future, grant options to non-executive directors. The Board is of the view that options (for both executive and non-executive directors) are a cost effective benefit for small companies such as Yellow Rock Resources Limited that seek to conserve cash reserves. They also provide an incentive that ultimately benefits both shareholders and the option holders, as option holders will only benefit if the market value of the underlying shares exceeds the option strike price. Ultimately, shareholders will make that determination.

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

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

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.

4. ETHICAL AND RESPONSIBLE DECISION MAKING

4(a) Code of Ethics and Conduct

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.

4(b) Policy concerning trading in Company securities

The Company's "Policy for Trading in Company Securities" applies to all Directors, officers and employees. This policy sets out the restrictions on dealing in securities by people who work for, or are associated with the Company and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities. The policy stipulates that the only appropriate time for a Director, officer or employee to deal in the Company's securities is when they are not in possession of price sensitive information that is not generally available to the market.

As a matter of practice, Company shares may only be dealt with by Directors and officers of the Company under the following guidelines:

- No trading is permitted in the period of 14 days preceding release of each quarterly report, half-yearly report and annual financial report of the Company or for a period of 2 trading days after the release of such report;
- Guidelines are to be considered complementary to and not replace the various sections of the Corporations Act 2001 dealing with insider trading; and
- Prior approval of the Chairman, or in his absence, the approval of two directors is required prior to any trading being undertaken.

Within 24 hours of a director being appointed to the Board, resigning or being removed from the Board, or trading in the Company's securities, full details of the director's notifiable interests in the Company's securities and changes in such interest must be advised to the Company Secretary so that a record is kept within the Company and so that necessary ASX notifications will occur.

All directors must notify the Company Secretary of any margin loan or similar funding arrangement entered into in relation to the Company's securities and any variations to such arrangements, including the number of securities involved, the circumstances in which the lender can make margin calls, and the right of the lender to dispose of securities.

5. TIMELY AND BALANCED DISCLOSURE

5(a) Shareholder communication

The Company believes that all shareholders should have equal and timely access to material information about the Company including its financial situation, performance, ownership and governance. The Company's "ASX Disclosure Policy" encourages effective communication with its shareholders by requiring that Company announcements:

- be factual and subject to internal vetting and authorisation before issue;
- be made in a timely manner;
- not omit material information;
- be expressed in a clear and objective manner to allow investors to assess the impact of the information when making investment decisions;
- be in compliance with ASX Listing Rules continuous disclosure requirements; and
- be placed on the Company's website promptly following release.

Shareholders are encouraged to participate in general meetings. Copies of addresses by the Chairman or Chief Executive Officer are disclosed to the market and posted on the Company's website. The Company's external auditor attends the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

5(b) Continuous disclosure policy

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company. The Company's "ASX Disclosure Policy" described in 5(a) reinforces the Company's commitment to continuous disclosure and outline management's accountabilities and the processes to be followed for ensuring compliance.

The policy also contains guidelines on information that may be price sensitive. The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements with the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX.

6. RECOGNISING AND MANAGING RISK

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. 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. A written policy in relation to risk oversight and management has been established ("Audit and Risk Management Charter"). Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn responsibilities.

6(a) Board oversight of the risk management system

The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Company's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

The Board is responsible for approving and overseeing the risk management system. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.

The principle aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems have been designed to meet the Company's specific needs and the risks to which it is exposed.

Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level.

The Board is also responsible for identifying and monitoring areas of significant business risk. Internal control measures currently adopted by the Board include:

- at least quarterly reporting to the Board in respect of operations and the Company's financial position, with a comparison of actual results against budget; and
- regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

6(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Executive management is responsible for implementing the Board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities.

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control.

6(c) Chief Executive Officer and Chief Financial Officer Certification

The Chief Executive Officer and Chief Financial Officer, or equivalent, provide to the Board written certification that in all material respects:

- The Company's financial statements present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- The statement given to the Board on the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and controls which implements the policies adopted by the Board; and

- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

6(d) Internal review and risk evaluation

Assurance is provided to the Board by executive management on the adequacy and effectiveness of management controls for risk on a regular basis.

