MCN 668

McKeddies Prospect

Pine Creek, Northern Territory

ANNUAL REPORT

McKeddies Topographic Map

January 2008 to December 2008

by

B. Davis B.Sc, Dip.Ed

GEOLOGICA PTY LTD

on behalf of

Yellow Rock Resources Limited.

PO Box 1093 Nedlands, W A 6909

Distribution: NTGS
YRR
January 20th 2009

Introduction

Mining Claim MCN 668 was acquired by Whitvista Pty Ltd in 2006. The original grant date was 17th November 1983. The Mining Claim consists of 20 hectares. The claims was due for expiry on 31st December 2007, but has been renewed for retention (as applied for on 14th September 2007).

Apogei Pty Ltd held this claim in recent years and now Yellow Rock Resources Limited holds 20% of Apogei Pty Ltd at the time of writing this report. Yellow Rock Resources limited is the operating partner of the licence.

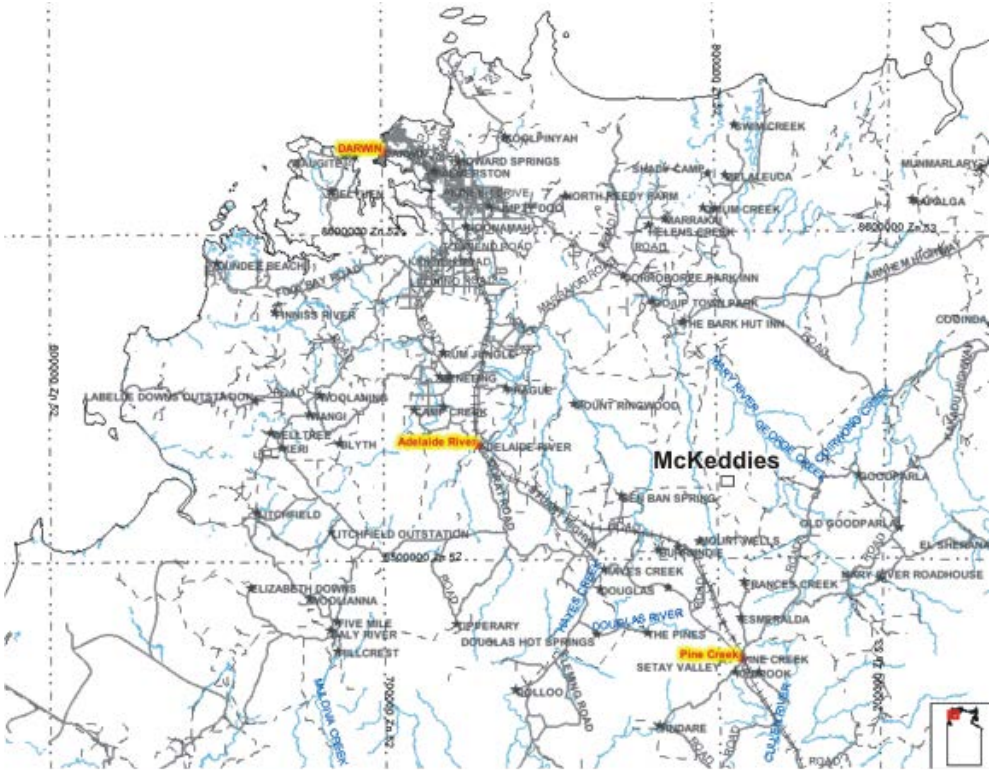
Acknowledgements

The author on behalf of YRR acknowledges the cooperation and generosity of the Northern Territory Department of Mines and Geological Survey in providing published materials and open file company reports. Their help to use the database is much appreciated.

Location and Access

McKeddies Prospect is situated about 160 kilometres southeast of Darwin, NT. Access to the area is through the main road (Stuart Highway) to Pine Creek and thereafter 46 kilometres northwards on minor roads and tracks via Esmeralda and Frances Creek. Field work undertaken during the anniversary year was conducted on a fly-camp basis and no local accommodation or community facilities were used.

There are no Registered or Recorded Aboriginal Sacred Sites on the claims (AAPA letter of 15th October 2007).



