

30 October 2012

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2012

HIGHLIGHTS

Corporate – Capital Raising

- \$5.837 million raised in non-renounceable rights issue with a total of 138.978 million shares issued at 4.2 cents each.
- Shortfall of \$4.663 million placed subsequent to the end of the quarter as part of a larger placement to a specialist mining fund.

Outstanding Exploration Results from the Ongolo and MS7 Alaskite Deposits

- The 2012 Drill Programme continued during the quarter with three rigs in operation.
- Multiple high grade intercepts were made and confirmed by Fusion-XRF chemical assays.
- At MS7 results from relatively shallow RC intersections include:
 - ALAR1368 8 metres at 550 ppm U₃O₈ from 23 metres
and 9 metres at 769 ppm U₃O₈ from 34 metres
 - ALAR1359 14 metres at 582 ppm U₃O₈ from 37 metres
 - ALAR1356 33 metres at 1,325 ppm U₃O₈ from 50 metres
 - ALAR1323 15 metres at 409 ppm U₃O₈ from 57 metres
 - ALAR1341 18 metres at 433 ppm U₃O₈ from 65 metres
and 12 metres at 414 ppm U₃O₈ from 108 metres
- Also at MS7, a deep intersection in diamond hole ALAD1360 returned a 1 metre interval of 11% U₃O₈ (110,500 ppm) from 288 metres (~ 240 metres vertical depth), the highest grade intersection Deep Yellow has made in Namibia.
- The discovery of a new footwall mineralised zone at MS7 was also confirmed at the end of the quarter with chemical assays returning 4,874 ppm U₃O₈ over 10 metres from 51 metres.
- At Ongolo, selected results from the from RC holes drilled early in the quarter include:
 - ALAR1329 5 metres at 603 ppm U₃O₈ from 52 metres
and 6 metres at 1,012 ppm U₃O₈ from 62 metres
 - ALAR1272 3 metres at 1,438 ppm U₃O₈ from 159 metres
and 4 metres at 2,316 ppm U₃O₈ from 167 metres
 - ALAR1276 12 metres at 565 ppm U₃O₈ from 188 metres
and 10 metres at 622 ppm U₃O₈ from 206 metres

New Discoveries at Ongolo South

- RC drilling between Reconnaissance Lines 9 and 13 indicate continuity of mineralisation along strike towards the Ongolo South Prospect:
 - ALAR1265 2 metres at 700 ppm U₃O₈ from 21 metres
 - and 4 metres at 482 ppm U₃O₈ from 55 metres
 - ALAR1268 5 metres at 417 ppm U₃O₈ from 118 metres
 - ALAR1270 4 metres at 802 ppm U₃O₈ from 168 metres

Shiyela Iron Project

- Testwork to enable the reassessment of the Shiyela deposit to incorporate low magnetite – high hematite material (initially considered waste) is progressing. The objective of the testwork is to increase the size and confidence of the JORC Compliant Resource Base, which should significantly enhance project economics if successful. The scoping study will be updated once the testwork has been completed.



BUSINESS REVIEW

NAMIBIA

OMAHOLA PROJECT

The 2012 Drill Programme at the MS7 and Ongolo Alaskite deposits has been underway since mid-January with up to 7 rigs in operation at its peak.

Table 1: 2012 Drill Programme to September 2012

OMAHOLA PROJECT	RC	METRES	DD	METRES
MS7 Deposit	112	24,181	11	3,525
Ongolo Deposit	71	16,229	0	0
Ongolo South Prospect	63	14,906	0	0
Reconnaissance Drilling	181	36,748	0	0
TOTAL	427	92,064	11	3,525

The 2012 drill programmes at MS7 and Ongolo continued throughout the quarter with three drill rigs in operation, comprising two Reverse Circulation (RC) rigs and one diamond core (DC) rig. The programmes are primarily designed to increase the size and confidence of the Project's resource base as well as to test for lateral and depth extensions and/or satellites to these deposits (Figures 1, 2, and 4).

The drill programmes consistently delivered outstanding results throughout the quarter, with the best intersections at MS7 returning a shallow intercept of 1,325 ppm U₃O₈ over 33 metres from 50 metres in hole ALAR1356. At Ongolo the best intercepts were 603 ppm U₃O₈ over 5 metres from 52 metres and 1,012 ppm U₃O₈ over 6 metres from 62 metres in hole ALAR1329. Importantly, the discovery of a new footwall mineralised zone at MS7 was confirmed with chemical assays returning 4,874 ppm U₃O₈ over 10 metres from 51 metres.

