

DEEP YELLOW LIMITED

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12 June 2007

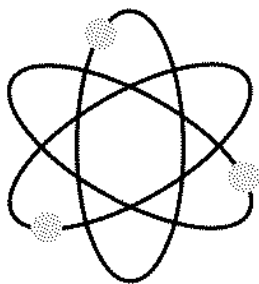
Entitlement Issue Prospectus

The Company advises that it has today lodged with the Australian Securities and Investments Commission, a Prospectus for a Non Renounceable Entitlement Issue as previously announced on 21 May 2007. Accordingly please find attached for immediate release:

- A Prospectus dated 12 June 2007 for Deep Yellow Limited's One for Twelve Non Renounceable Entitlements Issue of up to 84,902,074 new shares at 50 cents per share to raise a maximum of \$42,451,037
- Updated Appendix 3B from that lodged 21 May 2007
- A 'Notice Letter' to be despatched to shareholders containing all the information required in Appendix 3B
- A 'Notice Letter' to be dispatched to foreign shareholders advising them of the detail of the issue and of their ineligibility

Yours sincerely

Mark Pitts
Company Secretary



DEEP YELLOW LIMITED
ACN 006 391 948

NON RENOUNCEABLE ENTITLEMENT ISSUE PROSPECTUS FOR

**A Non Renounceable Pro Rata Offer of up to
84,902,074 New Shares at 50 Cents Each
to Eligible Shareholders, on the Basis of
1 New Share for Every 12 Shares
held at the Record Date, to raise up to \$42,451,037**

**THIS OFFER CLOSSES AT 5.00PM WST ON 20 JULY 2007.
VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.**

**Please read the instructions in this Prospectus and on the accompanying
Entitlement and Acceptance Form regarding the acceptance of your entitlement.**

**This is an important document and requires your immediate attention. It should be read in its entirety.
If you are in doubt about what to do, you should consult your professional adviser without delay.
The securities offered by this prospectus are of a speculative nature.**

IMPORTANT INFORMATION

This Prospectus is dated 12 June 2007 and was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the contents of this Prospectus.

No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This document is important and requires your immediate attention. Applicants should read this Prospectus in its entirety before deciding to participate in the Issue. If after reading this Prospectus you have any questions about the Issue, you should contact your stockbroker, solicitor, accountant or professional adviser.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 1, 329 Hay Street, Subiaco, Western Australia, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 6.5).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the New Shares offered by this Prospectus.

The New Shares offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for New Shares can only be submitted on an original Entitlement and Acceptance Form attached to and forming part of this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Issue.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of New Shares under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

The Company collects 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 a Form, each Applicant agrees that the Company may use the information provided by an Applicant on the 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 and professional advisers, and to ASX and regulatory authorities.

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

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

CORPORATE DIRECTORY

Directors

Leon Pretorius	Executive Chairman
Martin Kavanagh	Executive Director
Gillian Swaby	Non Executive Director
Mervyn Greene	Non Executive Director

Company Secretary

Mark Pitts

Principal and Registered Office

Level 1, 329 Hay Street
Subiaco, Western Australia 6008
Telephone - 61 8 9286 6999
Facsimile - 61 8 9286 6969

Share Registry *

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
Perth, Western Australia 6000

* Name included for information purposes only.

Stock Exchange

The Company's securities are quoted on the Official
List of Australian Stock Exchange Ltd.
The home branch is Perth.
ASX Code: DYL

PROPOSED TIMETABLE

Lodgement of Prospectus with ASIC And ASX	12 June 2007
Record Date for Determining Entitlement	21 June 2007
Prospectus and Entitlement and Acceptance Form Despatched to Eligible Shareholders	27 June 2007
Closing Date for Receipt of Acceptances and Application Monies *	20 July 2007
Anticipated Date for Allotment and Issue of New Shares *	25 July 2007
Despatch of Holding Statements *	27 July 2007

- * Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the New Shares.
-

LETTER FROM THE CHAIRMAN

Dear Shareholder

On behalf of the Directors of Deep Yellow Limited, I invite you to make a further investment in your Company.

The Company is pleased to offer all its shareholders a 1:12 non renounceable Entitlement Issue of 84,902,074 New Shares at an issue price of 50 cents per share to raise up to \$42,451,037. The pricing has been set at 50 cents to provide an incentive for all shareholders to participate in the capital raising.

In late 2006 the Company acquired 100% of the issued capital of Raptor Partners Limited and through this transaction its Namibian assets. Since this time it has:

- acquired Superior Uranium Pty Ltd and proceeded to exercise its right to acquire 51% of the North Queensland Joint Venture with Matrix Metals Limited to consolidate an expanding position in the Mt Isa district of Queensland;
- proceeded to exercise its right to acquire 51% of the Gawler Uranium JV with Dominion Mining Limited in South Australia;
- executed an Option Agreement with Toro Energy Limited in relation to the Napperby Project in the Northern Territory;
- focused exploration planning by divesting non core assets into an unrelated exploration entity but retained exposure for Deep Yellow shareholders through a 30% interest in the underlying asset;
- resolved to accelerate both regional exploration and evaluation of historical estimates included in pre JORC data bases.

All in all it has been a busy six months. The Directors believe that in order to properly and quickly bring the Company to a position from which it can fully exploit the prospective projects now in its portfolio it requires a larger cash base. It is on this basis that the offer is made. The minimum subscription under the Entitlement Issue is \$20 million.

The Entitlement Issue is not underwritten but the Directors have reserved the right to place any shortfall shares so as to ensure the Company meets the minimum subscription.

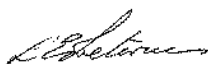
Whilst the activity in Namibia will rapidly increase over the coming months with a full compliment of staff in place, it is still the Company's intention to increase exploration on its very prospective ground in Australia.

Since the beginning of the year to the date of this prospectus the spot price for U₃O₈ has increased from US\$65 per pound to US\$135 at present. The pressure for this increase is in part due to shrinking inventories and mine outputs, while consumption has been increasing due to a slowly growing reliance upon nuclear power.

At the time of lodging this prospectus it was the intention of all your Directors to participate fully and to take up their maximum entitlement under this offer.

Accordingly, I encourage your participation in this Entitlement Issue. Should you wish to discuss any aspect of this capital raising please do not hesitate to contact myself, my fellow Directors or the Company Secretary, Mark Pitts on (08) 9286 6999.

Yours faithfully



Dr LEON PRETORIUS
Executive Chairman

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1. The Company

1.1 Company Status

The Company is a uranium exploration company which holds numerous exploration licences and applications in Australia, and Namibia. These tenements are either held in the name of the Company, its wholly owned subsidiaries or under an agreement through which it can prospect for uranium.

Tenements in Australia are held in the Northern Territory, Western Australia, Queensland and South Australia. (Refer Section 1.2). Tenements in Namibia were acquired in October 2006 and are held through the Company's Namibian subsidiary Reptile Uranium Namibia Pty Ltd (RUN). RUN holds three contiguous Exclusive Prospecting Licences (EPLs 3496, 3497 and 3499) in Namibia (the Reptile Tenements). All EPLs are valid for the Base and Rare Metals group and the Nuclear Fuel group of minerals, as defined by the Namibian Minerals Act 1992. (Refer Section 1.3)

Set out below for shareholders is a summary of the status of the Company's principal assets. For a more comprehensive summary of all tenements and projects in which the Company is involved, please refer to the Quarterly Activities Report released to the Australian Stock Exchange on 27 April 2007.

1.2 Australian Assets

NORTHERN TERRITORY

Napperby Project

The Company announced to the ASX on 7 May 2007, that it had executed an option agreement with Toro Energy Limited (Toro) for the sale of the Napperby Uranium Project and its associated tenements EL24246 and EL24606 to Toro. Completion of the agreement is conditional on satisfaction of conditions precedent (refer Section 6.2).

The disposal of Napperby will allow DYL to proceed with its own newly acquired priority exploration projects while benefiting from Toro's expertise to fully evaluate the Napperby deposit.

Tanami – Arunta Project

DYL made application for four exploration licences (ELA's 25940, 25941, (26 February 2007) 25953 and 25954 (5 March 2007)) covering 1,810 km² which have been accepted by the Department of Primary Industry, Fisheries and Mines (DPIFM). The tenement applications cover interpreted palaeochannels now represented by current day drainages. The extensive sheetwash plains underlying the tenements are sourced from the weathering of the uraniferous granite terrane of the Mt Doreen - Mt Hardy area to the northeast of the Bygrili uranium deposit. The primary target within the tenements is calcrete-hosted uranium mineralisation. In addition granted EL 23637 was transferred from Tanami Gold NL (TGNL) (27 April 2007) to DYL. The tenement is located 225 km ENE of Alice Springs in the Jervois mineral field.

DYL's exposure to the highly prospective Tanami – Arunta uranium province totals 52,046 km² comprising:

- 12 granted exploration licences covering 4,123 km² held 100%.
- 17 exploration licence applications covering 7,965 km² held 100%.
- Access to a further 39,958 km² of granted exploration licences and applications held by Tanami Gold NL.

The target within the majority of the tenement areas is calcrete-hosted uranium mineralisation similar to the Napperby deposit.

