Deep Yellow Limited

ASX Announcement **ASX: DYL**

28 February 2012

TRS PROJECT JORC RESOURCE INCREASED FROM 4.9 Mlbs TO 28.4 Mlbs

KEY POINTS

- **Geomine Consulting Namibia cc (Geomine) has provided the company with a Mineral Resource estimate to JORC standard for the TRS Project in Namibia.**
- **The new TRS Project Resource of 87 Mt at 148 ppm U_3O_8 for 28.4 lbs U_3O_8 at a 70 ppm cut-off has increased the resource base almost six fold (from 4.9 Mlbs).**
- **Geomine also provided a new resource for the Tubas Palaeochannel which *includes* the TRS deposit, 99.3 Mt at 162 ppm U_3O_8 for 35.5 Mlbs U_3O_8 at a 70 ppm U_3O_8 cut-off.**
- **The TRS deposit consists of carnotite bearing red sand which is suitable for physical beneficiation and upgrading via the Schauenburg Hydrocyclone circuit.**
- **The remainder of the Tubas resource consists of calcretes which are not amenable to Schauenburg treatment.**
- **The new TRS Project Resource offers the potential for the development of a long life standalone operation in excess of 15 years at a rate in excess of 1 Mlbs per annum.**

Advanced uranium explorer, **Deep Yellow Limited** (ASX: **DYL**) is pleased to announce that **Geomine Consulting Namibia CC (Geomine)** has provided its wholly owned Namibian subsidiary Reptile Uranium Namibia **(RUN)** with an **Inferred Mineral Resource** estimate (reported to JORC Code standard) for the Tubas Palaeochannel which includes the TRS deposit. The estimate is based on the historical data reported by Anglo American Prospecting Services (Anglo) from work undertaken on the deposit during the 1970's and early 1980's. Anglo also undertook a feasibility study during that period.

The 2012 Inferred Mineral Resource for the Tubas Palaeochannel totals 99.3 Mt at 162 ppm U_3O_8 for 16,087 tonnes – 35.5 Mlbs U_3O_8 at 70 ppm U_3O_8 cut-off. Importantly, an Inferred Resource to JORC Standard has also been determined for the portion of the TRS Deposit that falls within the Tubas Palaeochannel. **This resource totals 87 Mt at 148 ppm U_3O_8 for 12,876 tonnes – 28.4 Mlbs U_3O_8 at a 70 ppm cut-off and is the carnotite bearing red sand that is amenable to upgrading via physical beneficiation in the Schauenburg Hydrocyclone plant.**

Greg Cochran, DYL's Managing Director said that the result was an important step forward for the company's TRS Standalone Project. "A resource in excess of 28 Mlbs now gives us the confidence we need to move forward with the next phase of the project, a 6-month pre-feasibility study, to confirm the overall economics of the project. It's a great result although there is still some work to be done on the resource to improve our levels of confidence."

Level 1, 329 Hay Street, Subiaco, WA 6008 / PO Box 1770, Subiaco, WA 6904
Tel : 61 8 9286 6999 / Fax : 61 8 9286 6969 / ABN 97 006 391 948
Email: info@deepyellow.com.au / Website: www.deepyellow.com.au

Background

The Tubas Palaeochannel resource estimate refers to mineralisation occurring within a 14 x 8 kilometre channel system referred to as **A-Block** that contains widespread shallow secondary uranium mineralisation in the form of carnotite. Data was also available for two more detailed grids within A-Block, namely **B-Block and D-Block**, covering 4 km^2 and 3 km^2 respectively (Figure 1).

