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Zacks Small-Cap Research

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# Deep Yellow Limited (OTCQX: DYLLF)

Deep Yellow Completes DFS on Tumas Project - a Major Milestone Toward Production; Exploration Updates for Mulga Rock & Alligator River Projects.

Based on comparative analysis of junior uranium companies in the feasibility study phase, a first quartile price-to-book (P/B) ratio of 6.9 indicates a share price target of US$0.98.

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

| | |
|---|---|
| Current Price (02/17/23) | $0.50 |
| **Valuation (US$)** | **$0.98** |

## OUTLOOK

**Deep Yellow Ltd**. (OTCQX: DYLLF; ASX: DYL) remains **on track to become a tier-one producer of uranium** ahead of the anticipated uranium commodity up-cycle.

Management is now developing its **advanced uranium projects** (**Tumas** in Namibia & **Mulga Rock** in Australia), along with exploratory projects (Omahola & Alligator River).

The merger with Vimy Resources transformed Deep Yellow into a **multi-jurisdictional junior uranium company**.

## SUMMARY DATA

| | |
|---|---|
| **52-Week High** | **$0.90** |
| **52-Week Low** | **$0.38** |
| **One-Year Return (%)** | **-10.85** |
| **Beta** | **1.30** |
| **Average Daily Volume (shrs.)** | **127,855** |
| **Shares Outstanding (million)** | **753.3** |
| **Market Capitalization ($mil.)** | **$378.8** |
| **Short Interest Ratio (days)** | **4.5** |
| **Institutional Ownership (%)** | **19.6** |
| **Insider Ownership (%)** | **4.9** |
| **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 2023 Estimate** | **N/M** |
| **P/E using 2024 Estimate** | **N/A** |

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

## ZACKS ESTIMATES

**Revenue**
(in '000 $AUD)

| | Q1 | H1 (Dec) | Q3 | H2 (Jun) | Year (Jun) |
|---|---|---|---|---|---|
| 2020 | | 192 A | | 143 A | 335 A |
| 2021 | | 143 A | | 143 A | 284 A |
| 2022 | | 289 A | | 313 A | 515 A |
| 2023 | | 1,026 E | | 930 E | 1,956 E |

**Earnings per Share**
**(EPS is operating earnings before non-recurring items)**

| | Q1 | H1 (Dec) | Q3 | H2 (Jun) | Year (Jun) |
|---|---|---|---|---|---|
| 2020 | | -$0.0090 A | | $0.0204 A | $0.0119 A |
| 2021 | | -$0.0085 A | | -$0.0090 A | -$0.0175 A |
| 2022 | | -$0.0080 A | | -$0.0101 A | -$0.0184 A |
| 2023 | | -$0.0040 E | | -$0.0045 E | -$0.0085 E |

EPS in $AUD

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

## OUTLINE OF RECENT EVENTS

- **Definitive Feasibility Study** (DFS) on **Tumas Project** completed, optimized & released.
  - Economics:
    - post-tax $NPV_8$ $341 million (19.2% IRR) @ US$65/lb. $U_30_8$
    - 4.1 year payback; total operating costs at $39.39/lb.$U_30_8$
  - Project Mining License Application (MLA237) on-track to be granted in mid-2023

- **Exploration update for Omahola Basement Project**
  - Two-stage 118 hole (10,181m) follow-up RC drilling program completed in late 2022
  - Three (3) new target areas identified
    - **new prospective area** north of Inca and west of MS7 extends fertile zones by 2km. Management plans to RC drill the area in 2023
    - **southwestern extension of Ongolo South** detected by drill hole OMH0309
    - multiple uranium intersections at **Inca South**

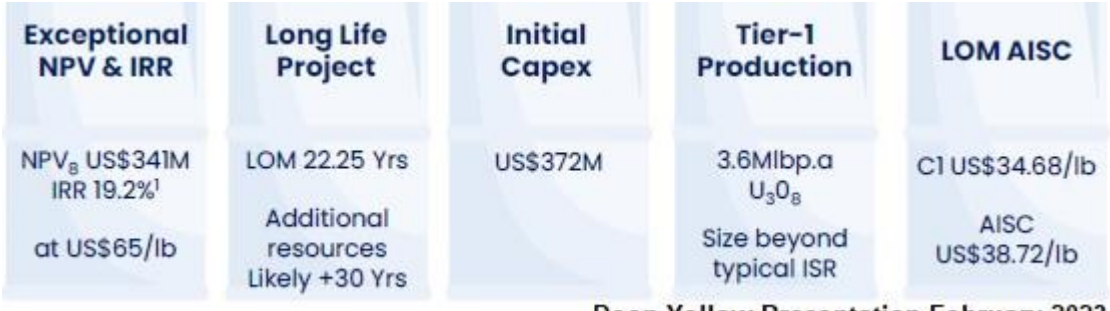
- **Update for Mulga Rock Project**
  - 1.25% royalty purchased for 19,444,444 shares (valued at AUS$14 million) in order capture supplementary value for the Mulga Rock Project
  - **enhancement program** progressing through drilling programs & metallurgical work in order to enhance project's value by considering **polymetallic** and **rare earth minerals**.

- **Exploration update for Alligator River Project**
  - Sampling and density determinations completed
  - An updated resource estimate for the Angularli deposit in expected during Q2 2023

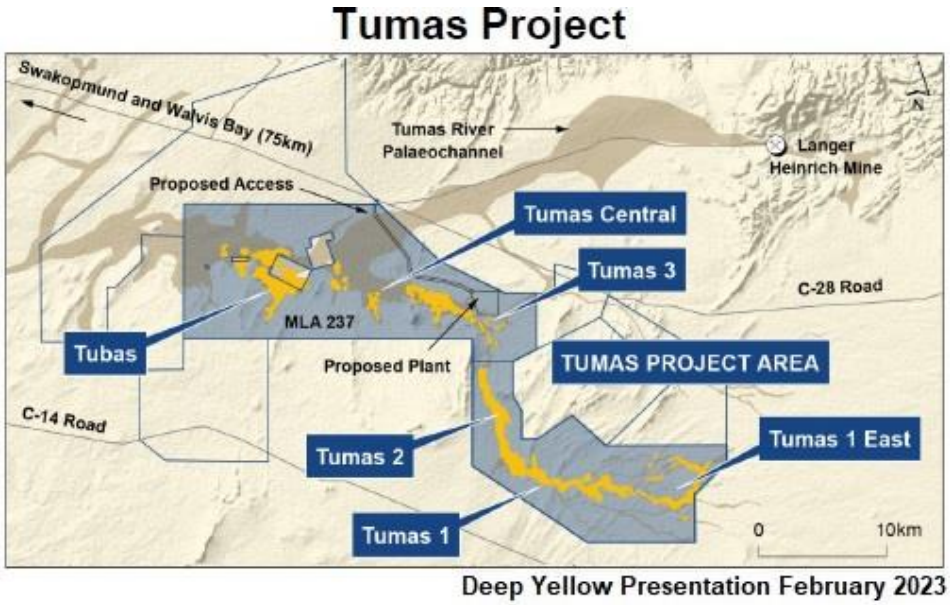
## EXECUTIVE SUMMARIES OF PROJECT UPDATES

### *Tumas Project* *(Namibia)*

The **DFS on Tumas Project was completed** in late November 2022 and the optimized & finalized DFS was released on February 2, 2023. The completion of the DFS is highly significant for Depp Yellow in that if confirms that management is motivated and **determined to develop and construct operating uranium mines** with capacity to produce over 10 million pounds of $U_30_8$ annually. Importantly, the project's risk is mitigated by being in a favorable mining jurisdiction where management has previously developed an **extremely similar project** (the Langer Heinrich mine) in the past.



Despite inflationary pressures, the project remains commercially attractive. Highlights under a base case of $U_3O_8$ @ US$65/lb. include a **LOM of 22.25 years, payback of $385 million of initial capital costs in 4.1 years** and a **post-tax $NPV_8$ of $341 million**, which represents **an IRR 19.2%**. Annual production is expected to be **3.6 Mlb $U_3O_8$** with credits for vanadium (specifically $V_2O_5$ aka red cake).




There are significant changes relative to the PFS update released in October 2021, namely,

- the **production capacity** of the processing plant **expands by 20%** from 3.0 to 3.6 Mlbpa
- process **throughput increases** from 3.75 to 4.15 Mtpa
- Vanadium production increases to 1.15Mlbpa
- the initial start-up capital increases $385 from $295 million, primarily due to inflationary pressures

Also, there are **two highly significant variables** that can drive upward revisions to the assessments in the PFS: the price of uranium and the confirmation of additional uranium resources at the Tumas Project.

**Pricing**: Forecasts based on the looming supply deficit under the World Nuclear Association (WNA) scenario are in the $70-$80/lb. range. Specifically, under TradeTech's Forward Availability Model 2 (restricted supply scenario) with a mid-point **pricing forecast of US$77/lb**. $U_3O_8$, the Tumas Project's post-tax NPV increases 80% to US$614M resulting in an IRR of 26.4%.

**Resource/Reserve Expansion**: It should be noted that 40% of the **prospective paleochannels** at Tumas has yet to be tested. In addition, the current 49.5 Mlb. **Inferred Resource has the potential to be upgraded**. Management believes that Tumas has the realistic potential to increase the LOM to over 30 years through the discovery of additional mineable resources.

Management hosted a webcast and posted an updated corporate presentation to better inform investors about the DFS. More details are discussed in the **Tumas Project Update section** below.

Deep Yellow's Board has authorized management to **advance the Tumas Project's front-end engineering & design** (FEED), which is expected to be completed during the second half of 2023. Also, management will pursue the project's financing as well as enter into off-take discussions. Management anticipates that the **Final Investment Decision** on the Tumas Project to be made in the first half of 2024.

A **marketing and sales strategy** is currently **being prepared** to help support the financing of the Tumas Project. In order to optimize the value of Tumas, long-term sales commitments to global Tier 1 nuclear utilities will be emphasized.

Work continues on the **Environmental Impact Assessment** (EIA) for the Tumas Project area. The Project Mining License Application (MLA237) was filed with the Namibian Ministry of Mines and Energy (MME) in July 2021. All the EIA's baseline and impact studies have been completed. After undergoing an internal review, management expects to submit the project's final EIA to the Ministry of Environment, Forestry and Tourism (MEFT) in late February 2023. Thereafter, management anticipates that MLA237 will be granted in mid-2023. An updated resource estimate is expected in the third quarter of 2023.

## Tumas Project Mineral Resources at 100 ppm $U_3O_8$ Cut-off

| Cut-off | Indicated | | | Inferred | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Ore (Mt) | Grade $eU_3O_8$ (ppm) | $U_3O_8$ metal (M lb) | Ore (Mt) | Grade $eU_3O_8$ (ppm) | $U_3O_8$ metal (M lb) | Ore (Mt) | Grade $eU_3O_8$ (ppm) | $U_3O_8$ metal (M lb) |
| Tumas 1 East | 36.3 | 245 | 19.6 | 19.4 | 216 | 9.2 | 55.7 | 235 | 28.8 |
| Tumas 1 and Tumas 2 | 54.1 | 203 | 24.2 | 2.4 | 206 | 1.1 | 56.5 | 203 | 25.3 |
| Tumas 3 | 78.0 | 320 | 54.9 | 10.4 | 219 | 5.0 | 88.4 | 308 | 59.9 |
| **Total Tumas** | **168.3** | **266** | **98.7** | **32.2** | **216** | **15.3** | **200.5** | **258** | **114.0** |
| **Tubas** | **10.0** | **187** | **4.1** | **24.0** | **163** | **8.6** | **34.0** | **170** | **12.7** |

**Deep Yellow DFS Press Release February 2, 2023**

## Key Workstreams for next 6-12 Months

**TUMAS PROJECT**

- Further focused test work continuing to optimise Tumas Project - **Q1/Q2 2023**
- Grant of MLA 237 - **mid 2023**
- Resource upgrade drilling west of Tumas 3 deposit - **mid 2023**
- Completion of FEED – **Q3/Q4 2023**
- New resource statement – **Q3 2023**

**MULGA ROCK**

- 600-800 aircore drill program for variability testing and grade control test pattern - **Q1/Q2 2023**
- Completion of test work for critical mineral and rare earth element analysis – **Q3 2023**
- Commencement of engineering for revised DFS, incorporating new parameters for value uplift - **mid 2023**
- New resource upgrade incorporating uranium, critical minerals and rare earths expanded mining footprint with approved area - **Q3 2023**

**ALLIGATOR RIVER**

- Desk top prospectivity appraisal to define regional exploration target corridor for concurrent investigations – **Q1/Q2 2023**
- New resource estimate for Angularli Deposit – **Q2 2023**
- New drilling program commencement – **Q3 2023**

**M&A**

- Continued focus on consolidation to develop larger scale with high quality conventional mining assets - **Ongoing**

Deep Yellow LIMITED

**Deep Yellow Presentation February 2023**

## ***Omahola Basement Project*** *(Namibia)*

Situated on EPL3496 within the prospective Alaskite Alley corridor, currently the project consists of **three basement deposits** (Ongolo, MS7 & Inca), on which an MRE includes Measured, Indicated and Inferred Resources totaling 125.3Mlb at 190ppm $U_30_8$ (100ppm $U_30_8$ cut-off).

