Deep Yellow Limited

ASX Announcement **ASX & NSX: DYL / OTCQX: DYLLF**

27 September 2019

2019 ANNUAL REPORT

Attached is the 2019 Annual Report including audited financial statements for the year ended 30 June 2019.

Yours faithfully

JOHN BORSHOFF
Managing Director/CEO
Deep Yellow Limited

For further information, contact:
John Borshoff
Managing Director/CEO
Phone: +61 8 9286 6999
Email: john.borshoff@deepyellow.com.au

For further information on the Company and its projects, please visit the website at:
www.deepyellow.com.au

ANNUAL REPORT 2019

Deep Yellow Limited

ABN 97 006 391 948

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Rudolf Brunovs	Chairman (Non-executive)
Mr John Borshoff	Managing Director/CEO *
Ms Gillian Swaby	Executive Director
Mr Mervyn Greene	Non-executive Director
Mr Justin Reid	Non-executive Director
Mr Christophe Urtel	Non-executive Director

* referred to as Managing Director throughout this report

REGISTERED OFFICE

Unit 17, Spectrum Building, Second Floor
100-104 Railway Road
Subiaco, Western Australia, 6008
Telephone: + 61 8 9286 6999
Email: info@deepyellow.com.au

COMPANY SECRETARY

Mr Mark Pitts

POSTAL ADDRESS

PO Box 1770
Subiaco Western Australia 6904

STOCK EXCHANGE LISTINGS

Australian Securities Exchange	(ASX)	Code: DYL
OTC Markets Group	(OTCQX)	Code: DYLLF
Namibian Stock Exchange	(NSX)	Code: DYL

AUDITOR

Ernst & Young
11 Mounts Bay Road
Perth Western Australia 6000

WEBSITE ADDRESS

www.deepyellow.com.au

AUSTRALIAN BUSINESS NUMBER

97 006 391 948

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11
172 St George's Terrace
Perth Western Australia 6000

Telephone: 1300 787 272
Facsimile: +61 8 9323 2033

CONTENTS

COMPANY PROFILE

Deep Yellow Limited (Deep Yellow or the Company) is an advanced stage uranium exploration company with a clear growth strategy to establish a multi-project global uranium development platform. Led by Paladin Energy founder John Borshoff, Deep Yellow has the expertise and capability to achieve its strategy during a countercyclical period for uranium investment.

The Company has a cornerstone suite of projects in Namibia, a top-ranked African mining destination with a long, well regarded history of safely and effectively developing and regulating its considerable uranium mining industry.

Deep Yellow holds four key contiguous Exclusive Prospecting Licences (EPLs) covering 1,590km^2 within the heart of what is a world recognised, prospective uranium province of high significance. The tenements are strategically located amongst the major uranium mines of this region – 20km south of the Husab/Rössing deposits and 40km southwest of the Langer Heinrich deposit.

CORPORATE STRATEGY

Deep Yellow has a two-pronged growth strategy involving the growing of its uranium resource base in Namibia. Work has continued producing significant new discoveries in the Tumas 1 East region in early 2019 following up with an update of the resource estimate achieving nearly a three-fold increase since 2017. In parallel, the Company is pursuing accretive, counter-cyclical acquisitions to create a multi-project uranium platform.

HIGHLIGHTS OF THE 2019 FINANCIAL YEAR

Key achievements in the Company are as follows:

- Discovery of the Tumas 1 East deposit located within tributaries on the 100% owned Reptile Project achieving Inferred Resource of 18.5Mlb grading 310ppm eU_3O_8.
- Continued drilling of Tumas palaeochannels confirmed the highly prospective nature of the palaeochannels, 60km of which remain to be properly tested.
- The joint venture on the Nova Project with Japan Oil, Gas and Metals National Corporation (JOGMEC), the minerals investment arm of the Japanese government, over two tenements in Namibia where JOGMEC can earn 39.5% on expenditure of A$4.5M, continued to its third full year.
- Upgraded its trading platform in the United States to the OTCQX market platform giving potential to significantly expand its shareholder investor base.
- Successfully raised A$11.29M through a placement and share purchase plan late June/early July 2019.

CHAIRMAN'S LETTER

Dear Shareholder

It certainly has been a very positive twelve months for Deep Yellow Limited (DYL). Your Company has continued to build on gains of the prior year.

DYL's two prong strategy for long term growth has been to continue resource development in Namibia while simultaneously considering possible acquisition opportunities. This strategy has not only been frequently and well-articulated but has also been progressed during the past year.

Your Managing Director and CEO, John Borshoff, describes Deep Yellow as "a differentiated uranium company". John states that, with a global supply shortage of uranium looming, Deep Yellow is "well placed to take advantage of the extreme potential for prices to substantially overshoot incentive pricing".

To get a better appreciation of the issues, I refer you to the Deep Yellow market release dated 4 June 2019. It is an excellent high-level overview of the market and why we believe that Deep Yellow is well positioned to be the beneficiary of the inevitable and significant upturn.

As part of our plan we proceeded with a capital raising in June 2019. The outcome exceeded our expectations and has placed your company in a very healthy position to pursue both prongs of our growth strategy. While the $11.29 million raised was a great outcome, another important matter to note, amongst the quality investors the placement attracted, is the involvement of Paradice Investment Management as a major new shareholder with a 7.7% stake in Deep Yellow and we welcome this group to our share register. This investment speaks volumes as it is made by a fully informed, professional investment company backing the Deep Yellow strategy in a very meaningful way.

Resource growth has shown a substantial increase during the year. There are drilling plans in place to continue to build the Namibian resource base. In addition to the work on our 100% owned tenements, we are working with Japan Oil, Gas and Metals National Corporation (JOGMEC) on the Nova JV project. We have developed a strong relationship with JOGMEC which puts us in a very sound position and we hope results will be sufficiently encouraging to continue working with them going forward.

Our share trading platform in the United States has been upgraded to OTCQX (Best Market) which has been built on the good outcome of the previous OTCQB (Venture Market). We believe that this is giving the Company greater exposure in a very dynamic market with the outcome of increased share trading volumes and share price support.

It is important to recognise and thank the Deep Yellow people who are spread across Namibia and Australia. The geographic challenges that this creates are not insignificant but are being well managed by the leadership of both John Borshoff and Gillian Swaby. Thank you to each and every one of the DYL team.

In summary, there have been many very positive steps forward and your Board is confident of continued positive development.

Yours faithfully

Rudolf Brunovs

PROGRESS CONTINUES TOWARDS ACHIEVING STATED OBJECTIVES

It is now two and a half years that Deep Yellow has been in revival mode under new management and 2 years since Sprott, and Rick Rule in particular, supported with a A$15M capital raising for a contrarian play to build a global uranium project pipeline. This also included the objective of building the uranium resource base on one of our existing exciting projects in Namibia. Recently, in June/July 2019, the Company raised a further A$11.29M, the majority of this through a placement to financial institutions who are fully supportive of the Deep Yellow dual strategy.

We have been very successful towards achieving our stated goals on our Namibian objectives with close to a 3-fold increase in the resource base associated with the palaeochannel-related deposits. In terms of project acquisitions and capitalising on our strengths in this regard, this is taking us a little longer to achieve. The Company has progressed substantially regarding identifying potential opportunities with parties approaching us to consider their projects. The time to properly initiate this second prong of our growth strategy is upon us as the impact of the uranium downturn takes increasing effect and opportunities are beginning to surface.

When looking at uranium, its upside is much greater than the other commodities as most have already had their run. Uranium is projected to reach US$60/lb to US$75/lb. There is a consensus opinion in the industry that this is the incentive price range necessary within a 3 to 5-year timeframe to encourage the new production that will be required to meet demand. This represents a 2.4 to 3.0-fold increase from today's price. There are very few commodities that have this amount of potential upside, however, just investing on the uranium price increase thematic is not good enough. In a sector that has been ravaged by the extreme events of Chernobyl and Fukushima, other factors must also be considered in investment decisions because of the devastating effect this had on new production capability. There are few players and coherent teams that have achieved new uranium production in the past 30 years. For this reason, to maximise investment opportunity in this environment, factors such as leadership, proven performance and having the right strategy become very important "must haves". What is important to appreciate about the nuclear landscape is not concern for increased demand, which in my opinion is assured. The concern to my mind is the ability to grow future new supply, how this will be done and who in fact will be the builders of these new mines.

Despite all efforts to revive the uranium price with production cutbacks by senior and junior companies, uranium did not even crack the US$30/lb barrier which is no achievement at all in terms of what is really required to stimulate new investment in this industry. Timely development of new production capacity is completely out of reach as most projects need incentive pricing of US$60/lb or above before boards and investors will consider taking investment initiatives. The supply industry is in stagnation, if not deterioration.

It is in this gloomy environment that Deep Yellow successfully raised over A$11.29M in June 2019, introducing fresh Australian institutional funds into our register who are thematically aligned and long term bullish on uranium, willing to support some smart sector consolidation in parallel with acceleration of our Namibian Reptile Project. We now have a shareholder base that reflects the type of support we need to establish exceptional shareholder value through the growth we envisage with opportunities available in a uranium sector.

So finally, what message can I leave you with? Firstly, Deep Yellow remains an excellent investment opportunity differentiated from its competitors with an appropriate strategy in place to capitalise during this uranium downturn. Uranium will likely be the surprise performance sector. This may take a little while longer but this sector has the very real potential to reward handsomely.

Yours faithfully

John Borshoff

John Borshoff

NAMIBIAN OPERATIONS

Deep Yellow Limited continues to hold an interest in 3 key projects in Namibia; Reptile, the Nova Joint Venture (NVJ) and the Yellow Dune Joint Venture (YDJV) project (Figure 1). Reptile and NJV are active exploration projects, YDJV is inactive and these projects are described below. Reptile Mineral Resources and Exploration (Pty) Ltd (RMR – wholly owned subsidiary of Deep Yellow) is the manager of all projects. In the two and a half years that the new management has been involved the uranium resource base has been improved nearly three-fold with much upside still remaining.

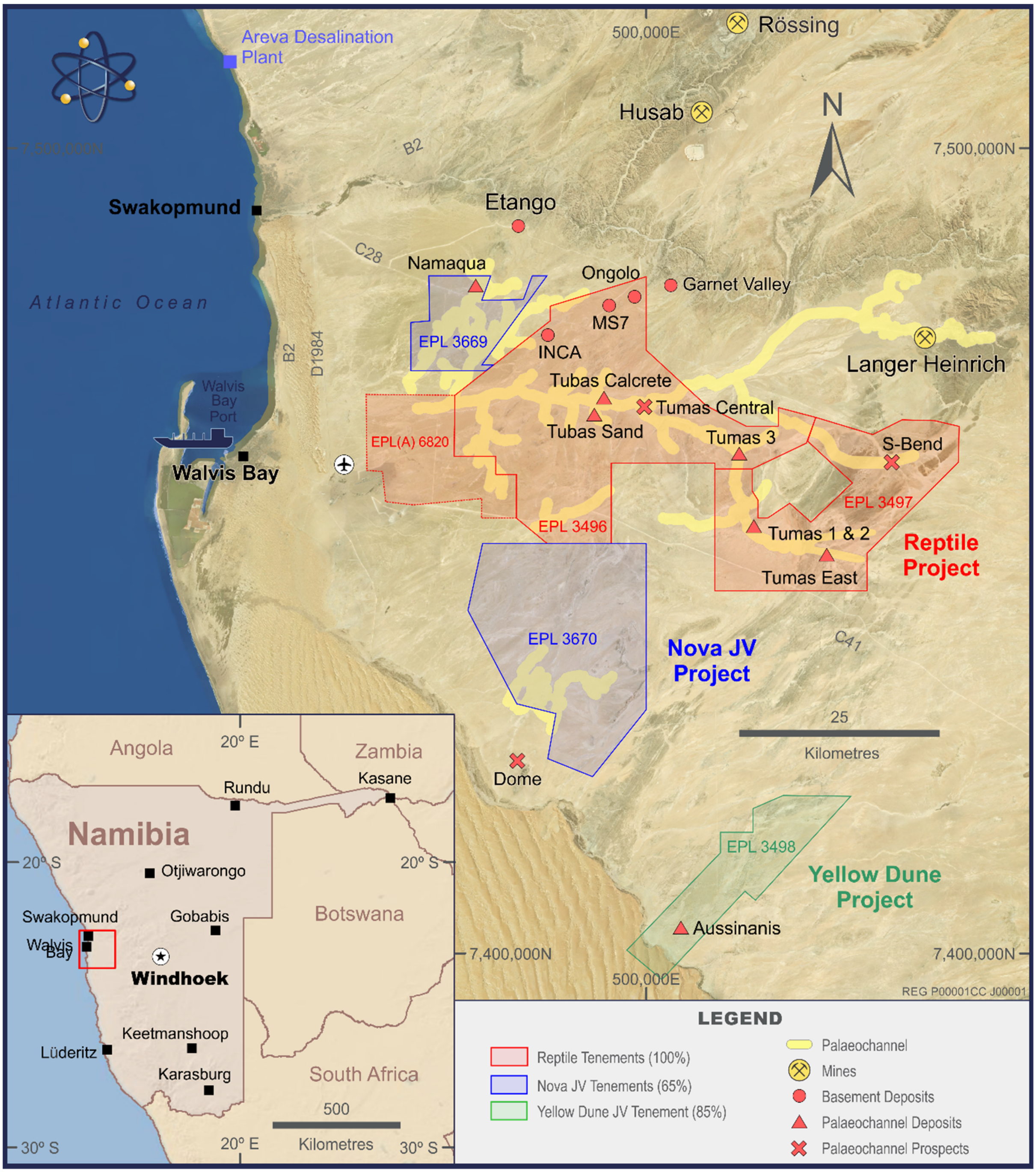


Figure 1: Locality map showing Deep Yellow's interests in Namibia as well as uranium mines and projects held by other companies in the region

REPTILE URANIUM PROJECT (EPLs 3496, 3497) – 100%

The highly prospective 125km Tumas palaeochannel that has been delineated and which is the main target for Langer Heinrich-type mineralisation across the Reptile project area is the focus of the ongoing exploration. In addition to the discovery of the Tumas 3 uranium occurrence, where new uranium resources were defined in the previous year, further deposits were discovered in the Tumas 1 East area where a series of mineralised tributaries have been identified, continuing to expand the resource base of this project. Seven tributaries were identified in the 12 months of drilling.

The Tumas 1 & 2 deposit, the Tubas Red Sands/calcrete deposits, the Tumas 3 deposit and the newly discovered Tumas 1 East tributary deposits have continued increasing resources in the Measured, Indicated and Inferred JORC resource categories occurring within this extensive palaeodrainage system. The regionally prospective 125km palaeochannel system has identified numerous prospective exploration targets of which only 65km has been adequately tested (see Figure 2) leaving approximately 60km remaining to be investigated.

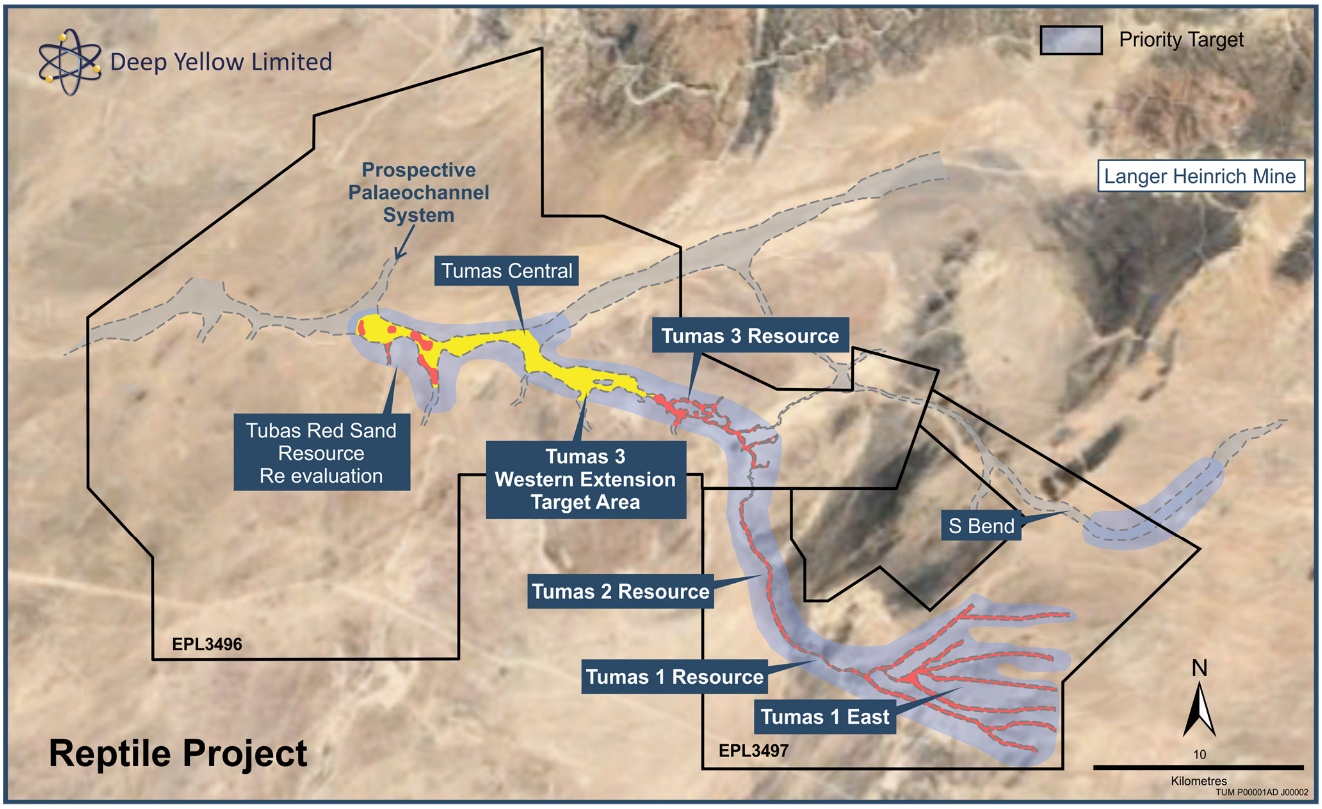


Figure 2: EPLs 3496, 3497, 3669 and 3670 showing the new discoveries associated with the Tumas 1 East tributary areas and previously identified uranium deposits and prospects within the extensive occurring palaeochannel system.

Tumas 1 East, Tumas 3 West and Tumas1 & 2 Drilling to Increase Uranium Resource Base

In the 12 months to June 2019, drilling programs successfully completed testing for extensions to the Tumas 1, 2, 3 deposits and investigating the newly discovered Tumas 1 East tributary extensions on EPL3497. With the semi-regional exploration included, this totalled 853 RC holes for 12,664m. All holes were down-hole gamma logged by a fully calibrated AUSLogger and all down-hole gamma data were converted to equivalent uranium values in ppm (eU_3O_8 ppm).

The drilling of the Tumas 1 East extension zone in Tributary 5 has delineated a further 6km of uranium mineralisation in calcrete-rich fluvial sediments occurring within the prospective palaeochannel system. Drilling in Tumas 3 West, Tumas 1 & 2 and Tumas 1 East amounted to 658 holes designed to define extensions to mineralisation. Of these holes, 370 of the 658 returned positive results (defined as greater than 100ppm U_3O_8 over 1m) – a 56% success rate.

S Bend and Tumas Central Drilling for Semi-Regional Exploration

During the year, 195 semi-regional exploration RC holes for 1,319m were completed at the S Bend prospect and 3 of the previously defined 7 semi-regional target zones at the Tumas Central zone. A total of about 20km of prospective palaeochannels were identified extending the regional targets to well over 120km of palaeochannels. Promising uranium mineralisation was intersected in a tributary to the main channel located approximately 3km north of the Tubas Red Sand deposit, warranting follow-up work. There is therefore significant potential to define additional resources west of the Tumas 3 deposit. In addition, some distant outlying mineralised holes from previous drilling strongly justifies continuing drilling to determine the full extent of Tumas 3 and also to commence testing of the palaeochannel between Tumas 3 and Tubas Red Sand Deposit, a distance of approximately 50km of highly prospective palaeochannel.

EPLs 3496, 3497 - Renewal Granted Post Reporting Period

Renewal applications for EPLs 3496 and 3497 for a further statutory two years were submitted in March 2019 to the Ministry of Mines and Energy (MME), prior to their expiry date in June 2019. The Company received notification in August from the MME that these renewals had been granted until 4 August 2021.

NOVA JOINT VENTURE (EPLs 3669, 3670)

JOGMEC Earn-In

The tenements EPL3669 and EPL3670 comprise the Nova Joint Venture (NJV) held in the corporate entity Nova Energy (Namibia) (Pty) Ltd in which RMR holds 65% (Manager), Nova Energy Africa Pty Ltd (wholly owned subsidiary of Toro Energy Limited, ASX listed) 25% and Sixzone Investments (Pty) Ltd 10%.

