

6 December 2011

SHIYELA IRON PROJECT MAIDEN JORC RESOURCE ESTIMATE

- The maiden JORC Code Inferred Mineral Resource estimate for the Shiyela Iron Project totals 78.7 Mt at 18.88% Fe at a DTR recovery of 16.17%.
- The Resource was completed by Golder Associates Pty Ltd (Perth).
- The Scoping Study being conducted by ProMet Engineers Pty Ltd (Perth) is on track for completion later this month.
- A large diameter diamond drilling programme has commenced to provide core for metallurgical testwork as part of a planned Feasibility Study.
- Additional resource drilling is planned (subject to funding) to enhance the size and confidence level of the resource base.

Deep Yellow Limited (ASX : DYL) is pleased to announce that Golder Associates Pty Ltd (Golders) (Perth) has completed a maiden JORC Mineral Resource estimate for its Shiyela Iron Project in Namibia. The Project is located on EPL 3496 which is held 100% by DYL's wholly-owned Namibian subsidiary, Reptile Uranium Namibia (Pty) Ltd (RUN). (See Figure 2 in Appendix 2.)

The Inferred Resource estimate totals 78.7 Mt at 18.88% Fe at 10% DTR* cut-off for the M62 and M63 magnetite deposits with an average DTR magnetite content of 16.17% (Table 1).

Deep Yellow's Managing Director was satisfied with the outcome of Golder's work, commenting "This is another solid step forward in our assessment of the Shiyela Iron Project. Whilst we are pleased with the result we recognise that more drilling and analysis must be done to enhance the resource base. In the meantime our consultants ProMet are currently finalising the Scoping Study and the market can expect an announcement in that regard next week."

The exploration programme, which was completed earlier this year, consisted of 210 RC and DD holes for 38,473 metres of drilling, confirmed strongly mineralised zones in both deposits. The M62 deposit was drilled along strike for almost a kilometre and over a maximum width of 500 metres and to a vertical depth of just over 300 metres. The M63 deposit has a strike length of over 800 metres with a width of 500 metres and has been drilled down to a maximum vertical depth of approximately 300 metres. Both deposits are open to depth and reconnaissance drilling has confirmed lateral extensions to M62.

* DTR – Davis Tube Recovery



A large diameter diamond drilling programme (PQ – 85 mm) has commenced to provide core for the next phase of metallurgical testwork to be conducted by ProMet Engineers (Perth), as a part of a planned Feasibility Study. The programme will comprise at least 3 holes at both M62 and M63 for approximately 1,000 metres of PQ core to generate some 16 tonnes of mineralised material.

Subject to the availability of funding for the project a programme of RC and diamond drilling to target lateral and depth extensions to the M62 and M63 deposits will be conducted in 2012. In addition the geophysical signature of the main zone of magnetic anomalism that hosts M62 is some 20 kilometres long and RC drilling to outline additional resource potential will also be undertaken (Figure 2 in Appendix 2).

Table 1: JORC Mineral Resource Estimate Shiyela - December 2011

Deposit	Category	Cut-off (DTR%)	Tonnes (M)	DTR (%)	Fe (%)
REPTILE URANIUM NAMIBIA (NAMIBIA)					
M62 - Fresh	Inferred	10	40.2	17.12	17.02
M62 - Oxide	Inferred	10	3.5	15.46	18.13
	Total		43.7	16.99	17.11
M63 - Fresh	Inferred	10	34.8	15.15	21.10
M63 - Oxide	Inferred	10	0.2	16.16	18.87
	Total		35	15.16	21.09
RUN TOTAL - NAMIBIA			78.7	16.17	18.88
TOTAL FRESH			75.0	16.21	18.91
TOTAL OXIDE			3.7	15.50	18.17
TOTAL RESOURCES			78.7	16.17	18.88

Notes: Figures have been rounded and totals may reflect small rounding errors
Resource Estimation using a 10% DTR Wt% cut-off.
Fe% - head assay of composited drill samples

Background Information

The resource drill out which included geotechnical core drilling and reconnaissance RC drilling totalled 202 RC holes for 36,277 metres and 8 diamond holes for 2,196 metres drilled over the two deposits M62 and M61. A total of 141 holes were used in generating the wire frame models for M62 and M63. DTR results from 1,699 four metre composite samples were also used in the estimate. An extract from Golders Resource Estimate Report is given in Appendix 1.

