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Zacks Small-Cap Research

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Deep Yellow Limited (OTCQX: DYLLF)

DYLLF: Significant progress in raising capital; Deep Yellow continues to proceed toward the commencement of production at Tumas (Namibia) in 2H 2026. Review of Recent Activities. This report corrects a typo in yesterday's version.

Based on comparative analysis of junior uranium companies in the feasibility study phase, a mid-second quartile price-to-book (P/B) ratio of 5.9 indicates a share price target of US$2.50.

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

Current Price (05/30/24)	$1.08
Valuation (US$)	**$2.50**

OUTLOOK

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

Management continues to fast-track the development of its most **advanced uranium project, Tumas** in Namibia. The MRE of **Mulga Rock (**Australia) increases through drilling programs and the inclusion of critical minerals. Work continues on Deep Yellow's early-stage exploratory projects of Omahola & Alligator River.

SUMMARY DATA

52-Week High	**$1.18**
52-Week Low	**$0.34**
One-Year Return (%)	**182.83**
Beta	**0.72**
Average Daily Volume (shrs.)	**123,156**
Shares Outstanding (million)	**969.2**
Market Capitalization ($mil.)	**$1,085.5**
Short Interest Ratio (days)	**0.1**
Institutional Ownership (%)	**36.5**
Insider Ownership (%)	**8.4**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using FY2024 Estimate	**N/M**
P/E using FY2025 Estimate	**N/M**

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

ZACKS ESTIMATES

Revenue
(in '000 $AUD)

	Q1	H1	Q3	H2	Year
		(Dec)		(Jun)	(Jun)
2022		289 A		313 A	515 A
2023		987 A		944 A	1,931 A
2024		652 A		540 E	1,192 E
2025		500 E		400 E	900 E

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

	Q1	H1	Q3	H2	Year
		(Dec)		(Jun)	(Jun)
2022		-$0.0080 A		-$0.0101 A	-$0.0184 A
2023		-$0.0076 A		-$0.0067 A	-$0.0142 A
2024		-$0.0082 A		-$0.0065 E	-$0.0147 E
2025		-$0.0064 E		-$0.0070 E	-$0.0134 E

EPS in $AUD

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

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

In addition to advancements at the Tumas Project, along with the Mulga Rock and Alligator River Projects, during the first half of fiscal 2024 (see HALF YEAR INTERIM REPORT section below), the company benefitted from a **significant influx of capital** during the last three months that totaled **almost AUD$250 million in gross proceeds**. The net proceeds will be used:

1) to continue to advance the Tumas Project toward production
2) to allow for further development activities at the Mulga Rock Project, including a revised DFS
3) to fund other resource expansion activities through exploration at Alligator River & Omahola
4) to augment working capital

Deep Yellow is poised to enter a crucial stage in the company's lifecycle, specifically, **the transition to the mine construction phase**, which will require financings or capital raises. This initial significant equity financing provides the necessary capital to move forward to the Final Investment Decision (FID) for the Tumas Project.

The AUD$250 million in capital was raised through a **private placement** (AUD$220 million) that was completed in two tranches (one in mid-March and the other in early-May), which in total consisted of the issuance of **179,591,836 shares** at an issue price of AUD$1.225 per share. Additionally, **24,489,795 shares** were issued to existing shareholders through a Share Purchase Plan, also at an issue price of AUD$1.225 per share. **The Share Purchase Plan was oversubscribed by 50%**, requiring a pro-rata scale-back of the applications for shares.

Of note, during 2024, **several entities** were required to file that their **ownership** of Deep Yellow **exceeded 5%** of the company's outstanding shares, most because of participation in the private placement. The entities were Macquarie Group Limited (March 13th), State Street Corporation (March 15th) MM Asset Management of Toronto (April 29th) and Citigroup Global Markets Australia Pty Limited (January 4th and March 25th).

Furthermore, through discussions with financiers, the company is progressing toward securing debt financing that will help fund construction costs of the Tumas uranium mine once the FID is made to proceed, which is expected to be announced near the end of the third calendar quarter of 2024. Typically, debt issued for mine construction is secured by the assets and/or future cash flows of the project.

QUARTERLY ACTIVITIES REPORT

In mid-April, Deep Yellow filed its **Quarterly Activities Report** for the period ending March 31, 2024.

Tumas Project (100%) Update

Current Tumas Drilling Campaign

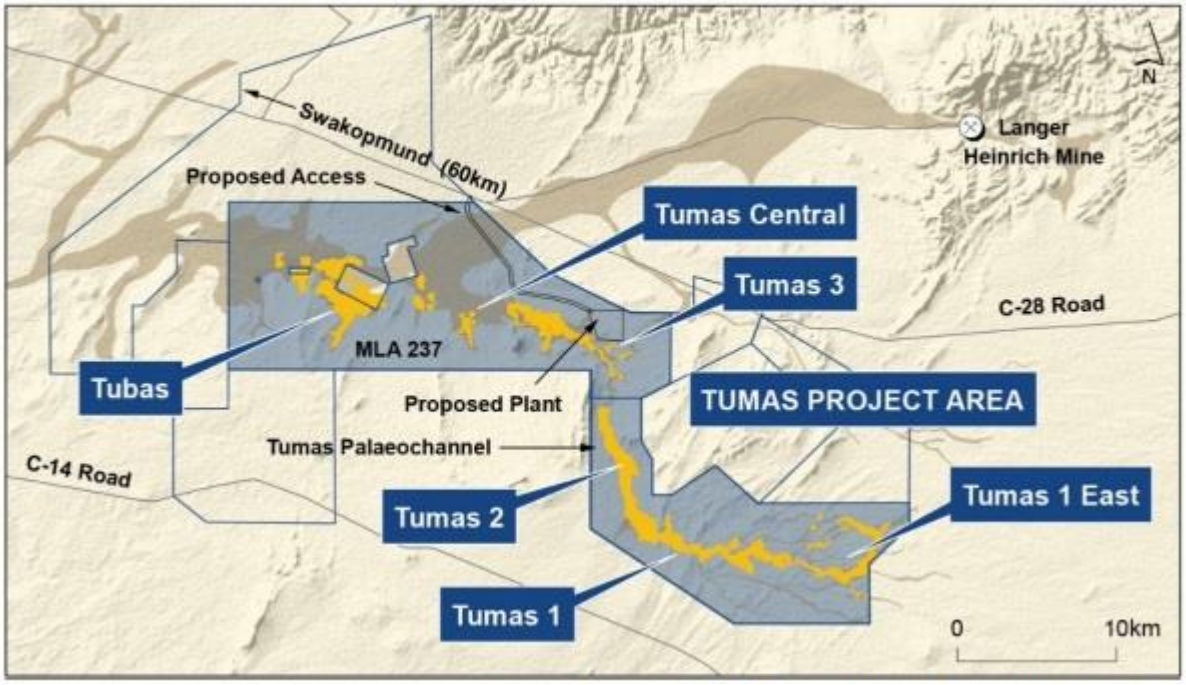
On February 29, 2024, an **RC and diamond core drilling campaign** commenced at Tumas 3 with the objectives to both upgrade and increase the Project's MRE, while simultaneously bolstering the company's financing effort to bring the Tumas mine to production. The goal is to define adequate

