

14 May 2012

CHEMICAL ASSAYS ENHANCE PREVIOUSLY ANNOUNCED OUTSTANDING INTERSECTION AT THE MS7 DEPOSIT

KEY POINTS

- Fusion XRF chemical assays have confirmed and enhanced the previously announced equivalent uranium results from RC hole ALAR1222 at the MS7 deposit.
- Chemical assays enhanced the original intercept to 120 metres at 499 ppm U₃O₈ against the original 443 ppm eU₃O₈ (equivalent uranium) from a depth of 110 metres.
- Besides increasing the grade the chemical assays also increased the width of the intercept to 158 metres at 448 ppm U₃O₈ from 105 metres.
- Additional chemical assay results were also received from infill drilling at MS7 and Ongolo South:
 - ALAR1135 26 metres at 438 ppm U₃O₈ from 83 metres – MS7
 - ALAR1136 13 metres at 402 ppm U₃O₈ from 34 metres – MS7
 - ALAR1121 11 metres at 469 ppm U₃O₈ from 109 metres – Ongolo South
- RC drilling will follow the high grade zone to the north and north-east outside of the current MS7 resource envelope with the objective of increasing the size of the resource, whilst infill resource drilling continues at Ongolo and Ongolo South.

Advanced stage uranium explorer Deep Yellow Limited (DYL) is pleased to announce XRF Fusion chemical assay results (Table 1) that have confirmed and enhanced the equivalent uranium results recently reported from RC hole ALAR1222 at the MS7 deposit (ASX 1 May, 2012), as well as additional encouraging results from the Omahola region. DYL's wholly owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN) is conducting an aggressive exploration programme in the area focussed on increasing the Mineral Resource inventory of the Omahola Project.

"This is another great result, improving one of the best holes from our exploration programme in Namibia whilst we are also pleased to see more good news from our new discovery, Ongolo South" said Deep Yellow Managing Director Greg Cochran.

Table 1: XRF Fusion Chemical Assay Results – ALAR1222

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval (m)	Fusion cU ₃ O ₈ (ppm)	GTM
						From	To			
ALAR1222	4950580	7481361	180	387	-60	105	263	158	448	70,784
Incl.						110	230	120	499	59,880

Notes: TD is total depth of hole. GTM is grade thickness metre and is calculated by multiplying the interval (m) x U₃O₈ (ppm)

Ends



For further information regarding this announcement, contact:

Greg Cochran
Managing Director

Phone: +61 8 9286 6999
Email: info@deepyellow.com.au

Media
Annette Ellis / Greg Galton

Phone: +61 8 6314 6302
Email: aellis@purplecom.com.au
ggalton@purplecom.com.au

UK Media
Emily Fenton
Jos Simson

Phone: +44 20 7920 3150
Email: efenton@tavistock.co.uk
jsimson@tavistock.co.uk

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

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-TRS 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.

Note: Where equivalent uranium (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.



Background on MS7 Alaskite Deposit Results

Results received during the 2012 'infill' drill programme in the central and north-east of the MS7 deposit (Figure 1) have provided continuity between the 'resource blocks' that were outlined by the 2011 drill programme and should serve to improve the JORC classification.

During drilling operations, downhole calibrated radiometric gamma logging is routinely used to provide equivalent uranium values to enable the selection of mineralised intervals for chemical assay. These samples are prepared in RUN's laboratory and are dispatched to Scientific Services in South Africa for confirmatory Fusion-XRF analysis. Both Fusion-XRF and factored radiometric results were used in the MS7 JORC Mineral Resource estimate.

