Deep Yellow Limited

ASX Announcement **ASX: DYL**

20 November 2012

OMAHOLA PROJECT
18% INCREASE IN MS7 RESOURCE

KEY POINTS

- An updated JORC Code Compliant Resource for the MS7 Alaskite deposit has been completed by CSA Global (UK) Pty Ltd.
- Contained U_3O_8 has increased by 18% (1 Mlbs) with 65% of the resource now classified as Measured and a further 15% in the Indicated category.
- The MS7 resource now totals 6.8 Mt at 442 ppm U_3O_8 for 6.6 Mlbs U_3O_8 at a 250 ppm U_3O_8 cut-off.
- The Omahola Project resource base comprising the Ongolo, MS7 and INCA uranium deposits has increased to 39.6 Mt at an average grade of 437 ppm U_3O_8 for 38 Mlbs U_3O_8 with the update of the MS7 resource

Advanced uranium explorer, **Deep Yellow Limited** (ASX: **DYL**) is pleased to announce that it has received an updated Mineral Resource estimate for its MS7 Alaskite deposit in Namibia. The deposit, which is a part of DYL's flagship Omahola Project, is within EPL3496 which is held 100% by DYL's wholly-owned Namibian subsidiary, **Reptile Uranium Namibia (Pty) Ltd (RUN).**

The resource estimate, at 6.8 Mt at 437 ppm U_3O_8 for 6.6 Mlbs U_3O_8 at a 250 ppm cut-off is an increase of 1.0 Mlbs U_3O_8 over the 2011 estimate and has taken the Omahola Project Resource base to 39.6 Mt at an average grade of 437 ppm U_3O_8 for 38 Mlbs U_3O_8 at a 250 ppm cut-off (Appendix 1).

Greg Cochran, Deep Yellow's Managing Director, said "we are pleased that we have been able to significantly increase the confidence levels of the MS7 resource base. In the future we are looking forward to a steady increase in contained uranium for the Omahola project (with concomitant increases in confidence) as drilling presently continues at Ongolo."

ENDS

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For further information on the Company and its projects
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Background Technical Information on MS7 and on the Resource Update

The MS7 alaskite deposit was discovered in May 2011. The deposit is located approximately two kilometres to the west of the Ongolo deposit (Figure 1). From regional geology it is believed that the uraniferous alaskites are within the Khan Formation and mineralisation usually seems to be concentrated when these alaskites come into contact with the Rossing and Chuos Formations, with a marble unit acting as an impermeable layer and localising higher grade mineralisation (Figure 1).

A maiden Mineral Resource Estimate (MRE) by Coffey Mining using Ordinary Kriging grade estimation methodology was announced on 13 October 2011. In December 2011 this estimate was updated by Coffey Mining using the Multiple Indicator Kriging (MIK) estimation method and incorporating additional drilling results, giving Indicated and Inferred Mineral Resources of 5.4 Mt at 470 ppm U_3O_8 for 5.6 Mlbs of U_3O_8 at a 250 ppm cut-off.

