

DEEP YELLOW

ABN 97 006 391 948

Level 1  
33 Ord Street  
West Perth Western Australia 6005  
Telephone: + 61 8 9420 9300  
Fax : + 61 8 9481 2690

29 June 2005

Company Announcements Office  
Australian Stock Exchange Limited

*By e-Lodgement*

Dear Sir / Madam

**ACQUIRES URANIUM RIGHTS TO 60,000KM<sup>2</sup> IN TANAMI-ARUNTA PROVINCE  
FROM TANAMI GOLD NL (TANAMI)**

- ❖ Extensive land package represents a major opportunity to Deep Yellow Limited (**Deep Yellow**) to gain access to large areas of the Tanami-Arunta Province.
- ❖ The Tanami Province is probably the only realistic target area left for Unconformity style uranium in Australia outside the National Parks (Rudall River and Alligator River) and Arnhem Land.
- ❖ Deep Yellow is already active in the area with resource drilling commencing at its Napperby Project in July 2005.
- ❖ Synergistic alliance with Tanami will provide:
  - access to a large ground holding for exploration of identified targets
  - extensive regional geological datasets
  - a proven and highly regarded working relationship with Land Councils and Traditional Aboriginal Owners
  - Cost synergies and logistical support

## **The Acquisition**

Deep Yellow is pleased to advise that it has acquired the Uranium Rights to all of Tanami's tenements in the Tanami-Arunta Province covering both the Northern Territory and Western Australia. This acquisition provides Deep Yellow with access to an extensive exploration package containing numerous prospective targets for uranium exploration and builds on the Company's existing commitment to exploration in the Northern Territory via its Napperby and Northeast Arunta Projects.

In the 1970's and early 1980's extensive uranium exploration programs were conducted in the Alice Springs region where companies had access to Crown Land. Numerous small vein-type **Metasomatic** uranium occurrences were located in the highly metamorphosed granulite facies complexes in the Harts Range area. Outcropping **Sandstone - Hosted** deposits at Bigrlyi and Angela and the **Surficial** calcrete – hosted deposits at New Well and Currinya were also discovered together with numerous other occurrences and radiometric anomalies.

Although a significant uranium footprint was identified in the district the real focus at the time was on the discovery of the world-class Alligator Rivers uranium field in the 'top-end' of the Northern Territory, **leaving the Alice Springs region under-explored.**

## **Consideration**

The consideration is subject to shareholder approval and comprises:

- 1) \$400,000 cash; and
- 2) 15,000,000 ordinary shares in Deep Yellow; and
- 3) 15,000,000 ordinary share in Deep Yellow subject to escrow for 18 months.

## **Uranium Areas Targeted by Deep Yellow**

### **Unconformity Uranium Model**

The basic parameters for this model are:

- Archaean granitic gneiss basement as both a heat (fluid) and uranium source.
- Lower Proterozoic metamorphosed mudrocks with chloritic, dolomitic and graphitic components.
- Middle to Lower Proterozoic sedimentary cover rocks.
- Structural pathways.

All of these parameters exist in the Tanami Province. Tanami hold a large group of tenements in the western portion of the Tanami Province, which conceptually contain prime uranium targets.

## Lake Mackay

Conceptually this area has long been of interest to uranium explorers. The remote area logistics and lack of negotiated native title access along with the general uranium downturn have all contributed to the lack of exploration in the area.

## Browns Range Dome and Adjacent Areas

These areas also fit the general Unconformity model well. PNC carried out exploration in these areas from 1987 to 1992. Several uranium anomalies were discovered indicating that uranium has been mobilized. A re-evaluation of the open file data may prove useful as the PNC exploration tended to be stratigraphy orientated and an evaluation of any structural corridors may be more successful.

## Known Uranium Prospects

Deep Yellow's investigations show that the known uranium prospects The Don and Deva are covered by the Tanami tenement holdings. Exploration at The Don located several low-grade uranium intersections (generally < 500 ppm) in the order of 0.5-1 m thick within an irregular retrogressed fault zone. The best result returned was 45cm @ 4.65% U<sub>3</sub>O<sub>8</sub>. The Deva area was apparently not adequately drill tested.

Various companies including Energy Reserves Canada, BHP & CEGB during 1978 through to 1990 carried out uranium exploration in the area. Due to the general downturn in uranium exploration and due to the dominant position of the gold explorers in the area the west Tanami has been seriously under explored for uranium.