The Company is constantly assessing and prioritising target areas within the 52,046 km² under granted tenure or applications within the Territory. Since early 2005 over 20,000 km² of unprospective ground (subject to the agreement with TGNL) has fully evaluated and 'relinquished' and a further 6,120 km² of new ground in the Territory has been applied for.

QUEENSLAND

Mt Isa District

In early 2007 the Company acquired 100% of Superior Uranium Pty Ltd (SUPL) from Superior Resources Limited (SRL), an unlisted Queensland base metal explorer (refer Section 6.2). SUPL owns 100% of four granted uranium Exploration Permits (EPMs) and two EPM applications in northwest and north Queensland.

The acquisition of the four granted EPM's and one EPM Application in the Mt Isa district covering 1,060 km² together with the uranium rights to a further 4,436 km² subject to the NW Queensland Joint Venture with Matrix Metals Ltd establishes DYL as a major player in this highly prospective uranium province. In order to support its on-going commitment to regional and detail exploration programmes in the district DYL has established an exploration office with associated infrastructure in Mt Isa as a permanent base.

Queens Gift Prospect

The Company announced on 3 January 2007 that an initial composite rock sample assay collected during the evaluation of Superior Uranium's Queens Gift uranium prospect on EPM 15070 (75 km north of Mt Isa) by DYL's consultant geologist returned a value of 3,530 ppm U₃O₈ from iron carbonate altered chloritic schist outcrops.

A recently completed field mapping programme at Queens Gift has significantly enhanced the prospect's potential and extent with eight composite rock samples containing significant amounts of uranium as follows:

28,600 ppm (2.86%) U₃O₈ and 7,440, 6,640, 3,530, 3,380, 3,280, 2,020 and 1,515 ppm U₃O₈

Anomalous radioactive zones are located within intensely haematite-silicified magnetic rock occurring in a band up to 50 m wide east of a contact with unaltered basalts. The anomalous zone is discontinuous over a mapped known length of 1,200 m. However, the central-south anomaly is relatively continuous over more than 500 m of the 1,200 m strike length and swings ESE at its southern end and appears open for another several hundred metre before disappearing beneath alluvial and scree cover.

Calton Hills Prospect

This covers a prominent airborne uranium radiometric anomaly. The anomaly lies 3 km to the north of the Watta and Warwai uranium prospects of Summit Resources Limited.

The Calton Hills uranium anomaly is of high order and roughly circular with dimensions of 400 to 500 m. It is more prominent than the uranium anomalies that lie over the Watta and Warwai prospects (described below). The strongest part of the anomaly overlies a roughly east-trending fine grained ironstone unit, which outcrops along a low ridge. The ironstone appears to be dipping northerly at about 15° and it appears to extend under cover to the east. Generally the ironstone gives a strong radiometric response above 1,000 cps with the hand-held scintillometer over a strike length of about 100 to 150 m. A surface assay from the ironstone returned up to 270 ppm U₃O₈ and 690 ppm Cu.

DYL has entered into a contract for the completion of detailed low level airborne radiometric and magnetic surveys over a number of uranium prospects in the Mt Isa area including Queens Gift, Calton Hills and Miranda. Further mapping is planned at Queens Gift and it is anticipated that a major programme of RC drilling will commence there in July 2007.

The primary target is Proterozoic basement hosted Valhalla – Skai type mineralisation.

NW Queensland Joint Venture (Earning up to 80%)

On 28 February 2007 the Company issued 21,549,541 Shares to Matrix Metals Ltd (Matrix) in order to take up its right to acquire a 51% interest in the NW Queensland Joint Venture (JV) from Matrix.

Under the terms of the Heads of Agreement between the Company and Matrix (ASX 20 February 2006) the Company must spend a further \$2.6 million on exploration by 28 February 2009 to acquire a 51% interest in the Joint Venture. The Company may proceed to acquire a further 29% in the JV by payment of \$3 million to Matrix and can ultimately go on to purchase 100% of the uranium rights of each declared project area.

Miranda Prospect

The decision to proceed to the next stage of the initial earn-in of 51% interest in this Joint Venture was in part driven by the excellent assay results returned from the recent drill programme at the Miranda Prospect (ASX 12 February 2007) which outlined a broad zone of uranium mineralisation including significant intersections of 12 m at 960 ppm U₃O₈ from 9 m in hole DMRC-001 and 3 m at 730 ppm U₃O₈ from 43 m in hole DMRC-002.

Details of the drill intercepts are as follows:

- DMRC-001 - 60 m at 233 ppm U₃O₈, including 12 m at 960 ppm U₃O₈ from 9 m downhole.
- DMRC-002 - 78 m at 47 ppm U₃O₈, including 3 m at 730 ppm U₃O₈ from 43 m downhole.

A low-level detail radiometric and magnetic survey will be flown over selected target areas within the Joint Venture tenements in order to provide more detail for drill targeting of existing regional anomalies and to provide additional target delineation within the tenements.

Lochness (EPM 14916): Although broad zones of anomalous uranium values to 68 ppm U_3O_8 are present at the Lochness and Lochness North Prospects, the results were disappointing given the strongly limonite-altered gossanous mudstones units intersected and the rock chip values of surface samples of the limonite gossan material that returned assays up to 240 ppm U_3O_8 . Structural mapping will be carried out prior to further drilling.

In addition to a planned follow-up detailed drill programme at the Miranda Prospect and further regional exploration in the Mt Cuthbert tenements there are numerous uranium anomalies within Matrix's White Range project area to the south of Cloncurry which require follow-up mapping, sampling and drilling in order to fully evaluate their uranium potential.

The NW Queensland Joint Venture will now be run by a Queensland based exploration team from DYL's permanent base in Mt Isa. The NW Queensland JV tenements (4,436 km²) together with the recently acquired Superior Uranium Pty Ltd's tenements (1,060 km²) now provide DYL with a broad range of uranium deposit styles in this highly prospective uranium province.

Durong Project

DYL (90%) and SRL (10%) applied for five EPMs over an area of 1,550 km² in the Kingaroy – Chinchilla district South East Queensland. The four granted EPMs and one application cover approximately 50 km strike of a southwest trending palaeochannel. The 'headwaters' of the palaeochannel comprise the outcropping Boondooma Granite which has a reasonably high uranium content as indicated by the airborne radiometric survey data.

The Durong Project is a greenfields conceptual target where the granite is seen as a potential source of uranium for the development of sandstone/roll front style uranium deposits in the organic rich Tertiary stream channels.

Following the acquisition of SUPL, DYL now owns 100% of the Durong Project.

An AEM survey has been flown over the tenements and preliminary data should be available in mid-June 2007.

SOUTH AUSTRALIA

Western Gawler Project (DYL can earn up to 90%)

DYL completed its review of the uranium potential of the Western Gawler palaeochannel systems and of the AEM survey data in April. Palaeochannels are widespread and extensive on the Gawler Craton and form an onshore extension to the Tertiary Eucla Basin. They are deeply incised into weathered Proterozoic and Precambrian crystalline and sedimentary basement and display a strong structural control.

Exploration within the region seeks to target suitable redox boundaries developed within palaeochannel sands of the overlying Tertiary and Mesozoic succession. Carbonaceous channel sands of the Eocene Pidinga Formation form the major exploration target.

DYL will undertake a minimum 12,000 metre RAB/Aircore drill programme on 1 to 2 kilometre spaced traverses across the newly identified channel systems. The drilling will initially target the delineation of preferred host lithologies and the presence of redox fronts. DYL received clearance from the Antakirinja Matu-Yankunytjatjara Native Title Claimants for its planned drill programmes on 6th June 2007.

WESTERN AUSTRALIAN AND SOUTH AUSTRALIAN PROPERTIES JOINT VENTURED

On 22 May 2007 the Company announced that it had reached agreement on commercial terms for the acquisition by BlackGrange Limited (to be renamed Uranio Limited) (Uranio) of a majority interest in four DYL uranium properties located in Western Australia and South Australia.

The properties are (Western Australia) Ponton North – 5 tenements; Anketell – 11 tenements; Gardiner Range – 3 tenements; (South Australia) Siccus Project.

The agreed terms provides Uranio with the opportunity to acquire 70% of each of the wholly owned Western Australian properties and in addition to acquire an overall 70% interest in the Siccus joint venture, 90% of which is owned by the Company.

Finalisation of the transaction is subject to the negotiation and execution of formal agreements by 29 June 2007 and is conditional on the admission of Uranio to the official list of the ASX no later than 23rd November 2007.

While these properties are highly prospective, they were acquired during DYL's formative stages prior to its present Board's decision to concentrate efforts in select exploration areas where the Company now holds large tracts of land under tenure and bases have been established. This left the projects subject to this agreement geographically isolated and the disinvestment is in accordance with DYL's previously stated strategy of focusing its management and resources on the chosen priority exploration areas in Mt Isa, Gawler Craton and Namibia.

1.3 Namibian Assets

REPTILE PROJECT

This project covers approximately 2,622 km² of ground that is highly prospective for uranium mineralisation similar in style of formation to that of Langer Heinrich (latest published JORC compliant contained U₃O₈ resources of 44,000 t). The area covered by the Reptile Tenements was previously explored by major international companies such as Anglo American, Falconbridge, General Mining and Aquitaine who outlined extensive zones containing uranium mineralisation. Uranium mineralisation occurs in the form of carnotite (K₂(UO₂)₂(VO₄)₂·3H₂O) in valley-fill sediments similar to Paladin Resources Limited's Langer Heinrich deposit to the east/northeast of the various project areas.

