

13 December 2011

MS7 ALASKITE DEPOSIT RESOURCE MORE THAN DOUBLED

KEY POINTS

- The MS7 Alaskite deposit JORC Compliant Resource has more than doubled to 5.4 Mt at 470 ppm U₃O₈ for 5.6 Mlbs U₃O₈ at a 250 ppm cut-off.
 - The updated Indicated and Inferred Mineral Resource estimate was completed by Coffey Mining Pty Ltd (Perth).
 - Almost 60% of the 5.6 Mlbs resource is classified in the Indicated category.
 - The high grade Inferred Resource (540 ppm U₃O₈) reflects recent deep high grade intersections open to depth which will be targeted for infill drilling in the New Year.
 - The Omahola Project hard rock Resource base is now 40.7 Mt at an average grade of 413 ppm U₃O₈ for 37 Mlbs U₃O₈.
 - The resources at both MS7 and Ongolo are expected to increase as ongoing drilling continues to deliver encouraging results which will be confirmed by chemical assay.
 - Coffey is about to commence high level pit optimisation exercises on Ongolo and MS7 to enhance the effectiveness of the next phase of exploration drilling.
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Advanced uranium explorer, **Deep Yellow Limited** (ASX : **DYL**) is pleased to announce that it has more than doubled the Mineral Resource estimate for its MS7 Alaskite deposit in Namibia. The deposit, an Ongolo satellite, is also located on EPL 3496 which is held 100% by DYL's wholly-owned Namibian subsidiary, **Reptile Uranium Namibia (Pty) Ltd (RUN)**.

The resource estimate, at 5.4 Mt at 470 ppm U₃O₈ for 5.6 Mlbs U₃O₈ at a 250 ppm cut-off is an increase of 3.3 Mlbs U₃O₈ over the maiden (October) estimate. The Omahola Project Resource base comprising the INCA, MS7 and Ongolo deposits now totals 40.7 Mlbs U₃O₈ at an average grade of 413 ppm U₃O₈ (Table 1) and DYL's Namibian resource base is now in excess of 110 Mlbs U₃O₈.

Greg Cochran, Deep Yellow's Managing Director, said that the result reinforced the increasing confidence the company had in the Ongolo region and added "the 540 ppm U₃O₈ grade of the Inferred resource at MS7 is particularly encouraging as we hope that it will lead to a steady and gradual increase in grade for the overall Omahola project. In addition, mineralisation starts from a shallow depth which should ultimately have a positive impact on mine operating costs."

The drillhole database for the estimation consists of 207 RC drill holes and 7 diamond drillholes for a total of 38,350 metres, with a drill spacing of 50 metres by 50 metres to 100 metres by 100 metres.



Approximately 30% of the composites used in the MIK estimate were chemical XRF-Fusion assays and 70% from factored radiometric data. Importantly, approximately 60% of the total metal endowment of MS7 is underpinned by the chemical assays.

Coffey is about to commence high level pit optimisation exercises on both the Ongolo and MS7 deposits using forecast operating costs to test economics of both and thereby enhance the effectiveness of the next phase of exploration drilling.

ENDS

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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:

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 **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.

