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Gabanintha Vanadium Project [Western Australia]

It is just over two years since an airborne magnetic survey was flown over the Gabanintha vanadium leases to define continuity and depth of the high grade ore zone.

Just eighteen months ago Yellow Rock Resources Ltd (YRR) acquired the Gabanintha Vanadium Project and listed on the ASX. At that time an Indicated Mineral Resource to JORC standard of 37 Mt @ 0.75% V₂O₅ had been identified.

Since then YRR has conducted two RC drilling programmes for a total of 99 holes for 7,630 metres. The first RC drilling programme increased the resource to a 90 Mt @ 0.80% V₂O₅ Indicated Resource.

When the results of this second drilling programme have been included in the resource model it will signal the completion of the exploration and evaluation Phase of this World Class (Gabanintha) Vanadium Deposit.

The recent identification of the Hanging Wall Ilmenite Zone (HWZ) on top of the main Magnetite Zone (MZ) has allowed an order of magnitude change in the tonnage, and this will be defined in the next and final Resource Calculation.

The position and thickness, as well as type of the HWZ will complement the MZ in that it will give a much more flexible mine plan, and allow the production of several definite ore types.

YRR will receive the final assays from this HWZ on Friday 8th August and once this information is entered into the data base the New Resource calculation will follow.

This will take the Company to the "NEW" Resource with Quality Assurance (QA), Quality Control (QC) and Geological Modelling with defined Ore Type Zones (as shown below). The benefit of a single pass Modelling exercise is that it will partition the grades and ore types.

The results that will be released will be ready for Due Diligence and Reserve Calculations. This Final model will place YRR in the position of ready to undertake a Preliminary Bankable Feasibility Study (BFS), with a robust geological model ready to Pit Shell to take it to the Reserve stage.

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The conversion of Resource to Reserve is expected to be in the 90% range due to the shape and shallow depth of the deposit, with the HWZ halving the previous waste to ore ratio. This is easily seen in Figure 1.

The following general section shows the results of the definition and the various types of ore that will be quantified and subsequently Metallurgically Tested by any off take partner.

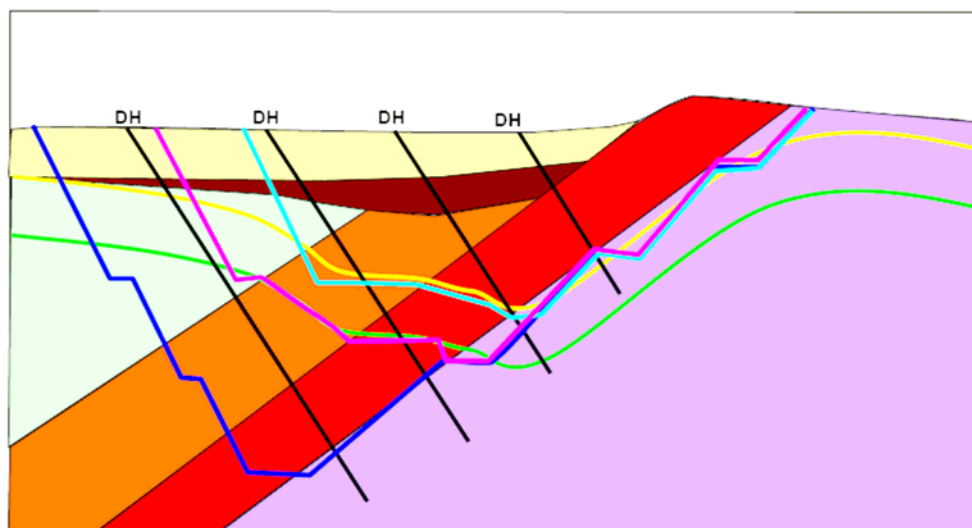


Figure 1 Schematic Section Showing Ore Types and Pit Development

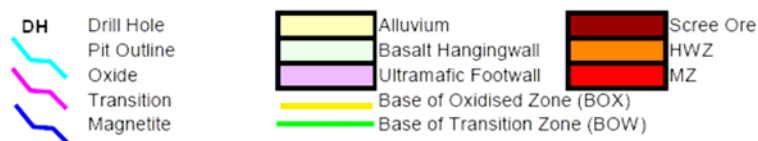


Figure 1 above shows that 7 ore types will be defined and these will be defined by grade and mineralogy as well as type. They are

	Ore Type	Grade V_2O_5/TiO_2	Ore Mineralogy Zones
1.	Scree Ore	0.5/6	Hematite Leucoxene Ilmenite goethite
2.	MZ Oxidised	0.75/10	Hematite Martite Leucoxene Ilmenite
3.	HWZ Oxidised	0.4/6	Hematite Leucoxene Ilmenite Clays
4.	MZ Transition	0.8/11	Hematite Magnetite Leucoxene Ilmenite
5.	HWZ Transition	0.45/6	Hematite Magnetite Ilmenite Clays
6.	MZ Primary	0.85/13	Magnetite Ilmenite
7.	HWZ Primary	0.5/7	Magnetite Ilmenite Chlorite

Information in this report that relates to Exploration Results is based on information compiled by Peter Schwann, CP (Geol), who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Schwann is a Consultant to Yellow Rock Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Schwann consents to the inclusion in this report of the matters based on information in the form and context in which it appears.