Deep Yellow Limited

ASX Announcement **ASX: DYL**

1 August 2013

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 JUNE 2013

HIGHLIGHTS

Corporate

- Corporate costs were reduced by additional cuts to executive remuneration and board fees.
- Mr Tim Netscher to succeed Mr Mervyn Greene as Chairman from 1 September 2013.
- DYL ended the quarter with cash resources of $4 million.

Omahola Project

- Column testwork demonstrated the heap leach potential for the Project.
- Uranium recovery from the column leach on a composite sample from Ongolo and MS7 was approximately 80% after 7 days with low overall sulphuric acid consumption of 12.4 kg/t.
- A heap leach approach could potentially reduce capital costs; allow an accelerated development schedule and a reduction in cut-off grade with a corresponding increase in recoverable uranium.
- At a 150 ppm U_3O_8 cut-off grade the Project resource is 139.7 Mt at an average grade of 269 ppm for 82.9 Mlbs U_3O_8 compared to 48.7 Mt at 420 ppm for 45.1 Mlbs U_3O_8 at a 250 ppm cut-off.
- Further metallurgical testwork is being planned.
- Drilling was concluded for the financial year with a small infill drill programme conducted at the INCA deposit and the INCA West prospect.

New Target Generation – Prospectivity Exercise

- A major prospectivity mapping exercise was advanced during the quarter with multiple approaches being taken to identify the next generation of high grade alaskite targets on EPL 3496.

Tubas Sand Project

- The results of the 560 hole infill drill programme completed in mid-February continued to be analysed and a new in-house geological model has been completed.
- A resource update on the Project's existing 28.4 Mlb U_3O_8 Inferred Mineral Resource is expected in the September quarter, depending on additional work that may be required.

Aussinanis Project

- In accordance with the Heads of Agreement that was executed with the Epangelo Mining Company (Pty) Ltd (Epangelo) to progress the Project, testwork was completed to assess the deposit's amenability to physical beneficiation.
- Epangelo, a private company owned by the Government of the Republic of Namibia, acquired 5% of a new entity which holds Aussinanis by funding this testwork and can earn up to 70% of the Project by completing a bankable feasibility study.
- As a result of the initial testwork physical beneficiation by grinding and sizing is not recommended for the Aussinanis ore.
- A further test using flotation was conducted but similarly proved unsuccessful to upgrade the ore.

Shiyela Iron Project

- A value engineering exercise was conducted on the Project which resulted in significant capital and operating cost savings, leading to an improvement in project economics.
- Capital costs could be reduced by US$42 million to US$325 million through a redesigned front end and updated, more competitive conveyor and steel pricing and adopting a shared-user approach to the barge loading facility.
- Operating costs could be reduced by US$4.50 per tonne to US$58.52 per tonne FOB by adopting a shared-user approach to the barge loading facility.
- The process to identify a development partner for the project continued throughout the quarter.
- The Project has a JORC (2004) compliant Indicated and Inferred Resource of 115.1 Mt at 19.5% Fe.

Level 1, 329 Hay Street, Subiaco, WA 6008 / PO Box 1770, Subiaco, WA 6904
Tel : 61 8 9286 6999 / Fax : 61 8 9286 6969 / ABN 97 006 391 948
Email: info@deepyellow.com.au / Website: www.deepyellow.com.au

BUSINESS REVIEW

OMAHOLA PROJECT

Successful Column Leach Test

DYL's wholly owned Namibian operating subsidiary, Reptile Uranium Namibia (RUN) commissioned Gecko Laboratories in Swakopmund, Namibia to perform the testwork which was conducted on a composite of drill core samples collected from both the Ongolo and the MS7 alaskite deposits (see Figures 1, 2 and 3). Initially, conventional laboratory bottle roll and beaker agitation leach tests were carried out to determine the maximum uranium extraction achievable. After these tests were completed the column leach test was conducted for comparative purposes.

- The aggressive leach conditions used in the glass beaker and bottle roll techniques gave an average extraction of 89.7% (range of 87.1% to 93.2%) and an average acid consumption of 59.5 kg H_2SO_4/t (range of 51.2 to 63.2 kg/t). The high acid consumption is to be expected since the samples were milled to 100% passing 75 µm.
- The column leach process resulted in a recovery of 80.3% after 7 days and 80.6% after rinsing. The flux after 7 days was 0.34 m^3/t which after rinsing with pH2 water increased to 0.71 m^3/t. The amount of solution required for the 0.3% increase in recovery is not considered worthwhile.
- The acid consumption was determined to be 189.2 g H_2SO_4 during agglomeration and 105.2 g H_2SO_4 during column leaching resulting in an overall acid consumption of 12.4 kg H_2SO_4/t.
- Agglomeration with water was done in 1% increments to a maximum of 8%. Acid was added until 3% moisture level was reached. This resulted in very wet agglomerate and during the curing step after the column was loaded approximately 2% solution drained out. It was recommended to set the maximum moisture level at 6% should further tests be conducted.
- After completion of the column test, the observed slump was 30 mm (4.5%), which is considered to be low.
- The leach effluent liquor from the column was clear and no suspended solids were observed making it ideal for the solvent extraction process as no crud formation was evident.
- Assuming the results are confirmed with further testwork this means that a heap leach approach may be feasible for the Omahola Project allowing a reduction in cut-off grade (and therefore average grade of the resource) resulting in a significant increase in contained and ultimately recoverable uranium.
- As can be seen from the table below, a reduction in cut-off grade of the Omahola Project resource can have a significant impact on the tonnage and uranium content of the project.

Cut-off (ppm U_3O_8)	Tonnes (M)	U_3O_8 (ppm)	U_3O_8 (t)	U_3O_8 (Mlb)
100	298	191	56,825	125
150	140	269	37,610	83
200	76	346	27,166	60
250	49	420	20,462	45

The information in this table was compiled by Mr Martin Kavanagh from JORC (2004) Mineral Resource estimates provided to DYL by its independent consultants. Mr Kavanagh, formerly an Executive Director of Deep Yellow Limited, is a Fellow of the Australasian Institute of Mining and Metallurgy 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 table of information in the form and context in which it appears. Figures are rounded.

A trade-off study was considered to compare heap leach against tank leach at Omahola to see which delivers the best economic outcome, however pit optimisation studies would first be conducted as these results may indicate a preferred process option. There are numerous scenarios that need to be taken into account and it is hoped that there is an opportunity to capture some of the resource upside associated with a heap leach processing option by using a lower cut-off grade whilst still accessing the existing high grade areas of the resource.

