

Deep Yellow Limited

ASX Announcement

ASX & NSX: DYL / OTCQX: DYLLF

29 April 2019

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2019

HIGHLIGHTS

REPTILE PROJECT

- Resource estimate update from infill drilling at Tumas 1&2, Tumas 1 East and Tumas 3 West produced a 51% increase of the resource base while maintaining the average grade.
 - Combined Measured, Indicated and Inferred Mineral Resources now stand at 67.4Mlb grading 352ppm eU₃O₈ from these deposits.
- Resources within the Tumas palaeochannel system now total 86.2Mlb at 310 ppm eU₃O₈ - three-fold increase since November 2016.
- Overall palaeochannel-related Mineral Resources have been doubled since November 2016 and are now 104.2Mlb grading 295ppm eU₃O₈.

Post Quarter Results

- Positive ongoing drilling at Tumas 1 East identified 3km of continuous mineralisation in Tributary 5.
- Exploration drilling at Tumas Central successfully defining consistent uranium mineralisation along 1.5km of palaeochannel.
- 60km of uranium-fertile palaeochannel targets remains to be properly tested (only 50% of target evaluated to date).

NOVA JV PROJECT

- JOGMEC approved annual budget of A\$1.05M to March 2020

In March Deep Yellow Limited (ASX: DYL) (**Deep Yellow**) announced an updated Mineral Resource Estimate (**MRE**) for Tumas 1&2, Tumas 1 East and Tumas 3 West which has resulted in the combined Measured, Indicated and Inferred Mineral Resource Estimate over these deposits increasing to 67.4Mlb grading 352ppm eU₃O₈.

As reported previously drilling continued on the two Namibian Projects, the Reptile Project (EPLs 3496 and 3497) and the Nova Joint Venture (EPLs 3669 and 3670) during the March quarter and early April. The drilling produced positive results with the delineation of 3km and 1.5km of continuously occurring mineralisation at Tumas 1 in Tributary 5 and at Tumas Central respectively. See Figure 1 for project locations and Figure 2 deposit/prospect locations.

Also, as reported post-quarter on 26 April, JOGMEC approved a A\$1.05M a budget for the year ending March 2020 for the Nova JV which is currently being solely funded by JOGMEC. The results of a short follow-up drilling program on EPL 3669 was also reported in this announcement.

