

Uraniumletter INTERNATIONAL

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Investment Alert – July 30, 2021

www.deeptyellow.com.au



Deep Yellow Limited (A\$ 0.73)

ASX : DYL
OTCQX Best Market : DYLLF

H+L prices (12 months) : A\$ 0.98 – 0.22

Issued shares : 328.0 million
Fully diluted : 382.8 million

Market capitalization : A\$ 237.2 million
(US\$ 175.3 million)

2021 share price target remains: A\$ 1.50

INVESTMENT ALERT

► DFS resource upgrade at **Tumas 3, Namibia** delivers significant Indicated Mineral Resource

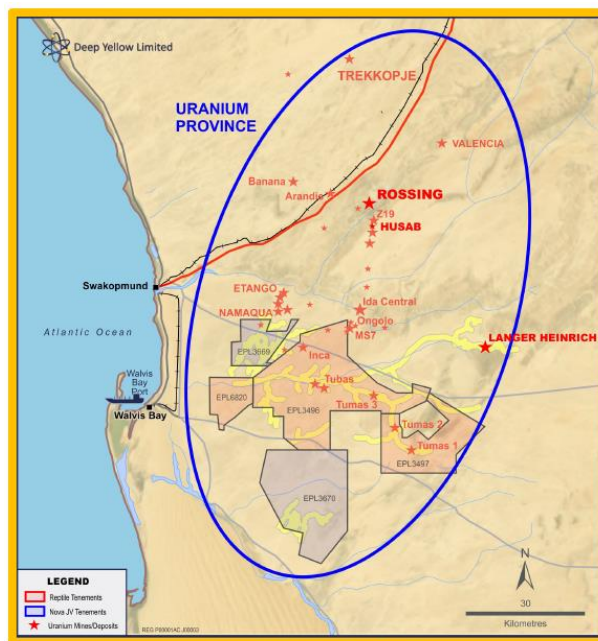
On July 29, 2021, **Deep Yellow** announced a significant and impressive **Mineral Resource Upgrade** for the **Tumas 3 Deposit** located in **EPL 3496** in **Namibia**, through its wholly owned subsidiary **Reptile Uranium Namibia (Pty) (RUN)**.

Highlights:

Total Indicated Mineral Resources increase of 26.5 million pounds eU3O8 represents 124% of existing Inferred Mineral Resources.

Total Indicated Resources at **Tumas 3** increased from 28.4 million pounds eU3O8 at 299 ppm to 54.9 million pounds eU3O8 at 320 ppm eU3O8.

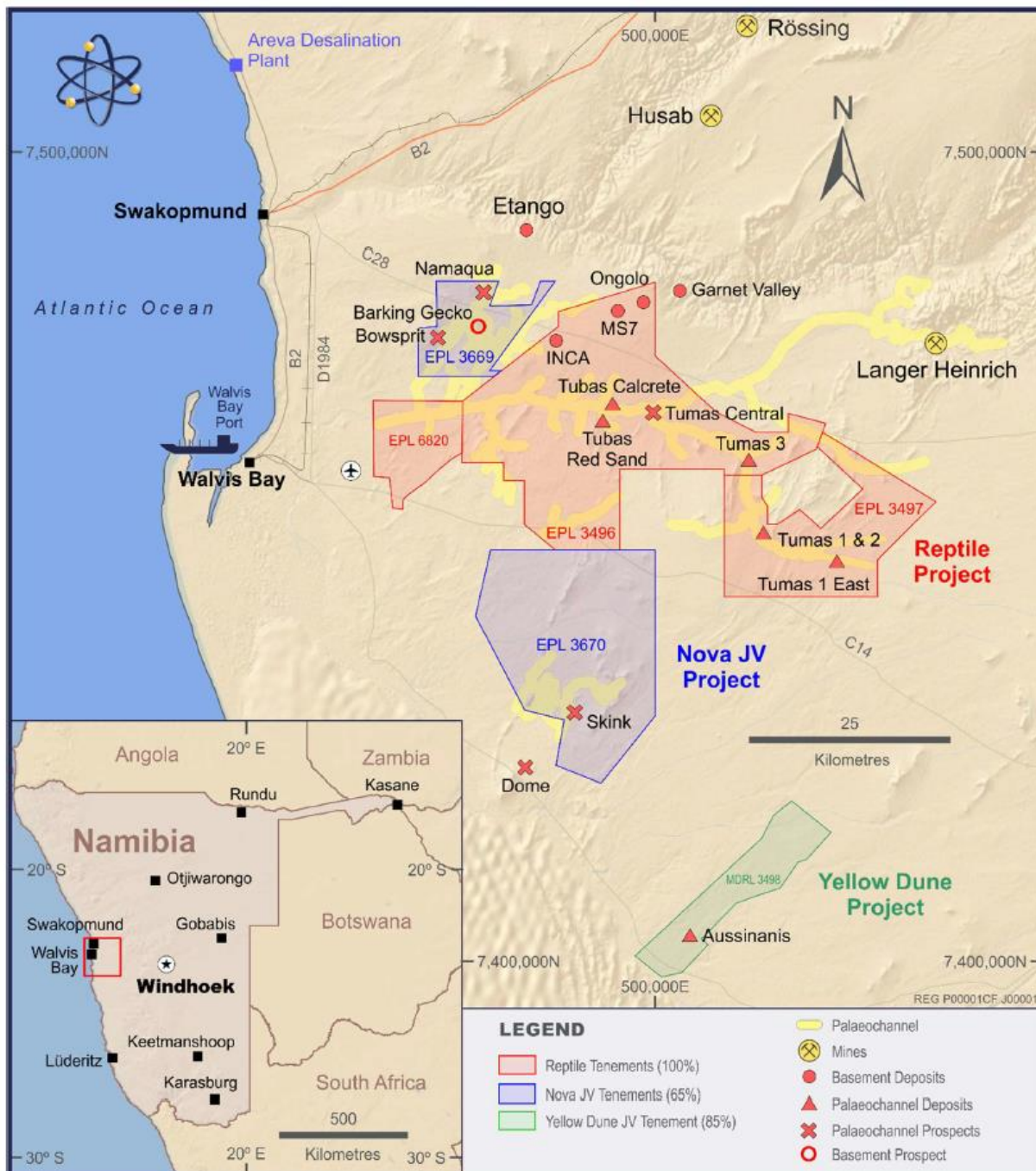
Infill drilling increased the overall Mineral Resource at **Tumas 3** to 59.9 million pounds at 308 ppm eU3O8, which includes additional identified Inferred Resources of 5.0 million pounds at 220 ppm eU3O8.



