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31 October 2005

The Company Announcements Officer
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

QUARTERLY REPORT FOR PERIOD ENDING 30 SEPTEMBER 2005

HIGHLIGHTS

- **Major acquisition programmes completed.**
 - **Over 52,550 km² of highly prospective tenements in the Northern Territory Tanami-Arunta Province acquired from Tanami Gold NL.**
 - **90% interest in the Siccus Joint Venture in the Frome Basin, South Australia acquired from Paladin Resources Ltd.**
 - **Exclusive licence granted over Paladin's Frome Basin database.**
 - **Tenements acquired from A1 Minerals containing prospective palaeochannels in the Ponton Region of Western Australia.**
- **Sale of the Company's interest in the Mikado Gold Mining Lease completed the strategic move to become a 100% focussed Australian uranium company.**
- **Napperby Project**
 - **Infill resource drilling programme completed on the New Well Prospect in the Northern Territory. Assays received and resource estimation currently being undertaken.**
 - **Further targets delineated for drilling in 2006.**

The acquisitions achieved a major objective of the Company in establishing itself as a key player in the Australian uranium sector by having extended its exploration interests beyond the Northern Territory to include prospective properties in both South Australia and Western Australia.

EXPLORATION ACTIVITIES

Napperby Project (100%, Northern Territory)

The Napperby Project is located 150 kilometres northwest of Alice Springs in the Northern Territory. It comprises one exploration licence covering 809km² and is prospective for both surficial calcrete uranium and deeper sandstone roll-front target types.

During the Quarter the Company announced that a 569 hole resource definition drilling programme (average depth 10 metres) had been completed. All the assay results have been received and have been submitted to geological consultants, Hellman and Schofield, for the determination of a new JORC compliant resource estimate. The estimation of a JORC compliant resource for the New Well Prospect is a priority for the Company.

In the late 1970's Uranerz Australia Pty Ltd, a major uranium explorer, drilled 820 shallow percussion and auger holes on the Napperby tenement 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% U₃O₈. The mineralised zone is 1-5m thick and occurs between 3 to 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.*

In addition to the delineation of the New Well surficial calcrete uranium mineralisation, drilling by Uranerz indicated the presence of a deeper Tertiary palaeochannel extending to the west of the near-surface mineralisation. This drilling was never followed up and 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. The Company plans to undertake a regional gravity survey to delineate the channel geometry. This will be followed by drilling to establish the sedimentology and redox conditions of the deeper channel.

NE Arunta Project (100%, Northern Territory)

The Company received site clearance for its planned exploration programme from the Central Land Council (CLC) during the September Quarter.

The Project is located in the Proterozoic Arunta block, approximately 270km NNE of Alice Springs. Exploration by previous workers (1980's) has defined a 1400m long radiometric anomaly (Yambla Prospect) within the Yambla Amphibolite. Drilling and trenching of the prospect by PNC (a major Japanese explorer) defined a 1-10m thick alteration zone within which occurs sporadic occasionally to very high grade uranium mineralisation in the form of egg-shaped nodules of uraninite grading 1-12% U₃O₈.

Fifteen (15) of the trenches dug by PNC returned mineralisation, two of which have reasonable zones of high grade material. Better assays from the channel sampling ranged from 0.12-12% U₃O₈ over 0.5 to 1.0 metre intervals. Elsewhere in the trenches, assays adjacent to mineralisation ranged from 12-240ppm U₃O₈.

One campaign of diamond drilling (13 holes) was completed, with two holes returning moderate downhole anomalies. All holes intersected wide zones of alteration with assays ranging from 6-60ppm U₃O₈ in altered rock while unaltered amphibolite was all <6ppm U₃O₈. Previous explorers found it difficult to determine the extent and distribution of the uranium bearing nodules. The Company plans to carry out bulk sampling at Yambla and further drilling to determine the distribution and source of the extremely high grade egg-sized nodules.