The **first stage of the Phase 2** drill program of a two-stage **follow-up RC drilling program** at the Omahola Project commenced on March 7th 2022 and was completed in July. This first stage was comprised of **40 holes (5,252m)** and focused on targets identified by the 2021 shallow drill program.

In late December 2022, Deep Yellow completed the **second stage of the Phase 2** follow-up RC drilling program. The second stage commenced in September 2022 and was completed by mid-November 2022. The second stage was comprised of **78 holes (4,929m)**.

The total **follow-up** 118-hole (10,181m) drilling program identified **three prospective areas**:

- thick, uranium-mineralized **alaskites** situated 2km north of Inca and west of MS7 (which **extended the fertile zones by 2km)**,were intersected by drillholes **OMH0298** & **OMH0299**
- Drill hole **OMH0309** in a distinct magnetic anomaly detected a **southwestern extension of Ongolo South**
- multiple uranium intersections by drill holes **OMH0254** & **OMH0255** at **Inca South**

**Management plans for deeper RC drilling in 2023** in the highly prospective area located 2km north of Inca and west of MS7 targets where thick, stacked mineralized alaskites were intersected.

**Omahola Basement Project Mineral Resources**

| Deposit | Category | Cut-off (ppm $U_3O_8$) | Tonnes (M) | $U_3O_8$ (ppm) | $U_3O_8$ (t) | $U_3O_8$ (Mlb) | Resource Categories (Mlb $U_3O_8$) Measured | Indicated | Inferred |
|---|---|---|---|---|---|---|---|---|---|
| **Omahola Project - JORC 2012** | | | | | | | | | |
| 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 | 187 | 8,900 | 19.7 | 19.7 | - | - |
| Ongolo Deposit # | Indicated | 100 | 85.4 | 168 | 14,300 | 31.7 | - | 31.7 | - |
| Ongolo Deposit # | Inferred | 100 | 94 | 175 | 16,400 | 36.3 | - | - | 36.3 |
| MS7 Deposit # | Measured | 100 | 18.63 | 220 | 4,100 | 9.05 | 9.05 | - | - |
| MS7 Deposit # | Indicated | 100 | 7.15 | 184 | 1,300 | 2.9 | - | 2.9 | - |
| MS7 Deposit # | Inferred | 100 | 8.71 | 190 | 1,600 | 3.65 | - | - | 3.65 |
| **Omahola Project Sub-Total** | | | **298.2** | **190** | **56,600** | **125.3** | **28.75** | **46.9** | **49.65** |

Deep Yellow Press Release December 22, 2022

## ***Mulga Rock Project*** *(Western Australia)*

In late December 2022, Deep Yellow **purchased the 1.15% royalty** on the Mulga Rock Project held by Resource Capital Fund VI LP in consideration of 19,444,444 shares of Deep Yellow. The elimination of this legacy royalty will enhance the project's potential value going forward.

## Mulga Rock Project


Deep Yellow Quarterly Report December 2022

Deep Yellow is pursuing an **enhancement program** to increase the project's value expanding the its scope to include both **polymetallic** and **rare earth minerals**, including copper, nickel, cobalt, zinc, neodymium and praseodymium. These minerals are known to be present within the identified resource shells. By expanding the resource work, while still remaining within the approved pit boundaries, Deep Yellow is seeking to add supplementary value to the Mulga Rock Project.

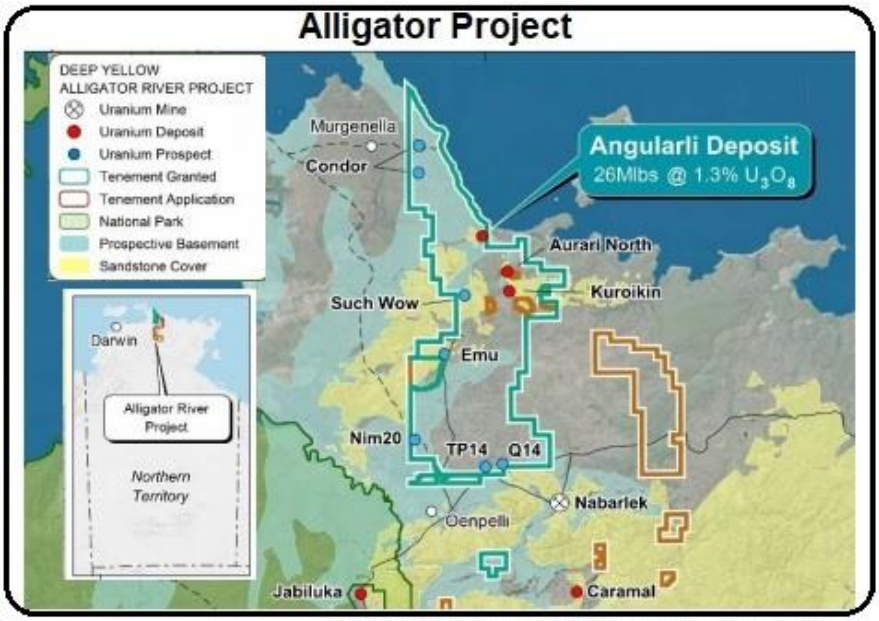
Having completed **a 63-hole** (4,099m) **geo-metallurgical air-core drill program** in late 2022, management is **planning on a 600-to-800-hole air-core drilling program** in order to further ascertain the distribution of polymetallic and critical minerals, along with better defining the uranium resource and potentially upgrading resource classifications. This second air-core drilling program is planned to commence in March 2023.

## Mulga Rock Project Mineral Resources

| Deposit | Category | Cut-off ($\%\ U_3O_8$) | Tonnes (Mt) | $U_3O_8$ (%) | Total Metal $U_3O_8$ (Mlb) | Resource Categories (Mlb $U_3O_8$) Measured | Indicated | Inferred |
|---|---|---|---|---|---|---|---|---|
| **Mulga Rock East Project - JORC 2012** | | | | | | | | |
| Ambassador Deposit # | Measured | 150 | 5.2 | 1,100 | 12.6 | 12.6 | - | - |
| | Indicated | 150 | 14.8 | 800 | 26.0 | - | 26.0 | - |
| | Inferred | 150 | 14.2 | 420 | 13.1 | - | - | 13.1 |
| Princess Deposit # | Indicated | 150 | 2 | 820 | 3.6 | - | 3.6 | - |
| | Inferred | 150 | 1.3 | 420 | 1.2 | - | - | 1.2 |
| **Mulga Rock East Project Total** | | | **37.4** | **680** | **56.4** | **12.6** | **29.6** | **14.3** |
| **Mulga Rock West Project - JORC 2012** | | | | | | | | |
| Emperor Deposit # | Inferred | 150 | 30.8 | 440 | 29.8 | - | - | 29.8 |
| Shogun Deposit # | Indicated | 150 | 2.2 | 680 | 3.2 | - | 3.2 | - |
| | Inferred | 150 | 0.9 | 290 | 0.6 | - | - | 0.6 |
| **Mulga Rock West Project Total** | | | **33.8** | **450** | **33.6** | **-** | **3.2** | **30.4** |
| **Mulga Rock East & West Project Total** | | | **71.2** | **570** | **90.1** | **12.6** | **32.8** | **44.7** |

Deep Yellow Quarterly Report December 2022

## ***Alligator River Project*** *(Northern Territory)*




Deep Yellow Press Release October 27, 2022

The 18-hole (6,339m) diamond drill program conducted between late June and October 2022 provided 1,116 samples for assays. Drill cores analyzed in the field by portable XRF devices indicate that the uranium mineralization extends up-dip position from the Mineral Resource domain and along strike to the north. Analysis on select core samples and on select bulk density samples will help support an **updated MRE**, which **management anticipates being completed during the second quarter of 2023**. The current Inferred Resource estimate totals 0.91Mt at 1.29% $U_3O_8$ for 25.9 Mlb. $U_3O_8$.

**Angularli Mineral Resource Estimate, March 2018**

| Deposit | Category | Cut-off (% $U_3O_8$) | Tonnes (Mt)[1] | $U_3O_8$ (%)[2] | $U_3O_8$ (t) | $U_3O_8$ (Mlb) | Resource Categories (Mlb $U_3O_8$) Measured | Indicated | Inferred |
|---|---|---|---|---|---|---|---|---|---|
| Alligator River Project - JORC 2012 | | | | | | | | | |
| Angularli Deposit | Inferred | 0.10 | 0.95 | 1.24 | 11,793 | 26.0 | - | - | 26.0 |
| | | **0.15** | **0.91** | **1.29** | **11,748** | **25.9** | - | - | **25.9** |
| | | 0.20 | 0.88 | 1.33 | 11,700 | 25.8 | - | - | 25.8 |
| | | 0.25 | 0.77 | 1.49 | 11,430 | 25.2 | - | - | 25.2 |
| **Alligator River Project Total** | | | **0.91** | **1.29** | **11,748** | **25.9** | - | - | **25.9** |

Deep Yellow Press Release October 27, 2022

## TUMAS PROJECT - DEFINITIVE FEASIBILITY STUDY (DFS)

In early February 2023, the finalized DFS on the Tumas Uranium Project was released by management. Since its completion in November, the development, pre-production and schedules were further optimized.

**Select Key Financial Parameters**

| Project Financials (Ungeared): Real unless stated | Unit | PFS Ext. | 65/lb | FAM-2 | 85/lb |
|---|---|---|---|---|---|
| $U_3O_8$ Gross Revenue | $M | 4,169 | 4,145 | 5,039 | 5,421 |
| $V_2O_5$ gross revenue | $M | 149 | 162 | 162 | 162 |
| Gross revenue: total | $M | 4,318 | 4,307 | 5,201 | 5,582 |
| Downstream operating expenses | $M | (60) | (64) | (64) | (64) |
| Site operating expenses | $M | (1,910) | (2,281) | (2,281) | (2,281) |
| Namibian state royalty & export levy | $M | (140) | (139) | (168) | (181) |
| Operating margin (EBITDA) | $M | 2,208 | 1,823 | 2,687 | 3,057 |
| Initial capital cost | $M | (295) | (385) | (385) | (385) |
| Total capital and sustaining capital | $M | (417) | (563) | (563) | (563) |
| Tax payable | $M | (646) | (473) | (795) | (933) |
| C1 cost ($U_3O_8$ basis with $V_2O_5$) | $/lb | 28.39 | 34.68 | 34.68 | 34.69 |
| All-in-Sustaining-Cost ($U_3O_8$ basis with $V_2O_5$ by-product) | $/lb | 31.76 | 38.72 | 39.18 | 39.38 |
| Project NPV (post tax) | $M | 410 | 341 | 614 | 754 |
| Project IRR (post tax) | % | 23.0 | 19.2 | 26.4 | 31.4 |
| Project payback period from prod. start | Years | 3.8 | 4.1 | 3.3 | 2.8 |
| Maximum project drawdown | $M | 315 | 426 | 425 | 424 |
| Breakeven $U_3O_8$ Price | $/lb | 42.40 | 49.21 | 49.21 | 49.21 |

**Deep Yellow DFS Press Release February 2, 2023**

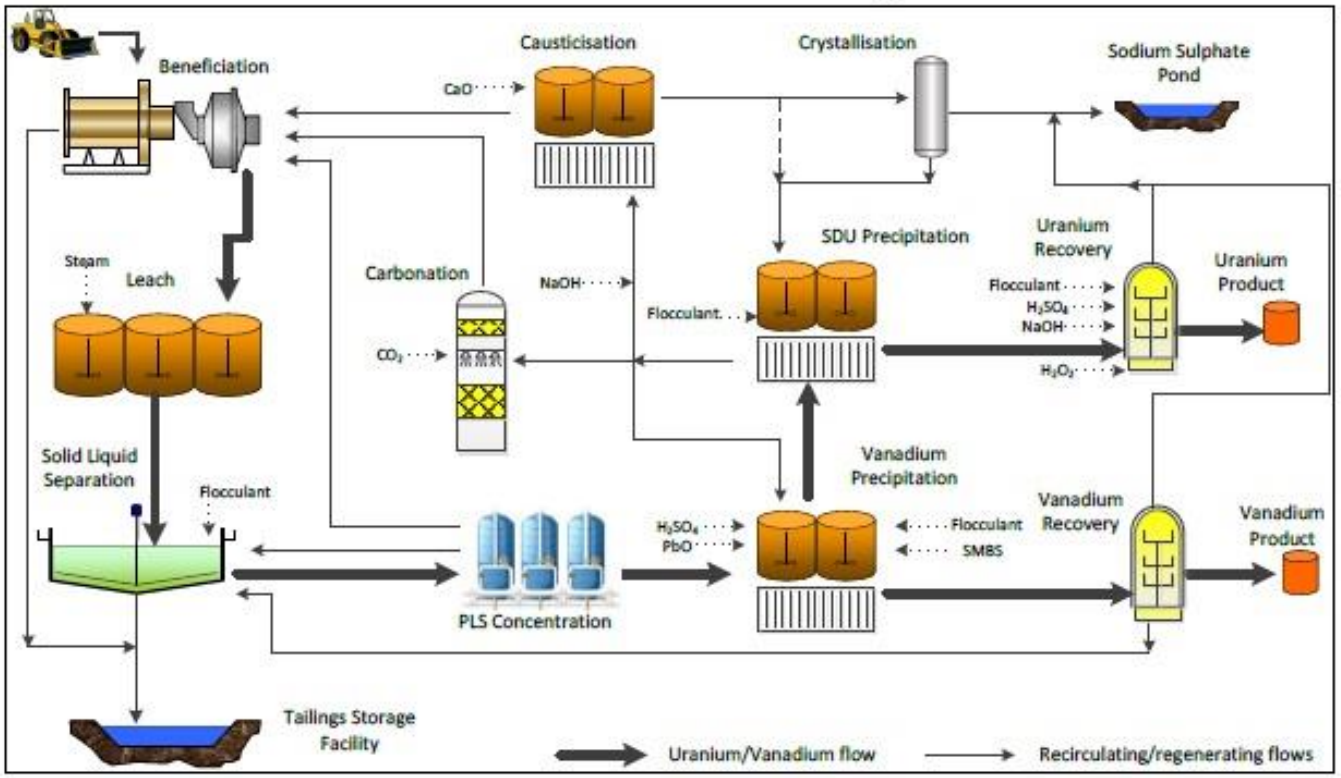
The DFS is based on an **open cut and shovel mining scenario** (using contract mining) and a conventional **beneficiation/leaching recovery method**. With a projected annual treatment throughput of 4.15 Mt and a $U_30_8$ recovery rate of 93.3%, the **average annual production** is estimated to be **3.6 Mlb $U_30_8$** (aka yellow cake) and **1.15 Mlb vanadium by-product** (vanadium pentoxide aka $V_2O_5$) over a **22.25-year Life of Mine** (LOM). The **assumed base case mineral prices** are **US$65.00 per pound $U_30_8$** and US$8.90 per pound of vanadium.
At the assumed base case mineral prices, an **after-tax $NPV_8$ of $341 million** (based on an 8% discount rate) is indicated, generating an **after-tax IRR of 19.2%**. The **initial pre-production capital costs total $385 million** with an anticipated payback of 4.1 years once production commences. The **direct operating cost (C1)** per pound of yellow cake is projected to be **$34.68 per pound** including a vanadium credit of $2.54/lb. Brook Hunt C1 cash costs include mining and processing (labor, power, reagents, materials) costs plus local G&A, freight and selling costs

