Deep Yellow Limited

ASX Announcement **ASX: DYL**

24 March 2014

Tubas Sand Project – Resource Update

KEY POINTS

- **CSA Global has provided the company with a new JORC 2012 compliant Mineral Resource Estimate (MRE) for the Tubas Sand Project in Namibia**
- **The MRE is *34 Mt at 170 ppm U_3O_8 for 12.7 Mlbs U_3O_8 (Indicated and Inferred) at a 100 ppm cut-off*, compared to the previous (Inferred) MRE of 87 Mt at 148 ppm U_3O_8 for 28.4 lbs U_3O_8 at a 70 ppm cut-off**
- **The new MRE focused on the most prospective one third of the area covered by the previous MRE and includes results from infill drilling, mining studies and metallurgical test work, with scope to increase mineral resources by drilling in the larger area**
- **The improved grade is not only due to the higher cut-off grade, but also the improved modelling and geostatistical methodology whilst *the new MRE also satisfies the JORC requirement of 'reasonable prospects of eventual economic extraction'* validated by Schauenburg metallurgical test work and adequate bulk density estimation**

Advanced stage uranium explorer Deep Yellow Limited ('DYL' or 'the Company') is pleased to announce that its wholly owned Namibian operating subsidiary Reptile Uranium Namibia Pty Ltd ('RUN') has received a new Mineral Resource Estimate ('MRE') from CSA Global for its Tubas Sand Project. The new MRE, which is in accordance with the JORC 2012 guidelines, includes infill drilling, mining studies and metallurgical test work results and focused on the most prospective one third of the area covered by the previous MRE (see Figure 1).

The new MRE is 34 Mt at 170 ppm U3O8 for 12.7 Mlbs at a 100 ppm cut-off, with 32% of the contained metal in the Indicated category and the remainder being Inferred (see Table 1). DYL believes there is scope to increase the Project's resource base by advancing drilling outside the new MRE area. The JORC Code 2012 Table 1 for the MRE has been included as an appendix to this release.

The Company continues to make good progress on its processing options study which is expected to be completed soon. The study will provide information on the economics of the various degrees of processing, from physical beneficiation only through to production of final product.

DYL's Managing Director, Greg Cochran, commented that he was pleased with the result, especially the higher grade (partially due to the higher cut-off grade but also the improved modelling and geostatistical method). "We have taken another step in bringing this project to account and look forward to completing the processing options study that is expected to provide additional direction in which to move the project forward."

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For further information on the Company and its projects visit the website at www.deepyellow.com.au

Background Information on the new Mineral Resource Estimate

The geology of the deposit is well understood having been subject to extensive exploration over a number of years. (Uranium mineralisation at Tubas Sands was originally discovered in the 1970's by Anglo American Prospecting Services.) The deposit is formed within the shallow Tumas – Tubas palaeo-drainage system and the mineralisation is defined by the extent of the palaeo-valley. The grade of the deposit is controlled by both host rock properties (porosity, cementation, presence of organic matter etc.) as well as the underlying palaeo-topography.

The previous MRE for the Tubas Sands Project (to JORC 2004 compliance) was released in February 2012. It was reported at a 70 ppm U_3O_8 cut-off which comprised 87 million tonnes at 148 ppm U_3O_8 for 28.4 million pounds of U_3O_8 metal in the Inferred category. This was estimated by Geomine consultants and was based on historical data reported by AAPS from drilling and sampling work undertaken on the deposit during the 1970s and early 1980s. The MRE was estimated using a polygonal method with uranium grades based on assay results, over an area some three times the size of the new MRE (see Figure 1).

Since 2006, RUN has conducted two infill drilling campaigns, in 2007/2008 and in 2012/2013. The drilling was a combination of aircore ('AC') and reverse circulation ('RC') drilling. Figure 1 presents a plan view of the location of the drilling data used in this estimate, whilst the external chemical assay results from the 2012/13 drilling campaign are provided in Appendix 1.

Data for the mineral resource is based primarily on down hole radiometric logging and confirmatory XRF geochemical assays with drilling a combination of air core (AC) reverse circulation (RC). Drill samples, when selected, were split on site and sent for geochemical analysis at either the RUN laboratory in Swakopmund or a commercial laboratory in Cape Town, RSA.

Analysis was based on either lose powder XRF at the RUN laboratory or pressed powder XRF in Cape Town and these methodologies are considered appropriate for the quantities and style of mineralisation present. Down hole logging was conducted at 5cm intervals for gamma data using calibrated and monitored in-house Auslog probes made in Australia by Auslog Pty Ltd (now Weatherford International Ltd). Drill samples were either split using a three tier riffle splitter off the rig or a rotary splitter mounted on the rig.

As the drill holes are both short and vertical no down hole surveys were conducted for drill hole deviation however the location of all drill collars was determined by Differential GPS with only a limited numbers of drill collars being identified by hand-held GPS. A cross section through the Tubas Sands model is shown in Figure 2.

The mineral resource is based on Multi Indicator Kriging of sample (eU_3O_8) grades with the indicator bins being defined by sample probabilities, hard boundaries to mineralised domains were used in the estimation process. Search distances used within the estimation are based on the overall drilling density in association with observed grade and geological continuity. The Mineral Resource is reported at a cut-off of 100 ppm U_3O_8 (as highlighted in Table 1) based on the economic parameters and likely mining method associated with the project which satisfies the JORC requirement of 'reasonable prospects of eventual economic extraction' validated by preliminary metallurgical test work and adequate estimation of the tonnage factor (dry in-situ bulk density). Other than the probability that the deposit will be processed using open pit mining techniques no additional modifying factors have been considered to date.

