



20 February 2013

### OMAHOLA PROJECT ONGOLO RESOURCE DRILLING UPDATE

#### KEY POINTS

- Fusion XRF chemical assay results have confirmed high grade equivalent uranium intercepts made during December – January drilling activities which were used in the recently completed Ongolo Alaskite JORC Resource update.
- The intercepts outline mineralisation open to depth within the central and south-west sectors of the deposit. Selected results include:
  - ALAR1464      5 metres at 480 ppm U<sub>3</sub>O<sub>8</sub> from 49 metres  
                  and      9 metres at 3,158 ppm U<sub>3</sub>O<sub>8</sub> from 96 metres
  - ALAR1458      6 metres at 849 ppm U<sub>3</sub>O<sub>8</sub> from 70 metres
  - ALAR1541      17 metres at 677 ppm U<sub>3</sub>O<sub>8</sub> from 101 metres
  - ALAR1539      35 metres at 402 ppm U<sub>3</sub>O<sub>8</sub> from 147 metres
  - ALAR1542      25 metres at 542 ppm U<sub>3</sub>O<sub>8</sub> from 149 metres
  - ALAR1505      12 metres at 2,214 ppm U<sub>3</sub>O<sub>8</sub> from 207 metres
- Current drilling is focused on the Ongolo South trend whilst DYL is also updating its exploration strategy to generate new targets along its highly prospective alaskite trend.

**Advanced stage uranium explorer Deep Yellow Limited** (ASX: DYL) is pleased to announce Fusion XRF chemical assay results from resource drilling at the Ongolo Alaskite deposit conducted by its wholly owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN) (Figure 1). The detail programme (Figure 2) was designed to increase both the size and confidence levels of the resource. These chemical assay results confirmed equivalent uranium (eU) results obtained during drilling operations which were used in the recent resource update of the Ongolo deposit completed by CSA Global UK Pty Ltd (CSA).

The new Ongolo JORC resource totals 29.6 Mt at 384 ppm U<sub>3</sub>O<sub>8</sub> for 25.1 Mlbs U<sub>3</sub>O<sub>8</sub> at a 250 ppm U<sub>3</sub>O<sub>8</sub> cut-off (Table 1). Contained U<sub>3</sub>O<sub>8</sub> increased by 39% (7.1 Mlbs) with 58% of the resource being classified as Measured and Indicated (4<sup>th</sup> February, 2013).

DYL's Managing Director Greg Cochran commented that he was pleased that the chemical assay results confirmed the equivalent uranium readings. "We are cautious in our approach to using eU numbers in resource estimation but these results demonstrate once again that at Ongolo this information is reliable which may in future allow us to reduce our reliance on chemical assays. With the completion of the Ongolo programme we are now drilling in the Ongolo South area whilst we review all available information in our exploration database as we look to generate new high grade targets to rapidly grow the Omahola Project resource base."

ENDS



## Background Explanatory Information and Comment

### Equivalent Uranium and Chemical Assay Results

The recently announced Mineral Resource Estimate (MRE) completed by CSA used data from both Fusion XRF assay results and equivalent uranium (gamma) readings. The gamma readings were correlated with twinned chemical assay pairs and adjusted using a polynomial function to take into account local deposit factors which affect the determination of the gamma equivalent  $U_3O_8$ . Where a drill hole sample has a chemical XRF analysis value, this was used in preference to the gamma value. Approximately 7% (13,622 of 195,410) of the 1m samples used were XRF Fusion assay results, however; the XRF results are dominated by higher grades due to selective sampling.

As a result of the excellent correlation between factored gamma results and the Fusion XRF results (listed in Appendix 1) there is no need to incorporate the Fusion XRF results into the current MRE.