Deep Yellow will manage the processing plant and provide the general administration services while a contract miner will conduct the mining operations.

## Processing Circuit

Significant efficiencies were achieved in the processing circuit. Less material will need to be processed since the **beneficiation process** is expected to reject about 55% of ROM mass compared to approximately 35% at Langer Heinrich. As a result, **utility costs decrease** by reducing the consumption of power and water. The **leaching system** has been optimized by introducing steam heat. Also, the **ultrafiltration and nanofiltration** will help concentrate the pregnant leach solution, which will improve recoveries.

Schematic Process Flow Diagram

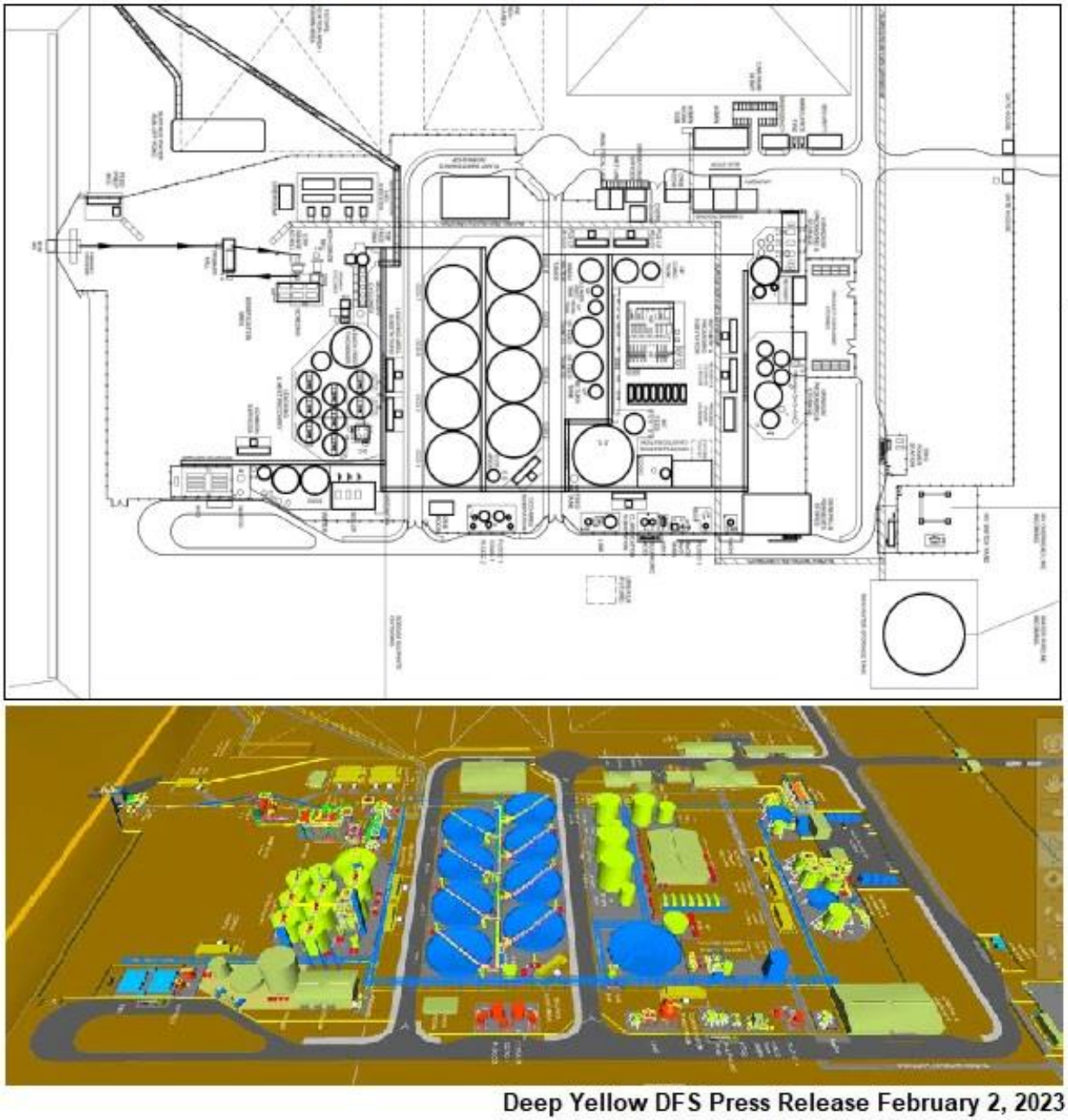



Deep Yellow DFS Press Release February 2, 2023

## Plant Layout

The plant layout was designed to minimizing pumping distances, particularly for high volume processes, as well as using gravity flow when possible.

**On Site Infrastructure Layout**

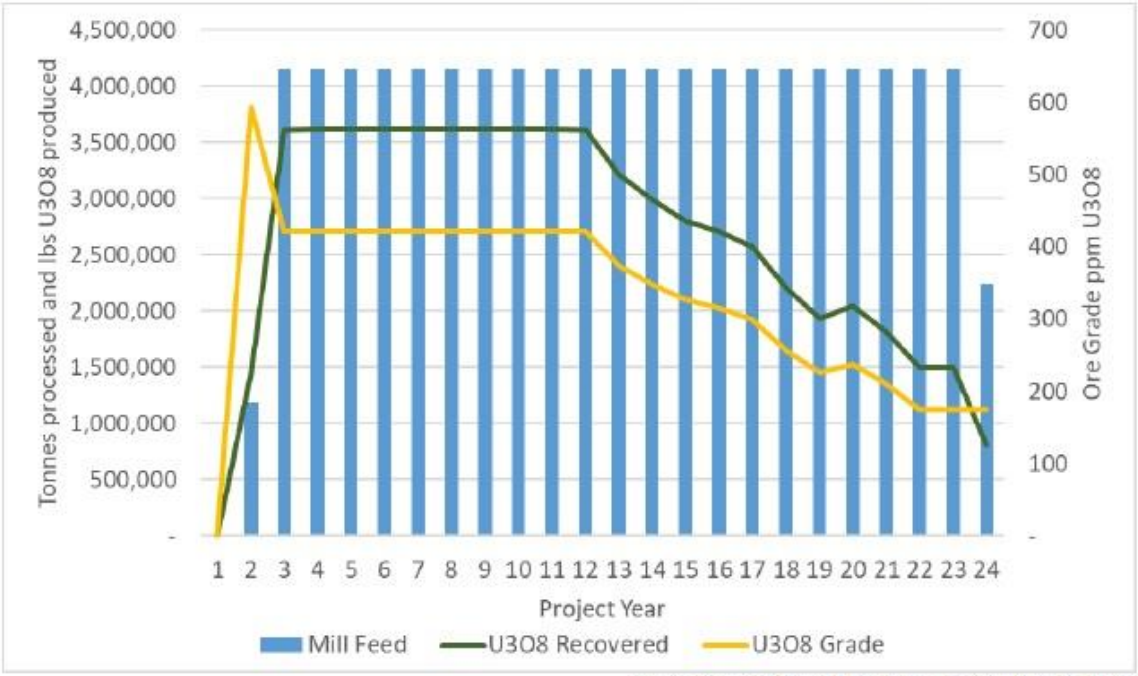


Deep Yellow DFS Press Release February 2, 2023

## Mine Production Schedule

The image below displays the year-by-year schedule for processing uranium ore, along with the grade being processed. The operational schedule maintains a steady annual production of 3.6Mlb $U_3O_8$ for 10 years with declining uranium production thereafter due lower ore grades. Management anticipates bolstering the production in the latter years through upgrading the remaining Inferred Resource, along with exploration of the remaining 40% of Tumas paleochannel that has yet to be tested.

**Ore Tonnes and Grade Processed and $U_3O_8$ Production by Year**




**Deep Yellow Press Release February 2, 2023**

**Tumas Project Financials showing Base Uranium Price with Price Comparatives**

| Project Financials (Ungeared): Real unless stated | Unit | PFS Update (Oct '21) | US$65/lb | FAM-2 | US$85/lb |
|---|---|---|---|---|---|
| $U_3O_8$ gross revenue | $M | 4,169 | 4,145 | 5,039 | 5,421 |
| $V_2O_5$ gross revenue | $M | 149 | 162 | 162 | 162 |
| Gross revenue: total | $M | 4,318 | 4,307 | 5,201 | 5,582 |
| Downstream operating expenses (TC/RCs, freight) | $M | (60) | (64) | (64) | (64) |
| Site operating expenses | $M | (1,910) | (2,281) | (2,281) | (2,281) |
| Namibian state royalty & export levy | $M | (140) | (139) | (168) | (181) |
| Operating margin (EBITDA) | $M | 2,208 | 1,823 | 2,687 | 3,057 |
| Initial capital cost | $M | (295) | (385) | (385) | (385) |
| Capitalised pre-production operating costs | $M | (38) | (51) | (51) | (51) |
| Sustaining and closure | $M | (83) | (127) | (127) | (127) |
| Total capital and sustaining capital | $M | (417) | (563) | (563) | (563) |
| Tax payable | $M | (646) | (473) | (795) | (933) |
| Undiscounted cashflow after tax | $M | 1,141 | 793 | 1,333 | 1,564 |
| C1 cost ($U_3O_8$ basis with $V_2O_5$ by-product) | $/lb | 28.39 | 34.68 | 34.68 | 34.69 |
| All-in-Sustaining-Cost ($U_3O_8$ basis with $V_2O_5$ by-product) | $/lb | 31.76 | 38.72 | 39.18 | 39.38 |
| Project NPV (post tax)[3] | $M | 410 | 341 | 614 | 754 |
| Project IRR (post tax) | % | 23.0 | 19.2 | 26.4 | 31.4 |
| Project payback period from production start | Years | 3.8 | 4.1 | 3.3 | 2.8 |
| Maximum project drawdown | $M | 315 | 426 | 425 | 424 |

**Deep Yellow Press Release February 2, 2023**

## Tumas Project - Reserve

The Ore Reserve estimate of the Tumas Project remains unchanged from the updated PFS Reserve released in early October 2021. However, the financial model of the DFS utilizes a marginally higher tonnage than the ore reserve tonnage due to the estimation that an additional 2.2 Mt of low-grade material will be processed. None of the Inferred Mineral Resources were included in the Ore Reserve estimation or production schedules, and as such were treated as waste material.

