



18 September 2012

HIGHEST GRADE INTERCEPT ENCOUNTERED AT MS7 ALASKITE DEPOSIT

KEY POINTS

- The MS7 drill programme continues to deliver outstanding results with more multiple high grade intercepts, including one at 11% U₃O₈, enhancing the resource potential of the deposit.
- Diamond hole ALAD1360 drilled to undercut previous intercepts at depth returned a 1 metre interval of 11% U₃O₈ (110,500 ppm) from 288 metres (~ 240 metres vertical depth), the highest grade ever encountered in our Namibian exploration programme.
- Results from other relatively shallow RC intersections include:
 - ALAR1356 33 metres at 1,325 ppm U₃O₈ from 50 metres
 - ALAR1357 7 metres at 405 ppm U₃O₈ from 109 metres
and 12 metres at 439 ppm U₃O₈ from 192 metres
 - ALAR1362 8 metres at 633 ppm U₃O₈ from 48 metres
 - ALAR1363 8 metres at 417 ppm U₃O₈ from 34 metres
 - ALAR1365 6 metres at 688 ppm U₃O₈ from 104 metres
 - ALAR1366 3 metres at 1,723 ppm U₃O₈ from 26 metres
- Further outstanding equivalent uranium (eU) intercepts from the MS7 drilling programme have been submitted for chemical assay with results anticipated at the end of September.

Advanced stage uranium explorer Deep Yellow Limited (ASX: DYL) is pleased to announce exploration results from its Omahola Project (Figure 1) programme conducted by its wholly owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN). The programme (Figure 2) is primarily designed to increase the size and confidence of existing resources as well as test for lateral and depth extensions.

DYL's Managing Director Greg Cochran commented "We extended the drilling programme at MS7 until mid-September on the back of some outstanding results, anticipating more of the same. These results exceed our expectations and whilst it was exciting for all of us to make that one very high grade 11% intercept, it is the overall results that are more important to us. More so than ever we are confirming the higher grade nature and continuity of MS7 with consistent relatively shallow, frequently wide intersections well above our 400 ppm U₃O₈ reporting threshold."

