

NEWS RELEASE

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18 February 2021

SUCCESSFUL PLACEMENT OF A\$40.8M TO FUND GROWTH

HIGHLIGHTS

- **Commitments received to raise approximately A\$40.8M at A\$0.65 per share**
 - **Significant domestic and international interest with quality institutions adding to the register**
 - **Strong support from existing institutional shareholders**
 - **Focus on completion of Tumas DFS, ongoing exploration and advancing targeted M&A opportunities**
 - **Additional A\$2M to be raised through a Share Purchase Plan at A\$0.65 per share**
 - **Funds raised significantly strengthen the balance sheet, with pro-forma cash balance of A\$50M**
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The Directors of Deep Yellow Limited ABN 97 006 391 948 (ASX:DYL) (**Deep Yellow or Company**) are pleased to announce that the Company has received commitments from qualified, institutional, sophisticated and professional investors to raise approximately A\$40.8M (before costs) through the issue of 62,768,803 fully paid ordinary shares (**Shares**) at an issue price of A\$0.65 per Share (**Placement**).

The Placement was very well received, with demand exceeding the funds the Company sought to raise through the Placement. Following the successful outcome of the Tumas Pre-Feasibility Study¹, the funds raised will enable Deep Yellow to rapidly advance its dual-pillar growth strategy as it works towards becoming a global, tier-one uranium producer.

To enable eligible shareholders the opportunity to participate in the capital raising at A\$0.65 per Share, the Company is also pleased to announce the details of a Share Purchase Plan (**SPP**), which will be offered to eligible shareholders on or about 25 February 2021 to raise up to a further A\$2M on similar terms to the Placement. The Company has a number of shareholders with unmarketable parcels of Shares and the SPP provides eligible shareholders with an unmarketable parcel of Shares the opportunity to obtain a marketable parcel without the usual transaction costs such as brokerage.

¹ Refer to ASX announcement entitled 'Deep Yellow Proceeding with Tumas DFS Following Positive PFS' and dated 10 February 2021, which is available to review on the Company's website at www.deeeyellow.com.au

Commenting on the successful Placement, Deep Yellow's Managing Director & CEO, John Borshoff said:

"We are very pleased with the response to our placement and would like to thank all current and new investors for their support, as we take the next major step towards establishing a tier-one uranium company."

"This impressive raising places Deep Yellow in a very strong financial position to advance our stated and differentiated growth strategy to propel the Company into the top league of aspiring uranium developers."

"Deep Yellow is led by a management and technical team with proven uranium credentials. Importantly, since 2016, management has demonstrated the ability to efficiently and effectively utilise funds to advance key strategic areas and create shareholder value. This is highlighted by the tripling of the Reptile uranium resource base at a discovery cost of 11.5 cents/lb and successful completion of the Tumas PFS, with significant upside potential remaining to be unlocked on this exciting project."

"We now turn our attention to the completion of the Tumas DFS, along with advancing targeted M&A opportunities, as we continue to progress towards our primary objective of creating a 5-10Mlb low cost, multi-project, global uranium company."

Use of funds raised under the Placement and SPP

Funds raised from the Placement and SPP will be applied towards:

1. completion of a Definitive Feasibility Study (**DFS**) and early development preparation at the Company's flagship Tumas Project (to be completed by mid-late 2022);
2. ongoing exploration and resource enhancement programs at the Company's 100%-owned Reptile Project and the Nova JV, with a focus on unlocking palaeochannel and basement targets;
3. disciplined value-creation via selective project acquisition; and
4. general working capital purposes.

Deep Yellow is applying a dual-pillar growth strategy for expansion of the Company, which is focused on organic development through its existing Namibian project portfolio and inorganic expansion through acquisition of third party uranium projects to establish its project pipeline ready for future development.

In reference to the Company's organic development, completion of the Tumas DFS is a priority.

Since current management became involved in the Company four years ago, excellent progress has been made across its Namibian projects, highlighted by an impressive threefold increase to the overall calcrete-related uranium resource base (with much upside to improve this even further)² and the successful completion of the Tumas Pre-Feasibility Study, which demonstrates the technical and economic viability of the Tumas Project.³

In relation the Company's inorganic growth objective, Deep Yellow has been continually evaluating various third party targets for project expansion, to achieve this key component of its stated strategy. The quality of the Company's management and leadership team, along with its proven track record of achievement in the uranium sector, continue to offer the Company attractive options to consider for the development of a multi-project, globally diversified uranium

² Refer to ASX announcement entitled 'Uranium Resources Expanded by 51% at Tumas 1, 2 and 3 Deposits' and dated 27 March 2019, which is available to review on the Company's website at www.deeptyellow.com.au

³ Refer to ASX announcement entitled 'Deep Yellow Proceeding with Tumas DFS Following Positive PFS' and dated 10 February 2021, which is available to review on the Company's website at www.deeptyellow.com.au

platform. A variety of expansion opportunities exist in this period of uranium downturn and further work is required to determine the most optimal avenue to maximise shareholder return.

