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EXPLORATION UPDATE 1 to 15 JULY 2008

NAMIBIA

DRILL RESULTS CONTINUE TO SHINE ON ALL FRONTS: -

- **TUMAS**
 - 9 m at 515 eU₃O₈; and,
 - 4 m at 1,032 eU₃O₈
- **TUBAS M1 MAGNETITE**
 - 16 m at 637 eU₃O₈
 - 17 m at 393 eU₃O₈; and,
 - 8 m at 546 eU₃O₈
- **AUSSINANIS**
 - 6 m at 412 eU₃O₈
- **TUBAS TRENCH**
 - Up to 1.86% U₃O₈ in 1 m channel samples
 - 882 ppm U₃O₈ average for first 520 assays applying a 200 ppm U₃O₈ cut-off

AUSTRALIA

- **MT ISA COMPOSITE CHANNEL CHIP SAMPLES RETURN GOOD GRADES**

The June quarterly included data only to 30 June, so this update incorporates better results received to 15 July as they will be included in the Australian Uranium Conference presentation by DYL on 23 July to be held at Fremantle.

NAMIBIA

TUMAS

Three RC rigs drilling vertical holes on the channel and palaeochannel mineralisation still on a 50 m by 50 m staggered grid pattern returned the following (best) selected intersections: -

HOLE	UTM E	UTM N	TD	FROM	TO	INT	eU ₃ O ₈	GTM
B4.125 8.750	521755	7449874	6	0	4	4	1,032	4,643
B2.075 0.550	513551	7451921	15	5	14	9	515	4,457
B4.100 8.600	521605	7449906	13	0	6	6	660	4,260
B4.075 8.650	521661	7449930	12	0	6	6	628	4,081
B4.175 8.750	521754	7449823	12	0	6	6	642	3,979
B4.100 8.700	521710	7449903	7	0	4	4	868	3,904
B3.975 8.650	521660	7450026	12	0	6	6	594	3,681
B4.025 8.650	521661	7449982	12	0	6	6	639	3,611
B3.925 7.950	520951	7450076	8	3	5	2	1,437	2,443
B1.875 0.350	513351	7452126	21	8	15	7	338	2,437
B4.150 8.700	521709	7449853	13	0	6	6	366	2,305
B4.000 8.500	521501	7450004	13	0	8	8	280	2,159
B1.650 0.500	513503	7452356	10	3	8	5	426	2,153
B1.850 0.300	513302	7452152	21	11	17	6	333	2,046
B4.225 8.750	521753	7449774	12	0	6	6	337	2,003
B2.150 0.500	513499	7451850	21	6	13	7	276	1,944
B3.975 8.550	521549	7450023	12	0	8	8	257	1,926
B1.925 0.150	513149	7452077	34	12	23	11	174	1,884
B1.950 0.200	513197	7452046	33	10	19	9	184	1,647
B3.750 9.200	522202	7450252	12	6	8	2	784	1,490

TUBAS M1 MAGNETITE

One RC rig drilling nominally 100 m deep vertical holes on a 50 m by 50 m grid pattern returned the following (best) selected intersections: -

HOLE	UTM E	UTM N	TD	FROM	TO	INT	eU ₃ O ₈	GTM
AM1_8.300 11.300	488700	7476700	115	92	108	16	637	10,230
AM1_8.300 10.700	489307	7476705	106	82	99	17	393	6,873
AM1_8.300 10.800	489203	7476707	100	82	90	8	546	4,562
AM1_8.300 11.300	488700	7476700	115	28	40	12	275	3,327
AM1_8.300 10.600	489414	7476701	103	72	75	3	1,045	2,718
AM1_8.400 10.700	489305	7476605	100	38	50	12	223	2,691
AM1_8.300 10.600	489414	7476701	103	64	72	8	323	2,454
AM1_8.400 10.700	489305	7476605	100	54	63	9	190	1,715
AM1_8.300 10.900	489104	7476705	100	34	44	10	147	1,443
AM1_8.400 11.300	488700	7476600	100	65	72	7	200	1,358
AM1_8.300 11.300	488700	7476700	115	65	72	7	200	1,358
AM1_8.300 10.600	489414	7476701	103	82	90	8	166	1,288
AM1_8.300 10.900	489104	7476705	100	68	76	8	156	1,282
AM1_8.300 10.900	489104	7476705	100	85	93	8	145	1,227
AM1_8.300 11.300	488700	7476700	115	42	51	9	112	980
AM1_8.500 11.300	488700	7476500	58	21	28	7	144	964
AM1_8.300 10.600	489414	7476701	103	96	102	6	167	926
AM1_8.300 10.700	489307	7476705	106	71	79	8	117	897
AM1_8.300 10.700	489307	7476705	106	28	35	7	125	859
AM1_8.300 11.300	488700	7476700	115	77	81	4	216	810

