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Deep Yellow Limited

(OTCQX: DYLLF)

DYLLF: The Final Investment Decision (FID) for Tumas will now be made in March 2025. An upgraded Ore Reserve Estimate on the Tumas Project, which now supports a LOM of 30 years, requires additional work to make a prudent FID.

Based on comparative analysis of junior uranium companies in the feasibility study phase, a second quartile price-to-book (P/B) ratio of 5.2 indicates a share price target of US\$2.00.

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

Current Price (01/17/25) \$0.79
Valuation (US\$) \$2.00

OUTLOOK

Deep Yellow Ltd. (OTCQX: DYLLF; ASX: DYL) 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. The FID for Tumas is now expected in March 2025

Work continues at Mulga Rock and on Deep Yellow's early-stage Alligator River Project.

SUMMARY DATA

52-Week High \$1.20
52-Week Low \$0.57
One-Year Return (%) -20.70
Beta (2 Year) 1.46
Average Daily Volume (shrs.) 118,813

Shares Outstanding (million) 972.5
Market Capitalization (\$mil.) \$767.3
Short Interest Ratio (days) 49.7
Institutional Ownership (%) 52.3
Insider Ownership (%) 8.1

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

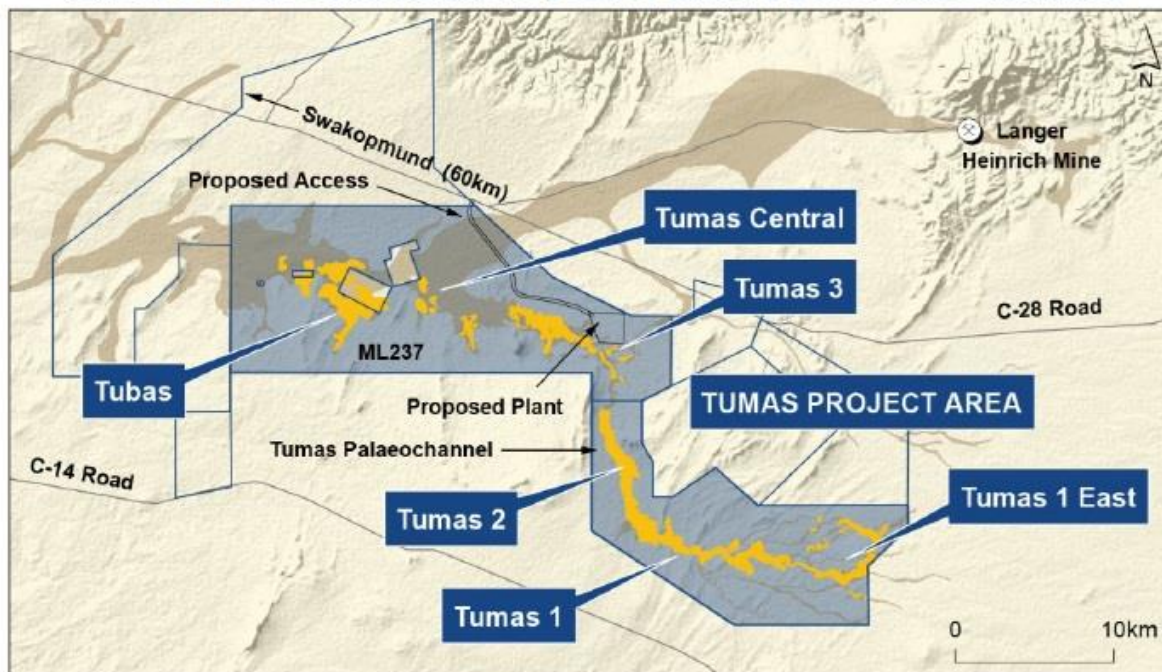
EPS in \$AUD

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

Deep Yellow is on the threshold of entering **the mine construction phase** as management awaits the receipt of costings and quotes for both equipment and construction as well as the results of additional optimization studies. **The Final Investment Decision (FID) for the Tumas Project has been deferred until early March 2025.** The Board is also taking a very disciplined approach and believes that the start-up of a greenfield uranium project at the current contract uranium price in the low \$70 range would not in the best interest of shareholders since that price level does not reflect the looming critical supply shortage.

The significant equity financing in May 2024 provided the necessary capital to continue moving forward with the Tumas Project. Furthermore, management is progressing toward securing debt financing in order to ensure funding will be available for construction costs when once the FID is made to proceed. Potential lenders have indicated a keen interest in supporting the project.

