



30 July 2010

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING – 30 JUNE 2010

HIGHLIGHTS

NAMIBIA

Mineral Resource expanded at INCA uranium deposit

- Indicated Resources double to 10 million pounds U₃O₈ and grade increases to 414 ppm eU₃O₈
- Total resources increase by 17% to 16.4 million pounds U₃O₈ and grade increases by 9% to 436 ppm eU₃O₈
- Resource upgrade and expansion limited to the area containing the initial Mineral Resource estimate announced on 22 April 2010
 - Resource estimates for mineralised area extensions to the north, east and possibly south expected later in September Quarter
- Overall Omahola Project Mineral Resource estimate increases to 21.3 million pounds U₃O₈ and further underpins Pre-Feasibility Study being conducted by SNC-Lavalin

Mineral Resource estimate completed at Aussinanis

- 35 M tonnes at 237 ppm eU₃O₈ for 8,203 tonnes (18.1 Mlb) eU₃O₈ at 150 ppm U₃O₈ cut-off grade
- Indicated and Inferred resources are reported in accordance with the JORC Code
- Uranium mineralisation is present from surface to an average depth of 6 metres as carnotite hosted in sediments and calcrete. RUN is assessing a move to a Conceptual Study for the determination of preliminary project economics

High-Grade Alaskite hosted uranium mineralisation discovered at Tubas Alaskite prospect

- Discovery hole ALAR13 returned chemical assays of:
 - 89 metres at 400 ppm cU₃O₈ from 128 metres, including:
 - 11 metres at 710 ppm cU₃O₈ from 182 metres, and
 - 16 metres at 600 ppm cU₃O₈ from 199 metres
 - 102 metres continuous mineralisation to end of hole at 223 metres



Evaluation of magnetite core samples from Shiyela Iron Project yield high-quality magnetite concentrate

- Core samples from 2008 IOCG prospect hole with 340 metre magnetite mineralisation sampled and evaluated.
 - Testwork produced a magnetite concentrate at 69-70% Fe, 0.3-0.8% SiO₂ with no deleterious elements identified.
- Follow-on drilling in June-July 2010 expanded the width of mineralisation from 100 metre to 400 metre.
- Shiyela is located 30 kilometre from the deep water port of Walvis Bay.

AUSTRALIA

Positive Results from Start of 2010 Drill Programme at Mount Isa

- **Shallow RC drilling returns solid results from surface at Miranda:**
 - Hole MRRC020 - 22 metres at 647 ppm U₃O₈ from surface
 - Hole MRRC023 - 21 metres at 489 ppm U₃O₈ from 2 metres
- **Follow-up drilling returns high grade intercepts at three Isa West prospects:**

Eldorado North

- Hole ENRC013 - 25 metres at 479 ppm U₃O₈ from 139 metres

Never-Can-Tell

- Hole NCRC004 - 10 metres at 693 ppm U₃O₈ from 71 metres
- Hole NCRC006 - 8 metres at 836 ppm U₃O₈ from 78 metres

Citation

- Hole CIRC005 - 16 metres at 564 ppm U₃O₈ from 58 metres
- Hole CIRC007 - 16 metres at 652 ppm U₃O₈ from 54 metres

CORPORATE

DYL completed the Quarter in a strong cash position, including liquid assets, of \$29.5 million at 30 June 2010.



JORC Code Resource Summary

Table 1: Schedule of DYL's JORC Code Resources, as previously individually released to ASX

Mineral Resource Summary – JULY 2010						
Deposit	Category	Tonne (million)	U ₃ O ₈ (ppm)	U ₃ O ₈ (%)	U ₃ O ₈ (tonnes)	U ₃ O ₈ (Mlb)
REPTILE URANIUM NAMIBIA (RUN)						
Omahola Project						
INCA *♦	Inferred	6.2	469	0.047	4,516	6.4
INCA *♦	Indicated	10.9	414	0.041	2,913	10.0
Tubas Red Sand #♦	Inferred	10.7	158	0.016	1,685	3.7
Tubas Red Sand #♦	Measured/ Indicated	3.2	168	0.017	532	1.2
Other RUN Projects						
Tumas *	Inferred	1.0	360	0.036	360	0.8
Tumas *	Indicated	9.0	343	0.034	3,087	6.8
Tubas #	Inferred	77.3	228	0.023	17,620	38.8
Aussinanis x♦	Inferred	29.0	240	0.024	6,960	15.3
Aussinanis x♦	Indicated	5.6	222	0.022	1,243	2.7
RUN PROJECT TOTAL		152.9	255	0.026	38,916	85.7
NAPPERBY URANIUM PROJECT						
Napperby *	Inferred	9.3	359	0.036	3,351	7.4
NAPPERBY PROJECT TOTAL		9.3	359	0.036	3,351	7.4
MOUNT ISA URANIUM PROJECT						
Mount Isa ❖	Inferred	2.0	440	0.044	890	2.0
Mount Isa ❖	Indicated	1.6	400	0.040	650	1.4
MOUNT ISA PROJECT TOTAL		3.6	420	0.042	1,540	3.4
TOTAL INFERRED		139.3	251	0.025	34,932	74.4
TOTAL INDICATED		25.4	308	0.031	7,812	22.1
TOTAL RESOURCES		165.8	264	0.026	43,807	96.5

Figures have been rounded to reflect the accuracy of estimates and include rounding errors.

100 ppm cut-off × 150 ppm cut-off * 200 ppm cut-off ❖ 300 ppm cut-off ♦ eU₃O₈ ppm
Conversion 1 kg = 2.205 lb



Exploration - Namibia

OMAHOLA PROJECT

Deep Yellow Limited announced (ASX 28 July 2010) an **upgrade and expansion of the Mineral Resource estimate** at its **INCA** uranium 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. The Omahola Project is the subject of a Pre-Feasibility Study started in March 2010 and is scheduled to be completed in the December quarter 2010.

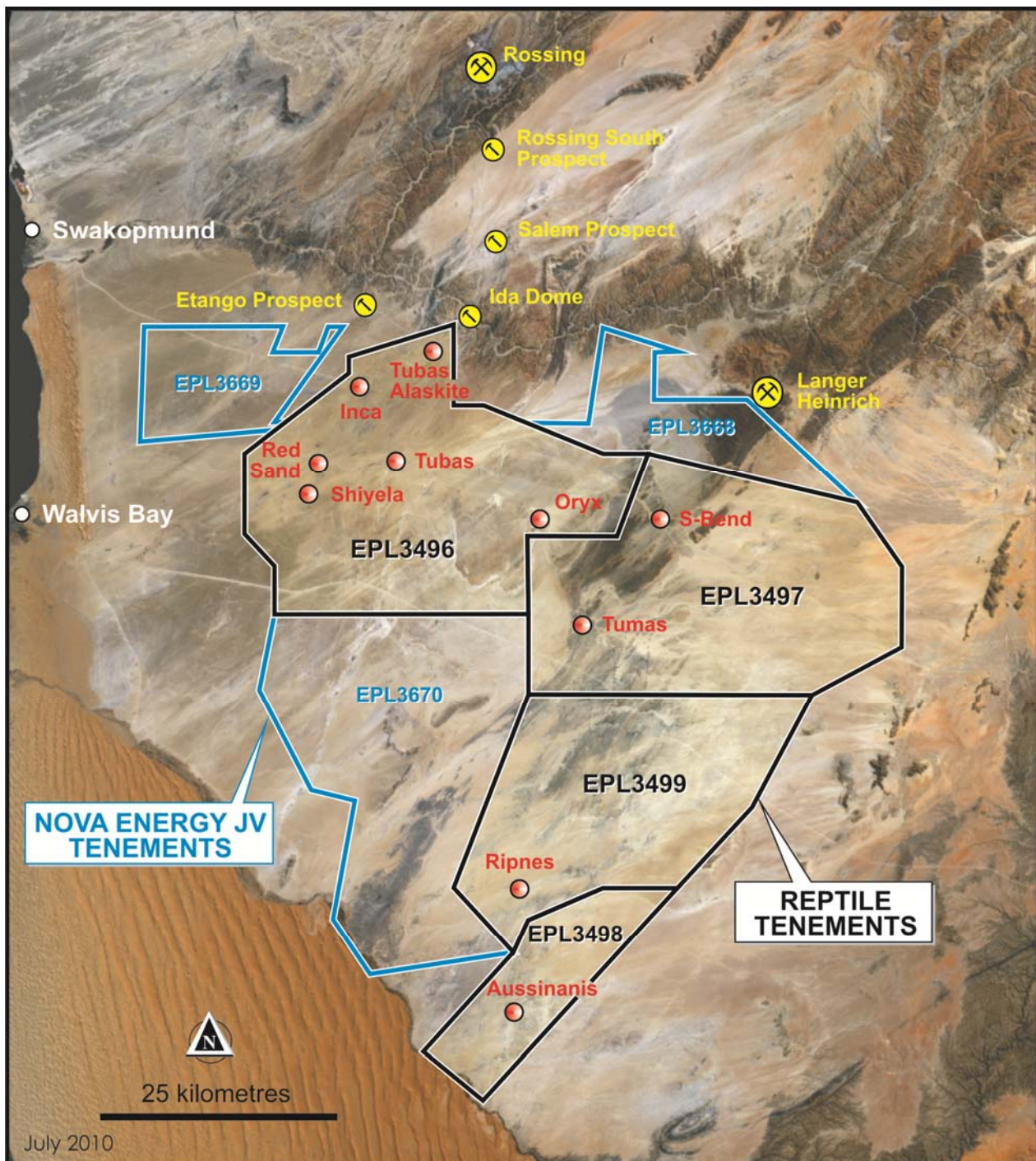


Figure 1: Reptile Tenements and Project Location Map in Namibia



INCA Project

On 22 April 2010, DYL announced the initial **Indicated and Inferred Mineral Resource estimate** in accordance with the **JORC Code** at INCA of **16 million tonnes at 400 ppm eU₃O₈ for 6,366 tonnes (14 Milb) eU₃O₈** (as part the Omahola Project). This initial resource estimate was derived from an area approximately **500 x 500 metres**. This area is now referred to as the 'INCA Main Resource Area' (Figure 2).