The project is held through wholly owned subsidiary Reptile Uranium Namibia Pty Ltd (RUN). A number of milestones have been achieved since acquisition of the project:

- **Grant of Environmental Clearances for exploration activities on all three granted EPLs.**
- **Evaluation of 1970/80s uranium exploration databases is now possible.**
- **Issue of Free to Enter Permits to Namib Naukluft Park for RUN personnel and vehicles and to allow aerial geophysical surveys.**
- **Drilling of the Tubas Prospect commenced on Saturday 21 April 2007.**
- **Tenders have been called for the flying of an electromagnetic survey to locate deeper uranium mineralised palaeochannels such as Langer Heinrich, as well as separate airborne magnetic and radiometric surveys to locate primary "alaskite hosted" uranium mineralisation such as Rossing.**

RUN has been issued with Environmental Clearances from the Ministry of Environment and Tourism (MET) to commence exploration activities on three of its granted Exclusive Prospecting Licences (EPLs 3496, 3497 and 3499). These EPL's were granted by the Ministry of Mines and Energy for three years from 6 June 2006.

Having obtained environmental clearances required from the Namibian authorities a comprehensive exploration programme is being planned for the granted Reptile Tenements. A Namibian based technical and administrative team will operate under the guidance of the Company's Executive Chairman Dr Leon Pretorius (who remains on the Board of Langer Heinrich Uranium (Pty) Limited) and will also include persons who were involved in the exploration and pre-development work at Langer Heinrich.

Areas of known mineralisation within the Tenements are within close proximity to the Langer Heinrich processing plant and infrastructure (40 km) which will be invaluable should a commercial discovery be made.

2. Details of the Offer

2.1 The Offer

The Company is making a non renounceable pro-rata offer of Shares to existing Eligible Shareholders on the basis of 1 New Share for every 12 Shares held at 5.00 pm (WST) on 21 June 2007 ("Record Date").

A maximum of 84,902,074 New Shares will be issued pursuant to this Prospectus ("Issue").

Where the determination of the entitlement of any Entitled Shareholder results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share.

There is a minimum subscription to the Offer of \$20 million (refer Section 2.6).

Please refer to Section 6.1 for a summary of the rights attaching to the New Shares.

2.2 Purpose of the Issue

The Issue will raise up to \$42,451,037 (on the basis of full acceptances) before costs of the Issue.

Completion of the Offer will result in an increase in cash on hand of \$42,351,568 (after the payment of costs associated with the Offer and assuming the Offer is fully subscribed).

It is proposed that the funds raised will be used primarily by the Company to address the following activities:

- to meet the revised work programmes for both regional and evaluation exploration programmes on Australian and Namibian projects;
- to provide additional working capital for the investigation and assessment of further acquisitions of prospective uranium areas both in Australia and offshore;
- for general working capital purposes.

The Directors have budgeted for exploration and administration over the coming two years and have set out their estimates at Section 5.2.

2.3 Your Entitlement and Acceptance

The number of New Shares to which an Eligible Shareholder is entitled is set out in the Entitlement and Acceptance Form, which accompanies this Prospectus. Eligible Shareholders may accept their entitlement in whole or in part. If you decide not to accept your entitlement it will lapse and may be placed by the Directors as Shortfall Securities in accordance with Section 2.6 of this Prospectus.

It is important that you consider the Issue carefully. If you decide to accept your entitlement (either in whole or in part), you must do so in accordance with the instructions set out on the accompanying Entitlement and Acceptance Form and Section 2.9. Completed Entitlement and Acceptance Forms must be received at Computershare Investor Services Pty Limited (Perth Office) by 5.00pm (WST) on the Closing Date.

Subject to the Corporations Act and the Listing Rules, the Company reserves the right in its absolute discretion, to extend the Issue, close the Issue early or accept late applications either generally or in a particular case.

If you are in doubt as to the course of action, you should consult your professional adviser.

2.4 Form of Payment

Payments will only be accepted in Australian currency and as follows. Payment may be made by one of the following methods:

- BPAY. Those who use BPAY will not need to return the Entitlement and Acceptance Forms.
- Bank cheque in Australian dollars drawn on and redeemable at any Australian Bank; or
- Personal cheque in Australian dollars drawn on and redeemable at any Australian Bank.

Cheques or bank cheques should be made payable to "Deep Yellow Limited Share Issue Account" and crossed "Not Negotiable". Cash payments will not be accepted but returned and the application deemed invalid. Receipts for payments will not be issued.

2.5 Opening and Closing Dates

The Company will accept Entitlement and Acceptance Forms from the Record Date for determining Eligible Shareholders' entitlements (21 June 2007), until 5.00pm WST 20 July 2007 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules ("Closing Date").

2.6 Minimum Subscription

The minimum subscription under the Offer is \$20 million. If the minimum subscription under the Offer is not met, all application monies received will be refunded without interest.

The minimum subscription will enable the Company to meet its minimum expenditure commitments on tenements held and reasonably assess exploration targets.

If the Offer does not raise sufficient funds to meet the minimum subscription, the Directors propose to place sufficient number of Shortfall Securities at their absolute discretion (subject to the Listing Rules) to meet that requirement, as described in Section 2.7.

2.7 Placement of Shortfall Securities

The placement of Shortfall Securities may occur after the Closing Date.

An application for Shortfall Securities can only be made by completing a Shortfall Application Form which will be sent by the Directors to any party who the Directors invite to apply for Shortfall Securities. The Shortfall Application Form shall be sent by the Directors with a copy of the Prospectus.

Subject to the Listing Rules, the Directors may in their absolute discretion issue all, some or none of the Shortfall Securities applied for by any party. To the extent that Shortfall Securities are applied for but not issued, Application Monies will be returned without interest.

2.8 Procedures for Placement of Shortfall Securities

Shortfall Application Forms must be completed in accordance with the instructions contained therein and must be accompanied by a cheque in Australian currency drawn on an Australian bank, made payable to "**Deep Yellow Limited Share Issue Account**" and crossed "Not Negotiable" for the Application Monies. Cash payments will not be accepted but returned and the application deemed invalid. Receipts for payments will not be issued.

Once a Shortfall Application Form is completed and returned it is irrevocable and may not be withdrawn or varied by the Applicant.

Application Monies are payable in full on application.

Completed Shortfall Application Forms together with payment of the Application Monies in full must be lodged by the date specified by the Directors when sending the Shortfall Application Form as follows:

By delivery: Computershare Investor Services Pty Limited
Level 2
45 St George's Terrace
PERTH WA 6000

By post: Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

2.9 Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Shares.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

2.10 Allotment

The Company expects to issue the Shares on 25 July 2007. Holding statements in relation to the Shares are also expected to be dispatched on 27 July 2007. These dates may change at the Directors' discretion.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

2.11 Application Monies Held on Trust

All Application Monies received for the New Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be returned (without interest) if the New Shares are not issued.

2.12 ASX Quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for the official quotation of the New Shares offered by this Prospectus. If permission is not granted by ASX for the official quotation of the New Shares offered by this Prospectus within 3 months after the date of this Prospectus the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

2.13 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532 ("ASTC"), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and New Shares Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares, including a notice to exercise the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Computershare Investor Services Pty Limited and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

2.14 Foreign Shareholders

The Offer is not being extended to any shareholders whose registered address is outside Australia or New Zealand. The Company is of the view that it is unreasonable to make the Issue to shareholders outside Australia and New Zealand, having regard to:

- the number of those shareholders;
- the number and value of New Shares to be offered to those persons; and

- the cost of complying with overseas legal requirements.

The Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer other than for shareholders in Australia and New Zealand. The Company is not required to make offers under the Prospectus to shareholders other than in Australia and New Zealand. Where the Prospectus has been dispatched to shareholders domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the offers contemplated by the Prospectus, the Prospectus is provided for information purposes only.

Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlement under the Issue does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

2.15 Brokerage

The Company may pay a placement fee of a maximum of 5% (plus GST) of the amount subscribed (and accepted by the Company) to any holder of a financial services licence in respect of Shortfall Application Forms bearing their stamp.

2.16 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are set out in Section 4.

2.17 Taxation Implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Prospectus.

2.18 Major Activities and Financial Information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2006 is contained in the Annual Report which was sent to Shareholders on 27 October 2006.

A summary of the major activities and financial information relating to the Company for the half year ended 31 December 2006 is contained in the Interim Financial Report which was lodged with ASX on 14 March 2007.

A summary of activities relating to the Company for the quarters ending 30 September 2006, 31 December 2006 and 31 March 2007 is contained in the quarterly activities reports lodged for each period, these reports were lodged with ASX on 27 October 2006, 25 January 2007 and 27 April 2007 respectively.

In addition, an update on the Company and its activities is contained in Section 1 of this Prospectus.

2.19 Enquiries Concerning Prospectus

Enquiries concerning the Entitlement and Acceptance Form can be obtained by contacting Computershare Investor Services Pty Limited by telephone - 1300 726 403 (within Australia) and 03 9415 4668 (outside Australia).

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on 08 9286 6999 or facsimile on 08 9286 6969.

