Deep Yellow Limited

ASX Announcement **ASX: DYL**

27 September 2017

MAIDEN TUMAS 3 RESOURCE CONFIRMS HIGH PROJECT POTENTIAL

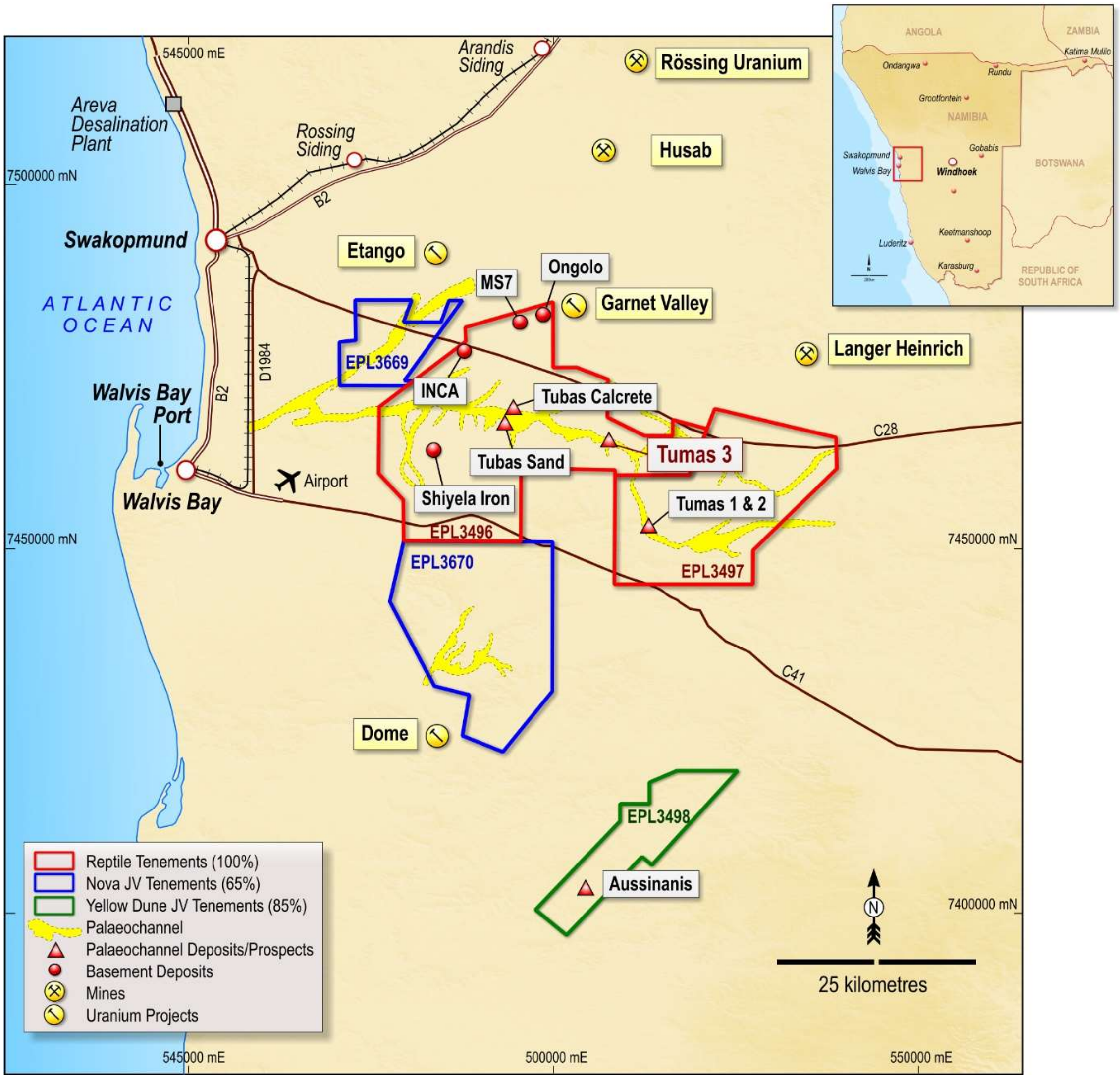
HIGHLIGHTS

- **Tumas 3 discovery returns an impressive maiden mineral resource estimate of 23.5Mlb at a grade of 382ppm eU_3O_8 as inferred resources located on its 100% owned project.**
    - **Achieved 5.34Mlb/km of uranium mineralisation, exceeding the original 3 - 5Mlb/km expectation.**
- **Maiden resource contributes a significant 47% improvement to the existing palaeochannel related mineral resource.**
    - **This significantly advances the project toward achieving stated objectives.**
- **Tumas 3 remains open and results fully support the high prospectivity of the 100km of palaeochannel target that has been delineated and remains to be tested.**
- **New 7,500m drill program funded by JOGMEC now underway at the Nova JV.**
- **Drilling to resume on DYL's 100% owned EPLs in December quarter 2017.**

Deep Yellow Limited (ASX: DYL) (**Deep Yellow**) is pleased to announce its highly encouraging maiden mineral resource estimate (**MRE**) for the Tumas 3 discovery which, at a 200ppm eU_3O_8 cut-off, comprises 23.5Mlb inferred mineral resources at a grade of 382ppm eU_3O_8. This deposit occurs on EPL3496, held by the Deep Yellow wholly-owned subsidiary Reptile Uranium Namibia (Pty) Ltd (**RUN**). The MRE was undertaken using various cut-off grades using a minimum thickness of 1m and conforms to the 2012 JORC Code of Mineral Resource Reporting.

