

Deep Yellow Limited

ABN 97 006 391 948

PARTIAL RELINQUISHMENT REPORT

Exploration Licences 9807 & 9809

MT LIEBIG PROJECT

14 October 2004 – 13 October 2009

Holder/Operator:	Deep Yellow Limited
Author:	H L Bridgwater
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Contact:	admin@deepyellow.com.au

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1.0 SUMMARY

Exploration Licences 9807 and 9809 form the Mt Liebig project. The tenements lie within the Arunta Province and are situated approximately 250 km west northwest of Alice Springs. EL9807 and EL9809 were granted on 14 October 2004 to Tanami Exploration NL. Deep Yellow Ltd (DYL) acquired the tenements in December 2006. This report describes exploration carried on the relinquished portions of the tenements from grant to the end of the fifth year of term, 13 October 2009. Those activities were limited to flying and interpretation of an aeromagnetic survey and reporting pending approval from the Central Land Council to access the tenements to conduct a drilling programme.

The uranium targets for the project area are shallow, calcrete hosted and or roll-front uranium mineralisation. The Mt Liebig Project is a greenfields area, with no outcrops and no previous recorded exploration.

At the end of the fifth year of term EL9807 and EL9809 were reduced from 254 to 127 blocks and 228 to 114 blocks respectively, pursuant to the requirements of the Mining Act.

2.0 INTRODUCTION

EL9807 and EL9809 are located approximately 250 kilometres west northwest of Alice Springs in the Great Sandy Desert region of the Arunta Province and are covered by the 1:250 000 Mt Liebig SF52-16 Map Sheet (Figure 1). The basement rocks underlying the Mt Liebig Project are completely veneered by aeolian sand cover.

Access from Alice Springs is via the Tanami Road and Papunya access road, or alternatively by Larapinta/Namatjira Drive via Glen Helen.

3.0 TENURE

Exploration Licences 9807 and 9809 were granted to Tanami Exploration NL (TENL) on 14 October 2004. DYL acquired the tenements under the terms of an agreement with TENL dated 28 June 2005 and transfers were registered with effect from 5 December 2006. Tenement details are shown below.

Table 1: Tenement Details

Tenement	Tenement No	Granted Blocks	Relinquished Blocks	Grant Date	Expiry Date
TiTree	EL 9807	254	127	14-Oct-04	13-Oct-10
Papunya	EL9809	228	114	14-Oct-04	13-Oct-10

The tenements lie within Haasts Bluff Aboriginal Land and were granted pursuant to the Mt Liebig Deed for Exploration between the Central Land Council (CLC) and TENL. Uranium exploration is not covered in the Mt Liebig Deed and a meeting was held with the Traditional Owners in November 2007 to discuss DYL's proposal for uranium exploration.

Following a positive response from the Traditional Owners, the CLC commenced drafting a Deed of Assignment in respect of ELs 9807 and 9809. Recent advice regarding the Deed and our Site Clearance Survey for the proposed drilling programme indicated that further meetings were required.

