

01 May 2012

MS7 DRILLING INTERSECTS 120 METRES OF HIGH GRADE URANIUM MINERALISATION

KEY POINTS

- **An outstanding 120 metre intersection of high grade uranium mineralisation has been made in hole ALAR1222 during the ongoing RC drilling campaign at MS7.**
- **The intercept of 120 metres at 443 ppm eU₃O₈ (equivalent uranium) from a depth of 110 metres was measured by calibrated downhole gamma logging.**
- **The intercept is one of several such recent intersections associated with an outlier of marble/skarn offset from the footwall marble unit.**
- **Samples from the drill hole were prioritised and have been dispatched to Scientific Services in South Africa for confirmatory Fusion-XRF analysis.**
- **Infill resource drilling continues in the alaskite region at MS7 and Ongolo as is reconnaissance drilling in the area.**

Advanced stage uranium explorer Deep Yellow Limited (DYL) is pleased to announce an outstanding RC drill intercept from resource drilling conducted by its wholly owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN) from the MS7 deposit area (Figure 1). The results are reported as equivalent uranium values (eU₃O₈) returned from routine downhole logging (Table 1).

“This is an outstanding result, one of the best from our exploration programme in Namibia” said Deep Yellow Managing Director Greg Cochran. “The numerous wide high grade intercepts we have had at MS7 continue to reinforce our optimism about the deposit’s potential.”

The MS7 drill programme is designed to increase the size and confidence of the existing JORC Mineral Resource and test for lateral and depth extensions to previously identified high grade zones. Other selected results from this area include:

- **ALAD781 47 metres at 418 ppm U₃O₈ from 49 metres**
- **ALAR966 58 metres at 535 ppm U₃O₈ from 117 metres**
- **ALAR775 21 metres at 411ppm U₃O₈ from 35 metres**
 and 28 metres at 537ppm U₃O₈ from 209 metres.