A three month drilling program at Tumas 3 was completed in July 2017. Drilling outlined a 4.4km long zone of continuous calcrete uranium mineralisation. Of the total 400 holes drilled (for 10,545m), 284 returned positive results – an overall 71% success rate. Mineralisation remains open both west and east and will be the subject of further drilling. Figure 1 shows the location of Tumas 3.

Figure 1: Namibian Locality Map Showing Position of the Tumas Project



The Tumas 3 discovery has significantly increased the Company's surficial calcrete palaeochannel mineral resource base on this project by 47% which now totals 73.6Mlb U_3O_8.

The mineralisation at Tumas 3 occurs as a distinct mineralised body separate from the other uranium mineral resources the Company has previously identified elsewhere within these palaeochannels in its Tumas 1 & 2 and Tubas Red Sands/Calcrete deposits (see Figure 1).

The palaeochannels at Tumas 3, which occur separate from these deposits, have only been sparsely drilled along widely spaced regional lines with large sections completely untested.

Exploration Target

Deep Yellow has identified 100km of palaeochannel targets with large sections remaining to be tested. The very encouraging results at Tumas 3 from drilling over 4.4km gives the management team confidence that the Company has notably advanced towards reaching its stated total Exploration Target[1] of 100 - 150Mlb at a grade range of 300ppm - 500ppm for this type of uranium mineralisation. Deep Yellow's total JORC conforming uranium resources on its Namibian projects are shown in Appendix 1.

[1] The Company has already determined an MRE of 73.6Mlb of calcrete mineralisation (or 70% of the lower range of the Exploration Target, however, it 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 report. Additional exploration is planned, however it is uncertain if this will result in the estimation of an expanded Mineral Resource. From the review and evaluation of calcrete associated mineralisation already identified on the Company's tenements which commenced in the December Quarter and the exploration carried out over recent months, the Company has a greater understanding of the stratigraphy of the palaeochannels which host mineralisation. 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.

Tumas 3 Mineral Resource Estimate Summary

Cut-off grades used for the MRE included 100, 150, 200, 250, and 300ppm eU_3O_8 and the inferred resources derived from these cut-off grades indicate the mineralisation is robust and consistent (see Table 1).

The MRE for the Tumas 3 deposit at a 200ppm cut off gives an inferred resource of 23.5Mlb at 382ppm eU_3O_8 as shown in in Table 1. The 200ppm eU_3O_8 cut-off has been selected as being the most appropriate for headline reporting of the resource estimations.

Table 1. Tumas 3 – JORC 2012 MRE Inferred Resources at various cut-off grades

Cut-off (ppm U_3O_8)	Tonnes (M)	U_3O_8 (ppm)	U_3O_8 (Mlb)
100	34.9	338	26.0
150	32.4	353	25.3
200	**27.9**	**382**	**23.5**
250	20.3	441	19.7
300	15.5	493	16.8

Notes: *Figures have been rounded and totals may reflect small rounding errors.*
eU_3O_8 - equivalent uranium grade as determined by downhole gamma logging.
Gamma probes were calibrated at the Langer Heinrich uranium mine test pit.
During drilling, probes were checked daily against a standard source.

Deposit Parameters: The Tumas 3 uranium mineralisation is of the calcrete type located within an extensive generally east west trending palaeochannel system. The uranium mineralisation occurs in conjunction with calcium carbonate precipitations (calcrete) in sediment filled palaeovalleys. Uranium is the only economically extractable metal in this type of mineralisation although vanadium production can be considered if the price for vanadium is high enough. Uranium minerals mainly include uranium vanadates. The geology of this type of mineralisation is well understood having been explored over a number of years. The Langer Heinrich uranium mine, located 30km to the north-east, exploits this type of deposit and has been mined since 2007.

The mineralisation domains used for the current MRE study were interpreted to capture continuous zones of mineralisation above 100ppm eU_3O_8. The mineralisation included in this study has a strike length of approximately 4.4km with a width of around 300m to 900m and extends to a maximum depth of 25m. The mineralisation occurs in a reasonably continuous, seam-like horizon and extends east and west beyond the currently drilled area.

Drilling for the project was based on RC methods only. Drill holes used in the mineral resource estimation included the 400 recently drilled holes totalling 10,545m and 338 historical drill holes totalling 8,343m drilled by Deep Yellow between 2011 and 2012. Drilling achieved recoveries around 90%. All drill chips were logged geologically and their radioactivity was measured. All data were added to the database.

The recent drilling was carried out on a spacing of 100m x 100m. Previous drilling carried out by the Company was along regional 2km spaced drill lines with drill holes spaced 50m apart which was of insufficient resolution to make a discovery.