**Tumas Project Ore Reserves**

| Classification | $U_3O_8$ Cut-off ppm | Tonnes Mt | $U_3O_8$ ppm | $U_3O_8$ Metal Mlb |
|---|---|---|---|---|
| Proved | 150 | 0.0 | 0 | 0.0 |
| Probable | 150 | 88.4 | 345 | 67.3 |
| **Total** | **150** | **88.4** | **345** | **67.3** |

Deep Yellow DFS Press Release February 2, 2023

## Definitive Feasibility Study Primer

A **Definitive Feasibility Study is potentially bankable** in that it is prepared with a sufficient high level of detail and at a greater level of integrity than a PFS such that a company can secure financing for a project from investors and/or lenders, thus better enabling the project to proceed. The detailed work includes, but is not limited to:

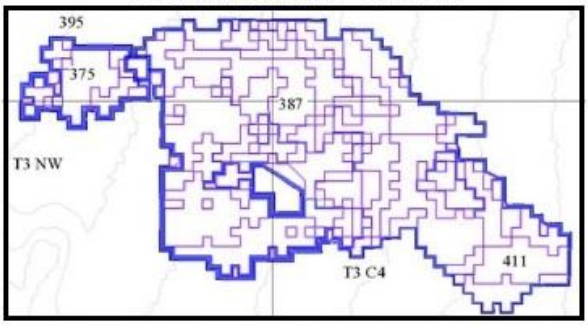
- detailed mine plan including the method to be employed, mine design, surface layout, mining schedule, approach to material movement, stockpile requirements, management of lower grade ore etc.
- formal engineering work of processing plant with a complete plant layout design, mill feed rate, tailings management process etc.
- specific energy requirements
- comprehensive metallurgical studies
- optimization studies on both mining and ore processing
- tailings management, including overall design, technical geochemical test work, storage facilities etc.
- real world pricing (based on quotes) for infrastructure (both mining & processing), utilities (energy and water) and contract mining (if required)
- rehabilitation of the areas mined
- environmental work on the operations in both mining and ore processing
- and, of course, the project's economics

Also, a DFS is often based on Proven and Probable Reserves, but at least on Indicated and Measured MREs.

In general, the **projected economics** in **Definitive Feasibility Study are usually accurate to within 10%-15%**. In contrast, the accuracy of preceding studies, specifically Scoping Studies and Preliminary Feasibility Studies, are in the range of 40%-50% and 20%-30%, respectively.

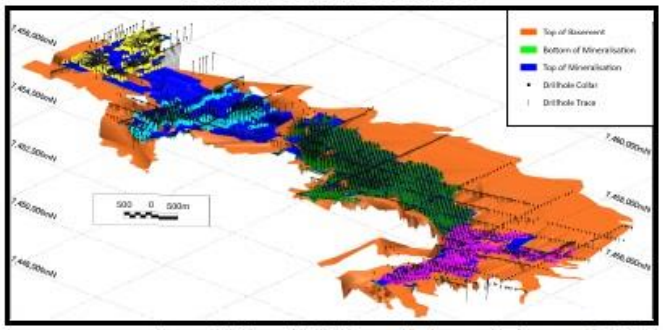
To better exemplify the difference of comprehensiveness between a PFS and a DFS, below are **images contrasting the level of detail** of the **geological analysis** of the mineable ore at the Tumas 3 deposit and of the **design & function** of the processing plant at Tumas.

**Tumas 3 West Pit Shell**



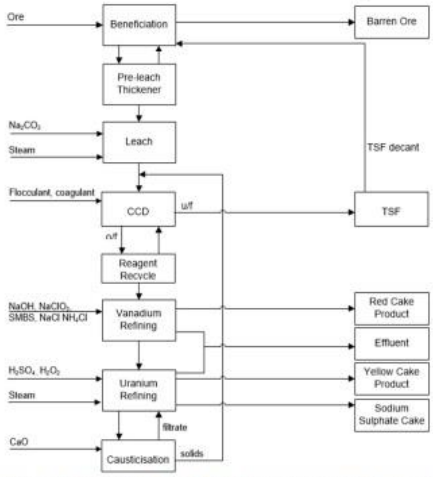

Deep Yellow PFS Press Release February 10, 2021

**Tumas 3 Wireframes**



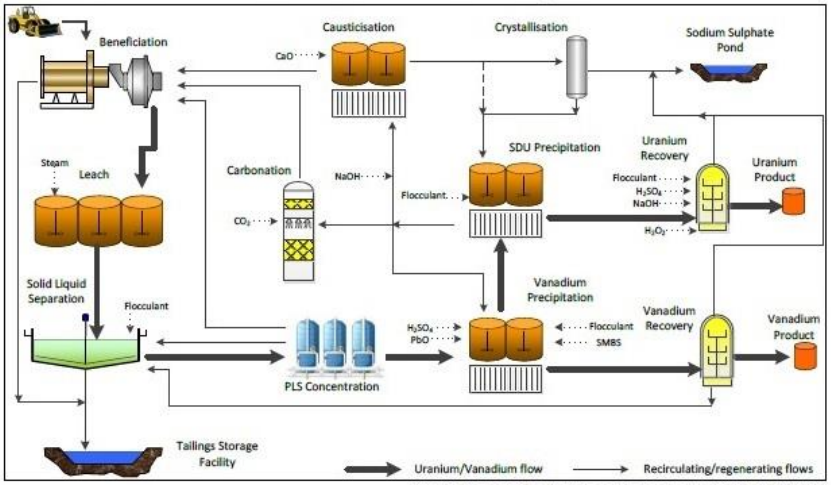
Deep Yellow DFS Press Release February 2, 2023

PFS Process Plant Block Flow Diagram




Deep Yellow PFS Press Release February 10, 2021

DFS Schematic Process Flow Diagram




Deep Yellow DFS Press Release February 2, 2023

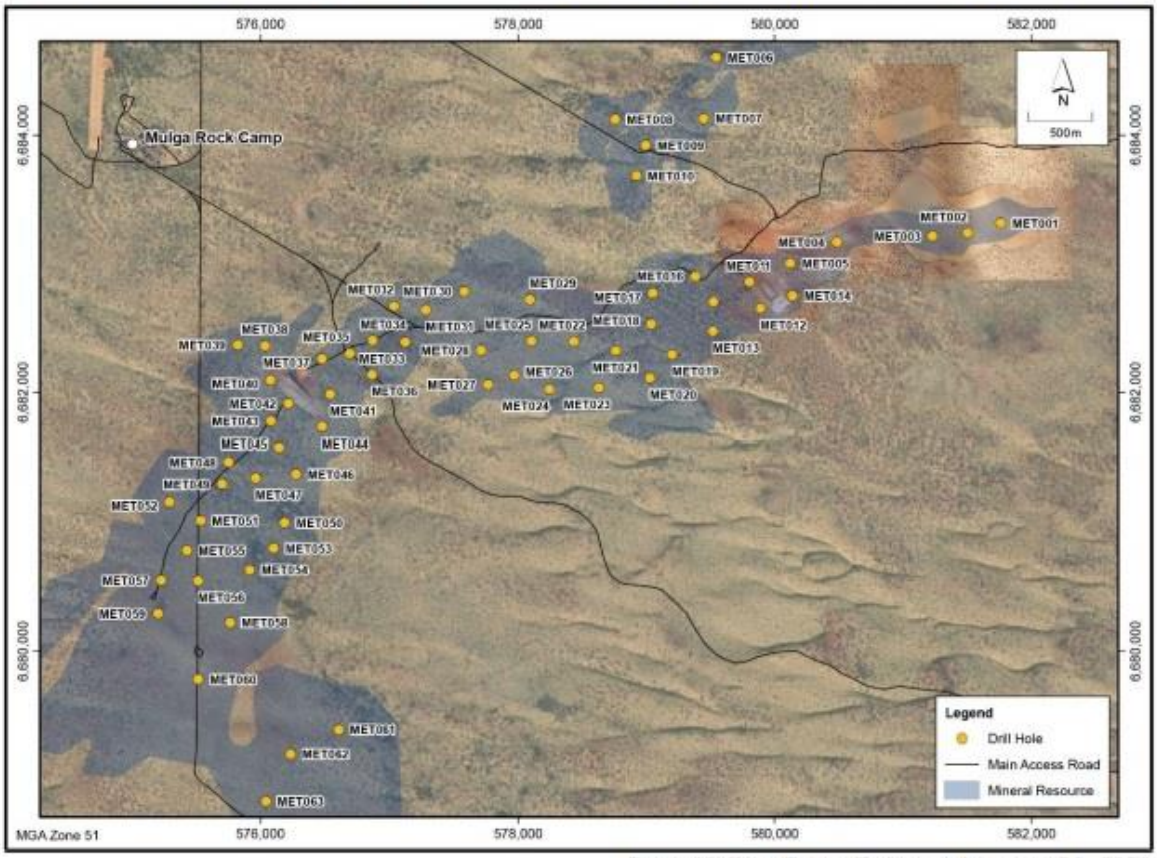
## MULGA ROCK PROJECT - UPDATE

In late December 2022, Deep Yellow **purchased the 1.15% royalty** on the Mulga Rock Project held by Resource Capital Fund VI LP in consideration of 19,444,444 shares of Deep Yellow. The elimination of this legacy royalty will enhance the project's potential value going forward.

Deep Yellow is pursuing an **enhancement program** to increase the project's value expanding the its scope to include both **polymetallic** and **rare earth minerals**, including copper, nickel, cobalt, zinc, neodymium and praseodymium. These minerals are known to be present within the identified resource shells. By expanding the resource work, while still remaining within the approved pit boundaries, Deep Yellow is seeking to add supplementary value to the Mulga Rock Project.

As part of this enhancement program, **a 63-hole** (4,099m) **geo-metallurgical air-core drill program** was undertaken and completed at the Ambassador and Princess in late 2022. 1,552 individual samples were collected for metallurgical test work in order to better define the distribution of as well as to estimate potential process recoveries for polymetallic and rare earth elements. Furthermore, 1,862 samples were collected for multi-element geochemical analysis in order to further support the metallurgical work.

**Air-Core Drill Hole Location at Princess & Ambassador Deposits**




Deep Yellow Press Release January 20, 2023

Management is **planning on a 600-to-800-hole air-core drilling program** in order to further ascertain the distribution of polymetallic and critical minerals, along with better defining the uranium resource and potentially upgrading resource classifications. The air-core drilling program is planned to commence in the first half of 2023.

In February 2023, the Commonwealth Department of Climate Change, Energy, the Environment and Water approved the Mulga Rock Project's Sandhill Dunnart Conservation Plan. The approval allows Deep Yellow to build an operational airstrip at Mulga Rock.

## ALLIGATOR RIVER PROJECT - BACKGROUND

Situated in the Northern Territory, the 3,895km$^2$ **Alligator River Project** encompasses **three groups of tenements**: Wellington Range King River (granted), Algodo Beatrice (application) and Mt Gilruth (application). Alligator River was acquired from Cameco, specifically from its Australia Pty Ltd subsidiary, in 2018 by VIMY, which in turn was acquired by Deep Yellow in 2022.

The **major exploration target** within the Wellington Range King River group is **Angularli**. A maiden Mineral Resource Estimate for the Angularli deposit was completed in March 2018 with an Inferred Resource Estimate totaling 0.91Mt at 1.29% $U_3O_8$ for 25.9Mlb $U_3O_8$. Also within the Wellington Range King River group are the Aurad North and Kurolkin deposits as well as the Murgenella, Condor, Such Wow, Emu, Nim2, Tp14 and Q14 prospects.

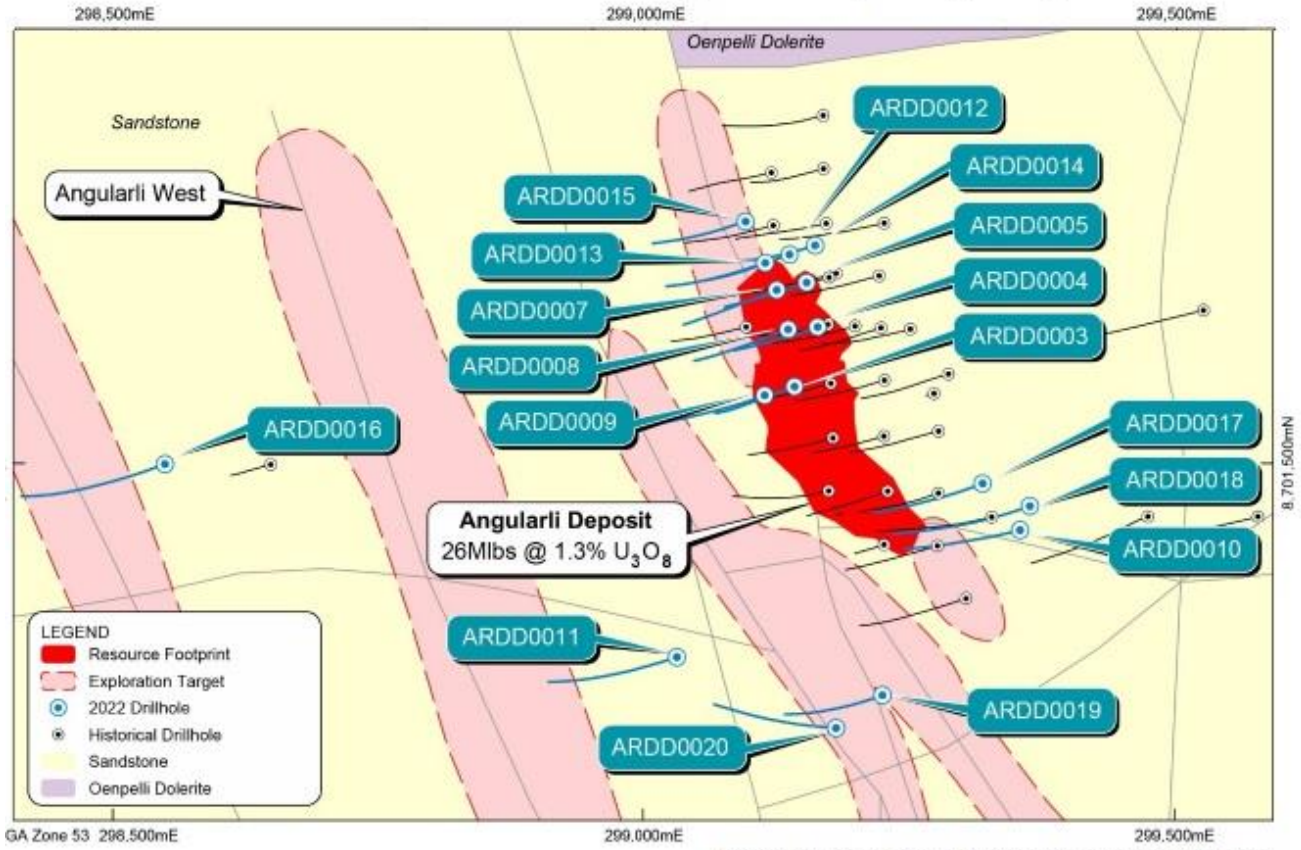
**Angularli Mineral Resource Estimate, March 2018**