MS7 Alaskite Deposit

Drilling at the MS7 deposit (Figure 2), which commenced at the beginning of the year and continued uninterrupted until mid-September, consistently returned outstanding results. The most recent results from the RC and DC programme in the north-west / central sector once again returned several high-grade relatively shallow intercepts and also confirmed a new discovery very close to the existing deposit. Some deeper intercepts to 321 metres down hole were also made. Selected significant results for the quarter include:

- ALAR1323 7 metres at 466 ppm U₃O₈ from 7 metres
and 6 metres at 450 ppm U₃O₈ from 37 metres
and 15 metres at 409 ppm U₃O₈ from 57 metres
- ALAR1362 3 metres at 1,199 ppm U₃O₈ from 8 metres
and 8 metres at 633 ppm U₃O₈ from 48 metres
and 8 metres at 944 ppm U₃O₈ from 232 metres
- ALAR1396 2 metres at 4,595 ppm U₃O₈ from 11 metres
- ALAR1391 6 metres at 559 ppm U₃O₈ from 14 metres
and 20 metres at 519 ppm U₃O₈ from 87 metres
- ALAR1394 10 metres at 409 ppm U₃O₈ from 23 metres
- ALAR1368 8 metres at 550 ppm U₃O₈ from 23 metres
and 9 metres at 769 ppm U₃O₈ from 34 metres
- ALAR1220 11 metres at 400 ppm U₃O₈ from 25 metres
and 7 metres at 1,636 ppm U₃O₈ from 143 metres
- ALAR1363 8 metres at 417 ppm U₃O₈ from 34 metres
- ALAR1359 14 metres at 582 ppm U₃O₈ from 37 metres
- ALAR1345 10 metres at 666 ppm U₃O₈ from 41 metres
- ALAR1356 33 metres at 1,325 ppm U₃O₈ from 50 metres
and 5 metres at 438 ppm U₃O₈ from 89 metres
and 7 metres at 413 ppm U₃O₈ from 97 metres
and 5 metres at 435 ppm U₃O₈ from 116 metres



- ALAR1333 10 metres at 581 ppm U₃O₈ from 57 metres
- ALAR1424 11 metres at 436 ppm U₃O₈ from 59 metres
- ALAR1341 18 metres at 433 ppm U₃O₈ from 65 metres
and 12 metres at 414 ppm U₃O₈ from 108 metres
- ALAR1343 4 metres at 456 ppm U₃O₈ from 86 metres
and 5 metres at 1,160 ppm U₃O₈ from 96 metres
- ALAR1344 9 metres at 538 ppm U₃O₈ from 107 metres
and 7 metres at 634 ppm U₃O₈ from 121 metres
- ALAR1350 38 metres at 417 ppm U₃O₈ from 165 metres
- ALAR1370 13 metres at 570 ppm U₃O₈ from 308 metres

No further drilling is planned at MS7 for 2012. The core high grade central zone of the deposit remains open to depth to the north. The recent drilling in the 'north-west' sector returned both shallow and deep intercepts which will also need to be closed off in 2013. In addition the new 'footwall discovery' has opened up significant shallow potential to be drilled out in 2013. CSA Global Pty Ltd – Johannesburg (CSA) have commenced an update of the December 2011 JORC Mineral Resource for MS7 with a completion date scheduled for end-October, although at the time of this report CSA was still conducting its work. There is therefore a possibility that there may be some delay in the update into November 2012.

