DEEP YELLOW LIMITED

ABN 97 006 391 948

Level 1 329 Hay Street Subiaco WA 6008
PO Box 1770 Subiaco WA 6904
Tel : 61 8 9286 6999
Fax : 61 8 9286 6969
Email: admin@deepyellow.com.au
Website: www.deepyellow.com.au

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SIGNIFICANT ADDITIONAL URANIUM MINERALISATION EXPOSED BY DRILLING AT THE INCA URANIUM MAGNETITE PROJECT IN NAMIBIA

Drilling continues to return good grades over appreciable widths close to surface as well as at depth. Chemical assays from vertical RC hole INCR105 returns: -

- **12 metre at 2,095 ppm U_3O_8 from 184 to 196 metre; and,**
- **17 metre at 502 ppm U_3O_8 from 137 to 154 metre**

DYL's Namibian 100% owned subsidiary Reptile Uranium Namibia (Reptile) re-commenced field exploration activities for the calendar year on 12 January 2009 focused solely on drilling out a 700 by 500 metre area within the Inca Project. Two RC rigs continue to drill vertical holes to a maximum depth of 205 metres on a 50 by 50 metre basis (the main grid is shown in Figures 1 and 2). A diamond core rig continues to drill 60 degree angle and vertical HQ size holes within the grid area for geological and metallurgical purposes.

Listed in Table 1 are the equivalent U_3O_8 results from radiometric logging of selected holes drilled since 12 January. Good grades occur over appreciable widths close to surface as well as at depth. The diamond drilling will provide additional information on the style and controls of the uranium and iron mineralisation.

Hole	UTM East	UTM North	From	To	Interval	eU_3O_8	GTM	TD
INCR105	488900	7476650	183	196	13	1,576	20,018	199
INCR106	488700	7476650	36	48	12	1,089	12,681	199
INCR107	488901	7476549	38	50	12	471	5,623	199
INCR108	488801	7476549	50	66	16	1,056	16,629	199
and			143	148	5	638	3,318	
INCR109	488700	7476549	26	34	8	1,130	8,647	199
INCR111	488850	7476650	87	98	11	509	5,493	199

Table1: Best Mineralised Sections (ppm eU_3O_8) from Vertical RC holes at the Inca Prospect

Table 2 compares the average equivalent (radiometric) and chemical (XRF) U_3O_8 values from hole INCR105 (the only chemical assays received so far). The chemical values are significantly higher in percentage terms than the radiometric logging results over the mineralised sections. From the ANSTO research last year it is known that there is no equilibrium issues at Inca, so this discrepancy needs to be resolved, it could however be related to the presence of thin (up to 10 cm) discreet very high grade mineralised zones from visual inspection of the diamond core to date. There is negligible thorium present and although locally there are zones of pure magnetite present, the higher grade uranium concentrations (at least in this hole) contain only a maximum of 7.7% iron.

From	To	Interval	eU_3O_8 ppm	cU_3O_8 ppm	Fe_2O_3%	ThO_2
137	154	17	329	502	3.1	29
184	196	12	1,630	2,045	7.7	49

Table2: Average chemical assays of mineralised sections of RC hole INCR105 including a comparison between eU_3O_8 and cU_3O_8 values

A number of the holes in the centre of the detail grid area will be deepened to ~200 metre and following interpretation of the detail infill airborne electromagnetic survey over the Inca area vertical diamond drilling to 500 metre is being contemplated to test the deep conductors.

