



# Deep Yellow Limited

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## Deep Yellow Limited

ACN 006 391 948

## Prospectus

For a non-renounceable entitlement issue to Eligible Shareholders of up to approximately 60,469,620 Shares at an issue price of \$0.25 per Share on the basis of 7 Shares for every 15 Shares held and up to approximately 60,469,620 Options on the basis of 1 free attaching Option for every 1 Share issued, with each Option having an exercise price of \$0.50 and expiring on 1 June 2022 (unless accelerated) to raise up to approximately \$15,117,405 before expenses.

Sprott Private Wealth LP. and CPS Capital Group Pty Ltd are Co-Lead Managers to the Offer.

The Offer is not underwritten.

**This Offer closes at 5.00pm (WST) on 30 May 2017. Valid acceptances must be received before that date.**

### **IMPORTANT NOTICE**

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents, or are in doubt as to the course you should follow, you should consult your stockbroker, financial or other professional adviser.

The Shares and Options offered by this Prospectus should be considered speculative.

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## Important notes

This Prospectus is dated 5 May 2017 and was lodged with the ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares or Options will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Shares and Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The Company will apply to ASX for Official Quotation of the Shares and Options offered pursuant to this Prospectus within 7 days after the date of this Prospectus.

Eligible Shareholders should read this Prospectus in its entirety and seek professional advice where necessary. The Shares and Options the subject of this Prospectus should be considered speculative.

Applications for Shares and Options by Eligible Shareholders will only be accepted where they comply with the instructions on the Entitlement and Acceptance Form accompanying this Prospectus as described in section 1.7 of this Prospectus.

An application for Additional Shares and Options by Eligible Shareholders permitted to apply for Additional Shares and Options will only be accepted by completing the relevant section of the Entitlement and Acceptance Form or by making payment for the appropriate monies via BPAY® as described in section 1.8 of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers to whom investors may consult.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia, New Zealand and Namibia except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offer.

Neither this document nor the Shares or Options the subject of the Offer have been, nor will be, registered under the United States Securities Act of 1933, as amended or under the securities legislation of any state of the United States of America, or any applicable securities laws of a country of jurisdiction outside of Australia and New Zealand. Accordingly, subject to certain exceptions, the Shares and Options the subject of the Offer may not, directly or indirectly, be offered or sold within a country or jurisdiction outside of Australia and New Zealand or to or for the account or benefit of any national resident or citizen of, or any person located in a country or jurisdiction outside of Australia and New Zealand.

### New Zealand notice

The Shares and Options being offered pursuant to this Prospectus are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### Hong Kong notice

**WARNING:** The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### Ireland notice

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The Shares and Options offered pursuant to this Prospectus have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 150 natural or legal persons who are not qualified investors.

### Namibia notice

This document constitutes a rights offer as contemplated under the Namibian Companies Act and may be distributed to existing shareholders of the Company in Namibia on the understanding that any Shares subscribed for will only be issued off the Namibian register and listed on the Namibian Stock Exchange.

### Panama notice

The Shares and Options offered pursuant to this Prospectus have not been registered with, and are not under the supervision of, the Superintendence of the Securities Market. The Company is offering the Shares and Options in Panama only to its shareholders with a registered address in Panama. The Shares and Options are not being offered to the public in Panama.

### United Kingdom notice

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Shares and Options offered pursuant to this Prospectus.

This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Shares and Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

### **Privacy**

The Company collects personal information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the personal information in the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

If an Applicant becomes a security holder of the Company, the Corporations Act and Australian tax legislation requires the Company to include information about the security holder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

The Company will not disclose the personal information of Applications to entities outside Australia.

### **Key definitions**

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Please refer to section 6 of this Prospectus for a list of defined terms.

### **Rounding**

In determining Entitlements, any fractional entitlement will be rounded down to the nearest whole number.

### **Key risks**

For a summary of the key risks associated with further investment in the Company, please refer to the Investment Overview. A more detailed description of the key risks is set out in section 3.

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## Important dates\*

Event	Date*
Announcement of Offer	5 May 2017
Lodgement of Appendix 3B with ASX	5 May 2017
Prospectus lodged at ASIC and ASX	5 May 2017
Notice sent to Shareholders	9 May 2017
"Ex" Date (date Shares are quoted ex-rights)	10 May 2017
Record Date to determine Entitlements	5.00pm (WST) 11 May 2017
Prospectus (together with Entitlement and Acceptance Form) despatched to Shareholders	16 May 2017
Opening Date	16 May 2017
Closing Date**	30 May 2017
Shares quoted on a deferred settlement basis	31 May 2017
Notification to ASX of under subscriptions	2 June 2017
Allotment date with respect to Shares and Options	6 June 2017

\* These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.

\*\* The Directors may extend the Closing Date by giving at least three Business Days notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

## Brief instructions for Eligible Shareholders

The number of Shares and Options to which you are entitled is shown in the Entitlement and Acceptance Form. You may participate in the Offer as follows:

<p><b>If you wish to accept your Entitlement in full:</b></p> <ul style="list-style-type: none"><li>• pay the amount indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised reference number indicated so that the funds are received before 5.00pm (WST) on the Closing Date; or</li><li>• complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on your Entitlement and Acceptance Form.</li></ul> <p>Please refer to section 1.7 of this Prospectus for further details on applying for Shares and Options.</p>	<p><b>If you only wish to accept part of your Entitlement:</b></p> <ul style="list-style-type: none"><li>• pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised reference number indicated so that the funds are received before 5.00pm (WST) on the Closing Date; or</li><li>• complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on your Entitlement and Acceptance Form.</li></ul> <p>Please refer to section 1.7 of this Prospectus for further details on applying for Shares and Options.</p>
<p><b>Applying for Additional Shares and Options</b></p> <p>Eligible Shareholders who:</p> <ul style="list-style-type: none"><li>• have subscribed for their Entitlement in full; and</li><li>• following acceptance of their Entitlement, would hold less than a marketable parcel of Shares (being 2,000 Shares (based on the Offer price)),</li></ul> <p>may also apply for Additional Shares and Options in addition to their Entitlement limited to that number of Additional Shares and Options which would result in the Shareholder holding a marketable parcel of Shares (being 2,000 Shares (based on the Offer price)) following the issue of the Shares the subject of their Entitlement and the issue of Additional Shares.</p> <p>You may apply for Additional Shares and Options as follows:</p> <ul style="list-style-type: none"><li>• complete the relevant section of your Entitlement and Acceptance Form and return it together with a single cheque for the appropriate application monies for both your Entitlement and the Additional Shares and Options you wish to apply for; or</li><li>• pay the appropriate application monies for both your Entitlement and the Additional Shares and Options you wish to apply for via BPAY® using the BPAY® code and personalised reference number indicated so that the funds are received before 5.00pm (WST) on the Closing Date.</li></ul> <p>Please refer to section 1.8 of this Prospectus for further details on applying for Additional Shares and Options.</p>	<p><b>If you do not wish to accept all or part of your Entitlement</b>, you are not obliged to do anything. If Eligible Shareholders do not take up their Entitlement, their existing interest in the Company will be diluted. Please refer to sections 2.4 and 3.2 of this Prospectus.</p>

**Shareholders who wish to accept all or part of their Entitlement are urged to use BPAY® to ensure their Applications are received prior to the Closing Date and to avoid any delays that may results from using a postal service.**

## Investment overview

This section provides a summary of information that is key to a decision to invest in Shares and Options. This is a summary only. Potential investors should read this entire Prospectus carefully.

If you are unclear in relation to any aspect of the Offer, or if you are uncertain whether Shares or Options are a suitable investment for you, you should consult your financial or other professional adviser.

