Deep Yellow Limited

19 April 2017

ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

POSITIVE DRILL RESULTS FROM NEW TARGET ON 100% OWNED NAMIBIAN PROJECT

Key Points

- **Extensive zone of continuous uranium mineralisation intersected in 60 of the first 72 holes of current drilling campaign**
- **Mineralisation is calcrete associated and hosted in palaeochannels, similar to the Langer Heinrich project located 30km to the north east**
- **Equivalent uranium assays (eU_3O_8 ppm) expected by end of June quarter ahead of maiden resource for new zone in September quarter**

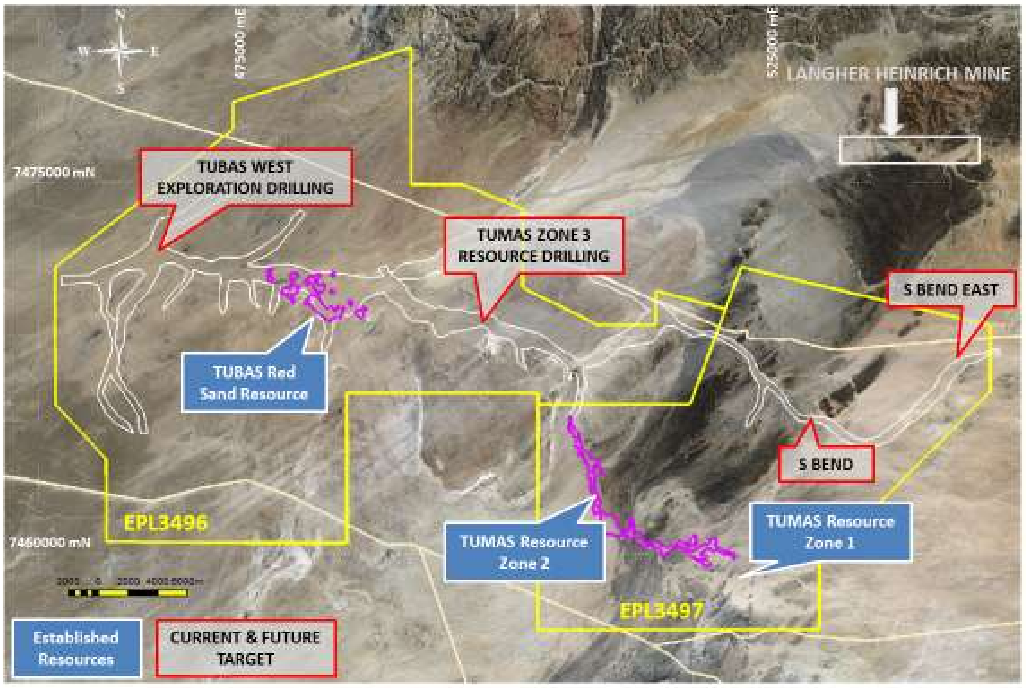
Deep Yellow Limited (**DYL**) is pleased to report encouraging initial drilling results being returned from the first stage of a 10,000m drilling program that commenced in March 2017 on EPL3496 and EPL3497, held by DYL's wholly-owned subsidiary Reptile Uranium Namibia (Pty) Ltd (**RUN**).

The new target zone being drilled, referred to as Tumas 3, was interpreted to be prospective for further calcrete associated uranium mineralisation and this has been validated by gamma down-hole logging of the first 72 holes of the approximately 320 hole program.

This new mineralised zone is located in an area separate from the uranium resources the Company has previously identified within these palaeochannels in its Tumas 1&2 and Tubas Red Sands/Calcrete deposits (see Figure 1).

All targets lie within the 120km of the prospective palaeochannel held within DYL's Namibian tenements considered to hold potential for Langer Heinrich style uranium mineralisation.

***Figure 1**: Within the prospective channel system direct exploration target areas prospective for palaeochannel/calcrete type uranium mineralisation are shown in red outlined captions, established resources are identified in blue.*



Regional Data Reinterpretation – New Prospective Zones Identified

In its December 2016 quarterly report, DYL advised that it would refocus exploration efforts on its RUN Project to the discovery of calcrete-associated uranium deposits similar to those that are currently being mined at Langer Heinrich.

