

06 July 2011

## HIGH-GRADE URANIUM MINERALISATION INTERCEPTS AT NEW AND EXISTING TARGETS

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### KEY POINTS

- High-grade uranium mineralisation intersected 2.5 kilometres southwest of the Ongolo Resource area at new alaskite target known as MS7. Multiple intercepts, all confirmed by fusion XRF chemical assay, were made in the discovery hole ALAR509 and undercut hole ALAR510. Results included:
    - ALAR509: 9 metres at 704 ppm U<sub>3</sub>O<sub>8</sub> from 55 metres, and 8 metres at 638 ppm U<sub>3</sub>O<sub>8</sub> from 91 metres
    - ALAR510: 13 metres at 561 ppm U<sub>3</sub>O<sub>8</sub> from 28 metres
  - In addition, drilling at INCA FS also delivered further outstanding results:
    - INCR433: 8 metres at 2,699 ppm U<sub>3</sub>O<sub>8</sub> from 32 metres
    - INCR423: 15 metres at 454 ppm U<sub>3</sub>O<sub>8</sub> from 95 metres
  - Whilst recent assay results from grid drilling in the Ongolo Alaskite resource area continued to enhance the deposit's growth potential with the following intercepts:
    - ALAR97: 13 metres at 605 ppm U<sub>3</sub>O<sub>8</sub> from 138 metres,
    - ALAR98: 21 metres at 583 ppm U<sub>3</sub>O<sub>8</sub> from 87 metres, and
    - ALAR452: 7 metres at 511 ppm U<sub>3</sub>O<sub>8</sub> from 76 metres
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Advanced stage uranium explorer **Deep Yellow Limited** (ASX: **DYL**) is pleased to announce that its wholly-owned Namibian operating entity, Reptile Uranium Namibia Ltd ('RUN') has made a **new alaskite discovery at target MS7** (see attached Figure 1), which was recently identified from structural and geological mapping. MS7 is only **2.5 kilometres southwest of the company's Ongolo Alaskite deposit**, which has a JORC compliant resource of **6.9 Million tonnes at 410 ppm for 6.2 Million Pounds U<sub>3</sub>O<sub>8</sub> at a 275 ppm cut-off**. Ongolo is a key component of the Company's flagship Omahola Project.

Deep Yellow Managing Director Greg Cochran said the company was excited by the results as they demonstrated an enhanced level of structural understanding which enabled such outstanding targeting. He added that he was optimistic that RUN would continue to make similar high grade intercepts along the Ongolo-INCA trend and thereby further augment the Omahola Project resource base.

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**MS7 discovery and exploration activities**

Drilling commenced with four RC rigs on 19 May 2011, with immediate encouragement from chip logging and downhole gamma logging returning high eU<sub>3</sub>O<sub>8</sub> results. Given that it was a new discovery that appears to be geologically aligned with mineralisation at Ongolo where matrix problems (biotite platelets) negated the use of powder XRF (see release dated 13 December 2010), the company took a conservative approach to first do fusion XRF chemical assays before disclosing the results. Although there are believed to be no disequilibrium issues it should be noted that the eU<sub>3</sub>O<sub>8</sub> does not correlate directly with the fusion XRF (or ICP MS) chemical assay values at Ongolo. eU<sub>3</sub>O<sub>8</sub> results at Ongolo could only be utilised once enough comparative statistical data was collected to ensure that the gamma results were accurate – this approach will apply to MS7 as well and cause a slight delay in presenting additional results and specifically the eU<sub>3</sub>O<sub>8</sub> results

As can be seen from the cross-section of drill holes ARAD209 and 210 in Figure 2, mineralisation occurs from near surface and given these holes are 100 metres apart across strike, potential exists for up-and-down dip extensions.

To date 60 RC holes have been completed for 12,078 metres with 20 planned holes remaining which will be complete by the end of July. The deepest hole drilled to date is 276 metres, but generally a vertical depth of 200 metres is being tested except where the hole is in mineralisation at that point.

On completion of this planned programme three RC rigs will be redeployed to the Ongolo Resource area to continue the grid drill-out for additional resources while the remaining rig will commence reconnaissance evaluation of MS3 where initially five priority holes will be completed out of a possible 25, pending results.

