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Zacks Small-Cap Research

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Deep Yellow Limited (DYLLF-OTCQX)

Positive PFS with Maiden Reserve on Tumas Project Leads to Board Approval to Proceed Directly to a DFS

Based on comparative analysis of junior uranium companies in the developmental phase, an industry average price-to-book (P/B) ratio of 4.9 indicates a share price target of US$1.14.

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

Current Price (03/01/21)	$0.50
Valuation (US$)	**$1.14**

OUTLOOK

Deep Yellow Ltd. (OTCQX: DYLLF; ASX: DYL) is **being developed to become a tier-one uranium producer of uranium** ahead of the anticipated up-cycle. Ongoing annual supply deficits and the rationalization of capacity by the major producers, along with production cutbacks due to the pandemic, have hastened the inflection point in uranium's commodity cycle. Management is developing its Namibian uranium projects, one of which (the **Reptile Project**) has advanced to the **work on a DFS**. Management is also **seeking M&A opportunities** to increase the company's reserves and to broaden Deep Yellow's geographic diversification in terms of mining jurisdictions.

SUMMARY DATA

52-Week High	**$0.71**
52-Week Low	**$0.43**
One-Year Return (%)	**257.1**
Beta	**0.68**
Average Daily Volume (shrs.)	**334,520**
Shares Outstanding (million)	**309.8**
Market Capitalization ($mil.)	**$158.6**
Short Interest Ratio (days)	**0.2**
Institutional Ownership (%)	**25.8**
Insider Ownership (%)	**11.4**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2021 Estimate	**N/M**
P/E using 2022 Estimate	**N/M**

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

ZACKS ESTIMATES

Revenue
(in $AUD)

	Q1	H1 (Dec)	Q3	H2 (Jun)	Year (Jun)
2018		200,442 A		214,237 A	414,679 A
2019		210,688 A		133,959 A	344,647 A
2020		191,829 A		142,825 A	334,654 A
2021					304,096 E

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

	Q1	H1 (Dec)	Q3	H2 (Jun)	Year (Jun)
2018		-$0.0065 A		-$0.0069 A	-$0.0134 A
2019		-$0.0089 A		-$0.0101 A	-$0.0190 A
2020		-$0.0090 A		$0.0204 A	$0.0119 A
2021					-$0.0171 E

EPS in $AUD

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

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EXECUTIVE SUMMARY OF RECENT EVENTS

Deep Yellow has achieved several **highly significant milestones** over the last two weeks concerning the company's advancement toward becoming a Tier I multi-jurisdictional uranium producer during the current uranium up cycle.

1) A **positive Pre-Feasibility Study** (PFS) on the Tumas Project aka the Reptile Project, including a **Maiden Reserve** for the Project
2) The completion of a **AUD$ 40.8 million private placement** to help fund management's dual-pillar growth strategy, namely advancing the Tumas Project to production and becoming a multi-jurisdictional producer
    a. The net proceeds plus cash on hand will be utilized
        i. to complete the DFS on the Tumas Project
        ii. to fund drilling programs to upgrade and expand the Resources at Tumas and
        iii. to pursue acquisitions/ mergers
3) Having reviewed the PFS, the Board approved the **immediate pursuit of a Definitive Feasibility Study** (DFS). Work of the DFS commenced in February 2021 with an expected completion date by the end of calendar 2022
4) The immediate initiation of a 15,000-meter RC infill drilling program at Tumas 3 and Tumas 1 East to support the DFS
5) In addition, drilling results were released from 2 drill holes in the 3,200-meter drilling campaign at the Barking Gecko Project

As noted before, the management team created a producing uranium mining operation (Paladin Energy) in the last uranium cycle, and now has a singular focus to do so again. As important, management is executing on a **clear objective of 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 only one or two acquisitions in order to achieve the company's stated objective and to execute the development of the projects on a rigorous timetable.

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 palaeo-channel 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.

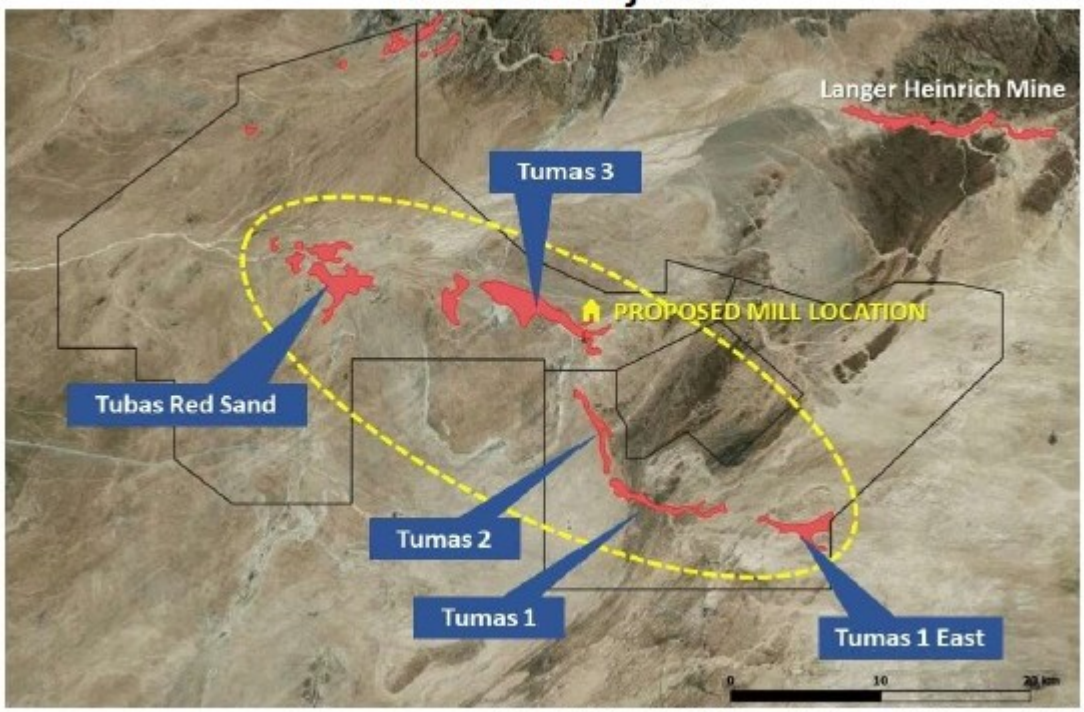
RECENT EVENTS

Pre-Feasibility Study (PFS) on Tumas Project

On February 10, 2021, Deep Yellow released the details of the PFS on the Tumas Project. After **evaluating the potential of only the Measured and Indicated Resources available** on calcrete-associated uranium deposits of the Tumas palaeo-channel system, the PFS determined that open pit mining of four Tumas deposits (Tumas 1, Tumas 1 East, Tumas 2 and Tumas 3) with a centrally located processing facility is feasible at a uranium price of $65 per pound.

The key outcomes of PFS is that that the **Tumas Project is technically and economically viable based on an open pit mining operation** similar to the Langer Heinrich mine, which is around 30km to the northeast of Tumas, and which was developed from greenfield-to-production (from resource delineation to processing design, from operations to product marketing) by the current Deep Yellow management team in the mid-2000's.

Tumas Project



Deep Yellow PFS Press Release February 2021

Based on utilizing a 3 million lb. U_30_8 per annum processing facility and a fixed **uranium price of US$65 per pound**, the Project has an estimated **NPV of US$207 million** (AUD$276 million) and a **post-tax of IRR 21.1%**. With an average production rate of 2.5 million pounds U_30_8 annually over a Life-Of-Mine (LOM) of 11.5 years, the Project is forecasted to generate mine revenue of US$1.89 billion and undiscounted after-tax cash flow of US$447.4 million over the life of the mine.

Tumas Project Pre-Feasibility Study (PFS)

Project Financials (Ungeared): Real Unless Stated Otherwise	Unit	LOM	Per Operating Year
U_3O_8 Gross Revenue	$M	1,890	164
Gross Revenue: Total (U_3O_8 and V_2O_5)	$M	1,958	170
Site Operating Expenses	$M	(833.6)	(72.5)
Other Operating Costs	$M	(90.6)	(7.9)
Operating Margin (EBITDA)	$M	1,034	90
Initial Capex	$M	(295.1)	(25.7)
Capitalised Pre-Production Opex	$M	(25.3)	(2.2)
Sustaining Capex and Closure	$M	(37.1)	(3.2)
Total Initial, Pre-Production, Sustaining & Closure Capital	$M	(357.5)	(31.1)
Undiscounted Cashflow After Tax	$M	447.4	38.9
C1 Cost (U_3O_8 basis with V_2O_5 by-product)	$/lb	27.28	
All-in Sustaining Cost (**AISC**) (U_3O_8 basis with V_2O_5 by-product)	$/lb	30.69	
Project $NPV_{8.6\ nominal}$ (Post Tax)	$M	207	
Project IRR (Post Tax)	%	21.1	
Project Payback Period from Production Start	Years	3.8	
Breakeven U_3O_8 Price	$/lb	47.33	

Deep Yellow PFS Press Release February 2021

The PFS utilizes a price of $65 per pound U_30_8, which represents the consensus price expected for negotiated multi-year (term) sales agreements multi-year sales in order to incentivize uranium miners

to bring capacity on-line to fulfill the demand from nuclear electric utilities by the mid-to-late 2020s. The US$65 price is also consistent with TradeTech's forecast.