3. Action Required by Shareholders

3.1 Acceptance of New Shares Under this Prospectus

Should you wish to accept all of your entitlement to New Shares, then applications for New Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided. Payment may be made by BPAY or cheque (refer Section 2.4). If payment is being made by cheque then it must be in Australian dollars, crossed "Not Negotiable" and made payable to "Deep Yellow Limited Share Issue Account" and lodged together with the Entitlement and Acceptance Form at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

By delivery:	Computershare Investor Services Pty Limited Level 2 45 St George's Terrace PERTH WA 6000	By post:	Computershare Investor Services Pty Limited GPO Box D182 PERTH WA 6840
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3.2 If You Wish To Take Up Part Of Your Entitlement Only

Should you wish to only take up part of your entitlement, then applications for New Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of New Shares you wish to accept. Payment may be made by BPAY or cheque, calculated at 50 cents per New Share accepted (refer Section 2.4). If payment is being made by cheque then it must be in Australian dollars, crossed "Not Negotiable" and made payable to "Deep Yellow Limited Share Issue Account" and lodged together with the Entitlement and Acceptance Form at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

By delivery:	Computershare Investor Services Pty Limited Level 2 45 St George's Terrace PERTH WA 6000	By post:	Computershare Investor Services Pty Limited GPO Box D182 PERTH WA 6840
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3.3 Entitlements Not Taken Up

If you do not wish to accept any of your entitlement, you are not obliged to do anything. In that case, New Shares not accepted by the Closing Date will become Shortfall Securities and you will receive no benefit.

3.4 Enquiries Concerning Your Entitlement

If you have any queries concerning your entitlement please contact:

Computershare Investor Services Pty Limited
Level 2
45 St George's Terrace
PERTH WA 6000

Telephone: 1300 726 403 (within Australia)
03 9415 4668 (outside Australia)

4. Risk Factors

Potential investors in the Company should be aware that subscribing for shares involves a number of risks. The risk factors outlined in this Section and elsewhere in this Prospectus should be carefully considered by investors when evaluating an investment in the Company. In addition, investors should appreciate that the value of shares and options on ASX may rise or fall depending on a range of factors beyond the control of the Company. This is especially the case with companies undertaking mining and exploration activities.

Any of the factors set out in this Section or any other factors identified in this Prospectus may materially affect the financial performance of the Company and the market price of the Shares. To that extent the Shares carry no guarantee with respect to the payment of dividends, return on capital or the price at which those Shares will trade on the ASX.

The Directors consider that an investment in the Company should be considered speculative due to:

- (a) the recent volatility in publicly listed entities on world stock markets generally, and of mining and exploration companies in particular; and
- (b) the speculative nature of mining and exploration activities.

While the Company plans to take prudent measures to safeguard from, or mitigate its exposure to these risks, many of the risks are outside of the Company's control.

There are a number of risk factors that investors should consider before deciding whether or not to invest in the New Shares. The principal risk factors include, but are not limited to, the following:

4.1 Risks Specific to the Company

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

Risks Relevant to the Company's Australian Assets

- (a) Government Policy

All of the Australian projects / prospects should be considered together with current government policy and the view of the traditional owners.

The Federal Government is responsible for uranium mining in the Northern Territory and currently permits the mining and export of uranium under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Federal Government through its licensing process and Australian uranium can only be exported to those countries that undertake to use it for peaceful purposes.

The Queensland State Government has a policy opposing the mining of uranium. Whilst the Company is not prevented from exploration and evaluation of their uranium deposits, the development of the uranium deposits is dependant on a change in Queensland State Government policy in relation to uranium production. There can be no assurance that this policy will change in the future and this may adversely affect the long term prospects for the Company.

The South Australian branch of the ALP continues to be opposed to new uranium mines and the expansion of the enrichment process. The SA Government has also passed legislation to prevent the use of sites in SA for the storage of intermediate or high level nuclear waste. But the SA Minister for Minerals Development, Paul Holloway, and Deputy Premier Kevin Foley have publicly opposed the party's policy.

In addition, the SA Labor government and Premier Mike Rann are strongly supporting the expansion of the Olympic Dam mine, which will allow the BHP/Billiton-run mine to quadruple its uranium output to become the largest uranium mine in the world.

Further, the Rann Government will not prevent the development of the Honeymoon mine, approved by the previous Liberal State Government, despite a technical breach of the 'three mines' policy. Premier Rann justifies the Honeymoon decision on the basis that stopping the mine suggests a degree of regulatory risk to investors in the resources sector. Mr Rann has recently publicly supported a change to the Federal Labor Party "three mines" policy.

South Australia is also home to Beverly, the only new uranium mine opened since the Coalition government was elected in 1996.

Although it is not in favour of new uranium mines in SA nor the storage of radioactive material in SA, the SA Government continues to subsidise uranium exploration, offering some explorers a 50 percent rebate on drilling costs. It also supports uranium mining at current levels in SA, given its contribution to the SA economy.

The Western Australian Government has not enacted any legislation that expressly prohibits uranium mining in Western Australia. However, the current Western Australia State Government does have a policy opposing uranium mining. All mining leases granted since 22 June 2002 are subject to a condition which prohibits the mining of uranium. Whilst the Company is not restricted from exploration and evaluation of its tenements in Western Australia, any development would be contingent upon a change of Western Australian State Government Policy in relation to uranium production. There can be no assurance that the policy will change in the future and this may adversely affect the long-term prospects of the Company.

Investors should note that the Federal Labour Party (currently in opposition) has recently changed its long held opposition to new uranium mines at the Party's 2007 National Conference. However, the Federal Labour Party in Government would leave the decision to permit development of any new mines to the individual states.

In addition future changes in Governments, regulations and policies may have an adverse impact on the Company.

(b) Approval Process

Uranium mining in Australia is subject to extensive regulation by State and Federal governments 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, native title 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. These approvals are more rigorous than for mining of other metals. There is a risk that should economic deposits of uranium be discovered, the government approvals may not be granted, or may be significantly delayed or may make the deposit uneconomic.

(c) Contractual Rights

Matrix Metals Limited

As the Company is not the registered holder of the tenements within the Deep Yellow/Matrix Metals NW Uranium Joint Venture, the Company's rights to uranium are based on its Heads of Agreement with Matrix Metals.

The ability of the Company to exploit the uranium rights under the agreement is partially dependant on Matrix Metals, as the current owner, ensuring that the tenements are maintained and kept in good standing. It is possible that Matrix Metals may act in a manner which could effect the rights of the Company under the NW Uranium Joint Venture Heads of Agreement.

On 28 February 2007 the Company announced the issue of 21,549,541 ordinary shares to Matrix Metals Limited as part consideration for the initial earn-in for the NW Queensland Joint Venture.

Dominion Mining Limited

As the Company is not the registered holder of the tenements within the West Gawler Project, the Company's rights to uranium are based on its Heads of Agreement with Dominion Mining Limited (Dominion).

The ability of the Company to exploit the uranium rights under the agreement is partially dependant on Dominion, as the current owner, ensuring that the tenements are maintained and kept in good standing. It is possible that Dominion may act in a manner which could affect the rights of the Company under the Western Gawler Uranium Exploration and Development Heads of Agreement.

On 22 May 2007 the Company announced the issue of 21,931,681 ordinary shares to Dominion in order to acquire a 51% interest in the uranium rights to the Western Gawler Tenements subject to the Western Gawler Uranium Exploration and Development Project.

(d) Native Title

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations.

Risks Relevant to the Company's African Assets

(a) Government Policy and Sovereign Risk

The Company's proposed 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, 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.

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

(b) Approval Process

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 should economic deposits of uranium be discovered on the Reptile Tenements, the government approvals may not be granted, or may be significantly delayed or may make the deposit uneconomic.

(c) Contractual Rights

The Reptile Tenements were acquired through the acquisition of shares in a BVI-registered company, Raptor. While the Company undertook due diligence in connection with the acquisition, and the Share Sale Agreement contains a number of representations, warranties and indemnities in relation to both the corporate entities and assets being acquired, there remains a risk of unknown matters, liabilities or exposures in connection with the acquisition.

In addition, even if such matters, liabilities or exposures give rise to rights under the Share Sale Agreement in favour of the Company, the Company's ability to efficiently and economically enforce those rights may be limited.

The Vendors have agreed to enter into a voluntary escrow arrangement in respect of the DYL Shares issued as part of the second tranche consideration. However, there can be no assurance that the Company will be able to recover the amount of any judgement which may be made in its favour in the event of breach of the Share Sale Agreement by the Vendors, particularly as the value of any DYL Shares still held by the Vendors may be negatively impacted by the breach.

(d) Subsidiaries

The Company intends to conduct its operations in Namibia through subsidiaries and hold certain of its assets in such subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the Company and its subsidiaries could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

(e) Currency Risk

The Company will incur expenditures in the local currency of Namibia. The Company will therefore be subject to foreign currency fluctuations which may materially affect its financial position and operating results.

Risks Relevant to all the Company's Assets

(a) 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.

(b) Dilution

The Company may undertake additional offerings of securities in the future. The increase in the number of shares issued and the possibility of sales of such shares may have a depressive effect on the price of shares already on issue. In addition, as a result of the issue of such additional shares, the voting power of existing shareholders will be diluted.

