



4 May 2010

NAPPERBY PROJECT UPDATE

Deep Yellow Limited (ASX Code: **DYL**) has received notice from **Toro Energy Limited (Toro)** that it will not be exercising its purchase option on the **Napperby** uranium project in the Northern Territory and will allow the purchase option period to expire on the close of business today, 4 May 2010. As a result of this decision, the project will once again become fully available to DYL and DYL will initiate an evaluation programme aimed at determining the highest value option to the Company. The Company will also consider the option of packaging the project with other DYL exploration tenements in the Northern Territory.

While it is disappointing that Toro has reached the decision not to exercise its purchase option, DYL is confident that Toro's diligent efforts and investment across the past three years have added considerable technical knowledge to the project and provided important insights into the potential future value of the project.

One important example of Toro's contribution to the value of the project was the delineation work on the deposit that resulted in classifying, as Inferred resources under the JORC Code, a total of **9.34Mt @ 359ppm for 3,351 tonnes (7.39Mlbs) contained uranium oxide (U₃O₈) using a 200ppm cut-off grade**. This work was done on approximately half of the historic mineralised area and correlates well with the results of previous work carried out on this portion of the deposit. Additional drilling is required to complete the evaluation of the balance of the historic mineralised area to JORC Code standard.

For further information regarding this announcement, contact:

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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 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.



Deep Yellow Limited is an Australian-based pure uranium exploration company with extensive advanced operations 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 uraniumiferous magnetite and secondary Red Sand projects and the extensive secondary calcrete deposits contained in the Tumas-Oryx-Tubas palaeochannel and fluvial 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.