

MKY successful in competitive application for lease in highly prospective Northern Territory U and REE province

ASX Announcement
31 March 2009

MKY Resources Ltd
ACN 099 247 408

Highlights

- **MKY succeeds in competitive application process for 422km² 'Denison' lease (ELA 27181), located 250 kilometres northwest of Alice Springs.**
- **'Denison' is located in a highly prospective, under-explored region known to contain several uranium bearing deposits including the 24Mlb U₃O₈ 'Bigrlyi' uranium deposit(Energy Metals¹), the 7.4Mlb U₃O₈ 'Napperby' deposit (Toro Energy²) and the Nolans rare earths, phosphate uranium deposit (30.3 Mt at 2.8% REO)³.**
- **The project area is highly prospective for several styles of mineralisation including structurally controlled high grade uranium deposits.**
- **This represents the first of several planned strategic acquisitions in the Northern Territory.**

Regional Setting

MKY Resources is pleased to announce that its application over the hotly contested Mount Denison area was successful (ELA 27181). The Denison project covers 422 square kilometres in the Arunta Block some 250km north west of Alice Springs. There are four known uranium and two known apatite occurrences within the Denison lease application and the abandoned Mount Adam Tin-Niobium mine is located less than one kilometre to the south.

The region is highly prospective for uranium mineralisation with numerous deposits occurring in a range of geological settings within the region. These include the Nolan's Bore Rare Earth Element (REE) Project (Arafura Resources), the Bigrlyi Uranium deposit (Energy Metal's managed JV) and the Napperby Uranium deposit (Toro Energy). The lease is surrounded by numerous active exploration projects belonging to Toro Energy, Deep Yellow and Scimitar.

Geology of Project Area

The surface geology of the Denison lease is dominated by a thin veneer of Quaternary aged sediments overlying the porphyritic Wangala granite gneiss which intrudes Palaeoproterozoic aged Quartzofeldspathic gneiss and calc-silicate rocks and schists.

These granites and gneisses are known to be radiogenic (uranium bearing), and are believed to be the source of the uranium which has been remobilised into the overlying Proterozoic, Palaeozoic and Tertiary sedimentary cover units, including the Ngalia, Amadeus and Tertiary basins. The uranium deposits at Bigrlyi, Napperby (New Well) and Angela are examples of this.

Within the Denison project area there are numerous large NE trending structural zones which appear to control the known uranium mineralisation and some large apatite veins. The area has strong geological affinities to the Nolan's Bore area where rare earths and uranium mineralisation is also associated with

¹ <http://www.energymetals.net/userfiles/file/EME%20Explorers%2009.pdf>

² http://www.toroenergy.com.au/_literature_40095/Greg_Hall_presentation_to_Paydirt_Uranium_Conference