An extremely high grade narrow intersection was made in diamond hole ALAD1360 which was drilled as an undercut of holes ALAR1358 and 1359 (see below) in the north central area of the deposit. The hole essentially cut-off shallow mineralisation to the north but opened up the deposit at depth with the highest grade intercept made to date namely 1 metre at 11% U₃O₈ (110,500 ppm) from 288 metres (~240 metres vertical depth). Mineralisation is present as a coarse grained uraninite. Whilst the intercept is high grade it comprises a 'narrow vein system' within a resource envelope grade of ± 500 ppm U₃O₈ and is therefore not entirely representative of the usual MS7 style of mineralisation, as can be seen from the results below:

- ALAR1359 14 metres at 582 ppm U₃O₈ from 37 metres
and 8 metres at 424 ppm U₃O₈ from 59 metres
and 8 metres at 411 ppm U₃O₈ from 149 metres
- ALAR1358 6 metres at 691 ppm U₃O₈ from 83 metres
and 6 metres at 881 ppm U₃O₈ from 206 metres
and 6 metres at 415 ppm U₃O₈ from 224 metres

MS7 Footwall Discovery Drilling

At the completion of the MS7 drill programme, three RC holes were drilled to test anomalous alaskite scree east of the marble footwall to the MS7 deposit (Figure 2). Fusion-XRF assay results have now been received for these holes with Hole ALAR1447 drilled to the south-east returning a very high grade intercept of **10 metres at 4,874 ppm U₃O₈ from 51 metres**; a scissor hole on ALAR1447 (ALAR1452), returned a wider and shallower intercept whilst vertical hole ALAR1451 intersected five mineralised zones between 36 and 89 metres depth including **10 metres at 1,156 ppm U₃O₈ from 45 metres**. Selected intersections from these holes are shown below:

- ALAR1451 6 metres at 700 ppm U₃O₈ from 36 metres
and 10 metres at 1,156 ppm U₃O₈ from 45 metres
- ALAR1452 15 metres at 828 ppm U₃O₈ from 44 metres
- ALAR1447 10 metres at 4,874 ppm U₃O₈ from 51 metres

It is expected that drilling will recommence at this exciting discovery once the current programme at the Ongolo deposit has been completed.