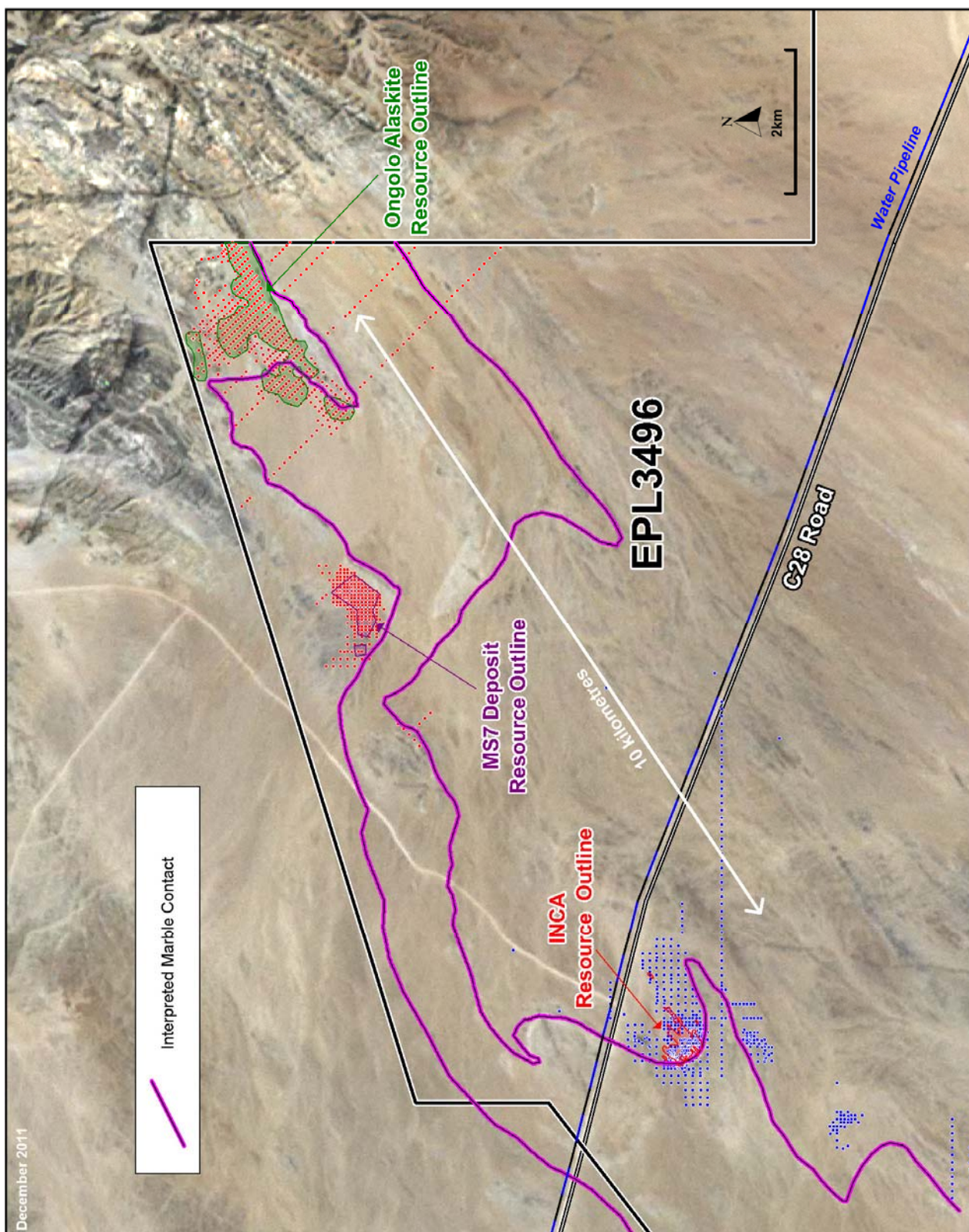


Figure 1: INCA – Ongolo Trend Showing Resource Outlines at 250 ppm U_3O_8 Cut-Off



Appendix 1

Omahola Project Resource Summary – December 2011

Deposit	Category	Cut-off (ppm U ₃ O ₈)	Tonnes (M)	U ₃ O ₈ (ppm)	U ₃ O ₈ (t)	U ₃ O ₈ (Mlb)
REPTILE URANIUM NAMIBIA (NAMIBIA)						
Omahola Project						
INCA ♦	Indicated	250	9.4	385	3,628	8.0
INCA ♦	Inferred	250	5.5	445	2,449	5.4
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			40.7	413	16,808	37.0

Notes: Figures have been rounded and totals may reflect small rounding errors.

XRF chemical analysis unless annotated otherwise.

♦ eU₃O₈ - equivalent uranium grade as determined by downhole gamma logging.

Combined XRF Fusion Chemical Assays and eU₃O₈ values.