| Deposit | Category | Cut-off (% $U_3O_8$) | Tonnes (Mt)[1] | $U_3O_8$ (%)[2] | $U_3O_8$ (t) | $U_3O_8$ (Mlb) | Resource Categories (Mlb $U_3O_8$) Measured | Indicated | Inferred |
|---|---|---|---|---|---|---|---|---|---|
| Alligator River Project - JORC 2012 | | | | | | | | | |
| Angularli Deposit | Inferred | 0.10 | 0.95 | 1.24 | 11,793 | 26.0 | - | - | 26.0 |
| | | **0.15** | **0.91** | **1.29** | **11,748** | **25.9** | - | - | **25.9** |
| | | 0.20 | 0.88 | 1.33 | 11,700 | 25.8 | - | - | 25.8 |
| | | 0.25 | 0.77 | 1.49 | 11,430 | 25.2 | - | - | 25.2 |
| **Alligator River Project Total** | | | **0.91** | **1.29** | **11,748** | **25.9** | - | - | **25.9** |

**Deep Yellow Press Release October 27, 2022**

Between in late June and October 2022, Deep Yellow completed an **18-hole** (6,339m) **diamond drilling program** at **Angularli** in order to support a Mineral Resource update scheduled for the first quarter of 2023. The primary focus of drilling program was to determine the extent of the mineralized system associated with the domain of the Inferred Resource. Exploratory drilling **targeted areas prospective for up-dips and down-plunges** of the current Resource. These holes were spaced roughly 25m apart along lines 50m-to-60m apart that traverse the Resource. Also, several holes were drilled between 150m-and-600m away from the domain of the Resource in order **to test the scope of the mineralized system**.

**Drill Hole Locations - Angularli Deposit (2022)**




**Deep Yellow Press Release October 27, 2022**

Details of the more significant diamond drill holes targeting areas prospective for up-dips and down-plunges are in the table below.

## DRILLING CAMPAIGN AT ALLIGATOR RIVER

**Significant results returned from the program include:**

- ARDD0003:
  - 2.65m at 0.51% $eU_3O_8$ from 170.9m
  - 4.50m at 0.56% $eU_3O_8$ from 184.7m
  - 5.90m at 0.30% $eU_3O_8$ from 191.0m
- ARDD0004:
  - 5.40m at 0.45% $eU_3O_8$ from 179.9m
  - 6.35m at 0.95% $eU_3O_8$ from 217.9m, including
  - 2.95m at 1.42% $eU_3O_8$ from 221.3m
- ARDD0005:
  - 11.75m at 1.13% $eU_3O_8$ from 201.0m, including
  - 5.20m at 2.10% $eU_3O_8$ from 204.5m
  - 7.90m at 0.31% $eU_3O_8$ from 218.1m
- ARDD0007:
  - 1.75m at 0.72% $eU_3O_8$ from 175.9m
  - 2.10m at 0.60% $eU_3O_8$ from 203.5m
  - 2.25m at 1.00% $eU_3O_8$ from 206.7m
- ARDD0008:
  - 4.05m at 0.97% $eU_3O_8$ from 177.4m
- ARDD0012:
  - 1.90m at 0.88% $eU_3O_8$ from 211.7m
  - 3.00m at 0.75% $eU_3O_8$ from 217.6m
  - 1.60m @ 0.93% $eU_3O_8$ from 221.7m
- ARDD0013:
  - 2.00m at 0.78% $eU_3O_8$ from 182.3m
  - 2.10m at 0.66% $eU_3O_8$ from 184.7m

**Deep Yellow Press Release October 27, 2022**

In addition to the diamond drill cores being analyzed in the field by portable XRF devices, downhole radiometric measurements and bulk density readings were taken. Further analysis is being conducted on select core samples (including geological logging) and on select bulk density samples.

Thus far, **up-dip extensions of mineralization have been identified** (see highlighted drill hole results above) confirming the existence of a larger, continuous mineralized system. Furthermore, lower grade **mineralization in fault corridors nearby** (ARDD0016, 19 and 11). Despite those lower grades, the extension holes revealed the **prospectivity of proximate fault corridors**, which has expanded the target zone for future drilling programs.

All this exploratory work will help **support an updated MRE**, which **management anticipates being completed in the second quarter of 2023**.

## OMAHOLA BASEMENT PROJECT - BACKGROUND

The current **Mineral Resource Estimate** at the **Omahola Project** (Ongolo, MS& & Inca deposits) is **125.3Mlb** at **190ppm** $U_30_8$ at 100ppm cut-off (JORC 2012 Code).

**Omahola Project Updated MREs**

| Deposit | Category | Cut-off ppm $U_3O_8$ | Tonnes Mt | Grade $U_3O_8$ ppm | Metal t | Metal Mlb |
|---|---|---|---|---|---|---|
| 100ppm Cut-offs | | | | | | |
| Inca | Indicated | 100 | 21.4 | 260 | 5,600 | 12.3 |
| | Inferred | 100 | 15.2 | 290 | 4,400 | 9.7 |
| Ongolo | Measured | 100 | 47.7 | 187 | 8,900 | 19.7 |
| | Indicated | 100 | 85.4 | 168 | 14,300 | 31.7 |
| | Inferred | 100 | 94 | 175 | 16,400 | 36.3 |
| MS7 | Measured | 100 | 18.63 | 220 | 4,100 | 9.05 |
| | Indicated | 100 | 7.15 | 184 | 1,300 | 2.9 |
| | Inferred | 100 | 8.71 | 190 | 1,600 | 3.65 |
| **Total** | | | **298.2** | **190** | | **125.3** |

Deep Yellow Limited 2022 Annual Report

In 2021, the **Mineral Resource Estimate** for the **Omahola Project** was **upgraded** from a **Measured, Indicated and Inferred Resource base** of 45Mlb at 420ppm $eU_30_8$ at a cut-off of 250ppm (JORC 2004 Code) **to 125.3Mlb** at **190ppm** $U_30_8$ at 100ppm cut-off **(JORC 2012 Code)**. The upgrade occurred through a thorough review of the underlying data of the three resource deposits. In late 2021, a 200-hole (7,426m) shallow RC drill program commenced in order to identifying new mineralized areas beyond the known deposits. 34 of the 200 holes returned assay results greater than 100ppm $U_30_8$ and 104 holes returned results greater than 50ppm $U_30_8$ over 1 meter.

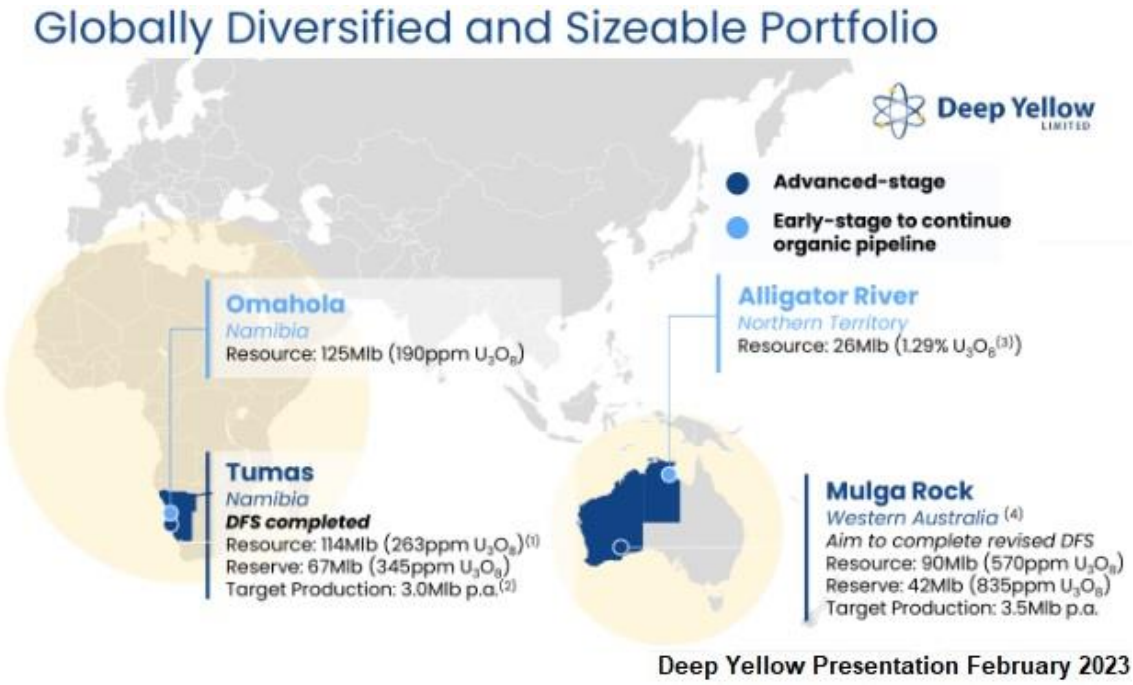
Located on EPL 3496, the Omahola Project currently consists of three distinct deposits (**Ongolo, MS7** and **Inca**), which were identified between 2009 and 2013. These shallow deposits, which occur at a depth of 20m to 250m, are a second type of uranium mineralization at the Reptile Project described as **basement** or **alaskite**. Usually referred to as uraniferous leucogranites, alaskite (a local term) dyke-like formations were formed by molten granite intruding into sedimentary rock. It is postulated elevated uranium grades occur when high-grade metamorphism causes a partial melting of basement rocks, which enhances the transportation and enrichment of uranium ore, such as at Rössing South.

**Alaskite Alley**, a north-south trending zone of occurrences of uraniferous leucogranite, currently supports two mines (Rössing and Husab), where the primary mineralization of the ore bodies is usually found in sheets of uranium-rich, granite-hosted alaskite (pegmatitic alkali-leucogranite). Rössing and Husab are almost due north of the Reptile Project, and Alaskite Alley **appears to cut through the western part of Deep Yellow's EPL 3496** tenement, in which Deep Yellow has discovered these three uranium deposits.

## DEEP YELLOW POST MERGER WITH VIMY RESOURCES

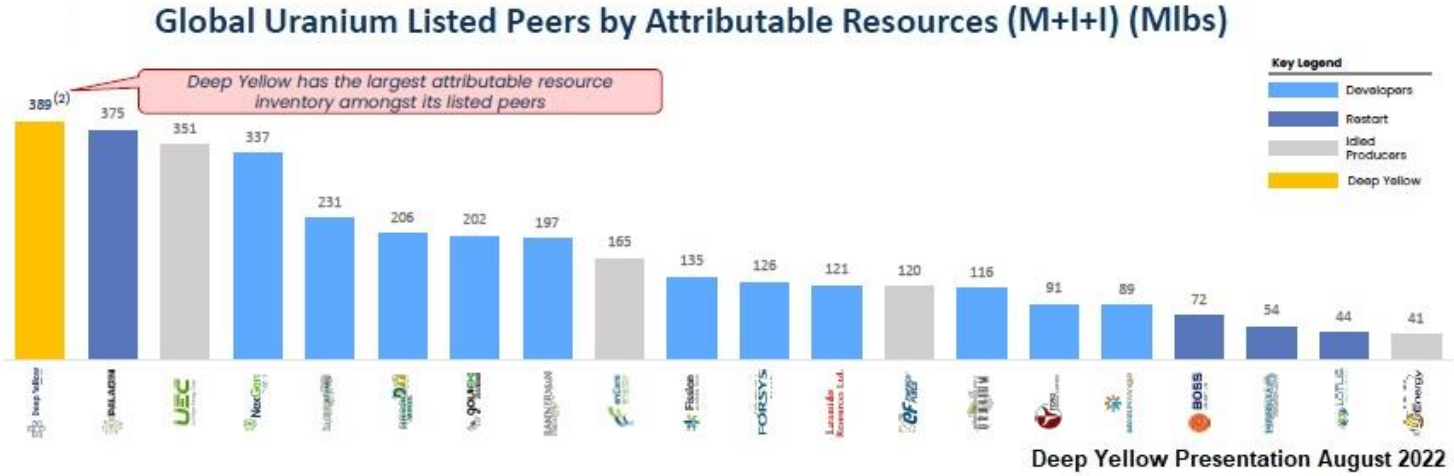
Management has succeeded in achieving another milestone in executing its Dual Pillar strategy: the transformation of Deep Yellow into a **multi-jurisdictional uranium company** with **two advanced uranium projects** (Tumas and Mulga Rock) in **separate Tier-1 mining jurisdictions** (Australia and Namibia). Also, Deep Yellow has a highly prospective portfolio of exploration projects that provide a pipeline for organic growth. These early stage projects include **Omahola** in Namibia and the **Alligator River** in the Northern Territory. With this **expanded project portfolio** with both advanced and exploratory projects, **investor interest is expected to increase**.

