

30 September 2010

FURTHER UPDATE OF JORC RESOURCES AT INCA URANIUM DEPOSIT IN NAMIBIA PUSHED TO OCTOBER

Deep Yellow Limited (DYL) had previously indicated that an update of the Mineral Resource estimate for the **INCA** uranium deposit in Namibia, operated by wholly-owned subsidiary **Reptile Uranium Namibia**, would be completed in the September quarter. On 28 July 2010, DYL announced an update of the Mineral Resource estimate in accordance with the **JORC Code** by the **MSA Group of South Africa**, for the 'Main Resource Area' at INCA. This resource update (Table 1) **increased total Indicated and Inferred Resources at INCA by 17% and increased grade by 9%** with the updated resource totalling **17.1 million tonnes at 436 ppm eU₃O₈ for 7,429 tonnes (16.4 Mlbs) of U₃O₈ at 200 ppm U₃O₈ cut-off**. In addition, total **Indicated Resources doubled to 10 million lbs U₃O₈**.

Since this announcement, resource work has continued at INCA. In July, DYL engaged **Coffey Mining** (Perth) to complete a further update of the Mineral Resource estimate, which will incorporate the INCA extension areas of mineralisation directly to the east and to the north (see Figure 1), and will include sections of deeper but higher grade mineralisation. While this second update was anticipated to be complete before the end of September 2010, a modification of Coffey's scope of work and requirements for additional chemical assays has resulted in the completion date being pushed to the end of October 2010.

Coffey's scope of work was expanded by DYL to incorporate the previously published INCA resource estimate by MSA into a new total resource estimate for the expanded area. This was done to ensure consistency with the updated estimate and to bring the entire resource estimate under a single **JORC Competent Person's** review. The expanded scope of work required additional time to be added to the schedule.

In addition, a new gamma log correction factor had to be developed for very high-grade zones (>2,000 ppm eU₃O₈) of mineralisation, which required additional time-consuming chemical assays.

Table 1: INCA Project – JORC Code Resource Estimates

Category	Cut-Off Grade (ppm U ₃ O ₈)	Tonnes (million)	Grade (eU ₃ O ₈ ppm)	lbs U ₃ O ₈ (million)	Tonnes U ₃ O ₈
INCA ESTIMATE – 28 JULY 2010 UPDATE					
Indicated	200	10.9	414	10.0	4,516
Inferred	200	6.2	469	6.4	2,913
Totals		17.1	436	16.4	7,429

Figures have been rounded

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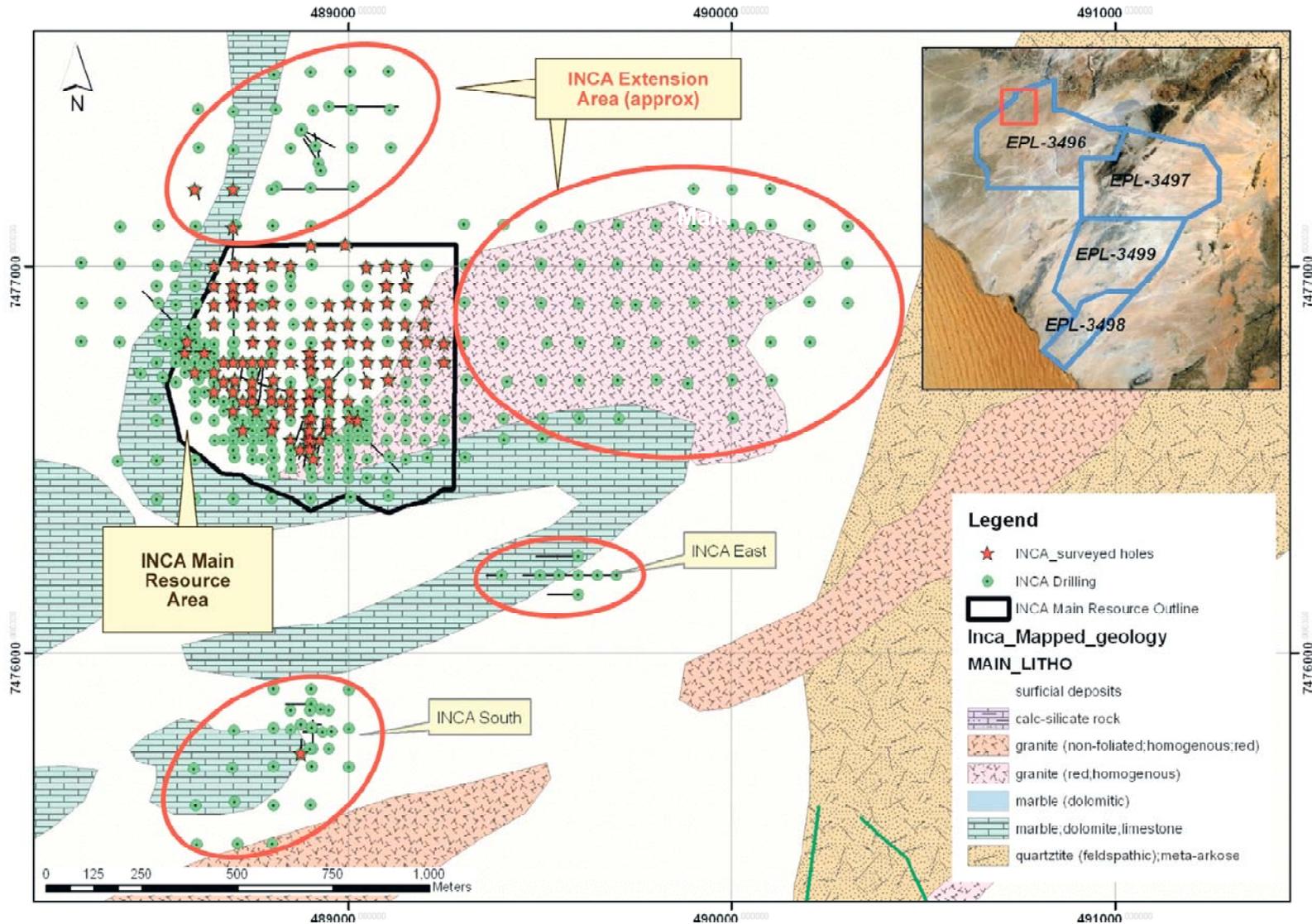


Figure 1: INCA drill hole map showing INCA Main Resource Area relative to mineralised area extensions

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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 Statements:

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 eU₃O₈ 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 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.