Statement of Comprehensive Income

For the year ended 30 June 2014

		Consolidated	
	Note	2014 \$	2013 \$
Revenue	2(a)	380,185	438,770
Exploration and evaluation expenditure		(35,038)	(53,035)
Impairment of exploration and evaluation		(11,485,591)	-
Depreciation		(4,629)	(5,698)
Directors fees and benefits expenses		(517,168)	(436,896)
Share based payment		-	-
Impairment of other financial assets		-	-
Other expenses	2(b)	(410,585)	(335,404)
Loss before income tax expense		(12,072,826)	(392,263)
Income tax expense	3	-	-
Net loss for year		(12,072,826)	(392,263)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss attributable to members of Yellow Rock Resources Limited		(12,072,826)	(392,263)
		Cents	Cents
Basic / diluted earnings per share	5	(2.37)	(0.01)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2014

		Consolidated	
	Note	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalent	6	477,454	923,836
Trade and other receivables	7	2,406,970	2,189,206
Total Current Assets		2,884,425	3,113,042
Non-Current Assets			
Trade and other receivables	7	-	-
Investments accounted for using the equity method	8	-	-
Plant and equipment	12	18,249	21,577
Deferred exploration expenditure	9	13,162,620	24,207,620
Total Non-Current Assets		13,180,869	24,229,197
TOTAL ASSETS		16,065,293	27,342,239
LIABILITIES			
Current Liabilities			
Trade and other payables	10	48,988	11,910
Total Current Liabilities		48,988	11,910
TOTAL LIABILITIES		48,988	11,910
NET ASSETS		16,016,304	27,330,328
EQUITY			
Issued capital	11	60,257,892	59,499,090
Reserves		22,544,306	22,544,306
Accumulated Losses		(66,785,894)	(54,713,068)
TOTAL EQUITY		16,016,304	27,330,328

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2014

	Issued Capital \$	Consolidated Accumulated Losses \$	Other Reserves \$	Total \$
Balance as at 1 July 2012	57,339,840	(54,320,804)	22,544,306	25,563,342
Loss for the year	-	(392,263)	-	(392,263)
Total comprehensive loss for the year	-	(392,263)	-	(392,263)
Securities issued during the year	2,159,250	-	-	2,159,250
Cost of share based payments	-	-	-	-
Balance as at 30 June 2013	59,499,090	(54,713,068)	22,544,306	27,330,328
Loss for the year	-	(12,072,826)	-	(12,072,826)
Total comprehensive loss for the year	-	(12,072,826)	-	(12,072,826)
Ordinary share – partly paid written off	-	-	-	-
Securities issued during the year	794,713	-	-	794,713
Capital issued costs	(35,910)	-	-	(35,910)
Cost of share based payments	-	-	-	-
Balance as at 30 June 2014	60,257,893	(66,785,894)	22,544,306	16,016,304

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2014

	Note	Consolidated	
		2014 \$	2013 \$
		Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Payments to suppliers and employees		(877,806)	(819,719)
Interest received		11,724	130,776
Net Receipts from other entities		150,697	(1,710,852)
Expenditure on mining interests		(35,038)	(53,035)
Net cash provided by / (used) in operating activities	6(i)	(760,424)	(2,452,829)
Cash flows from investing activities			
Expenditure on mining interests		(440,591)	(249,006)
Payment for property plant & equipment		(1,300)	(5,265)
Net cash used in investing activities		(441,891)	(254,271)
Cash flows from financing activities			
Proceeds from issue of shares		794,712	2,159,250
Payment of capital raising costs		(35,910)	-
Net cash provided by financing activities		758,802	2,159,250
Net increase in cash held		(443,513)	(547,850)
Cash at beginning of the financial year		920,967	1,468,817
Cash at end of financial year	6	477,455	920,967

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").

The separate financial statements of the parent entity, Yellow Rock Resources, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

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 Director's 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 of selected non-current assets, financial assets and financial liabilities have 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 2014. 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 25 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"). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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.

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. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting (refer note 1(e)).

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.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Group.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the statement of comprehensive income.