Since the time the initial resource drilling was completed, additional deep reverse circulation (RC) holes were drilled, diamond tails were completed on select holes, and downhole directional survey data was collected and processed. This new information was provided to The MSA Group of South Africa (MSA) to allow MSA to complete an updated Mineral Resource estimate within the INCA Main Resource Area. This updated Mineral Resource estimate has increased total resources at INCA by approximately 17% to **17.1 million tonnes at 436 ppm eU₃O₈ for 7,429 tonnes (16.4 Milbs) of U₃O₈ at 200 ppm cut-off** (Table 2).

In addition to increasing total resources, the updated Mineral Resource estimate also upgrades the classification of a large quantity of **Inferred Resources to Indicated Resources**. The initial Mineral Resource estimate (22 April 2010) contained **6.0 million tonnes at 392 ppm eU₃O₈ for 2,300 tonnes (5.0 Milbs) of U₃O₈ at 200 ppm cut-off** and the updated Mineral Resource estimate contains **10.9 million tonnes at 414 ppm eU₃O₈ for 4,516 tonnes (10.0 Milbs) of U₃O₈ at 200 ppm cut-off**, thereby doubling the quantity of U₃O₈ classified as Indicated Resources in accordance with the JORC Code.

As announced to the ASX 20 May 2010, results from continued drilling outside the INCA Main Resource Area have extended the main area of mineralisation from approximately **500 x 500 metres** to approximately **1,500 x 500 metres** and have identified further extensions of mineralisation to the north, east and south (Figure 2). Drilling, geological interpretation and structural interpretation continue, and a further update to the Mineral Resource estimate, to include the extended areas of continuous mineralisation, is expected by the end of the September quarter.

The Omahola Project consists of the INCA deposit and the Tubas Red Sand (TRS) deposit. The updated Mineral Resource estimate at INCA and the previously announced TRS Mineral Resource estimate (ASX - 22 April 2010) have served to increase the combined Mineral Resource estimate for the Omahola Project to **31 million tonnes at 311 ppm eU₃O₈ for 9,646 tonnes (21.3 Milbs) eU₃O₈** (Table 1).

Data from the on-going drill programme at INCA 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.

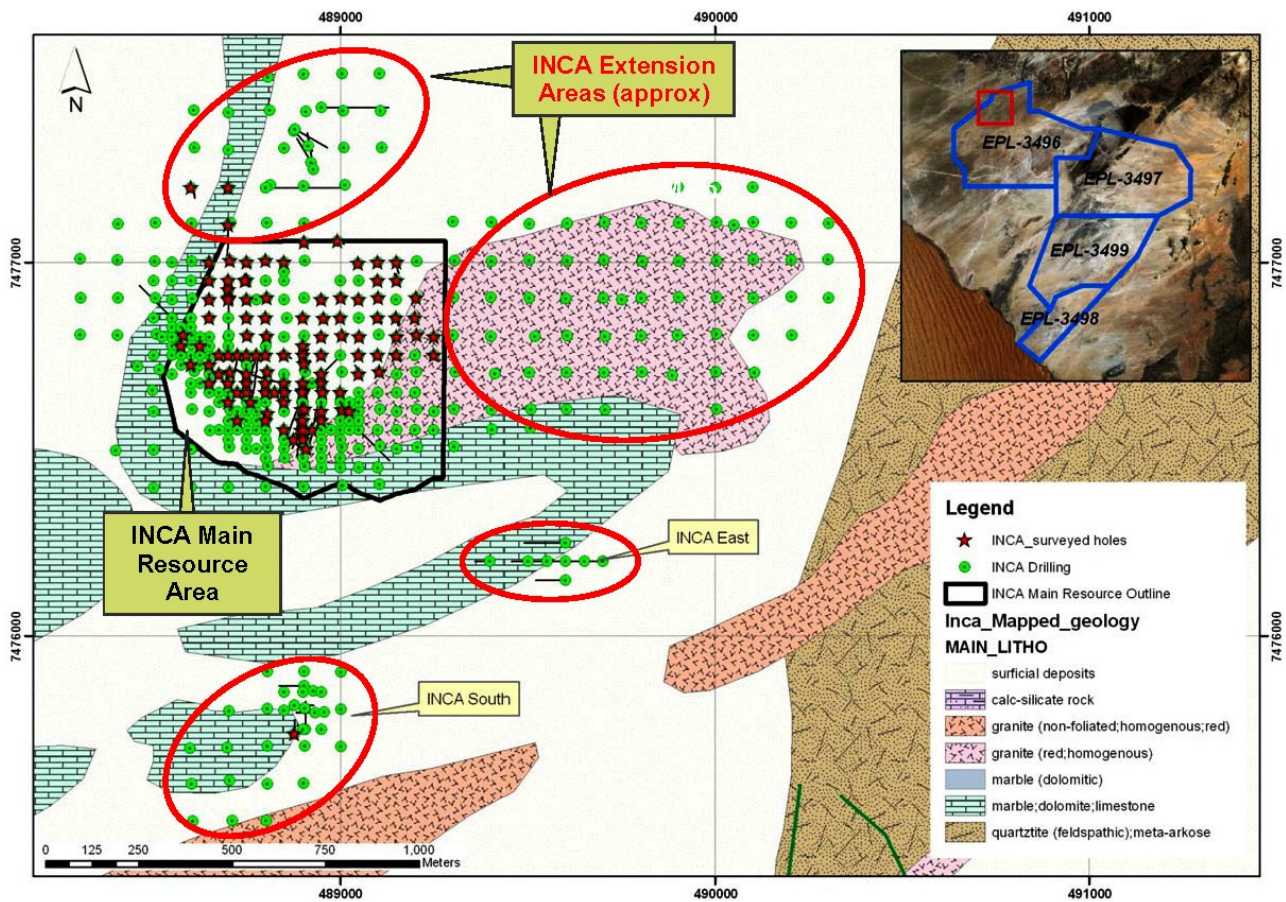


Figure 2: INCA drill hole map showing INCA Main Resource Area relative to mineralised area extensions

Table 2: Omaha Project – JORC Code Resource Estimates

Category	Cut-Off Grade	Tonnes (million)	Grade (eU3O8 ppm)	Mlbs (million)	Tonnes
INCA ESTIMATE – 28 JULY 2010 UPDATE					
Indicated	200	10.9	414	10.0	4,516
Inferred	200	6.2	469	6.4	2,913
INCA TOTAL *		17.1	436	16.4	7,429
TUBAS RED SAND (TRS) ESTIMATE **					
Measured/Indicated	100	3.2	168	1.2	532
Inferred	100	10.7	158	3.7	1,685
TRS TOTAL*		13.9	160	4.9	2,217
OMAHOLA TOTAL*		31.0	311	21.3	9,646

* Figures have been rounded

** Cut-off grade lower due to 'free digging' nature of sand from surface and positive beneficiation results



Omahola Project - Pre-Feasibility Study

Project Schedule

The Omahola Project Pre-feasibility study (PFS) remains on schedule and is expected to be complete in the December quarter.

Metallurgical Testwork

The preliminary results for uranium recovery, acid and oxidant consumption generated from the MINTEK metallurgical testwork, are being evaluated by SNC-Lavalin and RUN. Preliminarily, it appears leaching INCA samples using ferric acid as an alternative to the use of sulphuric acid and manganese dioxide, is advantageous.

Preliminary uranium recovery from the four different sample types at INCA (Calc Iron, Granitised Gneiss, Biotite Gneiss and Biotite Gneiss High Carbonate) has been determined for various grind sizes (75 micron to 850 micron) over a 24 hour period in standard sulphuric acid leaching tests. Average uranium recovery of all leach tests has been approximately 78% with the highest recovery at 94%. Alkaline leach as an alternate for the Biotite Gneiss High Carbonate material gave low recoveries at 54% and will be negated.

Confirmatory leach tests will be conducted on probable processing plant ore blends based on medium term mining projections. Results from these tests will be used to estimate process operating costs, with acid consumption and uranium recovery being key drivers of costs and project economics.

- **Conceptual Flowsheet**

Currently, the probable optimum grind size for INCA material will be in the order of 150 micron using a two-stage grinding circuit. This will be followed by a pyrite flotation process, with the pyrite concentrate being oxidized in an autoclave (pressure leach) and the flotation tails being directed to an atmospheric uranium leach circuit. Pyrite will be dissolved in the autoclave to produce ferric acid. This acid generated on site should significantly reduce the requirements for purchased sulphuric acid. Significant quantities of uranium will also be recovered in the flotation concentrate that will be leached in autoclave and will potentially result in higher overall uranium recovery, as almost 100% uranium extraction can be achieved in an autoclave process.

Leached INCA material appears to be amenable to dewatering by belt filtration, resulting in high uranium concentration in the Pregnant Liquor Solution. This will support direct solvent extraction that carries the advantage of low risk of vanadium contamination and anion interference in the process.

Conceptual flowsheet testing will be conducted in a future Definitive Feasibility Study (DFS) phase pending the PFS outcome.

