

Deep Yellow Limited

ABN 97 006 391 948

Quarterly Report – 31 December 2009

Highlights

28 January 2010

Namibia

- Omahola Project initiated with possible short term production of magnetite for sale to Rossing Uranium Ltd and a medium term uranium mining operation based on the INCA and Tubas Red Sand uranium deposits.
- The MSA Group commenced a JORC Code mineral resource estimate for both the INCA and Tubas Red Sand deposits. Aussinanis to follow.
- RC drilling continues to define strong mineralisation in the Oryx-Tumas palaeochannels.
- Drilling commenced on Nova JV tenement immediately west of Langer Heinrich Mine.
- Airborne EM and magnetic surveys completed over selected Nova tenement areas.

Australia

- First JORC Code mineral resource received for the Mount Isa District aggregating **3.64 million tonne at 420 ppm U₃O₈ for 1,540 tonne (3.4 Mlbs)** of U₃O₈ from five prospects.
- Initial results from RC drilling of the Slance NW prospect return wide intercepts, namely:
 - **28 metre at 1,159 ppm U₃O₈ from 107 metre**
 - **25 metre at 842 ppm U₃O₈ from 174 metre**
- Reconnaissance drilling at Leichhardt JV tenement EP 14367 returns extensive alteration zones with best intercept of:
 - **6 metre at 918 ppm U₃O₈ from 42 metre**

Corporate

- **Cash position including liquid assets at 31 December 2009 - \$37 million.**
- **Leichhardt JV** – DYL earned a 51% interest in EPM 14367 by spending in excess of \$100,000 by 31 December 2009.



JORC Resource Statement

A schedule of DYL's JORC Resources, as previously released to ASX, is given below:

JORC RESOURCES – JANUARY 2010							
Deposit	Category	Tonne	U ₃ O ₈ (ppm)	U ₃ O ₈ (%)	U ₃ O ₈ (kg/t)	U ₃ O ₈ (t)	U ₃ O ₈ (lb)
Reptile Uranium Namibia							
Tubas #	Inferred	77,278,820	228	0.0228	0.228	17,620	38,852,100
Tumas*	Indicated	9,000,000	343	0.0343	0.343	3,087	6,806,835
Tumas*	Inferred	1,000,000	360	0.0360	0.360	360	793,800
Tubas Red Sand	Validating Data	-	-	-	-	-	-
Aussinanis	Validating Data	-	-	-	-	-	-
Inca	Validating Data	-	-	-	-	-	-
Reptile Project Total		87,278,820	241	0.0241	0.241	21,067	46,452,735
Napperby Uranium Project							
Napperby*	Inferred	9,340,000	359	0.0359	0.36	3,351	7,390,000
Napperby Project Total ‡		9,340,000	359	0.0359	0.36	3,351	7,390,000
Mount Isa Uranium Project							
	Inferred	2,020,000	440	0.0440	0.440	890	2,000,000
	Indicated	1,620,000	400	0.0400	0.400	660	1,400,000
Mount Isa Project Total ❖		3,640,000	420	0.042	0.420	1,540	3,400,000
TOTAL RESOURCES		100,258,820	259	0.0259	0.259	25,958	57,242,735

100 ppm cut-off

Conversion 1 kg = 2.205 lb

* 200 ppm cut-off

❖ 300 ppm cut-off

‡ Napperby is subject to buy-out option agreement whereby Toro Energy Ltd can purchase the deposit



Exploration - Namibia

DYL's activities in Namibia are carried out by its wholly owned subsidiary Reptile Uranium Namibia (Pty) LTD (Reptile).

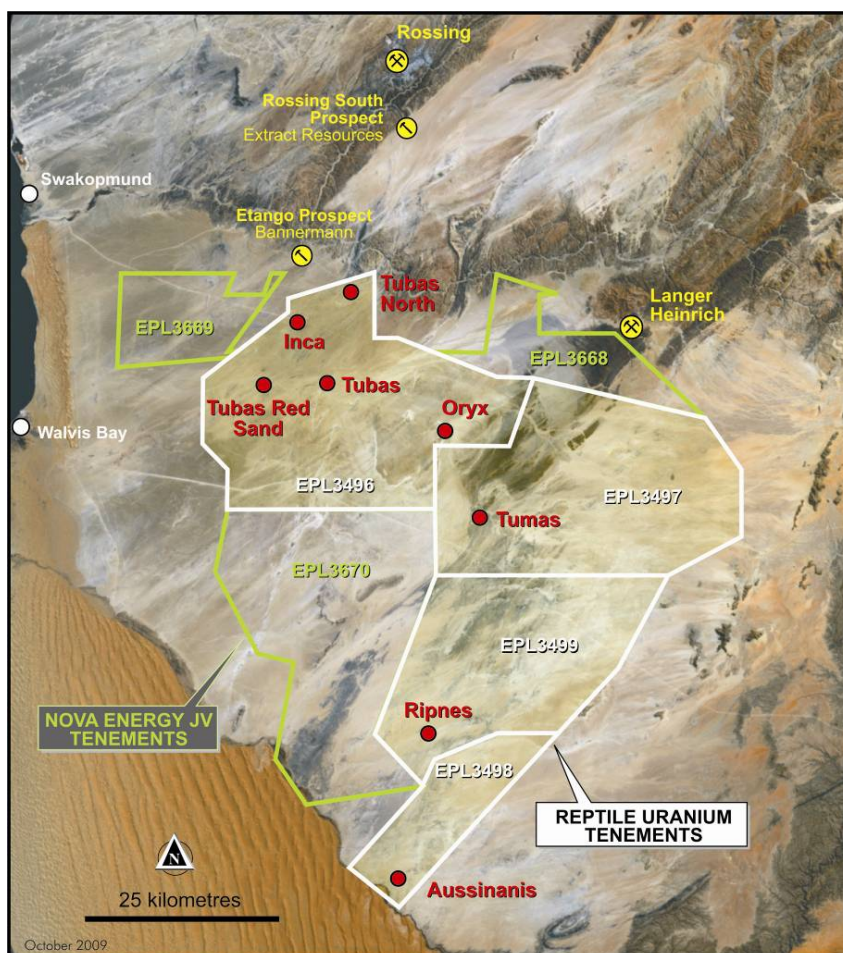


Figure 1: Locality map showing Reptile's 4 EPLs and projects, the 3 Nova JV EPLs plus uranium mines and projects held by other companies in the area.

SUMMARY AND STATISTICS

Drilling and Assaying

DRILLING SUMMARY		
Project	Number of Holes	Total Metre Drilled
Palaeochannel – Tubas-Oryx-Tumas	762	20,069
Diamond on INCA	13	1,678
RC on INCA	91	13,400
GAWIB-West	186	5,190
Total	1,052	40,337



Laboratory Performance Indicators

Job Description	October	November	December	TOTAL
Samples Received (total metre drilled for October to December 2009)	13,960	14,740	9,959	38,659
Samples Crushed	100	0	0	100
Samples Split	180	70	0	250
Samples Checked in Pb-Block	14,685	14,181	12,698	41,564
Samples > 10 CPS	1,131	882	747	2,760
Samples Weighed	1,428	1,489	979	3,896
Samples packed & stored	6,844	8,471	10,797	26,112
Samples Milled	1,449	1,836	1,137	4,422
Samples Analysed (Repeats, QC's & Daily checks included)	2,820	1,933	1,475	6,228
Sample results reported	1,940	1,615	1,112	4,667

OMAHOLA PROJECT

The Omahola Project comprises the INCA uraniferous iron oxide (magnetite) and Tubas Red Sand (TRS) uranium deposits (see Figure 1).