1(e) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition - date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in the statement of comprehensive income as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of comprehensive income.

1(f) 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(g) 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(h) 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(i) 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(j) 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(k) Financial assets

Financial assets in 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 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 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(l) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and 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(m) 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(n) 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(o) 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 statement of comprehensive income charge or credit 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(p) 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(q) 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.

1(r) 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(s) Investment accounted for using equity method

Associates are all entities over which the consolidated entity has significant influence but may not have control. Investments in associate companies are accounted for in the parent entity using the cost method and in the consolidated entity using the equity method of accounting. The equity method of accounting recognises the consolidated entity's share of post-acquisition profits or losses in the statement of comprehensive income and its share of post-acquisition movements in reserves is recognised in associates reserve.

1(t) 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:

Plant and equipment - over 5 to 10 years.

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.

For plant and equipment, impairment losses are recognised in the statement of 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 comprehensive income in the year the asset is derecognised.

1(u) 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 of 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.

Consolidated	2014 \$	2013 \$
2. REVENUE AND EXPENSES		
2(a) Revenue		
Interest received - other corporations	11,724	47,182
R & D concession	368,461	389,781
Profit on refund of Furniture	-	1,807
	380,185	438,770
2(b) Expenses		
Stock exchange and registry fees	31,158	29,428
Legal fees	85,047	25,635
Auditor's fees	25,500	22,064
Office facility expenses	59,735	44,201
Consulting fees	-	38,978
Other expenses	209,145	175,099
	410,585	335,404

3. INCOME TAX**3(a) Income tax expense**

The income tax expense for the year differs from the prima facie tax as follows:

Loss for the year	(12,072,826)	(392,263)
Prima facie income tax (benefit) @ 30%	(3,621,848)	(117,679)
Tax effect of non-deductibles items	3,445,677	-
Deferred tax assets not brought to account	176,170	117,679
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 (i) occur:

1,144,374	1,144,374
-----------	-----------

4. AUDITORS' REMUNERATION

Amounts, paid or due and payable to Abbott Audit Services Pty Ltd for:

- audit or review services	25,500	22,064
	25,500	22,064

Consolidated	
2014	2013
\$	\$

5. EARNINGS PER SHARE (EPS)

	Cents	Cents
Basic earnings per share	(2.37)	(0.01)

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

Earnings - Net loss for the year	(12,072,826)	(392,263)
----------------------------------	--------------	-----------

	No.	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	508,497,459	349,026,205

6. CASH AND CASH EQUIVALENTS

Cash at bank	477,454	923,836
--------------	---------	---------

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

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

Loss for the year	(12,072,826)	(392,263)
-------------------	--------------	-----------

Depreciation	4,629	5,698
Impairment of other financial assets	-	-
Impairment of exploration and evaluation	11,485,591	-
Equity settled share based payment	-	-

Changes in assets and liabilities

Receivables	(75,733)	130,611
Payables	39,947	47,462

Net cash flows from operating activities	(618,392)	(303,416)
---	------------------	------------------

6(b) Non-cash financing and investing activities

There were no non-cash financing and investing activities during the year.

Consolidated

2014
\$2013
\$**7. TRADE AND OTHER RECEIVABLES****Current**

GST recoverable	5,178	13,956
Other receivables	242,543	16,000
Receivable Partly Paid Share	2,159,250	2,159,250
	2,406,970	2,189,206

Terms and conditions relating to the above financial instruments:

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.

Non-current

Amounts owing by associates	-	-
	-	-

8. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Associated companies - at cost	2,550,000	2,550,000
Allowance for impairment	(2,550,000)	(2,550,000)
	-	-

Interests are held in the following associated companies

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carrying amount of investment	
				2014	2013	2014	2013
				%	%	\$	\$
Unlisted:							
Apogei Pty Ltd	Mineral Exploration	Australia	Ordinary	20	20	-	-
						-	-
						2014	2013
						\$	\$

8(a) Movement during the year in equity accounted investments in associated company

Balance at beginning of the financial year	-	-
Impairment loss from revaluation of associate	-	-
	-	-