Tanami-Arunta Area (100%, Northern Territory)

The acquisition of the uranium rights to all of Tanami Gold NL's (Tanami) tenements in the Tanami-Arunta Province of the Northern Territory and Western Australia was completed during

the Quarter. This gave the Company access to an extensive tenement package containing numerous prospective targets for uranium exploration, building on the Company's existing commitment to exploration in the Northern Territory at its Napperby and NE 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. Additionally outcropping sandstone hosted deposits were found at Bigryli and Angela. Surficial calcrete hosted deposits (e.g. Currinya) and redox palaeochannel deposits (e.g. New Well, see above) were also discovered. Although a significant uranium footprint was identified in the district the real focus at the time shifted after discovery of the world-class Alligator River uranium field in the 'top-end' of the Northern Territory, leaving the Alice Springs region under-explored.

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

The acquisition of the uranium rights to the Tanami Gold tenements (52,550 km² at 24 October, 2005) represents a major opportunity for Deep Yellow to gain access to large areas of the Tanami-Arunta Province. The ability to share management costs to maintain such a tenement grouping with a stable and successful partner who holds extensive regional geological datasets and has a proven and highly regarded working relationship with the CLC and Traditional Aboriginal Owners will be invaluable to the Company.

Deep Yellow is responsible for negotiating access to the areas of interest and is planning to commence negotiations with CLC in the December Quarter.

The Company has commenced a review of the Province databases and is targeting access to carry out reconnaissance programs after the wet season break.

Frome Uranium Project (90%) & Frome Basin Database (100%) South Australia

The acquisition of Paladin's 90% interest in the Siccus Joint Venture in the Frome Basin is the Company's first foray into the South Australian uranium province. The Joint Venture coupled with the acquisition of an exclusive licence to Paladin's Frome Basin database is expected to deliver to Deep Yellow a strong competitive advantage in the province.

The Frome Basin is located 500 kilometres north of Adelaide and covers approximately 50,000 km². Uranium exploration in the basin commenced in 1968 and continued through until the early 1980's, focusing on targets within Tertiary palaeochannel systems. Two substantial uranium deposits, Beverley and Honeymoon were discovered in this period. Beverley is the third operating uranium mine in Australia and is successfully utilizing In Situ Leach (ISL) mining technology.

Previous work undertaken by Paladin indicated that the region contains numerous radiometric downhole anomalies and other prospective targets that remain untested.

Ponton North Uranium Project (100%, Western Australia)

The Ponton North acquisition comprises exploration licence applications (ELA's) covering approximately 1,150 km². The ELA's contain Tertiary palaeochannels which are considered highly prospective for uranium mineralisation and which connect through to the Mulga Rocks Uranium Deposit discovered by PNC Exploration immediately to the north of the Ponton Project.

Uranerz drilled the area in the 1980's and outlined a well defined Tertiary palaeochannel drainage system. This work identified the Driller's Corner Prospect which returned uranium mineralisation assaying up to 0.14% U₃O₈ from wide spaced drilling. In addition, two 2 x 0.5 kilometre

anomalous areas having greater than 0.02% U₃O₈ were delineated during this work so confirming that highly uriferous waters flowed through these channel systems. The Company believes that the tenements have the potential for roll-front type uranium deposits suitable for In Situ Leaching.

In consideration for the acquisition of the ELA's, Deep Yellow sold its 50% interest in the Mikado Gold Project and issued 3,000,000 ordinary shares in Deep Yellow to A1 Minerals. The ordinary shares are subject to a voluntary escrow for 12 months.

CORPORATE

Board and Management Restructure

Subsequent to the end of the Quarter, on 11 October 2005 Dr Leon Pretorius, previously a non executive director, assumed the role of Executive Chairman. Martin Kavanagh and Gillian Swaby joined the Board as non executive directors and Mark Pitts assumed the role of Company Secretary. This followed the resignations of Messrs Pratt, Steinpreis and Hearne.

Mr Steve Hogan has joined as a full-time employee. Steve is a geologist with 20 years experience, the last 6 of which was spent in the Tanami-Arunta area as district exploration manager and principal geologist for Normandy Mining and Newmont Australia. Steve will be based in Adelaide and together with Martin Kavanagh will enable the Company to assess the uranium anomalies known to exist in the 52,550km² area held in the Tanami-Arunta Province.

Following the change of management, the Company's offices relocated to Level 1, 329 Hay Street, Subiaco.