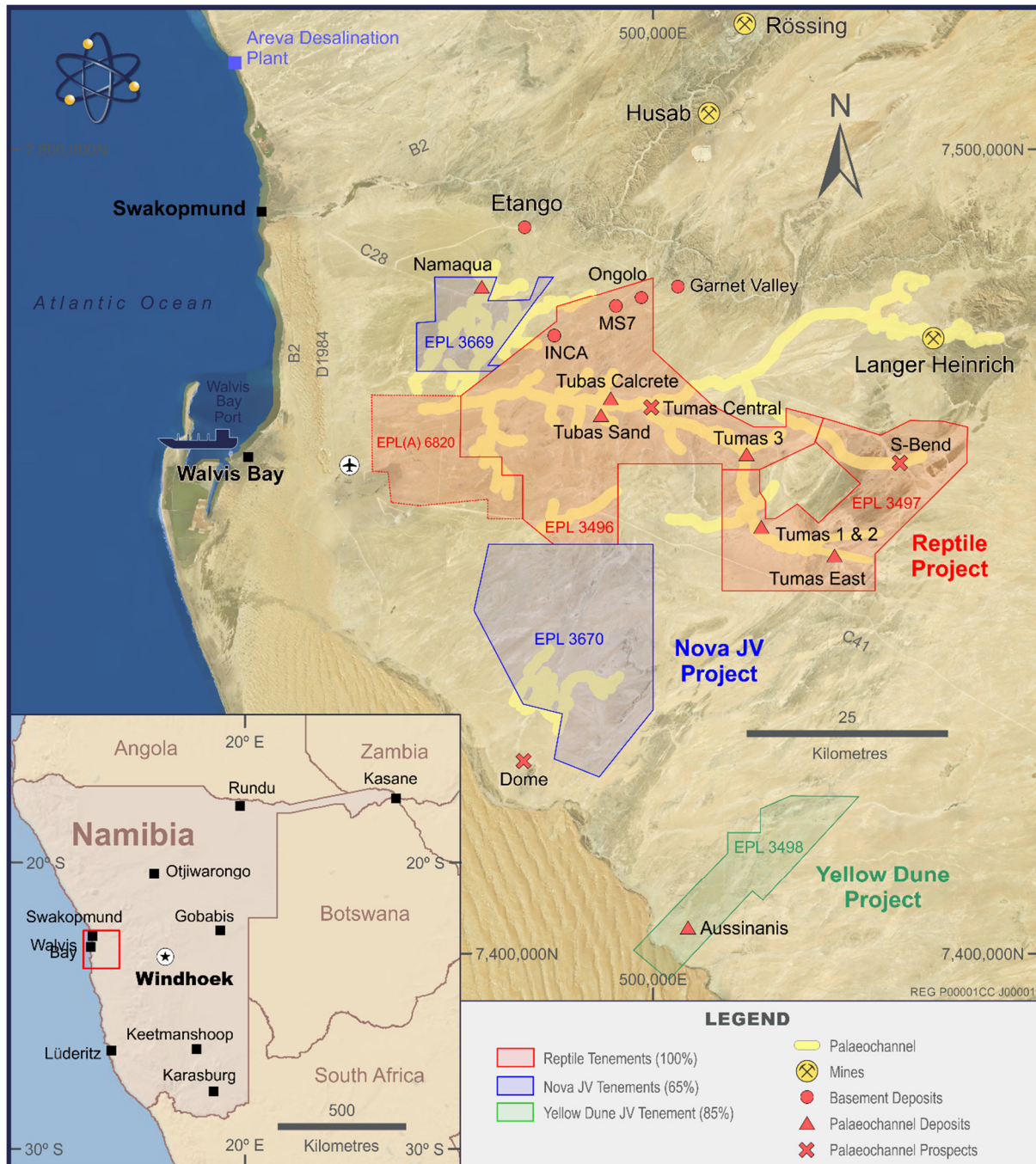


Figure 1: Showing Reptile Project (EPLs 3496, 3497) with Tumas Deposits and main prospect locations over palaeochannels and Nova JV Project (EPLs 3669,3670)

REPTILE PROJECT, NAMIBIA (EPLs 3496, 3497) – 100% Deep Yellow

Tumas 1&2, 3 Mineral Resource Estimate - in summary

An updated Mineral Resource Estimate (**MRE**) was announced on 27 March for the Tumas 1, 2 and 3 deposits which, at a 200ppm eU₃O₈ cut-off, now contain 67.4Mlb of Measured, Indicated and Inferred Mineral Resources at 352ppm eU₃O₈ as shown in Table 1. This represents an increase of 51% from the previous MRE as announced on 11 July 2018. These deposits occur on EPLs 3496 and 3497, held by the Deep Yellow wholly-owned subsidiary, Reptile Uranium Namibia (Pty) Ltd. 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.

The new MRE over the Tumas 1, 2 and 3 deposits, incorporating their western and eastern extensions and including the newly discovered tributaries, is the result of the positive four-month resource drilling program that was carried out ending December 2018, and re-interpretation of the relevant historic drill data.

This work also included some limited infill drilling within the Tumas 1 and 2 deposits. Drilling extended the mineralised Tumas paleochannel system in this area by 8.4km and delineated extensive uranium mineralisation therein.

The MRE was estimated by Ordinary Kriging. Cut-off grades used for the expanded MRE included 100, 150, 200, and 250 ppm eU₃O₈ and the Measured, Indicated and Inferred Mineral Resources derived from these cut-off grades indicate the mineralisation remains robust and consistent. Table 1 shows the MRE results at various cut-offs and Table 2 shows the MRE results at a 200 ppm eU₃O₈ cut-off in comparison to the previous MRE. Figure 2 gives an overview of the drill hole and resource locations. Figure 3 shows a cross-section through the new Tumas 1 East resource.

