Deep Yellow Limited: Breakthrough Results From Nova JV Drilling

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Perth, Australia - Deep Yellow Ltd. (ASX:DYL) (FRA:JMI) (OTCMKTS:DYLLF) is pleased to advise that exploration drilling at the Barking Gecko prospect (EPL3669) has encountered encouraging uranium mineralisation.

Barking Gecko is part of the Nova Joint Venture project (NJV) in Namibia. JOGMEC is earning a 39.5% interest in the NJV through expenditure of A$4.5M within 4 years from the end 2016.

Upon completion of the earn-in, the joint venture parties will hold the following equity positions - 39.5% Deep Yellow, 39.5% Joint Venture agreement with Japan Oil Gas and Metals National Corporation (JOGMEC), 15% Toro Energy Ltd. and 6% Sixzone Investments (Pty) Ltd.

As announced in the March Quarterly Report, exploration drilling completed during 2019 on the NJV identified consistent, but narrow (circa 1 to 2m thick), mineralised intersections over a broad area, in a number of sub-vertical alaskite sheets intruding basement rocks. This exploration campaign successfully defined a zone of interest approximately 4km long and 1km wide, in a geologically favourable setting wrapping around a prominent domal feature. This target zone is referred to as Barking Gecko (see figure 1*) and is the focus of the current drilling program.

In April 2020, JOGMEC agreed to proceed with a budget of A$392,300 to fulfill the balance of its A$4.5M earn-in obligation. This five-month program concentrates primarily on Barking Gecko, with some preparatory groundwork included for defining specific sites for follow-up drilling. It was also agreed that any continued JV activity beyond this earn-in phase would be based on the results achieved from the NJV, after which all the JV partners would be presented with the overall project status to decide whether to contribute or dilute.

A 2,000m RC drilling program commenced at Barking Gecko on 12 June, focused on further testing of this large anomaly, on three regional lines spaced 1 to 1.2km apart with holes spaced at 200m. The objective was to determine whether the extensive, but isolated uranium mineralisation could manifest into intersections of much greater thickness and frequency to signify the possible presence of a Rossing or Husab style deposit.

Seven holes had been completed by 1 July for a total of 1,237m of the 2,000m program. Drilling is ongoing. Figure 2* shows the Barking Gecko exploration target, drill hole locations and geology.

Barking Gecko

In preparation for the drill campaign at Barking Gecko, a 3D inversion of high resolution airborne magnetic data was completed and successfully delineated a zone of easterly trending, remnant magnetism considered to define the prospective zone. Figure 3* outlines the drill hole locations with respect to the first vertical derivative airborne magnetic image. Field work during January to May concentrated on geological mapping, with a view to determining the orientation of alaskite dykes to optimise siting of RC drill holes.

Section 479,300mE consisting of seven holes was completed by 1 July. The location of these holes is outlined in figures 1 and 2 and cross-sectional views in figures 3 and 4*. Importantly, all holes on this line intersected mineralisation as indicated in figure 1*, with grades and thicknesses improving to the north. The best intersections to date have been obtained in hole TN236RC which returned a cumulative downhole thickness of 44m with a maximum grade of 736ppm eU3O8 over 1m. Within this zone is 24m averaging 297ppm eU3O8.

The mineralised intersections correspond to steeply south-dipping alaskite (leucogranite) dykes intruding marble and biotite gneiss.

In-house portable XRF (pXRF) assaying showed that the very high grade eU3O8 intersections of 2m at 754ppm in TN233RC (Figure 4*) and 7m at 1,115ppm in TN235RC (Figures 4 and 5) are partly due to thorium enrichment. The corrected intersections are 2m of 309ppm and 7m at 415ppm U3O8 respectively. The thorium association in these two holes proved to be an exception, as all other intersections are uranium-dominated. Table 3 in Appendix 1 shows the uranium and thorium pXRF derived assays associated

with the mineralised intersections and these compare well with the downhole gamma derived eU3O8 values shown in figure 5 and Table 2 in Appendix 1*.

The mineralised drill hole intersections above the 100ppm eU3O8 over 1m cut-off are tabulated in Table 1, Appendix 1*. All RC drill hole locations are listed in Table 2, Appendix 1*. PXRF assay results are listed in Table 3*.

Conclusion

The exploration results from the first seven holes of the ongoing drill campaign on the NJV Barking Gecko Prospect are very encouraging. The 200m wide drill spacing leaves the mineralisation intersected open both laterally and at depth, allowing ample space to identify further mineralisation of significant size.

The discovery of notably thicker uranium intersections from this drilling campaign is of great significance for Deep Yellow, as the Company holds a highly underexplored grouping of three basement-related deposits (Ongolo, MS7 and Inca), that occur 10km to 18km to the East/North East of the Barking Gecko discovery in its adjacent EPL3496. These deposits occur on the 100% owned Reptile Project containing 45.1Mlb grading 420ppm U3O8. See Appendix 2*.

When combining these underexplored deposits and associated exploration targets, the significant potential of Barking Gecko is evident. It is becoming clear to the Company that a large mineralising system is present and there is a distinct opportunity to substantially improve on the basement-related uranium resources already identified within this highly-prospective area that can be defined within a 10km radius.

The upside potential at Barking Gecko is in addition to the palaeochannel-related deposits and targets that also occur on the Reptile Project (EPLs 3496 and 3497) where the Tumas Pre- Feasibility Study is currently undergoing completion and where the Company has stated exploration targets exist that are considered able to increase the existing palaeochannel resource base by 30% to 125Mlb to 150Mlb in the 300 to 500ppm U3O8 grade range.

With regard to the alaskite-type basement targets, the combination of EPL3669 (part of the NJV project) and the adjacent EPL3496 (100% owned Reptile Project), forms a highly prospective land package that has already delivered substantial uranium resources. The exploration results from the first seven holes of the drilling campaign at Barking Gecko reaffirm management's positive expectation for additional discoveries on these projects.

*To view tables and figures, please visit:
https://abnnewswire.net/lnk/W27493ZR

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:

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