



Yellow Rock Resources Limited

ACN: 116 221 740

35 Great Eastern Highway
Rivervale WA 6103

Telephone: (08) 9361 5400

Facsimile: (08) 9361 5900

Email: info@yrr.com.au

ACTIVITIES REPORT FOR THE QUARTERLY PERIOD ENDED ON 30 SEPTEMBER 2009

Highlights:

- **RC Drilling campaign completed**
 - **Significant Gold targets identified**
 - **Desktop analysis of Northern Territory tenements**
 - **Site preparation completed for diamond drilling**
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Summary:

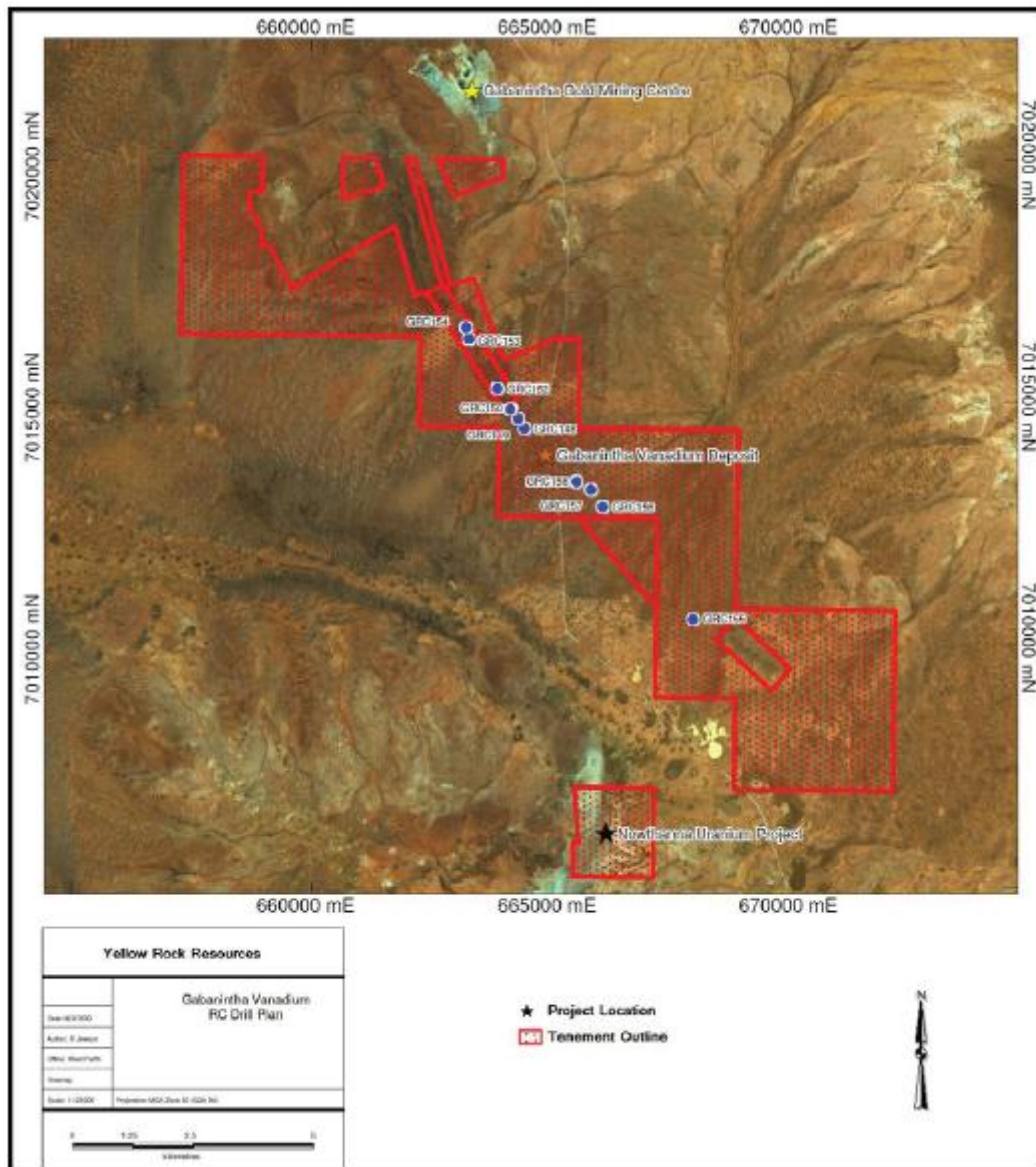
During the quarter period ended on 30 September 2009, Yellow Rock Resources Ltd (ASX Code: YRR) released further encouraging results from the RC drilling program on its Gabanintha Vanadium Project.

