Deep Yellow Limited - Identifies Significant Uranium Mineralisation In Basement Rocks Beneath The Tubas-Tumas Palaeochannel In Namibia

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Perth, Australia (ABN Newswire) - Deep Yellow Limited (ASX: DYL) (PINK: DYLLF) is pleased to announce that follow-up infill drilling at Tumas Zone 3 of the Tubas-Tumas palaeochannel in Namibia, by DYL's wholly-owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN), has identified high-grade uranium mineralisation in the basement rocks beneath the palaeochannel; mineralised Red Sand adjacent to the channel similar to the Tubas Red Sand (TRS) deposit material, as well as additional high-grade mineralisation within the palaeochannel.

Basement Hosted Mineralisation

In November 2010 RUN conducted follow-up infill drilling near Tumas Zone 3 of the Tubas-Tumas palaeochannel to investigate reverse circulation (RC) drilling results indicating the potential for basement mineralisation below a relatively high-grade section of the palaeochannel on RUN's EPL 3496.

The investigation confirmed that drillhole ORXR1 intercepted high-grade secondary uranium mineralisation hosted in granitic basement below the palaeochannel with a mineralised intercept of:

- 47 metres at 830 ppm cU3O8 from 29 metres.

Three scissor holes drilled on the ORXR1 section suggests the mineralisation in ORXR1 may be limited in extent in the immediate area, but provides evidence for and may provide a model for new basement hosted targets.

A 60 degree angle hole ORXR3 also returned basement intercepts of:

- 4 metres at 405 ppm cU3O8 from 30 metres

- 5 metres at 412 ppm cU3O8 from 43 metres

- 5 metres at 420 ppm cU3O8 from 53 metres

Mineralisation is carnotite in both holes.

Figure 2 (see link at the bottom of the release) is an interpreted drill section through holes ORXR1 and ORXR3 showing basementhosted secondary uranium mineralisation (carnotite) located at a granite - biotite gneiss contact as well as secondary carnotite mineralisation in overlying channel sediments (ORXR4)

The basement mineralisation appears to be associated with the contact zone between granite and gneiss (metasedimentary rocks). Microscopic studies show that the granite is a pegmatiticleucogranite phase (alaskite). Mineralisation is secondary carnotite. Diamond drilling will be carried out in 2011 to determine the potential of this contact zone.

Red Sand Mineralisation

Reverse Circulation infill drilling around ORXR1 also identified aeolian Red Sand hosted mineralisation with drillhole ORXR37 intercepting:

- 8 metres at 516 ppm cU3O8 from 5 metres

Figure 3 (see link at the bottom of the release) shows the position of ORXR37 (circled) and the yellow lines

outline the deeper palaeochannel position.

Mineralised aeolian red sand from ORXR37 has very similar characteristics to the Tubas Red Sand (TRS) deposit which is part of the Omahola Project located 20 kilometres to the west. The TRS deposit contains 13.9 million tonnes at 160 ppm U3O8 for 2,217 tonnes (4.9 million pounds) contained U3O8. This new discovery, on the flank of the palaeochannel, is consistent with mineralisation at the TRS deposit and further confirms the possible extent of this unique style of uranium mineralisation over 10's of kilometre of the main Tubas-Tumas palaeochannel system.

The red sand sample from 9 to 10 metres depth in ORXR37 assayed 249 ppm U3O8 and the TRS sample from 4 to 6 metres depth assayed 327 ppm U3O8.

Palaeochannel Mineralisation

Infill drilling on a 50 metre grid to the original reconnaissance drilling has outlined further highgrade palaeochannel mineralisation with an intercepts of:

- 8 metres at 614 ppm cU3O8 from 7 metres

- 11 metres at 1,097 ppm cU3O8 from 5 metres

- 7 metres at 782 ppm cU3O8 from 3 metres

The earlier reconnaissance holes are unlabelled. Significant mineralised intercepts are given in Table 1 (see link at the bottom of the release). The palaeochannel mineralisation remains open upstream (east).

Only 49 holes were completed in this restricted campaign and the various modes of mineralisation (palaeochannel, aeolian and primary) remain open in most directions and will be subjected to further evaluation by drilling in 2011.
Tumas Zone 3 Exploration Target Range

The Tumas Zone 3 reconnaissance drill data was evaluated by Hellman & Schofield (H&S) as part of the upgraded Tumas JORC Resource estimate (ASX 28 October 2010). Due to the broadly and irregularly spaced lines of drillholes at the time, the calcrete-hosted mineralisation in Zone 3 was determined to be too poorly defined for inclusion in resource estimates. However when combined with geophysical survey results, the drill results provide an indication of the orientation and extent of the mineralised zone. Consequently a conceptual exploration target range was estimated at 10 to 30 million tonnes at a grade of 300 to 400 ppm U3O8 at 200 ppm cut-off. H&S stated that it is uncertain if future exploration will result in the determination of a Mineral Resource.

For the complete Deep Yellow announcement including figures and tables, please refer to the following link:
http://www.abnnewswire.net/media/en/docs/64785-ASX-DYL-520123.pdf

About Deep Yellow Limited:

Deep Yellow Limited (ASX:DYL) (PINK:DYLLF) 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 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, 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.

Contact:

Patrick Mutz
Managing Director
Deep Yellow Limited
Ph: +61-8-9286-6999
Email: info@deepyellow.com.au
http://www.deepyellow.com.au