Reinterpretation of the historic geological and drill-hole data and previous geophysical survey work carried out by the Company is still ongoing, however, early work identified several new areas of prospective interest in the eastern and central palaeo-drainage system in the Tumas 3, S Bend and S Bend East areas (see Figure 1).

The initial broad interpretation of the data delineated 120km of palaeochannel considered prospective for this Langer Heinrich type of mineralisation. The Tumas 1&2 deposit, contains 13.4Mlb U_3O_8 at an average grade of 366ppm, and the Tubas Red Sands/Calcrete deposits, contain 18.8Mlb U_3O_8 at an average grade of 207ppm, with resources in the Measured, Indicated and Inferred JORC categories (see Table 1 below). All occur within this palaeo-drainage system.

Deposit	Category	Cut-off (ppm U_3O_8)	Tonnes (M)	U_3O_8 (ppm)	U_3O_8 (t)	U_3O_8 (Mlb)	Resource Categories (Mlb U_3O_8)		
							Measured	**Indicated**	**Inferred**
	TUMAS 1&2 RESOURCE - JORC 2012								
Tumas Deposit	Measured	200	9.7	386	3,700	8.2	8.2	-	-
Tumas Deposit	Indicated	200	6.5	336	2,200	4.8	-	4.8	-
Tumas Deposit	Inferred	200	0.4	351	150	0.3	-	-	0.3
Tumas Project Total			**16.6**	**366**	**6,050**	**13.3**			
	TUBAS CALCRETE RESOURCE - JORC 2004								
Tubas Calcrete Deposit	Inferred	100	7.4	374	2,800	6.1	-	-	-
Tubas Calcrete Total			**7.4**	**374**	**2,800**	**6.1**			6.1
	TUBAS RED SAND RESOURCE- JORC 2012								
Tubas Sand Deposit	Indicated	100	10.0	187	1,900	4.1	-	4.1	-
Tubas Sand Deposit	Inferred	100	24.0	163	3,900	8.6	-	-	8.6
Tubas Sand Project Total			**34.0**	**170**	**5,800**	**12.7**			
Calcrete Projects Total Resources						**32.1**	**8.2**	**8.9**	**15**

Notes: Figures have been rounded and totals may reflect small rounding errors.

Table 1 – Mineral Resources for Tumas 1&2, Tubas Red Sand and Tubas Calcrete Deposits

The detailed geological re-logging of selected drill sections and reinterpretation of the available geophysical data initiated by the new technical team identified specific new drill target areas (as shown in Figure 1). This work is ongoing to identify additional targets for follow-up and drilling.

