Deep Yellow Limited

ABN 97 006 391 948

ASX Announcement ASX Code DYL

NAMIBIA - OMAHOLA PROJECT

Proposed Schedule for Mining Licence Applications on EPL 3496

5 November 2009

The Omahola Project comprises the INCA uranium and iron and Tubas Red Sand (TRS) uranium deposits (Figure 1).

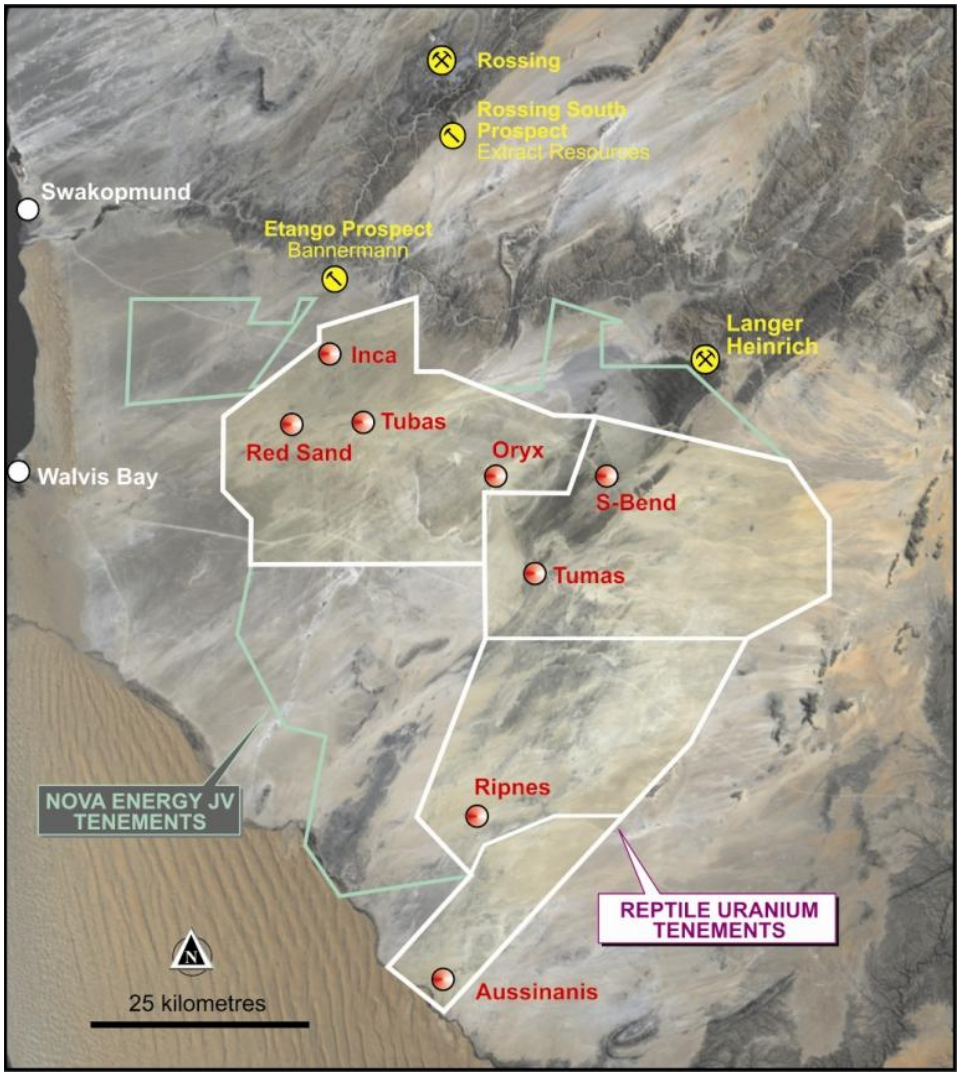

Figure 1: Project Localities

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Although the JORC Code resource estimates for INCA and TRS are being undertaken at present and are yet to be completed, Company management are confident it will underpin the stated objective of becoming a producer of 1,000 to 1,500 tonne of U_3O_8 per year at a grade of 400 ppm or better from the combined deposits.

As part of the planned transition process from explorer to producer Deep Yellow (DYL) and its wholly owned subsidiary Reptile Uranium Namibia (Pty) Limited (RUN) have been building a team of in-house expertise augmented by consultants to undertake the required studies and complete the various reports and permit applications.

