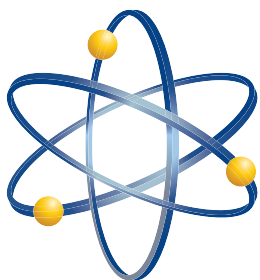


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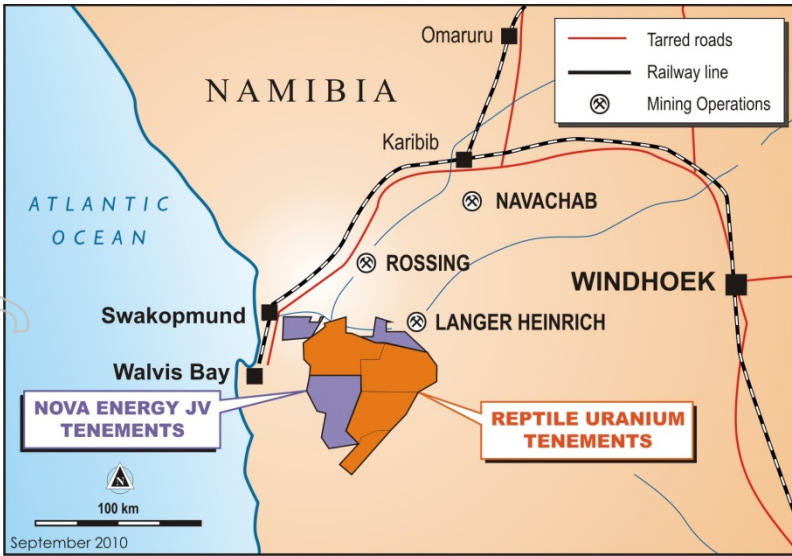
ANNUAL REPORT



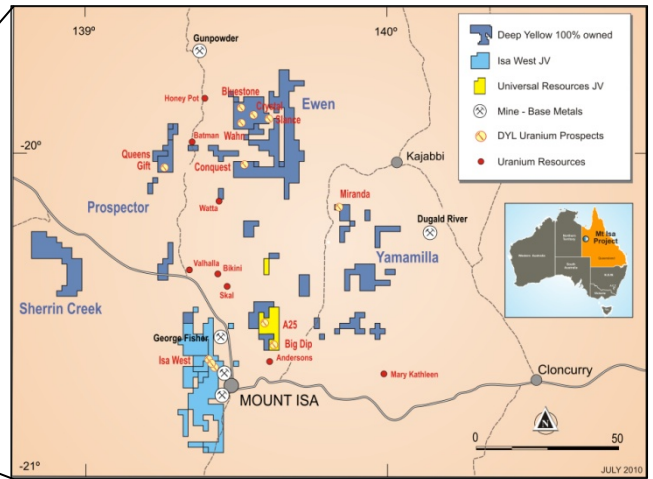
Deep Yellow Limited

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Namibia



Australia



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CORPORATE DIRECTORY

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BOARD OF DIRECTORS

Mr Mervyn Greene	Chairman (Non-Executive)
Mr Patrick Mutz	Managing Director
Mr Martin Kavanagh	Executive Director
Ms Gillian Swaby	Non-Executive Director
Mr Rudolf Brunovs	Non-Executive Director
Mr Tony McDonald	Non-Executive Director

COMPANY SECRETARY

Mr Mark Pitts

STOCK EXCHANGE LISTINGS

Australian Securities Exchange (ASX)
Namibian Stock Exchange (NSX)

WEBSITE ADDRESS

www.deeptyellow.com.au

ASX AND NSX CODE

DYL

AUSTRALIAN BUSINESS NUMBER

97 006 391 948

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SUMMARY INFORMATION

COMPANY PROFILE

Deep Yellow Limited (DYL) is an Australian-based uranium focused company with advanced exploration projects in the southern African nation of **Namibia** and in **Australia**.

DYL's principal exploration and development activities are in Namibia and are carried out by its wholly-owned subsidiary **Reptile Uranium Namibia (Pty) Ltd (RUN)**. RUN's primary focus is advancing the **Omahola Project** which is under **Pre-Feasibility Study**, while continuing to add to its inventory of JORC-compliant uranium resources at its 100% owned projects in Namibia.

The Company is also working to maximise the value of its 100% owned Napperby uranium project in the Northern Territory, continuing to assess the resource potential of its Mount Isa projects in Queensland and to evaluate options to explore its extensive greenfields exploration portfolio in the Northern Territory.

CORPORATE STRATEGY

The growing awareness of **global warming** and the contributions of carbon dioxide from the burning of fossil fuels has led to **nuclear energy** growing in popularity for base-load electricity due to its **inherent very low carbon emissions**. As a result, the number of global **nuclear reactors** is predicted to more than double **by 2030**, with a consequent significant increase in uranium demand which bodes well for higher mid to long-term uranium prices.

Deep Yellow is committed to expeditiously unlocking the value of its uranium projects and is aiming to transition from an advanced exploration company to a development company with a target of becoming a uranium producer in 2013-14.

PROJECT SUMMARY

In **Namibia**, DYL's wholly-owned subsidiary RUN controls four 100% owned Exclusive Prospecting Licences (EPLs) across 2,875 km². RUN's projects containing **JORC-compliant uranium resources** include the **Omahola Project** which is subject of a **Pre-Feasibility Study** and consists of the **INCA** primary uraniferous magnetite deposit and the **Tubas Red Sand** secondary carnotite deposit; the **Tumas-Oryx-Tubas** palaeochannel system project areas; and the **Aussinanis** sheetwash-hosted uranium project. In addition, RUN is conducting follow-on drilling on the recently discovered and emerging **Tubas Alaskite** uranium prospect and the **Shiyela Iron Project**. RUN is also earning a 65% interest in three EPLs under a joint venture with Nova Energy (Namibia) (Pty) Ltd (Nova) across 1,323 km² adjoining RUN's 100%-held EPLs.

Inventory of estimated mineral resources in accordance with the JORC Code in Namibia total 152.9 million (M) tonnes at 255 ppm U₃O₈ for 38,916 tonnes (85.8 Mlbs) U₃O₈. RUN is actively delineating additional resources at INCA and Tumas-Oryx-Tubas projects and continues to add to its resource inventory.

In **Australia**, DYL controls exploration portfolios in the **Mount Isa district in Queensland** and in the **Northern Territory**. At Mount Isa, DYL's exploration portfolio is comprised of thirteen 100% owned exploration licences (ELs) across 1,210 km²; seven ELs across 400 km² under a joint venture agreement with Mount Isa Mines Limited (Xstrata) with DYL earning 100% of the uranium rights by spending \$10 million across four years; and one EL across 75 km² under a joint venture agreement with Universal Resources Limited with DYL earning 80% of uranium rights by spending \$250,000 across two years. Resource drilling at the Bambino, Thanksgiving, Eldorado North, Queens Gift and Slance Prospects has resulted in an initial **JORC mineral resource estimate of 3.6 million tonnes at 420 ppm U₃O₈ for 1,550 tonnes (3.5 Mlbs) U₃O₈.**

In the Northern Territory, DYL's exploration portfolio is comprised of 64 ELs across 28,751 km² in the Tanami-Arunta Province northwest of Alice Springs. This portfolio includes DYL's 100% owned **Napperby** uranium deposit which contains JORC-compliant uranium resources totalling **9.3 million tonnes at 359 ppm U₃O₈ for 3,351 tonnes (7.4 Mlbs) U₃O₈.**

The inventory of estimated mineral resources in accordance with the JORC Code in Australia totals 12.9 million tonnes at 380 ppm U₃O₈ for 4,901 tonnes (10.9 Mlbs) U₃O₈. DYL continues to investigate the potential for increasing uranium resources at its Mount Isa projects. Exploration activities in the Northern Territory have been largely inactive during Financial Year 2010 with the exception of Toro's exploration efforts at Napperby.



HIGHLIGHTS

KEY ACHIEVEMENTS FOR THE FINANCIAL YEAR

July	Significant 400+ ppm U ₃ O ₈ intercepts at INCA and the Tubas-Oryx-Tumas palaeochannel prospects in Namibia. Three EPLs in Namibia renewed for two years (Tubas, Tumas, Ripnes) Airborne geophysical survey commenced over two western Nova JV EPLs in Namibia Significant 400+ ppm U ₃ O ₈ intercepts at Thanksgiving and Bambino prospects at Mount Isa, Queensland
August	Additional 400+ ppm U ₃ O ₈ intercepts at Queens Gift, Thanksgiving and Bambino prospects at Mount Isa
September	Additional significant 400+ ppm U ₃ O ₈ intercepts at INCA
October	Further 400+ ppm U ₃ O ₈ intercepts at Queens Gift, Thanksgiving and Bambino prospects at Mount Isa JORC Consultants selected
November	Omahola Project declared to be focus area for Pre-Feasibility Study in Namibia Further 400+ ppm U ₃ O ₈ intercepts at Queens Gift, Slance, Thanksgiving and Bambino prospects at Mount Isa
December	Ewen and Yamamilla tenements acquired for \$1.4 million at Mount Isa
January	Further significant 400+ ppm U ₃ O ₈ intercepts at Tumas-Oryx-Tubas palaeochannel Initial JORC Resources at Mount Isa – 3.64 million tonnes at 420 ppm U₃O₈ for 1,550 tonnes (3.5 Mlbs) U₃O₈ across five prospects
February	Appointment of consultants for Omahola Pre-Feasibility Study (SNC - Lavalin as Engineers, Mintek for metallurgical work, and Softchem for Environmental Impact Assessment (EIA) and Environmental Management Plan (EMP) studies)
March	Appointment of Patrick Mutz as MD of DYL
April	Initial JORC Resources at Omahola Project – 14 Mlbs U₃O₈ at 400 ppm at INCA deposit; 4.9 Mlbs U₃O₈ at 160 ppm U₃O₈ at Tubas Red Sand deposit High-grade uranium mineralisation discovered at Tubas Alaskite in Namibia – 89 metres at 400 ppm U₃O₈
May	Mineralisation footprint at INCA expanded (from 500 x 500 metres to 500 x 1,500 metres) JORC Resources finalised for Aussinanis – 18.0 Mlbs U₃O₈ at 237 ppm U₃O₈
June	Shiyela Iron Project in Namibia yields high-quality magnetite concentrate

Events Subsequent to FY2010

July	Shiyela Iron Project width of magnetite mineralisation increases from 100 to 400 metres JORC Resource estimate at INCA expanded and upgraded – 17% increase in total resources and 9% increase in grade to 17.1 Mlbs at 436 ppm U₃O₈ and Indicated Resources double to 10 Mlbs U₃O₈ Significant additional 400+ ppm U ₃ O ₈ intercepts at Miranda, Eldorado North, Never-Can-Tell and Citation prospects at Mount Isa
August	Significant additional 400+ ppm U ₃ O ₈ intercepts at Tubas Alaskite Continuity of uranium mineralisation to ~400 metres depth verified at Thanksgiving and Bambino prospects at Mount Isa

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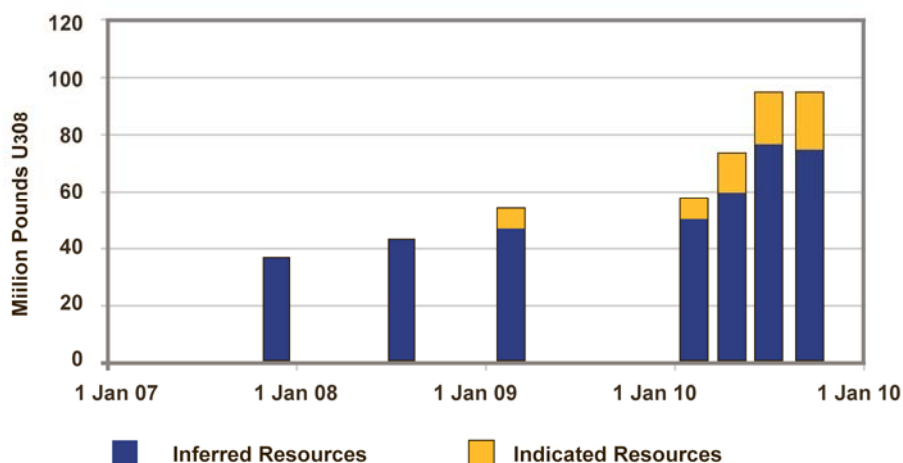
MINERAL RESOURCES SUMMARY

Deposit	Category	Tonnes (Million)	U ₃ O ₈ (ppm)	U ₃ O ₈ (tonnes)	U ₃ O ₈ (Million Pounds)
REPTILE URANIUM NAMIBIA (RUN)					
Omahola Project					
INCA * ♦	Inferred	6.2	469	2,913	6.4
INCA * ♦	Indicated	10.9	414	4,516	10.0
Tubas Red Sand # ♦	Inferred	10.7	158	1,685	3.7
Tubas Red Sand # ♦	Measured/Indicated	3.2	168	532	1.2
Other RUN Projects					
Tumas *	Inferred	1.0	360	360	0.8
Tumas *	Indicated	9.0	343	3,087	6.8
Tubas #	Inferred	77.3	228	17,620	38.9
Aussinanis × ♦	Inferred	29.0	240	6,960	15.3
Aussinanis × ♦	Indicated	5.6	222	1,243	2.7
	Total Inferred	124.2	238	29,538	65.1
	Total Indicated	28.7	327	9,378	20.7
RUN Project Total		152.9	255	38,916	85.8
NAPPERBY URANIUM PROJECT					
Napperby *	Inferred	9.3	359	3,351	7.4
Napperby Project Total		9.3	359	3,351	7.4
MOUNT ISA URANIUM PROJECT					
Mount Isa ❖	Inferred	2.0	440	890	2.0
Mount Isa ❖	Indicated	1.6	400	660	1.5
Mount Isa Project Total		3.6	420	1,550	3.5
	Total Inferred	135.5	250	33,779	74.5
	Total Indicated	30.3	331	10,038	22.2
DYL - Total Resources		165.8	264	43,817	96.7

Figures have been rounded to reflect the accuracy of estimates and include rounding errors

100 ppm cut-off × 150 ppm cut-off * 200 ppm cut-off ❖ 300 ppm cut-off ♦ eU₃O₈ ppm Conversion 1 kg = 2.205 lb

Deep Yellow JORC Uranium Resources



Significant increase in JORC-compliant uranium resources

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CHAIRMAN'S LETTER

Dear Shareholders

I approach the composition of this annual letter with a little trepidation – mainly as a result of reviewing achievements attained against the backdrop of a global economic downturn and then looking forward to how global conditions outside our control might affect the next stage in the development of Deep Yellow (DYL).

I am disappointed that global economic issues have impacted our Company over the past year. The principal issues being continued uncertainty in the global economy with resultant extreme volatility and accompanying slides in equity markets; a marked lack of cash inflows and loss of risk appetite; and softness in the uranium spot price. All of these factors have contributed to an unwarranted effect on the share prices of many uranium companies including DYL's. However, looking at what the Company has accomplished in the past year and the positive fundamentals of the uranium market going forward, I can only conclude the future for Deep Yellow shines bright.



Your Company already stands out amongst its peers and is well placed to continue to make progress as it continues to move towards becoming a uranium producer in a key global industry which is growing at a rapid rate.

As in my letter last year, I refer to nuclear industry statistics which show that even in the depths of the global economic crisis, the renaissance of nuclear energy, as a beneficial source of electric power, continues at a breakneck pace. The World Nuclear Association published new figures in August 2010 indicating the number of nuclear power stations under construction, ordered or planned is now at 552; an increase of 15% from its 2009 estimate. This implies a massive increase in total operating nuclear reactors by the year 2030, from the current operating fleet of 440.

Despite the effects of the global economic crisis, I remain confident that the medium to long-term prospects for our Company is very positive. This is based on the fundamentals of the uranium supply/demand equation, which points toward annual uranium demand increasing significantly year on year well into the future. There are divergent opinions as to how big the current mining supply deficit will become and what uranium prices will be required to bring new sources of supply into the market to fill that deficit, but I believe the outcome will favour uranium producers.

The DYL exploration and development approach is predicated on the conservative expectation that contract uranium prices will remain at or close to their current long-term levels of US\$58-60 going forward. This is reflected in our commercial focus on both minimum grade and size of uranium deposit to be considered for development, and underpins our strategy in the various reviews penned by our Executive team in this annual report.

Steady progress in all areas of exploration, as well as some very significant new discoveries, are the features of DYL's achievements during this past year. Ongoing successful drilling results from multiple projects in both Namibia and Australia continue to show that DYL has a large number of highly prospective projects in both countries. The discovery of a potential uranium corridor hosted in alaskite in the northern section of DYL's 100% owned prospecting licences in Namibia is very exciting, even though these are early days with this project. Tangential to our overall strategy, but potentially very important to adding value to the Company is the ongoing investigation of a potentially large magnetite (iron ore) deposit located just 30 kilometres from the deep water port at Walvis Bay in Namibia. For me, the highlights for the year were the publication of additional JORC Code mineral resources at various projects in Namibia and at Mount Isa in Australia, and advancing the Omahola project in Namibia to a Pre-Feasibility Study stage.

Through the year, DYL has clearly demonstrated its position as an advanced exploration company and has started the development work necessary to underpin future uranium production which will be the catalyst to increasing shareholder value in the long term.

In March the Company welcomed Mr Patrick Mutz as our new Managing Director. Patrick has significant uranium development and production experience in the United States and Australia. His recruitment will supplement the skill sets of the current Executive team and allow the Company, through Patrick, to sharpen its focus on Corporate issues including Investor/Shareholder relations and marketing.

The progress made in Namibia, led by Dr Leon Pretorius as Managing Director of Reptile Uranium Namibia (RUN) has been spectacular on a number of fronts and I fully expect to see this continue through the 2011 fiscal year and beyond. Closer to home, Mr Martin Kavanagh leads our exploration efforts in Australia where we continue to produce excellent results from a number of prospective areas within our Mount Isa tenements. On behalf of the Board I'd like to congratulate and thank Leon and Martin and all the members of their teams for their diligent efforts and commitment to making the Company successful.

I also want to take this opportunity to thank my fellow Directors for their tireless effort at guiding the Company on the challenging path of growth and development, and all the corporate staff for their dedication and support. Lastly, but crucially, I would like to thank our cornerstone shareholder Paladin Energy and all our shareholders for continuing to support Deep Yellow through this past successful year. I am optimistic that 2010 - 2011 will be a very exciting year and I truly believe the best is yet to come.

Mervyn Greene

KEY ACHIEVEMENTS:

Tubas, Tumas and Ripnes EPLs renewed for a further period of two years

Omahola Project declared focus area and Pre-Feasibility Study launched

Initial JORC Mineral Resource estimate published on Omahola Project

- * INCA deposit – 16.0 million tonnes at 400 ppm eU₃O₈ for 6,366 tonnes (14.0 Mlbs) eU₃O₈ at 200 ppm U₃O₈ cut-off grade
- * Tubas Red Sand deposit – 13.8 million tonnes at 160 ppm eU₃O₈ for 2,217 tonnes (4.9 Mlbs) eU₃O₈ at 100 ppm U₃O₈ cut-off grade

JORC Mineral Resource estimate expanded at INCA uranium deposit

- * Overall Omahola Project Mineral Resource estimate increased by 12.5% to 21.3 million pounds U₃O₈, grade increased by 8.5% to 311 ppm U₃O₈ and Indicated Resources increased by 53% to 14.1 million pounds U₃O₈, further underpinning the Pre-Feasibility Study being conducted by SNC-Lavalin
- * Resource estimates for mineralised area extensions to the INCA deposit to the north, east and possibly south expected early in the December quarter

JORC Mineral Resource estimate completed at Aussinanis palaeochannel deposit

- * 35 million tonnes at 237 ppm eU₃O₈ for 8,203 tonnes (18.0 Mlbs) eU₃O₈ at 150 ppm U₃O₈ cut-off grade

High-Grade Alaskite hosted uranium mineralisation discovered at Tubas Alaskite prospect

- * Discovery hole ALAR13 returned 89 metres at 400 ppm cU₃O₈ (chemical assay) from 128 metres

Evaluation of magnetite core samples from Shiyela Iron Project returned a high-quality magnetite concentrate

- * Diamond core samples from a 2008 IOCG reconnaissance drillhole intersected 340 metres magnetite mineralisation with no uranium
- * 2010 testwork to evaluate iron potential produced a magnetite concentrate at 69-70% Fe, 0.3-0.8% SiO₂ with no deleterious elements identified
- * Subsequent follow-on drilling expands the width of magnetite mineralisation from 100 metre to 400 metre

SUMMARY:

- * RUN holds 100% of four contiguous Exclusive Prospecting Licences (EPLs) covering 2,875 km² that contain secondary uranium hosted in gypcrete, calcrete and sand.
- * RUN has discovered primary uranium mineralisation at the INCA Project which is now the subject of a Pre-Feasibility Study. Primary Alaskite mineralisation has also been intersected at the Tubas Alaskite Prospect.
- * RUN is party to a Joint Venture with Toro over three EPLs held by Toro's subsidiary Nova Energy Namibia that adjoin RUN's tenements. The terms allow RUN to earn a 65% interest with Toro retaining 25% and a Namibian Partner Sixzone Investments Proprietary Limited holding the remaining 10%.
- * RUN has signed an agreement with a Namibian partner, Oponona Investments (Pty) Ltd (Oponona), which will hold 5% at the Mining Licence stage with no equity participation in the EPLs, to represent previously disadvantaged individuals and a broader Community Benefit Trust..
- * JORC Code resources total **152.9 million tonne at 255 ppm U₃O₈ for 38,916 tonne or 85.8 Mlbs of U₃O₈**.
- * Further JORC Code resource estimations are expected during the December quarter.
- * SNC-Lavalin appointed as engineering consultant to complete the Omahola Project Pre-Feasibility Study. Mintek of South Africa has been contracted to conduct metallurgical testwork and Softchem to conduct EIA and EMP studies.
- * Continued aggressive exploration drilling programme in Namibia with 7-9 rigs completing up to 15,000 metres of reconnaissance and resource drilling per month.
- * RUN has 53 permanent staff running the exploration programmes out of the Company's Swakopmund office. This excludes contractor drilling and rehabilitation personnel which total about 50.

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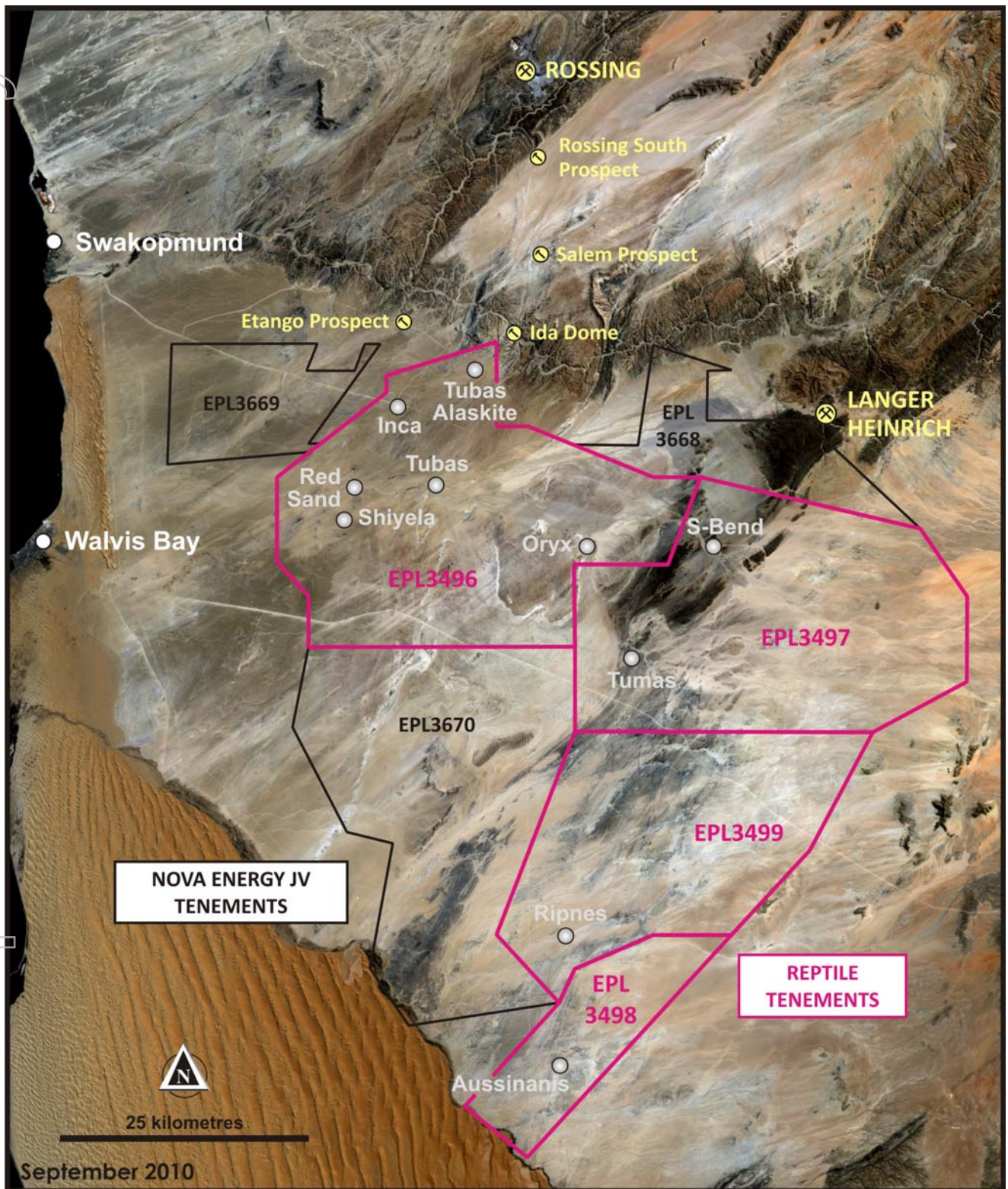


Figure 1: Locality map showing RUN's four EPLs and projects, the three Nova JV EPLs plus uranium mines and projects held by other companies in the area

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REVIEW OF OPERATIONS - NAMIBIA

Table 1: Reptile Mineral Resource Summary – July 2010

Deposit	Category	Tonne (Million)	U ₃ O ₈ (ppm)	U ₃ O ₈ (tonnes)	U ₃ O ₈ (Mlb)
Omahola Project					
INCA *♦	Inferred	6.2	469	2,913	6.4
INCA *♦	Indicated	10.9	414	4,516	10.0
Tubas Red Sand #♦	Inferred	10.7	158	1,685	3.7
Tubas Red Sand #♦	Measured/Indicated	3.2	168	532	1.2
Other RUN Projects – Palaeochannels					
Tumas *	Inferred	1.0	360	360	0.8
Tumas *	Indicated	9.0	343	3,087	6.8
Tubas #	Inferred	77.3	228	17,620	38.9
Aussinanis x♦	Inferred	29.0	240	6,960	15.3
Aussinanis x♦	Indicated	5.6	222	1,243	2.7
	Total Inferred	124.2	238	29,538	65.1
	Total Indicated	28.7	327	9,378	20.7
RUN PROJECT TOTAL		152.9	255	38,916	85.8

Figures have been rounded to reflect the accuracy of estimates and include rounding errors

100 ppm cut-off × 150 ppm cut-off * 200 ppm cut-off ♦ eU₃O₈ ppm Conversion 1 kg = 2.205 lb

Omahola Project

The Omahola Project which is subject to a Pre-Feasibility Study (PFS) being undertaken by SNC-Lanvin comprises the primary INCA uraniferous magnetite deposit and the secondary Tubas Red Sand (TRS) deposit.

The INCA deposit is higher grade at >400 ppm eU₃O₈ and contains substantial quantities of magnetite which has potential to be separated and sold as a by-product.

The TRS deposit is lower grade at 160 ppm eU₃O₈, but is located below only 1-2 metres of cover and is amenable to upgrading by attrition, scrubbing and screening.

On-going drilling continues to expand the footprint of mineralisation at INCA. Potential areas for additional resources at Tubas Red Sand deposit potentially extends for tens of kilometres proximal to and flanking RUN's mineralised Tubas-Oryx palaeochannel system.

INCA will be a hardrock drill and blast mining operation (open pit) with treatment in a conventional acid leach plant (as at Rossing Uranium Mine). The TRS deposit comprises free digging secondary uranium mineralisation which can be processed in either an acid plant or an alkali plant (as at Langer Heinrich Uranium Mine).

The conceptual/initial mine and production scenario that DYL has preliminarily modelled is to combine ore from the Tubas Red Sand project with that from INCA to produce around **1,000 to 1,500 tonne per annum of U₃O₈ at a feed grade of approximately 400 ppm**. It is estimated that an initial resource of **8,000 to 10,000 tonne** will suffice to fund this development while drilling will continue with a view to increasing the resource as regional holes indicate a much larger zone of alteration and mineralisation is present at INCA.