<u>Tumas 3 - Interim Drilling Results</u>

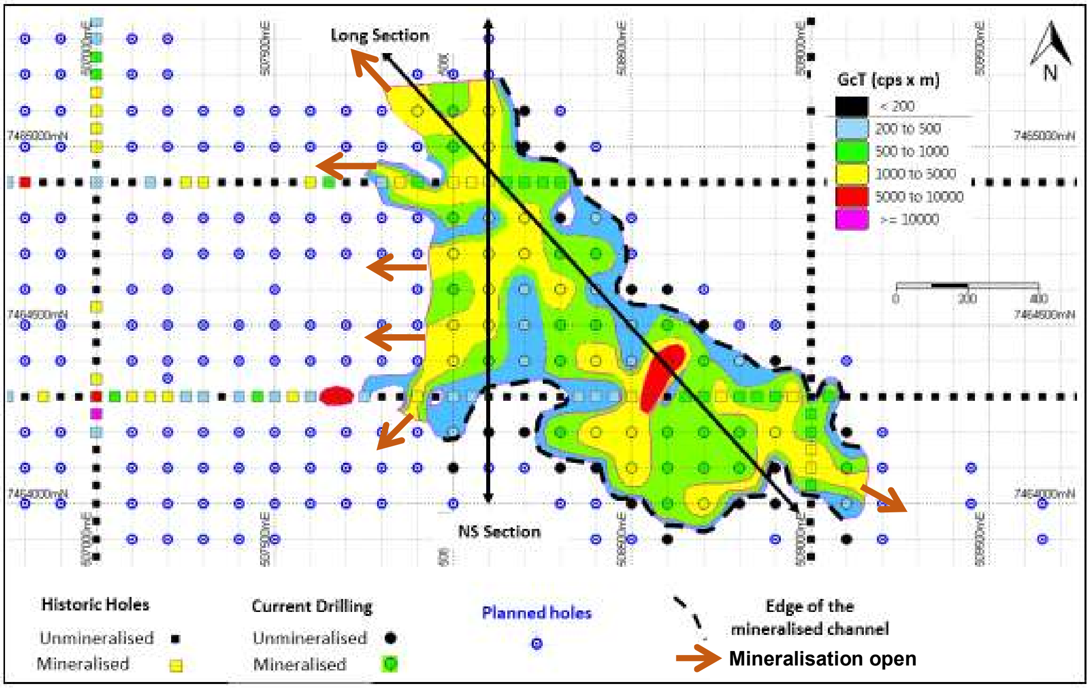
The reinterpretation work identified the Tumas 3 zone as the first priority drill target. Although this area had no resources defined, earlier regional, wide-spaced drilling indicated potential for Langer Heinrich type uranium mineralisation.

Drilling in the Tumas 3 central zone commenced on 21 March. As of 13 April, a total of 72 RC holes were completed for a total of 1,718m of which 82% returned mineralised intersections. Drilling is on a spacing of 100 x 100m and is considered sufficient to define a maiden resource.

Drilling to date is returning encouraging results. The drilling has delineated a zone of continuous uranium mineralisation along a 1.2km section of palaeochannel and is open to the West, North-West and South-East (see Figure 2). Mineralisation has been defined as anything greater than 200 counts per second (cps) over a 1m interval (Gamma count Thickness - GcT) using a fully calibrated Auslog gamma down-hole logging unit.

Drill-hole locations and contours of downhole gamma counts multiplied by thickness (see Figure 2) highlights the continuous, open nature of the uranium mineralisation. Sufficient data to calculate the equivalent Uranium grade values (eU_3O_8 ppm) from the down-hole gamma logging are expected to be available for release late in the June quarter.

***Figure 2**: Tumas 3 - Drill Hole Location: Showing completed drill holes in solid colours reflecting the Gamma count Thickness or GcT (cps x m), contours thereof and cross section locations*



The width of the mineralised zone varies from 200m to 600m occurring at depths of between 3m to 19m and has variable thicknesses ranging from 1m to 7m. (See Appendix 1 and Appendix 2).

The drilling shows that the Tumas 3 mineralisation is not confined to one simple channel but rather is associated with a drainage system containing numerous channels converging and diverging heading westward toward the ocean. Early indication from the drilling results is that the mineralised part of the channel widens toward the West. The reason for this is not currently understood.

The original plan for the first part of the current drilling program was to test a 3km section of the prospective palaeochannel at Tumas 3 progressing to the west. However if the strength and continuity of uranium mineralisation persists, then this drilling program will be extended further to the west and drilling planned on the other current targets that have been defined will be postponed.

Drill-hole cross sections (see Figure 3 and Figure 4) show the continuous nature of the uranium mineralisation and also the variability and complexity of the palaeochannel topography.

Appendix 1 lists all completed drill holes with depth and coordinates along with gamma counts and thickness as determined from down-hole logging.

Drilling at Tumas 3 is scheduled to be completed by the end of the June quarter and an initial resource estimate for this new zone is expected in the September quarter.

