# 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


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## SIGNIFICANT GREENFIELDS URANIUM MINERALISATION EXPOSED BY DRILLING AT ISA WEST PROJECT

### MOUNT ISA DISTRICT

**Deep Yellow is pleased to announce that the first assay results from recent RC drilling at the Isa West (Xstrata JV) Project include the following intercepts from 60° angle holes drilled across the strike of surface radiometric anomalies:**

- **42 m at 400 ppm $U_3O_8$ from 15 m**
- **30 m at 410 ppm $U_3O_8$ from 36 m**
- **25 m at 409 ppm $U_3O_8$ from 65 m**
- **15 m at 346 ppm $U_3O_8$ from 37 m**
- **9 m at 436 ppm $U_3O_8$ from 77 m**
- **7 m at 661 ppm $U_3O_8$ from 12 m**
- **5 m at 810 ppm $U_3O_8$ from 44 m**

**The project area is located 5 km west of the Mt Isa city limits.**

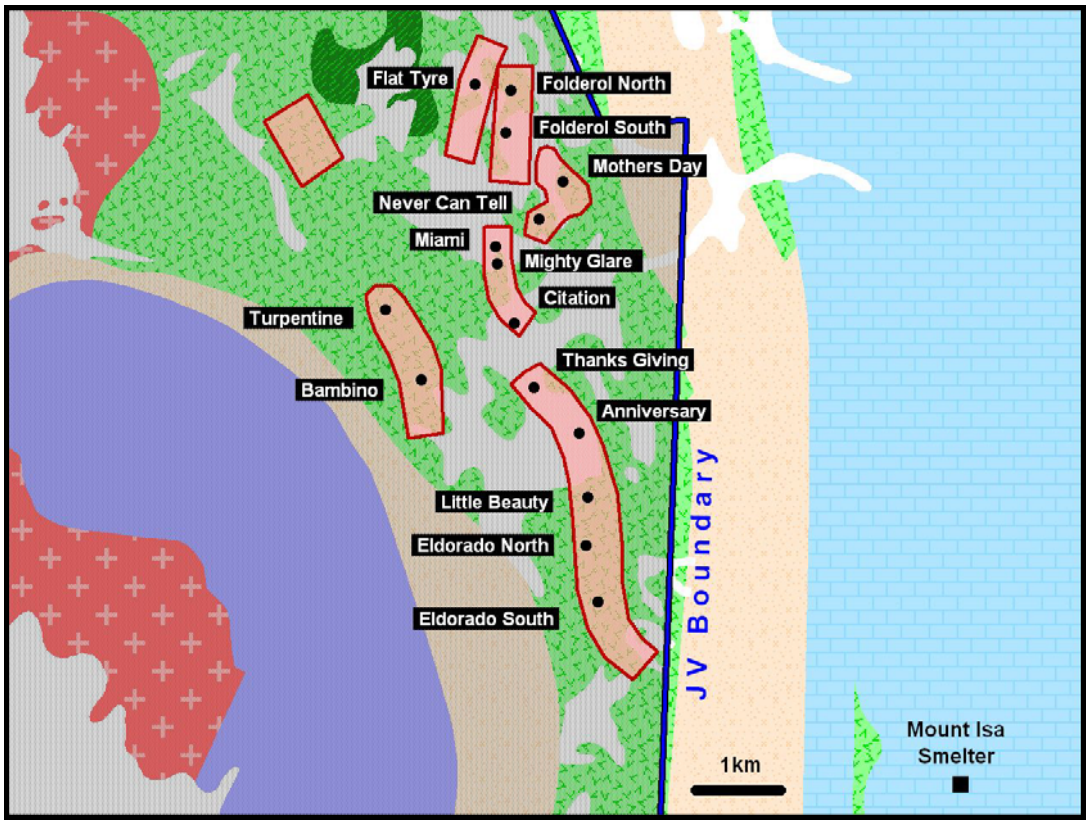


**Figure 1: Isa West Prospects**

**ISA WEST PROJECT (earning 100% of uranium rights from Xstrata)**

The first XRF chemical assay results for RC drilling on the Isa West Project tenements have been received for the Bambino, Thanksgiving and Folderol North Prospects (Figure 1). These drill intercepts substantiate the presence of significant uranium mineralisation within the Isa West Project area and exhibit potential to develop into major targets for 2009 drilling.

DYL anticipates that it will achieve a $1 million expenditure level on the project area by early November so crystallising the next major earn-in phase of the JV (a further $9 million over 4 years to earn 100% of the uranium rights to the Project tenements provided a mining lease for uranium can be granted within an additional 5 year period and subject to a royalty of 1.5% of net profits from uranium production to Xstrata – ASX 21 January 2008).

**Bambino Prospect**

Assay results have been received for 6 of the 12 holes drilled at Bambino. Significant intercepts are given in Table 1. Geological and radiometric logging of the drill holes indicates that mineralisation is hosted by weakly albitite - hematite altered amphibolite. Elevated values were observed in downhole gamma logging for 225 metre along strike north of BBRC001 and the mineralised zone appears to be steeply dipping to the southwest and is open to the north and at depth.