As advised in the previous year, Deep Yellow and its partners entered into a strategic earn-in agreement with JOGMEC to participate in the NJV. The NJV adjoins Deep Yellow's 100% owned Reptile project (EPLs 3496, 3497) where significant uranium resources have been defined and reported. Under the terms of the NJV, JOGMEC began solely funding expenditure from November 2016.

JOGMEC can earn a 39.5% interest in the project through the expenditure of A$4.5M within four years. RMR remains the NJV manager. Following the JOGMEC earn-in, the new equity distribution in the NJV will be JOGMEC 39.5%, RMR 39.5%, Nova Africa 15% and Sixzone 6%. JOGMEC will earn no equity unless it meets the full A$4.5M expenditure obligation. The remaining JV participants will be free-carried until this expenditure commitment is satisfied and thereafter the other parties will be required to contribute on a pro-rata basis (except for Sixzone, whose 6% share will be carried and paid back from future dividends).

The NJV area is considered prospective for both basement related alaskite-associated uranium targets (e.g. Rössing/Husab), skarn-type (e.g. Inca) and palaeochannel-related surficial calcrete uranium targets (e.g. Langer Heinrich).

Activities

Deep Yellow completed 5,735m of reverse circulation (RC) drilling on the NJV Project during the year. A total of 125 holes were completed with an average depth of 46m. Approximately half of these holes were designed to extend mineralisation previously located at the Namaqua palaeochannel deposit and to define the Iguana leucogranite-hosted deposit. The remaining holes tested several palaeochannels recognised from historic airborne electromagnetic surveys (Bowsprit, Berger's Cape, Day Gecko), basement-hosted targets (Barking Gecko, Cape Flat and Meerkat Hill) and surficial carnotite occurrences (Agama, Bungarra) that could be related to either palaeochannel or basement mineralisation. Drilling of basement-hosted and surficial targets were preceded by ground radiometric surveys to optimise drillhole positioning.

Geological mapping continued in order to support conceptual targeting, particularly for basement-hosted (alaskite- and skarn-hosted) mineralisation. The three high resolution airborne magnetic surveys completed in May provided crucial lithological information in covered areas. The airborne magnetic imagery was interpreted by local consultant Dr Klaus Knupp supported by field observations by Deep Yellow geologists.

Figure 3 shows the NJV tenements and the prospect locations.

Palaeochannel Targets: Drilling focussed on establishing the extent of the Namaqua mineralisation, with 42 holes completed on four sections for 1,140m (34% of total holes drilled). Uranium mineralisation has now been intersected in seven holes over a strike length of 800m, but grades and thicknesses are not sufficient to justify further investigation. The best intersection obtained this year was 3m at 107ppm eU_3O_8 in hole TN057RC as determined by a fully calibrated Auslog down-hole gamma logging unit.

Scout drilling was undertaken on several section lines within the southern portion of the Bowsprit channel (which hosts the Namaqua prospect to the north), the Berger's Cape channel on EPL3669 and the Day Gecko palaeochannel on EPL3670 did not identify any significant mineralisation.

Geological mapping identified a significant carnotite occurrence in gypcrete at the Bibron's prospect on EPL3670, and this will be drill tested in FY2020. Pitting has confirmed that mineralisation extends to at least one metre depth.

Basement Targets: Four basement targets were drill-tested this year: Iguana, Barking Gecko, Cape Flat and Meerkat Hill. Most of this drilling (17 holes, 57% of metres) was at the Iguana prospect on EPL3669, where mineralisation was demonstrated over a strike length of 1km in three sub-parallel linear zones. Despite some encouraging intersections the narrowness of the mineralised zones suggests that Iguana is unlikely to be of economic interest.

Drilling at Barking Gecko (EPL3669; 4 holes, 202m), at Cape Flat (3 holes, 375m) and at Meerkat Hill on EPL3670 (4 holes, 490m) all returned disappointed results and all holes were barren. This has led to a revised exploration strategy based on the methodology used to discover the giant Husab deposit, namely systematic shallow drilling on lines spaced at 1.5km apart. This will allow cost-effective testing of large prospective areas identified by the Company's ongoing geological mapping campaign.

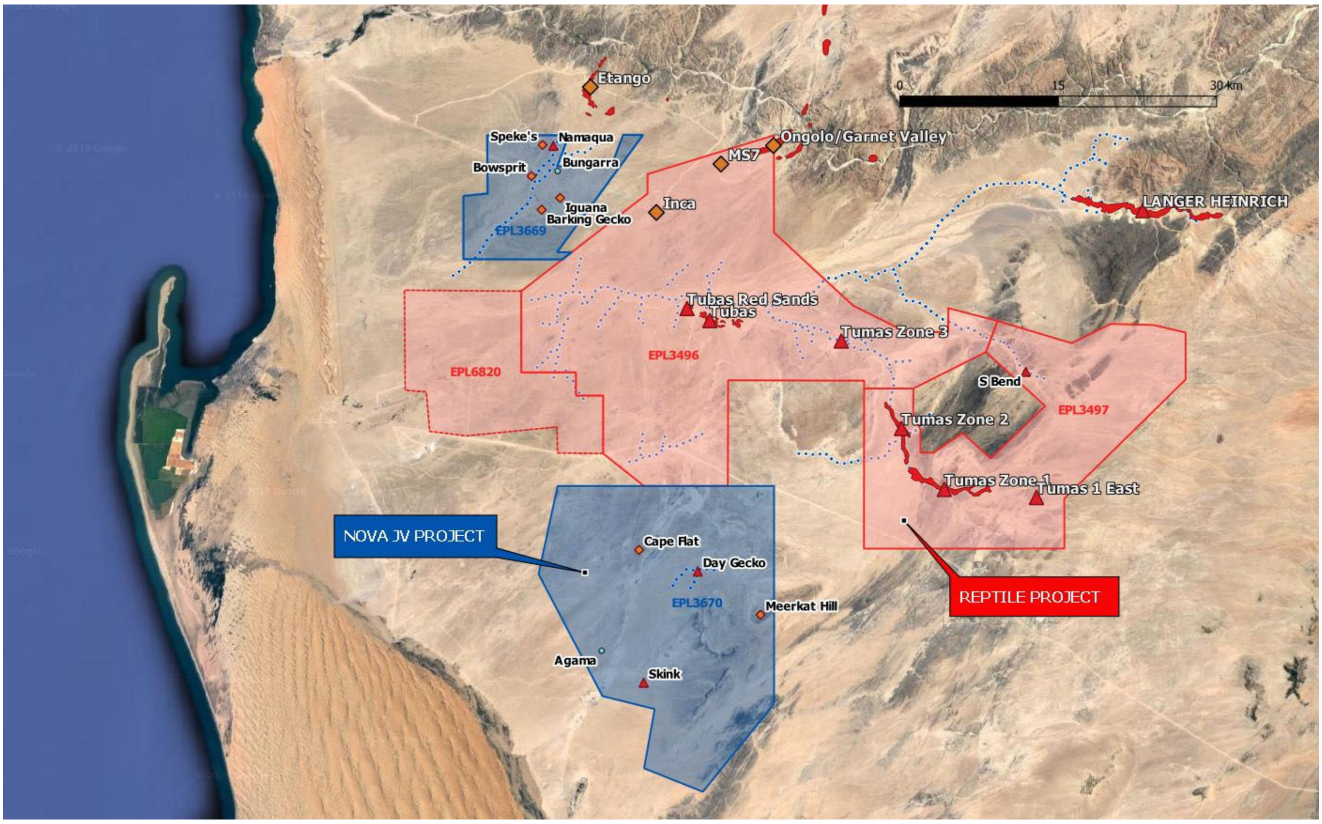


Figure. 3: Nova JV prospect location map showing the location of prospects. Red triangle – palaeochannel, orange diamond – basement.

YELLOW DUNE JOINT VENTURE (EPL 3498)

The parties to the Yellow Dune Joint Venture (YDJV) are Yellow Dune Uranium Resources (Pty) Ltd, a wholly owned subsidiary of Reptile Uranium Namibia (Pty) Ltd (RUN) (85%), Oponona Investments (Pty) Ltd (10%) and Epangelo Mining Company (Pty) Ltd (5%).

As previously reported, EPL3498 is considered fully explored and that there is no further potential for additional discovery to add to the existing resources that have been defined. Due to the depressed uranium outlook, an application has been made for a Mineral Deposit Retention Licence (MDRL) to secure the area containing the resource within EPL3498. Economic studies show that a mining operation at the current prevailing low uranium prices is not viable. Approval for grant of the MDRL is being awaited.

TUMAS 1 EAST, 1 & 2, 3 UPDATED MINERAL RESOURCE STATUS

In March 2019, the Company advised an updated Mineral Resource Estimate (MRE) for its newly discovered Tumas 1 East, Tumas 1, Tumas 2 and Tumas 3 deposits. This work declared a maiden Inferred Resource for Tumas 1 East (see Figure 3) improving the palaeochannel resources of these Tumas deposits substantially by a factor of 51% to 64.7Mlb of Measured, Indicated and Inferred Resources at 352ppm U_3O_8 using a 200ppm cut-off.

The MRE was carried out with Ordinary Kriging using various cut-off grades ranging from 100ppm to 250ppm eU_3O_8. The resulting Inferred Resources using these cut-off grades indicate the mineralisation is robust and consistent.

The MRE for the Tumas 1E, 1, 2 and 3 deposits using various cut off grades is shown in Table 1 below and deposit locations are shown in Figure 3.

Cut-off (ppm U_3O_8)	Tonnes (M)	U_3O_8 (ppm)	U_3O_8 (Mlb)
100	185.5	243	99.6
150	132.3	290	84.7
200	**86.6**	**352**	**67.4**
250	57.3	423	53.4

Table 1. *Tumas 1E, 1,2 and 3 – JORC 2012 MRE Inferred Resources at various cut-off grades.*

Note: Figures have been rounded and totals may reflect small rounding errors.
eU_3O_8 - equivalent uranium grade as determined by downhole gamma logging.

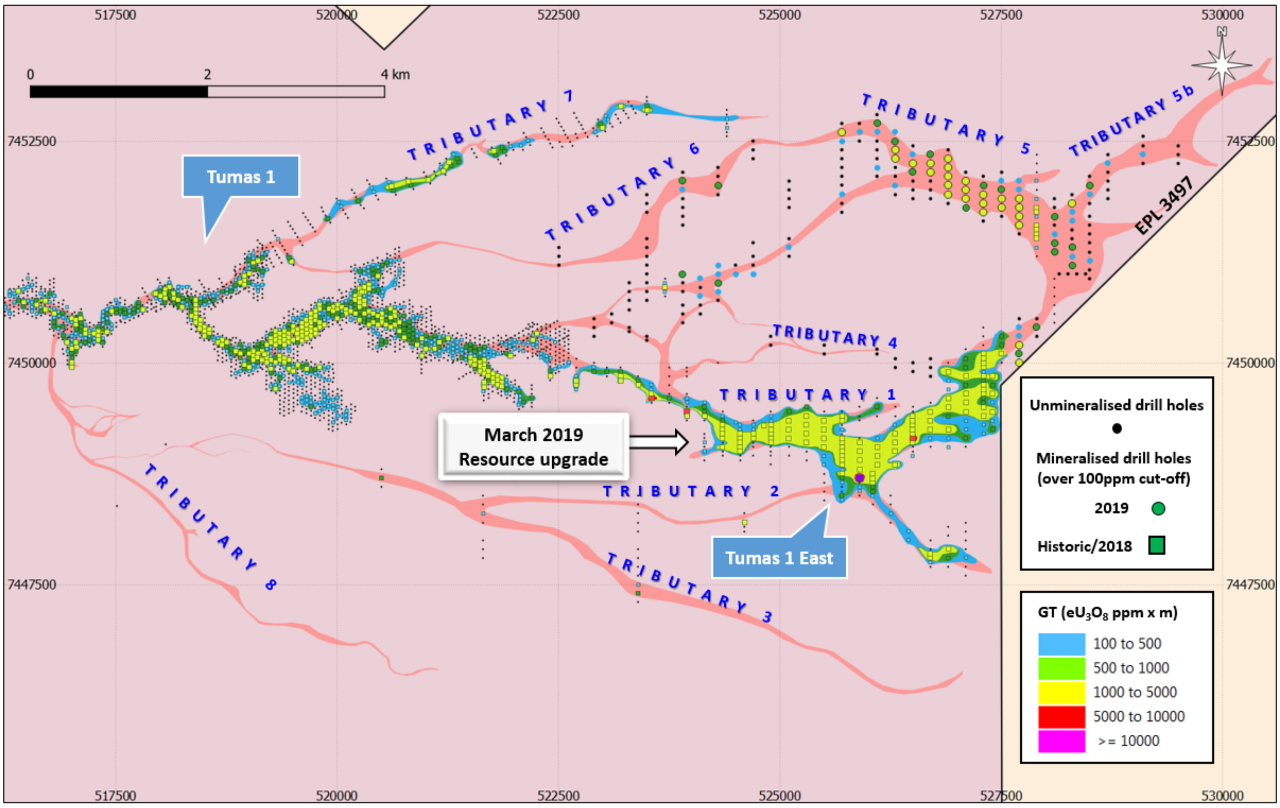


Figure 3: Tumas I East Drill hole Locations showing Tributaries 1 and 2 Deposits with eU_3O_8 grade thickness values (GT: e U_3O_8ppm x m)

The combined overall Tumas palaeochannel including the Tubas Red Sands/calcrete resource now totals 86.2Mlb eU_3O_8 at 310ppm over EPLs 3496/97 as shown in Table 2. The 200ppm eU_3O_8 cut-off has been selected as being the most appropriate for headline reporting of the resource estimations. This table also shows increases that have been achieved for palaeochannel Mineral Resource Estimates during the past two years.

Table 2. Tumas 1 & 2 and 3 - current and previous JORC 2012 MRE - Indicated, Measured and Inferred Resources at 200ppm eU_3O_8 cut off

Tumas 1, 2 and 3 Resources			July 2018 Status			March 2019 Status		
Tumas 3 Deposit (2017/18 Resource) - JORC 2012						Tumas 3 Deposit		
Deposit	**Category**		**Tonnes (M)**	**Grade (ppm)**	**U_3O_8 Mlb**	**Tonnes (M)**	**Grade (ppm)**	**U_3O_8 Mlb**
Tumas 3 Expanded	Inferred		37.5	377	31.2	39.7	378	33.1
Sub Total			**37.5**	**377**	**31.2**	**39.7**	**378**	**33.1**
Tumas Project - JORC 2012						Tumas Project		
Tumas 1 & 2	Measured		9.7	386	8.2	10.8	383	9.1
Tumas 1 & 2	Indicated		6.5	336	4.8	5.5	333	4.0
Tumas 1 & 2	Inferred		0.4	351	0.3	5.7	211	2.7
Tumas 1 - East	Inferred		-	-	-	25	335	18.5
Sub Total			**16.6**	**366**	**13.3**	**47**	**331**	**34.3**
Tumas 1, 2 and 3	**Total**		**54.1**	**372**	**44.5**	**86.7**	**352**	**67.4**

Note: *Figures have been rounded and totals may reflect small rounding errors.*
eU_3O_8 - equivalent uranium grade as determined by downhole gamma logging.
Gamma probes were calibrated at the Langer Heinrich uranium mine test pit.
During drilling, probes were checked daily against a standard source.

OVERALL MINERAL RESOURCE ESTIMATES

The overall resource base of Deep Yellow incorporating the latest Mineral Resource Estimates classified under JORC 2012 are indicated in the Annual Mineral Resource Statement (refer Table 3). This latest addition to the Tumas palaeochannel uranium mineral resource base has increased the Company's total surficial calcrete-related Mineral Resources over its Namibian projects by a significant 51%. Importantly, since the new exploration approach was applied from November 2016, the overall palaeochannel-hosted resources have been doubled over its Namibian projects totalling 104.2Mlb U_30_8 fully vindicating the change of focus to achieving uranium resource increase within the expanded, extensive, regionally-occurring palaeochannel-related exploration target.

The JORC 2004 classified resources have not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, however they are being progressively reviewed to bring all resources up to JORC 2012 standards.

Competent Person Statement

Exploration Results and Mineral Resource Estimate

The information in this report that relates to Exploration Results and the Tumas Mineral Resource Estimate is based on information compiled and work completed by Mr Martin Hirsch, M.Sc. Geology, who is a member of the Institute of Materials, Minerals and Mining (UK) and the South African Council for Natural Science Professionals. Mr Hirsch who is a shareholder and performance rights holder and is the Manager Resources and Pre-development for Reptile Mineral Resources and Exploration (Pty) Ltd, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). Mr Hirsch consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Geophysics Component

Deconvolution was used to convert the current down-hole gamma data from the Tumas 3 project to equivalent uranium values (eU_3O_8) and was performed by experienced in-house personnel from Deep Yellow and subsequently checked and validated by Matt Owers, a geophysicist who is knowledgeable in this process and works as a consultant for Resource Potentials with over 5 years of relevant experience in the industry. Mr Owers is a member of Australian Institute of Geoscientists and has sufficient experience with this type of processes to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). Mr Owers consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Where the Company refers to the other JORC 2012 resources in this report, it confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and all material assumptions and technical parameters underpinning the resource estimates and those original announcements continue to apply and have not materially changed.

Annual Mineral Resource Statement

TABLE 3 - JORC 2004 AND 2012 MINERAL RESOURCE ESTIMATE

Deposit	Category	Cut-off (ppm U_3O_8)	Tonnes (M)	U_3O_8 (ppm)	U_3O_8 (t)	U_3O_8 (Mlb)	Resource Categories (Mlb U_3O_8)		
							Measured	Indicated	Inferred
BASEMENT MINERALISATION									
Omahola Project - JORC 2004									
INCA Deposit ♦	Indicated	250	7.0	470	3,300	7.2	-	7.2	-
INCA Deposit ♦	Inferred	250	5.4	520	2,800	6.2	-	-	6.2
Ongolo Deposit #	Measured	250	7.7	395	3,000	6.7	6.7	-	-
Ongolo Deposit #	Indicated	250	9.5	372	3,500	7.8	-	7.8	-
Ongolo Deposit #	Inferred	250	12.4	387	4,800	10.6	-	-	10.6
MS7 Deposit #	Measured	250	4.4	441	2,000	4.3	4.3	-	-
MS7 Deposit #	Indicated	250	1.0	433	400	1	-	1	-
MS7 Deposit #	Inferred	250	1.3	449	600	1.3	-	-	1.3
Omahola Project Sub-Total			**48.7**	**420**	**20,400**	**45.1**	**11.0**	**16.0**	**18.1**
CALCRETE MINERALISATION									
Tumas 3 Deposit - JORC 2012									
Tumas 3 Deposits	Inferred	200	39.7	378	15,000	33.1			
Tumas 3 Deposits Total			**39.7**	**378**	**15,000**	**33.1**	-	-	33.1
Tubas Sand Project - JORC 2012									
Tubas Sand Deposit #	Indicated	100	10.0	187	1,900	4.1	-	4.1	-
Tubas Sand Deposit #	Inferred	100	24.0	163	3,900	8.6	-	-	8.6
Tubas Sand Project Total			**34.0**	**170**	**5,800**	**12.7**			
Tumas Project - JORC 2012 (Tumas 1 & 2, and Tumas 1 East Tributaries)									
Tumas Deposit ♦	Measured	200	11	383	4,100	9.1	9.1	-	-
Tumas Deposit ♦	Indicated	200	5	333	1,700	4	-	4	-
Tumas Deposit ♦	Inferred	200	30.8	312	9,700	21.2	-	-	21.2
Tumas Project Total			**46.8**	**332**	**15,500**	**34.3**			
Tubas Calcrete Resource - JORC 2004									
Tubas Calcrete Deposit	Inferred	100	7.4	374	2,800	6.1	-	-	6.1
Tubas Calcrete Total			**7.4**	**374**	**2,800**	**6.1**			
Aussinanis Project - JORC 2004									
Aussinanis Deposit ♦	Indicated	150	5.6	222	1,200	2.7	-	2.7	-
Aussinanis Deposit ♦	Inferred	150	29.0	240	7,000	15.3	-	-	15.3
Aussinanis Project Total			**34.6**	**237**	**8,200**	**18.0**			
Calcrete Projects Sub-Total						**104.2**	**9.1**	**10.8**	**84.3**
GRAND TOTAL RESOURCES			**211.2**	**323**	**67,700**	**149.3**			

Notes: *Figures have been rounded and totals may reflect small rounding errors.*

XRF chemical analysis unless annotated otherwise.

♦ eU_3O_8 - equivalent uranium grade as determined by downhole gamma logging.

 # Combined XRF Fusion Chemical Assays and eU_3O_8 values.

Where eU_3O_8 values are reported it relates to values attained from radiometrically logging boreholes.

Gamma probes were calibrated at Pelindaba, South Africa in 2007 and sensitivity checks are conducted by periodic re-logging of attest hole to confirm operation between 2008 and 2013.

During drilling, probes are checked daily against standard source.

ANNUAL MINERAL RESOURCE STATEMENT (continued)

Review of Material Changes

As outlined on pages 8 and 9 on 27 March 2019 the Company advised an expanded 51% increase in the Mineral Resource Estimate of 67.4Mlb grading 352ppm eU_3O_8 for Tumas 1 and 2, Tumas 1 East and Tumas 3.

