Deep Yellow Limited

ASX Announcement **ASX: DYL**

08 July 2011

SUCCESSFUL EXPLORATION PROGRAMME GROWS QUEENSLAND RESOURCE BASE

KEY POINTS

- **Results confirm very successful exploration programme**
- **A new Resource, the Citation Prospect, added to the Isa West Project**
- **Drilling at existing prospects results in increased grade, content and confidence**
- **Company-wide JORC Resource base now in excess of 105 Mlbs U_3O_8**

Advanced stage uranium explorer **Deep Yellow Limited (ASX: DYL)** is pleased to announce results from a very successful exploration programme on its Queensland tenements. The results, provided by Coffey Mining Pty Ltd (Coffey), outline a new, increased Indicated and Inferred JORC Code Mineral Resource estimate for the region of **4.7 million tonnes at 460 ppm for 4.8 Mlbs U_3O_8 at a 300 ppm cut-off**. A copy of the Coffey report is included in Appendix 1 whilst a summary of the new combined JORC estimate is shown in Table 1.

Following the release of DYL's maiden JORC Code Resource for the Mount Isa District in January 2010 the Company developed and implemented a number of drilling programmes in the area aimed at delineating additional mineralisation. These programmes largely focused on infill and deeper drilling to enhance the understanding and confidence in these resources. A map of the Mount Isa region is included as Figure 1.

The results from the programmes indicated zones of higher grade mineralisation and extended all of the prospects to depth leading to an overall increase in the tonnage and average grade which have now been included in the updated Resource. Drilling at all of the prospects also indicate that mineralisation remains open to depth providing further exploration upside potential.

Managing Director, Greg Cochran said that as a result of the successful exploration programme, DYL has also included a new resource into its Queensland portfolio.

"The Citation Prospect, which is part of the Isa West Project, had a few previous holes that intersected mineralisation. However the latest round of drilling has extended the mineralisation along strike and to depth, which has allowed the inclusion of Citation in the updated Resource estimate," Mr Cochran said.

As a result of the Resource upgrades DYL's JORC Resource Mineral Estimate Summary has been updated and the Company's total Resource base has now grown to **176.4 million tonnes at 271 ppm for 105.5 Mlbs U_3O_8**. (Table 2.)

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Currently DYL's Mount Isa programme is focusing on generating undercover uranium targets. Through analysis of the geology and geophysical signatures of known uranium prospects the Company is developing a number of targets in areas where the host lithology is masked by more recent cover, preventing a detectable radiometric signature at surface.

This work has so far identified a number of prospective areas based on structural signature and inferred lithological relationships.