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

The **diamond drill spacing** in parts of Tumas 3 will be reduced **to 50m x 50m**, which should support the upgrading roughly 20 Mlbs U_3O_8 from the JORC Indicated to Measured category. The **650-hole (13,000m) RC resource drilling program** also commenced at the end of February, and as of the end of March, six (6) diamond drill holes (144m) and 189 RC holes (4,221m) had been completed. The entire drilling campaign is anticipated to be completed in June 2024.

Tumas Project

Showing Tumas Deposits and Main Prospect Locations Over Palaeochannels



Deep Yellow Press Release November 29, 2023

As a reminder, in the previous drill program between late March and mid-August 2023, Deep Yellow **completed 235 RD drill holes (8,017m)** that targeted areas west of Tumas 3 East and Tumas Central. 109 holes explored for additional resources (spaced lines between 200m to 1,000m) and 126 holes focused on expanding the current resource, along line and holes spacing of 100m. **Based on the results of the drill program**, the **Indicated MRE increased 10.4%** from 54.9 Mlbs at 320 ppm eU_3O_8 to 60.6 Mlbs at 325ppm eU_3O_8. The **Inferred MRE increased 24.0%** from 5.0 Mlbs at 219 ppm eU_3O_8 to 6.2 Mlbs at 170ppm eU_3O_8. The total Tumas 3 MRE increased 11% to 66.8 Mlbs at 300 ppm eU_3O_8. The total ML 237 Indicated Mineral Resource increased to 108.5 Mlbs at 265 ppm eU_3O_8.

Tumas 3 - JORC 2012 MRE - Indicated and Inferred Mineral Resources at 100 ppm eU_3O_8 Cut-off Grade

Deposit	Category	Tonnes (Mt)	U_3O_8 (ppm)	U_3O_8 (Mlb)
Tumas 3	Indicated	84.0	325	60.6
	Inferred	16.5	170	6.2
Sub-Total		100.5	300	66.8

Deep Yellow Quarterly Activities Report January 18, 2024

Metallurgical Testing for the Tumas Project

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

Tumas Definitive Feasibility Study Re-Costing Study

In December 2023, the Tumas Definitive Feasibility Study Re-Costing Study was completed, which updated the **base case price of uranium to US$75/lb**. from US$65/lb. U_30_8 (a conservative increase considering the spot price has exceeded US$100/lb.) and adjusted the initial cost estimates to reflect the moderating rate of inflation and an abatement of the supply chain pressures. The **base case IRR increased** from 19.2% **to 27.0%**.**The Re-Costing Study continues to validate the commercial viability of the Project**.

Other Near-Term Tumas Activities

During the third fiscal quarter, the process of **selecting** an Engineering, Procurement and Construction Management (**EPCM) service provider** commenced. The EPCM provider is expected to be selected during the fourth fiscal quarter. The **detailed engineering phase** should commence almost immediately thereafter and require about six (6) months to complete. It is anticipated that the Project will be further optimized when drilling results and subsequent re-estimation of reserves are received. The **timeline for the Final Investment Decision** is being maintained with the FID expected to be made **during the third calendar quarter of 2024**.

Mulga Rock Project Update

On February 26, 2024, Deep Yellow released an **updated MRE** for the Ambassador and Princess deposits **at the Mulga Rock Project**. The **total** Measured, Indicated & Inferred **U_30_8** Mineral Resources **increased 25.6%** from 56.7 Mlbs to 71.2 Mlbs with Measured increasing 15.9%, Indicated increasing 57.1% and Inferred decreasing 30.3%, all at a at a 100 ppm U_30_8 cut-off. The decrease of the Inferred resource was a result of an overall upgrade of previously lower grade material into the Indicated category. The updated MRE included drilling results from the 656-hole (36,647m) air core drill program completed in August 2023.