McKeddies Location Map

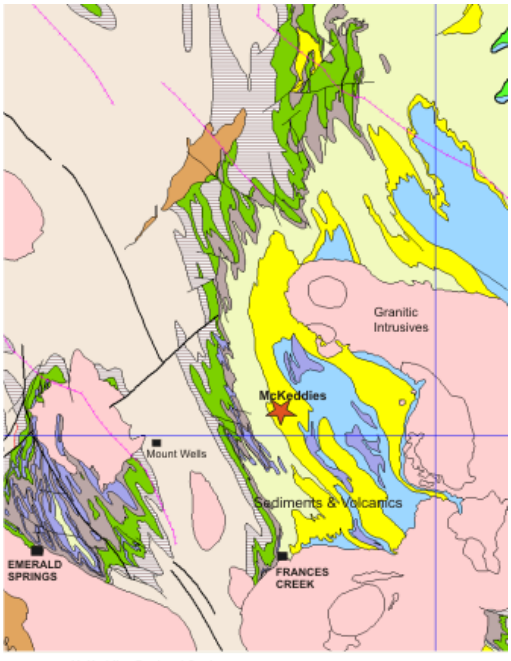
Topography

The topography is generally flat or slightly sloping towards the south. A broad ridge occurs through the centre of the area and extends northwards. This forms outcrops of the Pine Creek Geosyncline rocks and contains quartz vein ridges. The topographic map shows the broad features of the two geographical units, namely the flood plains to the east (Maude Creek drainage) and the better drained, dissected pedeplain platform to the west. Elevations are generally between 80 and 100m ASL

McKeddies Topographic Map

Regional Geology

The McKeddies leases are underlain by the metamorphosed Palaeo-Proterozoic Pine Creek Geosyncline (pre-1800 Ma). This provides several complex structures and suitable host sites for gold and base metal mineralization. The area lies on the southern end of a large inlier of Proterozoic rocks surrounded by Quaternary alluvium and Recent soils. It is believed that the rock succession at McKeddies is part of the Lower Proterozoic Masson Formation and this is unconformably overlain to the east and west of the tenements by the Mt Partridge Group arenaceous sediments

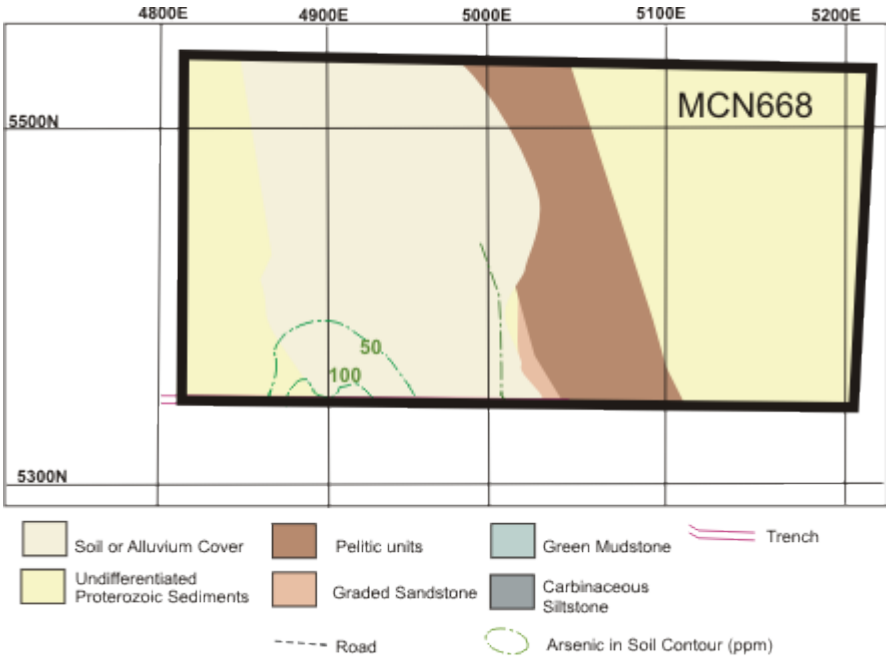


McKeddies Regional Geology

Tenement Geology

The Palaeo-Proterozoic sequence of the Pine Creek Geosyncline is represented by the following sequence seen in the trenches at McKeddies (youngest at top):

- Soil and alluvial cover (usually thin)
- Laterite and clay
- Dolerite dykes and sills (probably of Oenpelli age)
- Green Mudstone or Tuff (pelitic units, mainly massive and poorly stratified)
- Carbonaceous Siltstone, large grey bands or intercalated light and dark beds
- Graded Sandstone or quartzite



McKeddies Geology Plan MCN668

Exploration History

Gold exploration in the Pine Creek Goldfields led to the discovery of alluvial gold at McKeddies Prospect in 1900. Over the next five years a large quantity of gold was extracted from pits, trenches and flats by sluicing, jig tables and dry-blowing. This produced mainly coarse nugget gold or high grade open pit ore. The work was mainly completed by various private prospectors.

