Deep Yellow Limited - Update On Shiyela Iron Project Exploration Programme In Namibia

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Perth, Australia (ABN Newswire) - Deep Yellow Limited (ASX: DYL) (PINK: DYLLF) is pleased to present an update on its Shiyela Iron Project exploration programme in Namibia which is being conducted by its wholly-owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN). This follows the recent release (ASX 14 February 2011) of promising results from testwork that highlighted the potential of the M62 and M63 Shiyela magnetite deposits to support the rapid development of a mining operation 35 kilometres east of the Walvis Bay port.

DYL's Managing Director Greg Cochran is highly satisfied with the progress to date. 'In less than a year we have drilled over 25,000 metres to define these two initial magnetite deposits that we believe could underpin the development of a mine. As this first phase of drilling nears completion we are looking forward to the declaration of a maiden JORC compliant resource in the second quarter and will consider further step out drilling to confirm the strike extension and potential scale of this extensive aeromagnetic anomaly.'

The first phase of the Shiyela Iron Project exploration programme, which commenced in June 2010, had the objective of identifying an initial resource at M62 of 120 to 150 million tonnes containing 20 to 25% magnetite to 200 metres vertical depth. A total of 140 RC holes for 24,713 metres and 5 diamond holes for 1,446 metres have been drilled at M62 and M63. It is expected that drilling will be completed by the end of February which will allow Golder Associates (Golders) sufficient time to complete a JORC compliant resource estimate in the second quarter. The mineralisation at M63 will add significantly to the initial resource target.

The M62 deposit, which is open in all directions, has been drilled down to a maximum vertical depth of over 300 metres; it has been drilled along strike for a kilometre and over a maximum width of 500 metres.

The M63 deposit, which is open at depth, has a strike length of over 800 metres with a maximum width of 500 metres, down to a maximum vertical depth of approximately 300 metres.

Figure 1 (see link at the bottom of the release) shows a plan of the Shiyela aeromagnetic anomaly, Figure 2 (see link at the bottom of the release) a picture of our drilling operations and Figure 3 (see link at the bottom of the release) a Tilt Derivative (TDR) processed image of the horizontal width and intensity of the magnetic anomaly.

As can be seen in Figure 1 (see link at the bottom of the release), similar geophysical signatures abound in the area and the main zone of magnetic anomalism that hosts M62 is some 20 kilometres long but has yet to be drill tested for continuity.

GEOLOGY AND MAGNETITE MINERALISATION-STYLE

The main mineralised zone at both deposits consist of a mixture of coarse grained magnetitequartz rock and fine grained quartz-biotite gneiss with smaller lower grade mineralised zones of fine grained magnetic granitised gneiss. Quarter core from a completed HQ diamond hole from each deposit has been sampled to supply continuous sample data through each deposit for additional testwork including Davis Tube recoveries and product analyses.
The following interpretations and descriptions are based on present RC and limited diamond drilling and on the scant outcrop:

The magnetite / iron mineralisation is of syn-sedimentary origin, i.e. not introduced;

Massive magnetite (magnetite-quartz rock) is spatially related to remobilisation by contact metamorphism close to granite / pegmatite intrusives;

Fine-grained magnetite in migmatitic quartz-biotite-magnetite gneiss probably represents original deposits that have been subjected to lower grade metamorphism;

Three types of magnetite ore have been identified:

- Sporadic shallow oxidisation is observed in some drill holes that has resulted in hematisation of both the fine and coarse grained low to medium grade magnetite mineralisation. This alteration rarely occurs below 25 metres vertical depth;

- Fine grained quartz-biotite-magnetite gneiss containing low to medium grade mineralisation;

- Coarse grained massive magnetite-quartz rock containing high grade mineralisation.

Mineralisation resides in tectonic layering - steeply dipping and regionally (and locally) folded. At M62 layering dips at about 45 degree to the west and strikes approximately 030 degree. At M63 layering is sub-vertical and strikes approximately east-west although modified by steep plunging folds in part. Lack of outcrop will necessitate extensive drilling including orientated diamond core to unravel the structure over time.

MINING POTENTIAL

Cross-sections have been presented below in Figures 7 and 9 (see link at the bottom of the release) for both the M62 and M63 deposits. They show the estimated percentage magnetite by physical separation and the magnetic susceptibility on a metre by metre basis as logged by RUN geologists for each drill hole. Schematics showing cross-sections with the estimated average (physical) magnetite content for M62 and M63 have also been presented in Figures 8 and 10 (see link at the bottom of the release) showing the potential for bulk mining with minimal internal waste.

The schematics indicate strongly mineralised zones in both deposits with the M62 deposit being open in all directions. M62 has been drilled along strike for almost a kilometre and over a maximum width of 500 metres with a maximum vertical depth of just over 300 metres.

By comparison the M63 deposit is open at depth, has a strike length of over 800 metres with a maximum width of 500 metres, down to a maximum vertical depth of approximately 300 metres.

PROGRAMME

- Complete the drill out of the M63 deposit and selected grid area at M62 by end February 2011.

- Complete Davis Tube Recovery (DTR) testwork and analysis of five metre composites from a representative diamond drill hole and two RC holes from each deposit in March 2011.

- Conduct head-grade XRF analyses of all mineralised core by end March 2011.

- Compile sufficient DTR data to complete magnetite recovery and product grade estimates for both M62 and M63 deposits by May 2011.

- Provide a JORC Compliant Mineral Resource Estimate (by Golder Associates) in the second quarter 2011, followed by delivery of a Scoping Study report from ProMet.

- Consider further step out drilling along strike to determine the full extent and potential scale and distribution of magnetite mineralisation of the airborne magnetic anomalism.

For the complete Deep Yellow Limited announcement including figures, please view the following link: http://www.abnnewswire.net/media/en/docs/65257-ASX-DYL-529543.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:

Greg Cochran
Managing Director
Deep Yellow Limited
Tel: +61-8-9286-6999
Email: info@deepyellow.com.au
[wp=http://www.deepyellow.com.au]http://www.deepyellow.com.au[/wp]