Deep Yellow Limited

ASX Announcement **ASX: DYL**

02 October 2012

FINAL HOLES AT MS7 BRING MORE SUCCESS INCLUDING A NEW DISCOVERY

KEY POINTS

- **The final holes of the current MS7 drill programme delivered more outstanding intersections as well as the discovery of new mineralisation close to the deposit.**

- **New mineralisation was discovered 175 metres east of the deposit beyond the footwall marble with hole ALAR1447 intersecting 32 metres at 899 ppm eU_3O_8 from 33 metres.**

- **The final holes in the drill programme also delivered outstanding results with multiple high-grade intercepts enhancing the resource potential of the deposit. Fusion-XRF results from shallow RC intersections include:**

  - **ALAR1368** **8 metres at 550 ppm U_3O_8 from 23 metres**
    and **9 metres at 769 ppm U_3O_8 from 34 metres**
  - **ALAR1376** **6 metres at 416 ppm U_3O_8 from 216 metres**

- **Other outstanding intercepts were made with the equivalent uranium (eU_3O_8) results reported below. All samples have now been submitted for chemical assay.**

  - **ALAR1383** **30 metres at 459 ppm eU_3O_8 from 155 metres**
  - **ALAR1391** **9 metres at 479 ppm eU_3O_8 from 14 metres**
    and **39 metres at 493 ppm eU_3O_8 from 85 metres**
  - **ALAR1396** **7 metres at 1,171 ppm eU_3O_8 from 7 metres**

- **Rigs are now at Ongolo where drilling will continue until at least the end of the year.**

Advanced stage uranium explorer Deep Yellow Limited (ASX: **DYL**) is pleased to announce exploration results from the MS7 deposit of its Omahola Project (Figure 1). The exploration programme, conducted by its wholly owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN), is primarily designed to increase the size and confidence of existing resources as well as test for lateral and depth extensions (Figure 2).

"This is the second discovery we have reported this year from our Omahola Project exploration (with the other being Ongolo South) and so understandably we were very pleased to complete this year's MS7 programme on such a high note" DYL's Managing Director Greg Cochran said. "As previously reported, we extended the programme at MS7 to mid-September on the back of some outstanding results and this has allowed us to confirm the new discovery before moving to Ongolo. Understandably the team cannot wait to get back to MS7 once the Ongolo programme is complete. We remain on track to deliver a resource upgrade for MS7 in October. "

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Report on the MS7 Deposit Exploration Results

DYL's Namibian exploration programme has been exclusively focussed on the Omahola Project throughout 2012 (Figure 1).

