

Deep Yellow Limited: Reptile Project Change of Scope - PFS Initiated

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Perth, Australia - Specialist advanced uranium exploration company, [Deep Yellow Ltd.](#) (ASX:DYL) (FRA:JMI) (OTCMKTS:DYLLF) is pleased to advise the Board has approved an additional \$1.1M budget to advance the Company's Reptile Project ('the Project') in Namibia and determine its economic feasibility in a staged manner. The \$1.1M is in addition to the existing FY20 Reptile Project budget of \$1.65M.

The success of the exploration work undertaken by the Company on the Project over the past two years remains a major accomplishment, having delineated additional deposits containing Langer Heinrich-style uranium mineralisation in the grade range of 300ppm to 500ppm U3O8.

This has involved the discovery of significant additional near-surface calcrete-associated uranium resources, through identification of the highly prospective 125km long Tumas palaeochannel target zone, of which about 50% remains unexplored.

Innovative exploration undertaken by the Company has resulted in a remarkable three-fold increase in the resource base of this deposit type within the highly prospective Tumas palaeochannel to 86Mlb grading 310ppm U3O8. Importantly, with the Company's stated Exploration Target1 there remains strong upside for further discovery with supportable expectation that this calcrete-associated uranium Mineral Resource could be increased to between 100Mlb and 150Mlb in the grade range 300 to 500ppm U3O8.

The positive results achieved so far at Reptile justify advancing the Project by completing a Pre-Feasibility Study (PFS). This work at Reptile will commence from 1 October 2019. A Scoping Study will be completed by December 2019 with the PFS activities scheduled to commence in early 2020, with completion expected late in the September quarter 2020.

Review Justifies Change of Scope at Reptile Project

A review undertaken by the Company in July-August 2019 has demonstrated potential exists for the Reptile Project to be developed into an economic mining operation.

To be ready for development consideration by 2023/24, when shortage in global uranium supply is anticipated to be reflected in stronger uranium prices, the Company has determined it is important that economic and technical evaluation commences immediately to better define the development viability of the Project.

A two-month preliminary in-house evaluation undertaken by the Company indicated, based on previous relevant experience and prudent assumptions, the potential for an operation with a footprint of circa 30km in radius, working in a grade range of 350ppm-450ppm U3O8, has merit and is worthy of serious feasibility analysis.

Planned work to complete the PFS involves, as preparatory work, an additional 12,000m of RC drilling for resource categorisation and 1,000m of diamond core drilling for metallurgical assessment. Increased exploration and resource enhancement activities will be undertaken in FY20 to establish the full potential of the shallow palaeochannel-related uranium deposits on the Project, with 75 per cent of the additional funding allocated to drilling and associated programs.

The timing of the Scoping Study and PFS is structured such that, if these studies prove positive, there is sufficient time to complete a Detailed Feasibility Study to align with the potential development of the Project around the target period of 2023/24. The PFS will place the Project in an optimal position to give the best opportunity to fast-forward the Project when market conditions prove favourable.

Technical Team Expanded

Key management changes have already been undertaken to accommodate the forthcoming technical and economic work for the Project, as reported in July 2019.

Additionally, Darryl Butcher, who worked as EGM-Technical and Project Development for [Paladin Energy](#)

[Ltd.](#) under the stewardship of John Borshoff and has proven uranium development experience, has been appointed as Head of Project Development for Deep Yellow, an essential appointment to ensure expert guidance of the PFS and further work.

Other members of the highly successful former Paladin team are available to the Company to support its work associated with assessing the viability of exploiting the string of uranium deposits already identified within the Project.

Accelerated Advancement Activities Aligned with Stated Strategic Objectives

Deep Yellow has a well-articulated two-pronged strategy, specifically designed to take advantage of, and capitalise on, opportunities that typically become available during a period of prevailing uranium downturn. The Company continues advancing this growth strategy and, combined with its proven, and now enhanced, capability, offers a sound basis with which to build shareholder value.

The key elements of the Company's differentiating growth strategy are (a) expanding and developing the existing uranium resource base of its Namibian projects, and (b) evaluating the best approach to advance its project acquisition strategy during the current uranium downturn.

Deep Yellow's management and leadership, with its record of achievement in the uranium sector, provides the Company with attractive options to consider for the development of both a multi-project global uranium platform and a possible future operation in Namibia. Both these objectives are being actively and concurrently pursued.

Timely Preparation for Potential Development

The timely completion of the PFS by the latter part of CY20 will position the Project perfectly to then be able to rapidly finalise the further economic studies required in preparation for development and production, once suitable uranium price conditions occur. It is considered crucial to have a thorough PFS completed to then wait in readiness until these price incentives for start-up are strong enough to ensure shareholder returns are maximised. Development decisions will ultimately be based on improved price conditions, allowing management to leverage sector relationships to achieve acceptably priced long-term, off take contracts.

John Borshoff, Deep Yellow MD/CEO, commented: "The acceleration and emphasis of activities for finalisation of the PFS is a high priority for the Company. I believe we have the right team, as has been demonstrated, to deliver on our vision and we are timing the progression of Reptile in harmony with the anticipated upturn in the uranium market.

"This approach brings the advantage of moving Deep Yellow to a position of readiness to make development decisions at the right time. We will aim to have the Project sufficiently prepared to take advantage when the uranium price provides sufficient incentivisation, making it imperative to commence and progress the Reptile Project as outlined."

About Deep Yellow Limited:

[Deep Yellow Ltd.](#) (ASX:DYL) (OTCMKTS:DYLLF) (Namibian Stock Exchange:DYL) is a specialist differentiated uranium company implementing a new contrarian strategy to grow shareholder wealth. This strategy is founded upon growing the existing uranium resources across the Company's uranium projects in Namibia and the pursuit of accretive, counter-cyclical acquisitions to build a global, geographically diverse asset portfolio. The Company's cornerstone suite of projects in Namibia is situated within a top-ranked African mining destination in a jurisdiction that has a long, well regarded history of safely and effectively developing and regulating its considerable uranium mining industry.

Source:

[Deep Yellow Ltd.](#)

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