The mineralisation hosted by Red Sand has been successfully tested to be amenable to the Schauenburg process, which is currently considered to be the preferred physical beneficiation process for the project.

The classification of the Mineral Resource into Indicated and Inferred Mineral Resource categories is based on the global density of drilling in association with analysis of densely drilled select areas. As the deposit is not drilled on a regular grid it is not possible to specify a particular drill spacing associated with any particular resource category.

The MRE has been classified as Indicated and Inferred Mineral Resources based on guidelines specified in the JORC code (2012 Edition). The quality of geological logging and subsequent lithology boundary interpretation, and quality of uranium grade determination from drill hole sampling by both chemical and down hole gamma is adequate for this level of classification.

Figure 1: Plan of RUN's drill holes used in this estimate and the original AAPS boundary

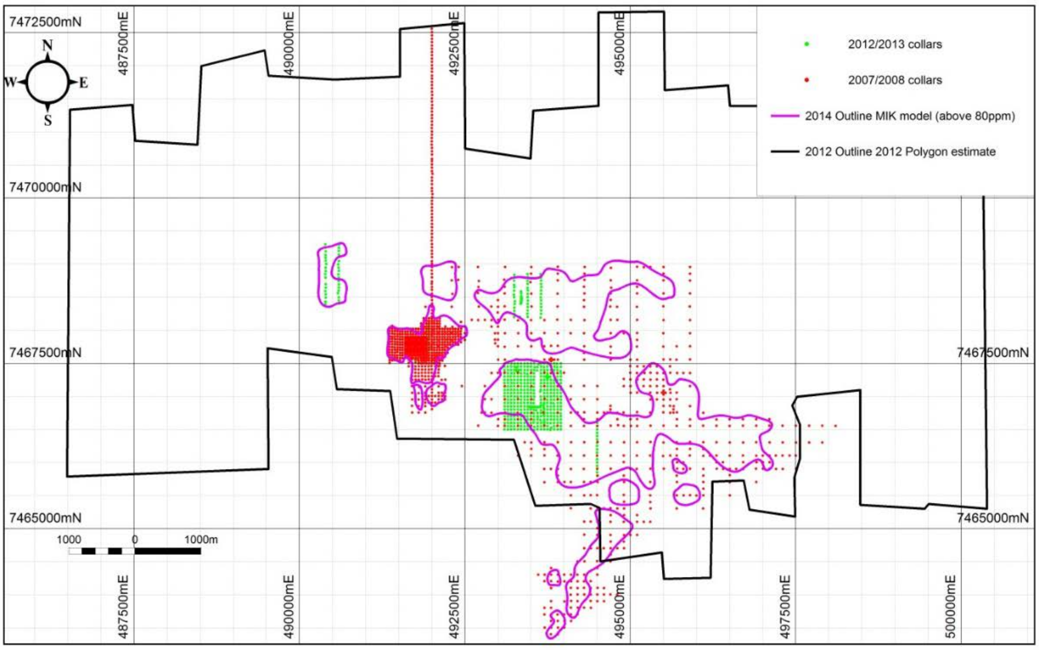

Figure 2: Cross-Section 493450mE through Tubas Sands MIK model, vertical exag x10

