DEEP YELLOW LIMITED

ABN 97 006 391 948

Level 1 329 Hay Street Subiaco WA 6008
PO Box 1770 Subiaco WA 6904
Tel : 61 8 9286 6999
Fax : 61 8 9286 6969
Email: admin@deepyellow.com.au
Website: www.deepyellow.com.au

29 October 2008

FURTHER EXTENSIVE URANIUM MINERALISATION INTERSECTED AT THE ISA WEST PROJECT

MOUNT ISA DISTRICT

Deep Yellow is pleased to announce that further assay results from recent RC drilling at the Isa West (Xstrata JV) Project confirms the significance of this mostly greenfields discovery reported last week. New XRF assays from 60° angle holes drilled across the strike of surface radiometric anomalies include intercepts of:

- **20 m at 437 ppm U_3O_8 from 22 m**
- **19 m at 324 ppm U_3O_8 from 15 m**
- **13 m at 784 ppm U_3O_8 from 17 m**
- **13 m at 556 ppm U_3O_8 from 59 m**
- **9 m at 640 ppm U_3O_8 from 40 m**
- **9 m at 519 ppm U_3O_8 from 23 m**
- **10 m at 402 ppm U_3O_8 from 38 m**
- **5 m at 1,606 ppm U_3O_8 from 13 m**

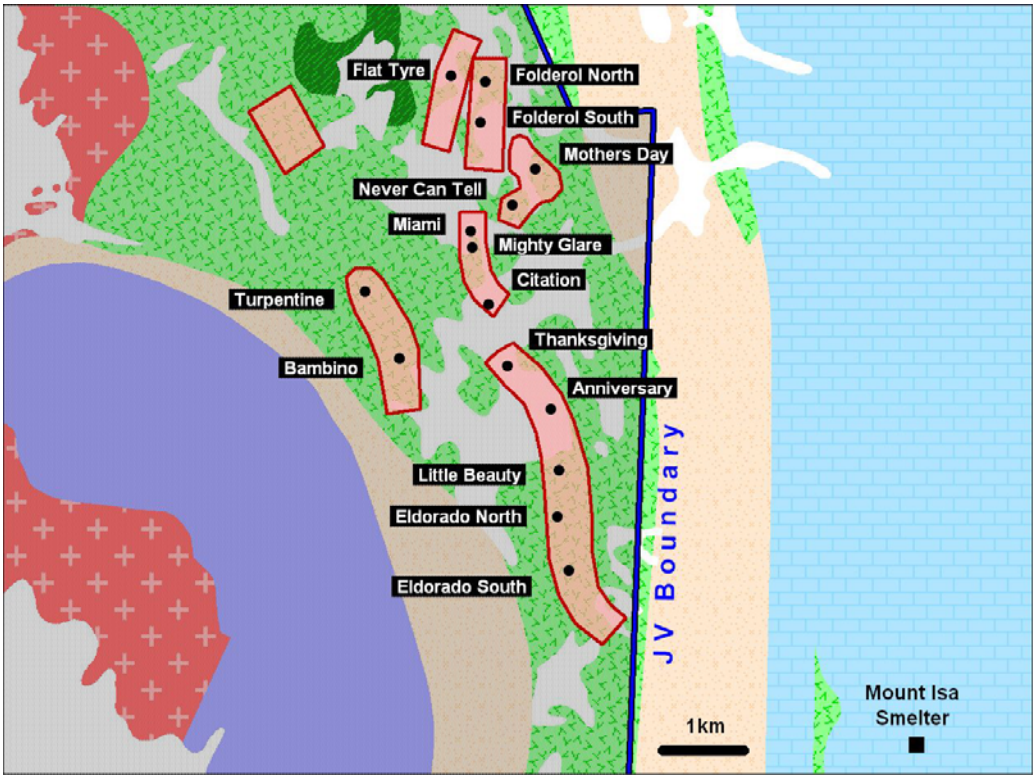

Figure 1: Isa West Prospects

ISA WEST PROJECT (earning 100% of uranium rights from Xstrata)

The first XRF chemical assay results for RC drilling on the Isa West Project tenements were reported to the ASX on 23 October for the Bambino, Thanksgiving and Folderol North Prospects (Figure 1). The drill intercepts substantiated the presence of significant uranium mineralisation within an area associated with minor historic surface prospecting and limited drilling.

The intercepts listed in Table 1 come mainly from the central zone of prosects over a 2 km strike length from the Never Can Tell/Miami Prospects in the north through to the Thanksgiving Prospect. Importantly a single hole drilled at the Eldorado North Prospect a further 2 km south of Thanksgiving returned 20 m at 437 ppm U_3O_8 from 22 m beneath a very subtle ground radiometric anomaly. Included in these results are those received for the six holes drilled at the Turpentine Prospect 800 m north of the Bambino Prospect in the western mineralised corridor.

Thanksgiving Prospect

Assay results have been received for 7 of the 8 holes drilled at Thanksgiving. Significant intercepts are given in Table 1 which together with the previously reported 42 m at 400 ppm U_3O_8 from 15 m now outlines mineralisation open to both the north and south over 200 m strike and only tested to a vertical depth of 30 to 50 m. Geological logging of the drill holes indicates that mineralisation is associated with strongly hematite + albitite altered amphibolite (see photograph). This alteration is typical of uranium deposits such as Valhalla and Skal in the Mt Isa region.