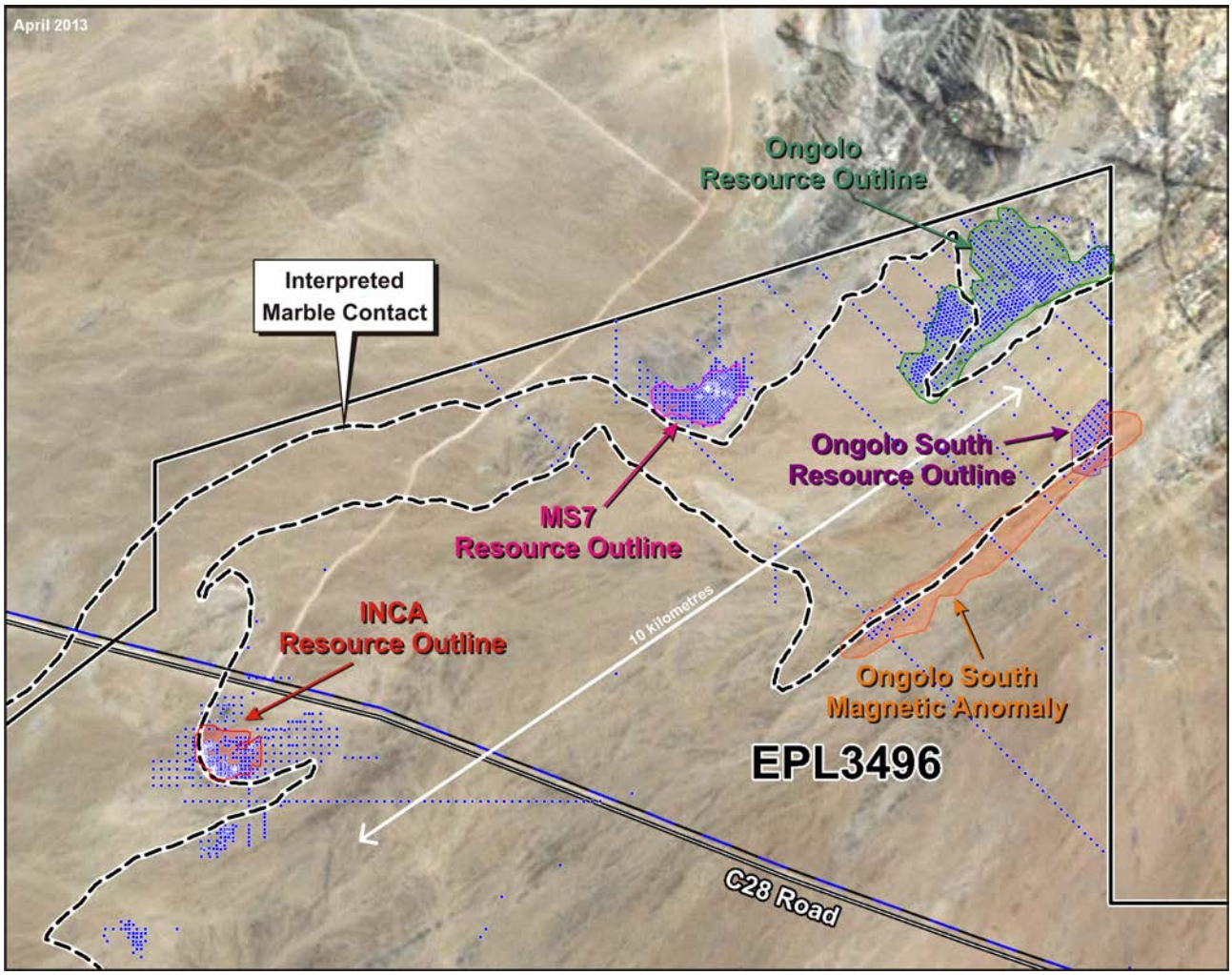


Figure 1: Locality Map showing Omahola Project Resource Outlines

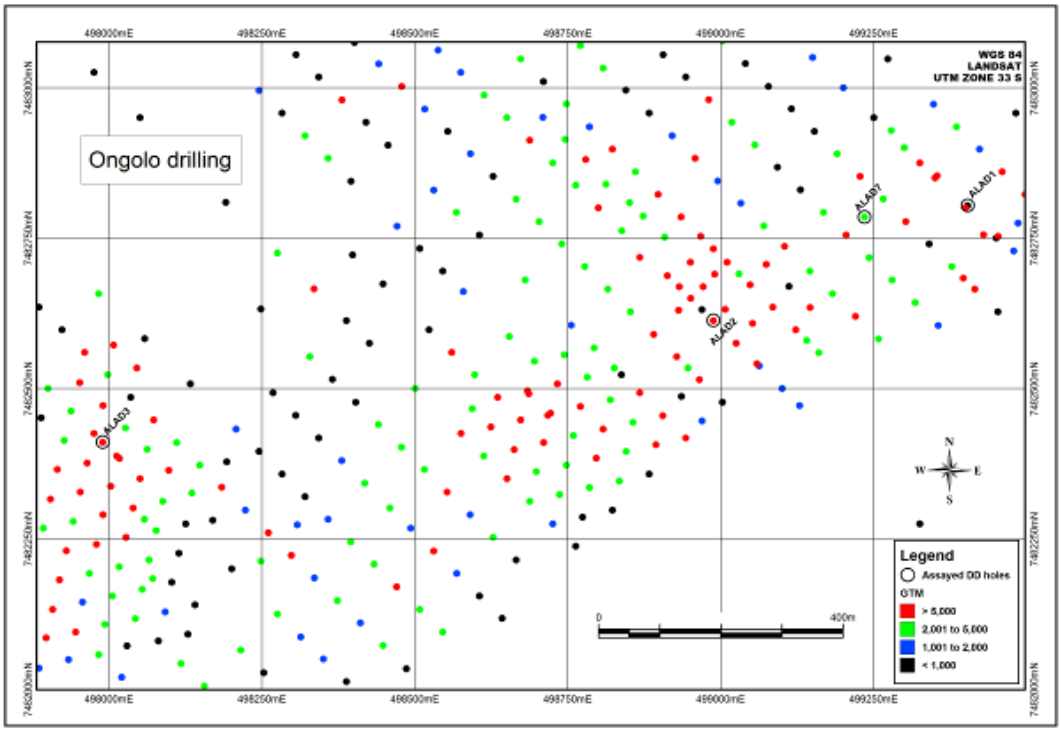


Figure 2: Location of DC holes at Ongolo used to create the composite for the column test

