

29 October 2010

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2010

HIGHLIGHTS

NAMIBIA

OMAHOLA PROJECT PRE-FEASIBILITY STUDY

- **Omahola Project Pre-Feasibility Study being conducted by SNC-Lavalin continues on schedule with results expected in the December Quarter 2010**
- **A resource update was completed on the main area of mineralisation at the INCA deposit**
 - **Indicated Resources double to 10 million pounds U₃O₈ and grade increases to 414 ppm eU₃O₈**
 - **Total resources increase by 17% to 16.4 million pounds U₃O₈ and grade increases by 9% to 436 ppm eU₃O₈**
 - **Overall Omahola Project Mineral Resource estimate increases to 21.3 million pounds U₃O₈ and further underpins Pre-Feasibility Study**

ONGOLO ALASKITE PROJECT

- **RC drilling confirmed significant alaskite-hosted uranium mineralisation over two kilometres strike length in the northern part of the Tubas EPL**
- **Significant intercepts include:**
 - **ALAR62**
 - **7 metres at 394 ppm U₃O₈ from 62 metres; and,**
 - **15 metres at 449 ppm U₃O₈ from 110 metres; and,**
 - **29 metres at 422 ppm U₃O₈ from 138 metres**
 - **ALAR64**
 - **13 metres at 412 ppm U₃O₈ from 179 metres; and,**
 - **7 metres at 402 ppm U₃O₈ from 199 metres**
 - **ALAR125**
 - **16 metres at 655 ppm U₃O₈ from 68 metres, including 8 metres at 1,029 ppm U₃O₈ from 73 metres**



- **ALAR126**
 - 12 metres at 615 ppm U₃O₈ from 137 metres, including 2 metres at 1,284 ppm U₃O₈ from 142 metres; and,
 - 27 metres at 513 ppm U₃O₈ from 171 metres, including 5 metres at 900 ppm U₃O₈ from 171 metres
- Drilling will shift to resource delineation as soon as rigs are available from INCA
- Metallurgical testing of INCA material indicates it is similar to mineralised alaskite and Ongolo Alaskite may prove to be compatible feed with INCA at Omaha

TUBAS-TUMAS PALAEOCHANNEL

- Re-evaluation of the November 2007 JORC compliant Inferred Mineral Resource estimate for the Tubas section of the Tubas-Tumas palaeochannel identified a substantial, high-grade mineral resource subset totalling
 - 22.8 million tonnes at 0.046% (455 ppm) U₃O₈ for 10,369 tonnes or 22.9 million pounds of contained U₃O₈ at a cut-off grade of 200 ppm U₃O₈
- An updated JORC compliant mineral resource estimate was completed for the Tumas Zones 1 and 2 of the Tubas-Tumas Palaeochannel totalling
 - 14.4 million tonnes at 0.036% (366 ppm) U₃O₈ for 5,414 tonnes or 11.9 million pounds of contained U₃O₈ at a cut-off grade of 200 ppm U₃O₈
- Tubas-Tumas Palaeochannel high-grade subset now totalling
 - 37.2 million tonnes at 0.042% (424 ppm) U₃O₈ for 15,783 tonnes or 34.8 million pounds of contained U₃O₈ at a cut-off grade of 200 ppm U₃O₈
- Due to the size and grade of this high-grade subset, further evaluations will be done to determine if this resource warrants a scoping study
- In addition, Hellman & Schofield estimated an exploration target range for Tumas Zone 3 of the palaeochannel at 10 to 30 million tonnes at a grade of approximately 300 to 400 ppm U₃O₈ at a cut-off grade of 200 ppm U₃O₈

SHIYELA IRON PROJECT

- Follow-on drilling at Shiyela expands width of magnetite mineralisation from 100 metres as outcrop to 400 metres under minimal sand cover
- Mineralisation transitioning to semi-massive to massive magnetite to the west and mineralisation open at depth and in both directions along strike
- Magnetic modelling indicates initial strike length of up to 8 kilometres
- Drilling and modelling results add impetus to continue project evaluation as potential standalone magnetite iron project located 30 kilometres from deep sea port at Walvis Bay



AUSTRALIA

- **Diamond drilling confirms continuity of uranium mineralisation at depth in Mount Isa district projects**
- **Significant intercepts include:**
 - **Isa West Prospect-**
 - **Hole TGDC004 - 29 metres at 383 ppm U₃O₈ from 429 metres including 18 metres at 544 ppm U₃O₈ from 429 metres**
 - **Hole BBDC005 - 8 metres at 364 ppm U₃O₈ from 396 metres**
 - **Queens Gift Prospect-**
 - **Hole QGDC009 - 24 metres at 404 ppm U₃O₈ from 359 metres**
 - **Slance NW Prospect-**
 - **Hole SLDC048 - 18 metres at 1,751 ppm U₃O₈ from 142 metres**

CORPORATE

- **DYL completed the Quarter in a strong cash position, including liquid assets, of \$25 million at 30 September 2010**
- **DYL appoints RBC Capital Markets as its Global Lead Broker effective 26 August 2010**

Summary

Deep Yellow Limited (DYL) continued with its ongoing exploration and pre-development programmes in Namibia and Australia. In Namibia, all exploration and pre-development work is conducted by DYL's wholly-owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN).

During the reporting period in Namibia, the Pre-Feasibility Study (PFS) on the Omahola Project continued on schedule with an anticipated completion date of December 2010; the Mineral Resource estimate at INCA was updated; a substantial high-grade subset of the Tubas section of the Tubas-Tumas Palaeochannel deposit was identified; follow-on drilling at the Shiyela Iron Project expanded the width of magnetite mineralisation to 400 metres; drilling at the Ongolo Alaskite Project extended the strike length of the zone of alaskite-hosted uranium mineralisation to two kilometres; and subsequent to the end of the quarter the Mineral Resource estimate for the Tumas section of the Tubas-Tumas Palaeochannel was updated.

In Australia, additional positive drilling results were returned at Mount Isa, including confirmation of the extension of mineralisation at depth.

As a result of the additional Mineral Resource work, DYL's total Mineral Resource estimate summary has increased to **200 million tonnes at 0.025% (249 ppm) U₃O₈ for 49,780 tonnes or 109.8 million pounds of contained U₃O₈** at the various cut-off grades as shown in Table 1.

Within this total estimated Mineral Resources are a subset of higher grade resources (Table 2) that are being targeted for studies to determine potential for consideration for project development. Within these higher grade resources is the INCA deposit and high-grade subsets of Tubas and Tumas (at 200 ppm U₃O₈ cut-off) as part of the Tubas-Tumas Palaeochannel deposit.



On a Company wide basis, the higher grade subset of Mineral Resources totals **68.3 million tonnes at 0.041% (411 ppm) U₃O₈ for 28,092 tonnes or 62.0 million pounds of contained U₃O₈** at various cut-off grades (Table 2).

In Namibia, the higher grade subset totals **55.4 million tonnes at 0.042% (419 ppm) U₃O₈ for 23,201 tonnes or 51.2 million pounds of contained U₃O₈** at a cut-off grade of 200 ppm U₃O₈.

The INCA deposit is currently the subject of a PFS with the Omahola Project and consideration is being given to a Concept or Scoping Study for the Tubas-Tumas Palaeochannel high-grade subset.

Table 1: Summary of DYL's Mineral Resource Estimates in accordance with the JORC Code and as previously individually released to ASX

JORC Mineral Resource Estimates Summary – October 2010							
Deposit	Category	Cut-off (ppm U ₃ O ₈)	Tonnes (M)	U ₃ O ₈ (ppm)	U ₃ O ₈ (%)	U ₃ O ₈ (t)	U ₃ O ₈ (Mlb)
REPTILE URANIUM NAMIBIA (NAMIBIA)							
Omahola Project							
INCA ♦	Inferred	200	6.9	420	0.042	2,902	6.4
INCA ♦	Indicated	200	10.9	414	0.041	4,516	10.0
Tubas Red Sand ♦	Inferred	100	10.7	158	0.016	1,685	3.7
Tubas Red Sand ♦	Measured/ Indicated	100	3.2	168	0.017	532	1.2
Omahola Total			31.7	304	0.030	9,635	21.3
Tubas-Tumas Palaeochannel Project							
Tumas ♦	Inferred	100	1.2	210	0.021	252	0.6
Tumas ♦	Indicated	100	42.5	216	0.022	9,180	20.2
Tubas	Inferred	100	77.3	228	0.023	17,620	38.9
Tubas-Tumas Total			121.0	224	0.022	27,052	59.7
Aussinanis Project							
Aussinanis ♦	Inferred	150	29.0	240	0.024	6,960	15.3
Aussinanis ♦	Indicated	150	5.6	222	0.022	1,243	2.7
Aussinanis Total			34.6	237	0.024	8,203	18.0
RUN TOTAL			187.3	240	0.024	44,890	99.0
NAPPERBY PROJECT (NT, AUSTRALIA)							
Napperby	Inferred	200	9.3	359	0.036	3,351	7.4
NAPPERBY TOTAL			9.3	359	0.036	3,351	7.4
MOUNT ISA PROJECT (QLD, AUSTRALIA)							
Mount Isa	Inferred	300	2.0	440	0.044	890	2.0
Mount Isa	Indicated	300	1.6	400	0.040	650	1.4
MOUNT ISA TOTAL			3.6	428	0.043	1,540	3.4
TOTAL INFERRED RESOURCES			136.4	247	0.025	33,660	74.3
TOTAL INDICATED RESOURCES			63.8	253	0.025	16,121	35.5
TOTAL RESOURCES			200.2	249	0.025	49,781	109.8

Notes: Figures have been rounded and totals may reflect small rounding errors.

♦ eU₃O₈



Table 2: Schedule of DYL's Higher Grade Mineral Resources in accordance with the JORC Code

JORC Mineral Resource Estimates Summary – October 2010							
Deposit	Category	Cut-off (ppm U ₃ O ₈)	Tonnes (M)	U ₃ O ₈ (ppm)	U ₃ O ₈ (%)	U ₃ O ₈ (t)	U ₃ O ₈ (Mlb)
REPTILE URANIUM NAMIBIA (NAMIBIA)							
Omahola Project							
INCA ♦	Inferred	200	6.9	420	0.042	2,902	6.4
INCA ♦	Indicated	200	10.9	414	0.041	4,516	10.0
Omahola Total			17.8	417	0.042	7,418	16.4
Tubas-Tumas Palaeochannel Project (High-grade subset)							
Tumas ♦	Inferred	200	0.4	360	0.036	144	0.3
Tumas ♦	Indicated	200	14.4	366	0.037	5,270	11.6
Tubas	Inferred	200	22.8	455	0.046	10,369	22.9
Tubas-Tumas Total (High-grade subset)			37.6	424	0.042	15,783	34.8
RUN TOTAL (High-grade subset)			55.4	419	0.042	23,201	51.2
NAPPERBY PROJECT (NT, AUSTRALIA)							
Napperby	Inferred	200	9.3	359	0.036	3,351	7.4
NAPPERBY TOTAL			9.3	359	0.036	3,351	7.4
MOUNT ISA PROJECT (QLD, AUSTRALIA)							
Mount Isa	Inferred	300	2.0	440	0.044	890	2.0
Mount Isa	Indicated	300	1.6	400	0.040	650	1.4
MOUNT ISA TOTAL			3.6	428	0.043	1,540	3.4
TOTAL INFERRED RESOURCES			41.4	426	0.043	17,656	39.0
TOTAL INDICATED RESOURCES			26.9	388	0.039	10,436	23.0
TOTAL RESOURCES (High-grade subset)			68.3	411	0.041	28,092	62.0

Notes: Figures have been rounded and totals may reflect small rounding errors.

♦ eU₃O₈

Exploration – Namibia

Omahola Project Pre-Feasibility Study

The Omahola Project Pre-feasibility study (PFS) remains on schedule and is expected to be complete in the December quarter. The Omahola Project currently consists of the INCA deposit and the Tubas Red Sand (TRS) deposit. Consideration is being given to incorporating mineralisation from the emerging Ongolo Alaskite Project into the Omahola Project due to the similarity of metallurgical characteristics between INCA mineralisation and alaskite-hosted mineralisation. See Figure 1 for Project locations.