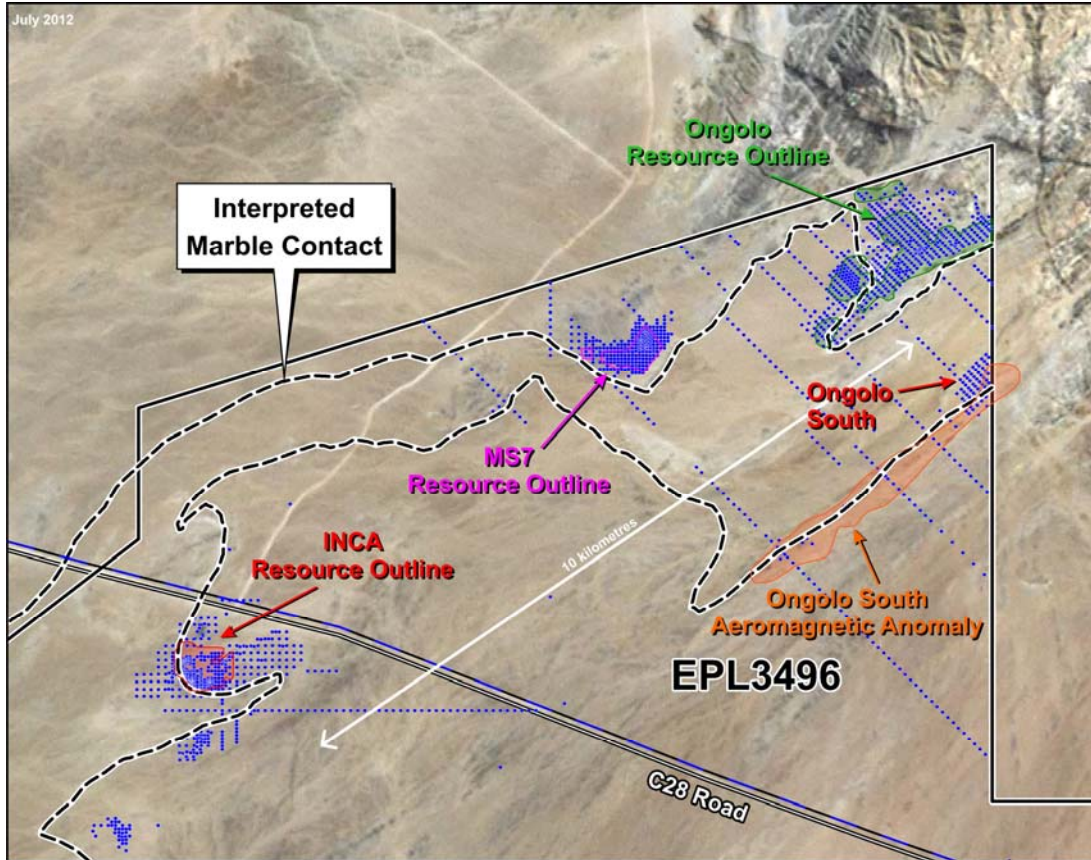


Figure 1: Resource Outlines and Drilling – Ongolo - MS7 - INCA Area

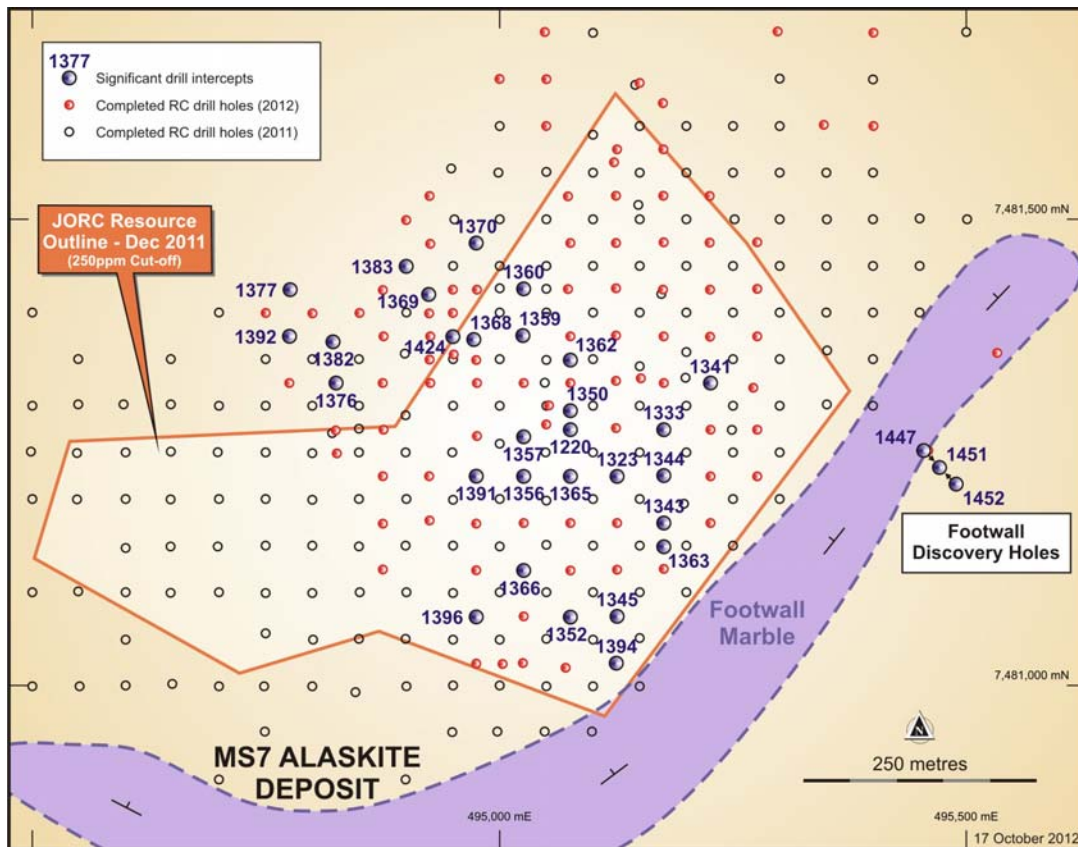


Figure 2: MS7 Deposit – 2012 Drill Programme September Quarter and New Discovery Location



Ongolo Alaskite Deposit

Fusion-XRF chemical assay results from the central sector of the Ongolo deposit early in the quarter (Figure 4) outlined a relatively shallow, wide high grade zone which is open to depth. This zone will be tested by drilling in the current quarter together with the southwest sector of the deposit ahead of a JORC Mineral Resource update once the programme is completed.

