

# Deep Yellow Limited

19 July 2018

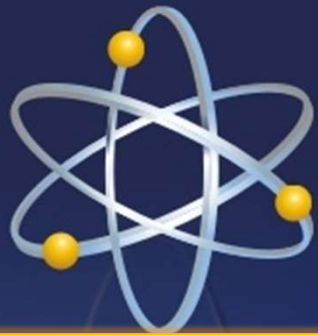
ASX Market Announcements  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

## CORPORATE INVESTOR PRESENTATION

**Attached** is the Corporate Presentation to be given at the Sprott Natural Resources Symposium being held in Vancouver, Canada.

Yours faithfully

**JOHN BORSHOFF**  
Managing Director/CEO  
Deep Yellow Limited



# Deep Yellow Limited

*Building For The Future*

## Corporate Presentation

John Borshoff  
Managing Director / CEO

July 2018



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The information in this presentation is based on and fairly represents information and supporting documentation prepared or reviewed by Mr Martin Hirsch, a Competent Person who is a Member of the Institute of Materials, Mining and Metallurgy (IMMM) in the UK. Mr Hirsch, who is currently the Exploration Manager for Deep Yellow's subsidiary, Reptile Mineral Resources and Exploration (Pty) Ltd, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' Mr Hirsch consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.

Mineral Resource Estimates disclosed in this presentation and compiled under the JORC Code 2004 have not yet been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

# Major Reset over Past 18 Months

- ✿ **World class leadership with proven track record in uranium**
- ✿ **Unique strategic alliance with Sprott Group established**
- ✿ **Capital structure consolidated**
- ✿ **Raised A\$16.5M June 2017**
- ✿ **New strategic direction set and being implemented**
- ✿ **New prospective target zones, discoveries and significant resource expansion on Namibian projects**
- ✿ **Now on OTCQB platform giving real time trading opportunity to US investors with potential to significantly increase market penetration**
- ✿ **Low uranium price enhances opportunity for sector consolidation**

# Corporate Overview

## Board

|                         |                         |
|-------------------------|-------------------------|
| <b>Rudolf Brunovs</b>   | Chairman                |
| <b>John Borshoff *</b>  | Managing Director / CEO |
| <b>Gillian Swaby *</b>  | Director                |
| <b>Christophe Urtel</b> | Director                |
| <b>Mervyn Greene</b>    | Director                |
| <b>Justin Reid *</b>    | Director                |
| <b>Mark Pitts</b>       | Company Secretary       |

## Capital Structure – 10 July 2018

|                                     |           |
|-------------------------------------|-----------|
| <b>Shares on Issue</b>              | 194.8M    |
| <b>Market Cap (@ A\$0.37/share)</b> | A\$72M    |
| <b>Net Cash</b>                     | ~A\$10.5M |
| <b>Major Shareholders</b>           |           |
| <b>Sprott Group Affiliate</b>       | 15.9%     |
| <b>Collines Investments</b>         | 10.3%     |
| <b>Directors &amp; Management</b>   | 6.3%      |

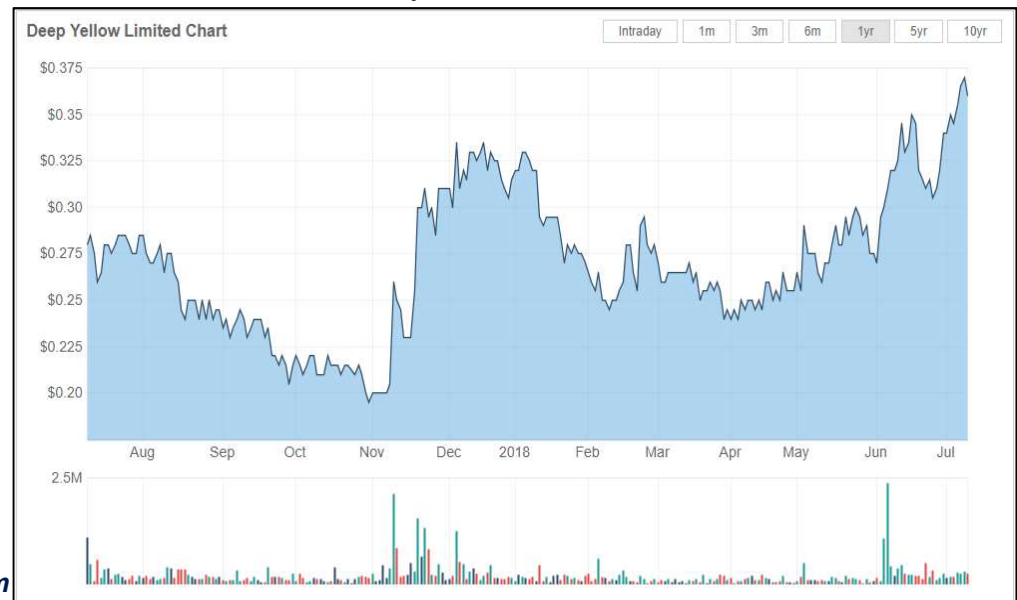
## Executives and Management

### Perth

|                         |                          |
|-------------------------|--------------------------|
| <b>John Borshoff *</b>  | Managing Director/CEO    |
| <b>Gillian Swaby *</b>  | Corporate/Finance        |
| <b>Ed Becker *</b>      | Head of Exploration      |
| <b>Dr Andy Wilde *</b>  | Chief Geologist          |
| <b>Ursula Pretorius</b> | Financial Controller     |
| <b>Namibia</b>          |                          |
| <b>Martin Hirsch</b>    | Exploration Manager      |
| <b>Dr J C Corbin*</b>   | Sedimentology Specialist |

