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# Zacks Small-Cap Research

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## Deep Yellow Limited

(OTCQX: DYLLF)

**DYLLF:** The Final Investment Decision (FID) for Tumas is expected to be made in the very near future. Significant progress has been made in raising capital. Drilling has increased Tumas MRE to potentially support a LOM of 30+ years.

Based on comparative analysis of junior uranium companies in the feasibility study phase, a second quartile price-to-book (P/B) ratio of 6.0 indicates a share price target of US\$2.60.

All \$ figures in this report are US\$ unless noted otherwise.

Current Price (10/04/24) \$1.02  
Valuation (US\$) \$2.60

## OUTLOOK

**Deep Yellow Ltd.** (OTCQX: DYLLF; ASX: DYLL) continues to be **on course to become a tier-one producer of uranium** and is already a **multi-jurisdictional junior uranium company**. The expected uranium commodity up-cycle continues to progress.

Management continues to fast-track the development of its most **advanced uranium project, Tumas** in Namibia with an FID expected in the very near future. Work continues at Mulga Rock and on Deep Yellow's early-stage exploratory projects of Omahola & Alligator River.

## SUMMARY DATA

52-Week High \$1.20  
52-Week Low \$0.57  
One-Year Return (%) 29.94  
Beta 0.69  
Average Daily Volume (shrs.) 114,903

Shares Outstanding (million) 989.6  
Market Capitalization (\$mil.) \$989.0  
Short Interest Ratio (days) 31.4  
Institutional Ownership (%) 44.2  
Insider Ownership (%) 8.4

Annual Cash Dividend \$0.00  
Dividend Yield (%) 0.00

### 5-Yr. Historical Growth Rates

Sales (%) N/A  
Earnings Per Share (%) N/A  
Dividend (%) N/A

P/E using TTM EPS N/M

P/E using FY2024 Estimate N/M

P/E using FY2025 Estimate N/M

Risk Level Above Average  
Type of Stock Small - Value  
Industry Mining - Uranium

## ZACKS ESTIMATES

### Revenue

(in '000 \$AUD)

	Q1	H1	Q3	H2	Year
		(Dec)		(Jun)	(Jun)
2022		289 A		313 A	515 A
2023		987 A		944 A	1,931 A
2024		652 A		3,245 A	3,898 A
2025		1,500 E		800 E	2,300 E

### Earnings per Share

(EPS is operating earnings before non-recurring items)

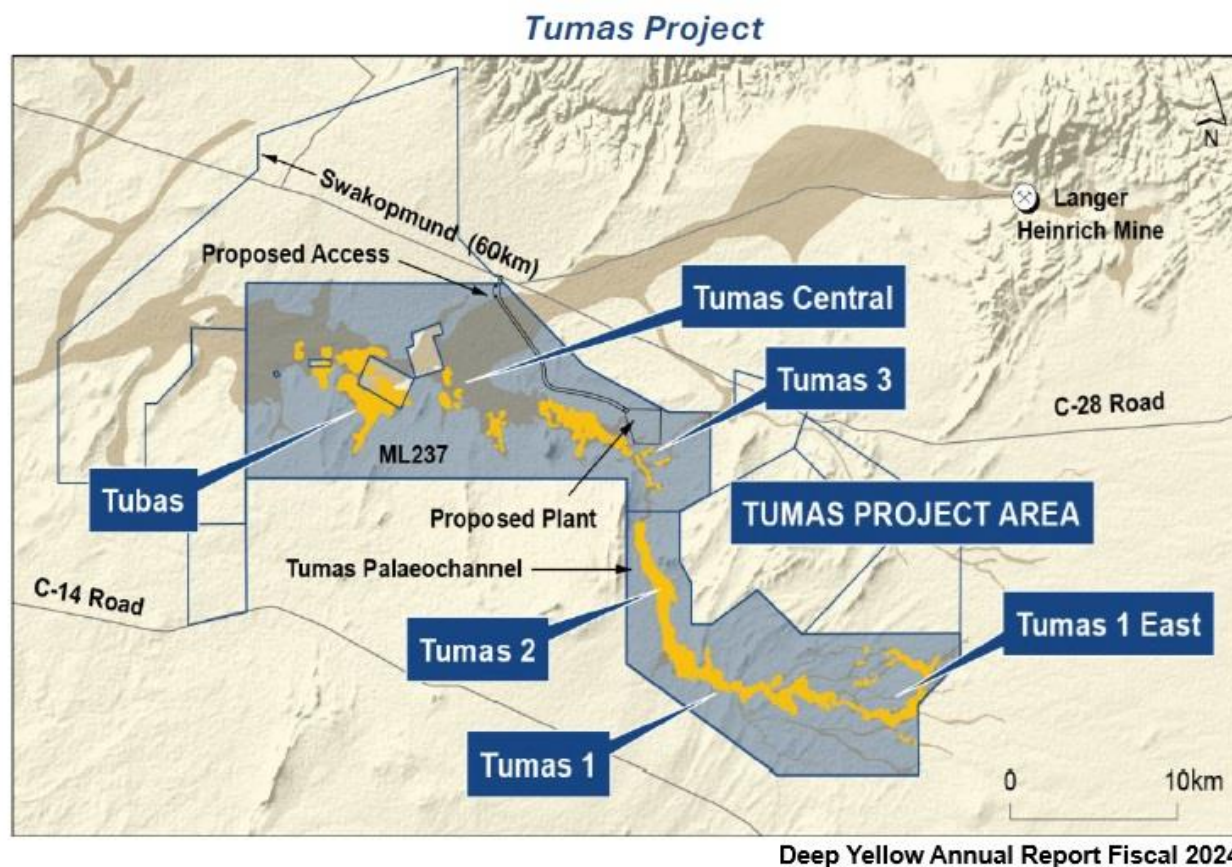
	Q1	H1	Q3	H2	Year
		(Dec)		(Jun)	(Jun)
2022		-\$0.0080 A		-\$0.0101 A	-\$0.0184 A
2023		-\$0.0076 A		-\$0.0067 A	-\$0.0142 A
2024		-\$0.0082 A		-\$0.0050 A	-\$0.0131 A
2025		-\$0.0065 E		-\$0.0065 E	-\$0.0130 E

EPS in \$AUD

Quarterly EPS may not equal annual EPS total due to rounding.

**Deep Yellow Ltd. is on track to become a low-cost, Tier I uranium producer**, which management defines as a multi-project producer of uranium with the capacity to deliver 5-10 million lbs. of uranium annually.

Deep Yellow is on the threshold of entering a crucial stage of the company's lifecycle, specifically, **the transition** from the late-stage development phase **to the mine construction phase**. The recent significant equity financing provides the necessary capital to move forward to the Final Investment Decision (FID) for the Tumas Project. Management is contemplating the structure and timing of further capital raises for the construction of a new Namibian mine.



Between March and early-May, Deep Yellow **raised AUD\$250 million** in capital through a 2-tranche **private placement** consisting of the issuance of a total of **179,591,836 shares** at an issue price of AUD\$1.225 per share. Additionally, **24,489,795 shares** were issued to existing shareholders through a Share Purchase Plan, also at an issue price of AUD\$1.225 per share.

In June, **Ausenco Services Pty Ltd** was selected as the preferred **EPCM** (Detailed Engineering and the Engineering, Procurement and Construction Management) **contractor** for the Tumas Project.

In July, **Nedbank Limited** was appointed the Mandated Lead Arranger and Sole Bookrunner for coordinating the financing for the Tumas Project.

In late- August, **the Vanguard Group** reported that it had become a **significant holder** of 48,506,708 ordinary shares (or 5.00% of the shares outstanding).

On September 11, 2024, Deep Yellow announced that the Tumas resource in-fill drilling campaign completed in late-June resulted in upgrading the **Measured and Indicated Mineral Resource to 58.2 Mlb eU<sub>3</sub>O<sub>8</sub>** at 320 ppm, achieving management's goal of a potential **LOM of over 30 years**.

