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Company Announcements Office
Australian Stock Exchange Limited

By e-Lodgement
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Dear Sir / Madam

NAPPERBY DRILLING DATA DISCREPANCY

The Directors wish to advise that the resource calculations undertaken by Mineral Resource evaluation specialists, Hellman and Schofield on the assays from the recent drilling at Napperby are vastly different to those previously reported based on the information supplied by Paladin Resources Ltd, which in turn based its information on that gathered from 3 different drilling campaigns and a Pre-Feasibility Study carried out by Uranerz during its substantial evaluation of the project in the period 1977 to 1981.

The Directors, company employees, consultants and contractors that have been involved in Deep Yellow's exploration programme aimed at verifying about 4,000t of the reported 6,000t of U_3O_8 resources to a JORC (1999, 2000) Code reporting status are at a loss at this stage to explain this quantum discrepancy.

The full evaluation of the geochemical analyses was only completed yesterday (14 November) and the directors have had insufficient time to evaluate sources of possible error. To resolve this issue all facets of Deep Yellow's work are being audited.

It is common practice for both the laboratory and client to acquire internationally verified and certificated samples containing known amounts of the elements they are prospecting for. This material is then used as a standard by the laboratory to verify the correctness of their analytical methods and equipment.

In this case Deep Yellow purchased Australian Nuclear Science and Technology Organisation's (ANSTO) standard OKA2 with a quoted value of 258 ppm contained U_3O_8 and it was routinely analysed in between the drill samples sent for analyses by a reputable Australian commercial analytical laboratory.

At this point it can be reported that assay values for the certified standard returned values well below the contained 258ppm U_3O_8 and both ANSTO and the laboratory have this morning reanalysed the standard and confirm its uranium content as correct.

A selected range of samples will now be submitted to another laboratory for reassaying. Should this prove to be the source for the discrepancy, all the samples will have to be reanalysed. Unfortunately all this takes time and it is impossible to say when the outcome will be known. For this reason, a temporary suspension from trading has been requested.

In light of this delay the Shareholder Purchase Plan (SPP) will be withdrawn and all monies received will be returned to the shareholders.

It must be stressed that the Directors have no reason to disbelieve the authenticity of the original data.

Yours faithfully
Deep Yellow Limited

A handwritten signature in black ink, appearing to read 'L. Pretorius', written in a cursive style.

LEON PRETORIUS
Executive Chairman