Appendix 2

Background Technical Information on MS7

The MS7 alaskite discovery was made in May this year. The prospect is located approximately 2 kilometres to the west of the Ongolo deposit (Figure 1). From regional geology it is believed that the uraniferous alaskites are within the Khan formation and mineralisation usually seems to be concentrated when these alaskites come into contact with the Rossing and Chuos formations, with a marble unit acting as an impermeable layer and localising higher grade mineralisation (Figure 1).

Coffey provided the company with an interim JORC Inferred Mineral Resource totalling 2.3 Mlbs based on drilling to mid-September (ASX 13 October 2011). Subsequently a further 80 RC and 5 diamond holes for 14,766 metres were added to the resource database which now comprises 207 RC and 7 diamond drillholes for a total of 38,350 metres (Figure 2). The main mineralised zone now extends about 800 metres along the strike and is up to 400 metres wide and is open to depth below 200 metres. Drill spacing is 50 metres by 50 metres to 100 metres by 100 metres.

The estimation method for the MS7 maiden resource was by Ordinary Kriging (OK), however the updated resource estimate was calculated using Multiple Indicator Kriging which was also used in the recent Ongolo deposit upgrade.

Approximately 60% of the 5.6 Mlb Resource (3.3 Mlbs) is classified in the Indicated category (Figure 2). The higher grade Inferred Resource, at 540 ppm U₃O₈, reflects recent high grade intersections that are open to depth (to the north) and which will be targeted for infill and extensional drilling in the New Year.



Appendix 3

MS7 Mineral Resource

(Extract from Coffey's Resource Statement)

The Mineral Resource estimate for the MS7 Uranium Deposit in Namibia has been finalised (Table 1). A Multiple Indicated Kriged (MIK) estimate was undertaken for the deposit located within EPL 3496 (Figure 1), approximately 2 kilometres west of the Ongolo Uranium Project and 9 kilometres NNE of the INCA deposit.

The Mineral Resource Statement as at 9 December, 2011 is tabulated below in Table 1. Figure 2 shows the location of the modelled mineralised zones and the drilling and Figure 4 shows an example section from the MS7 prospect.

DECEMBER 2011 RESOURCE ESTIMATE Reported at various cut-offs using bulk density coded by geology (averaging 2.64 t/m ³) Multiple Indicator Kriged estimate based on 2 metre U ₃ O ₈ composites (chemical and factored radiometric) Block dimensions of 25 metre NS by 25 metre EW by 10 metre RL SMU corrections using a 5 metre x 5 metre 3 metre SMU block size. Recommended Cut-Off – 250 ppm U ₃ O ₈				
Lower Cut	Tonnes Above Cut-off (Mt)	U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (M kg)	Contained U ₃ O ₈ (M lb)
Indicated				
100	11.5	240	2.8	6.1
150	8.0	290	2.3	5.1
200	5.2	360	1.8	4.1
250	3.3	430	1.4	3.2
300	2.3	500	1.1	2.5
Inferred				
100	9.1	240	2.2	4.8
150	5.3	320	1.7	3.8
200	3.2	420	1.4	3.0
250	2.0	540	1.1	2.4
300	1.4	670	0.9	2.0
Indicated and Inferred				
100	20.6	240	5.0	10.9
150	13.3	300	4.0	8.9
200	8.4	380	3.2	7.0
250	5.4	470	2.5	5.6
300	3.6	570	2.1	4.5

Note: Rounding has been applied

Notes for the resource estimation include:

- The drillhole database in the vicinity of the estimation consists of some 214 drillholes (7 Diamond, and 207 RC drill holes) (Figure 3) for a total of 38,350 metres. The drillholes were typically drilled at 60° towards 180°. Only RC and diamond drilling sampling undertaken by RUN were used in the estimate.



