Deep Yellow Limited

ASX Announcement **ASX: DYL**

23 February 2012

2012 ONGOLO AND MS7 DEPOSITS DRILL PROGRAMME UNDERWAY WITH IMMEDIATE GOOD RESULTS

KEY POINTS

- **The 2012 Drill Programme at the Ongolo and MS7 Alaskite deposits is fully underway with 7 rigs in operation.**
- **High grade intercepts from RC drilling at both deposits have been confirmed by XRF Fusion chemical assays.**
- **At Ongolo selected results include:**
  - **ALAR829 12 metres at 549 ppm U_3O_8 from 121 metres**
  - **ALAR904 11 metres at 461 ppm U_3O_8 from 80 metres**
  - **ALAR942 8 metres at 1,041 ppm U_3O_8 from 32 metres**
  - **ALAD575 8 metres at 423 ppm U_3O_8 from 55 metres**
  - **and 14 metres at 649 ppm U_3O_8 from 119 metres**
- **Selected MS7 results include:**
  - **ALAD781 47 metres at 418 ppm U_3O_8 from 49 metres**
  - **ALAR885 9 metres at 427 ppm U_3O_8 from 17 metres**
  - **ALAR920 9 metres at 448 ppm U_3O_8 from 86 metres**
- **Resource drilling is continuing at MS7 and Ongolo and reconnaissance drilling southwest from Ongolo towards MS7.**
- **Visual and high-grade equivalent uranium values have been encountered in both resource and reconnaissance drilling.**
- **Chemical assay results will be released when available.**

Advanced stage uranium explorer **Deep Yellow Limited** (ASX: **DYL**) is pleased to announce that its wholly owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN) commenced its 2012 Drill Programme in Namibia in mid-January and is now fully underway with 7 rigs in operation at and between the Ongolo and MS7 Alaskite deposits (Figure 1). Almost immediately, promising results were received with numerous high-grade intercepts being confirmed by chemical assay.

Deep Yellow Managing Director Greg Cochran said that he was very pleased with the results so soon after the commencement of the programme. "We seem to be picking up precisely where we left off at the end of last year with these good results. Not only have we got high-grade intercepts close to or within the existing deposits, but importantly our reconnaissance drilling also seems to be delivering encouraging results that we will soon confirm by chemical assay."

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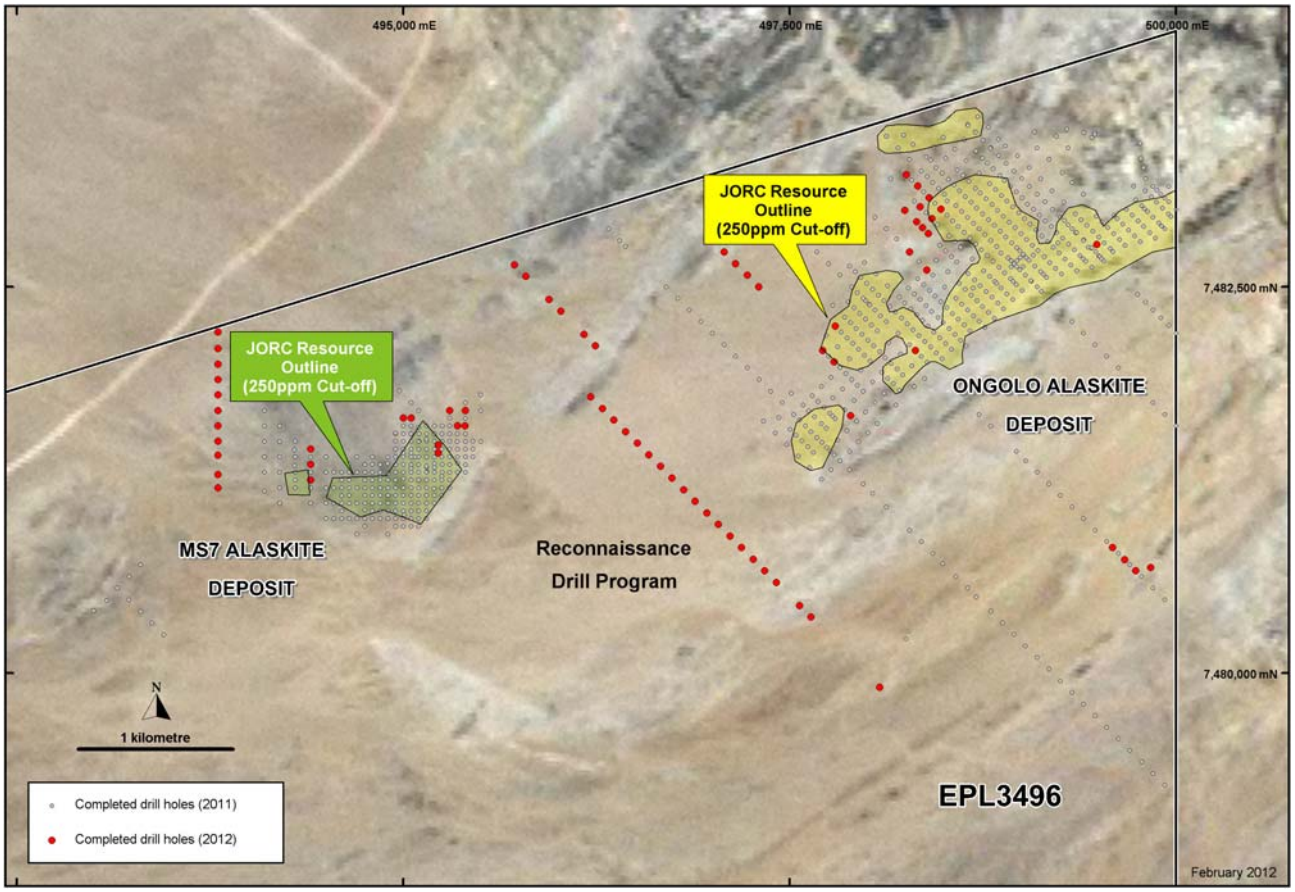