Management's **strategic goal** is to become a safe, reliable, long-term supplier of uranium. The merger brings Deep Yellow one step closer to management's **objective** of attaining **annual production capacity of over 10.0Mlbs**.




Deep Yellow Presentation February 2023

Now, not only does the Deep Yellow have a clearer path to production with its two advanced projects, but also will have **increased scale** in many aspects, including in terms of management's industry, project development and operating experience and importantly, **financial flexibility** (with over AUD$100 million and no debt). In terms of **MRE (389Mlb $U_30_8$)**, Deep Yellow has become more prominent over other juniors.

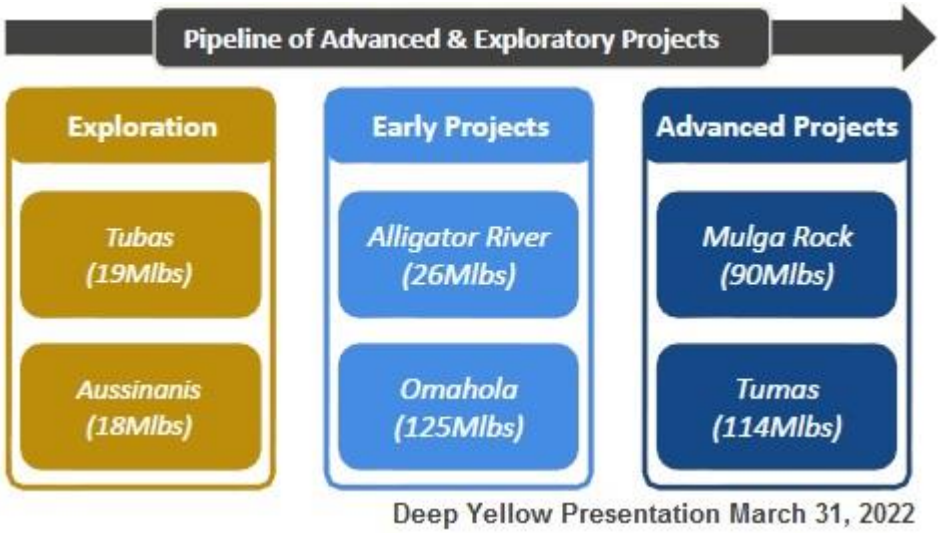



Deep Yellow Presentation August 2022

With advanced (near-development-ready) projects in **Namibia** (Tumas) and **Australia** (Mulga Rock), the company is well positioned to achieve production of uranium in the 2025 timeframe. Both of these projects also have the potential to expand organically by expanding the existing asset base through the further definition of resources.

**Project Mining License Application** (MLA 237) **was filed** with the Namibian Ministry of Mines and Energy (MME) in July 2021 for the Tumas Project. The approval process is expected to be completed in mid-2023.

A DFS was completed on the **Mulga Rock Project** in January 2018 and subsequently updated in August 2020. The refreshed Mulga Rock DFS indicates that an open pit mining operation would support a potential annual production rate of 3.5 million pounds $U_30_8$ for 15 years with an expected 31% IRR and payback period of 2.4 years. Deep Yellow's **management plans to update the Mulga Rock DFS** by including polymetallic (base metal) recovery optimization work, by adding further drilling work to better define the resource and by conducting additional mining studies. The geological setting at Mulga Rock is an ancient drainage system where uranium mineralization was precipitated and became concentrated in peat swamp now situated subsurface.

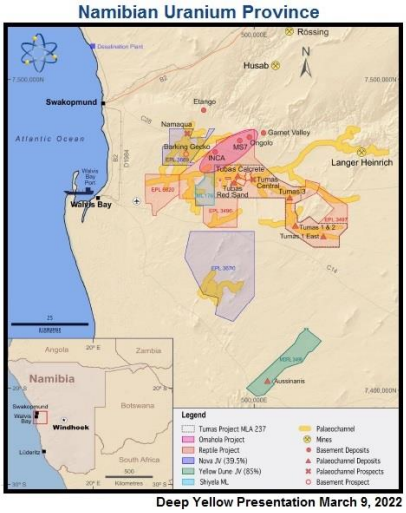


Deep Yellow Presentation March 31, 2022

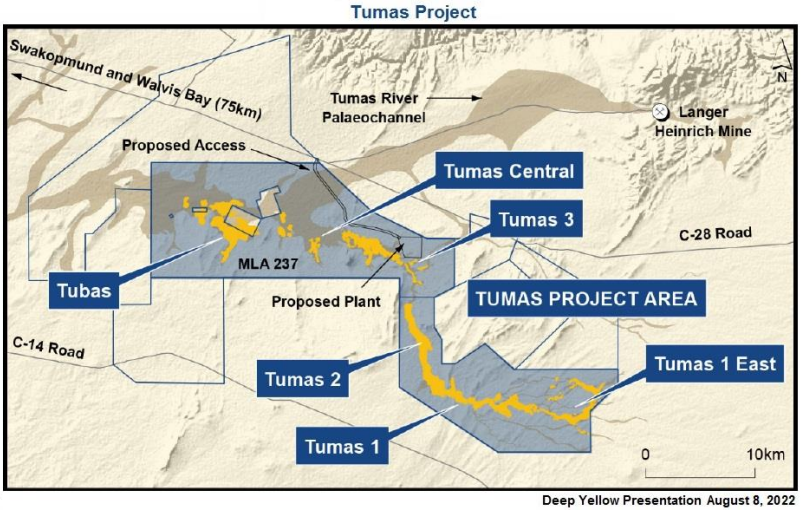
In addition, **two highly prospective projects** (the **Alligator River Project** in Australia's Northern Territory and the **Omahola Basement Project** in Namibia) provide management with the options to develop additional uranium assets through exploratory efforts that are expected to deliver supplementary production post-2025, provided the price of uranium provides an adequate incentive to further ramp up production. An Inferred Mineral Resource for the Angularli deposit at the Alligator River Project was estimated to be 26 million pounds $U_30_8$ in March 2018. Geologically, the Alligator River Project is a Ranger-like **unconformity-related uranium deposit** occurring in metamorphic basement rocks. The current Mineral Resource Estimate for the Ongolo, MS& & Inca alaskite deposits at the Omahola Project is 125.3Mlb at 190ppm $U_30_8$.

The merger with Vimy Resources has created geographically diversified junior uranium company in two Tier-1 mining jurisdictions. The project portfolio consists of **both advanced and exploratory projects**, which is expected to expand through management's disciplined M&A strategy to facilitate further consolidation in the uranium mining industry. **Management has completed a comprehensive review of over 200 mining projects around the world**, categorizing each deposit based on quality, geography and various other metrics.

Importantly, management and technical team are experienced having successfully developed and operated uranium projects in the past uranium cycle. **Management is highly sensitive to the price of uranium** in regard to the decision-making process in determining when to initiate production.



Deep Yellow Presentation March 9, 2022



Deep Yellow Presentation August 8, 2022

## NOVA JV PROJECT

In late-March 2017, Deep Yellow entered into a joint venture agreement with JOGMEC (Japan Oil, Gas and Metal National Corporation) regarding the **NOVA Joint Venture** (or NOVA JV). In August 2020, JOGMEC earned a 39.5% interest in the project through exploration and development expenditures of **AUD$4.5 million**. The NOVA JV encompasses **556.8 square kilometers**. Deep Yellow continues to be the manager of the NOVA JV holding 39.5% interest in the project.

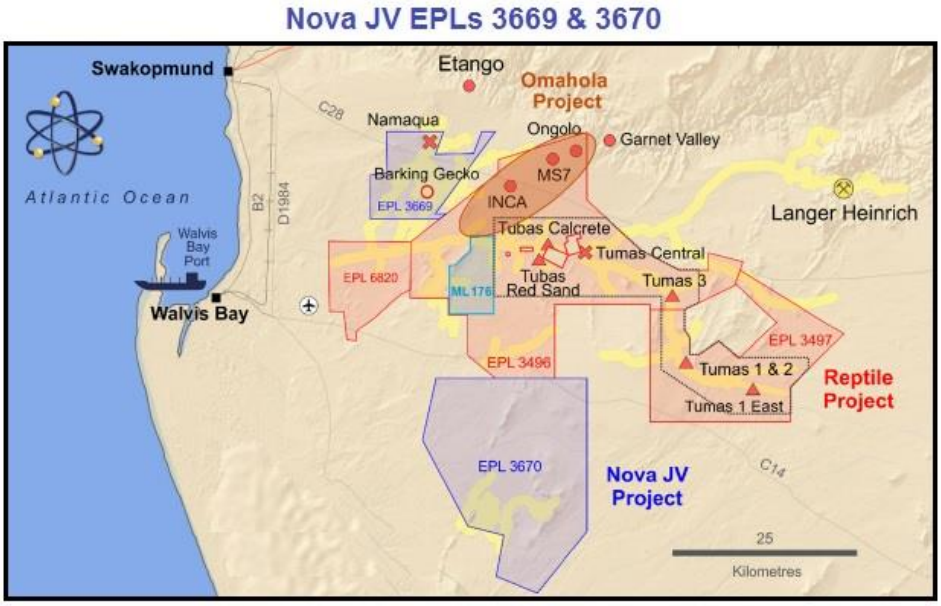
| | |
|---|---|
| Reptile Mineral Resources & Exploration (Pty) Ltd<br>*Subsidiary of Deep Yellow Limited* | 39.5% (Manager) |
| Japan Oil, Gas and Metals National Corporation (JOGMEC) | 39.5% (Right to equity) |
| Nova Energy (Africa) Pty Ltd<br>*Subsidiary of Toro Energy Ltd* | 15% |
| Sixzone Investments (Pty) Ltd<br>*Namibia* | 6% (Carried interest) |

Deep Yellow Quarterly Activities Report March 2022

Deep Yellow conducted a 14-hole (3,561m) **Phase 1** follow-up **RC drilling program** at the **Barking Gecko North prospect** on EPL3669 between July 12th and October 6th 2021. The Barking Gecko prospect is part of the NOVA JV project (the light blue shaded areas on the map below).

Barking Gecko is a prominent domal feature which is wrapped around by a **large zone of anomalous interest** (approximately **4km long and 1km wide**). This prospective area was indicated by 3D inversion of high resolution airborne magnetic data, which detected a zone of easterly trending magnetism.

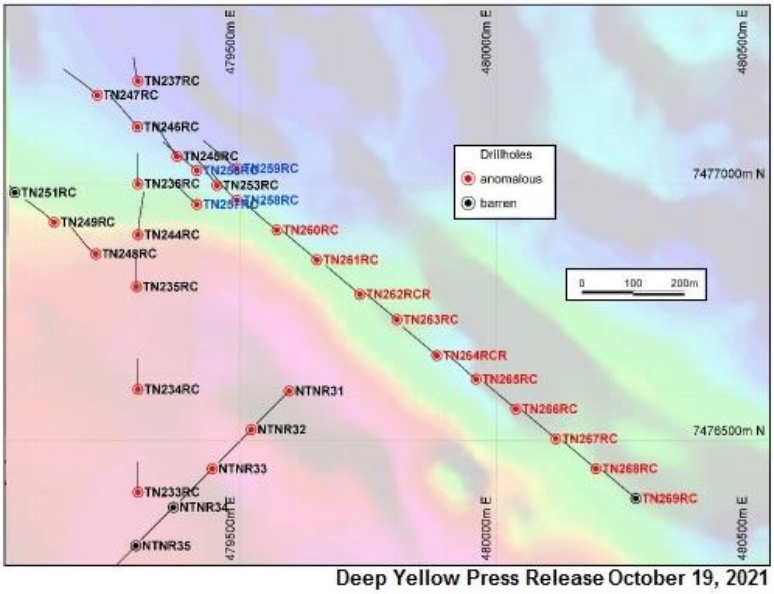
The drill holes were spaced 100m apart in a NW-SE orientation with TN256RC and TN258RC being 50m infill holes. All 14 holes were angled at 70 degrees and were orientated to the northwest, of which 13 holes intersected uranium mineralization more than 100ppm over one meter.



Deep Yellow Press Release October 19, 2021

With the central drill holes delivering the better results, the drilling program identified a **700m x 200m** prospective area of high grade and thick uranium mineralization. The **standout hole** was **TN258RC**, which over an 83m zone, intersected 70m (grading **503ppm** eU3O8) over four intervals. **TN260RC** intersected 14m (grading 381ppm) while **TN261RC** intersected 29m (**529ppm**) over two intervals over a 36m zone.