Mining Licence Applications

In Namibia permission to mine and mining activities is controlled by the Ministry of Mines and Energy (MME) and Act No. 33 of 1992: Minerals (Prospecting and Mining) Act, 1992. It is necessary for the holder of a valid Exclusive Prospecting Licence (EPL) to apply for a Mining Licence (ML) and that application includes a range of other conditions to be met – the most onerous for RUN in the case of EPL 3496 will be the environmental aspects as the deposits occur in the Namib-Naukluft National Park.

It is normal practice to lodge the application for a ML once a Definitive or Bankable Feasibility study has been completed. RUN has however presented a case for exemption to the MME for an early ML application based upon a two stage environmental clearance procedure where no chemical processing (and resultant tailings facilities) would initially occur on site. High grade uranium bearing mineralised sand from TRS could be trucked to either of the existing nearby uranium producers for treatment as it contains low concentrations of carbonate and is amenable to either alkali or acid processing. The uranium mineralisation at INCA is primary and in part associated with sulphides (pyrite) and would need to be processed through an acid based plant such as at Rossing Uranium.

Off-take Agreement

RUN has been in technical discussions with Rossing Uranium (the majority owned Rio Tinto uranium mine in Namibia) and during these discussions it became clear that RUN could potentially produce ferric iron from INCA, which Rossing requires in their processing plant and presently imports. Portions of the INCA deposit contain massive iron oxide that is either uranium-poor or totally unmineralised and could be supplied to Rossing prior to completion of a fully fledged uranium processing plant at INCA which would ultimately produce such iron as a by-product.

Rossing has agreed in writing for RUN to proceed with this investigation and enter into a commercial off-take agreement should the iron produced from INCA be suitable for use in their plant. RUN has undertaken to complete a detailed investigation into the close-to-surface distribution of uranium-poor iron (magnetite) within the detail grid area being drilled out at INCA and apply for a ML.

If the iron product is suitable, early indications are that it is, then exploiting it will serve a number of purposes while detailed investigations into a uranium processing plant at INCA continue in conjunction with the required Stage Two environmental and other studies. Included in these is the advantage of being able to bulk sample the INCA deposit so getting a better understanding of the complex mineralisation and also to determine the most efficient mining method whilst pre-stripping the open-pit area.

The schematic charts, Figures 2 and 3 will assist in understanding the envisaged Stage One activities and procedures below.

