

DEEP YELLOW

ABN 97 006 391 948

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4 March 2005

Company Announcements Office
Australian Stock Exchange Limited

By e-Lodgement

Dear Sir / Madam

PROSPECTUS

Attached is a Prospectus lodged at the ASIC.

The Prospectus has been prepared to complete the issue and allotment of securities as approved by shareholders at the General Meeting of the Company held on 4 March 2005 for a placement and the issue of executive options to James Pratt.

Yours sincerely

Gary Steinepreis
Director

DEEP YELLOW LIMITED
ABN 97 006 391 948

PROSPECTUS

For an offer of:

- 1. 33,000,000 Shares at 3 cents each to raise \$990,000; and**
- 2. 10,000,000 Executive Options to James Pratt or nominee.**

THE OFFER IS NOT UNDERWRITTEN

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisor without delay.

It is proposed that this issue will close at 5.00 pm (Perth time) on 11 March 2005.
The Directors reserve the right to close the Offer earlier or to extend this date without notice.

CORPORATE DIRECTORY

Directors

James D R Pratt (Managing Director)

Gary C Steinepreis

Hugh D Warner

Company Secretary

Gary Steinepreis

Paul Hearne

Registered Office

Level 1

33 Ord Street

West Perth WA 6005

Telephone: (08) 9420 9300

Facsimile: (08) 9481 2690

Share Registry*

Computershare Investor Services Pty Ltd

Level 2, Reserve Bank Building

45 St Georges Terrace

PERTH WA 6000

Stock Exchange

The Company's securities are quoted on the official list of Australian Stock Exchange Ltd, the home branch being Perth.

ASX Code:

DYL

* Name included for information purposes only.

TABLE OF CONTENTS

SECTION		PAGE
Section 1	DETAILS OF THE OFFERS	2
Section 2	EFFECT OF THE OFFERS ON THE COMPANY	6
Section 3	RISK FACTORS	8
Section 4	ADDITIONAL INFORMATION	10
Section 5	DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT	17
Section 6	DEFINED TERMS	18

Important Notes and Statements

This Prospectus is dated 4 March 2005. A copy of this Prospectus was lodged with the ASIC on 4 March 2005. Neither the ASIC nor the ASX take any responsibility for the contents of this Prospectus. No Shares or Executive Options will be issued or granted on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Shares and Executive Options issued and granted pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The Company will apply for the Shares offered pursuant to this Prospectus to be listed on ASX. The Company does not intend to seek quotation of the Executive Options.

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

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Shares and Executive Options will only be issued upon receipt of an Application Form issued together with the Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

Summary of Important Dates

Prospectus Lodged at ASIC	4 March 2005
Closing date for acceptance and receipt of applications under the Offers*	11 March 2005
Last day for despatch of holding statements*	15 March 2005

*These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice.

Key Definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 6 of this Prospectus.

Section 1 DETAILS OF THE OFFERS

1.1 Summary of the Status of the Company

The Company was incorporated on 26 March 1985 as Julia Mines NL. Since incorporation the Company has had a number of name changes, the most recent of which is Deep Yellow Limited. In its current format, the Company traded as Deep Yellow Limited as a mining and exploration company.

Deep Yellow made progress on the development of its mining and exploration activities, however, during mining of the Mikado Gold Deposit difficulties arose due to poor continuity and highly variable gold distribution, problems with the ore body grade control and dilution during mining around stopes. As a result of these difficulties, the returns were significantly lower than the mine model predictions and the Company did not have sufficient working capital to continue operations.

The Company retained control over the Mikado Gold Deposit through the external administration process and will assess the continued operation and/or sale of the asset through the Mikado Joint Venture with Clune Plant Hire.

On 22 June 2004, the Directors of Deep Yellow Limited appointed Christopher Munday and Bryan Hughes of Pitcher Partners as Joint and Several Administrators (Administrator) of the Company under section 436A of the Corporations Act. Quotation of the Company's securities on ASX was suspended on 23 June 2004 following a request from the Company.

