

5 June 2014

ASX ANNOUNCEMENT

1 FOR 8 NON RENOUNCEABLE ENTITLEMENT ISSUE

Deep Yellow Limited (DYL or the Company) has revised its Entitlement Issue terms to comply with ASX listing rules in respect to pricing which in this instance restricts the offer price to 1 decimal place below a cent.

The timetable and Offer metrics are identical to those announced yesterday however the pricing is now at 1.7 cents per share, to raise up to approximately \$3.4 million.(the Offer).

Full details of the Offer follow in the attached announcement.

Yours faithfully



MARK PITTS
Company Secretary

5 June 2014

ASX ANNOUNCEMENT

1 FOR 8 NON RENOUNCEABLE ENTITLEMENT ISSUE

Deep Yellow Limited (DYL or the Company) is pleased to announce that it will be offering eligible shareholders the opportunity to acquire additional fully paid shares in the capital of the Company through a 1:8 non-renounceable entitlement issue at 1.7 cents per share, to raise up to approximately \$3.4 million (the Offer).

The Offer price represents a discount of approximately 27.9% to the volume weighted average price (VWAP) of DYL's shares for the thirty trading days before the announcement (30 day VWAP is 2.36 cents).

The Company has received the support of major shareholders who have indicated their willingness to participate in the Offer.

Background information and information about the use of proceeds from the Offer

The ongoing difficult equity market conditions have been compounded in the uranium sector by the hesitant restart of Japan's nuclear fleet. This meant that the end of the HEU agreement passed almost without notice in the last quarter of 2013 despite the fact that there are more reactors operating, under construction or in the active planning stage than prior to the Fukushima nuclear accident.

There has been widespread curtailment of production, restricted project development and limited exploration activity in the past three years and in particular over the last year as the spot price has declined.

There remains a reasonable chance that some reactors will be re-started in Japan before the end of the year, an event likely to change both sentiment and the underlying supply and demand balance.

In spite of the risk averse nature of global equity capital markets, DYL believes that the recent strong signals of uranium producer discipline and the current level of unsustainable prices should provide a correction in the medium term. DYL, like most uranium players, remains highly leveraged to any positive movement in the spot price.

Over the past three years the Company's strategy has been one of cautiously progressing its attractive Namibian projects whilst expeditiously using its cash resources in areas that had the greatest potential for longer term benefit. We have made tough decisions to protect our cash balance, such as substantially reducing Australian overhead costs, cutting director fees and executive salaries, freezing all other salaries and disposing of non-core assets. Unfortunately we have also had to reduce the size of our team in Namibia and yet we have still managed to make progress on our projects there, such as the:

- Successful resource update and DRA processing study on the Tubas Sand Project;
- Completion of the groundbreaking targeting study which demonstrated that DYL holds amongst the most prospective uranium exploration ground in Namibia; and
- Conclusion of a sighter column test on a composite sample from the MS7 and Ongolo deposits opening the path to a heap leach, as opposed to a tank leach, operation for the Omahola Project.

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Deep Yellow aims to ensure that it can maintain its momentum by utilising the funds raised from the Offer to primarily progress the Company's Tubas Sands Project in Namibia, undertake additional low level exploration work and for general working capital purposes. More specifically, in regard to the Tubas Sand Project it aims to:

- Complete an expansion and infill drilling program and associated resource update on the Tubas Sand Deposit;
- Conduct metallurgical test work and complete a pre-feasibility study for the Project by the end of the 2014; and
- Commence a definitive feasibility study for the Project assuming a successful outcome to the pre-feasibility study and offtake negotiations.

In addition to the above a resource update is planned for the Omahola Project to reflect its changed status to that of an acid heap leach project rather than a tank leach, as well as very limited, highly selective exploration work.

As a result of these efforts it is envisaged that the Company will be well positioned in 12 to 18 months' time – the point at which most commentators suggest the market recovery could well be underway.

Key Terms

Nature of offer	Non-renounceable Entitlement Issue of new shares
New share issue price	\$0.017 per new share
Offer ratio	1 new share for every 8 existing shares held on record date
Number of new shares to be issued	Up to 202,130,171 new shares
Amount to be raised under the Entitlement Issue	Up to approximately \$3.4 million before costs of the offer

Eligible Shareholders

Shareholders with registered addresses inside Australia, New Zealand, Hong Kong, Namibia, Ireland and the United Kingdom who hold ordinary shares in the Company (Existing Shares) as at 5.00pm AWST on 12 June 2014 (Eligible Shareholders) will be entitled to participate in the Issue.

All Eligible Shareholders will be offered 1 new ordinary share in the Company (New Share) for every 8 Existing Shares held by the Eligible Shareholder, at an issue price of \$0.017 per New Share (the Offer).

The Directors reserve the right to place sufficient of the shortfall at their absolute discretion (subject to the ASX Listing Rules) to meet the minimum requirements of the Company. In addition Directors will give existing shareholders the opportunity to apply for additional shares over and above their entitlements.

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Key dates

Key dates for the Offer are set out in the following table. The dates are indicative only and DYL reserves the right to vary them, subject to the Corporations Act 2001 (Act) and the ASX Listing Rules.

Announcement of Entitlement Issue and Cleansing Statement given to ASX	5 June 2014
Record date for determining entitlements to New Shares	12 June 2014
Invitation to participate in Entitlement Issue and Entitlement Acceptance Forms dispatched to Eligible Shareholders	16 June 2014
Closing Date and final time for receipt of Entitlement and Acceptance Forms and payment in full for New Shares	4 July 2014
Issue of New Shares	11 July 2014
Holding Statements dispatched to Shareholders	14 July 2014

Information provided in relation to the Entitlement Issue

The Offer is being made without disclosure to investors under Part6D.2 of the Act, in accordance with section 708AA of the Act.