Question	Response	Where to find more information
What is being offered and at what price?	The Company is offering to issue Shares and Options to Eligible Shareholders by a pro-rata non-renounceable entitlement issue.  Under the Entitlement Offer, Eligible Shareholders may subscribe for 7 Shares for every 15 Shares held on the Record Date, at a price of \$0.25 per Share, with 1 free attaching Option for every 1 Share subscribed for.	Section 1.1 (Offer)
How many new securities will be issued?	The maximum number of securities that will be issued under the Offer is approximately 60,469,620 Shares and 60,469,620 Options.	Section 2.3 (Effect on capital structure)
What is the amount that will be raised under the Offer and what is the purpose of the Offer?	The Company will raise approximately \$15,117,405 through the issue of Shares and free attaching Options (before expenses of the Offer).  The purpose of the Offer is to raise funds for: <ul style="list-style-type: none"> <li>• further drilling and exploration activities in Namibia to build on recent positive results;</li> <li>• the continued evaluation and potential funding for strategic, value accretive acquisitions to build a global multi-project platform;</li> <li>• general working capital; and</li> <li>• expenses associated with the Offer.</li> </ul>	Section 1.2 (Purpose of the Offer)
Who is eligible to participate in the Offer?	The Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia, New Zealand, Hong Kong, Ireland, Namibia, Panama, and the United Kingdom on the Record Date.  If you are not an Eligible Shareholder, you are not able to participate in the Offer.	Section 1.12 (Overseas investors)
What are the alternatives for Eligible Shareholders?	The Offer is non-renounceable so you cannot trade your Entitlements. As an Eligible Shareholder, you may: <ul style="list-style-type: none"> <li>• take up all of your Entitlements;</li> <li>• apply for Additional Shares and Options, provided you are an Eligible Shareholder permitted to apply for Additional Shares and Options (as set out in section 1.8);</li> <li>• take up part of your Entitlements, and allow the balance of your Entitlements to lapse; or</li> <li>• allow all of your Entitlements to lapse.</li> </ul>	Section 1.7 (Entitlements and acceptance)
Is the Offer underwritten?	The Offer is not underwritten.	
How will Shortfall be allocated?	After allocation of: <ol style="list-style-type: none"> <li>Entitlements taken up by Eligible Shareholders; and</li> <li>any Additional Shares to Eligible Shareholders who apply for Additional Shares,</li> </ol> Sprott will seek to place the first A\$7,501,000 of the Shortfall (with Explo's (a substantial shareholder of the Company and an affiliate of Sprott) take up of its Entitlement (if any) to be credited towards the Sprott Shortfall Placement Amount. If shortfall available under the Entitlement Offer is less than Sprott Shortfall Placement Amount (after any take up by Explo of its Entitlement that is credited towards the Sprott Shortfall Placement Amount), the Company will arrange for the Sprott Makeup Offering. The Sprott Makeup Offering will be capped to the Company's Listing Rule 7.1 capacity of 15% of its Equity Securities on issue. Explo has committed to take up its 12.41% Entitlement. Further details of the Sprott Shortfall Placement and Sprott Makeup Offering are set out in section 1.9. Sprott will be placing Shares and Options under the Shortfall Offer, (if any) to third parties none of whom will be Associates of Sprott or Explo. Each of the placees identified by Sprott will not, by its participation in the Sprott Shortfall Placement, increase its relevant interest in Shares to 20% or more.  CPS will seek to place up to A\$7,500,000 of any Remaining Shortfall which exceeds the amount placed by Sprott under the Sprott Shortfall Placement. Further details of the agreement with CPS are set out in section 1.9. Each of the placees identified by CPS (including CPS if it subscribes for the Remaining Shortfall) will not, by its participation in the Remaining Shortfall, increase its relevant interest in Shares to 20% or more.  The offer of any Shortfall is a separate offer made pursuant to this Prospectus.	Section 1.1 (Offer) and 1.9 (Shortfall)
What are the key risks of further investment in the Company?	Potential investors should be aware that subscribing for Shares and Options in the Company involves a number of risks. A summary of some of the more significant risks which affect an investment in the Company are: <ul style="list-style-type: none"> <li>• <u>Potential for significant dilution if Shareholders do not participate in the Offer</u></li> </ul> Upon completion of the Offer, assuming all Entitlements are accepted and no existing Performance Rights are vested, the number of Shares in the Company will increase from 129,577,759 to 190,047,379. This increase equates to approximately 31.8% of all the issued Shares in the Company following completion of the Offer.	Section 3 (Risk factors)

Question	Response	Where to find more information
	<p>Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately up to 31.8% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table in section 2.4 of this Prospectus.</p> <ul style="list-style-type: none"> <li>• <u>Additional requirements for capital.</u></li> </ul> <p>The Company's ongoing activities will require substantial expenditures. There can be no guarantee that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.</p> <p>The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.</p> <ul style="list-style-type: none"> <li>• <u>Mining regulations.</u></li> </ul> <p>Mining in Namibia is subject to regulation under the Namibian Minerals Act 1992. There are also various regulations in place in relation to the exploration, development, production, exports, taxes, royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances and other matters. The cost of compliance with such laws and regulations will ultimately increase the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.</p> <p>There is a risk that government approvals may not be granted, or may be significantly delayed or may make the deposit uneconomic.</p> <p>Shareholders should be aware that changes of government, new legislation and changes to existing legislation and government policy may impact upon the approvals granted or seeking to be granted to the Company, the Company's profitability and the viability of the Company's operations.</p> <p>Whilst the Company intends to conduct its business in accordance with all applicable laws and regulations, compliance and re-compliance or in order to meet changes to the legislation or regulations can be costly and may ultimately not be viable.</p> <ul style="list-style-type: none"> <li>• <u>Exploration and development risks.</u></li> </ul> <p>The business of uranium exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. The Company's projects are still at a very early stage and there is no guarantee of development. Ultimate and continuous success of activities is dependent on many factors such as:</p> <ul style="list-style-type: none"> <li>• the discovery and/or acquisition of economically recoverable reserves;</li> <li>• access to adequate capital for project development;</li> <li>• design and construction of efficient development and production infrastructure within capital expenditure budgets;</li> <li>• securing and maintaining title to interests;</li> <li>• obtaining regulatory consents and approvals necessary for the conduct of oil and gas exploration, development and production;</li> <li>• securing plant and equipment, particularly given equipment utilisation rates are high in the current period of global exploration/production activity, hence competition for such equipment may also be high; and</li> <li>• access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.</li> </ul> <p>There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of uranium. In particular, the Company may not produce sufficient quantities or qualities of uranium to be profitable or commercially viable and may result in a total loss of the investments by the Company.</p> <p>Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities.</p> <p>Drilling activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment.</p> <p>Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.</p> <p>In addition, the Company will be subject to multi-jurisdictional compliance with governmental regulations in relation to licence conditions, the environment and operational conduct.</p>	

Question	Response	Where to find more information
	<p>These factors affect the Company's ability to establish mining operations, continue with its projects, earn income from its operations and will affect the Company's share price.</p> <ul style="list-style-type: none"> <li>• <u>Commodity price volatility and foreign exchange risk.</u></li> </ul> <p>In the future, the Company's revenue will come from sale of product. Therefore, its earnings will be closely related to the price and arrangements it enters into for selling of its products. Product prices fluctuate and are affected by factors including the relationship between global supply and demand for uranium, forward selling by producers, the cost of production and general global economic conditions.</p> <p>A decline in the market prices of uranium may also require the Company to write down its mineral reserves and resources which would have a material and adverse effect on its earnings and profitability. Should any significant write-down in reserves and resources be required, material write-down of the Company's investment in the affected mining properties and increased amortisation, reclamation and closure expenses may be required.</p> <p>The Company's projects are predominantly focussed on uranium in Namibia.</p> <p>International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on the price of commodities including uranium, particularly in the current global economic market. If the price of uranium seriously declines in the future, this will materially impact on the Company's ability to continue with its projects and the Company may be forced to discontinue some or all of its operations.</p> <p>The Company gives no assurance that the fluctuations in the commodity prices will not affect the timing and viability of the projects.</p> <ul style="list-style-type: none"> <li>• <u>Government policy and sovereign risk</u></li> </ul> <p>The Company's operations in Namibia are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates, high rates of inflation, labour unrest, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange, changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.</p> <p>Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, Black Economic Empowerment and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements.</p> <p>The occurrence of these various factors adds uncertainties which cannot be accurately predicted and could have an adverse effect on the Company's operations.</p> <p>These risks, together with the other risk outlines in section 3 and other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares and Options in the future. Accordingly, an investment in the Company should be considered speculative. Investors should consider consulting their financial or other professional adviser before deciding whether to apply for Shares and Options pursuant to this Prospectus.</p>	
<p>What is the effect on control of the Company?</p>	<p>The effect on the control of the Company will depend on the take-up of Entitlements by Eligible Shareholders.</p> <p>The Company has entered into: (i) the Sprott Finders Agreements; and (ii) the CPS Placement Agreement.</p> <p>Sprott will be placing Shares and Options under the Sprott Shortfall Placement and the Sprott Makeup Offering (if any) to third parties none of whom will be Associates of Sprott or Explo. Each of the placees identified by Sprott will not, by its participation in the Sprott Shortfall Placement, increase its relevant interest in Shares to 20% or more.</p> <p>As at the date of this Prospectus, CPS does not have a relevant interest in any Shares. The extent to which Shares are issued pursuant to the CPS Placement Agreement may increase the CPS' voting power in the Company. If CPS subscribes for the maximum Remaining Shortfall (\$7,500,000 worth of Shares), CPS' voting power in the Company will increase up to 3.95%. Each the third party placees identified by CPS will not, by its participation in the placement of the Remaining Shortfall, increase its relevant interest in Shares to 20% or more.</p> <p>By reason of the above, the Offer will not result in any party gaining control of the Company.</p>	<p>Section 2.4 <b>(Potential dilutionary impact of Offer)</b></p>

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## Chairman's letter

Dear Shareholder

On behalf of the Board of Directors of Deep Yellow Limited ("DYL" or the "Company"), I am pleased to provide Shareholders with the opportunity to participate in a pro-rata non-renounceable entitlement issue to raise approximately \$15,117,405 (the "Offer"). All Eligible Shareholders are entitled to subscribe for 5 new Shares, at an issue price of \$0.25 per Share, for every 15 Shares held on the Record Date of 11 May 2017. For every 1 new Share issued, Eligible Shareholders will receive 1 free attaching Option with an exercise price of \$0.50 and expiring on 1 June 2022 (unless accelerated). A total of approximately 60,469,620 Shares and 60,469,620 Options will be issued through the Offer.

Sprott Private Wealth LP and one of its affiliates and CPS Capital Group Pty Ltd have agreed to support the Offer by assisting the Company in placing shortfall which may arise under the Offer. Further, Exploration Capital Partners 2014 Limited Partnership (a substantial shareholder of the Company and an affiliate of Sprott Private Wealth LP and its affiliate) has committed to take up its 12.41% Entitlement.

