

13 July 2010

Deep Yellow Returns Positive Results from Start of 2010 Drill Programme at Mount Isa

HIGHLIGHTS

- **Shallow RC drilling returns solid results from surface at Miranda:**
 - Hole MRRC020 - 22 metres at 647 ppm U₃O₈ from surface
 - Hole MRRC022 - 23 metres at 352 ppm U₃O₈ from 2 metres
 - Hole MRRC023 - 21 metres at 489 ppm U₃O₈ from 2 metres
 - Hole MRRC026 - 15 metres at 408 ppm U₃O₈ from surface
- **Follow-up drilling returns high grade intercepts at three Isa West prospects:**

Eldorado North

- Hole ENRC013 - 25 metres at 479 ppm U₃O₈ from 139 metres
- Hole ENRC014 - 4 metres at 1,134 ppm U₃O₈ from 122 metres

Never-Can-Tell

- Hole NCRC004 - 10 metres at 693 ppm U₃O₈ from 71 metres
- Hole NCRC006 - 8 metres at 836 ppm U₃O₈ from 78 metres

Citation

- Hole CIRC005 - 16 metres at 564 ppm U₃O₈ from 58 metres
- Hole CIRC007 - 16 metres at 652 ppm U₃O₈ from 54 metres
- Hole CIRC010 - 11 metres at 543 ppm U₃O₈ from 65 metres
- Hole CIRC011 - 12 metres at 421 ppm U₃O₈ from 144 metres

2010 EXPLORATION PROGRAMME

Deep Yellow Limited (ASX: DYL) is pleased to announce it has kicked off its 2010 drilling programme in the Mount Isa district in May and has returned a number of **high-grade intercepts** at its 100% owned Miranda prospect and three other prospects at Isa West.

DYL's 2009 Mount Isa drilling program outlined **Indicated and Inferred Mineral Resources*** in accordance with the JORC Code of >400 ppm U₃O₈ from surface to approximately 200 metre vertical depth at several prospects. Following on this success, the 2010 drilling programme will aim to fast-track drill several new prospect areas with surface radiometric anomalies and to test a number of previously drilled prospects up to 400 metres vertical depth to determine the potential for continuity of mineralisation at depth. The overall strategy is to assess the potential of the Mount Isa prospects to increase total uranium resources.

* 3.64 million tonnes at 420 ppm U₃O₈ for 1,540 tonnes (3.4 Mlbs) U₃O₈ as announced 14 January 2010

Positive Results from the Start of 2010 Drill Programmes in the Mount Isa District



Select high-grade intercepts from the start of the 2010 drilling programme are presented in Tables 1 and 2 below.