Notwithstanding the 100 x 50 metre drill pattern (Appendix 3 – Figure 3) the resource is classified as inferred pending completion of outstanding DTC[‡] multi-element analysis which ultimately is used to evaluate the overall quality of the magnetite concentrate product.

[‡] DTC – Concentrate recovered from the DTR testwork



As previously announced (ASX 17 November 2011) chemical assays conducted on concentrates produced from DTR testwork confirmed that Shiyela could produce an excellent quality magnetite with exceptionally high iron and low impurity levels suitable as a Blast Furnace product (Table 2).

Table 2: DTR Concentrate Analytical Results

Deposit	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
M62	70.22	0.74	0.89	0.007	0.011	-3.07
M63	69.56	0.64	0.73	0.008	0.002	-3.12

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. 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, 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 Mineral Resource is based on information compiled by Mr Alan Miller who is a full-time employee of Golder Associates Pty Ltd and a Member and chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Miller has sufficient experience 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 JORC Code (2004).



Appendix 1

Resource Estimate Information (Extract from Golder Associates Report)

Golder Associates Pty Ltd (Golder) has completed Mineral Resource estimates for the two anomalies (M62 and M63) at the Shiyela deposit using all available drilling data as of 18 October 2011. The resource estimates were classified in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004).

ASSUMPTIONS AND METHOD

This Mineral Resource estimate was based on a number of factors and assumptions:

- All of the available drilling data was used for the Mineral Resource estimation.
- 1,699 four metre DTR samples from 141 drill holes were used to estimate within the mineralisation envelopes that make up the total Inferred Resources.
- The survey control for collar positions was considered adequate for the purposes of this study.
- Weathering units and mineralisation domains using a 10% DTR cut-off grade for M63 and a 5% DTR cut-off grade for M62 were interpreted and modelled in three dimensions by Golder. The domains were used to flag the sample data for statistical analysis and to limit the resource estimation.
- In addition to the two anomalies, reconnaissance drilling in the North (see Figure 1) has potential for a third anomaly. These drill holes only contain magnetic susceptibility (magsus) data.
- Statistical and geostatistical analysis was carried out on drilling data composited to 4 metres downhole. This included variography to model spatial continuity relationships in the geological domains.
- The Ordinary Kriging interpolation method was used for the estimation of DTR, magsus and Fe_2O_3 , using variogram parameters defined from the geostatistical analysis.
- Dry bulk density was assigned to each of the geological domains. The dry bulk densities were based on 211 determinations from two diamond drill holes (SHID2 and SHID4).

MINERAL RESOURCE STATEMENT

- The resource estimates were classified in accordance with guidelines provided in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC Code, 2004).
- All resource estimates were classified as Inferred Resources. The classification of Mineral Resources was considered appropriate on the basis of geological confidence criteria and that additional DTR concentrate assays are required.
- The mineralised material surrounding the reconnaissance drilling has not been classified as it only contains magsus data and the geological continuity cannot be implied.
- The resource is based on the Ordinary Kriging interpolated block models *M62_OK.bmf* and *M63_OK.bmf*.
- The Mineral Resources have been defined using the geological boundaries shown in Figure 1.
- Tables 1 and 2 summarise the Mineral Resources for anomaly M62 and anomaly M63 respectively.



