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11 October 2005

Company Announcements Office
Australian Stock Exchange Limited

***By e-Lodgement
3 pages***

Dear Sir / Madam

BOARD AND MANAGEMENT RESTRUCTURE AND SHARE PURCHASE PLAN

- **Deep Yellow Limited (Deep Yellow) is ideally placed in the market with extensive uranium prospective landholdings**
- **Board and management restructure will strengthen the Company's abilities**
- **Fund raising to allow Company objectives and expansion to be met**

Deep Yellow has in the past 11 months acquired an extensive range of uranium projects, prospective ground and supporting databases. These acquisition located mainly in the Northern Territory and South Australia, are operating in jurisdictions that have favourable uranium policies giving Deep Yellow an excellent opportunity to develop its projects.

The need for new deposits to be discovered and the need to develop new uranium mines to supply the ever growing nuclear industry puts Deep Yellow in a strong position to benefit shareholders by presenting the investor with extensive prospective ground holdings with identified targets.

The board and management restructure to strengthen the Company's capabilities is regarded as essential and with the introduction of their skills and expertise will allow Deep Yellow to tap the potential which has been identified and optimize opportunities for success.

BOARD AND MANAGEMENT RESTRUCTURE

Deep Yellow Limited is pleased to announce the following restructure of the Board of Directors.

Dr Leon Pretorius who was previously a non-executive Director of the Company has assumed the role of Executive Chairman, **Martin Kavanagh** and **Gillian Swaby** have been appointed as non-executive Directors. The role of Company Secretary has been assumed by Mark Pitts.

Mr Kavanagh B.Sc(Hons) Geology, F.Aus.IMM, AIG, CIM has worked widely within the exploration and mining industry throughout Australia and offshore in Indonesia and the Southwest Pacific regions. He is a non-executive Director of Tanami Gold NL and an exploration geologist with extensive experience acquired through fieldwork, research and management of Australia-wide and offshore programs.

Ms Swaby B.Bus, FCIS, FAICD has been involved in financial and corporate administration, as both Director and Company Secretary covering a broad range of industry sectors, for over 25 years. Ms Swaby has extensive experience in the area of secretarial practice, management accounting and corporate and financial management and sits on a number of advisory committees. Ms Swaby is currently the Company Secretary of Paladin Resources Ltd and was a member of the Paladin Board for a period of 9 years. Ms Swaby is the principal of a corporate consulting company and past Chair of the Western Australian Council of Chartered Secretaries of Australia and a former Director on their National Board.

Mr Kavanagh and Ms Swaby have each been offered an incentive package of 5 million unlisted options expiring 31 December, 2008 and exercisable as to 3 million at 25 cents and 2 million at 35 cents. These options are subject to shareholder approval and will include standard terms and conditions.

James Pratt has resigned as a Director but will remain involved with the exploration and development activities on the Napperby Project. Gary Steinepreis has resigned as a Director and joint Company Secretary and Paul Hearne has resigned as joint Company Secretary.

The new Directors wish to thank James, Gary and Paul for their input and professionalism during the now completed transitional phase of the Company.

Contact details for the Company have now changed, as follows: -

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SHARE PURCHASE PLAN

Having completed its transition to a purely Australian uranium explorer, the Company will now focus on the exploration and development of its advanced uranium projects and prospective exploration tenements. This necessitates the raising of additional capital.

The Directors are pleased to offer all Eligible Shareholders the right to apply for up to \$5,000 of new fully paid ordinary shares in the Company ("Shares") under a Share Purchase Plan ("SPP"). The subscription price for each Share will be \$0.145 per Share, which is a discount of approximately 14% of the volume weighted average trading price of the Company's shares on ASX during the 5 days immediately prior to the date of this announcement. Eligible Shareholders under the SPP will be all

Company Shareholders as of the close of business on 13 October 2005 (Record Date), with a registered address in Australia and New Zealand.

A written offer document containing all relevant information will be mailed to Eligible Shareholders shortly, but no later than five business days after the Record Date.

Funds raised under the SPP, after payment of issue expenses, will be used to further evaluate the Napperby Project; generate projects within the Tanami-Arunta tenements; assess the South Australian database; and enter into negotiations to participate in the evaluation of under-explored areas held by other parties.

With regard to the Napperby Project, as announced to the ASX on the 16th September, the assays of 486 samples representing 91 drill holes or about 15% of the programme were of the same tenor as those reported earlier by Uranerz. Uranerz previously reported a resource of ~6,000t of U₃O₈ (not JORC compliant), which the Company re-drilled to bring to JORC compliance. The results from the complete programme of 2,700 samples taken from 569 holes are expected late October and will then be processed by geological consultants Hellman & Schofield. Their new JORC compliant resource is expected by end October.

While the number of Eligible Shareholders will not be known until the Record Date there are approximately 4,300 Shareholders at the date of this announcement. If all the shareholders participate in this offer, it would result in the Company issuing about 150 million shares and raising approximately \$22 million before issue expenses. The SPP will be limited to 56 million shares to raise \$8.12 million therefore if the total subscriptions exceed this amount, participating Shareholders will be scaled back on a proportionate basis.

The offer is not underwritten, however the Company reserves the right to place any Shares not taken up by Eligible Shareholders subject to compliance with the ASX Listing Rules.

Should you have any queries regarding this announcement or any aspect of Deep Yellow's development please contact the undersigned on 08-9286 6999.

Yours faithfully
Deep Yellow Limited



Dr Leon Pretorius
Executive Chairman