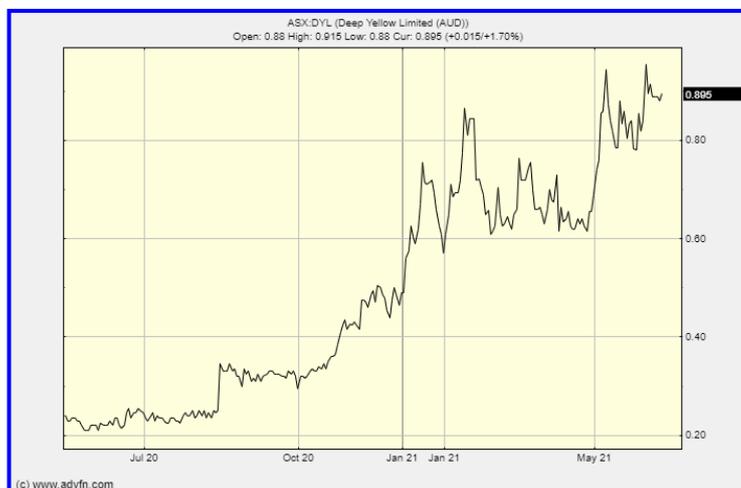


Investment Alert – June 14, 2021

www.deeptyellow.com.au



Deep Yellow Limited (A\$ 0.90)

ASX : DYL
OTCQX Best Market : DYLLF

H+L prices (12 months) : A\$ 0.98 – 0.20

Issued shares : 328.0 million
Fully diluted : 382.8 million

Market capitalization : A\$ 289.5 million
(US\$ 223.0 million)

2021 share price target remains: A\$ 1.50

INVESTMENT ALERT

► Deep Yellow announces continuation of positive results at Tumas 3 DFS resource drilling, Namibia

On June 8, 2021, **Deep Yellow** announced the completion of the RC resource upgrade infill drilling program at the **Tumas 3 Central deposit**, located on **EPL 3496** (figure 1) in **Namibia**. The Project is held by **Deep Yellow** through its wholly owned subsidiary **Reptile Namibia Pty (RUN)**.

Highlights are:

- 359 holes for 7,634m completed at Tumas 3 Central
- o Drilling aimed at converting remaining Inferred Resources to Indicated JORC status and defining the periphery of the Tumas 3 deposit to expand the DFS LoM to 20+ years
- o 804 holes for 14,621m drilled since February 2021 □ 48% of holes drilled intersected mineralisation greater than 100ppm eU3O8 over 1m.
Best intersections (200ppm eU3O8 cut-off grade) include:
 - o T3I930: 10m@1,945ppm eU3O8 from 28m
 - o T3I963: 8m@2,242ppm eU3O8 from 10m
 - o T3I973: 9m@1,897ppm eU3O8 from 7m
 - o T3I771: 5m@1,222ppm eU3O8 from 16m
 - o T3I1151: 8m@754ppm eU3O8 from 16m

Resource upgrade drilling now commenced at Tumas 3 West. Updated Mineral Resource Estimate for Tumas 3 deposit expected late June.