Mulga Rock East – Comparison Between Previous and Updated MRE
100 ppm U_3O_8 and 100 ppm U_3O_8Eq Cut-Off Grades

	PREVIOUS MRE			UPDATED MRE				
		U_3O_8			U_3O_8		U_3O_8Eq	
Class	Tonnes (Mt)	(ppm)	(Mlb)	Tonnes (Mt)	(ppm)	(Mlb)	(ppm)	(Mlb Eq)
Measured	5.2	1,100	12.6	12.9	514	14.6	785	22.4
Indicated	16.8	799	29.6	57.2	370	46.5	565	71.1
Inferred	16.2	406	14.5	11.1	413	10.1	481	11.8
Total	38.2	673	56.7	81.2	400	71.2	590	105.3

DeepYellow Quarterly Activities Report March 2024

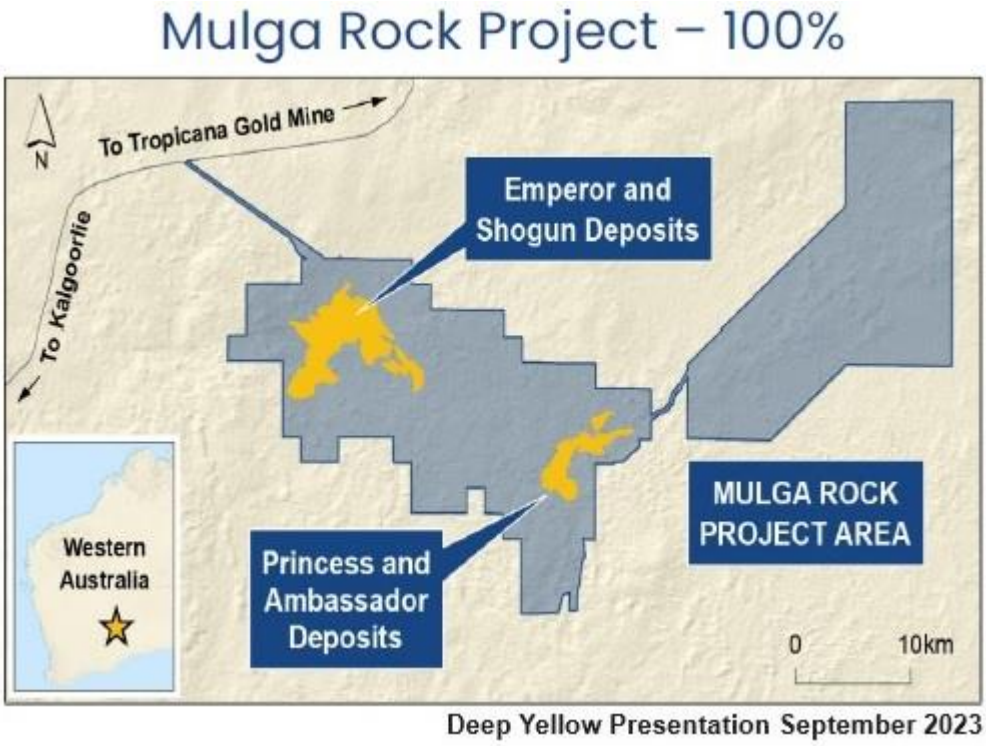
In addition, the updated MRE **includes estimates for critical minerals** (Cu, Ni, Co, Zn & Rare Earth Oxides) as **eU_30_8**. Including the critical minerals, the total updated Measured, Indicated &

Inferred **eU_3O_8** Mineral Resources **increased 85.7%** from 56.7 Mlbs to105.3 Mlbs with Measured increasing 77.8%, Indicated increasing 140.2% and Inferred decreasing 18.6%.

Mulga Rock East – Critical Minerals.

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

Deep Yellow Interim Half-Year Report March 2024



Deep Yellow Presentation September 2023

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

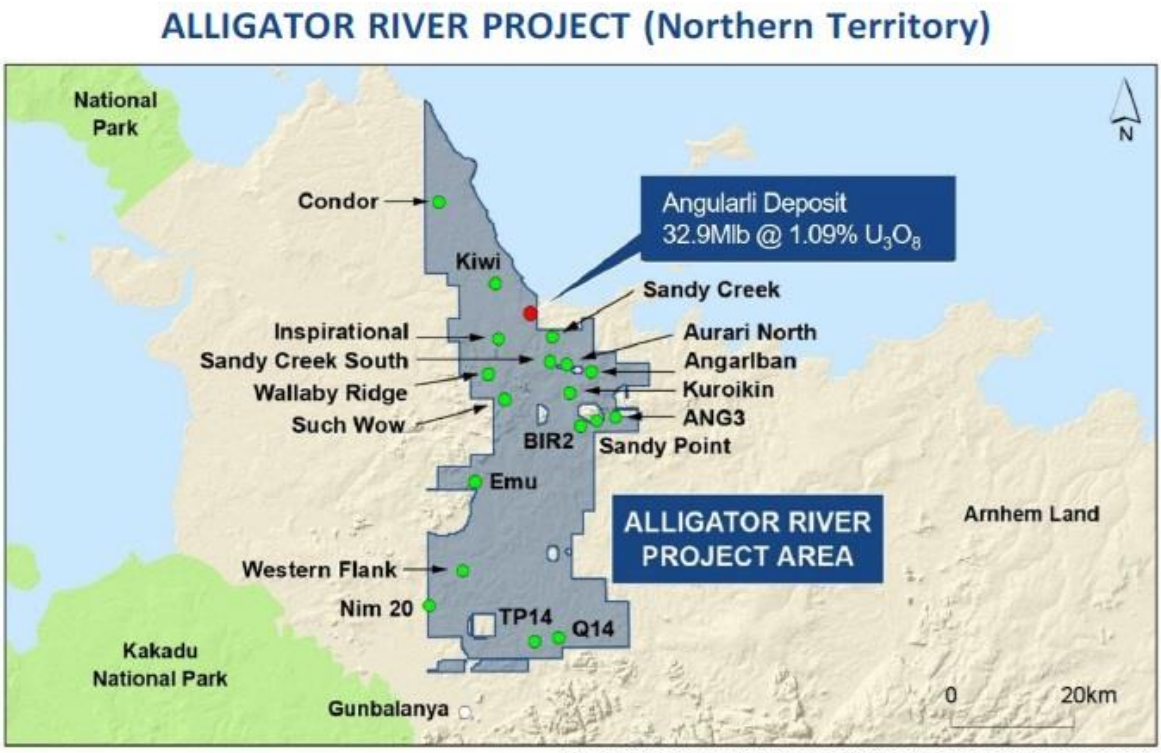
The **metallurgical test work for Mulga Rock** indicates that:

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

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

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

Alligator River Project Update



Deep Yellow Interim Half-Year Report March 2024

Since the announcement of the 27% increase of the MRE for the Angularli Deposit at Alligator River Project in mid-2023, a heritage survey on EL5893 was conducted in the fourth calendar quarter of 2023, which resulted in conditional approval to explore areas north of Angularli. During the third fiscal quarter, desktop studies continue to delineate prospective corridor, including combining and merging radiometric, magnetic and gravity data in order to produce geophysical images that will help identify prospective corridors. A drone-borne high resolution magnetic and radiometric survey is being planned.

