

20 June 2010

Drilling Expands Width and Confirms Potential of Shiyela Magnetite Mineralisation in Namibia

HIGHLIGHTS

- Follow-on drilling started at the Shiayela Iron Project in Namibia
 - Initial results...
 - significantly extend the width of mineralised zone from 100 metres based on sub-outcrop to at least 400 metres under minimal sand cover
 - confirm the significance of magnetite mineralisation as indicated by initial M62 diamond drill hole in 2008 with 340 metres mineralisation
 - indicate mineralisation becoming more continuous as semi-massive to massive magnetite to the west with mineralisation open at depth and along strike in both directions
 - provide substantial impetus to continue with project evaluation
 - Mineralised area located approximately 30 kilometre from the deep-sea port of Walvis Bay
 - Airborne magnetic survey data implies strike continuity of the magnetite unit and potential for satellite area deposits
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Deep Yellow Limited (ASX Code: DYL) is pleased to announce initial results from the start of follow-on drilling at its **Shiyela Iron Project** operated by its wholly-owned subsidiary **Reptile Uranium Namibia Pty Ltd (RUN)**.

Initial results from the first 11 drill holes has served to expand the width of magnetite mineralisation from approximately 100 metres based on mapping of sub-outcropping magnetite, to approximately 400 metres under minimal sand cover, with additional drilling underway to determine the full width of mineralisation.

These results confirm the significance and potential of the magnetite mineralisation highlighted in DYL's ASX announcement dated 16 June 2010, and provide ample impetus to continue with drilling and evaluation of the Shiayela Iron Project.

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Follow-on drilling began in late June in the vicinity of the M62 magnetic anomaly (Figure 1) where core samples from a previous diamond drill hole (renamed SHID1) were recently evaluated and found to produce a high-grade, low-impurity magnetite concentrate product.

A line of 60 degree angle reverse circulation (RC) drill holes spaced at 50 metres are being drilled across strike in close proximity to original diamond drill hole SHID1. The location of these holes is shown in Figure 2 in a west to east cross-section showing a plot of down hole magnetic susceptibility together with a visual estimate of magnetite content for each hole. Magnetic susceptibility readings have not yet been collected for holes SHIR8 and SHIR9. However, visual estimates of magnetite content in both holes indicates more continuous, massive to semi-massive magnetite intercepts than in previous holes. Original diamond drill hole SHID1 is located 50 metres south of the line between SHIR3 and SHIR4 (though not shown in Figure 2).

Samples from drill hole SHIR2 will be chemically assayed as 5 metre composites to generate a calibration curve for the susceptibility meter.

The magnetite mineralisation is hosted by steeply dipping, fine-grained magnetite-rich metasediments; granite containing coarse magnetite; and, semi-massive to massive magnetite within a predominately granite and metasediment sequence. Photographs of these lithologies are provided on Page 5.

An HQ diamond drill hole (SHID2) has commenced between holes SHIR2 and SHIR3 (Figure 2), and another is planned between SHIR8 and SHIR9, to allow for more detailed geological interpretation from core samples and to provide samples for additional metallurgical testwork.



