

25 January 2011

## **QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2010**

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### **HIGHLIGHTS**

#### **NAMIBIA**

##### **OMAHOLA PROJECT PRE-FEASIBILITY STUDY**

SNC Lavalin (SNCL) has provided positive interim Pre-Feasibility Study (PFS) results for the Omahola uranium project in Namibia, which includes the INCA and Tubas Red Sand uranium deposits comprising:

- Conventional processing plant with crushing, grinding, sulphuric acid leach and solvent extraction followed by uranium precipitation, drying and packaging of yellowcake
- Production rate of 1,000 tonnes (2.2 Mlbs) U<sub>3</sub>O<sub>8</sub> per annum beginning 2014 and targeting resources to provide a minimum 12 year mine life
- Capital costs estimated to be US\$324 to US\$336 million with 10% contingency
- Operating costs estimated to be US\$24.90 to US\$25.30 per pound U<sub>3</sub>O<sub>8</sub>

The timeline for completion of PFS has been extended to the 2nd Quarter 2011 in order to evaluate the inclusion of material from the recently discovered Ongolo Alaskite Project as an additional source of ore for the Omahola Project. Ongolo Alaskite offers the potential to increase the production rate and/or extend the life of the project.

##### **ONGOLO ALASKITE PROJECT**

- Re-analysis of previously announced sample intervals from Ongolo has resulted in an increase of uranium grade by an average of approximately 30% from 453 ppm U<sub>3</sub>O<sub>8</sub> on a weighted average basis to 587 ppm using alternative fusion-XRF analytical procedure.
- RC and diamond drilling has been completed over approximately 1 kilometre of the 2 kilometre strike of the interpreted high-grade mineralised zone.
- Five RC rigs and one diamond rig are currently drilling at Ongolo on a nominal 80 x 50 metre grid in order to provide an initial JORC Code mineral resource estimate by end March 2011.



## TUBAS-TUMAS PALAEOCHANNEL

Follow-up infill drilling at Tumas Zone 3 of the Tubas-Tumas palaeochannel identified high-grade uranium mineralisation in the basement rocks beneath the palaeochannel; in Red Sand adjacent to the channel similar to the Tubas Red Sand (TRS) deposit material, as well as additional high-grade mineralisation within the palaeochannel itself as follows:

- High-grade basement-hosted secondary uranium mineralisation with drillhole ORXR1 returning a mineralised intercept of:
  - 47 metres at 830 ppm  $cU_3O_8$  from 29 metres depth
- Reverse Circulation infill drilling around ORXR1 also identified Red Sand hosted mineralisation with drillhole ORXR37 intercepting:
  - 8 metres at 516 ppm  $cU_3O_8$  from 5 metres depth
  - ORXR37 is located approximately 20 kilometres east of the current Tubas Red Sand (TRS) deposit and demonstrates that mineralised Red Sand is not restricted to a single area adjacent to the palaeochannel
- Infill drilling within the palaeochannel also outlined additional high-grade mineralisation with selected intercepts of:
  - 8 metres at 614 ppm  $cU_3O_8$  from 7 metres
  - 11 metres at 1,097 ppm  $cU_3O_8$  from 5 metres
  - 7 metres at 782 ppm  $cU_3O_8$  from 3 metres

## SHIYELA IRON PROJECT

- A total of 69 RC holes and 1 DC hole for 11,052 metres was drilled during the Quarter and takes the total to 112 RC holes and 4 DC holes for 18,592 metres since drilling started at Shiyela in June 2010.
- Golders Associates Pty Ltd has been appointed to complete a JORC Code Mineral Resource estimate for the M62 and M63 deposits.
- Promet Engineers Pty Ltd (Perth) has been contracted to assist with engineering and to complete a Scoping Study.
- Testwork carried out by Promet / Ammtec / ALS on 150 kilogram of core samples is nearing completion with results to date being positive.

## RUN DRILLING PROGRAMME

- During the Quarter RUN drilled a total of 377 holes for 39,195 metres.

## CORPORATE

- DYL completed the Quarter in a strong cash position, including liquid assets, of \$20 million at 31 December 2010
  - Mr Greg Cochran was appointed to executive team as Managing Director effective 24 January 2011.
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## 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).

**Table 1: Summary of DYL's Mineral Resource Estimates in accordance with the JORC Code**

### JORC MINERAL RESOURCE ESTIMATES SUMMARY – DECEMBER 2010

Deposit	Category	Cut-off (ppm U <sub>3</sub> O <sub>8</sub> )	Tonnes (M)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (t)	U <sub>3</sub> O <sub>8</sub> (Mlb)
<b>REPTILE URANIUM NAMIBIA (NAMIBIA)</b>						
<b>Omahola Project</b>						
INCA ♦	Inferred	250	5.5	445	2,449	5.4
INCA ♦	Indicated	250	9.4	385	3,628	8.0
Tubas Red Sand ♦	Inferred	100	10.7	158	1,685	3.7
Tubas Red Sand ♦	Measured/Indicated	100	3.2	168	532	1.2
<b>Omahola Project Total</b>			<b>28.8</b>	<b>288</b>	<b>8,294</b>	<b>18.3</b>
<b>Tubas-Tumas Palaeochannel Project</b>						
Tumas ♦	Inferred	200	0.4	360	144	0.3
Tumas ♦	Indicated	200	14.4	366	5,270	11.6
Tubas	Inferred	100	77.3	228	17,620	38.9
<b>Tubas-Tumas Project Total</b>			<b>92.1</b>	<b>250</b>	<b>23,034</b>	<b>50.8</b>
<b>Aussinanis Project</b>						
Aussinanis ♦	Inferred	150	29.0	240	6,960	15.3
Aussinanis ♦	Indicated	150	5.6	222	1,243	2.7
<b>Aussinanis Project Total</b>			<b>34.6</b>	<b>237</b>	<b>8,203</b>	<b>18.0</b>
<b>RUN TOTAL</b>			<b>155.5</b>	<b>254</b>	<b>39,531</b>	<b>87.2</b>
<b>NAPPERBY PROJECT (NT, AUSTRALIA)</b>						
Napperby	Inferred	200	9.3	359	3,351	7.4
<b>NAPPERBY TOTAL</b>			<b>9.3</b>	<b>359</b>	<b>3,351</b>	<b>7.4</b>
<b>MOUNT ISA PROJECT (QLD, AUSTRALIA)</b>						
Mount Isa	Inferred	300	2.0	440	890	2.0
Mount Isa	Indicated	300	1.6	400	650	1.4
<b>MOUNT ISA TOTAL</b>			<b>3.6</b>	<b>428</b>	<b>1,540</b>	<b>3.4</b>
<b>TOTAL INFERRED RESOURCES</b>			<b>134.2</b>	<b>247</b>	<b>33,099</b>	<b>73.0</b>
<b>TOTAL INDICATED RESOURCES</b>			<b>34.2</b>	<b>331</b>	<b>11,323</b>	<b>25.0</b>
<b>TOTAL RESOURCES</b>			<b>168.4</b>	<b>264</b>	<b>44,422</b>	<b>98.0</b>

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

♦ eU<sub>3</sub>O<sub>8</sub> - equivalent uranium grade as determined by downhole gamma logging.



## EXPLORATION – NAMIBIA

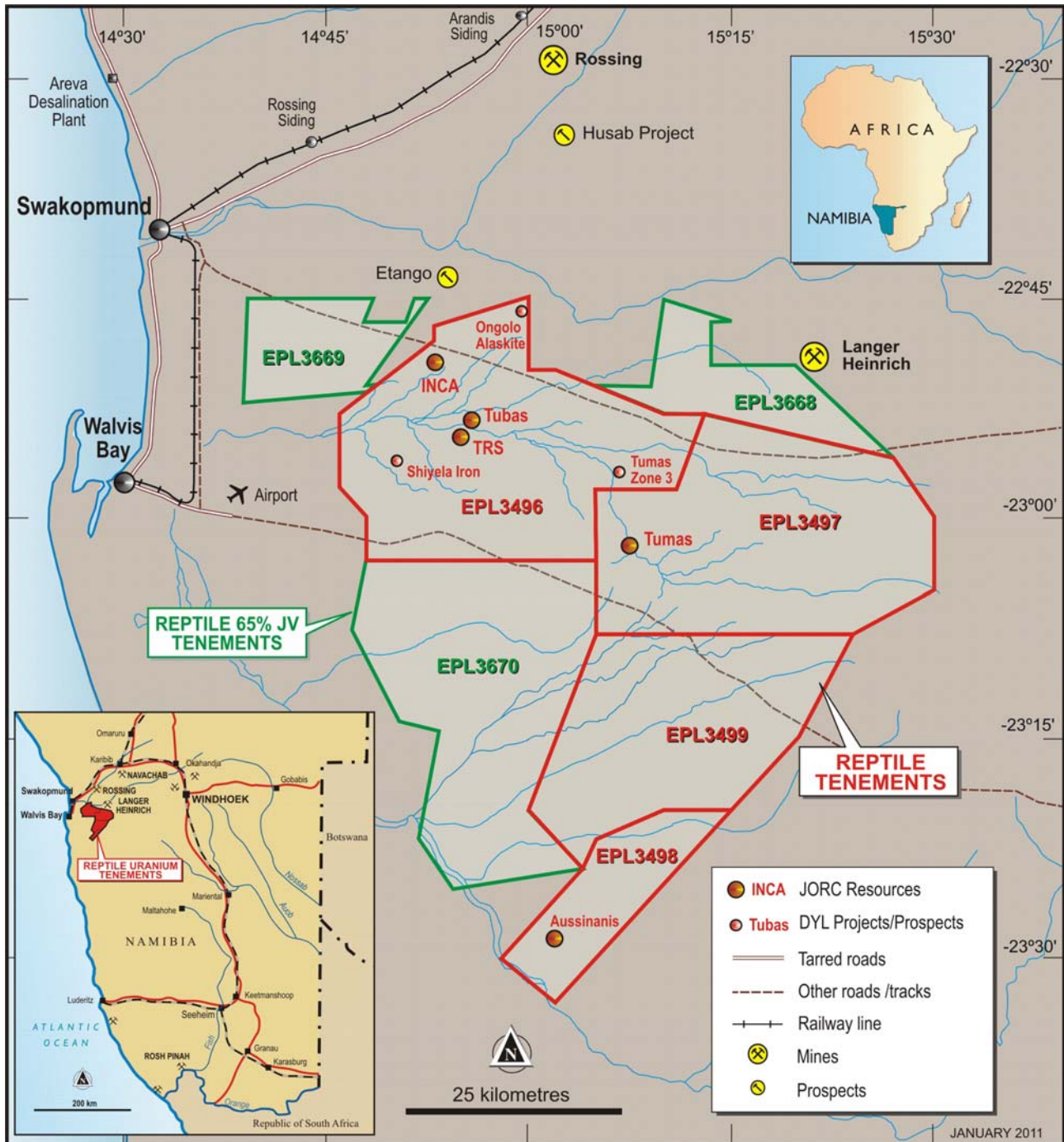


Figure 1: RUN Tenements and Project Location Map in Namibia

### Omahola Project Pre-Feasibility Study

SNC-Lavalin (SNCL) has provided positive interim Pre-Feasibility Study (PFS) results for the Omahola uranium project which includes the INCA and Tubas Red Sand (TRS) uranium deposits (ASX 10 January 2011).

