

28 October 2010

DEEP YELLOW UPDATES RESOURCE ESTIMATE FOR TUBAS-TUMAS PALAEOCHANNEL IN NAMIBIA

HIGHLIGHTS

- Updated mineral resource estimate completed for Tumas Zones 1 and 2 of Tubas-Tumas palaeochannel deposit by Hellman & Schofield Pty Ltd (H&S) and reported in accordance with the JORC Code
 - Previous resource estimate (February 2009 by H&S) 10.0 million tonnes at 0.034% (345 ppm) U₃O₈ for 3,447 tonnes or 7.6 million pounds of contained U₃O₈ at a cut-off grade of 200 ppm U₃O₈ for Tumas Zone 1 only
 - Updated resource estimate is 14.8 million tonnes at 0.036% (366 ppm) U₃O₈ for 5,414 tonnes or 11.9 million pounds of contained U₃O₈ at a cut-off grade of 200 ppm U₃O₈ for Tumas Zones 1 and 2
 - Update includes 57% increase in total pounds U₃O₈ and 6% increase in grade
 - 97% of the updated resource is in the Indicated category
 - Tumas Zone 3 drill data evaluated and found to be too sparse for a resource estimate, however an exploration target range has been estimated at 10 to 30 million tonnes at a grade of 300 to 400 ppm U₃O₈ at 200 ppm cut-off
 - Updated Tumas resource estimate increases Tubas-Tumas Palaeochannel high-grade subset resource estimate to 37.2 million tonnes at 0.042% (424 ppm) U₃O₈ for 15,783 tonnes or 34.8 million pounds of contained U₃O₈ at a cut-off grade of 200 ppm U₃O₈
 - Deep Yellow assessing move to Concept/Scoping Study to determine preliminary project economics for uranium sourced from the Tubas-Tumas Palaeochannel
 - Deep Yellow's combined Mineral Resource estimates summary now in excess of 100 million lbs U₃O₈ using 100 ppm cut-off for Tubas and Tumas
 - 200.2 million tonnes at 0.25% (249 ppm) U₃O₈ for 49,781 tonnes or 109.8 million pounds of contained U₃O₈
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Deep Yellow Limited (ASX Code: **DYL**) is pleased to announce the completion of an updated **Mineral Resource estimate by Hellman & Schofield Pty Ltd (H&S) for Tumas Zones 1 and 2 of the Tubas-Tumas Palaeochannel uranium deposit** in Namibia. Exploration activities are conducted by DYL's wholly-owned subsidiary **Reptile Uranium Namibia (Pty) Ltd (RUN)**. The Tubas-Tumas palaeochannel is located approximately 50-70 kilometres southeast of Swakopmund, Namibia on RUN's **EPLs 3496 and 3497**.

Tumas Zone 1 was the subject of a previous resource estimate by H&S in February 2009. This updated estimate includes a reassessment of Tumas Zone 1 as well as Tumas Zone 2 which is the subject of the recently completed RC drill programme for the northern extension of the Tumas section of the Tubas-Tumas palaeochannel.

The updated Mineral Resource estimate, like the previous estimate, includes Indicated and Inferred resources reported in accordance with the JORC Code.

The previous resource estimate for Tumas (Zone 1 only) was conducted by H&S in February 2009 and totalled 10.0 million tonnes at 0.034% (345 ppm) U₃O₈ for 3,447 tonnes or 7.6 million pounds of contained U₃O₈ at a cut-off grade of 200 ppm U₃O₈. Mineral Resource estimates using a range of cut-off grades are presented in Table 1.