INCA Project

DYL had previously indicated that an update of the Mineral Resource estimate for the INCA uranium deposit would be completed in the September quarter. On 28 July 2010, DYL announced an update of the Mineral Resource estimate in accordance with the **JORC Code** by the **MSA Group of South Africa**, for the 'Main Resource Area' at INCA. This resource update (Table 3) **increased total Indicated and Inferred Resources at INCA by 17% and increased grade by 9%** with the updated resource totalling **17.1 million tonnes at 436 ppm eU₃O₈ for 7,429 tonnes (16.4 Mlbs) of U₃O₈ at 200 ppm U₃O₈ cut-off**. In addition, total **Indicated Resources doubled to 10 million lbs U₃O₈**.

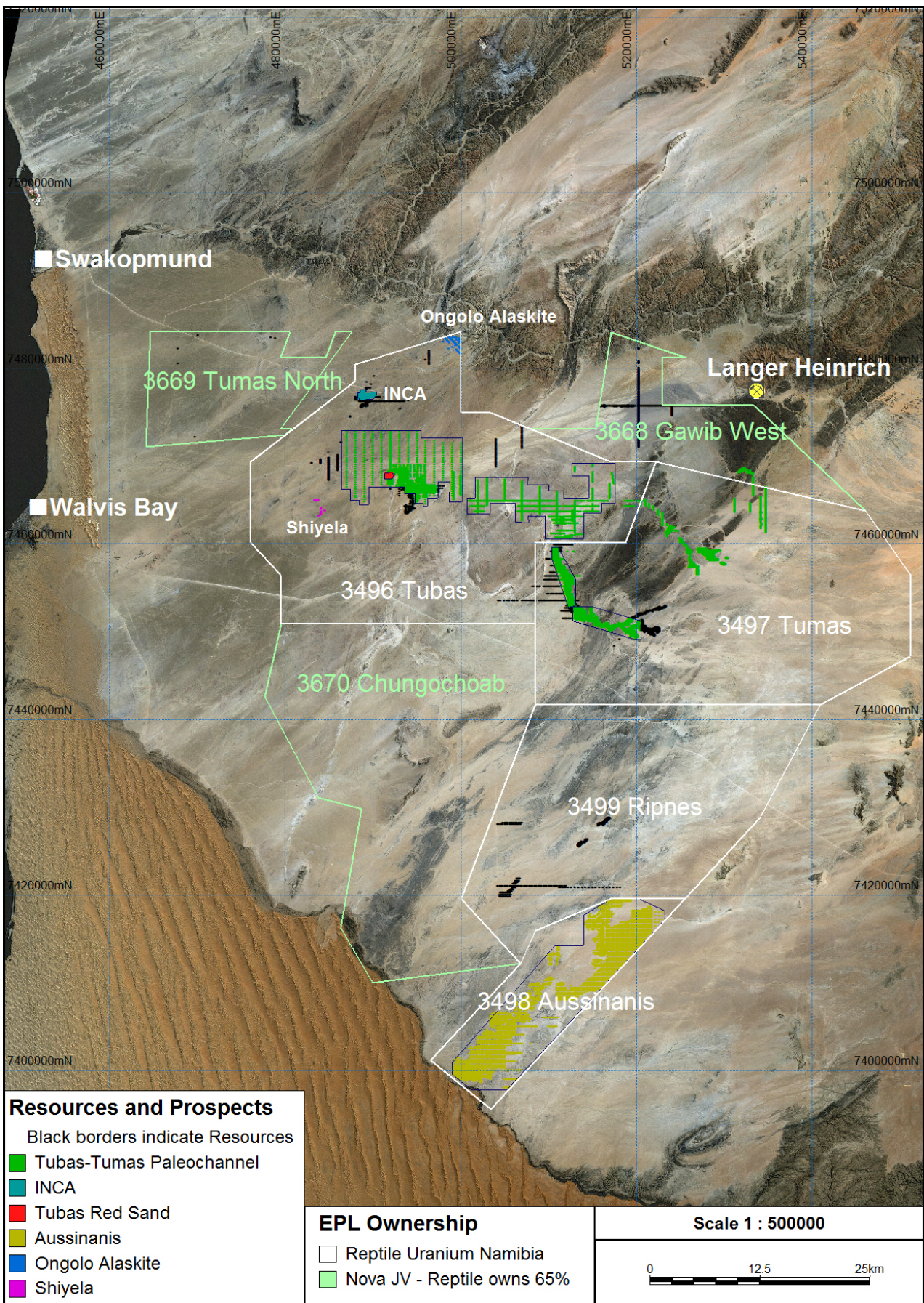


Figure 1: Reptile Tenements and Project Location Map in Namibia



Since this announcement, resource work has continued at INCA. In July, DYL engaged **Coffey Mining** (Perth) to complete a further update of the Mineral Resource estimate, which will incorporate the INCA extension areas of mineralisation directly to the east and to the north (Figure 2), and will include sections of deeper but higher grade mineralisation. While this second update was anticipated to be complete before the end of September 2010, a modification of Coffey's scope of work and requirements for additional chemical assays has resulted in the completion date being pushed to the end of October 2010.

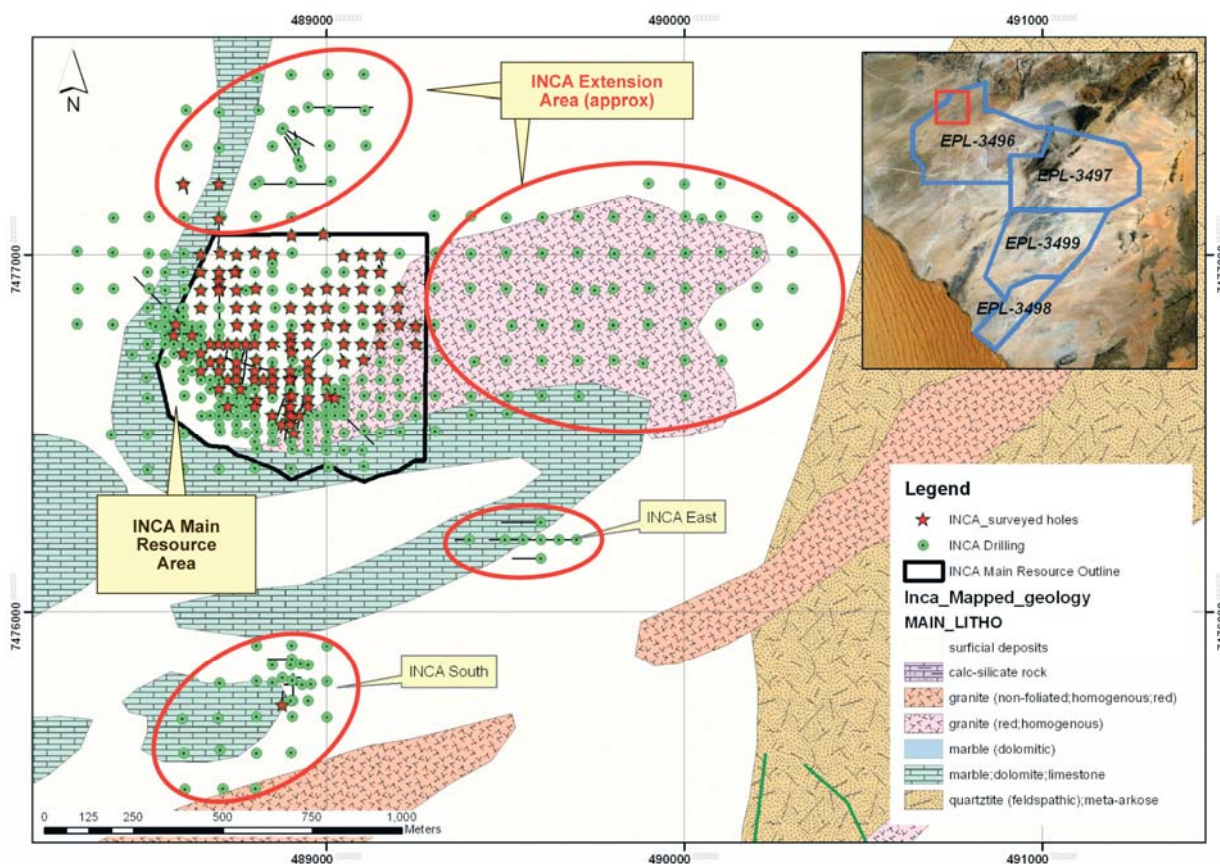


Figure 2: INCA drill hole map showing INCA Main Resource Area relative to mineralised area extensions

Coffey's scope of work was expanded by DYL to incorporate the previously published INCA resource estimate by MSA into a new total resource estimate for the expanded area. This was done to ensure consistency with the updated estimate and to bring the entire resource estimate under a single **JORC Competent Person's** review. The expanded scope of work required additional time to be added to the schedule.

In addition, a new gamma log correction factor had to be developed for very high-grade zones (>2,000 ppm eU₃O₈) of mineralisation, which required additional time-consuming chemical assays.

Table 3: INCA Project – Mineral Resource Estimates in accordance with JORC Code

Category	Cut-Off Grade (ppm U ₃ O ₈)	Tonnes (million)	Grade (eU ₃ O ₈ ppm)	U ₃ O ₈ (tonnes)	U ₃ O ₈ (M lbs)
INCA Project – 28 July 2010 Update					
Indicated	200	10.9	414	4,516	10.0
Inferred	200	6.2	469	2,913	6.4
Totals		17.1	436	7,429	16.4

Figures have been rounded.



ONGOLO ALASKITE PROJECT

As announced to the ASX (14 September 2010) RC drilling at the Tubas Alaskite Project now renamed the **Ongolo Alaskite Project** has confirmed high-grade alaskite hosted uranium mineralisation over **two kilometres strike** within the northern part of the Tubas EPL. The mineralisation is similar to Rio Tinto's Rossing Uranium Mine to the north, Extract Resources' Rossing South Project and others as depicted in Figure 3.

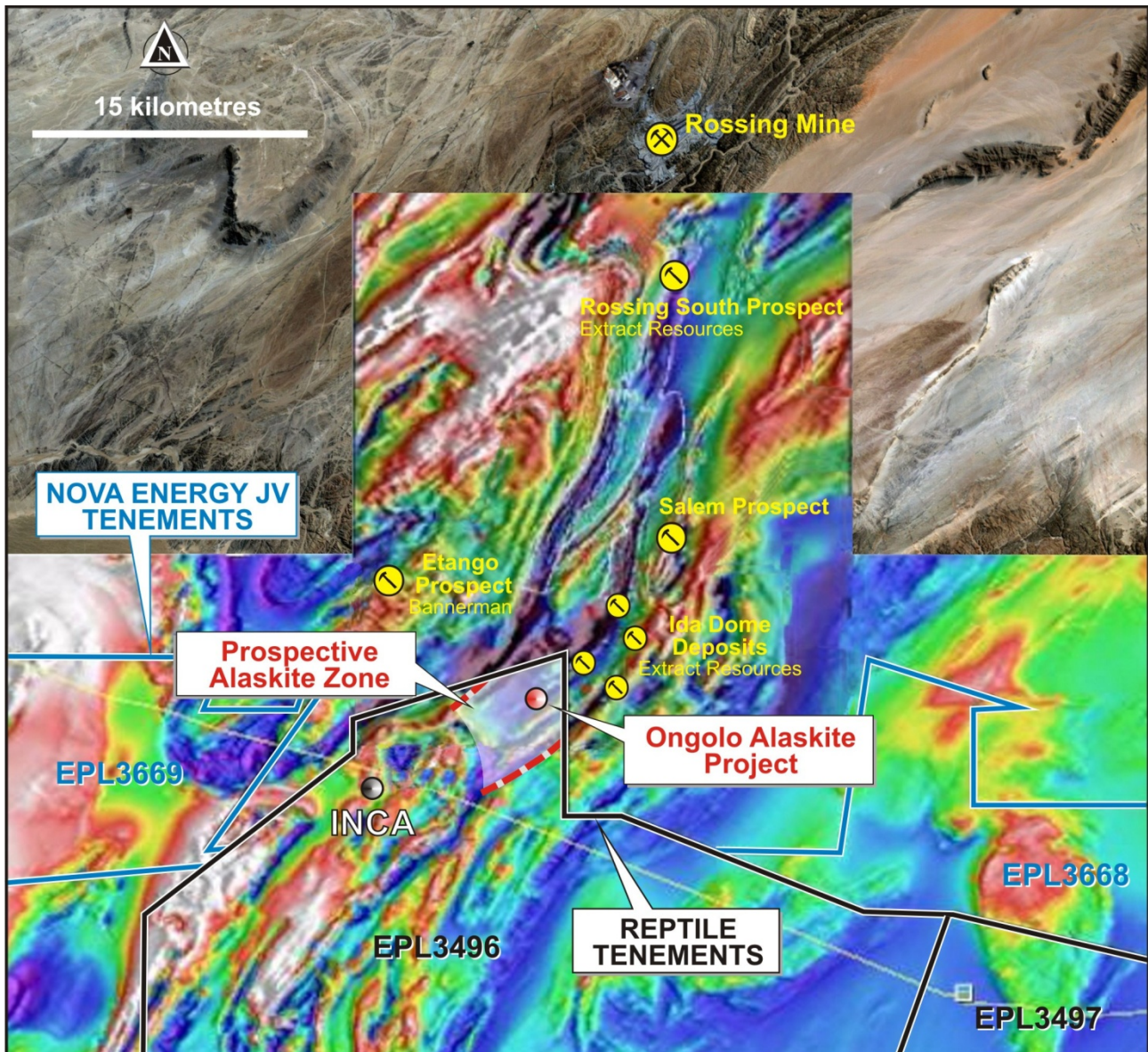


Figure 3: Regional aeromagnetic image showing location of Ongolo Alaskite Project relative to known primary uranium mineralisation

