Deep Yellow Limited

ASX Announcement **ASX: DYL**

7 May 2012

ONGOLO SOUTH DISCOVERY AND MS7 DRILLING RESULTS

KEY POINTS

- **Additional XRF Fusion chemical assay results have further confirmed the new discovery announced to the ASX 5 April 2012. The discovery, now called Ongolo South, is on a reconnaissance line 2 kilometres south of the Ongolo Deposit.**
- **The best results were as follows:**
  - **ALAR285 16 metres at 710 ppm U_3O_8 from 148 metres**
  - **ALAR939 18 metres at 681 ppm U_3O_8 from 103 metres**
  - **ALAR1097 10 metres at 2,261 ppm U_3O_8 from 146 metres**
- **XRF Fusion chemical assay results were also received from infill drilling from MS7, with some of the following selected results:**
  - **ALAR667 36 metres at 401 ppm U_3O_8 from 124 metres**
  - **ALAR673 5 metres at 2,485 ppm U_3O_8 from 71 metres**
  - **ALAR1134 54 metres at 405 ppm U_3O_8 from 28 metres**
- **Infill resource drilling is continuing at MS7 and Ongolo as is reconnaissance drilling southwest from Ongolo South.**

Advanced stage uranium explorer **Deep Yellow Limited** (ASX: **DYL**) is pleased to announce XRF Fusion chemical assay results from exploration drilling conducted by its wholly owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN) from the Ongolo-MS7 alaskite region.

“The three wide high grade results from our recently announced new discovery, now designated Ongolo South, is very encouraging and we are looking forward to more of the same in the near future” Deep Yellow Managing Director Greg Cochran said. “These intersections are noticeably shallower than the first discovery holes and we will follow that trend closer to surface in the coming weeks” he added.

The 2012 drill programme in the Ongolo-MS7 alaskite region (Figures 1 and 3) is primarily designed to increase the size and confidence of existing resources as well as test for lateral and depth extensions. The objective of the reconnaissance drilling is to find new satellite deposits for the Omahola Project.

Ends

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Background to Ongolo South Results

Previously reported RC drill results (ASX 5 April 2012) from the Recon Line 5 area 2 kilometres south of the Ongolo deposit returned high grade uranium mineralisation associated with a well-defined Alaskite-marble contact zone. Significant intercepts included:

- **ALAR970 9 metres at 709 ppm U_3O_8 from 216 metres**
- **ALAR978 6 metres at 1,430 ppm U_3O_8 from 171 metres**
- **ALAR980 3 metres at 1,071 ppm U_3O_8 from 156 metres**

XRF-Fusion chemical assays have now been received for follow-up semi-detailed RC drilling along the marble contact zone (Figure 1).

