

Deep Yellow Limited

ABN 97 006 391 948

ASX Announcement

ASX Code DYL

Namibian Drilling Results and Update

26 February 2010

Highlights

- Reconnaissance RC drilling locates encouraging uranium mineralisation 800 metre northeast of INCA South with **5 metre of 434 ppm cU₃O₈ from 58 metre.**
- Mineralised drill holes at INCA now occur over a roughly square area in excess of **2 by 2 kilometre** and structurally appears open in all directions except to the west.
- Infill drilling on the Tumas palaeochannel continues to return wide zones of mineralisation including **17 metre of 672 ppm eU₃O₈ from 12 metre.**
- Reconnaissance drilling on the Nova Energy JV (subsidiary of Toro Energy 'TOE') palaeochannels has located sporadic low-grade mineralisation with a best intersection of **9 metre at 182 ppm eU₃O₈ from 82 metre.**

Drilling Activities

There are presently nine rigs employed by Reptile Uranium Namibia (RUN) in total:

- Two diamond rigs are drilling HQ size core holes within the INCA detail grid (Figure 2) to collect 2.5 tonne of sample required by Mintek for the metallurgical and crushing characteristics testwork. This will probably require 5 or 6 vertical holes targeting mineralisation within 100 metre of the surface that is representative of the expected volumetric distribution of the different styles and rock types present for blending. Whole core from these holes will be sent to Mintek together with half core from earlier diamond holes. This will leave quarter core as a record from the latter.
- One diamond rig is deepening the four remaining incomplete RC holes within the INCA Deeps portion in the north of the grid.
- One RC rig is carrying out reconnaissance drilling ~250 metre deep mostly 60 degree angle holes east of the INCA grid. This line commenced about 3 kilometre east of INCA and although sporadic higher-grade mineralisation was encountered (including values in excess of 500 ppm eU₃O₈ in individual 1 to 2 metre zones) none were thought worthy of immediate follow-up drilling until **hole MAGR40 encountered 5 metre of 434 ppm cU₃O₈ from 58 metre.** Infill holes within a structural corridor between this hole and the original INCA South discovery hole which returned a **54 metre wide zone of 670 ppm eU₃O₈ from 40 metre** some 800 metre to the southwest is underway (Figure 2).