Additional Work and Optimisation

- **Tubas Red Sand (TRS)**

MINTEK will be conducting beneficiation tests on the TRS material to determine optimum beneficiation parameters for the TRS material, to upgrade the material prior to leaching with INCA material. Preliminary tests by RUN indicate up to 90% of the uranium in TRS material can be physically recovered in ~22% of the mass of material using scrubbing and screening techniques. This higher grade (beneficiated) TRS material will then be used to conduct leach tests at various blending ratios with the INCA material.



Preliminarily, the average contribution of TRS material to the Omahola process is expected to be in the order of one part TRS beneficiated material to three parts INCA material.

- Potential Water Supply

The ground water in the Namib Naukluft Park is currently not in a proclaimed subterranean water control area and hence does not require an abstraction permit unless it is for the purpose to sell, give or otherwise dispose of such water to any other person for use on any other land, or convey such water for our own use beyond the found. A permit to dispose of waste water is however required for any water desalination plant as well as any uranium processing plant.

Eco Aqua has submitted a proposal for the monitoring and measurement of the ground water (that is required for the EIA and EMP), as well as the resource estimation and abstraction system plan for a potential desalination project. The water supply for a desalination plant would be drawn from the dewatering of the INCA mining area and the Tubas palaeochannel system.

- Electrical Power Supply

An application for the supply of 20 MW to the Omahola project will be lodged with the power utility NamPower. The estimated power demand for Omahola is high relative to the planned plant capacity. However this is due to the inclusion of a desalination and oxygen plant as well as provisions for potential expansions.

- Environmental Impact Assessment

The EIA study is ongoing and the schedule has been designed to deliver the final EIA report by the end of the December quarter 2010.

The primary objective of an EIA is to identify, quantify (where possible) and assess any potential positive and negative environmental impact that the proposed Omahola Uranium Mine process may have on the environment as a whole. To ensure the EIA achieves its objective, specialist studies will be undertaken to identify relevant risks and to quantify and assess such risks. The specialist studies are: Climate, Geology, Topography, Soils, Land-use capability, Hydrology, Air quality, Natural vegetation, Animal life, Archaeological and Cultural aspects, Sensitive landscapes and Visual aspects, Noise, Radiation, Social and Economic environment and Occupational Health and Safety.

The individual risks will then be ranked according to their probability of occurrence and potential impact and specific management actions assigned to such. These management actions will then form the basis of the Omahola Environmental Management Plan in order to ensure potentially negative impacts are mitigated, removed or accepted and potentially positive impacts are fully exploited.

AUSSINANIS PROJECT

Aussinanis is located approximately 100 kilometres south-southeast of Swakopmund, within RUN's EPL 3498 (Figure 1). Hellman and Schofield (H&S) provided RUN with a Mineral Resource estimate that includes Indicated and Inferred resources reported in accordance with the JORC Code for a total of **35 million tonnes at 237 ppm eU₃O₈ for 8,203 tonnes (18.1 Mlb) eU₃O₈ at cut-off grade of 150 ppm eU₃O₈**. Mineral resource estimates using a range of cut-off grades are presented in Table 1.



Results of the Mineral Resource estimate indicate that Aussinanis is a very large, low-grade uranium resource. However given its proximity to other uranium resources held by RUN in the area, DYL and RUN are assessing the merits of embarking on a Conceptual Study to determine preliminary project economics as a standalone project or in conjunction with other 100% owned uranium resources.

Uranium mineralisation at Aussinanis occurs as secondary carnotite enrichment of variably calcretised palaeochannel and sheetwash sediments and adjacent weathered bedrock within a northeast trending zone approximately 29 kilometres in length (Figure 3). The mineralisation commonly outcrops but is generally overlain by an average thickness 1.7 metres of poorly mineralised material. Mineralised domain thickness ranges from 1 to 19 metres and average approximately 4.4 metres.

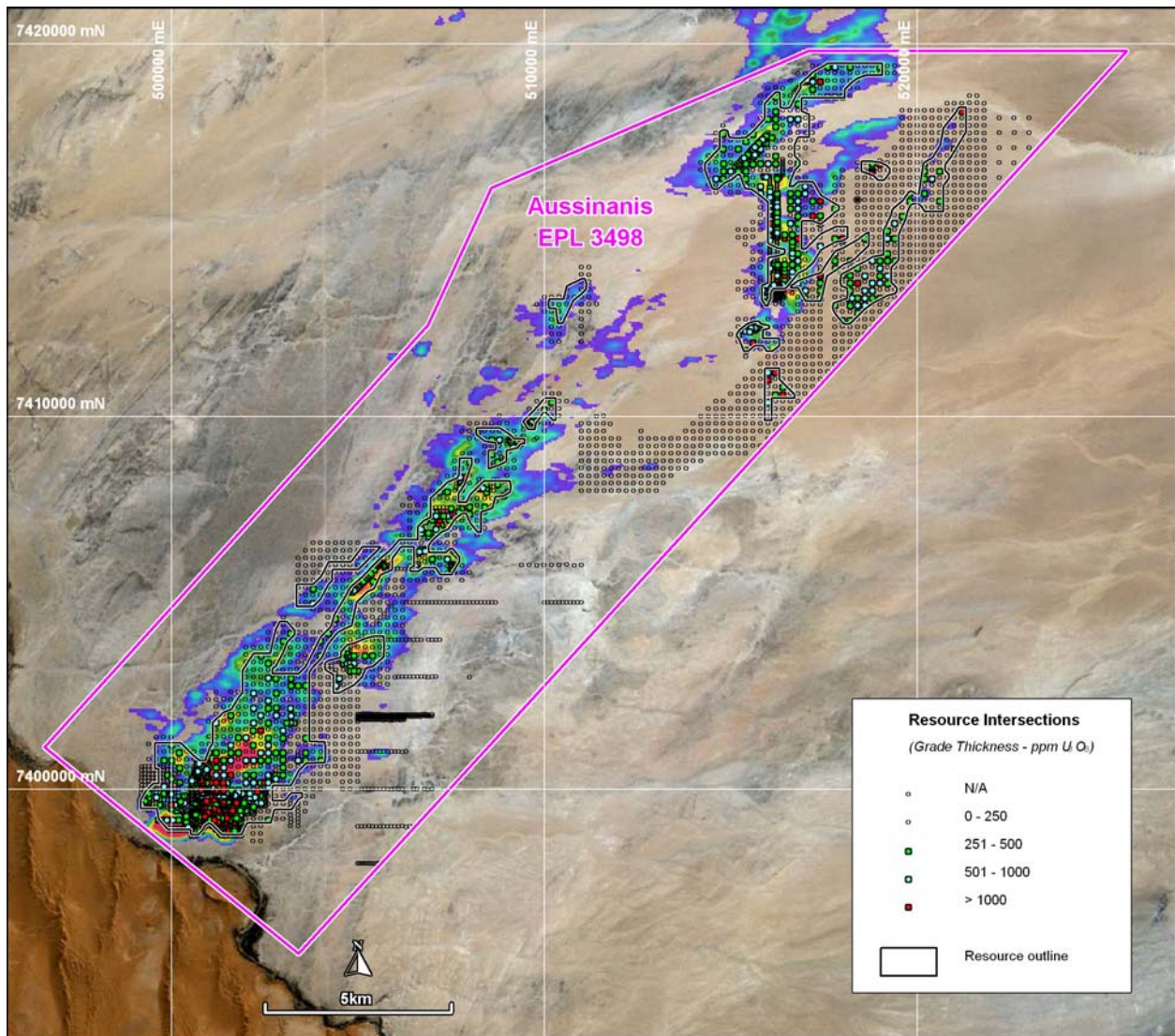


Figure 3: Aussinanis JORC Resource – Blocks Over U²/Th Radiometric Image

Mineral Resource estimates for Aussinanis are based on results from 3,922 reverse circulation holes drilled by RUN during 2008, and are primarily based on one metre downhole composited eU₃O₈ grades derived from downhole gamma logging with XRF results used only for a small proportion of mineralised intervals without gamma logging. H&S was not required to review the reliability of the sampling and assaying, or the validity of the gamma logging results as Deep Yellow accept responsibility for these aspects of the estimates.



The Aussinanis Mineral Resources were estimated by Multiple Indicator Kriging (MIK) with block support correction, and reflect open cut mining selectivity of 5 by 5 metres in plan view with one metre bench heights. Estimates for mineralisation tested by consistent 50 by 50 metre spaced drilling are classified as Indicated and all other estimates are classified as Inferred. The estimates assume a bulk density of 2.1 tonnes per cubic metre.

TUBAS ALASKITE PROJECT

The project area lies within 'Alaskite Alley' which hosts a number of uranium projects including Rio Tinto's Rossing Uranium Mine and Extract Resources' Rossing South and Ida Dome Projects as well as others (Figure 4).

As announced to the ASX (29 April 2010) RUN's 'hardrock' reconnaissance drill programme returned a high-grade alaskite intercept of 89 metres at 400 ppm U₃O₈ from 128 metres in RC hole ALAR13.