Fusion XRF chemical assay results from MS7 are available from only two holes and are presented in the table below:

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval (m)	Fusion XRF U <sub>3</sub> O <sub>8</sub> (ppm)
						From	To		
<b>ALAR509</b>	<b>495100</b>	<b>7481300</b>	<b>180</b>	<b>194</b>	<b>-60</b>	<b>15</b>	<b>18</b>	<b>3</b>	<b>947</b>
	<b>and</b>					<b>55</b>	<b>64</b>	<b>9</b>	<b>704</b>
	<b>and</b>					<b>91</b>	<b>99</b>	<b>8</b>	<b>638</b>
	<b>and</b>					<b>126</b>	<b>130</b>	<b>4</b>	<b>456</b>
	<b>and</b>					<b>139</b>	<b>147</b>	<b>8</b>	<b>412</b>
<b>ALAR510</b>	<b>495100</b>	<b>7481400</b>	<b>180</b>	<b>231</b>	<b>-60</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>1,149</b>
	<b>and</b>					<b>13</b>	<b>19</b>	<b>6</b>	<b>426</b>
	<b>and</b>					<b>28</b>	<b>41</b>	<b>13</b>	<b>561</b>
	<b>and</b>					<b>98</b>	<b>100</b>	<b>2</b>	<b>464</b>



### INCA FS follow-up results

RUN has now completed 46 RC holes and one diamond hole at INCA FS for a total of 7,700 metres since the discovery hole INCR388 was announced in November 2010 and follow-up evaluation drilling recommenced on 21 April 2011. Drilling was initially all 60 degree inclined until 11 May 2011, when this approach was changed to vertical drilling as a result of the complex structure. The deepest hole drilled to date is 205 metres and generally a vertical depth of 150 metres is being tested. Available fusion XRF assay results are presented in the table below.

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval (m)	Fusion XRF U <sub>3</sub> O <sub>8</sub> (ppm)
						From	To		
INCR423	487797	7474494	90	205	-60	29	31	2	415
	and					64	67	3	656
	and					95	110	15	454
	and					194	198	4	407
INCR433	487747	7474543	0	160	-90	32	40	8	2,699
	and					44	49	5	730
	and					54	58	4	968
INCR431	487844	7474443	0	166	-90	129	131	2	500
INCR440	487848	7474490	0	160	-90	95	100	5	410
	and					108	111	3	628
	and					137	140	3	419
	and					143	145	2	462

### Ongolo Alaskite deposit update

Infill grid drilling continued after announcement of the initial JORC resource until the RC rigs were moved to MS7. Encouragingly, assays received from this drilling continue to deliver promising results that are likely to increase the JORC Code Resource Estimate.

RUN has two diamond drill rigs on site completing 10 HQ core holes following the recommendations of its resource consultants, Coffey Mining, to infill certain portions of the resource area at 25 metre spacing. This should allow for a better understanding of the structure enhancing confidence and allowing Coffey to revisit its interpretation with the objective of further increasing the size of and confidence in the resource. The RC portion of this exercise has been delayed in favour of assessing the outer perimeters of the resource area and to determine whether it joins up with MS7 and potentially to MS3, MS8 and ultimately INCA, INCA S and then INCA FS. The distance from Ongolo in the north to INCA FS is approximately 15 kilometres.

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Assay results received to date from the RC drilling programme are presented in the table below.

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval	Fusion XRF U <sub>3</sub> O <sub>8</sub> (ppm)
						From	To	(m)	
ALAR91	497893	7482267	135	223	-60	120	123	3	450
ALAR92	497849	7482297	135	218	-60	154	157	3	455
	and					200	208	8	426
ALAR90	497930	7482230	135	220	-60	112	114	2	474
	and					123	129	6	475
	and					132	138	6	421
ALAR97	498012	7482388	0	226	-90	138	151	13	605
	and					167	177	10	418
ALAR98	498012	7482379	135	226	-60	87	108	21	583
ALAR416	498005	7482155	135	210	-60	149	154	5	428
	and					173	178	5	402
ALAR452	497915	7481765	135	220	-60	76	83	7	511

## Conclusion

Commenting on the regional geology of this part of RUN's exploration tenements, Greg Cochran acknowledged that the company has much drilling to complete to fully understand the intriguing mineralisation system that has now been located intermittently over many kilometres. He added that the Company's geologists were busy unravelling the complex structural history and controls on localisation of the high-grade areas of mineralisation, thus allowing more effective targeting.

The alaskite, which occurs over many hundreds of square kilometres in the area, hosts a number of low, medium and higher-grade deposits of uranium generally containing between 100 and 250 ppm U<sub>3</sub>O<sub>8</sub>. These grades, in DYL's estimation, are not currently economically viable which drives its exploration strategy of looking for and only reporting on those areas with plus 400 ppm U<sub>3</sub>O<sub>8</sub> and by employing cut-off grades of 250 to 275 ppm U<sub>3</sub>O<sub>8</sub>.

"We also recognise the large volumes of lower-grade mineralisation associated with these higher-grade areas – these could boost an existing operation's production and mine life in years to come for DYL should the economics allow it" Mr Cochran said.

