



20 July 2017

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 JUNE 2017

HIGHLIGHTS

- **Highly successful first drilling program under new management unveils a significant uranium discovery at Tumas 3.**
 - 400 holes for 10,545m of drilling completed on 100m x 100m spacing.
 - Continuous uranium mineralisation over 4.4km and open both west and east.
 - Analogous to the Langer Heinrich deposit located 30km northeast.
 - Maiden Resource Estimate expected in September.
 - **A\$15.1M capital raising successfully completed.**
 - Global investor base expanded.
 - Fully funded for active work program.
 - **Dual strategy for growth being implemented.**
 - New discoveries and increase Mineral Resources at Namibian projects.
 - Build a multi-project global uranium platform through accretive acquisitions.
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Deep Yellow Limited (**DYL**) provides the following update on its activities undertaken during the June Quarter 2017.

REPTILE URANIUM PROJECT, NAMIBIA (EPLs 3496, 3497) - 100% DYL

On 11 July 2017, DYL advised of the successful completion of the 10,000m drilling program at its Tumas 3 prospect on EPL 3496. The RC drilling commenced in March and was completed in early July. A total of 400 holes for 10,545 m were drilled. All holes were down-hole gamma logged by a fully calibrated AUSLogger and all down-hole gamma data were converted to equivalent uranium values in ppm (eU₃O₈ppm).

Tumas 3 Drilling Program Completed

The drilling of the Tumas 3 target zone has delineated 4.4km of uranium mineralisation in calcrete rich fluvial sediments occurring within the prospective palaeochannel system. Of the 400 drill holes defining the new discovery, the results of which have been progressively reported (see ASX releases made in April, May, June and July), 284 returned positive results (defined as greater than 100ppm U₃O₈ over 1m) – a 71% success rate.



Although the mineralisation occurring closer to the western margin of the drilled area is narrower compared to the central mineralised zone, the Tumas 3 mineralisation remains open both to the west and east. This, in addition to some outlying mineralised holes from previous drilling, strongly justifies continuing with extension drilling to determine the full extent of the Tumas 3 discovery. This new uranium discovery occurs as a discrete mineralised zone separate from the uranium deposits the Company has identified within these palaeochannels in its Tumas 1 & 2 and Tubas Red Sands/Calcrete deposits (see Figure 1). The palaeochannels occurring away from these deposits have only been sparsely drilled along widely spaced regional lines 2km apart in the vicinity of Tumas 3. Elsewhere spacing varies widely with large areas undrilled, leaving ample opportunity for both expansion of Tumas 3 and for further discoveries to be made within what is now recognised as a very poorly tested, highly prospective palaeochannel system of 100km in length.

