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NAMIBIAN EXPLORATION HIGHLIGHTS

- 853 ppm U₃O₈ 20 METRE DRILL INTERSECTION WITHIN TUMAS PALAEOCHANNEL
- UP TO 7,875 ppm U₃O₈ IN ONE METRE CHANNEL SAMPLES FROM TUBAS TRENCH
 - AVERAGE OF 1,430 ppm U₃O₈ FOR 9 METRE COMPOSITE 1 M² VERTICAL CHANNEL

TUMAS PALAEOCHANNEL DRILLING

Drilling on the newly discovered palaeochannel at Tumas (ASX 6 May 2008) has recommenced with a RC rig equipped with a blow-down system capable of drilling through a collapsing mud layer which appears to overlie the mineralisation in places. The original two RC rigs are now drilling out the historic resource defined by Falconbridge towards the east and the additional rig will drill out the area around hole B1.400_0.200W which they failed to complete as depicted in Figure 1 that also indicates GTM for all holes drilled to date. Note the depicted position of drillhole B2.275 0.250 that assayed 1,722 ppm U₃O₈ over 13 metre from 13 metre (ASX 6 May 2008) that is located 980 metre to the SSE.

Chemical assays for uranium within the mineralised palaeochannel from the first hole completed to basement is: -

XRF chemical assays in U₃O₈

Drillhole	UTM		TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)	GTM
	East	North		From	To			
B1.400 0.200W	512800	7452600	45	18	38	20	853	17,060

Given that most holes in this area already drilled terminated at around 20 metre deep due to collapsing of holes, they will be redrilled to ensure that deeper mineralisation was not missed. It will take about 2 weeks to drill test the immediate vicinity of hole B1.400_0.200W on the 50 by 50 metre staggered grid pattern and results will be released as they become available.

It is very encouraging to note how successful the recently completed airborne electromagnetic (AEM) survey appears to map out the deeper portions of the Tumas drainage system within which the palaeodrainage hosted uranium mineralisation occurs. It is early days but once this is proven these deeper sections will be targeted along the 80 kilometre long AEM defined Tumas-Tubas drainage system.

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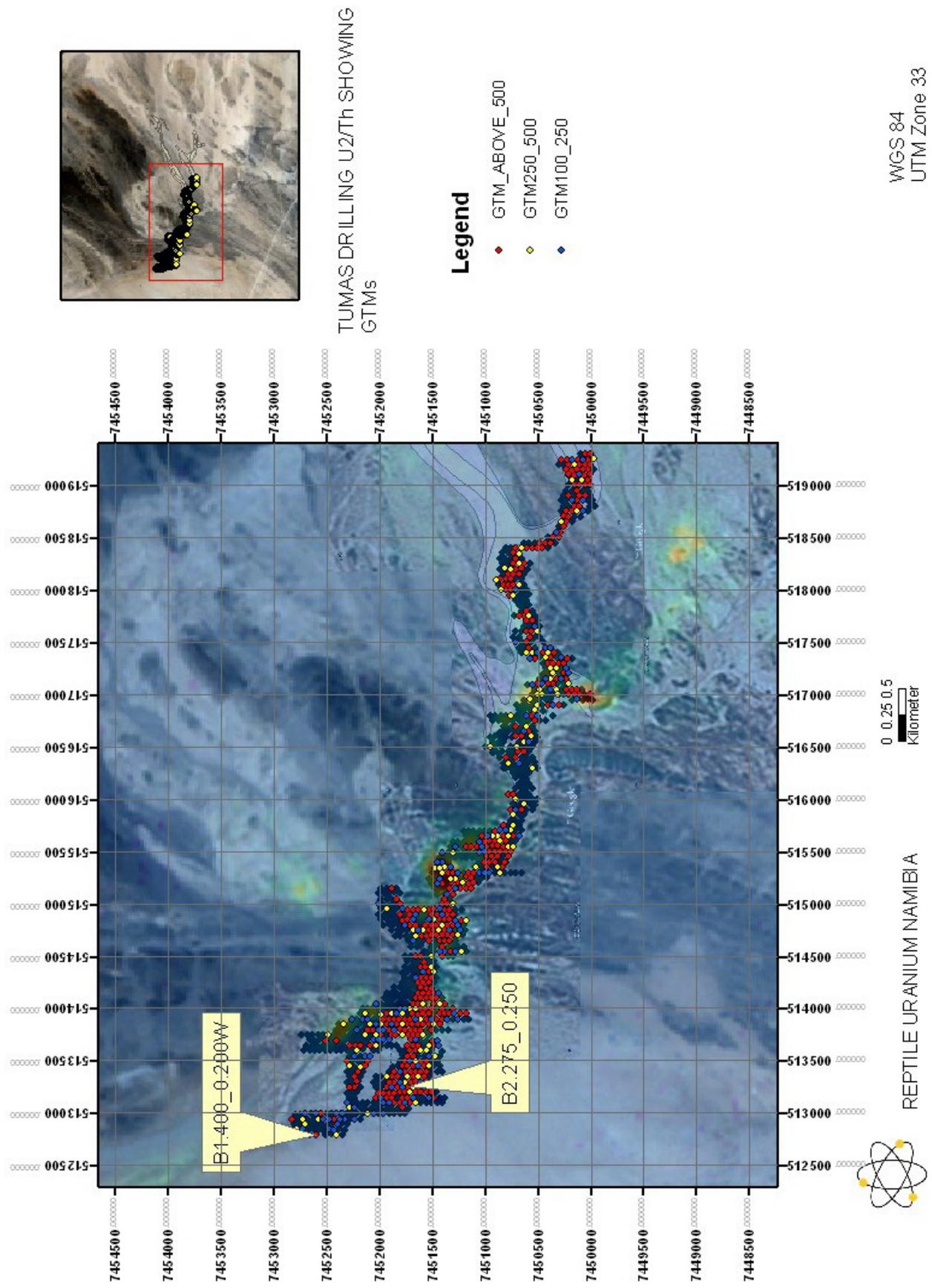


