



# Deep Yellow Limited

ASX Announcement

ASX: DYL

27 April 2017

## Investor Presentation - Revised

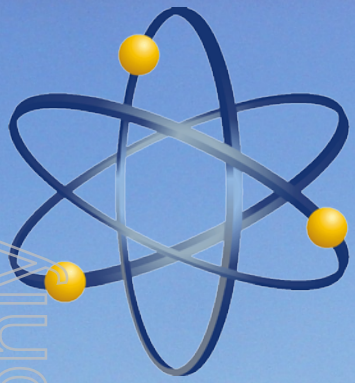
---

Deep Yellow Limited ('**Deep Yellow**' or the 'Company') (ASX:**DYL**) advises that a recent investor presentation released to the market included exploration targets. (refer ASX release on 7 April 2017).

The presentation has been revised to incorporate the appropriate caveats and additional information, in accordance with the 2012 JORC Code. (refer slides 14, 16, 17 and 18.)

Yours faithfully

**MARK PITTS**  
Company Secretary



# Deep Yellow Limited

## Building For The Future

For personal use only



## *Investor Presentation*

**John Borshoff**  
**Managing Director / CEO**  
**27 April 2017**



# Disclaimer and Competent Person Statement

This document has been prepared by Deep Yellow Limited (Deep Yellow, DYL or the Company) in connection with providing an overview to interested analysts and investors.

This presentation is being provided for the sole purpose of providing information to enable recipients to review the business activities of Deep Yellow. This presentation is thus by its nature limited in scope and is not intended to provide all available information regarding Deep Yellow. This presentation is not intended as an offer, invitation, solicitation, or recommendation with respect to the purchase or sale of any securities. This presentation should not be relied upon as a representation of any matter that a potential investor should consider in evaluating Deep Yellow.

Deep Yellow and its affiliates, subsidiaries, directors, agents, officers, advisers or employees do not make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in this presentation, and they do not accept any liability or responsibility for any statement made in, or omitted from, this presentation. Deep Yellow accepts no obligation to correct or update anything in this presentation.

No responsibility or liability is accepted and any and all responsibility and liability is expressly disclaimed by Deep Yellow and its affiliates, subsidiaries, directors, agents, officers, advisers or employees for any errors, misstatements, misrepresentations in or omissions from this presentation.

Any statements, estimates, forecasts or projections with respect to the future performance of Deep Yellow and/or its subsidiaries contained in this presentation are based on subjective assumptions made by Deep Yellow's management and about circumstances and events that have not yet taken place. Such statements, estimates, forecasts and projections involve significant elements of subjective judgement and analysis which, whilst reasonably formulated, cannot be guaranteed to occur. Accordingly, no representations are made by Deep Yellow or its affiliates, subsidiaries, directors, officers, agents, advisers or employees as to the accuracy of such information; such statements, estimates, forecasts and projections should not be relied upon as indicative of future value or as a guaranteed of value or future results; and there can be no assurance that the projected results will be achieved.

Prospective investors should make their own independent evaluation of an investment in Deep Yellow.

Nothing in this presentation should be construed as financial product advice, whether personal or general, for the purposes of section 766B of the Corporations Act 2001 (Cth). This presentation consists purely of factual information and does not involve or imply a recommendation or a statement of opinion in respect of whether to buy, sell or hold a financial product. This presentation does not take into account the objectives, financial situation or needs of any person, and independent personal advice should be obtained.

This presentation and its contents have been made available in confidence and may not be reproduced, or disclosed to third parties or made public in any way without the express written permission of Deep Yellow.

The information in this presentation is based on and fairly represents information and supporting documentation prepared or reviewed 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and 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.

Mineral Resource Estimates disclosed in this presentation and compiled under the JORC Code 2004 have not yet been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

# Overview

For personal use only

## **New management & core team in place**

- Revitalised investor base with greater international interest
- Key alliance with Sprott Group to support the company's growth ambitions

## **Major strategic review of company completed**

- Share consolidation completed – share base now more conducive for growth
- Conditions right to deliver shareholder growth through contrarian acquisitions

## **New direction and impetus for existing Namibian projects**

- Targeting a major discovery of a Rossing or Langer Heinrich style deposit
- Highly significant new JV agreement with Japanese partner JOGMEC

## **Deep Yellow differentiated from all other mid-sized U companies**

- Unrivalled “A to Z” uranium knowledge and proven sector experience
- Strong support from JV partners and investors for accretive growth strategy

**A unique and successful track record of building and developing a multi-mine uranium producer from the beginnings as a small explorer**

# Presentation Outline

For personal use only

 **Uranium and Nuclear – Beyond Statistics**

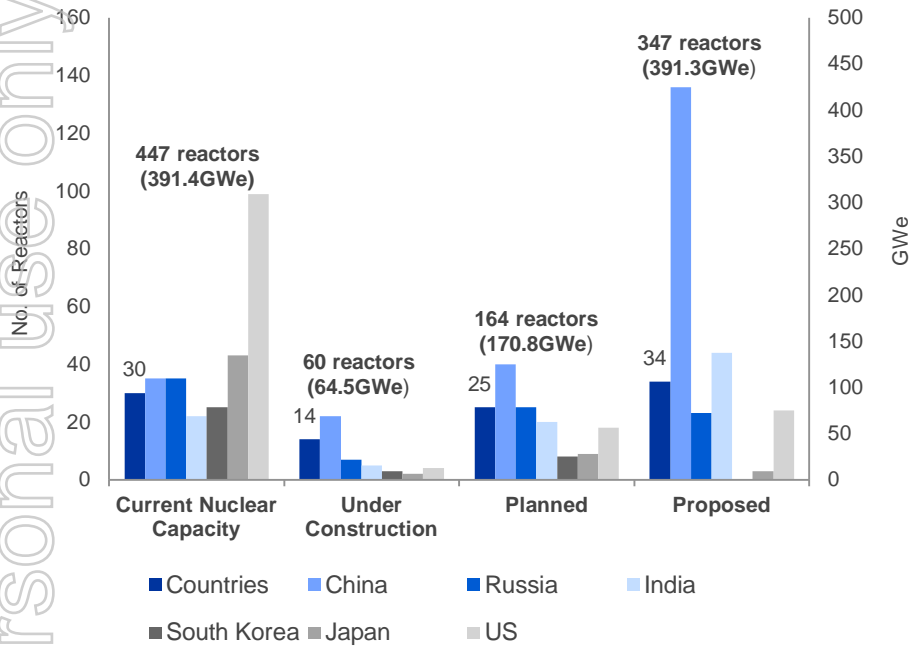
 **Growth Opportunity & Strategy – The Right Platform**

