

19 December 2024

TUMAS PROJECT UPDATE – FID STATUS

HIGHLIGHTS

- **Tumas Final Investment Decision consideration deferred until early March 2025 due to delayed costings and quotes for equipment and construction, and further project optimisation**
- **Final execution and plant construction commencement remains dependent on sufficient price incentivisation for greenfield project start-up**
- **Early works on non-process infrastructure continuing**
- **Firm volume and price offers received and accepted for the supply of both water and power to the Project from NamWater and NamPower respectively. Contracts being finalised for execution**
- **Deep Yellow remains well-funded (A\$247 million on 30 September 2024) to progress Project development**

Deep Yellow Limited (**Deep Yellow** or the **Company**) is pleased to provide an update regarding its flagship Tumas Project (**Tumas** or **the Project**) and its progress toward a Final Investment Decision (**FID**).

Final Investment Decision

The Company continues to make significant progress with all work undertaken to date continuing to demonstrate the strong economic viability of Tumas.

The Board has, however, determined that with some delays being experienced in receiving final costing and quotes for detailed engineering work, as well as the opportunity to undertake further optimisation and enhancements, FID has been deferred until early March 2025.

The overall project schedule is also being refined as part of arriving at FID, however the Board remains of the view that this small delay will not have a material impact on the Project's overall timeline and objective of commencing production in late 2026, subject to sufficient uranium price incentivisation.

Current Project Status

The Tumas development has been divided into two clear workstreams:

- **Early Works** - process infrastructure, including powerline, water pipeline and major roads, site offices, communications, construction camp and other related facilities being managed directly by the Deep Yellow Owner's Team.
- **Execution Phase** - processing plant construction and associated works, to be undertaken by the appointed Engineering, Procurement, Construction and Management (**EPCM**) contractor.

Following completion of the Tumas Definitive Feasibility Study (**DFS**) in February 2023 and the Re-Costing Study in December 2023, Deep Yellow selected Ausenco Services Pty Ltd (**Ausenco**) as the preferred contractor to deliver detailed engineering services, and subject to agreement, for the subsequent EPCM services.

The target for the design and engineering work is to deliver a project scope, budget (controlled cost estimate) and schedule with a frozen flowsheet and clearly defined milestones for project execution. This will enable the Tumas execution phase to be proactively overseen by the Deep Yellow Owner's Team to ensure deliverables are achieved according to plan and budget.

In parallel with the work being undertaken by Ausenco, the Company has commenced early works including sourcing key long lead infrastructure items for power and water.

Other recent key Project milestones include:

- an upgraded Ore Reserve Estimate (ASX release 18 December 2024), showing a substantial increase in the proven and probable ore reserves, sufficient to increase Life of Mine expectations to at least 30 years from 22.5 years previously in the DFS;
- securing the required water supply offer from NamWater and power supply offer from NamPower, in terms of both volume and price. Both offers have been accepted and are now in the contract finalisation phase;
- completing a revised mining schedule with mining cost analysis underway;
- completing material optimisation of the Tumas process design to improve Project outcomes;
- freezing of the process flowsheet and process plant layouts;
- undertaking final bid documentation for the major equipment list; and
- updating operating cost estimates.

Continuing with the early works program will ensure a seamless transition to the execution phase and will avoid any potential Project delays.

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Project Timing/Uranium Market

While FID is expected to be made by early March 2025, the Deep Yellow Board has determined that the commencement of the execution phase of Tumas (full-scale construction) will be strategically determined according to the prevailing uranium price.

The Board firmly believes forecast increases in uranium supply by some analysts are materially overstated in the short, medium and long term and there is significant doubt regarding the pace of available greenfield uranium developments in the next 10 years. This, combined with the rapidly increasing demand for commercial nuclear power, cannot justify the current uranium price as a basis for new development start-ups and it will need to increase to incentivise new production.

This view is based on observations that:

- in the past 12 months the projected uptake of nuclear power far exceeds global uranium supply expectations:
 - growth of >1 gigawatt (**GW**) reactors is expected to continue especially in those developing jurisdictions where vast amounts of electrical power is still required;
 - Small Modular Reactors are now seen as complementary options to the growth of the larger more traditional reactors;
 - hyperscalers operating and developing energy-hungry datacentres are increasingly looking to nuclear as their preferred energy source for supply of reliable 24/7 emission free energy; and
 - in the 12 months to Q1 2024, data centre growth in the four key global regions (North America, Europe, Latin America and the Asia-Pacific) reportedly grew by over 20% to 11.26 GW, growing to at least 46 GW by 2030 limited only by availability base load power supply; and
- there are limited greenfield uranium deposits available for start-up globally over the next 10 years sufficient to satisfy projected demand.

Therefore, Deep Yellow will only pursue the execution phase of Tumas once it believes the uranium price is, and will be maintained, at long term levels that will provide the best return to shareholders.

Project Funding/Offtake

Deep Yellow has appointed Nedbank as the Mandated Lead Arranger for the implementation of project financing. Project financing activities are progressing well with keen interest for participation from a number of potential lenders. This work will continue to ensure funding is available when required. All uranium offtake discussions have been suspended until such time as the uranium price represents a level to justify greenfield project development.

In the meantime, Deep Yellow remains significantly well-funded with cash reserves of A\$247 million on 30 September 2024 and no debt.

Deep Yellow Managing Director Mr John Borshoff commented: *“Our ongoing detailed work continues to reinforce Tumas as an exceptional project and development opportunity. We are now expecting an optimised detailed engineering report by end February 2025 and FID to be delivered early March 2025. This delay is considered minor in the scheme of this project, and it is also important we make our final decisions based on the best, most up-to-date information and in the best interests of our shareholders.*

“Although we have one of the most advanced greenfield uranium development projects available, with a formidable and proven team to execute, the current long-term uranium price does not reflect what we see as a significant emerging supply shortage. Therefore, while we continue to progress early works and expect to be ready to make FID early March, we will take a very disciplined approach to starting construction of the processing plant.

“We are progressing the debt financing, and have strong cash reserves meaning we can make decisions on our terms that are in the best interests of shareholders.

“The outlook for nuclear remains extremely optimistic. Substantial uranium supply, potentially a doubling of annual supply by 2040, will be required and we believe that will be difficult to achieve giving us a definite competitive advantage in what we anticipate will be a more positive price environment.”



JOHN BORSHOFF
Managing Director/CEO
Deep Yellow Limited

This ASX announcement was authorised for release by Mr John Borshoff, Managing Director/CEO, for and on behalf of the Board of Deep Yellow Limited.

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About Deep Yellow Limited

Deep Yellow Limited is successfully progressing a dual-pillar growth strategy to establish a globally diversified, Tier-1 uranium company to produce 10+ Mlb pa.

The Company's portfolio provides geographic and development diversity with the Company's two advanced projects – flagship Tumas, Namibia and Mulga Rock, Western Australia, both located in Tier-1 uranium jurisdictions.

Deep Yellow is well-positioned for further growth through development of its highly prospective exploration portfolio – Alligator River, 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 Proved 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.

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