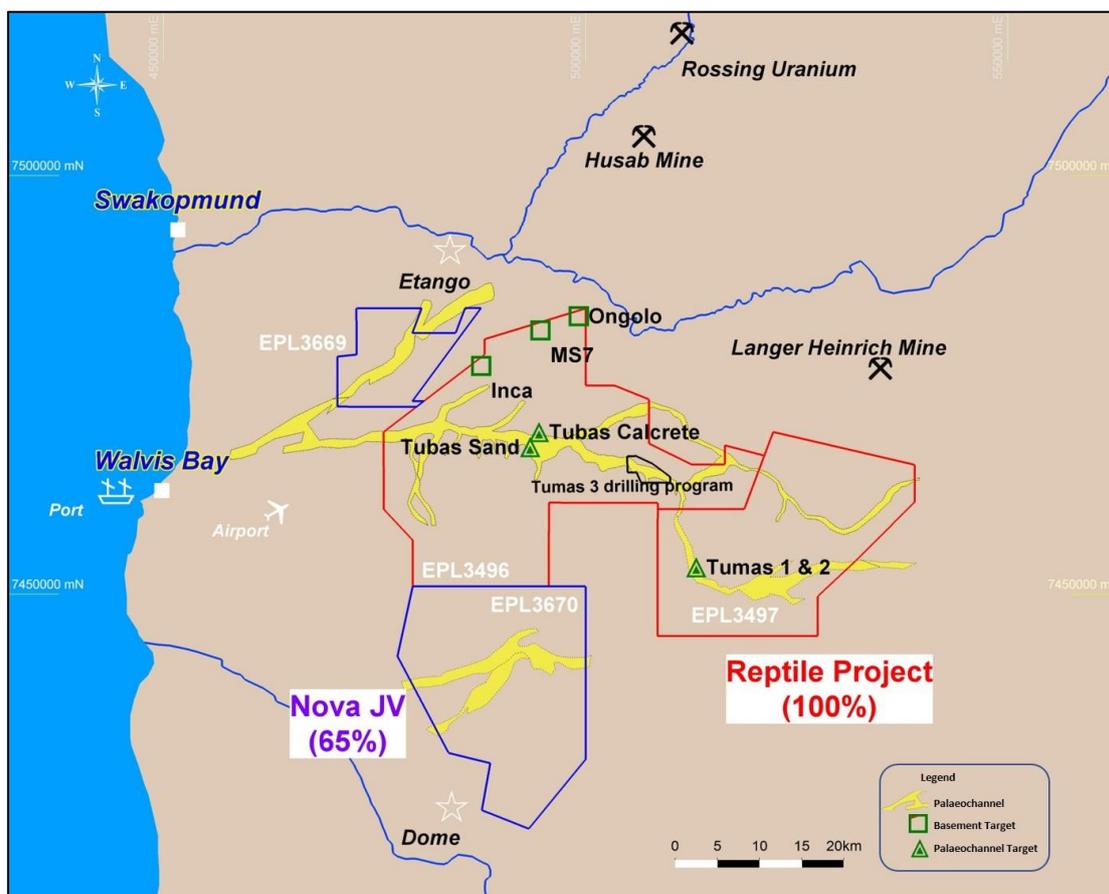


Figure 1: EPLs 3496, 3497, 3669 and 3670 showing Tumas 3 drilling area, main palaeochannels and uranium deposits and prospects.

The blind nature of the mineralisation at Tumas 3, having no surface radiometric expression, highlights the opportunity for further discovery. Apart from the benefit gained by the re-interpretation of the existing airborne geophysical data delineating more accurately the broad outline of this highly prospective palaeochannel system, the actual discovery has only been possible by drilling.

A zone of continuous uranium mineralisation has been delineated with equivalent uranium grades eU_3O_8 ranging from 101ppm to 0.71% (7100ppm) eU_3O_8 over 1m occurring within the 4.4km section tested to date. The mineralisation remains open to the west and east and is defined as anything having a grade thickness (GT) of greater than 100ppm eU_3O_8 over a 1m interval. These GT values



(eU_3O_8 ppm x thickness in metres) are shown in contoured form in Figure 2 and highlight the robust, open nature of the uranium mineralisation. The data shows a mineralisation well within the norms of this style of uranium occurrence with an average grade of 311ppm using a 100ppm eU_3O_8 cut-off and, at a 200ppm eU_3O_8 cut-off, rising to an average grade of 508ppm. This compares very favourably with the average grades of the Langer Heinrich uranium deposit at similar cut-off grades.