On 29 April 2010 DYL announced drill results from discovery hole ALAR13 which returned 89 metres at 400 ppm U_3O_8 from 128 metres on **Reconnaissance Line 2**. Since then, follow-up drilling has continued and significantly, four consecutive drillholes on **Reconnaissance Line 3** (Figure 4) returned chemical assays of approximately 400 ppm U_3O_8 and greater, indicating a potential width of significant mineralisation across strike of at least 300 metres.

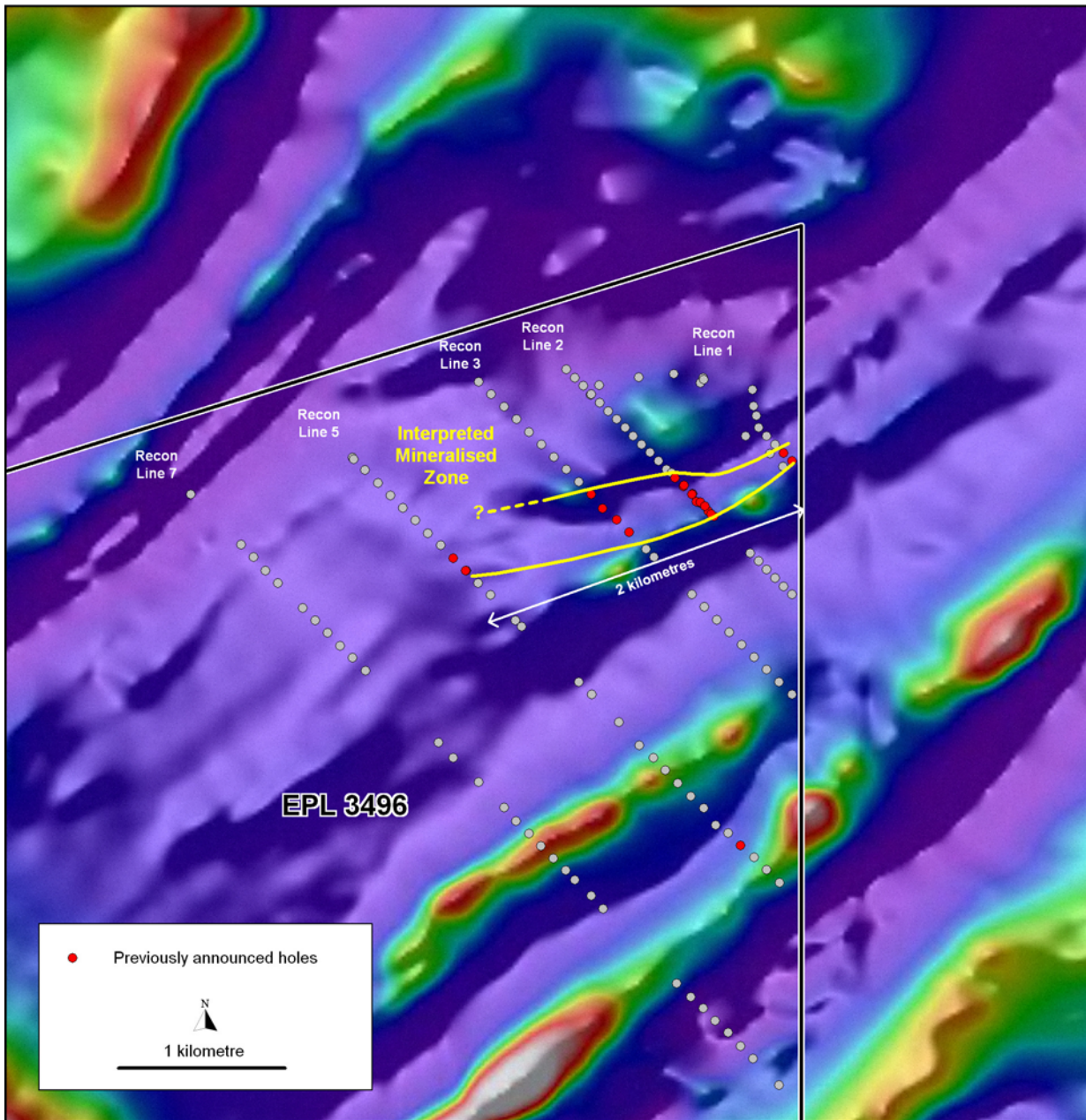


Figure 4: Ongolo Alaskite Project Drill Hole Location Plan. XRF chemical assays are not yet available for Reconnaissance Line 7 holes and sections of Reconnaissance Line 5

Reverse circulation (RC) drillholes ALAR61 through ALAR64, spaced at 90-100 metres returned the following intercepts on Reconnaissance Line 3 (Table 4):

- **ALAR61**
 - 8 metres at 392 ppm U₃O₈ from 83 metres; and,
 - 8 metres at 401 ppm U₃O₈ from 132 metres

- **ALAR62**
 - 7 metres at 394 ppm U₃O₈ from 62 metres; and,
 - 15 metres at 449 ppm U₃O₈ from 110 metres; and,
 - 29 metres at 422 ppm U₃O₈ from 138 metres



- **ALAR63**
 - 10 metres at 411 ppm U₃O₈ from 198 metres
- **ALAR64**
 - 13 metres at 412 ppm U₃O₈ from 179 metres; and,
 - 7 metres at 402 ppm U₃O₈ from 199 metres

Table 4: Significant* XRF Chemical Assay Results

Hole	MGA Zone 54		Azi	TD (m)	Dip	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)	GTM
	mE	mN				From	To			
ALAR16	499350	7482850	315	191	-60	147	158	11	399	4,389
ALAR46	499430	7482756	0	302	-90	246	254	8	405	3,240
ALAR47	499354	7482854	135	300	-60	192	206	14	395	5,530
						250	260	10	414	4,140
ALAR48	499453	7482753	135	213	-60	44	46	2	557	1,114
						74	84	10	460	4,600
ALAR61	499025	7482575	135	241	-60	83	91	8	392	3,136
						132	140	8	401	3,208
ALAR62	498951	7482649	135	261	-60	62	69	7	394	2,758
						110	125	15	449	6,735
						138	167	29	422	12,238
ALAR63	498867	7482718	135	261	-60	198	208	10	411	4,110
ALAR64	498800	7482800	135	251	-60	179	192	13	412	5,356
						199	206	7	402	2,814

Notes: TD is total depth of hole; cU₃O₈ is chemical assay U₃O₈; GTM is grade thickness metre and is calculated by multiplying the interval (m) x cU₃O₈ (ppm)

* RUN considers approximately 400 ppm U₃O₈ is required to be deemed significant for hardrock hosted uranium given current market conditions. Therefore lesser values are not reported.

Additional drilling was also conducted around discovery hole ALAR13 to better understand the lithology and orientation of the mineralised alaskite trend. The conclusion reached from the detailed drilling is that ALAR13 may have been drilled partially or wholly down-dip of the mineralised occurrence and this may have biased the true width of mineralisation. As a result, in an effort to more accurately represent true widths, subsequent drillholes starting on Reconnaissance Line 3 were drilled in the opposite direction to ALAR13 which was drilled at a 60 degree angle to the northwest.

Drill intercepts from **Reconnaissance Line 5** - ALAR125 and ALAR 126, spaced at 107 metres along section on Reconnaissance Line 5 returned the following intercepts (Table 5):

- **ALAR125**
 - **16 metres at 655 ppm U₃O₈ from 68 metres**
Including 8 metres at 1,029 ppm U₃O₈ from 73 metres
- **ALAR126**
 - **12 metres at 615 ppm U₃O₈ from 137 metres**
Including 2 metres at 1,284 ppm U₃O₈ from 142 metres; and,
 - **27 metres at 513 ppm U₃O₈ from 171 metres**
Including 5 metres at 900 ppm U₃O₈ from 171 metres



Reconnaissance Line 5 is located 870 metres southwest of Line 3 (ASX 23 August 2010); 1,320 metres southwest of Line 2 with discovery hole ALAR13 (ASX 29 April 2010); and approximately 2,000 metres southwest of Line 1 with uranium intercepts of 400 ppm U₃O₈. (Reconnaissance Line 4 has not been drilled.) As shown in Figure 4, drill intercepts of 400+ ppm U₃O₈ have been outlined to form an interpreted mineralised zone spanning approximately two kilometres and open to the southwest.

In addition to the interpreted mineralised zone as shown in Figure 4, drillhole **ALAR107** located at the south-eastern end of Reconnaissance Line 5 returned an intercept of **4 metres at 459 ppm U₃O₈ from 96 metres** within alaskite (Table 5). This area may be the beginning of a second mineralised zone to the south and will be further tested with the drilling of **Reconnaissance Line 7**. (Originally planned Line 6 will be skipped temporarily.)

Table 5: Significant* XRF Chemical Assay Results

Hole	WGS84 Zone 33		Azi	TD	Dip	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)	GTM
	mE	mN				From	To			
ALAR107	499693	7480696	135	245	-60	96	100	4	459	1,836
ALAR125	498050	7482350	135	226	-60	68	84	16	655	10,480
incl						73	81	8	1,029	8,232
ALAR126	497975	7482425	135	261	-60	137	149	12	615	7,380
incl						142	144	2	1,284	2,568
ALAR126	497975	7482425	135	261	-60	171	198	27	513	13,851
incl						171	176	5	900	4,500

Notes: TD is total depth of hole; cU₃O₈ is chemical assay U₃O₈; GTM is grade thickness metre and is calculated by multiplying the interval (m) x c U₃O₈ (ppm).

* RUN considers approximately 400 ppm U₃O₈ is required to be deemed significant for hardrock hosted uranium given current market conditions. Therefore lesser values are not reported.

Presently there are three RC rigs and one diamond rig actively drilling on the Ongolo Alaskite project. Additional RC rigs may be added as detailed resource drilling at RUN's other project areas wind down.

Targeted (resource) drilling on a nominal 100 x 100 metres grid is scheduled to commence in the December quarter when a deviational logging tool will be on site permanently. Deviational logging is used to measure the dip and direction (azimuth) of the drillholes.

The current strategy at Ongolo is prioritised drilling on a nominal 100 by 100 metre grid around well mineralised areas such as surrounding, and between, holes ALAR1, 13 and 62 to identify mineralisation with potential to be accessed by open pit mining methods although drilling on Line 7 will be completed. Deeper drilling will follow at later stages of the project, as mineralisation is open down dip.