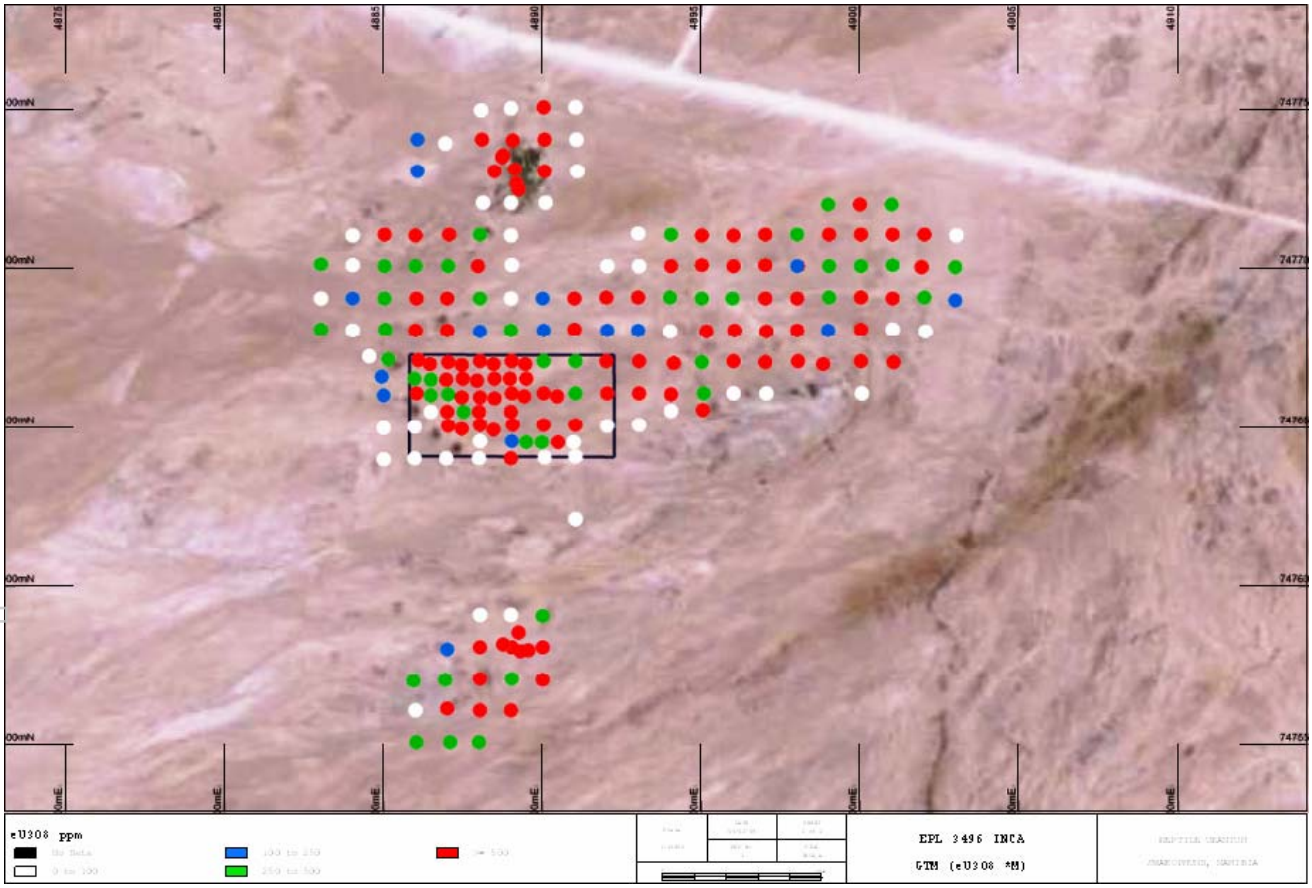

Figure 1: Main Inca grid with the detail area being drilled at present outlined. Colours used to demarcate drill hole positions in each of Figures 1 and 2 are: - eU_3O_8 values over 1 metre below 100 ppm white; 100 to 250 ppm blue; 250 to 500 ppm green; and, above 500 ppm red.