Methodology: Data used in the mineral resource estimate is largely based on down-hole radiometric gamma logging taken by a fully calibrated Aus Log gamma logging system which was used in the recent and previous drilling programs. Down-hole gamma readings were taken at 5cm intervals and converted into equivalent uranium values (eU_3O_8) before being combined to 1m intervals. Geochemical assays were collected from 1m RC-drilling intervals, which were split into 1 to 1.5kg samples by riffle splitters. A further 120 grams were pulverised for use in XRF analysis. Selected samples from the historical holes previously drilled were also assayed for U_3O_8 by ICP-MS method to confirm the XRF results. For further description of sampling techniques and associated data see Appendix 2, Table 1.

The mineral resource was estimated by Ordinary Kriging.

The geochemical assays were used to confirm the validity of the eU_3O_8 values determined by down-hole gamma probing. After validation, the eU_3O_8 values derived from the down-hole gamma logging were given preference over geochemical assays for the resource estimation.

The relevant drill hole details and results were previously reported by Deep Yellow in announcements made to the ASX on 11 July, 22 June, 22 May and 19 April 2017.

Figure 2 shows a grade thickness (GT- eU_3O_8ppm x metre thickness) contour map of the Tumas 3 deposit, showing extent and nature of the mineralisation over the full 4.4km length drilled. A cross-section and a long-section is shown through the Tumas 3 uranium mineralisation in Figures 3 and 4 respectively.

High Potential and Future Drilling

This first phase of drilling at Tumas 3, with the adoption of a fresh exploration focus under the stewardship of the new management of Deep Yellow, has proved highly effective and fully endorses the approach that is being taken. The work has identified substantial new uranium resources at Tumas 3 where previously none was thought to have existed. Additionally, work during the past 10 months has also identified extensive untested palaeochannels for which high prospectivity is now being confirmed.

The Tumas 3 deposit currently defined over a strike length of 4.4km demonstrates that these fertile palaeochannels can hold 5Mlb/km of uranium where mineralised. With Tumas 3 remaining open to the immediate east and west and a further 100km of palaeochannel identified still to be tested, it is not unreasonable to estimate that 15 - 20km of these channel systems will return 3 - 5Mlb/km of uranium mineralisation.

The Tumas 3 deposit has no surface expression and therefore could only be discovered through drilling. This leaves abundant opportunity to extend the currently defined resources at Tumas 3 and for making further discoveries within the insufficiently tested, highly prospective palaeochannel system of 100km in length. It strongly justifies the need to continue exploration and systemically drill test the underexplored palaeochannel systems contained in the Company's 100% owned tenements, EPLs 3496 and 3497.

Drilling will be resumed on these targets late in the December quarter 2017.

Current Drilling on adjoining Nova JV Project

A 7,500m reverse circulation/diamond drilling program is currently being carried out by Deep Yellow on the adjoining Nova JV project where JOGMEC is earning a 39.5% interest on expenditure of $4.5M over four years. This drilling program is focussing on first pass testing of targets identified from extensive mapping and geophysical surveys carried out over selected parts of EPLs 3669 and 3670 during the November 2016 – August 2017 period. The exploration targets are for both alaskite associated basement targets (Rössing and Husab type) and surficial palaeochannel associated calcrete targets (Langer Heinrich type). The main bulk of this drilling is to test the nature of some of the bedrock anomalies identified by the ground IP, radiometrics and airborne EM and to establish existence of uranium fertile palaeochannels.

This program is scheduled to be completed by end November 2017.

Yours Faithfully

JOHN BORSHOFF
Managing Director/CEO
Deep Yellow Limited

Competent Person's Statement

<u>Exploration Results and Mineral Resource Estimate</u>:
The information in this report that relates to Exploration Results for the Tumas Mineral Resource Estimate, Mineral Resource Database and Bulk Densities, together with the Tumas Mineral Resource Estimate itself, are based on information compiled by Mr. Martin Hirsch, M.Sc.Geology, who is a member of the Institute of Materials, Minerals and Mining (UK) and the South African Council for Natural Science Professionals. Mr. Hirsch, who is the Exploration Manager for Reptile Mineral Resources and Exploration (Pty) Ltd (RMR – the Manager), 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 2012 Edition). Mr. Hirsch consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Geophysics Component:

The Tumas 3 deconvolution of the current down-hole gamma data to convert the data to equivalent uranium values (eU_3O_8) was performed by Matt Owers, a geophysicist who works as a consultant for Resource Potentials with over 5 years of relevant experience in the industry. Mr Owers is a member of Australian Institute of Geoscientists and has sufficient experience with this type of processes to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). Mr. Owers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where the Company refers to the other JORC 2012 resources in this report, it confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and all material assumptions and technical parameters underpinning the resource estimates in those original announcements

Where the Company refers to the other JORC 2012 resources and JORC 2004 resources in this report, it confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and all material assumptions and technical parameters underpinning the resource estimates in those original announcements continue to apply and have not materially changed.