Figure 1: Tumas Prospect GTM Results

TUBAS TRENCH

A trench has been completed at the Tubas project (JORC Code Inferred Mineral Resource of 77.3 million tonne at 0.023% (238 ppm) U_3O_8 at a cut-off grade of 100 ppm U_3O_8 for 17,600 tonne or 38.8 million pounds of contained U_3O_8 – ASX 21 November 2007).

The N-S trench was excavated with drillhole B2.800 7.500 (UTM 491805E 7467751N) which returned an average assay of **1,638 ppm U_3O_8 over 10 m** from surface as its centre point. Four other RC holes were drilled at 5 metre spacings either side of this hole so the results from the trench wall channel samples can be compared back to the holes' chemical assays and radiometric logging equivalent uranium results.

As reported (ASX 21 May 2008) the trench was constructed to provide information on: -

- Mineralisation style and controls;
- Grade distribution;
- Geological controls;
- Host rock characteristics (i.e. free-digging);
- Bulk density;
- Disequilibrium: and,
- Metallurgical and extraction tests.

In detail the trench was 20 metre long at its planned terminal depth of 10 metre and in part was excavated to 11 metre as it was not possible to penetrate the hard calcrete base. The attached photos portray the 2 metre benched construction of the trench. The walls of each cut and its floor was channel sampled on one metre block patterns. This generated in excess of 4,000 samples that will take two to three months to assay, as priority is being given to samples from the ongoing drilling campaigns employing 6 RC rigs and one diamond drill rig.



Tubas: Start of trench through surface gypsum layer

The samples from the four vertical channels for the one metre square immediately around RC drillhole B2.800 7.500 (trace of hole can be seen in photo) were assayed as a priority and the average XRF assay for each vertical metre is given in the table below.

Depth in metre	XRF Assay in ppm U ₃ O ₈
0 to 1	92
1 to 2	154
2 to 3	275
3 to 4	493
4 to 5	3,672
5 to 6	1,862
6 to 7	1,472
7 to 8	2,309
8 to 9	853
9 to 10	1,781

Of note is that the average assay value for the complete section is **1,296 ppm U₃O₈ over 10 metre** from surface using no cut-off. Applying a 100 ppm cut-off this value becomes **1,430 ppm U₃O₈ over 9 metre**. Applying a 200 ppm cut-off this value becomes **1,590 ppm U₃O₈ (sand only)**.



Tubas: Final trench profile showing upper gypsum layer 0 – 2 m depth and mineralised red sand to the bottom of trench.

As can be seen from the photos attached, there is a gypsum layer varying in thickness to 2 metre overlying a mostly unconsolidated fine to medium-grained variably organic carbon rich red sand layer varying in thickness to 9.5 metre. Calcrete nodules occur within the sand and in the base of the trench. The sand has no obvious internal structure, but is most like a buried dune or meander bank deposit. Red sand was commonly found to be the host during the Tubas drilling campaign last year and the logs will be interrogated again with the geological knowledge gained from the trench.

It is yet to be confirmed but it appears there is little or no uranium mineralisation in either the overlying gypsum or any of the calcrete within and below the sand.



Tubas: Stockpiled mineralised red sand available for testwork

Distribution of carnotite occurs as blebs and blotches or is finely distributed throughout the sand – quite often as a uniform dusting causing a slight yellow discolouration of the host red sand and is quite spectacular as can be seen in the photos.

Important to note that the complete section up to the basal calcrete at around 11 metre is free digging.

Once all assays are in hand the extent of the host sand will be mapped out through detail drilling (possibly sonic or rotary auger) although geophysical methods will also be trialled. What is apparent though is that carnotite will be lost during RC drilling by being blown out the cyclone stack due to its commonly fine distribution.



Tubas: Coarse carnotite accumulations in mineralised sand 2-4 m depth.



Tubas: Entire area exposed is mineralised red sand – final cut 10 - 11 m depth

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Tubas: Pervasive carnotite mineralisation through red sand



Tubas: Trace of borehole at 10.5 metre

SUMMARY

- Tumas palaeochannel continues to return high values over appreciable thicknesses
- Tubas trenching exercise confirms high grades and pervasive distribution of uranium in free-digging sediments



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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 A675 – 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.