Deep Yellow Limited

ASX Announcement **ASX & NSX: DYL / OTCQX: DYLLF**

26 April 2019

NOVA JV ANNUAL BUDGET APPROVED AND FOLLOW-UP DRILLING COMPLETED

Key Points

- **JOGMEC approves annual Joint Venture budget of A$1.05M for year end March 2020**
- **18 hole, 1,404m follow-up drilling program completed on EPL 3669**

Budget Approval

Deep Yellow Limited is pleased to advise that Japan Oil, Gas and Metals National Corporation (**JOGMEC**), who are sole funding the Nova Joint Venture (**Nova JV**) in Namibia, have approved a program and budget of $1.05M over the next 12 months for the period ending 31 March 2020.

The Nova JV, covering EPLs 3669 and 3667, is held in the corporate entity Nova Energy (Namibia) Pty Ltd in which Reptile Mineral Resources and Exploration (Pty) Ltd (RMR - wholly owned subsidiary of Deep Yellow) holds 65% (Manager), Nova Energy Africa Pty Ltd (wholly owned subsidiary of Toro Energy Limited, ASX listed) 25% and Sixzone Investments (Pty) Ltd 10%.

JOGMEC is currently earning a 39.5% equity interest in the Nova JV to be achieved after $4.5m has been spent by them over a four-year period.

Work on the Nova JV is focussing on target definition and drilling to test for both basement related uranium targets (Rössing/Husab style deposits) and palaeochannel/calcrete associated uranium targets (Langer Heinrich style deposits).

Follow-up Drilling

A short drilling program was completed during the March quarter following up a number of results from the 2018 drilling on EPL 3669. A total of 18 RC holes for 1,404m was drilled. This comprised two holes for 176m drilled at Goanna, four holes for 202m at Barking Gecko, six holes for 582m between Iguana and Festive prospects, four holes for 274m at Iguana and two holes for 170m at Berger's. Figure 1 shows tenement locations and Figure 2: Overview map of follow-up drilling on EPL3669, shown *over a SPOT6 satellite image.* Appendix 1 lists all drill hole details including intersections greater than 100ppm eU_3O_8 over 1m

Drilling at Iguana aimed at better defining the mineralisation encountered during 2018. This follow-up work confirmed the narrow, low grade nature of the vein system carrying the uranium mineralisation.

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Of the six angled holes drilled to test possible extensions of Iguana under cover to the north-west towards the Festive Prospect, TN145RC intersected 3m @ 135ppm eU_3O_8 (7-10m depth) in carbonate-rich gravel at the contact to granitic basement, and 3m @ 175ppm eU_3O_8 (79-82m depth) in granite. Both intersections are sub-economic and no other mineralisation was encountered.

Four angled RC drill holes for a total of 202m were drilled at Barking Gecko. No uranium mineralisation was intersected.

Two holes were drilled without success at each of Goanna and Berger's to test the edges of previously identified palaeochannels.