Battery Limits, a metallurgical and process development firm, was appointed to examine possible processing and product streams. The results of the Battery Limits investigation will form the basis of a Concept Study that is currently being conducted. A 100kg sample of outcropping massive high grade ore was submitted to Ammttec Pty Ltd for crushing and screening testwork, as well as samples of RC chips representing the different zones of the orebody for beneficiation testwork.

Pyrite Carbonate Quartz alteration was identified in RC drilling, samples were assayed for Au after the initial assays for V₂O₅ at ALS in Perth.

The diamond drilling program site preparation has been completed and the drilling is scheduled to occur in October 2009. This program aims to provide better definition for bulk density and metallurgical parameters.

Results of RC Drilling Program



The recent programme consisted of 11 RC Holes for a total of 1233 m and was drilled to increase the level of confidence in the existing resource.

The results confirm the robust nature of the Resource. The Resource Statement will be updated when the results of the planned diamond drilling campaign are reviewed during November 2009.

Table 1: High Grade Intersections

Hole ID	Thickness m	V2O5 %	Fe %	TiO2 %
GRC148	23	0.81	37.98	9.44
GRC149	19	1.03	43.36	11.39
GRC150	12	1.08	46.45	11.72
GRC151	High Grade thin and included in low grade			
GRC152	15	1.06	47.59	11.66
GRC153	17	1.09	43.45	12.68
GRC154	25	0.89	37.97	10.32
GRC155	21	0.97	46.07	10.92
GRC156	High grade faulted out (see Gold Section)			
GRC157	12	1.21	42.59	13.08
GRC158	22	0.95	43.33	10.49
Weighted Average	18.44	0.98	42.70	11.08

Table 2: Low Grade Intersections

Hole ID	Thickness m	V2O5 %	Fe %	TiO2 %
GRC148	59	0.39	23.60	5.32
GRC149	5	0.36	26.40	3.78
GRC150	63	0.48	23.46	6.36
GRC151	82	0.43	22.43	6.15
GRC152	70	0.44	24.08	5.93
GRC153	92	0.39	18.68	5.82
GRC154	46	0.36	22.44	4.85
GRC155	40	0.40	21.06	4.89
GRC156	11	0.38	22.06	5.00
GRC157	Shallow Hole, only high grade footwall intersected			
GRC158	45	0.39	22.33	5.17
Weighted Average	51.30	0.41	22.16	5.64

The thickness of the disseminated low grade zone averaged 51.3m which was thicker than expected. Of note is that the thicknesses are up to 92m.

Table 3: Gabanintha JORC Resource Statement (previously announced)