One conceptual processing option is to provide 80% of plant feed as INCA ore and 20% of plant feed as upgraded TRS ore into an acid leach plant to be constructed near the INCA mine site.

Mineral Resource estimate for the Omahola Project established at 9,646 tonnes (21.3 Mlbs) U₃O₈ in accordance with JORC Code.

REVIEW OF OPERATIONS - NAMIBIA

Table 2: Omaha Project – JORC Code Resource Estimates – July 2010

Category	Cut-Off Grade	Tonnes (million)	U ₃ O ₈ (ppm)	U ₃ O ₈ (tonnes)	U ₃ O ₈ (Mlb)
INCA ESTIMATE					
Inferred	200	6.2	469	2,913	6.4
Indicated	200	10.9	414	4,516	10.0
INCA TOTAL *		17.1	436	7,429	16.4
TUBAS RED SAND (TRS) ESTIMATE **					
Inferred	100	10.7	158	1,685	3.7
Measured/Indicated	100	3.2	168	532	1.2
TRS TOTAL *		13.9	160	2,217	4.9
OMAHOLA TOTAL *		31.0	311	9,646	21.3

* Figures have been rounded

** Cut-off grade lower due to 'free digging' nature of sand from surface and positive beneficiation results

INCA Deposit

The mineralisation at INCA is best described as metasomatic introduction of uranium and iron into a northeast plunging syncline. Although the footwall to the syncline is competent crystalline marble, skarn formation is limited and mostly occurs within other calc-silicate strata within the syncline. A long section view of the mineralised system is given in Figure 2.

The MSA Group of South Africa (MSA) provided RUN with an initial **Indicated and Inferred Mineral Resource estimate** in accordance with the **JORC Code** at INCA of **16 million tonnes at 400 ppm eU₃O₈ for 6,366 tonnes (14 Mlbs) eU₃O₈** (as part of the Omaha Project in April 2010). This initial resource estimate was derived from an area approximately **500 x 500 metres**. This area referred to as the 'INCA Main Resource Area' (Figure 3).

Since the time the initial resource drilling was completed, additional deep reverse circulation (RC) holes were drilled, diamond tails were completed on select holes, and downhole directional survey data was collected and processed. This new information was provided to MSA to allow them to complete an updated Mineral Resource estimate within the INCA Main Resource Area. The updated Mineral Resource estimate increased total resources at INCA by approximately 17% to **17.1 million tonnes at 436 ppm eU₃O₈ for 7,429 tonnes (16.4 Mlbs) of U₃O₈ at 200 ppm cut-off** (Table 1).

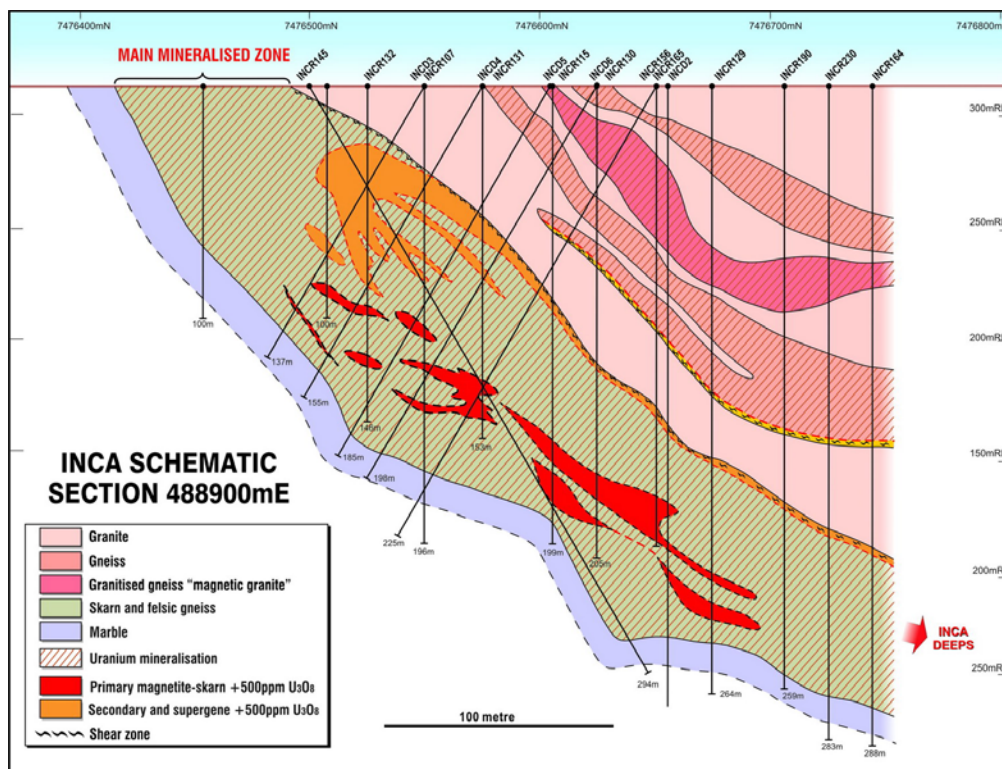


Figure 2: S-N Long Section 488900mE

In addition to increasing total resources, the updated Mineral Resource estimate also upgraded the classification of a large quantity of **Inferred Resources** to **Indicated Resources**. The initial Mineral Resource estimate contained **6.0 million tonnes at 392 ppm eU₃O₈ for 2,300 tonnes (5.0 Mlbs) of U₃O₈ at 200 ppm cut-off** in the Indicated Resources category, and the updated Mineral Resource estimate contains **10.9 million tonnes at 414 ppm eU₃O₈ for 4,516 tonnes (10.0 Mlbs) of U₃O₈ at 200 ppm cut-off**, thereby doubling the quantity of U₃O₈ classified as Indicated Resources in accordance with the JORC Code.

Drilling outside the INCA Main Resource Area has extended the main area of mineralisation from approximately **500 x 500 metres** to approximately **1,500 x 500 metres** and has identified further extensions of mineralisation to the north, east and south (Figure 3). Drilling is continuing and a further update to the Mineral Resource estimate, to include the extended areas of continuous mineralisation, is expected early in the December quarter.

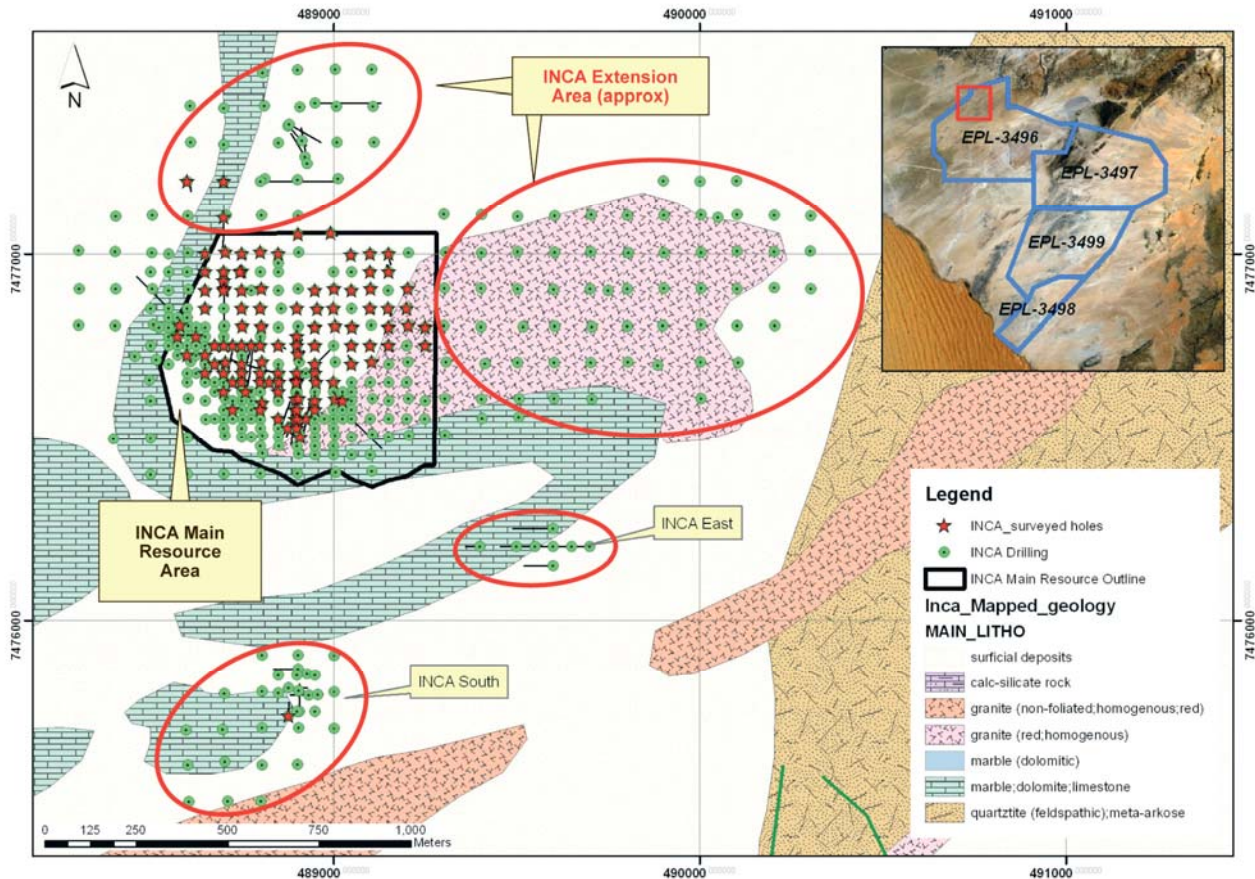


Figure 3: INCA drill hole map showing INCA Main Resource Area relative to mineralised area extensions

The INCA deposit contains substantial quantities of magnetite which can potentially be separated from 'ore material' during processing for possible sale as a by-product. Additional testing and evaluation will be conducted as part of the PFS.

Tubas Red Sand

Tubas Red Sand (TRS) consists of secondary uranium mineralisation (carnotite) in well-sorted aeolian (windblown) sand which occurs immediately south of the Tubas palaeochannel (Figure 1). A small area was intensely drilled around a trial mining trench to acquire bulk samples for physical beneficiation testwork. The JORC Code mineral resource estimate for the TRS deposit is considered initial as this style of mineralisation has been encountered in numerous boreholes outside the current TRS Mineral Resource area. As a consequence of the very positive beneficiation results and free-digging nature of the red sands from surface, it is highly likely much lower grades of uranium can be economically mined. For example – 150 ppm U₃O₈ run-of-mine material can be potentially upgraded to 500+ ppm U₃O₈ for processing with INCA material.

The mineralised red sands occur adjacent to and may potentially flank the mineralised Tubas-Oryx palaeochannel system which stretches some 30 kilometres across RUN's EPL 3496.



TRS - Carnotite cementing red sand



TRS - Coarse carnotite accumulations in mineralised sand at 2-4 metre depth

Omahola Project - Pre-Feasibility Study

The Omahola Project Pre-Feasibility Study (PFS) commenced in late February 2010 and is scheduled to be completed in October 2010.

RUN appointed SNC-Lavalin (South Africa) as the engineering consultant to manage the PFS and complete the plant design. Mintek of South Africa were appointed to conduct metallurgical testwork and Softchem (South Africa) to conduct EIA and EMP studies.

Metallurgical Testwork

As a precursor to the PFS, RUN had been carrying out metallurgical testwork on INCA and TRS drill samples since early 2009 in its Swakopmund laboratory which led to a conceptual 'ore supply' comprising 80% primary (uranite bearing) hardrock INCA ore and 20% beneficiated TRS secondary uranium ore (carnotite). This concept has essentially been carried through the PFS and is in final stages of evaluation.

The primary INCA uranium mineralisation is hosted by four rock types and Mintek is currently carrying out testwork to produce a 'single mine composite' from the four INCA ore types to blend with the physically beneficiated TRS secondary ore.

All testwork has focussed on an acid leach process (as per the Rossing Uranium Mine). Importantly, flotation testwork to recover pyrite from the ore in order to produce sulphuric acid on-site has been successful. Beneficiation of uraniferous INCA magnetite ore by magnetic separation has also been undertaken.

Process and Plant Design

SNC-Lavalin have completed a flowsheet design for the Omahola Project and is now at the final 'costing stage' with minor modifications expected from the Mintek testwork on the 'single mine composite'.

SNC-Lavalin's plant flow sheet comprises:

INCA run of mine ore will be crushed in a primary open circuit jaw crusher with the resulting coarse ore stored in a covered stockpile that buffers production from the mine. The ore will be fed to a two stage milling circuit to produce the required grind size. Process development testwork indicated that the optimal grind for uranium recovery is between 150 to 300 micron.

A flotation circuit follows where pyrite is recovered in a small mass pull. The concentrate is thickened prior to being treated in an autoclave that produces sulphuric acid, ferric sulphate and heat.

After leaching, the slurry from the autoclave is passed through a flash vessel where steam is produced for use in a direct contact ('splash') heater that is used to heat up the flotation tails. The hot autoclave discharge is also introduced into the atmospheric leach section as a source of further heat, acid and oxidising agent. The autoclave circuit has the following benefit:

- * It halves the sulphuric acid consumption
- * It produces heat that increases the uranium atmospheric leach circuit temperature

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- * It produces ferric sulphate, an oxidation agent that is required during the uranium leach process. No additional oxidation agent like pyrolusite is therefore required.
- * It significantly increases the overall uranium recovery, due to the very high uranium leach efficiency inside the autoclave.

The uranium atmospheric leach combined with the autoclave leach reports to the uranium leach reactor train that consists of a number of large carbon steel rubber lined tanks with slurry cascading from one tank to the other. Additional sulphuric acid is added to the leach reactors, if required, to maintain a target acid concentration in order to leach uranium from 'solids'.

A pregnant leach solution (PLS), that now contains the uranium, is separated from the solids with the use of vacuum belt filters. The PLS is treated in a clarifier and routed to a direct solvent extraction plant. The remaining solids are washed on the filter in a counter current fashion to remove all uranium and acid. The resulting weakly acidic uranium solution is recycled back to the atmospheric leach section to capture the reagents and uranium.

Clarified PLS is then fed to two solvent extraction columns in parallel. Barren solution from the extraction columns reports back to the autoclave feed and secondary milling circuits, where the acid is destroyed by the carbonates contained in the ore. All the excess acid, not consumed by the carbonates in the ore, is neutralised with the use of limestone and lime.

Loaded solvent reports to the four stage mixer settler scrubbing section. The scrubbing step removes impurities such as iron, chlorides and fluorides from the solvent to produce a pure uranium product. Scrub liquor reports to the extraction feed tank as it contains some uranium.

Stripping is done in a pulsed column, using ammonium sulphate from the ammonium diuranate (ADU) precipitation plant and ammonium hydroxide from the SX Utilities section. The stripped solvent is periodically regenerated with caustic and soda ash in a single mixer settler regeneration stage.

The rich strip solution from the SX plant is introduced into the first of three precipitation tanks connected in series. Here the pH is adjusted upwards by sparging of gaseous ammonia. ADU precipitates and the resulting slurry reports to a small thickener. The thickener overflow is pumped back to the SX plant, as strip liquor, via a polishing filter.

Thickener underflow is pumped to the first of two wash centrifuges. The ADU slurry is dewatered to about 40% (w/w) solids and is washed with clean demineralised water. ADU cake from the first centrifuge is re-pulped with clean water and the process repeated in a second centrifuge. Clean ADU cake reports to the ADU storage tank ready prior to being filtered.

The filtered ADU is firstly dried in an indirect closed drier and then calcined to produce dry uranium oxide powder. This powder is drummed as the plant's final product.

Water is supplied from the mining pit or from water production boreholes. The water is filtered and treated in a reverse osmosis (RO) plant. A portion of the water is treated further to produce potable water and fire water to the plant. The rest of the RO is supplied as process water and gland seal water.

A satellite plant that is referred to as the TRS plant, treats Tubas Red Sand as feed. This plant is approximately 14 kilometres away from the main plant and only operates during the day, where a uranium concentrate is produced by scrubbing the feed and by size classification. The fines fraction, that contains the uranium, is transferred to the main plant and introduced into the atmospheric leach section. Due to the secondary nature of the uranium in the concentrate, a shorter and milder leach is required. This feed increases the PLS uranium concentration.

An iron recovery plant is supplied that can recover magnetite from the uranium plant tails. The tails, that now contains very little uranium, is re-slurried and subjected to three stages of low intensity magnetic separation (LIMS). The resulting magnetic concentrate, that contains very high levels of iron, is then filtered and is supplied in bulk to customers as a secondary plant product. The final plant tails, now containing less magnetite, is filtered once again and disposed of as a solid final plant residue.

Palaeochannel Project

The palaeochannel systems within RUN's tenements aggregate 80 kilometres of prospective channel with JORC Code Mineral Resources established at Tubas (2008), Tumas (2009) and Aussinanis (2010).

Current Palaeochannel JORC Code resources total 121.9 million tonnes at 240 ppm U₃O₈ for 29,270 tonnes – 64.5 million pounds U₃O₈ (Table 3). In the meantime one RC drill rig has commenced infill drilling of the regional lines to S-Bend sector.

The palaeochannel deposits Tubas, Tumas and Aussinanis (Figure 4) contain secondary uranium mineralisation (carnotite) hosted predominantly by fluvial sheetwash deposits with some deeper incised palaeochannel development. It is envisaged that these shallow resources will be, for the most part, free digging with some drill and blast sections. Ore would likely be treated in an alkali plant (as at Langer Heinrich).

REVIEW OF OPERATIONS - NAMIBIA

Table 3: Palaeochannel Resource Summary – July 2010

Deposit	Category	Tonnes (Million)	U ₃ O ₈ (ppm)	U ₃ O ₈ (Tonnes)	U ₃ O ₈ (Mlb)
Tumas *	Inferred	1.0	360	360	0.8
Tumas *	Indicated	9.0	343	3,087	6.8
Tubas #♦	Inferred	77.3	228	17,620	38.9
Aussinanis x♦	Inferred	29.0	240	6,960	15.3
Aussinanis x♦	Indicated	5.6	222	1,243	2.7
Palaeochannel Total		121.9	240	29,270	64.5

Figures have been rounded to reflect the accuracy of estimates and include rounding errors

100 ppm cut-off × 150 ppm cut-off ♦ eU₃O₈ ppm Conversion 1 kg = 2.205 lb

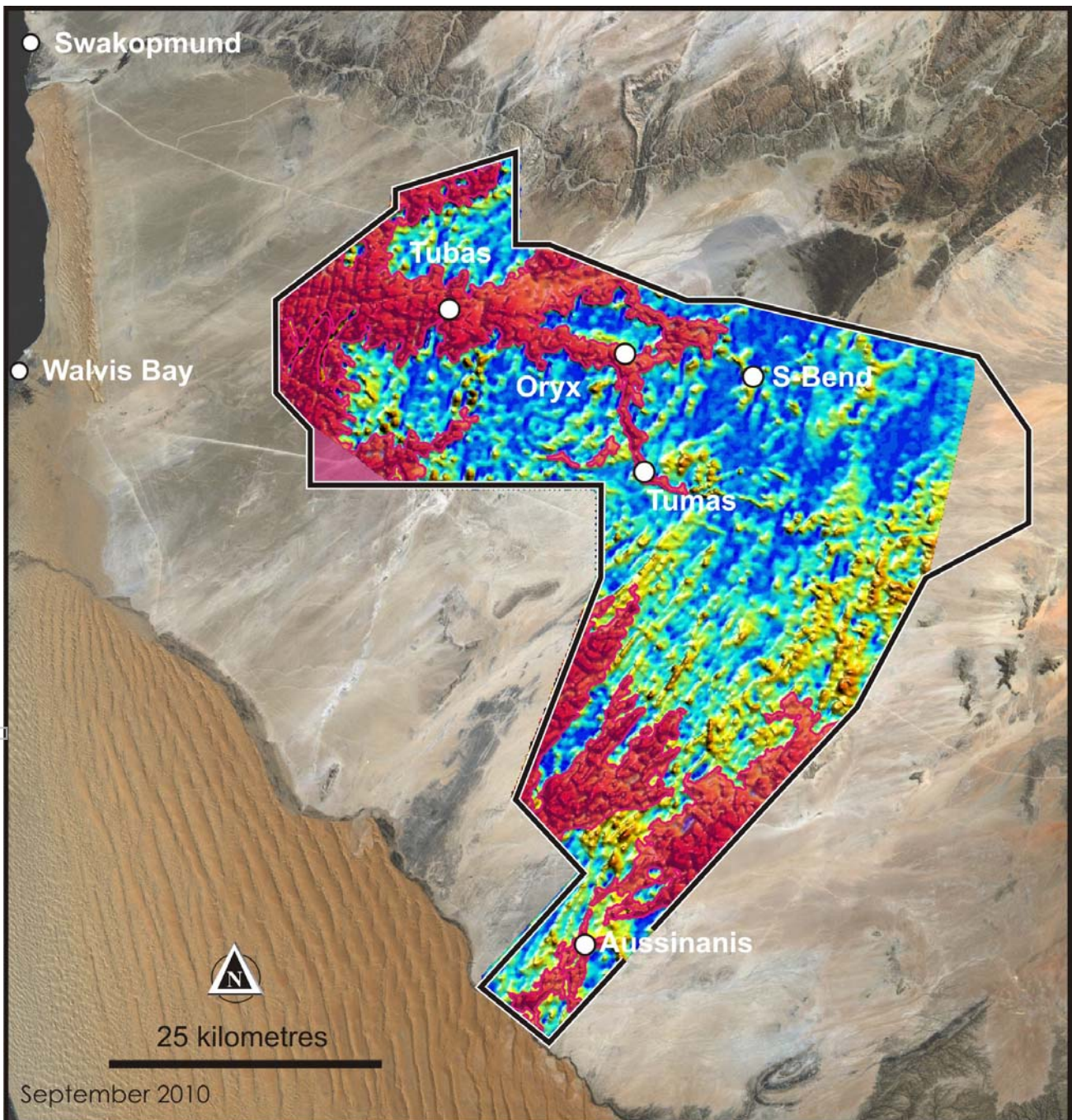


Figure 4: Airborne electromagnetic image showing shallow palaeochannel extent as red layer

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Aussinanis JORC Code Resource

In May 2010 a Mineral Resource estimate was completed by Hellman & Schofield (H&S) for the Aussinanis uranium deposit.

The **Resource** includes **Indicated and Inferred** resources reported in accordance with the **JORC Code** for a total of **35 million tonnes at 237 ppm eU₃O₈ for 8,203 tonnes (18.0 Mlb) eU₃O₈ at cut-off grade of 150 ppm eU₃O₈.**

Mineralisation at Aussinanis occurs as secondary carnotite enrichment of variably calcretised palaeochannel and sheetwash sediments and adjacent weathered bedrock within a northeast trending zone approximately 29 kilometres in length (Figure 5). The mineralisation commonly outcrops but is generally overlain by an average thickness 1.7 metres of poorly mineralised material. Mineralised domain thickness ranges from 1 to 19 metres and averages approximately 4.4 metres.

Mineral Resource estimates for Aussinanis are based on results from 3,922 reverse circulation holes drilled by RUN during 2008, and are primarily based on one metre downhole composited eU₃O₈ grades derived from downhole gamma logging with XRF results used only for a small proportion of mineralised intervals without gamma logging. H&S was not required to review the reliability of the sampling and assaying, or the validity of the gamma logging results as Deep Yellow accepted responsibility for these aspects of the estimates.

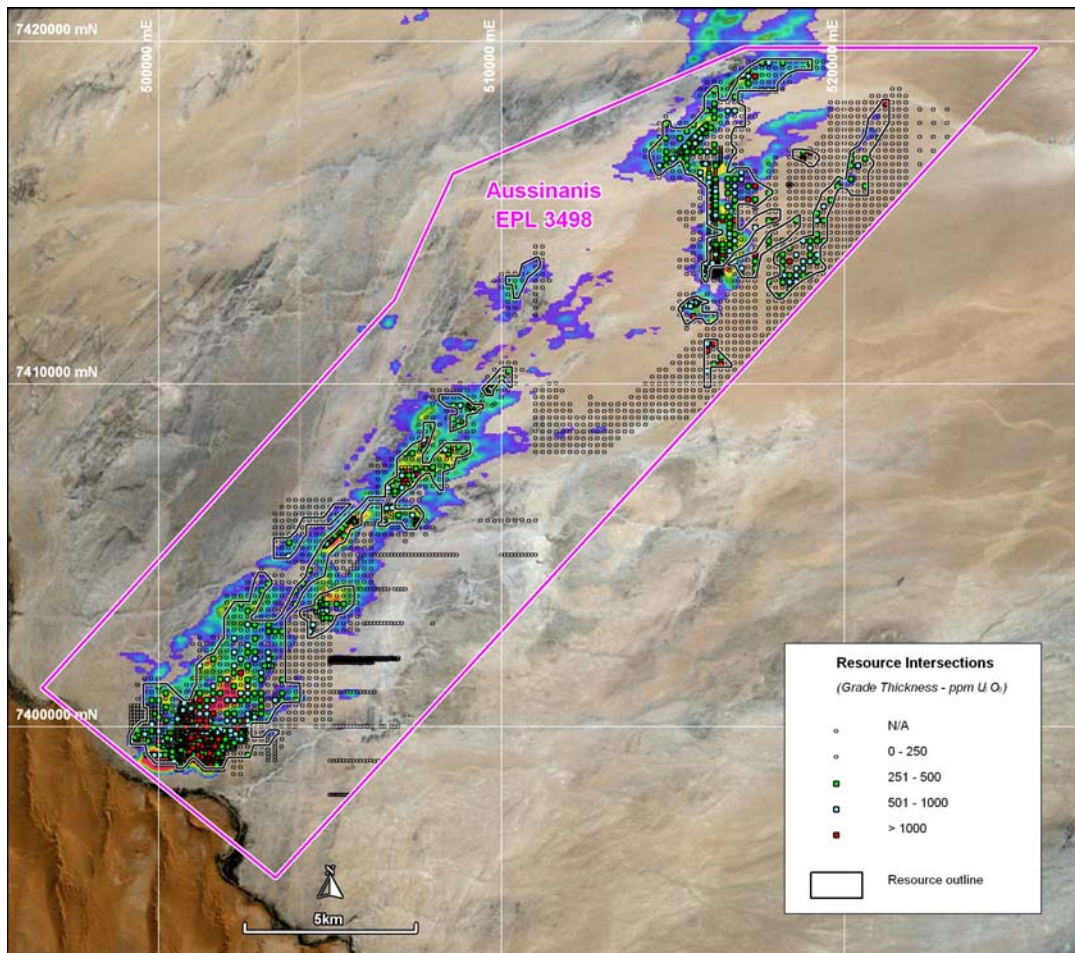


Figure 5: Aussinanis JORC Resource – Blocks Over U²/Th radiometric Image

Oryx to Tumas Palaeochannel

In late August 2009 infill drilling between the reconnaissance lines commenced on 200 metre spaced east-west lines to follow-up and test the mineralised sections along the length of the system between Tumas and Oryx with holes 50 metres apart. When this drill-out was completed, the rigs drilled back towards the south to complete the 50 by 50 metre drill-out of the mineralisation found for JORC Code resource estimations. The drilling was completed in June 2010 (Figure 6) and data is now being validated ahead of JORC Code resource estimation. The new resource will be merged with the March 2009 Tumas Resource Estimate.

Tubas to Oryx to S-Bend Palaeochannel

As shown in Figure 7 reconnaissance on wide spaced lines (up to 2 kilometres) has been carried out over 20 kilometres of the Tubas to Oryx to S-Bend Palaeochannel returning excellent results throughout the channel.

One RC rig has commenced infill drilling of the S-Bend sector of the channel. This programme will continue through until the December-January break.