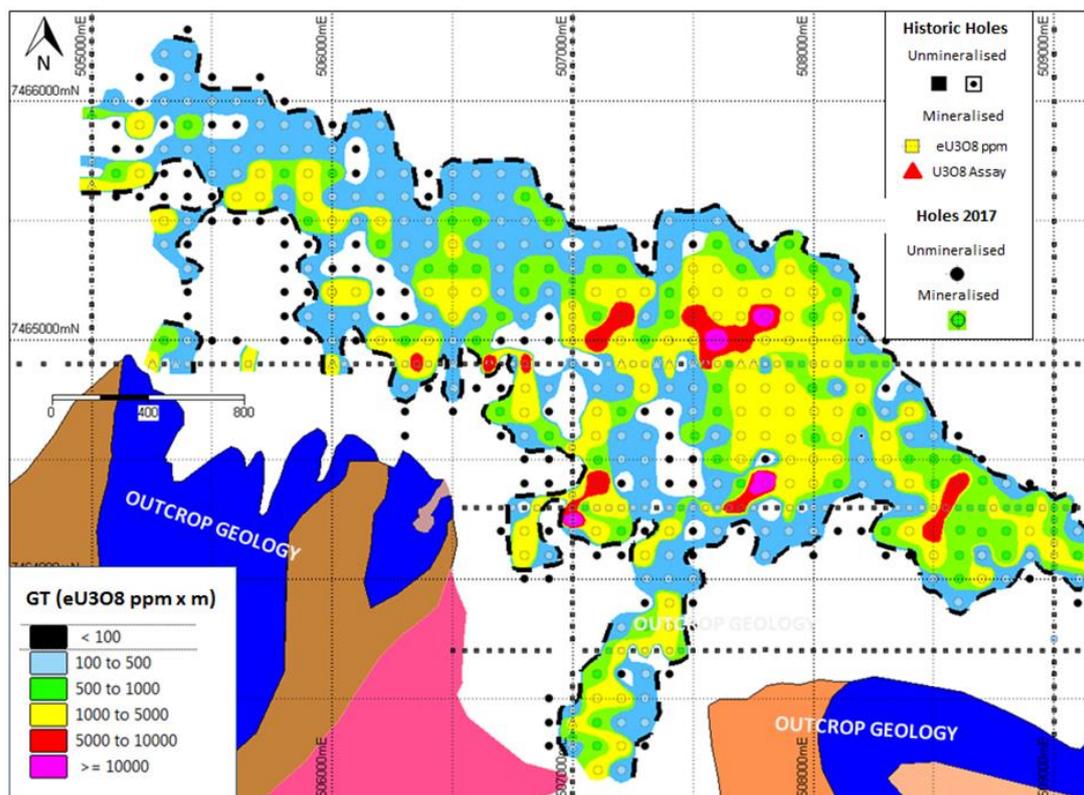


Figure 2: Drill hole Locations showing contours of eU_3O_8 grade thickness values (GT: eU_3O_8 ppm x m).

The mineralised channel system that has been identified varies from 200m to 900m in width and uranium mineralisation ranges in thickness from 1m to 12m occurring at depths varying between 1m to 21m.

The drilling showed that the Tumas 3 mineralisation is not confined to one simple, single channel but rather is associated with a complex palaeodrainage system containing numerous intermingling channels heading westward toward the ocean.

Next Work Phases

- **Geophysical surveys:** Currently the Company is testing various geophysical methods including gravity, magnetics, EM and passive seismic over the new Tumas 3 discovery to determine whether such surveys can help to better define blind uranium targets to provide focus for future drilling campaigns. Detailed investigation of all previous results from palaeochannel exploration is continuing to define the most prospective sections of the extensive channel system identified.
- **Resource Estimation:** All eU_3O_8 determinations have been made. Geochemical sampling of selected intersections for routine confirmation of eU_3O_8 values has started and an initial batch of samples has been submitted for uranium assays. All drilling has



been conducted on a 100m x 100m spacing, considered sufficient to define a maiden inferred resource. Once the geochemical assays are evaluated and the eU_3O_8 deconvolution work is verified, a maiden Mineral Resource Estimate on Tumas 3 will commence and is expected to be completed in late September 2017.

The positive results from Tumas 3 reinforce the strongly held belief of the management and technical team that the palaeochannels occurring within the DYL held tenements present a valid and significant regional exploration target. These palaeochannels are showing they have been inadequately tested, as evidenced by the discovery that has been made at Tumas 3. The highly encouraging positive results, together with approximately 100km of prospective palaeo-drainage identified as still to be tested, provide management with increasing confidence that the existing uranium resource base within the Reptile project area can be further increased.