 **Deep Yellow – Status and Objectives**

 **Annexure – Additional Data**

# Uranium Market Snapshot

For personal use only



Source: World Nuclear Association (as of 1 Jan 2017)

## Unparalleled Growth in History of Reactor Builds

Nuclear Reactor Fleet – Growth Forecast	2016	2020	2025	2030
Reactors	447	495	550	650

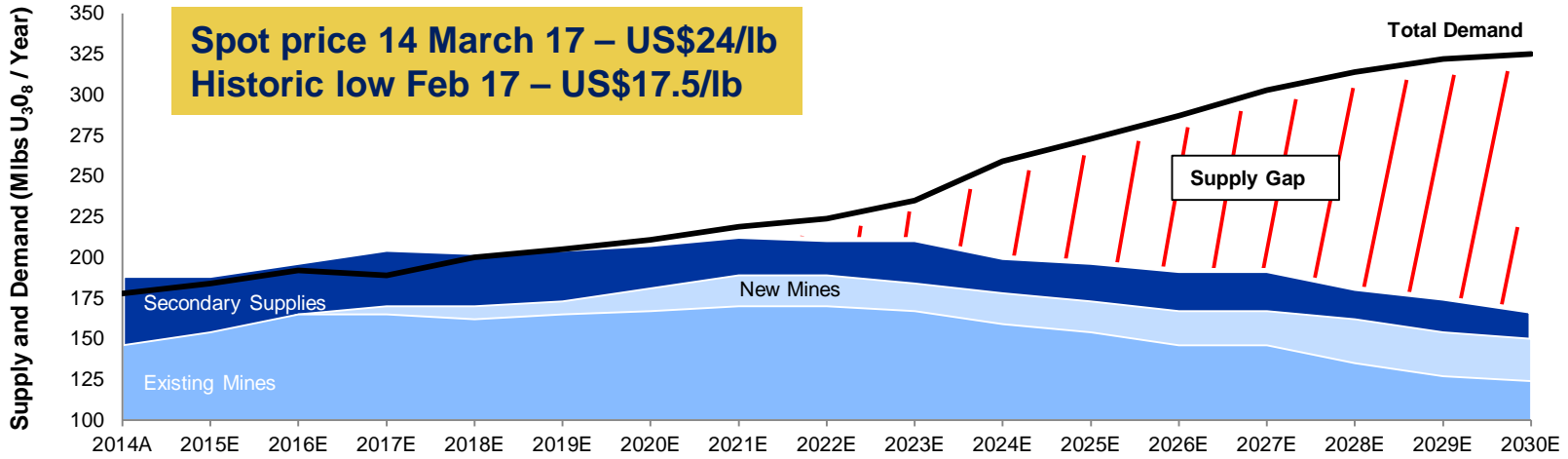
Source: World Nuclear Association / Deep Yellow

- ✿ Globally, 10 new reactors entered commercial operation in 2015
- ✿ Planned / proposed reactor forecasts continue to rise
- ✿ **China: 2002 (4.5GWe) – planned 2020 capacity 58GWe increasing to 150 – 200GWe by 2030**
- ✿ Japan – 24 reactors submitted for safety review, 5 reactors approved by NRA. First reactors operational in August 2015

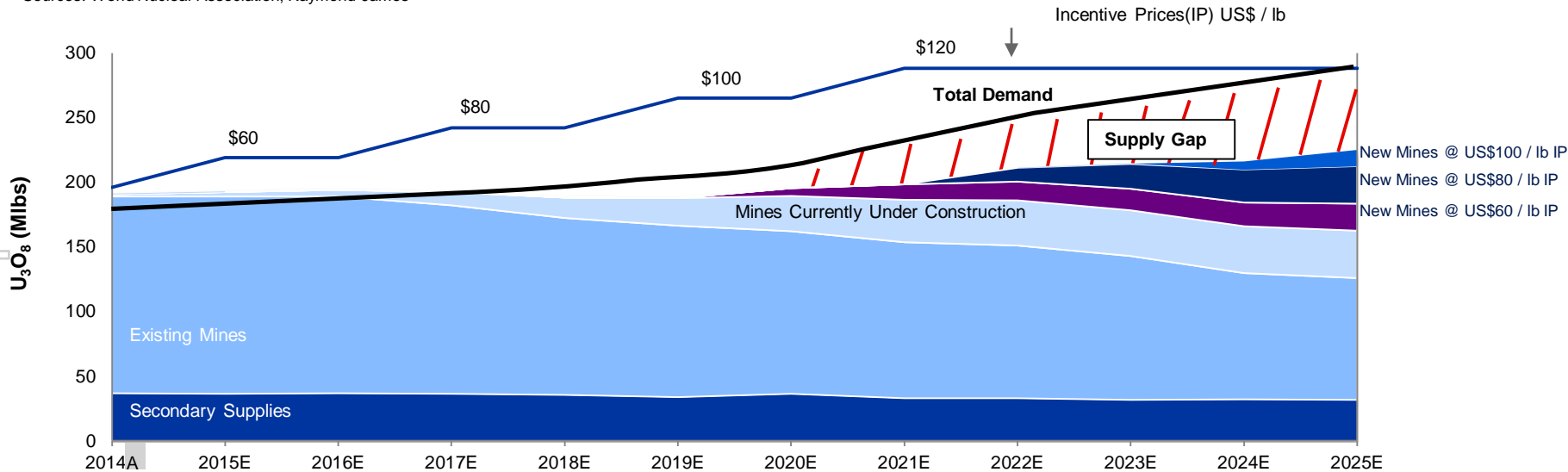
- ✿ **Increasing rate of global reactor fleet growth post 2020 creating additional supply need with initial core loads**
- ✿ **Long-term market demand fundamentals require extraordinary growth in uranium supply**