Another positive observation from the alaskite drilling to-date is the significant amount of sulphides (predominantly pyrite with lesser pyrrhotite) present both within and peripheral to the uranium mineralisation which reaches a visual maximum of approximately 15% (with 5% being common) as depicted in the core photograph below. This has potential economic importance as a source for the generation of sulphuric acid for use in any acid leach uranium plant in the area. The smoky quartz seen in the diamond core is alteration resulting from intense irradiation from high-grade uranium mineralisation, and serves as an indicator of such when diamond core or RC chip samples are geologically logged.



RC Drilling Reconnaissance Line 2



Photograph shows highly mineralised alaskite with smoky quartz

Figure 5 is a graphic comparison between downhole chemical assay grade intervals (cU_3O_8) and downhole gamma log data (eU_3O_8) for holes ALAR61 and ALAR62. In general, eU_3O_8 values are higher than cU_3O_8 values. Samples were taken and submitted to ANSTO for disequilibrium analyses. Results showed the uranium to be in secular equilibrium. However, RUN has yet to determine suitable statistical factors to apply to downhole logging results to ensure the eU_3O_8 data is accurate. Consequently, RUN continues to chemically assay all zones of mineralisation as determined from logging and other radiometric tests. To date more than 3,000 chemical assays have been completed on alaskite drill samples.

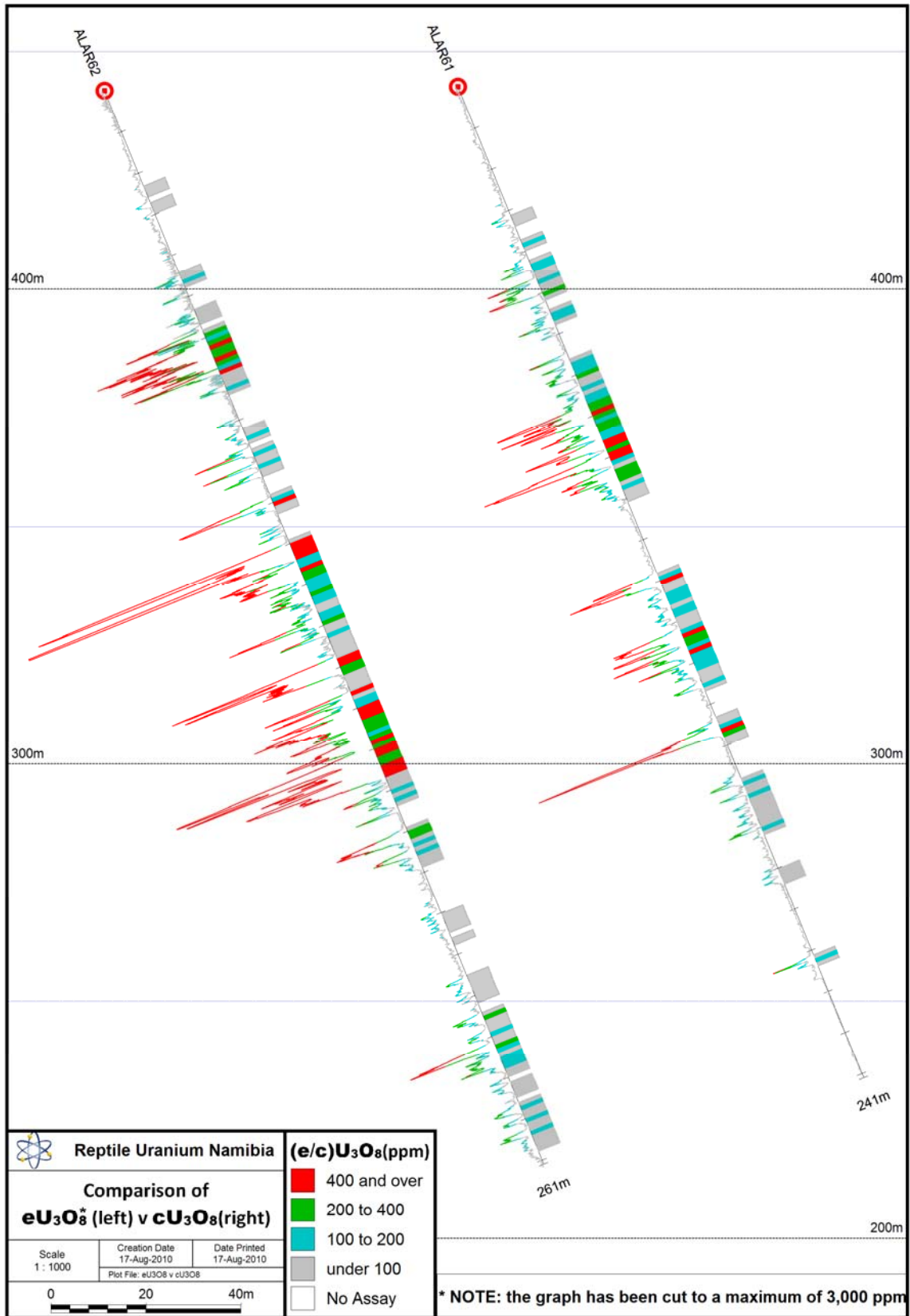


Figure 5: Tubas Alaskite Reconnaissance Line 2 Holes ALAR61 and ALAR62. Comparison of chemical assays (cU₃O₈) v gamma probe results (eU₃O₈) which are top cut to 3,000 ppm eU₃O₈



Diamond core and continuing statistical evaluation will resolve this in time to allow the effective use of the gamma logging data which is collected immediately upon completion of each hole. In the interim, all anomalous zones will be chemically analysed, which may, in the shorter term, slow reporting on this exciting project.

TUBAS-TUMAS PALAEOCHANNEL

Tubas High Grade Mineral Resource Subset

A review of the existing Mineral Resource estimate for the **Tubas section of the Tubas-Tumas Palaeochannel uranium deposit** by **Geomine Consulting Namibia** (Geomine) identified a substantial high-grade subset within the total resource.

On 21 November 2007 DYL announced the initial **Inferred Mineral Resource** in accordance with the **JORC Code** for Tubas totalling **77.3 million tonnes at 0.023% (228 ppm) U₃O₈ for 17,600 tonnes or 38.8 million pounds contained U₃O₈ at a cut-off grade of 100 ppm U₃O₈** (Tables 1 and 6).

A cut-off grade of 100 ppm U₃O₈ was selected at the time (November 2007) as the uranium spot price had peaked earlier in 2007 at US\$136 per pound U₃O₈ and was US\$90-95 per pound when the Tubas resource was announced. However, given current uranium market prices at US\$46-48 per pound, the economics of potential uranium production can be significantly improved with higher average grade as can result from using a higher cut-off grade.

Upon review of the existing resource estimate at Tubas, it was determined that by using a cut-off grade of 200 ppm U₃O₈, a substantial quantity of resources could be outlined as a subset of the current resource, but at a much higher average grade. At 200 ppm U₃O₈ cut-off grade, the Inferred Mineral Resource estimate at Tubas totals **22.8 million tonne at 0.046% (455 ppm) U₃O₈ for 10,369 tonne or 22.9 million pounds contained U₃O₈** (Tables 2 and 6).

Table 6: Inferred Mineral Resources at Various Cut-off Grades – November 2007

Category	Cut-Off (ppm U ₃ O ₈)	Tonnes (million)	Grade (U ₃ O ₈ ppm)	U ₃ O ₈ (tonnes)	U ₃ O ₈ (M lbs)
Tubas Resource Estimate – 21 November 2007					
Inferred	100	77.3	228	17,612	38.8
Inferred	200	22.8	455	10,369	22.9

The quantity of resources in this high-grade subset of the original Mineral Resource estimate at Tubas are sufficient to justify further evaluation to determine if this high-grade resource warrants a scoping study.

Updated Mineral Resource Estimate – Tumas Zones 1 and 2

An updated mineral resource estimate was completed for Tumas Zones 1 and 2 of the Tubas-Tumas Palaeochannel deposit by Hellman & Schofield Pty Ltd (H&S) and reported in accordance with the JORC Code.

The previous resource estimate for Tumas (Zone 1 only) was conducted by H&S in February 2009 and totalled **10.0 million tonnes at 0.034% (345 ppm) U₃O₈ for 3,447 tonnes or 7.6 million pounds of contained U₃O₈ at a cut-off grade of 200 ppm U₃O₈**. Mineral Resource estimates using a range of cut-off grades are presented in Table 7.

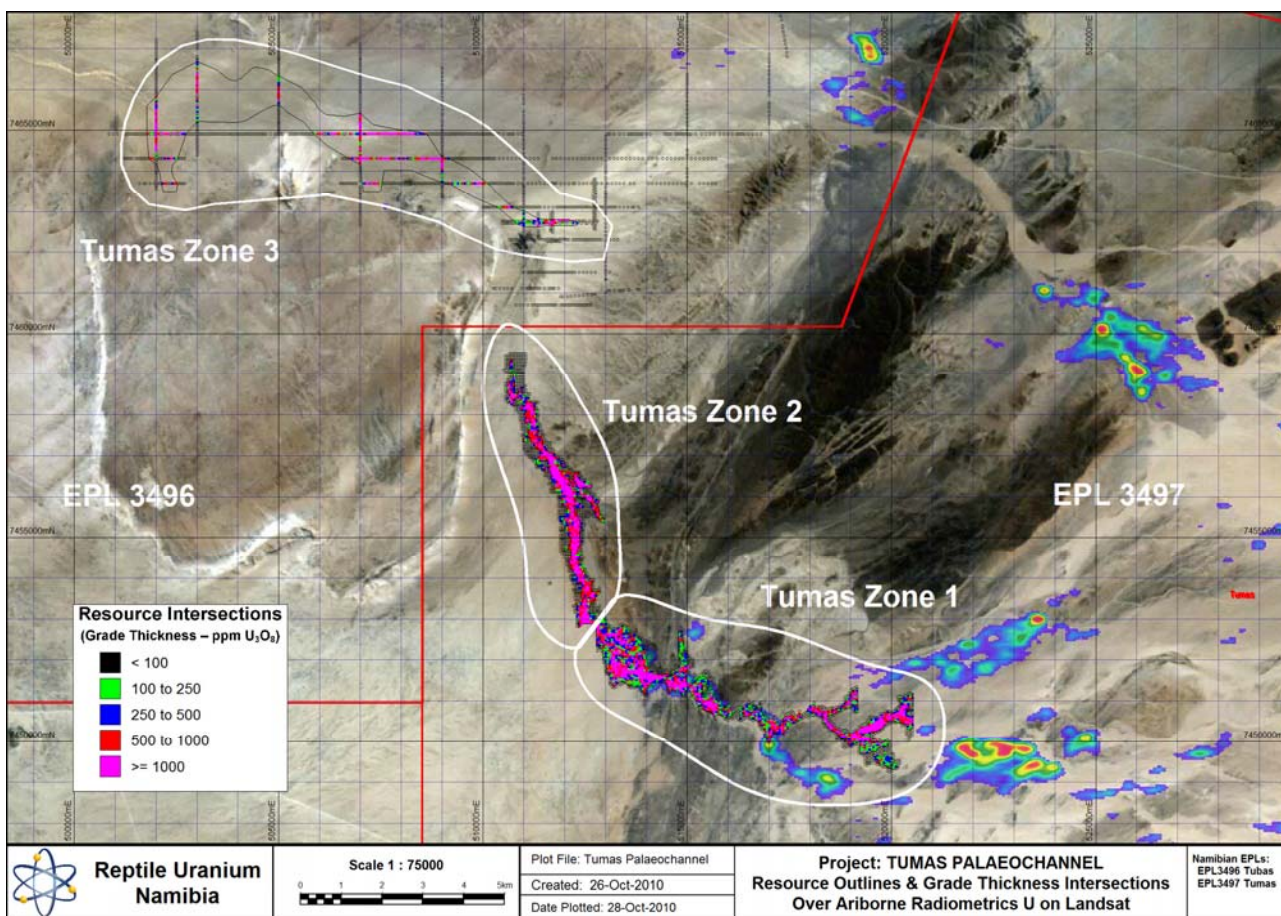


Figure 6: Tubas-Tumas Palaeochannel with Tumas Zones of mineralisation

The updated resource estimate for Tumas Zone 1 and 2 is **14.8 million tonnes at 0.036% (366 ppm) eU₃O₈ for 5,414 tonnes or 11.9 million pounds of contained U₃O₈ at a cut-off grade of 200 ppm U₃O₈**. Mineral Resource estimates using a range of cut-off grades are presented in Table 8.

