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MT ISA - EXPLORATION UPDATE

- Initial results from diamond drilling at Queens Gift return:
21.0 m @ 893 ppm eU₃O₈
and
24.4 m @ 513 ppm eU₃O₈
- Review of historic exploration data from the Sherrin Creek EPM 16007 indicates the presence of extensive phosphate mineralisation in the district with a best intersection of 4.3 m @ 14.8% P₂O₅ within this tenement.

Queens Gift Prospect

Down-hole radiometric results (eU₃O₈) have been received from three of the initial four diamond drill holes completed at the Queens Gift Prospect.

QGDC001 was drilled to determine the extent and orientation of the mineralised zone that was encountered by 2007 RC percussion drilling. Mineralisation was intersected down-plunge of previously reported holes DQRC0032 and DQRC0033 and confirmed an interpreted cross cutting fault zone. Situated adjacent to a basalt, the mineralised zones are foliated and often brecciated with pervasive hematite and carbonate alteration (see photograph of core).

QGDC002 and QGDC006 are located 200 m and 300 m south of QGDC001 respectively and intersected similar styles of mineralisation as in QGDC001.

The gamma radiometric logging was conducted using an Auslog down-hole logging system with an A075 33 mm probe. Two additional diamond holes are planned. Further RC percussion drilling is scheduled to commence in late June/July.

Radiometric logging results (utilising a 200 ppm eU₃O₈ cut-off).

Drillhole	UTM		Azi	Dip	TD (m)	Depth (m)		Interval (m)	eU ₃ O ₈ (ppm)
	East	North				From	To		
QGDC001	319410	7781530	000	-60	206.1	124.2	148.6	24.4	513
QGDC002	319501	7781315	000	-60	188.7	73.1	94.1	21.0	893
QGDC006	319505	7781234	040	-60	251.7	151.7	160.1	8.4	595

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Diamond Drilling Queens Gift Prospect



Close-up of hematite alteration – brecciation – Hole QGDC001

Phosphate Potential

DYL has recently been made aware of potential phosphate mineralisation on its EPM 16007 – Sherrin Creek following assessment of historic exploration reports that indicate the presence of phosphate mineralisation in the EPM. The phosphate is associated with the highly prospective Beetle Creek Formation which is the host to the majority of phosphate mineralisation in the Mt Isa district.

Hole SC5 within EPM 16007 drilled by the Continental Oil Company Australia Ltd (COCAL) during reconnaissance drilling in 1968 intersected 4.3 m at 14.8% P₂O₅ from 18 metre depth.

The historic Sherrin Creek phosphate deposit lies immediately west of EPM 16007.

DYL will continue to evaluate the uranium potential of EPM 16007 and will talk to any party interested in pursuing the phosphate potential of the tenement.

Other Minerals

Although DYL has a stated objective of being a uranium company only, in addition to the right to uranium on its extensive 100% held tenement holdings in Australia and Namibia, DYL also has the right to other minerals and it will periodically happen that it either locates other minerals on its tenements or is approached by other parties interested in such mineral potential. The DYL board will assess these situations as they may occur.



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Managing Director

Further Information:

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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.

Where eU₃O₈ is reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A075 – slimline gamma ray tool. The probe has been calibrated at the Pelindaba Calibration facility in South Africa with calibration certification provided by Geotron Systems (Pty) Ltd a geophysical consultancy based in South Africa. All eU₃O₈ results reported are affected by issues pertaining to possible disequilibrium and uranium mobility which should be taken into account when interpreting those pending confirmatory chemical analyses.