

Deep Yellow Limited: Final Investment Decision Deferred for Tumas Project

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Perth, Australia - [Deep Yellow Ltd.](#) (ASX:DYL) (FRA:JMI) (OTCMKTS:DYLLF) is pleased to provide an update regarding its flagship Tumas Project (Tumas or the Project) and its progress toward a positive Final Investment Decision (FID) following the completion of the latest engineering and optimisation work.

The additional detailed engineering carried out in the past three months has confirmed Tumas as a robust, long-life project. However, as previously stated, the key element to delivering FID was always going to be the prevailing uranium market conditions that would justify development of a greenfield uranium project. Therefore, FID has been deferred in order to fully capitalise on the Project's upside potential and thereby protect shareholder value.

The Board has made the decision to provide staged approval for the project and is delaying construction of the processing plant which involves the majority of estimated capital expenditure. Deep Yellow will continue to move ahead with early works infrastructure development and detailed engineering, however full-scale project development will be delayed allowing for what the Board believes will be the inevitable improvements in global uranium prices due to increasing demand and the precarious nature of the supply outlook.

Deep Yellow Managing Director Mr. John Borshoff commented: "We are at an extraordinary stage in the uranium supply sector. We have a situation where the long-term uranium market is essentially broken. This is due to more than a decade of sector inactivity, persistently depressed uranium prices, and utility offtake contracting practices which are yet to support the development of greenfields uranium production. Although the Tumas Project is economic at current long-term uranium prices, these prices do not reflect or support the enormous amount of production that needs to be brought online to meet expected demand. Also, we can expect from experience that supply shortages will only be exacerbated by likely delays and underperformance of the sector generally.

"Deep Yellow is in an enviable position having one of the most rigorously evaluated greenfield projects in the world ready to hit the "go" button. The extended detailed engineering and associated studies that have been completed provide even greater confidence of what can be delivered and how. Water and power supply agreements have been completed as we push ahead with the off-site infrastructure needs, and project financing is proceeding well. Combine this with the strong stewardship offered by our fully proven technical teams and leadership, unique to the sector of emerging producers, and it is clear we have all the ingredients and capability to move ahead positively when justified.

"The Tumas Project is ready to take the next step but, as we have consistently stated, a healthy prevailing uranium market is a key prerequisite. The final project approval will therefore be delayed until uranium prices fully reflect a sustainable incentivisation environment essential to encourage development of new projects for much needed additional production.

"This is a deliberate strategic decision reflecting the Company's experience-based approach to sustainable uranium production aimed entirely at preserving the Company's precious resources and reserves to achieve better value for Deep Yellow and its shareholders and facilitate continued growth. We believe our shareholders are patient and would prefer that we maximise value rather than rush to market. We will continue to derisk the project through a staged development approach.

"Our unwavering view of the global uranium market and the long-term supply/demand equation remains clear. The demand outlook is undeniable, driven by decarbonisation efforts, forecasts of continued enormous energy demand growth, the prevailing structural supply shortages and now having to deal with the added, newly emerging requirements from the developers of energyhungry datacentres, give clear upside for the supply sector.

"The reality is there are limited greenfield uranium deposits available for start-up globally over the next 10 years to satisfy projected demand, and new uranium supply will be virtually impossible to achieve in the current price environment.

"Nuclear utilities cannot ignore the fact that unless uranium prices increase to appropriate levels and large amounts of capital become available to the supply sector, those greenfields projects will remain

undeveloped.

"It is against this backdrop that we are comfortable with our decision to carefully progress areas of the project such as early works infrastructure and detailed engineering but not commit the capital to construct the process plant at this time."

Updated Ore Reserve Estimation (ORE)

The Company announced an upgraded Ore Reserve base (ASX release 18 December 2024) for the Tumas Project. The Mineral Resource for all Tumas deposits (1, 1E, 2 and 3) now includes a substantial proportion in the Measured JORC category and has proved sufficient to achieve the first key milestone of the Updated ORE, which is to establish sufficient Ore Reserves to support a 30-year Life-of-Mine (LOM).

Cube Consulting Pty Ltd (Cube) was engaged by the Company to undertake the Ore Reserve update and has completed pit optimisation studies on the Measured and Indicated portions of the deposit, pit designs and pit production scheduling. This work has resulted in the reporting of an updated ORE for the Tumas project (December 2024).

This updated ORE includes Proved and Probable Ore Reserves of 79.3 Mlb U3O8 at 298 ppm, using a 100 ppm U3O8 cut-off and a \$100/lb uranium price for the Tumas deposits (refer Table 1), with an average waste to ore ratio of 2.2 to 1. The \$100/lb pit shell was chosen for the final pit design work due to the relative insensitivity of the pit economics to uranium prices above \$80/lb and the resulting ease of pit design. This substantial increase in Ore Reserves confirms that Tumas can support a 30-year LOM at production rates assumed for this 2025 DFS (a maximum of either 4.2 Mtpa ore processed or 3.6 Mlb U3O8 produced pa).

To view the revised Tumas Detailed Feasibility Study (DFS), please visit:
<https://abnnewswire.net/Ink/L1BM5QLU>

About Deep Yellow Limited:

Deep Yellow Limited (ASX:DYL) (OTCMKTS:DYLLF) is successfully progressing a dual-pillar growth strategy to establish a globally diversified, Tier-1 uranium company to produce 10+Mlb p.a.

The Company's portfolio contains the largest uranium resource base of any ASX-listed company and its projects provide geographic and development diversity. Deep Yellow is the only ASX company with two advanced projects - flagship Tumas, Namibia (Final Investment Decision expected in 1H/CY24) and MRP, Western Australia (advancing through revised DFS), both located in Tier-1 uranium jurisdictions.

Deep Yellow is well-positioned for further growth through development of its highly prospective exploration portfolio - ARP, Northern Territory and Omahola, Namibia with ongoing M&A focused on high-quality assets should opportunities arise that best fit the Company's strategy.

Led by a best-in-class team, who are proven uranium mine builders and operators, the Company is advancing its growth strategy at a time when the need for nuclear energy is becoming the only viable option in the mid-to-long term to provide baseload power supply and achieve zero emission targets.

Importantly, Deep Yellow is on track to becoming a reliable and long-term uranium producer, able to provide production optionality, security of supply and geographic diversity.

Source:
Deep Yellow Limited

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