Three costeans were cut by Mineral Resources Corporation Pty Ltd (MRC) and in partnership with Union Oil Development Company (UODC) the trenches and surrounding area was geologically mapped, logged and sampled in 1986. UODC identified an auriferous quartz vein stockwork containing 8g/t Au over a 15 metre zone in siltstone and interest in the area increased. Although no official resource was estimated the tonnage of mineralised material was said to be in excess of 625,000 tonnes.

Lack of permanent water, lack of public company interest, a low gold price and isolation from the main gold mining centres deterred further exploration at McKeddies until the 1990's. By 1993 surface mapping and sampling by MRC provided several additional good gold assays. This led to the building of dams and a reservoir on site in preparation for a drilling program. However, the planned drilling did not eventuate due to a downturn in the gold price

Recent Fieldwork revealed the following:

- 7 trenches dug in the alluvial gold area highlighted extensive alteration and weak gold anomalies.
- Values from 0.3 g/t Au in alteration to 8.15 g/t Au in quartz veins
- Strong arsenic anomalies exceeding 10 ppm and up to 100 ppm
- Anticline structure of repeated sedimentary units

Exploration Work undertaken

Exploration work conducted on the McKeddies Prospect during the period ending 31st December 2008 included:

- GPX Airborne Services geophysical survey. 80 kilometres of flight path over the tenement at 100m flight line spacing. Survey included radiometric and magnetic readings.
- Review of historic tenement mapping data
- Review of NTGS regional geology maps covering the area
- Review of NTGS and public geophysics images for the area

Exploration Team and Methods

The exploration team during the field season comprised the following:

1 Project Consultant (Perth): B. Davis
2 Tenement/Liaison Officer (Perth): G. Crotty
3 Supervisor (Darwin): S. Wigg
4 Database clerk/administrator (Darwin): L. Stott
5 Field Crew (Darwin): S. McGregor, N. Watts, K. Mogensen

The work practises were in keeping with environmental and safety standards expected of modern exploration crews e.g.

- Work was conducted out of Darwin
- Communication was made possible to the Darwin base via satellite telephone
- Transport was hired for each field campaign
- All vehicle movements were on existing tracks or roads
- Any access to pastoral station lands was completed with their permission
- All gates and fences were respected and left unchanged
- Care was taken to observe the restrictions on the use of fire
- No waterways were traversed, damaged or utilised for any purpose
- Field crews camped out on site during each sampling or survey session
- All food, fuel, provisions and equipment items were transported to and from site, without leaving anything behind
- All unwanted bags, samples, rubbish or debris was removed from site and disposed later in Darwin
- No land clearances were made
- No areas of vegetation were destroyed
- Grid positions, where possible used fencelines or tracks, and GPS positions only recorded, thus obviating the need to leave grid pegs

No field work was conducted apart from an airborne Magnetic and Radiometric Survey. This was completed by GPX Airborne Pty Ltd

Expenditure

The following is a summary of exploration expenditure on the McKeddies Project for the reporting period January 1 2008 to December 31 2008:

Cost Centre	Activity	Expenditure
Office Studies	Data processing, research, reports, administration	**$1,363**
Airborne Exploration	GPX Airborne Survey	**$1,786**
Remote Sensing	NIL	
Ground Surveys	NIL	
Ground Geophysics	NIL	
Geochemical Surveys	NIL	
Drilling	NIL	
Other Operations	NIL	
Access & Rehabilitation	NIL	
TOTAL	TOTAL	**$3,149**

The scheduled minimum expenditure requirement for the claim is $5,000 per year. YRR has not met this requirement. See Appendix 2.

Conclusions to date

Exploration activities completed to date indicate that the scintillometer measurements carried out on the McKeddies tenements have

- confirmed the presence of weak uranium anomalies at 1.2-1.6 times background levels
- confirmed that follow-up rock chip sampling is necessary for both gold and uranium
- not yet established the cause of the low-tenor uranium radiation count anomalies

Further Work

YRR is planning further substrate testing of the area with a drilling program to evaluate the bedrock geology and geochemistry for potential gold and uranium mineralisation.