\* Ex-Paladin Executive /Technical team

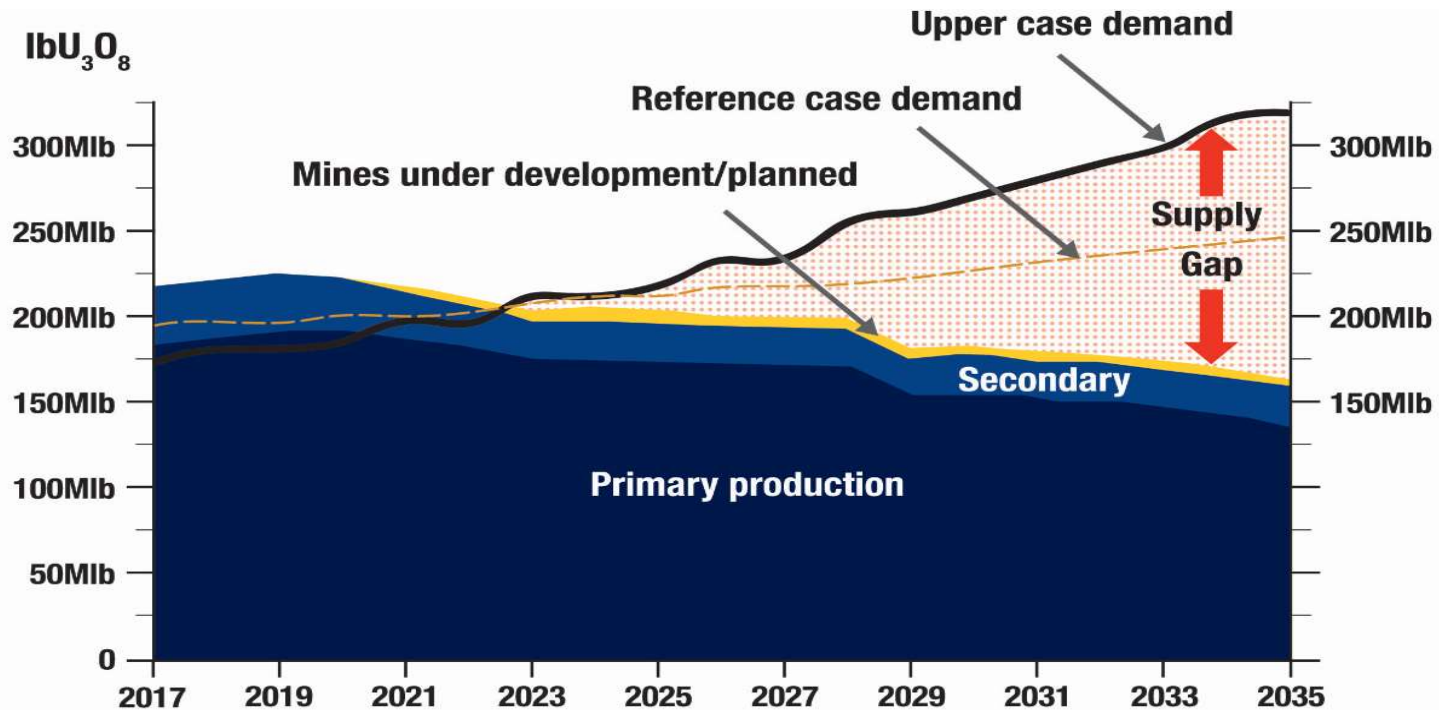
## Share Price Development



# Presentation Outline

- ✿ **Uranium in Downturn – excellent outlook**
- ✿ Growth Opportunity – perfect for a contrarian play
- ✿ Project Status – enhancing existing resource base
- ✿ Conclusions

# Supply Shortfall Looming but Price Anomaly Persists



Source: WNA 2017 Reference & Upper Cases

## NUCLEAR DEMAND STRONG – URANIUM PRICE LAG CLEAR

| Date/Event               | Operable Reactors | Under Construction | Planned | Proposed | $U_3O_8$ Required | Prevailing $U_3O_8$ Price |
|--------------------------|-------------------|--------------------|---------|----------|-------------------|---------------------------|
| Feb 2011 (pre-Fukushima) | 443               | 62                 | 156     | 322      | 81kt              | \$73/lb                   |
| June 2018                | 450               | 58                 | 153     | 288      | 77kt              | \$23/lb                   |

Source: World Nuclear Association

Extreme potential for prices to substantially overshoot incentive pricing

# Supply Gap and New Production Capability

- ❁ **Uranium supply growth is uncertain in the mid to long-term**
  - Major suppliers reducing supply – Cameco, Kazatomprom
  - Rio – Ranger (ERA) and Rössing in severe downturn. Paladin on hold.
  - Production at current prices unsustainable. 80% production >\$22/lb cost.
  - Production cutbacks failing to increase uranium price.
- ❁ **Supply shortage is inevitable post 2023**
- ❁ **The shortage, once realised, has clear implication for the uranium price to overshoot forecast US\$65-\$70/lb incentive price levels**
- ❁ **Few companies have proven capability to build and operate large production capacity operations to help fill the looming shortage**

**A window of opportunity exists to build a fit-for-purpose company that is capable of capitalising on this once-in-a-decade opportunity**



# Presentation Outline

- ✿ Uranium in Downturn – excellent outlook
- ✿ **Growth Opportunity – perfect for a contrarian play**
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# Revitalised Company Status

- ✿ **A re-energised, well-funded and advanced uranium explorer**
- ✿ **Differentiated from other mid-sized uranium companies**
- ✿ **Focus on resource expansion and consolidation**
- ✿ **Strong support for accretive, long-term growth strategy**

