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## NAPPERBY DEPOSIT – JORC REPORTED RESOURCE

Deep Yellow Limited (DYL) advises that FinOre Mining Consultants (FinOre) have provided the Company with an Inferred Mineral Resource (reported to JORC standard) for that part of the Napperby uranium deposit drilled out during June-September 2006.

**The Inferred Mineral Resource totals 1.9 million tonnes at 0.036% (360ppm)  $U_3O_8$  for 670 tonnes or 1.5 million pounds of contained  $U_3O_8$ .**

DYL has previously announced an historic estimate for the Napperby deposit by Uranerz (1979) which reported to contain between 5,700 and 6,200 tonnes of contained  $U_3O_8$  within a range of 0.036 – 0.038% (360 – 380ppm)  $U_3O_8$ . This historic estimate refers to mineralisation occurring over 14 kilometres 'strike' of the mineralised palaeochannel system.

The current (FinOre) Mineral Resource estimate of 670 tonnes of  $U_3O_8$  occurring over 1 kilometre 'strike' of the mineralised channel system is similar to the tonnage outlined by Uranerz over the same area. The FinOre resource was estimated using an inverse distance squared grade model with a lower cut-off grade of 200ppm  $U_3O_8$  and a top-cut of 1,800ppm  $U_3O_8$  (without a top cut it contains 690 tonnes of  $U_3O_8$ ). Work is in progress to upgrade the Mineral Resource to an Indicated category. The work includes detailed drill collar survey measurements and additional specific gravity measurements.

The DYL Directors are confident that further detail drilling at Napperby over the 14 kilometres 'strike' of the mineralised palaeochannel system will likely produce a Mineral Resource (to JORC reporting standard) of a similar order of magnitude to that of between 5,700 and 6,200 tonnes of contained  $U_3O_8$  within a range of 0.036 – 0.038% (360 – 380ppm)  $U_3O_8$  estimated by Uranerz in 1979.

The current Mineral Resource estimate containing 670 tonnes of  $U_3O_8$  at an average grade of 360 ppm is **about 20% more** than that estimated by Uranerz for the same area and is in keeping with Uranerz's prediction model that closer spaced drilling enhances the amount of uranium present.

**A US\$2.50 rise in the price of uranium ( $U_3O_8$ ) to US\$65.50 pound has seen the uranium price rise by US\$22.50 (50%) since resource drilling commenced in June 2006.**

**Dr Leon Pretorius**  
Executive Chairman

**Further Information**  
**Mr Martin Kavanagh**  
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*The information in this report that relates to Mineral Resources is based on information compiled by Mr. Malcolm Titley who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Titley is a Director and Principal Consultant of FinOre Mining Consultants. Mr Titley 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 Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Titley consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Exploration Results, is based on data compiled by Mr Geoffrey Gee a Member of the Australian Institute of Geoscientists. Mr Gee 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'. Mr Gee consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*