Table 1: Mineral Resources for Anomaly M62; using a 10% DTR cut-off Grade within the Wireframes which use a 5% DTR Cut-off Grade

Weathering	Class	Mt	DTR	Magsus.	Fe
Fresh	Inferred	40.2	17.12	17,868	17.02
Oxide	Inferred	3.5	15.46	9,202	18.13
Total		43.7	16.99	17,171	17.10

Table 2: Mineral Resources for Anomaly M63; using a 10% DTR cut-off Grade within the Wireframes which use a 10% DTR Cut-off Grade

Weathering	Class	Mt	DTR	Magsus.	Fe
Fresh	Inferred	34.8	15.15	18,236	21.10
Oxide	Inferred	0.2	16.16	8,218	18.87
Total		35.0	15.15	18,179	21.09

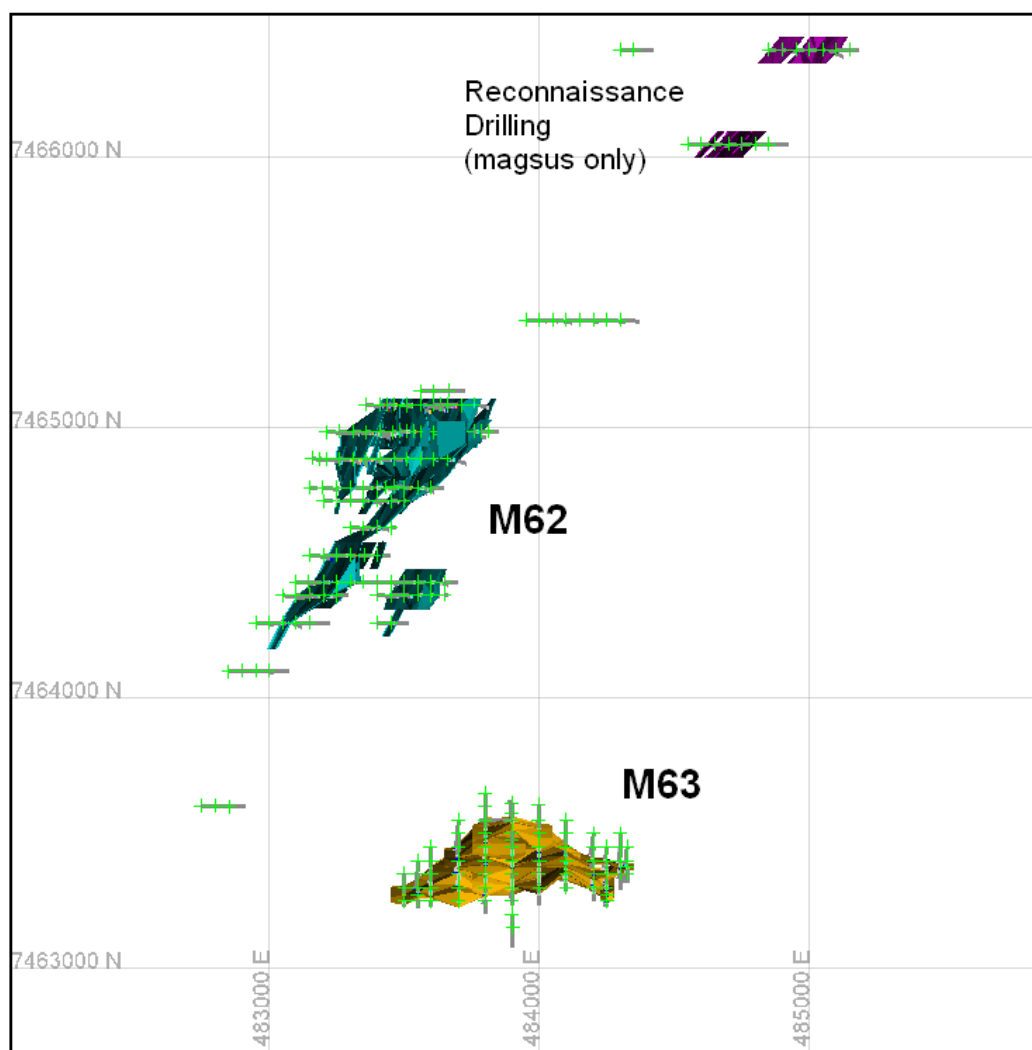


Figure 1: Geological Boundaries and Drill Hole Locations



Appendix 2

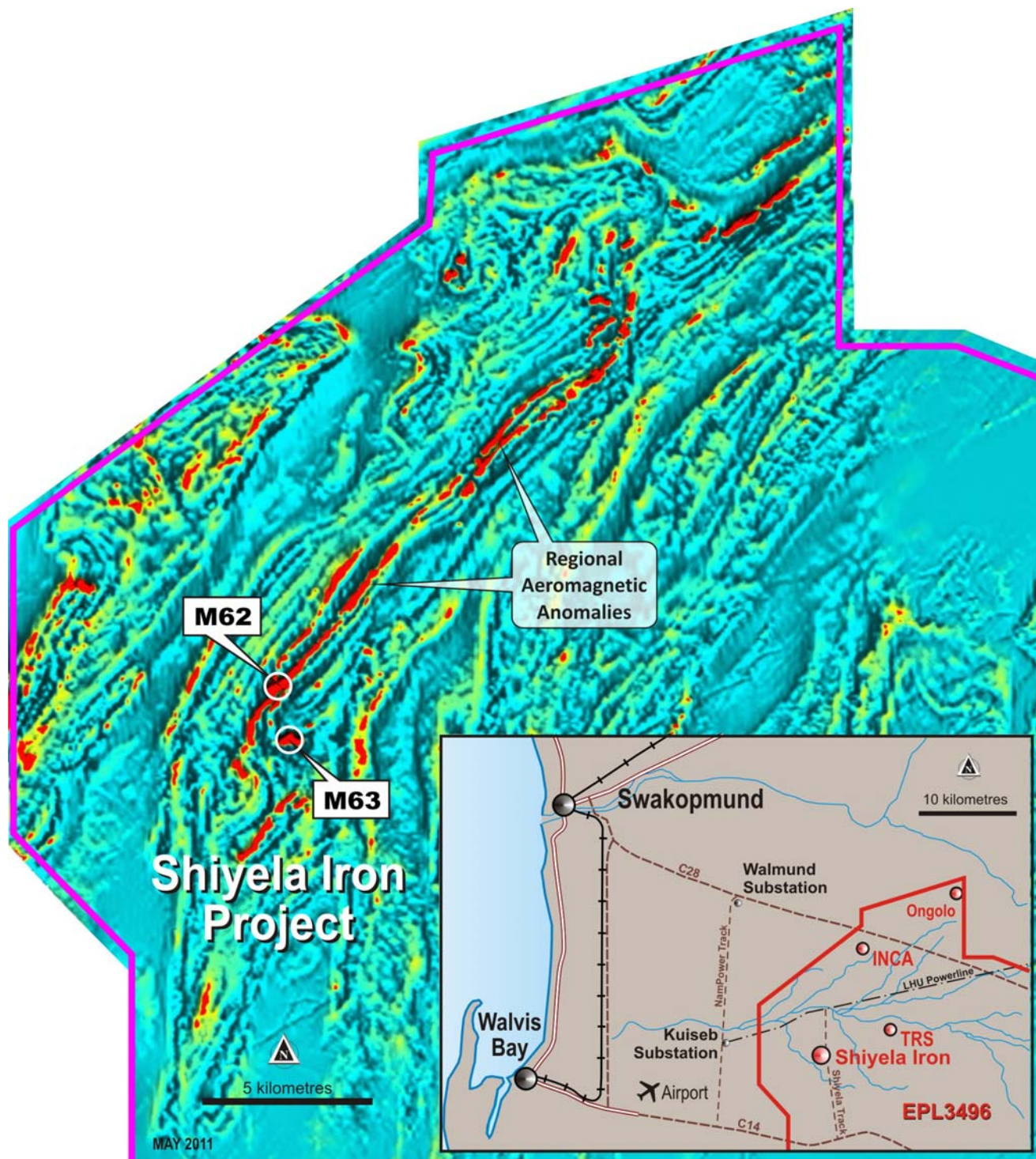


Figure 2: Aeromagnetic map showing a magnetic image, with red delineating the highest magnetic intensity units (targets) with inset showing project location and infrastructure.