The PFS was launched in March 2010 and includes the INCA and TRS uranium deposits. These deposits have combined resources containing 8,294 tonnes (18.3 million pounds) U<sub>3</sub>O<sub>8</sub> (Table 1), with additional resources anticipated from both deposit types.



## Key Project Assumptions and Interim PFS Results

Key project assumptions and interim Omahola Project PFS results include mining by open-cut methods with conventional uranium processing using sulphuric acid. The planned production rate is 1,000 tonnes (2.2 million pounds) U<sub>3</sub>O<sub>8</sub> per annum beginning in 2014, with resources targeted to provide a minimum 12 year mine life and with anticipated phased increases in production as JORC Code Resources are further increased.

Detailed mine planning for the INCA deposit is underway, with the bulk of the mineralisation sufficiently shallow (starting from 20 metres) for open-cut mining.

It is anticipated that a conventional processing plant will be constructed near the INCA deposit which will include crushing, grinding, sulphuric acid leaching, followed by solvent extraction, uranium precipitation, and drying and packaging of yellowcake.

Mining of the TRS deposit will be by simple surface mining techniques as the mineralisation is located from one metre to a maximum depth of approximately 15 metres. A mobile beneficiation plant will be located at the TRS deposit. This satellite plant will be designed to concentrate approximately 90% of the uranium into approximately 25% of the mass, with the resulting concentrate grading +400 ppm U<sub>3</sub>O<sub>8</sub> assumed to be transported via slurry pipeline to the main processing plant near INCA for uranium recovery.

The main processing plant will be equipped with a magnetic recovery circuit at the end of the process to recover magnetite (iron) from the tailings stream. It is anticipated that this iron will be a saleable by-product for use in third party producers' uranium acid leach circuits to enhance uranium extraction.

The main plant will also be equipped with a pressure oxidation autoclave to generate a significant quantity of sulphuric acid on-site from pyrite in the INCA ore, thus reducing the quantity of sulphuric acid required to be purchased and transported to the site.

A conceptual design of the main processing plant is included as Appendix 1.

While the supply of water for a mining project in Namibia is one of the key risk areas, RUN has completed pump testing of aquifers close to the proposed mine site that has confirmed the availability of significant amounts of groundwater (albeit saline) at INCA and in the nearby palaeochannel system. Aquifer recharge tests and Government licensing will determine how much (if not all) of the total water supply required for the Omahola Project can be sourced from this natural, local water supply. Consequently, provisions have been included in the initial project design and costing for an on-site desalination plant. RUN is also pursuing an alternative option of securing desalinated sea water to be supplied by Namibia's water services provider NamWater.

Importantly, due to the proximity of the proposed mine and processing plant to the coastal towns of Swakopmund and Walvis Bay (both within 40 kilometre radius), and access to the mine area via a sealed, black-top road (C28) it is anticipated there will be no need for on-site housing for construction and operation personnel.

## Capital and Operating Cost Estimates

SNCL has estimated preliminary project capital costs for the assumptions outlined above in the range of US\$324 to US\$336 million, including mining pre-stripping and the construction of a tailings storage facility. Capital costs for utility infrastructure (water and power) to the mine gate have not been included; however, operating costs include electricity costs with an allowance for funded electrical infrastructure. Water is assumed to be supplied on-site as desalinated ground water and the cost for a reverse osmosis unit has been included.

SNCL has estimated operating costs should range from US\$24.90 to US\$25.30 per pound U<sub>3</sub>O<sub>8</sub> including the cost of iron recovery.





Capital costs include a 10% contingency and both capital and operating costs are reported with an accuracy of -15% to +25%.

### Inclusion of Ongolo Alaskite Project and Extension of PFS

In addition, the style of uranium mineralisation at Ongolo is the same as that in ore mined and processed at the Rossing Uranium Mine for the past 30+ years, and is therefore well understood from the standpoint of metallurgy, processing and costs. Uraninite is the only primary uranium mineral identified in mineralogical studies to-date and is therefore similar to the INCA deposit and is expected to be compatible with the process proposed for the Omahola Project.

As a result of the fact that the exciting discovery at Ongolo is close to INCA; has the potential to add significant high-grade uranium resources; is similar to well-understood ore being processed at Rossing; and, is expected to be compatible with the proposed acid leach process for the Omahola Project, DYL has decided to extend the timeframe for the completion of the PFS to the second Quarter of 2011 in order to incorporate the Ongolo mineralisation into the PFS as a source of ore for the Omahola Project.

DYL is confident that the inclusion of Ongolo Alaskite material has the potential to positively impact the overall PFS results for the Omahola Project.

Detailed reverse circulation (RC) and diamond drilling within the interpreted two kilometre strike length at Ongolo is ongoing for resource delineation and an initial Mineral Resource estimate is anticipated by the end of March 2011.

### Omahola Project Uranium Resources

The Omahola Project currently includes the INCA and TRS uranium deposits. INCA contains Indicated and Inferred Mineral Resources totalling 14.9 million tonnes at 405 ppm eU<sub>3</sub>O<sub>8</sub> for 6,077 tonnes (13.4 Mlbs) U<sub>3</sub>O<sub>8</sub> (ASX 29 October 2010). The TRS deposit contains Measured, Indicated and Inferred Resources totalling 13.9 million tonnes at 160 ppm eU<sub>3</sub>O<sub>8</sub> for 2,217 tonnes (4.9 Mlbs) U<sub>3</sub>O<sub>8</sub> (ASX 22 April 2010). Therefore, the Omahola Project has total resources containing 8,294 tonnes (18.3 Mlbs) U<sub>3</sub>O<sub>8</sub> (Table 2).

**Table 2: Omahola Project Mineral Resource Estimate**

Deposit – JORC Category	Cut-Off (ppm U <sub>3</sub> O <sub>8</sub> )	Tonnes (Million)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (tonnes)	U <sub>3</sub> O <sub>8</sub> (Million Pounds)
INCA - Inferred ♦	250	5.5	445	0.044	2,449	5.4
INCA - Indicated ♦	250	9.4	385	0.039	3,628	8.0
TRS - Inferred ♦	100	10.7	158	0.016	1,685	3.7
TRS - Measured/Indicated ♦	100	3.2	168	0.017	532	1.2
<b>Omahola Project – Total</b>		<b>28.8</b>	<b>288</b>	<b>0.029</b>	<b>8,294</b>	<b>18.3</b>

♦ eU<sub>3</sub>O<sub>8</sub> - equivalent uranium grade as determined by downhole gamma logging.

The TRS deposit contains lower grade material, but the material has been demonstrated to be amenable to beneficiation and is anticipated to be upgraded to 400+ ppm U<sub>3</sub>O<sub>8</sub> using a portable beneficiation plant located at the TRS deposit. Additional TRS material has been identified along the flanks of the 30+ kilometre long Tubas-Tumas palaeochannel and has the potential for significant additional resources with further drilling. RUN has purchased a beneficiation pilot plant to demonstrate TRS beneficiation. Operation of the pilot plant will commence during the 1st Quarter 2011 after commissioning by the German supplier Schauenburg.



It is anticipated that the Ongolo Alaskite Project will also provide feed material to the Omahola Project. As indicated above, Ongolo is currently being drilled extensively in anticipation of an initial JORC Mineral Resource estimate in March 2011 to boost the total resources for the Omahola Project.

### Environmental Studies

Environmental studies have also been progressing since November 2009 and continuing in parallel with the PFS. On 3 and 5 November 2010, RUN held open-forum public meetings and presentations in Windhoek and Swakopmund respectively on the findings of the environmental studies and overall Environmental Impact Assessment of the proposed Omahola Project. As part of the public information process, documents, providing more detail of the proposed project, including conceptual plant and process description, are available on DYL's website.

### Reconnaissance Drilling

Drillhole INCR388 at target area IT-3 returned an intercept of 11 metres at 1,064 ppm eU<sub>3</sub>O<sub>8</sub> from 84 metres (ASX 17 November 2010).

Drillhole INCR388 is a 60° angle reverse circulation (RC) drillhole on a line of reconnaissance drilling across magnetic target IT-3, which is the first of 10 such targets recently interpreted within RUN's EPL 3496 to be drill tested (see Figure 2). INCR388 returned an intercept of 11 metres at 1,064 ppm eU<sub>3</sub>O<sub>8</sub>\* from 84 metres as presented in Table 3.

**Table 3: Drillhole INCR388 – Gamma Log Assay Result**

Drillhole	mE	mN	Azi	Dip	TD	From	To	Interval (m)	eU <sub>3</sub> O <sub>8</sub> (ppm)	GTM
INCR388	487700	7474600	090	-60	199	84	95	11	1,064	12,608