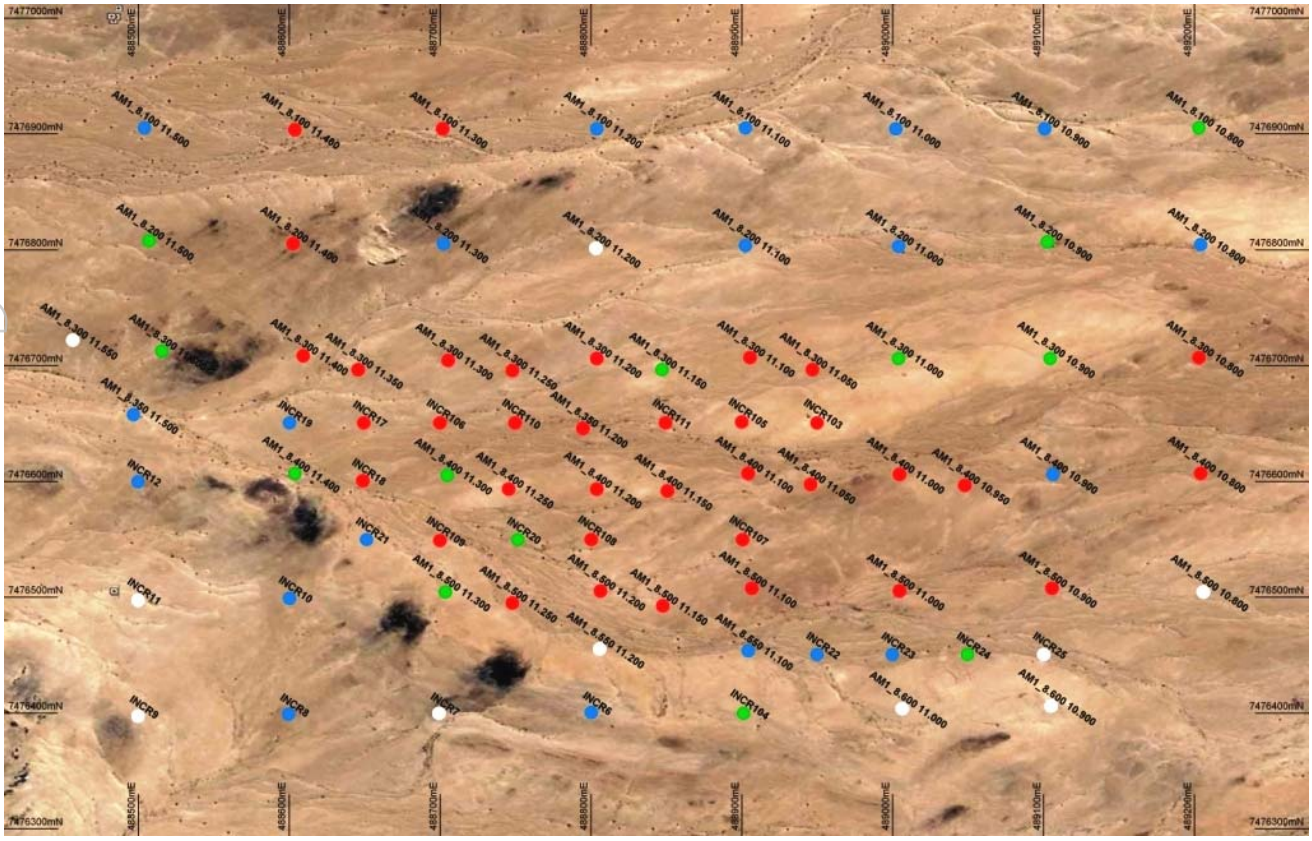

Figure 2: **Detail grid area and immediate surrounds on Google Earth image with hole numbers. The black outcrops are magnetite.**

Figure 3: **Two RC rigs and one diamond rig working at Inca**

UPDATE ON JORC CODE RESOURCE DATA

Tumas data compilation and verification is now complete and resource estimate is due shortly as the first part of the 2009 programme aimed at the identification of JORC resources on the several Reptile projects.

Tubas Red Sand will be the next data set to be compiled and verified, followed by **Aussinanis.**

Data from **Inca** will be processed upon completion of the 50 by 50 metre drilling programme presently underway.