Share Purchase Plan

The Company has announced a Share Purchase Plan entitling shareholders to purchase up to \$5,000 of fully paid shares in the Company. The issue price is 14.5 cents per share (representing a 14% discount at the time the plan was announced) and the offer closes on 15 November 2005.

Annual General Meeting

The Annual General Meeting is to be held on 29 November 2005 at 10.00am at The Celtic Club, 48 Ord Street, West Perth.

Yours faithfully
Deep Yellow Limited



Leon Pretorius
Executive Chairman

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97.

Name of entity

DEEP YELLOW LIMITED

ACN or ARBN

006 391 948

Quarter ended ("current quarter")

30 SEPTEMBER 2005

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(274)	(274)
(b) development		
(c) production		
(d) administration	(166)	(166)
(e) staff costs	(19)	(19)
(f) GST Paid	(65)	(65)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	40	40
1.5 Interest and other costs of finance paid		
1.6 Environmental Bond		
1.7 BAS Refund		
Net Operating Cash Flows	(484)	(484)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) Tenements	(817)	(817)
(b) equity investments		
(c) other fixed assets	(20)	(20)
1.9 Proceeds from sale of:		
(a) Tenements	119	119
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid to other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(718)	(718)
1.13 Total operating and investing cash flows (carried forward)	(1,202)	(1,202)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,202)	(1,202)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	158	158
1.15	Costs associated with the issue of shares, options etc		
1.16	Oversubscriptions from share issue		
Net financing cash flows		158	158
Net increase (decrease) in cash held		(1,044)	(1,044)
1.18	Cash at beginning of quarter/year to date	3,550	3,550
1.19	Cash at end of quarter	2,506	2,506

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.20	Aggregate amount of payments to the parties included in item 1.2	49
1.21	Aggregate amount of loans to the parties included in item 1.10	---

1.22 Explanation necessary for an understanding of the transactions

Fees Paid to Directors or Director Related Entities	30
Salary and Super Paid to Directors	19
Note: Fees are Exclusive of GST and Salary is Net	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Acquisition of the following mineral exploration assets and rights:	
1.	30,000,000 ordinary shares to Tanami Gold NL
2.	3,000,000 ordinary shares to A1 Minerals Ltd
3.	7,500,000 ordinary shares and 12,500,000 options exercisable at 12 cents each to Paladin Resources Ltd
Issue and allotment of 15,000,000 options to Dr Leon Pretorius as part of his contract to become a director of the Company.	

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,506	3,550
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,506	3,550

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter %	Interest at end of quarter %	
6.1	Tanzanian Exploration Licences	PLR 3182-3185 / 2005	Direct	100%	-%
6.2	Ponton North Project	ELA39/1140-1144	Direct	-	100%
	Tanami Gold tenements		Direct - Uranium Rights	-	100%
	Tanami-Arunta Province				
	Siccus	EL3288	Direct	-	90%
	Mikado	M38/9 and L38/100	Direct	50%	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number issued	Number quoted	Par value (cents)	Paid-up value (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Issued during quarter				
7.3 +Ordinary securities	444,317,583	444,317,583		
7.4 Issued during quarter	40,500,000	40,500,000		
	Option Exercise 15,750,000	Option Exercise 15,750,000		
7.5 +Convertible debt securities <i>(description and conversion factor)</i>				
7.6 Issued during quarter				
7.7 Options <i>(description and conversion factor)</i>	1,500,000	-	<i>Exercise price</i> 50 Cents	<i>Expiry date</i> 31/12/2005
	160,000	-	35 Cents	01/01/2007
	25,000,000	-	1 Cent	31/12/2007
	10,000,000	-	2 Cents	31/12/2007
	10,000,000	-	5 Cents	31/12/2007
	5,000,000	-	7.5 Cents	31/12/2008
	12,500,000	-	12 Cents	31/07/2008
7.8 Issued during quarter	10,000,000	-	<i>Exercise price</i> 5 Cents	<i>Expiry date</i> 31/12/2007
	5,000,000	-	7.5 Cents	31/12/2008
	12,500,000	-	12 Cents	31/07/2008
7.9 Exercised during quarter	15,750,000	-	<i>Exercise price</i> 1 Cent	<i>Expiry date</i> 31/12/2007
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 31 October 2005

Director

Print name:

LEON PRETORIUS

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