# Essential Prerequisites for Expansion Success



## **Ability**

- leadership, experience



## **Industry Knowledge**

- deep understanding across the spectrum



## **Vision**

- see the vacuums - fill the gaps



## **Credibility**

- proven track record

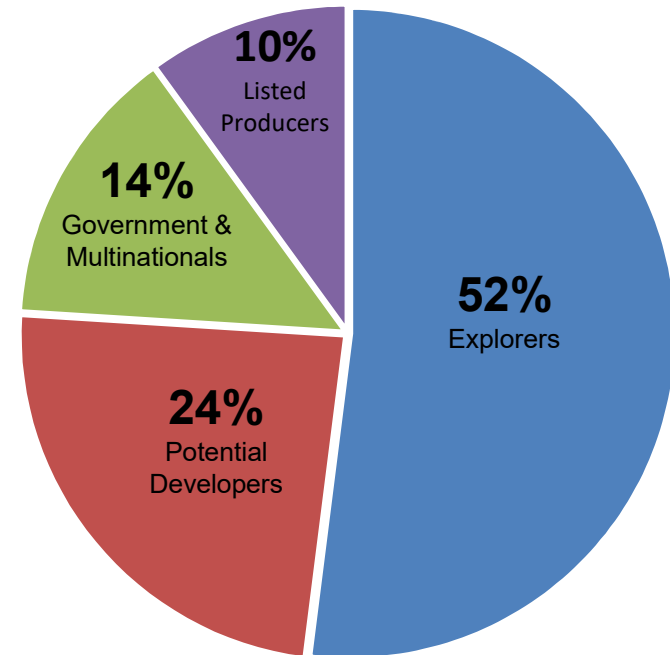


## **Access to Funding**

# Opportunity Base – Uranium Sector Overview

- ✿ **75 companies world-wide – producers, developers, explorers.**
- ✿ **10 government associated or multi-national uranium producers.**
- ✿ **7 listed uranium producing companies (Cameco, ERA included).**
- ✿ **18\* potential developers**
- ✿ **40\* explorers-anomalies/some mineralisation/minimal resources**

\* many moving/abandoning to other commodities to survive



**Each category offers a different set of opportunities**

# Vision For Growth

## Two- Part Strategy for Growth

- ✿ **Enhancing the Namibian cornerstone projects**
  - As Tumas 3 region is demonstrating – strong potential exists for new discoveries and resource expansion within current Namibian tenements
- ✿ **Establish a multi-project, global uranium platform with a project pipeline capable of eventually supporting a multi-mine 5-10Mlb annual low cost production**

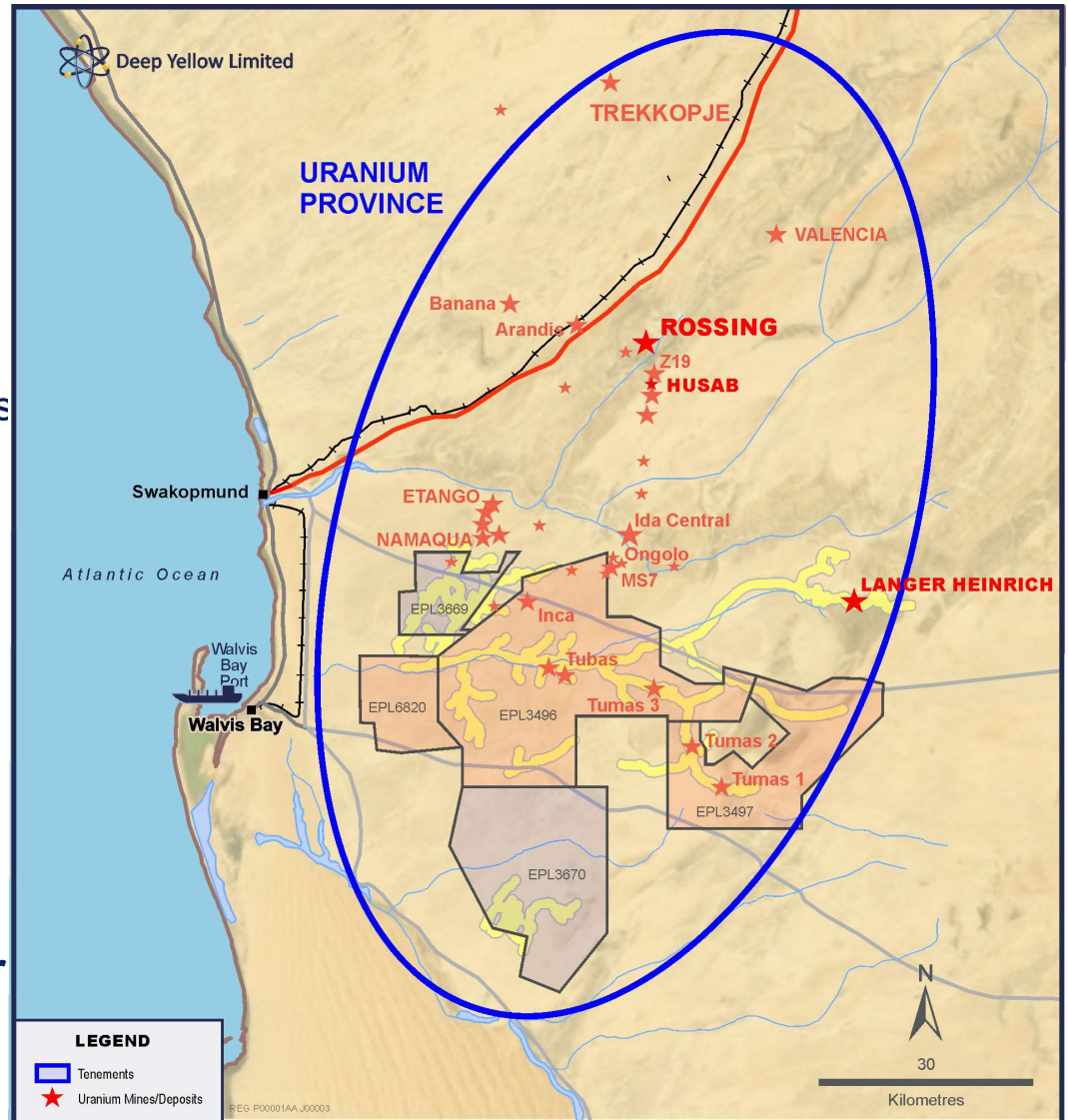
To create a genuine independent, alternative supplier for utilities with proven management and technical team that can be trusted to deliver

