

Appendix 3B

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

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

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

Name of entity

Deep Yellow Limited (DYL)

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 | (a) Fully paid ordinary shares (Shares)
(b) Listed options (Options) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) Issue of up to approximately 60,469,620 Shares
(b) Issue of up to approximately 62,469,620 Options (of which 2,000,000 Options will be issued in part consideration of fees to CPS Capital Group Pty Ltd) |

3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	(a) The Shares will rank equally with existing fully paid ordinary shares (b) The Options have an exercise price of \$0.50 and will expire on the earlier of: (i) 1 June 2022; and (ii) 22 ASX Business Days after the Notification Date (defined below), (Expiry Date). The Company will give notice of the new Expiry Date to the Option Holders on the Notification Date, and again before the 8th last ASX Business Day before the new Expiry Date. Notification Date means the date (being any date within 5 ASX Business Days of the Acceleration Trigger Date) on which Option holders are notified of the Acceleration Trigger Date (defined below) such notification to be released on the Exchange; and Acceleration Trigger Date means that date, at any time after 30 days after the issue date of the Options, that the closing price of the Shares on ASX is higher than A\$0.78 for any 20 consecutive ASX Business Day period, then on the 20th consecutive ASX Business Day of any such period.
4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	(a) Yes (b) No. Shares issued on the exercise of Options will rank equally with existing Shares. The Options do not confer a right to the Option holder for the payment of dividends
5 Issue price or consideration	(a) \$0.25 per Share (b) 60,469,620 Options are free attaching, on the basis of 1 free attaching Option for 1 Share issued. 2,000,000 Options will be issued in part consideration of fees to CPS Capital Group Pty Ltd

+ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Non-renounceable entitlement offer to fund: (a) further drilling and exploration activities in Namibia to build on recent positive results; (b) continued evaluation and potential funding for strategic, value accretive acquisitions to build a global multi-project platform; (c) in support of acquisition of possible new project (if identified); (d) general working capital; and (e) expenses associated with the entitlement offer
6a	Is the entity an *eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the *securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of *securities issued without security holder approval under rule 7.1	N/A
6d	Number of *securities issued with security holder approval under rule 7.1A	N/A
6e	Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of *securities issued under an exception in rule 7.2	N/A

6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A								
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A								
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A								
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	6 June 2017								
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>190,047,379</td><td>Fully paid ordinary shares.</td></tr><tr><td>62,469,620</td><td>Quoted options (of which 2,000,000 are subject to voluntary escrow for a period of 3 months from the date of issue).</td></tr></table>	Number	+Class	190,047,379	Fully paid ordinary shares.	62,469,620	Quoted options (of which 2,000,000 are subject to voluntary escrow for a period of 3 months from the date of issue).		
Number	+Class									
190,047,379	Fully paid ordinary shares.									
62,469,620	Quoted options (of which 2,000,000 are subject to voluntary escrow for a period of 3 months from the date of issue).									
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>201,250</td><td>2014 Performance Share Rights granted 10 November 2014</td></tr><tr><td>508,000</td><td>2015 Performance Share Rights granted 6 November 2015</td></tr></table>	Number	+Class	201,250	2014 Performance Share Rights granted 10 November 2014	508,000	2015 Performance Share Rights granted 6 November 2015		
Number	+Class									
201,250	2014 Performance Share Rights granted 10 November 2014									
508,000	2015 Performance Share Rights granted 6 November 2015									
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A								

Part 2 - Pro rata issue

+ See chapter 19 for defined terms.

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	Seven (7) new Shares for every fifteen (15) Shares held on the Record Date, with one (1) free attaching Option for every one (1) Share issued
14	⁺ Class of ⁺ securities to which the offer relates	Shares
15	⁺ Record date to determine entitlements	5:00pm (AWST) on 11 May 2017
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No, all holdings are on one register.
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded down.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Switzerland; Germany; France; Indonesia; India; Israel; Japan; Kenya; Lao PDR; Malaysia; Philippines; Singapore; Thailand; Taiwan; United States of America; and South Africa.
19	Closing date for receipt of acceptances or renunciations	30 May 2017
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	Sprott Private Wealth LP. (“ SPW ”) and certain of its affiliates (together, “ Sprott ”) and CPS Capital Group Pty Ltd (“ CPS ”) will assist in the placement of any shortfall that may arise under the entitlement offer. SPW and CPS are Co-Lead Managers to the entitlement offer.

23	Fee or commission payable to the broker to the issue	(a) Sprott will be entitled to 6% cash commission on all shortfall Shares placed by Sprott. (b) CPS will be entitled to: (i) 6% cash commission on all shortfall Shares placed by CPS; and (ii) 2,000,000 Options (which will be subject to voluntary for a period of 3 months from the date of issued).
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	16 May 2017
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	6 June 2017

⁺ See chapter 19 for defined terms.

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 [**Note: in relation to Options, to be provided when known**]

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories [**Note: in relation to Options, to be provided when known**]

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

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

Entities that have ticked box 34(b)

38 Number of ⁺securities for which ⁺quotation is sought

N/A

39 ⁺Class of ⁺securities for which quotation is sought

N/A

40	Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities? If the additional ⁺securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A	
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)	N/A	
42	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in clause 38)	Number	⁺ Class
		N/A	N/A

⁺ See chapter 19 for defined terms.

Quotation agreement

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

2 We warrant the following to ASX.

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

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

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

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

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

Sign here:



.....
(Director/Company secretary)

Date: **5 May 2017**

Print name: **Mark Pitts**

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

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

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

Part 1

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

+ See chapter 19 for defined terms.

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

+ See chapter 19 for defined terms.

Part 2

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

+ See chapter 19 for defined terms.

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

+ See chapter 19 for defined terms.