

DEEP YELLOW

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Company Announcements Office
Australian Stock Exchange Limited

By e-Lodgement

Dear Sir / Madam

DRILLING AT NAPPERBY TARGETS JORC COMPLIANT RESOURCE

- **Drilling planned for Deep Yellow's Napperby Project targets mineralisation in excess of 6,000t (~ 13 million lbs) of contained U₃O₈. At 14 March 2005 the spot price for U₃O₈ was US\$21.75/lb.**
- **This target is based on the historical results of 9,000m of drilling from which Uranerz Australia Pty Ltd (Uranerz) carried out an economic orientation study based on a range of between 5,700-6,200t of contained U₃O₈ within a grade range of 0.036-0.038%.**
- **The historical drilling was carried out on drill hole spacings of 300m x 400m. A trial area drilled at spacings of 100m x 100m showed a 40% increase in grade and a 10% decrease in tonnes.**
- **The mineralised horizon occurs between 3 and 10 metres from surface.**
- **Deep Yellow plans to drill approximately 600 holes for a further 9,000m of drilling in order to define a JORC compliant resource at Napperby.**

Please note that the potential quantity and grade of the above information is conceptual in nature and to date there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Napperby Project (EL24246)

The Napperby Project is located 150km northwest of Alice Springs in the Northern Territory. It consists of one exploration licence covering 809km² and contains the New Well Prospect.

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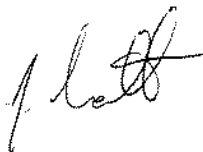
The calculation of a JORC compliant resource estimate for the New Well Prospect is a priority for Deep Yellow and approvals to carry out this work are currently being processed. The majority of the existing drilling is wide spaced (300m x 400m) and the Company believes that the higher grade parts of the deposit are controlled by sand filled channels which have only partly been delineated by the previous wide spaced drilling. Deep Yellow plans to carry out infill drilling around these channels to establish the channel boundaries, verify the continuity of the higher grade mineralization and estimate a new resource for the New Well Prospect.

Uranerz drilled 820 shallow percussion and auger holes on the Napperby tenement in the late 1970's culminating in resource definition work and a pre-feasibility study. The work delineated a 20km x 4km uranium mineralised palaeodrainage, known as the New Well Prospect, on which Uranerz carried out an economic orientation study based on a range of between 5,700-6,200t contained U₃O₈ within a grade range of 0.036-0.038%. The mineralised zone is 1-5m thick and occurs between 3m and 10m from surface.

It should be noted that the above information has not been prepared in compliance with the JORC Code 2004. The statement is based on estimates made in a report by Uranerz in 1979. The Uranerz report used polygons centred on holes drilled on 300m x 400m, 300m x 200m, 300m x 100m and 100m x 100m grids. The calculations were performed using a 200ppm and 0.5m sample interval cut-off. Two calculations were employed, one using a strict 200ppm cut-off for each assay and the second incorporating values greater than or equal to 100ppm such that the polygon average was still above the 200ppm cut-off. The potential quantity and grade of the above information is conceptual in nature and to date there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Exploration Potential

The prime untested exploration target of the Napperby Project is a sandstone hosted uranium deposit amenable to in-situ leaching (ISL). Drilling by Uranerz showed the presence of a deeper Tertiary palaeochannel extending to the west of the near-surface calcrete uranium mineralisation at New Well. This drilling was never followed up. Considering the high uranium content of the ground waters in the area, this palaeochannel system offers an excellent target for discovery of a sandstone hosted uranium deposit suitable for in-situ leaching, downstream from the New Well resource. Deep Yellow plans a regional gravity survey to delineate the channel geometry followed by drilling to establish the sedimentology and redox conditions of the deeper channel.



