

DEEP YELLOW

ABN 97 006 391 948

Level 1
33 Ord Street
West Perth Western Australia 6005
Telephone: + 61 8 9481 2407
Fax : + 61 8 9481 2690

4 March 2005

Company Announcements Office
Australian Stock Exchange Limited

*By e-Lodgement
2 pages*

Dear Sir / Madam

UPDATE OF COMPANY ACTIVITIES

New Application Covers Prospective Geology West of Napperby

The Company advises that it has lodged an application for an exploration licence to cover the western extensions of the palaeochannel system it currently controls with its existing Napperby tenement. Previous drilling at Napperby by major German uranium explorer, Uranerz, demonstrated the existence of deep tertiary palaeochannels at Napperby. Given the high uranium content of the ground water in the area this palaeochannel system offers an excellent target for discovery of a sandstone hosted uranium deposit similar to those currently in operation in South Australia.

Once granted the application, ELA 24606, will increase the Company's holding in the Napperby area from 775km² to 1,410km².

The Company has also applied for an exploration licence south west of Alice Springs. ELA 24547 covers an area of approximately 630km² and follows the strike of the same geology that hosts the Pamela and Angela deposits.

Initial Fieldwork and Drilling Activities

It is a requirement of the Department of Business, Industry & Resource Development in the Northern Territory (Department) that a Small Mining Operations Mining Management Plan (Plan) be submitted and approved prior to the commencement of drilling programs.

The Company has submitted its Plan for the exploration programme on Northeast Arunta and, with the assistance of the Department, is progressing towards the approval of the Plan. The Company anticipates receiving approval to commence exploration activities in the near future and for drilling to commence in the June quarter.

As previously announced, the Company has approved a budget to cover drilling activities on the Northeast Arunta and Napperby projects by which the Company aims to:

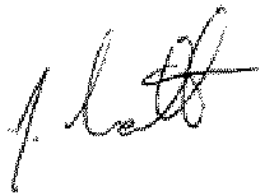
- produce a JORC compliant resource estimate for the calcrete-hosted mineralisation at Napperby;

- 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.

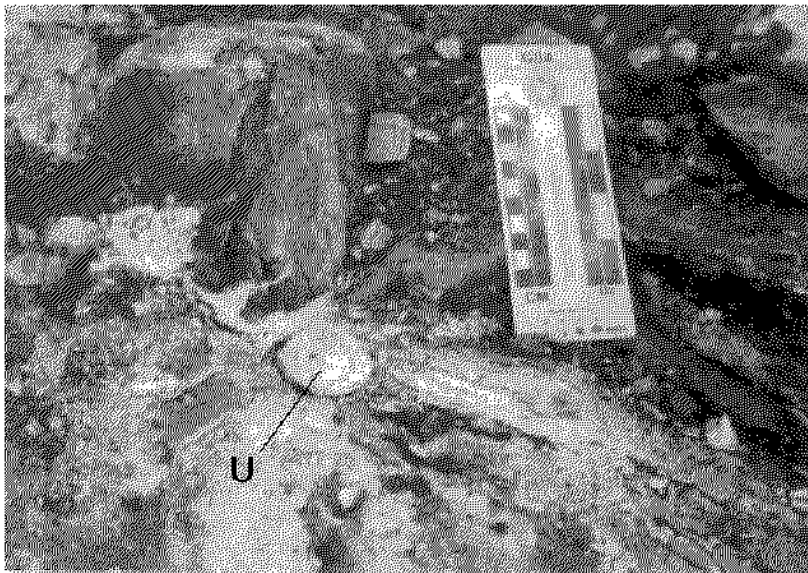
The Napperby Project is regarded by the Company as having excellent potential to host an economic uranium deposit, either through expansion of the existing calcrete hosted mineralisation or through the discovery of roll front palaeochannel mineralisation amenable to in-situ leaching, a low environmental 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_3O_8 .

Yours sincerely



James Pratt
Managing Director



High Grade (1-10% U_3O_8) uraninite nodules at the
Northeast Arunta Project