The 200ppm eU₃O₈ cut-off has been selected as being the most appropriate for headline reporting of the resource estimations. The combined overall Tumas palaeochannel including the Tubas Red Sands/Calcrete resource now totals 86.2Mlb eU₃O₈ at 310ppm over EPLs 3496/97 as shown in Table 2.

When the Aussinanis deposits (from EPL 3498) are included, the total calcrete-hosted Mineral Resource over all the palaeochannel-associated targets tested to date now amounts to 104.2Mlb as outlined in the JORC resources table in Appendix 1.

Table 1. Combined Tumas 1, 2 and 3 - JORC 2012 MRE - Indicated, Measured and Inferred Resources at various cut-off grades

Cut-off (ppm U₃O₈)	Tonnes (M)	U₃O₈ (ppm)	U₃O₈ (Mlb)
100	185.5	243	99.6
150	132.3	290	84.7
200	86.6	352	67.4
250	57.3	423	53.4

Note: *Figures have been rounded and totals may reflect small rounding errors.
eU₃O₈ - 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.*

Table 2. Tumas 1&2 and 3 - current and previous JORC 2012 MRE - Indicated, Measured and Inferred Resources at 200 ppm eU₃O₈ cut off

Tumas 1, 2 and 3 Resources					July 2018 Status			March 2019 Status		
Tumas 3 Deposit (2017/18 Resource) - JORC 2012					Tumas 3 Deposit			Tumas 3 Deposit		
Deposit	Category		Tonnes (M)	Grade (ppm)		U ₃ O ₈ Mlb	Tonnes (M)	Grade (ppm)	U ₃ O ₈ Mlb	
Tumas 3 Expanded	Inferred		37.5	377		31.2	39.7	378	33.1	
Sub Total			37.5	377		31.2	39.7	378	33.1	
Tumas Project - JORC 2012					Tumas Project			Tumas Project		
Tumas 1&2 Deposit	Measured		9.7	386		8.2	10.8	383	9.1	
Tumas 1&2 Deposit	Indicated		6.5	336		4.8	5.5	333	4.0	
Tumas 1&2 Deposit	Inferred		0.4	351		0.3	5.7	211	2.7	
Tumas 1 - East	Inferred		-	-		-	25	335	18.5	
Sub Total			16.6	366		13.3	47	331	34.3	
Tumas 1, 2 and 3 Total			54.1	372		44.5	86.7	352	67.4	

Note: Figures have been rounded and totals may reflect small rounding errors.
eU₃O₈ - 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.

This latest addition to the Tumas palaeochannel uranium mineral resource base has increased the Company's total surficial calcrete-related Mineral Resources over its Namibian projects by a significant 28%. Importantly, since the new exploration approach was applied from November 2016, the overall palaeochannel-hosted resources have been doubled over its Namibian projects totalling 104.2Mlb U₃O₈ fully vindicating the change of focus to achieving uranium resource increase within the expanded, extensive, regionally-occurring palaeochannel-related exploration target.

Post-quarter Announced Results

On 23 April Deep Yellow reported encouraging drilling results on EPL3497 where new continuous mineralisation has been identified in the Tumas 1 East palaeochannel area along Tributary 5. Drilling also delineated continuous uranium mineralisation on EPL3496 in the Tumas Central area to the west of Tumas 3.

The last phase of drilling for the 2018/19 program commenced in the middle of the March quarter and was completed mid-April. This involved semi-regional exploration drilling in the Tumas Central area where 47 RC holes were drilled for 1,313m and a combination of exploration and resource drilling in the Tumas 1 East area with 211 RC holes for 1,951m completed. At Tumas 1 East all tributaries, except for Tributary 8, have had some exploration drilling carried out with resources established in Tributaries 1, 2 and 4. The latest drilling program identified continuous uranium mineralisation in Tributary 5 which is now closed off except at the southern boundary. Figures 1 and 2 show the prospective paleochannel system outline and prospect locations.

