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ASX ANNOUNCEMENT

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## Namibia: INCA Project – Further Update

29 April 2009

Further to the ASX announcement on 23 April detailing the discovery of high-grade uranium mineralisation at Deep Yellow Ltd's (DYL) INCA Project in Namibia by its wholly owned subsidiary Reptile Uranium Namibia PTY Ltd (Reptile), a diamond hole is in progress between RC holes INCR147 and INCR156 and another three RC holes have been completed or partially completed as pre-collars.

The main purpose of this announcement is to explain future drilling activities at INCA. Due to large cavities being encountered in the RC drilling associated with the intense structurally disrupted zones and large volumes of water that result in the holes either failing or there being no sample recovery, the Company has decided to curtail its attempts at drilling deep RC holes in favour of pre-collaring holes with RC to loss of sample or 200 metre depth whichever is first and then continuing the hole with HQ diamond coring.

Hole INCR150R returned a chemical assay of **1.48% U<sub>3</sub>O<sub>8</sub> between 233 and 234 metre**, but then there was no sample recovery for the next 6 metre which clearly demonstrates the necessity for changing to diamond drilling at depth. This change will require different drilling equipment and casing to be acquired and will result in a reduction of metreage output and in a slower delivery of resource data.

The Company has also been asked whether the deep mineralisation reported on 23 April is overlain by barren rock or whether it contains potentially economic concentrations of uranium. The answer is **yes there is extensive shallow mineralisation (see Figure 1)**. The initial announcement was aimed at alerting the market to the zones of massive high grade mineralisation at depths previously not tested.

The **March Quarterly** report will list all of the mineralised holes drilled this year on the INCA Project. As can be seen from the Table 1 listing of data from two new RC holes presently being drilled or just completed there is appreciable **closer to surface mineralisation** present above the deep mineralised zone. The deep intercept in hole INCR150R is a redrill 5 metre west of hole INCR150 which was partially reported on in the previous announcement.

**Table 1: INCA RC Drill Intersections**

Drillhole INCR	Location – WGS84 (m E) (m N)		INCL	From (m)	To (m)	Width (m)	eU <sub>3</sub> O <sub>8</sub> ppm	cU <sub>3</sub> O <sub>8</sub> ppm
150R	488745	7476950	Vert	233	269	36	634	NA
160	488700	7476750	Vert	81	92	11	NA	2,819
169	488650	7476650	Vert	169	191	21	NA	906

Figure 1 (attached) is a South to North section (looking west) along line 488900mE which is 100 metre east of the area being reported on above and ends 200 metre south of it. The drill section clearly indicates that mineralisation within the syncline starts close to surface in the south and gets thicker and deeper going northwards. This section is for demonstration purposes only and not meant for a quantitative analysis of the grade of mineralisation, but rather to show the widespread nature of mineralisation throughout and at depth. It is also clear that many of the previously drilled holes were stopped too early and need to be deepened.

There are no chemical assays available for the diamond hole INCD7 (or the six earlier drilled diamond holes) as the core is yet to be cut and assayed. What is becoming clear (and observed in surface assays from the discovery of INCA) is that the gamma radiation (or equivalent uranium written as eU<sub>3</sub>O<sub>8</sub>) underestimates the amount of chemical uranium (cU<sub>3</sub>O<sub>8</sub>) present in massive magnetite and this phenomenon is being attributed to the fact that the presence of dense massive magnetite (as can be seen in diamond core in Figure 2) may reduce the natural radiation to such an extent that its presence causes the observed difference between the eU<sub>3</sub>O<sub>8</sub> and the cU<sub>3</sub>O<sub>8</sub> values. The reported eU<sub>3</sub>O<sub>8</sub> for mineralisation found in massive magnetite may therefore be underestimating the actual amount of uranium present and more work is required to quantify this masking effect. Assays of the diamond core will assist in better understanding this effect.