***Figure 3**: Tumas 3 – Cross Section 508100E (Drill Hole spacing 100m)*

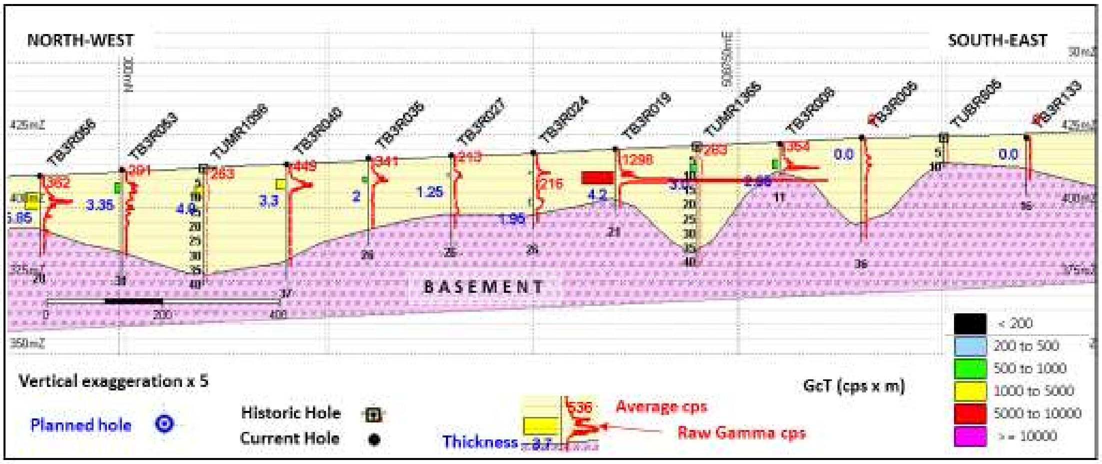
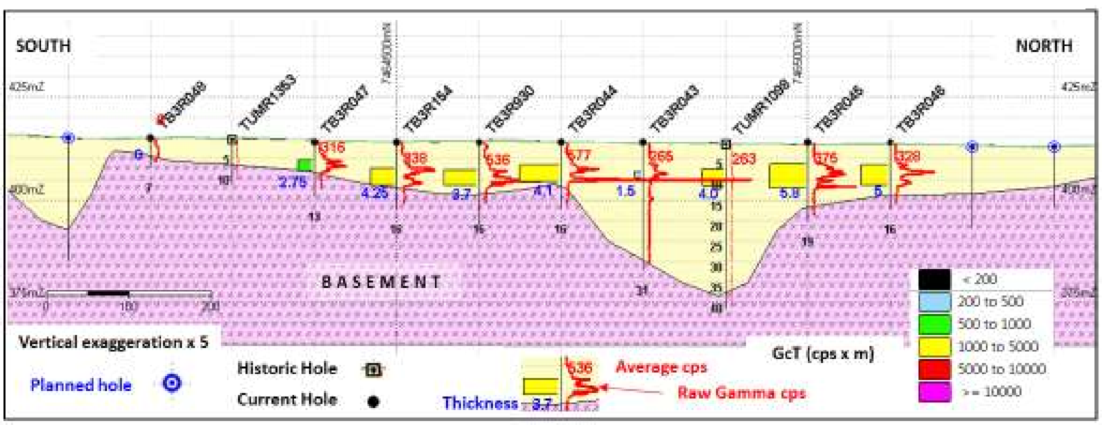


***Figure 4**: Tumas 3 – Long Section (Drill Hole spacing 140m)*
From 7465200N/507800 to 7463900N/509100E



Conclusion

These initial positive drilling results from Tumas 3 reinforce the strong held belief of the new management and technical team that the palaeochannels that occur within the DYL held tenements present a valid and significant regional exploration target. These palaeochannels are largely untested to the degree required outside the currently known Tumas 1&2 and the Tubas Red Sands/Calcrete uranium deposits. These results, together with approximately 100km of prospective palaeo-drainage identified still to be tested, provide management with increasing confidence that the existing uranium resource base within the project area can be increased.

Yours faithfully

JOHN BORSHOFF
Managing Director/CEO
Deep Yellow Limited

Competent Persons' Statement

Exploration Competent Persons' 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.