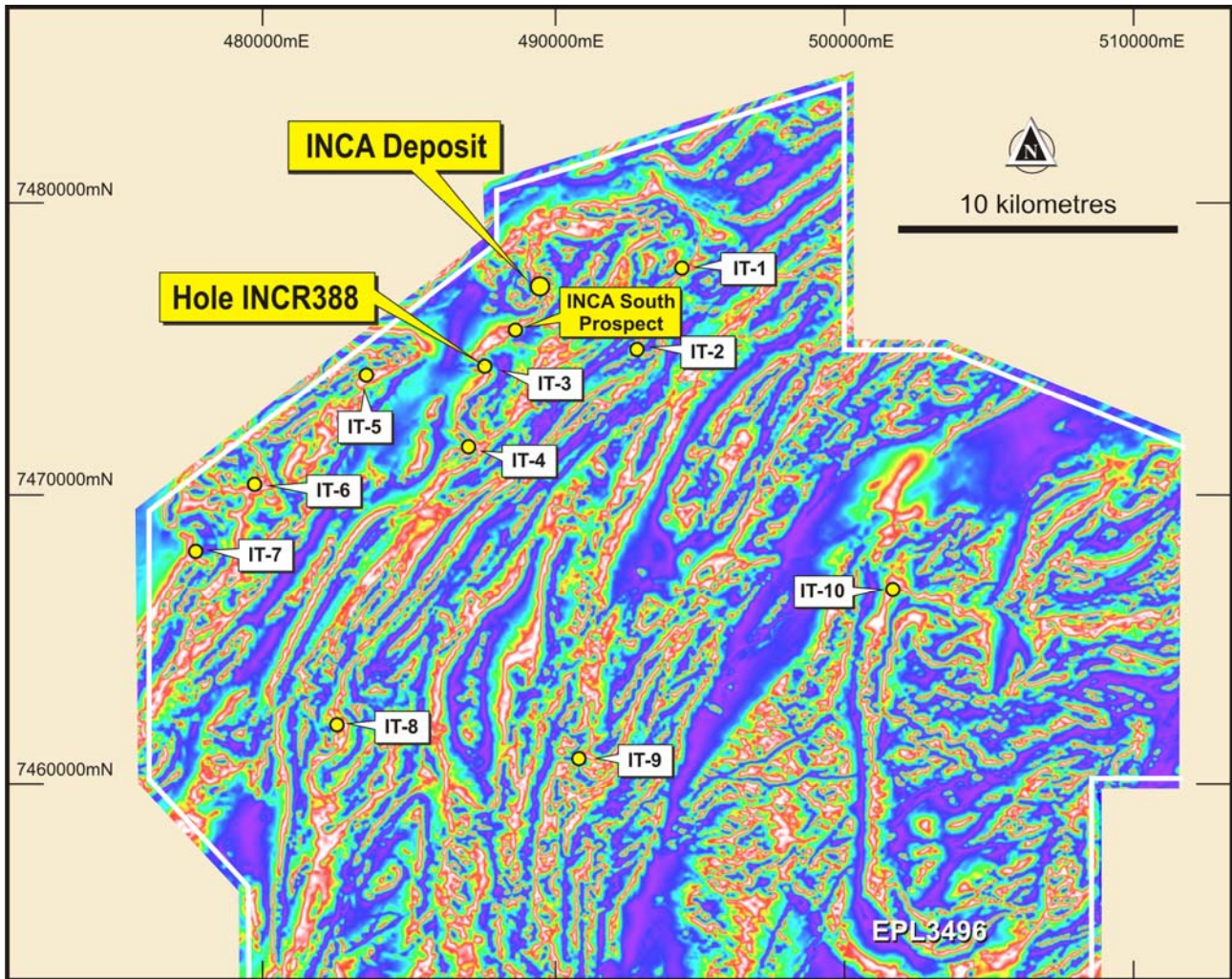
**Note:** GTM is grade thickness metre and is calculated by multiplying the interval (m) x eU<sub>3</sub>O<sub>8</sub> (ppm).

### Target Generation

DYL/RUN embarked on an iterative process of reviewing and interpreting RUN's extensive airborne geophysical data to determine if a 'fingerprint' of the INCA deposit could be identified in the complex magnetic structure at INCA. The goal was to use that fingerprint to identify other magnetic anomalies for targeted reconnaissance drilling. This work has led to DYL's geophysical consultants Resource Potentials (Perth) identifying ten priority INCA-Type (IT) targets (IT-1 to IT-10 in Figure 2) based on the geophysical signature ('fingerprint') of INCA.

Target IT-3, located 3 kilometres southwest of INCA was selected as the first drill target as it was on a continuation of the INCA 'magnetic unit' along a magnetic feature through the previously drilled INCA South Prospect located 1 kilometre southwest of INCA. INCA South was drilled as a reconnaissance target in 2008 as an initial test of the extension of uranium mineralisation based on magnetics, and, as previously reported, vertical diamond drillhole INCD15 intersected 27 metres at 1,471 ppm cU<sub>3</sub>O<sub>8</sub> from 39 metres depth. INCA South has yet to be drilled out in detail.

\* eU<sub>3</sub>O<sub>8</sub> - equivalent uranium grade as determined by downhole gamma logging (as used throughout the report).



**Figure 2: Regional TDR aeromagnetic image showing location of INCA-Type Targets within EPL 3496**

**Note:** The background image to Figure 2 is a Tilt Derivative (TDR) processed image which shows the horizontal width of the magnetic zone as well as its intensity using the usual convention of white-red as high to dark blue-purple as low.

### ONGOLO ALASKITE PROJECT

A change of analytical procedure for drill samples has resulted in a significant, positive grade correction for the alaskite-hosted uranium mineralisation (ASX 13 December 2010).

Re-analysis of previously announced sample intervals from Ongolo have resulted in an increase of uranium grade by an average of approximately 30% from 453 ppm U<sub>3</sub>O<sub>8</sub> on a weighted average basis to 587 ppm using alternative fusion-XRF analytical procedure.

Chemical assays reported in the 29 April 2010 ASX announcement on the discovery of alaskite-hosted uranium mineralisation, and in subsequent announcements on 23 August and 9 September 2010, were obtained using X-ray fluorescence (XRF) analysis of powder samples (powder-XRF). These samples were re-assayed using XRF analysis of 'fused' samples (fusion-XRF), and resulted in an average increase in uranium grade of approximately 30%. As shown in Table 4, the weighted average grade increased from 453 ppm U<sub>3</sub>O<sub>8</sub> with powder-XRF assays to 587 ppm U<sub>3</sub>O<sub>8</sub> with fusion-XRF assays.





The change in analytical procedure for the Ongolo Alaskite project samples stemmed from observed differences between powder-XRF assays and downhole gamma logging results ( $eU_3O_8$ ); confirmation from ANSTO that the  $eU_3O_8$  was not erroneous due to disequilibrium of uranium and its daughters; and confirmation from ANSTO and Mintek that using alternative analytical procedures resulted in higher uranium grades than reported by RUN using powder-XRF.



**RC Drilling Rigs at the Ongolo Alaskite Project – January 2011**

Assays from the fusion-XRF analytical procedure serve to further substantiate the significance of the discovery of alaskite-hosted uranium mineralisation at Ongolo by significantly increasing the uranium grade. The fusion-XRF procedure will be used for chemical analyses of all samples of alaskite-hosted uranium mineralisation going forward.

Five RC rigs and one diamond rig are currently drilling at Ongolo on nominal 80 x 50 metre grid in order to provide an initial JORC Code mineral resource estimate by end March. Approximately 1 kilometre of the 2 kilometre strike mineralised zone has been drilled out to date (Figure 3).