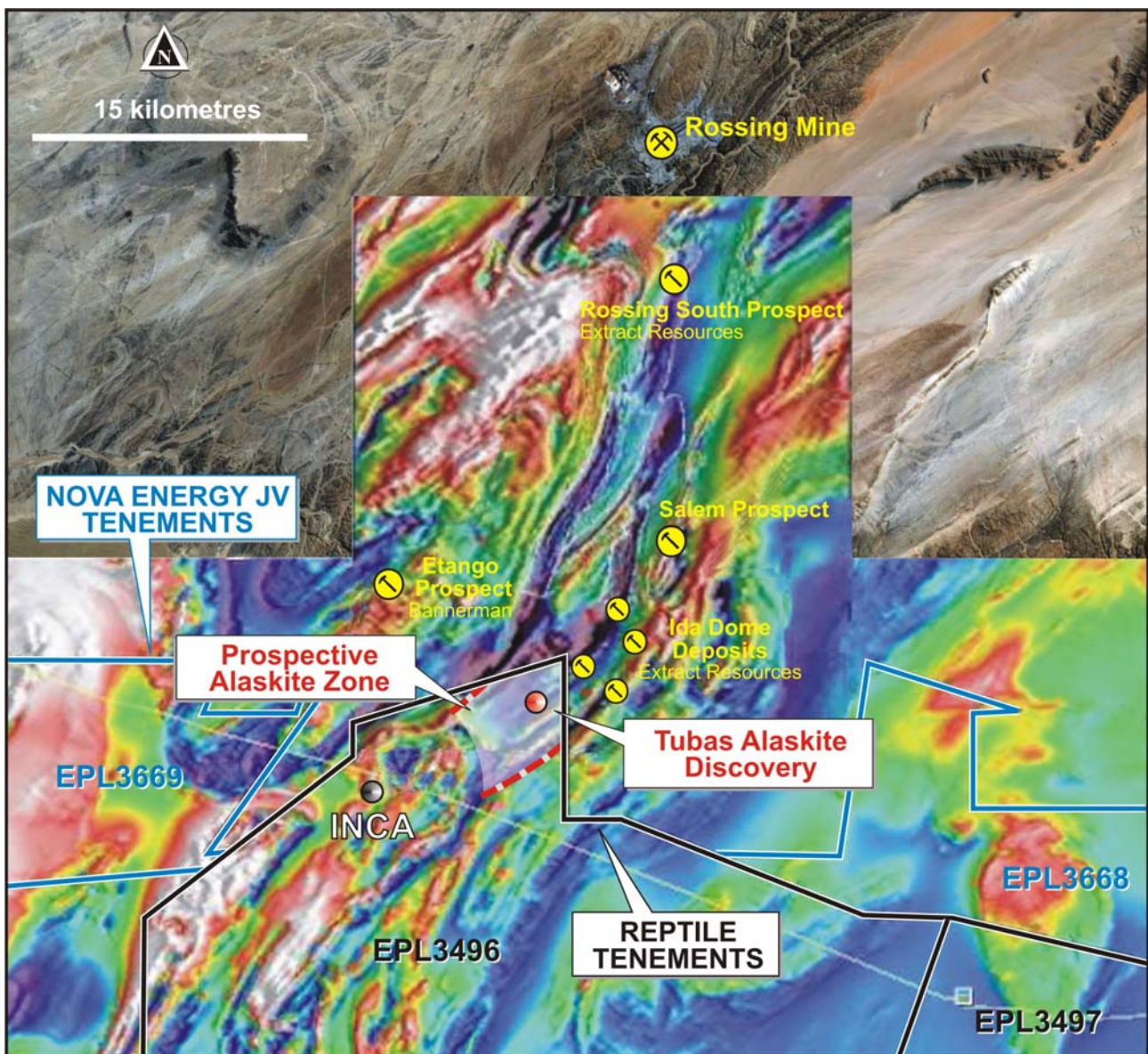


Figure 4: Regional aeromagnetic image showing location of Tubas Alaskite Project relative to known uranium deposits



ALAR13 is a reverse circulation (RC) drill hole on the second line of reconnaissance drilling within the north-eastern part of RUN's EPL 3496 (Figures 5 and 6). These reconnaissance lines are designed to test for extensions of alaskite hosted mineralisation trending southwest from Extract Resources' Ida Dome project area.

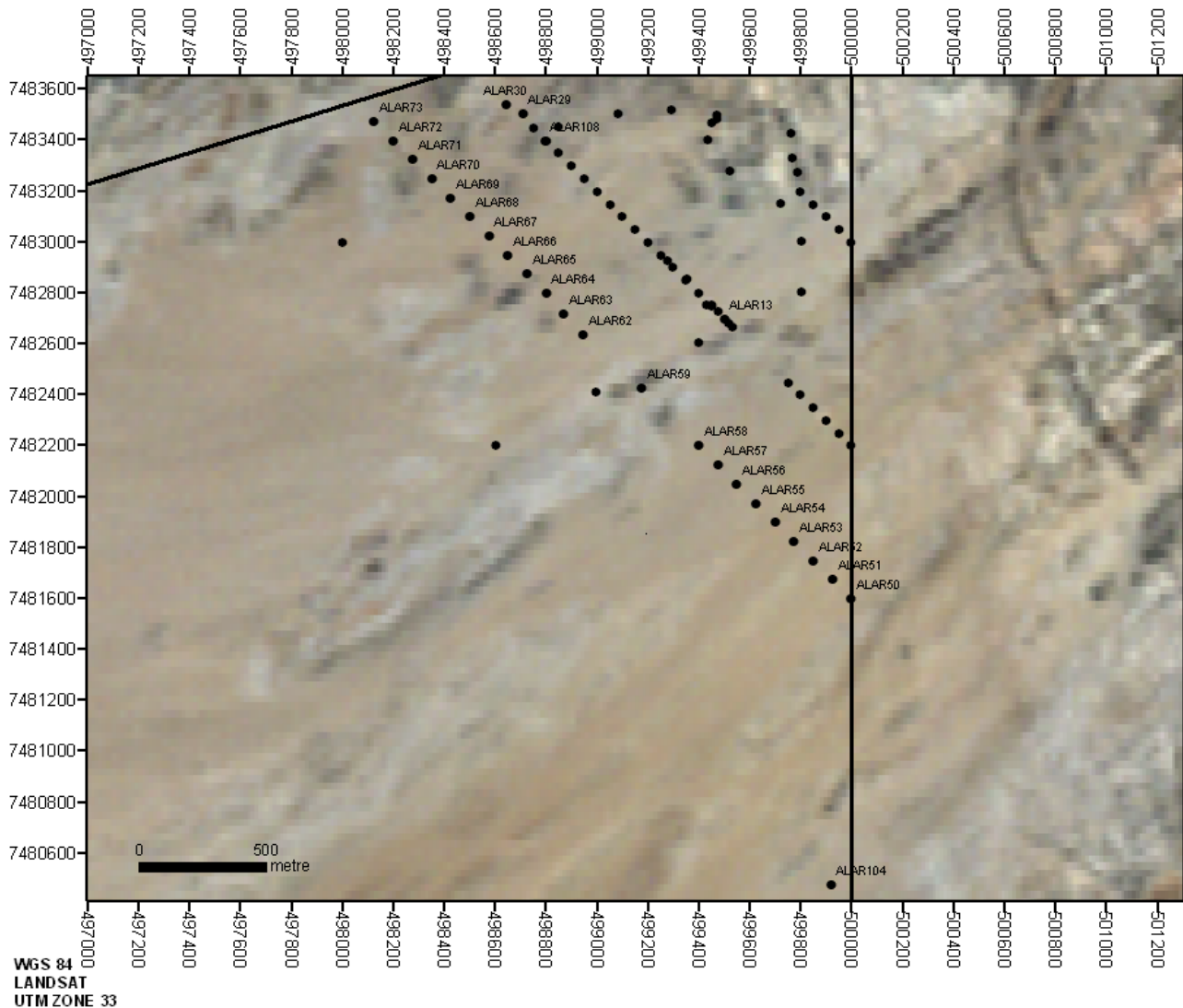


Figure 5: Hardrock Reconnaissance Drilling – Tubas Alaskite Area

Table 3: Discovery Hole ALAR13 – XRF Chemical Assays

Drillhole	mE	mN	Azi	Dip	TD	From	To	Interval (m)	cU ₃ O ₈ (ppm)	GTM
ALAR13	499490	7482690	315	-60	223	128	217	89	400	35,600
including						182	193	11	710	7,810
and						199	215	16	600	9,600

Note: TD is total depth of hole; cU₃O₈ is chemical assay U₃O₈; GTM is grade thickness metre and is calculated by multiplying the interval (m) x cU₃O₈ (ppm)



As with other exploration projects, it is usual DYL/RUN practice to first establish any possible disequilibrium issues before quoting equivalent uranium (i.e. down-hole gamma probe) values (as eU₃O₈). This ensures the in-field gamma probe results accurately reflect the more time consuming chemical assay values. As part of this exercise, representative RC chip samples have been sent to ANSTO in Sydney for disequilibrium studies. Results are expected in 2-4 weeks.



Figure 6: RC Drilling at Tubas Alaskite Project

RUN also submitted all samples from hole ALAR13 to Scientific Services (SS) laboratory in Cape Town South Africa to cross-check RUN's laboratory results and also for thorium analyses which cannot be provided by RUN's laboratory. Results from SS confirm the following two points:

1. RUN's average U₃O₈ over the total 102 metre mineralised section was 354 ppm versus the 370 ppm by SS, and
2. Average thorium (ThO₂) is 47 ppm with a high value of 125 ppm which negates thorium as a major source of radioactivity during down-hole logging.

The graph below (Figure 7) indicates 99.6% correlation between the SS laboratory's results versus RUN's for the 102 samples from ALAR13, and demonstrates the integrity of RUN's XRF analytical results.

