

13 December 2010

**DEEP YELLOW IDENTIFIES SIGNIFICANT URANIUM MINERALISATION IN
BASEMENT ROCKS BENEATH THE TUBAS-TUMAS PALAEOCHANNEL
IN NAMIBIA PLUS ADDITIONAL MINERALISED RED SAND
ADJACENT TO THE CHANNEL**

- **High-grade basement-hosted secondary uranium mineralisation identified during follow-up RC drilling at the Tumas Zone 3 of the Tubas–Tumas palaeochannel with drillhole ORXR1 returning a mineralised intercept of:**
 - **47 metres at 830 ppm cU₃O₈ from 29 metres depth**
- **Reverse Circulation infill drilling around ORXR1 also identified Red Sand hosted mineralisation with drillhole ORXR37 intercepting:**
 - **8 metres at 516 ppm cU₃O₈ from 5 metres depth**
 - **ORXR37 is located approximately 20 km east of the current Tubas Red Sand (TRS) deposit and demonstrates that mineralised Red Sand is not restricted to a single area of the palaeochannel**
- **Infill drilling within the palaeochannel also outlined additional high-grade mineralisation with selected intercepts of:**
 - **8 metres at 614 ppm cU₃O₈ from 7 metres**
 - **11 metres at 1,097 ppm cU₃O₈ from 5 metres**
 - **7 metres at 782 ppm cU₃O₈ from 3 metres**
- **Tumas Zone 3 has a current Exploration Target Range of 10 to 30 million tonnes at a grade of 300 to 400 ppm U₃O₈ at 200 ppm cut-off in accordance with the JORC Code**

Deep Yellow Limited (ASX Code: DYL) is pleased to announce that follow-up infill drilling at **Tumas Zone 3** of the Tubas-Tumas palaeochannel in Namibia, by DYL's wholly-owned subsidiary **Reptile Uranium Namibia (Pty) Ltd (RUN)**, has identified **high-grade uranium mineralisation in the basement rocks beneath the palaeochannel; mineralised Red Sand** adjacent to the channel similar to the Tubas Red Sand (TRS) deposit material, as well as **additional high-grade mineralisation within the palaeochannel.**