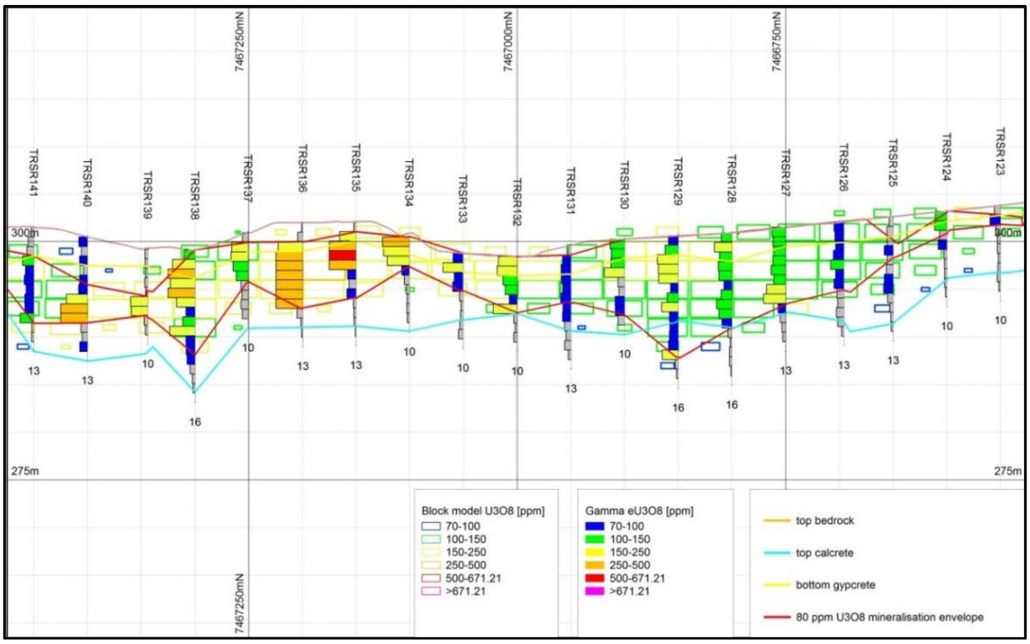

Table 1: Grade Tonnage tabulation of the Tubas Sands Model

Resource category	Cut-off U_3O_8 [ppm]	Tonnage [Mt]	U_3O_8 grade [ppm]	U_3O_8 metal [tonnes]	U_3O_8 metal (Mlbs)	In-Situ Dry bulk density
Indicated	70	10,800	180	1,900	4.2	1.8
Inferred		28,900	149	4,300	9.5	1.8
Total		**39,700**	**158**	**6,200**	13.7	1.8
Indicated	100	10,000	187	1,900	4.1	1.8
Inferred		24,000	163	3,900	8.6	1.8
Total		**34,000**	**170**	**5,800**	12.7	1.8
Indicated	150	5,800	232	1,300	2.9	1.8
Inferred		10,200	215	2,200	4.8	1.8
Total		**16,000**	**221**	**3,500**	7.7	1.8

About Deep Yellow Limited

Deep Yellow Limited is an ASX-listed, Namibian-focussed advanced stage uranium exploration company. It also has a listing on the Namibian Stock Exchange.

Deep Yellow's operations in Namibia are conducted by its 100% owned subsidiary Reptile Uranium Namibia (Pty) Ltd. Its flagship is the high grade alaskite Omahola Project where mining studies are being conducted and the next phase of metallurgical testwork is being planned as inputs into a Pre-Feasibility Study. It is also evaluating fast track development options for its Tubas Sand Project utilising physical beneficiation techniques it successfully tested in 2011.

Compliance Statements:

The information in this release that relates to Mineral Resource Estimates is based on information compiled by Dr Katrin Kärner of Reptile Uranium (Pty) Ltd and Malcolm Titley of CSA Global Pty Ltd. Malcolm Titley takes overall responsibility for the MRE. He is a Member of the Australasian Institute of Geoscientists ("AIG") and the Australasian Institute of Mining and Metallurgy ("AusIMM") and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). Malcolm Titley consents to the inclusion of such information in this Report in the form and context in which it appears.

Dr Katrin Kärner of RUN was the Competent Person responsible for the exploration activities and drill hole database and assaying who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM CP(Geo)). Dr Katrin Kärner, who was the Exploration Manager for Reptile Uranium Namibia (Pty) Ltd, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). Dr Katrin Kärner consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

CSA is an independent geological consultancy. Fees are being charged to RUN at a commercial rate for the work completed and preparation of this report, the payment of which is not contingent upon the conclusions of the report. No member or employee of CSA is, or is intended to be, a director, officer or other direct employee of RUN. There is no formal agreement between CSA and RUN as to RUN providing further work for CSA.

APPENDIX 1 – Assay Results from the 2012/13 RUN drill campaign

Notes:

1. For all drill holes the Azimuth is 0˚ and the dip is -90˚
2. Projection: UTM Zone 33 S; Datum: WGS 84
3. Assays were conducted by Scientific Services, Cape Town, South Africa, using pressed powder XRF geochemical analysis

Hole Number	mE	mN	RL	TD	Depth (m)		Interval (m)	U_3O_8 (ppm)	GTM
					From	To			
TRSR324	493650	7467250	302.6	13				NSR	
TRSR347	493694	7466846	301.8	10	1	2	1	115	115
TRSR358	493700	7467400	303.2	10	5	7	2	128	256
TRSR360	493700	7467500	302.3	10				NSR	
TRSR364	493750	7467350	302.8	10				NSR	
TRSR365	493750	7467300	303.1	16	4	13	9	256	2,302
TRSR367	493750	7467200	303.5	13	2	6	4	134	534
and					7	10	3	352	1,055
TRSR368	493750	7467150	303.2	13	4	6	2	152	303
and					7	10	3	317	950
TRSR369	493750	7467100	302.5	13	3	4	1	207	207
and					5	10	5	613	3,066
TRSR370	493750	7467050	303.2	10				NSR	
TRSR371	493750	7467000	303.9	10				NSR	
TRSR373	493750	7466900	300.3	10	5	7	2	140	279
TRSR382	493795	7466495	303.8	10	3	4	1	116	116
and					9	10	1	100	100
TRSR383	493805	7466528	303.5	13	6	8	2	213	426
TRSR385	493800	7466650	302.7	10	1	2	1	119	119
TRSR386	493802	7466701	302.6	10	5	6	1	210	210
TRSR387	493800	7466750	302.3	10	4	5	1	150	150
TRSR388	493799	7466800	301.7	10				NSR	
TRSR418	493850	7466750	302.2	10				NSR	
TRSR419	493850	7466700	302.8	10	0	1	1	145	145
and					4	5	1	174	174
and					6	7	1	139	139
and					9	10	1	108	108
TRSR420	493850	7466650	303.5	10	2	3	1	491	491
and					4	5	1	194	194
and					6	9	3	128	384
TRSR421	493850	7466600	304.0	10	2	3	1	233	233
and					4	5	1	303	303
TRSR422	493850	7466550	304.0	10	4	5	1	129	129
TRSR423	493850	7466500	304.9	10	6	7	1	114	114
and					12	13	1	111	111
TRSR424	493900	7466501	304.6	10	3	4	1	177	177
and					6	7	1	134	134
and					8	9	1	108	108
TRSR425	493900	7466550	305.0	10	5	8	3	111	332
TRSR426	493900	7466599	304.2	10	2	6	4	232	928
TRSR427	493900	7466650	303.6	10	4	6	2	106	211
TRSR428	493900	7466700	303.1	13	0	4	4	245	979
and					5	8	3	112	336
TRSR429	493900	7466750	302.7	10	4	5	1	101	101
TRSR430	493900	7466802	301.4	13				NSR	
TRSR431	493901	7466850	301.7	10				NSR	