Tumas Deposits and Main Prospect Locations Over Palaeochannels



Deep Yellow Quarterly Activities Report dated January 21, 2025

Management continues to move forward in readying Tumas for the mine construction phase.

In mid-August 2024, three RC rigs commenced a 12.5m x 12.5m spacing **grade-control drilling program at Tumas 3** for the purpose of creating a detailed mining plan. By early December 2024, approximately 60% of the program had been completed, specifically 1,667 holes (23,921m) that **targeted the planned small open pit areas near the proposed plant site.** The program also includes preparation work on tailings sites and is expected to be completed in late-March.

Offers for volume and price for both **water and power** have been received (from NamWater and NamPower, respectively). **The company has accepted both offers** and the contracts being finalized for execution.

The company remains well funded with a **cash balance of AUD\$238.4 million** as of December 31, 2024.

Deep Yellow Ltd remains 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.

RECENT EVENTS

Ore Reserve Estimate (ORE) for the Tumas Project Increases 18%

On December 18, 2024, Deep Yellow announced an **18% increase of Ore Reserve Estimate (ORE) for the Tumas Project** on ML237. The updated ORE Increased from 67.3 Mlb U₃O₈ at 345 ppm (150 ppm cut-off) to **79.3 Mlb U₃O₈** at 298 ppm (100 ppm cut-off). Management continues to work towards a Final Investment Decision (FID).

Tumas Project Expanded Ore Reserves

Classification	U ₃ O ₈ Cut-off ppm	Tonnes Mt	U ₃ O ₈ ppm	U ₃ O ₈ Metal Mlb
Proved	100	44.7	287	28.4
Probable	100	75.4	305	50.9
Total	100	120.1	298	79.3

Deep Yellow Press Release December 18, 2024

When the upgrade in Ore Reserves is incorporated into an updated DFS, **it is expected that the NPV and the IRR of the Tumas Project will increase and also the LOM will exceed 30 years.**

The updated ORE also will impact the project's schedules for pit production and process feed. Currently, mining is expected to commence at Tumas 3, and then after 12 years, transition to Tumas 2, 1 and 1 East. The production rate is expected to ramp up during the first year and then continue with **average production of roughly 2.46 Mlb pa U₃O₈ for 30 years.** Prior to the ORE upgrade, average production was expected to average of 3 Mlb pa U₃O₈ for 22.5 years.

Today, the **TOTAL Measured and Indicated Mineral Resource Estimate is 102.1 Mlb eU₃O₈** grading 264 at ppm eU₃O₈ at a 100 ppm cut-off.

Tumas 1, 1E, 2 and 3 - JORC 2012 MRE

Deposit	JORC Class	cut-off	tonnes	U ₃ O ₈ ppm	U ₃ O ₈ (t)	U ₃ O ₈ (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
Tumas 3 Total			98.5	295	29,180	64.3
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
Tumas 1 & 2 Total			55.9	205	11,370	25.1
Tumas 1-East	Measured	100				
	Indicated	100	36.3	245	8,870	19.6
	Inferred	100	19.4	215	4,190	9.2
Tumas 1-East Total			55.7	235	13,060	28.8
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
Tumas 1, 2 & 3 Total			210.1	255	53,610	118.1

Deep Yellow Quarterly Activities Report October 2024

Final Investment Decision (FID) deferred until early March 2025

On December 18, 2024, Deep Yellow announced that **the Tumas FID (Final Investment Decision) has been deferred until early March 2025**. The receipt of some certain critical information to make a fully informed decision has been delayed, particularly cost estimates (and/or bids) for major equipment as well as other construction and operating infrastructure. In addition, **optimization work is still in the process of being completed**. With the recent 18% increase of the Ore Reserve Estimate, the overall project schedule is being revised, which includes reviewing the mining schedule, the process design and revisiting the cost analysis as well as prompting additional optimization efforts. The optimized detailed engineering report is expected to be completed in late-February 2025.

On the other hand, Deep Yellow did announce that offers for volume and price for both **water and power** have been received from NamWater and NamPower, respectively. **The company has accepted both offers** and the contracts being finalized for execution.

The Board of Directors believes that this 3-month delay will not have a material impact on the Tumas Project's overall timeline, including the commencement of production in late 2026. **However, the Board did state that the execution of the full-scale construction phase remains dependent on an adequate price of uranium** coupled with the belief that the price will be maintained for the economical start-up of this Tumas greenfield project.

