

12 December 2014

Drilling Recommences in Namibia

KEY POINTS

- **Deep Yellow's Namibian operating entity has recommenced drilling with a program devised to test existing palaeochannel mineralisation and other prospective hard rock primary uranium targets.**
- **The palaeochannel program on Exclusive Prospecting Licence ('EPL') 3497 should enhance geological understanding in advance of any further resource or beneficiation testwork.**
- **The reconnaissance program on primary uranium targets will drill test targets that were identified in the Predictive Modelling Exercise and comes after extensive follow-up ground work.**
- **The palaeochannel program will be completed prior to the Christmas break whilst it is expected that reconnaissance drilling will continue through to at least the end of January 2015.**

Advanced uranium explorer, Deep Yellow Limited ('DYL' or the 'Company') is pleased to announce that its wholly-owned Namibian operating subsidiary, Reptile Uranium Namibia (Pty) Ltd ('RUN'), has recommenced drilling in Namibia with a planned two-part drill program.

The first part has focussed on the Tumas Zone 1 Palaeochannel located on EPL3497 (see Figure 1) with the objective of enhancing geological and resource understanding in advance of any further resource or beneficiation testwork. DYL has previously announced encouraging initial results on ore characterisation work conducted by Marenica Energy Limited ('MEY') on samples from this deposit. The results indicated that the palaeochannel resource could potentially be upgraded via physical beneficiation by using MEY's U-pgrade™ technology. More comprehensive testwork will be considered if the drill program improves DYL's confidence in the continuity of the palaeochannel resource and enhances the probability of resource expansion.

The second part of the drill program is a reconnaissance program on EPL3496 designed to test prospective primary uranium targets that were originally identified in the Company's Predictive Modelling Exercise that have been subject to extensive follow-up groundwork (see Figure 2). The thorough yet low-cost groundwork conducted over the past 18 months has confirmed the prospectivity of the targets to be drilled whilst in the case of others, prospectivity was downgraded. Whilst downgraded targets will not be drill-tested, Induced Polarisation ("IP") geophysical methods are being considered to test other targets.

DYL's Managing Director Greg Cochran said "We are excited about being back in the field after a lengthy period where slow but critical work was conducted to assess prospectivity and in the case of the palaeochannels, resource potential. Good results from the palaeochannel program will enable us to consider additional definition and extension drilling and possibly bench scale testwork on samples from the area, whilst success in the reconnaissance program would be the discovery of a (preferably higher-grade) uranium bearing alaskite prospect or even prospects."



