Deep Yellow Limited

ABN 97 006 391 948

ASX Announcement **ASX Code DYL**

Exploration Update - Mt Isa District

21 July 2009

Highlights

ISA WEST PROJECT

Further to the ASX announcements made on 19 and 26 May 2009 ongoing detailed RC drilling on 25 metre sections and 25 metre centres continues to return wide medium grade intercepts at the Thanksgiving and Bambino Prospects. Intercepts include:

- 25 m at 532 ppm eU_3O_8 from 107 m
- 27 m at 522 ppm eU_3O_8 from surface
- 23 m at 418 ppm eU_3O_8 from 86 m
- 19 m at 636 ppm eU_3O_8 from 115 m
- 21 m at 490 ppm cU_3O_8 from 51 m
- 10 m at 515 ppm cU_3O_8 from 65 m
- 8 m at 493 ppm cU_3O_8 from 27 m

Diamond drilling to confirm widths and grades from earlier RC drilling has also returned significant intercepts, namely:

- 46 m at 523 ppm eU_3O_8 from 24 m
- 17 m at 605 ppm eU_3O_8 from 59 m
- 13 m at 615 ppm eU_3O_8 from 66 m
- 9 m at 459 ppm eU_3O_8 from 47 m

Level 1 329 Hay Street Subiaco WA 6008 / PO Box 1770 Subiaco WA 6904
Tel : 61 8 9286 6999 / Fax : 61 8 9286 6969 / ABN 97 006 391 948
Email: admin@deepyellow.com.au / Website: www.deepyellow.com.au

ISA WEST PROJECT

To date, 81 RC holes for 7,607 metre have been completed and 2,535 samples collected for assaying from the 2009 programme.

Table 1: Summary of 2009 RC Drilling

Prospect Name	No. RC Holes	Metre Drilled	Samples Collected
Bambino *	25	2,796	956
Eldorado North	11	738	200
Thanksgiving	35	3,251	1,021
Turpentine	10	822	358
Total	**81**	**7,607**	**2,535**