*Tumas 1, 1 East, 2 and 3 - JORC 2012 MRE - Mineral Resources at 100 ppm eU<sub>3</sub>O<sub>8</sub> cut-off*

Deposit	JORC Class	cut-off	tonnes	U <sub>3</sub> O <sub>8</sub> ppm	U <sub>3</sub> O <sub>8</sub> (t)	U <sub>3</sub> O <sub>8</sub> (Mlb)
Tumas 3	Measured	100	33.8	300	10,210	22.5
	Indicated	100	48.6	335	16,200	35.7
	Inferred	100	16.1	170	2,770	6.1
<b>Tumas 3 Total</b>			<b>98.5</b>	<b>295</b>	<b>29,180</b>	<b>64.3</b>
Tumas 1 & 2	Measured	100	35.2	205	7,270	16.0
	Indicated	100	18.9	200	3,760	8.3
	Inferred	100	1.8	190	340	0.7
<b>Tumas 1 &amp; 2 Total</b>			<b>55.9</b>	<b>205</b>	<b>11,370</b>	<b>25.0</b>
Tumas 1 East	Measured	100				
	Indicated	100	36.3	245	8,870	19.6
	Inferred	100	19.4	215	4,190	9.2
<b>Tumas 1 East Total</b>			<b>55.7</b>	<b>235</b>	<b>13,060</b>	<b>28.8</b>
Tumas 1, 2 & 3	Measured	100	69.0	286	17,480	38.5
	Indicated	100	103.8	330	28,830	63.6
	Inferred	100	37.3	199	7,300	16.0
<b>Tumas 1, 1 East, 2 &amp; 3 Total</b>			<b>210.1</b>	<b>255</b>	<b>53,610</b>	<b>118.1</b>

Deep Yellow Press Release September 2024

In late- September, **Jim Morgan** was appointed as **Head of Project Delivery**, another former Paladin executive that had a critical role in construction of Langer Heinrich and Kayelekera uranium mines.

**Several entities** were required to file that their **ownership** of Deep Yellow **exceeded 5%** of the company's outstanding shares, most because of participation in the private placement. In addition to **the Vanguard Group**, other entities were **Macquarie Group Limited** (March 13<sup>th</sup>), **State Street Corporation** (March 15<sup>th</sup>), **MM Asset Management of Toronto** (April 29<sup>th</sup>) and **Citigroup Global Markets Australia Pty Limited** (January 4<sup>th</sup> and March 25<sup>th</sup>).

Furthermore, management is progressing toward securing debt financing that will help fund construction costs of the Tumas uranium mine once the FID is made to proceed, which is expected to occur in the very near future. Typically, debt issued for mine construction is secured by the assets and/or future cash flows of the project.

## MANAGEMENT'S STRATEGY

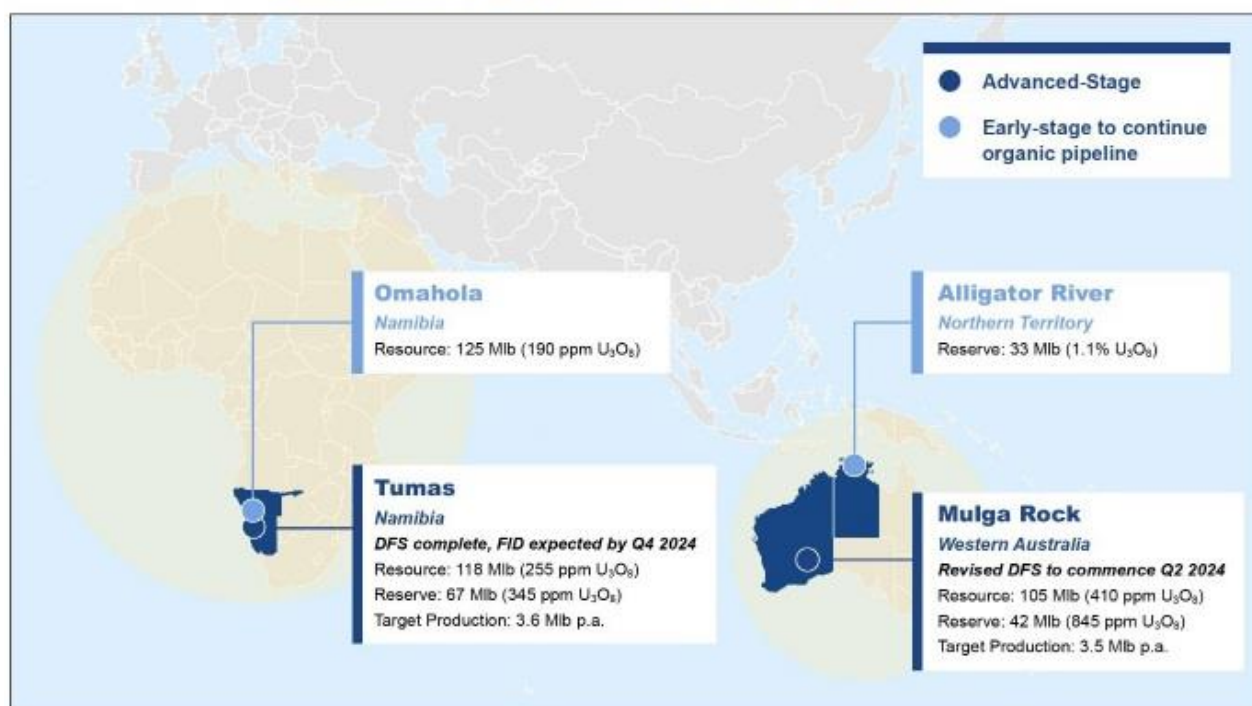
**Deep Yellow Ltd. is unique among junior mining companies:** the company is being positioned to provide a leveraged opportunity to participate in all phases of the expected upswing in uranium prices. Management's Dual Pillar strategy is designed to deliver both organic and inorganic growth by advancing the company's Namibian and Australian projects through the production stage and by acquiring additional projects as the industry consolidates. **Management is focused on becoming a low-cost, Tier I uranium producer**, defined as a multi-project producer of uranium with the capacity to deliver 5-10 million lbs. of uranium annually.

CEO John Borshoff and his team previously achieved the same accomplishment with Paladin Energy Ltd by acquiring, developing and advancing the Langer Heinrich deposit into production within four years (2002-2006) and the Kayelekera Mine in Malawi (production 2009 to 2013) during the last uranium up cycle.

The Langer Heinrich uranium mine is situated 30km northeast of the Tumas Project. Deep Yellow's executive team acquired, defined, funded, developed, optimized and operated Langer Heinrich from 2002 to 2017. The geology and type of deposit mineralization in these palaeochannel systems at Langer Heinrich and Tumas are quite similar, and the mining jurisdiction is one in the same. Management is well-prepared to fast-track Tumas to production during this uranium up-cycle.

The company's most advanced flagship project is the **95%-owned Tumas Project**, which is in the exact same jurisdiction and shares the same palaeochannel network as Langer Heinrich mine, as does EPL 3669 (aka Tumas North) in the NOVA JV, in which Deep Yellow holds a 39.5% interest.

### Deep Yellow's Worldwide Project Locations



Deep Yellow Annual Report Fiscal 2024

We expect that management will deliver on its plan of becoming a secure and reliable Tier I uranium producer with an annual operating capacity of 5-to-10 million lbs. of U<sub>3</sub>O<sub>8</sub>. We also expect management to pursue additional acquisitions and/or mergers as the uranium consolidates during the current upcycle.

## ANNUAL REPORT

On September 27, 2024, Deep Yellow filed its Annual Report for fiscal year ending June 30, 2024.

### Tumas Project (100%) - FY 2024

#### *Tumas 3 Drilling Campaign*

On February 29, 2024, an **RC and diamond core drilling campaign** commenced at Tumas 3 with the objectives to both upgrade and increase the Project's MRE, while simultaneously bolstering the company's financing effort to bring the Tumas mine to production. The goal was to define adequate



Proven Reserves within the pit locations defined within the Tumas DFS for the mine to operate for initial six (6) years of operation.

The **diamond drill spacing** in parts of Tumas 3 was reduced to **50m x 50m**, which was able to support the upgrading roughly 20 Mlbs U<sub>3</sub>O<sub>8</sub> from the JORC Indicated to Measured category.

A **660-hole (12,727m) RC resource drilling program** also commenced at the end of February and was completed in late-June. On September 11, 2024, Deep Yellow announced that the in-fill drilling program resulted in the upgrade of the **Measured and Indicated Mineral Resource to 58.2 Mlb eU<sub>3</sub>O<sub>8</sub>** at 320 ppm, achieving management's goal of a potential **LOM of over 30 years**.