DECLARATION

This is a true and independent record of the reviewed and verified geological data and, as such represents the exploration status of the McKeddies Project at the time of writing (January 20th 2009). Any interpretations of the data are opinions of the writer and should not be construed as representing a legal opinion or the opinion of Yellow Rock Resources Ltd or any of its directors or employees.
It is common practice to comment on and discuss exploration in terms of target size and type. The above information relating to Exploration Targets at McKeddies Project should not be misunderstood or misconstrued as representing an estimate of Mineral Resources or Ore 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.

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.

Brian 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. and is also a director of Mulgara Minerals Ltd and Radon Resources Ltd.
Brian 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'.

Brian 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".

Brian Davis BSc, DipEd, RPGeo, MAusIMM, GAA
Principal Consultant
GEOLOGICA PTY LTD

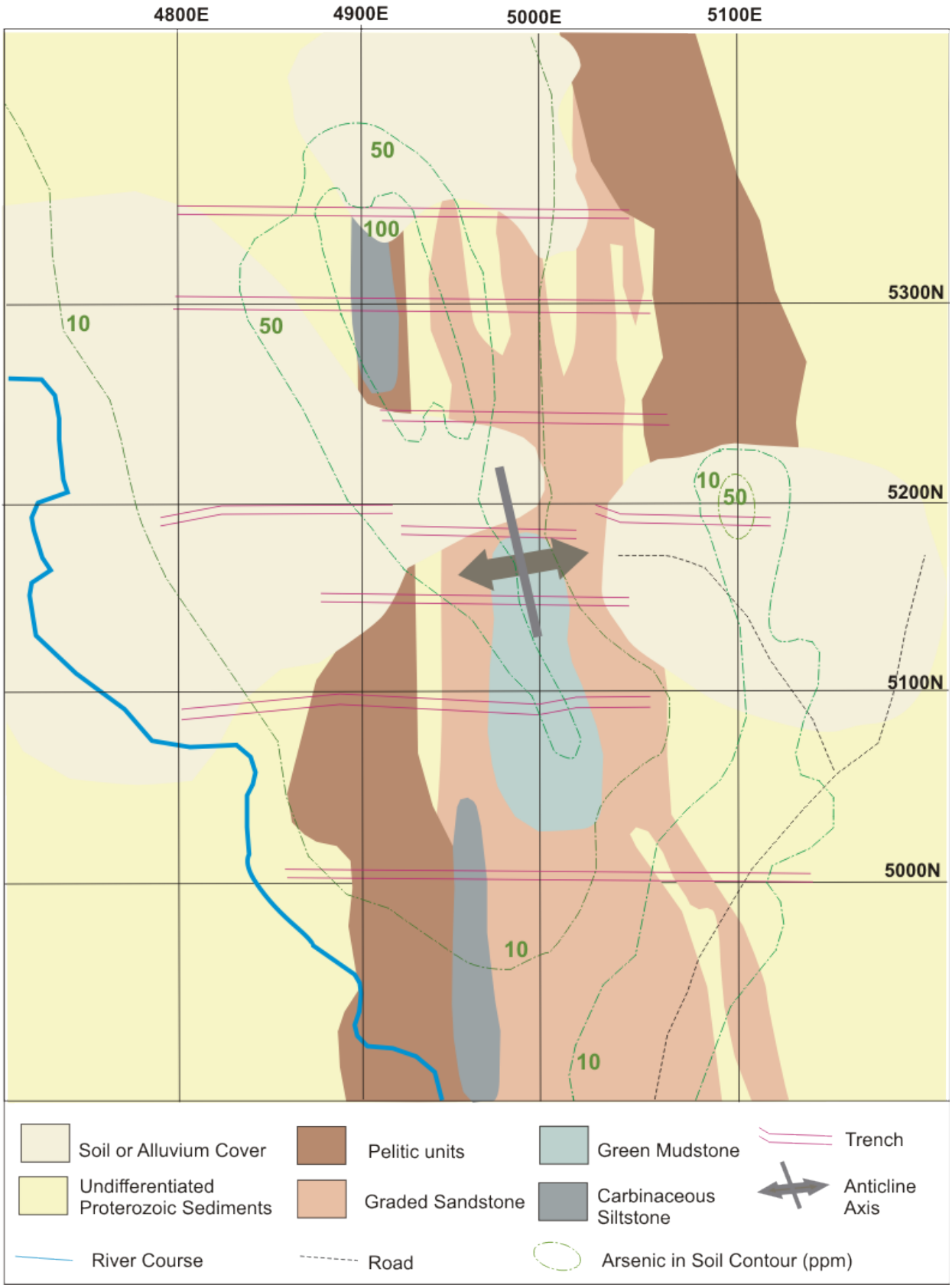
January 20th 2009

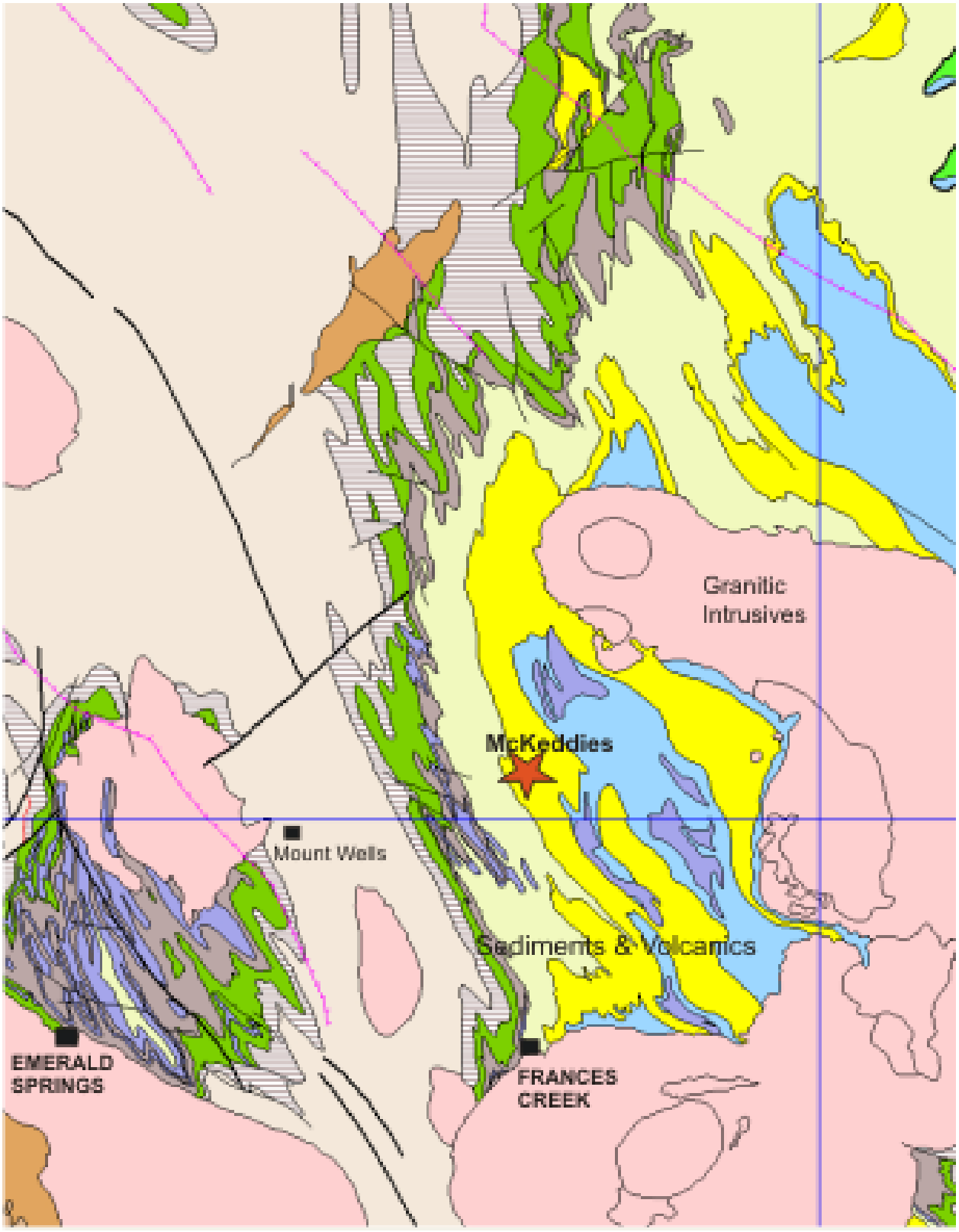
Unpublished References

Goldner PT	Preliminary Evaluation of the McKeddies Prospect on behalf of UODC. Peter Goldner & Associates. September 1986
Kable Resources Ltd	Draft Prospectus. 1987