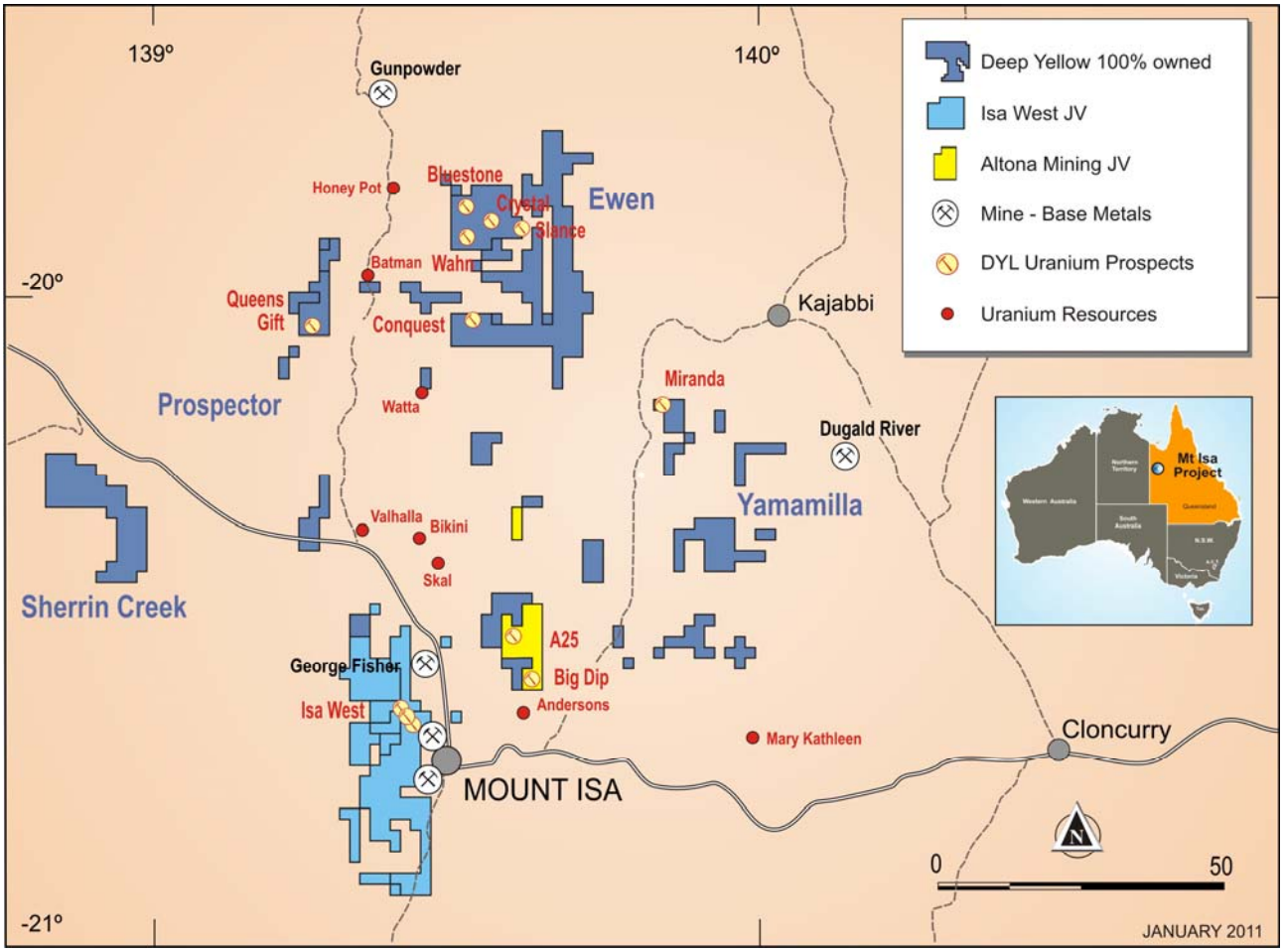

Figure 1: Queensland Project Locations

Table 1: Combined Queensland JORC Code Resource Estimate

Category	Cut-off Grade (U_3O_8 ppm)	Tonnes	Grade (U_3O_8 ppm)	Metal (tonnes U_3O_8)	Metal (Mlb U_3O_8)
Total Isa North (Queens Gift and Slance Prospects)					
Inferred	> 200	1,430,000	340	490	1.1
	> 300	650,000	460	300	0.7
Indicated	> 200	1,810,000	420	760	1.7
	> 300	1,160,000	510	600	1.3
Combined	> 200	3,240,000	390	1,240	2.8
	> 300	1,810,000	500	890	2.0
Total Isa West (Thanksgiving, Bambino, Citation and Eldorado Prospects)					
Inferred	> 200	3,290,000	360	1,190	2.7
	> 300	1,830,000	450	820	1.8
Indicated	> 200	1,900,000	350	660	1.5
	> 300	1,080,000	420	450	1.0
Combined	> 200	5,200,000	360	1,850	4.1
	> 300	2,910,000	440	1,280	2.8
Total Isa Region					
Inferred	> 200	4,720,000	360	1,680	3.7
	> 300	2,480,000	450	1,120	2.5
Indicated	> 200	3,720,000	380	1,420	3.1
	> 300	2,240,000	470	1,050	2.3
Combined	> 200	8,440,000	370	3,100	6.8
	> 300	4,720,000	460	2,170	4.8