The updated resource estimate includes a **57% increase in total pounds U₃O₈** and a **6% increase in grade over the previous Tumas Zone 1 resource estimate**. In addition, **97% of the updated resource estimate is in the Indicated category under the JORC Code**.

Tumas Zone 3 drill data was also evaluated by H&S. Due to broadly and irregularly spaced lines of drillholes, the mineralisation in Zone 3 was determined to be too poorly defined for inclusion in resource estimates. However when combined with geophysical survey results, the drill results provide an indication of the orientation and extent of the mineralised zone. Consequently a conceptual **exploration target range** has been estimated at **10 to 30 million tonnes at a grade of 300 to 400 ppm U₃O₈ at 200 ppm cut-off**. It is uncertain if future exploration will result in the determination of a Mineral Resource.



Table 7: February 2009 Tumas Zone 1 Mineral Resource Estimates at Various Cut-off Grades

Cut off U ₃ O ₈ ppm	Indicated		Inferred		Total	
	Tonne (million)	U ₃ O ₈ ppm	Tonne (million)	U ₃ O ₈ ppm	Tonne (million)	U ₃ O ₈ ppm
100	25.2	213	3.0	210	28.2	213
150	14.9	276	2.0	280	16.9	276
200	9.0	343	1.0	360	10.0	345
250	5.7	412	0.6	430	6.3	414
300	3.8	482	0.4	510	4.2	485

Notes: One metre mining benches. Figures have been rounded to reflect the accuracy of estimates and include rounding errors

Table 8: Tumas Zone 1 & 2 Updated Mineral Resource Estimates at Various Cut-off Grades

Category	Cut-Off (ppm U ₃ O ₈)	Tonnes (million)	Grade (ppm eU ₃ O ₈)	U ₃ O ₈ (tonnes)	U ₃ O ₈ (M lbs)
Indicated	100	42.5	216	9,180	20.2
	150	23.9	290	6,931	15.3
	200	14.4	366	5,270	11.6
	250	9.2	445	4,094	9.0
Inferred	100	1.2	210	252	0.6
	150	0.6	280	168	0.4
	200	0.4	360	144	0.3
	250	0.2	430	103	0.2
TOTALS	100	43.5	216	9,432	20.8
	150	24.9	290	7,099	15.7
	200	14.8	366	5,414	11.9
	250	9.4	445	4,197	9.3

Notes: One metre mining benches. Figures have been rounded to reflect the accuracy of estimates and include rounding errors

SHIYELA IRON PROJECT

Since the announcement of high grade iron (Fe) assay results for magnetite samples from the M62 magnetic anomaly (ASX 16 June 2010) RUN has continued to evaluate the potential of the now named Shiyela Iron Project located 30 kilometres east of Walvis Bay (Figure 1).

A total of 43 RC drill holes for 7,741 metres and 3 diamond holes for 748 metres on four reconnaissance lines was completed to the end of the quarter over the M62 and M63 magnetic anomalies (Figures 7 and 8). The drill holes have been logged using a downhole probe to measure the magnetic susceptibility of the rocks. Selected holes will also be chemically assayed in order to determine a correlation factor between magnetic susceptibility and the percentage of iron present as magnetite. This data will be used in the early evaluation of the grade potential of the deposit.

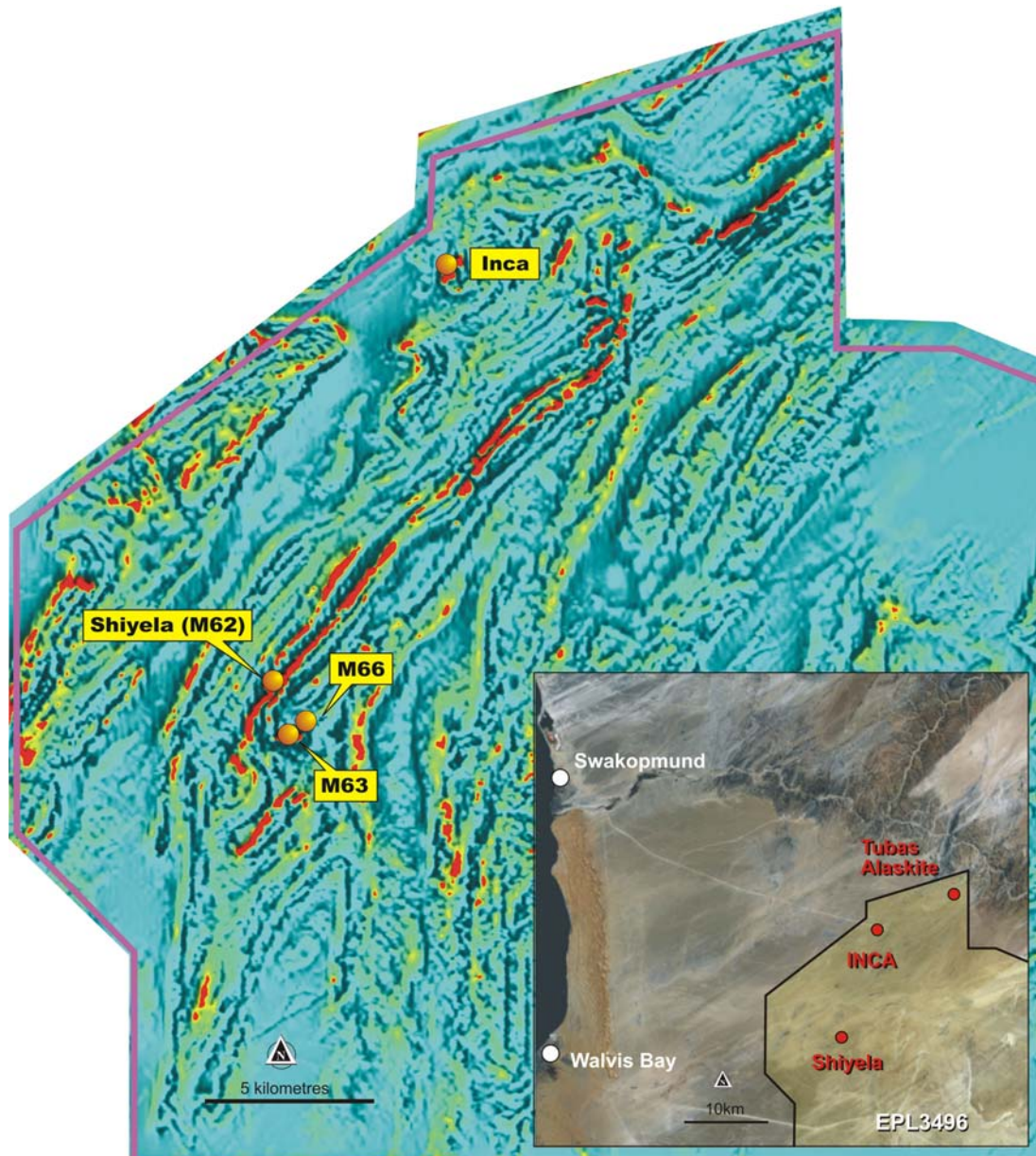


Figure 7: Aeromagnetic map showing a magnetic image (TMI/1VD), with red showing the highest intensity of magnetism (such as from magnetite) and blue the lowest intensity

Geology

Downhole geology derived from the logging of RC drill chips and diamond drill core together with mapping scant outcrop and RUN's detailed aeromagnetic database have led to the interpretation of the iron deposits as being high grade metamorphosed sedimentary deposits now described as:

- Fine grained quartz-biotite-magnetite gneiss containing low to medium grade mineralisation
- Coarse grained massive magnetite-quartz rock containing high grade mineralisation

A variable weathering profile is present from surface to maximum 40 metres depth developing a hematite coating /staining of both magnetite and the host gneiss. Magnetite does persist through to surface in all drill holes.



The aeromagnetic data (Figure 8) clearly outlines multiple highly magnetic units trending NE-SW. Isoclinal folding identified in drill core suggests that the magnetic patterns represent folding of the sedimentary package resulting in multiple 'magnetite' horizons' within the project area.

To date RUN has tested 400 metres strike of the main anomaly and will increase this to 1,000 – 1,500 metres during this first phase of evaluation. In addition some of the outlying anomalies will also be tested.

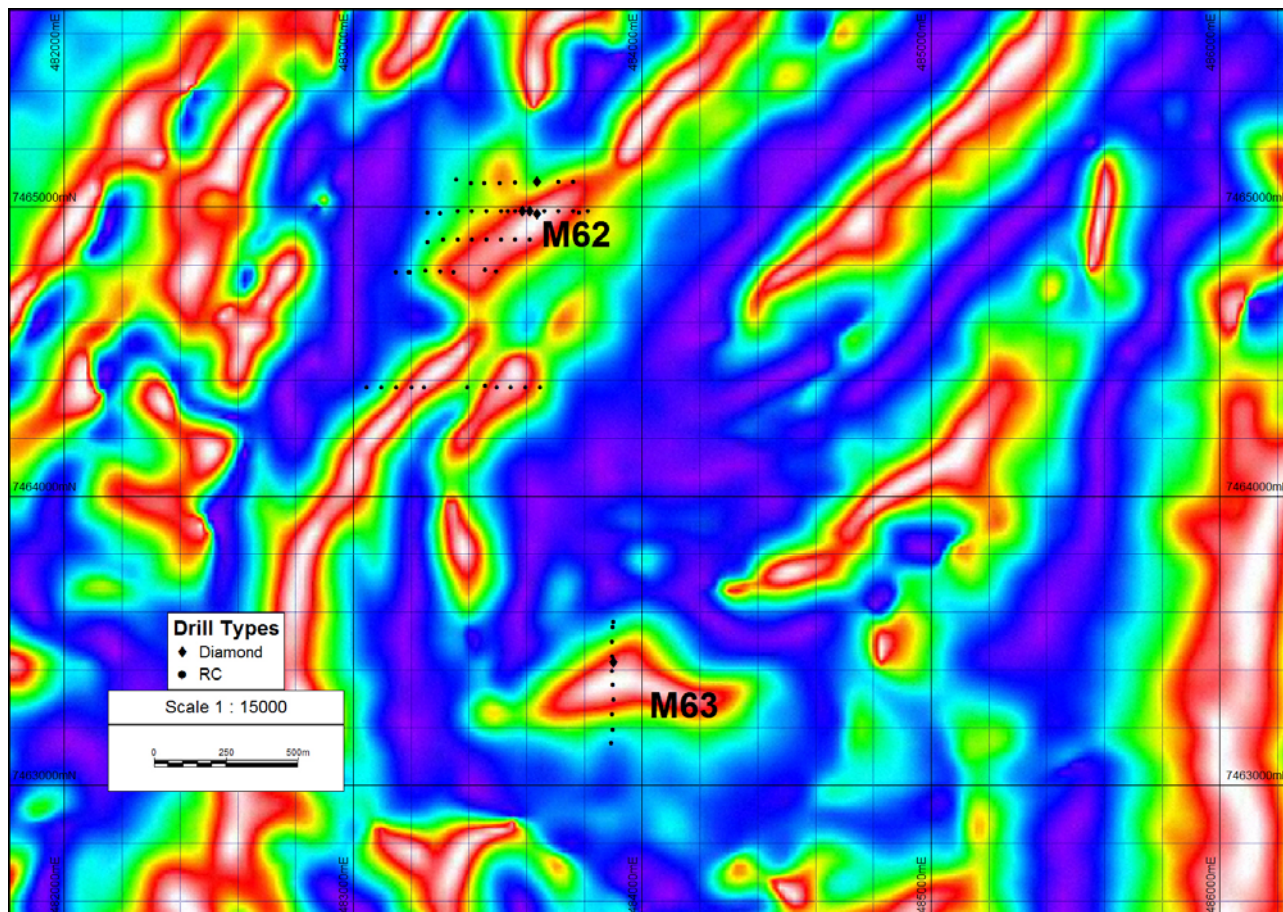


Figure 8: Shiyela Project – RC reconnaissance drill lines over airborne magnetic highs (red)

(It should be noted that the Shiyela work is being undertaken by one RC rig (plus a diamond rig as required) while there are **seven rigs operating on RUN’s uranium projects**).