Other than the above noted change there were no material changes from the prior year.

Governance and Internal Controls

The Company maintains thorough QAQC protocols for conducting exploration, site practice, sampling, safety, monitoring and rehabilitation which are documented in the company's various standard operating procedure manuals (SOPs).

Drilling methods vary according to the nature of the prospect under evaluation. These can include auger, sonic, air core or reverse circulation drilling for unconsolidated formations; to reverse circulation (hammer) and diamond core drilling (HQ & NQ) for hard rock formations. Typically, resource estimations are based on a mix of downhole radiometric sampling and chemical assaying. Assay samples are collected over one metre intervals. Radiometric data is acquired at 5 cm intervals and composited to one metre intervals. Where statistical validation confirms radiometric and chemical assay equivalence, the resource estimate is primarily based on the radiometric data.

All radiometric data is acquired digitally by in-house personnel trained to operate the Company's fleet of Auslog downhole probes. These probes are calibrated at the Pelindaba pits in South Africa. QAQC controls for radiometrically acquired data comprises daily calibration sleeve checks and periodic comparison at a Reptile Uranium Namibia (Pty) Ltd test hole in Namibia. Assay samples are acquired by a three-tier riffle splitter or cone splitter at the drill site. Duplicate samples are inserted at 1:20 frequency. Diamond core samples are assayed as quarter-core over one metre intervals. External laboratories (ALS South Africa) assay for uranium by either pressed powder XRF or fused bead XRF. Characterisation of radiometric equilibrium is periodically assessed by submission of samples to ANSTO Minerals Laboratory in Sydney, Australia.

Drill hole collars are DGPS-surveyed by in-house operators, after an initial pick-up by hand-held GPS. Downhole directional surveys are outsourced to independent contractors.

Drill hole sample logging captures a suite of lithologic, alteration, mineralogic and hand-held radiometric data, at one metre intervals. This data is captured as permanent hard copy prior to digital input onto an in-house GBIS database. The parallel collection of drill sample and wireline probe data enables error recognition in depth discrepancies and confirmation of sampling accuracy.

Drill plans and sections generated from drilling and surface mapping are used to constrain wireframe mineralisation models; upon which resource estimations are made. Resource estimations for currently quoted prospects have been calculated by internal qualified staff or independent third party consultants.

Competent Person Statement

The information in this Annual Mineral Resource Statement is based on and fairly represents information and supporting documentation prepared or reviewed and compiled by Mr Martin Hirsch, a Competent Person who is a Member of the Institute of Materials, Mining and Metallurgy (IMMM) in the UK. Mr Hirsch, who is a shareholder and performance rights holder and is currently the Manager Resources and Pre-development for Reptile Mineral Resources and Exploration (Pty) Ltd, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hirsch consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

SAFETY, HEALTH, ENVIRONMENT & RADIATION

Deep Yellow and each of its subsidiaries is committed to provide and maintain a safe and healthy work environment, with the target of “zero” incidences of occupational injuries and illnesses in the workplace. The Company believes that attaining a high level of performance in occupational health and safety is critical to the long-term success of its business.

Safety is prioritised in the working environment by implementing control measures to prevent any injury or even fatality. Employees are encouraged to report all near misses in order to eliminate risks. Employees’ and contractors’ working hours accumulated to nearly 65,000 hours in the reporting period with no lost time injury or fatality recorded.

For its excellent safety performance, Reptile Mineral Resources and Exploration (Pty) Ltd (RMR) (the operating Namibian subsidiary) was awarded the Inter-Mining Safety Certificate (Category 2 - Exploration Companies) by the Chamber of Mines. The award was presented to RMR at the 2019 Mining Expo held in Windhoek in May 2019.

Environmental management remains integral to the Namibian operations in accordance with the Namibian Environmental Management Act No 7 of 2007 and RMR’s Environmental Management Plan. The Company has taken a structured and organised approach with well-defined programmes, responsibilities and commitment aiming at effectively protecting the environment and minimising the impacts of its operations on the environment.

Amongst other activities, RMR:

- provided induction and toolbox meetings to all employees and contractors;
- assessed the environmental sensitivity of new prospecting targets;
- avoided and/or minimised damage or disturbance to native fauna and flora;
- rehabilitated disturbed areas;
- monitored indigenous Welwitschia plants to assist with identifying any disturbances;
- collected weather data; and
- satellite-tracked vehicle movements.

The Environmental Control Officer ensured that these programmes were effectively implemented with the results reported bi-annually to Ministry of Environment in a timely manner.

RMR’s exploration licences are in good standing with all having valid Environmental Clearances Certificates issued.

As a specialist uranium company, Deep Yellow adopts the ALARA (**A**s **L**ow as **R**easonably **A**chievable) principle to ensure that exposure of ionizing radiation to its employees, contractors, the public and the environment are minimised.

RMR’s Radiation Safety Officer ensured compliance with the Atomic Energy and Radiation Protection Act 5 of 2005 and adherence to its Radiation Management Plan (RMP), which details the radiation safety requirements including:

- radiation induction for all employees, contractors, and visitors;
- Personal Protective Equipment and behavioural measures;
- occupational radiation exposure monitoring;
- area gamma exposure monitoring;
- surface contamination monitoring;
- public exposure monitoring; and
- environmental monitoring.

All radiation safety matters and monitoring results were reported to the Namibian Radiation Protection Authority in March 2019.

Gamma radiation exposure: Thermo-Luminescent Dosimeters (TLDs) were used to monitor individual gamma exposure of employees and contractors. The TLDs were worn over 8-week cycles, after which they were collected and submitted to the South African Bureau of Standards for analysis.

Long-lived radioactive dust (LLRD) exposure: SKC Personal Dust Pump & Ludlum Alpha/Beta Data Loggers (Model 2360) were used to determine radiation exposure due to the inhalation of LLRD.

The highest recorded radiation exposure dose of RMR workers due to inhalation of LLRD and direct gamma radiation was 1.08 mSv/a for a field assistant. No cases of radiation over-exposure occurred during the reporting period as all recorded doses were well below both RMR’s internal dose limit of 5mSv/a and the legal occupational dose limit of 20mSv/a.

Throughout the year, RMR was fully compliant with its RMP, thereby ensuring that workers, the general public and the environment were effectively safeguarded against potential harmful effects that may have been caused by any incremental exposure to ionising radiation due to operational activities. In this regard, no radiation incidents were recorded.

CORPORATE SOCIAL RESPONSIBILITY

Whilst the purpose of the Deep Yellow Group of Companies (the Group) is to create value for its shareholders, this cannot be achieved without the important pillars of economic, environmental and social values which all contribute to corporate success.

It is vitally important that the Group contributes to the growth and prosperity of those countries in which it operates and, within the capacity that is possible, responds to the needs of its communities.

The Group's operations are currently centred in Namibia and therefore the CSR activity is focussed in that country under the Reptile Mineral Resources and Exploration (Pty) Ltd (RMR) banner. A detailed report for the year ended June 2019 can be found on the Deep Yellow website.

Overview

RMR's activities were aligned with Namibia's Fifth National Development Plan (NDP5) and the Harambee Prosperity Plan and primarily focussed on:

- fostering early childhood development through educational support;
- empowering communities through sport; and
- promoting a sustainable environment.

In the reporting period, RMR invested close to N$500,000 into community initiatives, a clear commitment to working with those communities in which the Company operates. A summary of the various projects follows.

Early Childhood Development

Mondesa Youth Opportunities (MYO)
MYO is a non-profit, registered Namibian Trust that operates entirely on donations.

120 learners, ranging from Grades 4 to 8, receive extra instruction in English, Mathematics, Reading, Life Skills, Computers, Sports and Music, every day after school, for a period of 5 continuous years. MYO targets high-achieving learners from disadvantaged socioeconomic backgrounds and cultivates positive thinking and high self-esteem to lay the path for a future generation of forward-thinking Namibian leaders.

"Your donation allows MYO to offer free intensive education intervention for students from underprivileged schools here in Swakopmund. Our students can maximize their academic potential this year due to your generous donation and for that we are truly grateful.", Neels Strijdom, Manager at MYO said.

Support for Local Schools
In addition to supporting various fundraising activities, reams of copy paper were donated to a number of local schools. This is in constant shortage due to lack of funds and the large number of worksheets copied daily, replacing text books.

Funding support was also provided to the Stepping Stone Special Education School (Stepping Stone) which is located in Swakopmund and serves as a development centre for learners struggling to reach their developmental milestones. Stepping Stone follows the philosophy of inclusive education for children with autism and related special needs and is the only private school in Namibia that provides specialised, tailor-made education to these children.

Funds were used for school uniforms for both children and teachers to create a feeling of belonging and purpose and add to the element of inclusion. It will also bring some promotion and awareness of the school and autism in Swakopmund.

Empowering Communities Through Sports

Albertus Tsamaseb Boxing Academy (ATBA)
ATBA is a registered non-profit organisation in Swakopmund serving previously disadvantaged community members.

It provides a safe training environment that instils co-operation, athleticism, sportsmanship, commitment and self-confidence in its members.

Over the years ATBA has produced both national and international champions including Jonas Junias Jonas who won a gold medal at the 2018 Commonwealth Games and has been training at the academy since the age of 10. Jonas has already qualified for the 2020 Olympic Games in Japan.

RMR continues to support the academy with the upgrading of its training facility and the provision of uniforms and administrative support.

Supporting a Sustainable Environment

Gobabeb–Namib Research Institute (Gobabeb)
The donation of 40 trail cameras and one acoustics recorder was made to assist in addressing the human-wildlife conflict issues in the Namib Desert. A third-year student in Natural Resource Management at the Namibia University of Science and Technology, currently an intern at Gobabeb, will use the equipment with the specific objectives of evaluating the efficacy of local livestock management strategies to prevent livestock predation; identifying the predator hotspots in the lower Kuiseb, as well as determining if there is a logical association between livestock management practices and predation in the area.

Supporting the human-wildlife conflict study through its social responsibility program contributes to a sustainable environment in the Park as well as capacity building and National development.

Signboards - Namib Naukluft Park
The harsh climate conditions in the Namib Desert, particularly the hot and sunny weather, shortens the lifetime of signboards erected at the entrances to the Namib-Naukluft Park (the Park). These important signboards caution road users and visitors alike about rules applicable when entering the Park.

RMR funded the revamp of three signboards (originally donated by RMR), which were handed over to Park authorities in May. Mr Arnold Uwu-khaeb, Acting Park Warden said: “The Park entrance boards serve as an important awareness tool to the Park’s visitors and road users. Therefore, the Ministry of Environment and Tourism greatly appreciates the efforts made by RMR to educate the public through installing and maintaining the signboards at the entrances to the Park.”

Other Community Activities

Supporting CSR Activities of the Chamber of Mines (CoM) of Namibia
In 2017, the CoM approved the concept of investing in offsets in non-mining regions of Namibia in line with the strategic objectives to broaden the industry’s contribution to social and economic development in regions of the country where there are no mining operations.

To achieve this, CoM members collectively contributed to projects that deliver long-term socio-economic benefits in non-mining areas. Two projects were identified including:

- electrification of the Lubuta and Sachina villages in the Mashi conservancy in the Zambezi Region; and
- financial support to the Shackdwellers Foundation for provision of affordable serviced land to the poor in Oshakati.

Women in Mining Coastal Chapter (WiMAN)
WiMAN was launched in 2017 to create a network that inspires, supports, and develops the advancement of women through providing access to education, skills development, mentorship and representation. The Company supported attendance by staff at the launch of the Coastal Chapter.

GOVERNANCE FRAMEWORK

The Board of Deep Yellow Limited (**Deep Yellow**) has responsibility for corporate governance for the Company and its subsidiaries (the Group) and has implemented policies, procedures and systems of control with the intent of providing a strong framework and practical means for ensuring good governance outcomes which meet the expectations of all stakeholders.

The Corporate Governance Statement, dated 30 June 2019 and approved by the Board on 23 September 2019, sets out corporate governance practices of the Group which, taken as a whole, represents the system of governance.

The framework for corporate governance follows the 3rd Edition of the ASX Corporate Governance Council's Principles and Guidelines. The Directors have implemented policies and practices which they believe will focus their attention and that of their Executives on accountability, risk management and ethical conduct.

The Board has reviewed its policies and procedures to account for the 3rd Edition of the principles as advised by the ASX Corporate Governance Council. The Group has early adopted the 4th Edition and will report against those principles in the 2020 Financial year. DYL will continue to review its policies to ensure they reflect any changes within the Group, or to accepted principles and good practice. The updated policies are available on the Company's website.

Where the Board considers the Group is not of sufficient size or complexity to warrant adoption of all the recommendations set out in the ASX Corporate Governance Council's published guidelines, these instances have been highlighted.

This statement is available on our website, along with the ASX Appendix 4G, a checklist cross-referencing the ASX Principles and Recommendations to disclosures in this statement and copies and summaries of charters, principles and policies referred to in this statement.

The Directors present their report on Deep Yellow Limited (Company) and the entities it controlled at the end of, and during, the year ended 30 June 2019 (the Group).

DIRECTORS

The names and details of the Directors of the Company in office during the financial year and until the date of this report are as set out below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Rudolf Brunovs *FCA FAICD MBA*
Non-executive Chair

Mr Brunovs is a highly experienced Chartered Accountant and Director with more than 35 years of experience in business. He is a former audit partner of the international accounting firm Ernst & Young and for 12 years held the position of Managing Partner, first of the firm's Parramatta office and followed by the Perth office. He was also a member of the Minerals and Energy Division within Ernst & Young. Mr Brunovs has been a Director of Lions Eye Institute, a major WA based not for profit organisation, for more than 10 years and is a director of a privately-owned biotechnology company based in Perth. He holds a Masters of Business Administration from Bowling Green State University in Ohio and is a Fellow of both the Institute of Chartered Accountants of Australia and New Zealand and the Australian Institute of Company Directors.

Mr Brunovs joined the Deep Yellow Board in August 2007 and was elected Non-executive Chairman in January 2016.

Mr Brunovs is the Chair of the Audit Committee.

John Borshoff B.Sc., F.AusIMM, FAICD
Managing Director/CEO

Mr Borshoff is an experienced mining executive and geologist with more than 30 years of uranium industry experience. He spent more than a decade at the start of his career as a senior geologist and manager of the Australian activities of German uranium miner Uranerz. In 1993, following the withdrawal of Uranerz from Australia, Mr Borshoff founded Paladin Energy Ltd (Paladin). He built the company from a junior explorer into a multi-mine uranium producer with a global asset base and valuation of more than US$5 billion at its peak.

At Paladin, Mr Borshoff led the team that completed the drill out, feasibility studies, financing, construction, commissioning and safe operation of the first two conventional uranium mines built in the world for 20 years. He also oversaw numerous successful, large public market transactions including acquisitions and major capital raisings before leaving Paladin in 2015.

Mr Borshoff is recognised as a global uranium industry expert and has a vast international network across the uranium and nuclear industries, as well as the mining investment market. He has a Bachelor of Science (Geology) from the University of Western Australia and is a Fellow of both the Australian Institute of Company Directors and the Australasian Institute of Mining and Metallurgy.

Mr Borshoff serves on the Risk Committee (appointed 29 June 2017).

Gillian Swaby *BBus FGIA FAICD AAusIMM*
Executive Director

Ms Swaby is an experienced mining executive with a broad skillset across a range of corporate, finance and governance areas.

She has spent more than 30 years working with natural resources companies in numerous roles including Chief Financial Officer, Company Secretary, Director and corporate advisor. Ms Swaby worked at Paladin for the period 1993 – 2015 in the capacity as Executive Director for 10 years and as GM – Corporate Affairs. She had a key role in managing the company's growth through mine development, operation, acquisition and exploration. This role included responsibility for the company's complex corporate, legal, human relations and corporate social responsibility programs as an operating uranium miner in multiple African countries.

Ms Swaby holds a Bachelor of Business (Accounting) and is a Fellow of the Australian Institute of Company Directors (AICD), the Institute of Chartered Secretaries and Administrators, and the Governance Institute of Australia. She is a member of the WA Council of the Australian Institute of Company Directors.

Ms Swaby serves on the Risk Committee (appointed 29 June 2017).

During the past three years Ms Swaby has also served as a Director of the following listed companies:
Comet Ridge Limited - appointed 9 January 2004. *
Birimian Limited – appointed 26 April 2017; resigned 13 November 2018.

Mervyn Greene *MA (Maths) BAI (Engineering) MBA*
Non-executive Director

Mr Greene is an experienced investment banker and entrepreneur who has been working in investment markets in Africa, Europe and the United States for more than 30 years. His most recent experience has focussed on private equity investment in a range of sectors, including property. He currently serves as Managing and Museum Director of EPIC, The Irish Emigration Museum and is co-founder and Chairman of Dogpatch Labs, Ireland's leading tech start-up hub. Both businesses are located in Dublin, Ireland.

From 1997 – 2005 Mr Greene was the London-based partner of Irwin Jacobs Greene, one of Namibia's premier stockbroking, private equity and corporate finance advisory firms. Prior to this Mr Greene worked for investment bank Morgan Stanley in New York and London. Mr Greene has a Masters in Mathematics and Bachelor in Engineering from Trinity College in Dublin. Mr Greene also has a Masters of Business Administration from London Business School.

Mr Greene was appointed to the Deep Yellow Board in November 2006 and was Chairman from August 2007 to August 2013.

Mr Greene serves on the Audit Committee and Remuneration Committee (appointed 1 January 2017).

Christophe Urtel M.Sc., B.Sc.
Non-executive Director

Mr Urtel has 20 years of experience in the natural resources sector and is currently Group Head of Corporate Development for Anglo American.

Prior to joining Anglo American he was Head of Strategy and Capital (EMEA) for commodity trader Noble Group Limited, a Fund Manager at Laurium LP and an Executive Director in J.P. Morgan's Principal Investment franchise in London, responsible for natural resources investments. Previously Mr Urtel worked in J.P. Morgan and its predecessor organisations from 1999 – 2008, specialising in providing M&A, equity capital market and debt capital market advice to companies in the metals and mining sector.

Mr Urtel graduated with a Masters in Mining and Finance and Bachelor of Science (Geology with Engineering Geology) from the Royal School of Mines, Imperial College, London.

Mr Urtel joined the Deep Yellow Board in October 2012.

Mr Urtel serves on the Remuneration Committee and has been the Chair since 1 January 2017.

Justin Reid B.Sc., M.Sc., MBA
Non-executive Director

Mr Reid is a geologist and capital markets executive with more than 20 years of experience focused exclusively in the mineral resources sector. He has held a number of senior executive roles, including President and Director of Sulliden Gold Corporation, until its acquisition of Rio Alto Mining in 2014, President and CEO of Toronto-listed Sulliden Mining Capital Inc which acquires and develops mining projects in the Americas. He is now CEO of Troilus Gold a development stage resource company focusing in Northern Quebec.

Mr Reid started his career as a geologist with SGS and Cominco Limited, before becoming a partner and senior mining analyst at Cormark Securities in Toronto.

Mr Reid holds a Bachelor of Science (Geology) from the University of Regina, a Masters from the University of Toronto and a Masters of Business Administration from the Kellogg School of Management at Northwestern University.

Mr Reid joined the Deep Yellow Board in October 2016.

Mr Reid serves on the Audit and Remuneration Committees (appointed 1 January 2017 to both) and is Chair of the Risk Committee (appointed 29 June 2017).

During the past three years Mr Reid has also served as a Director of the following listed company:
Aguia Resources Ltd - appointed 7 April 2015 resigned 5 August 2019

* Denotes current directorship

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Interests in the Shares and Options of the Company

As at the date of this report, the Directors' interests in shares and options of the Company were:

Director	Number of Ordinary Shares	Number of Options over Ordinary Shares
Rudolf Brunovs	484,370	-
John Borshoff	8,426,407	-
Gillian Swaby	4,925,779	-
Mervyn Greene	2,774,192	-
Justin Reid	-	-
Christophe Urtel	842,832	-

Company Secretary

Mark Pitts *BBus FCA, GAICD*

Mr Pitts is a Chartered Accountant with more than 30 years' experience in business administration, statutory reporting and corporate compliance.

He is a partner in the advisory firm Endeavour Corporate where he provides company secretarial, accounting, finance and compliance services to publicly listed companies mainly in the resources sector, including Deep Yellow.

Mr Pitts has previously worked at a senior management level in a variety of commercial and consulting roles across a range of industries and started his career at accounting firm KPMG.

He holds a Bachelor of Business from Curtin University, is a registered Company Auditor, a Fellow of the Institute of Chartered Accountants Australia & New Zealand and a graduate of the Australian Institute of Company Directors.

Principal Activities

The principal activities during the financial year of entities within the Group were:

* Exploration activities to progress the 100% owned Reptile Project and the adjacent Nova Joint Venture Project in Namibia with the emphasis to explore for the existence of larger uranium deposits that can be developed as standalone operations.

* Evaluating uranium projects for growth opportunities.

Operating and Financial Review

Review of Operations
A detailed review of the Group's operations by project is set out in the 'Review of Operations' on pages 5 to 12.