(c) Uninsurable Risks

The Company may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, or in amounts, which exceed policy limits.

(d) Key Personnel

Recruiting and retaining qualified personnel is critical to the success of the Company. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. In particular, as the Company's business activity grows, it will require additional staff in Namibia. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

4.2 Mineral Industry Risks

(a) Exploration and Development Risks

Mineral exploration and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for

commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration and development mineral interests owned by the Company, or any other projects that may be acquired in the future, can be profitably exploited.

(b) Operational Risks

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of Deep Yellow, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(c) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- Identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- Developing an economic process route to produce a metal and/or concentrate; and
- Changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(d) Resource Estimates

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.

(e) Payment Obligations

Under the mining and exploration tenements and licences and certain other contractual agreements to which the Company is or may in the future become a party, the Company is or may become subject to payment and other obligations. In particular, the Company has an obligation to meet the agreed expenditure budgets for each of its interests and, where the Company is not the manager, is reliant on the manager to maintain the exploration tenements and licences in 'good standing'. Failure to meet these work commitments will render the tenement or licence liable to be cancelled.

(f) Commodity Price Volatility

It is anticipated that any potential future revenues derived from mining will primarily be derived from the sale of uranium. Consequently, any future earnings are likely to be closely related to the price of this commodity and the terms of any off-take agreements that the Company enters into.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for base metals, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may

have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(g) Competition

The Company competes with other companies, including major mineral exploration and production companies. Some of these companies have greater financial and other resources than Deep Yellow and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(h) Title

All of the tenements in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each tenement is usually at the discretion of the relevant government authority.

(i) Joint Venture Risk

Where a joint venture partner does not act in the best commercial interest of the joint venture, it could have a material adverse effect on the interests of the Company.

Furthermore, the Directors are unable to predict the risk of:

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

(j) Environmental

The Company's projects are subject to laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, the projects of the Company have a variety of environmental impacts. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although Deep Yellow believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

4.3 General Investment Risks

(a) Securities Investment

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the Offer price, and may fluctuate in response to a number of factors.

Further, the stock market has experienced price and volume fluctuations. There can be no guarantee that these trading prices and volumes will be sustained. These factors may materially affect the market price of the Shares, regardless of Deep Yellow's operational performance.

(b) Share Market Conditions

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither Deep Yellow nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Economic Risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of a Country's gross domestic product, interest rates and the rate of inflation.

(d) Future Capital Needs and Additional Funding

The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of this Offer should be adequate to fund its business development activities, exploration programme and other Company objectives in the short term, as stated in this Prospectus.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

(e) Policies and Legislation

Any material adverse changes in Federal or State government policies or legislation (including tax) of Australia or the Government policies or legislation of Namibia or any other country that the Company has economic interests may affect the viability and profitability of the Company.

5. Effect of the Issue

5.1 Capital Structure on Completion of the Issue

Assuming Full Subscription

Issued Capital	Notes	Number of Shares	Number of Options	Share Capital \$
Issued capital at the date of this prospectus		1,018,824,884	48,500,000	147,205,673
Offer	1 & 2	84,902,074	-	42,351,568
Total securities after the Issue	3	1,103,726,958	48,500,000	189,557,241

1 Assumes that the Offer is fully subscribed.

2 Assumes that costs associated with the Offer are \$99,469 with proceeds from the Offer being used as set out in 5.2.

3 The option holders have been notified and given an opportunity to exercise their options to acquire ordinary shares in the Company in order to participate in the pro rata issue. Full subscription as set out above assumes no options are exercised.

Assuming Minimum Subscription

Issued Capital	Notes	Number of Shares	Number of Options	Share Capital \$
Issued capital at the date of this prospectus		1,018,824,884	48,500,000	147,205,673
Offer	1 & 2	40,000,000	-	19,907,970
Total securities after the Issue	3	1,058,824,884	48,500,000	167,113,643

1 Assumes that the Offer achieves only minimum subscription.

2 Assumes that costs associated with the Offer are \$92,060 with proceeds from the Offer being used as set out in 5.2.

3 The option holders have been notified and given an opportunity to exercise their options to acquire ordinary shares in the Company in order to participate in the pro rata issue. The minimum subscription as set out above assumes no options are exercised.

5.2 Use of Funds

The funds to be raised from the Offer will be applied to the following areas:

Use of Funds	Minimum Subscription	Full Subscription
Total Raised in the Offer	20,000,000	42,451,037
Exploration Work Programmes by Regional Project Area		
Reptile Tenements	8,000,000	15,000,000
Northern Territory Tenements	2,000,000	5,000,000
Queensland Tenements including Northwest Queensland JV	7,000,000	15,000,000
South Australia - Western Gawler Craton JV (Dominion Mining Ltd)	2,000,000	5,000,000
New Project Evaluation and Working Capital	1,000,000	2,451,037
Funds Applied	20,000,000	42,451,037

To the extent that the funds raised fall between the levels shown above, the Directors will determine the most appropriate level of expenditure by category and project area, however, the shortfall will be deducted firstly from new project evaluation and working capital and then exploration expenditure on a proportionate basis. The Directors are of the opinion that on completion of the Offer there will be sufficient working capital for the Company to meet its stated objectives. Expenses associated with the Offer will be met from current working capital. (Refer Section 6.10)

It is the Directors intention to place sufficient number of the Shortfall Securities to reach the \$20 million minimum subscription level.

5.3 Proforma Balance Sheet

A pro forma balance sheet of Deep Yellow Limited after completion of the Entitlement Issue prepared on the basis of the unaudited accounts of the Company as at 31 March 2007 and adjusted for the following transactions or assumptions is set out on the next page of this Prospectus:

- 1) on 22 May 2007 the Company resolved to exercise its right to acquire a 51% interest in the uranium rights to the Western Gawler Tenements subject to the Western Gawler Uranium Exploration and Development Project (the Project) Heads of Agreement between the Company and Dominion Mining Limited (ASX 22 February, 2006). The effective cost to the Company of this acquisition was 21,931,651 ordinary shares at a market price of \$0.58 (\$12,720,358);
- 2) on 22 May 2007 the Company announced that it had reached agreement with BlackGrange Limited on commercial terms for the sale of a majority interest in four prospects which had been identified as being non core assets. Essentially, the proposal provides the purchaser with the opportunity to acquire 70% of each of the wholly owned Deep Yellow properties and in addition to acquire an overall 70% interest in the Siccus joint venture, 90% of which is owned by Deep Yellow. Although the sale has not been completed a non refundable deposit of \$250,000 has been received;
- 3) on 7 May 2007 the Company announced that it had executed the Napperby Option Agreement with Toro Energy Ltd (Toro, ASX code "TOE"). In summary, the agreement provides Toro with a 3 year period to advance the Napperby Project toward resource definition and development, for the consideration of 3,066,667 Toro shares. Toro has the option to acquire 100% of the project at any time during this period;
- 4) on 18 April 2007 the Company sold its interest in Uranium Resources Plc and received net funds of \$870,612;
- 5) after adjustment for the above transactions the pro forma balance sheet sets out two scenarios: Scenario 1 where the full subscription is achieved and an issue of 84,902,074 New Shares is made pursuant to this Prospectus at an issue price of 50 cents, and Scenario 2 where only the minimum subscription is achieved and an issue of 40,000,000 New Shares is made pursuant to this Prospectus at an issue price of 50 cents; and
- 6) the estimated expenses of the Entitlement Issue as referred to in Section 6.10 of this Prospectus, being offset against the total proceeds of the issue.

Proforma Balance Sheet

	UNAUDITED 31 March 2007	UNAUDITED Proforma Full Subscription	UNAUDITED Proforma Minimum Subscription
Current Assets			
Cash Assets	24,119,636	67,591,816	45,148,188
Receivables	68,728	68,728	68,728
Other Financial Assets	56,676	56,676	56,676
Total Current Assets	24,245,040	67,717,220	45,273,592
Non Current Assets			
Other Financial Assets	558,313	3,342,667	3,342,667
Property, Plant and Equipment	929,234	929,234	929,234
Exploration Expenditure Carried Forward	74,347,596	87,067,954	87,067,954
Intangible Assets	1,392,940	1,392,940	1,392,940
Total Non Current Assets	77,228,083	92,732,795	92,732,795
Total Assets	101,473,123	160,450,015	138,006,387
Current Liabilities			
Payables	121,499	3,464,166	3,464,166
Total Current Liabilities	121,499	3,464,166	3,464,166
Total Liabilities	121,499	3,464,166	3,464,166
Net Assets	101,351,624	156,985,849	134,542,221
Equity			
Contributed Equity	134,485,315	189,557,241	167,113,613
Accumulated Losses	(37,454,137)	(36,793,385)	(36,793,385)
Equity Compensation Reserve	4,207,238	4,207,238	4,207,238
Asset Fair Value Adjustment Reserve	98,453	-	-
Foreign Exchange Reserve	14,755	14,755	14,755
Total Equity	101,351,624	156,985,849	134,542,221

5.4 Market Price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.715 30 April 2007

Lowest: \$0.34 5 March 2007

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.555 per Share on 8 June 2007.

5.5 Dividend Policy

The New Shares will rank *pari passu* in all respects (including dividend and bonus issues) with all existing Shares in the capital of the Company from the date of allotment and issue. As the Company is an exploration company, the Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company. There have been no dividends paid by the Company up to the date of this Prospectus.