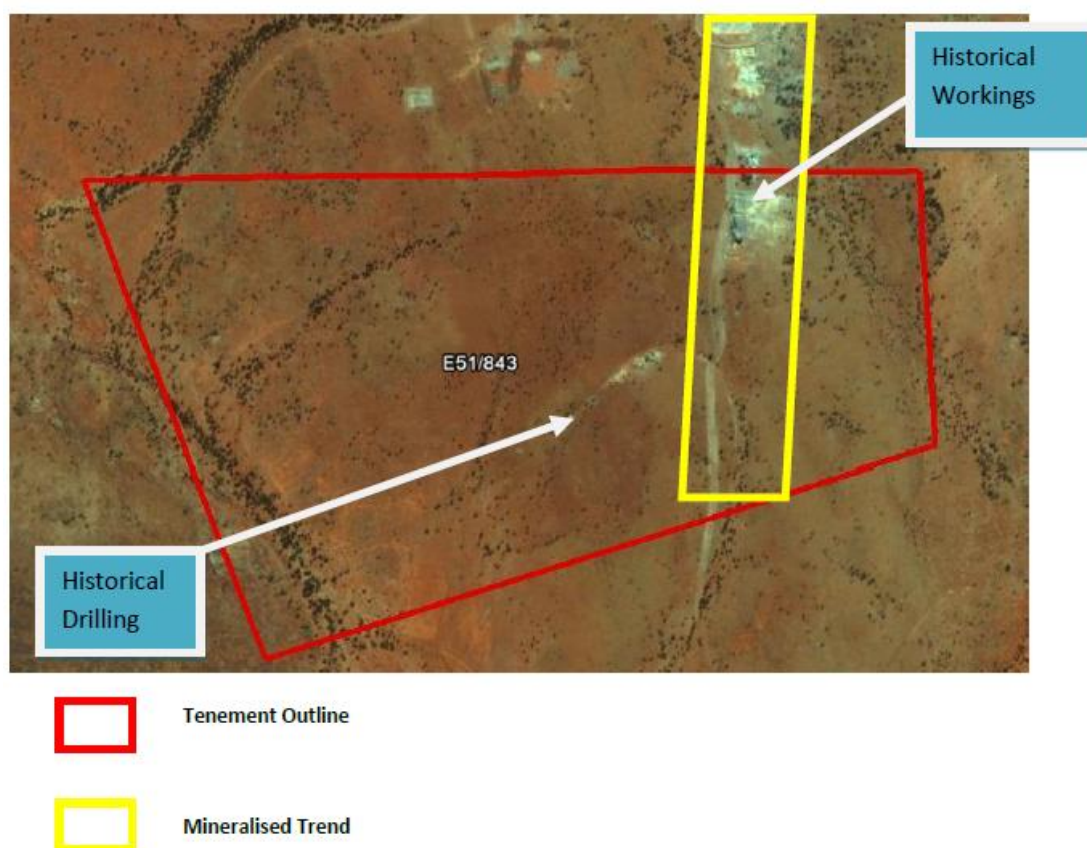
Material Type	Million Tonnes	V2O5%	Fe%	TiO2%
High Grade	69.8	0.87	37.6	10.3
Low Grade	69.8	0.39	21.6	5.7
Scree	11.9	0.43	23.8	5.4
Grand Total	151.5	0.62	29.2	7.8

The upcoming diamond drilling programme aims to define down dip extensions to the currently known resources as well as obtain core for both density measurements as well as metallurgical testwork. The exploration target for the Gabanintha diamond program is to define inferred resources to some 250m deep (c.f. 120m currently) and look at the possible extension to the hangingwall zone.

Gold Exploration

Yellow Rock carried out a desk top evaluation of the Northern Lease area that includes and extension of the Gabanintha Mine sequence and structure and has identified areas that can be drilled in the next RC programme in the area.

Also some samples from the current RC programme were assayed for gold due to the presence of bleaching and sulphides with micas and carbonates. The results of 3 samples were anomalous, with GRC156 having 3m at 0.11g/t from 97m.



These will be followed up with a geochemical sampling programme as these values coincide with a major structural break in the vanadiferous titanomagnetite bed as shown in Table 1.

Corporate

During the quarter, the company:

- (i) allotted and issued a total of 15,500,000 ordinary fully paid shares ("Shares") at an issue price of \$0.039 per Share, together with 15,500,000 free attaching options exercisable at \$0.07 each on or before 30 September 2012 (**Options**), thereby raising \$604,500;

- (ii) resolved and subsequently received shareholder approval to undertake further placements of securities, as follows:
- (a) the issue and allotment of 95,000,000 Shares at an issue price of \$0.039 each, together with the grant of one free Option for every Share subscribed for and issued, to raise \$3,705,000 (before expenses of the issue);
 - (b) the issue and allotment of up to 80,000,000 partly paid shares at an issue price of \$0.0001 each to raise \$8,000 (before expenses of the issue). The partly paid shares will be convertible to ordinary fully paid shares in the capital of the Company on payment of a further \$0.0389 per partly paid share, raising an additional \$3,112,000; and
 - (c) the issue of incentive options to Directors and officers of the Company on the following basis:
 - 4,666,667 options exercisable at 8 cents each on or before 1 September 2011;
 - 4,666,667 options exercisable at 11 cents each on or before 1 September 2012; and
 - 4,666,666 options exercisable at 14 cents each on or before 1 September 2013;

The options will have a vesting date of 1 September 2010.

- (iii) appointed Mr Jeffrey Green as a non-executive director.

Don Valentino
Executive Chairman

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 they appear.