# Opportunity – Supply Deficit Consensus

For personal use only



Sources: World Nuclear Association, Raymond James



Source: Paladin 2015

**Strong potential for prices to substantially overshoot the incentive price**

 Uranium and Nuclear – Beyond Statistics

 **Growth Opportunity & Strategy – The Right Platform**

 Deep Yellow – Status and Objectives

 Annexure – Additional Data



# Value Creation Strategy

For personal use only

## Imagine the scene in 2020:

- The global nuclear fleet continues to grow
- Reality of severe uranium shortage comes to fruition
- Once shortage sets in, prices will move significantly higher than the base incentive price
- Supply sector serviced by a diminished producer base – note difficulties experienced by majors at Husab, Imouraren, Mkuju, Rossing and Ranger
- Post-Fukushima, all uranium players have been forced into survival mode, causing structural limitations to the sector and stifling any supply response
- Single project companies have not developed any projects, hence there is a lack of shovel ready assets and team proven expertise to develop new projects

## In this context:

- A company that anticipates the current situation starts to position itself during 2017
- Perfect opportunity to create exceptional shareholder value by consolidating assets under a vehicle run by a high quality management team when prices are at cyclical lows
- Significant value can also be created through exploration and drilling by making new discoveries and building an organic resource base
- There is a limited window of opportunity in which to act

# Vision for Growth

For personal use only

## **Deep Yellow has a clear, dual strategy running in parallel**

- Focus on increasing the value of existing exploration projects in Namibia
- Build a future multi-project global uranium platform through accretive acquisitions

## **Extract full value from the potential that exists in Namibia**

- Multiple opportunities for discoveries and resource upside within existing tenements
- Premier uranium mining jurisdiction with transparent regulatory framework

## **Develop a global pipeline with growth and optionality**

- Current assets span early stage discovery and resource expansion opportunities
- Objective is to develop a project pipeline with multiple, phased development options

## **Create a genuine independent alternative supplier for utilities**

- Maintain a register of supportive, long-term investors that share our vision
- Partner with high calibre organisations where value can be created for both sides
- A core team that has “been there, done that” across the uranium project life cycle
- Give utilities confidence in the ability to be a dependable uranium supplier of choice

# What Differentiates the New Deep Yellow?

For personal use only

## **Typical emerging uranium player – single project, promoter driven, unproven management and “struck in the groove”**

- Generally, years away from production possibilities
- History tells us any new, large, high-grade Canadian discoveries will potentially suffer 10-15+ year delays due to severe permitting/regulatory constraints

## **Deep Yellow focusing outside this “narrow brand” approach**

- To create a sizeable uranium platform to support annual production 5-10Mlb
- Establish diversification across attractive geographies on projects with low technical risk – conventional open pit and ISR potential

## **Unique prerequisites to execute on its consolidation strategy**

- Once-in-a-cycle opportunity and DYL can be a partner of preference
- Low spot prices, capital shortage and availability of good assets

## **Quality management team able to execute plan**

- Credibility of a core team that launched two new mines in the last 15 years
- Ability to use advanced technologies to exploit low grade deposits and turn these into first quartile cash cost operations

# World Class Team

For personal use only

## **New Management team led by Managing Director John Borshoff**

- Took Paladin Energy from a small explorer into the only independent, multi-mine producer in the last uranium cycle
- Possesses the necessary leadership and capability to succeed in an increasingly complex technical environment from exploration / resource development / design to uranium mining and product marketing – an “A to Z” expertise – unique amongst non-producers
- Core team is already in place with the intention to scale-up in line with activities
- Utilisation of a deep and established global uranium and nuclear industry network

## **Key technical achievements include**

- Successful exploration, construction and production developing two modern, conventional uranium mines and establishing an extensive global project portfolio
- A high degree of innovation, including utilising first modern applications of alkaline leach extraction and resin-in-pulp extraction processes

 Uranium and Nuclear – Beyond Statistics

 Growth Opportunity & Strategy – The Right Platform

 **Deep Yellow – Status and Objectives**

 Annexure – Additional Data



# Corporate Overview

## Board

<b>Rudolf Brunovs</b>	Interim Chairman
<b>John Borshoff *</b>	Managing Director / CEO
<b>Gillian Swaby *</b>	Director
<b>Christophe Urtel</b>	Director
<b>Mervyn Greene</b>	Director
<b>Justin Reid *</b>	Director
<b>Mark Pitts</b>	Company Secretary

## Executives and Management

### Perth

<b>John Borshoff *</b>	Managing Director / CEO
<b>Gillian Swaby *</b>	Corporate / Finance
<b>Ursula Pretorius</b>	Financial Controller
<b>Ed Becker *</b>	Exploration / Res. Dev.