Drill chips showing strong hematite + albitite altered amphibolite - Thanksgiving Prospect

Miami – Mighty Glare- Citation Prospects

The Miami to Citation line of prospects have returned narrow but highgrade intercepts over 1 km strike tested to shallow depths (± 25 m) with widths increasing at the Citation Prospect. The 650 m between the Citation and Thanksgiving Prospects is sand covered (+ 4 m) and shows up as a low in the airborne radiometric survey data. Ground traversing however outlined continuity between the prospects as a subtle radiometric anomaly. A reconnaissance line is currently being drilled midway between these prospects.

Table 1: Isa West RC Drilling - XRF Chemical Assay Results

Drillhole	UTM#		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U_3O_8 (ppm)
	mE	mN				From	To		
Never Can Tell									
NCRC002	356935	7714491	090	-60	72	17	30	13	794
						45	47	2	280
						59	61	2	278
NCRC003	336943	7714543	090	-60	54	31	33	2	620
Miami									
MIRC001	336434	7714054	070	-60	60	24	29	5	895
Mighty Glare									
MGRC001	336494	7713570	060	-60	60	16	21	5	681
MGRC003	336476	7713643	060	-60	60	13	18	5	1,606
Citation									
CIRC001	336576	7713321	044	-60	60	25	37	12	325
CIRC002	336609	7713285	044	-60	60	23	32	9	519
CIRC003	336642	7713240	044	-60	48	17	22	5	325
Thanksgiving									
TGRC006	336892	7712419	066	-60	78	38	48	10	402
TGRC007	336841	7712571	066	-60	90	40	49	9	640
						52	54	2	339
						59	72	13	556
Eldorado North									
ENRC001	337514	7710507	075	-60	60	22	42	20	437
Folderol South									
FSRC002	336532	7715480	092	-60	102	17	22	5	366
FSRC004	336543	7715568	095	-60	114	21	23	2	630
FSRC005	336551	7715619	095	-60	114	22	25	3	373
FSRC006	336570	7715673	094	-60	60	29	31	2	444
Turpentine									
TURC002	335057	7713479	050	-60	108	15	34	19	324
TURC003	335097	7713446	050	-60	90	28	35	7	428
TURC004	335137	7713368	050	-60	78	20	29	9	300
TURC006	335057	7713479	050	-60	60	42	48	6	490
Flat Tyre									
FTRC001	336159	7715998	096	-60	102	16	18	2	670

#UTM Datum: MGA Zone 54 / GDA 94

Never Can Tell Prospect

The drill intercepts from the Never Can Tell Prospect (best of 13 m at 794 ppm U_3O_8 from 17 m) come from an area 600 m east of the main mineralised 'corridor' The results indicate the potential to develop significant additional mineralised trends within the Isa West Project area. It is possible that the Never Can Tell Prospect links through to the Folderol area. An airborne radiometric anomaly 1 km south of Never Can Tell will be drill tested in 2009.

Turpentine Prospect

The Turpentine Prospect was discovered by Mt Isa Mines in 1954 and received little attention thereafter. Historic drilling (1968 and 1979) targeted only narrow high grade mineralisation. Mapping by DYL outlined a zone of intensely deformed amphibolite over a 200 metre strike length and first drilling across the strike of the surface radiometric anomaly returned a best intercept of 19 m at 324 ppm U_3O_8 from 15 m. Mineralisation has been confirmed by DYL's drilling over the 200 m strike to shallow depths (±20 m) and is open to depth and to the north.

The best historic intercept listed in a Mary Kathleen Uranium report (1980) was 5.1 m (true width) at 1,320 ppm U_3O_8 at 70 m vertical depth in diamond hole T2. The historic results together with DYL's shallow drilling at Bambino and Turpentine will provide multiple targets for follow-up drilling in 2009.

Summary

Given the tenor of the results from DYL's limited drill programme through the historic prospects; the project's location (5 km west of the Mt Isa city limits); and, the number of surface radiometric anomalies within the 6 by 3 kilometre prospective area, it is DYL's view that the area holds excellent potential to host economic uranium mineralisation.

It should be noted that the early phase of exploration at Isa West focussed on delineating highgrade mineralisation for trucking to the then operating Mary Kathleen Mine. Accordingly the historic data generally only reports narrow highgrade intercepts in both drill core and surface trenching. At Thanksgiving for example the best surface assay reported was 3 m at 640 ppm U_3O_8. DYL's undercut of the trench returned 42 m at 400 ppm U_3O_8 from 15 m. From an open pit mining perspective DYL's early drill results are very encouraging.

With the completion of the reconnaissance RC drill line between Citation and Thanksgiving the Emancipation Prospect 12 km south of Eldorado North will be drilled prior to the drill rig being relocated to DYL's Cloncurry projects. During the wet season the Isa West area will be mapped and ground radiometrically surveyed in detail prior to intensive drilling campaigns in the 2009 field season.

As previously announced (ASX 23 October) DYL anticipates that it will achieve its $1 million expenditure level on the project area by early November so crystallising the next major earn-in phase of the JV (a further $9 million over 4 years to earn 100% of the uranium rights to the Project tenements provided a mining lease for uranium can be granted within an additional 5 year period and subject to a royalty of 1.5% of net profits from uranium production to Xstrata (ASX 21 January 2008).

Dr Leon Pretorius
Managing Director

Further Information:

Mr Martin Kavanagh
Executive Director
(08) 9286 6999

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Leon Pretorius a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Pretorius 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 Pretorius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.