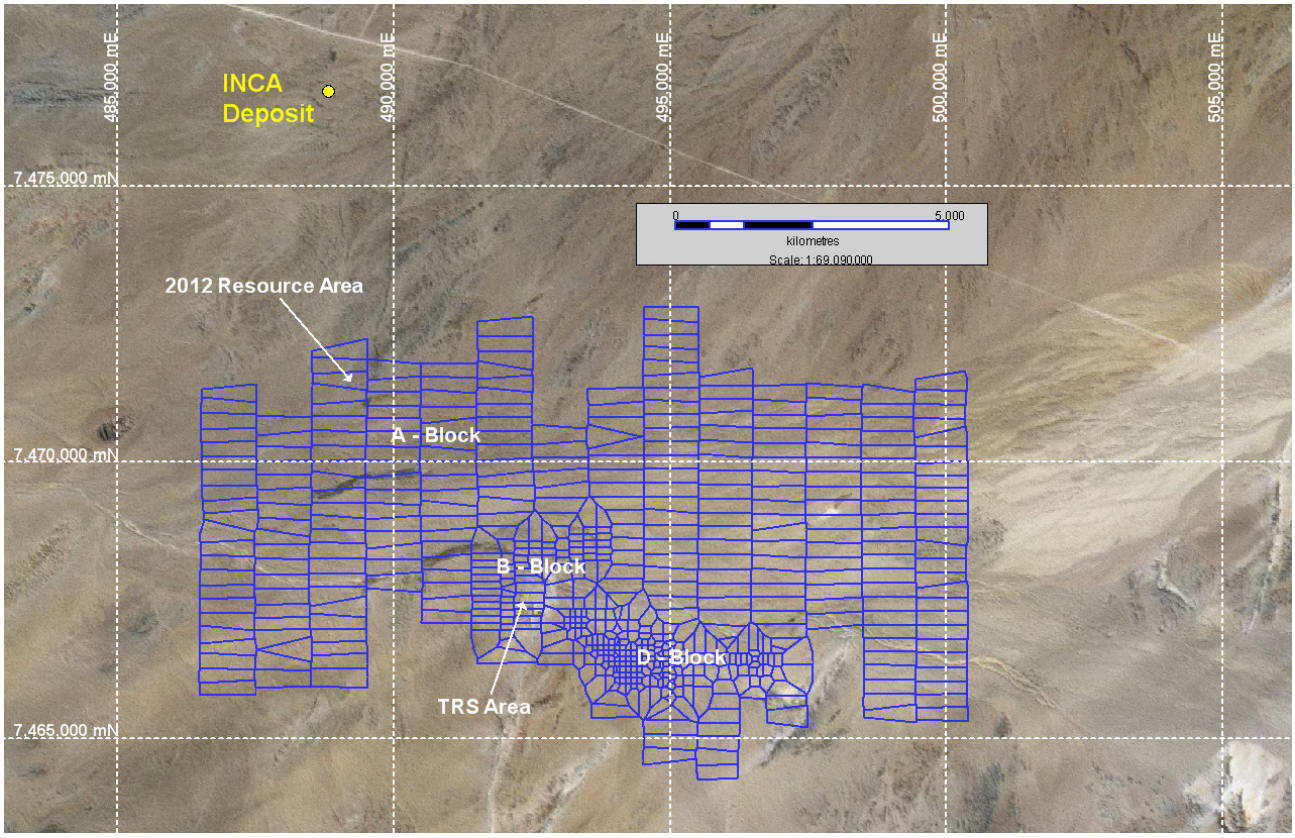

Figure 1: Tubas Resource Polygons Outline

Geomine reported a range of resource estimates using cut-off grades between 50 and 200 ppm U_3O_8 (Table 1). Estimates were generated using a simplified area-of-influence polygon method using uranium grades based on assay results. The data set used for this resource determination was obtained from integrating the borehole data from the 3 blocks described above. A bulk density of 1.8 t/m^3, as determined by Anglo, was used in this estimate.

Geomine classified the deposit as delineated as an **Inferred Mineral Resource** under the JORC Code. This covers situations whereby although mineralisation has been identified and limited measurements and sampling (drill holes) are available there is insufficient data to allow grade/tonnage continuity to confidently interpolate between wide-spaced drill holes.

The area of the resource to the south of the main channel (Blocks B and D) where more detailed drilling was conducted (Figure 1) is referred to as the Tubas Red Sand deposit (TRS). This is the deposit that is amenable to upgrading by physical beneficiation via the Schauenburg hydrocyclone circuit.

