Deep Yellow Limited

ASX Announcement **ASX Code: DYL**

20 May 2010

DEEP YELLOW EXPANDS URANIUM FOOTPRINT AT INCA PROSPECT IN NAMIBIA

HIGHLIGHTS

- **Initial JORC Code resource estimate at INCA announced 22 April 2010**
  - **16 M tonnes at 400 ppm eU_3O_8 for 6,366 tonnes (14 Mlb) eU_3O_8**
  - **Resource area approximately 500 x 500 metres**
- **Ongoing drilling expands main area of uranium mineralisation to approximately 1,500 x 500 metres, plus additional areas scattered across 4 km^2**
- **Outstanding drill intercepts outside the current JORC Code resource area include:**
  - **11 m at 2,907 ppm eU_3O_8 from 39 m in Hole AM1 9200 11.100**
  - **13 m at 1,586 ppm eU_3O_8 from 44 m in Hole AM1 9200 11.072**
  - **24 m at 1,178 ppm eU_3O_8 from 40 m in Hole INCD15**
- **Expanded JORC Code resource anticipated in September Quarter**

Deep Yellow Limited (ASX Code: **DYL**) is pleased to announce extensions to the area of uranium mineralisation with ongoing drilling at its **INCA** deposit in Namibia. INCA is part of the **Omahola Project** controlled by DYL's wholly-owned subsidiary **Reptile Uranium Namibia Pty Ltd (RUN)**. See Figure 1 for tenement and project area location map.

On 22 April 2010, DYL announced the initial **Indicated and Inferred Mineral Resource estimate** in accordance with the **JORC Code** at INCA of **16 M tonnes at 400 ppm eU_3O_8 for 6,366 tonnes (14 Mlb) eU_3O_8** (as part the Omahola Project), across an area of approximately **500 x 500 metres**. Results from continued drilling have increased the main area of mineralisation to approximately **1,500 x 500** metres and has also identified several additional areas of mineralisation, outside of the main area of mineralisation, scattered across a total area shown in Figure 2, **of approximately 4 km^2**.

Ongoing drilling at INCA, following on from that used in the initial INCA resource estimate, includes reverse circulation (RC) holes and diamond core tails on select holes (Figure 3). The core samples will be used for additional metallurgical testwork.

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Drilling has progressed within and around the initial resource area. Results from new drilling within the resource grid area will serve to improve the confidence and potentially expand the initial JORC Code resource estimate, while results from drilling outside and around the initial resource area are expected to increase the overall resource. See Figure 4 for photo of drill rigs at INCA.

Deep Yellow's Managing Director Mr Patrick Mutz said "the very positive drilling results coming from INCA continue to reinforce Reptile's and Deep Yellow's confidence that the Omahola Project is shaping up to become a viable development project. I believe unique aspects of the INCA and Tubas Red Sand deposits make the Omahola Project a project to be watched as it progresses through Pre-Feasibility."