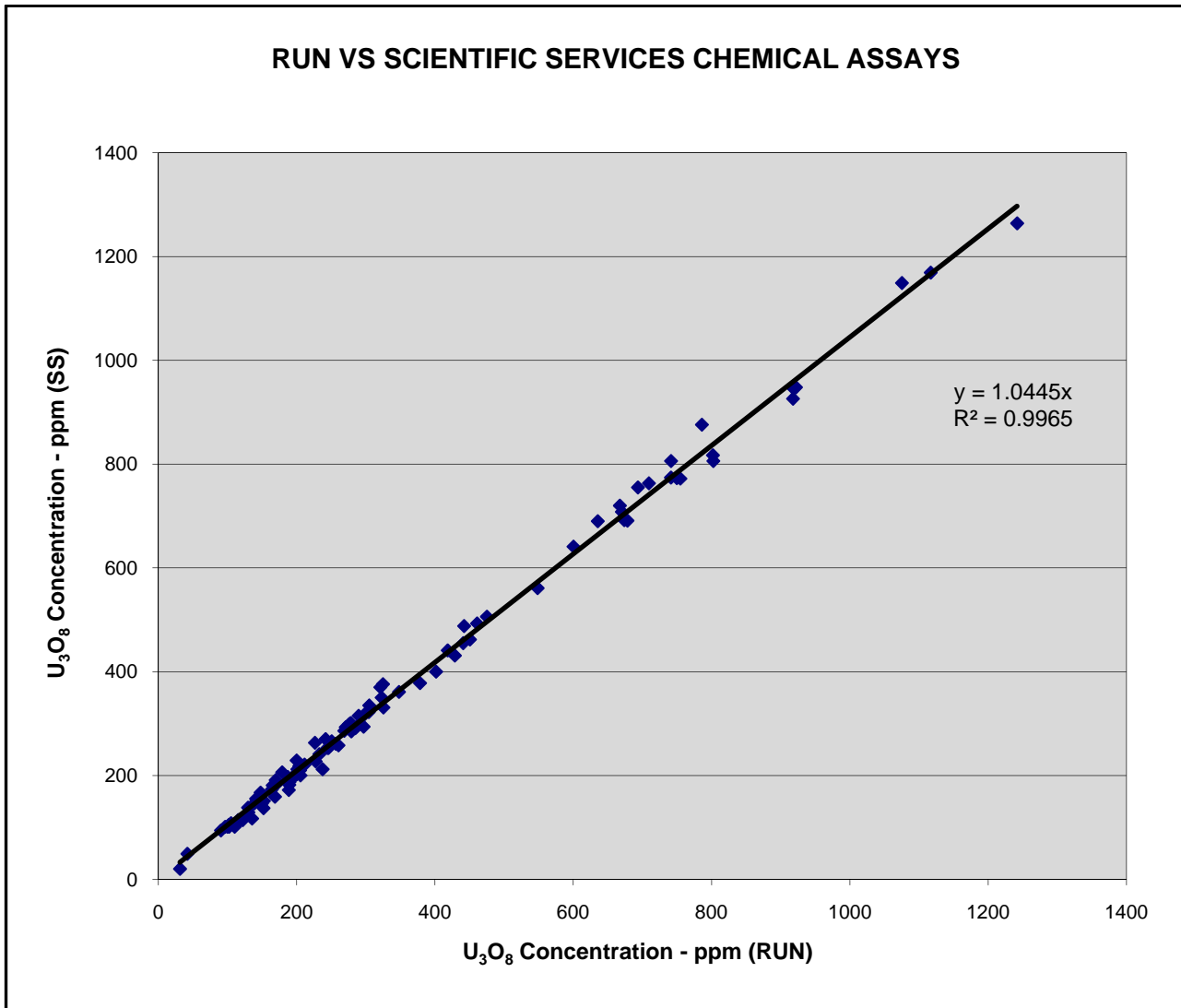


Figure 7: Inter-laboratory Assay QA/QC Checks

Reconnaissance drilling will continue in the Tubas Alaskite project area to determine the potential and extent of the newly discovered mineralised zone prior to detail grid drilling.

SHIYELA IRON PROJECT

As announced previously (ASX 16 June 2010) diamond drill core from 2008 iron-oxide-copper-gold hole target returned 340 metres of magnetite mineralisation. Subsequent core sample testing returned high-grade magnetite concentrate with very low silica and no deleterious elements. The uranium content of the magnetite is less than 10 ppm U₃O₈.

Mineralised area is located approximately 30 kilometre from the deep-sea port of Walvis Bay.

Follow-up RC drilling to determine true width of the mineralised zone is in progress with initial results showing:

- a significant increase in the width of mineralised zone from 100 metres based on sub-outcrop to at least 400 metres under minimal sand cover



- confirm the significance of magnetite mineralisation as indicated by initial M62 diamond drill hole in 2008 with 340 metres mineralisation
- indicate mineralisation becoming more continuous as semi-massive to massive magnetite to the west with mineralisation open at depth and along strike in both directions
- provide substantial impetus to continue with project evaluation
- an interpretation of airborne magnetic survey data suggests continuity along strike of the magnetic unit and potential for satellite area mineralisation

RUN contracted Promet Engineers (Perth) as a specialist advisor to determine the properties and quality of concentrate that could potentially be produced from the magnetite mineralisation and collected five composite samples of diamond core at 5 metre intervals from the start of the hole to 25 metre depth to represent the distribution of lithologies and mineralisation and dispatched the samples to Australian Laboratory Services (ALS) in Perth for Davis Tube Recovery (DTR testing and XRF chemical assay).

DTR test results indicated that:

1. The DTR product is of high quality containing around 70% iron (Fe)
2. Silica content (SiO₂) very low at significantly below 1%
3. Alkali metals are low and within accepted levels
4. No other deleterious elements of concern present in the 22 element assay suite
5. LOI (loss of weight on ignition) between 1% and 2.4% is slightly low and should be closer to 3%; could be related to weathering/oxidation
6. Weight recovery approximately 16%; should preferably be 20-25%

As follow-up to the positive test results, RUN commenced drilling an E-W line of RC holes angled to the East, through the plane of the diamond hole to determine width across the strike of the magnetic anomaly and follow-up with HQ diamond drilling in order to provide material for further testwork on dry and wet magnetic separation samples at various grind sizes. Separately crushing tests and indices will be determined on whole core. This work will be completed by AMMTEC International in Perth.

Initial results from the first 11 drill holes have expanded the width of magnetite mineralisation from approximately 100 metres based on mapping of sub-outcropping magnetite, to approximately 400 metres under minimal sand cover, with additional drilling underway to determine the full width of mineralisation. (ASX 20 July 2010)

An HQ diamond drill hole (SHID2) has commenced between holes SHIR2 and SHIR3 and another is planned between SHIR8 and SHIR9, to allow for more detailed geological interpretation from core samples and to provide samples for additional metallurgical testwork.

Figure 8 is an aeromagnetic map showing total magnetic intensity (TMI), with red representing the highest intensity of magnetism (such as from magnetite) and blue the lowest intensity (such as from barren metasediments). Figure 9 shows a detail of interpretation of the aeromagnetic data highlighting potential satellite deposits as 'red highs'.

A north-south line of RC drilling has also been planned to evaluate Anomaly M63 (Figure 9).

The aeromagnetic data suggests good strike potential as indicated in Figures 8 and 9 and the possibility for finding other satellite areas enriched in magnetite.

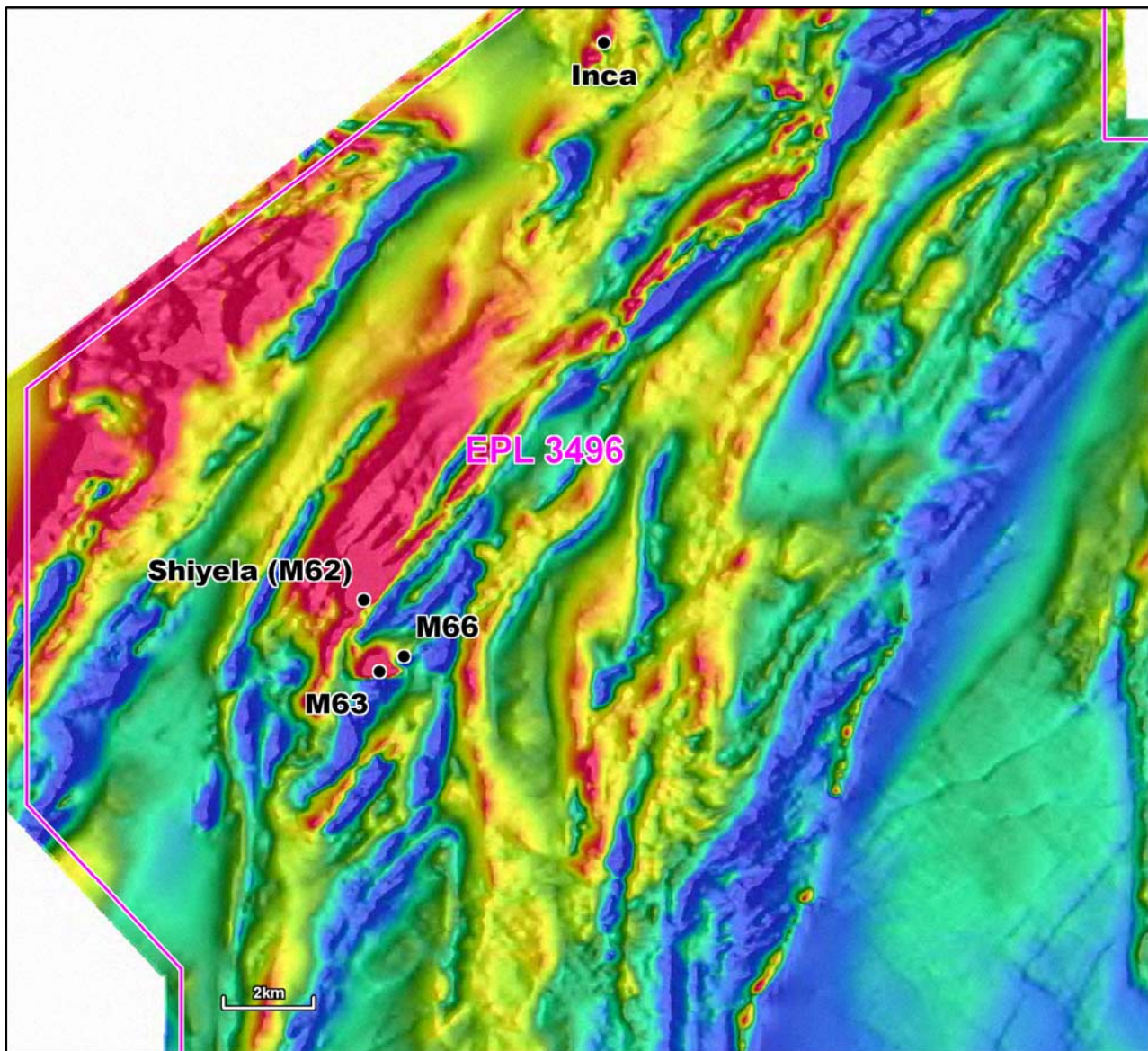


Figure 8: Total Magnetic Intensity (TMI) from RUN aeromagnetic survey – showing regional extent of interpreted 'high magnetic terrain (red) within EPL 3496