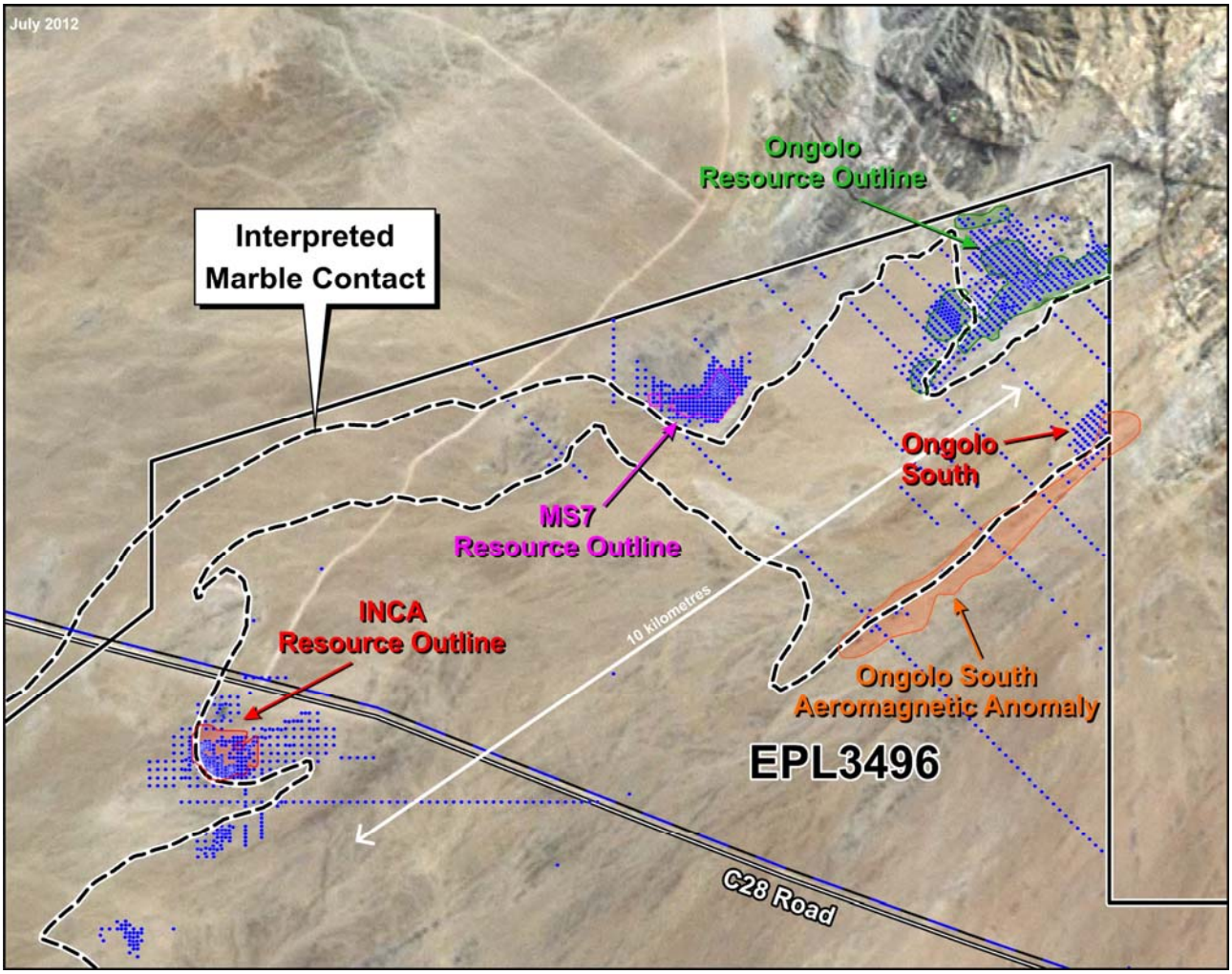

Figure 1: Omahola Project Resource Outlines and Drilling – Ongolo, MS7 and INCA Deposits

A total of 18 diamond drill (DD) holes and 354 Reverse Circulation drill holes (RC) , totaling 372 holes, were available to CSA Global Pty Ltd ('CSA') for the MRE of the MS7 Deposit. The holes were typically drilled on a bearing of 180° and at a dip of 60°. A plan view of the drilling data is presented in Figure 2 (Appendix 2), with new holes represented as red triangles. The updated MRE for the MS7 deposit is presented in Table 1 below and is effective as at 16 November 2012.

