

NEWS RELEASE

22 April 2021

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2021

HIGHLIGHTS

- **Successful completion of Tumas PFS, which confirmed or improved on Scoping Study assumptions based on a uranium price of US\$65/lb. Key results:**
 - 11.5 years Life of Mine (LOM)
 - post-tax, ungeared NPV8.6(nominal) of US\$207M (A\$276M)
 - 2.5Mlb U₃O₈ pa average LOM production
 - post tax, real, ungeared IRR 21.1%
 - C1 cash costs US\$27.3/lb after by-product vanadium credit
 - **Following completion of positive Tumas PFS, Board approved proceeding directly to a Definitive Feasibility Study, scheduled for completion by end CY2022**
 - **Infill resource upgrade drilling in support of the DFS continues at Tumas 3, with 156 RC holes for 2,742m drilled by end March. Best intersections included:**
 - **T3I547** 9m at 481ppm eU₃O₈ from 4m
 - **T3I523** 4m at 490ppm eU₃O₈ from 6m
 - **T3I459** 8m at 892ppm eU₃O₈ from 4m
 - **T3I465** 4m at 396ppm eU₃O₈ from 4m
 - **T3I547** 10m at 449ppm eU₃O₈ from 3m
 - **Resource upgrade drilling ongoing with updated Mineral Resource Estimate expected to be completed on schedule in June 2021**
 - **Ausenco confirmed to continue as project engineer for the early works phase of the DFS**
 - **Drilling at the Nova Joint Venture Barking Gecko prospect completed. A total of 11 holes for 2,708m were drilled in the March Quarter. Best intersections included:**
 - **TN253RC**
 - 35m at 244ppm eU₃O₈, from 120m
 - with 11m at 444ppm eU₃O₈, from 82m
 - **TN250RC**
 - 13m at 126ppm eU₃O₈, from 165m
 - with 8m at 223ppm eU₃O₈, from 199m
 - **TN254RC**
 - 9m at 177ppm eU₃O₈, from 170m
 - **Highly successful \$42.8M capital raising completed, increasing the overall cash position of the Company to \$51.3M:**
 - **Possibility of a further \$30M to be added to the cash balance on exercise of outstanding 50c options, expiring June 2022**
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REPTILE PROJECT, NAMIBIA

Completion of Highly Successful Tumas Pre-Feasibility Study

The Tumas Pre-Feasibility Study (PFS) evaluated the potential of the calcrete-associated uranium deposits located within the Tumas palaeochannel (**Tumas Project** or **Tumas**) in the Company's 100% owned Reptile Project (EPLs 3496 and 3497), located in Namibia, (see Figure 1).



Figure 1 - Namibian location map showing position of the Tumas Project

The PFS delivered encouraging results, in line with the assumptions and findings of the preceding Scoping Study completed in January 2020 based on a 11.5 year Life of Mine (LOM) operation and 2.53Mlb annual production over this period.

Key results as announced in February 2021 from Tumas PFS are outlined below:

Maiden Ore Reserve

Probable Reserves	U ₃ O ₈ Cut-off	Tonnes	U ₃ O ₈	U ₃ O ₈ Metal
	ppm	Mt	ppm	Mlb
Tumas 1 & 2	150	13.9	292	9.0
Tumas 3	150	26.9	371	22.0
Total	150	40.9	344	31.0

Financial Summary

All dollars (\$) quoted are in 2020 United States (US) dollars unless otherwise specified.

Project Financials (Ung geared): Real Unless Stated Otherwise	Unit	LOM	Per Operating Year
Operating Life	-	11.5yrs	-
U ₃ O ₈ Gross Revenue	\$M	1,890	164
Gross Revenue: Total (U ₃ O ₈ and V ₂ O ₅)	\$M	1,958	170
Site Operating Expenses	\$M	(833.6)	(72.5)
Other Operating Costs	\$M	(90.6)	(7.9)
Operating Margin (EBITDA)	\$M	1,034	90
Initial Capex	\$M	(295.1)	(25.7)
Capitalised Pre-Production Opex	\$M	(25.3)	(2.2)
Sustaining Capex and Closure	\$M	(37.1)	(3.2)
Total Initial, Pre-Production, Sustaining & Closure Capital	\$M	(357.5)	(31.1)
Undiscounted Cashflow After Tax	\$M	447.4	38.9
C1 Cost (U ₃ O ₈ basis with V ₂ O ₅ by-product)	\$/lb	27.28	
All-in Sustaining Cost (AISC) (U ₃ O ₈ basis with V ₂ O ₅ by-product)	\$/lb	30.69	
Project NPV _{8.6 nominal} (Post Tax)	\$M	207	
Project IRR (Post Tax)	%	21.1	
Project Payback Period from Production Start	Years	3.8	
Breakeven U ₃ O ₈ Price	\$/lb	47.33	