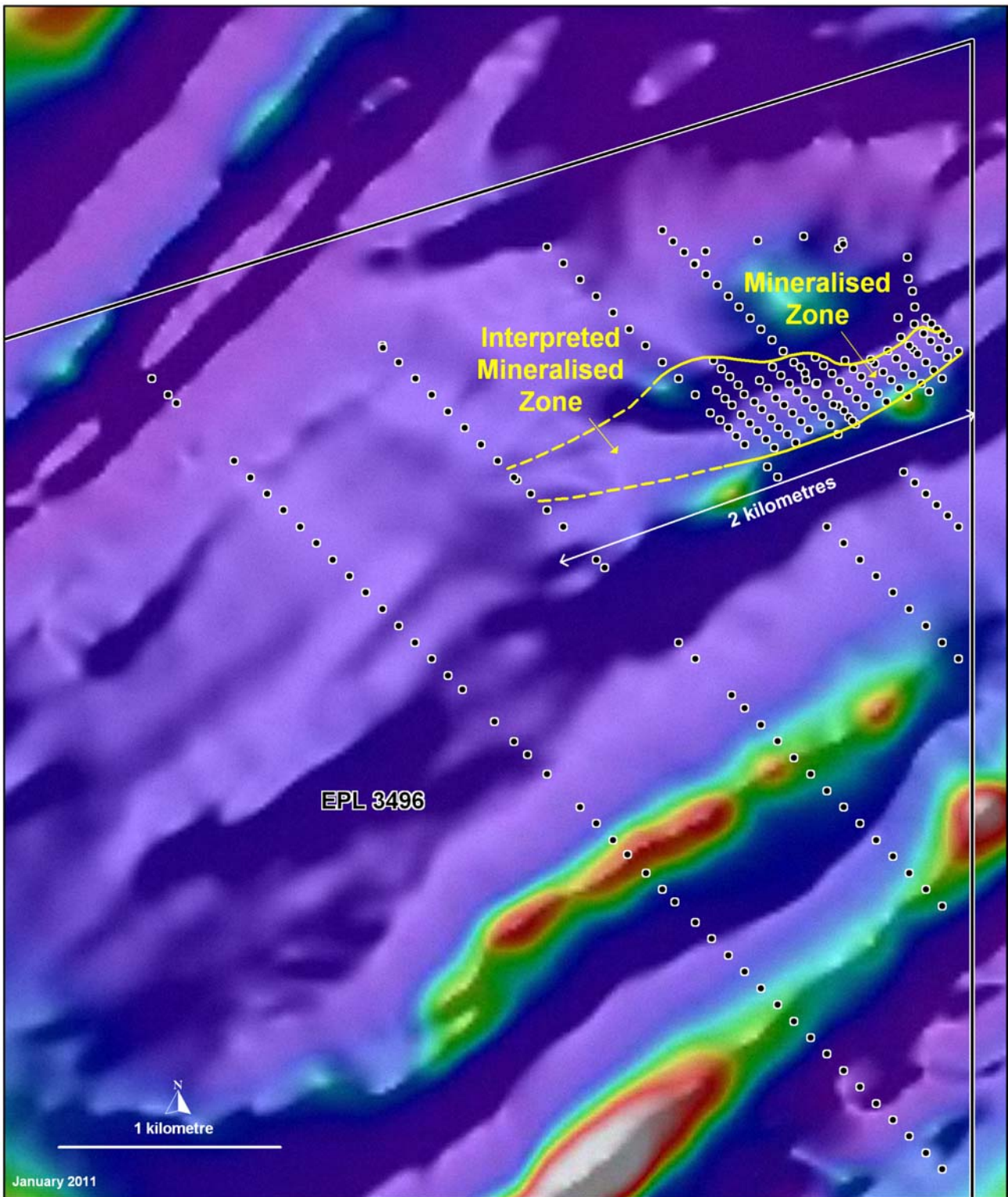


Figure 3: Ongolo Project Drilling Status



Table 4: Comparison of Results Between Powder-XRF and Fusion-XRF Chemical Assays

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval (m)	Original Powder XRF	GTM	Re-assay Fusion XRF	GTM	Grade Increase	
						U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (ppm)							
									From		To			
<b>ALAR13</b>	499490	7482690	315	223	-60	128	217	<b>89</b>	<b>400</b>	<b>35,600</b>	<b>503</b>	<b>44,767</b>	<b>25.8%</b>	
including						182	193	<b>11</b>	<b>710</b>	<b>7,810</b>	<b>983</b>	<b>10,813</b>	<b>38.5%</b>	
and						199	215	<b>16</b>	<b>600</b>	<b>9,600</b>	<b>751</b>	<b>12,016</b>	<b>25.2%</b>	
<b>ALAR16</b>	499350	7482850	315	191	-60	147	158	<b>11</b>	<b>399</b>	<b>4,389</b>	<b>510</b>	<b>5,610</b>	<b>27.8%</b>	
<b>ALAR46</b>	499430	7482756	0	302	-90	246	254	<b>8</b>	<b>405</b>	<b>3,240</b>	<b>555</b>	<b>4,440</b>	<b>37.0%</b>	
<b>ALAR47</b>	499354	7482854	135	300	-60	192	206	<b>14</b>	<b>395</b>	<b>5,530</b>	<b>522</b>	<b>7,308</b>	<b>32.2%</b>	
and						250	260	<b>10</b>	<b>414</b>	<b>4,140</b>	<b>506</b>	<b>5,060</b>	<b>22.2%</b>	
<b>ALAR48</b>	499453	7482753	135	213	-60	44	46	<b>2</b>	<b>557</b>	<b>1,114</b>	<b>801</b>	<b>1,602</b>	<b>43.8%</b>	
and						74	84	<b>10</b>	<b>460</b>	<b>4,600</b>	<b>587</b>	<b>5,870</b>	<b>27.6%</b>	
<b>ALAR62</b>	498951	7482649	135	261	-60	62	69	<b>7</b>	<b>394</b>	<b>2,758</b>	<b>443</b>	<b>3,101</b>	<b>12.4%</b>	
and						110	125	<b>15</b>	<b>449</b>	<b>6,735</b>	<b>521</b>	<b>7,815</b>	<b>16.0%</b>	
and						138	167	<b>29</b>	<b>422</b>	<b>12,238</b>	<b>511</b>	<b>14,819</b>	<b>21.1%</b>	
<b>ALAR63</b>	498867	7482718	135	261	-60	198	208	<b>10</b>	<b>411</b>	<b>4,110</b>	<b>552</b>	<b>5,520</b>	<b>34.3%</b>	
<b>ALAR64</b>	498800	7482800	135	251	-60	179	192	<b>13</b>	<b>412</b>	<b>5,356</b>	<b>515</b>	<b>6,695</b>	<b>25.0%</b>	
and						199	206	<b>7</b>	<b>402</b>	<b>2,814</b>	<b>467</b>	<b>3,269</b>	<b>16.2%</b>	
<b>ALAR107</b>	499693	7480696	135	245	-60	96	100	<b>4</b>	<b>459</b>	<b>1,836</b>	<b>799</b>	<b>3,196</b>	<b>74.1%</b>	
<b>ALAR125</b>	498050	7482350	135	226	-60	68	84	<b>16</b>	<b>655</b>	<b>10,480</b>	<b>964</b>	<b>15,424</b>	<b>47.2%</b>	
including						73	81	<b>8</b>	<b>1,029</b>	<b>8,232</b>	<b>1,536</b>	<b>12,288</b>	<b>49.3%</b>	
<b>ALAR126</b>	497975	7482425	135	261	-60	137	149	<b>12</b>	<b>615</b>	<b>7,380</b>	<b>915</b>	<b>10,980</b>	<b>48.8%</b>	
and	497975	7482425	135	261	-60	171	198	<b>27</b>	<b>513</b>	<b>13,851</b>	<b>692</b>	<b>18,684</b>	<b>34.9%</b>	
<b>Weighted averages</b>									<b>17</b>	<b>453</b>	<b>7,543</b>	<b>587</b>	<b>9,788</b>	<b>29.8%</b>

Notes: TD is total depth of hole; cU<sub>3</sub>O<sub>8</sub> is chemical assay U<sub>3</sub>O<sub>8</sub>; GTM is grade thickness metre and is calculated by multiplying the interval (m) x cU<sub>3</sub>O<sub>8</sub> (ppm).  
 RUN considers approximately 400 ppm U<sub>3</sub>O<sub>8</sub> is required to be deemed significant for hardrock hosted uranium given current market conditions.  
 Therefore lesser values are not reported at this time.





## TUBAS-TUMAS PALAEOCHANNEL

Follow-up infill drilling at Tumas Zone 3 (ASX 13 December 2010) of the Tubas-Tumas palaeochannel identified high-grade uranium mineralisation in the basement rocks beneath the palaeochannel; mineralised Red Sand adjacent to the channel similar to the Tubas Red Sand (TRS) deposit material, as well as additional high-grade mineralisation within the palaeochannel as follows:

**Basement Hosted Mineralisation:** In November 2010 RUN conducted follow-up infill drilling at the Oryx Prospect within the Tumas Zone 3 area of the Tubas-Tumas palaeochannel to investigate reverse circulation (RC) drilling results indicating the potential for basement mineralisation below a relatively high-grade section of the palaeochannel on RUN's EPL 3496.

The investigation confirmed that drillhole ORXR1 intercepted high-grade secondary uranium mineralisation hosted in granitic basement below the palaeochannel with a mineralised intercept of:

- 47 metres at 830 ppm U<sub>3</sub>O<sub>8</sub> from 29 metres.

Three scissor holes drilled on the ORXR1 section (Figure 4) suggests the mineralisation in ORXR1 may be limited in extent in the immediate area, but provides evidence for and may provide a model for new basement hosted targets.

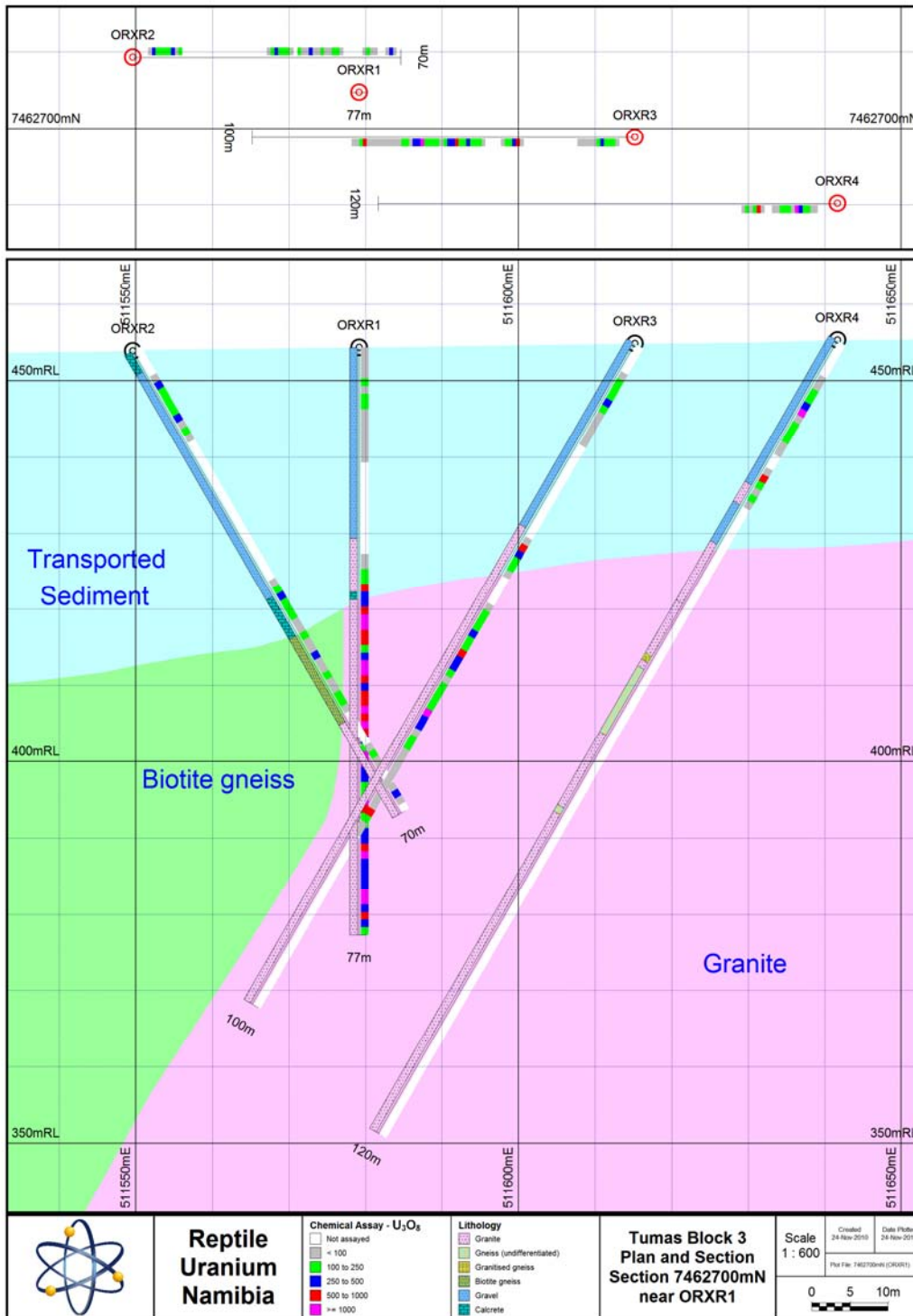
A 60° angle hole ORXR3 also returned basement intercepts with mineralisation being carnotite in both holes. Intercepts are listed in Table 5 and a drill section is given in Figure 4.

**Table 5: RC Drill Intercepts Oryx Prospect Area – XRF Chemical Assays**

Hole	WGS84 Zone 33		Azi	TD	Dip	Depth (m)		Interval (m)	U <sub>3</sub> O <sub>8</sub> (ppm)	GTM	Host Type
	mE	mN				From	To				
ORXR1	511579	7462705	0	77	-90	29	76	47	830	39,010	Basement
ORXR3	511615	7462699	270	100	-60	30	34	4	405	1,620	Basement
						43	48	5	412	2,060	Basement
						53	58	5	420	2,100	Basement
ORXR4	511642	7462690	270	120	-60	7	15	8	614	4,912	Channel
ORXR5	511613	7462650	270	97	-60	4	16	12	269	3,228	Channel
ORXR6	511604	7462657	0	28	-90	5	16	11	1,097	12,067	Channel
ORXR7	511552	7462658	0	28	-90	3	10	7	782	5,474	Channel
						19	24	5	332	1,660	Channel
ORXR8	511502	7462659	0	34	-90	6	17	11	355	3,905	Channel
ORXR9	511457	7462659	0	43	-90	22	26	4	377	1,508	Channel
ORXR12	511402	7462604	0	28	-90	11	14	3	1,808	5,424	Channel
ORXR22	511349	7462550	0	25	-90	13	18	5	454	2,270	Channel
ORXR23	511304	7462555	0	31	-90	4	6	2	1,816	3,632	Channel
ORXR33	511100	7462648	0	25	-90	6	8	2	223	446	Channel
ORXR37	511256	7462447	0	19	-90	5	13	8	516	4,128	Red Sand

**Note:** TD is total depth of hole; U<sub>3</sub>O<sub>8</sub> is a XRF chemical assay; GTM is grade thickness metre and is calculated by multiplying the interval (m) x U<sub>3</sub>O<sub>8</sub> (ppm).

