

Deep Yellow Limited

ABN 97 006 391 948

COMBINED ANNUAL REPORT

Exploration Licences 25698, 25701, 25702 & 25941

12 March 2009 – 11 March 2010

Holder/Operator: Deep Yellow Limited
Tenement Manager: N/A
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Commodity: Uranium
Report Date: April 2010
Datum/Zone: GDA94/Zone 52
250,000 Mapsheet: Mount Theo SF5208, Mount Doreen SF5212
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Distribution:

- DoR
- Native Title Unit - Central Land Council

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1.0 SUMMARY

The Mt Doreen Project lies within the Eastern Tanami region and is situated approximately 320 km northwest of Alice Springs. Exploration Licences 25698, 25701, 25702 and 25941 were granted to DYL during 2007. The commodity sought is uranium and the exploration programme seeks to identify near-surface calcrete or sandstone hosted uranium mineralisation, with secondary targets comprising tabular lignite or rollfront mineralisation within deeper basinal sediments. Work during the reporting period was limited to assessment of the aircore drill programme conducted during the previous year and rehabilitation of the drill sites.

2.0 INTRODUCTION

Exploration Licences 25698, 25701, 25702 and 25941 form the Mt Doreen Project. The Mt Doreen Project is located approximately 320 kilometres northwest of Alice Springs (Figure 1). The project area is situated on the Mount Theo (SF52-08) and Mount Doreen (SF52-12) 1:250 000 map sheets. Access from Alice Springs is via the Tanami Highway, and a network of station tracks and fence lines provide good access within the tenements.

The Mount Doreen region is an area of moderate relief comprising extensive ranges of quartzite belonging to basal units of the Ngalia Basin, high rounded granite hills rising up to 250 metres above the surrounding terrain and low rounded ranges of schist and granite tors. Extensive low-lying areas surrounding the ranges comprise of sheet wash sand, clay and gravel, aeolian sand, wind incised fluvial gravel and sand, and minor calcrete and playa clay and silt.

3.0 TENURE

Exploration Licences 25698, 25701, 25702 and 25941 were granted to DYL during September/October 2007 over the areas shown in Table 1 below.

The tenements were subject of a 50% reduction at the end of the second year of term. Current tenement details are shown below.

Table 1: Tenement Details

Tenement No	Tenement	Granted Blocks	Current Blocks	Grant Date	Expiry Date
EL 25698	Carrington Bore	27	14	15-Oct-07	14-Oct-13
EL 25701	Mt Singleton	416	208	15-Oct-07	14-Oct-13
EL 25702	Mt Hardy	58	29	6-Sep-07	5-Sep-13
EL 25941	Atlee Creek	162	81	15-Oct-07	14-Oct-13

The Mt Doreen Project tenements lie wholly within the Mount Doreen Pastoral Lease. DYL negotiated an Exploration Agreement with the Central Land Council (CLC) to facilitate access to the tenements. DYL and the CLC, on behalf of the traditional Aboriginal owners, signed the Exploration Agreement on 13 August 2008.

