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INCA PROSPECT – NAMIBIA

Latest drilling returns 607 ppm eU₃O₈ over 54 metre

(Including 2,981 ppm eU₃O₈ over 11 metre)

As previously reported to the ASX, drilling at the Inca prospect (previously known as Von Stryk or M1) continues on a 100 x 100 metre grid to nominal depths of 100 metre. To date 96 vertical RC holes have been completed on this grid within a 1,300 x 1,000 metre area which remains open to the north, east and west. The basement hosted geophysical anomaly associated with this mineralisation extends 10 km to the ENE and will be drill tested over time. The four best recent holes within the main anomaly are listed in the table below.

Importantly, the first hole (AM1 9.200 11.100) drilled into a separate geophysical anomaly 600 metre to the south of the main area returned an excellent drill intercept (see Table below) which includes 2,981 ppm eU₃O₈ over 11 metre.

The location of all five holes is depicted on the attached map.

A second RC rig with a depth capability of 300 metre has now been added to the programme.

Table 1: Inca 1 Prospect – Vertical Drillhole (AM1) Information

Drillhole	Location – WGS84 (m E) (m N)		Depth (m)	From (m)	To (m)	Width (m)	Grade ppm eU ₃ O ₈
9.200 11.100	488900	7475800	100	40	94	54	670
Including 2,981 ppm over 11 metre from 40 metre							
8.100 10.200	489803	7476904	103	45	98	53	166
Including 433 ppm over 14 metre from 63 metre							
8.100 11.300	488702	7476904	100	27	100	73	165
Including 321 ppm over 14 metre from 27 metre							
7.900 11.300	488700	7477100	100	56	97	41	149
Including 316 ppm over 4 metre from 93 metre							
8.200 10.200	489802	7476803	100	74	77	3	408

IMPORTANCE OF THIS DISCOVERY

- Mineralisation starts at or near surface
- Expanse of drill-indicated main mineralised zone
- Geophysical anomaly extends a further 10 km to ENE
- Numerous other similar geophysical targets within a thirty kilometre radius
- First separate such anomaly tested returns excellent grade and thickness
- Association of uranium with magnetite could lead to easy beneficiation
- Analogous to Mary Kathleen (CRA uranium mine in Queensland)
- Only tested to 100 metre vertical depth



Dr Leon Pretorius
Managing Director

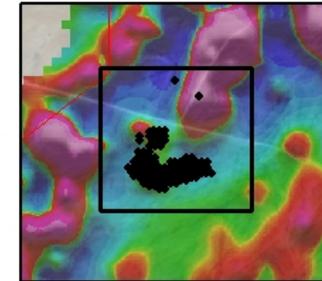
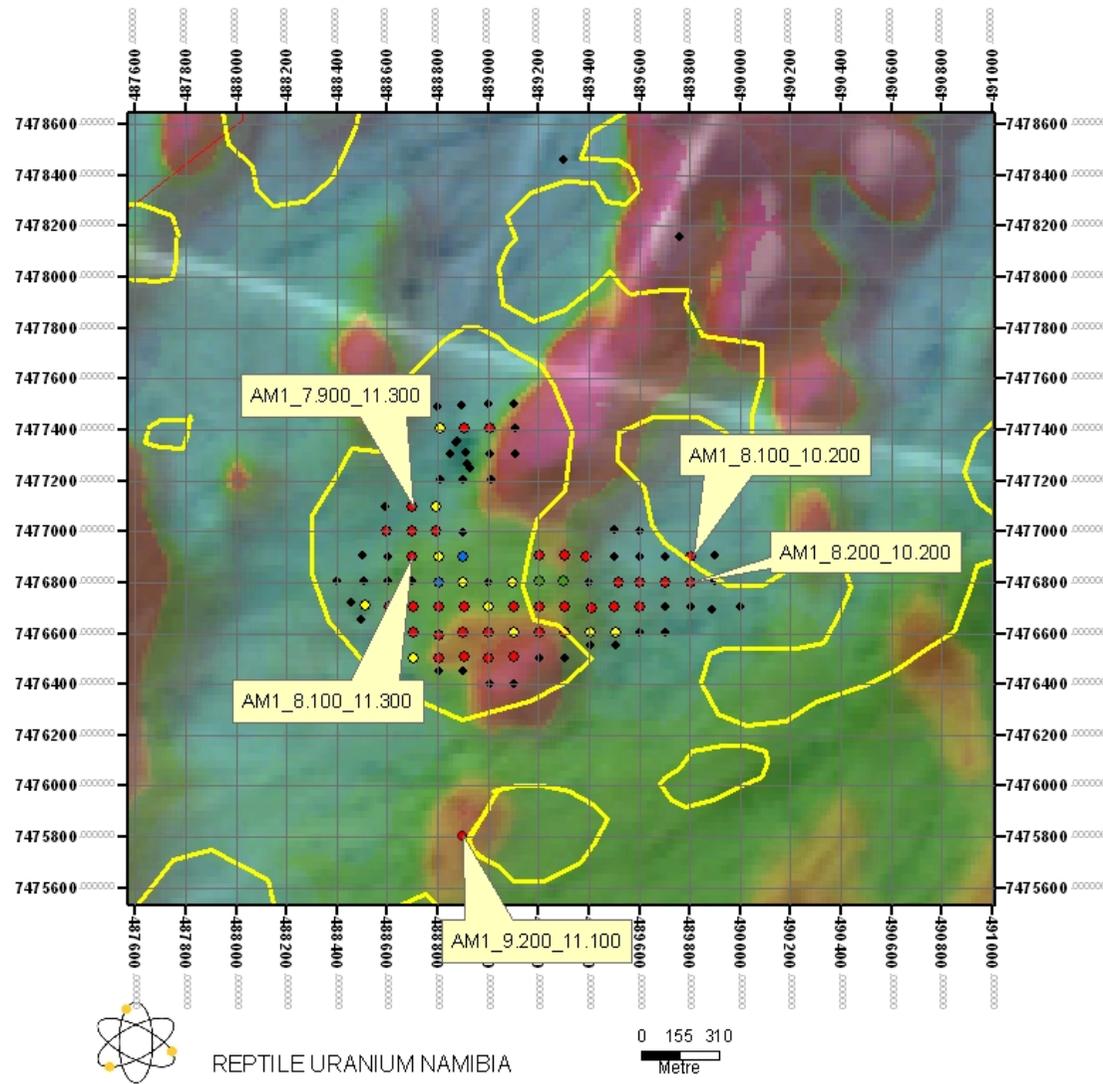
Further Information:

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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 eU_3O_8 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. Furthermore core samples studied by ANSTO indicate negligible disequilibrium in this mineralisation. However, all eU_3O_8 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.

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FIVE BEST HOLES DRILLED AT INCA ON AIRBORNE ELECTROMAGNETICS SHOWING OUTLINE OF ANALYTICAL SIGNAL (AIRBORNE MAGNETICS)

Legend

- GTM_100_TO_250
- GTM_250_TO_500
- GTM_500_1000
- GTM_ABOVE_1000
- ANALYTICAL SIGNAL

WGS 84
UTM Zone 33