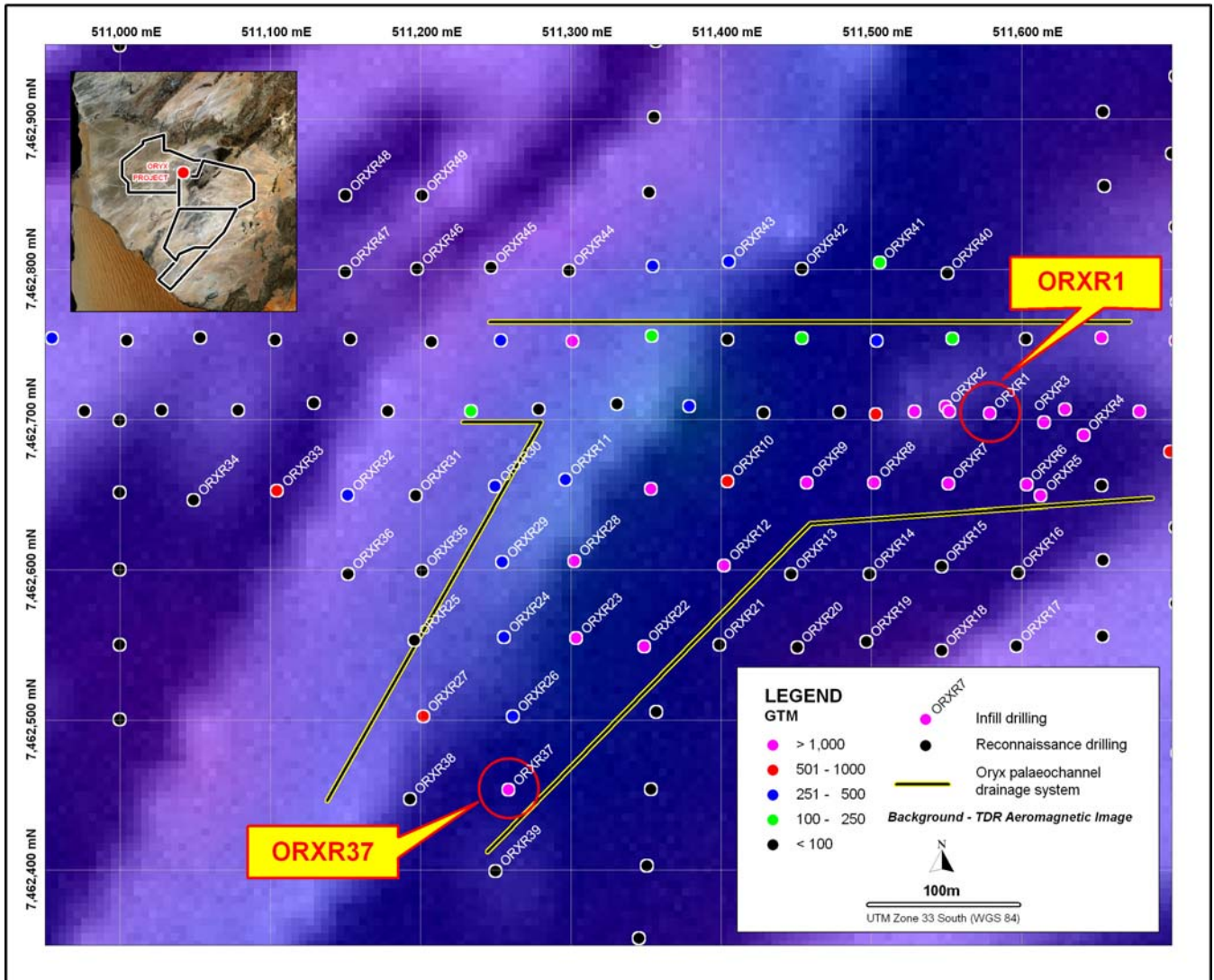




**Figure 4: West to East Drill Section 7462700mN through plane of RC Hole ORXR1**

Figure 4 is an interpreted drill section through holes ORXR1 and ORXR3 showing basement-hosted secondary uranium mineralisation (carnotite) located at a granite – biotite gneiss contact as well as secondary carnotite mineralisation in overlying channel sediments (ORXR4).

The basement mineralisation appears to be associated with the contact zone between granite and gneiss (metasedimentary rocks). Microscopic studies show that the granite is a pegmatitic-leucogranite phase (alaskite). Mineralisation is secondary carnotite. Diamond drilling will be carried out in 2011 to determine the potential of this contact zone.



**Figure 5: Infill RC Drilling - Tumas Zone 3 area in the Tubas-Tumas Palaeochannel**

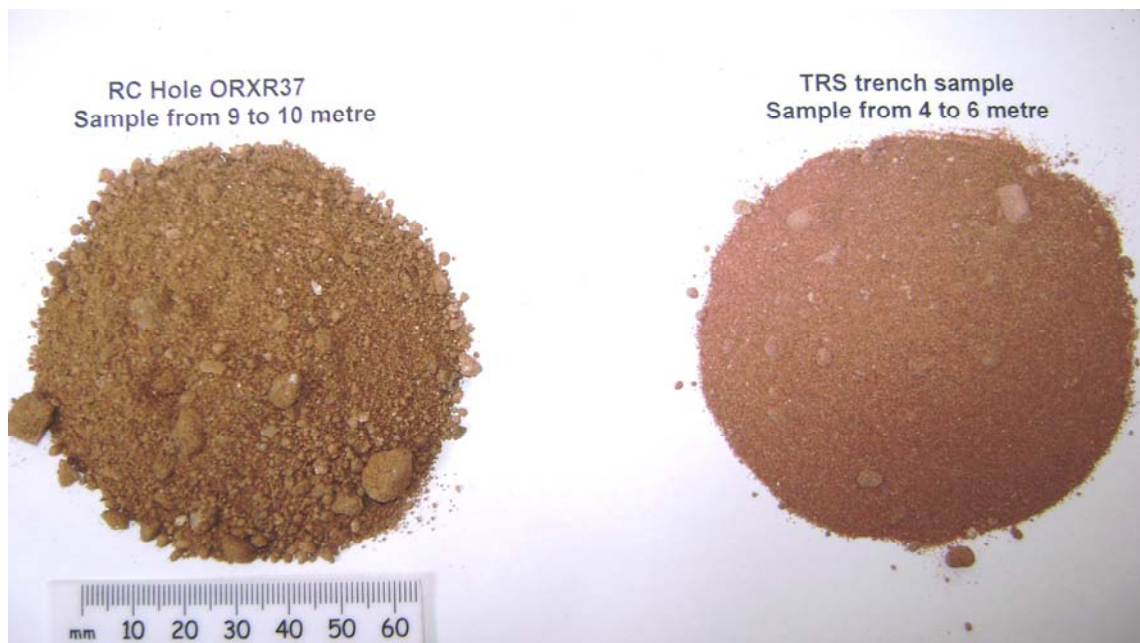
**Red Sand Mineralisation:** Reverse Circulation infill drilling around ORXR1 also identified aeolian Red Sand hosted mineralisation with drillhole ORXR37 intercepting:

- 8 metres at 516 ppm U<sub>3</sub>O<sub>8</sub> from 5 metres

Figure 5 above shows the position of ORXR37 (circled) and the yellow lines outline the deeper palaeochannel position.

As can be seen from the photograph in Figure 6, mineralised aeolian red sand from ORXR37 has very similar characteristics to the Tubas Red Sand (TRS) deposit which is part of the Omahola Project located 20 kilometres to the west. The TRS deposit contains 13.9 million tonnes at 160 ppm U<sub>3</sub>O<sub>8</sub> for 2,217 tonnes (4.9 million pounds) contained U<sub>3</sub>O<sub>8</sub>. This new discovery, on the flank of the palaeochannel, is consistent with mineralisation at the TRS deposit and further confirms the possible extent of this unique style of uranium mineralisation over 10's of kilometre of the main Tubas-Tumas palaeochannel system.

The red sand sample from 9 to 10 metres depth in ORXR37 assayed 249 ppm U<sub>3</sub>O<sub>8</sub> and the TRS sample from 4 to 6 metres depth assayed 327 ppm U<sub>3</sub>O<sub>8</sub>.



**Figure 6: Comparison of Oryx Red Sand with the Tubas Red Sand (TRS) Material**

**Palaeochannel Mineralisation:** Infill drilling on a 50 metre grid to the original reconnaissance drilling has outlined further high-grade palaeochannel mineralisation with an intercepts of:

- 8 metres at 614 ppm  $U_3O_8$  from 7 metres
- 11 metres at 1,097 ppm  $U_3O_8$  from 5 metres
- 7 metres at 782 ppm  $U_3O_8$  from 3 metres

The November infill holes are labelled 'ORYX' in Figure 5. The earlier reconnaissance holes are unlabelled. Significant mineralised intercepts are given in Table 5. The palaeochannel mineralisation remains open upstream (east).

Only 49 holes were completed in the restricted campaign and the various styles of mineralisation (palaeochannel, aeolian and primary) remain open in most directions (Figure 5) and will be subjected to further evaluation by drilling in 2011.

## SHIYELA IRON PROJECT

Drilling continued through the Quarter at Shiyela with an additional 69 RC holes and 1 DC hole for 11,052 metres in an effort to expand the magnetite mineralisation in both the M62 and M63 deposits and to correlate that footprint with the geophysical magnetic signature for future evaluation of the greater anomalous area.

Drilling results at the M63 deposit indicates a potential mineralised interval average of 40 metres through a medium to high grade magnetite mineral zone while the M62 deposit shows a 20 metre average interval of similar grade. The width across strike varies to 500 metres and strike length drilled is 400 to 700 metres.

Geophysical signatures show a possible connection between the M63 NW deposit and the M62 SE deposit and could warrant further investigation (see Figure 7).

At both deposits the main ore body consists of a mixture of coarse grained magnetite-quartz rock and fine grain quartz-biotite gneiss with smaller low grade ore bodies of fine grained magnetic granitized gneiss.





Three bulk samples (50 kilogram each) of whole HQ diamond core from holes SHID2, SHID3 (M62) and SHID4 (M63) were shipped to Promet in Perth (Australia) for physical and metallurgical testwork at Ammtec and chemical assays at ALS. This included optimum grind size tests to determine the percentage of magnetite recovery and iron grade.