Hole Number	mE	mN	RL	TD	Depth (m)		Interval (m)	U_3O_8 (ppm)	GTM
					From	To			
TRSR432	493900	7466900	303.5	10				NSR	
TRSR435	493900	7467051	304.3	13	6	9	3	111	334
TRSR448	493950	7467350	305.0	13	8	10	2	335	670
TRSR453	493950	7467100	304.1	10	2	5	3	111	333
TRSR454	493950	7467050	304.2	13	10	11	1	100	100
TRSR456	493950	7466950	304.6	10	4	6	2	120	239
TRSR457	493950	7466900	304.4	10	3	7	4	278	1,110
TRSR458	493950	7466850	302.8	10	0	6	6	103	619
TRSR459	493951	7466800	301.8	10	1	4	3	113	338
TRSR460	493946	7466743	302.8	19	0	14	14	268	3,747
TRSR461	493950	7466701	303.0	16	11	12	1	257	257
TRSR462	493950	7466650	303.4	10	1	3	2	138	275
TRSR463	493950	7466600	303.8	10	9	10	1	121	121
TRSR464	493950	7466550	304.7	10	7	11	4	144	577
TRSR465	493950	7466500	305.7	13				NSR	
TRSR467	493650	7468795	299.6	10	1	2	1	161	161
TRSR469	493650	7468700	301.8	13	4	5	1	161	161
TRSR472	493650	7468550	302.0	10	2	8	6	281	1,688
TRSR473	493647	7468498	302.3	13	7	9	2	130	259
TRSR474	493650	7468450	302.8	13	7	8	1	114	114
TRSR475	493650	7468400	303.1	10	3	5	2	328	656
TRSR477	493650	7468300	303.0	10	3	5	2	114	228
and					7	8	1	128	128
TRSR486	494500	7466300	308.1	16	6	7	1	201	201
TRSR487	494500	7466250	308.7	13	3	4	1	164	164
TRSR499	491753	7467542	290.8	13	3	5	2	265	530
TRSR502	491755	7467619	293.2	16	9	10	1	113	113
TRSR506	491761	7467722	291.5	31	4	9	5	147	733
TRSR507	491757	7467748	290.6	37	0	6	6	102	612
and					7	8	1	102	102
TRSR508	491755	7467773	289.8	40	6	9	3	511	1,533
TRSR509	491758	7467792	290.1	37	1	3	2	340	679
and					5	8	3	146	437
TRSR511	491755	7467847	293.2	19	12	13	1	308	308
TRSR513	491756	7467895	291.9	16	8	11	3	112	335
TRSR514	491756	7467593	294.0	19				NSR	
TRSR515	491955	7467619	293.4	19	4	12	8	217	1,732
TRSR516	491953	7467646	293.5	16	3	9	6	207	1,243
and					10	11	1	206	206
TRSR517	491953	7467666	293.2	16	2	8	6	397	2,379
and					9	11	2	125	250
TRSR519	491956	7467725	294.0	16				NSR	
TRSR521	491956	7467756	293.4	16	7	8	1	380	380
and					9	11	2	522	1,044
TRSR522	491954	7467794	291.8	16	9	10	1	172	172
and					11	12	1	104	104
TRSR523	491951	7467812	291.4	16	8	10	2	118	235
TRSR524	491953	7467845	292.3	16	4	5	1	103	103
and					7	13	6	132	789
TRSR525	491953	7467868	293.0	19	9	11	2	103	206
TRSR527	491955	7467920	294.4	19	12	13	1	163	163
TRSR529	491956	7467967	295.2	19	15	16	1	121	121
TRSR535	491962	7468125	296.0	22	11	12	1	356	356
TRSR535	493604	7466693	301.8	22	2	4	2	298	595

APPENDIX 2 – JORC Code Table 1

JORC Code, 2012 Edition – Table 1 for Reptile Uranium – Tubas Sands deposit, located in Namibia, as at 7th March 2014.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Uranium ("U_3O_8") values are derived from down-hole total gamma counts and verified by chemical assay data. **Total gamma eU_3O_8** • 33 mm Auslog total gamma probes were used and operated by company personnel. • Gamma probes were calibrated at Pelindaba, South Africa, in May 2007 (T029, T030) and in December 2007 (T161, T162, T164, T165). • Between 2008 and 2013 sensitivity checks were conducted by periodic re-logging of a test hole to confirm operation. • During drilling, probes were checked daily against a standard source. • Gamma measurements were taken at 5 cm intervals at a logging speed of approximately 2 m per minute. • Probing was done immediately after drilling through the drill rods. Rod factors were established to compensate for the reduced gamma count when logging through rods. • Gamma measurements were converted to equivalent uranium ("eU_3O_8") values by application of probe-related factors and rod factors. • eU_3O_8 samples were compared to chemical assay data. There is a reasonable correlation between the two datasets between 100 ppm and 300 ppm eU_3O_8. Below 100 ppm and above 300 ppm eU_3O_8 the chemical assay data indicates a slightly higher grade (around 5%) compared to the gamma data. The impact on the resource estimate is not considered material, and at this stage no adjustment to the gamma data has been undertaken. The correlation was conducted using 1 m samples and 3 m down the hole composites.