Table 1: February 2009 Tumas Zone 1 Mineral Resource Estimates at various cut-off grades

Cut off U ₃ O ₈ ppm	Indicated		Inferred		Total	
	Tonne (million)	U ₃ O ₈ ppm	Tonne (million)	U ₃ O ₈ ppm	Tonne (million)	U ₃ O ₈ ppm
100	25.2	213	3.0	210	28.2	213
150	14.9	276	2.0	280	16.9	276
200	9.0	343	1.0	360	10.0	345
250	5.7	412	0.6	430	6.3	414
300	3.8	482	0.4	510	4.2	485

Notes: One metre mining benches. Figures have been rounded to reflect the accuracy of estimates and include rounding errors

The updated resource estimate for Tumas Zone 1 and 2 is 14.8 million tonnes at 0.036% (366 ppm) U₃O₈ for 5,414 tonnes or 11.9 million pounds of contained U₃O₈ at a cut-off grade of 200 ppm U₃O₈. Mineral Resource estimates using a range of cut-off grades are presented in Table 2.

The updated resource estimate includes a **57% increase in total pounds U₃O₈ and a 6% increase in grade over the previous Tumas resource estimate. In addition, 97% of the updated resource estimate is in the Indicated category under the JORC Code.**

Tumas Zone 3 drill data was also evaluated by H&S. Due to broadly and irregularly spaced lines of drillholes, the mineralisation in Zone 3 was determined to be too poorly defined for inclusion in resource estimates. However when combined with geophysical survey results, the drill results provide an indication of the orientation and extent of the mineralised zone. Consequently a conceptual **exploration target range** has been estimated at **10 to 30 million tonnes at a grade of 300 to 400 ppm U₃O₈ at 200 ppm cut-off**. It is uncertain if future exploration will result in the determination of a Mineral Resource.



Table 2: Tumas Zone 1 & 2 Updated Mineral Resource Estimates at Various Cut-Off Grades

Category	Cut-Off U ₃ O ₈ ppm	Million Tonnes	Grade (U ₃ O ₈ ppm)	Tonnes (U ₃ O ₈)	Million Lbs (U ₃ O ₈)
Indicated	100	42.5	216	9,180	20.2
	150	23.9	290	6,931	15.3
	200	14.4	366	5,270	11.6
	250	9.2	445	4,094	9.0
Inferred	100	1.2	210	252	0.6
	150	0.6	280	168	0.4
	200	0.4	360	144	0.3
	250	0.2	430	103	0.2
TOTALS	100	43.5	216	9,432	20.8
	150	24.9	290	7,099	15.7
	200	14.8	366	5,414	11.9
	250	9.4	445	4,197	9.3

Notes: One metre mining benches. Figures have been rounded to reflect the accuracy of estimates and include rounding errors

The updated Tumas Mineral Resource estimate increases the total **Tubas-Tumas Palaeochannel high-grade subset resource estimate to 37.6 million tonnes at 0.042% (420 ppm) U₃O₈ for 15,783 tonnes or 34.8 million pounds of contained U₃O₈ at a cut-off grade of 200 ppm U₃O₈** (Table 3). As a result of this significant quantity of high-grade resources, Deep Yellow will be assessing a move to conduct a Concept or Scoping Study to determine preliminary project economics for potential uranium production from the Tubas-Tumas Palaeochannel mineralised material.

Table 3: Tubas–Tumas High-Grade Mineral Resource Subset

Mineral Resource Estimates Summary – October 2010							
Deposit	Category	Cut-off (ppm U ₃ O ₈)	Tonnes (M)	U ₃ O ₈ (ppm)	U ₃ O ₈ (%)	U ₃ O ₈ (t)	U ₃ O ₈ (Mlb)
Tubas-Tumas Palaeochannel Project (High-grade subset)							
Tumas	Inferred	200	0.4	360	0.036	144	0.3
Tumas	Indicated	200	14.4	366	0.037	5,270	11.6
Tubas	Inferred	200	22.8	455	0.046	10,369	22.9
Tubas-Tumas Total (High-grade subset)			37.6	420	0.042	15,783	34.8

Notes: Figures have been rounded and totals may reflect small rounding errors

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Deep Yellow's schedule of Mineral Resources estimates for all projects including Measured, Indicated and Inferred resources now totals **200.2 million tonnes at 0.25% (249 ppm) U₃O₈ for 49,781 tonnes or 109.8 million pounds** of contained U₃O₈ at various cut-off grades for different projects as shown in Table 4.