Testwork

RUN has signed a contract with Promet Engineers (Perth) to complete a Scoping Study on the project. Testwork will be completed by Ammtec (Perth) for physical characteristic testing. Davis Tube Recovery (DTR) tests will also be undertaken as well as analysis for total iron and the standard suite of deleterious elements.

A total of 66 whole core samples were selected from diamond holes SHID2 and 3 (M62) and SHID4 (M63) and composited to represent the three ore types:

- 50 kg of hematite altered rock from SHID2 and 3
- 50 kg of fine grained material from SHID2 and 4
- 50 kg of coarse grained material from SHID2 and 4



The results from the physical characterisation testwork will be used to develop a programme to determine the optimum DTR method; provide an analytical method for the RUN laboratory (and others) to follow; investigate the potential for dry magnetic separation to provide a sinter feed product; and, preliminary engineering data.

The present scoping study objective is production of up to 2 million tonne of high-grade product per year and 15-year life. Assuming 25% recovery and a density of 4 means a target deposit resource of 30 million cubic metre.

RUN GENERAL DRILLING SUMMARY

RUN continues its aggressive exploration drilling programme in Namibia and has continued to operate on average eight rigs across its various exploration project areas. As shown in Table 9 RUN has completed a total of 640 holes during the quarter for 41,123 metres.

Table 9: Drilling Statistics

Drilling Summary		
Project	Number of Holes	Total Metre Drilled
Palaeochannel – Tubas-Oryx-Tumas	533	35,226
Diamond on INCA	-	-
RC on INCA	-	-
GAWIB-West	107	5897
Total	640	41,123

RUN has also continued to successfully conduct in-house sample preparation and uranium analysis and turned out more than 3,000 analytical results during the quarter (Table 10).

Table 10: Laboratory Performance Indicators

Job Description	July	August	September	TOTAL
Samples Received (total metre drilled for July to September 2010)	12,184	11,562	15,843	39,589
Samples Crushed	21	19	0	40
Samples Split	0	0	0	0
Samples Checked in Pb-Block	12,997	11,968	16,250	41,215
Samples > 15 CPS	777	578	1,315	2,670
Samples Weighed	1,716	1,371	2,481	5,568
Samples packed & stored	13,020	12,072	16,395	41,487
Samples Milled	1,757	1,461	2,534	5,752
Samples Analysed (Repeats, QC's & Daily checks included)	2,618	2,448	3,129	8,195
Sample results reported for July to September 2010	2,016	1,897	2,584	6,497



Exploration - Australia

MOUNT ISA DISTRICT

DYL's 2009 Mount Isa drilling program outlined **Indicated and Inferred Mineral Resources in accordance with the JORC Code of >400 ppm U₃O₈** at 300 ppm U₃O₈ cut-off (Table 11) from surface to approximately 200 metre vertical depth at several prospects. Following on this success, the 2010 drilling programme aims to fast-track drill several new prospect areas with surface radiometric anomalies and to test a number of previously drilled prospects **to 400 metres vertical depth** to determine the potential for continuity of mineralisation at depth. The overall strategy is to assess the potential of the Mount Isa prospects (Figure 9) to increase total uranium resources.

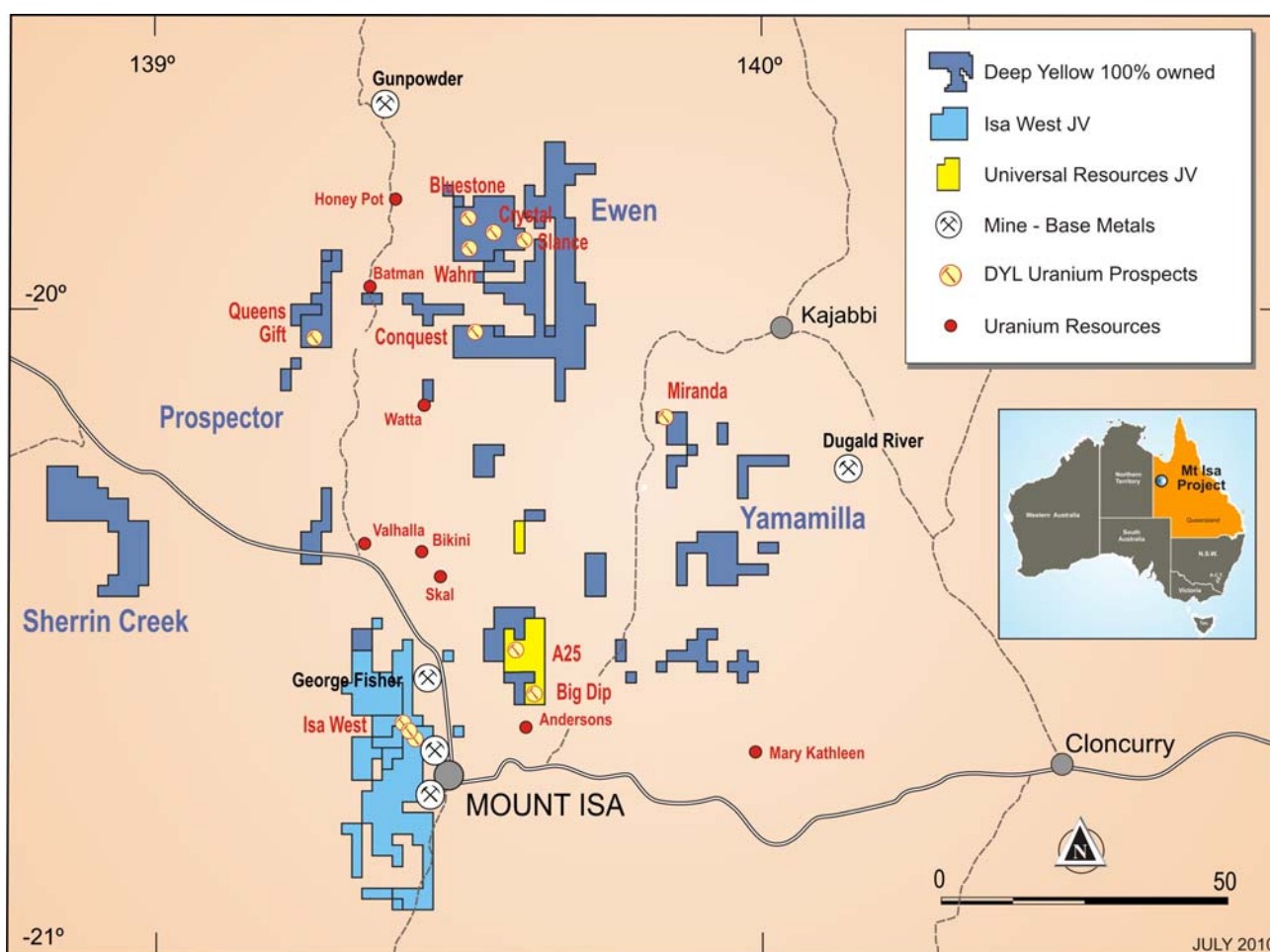


Figure 9: Mount Isa District Tenement Plan

Table 11: Mount Isa District September Quarter RC Drill Summary

Prospect Name	No. of RC Holes	Metres Drilled	No. of Samples Taken
Queens Gift	4	750	177
Wahn	28	2,346	458
Slance	2	132	55
Crystal	10	960	159
Total	44	4,188	849



Table 12: Mount Isa District September Quarter Diamond Tail Drill Summary

Prospect Name	No. of Holes	Precollar (RC) Meters Drilled	Diamond Core Meters Drilled	Total Meters
Queens Gift	3	480	1,023	1,503
Isa West	2	343	708	1,051
Slance	5	813	133*	946
Total	10	1,636	1,864	3,500

* One diamond tail completed, four to drill.

Isa West Joint Venture (Earning 100% of uranium rights (from Xstrata))

As drilled in 2009 the Thanksgiving and Bambino Prospects were tested to approximately **200 metre vertical depth** with the following intercepts providing the impetus for the deep diamond drill programme.

Thanksgiving

- 33 metres at 404 ppm U₃O₈ from 180 metres
- 33 metres at 369 ppm U₃O₈ from 231 metres

Bambino

- 36 metres at 405 ppm U₃O₈ from 178 metres
- 23 metres at 384 ppm U₃O₈ from 172 metres

The deep diamond core holes at the Thanksgiving and Bambino Prospects were completed with the mineralised sections returning positive XRF chemical assays as highlighted below and as presented in Table 13.

Thanksgiving Prospect

- Hole TGDC004 - 29 metres at 383 ppm U₃O₈ from 429 metres
inc. - 18 metres at 544 ppm U₃O₈ from 429 metres

Bambino Prospect

- Hole BBDC005 - 8 metres at 364 ppm U₃O₈ from 396 metres

The results clearly demonstrate continuity of mineralisation from 200 metres to approximately 400 metres vertical depth.

The Thanksgiving intercept has a true width of 20 metres from surface to 400 metres vertical depth, and the intercept grade of 544 ppm U₃O₈ also indicates likely continuity of grade to depth.

The Bambino mineralised intercepts, whilst not wide at depth, are contained within a strongly altered zone over 58 metres downhole (40 metres true width) confirming an open system to depth that will require further drilling to fully evaluate the depth potential of the prospect. The alteration zone is the widest intercepted to date in DYL's Isa West drill programmes.



Table 13: Thanksgiving and Bambino Drill Hole Intercepts

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)
	mE	mN				From	To		
TGDC004	336555	7712408	56	-78	495.7	429	458	29	383
					inc	429	447	18	544
					inc	433	443	10	704
BBDC005	335251	7712414	72	-67	465.6	324	326	2	457
					Inc	386	388	2	385
					inc	396	404	8	385

ISA NORTH PROJECT

Prospector EPM 15070

Queens Gift Reverse Circulation Drilling

Four RC holes were drilled at Queens Gift (Figure 9) as well as three RC pre-collars for the follow-on deep diamond drill programme.

RC Hole QGRC097 returned 50 metres at 464 ppm U₃O₈ from 151 metres (25 metre true width) and was drilled as a shallow scissor hole to planned diamond hole QGDC010 to help with targeting the deeper core hole into the newly discovered (2009) Southern Zone. This intercept is one of the best returned from three drill campaigns at Queens Gift.

Details of the RC drilling with XRF chemical assay results are given in Table 14.

Table 14: Queens Gift RC Drilling Intercepts

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)
	mE	mN				From	To		
QGRC096	319569	7780960	90	-60	204	169	181	12	256
					inc	171	178	7	357
QGRC097	319730	7781000	270	-60	216	124	139	15	366
						151	201	50	464
					inc	151	155	4	1,221
						191	198	7	869
QGRC098	319805	7781004	270	-60	150	58	60	2	560
QGDC009*	319224	7781700	90	-60	180				

* RC Pre-Collar part of hole

Queens Gift Diamond Drilling

Chemical assay results for QGDC009 drilled in August have been received and are given Table 15.

Until final gyroscopic downhole surveys are carried out detail interpretation cannot be undertaken. The wide intercept in QGDC009 however does confirm the presence of a major mineralised shoot below intermittent shallow intercepts at the northern end of Queens Gift.



Table 15: Queens Gift Diamond Drilling Intercept Table – XRF Chemical Assays

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)
	mE	mN				From	To		
QGDC009	319224	7781700	90	-60	476	359	419	60	238
					incl	359	413	24	404
						391	403	12	673
QGDC010	319451	7781000	90	-60	468.9			NSA*	NSA
QGDC011	319222	7781624	90	-60	469			NSA	NSA

* No Significant Assay

Diamond tails QGDC010 and QGDC011 which targeted mineralisation at ~350 metre true vertical depth failed to intercept mineralisation and the downhole data is currently being reviewed to determine the reason for this.