AUSSINANIS

Two RC rigs drilling vertical holes on the channel and palaeochannel mineralisation on variable grid spacings from 50 m to 200 m staggered patterns returned the following (best) intersections: -

HOLE	UTM E	UTM N	TD	FROM	TO	INT	eU ₃ O ₈	GTM
D4.400 5.800	502799	7400400	25	16	22	6	412	2,330
D4.200 5.600	502598	7400200	13	0	7	7	177	1,163
D5.000 5.600	502598	7400999	7	1	6	5	197	993
D6.000 5.400	502398	7401997	13	0	5	5	187	850
D6.200 5.200	502210	7402186	7	1	6	5	148	775
D5.000 5.400	502400	7401000	7	1	4	3	238	774
D4.000 5.400	502393	7399998	19	4	9	5	154	768
D6.000 6.200	503198	7401994	13	0	4	4	197	737
D4.400 5.600	502600	7400398	13	4	9	5	133	723
D5.600 5.400	502399	7401598	19	0	4	4	198	702

TUBAS TRENCH

Excavation of the trench generated the following samples: -

SAMPLE DESCRIPTION	QUANTITY
1 M channel samples for chemical assay for U ₃ O ₈	3,786
Metallurgical samples	220
Density samples	50
Disequilibrium samples	3
TOTAL	4,059

Given the sheer volume of samples generated it will take considerable time to get all the assay results, but the first batch of 520 samples returned excellent values: -

335 ppm U₃O₈ average for all samples;

476 ppm U₃O₈ average applying a 100 ppm U₃O₈ cut-off; and,

882 ppm U₃O₈ average applying a 200 ppm U₃O₈ cut-off.

AUSTRALIA

MT ISA UPDATE

ISA WEST PROJECT

Assay results have been received for (horizontal) composite channel chip samples from the resampling of 'mineralised zones' within 1970s backhoe trenches (see ASX 22 July 2008).

The XRF chemical assay results are from the Folderol North and South Prospects located within EPMs 13098 and 12886. The best interval returned at Folderol North was from a zone of hematite-magnetite altered chloritic schist (sheared basalt) over 3.5 m assaying 3,409 ppm U₃O₈. At Folderol South best assays were 2 m at 5,700 ppm U₃O₈ and 2 m at 4,100 ppm U₃O₈.

Based on the assay results and ground radiometric survey data an RC percussion drill programme will be designed to test the mineralised targets at depth.

Composite Channel Chip Samples

Tenement	Easting (mE)*	Northing (mN)*	Width (m)	U ₃ O ₈ ppm
EPM 13098	336631	7716047	0.8	790
	336632	7716046	1.0	2,220
	336629	7716041	1.8	1,947
	336633	7716014	2.0	675
	336633	7716000	2.0	485
	336635	7715962	1.0	1,040
EPM 12886	336605	7715824	3.5	3,409
	336607	7715818	2.5	755
	336599	7715811	2.5	1,344
	336553	7715362	2.0	700
	336553	7715369	2.0	4,100
	336556	7715376	2.0	490
	336554	7715495	2.0	1,800
	336553	7715449	1.5	2,100
	336561	7715477	2.0	5,700
	336556	7715506	1.0	420
	336576	7715569	0.2	1,500

* Datum MGA Zone 54 / GDA 94



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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 Dr Leon Pretorius a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Pretorius 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 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'. Dr Pretorius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where eU₃O₈ is reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A675 – slimline gamma ray tool. The probe has been calibrated at the Pelindaba Calibration facility in South Africa with calibration certification provided by Geotron Systems (Pty) Ltd a geophysical consultancy based in South Africa. All eU₃O₈ results reported are affected by issues pertaining to possible disequilibrium and uranium mobility which should be taken into account when interpreting those pending confirmatory chemical analyses.