Deep Yellow Limited

ASX Announcement **ASX: DYL**

7 December 2015

Tumas Project Status Update: Bulk Sample Excavated for Metallurgical Testwork

KEY POINTS

- **Deep Yellow Limited's ("DYL") Namibian operating company Reptile Uranium Namibia Pty Limited ("RUN") has excavated a small bulk sample for metallurgical testwork.**
- **A sample of approximately 1.5 tonnes was taken from within the Tumas Zone 1 Resource infill drilling area – a programme that was completed almost one year ago.**
- **A 1 tonne sample of the material will be sent to Perth for metallurgical testwork to be conducted by Marenica Energy Ltd ("MEY"); the remainder will be retained for assay and back-up purposes.**
- **The testwork is the first phase of a planned more extensive program designed to assess the amenability of MEY's U-pgrade™ flowsheet to Tumas's calcrete ore.**
- **Previously, detailed mineral characterisation of a number of different samples from RUN's palaeochannels and its Tubas Sand deposit showed encouraging results for the potential application of MEY's technology.**
- **Permit applications have been lodged for the sample's export from Namibia and it is expected that it will be delivered to Perth early in 2016.**
- **The testwork is expected to take some three months although indicative results are anticipated during the program.**

Deep Yellow Limited ("DYL" or "the Company") is pleased to announce that its wholly-owned operating subsidiary, Reptile Uranium Namibia Pty Ltd ("RUN"), recently completed the excavation of a small bulk sample from its Tumas Zone 1 palaeochannel calcrete deposit for metallurgical testwork purposes. The location of the site (see Figure 1 and pictures in Appendix 1) was within the infill drilling area of the program completed in December last year. The results of that program were reported in an ASX release dated 16 July 2015 titled "Enhanced Palaeochannel Prospectivity".

If the testwork is successful the Company's ultimate objective is to develop an operation capable of cost effectively producing a high grade intermediate product for satellite supply to any one of the existing Namibian uranium mines. DYL believes that this strategy has a greater chance of succeeding compared to the Tubas Sand Project because of the higher grade and greater extent of the Tumas Palaeochannel system. If the metallurgical testwork results are similar to what has been achieved by MEY on other deposits, the resulting high grade product should be economical to transport and attractive to existing Namibian uranium producers.

The Tumas deposit has a current 2004 JORC Compliant Resource of 22.2Mt at 369 ppm U_3O_8 for 18 Mlbs U_3O_8 (see Appendix 2 for JORC Resource and Competent Persons' Statement). However, RUN's palaeochannels also have extensive upside potential as demonstrated by the Company's recent exploration success. (See DYL's most recent quarterly reports and its ASX release dated 16 July 2015 titled "Enhanced Palaeochannel Prospectivity" for more information.)

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Greg Cochran, Deep Yellow's Managing Director commented "Deep Yellow has consistently sought opportunities to become a producer via a fast track, relatively low capex development strategy and this is just one step closer to the realisation of that objective. If this testwork program is successful and our further exploration program proceeds according to expectations then the Company will be in a strong position to deliver that strategy."