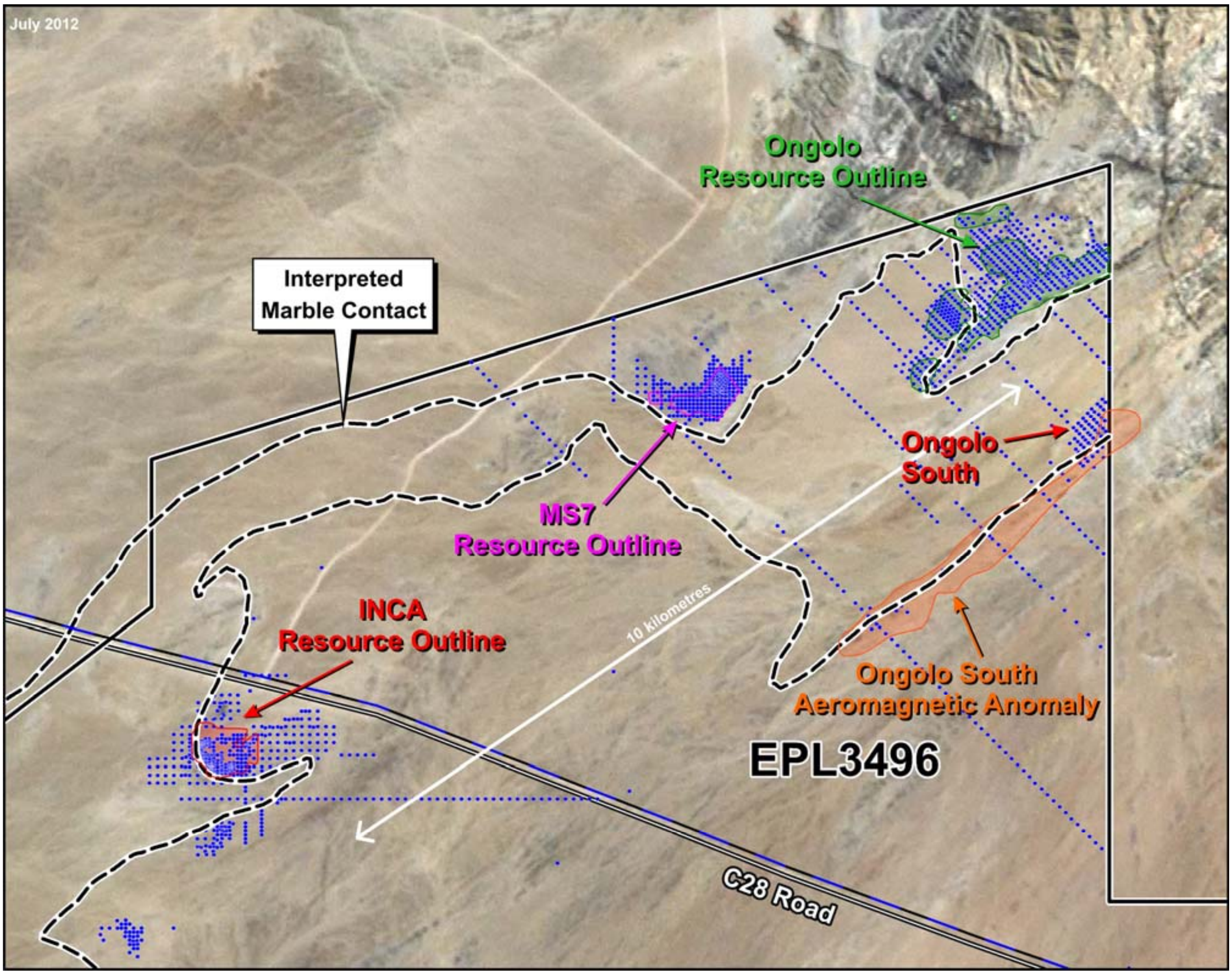

Figure 1: Resource Outlines and Drilling – Omahola Project Area

Drilling at the MS7 deposit (Figure 2), which commenced at the beginning of the year and continued uninterrupted until mid-September, consistently brought outstanding results. The most recent results from the RC and DC programme in the north-central sector of MS7 once again returned several high-grade relatively shallow intercepts and confirmed a new discovery very close to the existing deposit. Some deeper intercepts down to 308 metres were also made. The latest available **Fusion-XRF assay** results are given in Appendix 1, whilst selected significant results include:

- **ALAR1368 8 metres at 550 ppm U_3O_8 from 23 metres**
  and 9 metres at 769 ppm U_3O_8 from 34 metres
- **ALAR1376 6 metres at 416 ppm U_3O_8 from 216 metres**
- **ALAR1374 7 metres at 407 ppm U_3O_8 from 228 metres**
- **ALAR1370 13 metres at 570 ppm U_3O_8 from 308 metres**

Equivalent Uranium Results *

During drilling operations, downhole logging is routinely used to provide equivalent uranium values (eU_3O_8) via calibrated gamma results 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. Whilst DYL usually only reports chemical assay results it does occasionally report eU_3O_8 values when they are deemed significant. In this case the significant results include:

- **ALAR1396 7 metres at 1,171 ppm eU_3O_8 from 7 metres**
- **ALAR1391 9 metres at 479 ppm eU_3O_8 from 14 metres**
  and 39 metres at 493 ppm eU_3O_8 from 85 metres
- **ALAR1394 16 metres at 466 ppm eU_3O_8 from 19 metres**
- **ALAR1424 11 metres at 527 ppm eU_3O_8 from 64 metres**
- **ALAR1383 30 metres at 459 ppm eU_3O_8 from 155 metres**
- **ALAR1392 13 metres at 457 ppm eU_3O_8 from 182 metres**
  and 7 metres at 407 ppm eU_3O_8 from 296 metres
- **ALAR1382 4 metres at 1,983 ppm eU_3O_8 from 311 metres**