Figure 2: GT Contour Map of the Tumas 3 Uranium Mineralisation

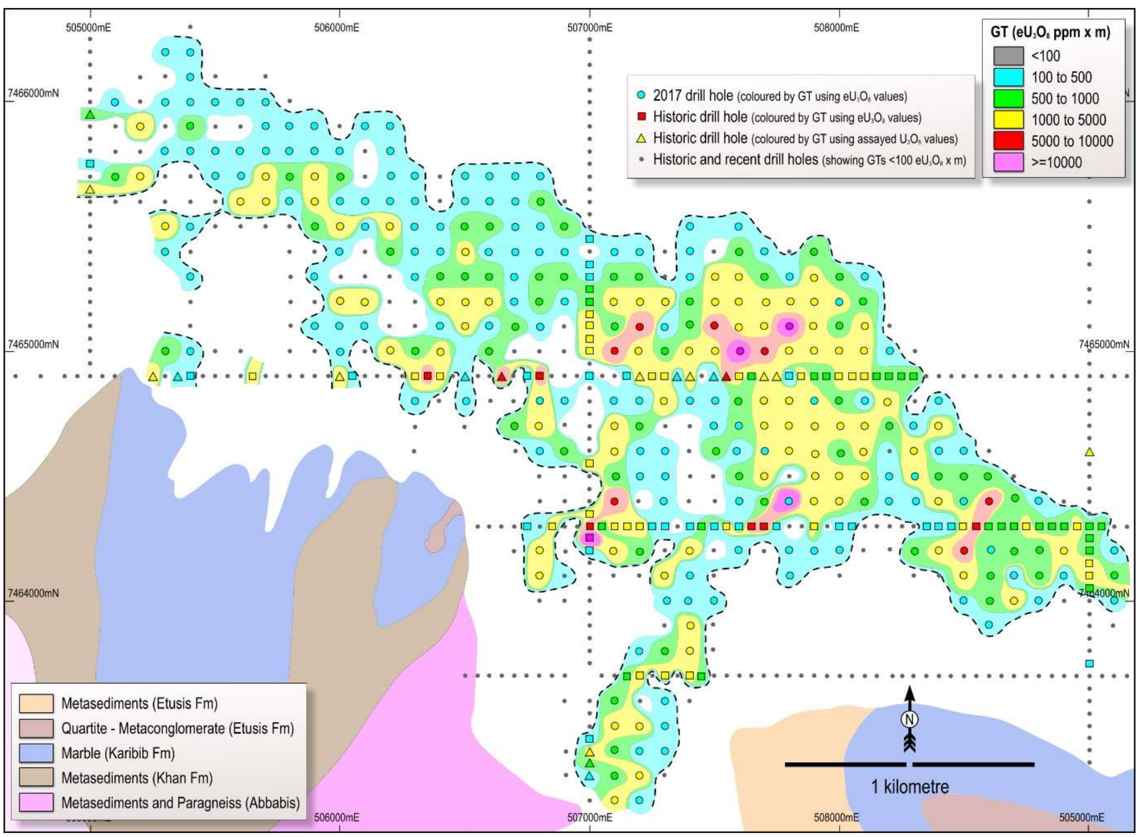


Figure 3: SW - NE Cross-Section through the Tumas 3 Palaeochannel System

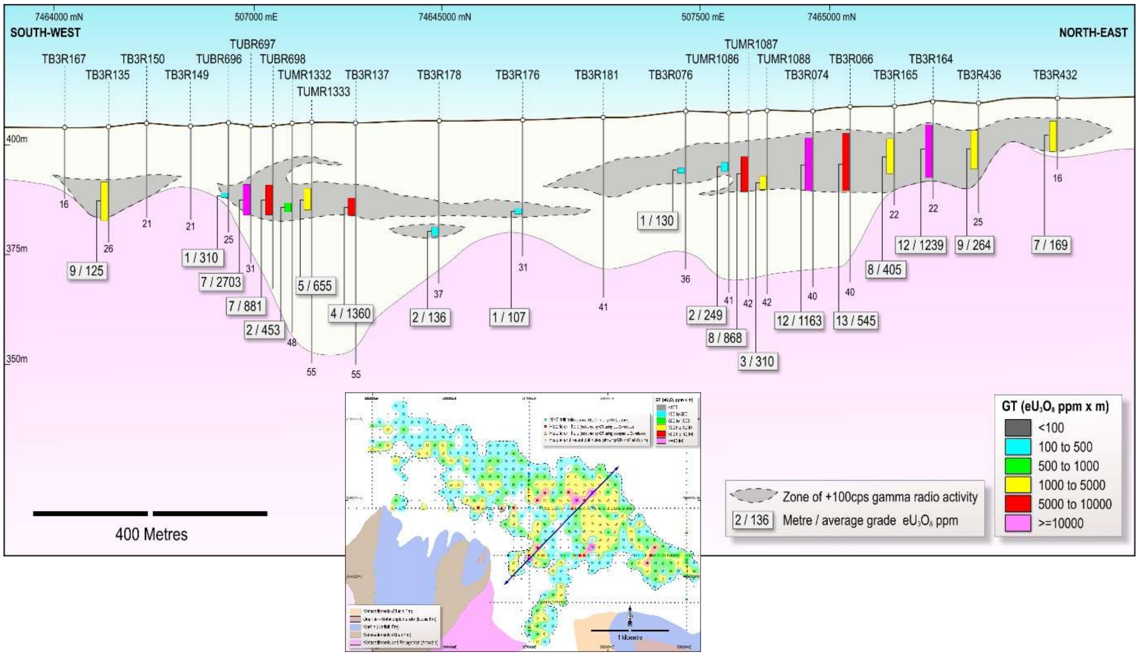
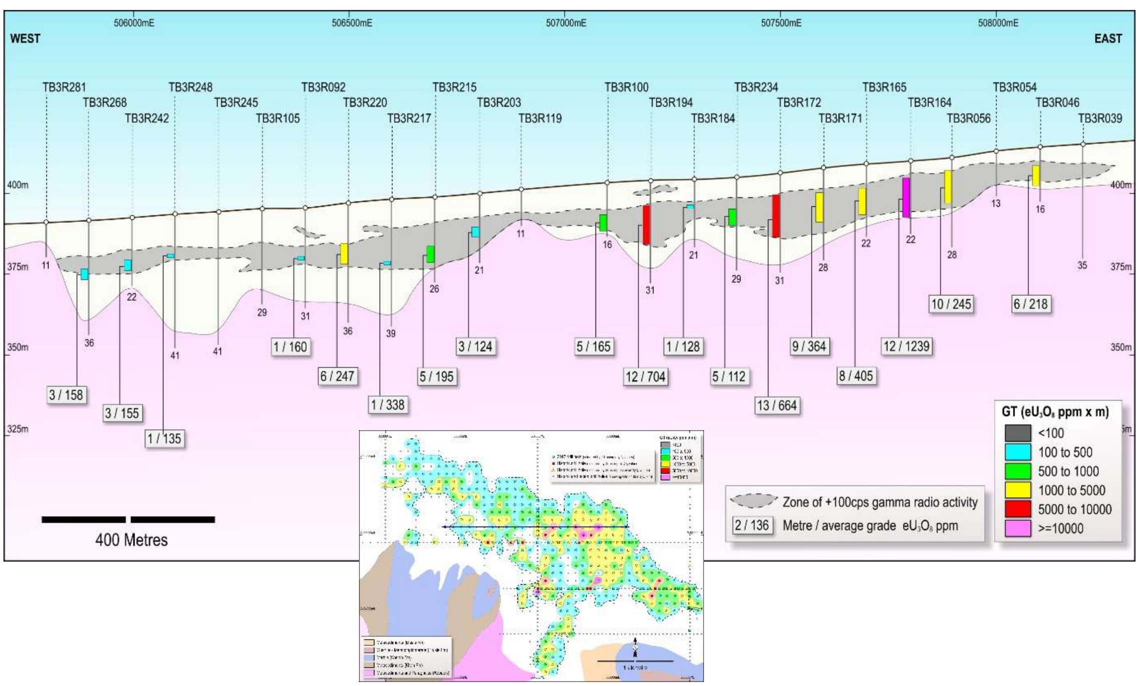


