Deep Yellow Limited

ASX Announcement **ASX Code: DYL**

28 July 2010

DEEP YELLOW UPGRADES AND EXPANDS JORC RESOURCES AT INCA URANIUM DEPOSIT IN NAMIBIA

- **New Mineral Resource estimate for the INCA uranium deposit in Namibia upgrades and expands Resources in accordance with JORC Code**
    - **Indicated Resources double to 10 million pounds U_3O_8 and grade increases to 414 ppm eU_3O_8**
    - **Total resources increase by 17% to 16.4 million pounds U_3O_8 and grade increases by 9% to 436 ppm eU_3O_8**
- **Resource upgrade and expansion limited to the area containing the initial Mineral Resource estimate announced on 22 April 2010**
    - **Resource estimates for mineralised area extensions to the north, east and possibly south expected later in September Quarter**
- **Overall Omahola Project Mineral Resource estimate increases to 21.3 million pounds U_3O_8 and further underpins Pre-Feasibility Study being conducted by SNC-Lavalin**

Deep Yellow Limited (ASX Code: **DYL**) is pleased to announce an **upgrade and expansion of the Mineral Resource estimate** at its **INCA** uranium deposit in Namibia. INCA is part of the **Omahola Project** controlled by DYL's wholly-owned subsidiary **Reptile Uranium Namibia Pty Ltd (RUN)**. See Figure 1 for tenement and project area location map.

On 22 April 2010, DYL announced the initial **Indicated and Inferred Mineral Resource estimate** in accordance with the **JORC Code** at INCA of **16 million tonnes at 400 ppm eU_3O_8 for 6,366 tonnes (14 Mlb) eU_3O_8** (as part the Omahola Project). This initial resource estimate was derived from an area approximately **500 x 500 metres**. This area is now referred to as the 'INCA Main Resource Area' (Figure 2).

Since the time the initial resource drilling was completed, additional deep reverse circulation (RC) holes were drilled, diamond tails were completed on select holes, and downhole directional survey data was collected and processed. This new information was provided to The MSA Group of South Africa (MSA) to allow MSA to complete an updated Mineral Resource estimate within the INCA Main Resource Area. This updated Mineral Resource estimate has increased total resources at INCA by approximately 17% to **17.1 million tonnes at 436 ppm eU_3O_8 for 7,429 tonnes (16.4 Mlbs) of U_3O_8 at 200 ppm cut-off** (Table 1).

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In addition to increasing total resources, the updated Mineral Resource estimate also upgrades the classification of a large quantity of **Inferred Resources** to **Indicated Resources**. The initial Mineral Resource estimate (22 April 2010) contained **6.0 million tonnes at 392 ppm eU_3O_8 for 2,300 tonnes (5.0 Mlbs) of U_3O_8 at 200 ppm cut-off** and the updated Mineral Resource estimate contains **10.9 million tonnes at 414 ppm eU_3O_8 for 4,516 tonnes (10.0 Mlbs) of U_3O_8 at 200 ppm cut-off**, thereby doubling the quantity of U_3O_8 classified as Indicated Resources in accordance with the JORC Code.

As announced to the ASX on 20 May 2010, results from continued drilling outside the INCA Main Resource Area have extended the main area of mineralisation from approximately **500 x 500** metres to approximately **1,500 x 500** metres and have identified further extensions of mineralisation to the north, east and south (Figure 2). Drilling, geological interpretation and structural interpretation continue, and a further update to the Mineral Resource estimate, to include the extended areas of continuous mineralisation, is expected by the end of the September quarter.

The Omahola Project consists of the INCA deposit and the Tubas Red Sand (TRS) deposit. The updated Mineral Resource estimate at INCA and the previously announced TRS Mineral Resource estimate (ASX - 22 April 2010) have served to increase the combined Mineral Resource estimate for the Omahola Project to **31 million tonnes at 311 ppm eU_3O_8 for 9,646 tonnes (21.3 Mlbs) eU_3O_8** (Table 1).