Operating Results for the Year
The Group's net loss after income tax for the financial year is $3,814,328 (2018: loss $2,556,350).

Financial Position
At the end of the financial year the Group had $14,975,063 (2018: $10,690,253) in cash and at-call deposits. Capitalised mineral exploration and evaluation expenditure carried forward was $31,831,939 (2018: $29,279,061).

The Group has net assets of $47,489,320 (2018: $40,785,941).

Business Strategies and Prospects for Future Financial Years

Deep Yellow Limited is a clearly differentiated, uranium focused, advanced exploration company that was rejuvenated by the appointment of John Borshoff, founder of Paladin, as CEO in October 2016. Management has a proven track record of being able to deliver on both vision and create considerable shareholder wealth.

The Company has a two-pronged strategy founded firstly on growing the existing uranium resources across its uranium projects in Namibia and secondly, to pursue accretive counter cyclical acquisitions to build a global, multi-project uranium platform much needed with the diminishment of the major producers that has occurred.

Namibia is a top ranked uranium mining jurisdiction where Deep Yellow holds four large cornerstone tenements situated in the heart of what is a world recognised, prospective uranium province containing major uranium deposits which includes the three largest open cut uranium mines worldwide.

Significant achievements in FY19 include further new uranium discoveries this time in the Eastern extension tributary areas of the Tumas 1 deposit with an exciting discovery of a new palaeochannel-related uranium deposit (Tumas 1 East) on its 100% owned project, adding significantly to its calcrete-associated resource base. This discovery, which is associated with the newly identified 125km palaeochannel, confirms the high prospectivity of this regionally occurring channel system justifying continued drilling in the coming years to further enhance the resource base of this target type. The second significant achievement was the capital raising of $11.29M, at a time when uranium companies are finding it difficult to raise funds giving Deep Yellow's competitive advantage amongst its peers.

Significant Events after the Balance Date

During June 2019 the Company raised $9,000,000 through the issue of 29,032,258 fully paid ordinary shares in the Company at an issue price of $0.31 per share to institutional, sophisticated and professional investors (Placement).

In addition to the Placement, the Company offered eligible shareholders the opportunity to participate in a Share Purchase Plan at $0.31 per share to raise up to a further $2,500,000 on similar terms to the Placement on a first come, first served basis. The Share Purchase Plan closed with subscriptions for 5,411,985 ordinary shares raising a further $1,677,700 and shares were issued on 4 July 2019.

Under the terms of the Share Purchase Plan the Board reserved the right to place any shares not subscribed for by eligible shareholders (Shortfall) to qualified investors as a separate placement. Certain institutional and sophisticated investors who participated in the Placement subscribed for a further 1,973,571 shares on the same terms as the Share Purchase Plan to raise a further $611,807 and shares were issued on 9 July 2019.

There have been no further events or circumstances which materially affect the Annual Financial Statements of the Group between 30 June 2019 and the date of this report.

Environmental Regulation and Performance

The Group holds Exclusive Prospecting Licences (EPLs) issued by the relevant authorities of the country in which the Group operates. These EPLs require the holder to observe any requirements, limitations or prohibitions on its exploration operations as may in the interest of the environmental protection, be imposed by the relevant authorities.

The Group needs to adhere to Environmental Contracts entered into with the relevant authorities.

There have been no significant known breaches of the Group's EPLs or Environmental Contracts to which it is subject.

Share Options

Unissued shares
As at the date of this report, there were 62,464,618 unissued ordinary shares under options (62,469,618 at 30 June 2019 ("the reporting date")).

There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Options.

Shares issued as a result of the exercise of options
During the financial year, 5,000 options have been exercised to acquire 5,000 fully paid ordinary shares in the Company at an exercise price of $0.50 per option.

Performance Rights
As at the date of this report, there were 750,048 Performance Rights outstanding (750,048 at the reporting date). Refer to Note 20 for further details of the Performance Rights outstanding.

There are no participating rights or entitlements inherent in the Performance Rights and Performance Right holders will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Performance Rights.

During the financial year, 414,323 shares have been issued at a weighted average issue price of 25.57 cents per share in relation to Performance Rights that vested.

Indemnification and Insurance of Directors and Officers

During or since the financial year, the Company has paid premiums to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors and the Company Secretary named in this report.

The Directors' and Officers' Liability insurance provides cover against all costs and expenses that may be incurred in defending civil proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the financial year.

Directors' Meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year ended 30 June 2019, whilst each Director was in office, and the number of meetings attended by each Director was:

	Directors' meetings		Meetings of Committees					
	Board		Audit		Remuneration		Risk	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Number of meetings held:	14		2		3		1	
Number of meetings eligible and attended:								
Rudolf Brunovs	14	14	2	2	-	-	-	-
John Borshoff	14	14	-	-	-	-	1	1
Gillian Swaby	14	14	-	-	-	-	1	1
Mervyn Greene	14	14	2	2	3	3	-	-
Justin Reid	14	12	2	1	3	3	1	1
Christophe Urtel	14	13	-	-	3	3	-	-

Committee Membership

As at the date of this report, the Company had Audit, Remuneration and Risk Committees as detailed below:

Audit	Remuneration	Risk
Rudolf Brunovs ©	Christophe Urtel ©	Justin Reid ©
Mervyn Greene	Mervyn Greene	John Borshoff
Justin Reid	Justin Reid	Gillian Swaby

Notes
© designates the Chair of the Committee

Non-audit Services and Auditor's Independence Declaration

During the 2019 financial year Ernst & Young, the Group's auditor, has provided non-audit services in addition to their statutory duties. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2011*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young Namibia received the following amounts for the provision of non-audit services:

	A$
Compliance audit	3,007
Total	**3,007**

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 32.

REMUNERATION REPORT (AUDITED)

Contents of the Remuneration Report:

1. Remuneration Report overview
2. Overview of Executive remuneration
   (a) Executive remuneration policies, processes and practices
   (b) Remuneration structures
   (c) Remuneration mix
   (d) Elements of remuneration
   (e) Detail of Executive Incentive Plans
3. Group performance and Executive remuneration outcomes for FY19
4. Remuneration governance
5. Non-executive Director (NED) fee arrangements
6. Statutory and share-based reporting
   (a) Executive remuneration for FY18 and FY19
   (b) NED remuneration for FY18 and FY19
   (c) Disclosures relating to loan plan and ordinary shares
   (d) Other transactions and balances with KMP and their related parties
7. Actual remuneration paid to KMP in FY19

1. Remuneration Report Overview

The Directors present the Remuneration Report (the Report) for the Group for the year ended 30 June 2019 (FY19). This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001* (the ACT). Any non-IFRS financial information contained in the Remuneration Report has not been audited or reviewed in accordance with Australian Auditing Standards. The Report details the remuneration arrangements of the Group's KMP:

- Non-executive directors (NEDs); and
- Executive directors

KMP of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, whether it be directly or indirectly.

The table below outlines the KMP of the Group and their movements during FY19.

Name	Position	Term as KMP
Executive Director		
John Borshoff	Managing Director	Full financial year
Gillian Swaby	Executive Director	Full financial year
Non-executive Directors (NEDs)		
Rudolf Brunovs	Chairman	Full financial year
Mervyn Greene	Non-executive Director	Full financial year
Justin Reid	Non-executive Director	Full financial year
Christophe Urtel	Non-executive Director	Full financial year

There were no changes to KMP after the reporting date and before the date the financial report was authorised for issue.

2. Overview of Executive Remuneration

(a) Executive Remuneration Policies, Processes and Practices

The Group's remuneration objective is to adopt policies, processes and practices to ensure that reward programs are fair, transparent, aligned with shareholder interests and in compliance with the Corporations Act, the ASX Listing Rules and are also in accordance with principles of good corporate governance. The key objectives of the Group's award framework therefore ensure that remuneration practices:

* provide a fair level of reward to all employees, benchmarked against peer groups;
* build a culture of achievement by attracting, motivating and retaining high performing individuals who will add value to the Group,
* promote mutually beneficial outcomes by aligning the interests of Executives with shareholder objectives; and
* drive leadership performance that create a culture that promotes safety, diversity and stakeholder satisfaction.

REMUNERATION REPORT (AUDITED) (continued)

(b) Remuneration Structures

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position, responsibilities and performance within the Group, in a way that aligns with shareholder objectives. The remuneration framework incorporates "at-risk" components through short and long term incentives. The remuneration offered is competitive for companies of a similar industry, size and complexity with longer term remuneration encouraging retention and multi-year performance.

The Group's remuneration structure for Executives can include a mix of:

* Fixed remuneration
* Variable remuneration
  - Short term incentive
  - Long term incentive

Executive remuneration levels are reviewed annually by the Remuneration Committee with reference to the remuneration guiding principles and market movements.

The chart below provides a summary of the structure of remuneration that applied to the Managing Director and Executive Director in FY19:

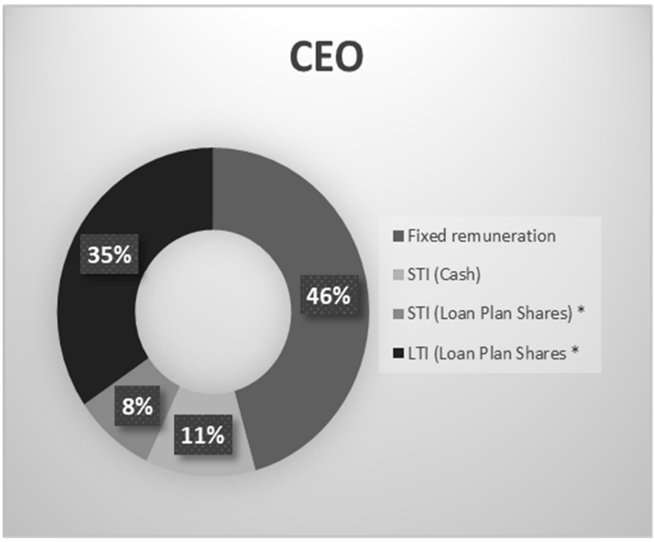
Fixed remuneration

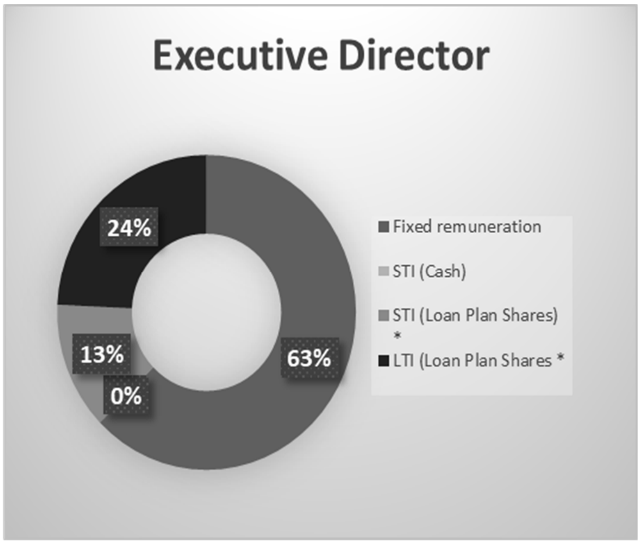
Service fee

Variable remuneration

Short term incentive (STI)		Long term incentive (LTI)
Cash	Loan Plan Shares (vest equally over 3 years)	Loan Plan Shares (vest after 3 years)
Service and KPI milestones: 100% non-financial performance		Service and KPI milestones: 100% non-financial performance

(c) Remuneration Mix





*based on the value expensed during FY19 of issued Loan Plan Shares

(d) Elements of Remuneration

Fixed remuneration

The fixed remuneration component is comprised of a service fee, statutory superannuation contributions (where applicable) and other benefits (where applicable). It is paid by the Group to compensate fully for all requirements of the Executives' services with reference to the market and the individual's role and experience. Executive contracts do not include any guaranteed increases. The Group benchmarks the fixed component against appropriate market comparisons with its peer groups. The Group performed a detailed review during the last quarter of FY18 which led to some parity adjustments for FY18 based on market analysis considering skills, job requirements and experience specific to the Group's needs. A further review was done during the first quarter of FY20 with any potential changes to be reflected in FY20.

REMUNERATION REPORT (AUDITED) (continued)

Short Term Incentive

The **short term incentive** (**STI**) component is a mix of cash bonus and Loan Plan Shares to the Managing Director and Executive Director as summarised below:

	Managing Director	Executive Director
How is it paid?	Mix of cash and Loan Plan Shares vesting equally over three years with service and performance measures.	Loan Plan Shares vesting equally over two years with service hurdle only
	The Equity-based component was introduced in FY19 to align the interests of Executives with shareholder objectives	
How much can executives earn?	A maximum of 70% of annual service fee can be earned as a mix of cash and Loan Plan Shares. Based on an assessment of stretched performance measures, it was determined by the Remuneration Committee that only 72% of these measures had been achieved.	
	This resulted in the following awards being made:	
	$102,500 cash which will be paid during FY20; and	No cash award
	312,708 of 554,054 Loan Plan Shares granted on 18 November 2018 would vest equally over a three-year service period starting 18 November 2019 and have a 5-year life (from issuance). The balance would be forfeited unexercised.	As these have service hurdles only, the value that can be earned is determined on an ad-hoc basis.
	The maximum STI cash award available for FY18 was $102,500 for which the full amount was paid during FY19.	No cash award
	Loan Plan Shares were only awarded as STI from FY19 onwards. Payment of any STI is entirely discretionary and the mix of cash and Loan Plan Shares can be adjusted as per Board discretion.	
When is it paid?	The payment of the cash component and vesting of the Loan Plan Shares, where applicable, are determined after consideration of the Group's performance and the Managing Director's contribution to this performance. This is usually determined within three months of the end of the financial year.	Not applicable
	The Remuneration Committee recommends for Board approval the amount, if any, to be paid and the number, if any, of Loan Plan Shares to vest. Cash bonus payments are therefore made in the following reporting period.	Not applicable
How is performance measured?	The STI recognises and rewards Group performance and the Managing Director's contribution to that performance. The actual STI awarded for FY19 are subject to the achievement of clearly defined business goals covering non-financial performance measures as set out in the table below. These measures were chosen as they represent the key drivers for the short term success of the business and provide a framework for delivering long-term value.	Not applicable

REMUNERATION REPORT (AUDITED) (continued)

Performance measures	Proportion of STI award measure applies to
Non-financial measures:	
* Mineral Resources / Project Pipeline	60%
* Capital Resources	30%
* Human Resources	10%

Long Term Incentive
The long term incentive (LTI) component is in the form of Loan Plan Shares to the Managing Director and Executive Director as summarised below in section (e) Detail Of Incentive Plans. It rewards the Executives for their contribution to the creation of shareholder value over the longer term.

(e) Detail of Executive Incentive Plans

Loan Plan Shares
During the 2017 financial year, the Group established the Deep Yellow Limited Loan Share Plan (Loan Share Plan) administering the operation of Loan Plan Shares.

The Loan Share Plan rewards and incentivises the participant, where shareholder approval has been granted, through an arrangement where shares are offered subject to long term performance conditions in the form of share price target and time-based vesting conditions. Details of performance conditions for awards made to the Managing Director and Executive Director during FY19 are provided in Table 1(a). The shares are offered at market value such that the incentive is linked to the increase in value over and above the purchase price and so aligns the participants to the risks and rewards of a shareholder. The purchase price payable by the participant for the ordinary shares is lent to the participant under an interest free limited recourse loan, with the loan secured against the shares. The loan can be repaid at any time, however to avoid compulsory divestment of Loan Plan Shares, the loan must be repaid on the earlier of periods ranging between 5-10 years (determined with each issue) after the issuance of the shares and the occurrence of:

(a) in the case of vested shares, the date being 12 months after cessation of employment or service contract for any reason; or
(b) pre-determined occurrences as per the Loan Share Plan including but not limited to a Control Event or material breach by the Participant.

The Loan Plan Shares vest over a period of time if certain Company share price targets are met and the holder of the Loan Plan Shares remains employed with the Company during the measurement period. Awards made to the Managing Director and Executive Director contained both share price target and time-based vesting conditions. These conditions were chosen as it reflects an appropriate balance between individual reward and market performance. Those awards without performance conditions were issued to encourage long-term retention. If these vesting conditions are not met the shares are forfeited and the forfeited shares are treated as full consideration for the repayment of the loan. Financial based performance conditions such as Total Shareholder Return and Return on Equity Earnings are not chosen as a performance measure for the Loan Share Plan as these are difficult to measure in the present operating environment. A participant may not trade shares acquired under the Loan Share Plan until the shares have vested, any imposed dealing restrictions have ended and the limited recourse loan in respect to those shares has been paid in full.

Loan Plan Shares were deliberately chosen because they provide an appropriate level of incentive in a competitive environment and are cost effective in that there is no cash outlay for the Group which is appropriate given the Group's exploration status.

Where a participant ceases providing services prior to the vesting of their Loan Plan Shares, all unvested shares will be compulsorily divested on a date determined by the Board unless the Board exercises its discretion to allow vesting at or post cessation of employment.

In the event of a change of control of the Group, the Board may determine, in its absolute discretion, that some or all of the unvested Loan Plan Shares will automatically vest in a manner that allows the participant to participate in and/or benefit from any transaction from or in connection with the Change of Control Event.

The participant is entitled to receive dividends on unvested Loan Plan Shares. For so long as there is an outstanding loan balance in relation to the Loan Plan Shares, the participant irrevocably and unconditionally directs the Company to withhold all after-tax dividends in respect of the participants Loan Plan Shares and apply all amounts so withheld in repayment of the outstanding loan balance.

Loan Plan Shares were granted under the Loan Share Plan to the Managing Director and Executive Director in November 2018 and have been accounted for as a share-based payment. Details in respect of the award are provided in Table 1(a).

REMUNERATION REPORT (AUDITED) (continued)

Sign-on Payments
In addition to fixed remuneration, STI and LTI, the Board may determine, from time to time, to award sign-on payments to new executives. There were no sign-on payments made in FY19.

3. Group Performance and Executive Remuneration Outcomes for FY19

Actual Remuneration Paid

The actual remuneration paid to KMP in FY19 is set out in section 7 below. This provides shareholders with a view of the remuneration actually paid to KMP for performance in FY19 and the value of LTIs that vested during the period.

STI Vesting Outcomes

Non-financial measures are used to measure performance for STI awards to the CEO as indicated on page 25. Based on an assessment, the average STI award to the CEO as a percentage of target for FY19 was 72%.

LTI Vesting Outcomes

Loan Plan Shares
The vesting of Loan Plan Shares issued to Executives is driven by time and market price vesting conditions.

The table below outlines current and expected outcomes for the vesting of issued Loan Plan Shares at 30 June 2019. Projected outcomes for the future vesting of issued Loan Plan Shares with market price vesting conditions are based on the assumption that the current 52-week high share price will be reached at the future testing date.

	Market Price and Time Based Tests	
FY 2017 grant 60 cents *	**FY 2018 grant 60 -75 cents ***	**FY 2019 grant 74.3 ***
30% of awards immediately vested during FY17 as sign-on shares to the Managing Director	10% of awards vested during FY19	20% of awards will vest during FY20, 21 and 22 if time-based vesting conditions are met.
49% of awards vested during the FY17, 18 and 19 as time and market price vesting conditions were met.	18% of awards will vest during FY20 and 21 if time-based vesting conditions are met.	80% of awards will be forfeited unexercised during FY22 if the market price test is not met or if not vested by Board determination.
21% of awards will be forfeited unexercised as market price-vesting conditions were not met. .	72% of awards will be forfeited unexercised during FY 20 and 21 if the market price test is not met or if not vested by Board determination.	
*Market price tests 60 cents at 30 June 2019	60 cents at 12 October 2019 75 cents at 12 October 2020	74.3 cents at 30 November 2021

Group Performance

The table below shows the performance of the Group as measured by its earnings per share and its share price over the past five years. The movement in share price shown in the table is a reflection of both the consolidation of share capital, new management and the recent growth experienced in the price of U_3O_8 reversing the downward trend up to 2017.

	30 June 2019 Cents	30 June 2018 Cents	30 June 2017 Cents	30 June 2016 Cents	30 June 2015 Cents
Share price	32.0	34.0	28.0	8.0	20.0
U_3O_8 spot price (US$/lb)	24.60	22.65	20.15	26.7	36.38
Loss per share	(1.98)	(1.29)	(22.51)	(1.82)	(22.32)

4. Remuneration Governance

Remuneration Decision Making

The Board operates within a remuneration decision making framework whereby:

* management implement general employee remuneration policies approved by the Managing Director;
* the Managing Director makes recommendations on remuneration outcomes for senior executives; and

REMUNERATION REPORT (AUDITED) (continued)

* a Board appointed Remuneration Committee reviews the Group's remuneration framework and policy and make recommendations to the Board on remuneration packages for NEDs and Executive Directors and incentive and equity-based remuneration plans for Senior Executives and other employees.

The composition of the Remuneration Committee is set out on page 21 of this Annual Report.

Further information on the Remuneration Committee's role, composition, operation, responsibilities and authority can be seen in the Remuneration Committee Charter available on the Company's website.