- The RC samples are collected at 1 metre intervals in mineralised zones into a three tiered splitter to obtain a 2-3 kilogram final sample. Diamond core is quartered with samples taken every metre in mineralisation. Chemical assays are undertaken at Scientific Services in Cape Town, with Setpoint and Bureau Veritas in Johannesburg used for check assays. Downhole gamma data has been used where chemical assays were not available.
- Coffey has not reviewed the QAQC in detail. RUN is the responsible entity for the assay database.
- Density data was based upon the density of the nearby, geologically similar, Ongolo Alaskite deposit (owned by RUN).
- A 3D wireframe model was created for the main marble units, and an indicator model was created to define the alaskite and granite lithologies in the study area.
- The MIK estimate was constrained to within a region defined by a 75 ppm U_3O_8 indicator shell above a 30% probability.
- The topographic surface and overburden were coded into the model.
- The assay data was composited to 2 metres with statistical analyses on the 2 metre composites undertaken. Variography and search neighbourhood analysis were also conducted as input into grade estimation. A total of 3,251, 2 metre composites were defined within the broad mineralisation halo that was used for the MIK estimate.
- By count, approximately 30% of the composites used in the estimate were sourced from chemical data and 70% from factored radiometric assays. However, as the high-grade regions of the drilling were typically character assayed by chemical methods, approximately 60% of the resource metal endowment was sourced from chemical assay methods.
- The method used to obtain estimated grades within the mineralised zones for U_3O_8 was block MIK. A SMU of 5 metres x 5 metres x 3 metres was selected to simulate the anticipated mining selectivity. SMU corrections were applied to the estimate to report expected recoverable resources.
- The deposit is still open along dip and at depth in some areas.
- Resource classification was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density and location, grade estimation and the quality of the estimate.
- Infill drilling is recommended to increase the confidence of the mineralisation continuity in the Inferred portions of the deposit.