6. Additional Information

6.1 Rights Attaching to New Shares

The New Shares issued by the Company will rank equally in all respects with the Company's existing Shares.

The rights attaching to Shares arise from a combination of the Company's Constitution, statute and general law.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its Shareholders and Directors, including provisions to the following effect (when read in conjunction with the Corporations Act or Listing Rules):

(a) Shares

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the Directors, subject to the Corporations Act, Listing Rules and any rights attached to any special class of shares.

(b) Transfer of Shares

The Company participates in the electronic share registration and transfer system known as CHESS operated by ASX under the Security Clearing House Business Rules. Accordingly, the Company will issue holding statements in lieu of share certificates. The Company will not charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of shares, or request SCH to apply a holding lock to prevent a proper SCH transfer, in the circumstances identified in the Constitution or as otherwise permitted or required under the Corporations Act or Listing Rules.

(c) Meetings of Members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by Section 249D of the Corporations Act. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is two natural persons, each of whom is or represents different Shareholders who are eligible to vote.

The Company holds annual general meetings in accordance with the Corporations Act and the Listing Rules.

(d) Voting

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(e) Directors

Under the provisions of the Constitution, unless changed by the Company in general meeting, the minimum number of Directors is three. The existing Directors and the Company in general meeting may appoint a new Director to fill a casual vacancy or as an addition to the Board. Any such Director must retire at the next following annual general meeting under the Constitution, (at which meeting he or she may be eligible for election as a Director). No Director, other than the Managing Director, may hold office for longer than three years without submitting him or herself for re-election at the next following annual general meeting.

The business of the Company is to be managed by or under the direction of the Directors. The Directors are not required by the Constitution to hold any shares in the Company.

(f) Dividends

Subject to any rights attaching to Shares which may in the future be issued with special or preferred rights, the Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to Shares (such as preference shares), dividends will be paid proportionately to the number of Shares held by each member. The Company is not required to pay any interest on dividends.

(g) Officers' Indemnities and Insurance

Under the Constitution, to the extent permitted by law, the Company indemnifies every person who is or has been a Director or Secretary of the Company against a liability incurred by that person in his or her capacity as a Director or Secretary provided that the liability does not arise out of conduct involving his or her own dishonesty, negligence, lack of good faith or breach of duty. The Company may also pay the premiums on Directors and officers liability insurance in accordance with Corporations Act.

(h) Winding Up

If on a winding up of the Company there remains a surplus, then under the Constitution and subject to any rights attaching to Shares which may in the future be issued with special or preferred rights, all assets representing the surplus that may be legally distributed among Shareholders shall be so distributed in proportion to the number of shares held by each Shareholder.

6.2 Material Contracts

(a) Napperby Option Agreement

The agreement provides for the grant by the Company to Toro of a 3 year option to acquire exploration licence numbers 24246 and 24606 in the Northern Territory and mining information related to the exploration licences. The grant of the option is conditional on receipt of ministerial approval under the Northern Territory Mining Act by 3 August 2007, the execution of novation deeds by third parties by 3 August 2007 and the issue of 3,066,667 fully paid ordinary shares in Toro to the Company. During the 3 year option period Toro must spend not less than \$2,250,000 on exploration and maintain the exploration licences in good standing. Toro may elect at any time during the 3 year option period to acquire 100% of the exploration licences by paying the Company an amount based on the agreed JORC resources (or if acquired prior to full conversion to JORC standard, 13.2 million pounds) and 8% of the spot US\$ uranium price within a band of A\$5.40 and A\$6.50 per pound of U₃O₈ (**Acquisition Cost**). At Toro's election the consideration may be in any combination of cash and fully paid ordinary shares in Toro. In addition a 3% gross royalty will be payable to the Company on production above the lesser of either 13.2 million pounds U₃O₈ or the agreed JORC resources used to reference the Acquisition Cost.

(b) BlackGrange Agreement

This agreement provides for the sale by the Company to BlackGrange Limited (to be renamed Uranio Limited) (Uranio) of a 70% interest in Western Australian and South Australian exploration tenements and applications known as Ponton North Project, Anketell Project, Siccus Project, and Gardiner Range together with associated mining information.

The sale is conditional on receipt of all ministerial approvals and Uranio obtaining conditional approval to admission to the official list of the ASX by 23 November 2007.

The consideration for the sale is \$2,000,000 and the issue of shares in Uranio as equates to 9.8% of the total number of shares on issue at time of admission to ASX.

On satisfaction of the sale conditions and following completion, Uranio and the Company will enter into a joint venture (other than in respect of the Siccus Project) for the exploration of the of the tenements and applications. Uranio is the manager of the joint venture and must sole fund all exploration until completion of a definitive feasibility study when each party has the right to decide whether to participate in mining operations the subject of the study.

6.3 Material Litigation

The Company is presently not party to any material litigation.

As noted by the Company in its Supplementary Prospectus dated 23 November 2006 (in respect of a prior entitlement offer by the Company), during October and November 2006 certain third parties asserted the existence of rights over or claims to the assets or interests of Raptor Minerals Limited (**RML**), or a right to be involved in the agreement for the acquisition of RML by the Company, on

the basis of the involvement of common directors in those negotiations over a period of time. However, as at the date of this Prospectus, no legal action has been commenced and no further action has been taken by the third parties concerned.

6.4 Company is a Disclosing Entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

Those obligations include being required to notify the ASX immediately of any information concerning the Company which it is, or becomes, aware of and which a reasonable person would expect to have a material effect on the price or value of the Shares. Exceptions apply for certain information which does not have to be disclosed.

Other documents that are required to be lodged include:

- (a) half yearly reports and annual financial statements, to be provided to ASX within 75 days of the end of each half and full year accounting period respectively; and
- (b) quarterly activities reports together with cash flow statements, to be lodged with the ASX within a specified time after the end of each quarterly accounting period.

6.5 Inspection and Copies of Documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of the ASIC. The Company will provide free of charge to any person who requests it during the period of the Issue, a copy of:

- (a) the Annual Report of the Company for the year ended 30 June 2006, being the last financial year for which an annual financial report has been lodged with the ASIC in relation to the Company before the issue of this Prospectus;
- (b) the following continuous disclosure notices given by the Company to notify the ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus:

Date Lodged	Subject of Announcement
28 September 2006	2006 Annual Report
9 October 2006	Napperby – Resource Drilling – Final Results
11 October 2006	Trading Halt
11 October 2006	Company Request for Trading Halt
13 October 2006	Merger to Secure Prospective Uranium Interests in Namibia
13 October 2006	Audio Broadcast
13 October 2006	Change of Director's Interest Notice
13 October 2006	Change of Director's Interest Notice
16 October 2006	Update on Audio Broadcast
24 October 2006	Form 603 Substantial Shareholder Notice
25 October 2006	Change of Director's Interest Notice
26 October 2006	Change in Substantial Holding from PDN
26 October 2006	Appendix 3B
27 October 2006	First Quarter Activities and Cashflow Report
27 October 2006	2006 Annual Report & Notice of Annual General Meeting
3 November 2006	Prospectus Lodgement (All Documents)

Date Lodged	Subject of Announcement
3 November 2006	Letter to Shareholders – Notification Details
3 November 2006	Appendix 3B
7 November 2006	Price Query
8 November 2006	Entitlement Issue – Relevant ~Dates
17 November 2006	Non Renounceable Entitlement Issue – Closing Date Extended
21 November 2006	Non Renounceable Entitlement Issue – Prospectus Dispatched
24 November 2006	Supplementary Prospectus
27 November 2006	Raptor Minerals Ltd First Tranche Completion 271106
30 November 2006	Results of AGM
04 December 2006	Form 603 – Maitland Trustees & Theseus Limited
07 December 2006	Appendix 3X – Mervyn Greene
13 December 2006	Napperby Deposit – JORC Reported Resource
18 December 2006	Entitlement Issue Closed
19 December 2006	Entitlement Issue & Allotment / Mt Isa Drilling Update
19 December 2006	Form 604 – Substantial Shareholder Notice (Paladin lodged)
19 December 2006	Appendix 3B – Options to Directors
21 December 2006	Audio Broadcast
21 December 2006	Raptor Minerals Ltd Second Tranche Completion 211206
21 December 2006	Change in Director's Interest x 4
22 December 2006	Option Issue to Employees and Consultants
22 December 2006	Form 603 Initial Substantial Shareholder Notice
27 December 2006	Change in Director's Interest (M Greene)
27 December 2006	Change in Substantial Shareholdings
03 January 2007	Deep Yellow Targets Mt Isa District
03 January 2007	Deep Yellow Targets Mt Isa District – Update
04 January 2007	Audio Broadcast
25 January 2007	December 2006 Quarterly Report
05 February 2007	Deep Yellow Completes Superior Deal
12 February 2007	Deep Yellow Matrix Metals JV Drilling Results – December 2006
14 February 2007	Mt Isa Update
15 February 2007	Joint ASX Release – DYL & TOE – Napperby Uranium Project
16 February 2007	Audio Broadcast
28 February 2007	Share Issue – Matrix Metals
01 March 2007	708 Notice for Matrix Shares
05 March 2007	Update on Namibian Activities
06 March 2007	Northern Territory Update
07 March 2007	Audio Broadcast
15 March 2007	Interim Financial Report 31 December 2006
22 March 2007	Presentation – Paydirt's 2007 Uranium Conference

Date Lodged	Subject of Announcement
12 April 2007	Update on Namibian Activities
13 April 2007	Audio Broadcast
27 April 2007	March 2007 Quarterly Report
07 May 2007	Joint ASX Release – Execution of Napperby Option Agreement
07 May 2007	Presentation to Sydney Resources Round-Up
21 May 2007	1:12 Non-Renounceable Entitlement Issue
22 May 2007	Exploration Update
22 May 2007	Deep Yellow Ltd and Uranio Limited Establishes a Joint Venture
22 May 2007	Audio Broadcast
22 May 2007	Western Gawler Project Update
25 May 2007	Presentation to Melbourne Brokers
01 June 2007	Presentation to Melbourne Brokers Modified
06 June 2007	Appendix 3B
06 June 2007	Appendix 3B Correction

The documents referred to in subparagraph (b) above are not included in, and do not accompany, this Prospectus.

