Deep Yellow Limited

ASX Announcement **ASX: DYL**

27 October 2011

CONTINUING HIGH GRADE URANIUM RESULTS FROM ONGOLO AND MS7

KEY POINTS

- **Further high grade intercepts from RC drilling at the Ongolo Alaskite Deposit and the MS7 Deposit have been confirmed by XRF Fusion chemical assays.**
- **At Ongolo selected results include:**
  - **ALAR427 12 metres at 572 ppm U_3O_8 from 117 metres**
    and 3 metres at 1,099 ppm U_3O_8 from 151 metres
  - **ALAR737 11 metres at 576 ppm U_3O_8 from 46 metres**
  - **ALAR753 8 metres at 422 ppm U_3O_8 from 65 metres**
- **Selected MS7 results include:**
  - **ALAR627 9 metres at 624 ppm U_3O_8 from 2 metres**
  - **ALAR724 15 metres at 403 ppm U_3O_8 from 19 metres**
    and 18 metres at 488 ppm U_3O_8 from 109 metres
- **Chemical assay results are awaited for other high grade intersections made at Ongolo and MS7 and will be released when available.**
- **Drilling is continuing southwest from Ongolo towards MS7 testing the potential that the two deposits may ultimately join up.**
- **Coffey Mining (Perth) is currently working on Resource upgrades for Ongolo based on chemical assay data received up to 19 October.**

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 expressed his satisfaction at the ongoing success of the exploration programme along the INCA-Ongolo trend. "We continue to obtain outstanding results from our RC Drilling programmes in this area which gives us great confidence in the contribution that the Alaskites can make to the Omahola Project. We are looking forward to the resource upgrade for Ongolo before the end of November based on the assay results up to and including 19 October".

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Ongolo Alaskite Deposit

XRF Fusion chemical assays confirmed numerous high grade intersections made during Phase 2 resource drilling at Ongolo, which is contiguous and to the southwest of the existing Ongolo JORC Resource Area (Figure 1).

The latest available chemical assay results are given in Appendix 1, whilst selected significant results include:

- **ALAR737 11 metres at 576 ppm U_3O_8 from 46 metres**
- **ALAR752 8 metres at 417 ppm U_3O_8 from 59 metres**
- **ALAR753 8 metres at 422 ppm U_3O_8 from 65 metres**
- **ALAR758 7 metres at 430 ppm U_3O_8 from 77 metres**
- **ALAR719 12 metres at 402 ppm U_3O_8 from 102 metres**
- **ALAR745 8 metres at 408 ppm U_3O_8 from 114 metres**
- **ALAR427 12 metres at 572 ppm U_3O_8 from 117 metres**
  and 3 metres at 1,099 ppm U_3O_8 from 151 metres

The new holes to be included in the next iteration of the Ongolo JORC Resource estimate to be undertaken by Coffey Mining (Perth) are shown in Figure 1 below, due by end November. The current RC drill programme, which is over two kilometres strike from Ongolo to the MS7 Deposit, will continue through to the summer break in mid-December.