Figure 4: E - W Long-Section through the Tumas 3 Palaeochannel System



APPENDIX 1

JORC RESOURCES

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
BASEMENT MINERALISATION									
Omahola Project - JORC 2004									
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	-	1	-
MS7 Deposit #	Inferred	250	1.3	449	600	1.3	-	-	1.3
Sub-Total			**48.7**	**420**	**20,400**	**45.1**	**11.0**	**16.0**	**18.1**
CALCRETE MINERALISATION									
Tumas 3 Deposit - JORC 2012 (New Resource)									
Tumas 3 Deposit ♦	Inferred	200	27.9	382	10,700	23.5			
Sub-Total			**27.9**	**382**	**10,700**	**23.5**	-	-	23.5
Tubas Sand Deposit - 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
Sub-Total			**34.0**	**170**	**5,800**	**12.7**			
Tumas 1 & 2 Deposit - 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
Sub-Total			**16.6**	**366**	**6,050**	**13.3**			
Tubas Calcrete Deposit - JORC 2004									
Tubas Calcrete Deposit	Inferred	100	7.4	374	2,800	6.1	-	-	6.1
Sub-Total			**7.4**	**374**	**2,800**	**6.1**			
Aussinanis Deposit - JORC 2012									
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
Sub-Total			**34.6**	**237**	**8,200**	**18.0**			
Calcrete Deposits Sub-Total						**73.6**	**8.2**	**11.6**	**53.8**
GRAND TOTAL RESOURCES			**169.2**	**319**	**53,950**	**118.7**			

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

XRF chemical analysis unless annotated otherwise.

♦ eU_3O_8 - equivalent uranium grade as determined by downhole gamma logging.

 # Combined XRF Fusion Chemical Assays and eU_3O_8 values.

Where eU_3O_8 values are reported it relates to values attained from radiometrically logging boreholes.

Gamma probes were calibrated at Pelindaba, South Africa in 2007 and sensitivity checks are conducted by periodic re-logging of attest hole to confirm operation between 2008 and 2013.

During drilling, probes are checked daily against standard source.