In addition, the following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 1, 329 Hay Street, Subiaco, Perth Western Australia:

- (c) this Prospectus;
- (d) the Company's Constitution; and
- (e) the consents referred to in Section 6.11 and the consents provided by the Directors to the issue of this Prospectus.

6.6 Directors' Interests

Except as disclosed in this Prospectus, no Director or proposed Director, and no firm in which a Director or proposed Director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer, except for Dr Leon Pretorius, who on joining the Board was issued with 15,000,000 unlisted options to acquire fully paid shares in the Company, and Mr Mervyn Greene who was issued with 3,000,000 unlisted options to acquire fully paid shares in the Company and be entitled to other remuneration and benefits, as described more fully in the Annual Report and Notice of 2006 Annual General Meeting. (Refer Section 6.7)

Mr Mervyn Green is a member of Danmer Limited which is a potential beneficiary of the MGR Trust (which is a discretionary trust) and in that capacity may, depending on the exercise of the trustee's discretion, obtain a benefit under the Share Sale Agreement and related agreements entered into between the Company, Raptor Partners Limited, Theseus Limited (as trustee of the Oyster Trust) and Maitland Trustees Limited (as trustee of the MGR Trust). Under that agreement the vendors (including the MGR Trust) have the right to receive earn out payments equal to 1.5% of the in-ground value of any identified mineral resource within the area of the Reptile Tenements upon completion of a bankable feasibility study and the making of a decision to mine.

6.7 Directors' Interests in Company Securities

No Director or proposed Director as at the date of this Prospectus has a relevant interest in any securities of the Company other than as set out below:

Director	Shares ¹	Shares ²	Options
Leon Pretorius	60,000,000	-	5,000,000 ³
Martin Kavanagh	-	450,000	10,000,000 ⁴
Gillian Swaby	28,657,758	6,120,000	8,000,000 ⁵
Mervyn Greene	27,600,000	41,000,000	3,000,000 ⁶

¹ Held directly

² Held by companies /related parties in which Directors have some voting and/or dispositive power

- Martin Kavanagh holds shares through 'Conway Bay Pty Ltd', trustee of the Kavanagh Superannuation Fund of which Mr Kavanagh is a beneficiary.
- Gillian Swaby holds shares through 'Strategic Consultants Pty Ltd', a company of which Ms Swaby is a Director and 100% beneficial shareholder.
- Maitland Trustees Limited, as trustee of the MGR Trust. Danmer Limited (of which Mervyn Greene is a member) is a potential beneficiary of the MGR Trust (which is a discretionary trust) and in that capacity may, depending on the exercise of the trustee's discretion, acquire a relevant interest in Shares.

³ The options are issued to Dr Leon Pretorius and are exercisable as follows 5,000,000 at 55.5 cents on or before 30/11/09.

⁴ The options are issued to Conway Bay Pty Ltd and are exercisable as follows 3,000,000 at 25 cents each on or before 31/12/2008, 2,000,000 at 35 cents each on or before 31/12/2008 and 5,000,000 at 55.5 cents each on or before 30/11/09.

⁵ The options issued to Ms Swaby are exercisable as follows 3,000,000 at 25 cents each on or before 31/12/2008, 2,000,000 at 35 cents each on or before 31/12/2008 and 3,000,000 at 55.5 cents each on or before 30/11/09.

⁶ The options issued to Mr Greene are exercisable as follows 3,000,000 at 55.5 cents each on or before 30/11/09.

At the time of lodging the Prospectus the Directors have indicated that they intend to take up their full entitlement as Shareholders under this Offer.

6.8 Directors' Remuneration and Interests

The Directors' remuneration in the form of fees, consultancy fees, service fees or other emoluments of this type, nature and amount for the period since 1 July 2006 to the date of this Prospectus and the twelve months to 30 June 2006 are set out below:

2007 (to date)	Short Term		Post Employment	Share Based Payments	
Directors	Base Emolument \$	Other Benefits \$	Superannuation Contributions \$	Value of Options \$	Total \$
Leon Pretorius	-	175,800	-	812,500	988,300
Martin Kavanagh	160,385	-	14,433	812,500	987,318
Gillian Swaby	36,667	-	3,300	487,500	527,467
Mervyn Greene	20,000	-	-	487,500	507,500

2006	Short Term		Post Employment	Share Based Payments	
Directors	Base Emolument \$	Other Benefits \$	Superannuation Contributions \$	Value of Options \$	Total \$
Leon Pretorius	-	135,120	-	1,358,000	1,493,120
Martin Kavanagh	30,000	45,000	-	272,000	347,000
Gillian Swaby	30,000	-	-	272,000	302,000
Mervyn Greene	-	-	-	-	-

In respect of the year ending 30 June 2005, of the current Directors, only Dr Pretorius received consulting fees in the year to 30 June 2005 amounting to \$5,000. Both Mr Kavanagh and Ms Swaby were appointed subsequent to the 2005 balance date.

More detail can be found in the 2006 Annual Report and specifically in Note 21 or in the Remuneration Report contained in the Directors Report.

All consulting and other services provided to the Company are based on normal commercial terms.

6.9 Interests of Other Persons

Except as disclosed in this Prospectus, no expert, 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:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

6.10 Expenses of Issue

The estimated expenses of the Issue are as follows:

	\$
ASIC Lodgement fee	2,010
ASX quotation fee	27,459
Share registry expenses	35,000
Legal expenses	5,000
Printing, mailing and other expenses	30,000
Total	99,469

6.11 Consents

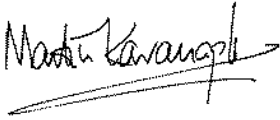
The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC:

Computershare Investor Services Pty Limited has given, and, as at the date hereof, has not withdrawn, its written consent to be named as share registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registrar of the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

7. Authorisation

This Prospectus is authorised by each of the Directors and the proposed Director of the Company.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read 'Martin Kavanagh', with a long horizontal stroke extending to the right.

Martin Kavanagh
Executive Director

Dated: 12 June 2007

8. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

"Acceptance" means a valid application for New Shares made pursuant to this Prospectus on an Entitlement and Acceptance Form.

"Annual Report" means the financial report lodged by the Company with ASIC on 28 September 2006 in respect to the year ended 30 June 2006 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2006, together with a Directors' Report in relation to that financial year and the Auditor's Report on that Financial Report.

"Applicant" means a person who submits an Entitlement and Acceptance Form.

"Application Monies" means application monies for New Shares received by the Company.

"ASIC" means Australian New Shares and Investments Commission.

"ASTC" means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

"ASX" means Australian Stock Exchange Limited ACN 008 129 164.

"BlackGrange Limited" as defined in Section 6.2

"Board" means the Directors of the Company meeting as a board.

"Business Day" means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

"BVI" means British Virgin Islands.

"CHESS" means ASX Clearing House Electronic Subregistry System.

"Closing Date" means 20 July 2007 or such later date as the Directors may determine.

"Company" or **"DYL"** or **"Deep Yellow"** means Deep Yellow Limited ACN 006 391 948.

"Constitution" means the constitution of the Company as at the date of this Prospectus.

"Corporations Act" means the Corporations Act (Cth) 2001.

"Directors" means the Directors of the Company as at the date of this Prospectus.

"Dominion" means Dominion Mining Limited.

"Eligible Shareholder" means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

"Entitlement" means the right of a Shareholder to subscribe for New Shares offered by this Prospectus.

"Entitlement and Acceptance Form" or **"Form"** means the entitlement and acceptance form attached to this Prospectus that sets out the entitlement of Shareholders to subscribe for New Shares pursuant to the Issue.

"Financial Report" means the financial report of the Company within the meaning of the Corporations Act.

"Issue" or **"Offer"** means the non renounceable pro rata offer by the Company pursuant to this Prospectus of up to 84,902,074 New Shares, each at 50 cents to Eligible Shareholders on the basis of one New Share for every 12 Shares held at the Record Date.

"Issuer Sponsored" means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.

"Listing Rules" means the Listing Rules of ASX.

"Napperby Option Agreement" has the meaning given to that term in Section 6.2.

"New Shares" means Shares issued pursuant to this Prospectus.

"Offer Price" means 50 cents for every New Share.

"Official List" means the official list of ASX.