The positive economic outcomes achieved from the PFS provided the Board with confidence to approve proceeding directly to a Definitive Feasibility Study (DFS), which commenced in February 2021.

In view of the stipulations with respect to the reporting of Technical Studies, Mineral Resources and Ore Reserves in the JORC, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code), Deep Yellow only used the Ore Reserves detailed in the maiden Ore Reserve Statement that was a product of the work completed as part of the PFS. The Ore Reserve estimate includes 40Mt of ore at an average grade of 344ppm U₃O₈ containing 31Mlb U₃O₈ of Probable Reserves.

The Ore Reserve estimate was only able to consider Measured and Indicated Resources and these represent only 50% of the total Mineral Resources identified at Tumas. During the DFS, further resource upgrade infill drilling will be undertaken over the remaining Inferred Resources to convert them from Inferred Resources to Indicated Resources. Once converted, these resources will then be assessed for conversion to Ore Reserves.

Infill drilling undertaken during the PFS provided benchmark conversion rates for converting Inferred Mineral Resources to Indicated Mineral Resources in the Tumas region. The established benchmark conversion rate is 95%.

Ore Reserve estimation work undertaken for the PFS also provided a benchmark rate for converting Indicated Mineral Resources to Probable Reserves. The established benchmark conversion rate is 63%.

These benchmark conversion ratios for the Tumas Project have played an important role in establishing targets and guidance for the framing of the DFS.

Tumas DFS and Associated Activities Commenced

The Tumas DFS has commenced with a number of key workstreams including resource upgrade drilling, planning, metallurgical and environmental studies already underway.

Figure 2 shows the expanded area under consideration in the DFS.

The Company has appointed Ausenco Services Pty Ltd (**Ausenco**) to provide relevant assistance to the Company during the early works phase of the DFS, maintaining the association developed between Ausenco and Deep Yellow during the PFS.

As mentioned, infill drilling has commenced to upgrade the remainder of the Inferred Resources into an Indicated Resource JORC category, to be integrated into an expanded Ore Reserve aiming to achieve at least a 20-year LOM.

The Company also continues to advance DFS study planning, metallurgical testing and environmental studies, with RC and core samples totalling 1.68 tonnes from Tumas 1, 2 and 3 already received in Perth.