# Presentation Outline

- ✿ Uranium in Downturn – excellent outlook
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# Namibia - A Highly Favourable Destination

- ❁ **A large, proven prospective uranium province with exceptional prospectivity**
- ❁ **Contains 1.5B1b U<sub>3</sub>O<sub>8</sub>, Measured and Indicated Resources**
  - plus 350M1b U<sub>3</sub>O<sub>8</sub> Inferred resources
- ❁ **To date, the region has produced 320M1b U<sub>3</sub>O<sub>8</sub> since 1974**
- ❁ **Capable of large capacity long-life uranium mining operations**
  - Rössing – rated 11M1b/a
  - Husab – rated 15M1b/a
  - Langer Heinrich – rated 5M1b/a
- ❁ **Excellent supportive jurisdiction for uranium development and mining**



# Deep Yellow – Namibian Projects

Overall Namibian resources 126.4Mlb  $U_3O_8$   
grading 321ppm

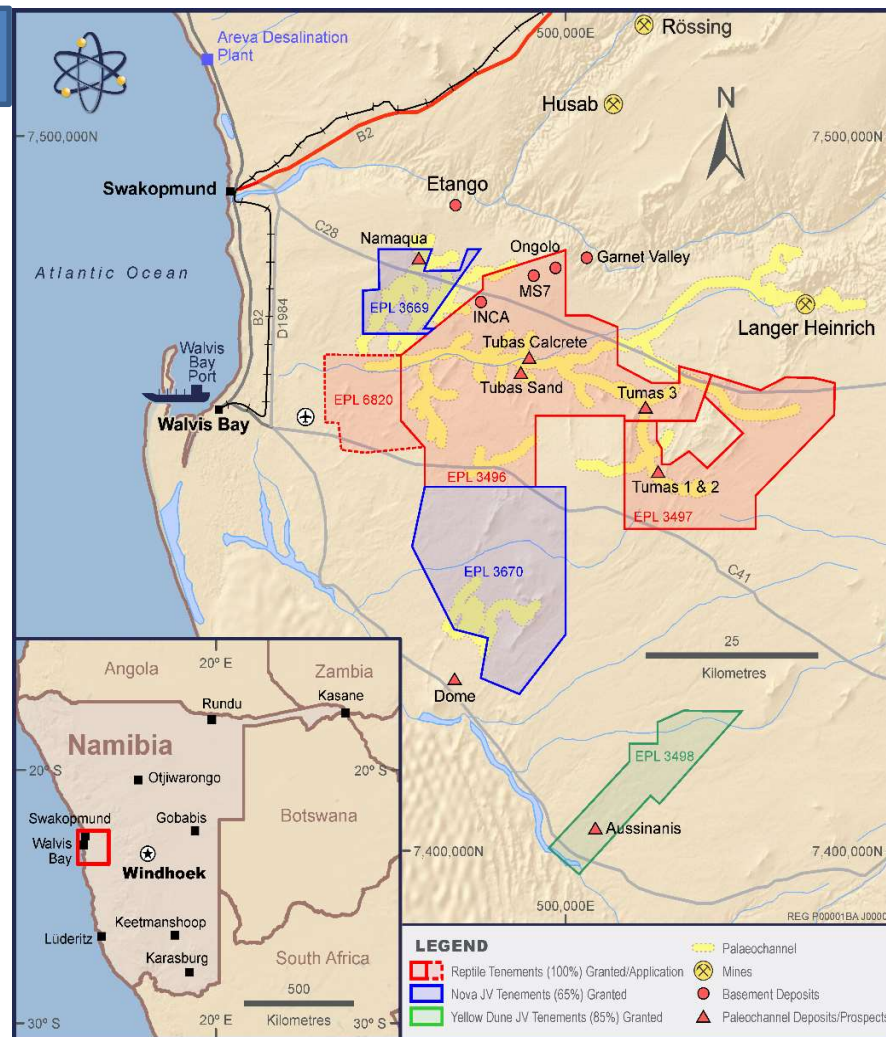
## Projects prospective for two target types

### Reptile: (EPLs 3496/97) – 991km<sup>2</sup> (100%)

- Numerous new targets identified for drilling
- Palaeochannel/calcrete targets (Langer Heinrich style) - 63.3Mlb  $U_3O_8$ /301ppm
- Basement/alaskite targets (Rössing/Husab style) – 45Mlb  $U_3O_8$ /420ppm
- Targeting 100Mlb  $U_3O_8$ + in palaeochannels in the grade range 300-500ppm e $U_3O_8$  \*

### Nova JV: (EPLs 3669/70) – 599km<sup>2</sup> (65%)

- Strategic farm-in agreement with Japanese partner JOGMEC, spending A\$4.5M in four years to earn 39.5%
- Fertile palaeochannel identified at Namaqua
- Basement targets identified