Outcrop of Massive Magnetite Band

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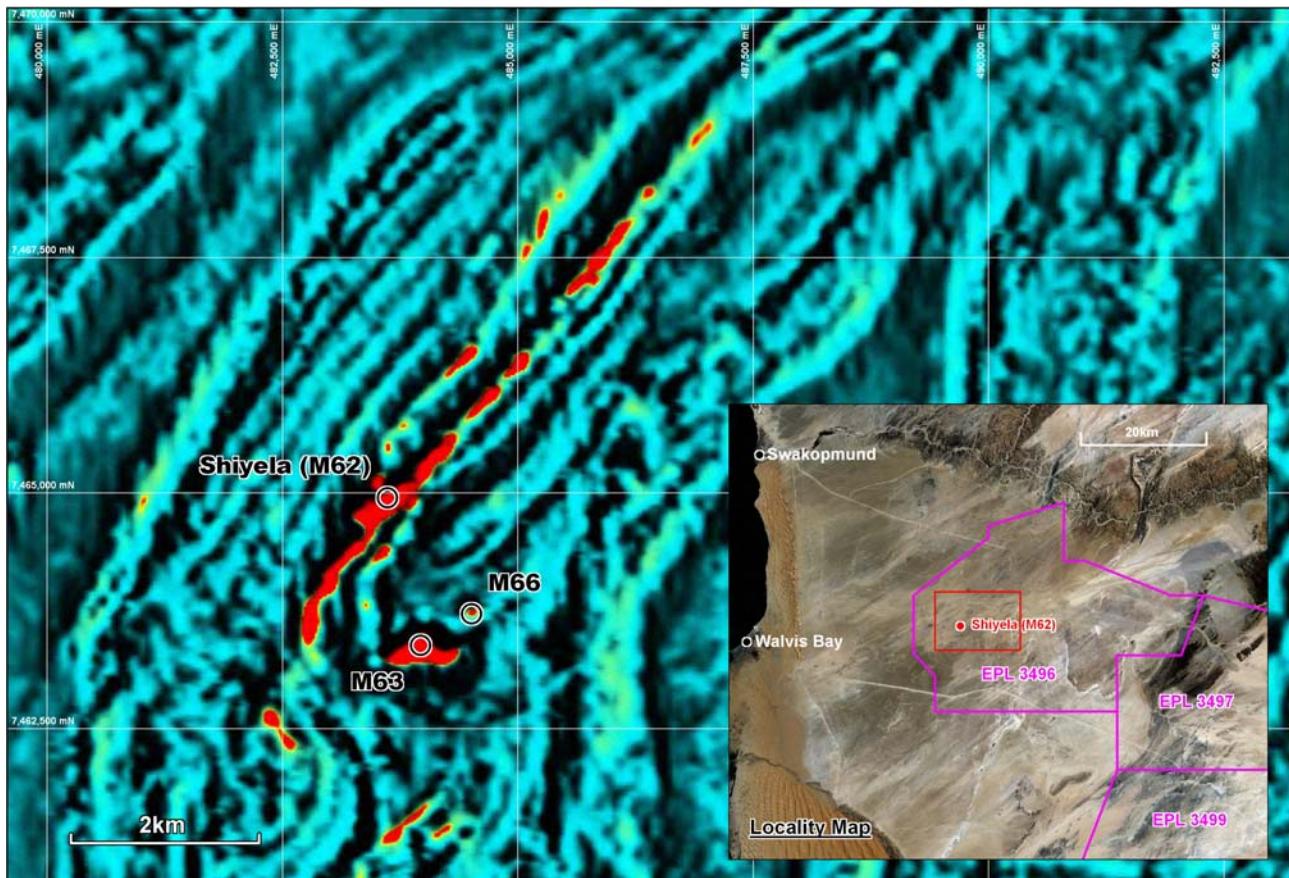


Figure 1: Total Magnetic Intensity (TMI) Image from RUN aeromagnetic survey - showing local extent of interpreted 'high magnetic terrain' (red) at the Shiyela Iron Project.

Figure 1 is an aeromagnetic map showing total magnetic intensity (TMI), with red representing the highest intensity of magnetism (such as from magnetite) and blue the lowest intensity (such as from barren metasediments).

The preliminary geological evaluation of the area around M62 outlined a broad zone, approximately 100 metre wide, characterised by narrow lenses of SW-oriented massive magnetite. However, RC drilling has shown the 'magnetite zone' to be at least 400 metres wide and is open to depth and along strike in both directions.

A north-south line of RC drilling has also been planned to evaluate Anomaly M63 (Figure 1).

