

27 January 2012

## **INCA RESOURCE GRADE INCREASED**

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### **KEY POINTS**

- INCA resource grade increased by 20% to 490 ppm U<sub>3</sub>O<sub>8</sub> after being re-estimated by Coffey Mining (Pty) Ltd.
  - The JORC Compliant Resource now totals 12.4 Mt at 490 ppm U<sub>3</sub>O<sub>8</sub> for 13.4 Mlbs U<sub>3</sub>O<sub>8</sub> at a 250 ppm cut-off.
  - Approximately 54% of the resource is classified as Indicated.
  - The high grade Inferred Resource (520 ppm U<sub>3</sub>O<sub>8</sub>) reflects deep high grade intersections open to depth which will be targeted by future drilling.
  - The Omahola Project Resource grade has also increased, from 413 ppm to 441 ppm U<sub>3</sub>O<sub>8</sub>.
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Advanced uranium explorer, **Deep Yellow Limited** (ASX: **DYL**) is pleased to announce that a re-estimate of its INCA deposit has resulted in a 20% increase in grade. The deposit is located on EPL 3496 which is held 100% by DYL's wholly-owned Namibian subsidiary, **Reptile Uranium Namibia (Pty) Ltd (RUN)**.

The updated Indicated and Inferred Mineral Resource estimate was completed by Coffey Mining Pty Ltd (Perth) (Coffey) and totals 12.4 Mt at 490 ppm U<sub>3</sub>O<sub>8</sub> for 13.4 Mlbs U<sub>3</sub>O<sub>8</sub> at a 250 ppm cut-off. DYL requested Coffey to perform the re-estimate using the Multiple Indicator Kriging (MIK) method to bring the deposit into line with the Ongolo and MS7 Resource estimates.

As a result the Omahola Project resource base, comprising the Ongolo, MS7 and INCA deposits (Figure 1) now totals 38.2 Mlbs U<sub>3</sub>O<sub>8</sub> at an average grade of 441 ppm U<sub>3</sub>O<sub>8</sub> (Appendix 1).

Greg Cochran, Deep Yellow's Managing Director, was pleased with the result. "Our focus on the Ongolo-MS7 alaskites does not mean that we are ignoring INCA and this result reinforces our view that the deposit will have an important role to play in the future of the Omahola Project."

The same drillhole database was used for the re-estimate and approximately 25% of the composite samples used in the estimate were chemical assays with 75% from factored radiometric data. Importantly, approximately 40% of the total metal endowment is underpinned by the chemical assays.

The full extent of mineralisation at the INCA deposit has not been determined and further drilling will be required to fully delineate the high grade INCA Deeps mineralisation.

**ENDS**



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For further information on the Company and its projects  
- visit the website at [www.deepyellow.com.au](http://www.deepyellow.com.au)

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### **About Deep Yellow Limited**

Deep Yellow Limited (DYL) 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 NSX.

DYL'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 – INCA trend. It is also assessing the Shiyela Magnetite deposit located just 45 kilometres from the Namibian port of Walvis Bay.

In Australia the Company is focused on resource delineation of mid to high grade discoveries in the Mount Isa district in Queensland and also owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory.

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**Photo of INCA HQ diamond drillcore – altered granitic host rock with black magnetite, dull green skarn minerals and yellow-green secondary uranium mineralisation (uranophane and beta-uranophane).**