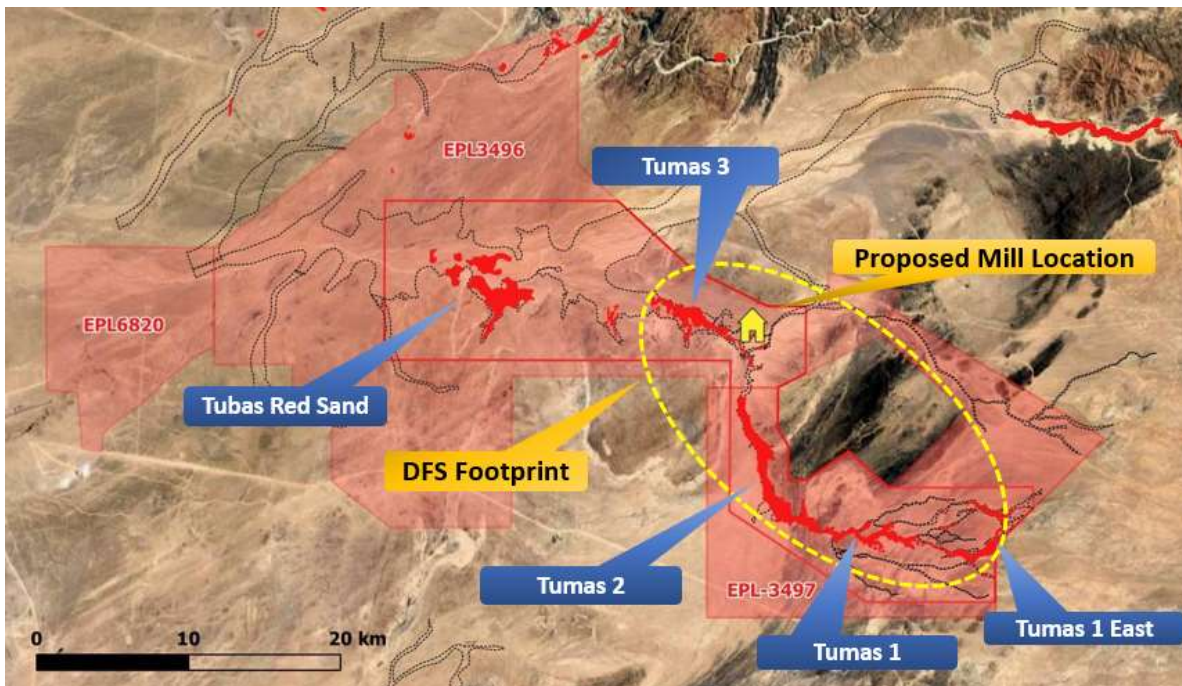


Figure 2: Tumas Project showing DFS area and relationship to conceptual central processing plant.

Tumas 3 Resource Upgrade Drilling

The Tumas 3 Reverse Circulation (RC) infill drilling program for the DFS commenced on 16 February, initially focussing on Tumas 3 East, Central and West. This is part of a larger five-month program that will also extend to drilling of the Tumas 1 East deposits.

By the end of the March, 156 RC holes for 2,742m were completed.

The objectives of the drill program are to convert most of the Inferred Resources to an Indicated Resource (JORC 2012) category at Tumas 3 (Tumas 3-East, Tumas 3-Central and Tumas 3-West) and Tumas 1 East. These results will then be used for a subsequent Ore Reserve update, which will, in turn, have an objective of achieving at least a 20-year LOM for the DFS.

The infill drilling, currently concentrating on the Tumas 3 East deposit, is anticipated to be completed by late April. Drilling completed to date has confirmed previous results, with some additional positive results coming from along the edges of the previously identified mineralisation. This outcome has required further additional drilling to allow the newly identified resources to be included in the subsequent updated Indicated Resource estimations. This drilling is returning around 50% uranium mineralisation greater than 100ppm eU₃O₈ over 1m from the 156 holes completed by the end of March and program is ongoing.

The positive drilling results are reflected in Figure 3, which outlines GT (grade x thickness) in colour codes, comparing previous drilling results against most recent results. Figure 4 shows a cross-section through the recent drilling of Tumas 3 East highlighting the continuity of the mineralisation.