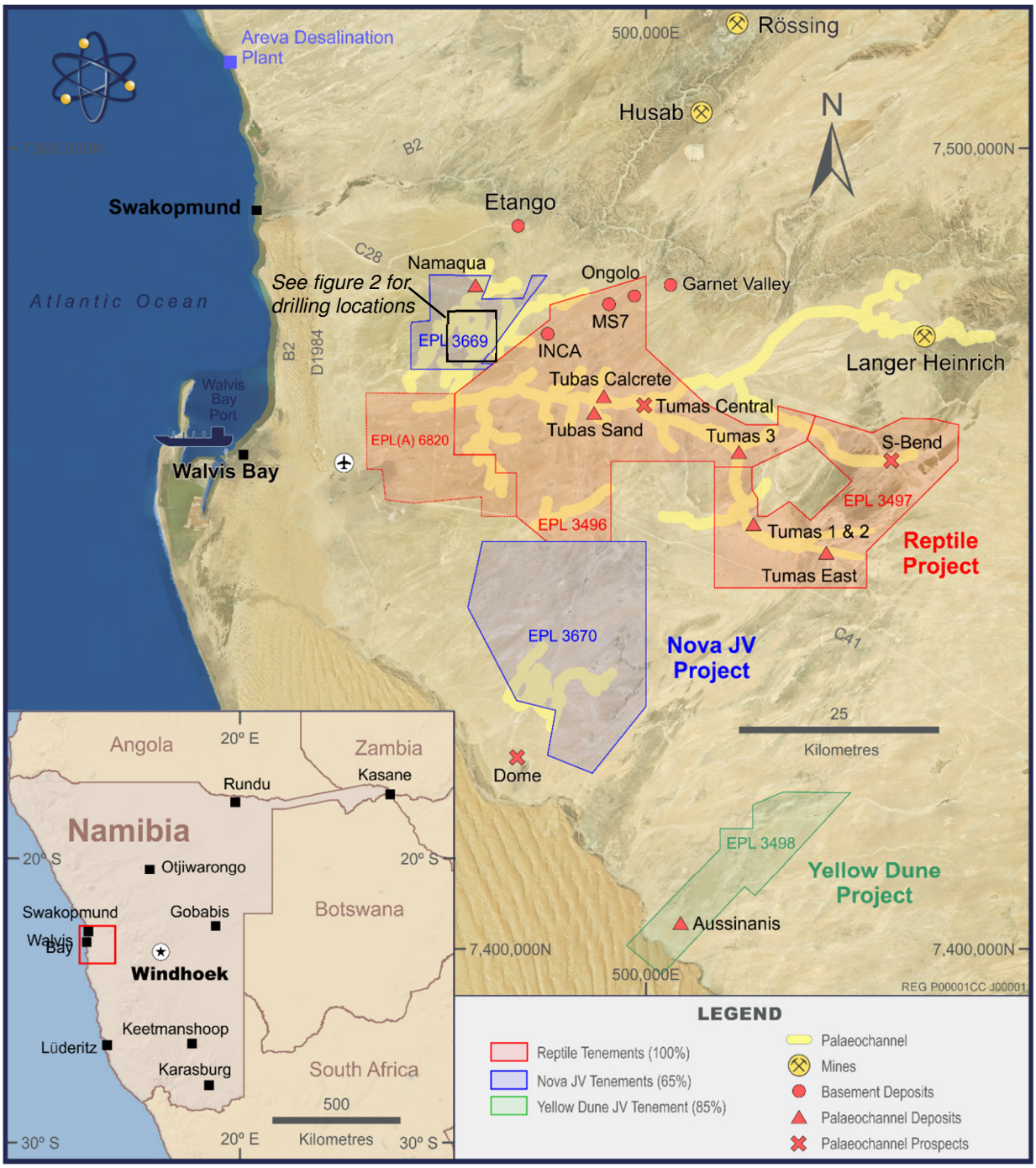


Figure 1: *Tenement and Prospect location maps.*

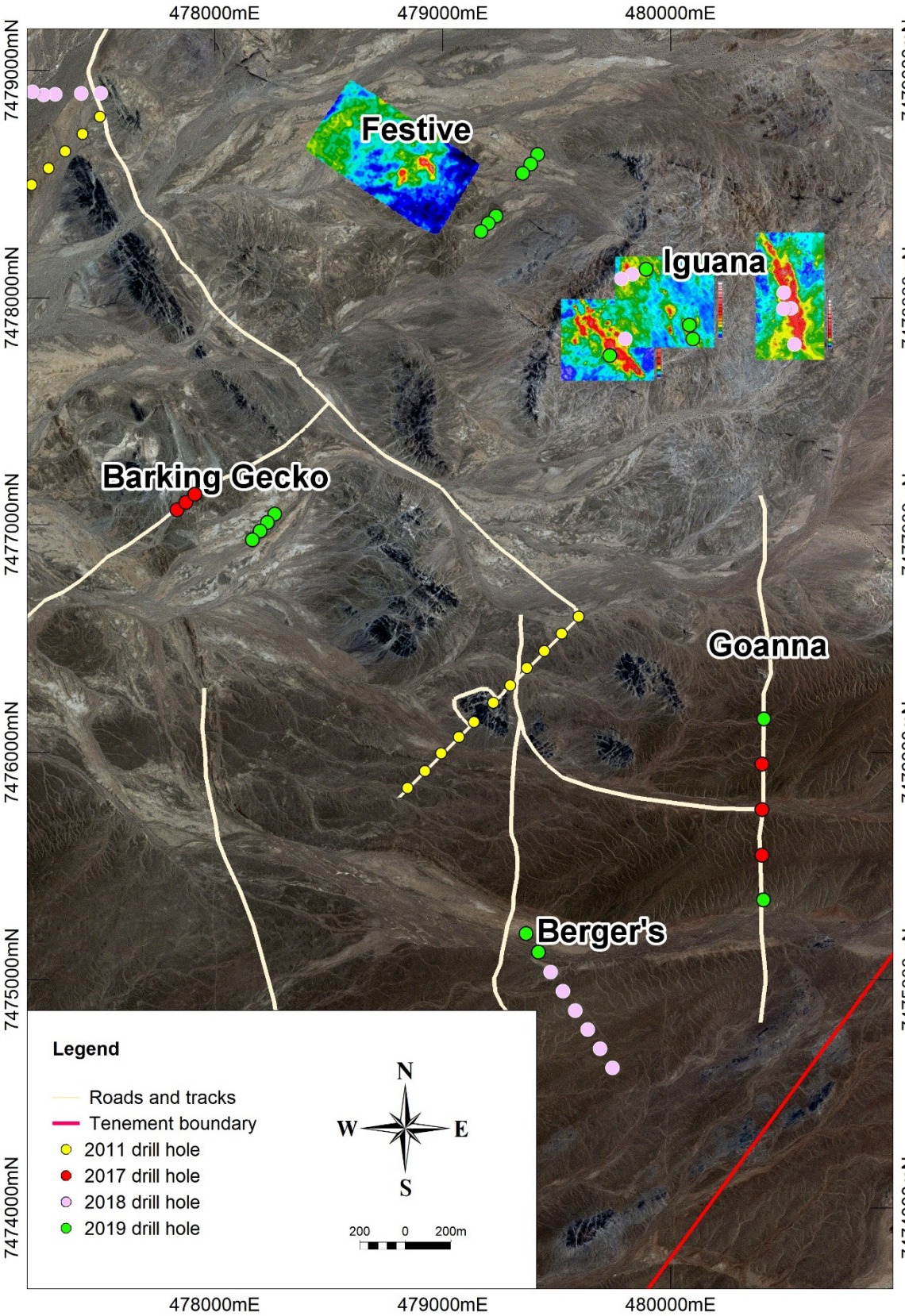


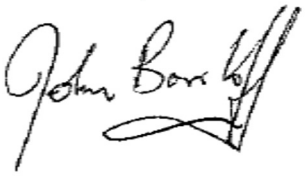
Figure 2: *Overview map of follow-up drilling on EPL3669, shown over a SPOT6 satellite image.*

Conclusions

Although exploration drilling did not encounter economic uranium mineralisation in palaeochannels, the identification of calcrete-associated mineralisation within the palaeochannels in the Nova JV area is considered significant as this has confirmed the prospectivity of the system of palaeochannels that has been identified. Further drilling is planned in 2019 to explore previously untested palaeochannels.

To date, basement drilling has not encountered economically significant uranium mineralisation. The next stage of basement exploration in 2019 will start testing blind targets beneath sand cover as defined by both ground and airborne geophysical methods.