"Official Quotation" means quotation of New Shares on the Official List.

"Prospectus" means this prospectus dated 12 June 2007.

"Raptor" means Raptor Minerals Limited, a company registered in the BVI.

"Record Date" means 5.00pm (WST) on 21 June 2007 being the date for the determination of entitlements of Shareholders of the Company to participate in the Offer.

"Reptile" means Reptile Mineral Resources and Exploration (Pty) Limited, a Company registered in Namibia.

"Reptile Tenements" means Exclusive Prospecting Licences EPL 3496, 3497 and 3499.

"RPL" means Raptor Partners Limited, a company registered in the BVI.

"Section" means a section of this Prospectus.

"SCH" means Securities Clearing House.

"Shareholders" means holders of Shares.

"Share" means an ordinary fully paid share in the capital of the Company.

"Shortfall Securities" means that number of Shares that have not been applied for by Shareholders in respect of their Entitlement by the Closing Date.

"Shortfall Application Form" means the application for to subscribe for Shortfall Securities.

"TGNL" means Tanami Gold NL.

"Toro" means Toro energy Limited.

"\$" means Australian dollars.

"WST" means Western Standard Time, being the time in Perth, Western Australia.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

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

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

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

DEEP YELLOW LIMITED

ABN

97 006 391 948

We (the entity) give ASX the following information.

Part 1 - All issues

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

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 84,902,074
(To be confirmed depending on acceptances) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | N/A |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Upon closure of the offer the shares to be issued will rank equally with those already on issue.				
5 Issue price or consideration	50 cents				
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To provide funds for working capital, to assist with the review of historical data pertaining to and the exploration for uranium in Australia and specifically to ensure adequate funding for the planned accelerated exploration expenditure in Namibia.				
7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates	27 July 2007				
8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)	<table> <tr> <th data-bbox="686 1243 1037 1288">Number</th><th data-bbox="1037 1243 1279 1288">⁺Class</th></tr> <tr> <td data-bbox="686 1288 1037 1438">1,103,726,958 (To be confirmed depending on acceptances)</td><td data-bbox="1037 1288 1279 1438">ORD</td></tr> </table>	Number	⁺ Class	1,103,726,958 (To be confirmed depending on acceptances)	ORD
Number	⁺ Class				
1,103,726,958 (To be confirmed depending on acceptances)	ORD				

⁺ See chapter 19 for defined terms.

	Number	⁺ Class
9 Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	12,500,000 31/7/08 at 8.5c	Unlisted options
	6,000,000 31/12/08 at 21.5c	“ “
	4,000,000 31/12/08 at 31.5c	“ “
	16,000,000 30/11/09 at 55.5	“ “
	3,500,000 31/12/09 at 45c	“ “
	3,500,000 31/12/10 at 60c	“ “
	1,500,000 30/06/10 at 65c	“ “
	1,500,000 30/06/11 at 75c	“ “
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non Renounceable
13 Ratio in which the ⁺ securities will be offered	1 for 12
14 ⁺ Class of ⁺ securities to which the offer relates	Ordinary Securities
15 ⁺ Record date to determine entitlements	21 June 2007
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

17	Policy for deciding entitlements in relation to fractions	Fractions will be rounded down
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	United Kingdom, Hong Kong, Singapore, Malaysia, South Africa, USA, Switzerland, China, Taiwan, Germany, Hungary, India, Greece, Namibia, Papua New Guinea, Belgium, Canada, Channel Islands, Spain, France, Indonesia, Ireland, British Isles, Italy, Japan, Kenya, New Caledonia, Qatar, Saudi Arabia. Shareholders whose registered address is outside Australia and New Zealand are not entitled to participate in the issue.
19	Closing date for receipt of acceptances or renunciations	20 July 2007
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	27 June 2007
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Option holders have been sent a notice informing them of the issue according to their option terms.
28	Date rights trading will begin (if applicable)	N/A

⁺ See chapter 19 for defined terms.

29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	27 July 2007

Part 3 - Quotation of securities

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

34 Type of securities
(*tick one*)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

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

+ See chapter 19 for defined terms.

Quotation agreement

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

2 We warrant the following to ASX.

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

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

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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

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



12 June 2007

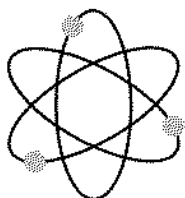
Sign here: Date:
(Director/Company secretary)

Mark Pitts

Print name:

== == == == ==

+ See chapter 19 for defined terms.



DEEP YELLOW LIMITED

ABN 97 006 391 948

Level 1 329 Hay Street Subiaco WA 6008
PO Box 1770 Subiaco WA 6904
Tel : 08 9286 6999
Fax : 08 9286 6969
Email: admin@deepyellow.com.au
Website: www.deepyellow.com.au

12 June 2007

(SHAREHOLDER)
(ADDRESS)

Dear Shareholder

Deep Yellow Limited (Deep Yellow) Entitlement Issue – Notification Details

On 21 May 2007 Deep Yellow announced a 1 for 12 non-renounceable Entitlement Issue of up to 84,902,074 new shares at an issue price of 50 cents per share. The issue will raise a maximum of \$42,451,037 if all of the Entitlements are taken up.

The issue is conditional on the company receiving minimum subscriptions of \$20,000,000.

On 12 June 2007 Deep Yellow lodged a Prospectus setting out the details of the Entitlement Issue with the Australian Securities and Investments Commission.

A copy of the Prospectus was also lodged with the Australia Stock Exchange Ltd (ASX) on the same date, and is available on the websites for ASX and Deep Yellow.

It is anticipated that the Prospectus will be sent to all shareholders in Australia and New Zealand on 27 June 2007.

Foreign Shareholders

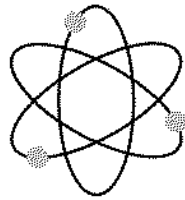
The Offer is not being extended to any shareholders whose registered address is outside Australia or New Zealand. The Company is of the view that it is unreasonable to make the Issue to shareholders outside Australia and New Zealand, having regard to, the number of those shareholders; the number and value of New Shares to be offered to those persons; and the cost of complying with overseas legal requirements.

Shareholders with registered addresses outside of Australia or New Zealand are not eligible to participate in the issue.

Summary of Key Information

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

Type of Offer	Non renounceable Entitlement Issue of up to 84,902,074 new ordinary fully paid shares
Offer Price	50 cents per share
Offer Ratio	1 new share for every 12 held at the record date



Proposed Timetable

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

Prospectus date	12 June 2007
Securities quoted on an "ex" basis	15 June 2007
Record Date (for determining shareholders' entitlement to receive an issue of new shares under the Entitlement Issue)	20 June 2007
Entitlement and Acceptance form and Prospectus dispatched to Shareholders	27 June 2007
Closing date of Entitlement Issue	20 July 2007
Notify ASX of under subscriptions and Allot new shares	25 July 2007
Dispatch of Shareholder Statements	27 July 2007

Dealing with Entitlements

The Entitlement Issue is non-renounceable, which means if shareholders do not wish to take up their entitlement they **cannot** sell their entitlement it simply lapses.

Accordingly Shareholders have the following options in relation to the Entitlement Issue:

- Take up their Entitlement in full
- Take up part of their Entitlement
- Allow their Entitlement to lapse

The Entitlement Issue is not underwritten and the Directors have reserved the right to place any shortfall.

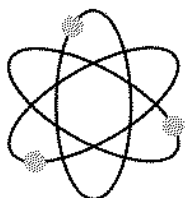
For further information on your entitlement please contact your stockbroker or Deep Yellow's share registrar:

Computershare Investor Services Pty Limited:

Telephone:	1300 726 403 (within Australia)	and	+61 3 9415 4668 (outside Australia)
Facsimile:	(08) 9323 2033 (within Australia)	or	+61 8 9323 2033 (outside Australia)

Yours faithfully

MARK PITTS
Company Secretary



DEEP YELLOW LIMITED

ABN 97 006 391 948

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PO Box 1770 Subiaco WA 6904
Tel : 08 9286 6999
Fax : 08 9286 6969
Email: admin@deepyellow.com.au
Website: www.deepyellow.com.au

12 June 2007

(SHAREHOLDER)
(ADDRESS)

Dear Shareholder

Deep Yellow Limited (Deep Yellow) Entitlement Issue – Notification Details

As you may be aware, Deep Yellow Limited ("**Company**") is currently undertaking a pro-rata non-renounceable Entitlement Issue (the Issue) pursuant to a prospectus dated 12 June 2007 ("**Prospectus**"). The Company expects that the Issue will close on 20 July 2007.

The Prospectus is a non-renounceable Entitlement Issue to existing shareholders in Australia and New Zealand of up to 84,902,074 new shares on the basis of 1 new share for every 12 shares held on the record date at an issue price of 50 cents per share. The issue will raise a maximum of \$42,451,037 if all of the Entitlements are taken up.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the Listing Rules of Australian Stock Exchange Limited ("**ASX Listing Rules**"), that it would be unreasonable to make offers under the Prospectus to all countries outside of Australia and New Zealand. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), the Company wishes to advise you that it will not be extending the entitlement issue to you.

Should you have any queries please contact the Company's Share Registry on +61 3 9415 4668.

Yours faithfully

Mark Pitts
Company Secretary