



12 August 2010

## Initial Drilling Confirms Continuity of Uranium Mineralisation at Depth at Mount Isa Prospects

### HIGHLIGHTS

#### Thanksgiving Prospect

- Hole TGDC004 - 29 metres at 383 ppm U<sub>3</sub>O<sub>8</sub> from 429 metres inc. - 18 metres at 544 ppm U<sub>3</sub>O<sub>8</sub> from 429 metres

#### Bambino Prospect

- Hole BBDC005 - 8 metres at 364 ppm U<sub>3</sub>O<sub>8</sub> from 396 metres

#### Queens Gift Prospect

- Hole QGRC097 - 50 metres at 464 ppm U<sub>3</sub>O<sub>8</sub> from 151 metres

Deep Yellow Limited (ASX: DYL) is pleased to announce initial diamond drilling has confirmed the continuation of uranium mineralisation at depth at its Thanksgiving and Bambino Prospects at Isa West in the Mount Isa district. In addition, mineralisation has been extended with another wide intercept at the Queens Gift Prospect.

The planned deep diamond core holes at the Thanksgiving and Bambino Prospects have been completed with the mineralised sections returning positive XRF chemical assays as highlighted below and as presented in Table 1.

#### Thanksgiving Prospect

- Hole TGDC004 - 29 metres at 383 ppm U<sub>3</sub>O<sub>8</sub> from 429 metres inc. - 18 metres at 544 ppm U<sub>3</sub>O<sub>8</sub> from 429 metres

#### Bambino Prospect

- Hole BBDC005 - 8 metres at 364 ppm U<sub>3</sub>O<sub>8</sub> from 396 metres

These results clearly demonstrate continuity of mineralisation from 200 metres to approximately 400 metres vertical depth.

The Thanksgiving intercept has a true width of 20 metres from surface to 400 metres vertical depth, and the intercept grade of 544 ppm U<sub>3</sub>O<sub>8</sub> also indicates likely continuity of grade to depth.

The Bambino mineralisation intercepts, whilst not wide at depth, are contained within a strongly altered zone over 58 metres downhole (40 metres true width) confirming an open system to depth that will require further drilling to fully evaluate the depth potential of the prospect. The alteration zone is the widest intercepted to date in DYL's Isa West drill programmes.

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Table 1: Thanksgiving and Bambino Drill Hole Intercepts

| Drillhole | MGA Zone 54 |         | Azi | Dip | TD (m) | Depth (m) |     | Interval (m) | U <sub>3</sub> O <sub>8</sub> (ppm) |
|-----------|-------------|---------|-----|-----|--------|-----------|-----|--------------|-------------------------------------|
|           | mE          | mN      |     |     |        | From      | To  |              |                                     |
| TGDC004   | 336555      | 7712408 | 56  | -78 | 495.7  | 429       | 458 | 29           | 383                                 |
|           |             |         |     |     | inc    | 429       | 447 | 18           | 544                                 |
|           |             |         |     |     | inc    | 433       | 443 | 10           | 704                                 |
| BBDC005   | 335251      | 7712414 | 72  | -67 | 465.6  | 324       | 326 | 2            | 457                                 |
|           |             |         |     |     | Inc    | 386       | 388 | 2            | 385                                 |
|           |             |         |     |     | inc    | 396       | 404 | 8            | 385                                 |