Tubas Calcrete Deposit
Mineral Resources Statement – JORC 2004

The information in this report that relates to the Tubas Calcrete Mineral Resource is based on information compiled by Mr Willem H. Kotzé Pr.Sci.Nat MSAIMM. Mr Kotzé is a Member and Professional Geoscientist Consultant of Geomine Consulting Namibia CC. Mr Kotzé 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 in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Mr Kotzé consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Tubas Sand Project Competent Persons' Statement
Mineral Resource Update – JORC 2012

Where the Company refers to the Tubas Sand Project resource upgrade in this report (referencing the release made to the ASX on 24 March 2014 entitled "Tubas Sand Project – Resource update"), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate with that announcement continue to apply and have not materially changed.

Tumas Calcrete Deposit Competent Persons' Statement
Mineral Resource Update – JORC 2012

Where the Company refers to the Tumas Calcrete Deposit resource upgrade in this report (referencing the release made to the ASX on 25 October 2016 entitled "Tumas Calcrete Deposit – Resource update"), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate with that announcement continue to apply and have not materially changed.

Appendix 1: Tumas 3 - Drill Hole Data

	Down Hole Gamma Counts (inside rods)			**Gamma max**		**Drill Hole**	**Location**
Hole ID	From (m)	Thickness (m)	Average counts (cps)	Depth (m)	cps	Easting	Northing
TB3R001	7.24	0.6	261	7.34	339	509100	7464200
TB3R002	6.32	3.3	273	9.52	514	509100	7464100
TB3R003	5.5	0.9	336	6.1	508	509100	7464000
TB3R133	No Anomaly					509100	7463900
TB3R004	6	1.2	233	6.9	305	508900	7464200
	8.27	0.8	1935	8.57	4455		
	10.4	0.4	587	10.5	1162		
TB3R005	9.2	0.4	211	9.35	230	508900	7464100
TB3R006	No Anomaly					508900	7464000
TB3R007	12.4	0.1	180	12.4	224	508900	7464400
TB3R008	5.8	0.15	192	5.8	208	508800	7464200
	6.26	2.25	354	8.26	1229		
TB3R009	5.2	1.55	397	5.89	625	508800	7464100
TB3R010	5.53	0.1	182	5.53	209	508800	7464000
TB3R011	7.53	1.1	250	7.78	293	508800	7464400
	14.28	1.4	331	15.13	395		
TB3R012	7.36	2.45	376	9.31	745	508700	7464400
TB3R013	No Anomaly					508700	7464500
TB3R014	5.86	2.3	271	8.01	560	508700	7464200
TB3R015	4.98	0.85	406	5.18	641	508700	7464100
	8.43	0.55	873	8.58	1915		
TB3R016	4.57	2.1	820	6.22	2769	508700	7464000
TB3R017	4.84	0.15	194	4.84	212	508600	7464200
	5.49	1.4	378	6.19	794		
	11.09	0.9	219	11.24	348		
TB3R018	2.95	1.6	422	4.2	973	508600	7464100
TB3R138	3.53	1.4	705	4.48	1421	508600	7464000
TB3R139	3.18	0.25	223	3.18	307	508600	7463900
TB3R019	7.48	4.2	1298	10.53	7720	508600	7464400
TB3R020	7.5	0.4	277	7.65	390	508600	7464500
	15.5	3.15	245	16.15	348		
TB3R140	No Anomaly					508600	7464600
TB3R021	5.42	7	687	9.72	2829	508500	7464200
TB3R022	4.1	6.15	929	5.5	1673	508500	7464100
TB3R141	No Anomaly					508500	7464000
TB3R023	7.27	1.25	244	8.32	337	508500	7464400
	12.62	0.7	213	12.82	240		
TB3R024	6.58	0.85	288	6.98	492	508500	7464500
	16.08	1.95	217	16.38	266		
TB3R025	0.72	0.2	229	0.72	311	508400	7464400
	2.87	7.15	562	9.47	4960		
TB3R026	6.59	2.2	256	7.29	386	508400	7464500