Table 1: Omahola Project – JORC Code Resource Estimates

Category	Cut-Off Grade	Tonnes (million)	Grade (eU_3O_8 ppm)	Mlbs (million)	Tonnes
INCA ESTIMATE – 28 JULY 2010 UPDATE					
Indicated	200	10.9	414	10.0	4,516
Inferred	200	6.2	469	6.4	2,913
INCA TOTAL *		**17.1**	**436**	**16.4**	**7,429**
TUBAS RED SAND (TRS) ESTIMATE **					
Measured/Indicated	100	3.2	168	1.2	532
Inferred	100	10.7	158	3.7	1,685
TRS TOTAL*		**13.9**	**160**	**4.9**	**2,217**
OMAHOLA TOTAL*		**31.0**	**311**	**21.3**	**9,646**

*** Figures have been rounded**
**** Cut-off grade lower due to 'free digging' nature of sand from surface and positive beneficiation results**

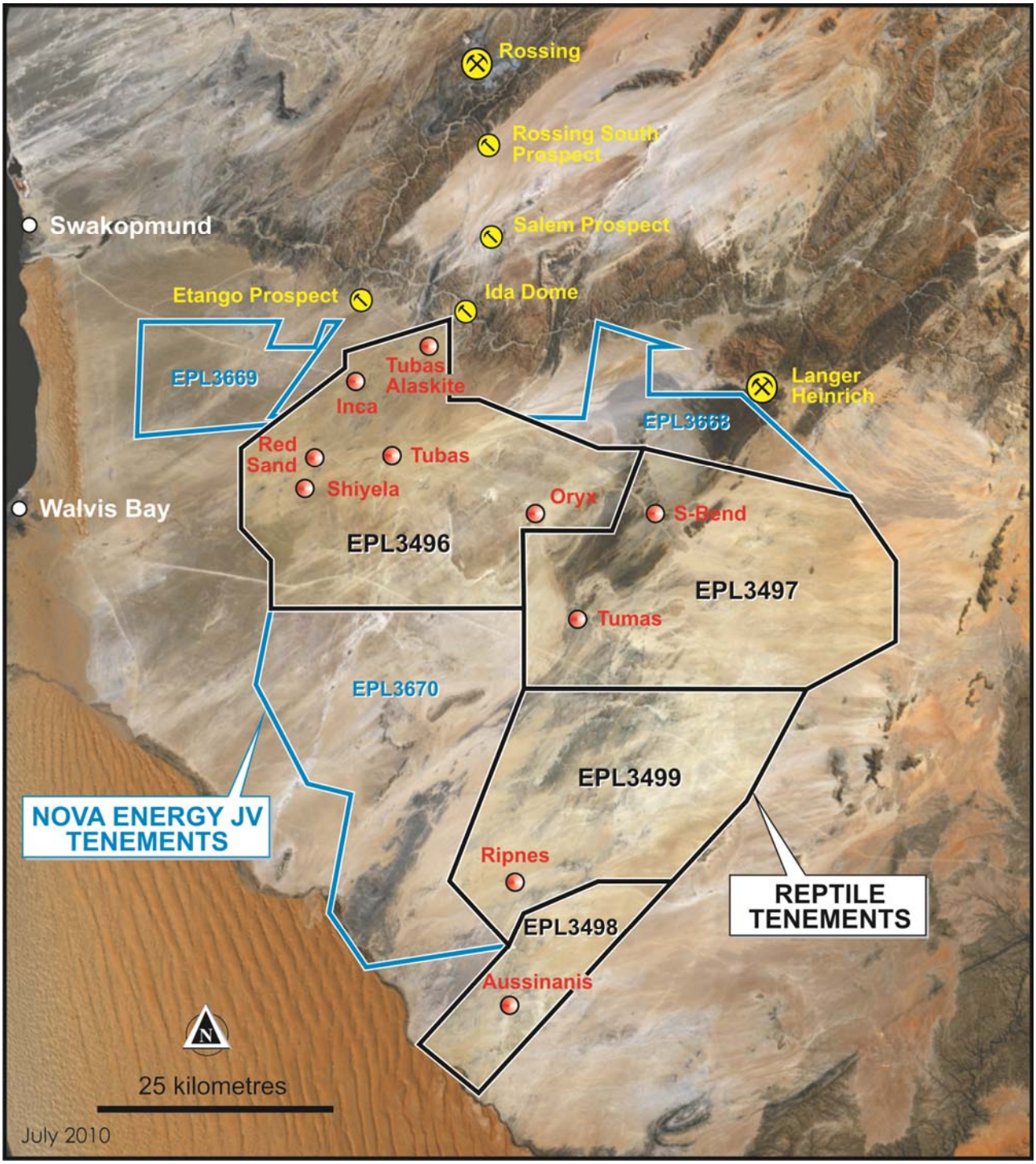

Figure 1: Tenement and Project Area Location Map