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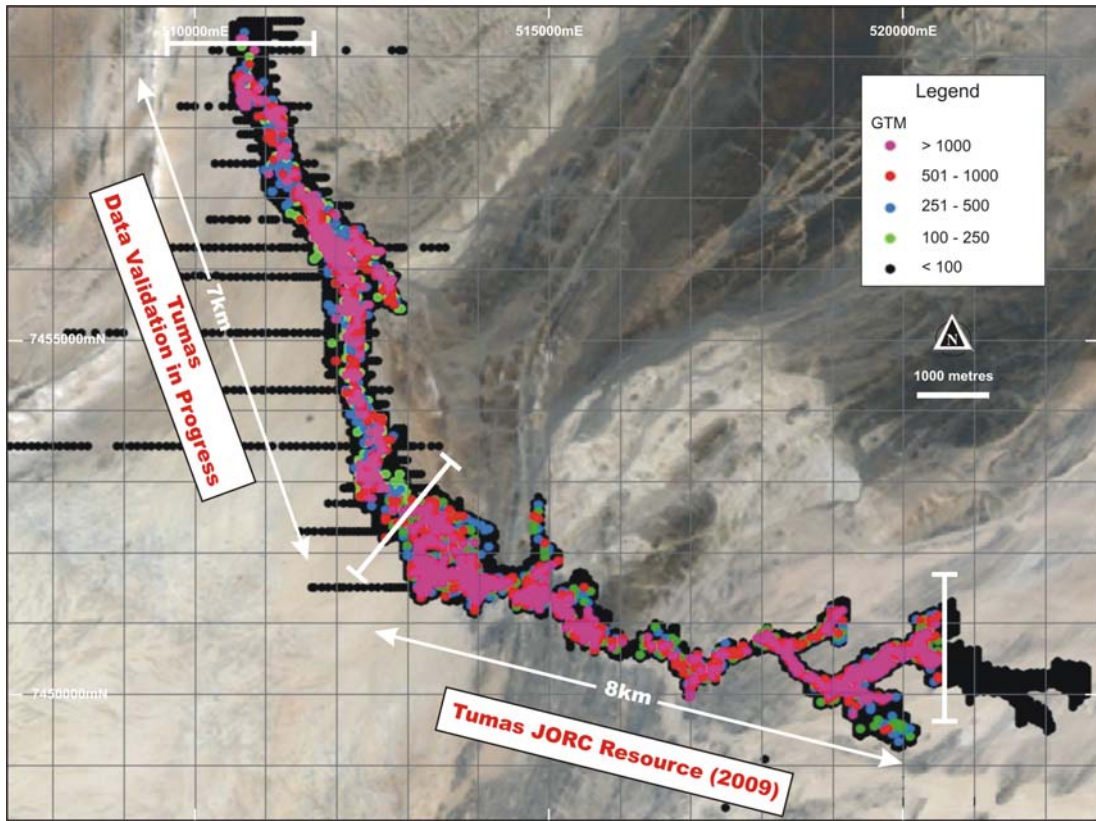


Figure 6: 15 kilometre Oryx-Tumas Palaeochannel – GTM Distribution

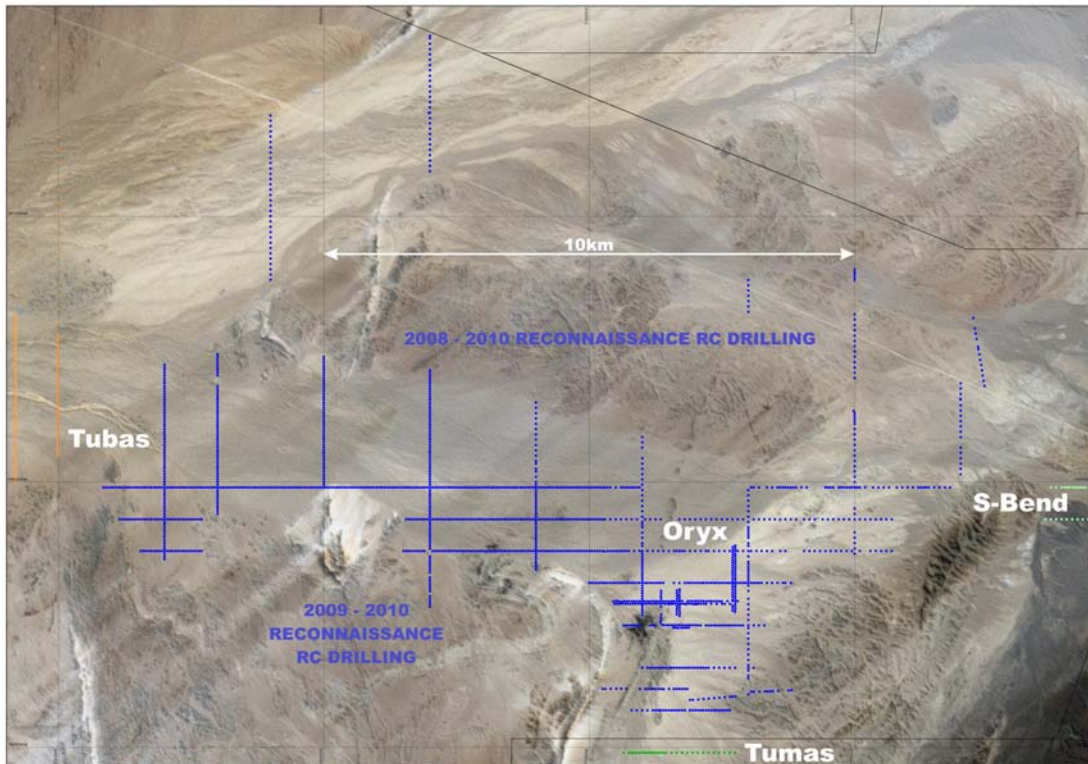


Figure 7: RC Reconnaissance Drilling Tubas-Oryx-S-Bend Palaeochannel

Tubas Alaskite Project

RUN commenced evaluation of the potential of alaskites within the Northern Tubas area (EPL 3496) in late 2007. Five RC percussion drill holes for 744 metres and one diamond core hole for 500 metres were drilled in the initial programme in early 2008. Downhole radiometric logging returned extensive 100+ ppm eU₃O₈ values typical for such alaskitic material in the area as reported by other explorers with adjoining tenements. Secondary uranium mineralisation was also developed in sands and calcrete within a broad plain south-southwest from the outcrop areas. With the discovery of the higher grade INCA uranium mineralisation drilling was put on hold at the Alaskite Project.

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REVIEW OF OPERATIONS - NAMIBIA

In early 2010 as the intensity of the INCA drilling was reduced, a decision was made to recommence the 'Alaskite' programme in the light of the higher grade intercepts being returned at Rössing South by Extract Resources. Reconnaissance drilling commenced in the extreme north of the Tubas EPL testing for extensions of alaskite hosted mineralisation trending southwest from Extract Resources' Ida Dome project area (Figure 8).

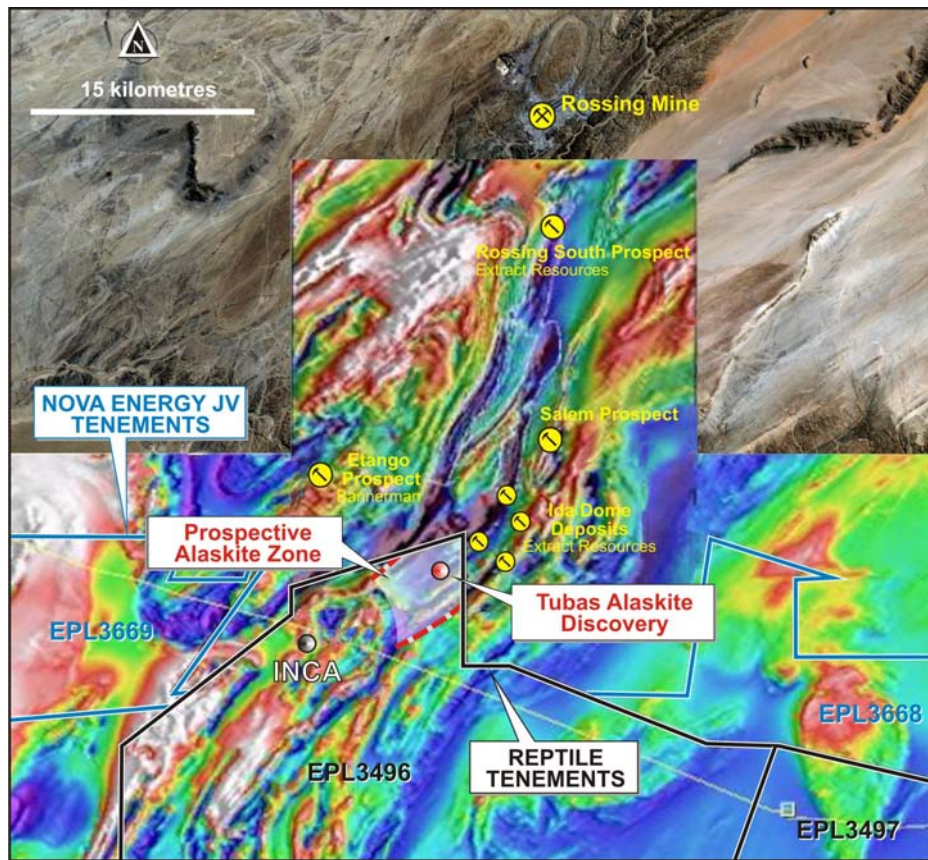


Figure 8: Regional aeromagnetic image showing location of Tubas Alaskite Project relative to known uranium mineralisation

The 'head to tail' drilling (Figure 9) was immediately successful in intersecting higher grade (400+ ppm) uranium values compared to the earlier programme with **Discovery hole ALAR13** returning chemical assays of:

- * **89 metres at 400 ppm cU_3O_8 from 128 metres, including:**
 - o 11 metres at 710 ppm cU_3O_8 from 182 metres, and
 - o 16 metres at 600 ppm cU_3O_8 from 199 metres

Reconnaissance RC drilling has now outlined a ± 400 ppm U_3O_8 mineralised zone hosted by alaskites with a best intersection to date of 29 metres (true width) at 422 ppm cU_3O_8 from 138 metres.

The discovery hole ALAR13 is now interpreted as having been drilled down dip of a mineralised zone probably exaggerating the intersection width. Significantly four consecutive drillholes on the Reconnaissance Line 3 have returned chemical assays of approximately 400 ppm U_3O_8 and greater, indicating a potential width of significant mineralisation across strike of at least 300 metres (Figure 9).

Reverse circulation (RC) drillholes ALAR61 through ALAR64, spaced at 107 metres on Reconnaissance Line 3 returned the following intercepts:

- * **ALAR61**
 - o 8 metres at 392 ppm cU_3O_8 from 83 metres, and
 - o 8 metres at 401 ppm cU_3O_8 from 132 metres
- * **ALAR62**
 - o 7 metres at 394 ppm cU_3O_8 from 62 metres, and
 - o 15 metres at 449 ppm cU_3O_8 from 110 metres, and
 - o 29 metres at 422 ppm cU_3O_8 from 138 metres
- * **ALAR63**
 - o 10 metres at 411 ppm cU_3O_8 from 198 metres
- * **ALAR64**
 - o 13 metres at 412 ppm cU_3O_8 from 179 metres, and
 - o 7 metres at 402 ppm cU_3O_8 from 199 metres

REVIEW OF OPERATIONS - NAMIBIA

Discovery hole ALAR13 was located on Reconnaissance Line 2 which was drilled perpendicular to the strike of a northeast to southwest trending prospective horizon comprising alaskite, granitic gneiss and magnetite. Line 2 is located parallel to and approximately 550 metres southwest of Line 1, and the latest Line 3 is parallel and located approximately 450 metres southwest of Line 2 (Figure 9). A total of 76 holes for 16,029 metres of drilling have been completed on the first three reconnaissance lines.

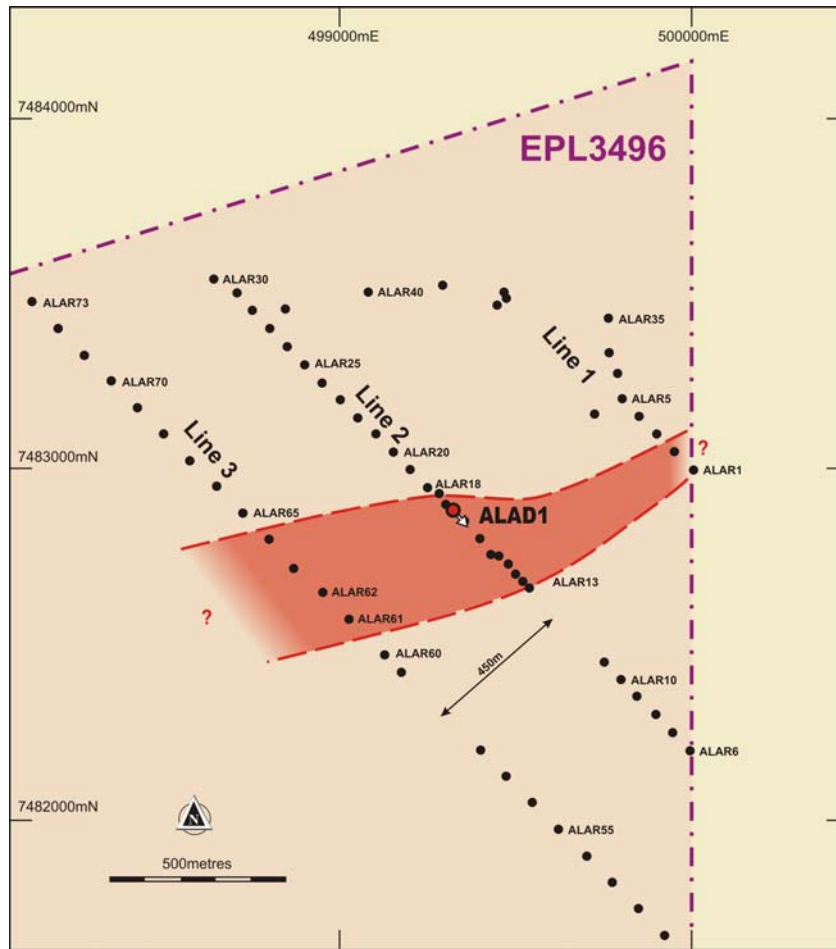


Figure 9: Tubas Alaskite Project – Reconnaissance Drill Lines – Hole Locations



RC Drilling Reconnaissance Line 2

REVIEW OF OPERATIONS - NAMIBIA

The intercepts returned from holes ALAR61 through ALAR64 and adjacent holes on Reconnaissance Line 3 provide confidence in the interpretation of the orientation and continuity of the mineralised trend within the alaskite body between drillholes along a reconnaissance line.

In addition, the potential continuity of mineralisation between Reconnaissance Lines 1, 2 and 3 can be inferred based on interpreted strike trend. Presently there are 3 RC rigs and one diamond rig actively drilling on this project. Two additional RC rigs will be added as detailed resource drilling at RUN's INCA Project winds down. Diamond hole ALAD1 is in progress and collared between RC holes ALAR016 and ALAR017 (drilling to the south-east). It has intersected high grade alaskite mineralisation (as measured by a RadEye scintillometer - see photograph).



Alaskite and Smoky Quartz – Diamond Hole ALAD1 – 123 – 127 metre

Table 4: Significant* XRF Chemical Assay Results

Hole	MGA Zone 54		Azi	TD (m)	Dip	Depth (m)		Interval (m)	cU ₃ O ₈ (ppm)	GTM
	mE	mN				From	To			
ALAR16	499350	7482850	315	191	-60	147	158	11	399	4,389
ALAR46	499430	7482756	0	302	-90	246	254	8	405	3,240
ALAR47	499354	7482854	135	300	-60	192	206	14	395	5,530
						250	260	10	414	4,140
ALAR48	499453	7482753	135	213	-60	44	46	2	557	1,114
						74	84	10	460	4,600
ALAR61	499025	7482575	135	241	-60	83	91	8	392	3,136
						132	140	8	401	3,208
ALAR62	498951	7482649	135	261	-60	62	69	7	394	2,758
						110	125	15	449	6,735
						138	167	29	422	12,238
ALAR63	498867	7482718	135	261	-60	198	208	10	411	4,110
ALAR64	498800	7482800	135	251	-60	179	192	13	412	5,356
						199	206	7	402	2,814

Notes: TD is total depth of hole; cU₃O₈ is chemical assay U₃O₈; GTM is grade thickness metre and is calculated by multiplying the interval (m) x cU₃O₈ (ppm)

* RUN considers approximately 400 ppm U₃O₈ is required to be deemed significant for hardrock hosted uranium given current market conditions. Therefore lesser values are not reported at this time

Another positive observation from the alaskite drilling to date is the significant amount of sulphides (predominantly pyrite with lesser pyrrhotite) present both within and peripheral to the uranium mineralisation which reaches a visual maximum of approximately 15% (with 5% being common).

This has potential economic importance as a source of sulphur for the generation of sulphuric acid for use in any acid leach uranium plant in the area. The smoky quartz seen in the diamond core is alteration resulting from intense irradiation from high-grade uranium mineralisation, and serves as an indicator of such when diamond core or RC chip samples are geologically logged.

Shiyela Iron Project

The Shiyela Project is located 30 kilometres east of Walvis Bay. Evaluation by RC and diamond drilling of airborne magnetic anomaly has identified a substantial area of magnetite mineralisation within RUN's EPL 3496 'Tubas'.

The receipt and initial assessment of positive test results on magnetite bearing core samples from a 2008 500 metre vertical diamond drill hole into a regional aeromagnetic anomaly (M62) highlighted the potential of the M62 and M63 magnetic bodies to generate high quality magnetite concentrate and underpin a possible magnetite 'iron-ore' mining operation.

Key Points:

- * Diamond drill core from a 2008 iron-oxide-copper-gold-uranium prospect hole with a 340 metre magnetite mineralisation intercept evaluated for magnetite product quality
- * Core sample testing yields high-grade magnetite concentrate with very low silica and no deleterious elements (SiO₂, Al₂O₃, P, S)
- * Uranium content less than 10 ppm U₃O₈
- * Mineralised area located approximately 30 kilometres from the deep-sea port of Walvis Bay
- * Airborne magnetic survey data suggests continuity along strike of the magnetic unit and potential for satellite area mineralisation
- * Mapping in sand covered area indicates at least 100 metre outcrop width of magnetite rich units at main prospect area
- * Follow-up RC drilling indicates a true width for the mineralised zone at M62 of at least 400 metres

In February 2008 a 500 metre deep vertical diamond hole was drilled into a magnetic anomaly (M62) which was initially modelled to be a possible iron-oxide-copper-gold-uranium (IOCGU) target. While no copper-gold-uranium mineralisation was identified, the hole intersected steeply dipping magnetite gneiss; fine grained magnetite-rich metasediments; granite containing coarse magnetite; and massive magnetite.

This assemblage is essentially the same from just below the sand cover (0.5 metre) to 340 metre, followed by a predominately granite and metasediment sequence. Typical magnetite rich zones can be seen in the core photographs.

With the recent evaluation of RUN's uraniferous magnetite INCA project as a possible source of iron for supply to Rössing Uranium Limited, it was decided to further evaluate the potential of the area immediately around the M62 airborne magnetic anomaly (Shiyela Prospect) as shown in Figures 10 and 11.



M62 Core Photographs – 2008 drilling

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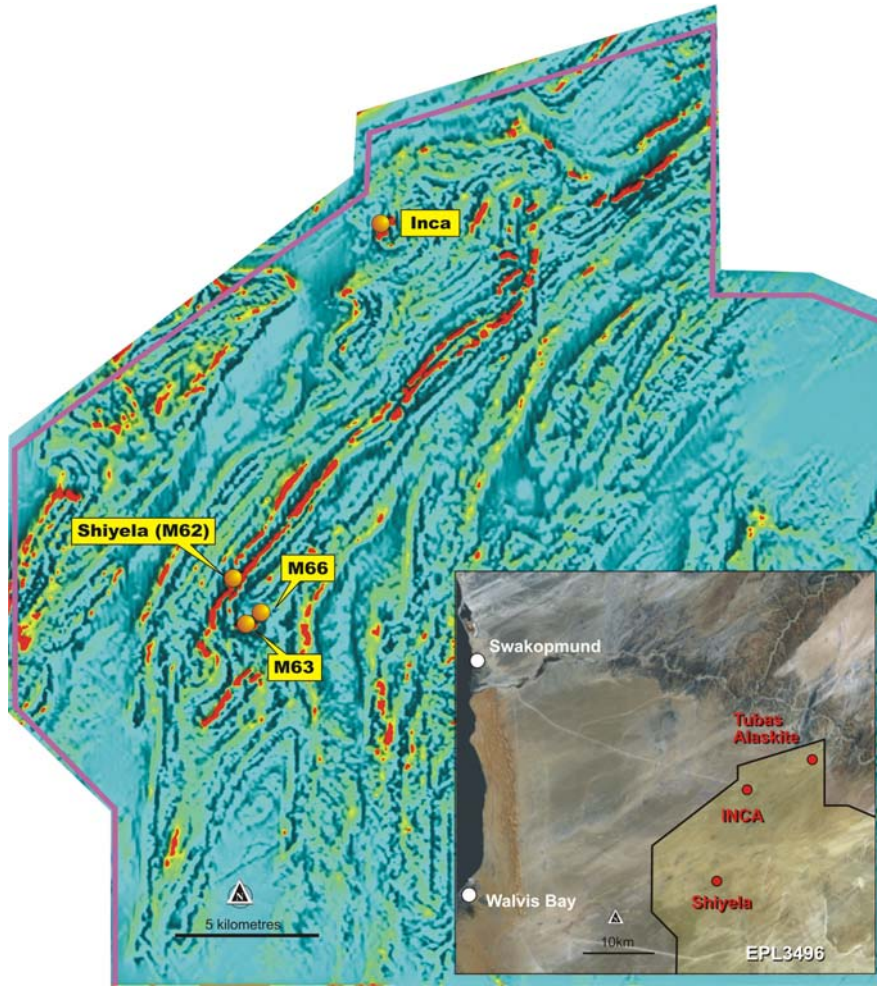


Figure 10: Aeromagnetic map showing a magnetic image (TMI/1VD), with red showing the highest intensity of magnetism (such as from magnetite) and blue the lowest intensity

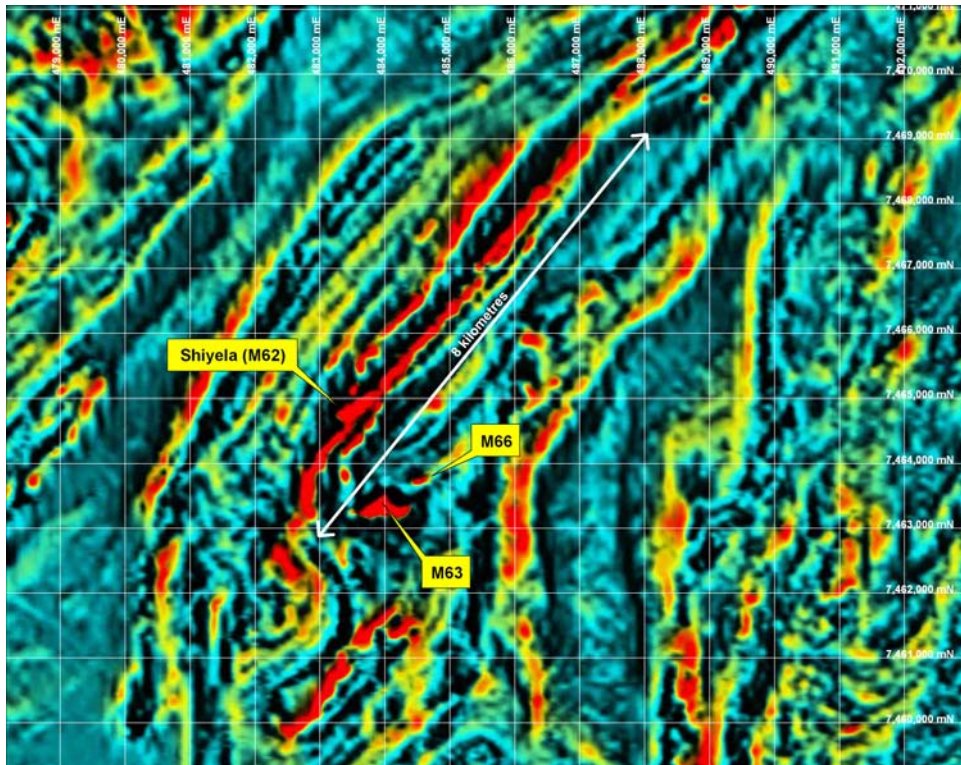


Figure 11: Aeromagnetic image of the Shiyela Iron Project area enhanced with first vertical derivative mathematics (1VD) to capture the most intense magnetic areas highlighted in red

The aeromagnetic data also suggests good strike potential as indicated in Figures 10 and 11 and the possibility for finding other satellite areas enriched in magnetite.

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2010 RC drill chips from hole SHIR3 showing zones of semi-massive magnetite



M62 – RC Drilling – June 2010

Magnetite is an iron ore that while lower in iron concentration than typical direct shipping hematite ore, is gaining recognition today as it can readily be upgraded using magnetic separation to produce a high-quality concentrate grading 68-71% iron (Fe).

Davis Tube Recovery Testwork

The first step of the evaluation process was to determine the properties and quality of concentrate that could potentially be produced from the magnetite mineralisation intersected at M62. RUN enlisted the services of Promet Engineers (Perth) as a specialist advisor and collected five composite samples of diamond core at 5 metre intervals from the start of the hole to 25 metre depth to represent the distribution of lithologies and mineralisation and dispatched the samples to Australian Laboratory Services (ALS) in Perth for Davis Tube Recovery testing and XRF chemical assay.

The core samples were crushed and then pulverised for Davis Tube Recovery (DTR) tests on various size fractions with the minus 75 micron fraction (equivalent to 80% -40 micron) analyses given in Table 5.

Table 5: XRF Analytical Results and Loss on Ignition value

Core Samples	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %	LOI %
0 - 5	70.2	0.33	0.57	0.009	0.004	-2.02
5 - 10	70.2	0.43	0.67	0.005	0.003	-2.42
10 - 15	69.4	0.57	0.72	0.004	0.004	-1.52
15-20	69.9	0.53	0.52	0.002	0.004	-1.92
20 - 25	69.1	0.82	0.62	0.002	0.004	-0.98

DTR test results indicate:

1. The DTR product is of high quality containing around 70% iron (Fe)
2. Silica content (SiO₂) very low at significantly below 1%
3. Alkali metals are low and within accepted levels
4. No other deleterious elements of concern present in the 22 element assay suite
5. LOI (loss of weight on ignition) between 1% and 2.4% is slightly low and should be closer to 3%; could be related to weathering/oxidation
6. Weight recovery approximately 16%; should preferably be 20-25% - possibly negated by closeness (30 kilometres) to deep sea port

Current Drill Programme

As follow-up to the positive test results, RUN completed drilling an East-West line of RC holes angled to the East at M62, through the plane of the original diamond hole to determine width of magnetite mineralisation across the strike of the magnetic anomaly with initial results showing:

- * a significant increase in the width of mineralised zone from 100 metres based on sub-outcrop to at least 400 metres under minimal sand cover. Highest concentrations over 250 metres.
- * confirms the significance of magnetite mineralisation as indicated by initial M62 diamond drill hole in 2008 with mineralisation to 340 metres vertical depth.
- * indicates mineralisation becoming more continuous as semi-massive to massive magnetite to the west with mineralisation open at depth and along strike in both directions
- * providing substantial impetus to continue with project evaluation
- * an interpretation of airborne magnetic survey data suggests continuity along strike of the magnetic unit and potential for satellite area mineralisation

A diamond drill hole (SHID2) has commenced between holes SHIR2 and SHIR3 and another is planned between SHIR8 and SHIR9, to allow for more detailed geological interpretation from core samples and to provide material for further testwork on dry and wet magnetic separation samples at various grind sizes. Separately crushing tests and indices will be determined on whole core. This work will be completed by AMMTEC International in Perth.

Presently a North-South line of holes are being drilled across M63.

Mining of the Shiyela iron ore deposit would be hardrock drill and blast operation requiring crushing-milling-magnetic separation with possible flotation (no chemicals) to produce a saleable product.

Oponona Investments (Pty) Ltd

Since March 2009 any application to the Ministry of Mines and Energy (MME) for a new EPL or renewal of any existing EPL once processed by the MME has appended to it three new conditions, namely that any funds raised in respect of the EPL be deposited in Namibia; the EPL shall not be issued unless the applicant proves it has allocated certain previously disadvantaged Namibians (Black Economic Empowerment or BEE) shares in the applicant; and, have in place a plan and commitment to empower the nearby community (Broad Based Economic Empowerment or BBEE) once a mineable deposit is found. No percentages or prescribed formula is given.

REVIEW OF OPERATIONS - NAMIBIA

RUN, in a proactive approach, met with the Deputy Minister of the MME and other senior officials in February 2009 to discuss BEE and BBEE involvement in its activities once projects had been defined and Mining Licences were applied for.

RUN then set about formulating a BEE and BBEE Charter which it presented to the MME and subsequently entered into an agreement with local Namibian company Oponona whereby Oponona would acquire a 5% interest in any and all projects within the four EPL boundaries upon Reptile applying for a Mining Licence.



Historic signing ceremony between Oponona and RUN

Front: Ambassador Monica Nashandi and Dr Ben Mulongeni Rear: Mr Jason Nandago and Dr Leon Pretorius

The Directors and principals of Oponona, namely Ambassador Monica Nashandi, Dr Ben Mulongeni and Mr Jason Nandago are well respected Namibians with whom RUN has built a strong working relationship.