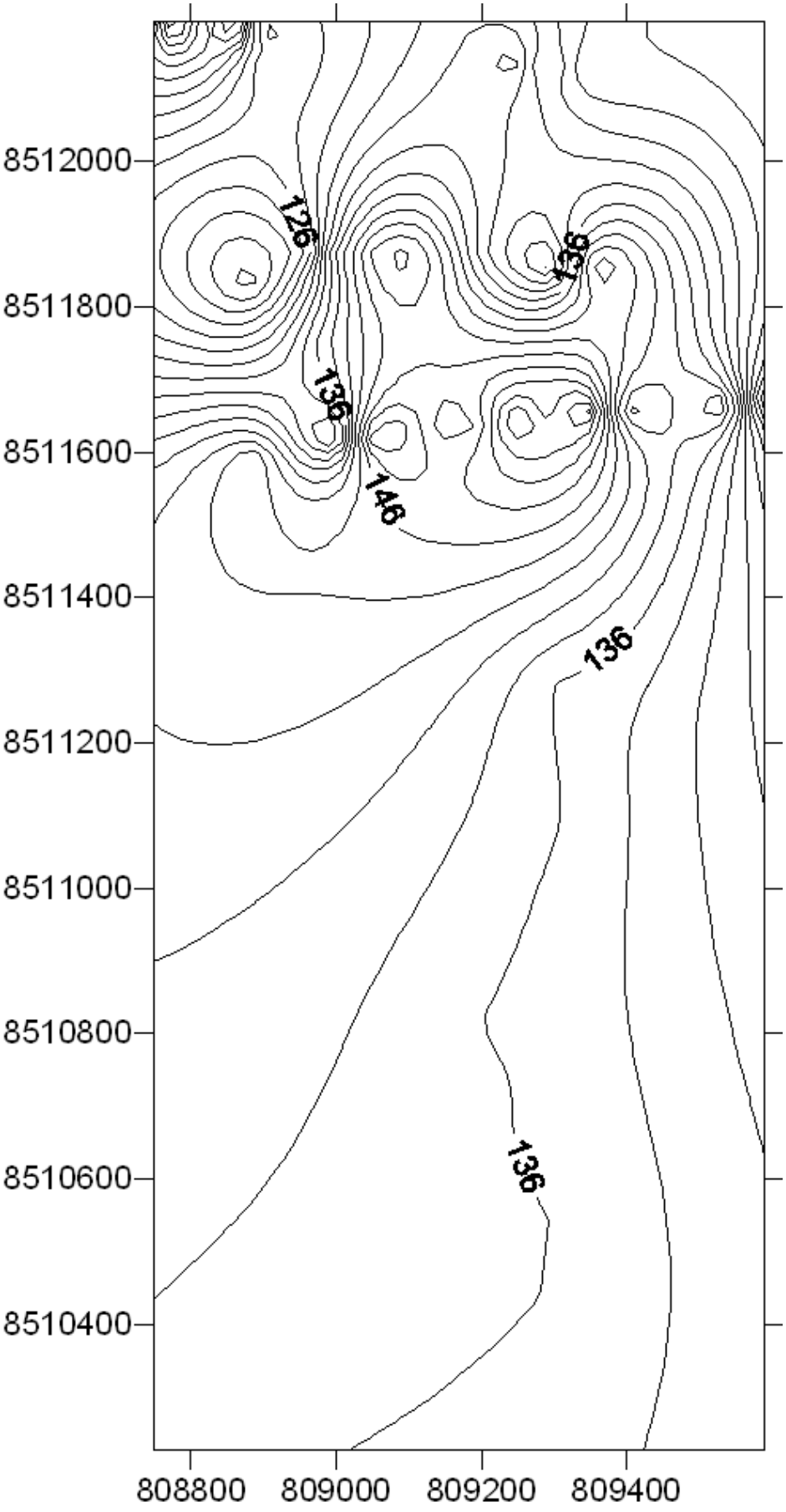
APPENDIX 1
Geology

McKeddies Geology Map of Costean area (Local Grid) Source: Goldner & Assoc.





McKeddies Regional Geology



McKeddies Elevation Contours (mASL)