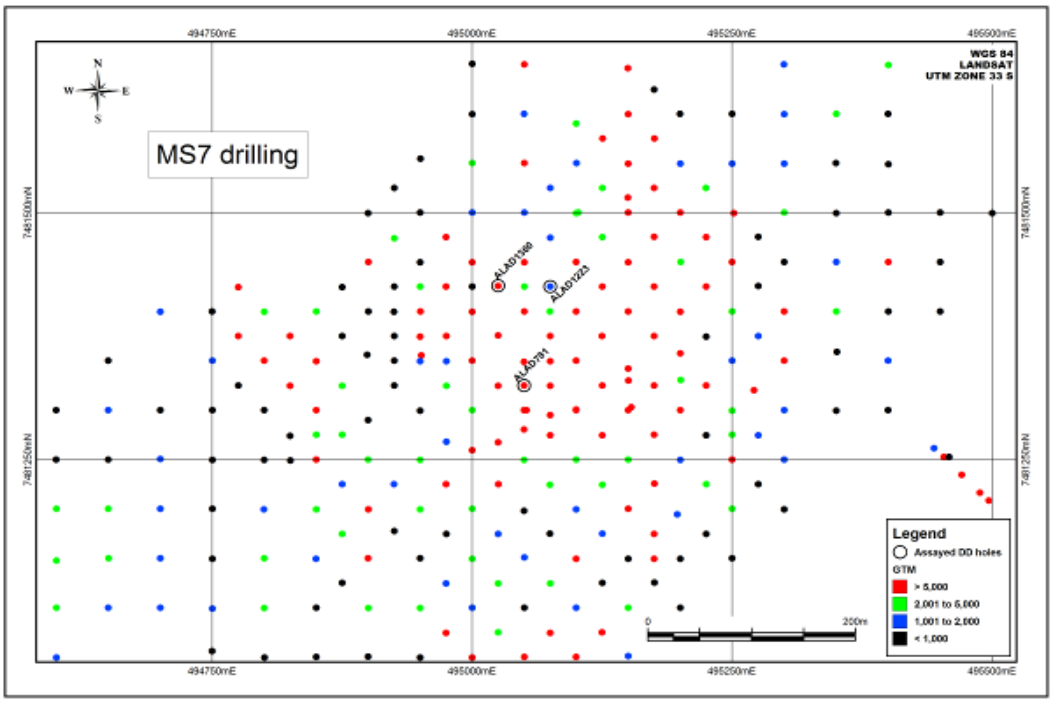


Figure 3: Location of DC holes at MS7 used to create the composite for the column test

INCA Drilling

Detailed geological mapping in the wider INCA area generated a target immediately to the west of INCA. At INCA West, the INCA stratigraphy appears to be replicated with calc-silicates and magnetite occurring in the hanging wall of the marble. Three lines, totalling 8 holes for more than 1,700 m were drilled into INCA West in June (Figure 4).

The southernmost line drilled, including INCR555, INCR556 and INCR554, intercepted low to medium-grade mineralisation. Mineralisation occurs as multiple and narrow, moderately dipping intervals hosted by leucogranite that intruded calc-silicate and biotite gneiss of Khan Formation. Mineralisation is open along strike towards east; however, due to the apparent lack of high-grade mineralisation further drilling is not warranted at this stage.

On the INCA deposit a programme was designed to convert unclassified mineralisation into Inferred material and thereby increase INCA's Mineral Resource. To achieve a JORC classification of the unclassified material the drill and sample spacing had to be 50 m or less and as a result the infill programme included 28 holes for approximately 2,200 m. 13 of these holes were drilled in June for a total of 1,235 m (Figure 4).

The best holes from INCA West and INCA are shown in the table below.

Hole	East	North	Azi	Dip	EOH [m]	Depth [m]		Measured thickness [m]	eU_3O_8 [ppm]	GTM
						From	To			
INCA Infill										
INCR594	488947	7477246	0	-90	73	38	47	9	405	3645
INCR596	489003	7477243	0	-90	73	41	47	6	416	2496
INCR590	488900	7477349	0	-90	127	112	114	2	521	1042
INCA West										
INCR556	487809	7477516	225	-60	199	129	138	9	448	4032
INCR555	487740	7477447	225	-60	199	184	188	4	498	1992

NEW TARGET GENERATION – PROSPECTIVITY ANALYSIS

As a result of the revision of the Company's airborne radiometric data earlier in the year eight selected (out of a total of twelve) radiometric targets are currently being followed up by geological mapping and ground radiometric surveys.

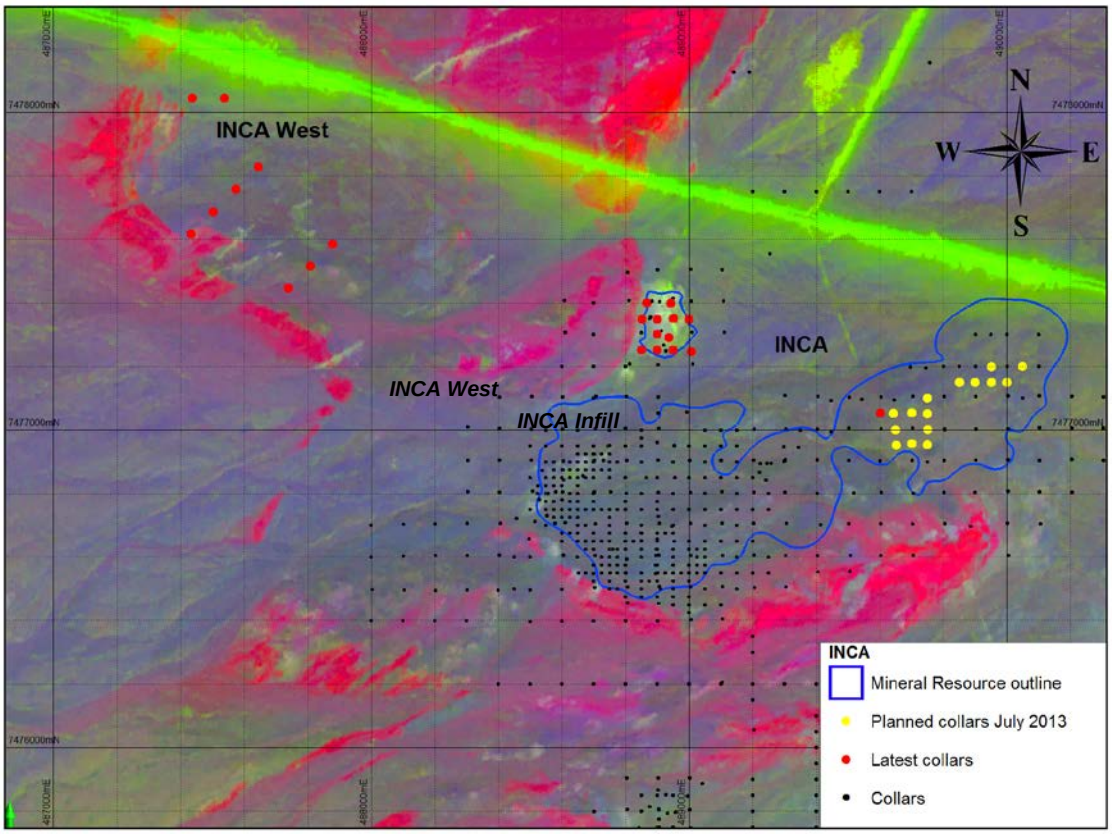


Figure 4: Plan view showing the drilling activities in the INCA area in June

Geological Mapping

Regional geological mapping across EPL3496 is underway and concentrated on prioritised radiometric targets. In the June quarter, a total area of 42 km^2 to the east and southeast of INCA was mapped at a scale of 1:5,000 covering ABU-001 (ABU – Airborne uranium) and ABU-002 (Figure 5). Bedrock outcrop is poor and vast areas are covered by alluvial sediments. At ABU-001 and ABU-002 these sediments are gypcretised and locally uraniferous.