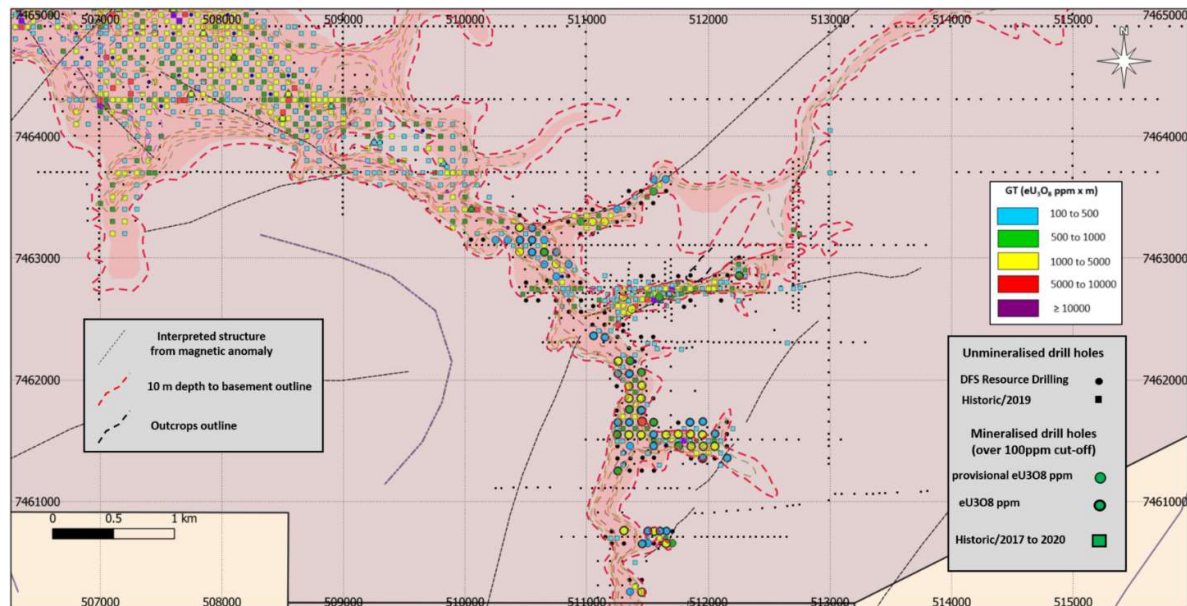


Figure 3: Tumas 3 drill hole locations showing previous drill collars and February to March resource upgrade infill holes

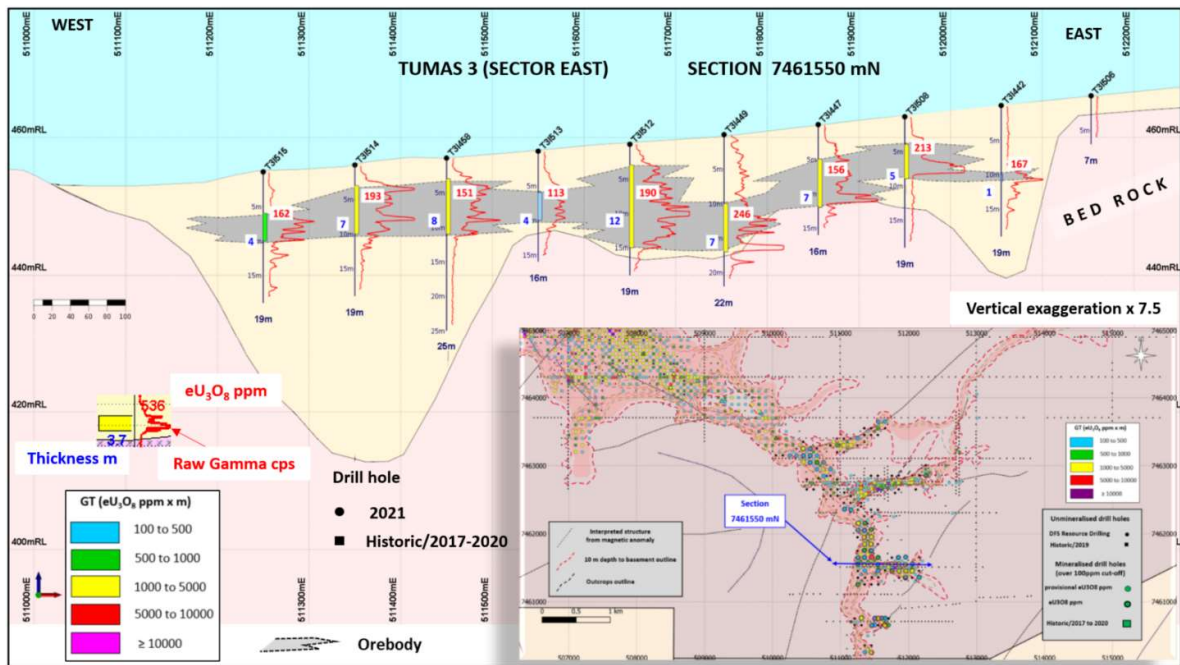


Figure 4: Tumas 3 East, cross-section 7461550mN

NOVA JOINT VENTURE

Barking Gecko – RC Drilling Program completed

The RC drilling program at Barking Gecko recommenced after the Christmas break on 2 February and was completed on 30 March 2021.

The objectives of the drilling were to:

- define the structural setting of the previously identified thick mineralisation in TN236RC; and
- identify the possible economic extent of this mineralisation.

The promising results from the 2020 drill program were followed up in December 2020 with two holes drilled at 100m spacing - TN243RC and TN244RC. These did not intersect the expected up- or down-dip extensions of this mineralisation, with only narrow mineralised intersections encountered in TN236RC, indicating that the previously assumed east-west trend of the mineralisation is not valid.