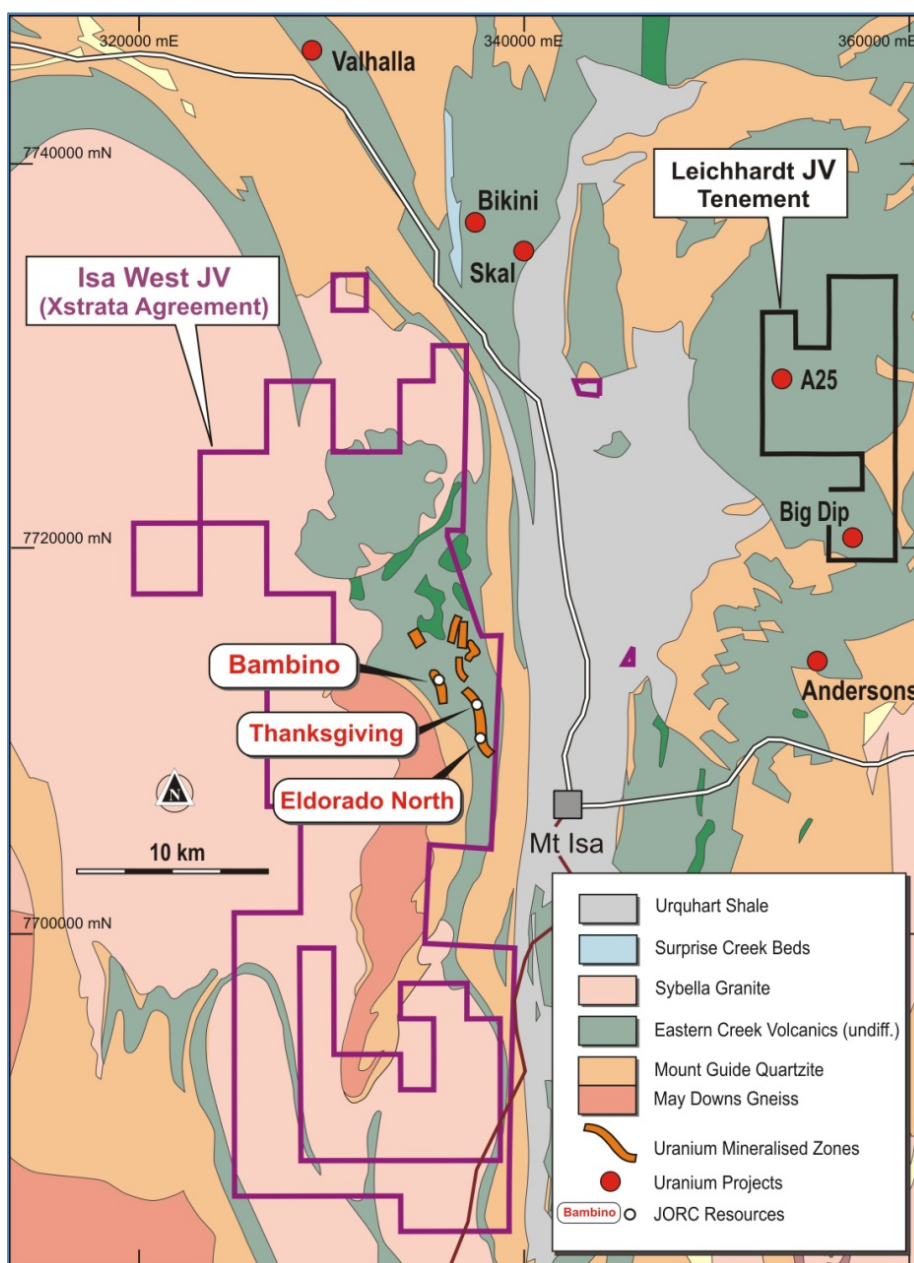


Figure 1: Isa West Prospect Locality Plan

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### Queens Gift Reverse Circulation Drilling

Two reverse circulation (RC) holes were drilled at Queens Gift (Figure 2) as well as three RC pre-collars for the follow-on deep diamond drill programme.

**RC Hole QGRC097 returned 50 metres at 464 ppm U<sub>3</sub>O<sub>8</sub> from 151 metres** (25 metre true width) **and** was drilled as a shallow scissor hole to planned diamond hole QGDC010 to help with targeting the deeper core hole into the newly discovered (2009) Southern Zone. This intercept is one of the best returned from three drill campaigns at Queens Gift.

Details of the RC drilling with XRF chemical assay results are given in Table 2. Diamond drilling is scheduled to commence in mid-August.

**Table 2: Queens Gift RC Drilling Intercepts**

| Drillhole | MGA Zone 54 |         | Azi | Dip | TD (m) | Depth (m) |     | Interval (m) | U <sub>3</sub> O <sub>8</sub> (ppm) |
|-----------|-------------|---------|-----|-----|--------|-----------|-----|--------------|-------------------------------------|
|           | mE          | mN      |     |     |        | From      | To  |              |                                     |
| QGRC096   | 319569      | 7780960 | 90  | -60 | 204    | 169       | 181 | 12           | 256                                 |
|           |             |         |     |     | inc    | 171       | 178 | 7            | 357                                 |
| QGRC097   | 319730      | 7781000 | 270 | -60 | 216    | 124       | 139 | 15           | 366                                 |
|           |             |         |     |     |        | 151       | 201 | 50           | 464                                 |
|           |             |         |     |     | inc    | 151       | 155 | 4            | 1,221                               |
|           |             |         |     |     |        | 191       | 198 | 7            | 869                                 |

### Background

DYL's 2009 Mount Isa drilling program outlined **Indicated and Inferred Mineral Resources in accordance with the JORC Code of >400 ppm U<sub>3</sub>O<sub>8</sub>** at 300 ppm U<sub>3</sub>O<sub>8</sub> cut-off (Appendix 1) from surface to approximately 200 metre vertical depth at several prospects. Following on this success, the 2010 drilling programme aims to fast-track drill several new prospect areas with surface radiometric anomalies and to test a number of previously drilled prospects **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 (Figure 2) to increase total uranium resources.