Table 4: Deep Yellow Mineral Resource Estimates Summary

JORC Mineral Resource Estimates Summary – October 2010							
Deposit	Category	Cut-off (ppm U ₃ O ₈)	Tonnes (M)	U ₃ O ₈ (ppm)	U ₃ O ₈ (%)	U ₃ O ₈ (t)	U ₃ O ₈ (Mlb)
REPTILE URANIUM NAMIBIA (NAMIBIA)							
Omahola Project							
INCA ♦	Inferred	200	6.9	420	0.042	2,902	6.4
INCA ♦	Indicated	200	10.9	414	0.041	4,516	10.0
Tubas Red Sand ♦	Inferred	100	10.7	158	0.016	1,685	3.7
Tubas Red Sand ♦	Measured/ Indicated	100	3.2	168	0.017	532	1.2
Omahola Total			31.7	304	0.030	9,635	21.3
Tubas-Tumas Palaeochannel Project							
Tumas	Inferred	100	1.2	210	0.021	252	0.6
Tumas	Indicated	100	42.5	216	0.022	9,180	20.2
Tubas	Inferred	100	77.3	228	0.023	17,620	38.9
Tubas-Tumas Total			121.0	224	0.022	27,052	59.7
Aussinanis Project							
Aussinanis	Inferred	150	29.0	240	0.024	6,960	15.3
Aussinanis	Indicated	150	5.6	222	0.022	1,243	2.7
Aussinanis Total			34.6	237	0.024	8,203	18.0
RUN TOTAL			187.3	240	0.024	44,890	99.0
NAPPERBY PROJECT (NT, AUSTRALIA)							
Napperby	Inferred	200	9.3	359	0.036	3,351	7.4
NAPPERBY TOTAL			9.3	359	0.036	3,351	7.4
MOUNT ISA PROJECT (QLD, AUSTRALIA)							
Mount Isa	Inferred	300	2.0	440	0.044	890	2.0
Mount Isa	Indicated	300	1.6	400	0.040	650	1.4
MOUNT ISA TOTAL			3.6	428	0.043	1,540	3.4
TOTAL INFERRED RESOURCES			136.4	247	0.025	33,660	74.3
TOTAL INDICATED RESOURCES			63.8	253	0.025	16,121	35.5
TOTAL RESOURCES			200.2	249	0.025	49,781	109.8

Notes: Figures have been rounded and totals may reflect small rounding errors.