JORC Code, 2012 Edition – Table 1 report

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 (probes), 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 30g 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. **Total gamma eU_3O_8** • 33 mm Auslog total gamma probes were used and operated by company personnel. • Gamma probes were calibrated by a qualified technician at Langer Heinrich uranium mine in May 2017 (T010, T030, T161 and T165) and again In August 2017 (T029, T030, T161, T162, T164 and T165). • During drilling, probes were checked daily by sensitivity checks against a standard source. • Majority of probing was done with probe T162 (69%) and T010 (11%). Other probes utilised during the program have been T029 (2%), T030 (4.5%), T161 (3.5%), T164 (7.5%) and T165 (2.5%). • Gamma measurements were taken at 5 cm intervals at a logging speed of approximately 2m per minute. • Probing was done immediately after drilling mainly through the drill rods and in some cases in the open holes. Rod factors were established to compensate for the reduced gamma counts when logging was done through the rods. • Minor water was encountered in 61 out of 400 holes. • The gamma measurements were recorded in counts per second (c/s) and were converted to equivalent eU_3O_8 values over 1m intervals using the probe-specific K-factor. • Disequilibrium studies done on 22 samples derived from the Tumas 1 and 2 zones by

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		ANSTO Minerals in 2008 documented that the U^{238} decay chains of the wider Tumas deposit of which Tumas 3 is part are within an analytical error of ± 10 to 12% and are in secular equilibrium. • 932 1m samples were taken for uranium assays from the current drilling. The 1m assays were composited over individual mineralised sections and compared against the equivalent composites of the same intersection using eU_3O_8. This confirmed the ANSTO Minerals results that the Tumas mineralisation is in secular equilibrium. **Chemical assay data** • Geochemical samples were derived from Reverse Circulation (RC) drilling at intervals of 1m. Samples were spilt at the drill site using a riffle splitter to obtain a 1kg sample from which 120g was pulverized to produce a subset for XRF-analysis. • 54 assays which were derived from a 2011 reconnaissance drilling program over the Tumas 3 area were added to the 932 newly collected 1m composites, resulting in a total of 986 x 1m composited samples which were taken and assayed for U_3O_8 by pressed pellet XRF by ALS laboratory in Johannesburg (RSA). • The samples were taken for confirmatory assay to be compared to the equivalent uranium values derived from down-hole gamma logging. • The assay results confirm equivalent uranium grades correlate correctly and are within an acceptable statistical error margin of 10%.
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 was used throughout the Tumas 3 campaign. • All holes were drilled vertically and intersections measured present true thicknesses.
Drill sample recovery	• *Method of recording and assessing core and chip*	• Drill chip recoveries were good, generally more

	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.*	than 95%. • 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 the cyclone.
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 were geologically logged. • The logging was qualitative in nature. A dominant and subordinate lithology type was determined for every sample representing a 1m interval with assessment of ratio/percentage. • Other parameters routinely logged include color, color intensity, weathering, oxidation, alteration, alteration intensity, grain size, hardness, carbonate ($CaCO_3$) content, sample condition (wet, dry) and a total gamma count was derived from a Rad-Eye scintillometer. • 10,557m were geologically logged, which represents 100% of metres drilled. • Lithology Codes for palaeochannel lithologies used are: AL=Alluvion, AG=Gravel, AGS=Gravel silty sandy, SAT=Silty sand, SR=Red sand, CA=Calcrete un-differentiated, CAW=Calcrete whitish, CAB=Calcrete brownish, CAF=Calcrete pale red _Fine grained, SS=Sandstone, SC=Conglomerate, SA=Sand, SSF=Sandstone fine_CaCO3 cement, GY=Gypsum, CH=Chert, SSD=Dolomitic sandstone, QCO=Quartzitic conglomerate, CY=Clay, SH=Shale, REW=Reworked bedrock & calcrete. • Lithology Codes for the channel floor or basement lithologies used are: SD=Dolomite, ST=Siltstone, SM=Mudstone, GG=Granite, ALAS=Alaskite, PQM=Micaceous quartzite, MS=Micaschis, MB=Marble, PSAM=Psammite, MPEL=Metapelite, HQ=Vein quartz, GZ=Pegmatite, PZ=Biotite gneiss, PQ=Quartzite, PG=Gneiss undifferentiated,

		PR=Magnetite gneiss, PT=Granitised gneiss, OD=Dolerite, HS=Skarn, PA=Amphibolite, BU=Mafic extrusive, MM=Massive magnetite, GD=Granodiorite, BI=Massive biotite, SB=Breccia, BR=Bedrock, PX=Calc-silicate, PK=Calc-silicate gneiss
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.*	• Sample splitters used were a 2-tier riffle splitter mounted on the rig giving an 87.5% (reject) and a 12.5% sample (assay sample) and a portable 2-tier (75%/25%) splitter for any oversize assay samples. All sampling was dry. • The sampling techniques are common industry practice. • Sample sizes are considered appropriate to the grain size of the material being sampled. • Field duplicates were inserted into the assay batch at an approximate rate of 1 for every 10 samples which is compatible with industry norm. • Blanks were inserted into the assay batch at an approximate rate of 1: 10 which is compatible with industry norm.

	Number of assays	Number of standards	Number of blanks	Number of duplicates
Field	932	31	77	71
Lab		62	32	62

- ALS used eight different standards, namely:
- AMIS0076, AMIS0078, AMIS0087, AMIS0090, AMIS0114, AMIS0186, AMIS0208 and OREAS-122, see table below:

Standard	Number of assays	Expected Values (ppm) U	Assay		
			Average	Min	Max
AMIS0076	15	1529	1545	1530	1565
AMIS0078	9	346	337	333	339
AMIS0087	7	207	205	202	207
AMIS0090	16	903	881	874	889
AMIS0114	11	550	529	518	535
AMIS0186	19	2749	2736	2680	2760
AMIS0208	17	58	55	53	59
OREAS-122	8	423	410	401	414