Angularli Mineral Resource Estimate, July 2023.

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
UNCONFORMITY-RELATED MINERALISATION									
Alligator River Project - JORC 2012									
Angularli Deposit	Inferred	0.10	1.47	1.02	15,048	33.2	-	-	33.2
		0.15	1.37	1.09	11,748	32.9	-	-	32.9
		0.20	1.27	1.16	11,700	32.5	-	-	32.5
		0.25	1.18	1.24	11,430	32.0	-	-	32.0
		0.30	1.09	1.31	11,430	31.5	-	-	31.5
Alligator River Project Total			**1.37**	**1.09**	**11,748**	**32.9**	**-**	**-**	**32.9**

Deep Yellow Interim Half-Year Report March 2024

Financial

The company is well funded with a **cash balance of AUD$155.6 million** as of March 31, 2024. In addition, roughly **AUD$100 million was added** to the company's coffers and from the oversubscribed Share Purchase Plan in April and from the 2nd tranche of the private placement in May.

ANTICIPATED MILESTONES

Tumas Project

- **Final Investment Decision** (FID) expected to be made **during the latter part of the 3rd calendar quarter of 2024**
- If management's plans continue as expected, **production is anticipated to commence during the second half of calendar 2026**

Mulga Rock Project

- A **revised DFS** for the Mulga Rock Project, including base metals and rare earth elements (REE) in addition to uranium, is **expected to commence in 2024** with expectations of being completed in the third calendar quarter of 2025.

Alligator River Project

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



MANAGEMENT'S STRATEGY

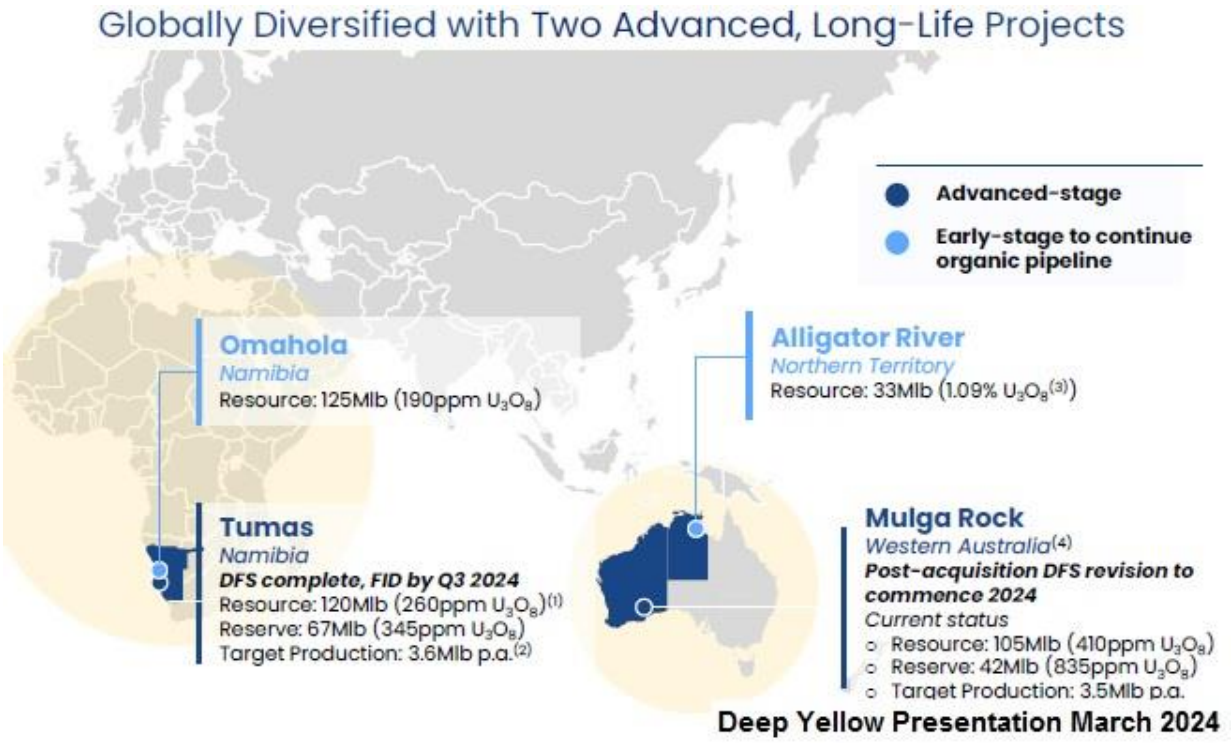
Deep Yellow Ltd. **is unique among junior mining companies**: the company is being positioned to provide a leveraged opportunity to participate in all phases of the expected upswing in uranium prices. Management's Dual Pillar strategy is designed to deliver both organic and inorganic growth by advancing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