In addition to the press release concerning the PFS, the company posted an **updated Corporate Presentation** to its website that highlights the Tumas PFS.

Maiden Reserve

The PFS included an estimated **Maiden Reserve** of 40.9 million tonnes of ore with an **average grade of 344ppm** U_30_8 that contains a **Probable Reserve** of **31.0 million pounds U_30_8**.

Tumas Project Pre-Feasibility Study (PFS)

Maiden Ore Reserve

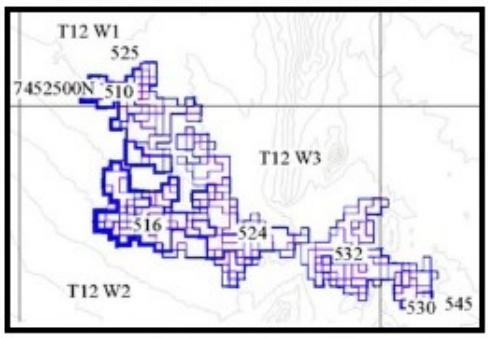
Probable Reserves	U_3O_8 Cut-off	Tonnes	U_3O_8	U_3O_8 Metal
	ppm	Mt	ppm	Mlb
Tumas 1 & 2	150	13.9	292	9.0
Tumas 3	150	26.9	371	22.0
Total	150	40.9	344	31.0

Deep Yellow PFS Press Release February 2021

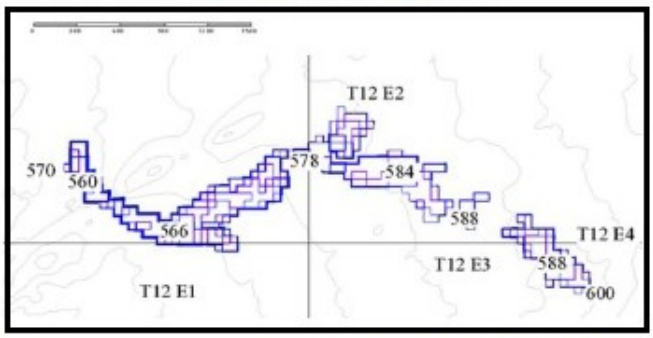
Infill drilling undertaken for the PFS converted 63% of the Indicated Mineral Resource into Probable Reserves for the Maiden Reserve. In addition, 95% of the Inferred Mineral Resource was upgraded to the Indicated Mineral Resource category. With addition exploration work, management believes that there is a reasonable expectation that total Reserves will ultimately exceed 75 million pounds U_30_8 at a 100 ppm cut off.[i]

Cube Consulting completed the mining engineering work for the Tumas PFS, including open-pit optimization studies and designs, culminating in the geometry of the final pit designs (see images below).

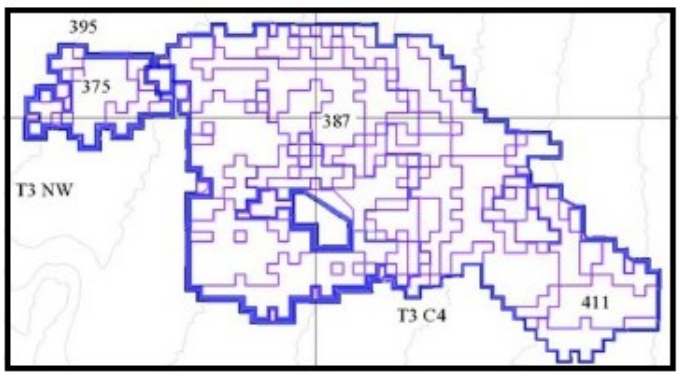
Tumas 1 West Pit Shell



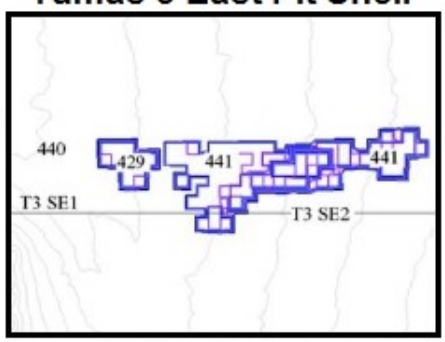
Tumas 1 East Pit Shell



Tumas 3 West Pit Shell



Tumas 3 East Pit Shell



Deep Yellow Press Release February 10, 2021

Management's Objectives

Management's goal is to advance a Namibian uranium project into production with no less than a 20-year LOM and IRR of at least 20% with annual uranium oxide production in the 2-to-3 million pound range with operating costs in the area of US$30 per pound. In order to extend the LOM from 11 ½ to 20+ years, management is focusing on enhancing and further optimizing the PFS's Tumas development plan by **increasing the available ore reserves** through a 15,000-meter RC infill drilling program designed to upgrade already existing Inferred Resources. In addition, certain facets of the mine plan will undergo an **optimization process**, including mine scheduling and the ore treatment process. These enhancements will be incorporated into the DFS.

The PFS considered the latest drilling results and metallurgical test work in laying out the developmental processes of permitting, processing facility construction, open pit design and initiating mining and processing operations. Highly relevant assumptions from the Langer Heinrich uranium deposit were also incorporated into the PFS.

Having reviewed the Tumas PFS, the **Board of Directors approved to proceed directly to a DFS** that expands the project's target in order to achieve the stated goal of at least a 20-year LOM operation.

Definitive Feasibility Study (DFS) on Tumas Project

Along with confirming the technical and potential economic viability of Tumas Project, the activities supporting the DFS have the objective of achieving a +20-year LOM operation, up from the 11 ½ years in the PFS. The **key undertakings** include **upgrading the existing Inferred Resources** through a 15,000-meter drilling program (see detail in a section below) and **optimizing the development plan**.

Optimization studies will be conducted on several recommendations detailed in the PFS, including a pit optimization process and metallurgical optimization test work. The metallurgical optimization test work will begin immediately utilizing the 1,000kg of samples that were received at Perth in January 2021.

Deep Yellow is expanding its in-house technical team to support these activities. There are also trade-off studies being considered. One mining schedule optimization process already incorporated into the PFS is to stockpile lower grade (100-150 ppm) material for potential processing, but only if a sufficiently higher uranium price allows it to be economically processed.

If the development process advances smoothly, management anticipates that the Tumas Project will enter production phase in two or three years, which dovetails with the beginning of the expected uranium shortage to become ominous with a blatant supply/demand imbalance in the 2023/24 timeframe with price of uranium increasing the US$60-to-US$70 per lb. range.

DFS-related 15,000-meter Drilling Program

In early February 2021, a **4-month, 15,000-meter infill drilling program** commenced to support the DFS. The infill drilling program will better define and in all probability upgrade the current Inferred Mineral Resource, which was delineated by former wider-spaced drilling. All drill holes will be surveyed with down-hole radiometric gamma logging.

The objective of the drilling program is to **upgrade the existing Inferred Mineral Resources** at Tumas 3 (West & East) and Tumas 1 East to a higher category with a goal of converting 95% of the currently defined Inferred Resources (51.2 million pounds at 249ppm U_3O_8) to Indicated status, similar to the 2020 infill drilling in 2020 at Tumas 3 that upgraded 95% of the then existing Inferred Mineral Resource to the Indicated category.

The **host rock, type and grade of mineralization**, along with the **palaeo-channel shape** are **quite consistent** at Tumas. Furthermore, on 100-meter/kilometer scale, the calcrete-type mineralization is relatively persistent both along the channel and laterally, though over shorter distances (meters), the mineralization can vary considerably. Therefore, management reasonably assumes that 95% benchmark for upgrading Inferred Resources to the Indicated category can be achieved through infill drilling.

The initial focus is on Tumas 3 West, then moving to Tumas 3 East and concluding at Tumas 1 East on the following schedule.

February	Tumas 3 West	300 to 350 holes (totaling 4,500 to 6,000 meters)
March	Tumas 3 East	250 to 300 holes (totaling 2,500 to 3,500 meters)
April – May	Tumas 1 East	400 to 500 holes (4,500 to 6,500 meters)

The infill drilling program is targeting the lateral extensions of the Tumas 3 deposit and the shallow tributaries of Tumas 1 East. Ultimately, the upgraded Resources are expected to contribute significantly to an updated Reserve under the DFS.

Environmental Impact Assessment

Work on the Environmental Impact Assessment (EIA) continues. Baseline studies have commenced on groundwater, radiological, air quality, flora and fauna conditions. 14 water bores have been completed to support the baseline studies. 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

Management anticipates submitting an application for a Mining Lease for the Tumas Project area in the quarter ending June 30th. The application may cover as much as 60 kilometers of Tumas palaeo-channel system.

Project and M&A Funding

Announced on February 18, 2021, an **AUD$40.8 million private placement** was completed on February 24, 2021. The private placement consisted of the issuance of 62,768,803 ordinary shares at AUD$0.65 per share. In addition, as of December 31, 2020, the company had a **cash position** of **AUD$9.7 million** and was debt-free.

