

## **Rock Chips to 0.51% U<sub>3</sub>O<sub>8</sub> and soil geochemistry highlight 2.5km potential target area.**

ASX Announcement  
28 January 2009

MKY Resources Ltd  
ACN 099 247 408

### **Highlights**

- ▶ **Oak River tenement (EPM 17945) covers 173.6 km<sup>2</sup> and is situated in the highly prospective Georgetown region of North Queensland, which hosts numerous high grade uranium deposits.**
- ▶ **The tenement covers a highly prospective structural zone with known uranium prospects in a geological setting analogous to MEGA Uranium's high grade Maureen Deposit (total 6.33 Mlbs U<sub>3</sub>O<sub>8</sub>).**
- ▶ **A detailed review of open file data shows surface rock chip sampling returned results up to 4.36% U<sub>3</sub>O<sub>8</sub> and drilling of the southern-most prospect intersected mineralisation grading up to 0.26% U<sub>3</sub>O<sub>8</sub> over 0.24m.**
- ▶ **There remains substantial untested potential within the favourable host package along the structural corridor to the north where anomalous rockchip (up to 0.51% U<sub>3</sub>O<sub>8</sub>) and soil geochemistry were delineated.**

### **Regional Setting**

The Oak River tenement lies approximately 15km southwest of Einasleigh within the highly prospective Georgetown Inlier of northern Queensland. The Georgetown region contains numerous well known very high grade uranium deposits including the Maureen uranium deposit and the Ben Lomond deposit (both owned by Mega Uranium).

The Maureen Deposit is located some 85kms north west of Oak River. Mega announced (in July, 2008) a NI43-101 compliant resource for the Maureen deposit totalling some 6.33Mlbs U<sub>3</sub>O<sub>8</sub> comprising:

- an Indicated Resource<sup>i</sup> of 5.95Mlbs U<sub>3</sub>O<sub>8</sub> at an average grade of 0.09% U<sub>3</sub>O<sub>8</sub> and
- an Inferred Resource<sup>i</sup> of 0.38Mlbs U<sub>3</sub>O<sub>8</sub> at a grade of 0.11% U<sub>3</sub>O<sub>8</sub>.

Mega's website also quotes potential high grade resources at their nearby Trident Project (including Four Gee, Two Gee and Quartz Blow Deposits) and the Lineament Fault Zone.

At Maureen Uranium-molybdenum mineralisation is hosted by Devonian-Carboniferous sandstone of the Gilberton Formation on the margin of a circular magnetic feature interpreted as cauldron collapse associated with Carboniferous volcanism. Numerous other similar circular features are evident in the aeromagnetics data in the Georgetown region and many have known uranium occurrences associated with them. Oak River is an example of this (See Figure 1).

### **Geology of Project Area**

The Oak River lease area covers Silurian aged Oak River Granodiorite abutted by the middle-late carboniferous volcanics (Bousey Rhyolite), minor outcrops of the Devonian sediments (Gilberton Formation) and Proterozoic metasediments of the Einasleigh Metamorphics.

A major north-east trending structure crosscuts sedimentary strata, positioning them against younger granites; this structure is coincident with several known uranium occurrences within

