



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** info@yrr.com.au

ACTIVITIES REPORT FOR THE QUARTERLY PERIOD ENDED ON 31 March 2012

KEY HIGHLIGHTS FOR THE QUARTER

- **Settlement with Tower Group recovers royalty on the Gabanintha Vanadium Project.**
- **Directors commence a Strategic Review of Vanadium Project.**
- **Geochem Results provide 14 Drill Targets for elements including Copper & Gold.**
- **Work continued on interpretation of Helitem Survey Results with aim of further delineation of Vanadium resource and identification of target for Copper and Gold.**
- **Directors investigate marketing opportunities for Vanadium Project.**

SETTLEMENT WITH TOWER GROUP (ANNOUNCED 21 MARCH 2012)

A Deed of Settlement of a dispute with Tower Group in which Padbury Mining Limited was named as first defendant and YRR was named as a second defendant was finalised on 21 March 2012. The settlement allows for the ownership of the Gabanintha and Nowthanna tenements to be fully transferred to YRR and the transfer to YRR of the royalty claimed by Tower group of 50c per tonne of Vanadium ore. The transfer of the rights to the Royalty will enable the rights to be merged back into the tenements. The settlement cleared the way for the Gabanintha Vanadium Project to be reviewed by the Board at a strategic level. The results from the HeliTEM survey expected shortly will assist with the planning and implementation of further field work and a comprehensive drilling program.

STRATEGIC REVIEW OF VANADIUM

During the quarter, the board completed a review of the markets for Vanadium and a comparison of projects and grades. This was announced to the market on 19 March 2012. The Board has continued to review the options for the Gabanintha Vanadium Project now that the settlement with the Tower Group has removed any potential uncertainty for the project.

The board completed a review of the Gabanintha Vanadium Project and a copy of the report can be found on the website of YRR – www.yellowrock.com.au/pdf/directors_reports-19_03_12.pdf



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** info@yrr.com.au

GABANINTHA SOIL GEOCHEMISTRY RESULTS (ANNOUNCED 30 APRIL 2012)

A comprehensive geochemical sampling programme has been completed.

This involved approximately 508 line kilometres of sampling at 100 metre line spacing to collect 5821 samples and 47 rock chip samples for multi-element analysis.

The field campaign included the tenements adjacent to the historical Gabanintha Gold Mine and nearby gold and copper occurrences.

- Systematic sampling approach produces strong indicators for copper and gold mineralisation.
- Copper and gold potential drill targets identified.
- Significantly anomalous gold with coincident copper soil results in the extension to the historic Gabanintha copper-gold deposit.
- High soil sample value of up to 2 g/t gold.
- High soil sample value of 0.56% copper.
- 14 Prospective targets identified for drilling of multi-element anomalies (copper + gold + lead, with arsenic, and copper+ lead + arsenic + zinc with silver) .
- 4 Further prospective targets identified for drilling of single commodity anomalies (gold; lead; silver).

YRR intends to continue the pursuit of concentrated exploration of the north eastern mafic-ultramafic contact and the other opportunities highlighted in the central and southern portions of the Company's tenements that were identified by the Survey. It will begin with a Mobile Metal Ion (MMI)¹ survey in areas of deeper transported covers in the southern half of the tenements. MMI is suited to geochemical exploration of environments similar to those found in the southern part of the Gabanintha tenements.

The interpretation of the HeliTEM survey continued with the results expected shortly to assist with the planning and implementation of further field work and a comprehensive drilling program.

Other gold occurrences, with their associated multi-element signals, are focused within basaltic and gabbroic rocks located in the northeast pressure shadow of the western granite bounding the project area: a geological setting reminiscent of many Midwest gold deposits.

*See 30th April announcement for further details.

¹ Mobile Metal Ion Geochemistry is a robust, highly sensitive geochemical exploration method whereby Mobile Metal Ions, released by weathering ore bodies, are adsorbed onto the surface of screened soil particles, are dissolved using patented chemical leaches and analysed at parts per billion (ppb) levels.