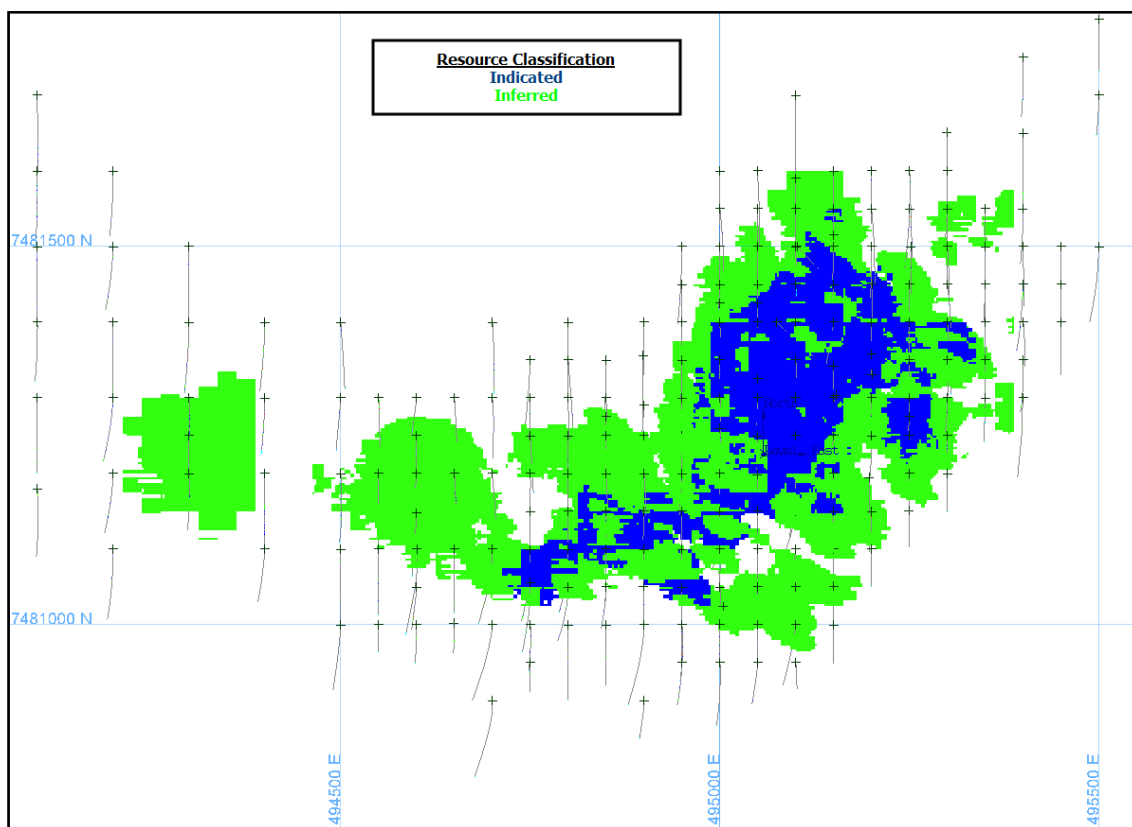


Figure 2: Drillhole Location and Resource Classification

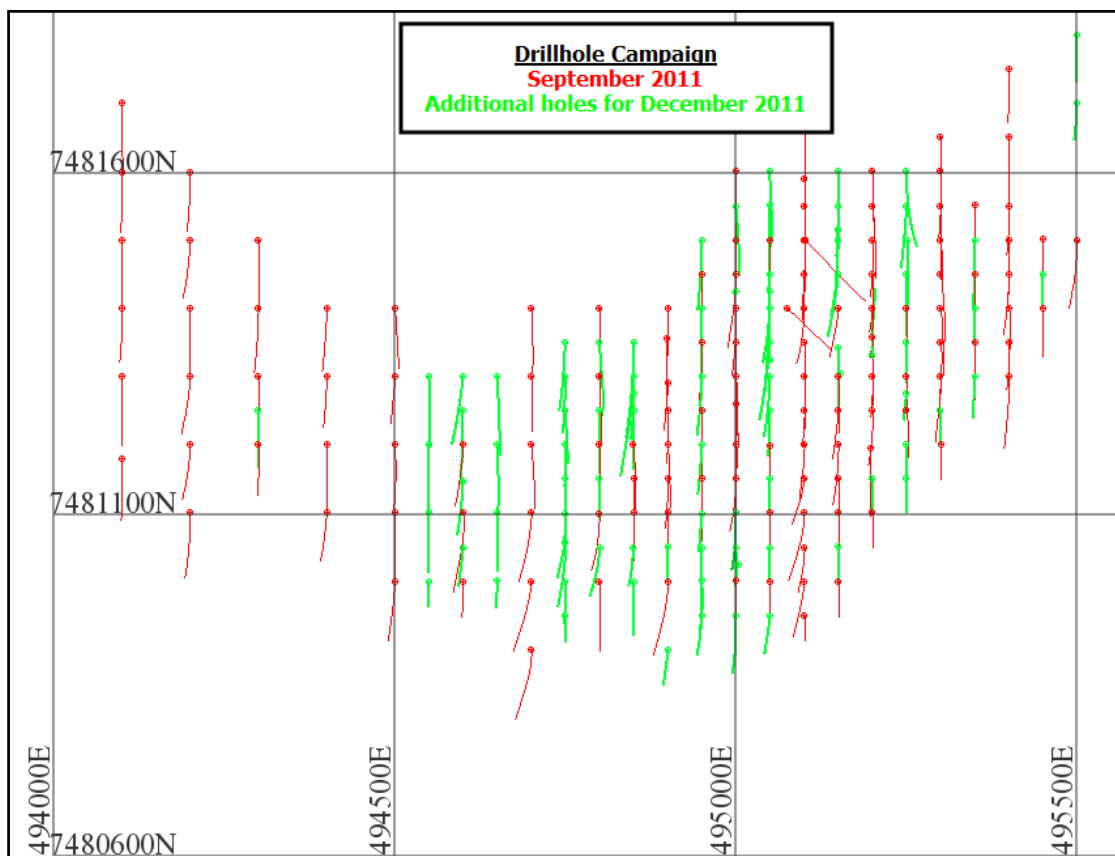


Figure 3: Drilling Campaigns for the Maiden Resource and Updated Resource Estimates