* Note: Figures have been rounded

Table 2: DYL JORC Mineral Resource Estimate Summary – July 2011

Deposit	Category	Cut-off (ppm U_3O_8)	Tonnes (M)	U_3O_8 (ppm)	U_3O_8 (t)	U_3O_8 (Mlb)
REPTILE URANIUM NAMIBIA (NAMIBIA)						
Omahola Project						
INCA ♦	Indicated	250	9.4	385	3,628	8.0
INCA ♦	Inferred	250	5.5	445	2,449	5.4
Ongolo	Indicated	275	4.7	410	1,920	4.24
Ongolo	Inferred	275	2.2	400	890	1.97
Tubas Red Sand ♦	Measured/Indicated	100	3.2	168	532	1.2
Tubas Red Sand ♦	Inferred	100	10.7	158	1,685	3.7
Omahola Project Total			35.7	311	11,104	24.51
Tubas-Tumas Palaeochannel Project						
Tumas ♦	Indicated	200	14.4	366	5,270	11.6
Tumas ♦	Inferred	200	0.4	360	144	0.3
Tubas	Inferred	100	77.3	228	17,620	38.9
Tubas-Tumas Project Total			92.1	250	23,034	50.8
Aussinanis Project						
Aussinanis ♦	Indicated	150	5.6	222	1,243	2.7
Aussinanis ♦	Inferred	150	29	240	6,960	15.3
Aussinanis Project Total			34.6	237	8,203	18
RUN TOTAL - NAMIBIA			162.4	261	42,341	93.31
NAPPERBY PROJECT (NT, AUSTRALIA)						
Napperby	Inferred	200	9.3	359	3,351	7.4
NAPPERBY TOTAL			9.3	359	3,351	7.4
MOUNT ISA PROJECT (QLD, AUSTRALIA)						
Mount Isa	Indicated	300	2.2	470	1,050	2.31
Mount Isa	Inferred	300	2.5	450	1,120	2.48
MOUNT ISA TOTAL			4.7	460	2,170	4.8
TOTAL INDICATED RESOURCES			39.5	345	13,643	30.05
TOTAL INFERRED RESOURCES			136.9	250	34,219	75.45
TOTAL RESOURCES			176.4	271	47,862	105.5

Notes: Figures have been rounded and totals may reflect small rounding errors.
XRF chemical analysis unless annotated otherwise.
♦ eU_3O_8 - equivalent uranium grade as determined by downhole gamma logging.

Ends

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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 (DYL) 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 NSX.

DYL'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 project and on secondary uranium mineralisation in the Tumas-Tubas palaeochannel/fluviatile sheetwash systems.

In Australia the Company is focused on resource delineation of mid to high grade discoveries in the Mount Isa district in Queensland, including the Queens Gift, Slance, Eldorado, Thanksgiving, Bambino and Citation Prospects. The company also owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory.

Compliance Statement

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 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 Mineral Resource is based on information compiled by Neil Inwood. Neil Inwood is a Member of The Australasian Institute of Mining and Metallurgy. Neil 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 Mineral Resources and 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.

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. All probes are calibrated either at the Pelindaba Calibration facility in South Africa or at the Adelaide Calibration facility in South Australia.

APPENDIX 1: COFFEY MINING PTY LTD

coffey mining
SPECIALISTS FROM BOARDROOM TO MINE FACE

7 July 2011

Greg Cochran
Deep Yellow Ltd
Level 1, 329 Hay St
Subiaco
W.A. 6008

Attention:
Leon Pretorius
Martin Kavanagh

Dear Greg,

Mt Isa Projects –June 2011 Uranium Resource Update

The Mineral Resource estimate update for the Slance, Citation, Queens Gift and Eldorado Projects in Queensland have been finalised. Separate Ordinary Kriged (OK) estimates were undertaken for the Eldorado and Citation Prospects from within the Isa West Project Area; the Queens Gift Prospect from within the Prospector Gift Project Area; and the Slance North-East and Slance North-West Prospects from within the Ewen Project Area (Figure 1).

The Mineral Resource Statement as at the 29th June, 2011 is tabulated below in Table 1. Figures 2 to 4 show the location of the modelled mineralised zones and the drilling.

The information in the report to which this statement is attached that relates to the Mineral Resource and is based on information compiled by Neil Inwood. Neil Inwood is a Member of The Australasian Institute of Mining and Metallurgy. Neil Inwood is employed by Coffey Mining Pty Ltd and visited the Mt Isa projects site in September 2009.