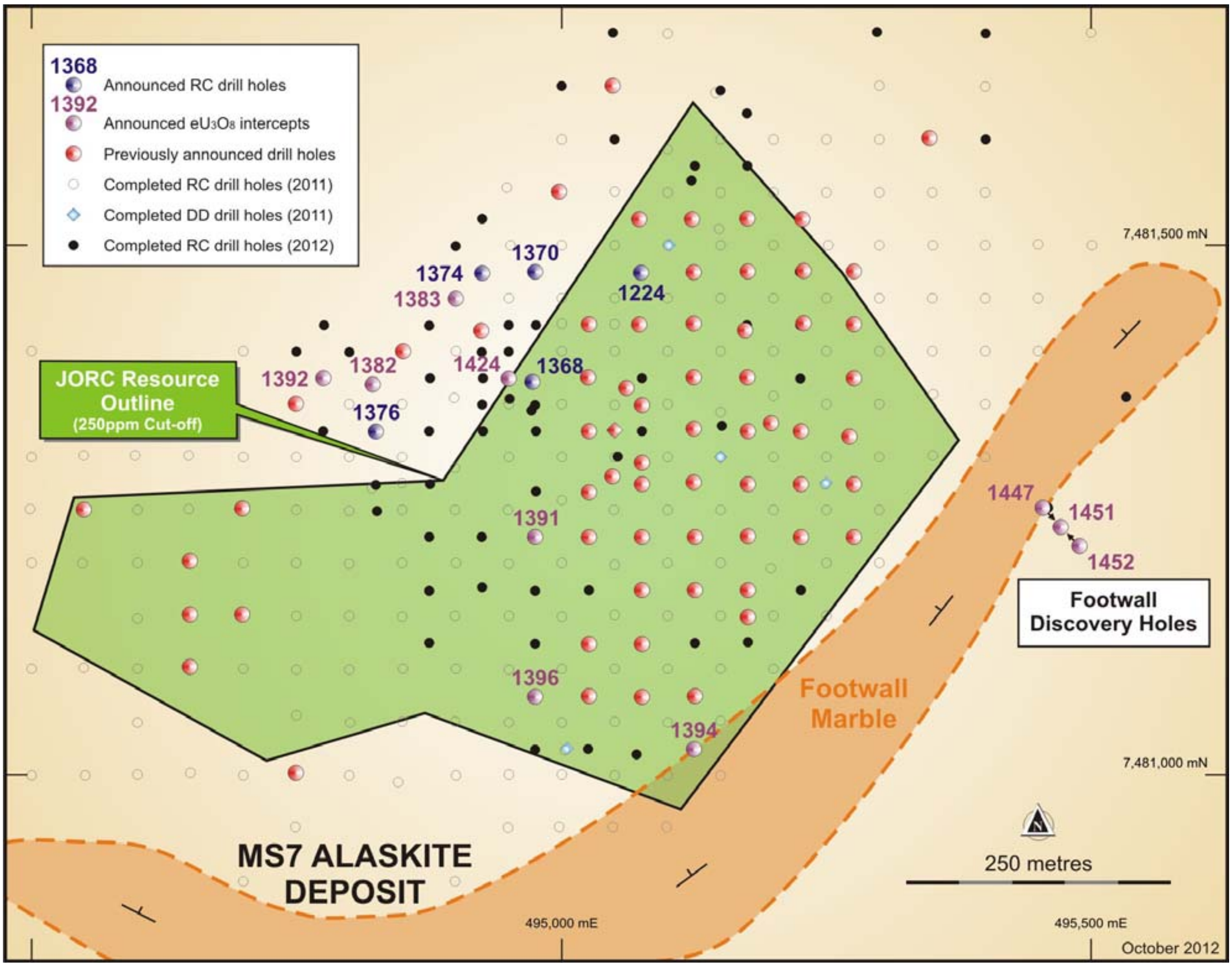

Figure 2: MS7 Alaskite Deposit Drill Hole Location Plan

Footwall Discovery Drilling

Nearing the completion of the MS7 RC drill programme, a reconnaissance hole was drilled to test anomalous alaskite scree east of the marble footwall to the MS7 deposit (Figure 2). Hole ALAR1447 intersected 32 metres at 899 ppm eU_3O_8 from 33 metres. This was followed by ALAR1451, which was a vertical hole through the mineralised zone and then ALAR1452 which is a scissor hole on ALAR1447. Significant intersections from these holes include:

- **ALAR1447 — 32 metres at 899 ppm eU_3O_8 from 33 metres**
- **ALAR1451 — 20 metres at 894 ppm eU_3O_8 from 36 metres**
- **ALAR1452 — 16 metres at 1,057 ppm eU_3O_8 from 43 metres**
  and — 10 metres at 424 ppm eU_3O_8 from 71 metres

It is expected that the rigs will return to this exciting discovery once the current programme at the Ongolo deposit has been completed.

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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 focussed on its attractive projects in the southern African nation of Namibia. It also has a listing on the Namibian Stock Exchange.

In Namibia its operations are conducted by a 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 – October 2012

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval	SS Fusion cU_3O_8 (ppm)	GTM
						From	To	(m)		
ALAR1224	**495075**	**7481475**	**180**	**240**	**-60**	**172**	**174**	**2**	**412**	**824**
and						**175**	**179**	**4**	**426**	**1,704**
and						**192**	**195**	**3**	**492**	**1,476**
ALAR1368	**494972**	**7481371**	**180**	**295**	**-60**	**23**	**31**	**8**	**550**	**4,400**
and						**34**	**43**	**9**	**769**	**6,921**
and						**46**	**47**	**1**	**601**	**601**
and						**173**	**178**	**5**	**425**	**2,125**
ALAR1370	**494975**	**7481475**	**180**	**325**	**-60**	**278**	**279**	**1**	**408**	**408**
and						**293**	**297**	**4**	**411**	**1,644**
and						**308**	**321**	**13**	**570**	**7,410**
ALAR1374	**494925**	**7481474**	**180**	**283**	**-60**	**228**	**235**	**7**	**407**	**2,849**
ALAR1376	**494825**	**7481325**	**180**	**277**	**-60**	**207**	**208**	**1**	**433**	**433**
and						**212**	**214**	**2**	**401**	**802**
and						**216**	**222**	**6**	**416**	**2,496**
and						**226**	**227**	**1**	**423**	**423**

Notes: TD is total depth of hole. eU_3O_8 is an equivalent uranium value derived from downhole gamma logging. GTM is grade thickness metre and is calculated by multiplying the interval (m) x eU_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.

* *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.*