Appendix 3

Shiyela Resource Estimate Wire Frame Models

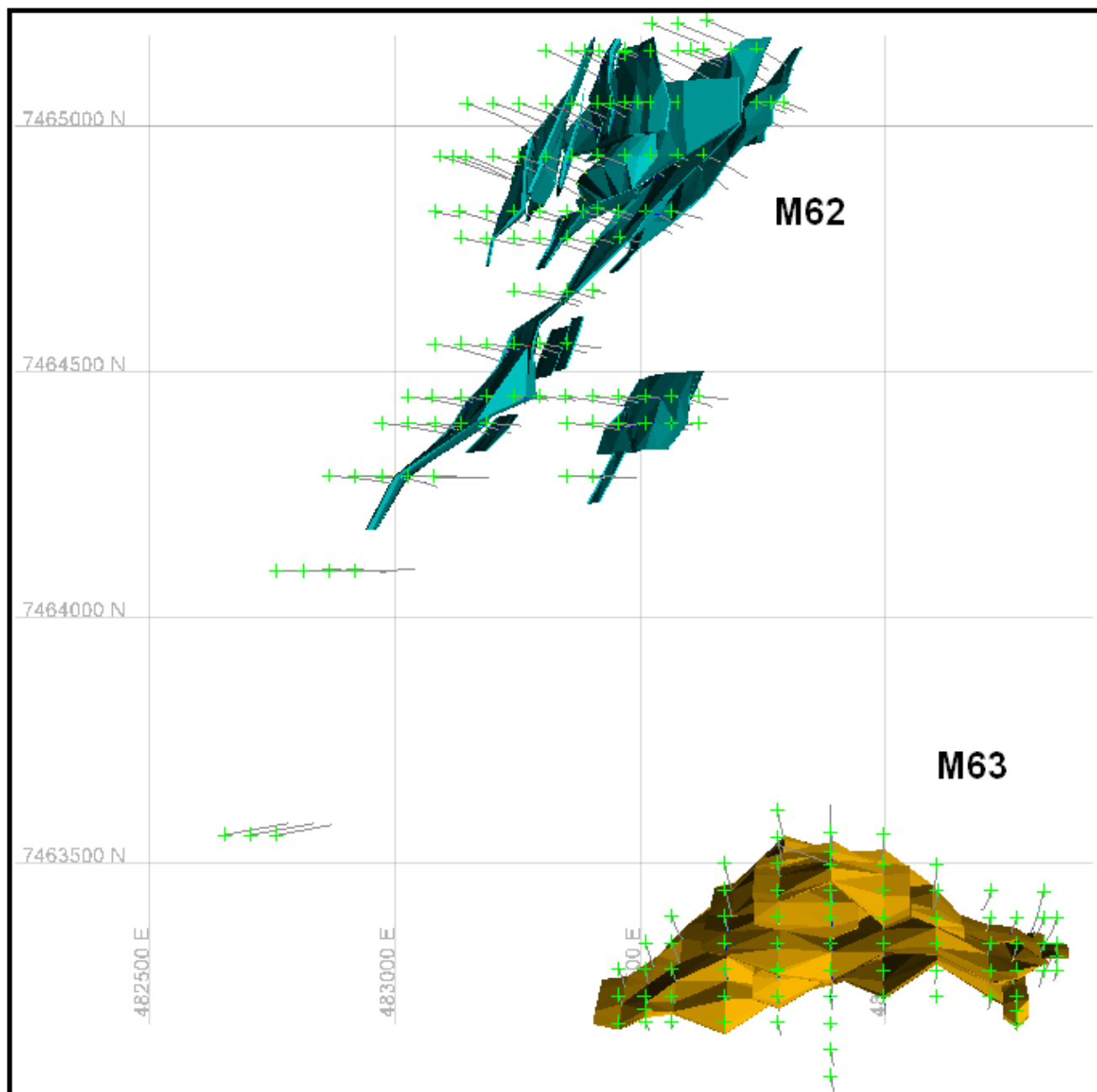


Figure 3: Plan View (north at top) - showing 100 x 50 metre drill pattern. Grid Graticule 500 x 500 metres.