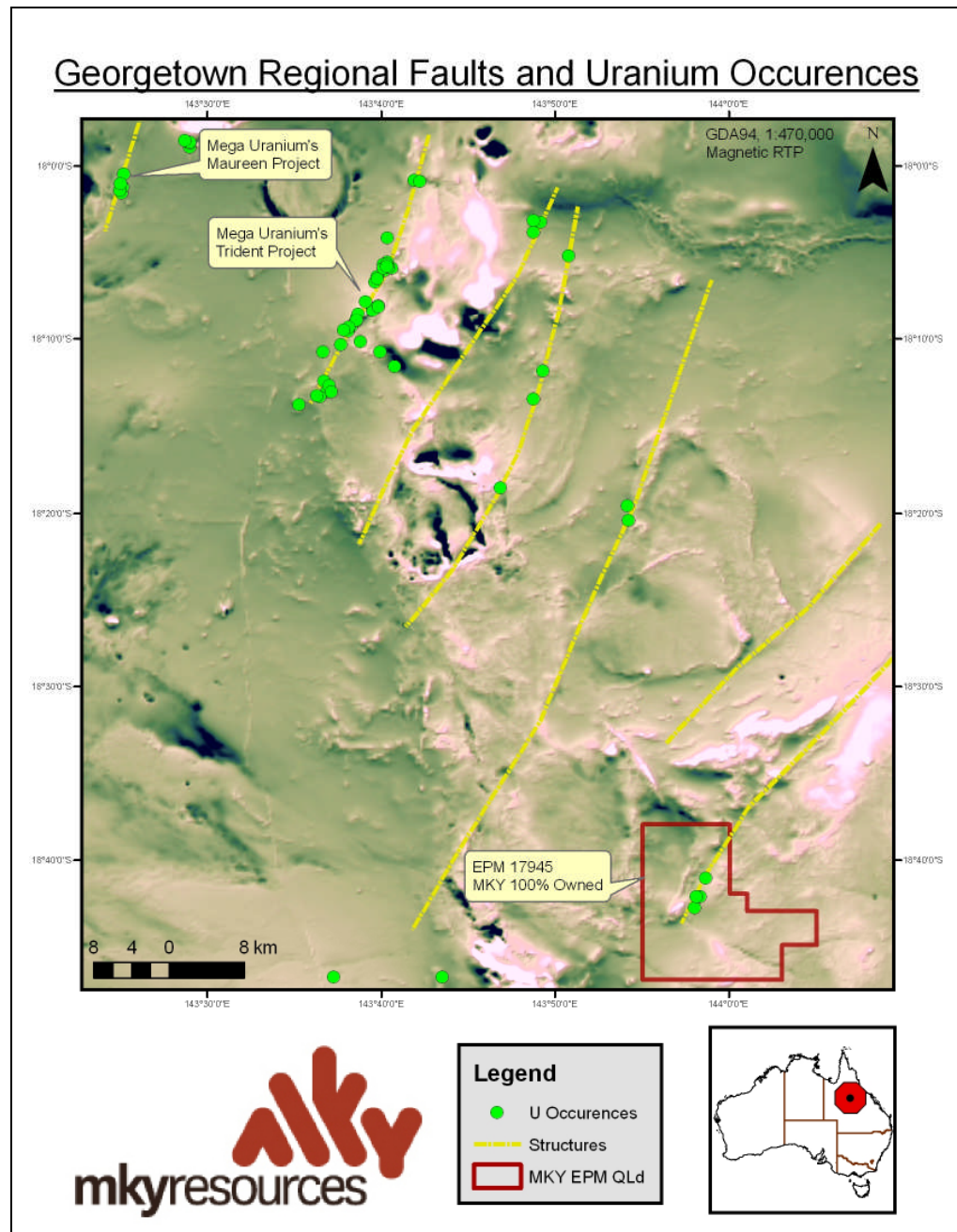
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EPM 17945. Similar structural trends are observed elsewhere in the Georgetown Inlier and appear to be a major control of uranium mineralisation in the Trident and Maureen deposits (See Figure 1).

The known uranium occurrences within the project area (EPM 17945) are hosted within carbonaceous sediment units of the Gilberton Formation. The highest potential for high grade mineralisation is where these reduced sedimentary rocks or “redox traps” intersect the major structural zones.