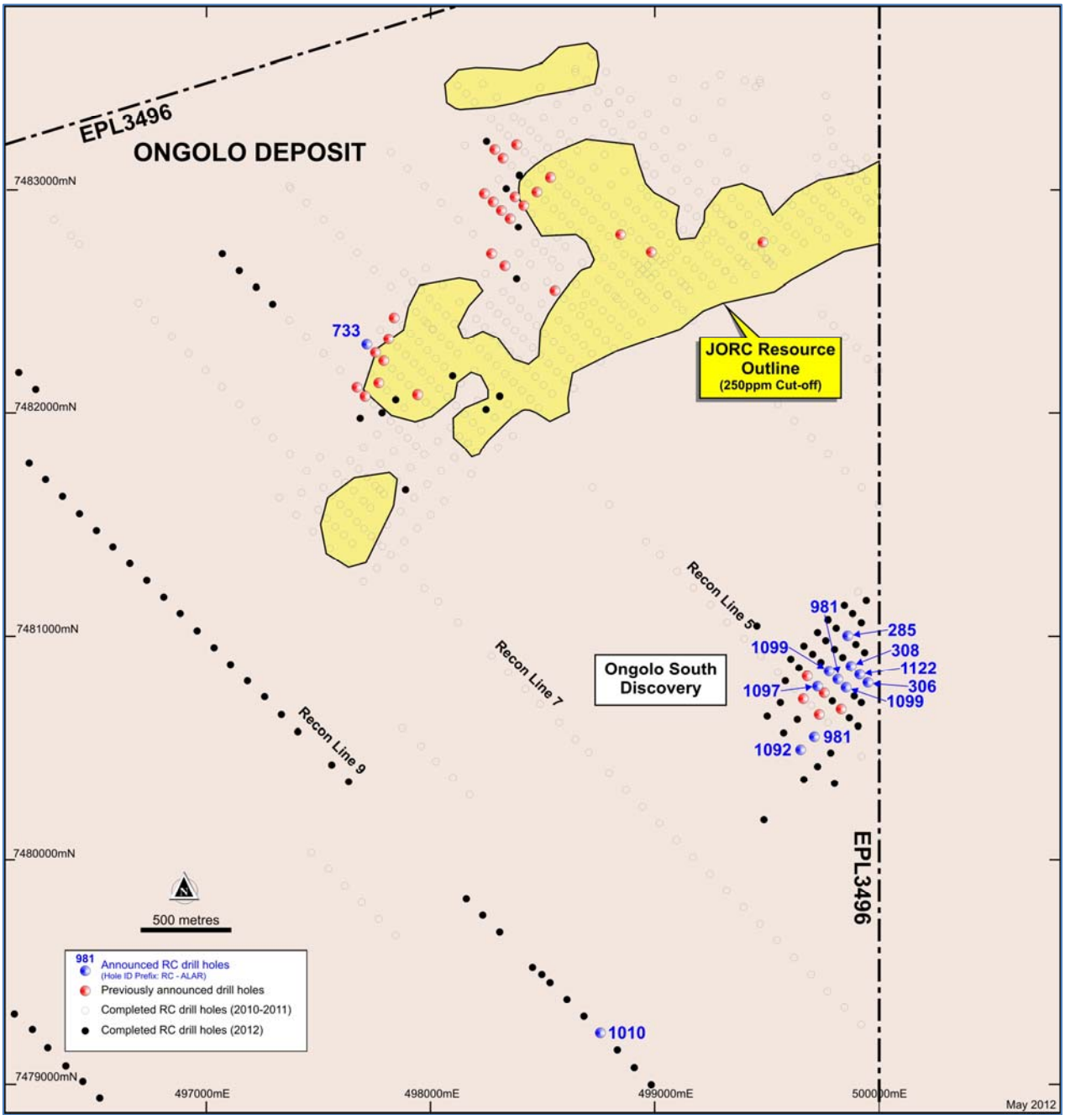

Figure 1: Ongolo South Discovery Area

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

- **ALAR285 16 metres at 710 ppm U_3O_8 from 148 metres**
- **ALAR939 18metres at 681 ppm U_3O_8 from 103 metres**
- **ALAR1097 10 metres at 2,261 ppm U_3O_8 from 146 metres**

Whereas the first round of reconnaissance results returned deep intercepts the latest results are shallower with 'infill over drilling' planned to follow the intercepts towards surface. Diamond drilling to fully evaluate the structural setting of this new mineralised zone will also be undertaken. The high grade mineralised zone clustered along the marble contact zone centred on Recon Line 5 will initially be followed along strike 1.7 kilometre to Recon Line 9 where hole ALAR1010 returned deep narrow intercepts (Table 1 – Appendix 1).

Figure 2: RC Drilling at the Ongolo South Discovery Area – May 2012

Background on MS7 Alaskite Deposit Results

Fusion XRF chemical assays were received for the ongoing 'infill' drill programme in the central-east of the MS7 deposit. The results provide continuity between 'resource blocks' outlined by the 2011 and 2012 drill programmes and should serve to improve the JORC classification.

The latest available chemical assay results are given in Table 2 in Appendix 1, whilst selected significant results include:

- **ALAR667 36 metres at 401 ppm U_3O_8 from 124 metres**
- **ALAR673 5 metres at 2,485 ppm U_3O_8 from 71 metres**
- **ALAR1134 54 metres at 405 ppm U_3O_8 from 28 metres**

RC drilling is continuing at MS7 as is a diamond drilling to undercut RC hole ALAR1222 which intersected 120 metres at 443 ppm eU_3O_8* from 110 metres (ASX 1 May 2012).