Neil Inwood 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 Mineral Resources and Reserves".

Neil Inwood
Principal Consultant - Resources
Coffey Mining

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Figure 1
Project Locations

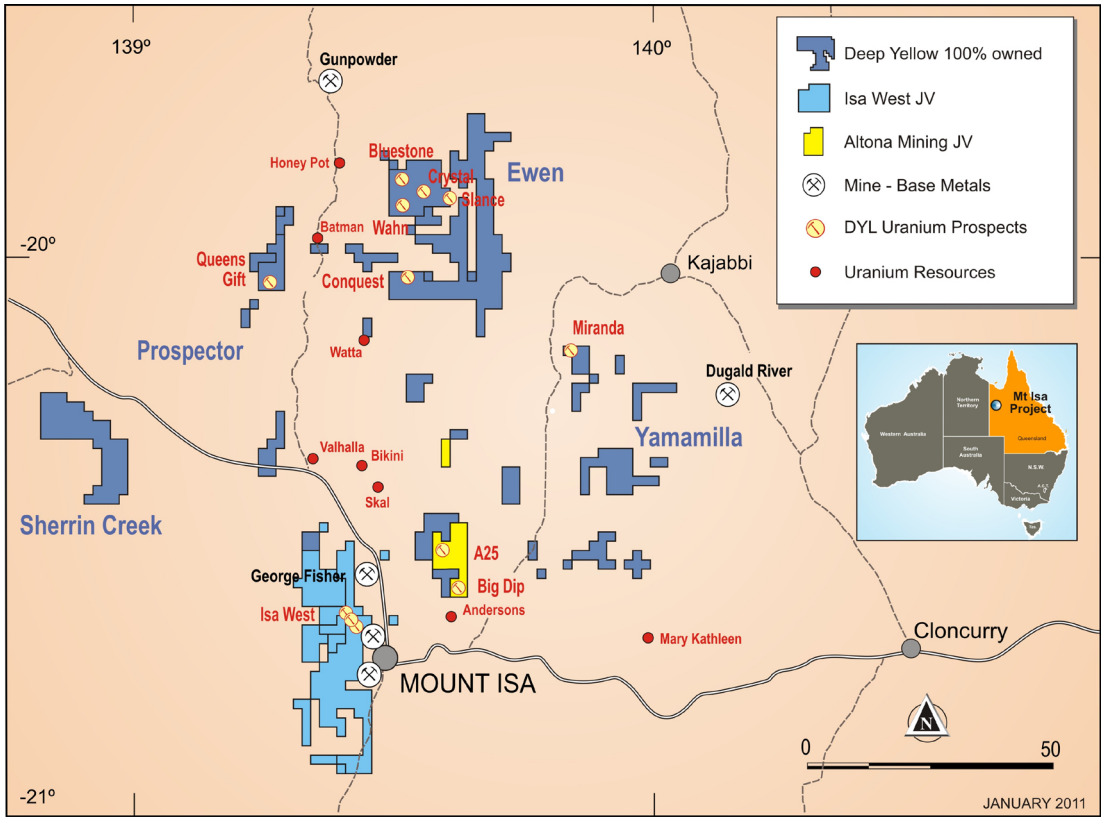


Table 1
Queens Gift, Slance, Eldorado and Citation Prospects
Updated Resource Estimates – 29 June 2011

Queens Gift - OK Model, Parent Cells 10m N by 5m X by 10m Z
Classified to ~250m from Surface
Using 2.85t/m3 for Fresh and 2.64 t/m3 for Weathered material

Category	Lower Cut Off (ppm U3O8)	Cum. Tonnes	Cum. Grade (U_3O_8 ppm)	Cum. Metal (t U3O8)	Cum. Metal (Lb U3O8)
Inferred	100	2,440,000	220	550	1,210,000
	200	1,140,000	310	360	790,000
	300	430,000	430	180	410,000
Indicated	100	1,990,000	270	530	1,170,000
	200	1,170,000	350	410	890,000
	300	650,000	430	280	620,000
Combined	100	4,440,000	240	1,080	2,380,000
	200	2,310,000	330	760	1,690,000
	300	1,080,000	430	460	1,020,000