Since the appointment of John Borshoff as CEO and Managing Director approximately six months ago, the Company has set a new direction built around a robust strategy to grow shareholder wealth. This realignment is designed to take advantage of prevailing depressed uranium market conditions and it has already delivered tangible results.

Mr Borshoff has more than 30 years of experience in the uranium industry with expertise across exploration, feasibility studies, project construction, operations, product marketing, raising capital and mergers and acquisitions. His global industry network and leadership also brings significant benefits for the Company, as demonstrated by the strengthening of our internal team and new opportunities that have been presented since his appointment.

One key pillar of our new strategy is to grow resources across DYL's existing uranium assets in Namibia and a number of significant achievements have been made in this respect.

In late March, a landmark strategic earn-in was signed with Japan Oil, Gas and Metal National Corporation ("JOGMEC") for the Nova Joint Venture ("Nova"). By spending A\$4.5million over four years, JOGMEC can earn a 39.5% interest in Nova and DYL, which remains manager of the Joint Venture, will see its interest diluted to 39.5%. Nova is considered prospective for both alaskite-associated uranium targets (e.g. Rössing) and palaeochannel-related calcrete uranium targets (e.g. Langer Heinrich) and has only been subject to minimal testing.

At DYL's 100% (dilutable to 95%) controlled Namibian project, a full geological review completed by the new management team identified multiple opportunities to grow the existing resource. The first stage of a 10,000 metre drill program commenced in March and DYL was excited to report that 60 of the first 72 drill holes intersected a significant new zone of calcrete associated and palaeochannel hosted uranium mineralisation, similar to the Langer Heinrich deposit located 30 kilometres to the north east. Further new targets have been identified and will be tested during the remainder of 2017.

The second pillar of the Company's strategy is to establish a global, multi-project, geographically diverse uranium platform through the pursuit of selective, value accretive acquisitions. Consideration of opportunities by the new management team is underway and the Board believes long-term shareholder value can be created by adopting a counter-cyclical approach in the current low uranium price environment.

Proceeds raised from the offer will be used for the following:

- further drilling and exploration activities in Namibia to build on recent positive results;
- the continued evaluation and potential funding for strategic, value accretive acquisitions to build a global multi-project platform;
- in support of acquisition of possible new projects (if identified);
- general working capital; and
- expenses associated with the Offer.

As part of the Offer, Eligible Shareholders who have subscribed for their Entitlement in full and who, following acceptance of their Entitlement, would hold less than a marketable parcel of 2,000 Shares, may also apply for Additional Shares and Options in addition to their Entitlement limited to that number of Additional Shares and Options which would result in the Shareholder holding a marketable parcel of Shares. Further details of this aspect of the Offer are contained in section 1.8.

I wish to assure you that your Company will continue its efforts to deliver to the new strategy to enhance Shareholder value through both exploration and the pursuit of value accretive acquisition opportunities. On behalf of the Board and Management team, I take this opportunity to thank each of our Shareholders and look forward to your support of the Offer.

Yours sincerely

**Rudolf Bruno**  
**Non-executive Chairman**

## 1 Details of the Offer

### 1.1 Offer

This Prospectus invites Eligible Shareholders to participate in a non-renounceable entitlement issue to Eligible Shareholders of up to approximately 60,469,620 Shares at an issue price of \$0.25 per Share on the basis of 7 Shares for every 15 Shares held on the Record Date and up to approximately 60,469,620 Options on the basis of 1 free attaching Option for every 1 Share issued, with each Option having an exercise price of \$0.50 and expiring on 1 June 2022 (unless accelerated) to raise up to approximately \$15,117,405 before expenses.

As at the date of this Prospectus, the Company has 129,577,759<sup>1</sup> Shares on issue.

The Company currently has 709,250 Performance Rights on issue. Please refer to section 2.3 of this Prospectus for further information on the Performance Rights on issue. Given the vesting conditions attached to the Performance rights, it is not expected that any of the Performance Rights will vest prior to the Record Date.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue as at the date of this Prospectus. Please refer to section 4.5 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

Please refer to section 4.6 of this Prospectus for the terms and conditions of the Options offered.

### 1.2 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$15,117,405.

It is anticipated that the funds raised from the Offer will be applied as follows:

Description	Use of funds	
	(\$)	% of proceeds (subject to rounding)
Further drilling and exploration activities in Namibia to build on recent positive results	4,500,000	30%
The continued evaluation and potential funding for strategic, value accretive acquisitions to build a global multi-project platform	3,000,000	20%
In support of acquisition of possible new projects (if identified)	2,000,000	13%
General working capital <sup>1</sup>	4,717,405	31%
Expenses of the Offer <sup>2</sup>	900,000	6%
<b>TOTAL</b>	<b>15,117,405</b>	<b>100</b>

**Notes:**

- <sup>1</sup> This includes working capital and administrative costs such as salaries, ASX and other fees and corporate overheads.  
<sup>2</sup> Please refer to section 4.11 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. It is anticipated that these funds will be applied over the next 36 months.

The above proposed use of funds and their relative priority is subject to ongoing review and evaluation by the Company. As with any budget, the actual use of funds raised under the Offer may change depending on the outcome of the programs as they proceed. The Board reserves the rights to alter the way in which funds are applied on this basis.

To the extent that funds raised pursuant to this Prospectus are insufficient to meet the Company's proposed use of funds as described above, funds raised will be firstly applied to expenses of the Offer and then applied to the balance of the matters listed below in the respective proportions as noted in the table immediately above:

- (a) general working capital;
- (b) further drilling and exploration activities in Namibia to build on recent positive results;
- (c) the continued evaluation and potential funding for strategic, value accretive acquisitions to build a global multi-project platform; and
- (d) in support of acquisition of possible new projects (if identified).

<sup>1</sup> Please refer to section 2.3 for further information on certain vesting conditions attached to Shares which have been issued pursuant to the Deep Yellow Limited Share Plan. The Shares issued pursuant to the Deep Yellow Limited Share Plan will be eligible to participate in the Offer.

The Company's current cash resources and additional capital proposed to be raised by the Offer are sufficient to meet the Company's current stated activities.

### 1.3 Minimum subscription

There is no minimum subscription in respect of the Offer.

### 1.4 No trading of Entitlements

Entitlements to Shares and Options pursuant to the Offer are non-renounceable and accordingly Eligible Shareholders may not dispose of or trade any part of their Entitlement.

### 1.5 Opening and closing dates

The Offer will open for receipt of acceptances at 9.00am WST on 16 May 2017 and will close at 5.00pm WST on 30 May 2017, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

### 1.6 Underwriting

The Offer is not underwritten.

### 1.7 Entitlements and acceptance

The number of Shares and Options to which you are entitled (Entitlement) is shown in the Entitlement and Acceptance Form.

In determining Entitlements, any fractional entitlement will be rounded down to the nearest whole number.

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus.

You may participate in the Offer as follows:

- (a) If you wish to accept your Entitlement in full:
  - (i) pay the amount indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised reference number indicated so that the funds are received before 5.00pm (WST) on the Closing Date; or
  - (ii) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on your Entitlement and Acceptance Form.
- (b) If you only wish to accept part of your Entitlement:
  - (i) pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and personalised reference number indicated so that the funds are received before 5.00pm (WST) on the Closing Date; or
  - (ii) fill in the number of Shares and Options you wish to accept in the space provided on the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies (at \$0.25 per Share).
- (c) If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques or bank drafts must be drawn on an Australian branch of a financial institution and made payable in Australian currency to "Deep Yellow Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must be mailed to:

Computershare Investor Services Pty Limited  
GPO Box 505  
MELBOURNE VIC 3001

and received by no later than 5.00pm (WST) on the Closing Date.

If you choose to pay via BPAY® you are not required to submit your Entitlement and Acceptance Form. Your BPAY® payment will not be accepted after 5.00pm WST on the Closing Date and no Shares will be issued to you in respect of a late application.

**Shareholders who wish to accept all or part of their Entitlement are urged to use BPAY® to ensure their Applications are received prior to the Closing Date and to avoid any delays that may result from using a postal service.**

Please note that if you inadvertently use the same Customer Reference Number for more than one of your applications, you will be deemed to have applied for the entitlement to which that Customer Reference Number applies and any excess amount will be REFUNDED.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.

The Offer to Shareholders is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

### **Non-acceptance of Entitlement**

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the Shares and Options not accepted will be dealt with in accordance with section 1.8 of this Prospectus.

If Eligible Shareholders do not take up their entitlement, their existing interest in the Company will be diluted. Please refer to sections 2.4 and 3.2 of this Prospectus for further details.

## ***Taxation Implications***

Shareholders should obtain independent advice on the taxation implications arising out of their participation in the Offer.

## ***Further queries***

If you have any queries regarding your Entitlement, please contact the Company Secretary by telephone on +61 8 9286 6999 or your stockbroker, financial or other professional adviser.