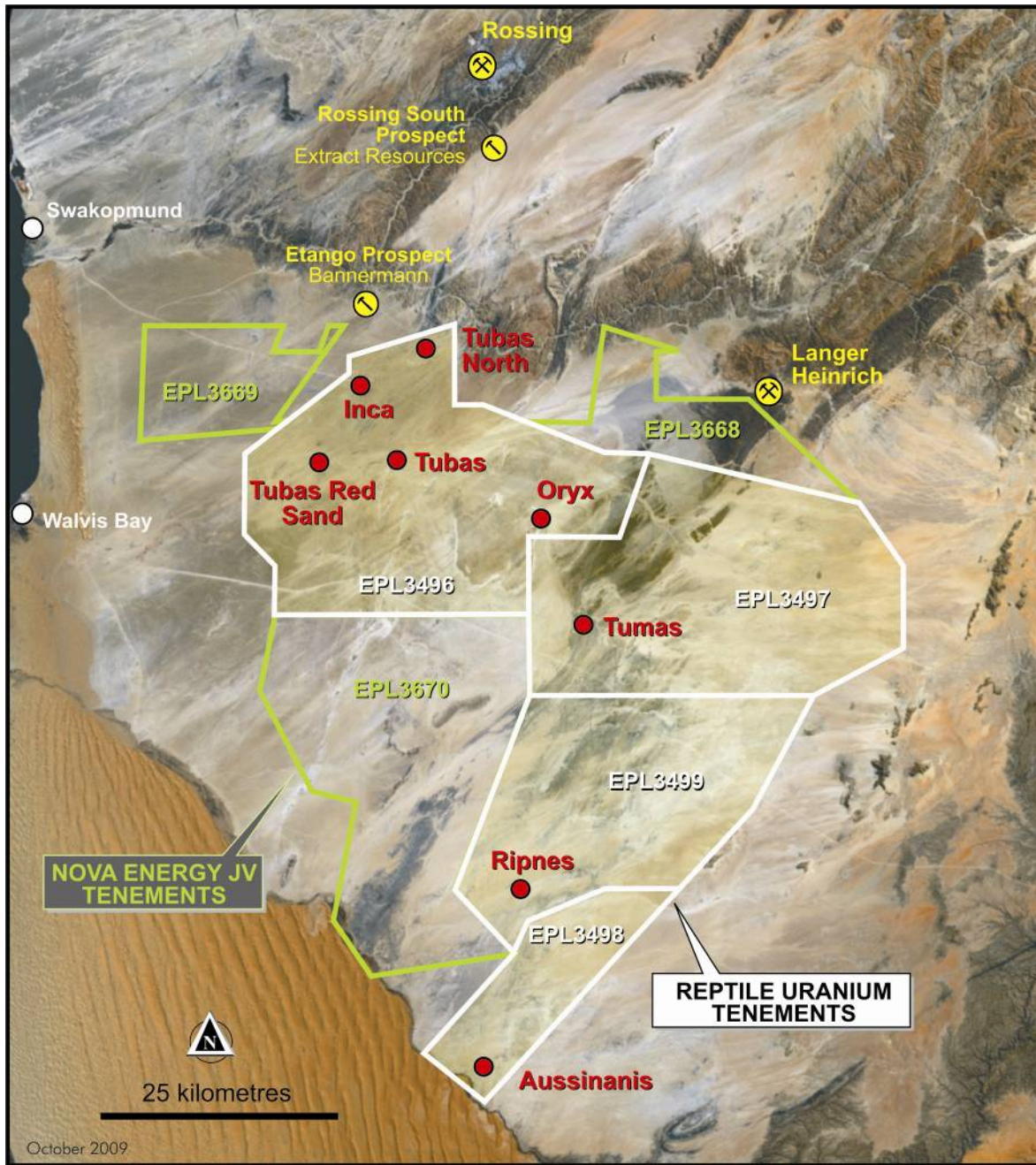


Figure 1: Namibia Project Location Map

- One RC rig is carrying out reconnaissance drilling of ~250 metre deep mostly 60 degree angleholes in the north of RUN's Tubas EPL (Figure 1) across the postulated extensions of the alaskite stratigraphic horizon hosting the uranium mineralisation at the Rössing Mine and the Rössing South project.
- Two RC rigs continue the drill out of the Oryx-Tumas palaeochannel where earlier reconnaissance drilling located mineralisation (Figure 3). This will take about 4-6 weeks to complete and one or both these rigs will then be deployed to join the other two RC rigs doing deep reconnaissance drilling, either on geophysical targets or north of INCA.

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- Two RC rigs are continuing in the search for and evaluation of mineralisation in buried palaeochannels on the northeast Nova JV EPL to the south and west of the Langer Heinrich uranium mine (Figures 1 and 4). To date 369 holes for 16,581 metre have been completed. About three months drilling remains on the regional reconnaissance lines within this EPL after which a decision on whether the grades and thicknesses of any carnotite mineralisation encountered warrant infill grid drilling.