DEEP YELLOW IDENTIFIES SIGNIFICANT URANIUM MINERALISATION IN BASEMENT ROCKS OF THE TUBAS-TUMAS PALAEOCHANNEL IN NAMIBIA

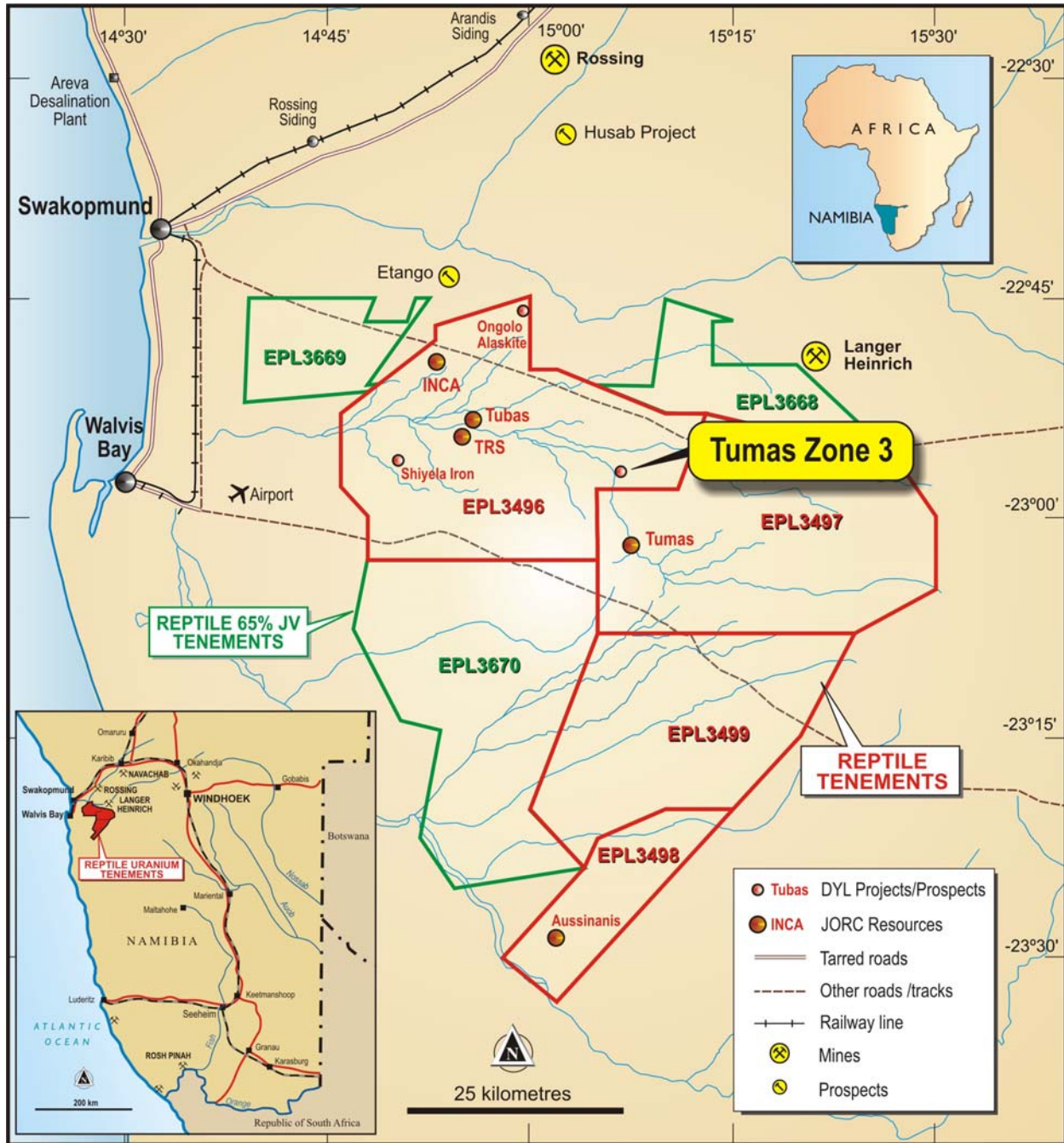


Figure 1: Tumas Zone 3 Infill Drill Area Location within RUN's Tenements

Figure 1 shows the location of the infill drilling within EPL 3496 relative to RUN's total exploration portfolio.

Basement Hosted Mineralisation

In November 2010 RUN conducted follow-up infill drilling near Tumas Zone 3 of the Tubas-Tumas palaeochannel to investigate reverse circulation (RC) drilling results indicating the potential for **basement mineralisation** below a relatively high-grade section of the palaeochannel on RUN's EPL 3496.

DEEP YELLOW IDENTIFIES SIGNIFICANT URANIUM MINERALISATION IN BASEMENT ROCKS OF THE TUBAS-TUMAS PALAEOCHANNEL IN NAMIBIA



The investigation confirmed that drillhole ORXR1 intercepted high-grade secondary uranium mineralisation hosted in granitic basement below the palaeochannel with a mineralised intercept of:

- 47 metres at 830 ppm cU₃O₈ from 29 metres.

Three scissor holes drilled on the ORXR1 section (Figure 2) suggests the mineralisation in ORXR1 may be limited in extent in the immediate area, but provides evidence for and may provide a model for new basement hosted targets.

A 60° angle hole ORXR3 also returned basement intercepts of:

- 4 metres at 405 ppm cU₃O₈ from 30 metres
- 5 metres at 412 ppm cU₃O₈ from 43 metres
- 5 metres at 420 ppm cU₃O₈ from 53 metres

Mineralisation is carnotite in both holes. Intercepts are listed in Table 1 and a drill section is given in Figure 2.

