Deep Yellow Limited

ASX Announcement **ASX Code: DYL**

17 November 2010

DEEP YELLOW INTERCEPTS HIGH-GRADE URANIUM MINERALISATION AT FIRST OF TEN NEW INCA-TYPE TARGETS IN NAMIBIA

- **High-grade uranium mineralisation intersected at a new INCA-Type (IT) magnetic target located 3 kilometres south of the INCA uranium deposit**
    - **Drillhole INCR388 at target area IT-3 returned an intercept of:**
        - **11 metres at 1,064 ppm eU_3O_8 from 84 metres**
- **IT-3 is the first of 10 newly interpreted INCA-Type targets within EPL 3496 to be drill tested**
- **The INCA deposit currently contains Indicated and Inferred mineral resources estimated at 15.0 million tonnes at 0.041% (405 ppm) U_3O_8 for 6,077 tonnes or 13.4 million pounds of contained U_3O_8 at a cut-off grade of 250 ppm U_3O_8 in accordance with the JORC Code in the Initial JORC Resources Area**
    - **Additional mineralisation has been identified to the north and east of the Initial JORC Resources Area at INCA requiring additional drilling for a resource estimate**

Deep Yellow Limited (ASX Code: **DYL**) is pleased to announce early success from reconnaissance drilling on new **INCA-Type** uranium mineralisation targets within the **Omahola Project** area in Namibia, held and operated by DYL's wholly-owned subsidiary **Reptile Uranium Namibia (Pty) Ltd (RUN)**.

Drillhole INCR388 is a 60º 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. INCR388 returned a gamma log intercept of **11 metres at 1,064 ppm eU3O8 from 84 metres** as presented in Table 1.

Table 1: Drillhole INCR388 – Gamma Log Assay Result

Drillhole	mE	mN	Azi	Dip	TD	From	To	Interval (m)	eU_3O_8 (ppm)	GTM
INCR388	487700	7474600	090	-60	199	84	95	11	1,064	12,608

Note: eU_3O_8 is gamma log assay; GTM is grade thickness metre and is calculated by multiplying the interval (m) x eU_3O_8 (ppm)

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

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 1) 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 km 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_3O_8 from 39 metres depth.** INCA South has yet to be drilled out in detail.