The net proceeds and cash are targeted **to fund management's strategic initiatives**, namely

1) the completion of a DFS, including the ongoing drilling programs to expand and upgrade the resource at the Reptile Project,
2) the advancement of the Nova JV's exploration campaigns and
3) the pursuit of the strategic goal of establishing a multi-jurisdictional uranium company through a selective acquisition and/or merger while the uranium industry is still in a generally low uranium price environment.

Management continues assess and evaluate advanced M&A opportunities.

Barking Gecko - NOVA JV (EPL 3669 & EPL 3670)

On February 12, 2021, Deep Yellow announced **drilling results** of the first two drill holes of Phase 2 **at the Barking Gecko Prospect** on EPL 3669. The **3,200-meter RC drilling program** had commenced on November 23, 2020, with the operations being suspended during the Namibian

festive season in December. The drill holes were in the vicinity of the positive holes drilled in the April - July 2020 RC drilling program. Both gamma down-hole logging and optical borehole imagery are being undertaken. The latter helps determine the structural orientation of the uranium mineralization.

The best intersections of the two holes were **27 meters at 291ppm U_30_8** (TN245RC) and **6 meters at 228ppm U_30_8** & **11 meters at 214ppm U_30_8** (TN246RC). These initial results confirm the potential that the previously identified thick uranium intersections extend in this dome-related geological setting.

This drilling program at Barking Gecko is being conducted after the JOGMEC earn-in; therefore, all parties in the NOVA JV have agreed to a budget of AUD$570,000 through March 31, 2021. **Phase 2** began in February 2021 and is **expected to be completed during March**.

Barking Gecko Background: The **April - July 2020 RC drilling program** at Barking Gecko intersected very promising uranium mineralization in a large (4km long and 1km wide) anomalous geological zone, which wraps around a prominent domal feature. The best intersection was a **24-meter zone averaged 297ppm** eU_30_8 and a **maximum grade of 736ppm** was obtained over 1 meter.

Phase 1 of this drilling program was completed in early December 2020. The two holes (totaling 502 meters) did not intersect up-dip and down-dip extensions of previously identified thick mineralization, rather only areas of narrow mineralization. Therefore, the geology of the area was re-evaluated utilizing results of the OPTV down-hole logging. It has been determined that the mineralization at Barking Gecko has a NNE orientation instead of the previously expected WSW. The drilling program was revised accordingly.

OTCQX Best 50

On January 29, 2021, OTC Markets Group announced the annual **OTCQX Best 50** ranking, which is 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. For its performance in calendar 2020, **Deep Yellow achieved the recognition of being ranked in the OTCQX Best 50**.

OVERVIEW OF URANIUM INDUSTRY

The **uranium industry** is setting up for an anticipated accelerated 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.
- Over the last five years (2015-2019), **demand has been growing steadily**. Over the next five years, **global nuclear reactor uranium requirements are expected to grow in the 0.5%-to-2.5% range**.
- 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 capacity have been mothballed since 2013** through the shutdowns of unprofitable mines or by the intentional capacity rationalization by major producers (Kazatomprom and Cameco).

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.

EXECUTIVE SUMMARY – DEEP YELLOW LTD

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-one uranium producer with the capacity to deliver 5-to-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 first Pillar is organic growth, advancing the company's Namibian uranium tenements. The company's current flagship project, the 100%-owned **Reptile Project**, is in the exact same jurisdiction and shares the same palaeo-channel 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. Also, basement/alaskite deposits are being investigated. Over the last five years, the **company's exploration campaigns have increased its Namibian reserves** from 93.8 million lbs. U_30_8 in 2016 **to 185.7 million lbs. U_30_8** in 2021.

MM lbs. U3O8	Resource Categories			
Year	Measured	Indicated	Inferred	Totals
2016	11.0	34.4	48.4	93.8
2021	11.0	75.4	99.3	185.7

Source: Analyst's work

Management anticipates that the Deep Yellow's current Namibian EPLs (Exclusive Prospecting Licenses) could produce 2.5-to-3.5 million lbs. of uranium annually over a LOM of over 20 years.

The management's Dual Pillar growth plan also calls for diversifying the company's uranium portfolio by **pursuing acquisitions/mergers** in order to create a multi-jurisdictional portfolio of uranium projects that mitigates operational, geographic and political risks. When utilities look to enter into an off-take primary supply contract with a producer, one of the many aspects considered is the ability to fulfill the contract, which entails ensuring a secure and reliable supply of uranium.

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 projects and through acquiring and developing additional uranium projects located in other jurisdictions.

OVERVIEW OF DEEP YELLOW LTD

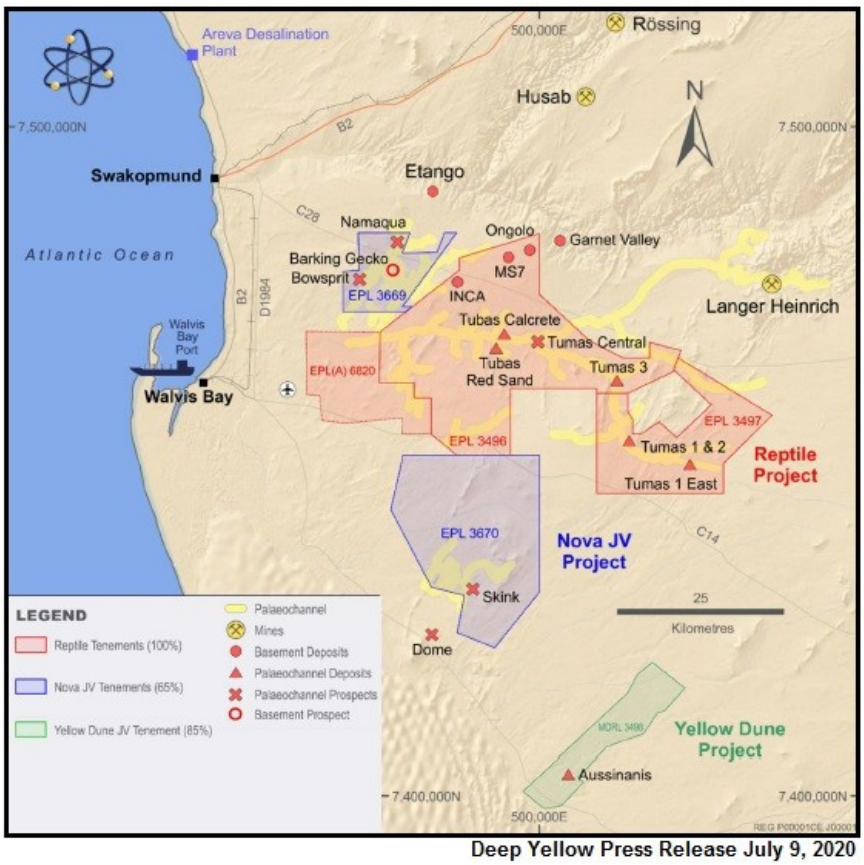
Headquartered in Subiaco, Western Australia, Deep Yellow Limited (ASX: DYL) (OTCQX: DYLLF) is a **junior uranium company** whose **management is focused on becoming a tier-one uranium producer** by becoming a secure and reliable supplier of uranium. The company's CEO, John Borshoff, achieved the same accomplishment as Founder and CEO of Paladin Energy by acquiring, developing and advancing both the Langer Heinrich mine into production within four years and, three years later, the Kayelekera mine in Malawi during the last uranium up cycle. Furthermore, Deep Yellow's current flagship project, the **Reptile Project**, is in the exact same jurisdiction and shares the same palaeo-channel network as Langer Heinrich mine. To be sure, Deep Yellow has uranium assets and management experience to walk the same path again during the next up cycle.

In October 2016, John Borshoff was appointed CEO and Managing Director of Deep Yellow, and the company's focus shifted from not only expanding the resource base through exploration, but also pursuing multiple projects in order to create a multi-jurisdictional uranium platform. (See Corporate Strategy section below)

Deep Yellow was formed in 2005 with Paladin Energy later becoming a major shareholder from 2005 to 2017. Initially, the company focused on several Australian projects, but in October 2006, Deep Yellow merged with Raptor Partners Limited, a BVI registered company, in order to secure prospective uranium prospects in Namibia (EPL 3496, EPL 3497 and EPL 3498 and one other EPL application at the time, which was later disposed).[ii]

The **Reptile Project** consists of EPL 3496 and EPL 3497, which encompass **959.4 square kilometers**. The advanced project contains both palaeochannel-calcrete and basement/alaskite uranium deposits with JORC-compliant resource estimates. Combined, these deposits represent approximately 86.4 million lbs. U_30_8 of Measured and Indicated Mineral Resources and 99.3 million lbs. U_30_8 of Inferred Mineral Resources. A **Scoping Study** (SS) has been completed on the **Tumas deposits** (which represent 37.2 million lbs. U_30_8 of Measured and Indicated Mineral Resources), and a **Pre-Feasibility Study** (PFS) was commissioned in January 2020 and completed in January 2021.

Also within six months of John Borshoff being appointed CEO, 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.



Deep Yellow Press Release July 9, 2020

Namibia

Namibia is a mining-friendly jurisdiction and has become the world's fourth largest producer of uranium. The government has effectively developed, supported and regulated the uranium mining industry. Namibia is a proven mining jurisdiction with well-developed infrastructure, including highways, formed roads, power grid and a deep water port (Walvis Bay).