Table 1: MS7 JORC Compliant Mineral Resource Estimate – 16th November 2012

Classification	Cut-off (U_3O_8 ppm)	Tonnage (Mt)	Dry Bulk Density (t/m^3)	U_3O_8 Grade (ppm)	U_3O_8 Metal (Mlbs)
Measured	250	4.43	2.65	441	4.31
Indicated	250	1.02	2.65	433	0.97
Sub-Total M&I	**250**	**5.45**	**2.65**	**440**	**5.28**
Inferred	250	1.32	2.65	449	1.31
TOTAL	**250**	**6.77**	**2.65**	**442**	**6.59**

Grade estimation was completed using MIK. The portion of the MRE classified as Measured is based on drill holes located on an approximately 50x25 metre grid. Indicated and Inferred are based on drill holes located on an approximately 50x50 metre (and wider) grid. The MRE utilises all available drill hole sampling data collected over the history of the Project. Data used for the MRE comprised a combination of Fusion XRF assay values and down-hole gamma U_3O_8 equivalent grades. All figures are in metric tonnes based on a Dry Bulk Density of 2.65 t/m^3. M&I is Measured + Indicated. Significant figures do not imply an added level of precision after all MRE tabulations. Conversion factor kilograms to pounds - 2.2046. No Ore Reserves have been estimated.

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 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: Omahola Project Resource Summary – November 2012

Deposit	Category	Cut-off (ppm U_3O_8)	Tonnes (M)	U_3O_8 (ppm)	U_3O_8 (t)	U_3O_8 (Mlb)
REPTILE URANIUM NAMIBIA (NAMIBIA) - Omahola Project						
INCA ♦	Indicated	250	7.0	470	3,290	7.2
INCA ♦	Inferred	250	5.4	520	2,810	6.2
Ongolo #	Indicated	250	14.7	410	6,027	13.2
Ongolo #	Inferred	250	5.8	380	2,204	4.8
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			**39.6**	**437**	**17,303**	**38.0**
Resource Categories						
	Measured Resources		4.4	441	1,955	4.3
	Indicated Resources		22.7	430	9,760	21.4
	Inferred Resources		12.5	447	5,588	12.3
Omahola Project Total			**39.6**	**437**	**17,303**	**38.0**

Notes: Figures have been rounded and totals may reflect small rounding errors.
XRF chemical analysis unless annotated otherwise.
♦ eU_3O_8 - equivalent uranium grade as determined by downhole gamma logging.
Combined XRF Fusion Chemical Assays and eU_3O_8 values.

Compliance Statements:

The information in this Report that relates to the 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 Ongolo and INCA Mineral Resources is based 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 Exploration Results, Mineral Resources 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.

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 2: Summary of Relevant Criteria for the Mineral Resource Estimate

- A maiden MRE was estimated by Coffey using Ordinary Kriging grade estimation and announced on 13 October 2011. This estimate was updated by Coffey using the MIK estimation method and incorporated an additional 80 RC and five diamond holes for 14,766 metres with results announced on 13 December for Indicated and Inferred Mineral Resources of 5.4 Mt at 470 ppm U_3O_8 for 5.6 Mlbs of U_3O_8 reported above a 250 ppm cut-off.

- Uranium mineralisation at MS7 is hosted by alaskitic granite, which occurs as voluminous masses and sheeted intrusive dykes, within the meta-sedimentary Khan Formation. The uraniferous alaskites at the MS7 Project are located in a large fold structure comprised of Khan-Rössing Formation marble and calc-silicates with localised large garnet clinopyroxene / magnetite skarns.

- A total of 18 diamond drill (DD) holes and 354 Reverse Circulation drill (RC) holes, totaling 372 drill holes, were available for the MRE for the MS7 deposit. The drill holes were typically drilled on a bearing of 180° and at a dip of 60°. Figure 2 presents a plan view of the drilling data with 2012 drill holes shown as red triangles. Most of the new drilling was infill.

- The RC rigs make use of a cyclone and two types of sample splitters that split samples into an 87.5% and 12.5% sub-samples as well as two 1 kg samples.

- The major marble footwall waste unit presented in Figure 3, and mineralized (>75 ppm U_3O_8) alaskites presented in Figure 4, were constrained within wire frame volumes. The wire frames for the marble were based on geological recorded intersection of the drill holes with the marble units.