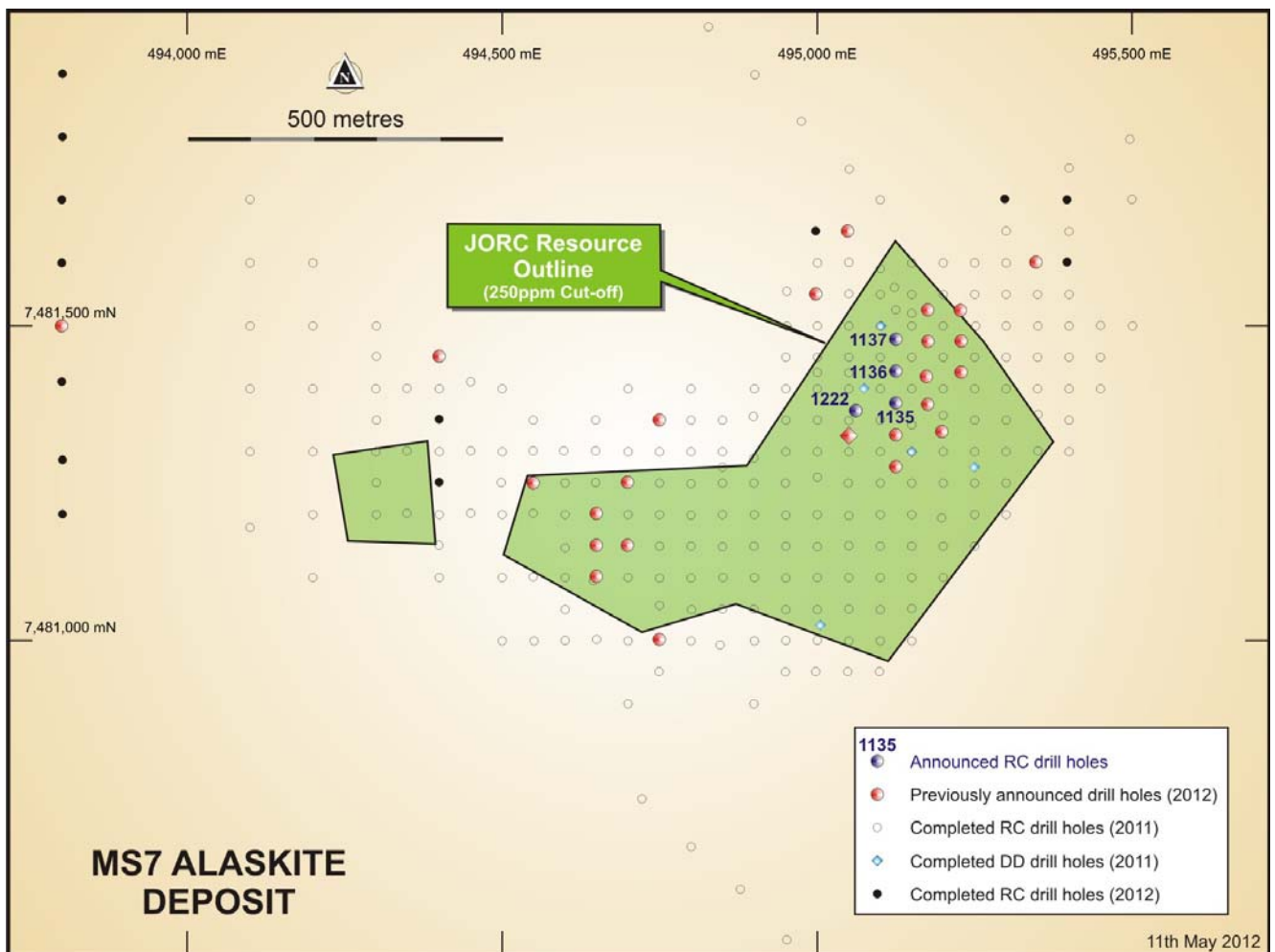


Figure 1: MS7 - 2012 Infill Drill Results

The increased downhole width of the ALAR1222 intercept from 120 metres to 158 metres incorporates previously unreported hanging wall and footwall mineralisation. Geological logging of RC chips and of diamond drill core has identified a pegmatitic Alaskite phase associated with the high grade mineralisation now being outlined at MS7. RC drilling will follow the high grade zone to the north and north-east outside of the current resource envelope with the objective of increasing the size of the resource. A diamond drill undercut of hole ALAR1222 is in progress (Figure 2).

Chemical assay results for other RC holes at MS7 were also received and are given in Appendix 1, whilst some of the more significant results were:

- **ALAR1135** **26 metres at 438 ppm U₃O₈ from 83 metres**
- **ALAR1136** **13 metres at 402 ppm U₃O₈ from 34 metres**
- **ALAR1222** **158 metres at 448 ppm U₃O₈ from 105 metres**



Figure 2: MS7 – Diamond Drill Undercut RC Hole ALAR1222

Drilling at the Ongolo South Prospect

RC drilling has been continuing at the Ongolo South Prospect (as announced to the ASX 7 May, 2012) since discovery and chemical assay results from this programme have also been received with a best intercept of:

- **ALAR1121 11 metres at 469 ppm U_3O_8 from 109 metres**

The high grade mineralised zone clustered along the marble contact zone centred on Recon Line 5 is being followed along strike to Recon Line 9, a distance of some 1.7 kilometres (Figure 3).