***** Drilling in progress at Bambino

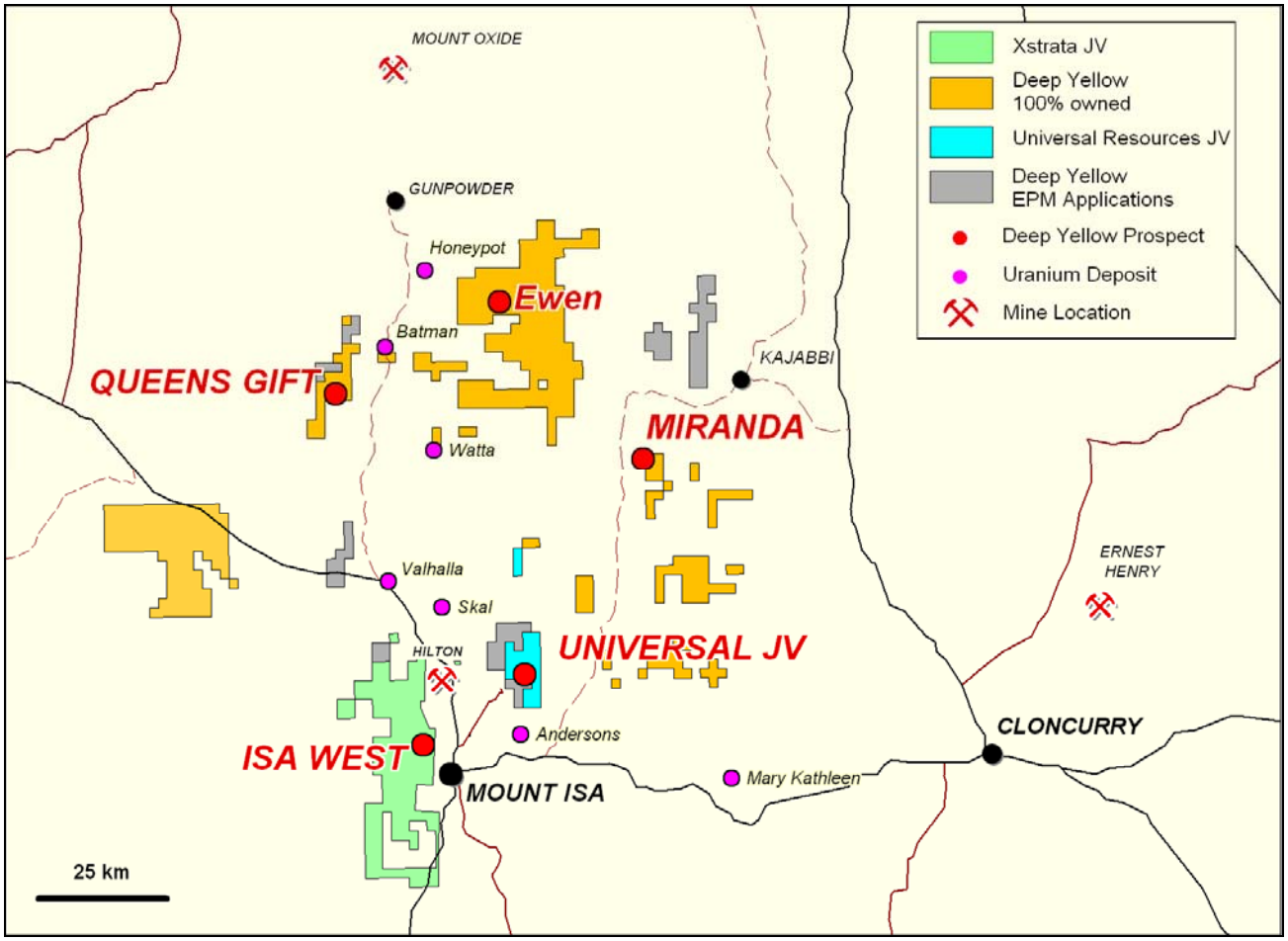

Figure 1: Mt Isa Project Locality Map

The drill programmes are outlining well developed and robust mineralised zones/structures at the Bambino and Thanksgiving Prospects. Depth continuity is also encouraging requiring further undercut drilling to fully evaluate the resource potential.

The current RC drill programme will end on or about 31 July 2009 and a 4-6 week review of the results will be undertaken.

BAMBINO PROSPECT

RC Drilling: Twenty five RC holes (BBRC013 to 037) at Bambino have been drilled in 2009 totalling 2,796 metre. Significant intercepts are given in Table 2. Equivalent U_3O_8 (eU_3O_8) values are provided where chemical results (cU_3O_8) are unavailable. Geological and radiometric logging of the drill holes indicate that mineralisation is hosted by albitite-hematite-magnetite altered amphibolite. The mineralised zone appears to be dipping to the west at about 60 degrees. Elevated values were returned in downhole gamma logging for 250 metre along strike.

Table 2: Summary of Bambino RC Drilling

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	cU_3O_8 (ppm)	eU_3O_8 (ppm)
	mE	mN				From	To			
BBRC028	335555	7712493	91	-60	72	19	27	8	203	-
						41	42	1	500	-
						47	49	2	295	-
BBRC029	335504	7712490	91	-60	150	107	132	25	-	532
BBRC030	335579	7712472	64	-60	60	0	27	27	-	522
BBRC031	335483	7712425	64	-60	216	161	182	21	-	362
					Inc	161	172	11	-	520
BBRC032	335517	7712413	64	-60	132	86	109	23	-	418
BBRC033	335600	7712424	64	-60	60	7	15	8	-	419
BBRC034	335511	7712381	64	-60	168	115	134	19	-	636
BBRC035	335601	7712411	66	-60	66	8	20	12	-	556
BBRC036	335519	7712362	66	-60	180	148	157	9	-	426
BBRC037	335553	7712357	66	-60	48	18	20	2	-	499

The results have outlined strong 'shoot' development to depth which will be further tested by RC drilling and core drilling.

Diamond Drilling: Three diamond holes for 270 metre will be drilled at the Bambino Prospect. The diamond holes are designed to intersect known areas of mineralisation and provide a detailed view of the mineralisation/alteration style and to collect structural information. Downhole gamma results for the first hole have been received and are given in Table 3.

Table 3 - Summary of Bambino Core Drilling

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	cU_3O_8 (ppm)	eU_3O_8 (ppm)
	mE	mN				From	To			
BBDC001	335575	7712371	64	-60	90	59	66	17	-	605