Table 1: RC Drill Intercepts Oryx Prospect Area – XRF Chemical Assays

Hole	WGS84 Zone 33		Azi	TD	Dip	Depth (m)		Interval (m)	cU ₃ O ₈ (ppm)	GTM	Host Type
	mE	mN				From	To				
ORXR1	511579	7462705	0	77	-90	29	76	47	830	39,010	Basement
ORXR3	511615	7462699	270	100	-60	30	34	4	405	1,620	Basement
						43	48	5	412	2,060	Basement
						53	58	5	420	2,100	Basement
ORXR4	511642	7462690	270	120	-60	7	15	8	614	4,912	Channel
ORXR5	511613	7462650	270	97	-60	4	16	12	269	3,228	Channel
ORXR6	511604	7462657	0	28	-90	5	16	11	1,097	12,067	Channel
ORXR7	511552	7462658	0	28	-90	3	10	7	782	5,474	Channel
						19	24	5	332	1,660	Channel
ORXR8	511502	7462659	0	34	-90	6	17	11	355	3,905	Channel
ORXR9	511457	7462659	0	43	-90	22	26	4	377	1,508	Channel
ORXR12	511402	7462604	0	28	-90	11	14	3	1,808	5,424	Channel
ORXR22	511349	7462550	0	25	-90	13	18	5	454	2,270	Channel
ORXR23	511304	7462555	0	31	-90	4	6	2	1,816	3,632	Channel
ORXR33	511100	7462648	0	25	-90	6	8	2	223	446	Channel
ORXR37	511256	7462447	0	19	-90	5	13	8	516	4,128	Red Sand

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)