Eligible Shareholders will not receive a prospectus in relation to the Offer but will receive a written invitation providing details on how to take up their entitlement under the Offer. Any decision to acquire New Shares should only be made after making independent enquiries and consulting relevant professional advisers, such as stockbrokers, financial advisers, accountants or solicitors. Eligible Shareholders should have regard to publicly available information about DYL before deciding whether or not to acquire New Shares.

Copies of the Company's announcements to ASX can be obtained from its website www.deeptyellow.com.au or from the ASX website www.asx.com.au. The Company's ASX code is DYL.

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Capital structure on completion of the Offer

The following table shows the proposed capital structure of the Company on completion of the Entitlement Issue. The exact number of New Shares to be issued may vary and will be dependent on the number of Eligible Shareholders and their entitlements, and the level of acceptances under the Entitlement Issue.

Shares	Number
Existing Shares on issue at the date of this announcement	1,617,041,367
Maximum number of New Shares to be issued under the Offer	202,130,171
Maximum total shares on issue after the Offer¹	1,819,171,538
1. Assumes full acceptance of the offer	

Additional information

New Shares, once issued, will rank equally with the Company's Existing Shares on issue.

The rights and obligations attached to shares in the Company are set out in DYL's Constitution which may be examined free of charge by appointment between 9.00am and 5.00pm on normal business days at the registered office of the Company at Level 4, 502 Hay Street, Subiaco WA and in certain circumstances, regulated by the Act, the ASX Listing Rules and the general law.

Foreign shareholders

Shareholders with registered addresses outside of Australia, New Zealand, Hong Kong, Namibia, Ireland and the United Kingdom are not eligible to participate in the Offer.

Enclosure

The attached Appendix 3B and a Notice pursuant to s708AA(2)(f) of the Corporations Act (Cth) provide a summary of the proposed Entitlement Issue.

Yours faithfully



MARK PITTS
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

DEEP YELLOW LTD

ABN

97 006 391 948

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Ordinary fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 202,130,171
(To be confirmed depending on acceptances) |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | N/A |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities? If the additional ⁺securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes from the date of issue
5	Issue price or consideration	1.7 cents each
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Funds raised will be used predominantly to advance development on the Group's Namibian assets and for general working capital purposes.
6a	Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	N/A
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	N/A

⁺ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	N/A	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	272,875,730	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	11 July 2014	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 1,819,171,538 (To be confirmed depending on acceptances)	+Class Ordinary fully paid

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New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	551,880	2011 Performance share rights granted 9 December 2011
	3,072,160	2012 Performance share rights granted 3 October 2012
	4,700,000	2012 Performance share rights granted 7 December 2012
	3,000,000	2013 Performance share rights granted 8 July 2013
	9,335,000	2013 Performance Share Rights granted 29 October 2013
	7,000,000	2013 Performance Share Rights granted 29 October 2013
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	One for eight
14 +Class of +securities to which the offer relates	Ordinary fully paid
15 +Record date to determine entitlements	12 June 2014
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	Any fraction will be rounded up to the nearest whole number
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries with the exception of Australia, New Zealand, Hong Kong, Namibia, Ireland and United Kingdom.
19	Closing date for receipt of acceptances or renunciations	4 July 2014
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	16 June 2014
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | | |
|----|---|--------------|
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Issue date | 11 July 2014 |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) ☐ +Securities described in Part 1
- (b) ☐ All other +securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
-

+ See chapter 19 for defined terms.

39	+Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 30px;"></td> <td></td> </tr> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 5 June 2014
(Director/Company secretary)

Print name: MARK PITTS

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,560,859,287
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	56,182,080 202,130,171 (current issue)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	1,819,171,538

+ See chapter 19 for defined terms.

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	272,875,730
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	272,875,730
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.15] – “C”	272,875,730 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	
“E”	

+ See chapter 19 for defined terms.

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

4 June 2014

Notification under section 708AA(2)(f) of the Corporations Act 2001 (Cth)
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Deep Yellow Limited (DYL) is making a pro-rata non-renounceable entitlement issue (the Entitlement Issue) to eligible security holders with registered addresses in Australia, New Zealand, Hong Kong, Namibia, Ireland and the United Kingdom.

The Entitlement Issue is being made on the basis of 1 New Share for every 8 shares held at the Record Date (12 June 2014).

DYL confirms that pursuant to section 708AA(2)(f) of the Corporations Act 2001 (Cth) (Corporations Act):

1. DYL will offer approximately 202,130,171 fully paid ordinary shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act pursuant to a non-renounceable entitlement offer announced to ASX on 4 June 2014.
2. As at the date of this notice, DYL has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to DYL; and
 - (b) section 674 of the Corporations Act.
3. As at the date of this notice, there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the shares for issue.

Control

The Entitlement Issue being made by DYL will mean up to 202,130,171 New Shares (subject to rounding) are issued. Upon completion of the Entitlement Issue the issued capital of DYL will be 1,819,171,538 ordinary shares (assuming full acceptances).

Control will be affected by the level of applications under the Entitlement Issue.

Based on current disclosures made by substantial shareholders in DYL the maximum percentage shareholding any existing shareholder could attain through taking up their entitlement would be 19.6%.

The final percentage interests held by substantial shareholders of Deep Yellow is entirely dependent on the extent to which other security holders take up their entitlements.



After consideration of the matters summarised above DYL expects that the potential effect of the issue of New Shares under the Entitlement Issue on the control of DYL will be minimal and that there is not likely to be any material consequence of that effect.

For and on behalf of the Board



MARK PITTS
Company Secretary