Use of Remuneration Advisors

To ensure the Remuneration Committee is fully informed when making remuneration decisions, from time to time it obtains external advice from an independent consultant. During the financial year, the Remuneration Committee approved the engagement of BDO Reward (WA) Pty Ltd (BDO) to provide remuneration recommendations on Board and Executive Remuneration Structures.

Both BDO and the Remuneration Committee are satisfied the advice received from BDO is free from undue influence from the KMP to whom the remuneration recommendations apply.

The remuneration recommendations were provided to the Remuneration Committee as an input into decision making only to assist them with making recommendations to the Board. The Remuneration Committee considered the recommendations, along with other factors, in making its remuneration decisions and recommendations to the Board.

The fees paid to BDO for the remuneration recommendations were $14,500. In addition to providing remuneration recommendations, BDO provided advice on other aspects of the remuneration of the Group's employees and various other advisory services and was paid a total of $53,466 for these services.

Clawback of Remuneration

The Board has the discretion to reduce or cancel any unvested STI and LTI including the compulsory divestment of unvested or vested Loan Plan Shares under the Deep Yellow Limited Loan Share Plan if a KMP acts in a manner of:

* wilful misconduct bringing disrepute to the Group;
* repeated disobedience or incompetence in the performance of duties, after prior written warning; or
* fraud, dishonesty or a material breach of their obligations to the Group.

Executive Contracts

Remuneration arrangements for KMP are formalised in service agreements. Details of these agreements are provided below:

Mr J Borshoff – Managing Director/CEO

Scomac Management Services Pty Ltd as trustee for the Scomac Unit Trust (Scomac) has been appointed on a non-exclusive basis to provide the Company with management, strategic, technical and geological expertise and services through Scomac personnel which they employ or have access to (Scomac agreement).

Consultant personnel who Scomac employ or have access to include Mr John Borshoff, the Company's Managing Director and Chief Executive Officer, who has been appointed pursuant to the Scomac agreement.

The terms of the Scomac agreement as it relates to Mr Borshoff as an employee of Scomac are formalised in the Scomac agreement and were disclosed to the ASX on 24 October 2016. The current terms are as follows:

* No fixed term, duration subject to termination provisions;
* Fee for services rendered of $410,000 per annum (plus GST);
* The service fee and/or structure to be reviewed annually;
* Eligibility to receive an annual short term incentive of up to 25% of the Service Fee, at the discretion of the Company, which can be paid in shares and/or cash; and
* Eligibility to participate in the Company's Loan funded share plan as long and short term incentive on terms determined by the Board, subject to receiving any required or appropriate shareholder approval (details provided in Section 6(c) and Table 1(a)).
* Termination provisions:
  1. Scomac may terminate the agreement on 6 months' prior notice to the Company;
  2. The Company may terminate the agreement on 12 months' prior notice to Scomac;
  3. Where either party has terminated the agreement, the Company may pay Scomac an amount in lieu of the notice in which case the agreement shall be at an end on such a payment; and
  4. No notice of termination required by the Company for breach of a material term by Scomac.

REMUNERATION REPORT (AUDITED) (continued)

Ms G Swaby – Executive Director

The Company has entered into a Consultancy Agreement with Strategic Consultants Pty Ltd (Strategic) for consultancy services provided by Ms Swaby. The current terms are as follows:

* Commenced 24 October 2016 and continues until such time as terminated by either party;
* Consulting fee of $1,850 per day to a maximum of $300,000 per annum unless otherwise determined in accordance with business needs;
* The fee and/or structure to be reviewed from time to time having regard to the performance of Ms Swaby and the Company;
* Either party may terminate the agreement on one month's notice to the other party; and
* Eligibility to participate in the Company's Loan Share Plan as long and short term incentive on terms determined by the Board, subject to receiving any required or appropriate shareholder approval (details provided in Section 6(c) and Table 1(a)).

Securities Trading Policy

The Group's Securities Trading Policy applies to all KMP. The policy prohibits employees from dealing in the Company's securities while in possession of material non-public information relevant to the Group. Additional restrictions are placed on Restricted Employees whereby they are prohibited from dealing in the Company's securities during prescribed closed periods. Directors and employees are further prohibited from engaging in hedging arrangements over unvested securities to protect the value of their unvested STI and LTI awards. Breach of the Securities Trading Policy will also be regarded by the Group as serious misconduct which may lead to disciplinary action and/or dismissal.

5. Non-executive Director (NED) Fee Arrangements

Remuneration Structure

The structural component of NED fees is separate and distinct from Executive remuneration. It is designed to attract and retain directors of the highest calibre who can discharge the roles and responsibilities required in terms of good governance, independence and objectivity whilst incurring a cost that is acceptable to shareholders.

Fee Policy

The Remuneration Committee reviews NED fees annually against comparable companies. The Board also considers advice from external advisors when undertaking the review process, where applicable.

NED fees consist of base fees and committee fees. The payment of additional fees for serving as Chair of a committee recognises the additional time commitment required by NEDs who act as Chair of a Board Committee.

The table below summarises Board and Committee fees paid to NEDs for FY19 (inclusive of superannuation, where applicable):

Board fees		Total $
Chair		90,000
NED		60,000
Committee fees		
Chair	Audit, Remuneration and Risk	5,000

NEDs may be reimbursed for expenses reasonable incurred in attending to the Group's affairs. NEDs do not receive retirement benefits, nor do they participate in any incentive programs.

The Board intends to seek shareholder approval to provide the NEDs with a component of equity-based remuneration in the form of Zero Exercise Price Options (ZEPOs) of up to $25,000 per NED in addition to the fees summarised in the table above.

Determination of Fees and Maximum Aggregate NED Fee Pool

NED fees are determined within an aggregate NED fee pool limit, which is periodically determined by a general meeting. The latest determination was at the Annual General Meeting held on 19 November 2009 when shareholders approved a maximum amount which could be paid as NED fees of $450,000 per annum to be apportioned between the NEDs as determined by the Board. The maximum aggregate fee pool and the fee structure are reviewed on a periodic basis against fees paid to NEDs of comparable companies.

The Board will not seek any increase for the NED pool at the 2019 AGM.

REMUNERATION REPORT (AUDITED) (continued)

6. Statutory and Share-based Reporting

(a) Executive KMP remuneration for FY18 and FY19

		Short-term benefits			Post employment	Long-term benefits	Share-based payments	Total Remuneration	Performance Related (iii) %
	Financial year	Salary & fees	Other	Cash bonus (i)	Superannuation Contributions	Long service leave	Loan plan shares (ii)		
Executive Directors									
J Borshoff	2019	-	410,000	102,500	-	-	386,110	**898,610**	45.1
	2018	-	410,000	102,500	-	-	285,857	**798,357**	36.7
G Swaby (iv)(v)	2019	-	302,475	-	-	-	180,235	**482,710**	20.7
	2018	18,265	207,263	-	1,735	-	46,146	**273,409**	12.5
Total Executive KMP	**2019**	**-**	**712,475**	**102,500**	**-**	**-**	**566,345**	**1,381,320**	
	2018	**18,265**	**617,263**	**102,500**	**1,735**	**-**	**332,003**	**1,071,766**	

(i) Mr Borshoff earned 100% of his maximum cash STI opportunity for FY19.
(ii) Details in respect of the awards are provided in Table 1(a).
(iii) Performance measures are based on the cash bonus and the market and participant performance vesting hurdles of Loan Plan Shares.
(iv) Ms Swaby received a director fee in her personal capacity up to 31 October 2017 where after all subsequent remuneration was paid as part of her consultancy agreement concluded with effect from 24 October 2016.
(v) Included in Ms Swaby remuneration of $302,475 is an amount of $32,000 for incremental project work in relation to additional services required.

REMUNERATION REPORT (AUDITED) (continued)

(b) NED Remuneration for FY18 and FY19

	Financial year	Short term benefits Board and Committee fees	Post Employment Superannuation contributions	Total
Non-executive Directors				
R Brunovs	2019	86,758	8,242	95,000
	2018	86,758	8,242	95,000
M Greene	2019	60,000	-	60,000
	2018	60,000	-	60,000
J Reid (i)	2019	70,000	-	70,000
	2018	60,000	-	60,000
C Urtel	2019	65,000	-	65,000
	2018	65,000	-	65,000
Total NED	**2019**	**281,758**	**8,242**	**290,000**
	2018	**271,758**	**8,242**	**280,000**

(i) In line with annual remuneration of the Chair of the Audit and Remuneration Committees, Mr Reid received a back payment of $5,000 during FY19 as Chair of the Risk Committee for FY18.

(c) Disclosures Relating to Loan Plan and Ordinary Shares

This section sets out the additional disclosures required under the *Corporations Act 2001*.

The table below disclose the Loan Plan Shares granted, vested and lapsed in relation to KMP during FY19. Loan Plan Shares carry voting rights and participants are entitled to dividends on unvested Loan Plan Shares. For so long as there is an outstanding loan balance in relation to the Loan Plan Shares, the participant irrevocably and unconditionally directs the Company to withhold all after-tax dividends in respect of the participants Loan Plan Shares and apply all amounts so withheld in repayment of the outstanding loan balance.

Table 1(a): Loan Plan Shares: Granted, Vested and Divested during FY19

								Number	Value	
	Financial year	Number issued	Issue Date	Fair Value per share at issue date (cents)	Vesting date	Exercise price (cents) (i)	Expiry date (ii)	Vested during year	Issued during year $A	Vested during year A$ (iii)
Executive directors										
J Borshoff	2017	7,000,000(i)	1-Dec-16	1.0	30-Jun-19	1.1	30-Nov-26	7,000,000(i)	-	112,000
	2018	120,000	6-Dec-17	19.5	12-Oct-18	32.4	5-Dec-27	120,000	-	58,200
	2018	30,000	6-Dec-17	29.7	12-Oct-18	32.4	5-Dec-27	30,000	-	14,550
	2019	184,685	19-Nov-18	37.6	30-Nov-19	46.5	19-Nov-23	-	69,441	-
	2019	184,685	19-Nov-18	37.6	30-Nov-20	46.5	19-Nov-23	-	69,441	-
	2019	184,685	19-Nov-18	37.6	30-Nov-21	46.5	19-Nov-23	-	69,441	-
	2019	281,593	19-Nov-18	37.6	30-Nov-21	46.5	19-Nov-25	-	105,879	-
	2019	1,042,373	19-Nov-18	32.4	30-Nov-21	46.5	19-Nov-25	-	337,729	-
G Swaby	2018	60,000	6-Dec-17	19.5	12-Oct-18	32.4	5-Dec-27	60,000		29,100
	2018	15,000	6-Dec-17	29.7	12-Oct-18	32.4	5-Dec-27	15,000		7,275
	2019	175,676	19-Nov-18	37.6	30-Nov-19	46.5	19-Nov-23		81,689	-
	2019	175,676	19-Nov-18	37.6	30-Nov-20	46.5	19-Nov-23		81,689	-
	2019	54,054	19-Nov-18	37.6	30-Nov-21	46.5	19-Nov-23		25,135	-
	2019	750,000	19-Nov-18	32.4	30-Nov-21	46.5	19-Nov-23		243,000	-

(i) Pre-consolidation (1:20) numbers and values in relation to Loan Plan Shares granted during FY17.
(ii) Loan Plan Shares do not have an expiry date. The limited recourse loan in respect of the Loan Plan Shares has to be fully paid 10 years after grant date of the Loan Plan Shares.
(iii) Value based on share price on vesting date.

For details on the valuation of Loan Plan Shares, including models and assumptions used, please refer to Note 20.

The Loan Plan Shares were provided at no cost to the recipients. There were no alterations to the terms and conditions of Loan Plan Shares issued as remuneration since their grant/issue dates.

REMUNERATION REPORT (AUDITED) (continued)

Table 1(b): Shareholdings *

2019 Name	Balance at start of the year	Granted as remuneration (i)	Balance at the end of the year
Executive directors			
J Borshoff (ii)	6,500,000	1,878,020	8,378,020
G Swaby (iii)	3,673,600	1,155,405	4,829,005
Non-executive Directors			
R Brunovs	484,370	-	484,370
M Greene	2,774,192	-	2,774,192
J Reid	-	-	-
C Urtel	842,832	-	842,832

* Includes shares held directly, indirectly and beneficially by KMP

(i) On 19 November 2018 Mr Borshoff and Ms Swaby were issued with Loan Plan Shares. Details in respect of the awards are provided in Table 1(a).
(ii) At reporting date, 2,178,020 shares have not vested. A determination has been made after 30 June 2019 that 1,050,000 shares will be forfeited as market price vesting conditions were not met at 30 June 2019 and 241,347 shares will be forfeited as only 72% of performance measures were met during FY19.
(iii) At reporting date, 1,830,405 shares have not vested.

A participant may not trade shares acquired under the Loan Share Plan until the shares have vested, any imposed dealing restrictions have ended and the limited recourse loan in respect to those shares has been paid in full.

(d) Other Transactions and Balances with KMP and their Related Parties

Details and terms and conditions of other transactions with KMP and their related parties:
Scomac Management Services Pty Ltd as trustee for the Scomac Unit Trust (Scomac or Consultant) has been appointed on a non-exclusive basis to provide the Group with management, strategic, technical and geological expertise and services through the Consultant personnel they employ or have access to (Scomac agreement). Mr Borshoff has a financial interest in Scomac.

During the year ended 30 June 2019 Scomac billed the Company $737,113, inclusive of GST and on-costs (2018:$707,169), for technical and geological services (excluding Mr Borshoff) on normal commercial terms and conditions. These amounts are not included in the remuneration tables above. Fees paid to Scomac in relation to services provided by Mr Borshoff as Managing Director are detailed in section 6(a). An amount of $54,486 was outstanding at 30 June 2019 (2018 Nil). The amount for other services was recognised as non-current asset: capitalised mineral exploration and evaluation expenditure.

7. Actual Remuneration Paid to KMP in FY19

The actual remuneration paid to executives in FY19 is set out below. This information is considered to be relevant as it provides shareholders with a view of the remuneration actually paid to KMP for performance in FY19 and the value of LTIs that vested during the period. This differs from the remuneration details prepared in accordance with statutory obligations and accounting standards on pages 29 and 30 of this report, as those details include the values of Performance Rights that have been awarded but which may or may not vest.

2019 Name	Fixed cash remuneration (i)	STI (FY18 performance) (ii)	LTI award vested (iii)	Total remuneration received
Executive director				
J Borshoff	410,000	102,500	59,150	571,650
G Swaby	302,475	-	12,075	314,550
Non-executive Directors				
R Brunovs	95,000	-	-	95,000
M Greene	60,000	-	-	60,000
J Reid	70,000	-	-	70,000
C Urtel	65,000	-	-	65,000

(i) Service fee
(ii) The maximum STI was awarded to the Managing Director for FY18 but only paid during FY19.
(iii) The value is based on the number of Loan Plan Shares vested multiplied by the share price on vesting dates and reduced by the outstanding loan in relation to the loan plan shares that vested

End of Remuneration Report (Audited)
This report is made in accordance with a resolution of the Directors.

DATED at Perth this 27th day of September 2019.

John Borshoff
Managing Director

Building a better working world

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of Deep Yellow Limited

As lead auditor for the audit of the financial report of Deep Yellow Limited for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Deep Yellow Limited and the entities it controlled during the financial year.

Ernst & Young

Robert Kirkby
Partner
27 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Interest and other income	7(a)	**225,332**	264,501
Revenue from contracts with customers	7(b)	**119,315**	150,178
Revenue		**344,647**	414,679
Depreciation and amortisation expenses	8	**(92,911)**	(77,069)
Marketing expenses		**(142,177)**	(139,021)
Occupancy expenses		**(209,486)**	(138,361)
Administrative expenses		**(2,068,920)**	(1,716,409)
Employee expenses	8	**(1,626,841)**	(887,869)
Impairment of capitalised mineral exploration and evaluation expenditure	14	**(18,640)**	(12,300)
Loss before income tax		**(3,814,328)**	(2,556,350)
Income tax expense	9(a)(b)	**-**	-
Loss for the year after income tax		**(3,814,328)**	(2,556,350)
Other comprehensive income			
Items to be reclassified to profit and loss in subsequent periods, net of tax			
Foreign currency translation gain/(loss)	17(d)	**921,147**	(330,825)
Other comprehensive income/(loss) for the year, net of tax		**921,147**	(330,825)
Total comprehensive loss for the year, net of tax		**(2,893,181)**	(2,887,175)
Earnings per share for loss attributable to the ordinary equity holders of the Company.		**Cents**	Cents
Basic loss per share	10	**(1.90)**	**(1.34)**
Diluted loss per share	10	**(1.90)**	**(1.34)**

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	Consolidated 2019 $	2018 $
ASSETS			
Current assets			
Cash and cash equivalents	11	**14,975,063**	10,690,253
Receivables	12(a)	**461,989**	444,464
Other assets	12(b)	**255,707**	224,066
Total current assets		**15,692,759**	11,358,783
Non-current assets			
Property, plant and equipment	13	**592,797**	579,858
Capitalised mineral exploration and evaluation expenditure	14	**31,831,939**	29,279,061
Total non-current assets		**32,424,736**	29,858,919
Total assets		**48,117,495**	41,217,702
LIABILITIES			
Current liabilities			
Trade and other payables	15	**509,661**	332,781
Provisions	16	**118,514**	98,980
Total current liabilities		**628,175**	431,761
Total liabilities		**628,175**	431,761
Net assets		**47,489,320**	40,785,941
EQUITY			
Issued equity	17(a)	**247,264,524**	238,722,162
Accumulated losses	17(d)	**(196,141,196)**	(192,326,868)
Employee equity benefits reserve	17(d)	**12,140,341**	11,086,143
Foreign currency translation reserve	17(d)	**(15,774,349)**	(16,695,496)
Total equity		**47,489,320**	40,785,941

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Issued Equity	Accumulated losses	Employee equity benefits' reserve	Foreign currency translation reserve	Total Equity
	$	$	$	$	$
At 1 July 2018	**238,722,162**	**(192,326,868)**	**11,086,143**	**(16,695,496)**	**40,785,941**
Loss for the period	-	(3,814,328)	-	-	(3,814,328)
Other comprehensive income	-	-	-	921,147	921,147
Total comprehensive loss for the period	-	(3,814,328)	-	921,147	(2,893,181)
Issue of share capital	9,000,000	-	-	-	9,000,000
Exercise of options	2,500	-	-	-	2,500
Capital raising costs	(562,023)	-	-	-	(562,023)
Vesting of performance rights	101,885	-	(101,885)	-	-
Share-based payments	-	-	1,156,083	-	1,156,083
At 30 June 2019	**247,264,524**	**(196,141,196)**	**12,140,341**	**(15,774,349)**	**47,489,320**

	Issued Equity	Accumulated losses	Employee equity benefits' reserve	Foreign currency translation reserve	Total Equity
	$	$	$	$	$
At 1 July 2017	**239,065,259**	**(189,770,518)**	**10,774,425**	**(16,364,671)**	**43,704,495**
Loss for the period	-	(2,556,350)	-	-	(2,556,350)
Other comprehensive loss	-	-	-	(330,825)	(330,825)
Total comprehensive loss for the period	-	(2,556,350)	-	(330,825)	(2,887,175)
Issue of share capital	-	-	-	-	-
Capital raising costs	(489,216)	-	-	-	(489,216)
Vesting of performance rights	146,119	-	(146,119)	-	-
Share-based payments	-	-	457,837	-	457,837
At 30 June 2018	**238,722,162**	**(192,326,868)**	**11,086,143**	**(16,695,496)**	**40,785,941**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $	2018 $
Cash flows from operating activities			
Interest received		**270,131**	151,294
Payments to suppliers and employees		**(2,827,139)**	(2,381,610)
R&D tax refund	7(a)(b)	**43,577**	-
Other receipts	7(a)(b)	**119,476**	156,422
Net cash used in operating activities	11	**(2,393,955)**	(2,073,894)
Cash flows from investing activities			
Exploration expenditure		**(2,949,508)**	(3,141,960)
Payments for property, plant and equipment		**(96,978)**	(128,178)
Proceeds from sale of property, plant and equipment		**4,308**	-
Other (JV earn-in contribution)		**1,155,715**	1,448,878
Net cash used in investing activities		**(1,886,463)**	(1,821,260)
Cash flows from financing activities			
Proceeds from the issue of shares		**9,002,500**	-
Other (capital raising costs)		**(531,432)**	(489,216)
Net cash (from/used in financing activities		**8,471,068**	(489,216)
Net increase/(decrease) in cash and cash equivalents		**4,190,650**	(4,384,370)
Effects on cash of foreign exchange		**94,160**	114,782
Cash and cash equivalents at the beginning of the financial year		**10,690,253**	14,959,841
Cash and cash equivalents at the end of the financial year	11	**14,975,063**	10,690,253

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Note 1 Corporation information

The consolidated financial statements of Deep Yellow Limited and its subsidiaries (the Group) for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of Directors on 23 September 2019, subject to minor changes.