There is no immediate local community associated with these four EPL areas that could become directly involved in RUN's activities, but 40% of Oponona income has been set aside for a BBEE Trust that will benefit previously disadvantaged Namibians and specifically assist with educating the youth of the general community closest to RUN's activities. RUN has undertaken to fund the Trust immediately after making its first sales.

The Directors and management of RUN are very appreciative of the relationship it has built up with the various Ministries it works with in Namibia, and in particular the MME and Ministry of Environment and Tourism (MET). Both the MME and MET will be closely involved in RUN's requisite permitting processes should the INCA and Red Sand projects prove viable.

NOVA ENERGY JOINT VENTURE

In May 2009 Toro Energy Limited (Toro) and DYL announced that they had entered into a JV whereby DYL, through its wholly-owned subsidiary RUN, will spend A\$3.5 million over the next two and a half years on three EPLs held by Toro's Namibian subsidiary Nova Energy (Namibia) Pty Ltd (Nova). RUN is entitled to earn a 65% share of the Joint Venture. Toro will retain 25% with Namibian company, Sixzone Investments Proprietary Limited, holding a 10% share.



Mr Leevi Shigwedha - Sixzone, Mr Todd Alder - Nova, Mr Lamek Indongo - Sixzone, Mr Martin Kavanagh - Reptile, Mr Mark McGeough - Nova, Dr Leon Pretorius - Reptile and Mr Mateus Kaholongo - Sixzone

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REVIEW OF OPERATIONS - NAMIBIA

Although Nova's EPLs did not contain any known uranium prospects, their location immediately adjacent to RUN's uranium tenements and to other significant uranium projects and mines made them very prospective for alaskite, magnetite-skarn and secondary palaeochannel uranium mineralisation.

RUN applied for renewals of the three Exclusive Exploration Licences (EPLs 668, 3669 and 3670) to the Ministry of Mines and Energy on behalf of Nova and Sixzone Investments (Pty) Ltd. **The EPL's were granted in full on 9 August 2010 until November 2011.**

Exploration Programme:

RUN entered into an agreement with Geotech Airborne Limited to undertake a helicopter-borne electromagnetic, radiometric and magnetic geophysical survey for approximately 6,087 line-kilometre over the two western Nova JV tenements.

The survey areas are mostly sand covered and the survey was primarily aimed at 'mapping out' prospective lithologies and conductive zones similar to those hosting the INCA uraniumiferous magnetite discovery and to the stratigraphy hosting Extract Resources' Rossing South discovery further to the north.

Initial interpretation of the various datasets was completed by Geotech in March 2010. RUN will undertake further interpretation in the July-December 2010 period ahead of planned (JV) drilling in 2011.

RC drilling commenced in December 2009 along the northern boundary of EPL 3668 (Gawib West) immediately to the southwest of the Langer Heinrich Mine (Figure 12). The drilling whilst intersecting deep palaeochannels failed to return any significant uranium mineralisation. The east-west/north-south drill pattern essentially downgrades the possibility of locating uranium mineralisation in a downstream position from the Langer Heinrich deposit.

DYL expenditure to 30 June 2010 approximately \$2.76 million. Balance of funds required to earn 65% ~ \$740,000. Earn-in is expected to be completed by December 2010.

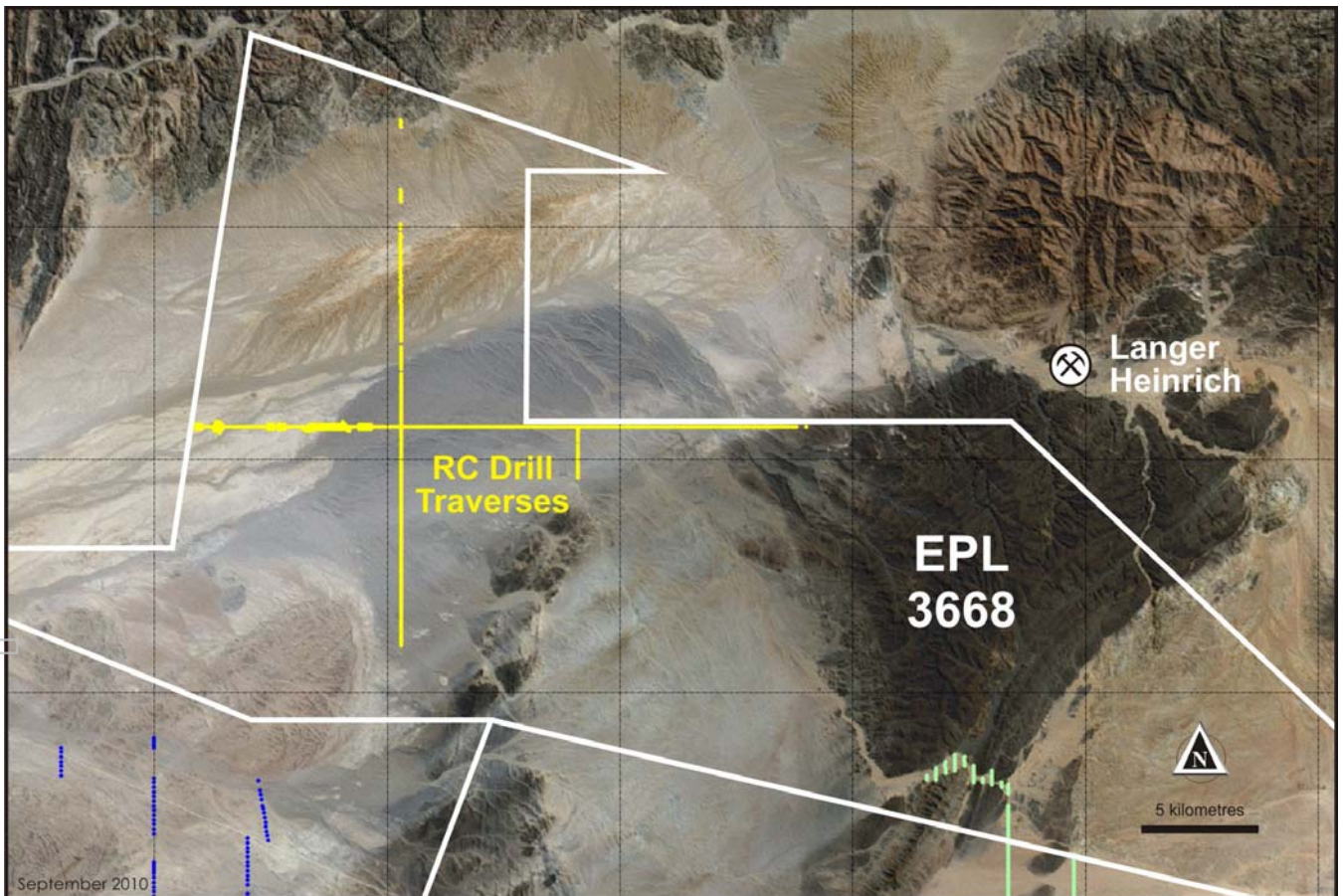


Figure 12: Gawib West RC Drill Lines

MOUNT ISA DISTRICT

DYL's Mount Isa District tenement holdings cover ground that is held **100%** and tenements subject to the **Isa West JV** with Mount Isa Mines Limited (Xstrata) and the **Universal JV** with Universal Resources Limited.

Key Points:

The 2009-2010 year saw a number of significant developments namely:

- * Maiden JORC Code Indicated and Inferred Mineral Resource estimate for the district totalling 3.64 million tonnes at 420 ppm U₃O₈ for 1,550 tonnes (3.5 Mlbs) of U₃O₈.
- * Fast tracking target development throughout 1,685 km² of tenements as well as testing the continuity of existing JORC resources to 400 metres vertical depth at Isa West and Queens Gift.
- * Successful tenderer for the acquisition of Ewen (EPM 14916) and Yamamilla (EPM 14281) tenements from the Receivers and Managers of Matrix Metals Ltd.
- * Signing of a Letter Agreement with Universal Resources Ltd to joint venture EPM 14367, 20 kilometres northeast of Mount Isa.

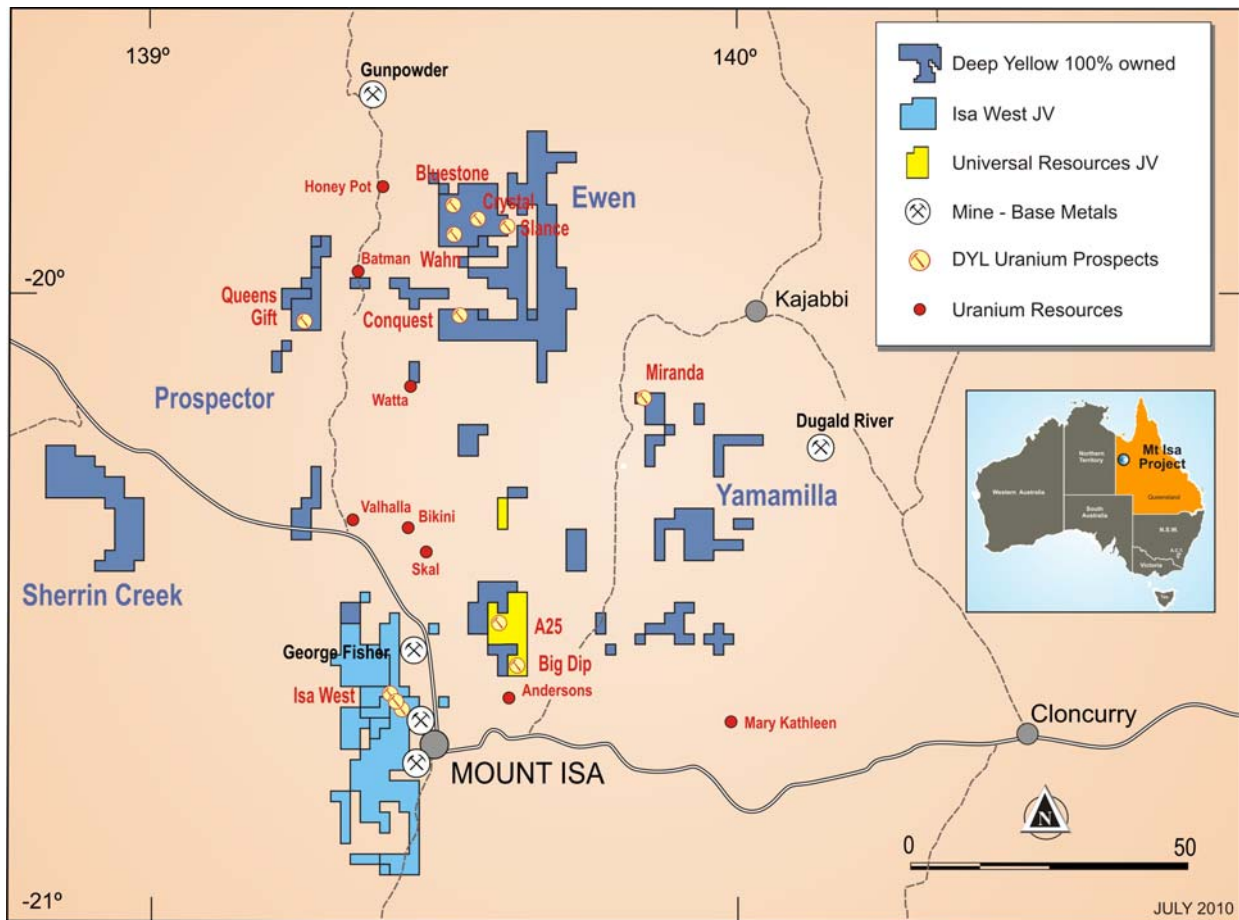


Figure 13: Mount Isa District Tenements

JORC Code Resources

The **2008 drill programmes** in the district were primarily first-pass-shallow RC holes undercutting selected surface radiometric anomalies with ± 200 metre strike to 50 to 75 metre depth. In some cases infill and undercut holes of the better intercepts were drilled. The **2009 drill programmes** saw a switch to systematic grid drilling on 25 metre spaced sections on 25 metre centres on a number of prospects with a view to delineating JORC Code resources. This was followed by a drill out on 50 metre spaced sections at 50 metre centres to **200 metre vertical depth**.

In January 2010 Coffey Mining Pty Ltd (Coffey) provided DYL with an **Indicated and Inferred Mineral Resource** estimate for a number of prospects in the Mount Isa District.

Using a 300 ppm U₃O₈ cut-off the Indicated and Inferred Mineral Resource estimate for the Isa West - Thanksgiving, Bambino and Eldorado North Prospects and the Queens Gift and Slance Prospects totals 3.64 million tonnes at 420 ppm U₃O₈ for 1,550 tonne 3.5 Mlbs of U₃O₈ (Table 6).

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REVIEW OF OPERATIONS - AUSTRALIA - QUEENSLAND

Using a 200 ppm U₃O₈ cut-off increases the JORC Code resource to **2,430 tonne at 340 ppm U₃O₈** indicating a significant potential upside available with lower operating costs, successful beneficiation and/or increased uranium sale prices.

Table 6: Mount Isa District – January 2010 JORC Code Resource Estimate

Deposit	Category	Tonnes (Million)	U ₃ O ₈ (ppm)	U ₃ O ₈ (Tonnes)	U ₃ O ₈ (Mlb)
Queens Gift	Inferred	0.31	410	130	0.3
Queens Gift	Indicated	0.54	380	210	0.5
Slance	Inferred	0.22	580	130	0.3
Slance	Indicated	0.24	490	120	0.3
Isa North - Total	Inferred	0.53	480	260	0.6
Isa North - Total	Indicated	0.78	420	330	0.8
	Combined	1.31	440	590	1.4
Thanksgiving	Inferred	0.66	470	310	0.7
Thanksgiving	Indicated	0.47	400	190	0.4
Bambino	Inferred	0.67	370	240	0.5
Bambino	Indicated	0.37	390	140	0.3
Eldorado North	Inferred	0.16	500	80	0.2
Isa West - Total	Inferred	1.49	420	630	1.4
Isa West - Total	Indicated	0.84	390	330	0.7
	Combined	2.33	410	960	2.1
Mount Isa - Total	Inferred	2.02	440	890	2.0
Mount Isa - Total	Indicated	1.62	400	660	1.5
	Combined	3.64	420	1,550	3.5

Figures have been rounded to reflect the accuracy of estimates and include rounding errors

300 ppm cut-off Conversion 1 kg = 2.205 lb

The individual resource estimates for each prospect were in line with that expected based on surface mapping and the 2008/2009 drilling programmes design.

DYL's short to medium term strategic objective to outline mineralisation amenable to open pit mining and aggregating **5,000 to 8,000 tonne (11 Mlb to 18 Mlb) of U₃O₈** as satellites to a potential central processing plant in the Mount Isa area. The medium to long term target is to define **12,000 to 15,000 tonne U₃O₈** based on feeding a central processing plant from combined open pit and underground operations.

2010 Exploration Programme

The 2010 Strategic Plan for the Mount Isa District involves fast-track drilling of surface prospects (reconnaissance RC drilling) in order to assess the potential to increase the overall Mount Isa uranium resource inventory.

With the 2009 JORC Code drill programme successfully outlining Indicated and Inferred Mineral Resources of 400+ ppm U₃O₈ down to approximately 200 metre vertical depth at several prospects, a decision was made to test a number of prospects to **400 metre vertical depth** in order to provide information on continuity, width and, importantly, grade of mineralisation at depth. This programme will see approximately 500 metre deep core holes drilled initially at Isa West and Queens Gift.

Isa North Project - Ewen EPM 14916*

Slance Prospect: A total of 13 RC drillholes for 2,274 metre were drilled at Slance NW (Figure 14) in December 2009. Throughout the programme encouraging mineralisation was intercepted mainly to the south of the surface radiometric anomaly, e.g. 28 metre at 1,159 ppm U₃O₈ from 107 metre in hole SLRC 039. A diamond hole at Slance NW further verified the mineralisation potential with an intersection of 15 metre at 1,031 ppm from 87 metre U₃O₈.

The current JORC Code mineral resource for Slance stands at 460,000 tonnes at 540 ppm U₃O₈ for 250 tonnes (0.6 Mlbs) U₃O₈ (Table 6).

Geological Mapping: Geological mapping was also carried out at the Wahn, Crystal and Slance Prospects (Figure 14). The aim of the mapping was to aid the planning of additional drilling at Slance and Crystal and create a first-pass drilling programme at Wahn in the September quarter.

Heliborne Magnetic and Radiometric Survey: As part of a larger heliborne survey programme in the Isa District, a magnetic and radiometric survey covering selected areas of the tenement was flown. The survey was carried out on a 50 metre line spacing at a vertical height of 35 metres. Data from the survey will provide an interpreted structural framework on which surface radiometric (uranium) anomalies (Figure 14) overlain, with the objective of targeting covered areas and/or deep targets with no surface radiometric response. DYL has contracted a geophysical consultant to process and interpret the data.

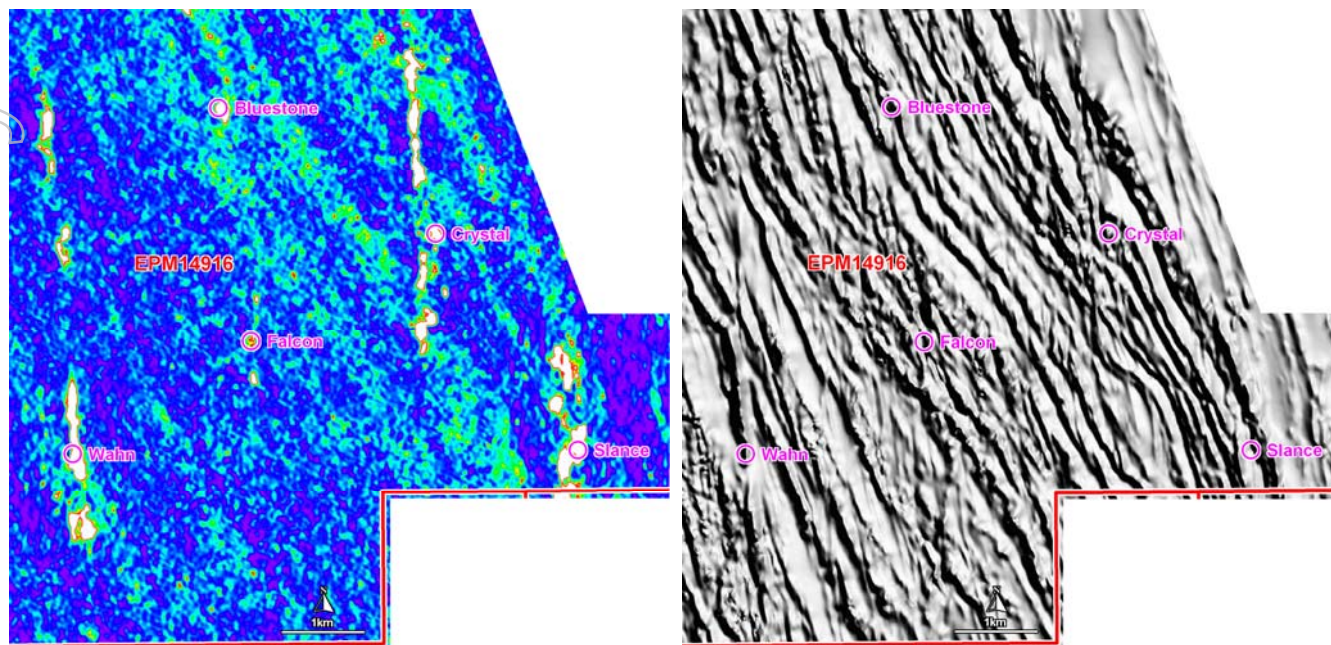


Figure 14: Airborne radiometric image with intense (white) uranium anomalies striking N-S. Right hand image 1VD magnetic showing NNW regional trend cut by later NS structures which host uranium mineralisation

Isa North Project - Prospector EPM 15070

Queens Gift Prospect: A total of 29 RC holes for 6,467 metres and four diamond holes for 620 metres were drilled at Queen's Gift in 2009. These drillholes were located across the prospect and included two diamond tails on original 2007 RC drillholes. The 2009 drilling led to the discovery of the Southern Zone mineralised lense which is open to depth and will be tested with a deep diamond core in the September quarter.

The JORC Code resource estimate for the Queens Gift prospect is based on 2007 and 2009 RC drill data and on 2008 and 2009 diamond drill data and **totals 850,000 tonnes at 390 ppm U₃O₈ for 340 tonnes (0.8 Mlbs) U₃O₈ (Table 6)**. The style of mineralisation and alteration at Queens Gift is the same as that described for the 30,000 tonne U₃O₈ Valhalla Deposit 30 kilometres to the south.

The **Queens Gift Prospect** remains the single largest alteration system DYL has drilled to-date in the Mount Isa District within which four mineralised lenses have now been identified. The intensity and width of the alteration zone and mineralisation give positive upside potential to developing resources below 200 metre vertical depth and along strike to both the north and south.

Two RC holes were recently drilled at Queens Gift, as well as three RC pre-collars for a follow-on deep diamond drill programme.

RC Hole QGRC097 returned 50 metres at 464 ppm U₃O₈ from 151 metres (25 metre true width) and was drilled as a shallow scissor hole to planned diamond hole QGDC010 to help with targeting the deeper core hole into the newly discovered (2009) Southern Zone. This intercept is one of the best returned from three drill campaigns at Queens Gift. Deep core drilling (3 holes) will commence in September quarter.

Yamamilla Project – EPM 14281*

Miranda Prospect: An RC drilling programme totalling 1,470 metres in 23 holes was completed at the Miranda Prospect within EPM 14281. Best results from the shallow RC drilling include:

- * Hole MRRC020 - 22 metres at 647 ppm U₃O₈ from surface
- * Hole MRRC022 - 23 metres at 352 ppm U₃O₈ from 2 metres
- * Hole MRRC023 - 21 metres at 489 ppm U₃O₈ from 2 metres
- * Hole MRRC026 - 15 metres at 552 ppm U₃O₈ from surface

The drilling has outlined a 120 metre x 75 metre flat-lying mineralised zone of limited surface extent. Typically the mineralisation thinned at the edges and pinched out at about 50 metres true vertical depth. Mineralisation potential is interpreted as open to the south-west. No further drilling is planned at the Miranda Prospect area until the programme has been reviewed in detail and the recently acquired aeromagnetic data covering the southwest extension area is interpreted.

The Yamamilla EPM also has base metal potential and DYL is discussing a potential joint venture arrangement with a number of companies.

- * EPMs 14281 and 14916 (Ewen) were formerly subject to the NW Queensland JV with Matrix Metals Ltd (Matrix). In November 2008 Matrix went into voluntary administration and its secured creditor appointed Receivers and Managers over its principal mining assets. In May 2009 DYL signed a Sale Agreement with the Receivers and Managers of Matrix Metals Ltd (Matrix) to acquire EPM's 14916 and 14281 and EPM Application 17000 in the Mount Isa district outright for \$1.4 million. Title to the tenements was transferred to DYL on 9 December 2009.

Regional Prospect and Target Evaluation Programme

In April-May 2010, a regional helicopter supported survey covering a large amount of DYL's previously unexplored ground was carried out. The aim of the survey was to review the uranium prospectivity of DYL's tenements across the region. The survey area covered EPMs 14281, 14916, 15070, 16534 and 14367. A total of 117 targets were generated from regional data sets. This total included lower priority targets from 2007 reconnaissance programmes. The survey covered a broad range of geological settings from the older central Kalkadoon Belt through to the younger Corella Formation (Mary Kathleen skarn deposit).

Multiple small uranium occurrences were identified through the survey. These were typically all structurally controlled, as expected in this area, and were often linked to zones of brecciation and magnetite-hematite enrichment. The mineralisation, was not particularly linked to a certain rock type, and occurred across all formations of the Mount Isa region. This highlights the major influence of **structural controls** on uranium mineralising systems over formational controls. Certain low level uranium anomalies were observed across the region, often in Corella and Argylla Formation sediments and metamorphics. These areas were interesting with respect that strong foliation and deformation appear to lead to weak uranium enrichment, however without a local focusing structure these anomalies remain broad and very low grade.

The synthesis of all local geophysical, geochemical and geological data and structural features with the potential to host uranium mineralisation, together with known uranium mineralising systems, both locally and worldwide, have been used as models to aid target generation. Thirty eight (38) targets (of the original 117) have been prioritised across all DYL's tenements and will be visited through to December 2010.

ISA WEST PROJECT (earning 100% of uranium rights from Xstrata)

In agreement with Mount Isa Mines Ltd, part of the Xstrata Group, DYL can ultimately acquire 100% of the uranium rights over a project area immediately west of the Mount Isa mine site. Exploration programmes commenced in March 2008 with first maiden JORC Resources announced in January 2010.

Isa West JORC Code Drill Programme

As follow-up to the successful reconnaissance RC drill programme in 2008, three of fifteen prospects were selected for resource drill-out in 2009, namely the Thanksgiving, Bambino and Eldorado North prospects.

The Bambino and Thanksgiving prospects were drilled to approximately **200 metre vertical depth** and remained open to depth but closed-off along strike. Drilling of the Eldorado North prospect was restricted to a first lift of holes with some selective undercuts with the prospect being open to depth below 60 metres and to the south.

The JORC Code resource estimate for Isa West totals 2.33 million tonne at 410 ppm U₃O₈ for 960 tonnes (2.1 Mlbs) U₃O₈ (Table 6).

As part of the **2010 Strategic Plan**, an RC drill programme was recently completed (June) on a number of prospects totalling 17 holes for 2,360 metres. The programme successfully extended the higher grade Eldorado North Prospect from approximately 50 metres vertical depth to 120 metres vertical depth. At the Citation and Never-Can-Tell Prospects, infill drilling on shallow 2008 intercepts confirmed mineralisation as strike extensions to the original drill intercepts and indicated continuity to depth in both cases. These prospects will now form part of a future resource drill out programme. Significant results include:

Eldorado North:	Hole ENRC013 - 25 metres at 479 ppm U ₃ O ₈ from 139 metres Hole ENRC014 - 4 metres at 1,134 ppm U ₃ O ₈ from 122 metres
Never-Can-Tell:	Hole NCRC004 - 10 metres at 693 ppm U ₃ O ₈ from 71 metres Hole NCRC006 - 8 metres at 836 ppm U ₃ O ₈ from 77 metres
Citation:	Hole CIRC005 - 16 metres at 564 ppm U ₃ O ₈ from 58 metres Hole CIRC007 - 16 metres at 652 ppm U ₃ O ₈ from 55 metres Hole CIRC010 - 11 metres at 543 ppm U ₃ O ₈ from 65 metres Hole CIRC011 - 12 metres at 421 ppm U ₃ O ₈ from 144 metres

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Following on from the RC drilling programme two diamond holes were drilled at the Thanksgiving and Bambino prospects to 400 metres vertical depth to determine the potential for continuity of mineralisation at depth.