ENDS

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



Report on the MS7 Deposit Exploration Results

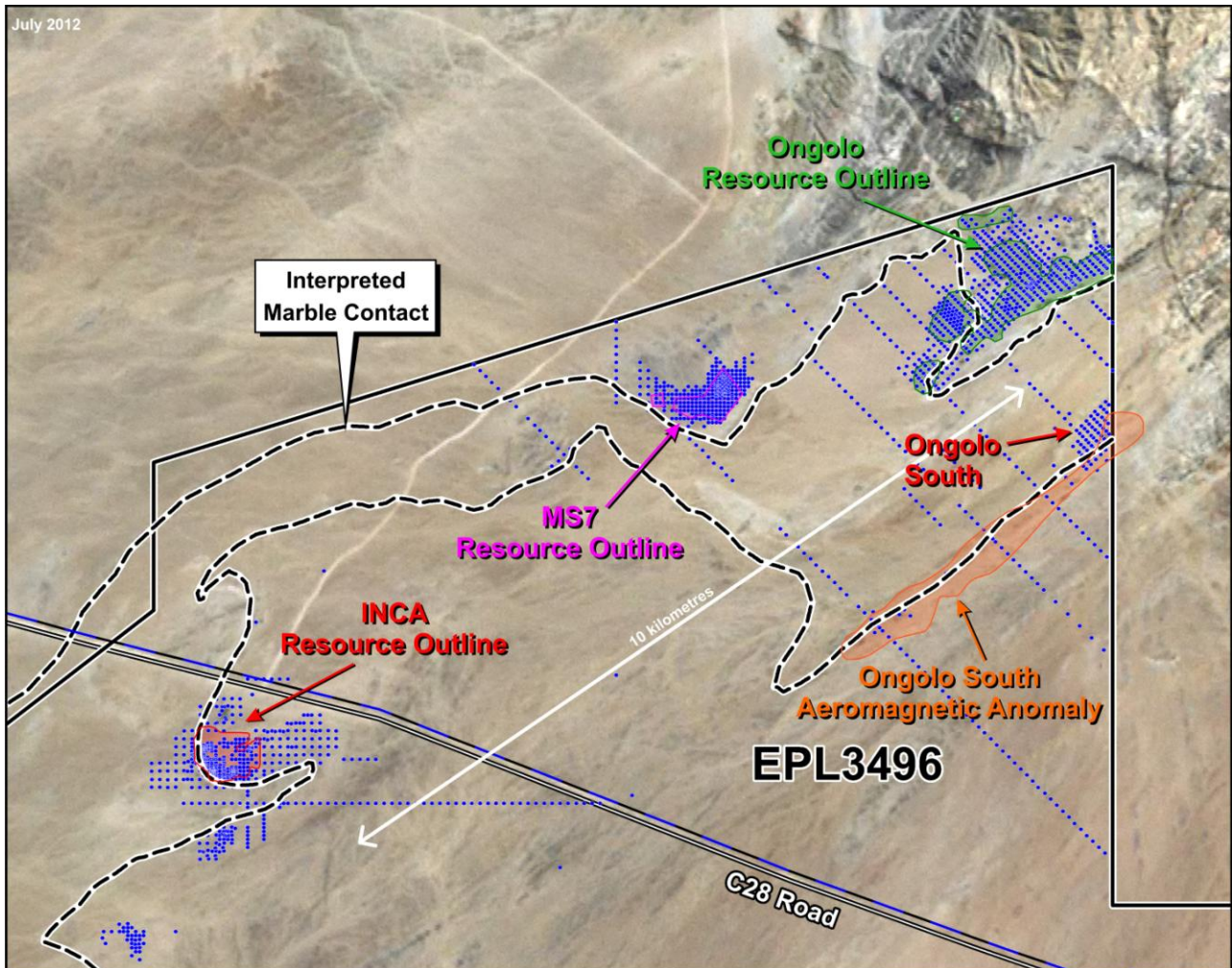


Figure 1: Resource Outlines and Drilling – Omahola Project Area

Exploration results from the RC and DC programme now focused in the central to south-west sector of the MS7 deposit returned several high grade relatively shallow intercepts (Figure 2). RC drilling will continue at MS7 until mid-September before relocating to Ongolo. The latest available XRF Fusion chemical assay results are given in Appendix 1, whilst selected significant results include:

- **ALAR1356** 33 metres at 1,325 ppm U₃O₈ from 50 metres
and 5 metres at 438 ppm U₃O₈ from 89 metres
and 7 metres at 413 ppm U₃O₈ from 97 metres
and 5 metres at 435 ppm U₃O₈ from 116 metres
- **ALAR1357** 7 metres at 405 ppm U₃O₈ from 109 metres
and 5 metres at 474 ppm U₃O₈ from 120 metres
and 12 metres at 439 ppm U₃O₈ from 192 metres
- **ALAR1362** 3 metres at 1,199 ppm U₃O₈ from 8 metres
and 8 metres at 633 ppm U₃O₈ from 48 metres
and 8 metres at 944 ppm U₃O₈ from 232 metres
- **ALAR1363** 8 metres at 417 ppm U₃O₈ from 34 metres
- **ALAR1365** 6 metres at 688 ppm U₃O₈ from 104 metres
- **ALAR1366** 3 metres at 1,723 ppm U₃O₈ from 26 metres
- **ALAR1369** 6 metres at 523 ppm U₃O₈ from 65 metres
and 2 metres at 1,637 ppm U₃O₈ from 116 metres
and 18 metres at 400 ppm U₃O₈ from 249 metres



Holes ALAR1356 and 1357 were designed to overdrill holes ALAR1358 and 1359 (ASX 30 August 2012) which returned:

- ALAR1358: 6 metres at 691 ppm U₃O₈ from 83 metres;
and 6 metres at 881 ppm U₃O₈ from 206 metres;
and 6 metres at 415 ppm U₃O₈ from 224 metres