As drilled in 2009 the Thanksgiving and Bambino Prospects were tested to approximately **200 metre vertical depth** with the following intercepts providing the impetus for the deep diamond drilling.

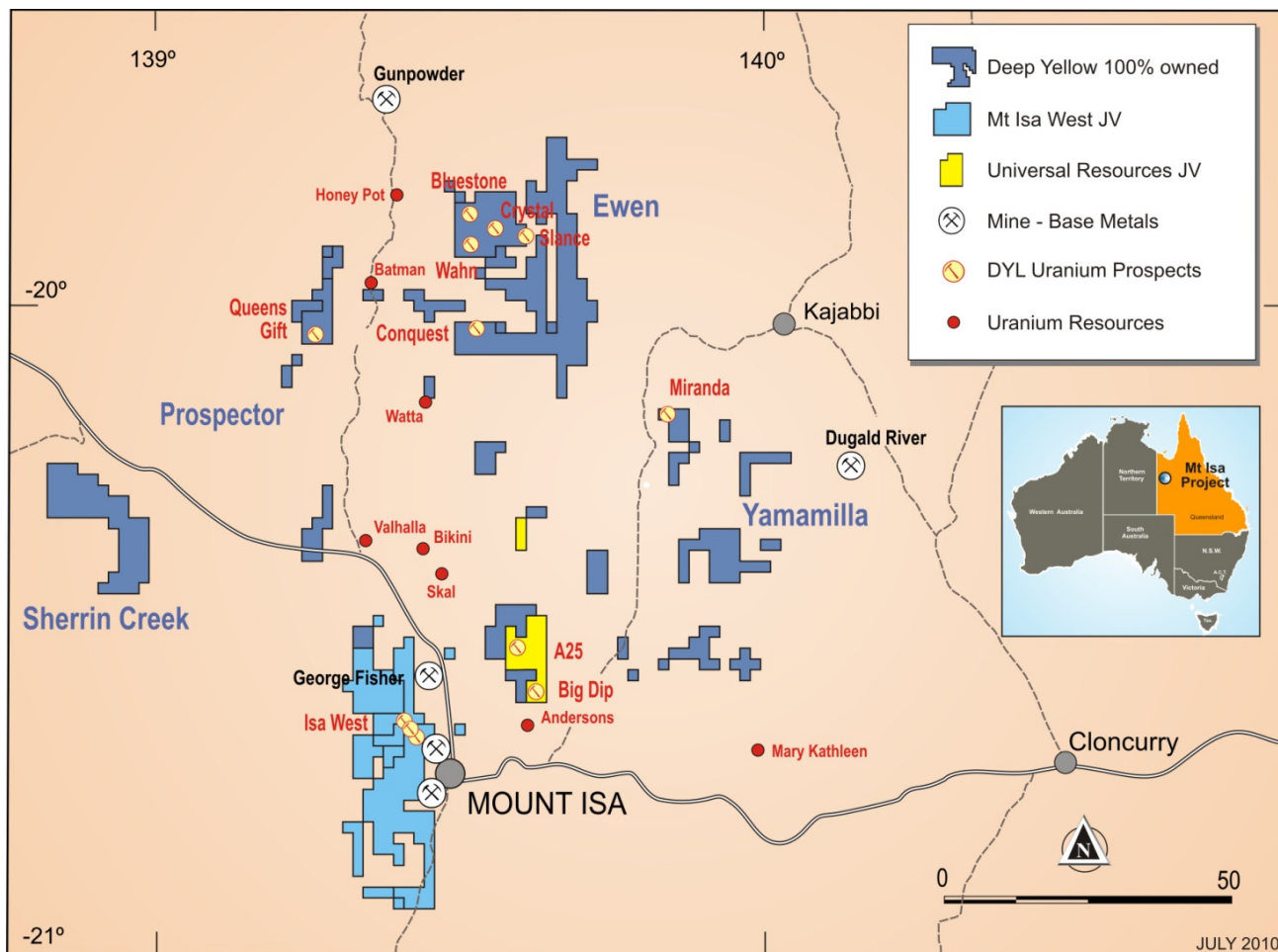
#### Thanksgiving

- 33 metres at 404 ppm U<sub>3</sub>O<sub>8</sub> from 180 metres
- 33 metres at 369 ppm U<sub>3</sub>O<sub>8</sub> from 231 metres