	Down Hole Gamma Counts (inside rods)			Gamma max		Drill Hole	Location
TB3R027	6.23	1.25	213	7.28	283	508400	7464600
TB3R028	6.31	2.3	325	7.66	541	508400	7464700
TB3R029	8.16	0.65	363	8.26	533	508400	7464800
TB3R037	No Anomaly					508300	7465000
TB3R036	No Anomaly					508300	7464800
TB3R035	6.35	2	341	7.7	543	508300	7464700
TB3R034	7.18	1.65	358	7.63	481	508300	7464600
	15.18	2.5	762	15.53	1993		
TB3R033	5.86	2.35	335	7.61	492	508300	7464500
	10.76	0.6	544	10.96	1034		
TB3R032	5.99	2.2	229	6.59	384	508300	7464400
TB3R031	5.56	0.95	663	5.96	1335	508300	7464200
TB3R030	5.31	4.3	605	9.16	2431	508400	7464200
TB3R145	No Anomaly					508400	7464100
TB3R148	No Anomaly					508300	7464100
TB3R156	No Anomaly					508200	7464200
TB3R153	6.57	1.25	202	6.82	349	508200	7464400
TB3R152	6.57	1.65	272	7.12	372	508200	7464500
TB3R042	5.77	1.75	186	5.67	253	508200	7464600
TB3R041	5.39	3.6	334	7.49	595	508200	7464700
TB3R040	5.29	3.3	449	6.79	782	508200	7464800
TB3R038	10.44	0.35	458	10.49	747	508200	7465000
TB3R039	No Anomaly					508200	7465100
TB3R144	7.15	0.4	217	6.85	261	508500	7464600
TB3R048	No Anomaly					508100	7464200
TB3R047	4.25	2.75	316	5.8	659	508100	7464400
TB3R154	6.2	4.25	338	6.85	826	508100	7464500
TB3R044	5.42	4.1	577	9.17	4513	508100	7464700
TB3R043	7.07	1.5	265	7.57	486	508100	7464800
TB3R045	5.26	5.8	375	10.81	1063	508100	7465000
TB3R046	5.37	5	328	7.27	978	508100	7465100
TB3R049	6.34	0.9	324	6.44	525	508000	7464200
TB3R050	9.67	4.25	614	13.62	2010	508000	7464100
TB3R158	No Anomaly					508000	7464100
TB3R159	6.39	4.5	339	8.89	686	508000	7464500
TB3R930	6.74	3.7	536	9.19	1727	508100	7464600
TB3R931	7.43	2.5	273	8.78	507	508000	7464600
TB3R052	4.25	4.7	298	5.7	738	508000	7464700
TB3R051	5.68	0.25	213	5.68	242	508000	7464800
	7.58	2.25	263	9.58	408		
	16.68	2.85	272	17.88	523		
TB3R053	4.53	3.35	291	5.43	429	508000	7465000
	9.53	0.65	225	9.93	270		
TB3R054	5.59	2.4	392	7.79	917	508000	7465100
TB3R056	5.78	5.85	362	8.68	1029	507900	7465100

Appendix 2: Table 1 Report (JORC Code 2012 addition)

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• U_3O_8 values are derived from both down-hole total gamma counting (eU_3O_8) and chemical assay data. • In this exploration report only down hole gamma values are reported since at the time of the report insufficient data were at hand to calculate equivalent uranium values (eU_3O_8 ppm) derived from the down hole gamma logging. **Total gamma eU_3O_8** • 33 mm Auslog total gamma probes were used and operated by company personnel. • Gamma probes were calibrated at Pelindaba, South Africa, in May 2007 and in December 2007. • Between 2008 and 2013 sensitivity checks were conducted by periodic re-logging of a test hole (**Hole-ALAD1480**) to confirm operation. • Auslog probes were re-calibrated at the calibration pit located at Langer Heinrich Mine site in December 2014 and again in May 2015. • Three probes (T010, T030 and T165) which are used at the current program were calibrated again at the Langer Heinrich calibration pit in early April 2017 shortly after the start of the current drilling program. • During drilling, probes were checked daily against a standard source. Majority of probing was done with probe T010 and T165. • Gamma measurements were taken at 5 cm intervals at a logging speed of approximately 2 m per minute. • Probing was done immediately after drilling mainly through the drill rods and in some cases in the open holes. Rod factors will be established once sufficient in

