

DEEP YELLOW LIMITED

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NAMIBIA – UPDATE

The Directors of Deep Yellow Limited (DYL) are pleased to announce an update on the following exploration activities of its wholly owned Namibian registered subsidiary Reptile Uranium Namibia (Pty) LTD (RUN).

Airborne Radiometric Survey

In mid-June geophysical contractor GPX Air commenced flying a 16,800 line kilometre low-level radiometric and magnetic survey over its four contiguous Exclusive Prospecting Licences (EPL's 3496, 3497, 3498 and 3499).

The data from the survey flown on 200 metre spaced lines at a nominal height of 80 metre will be merged with similar recent Government acquired data to produce a 100 metre line spaced dataset over the entire project area.

The aim of this survey is to map in greater detail any near surface radiometric anomalies and the magnetics will be used to map potential uraniferous granitic host rocks beneath the desert sand cover similar to the alaskites that host the Rossing uranium mine 50 kilometre to the north.

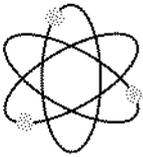
Preliminary data for the southern half of the project area has now been received and is being reviewed.

Aussinanis EPL 3498

Following the grant of EPL 3498 (ASX 15 June, 2007) **RUN** is compiling an Environmental Impact Assessment and Management Plan for submission to the Ministry of Environment and Tourism to allow physical access to the EPL.

A consultant Geological group has been contracted to reassess all the historical data in order to determine what additional infill drilling of the mineralised zone is required in order to develop a JORC standard resource estimate.

The Company has reviewed public domain exploration data for the tenement area relating to work carried out between 1974 and 1982 by French company Elf-Aquitaine. Based on this data the Company has developed an exploration target of **20-25 million tonne (Mt) in a grade range of 250 to 300 ppm (0.025 to 0.030%) U₃O₈** to be contained within the area previously drilled out in detail by Elf-Aquitaine.



Namibia - Update

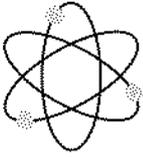
The target tonnage range of **20-25 Mt** is based on the results of the previous exploration as summarised below:

- A ground radiometric survey was conducted in 1976 which delineated an anomalous area measuring 1,800 by 14,000 m.
- Pedogenic calcrete forms a superficial cover to a palaeochannel which has a depth of not more than 20 m. The palaeochannel has been infilled and choked with tertiary detritus, which consists largely of angular to sub-angular cobbles and fragments of a variety of granitic rocks and quartz pebbles of local derivation.
- Uranium mineralisation occurs as irregular dispersed carnotite in blebs, reworked veinlets and as thin coatings on pebbles.
- From drilling on a 400 x 400 m grid the mineralisation was found to occur with random and irregular frequency in a tabular horizon lying near surface and extending to depths of between 7 and 10 m. The drilled mineralized zone is some 15 km long and varies between 200 and 2,000 m in width.
- The mineralisation varies in thickness from 1 to 2 m and occasionally up to 5 m with the best drill section being **2.5 m at 885 ppm U₃O₈**.

The **20-25 Mt** estimate is restricted to the area drilled out in detail by Elf-Aquitaine which comprises approximately 25% of the 15 km long drilled (on 400 x 400 m centres) mineralized zone.

The target grade range of **250 to 300 ppm U₃O₈** is based on an extensive drill programme as follows:

- Elf-Aquitaine drilled in excess of 400 percussion holes totalling 4,127 m between 1976 and 1982.
- Drilling commenced on 400 x 400 m centres and was reduced to 25 m centres in well mineralised areas.
- The percussion drill holes were radiometrically logged and geochemically sampled at 0.5 m intervals and all anomalous samples chemically assayed by the fusion XRF method.
- Average grades for the drill intercepts were compiled using a 100 ppm U₃O₈ cut-off.
- The drilling pattern and sampling over the uranium mineralised horizon is of a design and density that satisfactorily investigates such shallow tabular mineralisation.
- Five pits were excavated with 120 tonne of mineralised material transported to France for metallurgical tests.
- Exploration techniques used to acquire data and generate the estimates were of high quality and are similar to those used today.



Namibia - Update

The potential quantity and grade of the uranium deposit detailed above is conceptual in nature and there has been insufficient exploration to define a JORC-compliant mineral resource estimate. Following approval of the Company's Environmental Impact Assessment, the Company will commence drilling with a view to initially compiling a JORC-compliant mineral resource estimate for that portion of the area (approximately 25%) previously drilled out in detail by Elf-Aquitaine within the 15 km Aussinanis mineralised zone. In the meantime, it should be noted that it is uncertain if further exploration will result in the determination of a JORC-compliant mineral resource.

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Deep Yellow Limited

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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.