Deep Yellow Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

Information on the nature of the operations and principal activities of the Group are described in the Directors' Report. Information on the Group's structure is provided in Note 6 and information on other related party relationships is provided in Note 22.

Note 2 Significant accounting policies

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The consolidated financial statements provide comparative information in respect of the previous period. There has been no retrospective application of accounting policies as a result of the adoption of new accounting standards therefore no restatement of financial statements required for the previous period.

The financial report also complies with International Financial reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Deep Yellow Limited and its subsidiaries as at and for the year ended 30 June 2019 (the Group). Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(c) Summary of significant accounting policies

(i) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquire. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit and loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

(ii) Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:
- Expected to be realised or intended to sold or consumed in the Group's normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:
- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iii) Revenue from Contracts with Customers

Asset recharges and administration fee earned
The Group manages the Nova Joint Venture (NJV) to which they provide administration services and the right to use the Group's assets for exploration-related activities. The Group is entitled to a fixed amount per asset category made available for use through-out a service month. It is also entitled to a fixed percentage of administration fee based on the monthly direct costs of operations to which the administration service is provided.

The revenue is recognised on the last day of the service month in which the assets were provided for use and administration services rendered. This signifies complete satisfaction of the service as the benefits were received and consumed throughout the month.

The normal credit term is usually 30 days from complete satisfaction of the service, ie. last day of the month. This results in a receivable that represents the Group's right to an amount that is unconditional. Refer Note 2(c)(ix) Financial instruments – Financial assets.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(c) Summary of significant accounting policies (continued)

(v) Income Tax

Current income tax
The current income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the income tax rate enacted or substantively enacted at balance date for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax
Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. In addition, no deferred tax is recognised in respect of goodwill.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying value of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

Unrecognised deferred tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax amounts attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation
(i) Members of the tax consolidated group and the tax sharing arrangement
Deep Yellow Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 2 February 2007. Deep Yellow Limited is the head entity of the tax consolidated group.

Members of the group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

(ii) Tax effect accounting by members of the tax consolidated group
Measurement method adopted under UIG 1052 Tax Consolidated Accounting
The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*.

Goods and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

(c) Summary of significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(vi) Foreign currency translation

The functional currencies of Deep Yellow Limited and its overseas controlled entities are Australian dollars, Namibian dollars and US dollars. These consolidated financial statements are presented in Australian dollars being the functional currency of the parent entity.

Transactions and balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at balance date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Exchange differences arising from these procedures are recognised in profit and loss for the year.

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rate for the year. The exchange differences arising on translation for consolidation purposes are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(vii) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the written down value method or straight-line method to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Office equipment and fittings	12.5% – 33% of cost	Site equipment	25% of cost
Motor vehicles	25% of cost	Leasehold property and buildings	5% of cost

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2 (c)(xi)).

An item of property, plant and equipment is derecognised on disposal or when no further future economic benefits are expected from its use. Any gain or loss arising on derecognition of an asset (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the year the asset is derecognised.

(viii) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that asset is not explicitly specified in an arrangement.

A lease is classified at inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease where substantially all the risks and benefits remain with the lessor. Payments in relation to operating leases are recognised as expenses in the income statement on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised in the profit and loss on a straight-line basis as an integral part of the total lease expense.

(c) Summary of significant accounting policies (continued)

(ix) Financial instruments – Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus transactions costs. Other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15. Refer to the accounting policies in Note 2(c)(iii) Revenue from Contracts with Customers. They are measured, at initial recognition, at fair value plus transaction costs, if any.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified at amortised cost (debt instrument), fair value through OCI with recycling of cumulative gains and losses (debt instruments), designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) or at fair value through profit or loss.

Other receivables are measured at amortised cost if both of the following conditions are met:

- it is held within a business model with the objective to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, where applicable.

It is subsequently measured using the effective interest (EIR) method and are subject to impairment with gains and losses recognised in profit and loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated Statement of Financial Position) when:

- the right to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay

(c) Summary of significant accounting policies (continued)

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on other receivables, if any. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due, excluding amounts owed from Government Departments where other information are also considered. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(x) Financial instruments – Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities consist of trade and other payables.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified at fair value through profit or loss or loans and borrowings.

After initial recognition trade and other payables are subsequently measured at amortised cost using the effective interest rate (EIR) method, if applicable. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. For more information, refer to Note 19: Financial Assets and Liabilities.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(c) Summary of significant accounting policies (continued)

(xi) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in the expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions — Note 3
- Property, plant and equipment — Note 13
- Capitalised mineral exploration and evaluation expenditure — Note 14

(xii) Cash and cash equivalents

For Cash Flow Statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(xiii) Mineral exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable Area of Interest. An Area of Interest is generally defined by the Group as a number of geographically proximate exploration permits which could form the basis of a project. These costs are only carried forward to the extent that the Group's rights of tenure to that Area of Interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area of interest are written-off in full in the Statement of Comprehensive Income in the year in which the decision to abandon the area is made.

A bi-annual review is undertaken of each Area of Interest to determine the appropriateness of continuing to carry forward costs in relation to that Area of Interest.

(xiv) Restoration and rehabilitation policy

Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits and environmental legislation.

Site rehabilitation is required to decommission and rehabilitate exploration sites to a condition acceptable to the relevant authority. Costs are included in mineral exploration and evaluation expenditure as and when incurred. No provision is made for cost that might be incurred in the future.

(c) Summary of significant accounting policies (continued)

(xv) Joint arrangements

The Group has interests in joint arrangements that are joint operations. A joint operation is a type of joint arrangement whereby the parties have a contractual agreement to undertake an economic activity that is subject to joint control. A joint operation involves use of assets and other resources of the ventures rather than the establishment of a separate entity. The Company recognises its interest in the joint operations by recognising its interest in the assets and liabilities of the joint operation, including its share of any assets held any liabilities incurred jointly. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods and services by the joint operations, including any expenses incurred and revenue received jointly. Details relating to the joint operations, are set out in Note 26.

(xvi) Provisions

General
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit or Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Wages, salaries and sick leave
Liabilities for wages and salaries, including non-monetary benefits, which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave and annual leave
The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(xvii) Issued equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(xviii) Share-based payments

Share-based compensation payments are made available to Executive Directors and employees of the Group, whereby Executive Directors and employees render services in exchange for shares with an attached limited recourse loan or rights over shares.

The fair value of these equity-settled transactions is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the award.

At each subsequent reporting date until vesting, the cumulative charge to the Statement of Comprehensive Income is the product of:

i. the grant date fair value of the award;
ii. the current best estimate of the number of options, rights or shares that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
iii. the expired portion of the vesting period.

The charge to the Statement of Comprehensive Income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Share-based compensation payments are granted by the parent company to employees of the Group. The expense recognised by the Group is the total expense associated with all such awards.

(c) Summary of significant accounting policies (continued)

The fair value at grant date is independently determined using a binomial option pricing model or the Monte-Carlo simulation model, as appropriate, that takes into account the exercise price, the term of the option, right or share, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free rate for the term of the option and the probability of market based vesting conditions being realised.

The fair value of the award granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of awards that are expected to become exercisable. The employee benefit expense recognised each period, takes into account the most recent estimate.

Upon the exercise of awards, the balance of the share-based payments reserve relating to those awards is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options and rights is reflected as additional share dilution in the computation of diluted earnings per share.

(d) Changes in accounting policies, disclosures, standards and interpretations

(i) Changes in accounting policies, new and amended standards and interpretations

From 1 July 2018, Deep Yellow Limited has adopted and applied, where relevant, all Australian Accounting Standards and Interpretations effective from 1 July 2018.

The accounting policies adopted are consistent with those of the previous financial year except for AASB 9 and AASB15.

The Group applied AASB 9 and AASB 15 for the first time. The nature and effect of the changes as a result of adoption of these new standards are described below:

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB Interpretation 13 *Customer Loyalty Programs*, AASB Interpretation 15 *Agreements for the Construction of Real Estate*, AASB Interpretation 18 *Transfers of Assets from Customers* and AASB Interpretation 131 *Revenue– Barter Transactions Involving Advertising Services*) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 *Leases*, once applied).

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Under AASB 15 the revenue recognition model changed from one based on the transfer of risk and reward of ownership to the transfer of control of ownership. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group adopted AASB 15 from 1 July 2018 and elected to apply the fully retrospective method of adoption

The adoption of AASB 15 did not have any material impact on when the Group recognises revenue in the current or comparative period.

(d) Changes in accounting policies, disclosures, standards and interpretations (continued)

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has conducted an impact assessment of AASB 9 on its Consolidated Financial Statements in terms of classification and measurement of financial assets and liabilities and impairment for financial assets. Details of the impact assessment are described below:

Classification and measurement

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through Other Comprehensive Income (FVOCI).

The classification is based on two criteria: The Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the SPPI criterion).

The Group has applied AASB 9 retrospectively, with the initial application date of 1 July 2018 and has evaluated the need for adjusting the comparative information for the period beginning 1 July 2017.

At the date of initial application, existing financial assets and liabilities of the Group were assessed in terms of the requirements of AASB 9. Other than classification, the adoption of AASB 9 had no material impact on the current or comparative period. In this regard, the Group has determined that the adoption of AASB 9 has impacted the classification of financial instruments at 1 July 2017 and 1 July 2018 as follows:

Class of financial instrument	Measurement under AASB 139	Measurement under AASB 9
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Other receivables	Loans and receivables	Financial assets at amortised cost
Trade payables	Financial liability at amortised cost	Financial liabilities at amortised cost
Other payables	Financial liability at amortised cost	Financial liabilities at amortised cost

The change in classification has not resulted in any re-measurement adjustments at 30 June 2019.

Impairment

In relation to the financial assets carried at amortised cost, AASB 9 requires an expected credit loss model to be applied as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. In particular, AASB 9 requires the Group to measure the loss allowance at an amount equal to lifetime expected credit loss (ECL) if the credit risk on the instrument has increased significantly since initial recognition. On the other hand, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the ECL within the next 12 months.

In accordance with AASB 9, where the Group concluded that it would require undue cost and effort to determine the credit risk of a financial asset on initial recognition, the Group recognises lifetime ECL. The Group considered the impact and concluded that the ECL for its Financial Assets would be negligible and therefore no loss allowance would be required.

Hedge accounting

Details on impact assessment of AASB 9 on hedge accounting has not been considered as the Group did not have any hedges in place as at 1 July 2017 and 1 July 2018.

(d) Changes in accounting policies, disclosures, standards and interpretations (continued)

Several other amendments and interpretations (listed below) applied for the first time in 2018, but did not have an impact on the Consolidated Financial Statements of the Group.

Reference	Title and Summary	Application date of standard*	Application date for Group*
AASB 2016-5	*Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions* This Standard amends AASB 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ► The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ► Share-based payment transactions with a net settlement feature for withholding tax obligations ► A modification to the terms and conditions of a share- based payment that changes the classification of the transaction from cash-settled to equity-settled.	1 January 2018	1 July 2018
AASB Interpretation 22	*Foreign Currency Transactions and Advance Consideration* The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non- monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.	1 January 2018	1 July 2018

* Designates the beginning of the applicable annual reporting period unless otherwise stated.

(ii) Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt for the annual reporting period ended 30 June 2019 are outlined in the table below:

Reference	Title and Summary	Application date of standard *	Application date for Group *
AASB 16	*Leases* AASB 16 requires lessees to account for all leases under a single on- balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.	1 January 2019 **	1 July 2019
AASB 2017-6	*Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation* This Standard amends AASB 9 Financial Instruments to permit entities to measure at amortised cost or fair value through other comprehensive income particular financial assets that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature. This is subject to meeting other conditions, such as the nature of the business model relevant to the financial asset. Otherwise, the financial assets would be measured at fair value through profit or loss. The Standard also clarifies in the Basis for Conclusion that, under AASB 9, gains and losses arising on modifications of financial liabilities that do not result in derecognition should be recognised in profit or loss.	1 January 2019	1 July 2019

Reference	Title and Summary	Application date of standard *	Application date for Group *
AASB 2017-7	*Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures* This Standard amends AASB 128 Investments in Associates and Joint Ventures to clarify that an entity is required to account for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture but to which the equity method is not applied, using AASB 9 Financial Instruments before applying the loss allocation and impairment requirements in AASB 128.	1 January 2019	1 July 2019
AASB 2018-1	*Annual Improvements to IFRS Standards 2015-2017 Cycle**** The amendments clarify certain requirements in: ► AASB 3 Business Combinations and AASB 11 Joint Arrangements - previously held interest in a joint operation ► AASB 112 Income Taxes - income tax consequences of payments on financial instruments classified as equity ► AASB 123 Borrowing Costs - borrowing costs eligible for capitalisation.	1 January 2019	1 July 2019
AASB 2018-2	*Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement* This Standards amends AASB 119 Employee Benefits to specific how an entity accounts for defined benefit plans when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments: ► Require entities to use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after such an event occurs ► Clarify that when such an event occurs, an entity recognises the past service cost or a gain or loss on settlement separately from its assessment of the asset ceiling.	1 January 2019	1 July 2019
AASB Interpretation 23, and relevant amending standards	*Uncertainty over Income Tax Treatments* The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: ► Whether an entity considers uncertain tax treatments separately ► The assumptions an entity makes about the examination of tax treatments by taxation authorities ► How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates ► How an entity considers changes in facts and circumstances.	1 January 2019	1 July 2019
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. AASB 2015-10 deferred the mandatory effective date (application date) of AASB 2014-10 so that the amendments were required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. AASB 2017-5 further defers the effective date of the amendments made in AASB 2014-10 to periods beginning on or after 1 January 2022.****	1 January 2022	1 July 2022

* Designates the beginning of the applicable annual reporting period unless otherwise stated.
** Early adoption is permitted provided that AASB 15 is applied on or before the date of initial application of AASB 16.
*** The IASB issued the mending Standard on 12 December 2017. As at the date of the issuance of this publication, the AASB are yet to issue the equivalent Australian Accounting Standard.
**** In December 2015, the IASB postponed the effective date of the amendments indefinitely pending the outcome of its research project on the equity method of accounting.

(ii) Accounting Standards and Interpretations issued but not yet effective

Transition to AASB 16

AASB 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under AASB 117.

The Group has performed a detailed impact assessment of AASB 16. In summary the impact of AASB 16 adoption is expected to increase both Property, plant and equipment (right-of-use assets) and lease liabilities by $1,061,443.

The calculation of the impact of AASB 16 adoption is based on the assumption that the lease will be extended for another three years at the end of the lease agreement.

Note 3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies Note 19
- Sensitivity analysis disclosures Note 19
- Capital management Note 5

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Accounting for capitalised mineral exploration and evaluation expenditure

The Group's accounting policy is stated at Note 3(c)(xiii). A regular review is undertaken of each Project Area to determine the reasonableness of the continuing carrying forward of costs in relation to that Project Area. In determining the costs to be carried forward, management makes assumptions regarding the Uranium resource multiple that should be used in calculating fair value of the expenditure to determine if costs can continue to be carried forward.

Factors that could impact the uranium resource multiple and therefore the continuing carrying forward of costs include the status of resources and exploration targets, changes in legal frameworks and sovereign risk in the countries where the Group operates, changes to commodity prices and foreign exchange rates.

Share-based payments

The Group's accounting policy is stated at Note 2(c)(xviii). The Group uses independent advisors to assist in valuing share-based payments. Refer Note 20 for details of estimates and assumptions used.

Note 4 Segment information

An operating segment is a distinguishable component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about how resources should be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision maker – being the Group Managing Director and Executive management team.

The Group has identified its operating segments based on internal reports that are used by the Group Managing Director and Executive management team in assessing performance and in determining the allocation of resources. The operating segments are identified based on country of operation as this is the area that has the most effect on allocation of resources. The Group conducts uranium exploration and pre-development activities in Namibia whilst Australia is responsible for capital raising activities, including project evaluation and acquisition. Mauritius as country of operation has been aggregated to form the reportable operating segment for Australia.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Note 4 Segment information (continued)

	Australia $	Namibia $	Total $
Year Ended 30 June 2019			
Revenue and other income	-	119,476	119,476
Unallocated			
Interest income			181,594
Research and development tax incentive			43,577
Total revenue and other income			344,647
Expenses			
Impairment of capitalised mineral exploration and evaluation expenditure	-	18,640	18,640
Profit and Loss			
Pre-tax segment loss	(3,787,796)	(251,703)	(4,039,499)
Unallocated			
Interest income			181,594
Research and development tax incentive			43,577
Loss from continuing operations after income tax			(3,814,328)
Year Ended 30 June 2019			
Segment Assets			
Segment operating assets	255,500	32,424,943	32,680,443
Unallocated assets			
Cash			14,975,063
Receivables			461,989
Total assets			48,117,495
Total additions to non-current assets*	19,159	1,841,973	1,861,132

	Australia $	Namibia $	Total $
Year Ended 30 June 2018			
Revenue and other income	-	150,231	150,231
Unallocated			
Interest income			264,448
Total revenue and other income			414,679
Expenses			
Impairment of capitalised mineral exploration and evaluation expenditure	-	12,300	12,300
Profit and Loss			
Pre-tax segment loss	(2,436,964)	(383,834)	(2,820,798)
Unallocated			
Interest income			264,448
Loss from continuing operations after income tax			(2,556,350)
Year Ended 30 June 2018			
Segment Assets			
Segment operating assets	234,635	29,848,350	30,082,985
Unallocated assets			
Cash			10,690,253
Receivables			444,464
Total assets			41,217,702
Total additions to non-current assets*	9,102	1,611,485	1,620,587

*Non-current assets for this purpose consist of Property, plant and equipment and Capitalised mineral exploration and evaluation expenditure

** Nova Joint Venture revenue amounted to $119,315 (2018: $150,178), from services provided in the Namibia segment.

Note 4 Segment information (continued)

Adjustments and eliminations
The following items and associated assets and liabilities are not allocated to operating segments as the underlying instruments are managed on a Group basis and are not considered as part of the core operations of both segments:

* Interest income.
* Research and development tax incentive.
* Foreign currency gains and losses.
* Liabilities are not allocated to the segments as they are not monitored by the executive management team on a segment by segment basis.

Note 5 Capital management

The Board's policy is to maintain an adequate capital base to maintain investor and creditor confidence, and to sustain future development of the business. The Group does not actively issue dividends; repurchase its own shares or any other form of capital return to shareholders at the current exploration stage of the Group's activities. The Group does not monitor returns on capital or any other financial performance measure as the indicators of success are quantifiable by physical results from operations. The Group manages its funding by way of issue of shares.

The Group does not have capital requirements imposed on it by any external party. It is, however, exposed to Namibian Exchange Controls which has an influence on debt to equity ratios at the Namibian subsidiary level, which are monitored by management and the treatment of investments or other advances for the funding of operations are executed within these guidelines.

The Group's approach to capital management has not changed during the financial year. Capital is comprised of shareholders' equity as disclosed in the Statement of Financial Position.

Unissued shares under option
The outstanding balance of unissued ordinary shares under option at date of this report is 62,464,618 exercisable at 50 cents and expiring 1 June 2022.

The expiry date could be accelerated 22 ASX Business Days after Notification Date. The Notification Date means the date (being any date within 5 ASX Business Days of the Acceleration Trigger Date) on which Option holders are notified of the Acceleration Trigger Date" with such notification to be released on the Exchange. The Acceleration Trigger Date means that date, that the closing price of the Shares on ASX is higher than A$0.78 for any 20 consecutive ASX Business Day period, then on the 20th consecutive ASX Business Day of any such period.

Each option entitles the holder to one fully paid ordinary share in the Company at any time up to expiry date. 5,000 shares have been issued during the financial year as a result of the exercise of options.