### Exploration Results and Comment

The latest chemical assay results are given in full in Appendix 1, whilst selected significant results include:

- **ALAR1464** 5 metres at 480 ppm  $U_3O_8$  from 49 metres  
and 9 metres at 3,158 ppm  $U_3O_8$  from 96 metres
- **ALAR1462** 6 metres at 529 ppm  $U_3O_8$  from 59 metres  
and 5 metres at 418 ppm  $U_3O_8$  from 88 metres
- **ALAR1512** 6 metres at 529 ppm  $U_3O_8$  from 59 metres  
and 5 metres at 625 ppm  $U_3O_8$  from 118 metres
- **ALAR1458** 6 metres at 849 ppm  $U_3O_8$  from 70 metres
- **ALAR1538** 8 metres at 424 ppm  $U_3O_8$  from 79 metres  
and 12 metres at 456 ppm  $U_3O_8$  from 102 metres
- **ALAR1471** 6 metres at 744 ppm  $U_3O_8$  from 100 metres
- **ALAR1541** 17 metres at 677 ppm  $U_3O_8$  from 101 metres
- **ALAR1467** 12 metres at 437 ppm  $U_3O_8$  from 107 metres
- **ALAR1539** 35 metres at 402 ppm  $U_3O_8$  from 147 metres
- **ALAR1542** 25 metres at 542 ppm  $U_3O_8$  from 149 metres
- **ALAR1544** 8 metres at 513 ppm  $U_3O_8$  from 200 metres
- **ALAR1505** 12 metres at 2,214 ppm  $U_3O_8$  from 207 metres
- **ALAR1460** 9 metres at 716 ppm  $U_3O_8$  from 211 metres

Of particular interest is the deep intercept in hole ALAR1505 (see Figure 2), 12 metres at 2,214ppm  $U_3O_8$  from 207 metres (approximately 200 metres vertical depth), which is part of high grade mineralised zone which will require further drilling in the future.

Other intersections also confirmed contiguous zones of mineralised alaskite open to depth such as the intersections in holes ALAR 1460, 1461 and 1544 (Figure 2 and Appendix 1). These intersections, together with the confirmation of the continuity of high grade mineralised zones as Measured and Indicated Resources in the recent Ongolo Resource Update highlights the deposit's potential upside at depths below 200 metres vertical depth.

**Table 1: Ongolo Project JORC Compliant Mineral Resource Estimates – 30<sup>th</sup> January 2013**

Classification	Cut-off	Tonnage	Dry Bulk Density	$U_3O_8$ Grade	$U_3O_8$ Metal
	( $U_3O_8$ ppm)	(Mt)	( $t/m^3$ )	(ppm)	(Mlbs)
Measured	250	7.7	2.65	395	6.7
Indicated	250	9.5	2.65	372	7.8
<b>Sub-Total M&amp;I</b>	<b>250</b>	<b>17.2</b>	<b>2.65</b>	<b>382</b>	<b>14.5</b>
Inferred	250	12.4	2.65	387	10.6
<b>TOTAL</b>	<b>250</b>	<b>29.6</b>	<b>2.65</b>	<b>384</b>	<b>25.1</b>

Grade estimation was completed using MIK. The portion of the MRE classified as Measured is based on drill holes located on an approximately 50x25 metre grid. Indicated and Inferred are based on drill holes located on an approximately 50x50 metre (and wider) grid. The MRE utilises all available drill hole sampling data collected over the history of the Project. Data used for the MRE comprised a combination of Fusion XRF assay values and down-hole gamma  $U_3O_8$  equivalent grades. All figures are in metric tonnes based on a Dry Bulk Density of 2.65  $t/m^3$ . M&I is Measured + Indicated. Significant figures do not imply an added level of precision after all MRE tabulations. Conversion factor kilograms to pounds - 2.2046. No Ore Reserves have been estimated.