## More Generally

The geological setting of the major uranium deposit types have analogues in the Tanami-Arunta Province:

- **Surficial Deposits** – *Yeelirrie (Western Australia) and Langer Heinrich (Namibia)*: The New Well and Currinya calcrete deposits to the WNW of Alice Springs were discovered in recent channels and alluvial mud salt pans. Mineralisation occurs in calcareous sands and coating calcrete gravels.
- **Unconformity-Related Deposits** - *Alligator Rivers (Northern Territory), Athabasca Basin (Canada)*: Archaean gneiss domes/terrane and early Proterozoic Tanami Complex basement terrane intruded syntectonic granites are unconformably overlain by mid to younger Proterozoic sandstone cover sequences. The granites of the Tanami District have an average uranium content of 6.5ppm.
- **IOCG/Breccia Complex Deposits** - *Roxby Downs, Prominent Hill (South Australia)*: The ±1500 m.y. basement terrane of the Arunta Province in the Alice Springs area has magnetic/gravity signatures that require testing for copper-gold mineralisation with the possibility of there of being uranium rich zones within such mineralisation.

- **Sandstone-Hosted Deposits** – *The Bigryli and Angela deposits (Northern Territory) and the Beverley and Honeymoon deposits (South Australia) are examples of this style of mineralisation. Worldwide these rollfront deposits occur in younger sedimentary basins. Tertiary to recent sandstone filled basins are known to exist under the extensive transported sand cover of the Province.*
- **Metasomatic-Metamorphic Deposits** - *Valhalla deposit and the Mary Kathleen deposit (Mt Isa) and the Harts Range area Alice Springs: The spotty/small high grade vein occurrences in Harts Range upper amphibolite and granulite facies regionally metamorphosed terrane provide an insight into the possible preservation of uranium mineralisation in the adjacent/contiguous lower amphibolite/upper greenschist facies terranes*

## **Conclusion**

The acquisition of the Uranium Rights to the Tanami tenements represents a major opportunity to Deep Yellow to gain access to large areas of the Tanami-Arunta Province. The ability to share management costs to maintain such a grouping with a stable and successful partner is also a major plus.

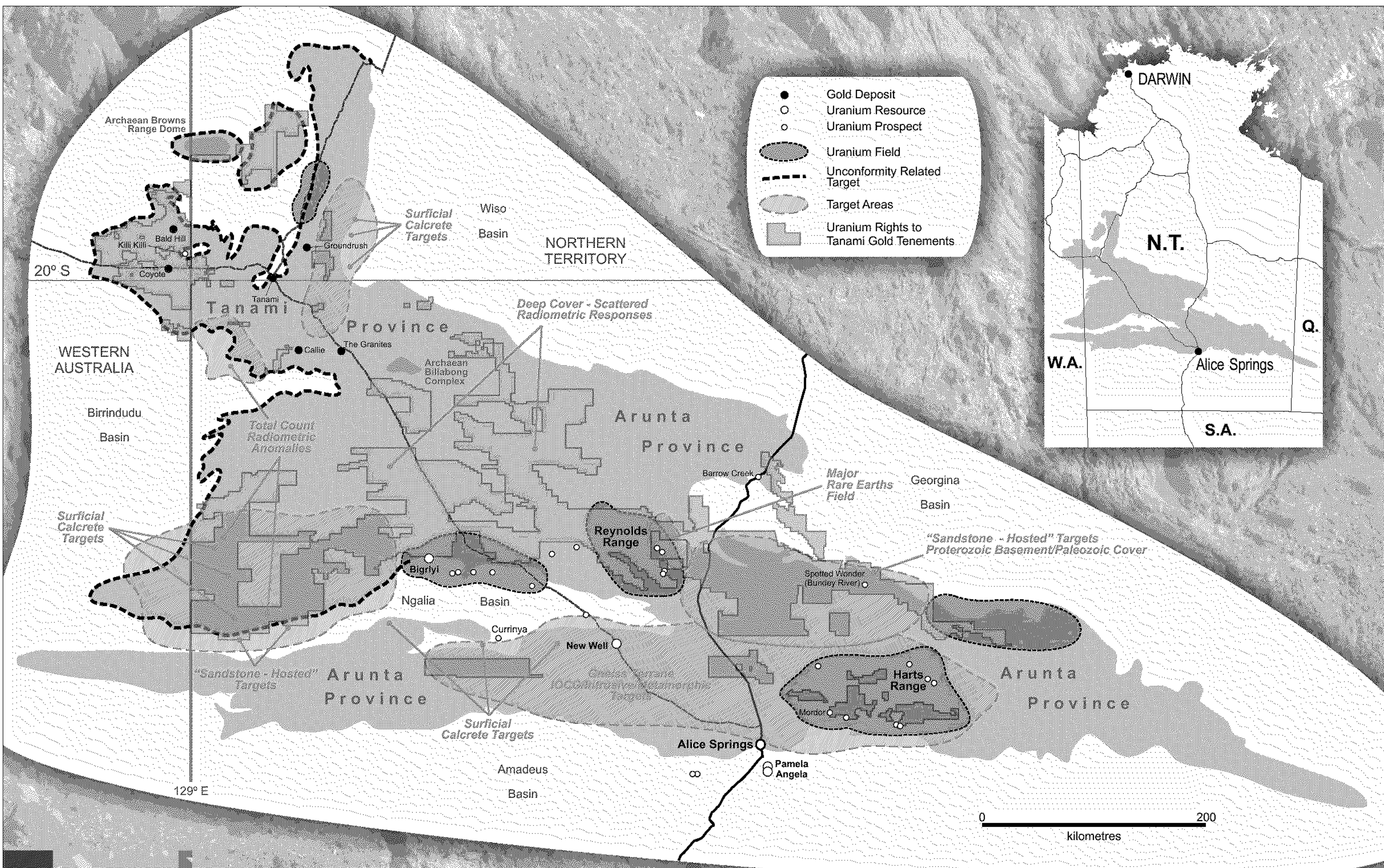
The Tanami-Arunta Province presents a range of Uranium targets that, in general, have been neglected over the past 10-15 years. The Tanami Province is probably the only realistic target area for the Unconformity-Style Uranium left in Australia outside the National Parks (Rudall River and Alligator River) and Arnhem Land.

