

# QUARTERLY REPORT

## ACTIVITY REPORT FOR THE QUARTERLY PERIOD ENDED 31 MARCH 2015

### Key Highlights

- Drilling of a 5,400m RC and 900m diamond drilling program commenced at Gabanintha. The program objectives are;
  - to improve and increase the resources at the Gabanintha Vanadium Project including the generation of an updated Mineral Resource Estimate;
  - to increase geological definition of the resources including understanding of the oxide, transitional and fresh zones at Gabanintha;
  - to conduct a series of detailed metallurgical tests on sampling of mineralisation domains to allow definitive processing studies to commence.
- A heritage survey was successfully conducted at the Project during March after the signing of a Heritage Agreement with the Yamatji Marlpa Aboriginal Corporation representing the Yugunga Nya people over the main Gabanintha lease.
- A Mineralisation Report and Supporting Statement in application for a Mining Lease over the Gabanintha vanadium deposit was completed and submitted to the Mines Department.
- The field work component of the Stage 1 Baseline Environmental Survey was completed.
- The Company continued its detailed review and engagement with key players in the traditional vanadium steel markets and the rapidly emerging Vanadium Redox Battery (VRB) Market.

30.04.2015

### ASX ANNOUNCEMENT

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Gabanintha Gold, Copper  
Nowthanna Uranium  
Northern Territory Uranium



## Drilling Program Commences at Gabanintha

During the March Quarter Yellow Rock commenced drilling at the Gabanintha Vanadium Project in the Murchison District of Western Australia. The program of 5,400m of RC drilling and 900m of diamond drilling is designed to increase the level of geological and resource detail on a 2 kilometre section of the Gabanintha vanadium deposit (see Figure 1 below). The key objectives of the program are as follows;

- to improve and increase the Resources at the Gabanintha Vanadium Project including the generation of an updated Mineral Resource Estimate;
- to increase geological definition of the resources including understanding of the oxide, transitional and fresh zones at Gabanintha;
- to conduct a series of detailed metallurgical tests on sampling of mineralisation domains to allow definitive processing studies to commence.



Figure 1. McKay Drilling RC Rig at Gabanintha in March 2015

The zone to be drilled represents approximately 16% of the current resource strike length. The program will provide samples for metallurgical testing and allow open pit optimisation studies and ore characterisation to begin.

Assay results from the drilling campaign are expected in the June Quarter, which will then be used to conduct an updated resource estimate for the Project.

The Company is aiming to develop its vanadium resource to supply a high quality  $V_2O_5$  flake product to the steel market and the emerging Vanadium Redox Battery (VRB) market.

### Metallurgical testing

Initial metallurgical testing and plant studies work has been awarded to Battery Limits Pty Ltd. The proposed work will commence when suitable samples are obtained during the planned drilling program. Tests include crushing and grinding tests, analysis of recoveries from oxide, transition and fresh mineralised materials using gravity and magnetic separation techniques and confirmation of suitable process plant options. The metallurgical test program will provide key processing and recovery information which is essential to the development of an updated concept study and preliminary economic assessments.

### Heritage Agreement and Survey

Following the signing of a Heritage Agreement with the Yamatji Marlpa Aboriginal Corporation, representing the Yugunga Nya people, to cover the main Gabanintha lease, a heritage survey has been completed successfully at the Project site.

The Company wishes to thank the representatives of the Traditional Owner groups that attended the survey as well as Big Island Research Pty Ltd for its assistance in completing the survey.

### Mining Lease Application

Yellow Rock has completed the requirements for the application for a Mining Lease to cover the Gabanintha Vanadium Deposit (see Figure 2). The application is supported by a Mineralisation Report and Supporting Statement which substantiate the reasons for mine development. MHR Surveyors have completed the marking out the mining lease boundary to provide accurate location data to the Department of Mines & Petroleum. The supporting documents for the application have been lodged with the department. The commencement of the Mining Lease application is a significant step forward for the Company as it begins in earnest to advance the project towards a detailed feasibility study over the coming year.