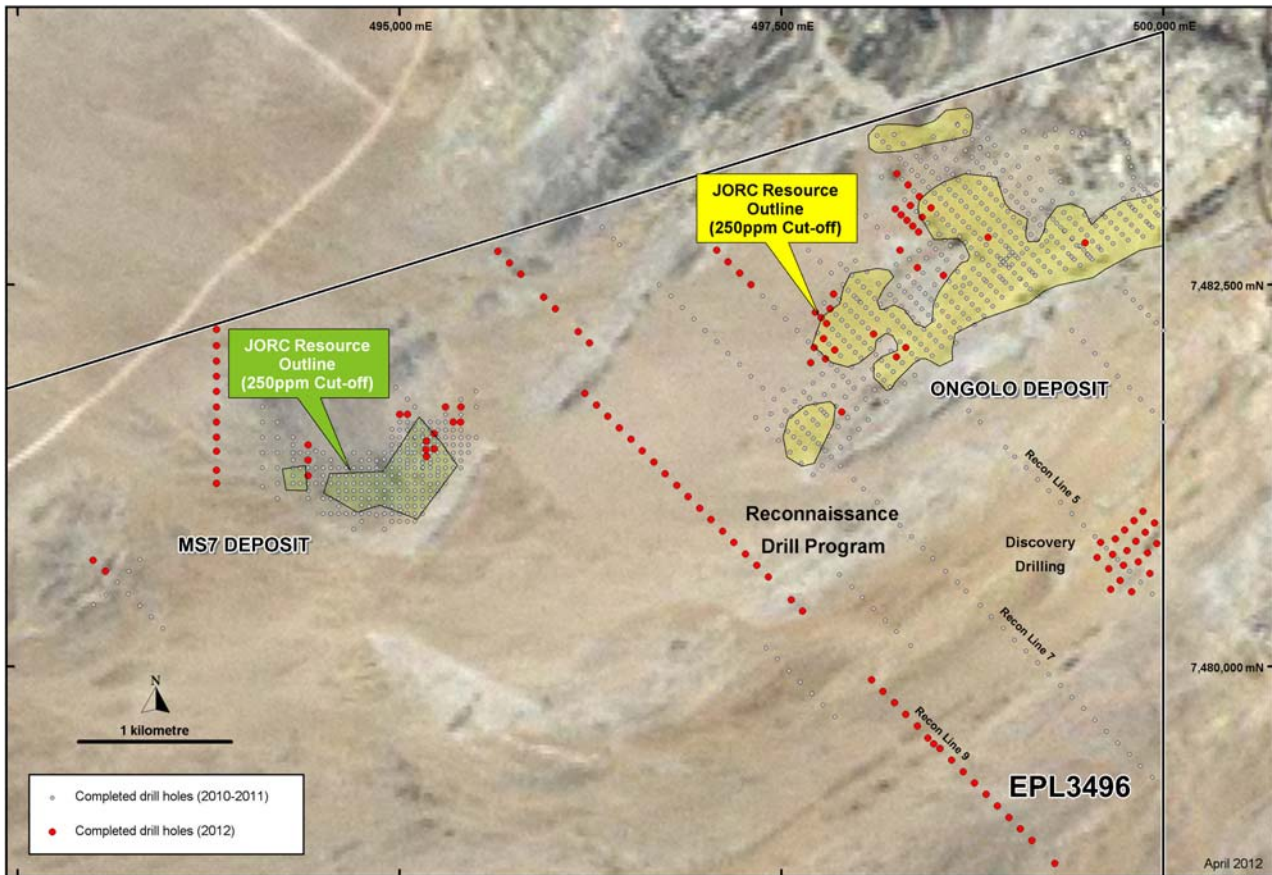


Figure 1: 2012 Drill Programme – Ongolo-MS7 region also showing new discovery area

Table 1: Equivalent Uranium Results

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval (m)	eU ₃ O ₈ (ppm)	GTM
						From	To			
ALAR1222	4950580	7481361	180	387	-60	69	72	3	435	1,305
and						110	230	120	443	53,160
incl						110	131	21	703	14,763
incl						171	211	40	537	21,480
and						308	310	2	799	1,598

Notes: TD is total depth of hole. eU₃O₈ is an equivalent uranium value derived from downhole gamma logging. GTM is grade thickness metre and is calculated by multiplying the interval (m) x eU₃O₈ (ppm)

Values of approximately 400 ppm U₃O₈ are deemed to be significant by DYL in this environment and therefore lower average values are not reported.

Where eU₃O₈ is reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A675 – slimline gamma ray tool. The probe has been calibrated at the Pelindaba Calibration facility in South Africa with calibration certification provided by Geotron Systems (Pty) Ltd a geophysical consultancy based in South Africa. All eU₃O₈ results reported are affected by issues pertaining to possible disequilibrium and uranium mobility which should be taken into account when interpreting those pending confirmatory chemical analyses.

Ends



Background

Results received during the 2012 ‘infill’ drill programme in the central and north-east of the MS7 deposit (Figure 2) have provided continuity between the ‘resource blocks’ that were outlined by last year’s drill programme and should serve to improve the JORC classification.

During drilling operations, downhole logging is routinely used to provide calibrated gamma results (i.e. equivalent uranium values) to enable the selection of mineralised intervals for chemical assay. These samples are prepared in RUN’s laboratory and are dispatched to Scientific Services in South Africa for confirmatory Fusion-XRF analysis. However both Fusion-XRF and factored radiometric results are used in the JORC Mineral Resource estimate.

In the MS7 JORC Mineral Resource estimate completed by Coffey Mining Pty Ltd (Coffey) approximately 30% of the composites used in the estimate were sourced from Fusion-XRF chemical assays and 70% from factored radiometric data. To allow the use of the radiometric data, RUN’s calibrated downhole logging systems were reviewed by Coffey and found to be of the highest quality. Generally, DYL has waited for Fusion-XRF chemical assay results from its alaskite drill programmes before release however in this instance, it was decided that such an outstanding radiometric result warranted reporting.