As a reminder, in the previous drill program between late March and mid-August 2023, Deep Yellow **completed 235 RD drill holes (8,017m)** that targeted areas west of Tumas 3 East and Tumas Central. 109 holes explored for additional resources (spaced lines between 200m to 1,000m) and 126 holes focused on expanding the current resource, along line and holes spacing of 100m. **Based on the results of the drill program**, the **Indicated MRE increased 10.4%** from 54.9 Mlbs at 320 ppm eU<sub>3</sub>O<sub>8</sub> to 60.6 Mlbs at 325ppm eU<sub>3</sub>O<sub>8</sub>. The **Inferred MRE increased 24.0%** from 5.0 Mlbs at 219 ppm eU<sub>3</sub>O<sub>8</sub> to 6.2 Mlbs at 170ppm eU<sub>3</sub>O<sub>8</sub>. The total Tumas 3 MRE increased 11% to 66.8 Mlbs at 300 ppm eU<sub>3</sub>O<sub>8</sub>. The total ML 237 Indicated Mineral Resource increased to 108.5 Mlbs at 265 ppm eU<sub>3</sub>O<sub>8</sub>.

### **ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT**

*Namibian Mineral Resource Estimate – Current as 11 September 2024*

Deposit	Category	Cut-off (ppm U <sub>3</sub> O <sub>8</sub> )	Tonnes (M)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (t)	U <sub>3</sub> O <sub>8</sub> (Mlb)	Resource Categories (Mlb U <sub>3</sub> O <sub>8</sub> )		
							Measured	Indicated	Inferred
<b>BASEMENT MINERALISATION – OMAHOLA PROJECT – JORC 2012 <sup>2</sup></b>									
INCA Deposit ♦	Indicated	100	21.4	260	5,600	12.3	-	12.3	-
INCA Deposit ♦	Inferred	100	15.2	290	4,400	9.7	-	-	9.7
Ongolo Deposit #	Measured	100	47.7	185	8,900	19.7	19.7	-	-
Ongolo Deposit #	Indicated	100	85.4	170	14,300	31.7	-	31.7	-
Ongolo Deposit #	Inferred	100	94.0	175	16,400	36.3	-	-	36.3
MS7 Deposit #	Measured	100	18.6	220	4,100	9.1	9.1	-	-
MS7 Deposit #	Indicated	100	7.2	185	1,300	2.9	-	2.9	-
MS7 Deposit #	Inferred	100	8.7	190	1,600	3.7	-	-	3.7
<b>Omahola Project Sub-Total</b>			<b>298.2</b>	<b>190</b>	<b>56,600</b>	<b>125.4</b>	<b>28.8</b>	<b>46.9</b>	<b>49.7</b>
<b>CALCRETE MINERALISATION – TUMAS 3 DEPOSIT – JORC 2012 <sup>3</sup></b>									
Tumas 3 Deposit	Measured	100	33.8	300	10,210	22.5	22.5	-	-
Tumas 3 Deposit	Indicated	100	48.6	335	16,200	35.7	-	35.7	-
Tumas 3 Deposit	Inferred	100	16.1	170	2,770	6.1	-	-	6.1
<b>Tumas 3 Deposits Total</b>			<b>98.5</b>	<b>295</b>	<b>29,180</b>	<b>64.3</b>			
<b>TUMAS 1, 1E &amp; 2 DEPOSITS – JORC 2012 <sup>4,5</sup></b>									
Tumas 1, 1E & 2 Deposit ♦	Measured	100	35.2	205	7,270	16.0	16.0	-	-
Tumas 1, 1E & 2 Deposit ♦	Indicated	100	55.2	230	12,640	27.9	-	27.9	-
Tumas 1, 1E & 2 Deposit ♦	Inferred	100	21.2	215	4,530	10.0	-	-	10.0
<b>Tumas 1, 1E &amp; 2 Deposits Total</b>			<b>111.6</b>	<b>220</b>	<b>24,430</b>	<b>53.9</b>			
<b>Sub-Total of Tumas 1, 1E, 2 and 3</b>			<b>210.1</b>	<b>255</b>	<b>53,610</b>	<b>118.2</b>	<b>38.5</b>	<b>63.6</b>	<b>16.1</b>
<b>TUBAS RED SAND DEPOSIT – JORC 2012 <sup>6</sup></b>									
Tubas Sand Deposit #	Indicated	100	10.0	185	1,900	4.1	-	4.1	-
Tubas Sand Deposit #	Inferred	100	24.0	165	3,900	8.6	-	-	8.6
<b>Tubas Red Sand Deposit Total</b>			<b>34.0</b>	<b>170</b>	<b>5,800</b>	<b>12.7</b>			
<b>TUBAS CALCRETE DEPOSIT – JORC 2004 <sup>7</sup></b>									
Tubas Calcrete Deposit	Inferred	100	7.4	375	2,765	6.1	-	-	6.1
<b>Tubas Calcrete Total</b>			<b>7.4</b>	<b>375</b>	<b>2,765</b>	<b>6.1</b>			
<b>AUSSINANIS DEPOSIT – JORC 2012 – DEEP YELLOW 85% <sup>8</sup></b>									
Aussinanis Deposit ♦	Indicated	100	12.3	170	2,000	4.5	-	4.5	-
Aussinanis Deposit ♦	Inferred	100	62.1	170	10,700	23.6	-	-	23.6
<b>Aussinanis Deposit Total</b>			<b>74.4</b>	<b>170</b>	<b>12,700</b>	<b>28.1</b>			
<b>Calcrete Projects Sub-Total</b>			<b>325.9</b>	<b>230</b>	<b>74,875</b>	<b>165.1</b>	<b>38.5</b>	<b>72.2</b>	<b>54.4</b>
<b>GRAND TOTAL NAMIBIAN RESOURCES</b>			<b>624.1</b>	<b>210</b>	<b>131,475</b>	<b>290.5</b>	<b>67.3</b>	<b>119.1</b>	<b>104.1</b>

Deep Yellow Annual Report Fiscal 2024

## Metallurgical Testing for the Tumas Project

**Metallurgical test work** for the Tumas Project continues. **Optimization of the beneficiation process** has resulted in a material reduction in energy requirements, which is expected to reduce operating costs. Additional test work on the **membrane section** has significantly **improving performance over the assumptions in the DFS**, particularly by increasing the permeate yield and achieving a higher selectivity, which results in higher throughput of uranium, vanadium and reagents. These performance improvements should improve the Project's NPV.

## Tumas Definitive Feasibility Study Re-Costing Study

In December 2023, the Tumas Definitive Feasibility Study Re-Costing Study was completed, which updated the **base case price of uranium to US\$75/lb.** from US\$65/lb. U<sub>3</sub>O<sub>8</sub> (a conservative increase considering the spot price has exceeded US\$100/lb.) and adjusted the initial cost estimates to reflect the moderating rate of inflation and an abatement of the supply chain pressures. The **base case IRR increased from 19.2% to 27.0%.** **The Re-Costing Study continues to validate the commercial viability of the Project.**

## NOVA JV - FY 2024

Based on the evaluation of Barking Gecko 8-RC hole (1,558m) drill program, which was conducted between September 22, 2023 and November 10, 2023, JOGMEC (Japan Oil, Gas and Metals National Corporation) advised Deep Yellow of its intention to withdraw from the NOVA JV. After the documentation is received, the Project's ownership will revert to Deep Yellow (65%), Toro (25%) and Sixzone (10%).

## Mulga Rock Project (100%) - FY 2024

On February 26, 2024, Deep Yellow released an **updated MRE** for the Ambassador and Princess deposits **at the Mulga Rock Project**. The **total** Measured, Indicated & Inferred **U<sub>3</sub>O<sub>8</sub>** Mineral Resources **increased 25.6%** from 56.7 Mlbs to 71.2 Mlbs with Measured increasing 15.9%, Indicated increasing 57.1% and Inferred decreasing 30.3%, all at a at a 100 ppm U<sub>3</sub>O<sub>8</sub> cut-off. The decrease of the Inferred resource was a result of an overall upgrade of previously lower grade material into the Indicated category. The updated MRE included drilling results from the 656-hole (36,647m) air core drill program completed in August 2023.

**Mulga Rock East – Comparison Between Previous and Updated MRE  
100 ppm U<sub>3</sub>O<sub>8</sub> and 100 ppm U<sub>3</sub>O<sub>8</sub>Eq Cut-Off Grades**

Class	PREVIOUS MRE			UPDATED MRE				
	Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub>		Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub>		U <sub>3</sub> O <sub>8</sub> Eq	
		(ppm)	(Mlb)		(ppm)	(Mlb)	(ppm)	(Mlb Eq)
Measured	5.2	1,100	12.6	12.9	514	14.6	785	22.4
Indicated	16.8	799	29.6	57.2	370	46.5	565	71.1
Inferred	16.2	406	14.5	11.1	413	10.1	481	11.8
Total	38.2	673	56.7	81.2	400	71.2	590	105.3

DeepYellow Quarterly Activities Report March 2024

**In addition**, the updated MRE **includes estimates for critical minerals** (Cu, Ni, Co, Zn & Rare Earth Oxides) as **eU<sub>3</sub>O<sub>8</sub>**. Including the critical minerals, the total updated Measured, Indicated & Inferred **eU<sub>3</sub>O<sub>8</sub>** Mineral Resources **increased 85.7%** from 56.7 Mlbs to 105.3 Mlbs with Measured increasing 77.8%, Indicated increasing 140.2% and Inferred decreasing 18.6%. There was also an overall upgrade of material from the Inferred into the Indicated category.