Table 1: Tubas Grade–Tonnage Figures by Cut-off Grade

Cut-Off (ppm U_3O_8)	Resource Mt	Grade (ppm U_3O_8)
40	206.4	105
50	161.8	122
60	124.4	142
70	**99.3**	**162**
80	78.4	185
90	66.9	202
100	57.1	221
110	47.4	245
120	39.9	270
130	35.9	286
140	32.5	302
150	28.0	327
160	26.3	338
170	23.7	357
180	19.4	398

Schauenburg versus Non-Schauenburg Material

The geological drill logs from the Tubas dataset were interrogated so as to provide a split between unconsolidated (free-dig) uraniferous sand and gravels and indurated calcrete-hosted uranium mineralisation. This allowed the Tubas deposit to be split into free dig material amenable to processing through a Schauenburg plant (the so called TRS deposit) and more typical calcrete-hosted palaeochannel mineralisation. The results are presented in Tables 2 and 3.

Table 2: Schauenburg Grade–Tonnage Figures (TRS Deposit)

Cut-Off (ppm U_3O_8)	Resource Mt	Grade (ppm U_3O_8)
50	142.3	113
60	110.4	130
70	**87.0**	**148**
80	68.2	168
90	58.1	183
100	49.7	198
110	41.2	218
120	35.4	235
130	32.1	246
140	29.7	255
150	25.8	272
160	24.1	280
170	21.9	292
180	17.7	320
190	16.2	333
200	14.3	351

As the Non-Schauenburg material is more typically a calcrete-hosted style of mineralisation it has been reclassified at 100 ppm cut-off (Table 3) and included in the JORC Summary with the near-by Tumas palaeochannel deposit. This is in line with DYL's standard criteria that set a minimum economic grade for calcretes at around 300 ppm U_3O_8.

Consequently, the TRS Deposit mineralisation is now simply classified as free-dig (red) sand and gravel amenable of processing through a Schauenburg plant. **The estimated TRS JORC Resource totals 87 Mt at 148 ppm for 12,876 tonne – 28.4 Mlbs U_3O_8 at 70 ppm U_3O_8 cut-off.**

Table 3: Non-Schauenburg Grade–Tonnage Figures (Tubas Palaeochannel)

Cut-Off (ppm U_3O_8)	Resource Mt	Grade (ppm U_3O_8)
30	37.9	112
40	26.0	148
50	19.5	183
60	14.0	234
70	**12.3**	**257**
80	10.2	295
90	8.8	329
100	7.4	374
110	6.2	425
120	4.5	545
130	3.8	621
140	2.8	786
150	2.2	955
160	2.2	965
170	1.7	1,199

A reconciliation between the 2012 Tubas Mineral Resource estimate (57.1 Mt at 221 ppm U_3O_8 for 27.8 Mlbs U_3O_8) and the 2007 estimate (77.3 Mt at 228 ppm U_3O_8 for 38.8 Mlbs U_3O_8) at the same 100 ppm cut-off shows a decrease in resource inventory of approximately 11.0 Mlbs.

However the overall decrease in the Namibian resource inventory is only 9.3 Mt U_3O_8 as a result of the change in the TRS cut-off grade that still delivers approximately 150 ppm for the planned Schauenburg plant. An updated JORC Resource Summary is given in Appendix 2.

TRS Project

Pilot plant testwork in 2011 demonstrated that the TRS deposit could be physically beneficiated in an economical and chemical free process to produce a low carbonate, uranium rich concentrate. The upgraded material could be a suitable feedstock for an acid or alkali leach circuit to recover uranium.

The testwork results demonstrated that even lower grade sand-type ores (below 150 ppm U_3O_8) could potentially be economically beneficiated. On this basis it was decided to set the Schauenburg plant feed grade at approximately 150 ppm, which is achieved at the 70 ppm U_3O_8 cut-off in Table 2.