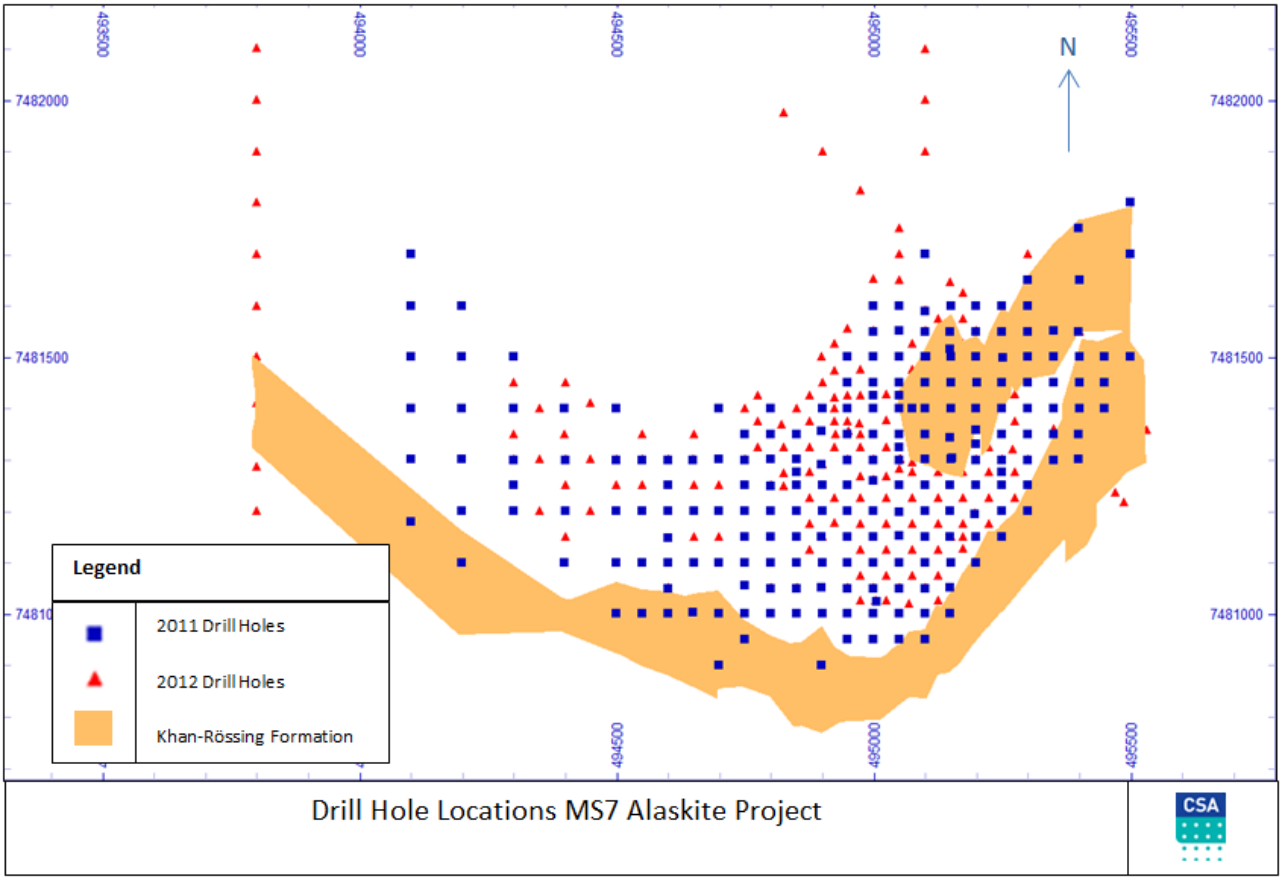

Figure 2: MS7 Drill Holes December 2011 and November 2012

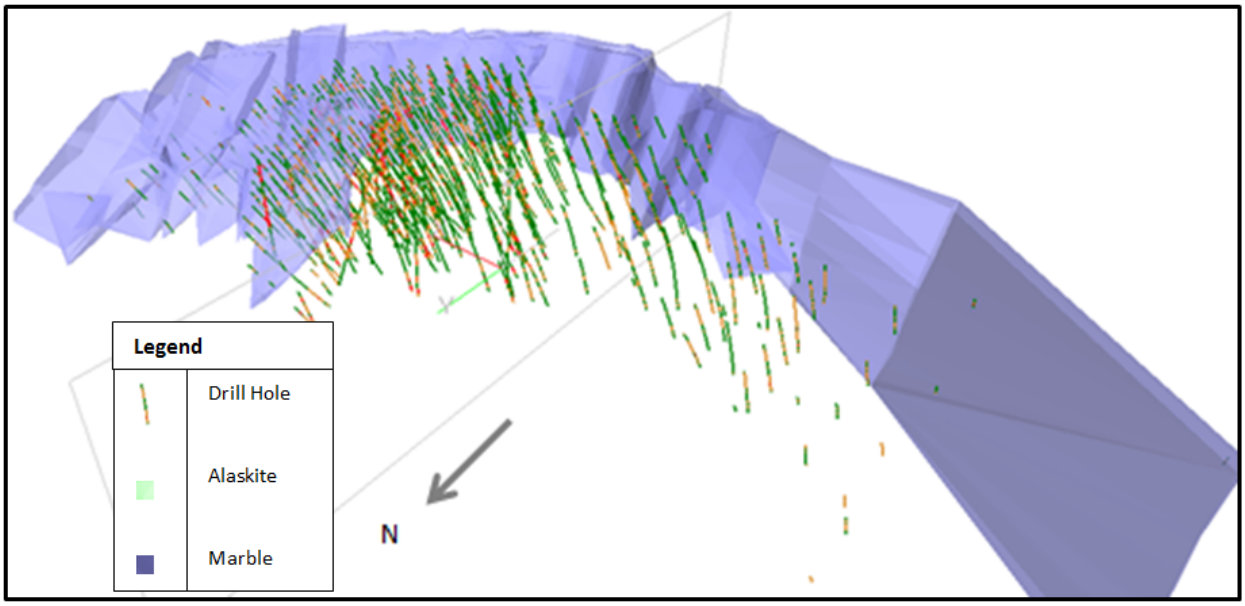

Figure 3: MS7 Drill Holes in Relation to the Marble Country Unit

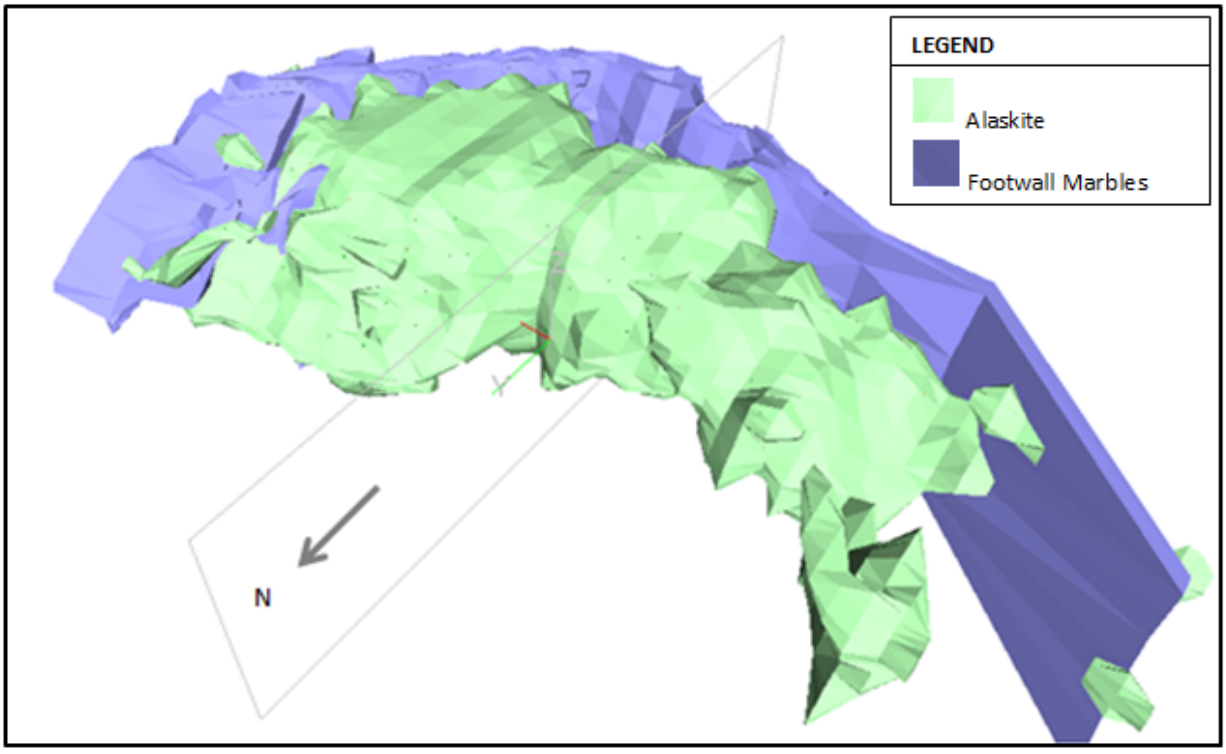

Figure 4: MS7 Mineralised Alaskite Shell and Footwall Marble Unit

- RUN completed down hole radiometric surveying (gamma logging) using in-house Auslog probes made in Australia by Auslog Pty Ltd (now Weatherford International Ltd).

- The samples from the RC and DD drilling are prepared at the RUN laboratory in Swakopmund, Namibia, and dispatched to Scientific Services (SS), Cape Town, South Africa, for Fusion XRF analysis.

- Quality control and quality assurance ('QAQC') is conducted throughout the drilling, sampling and analysis stages. CSA reviewed the QAQC results for the chemical assay and down hole gamma processes and no significant issues were identified.

- RUN has fully migrated from an Access database to a SQL server database in April 2012. This migration was driven by the requirement for a robust database essential to achieving confidence in Resource estimates according to JORC code standards.