Note 6 Information about subsidiaries

The Consolidated Financial Statements of the Group include:

Name	Principal activities	Country of incorporation	Equity interest % 2019	Equity interest % 2018
Deep Yellow Namibia (Pty) Ltd	Investment	Mauritius	100	100
Superior Uranium Pty Ltd	Uranium exploration	Australia	100	100
Reptile Mineral Resources and Exploration (Pty) Ltd	Investment	Namibia	100	100
Reptile Uranium Namibia (Pty) Ltd	Uranium exploration	Namibia	100	100
Omahola Uranium (Pty) Ltd	Uranium exploration	Namibia	100	100
Nova Energy (Namibia)(Pty) Ltd	Uranium exploration	Namibia	65	65
Shiyela Iron (Pty) Ltd	Iron ore exploration	Namibia	95	95
Sand and Sea Property Number Twenty Four (Pty) Ltd	Property investment	Namibia	100	100
Tarquin Investments (Pty) Ltd	Property investment	Namibia	100	100
QE Investments (Pty) Ltd	Property investment	Namibia	100	100
Inca Mining (Pty) Ltd	Uranium exploration	Namibia	95	95
TRS Mining Namibia (Pty) Ltd	Uranium exploration	Namibia	95	95
Yellow Dune Uranium (Pty) Ltd	Uranium exploration	Namibia	85	85

Note 7 Revenue, Interest and other income

	Consolidated 2019 $	Consolidated 2018 $
a) Interest and other income		
Interest received and receivable	**181,594**	264,448
Research and development tax incentive	**43,577**	-
Other	**161**	53
	225,332	264,501
b) Revenue from contracts with customers		
Asset recharges and administration fee earned	**119,315**	150,178
	119,315	150,178

Note 8 Expenses

	Consolidated 2019 $	Consolidated 2018 $
Loss before income tax includes the following specific expenses:		
Depreciation expense:		
Buildings	**22,391**	25,778
Office equipment and fittings	**45,190**	28,673
Motor vehicles	**2,947**	2,530
Site equipment	**22,383**	20,088
Total depreciation and amortisation expense reflected in Note 13	**92,911**	77,069
Employee expenses:		
Wages, salaries and fees	**522,680**	469,208
Superannuation	**20,216**	19,505
Share-based payments	**1,083,945**	399,156
Total employee expenses	**1,626,841**	887,869
Rental expenses on operating leases	**164,633**	71,893

Note 9 Income tax

The major components of income tax expense for the years ended 30 June 2019 and 30 June 2018 are:

	Consolidated 2019 $	Consolidated 2018 $
a) Income tax expense		
Current income tax:		
Current income tax charge/(benefit)	-	-
Adjustments in respect of current income tax of previous year	-	-
Deferred income tax:		
Relating to origination and reversal of timing differences	**(889,221)**	(453,076)
Under provision in prior year	**(149,297)**	(71,478)
Carry forward tax losses not brought to account	**1,038,518**	524,554
Income tax expense reported in the Statement of Comprehensive Income	-	-
b) Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	**(3,814,328)**	(2,556,350)
Tax at the Australian rate of 30% (2018: 30%)	**(1,144,298)**	(766,905)
Effect of tax rates in foreign jurisdictions*	**133,686**	195,212
Tax effect:		
Non-deductible share-based payment	**126,785**	109,294
Other expenditure not deductible	**7,679**	9,323
Under provision in prior year	**(149,297)**	(71,478)
Non-assessable income: Research and development incentive	**(13,073)**	-
Carry forward tax losses and deductible temporary differences not brought to account	**1,038,518**	524,554
Tax expense	-	-
c) Deferred tax – Statement of Financial Position		
Liabilities		
Prepayments	**37,763**	4,521
Accrued Income	**7,385**	33,946
	45,148	38,467
Assets		
Revenue losses available to offset against future taxable income	**13,835,219**	13,114,761
Accrued expenses	**28,699**	24,093
Deductible equity raising costs	**324,443**	9,900
Capitalised exploration and evaluation expenditure	**18,664,965**	18,659,373
Deferred tax assets not brought to account	**(32,808,178)**	(31,769,660)
	45,148	38,467
Net deferred tax asset/(liability)	-	-
d) Deferred tax – Statement of Comprehensive Income		
Liabilities		
Prepayments	**(33,242)**	(3,623)
Accrued Income	**26,561**	(33,946)
Assets		
Decrease in tax losses carried forward	**720,458**	553,880
Accruals	**4,606**	4,031
Deductible equity raising costs	**314,543**	522
Capitalised exploration expenses	**5,592**	3,690
Deferred tax assets not brought to account	**(1,038,518)**	(524,554)
Deferred tax expense/(benefit)	-	-

Note 9 Income tax (continued)

e) Unrecognised temporary differences
At 30 June 2019, there are temporary differences to the value of $18,664,965 in relation to capitalised exploration and evaluation expenditure associated with subsidiaries. It represents a deferred tax asset which would be realised once the subsidiary is in a tax paying position. (2018: $18,659,373).

*The Namibian subsidiaries operate in a jurisdiction with higher corporate tax rates.

Note 10 Earnings per share (EPS)

Basic earnings per share
Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share
Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Diluted EPS is the same as basic EPS in 2019 and 2018 as the Group is in a loss position.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Consolidated	
	2019	2018
	$	$
a) Loss attributable to ordinary equity holders of the Company		
• Continuing operations	**3,814,328**	2,556,350
b) Weighted average number of ordinary shares for basic and diluted EPS	**200,315,114**	190,372,205

c) Information concerning the classification of securities

Performance Rights
Performance Rights granted that are subject to market price and other performance vesting conditions that had not vested at the reporting date are considered to be contingently issuable shares. There are 750,048 instruments excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for either of the periods presented. These shares have not been included in the determination of basic earnings per share.

Unissued shares under option
Options that were granted and had not vested at the reporting date are considered to be contingently issuable shares. There are 62,464,618 instruments excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for either of the periods presented. These shares have not been included in the determination of basic earnings per share.

`

The weighted average number of ordinary shares includes 16,333,941 Loan Plan Shares that were issued under the Loan Share Plan and are subject to short and long term performance conditions. Details of the current year's issue of 6,283,941 Loan Plan Shares are provided in Note 20. These shares have not been included in the determination of basic earnings per share.

Note 11 Current assets - Cash and cash equivalents

	Consolidated	
	2019	2018
	$	$
Cash at bank and on hand	**10,975,063**	4,690,253
Short term deposits	**4,000,000**	6,000,000
	14,975,063	10,690,253

The carrying amounts of cash and cash equivalents represent fair value. See Note 19 for the Group's fair value disclosures.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Deposits are made for varying periods of between three and twelve months, depending on the immediate cash requirements of the Group and earn interest at the respective deposit rates.

Cash flow reconciliation:

	Consolidated	
	2019	2018
Loss after income tax	**(3,814,328)**	(2,556,350)
Depreciation and amortisation	**92,911**	77,069
Loss on sale of non-current assets	**506**	18,459
Impairment of capitalised mineral exploration and evaluation expenditure	**18,640**	12,300
Share-based payments expense	**1,083,945**	399,156
Change in operating assets and liabilities:		
Decrease/(Increase) in receivables	**84,309**	(22,728)
Increase/(Decrease) in payables	**140,062**	(1,800)
Net cash flows used in operating activities	**(2,393,955)**	(2,073,894)

Non-cash financing and investing activities

The Group has not entered into any transaction during the current or prior financial year which had material non-cash components.

Note 12 Current assets – Receivables and other assets

	Consolidated	
	2019	2018
	$	$
a) Receivables		
GST recoverable	**135,103**	116,984
Other receivables	**326,886**	327,480
	461,989	444,464
b) Other assets		
Tenement and property bonds	**89,581**	100,852
Prepayments	**166,126**	123,214
	255,707	224,066

GST recoverable relates to Australia and Namibia. Interest is not normally charged and collateral is not normally obtained.

Note 13 Non-current assets – Property, plant and equipment

	Consolidated 2019 $	Consolidated 2018 $
Buildings		
At cost	**508,056**	463,592
Accumulated depreciation	**(274,305)**	(251,519)
	233,751	212,073
Office equipment and fittings		
At cost	**364,502**	321,951
Accumulated depreciation	**(261,948)**	(216,195)
	102,554	105,756
Motor vehicles		
At cost	**128,890**	129,158
Accumulated depreciation	**(59,695)**	(56,696)
	69,195	72,462
Site equipment		
At cost	**379,113**	358,644
Accumulated depreciation	**(191,816)**	(169,077)
	187,297	189,567
	592,797	579,858
Reconciliation		
Buildings		
Net book value at start of the year	**212,073**	239,554
Exchange adjustment	**5,448**	(1,703)
Additions	**38,621**	-
Depreciation	**(22,391)**	(25,778)
Net book value at end of the year	**233,751**	212,073
Office equipment and fittings		
Net book value at start of the year	**105,756**	79,690
Exchange adjustment	**1,623**	387
Additions	**41,390**	64,570
Disposals	**(1,025)**	(10,218)
Depreciation	**(45,190)**	(28,673)
Net book value at end of the year	**102,554**	105,756
Motor vehicles		
Net book value at start of the year	**72,462**	60,918
Exchange adjustment	**1,944**	(674)
Additions	**505**	14,748
Disposals	**(2,769)**	
Depreciation	**(2,947)**	(2,530)
Net book value at end of the year	**69,195**	72,462
Site equipment		
Net book value at start of the year	**189,567**	167,635
Exchange adjustment	**4,737**	(1,177)
Additions	**15,376**	50,509
Disposals	**-**	(7,312)
Depreciation	**(22,383)**	(20,088)
Net book value at end of the year	**187,297**	189,567

Security
No items of property, plant and equipment have been pledged as security by the Group.

Note 14 Non-current assets – Capitalised mineral exploration and evaluation expenditure

	Consolidated	
	2019	2018
	$	$
In the exploration and evaluation phase		
Cost brought forward	**29,279,061**	28,181,518
Exploration expenditure incurred during the year at cost	**1,765,240**	1,490,760
Exchange adjustment	**806,278**	(380,917)
Impairment of capitalised mineral exploration and evaluation expenditure	**(18,640)**	(12,300)
Cost carried forward	**31,831,939**	29,279,061

Impairment of capitalised mineral exploration and evaluation expenditure relates to assets for which the expenditure are not expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale.

The fair value of the Group's capitalised mineral exploration and evaluation assets at 30 June 2019 has been determined based on comparable market transactions. The fair value methodology adopted at 30 June 2019 is categorised as Level 3 in the fair value hierarchy. In determining the fair value less cost to dispose (FVLCD), estimates are made in relation to the underlying resources and the uranium valuation multiple. Any changes in these estimates could impact the FVLCD of the underlying asset.

In determining the fair value of the project, to assess whether any further impairment write-downs or reversals of impairment are required the Board took into consideration:

- current and forecast uranium spot and term prices (which based on current forecasts are expected to remain depressed until the early 2020s);
- share price of mid to small cap uranium companies; and
- combination of differentiated mineralisation of its Resource-based assets.

A summary of capitalised mineral exploration and evaluation expenditure by country of operation is as follows:

	Consolidated	
	2019	2018
	$	$
Namibia	**31,831,939**	29,279,061
Cost carried forward	**31,831,939**	29,279,061

Note 15 Current liabilities – Trade and other payables

	Consolidated	
	2019	**2018**
	$	**$**
Trade payables and accruals	**477,538**	**302,321**
Other payables	**32,123**	**30,460**
	509,661	**332,781**

Trade payables and accruals are non-interest bearing and normally settled on 30 day terms. There are no secured liabilities as at 30 June 2019.

Details of the Group's exposure to interest rate risk and fair value in respect of its liabilities are set out in Note 19.

Note 16 Current liabilities – Provisions

	Consolidated	
	2019	**2018**
	$	**$**
Employee leave provisions	**118,514**	**98,980**
	118,514	**98,980**

Note 17 Issued capital and reserves

	Issue price (cents)	Consolidated 2019 No.	Consolidated 2018 No.	Consolidated 2019 $	Consolidated 2018 $
a) Share capital					
Issued and fully paid share capital		**219,991,857**	185,540,276	**247,264,524**	238,722,162
b) Share movements during the year	*Issue price (cents)*				
At the beginning of the year		**194,590,276**	190,047,376	**238,722,162**	239,065,259
Issued on vesting of Performance Rights		**414,323**	492,900	**101,885**	146,119
Issued under Loan Share Plan *		**6,283,941**	4,050,000	**-**	-
Issued under capital raising	0.31	**29,032,258**	-	**9,000,000**	-
Exercise of options	0.50	**5,000**	-	**2,500**	-
Less: Transaction costs attributable to issuance of shares	-		-	**(562,023)**	(489,216)
At the end of the year		**230,325,798**	194,590,276	**247,264,524**	238,722,162

*Shares issued under the Loan Share Plan to Managing Director, Executive Director, employees and contractors and subject to long term performance conditions and repayment of limited recourse loan made to the participant to purchase the shares. The shares may not be traded until the shares have vested, any imposed dealing restrictions have ended and the limited recourse loan in respect to those shares has been paid in full.

c) Ordinary shares
The holding company, Deep Yellow Limited, is incorporated in Perth, Western Australia.

The holding company's shares are limited and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

d) Other reserves

2019	Consolidated Accumulated losses $	Consolidated Employee equity benefits' reserve (i) $	Consolidated Foreign Currency Translation Reserve (ii) $
Balance at 1 July 2018	**(192,326,868)**	**11,086,143**	**(16,695,496)**
Loss for year	**(3,814,328)**	-	-
Transfer to issued capital in respect of Performance Rights vested	**-**	**(101,885)**	-
Recognition of share-based payments	**-**	**1,156,083**	-
Movement for the year	**-**	**-**	**921,147**
Balance at 30 June 2019	**(196,141,196)**	**12,140,341**	**(15,774,349)**

Note 17 Issued capital and reserves (continued)

2018	Accumulated losses $	Consolidated Employee equity benefits' reserve (i) $	Foreign Currency Translation Reserve (ii) $
Balance at 1 July 2017	(189,770,518)	10,774,425	(16,364,671)
Loss for year	(2,556,350)	-	-
Transfer to issued capital in respect of Performance Rights vested	-	(146,119)	-
Recognition of share-based payments	-	457,837	-
Movement for the year	-	-	(330,825)
Balance at 30 June 2018	(192,326,868)	11,086,143	(16,695,496)

(i) Employee equity benefits' reserve

The previous Option Plan was replaced by an Awards Plan which allows the offer of either Options or Performance Rights. Options over unissued shares are issued and Performance Rights are granted at the discretion of the Board. Information relating to Options issued and Performance Rights granted are set out in Note 20.

The Group has a Loan Share Plan which allows the offer of Loan Plan Shares to qualifying employees and/or consultants. Loan Plan Shares are issued at the discretion of the Board. Information relating to Loan Plan Shares are set out in Note 20.

(ii) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. The movement arises from the translation of foreign subsidiaries and opening balance of equity.

Note 18 Dividends

No dividends were paid or proposed during the financial year (2018: Nil).

The Company has no franking credits available as at 30 June 2019 (2018: Nil).

Note 19 Financial assets and liabilities

Financial assets

	Consolidated 2019 $	Consolidated 2018 $
Financial assets at amortised cost		
Trade and other receivables	**461,989**	444,464
Total current	**461,989**	444,464

Financial liabilities

	Consolidated 2019 $	Consolidated 2018 $
Financial liabilities at amortised cost		
Trade and other payables	**509,661**	332,781
Total current	**509,661**	332,781

Note 19 Financial assets and liabilities (continued)

Financial instruments risk management objectives and policies

The Group is exposed to a variety of risks arising from its use of financial instruments which are summarised below. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board has the overall responsibility for the risk management framework while senior management oversees the management of these risks.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate, currency and other price risk, such as equity price risk and commodity risk. The Group is only exposed to interest rate and currency risk. The financial instrument affected by market risk is deposits.

The sensitivity analyses in the following sections relate to the position as at 30 June 2019 and 30 June 2018.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Group requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest deposits and flexible notice deposits. The Group does not employ interest rate swaps or enter into any other hedging activity with regards to its interest bearing investments.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Consolidated	
	2019	2018
	$	$
Cash in bank	**10,975,063**	4,690,253
Other short-term bank deposits	**4,000,000**	6,000,000
	14,975,063	10,690,253

Interest rate sensitivity
A change of 1% in interest rates at the reporting date as per management's best estimate would have increased/(decreased) other comprehensive income and profit and loss by the amounts shown below. This analysis assumes all other variables remain constant. The same sensitivity analysis has been performed for the comparative reporting date.

	Profit and Loss		Other Comprehensive Income	
	1% Increase	1% Decrease	1% increase	1% Decrease
30 June 2019				
Cash and cash equivalents	**149,751**	**(149,751)**	**-**	**-**
30 June 2018				
Cash and cash equivalents	106,902	(106,902)	-	-

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Financial assets in overseas Group companies are not generally material in the context of financial instruments entered into by the Group as a whole, as they generally relate to funds advanced to fund short term exploration and administration activities of the overseas operations. Once the funds are expended, they are no longer classified as financial assets. Advancing of funds to overseas operations on a needs basis, is an effective method for the management of currency risk. The Group's investments in overseas subsidiary companies are not hedged as they are considered to be long term in nature.

As a result of significant investment in Namibia, the Group's Statement of Financial Position can be affected by movements in the Namibian dollar/Australian dollar/US dollar exchange rates. The Group does not consider there to be a significant exposure to the Namibian dollar or US dollar as they represent the functional currencies of controlled entities.

Note 19 Financial assets and liabilities (continued)

Foreign currency sensitivity

A change of 5% in the Namibian dollar at the reporting date as per management's best estimate would have increased/(decreased) profit and loss before tax and pre-tax equity by the amounts shown below. This analysis assumes all other variables remain constant. The same sensitivity analysis has been performed for the comparative reporting date. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in Namibian dollar			
	+5% Increase	-5% Decrease	+5% increase	-5% Decrease
	Profit and Loss before tax		Pre-tax Equity	
30 June 2019	**18,556**	**(20,509)**	**1,149,573**	**(1,270,580)**
30 June 2018	28,025	(30,975)	1,164,927	(1,287,551)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and foreign exchange transactions.

- Trade and other receivables
  The majority of the receivables that materialise through the Group's normal course of business is in relation to the Nova Joint Venture, for which Reptile Mineral Resources and Exploration (Pty) Ltd, a controlled entity, is the appointed Manager. The risk of non-recovery of receivables is therefore considered to be negligible. The Board does not consider there to be a significant exposure to credit risk in relation to trade and other receivables.

- Cash at bank
  Credit risk from balances with banks and financial institutions is managed by the Group Financial Controller and reviewed by the Board. Investments of surplus funds are made only with approved counterparties. The Group's primary banker is Westpac Banking Corporation Limited (Westpac). At reporting date all current accounts are with this bank, other than funds transferred to Namibia to meet the working capital needs of the controlled entity, Reptile Mineral Resources and Exploration (Pty) Ltd. The cash needs of the controlled entity's operations are monitored by the parent company and funds are advanced to the Namibian operations as required.

  The Directors believe this is the most efficient method of combining the monitoring and mitigation of potential credit risks arising out of holding cash assets in overseas jurisdictions, and the funding mechanisms required by the Group.

- Deposits at call
  In addition, the Group has cash assets on deposit with Westpac. The Board considers this financial institution, which have a short-term credit rating of A-1+ and long term rating of AA- from Standard & Poor's, to be appropriate for the management of credit risk with regards to funds on deposit.

Except for the matters above, the Group currently has no significant concentrations of credit risk.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2019 $	2018 $
Cash and cash equivalents	**10,975,063**	4,690,253
Other short-term bank deposits	**4,000,000**	6,000,000
Other receivables	**461,989**	444,464
	15,437,052	11,134,717

Note 19 Financial assets and liabilities (continued)

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's only liabilities are short term trade and other payables.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management manages its liquidity risk by monitoring its cash reserves and forecast spending, and is cognisant of the future demands for liquid financial resources to finance the Group's current and future operations, and consideration is given to the liquid assets available to the Group before commitment is made to future expenditure or investment.

The Group's expenditure commitments are taken into account before entering into fixed term investments and short and medium term exploration programs are tailored within current cash resources.

The Group's trade and other payables of $628,175 (2018: $431,761) are settled on 30-day trading terms.

Fair values

The fair value of financial assets and liabilities approximates their carrying amounts largely due to the short term maturities of these instruments.

Note 20 Share-based payment plans

(a) Types of share-based payments

Performance Rights
Under the Awards Plan, Performance Rights can be granted to Executives and other qualifying employees in order to align remuneration with shareholder wealth over the long-term and assist in attracting and retaining talented employees. These are granted for no consideration and each right upon vesting entitles the holder to one fully paid ordinary share in the capital of the Company if certain time and market price measures are met in the measurement period.

During the 2019 financial year, The Group continued to issue Performance Rights to employees which were subject to time-based vesting conditions which prescribe periods of time that the employee must stay employed by the Company prior to automatic vesting. Prior year issues also included market price vesting conditions which measures the increase in share price of the Company. Unvested Performance Rights subject to the Market Price Condition will vest if, at the end of the measurement period, the share price of the Company has reached a pre-determined market price.

If at any time prior to the Vesting Date an employee voluntarily resigns from employment with the Group or is terminated, the Performance Rights automatically lapse and are forfeited, subject to the discretion of the Board. The Board can at any time make a determination, including amended vesting conditions, that Performance Rights for which performance hurdles have not been met, continue as Unvested Performance Rights. They will lapse, if they have not already lapsed or vested for any other reason, 15 years after the date of grant.

Loan Plan Shares
During the 2019 financial year shares were granted to the Managing Director, Executive Director, employees and contractors under the Deep Yellow Limited Loan Share Plan (Loan Share Plan). The Loan Share Plan rewards and incentivises employees (including Directors who are employees of the Company) and contractors (Participant), where shareholder approval has been granted (if required), through an arrangement where Participants are offered shares subject to long term performance conditions. The shares are offered at market value such that the incentive is linked to the increase in value over and above the purchase price and so aligns the Participants to the risks and rewards of a shareholder. The purchase price payable by the Participant for the ordinary shares is lent to the Participant under an interest free limited recourse loan, with the loan secured against the shares. A Participant may not trade shares acquired under the Loan Share Plan until the shares have vested, any imposed dealing restrictions have ended and the limited recourse loan in respect to those shares has been paid in full. For so long as there is an outstanding loan balance, the Participant irrevocably and unconditionally directs the Company to withhold all after tax dividends in respect of the Participants Loan Plans Shares and apply all amounts so withheld in repayment of the outstanding loan balance. The loan can be repaid at any time, however to avoid compulsory divestment of Loan Plan Shares, the loan must be repaid on the earlier of periods ranging between 5-10 years (determined with each issue) after the issuance of the shares and the occurrence of:

(a) in the case of vested shares, the date being 12 months after cessation of employment or service contract for any reason; or
(b) pre-determined occurrences as per the Loan Share Plan including but not limited to a Control Event or material breach by the Participant.