Slance - OK Model, Parent Cells 12m N by 6m X by 12m Z
Classified to ~250m from Surface
Using 2.85t/m3 for Fresh and 2.64 t/m3 for Weathered material

Category	Lower Cut Off (ppm U3O8)	Cum. Tonnes	Cum. Grade (U_3O_8 ppm)	Cum. Metal (t U3O8)	Cum. Metal (Lb U3O8)
Inferred	100	370,000	390	150	320,000
	200	290,000	470	130	300,000
	300	220,000	540	120	260,000
Indicated	100	680,000	520	360	790,000
	200	640,000	540	350	770,000
	300	510,000	620	320	700,000
Combined	100	1,050,000	480	500	1,110,000
	200	930,000	520	480	1,070,000
	300	730,000	600	430	950,000

Eldorado North - OK Model, Parent Cells 12m N by 6m X by 12m Z
Classified to ~250m from Surface
Using 2.9t/m3 for Fresh and 2.64 t/m3 for Weathered material

Category	Lower Cut Off (ppm U3O8)	Cum. Tonnes	Cum. Grade (U_3O_8 ppm)	Cum. Metal (t U3O8)	Cum. Metal (Lb U3O8)
Inferred	100	290,000	420	120	270,000
	200	240,000	470	110	250,000
	300	170,000	570	100	210,000
Indicated	100	80,000	580	50	100,000
	200	70,000	600	40	100,000
	300	60,000	660	40	90,000
Combined	100	370,000	450	170	370,000
	200	310,000	500	160	350,000
	300	230,000	600	140	300,000

Citation/Mighty Glare - OK Model, Parent Cells 20m N by 10m X by 20m Z
Classified to ~250m from Surface
Using 2.9t/m3 for Fresh and 2.64 t/m3 for Weathered material

Category	Lower Cut Off (ppm U3O8)	Cum. Tonnes	Cum. Grade (U_3O_8 ppm)	Cum. Metal (t U3O8)	Cum. Metal (Lb U3O8)
Inferred	100	500,000	430	210	470,000
	200	460,000	450	210	460,000
	300	340,000	520	180	390,000
Indicated	100	310,000	360	110	240,000
	200	240,000	410	100	220,000
	300	170,000	470	80	180,000
Combined	100	800,000	400	320	710,000
	200	710,000	430	310	680,000
	300	510,000	500	260	570,000

Note: Figures have been rounded

Notes for the resource estimation include:

- Drilling coverage for the project areas ranges from a nominal 50m by 50m to 25m by 25m. The drillholes are typically orientated perpendicular to the trend of the targeted mineralisation with a typically hole setup dip of 60°. Only RC and diamond drilling and sampling undertaken by Deep Yellow were used in the estimate.

- The Deep Yellow RC samples are collected at 1m intervals in mineralised zones into a three tiered splitter to obtain a 2-3kg final sample. Diamond core is halved with samples taken every metre in mineralisation. Sample processing is undertaken at Amdel Laboratories in Mt Isa and consists of drying for 24 hours, crushing in a LM5 pulverised, splitting of an approximate 200g sub-sample, then analysis for uranium by pressed pallet XRF.

- A total of 122 holes were used to model the Queens Gift Resource, 57 for the Slance Resource, 14 for the Eldorado North Resource, and 24 for the Citation/Mighty Glare Resource.

- The bulk of the assays used for the Resource were analysed using XRF. Radiometric down-hole gamma assays were used after appropriate factoring. A total of 2,716 individual chemical and 263 radiometric assays were used to inform the Queens Gift estimate; 710 individual chemical and 9 radiometric assays informed the Slance estimate; 210 chemical assays and 1 radiometric assay informed the Eldorado estimate; and 158 chemical and 7 radiometric assays informed the Citation/Mighty Glare estimate.

- Density data was collected from the diamond core utilising the water immersion method (both with and without wax) with backup data by air pycnometry of RC pulps. Density was applied based upon the 2010 density data, with further analysis of 135 density readings taken in late-2010.

