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NAMIBIAN UPDATE

MAGNETITE - IRON OXIDE HOSTED URANIUM DISCOVERY

SCISSOR HOLE CONFIRMS URANIUM MINERALISATION AT DEPTH

Deep Yellow Ltd (DYL) has previously announced discovery intersections from two holes (**AM 1 and AM 2**) drilled to test the depth potential of the uranium mineralisation associated with magnetite-iron oxide outcrops within the Tubas tenement EPL 3496 (ASX 19 December 2007).

The Directors are now pleased to announce that Hole **AM 3** drilled as a scissor hole back towards **AM 1** and **AM 2** (see Figure 1) was completed to 200 m depth and that preliminary assays have confirmed uranium mineralisation with intersections of:

- 37 m at 260 ppm U_3O_8 from 48 m including 17 m at 438 ppm U_3O_8 from 68 m; and
- 4 m at 715 ppm U_3O_8 from 112 m

Final uranium assays plus other elements (base metals, iron and thorium) for all three holes are expected to be received by mid-February and will be reported on when available.

Previously reported preliminary uranium assays for **Holes AM 1 and AM 2** are summarised below in Table 1 together with the results from **Hole AM 3**:

Table 1: Magnetite Prospect – Drillhole Information (subject to surveying)

Drillhole	Location – WGS84 (m E) (m N)		AZI	INC	Depth (m)	From (m)	To (m)	Width (m)	Grade ppm U ₃ O ₈
AM 1	488916	7477261	355°	-60°	150	6	32	26	217
						64	82	18	174
						140	142	2	455
AM 2	488924	7477242	360°	-60°	200	41	57	16	286
						67	73	6	237
						98	108	10	348
AM 3	488878	7477351	141°	-60°	200	48	85	37	260
						112	116	4	715

It is proposed that two approximately 150 m deep diamond drill holes be drilled commencing in late January to provide geological and structural information on the mineralisation. Data from the mapping and ground magnetic surveys that are being completed over the prospect will be used to finalise drill collar positions. The airborne data from this magnetic horizon (hosting the mineralisation) has been traced for 5,000 m along strike providing additional targets for RC percussion drilling.

The discovery of this magnetite-iron oxide hosted uranium mineralisation and its possible economic importance is significant. Pending confirmatory and complete assays, geological interpretation and ground magnetometer surveys this area will become a drill project in its own right. Similar mineralised units have been located elsewhere during the reconnaissance follow-up of airborne anomalies and assays are pending.



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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.

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