Optical televiwer logging (**OPTV**) was carried out on 14 drill holes to establish the orientation of mineralised leucogranite intrusions. This allowed critical re-interpretation of the structural setting of the mineralised leucogranites, changing the interpreted orientation of the mineralising trends from east-west to SW- NE. This resulted in both the re-location and re-orientation of follow-up drill holes to optimally test the mineralised target zone.

Two 200m spaced drill sections totalling seven holes were completed to test the inferred NW-SE trend. An additional hole was drilled 200m south to test this trend at depth. A further three holes were drilled at the southern side of the Barking Gecko prospect to test the Rössing/Khan Formation boundary which constitutes the traditional target zone for alaskite-type mineralisation in the region.

Figure 5 shows the drill hole locations over satellite photography highlighting positive results. Figure 6 shows this results in cross-section. Results confirm the earlier identified mineralisation follows the newly interpreted North-Westerly trend.

The most substantial mineralisation was encountered in TN245RC, TN246RC and TN253RC, with key results outlined below (note: TN245RC, TN246RC were included in 12 February ASX Release):

- **TN253RC:** 45m at 222ppm eU₃O₈, from 120m and 14m at 404ppm eU₃O₈, from 82m.
- **TN245RC:** 30m at 335ppm eU₃O₈, from 36m.
- **TN246RC:** 12m at 287ppm eU₃O₈, from 73m

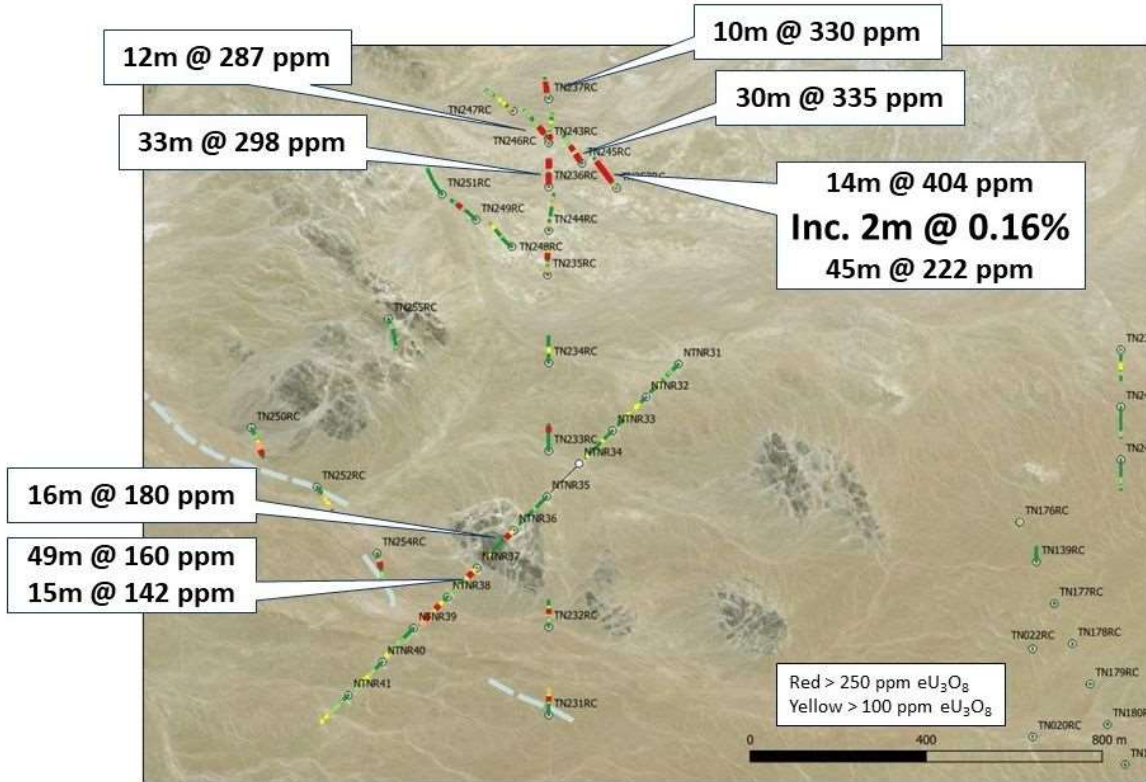


Figure 5: Drilled collars at Barking Gecko area, showing high grade intersections of uranium mineralisation.