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

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

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

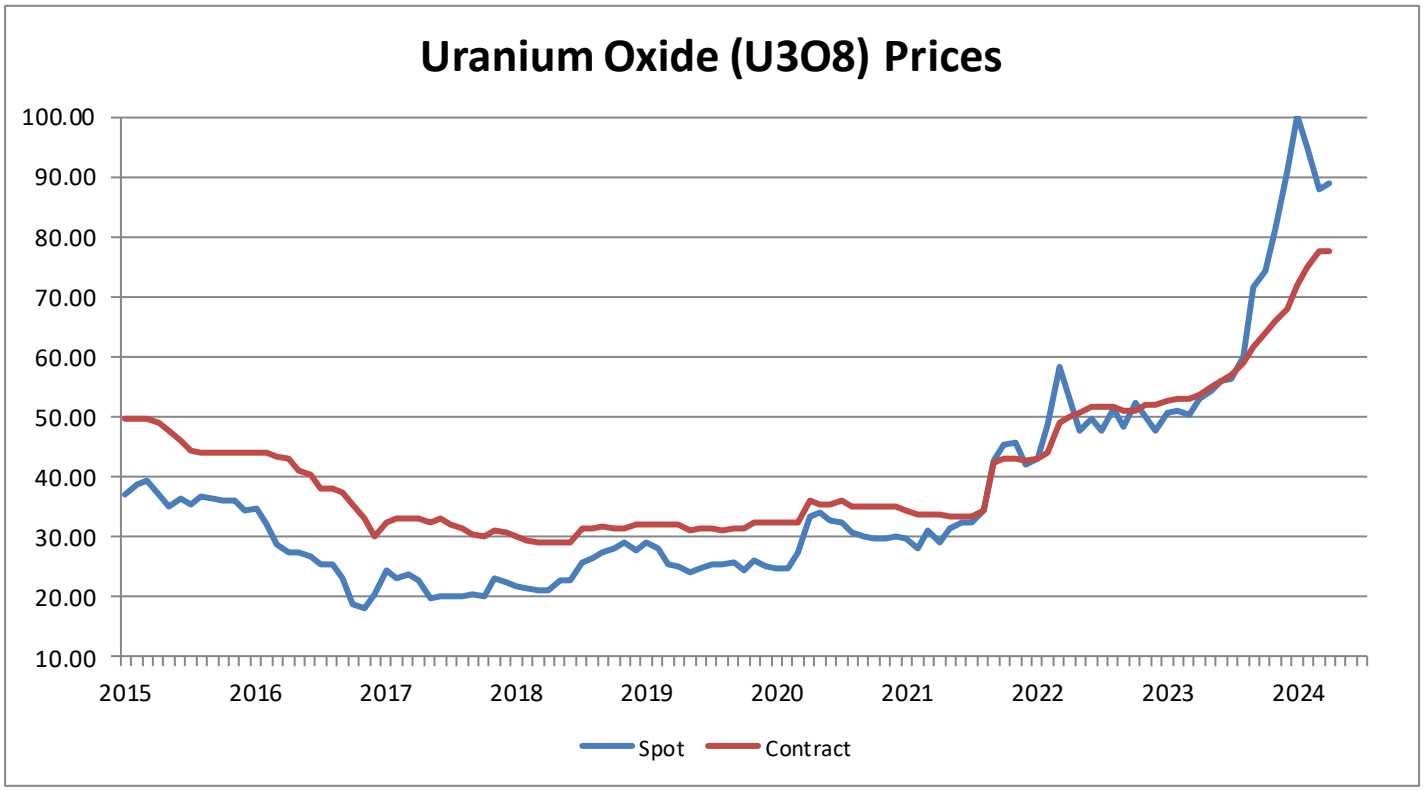
We expect that management will deliver on its plan of becoming a secure and reliable Tier I uranium producer with an annual operating capacity of 5-to-10 million lbs. of U_30_8. We also expect management to pursue additional acquisitions and/or mergers as the uranium consolidates during the current upcycle.