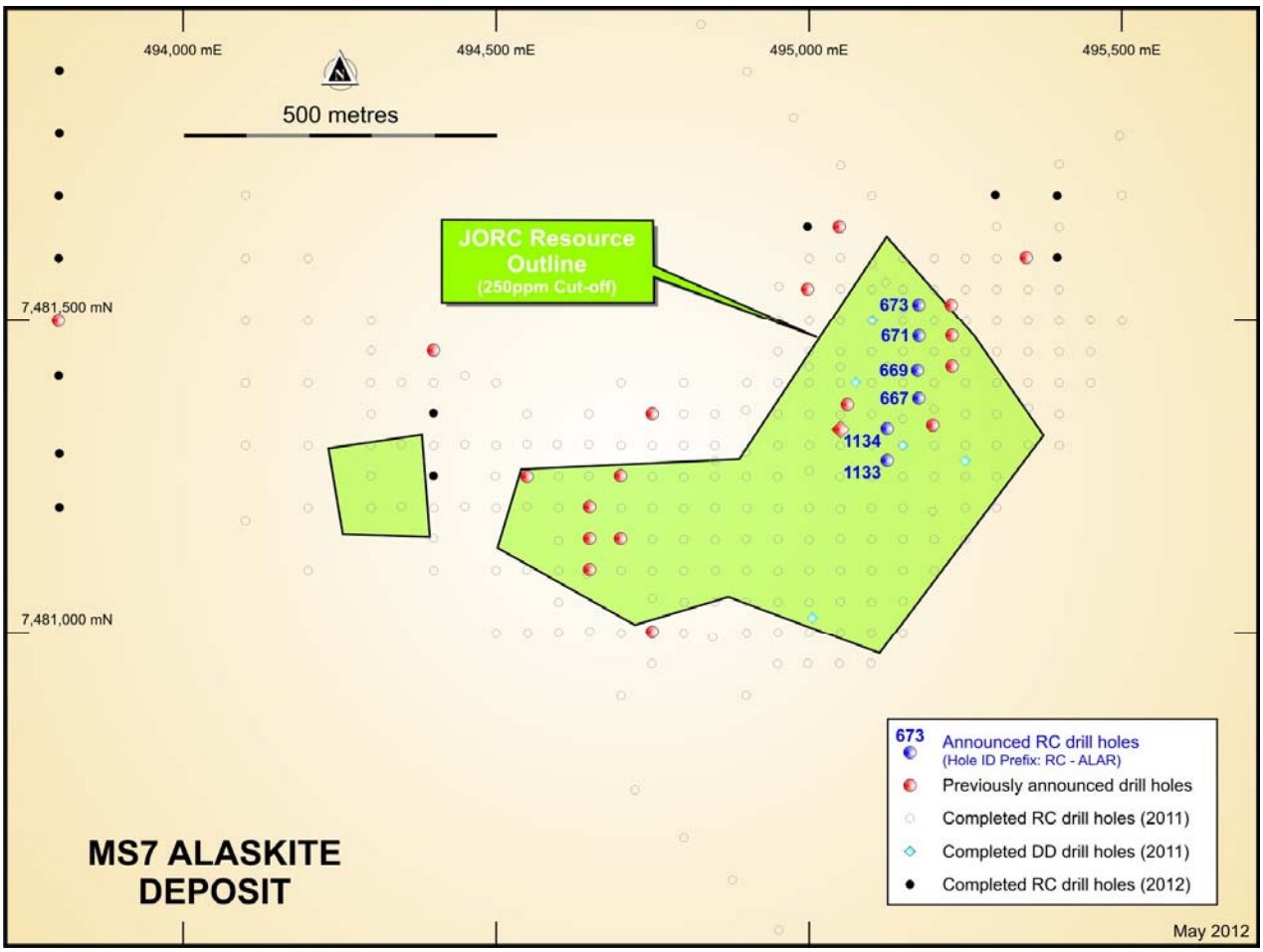

Figure 3: MS7 Alaskite Deposit – May 2012 Exploration Results

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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 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.

* *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.*

APPENDIX 1 - Fusion XRF Chemical Assay Results – May 2012

Table 1: Results from Ongolo South, Recon Line 9 and Ongolo

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval	SS Fusion cU_3O_8 (ppm)	GTM
						From	To	(m)		
Ongolo South Discovery										
ALAR1092	499655	7480505	135	250	-60	192	195	3	970	2,910
ALAR1097	499731	7480789	135	255	-60	103	106	3	489	1,467
and						146	156	10	2,261	22,610
and						239	241	2	409	818
ALAR1099	499858	7480783	135	256	-60	105	108	3	843	2,529
ALAR1100	499783	7480858	135	301	-60	136	148	12	417	5,004
and						267	270	3	451	1,353
ALAR1122	499918	7480842	135	201	-60	134	139	5	403	2,015
ALAR285	499865	7481015	135	251	-60	148	164	16	710	11,360
ALAR306	499955	7480805	135	100	-60	80	87	7	411	2,877
ALAR308	499880	7480880	135	249	-60	212	214	2	489	978
ALAR939	499820	7480820	135	250	-60	103	121	18	681	12,258
and						213	215	2	521	1,042
and						220	224	4	416	1,664
and						228	236	8	454	3,632
ALAR981	499715	7480565	135	251	-60	175	178	3	471	1,413
and						213	215	2	521	1,042
and						220	224	4	416	1,664
and						228	236	8	454	3,632
Recon Line 9										
ALAR1010	498762	7479238	135	253	-60	225	226	1	411	411
and						230	232	2	456	912
Ongolo										
ALAR733	497720	7482320	135	421	-60	270	273	3	416	1,248
and						277	280	3	429	1,287

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.

Table 2: Results from MS7 – May 2012

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval	SS Fusion cU_3O_8 (ppm)	GTM
						From	To	(m)		
MS7 Infill Drill Programme										
ALAR1133	495125	7481275	180	250	-60	72	75	3	422	1,266
and						129	132	3	450	1,350
and						139	141	2	470	940
ALAR1134	495125	7481325	180	256	-60	28	82	54	405	21,870
and						122	124	2	444	888
ALAR667	495175	7481375	180	376	-60	66	67	1	438	438
and						124	160	36	401	14,436
and						334	340	6	918	5,508
ALAR669	495173	7481420	180	300	-60	78	84	6	1,421	8,526
and						164	182	18	412	7,416
ALAR671	495175	7481475	180	310	-60	44	46	2	408	816
and						246	254	8	411	3,288
ALAR673	495175	7481525	180	340	-60	71	76	5	2,485	12,425
and						207	208	1	433	433
and						209	211	2	425	850
and						287	288	1	408	408
and						292	293	1	441	441
and						299	300	1	402	402

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.