



9 December 2009

Gabanintha Concept Study

Highlights:

- *Independent concept study of the Gabanintha Vanadium Project provides confidence towards project advancement;*
- *High grade concentrate (1.3 to 1.6% V₂O₅) suitable for a vanadium roast-leach plant, produced by magnetic separation;*
- *Grades as high as 1.5% V₂O₅ (GRC025, 45-46m) produced from drill samples of massive ore;*
- *High grade "oxidised" ore from a surface bulk sample produced a concentrate suitable for vanadium extraction by simple crushing and screening.*



Yellow Rock Resources Limited (YRR) is pleased to announce the completion of a concept study involving metallurgical testing and research on its Gabanintha Vanadium ore body. Prior drilling has defined a substantial high grade vanadium/iron ore/titanium resource. The deposit consists of a zone of massive, high grade vanadium and a zone of disseminated mineralisation. The massive zone comprises 69.6 Mt @ 0.87% V₂O₅, 38.1% Fe and 10.3% TiO₂, whilst the disseminated zone comprises 69.8 Mt @ 0.40% V₂O₅, 21.9% Fe and 5.7% TiO₂.

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Table 1: JORC Resources

		Million			
		Tonnes	V ₂ O ₅ %	TiO ₂ %	Fe%
High Grade	measured	32.5	0.9	10.4	38.3
	indicated	23.7	0.8	9.8	36.9
	inferred	13.4	0.9	10.8	39.7
	Sub-total	69.6	0.9	10.3	38.1
Low Grade	measured	53.9	0.4	5.6	21.6
	indicated	9.7	0.4	5.8	22.7
	inferred	6.2	0.4	5.8	22.6
	Sub-total	69.8	0.4	5.7	21.9
Scree	measured	8.3	0.4	4.9	22.1
	indicated	1.2	0.3	4.4	19.6
	inferred	2.3	0.7	7.5	34.2
	Sub-total	11.8	0.4	5.4	24.2
Total	measured	94.7	0.56	7.21	27.4
	indicated	34.6	0.69	8.52	32.4
	inferred	21.9	0.74	9.02	34.3
	Total	151.2	0.6	7.8	29.5

Battery Limits Pty Ltd, a leading Perth based metallurgical and process development firm, was commissioned to prepare the Concept Study. The study includes the review of all previous test work (Lakefield Oretest Pty Ltd, 2004), a new metallurgical testwork program (undertaken by Ammtec Ltd), benchmarking of the project against other vanadium projects, and preparation of a marketing report.

The study showed a suitable concentrate can be prepared from each of the 3 key ore zones; whether massive, disseminated or scree, that the beneficiation metallurgy is relatively simple.

Test Program; methods and results

Metallurgical tests were conducted on samples of RC chips taken from the earlier drilling program, and on bulk surface samples collected specifically for the Concept Study. The massive ore samples collected showed particularly high V₂O₅ grades of 1.46%, 1.19% and 1.25% for the scree (Hole GRC 61, 17m-21m), transition (Hole GRC 63, 78m-82m) and fresh material (Hole GRC 53, 107m-112m) respectively. The massive oxidised surface sample collected assayed 1.3% V₂O₅.

Testwork has indicated that both the transitional and fresh massive and disseminated ores are amenable to magnetic beneficiation, producing a high grade concentrate (1.3 to 1.6% V₂O₅) suitable for feed to a vanadium roast-leach plant. Furthermore, simply crushing and screening the massive high grade vanadium "oxidised" ores, and discarding the fines, is sufficient to produce a concentrate suitable for vanadium extraction.

The current resource (151 Mt at 0.62% V₂O₅) has only been defined to a vertical depth of 100 m. A program of diamond drilling beneath the existing resource, was completed in the fourth quarter of 2009. The drilling aims to extend the down dip resource to 200m vertical depth and to provide samples for further metallurgical testwork.

The Company is pleased with the outcome of the Concept Study. Given the likelihood of further mine and processing optimisation, the potential for improvement in the size and grade of the resource and the high quality of the concentrates being achieved from simple beneficiation, the Company has confidence in the future of the Gabanintha project.

Don Valentino
Executive Chairman
Yellow Rock Resources Limited

COMPETENT PERSON STATEMENT

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 Ltd 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.