**Ends**

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For further information on the Company and its projects  
- visit the website at [www.deepyellow.com.au](http://www.deepyellow.com.au)

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### About Deep Yellow Limited

Deep Yellow Limited (DYL) is an ASX-listed, advanced stage uranium exploration Company with extensive operations in the southern African nation of Namibia and in Australia. It also has a listing on the NSX.

DYL's primary focus is in Namibia where its operations are conducted by its 100% owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN). Its flagship is the Omahola Project currently under Pre-Feasibility Study with concurrent resource drill-outs on the high grade Ongolo Alaskite project and on secondary uranium mineralisation in the Tumas-Tubas palaeochannel/fluvialite sheetwash systems.

In Australia the Company is focused on resource delineation of mid to high grade discoveries in the Mount Isa district in Queensland, including the Queens Gift, Conquest, Slance, Eldorado, Thanksgiving, Bambino and Turpentine Prospects. The Company also owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory.

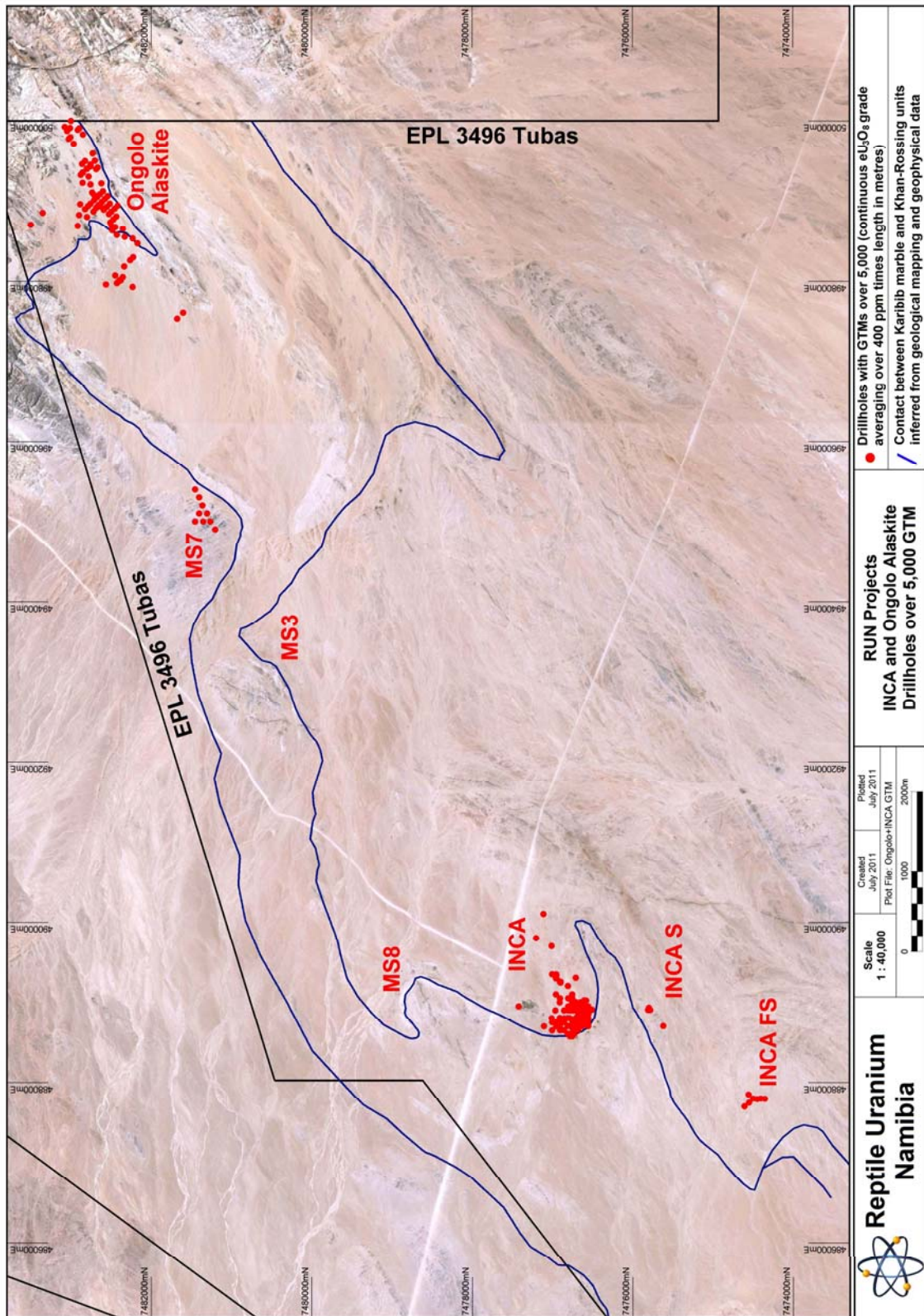
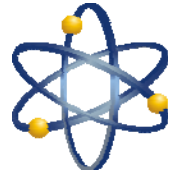
### Compliance Statement