**FIGURE 1: Major Fault Zones and Uranium Occurrences on Regional Magnetics Image**

### Exploration Target

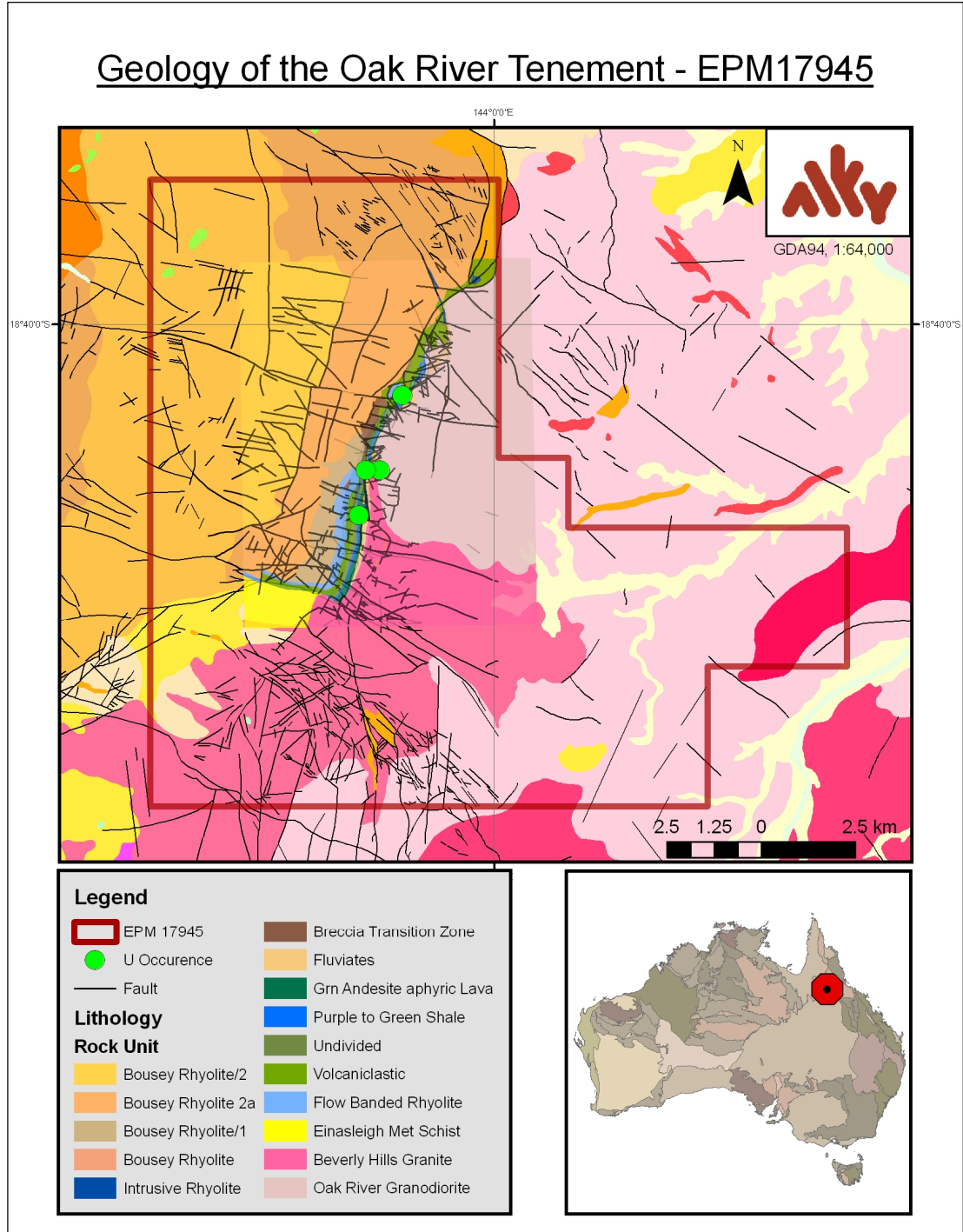
MKY Resources considers the geological setting of this tenement to be analogous to that of Mega Uranium’s “Maureen” deposit located 85km to the northwest which contains an estimated 6.33 Mlbs  $U_3O_8$ .

