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24 March 2006

Manager Company Announcements
Company Announcements Office
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

By e-Lodgement 2 pages

Dear Sir / Madam

NAPPERBY TRENCHING PROGRAMME – EL 24246 NORTHERN TERRITORY

The Directors of Deep Yellow Limited (DYL) are pleased to announce that the Company has received clearance from the Central Land Council (CLC) to carry out a trenching program adjacent to three mineralised holes outlined by the Company's August 2005 drilling programme.

A review of the 2005 DYL drill data and of the previous data collected by Uranerz (1987-1991) indicated that varying interpretations could be made with regard to the continuity of mineralisation both along and across strike and to the style of mineralisation as being either calcrete-hosted or comprising a series of roll fronts. For these reasons it was decided that visual inspection of both the style and controls (lithologically and chemically) of the uranium mineralisation was essential prior to embarking upon further drilling.

To achieve this the Company decided that a series of trenches would provide the necessary information to confidently plan the next drilling programme to generate a resource estimation. At each of the three drillsites chosen CLC clearance was sought and granted to establish a 50 x 25 metre cleared pad within which the trenching could occur. Trenching within each pad area is designed to expose approximately 30 metre of mineralized horizon to a maximum depth of 8 metre (base of the mineralised zone). The 30 metre lineal coverage may be achieved by two or three offset trenches within the pad area.

Each trench will be sampled on both walls on a metre block basis, with mineralisation being photographed and radiometrically surveyed using a spectrometer ahead of sampling for chemical assay. The trenches will be backfilled and the sites rehabilitated within 2-3 days of completion of sampling.

The trenching commenced on 23rd March and has exposed visible uranium mineralisation in the form of carnotite in each of the two starter trenches completed. Trenching to 6 and 8 metre depths in each case has been achieved with excellent wall stability and no problems are foreseen in completing the three trenches to achieve their planned depths and lengths.

The work will be complete within the week and samples dispatched thereafter.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'L Pretorius', written in a cursive style.

Dr Leon Pretorius
Executive Chairman
Deep Yellow Limited

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Leon Pretorius. Dr Leon Pretorius is a Fellow of the Australasian Institute of Mining and Metallurgy and is an employee of the Company. Dr Pretorius has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which they is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code". Dr Pretorius consents to the inclusion in the report of the matters based on information in the form and context in which it appears.