

01 November 2012

TUBAS SAND PROJECT RESOURCE INFILL DRILLING COMMENCES

KEY POINTS

- **An 8,000 metre detail resource drill programme on the Tubas Sand Project has commenced.**
 - **The RC campaign will infill two priority areas targeting the conversion of JORC Code Inferred Mineral Resource estimates to higher levels of confidence.**
 - **Planning is also underway for a pre-feasibility study which will include additional metallurgical testwork.**
 - **The Project offers the potential for the phased development of a standalone operation with a production rate of up to 1 Mlbs contained U₃O₈ per annum.**
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Advanced uranium explorer, **Deep Yellow Limited** (ASX: **DYL**) is pleased to announce that its wholly owned Namibian subsidiary Reptile Uranium Namibia (**RUN**) has commenced an 8,000 metre RC drill programme on its Tubas Sand Deposit. The programme is targeting a partial conversion of its present JORC Code Inferred Mineral Resource to (at least) the Indicated category as part of the planned pre-feasibility study (PFS) for the Project.

The planned PFS envisages the phased development of a standalone operation supplying uranium loaded resin to one of the two existing uranium producers in Namibia. The first phase would see the development of a mine producing approximately 500,000 lbs contained U₃O₈ from the low-grade, free-digging carnotite bearing red sand which will be upgraded via the physical beneficiation techniques successfully tested at RUN in 2011.

Greg Cochran, DYL's Managing Director said that the commencement of drilling was an important step forward for the Company in its strategy to become a uranium producer. "With an Inferred Mineral Resource in excess of 28 Mlbs we need to move forward with the next phase of the project and outline 6 to 8 Mlbs of saleable product as part of the PFS programme and to confirm the overall economics of the project.

Ends



Background

The Tubas Sand Project consists primarily of low-grade secondary uranium mineralisation (carnotite) in well-sorted mostly uncemented aeolian (windblown) sand which occurs immediately south of the Tubas palaeochannel on RUN’s Exclusive Prospecting Licence (EPL) 3496 (Figure 1).

The 2012 Inferred Mineral Resource for the deposit totals 87 Mt at 148 ppm U₃O₈ for 28.4 Mlbs U₃O₈ at a 70 ppm U₃O₈ cut-off comprising a carnotite bearing red sand that is amenable to upgrading via physical beneficiation in a Schauenburg and RUN designed separation plant.