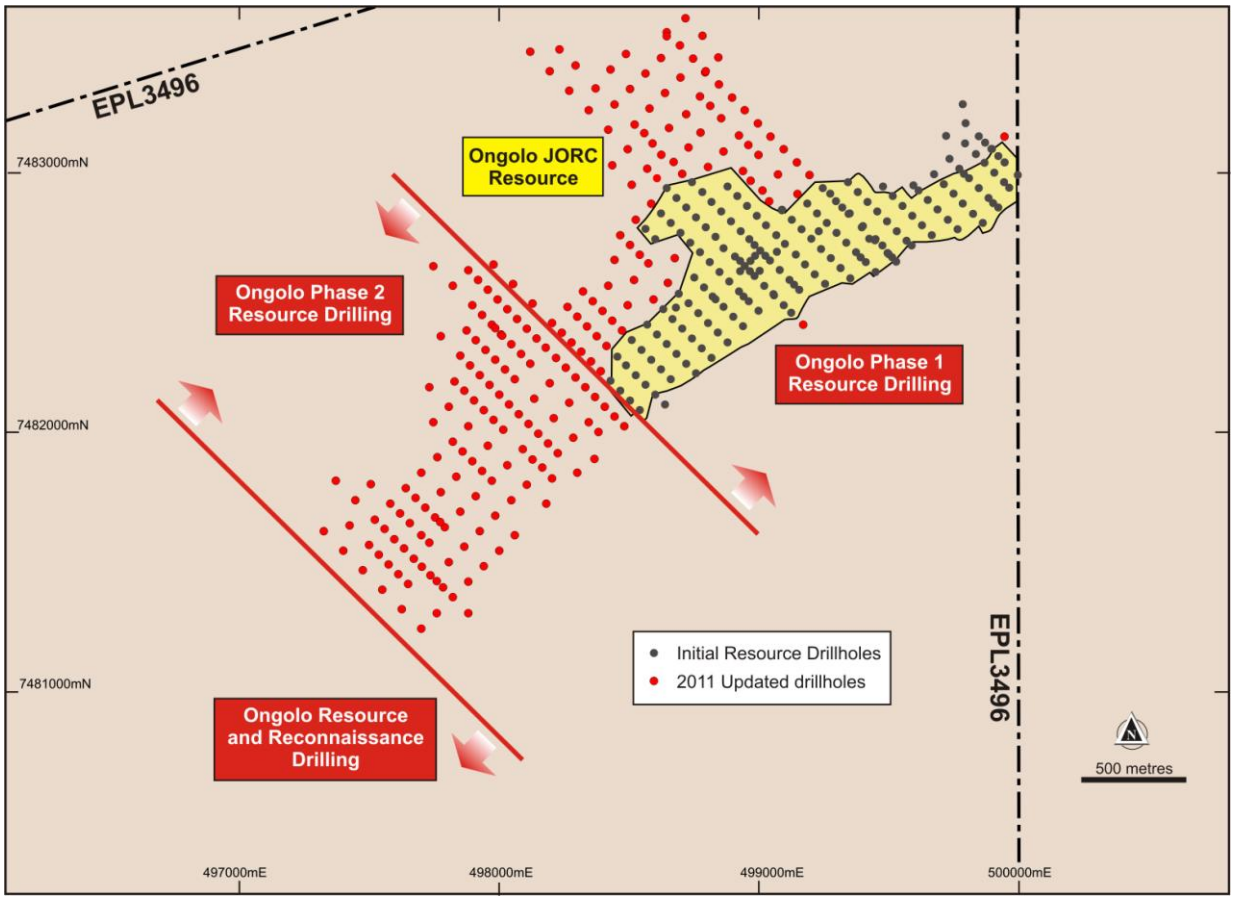


Figure 1: Ongolo Alaskite Deposit – Phase 2 Resource Drilling

MS7 Deposit

Drilling continues to return consistently good results at MS7 with growing recognition that the geology of the prospect closely replicates the main Ongolo resource area. Drilling extending south west from Ongolo is closing the gap between the two deposits, enhancing the possibility that the two will join up (Figure 2).

The latest chemical assay results from MS7 are given in Appendix 1, whilst selected significant results include:

- **ALAR627 9 metres at 624 ppm U_3O_8 from 2 metres**
- **ALAR724 15 metres at 403 ppm U_3O_8 from 19 metres**
  and 18 metres at 488 ppm U_3O_8 from 109 metres