- ALAR1359: 14 metres at 582 ppm U₃O₈ from 37 metres;
and 8 metres at 424 ppm U₃O₈ from 59 metres;
and 8 metres at 411 ppm U₃O₈ from 149 metres

Hole ALAR1363 was an overdrill hole on previously reported holes ALAR1343 and 1344 (also ASX 30 August 2012):

- ALAR1343: 4 metres at 456 ppm U₃O₈ from 86 metres;
and 5 metres at 1,160 ppm U₃O₈ from 96 metres
- ALAR1344: 9 metres at 538 ppm U₃O₈ from 107 metres;
and 7 metres at 634 ppm U₃O₈ from 121 metres

During the current drilling operations downhole logging also returned additional wide high grade intercepts (west of the current reported holes) as equivalent uranium readings which will be confirmed, in line with DYL standard practice, by XRF chemical assay in the coming weeks.

Diamond hole **ALAD1360** was drilled as an undercut of the ALAR1358 and 1359 intersections (see above). Whilst the hole essentially cut-off the shallow mineralisation to the north it returned the highest grade intercept made by RUN namely 1 metre at 11% U₃O₈ (110,500 ppm) present as a coarse grained uraninite mineralisation at depth. Whilst the intercept is high grade it comprises a 'narrow vein system' within a resource envelope grade of ± 500 ppm U₃O₈ and is therefore not entirely representative of the usual MS7 style of mineralisation.

Downhole logging of ALAD1360 also returned several additional lower grade equivalent uranium intercepts which await assay.