Only 60% of the known regional **Tumas** palaeochannel system has been drilled significantly upside potential with 50 kilometres of channel system remaining to be tested.

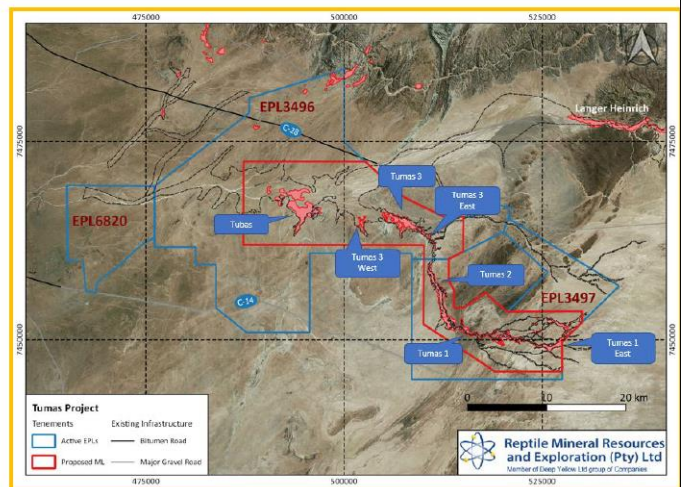
DFS upgrade drilling at **Tumas 3** has delivered an impressive 117% direct conversion of the existing **Inferred Mineral Resource to Indicated Mineral Resource** category, with an additional 5.7 million pounds of Indicated Mineral Resources identified from peripheral zones.

In June 2021, the Company completed a 4-month 911 hole (17.679 metres) infill RC drilling program covering the **Tumas 3 Deposit**. The **targeted area contained 28.4 million pounds of Indicated Mineral Resources grading 299 ppm and 21.4 million pounds of Inferred Resources grading 244 ppm eU3O8 using a 100 ppm cut-off**.



Tumas Overview

- Multiple deposits discovered along 55km of the 125km of regional channel explored to date
- Tumas Project within 100% owned Reptile tenements
- Only 50% of the 125km highly prospective palaeochannel system has been tested
- Exploration since early 2017 has increased the resources over threefold at an impressive discovery cost of 11.5cents/lb (A\$)
- Tumas Project is similar to deposit mined at the Langer Heinrich which is very well understood by the Deep Yellow team



Tumas Project Overview

Investment Comments:

Deep Yellow has a two-pronged growth strategy involving the growing of existing uranium resources in **Namibia**. The country has an excellent jurisdiction and infrastructure for development and mining. It is ranked 4th among the world's top 10 uranium countries and the highest ranked African country.

Since 2017 successful exploration over the highly prospective **Tumas Palaeochannel** has resulted in a remarkable four-fold increase in the resource base of the deposit type.

The total Measured and Indicated Mineral Resource at Tumas 1, 2 and 3 now stands at 79.1 Mlb at 271 ppm eU₃O₈, well above what is required for completion of the Tumas Pre-Feasibility Study.

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 completion of a highly positive **PFS** confirms technical and economic viability of the **Tumas Project**, as a result of which the Board has approved proceeding directly to a **DFS to align with the potential development of the Reptile Project around the target period of 2023/24.**

Having a strong cash balance of A\$ 52.4 million as at June 30, 2021, and 51 million, and 50 cent options remaining exercisable, **Deep Yellow**, in particular compared to the valuation of US-focused stand by producers and advanced development companies, from my point of view, at a market valuation of US\$ 175.3 million, remains substantially undervalued.

I maintain my 2021 share price target at A\$ 1.50.