



DEEP YELLOW LIMITED

ABN 97 006 391 948

Level 1 329 Hay Street Subiaco WA 6008
PO Box 1770 Subiaco WA 6904
Tel : 08 9286 6999
Fax : 08 9286 6969
Email: admin@deepyellow.com.au
Website: www.deepyellow.com.au

05 October 2007

MT ISA EXPLORATION UPDATE HIGH GRADE URANIUM SAMPLES

HIGHLIGHTS

- Rockchip samples from helicopter supported ground checking of airborne radiometric anomalies return high grade uranium assays (+ 0.2% U₃O₈) at 10 prospects on the following tenements:
 - EPM 11025 1 prospect
 - EPM 14281 1 prospect
 - EPM 14622 1 prospect
 - EPM 14916 6 prospects
 - EPM 15070 1 prospect
- Tracks have been established into the prospect areas and geological mapping and ground radiometric traversing completed ahead of scout drilling planned for November 2007.

The Directors of Deep Yellow Limited (DYL) are pleased to announce that assay results received from the ground truthing of uranium anomalies outlined by a recent airborne survey has greatly increased the uranium prospectivity of **EPM's 14281 and 14916** which form part of the NW Queensland Joint Venture with Matrix Metals Ltd (Matrix). As well as the planned drilling of a number of the prospects this year, the reconnaissance program has developed targets for testing in the 2008 field season.

MT ISA REGIONAL PROGRAMME

In May 2007 DYL contracted UTS Geophysics to fly 5,470 line kilometre of low level radiometrics and magnetics over nine selected target areas within its tenement holdings in the Mt Isa district.

The 100 metre line spaced data greatly enhanced the definition and delineation of uranium anomalous zones within DYL's original 400 metre line spaced data set. The newly acquired data was processed in-house and a series of targets developed for ground checking/reconnaissance mapping. A total of 109 anomalies were identified on a first-pass review of the data.

Following the completion of surface mapping and sampling of the Queens Gift Prospect DYL's geologists and field assistants commenced a helicopter supported '**anomaly validation programme**' in August 2007. To date a total of 56 of the 109 anomalies generated within a 100 km radius north and northeast of Mt Isa have been inspected, mapped and sampled as warranted.

Sampling Procedure

At each anomaly, the centre of the airborne uranium anomaly was targeted as an initial datum. Rapid ground traversing with a hand held scintillometer was undertaken in order to identify peak values and possible visible mineralisation. Samples for assay were collected at the peak uranium site. These samples are positively biased and not representative of the entire outcrop/anomaly area however, they are being used as a 'driver' to identify potential scout drill sections.

The field checking also provided information on the style of mineralisation, alteration, rock types and the local extent of 'mineralisation' as indicated by ground scintillometer traversing. Within **EPM 14916** located 85 km north of Mt Isa and 35 km northeast of DYL's Queens Gift Prospect uranium mineralisation at the various prospects is hosted by basalts and siltstones of the Eastern Creek Volcanics sequence which hosts both the Queens Gift and the Valhalla uranium deposits. Mineralisation is associated with intense haematite alteration with weak to intense breccia development. All of the above features together with the assay values have been used to prioritise anomalies for drilling in 2007.

Within **EPM 14281** uranium mineralisation is hosted by chloritic shear zones developed through granite. The Miranda North Prospect is located 450 metres north of the DYL's Miranda Prospect. RC percussion drilling will commence on the existing Miranda and Miranda Northwest Prospects within EPM 14281 in mid-October and will then test the new Miranda North Prospect prior to moving to EPM 14916.



**Crystal – 1 Prospect. Highly anomalous haematitic soils over siltstone.
Samples DH 017 and 018 site.**

Of the 56 targets inspected, 12 were ranked as immediate drill targets; 12 requiring follow-up mapping and prospecting in 2007; 11 follow-up targets for 2008, and 21 anomalies were down graded as being due to lithological responses typical of the relatively high uranium background in the Mt Isa district.

The targets highlighted for immediate drill follow-up are highlighted in Table 1.

TABLE 1 – ROCK CHIP SAMPLING DATA FOR ASSAYS OVER 1,000 ppm U₃O₈

SAMPLE NO.	EPM	HELICOPTER ANOMALY NO.	PROSPECT	U ₃ O ₈ PPM	%
DH_005	15070 *	H105	Follow-up 2007	1,650	0.165
DH_009	14916	H020	Conquest North / Drill	1,950	0.195
DH_010	14916	H121	Conquest Central / Drill	2,200	0.22
DH_013	14916	H125	Conquest East / Drill	1,000	0.10
DH_015	14916	H007	Wahn / Drill	3,200	0.32
DH_016	14916	H005	Bluestone / Drill	5,200	0.52
DH_017	14916	H094	Crystal 1 / Drill	2,700	0.27
DH_018	14916	H094	Crystal 1 / Drill	2,850	0.285
DH_021	14916	H011	Follow-up 2007	1,150	0.115
DH_022	14916	H011	Follow-up 2007	1,500	0.15
DH_024	14916	H010	Crystal 6 / Drill	2,100	0.21
DH_025	14916	H112	Slance NW / Drill	1,900	0.19
DH_027	14916	H006	Slance / Drill	1,150	0.115
DH_028	14916	H111	Slance NE / Drill	4,850	0.485
DH_029	14281	H101	Miranda North / Drill	29,400	2.94
DH_031	14622	H030	Follow-up 2007/08	3,700	0.37
DH_033	15070 *	H131	Batman South / Drill	4,700	0.47
DH_035	11025	H034	Follow-up 2007/08	2,650	0.265

* 100% DYL tenement.

NB: 1,000 ppm = 0.1%, 10,000 ppm = 1%

In mid-October the helicopter supported reconnaissance programme will recommence with a focus on targets developed to the south and southeast of Mt Isa/Cloncurry with the majority of targets falling within tenements held through Agreement with Matrix Metals. Targets/prospects developed from this programme will be followed up after the wet season break in March/April 2008.

The assay results together with geological mapping have clearly identified EPM's 14916, 14281 held by Matrix Metals as containing a number of priority drill targets. Under Agreement with Matrix Metals through the NW Queensland Joint Venture, DYL is earning 80% interest in the uranium rights to these tenements and has the right to 100% by buying out Matrix's retained 20% on each individual deposit (ASX 20 February 2006).



Miranda North Sample DH 029. Oxidised chlorite–haematite schist with pale yellow uranophane (?) mineralisation

Dr Leon Pretorius
Managing Director
Deep Yellow Limited

Further Information:

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.

For personal use only