

Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

Investment Alert – April 7, 2020

www.deeptyellow.com.au



Deep Yellow Limited (A\$ 0.26)

ASX	: DYL
OTCQX Best Market	: DYLLF
H+L prices (12 months)	: A\$ 0.45 – 0.11
Issued shares	: 244.9 million
Fully diluted	: 300.1 million
Market capitalization	: A\$ 63.7 million (US\$ 38.6 million)

2020 share price target: A\$ 0.90

INVESTMENT ALERT

► Completion infill drilling at **Tumas 3 deposit** in Namibia identifies sufficient Indicated Resources to support currently undertaken **PFS**

On March 24, 2020, **Deep Yellow** completed the infill drilling program at the Company's **Tumas 3 deposit** on EPL 3496 in **Namibia**, comprising of 46 RC holes for 5,154 metres. The drill program was developed to identify sufficient Indicated Resources to support the **Tumas 3 Pre Feasibility Study (PFS)** the Company is currently undertaking.

The drill program focused on converting approximately 50% of the Inferred Resources at **Tumas 3** to an Indicated JORC status. EPL 3496 is held by **Reptile Uranium Namibia (Pty) (RUN)**, part of the group of companies wholly owned by **Deep Yellow**.

The results from the drill program have confirmed exceptional continuity of uranium mineralization over a 2.5 kilometre length of palaeochannel within the **Tumas 3** deposit.

Importantly, downhole logging analysis indicates that the results from the drill program are sufficient enough to achieve the Indicated Resource target required to support **Tumas 3 PFS**, which is currently underway.

The **Tumas 3 deposit** is 7 kilometres long and 0.2 to 1.1 kilometre wide and **contains 33.1 million pounds of Inferred Resources at a grade of 378 eU3O8 utilizing a 200 ppm cut-off.**

Deep Yellow has only drilled 60% of the known palaeochannel system, with significant upside potential to further increase the regional resource base through ongoing exploration.

Currently, all data is being compiled and evaluated to produce an updated **Tumas 3 resource estimate, which is expected to be completed by mid-May 2020.**

A limited resource infill drilling is planned to test later this year.