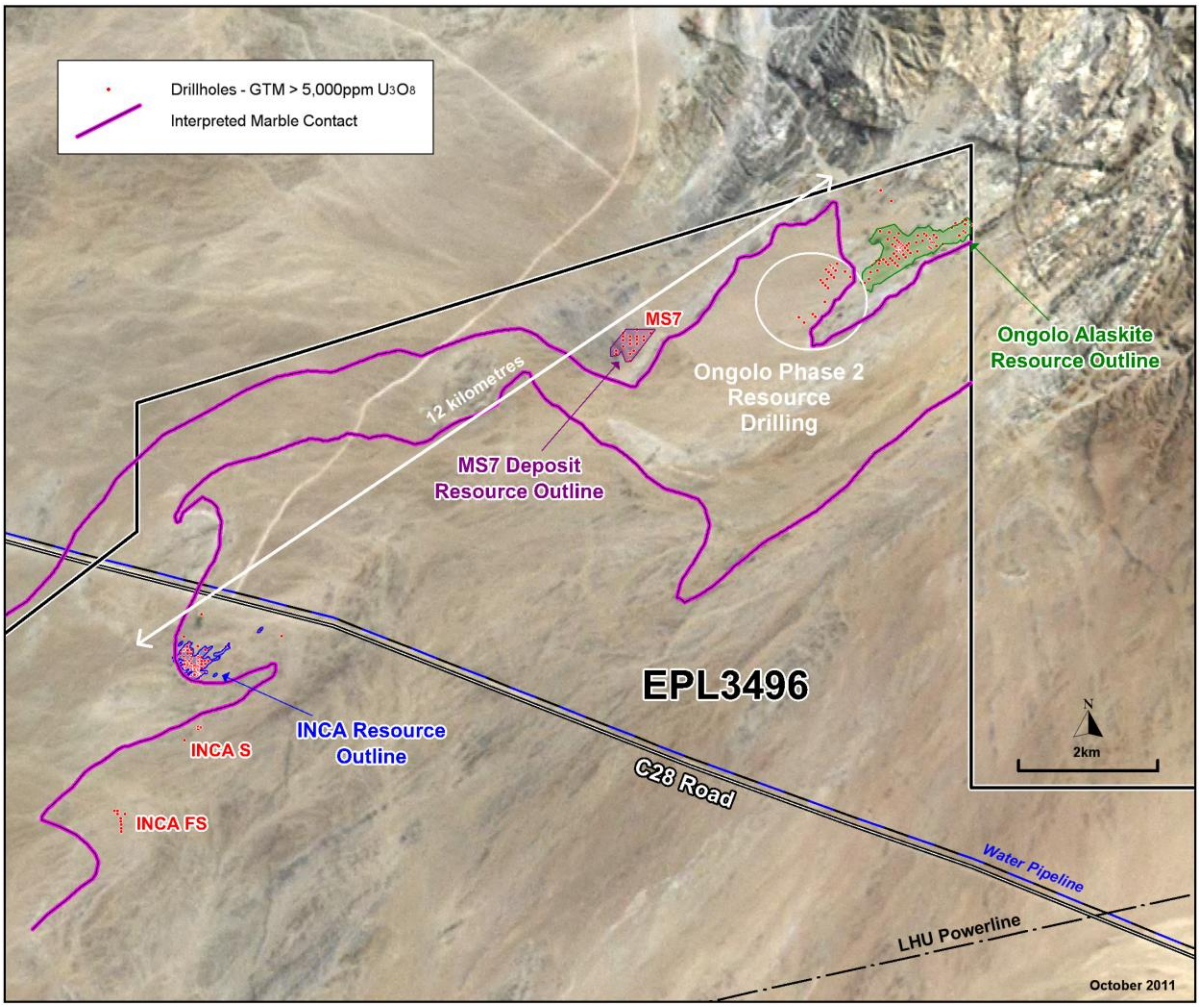
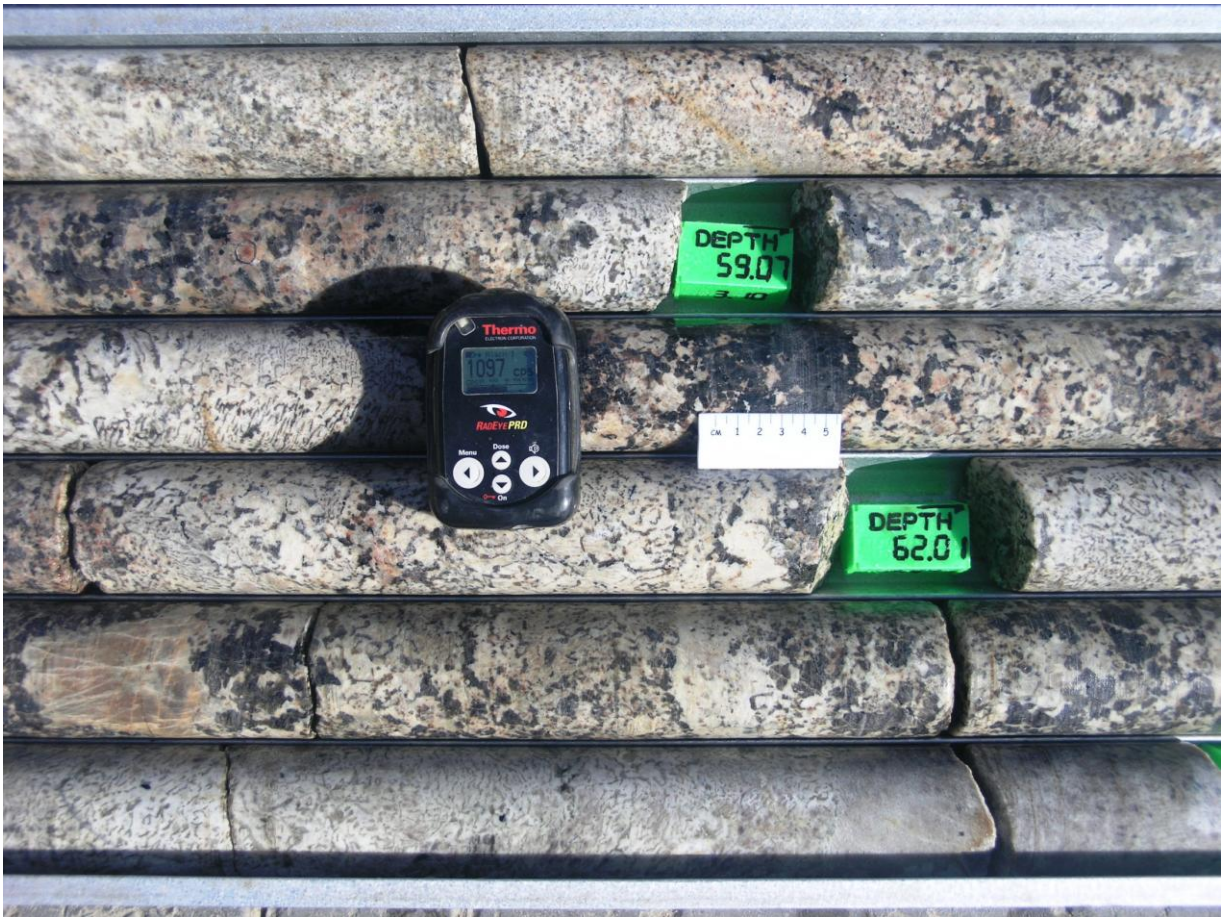