Institutional Ownership Continues to Increase

Due to the significant AUD\$250 million equity financing (**private placement**) in May 2024 AND Deep Yellow's inclusion in the **S&P/ASX 200 index** in June 2024, the company has garnered a significant amount of institutional ownership, now over 50%. **Several entities** were required to file that their **ownership** of Deep Yellow **exceeded 5%** of the company's outstanding shares, namely **the Vanguard Group** (August 30th), **Macquarie Group Limited** (March 13th), **State Street Corporation** (March 15th), **MM Asset Management of Toronto** (April 29th) and **Citigroup Global Markets Australia Pty Limited** (January 4th and March 25th). Other notable owners are the **MacMillan Super Fund** (1.8%) and the **Commonwealth Super Fund** (1.6%).

OTHER PRIOR SIGNIFICANT EVENTS DURING CALENDAR 2024

Major Equity Capital Raise Completed

Between March and early-May 2024, 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.

The net proceeds are being used to support the Tumas Project as well as to bolster working capital for exploration and technical studies. Many new institutional investors participated in the private placement.

Preferred EPCM Contractor for Tumas Project Selected

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.

Lead Arranger and Bookrunner for Tumas Project Appointed

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

Head of Project Delivery for Tumas Project Appointed

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.

Updated Mineral Resource Estimate of Tumas Project Released

On September 11, 2024, Deep Yellow announced that the Tumas resource in-fill drilling campaign completed in late-June resulted in upgrading the **TOTAL Measured and Indicated Mineral Resource** to **102.1 Mlb eU₃O₈** at 268ppm, which achieved 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 eU₃O₈ cut-off

Deposit	JORC Class	cut-off	tonnes	U ₃ O ₈ ppm	U ₃ O ₈ (t)	U ₃ O ₈ (Mlb)
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Tumas 1 & 2 Total			55.9	205	11,370	25.0
Tumas 1 East	Measured	100				
	Indicated	100	36.3	245	8,870	19.6
	Inferred	100	19.4	215	4,190	9.2
Tumas 1 East Total			55.7	235	13,060	28.8
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
Tumas 1, 1 East, 2 & 3 Total			210.1	255	53,610	118.1

Deep Yellow Press Release September 2024

Deep Yellow Limited Added to S&P/ASX 200 Index

On June 11, 2024, Deep Yellow was **included into the S&P/ASX 200 index**. The many mutual funds benchmark to this index. Consequently, the **shareholder base** of Deep Yellow **should broaden**, and the stock should experience **greater liquidity**. In addition, the inclusion of the company's stock into the S&P/ASX 200 index should also **expand awareness** of Deep yellow among investors, both retail and institutional.

MANAGEMENT'S STRATEGY

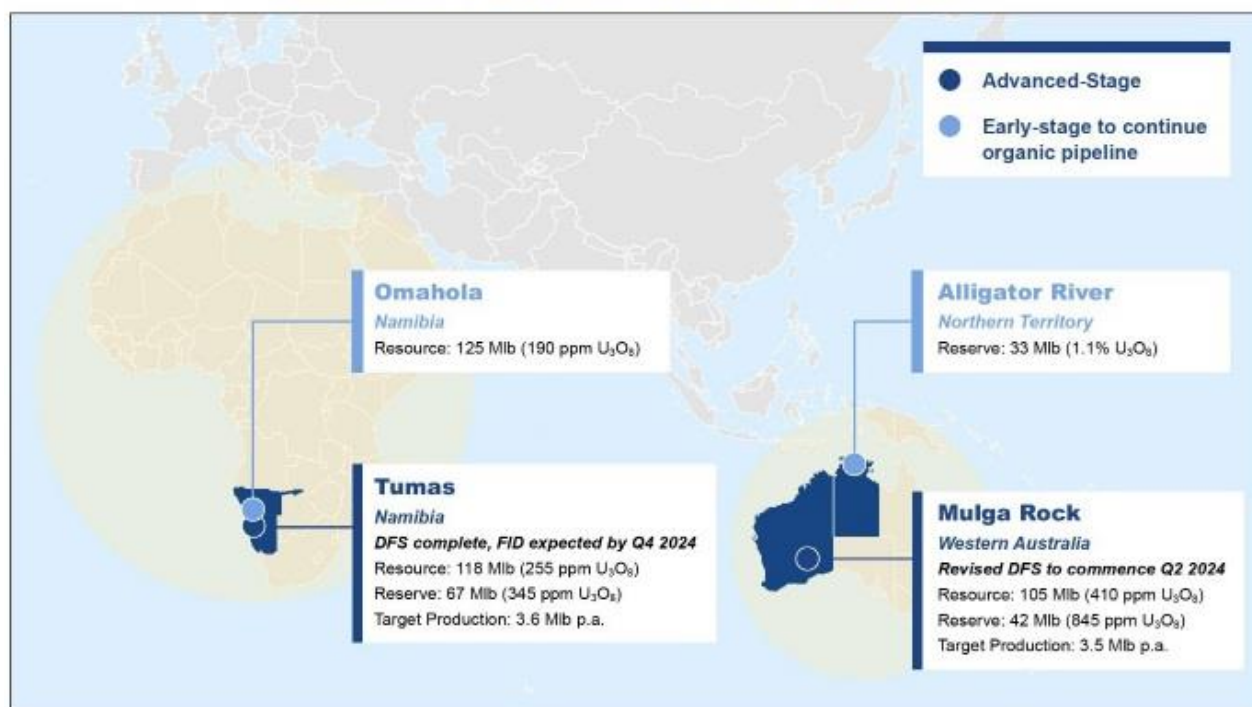
Deep Yellow Ltd. is unique among junior mining companies: the company is being positioned to provide a leveraged opportunity to participate in all phases of the expected upswing in uranium prices. Management's Dual Pillar strategy is designed to deliver both organic and inorganic growth by advancing 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 U₃O₈. We also expect management to pursue additional acquisitions and/or mergers as the uranium consolidates during the current upcycle.