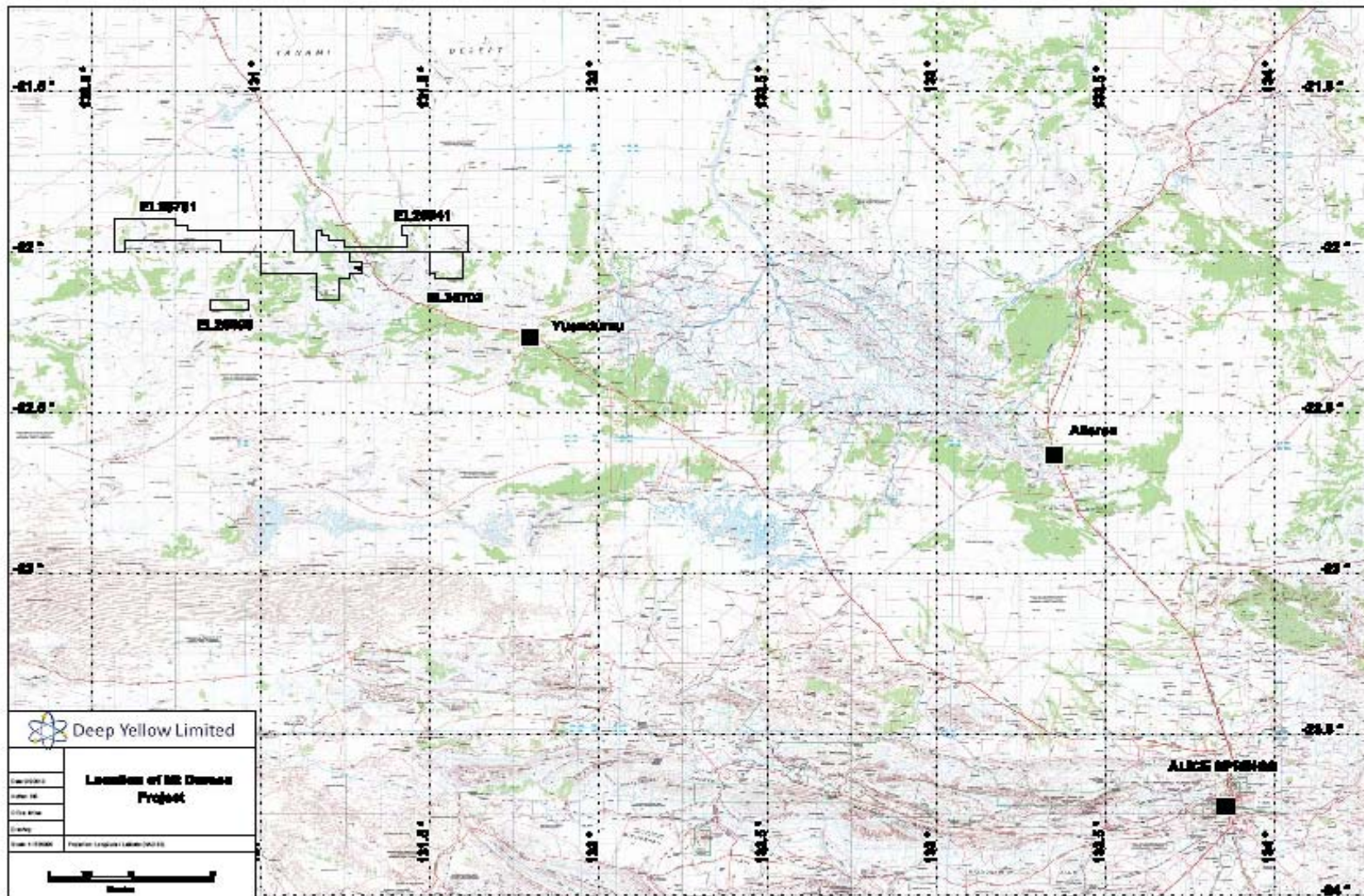


Figure 1: Tenement Location Plan

4.0 GEOLOGY

The Mt Doreen Project overlies within the Aileron Province of the northern Arunta region. The oldest rocks in the Mount Doreen area are metamorphosed Palaeoproterozoic siliciclastic sediments of the c. 1840 Ma Lander Group. These sediments were multiply deformed and variably metamorphosed during the c. 1840 Ma Stafford Event and numerous subsequent events

The Lander Group is interpreted to be stratigraphically equivalent to the Tanami Group, which hosts significant gold mineralisation at The Granites, Dead Bullock Soak and Coyote. The Lander Rock Formation comprises the oldest known basement and is really the most extensive basement unit. Along the southern margin of the project area lie outcropping uraniferous granitoids, feeding the north-flowing surface drainage.

The Ngalia Basin basal uraniferous sandstones also shed into the north-flowing drainage. The project area has potential to be a significant Tertiary/Quaternary depocentre as evidenced by the delta discharge complex at the termination of the present day Yaloojarrie Creek; just east of the project area.

5.0 REGOLITH AND GEOMORPHOLOGY

The Mount Doreen area has 10-20% basement exposure with large rounded hills and tors of granite and ranges and low ridges of metasediments. Strike extensive quartzite and quartz vein ridges are common. Areas of colluvium immediately surrounding exposed bedrock are amenable to surface geochemical methods. Even further from exposed bedrock are extensive Aeolian and sheetwash sandplains and minor lacustrine clay-calcrete-silcrete deposits which often form inverted topography. Well-developed surficial alluvial deposits are common. In many areas, a sand veneer covers these lacustrine deposits, with palaeochannels recorded up to 50m deep.

6.0 HISTORIC EXPLORATION

Prior to 2008, the following exploration was carried out in the Mount Doreen area:

- Michael Terry discovered quartz reefs containing arsenopyrite with minor gold for the Emu Mining Company in 1932,
- Bureau of Mineral Resources (BMR) conducted aeromagnetic, radiometric and gravity surveys in the 1960s,
- Northern Territory Geological Survey (NTGS) assessed the economic feasibility of the Mount Hardy and Clarke copper deposits from 1968 to 1972,
- BMR completed airborne magnetic and radiometric surveys in 1993,
- NTGS and BMR completed 2nd edition mapping of Mount Doreen sheet in the 1990s,
- Bruce and Mules explored the Silver King area for gold and base metals from 1988-1991
- MIM/Roebuck Resources joint venture targeted magnetic highs in the early 1990s and explored the Silver King deposit,
- Yuendumu Mining Company/Posgold explored the western parts of the Mount Doreen Area from 1992 to 1996, particularly Terry's Find, other targets were 'Buger' and 'Grasshopper'.
- BHP tested the northern Mount Doreen and southern Mount Theo mapsheets for Cu-Au in the late 1990s, based on AGSO studies (Wyborn, 1998)
- Tanami Gold NL (TGNL) carried out extensive geochemical sampling and drilling across the Mt Doreen Area from 2001 to 2005. The main areas targeted were Terry's Find, Mount Hardy and Pyramid Hill prospects.