Uranium values from better holes

Tumas Palaeochannel – Infill Drilling

Drillhole	UTM (mE)	UTM (mN)	Azi	Dip	TD (m)	From (m)	To (m)	Interval (m)	eU ₃ O ₈ (ppm)	GTM
TUMR693	511975	7456300	0	-90	40	12	29	17	672	11,190
TUMR3681	512150	7456150	0	-90	41	8	23	16	332	5,208
TUMR3649	512400	7456250	0	-90	31	11	24	13	314	3,946
TUMR931	512625	7,455900	0	-90	30	6	17	11	357	3,878
TUMR1498	512275	7455550	0	-90	41	15	23	8	432	3,434
TUMR4059	512050	7455450	0	-90	30	12	21	9	385	3,388
TUMR1422	512075	7456000	0	-90	30	7	21	14	192	2,751
TUMR4065	512350	7455450	0	-90	24	11	19	8	331	2,666
TUMR4064	512300	7455450	0	-90	42	12	24	12	201	2,350
TUMR4075	512200	7455400	0	-90	46	15	23	8	257	1,988

Nova JV – EPL 3668

Drillhole	UTM (mE)	UTM (mN)	Azi	Dip	TD (m)	From (m)	To (m)	Interval (m)	eU ₃ O ₈ (ppm)	GTM
NOVR348	518250	7475650	0	-90	97	82	91	9	182	1,709
NOVR316	518325	7475650	0	-90	97	63	70	7	190	1,291
NOVR374	516400	7475650	0	-90	91	71	78	7	154	1,069
NOVR321	518300	7475650	0	-90	97	90	92	2	257	540
NOVR11	516400	7475700	0	-90	88	77	81	4	136	502

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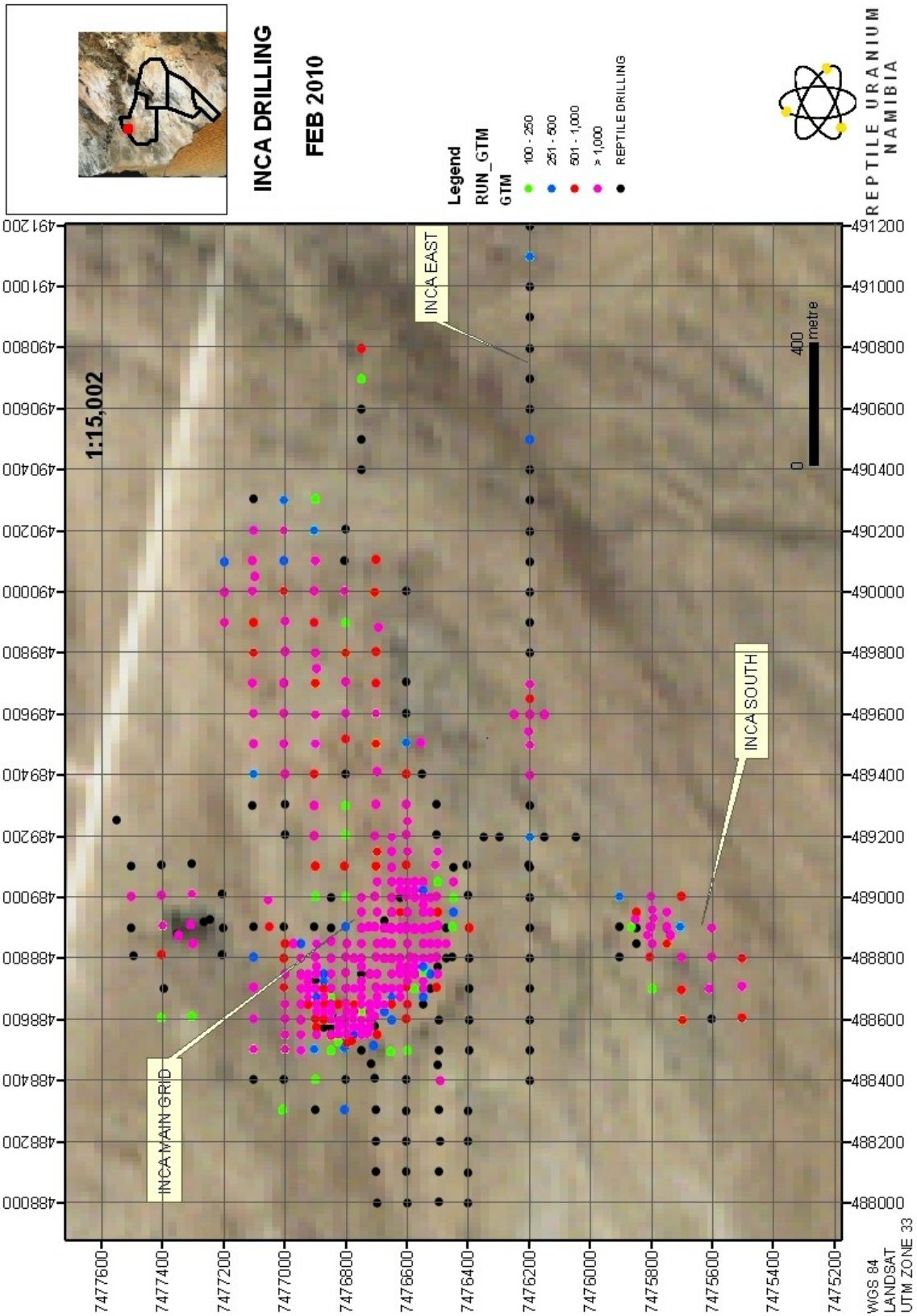
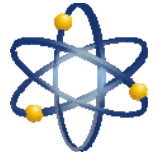