The INCA Prospect is located approximately 35 kilometre east of the coastal township of Swakopmund and consists of uranium and iron mineralisation associated with a large metasomatic alteration zone within a complex synclinal fold structure.

To date 482 holes (both RC and diamond) have been drilled for 68,716 metre within an area roughly 2 by 2 km, the bulk of which is within a detail grid of about 700 by 450 metre (Figure 2). This detail grid area was selected based upon the highest number of holes containing in excess of 500 ppm U₃O₈ above 100 metre depth.

A schematic S-N section of the geology and mineralisation at INCA is given in Figure 3 and shows the typical development of thick envelopes of alteration and mineralisation. JORC Code resource estimations are being undertaken at present, however, due to excess water at depth some diamond holes remain to be completed and will be incorporated in the resource estimate at a later date.

Rossing Uranium presently imports ferric iron to use in their processing plant and has expressed written interest in acquiring iron oxide from the INCA prospect should it be suitable. RUN has commissioned studies on its iron oxide product and early indications are it will meet Rossing's specifications. RUN has held two formal meetings with the Namibian Ministry of Mines and Energy (MME) and Ministry of Environment and Tourism (MET) to introduce the concept of early stage Mining Licences in order to allow extraction and production of low-uranium bearing iron oxide.

RUN will simultaneously expand the environmental studies (EIA and EMP processes) required for the iron oxide production to cover the additional impacts of a metallurgical plant and tailings facility required at INCA to produce uranium and iron.

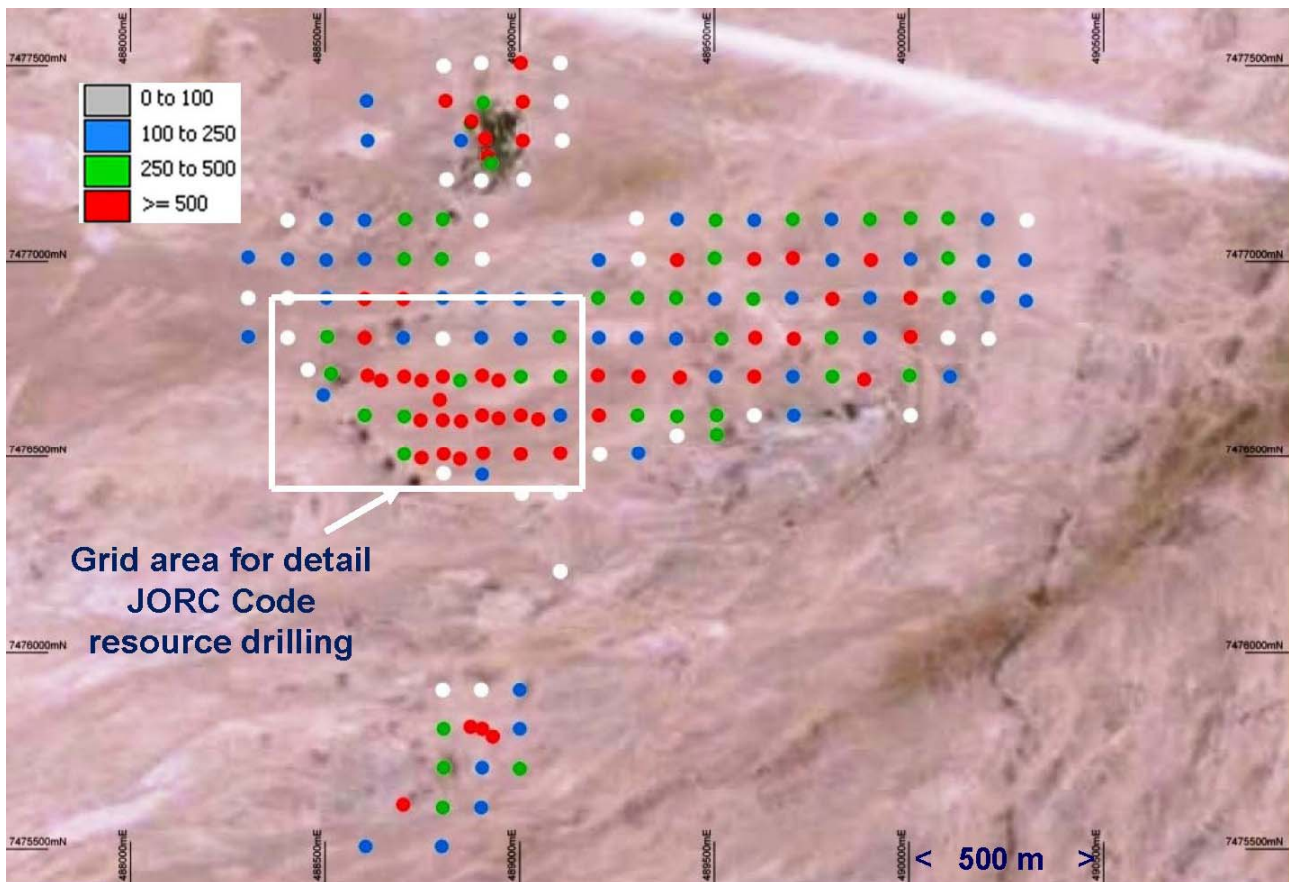


Figure 2: INCA Prospect – Upside Potential – Maximum eU₃O₈ to EOH – holes outside the detail grid only 100 metre deep

Management have set a benchmark target of ~8,000 tonne of U₃O₈ at + 400 ppm to allow for a production profile of ~1,000 to 1,500 tonne of U₃O₈ per year and it is presumed the resource contained within the detail grid area will allow for this to occur. Exploration to expand the initial resource will continue based upon the existing known mineralised holes outside the INCA detail grid (Figure 2). The gravity and airborne electromagnetic surveys will possibly further expand the area of mineralisation as well.

A processing plant at INCA will be supplied with supplementary feed from free-digging secondary mineralised aeolian sand and gravel such as occurs at TRS. A number of these occurrences have been noted during the palaeochannel drilling and will be investigated thoroughly over time. The advantage with this style of mineralisation is their physical removal will be inexpensive by using a simple dig-and-load mining method with no crushing costs. Tests into attritioning and beneficiation (possibly flotation) are being undertaken and if successful will reduce transport costs significantly. Their low carbonate content makes these deposits suitable for either acid or alkaline processing.