Figure 2: Location Map showing the INCA-Ongolo trend, Phase 2 Resource Drilling at Ongolo, MS7, and the INCA S and INCA FS Prospects

As can be seen from the core shown in the photograph overleaf, a recently completed vertical diamond hole at MS7 returned a number of highly anomalous zones (not yet chemically assayed), as indicated by high RadEye readings. The photograph shows extensive patchy smoky quartz development caused by high levels of gamma radiation. The RadEye reading of 1,097 cps should translate to several thousand ppm U_3O_8 over a metre interval when chemically assayed.



Drill core ALAD828 (~60 metres), patchy dark grey smoky quartz development

Future Programme

Resource and delineation drilling will continue at Ongolo and MS7 until mid-December utilising both RC and diamond drilling. It is anticipated that an updated JORC Resource estimate for Ongolo will be released by end November based on results received up to 19 October.

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 – INCA trend. It is also assessing the Shiyela Magnetite deposit located just 45 kilometres from the Namibian port of Walvis Bay.

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.

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.

Appendix 1

Ongolo Alaskite Deposit and MS7 Deposit Fusion XRF Chemical Assay Results – October 2011

Hole	mE	mN	Azi	TD	Dip	Depth (m)		Interval	SS Fusion cU_3O_8 (ppm)	GTM
						From	To	(m)		
Ongolo Alaskite Deposit										
ALAR425	497983	7482057	135	141	-60	75	78	3	404	1,212
and						89	93	4	446	1,784
ALAR427	497908	7482132	135	200	-60	45	47	2	469	938
and						117	129	12	572	6,864
and						139	140	1	1,867	1,867
and						151	154	3	1,099	3,297
ALAR719	497638	7481563	135	160	-60	102	114	12	402	4,824
ALAR720	497563	7481638	135	230	-60	191	204	13	502	6,526
and						219	222	3	591	1,773
ALAR737	498868	7483092	135	210	-60	46	57	11	576	6,336
ALAR744	498808	7483032	135	210	-60	77	83	6	414	2,484
ALAR745	498733	7483107	135	215	-60	114	122	8	408	3,264
ALAR752	498673	7483048	135	210	-60	59	67	8	417	3,336
and						105	108	3	499	1,497
and						159	165	6	404	2,424
ALAR753	498598	7483123	135	210	-60	47	50	3	471	1,413
and						53	57	4	665	2,660
and						65	73	8	422	3,376
ALAR758	498237	7483484	135	209	-60	77	84	7	430	3,010
ALAR784	497983	7482657	135	202	-60	74	79	5	471	2,355
ALAR787	499018	7482942	135	207	-60	62	66	4	417	1,668
ALAR94	497833	7482207	135	220	-60	134	137	3	471	1,413
and						183	192	9	733	6,597
MS 7 Prospect										
ALAR627	495100	7481150	180	163	-60	2	11	9	624	5,616
and						20	23	3	439	1,317
ALAR648	495197	7481195	180	199	-60	114	116	2	493	986
ALAR724	495050	7481400	180	205	-60	19	34	15	403	6,045
and						109	127	18	488	8,784
and						138	140	2	462	924
and						186	191	5	440	2,200

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.