Steps required to upgrade the Resource

As part of the planned Pre-Feasibility Study for the TRS Project the following exploration programmes will be undertaken:

- Infill RC drilling (hole spacing to be determined).
- Extensive bulk samples to be taken to establish a representative bulk density for the deposit.
- Survey control to establish an accurate topographic surface over the deposit.

Ends

For further information regarding this announcement, contact:

Greg Cochran
Managing Director
Phone: +61 8 9286 6999
Email: info@deepyellow.com.au

Media
Annette Ellis / Greg Galton
Phone: +61 8 6314 6302
Email: aellis@purplecom.com.au
ggalton@purplecom.com.au

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 – INCA trend. It is also evaluating a stand-alone project for its Tubas Red Sand uranium deposit utilising physical beneficiation techniques it successfully tested in 2011. Additionally, its Shiyela Magnetite deposit, located just 45 kilometres from the Namibian port of Walvis Bay, is the subject of ongoing evaluation.

In Australia the Company is focused on resource delineation of mid to high grade discoveries in the Mount Isa district in Queensland and also owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory.

Appendix 1: Further Information on Tubas Resource Reconciliation

As previously announced to the ASX (21 November 2007) Geomine provided the company with an **Inferred Mineral Resource** estimate (reported to JORC Code standard) for the Tubas project based on the historical data reported by Anglo American Prospecting Services (Anglo) from their work on the deposit during the 1970's and early 1980's which ended in a feasibility study being undertaken.

The Inferred Mineral Resource totalled 77.3 Mt at 228 ppm U_3O_8 for 17,600 tonnes - 38.8 Mlbs U_3O_8 at a cut-off grade of 100 ppm U_3O_8 (Table 5).

This resource estimate referred to mineralisation occurring within a 14 x 8 kilometre channel system that contained widespread shallow secondary uranium mineralisation in the form of carnotite.

Geomine reported a range of resource estimates using cut-off grades between 50 and 200 ppm U_3O_8 (Table 5) Estimates were generated using a simplified area-of-influence polygon method using uranium grades based on assay results. The data set used for the resource estimate was obtained from data files submitted to Ministry of Mines and Energy (MME) by Anglo.

Table 5: 2007 Estimate: Grade–Tonnage Figures

Cutoff Grade (ppm U_3O_8)	Resource Tonnes (millions)	Resource Grade (ppm U_3O_8)
30	412.08	83
40	279.52	106
50	209.70	126
60	159.12	149
70	130.18	168
80	105.59	190
90	89.77	209
100	**77.28**	**228**
110	62.77	257
120	52.18	286
140	41.64	325
200	22.79	455

Geomine cautioned that due to the elements of uncertainty introduced by the wide-spaced drill pattern for A-Block area (Figure 2) that the level of confidence in the resource estimate is low, especially in A-Block where the large polygons could lead to an overestimation of the resource. Geomine classified the Tubas deposit as delineated by Anglo as an Inferred Mineral Resource under the JORC Code. This covers situations whereby although mineralisation has been identified and limited measurements and sampling (drill holes) are available there is insufficient data to allow grade/tonnage continuity to confidently interpolate between drill holes. (See the orange outlined area in Figure 2.)

In 2011 RUN acquired a further copy of the Anglo resource data which on checking showed some discrepancies when compared to the 'original' data sourced from the MME in 2007.

Reconciliation (verification) of the 2012 dataset against the 2007 database has resulted in a reduction of resource tonnes from 2007 to 2012. This tonnage reduction is thought to have happened as the result of four factors: (a) changes in assay values that may have caused some

intersection polygons to drop out of the resource tally, (b) elimination of duplicate holes, (c) differences in the number of recorded intersections for boreholes common to the datasets, and finally (d) an intrinsic change in polygon size due to the general change in collar coordinates.