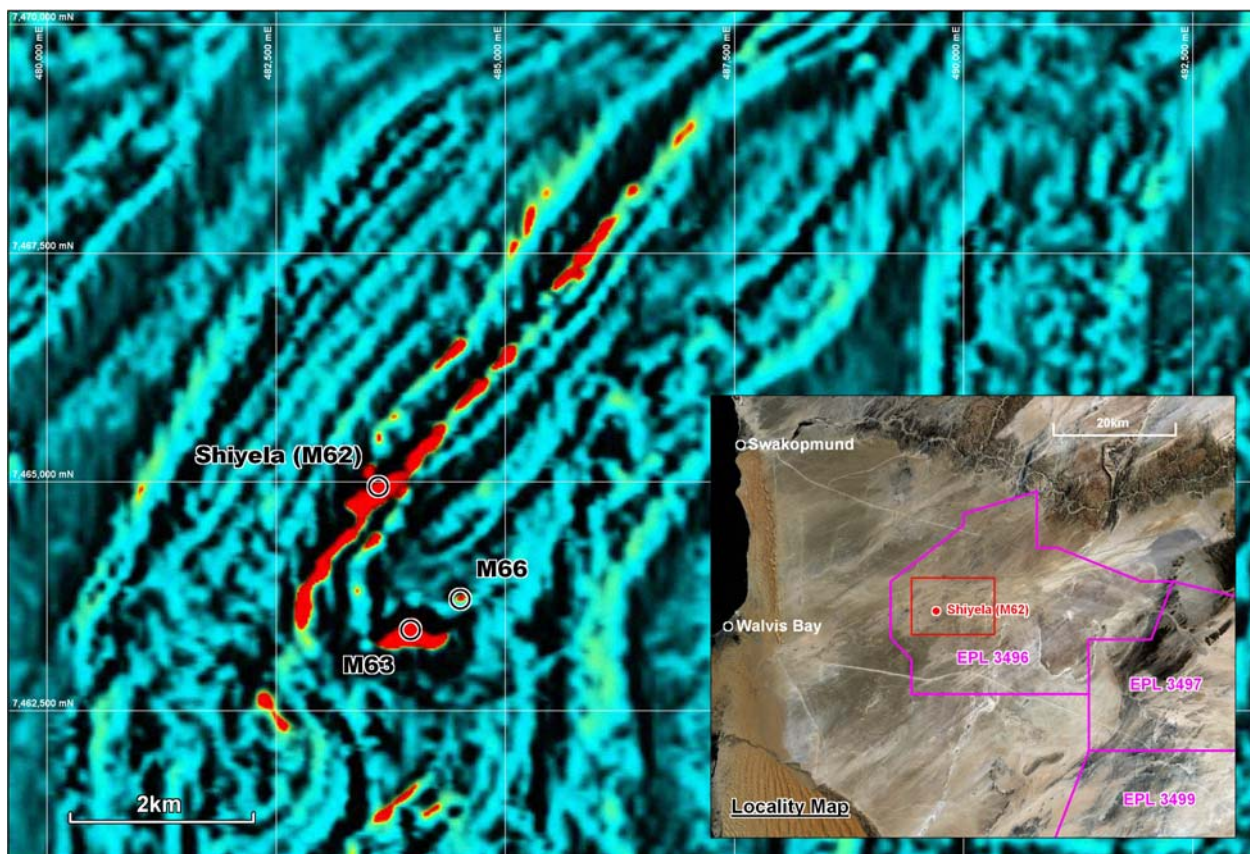


Figure 9: Shiyela Iron Project – TMI over 1st vertical derivative aeromagnetic image with highest magnetic intensity in red.



Figure 10: Looking West from Hole SHIR5 to RC Drill Rig on Hole SHIR6 (250 metre)



RUN GENERAL DRILLING SUMMARY

RUN continues its aggressive exploration drilling programme in Namibia and has continued to operate on average eight rigs across its various exploration project areas. As shown in Table 4 RUN has completed a total of 319 holes during the quarter for 12,508 metres.

Table 4: Drilling Statistics

DRILLING SUMMARY		
Project	Number of Holes	Total Metre Drilled
Palaeochannel – Tubas-Oryx-Tumas	248	8,027
Diamond on INCA	2	441.38
RC on INCA	12	3,109
GAWIB-West	57	931
Total	319	12,508.38

RUN has also continued to successfully conduct in-house sample preparation and uranium analysis and turned out more than 3,000 analytical results during the quarter (Table 5).

Table 5: Laboratory Performance Indicators

Job Description	January	February	March	TOTAL
Samples Received (total metre drilled for April to June 2010)	12,267	12,655	12,690	37,612
Samples Crushed	63	36	80	179
Samples Split	54	6	0	60
Samples Checked in Pb-Block	12,554	12,875	13,731	39,160
Samples > 15 CPS	894	778	673	2,345
Samples Weighed	1,566	1,373	1,136	4,075
Samples packed & stored	12,554	12,875	13,479	38,908
Samples Milled	1,614	1,649	1,144	4,407
Samples Analysed (Repeats, QC's & Daily checks included)	1,997	2,105	1,756	5,858
Sample results reported FOR April to June 2010	1,611	1,603	1,162	4,376



Exploration - Australia

MOUNT ISA DISTRICT

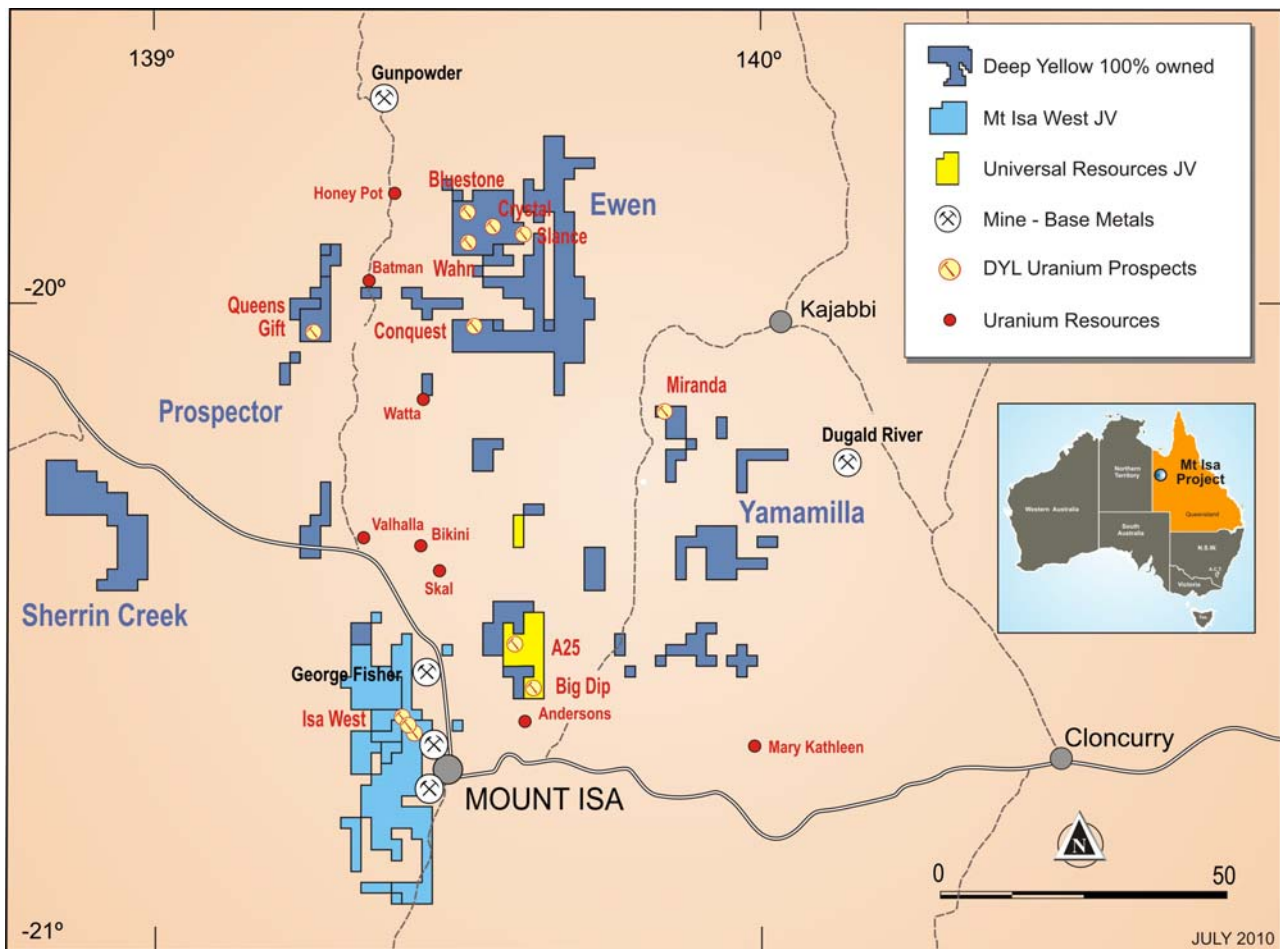


Figure 11: Mount Isa Location Plan

Deep Yellow Limited commenced its 2010 drilling programme in the Mount Isa district in May returning a number of **high-grade intercepts** at its 100% owned Miranda prospect and at four other prospects within the Isa West JV project area.