\* The potential quantity and grade of the exploration target is conceptual in nature, and that there has been insufficient additional exploration to estimate an expanded Mineral Resource at the date of this presentation and whilst additional exploration is planned, it is uncertain if this will result in the estimation of an expanded Mineral Resource. Following a complete review and evaluation of calcrete associated mineralisation already identified on the Company's tenements which commenced in December Quarter (Refer ASX Announcement 19 January 2017). The Company has a greater understanding of the stratigraphy of the palaeochannels which host mineralisation. (Refer also slide 18 Namibian Projects). This work has provided renewed confidence that mineralisation is likely to be identified in targeted but contiguous areas on our tenements. Targeted tonnage/grades are based on results and understanding from work carried out over past 10 years in this region. The exploration targets are planned to be tested over the next 12-24 months by an exploration program including geophysical field work and drill testing of targeted areas.

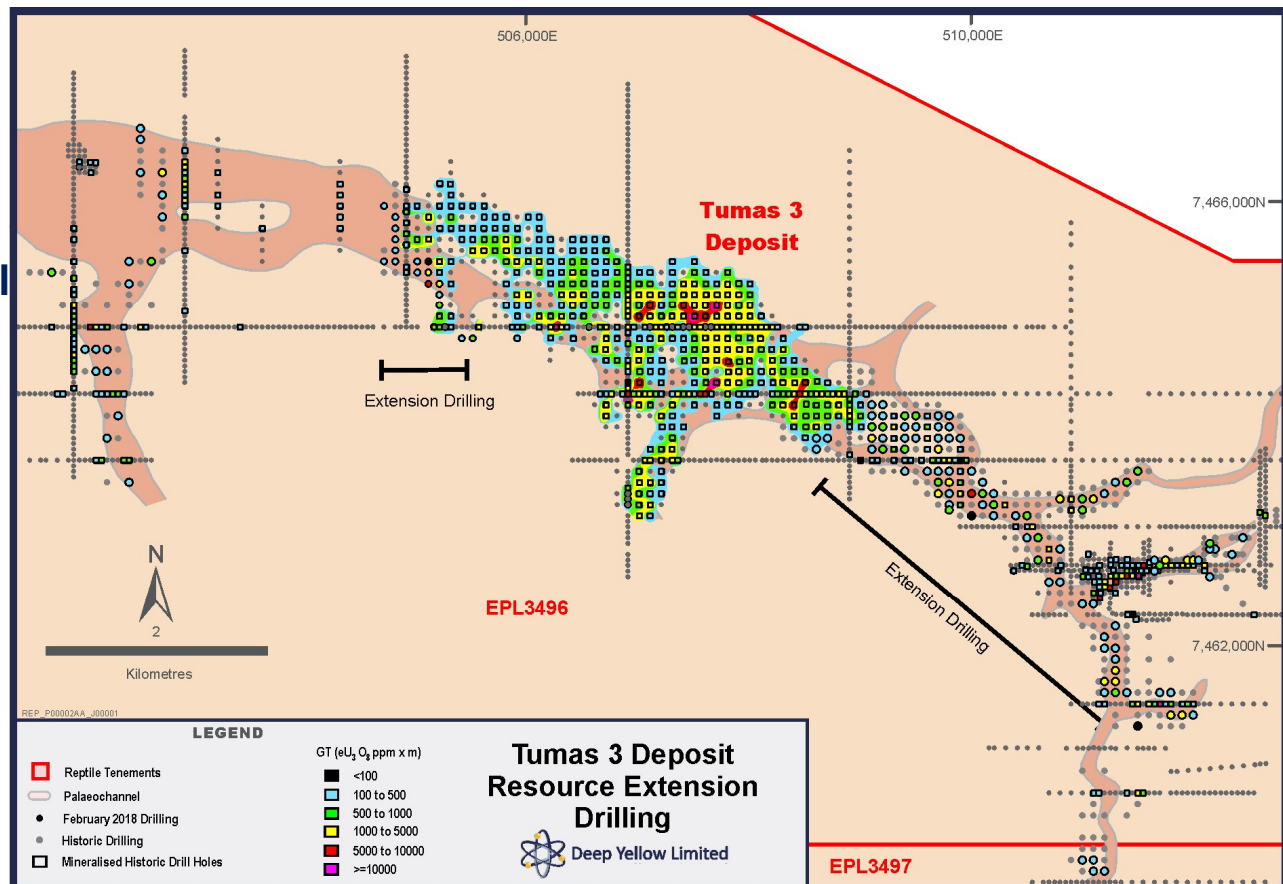


# Tumas 3 – Resource Extension Drilling

- ⚙ **Follow-up resource drilling extends Tumas 3 discovery from 4.4km to 10km**
- ⚙ **Inferred Mineral Resource base expanded**
  - Tumas 3 expanded 32% now 31.2Mlb/377ppm eU<sub>3</sub>O<sub>8</sub> from 23.5Mlb/382ppm
  - 3Mlb/km of mineralisation above expectation