EPLs 3496/3497 - Renewal Status

Renewal applications for EPLs 3496 and 3497 were submitted in March 2017 to the Ministry of Mines and Energy, as required three months before their expiry date in June. The processing of applications for both the grant of new tenements and tenement renewals is currently suffering lengthy delays due to the large backlog of work caused by the high amount of applications that have been made over past years. A delay therefore is expected in the renewal of these EPLs however the Mining Act assures that the validity of tenements is maintained while the Ministry processes the applications. The Company is confident the renewals for EPLs 3496 and 3497 will be granted for a further statutory two years.

NOVA JV, NAMIBIA (EPLs 3669, 3670) - 65% DYL

Japan Oil, Gas and Metal National Corporation (JOGMEC), by agreement finalised in March 2017, is spending A\$4.5 Million over four years to earn a 39.5% interest in Nova Joint Venture (Nova) with DYL remaining project manager. The Nova JV area is considered prospective for both alaskite-associated uranium targets (e.g. Rössing) and palaeochannel-related calcrete uranium targets (e.g. Langer Heinrich).

A gradient array induced polarisation (GAIP) survey started in May and was completed in June to further differentiate high priority basement associated alaskite targets identified earlier in the year and that required further investigation. The survey tested 15km of the previously defined alaskite associated target zones. Eight anomalies have been identified in total and are distributed equally between EPL3669 and EPL 3670.

Ground geological and geophysical follow-up of the anomalous zones has commenced to define the drill target locations for the forthcoming 6,000m drilling program planned to start in September. The geophysical work on the basement targets includes pole-dipole induced polarisation (PDIP), ground radiometric, electromagnetic (EM) and magnetic surveys.

Ground geophysics is also currently being utilised to better establish the location of the palaeochannels identified previously in more broad form from airborne EM data interpretation. This work includes ground magnetics, gravity, EM and passive seismic surveys.

CORPORATE

Successful A\$15.1M Capital Raising

In June, DYL advised that it had successfully completed its capital raising through a A\$15.1 million



non-renounceable entitlement issue to its shareholders and placement of shortfall. Following this issue, the Company had a total of 190,047,377 shares, 62,469,618 listed options and 709,250 performance rights on issue.

Funds raised will be directed towards the ongoing exploration and resource expansion program at the Company's Namibian uranium projects, along with the continued assessment of counter-cyclical acquisition opportunities to build a broader, more diverse asset base.

The raising has allowed the Company to expand its global shareholder base with strong support from the Sprott Group in North America. Sprott Private Wealth LP and CPS Capital Group Pty Ltd were co-lead managers in the raising.

Strategic Alliance Deed Signed with Sprott

DYL also announced that it has signed a Strategic Alliance Deed with an affiliate of the Sprott Group (**Sprott**). Sprott also retains the rights, while it holds a minimum 10% equity in DYL, to bid to place or find subscribers for future financial raisings. This further cements the general character of the strategic alliance which DYL regards as an important relationship moving forward, appreciating the capacity the Sprott Group has to support companies working in the resource sector.

Change of Address

DYL advised that it has moved its Perth office in the same building to:

Unit 17, Level 2
Spectrum Building
100-104 Railway Road
Subiaco, WA 6008

Telephone and postal address details remain unchanged.

For further information, contact:

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For further information on the Company and its projects - visit the website at:
www.deepyellow.com.au

Competent Person's Statement

The information in this report as it relates to exploration results was compiled by Mr Martin Hirsch, a Competent Person who is a Member of the Institute of Materials, Mining and Metallurgy (IMMM) in the UK. Mr Hirsch, who is currently the Exploration Manager for Reptile Uranium Namibia (Pty) Ltd, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hirsch consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears. Mr Hirsch holds shares in the Company.