To meet its 'producer-status' aspirations RUN has appointed consultants who have commenced the environmental baseline studies; a major engineering company for the feasibility studies (to be announced once contracts are signed), commenced extensive mineral beneficiation and metallurgical studies (some of which have been completed). In-house, the Company also has highly experienced uranium specialists including a project manager who is an ex-Rossing and Olympic Dam metallurgical engineer.

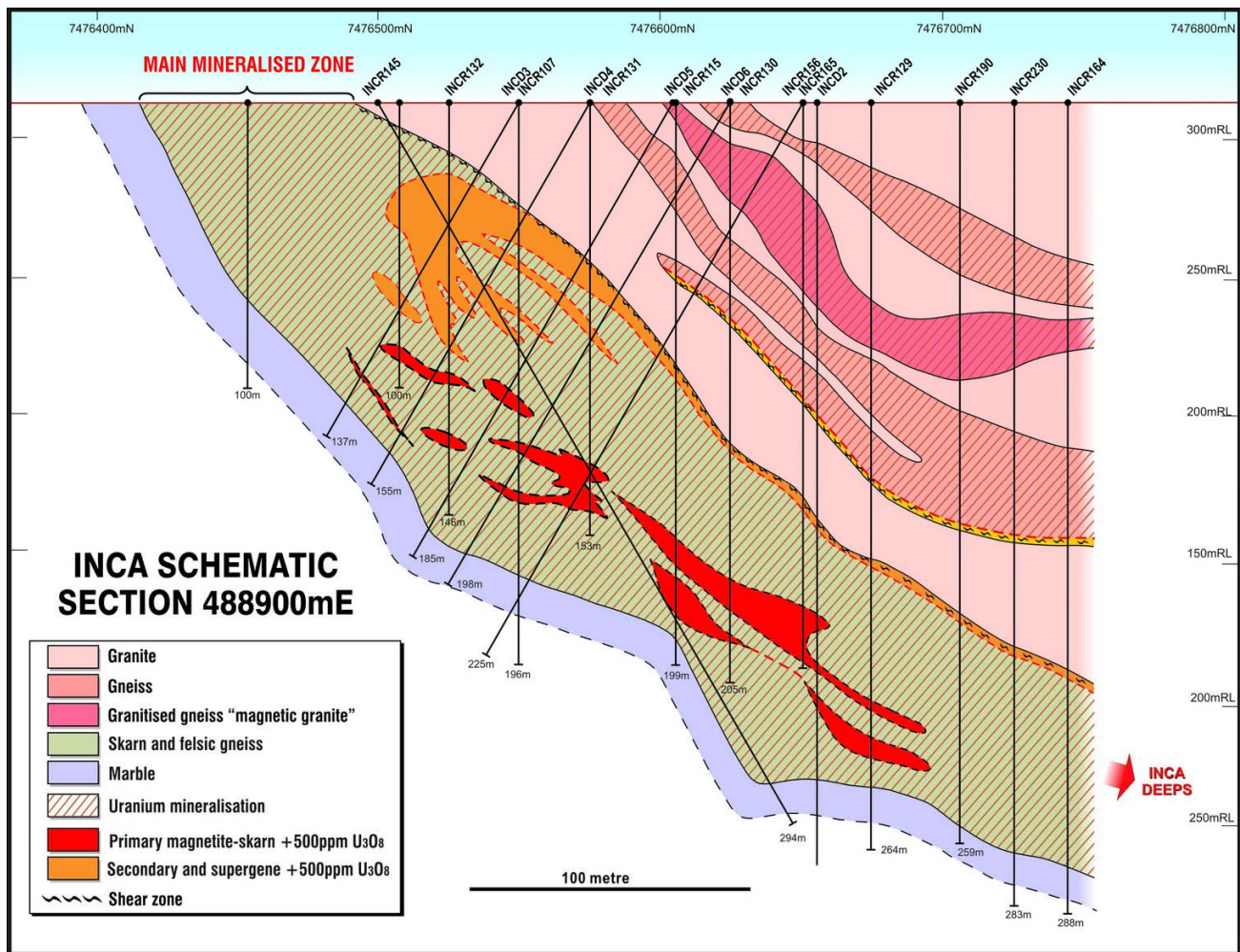


Figure 3: Schematic S-N section showing geology and mineralisation

It is the opinion of the DYL technical team that a grade of 400 ppm U_3O_8 will suffice for a viable open-pit operation for the near-surface portion of the INCA project. The higher density of mineralised material due to the presence of abundant iron (up to an SG of five where magnetite is dominant) means less volume of rock to produce a tonne of ore.

JORC CODE CALCRETE RESOURCES

When DYL management announced a JORC Code resource target of 50,000 tonne U_3O_8 (110 Mlbs) for the RUN EPLs in late 2008, spot uranium prices were at an all time high (US\$138/lb) and Areva had just purchased Uramin’s Trekkopje 150 ppm U_3O_8 calcrete resource in Namibia. This led to the belief such low-grade resources could be viable, but as we now know uranium prices, (along with other commodities) dropped dramatically and with spot prices hovering around US\$45/lb and contract/long term prices around US\$65/lb, reality dictates grades required for viable open-pittable deposits should be closer to 400 ppm.

Although DYL’s announced JORC Code resources (attributable to RUN) of 31,337 tonne at 150 ppm remains short of the 50,000 tonne target, the drilling data from the Aussanis sheetwash and Tubas/Oryx/Tubas palaeochannels will add to the 31,337 tonne total when received.



Fortunately within RUN's low-grade calcrete resource areas there are contiguous areas of higher grade mineralisation such as the JORC Code resource defined at Tumas of 3,450 tonne U₃O₈ at 345 ppm (as previously announced). Although this resource and other portions of the Tumas/Oryx/Tubas palaeochannel containing similar grades of mineralisation could form the nucleus for a viable alkali leach plant similar to that of Paladin Energy's Langer Heinrich Mine, the discovery of INCA led DYL/RUN to focus its immediate project development efforts on it instead. Additional resources for a plant at INCA will come from free digging low carbonate containing secondary mineralised sand and sediments within trucking distance such as occurs at TRS.

Notwithstanding the INCA discovery, reconnaissance and detail JORC Code resource RC drilling will continue on the calcretes both in RUN's EPLs and the Nova JV EPLs.

PALAEOCHANNEL DRILLING

Reconnaissance drilling on the Tumas-Tubas palaeochannel system has been completed (ASX 19 January 2010) and drilling with 2 RC rigs is now being conducted within the Tumas EPL back towards the south to complete 50 by 50 metre drill-out of the mineralisation found to date (Figure 4).