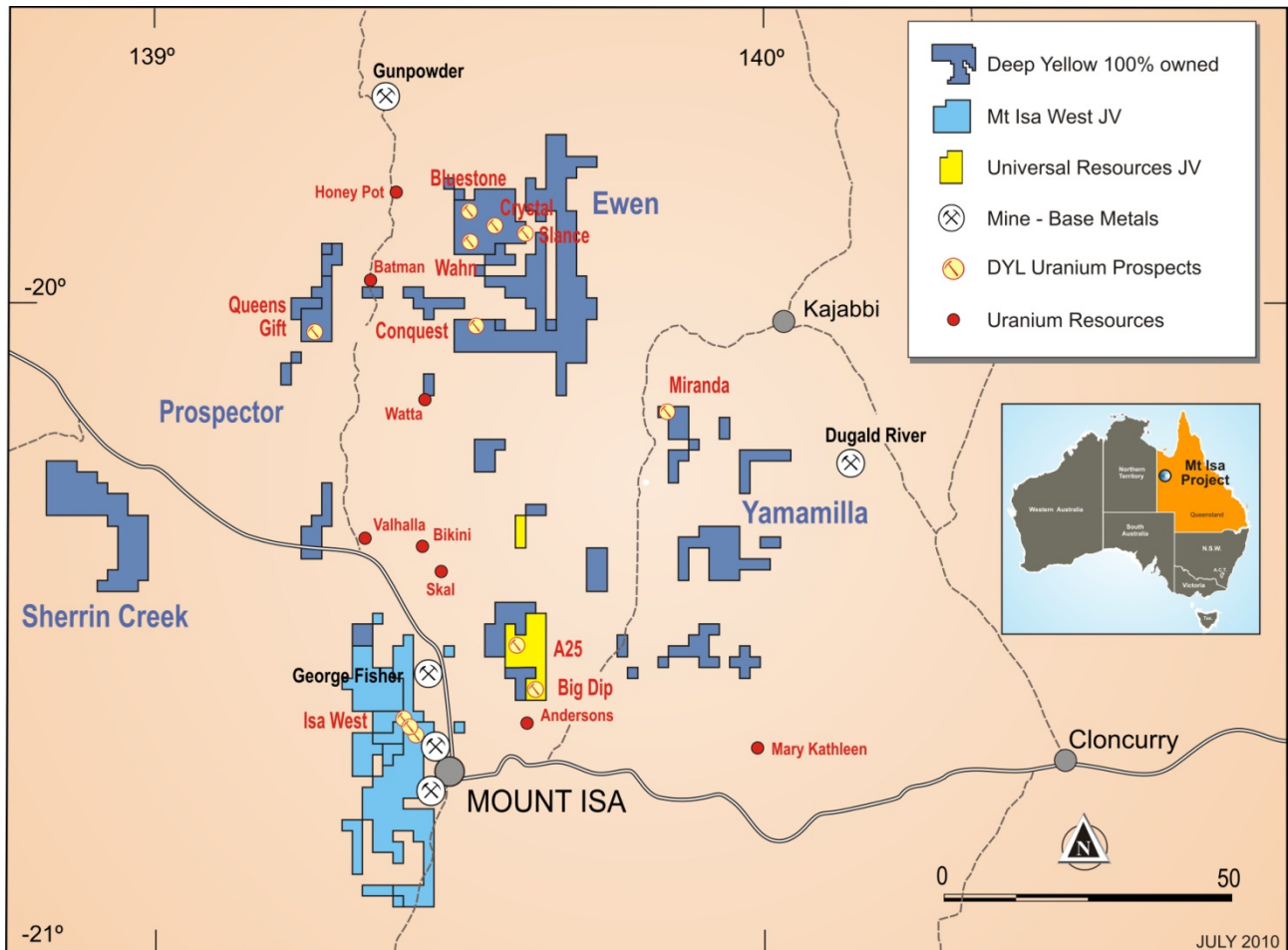


Figure 1: Mount Isa Tenements

Miranda Drilling Programme

An RC drilling programme totalling 1,470 metres in 23 holes was completed at the Miranda Prospect within EPM 14281. Table 1 lists the intercepts from this drilling programme.

The drilling has outlined a 120 metre x 75 metre flat-lying mineralised zone of limited surface extent. Typically the mineralisation thinned at the edges and pinched out at about 50 metres true vertical depth. Mineralisation potential is interpreted as open to the south-west. No further drilling is planned at the Miranda Prospect area until the programme has been reviewed in detail and the recently acquired aeromagnetic data covering the south-west extension area are interpreted.



Table 1: Miranda Project - Selected RC Drilling Results * XRF Chemical analysis

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)
	mE	mN				From	To		
MRRC020	379845	7769034	45	-60	72	0	22	22	647
					incl	3	8	5	1,407
						19	22	3	1,355
MRRC021	379841	7769040	45	-60	60	30	34	4	1,069
MRRC022	379870	7769068	225	-60	60	2	38	36	270
						2	25	23	352
MRRC023	379855	7769084	45	-60	60	2	23	21	489
					incl	2	8	6	648
						15	22	7	806
MRRC024	379841	7769099	45	-60	54	4	16	13	231
					incl	12	15	3	368
MRRC026	379801	7769133	45	-60	54	0	15	15	408

* A full listing of drill holes will be given in the June Quarterly.

Isa West Drilling Programme

The recently completed RC drilling programme at Isa West totalling 17 holes for 2,360 metres successfully extended the higher grade Eldorado North Prospect from approximately 50 metres vertical depth to 120 metres vertical depth. At the Citation and Never-Can-Tell Prospects infill drilling on shallow 2008 intercepts confirmed both strike extensions to the original drill intercepts and continuity of mineralisation to depth. These prospects will now form part of a future resource drill out programme.

RC pre-collars for the deep diamond core holes at the Thanksgiving and Bambino Prospect were also completed with core drilling planned to commence in the September quarter.

Field mapping of the extensive 'un-drilled' northern tenement area at Isa West is approximately 75% complete. Data from a heliborne aeromagnetic/radiometric survey over the same area has been received and is being processed with a view to generating additional drill targets.

**Positive Results from the Start of
2010 Drill Programmes in the Mount Isa District**



Table 2: Isa West – Select RC Percussion Intercepts *

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm) ‡
	mE	mN				From	To		
Eldorado North Prospect									
ENRC013	337444	7710519	75	-60	186	139	164	25	479
					inc	152	158	6	1,039
ENRC014	337459	7710470	75	-60	150	122	126	4	1,134
Never-Can-Tell Prospect									
NCRC004	336881	7714488	90	-60	150	71	81	10	693
NCRC006	336882	7714512	90	-60	180	78	85	8	836
Citation Prospect									
CIRC005	336557	7713264	45	-60	168	58	74	16	564
						60	64	4	1,622
CIRC007	336574	7713252	45	-60	180	55	71	16	652
CIRC010	336536	7713289	45	-60	174	65	76	11	543
CIRC011	336492	7713209	45	-60	180	144	156	12	421

* A full listing of drill holes will be given in the June Quarterly.

‡ U₃O₈ – XRF chemical assays.

Drilling will continue in accordance with the strategy described above.

For further information regarding this announcement, contact:

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Further information relating to the Company and its various exploration projects can be found on the Company's website at www.deepyellow.com.au.

Positive Results from the Start of 2010 Drill Programmes in the Mount Isa District



Compliance Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Martin Kavanagh, a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Kavanagh is an Executive Director of Deep Yellow Limited and 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'. Mr Kavanagh 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 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.

Deep Yellow Limited is an Australian-based uranium focused exploration company with advanced exploration projects in Namibia and in Australia.

In Namibia the Company operates through its wholly-owned subsidiary **Reptile Uranium Namibia P/L** which is focusing on its mid to high grade INCA primary uranium magnetite and secondary Red Sand projects and the extensive secondary calcrete deposits contained in the Tumas-Oryx-Tubas palaeochannel and fluvial sheetwash systems.

In Australia the Company is focused on resource delineation of mid to high grade discoveries in the Mt Isa district - Queensland, including the Queens Gift, Conquest, Slance, Eldorado, Thanksgiving, Bambino and Turpentine Prospects. The Company also owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory.

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.