

10 June 2014**ASX ANNOUNCEMENT****NOTICE LETTERS SENT TO SHAREHOLDERS**

Deep Yellow Limited (DYL or the Company) advises the attached letter was sent to shareholders on 6 June 2014 in accordance with the notice requirements for the recently announced non renounceable entitlement issue (the Offer).

As a reminder the following table sets out the Key dates for the Offer.

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

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.

Yours faithfully



MARK PITTS
Company Secretary

6 June 2014

Dear Shareholder,

Deep Yellow Limited (DYL) Entitlement Issue – Notification Details

On 5 June 2014 Deep Yellow Ltd announced a one for eight Non Renounceable Entitlement Issue of up to 202,130,171 new shares at an issue price of \$0.017 per share. The issue will raise a maximum of \$3,436,212 if all of the entitlements are taken up.

The Offer Document will be sent to all eligible shareholders shortly.

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.

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.

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.

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.

Summary of Key Information

A summary of key information is set out below for your information:

Type of Offer	Non Renounceable Entitlement Issue of up to 202,130,171 new ordinary fully paid shares
Offer Price	1.7 cents per share
Offer Ratio	1 new share for every 8 held at the record date

Proposed Timetable

The current proposed timetable for the Entitlement Issue is set out below. The dates are indicative only and DYL reserves the right to vary the dates subject to the Corporations Act 2001, the ASX Listing Rules and other applicable law.

Entitlement Issue announced	5 June 2014
Securities quoted on an "ex" basis	6 June 2014
Record Date (for determining shareholders' entitlements to receive an issue of new shares under the Entitlement Issue)	12 June 2014
Entitlement and Acceptance form and Offer document dispatched to Shareholders	16 June 2014
Closing date of Entitlement Issue	4 July 2014
Securities quoted on a deferred settlement basis	7 July 2014
Notify ASX of under subscriptions	9 July 2014
Issue new shares	11 July 2014
Dispatch of Shareholder Statements	14 July 2014

Dealing with Entitlements

The Entitlement Issue is non renounceable, which means shareholders cannot sell their Entitlements on the Australian Stock Exchange.

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.

For further information on the issue or how to deal with your entitlement please contact your stockbroker or DYL's share registrar:

Computershare Investor Services Pty Limited

Telephone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia)

Facsimile: (08) 9323 2408 (within Australia) or +61 8 9323 2408 (outside Australia)

Yours faithfully



MARK PITTS
Company Secretary