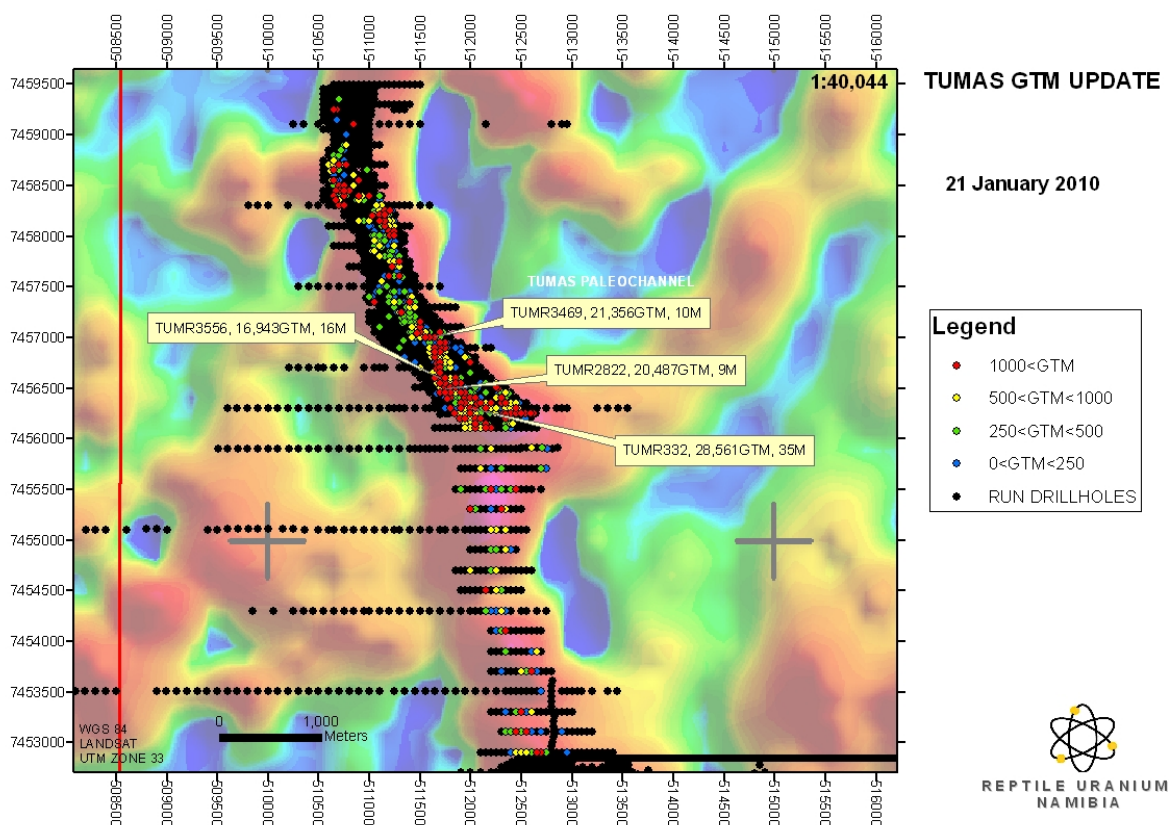


Figure 4: Infill RC Drilling on 50 x 50 metre centres

As announced to the ASX (19 January 2010) significant results from the infill drilling include:

- Hole TUMR3469 10.5 metre at 2,034 ppm eU₃O₈ from 15.05 metre
- Hole TUMR3556 16.45 metre at 1,030 ppm eU₃O₈ from 15.32 metre
- Hole TUMR3198 18.2 metre at 844 ppm eU₃O₈ from 2.82 metre



The results given above come from holes located north of **Hole TUMR332 which returned 39 metre at 1,254 ppm U₃O₈ from 4 metre depth** which included **16 metre at 2,969 ppm U₃O₈ from 15 metre**. The drill rigs are moving south towards the existing Tumas JORC Code resource area (a further 3 kilometre). A completion date for the drilling and JORC Code resource estimation will depend on how many holes are ultimately required in the drill-out programme.

REGIONAL EXPLORATION

Reptile EPLs

A RC rig with good depth drilling capability is being used to drill test the prospectivity of the southern continuation of the stratigraphic belts which host the Rossing mine and exciting Rossing South discovery of Extract Resources immediately north of Reptile's tenements. The holes are top-to-tail 60 degree angle towards the west across approximately 4 kilometre long sections. Three lines are planned which will entail about 30,000 metre of drilling and take until about June 2010 to complete. The first line south of INCA commenced in November and to date about 18 holes have been completed. Only narrow zones of magnetite and uranium mineralisation have been intersected to date.

Nova JV

DYL is earning 65% in EPLs 3668, 3669 and 3670 through Reptile from Toro Energy's subsidiary Nova Energy (Namibia) Pty Ltd). Application has been made for the renewal of the three EPLs.

The contracted +6,000 line kilometre airborne electromagnetic, magnetic and radiometric geophysical survey over two of the three Nova JV EPLs is now complete. The purpose of the survey is to delineate surface radiometric anomalies; outline magnetic and electromagnetic anomalies and to facilitate mapping of prospective stratigraphic units under the extensive areas of desert sand cover. The JV is targeting secondary uranium mineralisation in palaeochannels and sheetwash sediments and primary mineralisation in metasomatically altered host rocks (as occur at INCA and in alaskites such as at Rossing and Rossing South). Interpretation of the data will take about 3 months.

Scout drilling to locate the possible extension to the Langer Heinrich palaeochannel began during December.

GENERAL IRON POTENTIAL

As previously reported RUN carried out reconnaissance drilling on magnetic anomalies along the roughly 18 kilometre belt within which the INCA prospect lies and in particular on one anomaly which appeared to have iron oxide-copper-gold (IOCG) affinities. The anomaly was investigated with a 500 metre deep vertical diamond hole. Although the core was not analysed as it contained only minor visible sulphides, it does however contain numerous zones of iron oxide and magnetite over its complete length. As this hole is within a substantial magnetic anomaly which is only about 25 kilometre due east of the deep sea port of Walvis Bay, it warrants detail investigation and DYL/RUN will be inviting interested parties to study it with the view to progressing it through an 'iron ore' JV arrangement.



2010 EXPLORATION PROGRAMME

2010 promises to bring together the culmination of all RUN's efforts and will result in:

- Completion of JORC Code resources on the INCA, Tubas Red Sand (TRS) and Aussinanis prospects.
- Fast tracking Omahola Project (INCA and TRS) feasibility studies and Mining Licence applications.
- Ongoing resource extension drilling on the INCA and Tumas/Oryx prospects.
- Ongoing palaeochannel reconnaissance drilling on the Nova JV tenements.
- Targeted reconnaissance drilling for INCA look-a-likes and Rossing South extensions based on airborne geophysical data interpretation.
- Possible mid-year production of ferric iron oxide for sale to Rossing Uranium.

Since commencing exploration in Namibia during 2007, Deep Yellow (DYL) through its wholly owned Namibian operating Company Reptile Uranium Namibia (RUN) has drilled approximately 13,000 holes for around 260,000 metre.

The bulk of the drilling has been aimed at the evaluation of palaeochannel and sheetwash hosted uranium mineralisation discovered and partially outlined by other parties during the 1970/80's uranium boom. RUN's drilling has also been extended to areas outside and between the old prospects based mainly upon airborne electromagnetic data interpretation.

The January start-up of drilling will employ one diamond rig at INCA; one RC rig on deep INCA extension drilling; two RC rigs on the Oryx/Tumas palaeochannel drill-out; and, two RC rigs on the Nova JV reconnaissance palaeochannel drilling in proximity to the Langer Heinrich Mine.