*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 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.*

*Where eU<sub>3</sub>O<sub>8</sub> 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.*



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**Figure 1: Location map for the INCA and Ongolo Alaskite deposits also showing the new targets of MS7, MS3, MS8, INCA S and INCA FS**

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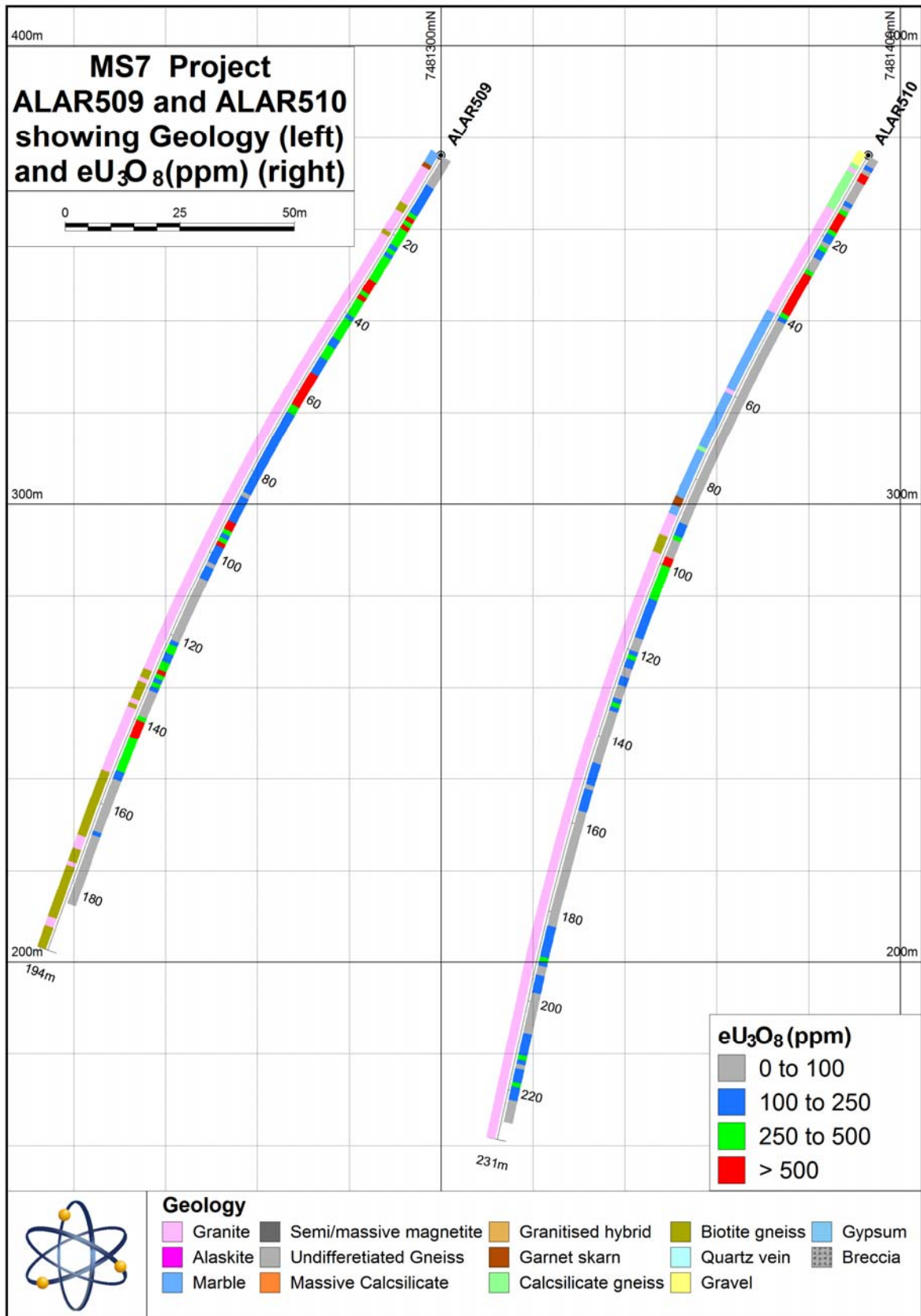
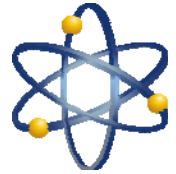


Figure 2: Cross-sections of ARAD209 and 210 showing geology and eU<sub>3</sub>O<sub>8</sub>