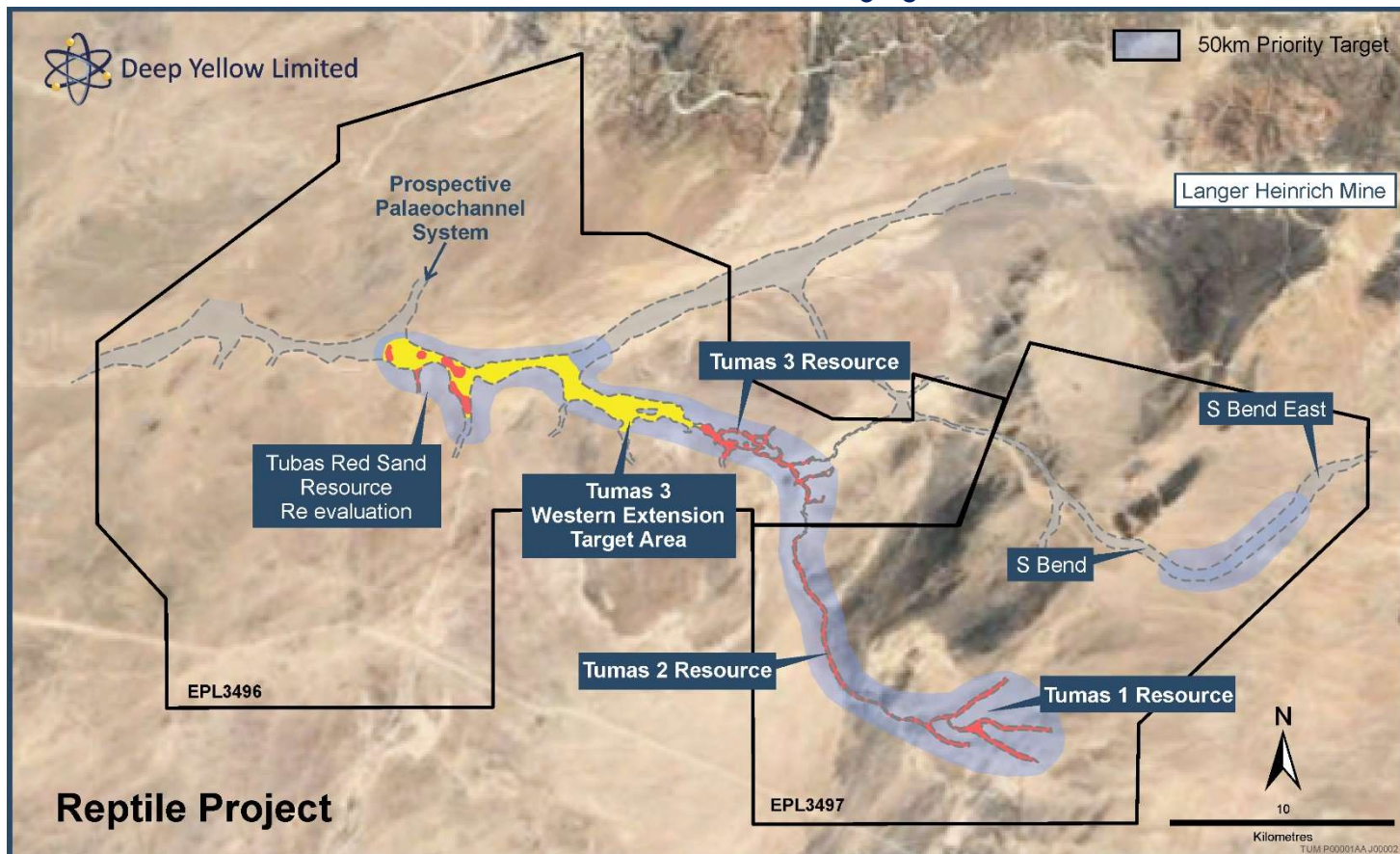
⚙ **A remarkable 98% increase in the Reptile project palaeochannel Mineral Resources all achieved in 18 months**

⚙ **Only 35km of 120km prospective palaeochannel has been effectively tested**



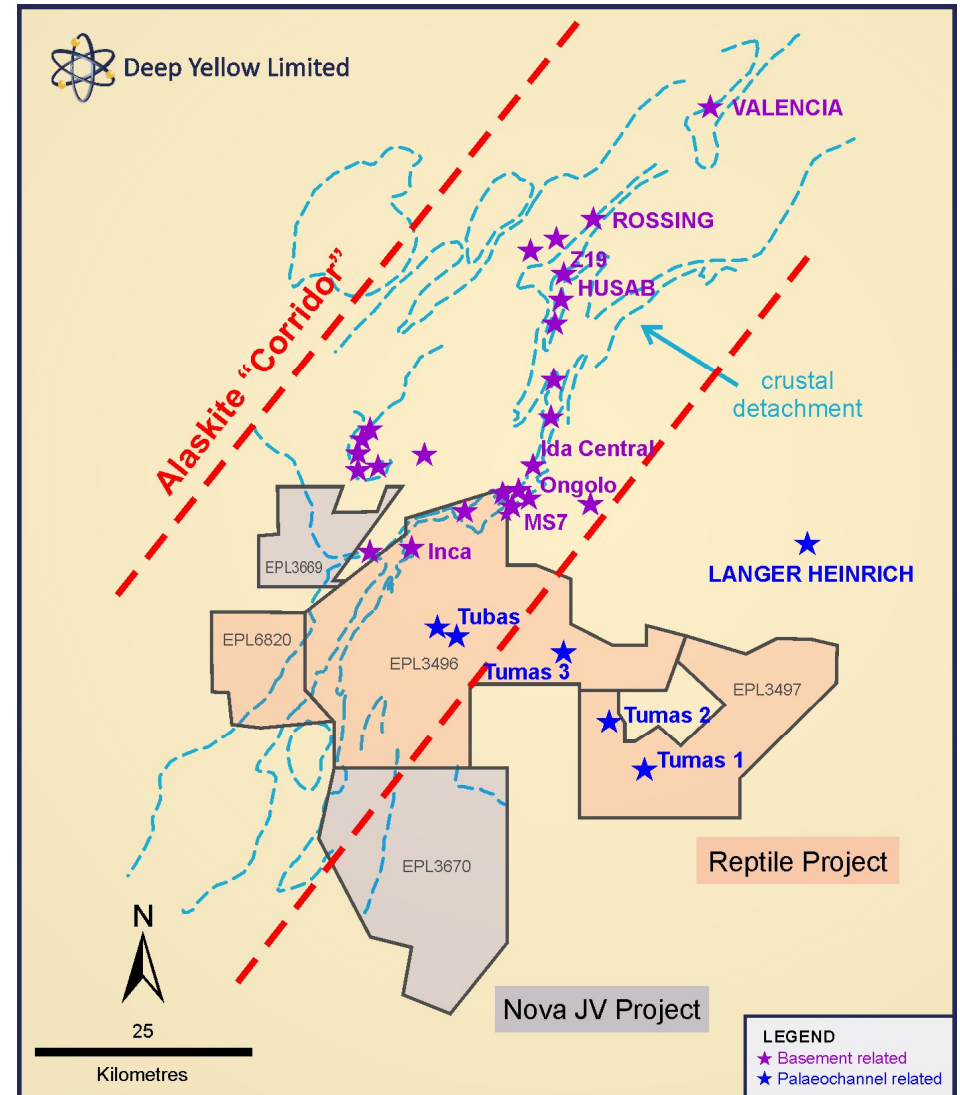
# Palaeochannels Producing Positive Results