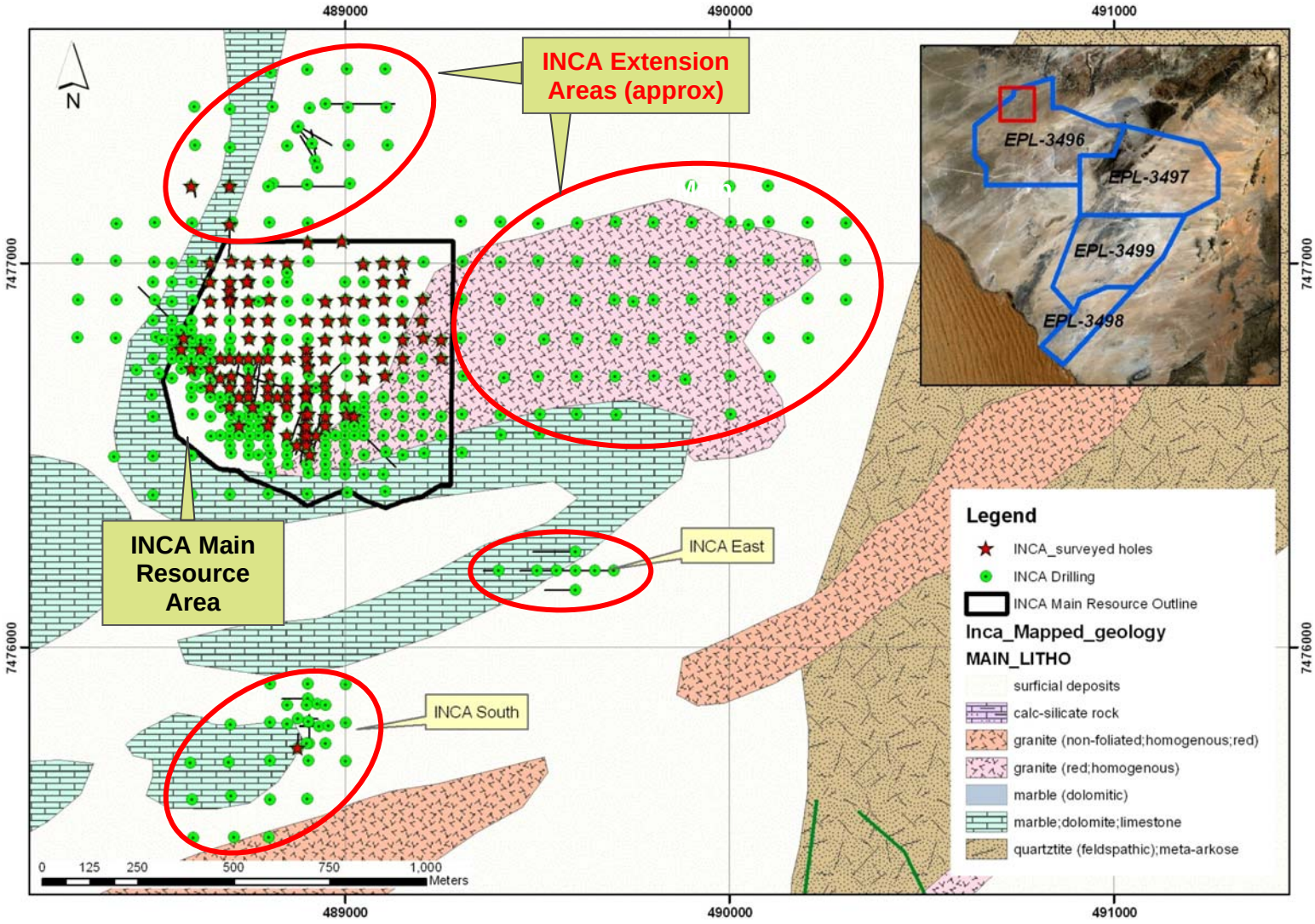

Figure 2: INCA drill hole map showing INCA Main Resource Area relative to mineralised area extensions

For further information regarding this announcement, contact:

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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 to the Mineral Resource 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'. 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 announcement.

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 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 pure uranium 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 Tumas-Oryx-Tubas palaeochannel and fluviatile 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.