Figure 2: INCA Project Drill Out and INCA East Reconnaissance Line Discovery

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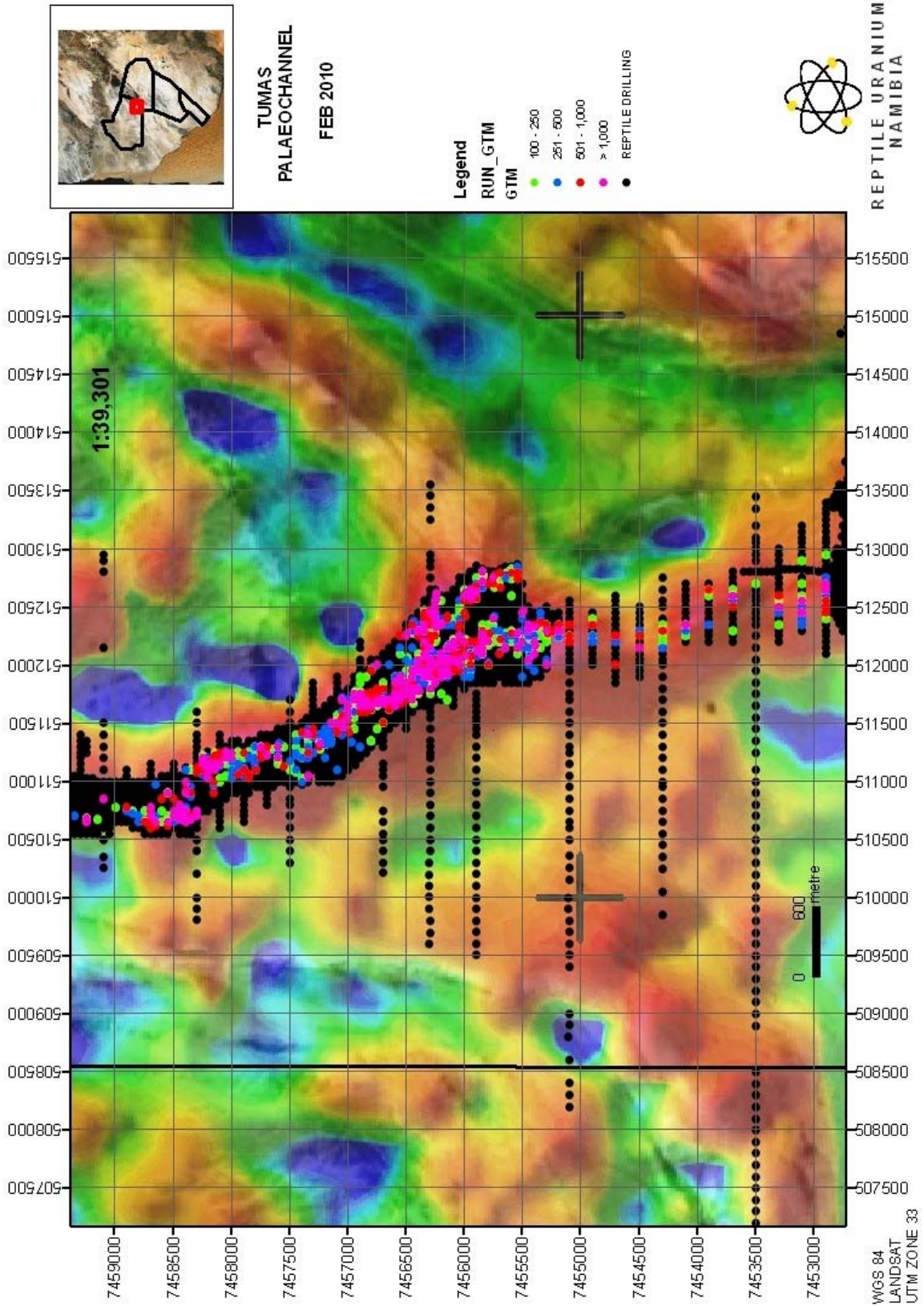
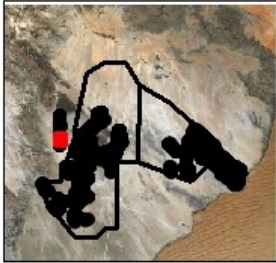
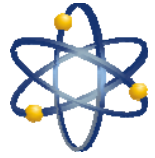