♦ eU₃O₈

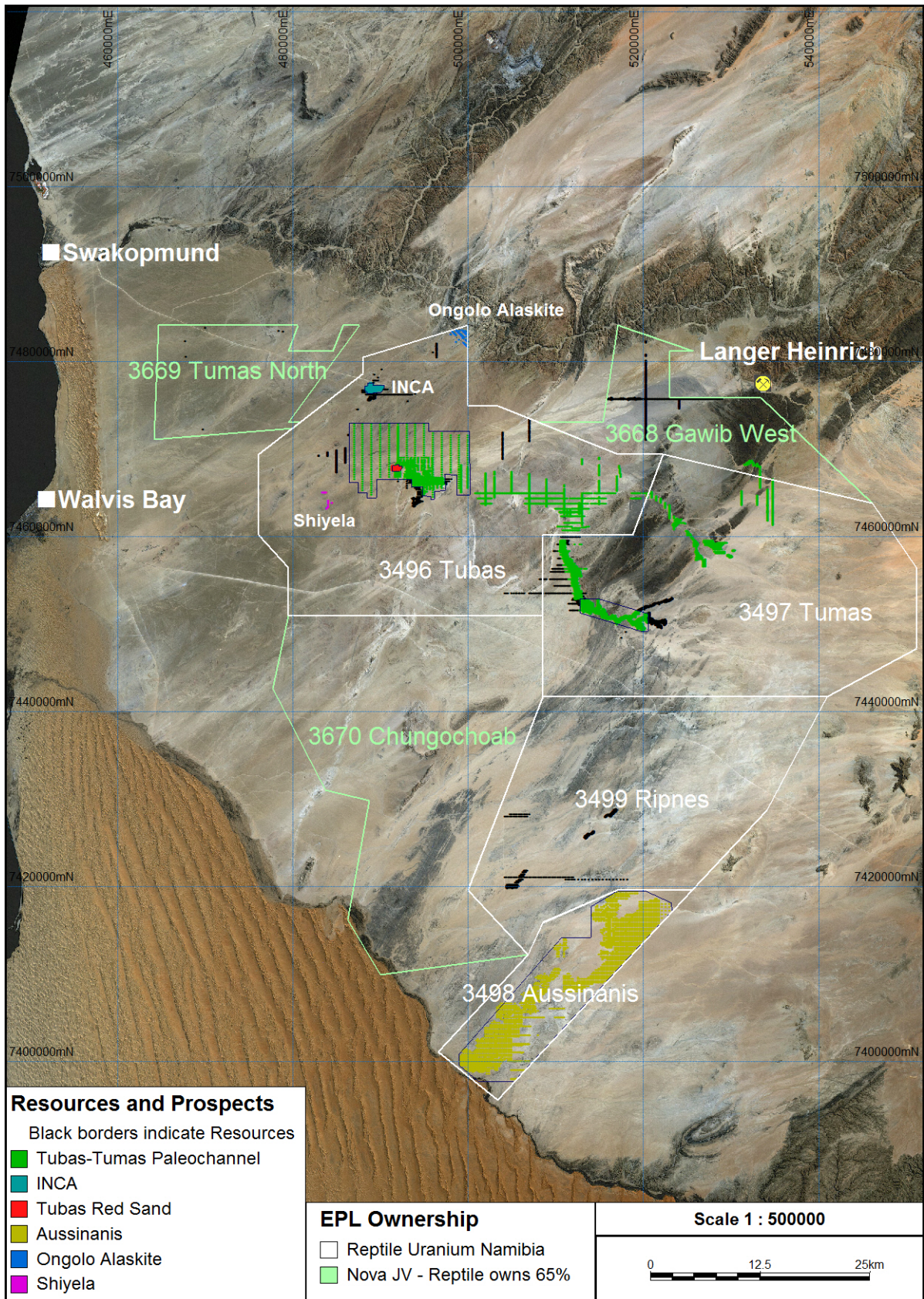


Figure 1: Tenement and Project Area Location Map

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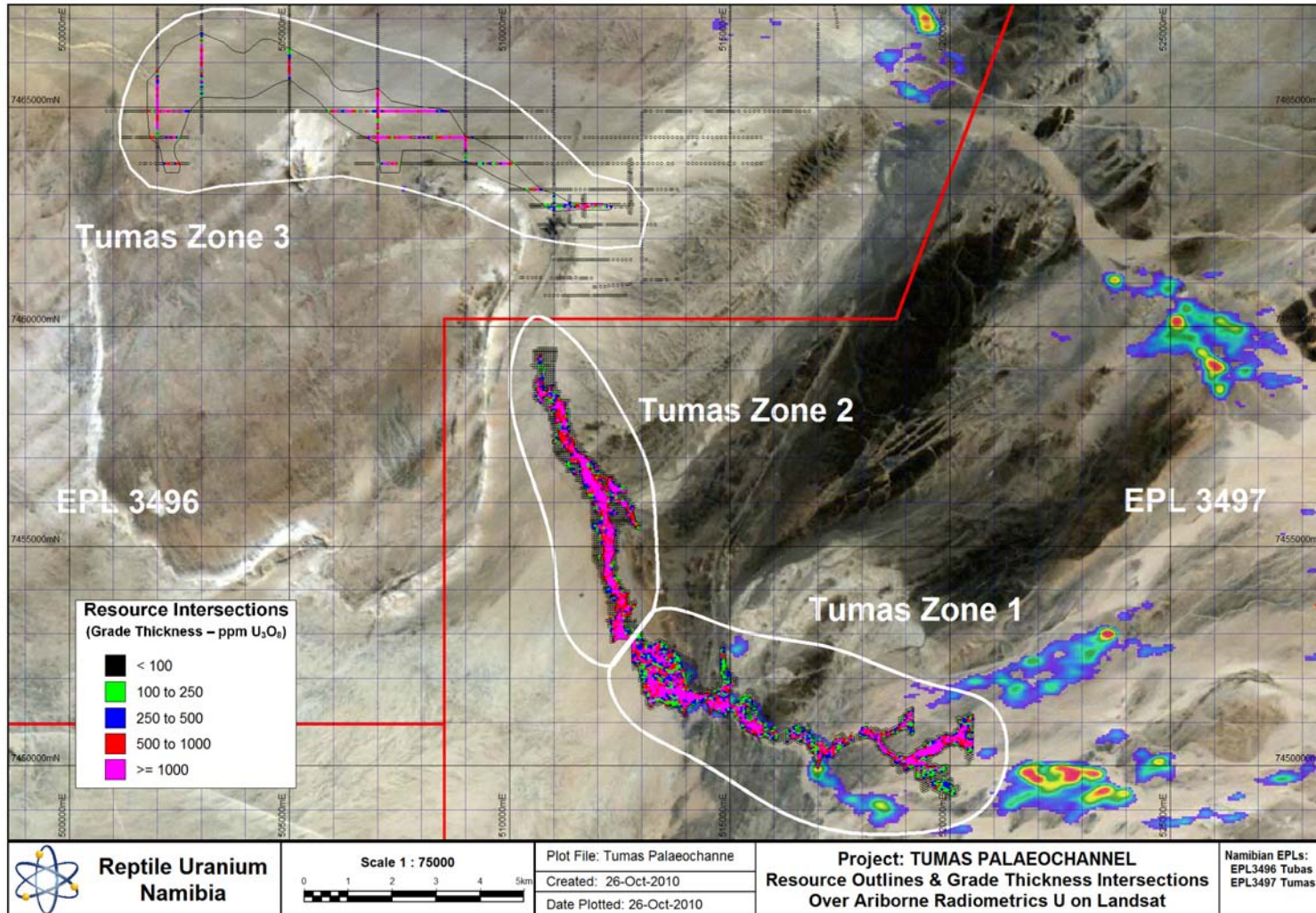


Figure 2: Tubas-Tumas Palaeochannel with Tumas Zones of mineralisation



Details of the Mineral Resource Estimate

The combined Tumas Zones have been sampled by 5,956 reverse circulation (RC) holes drilled by RUN between 2008 and 2010 for a total of 112,281 metres of drilling (Table 5). The generally east-west striking Tumas Zone 1 mineralisation has been sampled on a consistent, staggered 50 x 50 metre pattern giving an along strike spacing of approximately 100 metres between drill holes. The north-south trending Tumas Zone 2 mineralisation is sampled on a 50 x 50 metre square grid with some infilling to a 25 x 50 metre pattern generally along the margins of the mineralised zones.

The Tumas Zone 3 drilling is much broader, and less regularly spaced than the other Zones, with drilling including 50 metre spaced holes along sets of east-west and north-south traverses separated by 600 to 2,000 metres, and some locally tight-spaced infill drilling. When combined with geophysical survey results, this wide-spaced sampling provides an indication of the extent and general orientation of mineralisation in Tumas Zone 3, the mineralisation is too poorly defined for inclusion in resource estimates.

Table 5: Tumas Drilling by Deposit Zones and Year

Deposit Zones	2008		2009		2010		Total	
	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
Zone 1	2,312	27,942	-	-	-	-	2,312	27,942
Zone 2	-	-	1,185	29,772	1,053	27,378	2,238	57,150
Zone 3	184	3,606	1,222	23,583	-	-	1,406	27,189
Total	2,496	31,548	2,407	53,355	1,053	27,378	5,956	112,281

Tumas mineralisation occurs as secondary carnotite enrichment of variably calcretised palaeochannel and sheetwash sediments and adjacent weathered bedrock. The mineralisation domains used for the current study were interpreted to capture continuous zones of mineralisation above 50 ppm U₃O₈. The combined Tumas Zones 1 and 2 mineralisation included in current resource estimates has a combined strike length of approximately 16 kilometres with an average width of around 400 metres and extends to a maximum depth of 47 metres.