Tumas East Drilling

Exploration and resource drilling started late in the March quarter at Tributary 4, 5 and 6 north of the newly defined Inferred Resource at Tumas 1 East. 76 of the 211 holes drilled returned positive results of greater than 100ppm eU₃O₈ over 1m. The average thickness of the mineralisation is close to 5m. The average grade of all the 1m intersections >200ppm eU₃O₈ cut off was 356ppm U₃O₈.

The drilling at the Tributary 5 north of Tumas 1 has outlined a uraniferous channel 3km in strike length showing continuous calcrete uranium mineralisation. The mineralised channel ranges from 100m to 600m in width. The mineralisation is located at shallow depth between 2m to 15m below surface. In the Tributary 5 resource drilling area uranium mineralisation >100ppm eU₃O₈ was identified in 48% of the 119 holes drilled in this zone. At >200ppm/m cut-off the average grade is 361ppm eU₃O₈. The mineralisation does not show any surface radiometric expression.

The Tributary 5 mineralisation appears to be closed both towards the west and to the east however the southern edge of the channel needs further infill drilling before an inferred resource estimate can be undertaken. Tributary 8 which is 7km long remains to be explored.

Drill hole locations from this program are shown in Figure 4.

Semi-Regional Exploration Drilling - Tumas Central Area

Semi-regional exploration drilling at Tumas Central was completed in February 2019. A total of 47 holes for 1,313m was completed in this area in February 2019 with 45% of holes drilled showing mineralisation of greater than 100ppm eU₃O₈ over 1m. Drill hole spacing was variable ranging from 100m to 200m spaced holes along profiles 200m to 800m apart. Targets in the area included testing the confluence of two channels and some surface radiometric anomalism over the main palaeochannel.

The drilling identified 1.6km of continuous uranium mineralisation along the southern edge of the main Tumas palaeochannel. The mineralisation is 200m to 400m wide and up to 11m thick. At a 100ppm/m cut-off the average grade is 282ppm and average thickness is close to 4m. The average grade at a 200ppm/m cut-off is 407ppm. The mineralisation is open both to the east and west.

Analysis/Conclusion

During the March 2019 quarter the fourth drilling campaign was completed since the change in strategic direction that was undertaken by the Company in November 2016. The latest drilling again delivered successful results, confirming extensions to the previously discovered Tumas 3 mineralisation in addition to showing resources at the Tumas 1&2 deposit can be expanded. The ability to add to the current uranium resource base of this project emphasises the strong exploration potential of the uranium-fertile, extensive palaeochannel system including its mineralised tributaries.

At this stage four distinct mineralised zones (Tumas 1 & 2, Tumas 3 and Tubas Red Sand/calcrete deposits) have been identified within the 125km of palaeochannels (see Figure 1) occurring within the Reptile project tenements. Some 50%, or approximately 60km, of these palaeochannels still remain to be adequately tested.

The high prospectivity of the palaeochannels in this region is continuing to be strongly confirmed with each drilling episode undertaken. The channels occurring outside the identified deposits have only in part been sparsely drilled by previous workers using widely spaced

regional lines and large sections remain completely untested leaving much opportunity to continue increasing the uranium resource base with further drilling.

NOVA JV, NAMIBIA (EPLs 3669, 3670) – 65% Deep Yellow

JOGMEC is currently earning a 39.5% equity interest in the Nova JV to be achieved on expenditure of A\$4.5M over a four-year period. Work on the Nova JV is focussing on target definition and drilling to test both basement-related uranium targets (Rössing/Husab style deposits) and palaeochannel/calcrete-associated uranium targets (Langer Heinrich style deposits).

In April, post the March quarter JOGMEC approved a budget of A\$1.05M for the year ending March 2020.

As announced in April 2019 the Joint Venture completed a short drilling program during the March quarter following up some results from the 2018 drilling on EPL 3669. A total of 18 RC holes was drilled for a total of 1404m. This involved drilling at Goanna, Barking Gecko, between Iguana and Festive, Iguana and at Berger's.