### Namibia

<b>Martin Hirsch</b>	Exploration Manager
----------------------	---------------------

\* *Ex-Paladin Executive team*

## Capital Structure – as at 30 March 2017

<b>Shares on Issue (post-consolidation)</b>	129.6M
<b>Market Cap (@ 0.30c / share)</b>	~ AUD\$40M
<b>Net Cash @ 31 Dec 16</b>	~ AUD\$2.3M

## Major Shareholders

<b>Sprott Group (US)</b>	12.76%
<b>Collines Investments</b>	10.36%
<b>HSBC**</b>	8.89%

\*\*Includes Raptor Partners Limited

## Share Price Development



# Deep Yellow – Namibian Projects

Situated within the proven, exceptionally prospective Namibian Uranium Province containing Resources of 1.5Bib\* (Measured & Indicated) plus 350Mib\* (Inferred)  $U_3O_8$  within a 50km radius. Additionally, to date the region has produced 320Mib\*  $U_3O_8$ . \*Source: WNA (March 2017)

✿ Highly favourable jurisdiction for uranium exploration and development

✿ Deep Yellow holds four contiguous EPLs covering 1,730km<sup>2</sup> within the heart of this strategically significant uranium province

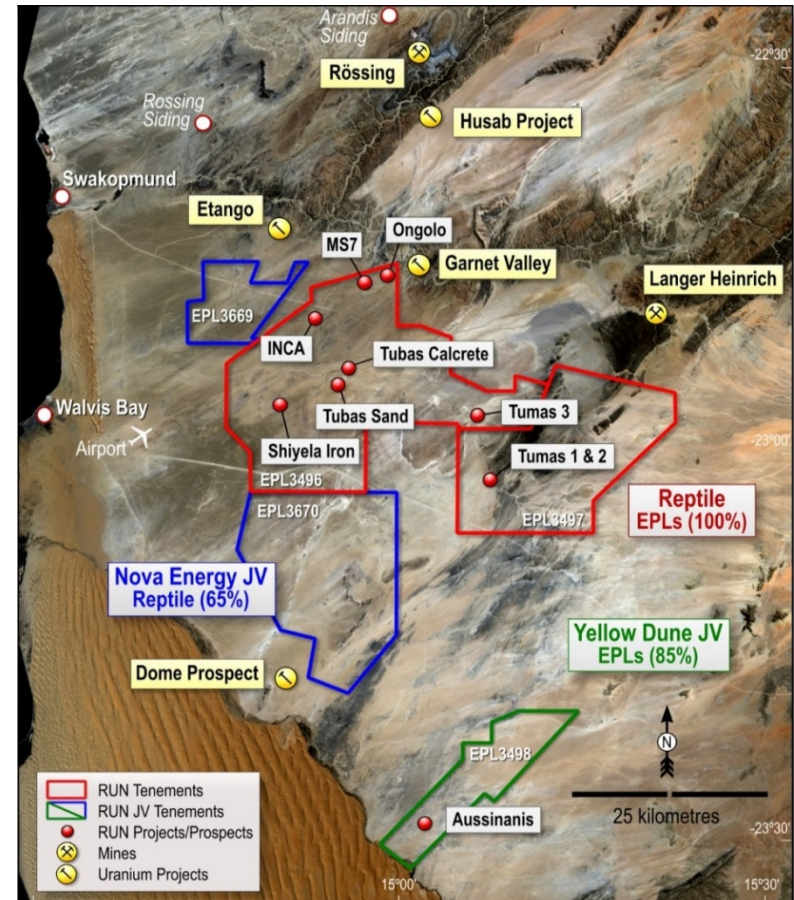
- Equally prospective for Rössing / Husab and Langer Heinrich style deposits.
- Tenements located 20km south of Husab deposit and 40km SW of Langer Heinrich deposit.

✿ **Reptile: (EPLs 3496 / 97) - 1,131km<sup>2</sup> (100%)**

- 750,000m drilled over 10 years significant uranium resources in isolated scattered deposits.
- New geological understanding and geophysical data target definition has identified significant new prospective targets.
  - Tenements contain 120km of highly prospective palaeochannel of which only 20km adequately tested.
  - Tenements contain target alaskite sequences extending from nearby Husab/ Rössing uranium deposits.

✿ **Nova JV: (EPLs 3669 / 70) - 599km<sup>2</sup> (65%)**

- Prospective basement alaskite (Rössing) and palaeochannel / calcrete (Langer Heinrich) targets already successfully identified.



# Nova JV – Landmark Japanese Earn-In

For personal use only



**Current JV equity: DYL 65% (Manager), Toro Energy 25%, Sixzone Investments 10%**

- EPLs 3669/70 recently renewed to Nov 2019



**New strategic farm-in agreement with leading Japanese partner JOGMEC**

- JOGMEC investment of AU\$4.5M over four years to earn a 39.5% interest
- No JOGMEC equity unless full expenditure
- DYL remains manager and will dilute to 39.5%