- The topographic surface was compiled from the collar positions of the drill holes data. As the topography is generally flat and has negligible impact on the MRE, this method was considered acceptable.

- The MRE was conducted using data comprised of both Fusion XRF assay results and gamma values. The gamma values were correlated with twinned chemical assay pairs and adjusted using a polynomial function to take into account local deposit factors which affect the determination of equivalent U_3O_8. Where a drill hole sample was represented by Fusion XRF analysis value, this was used in preference to the gamma value. Approximately 11% of samples used were Fusion XRF assay results.

- Statistical analysis was completed for the samples within the alaskite volume. The population can be described as a log normal distribution, with few grade outliers.

- Orientations determined from a variography study follow the significant geological mineralisation trends. Semi-variograms were constructed for each grade cut-off for the Multiple Indicator Kriging ('MIK') grade estimation.

- The MRE were compiled using MIK on 15 cut-off values, using parent block model dimensions of 25m x 25m x 6m (X, Y & Z) with the grade tonnage results reported using a Support Correction function based on SMU dimensions of 5m x 5m x 3m. One metre drill hole sample lengths were utilized. Datamine™ and H&S Consultants Pty Ltd proprietary software were used for determination of the MRE.

- The dominant search criteria were 45m x 45m x 6m (X, Y & Z) using a minimum and maximum number of samples of 16 and 48 respectively. The search parameters were orientated according to variogram strike, dip & plunge.

- Comparison of the mean U_3O_8 block grades and one metre composite samples compared favourably.

- The tonnage factor applied to the MS7 estimated volume was determined from review of ¼ diamond drill core water immersion results. The MRE was determined using a dry bulk density of 2.65 t/m^3.

- The MRE is reported at a cut-off of 250 ppm U_3O_8. The cut-off selected satisfies the JORC requirement of potential economic viability based on uranium commodity price estimates, relevant operating and mining costs and potential production rates.

- The MRE has been classified as Measured, Indicated and Inferred based on guidelines specified in the JORC code. The Kriging 'confidence' estimate together with geological understanding and sample spacing was used as a guide to determining classification criteria.

