Deep Yellow Limited

ASX Announcement **ASX: DYL**

27 September 2011

FURTHER HIGH GRADE URANIUM RESULTS FROM ONGOLO AND MS7

KEY POINTS

- **Additional high grade intercepts from RC drilling at the Ongolo Alaskite Deposit and the MS7 Prospect have been confirmed by XRF Fusion chemical assays, enhancing confidence that both areas will add significantly to the Omahola Project resource inventory.**

- **At Ongolo, where JORC Resource drilling continues, results included:**

  - **ALAR86 10 metres at 853 ppm U_3O_8 from 72 metres**
  - **ALAR87 30 metres at 727 ppm U_3O_8 from 109 metres**
  - **ALAR93 15 metres at 696 ppm U_3O_8 from 137 metres**
  - **ALAR407 18 metres at 429 ppm U_3O_8 from 41 metres**

- **In addition, high grade intercepts at the MS7 Prospect included:**

  - **ALAR613 18 metres at 491 ppm U_3O_8 from 48 metres**
    and 12 metres at 563 ppm U_3O_8 from 78 metres
  - **ALAR616 5 metres at 446 ppm U_3O_8 from 5 metres**

- **The MS7 main mineralised zone has now been extended to 600 metres long and 300 metres wide with mineralisation extending to 200 metres vertical depth.**

- **Further holes at Ongolo and MS7, as well as INCA FS, which also had high grade downhole gamma logging results, are still in the process of being assayed. Results will be released as soon as they are available.**

- **Drilling is continuing southwest from the Ongolo deposit testing the potential that MS7 may ultimately join up with the Ongolo Alaskite Resource area.**

Advanced stage uranium explorer **Deep Yellow Limited** (ASX: **DYL**) is pleased to announce that its wholly owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN) has received chemical assay results confirming additional high-grade intercepts from its ongoing drilling programmes at the Ongolo Alaskite Deposit and its satellite MS7 in Namibia.

Deep Yellow Managing Director Greg Cochran said that the ongoing success of the exploration programme in the Ongolo area boded well for the future of the company's flagship Omahola Project.

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"In just over a month we have more than doubled MS7's area with these high grade, wide intersections. Clearly, the possibility that MS7 may ultimately join up with Ongolo is steadily increasing. However, as a result of the success at both locations, we have decided to delay the update of the Ongolo Resource in order to continue Phase 2 drilling and also to first complete a maiden JORC compliant resource estimate for MS7."

Ongolo Alaskite Deposit

XRF Fusion chemical assays have confirmed numerous high grade intersections (+ 5,000 GTM (grade thickness metre) U_3O_8) made during Phase 2 resource drilling at Ongolo. Currently DYL confirms all high grade downhole gamma results at Ongolo by XRF Fusion chemical assay before release. The RC drilling is contiguous and to the southwest of the existing Ongolo JORC Resource Area (Figure 1). Also shown in Figure 1 are + 5,000 GTM values from infill drilling within the JORC resource area to enhance confidence in the resource.

The drill programme is ongoing. The cut-off date for the next JORC Resource update was 23 September. Step-out reconnaissance drilling over two kilometres strike from Ongolo to the MS7 Prospect (Figure 2) will continue through to the summer break in mid-December. Selected significant results include:

- **ALAR86 10 metres at 853 ppm U_3O_8 from 72 metres**
  and 9 metres at 824 ppm U_3O_8 from 127 metres
- **ALAR87 30 metres at 727 ppm U_3O_8 from 109 metres**
- **ALAR93 15 metres at 696 ppm U_3O_8 from 137 metres**
- **ALAR407 18 metres at 429 ppm U_3O_8 from 41 metres**
  and 12 metres at 417 ppm U_3O_8 from 132 metres

All the latest available chemical assay results are given in Appendix 1.

MS7 Prospect

Results of RC drilling to date at the MS7 Prospect have been submitted to Coffey Mining Australia Ltd (Perth) for a maiden JORC Resource estimate which should be completed before the end of September.