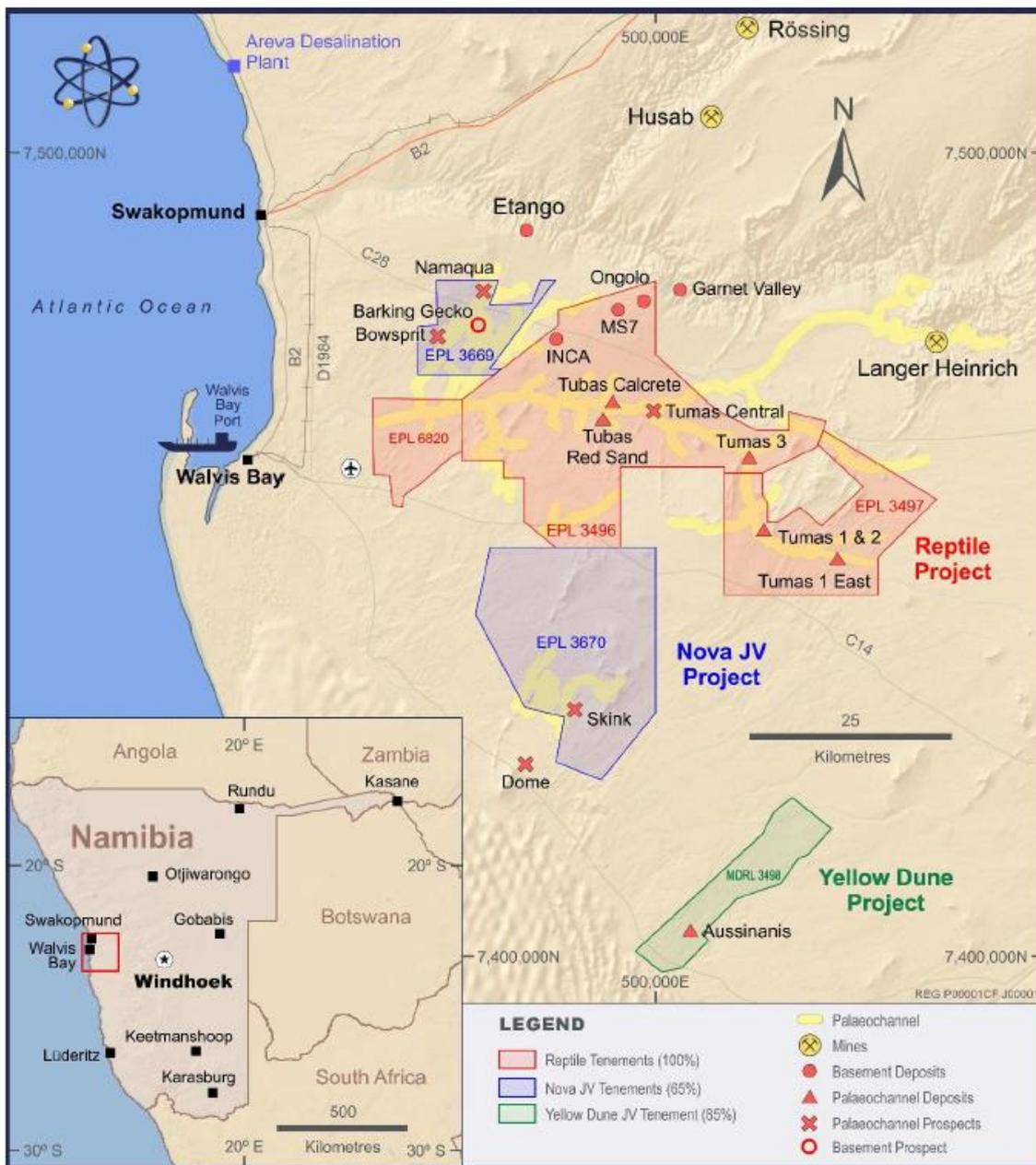


Figure 1 - Namibian location map showing position of the Tumas Project

Work is now progressing at **Tumas 3 West**. Since the beginning of the program in February 2021, 804 holes for 14,621 metres have been drilled. Three drill rigs are engaged for the work.

Importantly, drilling completed at **Tumas Central** is indicating that expectations for the conversion rate to **Indicated category** are being met, with 48% of the 359 holes completed returning uranium mineralization greater than 100 ppm eU3O8 over 1 metre, and 25% showing uranium mineralization greater than 200 ppm eU3O8 over 1 metre.

The primary objective of the overall infill drilling program at **Tumas 3 West** currently underway is expanding the **Life of Mine (LoM)** from 11.5 years to 20+ years for utilisation.

The mineralization at **Tumas 3** (comprising **Tumas 3 Central**, **Tumas 3 West** and **Tumas 3 East**) occurs as a discrete mineral deposit, occurring separately from the other deposits so far discovered within highly uranium fertile Tumas palaeochannel system, namely **Tumas 1** (which also includes **Tumas 1 East**) and **Tumas 2** in addition to **Tubas Red Sand/Calcrete deposits**.

Once the resource upgrade drilling is completed in this area a new Mineral Resource Estimate will be undertaken for the **Tumas 3 deposits**, expected to be released late June.

The resource upgrade drilling program will then move to the last phase to complete resource conversion drilling at **Tumas 1. This will follow with the completion of a new overall Mineral Resource Estimate for incorporation in the Tumas DFS to enable a 20+ year LoM consideration.**

The DFS ore reserve base will derive from testing of only 60% of the known regional Tumas palaeochannel system.

Significant exploration upside potential exists associated with this highly prospective target to further increase the resource base beyond that associated with current DFS footprint with 50 kilometres of channel system remaining to be tested.

This will be the focus of the investigations in the latter part of 2021.

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.

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.**

The total Measured and Indicated Resource at Tumas 1, 2 and 3 stands at 37.2 Mlb at 337 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.**

Considering the recently successful A\$ 40.8 million placement, followed by the heavily oversubscribed SPP raising of A\$ 2.0 million as a token of the overall significantly improved uranium investment sentiment, in my view, **Deep Yellow**, at a current market valuation of US 223.0 million, remains substantially undervalued.

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