ANTICIPATED MILESTONES

Tumas Project

- **Final Investment Decision (FID) is expected to be made in March 2025.**
- 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. **The Tumas Project is being 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 U₃O₈ in order to achieve a 35+ year LOM.

Mulga Rock Project

- Resin pilot work in a **metallurgical mini-pilot work program** is expected to commence in the March quarter of FY2025. Bulk samples (3.6 t) have already been collected through a diamond core drilling program. The resin pilot work includes RIL (Resin In Leach) for uranium and RIP (Resin In Pulp) for base metals and rare earth elements (REE).
- A revised ORE is expected to be completed in the fourth quarter of FY2025. The revised ORE will be based on the updated MRE (which includes multi-commodity processing) and the results from the metallurgical mini-pilot program.
- 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. The engineering, capital cost estimate and marketing parameters are expected to be completed after the completion of the revised ORE.

UPDATE ON THE URANIUM INDUSTRY

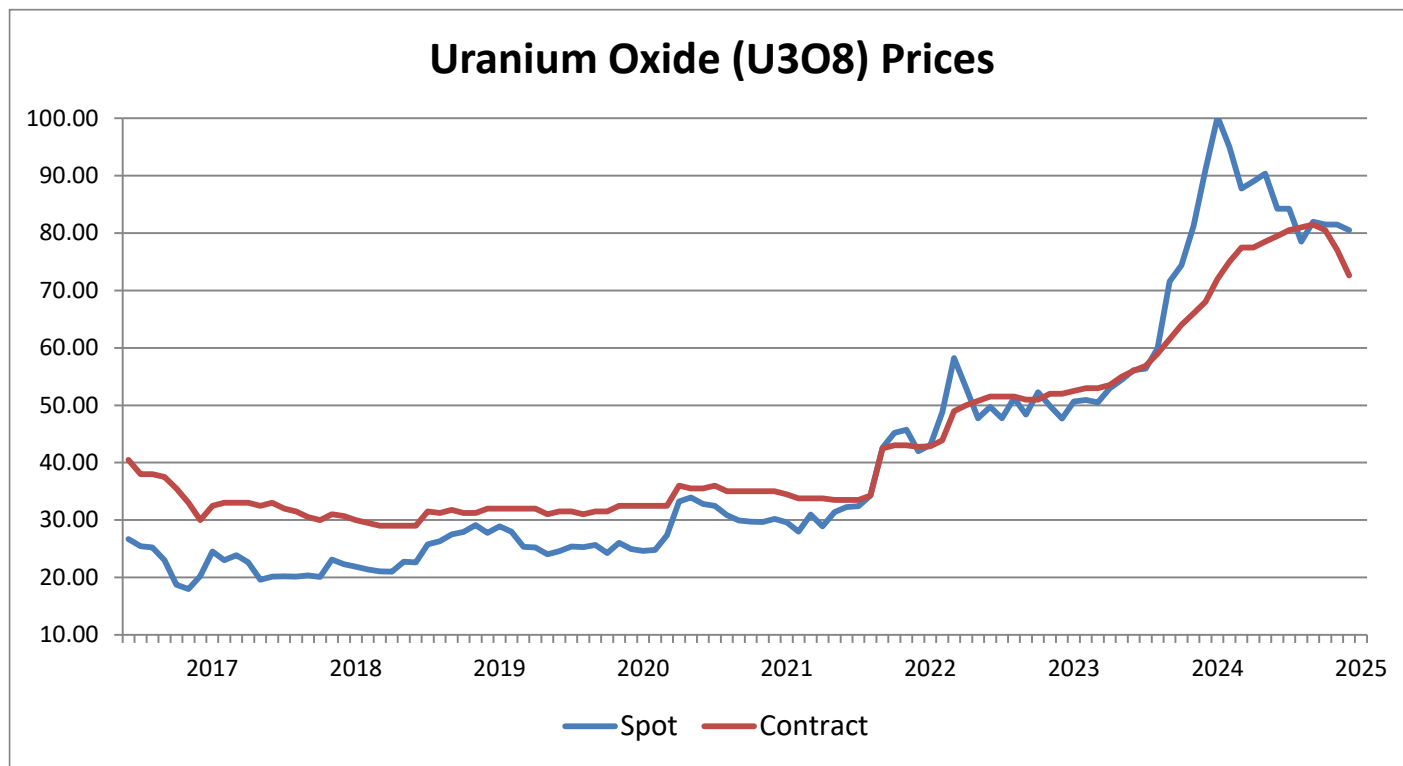
The **momentum for uranium** is being fueled by a **greater acceptance of electricity generated from nuclear power plants** as nations around the world grapple with the challenges in the efforts to reduce the use of fossil fuels. Political ambition has been translating into political action.