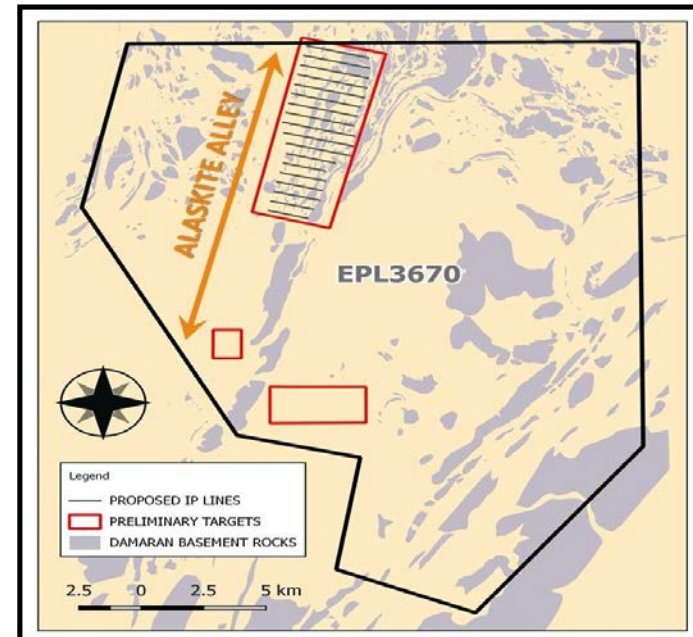
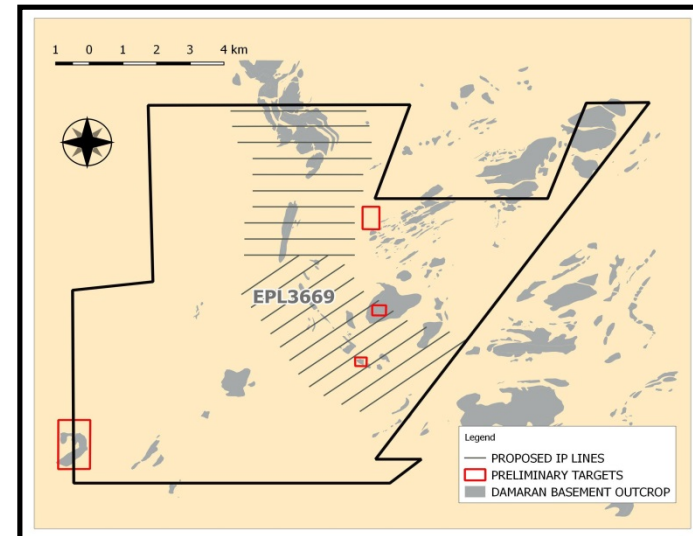


**Tenements considered prospective for Langer Heinrich and Rössing / Husab style targets**

- Mapping confirms earlier defined alaskite targets associated with radiometric anomalism
- Isolated 2 prospective palaeochannel targets on EPL 3669 plus basement conductors associated with alaskite rocks on both tenements
- Further target delineation planned using IP



**Drill testing planned on both alaskite and palaeochannel targets late 2017**



# Reptile Project – Palaeochannel Targets

## ✿ Targeting Langer Heinrich style palaeochannel uranium deposits

### ✿ An exploration target of approx. 120 - 150Mt (tonnes) to provide between 80 – 100Mlb $U_3O_8$ in 300 to 500 ppm $U_3O_8$ range\*

*\*The Company acknowledges that the potential quantity and grade of the exploration target is conceptual in nature, and that there has been insufficient additional exploration to estimate an expanded Mineral Resource at the date of this presentation and whilst additional exploration is planned it is uncertain if this will result in the estimation of an expanded Mineral Resource.*

*Following a complete review and evaluation of calcrete associated mineralisation already identified on the Company's tenements which commenced in the December Quarter (Refer ASX announcement 19 January 2017). The Company has a greater understanding of the stratigraphy of the palaeochannels which host mineralisation. (Refer also slide 14 Namibian Projects). This work has provided renewed confidence that mineralisation is likely to be identified in targeted but contiguous areas on our tenements. Targeted tonnage/grades are based on results and understanding from work carried out over past 10 years in this region. The exploration targets are planned to be tested over the next 12 to 24 months by an exploration program including geophysical field work and drill testing of targeted areas.*

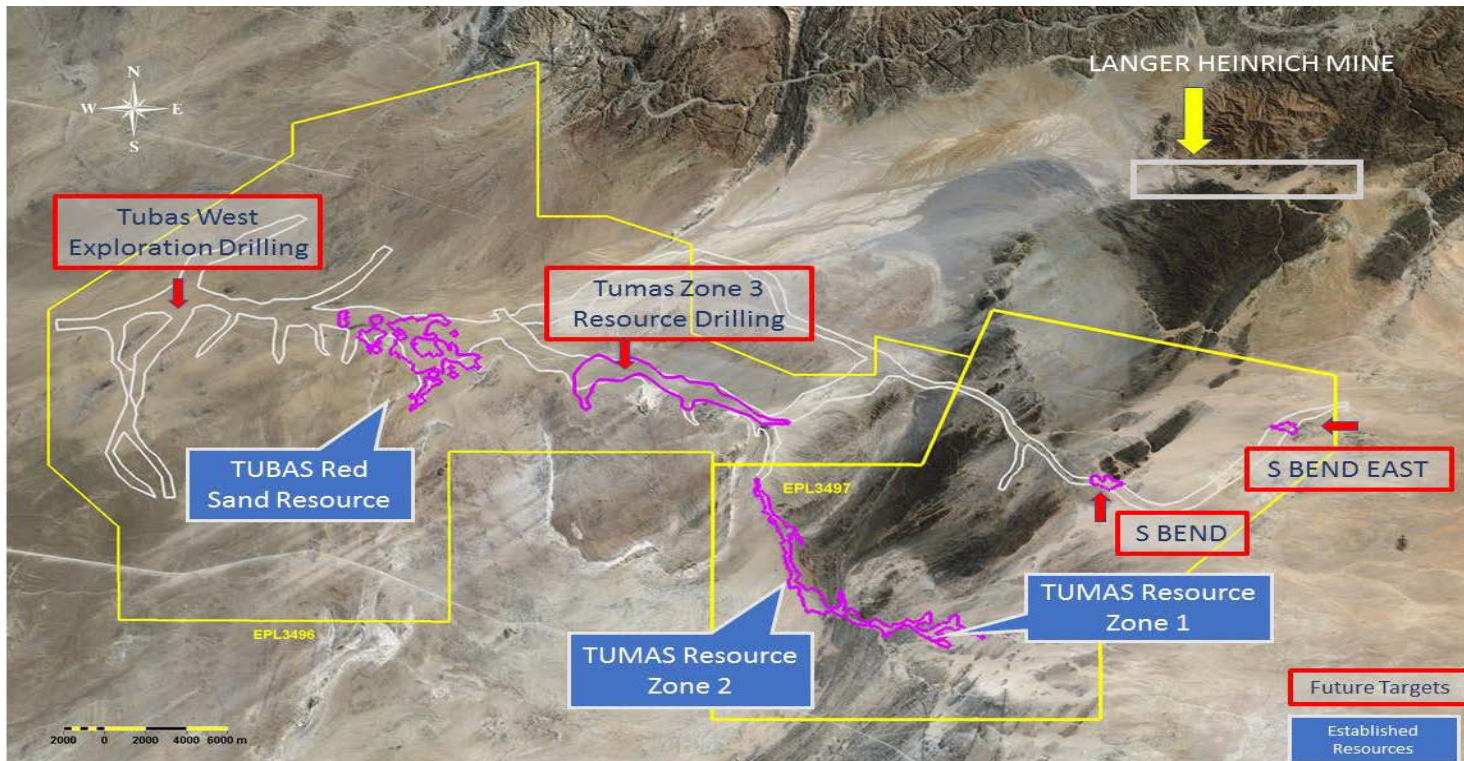
## ✿ The process used to determine the tonnage and grade ranges used in the above exploration target is as follows:

- Our experience of the known mineralisation on our tenements shows that fertile palaeochannels in the region when mineralised contain between 2Mlb-12Mlb  $U_3O_8$  per km
- It is therefore reasonable to expect 3-5Mlb  $U_3O_8$ /km in the 300-500ppm grade range
- From our previous experience and new analysis of the data we conservatively expect to delineate 3-4 mineralised zones along the 100km of prospective palaeochannel exploration target that has been identified representing 15-20km of mineralised zone with potential for 45Mlb-80Mlb



# Reptile Project – Palaeochannel Targets (Cont)

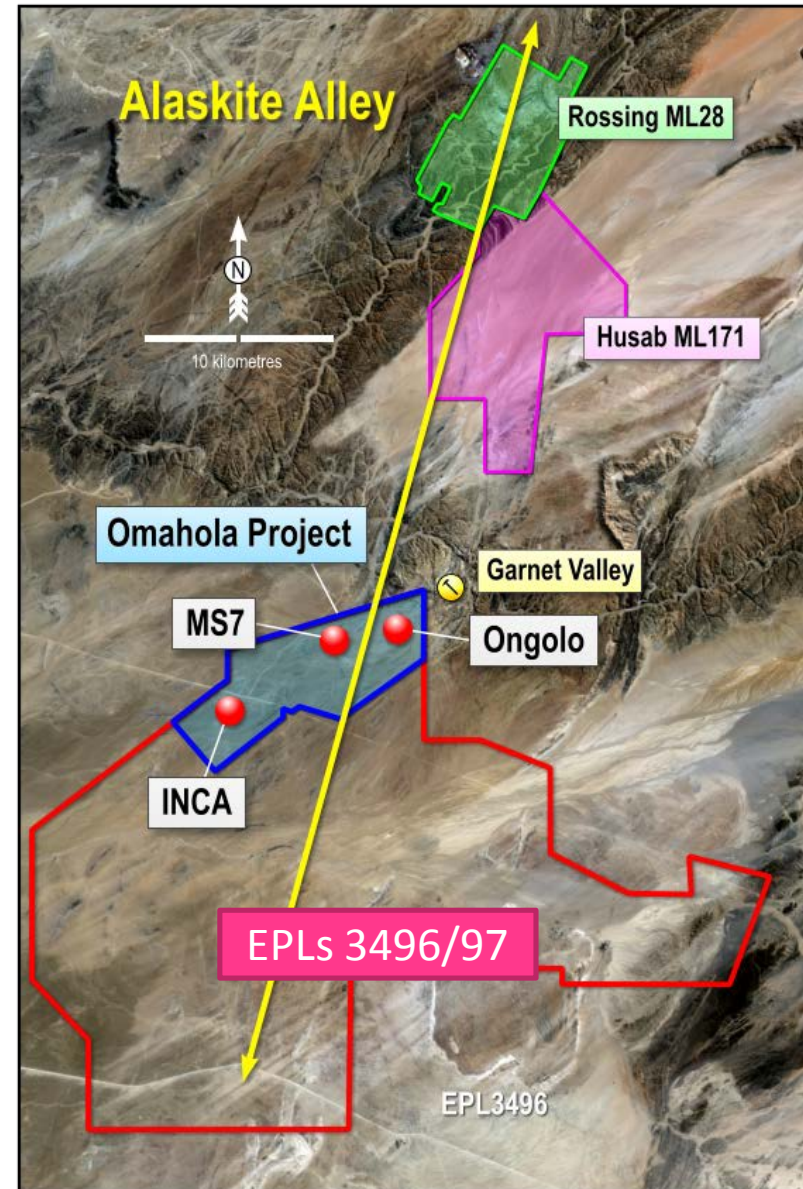
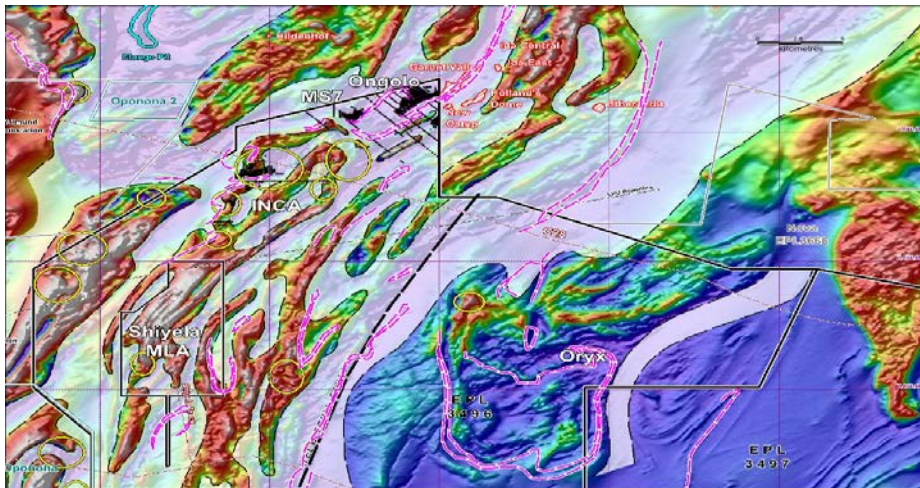
- With the existing identified resources at Tubas and Tumas deposits, an overall exploration target of 80-100Mlb is statistically and geologically feasible. Target delineation work to date has defined 3 priority exploration targets: Tumas 3, S Bend, and S Bend East.
- Drilling has commenced at Tumas 3 and is already producing positive results. We are drill testing on 100x100m spacing. Further exploration targets are expected to be delineated by ongoing regional evaluation of the historic data.





