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ASX ANNOUNCEMENT **ASX CODE: DYL**

Namibia: Progress at INCA Deeps Project

21 May 2009

The first vertical RC pre-collar / HQ diamond tail drillhole within the main mineralised zone returns:

- **55 metre of 722 ppm eU_3O_8 from 186 metre**

As explained in the March Quarterly Report (ASX 30 April) that in order to fully evaluate the deep (~ 200 metre) mineralisation at INCA the drilling method would be changed to RC pre-collaring to the point of failure and/or retrieval of dry samples after which point the holes would be deepened by HQ diamond drilling through to the marble marker within the INCA syncline.

This pre-collar/diamond tail methodology is in place with the first hole (INCRD155) within the mineralised area now complete. Due to the fact that no rod (casing) factor has been determined for the upper part of the hole, only the eU_3O_8 value from the gamma logging of the diamond drilled section starting at 171 metre is included at this time.

The hole contains a substantial zone of high grade uranium mineralisation associated with massive magnetite and a wide tectonically disrupted zone of brecciated granite and magnetite over 55 metre as can be seen in Figures 1 and 2.

Drillhole	Location – WGS84 (mE)	(mN)	INCL	From (m)	To (m)	Width (m)	eU_3O_8 ppm
INCRD155	488650	7476900	Vert	186	241	55	722
Including				200	216	16	1,938

This hole is 50 metre west of (incomplete) RC hole INCD139 which returned a chemical assay over **20 metre of 1,734 ppm U_3O_8 from 206 metre** (Figure 3).

Drilling of four similar pre-collared holes (INCRD151, 171, 172 and 173) will be completed before deepening of other previously drilled incomplete holes will be undertaken by HQ diamond drilling (Figure 3).

Figure 1: Photograph showing highly mineralised massive magnetite from Hole INCRD155. The white material above the blackish magnetite is granite

Figure 2: Photograph showing the wide oxidised/broken zone below the reduced/fresh magnetite lodes.

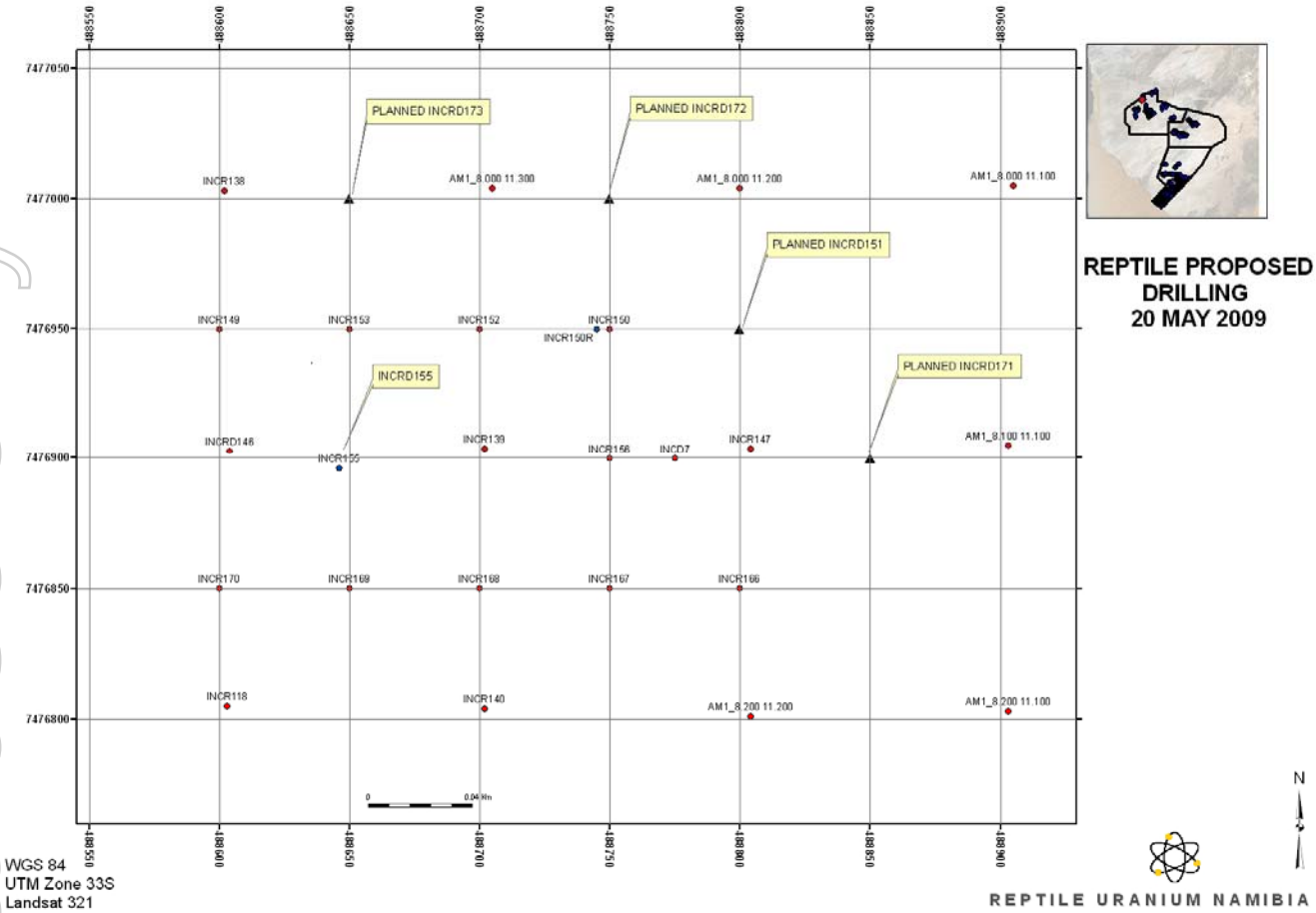

Figure 3: Drillhole Location Plan

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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. The probe has been calibrated at the Pelindaba Calibration facility in South Africa with calibration certification provided by Geotron Systems (Pty) Ltd a geophysical consultancy based in South Africa. All eU_3O_8 results reported are affected by issues pertaining to possible disequilibrium and uranium mobility which should be taken into account when interpreting those pending confirmatory chemical analyses.