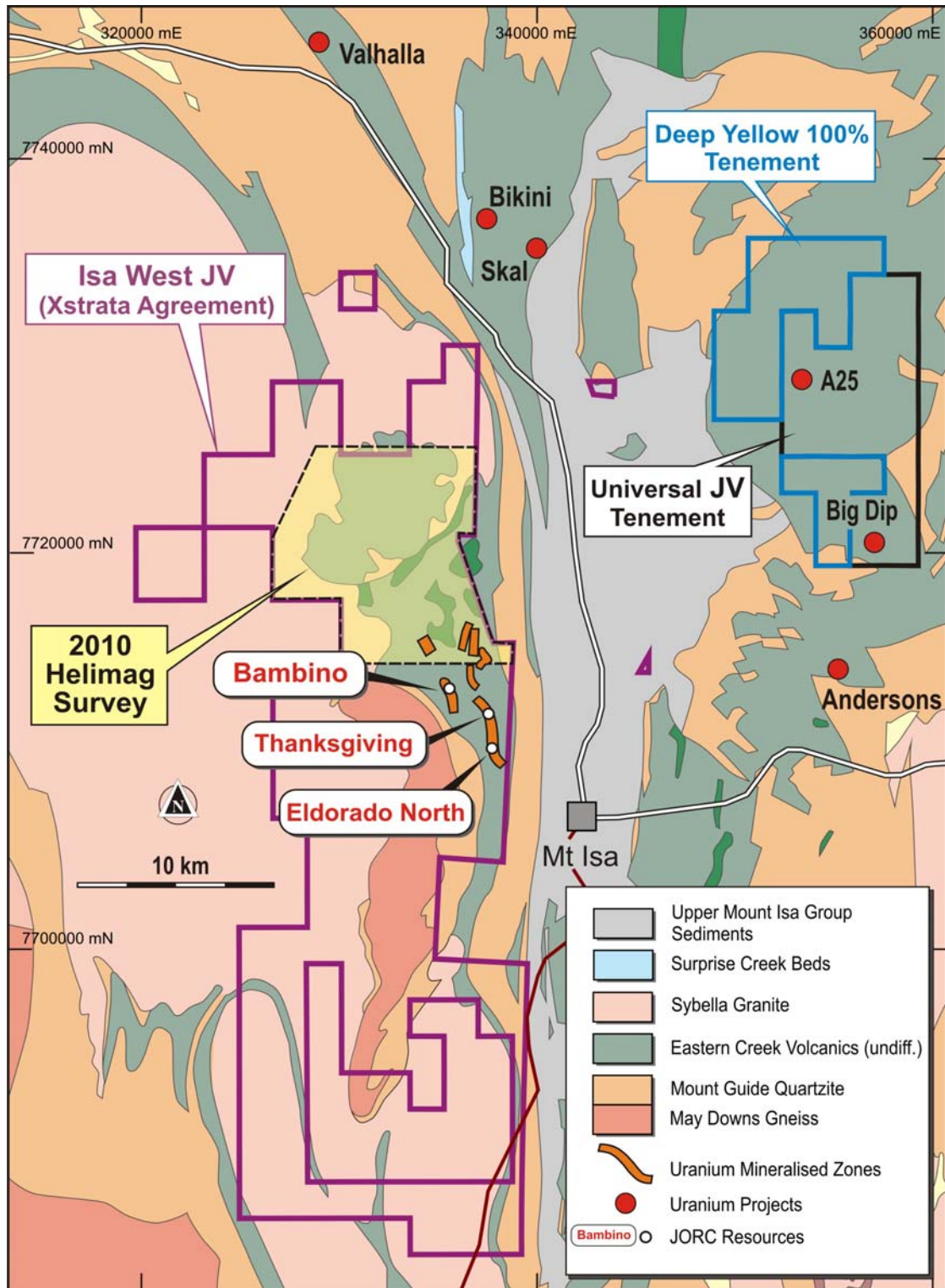


Figure 15: Isa West and Universal JV Prospects

In 2009 the Thanksgiving and Bambino Prospects returned the following intercepts at approximately 200 metres vertical depth providing the impetus for the deep diamond drilling:

Thanksgiving: 33 metres at 404 ppm U₃O₈ from 180 metres
33 metres at 369 ppm U₃O₈ from 231 metres

Bambino: 36 metres at 405 ppm U₃O₈ from 178 metres
23 metres at 384 ppm U₃O₈ from 172 metres

The two planned deep diamond core holes at the Thanksgiving and Bambino Prospects have been completed with the mineralised sections returning positive XRF chemical assays as highlighted below and as presented in Table 7.

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REVIEW OF OPERATIONS - AUSTRALIA - QUEENSLAND

Thanksgiving Prospect: Hole TGDC004 - 29 metres at 383 ppm U₃O₈ from 429 metres
incl. - 18 metres at 544 ppm U₃O₈ from 429 metres

Bambino Prospect: Hole BBDC005 - 8 metres at 364 ppm U₃O₈ from 396 metres

The results clearly demonstrate continuity of mineralisation below 200 metres to approximately 400 metres vertical depth.

The Thanksgiving intercept has a true width of 20 metres from surface to 400 metres vertical depth, and the intercept grade of 544 ppm U₃O₈ also indicates likely continuity of grade to depth.

The Bambino mineralisation intercepts, whilst not wide at depth, are contained within a strongly altered zone over 58 metres downhole (40 metres true width) confirming an open system to depth that will require further drilling to fully evaluate the depth potential of the prospect. The alteration zone is the widest intercepted to date in DYL's Isa West drill programmes.

Table 7: Thanksgiving and Bambino Diamond Drill Hole Intercepts

Drillhole	MGA Zone 54		Azi	Dip	TD (m)	Depth (m)		Interval (m)	U ₃ O ₈ (ppm)	
	mE	mN				From	To			
TGDC004	336555	7712408	56	-78	495.7	429	458	29	383	
						incl	429	447	18	544
						incl	433	443	10	704
BBDC005	335251	7712414	72	-67	465.6	324	326	2	457	
						incl	386	388	2	385
						incl	396	404	8	385

Universal Joint Venture – EPM 14367 (DYL 51%, Earning 80%)

In agreement with Universal Resources Limited, DYL may earn up to 80% interest specifically in uranium and related minerals in the tenement.

A first-pass RC drilling programme of 12 holes for 822 metres was completed at the A25 and Big Dip prospects in early December 2009. The programme achieved the objective of testing a series of north-south trending radiometric anomalies previously identified in historic reports and confirmed by fieldwork carried out by DYL earlier in the year.

A25 Prospect: Seven holes for 474 metres were drilled at A25 prospect. The most intense mineralisation occurred in the northern most hole, A25RC003 in a strongly hematite-albitite-silica-carbonate altered basalt. While stronger mineralisation seems to occur in discontinuous pods throughout the prospect, all of the drill holes intersected the same altered lithology which was up to 35 metre wide.

Big Dip: Five holes for 348 metre were drilled at Big Dip. The most intense mineralisation occurred in the northern most hole, **BDRC002 – 6 metre at 918 ppm U₃O₈ from 42 metre** in a strongly hematite-albitite-silica-carbonate altered basalt.

Pilgrim Joint Venture – EPM 15072 (Krucible 80% / DYL 20%)

The **Pilgrim Prospect** is located about 110 kilometre south-southeast of Mount Isa. Krucible Metals Limited (Krucible) has recently fulfilled its' earning commitment in the JV by earning 80% equity by expenditure of over \$400,000.

Having acquired an 80% interest in EPM 15072 Krucible can elect by buy-out DYL by issuing 1.2 million Krucible shares to DYL.

DYL's tenement holdings in the Tanami - Arunta uranium province totals approximately 28,751 km² comprising:

- * Defined projects cover 10,908 km²
- * DYL has 100% rights to uranium with ABM Resources NL tenements covering an additional 17,843 km²
- * Napperby calcrete-hosted uranium deposit Inferred JORC Code mineral resource of **9.34 million tonnes at 359 ppm U₃O₈ for 3,351 tonnes (7.39 Mlbs) U₃O₈** as part of a larger mineralised system.
- * Operational base in Alice Springs

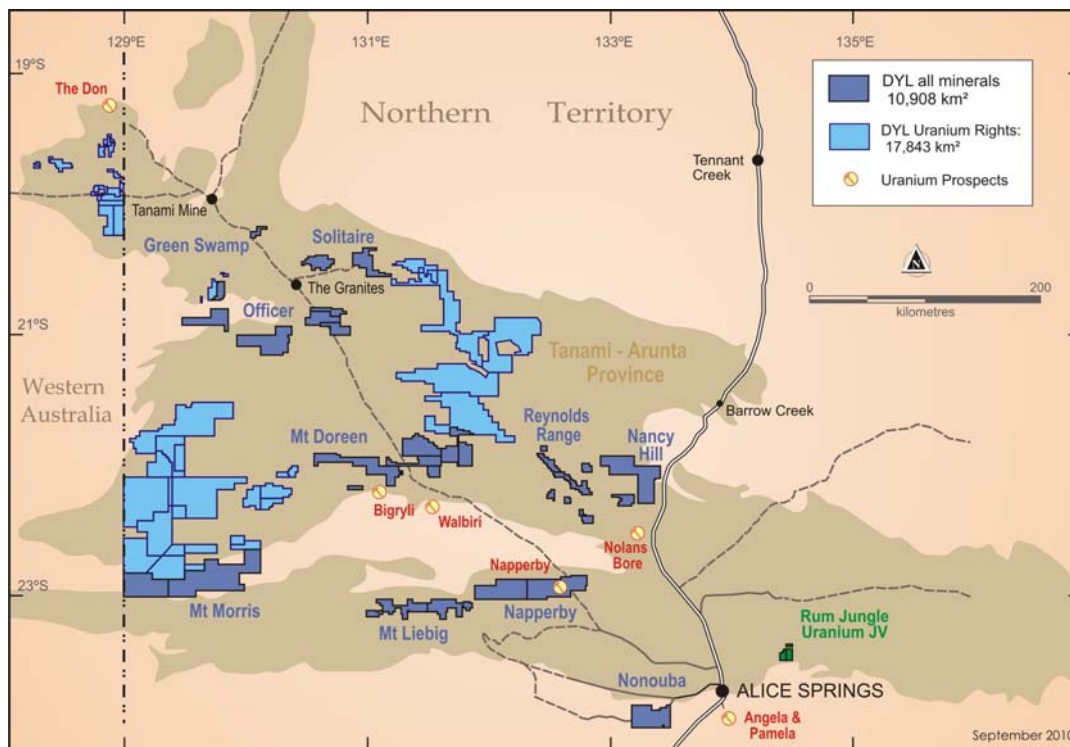


Figure 16: Northern Territory Tenements

The target within the majority of the tenement areas is calcrete-hosted uranium mineralisation similar to DYL's Napperby deposit. The potential for this style of mineralisation occurring in buried channels (palaeochannels) can be rapidly assessed by airborne electromagnetic surveys and 1 to 2 kilometre spaced shallow drill traverses. Other targets include potential roll-front uranium mineralisation at Mt Liebig located 250 kilometres WNW of Alice Springs and at Nonouba west of Alice Springs.

Napperby Project

The Napperby Project includes an historic mineralised zone discovered and explored by CRA Exploration and Uranerz in the late 1970's and early 1980's that defined a mineralised zone over some 20 kilometre strike length. The extensive mineralised zone occurs within 3 metre to 8 metre from surface in semi-consolidated and unconsolidated sediments within a palaeochannel. The project is close to infrastructure, being 175 kilometres northwest of Alice Springs along the sealed section of the Tanami Highway, within 20 kilometres of the Alice Springs to Darwin gas pipeline and with access to the main north-south railway through Alice Springs.

The Napperby uranium deposit (vended into DYL by Paladin Energy) was a cornerstone project in the re-listing of DYL, as a uranium Company in 2004. Following the completion of a drill out of a 1 kilometre zone of the 14 kilometre strike of the deposit by DYL in 2006 (confirming both tonnage and grade estimates for the area drilled), the Project was optioned to Toro Energy Ltd (Toro) and Toro had until May 2010 to complete a JORC resource drill out at which point it had the option to purchase the property from DYL.

In early May 2010 Deep Yellow received notice from Toro that it would not be exercising its option to purchase the Napperby uranium project and would allow the option period to expire on the close of business on 4 May 2010.

As a result of this decision, the project has once again become fully available to DYL as a 100% owned project. DYL has initiated an evaluation programme aimed at determining the optimum value option to the Company. Among the options available to the Company is packaging the project with other DYL exploration tenements in the Northern Territory for sale or Joint Venture.

Despite Toro's decision to allow the purchase option to expire, DYL is confident that Toro's diligent efforts and investment across the past three years have added considerable technical knowledge to the project and provided important insights into the potential future value of the project.

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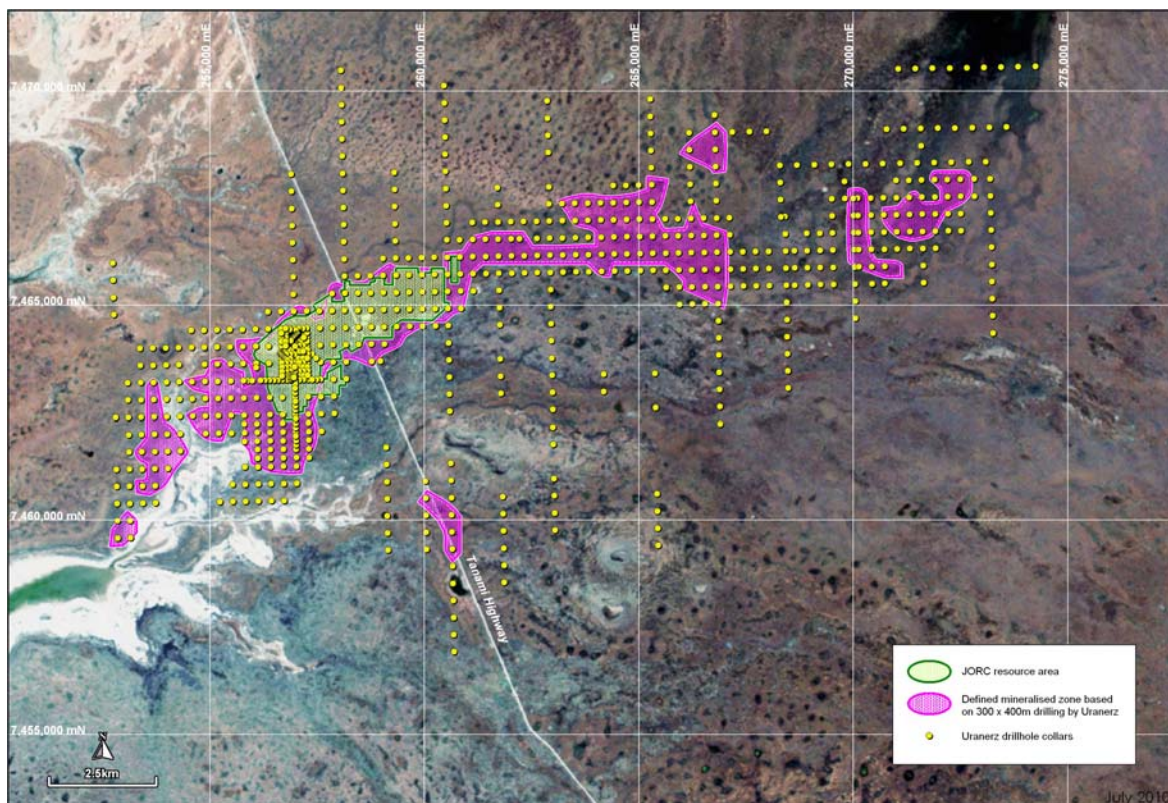


Figure 17: Extent of historic drilling by Uranez and JORC Code drilling by DYL/Toro

Delineation work on the deposit by Toro and previously by DYL resulted in classifying an Inferred Resource under the JORC Code, totalling of **9.34 million tonnes at 359 ppm for 3,351 tonnes (7.39 Mlbs) U₃O₈ using a 200 ppm cut-off grade**. The resource drillout work was done on approximately half of the historic mineralised area and correlates well with the results of previous work carried out on this portion of the deposit. Additional drilling is required to complete the evaluation of the balance of the historic mineralised area to JORC Code standard.

Napperby Deeps

DYL's Napperby calcrete-hosted uranium deposit occurs in a relatively 'young' palaeochannel system developed within the Tertiary – Quaternary Burt Basin. The sand and weakly consolidated/cemented sediments hosting the deposit overlay Palaeoproterozoic basement rocks which regionally have potential to host gold, base metals and IOCG (±U) deposits.

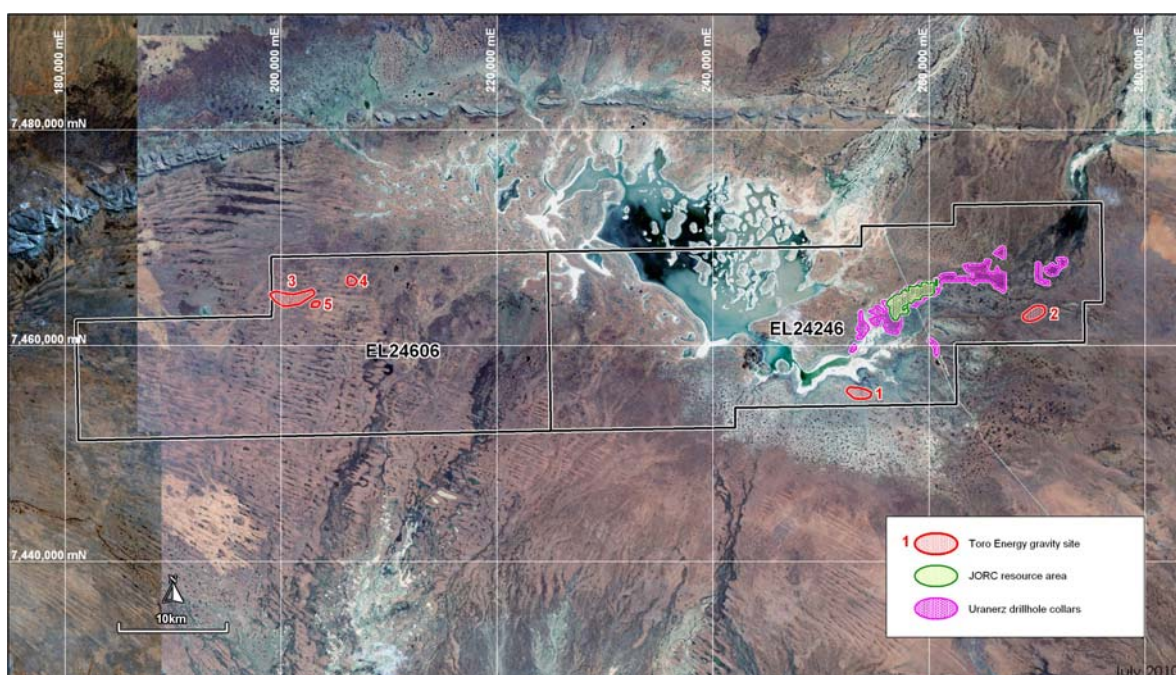


Figure 18: Napperby Deeps - Gravity Targets

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During the period of the Toro option over the Napperby deposit, DYL and Toro entered into a 50/50 joint venture to test magnetic/gravity targets developed in basement terrain within ELs 24246 and 24606.

Prior to Toro withdrawing from the 'Napperby Option' as operators of the JV they undertook a gravity survey and drilled two RC/diamond tail holes to test two of five drill targets. One hole failed to reach basement and the second hole intersected magnetite bearing granite in part explaining the gravity/magnetic anomaly at that location.

DYL will assess the 'Deeps' programme with a view to continuing exploration if and as warranted.

Mt Liebig Project

The Mt Liebig Project located 250 kilometres WNW of Alice Springs comprises two exploration licences contiguous to the SW of the Napperby tenements. The target is shallow calcrete hosted uranium mineralisation as per Napperby and/or Tertiary sandstone hosted roll front uranium mineralisation at depth.

A meeting with Traditional Aboriginal Owners to negotiate access for uranium exploration took place on the 21 November 2007. The Company has recently been informed that its proposal to explore for uranium and possible future mining has been accepted by the Traditional Aboriginal Owners and DYL have agreed to the Terms and Conditions of Deed for Exploration. Permission was received to fly an AEM survey over the tenements in August 2008 and DYL field crew has completed a reconnaissance visit to check access for the proposed 5,000 metre aircore drill programme.

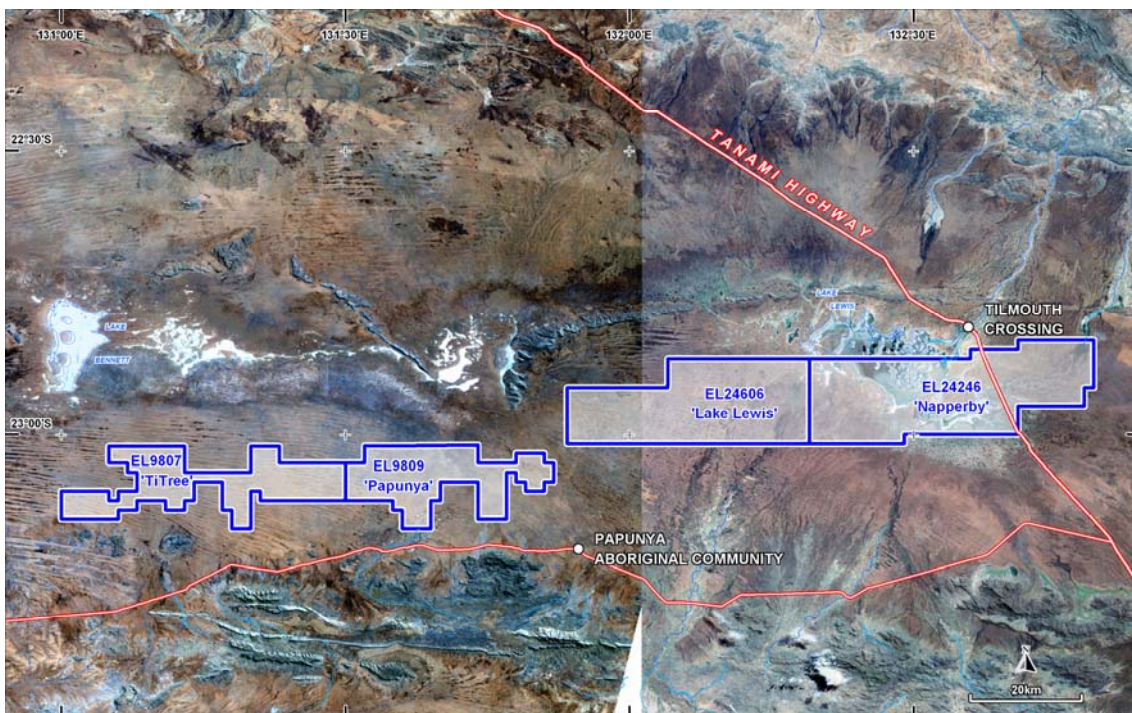


Figure 19: Mt Liebig and Napperby Project Areas

Officer Project

DYL received notification that its application for access to the Officer Project tenements 400 kilometres Northwest of Alice Springs has been successful and has accepted the Terms and Conditions of a Deed for Exploration for the project area. A first meeting of Traditional Owners was held on 29 June 2010 at Mt Davidson.

DYL will initially target a palaeochannel related uranium radiometric anomaly over 16 kilometre length within EL 10223 located approximately 50 kilometres south of the Granites Gold Mine.



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Namibia

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Leon Pretorius, a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Pretorius has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Pretorius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resource estimation for Aussinanis and Tumas is based on work completed by Mr Jonathon Abbott who is a full time employee of Hellman and Schofield Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and as a Qualified Person as defined in the AIM Rules. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Resource is based on information compiled by Mr Mike Hall, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hall is Consulting Geologist Resources with the MSA Group and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Reserves'. Mr Hall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Information in this report has also been verified by Mr Mike Venter, who is a member of the South African Council for Natural and Scientific Professions (SACNASP), a 'Recognised Overseas Professional Organization' (ROPO). Mr Venter is Regional Consulting Geologist, with The MSA Group and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Reserves'. Mr Venter has visited the project sites to review drilling, sampling and other aspects of the work relevant to this announcement.

Queensland

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Martin Kavanagh, a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Kavanagh is an Executive Director of Deep Yellow Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kavanagh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Mineral Resource is based on information compiled by Neil Inwood. Neil Inwood is a Member of The Australasian Institute of Mining and Metallurgy. Neil Inwood is employed by Coffey Mining Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Reserves'. Mr Inwood consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Northern Territory

The information in this report that relates to Mineral Resource estimation for the Napperby Project is based on information compiled by Mr Daniel Guibal who is a Fellow (CP) of the Australasian Institute of Mining and Metallurgy. Mr Guibal is a full time employee of SRK Consulting and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Guibal consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where eU₃O₈ values are reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A675 slimline gamma ray tool. All probes are calibrated either at the Pelindaba Calibration facility in South Africa or at the Adelaide Calibration facility in South Australia.



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CORPORATE GOVERNANCE STATEMENT

Introduction

The Board strongly supports a corporate governance framework to ensure that its practices are responsible and meet the needs of shareholders.

The Group has adopted the principles of corporate governance as set out by the ASX Corporate Governance Council. The Directors have implemented policies and practices which they believe will focus their attention and that of their Senior Executives on accountability, risk management and ethical conduct. A number of changes to the principles of Corporate Governance were announced on 30 June 2010 and the Board is currently reviewing its policies to ensure it adequately addresses these changes.

This Statement sets out the corporate governance practices in place as at the date of this report all of which comply with the principles and recommendations of the ASX Corporate Governance Council unless otherwise stated.

Corporate Governance Council Recommendation 1: Lay Solid Foundations for Management and Oversight

Role of the Board of Directors

The Board guides and monitors the business and management of the Group on behalf of shareholders by whom they are elected and to whom they are accountable.

In order to fulfil this role, the Board is responsible for the overall corporate governance of the Group including formulating its strategic direction, setting remuneration and monitoring the performance of Directors and Executives. The Board relies on Senior Executives to assist it in approving and monitoring expenditure, ensuring the integrity of internal controls and management information systems and monitoring financial and other reporting.

The Board has adopted a **Board Charter**, complying with Recommendation 1.1 of the Corporate Governance Council, which clarifies the respective roles of the Board and senior management and assists in decision making processes.

Board processes

The Board agrees a schedule of regular meetings for each calendar year. For the 2011 year, there are nine scheduled Board meetings, together with such other meetings as may be necessary.

A standardised agenda for the meetings has been adopted to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and or regular review are scheduled when and as appropriate. The agenda is reviewed by the Chairman and the Managing Director.

Evaluation of Senior Executive Performance

The Executive Directors have undertaken a review of the performance of the Group's senior executives during the year, complying with Recommendation 1.2 of the Corporate Governance Council.

Corporate Governance Council Recommendation 2: Structure the Board to Add Value

Board Composition

The Constitution of the Company provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board includes the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the Group, intellectual ability to contribute to Board duties and responsibilities.

Directors initially appointed by the Board are subject to re-election by shareholders at the next annual general meeting. Also, one third of the Directors are subject to re-election by shareholders at each annual general meeting.

The Board is presently comprised of six members, four Non-Executive and two Executive:

* Mr Mervyn Greene	- Chairman (Non-Executive)	* Ms Gillian Swaby	- Non-Executive
* Mr Patrick Mutz	- Managing Director	* Mr Rudolf Brunovs	- Non-Executive Independent
* Mr Martin Kavanagh	- Executive Director	* Mr Tony McDonald	- Non-Executive Independent

In considering whether or not a Director is independent, the Board has regard to the independence criteria set out in the ASX Corporate Governance Council's Principles and Recommendations.

Directors are expected to bring independent views and judgement to the Board's deliberations. Two of the six Directors are considered by the Board to be independent, and as such the Company and therefore the Group does not comply with Recommendation 2.1 of the Corporate Governance Council, which recommends that a majority of Board Members should be independent. The Board considers that both its structure and composition are appropriate given the size of the Group and that the interests of the Group and its shareholders are well met.

Independence of Chairman

The Chairman is not considered to be independent due to holding a significant interest in the Company's securities, and therefore the Company has not complied with Recommendation 2.2 of the Corporate Governance Council. However, the Board considers the Chairman is the most appropriate person for the role due to his commercial experience and that the interests of the Company and its shareholders are being met by the current Chairman.

Roles of Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer are exercised by separate individuals, and accordingly the Group complies with Recommendation 2.3 of the Corporate Governance Council.

CORPORATE GOVERNANCE STATEMENT

Nomination Committee

The full Board carries out the functions of a Nomination Committee in respect of the selection and appointment process for Directors. While this does not comply with Recommendation 2.4 of the Corporate Governance Council which recommends having a separate Nomination Committee, the Board considers that given the size and maturity of the Group and the importance of Board composition it is appropriate that all members of the Board participate in such decision making.

In carrying out this role, the Board is cognisant of the requirement to ensure that Board composition is appropriate for the Group's stage of development. The Board is planning to carry out a review of composition in this coming financial year to ensure there is an appropriate mix of skills, experience, expertise and diversity on the Board.

Prior to nominating Mr Patrick Mutz for appointment to the Board, Directors engaged an independent third party recruitment firm experienced in dealing in personnel at the CEO level. The recruitment firm then embarked on a national and international search for candidates. Once final selections had been made, an interview with each of the Board members was undertaken and a decision then finalised.

Evaluation of Board Performance

The Company has a formal process for the evaluation of the effectiveness, processes and structure of the Board, and as such complies with Recommendation 2.5 of the Corporate Governance Council.

The Board has undertaken a formal review of its performance for the year ended 30 June 2010.

The process includes the completion of individual questionnaires focused on Board process, effectiveness and structure as well as the effectiveness and contribution made by each Director. The responses are collated and discussed with a view to considering recommendations for improvement and / or appropriate changes.

Education

All Executives and Directors are encouraged to attend professional education courses relevant to their roles.

Independent professional advice and access to information

Each Director has the right to access all relevant information in respect to the Group and to make appropriate enquiries of Senior Executives.

Corporate Governance Council Recommendation 3: Promote Ethical and Responsible Decision Making

The Board actively promotes ethical and responsible decision making.

Code of Conduct

The Board has adopted a Code of Conduct that applies to Directors and key Executives of the Group and complies with Recommendation 3.1 of the Corporate Governance Council. This Code sets expectations for conduct in accordance with legal requirements and agreed ethical standards.

