



23 October 2012

Induced Polarization (IP) program targeting Copper and Gold.

YRR has commissioned Fugro Land Services to undertake an IP program over new EM target zone east of Gabanintha deposit.

ASX [YRR]. Web page: www.yellowrock.com.au

HIGHLIGHTS

- **A new, extensive EM target zone has been identified from modelling the Fugro Airborne Services Pty Ltd (Fugro) HELITEM geophysical survey over Gabanintha tenements. The new zone is parallel to the Gabanintha resource but about 1 kilometre to the east.**
- **YRR has begun an Induced Polarisation (IP) ground geophysical survey to further define drill targets within the new EM zone.**
- **The IP survey is being conducted by Fugro over 35 lines using over 750 survey stations. The lines are oriented NE-SW and there are tie-lines in a NW-SE direction parallel to the regional strike.**
- **Fugro field technicians have started the \$250,000 IP program in the south-eastern part of the tenement and it is expected to take several weeks to complete.**
- **Drilling is being planned to follow up the IP program and test the Fugro model.**

IP PROGRAM OVER THE NEW EM TARGET ZONE DISCOVERED EAST OF GABANINTHA DEPOSIT

Modelling of the helicopter-borne Time domain Electromagnetic and Magnetic (HELITEM) survey at Gabanintha by Fugro geophysicists has led to the identification of a new EM zone parallel to, and about one kilometre east of, the Gabanintha FeTiV magnetite JORC deposit.

It is believed that the EM target zone is extensive (along the length of the tenement) and variable in depth and dip, as well as intensity. Some of the modelling shows a west dipping zone which may be spatially related to the ultramafic/basalt contact.

Previous modelling of the HELITEM survey interpretation by Fugro geophysicists was successful in showing a much larger and deeper magnetite orebody than that already identified by past drilling programs. (See YRR announcement of 30th May 2012)



In addition to ore deposit modelling from the HELITEM survey, palaeo-channels were identified. (See YRR announcement of July 2012)

In order to complete further modelling on this new eastern EM feature surface IP surveys are being conducted. Approximately 35 IP survey lines in a NE orientation and four tie-lines parallel to strike are now being completed by Fugro field crews. This involves over 750 field measurement stations. The surface IP lines are shown on Figure 1.

IP is recognised as a method by which drill targets can be better defined, prior drilling, with the potential to provide considerable saving in drilling costs.

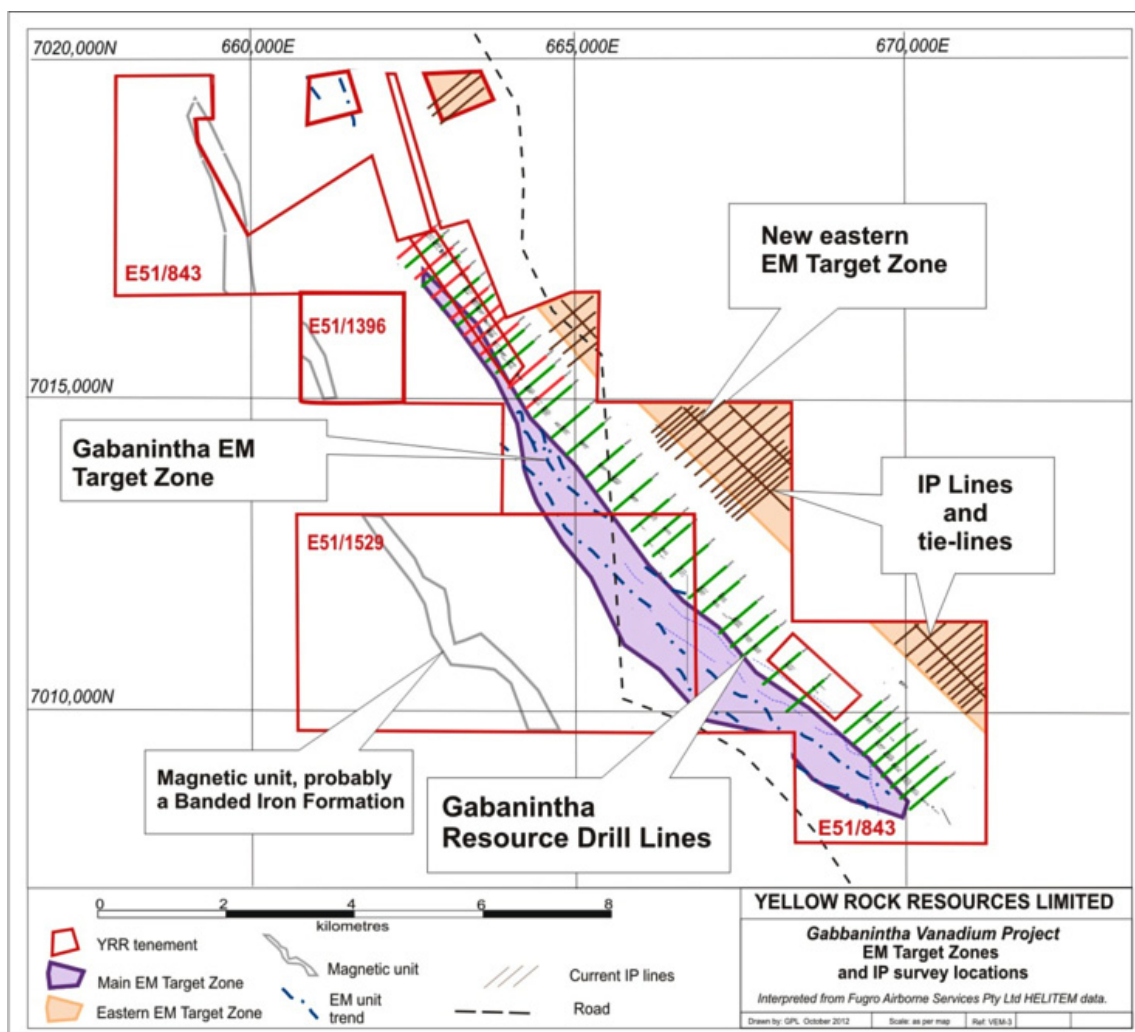


Figure 1 - Plan showing new eastern EM target zone and IP survey locations.



Yellow Rock Resources Limited ABN 90 116 221 740

Address 420 Newcastle Street | West Perth | WA | 6005

Mailing Address PO Box 332 | Leederville | WA | 6903

web www.yellowrock.com.au

p (08) 9227 6300 **f** (08) 9227 6400 **e** yrinfo@yellowrock.com.au

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L. Ingraham', followed by a period.

Leslie Ingraham

Executive Director

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 mineralization and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Davis consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears".