



22 January 2013

### HEADS OF AGREEMENT WITH EPANGELO TO PROGRESS AUSSINANIS PROJECT

#### KEY POINTS

- **Heads of Agreement executed with Epangelo Mining Company (Pty) Ltd (Epangelo) to progress the Aussinanis Project (Aussinanis) in Namibia.**
- **Epangelo, a private company owned by the Government of the Republic of Namibia, has acquired 5% of a new entity holding Aussinanis by funding testwork.**
- **Aussinanis has a JORC Compliant Indicated and Inferred Mineral Resource of 34.6 M tonnes at 237 ppm U<sub>3</sub>O<sub>8</sub> for 18.1 Mlb U<sub>3</sub>O<sub>8</sub> at cut-off grade of 150 ppm U<sub>3</sub>O<sub>8</sub>.**
- **Epangelo can earn up to 70% of the Project by funding the Project through to a bankable feasibility study.**

**Advanced stage uranium explorer Deep Yellow Limited (DYL)** is pleased to announce it has executed a Heads of Agreement (HOA) with the Epangelo Mining Company (Pty) Ltd (Epangelo) to progress the Aussinanis Project in Namibia. Epangelo is a private company with the Government of the Republic of Namibia as its sole shareholder, established to ensure national participation in the discovery, exploitation and beneficiation of Namibia's mineral resources. It aims to develop a portfolio of high quality assets and services for the benefit of its stakeholders.

The Aussinanis Project is located mostly within Exclusive Prospecting Licence (EPL) 3498. It has a JORC Compliant Indicated and Inferred Mineral Resource of 34.6 M tonnes at 237 ppm U<sub>3</sub>O<sub>8</sub> for 18.1 Mlb U<sub>3</sub>O<sub>8</sub> at cut-off grade of 150 ppm U<sub>3</sub>O<sub>8</sub>. Mineralisation occurs as secondary carnotite enrichment of a variably calcretised palaeochannel and sheetwash sediments along an extensive northeast trending zone (Figures 1 and 2). The deposit may be amenable to upgrading by physical beneficiation techniques similar to the tests successfully conducted on the Tubas Sand deposit by DYL's wholly owned Namibian subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN) during 2011 and 2012.

RUN has transferred its Aussinanis and Ripnes (EPL 3499) EPLs into a newly established company, Yellow Dune Uranium Resources (Pty) Ltd (Yellow Dune). Epangelo has acquired an initial 5% of Yellow Dune to fund testwork to demonstrate that the Aussinanis deposit can be upgraded by physical beneficiation.

The shareholding of Yellow Dune is initially RUN 85%, Epangelo 5% and RUN's empowerment partner, Oponona Investments (Pty) Ltd (Oponona) 10%.

After the initial phase and assuming that the testwork is successful, Epangelo will become the operator of the joint venture and would earn up to 70% in Yellow Dune by funding a pre-feasibility and bankable feasibility study. RUN and Oponona will at that stage hold 20% and 10% respectively, with the terms and conditions of Oponona's participation reflecting those of its existing agreement with RUN.



DYL's Managing Director Greg Cochran welcomed the establishment of the new joint venture with Epangelo, recognising it as a significant opportunity for the state owned entity to develop its operational capability with the support of DYL and its Namibian subsidiary RUN. "We have had ongoing discussions with Epangelo since its inception to find opportunities of mutual interest. We believe that the Aussinanis Joint Venture is an ideal opportunity that will assist Epangelo to pursue its vision whilst deepening the strong ties we have with Namibia and its people."

Eliphaw Hawala, Epangelo's Managing Director, said "Conclusion of this Heads of Agreement is yet another significant step that Epangelo as a newly established company has achieved, well on the way towards becoming a major player in the mining industry in Namibia, particularly in nuclear fuels mineral development. We are very pleased with the opportunity we have to become the holder of the majority stake in the Aussinanis Project by funding additional steps. Our focus is to ensure that this project becomes one of Epangelo's operating projects; as opposed to shareholding ventures that we have done in the past. The results of the current test work will be crucial in projecting our technical direction and an opportunity to grow our technical base in the nuclear fuels industry."