Drilling has returned consistently good results with growing recognition that the geology of the prospect closely replicates the main Ongolo resource area and may, with further drilling, join up with it. From regional geology it is believed that the uranium bearing alaskites are within the Khan formation and mineralisation usually seems to be concentrated when the marble acts as an impermeable layer (Figure 3). Selected significant results include:

- **ALAR613 18 metres at 491 ppm U_3O_8 from 48 metres**
  and 12 metres at 563 ppm U_3O_8 from 78 metres
- **ALAR616 5 metres at 446 ppm U_3O_8 from 5 metres**
- **ALAR621 5 metres at 434 ppm U_3O_8 from 111 metres**

All the latest chemical assay results from the MS7 Prospect are given in Appendix 2.

Future Programme

Resource and delineation drilling will continue in the Omahola Project area (see Figure 3) utilising both RC and diamond drilling. A vertical diamond hole will be drilled at MS7 for later geotechnical and metallurgical testing.

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 – INCA trend.

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.

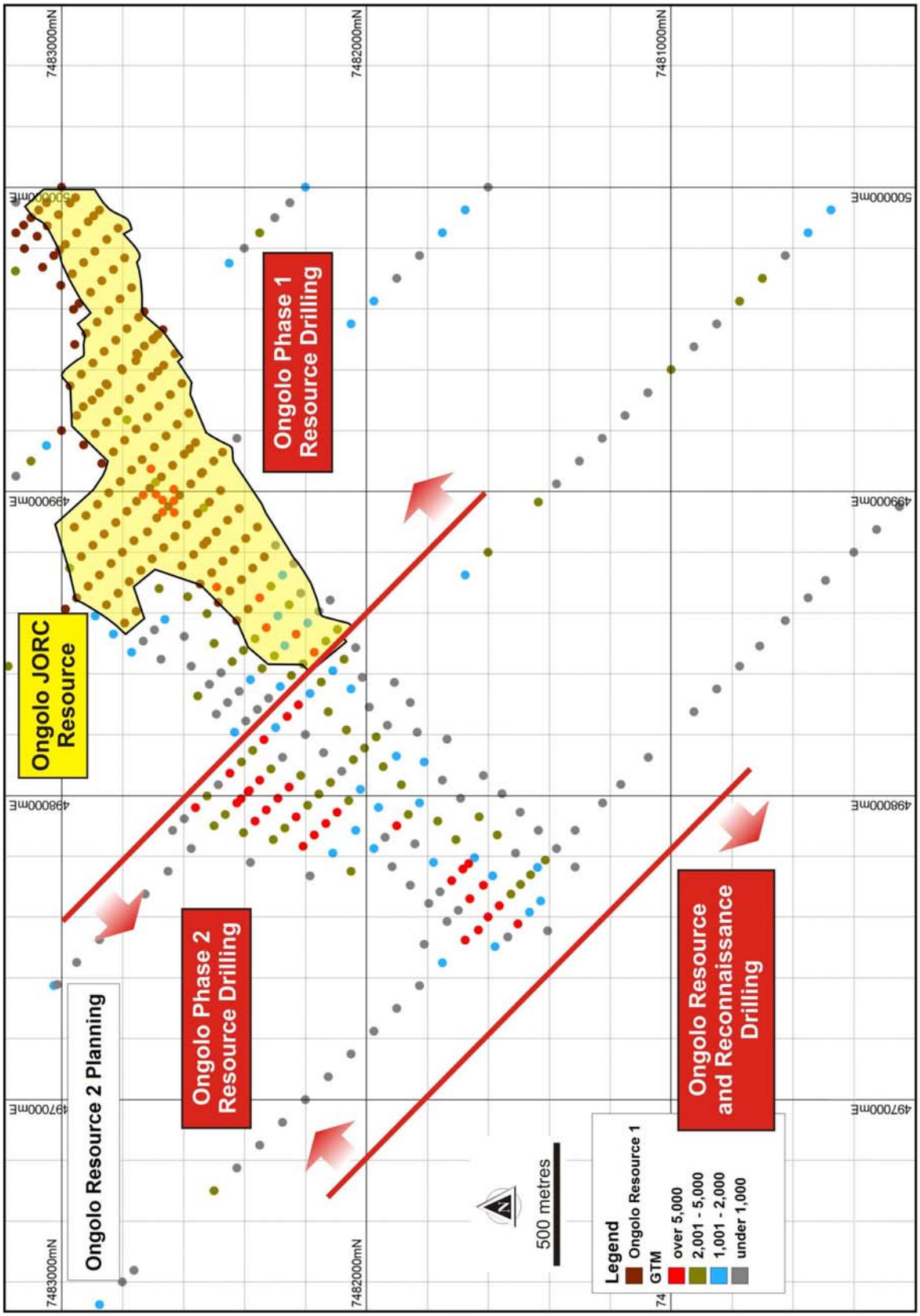

Figure 1: Ongolo Alaskite Deposit – Phase 2 Resource Drilling – GTM Results (Ongolo JORC Resource Outlined)