DYL's 2009 Mount Isa drilling program outlined **Indicated and Inferred Mineral Resources in accordance with the JORC Code of >400 ppm U₃O₈** from surface to approximately 200 metre vertical depth at several prospects. Following on this success, the 2010 drilling programme will aim to fast-track drill several new prospect areas with surface radiometric anomalies and to test a number of previously drilled prospects up to 400 metres vertical depth to determine the potential for continuity of mineralisation at depth. The overall strategy is to assess the potential of the Mount Isa prospects to increase total uranium resources.

Miranda Project – EPM 14281 Yamamilla

An RC drilling programme totalling 1,470 metres in 23 holes was completed at the Miranda Prospect within EPM 14281. Table 6 lists the intercepts from this drilling programme.



The drilling has outlined a 120 metre x 75 metre flat-lying mineralised zone of limited surface extent. Typically the mineralisation thinned at the edges and pinched out at about 50 metres true vertical depth. Mineralisation potential is interpreted as open to the south-west. No further drilling is planned at the Miranda Prospect area until the programme has been reviewed in detail and the recently acquired aeromagnetic data covering the south-west extension area are interpreted.

Table 6: Miranda Project - RC Drilling Results - XRF Chemical analysis

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	cU ₃ O ₈ (ppm)
	mE	mN				From	To		
MRRC019	379810	7769041	45	-60	90	55	56	1	110
MRRC020	379845	7769034	45	-60	72	0	22	22	647
					incl	3	8	5	1,407
						19	22	3	1,355
MRRC021	379841	7769040	45	-60	60	30	34	4	1,069
MRRC022	379870	7769068	225	-60	60	2	38	36	270
						2	25	23	352
MRRC023	379855	7769084	45	-60	60	2	23	21	489
					incl	2	8	6	648
						15	22	7	806
MRRC024	379841	7769099	45	-60	54	3	16	13	231
					incl	12	15	3	368
MRRC025	379824	7769120	45	-60	54	4	12	8	220
MRRC026	379801	7769133	45	-60	54	0	15	15	408
MRRC027	379788	7769120	45	-60	60	32	37	5	317
MRRC028	379767	7769133	45	-60	60				NSR
MRRC029	379876	7769035	45	-60	60				NSR
MRRC030	379867	7769020	45	-60	60	15	20	5	230
MRRC031	379894	7769051	45	-60	60				NSR
MRRC032	379810	7769005	45	-60	150				NSR
MRRC033	379773	7769033	45	-60	150				NSR
MRRC034	379824	7769022	-	-90	48				NSR
MRRC035	379880	7769081	-	-90	54				NSR
MRRC036	379875	7769102	-	-90	36				NSR
MRRC037	379819	7769042	-	-90	60				NSR
MRRC038	379835	7769131	-	-90	30				NSR
MRRC039	379808	7769144	-	-90	48				NSR
MRRC040	379773	7769103	-	-90	48				NSR
MRRC041	379785	7769157	-	-90	42				NSR

Isa West Joint Venture (Earning 100% of uranium rights (from Xstrata))

The recently completed RC drilling programme at Isa West totalling 17 holes for 2,360 metres successfully extended the higher grade Eldorado North Prospect from approximately 50 metres vertical depth to 120 metres vertical depth. At the Citation and Never-Can-Tell Prospects infill



drilling on shallow 2008 intercepts confirmed both strike extensions to the original drill intercepts and continuity of mineralisation to depth. Table 7 lists intercepts from this drill programme. These prospects will now form part of a future resource drill out programme.

RC pre-collars for the deep diamond core holes at the Thanksgiving and Bambino Prospect were also completed with core drilling planned to commence in the September quarter.

Table 7: Isa West RC Percussion Intercepts – XRF Chemical Assays

Drill hole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	cU ₃ O ₈ (ppm)
	mE	mN				From	To		
CITATION PROSPECT									
CIRC005	336557	7713264	45	-60	168	58	74	16	564
					incl	60	64	4	1,622
						135	136	1	230
						146	148	2	358
CIRC006	366554	7713366	45	-60	60	38	42	4	673
CIRC007	336574	7713252	45	-60	180	55	71	16	652
						142	143	1	235
CIRC008	336631	7713266	45	-60	114	17	29	12	90
CIRC009	336670	7713194	45	-60	60	25	27	2	630
CIRC010	336536	7713289	45	-60	174	65	76	11	543
CIRC011	336492	7713209	45	-60	180	144	156	12	421
ELDORADO NORTH PROSPECT									
ENRC013	337444	7710519	75	-60	186	139	164	25	479
					incl	152	158	6	1,039
ENRC014	337459	7710470	75	-60	150	122	126	4	1,134
MIAMI PROSPECT									
MIRC004	336451	7713913	70	-60	60				NSR
MIRC005	336407	7713898	70	-60	150				NSR
MIGHTY PROSPECT									
MGRC004	336429	7713615	60	-60	150	55	58	3	1,593
MGRC005	336449	7713550	60	-60	150	59	62	3	501
NEVER CAN TELL PROSPECT									
NCRC004	336881	7714488	90	-60	150	71	81	10	693
NCRC005*	336888	7714513	90	-60	56				NSA
NCRC006	336882	7714512	90	-60	180	77	85	8	836
TURPENTINE PROSPECT									
TURC017	335070	7713284	50	-60	132	89	93	4	316
						105	114	9	347
					incl	105	107	2	543
					Incl	111	113	2	803

* Abandoned hole



Field mapping of the extensive 'un-drilled' northern tenement area at Isa West is approximately 75% complete. Data from an airborne aeromagnetic/radiometric survey over the same area has been received and is being processed with a view to generating additional drill targets.

ISA NORTH PROJECT - Ewen EPM 14916

During the quarter geological mapping was carried out at the Wahn, Crystal and Slance Prospects. The aim of the mapping was to aid the planning of additional drilling at Slance and Crystal and first pass drilling at Wahn.

A ground radiometric survey plus together with mapping has delineated a 2 kilometre strike of highly anomalous uranium values associated with intensive and extensive albite-hematite alteration of metasediments associated with a strong north-south structural feature. The scale and intensity of alteration is the largest mapped to date on the Ewen EPM.

Once all data has been collated a shallow first-pass RC drill programme will test the anomalous zone. A number of deep holes will also be drilled in order to gain early insight of resource potential.

As part of a larger helicopter survey programme in the Isa District a magnetic and radiometric survey covering selected areas of the Ewen tenement was flown. The survey was carried out on a 50 metre line spacing at a vertical height of 35 metre. Data for the survey and a report were received during the period. DYL has contracted a geophysicist to interpret the data further with a view to generating drill targets in covered areas and at depth where no surface uranium anomaly is present.

NORTHERN TERRITORY

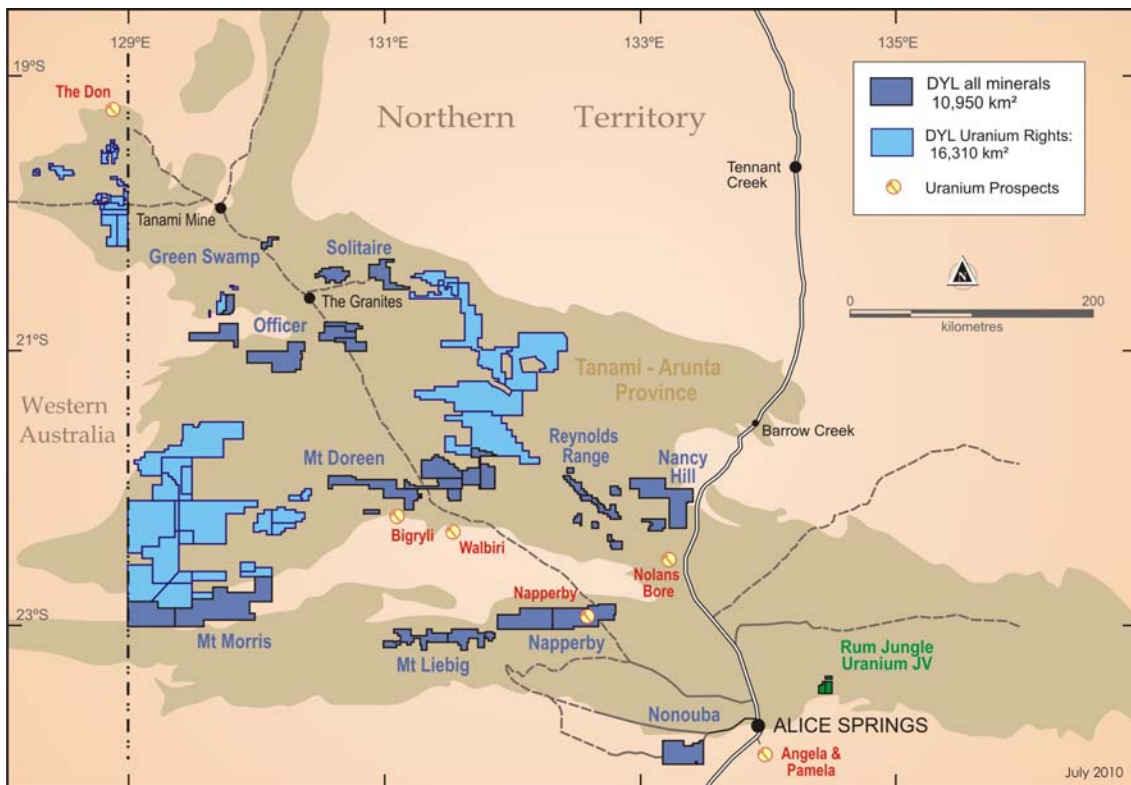


Figure 12: Northern Territory Location Plan



Napperby Project – ELs 24246 AND 24606

The Company announced (ASX 4 May 2010) that it had received notice from **Toro Energy Limited (Toro)** that they would not exercise their purchase option on the **Napperby** uranium project. As a result of this decision, the project is now 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.

