

Deep Yellow Limited

ABN 97 006 391 948

EL 23636 YAM CREEK

FINAL REPORT

26 May 2003 – 25 May 2009

Holder:	Deep Yellow Ltd
Operator:	Deep Yellow Ltd
Author:	H L Bridgwater
Email:	admin@deepyellow.com.au
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Target Commodity:	Uranium
Datum/Zone:	GDA94/Zone 53
250,000 Map sheet	Huckitta

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Figure 1: Location of Yam Creek in relation to Molyhil Mine

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Plate 1 Interpreted Geology, courtesy of Tanami Exploration N.L.

Appendix

Appendix 1 Assay Results

1. SUMMARY

Exploration Licence 23636 was acquired from Tanami Exploration NL (TENL) under the terms of a Heads of Agreement between Deep Yellow Limited (DYL) and TENL. Exploration Licence 23636 was transferred to DYL effective 2 August 2007

The Yam Creek tenement is located approximately 210km north east of Alice Springs in the Northern Arunta block of the North Australian Craton. The tenement was acquired to explore for uranium mineralisation; to test the Delny-Mt Sainthill Shear Zone to the west of the Molyhil minesite.

The tenement was acquired with a neighbouring tenement EL23637, together forming the Huckitta project. Exploration on the tenements had been delayed pending the issue of an Aboriginal Areas Protection Authority Certificate in respect of EL23637. When issued, in August 2008, the Authority Certificate indicated a Restricted Works Area over approximately half of the tenement area reducing the prospectivity of the project area.

Given the financial climate in the second half of 2008, a decision was made to focus manpower on more prospective tenure within the Northern Territory. Exploration Licences 23636 and 23637 were due to expire in 2009 and a decision was made to not seek renewal of either licence.

2. INTRODUCTION

2.1. Tenure

Exploration Licence 23636 was granted to TENL over an area of 30 blocks effective 26 May 2003. DYL acquired from the tenement from TENL under the terms of a Heads of Agreement dated 28 June 2005. Exploration Licence 23636 was transferred to DYL effective 2 August 2007.

2.2. Location and Access

The Yam Creek tenement is located approximately 210 km north east of Alice Springs in the Northern Arunta block of the North Australian Craton. The tenement is located 6km west of Molyhil Mine (Figure 1).

Access to the Yam Creek tenement from Alice Springs is via the Stuart Highway then east onto the Plenty Highway. A network of station tracks provides access within the tenement.

3. GEOLOGY

3.1. Regional Geology

The tenement is located with the Northern Arunta block of the North Australian Craton. The interpretive geology for the Huckitta project tenements is shown on Plate 1, which is based on a regional interpretation compiled for TENL by Dr Ding Puquan in April-May 2001 (Ding, 2001). This area was re-interpreted by Deng in 2002 and again by Luc English in 2006.

3.2. Tenement Geology

A major east-west orientated retrograde shear zone transects EL 23636, separating granites to the north from Irindina Metamorphics to the south. TENL's interpretive Tanami-Arunta mapping (Plate 1) shows an additional major ESE structure to the south of the Delny-Mt Sainthill retrograde shear zone.

The Yam Prospect is a small scheelite occurrence 4.3kms north of Yam Creek Bore. The occurrence is composed of a small knoll, capped by a skarn and a group of small skarn outcrops striking south-east for 150m. The skarn is contained within a sequence composed of coarse grained, light coloured quartzofeldspathic gneiss interbedded with quartz, biotite sericite schist.

4. PREVIOUS EXPLORATION

4.1 Geopeko

Geopeko completed mapping, airborne magnetics and radiometrics and some percussion and air-track drilling on three prospects, namely Yam Prospect; Scorpion 39 and Scorpion 61; looking for Molyhill-style Cu-W targets.

Geopeko (1983) drilled thirty-eight 3 metre depth holes across the western and southern sides of the Yam Prospect (10x20m grid). From the geological evidence, of the relatively small volume of scheelite-bearing skarn, the prospect was not thought to have economic potential.

At Scorpion-39, air-track drilling located only hornblende-magnetite diorite.