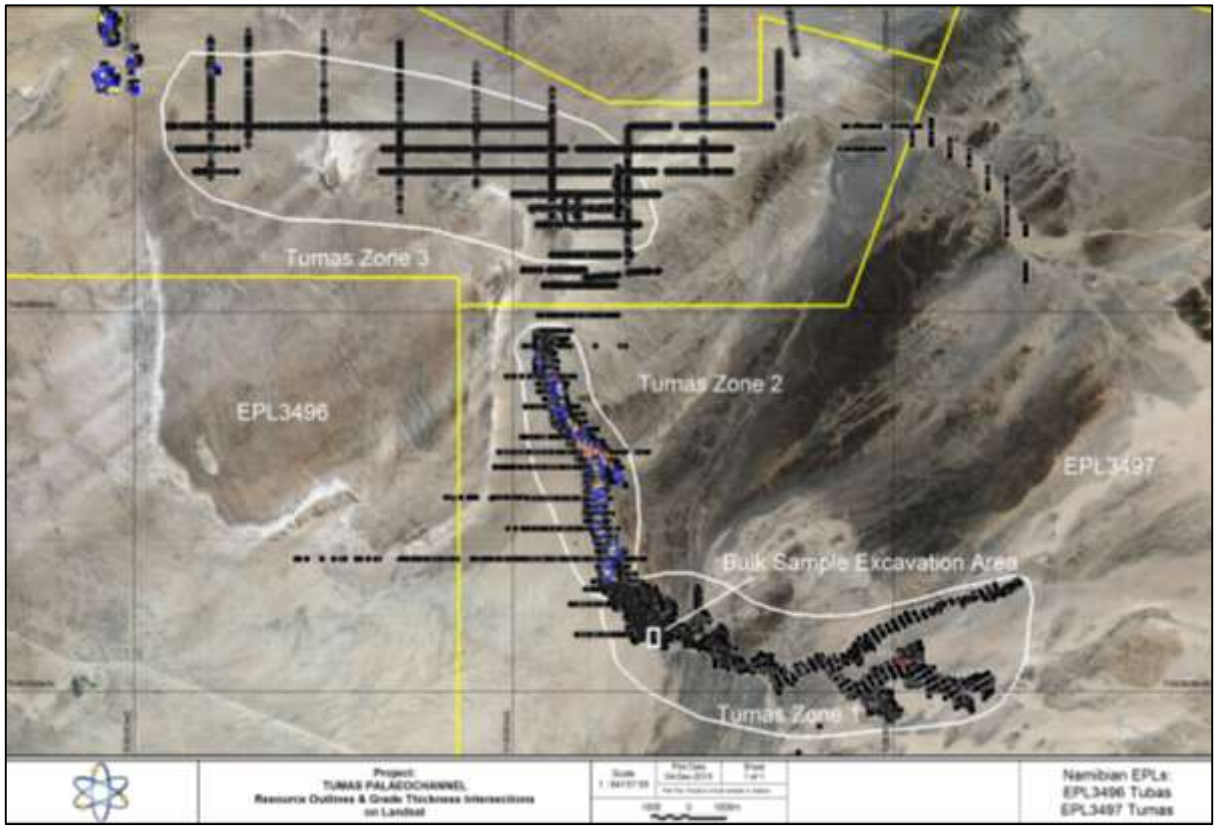

Figure 1: Map showing location of the area from which the bulk sample was excavated.

ENDS

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

About Deep Yellow Limited

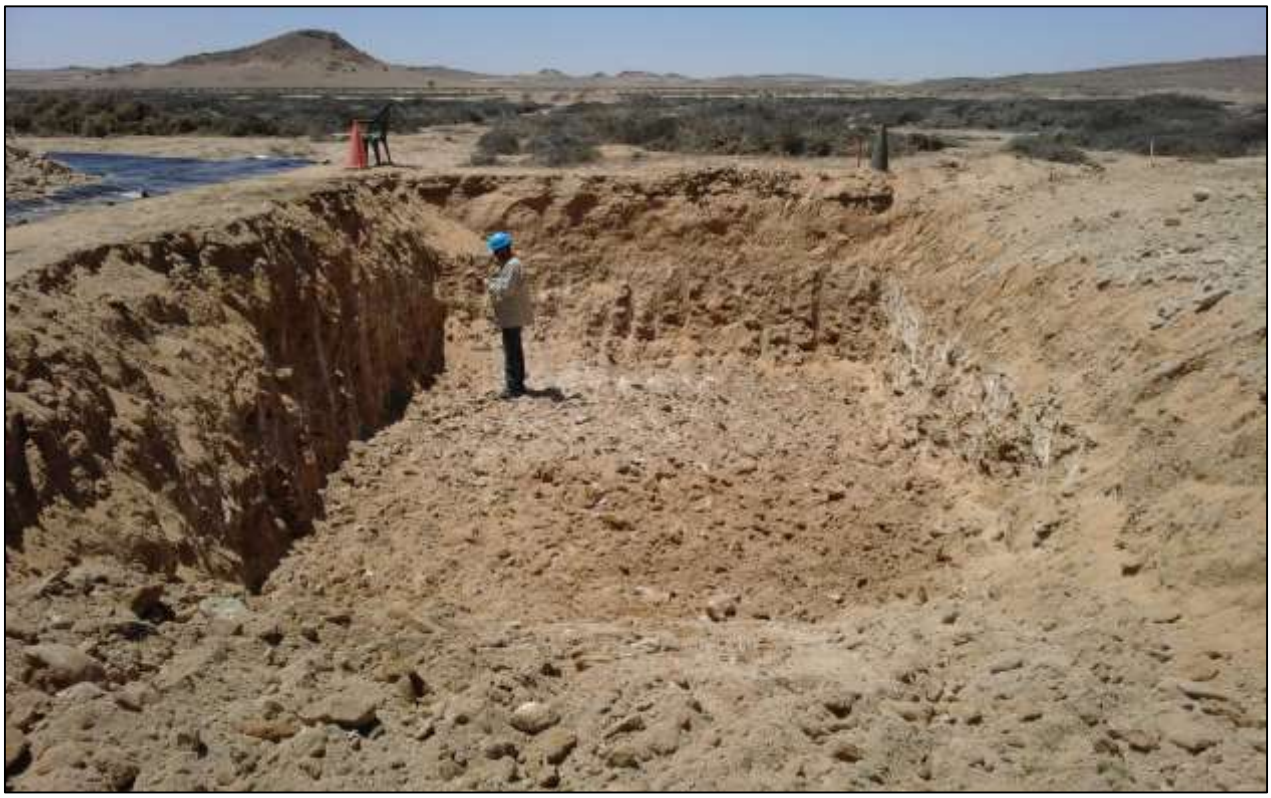
Deep Yellow Limited is an ASX-listed, Namibian-focussed advanced stage uranium exploration company. It also has a listing on the Namibian Stock Exchange.