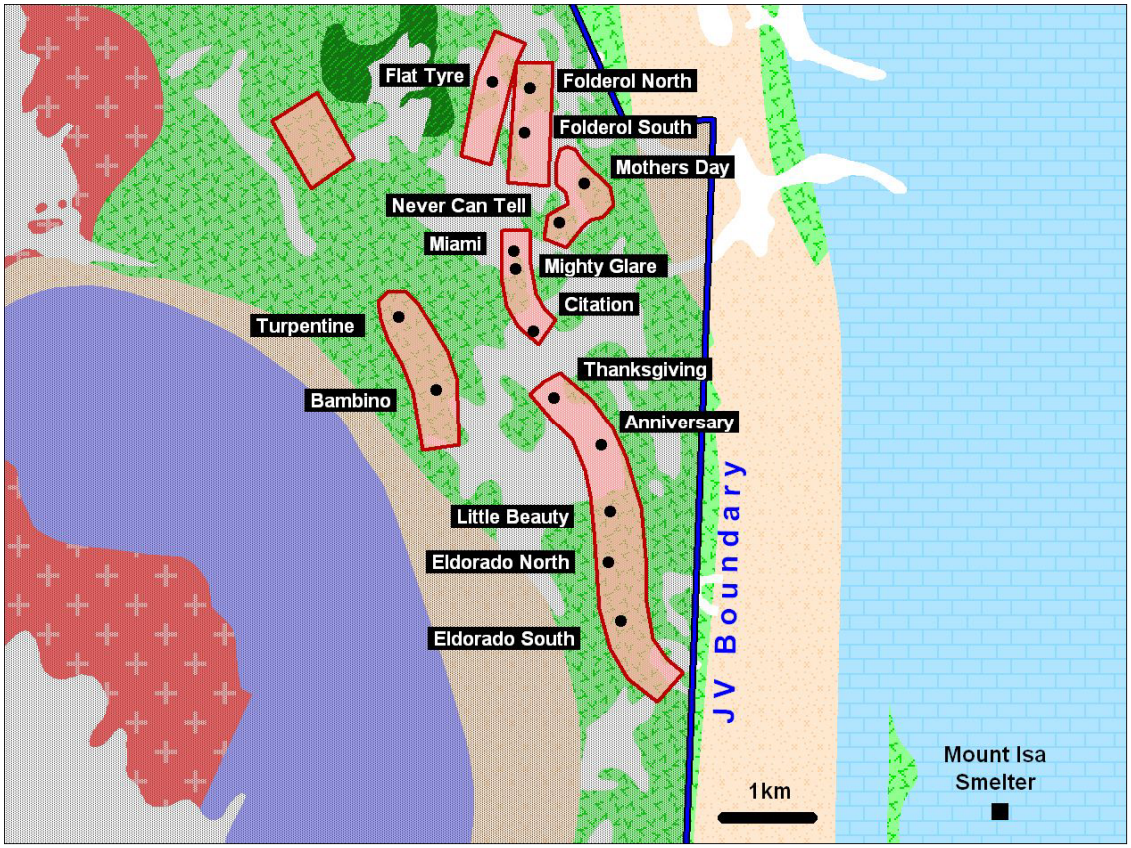

Figure 2: Isa West Prospects

THANKSGIVING PROSPECT

RC Drilling: Thirty five RC holes (TGRC009 to 043) have been completed in 2009 totalling 3,251 metre. Significant intercepts are given in Table 4.

The mineralised zone appears to be dipping to the west at about 55-60 degrees. Elevated values were observed in downhole gamma logging for 300 metre along strike.

Table 4 - Summary of Thanksgiving RC Drilling

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	cU_3O_8 (ppm)
	mE	mN				From	To		
TGRC018	336795	7712608	66	-60	126	73	74	1	105
						77	78	1	135
						88	91	3	383
						101	103	2	195
TGRC019	336814	7712667	66	-60	84	39	42	3	408
TGRC020	336795	7712725	66	-60	90			-	NSA
TGRC021	336639	7712850	66	-60	102			-	NSA
TGRC022	336644	7712856	66	-60	102			-	NSA

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	cU_3O_8 (ppm)
	mE	mN				From	To		
TGRC023	336806	7712498	66	-60	127	51	72	21	490
						91	94	3	296
						104	106	3	825
TGRC024	336800	7712483	66	-60	156	79	95	16	402
						111	115	4	534
						125	127	2	320
TGRC025	336863	7712533	66	-60	60	25	29	4	453
TGRC026	336846	7712483	66	-60	108	46	51	5	425
						74	82	6	237
					Inc	81	82	1	1,400
TGRC027	336886	7712500	66	-60	54	25	28	3	220
TGRC028	336839	7712458	66	-60	132	76	87	11	247
TGRC029	336902	7712452	66	-60	60	23	30	7	393
					Inc	28	30	2	1,020
TGRC030	336855	7712431	66	-60	102	65	75	10	515
TGRC031	336847	7712402	66	-60	120	14	16	2	430
						76	78	2	223
TGRC032	336905	7712395	66	-60	72				NSR
TGRC033	336887	7712385	66	-60	90				NSA
TGRC034	336874	7712557	66	-60	54	9	11	2	265
TGRC035	336827	7712531	66	-60	102	44	53	9	417
						61	63	2	570
TGRC036	336861	7712579	66	-60	60	16	19	3	370
						28	41	13	507
TGRC037	336798	7712548	66	-60	114	71	81	10	413
TGRC038	336855	7712611	66	-60	72	17	18	1	380
						34	35	1	470
						45	53	8	436
TGRC039	336808	7712590	66	-60	120	64	65	1	400
						92	98	6	343
TGRC040	336839	7712624	66	-60	72	27	35	8	493
						47	48	1	750
TGRC041	336779	7712534	66	-60	136	102	103	1	450
TGRC042	336860	7712498	0	-90	60	18	21	3	290
						30	32	2	330
TGRC043	336840	7712608	0	-90	48	47	48	1	550