- The Figure 5 presents a north-south cross section through the MIK MRE block models:

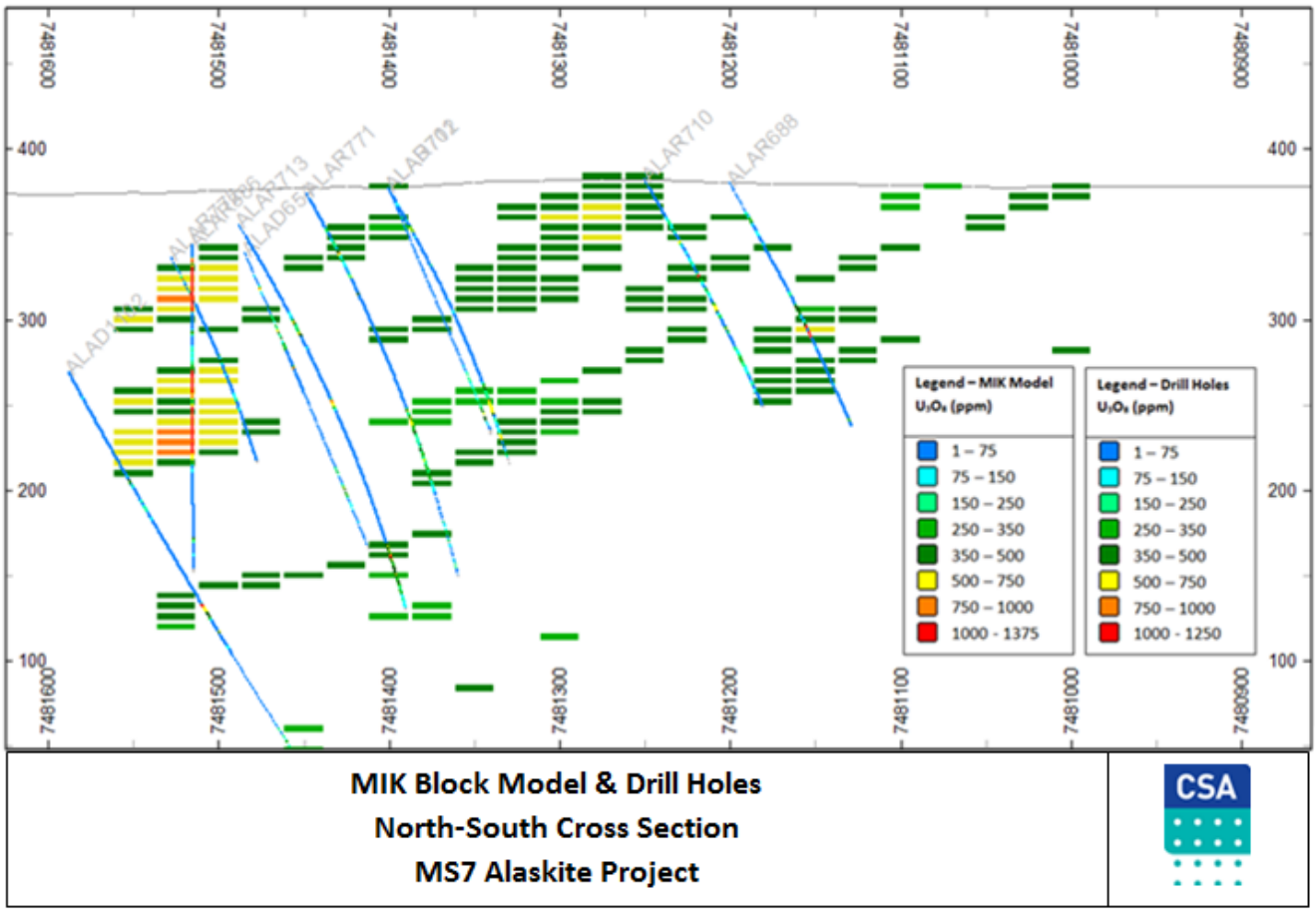

Figure 5: Cross-Section 495,150mE through MS7 MRE Block Model

- The following tables present the grade tonnage relationship at various U_3O_8 (ppm) cut-off values:

Table 2: **Mineral Resources Estimate - MS7 – Grade Tonnage Relationships – 16 November 2012**

Classification	Cut-off (U_3O_8 ppm)	Tonnage (Mt)	Dry Bulk Density (t/m^3)	U_3O_8 Grade (ppm)	U_3O_8 Metal (Mlbs)
Measured	75	25.88	2.65	183	10.43
	100	18.63	2.65	220	9.05
	150	10.55	2.65	296	6.87
	200	6.58	2.65	370	5.36
	250	**4.43**	**2.65**	**441**	**4.31**
	300	3.15	2.65	508	3.53
	325	2.70	2.65	541	3.22
Classification	**Cut-off (U_3O_8 ppm)**	**Tonnage (Mt)**	**Dry Bulk Density (t/m^3)**	**U_3O_8 Grade (ppm)**	**U_3O_8 Metal (Mlbs)**
Indicated	75	12.52	2.65	142	3.91
	100	7.15	2.65	184	2.90
	150	3.02	2.65	271	1.80
	200	1.63	2.65	355	1.27
	250	**1.02**	**2.65**	**433**	**0.97**
	300	0.70	2.65	507	0.78
	325	0.59	2.65	542	0.70
Classification	**Cut-off (U_3O_8 ppm)**	**Tonnage (Mt)**	**Dry Bulk Density (t/m^3)**	**U_3O_8 Grade (ppm)**	**U_3O_8 Metal (Mlbs)**
Measured + Indicated	75	38.40	2.65	170	14.34
	100	25.78	2.65	210	11.95
	150	13.57	2.65	290	8.67
	200	8.21	2.65	367	6.63
	250	**5.45**	**2.65**	**440**	**5.28**
	300	3.85	2.65	508	4.31
	325	3.29	2.65	541	3.92
Classification	**Cut-off (U_3O_8 ppm)**	**Tonnage (Mt)**	**Dry Bulk Density (t/m^3)**	**U_3O_8 Grade (ppm)**	**U_3O_8 Metal (Mlbs)**
Inferred	75	14.63	2.65	148	4.77
	100	8.71	2.65	190	3.65
	150	3.86	2.65	277	2.36
	200	2.11	2.65	364	1.70
	250	**1.32**	**2.65**	**449**	**1.31**
	300	0.91	2.65	529	1.06
	325	0.77	2.65	566	0.96
Classification	**Cut-off (U_3O_8 ppm)**	**Tonnage (Mt)**	**Dry Bulk Density (t/m^3)**	**U_3O_8 Grade (ppm)**	**U_3O_8 Metal (Mlbs)**
Measured + Indicated + Inferred Total	75	53.03	2.65	164	19.11
	100	34.49	2.65	205	15.60
	150	17.43	2.65	287	11.03
	200	10.32	2.65	366	8.33
	250	**6.77**	**2.65**	**442**	**6.59**
	300	4.76	2.65	512	5.37
	325	4.06	2.65	546	4.88

Conclusions

- The increase in overall tonnes compared to the earlier MRE is a direct result of the additional drilling completed by RUN.
- The increase in tonnage is 1.5 Mt over the total MRE, a 28 % increase from the December 2011 MRE. This has resulted in an 18% increase in uranium oxide ($U_3O_{8)}$ content.
- Measured and Indicated (M&I) material increased due to infill drilling of the deposit during 2012.
- The improved alaskite interpretation has increased the reliability of the geological model and also improved grade confidence in some areas.
- The repeatability of the previous results with the infill drilling adds to the increased confidence in the MRE.

The information in this Summary Report that relates to MRE is based on information compiled by Malcolm Titley & Heather King of CSA Global Pty Ltd. Malcolm Titley takes overall responsibility for the MRE. 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 mineralization 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.

Dr Leon Pretorius from RUN is the Competent Person responsible for the drill hole database and assaying. A field inspection of the MS7 deposit area was undertaken on 26-28 September, 2012 by Ms King.