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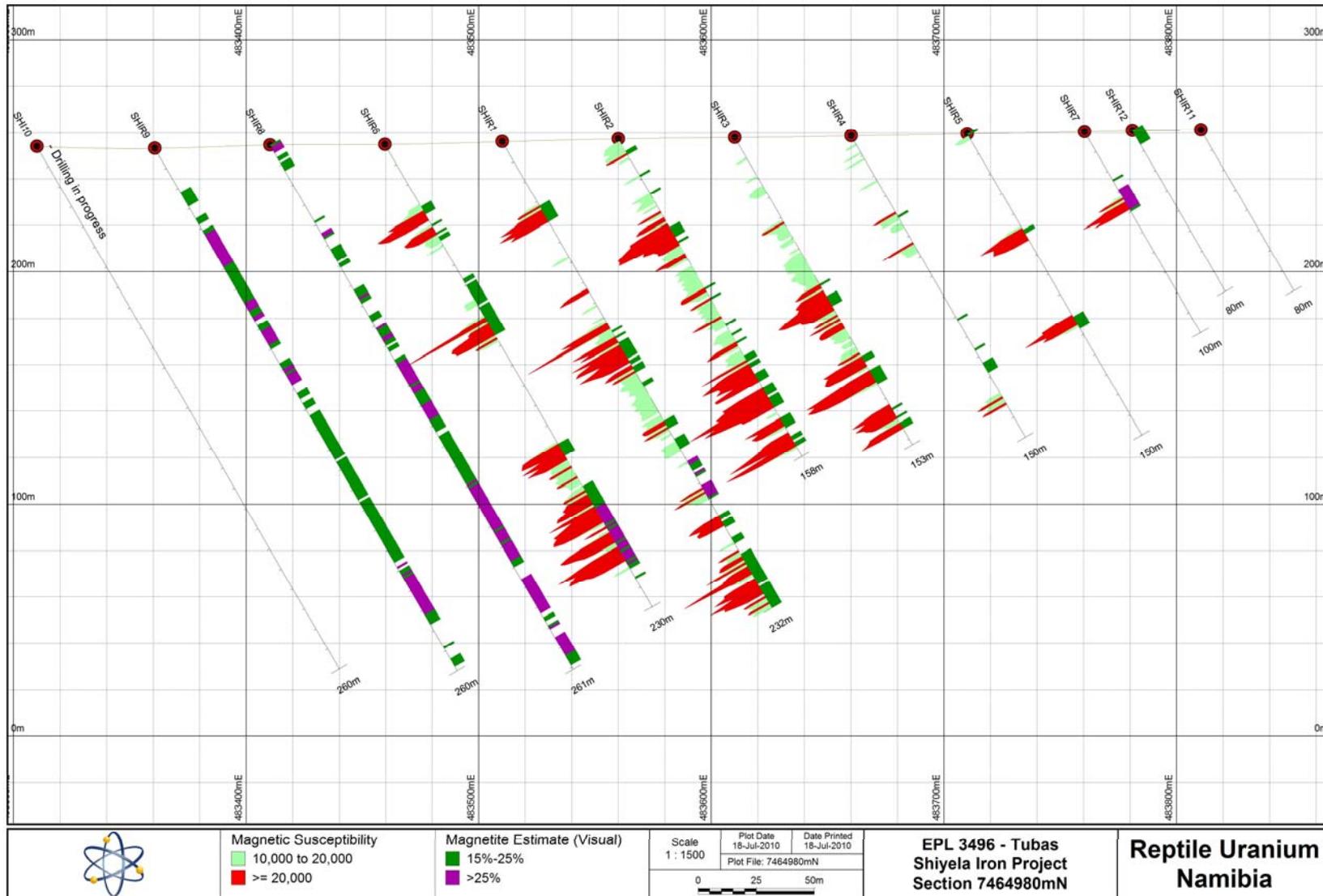


Figure 2: West to east section looking north with histograms of magnetic susceptibility and estimate of magnetite content

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RC drill chips from hole SHIR3 showing zones of semi-massive magnetite

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Looking West from Hole SHIR5 to RC Drill Rig on Hole SHIR6 (250 metre)

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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 Statements

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.

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Deep Yellow Limited is an Australian-based uranium focused exploration company with advanced exploration projects in Namibia and in Australia.

In Namibia the Company operates through its wholly-owned subsidiary **Reptile Uranium Namibia P/L** which is focusing on its 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, including the Queens Gift, Conquest, Slance, Eldorado, Thanksgiving, Bambino and Turpentine Prospects. The Company also owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory.

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.