NSA - No Samples Assayed NSR - No Significant Results

Diamond Drilling: Three diamond holes for 270 metre have been drilled at the Thanksgiving Prospect. The diamond holes are designed to intersect known areas of mineralisation and provide a detailed view of the mineralisation/alteration style and to collect structural information.

Diamond Drilling – Thanksgiving Prospect

High Grade Mineralisation with intense alteration – Hole TGDC001

The core holes were drilled midway between 25 metre spaced RC drill holes and the results listed in Table 5 correlate well with the adjacent RC intervals.

Table 5 - Summary of Thanksgiving Core Drilling

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	cU_3O_8 (ppm)	eU_3O_8 (ppm)
	mE	mN				From	To			
TGDC001	336831	7712514	66	-60	90.2	24	70	46	-	523
TGDC002	336830	7712564	66	-60	90.2	51	56	5	-	679
						66	79	13	-	615
TGDC003	336884	7712416	66	-60	90.2	47	56	9	-	459

TURPENTINE PROSPECT

RC Drilling: Ten RC holes were drilled in 2009 at the Turpentine Prospect. The results (Table 6) show good continuity of mineralisation along strike and to depth. The grade returned so far is not as high as at the Thanksgiving and Bambino Prospects.

Table 6: Summary of Turpentine RC Drilling

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	cU_3O_8 (ppm)
	mE	mN				From	To		
TURC007	335075	7713428	50	-60	90	30	43	13	276
TURC008	335098	7713419	50	-60	72	18	21	3	297
						29	38	9	444
TURC009	335081	7713371	50	-60	90	37	39	2	290
						45	56	11	294
					Inc	48	51	3	533
TURC010	335111	7713372	50	-60	72	14	16	2	345
						27	39	12	275
					Inc	29	34	5	392
TURC011			50	-60	90	41	51	10	482
TURC012	335145	7713447	50	-60	60	28	37	9	505
					Inc	29	33	4	863
TURC013	335077	7713466	50	-60	60	31	41	10	245
					Inc	37	41	4	470
TURC014	335032	7713467	50	-60	90	55	64	9	234
TURC015	335035	7713526	50	-60	60				NSR
TURC016	335083	7713307	-	-90	138				NSR

NSR - No Significant Results

ISA NORTH PROJECT

PROSPECTOR EPM 15070 – QUEENS GIFT PROSPECT

RC percussion drilling (5,000 metre) commenced at Queens Gift on 16 July 2009. The programme will test to 150-200 metre vertical depth the two main mineralised shoots outlined by the 2007/2008 drill programmes.

A 1,000 metre diamond drill programme will follow-on from the RC drilling.

Dr Leon Pretorius
Managing Director

Further Information:
Mr Martin Kavanagh
Executive Director
(61 8) 9286 6999

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 is reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A675 – slimline gamma ray tool. The probe has been calibrated at the Adelaide Calibration facility in South Australia with calibration certification provided by Geotron Systems (Pty) Ltd a geophysical consultancy based in South Africa. All eU_3O_8 results reported are affected by issues pertaining to possible disequilibrium and uranium mobility which should be taken into account when interpreting those pending confirmatory chemical analyses.

Deep Yellow Limited is an Australian-based pure uranium exploration company with extensive advanced operations in Namibia and in Australia.

In Namibia the Company's principal development focus is through its 100% owned subsidiary Reptile Uranium Namibia P/L at the mid to high grade INCA primary uraniferous magnetite and secondary Red Sand projects and the extensive secondary calcrete deposits contained in the Tumas-Oryx-Tubas palaeochannel and fluviatile sheetwash systems.

In Australia the Company is focused on resource delineation of mid to high grade discoveries in the Mt Isa district - Queensland, these include the Queens Gift, Conquest, Slance, Eldorado, Thanksgiving, Bambino and Turpentine Prospects.

A pipeline of other projects and discoveries in both countries are continually being examined and there is extensive exploration potential for new, additional uranium discoveries in both Namibia and Australia.