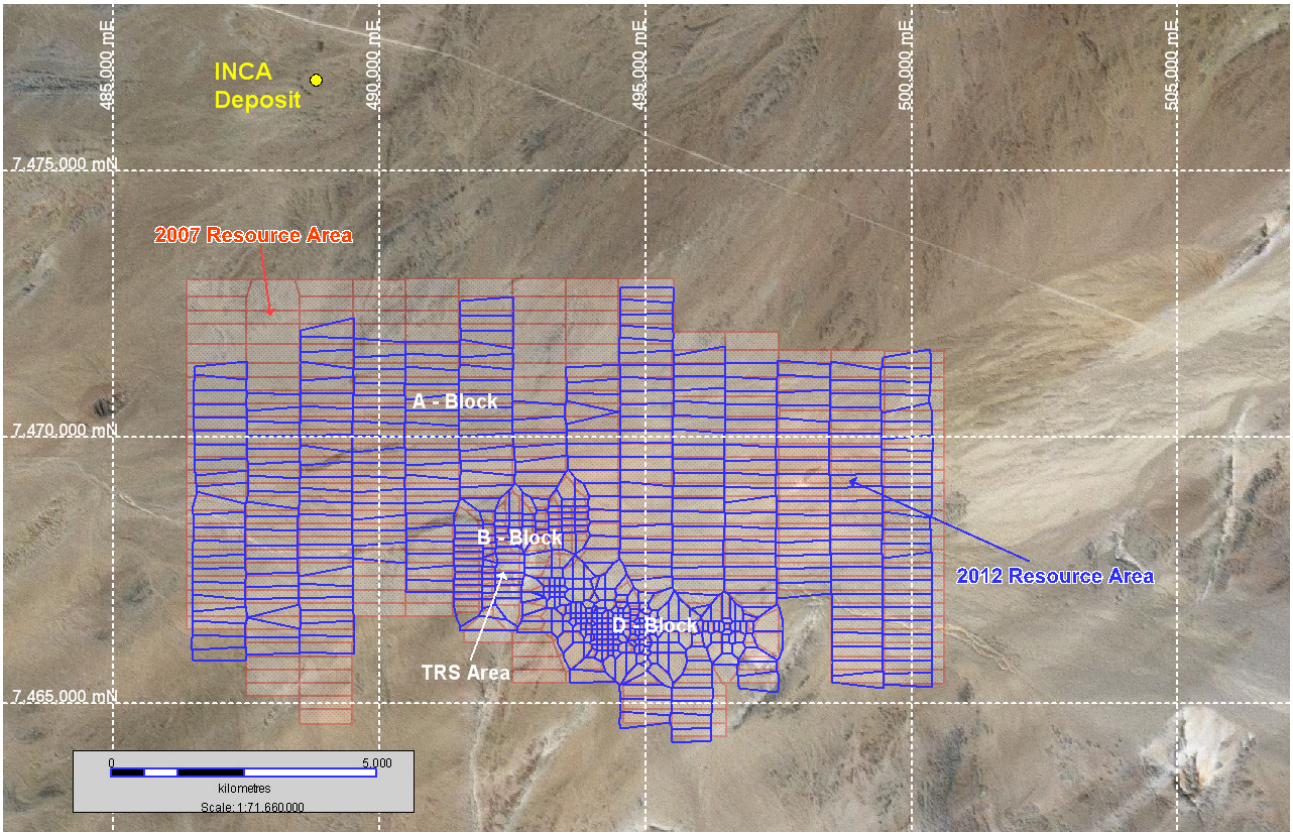

Figure 2: Comparison of 2007 Resource Blocks with 2012 Blocks

Table 6: 2012 Estimate: Grade–Tonnage Figures

Cut-Off (ppm U_3O_8)	Resource Mt	Resource Grade (ppm U_3O_8)
40	206.4	105
50	161.8	122
60	124.4	142
70	99.3	162
80	78.4	185
90	66.9	202
100	**57.1**	**221**
110	47.4	245
120	39.9	270
130	35.9	286
140	32.5	302
150	28.0	327
160	26.3	338
170	23.7	357
180	19.4	398

A reconciliation between the 2012 Tubas Mineral Resource estimate (57.1 Mt at 221 ppm U_3O_8 for 27.8 Mlbs U_3O_8) and the 2007 estimate (77.3 Mt at 228 ppm U_3O_8 for 38.8 Mlbs U_3O_8) at the same 100 ppm cut-off shows a decrease in resource inventory of approximately 11.0 Mlbs.