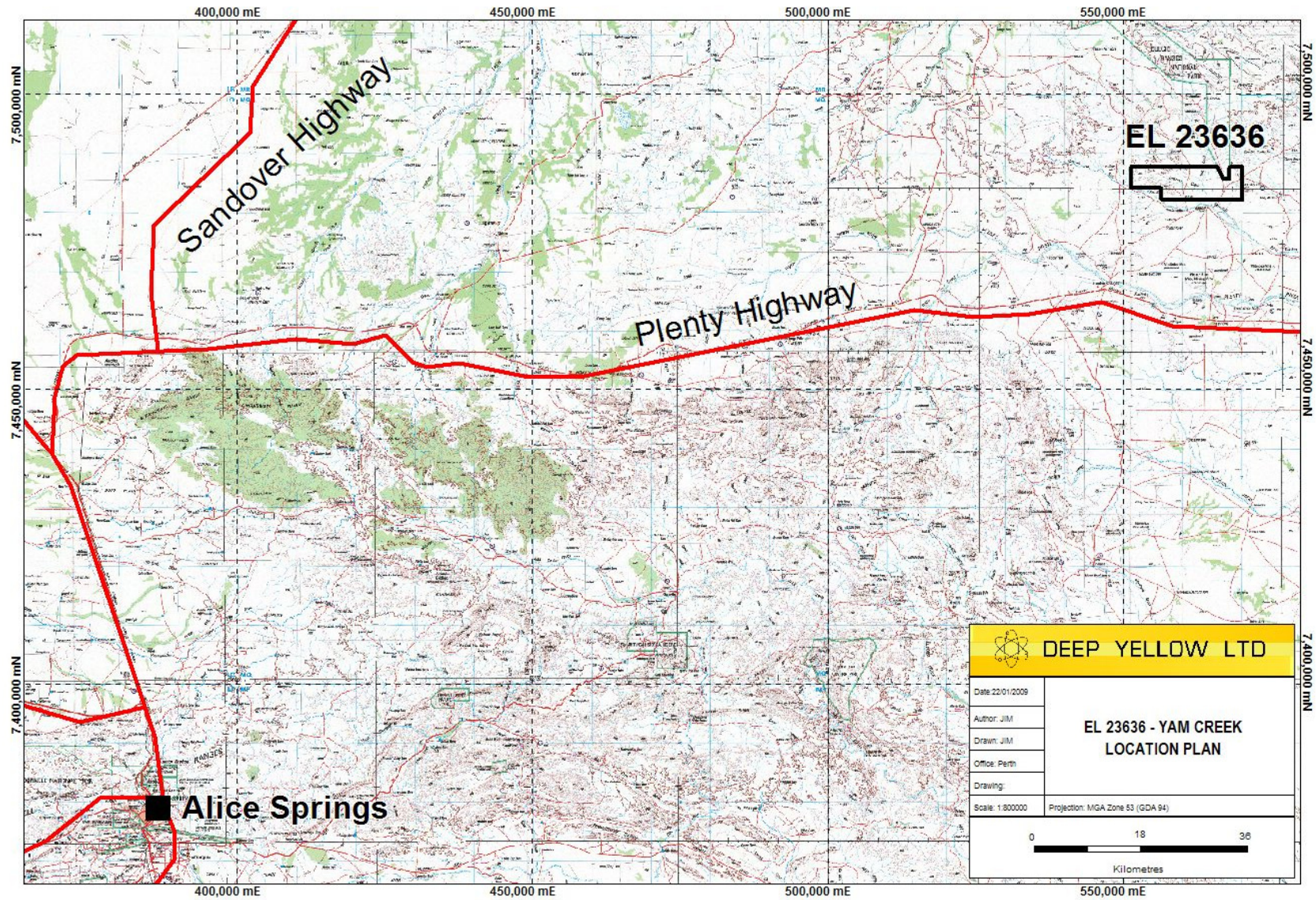


Figure 1. Location of Yam Creek in relation to Molyhil Mine.

5. EXPLORATION COMPLETED

TENL acquired the tenement to explore for prospective epigenetic gold-copper mineralisation within the Delny-Mt Sainthill retrograde shear zone. In 2003, exploration of EL23636 by TENL consisted of a magnetic assessment and reconnaissance including rock chip sampling. Results of seven rock chip samples returned a maximum of **717ppb Au** (HKK004) from a rock chip sample of gossan from the Delny-Mt Sainthill retrograde shear zone.

The area was further assessed by TENL in early 2007 and a small geochemical program carried out in March 2007. A total of 29 lag samples and 6 rock chip samples were taken on EL23636. No significant results were returned. A maximum result of 17 ppb Au was received from a ferruginous fault zone attributed to be part of the Delny-Mount Sainthill Shearzone.

Exploration by DYL was limited to a brief reconnaissance visit by the geologists to assess possible access routes.

Exploration by DYL on the tenement was initially delayed pending the issue of an Aboriginal Areas Protection Authority Certificate in respect of the adjacent tenement, EL23637. When issued, in August 2008, the Authority Certificate indicated a Restricted Works Area over approximately half of the tenement area reducing the prospectivity of the project area.

Given the financial climate in the second half of 2008, a decision was made to focus manpower on more prospective tenure within the Northern Territory. Exploration Licences 23636 and 23637 were due to expire in 2009 and a decision was made to not seek renewal of either Licence.

6. REHABILITATION

No ground disturbing activities have been undertaken within EL23636 and hence no rehabilitation is required.

7. BIBLIOGRAPHY

Deep Yellow Limited, 2008. EL 23636 (Yam Creek) – Internal Summary

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