- ALAR1305 3 metres at 1,311 ppm U₃O₈ from 44 metres
- ALAR1329 5 metres at 603 ppm U₃O₈ from 52 metres
and
6 metres at 1,012 ppm U₃O₈ from 62 metres
- ALAR1278 6 metres at 554 ppm U₃O₈ from 61 metres
- ALAR1277 8 metres at 434 ppm U₃O₈ from 111 metres
and
5 metres at 431 ppm U₃O₈ from 172 metres
and
5 metres at 536 ppm U₃O₈ from 208 metres
and
4 metres at 479 ppm U₃O₈ from 249 metres
- ALAR1272 3 metres at 1,438 ppm U₃O₈ from 159 metres
and
4 metres at 2,316 ppm U₃O₈ from 167 metres
- ALAR1276 12 metres at 565 ppm U₃O₈ from 188 metres
and
10 metres at 622 ppm U₃O₈ from 206 metres
- ALAR1324 6 metres at 793 ppm U₃O₈ from 250 metres



Figure 3: RC Drilling at the Ongolo Deposit

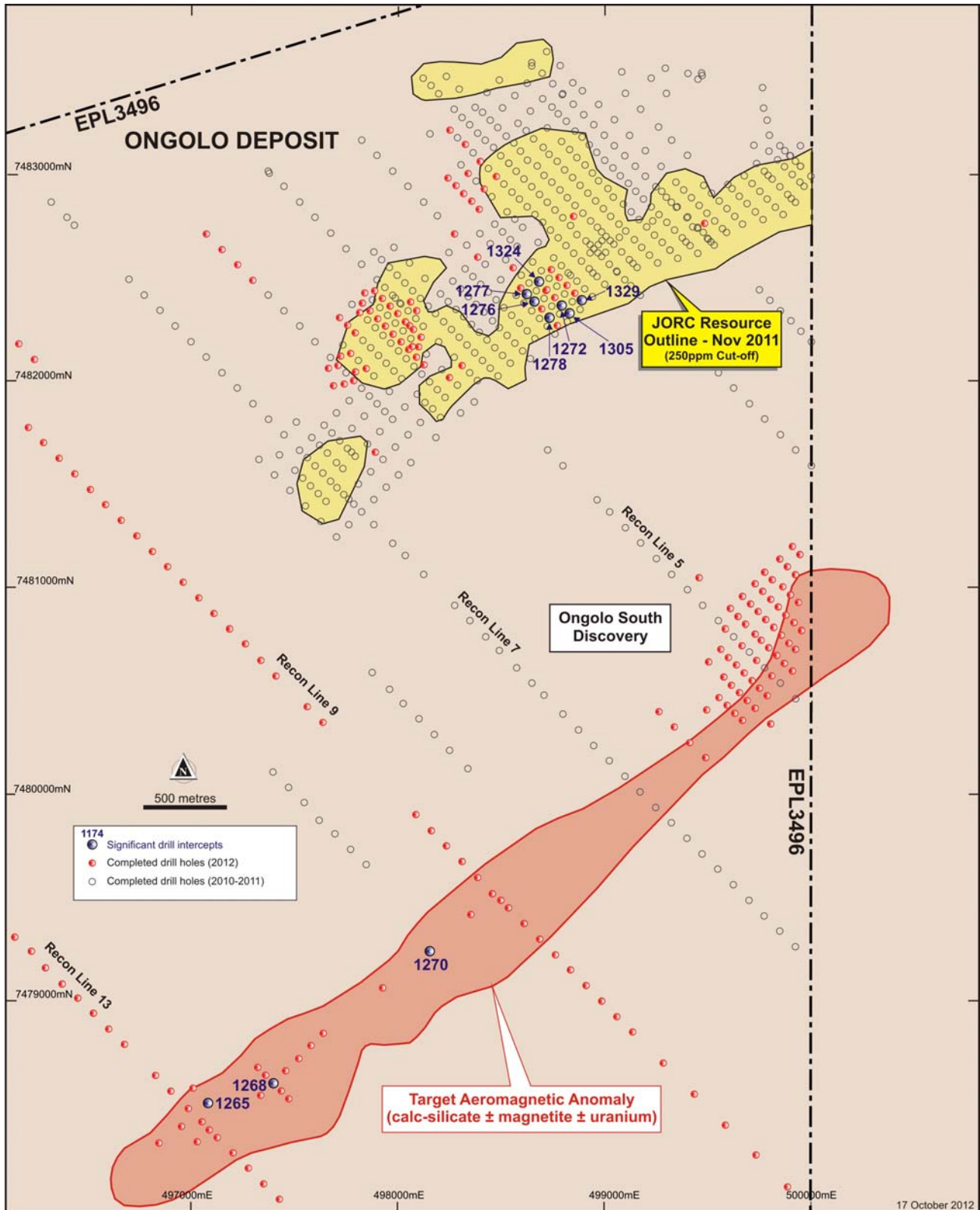


Figure 4: 2012 Ongolo Deposit and Regional Reconnaissance Drill Programmes – September Quarter