Figure 1: 2012 Drill Programme – Ongolo-MS7 Area

In late 2011 and January 2012 RUN announced significant upgrades to the Omahola Project JORC Resources with a tripling of the Ongolo deposit resource, a doubling of the MS7 deposit resource and a significant increase in grade of the INCA deposit. This resulted in an overall Omahola Project resource inventory of 38.2 Mt at 441 ppm U_3O_8 for 37 Mlbs U_3O_8 (Appendix 1).

The 2012 drill programmes at Ongolo and MS7 are primarily designed around increasing the size and confidence of the project's resources as well as testing for lateral and depth extensions to the high grade zones delineated by last year's drill programmes (Figures 2, 3 and 4).

A total of seven drill rigs are currently in operation, comprising six Reverse Circulation (RC) rigs and one diamond core (DC) rig. A deep capacity RC rig and the DC rig are at MS7 and there are three RC rigs at Ongolo. One of the Ongolo rigs has a depth capability of 500 metres and will be used to test for 'stacked mineralised lenses' below existing high grade zones. The remaining two RC rigs are conducting reconnaissance drilling.

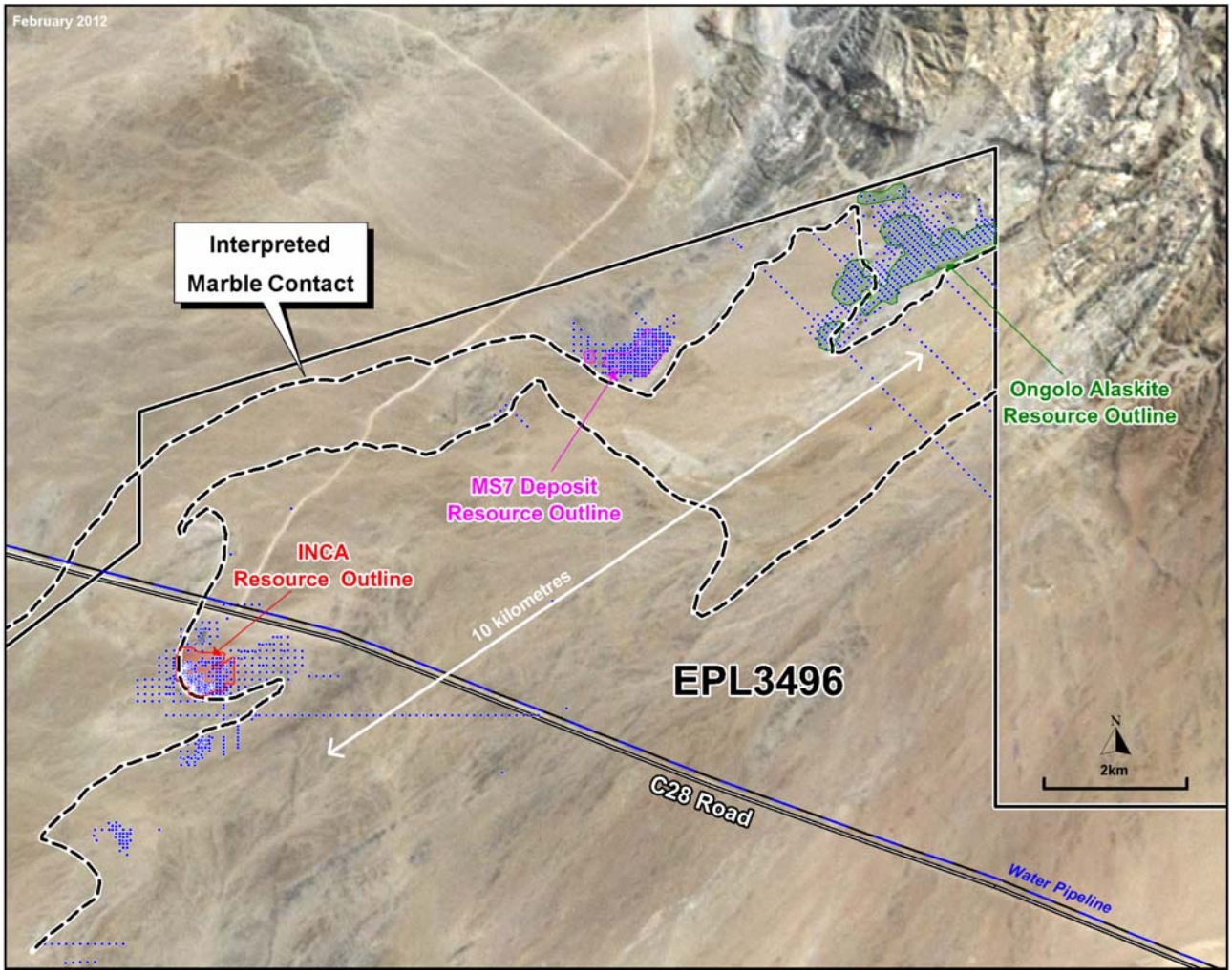

Figure 2: Location Map showing the Ongolo-MS7-INCA Trend Drilling

Ongolo Alaskite Deposit

Fusion XRF chemical assays have been received for the 'infill' drill programme in the central-north of the Ongolo deposit. The results provide continuity between 'resource blocks' outlined by the 2011 drill programme and should serve to improve the JORC classification Holes such as ALAR829 and 904 have successfully outlined mineralisation in new areas (Figure 3).

The latest available chemical assay results are given in Appendix 2, whilst selected significant results include:

- **ALAR829 12 metres at 549 ppm U_3O_8 from 121 metres**
- **ALAR899 5 metres at 442 ppm U_3O_8 from 97 metres**
- **ALAR904 11 metres at 461 ppm U_3O_8 from 80 metres**
- **ALAR922 5 metres at 410 ppm U_3O_8 from 222 metres**
  and 4 metres at 423 ppm U_3O_8 from 231 metres
- **ALAR942 8 metres at 1,041 ppm U_3O_8 from 32 metres**
- **ALAD575 8 metres at 423 ppm U_3O_8 from 55 metres**
  and 14 metres at 649 ppm U_3O_8 from 119 metres

