Deep Yellow Limited

ASX / MEDIA Announcement **ASX Code: DYL**

6 April 2011

SUCCESSFUL PILOT PLANT TESTWORK UPGRADES TUBAS RED SAND DEPOSIT

KEY POINTS

- **Pilot plant testwork provides certainty that Tubas Red Sand (TRS) uranium deposit can be readily and economically upgraded – adding considerable value to Deep Yellow's flagship Omahola Project in Namibia.**
- **Results support significant potential for TRS resource upgrade from similar, extensive (30 kilometres) mineralised system adjacent to TRS.**
- **Testwork outlines a simple and guaranteed, chemical free process with high recovery.**
- **Potential for wider application across other Deep Yellow deposits in the region.**

Advanced stage uranium explorer **Deep Yellow Limited (ASX: DYL)** is pleased to announce the completion of highly successful pilot plant testwork to upgrade the **Tubas Red Sand Deposit** (TRS), which is an important ore source for the Company's flagship Omahola Uranium Project in Namibia.

Managing Director, Greg Cochran said the testwork demonstrates that the TRS low grade deposit can be beneficiated, in an economical and chemical free process, to produce a low carbonate, uranium rich concentrate with the use of hydrocyclones; effectively upgrading the material to suitable feedstock for the proposed Omahola Metallurgical Plant.

"These outstanding testwork results mean that a full scale hydrocyclone plant designed and supplied by Schauenburg MAB GmbH, Germany (Schauenburg), together with a scrubbing and a de-watering circuit, can likely be used to cost-effectively upgrade the TRS deposit," he said.

"As indicated in our Omahola release (10 January 2011), the success of this test will allow us to add significant resources to the TRS deposit; as similar mineralised red sands occur adjacent to and may flank the mineralised Tubas-Tumas palaeochannel system over some 30 kilometres."

Advantages of the hydrocyclone method include:

- Recovery of over 80% of the uranium in less than 20% of the TRS deposit mass,
- Relatively simple, non-chemical processing with benign tailings disposal, and
- Major carbonate reduction giving lower acid consumption in the leach process.

"Whilst the immediate benefit is specifically relevant to the TRS deposit and our flagship Omahola Project, it is possible that with further testwork the technology may have wider application on DYL's others surficial calcrete deposits," Mr Cochran said.

"This would enhance the overall economics and attractiveness of deposits such as the Tubas-Tumas palaeochannel and Aussinanis which together contain a major portion of DYL's current JORC resource base in Namibia."

Level 1, 329 Hay Street, Subiaco, WA 6008 / PO Box 1770, Subiaco, WA 6904
Tel : 61 8 9286 6999 / Fax : 61 8 9286 6969 / ABN 97 006 391 948
Email: info@deepyellow.com.au / Website: www.deepyellow.com.au

Schauenburg has specialist expertise in the classification and dewatering of different types of materials in a wide range of industrial applications including coal processing. As a result of the success of this testwork the Schauenburg-supplied plant would have a process guarantee.

Summary of Actual Testwork Conclusions

Based on the results obtained from bulk sample separation testwork, we can be confident that a full scale commercial separation and dewatering plant designed and fabricated by Schauenburg will likely achieve a similar level of performance, given the same starting material and particle size distribution following the scrubbing process. Actual beneficiation performance of the pilot plant (pictures in Appendix 1) was:

- 12% mass pull (e.g. 100 tonnes feed produced 12 tonnes of product),
- a carbonate reduction of approximately 86%,
- 84% uranium recovery, and
- Uranium upgrade factor of 6.9 (e.g. 322 ppm in feed resulted in 2,218 ppm in product).

Ends

For further information regarding this announcement, contact:

Greg Cochran
Managing Director
Phone: +61 8 9286 6999
Email: info@deepyellow.com.au

Media
Annette Ellis / Tamatha Smith
Phone: +61 8 6314 6302
Email: aellis@purplecom.com.au
tsmith@purplecom.com.au

For further information on the Company and its projects
- visit the website at www.deepyellow.com.au

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 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.

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 flag ship 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/fluviatile 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.

Photographs from the Hydrocyclone Testwork

Schauenburg Pilot Plant in RUN's laboratory in Namibia

Cyclone under- and overflow being collected during operation