Drilling at Iguana and its north-western extension confirmed the narrow nature of the mineralised vein system with no further drilling required at this stage. Drilling at Goanna, Berger's and Barking Gecko did not encounter uranium mineralisation greater than 100ppm eU₃O₈ over 1m.

Analysis/Conclusion

The identification of calcrete associated mineralisation within the palaeochannels in the Nova JV area is considered significant confirming the prospectivity of the system of palaeochannels that have been identified. Further drilling is planned in 2019 to explore previously untested palaeochannels.

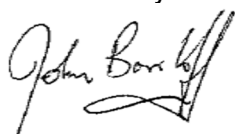
The next stage of basement exploration in 2019 work will start testing blind targets as will be defined by geophysical methods extending beneath areas of extensive sand cover.

CORPORATE

Marenica Technology Licence Agreement Terminated

Further to the various announcements Deep Yellow Limited (Company or Deep Yellow) has made since October 2016 that it had ceased all works and engagement with Marenica Energy Limited (ASX:MEY) under the Technology Licence Agreement in order to accommodate new priorities, Deep Yellow now advises that the Company and Marenica Energy Limited have agreed to formally terminate this agreement with effect from 10 April 2019.

Yours faithfully



JOHN BORSHOFF
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For further information on the Company and its projects, please visit the website at:
www.deepyellow.com.au

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.

Exploration Competent Person's Statement

The information in this announcement as it relates to exploration results was compiled 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 Mineral Resources and Exploration (Pty) Ltd (RMR), 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hirsch consents to the inclusion in this announcement of the matters based on the information in the form and context in which it appears. Mr Hirsch holds shares in the Company.

