Deep Yellow Limited: New Potential For Basement Uranium Discoveries at Omahola

21.12.2021 | ABN Newswire

Perth, Australia - Since late 2016, current management of Deep Yellow Ltd. (ASX:DYL) (FRA:JMI) (OTCMKTS:DYLLF) have focused on the progression of a dual-pillar growth strategy involving organic growth of the Company's Namibian project portfolio and inorganic growth through targeted merger and acquisitions, to establish a global, multi-platform 5-10Mlb per annum, low-cost, tier one uranium producer.

The Company has experienced excellent growth particularly through the organic pillar, exploring and developing the shallow targets occurring within the Tumas palaeochannel (located within EPLs 3496 and 3497). This has resulted in a near four-fold increase in the Mineral Resource, demonstrating similar characteristics to Langer Heinrich-style deposits (see Figure 1*).

The Tumas Project remains the priority focus with the continued progression of the DFS, expected to be completed during the latter part of CY2022.

Between 2009 and 2013 previous management also identified significant uranium mineralisation in basement lithologies, associated with alaskite intrusions similar to Rössing/Husab style of mineralisation. Three discrete deposits were discovered, collectively called the Omahola Project (Omahola) and located on EPL 3496, held by Deep Yellow through its wholly owned subsidiary Reptile Uranium Namibia (Pty) Ltd.

OMAHOLA BASEMENT PROJECT (OMAHOLA)

Omahola occurs in the highly prospective "Alaskite Alley" corridor which includes major uranium deposits Rössing, Husab, Etango and Valencia as shown in Figure 1. These deposits contain more than 800Mlb U3O8, with the Rössing mine alone having produced in excess of 200Mlb U3O8.

Uranium mineralisation at Omahola occurs across three deposits including Ongolo, MS7 and Inca (Figures 1 & 2*). It is associated with sheeted leucogranites, locally known as alaskites, and hydrothermal skarn formation.

Omahola provides Deep Yellow with another significant exploration target type to unlock further value, with potential for resource expansion considering the substantial accumulation of uranium and the underexplored nature of this extensive prospective Alaskite Alley.

Omahola occupies a structural zone with favourable lithological contacts extending 35km by 14km and trending northeast-southwest within the Alaskite Alley. Only a small section of this favourable zone has been adequately drilled in the past. A comprehensive review of existing data showed that both alaskite- and skarn-hosted uranium mineralisation, are primarily structurally controlled. Identifying the presence of structurally weak zones, e.g., lithological contacts of marble and gneiss as well as the proximity to a fold hinge will be a key criterion guiding delineation of new targets.

A study of historical Omahola drill results carried out over the existing deposits of Ongolo, MS7, and Inca, clearly showed that the deposits are generally detectable at an average drilling depth of 25m using the 100ppm U3O8 bottom hole result. In addition, previous extensive studies of the discoveries of large nearby uranium deposits showed, from the early reconnaissance drilling the explorers applied, that the 50ppm U3O8 marker was also a strong indicator of significant underlying mineralisation.
Based on both these studies it was decided that the most effective way to isolate potential within the large prospective Omahola corridor was to carry out a shallow 25m-35m deep drilling program and use the 50ppm and 100ppm geochemical isopachs to isolate the high priority follow-up areas for further drilling investigation. This recent re-interpretation of available geological data has highlighted significant potential for both expansion of existing deposits and discovery of new deposits in the remaining untested area.

In anticipation of moving exploration focus toward Omahola, on 4 November 2021 Deep Yellow announced a review of the Omahola resource status with the mineral resources upgraded from JORC 2004 to JORC 2012 category. This work reported a combined Measured, Indicated and Inferred Resource base of 125.3Mlb at 190ppm U3O8 at a 100ppm U3O8 cut-off grade (Appendix 1*).

SHALLOW RC DRILLING PROGRAM

On 5 October 2021 Deep Yellow announced the commencement of exploration activities at Omahola through a shallow reverse circulation (RC) drilling program, targeting extensions of the known deposits testing for new uranium mineralisation along an extensive prospective zone.

The program aimed at testing the lithological-structural target zone occurring between the three known Omahola deposits, which are largely under cover and extend over a 10km strike length.

The shallow drilling program was completed on 14 December 2021 involving 220 shallow holes for 7,426m. A drill spacing 400m by 100m hole was applied, with holes drilled 25m into basement lithologies to identify uranium mineralisation.

104 holes, or 47% of the holes drilled, returned greater than 50ppm eU3O8 over 1m or more, an exceptional result signifying the highly uraniferous nature of the prospective zone targeted.

34 of these holes (15%) intersected uranium mineralisation greater than 100ppm eU3O8 over 1m (Appendix 2, Table 1*). Of these, 26 holes are in basement lithologies with the remaining eight holes intersecting mineralisation within the overlying alluvial cover sediments.

Figure 2* shows the current and historic drill hole locations outlining the key 50ppm and 100ppm eU3O8 over 1m contours, resulting from the shallow exploration drilling and clearly shows the extensive high priority zones identified for follow-up work.

The anomalous holes occur in three distinct clusters, each representing a priority target for follow-up drilling in 2022.

The most highly anomalous cluster identified is a significant east-west trending anomalous zone identified in six consecutive drill lines approximately 4km west of the MS7 deposit with 17 holes reported greater than 50 ppm eU3O8 over 1m generating a 2km by 1km target of high exploration interest. Within this 50ppm isopach, ten holes intersected mineralisation greater than 100ppm eU3O8 over 1m and these will be the initial focus of follow-up drilling.

Two of the clusters are located south of the Inca deposit and both are associated with structural features including folds and faults. The cluster closest to the Inca deposit is located 1km to the south, giving an approximate 2km south westerly extension to the previously identified Inca South prospect. This confirms the significance of previous positive drill results in this area, including a historic intersection of 65m at 550ppm U3O8 (refer ASX announcement 4 November 2021). Magnetic data indicate that the cluster is associated with a northeast-southwest trending sheared fold.

The cluster further to the south extends over 1km as observed in three consecutive drill lines in Figure 2* and is associated with a hinge zone interpreted from airborne magnetic data.

The mineralised eU3O8 intersections greater than 50ppm eU3O8 are shown in Table 1 of Appendix 2*. Locations of RC drill holes of the current program are listed in Table 2*, Appendix 2*. All equivalent uranium values are based on down-hole radiometric gamma logging carried out by a fully calibrated AusLog gamma logging system.

CONCLUSIONS

The shallow drilling program has been very successful both in confirming the highly prospective nature of the broader Omahola target zone and in delineating three substantial target zones outlined by the 50ppm contour line further supported by some intersections greater than 100ppm eU3O8. This work indicates strong potential exists for the possibility of discovering new deposits within the Omahola Project area. Follow-up drilling planned in early 2022 will target these priority zones following review of geophysical and geological data to help define optimal drilling locations.

*To view tables and figures, please visit:
https://abnnewswire.net/lnk/22RBA18G

About Deep Yellow Limited:

Deep Yellow Ltd. (ASX:DYL) (OTCMKTS:DYLLF) (Namibian Stock Exchange:DYL) is a differentiated, advanced uranium exploration company, in predevelopment phase, implementing a 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. A PFS has recently been completed on its Tumas Project in Namibia and a DFS commenced February 2021. 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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