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24 October 2006

The Companies Announcement Office
Australian Stock Exchange Limited
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dear Sirs

PALADIN INCREASES SHAREHOLDING TO 7.56%

We advise that, following the lifting by the Deep Yellow Board of the voluntary escrow restrictions on the shareholding of Tanami Gold NL in Deep Yellow, that Paladin Resources Ltd has acquired Tanami Gold's shareholding in Deep Yellow Limited of 17,000,000 fully paid shares. This increases Paladin's shareholding to 7.56% of the Company.

We enclose a Form 603 received from Paladin Resources Ltd and welcome Paladin as a substantial shareholder.

Yours faithfully

MARK PITTS
Company Secretary

Form 603

Corporations Act 2001

Section 671B

Notice of initial substantial holderTo: Company Name/Scheme Deep Yellow LimitedACN/ARSN 0063 91948**1. Details of substantial holder (1)**Name Paladin Resources LtdACN/ARSN (if applicable) 061 681 098The holder became a substantial holder on 23 /10/ 06**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid shares	47,450,000	47,450,000	7.56%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Paladin Resources Ltd	Beneficial	25,500,000
Paladin Energy Minerals NL	Beneficial	21,950,000

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Paladin Resources	Paladin Resources Ltd		25,500,000 shares
Paladin Energy Minerals	Paladin Energy Minerals NL		21,950,000 shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Paladin Resources Ltd	24/10/2006	\$2,805,000	--	17M fully paid shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Paladin Energy Minerals NL	Wholly Owned subsidiary of
	Paladin Resources Ltd

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Paladin Energy Minerals NL	Grand Central, 26 Railway Road, Subiaco, WA, 6008
Paladin Resources Ltd	Grand Central, 26 Railway Road, Subiaco, WA, 6008

Signature

print name

Gillian Swaby

capacity

Company Secretary

sign here

date

24 / 10 / 2006

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.