The dominant bedrock units include metasediments of Khan and Etusis formations, the latter one being host to a number of (non-uraniferous) massive to semi-massive magnetite layers. The magnetite layers are interpreted as the northern continuation of the Shiyela iron oxide deposit, which is located 12 km southwest of the mapping area.

The metasediments are intruded by granitoids, which are characterised by highly variable Th/U ratios at the surface. High Th/U ratios are common; however, locally low Th/U ratios were noted that are considered to warrant follow-up work, once the assessment of all radiometric targets is completed.

In addition, geological mapping (scale 1:5,000) is underway at the radiometric anomalies ABU-013 and ABU-014 (Figure 5). Interestingly, these areas also returned high prospectivity ratings in the recent first pass of the prospectivity analysis.

Ground-Radiometric Survey

A ground radiometric survey is currently underway at INCA covering an area of approximately 2 km^2. The survey is designed and conducted in order to generate baseline data to assist with the target generation work. Approximately 60% of this survey was completed by the end of the quarter.

A second ground survey team was deployed at the end of June to follow up on uraniferous leucogranites discovered during reconnaissance mapping of an airborne radiometric anomaly (ABU-013) to the south of the Tubas Sand deposit (Figure 5).

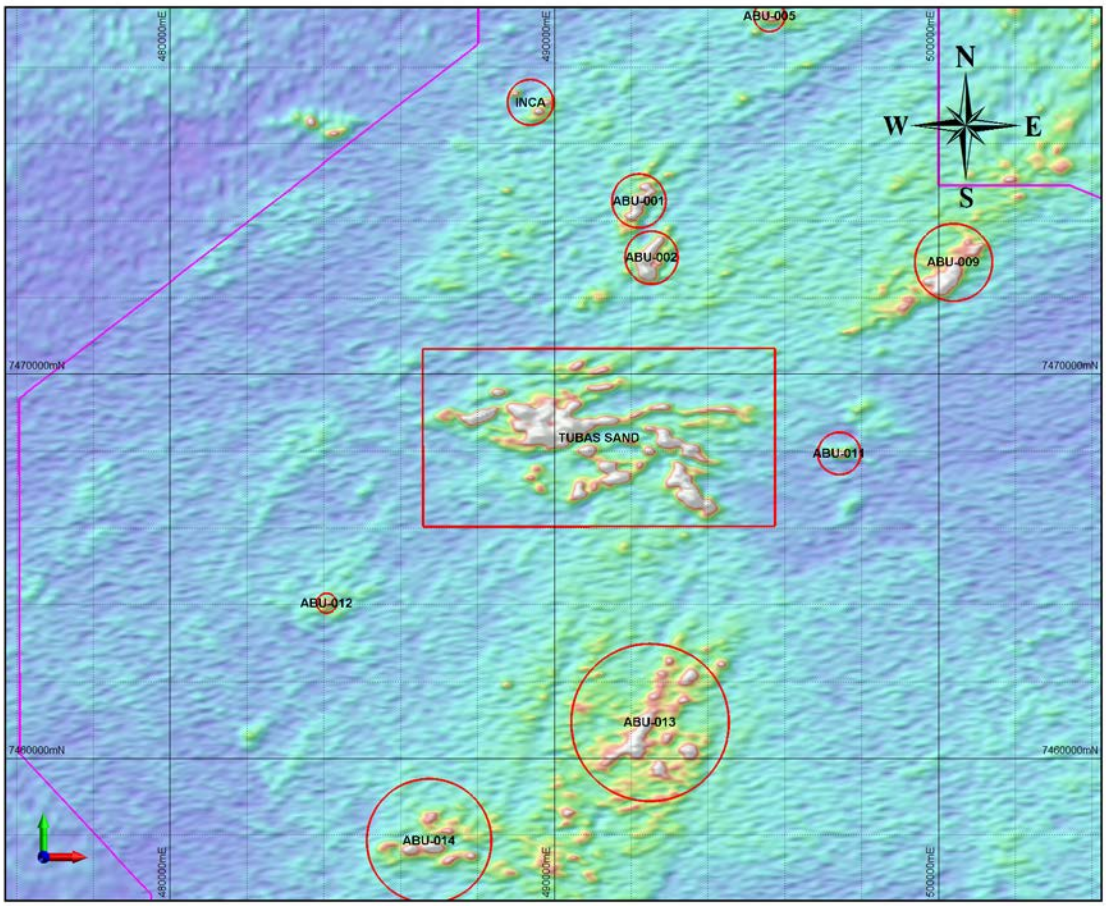


Figure 5: Map showing radiometric targets on EPL3496 over airborne radiometric data (uranium channel)

Prospectivity Mapping & Predictive Modelling
The prospectivity mapping and predictive modelling exercise was aimed at generating exploration targets on RUN's tenements and focussed on hardrock ('alaskite'type') deposits such Ongolo and MS7. The area of interest extended beyond the company's tenements in order to test the targeting methodology against the location of known deposits.

The 'layers' that were used in the prospectivity analysis included the occurrence of remanently magnetised units as well as the proximity to domal structures and marble units.

A preliminary prospectivity map for RUN's tenements, which highlights the prospectivity of the ground in the proximity of the Welwitischia Lineament, was completed. The methdology applied is considered as sound as the model also ranks the known alaskite deposits highly (Figure 6).

Ground Induced Polarisation (IP) Survey
A ground IP orientation survey commenced in June across known uranium occurrences at INCA, MS7, and Ongolo. The survey aims to detect disseminated sulphides at depth, which are believed to be associated with alaskite-hosted uranium mineralisation. If this orientation survey is successful, the IP method could be applied on a regional scale as a targeting tool.

TUBAS SAND PROJECT

In-house geological modelling of the results from the detail infill resource drill programme conducted in mid-February was completed during the quarter. The 560 holes RC holes (for 6,866 metres) were drilled on 50 x 50 centres (Figure 7). The existing Inferred Mineral Resource for the deposit totals 87 Mt at 148 ppm for 28.4 Mlbs U_3O_8 at a 70 ppm cut-off. The deposit comprises a carnotite bearing red sand that is amenable to upgrading via physical beneficiation. Once completed a resource update will be released, likely during the September quarter depending on additional work that may be required in terms of the new JORC Code.