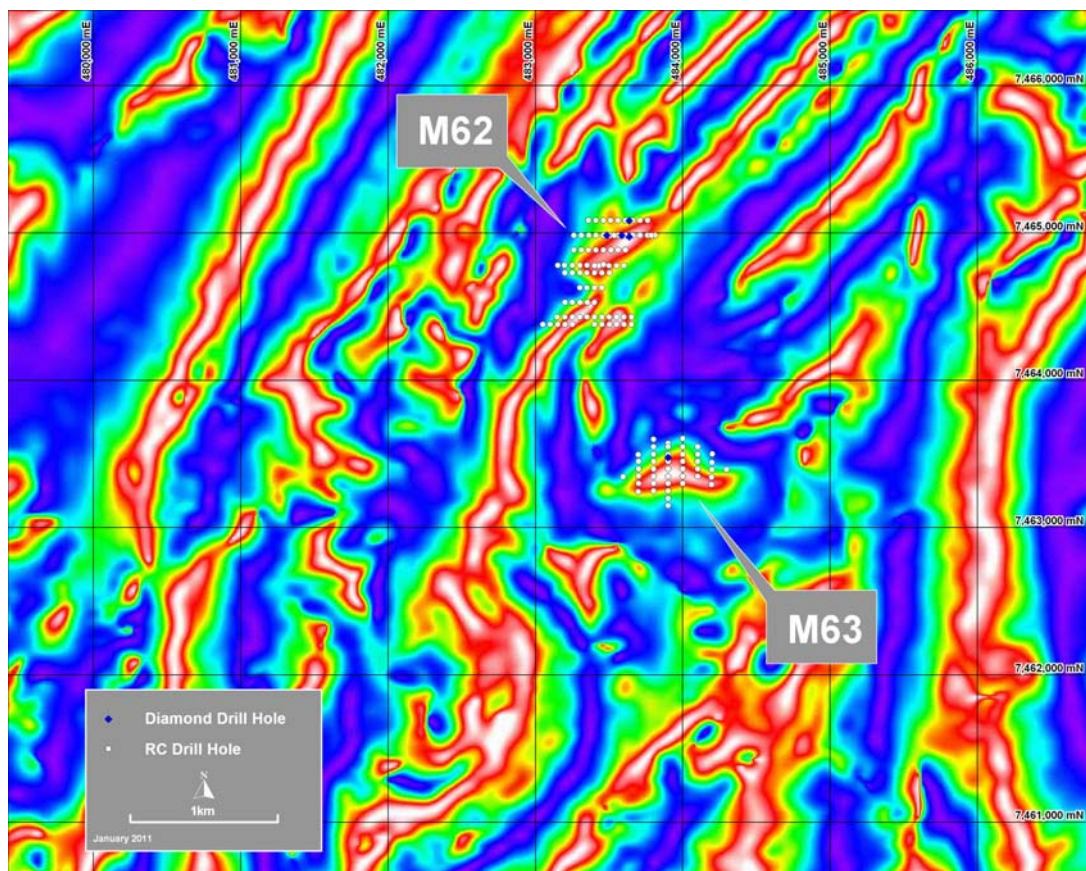
Results from analyses and testing of these samples are imminent and will be used by Promet for an initial Scoping Study of the deposits.

Additional representative samples from the Diamond Core were used by RUN and were assayed for total iron content and density tests. Initial data shows a good correlation between RUN's laboratory total iron by loose powder XRF analysis and head-grade iron external assay results by ALS.

**Table 6: Showing Correlation of Total Iron Oxide Assays**

MATERIAL	RUN	ALS
	Fe <sub>2</sub> O <sub>3</sub> (%)	
Fine Grain	21.81	22.24
Coarse Grain	31.69	40.80
Hematite	23.08	27.94

A total of 470 RC and Diamond hole one metre samples have been assayed for total iron content by the RUN Laboratory to date and this ongoing programme will ultimately assay all the mineralised zones with external laboratory checks and Davis Tube Recovery determinations.



**Figure 7: Shiyela Iron Project – Drill Status M62 and M63 Prospects**

**Note:** The background image to Figure 7 is a Tilt Derivative (TDR) processed image which shows the horizontal width of the magnetic zone as well as its intensity using the usual convention of white-red as high to dark blue-purple as low.





Scientific Services (Cape Town) laboratories are conducting density determinations by gas pycnometry on RC drill material to augment RUN's density determinations on the diamond core.

All this analytical work is to enable RUN to provide quality data to Golders to produce an JORC Code Mineral Resource estimate.

RUN commenced its formal environmental baseline studies in mid-2009 and presented the project to the MET (in the company of the MME) late 2009. Subsequently RUN's consultants published the EIA scoping study at a public forum in Windhoek and Swakopmund early November 2010. Pending positive scoping and feasibility studies RUN plans to submit its application for a Mining Licence during 2011 with a planned production profile of two million tonne of high-grade magnetite product (~70% iron) per year.

Drilling will continue during the first quarter of 2011 with the planned closing-off at the M63 deposit with 2 RC rigs for approximately 6 weeks. Drilling at the M62 deposit has been completed for the initial resource estimate. Mineralisation is however open along strike in both directions and to depth.

A cross-section through M62 (Figure 8) and M63 (Figure 9) show a typical high-grade magnetite layer (+ 50%) extending to approximately 200 metres vertical depth at each prospect.

Two completed diamond holes will be sampled to supply a continuous sample through each deposit for additional test work.

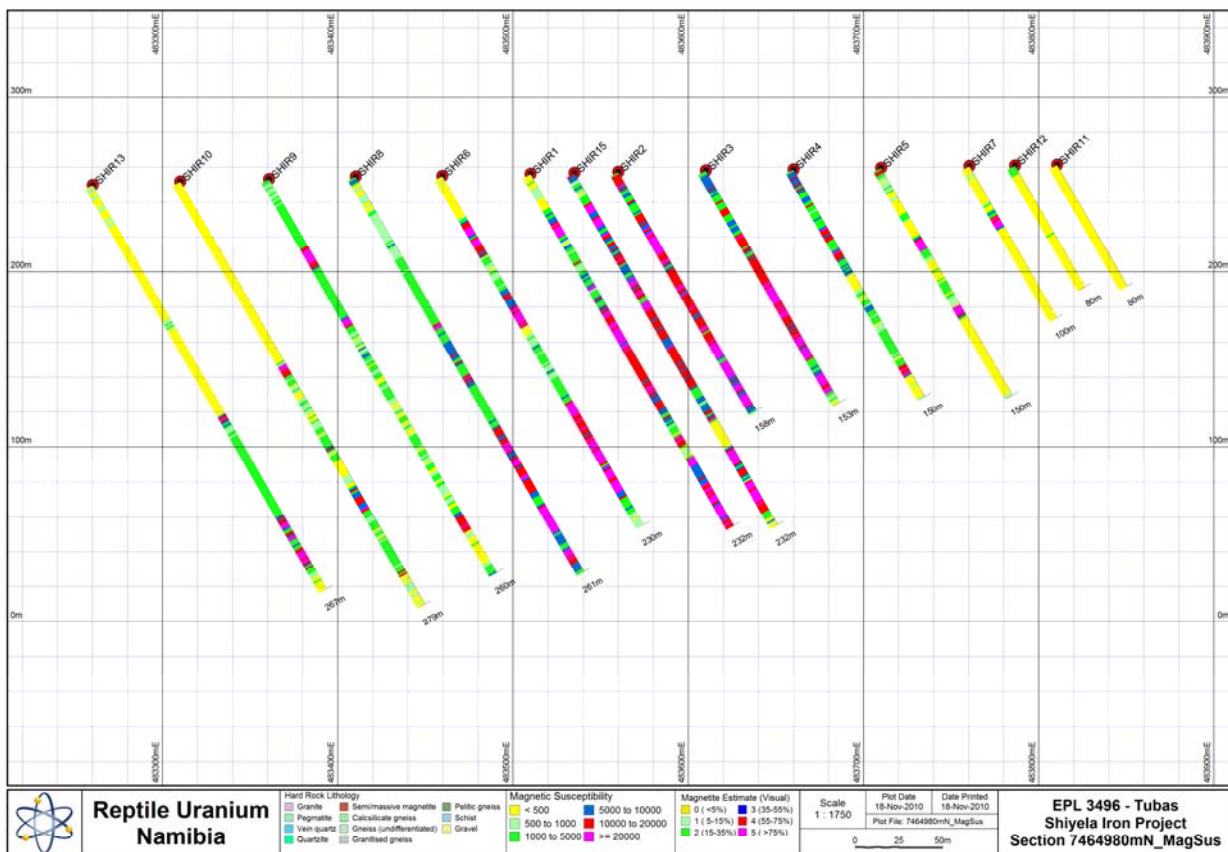


Figure 8: Map showing a West to East cross-section of line 7464980mNE at M62

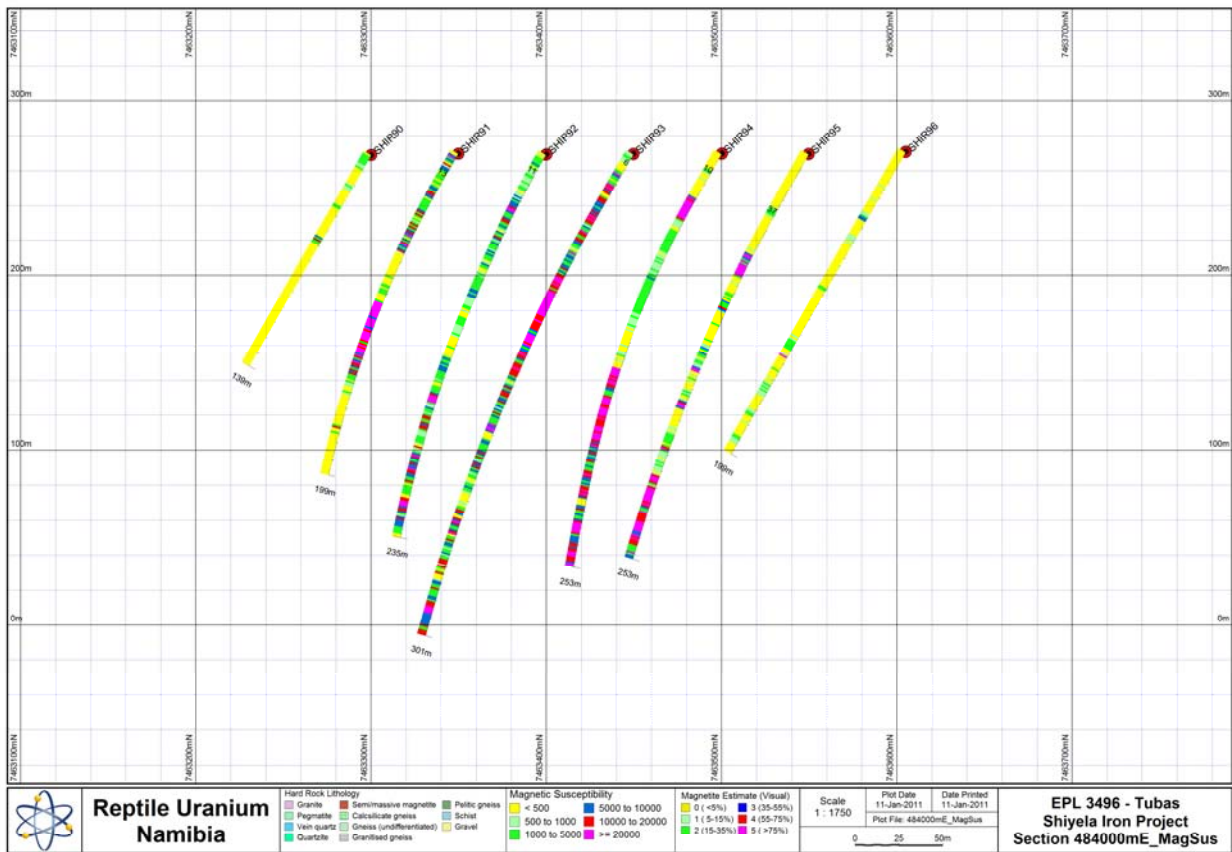


Figure 9: Map showing a South to North cross-section of line 484000mE at M63

**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 7 RUN has completed a total of 337 holes during the Quarter for 39,195 metres.