Once the Oryx/Tumas drill-out is complete, the two RC rigs will be replaced with either one or two RC rigs with the capacity to drill +200 metre deep angle holes. This should occur late February/early March and will target additional hardrock resources.

RUN has also flown three extensive airborne geophysical surveys totalling 30,160 line kilometre over its EPLs and the Nova JV tenements comprising radiometric, magnetic and electromagnetic data collection. Reprocessing and interpretation of all the geophysical datasets should be complete by late February and the data will be used to target areas for additional 'INCA-style' primary mineralisation and possible higher-grade alaskite mineralisation such as at Extract Resources' Rossing South discovery within the so-called 'Alaskite Alley' (a term often used by Extract) which extends into both the Nova JV and RUN EPLs.

A detail gravity survey on 200 metre line and 50 metre stations has commenced over a 130 square kilometre area around INCA with the objective of delineating potential deeper targets.



Exploration - Australia

EXPLORATION SUMMARY

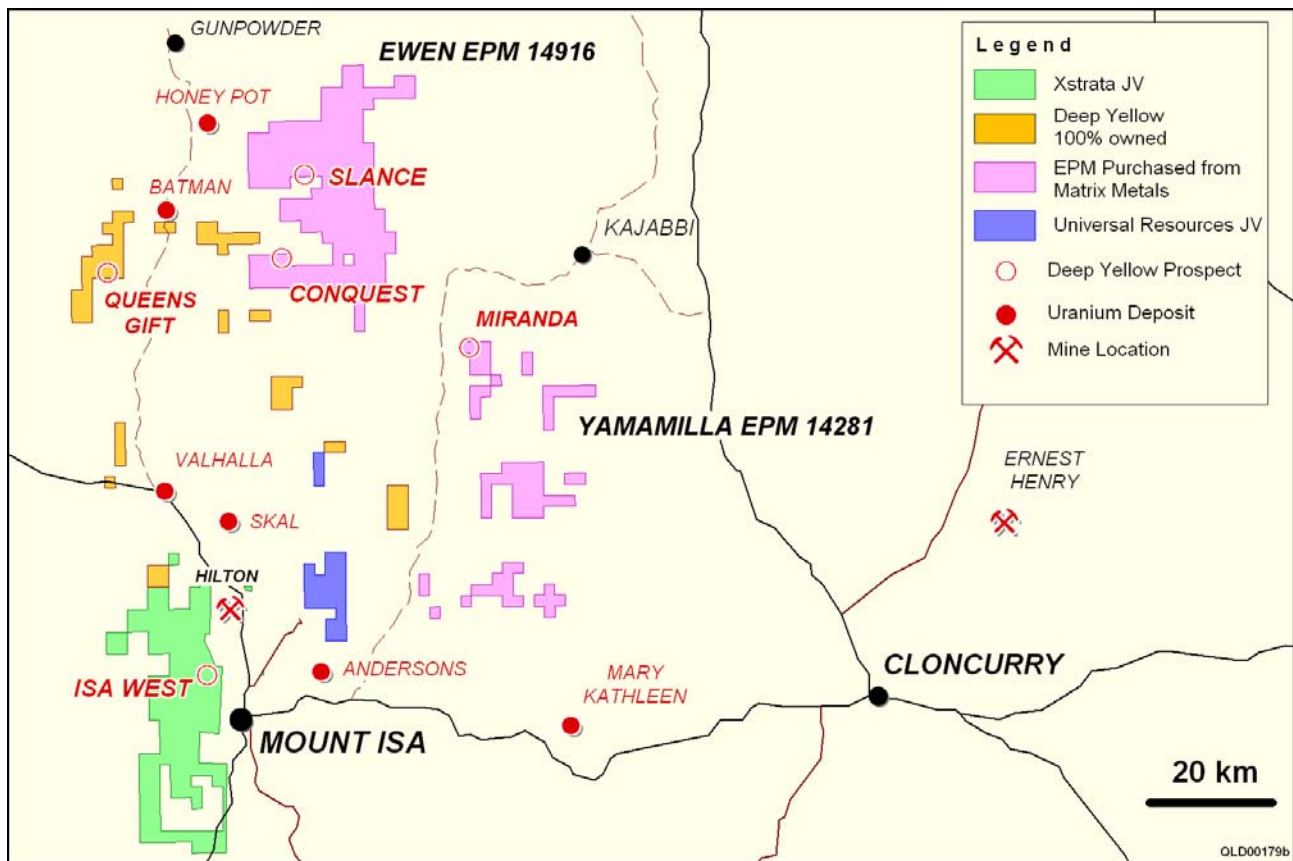


Figure 5: Mount Isa District Projects

MOUNT ISA DISTRICT – 2009 DRILLING PROGRAMME

At the start of the 2009 field season drill programmes switched from previous reconnaissance and wide spaced patterns to 50 x 50 metre, 50 x 25 metre and 25 x 25 metre grids as part of the programme to delineate JORC Code mineral resources at several prospects in the district. A total of 177 RC drill holes for 24,718 metre were drilled in 2009 and a breakdown of drill programmes is given in Appendix 1.

The majority of assay results from the resource work have been announced through various ASX releases throughout 2009. Recently received results from the Slance Prospect are given below in Table 3.

A total of 14 diamond core holes (Appendix 1) were also drilled in order to provide geological and structural information and density data as part of the mineral resource work.



MOUNT ISA DISTRICT – JORC CODE RESOURCES

As announced to the ASX (14 January 2010) Coffey Mining Pty Ltd (Coffey) provided DYL with an **Indicated and Inferred Mineral Resource** estimate for a number of prospects in the Mount Isa District, Queensland.

Using a 300 ppm U₃O₈ cut-off the Indicated and Inferred Mineral Resource estimate for the Isa West - Thanksgiving, Bambino and Eldorado North Prospects and the Queens Gift and Slance Prospects totals 3.64 million tonne at 420 ppm U₃O₈ for 1,540 tonne (3.4 Mlb) of U₃O₈ (Table 1).

Using a 200 ppm U₃O₈ cut-off increases the JORC Code resource to **2,430 tonne at 340 ppm U₃O₈** indicating a significant potential upside available with decreased operating costs, beneficiation and/or increased uranium prices.

Table 1: All Prospects Combined – January 2010 JORC Code Resource Estimate

Category	Cut-off Grade	Tonnes	Grade (ppm U ₃ O ₈)	Metal (Tonnes U ₃ O ₈)	Metal (Mlb U ₃ O ₈)
Inferred	> 300	2,020,000	440	890	2.0
Indicated	> 300	1,620,000	400	660	1.4
Combined	> 300	3,640,000	420	1,540	3.4

* Note: Figures have been rounded

DYL's short to medium term strategic objective to outline mineralisation amenable to open pit mining and aggregating **5,000 to 8,000 tonne (11 Mlb to 18 Mlb) of U₃O₈** as satellites to a future central plant in the Mount Isa area. The medium to long term target is to define **12,000 to 15,000 tonne U₃O₈** based on feeding a central processing plant from combined open pit and underground operations.