Criteria	JORC Code explanation	Commentary
		• A disequilibrium study was conducted by ANSTO Minerals in September 2008 on three samples from the Tubas Sands deposit. Radionuclides of two samples indicate secular equilibrium. The third sample was characterised by depleted 226Ra activity. Close correlation between assay and gamma results suggest that gamma results are representative of the mineralisation. **Chemical assay data** • Geochemical samples were derived from both aircore (AC) and (RC) drilling and sampled at 1 m intervals. Samples were split at the drill site using either a riffle or cone splitter to obtain a 1 to 4 kg sample from which 90 g was pulverised to produce a powder for XRF-analysis. • A total of 3,670 samples were assayed. The majority of them (3,133) were analysed at Reptile Uranium's in-house laboratory in Swakopmund for U_3O_8 by loose powder XRF following the procedure described above. • 564 samples were sent to Scientific Services Laboratories, Cape Town, for analysing U_3O_8 by pressed powder XRF. • In addition, 2,956 calc-index titrations were carried out at RUN's laboratory in order to determine $CaCO_3$ concentration in the samples. • Historical assay data generated by Anglo American Prospecting Services (AAPS) in the 1970s was not used in the estimate, as the RUN drilling program effectively replaced all historical drilling for the area selected for the Mineral Resource update.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC and AC drilling was used at the Tubas Sands Project. • All holes were drilled vertically.

Criteria	JORC Code explanation	Commentary
		<table><tr><th>DrillType</th><th>BitSize</th><th>Holes</th><th>Meters</th><th>%</th></tr><tr><td>AC</td><td>80</td><td>8</td><td>89</td><td>1.01</td></tr><tr><td>AC</td><td>84</td><td>111</td><td>1354</td><td>15.33</td></tr><tr><td>AC</td><td>85</td><td>592</td><td>7368</td><td>83.41</td></tr><tr><td>AC</td><td>86</td><td>1</td><td>11</td><td>0.12</td></tr><tr><td>AC</td><td>No Diameter</td><td>1</td><td>12</td><td>0.14</td></tr></table> <table><tr><th>DrillType</th><th>BitSize</th><th>Holes</th><th>Meters</th><th>%</th></tr><tr><td>RC</td><td>127</td><td>2</td><td>26</td><td>0.10</td></tr><tr><td>RC</td><td>130</td><td>3</td><td>48</td><td>0.19</td></tr><tr><td>RC</td><td>137</td><td>251</td><td>3134</td><td>12.62</td></tr><tr><td>RC</td><td>138</td><td>69</td><td>744</td><td>3.00</td></tr><tr><td>RC</td><td>139</td><td>198</td><td>2333</td><td>9.39</td></tr><tr><td>RC</td><td>140</td><td>11</td><td>284</td><td>1.14</td></tr><tr><td>RC</td><td>144</td><td>6</td><td>84</td><td>0.34</td></tr><tr><td>RC</td><td>No Diameter</td><td>722</td><td>18185</td><td>73.21</td></tr></table> •
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Recoveries were assessed by weighing 1 m drill chip samples at the drill site. Weights were recorded in sample tag books. • Sample loss was minimized by placing the sample bags directly underneath cyclone/splitter. • Sample representivity was maximized through the use of a cyclone/splitter. • Down hole gamma data was used for the mineral resource estimate therefore no work was required to review any relationship between sample recovery and uranium grade since chemical assay data derived from physical samples has not been used.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate*	• All drill holes were geologically logged. The logging was qualitative in nature. The lithology type was determined for all samples as well

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	as colour, colour intensity, weathering, oxidation, grain size, carbonate ($CaCO_3$) content, sample condition (wet, dry). Total gamma count using a hand held scintillometer was recorded for some of the samples. • Lithology codes were used to generate surfaces for the different host-rocks at Tubas Sands, which are from top to bottom: gypcrete, non-calcareous and calcareous sand ("Red Sand"), calcrete and bedrock. This information was used in the mineral resource reporting process, to define the volume of Red Sand which hosts the mineralisation currently defined as amenable to potentially economic recovery. • In total, 33,484 m was geologically logged, which represents more than 99% of meters drilled.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Two types of sample splitters were used at Tubas Sands: • 1) Tier riffle splitter mounted on the rig giving an 87.5% (reject) and a 12.5% sample (assay sample) and 2) cone splitter mounted on the rig producing 2 1 kg (assay) samples and a reject. • The above sub-sampling techniques are common industry practice and appropriate. • Field duplicates included with the 2007/2008 samples were less than industry norm at approximately 1% of samples. • 2012/2013 field duplicates were inserted into the assay batch at an approximate rate of one every 20 samples. The field duplicates exhibit a slight bias to the original samples at grade over 400 ppm U_3O_8. • Sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• The analytical methods employed include loose powder XRF (at Reptile Uranium's in-house laboratory) as well as pressed powder pellet XRF (at Scientific Services Laboratories, Cape Town). The techniques used are industry standard and considered appropriate. • QA/QC for down hole gamma tools is detailed under 'Sampling techniques'.