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 also by the **sequestration of uranium by physical funds** (such as the Sprott Physical Uranium Trust and Yellow Cake Plc). During the last four months of 2023, the sentiment of utility buyers of long-term contracted uranium changed resulting in **the amount 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 signed a pledge to triple nuclear energy capacity by 2050.

During 2023, the spot price of uranium increased 90.9% to \$91.00 per lb.



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.

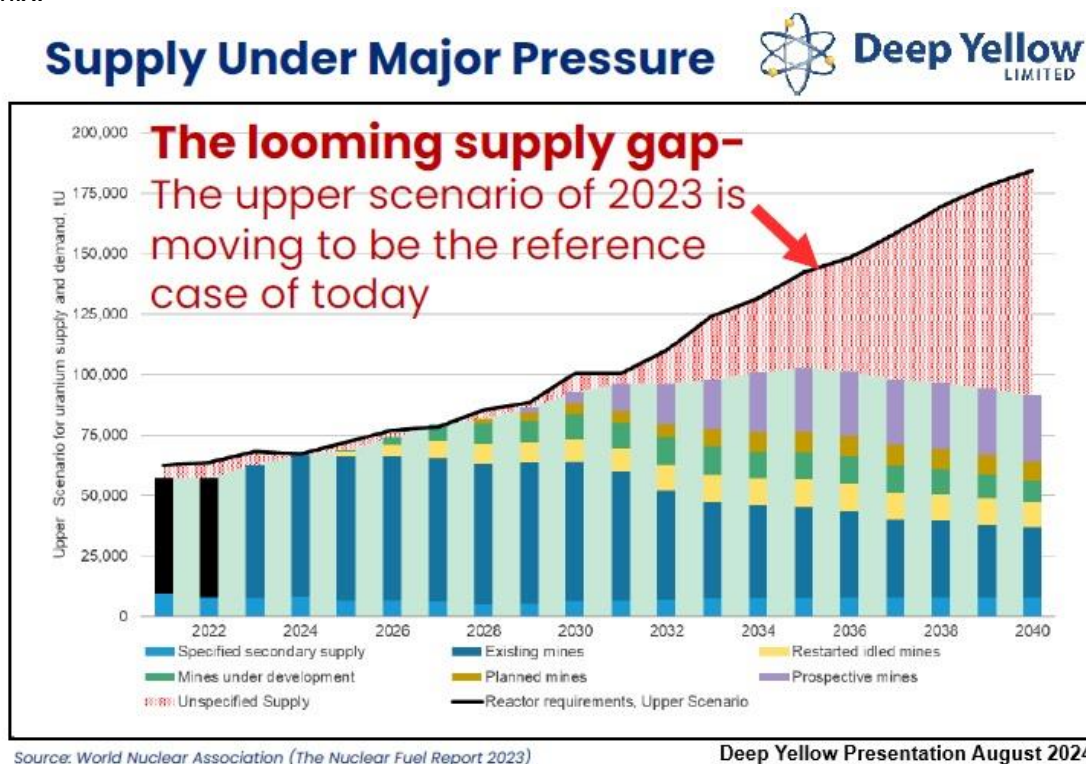
Attendance increased at the annual **World Nuclear Symposium**, which was held in early September 2024 in London. This year, the event was one of the best attended in its history. With the addition of incremental institutional investor interest (specifically generalists), the venue's maximum 800-person capacity was reached. However, the **uncertainty concerning production challenges facing Kazatomprom** and the **waiver process concerning the ban on Russian uranium**, along with other issues, caused **U.S. utilities to step back from procurement process** in contrast to the buying frenzy that followed last year's WMA conference. Transaction volumes on the contract side during 2024 contracted to the 40-50 Mlb range versus approximately 160 Mlb in 2023.