- A nominal 100ppm U_3O_8 lower cutoff was used to define the mineralised zones from each of the prospects. The resulting mineralisation interpretations showed generally good geological and sectional continuity.

- The topographic surface was defined using a combination of DGPS pickup of the drillhole collars and local DTM surfaces for the individual deposit. A DTM surface representing the base of oxidation/base of weathering was determined based upon Deep yellow's geological logging. A density of 2.64t/m^3 was used to report any weathered material for the modelled mineralisation.

- The assay data was composited to 1m downhole with statistical analyses on the 1m composites undertaken. Variography and search neighbourhood analysis were also conducted as input into grade estimation. High grade cutting was applied to the composites prior to estimation.

- The method used to obtain grade estimates within the mineralised zones for U_3O_8 was block Ordinary Kriging (OK). Density was applied to each of the deposits based upon a statistical analysis of the density and sg data. An insitu dry bulk density of 2.9t/m^3 was used for reporting the Isa West Prospects and 2.85t/m^3 for the Queens Gift and Ewen Prospects.

- Resource classification was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density and location, grade estimation and the quality of the estimate. Material deeper than a nominal 250m from surface was not classified.

- The 2011 resource estimates have a generally increased grade profile when compared to the 2010 estimates; this is due to a combination of the new drilling allowing for better definition of the mineralisation and the newer drilling generally intersecting higher-grade mineralisation. Deeper drilling at all of the prospects indicates that mineralisation is open at depth. Further infill drilling is required to fully realise the Resource potential for these Prospects.