Figure 1: The Tumas Palaeochannel on EPLs 3497 and 3496

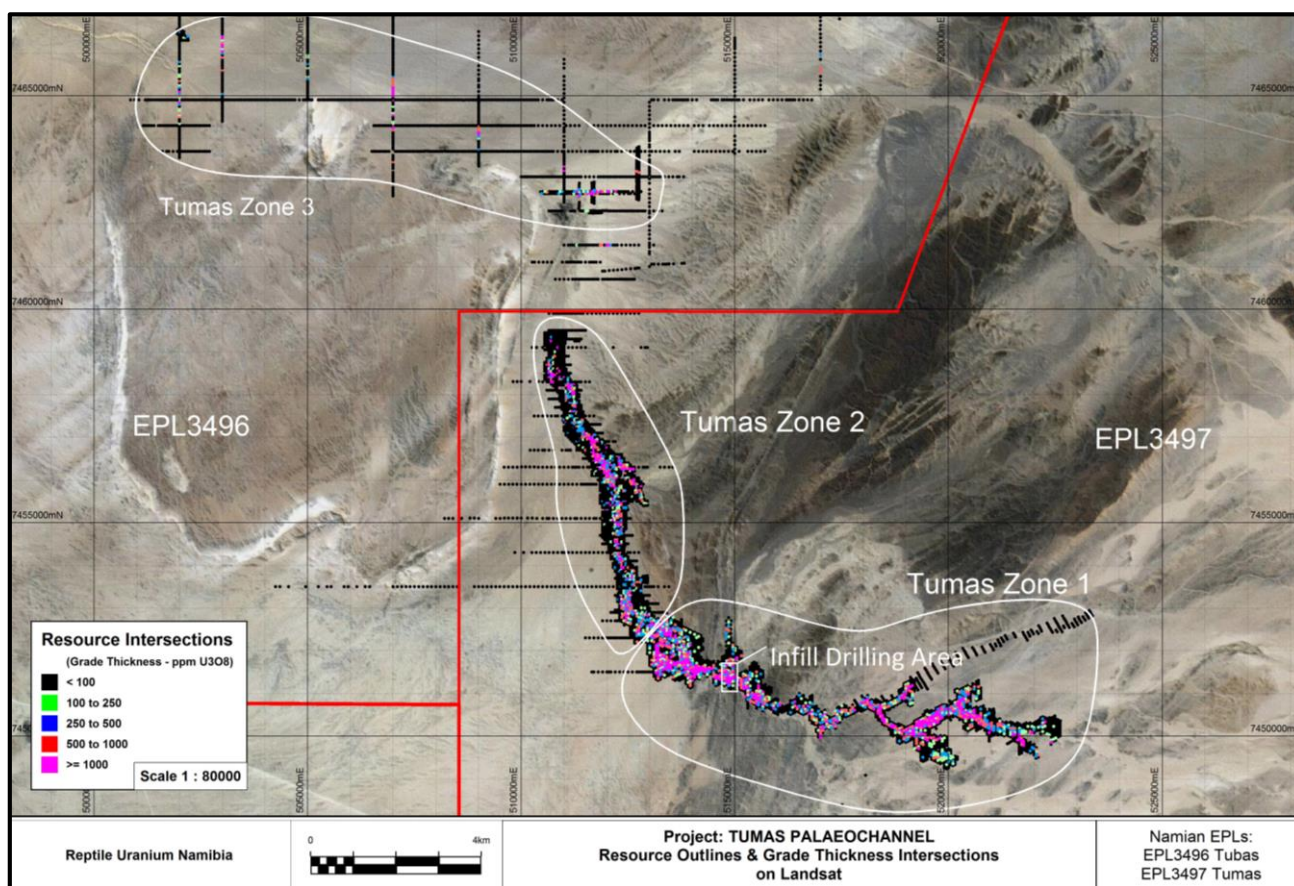


Figure 2: Locality Map Showing Reconnaissance Drilling Targets

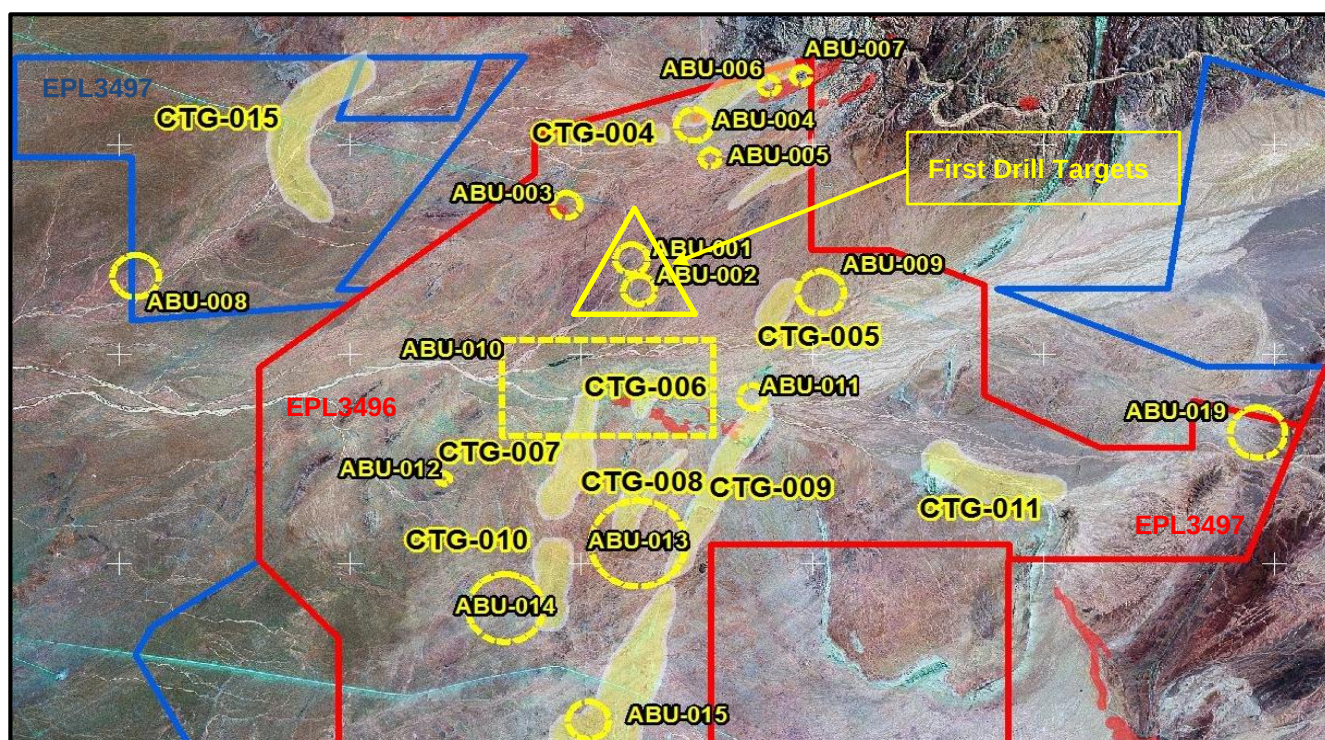




Figure 3: Palaeochannel Drilling on EPL3497



ENDS

For further information regarding this announcement, contact:

Greg Cochran
Managing Director

Phone: +61 8 9286 6999

Email: info@deepyellow.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 is an ASX-listed, Namibian-focussed advanced stage uranium exploration company. It also has a listing on the Namibian Stock Exchange.

Deep Yellow's operations in Namibia are conducted by its 100% owned subsidiary Reptile Uranium Namibia (Pty) Ltd. Its flagship is the high grade alaskite Omahola Project where further studies are being conducted and the next phase of metallurgical testwork is being planned as inputs into a Pre-Feasibility Study. It is also evaluating fast track development options on its other projects including the Tubas Sand Project utilising physical beneficiation techniques it successfully tested in 2011 and the Tumas Palaeochannel Project.

Competent Person's Statements

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared or reviewed by Mr Geoffrey Gee, a Competent Person who is a Member of the Australasian Institute of Geoscientists. Mr Gee, who is employed as a contract Exploration Geologist with Deep Yellow Limited, has sufficient experience which is relevant to the styles of mineralisation and types 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 Gee consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. The information provided was first prepared and disclosed under JORC Code 2004 it has not been updated to comply with JORC Code 2012, on the basis that it has not materially changed since last reported.