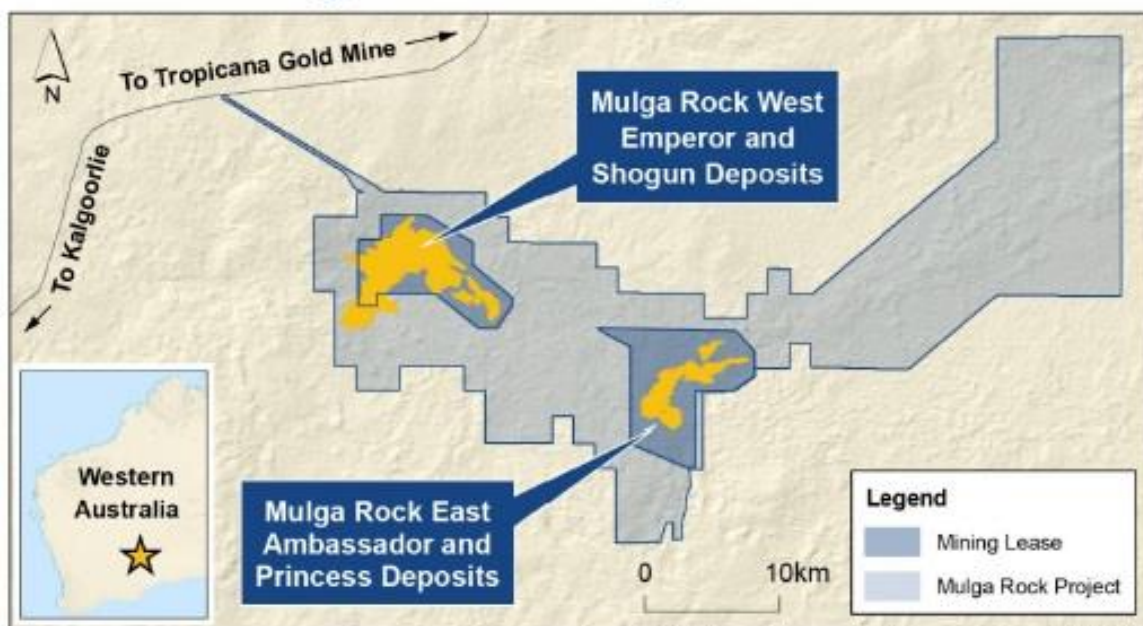


### Mulga Rock East – Critical Minerals.

Deposit <sup>1</sup>	Class	Tonnes (Mt)	Cu (ppm)	Cu (Kt)	Zn (ppm)	Zn (Kt)	Ni (ppm)	Ni (Kt)	Co (ppm)	Co (Kt)	REO (ppm)	REO (Kt)
Princess	Indicated	5.0	810	4.0	1,270	6.3	500	2.5	305	1.5	175	0.9
Princess	Inferred	2.4	510	1.2	910	2.2	395	0.9	230	0.6	185	0.4
Ambassador	Measured	12.9	675	8.7	2,720	35.2	800	10.4	440	5.7	940	12.2
Ambassador	Indicated	52.2	495	25.8	1,400	73.1	785	41.0	465	24.4	605	31.7
Ambassador	Inferred	8.7	190	1.7	275	2.4	125	1.1	65	0.6	280	2.4
<b>TOTAL</b>		<b>81.2</b>	<b>510</b>	<b>41.4</b>	<b>1,465</b>	<b>119.1</b>	<b>690</b>	<b>55.9</b>	<b>405</b>	<b>32.7</b>	<b>585</b>	<b>47.6</b>

Deep Yellow Interim Half-Year Report March 2024

### Mulga Rock Project – 100%



Deep Yellow Annual Report Fiscal 2024

A **metallurgical test work program** conducted for the Mulga Rock Project (Western Australia) was completed during the third fiscal quarter. The results established the potential commercial viability of recovering **critical minerals** (base metals and rare earth elements) along with **uranium resource**.

The **metallurgical test work for Mulga Rock** indicates that:

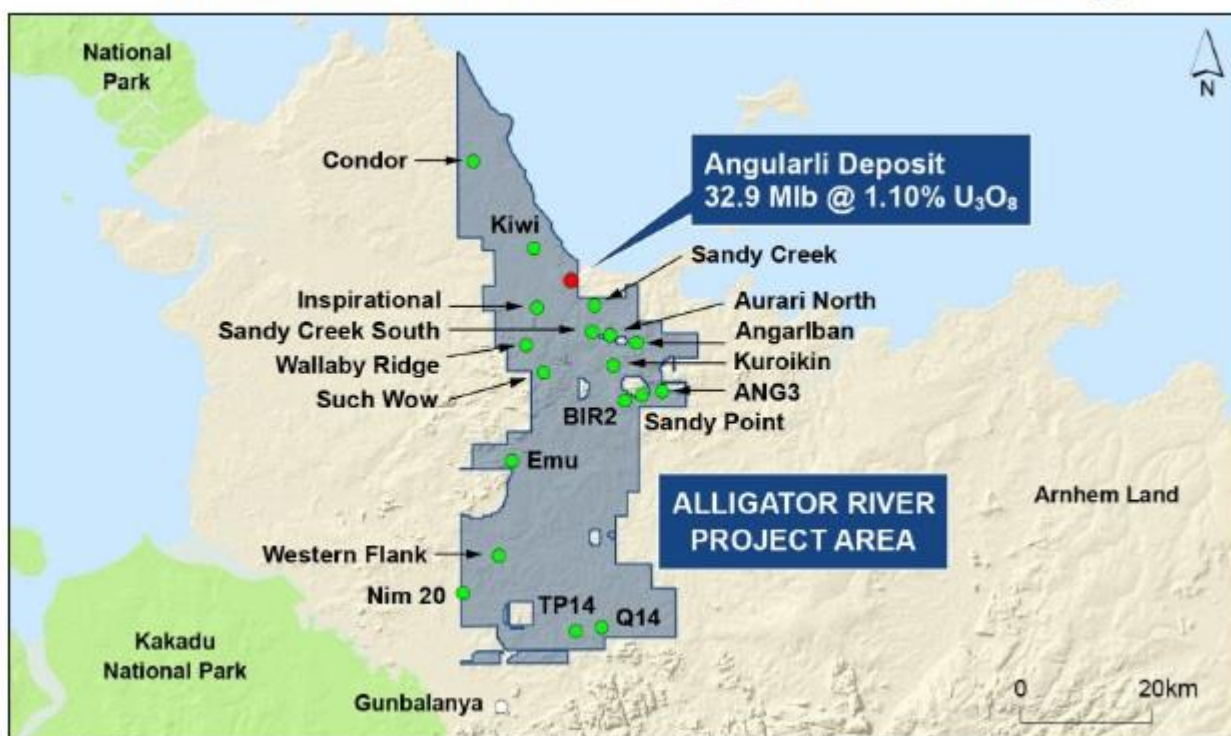
- an **overall uranium recovery rate above 90% is probable**
- **overall recoveries for base metals** (copper, nickel, cobalt and zinc) **and rare earth elements** (neodymium, praseodymium, terbium and dysprosium) **are above 70%** and

The 2018 DFS had uranium recovery rates in the 85.9%-to-89.6% range with no recovery assumed for critical minerals and only around 20% for base metals.

A revised DFS that will optimize the mining method, which will potentially include the recovery of critical minerals, is being undertaken with completion date anticipated to be in the third calendar quarter of 2025.

## Alligator River Project - FY 2024

### ALLIGATOR RIVER PROJECT (Northern Territory)



Deep Yellow Annual Report FY 2024

Since the announcement of the 27% increase of the MRE for the Angularli Deposit at Alligator River Project in mid-2023, a **heritage survey** on EL5893 was conducted in the **second quarter of FY2024**, which resulted in conditional approval to explore areas north of Angularli. During the **third fiscal quarter**, desktop studies were conducted to delineate prospective corridor, including combining and merging radiometric, magnetic and gravity data in order to produce geophysical images that will help identify prospective corridors. During the second half of fiscal 2024, two geophysical surveys were planned, including a ~750-line km drone-borne high-resolution magnetic and radiometric survey commenced in June 2024. Also, RC and diamond drilling programs were being planned, and LIDAR data was acquired. A ~750-line km drone-borne high-resolution magnetic and radiometric survey commenced in June 2024.