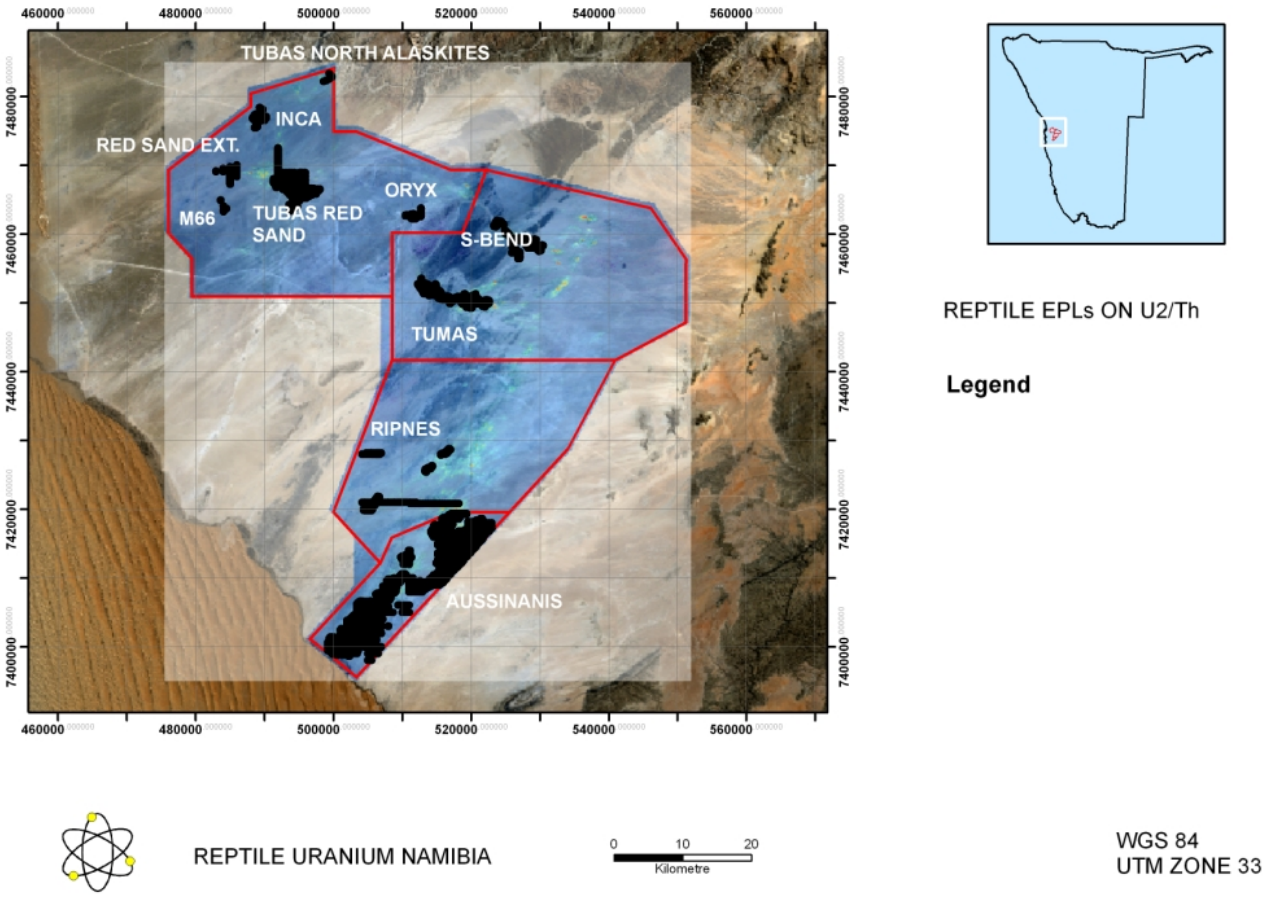

Figure 4: Project localities showing areas drilled to date

Dr Leon Pretorius
Managing Director

Further Information:

Mr Martin Kavanagh
Executive Director
61 8 9286 6999

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.