DEEP YELLOW IDENTIFIES SIGNIFICANT URANIUM MINERALISATION IN BASEMENT ROCKS OF THE TUBAS-TUMAS PALAEOCHANNEL IN NAMIBIA

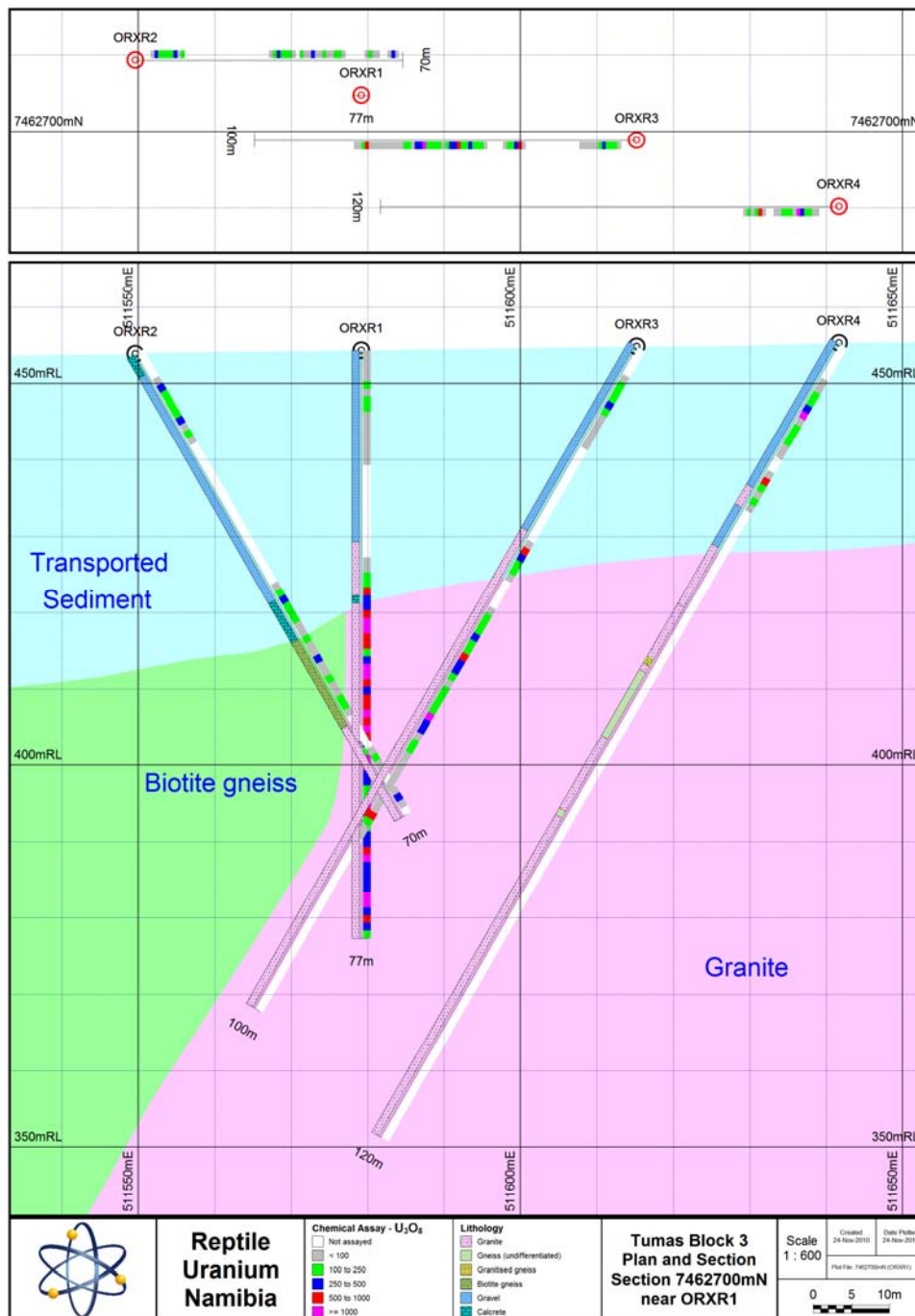


Figure 2: West to East Drill Section 7462700mN through plane of RC Hole ORXR1

Figure 2 is an interpreted drill section through holes ORXR1 and ORXR3 showing basement-hosted secondary uranium mineralisation (carnotite) located at a granite – biotite gneiss contact as well as secondary carnotite mineralisation in overlying channel sediments (ORXR4)

The basement mineralisation appears to be associated with the contact zone between granite and gneiss (metasedimentary rocks). Microscopic studies show that the granite is a pegmatitic-leucogranite phase (alaskite). Mineralisation is secondary carnotite. Diamond drilling will be carried out in 2011 to determine the potential of this contact zone.

DEEP YELLOW IDENTIFIES SIGNIFICANT URANIUM MINERALISATION IN BASEMENT ROCKS OF THE TUBAS-TUMAS PALAEOCHANNEL IN NAMIBIA



Initial Reconnaissance Drilling at Tumas Zone 3 – looking southwest to the channel.