## Ends

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### 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 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.

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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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### Compliance Statement:

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, was previously Managing Director of Reptile Uranium Namibia (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'. 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 Aussinanis Mineral Resource is based on work completed by Mr Jonathon Abbott who was 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.



## Appendix: Aussinanis Background Information



### Drilling at the Aussinanis Project

The Aussinanis Project is located within EPL 3498 (Aussinanis) approximately 100 kilometres SSE of Swakopmund (Figure 1). In May 2010 Hellman & Schofield completed a Mineral Resource estimate for Aussinanis comprising Indicated and Inferred resources reported in accordance with the JORC Code for a total of 34.6 M tonnes at 237 ppm U<sub>3</sub>O<sub>8</sub> for 18.1 Mlb U<sub>3</sub>O<sub>8</sub> at cut-off grade of 150 ppm U<sub>3</sub>O<sub>8</sub>.

Mineralisation occurs as secondary carnotite enrichment of a variably calcretised palaeochannel and sheetwash sediments and adjacent weathered bedrock within a northeast trending zone approximately 29 kilometres in length. The mineralisation commonly outcrops but is generally overlain by an average thickness 1.7 metres of poorly mineralised material. The mineralised sand ranges in thickness from 1 to 19 metres and averages approximately 4.4 metres.

The deposit may be amenable to upgrading by physical beneficiation similar to the Tubas Sand Deposit where tests were successfully conducted by RUN during 2011 and 2012.

**Table 1: Aussinanis JORC Mineral Resource Estimate**

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)
Indicated	150	5.6	222	1,243	2.7
Inferred	150	29.0	240	6,960	15.3
<b>Total</b>		<b>34.6</b>	<b>237</b>	<b>8,203</b>	<b>18.0</b>