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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 was XRF (PP). The technique is industry standard and considered appropriate. • AUSLog downhole gamma tools were used as explained under 'Sampling techniques'. This is the principal evaluation technique. • AMIS standards AMIS0076, AMIS0078, AMIS0087, AMIS0090, AMIS0114, AMIS0186, AMIS0208 and OREAS-122 were used in a ratio of 1: 9. • Duplicates performed with a regression line of R^2=0.98 and a correlation coefficiency of 0.98% • Blanks performed well below 4 ppm (U) with 2 outliers recorded at 20ppm (U) resulting in a 2.6% failure rate. • All AMIS standards performed well within limits. AMIS0076, AMIS0087 and AMIS00186 performed excellent remaining within 2 standard deviations (2σ); AMIS0078, AMIS0090, AMIS0114 and AMIS0208 exceeded but remained within lab certified limits. OREAS-122 (expected value of 423ppm U) failed in 5 out of 8 samples and exceeded the lower limits by -15ppm (U)
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.*	• The geology logs were recorded directly into digital tables in the field using pull down list enforced logging spreadsheets. • Sample tag books were utilized for sample identification. • The field drill data of those logs and tag books (lithology, sample specifications etc.) is QA-ed and validated by the relevant project geologist before imported into a geological database. • Twinning RC holes was not considered due to the nuggety nature of the mineralisation. • Data was uploaded onto a file server following a strict validation protocol. • Equivalent eU_3O_8 values are calculated from raw gamma files by applying calibration factors and casing factors where applicable.

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		• The adjustment factors are stored on a file server. • Equivalent U_3O_8 data is composited to 1m intervals. • The ratio of eU_3O_8 versus assayed U_3O_8 for matching composites is used to quantify the statistical error. It was found that they all lie within statistically acceptable margins.
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 were surveyed by an in-house surveyor 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 the Tumas palaeochannel 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 a maiden Mineral Resource. • The total gamma count data, which is recorded at 5 cm intervals, is converted to equivalent uranium value (eU_3O_8) and composited to 1 m intervals.
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 a fairly continuous horizontal layer. Holes were drilled vertically and mineralised intercepts represent the true width. • All holes were sampled down-hole from surface. Geochemical samples were collected at 1 m intervals. Total-gamma count data was collected at 5 cm intervals.
Sample security	• *The measures taken to ensure sample security.*	• 1m RC drill chip samples were prepared at the drill site. The assay samples were stored in plastic bags. Sample tags were placed inside the bags. The samples were placed into plastic crates and transported from the drill site to RMR's site premises in Swakopmund by company personnel. Sample preparation for

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		dispatch to ALS laboratories in South Africa was done at RMR's own prep-lab facility. • Upon completion of the preparation work the remainder of the drill chip sample bags for each hole was packed back into crates and then stored in designated containers in chronological order, locked up and kept safe at RMR's sample storage yard at Rocky Point located outside Swakopmund.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Dr J Corbin from GeoViz Consulting Australia undertook a drilling data review. He concluded his audit commenting: "Overall, the data available are of reasonably good quality and easily accessible."

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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 license 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 EPL is in good standing and is valid until 5th June 2019. • The EPL is located within the Namib Naukluft-National Park in Namibia. • 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 EPLs, some work was conducted by Anglo American Prospecting Services (AAPS), General Mining and Falconbridge in the 1970s. • Assay results from the historical drilling are incomplete and available on paper logs only. There are no digital records available from this period.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Tumas mineralisation occurs as secondary carnotite enrichment of variably calcretised palaeochannel and sheet wash sediments and adjacent weathered bedrock. • Uranium mineralisation at Tumas is surficial and stratabound in Cenozoic sediments, which include from top to bottom scree, sand, gravel, gypcrete, various intercalated calcareous sand and calcrete horizonts overlying discordant Damaran age folded sequences of meta-volcanics and meta-sediments. Predominant basement stratigraphy is Nosib-Swakop Group with Chuos Fm being the highest lithostratigraphic level in the project area exposed. East of Tumas 3 is Kuiseb Fm exposed forming the highest lithostratigraphic levels. All sequences are highly metamorphosed and characterized by isoclinal folding in partly over thrusted sheets lying staggered on top of each other. Strike is generally NE-SW to NNE-SSW, mostly steep dipping. 3 different folding events are observed. • The majority of the mineralisation in the project area is hosted in calcrete. Locally, the underlying Proterozoic bedrock shows traces of mineralisation in weathered contact zones of more schistose basement types; this however occurs only seldom.

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Criteria	JORC Code explanation	Commentary
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 drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in meters) 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.*	• 400 RC holes over 10,557m were used for estimating the Tumas Zones 3, with all relevant drilling being done between March 2017 and August 2017. Reconnaissance drilling in 2011/12 traversed the area and 54 1m composited assay samples were added to the dataset (originating from 20 historical holes). Description of sampling protocol and analytical process applied for these 54 samples at the time differed slightly with 90 grams being pulverized form a 1kg sample instead of 120 grams and the laboratory used being Bureau Veritas in Swakopmund instead of ALS in Johannesburg. • Furthermore an additional 77 RC holes from the 2011 historical campaign were processed and incorporated, resulting in use of additional 82 equivalent uranium intervals over 236m in total being added to the newly, through drilling derived dataset. • All holes were drilled vertically and intersections measured present true thicknesses.
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 to 1 m intervals. • 1 m composites of eU_3O_8 were used for the estimate. • 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.*	• All relevant intercepts were included within the text and appendices of previous releases.
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*	• Comprehensive reporting, including 4 announcements of all Exploration Results was practised throughout the drilling program.