The target in MKY’s Oak River Project is a large uranium-molybdenum (U-Mo) deposit similar to the high grade Maureen deposit, in which uranium mineralisation occurs as fault-hosted and



stratabound zones associated with major regional faults (fluid pathways) and reducing sedimentary and volcanic rocks (“traps”). This mineralisation is thought to be synchronous with the circular felsic intrusive evident in the magnetics.

Additionally the intrusives and volcanics of the Georgetown Inlier are particularly well endowed with gold and base metal mineralisation whose potential will also be assessed within the Oak River lease.



**FIGURE 2: Detailed Geology of Oak River Project**

## Previous Exploration

The entire Georgetown – Einasleigh area was the subject of substantial focus for uranium explorers in the early 1970's. The region was covered by broad spaced regional radiometric surveys and the resultant anomalies generated by this survey were followed up with ground reconnaissance and surface sampling (rockchips and soil).

The four known uranium occurrences within the Oak River project area were anomalies generated from one of these surveys and followed up in the field with rock chip sampling and soil sampling. Soil samples and rockchip assays from the entire structural zone were highly anomalous with rockchip results up to 4.36% U<sub>3</sub>O<sub>8</sub>.

Subsequent drilling focussed on the southernmost area of anomalism where a total of 23 holes were drilled with several interesting results including 0.23m at 0.283% U<sub>3</sub>O<sub>8</sub> (See Figure 3).

Some 2.5kms further north along the structural zone 6 rock chip samples were taken and returned extremely anomalous results (between 0.03% and 0.5% U<sub>3</sub>O<sub>8</sub>), however two shallow drillholes failed to adequately test this area and there remains 2.5km of potential strike between the 2 zones of drilling, that has not been tested. This 2.5km zone between these 2 areas is poorly outcropping but has returned highly anomalous soil geochemistry (See Figure 3). Additionally there is some 6 kilometres of this fault zone further north which remains untested.

## Property Status

The lease is currently in application stage but MKY is hoping for the area to be granted by the middle of calendar 2009 to allow it to commence exploration in the area.

## Proposed Work Plan

The structural zone will be covered with detailed ground radiometrics which will be gridded and processed to provide a much more detailed picture of the surficial distribution of uranium.

The prospective reduced sediments and volcanic units which form the "trap rocks" for the mineralising fluids will be mapped in detail and where their position at depth cannot be deduced from surface mapping, geophysics (Electromagnetics) will be employed to map their subsurface depth and extent.

This data will then be used to position drill holes aimed at testing the prospective stratigraphy in and adjacent to the major northeast trending structural zone.

For further information contact:

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*The information in this report that relates to Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Stephen McCaughey. Mr McCaughey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Mr McCaughey as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Stephen McCaughey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

### Corporate Information

#### Directors

Phil Harman	Non-Executive Chairman
Stephen McCaughey	Managing Director
Ian Hobson	Non- Executive Director & Company Secretary