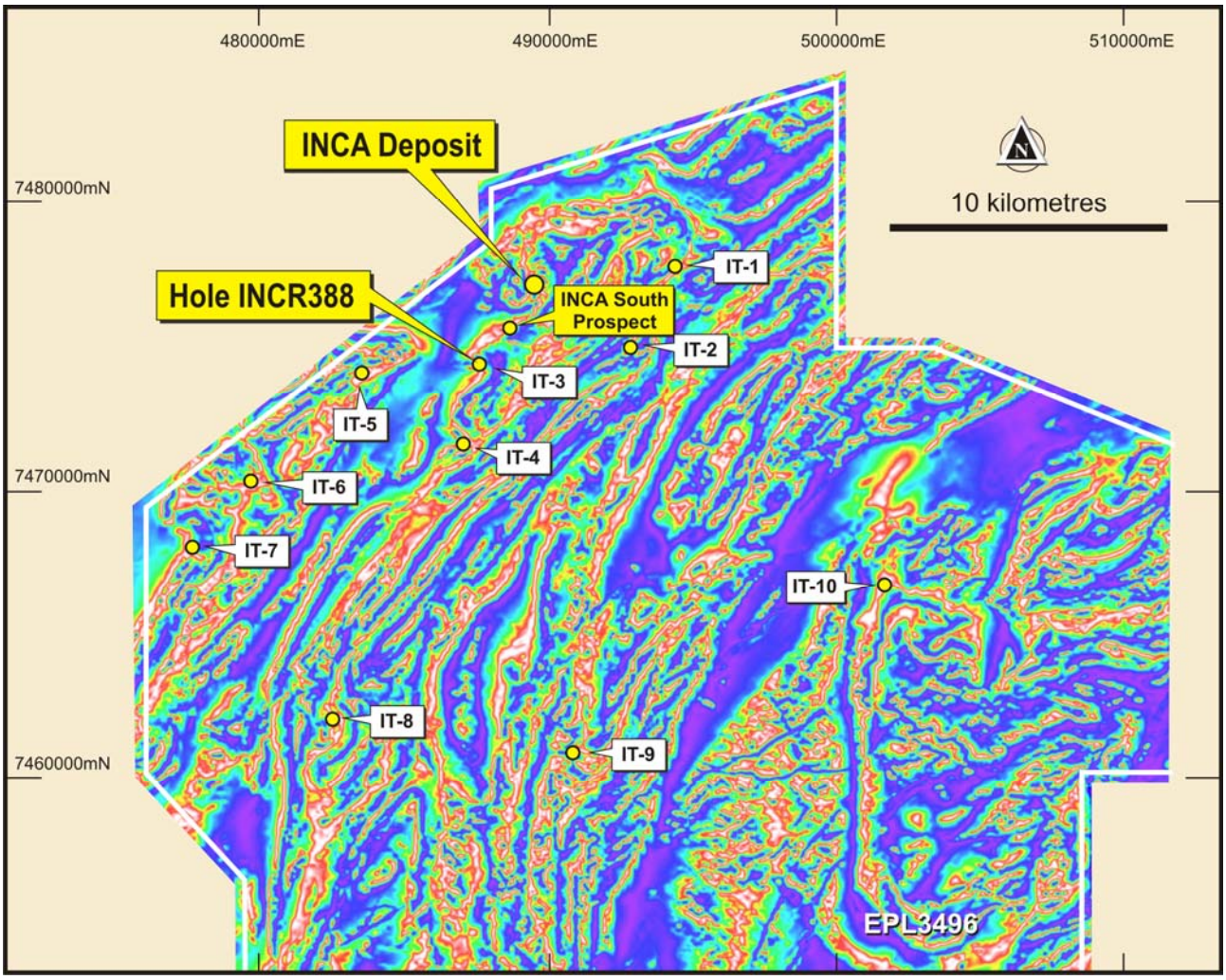

Figure 1: Regional TDR aeromagnetic image showing location of INCA-Type Targets within EPL 3496

Note: The background image to Figure 1 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.

Based on the early success at IT-3 and prior success at INCA South, one RC rig has been dedicated to systematically test the nine other IT targets with reconnaissance lines to determine the potential extent of INCA-Type uranium mineralisation within EPL 3496.

Figure 2 shows the location of the INCA uranium deposit and other Mineral Resource outlines and other project areas within EPL 3496 relative to RUN's total exploration portfolio.