Queens Gift: Drill core from QGD009 showing intense hematite alteration

Ewen EPM 14916

RC Drill Programme at Slance Crystal and Wahn Prospects

During the Quarter a reverse circulation drill programme was implemented at the Slance, Crystal and Wahn Prospects. This consisted of 42 holes for 4,188 metres. Results are given in Tables 16 17 and 18. Complete chemical assay results are pending.

Slance Prospect

The programme at Slance was designed to intercept the main mineralised zone at 200–300 metre true vertical depth. The reverse circulation drilling was the initial stage of this, providing precollars for diamond drillholes which are currently being drilled. The results in Table 16 below show additional zones of mineralisation intercepted above the target mineralisation.



Hole SLRC053 has been implemented to test the shape of the mineralised body by drilling along strike of the mineralisation. Hole SLRC054 was drilled as a water bore close to the centre of the prospect and intercepted mineralisation towards its base.

Table 16: Ewen EPM 14916 Slance Prospect RC Intercept Table September 2010

Prospect	Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)
		mE	mN				From	To		
Slance NW	SLRC049A‡	352320	7798391	264	-60	78	-	-	-	NSA*
Slance NW	SLDC049	352325	7798385	260	-68	210	*			
Slance NW	SLDC050	352406	7798340	262	-66	210	-	-	-	NSA
Slance NE	SLDC051	352419	7797967	88	-65	141	15	16	1	380
							24	30	6	279
Slance NE	SLDC052	352398	7797917	90	-63	174	67	68	1	470
							74	76	2	320
							83	84	1	355
							91	92	1	255
Slance NW	SLRC053	352198	7798298	5	-60	90	27	30	3	412
							45	48	3	440
							68	69	1	295
							72	73	1	350
							79	89	10	432
						incl.	80	81	1	840
						and	87	89	2	1188
Slance NW	SLRC054	352205	7798320	360	-90	42	37	39	2	342

‡ Abandoned Hole * No Significant Assay

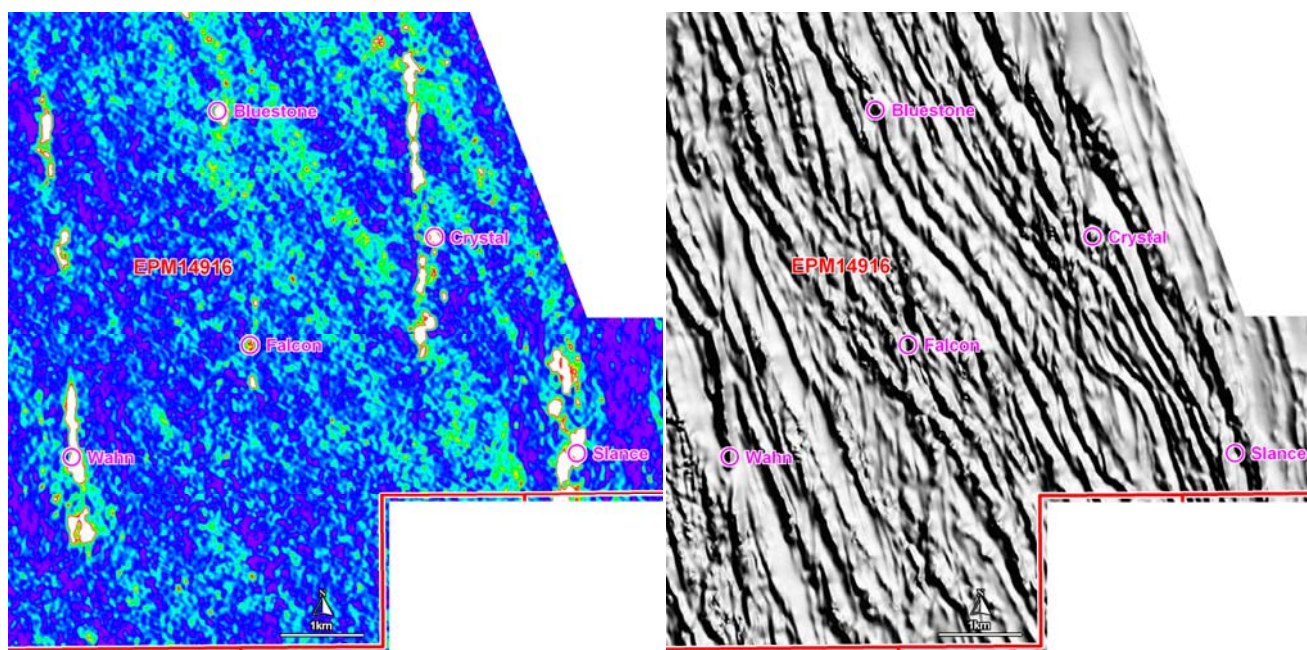


Figure 10: Airborne radiometric image with intense (white) uranium anomalies striking N-S. Right hand image 1VD magnetic showing NNW regional trend cut by later NS structures which host uranium mineralisation



Crystal Prospect

The Crystal programme was designed to test the shape and lateral and vertical extent of multiple zones of mineralisation across the Crystal Prospects. The drilling confirmed the presence and extension to depth of numerous uranium mineralising systems. The downhole data, combined with geophysical data is now being reviewed in order to take the project forward.

Table 17: Ewen EPM 14916 Crystal Prospect RC Intercept Table

Prospect	Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)
		mE	mN				From	To		
Crystal 1	CXRC038	350487	7799277	90	-60	222	197	204	7	229
							210	214	4	747
Crystal 1	CXRC039	350576	7799224	270	-60	72	20	24	4	554
Crystal 4	CXRC041	350474	7801288	90	-60	96	45	46	1	503
Crystal 4	CXRC042	350453	7801251	90	-60	114	60	63	3	276
							74	75	1	247
							90	91	1	262
Crystal 4/5	CXRC043	350514	7801530	270	-60	60	15	17	2	866
							34	35	1	518
							39	42	3	421
Crystal 4/5	CXRC044	350515	7801555	90	-60	72	14	16	2	308
Crystal 6	CXRC045	350376	7802432	90	-60	90	31	36	5	523

Wahn Prospect

The Wahn Prospect drilling targeted a structural/radiometric anomaly as shown in Figure 10. A total of 28 holes for 2,346 metres. Results are given in Table 18.



Wahn RC drilling. Rig drilling hole WHRC024 as a scissor hole on WHRC006 in foreground



Table 18: Wahn RC Drilling Intercept Table

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)
	mE	mN				From	To		
WHRC002	346336	7797665	270	-60	60	4	8	4	195
WHRC004	346363	7797539	270	-60	90	11	12	1	165
WHRC005	346285	7797739	90	-60	120	47	48	1	230
						57	58	1	295
WHRC006	346325	7797942	270	-60	78	49	58	9	407
					incl	56	57	1	1,060
WHRC007	346366	7797940	270	-60	132	94	95	1	280
						103	104	1	540
WHRC008	346314	7798039	270	-60	108	12	14	2	405
						63	66	3	442
						81	88	7	204
WHRC009	346364	7798040	270	-60	174	141	142	1	310
WHRC015	346490	7796765	270	-60	102	80	82	2	129
WHRC016	346390	7796840	90	-60	42	4	5	2	280
WHRC017	346313	7796856	90	-60	42	13	14	1	140
WHRC018	346301	7797938	90	-60	54	34	35	1	260
WHRC020	346316	7796857	270	-60	42	14	15	1	275
WHRC022	346338	7796941	270	-60	60	34	35	1	235
WHRC023	346436	7797290	270	-60	114	47	48	1	225
						98	99	1	275
WHRC024	346298	7797932	90	-60	72	3	5	2	485
						16	37	21	243
					incl	28	36	8	308
WHRC025	346263	7797936	90	-60	138	28	31	3	497
						67	78	11	314
					incl	75	76	1	995
						93	101	8	423
WHRC026	346349	7797837	270	-60	66	35	42	7	114
WHRC028	346300	7798590	270	-60	90	45	46	1	275
						71	74	3	150

Interpretation of these results and corresponding geological data is to be reviewed in the following reporting period. Overall the results are disappointing given the surface indications of wide anomalous zones. The highest mineralisation intersected in holes WHR0024 and WHR0025 does however warrant follow-up drilling.

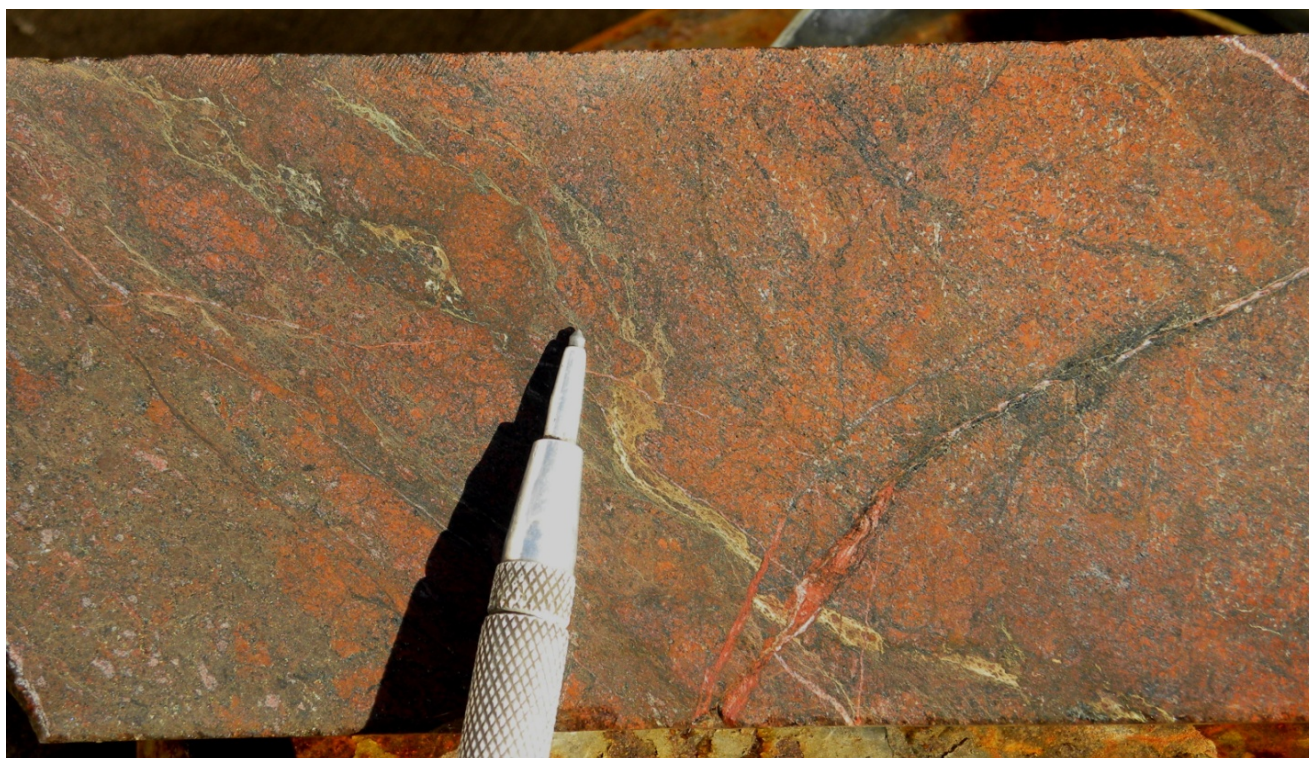
Slance NW Diamond Tail Drilling

The first of the Slance Prospect Diamond tails was completed during the Quarter with diamond tail SLDC048 intersecting the Slance mineralised zone with a high grade intercept of 18 metres at 1,751 ppm U₃O₈ from 142 metres downhole. The RC pre-collar for this hole was abandoned at 132 metres in December 2009 due to high water flows. A deeper scissor hole is planned. Slance is the highest grade deposit of the 'JORC Resources' outlined in January 2010.