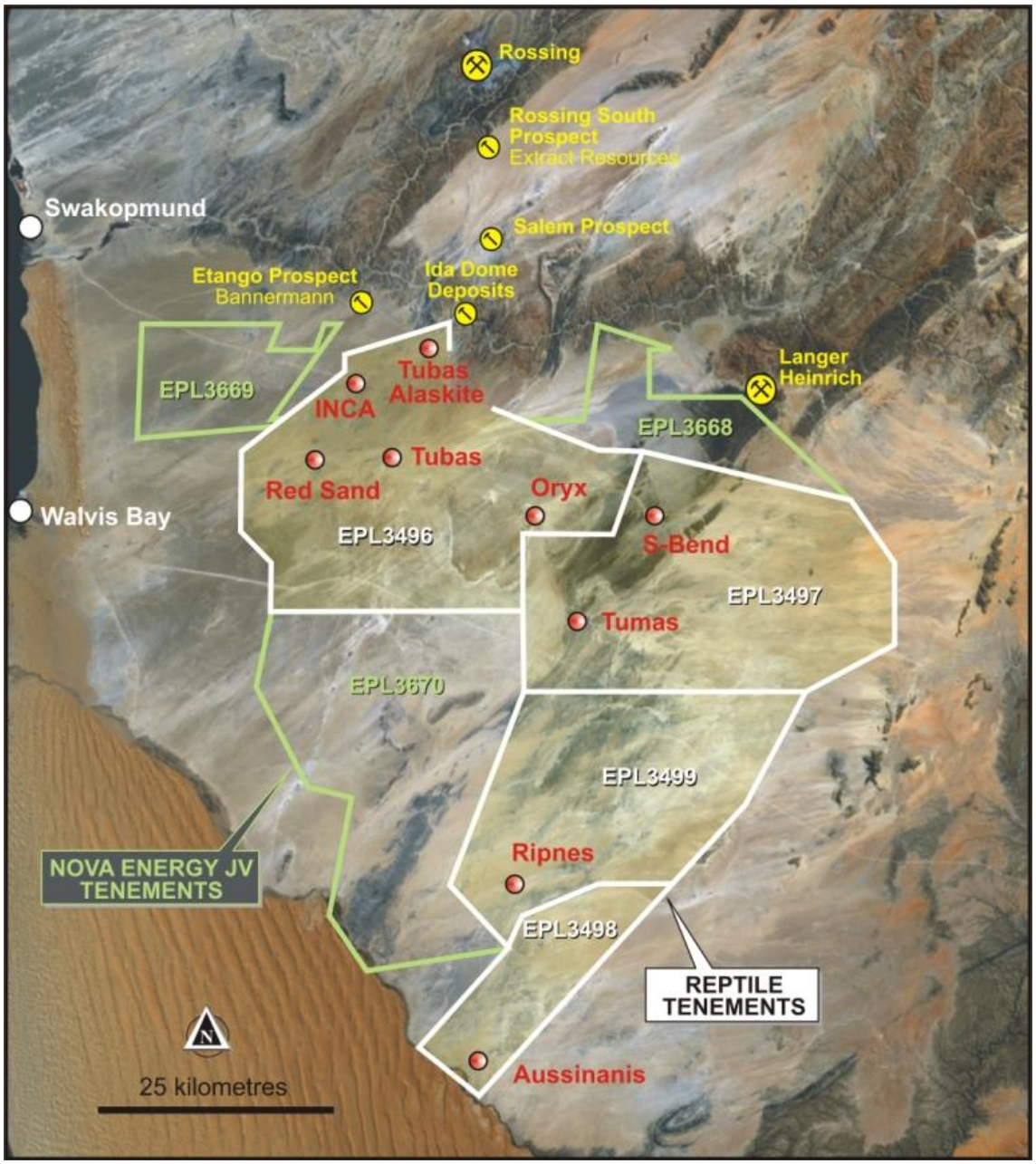

Figure 1: Tenement and Project Area Location Map

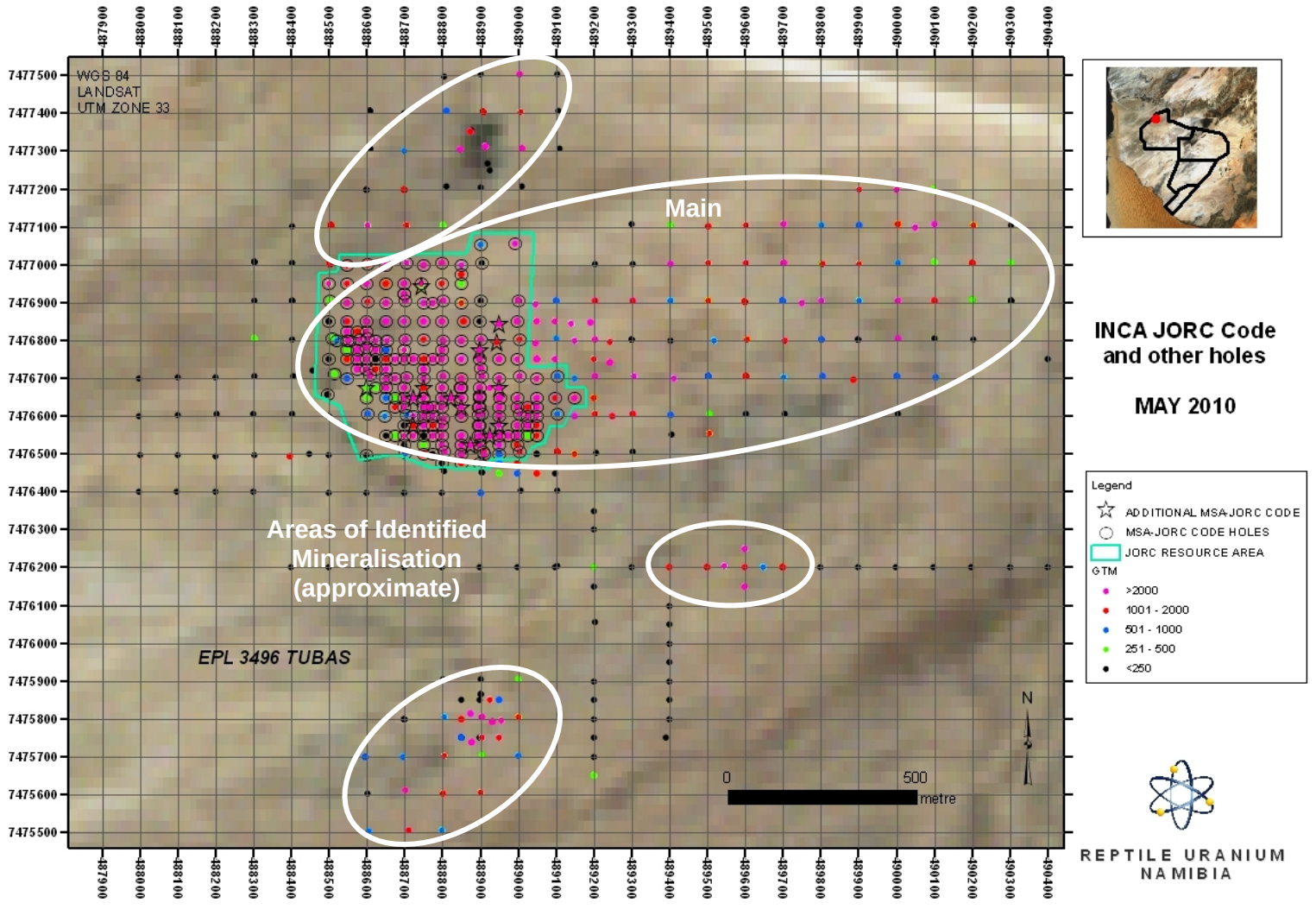

Figure 2: INCA drill hole map showing JORC Resource grid area relative to larger footprint of mineralisation

Mineralised intercepts from additional drilling **within the detail grid** of the JORC Code resource area are listed in Appendix 1 and include the following select higher grade results:

Hole ID	Down-hole Interval (m)	eU_3O_8 (ppm)	Depth to top of Interval (m)
INCD22	2	713	61
INCD24	12	493	65
INCD27	14	652	72
INCD28	3	1,148	51
INCGTD2	7	474	60
INCRD322	8	619	258

Mineralised intercepts from additional drilling **outside the detail grid area** of the initial JORC Code resource area are listed in Appendix 2 and include the following select higher grade results:

Hole ID	Down-hole Interval (m)	eU_3O_8 (ppm)	Depth to top of Interval (m)
AM1 9200 11.100	11	2,907	39
AM1 9200 11.072	13	1,586	44
INCD15	24	1,178	40
AM1 9400 11.300	15	594	36
INCR319	13	999	134
INCR307	2	724	160
and	3	1,276	220
and	6	1,020	239
INCR323	11	678	132
and	10	709	218
and	3	853	241
INCR321	2	1,009	227
and	16	753	245
INCR329	2	1,296	188
INCR330	4	1,203	254
INCR331	3	1,384	249
INCR333	3	1,680	244

The larger, 4 km^2 area (as shown in Figure 2) and beyond is now being investigated further by systematically deepening existing holes, to what is now a well established footwall marble marker unit, and infill drilling closer to the detail resource grid.

Data from the on-going drill programme will be incorporated into the next iteration of the Mineral Resource estimate in accordance with the JORC Code scheduled to be complete during the September Quarter.

In addition to ongoing drilling, a combination of airborne electromagnetic and gravity survey anomalies has provided both shallow and deep drill targets to the immediate north and south, which could lead to potential extensions of the known mineralised area.