Consolidated
2014 2013
\$ \$

8(b) Equity accounted losses of associate are broken down as follows:

Share of associate's loss before income tax	-	-
Share of associate's income tax	-	-
Share of associate's loss after income tax	-	-

8(c) Summarised presentation of share of aggregate assets, liabilities and performance of associate

Current assets	20	20
Total assets	20	20
Current liabilities	2,853	2,853
Total liabilities	2,853	2,853
Net assets	(2,833)	(2,833)
Revenues	-	-
Loss after income tax of associate	-	-
8(d) Investment in associate-at fair value	-	-

9. DEFERRED EXPLORATION EXPENDITURE

Expenditure brought forward	24,207,620	23,958,614
Tenement acquisition	-	-
Allowance for impairment	-	-
Expenditure incurred during the year	440,591	249,006
Expenditure written off during the year	(11,485,591)	-
Expenditure carried forward	13,162,620	24,207,620

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 book value.

10. TRADE AND OTHER PAYABLES**Current**

Trade payables and accruals	-	-
Other corporations	48,988	11,910
	48,988	11,910

Terms and conditions relating to the above financial instruments:

- 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.

	Consolidated	
	2014	2013
	\$	\$
11. ISSUED CAPITAL		
11(a) Issued and paid up capital		
Ordinary shares - fully paid	58,090,642	57,331,840
Ordinary shares - partly paid	2,167,250	8,000
	60,249,892	57,339,840

	2014	2014	2013	2013
	Number	\$	Number	\$
11(b) Movement in ordinary share in issue				
(i) Ordinary share - fully paid				
Balance at beginning of year	349,026,205	57,331,840	349,026,205	57,331,840
Ordinary share - fully paid	79,471,254	758,802	-	-
Balance at end of year	428,497,459	58,090,642	349,026,205	57,331,840
(ii) Ordinary share - partly paid (\$0.0389 unpaid)				
Balance at beginning of year	80,000,000	8,000	80,000,000	8,000
Ordinary share - partly paid	-	2,159,250	-	2,159,250
Balance at end of year	80,000,000	2,167,250	80,000,000	2,167,250
Total issued and paid up shares	508,497,459	60,257,892	429,026,205	59,499,090

	Consolidated	
	2014	2013
	\$	\$
11(c) Share Options		
Share-based payments reserved		
Balance at beginning of year	22,544,306	22,544,306
Share-based payments	-	-
Balance at end of year	22,544,306	22,544,306

The share-based payments reserve is used to recognise the fair value of the options issued.

At the end of the year, the following options over unissued ordinary shares were outstanding:

- 230,000,000 unlisted options expiring 31 December 2014 at an exercise price of 2.5 cents each
- 79,471,254 unlisted options expiring 31 December 2017 at an exercise price of 1.5 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(d) Accumulated losses		
Balance at beginning of year	(54,713,068)	(54,320,805)
Net loss for the year	(12,072,826)	(392,263)
	(66,785,894)	(54,713,068)

11(e) 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.

12. PLANT & EQUIPMENT

	Consolidated	
	2014	2013
	\$	\$
Plant and Equipment		
At Cost	31,784	30,484
Accumulated depreciation	(13,536)	(8,908)
	18,249	21,577

12(a) Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant & Equipment	Total
Consolidated Group		
Balance at 1 July 2012	22,010	22,010
Additions	3,900	3,900
Disposals	1,366	1,366
Additions through business combinations	-	-
Revaluation increments / (decrements)	-	-
Depreciation expense	(5,698)	(5,698)
Capitalised borrowing cost and depreciation	-	-
Balance at 30 June 2013	21,577	21,577
Additions	1,300	1,300
Disposals	-	-
Additions through business combinations	-	-
Revaluation increments / (decrements)	-	-
Depreciation expense	(4,629)	(4,629)
Capitalised borrowing cost and depreciation	-	-
Disposals of assets on sale of subsidiary	-	-
Write-off of assets destroyed during flood	-	-
Balance at 30 June 2014	18,249	18,249

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:

	Consolidated	
	2014	2013
	\$	\$
Not later than one year	119,576	119,576

13(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements.