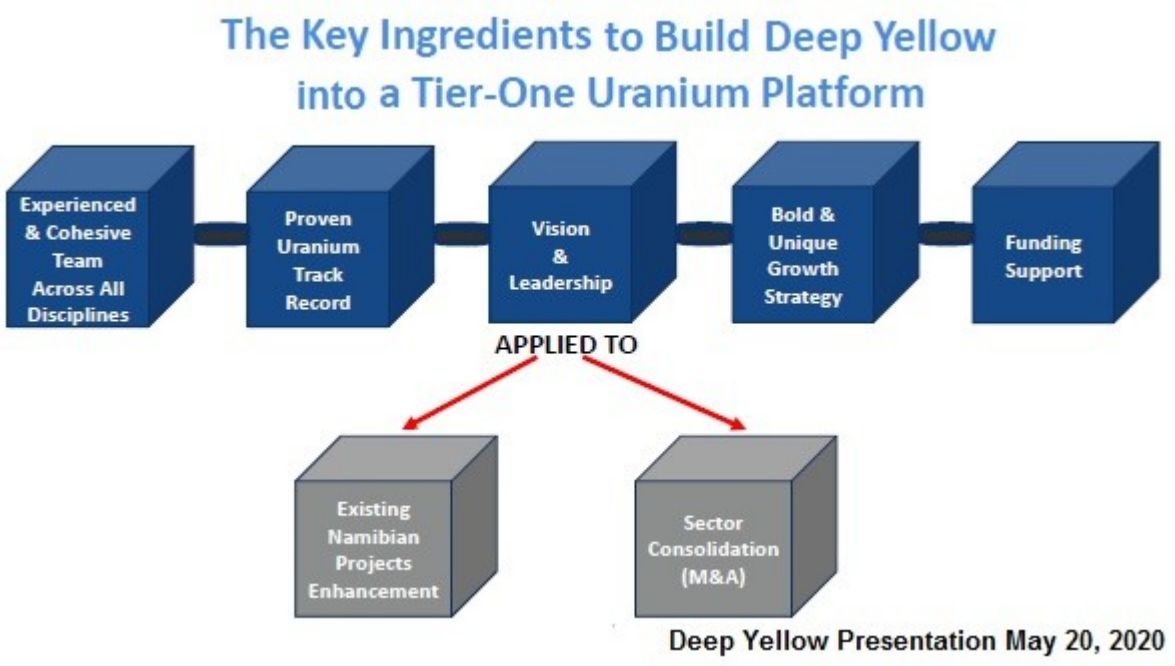
The cost of exploration in Namibia is low. The shallow depth of Namibia's palaeo-channel calcrete-hosted uranium deposits is conducive to low-cost RC drilling. Metallurgical test work was anticipated to require diamond core sample material; however, comparative test work between RC and diamond drilling samples showed future work could be carried out using RC samples only, a significant cost savings. In addition, the location is primarily desert terrain, allowing for drilling large areas easily and rapidly.

Corporate Strategy

Confident in the impending up-cycle in uranium, management embarked on a **Dual Pillar growth strategy** consisting of both organic and inorganic growth initiatives. Organically, management is focused on exploring and developing Deep Yellow's existing **portfolio of Namibian projects** (Reptile, Nova JV and Yellow Dune) from exploration to production. The company's primary focus in on **advancing the Reptile Project** through continued exploration with the resource having been increased and/or upgraded three times within the last few years.

The **second pillar** of management's growth plan is to **diversify the company's uranium portfolio** by **pursuing acquisitions/mergers** in order to create a multi-jurisdictional portfolio of low-cost uranium projects. When utilities look to enter into an off-take primary supply contract with a producer, one of the many aspects considered is to ensure a secure and reliable supply of uranium is the ability to fulfill the contract. In the eyes of utility buyers, being a multi-jurisdictional uranium producer mitigates operational, geographic and political risks.

Through organic and inorganic growth initiatives, **management's goal** is to **build a multi-project, low cost, tier 1 uranium producer with the capacity to deliver 5-10 million lbs. of uranium annually**.



Management

Utility buyers (and investors) look for assurance that management can effectively execute its strategy. Deep Yellow has a **leadership team with a proven track record** that has delivered in the past. Most significantly, under CEO John Borshoff, Paladin Energy acquired the Langer Heinrich Project from Aztec Resources in 2002 and within four years, commenced uranium mining operations in 2006. Paladin also acquired Kayelekera in Malawi (initially through a joint venture and later purchasing the entire project outright) and brought this mine into production in 2010. Moreover, most of Deep Yellow's management team worked together at Paladin. Uranium mining projects face a multifaceted array of economic, environmental, regulatory, technical and geopolitical issues. In order to be successful, the **management team** of a junior uranium mining company **needs the technical, regulatory, financing and geopolitical experience** to navigate the necessary steps of exploration, environmental studies, metallurgical process design, mining lease application, permitting, mine construction and final fine-tuning of the process.

Equity Milestone

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**, 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.

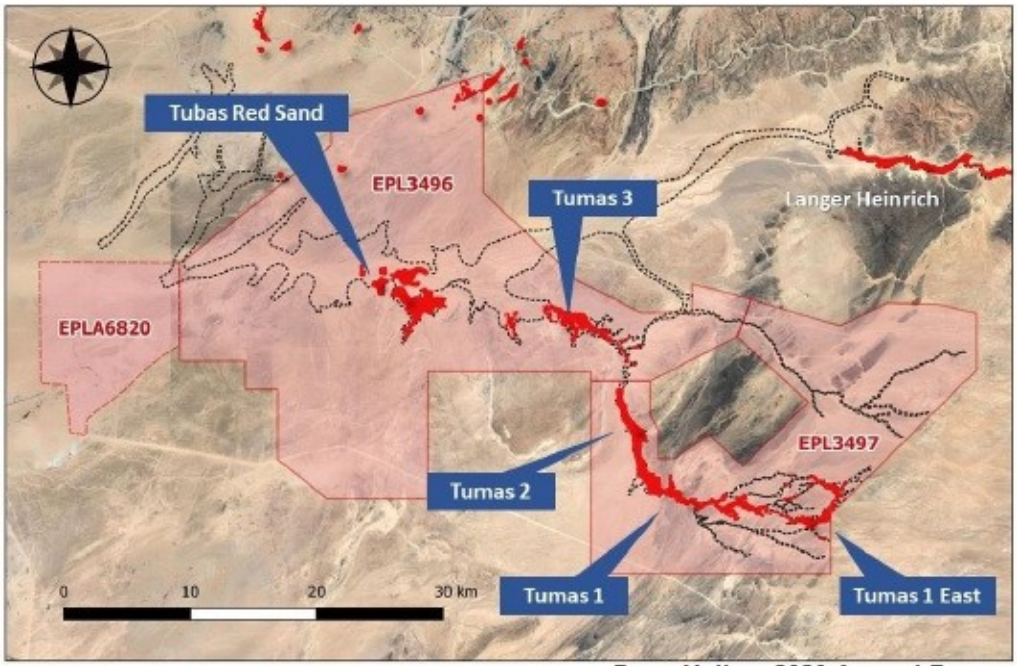
REPTILE PROJECT

Located in the Erongo Region of western of Namibia, Deep Yellow's **Reptile Project** is held by Deep Yellow's wholly owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN). The Reptile Project consists of two EPLs (3496 and 3497), which encompass approximately 67,193 and 28,751 hectares, respectively (or **959.4 square kilometers** in total). The EPLs were initially granted by the Namibian Ministry of Mines and Energy on June 6, 2006 and most recently renewed for a 2-year term in August 2019. Both EPLs are **100% owned** by RUN. An EPL application for 6820, a 20,530-hectare size increase, was submitted in August 2017 and is pending.

Geology

The tenements contain an extensive sub-surface **palaeo-channel network** containing calcrete[iii] formations, which is a highly prospective environment for uranium, particularly in Namibia, but also in parts of northern Africa and Australia. Palaeochannels are remnants of inactive river channels, and when conditions were suitable, mobilized uranium mineralization was deposited by groundwater into the calcrete (carbonate-cemented sandstones and conglomerates) formations of these ancient river channels. The most common uranium mineralization found in calcrete-type deposits is carnotite, a radioactive, yellow uranium/vanadium mineral.

In Namibia, palaeo-channel calcrete-hosted uranium deposits have been discovered and successfully mined at Langer Heinrich and extracted from trial mining at Trekkopje. In the map below, the **black dotted lines** outline the palaeo-channel network within the Reptile Project while the **dark red areas** denote discovered uranium deposits.



Deep Yellow 2020 Annual Report

Palaeo-channel calcrete-hosted uranium deposits tend to be very shallow deposits. The ore usually can be mined with conventional open pit methods (drilling, blasting, loading and hauling). Relatively, the mining process would not be an overly complicated process, and Namibia's infrastructure could easily accommodate the necessary transportation and power requirements. The deposits at Tumas 1, 2 and 3 are close in proximity to each other, providing the **opportunity for a centralized mill facility**.

In addition, at a later date, the company intends to pursue a second type of uranium mineralization at the Reptile Project described as **basement/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 three small uranium deposits (Ongolo, MS7 and INCA). This prospective area has been relatively unexplored and currently is not a priority undertaking; however, it does represent a potentially substantial opportunity to discover additional uranium resources within EPL3496.