Criteria	JORC Code explanation	Commentary
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The performance of the duplicates (including field duplicates, lab duplicates and umpire duplicates) is acceptable. Field duplicates in 2008/2008 are fewer than industry standard. Field duplicates from 2012/2013 exhibit a slight bias of less than 2% to original at high grades (>400 ppm U_3O_8). Lab duplicates and umpire duplicates show an acceptable correlation with no significant bias for both drilling campaigns. • No blanks or standards have been included with the samples sent for chemical assay, as this was the RUN procedure at the time. The performance of the lab internal blanks and standards was reviewed and no significant issues noted. • RUN monitors the performance of its XRF instrument through the analysis of the standards and replicates. The standards (certified reference materials) are assayed to monitor the instruments accuracy and consistency as well as laboratory procedure accuracy. The AMIS standards P0090, P0092, RUN Internal Standard and a Calcrete Blank are assayed at the beginning of each shift. The performance of standards and blanks was acceptable. • The close correlation of assay and gamma suggests that both are reliable measures of uranium grade.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Holes were only twinned if problems were encountered when drilling the original hole (i.e. re-drills). No holes were twinned for QA/QC purposes. A review of 70 holes that were drilled within 5m of each other was completed. Only sample intercepts that were twinned were compared (i.e. the re-drill was generally deeper, and therefore a comparison of the deeper intercepts with the original would not have been appropriate). Globally, the grade (eU_3O_8) of 94% of twinned intercepts was below 250 ppm and compared very well. At grades > 250 ppm eU_3O_8, there was increased variability in grades. However, it is at an acceptable level, and in the majority of cases, the grade tenor of holes is reflected in the twin. • Paper logs recorded in the field as well as sample tag books are filed at the RUN's office in Swakopmund. The field drill data of those logs and tag books (lithology, sample specifications etc.) is captured by a

Criteria	JORC Code explanation	Commentary
		designated data clerk and subsequently imported into geological and geochemical database following data validation procedures. • eU_3O_8 values are calculated from raw gamma files by applying calibration factors and casing factors. The adjustment factors are stored in the database. The 5 cm eU_3O_8 data down hole values are composited to 1 m intervals. Due to the positive correlation of eU_3O_8 and assayed U_3O_8 with 1m sample distribution and matching 3m down hole composites, no further adjustment to the gamma data was completed.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• In 2007/2008 collars were surveyed by in-house operators using a differential GPS. 2012/2013 collars were surveyed by Terratec Geophysical Services using a differential GPS. There is a minority of holes, for which only handheld GPS coordinates are available. • All drill holes are vertical and shallow, therefore, no down-hole surveying was required. • The grid system is World Geodetic System (WGS) 1984, Zone 33. • A digital terrain model ("DTM") topographic surface was available based on data from a LiDAR survey flown in January/February 2013. LiDAR RLs were assigned to all drill collars used in the estimate as they are the most accurate elevation. This method is considered adequate as it places all drilling data into the same relative position.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The data spacing and distribution is variable. One area (7 ha) was drilled at 20 m x 10 m grid. Another two areas (totalling approximately 140 ha) were drilled at 50 m x 50 m. In all other areas drilling grids range between 100 m x 100 m and 200 m x 200 m. All of the above have been considered sufficient to establish the degree of geological and grade continuity appropriate for the mineral resource estimate and classifications applied. • The total gamma count data, which is recorded at 5 cm intervals, was composited to 1 m composites to match the 1 m geochemical samples from drilling.
Orientation of	• *Whether the orientation of sampling achieves unbiased sampling of*	• No bias is suspected as uranium mineralisation at Tubas Sands is

Criteria	JORC Code explanation	Commentary
data in relation to geological structure	*possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	stratabound and horizontal. All holes were drilled vertically, and hence, mineralised intercepts represent the true width. • All holes were sampled down-hole from surface. Geochemical samples were collected at 1 m intervals. Total-gamma count data was collected at 5 cm intervals.
Sample security	• *The measures taken to ensure sample security.*	• 1 m RC drill chip samples are prepared at the drill site. The assay samples are stored in plastic bags. Sample tags are placed inside the bags. The samples are placed into plastic crates and transported from drill site to RUN's in-house laboratory in Swakopmund by company personnel. • Upon completion of the assay work the remainder of the drill chip sample bags for each hole is packed back into crates and then stored in designated containers in chronological order. • Assays are imported into the company's geological and geochemical database following a strict validation procedure.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• GeoMine (Namibia) conducted an audit of exploration and sampling processes and procedures in August 2007. Some deficiencies in approaches and procedures were identified, which have since been rectified.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The work for the mineral resource estimate was completed on prospecting licence (EPL) 3496. EPL3496 was originally granted to Reptile Uranium Namibia (Pty) Ltd (RUN) in 2006. The EPL was renewed in 2013 for a further period of 2 years. • EPL3496 is located within the Namib Naukluft National Park. • The EPL is subject to an agreement with a Namibian Black Empowerment partner whereby the partner acquires 5% of the project for historical costs. The EPL has no outstanding issues and is

