Deep Yellow Limited

ASX Announcement **ASX Code: DYL**

29 June 2011

MORE HIGH GRADE INTERCEPTS EXTEND THE ONGOLO ALASKITE RESOURCE AREA

KEY POINTS

- **Additional high-grade intercepts from the Ongolo Alaskite resource area in Namibia have been confirmed by chemical assay.**
- **The high-grade mineralised zone has been extended to the south-southwest by the ongoing drilling programme.**
- **Two diamond rigs are continuing to drill for JORC infill and metallurgical testwork purposes.**
- **RC drilling underway approximately 2.5 kilometres southwest of Ongolo at MS7, a target identified by structural and geological mapping.**
- **RC drilling has recommenced at an INCA lookalike, INCA Far South where, as previously announced, early reconnaissance drilling success returned an intersection of 11 metres at 1,100 ppm eU_3O_8.**

Advanced stage uranium explorer **Deep Yellow Limited** (ASX: **DYL**) is pleased to announce that chemical assay results have confirmed additional high-grade intercepts from a drilling programme at its Ongolo Alaskite resource area. The Ongolo Alaskite deposit is a key component of the Company's flagship Omahola Project in Namibia.

Deep Yellow Managing Director Greg Cochran said the results were positive and augmented the company's recently announced maiden JORC resource estimate at Ongolo of **6.9 Million tonnes at 410 ppm for 6.2 Million Pounds U_3O_8 at a 275 ppm cut-off** (ASX 12 May 2011).

The ongoing grid drilling programme has extended the high-grade mineralised zones within a wider area of lower grade alaskite mineralisation to the south-southwest of Ongolo (see Figure 1). The assay results are provided in Appendix 1 with selected highlights below. In keeping with DYL's past announcements only intersections with grades in excess of 400 ppm U_3O_8 are given:

- **ALAR169 16 metres at 714 ppm U_3O_8 from 247 metres**
- **ALAR290 11 metres at 434 ppm U_3O_8 from 122 metres**
- **ALAR302 11 metres at 713 ppm U_3O_8 from 108 metres**
- **ALAR313 12 metres at 429 ppm U_3O_8 from 95 metres**

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A number of mineralised holes which also had high-grade downhole gamma logging results are still in the process of being assayed. Two diamond rigs remain within the grid area continuing with the programme conducting infill drilling which will also be used to obtain samples for future metallurgical testwork.

The four RC rigs have now been moved to a new area approximately 2.5 kilometres to the southwest (see Figure 1) to test the newly-identified MS7 zone which was recently interpreted from structural and geological mapping. This and a second, similar interpreted zone at MS3 (see Figure 1), which both have the potential for additional high grade alaskite intersections, will be tested.

An additional RC drilling programme has commenced at one of the company's '**INCA Lookalike'** targets, known as INCA Far South which can also be seen in Figure 1, annotated as 'INCA FS'. This programme will test the extent of mineralisation around one of the first reconnaissance holes, INCR388 which intersected 11 metres at 1,100 ppm eU_3O_8 as tested by downhole gamma probe logging, which was announced to the ASX on 17 November 2010.

It is expected that initial chemical assay results from both MS7 and INCA FS will be available during July 2011.

Ends

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For further information on the Company and its projects
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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, Conquest, Slance, Eldorado, Thanksgiving, Bambino and Turpentine Prospects. The Company also owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory.