In mid-November 2024 at **COP29** in Baku, Azerbaijan, **six additional countries** (El Salvador, Kazakhstan, Kenya, Kosovo, Nigeria and Turkey) **pledged** to tripling global nuclear capacity by 2050. Now, there are **31 nations** that have endorsed the goal.

During 2024, **the spot price of uranium declined 11.5% to 80.50 per lb.** as there was a reduced buying interest by for short-term supply and liquidation of inventories by some holders of physical uranium. However, **contract prices of uranium** fared differently with the beginning price of \$68.00 rising to \$81.50 in September, only to decline to \$72.63 by the end of December, thereby posting an overall **increase of 6.8% for the year**. It appears that generally purchasers of uranium shifted focus to securing long-term supply through contract negotiations.

Leading market research firms on the nuclear industry continue to forecast that the deficit between primary supply (from mines) and the demand by nuclear reactors will continue to expand through 2040. In its biennial reference scenario, the **World Nuclear Association** calculates that the annual primary supply deficit for uranium will exceed 140 million pounds by 2030, representing a 18% increase. 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.

Looking forward, uranium prices should strengthen again due to a renewed global interest in nuclear energy with some countries reevaluating the role of nuclear-based electricity generation in their energy mix.



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, Turkey, Egypt, 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, particularly Japan and the U.K. Globally, there are **440 nuclear reactors in operation** and **65 under construction** with China accounting for 29 reactors under construction.

Furthermore, the advent of **Small Modular Reactors (SMRs)** and the birth and **expansion of hyperscalers** have significant implications for significant incremental and increasing demand for uranium. These new growing industries are and will be demanding large amounts of clean, reliable, stable supplies of electrical power. Power generation by traditional large-scale nuclear utility reactors and SMRs appear to be solution for consistent, low-carbon electrical energy sources.

SMRs are a next-generation form of nuclear power, which are smaller than traditional large nuclear reactors and will be utilized to provide steady, reliable power at remote, isolated areas as well as at large facilities in the mining, oil & gas, defense and heavy manufacturing industries. As these reactors are developed and deployed, the demand for uranium will further increase.

Hyperscalers are large companies that provide cloud computing, networking and data storage services like Amazon, Microsoft and Google. These companies operate large AI-related data centers, which require immense amounts of electrical energy. All three companies (Amazon, Microsoft and Google) have announced deals to secure power from traditional nuclear power plants or SMRs in the second half of 2024.

The use of AI technologies is still in its nascent stage and is expected to grow exponentially. Currently, the electricity is being sourced from the grid and the energy demand for AI-related data centers is only expected to increase. According to the U.S. Department of Energy (DOE) in its 2024 United States Data Center Energy Usage Report release in December 2024, data centers consumed about 4.4% of total domestic electric power (or 176 TWh) in 2023 and projected to consume between 6.7% to 12.0% (or 325-to-580 TWh) of total U.S. electricity by 2028.ⁱ

Uranium Investment 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.

INSTITUTIONAL OWNERSHIP

Institutional investors own 52.3% of the fully paid ordinary shares outstanding of Deep Yellow Limited as of the end of the latest reporting period (September 30, 2024), an increase from 44.2% (June 30, 2024). The largest institutional holder is State Street Global Advisors (8.3% of the company's outstanding shares). Many mutual are also holders, including the Vanguard Group (several funds including VGT SX, VTMGX and VFSNX), Global X Uranium ETF (URA), Sprott Funds Trust (several funds), iShares Core MSCI EAFE ETF IEFA), iShares MSCI EAFE Small-Cap ETF (SCZ) and VanEck Vectors Uranium + Nuclear Energy ETF (NLR).

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.

Further, the comparable companies have been narrowed through quantitative factors, particularly those with a market capitalization over \$500 million and trading above \$0.50 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 3.39 and 5.18.