PILGRIM JOINT VENTURE (Krucible 80% / Deep Yellow Ltd 20% – EPM 15072)

The **Pilgrim Prospect** is located about 110 kilometre south-southeast of Mount Isa. Krucible has recently fulfilled its' earning commitment in the JV by earning 80% equity by expenditure of over \$400,000.

A first pass drilling programme was designed to test a NNW trending zone of anomalous surface Copper/Gold mineralisation that extends for over 2 kilometre.

A total of 26 angled RC percussion holes were drilled on the Pilgrim (Figure 13) FBX Zone for a total of 2,277 metres (average 87 metres). The drilling tested 1.4 kilometre strike length at drill spacing of 50-200 metres. The average vertical depth tested to was about 70 metres.

Subdued Copper mineralisation was intersected in adjacent holes (50-100 metres apart) over 600 metres NNW trending strike length and appears to be open to the north and south as well as to the west (previous drilling by MIM intersected up to 2 metres at 3.4% Cu and 1.7 ppm Au to the west).

It is apparent that the high grade surface samples represent sporadic, near surface 'supergene' enrichment and all of the drill holes undercut this enrichment. However many of them intersected iron oxides and modest sulphide indicative of a substantial IOCG system.

The alteration accompanying the low grade mineralisation comprises hematite/magnetite/biotite (\pm sulphides) '**red rock**' alteration. This is consistent with other Queensland IOCG systems such as Ernest Henry (Xstrata) and Swan (Ivanhoe) which have depth extents of over 1,000 metres.

The magnetic anomaly remains the likely indicator of the core to the IOCG mineralisation. An electrical I.P. (Induced Polarisation) survey may identify the copper-gold bearing sulphides as potential drill targets within the magnetised zone.

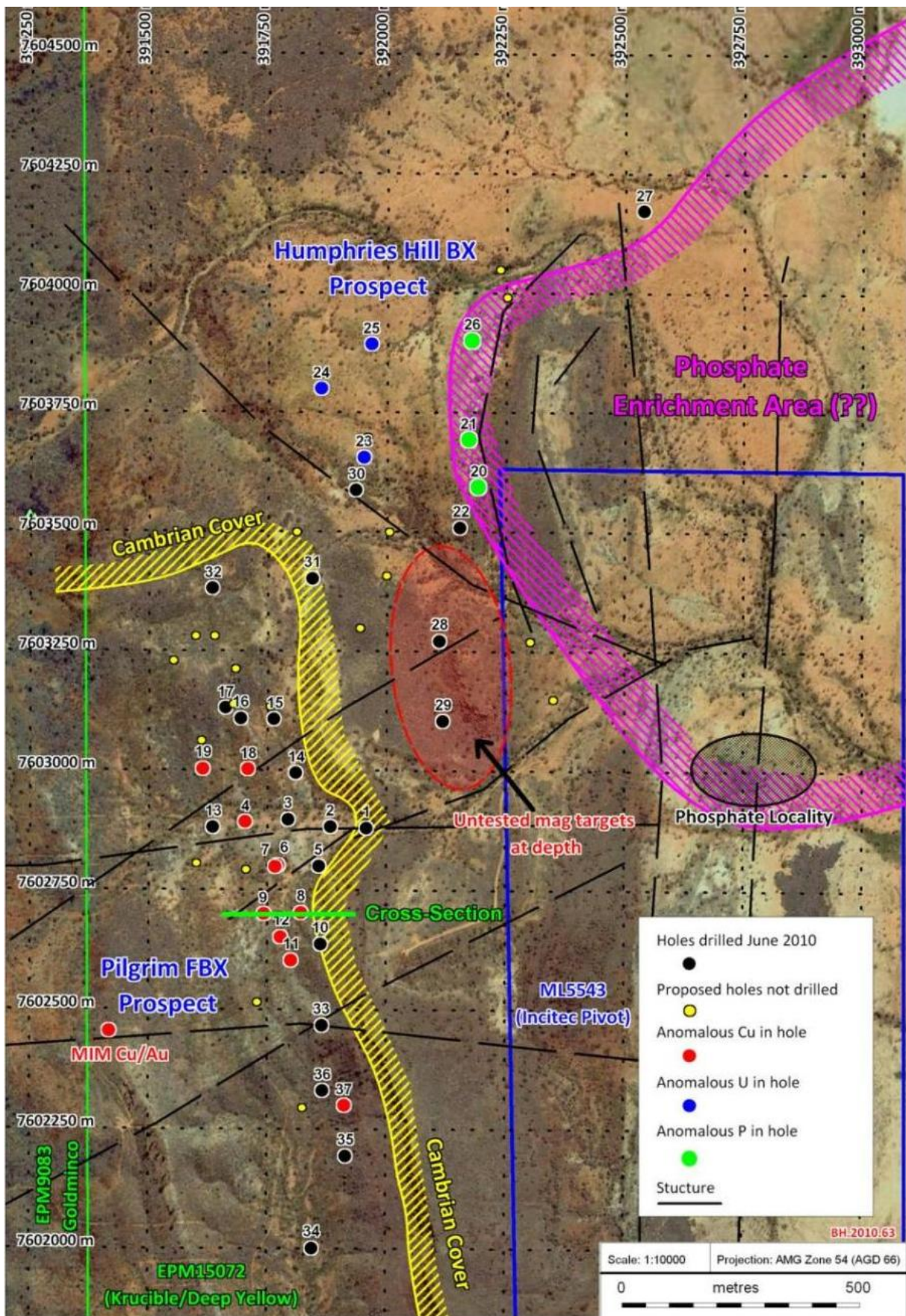


Figure 13: Pilgrim Fault Google Image Showing Drilling Results



Krucible has commenced an IP survey at **Pilgrim Breccia Prospect** to test for indications of sulphide accumulations at depth – this is likely to be accompanied by Copper mineralisation. If the survey is positive then deeper drilling (R.C. percussion and diamond drilling) will be carried out in September this year.

There is also the possibility of mineralisation extending to the west associated with crosscutting ENE and E-W structures.

Humphries Hill Breccia

At Humphries Hill 11 vertical RC percussion holes were drilled for 1,062 metres (average depth 96 metres). These holes were collared in Cambrian cover rocks and apart from hole 10PMRC031, none of these holes intersected Proterozoic basement – the deepest hole drilled (10PMRC028) was drilled to 168 metres (limit of drilling capacity) and was still in Cambrian sediments.

The drilling was designed to test anomalous copper and uranium in surface samples as well as strong magnetic anomalies beneath the Cambrian sediment cover. The Cambrian cover proved to be much thicker than predicted and the drilling was not successful in reaching the basement IOCG targets; therefore copper assays in the drill chips were depressed.

However, a number of anomalous uranium and phosphate zones were intersected in the middle Cambrian Beetle Creek Formation – this is the same formation that hosts the mineralisation at Phosphate Hill and Korella. The anomalous holes are shown on Figure 13.

Deeper drilling (200-300 metres) is also planned to intersect the magnetic anomalies under Cambrian cover as well as some shallow drilling (60-80 metre) over the Phosphate target area.

Having acquired an 80% interest in EPM 15072 Krucible can elect by buying out DYL by issuing 1.2 million Krucible shares to DYL.

Corporate

FINANCIAL

DYL completed the Quarter in a strong cash position, including liquid assets, of \$29.5 million at 30 June 2010.

Options Expire

During the Quarter 787,500 employee options have lapsed in accordance with the terms of the Deep Yellow Limited Directors, Employees and Other Permitted Persons Option Plan.

Options Cancelled

During the Quarter 1,260,000 employee options have been cancelled in accordance with the terms of the Deep Yellow Limited Directors, Employees and Other Permitted Persons Option Plan.



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 Mineral Resource estimation for Aussinanis and Tumas is based on work completed by Mr Jonathon Abbott who is a full time employee of Hellman and Schofield Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. 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 as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' 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 in this report that relates to the Mineral Resource is based on information compiled by Mr Mike Hall, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hall is Consulting Geologist Resources with the MSA Group 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 Mineral Resources and Reserves'. Information in this report has also been verified by Mr Mike Venter, who is a member of the South African Council for Natural and Scientific Professions (SACNASP), a "Recognised Overseas Professional Organization" ('ROPO'). Mr Venter is Regional Consulting Geologist, with The MSA Group 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 Mineral Resources and Reserves'. Mr Venter has visited the project sites to review drilling, sampling and other aspects of the work relevant to this announcement.

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 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 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 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.