**Figure 2: Diamond core from hole INCD7 showing massive highly mineralised magnetite, brecciation and alteration.**

**Hole INCD7 - Geology Log**

229.05 - 229.90	Brecciated and "spotted" skarn
229.90 - 230.00	Massive magnetite seam within skarn and/or clinopyroxene-gneiss
230.00 - 231.85	Foliated and "spotted" skarn with clinopyroxene-gneiss
231.85 - 232.23	Massive magnetite up to 1,000 cps (Rad-Eye)
232.23 - 232.47	Skarn and clinopyroxene-gneiss
<b>232.47 - 232.96</b>	<b>Massive magnetite up to 6,000 cps (Rad-Eye) with magnet on hotspot</b>
232.96 - 236.02	Skarn and clinopyroxene-gneiss with thin magnetite bands



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*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.*

*Where  $eU_3O_8$  is reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A675 – slimline gamma ray tool. The probe has been calibrated at the Pelindaba Calibration facility in South Africa with calibration certification provided by Geotron Systems (Pty) Ltd a geophysical consultancy based in South Africa. All  $eU_3O_8$  results reported are affected by issues pertaining to possible disequilibrium and uranium mobility which should be taken into account when interpreting those pending confirmatory chemical analyses.*

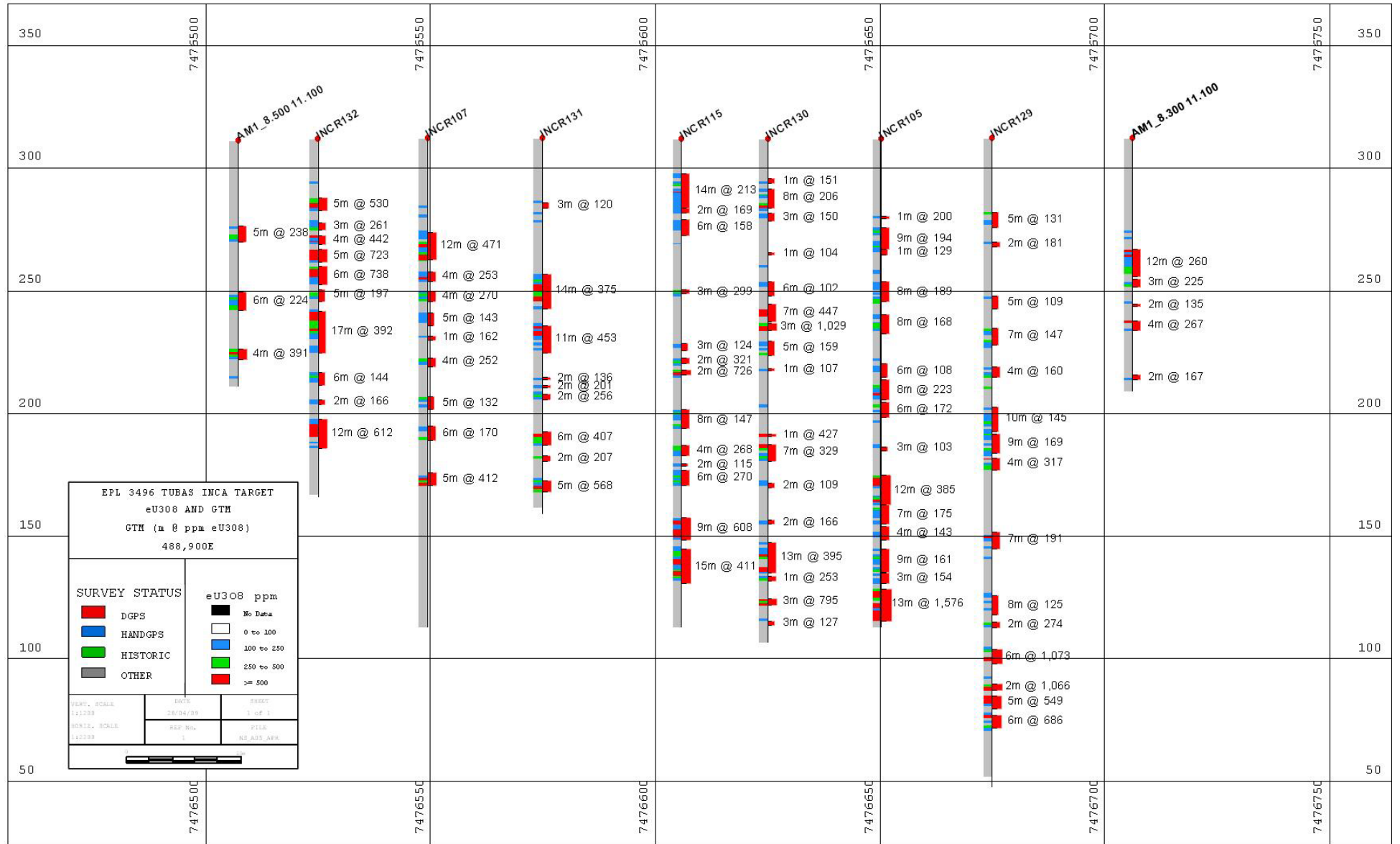


Figure 1: Line 488900mE Cross Section