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Criteria	JORC Code explanation	Commentary
	Exploration Results.	
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 of the Tumas palaeochannel was subject to some drilling in the 1970s and 1980s by Anglo American Prospecting Services, Falconbridge and General Mining. • Downhole gamma-gamma density logging for bulk density was derived from earlier work at Tumas 1 and 2 and in analogy to Langer Heinrich uranium mine mining in same lithologies and geological settings East and North-East of Tumas Zone 3.
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.*	• The mineralisation is open to the East and West and further work is planned eastwards of the current discovery and an area extending for another 12km towards the West known to contain carnotite mineralisation in calcrete. • All the above areas are planned for inclusion in a future drilling program as mineralisation is open to the East and West along strike.

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Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	A set of SOPs (Standard Operating Procedures) were defined that safeguard data integrity which cover the following aspects: • Capturing of all exploration data; geology and probing; • QA/QC of all drilling, geophysical and laboratory data; • Data storage (database management), security and back-up; and • Reporting and statistical analyses used Micromine (MM) software and Minestis Software.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• During all drilling programs regular site visits were conducted by the Company's Competent Person who signed off on all exploration data. • More recently, the Company's current Competent Person has undertaken regular visits since with the most recent visit being in early September 2017.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Confidence in the geological interpretation and modeling of the sedimentary channel fill is very high. This type of geology is well known and readily recognized in the RC drill chips. • The factors affecting grade distribution are channel morphology and bedrock profile, with bedrock "highs" indicative forming areas of mineralisation traps.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The drilled orebody has a strike length of 4.4 km, 200 to 900 m wide and 3 to 20m deep. • The main mineralised calcrete reaches from a shallow depth below surface of -2 to -3m deep down to -20m/25m.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• The present estimates is based on grade/lithology domains restricting geostatistical interpolations into blocks estimates bound to domain solids. Block sizes used are 50m East x 50m West x 2m elevation • Resources were estimated by Ordinary Kriging (OK) using a 100ppm lower limit without any grade capping. Search ranges remained restricted to max 1½ drill-hole spaces and remained restricted to geology via defined calcrete solids and grade shells. • Omnidirectional variograms were used in the current estimates.

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Criteria	JORC Code explanation	Commentary
	• *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Block validation was done using qualitative drill-hole displays over block estimates. The current block estimates correlate perfectly with composited eU_3O_8 GT (Grade Thickness) data.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• An optical assessment of sample material was done during the sampling process and samples were classified as either "dry" or "wet". • Tonnages are estimated dry.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• 1m composites below eU_3O_8 of 100ppm were excluded from the estimation process. • The range of cut-off grades were chosen based on "potentially economic" criteria and the fact that mineralisation is continuous.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Potential scenarios are open cast mining with one, two or three-metre mining bench heights.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of*	• Detailed mineralogical characterization tests were conducted from the upper Tumas areas which allowed the Company to derive a sound understanding of how a calcrete ore from Tumas would respond to beneficiation and further downstream processing. • Also, the nearby Langer Heinrich uranium mine has successfully mined and processed calcrete ore for almost a decade. Although its grade is higher the mineralogical characteristics are very similar.

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Criteria	JORC Code explanation	Commentary
	the basis of the metallurgical assumptions made.	
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfield project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Independent consultant SoftChem completed a scoping level Environmental Impact Assessment for the Tumas Project in 2013. • As the mining progresses to different sections of the mine, waste material will be backfilled into some of the mined-out areas. • Rehabilitation of the mined-out areas and stockpile facility will be progressive throughout the life of the mine. Any remaining waste rock stockpiles will be shaped and contoured to blend into the surrounding environment.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density was derived from borehole density logging (gamma-gamma) from drilling at Tumas 1 and 2 in 2014. • 284 1m composites where measured resulting in an average density of 2.35. • 2.3 was used for the current estimate • At the Langer Heinrich uranium, mine bulk density is defined as 2.35 after mining geologically equivalent material for 10 years.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• This mineral resource estimate reflects an inferred resource. • Semi-variography presented structures with ranges of up to 155m. • Search ranges were used accordingly to drilling data-density at max of 1 ½drill positions. • A search of up to 145m over minimum 4 sectors was applied to assign eU_3O_8 grades to blocks; sub-searches were restricted to 8 1m composites per sector. • The average mineralised seam thickness is in the order of 2 to 10m. • The Competent Person is satisfied that the applied methodology is appropriate and the resulting block estimate is a true reflection of the drilling data.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No additional reviews were conducted beyond those carried out by the various Competent Persons over time.
Discussion of relative	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach*	• The applied geostatistical approach to arrive at the maiden mineral

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Criteria	JORC Code explanation	Commentary
accuracy/ confidence	*or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	resource is considered sound and reflects industry standard approaches across the globe and industry. • The resulting block model presents a true representation of drilling data. • It is this Competent Person's opinion that the classification of this inferred resource can improve by adding limited infill drilling to improve continuity definition.