Payable – minimum lease payments:

Not later than 12 months	61,300	10,000
Between 12 months and five years	-	-
Later than five years	-	-
Balance as at 30 June 2014	61,300	10,000

The property lease is a non-cancellable lease with a two-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that minimum lease payments shall be reviewed to the market rent at the expiry of the lease, should the option to renew the lease be exercised. An option exists to renew the lease at the end of the two-year term for an additional term of two years.

14. CONTINGENT LIABILITIES

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the company 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 company. 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 company.

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 has only operated in 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

Revenues of approximately \$Nil (2013 - \$Nil) are derived from a single external customer.

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

16. BUSINESS COMBINATIONS

There were no acquisitions during the financial year.

17. RELATED PARTY TRANSACTIONS

17(a) Subsidiaries

The consolidated financial statements include the financial statements of Yellow Rock Resources Limited and the subsidiaries listed in the following table.

	Country of Incorporation	Equity 2014 %	Equity 2013 %	Investment at Cost 2014 \$	Investment at Cost 2013 \$
Australian Uranium Pty Ltd	Australia	100	100	29,008,000	29,008,000
Cabe Resources Ltd	Australia	100	100	27,625,000	27,625,000
Australian Vanadium Resources Pty Ltd	Australia	100	-	-	-
Impairment				(56,533,000)	(45,147,409)
					- 11,485,591

17(b) Other related parties

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

	2014 \$	2013 \$
Accounting & Bookkeeping & Financial Management Fees		
AustAsia Accounting Services Pty Ltd, an entity related to Syd Chesson	77,401	56,500
	77,401	56,500
Legal Fees		
AustAsia Legal Pty Ltd, an entity related to Syd Chesson	44,868	14,100
	44,868	14,100
Rent at 420 Newcastle Street, West Perth, WA 6005		
AREIT Diversified Fund, an entity related to Syd Chesson	40,000	43,333
	40,000	43,333

18. PARENT ENTITY DISCLOSURES

18(a) Summary financial information

	Parent 2014 \$	2013 \$
Assets		
Current assets	2,884,425	3,113,042
Non-current assets	13,180,869	24,229,197
Total assets	16,065,293	27,342,239
Liabilities		
Current liabilities	48,988	11,910
Total liabilities	48,988	11,910

Equity

Issued capital	60,257,892	59,499,090
Reserves	22,544,306	22,544,306
Accumulated losses	(66,785,894)	(54,713,068)
Total equity	16,016,304	27,330,328

Financial performance

Loss for the year	(12,072,826)	(392,263)
Other comprehensive income	-	-
Total comprehensive income	(12,072,826)	(392,263)

18(b) Guarantees

Yellow Rock Resources Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

18(c) Other Commitments and Contingencies

Yellow Rock Resources Limited has no commitments to acquire property, plant and equipment, and has no contingent liabilities apart from the amounts disclosed in note 13.

19. DIRECTOR AND EXECUTIVE DISCLOSURES**19(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 for the year ended 30 June 2014.

	2014 \$	2013 \$
Director and Executive Disclosures		
Compensation of key management personnel		
Short-term personnel benefits	512,800	433,079
Post – employment benefits	1,243	3,817
Share based payment	-	-
	514,043	436,896

19(b) Option holding of key management personnel

	Balance 1/07/13	Granted as Remuneration	Options Acquired	Options Exercised	Options Expired/ Cancelled	Net Change Other #	Balance 30/06/14	Number vested and exercisable
Directors								
SJ Chesson	-	-	10,190,000	-	-	-	10,190,000	10,190,000
B Lewis	-	-	1,250,000	-	-	-	1,250,000	1,250,000
L Ingraham	-	-	10,000,000	-	-	-	10,000,000	10,000,000
Other key management personnel								
D Hughes	-	10,000,000	-	-	-	-	10,000,000	10,000,000
S Chesson	-	-	-	-	-	-	-	-

#Option held at date of appointment or resignation, as applicable.