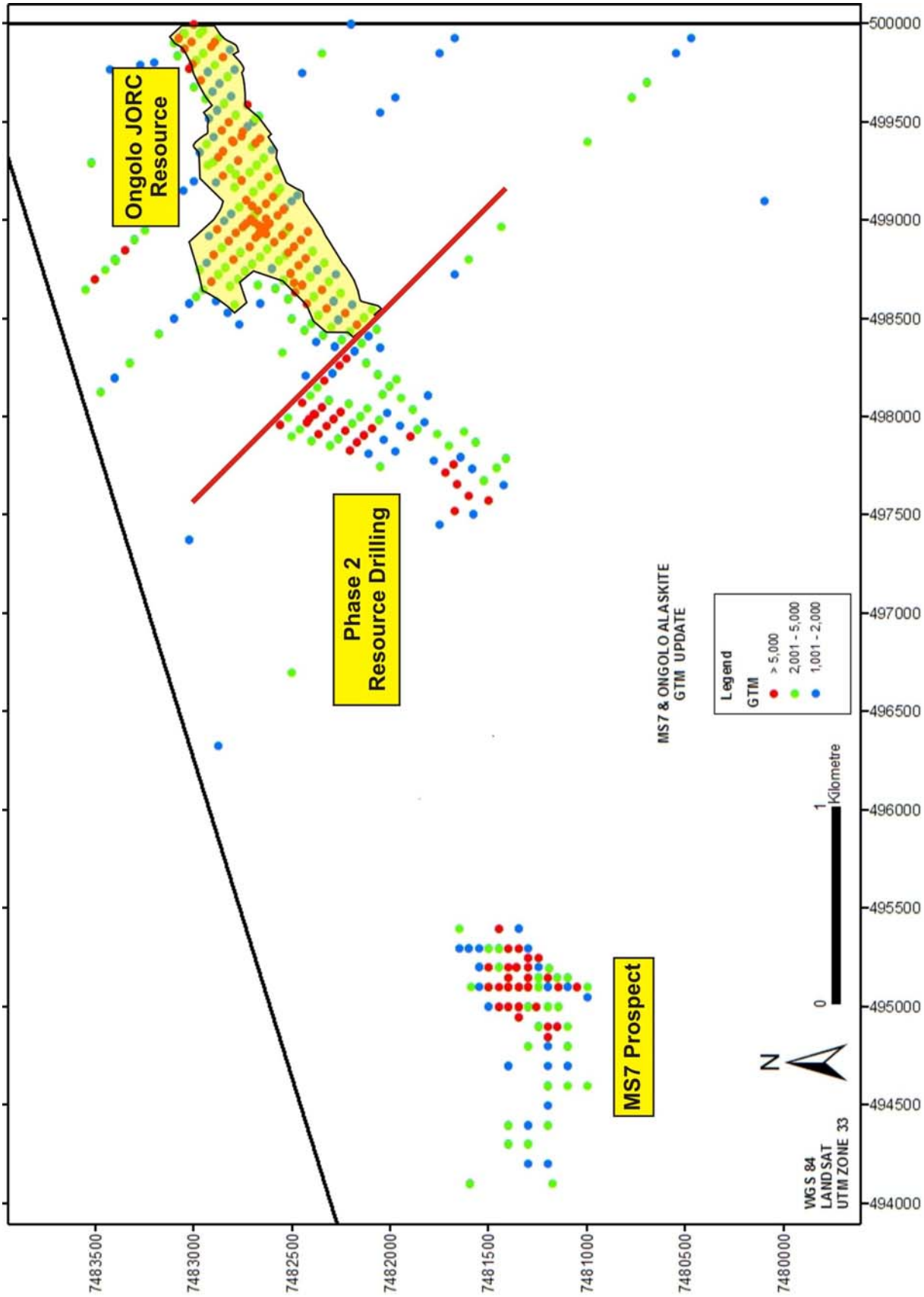

Figure 2: Ongolo Alaskite Project Phase 2 Resource Drilling and MS7 Prospect + 5,000 GTM U_3O_8 values