# Reptile Project – Basement Targets

- ✿ Current basement resource (alaskite and skarn type) 45Mlb  $U_3O_8$  at 420 ppm within the Alaskite Alley corridor
- ✿ Testing in 2017 of geophysical methods to identify targets beneath cover
- ✿ Targets are contiguous to known mineralised zones.



# Objectives And Framework For Expansion

For personal use only

## **Short term: corporate reorganisation completed and ready to promote awareness of the company strategy to new investors**

- Build understanding that Deep Yellow is the premier uranium growth investment vehicle
- Share consolidation completed preparing the company for growth

## **Short / medium term: execute on consolidation strategy during the next 18 months**

- Leverage management's skillset and relationships to evaluate and acquire a robust project pipeline
- Further refine and identify the combination of projects which deliver the best value / production profile outcomes
  - Target projects with existing resources with high potential to significantly enhance
  - Projects with >2Mlb pa production potential and an IRR of >15%
- Opportunities will only be pursued that are value accretive for Deep Yellow shareholders

## **Value capture: attract end users, major producers and alliance partners looking for access to a geographically diverse platform**

- Consider partnerships where partners can bring skillsets, resources or capital that creates shared benefits

# In Summary

For personal use only

## **New focus and positioning for the next uranium cycle**

- New management in place and strategy clearly defined
- Strategic investment completed with affiliates of the Sprott Group
- New shareholder base and increased liquidity
- Corporate restructure completed
- Internal procedures and processes upgraded to reflect growth ambitions

## **Building the premier global uranium consolidation vehicle**

- Establish a geographically diversified asset base
- Assets spanning multiple stages of exploration and development
- Significant optionality and value creation opportunities within the group

## **Management team with a successful track record of execution**

- Conditions very similar to the start of Paladin Energy's incredible growth phase in 2002
- Unrivalled experience in project acquisition, exploration, construction and operation

 Uranium and Nuclear – Beyond Statistics

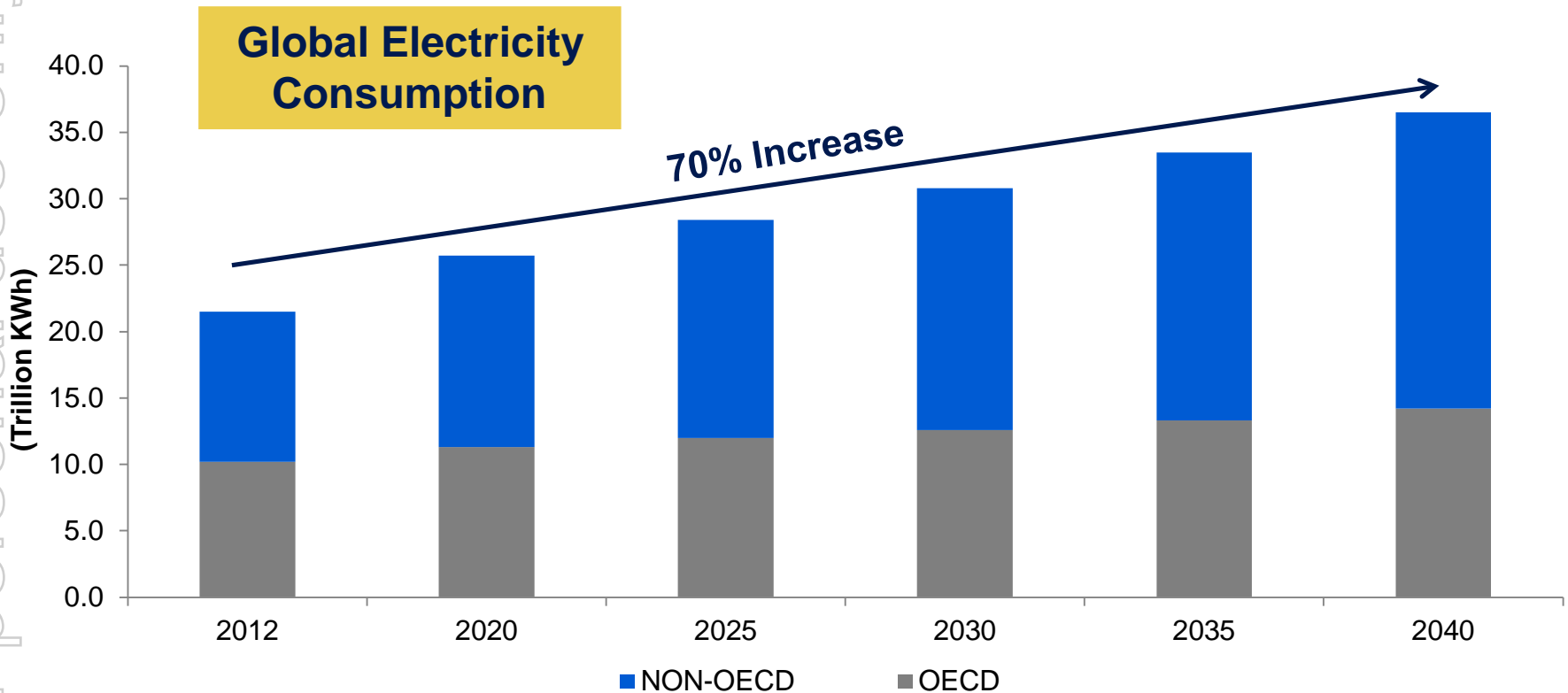
 Growth Opportunity & Strategy – The Right Platform