³ http://www.arafuraresources.com.au/nol_res.html

Registered Office

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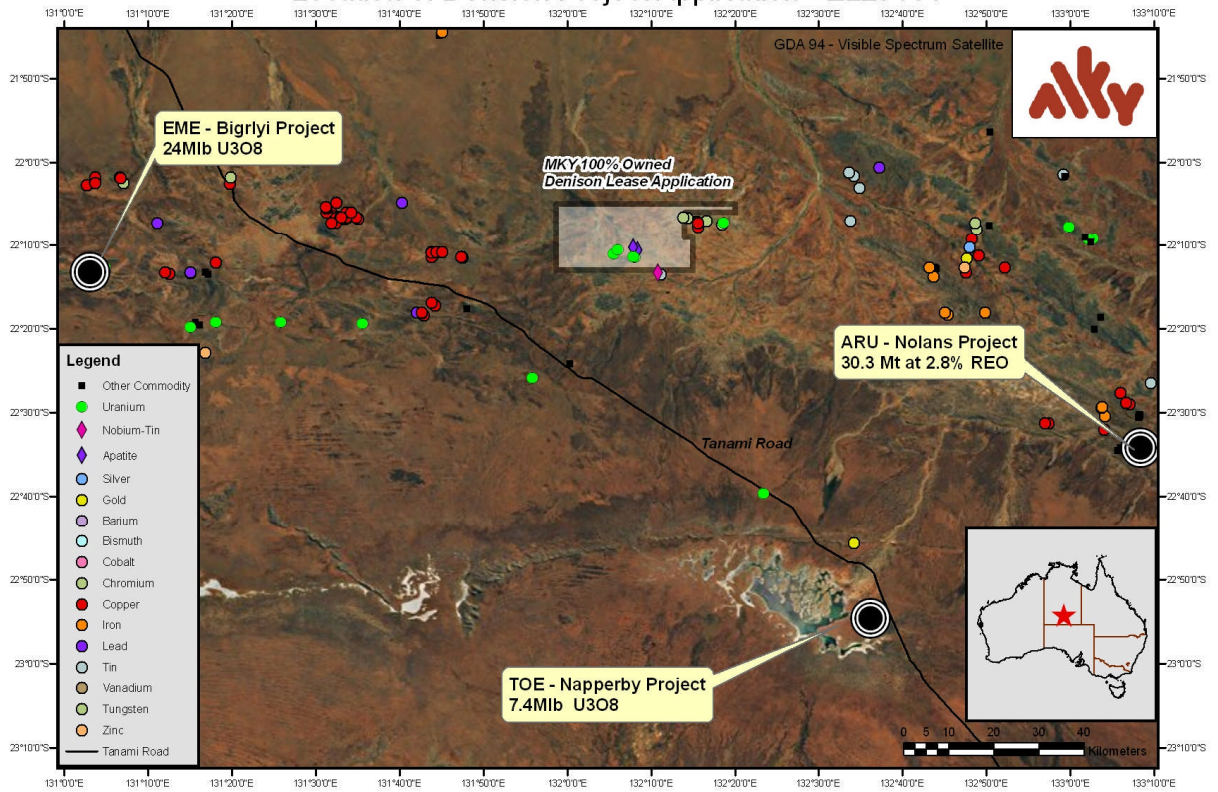
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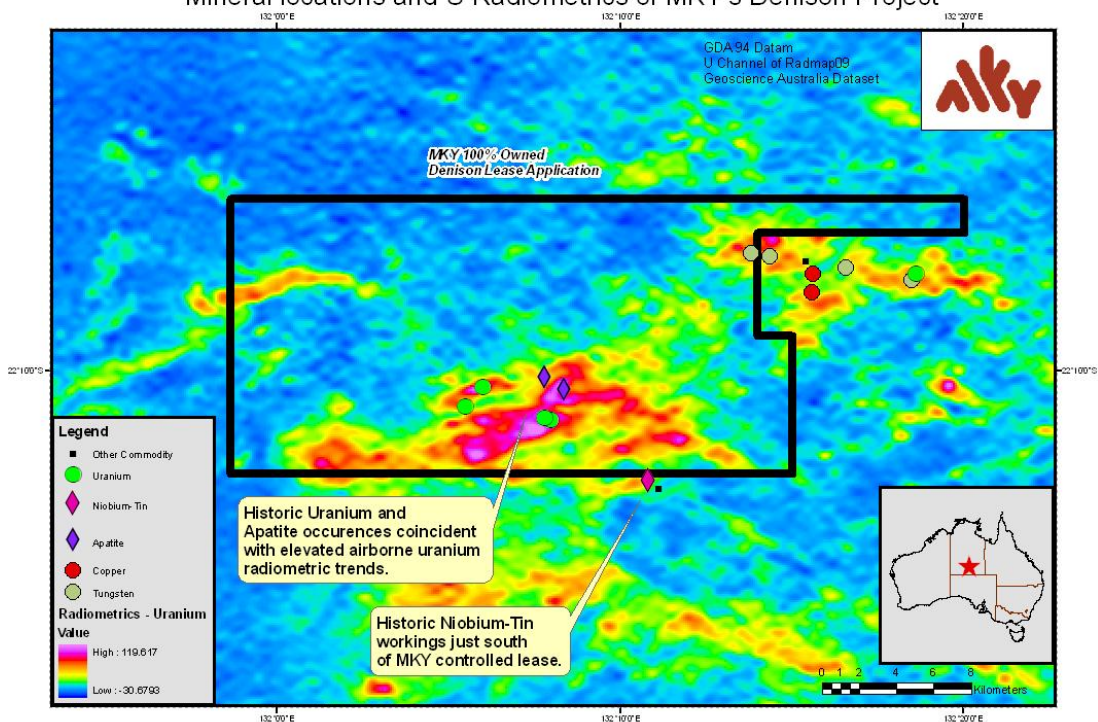
large apatite veins. Additionally the area is prospective for structurally controlled uranium mineralisation sourced from basement and deposited within reducing sediments (calc-silicate rocks and biotite schists) adjacent to these major structures. Radiogenic basement rocks, large structures and reducing “trap” rocks are the essential ingredients in most of the world’s large high grade uranium deposits.

Location of Denison Project Application - EL27181



Additionally the project area has several quaternary aged fluvial channelized sediments associated drainage systems sourced from the hot granites of the Wangala Granite. These areas are prospective for Napperby style calcrete and other channel style uranium deposits

Mineral locations and U Radiometrics of MKY's Denison Project



Next Steps

MKY will start working immediately with the Central Land Council to secure an agreement for accessing the lease area. In the meantime a desktop review of all open file data will be completed. In particular a more detailed review of all available geophysical data will be conducted to detail those areas which are believed to be enriched with remobilised uranium as opposed to primary magmatic uranium. These areas and the known uranium occurrences will be followed up in the field and areas deemed prospective will have detailed ground radiometrics surveys conducted over them. Particular focus will be given to areas of reduced sediments adjacent to major fault zones and proximal to known uranium occurrences. .

Drill targets will then be identified and tested.

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

Background

MKY Resources is an Australian resources exploration company with uranium projects in Queensland and the Northern Territory and bauxite projects on Cape York in northern Queensland.

Our mission is to become a successful and profitable exploration and mining company measured on total shareholder return. MKY's main activities have been in North Queensland to date where it has been exploring around the Georgetown and Palmer River areas for uranium, base and precious metals. MKY has recently announced the successful application for further leases south of the Maureen Uranium deposit and north of the Trident uranium deposit in the Georgetown region.

MKY also has projects on Cape York where it has several leases prospective for bauxite deposits. MKY is currently seeking a JV partner to fund exploration on these projects and is currently in discussions with various parties regarding participation in these projects.

Additionally we are currently diversifying our project portfolio and looking specifically to acquire, through non-cash corporate deals, more advanced uranium projects in the Northern Territory, South Australia and Western Australia.

MKY currently controls 10 granted exploration tenements and has lodged applications for a further 17 leases across Queensland and the Northern Territory. MKY's granted and application leases cover some 3895 square kilometres in total area.