The individual resource estimates for each prospect are in line with that expected from surface mapping and 2008 wide spaced drilling and auger well for the continuation JORC Code resource drilling programmes as part of the short to medium-term strategic plan (2010-2012) to outline 5,000 to 8,000 tonnes of U₃O₈ in the Mount Isa District at ~ 400 ppm U₃O₈ grade.

DECEMBER QUARTER PROGRAMMES

During the December Quarter JORC Code RC percussion drilling totalling 32 holes for 4,824 metre was carried out on the Bambino and Slance Prospects together with reconnaissance drilling on EPM 14367 (Leichhardt JV) (Table A4 – Appendix 1). Results from the Bambino drilling were announced in an ASX Mt Isa Update on 19 November 2009.

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

The December Quarter saw a focus on finalising the JORC Code resource work for the Thanksgiving, Bambino and Eldorado North Prospects (Figure 6). Activities included extensive QA/QC resampling from drill sample retention bags in order to carry out intra and inter-laboratory checks as well as duplicate sampling.



The diamond drill core was logged, split and sampled and assayed (two holes remain to be cut/sampled). In addition density measurements were made in-house with laboratory confirmation coming from air pycnometry measurements carried out on assay pulps.

Isa West JORC Code Drill Programme

Four of fifteen prospects were selected for resource drill-out in 2009, namely Thanksgiving, Bambino, Eldorado North and Turpentine prospects (Figure 6).

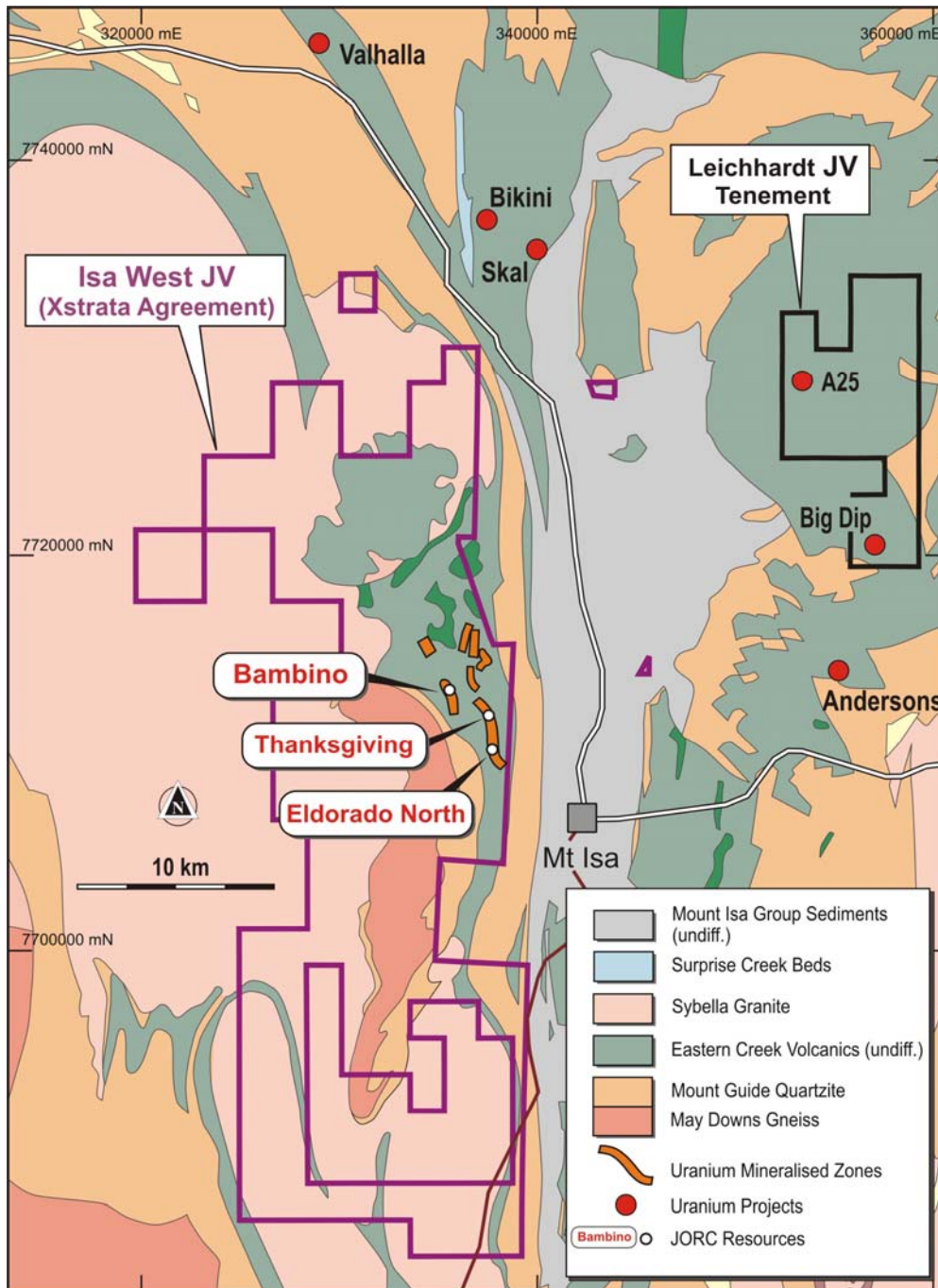


Figure 6: Isa West and Leichhardt JV Prospects

The Bambino and Thanksgiving prospects were drilled to approximately 200 metre vertical depth and remain open to depth but closed-off along strike.



Drilling of the Eldorado North prospect was restricted to a first lift of holes with some selective undercuts. The prospect is open to depth below 60 metre and to the south and will be drilled out at the start of the 2010 field season.

Initial RC drilling at the Turpentine prospect indicated a complex structural setting and a decision was made to postpone the RC drilling until two or three short diamond holes could be completed in order to provide 'structural data/geological interpretation' ahead of further RC drilling.

The JORC Code resource estimate for Isa West totals 2.33 million tonne at 410 ppm U₃O₈ for 960,000 tonne U₃O₈ (Table 2).

Resource drilling will recommence at Isa West after the 'wet season ' break with a further four or five prospects being drilled out in addition to completion of drilling at Eldorado and Turpentine.

Table 2: Isa West Project – January 2010 JORC Code Resource Estimate

Category	Cut-off Grade	Tonnes	Grade (ppm U ₃ O ₈)	Metal (Tonnes U ₃ O ₈)	Metal (Mlb (U ₃ O ₈))
Thanksgiving Prospect					
Inferred	> 300	660,000	470	310	0.7
Indicated	> 300	470,000	400	190	0.4
Combined	> 300	1,130,000	440	490	1.1
Bambino Prospect					
Inferred	> 300	670,000	370	240	0.5
Indicated	> 300	370,000	390	140	0.3
Combined	> 300	1,040,000	370	390	0.9
Eldorado North Prospect					
Inferred	> 300	160,000	500	80	0.2
Combined	> 300	160,000	500	80	0.2
Total Isa West					
Inferred	> 300	1,490,000	420	630	1.4
Indicated	> 300	840,000	390	330	0.7
Combined	> 300	2,330,000	410	960	2.1

* Note: Figures have been rounded

ISA NORTH PROJECT

EPM 14916 EWEN - Slance Prospects

A total of 13 RC drillholes for 2,274 metre were drilled at Slance NW in December 2009. In addition two diamond drillholes were completed for 146 metre, one at Slance NW and one at Slance NE (Tables A3 and A4 – Appendix 1).