Yours faithfully



JOHN BORSHOFF
Managing Director/CEO
Deep Yellow Limited

Exploration Competent Person's Statement

*The information in this announcement as it relates to exploration results was compiled 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 Reptile Mineral Resources and Exploration (Pty) Ltd (**RMR**), 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hirsch consents to the inclusion in this announcement of the matters based on the information in the form and context in which it appears. Mr Hirsch holds shares in the Company.*

APPENDIX 1: Drill Hole Details and Uranium intersections

Table 1: Nova JV, Drill Hole Details - January 2019

HOLE ID	Type	Prospect	X	Y	E.O.H.	Dip	Azi Grid	Date completed
TN138	RC	Goanna	480407	7475350	79	-70	180	01/16/2019
TN139	RC	Goanna	480408	7476148	97	-70	0	01/17/2019
TN140	RC	Barking Gecko	478263	7477047	55	-60	221	01/17/2019
TN141	RC	Barking Gecko	478231	7477010	49	-60	221	01/18/2019
TN142	RC	Barking Gecko	478197.9	7476972	49	-60	221	01/18/2019
TN143	RC	Barking Gecko	478164.8	7476935	49	-60	221	01/18/2019
TN144	RC	Iguana	479416	7478631	97	-60	224	01/21/2019
TN145	RC	Iguana	479386	7478589	97	-60	224	01/21/2019
TN146	RC	Iguana	479350	7478549	97	-60	224	01/22/2019
TN147	RC	Iguana	479234	7478360	97	-60	224	01/23/2019
TN148	RC	Iguana	479199	7478328	97	-60	224	01/23/2019
TN149	RC	Iguana	479168	7478292	97	-60	224	01/24/2019
TN150	RC	Iguana	479733	7477747	79	-60	45	01/25/2019
TN151	RC	Iguana	479892	7478127	79	-60	250	01/28/2019
TN152	RC	Iguana	480097	7477820	55	-60	270	01/28/2019
TN153	RC	Iguana	480082	7477880	61	-60	290	01/29/2019
TN154	RC	Berger's	479420	7475121	85	-90	0	01/30/2019
TN155	RC	Berger's	479365	7475202	85	-90	0	01/31/2019

Table 2 : Drill Hole Intersections greater than 100ppm eU_3O_8 over 1m

Hole ID	From [m]	Thickness [m]	eU_3O_8 [ppm]	From [m]	eU_3O_8 max	Easting	Northing	RL	TD (m)
TN145RC	7	3	135	8	198	479386	7478589	219	97
	79	3	175	80	291				
TN152RC	6	17	122	9	200	480097	7477820	242	55
	34	1	111	34	111				
	41	1	218	41	218				
TN153RC	50	1	105	50	105	480082	7477880	245	61

Appendix 2: Table 1 Report (JORC Code 2012 addition)

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	• Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• The current drilling relies only on U_3O_8 values derived from down-hole total gamma counting (eU_3O_8). First check geochemical assay data are expected late March Quarter to Mid-June Quarter. Previous drill data used in this report includes both geochemical assay data (U_3O_8) and down hole gamma equivalent uranium derived values (eU_3O_8). • Appropriate factors were applied to all downhole gamma counting results to make allowance for drill rod thickness, gamma probe dead times and incorporating all other applicable calibration factors. • Selected Uranium intersection greater than 100ppm eU3O8 over 1m will be assayed by ICP MS or XRF for U3O8 and selected trace elements. **Total gamma eU_3O_8** • 33 mm Auslog total gamma probes were used and operated by Company personnel. • Gamma probes were calibrated by a qualified technician at Langer Heinrich Mine in May 2017, August 2017 and again in July 2018. • During the drilling, probes are checked daily by sensitivity checks against a standard source. • Gamma measurements were taken at 5cm intervals at a logging speed of approximately 2m per minute. • Probing was done immediately after drilling mainly through the drill rods and in some cases in the open holes. Rod factors were established to compensate for the reduced gamma counts when logging was done through the rods. • Some holes encountered water. • The gamma measurements were recorded in counts per second (c/s) and were converted to equivalent eU_3O_8 values over 1m intervals using the probe-specific K-factor.