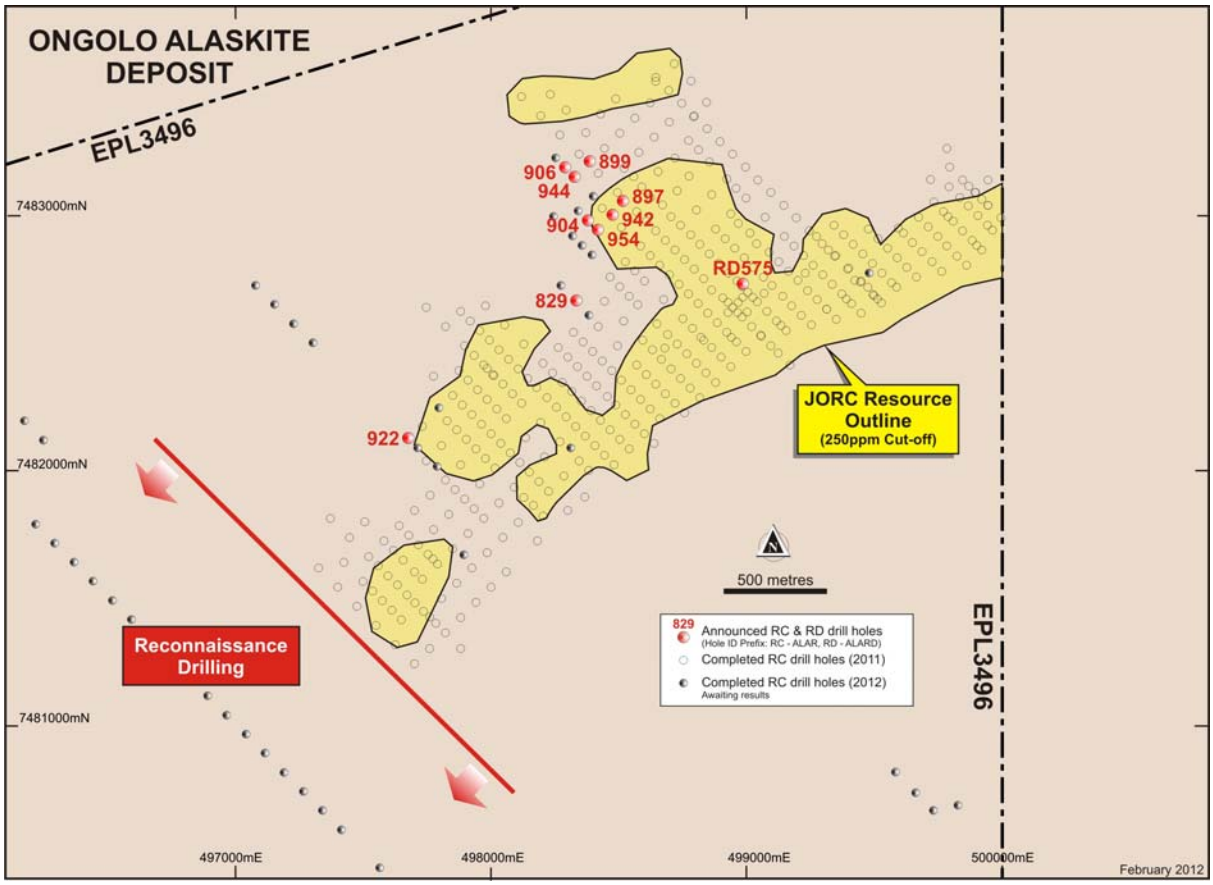

Figure 3: Ongolo Alaskite Deposit – 2012 Drill Programme

MS7 Deposit

Fusion XRF chemical assays from the start-up programme at the MS7 Alaskite deposit (Figure 4) are providing continuity to existing resource blocks. A recently completed diamond hole and two RC holes have returned both visual and high-grade equivalent uranium values from downhole logging. This further highlights the potential of the central high-grade zone of the MS7 deposit. Chemical assay results for the holes will be announced when received.