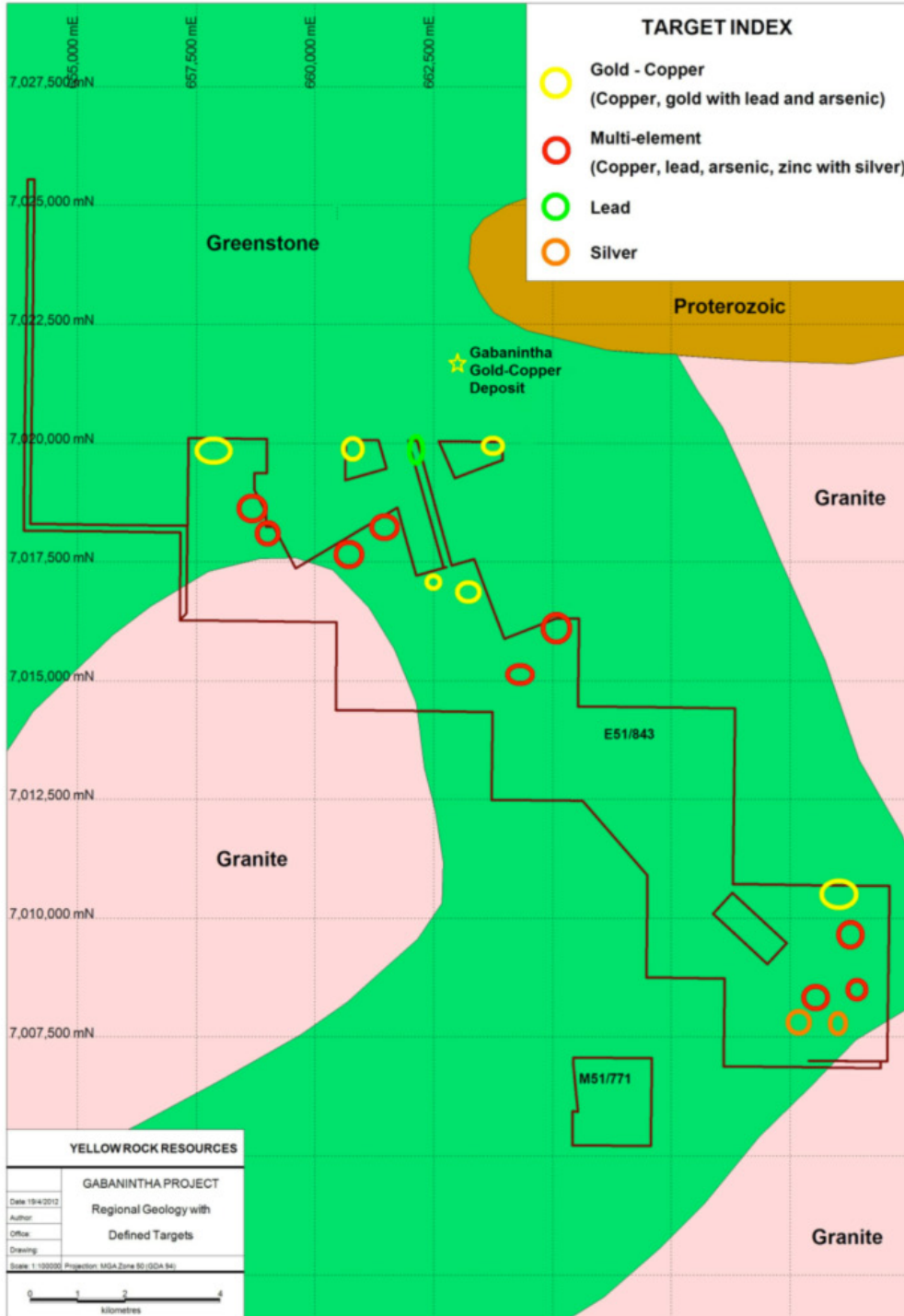


Figure 1 - Defined multi-element and point soil targets, Gabanintha Project

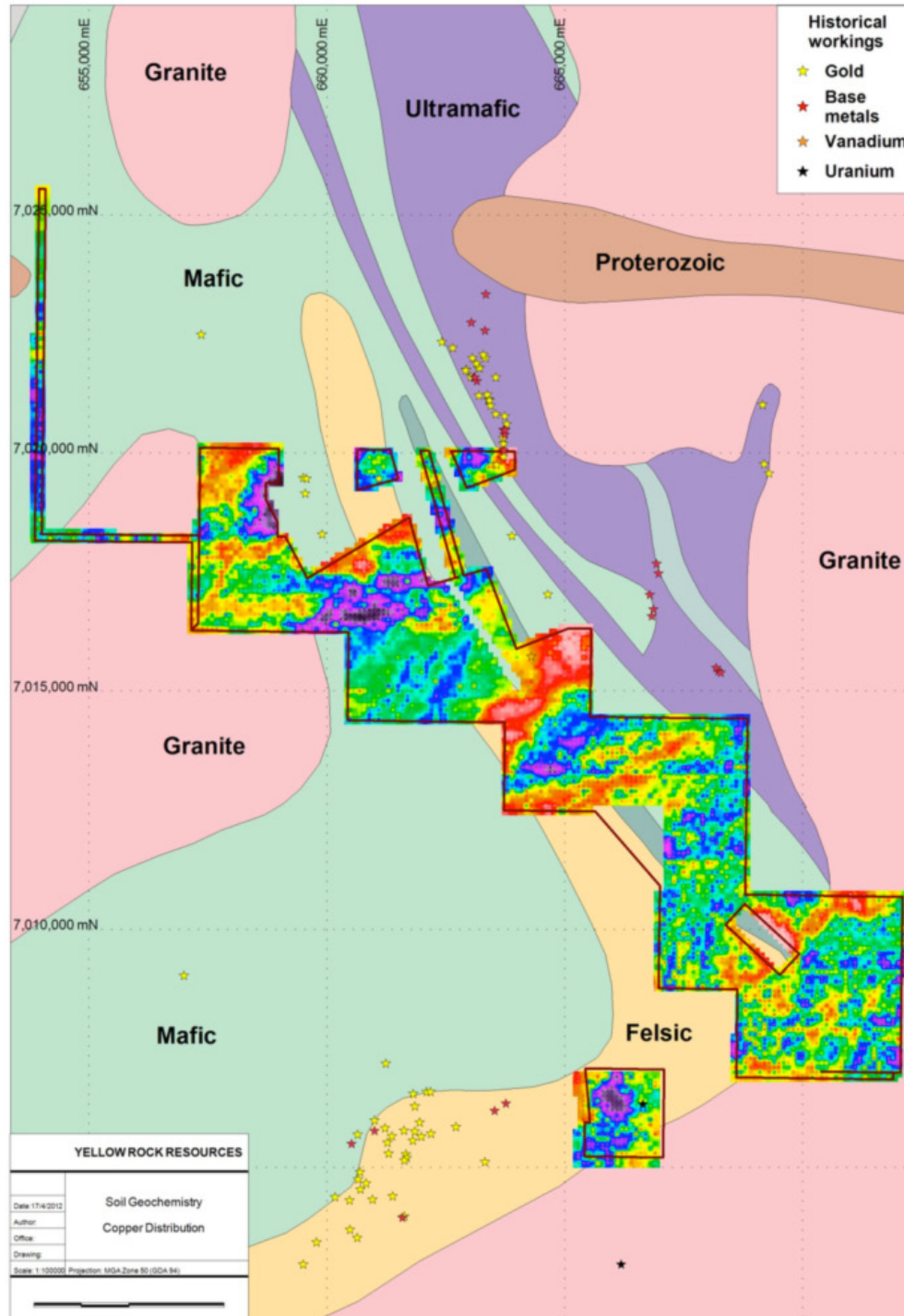


Figure 2 - Gabanintha Copper Geochemistry (red is high, black/purple is Low).



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** info@yrr.com.au

INTERPRETATION OF FUGRO AIRBORNE SURVEY

As a result of the helicopter-borne Time domain Electromagnetic and Magnetic Survey (HELITEM) on the Gabanintha and Nowthanna Hill Tenements YRR has engaged Fugro Airborne Services Pty Ltd (Fugro) geophysicists to model the electro-magnetic responses.

The HELITEM survey covered the entire area of the YRR Gabanintha and Nowthanna tenements and was completed by Fugro over 537 line kilometres with flight paths at 150 metres apart.

This technique is reputed to be capable of providing deeper profiles of the known and potential mineralised bodies and to allow better mapping of areas prospective for copper and gold.

Fugro has undertaken the Process of 2 and 3D modelling of the Ore body at Gabanintha and is developing a better understanding of the ore body. The 2 and 3D work will help the company's geological consultants establish a resources target statement that is anticipated to be significant higher than the current resource 125.8mt.

The Company expects finalisation of the interpretation results by Fugro Airborne Surveys Pty Ltd to be completed in the next quarter of 2012.

A handwritten signature in black ink, appearing to read 'Sydney Chesson', written over a horizontal line.

Sydney Chesson

Chairman

30 April 2012

Competent persons statement

Technical information in this report has been prepared under the supervision of Mr Jonathan King, a director of Weston Consultancy Group Pty Ltd, and a member of the Australian Institute of Geoscientists (AIG). Mr King has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking 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" (the JORC Code). Mr King consents to the inclusion in this report of the Information, in the form and context in which it appears.