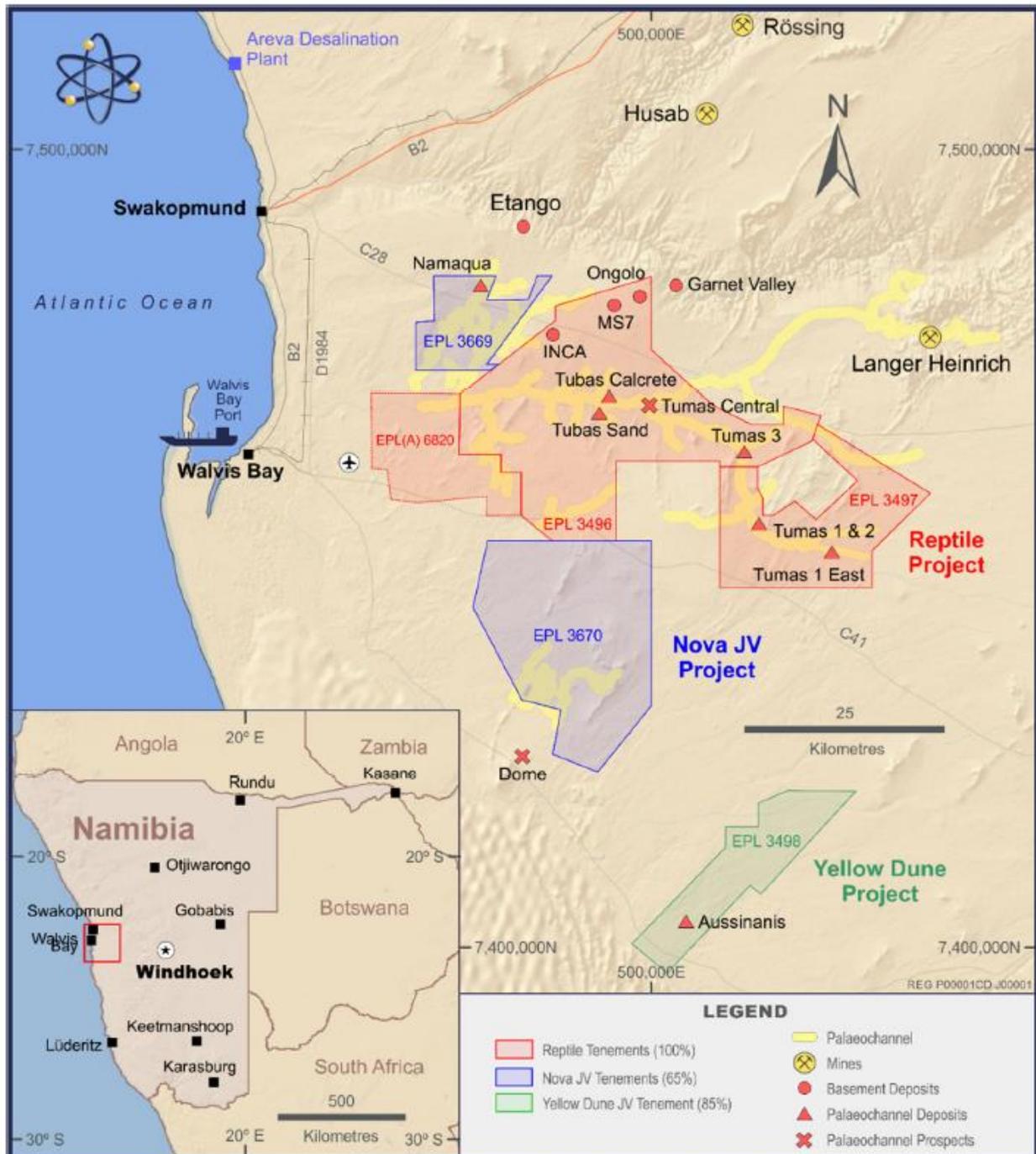


Figure 1: EPLs 3496 and 3497 showing the Tumas deposits and main prospect locations over palaeochannels

Investment Comments:

Deep Yellow has a two-pronged growth strategy involving the growing of existing uranium resources in **Namibia**.

Innovative operation undertaken by **Deep Yellow** over the past three years has resulted in a remarkable three-fold increase in the resource base of the deposit type within the highly prospective **Tumas** palaeochannel to **92.5 million pounds U₃O₈ grading 303 ppm U₃O₈**.

Importantly, with the Company's stated Exploration Target there remains strong upside for further discovery with supportable expectations that this calcrete-associated uranium in **Mineral Resource could be increased to between 100 million pounds and 150 million pounds U₃O₈ in the grade range of 300 to 500 ppm U₃O₈**.

The positive results achieved so far at **Reptile** justify advancing the Project by completing the **Tumas 3 PFS**, which is currently underway. Completion is expected late in the **September quarter 2020**.

The timing of the **Scoping Study** and **PFS** is structured such that, if these studies prove positive, there is sufficient time to complete a **Definitive Feasibility Study to align with the potential development of the Reptile Project around the target period of 2023/24**.

Deep Yellow and its partners entered into a strategic agreement with **JOGMEC** of Japan in the **Nova Joint Venture** which adjoins the Company's **Reptile Project** where significant uranium resources have been defined and reported.

JOGMEC has approved a sole funding program and budget of A\$ 1.05 million over the next 12 months for the period ending March 31, 2020 and can earn a 39.5% interest in the Project through expenditure of A\$ 4.5 million within 4 years.

Rated as **Namibia's** top-ranked exploration/development company by market valuation, based on the quality and further expansion potential of its prospective Reptile Project, **Deep Yellow**, supported by cash equivalents of A\$ 14.1 million as at December 31, 2019, in my view, at a current market valuation of approximately US\$ 38.6 million, offers a high investment leverage potential.

My 2020 share price target remains A\$ 0.90.