Data available for the Tumas drilling includes in-rod and open-hole gamma logging, XRF assay results and scintillometer measurements from samples placed in lead shielded box.

The current estimates are based primarily on one-metre down-hole composited U₃O₈ grades derived from gamma logging. For the composite dataset compiled for the current estimates, eU₃O₈ grades derived from gamma logging were assigned a higher priority than XRF assay results, and scintillometer derived grades were used for intervals without logging or XRF results.

Tumas Zones 1 and 2 resources were estimated by Multiple Indicator Kriging (MIK) with block support correction, and reflect open-cut mining selectivity. As requested by RUN, the estimates assume one metre mining bench heights with 5 x 5 metre grade control sampling. Estimates for mineralisation tested by consistently 50 x 50 metre spaced drilling are classified as Indicated and all other estimates are classified as Inferred.

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The estimates assume a bulk density of 2.1 tonnes per cubic metre as estimated by RUN from measurements performed on samples from a trench excavated through the Tumas mineralisation.

In addition to the Tumas Zones 1 and 2 resource estimates, H&S used an MIK model for to provide an estimate of the exploration target range for Tumas Zone 3.

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 Statements

*The information in this report that relates mineral resource estimation for **Tumas and Aussinanis** 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 data quality, including the accuracy and reliability of gamma logging results, bulk densities, cut-off grades and comments on the **resource estimates for Tumas and Aussinanis** is based on information compiled by **Dr Leon Pretorius** who is a full-time employee of **Deep Yellow Limited** and 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.*

*The information in this report that relates to the Mineral Resource for the **INCA and Tubas Red Sand deposits** 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'. Mr Hall consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. 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 report and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

UPDATED RESOURCE ESTIMATE FOR TUBAS-TUMAS PALAEOCHANNEL



The information in this report relating to Exploration Results for the **INCA and Tubas Red Sand deposits** is based on information compiled by **Dr Leon Pretorius** who is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Pretorius is a full-time employee 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 Reserve'. 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.

The information in this report that relates Mineral Resource estimation for the **Tubas deposit** is based on work completed by **Mr Willem H. Kotzé Pr. Sci. Nat MSAIMM**. Mr Kotzé who is a full time employee of **Hellman and Schofield Pty Ltd** and a Member of the Australasian Institute of Mining and Metallurgy. Mr Kotzé 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 Kotzé 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 Exploration Results, Mineral Resources or Ore Reserves for the **Tubas deposit** is based on information compiled by **Dr Leon Pretorius** a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Pretorius is a full-time employee 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'. 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.

The information in this report that relates to Mineral Resource estimation for the **Mount Isa Projects** is based on work compiled by **Mr Neil Inwood**, a Member of the Australasian Institute of Mining and Metallurgy. Mr Inwood is employed by Coffey Mining Pty Ltd 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 Inwood 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 Exploration Results, Mineral Resources or Ore Reserves for the **Mount Isa Projects** is based on information compiled by **Dr Leon Pretorius** a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Pretorius is a full-time employee 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'. 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.

The information in this report that relates to Mineral Resource estimation for the **Napperby Project** is based on information compiled by **Mr Daniel Guibal** who is a Fellow (CP) of the Australasian Institute of Mining and Metallurgy. Mr Guibal is a full time employee of **SRK Consulting** 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 Guibal 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 Exploration Results for the **Napperby Project** is based on information compiled by **Dr David Rawlings** who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Rawlings is a full-time employee of **Toro Energy 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'. Dr Rawlings 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 Disequilibrium Results for the **Napperby Project** is based on information compiled by **Mr David Wilson BSc MSc** who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Wilson is a full-time employee of **3D Exploration Limited**, a consultant to Toro 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 Wilson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

UPDATED RESOURCE ESTIMATE FOR TUBAS-TUMAS PALAEOCHANNEL



Where eU_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 uranium focused 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 uranium magnetite and secondary Red Sand projects and the extensive secondary calcrete deposits contained in the Tubas-Tumas 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.