#### Bambino

- 36 metres at 405 ppm U<sub>3</sub>O<sub>8</sub> from 178 metres
- 23 metres at 384 ppm U<sub>3</sub>O<sub>8</sub> from 172 metres

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**Figure 2: Mount Isa Tenements**

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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](http://www.deepyellow.com.au).

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### Compliance Statement

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Martin Kavanagh, a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Kavanagh is an Executive Director 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'. Mr Kavanagh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*Where  $eU_3O_8$  values 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 uranium focused exploration company with advanced exploration projects in Namibia and in Australia.

In Namibia the Company operates through its wholly-owned subsidiary **Reptile Uranium Namibia P/L** which is focusing on its mid to high grade INCA primary uranium 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, including the Queens Gift, Conquest, Slance, Eldorado, Thanksgiving, Bambino and Turpentine Prospects. The Company also owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory.

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: MOUNT ISA JORC CODE RESOURCES



Table 1: All Prospects Combined – January 2010 JORC Code Resource Estimate

| Category  | Cut-off Grade   | Tonnes           | Grade (ppm U <sub>3</sub> O <sub>8</sub> ) | Metal (Tonnes U <sub>3</sub> O <sub>8</sub> ) | Metal (Mlb U <sub>3</sub> O <sub>8</sub> ) |
|-----------|-----------------|------------------|--|---|--|
| Inferred  | > 200           | 4,280,000        | 340  | 1,440   | 3.2  |
|           | <b>&gt; 300</b> | <b>2,020,000</b> | <b>440</b>                                 | <b>890</b>                                    | <b>2.0</b>                                 |
| Indicated | > 200           | 2,980,000        | 330  | 990   | 2.2  |
|           | <b>&gt; 300</b> | <b>1,620,000</b> | <b>400</b>                                 | <b>660</b>                                    | <b>1.4</b>                                 |
| Combined  | > 200           | 7,260,000        | 340  | 2,430   | 5.4  |
|           | <b>&gt; 300</b> | <b>3,640,000</b> | <b>420</b>                                 | <b>1,550</b>                                  | <b>3.4</b>                                 |

\* Note: Figures have been rounded

Table 2: Isa West Project – January 2010 JORC Code Resource Estimate

| Category                       | Cut-off Grade   | Tonnes           | Grade (ppm U <sub>3</sub> O <sub>8</sub> ) | Metal (Tonnes U <sub>3</sub> O <sub>8</sub> ) | Metal (Mlb (U <sub>3</sub> O <sub>8</sub> )) |
|--------------------------------|-----------------|------------------|--|---|--|
| <b>Thanksgiving Prospect</b>   |                 |                  |  |   |  |
| Inferred                       | > 200           | 1,180,000        | 370  | 440   | 1.0  |
|                                | <b>&gt; 300</b> | <b>660,000</b>   | <b>470</b>                                 | <b>310</b>                                    | <b>0.7</b>                                   |
| Indicated                      | > 200           | 800,000          | 340  | 270   | 0.6  |
|                                | <b>&gt; 300</b> | <b>470,000</b>   | <b>400</b>                                 | <b>190</b>                                    | <b>0.4</b>                                   |
| Combined                       | > 200           | 1,980,000        | 360  | 710   | 1.6  |
|                                | <b>&gt; 300</b> | <b>1,130,000</b> | <b>440</b>                                 | <b>500</b>                                    | <b>1.1</b>                                   |
| <b>Bambino Prospect</b>        |                 |                  |  |   |  |
| Inferred                       | > 200           | 1,410,000        | 310  | 430   | 0.9  |
|                                | <b>&gt; 300</b> | <b>670,000</b>   | <b>370</b>                                 | <b>240</b>                                    | <b>0.5</b>                                   |
| Indicated                      | > 200           | 790,000          | 320  | 250   | 0.6  |
|                                | <b>&gt; 300</b> | <b>370,000</b>   | <b>390</b>                                 | <b>140</b>                                    | <b>0.3</b>                                   |
| Combined                       | > 200           | 2,200,000        | 310  | 680   | 1.5  |
|                                | <b>&gt; 300</b> | <b>1,040,000</b> | <b>370</b>                                 | <b>380</b>                                    | <b>0.9</b>                                   |
| <b>Eldorado North Prospect</b> |                 |                  |  |   |  |
| Inferred                       | > 200           | 260,000          | 410  | 110   | 0.2  |
|                                | <b>&gt; 300</b> | <b>160,000</b>   | <b>500</b>                                 | <b>80</b>                                     | <b>0.2</b>                                   |
| Combined                       | > 200           | 260,000          | 410  | 110   | 0.2  |
|                                | <b>&gt; 300</b> | <b>160,000</b>   | <b>500</b>                                 | <b>80</b>                                     | <b>0.2</b>                                   |
| <b>Total Isa West</b>          |                 |                  |  |   |  |
| Inferred                       | > 200           | 2,850,000        | 340  | 980   | 2.1  |
|                                | <b>&gt; 300</b> | <b>1,490,000</b> | <b>420</b>                                 | <b>630</b>                                    | <b>1.4</b>                                   |
| Indicated                      | > 200           | 1,590,000        | 330  | 520   | 1.1  |
|                                | <b>&gt; 300</b> | <b>840,000</b>   | <b>390</b>                                 | <b>330</b>                                    | <b>0.7</b>                                   |
| Combined                       | > 200           | 4,440,000        | 340  | 1,500   | 3.3  |
|                                | <b>&gt; 300</b> | <b>2,330,000</b> | <b>410</b>                                 | <b>960</b>                                    | <b>2.1</b>                                   |