Figure 2

Drillhole Location and Interpreted Mineralisation – Queens Gift

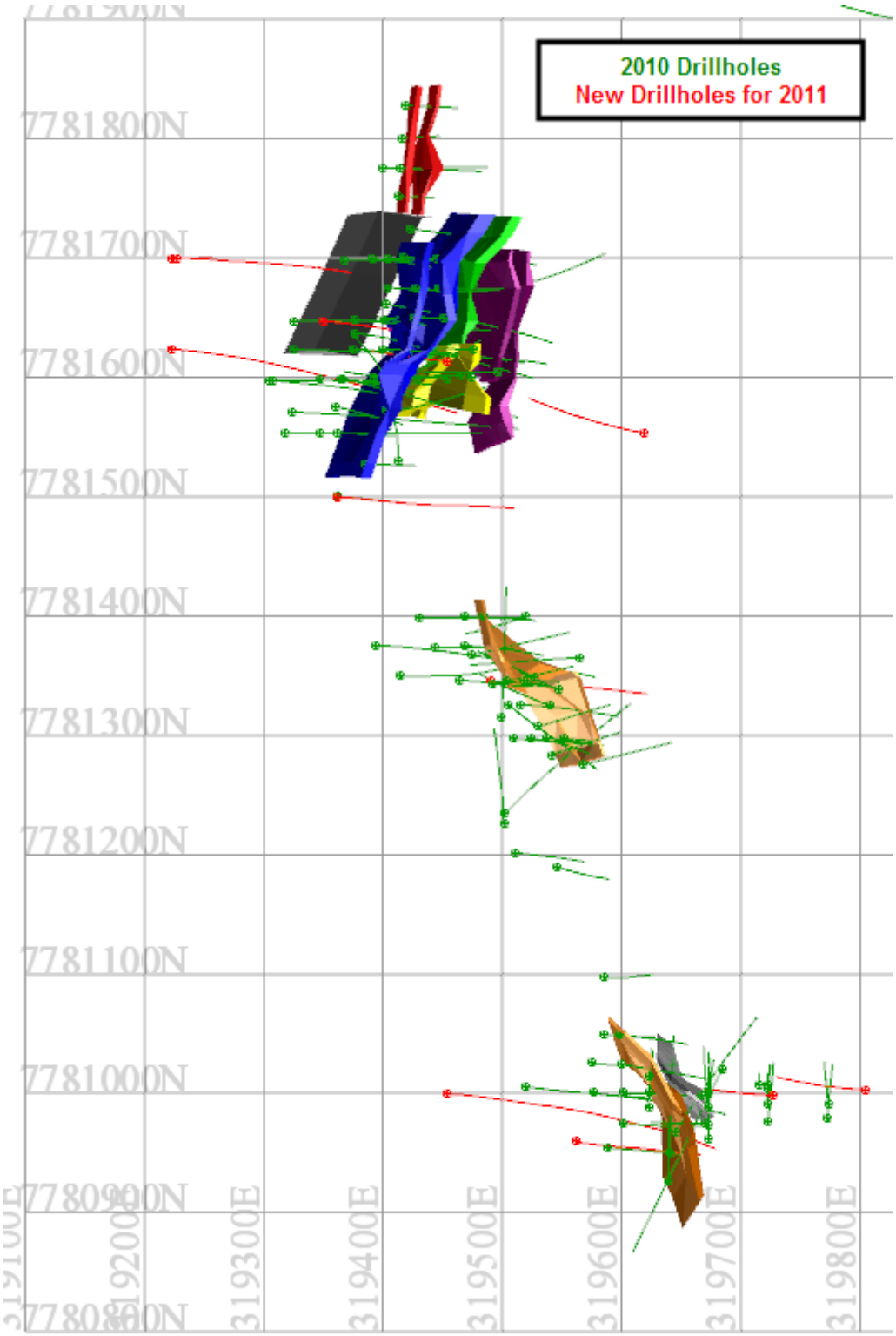


Figure 3

Drillhole Location and Interpreted Mineralisation - Slance

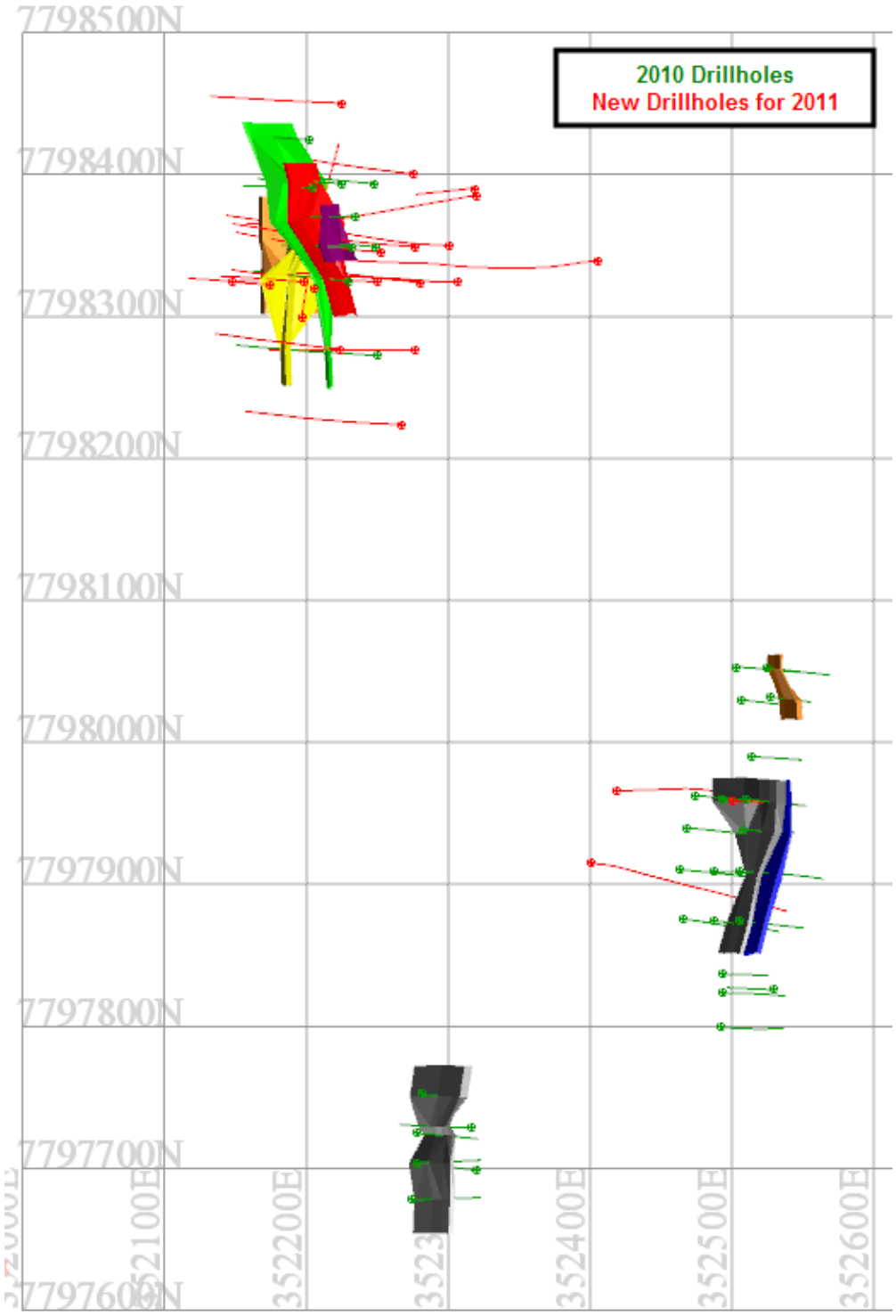