The funds raised pursuant to the Placement and the SPP will enable both pillars of this growth strategy to be further developed.

Euroz Hartleys Securities Limited and Aitken Murray Capital Partners Pty Ltd acted (and continue to act) as Joint Lead Managers to the Placement. They will be paid a total fee of 5% of funds raised under the Placement.

Placement

The Placement will be made at an issue price of A\$0.65 per Share raising approximately A\$40.8M (before costs). The issue price represents a discount of 13.7% to the 10-day VWAP prior to launch.

The Placement will be made to a number of unrelated qualified, institutional, sophisticated and professional investors.

The Company will issue a total of 62,768,803 Shares at an issue price of A\$0.65 per Share to raise approximately A\$40.8M (before costs). The Shares are expected to be issued on 24 February 2021 under the Company's Listing Rule 7.1 (37,305,082 Shares) and Listing Rule 7.1A (25,463,721 Shares) placement capacity and the issue is therefore not subject to shareholder approval.

Share Purchase Plan

The Company will offer Eligible Shareholders (as defined below) the opportunity to participate in the SPP by subscribing for up to A\$30,000 worth of fully paid ordinary shares in the Company (**Shares**) (subject to any scale back or non-fulfilment of application) at an issue price of A\$0.65 (**Issue Price**) per Share (being the same issue price as the Placement) without having to pay brokerage or other transaction costs (**SPP Offer**).

Under the terms of the SPP Offer, Eligible Shareholders will be offered the option to subscribe for A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$15,000, A\$20,000 or A\$30,000 worth of Shares.

The Company will issue up to a maximum of 3,076,923 Shares (subject to rounding) under the SPP Offer which would raise approximately A\$2M (before costs). Applications received in excess of this amount will be scaled-back on a pro-rata basis. The Directors reserve the right to issue fewer Shares than eligible shareholders apply for.

Participation in the SPP Offer is optional and is open to all shareholders who were registered as a holder of Shares as at 5.00pm (WST) on Wednesday, 17 February 2021 (**Record Date**) and whose registered address is in Australia, New Zealand, Hong Kong, Ireland, Panama or the United Kingdom and who are not resident or located in the United States, and are not acting for the account or benefit of a person in the United States, or any other jurisdiction in or into which an offer of Shares would be unlawful (**Eligible Shareholders**).

To avoid current postal delays due to COVID-19 all shareholders are urged to update their communication preferences to receive documentation from the Company electronically via email by visiting www.computershare.com.au/easyupdate/dyl or by contacting the Company's share registry Computershare directly by telephone on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Those Directors who are Eligible Shareholders and held Shares on the Record Date (directly or indirectly) have indicated that they will participate in the SPP Offer.

The proposed timetable for the SPP Offer is set out below however the Directors reserve the right to vary the dates and times without notice.

Date	Event	Description
5.00pm (Perth time) 17 February 2021	Record Date	Date on which the Company determined the eligible shareholders
25 February 2021	Despatch SPP Offer Document	Offer materials dispatched to eligible shareholders including a personalised application form.
25 February 2021	Opening Date	Offer opens at 9.00am WST.
18 March 2021	Closing Date	Offer closes. Applications must be received by 5.00pm WST on the Closing Date.
23 March 2021	Announce results	Announce results of the SPP Offer
29 March 2021	Issue Date	Shares issued and holding statements sent to shareholders

Full details of the SPP Offer will be set out in a letter to shareholders, the SPP Terms and Conditions and an Application Form for Eligible Shareholders (**SPP Documents**). A copy of the SPP Documents will also be lodged with the ASX. A SPP Offer website will also be established, which will provide Eligible Shareholders with access to the SPP Documents and will be the fastest and easiest way to participate in the SPP. Details of this will be announced when the SPP Documents are dispatched.

If shareholders have any enquiries in relation to the SPP, please call the Deep Yellow Limited SPP Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside of Australia).

An Appendix 3B follows this announcement in respect of the proposed share issues.

Yours faithfully



JOHN BORSHOFF
Managing Director/CEO
Deep Yellow Limited

For further information, contact:

John Borshoff
Managing Director/CEO

Phone: +61 8 9286 6999
Email: john.borshoff@deepyellow.com.au

All dollar amounts are in Australian dollars unless otherwise indicated. For further information on the Company and its projects, please visit the website at:
www.deepyellow.com.au

Not an offer in the United States

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Previously reported information

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements referred to in this announcement, and that all material assumptions and technical parameters underpinning the Tumas Project Pre-Feasibility Study, Mineral Resource and Ore Reserve estimates have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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 has recently been completed 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.

ABN 97 006 391 948

Unit 17, Spectrum Building
100–104 Railway Road
Subiaco, Western Australia 6008

PO Box 1770
Subiaco, Western Australia 6904

DYL: ASX & NSX (Namibia)
DYLLF: OTCQX

www.deeptyellow.com.au



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