

Deep Yellow Limited

ASX Announcement

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6 May 2020

HIGHLY ENCOURAGING METALLURGICAL RESULTS AT TUMAS

HIGHLIGHTS

- **Pre-Feasibility Study (PFS) test work at Tumas Project using RC sample material delivers highly encouraging results equal to or better than assumptions used in the Scoping Study**
- **Immediate commencement of further metallurgical test work using diamond core sample material to validate initial positive results**
- **Metallurgical process test work targets the lower quartile of producer operating costs (sub US\$30/lb), while also minimising risk, site remediation and closure costs**

Deep Yellow Limited (**Deep Yellow** or the **Company**) is pleased to provide an update on the Pre-Feasibility Study (**PFS**) currently underway on the Company's Tumas Project (**Project**), located on EPL 3496 in Namibia. See Figure 1 for project location.

The initial phase of metallurgical testing for the Project has been completed, delivering encouraging results. The test work utilised RC drill sample composites and involved three beneficiation tests and seven leaching tests carried out on a composite of the 29kg of RC sample material. The initial work was extended to include the testing of various reagent ratios and temperatures to provide some limited leach condition optimisation work, prior to commencing the confirmatory test work on the diamond core composites.

Deep Yellow Managing Director and CEO, John Borshoff, commented: *"The Company is extremely pleased with the initial test work results as they have, to the extent necessary, validated the proposed flowsheet and operating conditions, enabling a broad operating envelope to be determined that will now be tested further using the diamond core material.*

"Importantly, these results also indicate that key ore processing elements for the Project are potentially the same or better than the assumptions used in the Scoping Study," he concluded.

Results from the test work are outlined below:

- Mass rejection during the ore beneficiation step, greater than or equal to, 35% (Scoping Study (**SS**) 35%);
- Uranium recovery during beneficiation at or above 97.5% (SS 97.5%);
- Leach extraction greater than 95% (SS 95%) for uranium;
- Leach reagent concentrations and residence times, at just half the respective levels assumed for the SS, also achieved high leach extraction rates for uranium;
- The updated metallurgical model indicates overall recovery higher than that assumed for the SS (92.2% for uranium), with lower overall reagent and consumable costs; and
- Vanadium performance remains at or above the assumptions used for the SS.

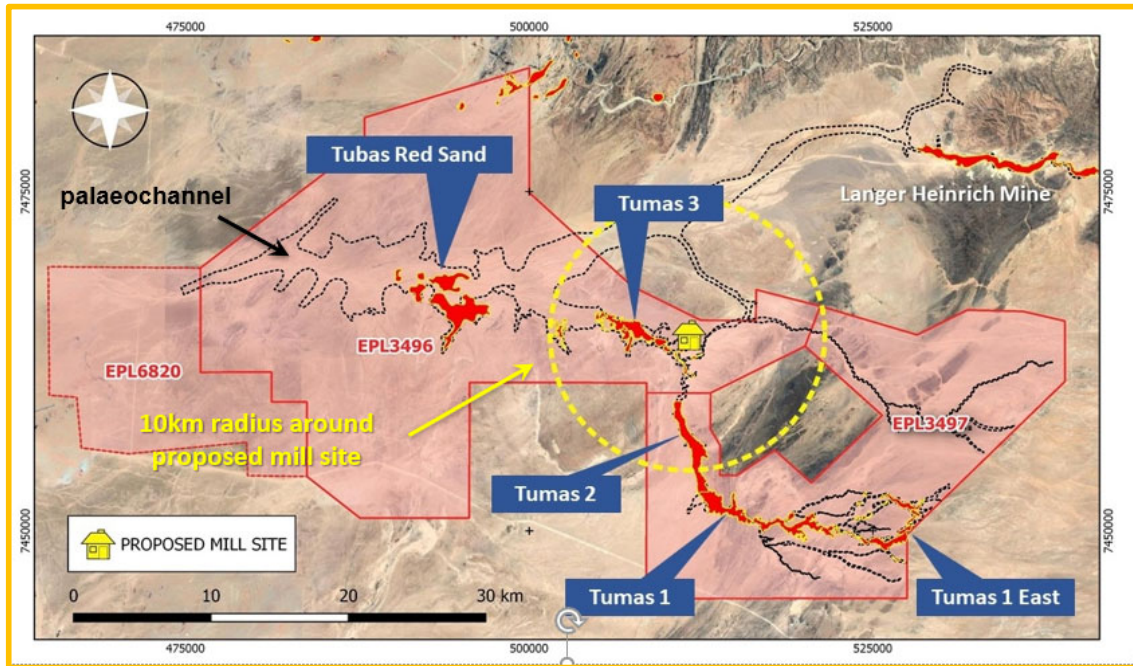


Figure 1: Tumas 3 deposit in relation to conceptual central processing plant

Forward Program

Metallurgical testing will now be undertaken on the diamond core composites, with the primary aim of confirming the positive outcomes returned from the RC drill sample test work.

This work is expected to be completed by the end of June. Once confirmed, sufficient data will be available to allow the completion of the Process Design Criteria (**PDC**) for the PFS. The PDC will then be used as the basis for the required engineering studies, revised capital cost estimates, operating cost estimates and metallurgical recovery estimates that are necessary for the completion of the Ore Reserve Estimate and the PFS.

Diamond core from the Tumas 3 deposit has been delivered to Perth in preparation for the confirmatory test work and over 590kg of representative material is available to undertake this work.

The process being developed for the Project is aimed at achieving operating costs for uranium (without vanadium credit) that are in the lower quartile of producer operating costs (sub US\$30/lb) while also minimising risk, site remediation costs and closure costs. This process will be optimised further and undergo detailed technical definition during a future feasibility study and detailed engineering phase.

Yours faithfully

JOHN BORSHOFF
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ABOUT DEEP YELLOW LIMITED

Deep Yellow Limited is a specialist differentiated uranium company implementing a new contrarian strategy to grow shareholder wealth. This strategy is founded upon growing the existing uranium resources across the Company's uranium projects in Namibia and the pursuit of accretive, counter-cyclical acquisitions to build a global, geographically diverse asset portfolio. The Company's cornerstone suite of projects in Namibia is situated within a top-ranked African mining destination in a jurisdiction that has a long, well regarded history of safely and effectively developing and regulating its considerable uranium mining industry.

Competent Person's Statement

Project and Technical Expertise

Mr Darryl Butcher is a process engineer/metallurgist working for Deep Yellow and has sufficient relevant experience to advise the Company on matters relating to mine development and uranium processing, project scheduling, processing methodology and project capital and operating costs. Mr Butcher is satisfied and consents to the information provided in this ASX announcement with regard to the Tumas Pre-Feasibility Study progress.