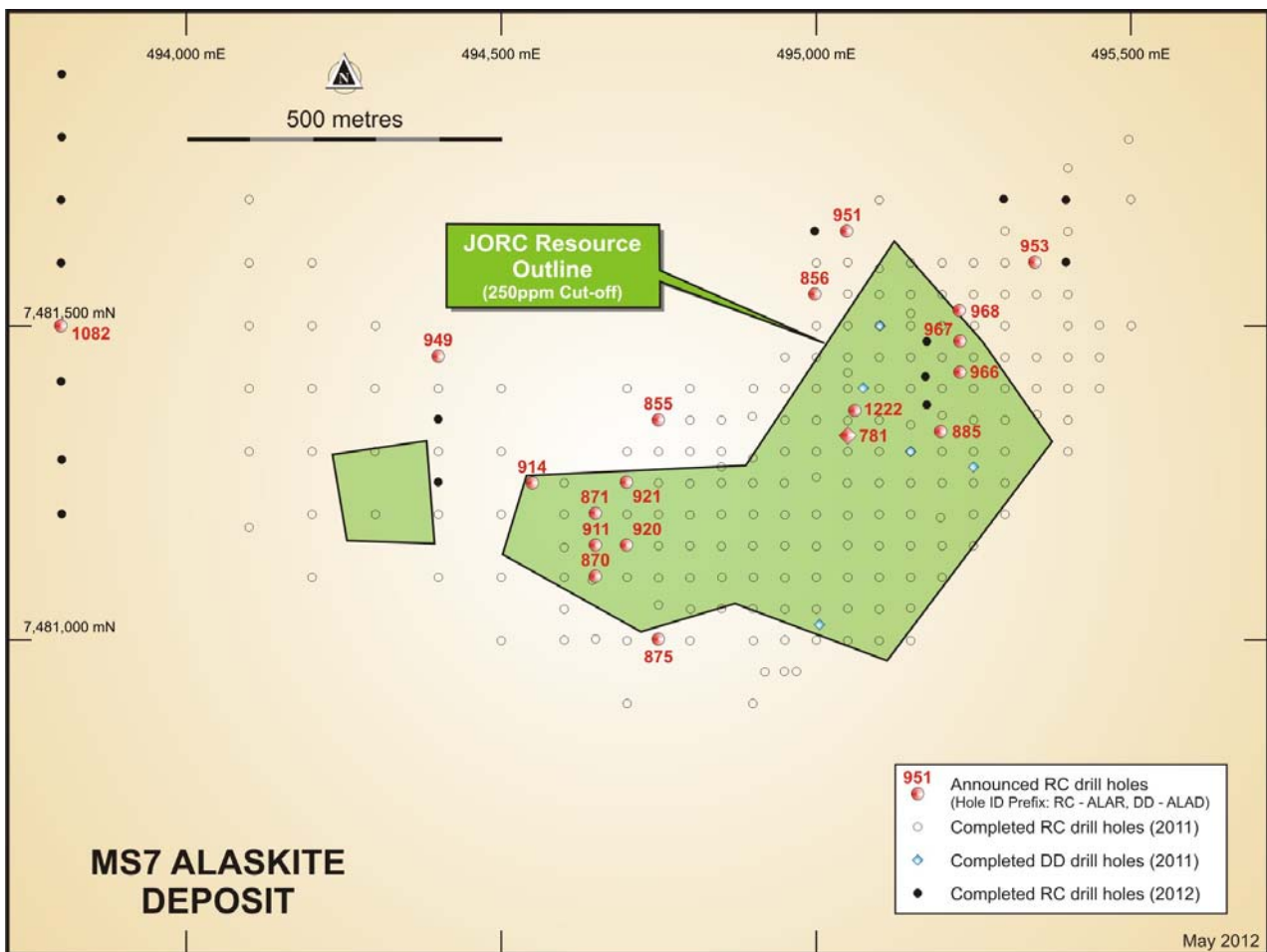


Figure 2: MS7 2011 JORC Resource Outline and Significant 2012 Infill Drill Results

The wide intercept in ALAR1222 of 120 metres at 443 ppm eU₃O₈ is one of several such intersections associated with an outlier of marble ‘rafted off’ the footwall marble by the intrusion of the Alaskite bodies as seen in the aeromagnetic data (Figure 3).