Figure 3: Tumas Palaeochannel Infill Drilling over a 6 kilometre section



RUN DRILLING
23 FEB 2010

Legend
NOVA_GTM
GTM
100 - 250
251 - 500
501 - 1000
> 1000
NOVA-DRILLED HOLES

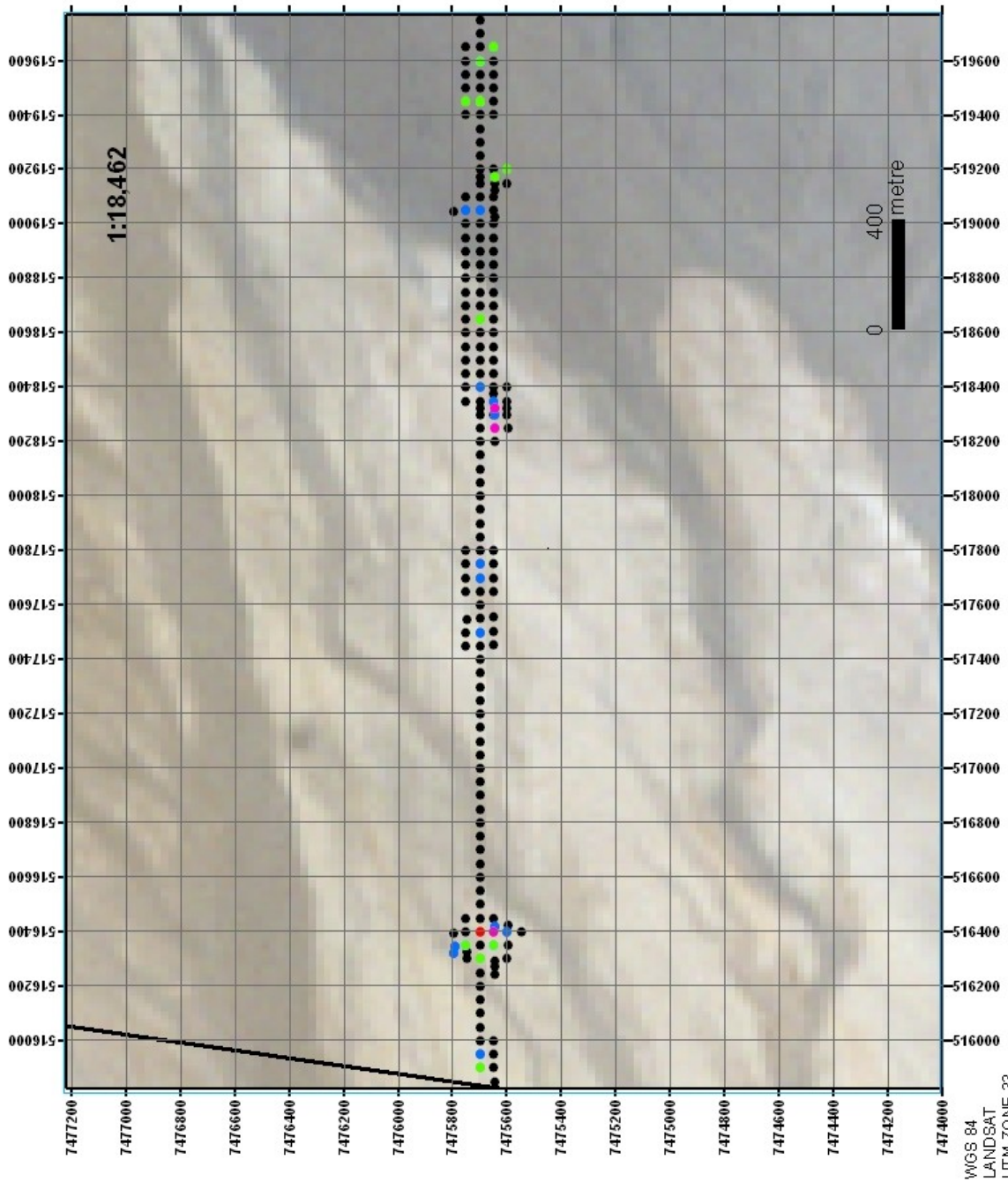


Figure 4: Nova JV Reconnaissance Drilling – Mineralised Holes

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Geophysical Surveys

Over the past three years RUN has completed three airborne geophysical surveys which are presently being fully integrated and interpreted using INCA and other known mineralisation to model where to drill next in the search for mineralisation beneath the extensive surficial desert sand and rubble cover. Given the large tenement area held by RUN (including the Nova JV area) and the number of anomalies to check this process is costly and time consuming where luck will most likely play a role should mineralisation be located in any early reconnaissance holes. It is possible that ground EM surveys will be required to refine drill targets.

A gravity survey presently being carried out over the greater INCA area should be complete in three weeks time and will assist in prioritising drill targets.

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Managing Director

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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 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 and/or cU_3O_8 is reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A675 slimline gamma ray tool. The probes have been calibrated either at the Pelindaba Calibration facility in South Africa or at the Adelaide Calibration facility in South Australia.

Deep Yellow Limited (DYL) is an Australian based pure uranium exploration company with extensive operations in Namibia and Australia.

DYL's principal development focus is in Namibia through its 100% owned subsidiary **Reptile Uranium Namibia P/L** (Reptile) at the mid to high grade Omahola Project and the extensive secondary calcrete deposits contained in the Tumas-Oryx-Tubas palaeochannel and fluvialite sheetwash systems.

The Omahola Project comprises the INCA uranium and iron and Tubas Red Sand (TRS) uranium deposits. JORC Code resource estimates for Omahola are being completed and management are confident it will underpin the stated objective of becoming a producer of 1,000 to 1,500 tonne of U_3O_8 per year at a grade of 400 ppm or better from the combined deposits.

As part of the transition from explorer to producer DYL and Reptile have been building a team of in-house expertise and consultants to complete the required studies and various reports and permit applications.

The Australian focus is on resource delineation in the Mount Isa district of Queensland and greenfields exploration in the Northern Territory. A pipeline of other projects in both countries are continually being examined and there is extensive exploration potential for new discoveries.