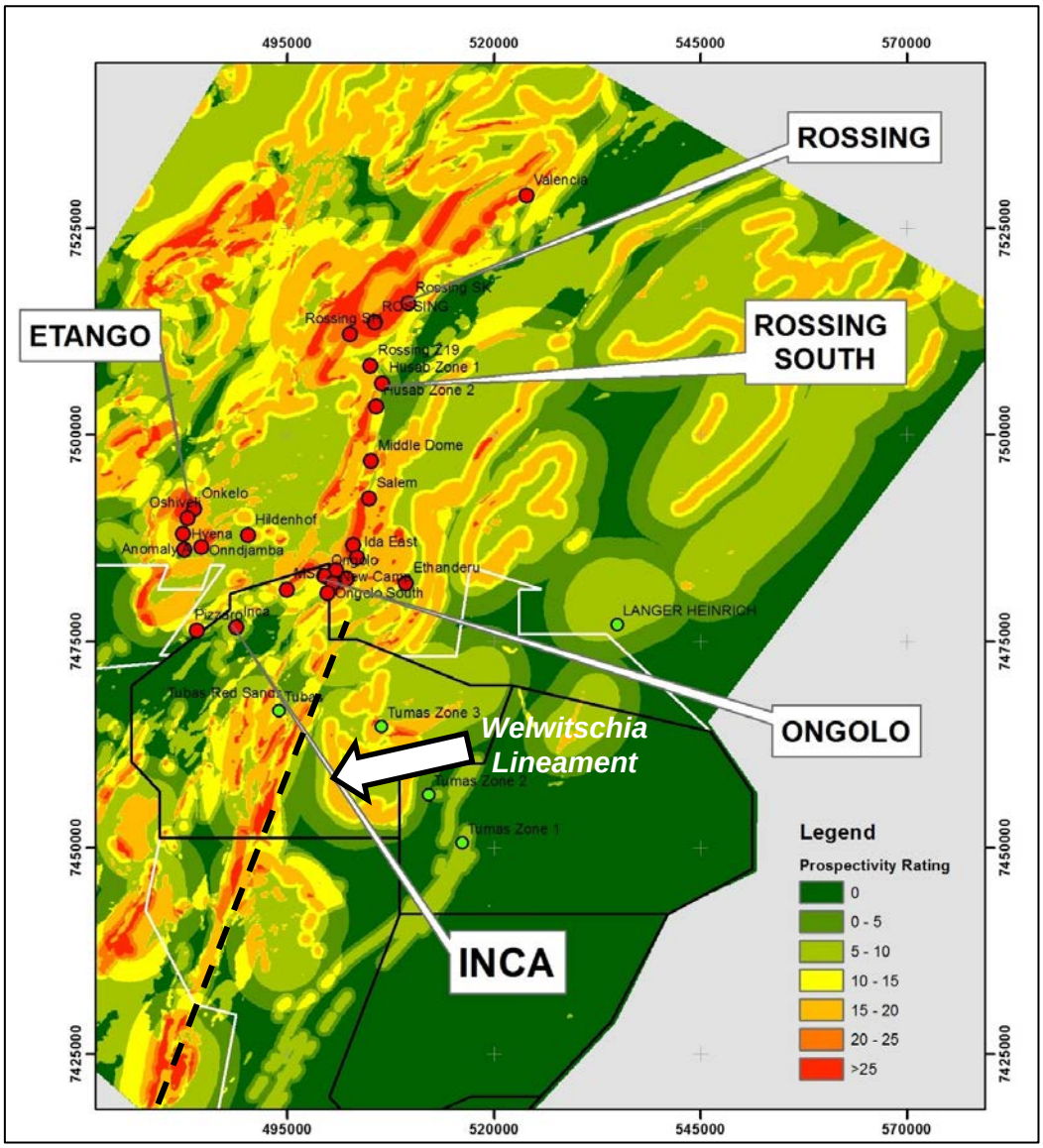


Figure 6: First pass prospectivity map

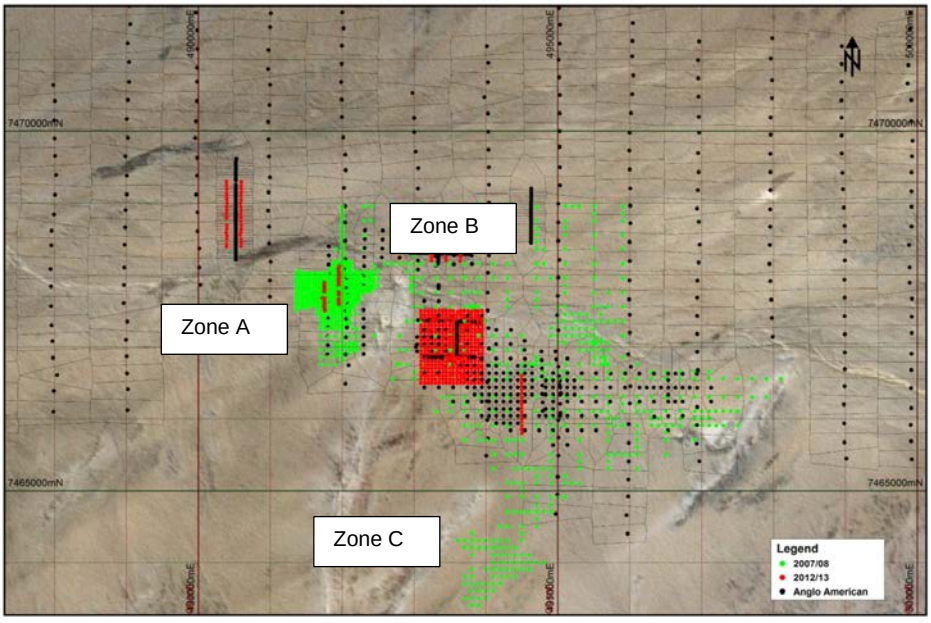


Figure 7: Tubas Sand Project Drill Areas

AUSSINANIS PROJECT – PHYSICAL BENEFICIATION TESTWORK

The purpose of the investigation was to establish whether upgrading of the Aussinanis ore can be achieved. After the initial test of grinding and sizing proved unsuccessful it was decided to determine the effectiveness of a flotation process in floating carnotite and observing the effect of calcite suppressants applied.

Using one composite bulk sample, the bulk sample was homogenised and screened through -125 µm screen. The oversize remaining material was pulverised down to a P80 of 125µm, the required size fraction. Combinations of collectors, frothers and calcium suppressants were applied in five separate flotation tests. A total of 5 float concentrates were collected for each of the tests as well as the float tails.