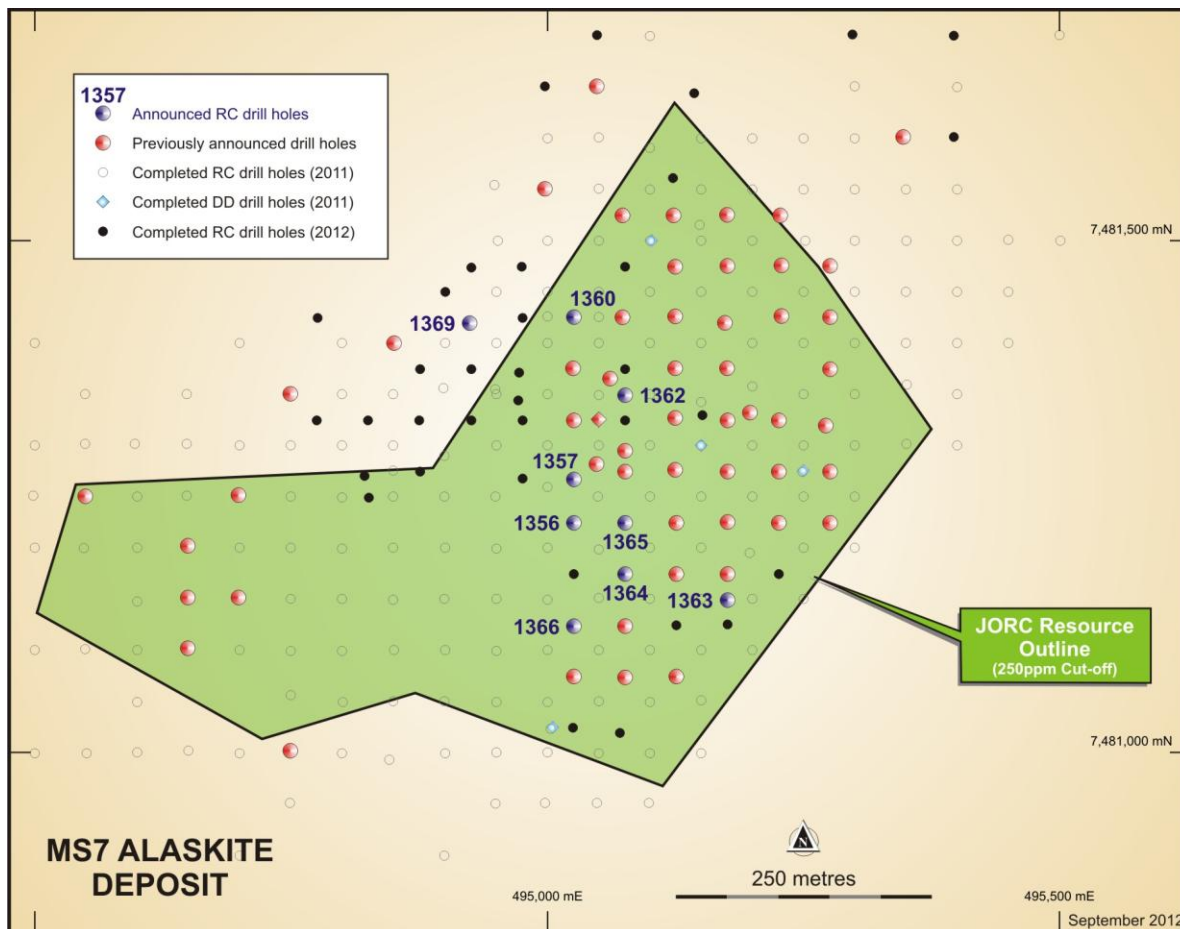


Figure 2: MS7 Alaskite Deposit Drill Hole Location Plan

About Deep Yellow Limited

Deep Yellow Limited is an ASX-listed, advanced stage uranium exploration company with projects in the southern African nation of Namibia. It also has a listing on the Namibian Stock Exchange.

Deep Yellow’s 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.

Compliance Statement

The information in this report that relates to Exploration Results and to 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.



APPENDIX 1

Omahola Project – MS7 Deposit

XRF Fusion Chemical Assay Results – September 2012

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval (m)	SS Fusion cU_3O_8 (ppm)	GTM
						From	To			
ALAR1356	495025	7481225	180	237	-60	43	44	1	610	610
<i>and</i>						50	83	33	1,325	43,725
<i>and</i>						89	94	5	438	2,190
<i>and</i>						97	104	7	413	2,891
<i>and</i>						116	121	5	435	2,175
<i>and</i>						125	128	3	402	1,206
ALAR1357	495025	7481268	180	253	-60	109	116	7	405	2,835
<i>and</i>						117	118	1	420	420
<i>and</i>						120	125	5	474	2,370
<i>and</i>						192	204	12	439	5,268
ALAD1360	495025	7481426	180	355	-60	288	289	1	110,500	110,500
ALAR1362	495075	7481350	180	277	-60	8	11	3	1,199	3,597
<i>and</i>						48	56	8	633	5,064
<i>and</i>						186	190	4	404	1,616
<i>and</i>						204	205	1	503	503
<i>and</i>						209	212	3	476	1,428
<i>and</i>						222	224	2	406	812
<i>and</i>						232	240	8	944	7,552
ALAR1363	495175	7481150	180	109	-60	34	42	8	417	3,336
ALAR1364	495075	7481175	180	199	-60	62	64	2	402	804
ALAR1365	495075	7481225	180	223	-60	77	78	1	579	579
<i>and</i>						104	110	6	688	4,128
ALAR1366	495025	7481125	180	184	-60	26	29	3	1,723	5,169
<i>and</i>						40	42	2	930	1,860
<i>and</i>						73	75	2	860	1,720
ALAR1369	494975	7481425	180	304	-60	65	71	6	523	3,138
<i>and</i>						75	78	3	423	1,269
<i>and</i>						89	91	2	470	940
<i>and</i>						116	118	2	1,637	3,274
<i>and</i>						249	267	18	400	7,200

Notes: TD is total depth of hole; U_3O_8 is a chemical assay by Fusion XRF. GTM is grade thickness metre and is calculated by multiplying the interval (m) x U_3O_8 (ppm)

Values of approximately 400 ppm U_3O_8 are deemed to be significant by DYL in this environment and therefore lower average values are not reported.