The latest chemical assay results from MS7 are given in Appendix 2, whilst selected significant results include:

- **ALAD781 47 metres at 418 ppm U_3O_8 from 49 metres**
- **ALAR875 4 metres at 402 ppm U3O8 from 51 metres**
- **ALAR885 9 metres at 427 ppm U_3O_8 from 17 metres**
- **ALAR911 4 metres at 546 ppm U_3O_8 from 81 metres**
- **ALAR914 7 metres at 413 ppm U_3O_8 from 51 metres**
- **ALAR920 9 metres at 448 ppm U_3O_8 from 86 metres**
- **ALAR949 4 metres at 557 ppm U_3O_8 from 168 metres**

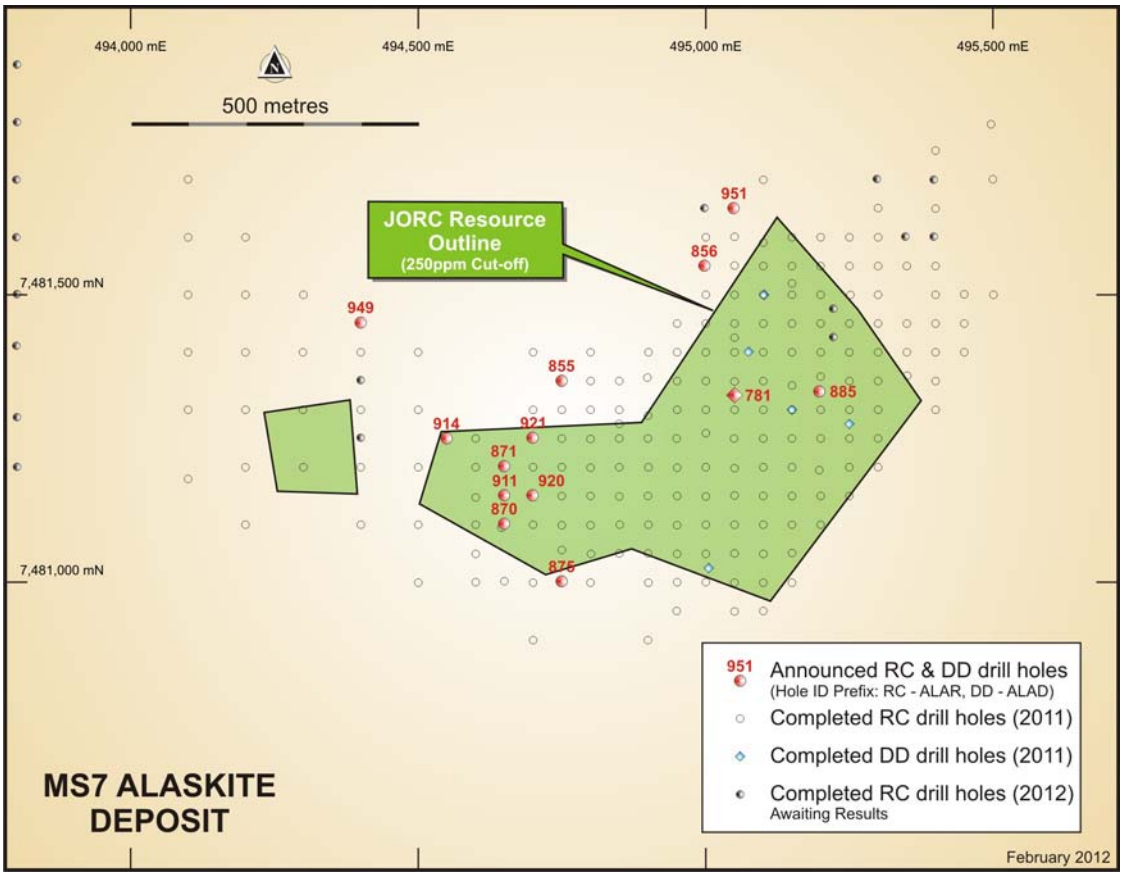

Figure 4: MS7 Alaskite Deposit – 2012 Drill Programme

Figure 5: RC Drilling MS7 Alaskite Deposit – February 2012

Ends

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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 – INCA trend. It is also evaluating a stand-alone project for its Tubas Red Sand uranium deposit utilising physical beneficiation techniques it successfully tested in 2011. Additionally, its Shiyela Magnetite deposit, located just 45 kilometres from the Namibian port of Walvis Bay, is the subject of ongoing evaluation.

In Australia the Company is focused on resource delineation of mid to high grade discoveries in the Mount Isa district in Queensland and also owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory.

