

**Deep Yellow Limited**  
ABN 97 006 391 948

Level 1  
33 Ord Street  
West Perth Western Australia 6005

Telephone: + 61 8 9420 9300  
Fax : + 61 8 9481 2690

10 January 2005

Jill Hewitt  
Australian Stock Exchange  
Level 8, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Jill

**Deep Yellow Limited - Response to Price and Volume Query**

Please find below answers to your Price and Volume Questions:

1. No, the Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for the recent trading activity.
2. Not applicable given answer to question 1.
3. On 9 December 2004, the Company announced the acquisition of Paladin Resources Ltd's uranium assets located in the Northern Territory. Further, on 16 December, the Company announced the below drilling programme planned for the first quarter of 2005.

Initial fieldwork and drilling for the recently acquired Napperby and Northeast Arunta Projects has been planned for the first quarter of 2005.

The Company has approved a budget to cover drilling activities at both projects by which the Company aims to:

- produce a JORC compliant resource estimate for the calcrete-hosted mineralisation at Napperby;
- commence exploration for prime palaeochannel targets at Napperby; and
- advance its understanding of the distribution of the very high grade uraninite nodules at Northeast Arunta.

The Napperby Project is regarded by the Company as having excellent potential to host an economic uranium deposit, either through expansion of the existing calcrete hosted mineralisation or through the discovery of roll front palaeochannel mineralisation amenable to in-situ leaching, a low environmental impact method of extracting uranium.

At Northeast Arunta the Company will look for extensions to a 1-10m thick alteration zone within which occurs sporadic high grade uranium mineralisation in the form of egg-shaped nodules of uraninite grading 1-10% U<sub>3</sub>O<sub>8</sub>.

These announcements, coupled with the recent up turn in investor attention on uranium focussed exploration companies may provide some explanation for the recent price and volume movement.

4. The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1

Yours sincerely  
Deep Yellow Limited



Hugh Warner  
Director



**ASX**  
AUSTRALIAN STOCK EXCHANGE

**FAXED**  
10 January 2005

Mr H Warner  
Director  
Deep Yellow Limited  
Level 1 33 Ord Street  
WEST PERTH WA 6005

Facsimile: 9481 2690

Dear Hugh

Deep Yellow Limited (the "Company")

### PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from 2 cents on 7 January 2005 to a high of 2.8 cents today. ASX also notes the higher volumes of securities being traded.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 6.30 am WST on Tuesday 11 January 2005.

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The response must be in a form suitable for release to the market. If you have any concern about release of a response, please contact me immediately.

### Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours faithfully,



Jill Hewitt  
Companies Adviser