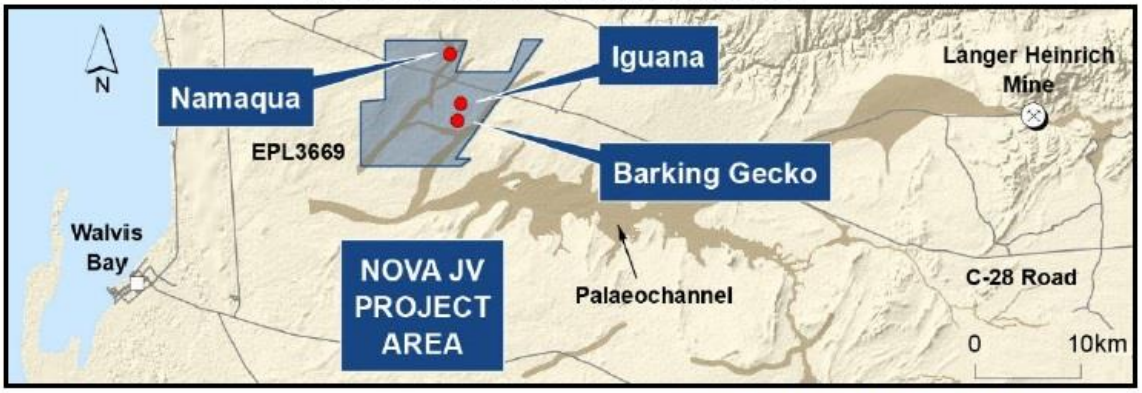
A **follow-up Phase 2 program** commenced on November 18th and was completed on December 15th. The program consisted of 10 RC step-out holes (2,272m) flanking the previous drill line by 100m, along with one **diamond core hole** (TN270DDT), which was completed on December 15, 2021. In mid-January 2022, Deep Yellow announced the assay results of the diamond core hole, which intersected 118m at **352ppm** $eU_3O_8$ within eight intersections over a 190m zone, including 9m at 954ppm $eU_3O_8$, 60m at 304ppm $eU_3O_8$ and 30m at 382ppm $eU_3O_8$.



Deep Yellow Press Release October 19, 2021

On April 7, 2022, Deep Yellow announced the assay results of the 10 RC holes, all of which intersected mineralization greater than 100ppm $U_3O_8$ over a least one meter However, the almost all the RC drill holes did not return the high grades or thicknesses previously encountered in the central drill line of Barking Gecko North. Nevertheless, the assay results indicate that a **5km mineralized system exists** between Barking Gecko, Iguana and Bowsprit on EPL3669, though the high grade mineralization appears to be restricted laterally. Nevertheless, the potential for continuation of the mineralization at depth remains.

*Nova Joint Venture Project on EPL 3669*




Deep Yellow Limited 2022 Annual Report

The **NOVA Joint Venture** (or NOVA JV) was created in March 2017 with JOGMEC (Japan Oil, Gas and Metal National Corporation). Currently, Deep Yellow is the manager of the NOVA JV and holds a 39.5% interest in the project. JOGMEC earned a 39.5% interest in the project through exploration and development expenditures, while NOVA Energy (a subsidiary of Toro Energy Ltd holds 15% and Sixzone Investments Pty holds a 6% carried interest.

## MISCELLANEOUS

***Liquidity***

As of December 31, 2022, Deep Yellow had **AUD$56.2 million of cash** and cash equivalents on its balance sheet and no debt.

***Environmental Impact Assessment (EIA)***

Baseline studies on groundwater, radiological, air quality, and flora & fauna conditions were completed for the Environmental Impact Assessment (EIA) during the first half of 2021. Thereafter, the **EIA Scoping Report** for the Tumas Project **was delivered to the relevant agencies of the Namibian Government** in July 2021. The submission (and approval) of an EIA is required before the Environmental Commissioner can issue an Environmental Clearance Certificate (ECC), which is a requirement for a Mining License.

***Mining License (MLA)***

On July 21, 2021, Deep Yellow filed a **Project Mining License Application was filed** with the Namibian Ministry of Mines and Energy (MME) for the Tumas Project area. As part of the process, the MME will require submission of the DFS on the Tumas Project, an Environmental Impact Assessment (**EIA**) and an Environmental Management Plan (**EMP**). Once an Environmental Clearance Certificate (**ECC**) is granted by the Ministry of Environment, Forestry and Tourism, Mining License (MLA 237) can be granted by the MME.

**Location of Tumas MLA 237 Registered with MME**


**Deep Yellow Press Release July 27, 2021**

***Equity Developments***

Effective September 19th, Deep Yellow Limited was added to the S&P/ASX 300 Index. Some professional portfolio managers and mutual funds benchmark to this index. Consequently, awareness of Deep Yellow among investors (both retail and institutional) should expand, and the shareholder base of Deep Yellow should broaden.

In June 2018, the company's shares began trading on the OTCQB Venture Market, and within months, was **uplisted to the OTCQX Best Market**. Now, DYLLF is Depository Trust Company (DTC) eligible. The OTCQX listing should expand awareness of the company among US investors, both retail and institutional. The company's primary listing continues to be the Australian Stock Exchange (ASX) under the symbol DYL. The company is also listed on the Namibian Stock Exchange (DYL) and the Frankfurt Exchange under the symbol JMI.

On January 29, 2021, **Deep Yellow achieved the recognition of being ranked in the OTCQX Best 50** (#47), a ranking formulated by being among the 50 best performing stocks out of the 462 companies traded on OTCQX Best Market, along with such quality standards as complying with financial standards and exhibiting average daily dollar volume growth.

On **January 29, 2022**, Deep Yellow **again** achieved the recognition of being **ranked in the OTCQX Best 50** (#21).

Effective May 27, 2021, Deep Yellow Limited was **added to the MSCI** (Morgan Stanley Capital International) **Global Market Cap Index** as part of MSCI's semi-annual rebalancing procedure. Consequently, Deep Yellow was **also added to the Australia Micro-Cap Index**. Many professional portfolio managers and mutual funds benchmark to these indices. 95 of the world's 100 largest money managers are clients of MSCI's indice database and analytics. 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 these two indices should **expand awareness** of Deep Yellow among investors.

## MANAGEMENT'S STRATEGY

**Deep Yellow Ltd**. **is unique among junior mining companies** and is being positioned to provide a leveraged opportunity to participate in all phases of the expected upswing in uranium prices under a Dual Pillar strategy. **Management is focused on becoming a Tier I uranium producer**, defined as a multi-project producer of uranium with the capacity to deliver 5-10 million lbs. of uranium annually. In other words, we expect management to remain focused on pursuing at least another acquisition in order to achieve the company's stated objective and to execute the development of the projects on a rigorous timetable.

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.

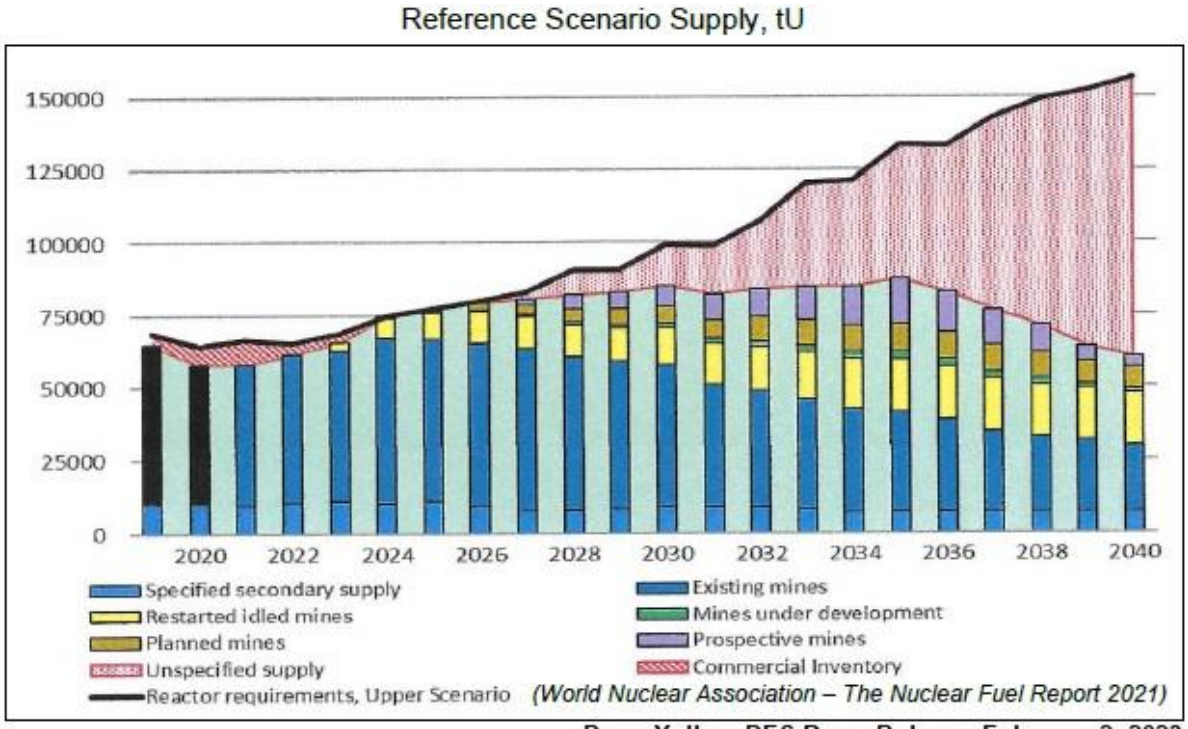
The first Pillar is organic growth, advancing the company's Namibian uranium tenements. The company's current flagship project, the **95%-owned Reptile Project**, is in the exact same jurisdiction and shares the same palaeochannel network as Langer Heinrich mine, as does EPL 3669 in the NOVA JV, in which Deep Yellow held a 65% interest, which was reduced to 39.5% interest when Japan Oil, Gas and Metals National Corporation (JOGMEC) concluded spending the AUD$4.5 million earn-in interest of 39.5% in September 2020.

**We expect that management will deliver on its plan** to become a tier-one uranium producer with an annual operating capacity of 5-to-10 million lbs. of $U_30_8$, both through organic growth by means of developing its Namibian and Australian projects and through acquisitions, mergers and/or the development of additional uranium projects located in other jurisdictions.

## OVERVIEW OF URANIUM INDUSTRY

The **uranium industry** is setting up for an anticipated rise in uranium prices.

- **Supply/demand imbalances** in the past have created three distinct commodity cycles in the uranium industry. Each cycle has begun with an increase in the price(s) of uranium and of uranium equities (both major established producers and junior mining companies), which has **culminated in a rapid, exponential 1-2 year rally** in uranium stocks.
- The majority of uranium is supplied to nuclear power plants through **long-term contracts** which are priced at a premium to spot market. Though currently these long-term contracts allow certain uranium producers to continue selling some of their uranium production profitably, about half of the uranium producers have operating costs that are above the current spot price.
- Prior to the pandemic-related shut downs, **over 53 million lbs. $U_30_8$ of production capacity had been mothballed since 2013** through the shutdowns of unprofitable mines or by the intentional capacity rationalization by major producers (Kazatomprom and Cameco).




**Deep Yellow DFS Press Release February 2, 2023**

With growing long-term demand for uranium fuel, the gap between future demand and supply is widening. Higher uranium prices are necessary for existing mines to return to production and for new mines to be developed.

With growing long-term demand for uranium fuel, the gap between future demand and supply is widening. Higher uranium prices are necessary for existing mines to return to production and for new mines to be developed.

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 about 50%, while producers corrected about half that amount (around 25%). 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 that 95% declines as the cycle eventually unwound.

## 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.

| *Industry Comparables* | % Chg YTD | Ticker | Exch. | U.S. Ticker | Uranium Project Country | Principal Uranium Project | Phase | Mkt Cap Local Curr. ($ mil.) | Price/ Book |
|---|---|---|---|---|---|---|---|---|---|
| **Deep Yellow Ltd** | 8.1% | DYLLF | OTCQX | DYLLF | Namibia | Tumas | DFS | 378.8 | 3.64 |
| **Deep Yellow Ltd** | -0.7% | DYL | ASX | DYLLF | Namibia | Tumas | DFS | 523.5 | 3.64 |
| **URANIUM DEVELOPMENT COMPANIES** | | | | | | | | | |
| Denison Mines Corp. | 12.9% | DML | TSX | DNN | Canada | Phoenix | PFS | 1,456.5 | 3.65 |
| Global Atomic Corp. | -13.1% | GLO | TSX | GLATF | Niger | Dasa | FS | 557.8 | 5.34 |
| NexGen Energy Ltd. | 4.2% | NXE | TSX | NXE | Canada | Arrow | PFS | 3,011.0 | 6.93 |
| Paladin Energy Ltd | 1.4% | PDN | ASE | PALAF | Namibia | Langer Heinrich | Restart | 2,279.8 | 3.87 |
| Bannerman Energy Ltd | 412.7% | BMN | ASX | BNNLF | Namibia | Etango | DFS | 273.8 | 2.37 |
| **Industry Mean** | **83.6%** | | | | | | | **1,515.8** | **4.43** |
| S&P 500 Index | 6.2% | ^SPX:US | NYSE | | N/A | N/A | N/A | N/M | 3.78 |

Further, the comparable companies have been narrowed through quantitative factors, particularly those with a market capitalization over $200 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 2.4 and 6.9. With the expectation that Deep Yellow's stock will attain a first quartile P/B ratio of 6.9, our **comparable analysis valuation price target is US$0.98**.

## 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. In fact, the company's balance sheet and working capital is healthy with over $14 million in terms of both cash and working capital.
- Shares outstanding increased significantly in fiscal 2017 (+72.6%), fiscal 2019 (+22.0%) and fiscal 2021 (+35.0%) 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.
- 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 above $60 per pound, creating an environment for new uranium mines to be developed.