Criteria	JORC Code explanation	Commentary
		in good standing. • There are no known impediments to the project.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Prior to RUN's ownership of the EPL, extensive work was conducted by Anglo American Prospecting Services (AAPS) in the 1970s. AAPS's work included extensive drilling, bulk density testing, metallurgical test work as well as scoping studies. • Assay results from AAPS's drilling were available to RUN on paper logs. They were, however, not used for estimating this mineral resource as all historical holes were made redundant by the RUN drilling programs.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Uranium mineralization at Tubas Sands is surficial, stratabound and hosted by Cenozoic sediments, which include from top to bottom gypcrete, sand (also referred as "Red Sand"), and calcrete. The majority of the mineralization is hosted by sand. Locally, the underlying weathered Proterozoic bedrock is also mineralized.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Refer to the summary report attached to the press release for drilling tables of data used in the mineral resource estimate.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• 5 cm gamma intervals were composited to 1 m intervals. • 1 m composites of eU_3O_8 used for estimate. • No top-cutting was applied as the estimation methodology was multiple indicator kriging ("MIK"). • No metal equivalent required.

Criteria	JORC Code explanation	Commentary
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The mineralization is sub-horizontal and all drilling vertical, therefore, mineralized intercepts are considered to represent true widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to the summary report attached to the press release for drilling tables of data used in the mineral resource estimate.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The data used in the resource is representative of mineralisation. Sample intercepts have been composited so that all data is weighted equally. High grade outliers are managed through the estimation methodology (Multiple Indicator Kriging).
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The deposit has been subject to historical drilling, bulk density test work and scoping studies in the 1970s by Anglo Prospecting Services.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work is expected to include additional infill drilling as well as extension drilling as mineralization is open along and across strike.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	• Data validation procedures are in place to ensure integrity of assay, gamma and lithology data in the geological and geochemical database.

Criteria	JORC Code explanation	Commentary
	• *Data validation procedures used.*	• Paper logs stored in RUN office at Swakopmund, data entry completed into an electronic database. Results validated both statistically and by creation of sections and plans for visual checking.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person visited the site on 13th and 14th of January 2014. An office review of data collection procedures, sample chip trays, the in-house database and plans and cross sections was completed with no issues detected. A field check of drill hole collars (selected at random), outcropping geology and trench sampling residual material was also examined and no significant issues detected.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geological model for the Tubas Sands deposit is well understood. • A lithological model was developed based on available logged lithology and assay data. The interpreted lithological surfaces define the four different types of host rocks, which are from top to bottom: gypcrete, calcareous and non-calcareous sand (also referred to as "Red Sand"), calcrete and bedrock. • The host rock lithologies were used for reporting the mineral resource estimate. Only mineralisation in the Red Sand is currently considered as 'potentially economic' being amenable to the physical beneficiation process designed for the project. • In addition, a mineralisation wireframe was generated using a nominal 60-70 ppm eU_3O_8 cut-off grade using gamma data only. • Geological continuity is controlled by the extent of the Tumas palaeo-drainage, which hosts the Tubas Sands mineralization. Grade is affected by host rock properties, i.e., porosity, cementation, organic matter as well as palaeo-topography.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The mineralisation is horizontal and occurs from surface to a depth of approximately 35 m. Although grade distribution is variable, the mineralisation forms a semi-continuous layer and smaller lenses above a 60-70 ppm eU_3O_8 cut-off grade. In general, mineralised intervals are between 1 to 5 m thick, but can reach up to more than

Criteria	JORC Code explanation	Commentary
		10 m in places. The deposit has a west-east-orientated strike extent of approximately 7 km. Across strike the mineralisation extends for approximately 4 km. Mineralisation is open along and across strike.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• The mineral resource estimate was undertaken using 15 MIK cut-off values, a mineral resource panel dimension of 40 m x 40 m x 2 m (X x Y x Z) and a block support adjustment based on SMU dimensions of 5 m x 5 m x 1 m. One metre composites were used. GS3 software, a proprietary resource modelling software developed by Hellman and Schofield, was used to estimate volumes and grades at the range of selected cut-off values. • The mineral resource estimation was conducted in two runs of three passes each, the effective search distances for the reported model are 50 m x 50 m x 2 m (X x Y x Z), 100 m x 100 m x 4 m and 150 m x 150 m x 6 m. The data criteria used in each search pass were progressively relaxed from an initial minimum of 16 samples to a final minimum of 4 samples. Octant search requirements were likewise relaxed. • No top cuts were applied; the influence of outliers is controlled by use of MIK. • Two domains were defined within wireframes interpreted on a nominal 60-70 ppm U_3O_8. All data outside the mineralisation wireframe was allocated to a separate third domain. Hard boundaries were applied. • Only gamma data was used to estimate the eU_3O_8 grade during the MIK estimation. Assay-gamma regression suggests a close correlation. Gypcrete, calcrete and bedrock surfaces were used in the reporting process in order to determine the portion of the mineralisation hosted by the sand (“Red Sand”), which is represented as a semi-continuous layer above the calcrete and below the gypcrete. • A check estimate by the Competent Person using Uniform Conditioning was completed over the two wireframed domains which at the reported 100 ppm U_3O_8 cut-off grade estimated 13%