Reconnaissance Drilling Programme

Initial drilling results from drilling on Reconnaissance Line 13 and a deep intersection on Reconnaissance Line 9 highlighted the prospectivity of an aeromagnetic anomaly along strike (Figures 1 and 4) south-west from the Ongolo South Prospect. Results from reconnaissance drilling along the anomaly, whilst at an early stage are encouraging and will be followed-up in 2013. Selected results include:



- ALAR1265 2 metres at 700 ppm U₃O₈ from 21 metres
 and 4 metres at 482 ppm U₃O₈ from 55 metres
- ALAR1268 5 metres at 417 ppm U₃O₈ from 118 metres
- ALAR1270 4 metres at 802 ppm U₃O₈ from 168 metres

SHIYELA IRON PROJECT

Testwork to enable the reassessment of the Shiyela deposit to incorporate low magnetite – high hematite material (initially considered waste) was progressed during the quarter with the objective of increasing the size and confidence of the JORC Compliant Mineral Resource. If successful it will significantly enhance project economics. The scoping study will be updated once the testwork has been completed.

It is expected that the testwork and Scoping Study update will be completed early in November 2012.

AUSTRALIA

Divestment of Australian Exploration Portfolio

DYL announced in June that it had decided to divest its portfolio of early stage exploration assets in Australia to allow it to focus on its advanced stage projects in Namibia. The Australian portfolio consists of projects located in both Queensland (where uranium mining is not yet allowed) and the Northern Territory and includes the 7.4 Mlb of JORC compliant resources within the Napperby Deposit. DYL has appointed Patersons Securities Limited (Patersons) to investigate a trade sale, merger or spin-off of the portfolio which may lead to a full or partial divestment of its interest in these projects. Patersons has already identified a number of target companies that are being approached to gauge initial interest.

It is anticipated that the divestment process will be completed by the end of the year.

CORPORATE

FINANCIAL

DYL completed the Quarter with cash and liquid assets of \$3.8 million at 30 September 2012.

During the quarter 7,317,300 performance share rights were issued, 1,697,715 vested and 202,505 were forfeited according to their terms and conditions.

For further information regarding this announcement, contact:

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For further information on the Company and its projects
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About Deep Yellow Limited

