



22 May 2007

## **Deep Yellow Ltd and Uranio Ltd Establish a Joint Venture on Four Uranium Properties in Western Australia and South Australia**

The Boards of Deep Yellow Ltd. (ASX code "DYL") and BlackGrange Ltd. (soon to be renamed Uranio Limited "Uranio") are pleased to announce they have reached agreement on commercial terms for the acquisition by Uranio of a majority interest in four DYL uranium properties located in Western Australia and South Australia.

Essentially, the proposal provides Uranio with the opportunity to acquire 70% of each of the wholly owned DYL properties (as listed in Attachment 1) and in addition to acquire an overall 70% interest in the Siccus joint venture, 90% of which is owned by DYL. Furthermore Uranio will have the opportunity to maximise its ownership of the properties in the future by paying for the proven in-ground resource on terms referred to below.

Finalisation of the transaction is subject to the negotiation and execution of a formal agreement within the next month, followed by the proposed admission of Uranio Limited to the official list of the ASX no later than 23<sup>rd</sup> November 2007.

While these properties are highly prospective, they were acquired during DYL's formative stages prior to its present Board's decision to concentrate efforts in select exploration areas where the Company now holds large tracts of land under tenure and bases have been established. This left the projects subject to this agreement geographically isolated and the disinvestment is in accordance with DYL's previously stated strategy of focusing its management and resources on the chosen priority exploration areas in Mt Isa, Gawler Craton and Namibia.

DYL will continue to benefit from the opportunity provided to the new company which will be able to better focus on and fully evaluate and explore the tenements. If this is successful it will result in significant returns to DYL shareholders. Uranio will benefit from the acquisition and the subsequent focused and energetic development of a portfolio of potential uranium exploration opportunities.

The principal commercial terms are as follows:

### **A. CONSIDERATION**

1. A\$2,000,000 in cash made up as follows:
  - a) Uranio has made an upfront payment of A\$250,000 in cash on the signing of the heads of agreement.
  - b) Uranio will make a further cash payment of A\$250,000 on the signing of a definitive sale agreement on or before the 29<sup>th</sup> June, 2007.
  - c) A final cash payment of A\$1,500,000 will be paid by Uranio out of the financial proceeds realised from the proposed listing on the ASX.
2. Ordinary shares as follows:
  - a) The issuance to DYL of ordinary shares in Uranio Limited that will equate to 9.8 percent of the total shares on issue as at the time of the initial listing of the Company on the ASX.

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**B. OTHER RELEVANT ITEMS**

1. A joint venture agreement (JVA) will be entered into on transfer of the properties from DYL to Uranio. Uranio will be the Manager of that JVA.
2. Uranio will become a participant in the Siccus joint venture agreement with a 70% stake, with DYL retaining 20% and Signature Resources retaining its' original 10% stake.
3. Effective immediately Uranio will pay all outgoings and maintain all the tenements and keep any joint venture agreements in good standing. DYL will provide all the administrative and statutory expenditure requirements necessary for this to be achieved until the transaction is completed and ownership can be transferred.
4. DYL will have no representation on the board of Uranio.
5. Upon completion of a bankable feasibility study each party will have the right to decide whether to participate in mining operations at the area that is the subject of the study. If one party decides not to participate in mining operations then the other party will have the right to acquire the relevant JVA interest for 15% of the in-ground value of the uranium as referenced (defined by JORC Code in lbs and multiplied by the current uranium spot price per lb) in the feasibility study. At election the consideration may be any combination of cash and shares, shares held by either party to be limited to no more than 20% of the issued share capital of the other party at the time.

The DYL Board's rationale for the sale of these tenements is to allow DYL to focus on its advanced exploration projects in Namibia, the Mt. Isa district and other priority regional targets close to already established DYL bases and personnel throughout Australia. In addition DYL will be able to realise an immediate return in cash terms from the projects and deploy this cash to priority projects. Last but not least there is the opportunity to further benefit DYL's shareholders through the retention of a significant direct stake in each project and a retained equity interest in Uranio.

"Whilst DYL has a growing team of experienced uranium exploration personnel, the DYL Board recognises that it makes sense for DYL to focus on its' main priority projects and give a new company the opportunity to focus on and aggressively advance these projects that might not otherwise get the levels of attention and funding that they require." Deep Yellow's Executive Chairman, Dr Leon Pretorius said today.

"Given Uranio's objective of becoming a uranium explorer, DYL and its shareholders will benefit from Uranio's focused efforts as DYL will become a significant shareholder of Uranio once listed and will remain a stakeholder in the projects going forward."

"We are pleased to be able to enter into this transaction with Deep Yellow and look forward to welcoming Deep Yellow as a substantial shareholder and joint venture partner. We are now focused on finalising the appointment of a managing director, completing an IPO prospectus together with the appointment of a broker, in readiness for listing on the ASX", Uranio Director, Mr. Marcello Cardaci, said today.

**COMPANY CONTACTS:**

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**ATTACHMENT 1 - TENEMENTS**

**Ponton North Project - Western Australia  
(5 tenements)**

Tenement	Holder
EL39/1140	100% DYL
EL39/1141	100% DYL
EL39/1142	100% DYL
EL39/1143	100% DYL
EL39/1144	100% DYL

**Anketell Project – Western Australia  
(11 tenements)**

Tenement	Holder
EL45/2887* (pending)	100% DYL
EL45/2888* (pending)	100% DYL
EL45/2889* (pending)	100% DYL
EL45/2890* (pending)	100% DYL
EL45/2891* (pending)	100% DYL
EL45/2892* (pending)	100% DYL
EL45/2893* (pending)	100% DYL
EL45/2894* (pending)	100% DYL
EL45/2895* (pending)	100% DYL
EL45/2896* (pending)	100% DYL
EL45/2897* (pending)	100% DYL

**Siccus Project - South Australia  
(1 tenement)**

Tenement	Holder
EL 3288	90% DYL 10% Signature Resources NL

**Gardiner Range Project – Western Australia  
(3 tenements)**

Tenement	Holder
E80/3817*	100% DYL
E80/3275	100% Tanami Exploration NL #
E80/1735	100% Tanami Exploration NL #

- \* Means the tenement is an application  
# Subject to a Heads of Agreement between Tanami Exploration NL (TENL) and DYL and assignment from TENL to DYL under the Native Title Heritage Protection and Mineral Exploration Agreement for Tjurabalin Lands, these tenements will be transferred to DYL 100%.