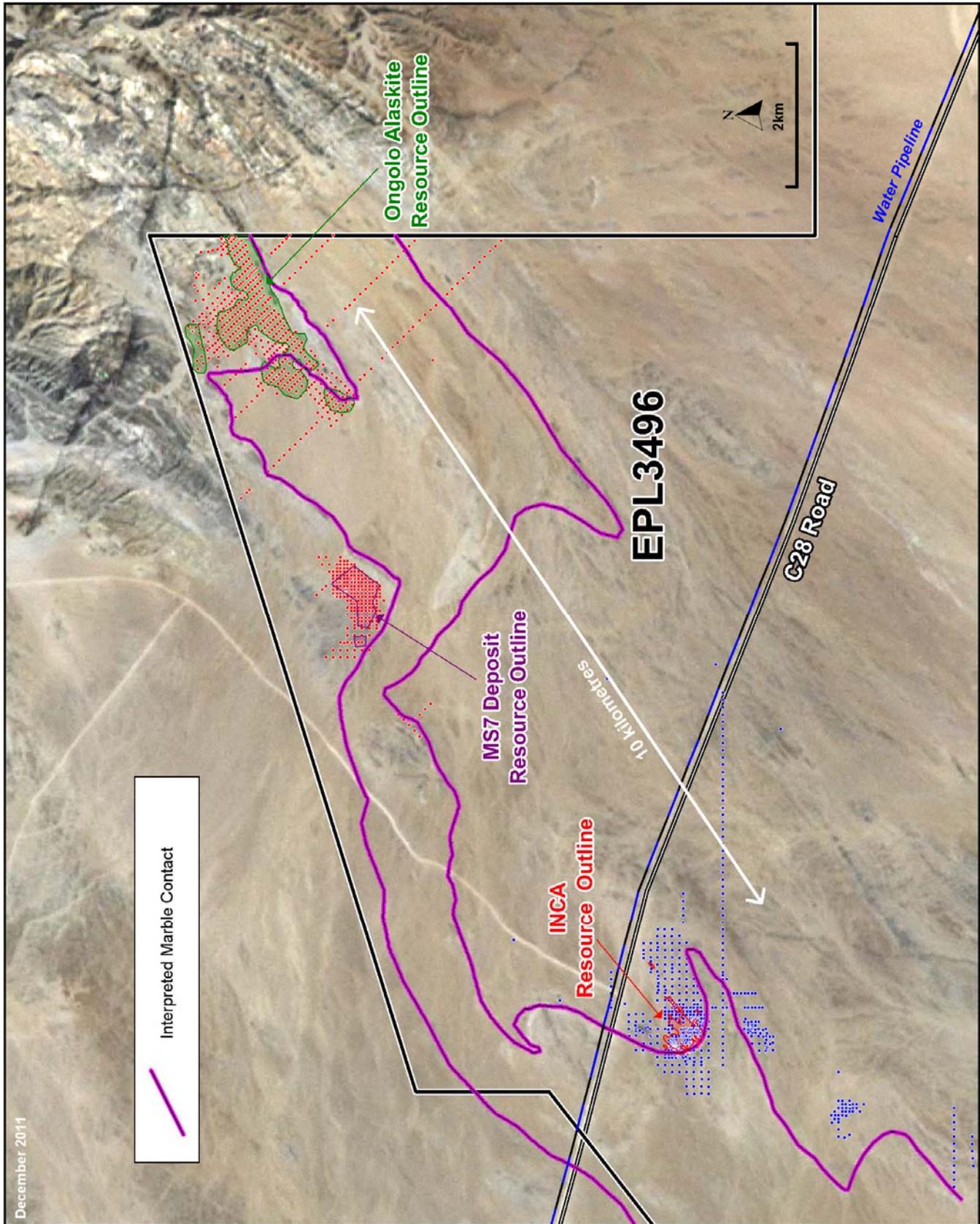


Figure 1: Ongolo–MS7–INCA Trend Showing Resource Outlines at 250 ppm U<sub>3</sub>O<sub>8</sub> Cut-Off