	Balance 1/07/12	Granted as Remuneration	Options Acquired	Options Exercised	Options Expired/ Cancelled	Net Change Other #	Balance 30/06/13	Number vested and exercisable
--	--------------------	----------------------------	---------------------	----------------------	----------------------------------	-----------------------	---------------------	-------------------------------------

Directors

SJ Chesson	-	-	-	-	-	-	-	-
B Lewis	500,000	-	-	500,000	-	-	-	-
L Ingraham	5,500,000	-	-	5,500,000	-	-	-	-

Other key management personnel

S Chesson	-	-	-	-	-	-	-	-
-----------	---	---	---	---	---	---	---	---

Options held at date of appointment or resignation, as applicable.

19(c) Shareholding of key management personnel

	Balance 1/07/13	Received as Remuneration	Options Exercised	Acquired/ (Disposed)	Net Change Other #	Balance 30/06/14
--	--------------------	-----------------------------	----------------------	-------------------------	-----------------------	---------------------

Directors

SJ Chesson	9,190,000	-	-	11,190,000	-	20,380,000
B Lewis	3,083,950	-	-	1,250,000	-	4,333,950
L Ingraham	10,000,000	-	-	10,000,000	-	20,000,000

Shares held at date of appointment or resignation, as applicable.

	Balance 1/07/12	Received as Remuneration	Options Exercised	Acquired/ (Disposed) ##	Net Change Other #	Balance 30/06/13
--	--------------------	-----------------------------	----------------------	----------------------------	-----------------------	---------------------

Directors

S Chesson	6,790,000	-	-	2,400,000	-	9,190,000
B Lewis	1,083,950	-	-	2,000,000	-	3,083,950
L Ingraham	10,000,000	-	-	-	-	10,000,000

Shares held a date of appointment or resignation, as applicable.

Shares acquired during the period.

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.

19(d) Loans with Key Management Personnel

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

20. SHARE BASED PAYMENTS

	2014 \$	2013 \$
--	------------	------------

20(a) Share Based Payments**Value of share based payments in the financial statements**

Share based payments expensed- consultant	-	-
Share based payments expensed- consultant/shareholders	35,910	-

20(b) Summary of share based payments

Set out below are the summaries of options granted as share based payments:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Expired or Change due to resignation	Balance at end of the year	Vested and exercisable at end of the year
25/11/11	31/12/14	\$0.025	200,000,000	-	-	-	200,000,000	200,000,000
04/02/13	31/12/14	\$0.025	30,000,000	-	-	-	30,000,000	30,000,000
19/06/2014	18/06/2019	\$0.030	-	5,000,000	-	-	5,000,000	5,000,000
19/06/2014	18/06/2019	\$0.060	-	5,000,000	-	-	5,000,000	5,000,000
			230,000,000	10,000,000	-	-	240,000,000	240,000,000
Weighted average exercise price			\$0.025	\$0.045	-	-	\$0.026	\$0.026

21. 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.

21(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 company 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 balance date, the Consolidated entity had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	2014 \$	2013 \$
Financial Assets		
Cash and cash equivalents (interest-bearing accounts)	477,454	923,836
	477,454	923,836

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

At 30 June 2013, 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:

	2014 \$	2013 \$
Judgements of reasonably possible movements:		
Post tax profit - higher / (lower)		
+0.5%	2,387	4,619
-0.5%	(2,387)	(4,619)
Equity - higher/(lower)		
+0.5%	2,387	4,619
-0.5%	(2,387)	(4,619)

21(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.

21(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 counter party, 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, credit worthy third parties and as such collateral is not requested nor is it the Consolidated entity's policy to securities it trade and other receivables.

Receivable balances are monitored on an on-going 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.

21(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.

21(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.

21(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.

22. EVENTS SUBSEQUENT TO YEAR END

Since 30 June 2014, the following events have occurred:

- (a) Completed rights issue shortfall placement by issue of 257,581,364 shares and 257,581,364 unlisted options exercisable at \$0.015 each on or before 31 December 2017 since 30 June 2014, and raising \$2,575,813
- (b) Issued 75,204,900 shares on exercise of 75,204,900 unlisted options exercisable at \$0.015 each on or before 31 December 2017 since 30 June 2014, and raising \$1,128,073.
- (c) Completed concept engineering study for the Gabanintha Vanadium Project.
- (d) Issued call on partly paid shares on 5 September 2014.
- (e) On 3 September 2014 Sydney Chesson announced his intention to retire as Chairman from the date of the 2014 annual general meeting and Simon Chesson announced his intention to retire as Company Secretary from the date of the 2014 annual general meeting.