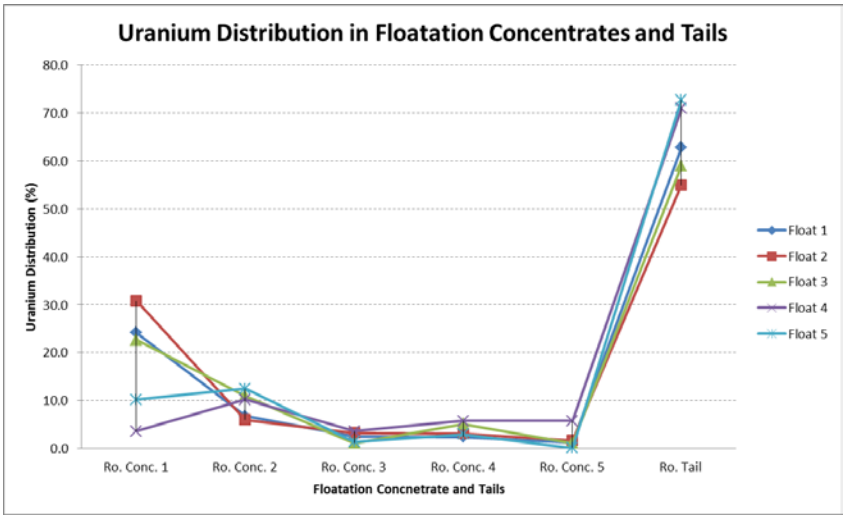


Figure 8: Relative uranium recovery per concentrate fraction and uranium loss to tails

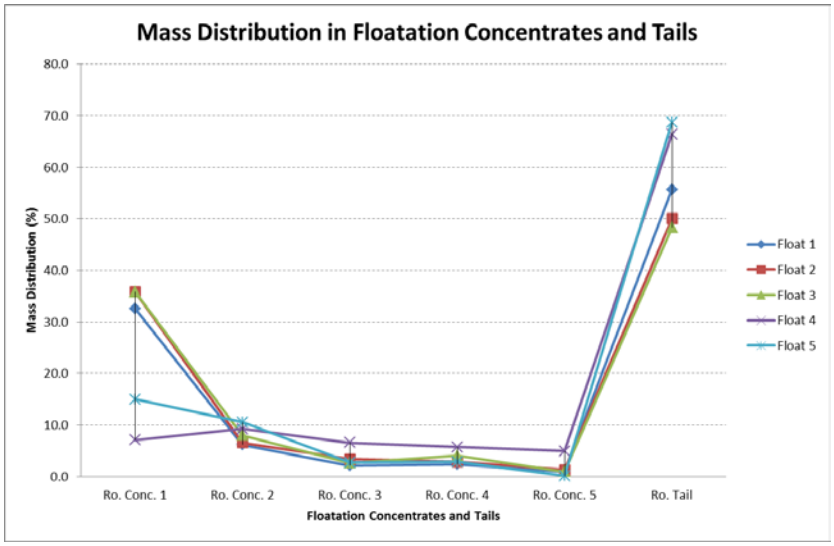


Figure 9: Relative mass pull to the float concentrates and mass of tails

None of the collectors used selectively floated the uranium successfully as can be seen in Figure 8. Excess amounts of froth were generated possibly due to the relatively high doses of frother whilst the air intake could not be quantitatively regulated. Although the float pulp contained only 6% solids no low mass pulls could be achieved (Figure 9) and collector remained partially selective throughout all the test work. The addition of calcite suppressants may have had a dual effect and suppressed uranium collectively. Alternative techniques may be required to achieve desired objectives.

It was noted during the tests that the suppressant performed very well in suppressing calcium, iron and silica which would be beneficial provided the uranium can be retained in the rougher stages. The chloride dissolution during the flotation process is not expected to have any influence on the process.

As a result of this testwork it was concluded that Aussinanis ore is not suited to beneficiation by flotation.

SHIYELA IRON PROJECT – VALUE ENGINEERING EXCERCISE

A value engineering exercise was conducted by the Company and its consultant, Mintrex, to identify potential capital and operating cost savings to enhance project economics. The base case was the capital and operating cost assumptions used in the scoping study completed in December 2012. The review identified potential capital and operating cost savings of US$42.0 million and US$4.50 per tonne, primarily in relation to the process plant and the barge loading facilities.

Process plant
Specific potential cost savings within the process plant that were identified include:

- US$8 million for the HPGR circuit through re-designing the front end to incorporate a single larger unit,
- US$7 million for the conveyers based on more recent pricings being obtained, and
- US$11 million for steel plate work and structural steel based on current Asian steel prices.

Barge loading facilities
A potential capital cost saving of US$16 million was identified through the shared use of this facility with two other parties given that its capacity of 6 Mtpa is beyond the 2 Mtpa requirement of the Project. Approaches were made to these parties by the Company and initial discussions continue. With other operators taking up the excess capacity of the barge loading facility the operating costs for port handling and loading could also reduce by US$4.50 per tonne to US$3.19 per tonne.

Other Savings
Other potential unquantified cost savings in relation to the installation costs of the power line and desalination plant were also identified as part of the review. The Shiyela ML176, which covers an area of 54.02 km^2, is located entirely within RUN's 100% owned EPL3496 (see Figure 10) and is for Base and Rare Metals, Precious Metals and Industrial Minerals. The current JORC (2004) compliant Indicated and Inferred Mineral Resource for the Shiyela Iron Project is 115.1 Mt at grade of 19.5% Fe (Appendix 3).

Dry processing optimisation
Cala Aufbereitunstechnik completed its report on implementing a dry concentration processing circuit for the Project, which included estimates of capital and operating costs incorporating two potential methods of grinding, HPGR and vertical roller mill ("VRM"). This identified potential capital cost savings of between US$20 and 28 million and comparable operating costs for the processing plant and suggested further testing would be required to overcome the low recovery of this approach due to the high dust fraction which increased the plant feed requirements. Further work is required.

Despite these concerns this initial work was considered positive for the Project and other potential solutions could be considered and included such as:

- Replacing the wet grinding with a dry grinding flow sheet but incorporating a wet final concentration
- Applying wet magnetic separation for dust fraction only
- Applying a two stage grinding process to reduce circulating loads and plant size

Partner Process
The process to find a development partner for this promising project continued throughout the quarter.