#### Angularli Mineral Resource Estimate, July 2023.

Deposit	Category	Cut-off	Tonnes	U <sub>3</sub> O <sub>8</sub>	U <sub>3</sub> O <sub>8</sub>	U <sub>3</sub> O <sub>8</sub>	Resource Categories (Mlb U <sub>3</sub> O <sub>8</sub> )		
		(% U <sub>3</sub> O <sub>8</sub> )	(Mt) <sup>1</sup>	(%) <sup>2</sup>	(t)	(Mlb)	Measured	Indicated	Inferred
UNCONFORMITY-RELATED MINERALISATION									
Alligator River Project - JORC 2012									
Angularli Deposit	Inferred	0.10	1.47	1.02	15,048	33.2	-	-	33.2
		0.15	1.37	1.09	11,748	32.9	-	-	32.9
		0.20	1.27	1.16	11,700	32.5	-	-	32.5
		0.25	1.18	1.24	11,430	32.0	-	-	32.0
		0.30	1.09	1.31	11,430	31.5	-	-	31.5
Alligator River Project Total			1.37	1.09	11,748	32.9	-	-	32.9

Deep Yellow Interim Half-Year Report March 2024



## Financial

The company is well funded with a **cash balance of AUD\$177.5 million** as of June 30, 2024, up 335% from AUD \$40.77 million on June 30, 2023. Working capital was **AUD\$260.5 million**.

### ANTICIPATED MILESTONES

#### Tumas Project

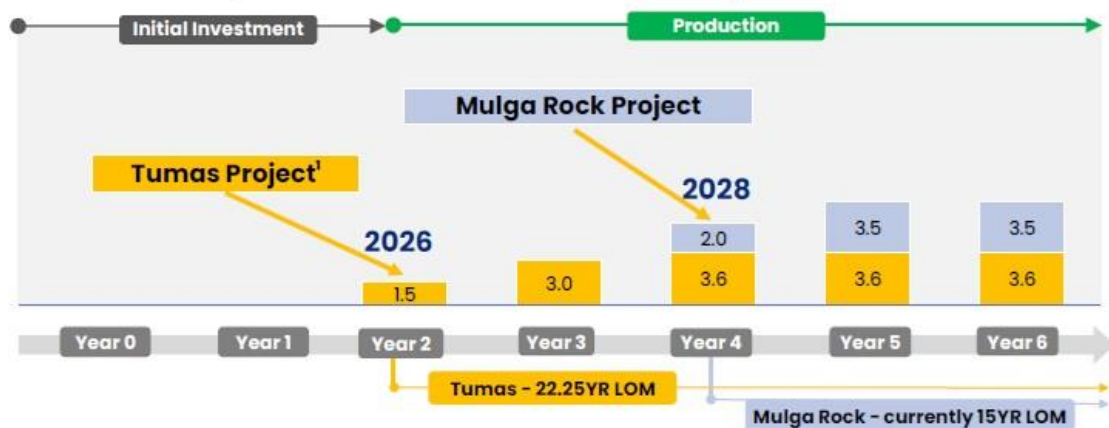
- **Final Investment Decision (FID)** is expected to be made in the very near future.
- If management's plans continue as expected, **production is anticipated to commence during the second half of calendar 2026**
- The **detailed engineering phase** was able to begin after Ausenco Services Pty Ltd was selected as the preferred EPCM. **It is anticipated that the Tumas Project will be further optimized.**
- Additional resource drilling is planned for an area to the west of Tumas 3 during FY2025 with the goal of identifying an additional 30 Mlb U<sub>3</sub>O<sub>8</sub> in order to achieve a 35+ year LOM.

#### Tumas Project Timeline



Deep Yellow Presentation August 2024

### Two Substantial, Advanced Uranium Projects to Produce +7Mlb



**Tumas** – DFS complete, FID Q4 2024 – aiming for production 2026



**Mulga Rock** – Post-acquisition revised DFS started Q3 2024 to improve project economics

Deep Yellow Presentation August 2024

## Mulga Rock Project

- A **revised DFS** for the Mulga Rock Project, including base metals and rare earth elements (REE) in addition to uranium, commenced in the first quarter of FY2025 with expectations of being completed in the fourth quarter of FY2025.

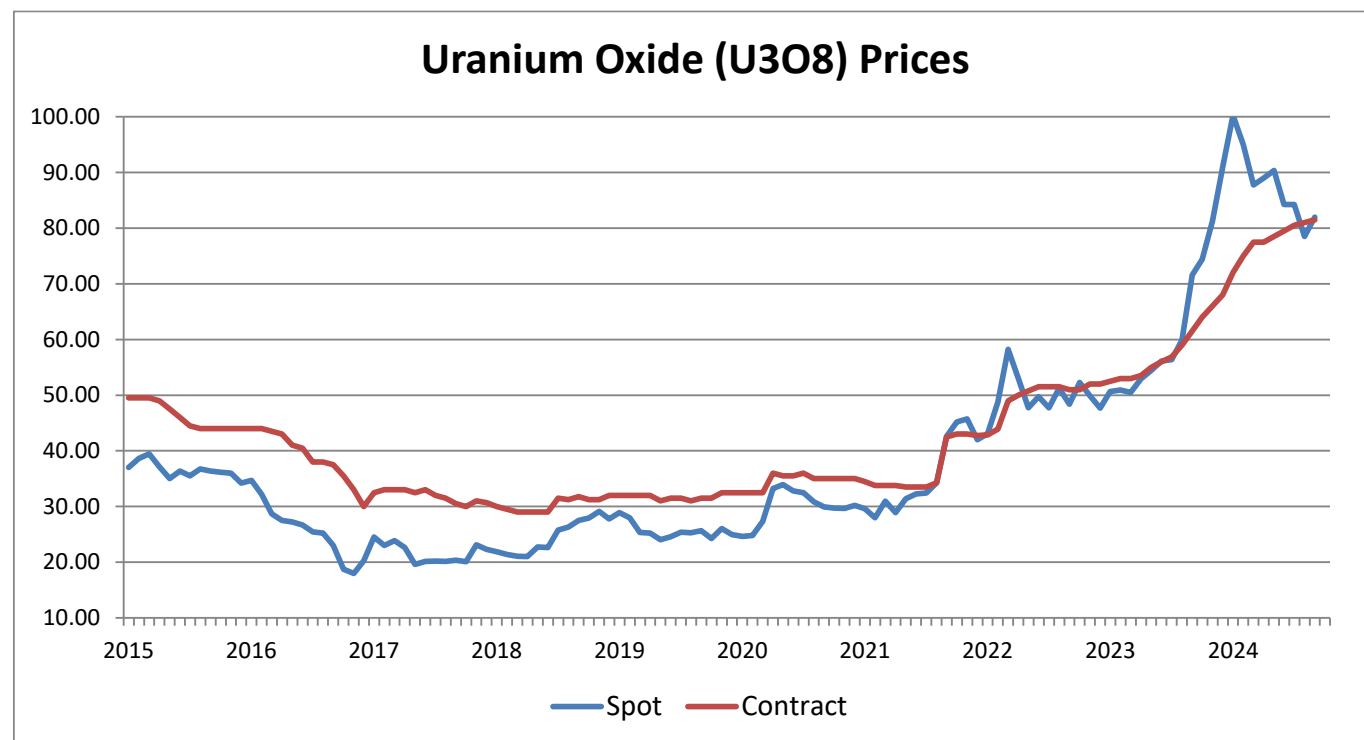
## Alligator River Project

- Desk top prospectivity appraisals to define priority exploration corridors during calendar 2024.

## UPDATE ON THE URANIUM INDUSTRY

The **momentum for uranium** has been fueled by **greater acceptance of electricity generated from nuclear power plants** as nations around the world grapple with the challenges in the efforts to reduce the use of fossil fuels. Political ambition has been translating into political action.