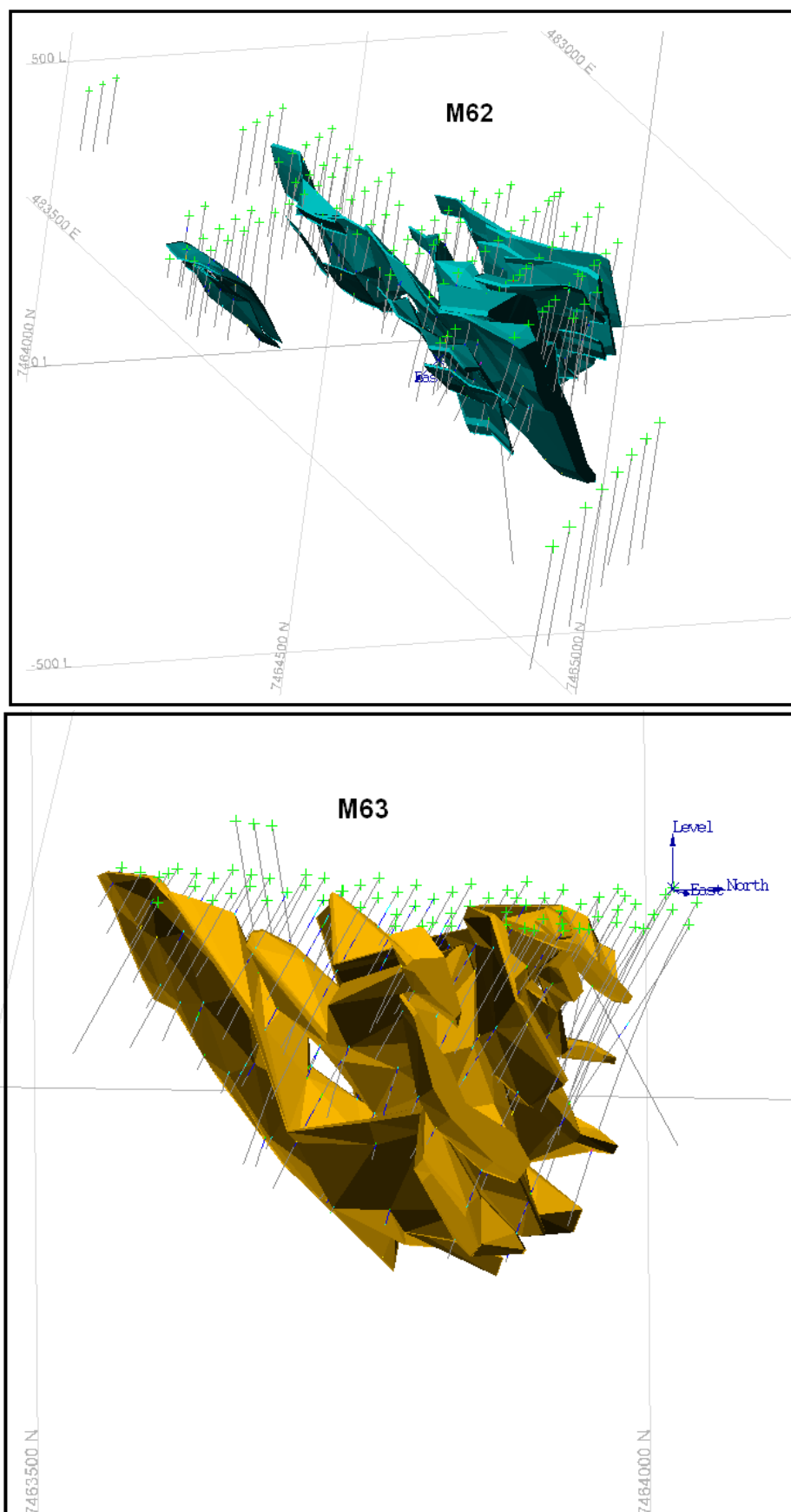


Figure 4: Oblique Views M62 (looking SE) and M63 (looking NW)