Criteria	JORC Code explanation	Commentary
		rod and open hole data are available to compensate for the reduced gamma counts when logging was done through the rods. No correction for water was done. The drill holes were dry. • The gamma measurements were recorded in counts per second (c/s) and will be converted to equivalent eU_3O_8 values over 1m intervals using the probe-specific K-factor. Disequilibrium studies on 22 samples by ANSTO Minerals in 2008 confirmed that the U^{238} decay chains of the wider Tumas deposit are within an analytical error of ± 10%, in secular equilibrium. **Chemical assay data** • Geochemical samples will be derived from Reverse Circulation (RC) drilling at intervals of 1 m. Samples were spilt at the drill site using either a riffle or cone splitter to obtain a 1 to 4 kg sample from which 90 g will be pulverized to produce a subset for XRF-analysis. • It is planned that 10 to 20% of the mineralization from the Tumas 3 drilling will be assayed for U_3O_8 by loose powder XRF or ICP-MS . • In the 2014 drill program 240 samples were taken for confirmatory assay and submitted to Bureau Veritas laboratory in Swakopmund for U_3O_8 ICP-MS following the procedure above. • All other assay results confirm equivalent uranium grades correctly correlated and remain within a statistically acceptable margin of error.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC drilling is being used for the Tumas 3 drilling program. • All holes are being drilled vertically and intersections measured present true thicknesses.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drill chip recoveries are good at around 90%. • Drill chip recoveries were assessed by weighing 1 m drill chip samples at the drill site. Weights were recorded in sample tag books. • Sample loss was minimized by placing the sample bags directly underneath cyclone/splitter

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill holes are being geologically logged. • The logging is qualitative in nature. The lithology type is being determined for all samples. • Other parameters routinely logged include color, color intensity, weathering, oxidation, grain size, carbonate ($CaCO_3$) content, sample condition (wet, dry) and total gamma count (by Rad-eye monitor). • Lithology codes were used to generate wireframes for the palaeotopography of the palaeochannel . • This information was used in planning drill hole locations.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• A portable 2-tier (75%/25%) splitter is used to treat a full 1m sample from the cyclone into oversize assay sample. All sampling was dry. • The above sub-sampling techniques are common industry practice and appropriate. • Sample sizes are considered appropriate to the grain size of the material being sampled. • In field duplicates will be inserted into the assay batch at an approximate rate of one for every 10 samples which is compatible with industry norm.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The analytical method employed will be XRF. The technique is industry standard and considered appropriate. • The analytical method employed for the 2014 drill program was ICP-MS which is also considered industry standard and appropriate as well. • Downhole gamma tools were used as explained under 'Sampling techniques'. This is the principal evaluating technique.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Geology was directly recorded into a tablet in the field and sample tag books filed in at the drill site. • The drill data of those logs and tag books (lithology, sample specifications etc.) is transferred by designated personnel into a geological database. • Twinning RC holes was not considered due to the high variability in grade distribution. • Equivalent eU_3O_8 values will be calculated from raw gamma files by applying calibration factors and casing factors where applicable . • The adjustment factors will be stored in the database. • Equivalent U_3O_8 data will be composited to 1m intervals. • The ratio of eU_3O_8 vs assayed U_3O_8 for matching composites will be used to quantify the statistical error.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The collars are being surveyed by in-house operators using a differential GPS. • All drill holes are vertical and shallow; therefore, no down-hole surveying was required. • The grid system is World Geodetic System (WGS) 1984, Zone 33.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The data spacing and distribution is optimized along channel direction. The drill grid is close to 100m by 100m in EW and NS rectangular directions following the main channel. • The drill pattern is considered sufficient to establish an inferred Mineral Resource. • The total gamma count data, which is recorded at 5 cm intervals, is used to calculate equivalent uranium values (eU3O8) which will be composited to 1 m composites down hole.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Uranium mineralisation is strata bound and distributed in fairly continuous horizontal layers. Holes are being drilled vertically and mineralised intercepts represent the true width. • All holes are sampled down-hole from surface. Geochemical samples are being collected at 1 m intervals. Total-gamma count data is being collected at 5 cm intervals.
Sample security	• *The measures taken to ensure sample security.*	• 1m RC drill chip samples are being prepared at the drill site. The assay samples are stored in plastic bags. Sample tags are placed inside the bags. The samples are placed into plastic crates and transported from the drill site to RUN's site premises in Swakopmund by company personnel, prior to analyses and from there to the external laboratories when used. • Upon completion of the assay work the remainder of the drill chip sample bags for each hole will be packed back into crates and then stored in designated containers in chronological order, locked up and kept safe at RUN's dedicated sample storage yard at Rocky Point located outside Swakopmund.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• D. M. Barrett (PhD MAIG) conducted an audit of gross count gamma logging procedures and log reduction methods used by Deep Yellow Limited. • He concludes his audit commenting: "In summary, it is my belief that the equivalent uranium grades reported by Reptile from their gamma logging program are reliable and are probably within a few percent to the true grade".