In addition the Board has adopted an **Ethics and Conduct Policy** which applies to all employees, consultants and Directors.

The Ethics and Conduct Policy addresses the following:

- | | | |
|--|------------------------|----------------------------|
| * Responsibility to shareholders and the financial community | * Environment | * Confidential information |
| * Responsibility to third parties | * Community activities | * Conflicts of interest |
| * Employment practices | * Privacy | |

Securities Trading Policy

The Board is committed to ensuring that the Directors and Senior Executives comply with their legal obligations as well as conducting their business in a transparent and ethical manner. Directors and Senior Executives (including their immediate family or any entity for which they control investment decisions), must ensure that any trading in securities issued by the Company is undertaken within the framework set out in the **Securities Trading Policy**.

The Policy does not prevent Directors and Senior Executives (including their immediate family or any entity for which they control investment decisions) from participating in any share plan or share offers established or made by the Company, provided that at the time the individual is not in possession of any price sensitive information, not otherwise generally available to all security holders.

In keeping with recommendations pertaining to Corporate Governance Principle 3.2 the Company has amended its policy on Security Trading to include a clause prohibiting Directors and Senior Executives from entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company over unvested entitlements.

The Board has a policy which prohibits trading in the securities of the Company by Directors and Senior Executives and nominated employees prior to written consent being obtained from the Chairman or Managing Director.

Corporate Governance Council Recommendation 4: Safeguard Integrity in Financial Reporting

Audit Committee

The Audit Committee is comprised of three of the four Non-Executive Directors and complies with Recommendation 4.1 of the Corporate Governance Council.

Composition of Audit Committee

The Audit Committee consists of Non-Executive Directors, the majority of which are Independent Directors and is chaired by an Independent Director who is not the Chairman of the Board. This complies with Recommendation 4.2 of the Corporate Governance Council.

CORPORATE GOVERNANCE STATEMENT

The members of the Audit Committee are Rudolf Brunovs (Chairman), Gillian Swaby and Tony McDonald. The relevant qualifications and details of attendance at Audit Committee meetings are set out in the Directors' Report. This complies with Recommendation 4.4 of the Corporate Governance Council.

Audit Committee Charter

The Audit Committee operates under an Audit Committee Charter which, complies with Recommendation 4.3 of the Corporate Governance Council. The responsibilities of the Committee include the appointment, compensation and oversight of the independent auditor and the review of the published financial reports.

Financial Reporting

The Board relies on Senior Executives to monitor the internal controls within the Group. Financial performance is monitored on a regular basis by the Managing Director who reports to the Board at the scheduled Board Meetings.

Corporate Governance Council Recommendation 5: Make Timely and Balanced Disclosure

Continuous Disclosure Policies

The Board is committed to the promotion of investor confidence by providing full and timely information to all security holders and market participants about the Group's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the Australian Securities Exchange Listing Rules. The Group has adopted a **Continuous Disclosure Policy**, complying with Recommendation 5.1 of the Corporate Governance Council with the ASX Listing Rule Requirements.

Continuous disclosure is discussed at all regular Board meetings and on an ongoing basis the Board ensures that all activities are reviewed for disclosure to the market.

In accordance with ASX Listing Rules, the Company Secretary has been appointed as the Company's disclosure officer.

Directors' Disclosure Obligations

The Board is committed to complying with ASX Listing Rules and best practices particularly with respect to the level and nature of information provided by Directors.

The Directors' Disclosure Policy requires each of the Directors to provide continuous and timely disclosure of all dealings in Company securities in which the Director has a relevant interest. Dealing includes charging, pledging, lending, transferring or granting a right over the Company's securities.

Corporate Governance Council Recommendation 6: Respect the Rights of Shareholders

Communications Policy

The Board supports practices that provide effective and clear communications with security holders and allow security holder participation at general meetings. A formal **Shareholder Communications Policy** has been adopted, complying with Recommendation 6.1 of the Corporate Governance Council.

In addition to electronic communication via the ASX website, the Group publishes all ASX announcements together with all quarterly reports. These documents are available on request and are posted on the Company website at www.deeptyellow.com.au. In addition 'user friendly' interactive Annual Reports are available on the website.

The website provides shareholders and others the opportunity to receive additional information by registering to receive by email press releases and other materials posted to the website.

Shareholders are able to pose questions on the audit process directly to the independent auditor who attends the Annual General Meeting for that purpose.

All 'presentations' made at technical or investor conferences are lodged with the ASX and published on the Company's website thereby providing wide accessibility.

Corporate Governance Council Recommendation 7: Recognise and Manage Risk

Adoption of Risk Management Policies

The Board has recently implemented a Risk Management Strategy including a number of specific policies to oversee and manage potential and actual material business risks, complying with Recommendation 7.1 of the Corporate Governance Council. The Board is responsible for supervising management's framework of control and accountability systems to enable risk to be assessed and managed. The Board has delegated day-to-day management of risk to the Managing Director.

Risk Management and Internal Control System

The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

In order to implement the Risk Management Policy, it was considered important to establish a Risk Management Strategy and an internal control regime in order to:

- * Assist the Group to achieve its strategic objectives,
- * Safeguard the assets and interests of the Group and its stakeholders, and
- * Ensure the accuracy and integrity of external reporting.

Risk Management Strategy

The **Risk Management Strategy** is designed to identify and assess possible sources of harm to the Group and to take steps to decrease or prevent that harm from occurring.

CORPORATE GOVERNANCE STATEMENT

The Strategy includes evidence of procedures and processes which a commitment to the management of risk by – avoiding, sharing, transferring, reducing (mitigation) or accepting/retaining the risk.

To manage and assess risk, the Group has adopted and 'tailored to fit' a **Risk Management Plan** and a **Risk Management Framework** as outlined in the Australia/New Zealand Standard AS/NZS 4360:2004.

Key risk traits are identified and managed using the following tools:

- * **Business Risk Management**
The Group manages its activities through financial budgets and operational and strategic plans.
- * **Internal Controls**
The Board has implemented internal control processes appropriate for a company of Deep Yellow's size and stage of development. It requires senior executives to ensure the proper functioning of internal controls.
- * **Financial Reporting**
Directors approve an annual financial budget for the Group and regularly review performance against budget.
- * **Operation Review**
Executive Directors regularly visit the Group's exploration project areas to review the geological practices including the environmental and safety aspects of the operations. In addition the Board also has a programme for site visits.
- * **Environment and Safety**
The Group is committed to ensuring that sound environmental management and safety practices are carried out in its exploration activities. Significant resources have been focussed on establishing and maintaining a culture of best practice through the implementation of an **Occupational Health and Safety Plan** and an **Environmental Management Plan**. As a uranium explorer, additional responsibilities require the implementation of a Radiation Management Plan as part of the management of Occupational Health and Safety policies. The Group uses external consultants to review its activities and to assist in maintaining a best practice approach to the issues surrounding Radiation Management.

To assist in the management of this risk, the Board has adopted an **Occupational Health and Safety Policy**, **Environmental Policy** and **Ethics and Conduct Policy**, through which all employees and contractors are inducted.

In accordance with Recommendation 7.2 of the Corporate Governance Council, the Risk Management Policy requires that senior management report to the Managing Director as to the effectiveness of the risk management and internal control systems and that regular reports thereon be provided to the Board.

Continuous Improvement

The Risk Management Strategy is evolving and will develop with the growth of the Group's activities in the following risk areas:

Corporate:

- * Financial
- * Commercial
- * Legal
- * Sovereign Risk
- * Management
- * Business Development
- * Public Relations
- * Human Resources

Operations:

- * Field Operations
- * Occupational Health & Safety
- * Environmental
- * Technological
- * Land Management
- * Native Title
- * Radiation Management

Chief Executive Officer and Chief Financial Officer Confirmations

In accordance with Recommendation 7.3 of the Corporate Governance Council, the Board requires the Managing Director and the Chief Financial Officer to provide a written statement that the financial statements of the Group present a true and fair view, in all material respects, of the financial position and performance and have been prepared in accordance with Australian accounting standards and the Corporations Act. In addition, the Board requires assurance from the Managing Director and Chief Financial Officer that the declaration is founded upon a sound system of risk management and internal control, and that the systems operate effectively in all material aspects.

Corporate Governance Council Recommendation 8: Remunerate Fairly and Responsibly

Remuneration Committee

The Remuneration Committee consists of all four Non-Executive Directors, operates under the Remuneration Committee Charter and is chaired by an Independent Director and as such complies with Recommendation 8.1 of the Corporate Governance Council.

The Remuneration Committee is responsible for determining and reviewing the overall remuneration philosophy, strategy, plans, policies and procedures to implement the remuneration objective. It also reviews and makes recommendations as to the composition of the remuneration packages for the directors and executives.

Structure of Non-Executive and Executive Directors/Senior Executive Remuneration

The Group's remuneration objective is to adopt policies, processes and practices to:

- * attract and retain appropriately qualified and experienced directors and executives who will add value
- * adopt reward programmes which are fair and responsible and in accordance with principles of good corporate governance, which dictates a need to align director and executive entitlements with shareholder objectives.

The Remuneration Committee makes recommendations to the Board on the basis of individual performance, trends in comparative companies and the need for a balance between fixed remuneration and non-cash incentive remuneration.

Remuneration packages for Executive Directors and senior executives comprise fixed remuneration and may include bonuses or equity based remuneration as per individual contractual agreements or at the discretion of the Board where no contractual agreement exist. Remuneration packages are reviewed by the Remuneration Committee. The process consists of a review of Company, individual performance and relevant comparative remuneration externally and internally.

Non-Executive Director remuneration is a fixed annual amount of Director fees, the total of which is within the amount approved by shareholders. Performance based bonuses or equity based remuneration is not considered appropriate for Non-Executive Directors and accordingly does not form part of their remuneration.

In distinguishing between the remuneration practices for its Non-Executive Directors and the remuneration practices applicable to Executive staff, the Group complies with Recommendation 8.2 of the Corporate Governance Council.

DIRECTORS' REPORT

The Directors present their report on Deep Yellow Limited (Company) and the entities it controlled at the end of, and during the year ended 30 June 2010 (the Group).

Directors

The names and details of the Directors of Deep Yellow Limited during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mervyn Greene MA (Maths) BAI (Engineering) MBA Chairman

Mr Greene is an investment banker and entrepreneur who has worked in the US, Europe and Africa for more than 25 years. Between 1997 and 2005 Mr Greene was the London based partner of Irwin Jacobs Greene (IJG), one of Namibia's premier stockbroking, private equity and corporate finance advisory firms. As part of its business, IJG was involved in a number of capital raisings for Namibian State enterprises. Mr Greene has had broad experience in a range of corporate transactions both in Namibia and abroad. In the early stages of his career, before doing an MBA in the London Business School in 1992, Mr Greene worked for Morgan Stanley in New York and London. His focus more recently has been at the helm of a number of businesses by way of Private Equity Investment.

Mr Greene is a member of the Board's Remuneration Committee.

Patrick Mutz - BSc/BM (Hons), MBA/GM, FAusIMM, MSME, REM(USA), MAICD Managing Director (appointed as Group Managing Director 1 March 2010)

Mr Mutz has more than 30 years of experience within the international uranium mining industry across Board, executive, managerial and technical roles in the United States, Germany and Australia. He is a Registered Environmental Manager (REM) through the National Registry of Environmental Professionals (NREP) in the USA and holds a Masters of Business Administration in Global Business Management (MBA/GM) and a Bachelor of Science in Business Management (BSc/BM) with honours from the University of Phoenix. He is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), a 25+ year member of the Society for Mining, Metallurgy and Exploration (SME) and a member of the Australian Institute of Company Directors (AICD). In previous roles he was Managing Director for Alliance Resources Limited, 25% owner of the world-class Four Mile Uranium project under development in South Australia and prior to that, Managing Director of Operations for Heathgate Resources Pty Ltd, owner and operator of the Beverley Uranium Mine in South Australia.

During the past three years Mr Mutz has also served as a director of the following listed companies:

Alliance Resources Limited – appointed 11 August 2008; resigned 31 August 2010
Uranium Exploration Australia Limited – resigned 30 November 2008

Martin Kavanagh BSc (Hons) FAusIMM MAIG Executive Director

Mr Kavanagh is a geologist with 40 years experience acquired through extensive fieldwork, research and management of Australia-wide and offshore programmes. He has held several senior positions and worked widely within the exploration and mining industry throughout Australia and offshore in Indonesia, New Zealand, the Southwest Pacific islands, Namibia and North America. Mr Kavanagh has over 15 years experience as a director of a public company.

During the past three years Mr Kavanagh has also served as a director of the following listed company:

Tanami Gold NL – resigned 31 July 2007.

Gillian Swaby BBus FCIS FAICD Non-Executive Director

Ms Swaby has been involved in financial and corporate administration, as both Director and Company Secretary covering a broad range of industry sectors, for over 25 years. Ms Swaby has extensive experience in the area of secretarial practice, corporate governance, management accounting and corporate and financial management. Ms Swaby is the principal of a corporate consulting company and past Chair of the Western Australian Council of Chartered Secretaries of Australia and a former Director on their National Board. She is currently the Company Secretary of Paladin Energy Limited and was a director of that company for almost 10 years.

Ms Swaby is a member of the Audit Committee and the Remuneration Committee. During the past three years Ms Swaby has also served as a director of the following listed company:

Comet Ridge Limited - appointed 9 January 2004.

Rudolf Brunovs FCA FCPA FAICD MBA Non-Executive Director

Mr Brunovs is a former Partner of Ernst & Young an international accounting firm. He practiced in a number of offices in Australia and overseas and for a period of 12 years he held the position of Managing Partner of the Parramatta NSW and subsequently the Perth office of the firm. He was a member of the Minerals and Energy Industry Group with Ernst & Young. He had no involvement with the audit of Deep Yellow Limited whilst a partner of the firm.

Mr Brunovs is Chairman of the Audit Committee and is a member of the Remuneration Committee.

Tony McDonald LLB MAICD Non-Executive Director

Mr McDonald is a lawyer involved in the natural resources sector and has been in private practice in Queensland since 1983. He has been a legal advisor to a number of listed and unlisted companies and has been a director and corporate secretary of other ASX listed companies in the past.

Mr McDonald is Chairman of the Remuneration Committee and is a member of the Audit Committee. During the past three years Mr McDonald has also served as a director of the following listed companies:

Planet Gas Limited – appointed 19 November 2003
Industrea Limited – appointed 14 November 2007

DIRECTORS' REPORT

Dr Leon Pretorius BSc (Hons) MSc PhD FAusIMM (CP) MAIG PrNatSci
Managing Director (resigned as Group Managing Director 1 March 2010)

Dr Pretorius is a Geochemist and brings to the Group 40 years experience and an intimate knowledge of the uranium industry in both Australia and Southern Africa, including MSc and PhD degrees in uranium research. He has worked in Africa, Canada, the United States of America and Europe in a variety of roles. He has also been involved with Paladin Energy Limited for the past seven years, firstly as an Executive Director of Paladin Energy Limited until 12 April 2005 and still as a Non-Executive Director of their Namibian operating mining company Langer Heinrich Uranium (Pty) Limited.

During the past three years Dr Pretorius has also served as a director of the following listed company:

Icon Resources Ltd – appointed 15 March 2010

Company Secretary

Mark Pitts BBus ACA

Mr Pitts is a Chartered Accountant with over 25 years experience in statutory reporting and business administration. He has been directly involved with, and consulted to a number of public companies holding senior financial management positions. He is a Partner in the corporate advisory firm Endeavour Corporate providing company secretarial support; corporate and compliance advice to a number of ASX listed public companies.

Directors' Interests

As at the date of this report, the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options
Mervyn Greene	74,316,667	-
Patrick Mutz	-	-
Martin Kavanagh	487,500	6,800,000
Gillian Swaby	50,000,000	-
Rudolf Brunovs	125,000	-
Tony McDonald	866,666	-
Leon Pretorius	73,981,124	9,650,000

Included in the Directors' interests in unlisted options are the following unlisted options that have vested and are able to be exercised.

Director	Number of Unlisted Options	Exercise price
Leon Pretorius	2,150,000	27.5 cents
Leon Pretorius	7,500,000	59.5 cents
Martin Kavanagh	5,000,000	59.5 cents
Martin Kavanagh	1,800,000	27.5 cents

Directors' Meetings

The number of meetings of the Company's Directors (including meetings of committees of Directors) held during the year ended 30 June 2010, whilst each Director was in office, and the numbers of meetings attended by each Director were:

Director	Directors' Meetings		Audit Committee		Remuneration Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Mervyn Greene	10	10	-	-	3	3
Patrick Mutz	5	5	-	-	-	-
Martin Kavanagh	10	10	-	-	-	-
Gillian Swaby	10	9	2	2	3	3
Rudolf Brunovs	10	10	2	2	3	3
Tony McDonald	10	10	2	2	3	3
Leon Pretorius	5	5	-	-	-	-

Principal Activities

The principal activities of the Group during the financial year consisted of uranium mineral exploration and pre-development activities in various States and Territories of Australia and in Namibia.

There were no significant changes in these activities during the financial year.

Operating results for the year

The Group's net loss after income tax for the financial year is \$4,508,422 (2009: loss \$13,346,812). The above figure is after the following charges:

- * Exploration expenditure written off of \$1,035,221 (2009: \$14,245,847)
- * Impairment expense and fair value movement of \$222,867 (2009: \$1,189,324)

Dividends

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

DIRECTORS' REPORT

Review of Activities

Operations

A detailed review of the Group's operations in each of the key regions is set out in the 'Review of Operations' on pages 5 to 32 in this Annual Report.

Financial Position

At the end of the financial year the Group had \$29,575,628 (2009: \$47,415,814) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure carried forward was \$113,290,676 (2009: \$98,196,751).

The Group has net assets of \$146,163,627 (2009: \$148,503,827).

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

- * On 28 October 2009 the Company announced in its September 2009 quarterly report that the Joint Venture Agreement with Universal Resources Limited, whereby the Company could earn a 80% interest in uranium and related products, had been finalised. The Company earned a 51% interest in EPM 14367 by expending in excess of \$100,000 on exploration by 31 December 2009. The additional 29% could be earned by expending a further \$150,000 on exploration by 31 December 2010;
- * On 9 December 2009 the Company announced that following the receipt of Ministerial consent, the purchase of EPM's 14916 (Ewen) and 14281 (Yamamilla), by the payment of A\$1,400,000 to the Receivers and Managers of Matrix Metals Limited, had been settled by transfer of title to the Company; and
- * On 3 May 2010 the Company announced that it has been notified by Toro Energy Limited that Toro would not be proceeding to exercise its option to acquire the Napperby uranium project in the Northern Territory.

Options Over Unissued Capital

Unlisted Options

During and since the end of the financial year the Company granted 7,275,000 unlisted options over unissued shares and issued 2,437,500 ordinary fully paid shares on the exercise of options. During and since the end of the financial year 1,775,000 options lapsed unexercised upon vesting conditions not being satisfied by the holders and 19,700,000 options expired according to their terms and conditions.

As at the date of this report unissued ordinary shares of the Company under option are:

Number of Options	Exercise Price	Expiry Date	Vesting Period
12,500,000	59.5 cents	30 November 2010	Now vested
2,437,500	59.6 cents	31 December 2010	Now vested
612,500	74.6 cents	30 June 2011	Now vested
8,462,500	27.5 cents	30 June 2011	Now vested
3,230,000	40.0 cents	30 June 2011	Now vested
2,145,000	45.0 cents	30 June 2011	Now vested
1,370,000	60.0 cents	30 June 2011	Now vested
1,650,000	27.5 cents	31 December 2011	Now vested
705,000	27.5 cents	30 June 2012	Now vested
2,625,000	35.0 cents	30 June 2012	Now vested
3,425,000	45.0 cents	30 June 2012	Now vested
625,000	60.0 cents	30 June 2012	Now vested
39,787,500			

Options issued to Directors, employees and consultants are subject to various vesting conditions detailed in Note 16.

The holders of options are not entitled to any voting rights nor may they participate in any share issue of the Company until the options are exercised.

Matters Subsequent to the End of the Financial Year

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group are included elsewhere in this Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of the future exploration and evaluation.

Environmental Regulation and Performance

The Group holds various exploration licences that regulate its exploration activities in Australia and Namibia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of the Group's exploration activities.

At the date of this report no agency has notified the Group of any environmental breaches during the financial year or are the Directors aware of any environmental breaches.

DIRECTORS' REPORT

Remuneration Report (Audited)

This Remuneration Report outlines the Director and executive remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director of the parent Company and the executives receiving the highest remuneration.

For the purpose of this report, the term 'executive' encompasses senior executives, general managers and secretaries of the Parent and the Group.

Details of key management personnel

(a) Directors

Mervyn Greene	Chairman (Non-Executive)	Rudolf Brunovs	Non- Executive Director
Patrick Mutz	Managing Director (Appointed 1 March 2010)	Gillian Swaby	Non- Executive Director
Martin Kavanagh	Executive Director	Tony McDonald	Non- Executive Director
Dr Leon Pretorius	Managing Director (Retired 1 March 2010) *		

* Dr Pretorius continues to be an Executive as the Managing Director of Reptile Uranium Namibia (Pty) Ltd, a controlled entity of Deep Yellow Limited, after retiring from the position of Group Managing Director.

(b) Executives

Mark Pitts Company Secretary

There were no other persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year.

There were no changes of Key Management Personnel between the reporting date and the date the financial report was authorised for issue.

Remuneration committee

The Board has appointed a Remuneration Committee to assist it in its determination of levels and components of remuneration packages. The Remuneration Committee consists only of Non-Executive Directors.

The Remuneration Committee is responsible for reviewing the overall remuneration philosophy, strategy, plans, policies and procedures to implement the remuneration objective. It also reviews and makes recommendations as to the makeup of the remuneration packages for the directors and executives, ensuring that there is a clear link between performance and remuneration by balancing fixed remuneration with long and short term incentives to reflect long and short term performance of the executives.

In making recommendations to the Board, the Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to the status of the Group and the stage of development of its assets, the skill sets required of the Directors and executives, trends in comparative ASX listed companies and the need for a balance between fixed remuneration and non-cash long and short term incentive remuneration. The process includes a review of Group and individual performances, broad market remuneration data and relevant comparative remuneration externally and internally.

Remuneration philosophy

The Group's remuneration objective is to adopt policies, processes and practices to appropriately attract and retain Directors and executives who will add value to the Group and to adopt reward programs which are fair and responsible and in accordance with principles of good corporate governance. This dictates the aim to align Director and executive entitlements with shareholder objectives.

Remuneration structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and executive remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 19 November 2009 when shareholders approved a maximum amount which could be paid as Non-Executive Director fees of \$450,000 per annum to be apportioned between the Non-Executive Directors as determined by the Board.

The Non-Executive Directors have been paid \$321,550 during the year in relation to their Non-Executive Director roles. Some extra fees were paid for additional services rendered to the Group by Non-Executive Directors.

The remuneration of Non-Executive Directors for the period ended 30 June 2010 and 30 June 2009 is detailed in Table 1 and 2 respectively of this report.

Executive Director and Executives Remuneration

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- * Reward executives for performance.
- * Align the interest of executives with those of shareholders.
- * Ensure total remuneration is competitive by market standards.

DIRECTORS' REPORT

Remuneration Report (Audited) (Cont'd)

Structure

In making recommendations to the Board, the Remuneration Committee may take independent advice, and did so during the reporting period.

The Group's remuneration structure for the Managing Director and Senior Executives can include a mix of:

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

The **fixed remuneration** component comprises base salary and statutory superannuation contributions (where applicable). It is paid by the Group to compensate fully for all requirements of their employment and is subject to annual review. As part of its annual salary review process, the Group benchmarks the fixed component against appropriate market comparisons with the comparator group criteria being market capitalisation and sub-sector grouping using information and advice from external consultants. The Group pays particular attention to the skills, job requirements and other matters specific to the executive and the Group's needs.

The **short term incentive** (STI) component is in the form of a cash bonus. The majority of the bonus will be calculated based on Key Performance Indicators (KPIs). The actual KPIs, weightings and priorities are agreed annually with the Board so as to ensure they remain relevant and appropriate to the Group and the Executives, but are reviewed periodically to ensure it is linked to the strategic and operational plans of the Group, including budgets agreed for each financial year.

The agreement entered into with the incoming Managing Director of the Group, with effect from 1 March 2010, includes a short-term incentive of up to 20% of the base salary component. Payment of a pro-rata STI for the period ended 30 June 2010 is at the discretion of the Board with the maximum achievable being \$30,000 and the minimum being nil. At the date of this report no amount has been paid. The initial set of KPI's covers both financial and non-financial measures of performance.

Performance measures	Proportion of STI award measure applies to
Financial measure:	
* Maximising value of strategic disposals	15%
Non-financial measures:	
* Strategic tenement retention and exploration	
* Resource and Development progressing	
* Market and competitive positioning	85%
* Risk Management	
* Leadership/Staff retention	

These measures were chosen as they represent the key drivers for the short term success of the business and provide a framework for delivering long-term value.

On an annual basis, after consideration of performance against KPIs the Remuneration Committee, in line with their responsibilities, determines the amount, if any, to be paid. As the Group transitions itself to paying variable remuneration, consideration has yet to be given to when the achieved amount will be payable.

The **long term incentive** (LTI) component has been the granting of employee share options at the discretion of the Board and subject to shareholder approval. Options were deliberately chosen because they were thought to provide an appropriate level of incentive in an otherwise competitive environment, are cost effective in that there is no cash outlay for the Group which is appropriate given the Group's exploration status and having no income generation and were issued to encourage the recipients and to provide an incentive to strive for the achievement of the objectives and to link those objectives to those of the shareholders. The terms of the options do not include performance based conditions which are difficult and arguably inappropriate to set during exploration status. They do however vest over a period of time so as to retain Senior Executives and are issued with an exercise price greater than the market price at the time to ensure executives only receive a benefit when shareholder wealth increases. No options were issued to Directors during the financial year. At the date of this report, the agreement entered into with the Managing Director of the Group includes a LTI component of which the award has to be approved by shareholders. Agreements entered into with other Senior Executives do not include an obligation to provide performance based components but do provide for consideration of them in accordance with the Group policies and practices.

As the Group transitions from pure exploration to development, the significance of the STIs and the LTIs is likely to become more relevant and provide for the imposition of appropriate performance based conditions. The Group will look beyond the use of share options which no longer hold the same (or any) incentive value given the changes in interpretation of the taxation implications and the use of other instruments by market peers to attract, retain and / or reward effective and talented executives and staff.

As part of the Group's Securities Trading Policy, Directors and Employees are prohibited from engaging in hedging arrangements over unvested Securities to protect the value of their unvested LTI awards. This includes the use of put and call options or other derivative instruments to hedge their exposure to options or shares granted as part of their remuneration package.

Group performance

The table below shows the performance of the Group as measured by its earnings per share and its share price over the past 5 years.

The movement in share price shown in the table is a reflection of the volatility in the price of U₃O₈ and world capital markets whereby historical U₃O₈ prices have decreased significantly from 2007 as indicated below.

	30 June 2010	30 June 2009	30 June 2008	30 June 2007	30 June 2006
	Cents	Cents	Cents	Cents	Cents
Share price	13.00	33.50	27.00	55.00	10.58
U ₃ O ₈ spot price (US\$/lb)	41.75	51.50	59.00	136.00	45.75
Earnings/(Loss) per share	(0.40)	(1.19)	(0.35)	(0.34)	(0.43)

DIRECTORS' REPORT

Remuneration Report (Audited) (Cont'd)

Details of Remuneration for Directors and Executive Officers

The Company Secretary, Mr Mark Pitts has been included in remuneration disclosures in this report.

During the year there were no other executives which were employed by the Group for whom disclosure is required. Details of the remuneration of each Director and Executive of the Group are as follows:

Table 1: Remuneration for the year ended 30 June 2010

30 June 2010	Short Term		Post Employment	Total	Share Based Payments	Total \$
	Base Emolument	Other Benefits	Superannuation Contributions	Fixed Remuneration	Value of Options (iii)	
	\$	\$	\$		\$	
Directors						
L Pretorius(i)	-	444,000	-	444,000	59,018	503,018
P Mutz	150,000	-	13,500	163,500	-	163,500
M Kavanagh	293,578	-	26,422	320,000	24,705	344,705
M Greene (ii)	109,000	25,000	-	134,000	-	134,000
G Swaby	65,000	-	5,850	70,850	-	70,850
R Brunovs (ii)	70,850	7,500	-	78,350	-	78,350
T McDonald (ii)	70,850	12,000	-	82,850	-	82,850
Executive						
M Pitts	72,000	-	-	72,000	10,050	82,050
Total	831,278	488,500	45,772	1,365,550	93,773	1,459,323

(i) Dr Pretorius remains the Managing Director of Reptile Uranium Namibia, controlled entity of Deep Yellow Limited. He retired as Managing Director of Deep Yellow Limited on 1 March 2010.