Tumas-Tubas

Six palaeochannel-calcrete uranium deposit areas are being advanced under the Reptile Project: Tumas 1, Tumas 1 East, Tumas 2, Tumas 3, Tubas and Tubas Red Sands, of which **Tumas 3** is currently the most significant. The most recent **total Measured and Indicated Resource** at Tumas 1, 2 and 3 deposits, along with Tubas Red Sand deposit, is 56.7 million lbs. eU_30_8.

Tumas 1, Tumas 2 and Tumas 3

Management has narrowed the focus to the higher-grade Tumas 1, 2 and 3 deposits, which were the subjects of a Scoping Study completed in December 2019, a Pre-Feasibility Study completed in January 2021 and an ongoing Definitive Feasibility Study, which is expected to be completed by December 2022.

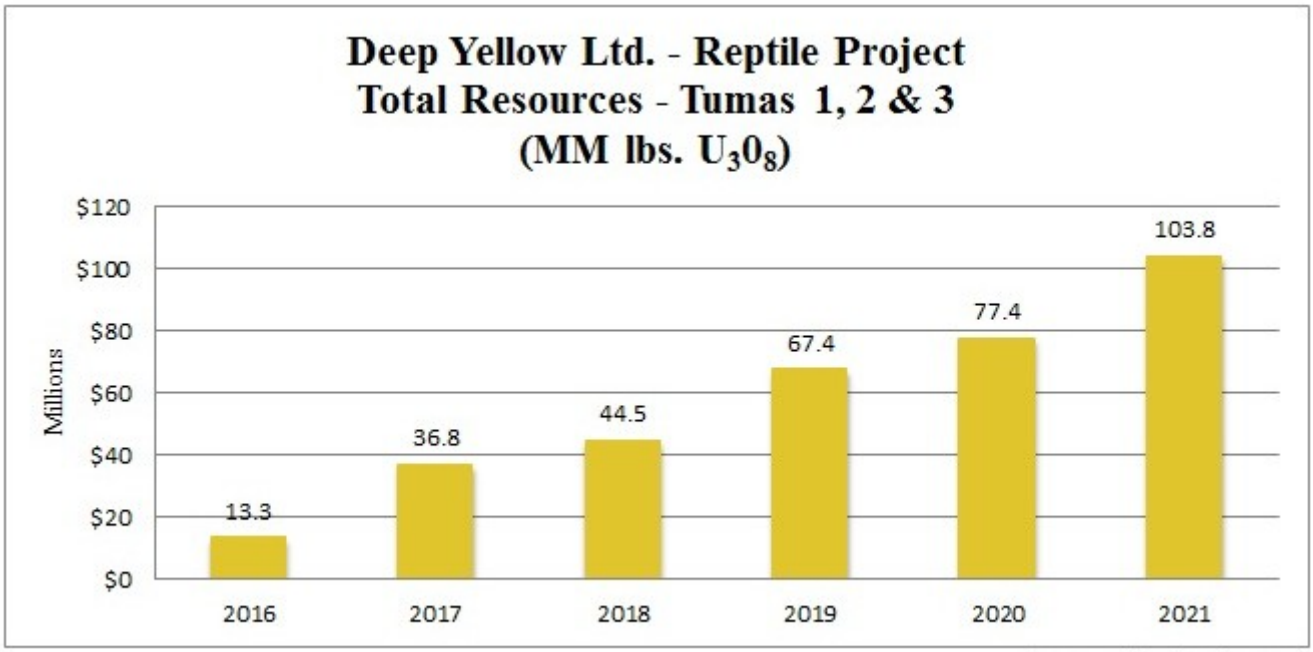
Tumas 1, Tumas 2 and Tumas 3
Estimated Measured & Indicated Resources

Deposit	Category	Cut-off (ppm)	Tonnes (MM)	U3O8 (ppm)	U3O8 (t)	U3O8 (Mlb)	Resource Measured	Categories Indicated
CALCRETE MINERALIZATION								
Tumas 1 & 2 Deposits	Measured	100	0.0	0	0	0.0	0.0	-
Tumas 1 & 2 Deposits	Indicated	100	54.1	203	11,000	24.2	-	24.2
Tumas 3 Deposits	Indicated	100	43.1	299	12,900	28.4	-	28.4
Total of Tumas 1, 2 and 3		**100**	**97.2**	**246**	**23,900**	**52.6**	**0.0**	**52.6**

Deep Yellow Press Release February 10, 2021 & analyst's work

Overall, the **Tumas resource base** (at Tumas 1, 2 and 3) has been upgraded in quality from the estimated **Measured & Indicated** Resources of 13.0 million lbs. U_30_8 in October 2016 (when the current management took charge) to **52.6 million lbs. U_30_8** today.

The uranium mineralization at the Tumas 3 deposit has a **strike length of approximately 4.9km**. The **width ranges from 700 meters to 1,500 meters**, and the maximum depth extends to 45 meters. Within the area of infill drilling in the central zone of the Tumas 3 deposit (a 2.6km strike length), the **thickness of the seam-like horizon varies from 1 meter to 18 meters**, and occurs at a **depth from 2 meters to 25 meters**.



Source: Analyst's work

The Tumas palaeo-channel system continues to be highly prospective and is management's major focus within the Reptile Project, along with the channel's continuation to the Tubas deposit and beyond to the west. Through exploration activities and drilling campaigns, the estimated **total resources** (Measured, Indicated and Inferred) at **the Tumas 1, 2 and 3 deposits have increased 680% from 13.3 million lbs. U_3O_8 in 2016** (when the current management took charge) **to 103.8 million lbs. U_3O_8 today**.

Reptile Project Drilling Programs

In a little over three years, management has delivered a remarkable increase in the project's estimated resources through **aggressive drilling campaigns** targeting the palaeochannel-calcrete deposits. An outline of the drilling programs follows.

- March – July 2017: 10,545-meter infill RC drilling program (400 holes)
  - **Discovered Tumas 3 deposit** (added Inferred Resource of 23.5 million lbs. U_3O_8).
- February – June 2018: 10,765-meter RC drilling programs (363 holes) targeted east and west of the Tumas 3 deposit
  - Increased Tumas 3 Inferred resource estimate to 31.2 million lbs. U_3O_8.
- July – August 2018: 2,171 meter RC drilling program (148 holes) of exploratory drilling north of the Tumas 1 deposit
- September – October 2018: 2,173-meter exploratory RC drilling program (180 holes) east of the Tumas 1 deposit
  - **Identified multiple tributaries** of Tumas 1 East confirming that the complex palaeo-channel system contains channels and tributaries
- October – November 2018: 1,927-meter infill RC drilling program (156 holes) east of the Tumas 1 deposit
  - Produced maiden Tumas 3 Inferred resource estimate of 18.5 million lbs. U_3O_8.
- November– December 2018: 2,499-meter infill resource RC drilling program (81 holes) at Tumas 3 West
  - Increased Tumas 3 Inferred resource estimate to 33.1 million lbs. U_3O_8.
- March – April 2019: 1,951-meter infill RC drilling program (211 holes) on deposit east of Tumas 1
  - Outlined shallow (2-15 meters below surface) 3 km channel of continuous calcrete uranium mineralization ranging from 100-to-600 meters in width

- March – April 2019: 1,313-meter preliminary test RC drilling program (47 holes) targeted central zone of the Tumas 3 deposit
    - Identified 1.6 km of continuous calcrete uranium mineralization ranging from 200-to-400 meters in width and up to 11 meters thick
- July – August 2019: 895-meter exploration and infill RC drilling program (118 holes) targeted Tumas 1 East
    - Increased Inferred resource estimate to 24.8 million lbs. U_30_8.
- July – December 2019: 3,938-meter exploration RC drilling program (147 holes) targeted Tubas Red Sand and Tubas Calcrete areas
    - Identified three areas for in-fill resource drilling
- August – October 2019: 3,214-meter infill RC drilling program (144 holes) targeted Tumas 3 East, West and Central areas
- October 2019 – March 2020: **diamond drilling campaign** obtained suitable mineralized material **for metallurgical work**
- January – March 2020: 5,154-meter infill RC drilling program (246 holes) targeted Tumas 3
    - **Converted 24.1 million lbs. of Inferred resource to Indicated category**
- Sept. – October 2020: 1,115-meter infill RC drilling program (53 holes) targeted Tumas 3 deposit: downhole scanned with **optical scanner** technology to access grain size distribution
- Oct. – Dec. 2020: 1,831-meter RC drilling program (70 holes) targeted Tubas area, including Tubas Red Sand and Tubas Calcrete deposits

Other Reptile Project Calcrete Resources (Tubas and Tubas Red Sands)

Other calcrete deposits have been discovered on the EPLs that comprise the Reptile Project, namely the Tubas Red Sand, Tubas and Aussinanis deposits. Sufficient drilling has supported JORC-compliant resource estimates that are included in the table below.