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The work to which the Exploration Results relate was undertaken on exclusive prospecting grant EPL3496 (Tumas Zone 3). • The EPL was originally granted to Reptile Uranium Namibia (Pty) Ltd (RUN) in 2006. The EPLs are in good standing and are valid until 05 June 2017. A renewal application has been submitted to the MME in March 2017 • The EPL is located within the Namib Naukluft-National Park in Namibia. • The EPL is subject to an agreement with a Namibian Black Empowerment partner whereby the partner has the right to acquire 5% of the project for historical costs. • There are no known impediments to the project beyond Namibia's standard permitting procedures.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Prior to RUN's ownership of these EPL, extensive work was conducted by Anglo American Prospecting Services (AAPS), General Mining and Falconbridge in the 1970s. • Assay results from the historical drilling are available to RUN on paper logs. They were not captured digitally and were not used for resource estimation.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Tumas 3 mineralisation occurs as secondary carnotite enrichment of variably calcretised palaeochannel and sheet wash sediments and adjacent weathered bedrock. • Uranium mineralisation at Tumas is surficial, stratabound and hosted by Cenozoic and possibly Tertiary sediments, which include from top to bottom scree sand, gypcrete, calcareous sand and calcrete. • The majority of the mineralisation is hosted in calcrete. Locally, the underlying weathered Proterozoic bedrock is occasionally also mineralized.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material*	• So far 72 holes for a total of 1718 m have been drilled • All holes were drilled vertically and intersections measured present true

Criteria	JORC Code explanation	Commentary
	drill holes: ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	thicknesses. • The Table in Appendix 1 list holes, their locations and relevant results.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• 5 cm gamma intervals were composited into down hole intervals showing greater than 200cps down hole gamma counts over 1m. • No grade truncations were applied.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The mineralisation is sub-horizontal and all drilling vertical, therefore, mineralised intercepts are considered to represent true widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appendix 1 tables all drill holes including anomalous intervals • Maps and sections are included in the text

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Comprehensive reporting of all Exploration Results was practiced throughout the program.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The wider area and Tumas deposit was subject to extensive drilling in the 1970's and 1980's by Anglo American Prospecting Services, Falconbridge and General Mining. • An airborne EM survey conducted in … better defined the palaeochannel system. • Downhole gamma-gamma density logging for bulk density was conducted by Terratec on the Tumas 1 and 2 resources.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further drilling work is planned west and east of the currently defined Tumas Zone. • Further extension drilling is expected as mineralization is open along strike to the east and west.