Deep Yellow's operations in Namibia are conducted by its 100% owned subsidiary Reptile Uranium Namibia (Pty) Ltd. Its flagship is the higher grade alaskite Omahola Project on which studies are being conducted to supplement the recently completed preliminary economic analysis and the scoping phase of metallurgical testwork is being planned.

The Company is also evaluating fast track development options for its surficial calcrete deposits which are amenable to various physical beneficiation upgrading techniques that have been successfully tested over the last four years.

APPENDIX 1

Photographs from the Bulk Sample Excavation



APPENDIX 2

Tubas-Tumas Palaeochannel Resource – JORC 2004

Deposit	Category	Cut-off (ppm U_3O_8)	Tonnes (M)	eU_3O_8 (ppm)	eU_3O_8 (t)	eU_3O_8 (Mlb)
Tumas Deposit	Indicated	200	14.4	366	5,300	11.6
Tumas Deposit	Inferred	200	0.4	360	100	0.3
Tubas Calcrete Deposit	Inferred	100	7.4	374	2,800	6.1
Tubas-Tumas Palaeochannel Total			**22.2**	**369**	**8,200**	**18.0**

Notes: Figures have been rounded and totals may reflect small rounding errors.
eU3O8 - equivalent uranium grade as determined by downhole gamma logging.
Gamma probes were calibrated at Pelindaba, South Africa in 2007 and sensitivity checks were conducted by periodic re-logging of a test hole to confirm operation between 2008 and 2013. During drilling, probes were checked daily against a standard source. Auslog probes were re-calibrated at the calibration pit located at Langer Heinrich Minesite in 2014 and 2015.

Competent Person's Statements

Tubas-Tumas Resources

In this report where the Company refers to the release made to the ASX on 16 July 2015 titled "Enhanced Palaeochannel Prospectivity", it confirms that it is not aware of any new information or data that materially affects the information disclosed in that release and the form and context of the announcement has not materially changed.

The information in this report that relates to previous Exploration Results for the Tubas Calcrete and Tumas Mineral Resources is based on information compiled by Dr Katrin Kärner who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM CP(Geo)). Dr Katrin Kärner, who was the Exploration Manager for Reptile Uranium Namibia (Pty) Ltd during 2013, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Dr Katrin Kärner consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to the Tubas Calcrete Mineral Resource is based on information compiled by Mr Willem H. Kotzé Pr.Sci.Nat MSAIMM. Mr Kotzé is a Member and Professional Geoscientist Consultant of Geomine Consulting Namibia CC. 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 in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Mr Kotzé consents to the inclusion in this release 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 Tumas Mineral Resources is based on work completed by Mr Jonathon Abbott who is a full time employee of MPR Geological Consultants Pty Lt and a Member of the Australian Institute of Geoscientists. 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 a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition') 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 relating to Tubas-Tumas Mineral Resource Estimates was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Forward-Looking Statements

Certain statements made in this announcement, including, without limitation, those concerning the preliminary economic analysis of the Omahola Project and the resource potential of the Company's Palaeochannel system located in Namibia, contain or comprise certain forward-looking statements regarding DYL's exploration operations, economic performance and financial condition. Although DYL believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. DYL undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

The Company notes that an inferred resource has a lower level of confidence than an indicated or measured resource. The Company believes that based on the geological nature of its deposit and the work done over several years by its geological team and its Competent Person that there is a high degree of probability that the inferred resources will upgrade to indicated resources with further exploration work.