## Appendix 1: Omahola Project Resource Summary – January 2012

Deposit	Category	Cut-off (ppm U <sub>3</sub> O <sub>8</sub> )	Tonnes (M)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (t)	U <sub>3</sub> O <sub>8</sub> (Mlb)
<b>REPTILE URANIUM NAMIBIA (NAMIBIA)</b>						
<b>Omahola Project</b>						
INCA ♦	Indicated	250	7.0	470	3,300	7.2
INCA ♦	Inferred	250	5.4	520	2,800	6.2
Ongolo #	Indicated	250	14.7	410	6,027	13.2
Ongolo #	Inferred	250	5.8	380	2,204	4.8
MS7 #	Indicated	250	3.3	430	1,400	3.2
MS7 #	Inferred	250	2.0	540	1,100	2.4
<b>Omahola Project Total</b>			<b>38.2</b>	<b>441</b>	<b>16,831</b>	<b>37.0</b>

Notes: Figures have been rounded and totals may reflect small rounding errors.  
XRF chemical analysis unless annotated otherwise.

- ♦ eU<sub>3</sub>O<sub>8</sub> - equivalent uranium grade as determined by downhole gamma logging.
- # Combined XRF Fusion Chemical Assays and eU<sub>3</sub>O<sub>8</sub> values.

### Compliance Statements:

#### 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, Managing Director of Reptile Uranium Namibia (Pty) Ltd 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 the report to which this statement is attached that relates to **INCA and MS7** Mineral Resources is based on information compiled by Mr Neil Inwood. Mr Inwood is a Fellow of the Australasian Institute of Mining and Metallurgy and employed by Coffey Mining Pty Ltd. Mr Inwood visited the INCA site in September 2010.

Mr Inwood has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which was undertaken, to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves". Mr Inwood consents to 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 **Ongolo** Mineral Resource on work completed by Mr Neil Inwood and Mr Doug Corley. Mr Inwood is a Fellow of the Australasian Institute of Mining and Metallurgy and Mr Corley is a Member of the Australian Institute of Geoscientists. Messrs Inwood and Corley have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Messrs Inwood and Corley consent to the inclusion in the report of the matters based on his information in the form and context in which it appears. Messrs Inwood and Corley are full-time employees of Coffey Mining.

Where eU<sub>3</sub>O<sub>8</sub> 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.



**Appendix 2: INCA Mineral Resource**

**Details of Coffey’s Mineral Resource Estimate**

The Mineral resource estimate for the INCA Uranium Project completed by Coffey is an Multiple Indicator Kriged (MIK) estimate. The principal criteria used in the estimation include:

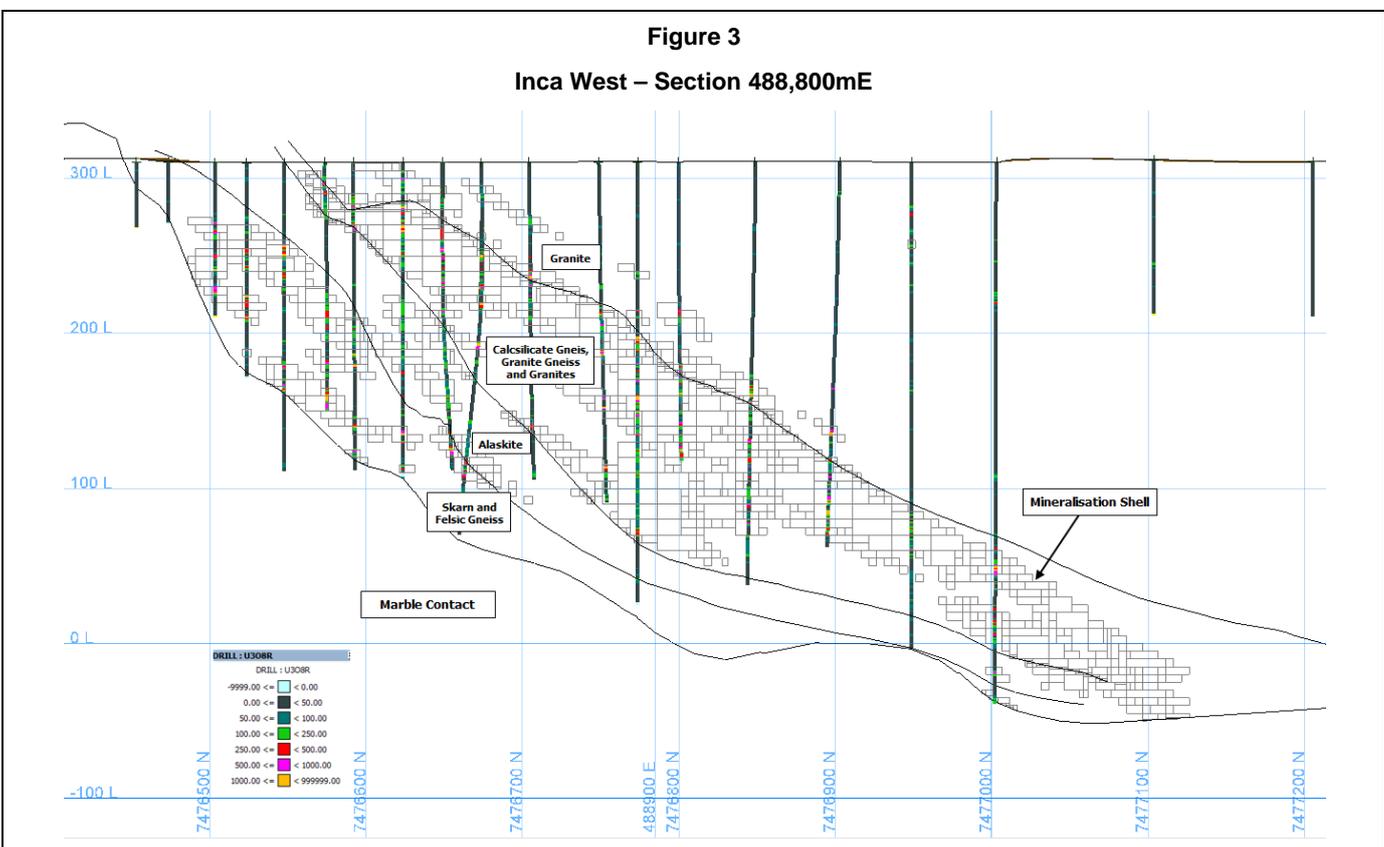
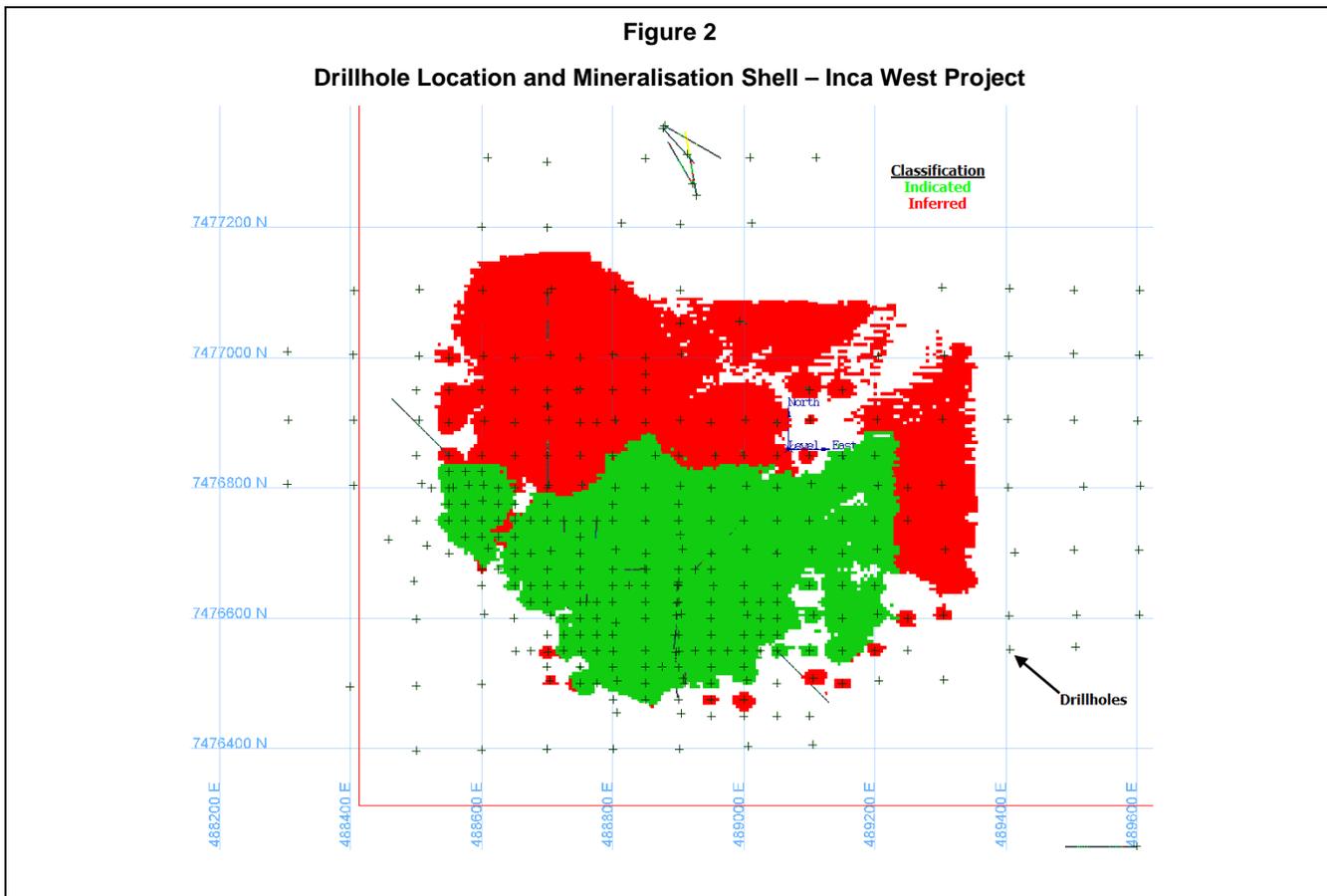
**Table 1: INCA West Uranium Project, Namibia – January 20, 2012 Resource Update**