\* Note: Figures have been rounded

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Table 3: Isa North Prospects – January 2010 JORC Code Resource Estimate

| Category               | Cut-Off Grade | Tonnes           | Grade (ppm U <sub>3</sub> O <sub>8</sub> ) | Metal (Tonnes U <sub>3</sub> O <sub>8</sub> ) | Metal (Mlb U <sub>3</sub> O <sub>8</sub> ) |
|------------------------|---------------|------------------|--|---|--|
| <b>Queens Gift</b>     |               |                  |  |   |  |
| Inferred               | > 200         | 1,190,000        | 280  | 330   | 0.7  |
|                        | > 300         | <b>310,000</b>   | <b>410</b>                                 | <b>130</b>                                    | <b>0.3</b>                                 |
| Indicated              | > 200         | 1,100,000        | 310  | 340   | 0.8  |
|                        | > 300         | <b>540,000</b>   | <b>380</b>                                 | <b>210</b>                                    | <b>0.5</b>                                 |
| Combined               | > 200         | 2,290,000        | 300  | 670   | 1.5  |
|                        | > 300         | <b>850,000</b>   | <b>390</b>                                 | <b>340</b>                                    | <b>0.7</b>                                 |
| <b>Slance</b>          |               |                  |  |   |  |
| Inferred               | > 200         | 240,000          | 550  | 130   | 0.3  |
|                        | > 300         | <b>220,000</b>   | <b>580</b>                                 | <b>130</b>                                    | <b>0.3</b>                                 |
| Indicated              | > 200         | 290,000          | 450  | 130   | 0.3  |
|                        | > 300         | <b>240,000</b>   | <b>490</b>                                 | <b>120</b>                                    | <b>0.3</b>                                 |
| Combined               | > 200         | 540,000          | 500  | 260   | 0.6  |
|                        | > 300         | <b>460,000</b>   | <b>540</b>                                 | <b>250</b>                                    | <b>0.5</b>                                 |
| <b>Total Isa North</b> |               |                  |  |   |  |
| Inferred               | > 200         | 1,430,000        | 330  | 460   | 1.0  |
|                        | > 300         | <b>530,000</b>   | <b>480</b>                                 | <b>260</b>                                    | <b>0.6</b>                                 |
| Indicated              | > 200         | 1,390,000        | 340  | 470   | 1.0  |
|                        | > 300         | <b>780,000</b>   | <b>420</b>                                 | <b>330</b>                                    | <b>0.7</b>                                 |
| Combined               | > 200         | 2,820,000        | 330  | 930   | 2.1  |
|                        | > 300         | <b>1,310,000</b> | <b>440</b>                                 | <b>590</b>                                    | <b>1.3</b>                                 |

\* Note: Figures have been rounded