The driving force has been the recognition of the tightening supply/demand structure of uranium market with the **projected demand by nuclear power plants increasing** and the **sequestration of uranium by physical funds** (such as the Sprott Physical Uranium Trust and Yellow Cake Plc) continuing. The change in sentiment of utility buyers of long-term contracted uranium has resulted in **the volume of contracted volume increasing to the highest level in over a decade.**



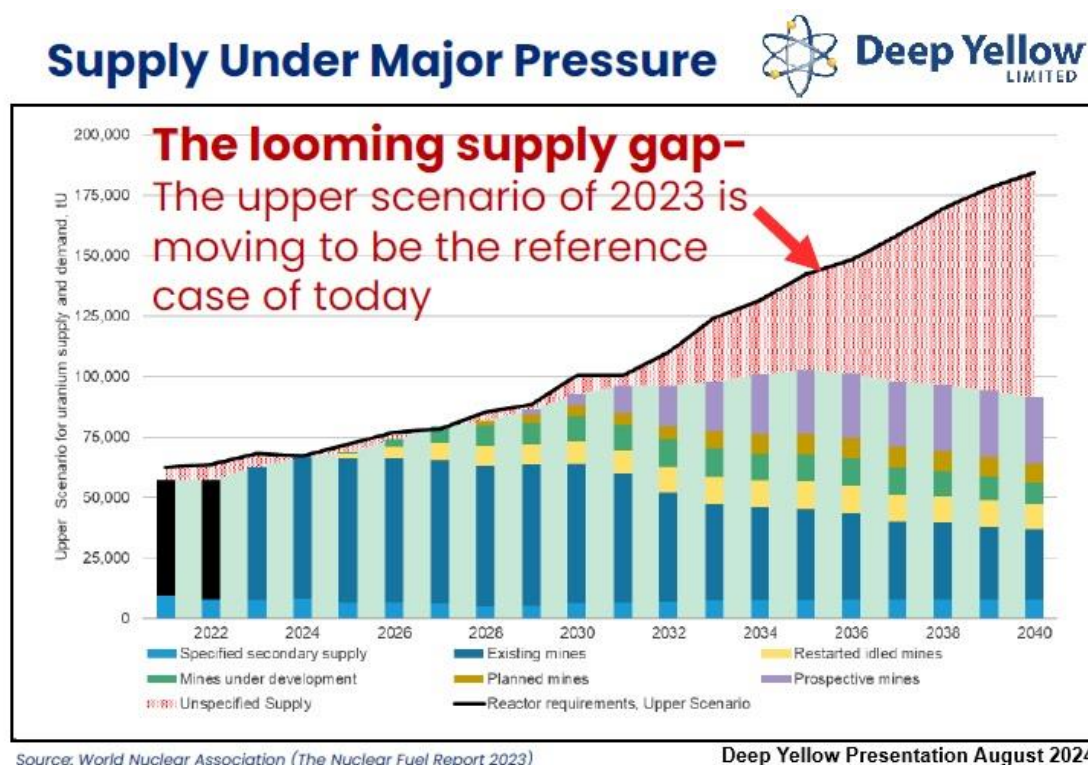
Between November 30 to December 12, 2023, around 85,000 participants gathered the **COP28** (the 28th Conference of the Parties of the United Nations Framework Convention on Climate Change) aka UNFCCC) in Dubai. At the Conference, 22 countries pledged to triple the nuclear capacity by 2050. Within COP28, the 2-day Net Zero Nuclear Summit was convened.

More than 120 nuclear energy and technology companies have signed an **Industry Pledge to at least triple global nuclear energy capacity by 2050**. And **25 countries** have also signed a pledge to triple nuclear energy capacity by 2050.

In March 2024, world leaders met in Brussels at the first **Nuclear Energy Summit** in order to emphasize the role of nuclear energy in reducing the use of fossil fuels and improve energy security.

The momentum is further exemplified by increased attendance at the annual **World Nuclear Symposium** held in early September 2024. This year, the event was one of the best attended in its history, reaching maximum 800-person venue.

Leading market research firms on the nuclear industry forecast that the deficit between primary supply (from mines) and the demand by nuclear reactors will continue to expand through 2040. In its reference scenario, the **World Nuclear Association** calculates that the annual primary supply deficit for uranium will exceed 140 million pounds by 2030. Furthermore, in its Base case, **UxC** estimates that between 2023 and 2040, the needs of operating nuclear reactors will increase by 35%. Both scenarios indicate that new primary production will be needed with the price of uranium being the key deterrent that will incentivize the development of new mines.



The **demand for electricity continues to increase** due to population growth, the modernization of emerging & developing nations, the adoption of EVs and the growing desire to attain Net-Zero Carbon Emissions targets. According to the latest International Energy Agency (IEA) report, global electricity demand continues to grow with electricity generated from fossil fuels expected to decline and electricity generated from renewables anticipated to expand.

Countries such as China, India, Spain, Finland, Sweden and the U.S. have and continue to **embrace nuclear power** through new power plant builds and/or life extensions. Elsewhere, there are countries in which governments are updating power policies to encompass or **emphasize nuclear electrical power** under the mantra of clean, renewable energy. Globally, there are **439 nuclear reactors in operation** and **66 under construction** with China accounting for 30 reactors under construction.



## Uranium Cycle

The uranium industry is composed of many companies, from major established producers to more speculative junior exploration companies. Though larger producers tend to have greater resources to navigate periods of depressed market conditions, junior companies provide greater leverage to the rise in uranium prices.

Almost all uranium stocks should benefit from the anticipated growth of much needed primary supply driven by the expected upcoming fundamental supply deficit; however, certain groups of uranium stocks benefit differently from each stage of the up-cycle. Historically (observing the 2001-2007 up-cycle), current producers reacted well to the **initial rise in prices** (since their current production could immediately benefit from the increase in the price of uranium), and they significantly outperformed the price of the commodity, itself. However, extreme out-sized returns were enjoyed by junior mining companies that traded below \$0.25 per share at the bottom.

Then, there was a **mid-phase** when the rate of increase of the spot price of uranium moderated to a single-digit rate. In this period, junior mining companies corrected in the 40%-to-50% (sometimes multiple times), while producers corrected about half that amount (around 25%).

In the current uranium cycle, the advent of **physical uranium funds** assisted in growing demand/supply imbalance by removing supply from the market. Their combined stockpiles now total over 100 million pounds. Currently, these uranium investment vehicles do not have formal redemption mechanisms. As uranium prices rise, there will be the potential for these funds to release supply into the market, triggering one of several expected 40%-to-50% corrections in the uranium space.

During the **latter phase**, when the uranium spot price surged irrationally, junior mining companies that have become producers (and the commodity) exhibited solid triple-digit returns from the consolidation low that had occurred in the mid-phase. Surprisingly, in this late phase, out-sized returns were achieved by junior mining companies which announced, at that instant, they were entering the uranium space; on the other hand, these same junior companies later experienced greater than 95% declines as the cycle eventually unwound.

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## INSTITUTIONAL OWNERSHIP

Institutional investors own 44.23% of the fully paid ordinary shares outstanding of Deep Yellow Limited as of the end of the latest reporting period (June 30, 2024). Paradise Investment Management Pty Limited was the largest holder with 69,789,193 shares (or 9.20% of the shares outstanding). Other major institutional holders include State Street (7.13%) and the Vanguard Group (5.00%).

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## VALUATION

As a junior uranium company, Deep Yellow cannot be valued on a revenue, earnings or cash flow basis. The goal of management's Dual Pillar strategy is to increase shareholders' value through the development of the company's existing EPLs in Namibia (organic growth), along with continued exploration to increase the project's estimated resources, and by pursuing acquisitions and/or mergers in order to create a multi-jurisdictional portfolio of low-cost uranium projects.

More sophisticated methodologies based on market capitalization-to-reserves, average value per tonne, per-pound costs or cash profit margins per pound produced also are not germane. However, once the Pre-Feasibility Study on the Reptile Project is completed, we will be able to utilize a resource valuation methodology where we can calculate a per share value of attributable resources. In the meantime, an alternative valuation technique based on book value is an appropriate alternative, especially in comparison to junior uranium companies that share similar attributes to Deep Yellow's.

Book value of a **junior uranium development company** represents the equity capital that has been raised to acquire the minerals rights on properties and to conduct exploration and development programs. An amalgamation of this information is encapsulated within the raised capital total, including the quality of the properties (both in terms of mineral potential and political stability), exploration results from drilling programs and the steps of development process that management has initiated / completed (Scoping Study, Pre-Feasibility Study, Metallurgical Test Work, Environmental Impact Statement, Baseline Studies and Definitive Feasibility Study). Therefore, book value captures the complex valuation of the company's base uranium resource value by relatively sophisticated investors, many with expert knowledge of junior uranium companies in the development phase. Hence, we find the use of book value is a valid and appropriate metric by which to determine a junior uranium company's valuation.