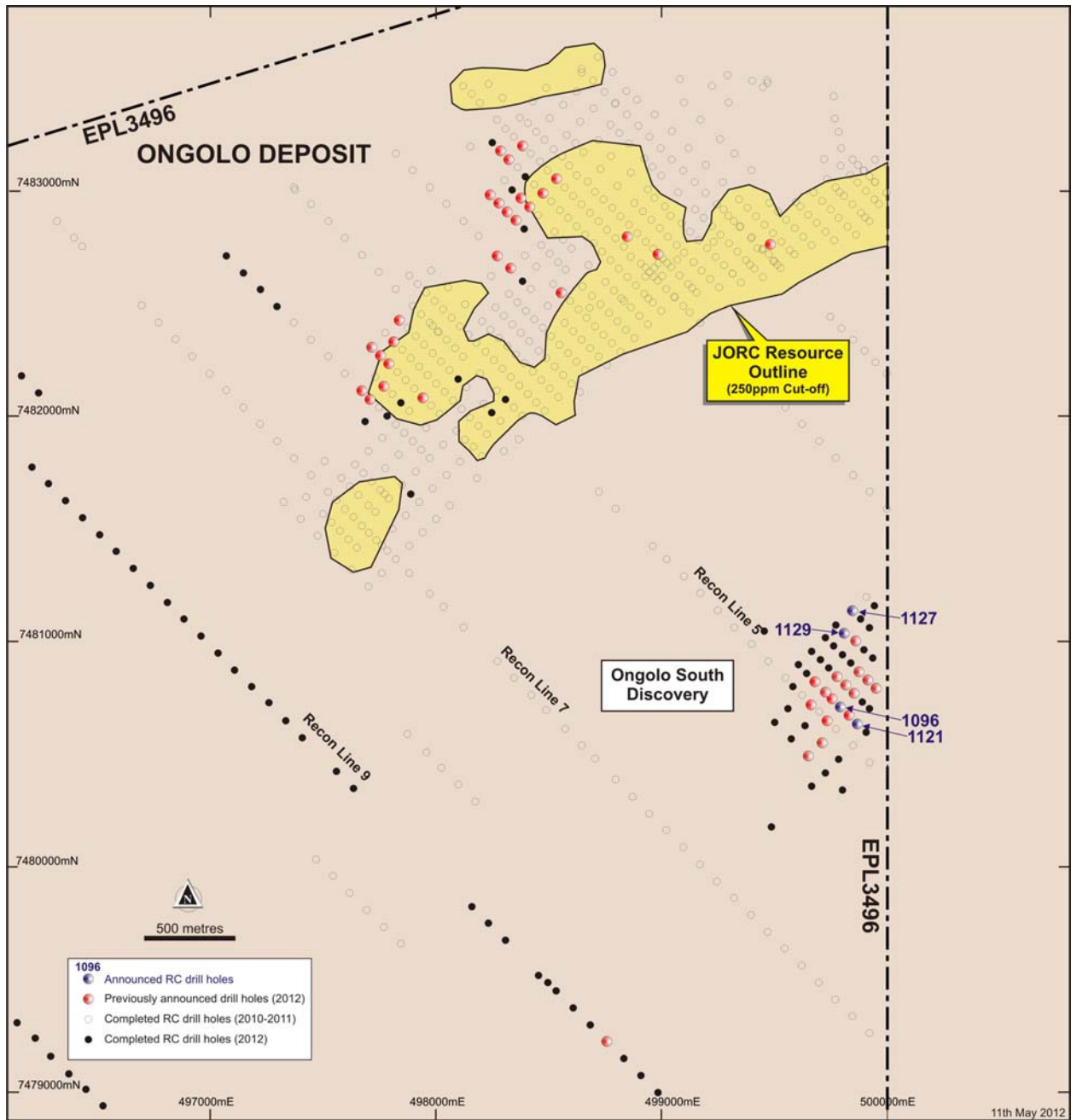


Figure 3: Ongolo South - 2012 Infill Drill Results



APPENDIX 1: Fusion XRF Chemical Assay Results – May 2012

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval (m)	SS Fusion cU ₃ O ₈ (ppm)	GTM
						From	To			
MS7 Deposit										
ALAR1222	495075	7481375	180	387	-60	69	72	3	419	1,257
<i>and</i>						105	263	158	448	70,784
ALAR1135	495125	7481375	180	250	-60	83	109	26	438	11,388
<i>and</i>						118	124	6	400	2,400
ALAR1136	495125	7481425	180	274	-60	20	25	5	444	2,220
<i>and</i>						34	47	13	402	5,226
ALAR1137	495125	7481475	180	265	-60	210	217	7	404	2,828
Ongolo South Prospect										
ALAR1096	499797	7480723	135	230	-60	110	115	5	415	2,075
ALAR1121	499873	7480647	135	181	-60	109	120	11	469	5,159
ALAR1127	499850	7481150	135	250	-60	180	184	4	406	1,624
ALAR1129	499813	7481049	135	250	-60	178	184	6	424	2,544

Notes: TD is total depth of hole. GTM is grade thickness metre and is calculated by multiplying the interval (m) x U₃O₈ (ppm)

Values of approximately 400 ppm U₃O₈ are deemed to be significant by DYL in this environment and therefore lower average values are not reported.