BBRC001 drilled to test a radiometric anomaly and mineralised zone observed on surface returned 15 m at 346 ppm $U_3O_8$ from 37 m. BBRC002 was stepped back 25 metre from BBRC001 and confirmed the continuation of mineralisation to depth (see Table 1). Holes BBRC003/004 and BBRC005/006 were drilled on sections 50 m and 100 m north of BBRC001 respectively confirming continuity of mineralisation along strike and to depth in hole BBRC006.

**Table 1: Bambino Prospect - XRF Chemical Assay Results**

| Drillhole | UTM# | | Azi | Dip | TD (m) | Depth (m) | | Interval (m) | $U_3O_8$ (ppm) |
|---|---|---|---|---|---|---|---|---|---|
| | mE | mN | | | | From | To | | |
| **Bambino** | | | | | | | | | |
| BBRC001 | 335585 | 7712376 | 064 | -60 | 96 | 37 | 52 | 15 | 346 |
| includes | | | | | | 41 | 47 | 6 | 596 |
| | | | | | | 64 | 66 | 2 | 325 |
| BBRC002 | 335562 | 7712365 | 064 | -60 | 138 | 77 | 86 | 9 | 436 |
| BBRC003 | 335585 | 7712376 | 064 | -60 | 102 | 27 | 33 | 6 | 261 |
| | | | | | | 44 | 50 | 6 | 324 |
| BBRC004 | 335552 | 7712405 | 064 | -60 | 138 | 55 | 61 | 6 | 206 |
| | | | | | | 68 | 76 | 8 | 311 |
| BBRC005 | 335554 | 7712460 | 064 | -60 | 96 | 12 | 15 | 3 | 385 |
| | | | | | | 36 | 66 | 30 | 410 |
| BBRC006 | 335536 | 7712447 | 064 | -60 | 132 | 52 | 54 | 2 | 464 |
| | | | | | | 65 | 90 | 25 | 409 |
| **Thanksgiving** | | | | | | | | | |
| TGRC001 | 336846 | 7712516 | 066 | -60 | 114 | 15 | 57 | 42 | 400 |
| **Folderol North** | | | | | | | | | |
| FNRC001 | 336590 | 7715824 | 091 | -60 | 90 | 12 | 19 | 7 | 661 |
| FNRC004 | 336602 | 7716034 | 091 | -60 | 78 | 44 | 49 | 5 | 810 |

#UTM Datum: MGA Zone 54 / GDA 94

**Thanksgiving Prospect**

Results from the first 3 of 8 holes drilled at Thanksgiving have been received. Hole TGRC001 returned 42 m at 400 ppm $U_3O_8$ from 15 m. Holes TGRC002 and TGRC003 drilled 50 and 100 m south of TGRC001 respectively intersected a wide zone of elevated uranium from 8 to 32 m with 2 m at 465 and 3 m at 310 ppm $U_3O_8$ in TGRC003 and two intercepts of 1 m at 1,000 ppm $U_3O_8$ between 33 – 44 m depth in hole TGRC002. Mineralisation in TGRC001 is associated with albitite – hematite alteration typical of the Valhalla style of uranium mineralisation in the district.

Importantly two holes drilled at 50 m and 100 m north of TGRC001 returned encouraging downhole logging responses beneath sand cover. The 650 metre strike covered zone between the Thanksgiving and Citation Prospects (see Figure 1) will be drilled in 2009.

**Folderol North Prospect**

Assay results for 3 of 4 holes drilled at the Folderol North Prospect have been received. The relatively narrow but good grade intercepts reflect the values from surface sampling of outcrop and historic trenches.

Mineralisation in hole FNRC004 was intersected from 26 to 49 m downhole with a best value of 5 m at 810 ppm $U_3O_8$ from 44 m. The mineralised zone will be followed under an extensive sand plain area north of the Folderol and Flat Tyre Prospects in 2009 (see Figure 1).

**Summary**

The key intercepts of 42 m at 400 ppm $U_3O_8$ in hole TGRC001 at Thanksgiving and 30 m at 410 ppm $U_3O_8$ in hole BBRC005 and the 25 m at 409 ppm $U_3O_8$ in undercut hole BBRC006 at Bambino represent potential economic intercepts in what DYL believe to be the recognition of a major uranium field located immediately west of Xstrata's Mt Isa mining operations.

As announced in the September quarterly (ASX 22 October 2008) 63 holes for a total of 5,094 metre had been completed with 14 target areas being tested. Thirteen of the targets were historic prospects that had been explored intermittently from the late 1960's to early 1980's. A regional east – west reconnaissance drill line testing for mineralisation below sand cover is currently in progress to the north of the Miami and Never Can Tell Prospects (see Figure 1).

Notwithstanding the lead from the historic exploration data the results to date from the very much focused RC drill programme at Isa West represent a significant previously unrecognised 'greenfields discovery' for DYL and the Isa West Project will form a major part of DYL's commitment to the Mt Isa District.

***Dr Leon Pretorius***
***Managing Director***

***Further Information:***

***Mr Martin Kavanagh***
***Executive Director***
***(08) 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.