## BALANCE SHEET

# Deep Yellow Limited

| (in $AUD except ordinary share data) | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|---|---|---|---|---|
| Period ending | 6/30/2018 | 6/30/2019 | 6/30/2020 | 6/30/2021 | 6/30/2022 |
| **ASSETS** | | | | | |
| Cash and cash equivalents | 10,690,253 | 14,975,063 | 12,116,972 | 52,448,274 | 64,924,350 |
| Accounts receivable | 444,464 | 461,989 | 298,265 | 534,763 | 605,426 |
| Other current assets | 224,066 | 255,707 | 187,567 | 224,419 | 734,397 |
| **Total Current Assets** | **11,358,783** | **15,692,759** | **12,602,804** | **53,207,456** | **66,264,173** |
| Right-of-use assets | - | - | 617,015 | 503,105 | 3,803,633 |
| Property, plant and equipment | 579,858 | 592,797 | 518,897 | 738,076 | 1,120,098 |
| Capitalized exploration & eval. expendit. | 29,279,061 | 31,831,939 | 35,415,745 | 43,420,220 | 49,727,889 |
| **TOTAL ASSETS** | **41,217,702** | **48,117,495** | **49,154,461** | **97,868,857** | **120,915,793** |
| Trade and other payables | 332,781 | 509,661 | 492,605 | 880,431 | 1,697,527 |
| Interest bearing liabilities | - | - | 57,562 | 117,658 | 144,654 |
| Employee provisions | 98,980 | 64,360 | 99,221 | 106,929 | 210,956 |
| **Total Current Liabilities** | **431,761** | **574,021** | **649,388** | **1,105,018** | **2,053,137** |
| Employee provisions | - | 54,154 | 48,794 | 38,360 | 36,030 |
| Lease liabilities | - | - | 536,664 | 429,735 | 3,649,608 |
| **Non-Current Liabilities** | **0** | **54,154** | **585,458** | **468,095** | **3,685,638** |
| **TOTAL LIABILITIES** | **431,761** | **628,175** | **1,234,846** | **1,573,113** | **5,738,775** |
| **SHAREHOLDERS' EQUITY** | | | | | |
| Issued equity | 238,722,162 | 247,264,524 | 249,753,196 | 296,373,482 | 321,796,741 |
| Accumulated losses | (192,326,868) | (196,141,196) | (193,266,333) | (198,081,539) | (204,906,849) |
| Employee equity benefits reserve | 11,086,143 | 12,140,341 | 13,476,273 | 15,444,255 | 17,753,920 |
| Foreign currency translation reserve | (16,695,496) | (15,774,349) | (22,043,521) | (17,440,454) | (19,466,794) |
| **Total Stockholders' Equity** | **40,785,941** | **47,489,320** | **47,919,615** | **96,295,744** | **115,177,018** |
| **TOTAL LIABILITIES & STOCKHOLDERS' EQ.** | **41,217,702** | **48,117,495** | **49,154,461** | **97,868,857** | **120,915,793** |
| Ordinary shares outstanding | 194,802,027 | 237,711,355 | 245,052,016 | 330,763,558 | 731,547,240 |

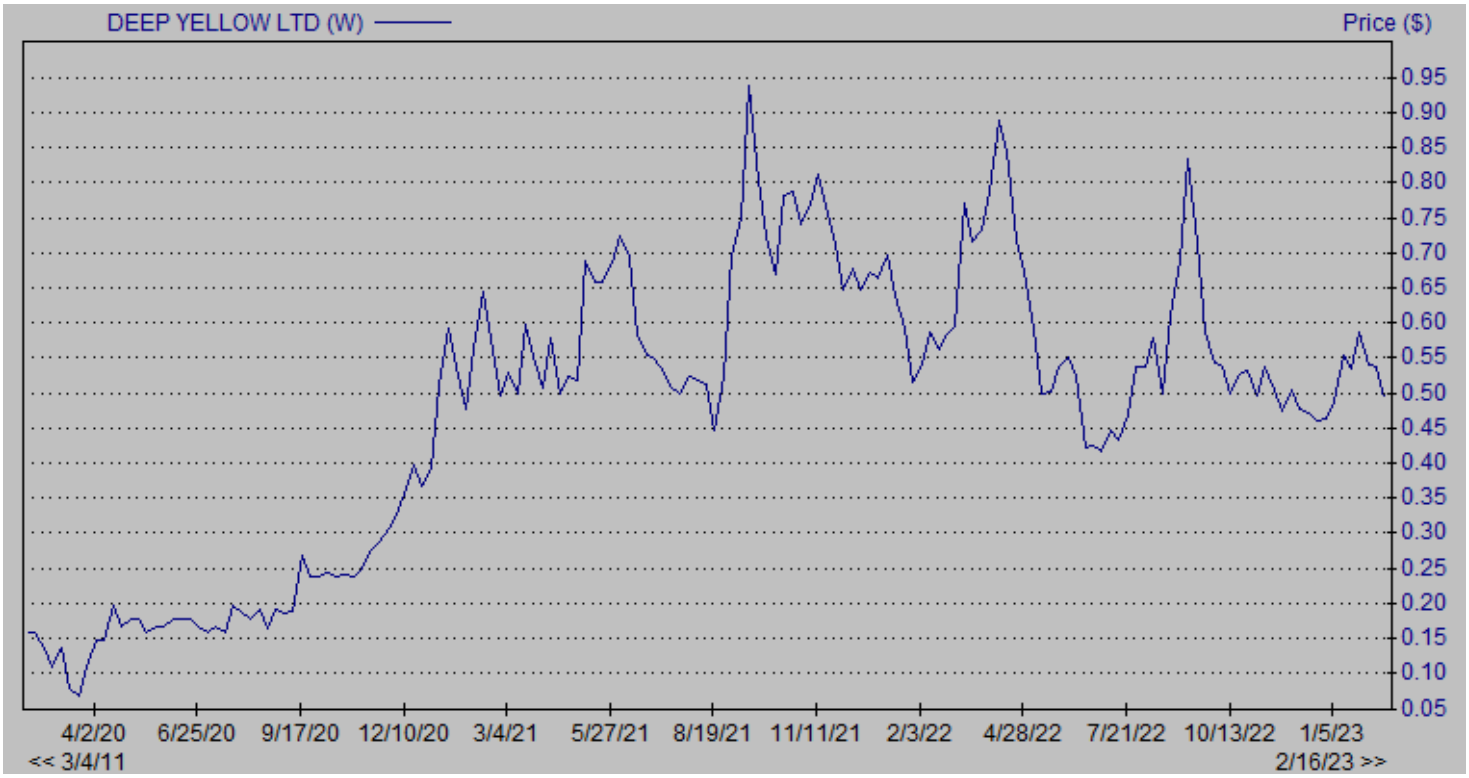
## PROJECTED ANNUAL INCOME STATEMENTS

| Deep Yellow Limited | | | | | |
|---|---|---|---|---|---|
| Income Statement | 2019 | 2020 | 2021 | 2022 | 2023 E |
| (in $AUD, except share out. data) | 6/30/2019 | 6/30/2020 | 6/30/2021 | 6/30/2022 | 6/30/2023 |
| Interest and other income | 225,332 | 257,455 | 176,227 | 353,175 | 1,793,600 |
| Other income | N/A | N/A | 51,216 | 110,233 | 0 |
| Revenue from contracts with customers | 119,315 | 77,199 | 56,126 | 51,566 | 162,000 |
| **Total Revenues** | **344,647** | **334,654** | **283,569** | **514,974** | **1,955,600** |
| Depreciation & amortisation expenses | (92,911) | (215,812) | (225,964) | (356,861) | (375,000) |
| Marketing expenses | (142,177) | (222,461) | (198,811) | (319,422) | (345,000) |
| Occupancy expenses | (209,486) | (94,324) | (90,611) | (131,685) | (140,000) |
| Administrative expenses | (2,068,920) | (1,930,685) | (1,933,039) | (3,338,283) | (4,000,000) |
| Employee expenses | (1,626,841) | (2,033,839) | (2,609,231) | (3,140,796) | (3,500,000) |
| Reversal imp'rm't of cap. exp. & eval. exp. | - | 7,100,920 | 0 | 0 | 0 |
| Impairm't of cap. explor. & eval. exp. | (18,640) | (36,893) | (18,297) | (42,953) | 0 |
| **Expenses** | **(4,158,975)** | **2,566,906** | **(5,075,953)** | **(7,330,000)** | **(8,360,000)** |
| **Loss Before Other Income** | **(3,814,328)** | **2,901,560** | **(4,792,384)** | **(6,815,026)** | **(6,404,400)** |
| Interest (expense) | - | (26,697) | (22,822) | (10,284) | (20,000) |
| Income tax (expense) | - | - | - | - | - |
| **Total Other Income (Expenses)** | **0** | **(26,697)** | **(22,822)** | **(10,284)** | **(20,000)** |
| **Net Loss** | **(3,814,328)** | **2,874,863** | **(4,815,206)** | **(6,825,310)** | **(6,424,400)** |
| **Other comprehensive income** | | | | | |
| Fgn. curr. translation gain (loss) | 921,147 | (6,269,172) | 4,603,067 | (2,026,340) | 0 |
| **Total comp. gain (loss), net of tax** | **(2,893,181)** | **(3,394,309)** | **(212,139)** | **(8,851,650)** | **(6,424,400)** |
| Diluted gain (loss) per ordinary share | **(0.0190)** | **0.0119** | **(0.0175)** | **(0.0184)** | **(0.0085)** |
| Wgted. Avg. Ord. Shares Out. - diluted | 200,315,114 | 242,402,378 | 275,681,267 | 370,069,286 | 755,547,240 |

## SEMI-ANNUAL INCOME STATEMENTS

| Deep Yellow Limited | | | | | | |
|---|---|---|---|---|---|---|
| Income Statement<br>(in $AUD, except share out. data) | 1H 2021<br>12/31/2020 | 2H 2021<br>6/30/2021 | FY 2021<br>6/30/2021 | 1H 2022<br>12/31/2021 | 2H 2022<br>6/30/2022 | FY 2022<br>6/30/2022 |
| Interest and other income | 111,452 | 115,991 | 176,227 | 288,819 | 259,937 | 353,175 |
| Other income | N/A | N/A | 51,216 | N/A | N/A | 110,233 |
| Revenue from contracts with customers | 31,315 | 24,811 | 56,126 | 0 | 51,566 | 51,566 |
| **Total Revenues** | **142,767** | **140,802** | **283,569** | **288,819** | **311,503** | **514,974** |
| | | | | | | |
| Depreciation & amortisation expenses | (107,085) | (118,879) | (225,964) | (131,812) | (225,049) | (356,861) |
| Marketing expenses | (101,974) | (96,837) | (198,811) | (164,131) | (155,291) | (319,422) |
| Occupancy expenses | (44,195) | (46,416) | (90,611) | (50,523) | (81,162) | (131,685) |
| Administrative expenses | (914,510) | (1,018,529) | (1,933,039) | (1,518,031) | (1,820,252) | (3,338,283) |
| Employee expenses | (1,033,235) | (1,575,996) | (2,609,231) | (1,265,878) | (1,874,918) | (3,140,796) |
| Reversal imp'rm't of cap. exp. & eval. exp. | - | - | 0 | - | - | 0 |
| Impairm't of cap. explor. & eval. exp. | (4,327) | (13,970) | (18,297) | (16,422) | (26,531) | (42,953) |
| **Expenses** | **(2,205,326)** | **(2,870,627)** | **(5,075,953)** | **(3,146,797)** | **(4,183,203)** | **(7,330,000)** |
| | | | | | | |
| **Loss Before Other Income** | **(2,062,559)** | **(2,729,825)** | **(4,792,384)** | **(2,857,978)** | **(3,871,700)** | **(6,815,026)** |
| | | | | | | |
| Interest (expense) | (11,992) | (10,830) | (22,822) | 30,793 | (41,077) | (10,284) |
| Income tax (expense) | - | - | - | - | - | - |
| **Total Other Income (Expenses)** | **(11,992)** | **(10,830)** | **(22,822)** | **30,793** | **(41,077)** | **(10,284)** |
| | | | | | | |
| **Net Loss** | **(2,074,551)** | **(2,740,655)** | **(4,815,206)** | **(2,827,185)** | **(3,912,777)** | **(6,825,310)** |
| | | | | | | |
| **Other comprehensive income** | | | | | | |
| Fgn. curr. translation gain (loss) | 2,348,632 | 2,254,435 | 4,603,067 | (3,341,107) | 1,314,767 | (2,026,340) |
| **Total comp. gain (loss), net of tax** | **274,081** | **(486,220)** | **(212,139)** | **(6,168,292)** | **(2,598,010)** | **(8,851,650)** |
| | | | | | | |
| Diluted gain (loss) per ordinary share | **(0.0085)** | **(0.0090)** | **(0.0175)** | **(0.0080)** | **(0.0101)** | **(0.0184)** |
| | | | | | | |
| Wgted. Avg. Ord. Shares Out. - diluted | 244,064,824 | 305,160,249 | 275,681,267 | 353,398,125 | 387,198,206 | 370,069,286 |

## HISTORICAL STOCK PRICE

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