Reported at various cut-offs using bulk density coded by zone (averaging 2.89 t/m <sup>3</sup> ) Multiple Indicator Kriged estimate based upon 3m cut eU <sub>3</sub> O <sub>8</sub> composites. Reported emulating a selective mining unit of 10m x 5m x 3m Parent Block dimensions of 25m NS by 25m EW by 10m RL <b>Preferred Reporting Cut-off – 250ppm</b>				
Lower Cut	Tonnes Above Cut-off (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (M kg)	Contained U <sub>3</sub> O <sub>8</sub> (M lb)
<b>Indicated</b>				
100	21.4	260	5.6	12.3
150	14.7	320	4.8	10.5
200	10.0	390	3.9	8.7
<b>250</b>	<b>7.0</b>	<b>470</b>	<b>3.3</b>	<b>7.2</b>
300	5.2	540	2.8	6.1
350	3.9	610	2.4	5.2
400	3.0	680	2.0	4.5
<b>Inferred</b>				
100	15.2	290	4.4	9.7
150	10.8	360	3.9	8.5
200	7.5	440	3.3	7.2
250	5.4	520	2.8	6.2
300	4.0	600	2.4	5.4
350	3.2	680	2.2	4.8
400	2.6	750	1.9	4.3
<b>Indicated and Inferred</b>				
100	36.6	270	10.0	22.0
150	25.6	340	8.6	19.0
200	17.5	410	7.2	15.9
250	12.3	490	6.1	13.4
300	9.2	570	5.2	11.5
350	7.1	640	4.5	10.0
400	5.6	710	4.0	8.8
Note: Figures have been rounded.				