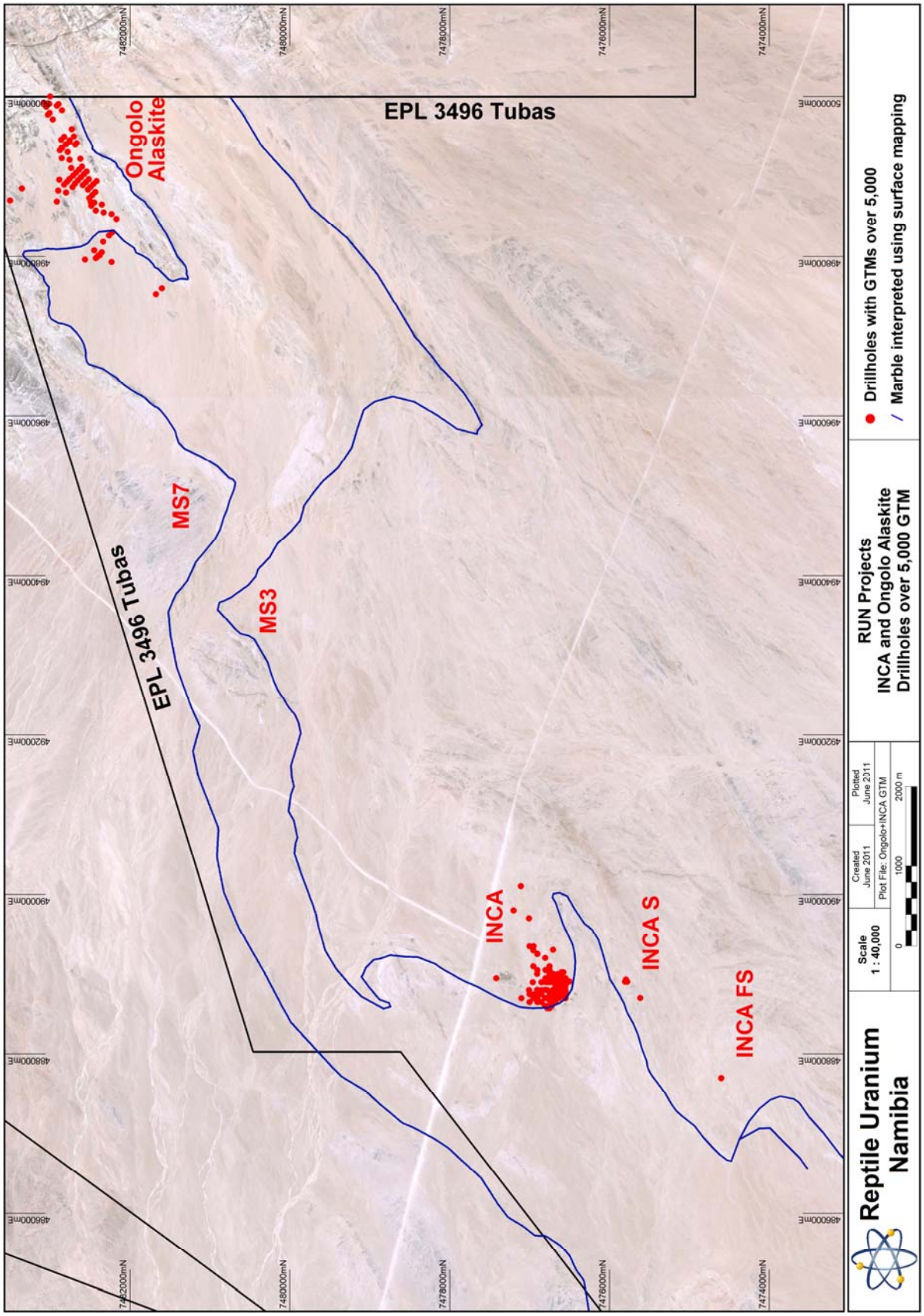

Figure 1: Location map for the INCA and Ongolo Alaskite deposits also showing the new targets of MS7, MS3, INCA S and INCA FS.