With the expectation that Deep Yellow's stock will attain a first quartile P/B ratio of 5.2, our **comparable analysis valuation price target is US\$2.00.**

<i>Industry Comparables</i>	% Chg YTD	Ticker	Exch.	U.S. Ticker	Uranium Project Country	Principal Uranium Project	Phase	Mkt Cap Local Curr. (\$ mil.)	Price/ Book
Deep Yellow Ltd	11.1%	DYLLF	OTCQX	DYLLF	Namibia	Tumas	DFS	767.3	2.06
Deep Yellow Ltd	16.0%	DYL	ASX	DYLLF	Namibia	Tumas	DFS	1269.2	2.06
URANIUM DEVELOPMENT COMPANIES									
Bannerman Energy Ltd	6.6%	BMN	ASX	BNNLF	Namibia	Etango	DFS	552.4	5.18
Denison Mines Corp.	5.0%	DML	TSX	DNN	Canada	Phoenix	PFS	2,428.2	4.15
NexGen Energy Ltd.	4.5%	NXE	TSX	NXE	Canada	Arrow	PFS	5,611.8	4.61
Paladin Energy Ltd	9.9%	PDN	ASE	PALAF	Namibia	Langer Heinrich	Restart	3,442.6	3.39
Industry Mean	6.5%							3,008.7	4.33
S&P 500 Index	2.0%	^SPX:US	NYSE		N/A	N/A	N/A	N/M	4.79

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, during fiscal 2024, shares outstanding increased by 27.8% due to the equity financing completed in May 2024. Thus far in fiscal 2025, shares outstanding have increased only 0.3%.
- 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 a supply deficit and the projected increase in the number of nuclear power plants should drive the price of uranium above \$125 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
ASSETS					
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
Total Current Assets	12,602,804	53,207,456	66,264,173	44,949,959	264,962,495
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
TOTAL ASSETS	49,154,461	97,868,857	120,915,793	391,668,494	625,079,197
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
Total Current Liabilities	649,388	1,105,018	2,053,137	10,830,580	4,422,690
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
Non-Current Liabilities	585,458	468,095	3,685,638	6,195,560	6,020,069
TOTAL LIABILITIES	1,234,846	1,573,113	5,738,775	17,026,140	10,442,759
SHAREHOLDERS' EQUITY					
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)
Total Stockholders' Equity	47,919,615	96,295,744	115,177,018	374,642,354	614,636,438
TOTAL LIABILITIES & STOCKHOLDERS' EQ.	49,154,461	97,868,857	120,915,793	391,668,494	625,079,197
Ordinary shares outstanding	245,052,016	330,763,558	731,547,240	758,387,933	969,457,541