(ii) Other benefits component comprises fees paid for additional services rendered to the Group.

(iii) Value of options expensed during the year is detailed in Table 1(a).

Table 1(a): Compensation options: Value of options expensed during the year ended 30 June 2010

30 June 2010	Granted				Terms & Conditions for each Grant			Value of expensed options during the year
	Number of options	Grant Date	Fair Value per option at grant date (cents)	Total value of options granted (\$)	Exercise price per option (cents)	First Exercise Date	Expiry date	
L Pretorius	2,150,000	02.12.08	4.32	92,880	27.5	01.07.10	30.06.11	59,018
M Kavanagh	900,000	02.12.08	4.32	38,880	27.5	01.07.10	30.06.11	24,705
M Pitts	50,000	01.08.09	20.10	10,050	35.0	01.12.09	30.06.12	10,050
								93,773

Table 2: Remuneration for the year ended 30 June 2009

30 June 2009	Short Term		Post Employment	Total	Share Based Payments	Total \$
	Base Emolument	Other Benefits	Superannuation Contributions	Fixed Remuneration	Value of Options (ii)	
	\$	\$	\$		\$	
Directors						
L Pretorius	-	504,000	-	504,000	481,964	985,964
M Kavanagh	293,578	-	26,422	320,000	289,869	609,869
M Greene	70,850	-	-	70,850	-	70,850
G Swaby	50,000	-	4,500	54,500	-	54,500
R Brunovs	54,500	-	-	54,500	-	54,500
T McDonald	54,500	-	-	54,500	-	54,500
Executives						
M Pitts	76,000	-	-	76,000	29,784	105,784
A Moyle (i)	140,000	-	12,600	152,600	(72,134)	80,466
Total	739,428	504,000	43,522	1,286,950	729,484	2,016,434

(i) Left employment 28 February 2009.

(ii) Value of Options expensed during the year is detailed in Table 2(a)

DIRECTORS' REPORT

Remuneration Report (Audited) (Cont'd)

Table 2(a): Compensation options: Value of options expensed during the year ended 30 June 2009

30 June 2009	Number of options	Granted			Terms & Conditions for each Grant			Value of options expensed during the year
		Grant Date	Fair Value per option at grant date (cents)	Total value of options granted (\$)	Exercise price per option (cents)	First Exercise Date	Expiry date	
L Pretorius	3,750,000	28.11.07	11.48	430,500	59.5	28.11.08	30.11.10	177,611
L Pretorius	3,750,000	28.11.07	11.48	430,500	59.5	28.11.09	30.11.10	177,611
L Pretorius	2,150,000	02.12.08	4.32	92,880	27.5	02.12.08	30.06.11	92,880
L Pretorius	2,150,000	02.12.08	4.32	92,880	27.5	01.07.10	30.06.11	33,862
								481,964
M Kavanagh	2,500,000	28.11.07	11.48	287,000	59.5	28.11.08	30.11.10	118,407
M Kavanagh	2,500,000	28.11.07	11.48	287,000	59.5	28.11.09	30.11.10	118,407
M Kavanagh	900,000	02.12.08	4.32	38,880	27.5	02.12.08	30.06.11	38,880
M Kavanagh	900,000	02.12.08	4.32	38,880	27.5	01.07.10	30.06.11	14,175
								289,869
M Pitts	75,000	26.02.08	22.81	17,108	27.5	1.12.08	30.06.11	9,443
M Pitts	75,000	26.02.08	20.54	15,405	40.0	1.12.09	30.06.11	8,731
M Pitts	75,000	20.08.08	15.48	11,610	27.5	1.06.09	31.12.11	11,610
								29,784
A Moyle	250,000	26.02.08	22.81	57,025	27.5	1.12.08	30.06.11	(11,069)
A Moyle	250,000	26.02.08	20.54	51,350	40.0	1.12.09	30.06.11	(9,967)
A Moyle	500,000	26.02.08	19.79	98,950	45.0	1.06.09	30.06.11	(26,830)
A Moyle	500,000	26.02.08	17.90	89,500	60.0	1.06.10	30.06.11	(24,268)
								(72,134)
								729,484

Service Agreements

The Group has the following service agreements with Key Management Personnel:

A contract of Employment with **Mr P Mutz** will continue until 30 June 2015 whereby both parties will address the issue of continuation beyond the expiry of the term no later than 1 December 2014. The terms of the present contract are as follows:

- * Fixed remuneration of \$490,500 per annum (including statutory superannuation)
- * Annual STI payment in the form of a cash bonus of up to 20% of his fixed remuneration (currently \$450,000). LTI payment in the form of share options on terms as disclosed to the ASX on 1 March 2010, subject to shareholder approval at the next general meeting of shareholders.

The contract can at any time be terminated by either party prior to 30 June 2015 providing the other party with 6 months' notice, in writing. Termination of the contract by the Group will result in a payment equivalent to the notice period remuneration.

An agreement with Opaline Gold (Pty) Ltd for consultancy services from **Dr L Pretorius** has no fixed term. Professional fees under the contract are \$444,000 per annum. The Group may at any time terminate the agreement by the giving of 12 months' notice or paying an amount equal to 12 months' professional fees in lieu of such notice. Dr Pretorius may at any time terminate the agreement by the giving of 3 months' notice.

An employment agreement with **Mr M Kavanagh** has no fixed term. Remuneration under the contract is \$320,000 per annum (including statutory superannuation). The Group may at any time terminate the agreement by the giving of 12 months' notice or paying an amount equal to 12 months' remuneration (including statutory superannuation) in lieu of such notice. Mr Kavanagh may at any time terminate the agreement by the giving of 3 months' notice.

Unlisted Options

Unlisted Options provided as remuneration and shares issued on exercise of such options

The value of options set out in remuneration Table 1 for 2010 includes 50,000 options granted during the financial year. The options were independently valued using a binomial option valuation methodology (details are included in Table 3).

Table 3: Compensation options: Granted and vested during the year ended 30 June 2010

30 June 2010	Number of options	Granted			Terms & Conditions for each Grant				Vested	
		Total value of options granted (\$)	Grant Date	Fair Value per option at grant date (cents)	Exercise price per option (cents)	Expiry date	First Exercise Date	Last Exercise Date	Number	%
Executives										
M Pitts	50,000	10,050	01.08.09	20.1	35.0	30.06.12	01.08.09	30.06.12	50,000	100

DIRECTORS' REPORT

Remuneration Report (Audited) (Cont'd)

Table 4: Compensation options: Granted and vested during the year ended 30 June 2009

30 June 2009	Number of options	Granted		Fair Value per option at grant date (cents)	Terms & Conditions for each Grant				Vested	
		Total value of options granted (\$)	Grant Date		Exercise price per option (cents)	Expiry date	First Exercise Date	Last Exercise Date	Number	%
Directors										
L Pretorius	2,150,000	92,880	02.12.08	4.32	27.5	30.06.11	02.12.08	30.06.11	2,150,000	100
L Pretorius	2,150,000	92,880	02.12.08	4.32	27.5	30.06.11	01.07.10	30.06.11	-	0
M Kavanagh	900,000	38,880	02.12.08	4.32	27.5	30.06.11	02.12.08	30.06.11	900,000	100
M Kavanagh	900,000	38,880	02.12.08	4.32	27.5	30.06.11	01.07.10	30.06.11	-	0
Executives										
M Pitts	75,000	11,610	20.08.08	15.48	27.5	31.12.11	01.06.09	31.12.11	75,000	100
Total	6,175,000	275,130								

Table 5: Compensation options: Changes during the year ended 30 June 2010

30 June 2010	Value of options granted during the year (\$)	Value of options exercised during the year (\$)	Value of options lapsed during the year (\$)	Remuneration consisting of options for the year
L Pretorius (i)	-	-	-	11.7%
M Kavanagh (ii)	-	-	-	7.2%
G Swaby (iii)	-	-	-	Nil
M Greene (iv)	-	-	-	Nil
R Brunovs	-	-	-	Nil
T McDonald	-	-	-	Nil
M Pitts	10,050	-	-	12.2%
Total	10,050	-	-	

- (i) The intrinsic value of 5,000,000 options which lapsed during the 2010 year was nil on the day of forfeiture.
(ii) The intrinsic value of 5,000,000 options which lapsed during the 2010 year was nil on the day of forfeiture.
(iii) The intrinsic value of 3,000,000 options which lapsed during the 2010 year was nil on the day of forfeiture.
(iv) The intrinsic value of 3,000,000 options which lapsed during the 2010 year was nil on the day of forfeiture.

For details on the valuation of the options, including models and assumptions used, please refer to note 16.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. The options were provided at no cost to the recipients.

End of Remuneration Report.

DIRECTORS' REPORT

Officers' Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors and the Company Secretary named in this report.

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

The Company has not entered into any agreement to indemnify any auditor of the Group.

Proceedings on Behalf of the Company

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Corporations Act 2001.

Corporate Governance

The Directors recognise the need for the highest standards of corporate behaviour and accountability, and the Group's corporate governance statement is contained in the annual report.

Non-audit Services and Auditor's Independence Declaration

During the 2010 financial year Ernst & Young, the Group's auditor, has provided non audit services in addition to their statutory duties as disclosed below.

	Consolidated	
	2010	2009
	\$	\$
Audit and review of the Group's financial statements	67,926	62,134
Taxation and other services	22,557	2,541
	90,483	64,675

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 47.

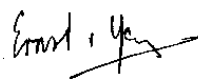
This report is made in accordance with a resolution of the Directors.

DATED at Perth this 16th day of September 2010.


Patrick Mutz
Managing Director

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

In relation to our audit of the financial report of Deep Yellow Limited for the financial year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



R A Kirkby
Partner
16 September 2010

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated	
		2010 \$	2009 \$
Continuing operations			
Interest revenue	5(a)	1,873,970	3,184,559
Other income	5(b)	99,310	751,440
Revenue and Other Income		1,973,280	3,935,999
Depreciation and amortisation expenses	6	(560,950)	(534,740)
Marketing expenses		(122,895)	(33,550)
Occupancy expenses		(223,328)	(215,543)
Administrative expenses		(1,149,033)	(1,239,472)
Employee expenses	6	(3,163,846)	(3,853,241)
Exploration costs written off	13	(1,035,221)	(14,537,134)
Net fair value loss on held for trading financial assets	6	(89,800)	(359,367)
Impairment on available for sale financial assets	6	(133,067)	(829,957)
Loss from continuing operations before income tax		(4,504,860)	(17,667,005)
Income tax (expense) / benefit	7	(3,562)	4,320,193
Loss from continuing operations after income tax	29	(4,508,422)	(13,346,812)
Other comprehensive income			
Foreign currency (loss)/profit		(220,880)	2,279,130
Net fair value (losses)/gains on available for sale financial assets		(320,384)	275,686
Total other comprehensive (loss)/profit for the period		(541,264)	2,554,816
Total comprehensive loss for the period		(5,049,686)	(10,791,996)
Earnings per share for loss attributable to the ordinary equity holders of the company.		Cents	Cents
Basic earnings/(loss) per share	30	(0.40)	(1.19)
Diluted earnings/(loss) per share	30	(0.40)	(1.19)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 30 JUNE 2010

	Note	Consolidated	
		2010	2009
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	8	29,575,628	47,415,814
Trade and other receivables	9(a)	2,414,899	1,269,469
Other assets	9(b)	438,765	427,381
Held for trading financial assets	10	28,000	117,800
Total current assets		32,457,292	49,230,464
Non-current assets			
Available-for-sale investments	11	330,533	822,427
Property, plant and equipment	12	2,427,747	2,900,621
Capitalised mineral exploration and evaluation expenditure	13	113,290,676	98,196,751
Total non-current assets		116,048,956	101,919,799
Total assets		148,506,248	151,150,263
LIABILITIES			
Current liabilities			
Trade and other payables	14	1,488,529	1,795,906
Total current liabilities		1,488,529	1,795,906
Non-Current liabilities			
Deferred tax liabilities	7	854,092	850,530
Total non-current liabilities		854,092	850,530
Total liabilities		2,342,621	2,646,436
Net assets		146,163,627	148,503,827
EQUITY			
Contributed equity	15	194,801,070	193,696,974
Accumulated losses	17	(58,895,066)	(54,386,644)
Equity compensation reserve	17	9,954,625	8,349,235
Asset fair value adjustment reserve	17	-	320,384
Foreign currency translation reserve	17	302,998	523,878
Total equity		146,163,627	148,503,827

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Contributed Equity	Asset fair value adjustment reserve	Foreign currency translation reserve	Equity compensation reserve	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$	\$
At 1 July 2009	193,696,974	320,384	523,878	8,349,235	(54,386,644)	148,503,827
Loss for the period	-	-	-	-	(4,508,422)	(4,508,422)
Other comprehensive loss	-	(320,384)	(220,880)	-	-	(541,264)
Total comprehensive loss for the period	-	(320,384)	(220,880)	-	(4,508,422)	(5,049,686)
Transactions with owners in their capacity as owners:						
Exercise of options	1,104,096	-	-	(433,783)	-	670,313
Share based payments	-	-	-	2,039,173	-	2,039,173
At 30 July 2010	194,801,070	-	302,998	9,954,625	(58,895,066)	146,163,627

	Contributed Equity	Asset fair value adjustment reserve	Foreign currency translation reserve	Equity compensation reserve	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$	\$
At 1 July 2008	191,084,094	44,698	(1,755,252)	6,544,847	(41,039,832)	154,878,555
Loss for the period	-	-	-	-	(13,346,812)	(13,346,812)
Other comprehensive income	-	275,686	2,279,130	-	-	2,554,816
Total comprehensive loss for the period	-	275,686	2,279,130	-	(13,346,812)	(10,791,996)
Transactions with owners in their capacity as owners:						
Exercise of options	2,612,880	-	-	(1,009,130)	-	1,603,750
Share based payments	-	-	-	2,813,518	-	2,813,518
At 30 June 2009	193,696,974	320,384	523,878	8,349,235	(54,386,644)	148,503,827

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

	Note	Consolidated	
		2010 \$	2009 \$
Cash flows from operating activities			
Interest received		1,526,934	3,513,814
Payments to suppliers and employees		(2,890,327)	(2,331,039)
Other income received		38,333	239,565
Net cash (used in) / from operating activities	29	(1,325,060)	1,422,340
Cash flows from investing activities			
Exploration expenditure		(16,131,580)	(14,557,150)
Proceeds from sale of investments		99,419	1,227,407
Payments for property, plant and equipment		(151,865)	(723,677)
Payments for purchase of prospects		(1,300,000)	-
Proceeds on sale of property, plant and equipment		-	6,500
Proceeds on sale of exploration interests		-	900,000
Proceeds on disposal of security deposits		16,500	9,420
Payments for security deposits		(20,996)	(83,193)
Net cash used in investing activities		(17,488,522)	(13,220,693)
Cash flows from financing activities			
Proceeds from the issue of shares		670,313	1,603,750
Net cash from financing activities		670,313	1,603,750
Net decrease in cash and cash equivalents		(18,143,269)	(10,194,603)
Effects on cash of foreign exchange		303,083	554,716
Cash and cash equivalents at the beginning of the financial year		47,415,814	57,055,701
Cash and cash equivalents at the end of the financial year	8(a)	29,575,628	47,415,814

The above cash flow statement should be read in conjunction with the accompanying notes.

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Note 1 Corporation information and summary of significant accounting policies

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

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report of Deep Yellow Limited ('the Group') was authorised for issue in accordance with a resolution of Directors on 15 September 2010.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, International Financial Reporting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

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

Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

New accounting standards and interpretations

From 1 July 2009, Deep Yellow Limited has adopted all Australian Accounting Standards and Interpretations mandatory for annual periods beginning on or after 1 July 2009. Adoption of these standards and interpretations did not have an effect on the financial statements of the Group, except for the following:

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 <i>Segment Reporting</i> , which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so has not had any direct impact on the amounts included in the Group's financial statements. The revised disclosure requirements of AASB 8 have been adopted. Refer note 4.	1 July 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	In accordance with the disclosure amendments, the Group has adopted a single statement of comprehensive income presentation.	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	Due to the structure of the vesting conditions of options issued by the Group, this amendment has not resulted in an impact to the financial statements of the Group.	1 July 2009

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

The following standards, amendments to standards and interpretations have been identified as those which may impact the consolidated entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	<p>The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting except for the following:</p> <p>The amendment to AASB 117 removes the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible vs. property, plant and equipment) needs to be determined.</p> <p>The amendment to AASB 101 stipulates that the terms of a liability that could result, at anytime, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.</p> <p>The amendment to AASB 107 explicitly states that only expenditure that results in a recognised asset can be classified as a cash flow from investing activities.</p> <p>The amendment to AASB 118 provides additional guidance to determine whether an entity is acting as a principal or as an agent. The features indicating an entity is acting as a principal are whether the entity has primary responsibility for providing the goods or service, has inventory risk; has discretion in establishing prices or bears the credit risk.</p> <p>The amendment to AASB 136 clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment, as defined in IFRS 8 before aggregation for reporting purposes.</p> <p>The main change to AASB 139 clarifies that a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract.</p> <p>The other changes clarify the scope exemption for business combination contracts and provide clarification in relation to accounting for cash flow hedges.</p>	1 January 2010	The Group does not expect the changes to have any effect on its financial statements.	1 July 2010
AASB 2009-8	Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]	<p>This Standard makes amendments to Australian Accounting Standard AASB 2 Share-based Payment and supersedes Interpretation 8 Scope of AASB 2 and Interpretation 11 AASB 2 – Group and Treasury Share Transactions.</p> <p>The amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction.</p> <p>The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.</p>	1 January 2010	The Group has not yet determined the impact of the amendments, if any.	1 July 2010

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Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9 and AASB 2009-11	Financial Instruments and Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes:</p> <ul style="list-style-type: none"> * two categories for financial assets being amortised cost or fair value * removal of the requirement to separate embedded derivatives in financial assets * strict requirements to determine which financial assets can be classified as amortised cost or fair value, Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows * an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition * reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes * changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income 	1 January 2013	The Group has not yet determined the impact of the amendments, if any.	1 July 2013
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	<p>This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.</p> <p>The amendment to AASB 124 clarifies and simplifies the definition of a related party as well as providing some relief for government-related entities (as defined in the amended standard) to disclose details of all transactions with other government-related entities (as well as with the government itself)</p>	1 January 2011	The amendments are expected to have no or minimal effect on the Group's accounting.	1 July 2011
AASB 2010-1	Amendments to Australian Accounting Standards - Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters	Under the amendment, first-time adopters of Australian Accounting Standards are permitted to use the same transition provisions permitted for existing preparers of financial statements prepared in accordance with Australian Accounting Standards that are included in AASB 2009-2.	1 July 2010	The amendments are expected to have no or minimal effect on the Group's accounting.	1 July 2010
AASB 2010-3	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]	<p>The amendment limits the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value.</p> <p>It requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.</p> <p>It clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.</p> <p>It eliminates the requirement to restate financial statements for a reporting period when significant influence or joint control is lost and the reporting entity accounts for the remaining investment under AASB 139. This includes the effect on accumulated foreign exchange differences on such investments.</p>	1 July 2010	The amendments are expected to have no or minimal effect on the Group's accounting.	1 July 2010

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	<p>This amendment emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.</p> <p>It clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.</p> <p>It provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions</p> <p>It clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.</p>	1 January 2011	The amendments are expected to have no or minimal effect on the Group's accounting.	1 July 2011
Interpretation 19	Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	<p>This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are 'consideration paid' in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability.</p> <p>The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.</p>	1 July 2010	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2010

Historical cost convention

These financial statements have been prepared on a historical cost basis, except for the fair valuation of available for sale financial assets and of financial assets and liabilities (including derivative instruments) which have been measured at fair value.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(b) Principles of consolidation

The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of the controlled entities are prepared for the same reporting period as the parent company, using consistent accounting policies.

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

(c) Operating segment

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

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

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest income

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

(e) Income tax

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

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

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

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

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

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

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

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

(f) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys the right to use the asset.

Leases are classified as operating leases where substantially all the risks and benefits remain with the lessor. Payments in relation to operating leases are recognised as expenses in the income statement on a straight line basis over the lease term.

Lease incentives under operating leases are recognised in the income statement as an integral part of the total lease expense.

(g) Impairment of non-financial assets

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

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

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

(h) Cash and cash equivalents

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

(i) Fair value estimation

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using a binomial option valuation methodology.

(j) Property, plant and equipment

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

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

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

(k) Mineral exploration and evaluation expenditure

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

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

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

(l) Restoration and rehabilitation policy

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

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

(m) Joint ventures

The Group's joint venture interests are classified as joint venture operations in accordance with AASB 31 Interest in Joint Ventures.

Interests in joint venture operations have been brought to account by including the appropriate share of the relevant assets, liabilities and costs of the joint ventures in their relevant categories in the financial statements. Details of these interests are shown in note 27.

(n) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured and usually paid within 30 days of recognition.

(o) Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave due to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts due to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salaries, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share based payments

Share based compensation payments are made available to Directors and employees of the Group, whereby Directors and employees render services in exchange for rights over shares.

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

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

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

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

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

The fair value at grant date is independently determined using a binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

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

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

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

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

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

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

(p) Contributed equity

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

(q) Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to equity holders of the Company, adjusted for:

- * Costs of servicing equity (other than dividends) and preference share dividends
- * The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses.
- * Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Goods and service tax (GST)

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

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

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

(s) Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts, and generally have 30 day terms. An allowance for a doubtful debt is made when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified.

(t) Investments and other financial assets

Financial assets in the scope of AASB139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets at initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Investments that are included as held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

(u) Foreign currency translation

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

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All realised exchange differences are taken to profit and loss and foreign exchange differences arising on consolidation are recognised in reserves.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(v) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and that a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(w) Impairment of financial assets

(i) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(ii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair-value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. The prolonged or significant decline in the market value of the investments is taken as an impairment indicator. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(x) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

Note 2 Financial risk management

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board has the overall responsibility for the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables

The receivables that the Group does experience through its normal course of business are short term in nature and the risk of non recovery of receivables is considered to be negligible. The Board does not consider there to be a significant exposure to credit risk in relation to trade and other receivables.

Cash at bank

The Group's primary banker is Westpac Banking Corporation. At balance date all operating accounts are with this bank, other than funds transferred to Namibia to meet the working capital needs of the controlled entity, Reptile Uranium Namibia Pty Ltd. The cash needs of the controlled entity's operations are monitored by the parent company and funds are advanced to the Namibian operations as required. The Directors believe this is the most efficient method of combining the monitoring and mitigation of potential credit risks arising out of holding cash assets in overseas jurisdictions, and the funding mechanisms required by the Group.

Deposits at call

In addition the Group has a significant amount of cash assets on deposit with two banking organisations in Australia, these organisations being Westpac Banking Corporation Limited and Australia and New Zealand Banking Group Limited. The Board considers these financial institutions, which have ratings of at least A1 from Standard & Poor's, to be appropriate for the management of credit risk with regards to funds on deposit.

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

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

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

The Group's trade payables are settled on 30 day trading terms.

The Board does not consider liquidity risk to be a significant concern for the short to medium term but actively monitors liquid assets in conjunction with the Group's budgeting and reporting process.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Interest rate risk

The Group has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Group requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest deposits. The Group does not employ interest rate swaps or enter into any other hedging activity with regards to its interest bearing investments.

Currency risk

The Group is exposed to currency risk on financial assets and liabilities held by Group companies in Namibia. Financial assets in overseas Group companies are not generally material in the context of financial instruments entered into by the Group as a whole, as they generally relate to funds advanced to fund short term exploration and administration activities of the overseas operations. Once the funds are expended they are no longer classified as financial assets. Advancing of funds to overseas operations on a needs basis, is an effective method for the management of currency risk.

The Group's investments in overseas subsidiary companies are not hedged as they are considered to be long term in nature.

Equity price risk

The Group is exposed to equity price risk through its holding of investments in the ordinary share capital of a number of entities listed on the Australian Securities Exchange, and through the holding of options to acquire ordinary shares in the same entities. The holdings have generally arisen from the divestment of exploration interests given as consideration and as such have not been acquired under a formal investment strategy. A number of the equity investments are also subject to restriction conditions and as such the Group is limited in its ability to mitigate short term equity risk in these financial assets. Refer to sensitivity analysis in note 18.

Where the equity investments are liquid financial assets, their market values and potential future value to the Group are considered by management when considering whether to divest or retain the assets.

(d) Capital management

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

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

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

Note 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Accounting for capitalised mineral exploration and evaluation expenditure

The Group's accounting policy is stated at note 1(k). A regular review is undertaken of each Area of Interest to determine the reasonableness of the continuing carrying forward of costs in relation to that Area of Interest.

Share based payments

The Group's accounting policy is stated at note 1(o). The Group uses independent advisors to assist in valuing share based payments. Refer note 18 for details of estimates and assumptions used.

Investments in and loans to controlled entities

The Group's accounting policy is stated at note 1(t). Intercompany loans, on initial recognition, are measured at fair value plus transaction costs. After initial recognition, subsequent measurements are at amortised cost using the effective interest rate method.

Note 4 Operating segments

AASB 8 (IFRS 8) requires operating segments to be identified on the basis of internal reports that are used by the executive management team in assessing performance and in determining the allocation of resources. The operating segments are identified by management based on country of operation as this is the area that has the most effect on allocation of resources. The Group conducts uranium exploration activities in Australia and Namibia.

The following items and associated assets and liabilities are not allocated to operating segments as management do not consider these to be part of the core operations of both segments:

- * Interest Income
- * Foreign currency gains and losses
- * Fair value gains/losses on available for sale assets
- * Fair value gains/losses on held for trading assets
- * Liabilities are not allocated to the segments as they are not monitored by the executive management team on a segment by segment basis

	Australia \$	Namibia \$	Total \$
Year Ended 30 June 2010			
Revenue			
Other income	99,310	-	99,310
Unallocated			
Interest income			1,873,970
Total revenue			1,973,280
Profit and Loss			
Pre-tax segment profit and loss	(4,291,302)	(1,864,661)	(6,155,963)
Unallocated			
Interest income			1,873,970
Fair value loss on held for trading assets			(89,800)
Decline in available for sale financial assets			(453,451)
Income tax expense			(3,562)
Foreign currency loss			(220,880)
Total Comprehensive loss after income tax			(5,049,686)
Year Ended 30 June 2010			
Segment Assets			
Segment operating assets	42,195,751	73,961,437	116,157,188
Unallocated assets			
Cash			29,575,628
Receivables			2,414,899
Held for trading financial assets			28,000
Available for sale financial assets			330,533
Total assets			148,506,248

Note 4 Operating segments (Cont'd)

	Australia \$	Namibia \$	Total \$
Year Ended 30 June 2009			
Revenue			
Other income	751,440	-	751,440
Unallocated			
Interest income			3,184,559
Total revenue			3,935,999
Profit and Loss			
Pre-tax segment profit and loss	(17,343,900)	(2,318,340)	(19,662,240)
Unallocated			
Interest income			3,184,559
Fair value loss on held for trading assets			(359,367)
Decline in available for sale financial assets			(554,271)
Income tax benefit			4,320,193
Foreign currency profit			1,231,374
Total Comprehensive loss after income tax			(11,839,752)
Year Ended 30 June 2009			
Segment Assets			
Segment operating assets	37,720,437	63,804,316	101,524,753
Unallocated assets			
Cash			47,415,814
Receivables			1,269,469
Held for trading financial assets			117,800
Available for sale financial assets			822,427
Total assets			151,150,263

Note 5 Revenue and other income

	2010 \$	Consolidated 2009 \$
<i>a) Revenue</i>		
Interest received and receivable	1,873,970	3,184,559
	1,873,970	3,184,559
<i>b) Other income</i>		
Gain on sale of investment	60,977	584,972
Income on the sale of exploration assets	-	150,000
Distribution from creditors trust	38,333	-
Other income	-	16,468
	99,310	751,440

Note 6 Expenses

	2010 \$	Consolidated 2009 \$
<i>Loss before income tax includes the following specific expenses:</i>		
Impairment expense and fair value movements:		
Impairment on available for sale financial assets (note 11)	133,067	829,957
Fair value changes in held for trading financial assets (note 10)	89,800	359,367
Total Impairment Expense and Fair Value Movements	222,867	1,189,324
Depreciation expense:		
Office equipment	97,373	101,108
Motor vehicles	203,621	193,953
Site equipment	202,179	180,598
Buildings	57,777	59,081
Amortisation of intangible asset	-	-
Total Depreciation and Amortisation Expenses	560,950	534,740
Employee expenses:		
Wages, salaries and fees	1,091,942	940,188
Superannuation	40,460	19,800
Share based payments	2,031,444	2,893,253
Total Employee Expenses	3,163,846	3,853,241
Rental expenses on operating leases	115,958	103,219

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Note 7 Income tax

a) Income tax expense

Current income tax:

Current income tax charge (benefit)
Utilised against future Income tax charge
Under / (over) provision in prior year

Deferred income tax:

Relating to origination and reversal of timing differences
Under / (over) provision in prior year

Income tax expense / (benefit) reported in the statement of comprehensive income

b) Reconciliation of income tax expense to prima facie tax payable

Profit / (Loss) before income tax expense

Tax at the Australian rate of 30% (2009 – 30%)

Effect of tax rates in foreign jurisdictions*

Tax effect:

Non-deductible share based payment
Other expenditure not deductible
Tax benefit on Impairment of financial assets
Under / (over) provision in prior year

Tax expense / (benefit)

c) Deferred tax – Balance Sheet

Liabilities

Prepayments
Accrued Income
Capitalised exploration and evaluation expenditure

Assets

Revenue losses available to offset against future taxable income
Income recognised in advance for tax
Accrued expenses
Deductible equity raising costs

Net deferred tax liability

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

	Consolidated	
	2010 \$	2009 \$
	(1,874,415)	(1,262,017)
	1,874,415	1,262,017
	(158,145)	(650,728)
	(464,030)	(3,857,941)
	625,737	188,476
	3,562	(4,320,193)
	(4,504,860)	(17,667,005)
	(1,351,458)	(5,300,101)
	12,412	6,484
	609,433	867,976
	198,723	210,903
	66,860	356,797
	467,592	(462,252)
	3,562	(4,320,193)
	22,834	27,208
	289,173	-
	9,216,670	7,430,825
	9,528,677	7,458,033
	8,579,047	6,334,451
	75,000	75,000
	-	164,441
	20,538	33,611
	8,674,585	6,607,503
	854,092	850,530

d) Deferred tax –Statement of Comprehensive Income

Liabilities

Prepayments
Capitalised exploration expenses

Assets

Income recognised in advance for tax
Accruals
Deductible equity raising costs
Decrease/(Increase) in tax losses carried forward

Deferred tax expense / (benefit)

e) Unrecognised temporary differences

At 30 June 2010, there are no unrecognised temporary differences associated with the Group's investments in subsidiaries, associate or joint venture, as the Group has no liability for additional taxation should unremitted earnings be remitted (2009: Nil).