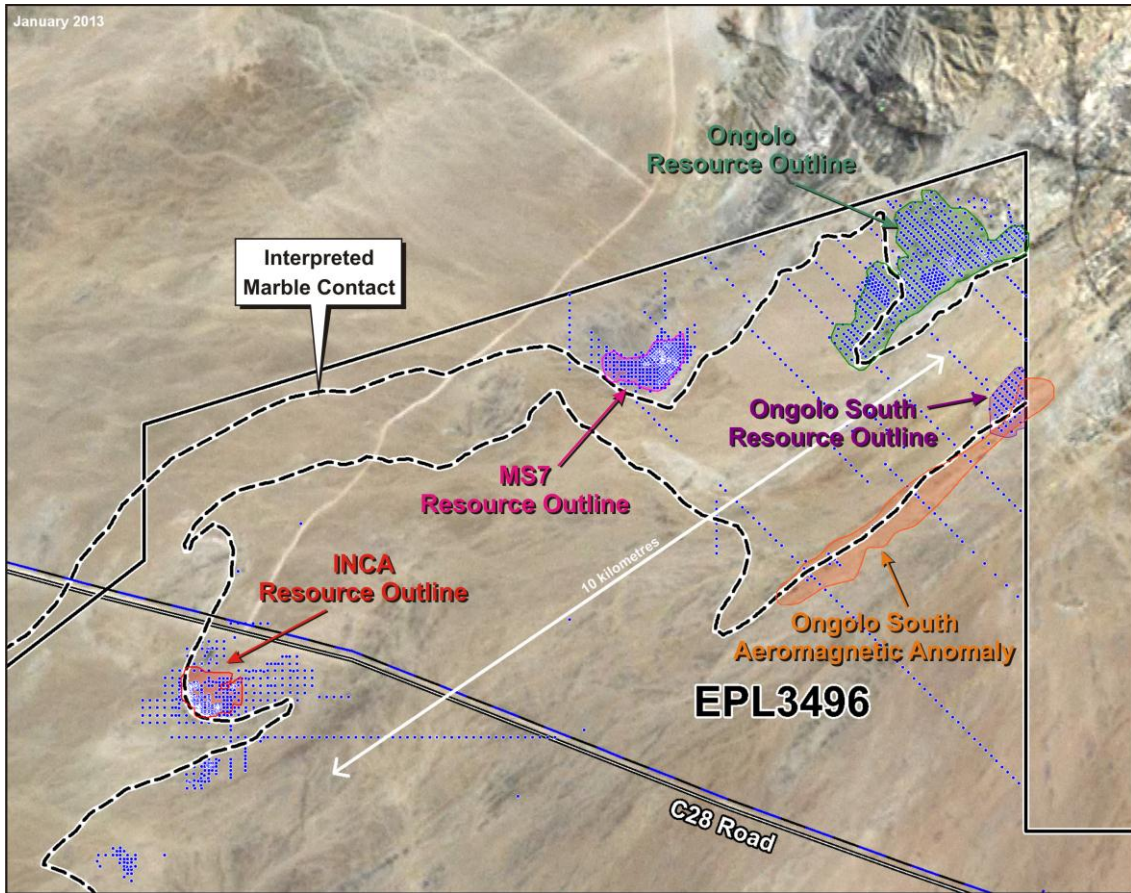


Figure 1: Resource Outlines and Drilling – Omahola Project Area

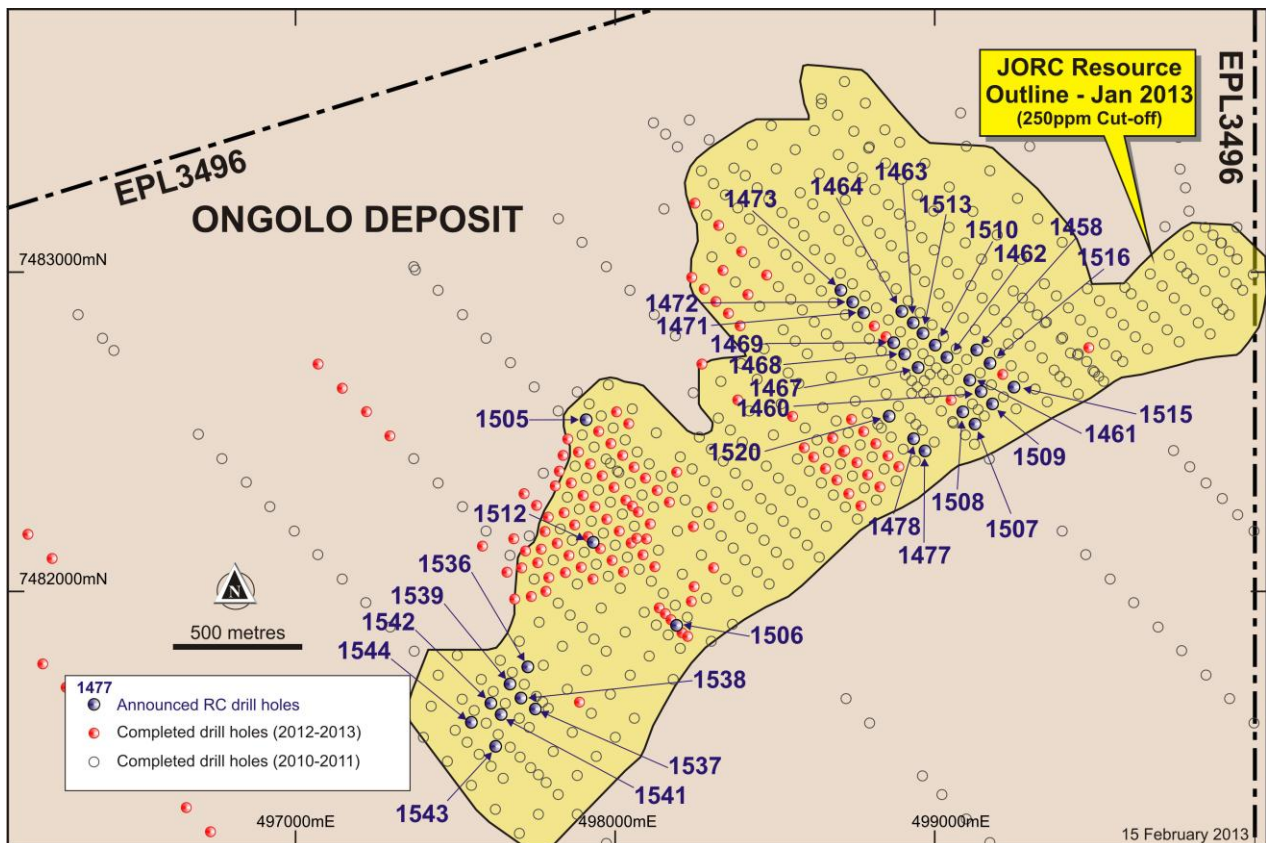


Figure 2: Ongolo Alaskite Drill Hole Location Plan – February 2013



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For further information on the Company and its projects - visit the website at [www.deepyellow.com.au](http://www.deepyellow.com.au)

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**About Deep Yellow Limited**

Deep Yellow Limited is an ASX-listed, Namibian-focussed advanced stage uranium exploration company. It also has a listing on the Namibian Stock Exchange.

Deep Yellow's operations in Namibia 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 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.

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**Compliance Statement**

The information in this report that relates to Exploration Results, is based on information compiled by Dr Leon Pretorius and Mr Martin Kavanagh, both Fellows of the Australasian Institute of Mining and Metallurgy. Dr Pretorius was previously Managing Director of Reptile Uranium Namibia (Pty) Ltd and Mr Kavanagh an Executive Director of Deep Yellow Limited, have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which has been undertaken, 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 and Mr Kavanagh consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this Report that relates to the Ongolo Mineral Resources is based on information compiled by Malcolm Titley of CSA Global UK Ltd. Malcolm Titley takes overall responsibility for the Report. He is a Member of the Australasian Institute of Geoscientists ('AIG') and the Australasian Institute of Mining and Metallurgy ('AusIMM') and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Malcolm Titley consents to the inclusion of such information in this Report in the form and context in which it appears.