Table 19: Slance Prospect Diamond Tail Programme

Prospect	Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)
		mE	mN				From	To		
Slance	SLDC048	352147	7798324	90	-75	264.8	96	97	1	203
							126	129	3	867
							134	135	1	766
							143	161	18	1,751
						Incl.	152	161	9	2,394
							224	227	3	1,485



Slance NW Prospect –High grade uranium mineralisation in SLDC048 showing typical hematite alteration of sheared host rock (basalt) and later carbonate-quartz brecciation



NORTHERN TERRITORY

Napperby Project EL's 2426 and 2406

Toro Energy Ltd (Toro) have completed their 'rehabilitation programme' at Napperby and made a presentation to the Traditional Owners at Laramba northwest of Alice Springs on 10 August. DYL attended the meeting to sign-off on the Toro rehabilitation programme and to present a brief forward plan for Napperby to the Traditional Owners and the Central Land Council (CLC).

DYL indicated to the Traditional Owners and the CLC that following Toro's withdrawal from the Option to Purchase Agreement that DYL would evaluate the extensive database covering Toro's three year exploration/development work. DYL also indicated that no drilling was planned for the balance of the 2010 year, however, further drilling was still required to fully evaluate the Napperby uranium deposit.

The Traditional Owners made a site inspection and were pleased with the overall rehabilitation programme completed by Toro. DYL is now responsible for future rehabilitation liability associated with further drilling, ground water monitoring bores, access tracks and the final disposal of samples pulps and drill core stored in the Napperby compound.

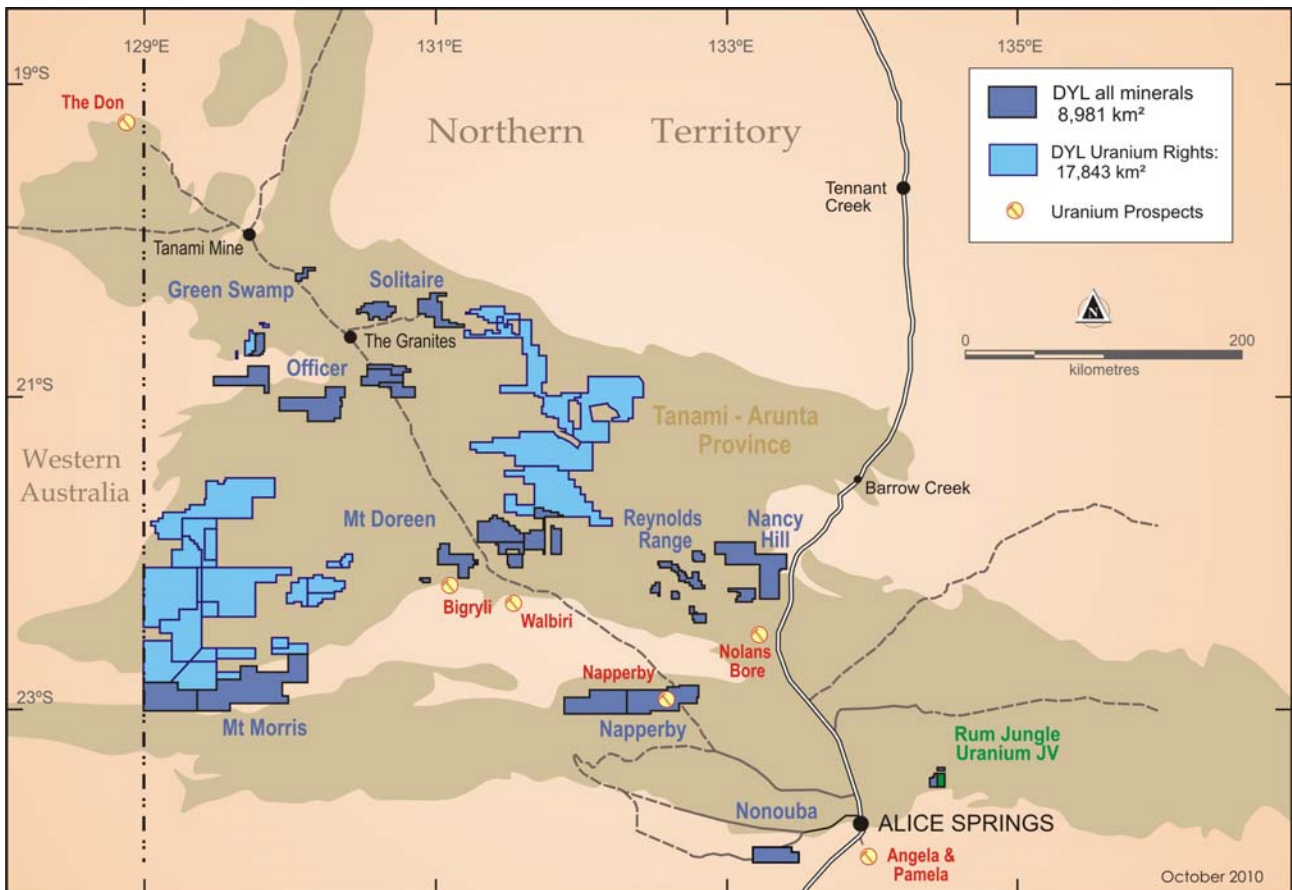


Figure 11: Northern Territory Location Plan



Corporate

FINANCIAL

DYL completed the Quarter in a strong cash position, including liquid assets, of \$25 million at 30 September 2010.

DYL appointed **RBC Capital Markets** as its **Global Lead Broker** effective 26 August 2010. RBC Capital Markets is a recognised global investment bank with extensive experience and a strong reputation in the resources sector.

For further information regarding this announcement, contact:

Patrick Mutz
Managing Director

DEEP YELLOW LIMITED
Phone: +61 8 9286 6999
Email: info@deepyellow.com.au

Further information relating to the Company and its various exploration projects can be found on the Company's website at www.deepyellow.com.au.

Compliance Statements

*The information in this report that relates mineral resource estimation for **Tumas and Aussinanis** is based on work completed by **Mr Jonathon Abbott** who is a full time employee of **Hellman and Schofield Pty Ltd** and a member of the Australasian Institute of Mining and Metallurgy. Mr Abbott 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' and as a Qualified Person as defined in the AIM Rules. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to data quality, including the accuracy and reliability of gamma logging results, bulk densities, cut-off grades and comments on the **resource estimates for Tumas and Aussinanis** is based on information compiled by **Dr Leon Pretorius** who is a full-time employee of **Deep Yellow Limited** and 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.*

*The information in this report that relates to the Mineral Resource for the **INCA and Tubas Red Sand deposits** is based on information compiled by **Mr Mike Hall**, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hall is Consulting Geologist Resources with **The MSA Group** 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'. Mr Hall consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Information in this report has also been verified by **Mr Mike Venter**, who is a member of the South African Council for Natural and Scientific Professions (SACNASP), a "Recognised Overseas Professional Organization" ('ROPO'). Mr Venter is Regional Consulting Geologist, with **The MSA Group** 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'. Mr Venter has visited the project sites to review drilling, sampling and other aspects of the work relevant to this report and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



The information in this report relating to Exploration Results for the **INCA and Tubas Red Sand deposits** is based on information compiled by **Dr Leon Pretorius** who is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Pretorius is a full-time employee of **Deep Yellow Limited** 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 Exploration Results, Mineral Resources and Ore Reserve'. 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.

The information in this report that relates Mineral Resource estimation for the **Tubas deposit** is based on work completed by **Mr Willem H. Kotzé Pr. Sci. Nat MSAIMM**. Mr Kotzé who is a full time employee of **Hellman and Schofield Pty Ltd** and a Member of the Australasian Institute of Mining and Metallurgy. Mr Kotzé 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' and as a Qualified Person as defined in the AIM Rules. Mr Kotzé consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves for the **Tubas deposit** is based on information compiled by **Dr Leon Pretorius** a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Pretorius is a full-time employee of **Deep Yellow Limited** 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 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.

The information in this report that relates to Mineral Resource estimation for the **Mount Isa Projects** is based on work compiled by **Mr Neil Inwood**, a Member of the Australasian Institute of Mining and Metallurgy. Mr 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr Inwood consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves for the **Mount Isa Projects** is based on information compiled by **Mr Martin Kavanagh** a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Kavanagh is a full-time employee of **Deep Yellow Limited** 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr Kavanagh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resource estimation for the **Napperby Project** is based on information compiled by **Mr Daniel Guibal** who is a Fellow (CP) of the Australasian Institute of Mining and Metallurgy. Mr Guibal is a full time employee of **SRK Consulting** 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr Guibal consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results for the **Napperby Project** is based on information compiled by **Dr David Rawlings** who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Rawlings is a full-time employee of **Toro Energy Limited** 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 Exploration Results, Mineral Resources and Ore Reserves'. Dr Rawlings consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Disequilibrium Results for the **Napperby Project** is based on information compiled by **Mr David Wilson BSc MSc** who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Wilson is a full-time employee of **3D Exploration Limited**, a consultant to Toro 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr Wilson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where eU_3O_8 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 is an Australian-based uranium focused exploration company with extensive advanced operations in Namibia and in Australia.

In Namibia the Company's principal development focus is through its wholly-owned subsidiary **Reptile Uranium Namibia P/L** at the mid to high grade INCA primary uraniferous magnetite and secondary Red Sand projects and the extensive secondary calcrete deposits contained in the Tubas-Tumas palaeochannel and fluvial sheetwash systems.

In Australia the Company is focused on resource delineation of mid to high grade discoveries in the Mt Isa district - Queensland, these include the Queens Gift, Conquest, Slance, Eldorado, Thanksgiving, Bambino and Turpentine Prospects.

A pipeline of other projects and discoveries in both countries are continually being examined and there is extensive exploration potential for new, additional uranium discoveries in both Namibia and Australia.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

DEEP YELLOW LIMITED

ABN

97 006 391 948

Quarter ended ("current quarter")

30 SEPTEMBER 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(4,355)	(4,355)
(b) development	-	-
(c) production	-	-
(d) administration	(914)	(914)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	671	671
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	233	233
Net Operating Cash Flows	(4,365)	(4,365)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(19)	(19)
(d) environmental and other bonds	(5)	(5)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
(d) environmental and other bonds	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(24)	(24)
1.13 Total operating and investing cash flows (carried forward)	(4,389)	(4,389)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,389)	(4,389)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(4,389)	(4,389)
1.20	Cash at beginning of quarter/year to date	29,577	29,577
1.21	Exchange rate adjustments to item 1.20	(150)	(150)
1.22	Cash at end of quarter	25,038	25,038

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	400
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	4,800
4.2	Development	-
4.3	Production	-
4.4	Administration	595
Total		5,395

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	4,038	6,077
5.2	Deposits at call	21,000	23,500
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		25,038	29,577

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL24547	Partial relinquishment	178 blocks	108 blocks
		EL25698	Partial relinquishment	14 blocks	7 blocks
		EL25701	Partial relinquishment	208 blocks	104 blocks
		EL25702	Partial relinquishment	29 blocks	15 blocks
		EL25941	Partial relinquishment	81 blocks	41 blocks
		EL25954	Partial relinquishment	74 blocks	37 blocks
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities <i>(description)</i>	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	+Ordinary securities	1,125,814,458	1,125,814,458	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	+Convertible debt securities <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(description and conversion factor)</i>	<i>Unlisted options</i>		<i>Exercise Price</i>	<i>Expiry Date</i>
		12,500,000	-	59.5 cents	30/11/2010
		2,437,500	-	59.6 cents	31/12/2010
		612,500	-	74.6 cents	30/06/2011
		8,462,500	-	27.5 cents	30/06/2011
		3,230,000	-	40.0 cents	30/06/2011
		2,145,000	-	45.0 cents	30/06/2011
		1,370,000	-	60.0 cents	30/06/2011
		1,650,000	-	27.5 cents	31/12/2011
		705,000	-	27.5 cents	30/06/2012
		2,625,000	-	35.0 cents	30/06/2012
		3,425,000	-	45.0 cents	30/06/2012
		625,000	-	60.0 cents	30/06/2012
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Cancelled during quarter	-	-	-	-
7.12	Debentures <i>(totals only)</i>	-	-		
7.13	Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 29 October 2010
(Director/Company secretary)

Print name: Mark Pitts

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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