- ✿ **New prospectivity identified with resources growing**
  - Currently 63.3Mlb in 4 deposits of palaeochannel associated uranium on Reptile Project
  - 120km of highly prospective palaeochannel delineated
- ✿ **A 50km zone from Tubas Red Sand to Tumas 1 now highest priority target for achieving 100Mlb+ in grade range 300-500ppm  $U_3O_8$ .**



# Reptile and Nova JV Basement Targets

- Highly prospective regional structural zone delineated (Alaskite corridor)**
  - 45Mlb U<sub>3</sub>O<sub>8</sub> at 420ppm already identified within this zone on Reptile Project (EPL 3496)
  
- Improved exploration search parameters and high resolution airborne survey set to target semi-blind deposits**
  
- Targets occur over both project areas**
  - Reptile (EPLs 3496/97)
  - Nova JV (EPLs 3669/70)



# Presentation Outline

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# Conclusions

## **New focus and positioning for the inevitable uranium upturn**

- Clear strategy for growth
- Newly established OTCQB trading platform expanding shareholder footprint
- Strategic Alliance with Sprott in place and investor base regenerated
- Capital structure reset and well funded with ~\$10.5M cash

## **Objective to build the premier, pure-play uranium company**

- Establish an independent, global, geographically diversified uranium platform
- Growing uranium resource base on Namibian projects
- Acquire assets spanning advanced exploration and early development
- Establish a project pipeline offering production optionality

## **Management team with a successful track record of execution**

- Unrivalled experience in project acquisition, exploration, construction and operation
- Uranium market analogous to the depressed conditions of ~15 years ago making a perfect opportunity for high wealth creation with contrarian investment approach