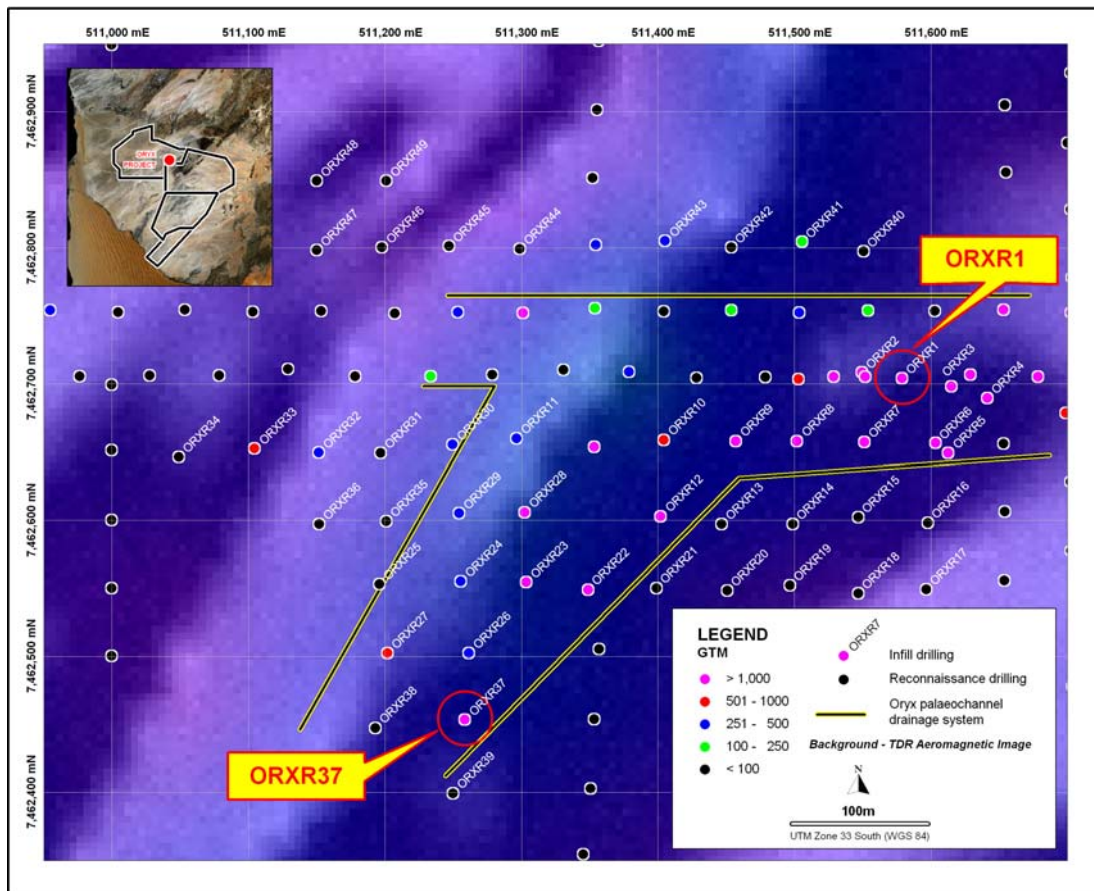


Figure 3: Infill RC Drilling - Tumas Zone 3 area in the Tubas-Tumas Palaeochannel



Red Sand Mineralisation

Reverse Circulation infill drilling around ORXR1 also identified aeolian Red Sand hosted mineralisation with drillhole ORXR37 intercepting:

- 8 metres at 516 ppm cU_3O_8 from 5 metres

Figure 3 above shows the position of ORXR37 (circled) and the yellow lines outline the deeper palaeochannel position.

As can be seen from the photo in Figure 4, mineralised aeolian red sand from ORXR37 has very similar characteristics to the Tubas Red Sand (TRS) deposit which is part of the Omahola Project located **20 kilometres to the west**. The TRS deposit contains 13.9 million tonnes at 160 ppm U_3O_8 for 2,217 tonnes (4.9 million pounds) contained U_3O_8 . This new discovery, on the flank of the palaeochannel, is consistent with mineralisation at the TRS deposit and further confirms the possible extent of this unique style of uranium mineralisation over 10's of kilometre of the main Tubas-Tumas palaeochannel system.