**PLEASE NOTE IF YOU DO NOT ACCEPT YOUR ENTITLEMENT IN FULL IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT ABOVE, ANY PART OF AN ENTITLEMENT NOT ACCEPTED IN FULL WILL FORM PART OF THE SHORTFALL.**

### **1.8 Applying for Additional Shares and Options**

Eligible Shareholders who:

- (a) have subscribed for their Entitlement in full; and
- (b) following acceptance of their Entitlement, would hold less than a marketable parcel of Shares (being 2,000 Shares (based on the Offer price)),

may also apply for Additional Shares and Options in addition to their Entitlement limited to that number of Additional Shares and Options which would result in the Shareholder holding a marketable parcel of Shares (being 2,000 Shares (based on the Offer price)) following the issue of the Shares the subject of their Entitlement and the issue of Additional Shares.

An application for Additional Shares and Options should be made as follows:

- (a) completing the relevant section of their Entitlement and Acceptance Form and returning it together with a single cheque for the appropriate application monies for both their Entitlement and the Additional Shares and Options applied for; or
- (b) paying the appropriate application monies for both their Entitlement and the Additional Shares and Options applied for via BPAY® using the BPAY® code and personalised reference number indicated on the Entitlement and Acceptance Form.

All cheques or bank drafts must be drawn on an Australian branch of a financial institution and made payable in Australian currency to “**Deep Yellow Limited**” and crossed “**Not Negotiable**”.

Your completed Entitlement and Acceptance Form and cheque must be mailed to:

Computershare Investor Services Pty Limited  
GPO Box 505  
MELBOURNE VIC 3001

and received by no later than **5.00pm (WST) on the Closing Date**.

If you choose to pay via BPAY® you are not required to submit your Entitlement and Acceptance Form. Your BPAY® payment will not be accepted after 5.00pm (WST) on the Closing Date and no Shares or Options will be issued to you in respect of a late application.

If you have multiple holdings you will have multiple BPAY® reference numbers. To ensure you receive your Shares and Options in respect of that holding, you must use the specific biller code and the customer reference number shown on each personalised Application Form when paying for any Shares and Options that you wish to apply for in respect of that holding.

It is possible that there will be few or no Additional Shares and Options available, depending on the level of acceptance of Entitlements by Eligible Shareholders. There is therefore no guarantee that if Additional Shares and Options are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

The Directors reserve the right to allocate any Additional Shares and Options at their absolute discretion. The Company may issue to an Applicant a lesser number of Additional Shares and Options than the number applied for, reject an application for Additional Shares and Options or not proceed with the issuing of all or part of the Additional Shares and Options. If the number of Additional Shares and Options allocated and issued is less than the number applied for, surplus application monies will be refunded without interest.

### **1.9 Shortfall**

Any Shares and Options (including Additional Shares and Options) not taken up by Eligible Shareholders may become available as Shortfall, the offer of which is a separate offer made pursuant to this Prospectus (**Shortfall Offer**).

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place any Shortfall at their discretion within three months after the Closing Date. Shares offered pursuant to the Shortfall Offer will be issued at the same issue price as the Shares offered to Eligible Shareholders under the Offer. The Options offered pursuant to the Shortfall Offer will be issued on the same terms as the Options offered to Eligible Shareholders under the Offer.

#### ***Placement by Sprott***

To assist in placing the Shortfall Offer, the Company has entered into the Sprott Finder Agreements under which Sprott will seek to place a portion of the Shortfall on a best endeavours basis. In addition, SPW has been appointed as a Co-Lead Manager to the Offer.

Explo, a substantial shareholder of the Company is an affiliate of Sprott. Explo has committed to take up its 12.41% Entitlement.

Pursuant to the Sprott Finder Agreements, Sprott will be placing Shares and Options under the Sprott Shortfall Placement and Sprott Makeup Offering (if any) to third parties none of whom will be Associates of Sprott or Explo.

The key terms of the Sprott Finder Agreements are noted below:

- (a) **Sprott Shortfall Placement:** Sprott will seek to place (**Sprott Shortfall Placement**) the first A\$7,501,000 of the Shortfall Offer (**Sprott Shortfall Placement Amount**), with Explo's take up of its Entitlement (if any) to be credited towards the Sprott Shortfall Placement Amount.
- (b) **Sprott Makeup Offering:** Where the available Shortfall is less than the Sprott Shortfall Placement Amount (after any take up by Explo of its Entitlement that is credited towards the Sprott Shortfall Placement Amount), the Company will arrange for Sprott to place the number of Shares representing the difference between the number of Shares issued under the Sprott Shortfall Placement and the number of Shares (and an equal number of Options) required for the Shortfall Placement Amount (after take up by Explo of its Entitlement that is credited towards the Shortfall Placement Amount), by way of a private placement (**Sprott Makeup Offering**). The Sprott Makeup Offering will be capped to the Company's Listing Rule 7.1 capacity ie 15% of its Equity Securities on issue.
- (c) **Fees:** Sprott will be entitled to 6% cash commission on all Shares placed by Sprott pursuant to the Sprott Shortfall Placement and Sprott Makeup Offering.

The Company has given warranties to Sprott which are usual in an agreement of this nature. Subject to certain exceptions, the Company has agreed to indemnify Sprott for loss suffered in connection with the Sprott Shortfall Placement and Sprott Makeup Offering.

#### Placement by CPS

The Company has also entered into the CPS Placement Agreement pursuant to which CPS will seek to place on a best endeavours basis up to A\$7,500,000 of any remaining shortfall under the Offer which exceeds the amount placed by Sprott under the Sprott Shortfall Placement (**Remaining Shortfall**), (**CPS Placement**). In addition, CPS has been appointed as a Co-Lead Manager to the Offer.

DYL has agreed to pay CPS fee of:

- (a) 6% cash commission (excluding GST) on all Shares placed by CPS; and
- (b) 2,000,000 Options (which will be subject to voluntary escrow for a period of 3 months from the date of issue). The offer of 2,000,000 Options to CPS in part consideration of its fees is a separate offer made pursuant to this Prospectus.

The Company has given warranties to CPS which are usual in an agreement of this nature. Subject to certain exceptions, the Company has agreed to indemnify CPS for loss suffered in connection with the CPS Placement.

#### **1.10 Allotment of Shares and Options**

The Shares and Additional Shares and Options are expected to be allotted by no later than 6 June 2017. Shares and Options allotted pursuant to the placement of Shortfall under section 1.9 may be allotted within three months after the Closing Date. Until issue and allotment of the Shares and Options under this Prospectus, the application monies will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on application monies will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the Shares and Options takes place.

#### **1.11 ASX listing**

Application for Official Quotation of the Shares and Options allotted pursuant to this Prospectus will be made to ASX within seven days following the date of this Prospectus.

If ASX does not grant Official Quotation of the Shares and Options offered pursuant to this Prospectus within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot any Shares and Options and will repay all application monies for the Shares within the time period prescribed under the Corporations Act, without interest.

A decision by ASX to grant Official Quotation of the Shares and Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Shares now offered for subscription.

#### **1.12 Overseas investors**

The Company is of the view that it is unreasonable to make an offer under this Prospectus to Shareholders outside of Australia, New Zealand, Hong Kong, Ireland, Namibia, Panama, and the United Kingdom (**Excluded Shareholders**) having regard to:

- (a) the number of Shareholders outside of Australia, New Zealand, Hong Kong, Ireland, Namibia, Panama and the United Kingdom;
- (b) the number and value of the securities to be offered to Shareholders outside of Australia, New Zealand, Hong Kong, Ireland, Namibia, Panama and the United Kingdom; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to, and does not, make offers under the Prospectus to Shareholders outside of Australia, New Zealand, Hong Kong, Ireland, Namibia, Panama and the United Kingdom.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Financial Markets Conduct Act 2013 and Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Members of the public in Australia, New Zealand, Hong Kong, Ireland, Namibia, Panama and the United Kingdom who are not existing Shareholders on the Record Date are not entitled to apply for any Shares and Options.

All Entitlements that would have been offered to Excluded Shareholders will be allowed to lapse and will be made available as Additional Shares and Options and form part of the Shortfall.

#### **1.13 Market prices of Shares on ASX**

The highest and lowest closing market sale prices of Shares on ASX during the three (3) months immediately preceding the date of this Prospectus and the respective dates of those sales were \$0.35 on 13 March 2017 and \$0.265 on 7 April 2017.

The latest available market sale price of Shares on ASX at the close of trading on the date prior to the date of this Prospectus was \$0.275 on 4 May 2017.

#### **1.14 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and such other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and the Directors.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. Some of these risk factors are set out in section 3 of this Prospectus.

## 2 Effect of the Offer on the Company

### 2.1 Effect of the Offer

The principal effects of the Offer on the Company, assuming all Entitlements are accepted and no Performance Rights are vested prior to the Record Date, are as follows:

- (a) the Company will issue up to approximately 60,469,620 Shares and the total number of Shares on issue will increase to 190,047,379 Shares;
- (b) the Company will issue up to approximately 60,469,620 Options and the total number of Options on issue will increase to 60,469,620 Options; and
- (c) the cash reserves of the Company will increase by up to approximately \$15,117,405 (less the expenses of the Offer) immediately after completion of the Offer.

### 2.2 Statement of Financial Position

Set out as follows is the unaudited Statement of Financial Position of the consolidated entity as at 31 December 2016 which has been extracted from the Company's 31 December 2016 half year financial statements, which were reviewed by Ernst & Young in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*.