Appendix 2: Table 1 Report (JORC Code 2012 addition) (continued)

Criteria	JORC Code explanation	• Commentary
		Chemical sampling • Geochemical samples were derived from reverse circulation (RC) drilling at intervals of 1 m. Samples were spilt at the drill site using either a riffle or cone splitter to obtain a 1 kg sample for in house portable XRF analyses.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• RC drilling is being used for the Nova JV drilling program. • All holes targeting palaeochannel mineralisation are being drilled vertically and intersections measured present true thicknesses. • All holes targeting basement are being drilled inclined at an angle of -60 or -70 degrees at azimuths optimized to geology.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC drill chip recoveries are good at around 90%. • Drill chip recoveries were assessed by weighing 1m drill chip samples at the drill site. Weights were recorded in sample tag books. • Sample loss was minimised by placing the sample bags directly underneath cyclone/splitter.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill holes are being geologically logged. • The logging is qualitative in nature. The lithology type is being determined for all samples. • Other parameters routinely logged include colour, colour intensity, weathering, oxidation, grain size, carbonate ($CaCO_3$) content, sample condition (wet, dry) and total gamma count (measured by a Rad-eye scintillometer). • Lithology codes were used to record the geology.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• A portable 2-tier (75%/25%) splitter was used to treat a full 1m sample from the cyclone into an appropriate size assay sample. All sampling was dry. • The above sub-sampling techniques are common industry practice and appropriate. • Sample sizes are considered appropriate to the grain size of the material being sampled.

Appendix 2: Table 1 Report (JORC Code 2012 addition) (continued)

	JORC Code explanation	• Commentary
	• *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The analytical methods employed will be XRF (portable in house) NITON XL3t 500 and ICP-MS (ALS Perth: 4 acid digest /ME-ICP61). • Downhole gamma tools were used as explained under 'Sampling techniques.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Geology was directly recorded into a tablet in the field and sample tag books filed in at the drill site. • The drill data of those logs and tag books (lithology, sample specifications etc.) were transferred by designated personnel into a geological database. • Twinning was not considered due to the high variability in grade distribution. • Equivalent eU_3O_8 values have been calculated from raw gamma files by applying calibration factors and casing factors where applicable. • The ratio of eU_3O_8 vs assayed U_3O_8 for matching composites will be used to quantify the statistical error.

Appendix 2: Table 1 Report (JORC Code 2012 addition) (continued)

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The collars are being surveyed by in-house operators using a differentialGPS. • All drill holes are of exploratory nature and for this no down-hole surveying was required. • The grid system is World Geodetic System (WGS) 1984, Zone 33 South.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The data spacing and distribution is optimised to test the selected exploration targets. • The down hole gamma tool records at 5cm intervals. These were converted to eU_3O_8 values as outlined in the sampling techniques sections. The result was composited to 1m intervals.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• In the palaeochannels uranium mineralisation is strata bound and distributed in continuous horizontal layers. Holes are being drilled vertically and mineralised intercepts represent the true width. • The basement target mineralisation is vertical to steeply dipping and the drill holes are aimed at appropriate angels into the target zones. The intersections will not represent the true width and has to be evaluated for each hole depending on the structural setting • All holes were sampled down-hole from surface. Geochemical samples are being collected at 1m intervals. Total-gamma count data is being collected at 5cm intervals.

Appendix 2: Table 1 Report (JORC Code 2012 addition) (continued)

Sample security	• *The measures taken to ensure sample security.*	• 1m RC drill chip samples were prepared at the drill site. The samples were stored in plastic bags. Sample tags were placed inside the bags. The samples are placed into plastic crates and transported from the drill site to RMR's site premises in Swakopmund by Company personnel, prior to analyses. • Upon completion of the portable XRF assay work the remainder of the drill chip sample bags for each hole was packed back into crates and then stored in designated containers in chronological order, locked up and kept safe at RMR's dedicated sample storage yard at Rocky Point located outside Swakopmund. Core trays are stored in racks or are stacked at Rocky point as well.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• D. M. Barrett (PhD MAIG) conducted an audit of gross count gamma logging procedures and log reduction methods used by Deep Yellow Limited. • He concludes his audit commenting: "In summary, it is my belief that the equivalent uranium grades reported by Reptile from their gamma logging programs are reliable and are probably within a few percent to the true grade".