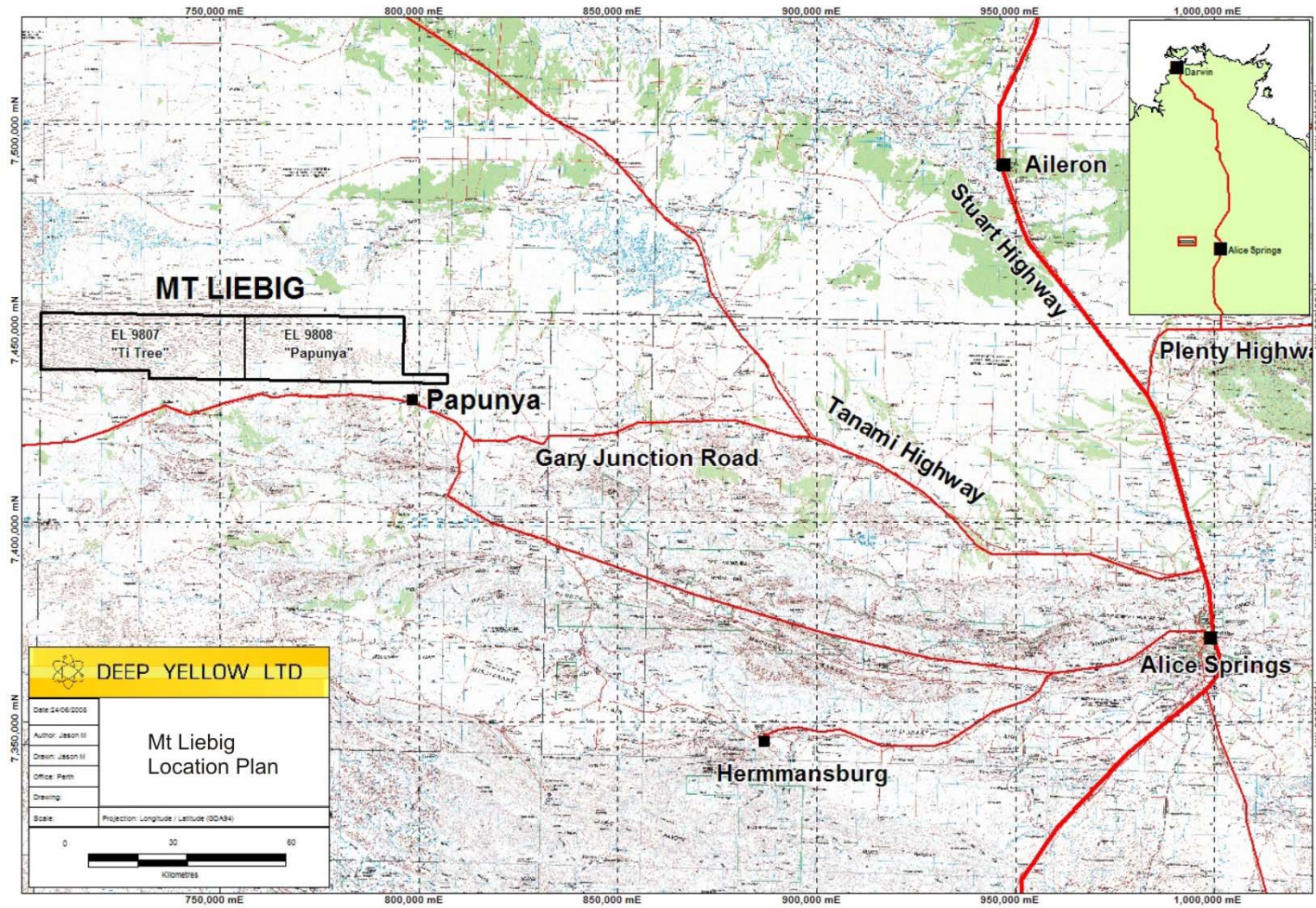


Figure 1. Project Location

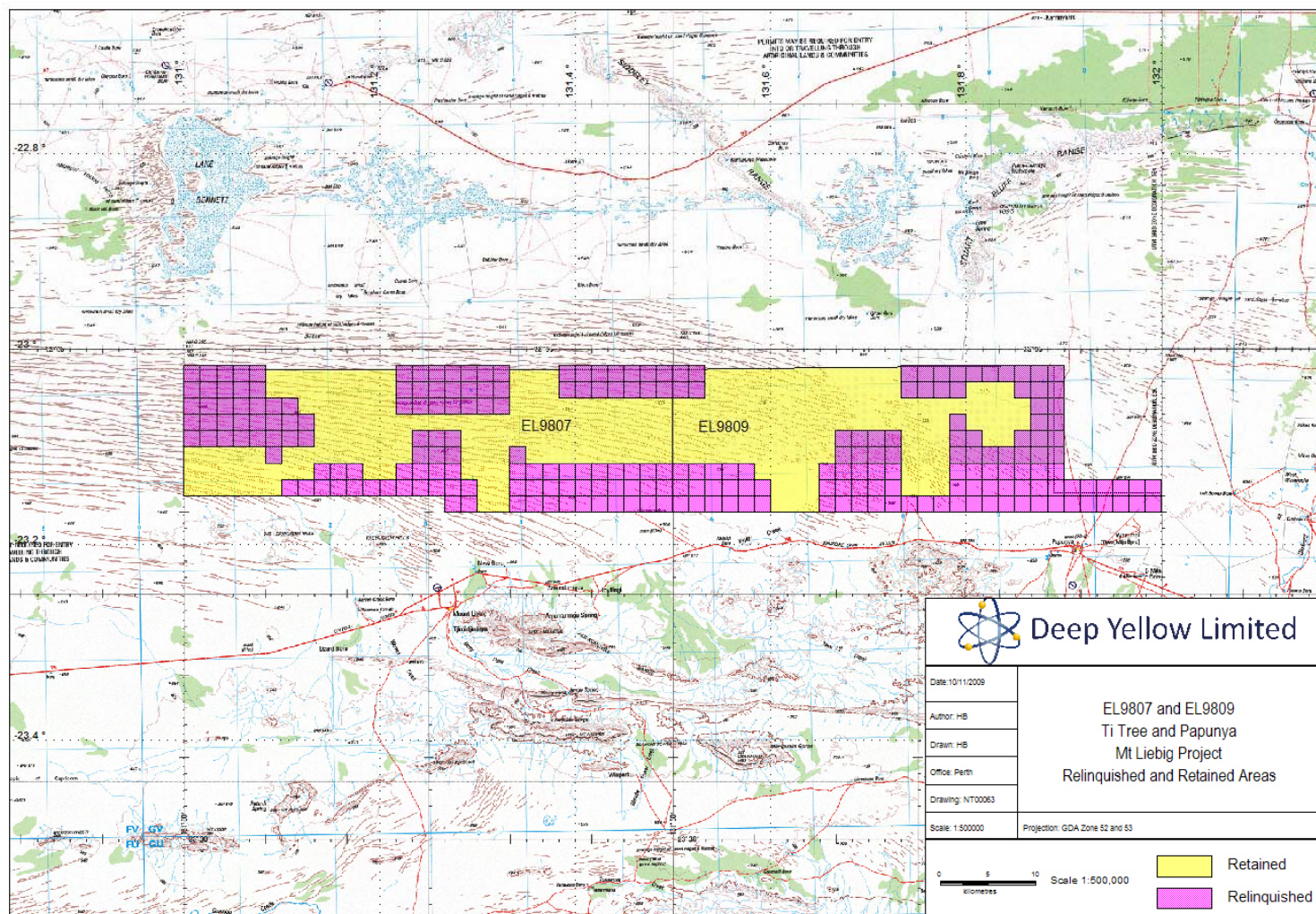


Figure 2. Relinquished and Retained Areas

4.0 GEOLOGY

The project area overlies the Arunta Province, a mid Proterozoic metamorphosed sedimentary, volcanic and granitoid terrane, intruded by mafic complexes. Regional mapping by the NTGS subdivides the Warumpi Province into the southerly Haast Bluff Domain and the northerly Yaya Domain. Along its northern margin the Warumpi Province (Yaya Domain) lies in faulted contact with the Aileron Province. The terrane boundary is a thrust-contact which has been named the Central Australian Suture.

The above terrane boundary and another east-west structure, the Desert Bore Shear, lie within, or partly within, the AEM survey area. Metamorphic grade is unknown. The complete lack of outcrop means that existing NTGS geological mapping is necessarily based, largely or completely, on extrapolation and magnetic interpretation.

5.0 EXPLORATION ON RELINQUISHED AREAS

No on-ground work was conducted by TENL on the relinquished area during the first two years of term.

Work conducted by DYL was limited to the flying and interpretation of an aeromagnetic survey and reporting. No on-ground work has been conducted on the relinquished portions of the Mt Liebig project tenements.