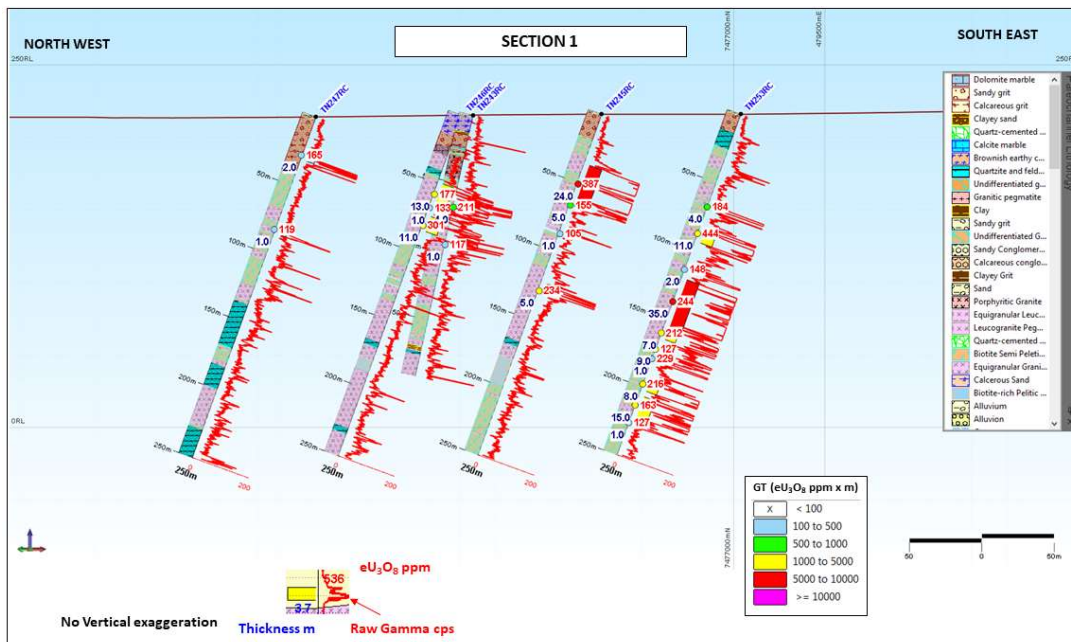


Figure 6: Barking Gecko area, Northern North-West/South-East Drill cross-section.

The section drilled 200m to the south-east did not identify any extensions of the thick mineralisation intersected to the north. Only narrow zones of 1m to 2m were intersected.

Drilling of the Rössing/Kahn contact zone along the southern edges of Barking Gecko showed some encouraging results in TN250RC and TN254RC:

- **TN250RC:** 13m at 126ppm eU₃O₈, from 165m and 8m at 234ppm eU₃O₈, from 199m.
- **TN254RC:** 9m at 177ppm eU₃O₈, from 170m.

Conclusions

The exploration results from holes drilled at Barking Gecko are mixed. The drill holes completed close to the discovery hole (Barking Gecko North) are very encouraging, with results confirming the presence of thick mineralisation in the area, however the drill program could not conclusively define the orientation of the mineralisation.

Drilling showed that the north-westerly trend does not extend over more than 200m. However, the possibility of a swarm of north-westerly trending dykes within an east-west trending 200 to 300m wide corridor extending 1.5km to the East, where there is no outcrop, is still a material possibility.

Interesting intersections at the Rössing/Khan boundary (Barking Gecko South) also require follow-up.

A follow-up drilling program and program/budget for the 2021-22 season is currently being developed.

CORPORATE

Successful Completion of Placement to Fund Future Growth

Deep Yellow successfully raised A\$40.8M at A\$0.65 issuing 62,768,803 ordinary fully paid shares to qualified, institutional, sophisticated and professional investors.

Euroz Hartleys Securities Limited and Aitken Murray Capital Partners Pty Ltd were Joint Lead Managers to the Placement.

The funds raised significantly strengthen the balance sheet with a current cash balance of A\$51.3M.

Share Purchase Plan Heavily Oversubscribed

Deep Yellow raised a further \$2M (before costs) through a heavily oversubscribed Share Purchase Plan (**SPP**), completed on 23 March.

The SPP offered a maximum of 3,076,923 Shares at an issue price of \$0.65 and the Company received valid applications for a total of 11,420,000 Shares, a total of A\$7,423,000.