However the overall decrease in the Namibian resource inventory is only 9.3 Mt U_3O_8 as a result of the change in the TRS cut-off grade that still delivers approximately 150 ppm for the planned Schauenburg plant. An updated JORC Resource Summary is given in Appendix 2.

Appendix 2: JORC Mineral Resource Estimates Summary – February 2012

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	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**
TRS Project						
TRS - Sand	Inferred	70	87.0	148	12,876	28.4
TRS Project Total			**87.0**	**148**	**12,876**	**28.4**
Tubas-Tumas Palaeochannel Project						
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 Project Total			**22.2**	**369**	**8,181**	**18.0**
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**	**18.0**
RUN TOTAL - NAMIBIA			**182.0**	**253**	**46,091**	**101.4**
TOTAL INDICATED RESOURCES			**45.0**	**383**	**17,240**	**37.9**
TOTAL INFERRED RESOURCES			**137.0**	**211**	**28,851**	**63.5**
TOTAL RESOURCES			**182.0**	**253**	**46,091**	**101.4**

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
Combined XRF Fusion Chemical Assays and eU_3O_8 values

Compliance Statements:

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** 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.

The information in this report that relates to the **MS7** Mineral Resource is based on work completed by Mr Neil Inwood; for the **INCA** Mineral Resource on work completed by Mr Neil Inwood and Mr Steve Le Brun – Mr Inwood will supply consent for the Inca Resource; and for the **Ongolo** Mineral Resource 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.

Where eU_3O_8 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.

Geomine Consulting Namibia

Reg No: cc20062746 VAT Reg No: 4297119015 VAT Import Reg. No: 4297119016

PO Box 4286, Vineta
Swakopmund
Unit 21 & 22 Vogelsicht
Shearwater Street
Vogelstrand
Swakopmund
Namibia

Tel: +264 (0) 64 403 674
Fax: +264 (0) 64 403 682
Cell: 081 3385514
Cell: 081 1249700
Cell: 081 3510534
Email: geomine@fastmail.net
Web: www.geomine.org

22 February 2012

The Directors
Deep Yellow Ltd
Level 1, 329 Hay Street
Subiaco WA 67008
Australia

I, Willem Hermanus Kotzé, Pr.Sci.Nat, do hereby certify that:

I am currently employed as a Professional Geoscientist by:
Geomine Consulting Namibia cc
Units 21 & 22, Vogelsicht
Shearwater Street
Swakopmund, Namibia

I graduated with a B.Sc Honours (Geology) from the University of Stellenbosch (South Africa) in 1973, a B.Sc Hons in Computer Science and Operations Research from UNISA (South Africa) in 1985 and a M.Eng from University of the Witwatersrand (South Africa) in 2004.

I am a registered Geological Scientist with the South African Council for Natural Scientific Professions, member of the South African Institute of Mining and Metallurgy and a member of the Geological Society of Namibia.

I have worked as a geologist for a total of 38 years since my initial graduation from university on a variety of deposit types and commodities.

I certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfil the requirements of a "Competent Person" for the purposes of SAMREC and JORC reporting.

I am responsible for the preparation of the technical report titled "RECONCILIATION OF HISTORICAL RESOURCES AS ORIGINALLY REPORTED IN 2007", dated 22 February 2012 relating to the Tubas Red Sand project.

I am not aware of any material fact or material change with respect to the subject matter of this report that is not reflected in the report, the omission to disclose which makes this report misleading.

I am completely independent of Deep Yellow Ltd and its local subsidiary Reptile Uranium Namibia (Pty) Ltd.

I consent to the filing of the "RECONCILIATION OF HISTORICAL RESOURCES AS ORIGINALLY REPORTED IN 2007" with any stock exchange and any other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public.

Dated at Swakopmund, Namibia, this 22nd day of February 2012.

W. H. Kotzé *Pr.Sci.Nat, MSAIMM*