As a meeting of creditors held on 20 July 2004, the Administrator proposed to the creditors of the Company that it was in the best interests of creditors to enter into a deed of company arrangement. At this meeting, creditors voted in favour of the Company entering into a deed of company arrangement with Ascent Capital so that Ascent Capital may recapitalise the Company. On 10 August 2004, the Deed of Company Arrangement was executed by the relevant parties. Nominees of Ascent Capital, being David Steinepreis, Hugh Warner and Gary Steinepreis were appointed directors of the Company on 20 August 2004.

The Deed of Company Arrangement required that an amount of \$500,000, the issue of 10,000,000 shares at a deemed issue price of 1 cent and certain assets of the Company be made available for satisfaction of the claims of creditors and to meet the costs of the Administrator.

On 27 October 2004, the shareholders of the Company approved the recapitalisation proposal pursuant to the Deed of Company Arrangement in its entirety and as a consequence, Ascent Capital arranged a loan of \$500,000 to the Company to enable the Company to meet its obligations under the Deed of Company Arrangement. Accordingly, settlement of the Deed of Company Arrangement occurred on 28 October 2004 and the Company was released from external administration on that date.

The Company successfully completed the recapitalisation and the suspension of quotation of the Company's securities was lifted on 1 December 2004.

The Company has acquired two Northern Territory Uranium projects from Paladin Energy Minerals NL, a wholly owned subsidiary of Paladin Resources Ltd (Paladin). The projects are known as Napperby and Northeast Arunta and are both located within 300km of Alice Springs. The consideration for the acquisition was \$250,000 being the payment of cash of \$100,000, the issue and allotment of 15,000,000 Shares and 25,000,000 Options plus an on-going royalty on any production.

This Prospectus gives effect to a firm commitment received on 20 January 2005 from investors and brokers to raise equity capital for the Company and approval of shareholders on 4 March 2005.

1.2 Offer

This Prospectus is for an offer of 33,000,000 Shares at an issue price of 3 cents each to raise \$990,000 and an offer of 10,000,000 Executive Options to James Pratt or nominee.

Shares offered by this Prospectus will, when issued, rank equally in all respects with the existing Shares on issue.

Each Executive Option will entitle the holder to subscribe for one Share, exercisable at 2 cents each on or before 31 December 2007 and otherwise on the terms and conditions set out in Section 4.5 of this Prospectus.

1.3 Opening and Closing Dates

The Offers will open for receipt of acceptances at 9.00am WST on 5 March 2005 and will close at 5.00pm WST on 11 March 2005, or such other date as the Directors, in their absolute discretion, may determine.

1.4 Brokerage and Commission

The Company may pay a fee of up to 5% (plus GST) of the amount subscribed (and accepted by the Company) to any holders of a financial services licences in respect of Application Forms bearing the stamp of such dealers.

No brokerage or stamp duty will be payable by investors.

1.5 Applications

An application for securities can only be made on the relevant Application Forms which accompanies a paper copy of this Prospectus and lodged in person or by post:

By Hand Delivery:

Deep Yellow Limited
Level 1
33 Ord Street
WEST PERTH WA 6005

By Post:

Deep Yellow Limited
PO Box 637
West Perth WA 6872

Application Forms must be completed in accordance with the instructions set out on the back of the Application Form.

Applications must be received by 5.00 pm WST on 11 March 2005 (subject to the right of the Directors to close the Offers earlier or to extend this date without notice).

If an Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more securities than is indicated by the amount of the accompanying cheque.

1.6 Allotment of Shares, Executive Options and Minimum Subscription

The minimum subscription for the share offer is 33,000,000 Shares and 10,000,000 Executive Options for the executive option offer.

No Shares or Executive Options will be allotted or issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

Shares and Executive Options issued pursuant to the Offers will be allotted within 5 Business Days after the Closing Date.

Where the number of Shares granted is less than the number applied for, or where no allotment is made, surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending the issue and allotment of the Shares or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on such bank account and each Applicant waives the right to claim any such interest.

1.7 ASX Listing

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the Shares.

If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not grant or allot any Shares and will repay all Application monies (where applicable) as soon as practicable, without interest.

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

The Company does not intend to seek quotation of the Executive Options.