Table 7: Drilling Statistics

Drilling Summary		
Project	Number of Holes	Total Metre Drilled
INCA RC	28	5,902
INCA DD	1	146
Ongolo Alaskite RC	91	19,548
Ongolo Alaskite DD	1	140
Oryx	48	1,556
S-Bend East	97	730
Shiyela RC	69	10,851
Shiyela DD	1	201
Gawib West	1	121
<b>Total</b>	<b>337</b>	<b>39,195</b>



RUN has also continued to successfully conduct in-house sample preparation and uranium analysis and turned out more than 3,113 analytical results during the quarter (Table 8).

**Table 8: Laboratory Performance Indicators**

Job Description	October	November	December	TOTAL
Samples Received (total metre drilled for October to December 2010)	12,389	15,256	10,583	38,228
Samples Crushed	19	11	58	88
Samples Split	0	32	0	32
Samples Checked in Pb-Block	13,899	16,237	10,955	41,091
Samples > 15 CPS	988	1,205	1,226	3,419
Samples Weighed	1,608	2,683	2,087	6,378
Samples packed & stored	13,903	16,237	10,955	41,095
Samples Milled	1,663	2,761	2,152	6,576
Samples Analysed (Repeats, QC's & Daily checks included)	2,048	2,555	974	5,577
Sample results reported for July to September 2010	1,573	1,244	296	3,113



## EXPLORATION - AUSTRALIA

### Mount Isa District

Exploration programmes for the Quarter comprised:

#### Ewen EPM 14916

- RC drilling at the Conquest, Athena and Falcon Prospects
- Diamond drilling at Slance Prospect
- Receipt of chemical assay results

#### Isa West Project

- RC drilling programmes at Mistletoe Flat, Horse Shoe, The Granites, Flat Tyre North and Eldorado South
- Receipt of chemical assay results

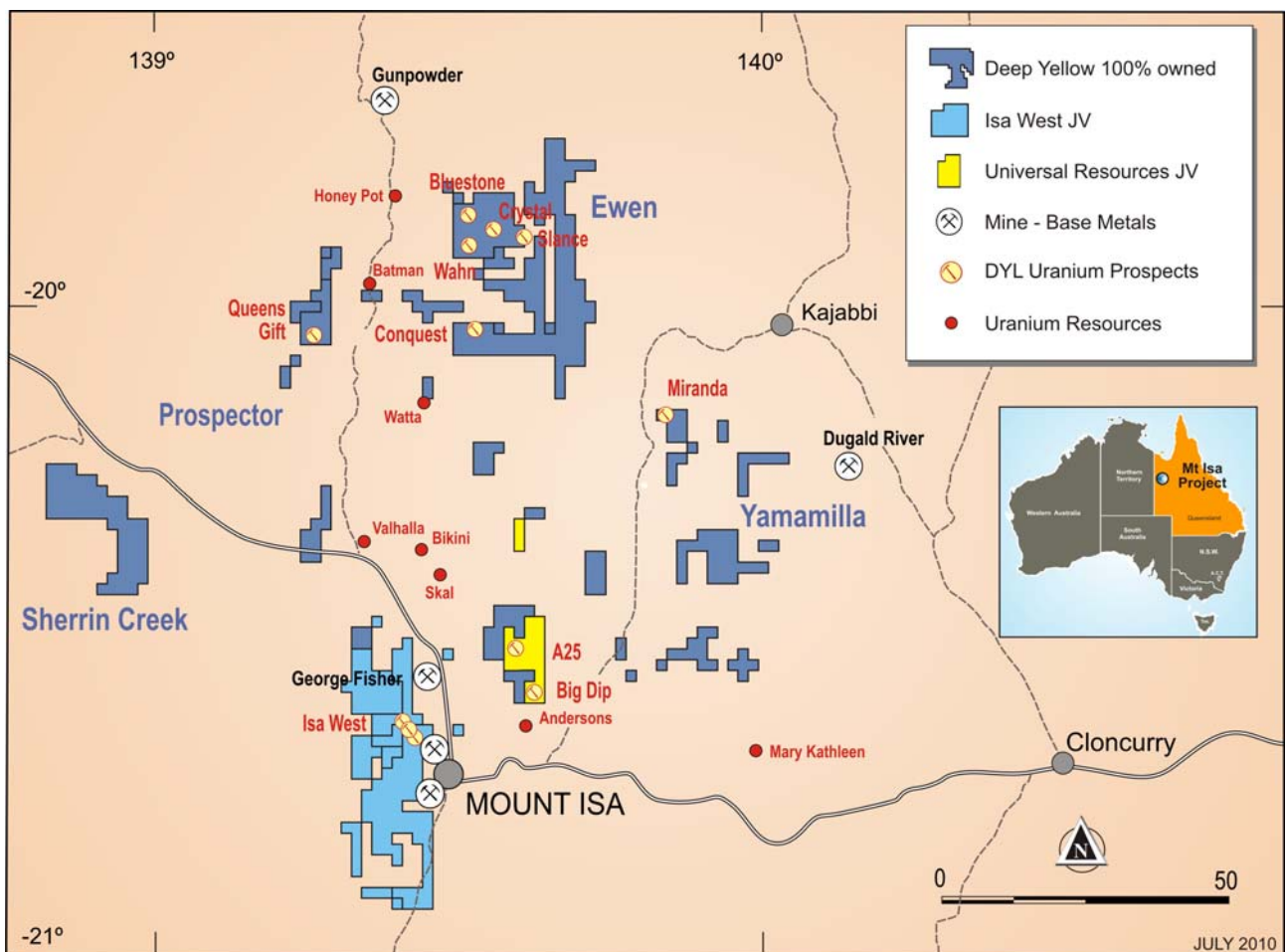


Figure 10: Mount Isa District Tenement Plan





**Table 9: Summary of Isa District RC drilling for the December Quarter 2010**

Prospect	No of Holes	Metres Drilled	Samples Taken
Conquest	2	390	26
Athena	6	456	44
Falcon	5	360	84
Isa West	19	1678	367
<b>Total</b>	<b>32</b>	<b>2884</b>	<b>521</b>

**Table 10: Summary of Isa District diamond drilling for the December Quarter 2010**

Prospect	No of Holes	Metres Drilled	Samples Taken
Slance	5	894.7	210

**Table 11: Summary of Isa District RC drilling for six months to December 2010**

Project Name	No. of Holes	Total Meters
Isa West	19	1,678
Queens Gift	4	750
Ewen	54	4,806
<b>Total</b>	<b>77</b>	<b>7,234</b>

**Table 12: Summary of Isa District diamond drilling for six months to December 2010**

Project Name	No. of Holes	Precollar (RC) Meters Drilled	Diamond Core Meters Drilled	Total Meters
Isa West	2	252	709.3	961.3
Queens Gift	3	480	1,024.02	1,504.02
Ewen	6	903	546.9	1,449.9
<b>Total</b>	<b>11</b>	<b>1635</b>	<b>2,280.22</b>	<b>3,915.22</b>

## ISA NORTH PROJECT

### Ewen EPM 14916 Slance Prospect

During the Quarter a diamond drilling programme was completed at the Slance Prospect. In total five diamond tails were drilled, extending RC holes drilled during the previous Quarter.

All core was cut, sampled and sent to Amdel for chemical assay. Results are indicated in the Table 13. Note SLRC054 is a water bore hole (RC drilling) aimed to provide a source of water for potential additional diamond drilling.

Best intercepts include:

SLDC048	18 metres at 1,751 ppm U <sub>3</sub> O <sub>8</sub> from 142 metres
Incl	8 metres at 2,394 ppm U <sub>3</sub> O <sub>8</sub> from 152 metres
SLDC052	10 metres at 448 ppm U <sub>3</sub> O <sub>8</sub> from 248 metres
SLDC053	10 metres at 412 ppm U <sub>3</sub> O <sub>8</sub> from 79 metres
and	43 metres at 268 ppm U <sub>3</sub> O <sub>8</sub> from 102 metres
and	3 metres at 1,112 ppm U <sub>3</sub> O <sub>8</sub> from 193 metres



Table 13: Slance Prospect 2010 Intercept Table – Diamond Drilling

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U <sub>3</sub> O <sub>8</sub> (ppm)
	mE	mN				From	To		
SLDC048	352147.1	7798324	90	-75	264.8	97	98	1	310
						127	131	4	950
						134	135	1	555
						142	160	18	1,751
					incl.	152	160	8	2,394
						224	227	3	1,485
SLDC049	352325	7798385	260	-68	371.8	300	301	1	590
						311	319	8	387
						323	324	1	450
SLDC050	352406	7798340	262	-66	475.5	245	246	1	285
SLDC051	352419	7797967	88	-65	324.8	15	16	1	380
						24	30	6	279
						137	138	1	625
						207	208	1	415
						214	215	1	405
						223	234	1	480
						289	290	1	440
SLDC052	352398	7797917	90	-63	306.8	67	68	1	470
						74	76	2	320
						83	84	1	355
						91	92	1	255
						238	258	20	287
					incl	248	251	3	943
						248	258	10	448
SLDC053	352198	7798298	5	-60	240.8	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	1,188
						102	145	43	268
					incl.	102	108	6	675
					and	120	122	2	775
					and	126	127	1	600
					and	136	145	9	337
						193	196	3	1,112
SLRC054	352205	7798320	360	-90	42	36	38	2	342

All intercepts are chemical XRF assays.