The pro-forma Statement of Financial Position of the consolidated entity as at 31 December 2016 has been adjusted for the following transactions:

- (a) the issue of 60,469,620 Shares and 60,469,620 Options pursuant to this Prospectus to raise \$15,117,405;
- (b) the estimated expenses of the Offer of approximately \$900,000 and
- (c) material working capital movements since 31 December 2016.

#### Pro-forma Condensed Statement of Financial Position

	Notes	31 December 2016 (unaudited)	Pro-forma 31 December 2016 (unaudited)
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		2,401,526	15,651,931
Trade and other receivables		151,239	151,239
Other assets		81,719	81,719
<b>Total Current Assets</b>		<b>2,634,484</b>	<b>15,884,889</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		492,623	492,623
Deferred exploration expenditure		53,390,163	53,918,163
<b>Total Non-Current Assets</b>		<b>53,882,786</b>	<b>54,410,786</b>
<b>Total Assets</b>		<b>56,517,270</b>	<b>70,295,675</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		512,370	512,370
<b>Total Current Liabilities</b>		<b>512,370</b>	<b>512,370</b>
<b>Total Liabilities</b>		<b>512,370</b>	<b>512,370</b>
<b>Net Assets</b>		<b>56,004,900</b>	<b>69,783,305</b>
<b>Equity</b>			
Issued capital		224,451,472	238,674,764
Accumulated Losses		(163,069,073)	(163,325,960)
Employee equity benefits reserve		10,529,350	10,529,350
Foreign currency translation reserve		(15,906,849)	(16,094,849)
<b>Total Equity</b>		<b>56,004,900</b>	<b>69,783,305</b>

## Notes to the pro-forma Condensed Statement of Financial Position

The Pro Forma Statement of Financial Position has been prepared by the Company and is presented in an abbreviated form insofar as it does not comply with all the disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The pro-forma Statement of Financial Position:

- (a) includes \$14,217,405 comprising gross proceeds raised pursuant to the Offer (less estimated Offer costs of \$900,000);
- (b) assumes that and no existing Performance Rights are vested prior to the Record Date for this Offer; and
- (c) takes account of material working capital adjustments between 31 December 2016 and the date of this Prospectus.

### 2.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no existing Performance Rights are vested prior to the Record Date, is set out below.

#### Shares

	Number
Shares currently on issue <sup>1,2</sup>	129,577,759
Shares to be issued pursuant to the Offer <sup>3</sup>	60,469,620
<b>Shares on issue after completion of the Offer</b>	<b>190,047,379</b>

#### Notes:

- 1 5,000,000 of these Shares are subject to a holding lock pursuant the Deep Yellow Limited Loan Share Plan, until the loan in respect of those Shares has been paid in full.
- 2 3,500,000 of these Shares have been issued pursuant to the Deep Yellow Limited Loan Share Plan and are subject to the following vesting conditions

Number of Shares	Vesting Date	Hurdle price per Share
300,000	30 June 2017	N/A
600,000	30 June 2017	\$0.24
350,000	30 June 2018	N/A
850,000	30 June 2018	\$0.40
350,000	30 June 2019	N/A
1,050,000	30 June 2019	\$0.60

- 3 Given the vesting conditions attached to the Performance Rights, it is not expected that any of the Performance Rights will vest prior to the Record Date. Please refer to the table below for details of those Performance Rights which are currently subject to vesting conditions.

#### Options

	Number
Options currently on issue	Nil
Options to be issued pursuant to the Offer*	60,469,620
Options to be issued to CPS in part consideration of fees	2,000,000
<b>Options on issue after completion of the Offer</b>	<b>62,469,620</b>

#### Performance Rights

Number	Vesting Date	Vesting Conditions
264,500	1 July 2017	Time based
225,250	1 July 2018	Time based
95,500	1 July 2017	If market price is \$1.40
124,000	1 July 2018	If market price is \$0.70

#### Notes:

All Performance Rights have continuing employment as a necessary vesting condition at the vesting date, the market price test is as at the vesting date

## 2.4 Potential dilutionary impact of Offer

Assuming no existing Performance Rights are vested prior to the Record Date, the maximum number of Shares which will be issued pursuant to the Offer is 60,469,620. This equates to approximately 31.8% of all the issued Shares in the Company following completion of the Offer.

If all Eligible Shareholders take up their Entitlements under the Offer, each Eligible Shareholder's percentage interest in the total number of Shares on issue will remain the same and will not be diluted.

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately up to 31% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below.

Holding as at Record Date	% at Record Date (subject to rounding)	Entitlement under the Offer (subject to rounding)	Holding if Offer not taken up (assuming all Shares are issued under the Offer/Shortfall)	% post completion of the Offer (subject to rounding)
10,000,000	7.72%	4,666,667	10,000,000	5.26%
5,000,000	3.86%	2,333,333	5,000,000	2.63%
1,500,000	1.16%	700,000	1,500,000	0.79%
400,000	0.31%	186,667	400,000	0.21%
50,000	0.04%	23,333	50,000	0.03%

## 2.5 Potential impact of Offer on control of the Company

Assuming no Performance Rights are vested prior to the Record Date, the maximum number of Shares which will be issued pursuant to the Offer is 60,469,620. This equates to approximately 31.8% of all the issued Shares in the Company following completion of the Offer.

The Company has entered into: (i) Sprott Finder Agreements in relation to the Sprott Shortfall Placement and Sprott Makeup Offering; and (ii) the CPS Placement Agreement in relation to any Remaining Shortfall.

Sprott will place Shares and Options under the Sprott Shortfall Placement, (if any) to third parties none of whom will be Associates of Sprott or Explo. Each of the placees identified by Sprott will not, by its participation in the Sprott Shortfall Placement, increase its relevant interest in Shares to 20% or more.

As at the date of this Prospectus, CPS does not have a relevant interest in any Shares. The extent to which Shares are issued pursuant to the CPS Placement Agreement may increase the CPS' voting power in the Company. If CPS subscribes for the maximum Remaining Shortfall (\$7,500,000 worth of Shares), CPS' voting power in the Company will increase up to 3.95%. Each of the third party placees identified by CPS will not, by its participation in the placement of the Remaining Shortfall, increase its relevant interest in Shares to 20% or more.

By reason of the above, the Offer will not result in any party gaining control of the Company.

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### 3 Risk factors

#### 3.1 Introduction

This section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

#### 3.2 Risks specific to the Offer

##### ***Potential for significant dilution***

Upon completion of the Offer, assuming all Entitlements are accepted and no existing Performance Rights are vested prior to the Record Date, the number of Shares in the Company will increase from 129,577,759 to 190,047,379. This increase equates to approximately 31.8% of all the issued Shares in the Company following completion of the Offer.

This means that each Share will represent a significantly lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer and the Directors do not make any representation to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.275 is not a reliable indicator as to the potential trading price of Shares following completion of the Offer.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately up to 31.8% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Please refer to section 2.4 of this Prospectus for examples of how the potential dilutionary effect of the Offer may impact Shareholders.

#### 3.3 Risks specific to the Company

##### ***Uranium mining regulations***

###### Namibia

Mining in Namibia is subject to regulation under the Namibian Minerals Act 1992. There are also various regulations in place in relation to the exploration, development, production, exports, taxes, royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances and other matters. The cost of compliance with such laws and regulations will ultimately increase the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

There is a risk that government approvals may not be granted, or may be significantly delayed or may make the deposit uneconomic.

###### General

Approvals required for uranium mining are stringent and rigorous compared with other types of mining activities. Exploration approvals are required before exploration can commence and if uranium is discovered, further approvals including safeguard approvals for permits to possess nuclear material. Development of any mineral resources will be dependent on the Company's ability to obtain environmental and legislative approvals to carry out its operations and its ability to meet any proposed conditions on these approvals. There is no guarantee that these approvals will be granted.

Whilst the Company intends to conduct its business in accordance with all applicable laws and regulations, compliance and re-compliance in order to meet changes to the legislation or regulations can be costly and may ultimately not be viable.

Shareholders should be aware that changes of government, new legislation and changes to existing legislation and government policy may impact upon the approvals granted or seeking to be granted to the Company, the Company's profitability and the viability of the Company's operations.

##### ***Additional requirements for capital***

The Company's ongoing activities will require substantial expenditures. There can be no guarantee that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

##### ***Exploration and development risks***

The business of uranium exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. The Company's projects are still at a very early stage and there is no guarantee of development. Ultimate and continuous success of activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable reserves;
- access to adequate capital for project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;

- securing and maintaining title to interests;
- obtaining regulatory consents and approvals necessary for the conduct of mineral exploration, development and production;
- securing plant and equipment, particularly given equipment utilisation rates are high in the current period of global exploration/production activity, hence competition for such equipment may also be high; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic uranium deposit. In particular, the Company may not produce sufficient quantities or qualities of uranium to be profitable or commercially viable and may result in a total loss of the investments by the Company.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities.

Drilling activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

In addition, the Company will be subject to multi-jurisdictional compliance with governmental regulations in relation to licence conditions, the environment and operational conduct.

These factors affect the Company's ability to establish mining operations, continue with its projects, earn income from its operations and will affect the Company's share price.