Reptile Project - Uranium Calcrete Deposits
Measured, Indicated and Inferred Resources

Deposit	Category	Cut-off (ppm)	Tonnes (MM)	U3O8 (ppm)	U3O8 (t)	U3O8 (Mlb)	Resource Measured	Categories Indicated	(Mlb U3O8) Inferred
CALCRETE MINERALIZATION									
Tumas 3 Deposits	Indicated	100	43.1	299	12,900	28.4	-	28.4	-
Tumas 3 Deposits	Inferred	100	39.6	245	9,700	21.4	-	-	21.4
Sub-total Tumas 3		**100**	**82.7**	**273**	**22,600**	**49.8**	**0.0**	**28.4**	**21.4**
Tumas 1 & 2 Deposits	Measured	100						-	-
Tumas 1 & 2 Deposits	Indicated	100	54.1	203	11,000	24.2	-	24.2	-
Tumas 1 & 2 Deposits	Inferred	100	54.0	250	13,500	29.8	-	-	29.8
Sub-total of Tumas 1 and 2		**100**	**108.1**	**226**	**24,500**	**54.0**	**0.0**	**24.2**	**29.8**
Sub-total of Tumas 1, 2 and 3		**100**	**190.8**	**247**	**47,100**	**103.8**	**0.0**	**52.6**	**51.2**
Tubas Sand Deposit	Indicated	100	10.0	187	1,900	4.1	-	4.1	-
Tubas Sand Deposit	Inferred	100	24.0	163	3,900	8.6	-	-	8.6
Sub-total Tubas Red Sand Project		**100**	**34.0**	**170**	**5,800**	**12.7**	**0.0**	**4.1**	**8.6**
Tubas Calcrete Deposit	Inferred	100	7.4	374	2,800	6.1	0.0	0.0	6.1
Total for overall Tumas-Tubas			**232.2**	**292**	**55,700**	**122.6**	**0.0**	**56.7**	**65.9**
Aussinanis Deposit	Indicated	150	5.6	222	1,200	2.7	-	2.7	-
Aussinanis Deposit	Inferred	150	29.0	240	7,000	15.3	-	-	15.3
Sub-total Aussinanis Project		**150**	**34.6**	**237**	**8,200**	**18.0**	**0.0**	**2.7**	**15.3**
Calcrete Projects Total			**266.8**	**281**	**63,900**	**140.6**	**0.0**	**59.4**	**81.2**

Deep Yellow Press Release February 10, 2021 & analyst's work

Reptile Project - Alaskite Resources (Ongolo, MS7 and Inca)

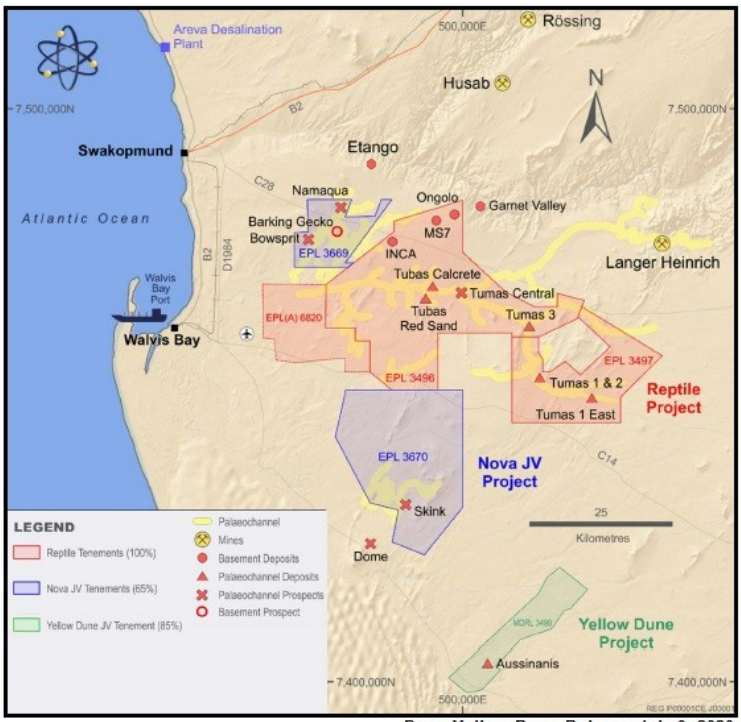
The second type of uranium mineralization (**basement/alaskite deposits**) is present at the Reptile Project's EPL 3496. Though relatively unexplored, **three deposits** have been identified: Inca, Ongolo and MS7, which have a combined Measured, Indicated and Inferred Resource of 45.1 million lbs. U_3O_8 at 420ppm (0.0420%) eU_3O_8 at a 250ppm cut off. Additional investigations are required to determine the full extent of the mineralization identified to date as potential exists to further increase the uranium resources associated with these basement targets.

Deposit	Category	Cut-off (ppm)	Tonnes (MM)	U3O8 (ppm)	U3O8 (t)	U3O8 (Mlb)	Resource Categories (Mlb U3O8) Measured	Indicated	Inferred
ALASKITE MINERALIZATION									
INCA Deposit	Indicated	250	7.0	470	3,300	7.2	-	7.2	-
INCA Deposit	Inferred	250	5.4	520	2,800	6.2	-	-	6.2
Ongolo Deposit	Measured	250	7.7	395	3,000	6.7	6.7	-	-
Ongolo Deposit	Indicated	250	9.5	372	3,500	7.8	-	7.8	-
Ongolo Deposit	Inferred	250	12.4	387	4,800	10.6	-	-	10.6
MS7 Deposit	Measured	250	4.4	441	2,000	4.3	4.3	-	-
MS7 Deposit	Indicated	250	1.0	433	400	1.0	-	1.0	-
MS7 Deposit	Inferred	250	1.3	449	600	1.3	-	-	1.3
Omahola Project Total			**48.7**	**420**	**20,400**	**45.1**	**11.0**	**16.0**	**18.1**

Deep Yellow Press Release July 14, 2020 & analyst's work

NOVA JOINT VENTURE (39.5% owned by Deep Yellow)

Located in the Erongo Region of western of Namibia, the **NOVA JV** consists of two EPL tenements (**3669** and **3670**), which encompass approximately 7,967.8 and 47,714.8 hectares, respectively (or **556.8 square kilometers** in total). The EPLs were initially granted by the Namibian Ministry of Mines and Energy on November 21, 2006 and most recently renewed for a 2-year term until March 30, 2022.



Deep Yellow Press Release July 9, 2020

In late-March 2017, Deep Yellow and Japan Oil, Gas and Metal National Corporation (JOGMEC) finalized a joint venture agreement regarding the NOVA Joint Venture (or NOVA JV). For the sum of **AUD$4.5 million** devoted to the exploration and development at the NOVA JV Project over a period of four years, **JOGMEC earned-in a 39.5% interest** in the project. JOGMEC is a Japanese governmental agency designed to promote the exploration and development of secure and stable supplies of natural resources (primarily oil, gas and mining resources) for Japan. At the time of the agreement, Deep Yellow (through Reptile Mineral Resources and Exploration Pty Ltd) held a 65% interest; Toro Energy Limited (through Nova Energy Africa Pty Ltd) owned 25% and Sixzone Investments Pty Ltd (a Namibian group) held 10%.

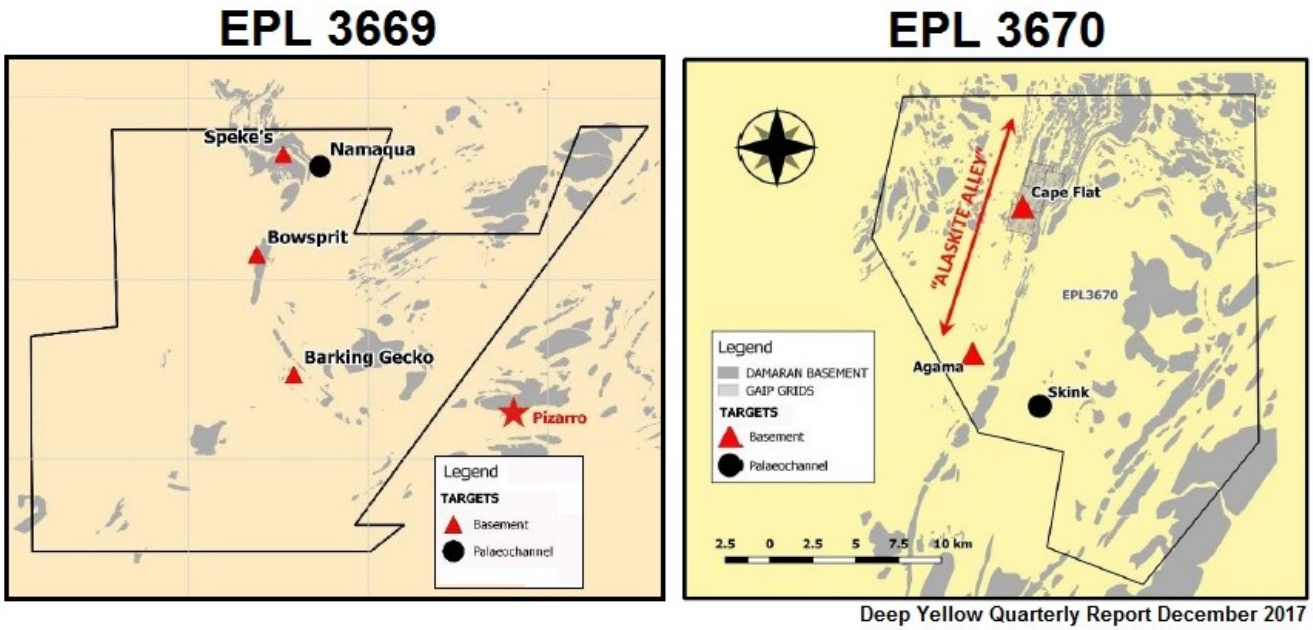
NOVA JV Project

Deep Yellow LIMITED 39.5%

JOGMEC 39.5%

TORO ENERGY LIMITED 15%

With the exploration campaign that ended in August 2020, **JOGMEC satisfied its AUD$4.5M exploratory obligation** during the earn-in period and **now holds a 39.5% interest** in the NOVA JV Project. **Deep Yellow owns 39.5% (and remains manager)**, Toro Energy Limited (ASX: TOE) holds 15% and Sixzone 6.0%. Going forward, the parties of the JV will be required to contribute toward exploration expenditures on a pro-rata basis.