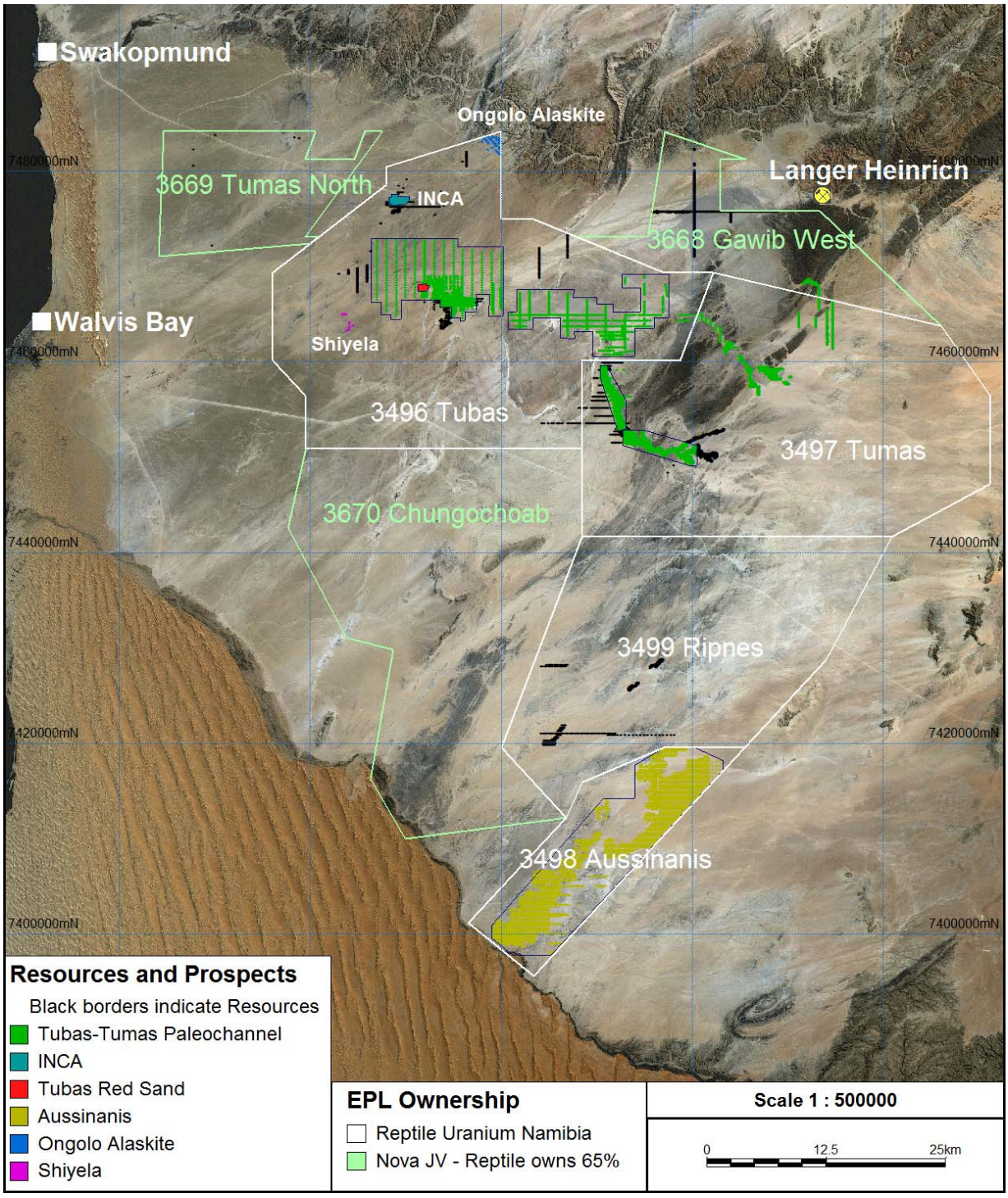

Figure 2: Resource Outlines and Project Location Plan

For further information regarding this announcement, contact:

Patrick Mutz
Managing Director

DEEP YELLOW LIMITED
Ph: +61 8 9286 6999
Email: 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.

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 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.

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.

Deep Yellow Limited is an Australian-based uranium focused exploration company with extensive advanced exploration projects in Namibia and in Australia.

In Namibia the Company's principal development focus is through its wholly-owned subsidiary Reptile Uranium Namibia P/L at the mid to high grade INCA primary uraniferous magnetite and secondary Red Sand projects and the extensive secondary calcrete deposits contained in the Tubas-Tumas palaeochannel and fluviatile sheetwash systems.

In Australia the Company is focused on resource delineation of mid to high grade discoveries in the Mt Isa district - Queensland, these include the Queens Gift, Conquest, Slance, Eldorado, Thanksgiving, Bambino and Turpentine Prospects.

A pipeline of other projects and discoveries in both countries are continually being examined and there is extensive exploration potential for new, additional uranium discoveries in both Namibia and Australia.