#### ***Mineral resource estimates may be inaccurate***

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

#### ***Insurance coverage risk***

Exploration and development operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes and other environmental occurrences, political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes, changes in regulatory environment, monetary losses and possible legal liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and development is not generally available to the Company or to other companies in the industry on acceptable terms. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

#### ***Commodity price risk and exchange rate risk***

In the future, the Company's revenue will come from sale of product. Therefore, its earnings will be closely related to the price and arrangements it enters into for selling of its products. Product prices fluctuate and are affected by factors including the relationship between global supply and demand for uranium, forward selling by producers, the cost of production and general global economic conditions.

A decline in the market prices of uranium may also require the Company to write down its mineral reserves and resources which would have a material and adverse effect on its earnings and profitability. Should any significant write-down in reserves and resources be required, material write-down of the Company's investment in the affected mining properties and increased amortisation, reclamation and closure expenses may be required.

The Company's projects are predominantly focussed on uranium in Namibia.

International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on the price of commodities including uranium, particularly in the current global economic market. If the price of uranium seriously declines in the future, this will materially impact on the Company's ability to continue with its projects and the Company may be forced to discontinue some or all of its operations.

The Company gives no assurance that the fluctuations in the commodity prices will not affect the timing and viability of the projects.

#### ***Government policy and sovereign risk***

The Company's operations in Namibia are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates, high rates of inflation, labour unrest, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange, changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, and

claims of local people, water use, Black Economic Empowerment and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements.

The occurrence of these various factors adds uncertainties which cannot be accurately predicted and could have an adverse effect on the Company's operations.

#### ***Competition from alternative energy and public perception***

Nuclear energy is in direct competition with other more conventional sources of energy which include gas, coal and hydro-electricity.

Furthermore, any potential growth of the nuclear power industry (with any attendant increase in the demand for uranium) beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. The nuclear industry is currently subject to negative public opinion due to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

One of the arguments in favour of nuclear energy is its lower emissions of carbon dioxide per unit of power generated compared to coal and gas. Alternative energy systems such as wind or solar also have very low levels of carbon emissions, if any, however to date these have not been efficient enough to be relied upon for large scale base load power. Technology changes may occur that make alternative energy systems more efficient and reliable.

#### ***Access to land***

The Company will experience delays and cost overruns if it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, native title, harvesting, landholder's activities or other factors.

The Company's exploration activities are also dependent upon the grant, or as the case may be, the maintenance or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no assurance that the Company will be granted all the mining tenements for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration activities or proceeding with any future exploration or development.

#### ***Environmental regulation risk***

The Company's operations are subject to environmental regulations in Namibia.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions (including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed) and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Amendments to current laws, regulations and permits governing the Company's operations and activities, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in the development of new properties.

#### ***Environmental liabilities risk***

The Company's activities are subject to potential risks and liabilities associated with the potential pollution of the environment and the necessary disposal of mining waste products resulting from mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive.

#### ***Land rehabilitation requirements***

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be spent on further exploration and/or development programs.

#### ***Litigation risk***

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

#### ***Unforeseen expenses***

The Company may be subject to significant unforeseen expenses or actions.

This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

#### ***Reliance on key personnel***

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

#### ***Joint venture parties, contractors and agents***

The Directors are unable to predict the risk of:

- financial failure or default by a participant in any joint venture to which the Company is or may become a party;
- insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or
- insolvency or other managerial failure by any of the other service providers used by the Company for any activities.

### **3.4 General Risks**

#### ***Economic risks***

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

#### ***Securities price fluctuation***

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

#### ***Share market risk***

The market price of the Company's Shares could fluctuate significantly. The market price of the Company's Shares may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Company's Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's Shares are affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's Shares, and the attractiveness of alternative investments.

### **3.5 Speculative nature of investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares and Options offered under this Prospectus.

## 4 Additional information

### 4.1 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

The board of Directors have adopted a policy on compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have a material effect on the Company's securities and the consequences of non-compliance.

### 4.2 Legal framework of this Prospectus

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure (ED) securities and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

### 4.3 Information available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report for the Company for the year ending 30 June 2016;
- (b) the Interim Financial Report of the Company for the half-year ending 31 December 2016; and
- (c) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the period ending 30 June 2016 and before the issue of this Prospectus:

Date	Description of Announcement
12 September 2016	MEY: Marenica and Deep Yellow enter into Landmark Technology Licence Agreement
12 September 2016	Tumas Project: Marenica Technology Licence Agreement Executed
13 September 2016	Appendix 4G
15 September 2016	Corporate Governance Statement
10 October 2016	Investor Presentation
12 October 2016	Tumas Resource Update Increases Size and Confidence
19 October 2016	Trading Halt
20 October 2016	Voluntary Suspension
24 October 2016	J Borshoff appointed as CEO & Managing Director Strategic Relationship Established with an affiliate of the Sprott Group to Raise A\$1.42 Million
24 October 2016	Reinstatement to Official Quotation
25 October 2016	Response to ASX Price and Volume Query
25 October 2016	Tumas Mineral Resource Estimate
26 October 2016	September Quarter Report and Appendix 5b
27 October 2016	Unvested Performance Rights Lapse
28 October 2016	Sprott Placement Completed

Date	Description of Announcement
28 October 2016	Initial Directors Interest Notice
28 October 2016	Final Directors Interest Notice
31 October 2016	Notice of 2016 Annual General Meeting
31 October 2016	Change in Substantial Shareholding from PDN
1 November 2016	Initial Substantial Holder Notice
4 November 2016	Change in Substantial Holding
22 November 2016	Appendix 3B
30 November 2016	Annual General Meeting Results
1 December 2016	Corporate AGM Presentation 2016
2 December 2016	Appendix 3B Share Issue
7 December 2016	Appendix 3Y Change in Directors Interests
14 December 2016	Sale of Deep Yellow Shareholding
15 December 2016	Collines Investments Ltd – Notice of Substantial Holder
15 December 2016	Mervyn Greene Nominee Role
18 January 2017	Strategic Review and Share Consolidation
19 January 2017	December 2016 Quarterly Activities Report
19 January 2017	Ceasing to be a Substantial Holder
20 January 2017	Initial Substantial Holder Notice
25 January 2017	Notice of Extraordinary General Meeting & Proxy Form
25 January 2017	Notification of Consolidation/Split
27 January 2017	Appendix 5B - December 2017 Quarterly Cashflow Report and Tenement Schedule
30 January 2017	Appendix 3Y - Change in Director's Interest - C Urtel
3 February 2017	EPL3669 and EPL3670 Renewals Approved
3 February 2017	Response to ASX 3Y Query
28 February 2017	Results of General Meeting
13 March 2017	December 2016 Half Year Financial Report
29 March 2017	Nova Joint Venture Namibia A\$4.5m Earn In By Jogmec
7 April 2017	Investor Update – April 2017
19 April 2017	Positive Drill results from New Target
27 April 2017	March Quarter Activities Report
27 April 2017	Investor Update – April 2017 Revised
28 April 2017	Appendix 5B – March Quarter Cashflow
4 May 2017	Strategic Alliance Deed

#### 4.4 Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent that they are applicable to the Company, the Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has disclosed the reasons for the departure in its Corporate Governance Statement for the financial year ended 30 June 2016. This can be found in the Annual Financial Report for the Company for the financial year ended 30 June 2016.

A summary of the Company's corporate governance policies and procedures is available on the Company's website at [www.deeptyellow.com.au](http://www.deeptyellow.com.au).

#### 4.5 Rights attaching to Shares

The Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares in the Company.

Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

(a) Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands (except if a Shareholder has appointed 2 proxies, neither of those proxies may vote), and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every Share held by him or her, and a proportionate vote for every partly paid Share, registered in such Shareholder's name on the Company's share register.

A poll may be demanded by the chairman of the meeting, by any five Shareholders entitled to vote on the particular resolution present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of the Shares of all those Shareholders having the right to vote on the resolution.

(b) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors.

(c) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of Shares, where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules. The Company must not prevent, delay or interfere with the registration of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

(d) Meetings and Notice

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution of the Company, the *Corporations Act* or the Listing Rules.

(e) Liquidation Rights

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(f) Shareholder Liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days written notice, specifying the intention to propose the resolution as a special resolution must be given.

(h) Listing Rules

The Company is admitted to the Official List, and as such despite anything in the Constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

**4.6 The terms and conditions of the Options are:**

(a) Each Option entitles the holder to subscribe for one ordinary share in the Company upon the payment of \$0.50.

(b) The Options will expire on the earlier of:

(i) 1 June 2022; and

(ii) 22 ASX Business Days after the Notification Date (defined below),

**(Expiry Date).**

The Company will give notice of the new Expiry Date to the Option Holders on the Notification Date, and again before the 8th last ASX Business Day before the new Expiry Date.

**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 (defined below) such notification to be released on the Exchange; and

**Acceleration Trigger Date** means that date, at any time after 30 days after the issue date of the Options, 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.

(c) The Options are transferable.

(d) The Company will apply for the Options to be quoted on ASX.