Figure 3: Typical Core Samples at INCA

Figure 4: Drill Rigs at INCA

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.

Where eU_3O_8 and/or cU_3O_8 are 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 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 uraniferous magnetite and secondary Red Sand projects and the extensive secondary calcrete deposits contained in the Tumas-Oryx-Tubas 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.

APPENDIX 1:

ADDITIONAL DRILL INTERCEPTS WITHIN JORC CODE RESOURCE AREA

Hole	UTM (mE)	UTM (mN)	TD (m)	From (m)	To (m)	Interval (m)	cU_3O_8 ppm	eU_3O_8 ppm	GTM
COMPLETED RC HOLES									
INCR303	488900	7476775	235	98	117	19		360	6,846
and				170	173	3		475	1,424
and				193	197	4		474	1,895
and				209	212	3		363	1,088
and				218	225	7		354	2,477
METALLURGICAL DIAMOND CORE HOLES									
INCD22	488750	7476675	109	61	63	2		713	1,426
INCD23	488825	7476650	115	37	40	3		359	1,077
and				64	70	6		355	2,130
and				83	88	5		391	1,955
INCD24	488850	7476625	79	65	77	12		493	6,092
INCD25	488950	7476675	133	105	122	17		398	6,764
INCD26	488725	7476650	133	17	60	43		384	16,493
INCD27	488950	7476575	100	72	86	14		652	8,933
INCD28	488925	7476550	97	30	55	25		342	8,545
Incl				51	54	3		1,148	3,444
DIAMOND CORE TAILS TO RC HOLES									
INCGTD2	488925	7476675	177	60	67	7		474	3,319
INCGTD3	488700	7476800	177	167	173	6		356	2,135
INCRD305	488945	7476798	291	153	157	4		396	1,583
and				202	209	7		374	2,619
INCRD322	488950	7476846	259	188	194	6		396	2,374
and				242	247	5		353	1,766
and				258	266	8		619	4,952

APPENDIX 2:

DRILL INTERCEPTS OUTSIDE JORC CODE RESOURCE AREA

Hole	UTM (mE)	UTM (mN)	TD (m)	From (m)	To (m)	Interval (m)	cU_3O_8 ppm	eU_3O_8 ppm	GTM
COMPLETED RC HOLES									
INCR101	488958	7475797	151	75	79	4		351	1,403
INCR15				31	36	5		375	1,874
and				91	96	5		410	2,048
INCR26	489150	7476600	103	50	52	2		403	805
and				54	57	3		353	1,060
INCR267	488399	7476495	151	52	54	2		805	1,609
INCR279	490050	7477100	180	133	136	3		358	1,073
INCR307	489046	7476794	253	93	96	3		413	1,240
and				160	162	2		724	1,449
and				173	180	7		367	2,568
and				220	223	3		1,276	3,828
and				235	250	15		661	9,909
Incl				239	245	6	1,020		6,120
INCR310	488700	7477200	220	190	195	5		375	1,873
INCR319	489204	7476804	218	134	147	13		999	12,991
Incl				135	136	1	9,240		9,240
and				178	182	4		398	1,594
and				197	199	2		516	1,032
INCR320	489050	7476850	301	219	223	4		404	1,617
and				234	236	2		409	819
and				254	258	10		345	3,453
INCR321	489050	7476750	300	191	194	3		353	1,059
and				227	229	2		1,009	2,018
and				245	261	16		753	12,044
Incl				247	248	1	9,535		9,535
INCR323	489050	7476750	283	91	93	2		362	725
and				132	143	11		678	7,455
Incl				142	143	1	10,590		10,590
and				218	228	10		709	7,092
and				241	244	3		853	2,558
INCR324	489100	7476750	250	161	163	2		400	800
and				165	168	3		364	1,091
INCR326	489200	7476750	265	138	140	2		675	1,350
INCR327	489244	7476743	271	37	41	4		355	1,421
and				185	188	3		420	1,259
and				221	227	6		401	2,407