1.8 Overseas Investors

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. No action has been taken to register or qualify these securities or otherwise permit a public offering of the securities the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

1.9 Purpose of the Offers and Use of Funds

The purpose of the share offer is to enable Deep Yellow to more aggressively pursue its uranium exploration and acquisition programme and for working capital. The funds will be utilised for this purpose.

The executive option offer is being made following the approval of shareholders to issue and allot the Executive Options to James Pratt or nominee on 4 March 2005. No funds are being raised.

Section 2 EFFECT OF THE OFFERS ON THE COMPANY

2.1 Principal Effect

The principal effect of the Issue assuming the minimum subscription is raised will be to:

- (a) increase the cash reserves by approximately \$925,000 immediately after completion of the Issue and after estimated expenses of the Issue and transaction of approximately \$65,000; and
- (b) increase the number of Shares on issue from 312,067,363 Shares as at the date of this Prospectus, to 345,067,363 Shares; and
- (c) increase the number of total options on issue from 44,410,000 to 55,410,000 from the issue of the 10,000,000 Executive Options.

Set out in Section 2.2 is an unaudited proforma statement of financial position as at 28 February 2005 incorporating the effect of the Issue.

2.2 Proforma Statement of Financial Position

Set out below is a statement of financial position of the Company as at 28 February 2005, together with the proforma statement of financial position on the basis of the assumptions set out below.

	Notes	Proforma \$
CURRENT ASSETS		
Cash assets	1	1,930,053
Receivables		91,131
TOTAL CURRENT ASSETS		2,021,184
NON-CURRENT ASSETS		
Mineral assets		450,000
TOTAL NON-CURRENT ASSETS		450,000
TOTAL ASSETS		2,471,184
CURRENT LIABILITIES		
Trade creditors		65,000
TOTAL CURRENT LIABILITIES		65,000
TOTAL LIABILITIES		65,000
NET ASSETS		2,406,184
EQUITY		
Contributed equity	2	33,870,562
Reserves- option premium		1,000
Accumulated losses		(31,465,378)
TOTAL EQUITY		2,406,184

Notes:

1. The movement in the cash assets is reconciled as follows:

Cash assets:	\$
Opening balance	940,053
Issue of Shares pursuant to this Prospectus	990,000
Closing balance	<u>1,930,053</u>

2. The movement in the contributed equity is reconciled as follows:

Contributed equity:	\$
Opening balance	32,945,562
Issue of Shares pursuant to this Prospectus	990,000
Less: Costs of the Issue	(65,000)
Closing balance	<u>33,870,562</u>

2.3 Capital Structure of the Company

The capital structure of the Company following completion of the Issue is summarised below:

Number of Shares	Issued and Paid Up	\$
312,067,363	Shares on issue	32,945,562
33,000,000	Shares to be issued at 3 cents each	990,000
-	Less: Costs of the Issue	(65,000)
<u>345,067,363</u>	Shares on issue after completion of the Offer	<u>33,870,562</u>
	Options	
160,000	Unlisted options exercisable at 35 cents on or before 1 January 2007	
1,500,000	Unlisted options exercisable at 50 cents on or before 31 December 2005	
* 10,000,000	Unlisted options exercisable at 2 cents on or before 31 December 2007	
43,750,000	Unlisted 1 cent Options exercisable on or before 31 December 2007	
<u>55,410,000</u>	Total options on Issue	

* These options were approved at the meeting of shareholders held on 4 March 2005 and are exercisable at 2 cents each on or before 31 December 2007, subject to vesting periods. Refer to section 4.5 for terms and conditions.

Section 3 RISK FACTORS

This Section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks which may be much higher than the risks associated with an investment in other companies. The Company is a mining exploration company and the risks are therefore very substantial. The securities offered by the Prospectus should be considered highly speculative. The securities offered by this Prospectus carry no guarantee whatsoever with respect to return on capital investment, payment of dividends or the future value of the securities. Intending subscribers should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to subscribe for securities. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks noted below and elsewhere in this Prospectus which may materially affect the financial performance of the Company and the market price of the Shares.