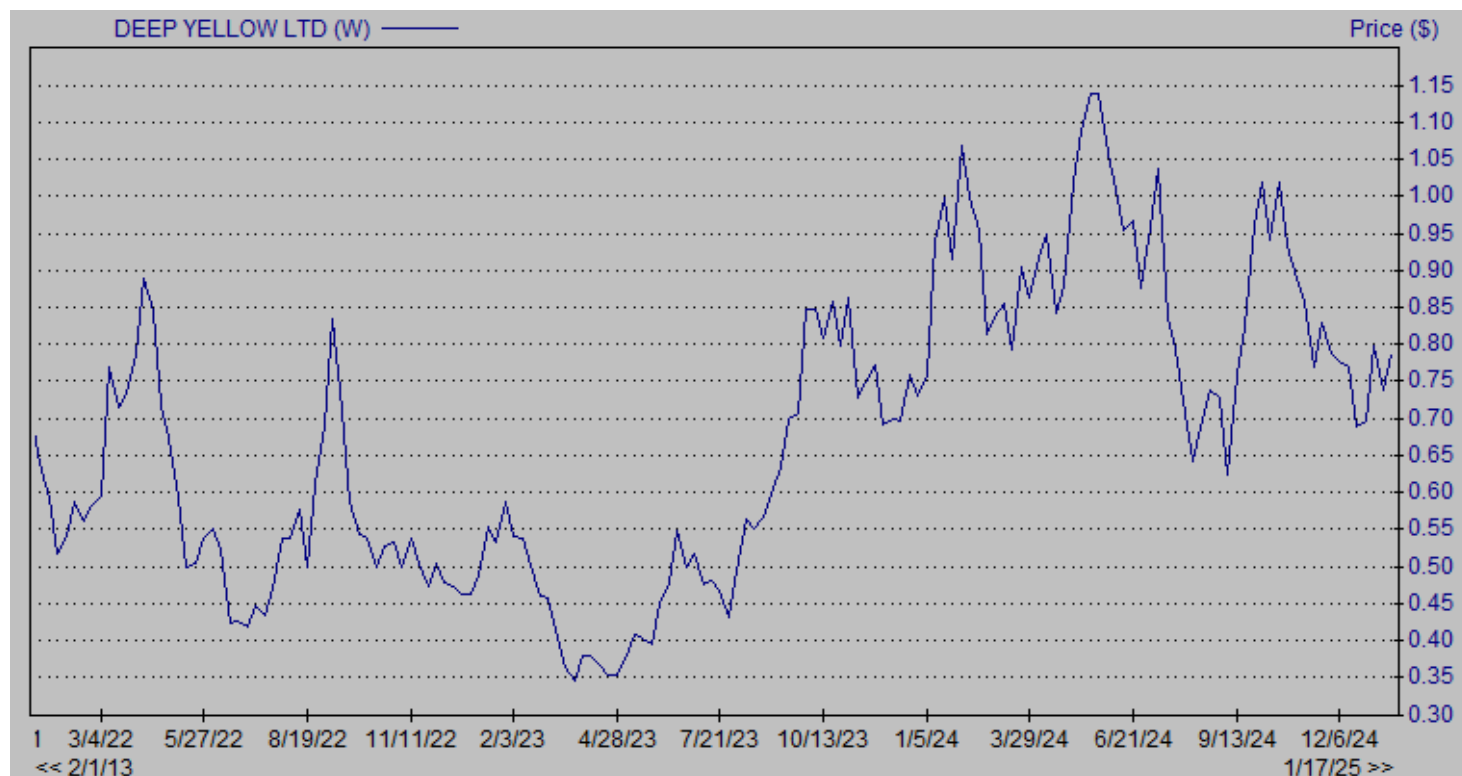
ANNUAL INCOME STATEMENTS

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
Total Revenues	334,654	283,569	514,974	1,930,921	3,897,557
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)
Expenses	2,566,906	(5,075,953)	(7,330,000)	(11,850,843)	(14,423,272)
Loss Before Other Income	2,901,560	(4,792,384)	(6,815,026)	(9,919,922)	(10,525,715)
Interest (expense)	(26,697)	(22,822)	(10,284)	(196,183)	(109,956)
Income tax (expense)	-	-	-	-	-
Total Other Income (Expenses)	(26,697)	(22,822)	(10,284)	(196,183)	(109,956)
Net Loss	2,874,863	(4,815,206)	(6,825,310)	(10,116,105)	(10,635,671)
Other comprehensive income					
Fgn. curr. translation gain (loss)	(6,269,172)	4,603,067	(2,026,340)	(5,930,301)	1,802,360
Total comp. gain (loss), net of tax	(3,394,309)	(212,139)	(8,851,650)	(16,046,406)	(8,833,311)
Diluted gain (loss) per ordinary share	0.0119	(0.0175)	(0.0184)	(0.0142)	(0.0131)
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

Deep Yellow Limited						
Income Statement (in \$AUD, except share out. data)	1H 2023	2H 2023	FY 2023	1H 2024	2H 2024	FY 2024
	12/31/2022	6/30/2023	6/30/2023	12/31/2023	6/30/2024	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
Total Revenues	987,080	943,841	1,930,921	652,135	3,245,422	3,897,557
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'rm'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)
Expenses	(5,993,906)	(5,856,937)	(11,850,843)	(6,794,029)	(7,629,243)	(14,423,272)
Loss Before Other Income	(5,006,826)	(4,913,096)	(9,919,922)	(6,141,894)	(4,383,821)	(10,525,715)
Interest (expense)	(58,966)	(137,217)	(196,183)	(50,610)	(59,346)	(109,956)
Income tax (expense)	-	-	-	-	-	0
Total Other Income (Expenses)	(58,966)	(137,217)	(196,183)	(50,610)	(59,346)	(109,956)
Net Loss	(5,065,792)	(5,050,313)	(10,116,105)	(6,192,504)	(4,443,167)	(10,635,671)
Other comprehensive income						
Fgn. curr. translation gain (loss)	(1,318,168)	(4,612,133)	(5,930,301)	343,049	1,459,311	1,802,360
Total comp. gain (loss), net of tax	(6,383,960)	(9,662,446)	(16,046,406)	(5,849,455)	(2,983,856)	(8,833,311)
Diluted gain (loss) per ordinary share	(0.0076)	(0.0067)	(0.0142)	(0.0082)	(0.0050)	(0.0131)
Wgted. Avg. Ord. Shares Out. - diluted	667,000,000	754,981,940	710,990,970	755,183,415	894,843,771	811,562,091

HISTORICAL STOCK PRICE



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ⁱ <https://eta-publications.lbl.gov/sites/default/files/2024-12/lbnl-2024-united-states-data-center-energy-usage-report.pdf>