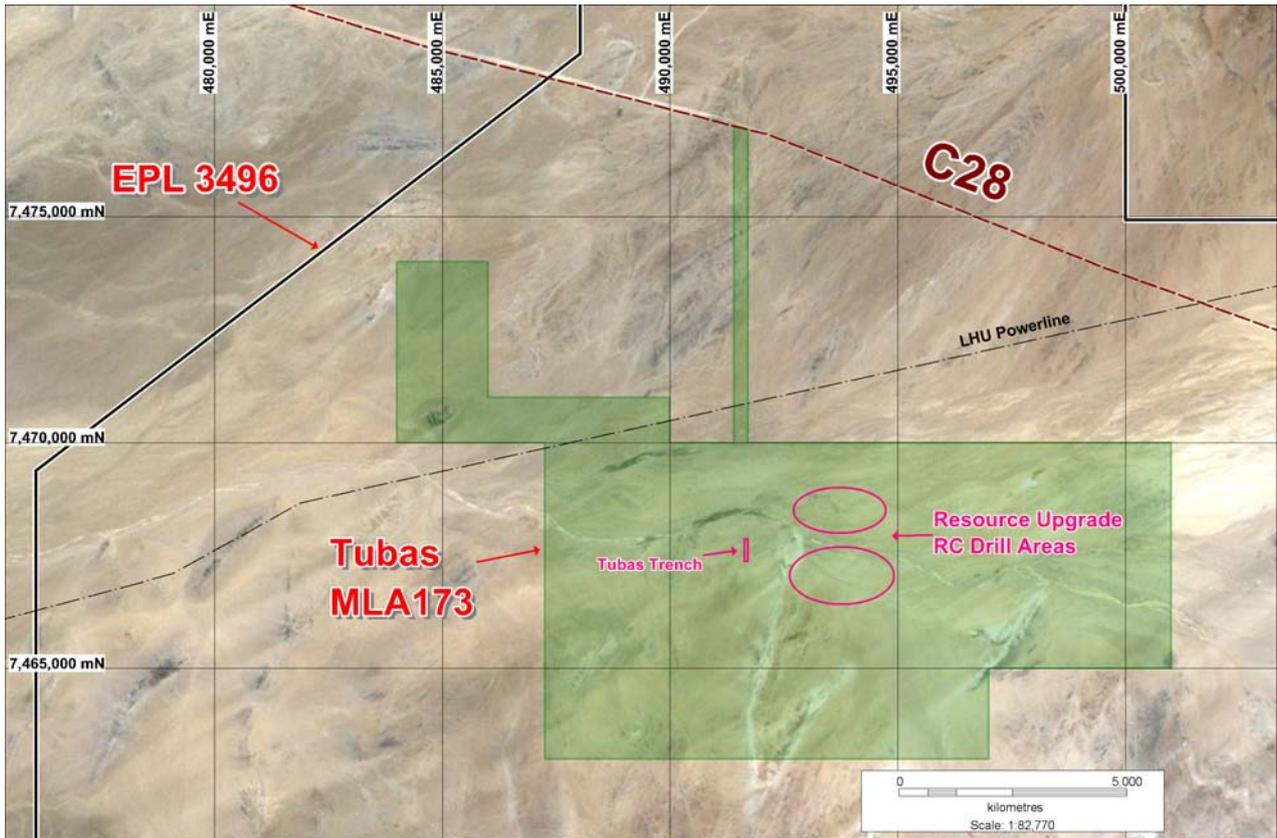


Figure 1: Tubas Sand Project Drill Areas to upgrade existing JORC Resource Estimates

Steps required to upgrade the Resource

As part of the planned PFS for the Project, the following programmes will be undertaken:

- Infill RC drilling.
- Bulk sampling to establish a representative bulk density for the deposit.
- Extensive gangue acid consumption testwork assays.
- Survey control to establish an accurate topographic surface over the deposit.

The 8,000-metre RC drilling programme being undertaken in the two encircled areas in Figure 1 should be completed early in 2013. It is designed to upgrade the present Inferred Resources to the Indicated (or better) category. The initial phase will infill drillhole spacing to 100 by 50 metre and then to 50 by 50 with close-off areas at 25 metre spacing on the 50 metre lines. Holes will mostly be shallow (<15 metre deep) based on mineralisation in previously drilled surrounding holes. All holes will be gamma logged within the rods and collars surveyed by DGPS. Samples are collected



every metre and those from anomalous zones will be analysed by pressed powder XRF in RUN's Swakopmund laboratory with regular check samples being sent to third party laboratories.

Pilot plant test work in 2011 on material from the Tubas trench (Figure 1) demonstrated that the deposit could readily be physically beneficiated in an economical and chemical free process to produce a low carbonate, uranium rich sand concentrate that is suitable feedstock for an alkali or acid leach circuit. The results showed high uranium recoveries and effective carbonate reduction, as well as an impressive uranium upgrade factor of 7.9 allowing ROM grades of around 150 ppm U₃O₈ to be upgraded to around 1,000 ppm prior to leaching. Initial lab scale leach testwork has demonstrated that the sand concentrate leaches readily in mild conditions (pH 2.5).

The project strategy is to produce a uranium loaded resin which could be sold to one of the two existing uranium producers in Namibia. This will enable the Company to commence production initially at a smaller scale of around 500,000 lbs of contained U₃O₈ per annum, although the resource base can potentially sustain up to 1 Mlbs per annum production. The ultimate objective is to supply supplementary feed to DYL's planned Omahola Project.

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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 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: 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 **Tubas Sand** 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.