



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

9 January 2008

NAMIBIAN UPDATE

MAGNETITE - IRON OXIDE HOSTED URANIUM DISCOVERY

RC DRILLING CONFIRMS URANIUM MINERALISATION AT DEPTH

The Directors wish to announce early success from limited drilling to test the depth potential of the uranium mineralisation associated with magnetite-iron oxide outcrops (ASX 19 December 2007).

Two 60 degree angled RC drill holes were completed in December, one to 150 m and the other that was meant to terminate at 200 m was curtailed at 127 m due to rig problems, but will be deepened at a future date.

The holes were radiometrically (gamma) logged and although only the preliminary XRF assay data from the obviously uranium mineralised sections has been received, the Directors decided given the potential economic importance of this discovery and recognition of this unknown style of mineralisation in this area that it should be reported to the ASX at this early stage.

The radiometric gamma logs indicate wide zones of uranium mineralisation with equivalent values around 100 ppm U_3O_8 ; and narrower zones at higher concentrations. It is the latter that have been assayed and are reported on below. The final uranium assays plus other elements (base metals, iron and thorium) are expected by mid-February and will be reported on when available.

Preliminary Uranium Assays

- **Hole AM 1 *** 26 m at 217 ppm U_3O_8 from 6 m
 - incl 12 m at 305 ppm U_3O_8 from 6 m
 - incl 2 m at 365 ppm U_3O_8 from 21 m
 - incl 1 m at 328 ppm U_3O_8 from 31 m
- and** 18 m at 174 ppm U_3O_8 from 64 m
 - incl 2 m at 331 ppm U_3O_8 from 66 m
 - incl 2 m at 308 ppm U_3O_8 from 80 m
- and** 2 m at 455 ppm U_3O_8 from 140 m

- Hole AM 2 * 16 m at 286 ppm U₃O₈ from 41 m
incl 4 m at 833 ppm U₃O₈ from 44 m

and 6 m at 237 ppm U₃O₈ from 67 m
incl 2 m at 418 ppm U₃O₈ from 68 m

and 10 m at 348 ppm U₃O₈ from 98 m
incl 5 m at 539 ppm U₃O₈ from 99 m

* Holes AM 1 and AM 2 were both drilled at -60° inclination and 335° azimuth.
Hole AM 2 is located 20 m behind AM 1 on the same section line.

It is also proposed that a 200 m deep RC scissor hole be drilled during January to provide further geological and structural information. Mapping and ground magnetic surveys are planned, but from the airborne data this magnetic horizon (hosting the mineralisation) has been traced for 5,000 m along strike. Diamond drilling of the AM 1, 2 and 3 section will be required to better understand this discovery and will be undertaken when a suitable contractor is sourced.

The discovery of this magnetite-iron oxide hosted uranium mineralisation and its possible economic importance is significant and given the fact that holes AM 1 and 2 were sited only where access was easily available and prior to any ground truthing of the airborne anomalies has been done adds to the intrigue of the discovery.



Dr Leon Pretorius
Managing Director

Further Information:

Mr Martin Kavanagh
Executive Director
61 8 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.