Criteria	JORC Code explanation	Commentary
		higher grade, 23% lower tonnes, for 13% lower metal. Other check estimates (using Ordinary Kriging and Conditional Simulation) are available for the portion of the deposit that has a drill spacing of 20 m x 10 m which show a good correlation. Overall there is a good spatial correlation between all models. The UC model indicates that the current MRE grades may be slightly low with the current block volumes being slightly too high.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated dry.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The reporting cut-off of 100 ppm has been chosen based on 'potentially economic' criteria and the fact that mineralisation is continuous at this cut-off.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• A conventional excavator and haul truck, free-dig mining operation is proposed at Tubas Sands. The material will be mined in a conventional opencast pit. Trucks will transport the run of mine (ROM) material to various stockpiles. Graders and bull dozers will assist with selective mining, general earthmoving and stockpiling, as well as haul road construction and maintenance. Typical ore to waste ratio will be approximately 1:1. Local underground, highly saline water, required for dust suppression, will be extracted from the opencast pit and well points situated within the palaeo-channel system. Non-mineralised material will be stockpiled in close proximity to the advancing opencast pit and used for back-fill once sufficient pit area is available. • Barren de-watered material from the physical beneficiation processing plant will be either backfilled into, or temporarily stockpiled near the opencast pit. Thereafter, stockpiled top soil will cover the backfilled area so that it blends in with the surrounding environment.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions*	• Extensive metallurgical test work was carried out in 2011 using a Schauenburg beneficiation pilot plant. The test results provide an indication that the Tubas Sands mineralisation (Red Sand only) can

Criteria	JORC Code explanation	Commentary
	regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	be economically upgraded using a three phase hydrocyclone plant, together with a scrubbing and de-watering circuit. The beneficiation process is expected to recover over 80% of uranium in less than 15% of the mass. Further advantages include non-chemical processing with benign tailings disposal and major carbonate reduction giving lower acid consumption in the subsequent leach process.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• SoftChem completed an Environmental Impact Assessment for the Tubas Sands Project in October 2011. • As the mining progresses to different sections of the mine, waste material will be backfilled into some of the mined out areas. Rehabilitation of the mined out areas and stockpile facility will be progressive throughout the life of the mine. Any remaining waste rock stockpiles will be shaped and contoured to blend into the surrounding environment.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density of 1.80 t/m3 was used in the estimation. This density was originally determined by AAPS in the 1970s. AAPS collected three bulk samples of sand material from various pits. Density results of 1.80 t/m3, 1.88 t/m3 and 1.90 t/m3 were obtained. The highest figure was from a pit containing calcretised material. The lower end value was used in the estimation for all host rock types including, gypcrete, sand, calcrete and bedrock.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The mineral resource estimate has been classified as Inferred and Indicated. Material in both classes satisfies the criteria of 'reasonable prospects of eventual economic extraction' validated by preliminary metallurgical test work and adequate estimation of the tonnage factor (dry in-situ bulk density). The quality of geological logging, lithology boundary interpretation, and quality of uranium grade determination from drill hole sampling by both chemical and down hole gamma is adequate for this level of classification. • Material classified as Inferred satisfies the criteria of a grade and tonnage estimate which is based on limited geological evidence and

Criteria	JORC Code explanation	Commentary
		sampling to imply geological and grade continuity. Drill hole sampling completed on a 200 m x 200 m grid (In some cases done to 200 m x 100 m) with trench and pit sampling to test both horizontal and vertical continuity. • Material classified as Indicated is based on adequately detailed and reliable exploration, sampling and testing to assume geological and grade continuity between drill hole samples. The material lies within the interpreted 60-70 ppm mineralisation envelope, and has been drill tested on grids ranging from 200 m x 50 m to 50 m x 50 m and 40 m x 40 m down to 20 m x 10 m in a selected area. Statistical analysis of the samples and estimation of the grade and volume for a range of U_3O_8 cut-off's has been verified by a number of alternate estimation techniques. • The Competent Person is satisfied that the mineral resource classification applied to the Tubas Sands Uranium deposit is appropriate.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The Competent Person completed an audit of the RUN drilling and sampling procedures and reviewed the QAQC results with no significant issues identified. Successful verification of the MIK estimate used to derive this mineral resource estimate was completed using a Uniform Conditioning grade estimation technique.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Competent Persons re-estimation of the mineralisation domains of the mineral resource, shows that at the 100 ppm U_3O_8 cut-off, the current resource may underestimate the global uranium grades by around 10 to 15% and overestimate the global tonnages by 20 to 25% which may mean global metal losses of around 10 to 15%. As the cut-off is reduced to around 70 ppm U_3O_8 this potential variability reduces to within 2 to 3%. These factors are global and it is expected that there will be less variation in the Indicated portion of the resource, especially those areas with <= 50 m x 50 m spacing. • The mineral resource is dependent on accurate definition and separation of the "red sands" from the upper gypsum layer and lower calcrete layer. If this is not achieved during the mining process,

Criteria	JORC Code explanation	Commentary
		confidence in the local tonnage estimates may suffer. The definition of the lithology boundaries has little impact on the in-situ U_3O_8 grade, as the mineralisation spans both lower and upper contacts. • There is no current production data available to quantify the level of accuracy of the mineral resource estimate.