Throughout the RC programme encouraging mineralisation was intercepted mainly to the south of the surface radiometric anomaly i.e. 28 metre at 1,159 ppm U₃O₈ in hole SLRC 039. The diamond hole at Slance NW further verified this with an intersection of 11 metre at 1,190 ppm eU₃O₈. The diamond hole at Slance NE also returned strong mineralisation identified in the 2008 drilling programme with an intercept of 23 metre at 1,012 ppm eU₃O₈ (Tables 3 and 4).

Resource drilling at **Slance** was terminated in early December due to a combination of rig breakdown and high water flows causing recovery problems. Drilling will commence on this relatively higher grade deposit in April 2010 and then move to Slance NE prospect.

Significant intercepts from Slance NW include:

- 28 metre at 1,159 ppm U₃O₈ from 107 metre
- 25 metre at 842 ppm U₃O₈ from 174 metre

The current JORC Code mineral resource stands at 460,000 tonnes at 540 ppm U₃O₈ for 250 tonnes U₃O₈ (Table 6).

Table 3: Slance RC Drilling Intercept Table – XRF Chemical Assays

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	cU ₃ O ₈ (ppm)
	mE	mN				From	To		
SLRC037	352201	7798326	270	-60	108	49	50	1	150
SLRC038	352251	7798324	270	-60	168	53	66	13	325
						100	115	15	609
SLRC039	352275	7798326	270	-60	192	107	135	28	1,159
						155	165	10	381
SLRC040	352225	7798276	270	-60	150	48	49	1	490
SLRC041	352275	7798350	270	-60	186	84	94	10	239
						104	117	13	551
SLRC042	352301	7798348	270	-60	246	152	170	18	528
					incl	152	162	10	873
						182	187	5	241
						206	213	7	116
SLRC045	352310	7798322	270	-60	228	26	27	1	220
						174	199	25	842
SLRC046	352276	7798276	270	-60	204	80	83	3	335
						120	132	12	157
SLRC048	352147	7798324	90	-70	132	96	101	5	128
Hole Abandoned						127	131	4	950



Table 4: Slance RC Drilling Intercept Table – Equivalent Uranium Values

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	eU ₃ O ₈ (ppm)
	mE	mN				From	To		
SLDC001	352253	7798346	270	-60	198.4	78	101	23	681
					incl	85	96	11	1,190
SLDC002	352500	7797958	90	-60	93.4	44	67	23	1,012

EPM 15070 PROSPECTOR Queen’s Gift Prospect

Four diamond holes were drilled at Queen’s Gift in 2009, totalling 619 metre. These drillholes were located across the prospect and included two diamond tails on original 2007 RC drillholes.

Table 5: Queen’s Gift DC Drilling Intercept Table – Equivalent Uranium Values

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	eU ₃ O ₈ (ppm)
	mE	mN				From	To		
QGDC007	319351	7781648	90	-60	201.2	119	168	49	441
QGDC008	319455	7781613	270	-60	126.1	67	84	17	442
QGDC0029	319364	7781500	90	-60	258.1	229	231	2	271
QGDC0026	319341	7781350	90	-60	264.5	221	222	1	221
						226	227	1	261

The JORC Code resource estimate for the Queens Gift prospect is based on 2007 and 2009 RC drill data and on 2008 and 2009 diamond drill data and **totals 850,000 tonnes at 390 ppm U₃O₈ for 330 tonnes U₃O₈ (Table 6).**

The style of mineralisation and alteration is the same as that described for the 30,000 tonne U₃O₈ Valhalla Deposit 30 kilometre to the south.

The **Queens Gift Prospect** remains the single largest alteration system DYL has drilled to date in the Mount Isa District within which four mineralised lenses have been identified. The intensity and width of the alteration zone and mineralisation give good upside potential to developing resources below 200 metre vertical depth and along strike to both the north and south.



Table 6: Isa North Prospects – January 2010 JORC Code Resource Estimate

Category	Cut-Off Grade	Tonnes	Grade (ppm U ₃ O ₈)	Metal (Tonnes U ₃ O ₈)	Metal (Mlb U ₃ O ₈)
Queens Gift					
Inferred	> 300	310,000	410	130	0.3
Indicated	> 300	540,000	380	210	0.5
Combined	> 300	850,000	390	330	0.7
Slance					
Inferred	> 300	220,000	580	130	0.3
Indicated	> 300	240,000	490	120	0.3
Combined	> 300	460,000	540	250	0.5
Total Isa North					
Inferred	> 300	530,000	480	260	0.6
Indicated	> 300	780,000	420	330	0.7
Combined	> 300	1,310,000	440	580	1.3

* Note: Figures have been rounded

LEICHHARDT JV – EPM 14367 (DYL 51%, earning 80%)

A first pass RC drilling programme of 12 holes for 822 metre was completed at the A25 and Big Dip prospects in early December. The programme achieved the objective of testing a series of north-south trending radiometric anomalies previously identified in historic reports and confirmed by fieldwork carried out by DYL earlier in the year. A summary of the drilling is given in Appendix 1 and results are given in Table 7.

A25 Prospect

Seven holes for 474 metre were drilled at A25 prospect. The most intense mineralisation occurred in the northern most hole, A25RC003 in a strongly hematite-albitite-silica-carbonate altered basalt. While stronger mineralisation seems to occur in discontinuous pods throughout the prospect, all of the drill holes intersected the same altered lithology which was up to 35 metre wide.

Big Dip

Five holes for 348 metre were drilled at Big Dip. The most intense mineralisation occurred in the northern most hole, **BDRC002 – 6 metre at 918 ppm U₃O₈ from 42 metre** in a strongly hematite-albitite-silica-carbonate altered basalt. The alteration zone is more intense but narrower and less continuous than at the A25 prospect.

The total length of the surface radiometric anomaly is 500 metre. To the north the mineralisation appears to pinch out while in the south it is truncated by a NE trending fault.