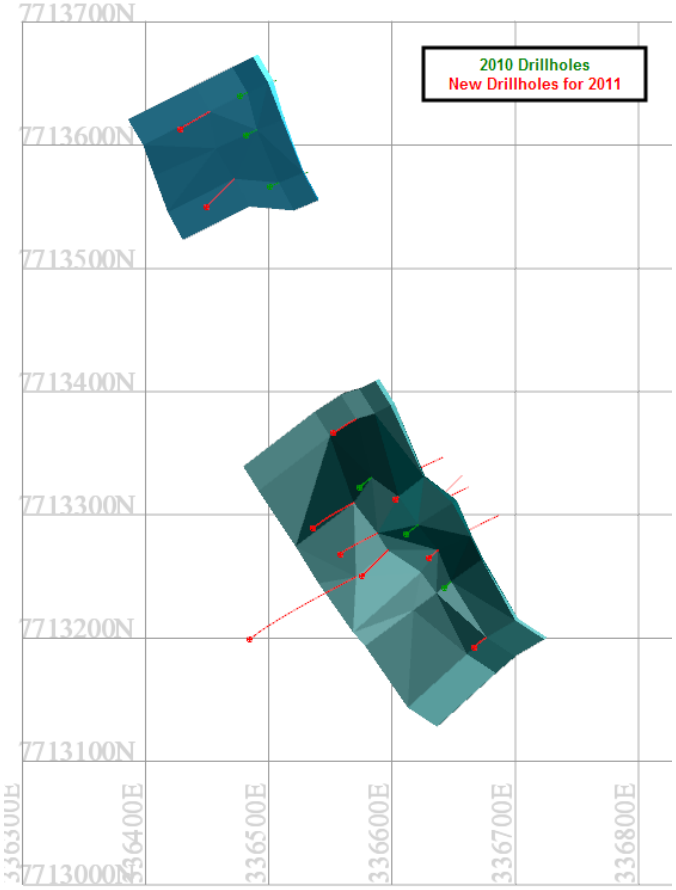
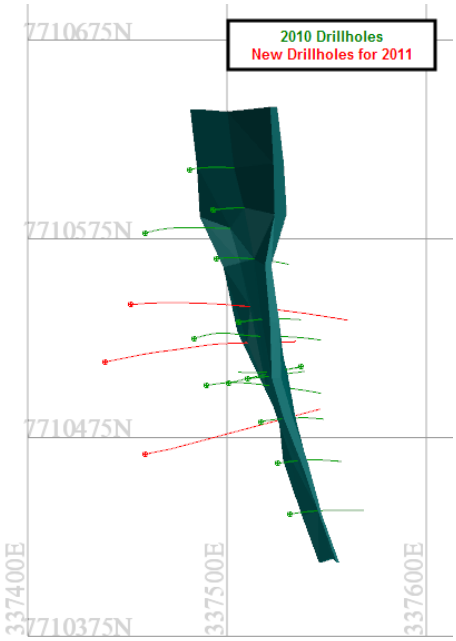


Figure 4

Drillhole Location and Interpreted Mineralisation - Isa West Project

Citation and Mighty Glare Prospects



Eldorado