Note 20 Share-based payment plans (continued)

The shares vest if certain Company share price targets and clearly defined business goals (where applicable) covering financial and non-financial performance measures are met and the holder of the awards remains employed with the Company during the measurement period. If these conditions are not met the shares are forfeited and the forfeited shares are treated as full consideration for the repayment of the loan. The fair value at grant date is estimated using a Black Scholes option pricing model for shares with non-market based vesting conditions and a Monte-Carlo model for those with market based vesting conditions.

(b) Summaries of Performance Rights and Loan Plan Shares granted

The table below illustrates the number (No.) and weighted average exercise price (WAEP) of, and movements in, Loan Plan Shares during the year:

	2019 No.	2019 WAEP (cents)	2018 No.	2018 WAEP (cents)
Outstanding at the start of the year	**9,050,000**	**25.4**	**5,000,000**	**22.0**
Granted during the year	**6,283,941**	**46.5**	**4,050,000**	**29.6**
Forfeited during the year	**(1,050,000)**	**-**	**-**	**-**
Expired during the year	**-**	**-**	**-**	**-**
Exercised during the year	**-**	**-**	**-**	**-**
Outstanding at the end of the year	**14,283,941**	**32.4**	**9,050,000**	**25.4**

The table below illustrates the number (No.) and movements in Performance Rights during the year:

	2019 No.	2018 No.
Outstanding at the start of the year	**837,934**	**709,250**
Granted during the year	**447,437**	**740,709**
Forfeited during the year	**-**	**(29,250)**
Expired during the year	**(121,000)**	**(89,875)**
Exercised during the year	**(414,323)**	**(492,900)**
Outstanding at the end of the year	**750,048**	**837,934**

(c) Summaries of Loan Plan Shares exercised during the year

No Loan Plan Shares were exercised during the year. The limited recourse loans outstanding in relation to Loan Plan Shares at 30 June 2019 was $5,219,033 (2018: $2,297,000). 6,283,941 Loan Plan Shares were granted and 1,425,000 vested during the year.

(d) Weighted average remaining contractual life

The Loan Plan Shares outstanding at the end of the year have exercise prices between 22.0 and 46.5 cents. The weighted average remaining contractual life for the limited recourse loans outstanding in relation to Loan Plan Shares at 30 June 2019 is 6.83 years (2018: 8.96 years)

The weighted average remaining contractual life for the Performance Rights outstanding as at 30 June 2019 is 7.05 months (2018: 8.21 months).

(e) Recognised share-based payment expenses

The expense recognised for employee services during the year, arising from equity-settled share-based payment transactions in the form of Performance Rights and Loan Plan Shares is shown in the table below:

	Consolidated	
	2019 $	2018 $
Amount recognised as employee expenses in the Consolidated Statement of Comprehensive Income	**1,083,945**	**399,156**
Amount recognised as capitalised mineral exploration and evaluation expenditure	**72,139**	**58,680**
	1,156,084	**457,836**

There have been no modifications to share-based payment arrangements during the 2019 financial year.

Note 20 Share-based payment plans (continued)

(f) Loan Plan Shares and Performance Rights pricing models

The fair value of the Performance Rights and Loan Plan Shares granted under their respective plans are estimated as at the grant date.

The following tables lists the inputs to the models used for the years ended 30 June 2019 and 30 June 2018.

	Loan Plan Shares Grants		
	2019	2018	
	19 Nov 18	6 Dec 17	30 Apr 18
Pricing model	Black Scholes (i) Monte-Carlo simulation using hybrid pricing model (ii)	Black Scholes (i) Monte-Carlo simulation using hybrid pricing model (ii)	Black Scholes (i) Monte-Carlo simulation using hybrid pricing mode (ii)
Dividend yield (%)	Zero	Zero	Zero
Expected volatility (%)	100	125	105
Risk-free interest rate (%)	2.32	2.51	2.77
Expected repayment term of limited recourse loan in relation to loan plan shares (years)	5	10	10
Closing share price at grant date (cents)	49.5	31.0	25.5
Fair value per right at grant date (cents)			
- Time-based vesting conditions	37.6	29.7	23.3
- Time and market price vesting conditions	32.4	19.5-22.7	12.1-14.2

The expected life of the limited recourse loan in relation to Loan Plan Shares is based on current expectations and is not necessarily indicative of repayment patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the rights and repayment term of the limited recourse loan in relation to the Loan Plan Shares is indicative of future trends, which may not necessarily be the actual outcome.

	Performance Rights Grants				
	2019		2018		
	17 May 19	19 Nov 18	26 Jun 18	30 Apr 18	14 Dec 17
Pricing model	Black Scholes (i)	Black Scholes (i)	Black Scholes (i)	Black Scholes (i) Monte-Carlo simulation using hybrid pricing mode (ii)	Black Scholes (i)
Dividend yield (%)	Zero	Zero	Zero	Zero	Zero
Expected volatility (%)	-	-	-	105	-
Risk-free interest rate (%)	-	-	-	2.05	-
Expected life of rights	15	5	15	15	15
Closing share price at grant date (cents)	34.5	49.5	30.5	25.5	33.0
Fair value per right at grant date (cents)					
∗ Time-based vesting conditions	34.5	49.5	30.5	25.5	33.0
∗ Time and market price vesting conditions	N/A	N/A	N/A	12.5	N/A

(i) Share-based payments subject to non-market based vesting conditions; and
(ii) Share-based payments subject to market-based vesting conditions.

Note 21 Commitments and contingencies

(a) Exploration

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programs and priorities and may be reduced by the surrendering of tenements. These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements. This commitment does not include the expenditure commitments which are the responsibility of the joint venture partners. As at balance date, the Group has no outstanding commitment for exploration expenditure.

(b) Operating lease commitments

Commitments for minimum lease payments in relation to a non-cancellable operating lease are as follows:

	Consolidated	
	2019	2018
	$	$
Within one year	**170,687**	200,456
Later than one year but not later than five years	**474,834**	677,505
	645,521	877,961

The Group has the option to extend the operating lease for an additional term of three years up to November 2025.

(c) Contractual commitments

There are no contracted commitments other than those disclosed above.

(d) Contingent liabilities

There were no material contingent liabilities as at 30 June 2019.

Note 22 Related party disclosures

Compensation of Key Management Personnel

	Consolidated	
	2019	2018
	$	$
Short-term employee benefits	**1,096,733**	1,009,786
Post-employment benefits	**8,242**	9,977
Share-based payment	**566,345**	332,003
Total compensation paid to Key Management Personnel	**1,671,320**	1,351,766

The amounts disclosed in the table are the amounts recognised as a cost during the reporting period related to Key Management Personnel.

Other transactions with Key Management Personnel
Scomac Management Services Pty Ltd as trustee for the Scomac Unit Trust ("Scomac" or "Consultant") has been appointed on a non-exclusive basis to provide the Group with management, strategic, technical and geological expertise and services through the Consultant personnel they employ or have access to ("Scomac agreement"). Mr Borshoff has a financial interest in Scomac.

During the year ended 30 June 2019 Scomac billed the Company $737,113, inclusive of GST and on-costs (2018: $707,169), for technical and geological services (excluding Mr Borshoff) on normal commercial terms and conditions. These amounts are not included in the Compensation of Key Management Personnel table above. Fees paid to Scomac in relation to services provided by Mr Borshoff as Managing Director are detailed in section 6(a). An amount of $54,486 was outstanding at 30 June 2019 (2018: Nil). The amount for other services was recognised as non-current asset: capitalised mineral exploration and evaluation expenditure.

There were no other related party transactions during the year other than those disclosed above in relation to Key Management Personnel.

Note 23 Events Occurring After Balance Date

During June 2019 the Company raised $9,000,000 through the issue of 29,032,258 fully paid ordinary shares in the Company at an issue price of $0.31 per share to institutional, sophisticated and professional investors (Placement).

In addition to the Placement, the Company offered eligible shareholders the opportunity to participate in a Share Purchase Plan at $0.31 per share to raise up to a further $2,500,000 on similar terms to the Placement on a first come, first served basis. The Share Purchase Plan closed with subscriptions for 5,411,985 ordinary shares raising a further $1,677,700 and shares were issued on 4 July 2019.

Under the terms of the Share Purchase Plan the Board reserved the right to place any shares not subscribed for by eligible shareholders (Shortfall) to qualified investors as a separate placement. Certain institutional and sophisticated investors who participated in the Placement subscribed for a further 1,973,571 shares on the same terms as the Share Purchase Plan to raise a further $611,807 and shares were issued on 9 July 2019.

There have been no further events or circumstances which materially affect the Annual Financial Statements of the Group between 30 June 2019 and the date of this report.

Note 24 Remuneration of Auditors

The auditor of the Deep Yellow Limited Group is Ernst & Young

	Consolidated 2019 $	Consolidated 2018 $
Amounts received or due and receivable by Ernst & Young for:		
Audit or review of the financial report of the entity and any other entity in the Consolidated Group	**71,250**	71,198
Taxation and other services in relation to the entity and any other entity in the Consolidated Group	**3,007**	-
	74,257	71,198

Note 25 Parent Entity Information

Information relating to Deep Yellow Limited:	2019 $	2018 $
Current assets	**14,993,355**	10,562,852
Total assets	**48,025,357**	43,564,321
Current liabilities	**(509,262)**	272,716
Total liabilities	**(509,262)**	272,716
Issued capital	**247,264,524**	238,722,162
Accumulated losses	**(211,888,770)**	(203,835,799)
Equity compensation reserve	**12,140,341**	11,086,141
Total shareholders' equity	**47,516,095**	43,291,606
Loss of the parent entity	**(5,372,073)**	(1,904,773)
Total comprehensive loss of the parent entity	**(5,372,073)**	(1,904,773)

Contingent liabilities of the parent entity

Deep Yellow Limited has entered into a Subordination Agreement on 31 March 2017. The agreement has been updated on 21 August 2018. The effect of the agreement is that Deep Yellow Limited has agreed to assist Reptile Uranium Namibia (Pty) Ltd, a Namibian subsidiary, by subordinating subject to certain terms and conditions, its non-current claims against Reptile Uranium Namibia (Pty) Ltd and in favour and for the benefit of other creditors of Reptile Uranium Namibia (Pty) Ltd.

Note 26 Interests in Joint Operations

Joint arrangements have been entered into with third parties, whereby the Group or the third parties can earn an interest in exploration areas by expending specified amounts in the exploration areas.

There are no assets employed by these joint operations and the Group's expenditure in respect of them is brought to account initially as capitalised exploration and evaluation expenditure. The Group is currently in the earn-in phase of its joint operations.

The Group's interest in joint operations is as follows:

* On 22 January 2013 the Company announced the execution of a Heads of Agreement with Epangelo Mining Company (Pty) Ltd (Epangelo) to progress the Aussinanis project (Aussinanis) in Namibia. Epangelo, a private company owned by the Government of the Republic of Namibia has acquired 5% of Aussinanis by funding testwork. Epangelo can earn up to 50% of the project by funding the Project through to a bankable feasibility study.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Deep Yellow Limited ('the Company'), I state that:

1. In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity for the financial year ended 30 June 2019 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

On behalf of the Board

John Borshoff
Managing Director
27th day of September 2019

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's report to the Members of Deep Yellow Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Deep Yellow Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

1. Carrying value of capitalised mineral exploration and evaluation expenditure

Why significant	How our audit addressed the key audit matter
As disclosed in Note 14, at 30 June 2019, the Group held capitalised exploration and evaluation expenditure assets of $31.8 million. The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the carrying value of exploration and evaluation expenditure assets may exceed their recoverable amount. Previously recognised impairment write-downs on capitalised mineral exploration and evaluation expenditure are also required to be assessed for reversals of impairment. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment or for reversals of impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is market evidence to indicate that the fair value of the exploration and evaluation asset has changed substantially from when previous impairment write-downs were recognised. The Group determined there had been no indicators of impairment or reversals of impairment for its areas of interest. Given the size of the balance and the judgmental nature of impairment indicator assessments associated with exploration and evaluation assets, we consider this a key audit matter.	In performing our procedures, we: ► Considered the Group's right to explore in the relevant areas of interest, which included obtaining and assessing supporting documentation such as tenure documents. ► Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant areas of interest, which included assessment of the Group's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Group. ► Considered whether the exploration activities within each area of interest have reached a stage where the commercially viable resource estimate could be made, which included obtaining and assessing supporting documentation such as exploration reports and the Group's announcements in the Australian Stock Exchange in relation to its mineral resource and ore reserve. ► Considered resource multiples from other comparable market transactions and the Group's reported resources for each area of interest to assess whether resource multiples provided any indicator of an impairment loss or a reversal of a previously recognised impairment. ► Assessed the adequacy of the disclosure included in the financial report.

2. Share based payments – share options

Why significant	How our audit addressed the key audit matter
As disclosed in Note 20, at 30 June 2019 the Group had granted share based payment awards in the form of loan plan shares and performance share rights (both valued as share options). The awards vest subject to the achievement of certain vesting conditions. Due to the complex and judgmental estimates used in determining the valuation of the share based payments and vesting expense, we considered the Group's calculation of the share based payment expense to be a key audit matter. In determining the fair value of the awards and related expense the Group uses assumptions in respect of future market and economic conditions. The Group used the Black Scholes and Monte Carlo Simulation models in valuing the share-based payment awards.	In performing our audit procedures, we: ▶ Assessed the third party expert engaged by the Group for the purposes of performing an independent actuarial valuation on the awards that have share price target vesting conditions. This included assessing the objectivity and competence of the third party expert; and ▶ Involved our valuation specialists to assess the assumptions used in the third party expert's valuation, being the share price of the underlying equity, interest rate, volatility, dividend yield, time to maturity (expected life) and grant date. ▶ Assessed the adequacy of the disclosure included in the financial report.

Information other than the financial report and auditor's report

The Directors are responsible for the other information. The other information comprises the information in the Group's Annual Report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Deep Yellow Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Robert A Kirkby
Partner
Perth
27 September 2019

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 19 September 2019.

(a) Distribution of Equity Securities

Ordinary share capital
237,711,355 fully paid ordinary shares are held by 7,117 individual shareholders

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote. All issued ordinary shares carry the rights to dividends.

Options
62,464,618 options are held by 433 individual option holders with each option having an exercise price of $0.50 and expiring on the earlier of:
(i) 1 June 2022; and
(ii) 22 ASX Business Days after the **Notification Date**

The **Notification Date** means the date (being any date within 5 ASX Business Days of the **Acceleration Trigger Date**) on which Option holders are notified of the Acceleration Trigger Date" with such notification to be released on the Exchange.

The **Acceleration Trigger Date** means that date, that the closing price of the Shares on ASX is higher than A$0.78 for any 20 consecutive ASX Business Day period, then on the 20th consecutive ASX Business Day of any such period.

Options do not carry a right to vote.

The number of shareholders, by size of holding, in each class are:

Distribution	Fully paid ordinary shares	Options
1 – 1,000	3,282	85
1,001 – 5,000	2,175	143
5,001 – 10,000	565	54
10,001- 100,000	937	108
More than 100,000	158	43
Totals	**7,117**	**433**
Holding less than a marketable parcel	3,966	267

(b) Substantial Shareholders

The following information is extracted from the Company's Register of Substantial Shareholders:

Shareholder Name	Issued Ordinary Shares	
	Number	Percentage
SPROTT, EXPLORATION CAPITAL PARTNERS 2014 LP AND ASSOCIATED ENTITIES	29,043,446	12.22
COLLINES INVESTMENTS LIMITED	19,680,292	8.54
PARADICE INVESTMENT MANAGEMENT PTY LTD	17,741,935	7.70
Totals	**66,465,673**	**28.46**

The above shareholdings are disclosed pursuant to section 671B (3) of the Corporations Act 2001 but the relevant interests shown do not necessarily represent the beneficial interest in the share capital of the Company or the parties concerned.

(c) Twenty Largest Shareholders

The names of the twenty largest holders of ordinary shares are listed below:

Shareholder Name	Ordinary Shares	
	Number	Percentage
CITICORP NOMINEES PTY LIMITED	47,853,441	20.13
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	44,895,495	18.89
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	31,735,893	13.35
MR JOHN BORSHOFF	8,426,407	3.54
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,636,768	2.37
MS GILLIAN SWABY	4,262,587	1.79
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	3,777,065	1.59
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	3,755,098	1.58
ELEGANT WORLD PTY LTD <M I T PARTNERS A/C>	2,500,000	1.05
MCNEIL NOMINEES PTY LIMITED	2,492,855	1.05
BNP PARIBAS NOMS PTY LTD <DRP>	1,853,677	0.78
RAVELLO GROUP PTY LIMITED <S J MALLYON SUPER FUND A/C>	1,612,904	0.68
MR ED BECKER	1,544,594	0.65
MR MERVYN PATRICK GREENE	1,296,858	0.55
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	1,129,032	0.47
URSULA PRETORIUS	937,435	0.39
TIERRA DE SUENOS SA	870,566	0.37
MR JEAN CORBIN	822,973	0.35
MR ANDREW WILDE	755,405	0.32
MR MARK PITTS	744,420	0.31
Totals	**166,903,473**	**70.21**

(d) Twenty Largest Option Holders

The names of the twenty largest holders of options are listed below:

Option Holder Name	Options	
	Number	Percentage
CITICORP NOMINEES PTY LIMITED	31,549,011	50.51
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,590,520	12.15
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	4,474,913	7.16
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,119,357	3.39
MS MEI-LING FU	1,400,000	2.24
MR BENJAMIN PETER GRILLS <GRILLSCORP INVESTMENT A/C>	1,133,414	1.81
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,000,000	1.60
MRS CATHERINE JANINE DENTRINOS + MR NICKOLAS DENTRINOS	800,000	1.28
MR BENJAMIN PETER GRILLS + MRS JESSICA LEE NAY-GRILLS <GRILLSCORP O VIEWS S/F A/C>	752,152	1.20
MR PHILIP BOMFORD	500,000	0.80
TESANO PTY LTD <BAILEY FAMILY A/C>	500,000	0.80
MR KELVINDER SINGH	370,000	0.59
HEZHU PTY LTD <YAN AND HUI FAMILY A/C>	367,228	0.59
ATLANTIS MG PTY LTD <MG FAMILY A/C>	250,000	0.40
PPF ADVISORY PTY LTD	250,000	0.40
MR POH SENG TAN	250,000	0.40
MR DOMINIC CAELIN TANGNEY	250,000	0.40
MR DAVID PRITCHARD	222,222	0.36
GECKO RESOURCES PTY LTD	210,000	0.34
BASIL LADYMAN PTY LTD <WOODLAT SUPER FUND A/C>	203,316	0.33
Totals	**54,192,133**	**86.76**

(e) Restricted Securities

As at 30 June 2019 there were no restricted securities.

SCHEDULE OF MINERAL TENURE

As at 19 September 2019

NAMIBIA

Number	Name	Interest	Expiry Date	JV Parties	Approx. Area (km^2)
EPL 3496[#1]	Tubas	100%	04.08.2021	-	672
EPL 3497[#1]	Tumas	100%	04.08.2021	-	288
EPL 3498[#2]	Aussinanis	85%	07.05.2016	5% Epangelo [#4] 10% Oponona[#5]	190
EPL 3669	Tumas North	65%	20.11.2019	[25% Nova (Africa) [#6]	122
EPL 3670	Chungochoab	65%	20.11.2019	10% Sixzone [#7]]	477
ML 176 [#3]	Shiyela	95%	05.12.2027	5% Oponona [#5]	54
EPLA 6820[#1]	Rooikop East	100%	N/A[#8]	-	205
					2,008

[#1] 5% right granted to Oponona in 2009 to participate in any projects which develop from these EPLs
[#2] Application has been made for a Mineral Deposit Retention Licence (MDRL) to secure the uranium resource within EPL3498. The EPL remains valid whilst the outcome of the MDRL application is pending.
[#3] Located entirely within EPL3496
[#4] Epangelo Mining (Pty) Ltd
[#5] Oponona Investments (Pty) Ltd
[#6] Nova (Africa) (Pty) Ltd
[#7] Sixzone Investments (Pty) Ltd
[#8] Application has been made for this Exclusive Prospecting Licence (EPL). An expiry date will only be available once the tenement has been granted.

AGREEMENTS

	Approx. Area (km^2)
ABM Resources NL - Northern Territory (100% uranium rights stay with Deep Yellow)	5,257
	5,257

Unit 17, Second Floor, Spectrum Building, 100-104 Railway Road, Subiaco, Western Australia 6008
Tel: +61 8 9286 6999 Email: info@deepyellow.com.au
www.deepyellow.com.au