



# Deep Yellow Limited

ASX Announcement

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## DEEP YELLOW ADJUSTS - PRESERVING CASH AND CORE OBJECTIVES

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Deep Yellow Limited (**Deep Yellow** or **the Company**) advises that it has concluded a full review of the Company's activities focussing on adjusting current workstreams to safeguard the Company's key assets against the growing uncertainty and volatility caused by the COVID-19 pandemic.

To date, COVID-19 is expected to have minimal impact on operations in Namibia. The Namibian government has instituted a 21-day lockdown which is in place until 17 April 2020 (staff working from home as required), however mining and related industries have been declared as critical services. The specific details of this are currently being finalised with the relevant Ministries and input from the Chamber of Mines following submissions by the industry, including Deep Yellow.

The Company understands the severity of COVID-19 and has acted quickly to implement new protocols and procedures to ensure the safety and well-being of the Company's employees and contractors in Australia and in Namibia.

Deep Yellow has a strong balance sheet, underpinned by a cash holding at the end of the March Quarter in the order of \$13M. Over the past 3 years, management has successfully developed the Reptile Project (Namibia), tripling the resource base at extremely low cost, and recently announced delivery of positive results further supporting the Tumas Pre-Feasibility Study (**PFS**). COVID-19 has highlighted the importance of a healthy balance sheet to ensure the continuation of operations. With the proven ability of the current management team to successfully operate at a low-spend rate, the Company has re-adjusted the current work program to maintain the healthy cash balance of Deep Yellow, whilst maintaining and advancing the core key drivers of the Company's dual-pillar growth strategy.

The revised work program will include the continued development of key activities of the Tumas 3 PFS, carrying out critical exploration with finalisation of the JOGMEC earn-in obligation awaiting approval in April and proceeding with M&A in reduced form with care not to lose sight of opportunities that could arise in the meantime.

The Board has approved the revised work program and budget up until the end of June 2020. The revised budget includes labour cost reduction across the Company, including a proposed reduction of directors' fees. Activities which do not impact the progress of the Tumas PFS and selected M&A assessment will be suspended.

The normally scheduled strategic board meeting to be held in June will determine the FY21 program/budgets along the principles that have been outlined herein and to be finalised at a time when we expect to have much clearer knowledge of the COVID-19 influence and how best to specifically deal with this over the following 9-12 months.

**Deep Yellow Managing Director Mr John Borshoff said:** *“COVID-19 is an unprecedented pandemic which has and continues to impact all aspects of global commerce. Deep Yellow believes that companies who are able to efficiently adjust to this environment, whilst retaining effective productive capacity and advancing their corporate strategy, will benefit most when the COVID-19 pandemic is defeated, and a sense of normality returns to global commerce.*

*Amid this unprecedented environment, Deep Yellow remains confident about the nuclear industry and the important role the sector will play in supplying clean energy in the coming years. There are signs that uranium is in an early recovery mode, highlighted by the recent 11% price increase, due to the particular supply dynamics of the sector.*

*“Although the temporary shutdown of Cameco’s last remaining producing asset in Canada did not act as the price catalyst anticipated by the majority, the movement, even if small, does indicate the precarious nature of the supply/demand dynamic of the current uranium sector. This represents clear opportunities to companies like Deep Yellow preparing prudently for this inevitable positive outcome even during the current difficult circumstances”.*

Yours faithfully



**JOHN BORSHOFF**  
Managing Director/CEO  
Deep Yellow Limited

*This ASX announcement was authorised for release by Mr John Borshoff, Managing Director/CEO, for and on behalf of the Board of Deep Yellow Limited.*

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