7.0 EXPLORATION

Work during the reporting period was limited to assessment of the aircore drill programme conducted during the previous year and rehabilitation of the drill sites.

8.0 REHABILITATION

All 219 aircore holes were capped and covered immediately following the drilling programme. During the reporting period all drill spoils and access pads were raked and blended with topsoil.

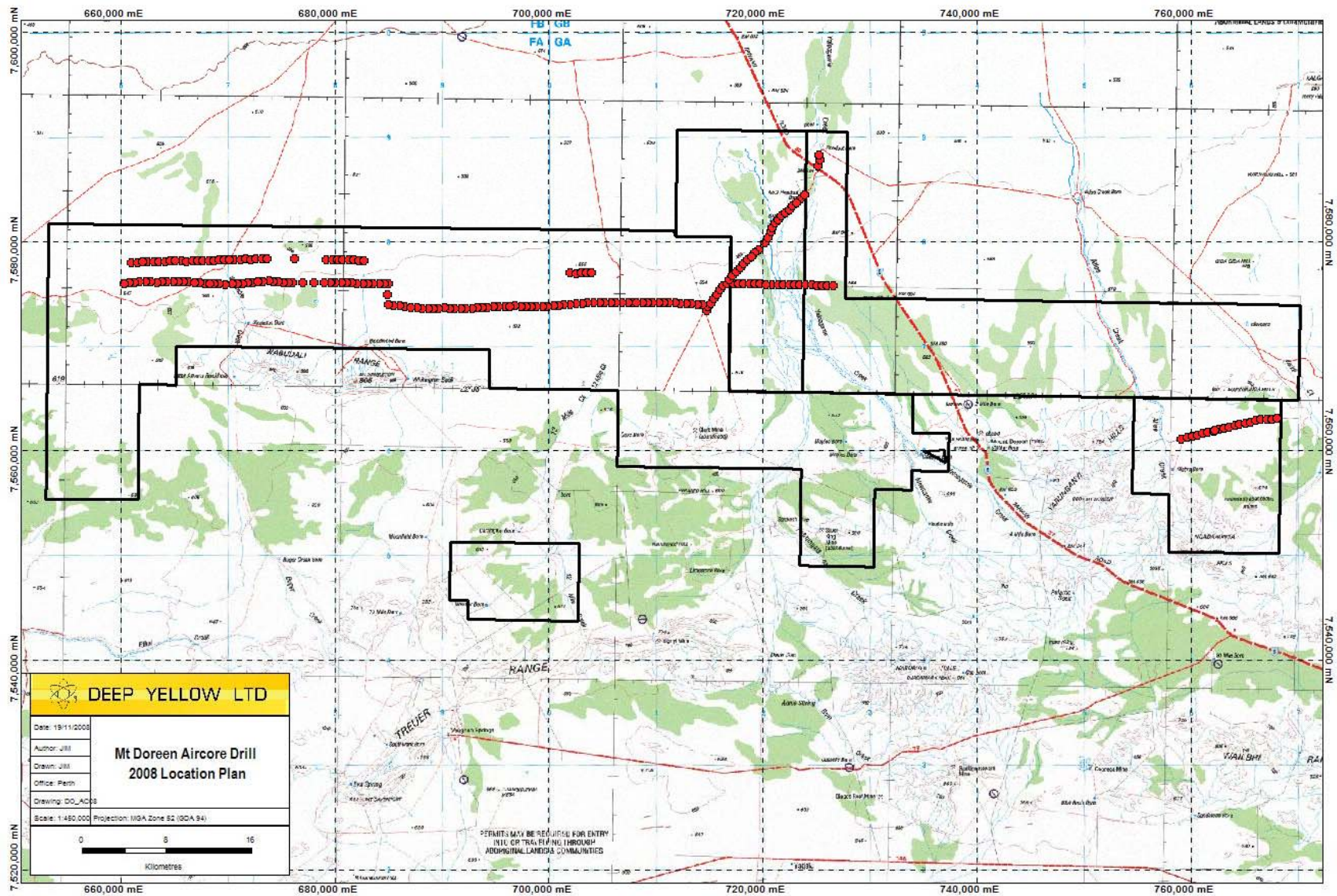


Figure 2: Aircore Drilling Location Plan