There are no matters or circumstances that have arisen since 30 June 2014 that have or may significantly affect the operations, results, or state of affairs of the company in future financial years.

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 2014 and of the performance for the period 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.



Sydney Chesson
Non-Executive Chairman
Perth

Date: 26 September 2014

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 5 September 2014 is:

Ordinary Shares	748,223,473
Partly Paid Shares	80,000,000
Unlisted Options	230,000,000 (expiring 31 December 2014)
Unlisted options	272,907,968 (expiring 31 December 2017)
Unlisted options	5,000,000 (expiring 18 June 2019)
Unlisted options	5,000,000 (expiring 18 June 2019)

Ordinary Shares

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

Shares Range	Holders	Units	%
1 – 1,000	45	23,504	0.00
1,001 – 5,000	176	556,767	0.07
5,001 – 10,000	202	1,804,054	0.24
10,001 – 100,000	865	40,900,499	5.47
100,001+	688	704,938,649	94.21
Total	1,976	748,223,473	100

Unmarketable Parcels

There were 10 holders of less than a marketable parcel of ordinary shares.

2. TOP 20 SHAREHOLDERS AS AT 5 SEPTEMBER 2014

	Name	Number of Shares	%
1	Mrs Jillaine Wills	28,750,000	3.79
2	Kimbriki Nominees Pty Ltd <Kimbriki Hamilton SF A/C>	26,625,455	3.51
3	Jade Glen Pty Ltd <Dutco A/C>	20,380,000	2.69
4	Jalein Pty Ltd <Elbaja A/C>	20,000,000	2.64
5	Mr Neale Parsons	20,000,000	2.64
6	Gaks Investment Holdings Pty Ltd <Gaks Investment A/C>	15,500,000	2.05
7	Kelro Pty Ltd <Alubo A/C>	15,350,000	2.03
8	Citicorp Nominees Pty Ltd	14,484,851	1.91
9	Rilukin Holdings Pty Ltd	13,250,000	1.75
10	HSBC Investments Pty Limited	12,596,290	1.66
11	Woolmaton Pty Ltd <Woolmaton A/C>	12,000,000	1.58
12	Mr Izaak Trajkovski	11,440,869	1.51
13	Toulon Pty Ltd <The Eonnidis A/C>	11,000,005	1.45
14	Mr John Foti	10,000,000	1.32
15	Pershing Australia Nominees Pty Ltd <Accum A/C>	9,604,671	1.27
16	Mr Benjamin Sloan Butcher	8,950,000	1.18
17	Diamond Developments Pty Ltd	8,900,000	1.17
18	Harnbury Pty Ltd	8,795,000	1.16
19	Custodial Services Limited <Beneficiaries Holding A/C>	8,585,085	1.13
20	Mr Tod Charles Butcher	8,000,000	1.06
	Total	284,212,226	37.51
	Total Remaining Holders Balance	473,574,497	62.49

3. UNLISTED OPTIONS

There are 512,907,968 unlisted options as at 5 September 2014, as follows:

Expiry Date	Exercise Price	Number of Options
31 December 2014	\$0.025	230,000,000
31 December 2017	\$0.015	272,907,968
18 June 2019	\$0.03	5,000,000
18 June 2019	\$0.06	5,000,000
	Total	512,907,968

4. SUBSTANTIAL SHAREHOLDERS AS AT 5 SEPTEMBER 2014

There were no substantial holders on 5 September 2014.

5. RESTRICTED SECURITIES SUBJECT TO ESCROW PERIOD

There are no Restricted Securities as at 5 September 2014.

6. GROUP CASH & 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 2014 in a way that is consistent with its business objective and strategy.

7.