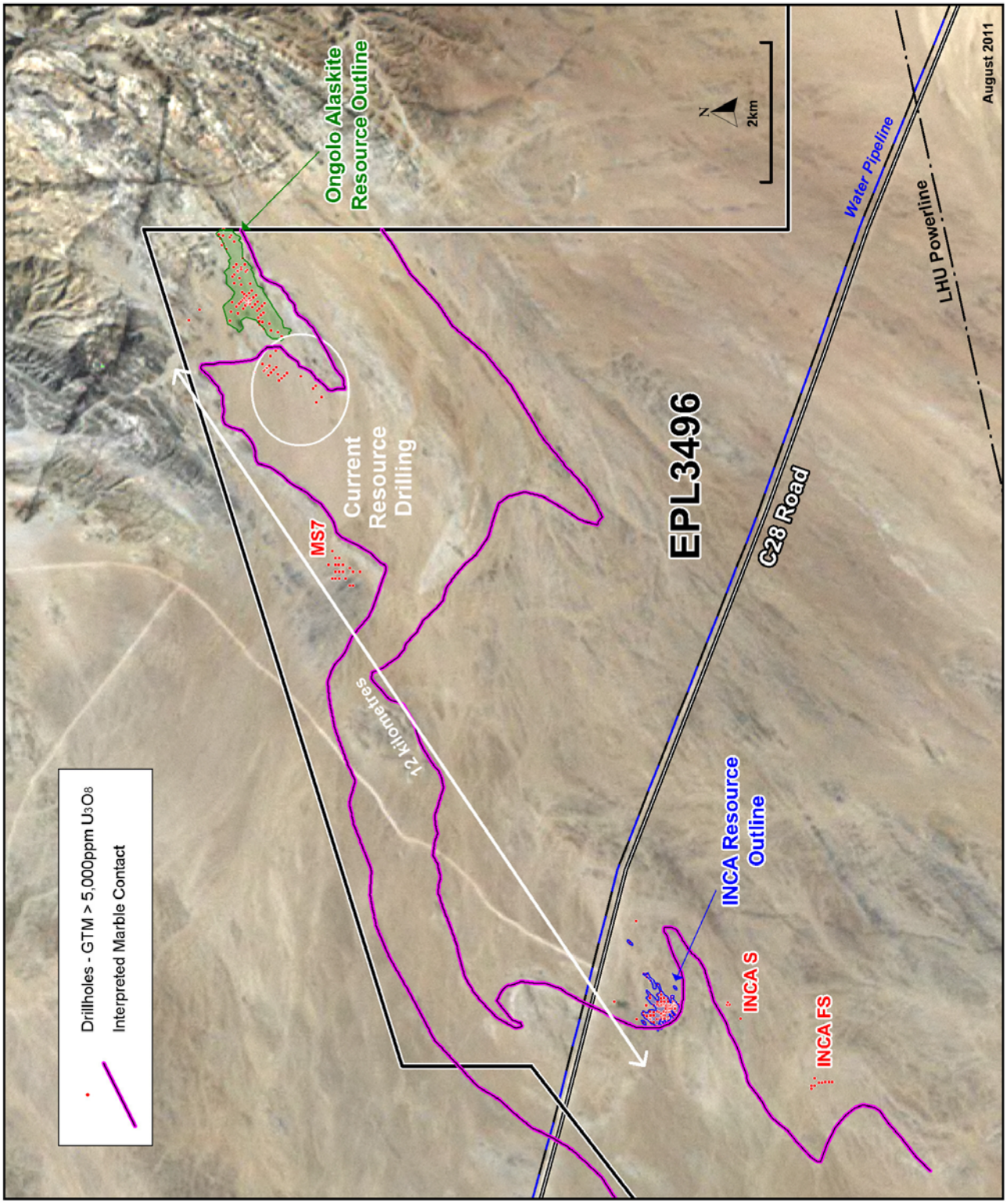

Figure 3: Location Map for the Omahola Project showing the INCA and Ongolo Alaskite Deposits, Phase 2 Resource Drilling at Ongolo and the New Targets of MS7, INCA S and INCA FS Prospects.

Appendix 1: Ongolo Alaskite Deposit Fusion XRF Chemical Assay Results

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval	SS Fusion cU_3O_8 (ppm)	GTM
						From	To	(m)		
ALAR86	497990	7482290	135	210	-60	72	82	10	853	8,530
and						101	103	2	620	1,240
and						127	136	9	824	7,416
and						163	168	5	429	2,145
ALAR87	497953	7482327	135	215	-60	109	139	30	727	21,810
and						151	156	5	747	3,735
and						201	207	6	412	2,472
ALAR88	497915	7482365	135	255	-60	158	173	15	473	7,095
and						203	207	4	639	2,556
ALAR93	497870	7482170	135	220	-60	137	152	15	696	10,440
ALAR402	498215	7482065	135	220	-60	210	216	6	549	3,294
ALAR406	498065	7482215	135	214	-60	91	98	7	463	3,241
ALAR407	498028	7482252	135	210	-60	41	59	18	429	7,722
and						132	144	12	417	5,004
ALAR422	498095	7481945	135	210	-60	170	172	2	422	844
ALAR426	497945	7482095	135	211	-60	99	103	4	629	2,516
and						146	148	2	493	986
ALAR474	497720	7481720	135	210	-60	143	150	7	422	2,954
ALAD7	499235	7482785	135	176	-60	18	22	4	582	2,328
ALARD544	499074	7482706	135	229	-60	58	63	5	710	3,550
and						89	93	4	403	1,612
and						210	224	14	465	6,510
ALARD545	499029	7482691	135	213	-60	33	35	2	496	992
and						114	117	3	420	1,260
and						145	149	4	443	1,772

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)

Appendix 2: MS7 Prospect Fusion XRF Chemical Assay Results

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval	SS Fusion cU_3O_8 (ppm)	GTM
						From	To	(m)		
ALAR612	495100	7481250	180	141	-60	109	112	3	792	2,376
ALAR613	495100	7481350	180	180	-60	48	66	18	491	8,838
and						78	90	12	563	6,756
ALAR616	495000	7481200	180	200	-60	5	10	5	446	2,230
ALAR617	495000	7481300	180	261	-60	203	206	3	1,185	3,555
ALAR621	494900	7481250	180	200	-60	111	116	5	434	2,170
and						177	179	2	431	862

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.

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.

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.