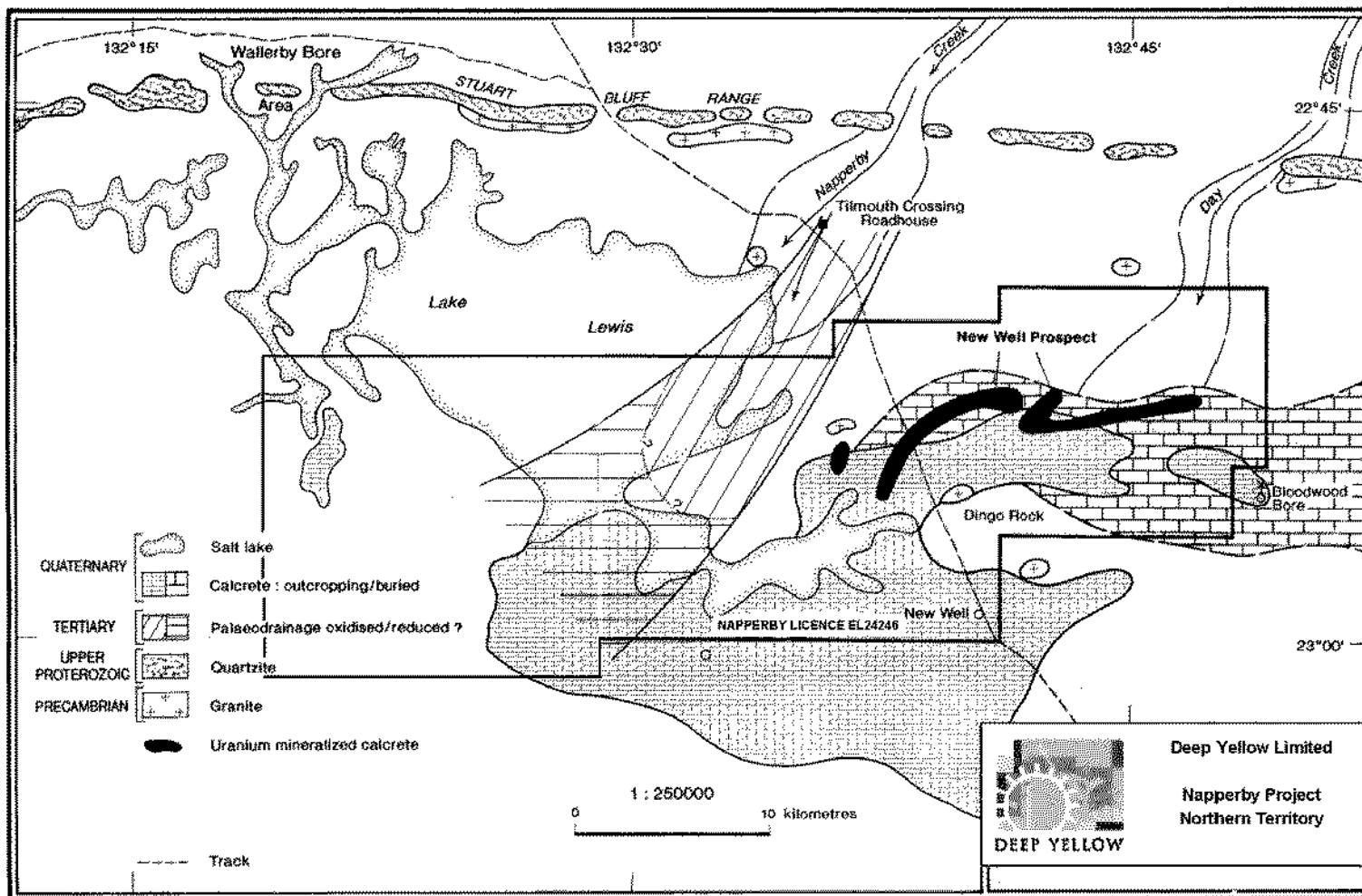
James Pratt
Managing Director

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Dr Joe Drake-Brockman who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Drake-Brockman has sufficient experience which is relevant to the style of mineralisation and type of deposit described herein to qualify as a Competent Person for the purposes of the 1999 Australasian Code for Reporting of Exploration Results, Mineral Resources And Ore Reserves. Dr Drake-Brockman is a consultant to the Company and he consents to the inclusion in the report of the matters based on their information in the form and context in which they appear.

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Napperby – Northern Territory

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