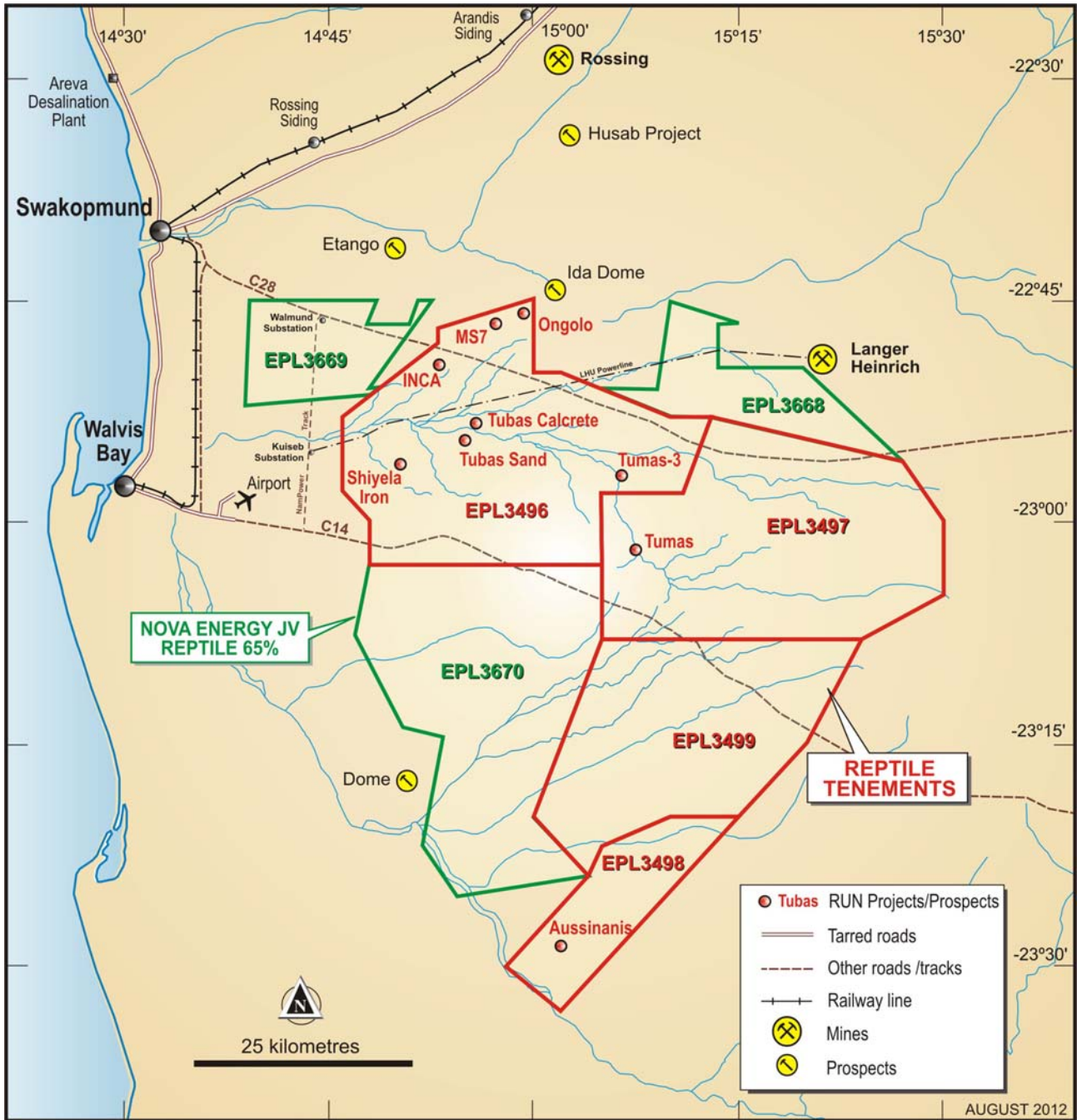
Deep Yellow Limited is an ASX-listed, advanced stage uranium exploration company with extensive operations in the southern African nation of Namibia and in Australia. It also has a listing on the Namibian Stock Exchange.

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 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.



Appendix 1: Namibian Tenement Map and Project Localities





Appendix 2: JORC Mineral Resource Estimate Summary – September 2012

Deposit	Category	Cut-off (ppm U ₃ O ₈)	Tonnes (M)	U ₃ O ₈ (ppm)	U ₃ O ₈ (t)	U ₃ O ₈ (Mlb)
NAMIBIA						
Omahola Project						
INCA ♦	Indicated	250	7.0	470	3,300	7.2
INCA ♦	Inferred	250	5.4	520	2,800	6.2
Ongolo #	Indicated	250	14.7	410	6,027	13.2
Ongolo #	Inferred	250	5.8	380	2,204	4.8
MS7 #	Indicated	250	3.3	430	1,400	3.2
MS7 #	Inferred	250	2.0	540	1,100	2.4
Omahola Project Total			38.2	441	16,831	37.0
Tubas Sand Project						
Tubas Sand	Inferred	70	87.0	148	12,876	28.4
Tubas Sand Project Total			87.0	148	12,876	28.4
Tubas-Tumas Palaeochannel						
Tumas ♦	Indicated	200	14.4	366	5,270	11.6
Tumas ♦	Inferred	200	0.4	360	144	0.3
Tubas Calcrete	Inferred	100	7.4	374	2,767	6.1
Tubas-Tumas Palaeochannel Total			22.2	369	8,181	18.0
Aussinanis Project						
Aussinanis ♦	Indicated	150	5.6	222	1,243	2.7
Aussinanis ♦	Inferred	150	29.0	240	6,960	15.3
Aussinanis Project Total			34.6	237	8,203	18.0
TOTAL - NAMIBIA			182.0	253	46,091	101.4
AUSTRALIA						
Napperby Project (NT)						
Napperby	Inferred	200	9.3	359	3,351	7.4
Napperby Total			9.3	359	3,351	7.4
Mount Isa Project (QLD)						
Mount Isa	Indicated	300	2.2	470	1,050	2.3
Mount Isa	Inferred	300	2.5	450	1,120	2.5
Mount Isa Total			4.7	460	2,170	4.8
TOTAL - AUSTRALIA			14.0	394	5,521	12.2
Total Indicated Resources			47.2	387	18,290	40.2
Total Inferred Resources			148.8	224	33,322	73.4
TOTAL RESOURCES			196.0	263	51,612	113.6