 Deep Yellow – Status and Objectives

 **Annexure – Additional Data**

# Opportunity – Electricity Demand Growth

For personal use only



Source: EIA Energy Outlook 2016

No slowdown in consumption anticipated – clean generation essential



# Supply Gap – Who is Able to Build Capacity?

✿ Uranium supply in the mid to longer term is highly uncertain.

✿ Uncertainties and nervousness exist amongst utilities:

- When is supply shortage going to set in - 2020? 2022?.
- This is a matter utilities worry about a lot.
- Uncertain when exactly supply shortage will set in, however, there will be a supply gap.

✿ Progressive realization of this reality will cause progressive upward price movement.

- Once the uranium price hits US\$40 / lb, a market frenzy will occur.

✿ A narrow window of opportunity to capitalise on this situation exists.

- **Opportunity is not only about the Supply Gap.**
- **It is also about who can credibly build the extra production capacity.**

# JORC Resources Status

For personal use only

Deposit	Category	Cut-off (ppm U <sub>3</sub> O <sub>8</sub> )	Tonnes (M)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (t)	U <sub>3</sub> O <sub>8</sub> (Mlb)	Resource Categories (Mlb U <sub>3</sub> O <sub>8</sub> )		
							Measured	Indicated	Inferred
<b>BASEMENT MINERALISATION</b>									
<b>Omahola Project - JORC 2004</b>									
INCA Deposit ♦	Indicated	250	7.0	470	3,300	7.2	-	7.2	-
INCA Deposit ♦	Inferred	250	5.4	520	2,800	6.2	-	-	6.2
Ongolo Deposit #	Measured	250	7.7	395	3,000	6.7	6.7	-	-
Ongolo Deposit #	Indicated	250	9.5	372	3,500	7.8	-	7.8	-
Ongolo Deposit #	Inferred	250	12.4	387	4,800	10.6	-	-	10.6
MS7 Deposit #	Measured	250	4.4	441	2,000	4.3	4.3	-	-
MS7 Deposit #	Indicated	250	1.0	433	400	1.0	-	1.0	-
MS7 Deposit #	Inferred	250	1.3	449	600	1.3	-	-	1.3
<b>Omahola Project Sub-Total</b>			<b>48.7</b>	<b>420</b>	<b>20,400</b>	<b>45.1</b>	<b>11.0</b>	<b>16.0</b>	<b>18.1</b>
<b>CALCRETE MINERALISATION</b>									
<b>Tubas Sand Project JORC 2004</b>									
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
<b>Tubas Sand Project Total</b>			<b>34.0</b>	<b>170</b>	<b>5,800</b>	<b>12.7</b>			
<b>Tumas Project - JORC 2012</b>									
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
<b>Tumas Project Total</b>			<b>16.6</b>	<b>366</b>	<b>6,050</b>	<b>13.3</b>			
<b>Tubas Calcrete Resource - JORC 2004</b>									
Tubas Calcrete Deposit	Inferred	100	7.4	374	2,800	6.1	-	-	6.1
<b>Tubas Calcrete Total</b>			<b>7.4</b>	<b>374</b>	<b>2,800</b>	<b>6.1</b>			
<b>Tumas Project - JORC 2004</b>									
Aussinanis Deposit ♦	Indicated	150	5.6	222	1,200	2.7	-	2.7	-
Aussinanis Deposit ♦	Inferred	150	29.0	240	7,000	15.3	-	-	15.3
<b>Aussinanis Project Total</b>			<b>34.6</b>	<b>237</b>	<b>8,200</b>	<b>18.0</b>			
<b>Calcrete Projects Sub-Total</b>						<b>50.1</b>	<b>8.2</b>	<b>11.6</b>	<b>30.3</b>
<b>GRAND TOTAL RESOURCES</b>			<b>141.3</b>	<b>306</b>	<b>43,250</b>	<b>95.2</b>			

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



# Contact Details

**John Borshoff**

***Managing Director / CEO***

Deep Yellow Limited

Unit 1, Spectrum Building, 100 Railway Rd

Subiaco, Western Australia 6008

T +61 8 9286 6999

F +61 8 9286 6969

Email: [john.borshoff@deepyellow.com.au](mailto:john.borshoff@deepyellow.com.au)

Email: [info@deepyellow.com.au](mailto:info@deepyellow.com.au)

Website: [www.deepyellow.com.au](http://www.deepyellow.com.au)