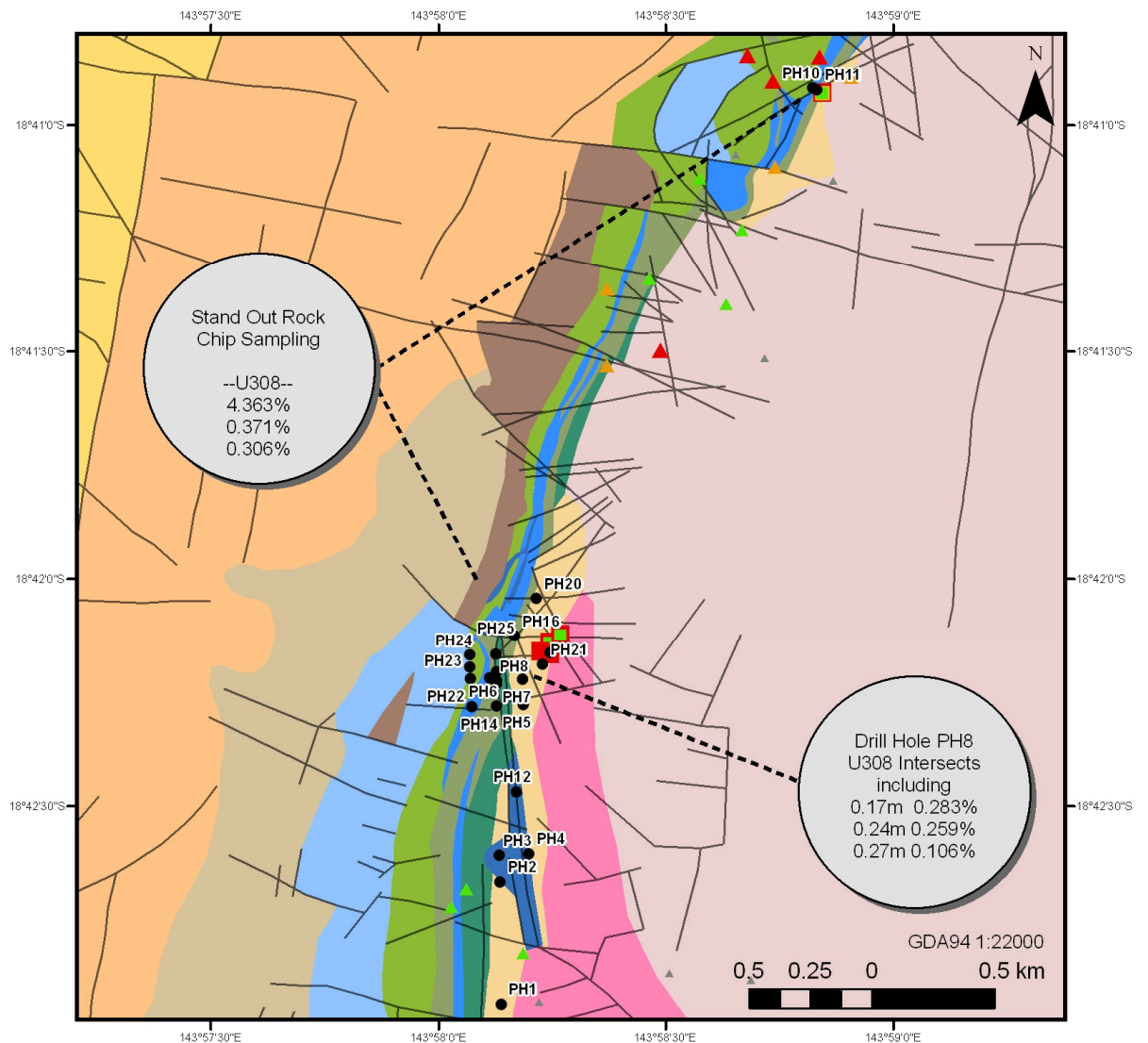
#### Issued Capital

As at the date of this report the issued capital of the Company is comprised of:

495,228,102	fully paid ordinary shares
45,000,000	options expiring 31 May 2012

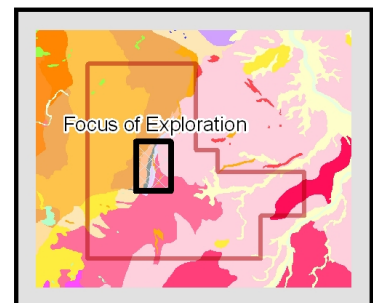


# Historical Uranium Occurrences On Detailed Geology



Drill Hole (Company)	Rock Chip (U PPM)	Stream Sed (U PPM)
● Urangsellshaft	■ 200 - 400	▲ 0 - 1
	■ 400 - 1000	▲ 1 - 3
	■ 1000 - 37000	▲ 3 - 6
		▲ 6 - 10

Data Sources:  
CR6025: Annual Report: A7d Mt Misery -Chinaman Creek Queensland, 1977  
CR6960: Annual Report: Mt Misery - Chinaman Creek A7/414 Queensland  
A to P 1557, 1979



**FIGURE 3: Detailed Prospect Level Geology Showing Rock Chip and Drillhole locations**