

Deep Yellow Limited: Strong Results From Tumas Definitive Feasibility Study

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Perth, Australia - [Deep Yellow Ltd.](#) (ASX:DYL) (FRA:JMI) (OTCMKTS:DYLLF) is pleased to release the results of the Tumas DFS, showing the flagship uranium project as a potential world-class operation delivering robust returns to shareholders (refer Figure 1*). The Tumas DFS Executive Summary prepared by DFS lead engineer, Ausenco Services Pty Ltd, with key input and direction from the Deep Yellow subject matter experts, is attached to this release to provide the detailed backdrop information to support the key project findings. (refer Annexure 1*)

Commenting on the DFS results, John Borshoff Managing Director/CEO said: "The release of the Tumas DFS is the most significant event to-date in our Company's history.

"We believe this is a very robust DFS and underscores the value of our conviction to apply effort in contrarian fashion, with a proven team, to discover the expanded Tumas Project that now demonstrates its potential to be a long-life, world-class uranium operation.

"Importantly, we have used appropriate assumptions and our costings are highly accurate, having been largely based on quotes received in the last quarter of 2022 and in January 2023, resulting in a very realistic outcome against the inflationary and supply headwinds that have hit the mining sector.

"We intend for Tumas to be a best-in-breed uranium operation with world-leading extractive technologies and sustainability initiatives applied, including a specific process route that will produce a benign tailings stream to allow for the eventual safe closure and rehabilitation.

"The Board has been suitably encouraged by the outcomes and the confidence it has in the team to continue to deliver and has authorised management to commence Front End Engineering and Design and advance project financing and offtake discussions over the course of this year. We also anticipate our application for a Mining Licence will be granted by mid-2023 once the Environmental Impact Assessment is assessed and approved by the authorities. If the outcome of these workstreams is positive, and suitable uranium market conditions prevail, we will be looking to make a Final Investment Decision by the first half of calendar year 2024.

"The development of Tumas is a cornerstone component of our long-held, dual-pillar growth strategy, which now also includes the Mulga Rock Project in WA, all to capitalise on the forecast improvement in uranium prices on the back of looming global uranium shortages from 2024. Our strategy encompasses organic growth of our own projects, and non-organic growth through consolidation in the sector.

"We remain strong believers in nuclear energy for electricity generation what with its growing role and importance both in combatting climate change by reducing global gas emissions and securing electricity supply for the future."

DFS Highlights

A key feature of the DFS, compared to the Pre-Feasibility Study (PFS) outcome, is the increased production capacity of the plant from 3Mlbp a U₃O₈ to 3.6Mlbp a U₃O₈ (20% - refer Table 1) and the increased throughput from 3.75Mtpa to 4.15Mtpa (11%). This has allowed positive economics to flow, despite a 26% increase in initial capital as a result of inflationary (and Covid) impacts over the past 2.25 years and the 20% increase in capacity.

On a cost per annual pound basis, initial capital for construction is now US\$103/lb compared to US\$98/lb in the PFS, a modest increase of only 5% over the 2.25 years. Production at this full rate of 3.6Mlbp a, on present stated reserves, will be for 10 years and overall LOM reduces slightly from 25.75 years to 22.25 years. This production rate increase has been made with the expectation of a potentially longer LOM for this project as has been previously reported. The considerable Inferred Resources are not considered in the DFS and, with 40% of the highly prospective Tumas paleochannel system remaining untested, the LOM is still realistically expected to exceed 30 years and production levels post year 10 are expected to be maintained at 3.6Mlbp a U₃O₈ for a substantially longer period. The following are some key highlights from the DFS compared to the PFS completed in early 2021. Full details are contained in the Executive Summary*,

attached to this announcement.

The Company is satisfied that the increase in both capital and operating costs identified in the DFS is reflective of the increased plant capacity and inflationary forces experienced in the 2.25 years since the PFS was completed. These inflationary and Covid-related pressures appear to have been most significant over the past year and to have reached a peak, with some costs now showing signs of reducing. This robust outcome underlines the prudent approach the Company and its development team take to each consecutive stage of project development, from Scoping Study to operations. The Tumas DFS, even under these difficult circumstances, has delivered strong results due to improved productivity and the conservative cost assumptions applied in the preceding studies. The experienced project development team has been consistent since September 2019 when the Tumas Scoping Study was commenced.

Graph 1* below shows the nominal ore tonnes and grade processed with U3O8 production by year. The ore schedule allows the operation to maintain annual production of 3.6Mlb U3O8 over the first 10 years, after which it steadily declines due to available ore grade. Importantly, as mentioned significant potential remains to grow Tumas through upgrading the remaining Inferred Resources and further exploration of Tumas Palaeochannel.

As can be seen from Table 2*, using the same US\$65/lb uranium price assumption used for the PFS, the DFS delivers significant returns even with the impact of inflation. Utilising the latest independent pricing forecast from TradeTech, the FAM-24 uranium price forecast (mid-point assumption at ~ US\$77/lb) materially increases the project's returns for an NPV of US\$614M. As can be observed in the table above, any uranium price increase delivers significantly increased return.

It is also relevant to note that at US\$68.5/lb for uranium, (an addition of only US\$3.5/lb to the \$65/lb applied in the PFS, or 6%), the NPV and IRR for the DFS essentially aligns with that achieved in the PFS Update model as announced 5 October 2021.

*To view the full release with tables and figures, please visit:
<https://abnnewswire.net/lnk/OCV6J64Q>

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:
[Deep Yellow Ltd.](#)

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