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Hole	UTM (mE)	UTM (mN)	TD (m)	From (m)	To (m)	Interval (m)	cU_3O_8 ppm	eU_3O_8 ppm	GTM
INCR328	489150	7476800	283	146	150	4		380	1,521
and				153	155	2		409	818
INCR329	489096	7476846	313	188	190	2		1,296	2,593
and				198	200	2		355	710
and				225	228	3		411	1,234
INCR330	489142	7476846	297	254	258	4		1,203	4,812
and				266	268	2		392	784
INCR331	489191	7476847	295	173	177	4		356	1,425
and				249	252	3		1,384	4,153
INCR333	489048	7476896	307	186	188	2		380	761
and				244	247	3		1,680	5,041
MAGR040	489700	7476200	217	57	59	2		385	770
MAGR041	489600	7476200	181	23	27	4		357	1,427
and				93	95	2		454	907
MAGR055	489600	7476150	162	106	110	4		351	1,404
and				121	125	4		402	1,607
MAGR056	489600	7476250	222	153	157	4		459	1,836
MAGR057	489545	7476203	192	112	116	4		361	1,446
DIAMOND DRILLING									
ADM_02	488913	7477312	140	56	58	2		377	754
and				61	63	2		408	817
and				75	81	6		341	2,044
INCD14	488905	7475806	91	44	46	2		352	705
and				48	50	2		394	788
INCD15	488878	7475738	92	40	64	24		1,178	28,261
Incl				41	44	3	6,827		20,481
Incl				56	57	1	9,744		9,744
INCOMPLETE RC HOLES (TO BE DEEPENED WITH CORE TAILS)									
AM1_7.500 11.000	489005	7477505	100	34	37	3		583	1,750
and				80	87	7		441	3,087
AM1_7.600 11.000	489008	7477405	100	23	25	2		464	928
and				48	50	2		380	760
AM1_7.700 11.000	489010	7477307	100	65	70	5		388	1,941
AM1_7.900 9.900	490102	7477107	100	50	52	2		385	770
AM1_8.000 10.100	489903	7477003	100	82	84	2		416	831
AM1_8.000 10.300	489703	7477006	191	143	146	3		355	1,065
and				155	159	4		479	1,915
and				183	188	5		374	1,872

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Hole	UTM (mE)	UTM (mN)	TD (m)	From (m)	To (m)	Interval (m)	cU_3O_8 ppm	eU_3O_8 ppm	GTM
AM1_8.000 10.400	489604	7477003	100	30	32	2		413	826
and				34	38	4		390	1,560
AM1_8.000 10.600	489405	7477002	100	56	58	2		392	784
and				71	77	6		353	2,120
AM1_8.001 10.199	489805	7477002	180	123	125	2		414	829
and				128	130	2		480	960
AM1_8.100 10.000	490004	7476906	100	83	87	4		442	1,767
AM1_8.100 10.200	489803	7476904	103	63	74	11		354	3,891
AM1_8.200 10.000	490004	7476807	106	93	96	3		385	1,156
AM1_8.200 10.300	489706	7476801	100	53	56	3		349	1,048
AM1_8.200 10.400	489605	7476803	103	93	95	2		469	938
AM1_8.300 10.400	489603	7476704	100	53	55	2		388	777
AM1_8.300 10.600	489414	7476701	103	67	75	8		482	3,856
AM1_8.300 10.700	489307	7476705	106	86	99	13		353	4,595
AM1_8.300 10.800	489203	7476707	100	81	90	9		396	3,564
AM1_8.308 10.118	489886	7476696	52	0	1	1		1,424	1,424
AM1_8.400 10.800	489204	7476606	103	59	62	3		518	1,554
AM1_8.500 10.900	489105	7476507	100	24	27	3		420	1,260
AM1_9.200 11.072	488933	7475793	103	44	57	13		1,586	20,620
Incl				46	47	1	7,706		7,706
AM1_9.200 11.100	488904	7475804	199	39	50	11		2,907	31,982
Incl				47	49	2	12,885		25,770
AM1_9.200 11.128	488876	7475814	103	88	90	2		360	719
AM1_9.300 11.200	488805	7475704	100	53	55	2		390	781
AM1_9.400 11.200	488804	7475604	106	19	22	3		385	1,156
AM1_9.400 11.300	488703	7475612	100	36	51	15		594	8,909
Incl				47	48	1	7,461		7,461
			100	34	37	3		583	1,750
				80	87	7		441	3,087