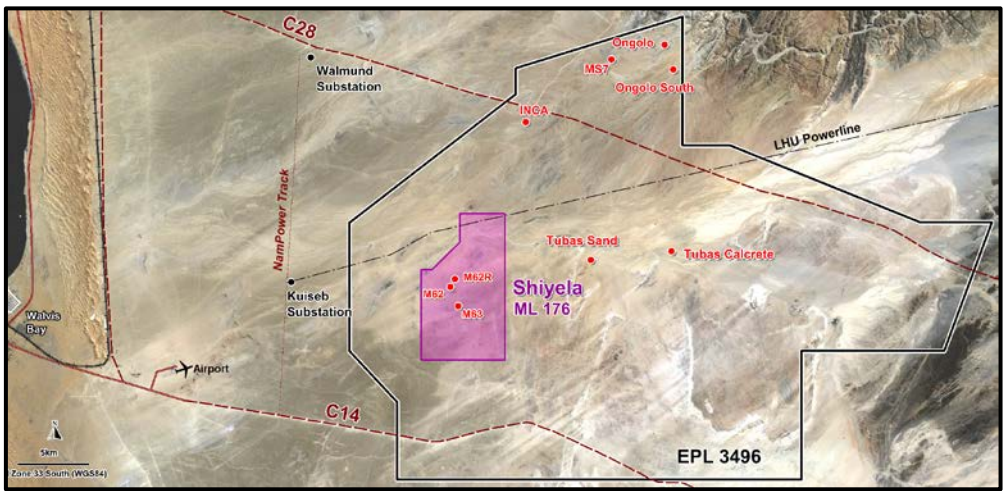


Figure 10: The Shiyela Iron Project (ML176) and location of the M62, M62R and M63 deposits

AUSTRALIA

Divestment of Australian Exploration Portfolio

DYL announced in June 2012 that it had decided to divest its portfolio of early stage exploration assets in Australia to allow it to focus on its advanced stage projects in Namibia. The Australian portfolio consists of projects located in both Queensland and the Northern Territory and includes the 7.4 Mlb of JORC (2004) compliant resources at the Napperby Deposit. Discussions continue with a number of interested parties.

CORPORATE

Financial

DYL completed the Quarter with cash and liquid assets of $4 million at 30 June 2013.

Corporate Costs

DYL took additional steps at the end of the quarter to further reduce overhead costs due to ongoing volatility in financial markets and uncertainty in the uranium sector.

At the beginning of FY2013 the Managing Director and Non-Executive Directors implemented a ten per cent reduction in base salary and fees and group-wide salaries were frozen in order to protect the Company's scarce cash resources. In addition DYL's Managing Director voluntarily waived his FY2012 cash STI bonus and a gradual restructure of the senior team has allowed further reductions in overhead costs.

At the beginning of the new financial year (i.e. FY2014) board fees and executive remuneration were reduced by a further 5 per cent for six months (to be reviewed at the end of November 2013) and salary scales will remain fixed at 2012 rates. In addition, no cash STI bonus will be paid to the Managing Director for FY2013 due to market conditions.

DYL's Perth head office has been downsized to three people (Managing Director, Financial Controller and Office Manager) and plans for an office move to smaller premises by the end of the year are progressing.

Change in Board and Executive

Mr Tim Netscher will succeed Mr Mervyn Greene as the Chairman of DYL effective from 1 September 2013. Mr Netscher recently joined the DYL Board as a Non-Executive Director. Perth-based Mr Netscher, 62, has considerable board experience and has worked as a senior executive in the international mining industry in roles spanning marketing, operations management, project management and business development. He is currently the Managing Director and Chief Executive Officer of Gindalbie Metals Limited (GBG.AX), an ASX listed iron ore producer.

DYL terminated its Service Agreement with Executive Director Mr Martin Kavanagh in keeping with the reduced focus on its Australian assets.

For further information regarding this announcement, contact:

Greg Cochran
Managing Director

Phone: +61 8 9286 6999
Email: info@deepyellow.com.au

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

---

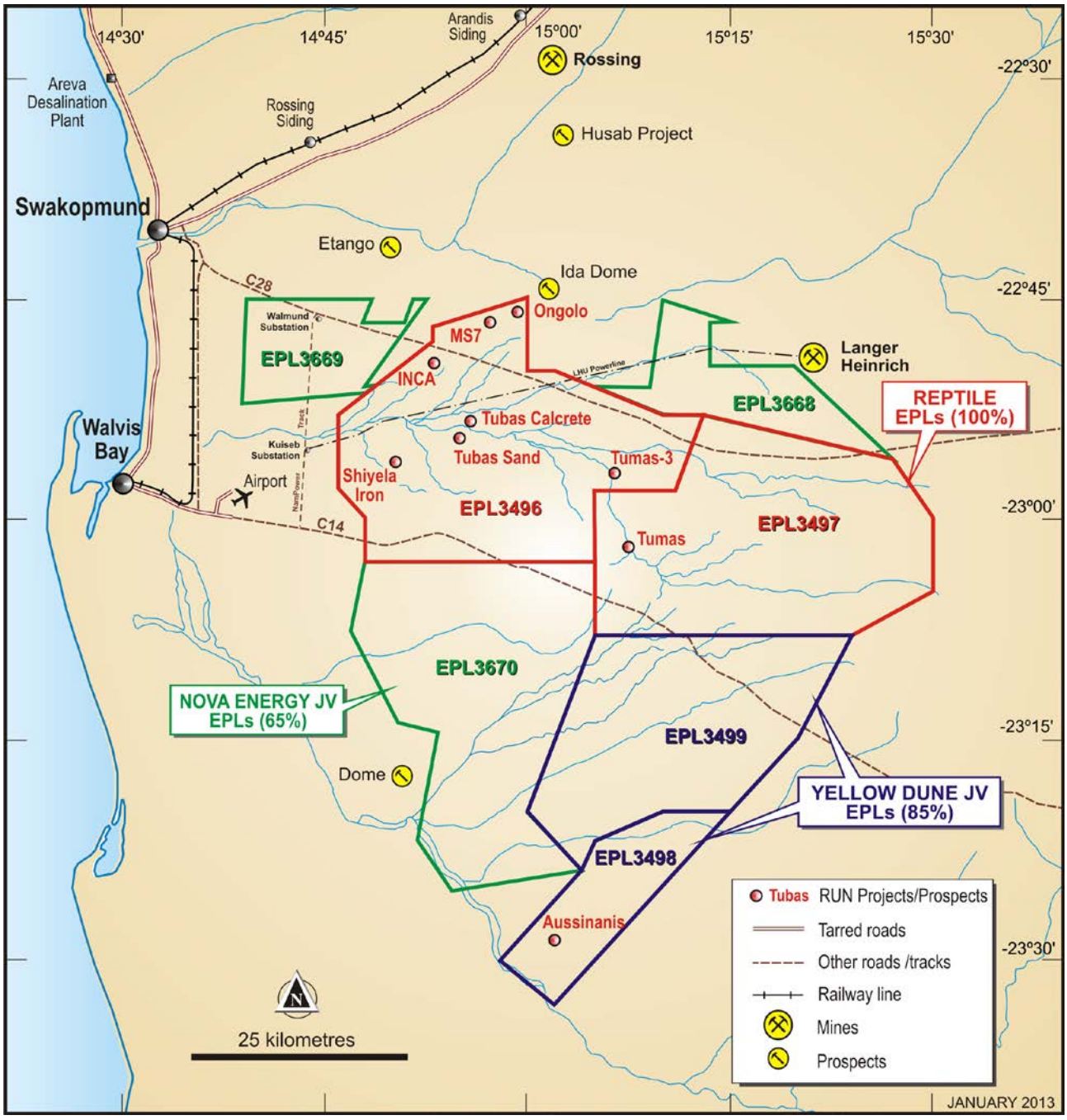
About Deep Yellow Limited

Deep Yellow Limited is an ASX-listed, Namibian-focussed advanced stage uranium exploration company. It also has a listing on the Namibian Stock Exchange.