Broadly speaking, the public uranium companies can be grouped into three segments: producers, development companies and exploration companies. Producers are actively mining and generating revenues. Exploration companies are prospecting and/or drilling to establish mineral resources. In between these two segments are the development companies that already have established resources and are advancing through the process to bring a mine in operation, generally from the point of initiating a Pre-Feasibility Study to the actual construction of a mine. The comparable companies to Deep Yellow fall into this category.

<i><b>Industry Comparables</b></i>	<b>% Chg YTD</b>	<b>Ticker</b>	<b>Exch.</b>	<b>U.S. Ticker</b>	<b>Uranium Project Country</b>	<b>Principal Uranium Project</b>	<b>Phase</b>	<b>Mkt Cap Local Curr. (\$ mil.)</b>	<b>Price/ Book</b>
<b>Deep Yellow Ltd</b>	39.3%	DYLLF	OTCQX	DYLLF	Namibia	Tumas	DFS	989.1	2.37
<b>Deep Yellow Ltd</b>	38.1%	DYL	ASX	DYLLF	Namibia	Tumas	DFS	1459.4	2.37
<b>URANIUM DEVELOPMENT COMPANIES</b>									
Bannerman Energy Ltd	22.7%	BMN	ASX	BNNLF	Namibia	Etango	DFS	589.4	5.52
Denison Mines Corp.	13.8%	DML	TSX	DNN	Canada	Phoenix	PFS	2,895.7	3.87
NexGen Energy Ltd.	1.3%	NXE	TSX	NXE	Canada	Arrow	PFS	5,302.5	6.20
Paladin Energy Ltd	21.2%	PDN	ASE	PALAF	Namibia	Langer Heinrich	Restart	3,490.0	6.53
<b>Industry Mean</b>	<b>14.7%</b>							<b>3,069.4</b>	<b>5.53</b>
S&P 500 Index	20.6%	^SPX:US	NYSE		N/A	N/A	N/A	N/M	4.71

Further, the comparable companies have been narrowed through quantitative factors, particularly those with a market capitalization over \$500 million and trading above \$1.00 per share. This process captures a range of well-funded junior uranium development companies, which are listed in the table above. Currently, the P/B valuation range of these comparable companies is between 3.87 and 6.53. With the expectation that Deep Yellow's stock will attain a second quartile P/B ratio of 6.0, our **comparable analysis valuation price target is US\$2.60.**

## RISKS

- A nuclear reactor accident traditionally has dramatically and negatively affected the demand for uranium as power plants are shut down for inspections and governments re-evaluate the safety of nuclear energy.
- As with almost all junior resource exploration companies, Deep Yellow does not generate sufficient cash flow to adequately fund its exploration and developmental activities and is in need of additional capital to continue pursuing management's strategy. However, the company has effectively funded its operations and initiatives to date.
- Shares outstanding increased significantly in fiscal 2017 (+72.6%), fiscal 2019 (+22.0%), fiscal 2021 (+35.0%) and fiscal 2024 (+27.8%).as equity financings have funded the company's exploration activities and general corporate expenses. However, during fiscal 2018 and fiscal 2020, shares outstanding increased only 5.3%, and only 3.1%, respectively. In fiscal 2022, shares outstanding increased 121% as a result of the merger with Vimy Resources and also the exercise of expiring options. During fiscal 2023, shares outstanding increased only 3.0%; however, thus far in fiscal 2024, shares outstanding have increased by 27.8%.
- As with any mineral company, the price of the targeted mineral is beyond management's control, in Deep Yellow's case, the price of uranium. However, current fundamentals indicate that that a supply deficit and the projected increase in the number of nuclear power plants should drive the price of uranium well above \$75 per pound, creating an economic environment for new uranium mines to be developed.



## BALANCE SHEET

### Deep Yellow Limited

(in \$AUD except ordinary share data)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Period ending	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
<b>ASSETS</b>					
Cash and cash equivalents	12,116,972	52,448,274	64,924,350	40,770,146	177,503,228
Trade and other receivables	298,265	534,763	605,426	3,680,058	86,955,471
Prepayments	187,567	224,419	734,397	499,755	503,796
<b>Total Current Assets</b>	<b>12,602,804</b>	<b>53,207,456</b>	<b>66,264,173</b>	<b>44,949,959</b>	<b>264,962,495</b>
Property, plant and equipment	518,897	738,076	1,120,098	3,091,251	3,531,718
Trade and other receivables	-	-	-	480,560	664,904
Exploration and evaluation expenditure	35,415,745	43,420,220	49,727,889	339,592,920	352,835,501
Right-of-use assets	617,015	503,105	3,803,633	3,553,804	3,084,579
<b>TOTAL ASSETS</b>	<b>49,154,461</b>	<b>97,868,857</b>	<b>120,915,793</b>	<b>391,668,494</b>	<b>625,079,197</b>
Trade and other payables	492,605	880,431	1,697,527	10,154,769	2,768,559
Lease liabilities	57,562	117,658	144,654	266,537	231,471
Provisions	99,221	106,929	210,956	409,274	1,422,660
<b>Total Current Liabilities</b>	<b>649,388</b>	<b>1,105,018</b>	<b>2,053,137</b>	<b>10,830,580</b>	<b>4,422,690</b>
Employee provisions	48,794	38,360	36,030	160,692	-
Lease liabilities	536,664	429,735	3,649,608	3,567,291	3,335,818
Provisions	-	-	-	2,467,577	2,684,251
<b>Non-Current Liabilities</b>	<b>585,458</b>	<b>468,095</b>	<b>3,685,638</b>	<b>6,195,560</b>	<b>6,020,069</b>
<b>TOTAL LIABILITIES</b>	<b>1,234,846</b>	<b>1,573,113</b>	<b>5,738,775</b>	<b>17,026,140</b>	<b>10,442,759</b>
<b>SHAREHOLDERS' EQUITY</b>					
Issued equity	249,753,196	296,373,482	321,796,741	594,396,624	838,017,347
Accumulated losses	(193,266,333)	(198,081,539)	(204,906,849)	(215,022,954)	(225,658,625)
Employee equity benefits reserve	13,476,273	15,444,255	17,753,920	20,665,779	25,872,451
Foreign currency translation reserve	(22,043,521)	(17,440,454)	(19,466,794)	(25,397,095)	(23,594,735)
<b>Total Stockholders' Equity</b>	<b>47,919,615</b>	<b>96,295,744</b>	<b>115,177,018</b>	<b>374,642,354</b>	<b>614,636,438</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQ.</b>	<b>49,154,461</b>	<b>97,868,857</b>	<b>120,915,793</b>	<b>391,668,494</b>	<b>625,079,197</b>
Ordinary shares outstanding	245,052,016	330,763,558	731,547,240	758,387,933	969,457,541