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

- (f) Option Holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 3 business days before books closing date to exercise the Options.
- (g) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the rights of the Option Holders will be changed to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation, but in all other respects the terms of exercise will remain unchanged.
- (h) The Options shall be exercisable at any time before the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Option Holder to exercise all or a specified number of Options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option Holder to the balance of the Options held by the Option Holder.
- (i) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
- (j) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary Shares of the Company in all respects.
- (k) If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- (l) If there is a pro rata issue (other than a bonus issue) to the holders of Shares during the currency of, and prior to the exercise of any Options, the Exercise Price of an Option will be reduced according to the formula provided for in the Listing Rules (whether or not the Company is listed on ASX at the time).
- (m) The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

#### 4.7 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

#### 4.8 Interests of Directors

- (a) Directors' holdings

At the date of this Prospectus the relevant interest of each of the Directors in the securities of the Company are as follows:

Director	Number of Shares	
	Direct	Indirect
Rudolf Brunovs	-	484,370 <sup>1</sup>
John Borshoff	5,000,000 <sup>2</sup>	-
Mervyn Greene	1,296,858	1,477,333 <sup>3</sup>
Justin Reid	-	-
Gillian Swaby	2,739,525	184,076 <sup>4</sup>
Christophe Urtel	-	842,832 <sup>5</sup>

Notes:

- 484,370 Shares are held by Mainstay Consulting (of which Rudolf Brunovs is a director and shareholder) as Trustee of the Brunovs Family Trust.
- 1,500,000 Shares immediately vested and 3,500,000 Shares subject to various vesting conditions (refer to section 2.3).
- 1,477,333 Shares are held by HSBC Custody Nominees (Australia) Limited on behalf of entities associated with Mervyn Greene.
- 184,076 Shares are held by Strategic Mining Consultants Pty Ltd as Trustee of the G Swaby Superfund, of which Gillian Swaby is a director and shareholder.
- 842,832 Shares are held by Citicorp Nominees Pty Limited on behalf of Christophe Urtel, interest held via the Pentera Trust as Trustee for the Henry Trust.

- (b) Remuneration of Directors

The Constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$450,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Details of remuneration provided to Directors and their associated entities during the financial years ended 30 June 2015 and 30 June 2016 and the current financial year 1 July 2016 to 31 March 2017 are as follows:

Director	Financial Year End	Fees/ Salaries (including leave entitlements (\$))	Superannuation (\$)	Share-based payments (\$)	Total (\$)
Rudolf Brunovs	2017 <sup>1</sup>	48,801 <sup>18</sup>	4,636 <sup>18</sup>	33,723 <sup>22</sup>	87,160
	2016	37,781	3,589	50,136 <sup>2</sup>	91,506
	2015	34,301	3,259	24,493 <sup>3</sup>	62,053
John Borshoff <sup>4</sup>	2017 <sup>1</sup>	170,867	-	444,924 <sup>26</sup>	615,791
	2016	-	-	-	-
	2015	-	-	-	-
Mervyn Greene	2017 <sup>1</sup>	33,750 <sup>19</sup>	-	21,296 <sup>23</sup>	55,046
	2016	31,733	-	36,719 <sup>5</sup>	68,452
	2015	35,727	-	22,733 <sup>6</sup>	58,460
Justin Reid <sup>7</sup>	2017 <sup>1</sup>	25,000	-	-	25,000
	2016	-	-	-	-
	2015	-	-	-	-
Gillian Swaby	2017 <sup>1</sup>	165,749 <sup>20</sup>	3,064 <sup>20</sup>	23,075 <sup>24</sup>	191,888
	2016	30,685	2,915	39,497 <sup>8</sup>	73,097
	2015	34,041	3,234	24,529 <sup>9</sup>	61,804
Christophe Urtel	2017 <sup>1</sup>	35,000 <sup>21</sup>	-	78,183 <sup>25</sup>	113,183
	2016	31,733	-	36,719 <sup>10</sup>	68,452
	2015	35,442	-	22,768 <sup>11</sup>	58,210
Greg Cochran <sup>12</sup>	2017 <sup>1</sup>	370,613	30,922	-	401,535
	2016	258,608	23,858	268,033 <sup>13</sup>	550,499
	2015	270,349	24,696	197,530 <sup>14</sup>	492,575
Tim Netscher <sup>15</sup>	2017	-	-	-	-
	2016	30,898	2,935	17,376 <sup>16</sup>	51,209
	2015	64,976	6,173	25,995 <sup>17</sup>	97,144

Notes:

- 1 Amounts for 2017 include remuneration paid and payable for the period from 1 July 2016 to 31 March 2017.
- 2 \$50,136 attributable to Shares.
- 3 \$21,582 attributable to Shares and \$2,911 attributable to Share Rights\*.
- 4 Mr John Borshoff was appointed as a director on 23 October 2016
- 5 \$36,719 attributable to Shares.
- 6 \$20,026 attributable to Shares and \$2,707 attributable to Share Rights\*.
- 7 Mr Justin Reid was appointed as a director on 28 October 2016.
- 8 \$39,497 attributable to Shares.
- 9 \$21,618 attributable to Shares and \$2,911 attributable to Share Rights\*.
- 10 \$36,719 attributable to Shares.
- 11 \$20,061 attributable to Shares and \$2,707 attributable to Share Rights\*.
- 12 Mr Greg Cochran resigned as a director on 23 October 2016.
- 13 \$105,206 attributable to Shares and \$162,827 attributable to Performance Rights.
- 14 \$64,004 attributable to Shares, \$7,188 attributable to Share Rights\* and \$126,338 attributable to Performance Rights.
- 15 Mr Tim Netscher resigned as a director effective on 31 December 2015.
- 16 \$17,376 attributable to Shares.
- 17 \$22,874 attributable to Shares and \$3,121 attributable to Share Rights\*.
- 18 Fees to the value of \$14,250 inclusive of superannuation has been accrued and will be settled prior to 30 June 2017.
- 19 Fees to the value of \$9,000 has been accrued and will be settled prior to 30 June 2017.
- 20 Fees to the value of \$9,187 inclusive of superannuation has been accrued and will be settled prior to 30 June 2017. \$133,500 attributable to special duties performed outside the scope of the ordinary duties of a Director.
- 21 Fees to the value of \$9,562 has been accrued and will be settled prior to 30 June 2017.
- 22 \$33,723 attributable to Shares.
- 23 \$21,296 attributable to Shares.
- 24 \$23,075 attributable to Shares.
- 25 \$78,183 attributable to Shares of which \$56,887 has been issued in relation to the performance of special duties outside the scope of the ordinary duties of a Director
- 26 \$444,924 attributable to Loan Plan Shares which were issued on 1 December 2016 with the expense being recognized over the vesting period of the Shares.

\* Share rights in lieu of fees have been allocated for the month of June 2015. The fair value has been recognised based on the Share price as at 6 November 2014 (AGM date) when Shareholder approval was obtained.

(c) Directors' interests

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (iii) the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

(d) Deed of Access and Indemnity

The Company has signed Deed of Access and Indemnity Agreements with all Directors and senior executives (**Officeholders**) which lasts for a period of 7 years after they cease to be an Officeholder (**Term**). The Deeds require the Company to maintain Director's & Officers Insurance Policy for the Officeholder during the Term.

The Deeds provide a grant of indemnity to the Officeholder which, to the extent permitted by law, indemnifies the Officeholder for any loss which the Officeholder may incur, or be liable for arising from, or in connection with, the Officeholder's position as an officer of the Company.

(e) Consultancy Agreement (Borshoff)

The Company is party to an agreement (**Borshoff Consultancy Agreement**) with Scomac Management Services Pty Ltd (**Consultant**) pursuant to which the Company has appointed the Consultant to provide expert exploration strategic advice, geophysical advice, any other expertise and skill that the Company may require from time to time and a person who is to act as the managing director and chief executive officer of the Company (**Services**). The Consultant will ensure the Services are performed by the Consultant's Personnel (which include Mr Borshoff). The Company will pay the Consultant \$385,000 (plus GST and on-costs) p.a. for the Services (**Fee**), such amount will be reviewed annually. Neither the Consultant or the Consultant's Personnel shall receive any additional fee for acting as an officer of the Company. Although the Consultant is responsible for payments relating to annual leave, sick leave, long service leave, superannuation, workers' compensation or insurance for the Consultant's Personnel, the Company will pay a contribution towards these costs. The Consultant is responsible for withholding, paying and reporting any and all required taxes. The Company will also reimburse the Consultant on a monthly basis for reasonable expenses incurred by the Consultant in the provision of the Services. The Consultant is entitled to:

- (i) a sign on bonus of 30 million Shares (previously approved by Shareholders);
- (ii) a short term incentive of up to 25% per annum of the Fee, which incentive may, at the discretion of the Company be paid in cash or in Shares; and
- (iii) a long term incentive of 70 million Shares with various vesting dates and hurdles (previously approved by Shareholders).

The Borshoff Consultancy Agreement may be terminated by:

- (i) the Consultant giving 6 months prior notice to the Company; or
- (ii) the Company giving 12 months prior notice to the Consultant. If the Consultant breaches a material term of the Consultancy Agreement and the breach is not capable of rectification, the Company may terminate the Borshoff Consultancy Agreement immediately without notice.

Upon termination, the Consultant may only be entitled to retain Shares held by it under the Deep Yellow Limited Loan Share Plan where to do so is in accordance with the rules of the Deep Yellow Limited Loan Share Plan.

(f) Consultancy Agreement (Swaby)

The Company is party to an agreement (**Swaby Consultancy Agreement**) with Strategic Consultants Pty Ltd (a company associated with Gillian Swaby) (**Consultant**) pursuant to which the Company has appointed the Consultant to provide services to the Company or its related companies as determined by the Board from time to time. The Company will pay the Consultant \$1,500 (ex GST) per day for each day invoiced by the Consultant.