Appendix 1: JORC Mineral Resource Summary – Omahola Project – January 2012

Deposit	Category	Cut-off (ppm U_3O_8)	Tonnes (M)	U_3O_8 (ppm)	U_3O_8 (t)	U_3O_8 (Mlb)
REPTILE URANIUM NAMIBIA (NAMIBIA)						
Omahola Project						
INCA ♦	Indicated	250	7.0	470	3,300	7.2
INCA ♦	Inferred	250	5.4	520	2,800	6.2
Ongolo #	Indicated	250	14.7	410	6,027	13.2
Ongolo #	Inferred	250	5.8	380	2,204	4.8
MS7 #	Indicated	250	3.3	430	1,400	3.2
MS7 #	Inferred	250	2.0	540	1,100	2.4
Omahola Project Total			**38.2**	**441**	**16,831**	**37.0**

Notes: Figures have been rounded and totals may reflect small rounding errors
XRF chemical analysis unless annotated otherwise
♦ eU_3O_8 - equivalent uranium grade as determined by downhole gamma logging
Combined XRF Fusion Chemical Assays and eU_3O_8 values

Compliance Statements

The information in this report that relates to Exploration Results and to 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.

The information in this report that relates to the Ongolo, MS7 and INCA Mineral Resources is based on work completed by Mr Neil Inwood and Mr Doug Corley. Mr Inwood is a Fellow of the Australasian Institute of Mining and Metallurgy and Mr Corley is a member of the Australian Institute of Geoscientists. Messrs Inwood and Corley have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Messrs Inwood and Corley consent to the inclusion in the report of the matters based on his information in the form and context in which it appears. Messrs Inwood and Corley are full-time employees of Coffey Mining.

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.

Appendix 2: Ongolo and MS7 Alaskite Deposits - Fusion XRF Chemical Assay Results – February 2012

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval	SS Fusion cU_3O_8 (ppm)	GTM
						From	To	(m)		
Ongolo Alaskite Deposit										
ALAR829	498335	7482665	135	140	-60	121	133	12	549	6,588
ALAR897	498537	7483063	135	180	-60	145	147	2	436	872
ALAR899	498388	7483212	135	155	-60	77	80	3	513	1,539
and						97	102	5	442	2,210
ALAR904	498380	7482980	135	210	-60	80	91	11	461	5,071
ALAR906	498291	7483189	135	210	-60	123	125	2	406	812
ALAR922	497675	7482125	135	256	-60	204	208	4	412	1,648
and						222	227	5	410	2,050
and						231	235	4	423	1,692
ALAR942	498478	7483002	135	281	-60	32	40	8	1,041	8,328
and						50	52	2	536	1,072
and						206	208	2	440	880
ALAR944	498328	7483152	135	200	-60	112	114	2	407	814
and						119	121	2	406	812
ALAR954	498420	7482942	135	106	-60	64	66	2	440	880
ALARD575	498988	7482732	135	199	-60	55	63	8	423	3,384
and						119	133	14	649	9,086
and						190	192	2	419	838
MS 7 Prospect										
ALAD781	495050	7481325	0	241	-90	49	96	47	418	19,646
ALAR855	494750	7481350	180	217	-60	200	202	2	753	1,506
ALAR856	495000	7481550	180	229	-60	191	194	3	401	1,203
ALAR870	494650	7481100	180	172	-60	44	46	2	437	874
ALAR871	494650	7481200	180	199	-60	150	153	3	483	1,449
ALAR875	494750	7481000	180	133	-60	51	55	4	402	1,608
ALAR885	495200	7481330	360	223	-60	17	26	9	427	3,843
and						114	116	2	427	854
and						151	154	3	463	1,389
ALAR911	494650	7481150	180	145	-60	81	85	4	546	2,184
ALAR914	494550	7481249	180	163	-60	51	58	7	413	2,891
ALAR920	494700	7481150	180	157	-60	86	95	9	448	4,032
ALAR921	494700	7481250	180	217	-60	169	173	4	457	1,828
ALAR949	494400	7481450	180	205	-60	168	172	4	557	2,228
ALAR951	495050	7481650	180	343	-60	273	276	3	415	1,245

Notes: TD is total depth of hole; U_3O_8 is a chemical assay by Fusion XRF. GTM is grade thickness metre and is calculated by multiplying the interval (m) x U_3O_8 (ppm)

Values of approximately 400 ppm U_3O_8 are deemed to be significant by DYL in this environment and therefore lower average values are not reported.