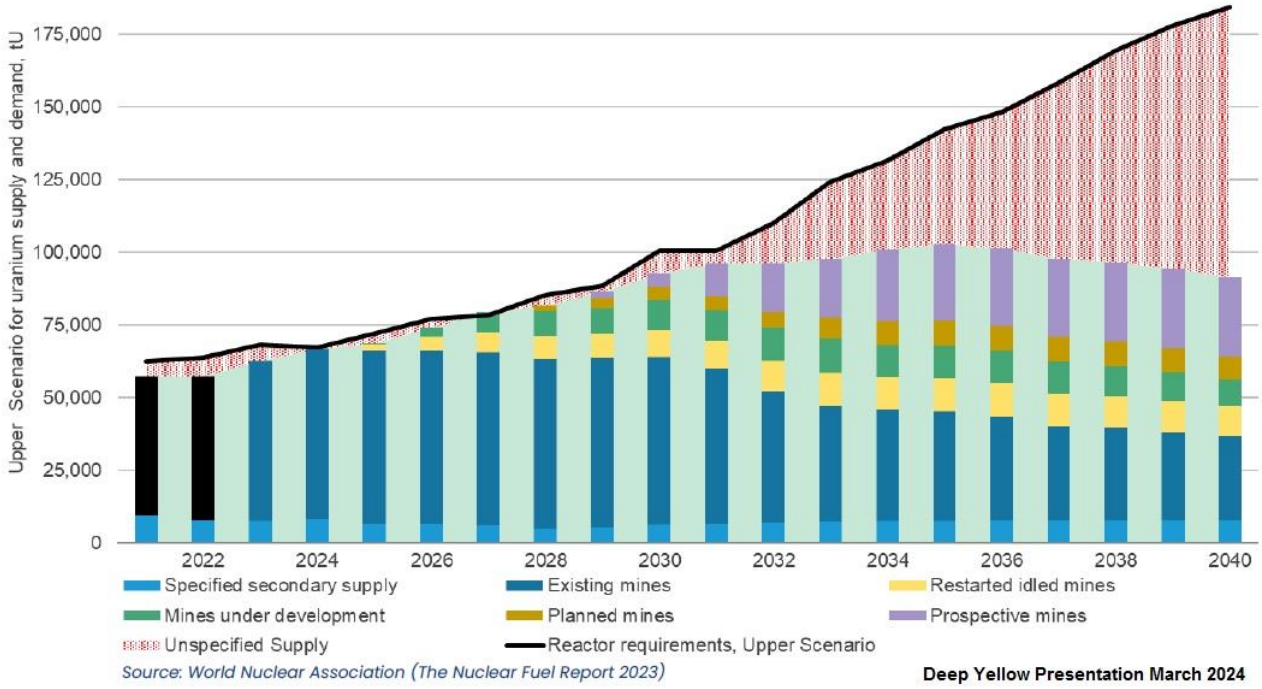
UPDATE ON THE URANIUM INDUSTRY

Since the World Nuclear Association's Symposium held in early September 2023, the **spot price of uranium oxide has increased 48.5%**. The stocks of almost all uranium junior mining companies have followed suit. The driving force has been the recognition of the tightening supply/demand structure of uranium market with the **projected demand by nuclear power plants increasing** and the **sequestration of uranium by physical funds** (such as the Sprott Physical Uranium Trust and Yellow Cake Plc) continuing. The change in sentiment of utility buyers of long-term contracted uranium has resulted in **the volume of contracted volume increasing to the highest level in over a decade**. Furthermore, at COP28 (28th Conference of the Parties of the United Nations Framework Convention on Climate Change), which took place in Dubai between November 30 to December 12, 2023, 22 countries pledged to triple the nuclear capacity by 2050.

In 2023, the spot uranium price increased 90.9% from US$47.68/lb. to US$91.00/lb. On January 17, 2024, the spot uranium price spiked up to US$106.50/lb., a 17-year high. Meanwhile, Deep Yellow's stock (OTCQX: DYLLF) rallied over 57.4% from $0.465 to $0.732 in 2023, and a further 53.0% to $1.12 thus far in 2024. The outlook for uranium market continues to be strong with demand exceeding supply for the foreseeable future.



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



Sentiment noticeably shifted at the World Nuclear Association's Symposium (held in early September 2023), sparking a stronger tone in the long-term **contracting process**. Not only are contract prices rising, but also the terms of new collared contracts reflect a tightening market with rising floor and ceiling prices. Long-term contract volume continues to increase from its nadir in 2020.

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

Countries such as China, India, Spain, Finland, Sweden and the U.S. have and continue to **embrace nuclear power** through new power plant builds and/or life extensions. Elsewhere, there are countries in which governments are updating power policies to encompass or **emphasize nuclear electrical power** under the mantra of clean, renewable energy. Globally, there are **436 nuclear reactors in operation**, **60 under construction** and an additional 110 planned with China accounting for 24 under construction and 44 planned reactors.

Uranium Cycle

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

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

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

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

During the **latter phase**, when the uranium spot price surged irrationally, junior mining companies that have become producers (and the commodity) exhibited solid triple-digit returns from the consolidation low that had occurred in the mid-phase. Surprisingly, in this late phase, out-sized returns were achieved by junior mining companies which announced, at that instant, they were entering the uranium space; on the other hand, these same junior companies later experienced greater 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	53.0%	DYLLF	OTCQX	DYLLF	Namibia	Tumas	DFS	1085.5	2.65
Deep Yellow Ltd	50.5%	DYL	ASX	DYLLF	Namibia	Tumas	DFS	1589.5	2.65
URANIUM DEVELOPMENT COMPANIES									
Bannerman Energy Ltd	60.6%	BMN	ASX	BNNLF	Namibia	Etango	DFS	661.8	6.22
Denison Mines Corp.	40.5%	DML	TSX	DNN	Canada	Phoenix	PFS	2,895.7	4.64
NexGen Energy Ltd.	16.9%	NXE	TSX	NXE	Canada	Arrow	PFS	5,754.3	6.20
Paladin Energy Ltd	59.9%	PDN	ASE	PALAF	Namibia	Langer Heinrich	Restart	4,700.0	6.53
Industry Mean	**44.5%**							**3,503.0**	**5.90**
S&P 500 Index	11.2%	^SPX:US	NYSE		N/A	N/A	N/A	N/M	4.31

Further, the comparable companies have been narrowed through quantitative factors, particularly those with a market capitalization over $500 million and trading above $1.00 per share. This process captures a range of well-funded junior uranium development companies, which are listed in the table above. Currently, the P/B valuation range of these comparable companies is between 4.64 and 6.53. With the expectation that Deep Yellow's stock will attain an industry average quartile P/B ratio of 5.9, our **comparable analysis valuation price target is US$2.50**.

RISKS

- A nuclear reactor accident traditionally has dramatically and negatively affected the demand for uranium as power plants are shut down for inspections and governments re-evaluate the safety of nuclear energy.

- As with almost all junior resource exploration companies, Deep Yellow does not generate sufficient cash flow to adequately fund its exploration and developmental activities and is in need of additional capital to continue pursuing management's strategy. However, the company has effectively funded its operations and initiatives to date.

- Shares outstanding increased significantly in fiscal 2017 (+72.6%), fiscal 2019 (+22.0%) 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. During fiscal 2023, shares outstanding increased only 3.0%; however, thus far in fiscal 2024, shares outstanding have increased by 27.8%.

- As with any mineral company, the price of the targeted mineral is beyond management's control, in Deep Yellow's case, the price of uranium. However, current fundamentals indicate that that a supply deficit and the projected increase in the number of nuclear power plants should drive the price of uranium well above $75 per pound, creating an economic environment for new uranium mines to be developed.