The acquisition builds on the Company's existing Napperby and Northeast Arunta Projects and provides significant potential for further work on areas which have been previously explored by other companies in the 1970's exploration boom.

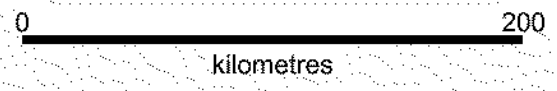
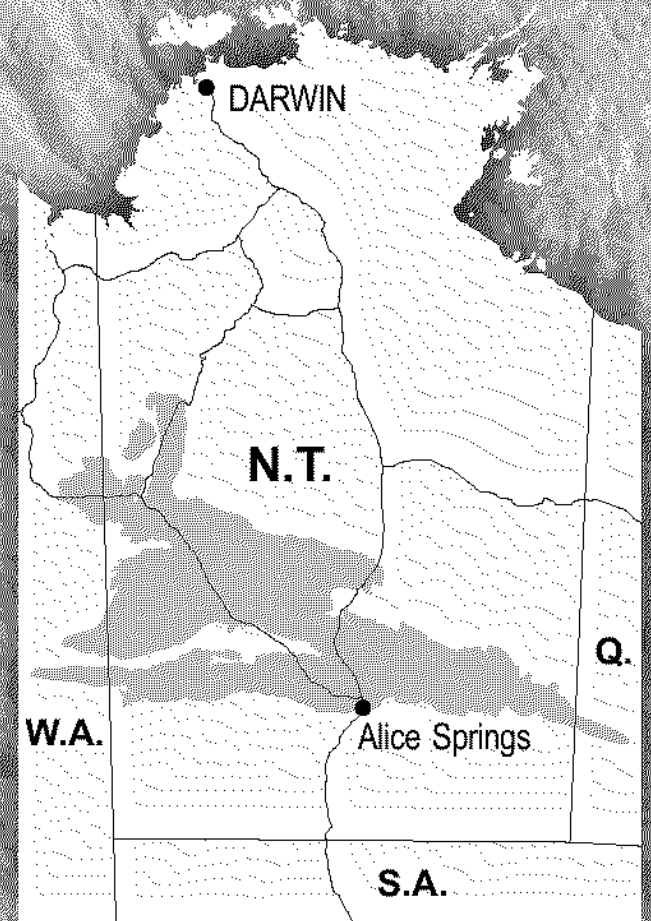
Yours sincerely

James Pratt  
Managing Director

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Joseph Drake-Brockman who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Drake-Brockman is employed by Drake-Brockman Geoinfo Pty Ltd. Dr Drake-Brockman 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 Drake-Brockman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



- Gold Deposit
- Uranium Resource
- Uranium Prospect
- Uranium Field
- - - Unconformity Related Target
- Target Areas
- Uranium Rights to Tanami Gold Tenements



# DEEP YELLOW

## Uranium Rights to Tanami Gold Tenements