Notes for the resource estimation include:

- The drillhole database in the vicinity of the estimation consists of 345 RC drill holes totalling 52,118 metres, 37 diamond drillholes totalling 5,322 metres and 34 diamond drillholes with RC precollars totalling 10,591 metres. The drillholes were drilled typically vertically with 33 drilled at 60° to the various bearings (UTM grid) with a drill spacing ranging from 25 metres by 25 metres to 100 metres by 100 metres. Only RC and diamond drilling and sampling undertaken by Reptile Uranium Namibia ('RUN') were used in the estimate.
- The RUN RC samples are collected at 1 metre intervals in mineralised zones into a three tiered splitter to obtain a 2-3 kilogram final sample. Diamond core was halved with samples taken every metre in mineralisation. Chemical assays are undertaken at RUN's XRF facility in Swakopmund, with regular umpire analysis undertaken by Set Point in Johannesburg and Scientific Services in Cape Town.
- Radiometric downhole gamma  $eU_3O_8$  grades were used for intervals which had no chemical assaying. The  $eU_3O_8$  grade data was adjusted prior to use to take into account for site disequilibrium issues. Approximately 25% of the assays used in the estimate were derived from chemical assays, and these attributed approximately 40% of the total contained metal to the estimate.
- Coffey has not reviewed the QAQC in detail. RUN is the responsible entity for the assay database.
- Density data was collected from the diamond core utilising the water immersion method. A total of 774 density readings were available to evaluate the density of the mineralised rock. The density was characterised by rock type and for mineralised/unmineralised material within each rock type.
- Due to the complexity of the mineralisation within the deposit, the mineralisation was defined using an indicator shell defined by material with a 40% or greater probability above 75 ppm  $eU_3O_8$ . This was a similar shell as was used in the 2010 estimate. Sectional interpretations were used to define the main lithological contacts.
- The topographic surface was defined using a combination of DGPS pickup of the drillhole collars. A weathering surface was not modelled for the deposits.
- The assay data was composited to 3 metre downhole with statistical analyses on the 3 metre composites undertaken. Variography and search neighbourhood analysis were also conducted as input into grade estimation.
- The method used to obtain estimate grade within the mineralised zones for  $U_3O_8$  was Multiple Indicator Kriging ('MIK') using indirect lognormal change of support emulation a selective mining unit ('SMU') of 10 metres x 5 metres x 2 metres. Density was applied based upon a statistical analysis of the density data by lithology and mineralisation.
- Resource classification was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density and location, grade estimation and the quality of the estimate.
- The full extent of mineralisation has not been determined for the deposit and further drilling is required to fully delineate the mineralisation.