Deep Yellow's operations in Namibia are conducted by its 100% owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN). Its flagship is the high grade alaskite Omahola Project where mining studies are being conducted and the next phase of metallurgical testwork is being planned as inputs into a Pre-Feasibility Study to be completed in 2014. It is also evaluating a stand-alone project for its Tubas Sand 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.

Appendix 1: Namibian Tenement Map and Project Localities as at 31 December 2012



Appendix 2: JORC (2004) Mineral Resource Estimate Summary – April 2013

Deposit	Category	Cut-off (ppm U_3O_8)	Tonnes (M)	U_3O_8 (ppm)	U_3O_8 (t)	U_3O_8 (Mlb)
NAMIBIA						
Omahola Project						
INCA ♦	Indicated	250	7.0	470	3,300	7.2
INCA ♦	Inferred	250	5.4	520	2,800	6.2
Ongolo #	Measured	250	7.7	395	3,040	6.7
Ongolo #	Indicated	250	9.5	372	3,540	7.8
Ongolo #	Inferred	250	12.4	387	4,810	10.6
MS7 #	Measured	250	4.4	441	1,955	4.3
MS7 #	Indicated	250	1.0	433	433	1.0
MS7 #	Inferred	250	1.3	449	584	1.3
Omahola Project Total			**48.7**	**420**	**20,462**	**45.1**
Tubas Sand Project						
Tubas Sand	Inferred	70	87.0	148	12,876	28.4
Tubas Sand Project Total			**87.0**	**148**	**12,876**	**28.4**
Tubas-Tumas Palaeochannel						
Tumas ♦	Indicated	200	14.4	366	5,270	11.6
Tumas ♦	Inferred	200	0.4	360	144	0.3
Tubas Calcrete	Inferred	100	7.4	374	2,767	6.1
Tubas-Tumas Palaeochannel Total			**22.2**	**369**	**8,181**	**18.0**
Aussinanis Project						
Aussinanis ♦	Indicated	150	5.6	222	1,243	2.7
Aussinanis ♦	Inferred	150	29.0	240	6,960	15.3
Aussinanis Project Total			**34.6**	**237**	**8,203**	**18.0**
TOTAL - NAMIBIA			**192.5**	**258**	**49,722**	**109.5**
NAPPERBY PROJECT (NT, AUSTRALIA)						
Napperby	Inferred	200	9.3	359	3,351	7.4
NAPPERBY TOTAL			**9.3**	**359**	**3,351**	**7.4**
MOUNT ISA PROJECT (QLD, AUSTRALIA)						
Mount Isa	Indicated	300	1.2	510	590	1.3
Mount Isa	Inferred	300	0.6	460	300	0.7
MOUNT ISA TOTAL			**1.8**	**494**	**890**	**2.0**
TOTAL MEASURED RESOURCES			**12.1**	**413**	**4,995**	**11.0**
TOTAL INDICATED RESOURCES			**38.7**	**371**	**14,376**	**31.6**
TOTAL INFERRED RESOURCES			**148.9**	**226**	**34,592**	**76.3**
TOTAL RESOURCES			**203.6**	**265**	**53,963**	**118.9**

Notes: Figures have been rounded and totals may reflect small rounding errors
XRF chemical analysis unless annotated otherwise
♦ e U_3O_8 - equivalent uranium grade as determined by downhole gamma logging
Combined XRF Fusion Chemical Assays and e U_3O_8 values

Compliance Statements

Namibia

The information in this report that relates to Exploration Results is based on information compiled by Dr Leon Pretorius and Mr Martin Kavanagh, both Fellows of the Australasian Institute of Mining and Metallurgy. Dr Pretorius, who was previously Managing Director of Reptile Uranium Namibia (Pty) Ltd and Mr Kavanagh, who was previously Executive Director of Deep Yellow Limited, have 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 and Mr Kavanagh consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the **INCA** Mineral Resources is based on work completed by Mr Neil Inwood. Mr Inwood is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Inwood 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 Persons 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. Mr Inwood was previously a full-time employee of Coffey Mining (Perth).

The information in this Report that relates to the **Ongolo** and **MS7** Mineral Resources is based on information compiled by Malcolm Titley of CSA Global UK Ltd. Malcolm Titley takes overall responsibility for the Report. He is a Member of the Australasian Institute of Geoscientists ('AIG') and the Australasian Institute of Mining and Metallurgy ('AusIMM') and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Malcolm Titley consents to the inclusion of such information in this Report in the form and context in which it appears.

The information in this report that relates to the **Tubas Sand** and **Tubas Calcrete** 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.

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.

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 was previously 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 **INCA** Mineral Resources is based on work completed by Mr Neil Inwood. Mr Inwood is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Inwood 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 Persons 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. Mr Inwood was previously a full-time employee of Coffey Mining (Perth).

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.

Appendix 3: JORC (2004) Mineral Resource Estimate Shiyela – 31 December 2012

Deposit	Category	Cut-off Grade	Tonnes (M)	Fe (%)	DTR (%)
M62 – Magnetite	**Indicated**	**10 wt% DTR**	**35.2**	**-**	**17.62**
	Inferred	**10 wt% DTR**	**9.4**	**-**	**15.75**
	Total		**44.7**	**17.33**	**16.37**
M62R – Magnetite	**Inferred**	**10 wt% DTR**	**9.3**	**16.30**	**17.40**
	Total		**9.3**	**16.30**	**17.40**
M63 – Magnetite	**Indicated**	**10% Fe**	**5.3**	**22.32**	**15.78**
	Inferred	**10% Fe**	**29.2**	**20.80**	**15.21**
	Total		**34.5**	**-**	**15.30**
M63 – Hematite	**Inferred**	**10% Fe**	**26.7**	**22.29**	**-**
	Total		**26.7**	**22.29**	**-**

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

Resources were reported using a 10% DTR wt% cut-off grade.
The DTR estimates are based on samples prepared at a grind size of 80% passing 45 micron.
Fe% - head assay of composited drill samples

Compliance Statements:

The information in this report that relates to the **Shiyela** Mineral Resources is based on information compiled by James Farrell who is a full-time employee of Golder Associates Pty Ltd and a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. James Farrell has sufficient experience 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 JORC Code (2004). James Farrell has relied on exploration data compiled by Dr Leon Pretorius who was at the time the Managing Director of Reptile Uranium Namibia (Pty) Ltd 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 JORC Code (2004). James Farrell has also relied on interpretation of metallurgical testwork compiled by Brian Povey who is a full-time employee of Mintrex Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Brian Povey has sufficient experience 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 JORC Code (2004). James Farrell, Leon Pretorius and Brian Povey consent to the inclusion of this information in the form and context in which it appears.