BALANCE SHEET

Deep Yellow Limited

(in $AUD except ordinary share data)	FY 2020	FY 2021	FY 2022	FY 2023	1H FY 2024
Period ending	6/30/2020	6/30/2021	6/30/2022	6/30/2023	12/31/2023
ASSETS					
Cash and cash equivalents	12,116,972	52,448,274	64,924,350	40,770,146	25,103,091
Accounts receivable	298,265	534,763	605,426	3,680,058	2,548,614
Other current assets	187,567	224,419	734,397	980,315	854,897
Total Current Assets	**12,602,804**	**53,207,456**	**66,264,173**	**45,430,519**	**28,506,602**
Right-of-use assets	617,015	503,105	3,803,633	3,553,804	3,410,125
Property, plant and equipment	518,897	738,076	1,120,098	3,091,251	3,163,048
Capitalized exploration & eval. expendit.	35,415,745	43,420,220	49,727,889	339,592,920	347,781,302
TOTAL ASSETS	**49,154,461**	**97,868,857**	**120,915,793**	**391,668,494**	**382,861,077**
Trade and other payables	492,605	880,431	1,697,527	10,154,769	1,574,980
Interest bearing liabilities	57,562	117,658	144,654	409,274	280,134
Employee provisions	99,221	106,929	210,956	266,537	267,695
Total Current Liabilities	**649,388**	**1,105,018**	**2,053,137**	**10,830,580**	**2,122,809**
Employee provisions	48,794	38,360	36,030	160,692	186,400
Lease liabilities	536,664	429,735	3,649,608	3,567,291	3,424,124
Provision for Rehabilitation	-	-	-	2,467,577	2,467,577
Non-Current Liabilities	**585,458**	**468,095**	**3,685,638**	**6,195,560**	**6,078,101**
TOTAL LIABILITIES	**1,234,846**	**1,573,113**	**5,738,775**	**17,026,140**	**8,200,910**
SHAREHOLDERS' EQUITY					
Issued equity	249,753,196	296,373,482	321,796,741	594,396,624	596,863,620
Accumulated losses	(193,266,333)	(198,081,539)	(204,906,849)	(215,022,954)	(221,215,458)
Employee equity benefits reserve	13,476,273	15,444,255	17,753,920	20,665,779	24,066,051
Foreign currency translation reserve	(22,043,521)	(17,440,454)	(19,466,794)	(25,397,095)	(25,054,046)
Total Stockholders' Equity	**47,919,615**	**96,295,744**	**115,177,018**	**374,642,354**	**374,660,167**
TOTAL LIABILITIES & STOCKHOLDERS' EQ.	**49,154,461**	**97,868,857**	**120,915,793**	**391,668,494**	**382,861,077**
Ordinary shares outstanding	245,052,016	330,763,558	731,547,240	758,387,933	764,286,969