## ANNUAL INCOME STATEMENTS

### Deep Yellow Limited

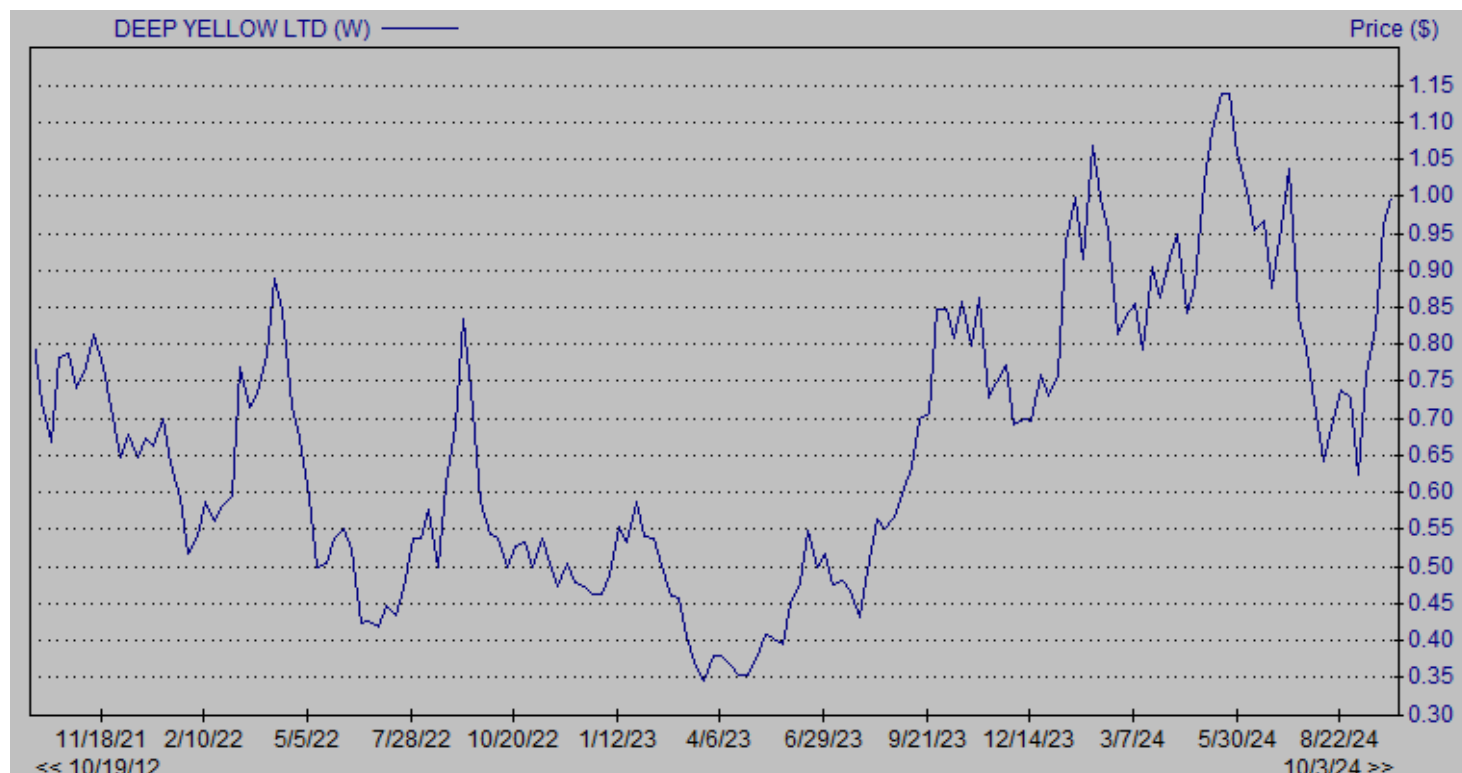
Income Statement (in \$AUD, except share out. data)	FY 2020 6/30/2020	FY 2021 6/30/2021	FY 2022 6/30/2022	FY 2023 6/30/2023	FY 2024 6/30/2024
Interest and other income	257,455	176,227	353,175	1,892,462	3,881,608
Other income	-	51,216	110,233	-	-
Revenue from contracts with customers	77,199	56,126	51,566	38,459	15,949
<b>Total Revenues</b>	<b>334,654</b>	<b>283,569</b>	<b>514,974</b>	<b>1,930,921</b>	<b>3,897,557</b>
Depreciation & amortisation expenses	(215,812)	(225,964)	(356,861)	(818,133)	(805,888)
Marketing expenses	(222,461)	(198,811)	(319,422)	(566,674)	(448,580)
Occupancy expenses	(94,324)	(90,611)	(131,685)	(319,071)	(226,610)
Administrative expenses	(1,930,685)	(1,933,039)	(3,338,283)	(4,580,215)	(3,458,201)
Employee expenses	(2,033,839)	(2,609,231)	(3,140,796)	(5,201,911)	(7,801,091)
Reversal imp'rm't of cap. exp. & eval. exp.	7,100,920	0	0	0	0
Impairm't of cap. explor. & eval. exp.	(36,893)	(18,297)	(42,953)	(364,839)	(1,682,902)
<b>Expenses</b>	<b>2,566,906</b>	<b>(5,075,953)</b>	<b>(7,330,000)</b>	<b>(11,850,843)</b>	<b>(14,423,272)</b>
<b>Loss Before Other Income</b>	<b>2,901,560</b>	<b>(4,792,384)</b>	<b>(6,815,026)</b>	<b>(9,919,922)</b>	<b>(10,525,715)</b>
Interest (expense)	(26,697)	(22,822)	(10,284)	(196,183)	(109,956)
Income tax (expense)	-	-	-	-	-
<b>Total Other Income (Expenses)</b>	<b>(26,697)</b>	<b>(22,822)</b>	<b>(10,284)</b>	<b>(196,183)</b>	<b>(109,956)</b>
<b>Net Loss</b>	<b>2,874,863</b>	<b>(4,815,206)</b>	<b>(6,825,310)</b>	<b>(10,116,105)</b>	<b>(10,635,671)</b>
<b>Other comprehensive income</b>					
Fgn. curr. translation gain (loss)	(6,269,172)	4,603,067	(2,026,340)	(5,930,301)	1,802,360
<b>Total comp. gain (loss), net of tax</b>	<b>(3,394,309)</b>	<b>(212,139)</b>	<b>(8,851,650)</b>	<b>(16,046,406)</b>	<b>(8,833,311)</b>
Diluted gain (loss) per ordinary share	<b>0.0119</b>	<b>(0.0175)</b>	<b>(0.0184)</b>	<b>(0.0142)</b>	<b>(0.0131)</b>
Wgtd. Avg. Ord. Shares Out. - diluted	242,402,378	275,681,267	370,069,286	710,990,970	811,562,091

## SEMI-ANNUAL INCOME STATEMENTS

<b>Deep Yellow Limited</b>						
Income Statement (in \$AUD, except share out. data)	1H 2023 12/31/2022	2H 2023 6/30/2023	FY 2023 6/30/2023	1H 2024 12/31/2023	2H 2024 6/30/2024	FY 2024 6/30/2024
Interest and other income	904,821	876,600	1,781,421	637,195	3,244,413	3,881,608
Other income	63,592	47,449	111,041	-	-	-
Revenue from contracts with customers	18,667	19,792	38,459	14,940	1,009	15,949
<b>Total Revenues</b>	<b>987,080</b>	<b>943,841</b>	<b>1,930,921</b>	<b>652,135</b>	<b>3,245,422</b>	<b>3,897,557</b>
Depreciation & amortisation expenses	(414,702)	(403,431)	(818,133)	(407,061)	(398,827)	(805,888)
Marketing expenses	(330,667)	(236,007)	(566,674)	(250,165)	(198,415)	(448,580)
Occupancy expenses	(180,306)	(138,765)	(319,071)	(112,152)	(114,458)	(226,610)
Administrative expenses	(2,520,144)	(2,060,071)	(4,580,215)	(1,686,311)	(1,771,890)	(3,458,201)
Employee expenses	(2,533,417)	(2,668,494)	(5,201,911)	(4,327,873)	(3,473,218)	(7,801,091)
Reversal imp'r'm't of cap. exp. & eval. exp.	0	0	0	0	0	0
Write-off of cap. explor. & eval. exp.	(14,670)	(350,169)	(364,839)	(10,467)	(1,672,435)	(1,682,902)
<b>Expenses</b>	<b>(5,993,906)</b>	<b>(5,856,937)</b>	<b>(11,850,843)</b>	<b>(6,794,029)</b>	<b>(7,629,243)</b>	<b>(14,423,272)</b>
<b>Loss Before Other Income</b>	<b>(5,006,826)</b>	<b>(4,913,096)</b>	<b>(9,919,922)</b>	<b>(6,141,894)</b>	<b>(4,383,821)</b>	<b>(10,525,715)</b>
Interest (expense)	(58,966)	(137,217)	(196,183)	(50,610)	(59,346)	(109,956)
Income tax (expense)	-	-	-	-	-	0
<b>Total Other Income (Expenses)</b>	<b>(58,966)</b>	<b>(137,217)</b>	<b>(196,183)</b>	<b>(50,610)</b>	<b>(59,346)</b>	<b>(109,956)</b>
<b>Net Loss</b>	<b>(5,065,792)</b>	<b>(5,050,313)</b>	<b>(10,116,105)</b>	<b>(6,192,504)</b>	<b>(4,443,167)</b>	<b>(10,635,671)</b>
<b>Other comprehensive income</b>						
Fgn. curr. translation gain (loss)	(1,318,168)	(4,612,133)	(5,930,301)	343,049	1,459,311	1,802,360
<b>Total comp. gain (loss), net of tax</b>	<b>(6,383,960)</b>	<b>(9,662,446)</b>	<b>(16,046,406)</b>	<b>(5,849,455)</b>	<b>(2,983,856)</b>	<b>(8,833,311)</b>
Diluted gain (loss) per ordinary share	<b>(0.0076)</b>	<b>(0.0067)</b>	<b>(0.0142)</b>	<b>(0.0082)</b>	<b>(0.0050)</b>	<b>(0.0131)</b>
Wgtd. Avg. Ord. Shares Out. - diluted	667,000,000	754,981,940	710,990,970	755,183,415	894,843,771	811,562,091



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