Eligible shareholders who participated in the SPP received 26.9457% of the valid application amount they applied for calculated on a pro-rata basis.

The Shares were issued and allotted on 29 March 2021, with excess application monies (due to the scale-back), as well as invalid applications, refunded to applicants.

Option Conversions

A total of 4,873,771 listed options were exercised during this quarter, raising a further \$2,436,885.50.

Deep Yellow Named in 2021 OTCQX Best 50 Rankings

Deep Yellow was included in the 2021 OTCQX Best 50, a ranking of top performing companies traded on the OTCQX Best Market in 2020.

The premium OTCQX Market is operated by OTC Markets Group. Companies listed on the OTCQX are required to meet stringent financial standards and adhere to regulatory and compliance laws. Currently, there are 462 companies from 25 countries listed on the OTCQX, with a combined market capitalisation of \$1.6 Trillion.

The OTCQX Best 50 is an annual ranking of the top 50 US and international companies that trade on the OTCQX market. The ranking is calculated based on an equal weighting of one-year total return and average daily dollar volume growth in the previous calendar year. Companies in the 2021 OTCQX Best 50 were ranked based on their performance in 2020.

Listing Rule 5.3.1 and 5.3.2

The Company spent \$1,038,000 on exploration and evaluation activities during the quarter. There was no mining development or production activities conducted during the quarter.

Exploration and evaluation expenditure predominantly related to:

- Feasibility Study activities including metallurgical testing, engineering, resource estimation and cost estimation services;
- Environmental Impact Assessment activities including environmental and baseline studies;
- Drilling to support resource and reserve estimation work;
- Geophysical surveying;
- Geochemistry work;
- Technical consulting services;
- General fieldwork;
- Non-field related activities; and
- Joint venture activities including drilling, geophysical surveys and general fieldwork.

Listing Rule 5.3.5

Payments to Related Parties and their associates during the quarter totalled approximately \$536,000 and comprised fees paid to Executive and Non-executive Directors and Scomac Management Services Pty Ltd (**Scomac**) who provide the Group with management, strategic, technical and geological expertise and services through the Consultant personnel they employ or have access to. The Managing Director has a financial interest in and control of Scomac.

URANIUM OUTLOOK

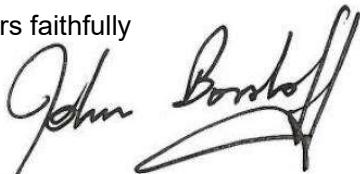
Since the end of June 2020, nothing of note has occurred to influence the price of uranium with positive effect. The uranium price has been unable to break out of its narrow US\$29/lb to US\$33/lb trading range – a level completely inadequate to encourage investment in new production and long-term sustainability of the supply sector. The comparatively small upward price movement (to that which is needed) that occurred during the second quarter of 2020 when both Cameco and Kazatomprom either suspended or reduced mine activity as a result of loss-making operations and the impact of COVID-19 has largely been negated.

Also the very recent further weakness experienced in the uranium price that was prompted by the Cameco announcement in April to restart Cigar Lake mining operations has brought added pressure into the market however this is regarded as a temporary reaction

Although the uranium price has languished, there are nonetheless very good underlying indicators to support substantial price change in the near to mid-term. The positive price pressures from the looming uranium supply shortage will be further exacerbated by the newly evolving, ever growing global initiatives to decarbonise all industries, energy in particular, which will require enormous increased participation of zero emitting electricity generating technologies. A major contributor to emission alleviation must be nuclear with its proven desired performance attributes if the stated emission targets are to be met. It is these elements which will force substantial uranium price increase to be sufficient to justify and incentivise investment in new uranium mines and satisfy growing demand.

For these reasons the outlook for uranium price turnaround, remains very strong as supply shortages appear inevitable in the post 2023/24 period and for which the supply industry appears poorly prepared and possibly will be unable to respond in time.

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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About Deep Yellow Limited

Deep Yellow Limited is a differentiated, advanced uranium exploration company, in pre-development phase, implementing a 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. A PFS was completed in early 2021 on its Tumas Project in Namibia and a DFS commenced February 2021. 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.

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Competent Person's Statement

Where the Company references ASX Announcements made previously it confirms that the relevant JORC Table 1 disclosures are included with them and that it is not aware of any new information or data that materially affects the information included in those ASX Announcements.