ANNUAL INCOME STATEMENTS

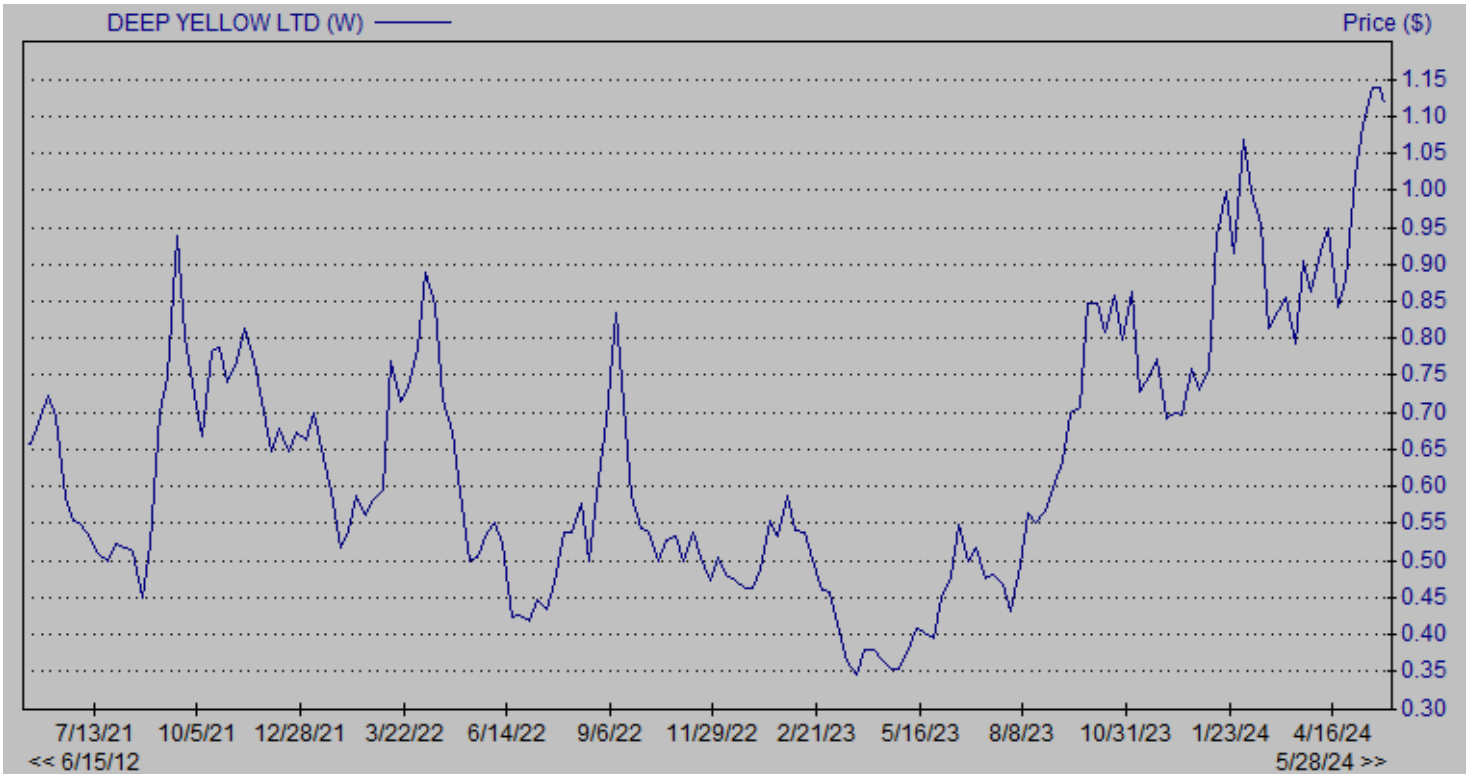
Deep Yellow Limited

Income Statement (in $AUD, except share out. data)	FY 2019 6/30/2019	FY 2020 6/30/2020	FY 2021 6/30/2021	FY 2022 6/30/2022	FY 2023 6/30/2023
Interest and other income	225,332	257,455	176,227	353,175	1,781,421
Other income	N/A	N/A	51,216	110,233	111,041
Revenue from contracts with customers	119,315	77,199	56,126	51,566	38,459
Total Revenues	**344,647**	**334,654**	**283,569**	**514,974**	**1,930,921**
Depreciation & amortisation expenses	(92,911)	(215,812)	(225,964)	(356,861)	(818,133)
Marketing expenses	(142,177)	(222,461)	(198,811)	(319,422)	(566,674)
Occupancy expenses	(209,486)	(94,324)	(90,611)	(131,685)	(319,071)
Administrative expenses	(2,068,920)	(1,930,685)	(1,933,039)	(3,338,283)	(4,580,215)
Employee expenses	(1,626,841)	(2,033,839)	(2,609,231)	(3,140,796)	(5,201,911)
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)	(364,839)
Expenses	**(4,158,975)**	**2,566,906**	**(5,075,953)**	**(7,330,000)**	**(11,850,843)**
Loss Before Other Income	**(3,814,328)**	**2,901,560**	**(4,792,384)**	**(6,815,026)**	**(9,919,922)**
Interest (expense)	-	(26,697)	(22,822)	(10,284)	(196,183)
Income tax (expense)	-	-	-	-	-
Total Other Income (Expenses)	**0**	**(26,697)**	**(22,822)**	**(10,284)**	**(196,183)**
Net Loss	**(3,814,328)**	**2,874,863**	**(4,815,206)**	**(6,825,310)**	**(10,116,105)**
Other comprehensive income					
Fgn. curr. translation gain (loss)	921,147	(6,269,172)	4,603,067	(5,930,301)	0
Total comp. gain (loss), net of tax	**(2,893,181)**	**(3,394,309)**	**(212,139)**	**(12,755,611)**	**(10,116,105)**
Diluted gain (loss) per ordinary share	**(0.0190)**	**0.0119**	**(0.0175)**	**(0.0184)**	**(0.0142)**
Wgted. Avg. Ord. Shares Out. - diluted	200,315,114	242,402,378	275,681,267	370,069,286	710,990,970

SEMI-ANNUAL INCOME STATEMENTS

Deep Yellow Limited							
Income Statement (in $AUD, except share out. data)	1H 2022 12/31/2021	2H 2022 6/30/2022	FY 2022 6/30/2022	1H 2023 12/31/2022	2H 2023 6/30/2023	FY 2023 6/30/2023	1H 2024 12/31/2023
Interest and other income	150,178	135,160	353,175	904,821	876,600	1,781,421	630,528
Other income	108,991	1,242	110,233	63,592	47,449	111,041	6,667
Revenue from contracts with customers	29,650	20,674	51,566	18,667	19,792	38,459	14,940
Total Revenues	**288,819**	**157,076**	**514,974**	**987,080**	**943,841**	**1,930,921**	**652,135**
Depreciation & amortisation expenses	(131,812)	(225,049)	(356,861)	(414,702)	(403,431)	(818,133)	(407,061)
Marketing expenses	(164,131)	(155,291)	(319,422)	(330,667)	(236,007)	(566,674)	(250,165)
Occupancy expenses	(50,523)	(81,162)	(131,685)	(180,306)	(138,765)	(319,071)	(112,152)
Administrative expenses	(1,518,031)	(1,820,252)	(3,338,283)	(2,520,144)	(2,060,071)	(4,580,215)	(1,686,311)
Employee expenses	(1,265,878)	(1,874,918)	(3,140,796)	(2,533,417)	(2,668,494)	(5,201,911)	(4,327,873)
Reversal imp'rm't of cap. exp. & eval. ex	-	-	0	0	0	0	0
Write-off of cap. explor. & eval. exp.	(16,422)	(26,531)	(42,953)	(14,670)	(350,169)	(364,839)	(10,467)
Expenses	**(3,146,797)**	**(4,183,203)**	**(7,330,000)**	**(5,993,906)**	**(5,856,937)**	**(11,850,843)**	**(6,794,029)**
Loss Before Other Income	**(2,857,978)**	**(4,026,127)**	**(6,815,026)**	**(5,006,826)**	**(4,913,096)**	**(9,919,922)**	**(6,141,894)**
Interest (expense)	30,793	(41,077)	(10,284)	(58,966)	(137,217)	(196,183)	(50,610)
Income tax (expense)	-	-	-	-	-	-	-
Total Other Income (Expenses)	**30,793**	**(41,077)**	**(10,284)**	**(58,966)**	**(137,217)**	**(196,183)**	**(50,610)**
Net Loss	**(2,827,185)**	**(4,067,204)**	**(6,825,310)**	**(5,065,792)**	**(5,050,313)**	**(10,116,105)**	**(6,192,504)**
Other comprehensive income							
Fgn. curr. translation gain (loss)	(3,341,107)	1,314,767	(2,026,340)	(1,318,168)	(4,612,133)	(5,930,301)	343,049
Total comp. gain (loss), net of tax	**(6,168,292)**	**(2,752,437)**	**(8,851,650)**	**(6,383,960)**	**(9,662,446)**	**(16,046,406)**	**(5,849,455)**
Diluted gain (loss) per ordinary share	**(0.0080)**	**(0.0105)**	**(0.0184)**	**(0.0076)**	**(0.0067)**	**(0.0142)**	**(0.0082)**
Wgted. Avg. Ord. Shares Out. - diluted	353,398,125	387,198,206	370,069,286	667,000,000	754,981,940	710,990,970	755,183,415

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