

# Deep Yellow Limited: DFS Review Strengthens Tumas Projects Flagship Status

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Perth, Australia - [Deep Yellow Ltd.](#) (ASX:DYL) (FRA:JMI) (OTCMKTS:DYLLF) is pleased to announce an update of costs and forecast financial outcome for its flagship Tumas Project (Project or Tumas).

The Tumas Definitive Feasibility Study (DFS) announced in February 2023 was undertaken during a period of significant inflationary and supply logistical volatility. As Deep Yellow continues to develop the Project with a Final Investment Decision (FID) expected in Q3 2024, a Re-Costing Study to reassess capital expenditures (CAPEX) and operating expenses (OPEX), and a marketing reappraisal were undertaken with positive results.

## HIGHLIGHTS

- Base case uranium price increased conservatively to US\$75/lb U3O8 from US\$65/lb U3O8 to recognise continued strengthening uranium market conditions
- The US\$75/lb U3O8, post-tax NPV8 increases by 68% to US\$570.0M (A\$838.2M) with an IRR of 27.0%
- Re-Costing Study validates Tumas DFS lowering initial capital cost estimates by 6.4% to US\$360M (A\$529M) from January 2023 DFS of US\$384M (A\$565M)
- Revised LOM C1 operating cost after vanadium credit increased slightly to US\$34.36/lb U3O8, from January 2023 DFS of US\$33.99/lb U3O8, due to absorbing the following costs:
  - o 13% increase in power charges from NamPower announced November 2023
  - o 9.5% increase in diesel cost
  - o 15% increase in HFO cost
- The price scenarios, regarded as likely, increase post-tax real NPV8 to:
  - o US\$663M (A\$975M) at LOM average US\$80.71/lb U3O8 (Trade Tech FAM 2) and an IRR of 27.8%
  - o US\$878M (A\$1,291M) at US\$90/lb U3O8 and an IRR of 36.1%
- Re-costing work identified further potential gains to be made during the detailed engineering phase
- Metallurgical testwork indicated potential gains across beneficiation, washing and PLS concentration areas, that were not incorporated into the re-costing effort
- Outcome validates the commercial viability of the Project as a long-term, high-margin, globally significant uranium operation
- Results provide the Company with a strong platform to proceed with project financing, detailed engineering work, and maintain the timeline for FID to be made in Q3 2024

Commenting on the results of the Re-Costing Study, Deep Yellow Managing Director and CEO John Borshoff said:

"I am very pleased with the results from the Re-Costing Study, which further strengthens the world-class potential of Tumas and supports our belief that our flagship Project will be a globally significant, long-life uranium operation. We completed the Tumas DFS over a period highlighted by severe price increases and inflationary pressures.

Given these factors and ahead of key development activities, Deep Yellow, along with Ausenco, considered it prudent to re-cost the Project as global market conditions settled. A Final Investment Decision is anticipated in Q3 2024.

The results of the re-costing are very positive with a small decrease in capital costs and a small rise in operating costs reconfirming the viability of the Project.

Importantly, the shift in global thinking and sentiment towards the adoption of nuclear energy has generated significant momentum for uranium this year. Most major economies are in full alignment demanding more nuclear, as it is the only 24/7 clean energy source that can provide baseload power supply and numerous other vital applications, while achieving zero emissions.

The need for more nuclear is clearly being evidenced by the 24 countries that have signed to the goal of tripling nuclear energy capacity to achieve zero emissions by 2050 at COP28.

My thanks to the team for the work to get us to this point. This is an exciting time for Deep Yellow. Our focus now turns to project financing and detailed engineering work ahead of a potential final investment decision in the second half of 2024."

The Tumas DFS, announced in early 2023, acknowledged the previous year's construction and operating price volatility due to global uncertainties, including the impact of the Covid-19 pandemic.

The January DFS, announced on 2 February 2023, was presented with the full impact of the inflationary and supply chain pressures prevailing at that time. It was agreed, with the support of Ausenco Services Pty Ltd (Ausenco) (DFS Engineers), to review the results and obtain an updated costing profile as an addendum to the January 2023 DFS. Vendors also showed interest in renegotiating their prices, anticipating that market conditions could offer more favourable terms than those established at the time of the DFS.

Deep Yellow and Ausenco performed a comprehensive market re-evaluation of the CAPEX and OPEX one year after the initial DFS pricing study. This reassessment included revising procurement strategies, reorganising construction packages and negotiating shortlisted vendor agreements, especially in critical areas like bulk earthworks and Structural, Mechanical, Piping, and Platework (SMPP) packages.

Mechanical equipment pricing that was not repriced was escalated by 2.2% to bring the overall estimate up to Q3 2023 base date. Importantly, the re-costed values still include an allowance for growth.

The updated re-costing forms an Addendum to the primary DFS document and will further guide Deep Yellow through key development phases of the Project. This announcement contains the Executive Summary from the re-costing Addendum Report included as Annexure 1\*.

The primary foreign exchange rates (FOREX) used in the CAPEX and OPEX estimates were updated as presented in Table 1 below. The notable movement is between the USD and the ZAR and NAD.

Finally, the continued increase in uranium price, which has accelerated further post the decision to re-cost the Project, clearly highlights that the DFS base case assumption of a flat US\$65/lb U3O8, is now overly conservative as the uranium price environment continues to strengthen in response to escalating demand and attractive future supply and demand forecasts.

The re-costing was undertaken as a collaborative effort by Deep Yellow and Ausenco (who undertook the original DFS) personnel and has been completed in accordance with Ausenco's costing standards for a DFS-level study. Ausenco has consented to being associated with the Addendum Report and its conclusion. Critical to the methodology used for the re-costing has been that it must be sufficiently documented and supported, such that it is considered suitable for project funding due diligence.

\*To view tables and figures, please visit:  
<https://abnnewswire.net/Ink/M82H5ICY>

About Deep Yellow Limited:

[Deep Yellow Ltd.](#) (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 Ltd.](#)

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