APPENDIX 1: Ongolo Alaskite Deposit – Fusion XRF Chemical Assay Results

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval (m)	SS_Fusion cU <sub>3</sub> O <sub>8</sub> (ppm)	GTM
						From	To			
ALAR1458	499134	7482766	135	227	-60	48	50	2	772	1,544
and						61	65	4	470	1,881
and						70	76	6	849	5,094
ALAR1460	499146	7482634	135	229	-60	168	169	1	574	574
and						211	220	9	716	6,447
ALAR1461	499111	7482669	135	256	-60	54	55	1	575	575
and						113	115	2	416	832
and						195	200	5	775	3,877
and						212	215	3	416	1,248
and						244	245	1	403	403
ALAR1462	499040	7482742	135	280	-60	59	65	6	529	3,172
and						88	93	5	418	2,088
ALAR1463	498934	7482849	135	241	-60	49	52	3	654	1,962
and						62	63	1	1,076	1,076
and						73	74	1	422	422
and						82	83	1	423	423
and						99	101	2	1,148	2,295
ALAR1464	498899	7482885	135	160	-60	49	54	5	480	2,398
and						58	67	9	446	4,011
and						77	78	1	1,756	1,756
and						96	105	9	3,158	28,425
ALAR1467	498950	7482709	135	187	-60	107	119	12	437	5,239
and						122	123	1	850	850
ALAR1468	498908	7482751	135	277	-60	125	126	1	627	627
and						138	141	3	558	1,675
and						167	171	4	592	2,368
and						174	176	2	494	988
ALAR1469	498873	7482786	135	229	-60	152	157	5	541	2,706
and						202	204	2	471	942
ALAR1471	498779	7482880	135	223	-60	89	90	1	427	427
and						100	106	6	744	4,463
and						118	122	4	418	1,671
and						125	127	2	448	895
and						153	155	2	509	1,018
and						168	169	1	449	449
ALAR1472	498745	7482914	135	240	-60	115	116	1	439	439
and						118	121	3	439	1,317
and						136	138	2	444	887
and						168	173	5	420	2,098
ALAR1473	498709	7482950	135	271	-60	142	143	1	623	623
						260	261	1	517	517
ALAR1477	498971	7482450	135	127	-60	107	109	2	812	1,623
ALAR1478	498936	7482486	135	169	-60	62	63	1	472	472



Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval (m)	SS_Fusion $U_3O_8$ (ppm)	GTM
						From	To			
ALAR1505	497914	7482548	135	301	-60	207	219	12	2,214	26,563
ALAR1506	498197	7481904	135	115	-60	52	57	5	403	2,013
and						59	60	1	578	578
ALAR1507	499127	7482533	135	151	-60	99	102	3	566	1,697
and						103	105	2	443	885
ALAR1508	499089	7482571	135	220	-60	124	125	1	512	512
and						128	131	3	405	1,216
and						154	156	2	426	851
ALAR1509	499184	7482597	135	192	-60	127	129	2	560	1,119
and						146	149	3	1,035	3,104
ALAR1510	499002	7482779	135	151	-60	99	102	3	461	1,383
ALAR1512	497937	7482164	135	163	-60	59	65	6	529	3,175
and						109	111	2	442	883
and						118	123	5	625	3,124
ALAR1513	498965	7482817	135	160	-60	52	57	5	417	2,084
and						64	65	1	473	473
ALAR1515	499251	7482650	135	205	-60	114	116	2	462	923
and						176	180	4	464	1,855
and						193	196	3	435	1,306
ALAR1516	499176	7482725	135	217	-60	93	95	2	450	899
and						117	120	3	656	1,967
and						123	128	5	403	2,013
and						131	133	2	428	856
ALAR1520	498861	7482559	135	257	-60	117	118	1	496	496
and						120	124	4	414	1,654
and						175	184	9	419	3,772
and						204	205	1	793	793
ALAR1536	497728	7481763	135	229	-60	159	161	2	766	1,532
ALAR1537	497752	7481631	135	133	-60	44	48	4	742	2,967
ALAR1538	497707	7481666	135	193	-60	79	87	8	424	3,392
and						90	92	2	534	1,067
and						102	114	12	456	5,476
ALAR1539	497673	7481710	135	247	-60	147	182	35	402	14,060
and						196	197	1	477	477
ALAR1541	497645	7481614	135	199	-60	91	94	3	414	1,242
and						101	118	17	677	11,510
and						128	130	2	447	894
and						142	144	2	420	840
ALAR1542	497612	7481650	135	253	-60	149	174	25	542	13,557
and						179	181	2	515	1,029
ALAR1543	497628	7481515	135	139	-60	89	91	2	692	1,384
ALAR1544	497552	7481590	135	235	-60	200	208	8	513	4,107

Notes: TD is total depth of hole;  $U_3O_8$  is a chemical assay by Fusion XRF. GTM is grade thickness metre and is calculated by multiplying the interval (m) x  $U_3O_8$  (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 e $U_3O_8$  values are reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A675 slimline gamma ray tool. All probes are calibrated either at the Pelindaba Calibration facility in South Africa or at the Adelaide Calibration facility in South Australia.