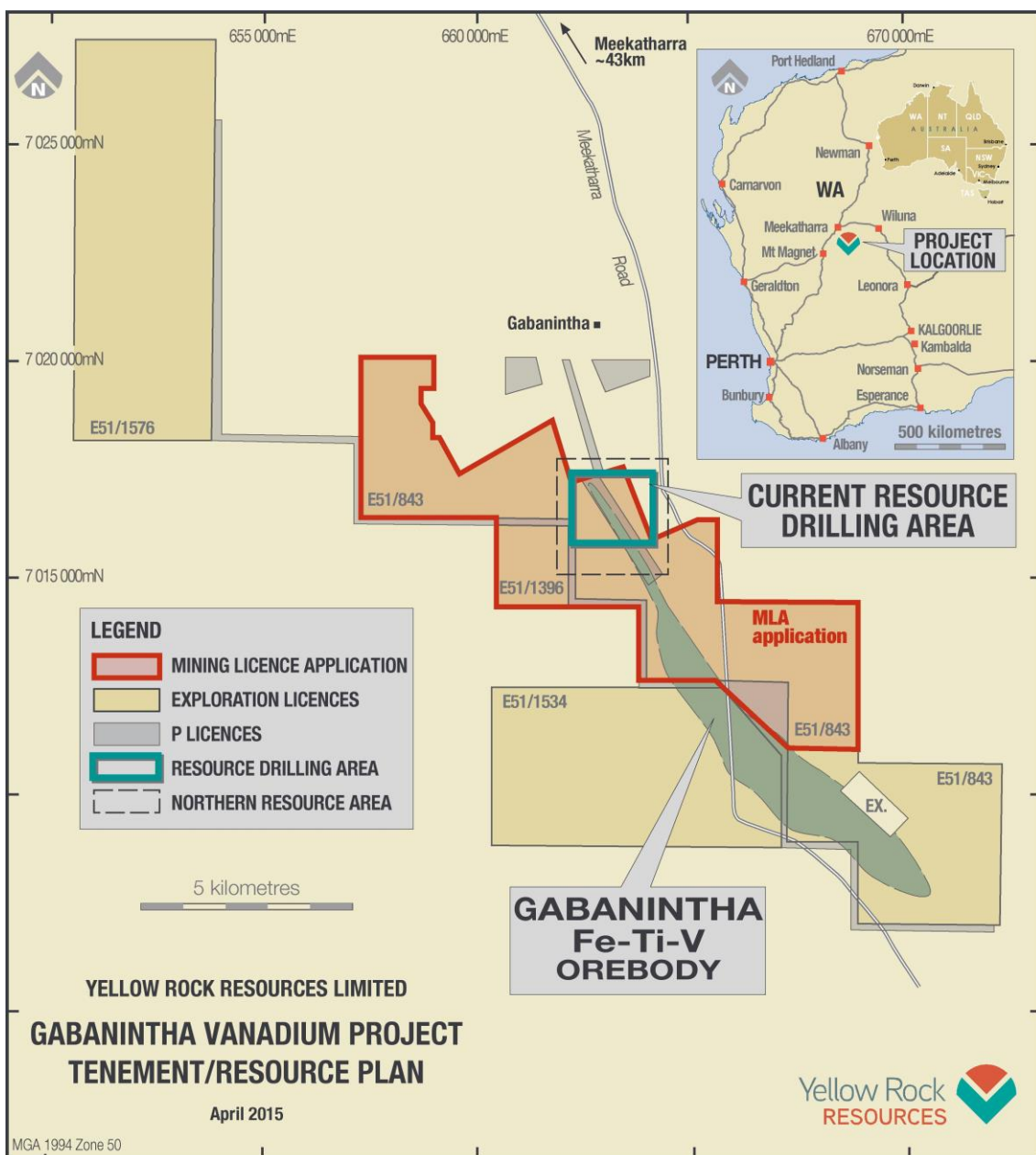


Figure 2: Location Diagram of the Gabanintha Vanadium Project showing the current drilling area and new Mining Licence Application.

## Environmental Survey

The Stage 1 Environment Survey and Desktop Study was completed by Biologic Environmental Pty Ltd, during December 2014. A zoologist and a botanist travelled to site and conducted the field work component of the study, recording fauna and flora sightings and establishing the nature of the ecological communities present on the leases. The results of this work along with the formal report based on all field and desktop research is expected to be completed and reported on by in the June Quarter 2015.

## Vanadium Market Developments

During the Quarter, Yellow Rock initiated a series of high level studies and is actively engaging with key players in the Vanadium Redox Battery market. Research by the Company indicates that rapid acceleration in the development of renewable energy projects on a global scale is being accompanied by rapidly growing interest in the emergence of grid storage technologies. One of the strongly emerging technologies is the Vanadium Redox Flow Battery or VRB. The uptake of VRB technology along with other grid storage technologies could have a significant effect on the Vanadium ( $V_2O_5$ ) market as the use of  $V_2O_5$  electrolyte is a large component (50% of current cost) of the battery units.

The unique characteristics of VRB's, specifically their scalability, long lifespan cycles and the use of one battery element, make them a strong candidate to earn up to 30% of the growing energy storage market, which is expected to grow from a current 0.4GW to 40GW in just the next 7 years.

Yellow Rock, as a potential Vanadium producer, recognises the importance of the Steel Markets, but is also actively seeking to link the use of its products to the rise of this globally significant use Vanadium Battery technology.

## Corporate

During the Quarter, CEO Vincent Algar commenced further active marketing activity of the company to support the active exploration and project feasibility activities. The following activities were undertaken as part of the marketing campaign;

- Company Logo changes
- Company Web site review
- Social Media site launch on Twitter, Facebook and LinkedIn platforms
- Web site launch function together with Platform Communications
- Retail investor broker presentations Perth
- Investors, brokers and Institutions presentations Sydney
- Proactive Investor Luncheon series Sydney and Melbourne

For further information, please contact:

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**Tenement Information as Required by Listing Rule 5.3.3 For the Quarter Ended 31 March 2015**

Project	Location	Tenements	Economic Interest	Notes	Change in Quarter %
Western Australia	Gabanintha	EL51/1534	100% Granted		0
		E51/1576	100% Granted		0
		EL51/843	100% Granted		0
		E51/1396	100% Granted		0
		P51/2634	100% Granted		0
		P51/2635	100% Granted		0
		P51/2636	100% Granted		0
		P51/2566	100% Granted		0
		P51/2567	100% Granted		0
		MLA51/978		100% On application	100
Western Australia	Nowthanna	MLA51/771		100% On application	0
<b>Northern Territory</b>					0
Arunta Region	Mt Denison	ELA25418		100% On application	
	Mt Nicker	ELA27503		100% On application	0
West Arnhem	Table Hill	ELA28158		100% On application	0
	Mann	ELA28159		100% On application	0

**Competent Person Reference**

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 and is a Non-Executive Director of Yellow Rock Resources Ltd. Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the 2012 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". The information that refers to Exploration Results and Mineral Resources in this announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since last reported.