Share Investment

Applicants should be aware that there are risks associated with any share investment. The prices at which the Company's Shares trade may be above or below the issue price for the Shares under this Prospectus. The trading price of the Shares is likely to be highly volatile and could be subject to wide fluctuations in response to factors such as actual or anticipated variations in the Company's operating results or new services by the Company or its competitors. This is especially the case with companies involved in emerging technologies.

The securities allotted under this Prospectus carry no guarantee whatsoever in respect of profitability, dividends, return of capital, or the price at which the Shares may trade on the ASX.

Economic Conditions

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as currency fluctuation, inflation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices, including gold and uranium prices, and share market prices. The Company's future possible revenue and share price can be affected by these factors all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

Operational Risk

By its nature, the business of exploration, mineral development and production which the Directors intend the Company to undertake, contains risks. Prosperity depends on the successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and efficient financial management. For its part, exploration (particularly for uranium and gold) is a speculative

endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

Native Title

The Native Title Act 1993 (Commonwealth) may affect the Company's ability to gain access to prospective exploration areas or obtain production titles. Compensatory obligations may be necessary in settling native title claims lodged over the Company's tenements.

Environmental Risks

Exploration programmes impact on the environment. These impacts are minimised by the Company's application of best practice principles.

Government Policy

Industry profitability can be affected by changes in government policy relating to mineral exploration and production which are beyond the control of the Company.

Commodity Prices

The prices that the Company may obtain for mineral commodities may fluctuate due to market conditions.

No Profit to Date and Uncertainty of Future Profitability

The Company has incurred losses and it is therefore not possible to evaluate the future prospects based on past performance. The Directors anticipate making further losses in the foreseeable future.

Factors that will determine the Company's profitability are its ability to manage its costs, to execute its development and growth strategies, economic conditions in the markets the Company operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability is uncertain. Moreover, the level of such profitability cannot be predicted and may vary significantly from quarter to quarter.

Investment Speculative

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

Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities.

Section 4 ADDITIONAL INFORMATION

4.1 Legal Framework of this Prospectus

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

4.2 Applicability of Corporations Act

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

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

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

At all times in the 12 months before the issue of this Prospectus, the Company was included in the official list of ASX and the Listing Rules applied to the Company in relation to the Shares and the Shares underlying the Executive Options to be issued under this Prospectus.

4.3 Information Available to Shareholders

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

- (a) the Annual Financial Report for the Company for the period ending 30 June 2004;
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the period ending 30 June 2004 and before the issue of this Prospectus:

Date	Announcement
27 October 2004	Circular: Reorganisation of Capital
27 October 2004	Results of Meeting
28 October 2004	Extension of time to hold Annual General Meeting
29 October 2004	Removal of Company from External Administration
29 October 2004	Change of registered office and principal place of business
1 November 2004	Disclosure Document
1 November 2004	Appendix 3B
12 November 2004	Notice of Annual General Meeting
25 November 2004	Prospectus closed fully subscribed
30 November 2004	Reinstatement to Official Quotation
30 November 2004	Pre-Quotation Disclosure
30 November 2004	Distribution Schedule/Capital Structure
30 November 2004	Top 20 Holders
30 November 2004	Statement of Financial Position
2 December 2004	Becoming a Substantial Holder
2 December 2004	Change of Directors Interests Notice x 3
9 December 2004	Prospectus
9 December 2004	Appendix 3b
9 December 2004	Acquisition of advanced uranium projects in Northern Territory
15 December 2004	Initial Director's Interest Notice
16 December 2004	Results of meeting
16 December 2004	Drilling planned for First Quarter 2005
7 January 2005	Resignation of director
11 January 2005	Response to ASX Share Price Query
12 January 2005	Final Director's Interest Notice
20 January 2005	Appointment of Managing Director / Placement
20 January 2005	Second quarter cashflow report
20 January 2005	Second quarter activities report
4 February 2005	Notice of General Meeting
9 February 2005	Appendix 3B – Exercise of options
16 February 2005	Response to ASX Share Price Query
21 February 2005	Appendix 3B – Exercise of options
4 March 2005	Update of Company Activities
4 March 2005	Results of general meeting

4.4 Rights Attaching to Shares

The Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares in the Company. Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the rights that attach to the Company's existing Shares:

Voting Rights: At a general meeting every ordinary shareholder present in person or by representative has one vote on a show of hands. On a poll, every ordinary shareholder present in person or by proxy or attorney has one vote per share. Shareholders holding partly paid Shares have such number of votes on a poll

equivalent to the proportion that the amount paid up thereon (excluding amounts credited) bears to the issue price of such share.