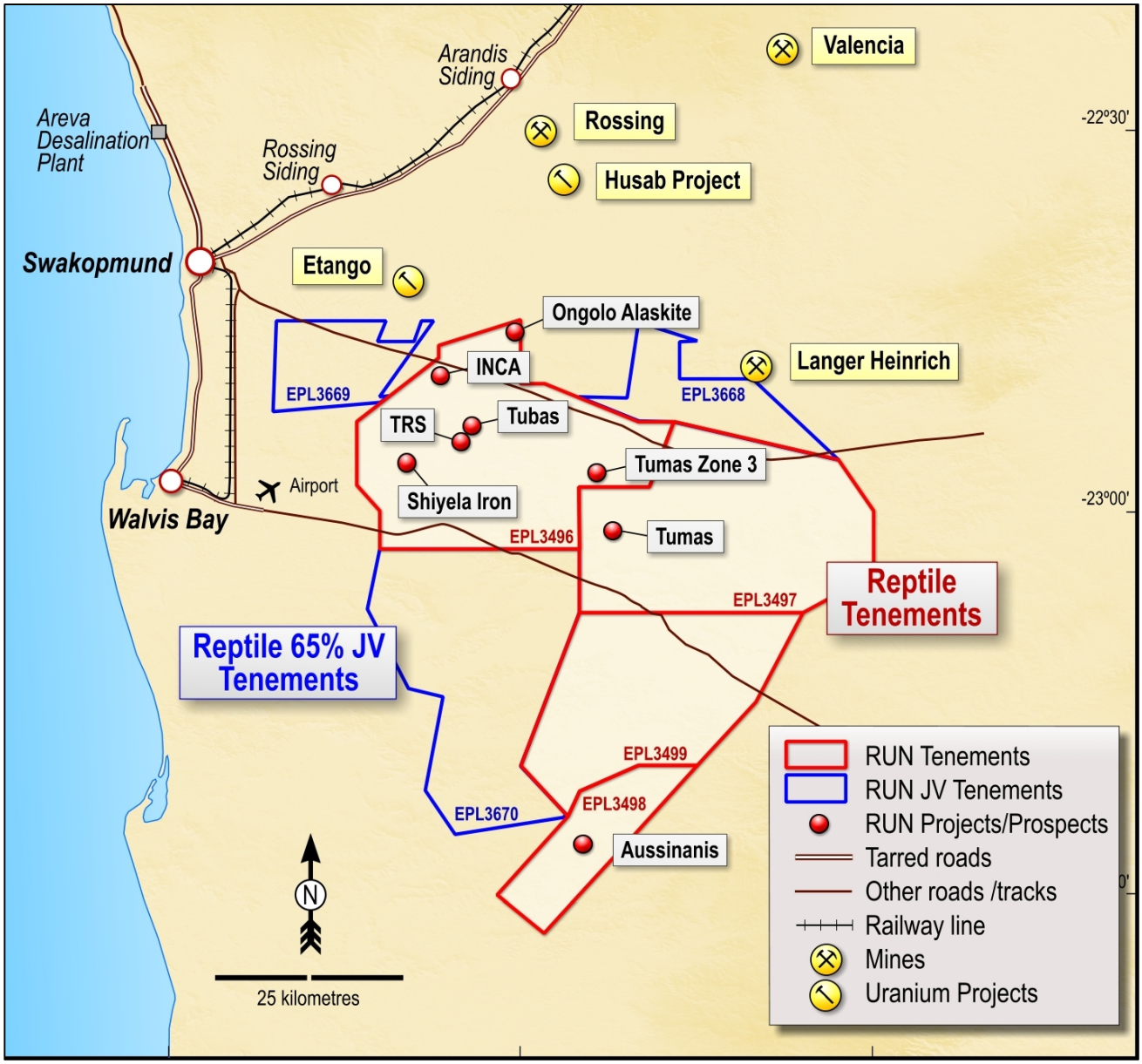

Figure 2: Location map for the Ongolo Alaskite Project area and RUN's other projects and EPLs.

Appendix 1 – Fusion XRF Chemical Assay Results

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval	U_3O_8	GTM
						From	To	(m)	(ppm)	
ALAR76	498073	7482447	135	210	-60	62	68	6	776	4,656
ALAR78	497998	7482522	135	270	-60	131	138	7	525	3,675
ALAR169	497525	7481675	135	274	-60	247	263	16	714	11,424
ALAR290	498808	7482432	135	241	-60	122	133	11	434	4,774
ALAR302	498710	7482410	135	226	-60	108	119	11	713	7,843
ALAR313	498650	7482350	135	238	-60	95	107	12	429	5,148
and						150	156	6	407	2,442
ALAR337	498515	7482365	135	271	-60	132	137	5	791	3,955
ALAR363	498545	7482095	135	108	-60	75	80	5	544	2,720
ALAR365	498470	7482170	135	182	-60	79	88	9	738	6,642
ALAR383	498298	7482223	135	210	-60	171	180	9	402	3,618
ALAR386	498184	7482336	135	216	-60	102	109	7	583	4,081
ALAR415	498043	7482117	135	212	-60	100	107	7	425	2,975

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.

Appendix 2 – Brief Description of Geology

Uranium mineralisation at the Ongolo Alaskite Project is hosted by alaskitic granite, which occurs as voluminous masses and sheeted intrusive dykes, within the metasedimentary Khan Formation.

The Khan Formation locally comprises infolded pelitic and calc-silicate gneisses, which are flanked by thick marble units of probable Karibib Formation. Mineralised alaskite, as steeply dipping, sheeted or anastomosing veins, occurs in a northeast trending corridor, adjacent to the Karibib Formation contact.

The Ongolo mineralisation comes to within 20 metres of surface and underlies a broad, flat gently sloping sheetwash plain thinly veneered by gravelly alluvial and aeolian sands. The host rocks are mostly pelitic gneiss with variable but significant pyrite/pyrrhotite content, which may be important if sufficient to be recovered to support locally generated sulphuric acid production. The uranium mineral is primarily uraninite, and where present at grades of greater than 500 ppm, is marked by the presence of significant visible smokey quartz and, frequently, biotite.

High grade alaskite mineralisation with smoky quartz in diamond hole ALAD001

A positive observation from the alaskite drilling to-date is the significant amount of sulphides (predominantly pyrite with lesser pyrrhotite) present both within and peripheral to the uranium mineralisation which reaches a visual maximum of approximately 15% (with 5% being common).

This has potential economic importance as a source of sulphur for the generation of sulphuric acid for use in any acid leach uranium plant in the area. The smokey quartz seen in the diamond core is alteration resulting from intense irradiation from high-grade uranium mineralisation, and serves as an indicator of such when diamond core or RC chip samples are geologically logged.

Compliance Statements

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.

The information in this report that relates to the Mineral Resource estimation for the Ongolo deposit is based on work completed by Mr Neil Inwood and Mr Steve Le Brun who are both full-time employee of Coffey Mining and a Member of the Australasian Institute of Mining and Metallurgy. Messrs Inwood and Le Brun have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is 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 Le Brun consent to the inclusion in the report of the matters based on their information in the form and context in which it appear.

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.