The Swaby Consultancy Agreement may be terminated by either party by giving 1 month's prior notice.

#### 4.9 Interests of named persons

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, holds, or during the last two years has held, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Gilbert + Tobin has acted as solicitors to the Company in relation to the Offer. The Company will pay approximately \$42,000 (plus GST) to Gilbert + Tobin for these services. Gilbert + Tobin has provided other professional services to the Company during the last two years for which the Company has paid fees totalling approximately \$440,000 (plus GST).

Ernst and Young are the auditors to the Company. They have provided audit services to the Company during the last two years for which the Company has paid \$56,432 (plus GST) for the financial year ended 30 June 2016 and will pay fees totalling approximately \$56,000 (plus GST) for financial year ending 30 June 2017.

CPS is a Co-Lead Manager to the Offer. The Company will: (i) pay CPS 6% cash commission on all Shortfall Shares placed by CPS; and (ii) issue CPS 2,000,000 Options for these services and services related to the placement of shortfall (if CPS places the full amount of \$7,500,000). CPS has not provided other professional services to the Company during the last two years.

SPW is a Co-Lead Manager to the Offer. The Company will pay Spratt 6% cash commission on all Shares placed by Spratt pursuant to the Spratt Shortfall Placement and Spratt Makeup Offering for these services and services related to the placement of shortfall. SPW forms part of Spratt. SPW has not provided other professional services to the Company during the last two years.

#### 4.10 Consents

Each of the other parties referred to in this section 4.10:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Gilbert + Tobin as solicitors to the Company in relation to the Offer;
- (b) Ernst and Young as auditors to the Company;
- (c) CPS as Co-Lead Manager to the Offer;
- (d) SPW as Co-Lead Manager to the Offer.

Ernst and Young has given its written consent to being named as auditor to the Company for the interim financial statements in respect of the half year ended 31 December 2016 in the form and context in which it is named. Ernst and Young has not withdrawn such consent before lodgement of this Prospectus with the ASIC. Explo has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus and to the inclusion of references to it and statements attributed to it in the form and context in which it is named.

Computershare Investor Services Pty Ltd has had no involvement in the preparation of any part of the Prospectus other than being named as the Company's share registry. Computershare Investor Services Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for any part of the Prospectus.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

#### 4.11 Expenses of the Offer

The estimated expenses of the Offer are as follows:

Expense	\$
ASIC fees	2,350
ASX fees	25,000
Maximum fees payable to Sprott and CPS <sup>1</sup> under the Sprott Shortfall Placement <sup>1</sup>	800,000
Legal expenses	30,000
Printing and other expenses	37,000
Share registry fees	5,650
<b>Total</b>	<b>900,000</b>

Notes:

1. *If the maximum fee is paid to Sprott, no fee will be payable to CPS. The amount of cash fees paid to Sprott and CPS is dependent on the amount of Shortfall actually placed by Sprott and/or CPS (as applicable). The amount noted above, is the maximum cash fee payable to Sprott and/or CPS in aggregate. Further details of the fees payable to Sprott and/or CPS are set out in section 1.9.*

#### 4.12 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9286 6999 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.deeptyellow.com.au](http://www.deeptyellow.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

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**5 Directors' authorisation**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Dated: 5 May 2017

A handwritten signature in black ink, appearing to read 'John Borshoff', with a stylized flourish at the end.

**John Borshoff**  
**Managing Director/CEO**  
**For and on behalf of**  
**Deep Yellow Limited**

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## 6 Defined terms

<b>A\$ and \$</b>	Australian dollars, unless otherwise stated
<b>Additional Shares and Options</b>	Shares and Options in addition to an Eligible Shareholder's Entitlement for which an Eligible Shareholder applies for pursuant to an Entitlement and Acceptance Form
<b>Applicant</b>	a person who submits an Entitlement and Acceptance Form
<b>Application Form</b>	an Entitlement and Acceptance Form
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Associate</b>	has the meaning given to that term in the Listing Rules
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires
<b>ASX Business Day</b>	Business Days as defined in the Listing Rules
<b>ASX Settlement</b>	ASX Settlement Pty Ltd (ABN 49 008 504 532)
<b>ASX Settlement Operating Rules</b>	the operating rules of the settlement facility provided by ASX Settlement as amended from time to time
<b>Associate</b>	has the meaning given to that term in the Listing Rules
<b>Board</b>	the board of Directors
<b>Business Day</b>	every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day
<b>Closing Date</b>	30 May 2017 (unless extended)
<b>Company</b>	Deep Yellow Limited ACN 006 391 948
<b>Constitution</b>	the constitution of the Company as at the date of this Prospectus
<b>CPS</b>	CPS Capital Group Pty Ltd
<b>CPS Placement</b>	has the meaning set out in section 1.9
<b>CPS Placement Agreement</b>	the agreement sheet entered into by the Company and CPS on 5 May 2017
<b>Directors</b>	the directors of the Company as at the date of this Prospectus
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Corporations Regulations</b>	Corporations Regulations 2001 (Cth)
<b>Eligible Shareholder</b>	a Shareholder whose details appear on the Register as at the Record Date and who is not an Excluded Shareholder
<b>Entitlement</b>	the entitlement of an Eligible Shareholder to apply for Shares and Options pursuant to the Offer
<b>Entitlement and Acceptance Form</b>	the entitlement and acceptance form either attached to or accompanying this Prospectus
<b>Equity Securities</b>	has the meaning given to that term in the Listing Rules.
<b>Excluded Shareholder</b>	a Shareholder who does not reside in Australia, New Zealand, Hong Kong, Ireland, Namibia, Panama and the United Kingdom
<b>Explo</b>	Exploration Capital Partners 2014 Limited Partnership
<b>Listing Rules</b>	the Listing Rules of ASX
<b>Offer</b>	the non-renounceable entitlement offer of Shares and Options pursuant to this Prospectus
<b>Official List</b>	the Official List of the ASX
<b>Official Quotation</b>	quotation on the Official List
<b>Option</b>	an option to acquire a Share on the terms and conditions set out in section 4.6
<b>Option Holder</b>	a holder of an Option
<b>Performance Right</b>	a right issued pursuant to Under the Deep Yellow Limited Awards Plan to acquire a Share upon satisfaction of certain conditions
<b>Prospectus</b>	this prospectus
<b>Record Date</b>	5pm (WST) 11 May 2017
<b>Register</b>	the register of Shareholders
<b>Remaining Shortfall</b>	has the meaning set out in section 1.9
<b>Share</b>	an ordinary fully paid share in the capital of the Company
<b>Shareholder</b>	the registered holder of a Share
<b>Shortfall</b>	the Shares and Options and Additional Shares and Options offered by this Prospectus, not accepted by Eligible Shareholders
<b>Shortfall Offer</b>	the offer of the Shortfall on the terms and conditions set out in section 1.9 of this Prospectus
<b>Shortfall Shares and Options</b>	the Shares and Options comprising the Shortfall Offer
<b>Sprott</b>	Sprott Private Wealth LP. and one of its affiliates
<b>Sprott Makeup Offering</b>	has the meaning set out in section 1.9
<b>Sprott Shortfall Placement</b>	has the meaning set out in section 1.9
<b>Sprott Shortfall Placement Amount</b>	has the meaning set out in section 1.9
<b>Sprott Finder Agreements</b>	the finders agreements entered into by the Company and Sprott on 4 May 2017
<b>SPW</b>	Sprott Private Wealth LP
<b>Trading Day</b>	has the meaning given to that term in the Listing Rules
<b>WST</b>	Australian Western Standard Time

## Corporate directory

<b>Directors</b>	<p>Rudolf Brunovs Non-executive Chairman</p> <p>John Borshoff Managing Director/CEO</p> <p>Mervyn Greene Non-executive Director</p> <p>Justin Reid Non-executive Director</p> <p>Gillian Swaby Non-executive Director</p> <p>Christophe Urtel Non-executive Director</p>	<b>Solicitors</b>	<p>Gilbert + Tobin 1202 Hay Street WEST PERTH WA 6005 Telephone: +61 8 9413 8400 Facsimile: +61 8 9413 8444</p>
<b>Company Secretary</b>	Mark Pitts	<b>Co-Lead Managers</b>	<p>Sprott Private Wealth LP. CPS Capital Group Pty Ltd</p>
<b>Registered and principal office</b>	<p>Unit 1, Spectrum Building 100 Railway Road SUBIACO WA 6008</p> <p>PO Box 1770 SUBIACO WA 6904</p> <p>Telephone: +61 8 9286 6999 Facsimile: +61 8 9286 6969</p> <p>Email: info@deepyellow.com.au Website: www.deepyellow.com.au</p>	<b>Auditors</b>	<p>Ernst &amp; Young 11 Mounts Bay Road PERTH WA 6000</p> <p>Telephone: +61 8 9429 2222 Facsimile: +61 8 9429 2436</p>
<b>ASX CODE</b>	DYL	<b>Share Registry*</b>	<p>Computershare Investor Services Pty Ltd Level 11 172 St Georges Terrace PERTH WA 6000</p> <p>Telephone: +61 8 9323 2033 Facsimile: +61 8 9323 2096</p>

*\*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.*