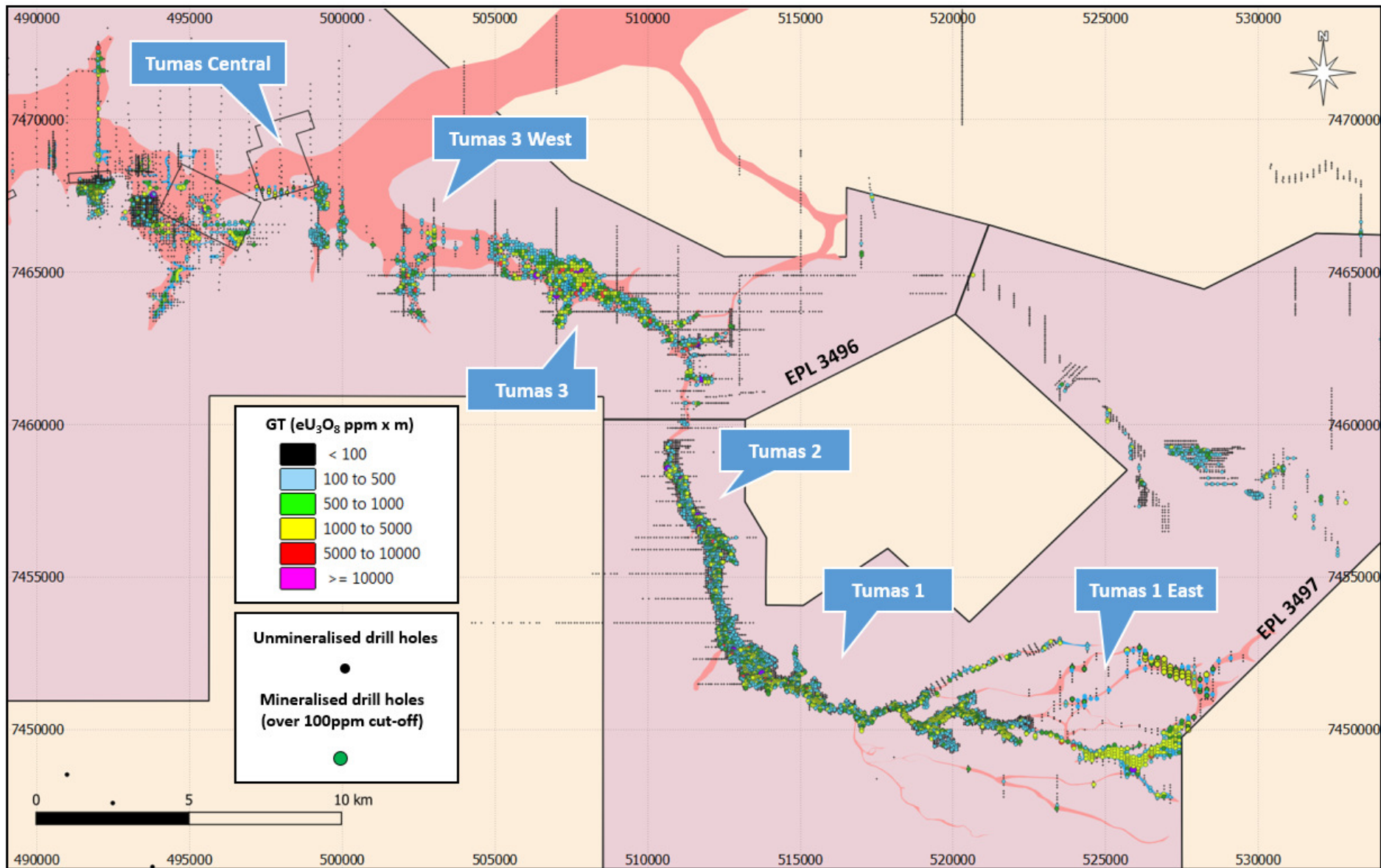


Figure 2: Drill hole and resource locations of the Tumas 1, 2, 3 and Central uranium mineralisation as GT: eU₃O₈ppm x m