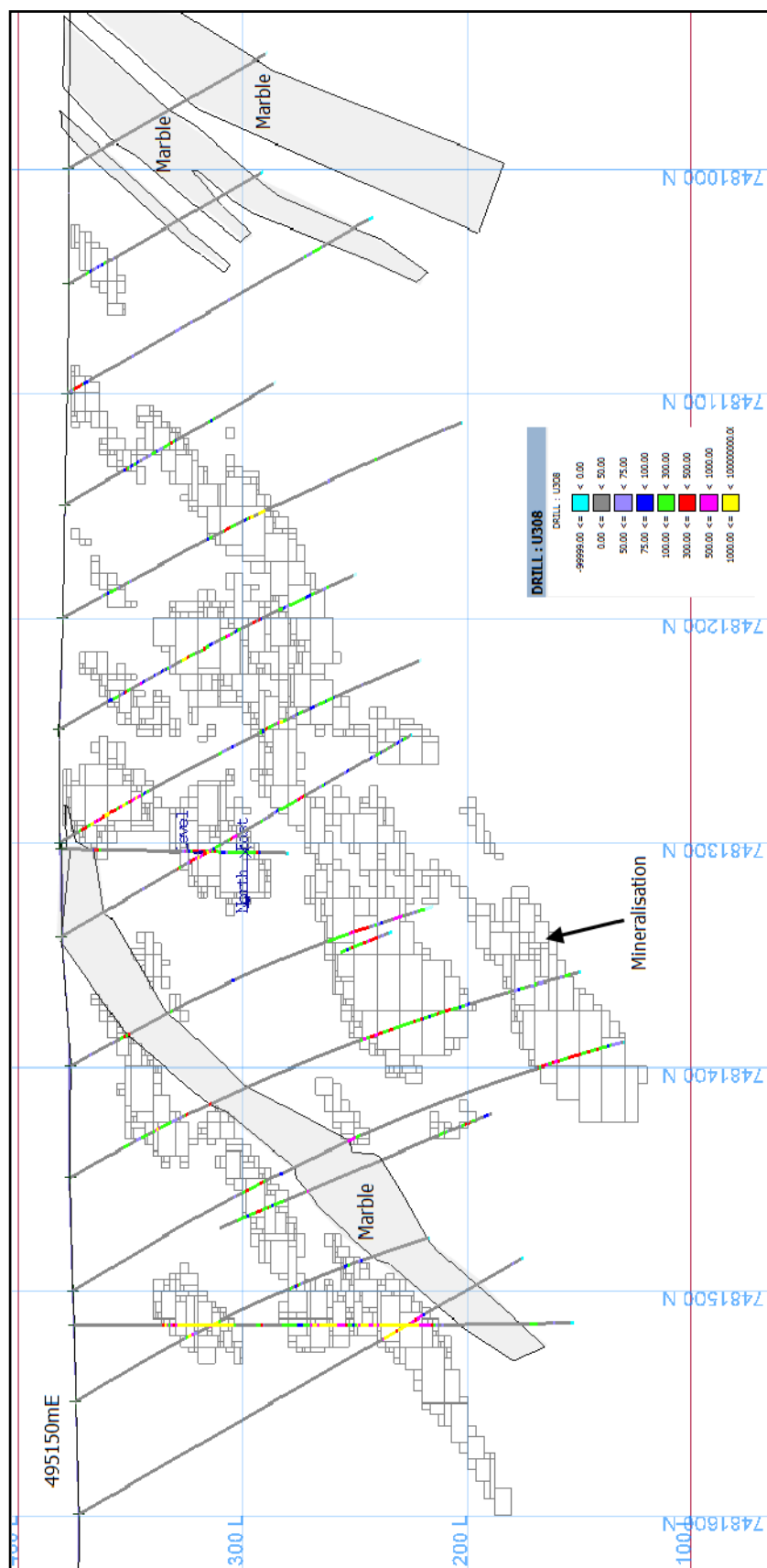


Figure 4: Section 495,150mE, showing mineralisation shell (as a block model), lithological modelling and U_3O_8 grade (ppm)