Notes: Figures have been rounded and totals may reflect small rounding errors
XRF chemical analysis unless annotated otherwise
♦ eU₃O₈ - equivalent uranium grade as determined by downhole gamma logging
Combined XRF Fusion Chemical Assays and eU₃O₈ values



Compliance Statements: September 2012

Namibia

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, Managing Director of Reptile Uranium Namibia (Pty) Ltd 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.

The information in this report that relates to the **Ongolo, MS7 and INCA** Mineral Resources is based on work completed by Mr Neil Inwood and Mr Doug Corley. Mr Inwood is a Fellow of the Australasian Institute of Mining and Metallurgy and Mr Corley is a member of the Australian Institute of Geoscientists. Messrs Inwood and Corley have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Messrs Inwood and Corley consent to the inclusion in the report of the matters based on his information in the form and context in which it appears. Messrs Inwood and Corley are full-time employees of Coffey Mining.

The information in this report that relates to the **Tubas Sand and Tubas Calcrete** Mineral Resource is based on information compiled by Mr Willem H. Kotzé Pr.Sci.Nat MSAIMM. Mr Kotzé is a Member and Professional Geoscientist Consultant of Geomine Consulting Namibia CC. Mr Kotzé 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'. Mr Kotzé consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the **Aussinanis and Tumas** Mineral Resources is based on work completed by Mr Jonathon Abbott who is a full time employee of Hellman and Schofield Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. Mr Abbott 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' and as a Qualified Person as defined in the AIM Rules. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Queensland

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Martin Kavanagh, a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Kavanagh is an Executive Director of Deep Yellow Limited and 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'. Mr Kavanagh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Queensland Mineral Resource is based on information compiled by Mr Neil Inwood. Mr Inwood is a Member of The Australasian Institute of Mining and Metallurgy. Mr Inwood is employed by Coffey Mining Pty Ltd and 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'. Mr Inwood consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Northern Territory

The information in this report that relates to the **Napperby Project** Mineral Resource is based on information compiled by Mr Daniel Guibal who is a Fellow (CP) of the Australasian Institute of Mining and Metallurgy. Mr Guibal is a full time employee of SRK Consulting and 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'. Mr Guibal consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where eU₃O₈ 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.



Appendix 3: JORC Mineral Resource Estimate Shiyela - December 2011

Deposit	Category	Cut-off (DTR %)	Tonnes (M)	DTR (%)	Fe (%)
REPTILE URANIUM NAMIBIA (NAMIBIA)					
M62 - Fresh	Inferred	10	40.2	17.12	17.02
M62 - Oxide	Inferred	10	3.5	15.46	18.13
Total			43.7	16.99	17.11
M63 - Fresh	Inferred	10	34.8	15.15	21.10
M63 - Oxide	Inferred	10	0.2	16.16	18.87
Total			35	15.16	21.09
RUN TOTAL - NAMIBIA			78.7	16.17	18.88
TOTAL FRESH			75.0	16.21	18.91
TOTAL OXIDE			3.7	15.50	18.17
TOTAL RESOURCES			78.7	16.17	18.88

Notes: Figures have been rounded and totals may reflect small rounding errors
 Resource Estimation using a 10% DTR Wt% cut-off.
 Fe% - head assay of composited drill samples

Compliance Statements:

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, Managing Director of Reptile Uranium Namibia (Pty) Ltd 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.

The information in this report that relates to Mineral Resource is based on information compiled by Mr Alan Miller who is a full-time employee of Golder Associates Pty Ltd and a Member and chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Miller has sufficient experience 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 JORC Code (2004).