## Appendix 3:

## JORC Mineral Resource Estimates Summary – January 2012

Deposit	Category	Cut-off (ppm U <sub>3</sub> O <sub>8</sub> )	Tonnes (M)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (t)	U <sub>3</sub> O <sub>8</sub> (Mlb)
<b>REPTILE URANIUM NAMIBIA (NAMIBIA)</b>						
<b>Omahola Project</b>						
INCA ♦	Indicated	250	250	7	470	3,300
INCA ♦	Inferred	250	250	5.4	520	2,800
Ongolo #	Indicated	250	250	14.7	410	6,027
Ongolo #	Inferred	250	250	5.8	380	2,204
MS7 #	Indicated	250	250	3.3	430	1,400
MS7 #	Inferred	250	250	2.0	540	1,100
<b>Omahola Project Total</b>			<b>38.2</b>	<b>441</b>	<b>16,831</b>	<b>37.0</b>
<b>Tubas Red Sand Project</b>						
Tubas Red Sand ♦	Measured/Indicated	100	3.2	168	532	1.2
Tubas Red Sand ♦	Inferred	100	10.7	158	1,685	3.7
<b>Tubas Red Sand Project Total</b>			<b>13.9</b>	<b>159</b>	<b>2,217</b>	<b>4.9</b>
<b>Tubas-Tumas Palaeochannel Project</b>						
Tumas ♦	Indicated	200	14.4	366	5,270	11.6
Tumas ♦	Inferred	200	0.4	360	144	0.3
Tubas	Inferred	100	77.3	228	17,612	38.9
<b>Tubas-Tumas Palaeochannel Project Total</b>			<b>92.1</b>	<b>250</b>	<b>23,026</b>	<b>50.8</b>
<b>Aussinanis Project</b>						
Aussinanis ♦	Indicated	150	5.6	222	1,243	2.7
Aussinanis ♦	Inferred	150	29	240	6,960	15.3
<b>Aussinanis Project Total</b>			<b>34.6</b>	<b>237</b>	<b>8,203</b>	<b>18.0</b>
<b>RUN TOTAL - NAMIBIA</b>			<b>178.8</b>	<b>281</b>	<b>50,277</b>	<b>110.7</b>
<b>NAPPERBY PROJECT (NT, AUSTRALIA)</b>						
Napperby	Inferred	200	9.3	359	3,351	7.4
<b>NAPPERBY TOTAL</b>			<b>9.3</b>	<b>359</b>	<b>3,351</b>	<b>7.4</b>
<b>MOUNT ISA PROJECT (QLD, AUSTRALIA)</b>						
Mount Isa	Indicated	300	2.2	470	1,050	2.3
Mount Isa	Inferred	300	2.5	450	1,120	2.5
<b>MOUNT ISA TOTAL</b>			<b>4.7</b>	<b>460</b>	<b>2,170</b>	<b>4.8</b>
<b>TOTAL INDICATED RESOURCES</b>			<b>50.4</b>	<b>373</b>	<b>18,822</b>	<b>41.4</b>
<b>TOTAL INFERRED RESOURCES</b>			<b>142.4</b>	<b>260</b>	<b>36,976</b>	<b>81.5</b>
<b>TOTAL RESOURCES</b>			<b>192.8</b>	<b>289</b>	<b>55,798</b>	<b>122.9</b>

**Notes:** Figures have been rounded and totals may reflect small rounding errors  
XRF chemical analysis unless annotated otherwise  
♦ eU<sub>3</sub>O<sub>8</sub> - equivalent uranium grade as determined by downhole gamma logging  
# Combined XRF Fusion Chemical Assays and eU<sub>3</sub>O<sub>8</sub> values



## Compliance Statements:

### 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, Managing Director of Reptile Uranium Namibia (Pty) Ltd 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 **MS7** Mineral Resource is based on work completed by Mr Neil Inwood; for the **INCA** Mineral Resource on work completed by Mr Neil Inwood and Mr Steve Le Brun – Mr Inwood will supply consent for the Inca Resource; and for the Ongolo Mineral Resource on work completed by Mr Neil Inwood and Mr Doug Corley. Mr Inwood is a Fellow of the Australasian Institute of Mining and Metallurgy and Mr Corley is a member of the Australian Institute of Geoscientists. Messrs Inwood and Corley have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Messrs Inwood and Corley consent to the inclusion in the report of the matters based on his information in the form and context in which it appears. Messrs Inwood and Corley are full-time employees of Coffey Mining.

The information in this report that relates to the **Aussinanis and Tumas** Mineral Resources 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 the **Tubas Red Sand** 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr Hall consents to the inclusion in the 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr Venter has visited the project sites to review drilling, sampling and other aspects of the work relevant to this announcement. Mr Venter 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 **Tubas** Mineral Resource is based on information compiled by Mr Willem H. Kotzé Pr.Sci.Nat MSAIMM. Mr Kotzé is a Member and Professional Geoscientist Consultant of Geomine Consulting Namibia CC. 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'. Mr Kotzé consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

### Queensland

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.

The information in this report that relates to the Queensland Mineral Resource is based on information compiled by Mr Neil Inwood. Mr Inwood is 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.

### Northern Territory

The information in this report that relates to the **Napperby Project** Mineral Resource 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.

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.