Deep Yellow Quarterly Report December 2017

Since the NOVA JV Project was formed in November 2016, JOGMEC expended AUD$4.5 million in exploration programs to earn-in a 39.5% interest in the JV. Exploration work was focused on both basement-related alaskite and palaeochannel/calcrete associated uranium targets. An outline of the exploration and drilling programs follows.

- Nov. 2016 – Dec. 2016: Initiate work on EPL 2669 & EPL 2670
  - reinterpreted previously flown VTEM survey
  - acquired satellite imagery with 1.5 meter spatial resolution covering JV area

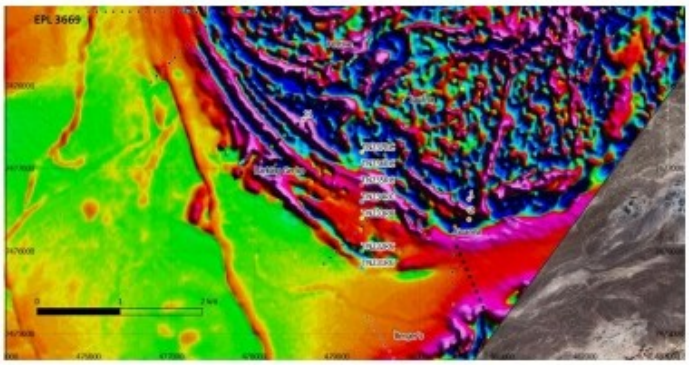
- May - August 2017: Carried out geophysical ground survey to delineate mineralized targets
    - May – June: gradient array induced polarization survey over 15km helped differentiate high priority basement alaskite targets
    - geological mapping and geophysical work (PDIP, ground radiometric, EM and magnetic surveys) helped further define drill target locations
    - identified 10 targets in 4 areas prospective for alaskite-type mineralization in basement rocks
- Sept. – Dec. 2017: **7,490-meter** scout (first pass) drilling program (88 holes 82 RC & 6 DC)
    - discovered calcrete-type mineralization (3 holes averaged 200ppm) in newly identified palaeo-channel at Namaqua Prospect (formerly Speke's East) on EPL 2669
    - EPL 3669 - narrow uranium mineralization was intersected at basement targets skarn-type lithologies at Speke's and Bowsprit and in alaskites at Barking Gecko
    - EPL 3670 - identified a promising zone of basement targets at Cape Flat
- April – May 2018: **7,053 line km** of high-resolution airborne radiometric and magnetic
- October – Dec. 2018: **4,874-meter** RC drilling program (122 holes)
    - encountered low-grade palaeo-channel calcrete-hosted mineralization at Namaqua (75ppm peak), Bowsprit (<100ppm) and Day Gecko (320ppm peak)
    - encountered narrow uranium mineralization in basement rocks at Iguana Prospect
- Jan. – March 2019: **1,404-meter** short RC drilling program (18 holes)
    - narrow nature of mineralized vein system confirmed at Iguana
- August – October 2019: **3,472-meter** RC drilling program (60 holes) on EPL 3669
    - encountered uranium mineralization in palaeochannels at Namaqua Prospect and at basement targets at **Barking Gecko** (**over 300ppm in 2 holes**)
- Nov. - Dec. 2019: **3,009-meter** RC drilling program (153 holes) on EPL 3670
    - encountered palaeo-channel calcrete-hosted mineralization (130ppm) at STD 24 target
    - delineated a **prospective 4km long by 1km wide alaskite** (leucogranite) at Barking Gecko on EPL 3669
- Jan. – May: geological mapping in order to determine the orientation of alaskite dykes
- April - July 2020: **2,041-meter** RC drilling program (11 holes) focused on **Barking Gecko** (EPL 3669)
    - drilling program revealed the **presence of thicker uranium intersections** (7-to-24-meters) compared to 1-to-2-meter mineralized intersections encountered during the 2019 campaigns
    - management believes that the drilling results indicate that a large, basement-related mineralized system is present around this highly prospective area
- Nov.2020 – March 2021: **3,200-meter** RC drilling program (11 holes) focused on **Barking Gecko** (EPL 3669).
    - the drill holes will be in the vicinity of the positive holes drilled in the April - July 2020 RC drilling program
    - both gamma downhole logging and optical borehole imagery will be undertaken; the latter will help to determine the structural orientation of the uranium mineralization
    - this program is being conducted after the JOGMEC earn-in
        - all parties in the NOVA JV agreed to a budget of AUD$570,000 through March 31, 2021
    - Phase 1 of this drilling program was completed in early December 2020. The two holes (totaling 502 meters) did not intersect up-dip and down-dip extensions of previously identified mineralization. Therefore, the geology of the area was re-evaluated utilizing results of the OPTV down-hole logging. It has been determined that the mineralization at Barking Gecko has a NNE orientation instead of the previously expected WSW. The drilling program was revised accordingly.
    - Phase 2 began in February 2021; the best intersections of the first two holes were 27m at 291ppm U_3O_8 (TN245RC) and 6m at 228ppm U_3O_8 & 11m at 214ppm U_3O_8 (TN246RC)

Significance of Barking Gecko

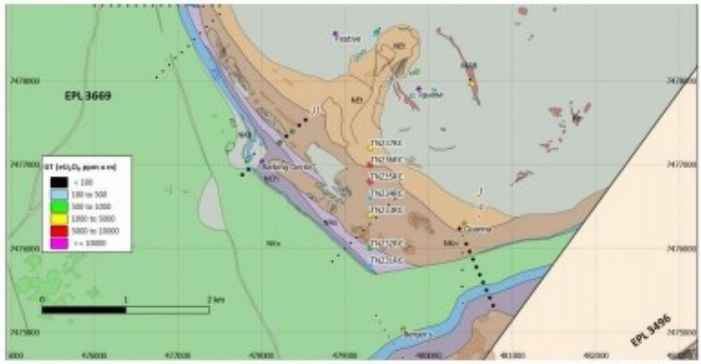
Barking Gecko is a prominent domal feature which is wrapped around by a **large zone of anomalous interest** (approximately **4km long and 1km wide**). This prospective area was indicated by 3D inversion of high resolution airborne magnetic data, which detected a zone of easterly trending, remnant magnetism. The April - July 2020, **2,041-meter** RC drilling program tested this target with 11 holes spaced at 200 meters. The wide drill spacing leaves the mineralization **open laterally and at depth**.

The intersected mineralization corresponds to steeply south-dipping alaskite dykes.

3D Inversion of Airborne Magnetic Data



Geological Map



Deep Yellow Press Release July 9, 2020

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 $50 million and trading above $0.20 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 0.85 and 12.19. With the expectation that Deep Yellow's stock will attain an industry average P/B ratio of 4.87, our **comparable analysis valuation price target is US$1.14**.

Industry Comparables	**% Chg YTD**	**Ticker**	**Exch.**	**Uranium Project Country**	**Principal Uranium Project**	**Phase**	**Mkt Cap Local Curr. ($ mil.)**	**Price/ Book**
Deep Yellow Ltd	31.3%	DYLLF	OTCQX	Namibia	Reptile	DFS	158.6	2.18
Deep Yellow Ltd	23.0%	DYL	ASX	Namibia	Reptile	DFS	183.3	2.18
URANIUM DEVELOPMENT COMPANIES								
Azarga Uranium Corp.	0.0%	AZZ	TSX	USA	Centenial	PEA	59.9	1.00
Berkeley Energia Ltd	-9.8%	BKY	ASX	Spain	Salamanca	DFS	157.8	4.61
Denison Mines Corp	59.5%	DML	TSX	Canada	Phoenix	PFS	964.6	4.06
Fission Uranium Corp.	48.1%	FCU	TSX	Canada	Triple R	PFS	328.9	0.88
Global Atomic Corp	34.6%	GLO	TSX	Niger	Dasa	PEA	315.8	6.29
GoviEx Uranium Inc.	28.3%	GXU	TSXV	Niger	Madaouela	PFS	137.1	1.97
Laramide Resources Ltd	8.3%	LAM	TSX	Australia	Westmoreland	PEA	66.7	0.85
NexGen Energy Ltd.	28.5%	NXE	TSX	Canada	Arrow	PFS	1,688.7	12.19
UEX Corp.	38.5%	UEX	TSX	Canada	Various	PEA	153.7	12.00
Industry Mean	**26.2%**						**430.3**	**4.87**
S&P 500 Index	3.9%	^SPX:US	NYSE	N/A	N/A	N/A	N/M	4.04

INSIDER AND INSTITUTIONAL OWNERSHIP

Insiders hold approximately 11.4% of the shares outstanding. Of the largest insider holders, John Borshoff (CEO) owns 9,842,040 shares (4.0% of the shares outstanding), Gillian Swaby (Executive Director) hold 6,271,093 shares (2.6%) and Eduard Becker (Head of Exploration) owned 2,659,564 shares (1.1%).