Table 7: Leichhardt JV RC Drilling – XRF Chemical Assays

Prospect	Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)
		mE	mN				From	To		
A25	A25RC001	353542	7726555	270	-60	66	44	47	3	353
A25	A25RC002	353570	7727351	270	-60	54	9	11	2	255
							19	21	2	250
							24	26	2	163
A25	A25RC003	353575	7727400	270	-60	72	38	40	2	235
							55	59	4	558
A25	A25RC004	353592	7727356	270	-60	90	54	55	1	270
							70	72	2	128
A25	A25RC005	353593	7727308	270	-60	72	58	61	3	265
A25	A25RC006	353618	7727171	270	-60	72	24	29	5	302
A25	A25RC007	353625	7727021	274	-60	48	27	29	2	190
Big Dip	BDRC001	357341	7722155	270	-60	84				NSA
Big Dip	BDRC002	357342	7722220	268	-60	60	42	48	6	918
Big Dip	BDRC003	357341	7722099	270	-60	84				NSA
Big Dip	BDRC004	357248	7721977	246	-60	60	6	8	2	333
Big Dip	BDRC005	357217	7721946	33	-60	60				NSA

NSA– No Significant Assay

Earn-In Joint Venture

At the end of December Quarter DYL had acquired a 51% interest in the Leichhardt JV by spending \$100,000 and has notified Universal Resources that it intends to continue exploration to earn an 80% interest by spending a further \$150,000.

NAPPERBY DEEPS JV PROJECT

EL's 24246 and 24606 (DYL 100% - Toro Energy Limited Option to Purchase, 50% on Deeps JV Toro and DYL)

Two holes were drilled at this project both targeting magnetic anomalies. The first drill hole LR0041 (GDA 453003E, 7455798N) was abandoned at 68 metre after failing to penetrate Tertiary clays and sands. The second drill hole LR0042 (GDA 463802E, 7488674N) was drilled with an RC pre-collar to 67.5 metre and then completed to 135.9 metre with NQ diamond core.



Drill hole LR0042 intersected weathered and oxidised granitic material from 45 metre to 79 metre and fresh biotite rich granite from 79 metre. The fresh granite contained abundant magnetite so explaining the surface magnetic anomaly. A finer grained less biotite rich interval from 122.8 metre to 123.9 metre reported 0.44 metre at 256 ppm eU_3O_8 from downhole gamma logging. This corresponds with assays of 8 ppm U_3O_8 and 276 ppm Th indicating thorium as the likely source of the downhole gamma anomaly.

MARCH QUARTER PROGRAMME

The following are planned activities for the March Quarter:

Isa West Project

- Finalise core cutting and assaying (2 holes).
- Planning for RC drilling on new prospects.
- Planning for airborne helimag/radiometric survey over Eastern Creek volcanics to the north of existing prospect area.
- Complete drill site rehabilitation and environmental programmes.

Isa North Project

- Core cutting and assaying of Queens Gift and Slance mineralised zones. (6 holes).
- Commence Queens Gift drill site rehabilitation programme (access permitting).

Leichhardt JV

- Technical/JV meeting with Universal Resources

Current (January) rainfall conditions in Mount Isa are considered 'light' and access for drilling may be available prior to the planned 5 April 2010 start-up.

JUNE QUARTER ACTIVITIES

- JORC Code RC drilling will recommence at Isa North on the Slance NW and NE prospects with planned moves to Conquest Central and the Wahn prospect with the now 100% owned Ewen EPM.
- Fly helicopter airborne magnetic and radiometric surveys over selected grid areas at Isa West and Ewen.
- JORC Code RC drilling will recommence at Isa West as soon as access permits (possibly in March Quarter).
- RC percussion drilling of the Miranda uranium prospect on EPM 14281 now a 100% owned tenement.



Corporate

UNLISTED OPTIONS

Options Lapse

During the Quarter 19,362,500 employee options have recently lapsed in accordance with the terms of the Deep Yellow Limited Directors, Employees and Other Permitted Persons Option Plan.

Options Exercised

The Directors of DYL have resolved to issue 2,312,500 fully paid ordinary shares in the Company following receipt of valid option exercise notices from employees during the Quarter to acquire shares at 27.5 cents.

Dr Leon Pretorius
Managing Director

Further Information:

Mr Martin Kavanagh
Executive Director
(61 8) 9286 6999

The information in this report to which relates to the Mineral Resource is based on information compiled by Neil Inwood. Neil Inwood is a Member of The Australasian Institute of Mining and Metallurgy. Neil Inwood is employed by Coffey Mining Pty Ltd and 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 Mineral Resources and Reserves".

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.

Where eU₃O₈ and/or cU₃O₈ is reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A675 slimline gamma ray tool. All probes are calibrated either at the Pelindaba Calibration facility in South Africa or at the Adelaide Calibration facility in South Australia.

Deep Yellow Limited (DYL) is an Australian based pure uranium exploration company with extensive operations in Namibia and Australia.

DYL's principal development focus is in Namibia through its 100% owned subsidiary **Reptile Uranium Namibia P/L** (Reptile) at the mid to high grade Omahola Project and the extensive secondary calcrete deposits contained in the Tumas-Oryx-Tubas palaeochannel and fluvial sheetwash systems.

The Omahola Project comprises the INCA uranium and iron and Tubas Red Sand (TRS) uranium deposits. JORC Code resource estimates for Omahola are being completed and management are confident it will underpin the stated objective of becoming a producer of 1,000 to 1,500 tonne of U₃O₈ per year at a grade of 400 ppm or better from the combined deposits.

As part of the transition from explorer to producer DYL and Reptile have been building a team of in-house expertise and consultants to complete the required studies and various reports and permit applications.

The Australian focus is on resource delineation in the Mount Isa district of Queensland and greenfields exploration in the Northern Territory. A pipeline of other projects in both countries are continually being examined and there is extensive exploration potential for new discoveries.

Appendix 1 - Drilling Summaries



Table A1: Summary of 2009 RC Drilling

Project	Holes	Metre Drilled	Samples collected
Isa West JV	111	13,109	3,959
Isa North	54	10,787	2,968
Leichhardt JV	12	822	199
Total	177	24,718	7,126

Table A2: Summary of 2009 Diamond Drilling

Project	Holes	Metre Drilled	Samples collected
Isa West JV	8	776	-
Isa North	6	1,465	-
Total	14	2,241	-

Table A3: Summary of RC Drilling for December Quarter

Project	Prospect Name	Holes	Metre Drilled	Samples collected
Isa West	Bambino	7	1,728	456
Isa North	Slance	13	2,274	359
Leichhardt JV	A25/Big Dip	12	822	199
Total		32	4,824	1,014

Table A4: Summary of Diamond Drilling for December Quarter

Project	Prospect Name	Holes	Metre Drilled	Samples collected
Isa North	Slance	2	146	-
Total		2	146	-

Table A5: Summary of 2009 RC Drilling Isa West JV

Prospect Name	Holes	Metre Drilled	Samples Collected
Bambino	46	6,138	1,901
Eldorado North	11	738	200
Thanksgiving	44	5,411	1,500
Turpentine	10	822	358
Total	111	13,109	3,959



Table A6: Summary of 2009 Diamond Drilling Isa West JV

Prospect Name	Holes	Metre Drilled	Samples Collected
Bambino	4	429.8	-
Eldorado North	1	75.2	-
Thanksgiving	3	270.6	-
Total	8	775.6	-

Table A7: Leichhardt JV - Summary of 2009 RC Drilling

Prospect Name	No. RC Holes	Metres Drilled	Samples collected
A25	7	474	166
Big Dip	5	348	33
Total	12	822	199