# Mineral Resources – Palaeochannel and Basement Related

| Deposit                                                        | Category  | Cut-off<br>(ppm<br>U <sub>3</sub> O <sub>8</sub> ) | Tonnes<br>(M) | U <sub>3</sub> O <sub>8</sub><br>(ppm) | U <sub>3</sub> O <sub>8</sub><br>(t) | U <sub>3</sub> O <sub>8</sub><br>(Mlb) | Resource Categories (Mlb<br>U <sub>3</sub> O <sub>8</sub> ) |             |             |
|----------------------------------------------------------------|-----------|----------------------------------------------------|---------------|----------------------------------------|--------------------------------------|----------------------------------------|-------------------------------------------------------------|-------------|-------------|
|                                                                |           |                                                    |               |                                        |                                      |                                        | Measured                                                    | Indicated   | Inferred    |
| <b>BASEMENT MINERALISATION</b>                                 |           |                                                    |               |                                        |                                      |                                        |                                                             |             |             |
| <b>Omahola Project - JORC 2004</b>                             |           |                                                    |               |                                        |                                      |                                        |                                                             |             |             |
| Inca Deposit ♦                                                 | Indicated | 250                                                | 7.0           | 470                                    | 3,300                                | 7.2                                    | -                                                           | 7.2         | -           |
| Inca Deposit ♦                                                 | Inferred  | 250                                                | 5.4           | 520                                    | 2,800                                | 6.2                                    | -                                                           | -           | 6.2         |
| Ongolo Deposit #                                               | Measured  | 250                                                | 7.7           | 395                                    | 3,000                                | 6.7                                    | 6.7                                                         | -           | -           |
| Ongolo Deposit #                                               | Indicated | 250                                                | 9.5           | 372                                    | 3,500                                | 7.8                                    | -                                                           | 7.8         | -           |
| Ongolo Deposit #                                               | Inferred  | 250                                                | 12.4          | 387                                    | 4,800                                | 10.6                                   | -                                                           | -           | 10.6        |
| MS7 Deposit #                                                  | Measured  | 250                                                | 4.4           | 441                                    | 2,000                                | 4.3                                    | 4.3                                                         | -           | -           |
| MS7 Deposit #                                                  | Indicated | 250                                                | 1.0           | 433                                    | 400                                  | 1                                      | -                                                           | 1           | -           |
| MS7 Deposit #                                                  | Inferred  | 250                                                | 1.3           | 449                                    | 600                                  | 1.3                                    | -                                                           | -           | 1.3         |
| <b>Omahola Project Sub-Total</b>                               |           |                                                    | <b>48.7</b>   | <b>420</b>                             | <b>20,400</b>                        | <b>45.1</b>                            | <b>11.0</b>                                                 | <b>16.0</b> | <b>18.1</b> |
| <b>CALCRETE MINERALISATION</b>                                 |           |                                                    |               |                                        |                                      |                                        |                                                             |             |             |
| <b>Tumas 3 Expanded Deposit (2017/18 Resource) - JORC 2012</b> |           |                                                    |               |                                        |                                      |                                        |                                                             |             |             |
| Tumas 3 Expanded ♦                                             | Inferred  | 200                                                | 37.5          | 377                                    | 14,100                               | 31.2                                   | -                                                           | -           | 31.2        |
| <b>Tumas 3 Deposit</b>                                         |           |                                                    | <b>37.5</b>   | <b>377</b>                             | <b>14,100</b>                        | <b>31.2</b>                            | -                                                           | -           | 31.2        |
| <b>Tubas Sand Deposit - JORC 2012</b>                          |           |                                                    |               |                                        |                                      |                                        |                                                             |             |             |
| Tubas Sand #                                                   | Indicated | 100                                                | 10.0          | 187                                    | 1,900                                | 4.1                                    | -                                                           | 4.1         | -           |
| Tubas Sand #                                                   | Inferred  | 100                                                | 24.0          | 163                                    | 3,900                                | 8.6                                    | -                                                           | -           | 8.6         |
| <b>Tubas Sand Project Total</b>                                |           |                                                    | <b>34.0</b>   | <b>170</b>                             | <b>5,800</b>                         | <b>12.7</b>                            | -                                                           | -           | -           |
| <b>Tumas 1 &amp; 2 Deposits - JORC 2012</b>                    |           |                                                    |               |                                        |                                      |                                        |                                                             |             |             |
| Tumas 1 & 2 ♦                                                  | Measured  | 200                                                | 9.7           | 386                                    | 3,700                                | 8.2                                    | 8.2                                                         | -           | -           |
| Tumas 1 & 2 ♦                                                  | Indicated | 200                                                | 6.5           | 336                                    | 2,200                                | 4.8                                    | -                                                           | 4.8         | -           |
| Tumas 1 & 2 ♦                                                  | Inferred  | 200                                                | 0.4           | 351                                    | 150                                  | 0.3                                    | -                                                           | -           | 0.3         |
| <b>Tumas Project Total</b>                                     |           |                                                    | <b>16.6</b>   | <b>366</b>                             | <b>6,050</b>                         | <b>13.3</b>                            | -                                                           | -           | -           |
| <b>Tubas Calcrete Deposit - JORC 2004</b>                      |           |                                                    |               |                                        |                                      |                                        |                                                             |             |             |
| Tubas Calcrete                                                 | Inferred  | 100                                                | 7.4           | 374                                    | 2,800                                | 6.1                                    | -                                                           | -           | 6.1         |
| <b>Tubas Calcrete Total</b>                                    |           |                                                    | <b>7.4</b>    | <b>374</b>                             | <b>2,800</b>                         | <b>6.1</b>                             | -                                                           | -           | -           |
| <b>Aussinanis Deposit - JORC 2012</b>                          |           |                                                    |               |                                        |                                      |                                        |                                                             |             |             |
| Aussinanis ♦                                                   | Indicated | 150                                                | 5.6           | 222                                    | 1,200                                | 2.7                                    | -                                                           | 2.7         | -           |
| Aussinanis ♦                                                   | Inferred  | 150                                                | 29.0          | 240                                    | 7,000                                | 15.3                                   | -                                                           | -           | 15.3        |
| <b>Aussinanis Deposit Total</b>                                |           |                                                    | <b>34.6</b>   | <b>237</b>                             | <b>8,200</b>                         | <b>18.0</b>                            | -                                                           | -           | -           |
| <b>Calcrete Deposits Sub-Total</b>                             |           |                                                    | <b>130.1</b>  | <b>284</b>                             | <b>36,950</b>                        | <b>81.3</b>                            | <b>8.2</b>                                                  | <b>11.6</b> | <b>61.5</b> |
| <b>GRAND TOTAL RESOURCES</b>                                   |           |                                                    | <b>178.8</b>  | <b>321</b>                             | <b>57,350</b>                        | <b>126.4</b>                           | -                                                           | -           | -           |

## Notes:

Figures have been rounded and totals may reflect small rounding errors.

XRF chemical analysis unless annotated otherwise.

♦ eU<sub>3</sub>O<sub>8</sub> - equivalent uranium grade as determined by downhole gamma logging.

# Combined XRF Fusion Chemical Assays and eU<sub>3</sub>O<sub>8</sub> values.

Where eU<sub>3</sub>O<sub>8</sub> values are reported it relates to values attained from radiometrically logging boreholes.

Gamma probes were calibrated at Pelindaba, South Africa in 2007 and sensitivity checks are conducted by periodic re-logging of attest hole to confirm operation between 2008 and 2013.

During drilling, probes are checked daily against standard source.

# Contact Details

## **John Borshoff**

Managing Director/CEO

## **Deep Yellow Limited**

Unit 17, Spectrum Building,  
100 Railway Rd

Subiaco, Western Australia 6008

**T** +61 8 9286 6999

**M** +61 419 912 571

**F** +61 8 9286 6969

Email: [john.borshoff@deepyellow.com.au](mailto:john.borshoff@deepyellow.com.au)

**Email:** [info@deepyellow.com.au](mailto:info@deepyellow.com.au)

**Website:** [www.deepyellow.com.au](http://www.deepyellow.com.au)