Institutional investors own 25.8% of the shares outstanding of Deep Yellow. Sprott Inc. is the beneficial owner of 25,715,898 shares representing 10.5% of the shares outstanding. Due to a Strategic Alliance Deed signed on May 4, 2017, as long as Sprott holds a minimum of 10% equity in Deep Yellow, Sprott "retains the rights … to bid to place or find subscribers for future financial raisings." Collines Investments Limited holds 19,680,292 shares (8.0%) and Paradice Investment Management Pty Ltd. owns 17,741,935 shares (7.2%).

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%) and fiscal 2019 (+22.0%) 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. Thus far in fiscal 2021, shares outstanding have increased 30.3%.
- 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 that a supply deficit and the projected increase in the number of nuclear power plants should drive the price of uranium above $50 per pound, creating an environment for new uranium mines to be developed.

BALANCE SHEET

Deep Yellow Limited					
(in $AUD except ordinary share data)	FY 2016	FY 201	FY 201	FY 201	FY 202
Period ending	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
ASSETS					
Cash and cash equivalents	1,579,488	14,959,841	10,690,253	14,975,063	12,116,972
Accounts receivable	71,619	443,115	444,464	461,989	298,265
Other current assets	98,897	185,149	224,066	255,707	187,567
Total Current Assets	**1,750,004**	**15,588,105**	**11,358,783**	**15,692,759**	**12,602,804**
Right-of-use assets	-	-	-	-	617,015
Property, plant and equipment	442,607	547,797	579,858	592,797	518,897
Capitalized exploration & eval. expendit.	49,039,393	28,181,518	29,279,061	31,831,939	35,415,745
TOTAL ASSETS	**51,232,004**	**44,317,420**	**41,217,702**	**48,117,495**	**49,154,461**
Trade and other payables	289,148	612,925	332,781	509,661	492,605
Interest bearing liabilities	-	-	-	-	57,562
Employee provisions	-	-	98,980	64,360	99,221
Total Current Liabilities	**289,148**	**612,925**	**431,761**	**574,021**	**649,388**
Employee provisions	-	-	-	54,154	48,794
Lease liabilities	-	-	-	-	536,664
Non-Current Liabilities	**0**	**0**	**0**	**54,154**	**585,458**
TOTAL LIABILITIES	**289,148**	**612,925**	**431,761**	**628,175**	**1,234,846**
SHAREHOLDERS' EQUITY					
Issued equity	222,055,441	239,065,259	238,722,162	247,264,524	249,753,196
Accumulated losses	(161,726,145)	(189,770,518)	(192,326,868)	(196,141,196)	(193,266,333)
Employee equity benefits reserve	10,442,849	10,774,425	11,086,143	12,140,341	13,476,273
Foreign currency translation reserve	(19,829,289)	(16,364,671)	(16,695,496)	(15,774,349)	(22,043,521)
Total Stockholders' Equity	**50,942,856**	**43,704,495**	**40,785,941**	**47,489,320**	**47,919,615**
TOTAL LIABILITIES & STOCKHOLDERS' EQ.	**51,232,004**	**44,317,420**	**41,217,702**	**48,117,495**	**49,154,461**
Ordinary shares outstanding	107,216,125	185,047,376	194,802,027	237,711,355	245,052,016

PROJECTED ANNUAL INCOME STATEMENTS

Deep Yellow Limited

Income Statement (in $AUD, except share out. data)	2017 6/30/2017	2018 6/30/2018	2019 6/30/2019	2020 6/30/2020	2021 E 6/30/2021
Interest and other income	44,612	264,501	225,33	257,455	249,096
Revenue from contracts with customers	267,417	150,178	119,31	77,199	55,000
Total Revenues	**312,029**	**414,67**	**344,64**	**334,65**	**304,09**
Depreciation & amortisation expenses	(37,928)	(77,069	(92,911	(215,812)	(250,000
Marketing expenses	(38,759)	(139,021)	(142,177	(222,461	(250,000
Occupancy expenses	(97,302)	(138,361)	(209,486	(94,324)	(95,000
Administrative expenses	(1,319,259)	(1,716,409	(2,068,920	(1,930,685	(2,000,000
Employee expenses	(1,410,784)	(887,869)	(1,626,841)	(2,033,839	(2,250,000
Reversal imp'rm't of cap. exp. & eval. exp.	-	-	-	7,100,920	0
Impairm't of cap. explor. & eval. exp.	(25,452,370)	(12,300)	(18,640	(36,893	0
Expenses	**(28,356,402)**	**(2,971,029)**	**(4,158,975)**	**2,566,906**	**(4,845,000)**
Loss Before Other Income	**(28,044,373)**	**(2,556,350)**	**(3,814,328)**	**2,901,560**	**(4,540,904)**
Interest (expense)	-	-	-	(26,697)	(30,000
Income tax (expense)	-	-	-		-
Total Other Income (Expenses)	**0**	**0**	**0**	**(26,697)**	**(30,000)**
Net Loss	**(28,044,373)**	**(2,556,350**	**(3,814,328**	**2,874,863**	**(4,570,904)**
Other comprehensive income					
Fgn. curr. translation gain (loss)	3,464,618	(330,825)	921,147	(6,269,172)	0
Total comp. gain (loss), net of tax	**(24,579,755)**	**(2,887,175**	**(2,893,181**	**(3,394,309)**	**(4,570,904)**
Diluted gain (loss) per ordinary share	**(0.2251)**	**(0.0134)**	**(0.0190**	**0.0119**	**(0.0171)**
Wgted. Avg. Ord. Shares Out. - diluted	124,574,555	190,372,205	200,315,114	242,402,378	266,642,616

SEMI-ANNUAL INCOME STATEMENTS

Deep Yellow Limited

Income Statement (in $AUD, except share out. data)	1H 2019 12/31/2018	2H 2019 6/30/2019	2019 6/30/2019	1H 2020 12/31/2019	2H 2020 6/30/2020	2020 6/30/2020
Interest and other income	148,549	76,783	225,332	140,073	117,382	257,455
Revenue from contracts with customers	62,139	57,176	119,315	51,756	25,443	77,199
Total Revenues	**210,688**	**133,959**	**344,647**	**191,829**	**142,825**	**334,654**
Depreciation & amortisation expenses	(45,096)	(47,815)	(92,911)	(118,146)	(97,666)	(215,812)
Marketing expenses	(97,399)	(44,778)	(142,177)	(143,678	(78,783)	(222,461)
Occupancy expenses	(100,402)	(109,084)	(209,486)	(44,725)	(49,599	(94,324
Administrative expenses	(1,051,627)	(1,017,293)	(2,068,920)	(1,048,190	(882,495)	(1,930,685)
Employee expenses	(633,197)	(993,644)	(1,626,841)	(939,931)	(1,093,908)	(2,033,839)
Reversal imp'rm't of cap. exp. & eval. exp.	-				7,100,920	7,100,920
Impairm't of cap. explor. & eval. exp.	(2,507)	(16,133)	(18,640)	0	(36,893)	(36,893
Expenses	**(1,930,228)**	**(2,228,747)**	**(4,158,975)**	**(2,294,670)**	**4,861,576**	**2,566,906**
Loss Before Other Income	**(1,719,540)**	**(2,094,788)**	**(3,814,328)**	**(2,102,841)**	**5,004,401**	**2,901,560**
Interest (expense)	-			(14,261)	-	(26,697)
Income tax (expense)	-				-	-
Total Other Income (Expenses)	**0**	**0**	**0**	**(14,261)**	**0**	**(26,697)**
Net Loss	**(1,719,540)**	**(2,094,788**	**(3,814,328**	**(2,117,102**	**5,004,401**	**2,874,863**
Other comprehensive income						
Fgn. curr. translation gain (loss)	129,637	791,510	921,147	236,136	(6,505,308)	(6,269,172)
Total comp. gain (loss), net of tax	**(1,589,903)**	**(1,303,278**	**(2,893,181**	**(1,880,966**	**(1,500,907**	**(3,394,309)**
Diluted gain (loss) per ordinary share	**(0.0089)**	**(0.0101)**	**(0.0190**	**(0.0090**	**0.0204**	**0.0119**
Wgted. Avg. Ord. Shares Out. - diluted	193,206,742	207,423,486	200,315,114	235,233,556	245,705,957	242,402,378

HISTORICAL STOCK PRICE



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[i] Deep Yellow Press Release on Tumas PFS, February 10, 2021, Conclusions, page 54

[ii] Deep Yellow Press Release, October 13, 2006

[iii] A surface or near-surface host- material predominantly cemented or enriched by calcium carbonate.