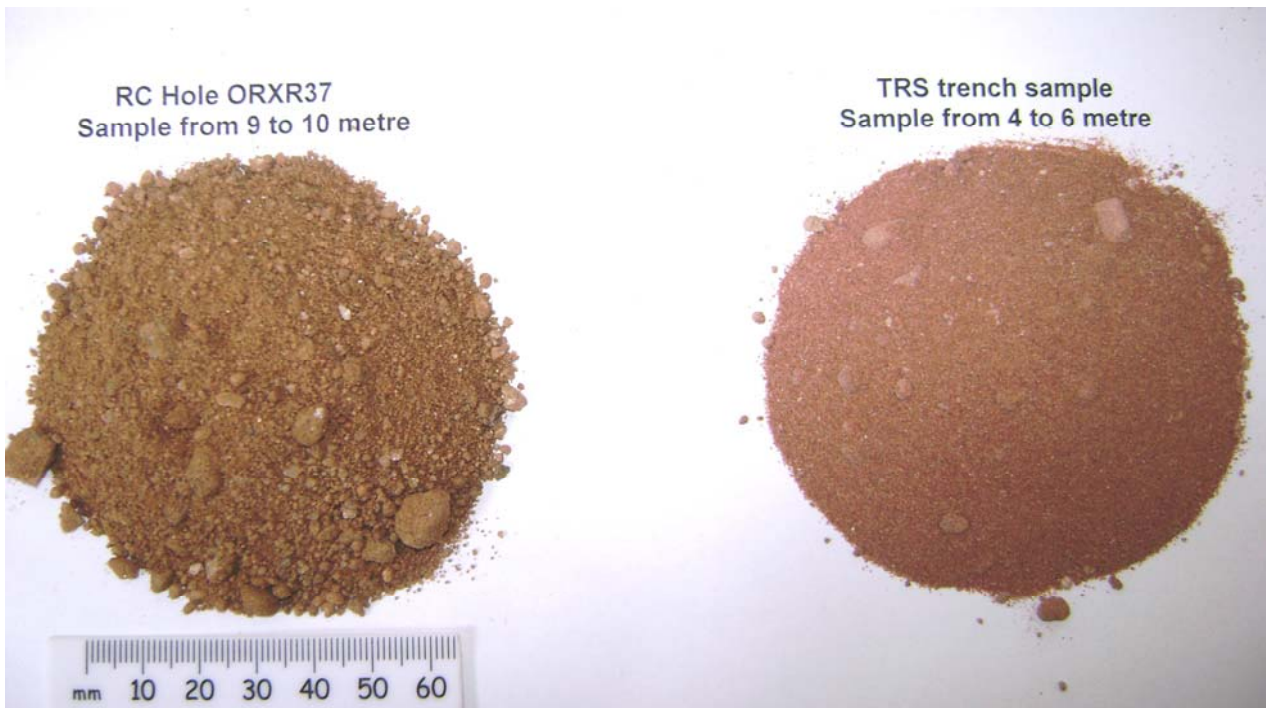


Figure 4: Comparison of Oryx Red Sand with the Tubas Red Sand (TRS) material

The red sand sample from 9 to 10 metres depth in ORXR37 assayed 249 ppm U_3O_8 and the TRS sample from 4 to 6 metres depth assayed 327 ppm U_3O_8 .



Palaeochannel Mineralisation

Infill drilling on a 50 metre grid to the original reconnaissance drilling has outlined further high-grade palaeochannel mineralisation with an intercepts of:

- 8 metres at 614 ppm cU₃O₈ from 7 metres
- 11 metres at 1,097 ppm cU₃O₈ from 5 metres
- 7 metres at 782 ppm cU₃O₈ from 3 metres

The November infill holes are labelled 'ORYX' in Figure 3. The earlier reconnaissance holes are unlabelled. Significant mineralised intercepts are given in Table 1. The palaeochannel mineralisation remains open upstream (east).

Only 49 holes were completed in this restricted campaign and the various modes of mineralisation (palaeochannel, aeolian and primary) remain open in most directions (Figure 3) and will be subjected to further evaluation by drilling in 2011.

Tumas Zone 3 Exploration Target Range

The **Tumas Zone 3** reconnaissance drill data was evaluated by Hellman & Schofield (H&S) as part of the upgraded Tumas JORC Resource estimate (ASX 28 October 2010). Due to the broadly and irregularly spaced lines of drillholes at the time, the calcrete-hosted 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** was estimated at **10 to 30 million tonnes at a grade of 300 to 400 ppm U₃O₈ at 200 ppm cut-off**. H&S stated that it is uncertain if future exploration will result in the determination of a Mineral Resource.

For further information regarding this announcement, contact:

Patrick Mutz
Managing Director

DEEP YELLOW LIMITED
Ph: +61 8 9286 6999
Email: info@deepyellow.com.au

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 target range** for **Tumas 3** 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.*

DEEP YELLOW IDENTIFIES SIGNIFICANT URANIUM MINERALISATION IN BASEMENT ROCKS OF THE TUBAS-TUMAS PALAEOCHANNEL IN NAMIBIA



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 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.