Dividend Rights: The Directors may authorise the payment by the Company to the shareholder of an interim dividend to be paid out of the profits of the Company provided that the Company in general meeting may only declare a dividend if the Directors have recommended a dividend. The dividend cannot exceed the amount recommended by the Directors.

Rights on Winding Up: If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. Subject to any right or restrictions for the time being attached to any class or classes of shares (at present there are none), at meetings of shareholders. Upon a distribution of assets to shareholders, holders of restricted securities at the time of commencement of the winding up shall rank behind the holders of all other share capital.

Transfer of Shares: Subject to the Constitution, the Corporations Act and the Listing Rules, shares in the Company are freely tradeable. The Directors must decline to register any transfer where the Listing Rules require the Company to do so.

Issue of Further Shares: The allotment and issue of any additional shares is under the control of the Directors, subject to any restrictions on the allotment of Shares imposed by the Constitution, the Corporations Act or the Listing Rules.

Variation of rights: Holders of Shares who exercise Shares will be issued with fully paid ordinary Shares in the Company. At present, the Company only has fully paid ordinary Shares on issue; it has not issued partly paid ordinary Shares or any other class of Shares. The rights and privileges attaching to ordinary Shares can be altered by special resolution of the shareholders. A special resolution is a resolution passed by a majority of not less than 75% of those present and voting. Where the necessary majority for a special resolution is not obtained at a meeting, consent in writing if obtained from the holders of three-fourths of the shares concerned within two months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.

4.5 Terms and conditions of the Executive Options

The material terms and conditions of the Executive Options are as follows:

- (a) each option entitles the holder, when exercised, to one Share;
- (b) subject to these terms and conditions, the options vest in the holder in two tranches and are exercisable on or before 5pm (Perth time) on 31 December 2007:

Allocation	Vesting	Expiry date	Exercise Price
5,000,000	Upon issue	31 December 2007	2 cents
5,000,000	6 months after issue	31 December 2007	2 cents

- (c) With regards to the options, should a Director, Executive, Officer, Staff or Consultant cease to hold office, employment and/or consulting as the case may be with the Company for any reason whatsoever (except where such cessation occurs as a result of a change in control of the Company, with a change in control being where a shareholder or group of associated shareholders become entitled to sufficient shares in the Company to give it or them the ability to replace all or a majority of the Board of the Company), the relevant outstanding existing options of that Director, Executive, Officer, Staff or Consultant or their nominee shall be forfeited and all rights and/or benefits in relation to those options shall also be forfeited after a period of 3 months from the date of cessation of holding office, employment and/or consulting as the case may be.
- (d) the option exercise price is 2 cents per option;
- (e) an option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised;
- (f) the options are not transferable;
- (g) all Shares issued upon exercise of the options will rank pari passu in all respects with the Company's then ordinary issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the options;
- (h) there are no participating rights or entitlements inherent in the options and the holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven (7) business days after the issue is announced. This will give the option holder the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue; and
- (i) if at any time the issued capital of the Company is reconstructed, all rights of the option holder are to be changed in a manner consistent with the ASX Listing Rules.

4.6 Interest of Directors

- (a) Other than as set out below or elsewhere in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:
 - the formation or promotion of the Company; or
 - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
 - the Offers.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any

Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offers.

- (b) Each Director's relevant interest in Shares, Options and Executive Options at the date of this Prospectus are:

Director	Shares	Options	Executive Options
Mr J Pratt	3,125,000	-	Nil **
Mr H Warner	11,500,000	3,000,000	-
Mr G Steinepreis	13,500,000	3,000,000	-
Ascent Capital*	23,079,166	6,000,000	-

* Ascent Capital is a company owned equally by David Steinepreis, Hugh Warner and Gary Steinepreis.