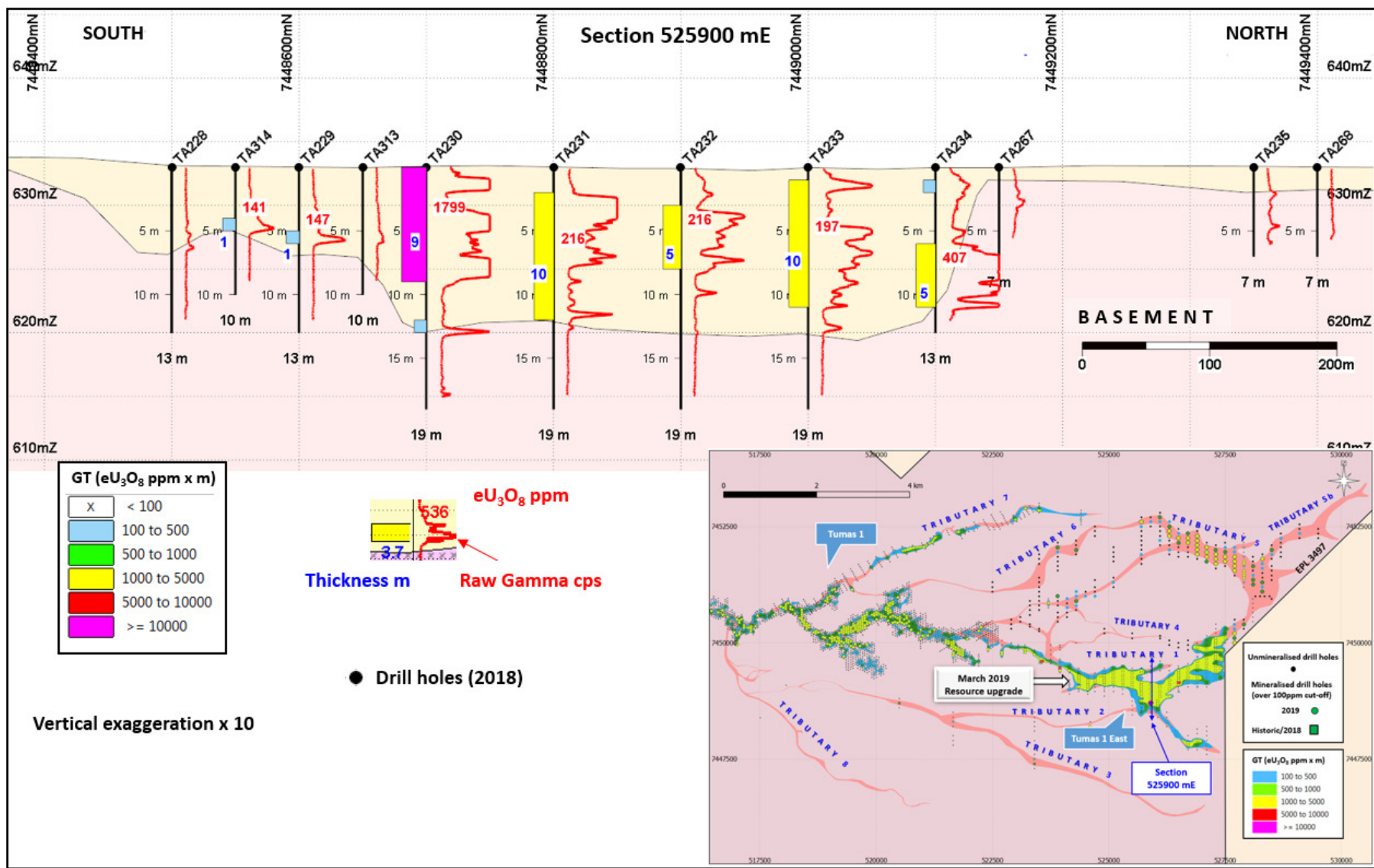


Figure 3: Tumas 1 East – Cross Section 525900E

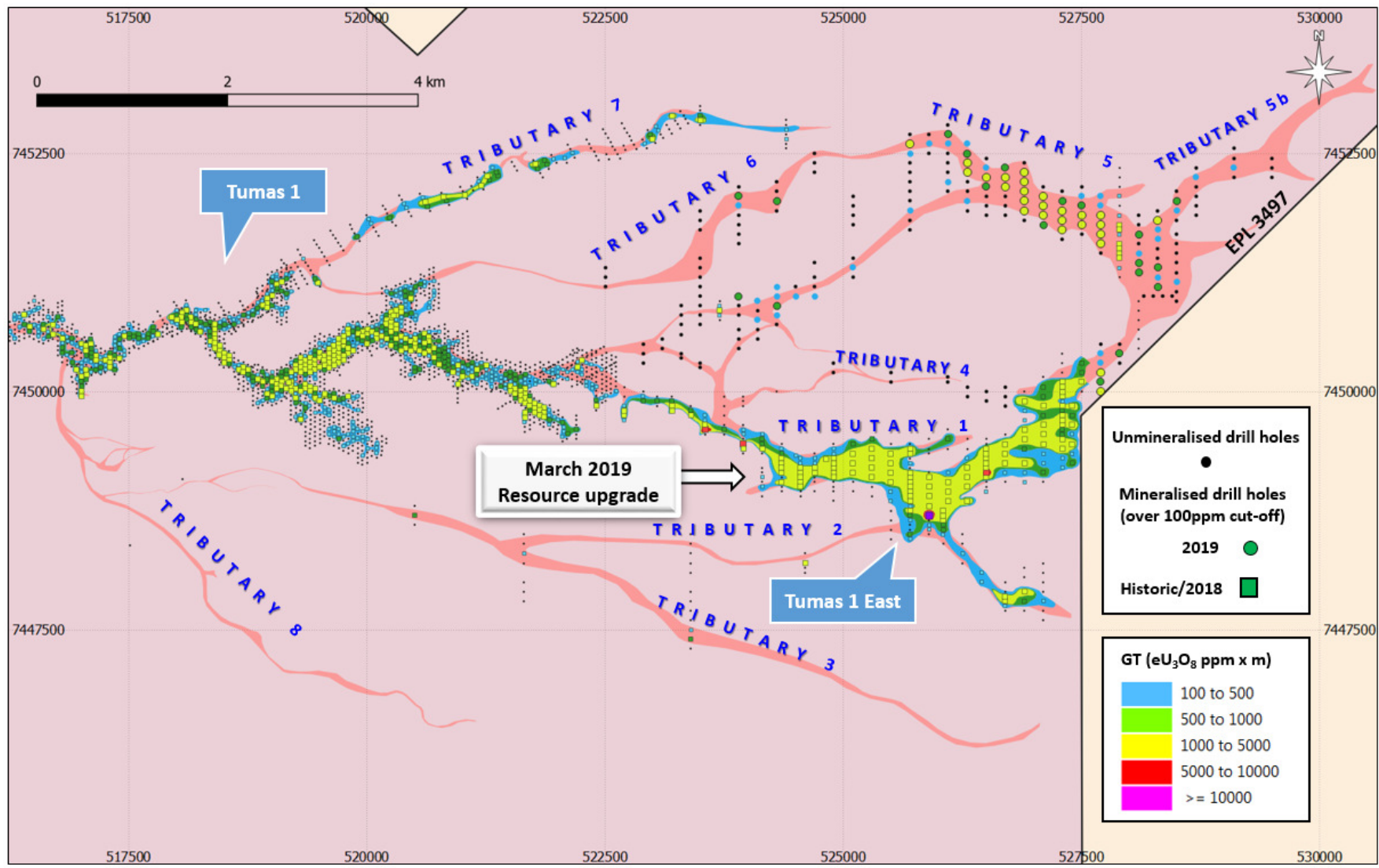


Figure 4: Drill hole locations showing the March Quarter drilling program at Tumas 1 East. The resource contours and the drill hole collars are coloured in eU₃O₈ grade thickness values (GT: eU₃O₈ pmm x m).

APPENDIX 1
JORC RESOURCE TABLE

Deposit	Category	Cut-off (ppm U ₃ O ₈)	Tonnes (M)	U ₃ O ₈ (ppm)	U ₃ O ₈ (t)	U ₃ O ₈ (Mlb)	Resource Categories (Mlb U ₃ O 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
Omahola Project Sub-Total			48.7	420	20,400	45.1	11.0	16.0	18.1
CALCRETE MINERALISATION									
Tumas 3 Deposit - JORC 2012									
Tumas 3 Deposits	Inferred	200	39.7	378.3	15,000	33.1	-	-	33.1
Tumas 3 Deposits Total			39.7	378	15,000	33.1	-	-	33.1
Tubas Sand Project - 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
Tubas Sand Project Total			34.0	170	5,800	12.7	-	-	-
Tumas Project - JORC 2012 (Tumas 1 & 2, and Tumas 1 East Tributaries)									
Tumas Deposit ♦	Measured	200	11	383	4,100	9.1	9.1	-	-
Tumas Deposit ♦	Indicated	200	5	333	1,700	4	-	4	-
Tumas Deposit ♦	Inferred	200	30.8	312	9,700	21.2	-	-	21.2
Tumas Project Total			46.6	332	15,500	34.3	-	-	-
Tubas Calcrete Resource - JORC 2004									
Tubas Calcrete Deposit	Inferred	100	7.4	374	2,800	6.1	-	-	6.1
Tubas Calcrete Total			7.4	374	2,800	6.1	-	-	-
Aussinanis Project - JORC 2004									
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
Aussinanis Project Total			34.6	237	8,200	18.0	-	-	-
Calcrete Projects Sub-Total						104.2	9.1	10.8	84.3
GRAND TOTAL RESOURCES			211	323	68,100	149.3			

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

XRF chemical analysis unless annotated otherwise.

♦ eU₃O₈ - equivalent uranium grade as determined by downhole gamma logging.

Combined XRF Fusion Chemical Assays and eU₃O₈ values.

Where eU₃O₈ 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.