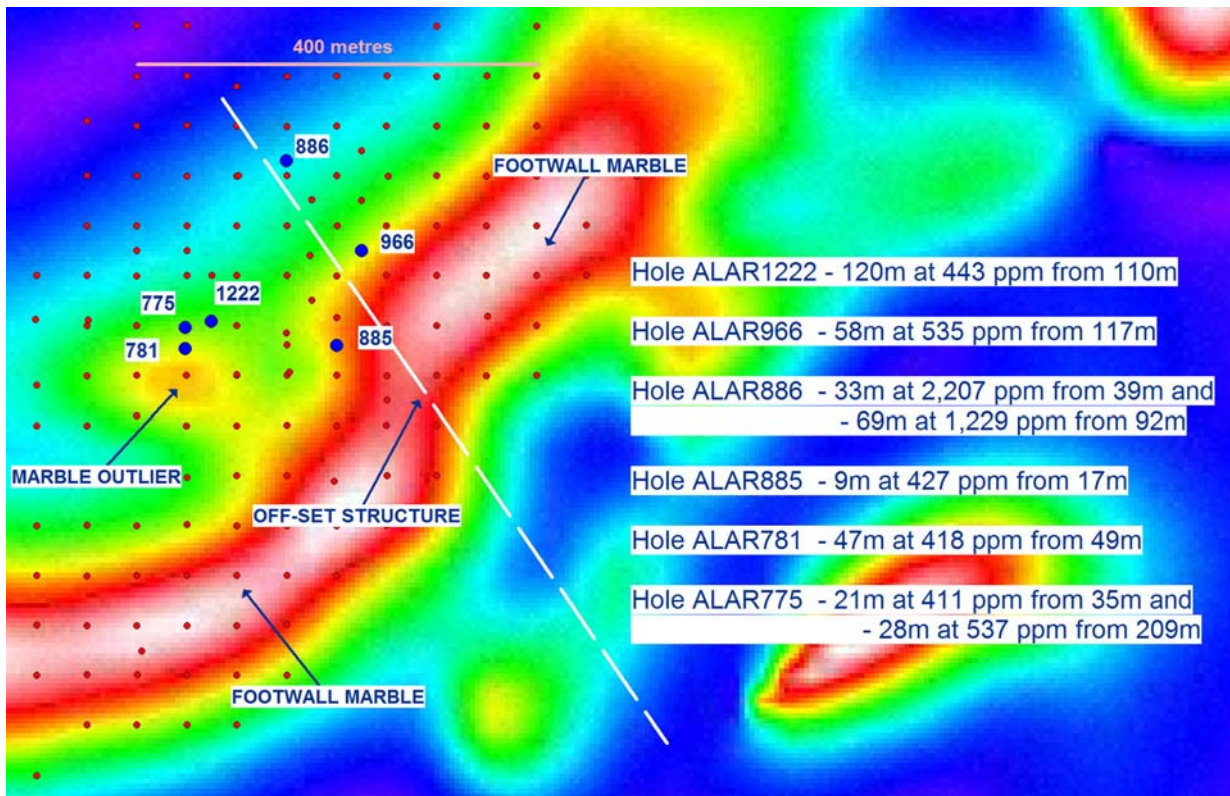


Figure 3: MS7 Aeromagnetic Image showing location of ALAR1222 and the Marble Outlier associated with a zone of wide intersections



Figure 4: MS7 Section 495150mE – Looking south over mineralised Alaskite to footwall skarn (black-grey) and marble ridge line



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For further information on the Company and its projects - visit the website at www.deepyellow.com.au

About Deep Yellow Limited

Deep Yellow Limited is an ASX-listed, advanced stage uranium exploration company with extensive operations in the southern African nation of Namibia and in Australia. It also has a listing on the Namibian Stock Exchange.

Deep Yellow's primary focus is in Namibia where its operations are conducted by its 100% owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN). Its flagship is the Omahola Project currently under Pre-Feasibility Study with concurrent resource drill-outs on the high grade Ongolo Alaskite – MS7 trend. It is also evaluating a stand-alone project for its Tubas-TRS uranium deposit utilising physical beneficiation techniques it successfully tested in 2011.

In Australia the Company owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory and in the Mount Isa District in Queensland.

Compliance Statement

The information in this report that relates to Exploration Results and to 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.