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

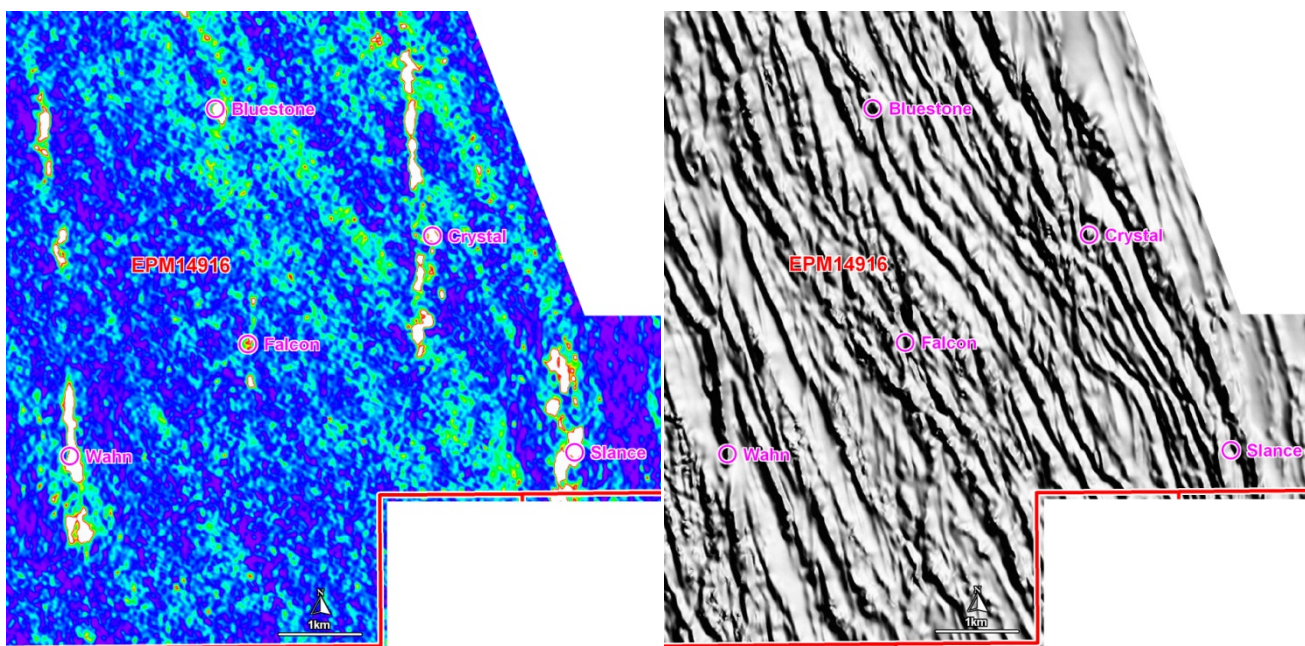


Figure 11: Airborne radiometric image with intense (white) uranium anomalies striking N-S. Right hand image 1VD magnetic showing NNW regional trend cut by later NS structures which host uranium mineralisation



### RC drilling at Conquest, Athena and Falcon

During the reporting period RC drilling programme was completed on the Ewen Tenement. In total thirteen holes for 1,206 metres was completed. Results are indicated in the Table 15 below.

**Table 14: Ewen RC Drilling Summary, December Quarter 2010**

Prospect	No of Holes	Metres Drilled	Samples Taken
Conquest	2	390	26
Athena	6	456	44
Falcon	5	360	84
<b>Total</b>	<b>13</b>	<b>1,206</b>	<b>154</b>

**Table 15: Ewen RC Drilling Intercept Table December Quarter 2010**

Prospect	Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U <sub>3</sub> O <sub>8</sub> (ppm)
		mE	mN				From	To		
Athena	ATRC002	346201	7800122	270	-60	72	44	46	2	285
Athena	ATRC003	346220	7800139	270	-60	102	82	83	1	185
Athena	ATRC006	346054	7801372	260	-60	54	29	30	1	150
Conquest	CQRC025	348591	7783611	90	-60	84	40	41	1	200
Conquest	CQRC026	348679	7783519	270	-60	168	152	153	1	525
Conquest	CQRC028	348666	7783490	270	-60	210	153	158	5	638
							175	180	5	309
Falcon	FCRC001	348539	7799093	270	-60	60	18	21	3	323
							25	26	1	245
Falcon	FCRC002	348501	7798647	90	-60	54	11	12	1	205
Falcon	FCRC003	348505	7798626	90	-60	54	11	12	1	215
Falcon	FCRC004	348564	7799095	270	-60	120	82	83	1	295
						incl.	89	90	1	205
Falcon	FCRC005	348531	7799644	90	-60	72	17	18	1	715
							47	48	1	330

All intercepts are chemical XRF assays

### ISA WEST PROJECT

During the Quarter a scout drilling programme covered six prospects and was designed to test discreet surface radiometric anomalies that may have shoot development at depth. Nineteen holes for 1,678 metres were drilled and 358 samples submitted for chemical assay.

**Table 16: Prospect Drilling Summary**

Prospect Name	No. of Holes	Metres Drilled	No. Of Samples Taken
Mistletoe Flat	8	838	273
Eldorado South	3	180	21
Eldorado North	1	180	13
Horseshoe	4	300	31
The Granites	1	60	0
Flat Tyre South	2	120	20
<b>Total</b>	<b>19</b>	<b>1,678</b>	<b>358</b>





Chemical assay results received during the Quarter are given in Table 17.

**Table 17: Isa West December Quarter Scout Drilling Intercept Table**

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U3O8 (ppm)
	mE	mN				From	To		
MFRC001	337527	7707376	90	-60	108	26	31	5	467
						59	61	2	233
						69	70	1	330
						75	76	1	280
MFRC002	337526	7707436	90	-60	120	49	57	8	213
						88	89	1	220
						94	96	2	225
MFRC003	337524	7707399	90	-60	120	25	36	11	201
					inc	31	33	2	545
						46	51	5	177
MFRC004	337532	7707320	90	-60	90				NSA
MFRC005	337550	7707469	90	-60	120	44	45	1	220
						64	65	1	350
						82	83	1	240
MFRC006	337621	7707559	90	-60	120	9	18	9	273
					inc	9	13	4	427
MFRC007	337624	7707652	90	-60	52	30	31	1	275
MFRC008	337625	7707701	90	-60	108	43	45	2	380
						49	50	1	220
						71	72	1	300
ESRC001	337637	7709899	80	-60	60	40	41	1	1,650
ESRC002	337633	7707929	80	-60	60	41	42	1	190
ESRC003	337641	7709893	80	-60	60	44	45	1	665
ENRC015	337452	7710541	75	-60	180	123	124	1	280
HSRC001	333908	7715558	120	-60	90				NSA
HSRC002	334050	7715570	70	-60	90	27	29	2	
HSRC003	334087	7715451	60	-60	60				NSA
HSRC004	334144	7715415	80	-60	60				NSA
GCRC001	331465	7718845	156	-60	60				NSA
FLRC001	336255	7716355	90	-60	60	15	17	2	1,093
FLRC002	336243	7716289	90	-60	60	10	12	2	205

All intercepts are chemical XRF assays.

### JORC Resources

During December, Surtron Ltd were contracted to collect downhole survey data from holes drilled during 2010 on prospects where there is either an existing JORC resource or the potential for a resource to be created. Twenty six holes in three prospect areas, Isa West, Queens Gift and Slance were surveyed.

Coffey Mining will update the Mount Isa JORC Resource in the March Quarter.



## CORPORATE

The Board received a resignation from Mr Tony McDonald effective 31 December 2010. Mr McDonald advised that his other business activities meant he was unable to continue as a Non-Executive Director.

Subsequent to the end of the Quarter the Board also received a resignation from Mr Patrick Mutz for personal and family reasons.

The Board has thanked Tony and Patrick for their contributions and wishes them well in their respective future endeavours.

Subsequent to the end of the Quarter the Board was pleased to secure Mr Greg Cochran's agreement to join the executive team and the Board as Managing Director with effect from 24 January 2011.

The Board is pleased to welcome Greg to the Deep Yellow team and is looking forward to working with him on the development of our flagship Omahola Project as well as our other prospects in Namibia and Australia.

## FINANCIAL

DYL completed the Quarter in a strong cash position, including liquid assets, of \$20 million at 31 December 2010.

## UNLISTED OPTIONS

### Options Lapse

During the Quarter 2,437,500 employee options and 12,500,000 unlisted Director Options recently lapsed in accordance with the terms of the Deep Yellow Limited Directors, Employees and Other Permitted Persons Option Plan.

### Options Exercised

The Directors of DYL have resolved to issue 720,000 fully paid ordinary shares in the Company following receipt of valid option exercise notices from employees during the Quarter to acquire shares at 27.5 cents.

For further information regarding this announcement, contact:

**Greg Cochran**  
Managing Director

**DEEP YELLOW LIMITED**  
Phone: +61 8 9286 6999  
Email: [info@deepyellow.com.au](mailto: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](http://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 the Mineral Resource estimation for the INCA deposit is based on work completed by Mr Neil Inwood who is a full-time employee of Coffey Mining and a Member of the Australasian Institute of Mining and Metallurgy. Mr Inwood 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 the Mineral Resource estimation for the INCA deposit is based on information compiled by Mr Steve Le Brun, who is a full-time employee of Coffey Mining and a Member of The Australasian Institute of Mining and Metallurgy. Mr Le Brun 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 Le Brun 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 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 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 and to Mineral Resources or Ore Reserves for the Tubas, Tumas, Aussinanis, Tubas Red Sand and INCA deposits 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<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.*

**Deep Yellow Limited (DYL)** is an Australian-based predominantly uranium focused Company with extensive operations in the southern African nation of Namibia and in Australia. Listed on ASX and NSX.

DYL's principal exploration and development activity is in Namibia through its 100% owned subsidiary **Reptile Uranium Namibia (Pty) Ltd (RUN)** with a focus on the Omahola Project Pre-Feasibility Study with concurrent resource drill-outs on the high grade Ongolo Alaskite basement hosted primary mineralisation and on secondary uranium mineralisation in the Tumas-Tubas palaeochannel/fluvialite sheetwash systems.

**JORC Code resources in Namibia total 39,531 tonnes – 87.2 million pounds U<sub>3</sub>O<sub>8</sub>.**

In **Australia** the Company is focused on resource delineation of mid to high grade discoveries in the Mount Isa district - 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.

**DYL's drill programmes in Namibia and Australia are aimed at increasing its JORC Code Mineral Resource inventory which currently totals 44,442 tonnes – 98.0 million pounds of U<sub>3</sub>O<sub>8</sub>.**





Appendix 1: Omahola Conceptual Process Plant – Schematic View