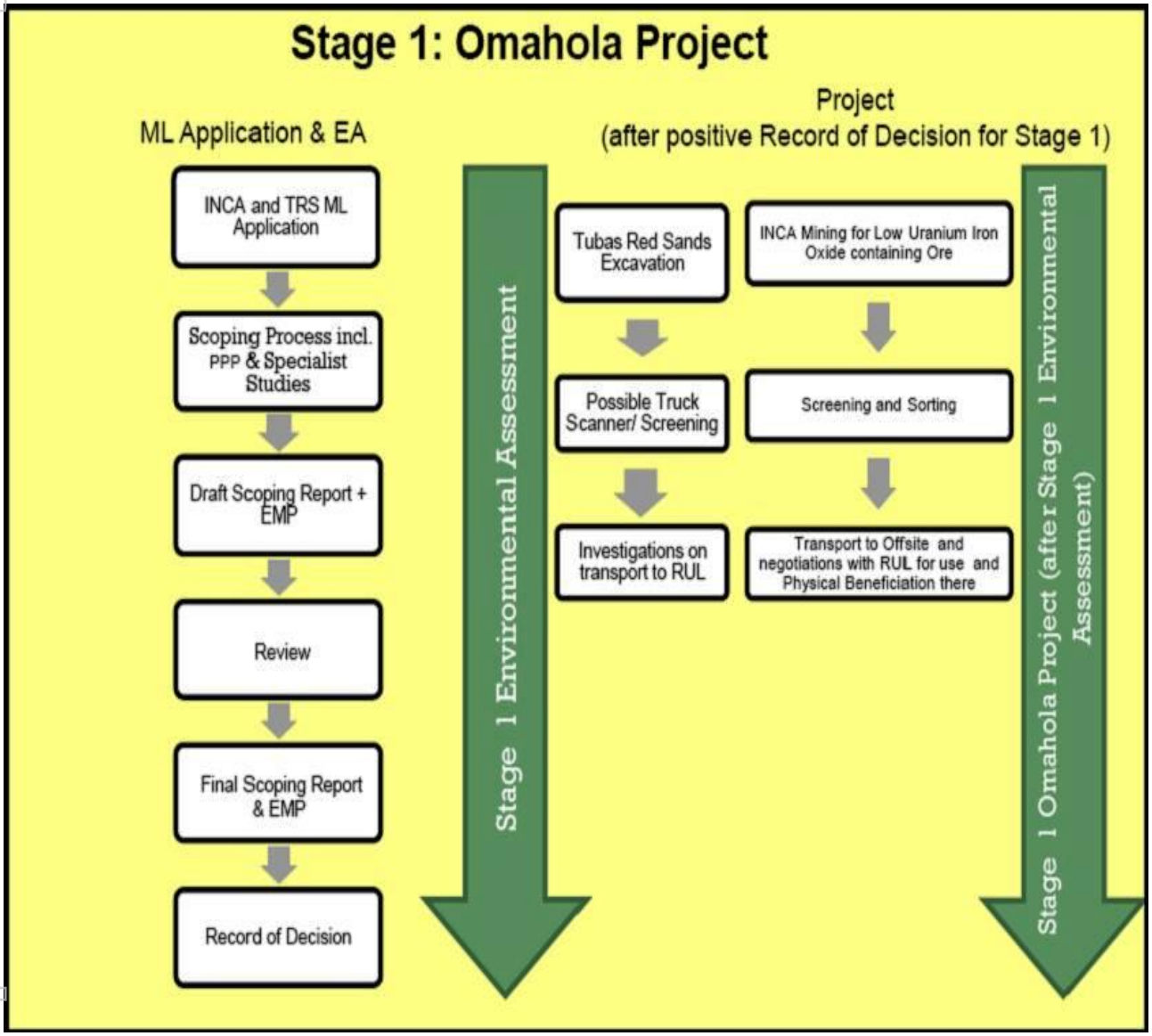

Figure 2: Stage One - Mining Licence applications and activities

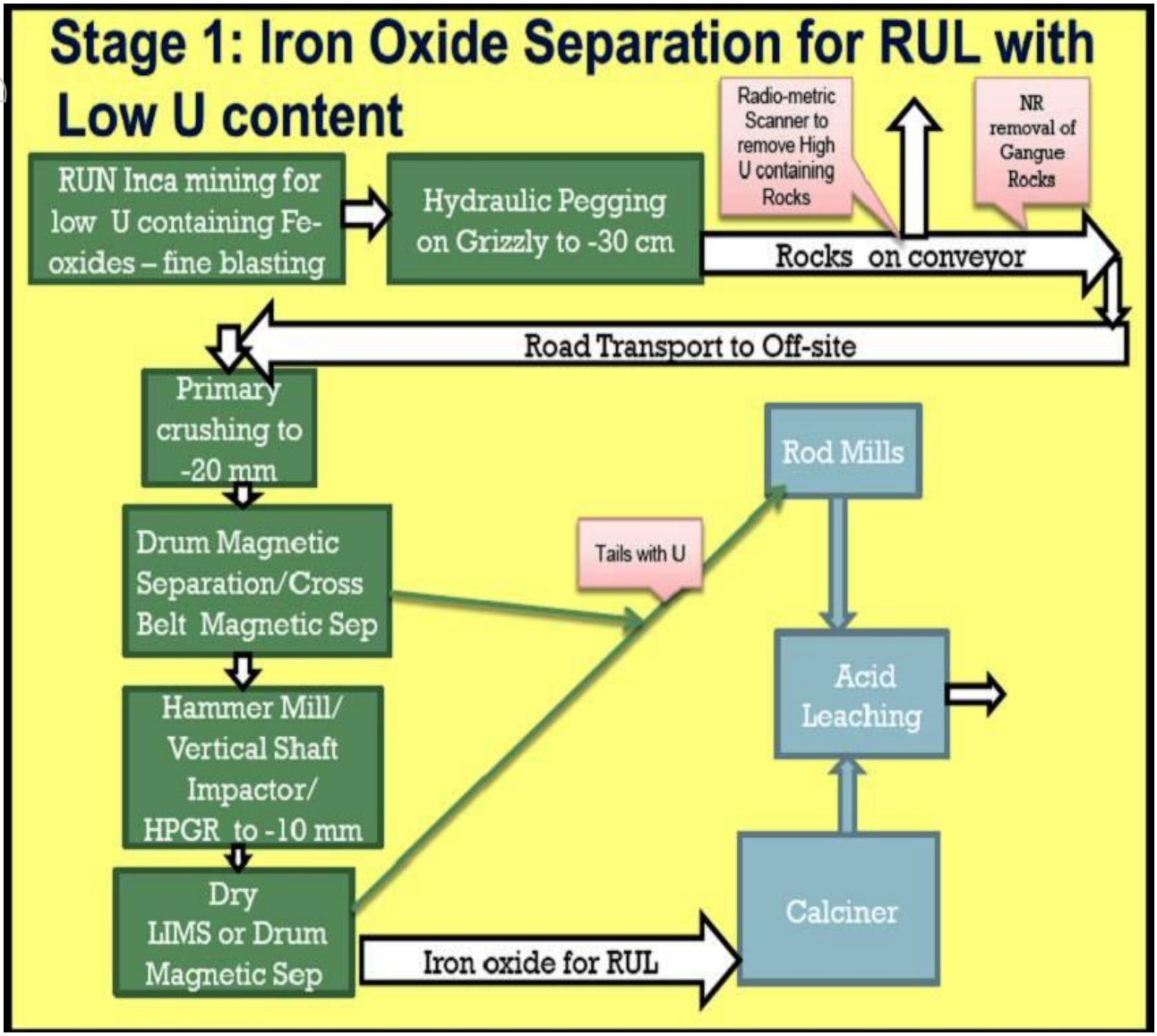

Figure 3: **Stage One Extraction of iron oxide and beneficiation to meet Rossing Uranium's specifications**

Operating Plan

Environmental Impact Assessments (EIA) and Environmental Management Programmes (EMP) for 'Stage One' will be restricted to basic extraction and physical processing of material at both TRS and INCA (including both mineralised and unmineralised iron).

At TRS, it is doubtful that anything other than such basic activities will ever occur with suitably mineralised sand being transported elsewhere for treatment, i.e. all that will be required is the Stage One environmental studies. At INCA however, a fully fledged metallurgical and chemical processing plant is envisaged over time which entails the full environmental ambit given the presence of chemicals and tailings that potentially could have more deleterious affects on the environment and ground water.

At INCA under Stage One iron oxide bearing rock will be extracted - possibly by drill and blast methods - put over a 'grizzly' with openings of say 300 mm. Any oversize will be broken down by hydraulic breaker with all material collected in a hopper bin and all product will then be transported on a conveyor with a radiometric sensor over it to allow for removal of radioactive material for later processing. An overhead belt magnet will then remove all the iron bearing material onto another belt and stockpile. That product will then be transported off-site for crushing, screening and magnetic sorting prior to delivery to Rossing. Waste will be returned to the INCA site. Power will be diesel generated and only daylight hours will be worked.

RUN has requested a meeting with the MME, MET, Parks and other interested and affected Namibian Government representatives to present its formal plans for applying for MLs at TRS and INCA on Tuesday, 1 December along with the Stage One environmental scope and clearances.

Should RUN's approach and proposals be acceptable to the authorities it is envisaged that procedural processes for Stage One will take until mid-2010 to complete. It must be clearly stated that DYL and RUN are in no way trying to circumvent any statutory requirements by this two stage environmental clearance approach, but it will afford the parties involved a number of benefits including the ability of Rossing to source local iron.

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Managing Director

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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 Adelaide Calibration facility in South Australia 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.

Deep Yellow Limited is an Australian-based pure uranium exploration company with extensive advanced operations in Namibia and in Australia.

In Namibia the Company's principal development focus is through its 100% owned subsidiary Reptile Uranium Namibia P/L at the 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 fluviatile sheetwash systems.

In Australia the Company is focused on resource delineation of mid to high grade discoveries in the Mt Isa district - Queensland, these include the Queens Gift, Conquest, Slance, Eldorado, Thanksgiving, Bambino and Turpentine Prospects.

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.