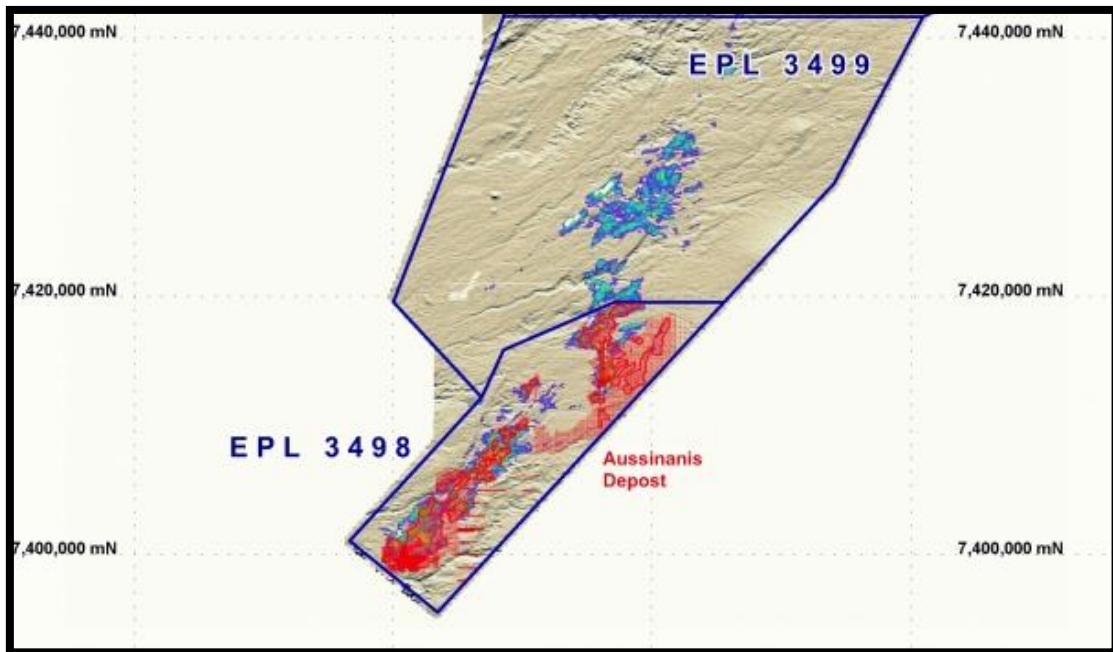


Figure 1: Locality Map of the Ripnes and Aussinanis EPLs

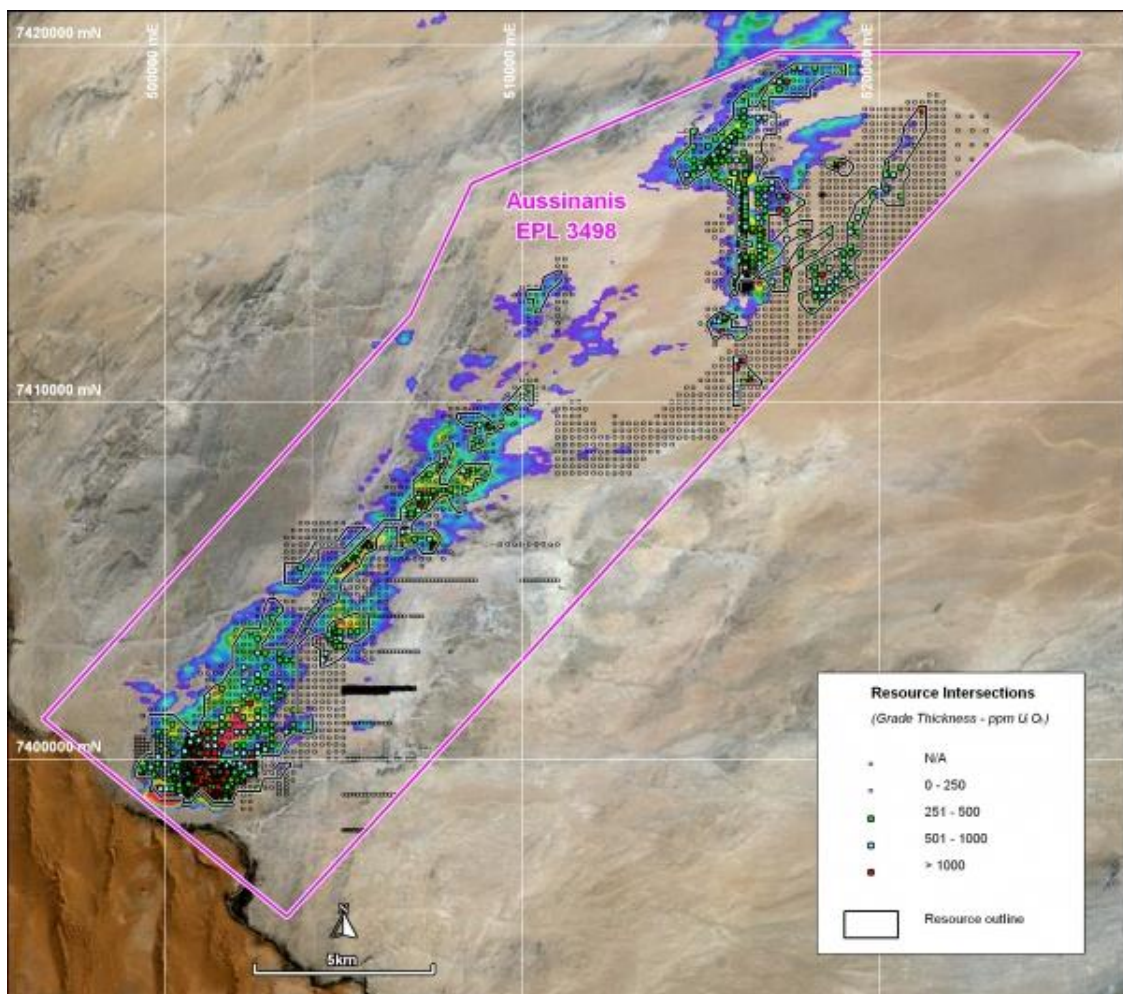


Figure 2: Mineralised Domain Outlines and Grade Thickness Intersections