** Mr J Pratt or nominee, pursuant to this Prospectus and the approval of shareholders in general meeting on 4 March 2005, will make an application for 10,000,000 Executive Options exercisable at 2 cents each on or before 31 December 2007, subject to vesting periods. The terms and conditions are contained in section 4.5 of this Prospectus.

- (c) The Constitution of the Company provides that the Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares.
- (d) In the last two years, the following remuneration and consulting fees have been paid to the current Directors, companies associated with the Directors or their associates in their capacity as Directors, consultants or advisers:
- (i) J Pratt \$10,000 salary, \$900 superannuation;
 - (ii) H Warner \$18,349 salary, \$1,651 superannuation; and
 - (iii) G Steinepreis \$20,000 consulting fees.

There are currently no management contracts and remuneration is paid on a monthly basis.

- (e) Ascent Capital funded many of the direct expenses of the Company during the period of the Deed of Company Arrangement to enable the Company's business to continue. Ascent Capital was reimbursed from the Company for these costs and charged the Company a fee of \$50,000 plus GST for work performed in recapitalising the Company.
- (f) Via a conditional loan agreement to enable the Company to meet the terms of the Deed of Company Arrangement, Ascent Capital provided \$225,000 of the total loan funds of \$500,000 provided to the Company. This loan of \$225,000 has been repaid to Ascent Capital.

4.7 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or any 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, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- the Offers.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any expert, promoter or any 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, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offers.

4.8 Market Prices of Shares on ASX

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are quoted on ASX. The Shares were reinstated to trading on 1 December 2004 and have traded at a low of 1.5 cents on 1 December 2004 and a high of 7.5 cents on 18 February 2005. There are no listed options.

4.9 Expenses of the Issue

The estimated expenses of the Issue are \$65,000, which includes the estimated brokerage and commission fees.

4.10 Privacy Disclosure Statement

The Company collects information about each Applicant from an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

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

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results,

annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

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

4.11 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus and electronic application form on the basis of a paper Prospectus lodged with the ASIC, and the publication of notices referring to an electronic Prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company on (08) 9420 9300 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the website:

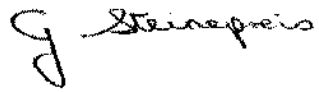
www.deeptyellow.com.au/asx/dylmarch.html

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

Section 5 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 4 March 2005

A handwritten signature in black ink, appearing to read "Gary Steinepreis". The signature is written in a cursive style with a large initial "G".

Gary Steinepreis
Director

Section 6 **DEFINED TERMS**

"**Application Form**" means the application forms accompanying this Prospectus and "**Applicant**" and "**Application**" have comparative meanings;

"**Ascent Capital**" means Ascent Capital Pty Ltd ABN 19 065 055 816;

"**ASIC**" means the Australian Securities & Investments Commission;

"**ASX**" means Australian Stock Exchange Limited;

"**Business Day**" means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

"**Company**" means Deep Yellow Limited ABN 97 006 391 948;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Directors**" means the directors of the Company;

"**Executive Options**" means an option to acquire one Share exercisable at 2 cents each on or before 31 December 2007 and otherwise on the terms and conditions set out in Section 4.5;

"**Issue**" means the issue of Shares and Executive Options offered by this Prospectus;

"**Listing Rules**" means the Listing Rules of ASX;

"**Mikado Gold Deposit**" means the tenement bonds, exploration data base and records and including but not limited to all rights held under Mining Lease M38/9;

"**Mikado Gold Joint Venture**" means the joint venture between the Company and Clune Plant Hire to exploit the Mikado Gold Deposit;

"**Option**" means an option to acquire one Share exercisable at 1 cent each on or before 31 December 2007;

"**Offer**" means the offer of Shares and Executive Options referred to in Section 1.1 of this Prospectus;

"**Prospectus**" means this prospectus dated 4 March 2005;

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

"**WST**" means Australian Western Standard Time.