	Consolidated	
	2010 \$	2009 \$
	(4,874)	(72,992)
	1,785,845	(2,555,125)
	-	135,000
	242,078	5,763
	13,073	79,906
	(1,874,415)	(1,262,017)
	161,707	(3,669,465)

Note 8 Current assets - Cash and cash equivalents

	Consolidated	
	2010 \$	2009 \$
Cash at bank and in hand	6,075,628	5,415,814
Deposits	23,500,000	42,000,000
	29,575,628	47,415,814

The carrying amounts of cash and cash equivalents represents fair value. See note 18 for the Group's fair value disclosures. Cash at bank and in hand and deposits at call earn interest at fixed and floating rates based on variable bank deposit rates.

(a) Reconciliation to cash and cash equivalents at the end of the year

Balances as above	29,575,628	47,415,814
Balance per cash flow statement	29,575,628	47,415,814

Note 9 Current assets – Trade, other receivables and other assets

	Consolidated	
	2010 \$	2009 \$
<i>a) Receivables</i>		
GST recoverable	1,856,460	1,043,108
Other receivables	558,439	226,361
	2,414,899	1,269,469
<i>b) Other assets</i>		
Environmental, tenement and vehicle bonds	335,613	336,684
Prepayments	103,152	90,697
	438,765	427,381

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

Other receivables include interest receivable on deposits at call.

Note 10 Current assets – Held for trading financial assets

	Consolidated	
	2010 \$	2009 \$
Financial assets at fair value through profit and loss:		
Rum Jungle Uranium Limited Options	28,000	117,800
	28,000	117,800

The unlisted options have been valued using the Black Scholes option pricing model. The fair value was partly determined in reference to published price quotation. The options have been brought to account at the valuation on receipt and subsequently revalued at the balance date using the binomial option valuation method. Details of the Group's exposure to price risk in respect of its Financial Assets are set out in Note 18.

Basis and assumptions used in the valuation of options:

Group	Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Option valuation (cents)
Rum Jungle Uranium Limited	14.11.2007	2,000,000	25.0	02.11.2012	4.44%	110%	1.4

Note 10 Current assets – Held for trading financial assets (Cont'd)

A reconciliation of movements in held for trading financial assets is as follows:

	Consolidated	
	2010 \$	2009 \$
Value of investments at the start of the reporting period	117,800	580,688
Options disposed during the reporting period:		
Uranio Limited	-	(103,521)
Fair value loss recognised during the reporting period (note 6)	(89,800)	(359,367)
	28,000	117,800

Note 11 Non-current assets – Available for sale investments

	Consolidated	
	2010 \$	2009 \$
Available for sale investments at market value:		
Toro Energy Limited	208,533	567,334
Rum Jungle Uranium Limited	98,000	174,000
Rox Resources Limited	24,000	40,000
WCP Resources Limited	-	41,093
	330,533	822,427

The above investments are stated at the closing market price at the balance date. A reconciliation of movements in available for sale investments, is as follows:

	Consolidated	
	2010 \$	2009 \$
Value of investments at the start of the reporting period	822,427	1,915,612
Investments disposed during the reporting period		
Uranio Limited	-	(538,914)
WCP Resources Limited	(38,443)	-
Net impairment expense recognised during the reporting period (Note 6)	(133,067)	(829,957)
Net fair value movement from equity during the reporting period (Note 17)	(320,384)	275,686
	330,533	822,427

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Note 12 Non-current assets – Property, plant and equipment

	Consolidated	
	2010	2009
	\$	\$
<i>Buildings</i>		
At cost	1,549,030	1,583,275
Accumulated depreciation	(190,872)	(134,696)
	1,358,158	1,448,579
<i>Office equipment and fittings</i>		
At cost	437,309	405,313
Accumulated depreciation	(301,131)	(204,527)
	136,178	200,786
<i>Motor vehicles</i>		
At cost	920,500	869,449
Accumulated depreciation	(568,665)	(365,616)
	351,835	503,833
<i>Site equipment</i>		
At cost	1,045,655	1,010,652
Accumulated depreciation	(464,079)	(263,229)
	581,576	747,423
	2,427,747	2,900,621
Reconciliation		
<i>Buildings</i>		
Net book value at start of the year	1,448,579	1,001,676
Exchange adjustment	(35,280)	113,975
Additions	2,636	392,009
Depreciation	(57,777)	(59,081)
Net book value at end of the year	1,358,158	1,448,579
<i>Office equipment and fittings</i>		
Net book value at start of the year	200,786	214,419
Exchange adjustment	(2,734)	12,352
Additions	35,499	75,656
Disposals	-	(533)
Depreciation	(97,373)	(101,108)
Net book value at end of the year	136,178	200,786
<i>Motor vehicles</i>		
Net book value at start of the year	503,833	598,198
Exchange adjustment	(8,238)	37,277
Additions	59,861	62,311
Depreciation	(203,621)	(193,953)
Net book value at end of the year	351,835	503,833
<i>Site equipment</i>		
Net book value at start of the year	747,423	668,434
Exchange adjustment	(17,537)	70,686
Additions	53,869	196,870
Disposals	-	(7,969)
Depreciation	(202,179)	(180,598)
Net book value at end of the year	581,576	747,423

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

Note 13 Non-current assets – Capitalised mineral exploration and evaluation expenditure

	Consolidated	
	2010	2009
	\$	\$
<i>In the exploration and evaluation phase</i>		
Cost brought forward	98,196,751	96,519,814
Exploration expenditure incurred during the year at cost	14,829,146	16,214,071
Tenements acquired during the year	1,300,000	-
Exploration costs on tenements disposed of during the period:		
30% interest in various Western Australia and South Australian tenements – Uranio Limited	-	(291,287)
Exploration expenditure written off		
Western Gawler agreement terminated in South Australia	-	(13,545,976)
Other tenements exploration expenditure written off	(1,035,221)	(699,871)
Cost carried forward	113,290,676	98,196,751

Exploration expenditure written off was as a result of tenements surrendered or applications withdrawn or refused during the year. The carrying value represents the total accumulated costs to date of surrender, withdrawal or refusal.

The recoverability of capitalised mineral exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective Area of Interest.

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

	Consolidated	
	2010	2009
	\$	\$
Australia		
Northern Territory	9,013,379	8,142,741
Queensland	32,167,806	27,801,194
Namibia	72,109,491	62,252,816
Cost carried forward	113,290,676	98,196,751

Note 14 Current liabilities – Trade and other payables

	Consolidated	
	2010	2009
	\$	\$
Trade payables and accruals	1,170,854	1,557,339
Other payables	129,411	90,131
Employee leave liabilities	188,264	148,436
	1,488,529	1,795,906

Trade payables and accruals are non interest bearing and normally settled on 30 day terms.

Details of the Group's exposure to interest rate risk and fair value in respect of its liabilities are set out in note 18. There are no secured liabilities as at 30 June 2010.

Note 15 Contributed equity

	Consolidated		Consolidated	
	2010	2009	2010	2009
	No.	No.	\$	\$
a) <i>Share capital</i>				
Issued share capital	1,125,814,458	1,123,376,958	194,801,070	193,696,974
b) <i>Share movements during the year</i>				
		<i>Issue price (cents)</i>		
At the beginning of the year	1,123,376,958	1,108,726,958	193,696,974	191,084,094
Issued on exercise of options	8.1	-	12,500,000	-
Issued on exercise of options	27.5	2,437,500	2,150,000	670,313
Add: transfer from equity compensation reserve in respect of options exercised (note 19)	-	-	433,783	1,009,130
Less: costs related to shares issued	-	-	-	-
At the end of the year	1,125,814,458	1,123,376,958	194,801,070	193,696,974

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Note 15 Contributed equity (Cont'd)

c) Ordinary shares

The Holding Company, Deep Yellow Limited is incorporated in Perth, Western Australia.

The Holding Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

d) Option plan

The Group has an employee and other permitted persons option plan. Options over unissued shares are issued at the discretion of the Board. Information relating to options issued is set out in note 16.

Note 16 Options

The options over unissued shares in the Company are not listed. They are granted under the employee share option plan at a fixed price in accordance with the terms of the grant. The exercise price of each option is determined by the Board with reference to the average closing sale price of the Company's shares on the ASX. As options issued during the year are part of a remuneration or incentive package, in all instances, the exercise price has been set at a premium to the market price of the Company's shares at the date of issue. The vesting period is determined by the Board prior to the offer of the relevant options, subject to any restriction in the Corporations Act from time to time. If at any time prior to the Vesting Date an employee voluntarily resigns from employment with the Group or is terminated the whole of the options issued to that employee automatically lapse and are forfeited, subject to the discretion of the Board. There are no cash settlement alternatives.

a) Options issued, granted and lapsed during the year

During the financial year the Company granted 7,275,000 options in exchange for receipt of employees' services as follows:

Number of Options Granted	Exercise Price	Expiry Date
2,650,000	35 cents	30 June 2012
4,000,000	45 cents	30 June 2012
625,000	60 cents	30 June 2012
7,275,000		

The weighted average fair value of options granted during the year was 18.69 cents (2009: 10.31 cents)

During the year 2,437,500 options were exercised according to their terms and conditions. The exercise price and expiry dates for the options are as follows:

Number of Options Exercised	Exercise Price	Expiry Date
1,717,500	27.5 cents	30 June 2011
700,000	27.5 cents	31 December 2011
20,000	27.5 cents	30 June 2012
2,437,500		

During the year 515,000 options forfeited according to their terms and conditions. The exercise price and expiry dates for the options are as follows:

Number of Options Forfeited	Exercise Price	Expiry Date
200,000	60.0 cents	30 June 2011
65,000	27.5 cents	30 June 2012
25,000	35.0 cents	30 June 2012
225,000	45.0 cents	30 June 2012
515,000		

During the year 18,912,500 options expired according to their terms and conditions. The exercise price and expiry dates for the options are as follows:

Number of Options Expired	Exercise Price	Expiry Date
16,000,000	55.1 cents	30 November 2009
2,912,500	44.6 cents	31 December 2009
787,500	64.6 cents	30 June 2010
19,700,000		

b) Options on issue at the balance date

The number of options outstanding at 30 June 2010 is 41,047,500 (2009: 56,425,000). The terms of these options are shown in the table below. Options issued to Directors, employees and consultants are subject to various vesting conditions as indicated in the table below and description above.

The holders of options are not entitled to any voting rights nor may they participate in any share issue of the Company until the options are exercised. The weighted average contractual life for options outstanding at the end of the reporting period is 12.06 months (2009: 16.18 months).

Note 16 Options (Cont'd)

Number of Options On Issue	Exercise Price	Expiry Date	Vest Period
2,437,500	59.6 cents	31 December 2010	Nil
612,500	74.6 cents	30 June 2011	Nil
12,500,000	59.5 cents	30 November 2010	Nil
4,512,500	27.5 cents	30 June 2011	Nil
3,405,000	40.0 cents	30 June 2011	Nil
2,145,000	45.0 cents	30 June 2011	Nil
1,945,000	60.0 cents	30 June 2011	Nil
900,000	27.5 cents	30 June 2011	Nil
1,650,000	27.5 cents	31 December 2011	Nil
3,050,000	27.5 cents	30 June 2011	01 July 2010
865,000	27.5 cents	30 June 2012	Nil
2,625,000	35.0 cents	30 June 2012	Nil
3,775,000	45.0 cents	30 June 2012	Nil
625,000	60.0 cents	30 June 2012	Nil
41,047,500			

c) Subsequent to the balance date

Subsequent to the balance date and prior to the date of signing this report 1,260,000 options have lapsed.

Reconciliation of movement of options during the year including weighted average exercise price (WAEP)

	2010		2009	
	No.	WAEP (cents)	No.	WAEP (cents)
Options outstanding at the start of the year	56,425,000	48.37	71,200,000	42.26
Options granted	7,275,000	42.65	12,100,000	27.50
Options exercised	(2,437,500)	27.50	(14,650,000)	10.95
Options lapsed	(515,000)	53.48	(7,225,000)	45.24
Options expired	(19,700,000)	53.93	(5,000,000)	25.10
Options outstanding at the end of the year	41,047,500	45.93	56,425,000	48.37

Basis and assumptions used in the valuation of options.

The following options were granted and independently valued during 2010 using the binomial option valuation methodology.

Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Option valuation (cents)
1 August 2009	2,650,000	35.0	30 Jun 2012	4.36%	90%	20.1
1 August 2009	4,000,000	45.0	30 Jun 2012	4.36%	90%	18.2
1 August 2009	625,000	60.0	30 Jun 2012	4.36%	90%	15.9
	7,275,000					

The weighted average exercise price of options granted in the above table is 42.65 cents.

No dividend yield was incorporated into the above option valuations.

The expected life of the options is based upon historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects an assumption that the historical volatility is indicative of future trends, which may also not be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

The following options were granted and independently valued during 2009 using the binomial option valuation methodology.

Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Option valuation (cents)
20 August 2008	1,375,000	27.5	30 Jun 2011	5.81%	95%	14.44
20 August 2008	3,675,000	27.5	31 Dec 2011	5.77%	95%	15.48
2 December 2008	6,100,000	27.5	30 Jun 2011	3.21%	95%	4.32
30 June 2009	950,000	27.5	30 Jun 2012	5.23%	100%	22.77
	12,100,000					

The weighted average exercise price of options granted in the above table is 27.5 cents.

No dividend yield was incorporated into the above option valuations.

Note 17 Reserves and accumulated losses

2010	Consolidated			
	Accumulated losses	Equity compensation reserve (i)	Asset fair value adjustment reserve (ii)	Foreign Currency Translation Reserve (iii)
	\$	\$	\$	\$
Balance at 1 July 2009	(54,386,644)	8,349,235	320,384	523,878
Loss for year	(4,508,422)	-	-	-
Recognition of options issued	-	2,039,173	-	-
Transfer to issued capital in respect of options exercised (i)	-	(433,783)	-	-
Adjustment to fair value of available for sale assets	-	-	(320,384)	-
Movement for the year	-	-	-	(220,880)
Balance at 30 June 2010	(58,895,066)	9,954,625	-	302,998

2009	Consolidated			
	Accumulated Losses	Equity compensation reserve (i)	Asset fair value adjustment reserve (ii)	Foreign Currency Translation Reserve (iii)
	\$	\$	\$	\$
Balance at 1 July 2008	(41,039,832)	6,544,847	44,698	(1,755,252)
Loss for year	(13,346,812)	-	-	-
Recognition of options issued	-	2,813,518	-	-
Transfer to issued capital in respect of options exercised (i)	-	(1,009,130)	-	-
Adjustment to fair value of available for sale assets	-	-	275,686	-
Movement for the year	-	-	-	2,279,130
Balance at 30 June 2009	(54,386,644)	8,349,235	320,384	523,878

(i) Equity compensation reserve

The equity compensation reserve is used to recognise the fair value of options issued as remuneration or as other consideration but not exercised. Options exercised during the year have been previously recognised as an expense and included in the reserve. A transfer is now required from the Equity remuneration reserve to contributed equity (note 15).

(ii) Asset fair value adjustment reserve

The asset fair value adjustment reserve is used to recognise adjustments to the fair values of available for sale investment assets until the asset is sold or impaired. See note 1(t) for detail of the accounting policy.

(iii) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. The majority of the movement arises from the translation of assets recorded in Namibian dollars.

Note 18 Financial instruments

Details of the risks that the Group is exposed to and the Board's assessment and management of those risks are disclosed in note 2.

Credit risk

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

	Consolidated	
	2010 \$	2009 \$
Cash and cash equivalents	29,575,628	47,415,814
Trade and other receivables	2,414,899	1,269,469
	31,990,527	48,685,283

The Group has no trade receivables at the reporting date.

Liquidity risk

The Group has no exposure to liquidity risk as cash and cash equivalents at yearend exceed the forecast cashflow requirements.

Currency risk

As a result of significant investment in Namibia, the Group's balance sheet can be affected significantly by movements in the Namibian \$ / Australian \$ exchange rates. The Group does not hedge this exposure.

Note 18 Financial instruments (Cont'd)

Interest rate risk

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

	Consolidated	
	2010 \$	2009 \$
Cash and cash equivalents	29,575,628	47,415,814

Cash flow sensitivity analysis for variable rate instruments

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

	Profit and loss		Other Comprehensive Income	
	1% Increase	1% Decrease	1% increase	1% Decrease
30 June 2010				
Cash and cash equivalents	295,756	(295,756)	-	-
30 June 2009				
Cash and cash equivalents	474,158	(474,158)	-	-

Price risk

Price risk is the risk that the Group's financial position will be adversely affected by movements in the market value of its financial assets.

The financial instruments exposed to movements in market value are as follows:

	Consolidated	
	2010 \$	2009 \$
Available-for-sale investments	330,533	822,427
Financial assets held for trading	28,000	117,800
	358,533	940,227

The following tables summarises the sensitivity of financial instruments held at balance date to movements in the market price, with all other variables held constant, based on a 10% sensitivity. This has been determined based on management's best estimate.

	Impact on Other Comprehensive Income Consolidated	
	2010 \$	2009 \$
Available-for-sale investments		
Market price +10%	33,053	82,243
Market price -10%	(33,053)	(82,243)

Equity represents the fair value adjustment reserve.

	Impact on profit and loss Consolidated	
	2010 \$	2009 \$
Financial assets held for trading		
Market price +10%	2,800	11,780
Market price -10%	(2,800)	(11,780)

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

Consolidated	2010		2009	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Cash and cash equivalents	29,575,628	29,575,628	47,415,814	47,415,814
Trade and other receivables	2,414,899	2,414,899	1,269,469	1,269,469
Held for trading financial assets	28,000	28,000	117,800	117,800
Available for sale investments	330,533	330,533	822,427	822,427
Trade and other payables	(1,300,265)	(1,300,265)	(1,647,470)	(1,647,470)
	31,048,795	31,048,795	47,978,040	47,978,040

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Note 18 Financial instruments (Cont'd)

Determination of fair values

The determination of fair values for the above financial assets and liabilities have been performed on the following basis:

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Investments in equity and debt securities

The fair value of financial assets at fair value through profit and loss, available for sale investments and held for trading financial assets is determined by reference to their quoted bid price at the reporting date.

As of 1 July 2009, the Group has adopted the amendments to AASB 7 Financial Instruments: Disclosures, which require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Quoted prices in active markets (Level 1);
- (b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- (c) Inputs that are not based on observable market data (Level 3).

The following table presents the Group's assets measured and recognised at fair value.

Consolidated

30 June 2010	Quoted market price (Level 1)	Valuation technique – market observable inputs (Level 2)	Total
Financial Assets			
Held for trading	-	28,000	28,000
Available for sale	330,533	-	330,533
Total	330,533	28,000	358,533

30 June 2009	Quoted market price (Level 1)	Valuation technique – market observable inputs (Level 2)	Total
Financial Assets			
Held for trading	-	117,800	117,800
Available for sale	822,427	-	822,427
Total	822,427	117,800	940,227

The held for trading financial assets (options) held by the Group are not traded on a recognised exchange and therefore their fair value has been determined using valuation techniques which are based on observable inputs such as the share price of the entity to which the options relate. The fair values of the held for trading financial assets have been calculated using a Black Scholes option pricing model.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes only, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Note 19 Dividends

No dividends were paid or proposed during the financial year (2009: Nil).

The Company has no franking credits available as at 30 June 2010 (2009: Nil).

Note 20 Key Management Personnel disclosures

(a) Compensation of key management personnel

	Consolidated	
	2010 \$	2009 \$
Short-term employee benefits	1,319,778	1,243,428
Post employment benefits	45,772	43,522
Share based payment	93,773	729,484
Total compensation	1,459,323	2,016,434

Note 20 Key Management Personnel disclosures (Cont'd)

(b) Interest in Securities

Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each Director of the Company and other Key Management Personnel of the Group, are set out below:

2010 Name	Balance at start of the year	Granted as remuneration during the year	Exercised during the year	Net other changes during the year (iii)	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
P Mutz (i)	-	-	-	-	-	-
L Pretorius (ii)	14,650,000	-	-	(5,000,000)	9,650,000	7,500,000
M Kavanagh	11,800,000	-	-	(5,000,000)	6,800,000	5,900,000
M Greene	3,000,000	-	-	(3,000,000)	-	-
G Swaby	3,000,000	-	-	(3,000,000)	-	-
R Brunovs	-	-	-	-	-	-
T McDonald	-	-	-	-	-	-
Executives						
M Pitts	1,725,000	50,000	-	(750,000)	1,025,000	1,025,000

(i) Appointed 1 March 2010.

(ii) Retired as Group Managing Director on 1 March 2010 but continues to be a KMP.

(iii) Includes forfeitures during the year.

Details of the options granted during the year ended 30 June 2010 are as follows:

The 50,000 options issued to M Pitts with an exercise price of 35 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 June 2012 (refer note 16).

2009 Name	Balance at start of the year	Granted as remuneration during the year	Exercised during the year	Net other changes during the year (ii)	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
L Pretorius	12,500,000	4,300,000	(2,150,000)	-	14,650,000	8,750,000
M Kavanagh	15,000,000	1,800,000	-	(5,000,000)	11,800,000	8,400,000
M Greene	3,000,000	-	-	-	3,000,000	3,000,000
G Swaby	3,000,000	-	-	-	3,000,000	3,000,000
R Brunovs	-	-	-	-	-	-
T McDonald	-	-	-	-	-	-
Executives						
M Pitts	1,650,000	75,000	-	-	1,725,000	1,650,000
A Moyle (i)	1,500,000	150,000	-	(1,650,000)	-	250,000

(i) Left employment 28 February 2009. The balance of vested and exercisable options was 250,000.

(ii) Includes forfeitures during the year.

Details of the options granted during the year ended 30 June 2009 are as follows:

The 4,300,000 options issued to L Pretorius with an exercise price of 27.5 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 June 2011 (refer note 16);

The 1,800,000 options issued to M Kavanagh with an exercise price of 27.5 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 June 2011 (refer note 16);

The 75,000 options issued to M Pitts with an exercise price of 27.5 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 31 December 2011 (refer note 16); and

The 150,000 options issued to A Moyle with an exercise price of 27.5 cents each were forfeited during the year prior to vesting date.

Note 20 Key Management Personnel disclosures (Cont'd)

Share holdings

The number of shares in the Company held during the financial year by each Director of the Company and other Key Management Personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

2010 Name	Balance at start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors				
P Mutz (i)	-	-	-	-
L Pretorius (ii)	73,981,124	-	-	73,981,124
M Kavanagh	487,500	-	-	487,500
M Greene	74,316,667	-	-	74,316,667
G Swaby (iii)	19,222,570	-	30,777,430	50,000,000
R Brunovs	125,000	-	-	125,000
T McDonald	866,666	-	-	866,666
Executives				
M Pitts	-	-	-	-

(i) Appointed 1 March 2010.

(ii) Resigned 1 March 2010. Continues to be a Key Management Person as Managing Director of Reptile Uranium Namibia Pty Ltd.

(iii) 12,311,378 shares have been transferred back to G Swaby as part of a confidential settlement reached with Lift Capital Partners Pty Ltd and a creditor of Lift Capital Partners Pty Ltd. Previous disclosure indicated 12,900,000 as being subject to litigation, however, only 12,311,728 were returned. Hence the reduction of 588,272 ordinary shares. A further 18,465,702 shares have been acquired through on-market trade during the year.

2009 Name	Balance at start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors				
L Pretorius	72,616,124	2,150,000	(785,000)	73,981,124
M Kavanagh	487,500	-	-	487,500
M Greene	74,316,667	-	-	74,316,667
G Swaby (i)	28,222,570	-	(9,000,000)	19,222,570
R Brunovs	125,000	-	-	125,000
T McDonald	866,666	-	-	866,666
Executives				
M Pitts	455,000	-	(455,000)	-

(i) The Company notes that G Swaby has 15,000,000 ordinary shares which were lodged with Lift Capital Partners Pty Ltd as security for loans. The Company has been informed by G Swaby that between 11 and 15 April 2008, a creditor of Lift Capital Partners Pty Ltd, in exercise of purported rights, sold 2,100,496 ordinary shares on behalf of G Swaby. A further 589,571 ordinary shares were sold by the creditor in exercise of purported rights on 5 and 6 May 2008. No consideration was received by G Swaby from this involuntary sale. It is believed that a further 12,309,933 ordinary shares are presently being held by the creditor of Lift Capital Partners Pty Ltd. Legal action for the recovery of the 15,000,000 shares is being pursued. G Swaby has disposed of 9,000,000 ordinary shares during the financial year and continues to assert a beneficial interest in the shares lodged as security for loans together with 19,222,570 shares which she continues to hold in her name.

Other changes during the year occurred on an arm's length basis.

c) Loans made to Key Management Personnel

No loans were made to any Director or Key Management Personnel or any of their related entities during the reporting period.

d) Other transactions with Key Management Personnel

During the year the Company leased a property in Perth on commercial terms from Dr L Pretorius for \$60,000 (2009: \$60,000).

Mr Patrick Mutz's spouse is an independent travel consultant for TravelManagers Australia Pty Ltd. TravelManagers provided travel agent services in relation to international travel undertaken by Mr Mutz during the year. All amounts paid for travel were on normal commercial terms.

Note 21 Remuneration of auditors

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

Consolidated	
2010 \$	2009 \$
67,926	62,134
22,557	2,541
90,483	64,675

Amounts received or due and receivable by Ernst & Young for:

Audit or review of the financial report of the entity and any other entity in the Consolidated Group

Taxation and other services in relation to the entity and any other entity in the Consolidated Group

Note 22 Contingencies

(i) Contingent liabilities

There were no material contingent liabilities as at 30 June 2010 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas within Australia which include tenements in which the Group has an interest. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

(ii) Contingent assets

There were no material contingent assets as at 30 June 2010.

Note 23 Commitments

(a) Exploration

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities and may be reduced by the surrendering of tenements. As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements and which cover the following twelve month period amount to \$1,899,000 (2009: \$1,180,000). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements. This commitment does not include the expenditure commitments which are the responsibility of the joint venture partners. Refer note 27 for details.

The Group has 100% ownership of four Exclusive Prospecting Licences (EPL's) through its controlled Namibian entity Reptile Uranium Namibia (Pty) Ltd (RUN). As part of the acquisition agreement and in consideration for acquiring all the rights, title and interests in the EPL's, the Group agreed to provide the vendors with an earn out right, as part of the purchase consideration, in certain circumstances. The 'Earn out Agreement' provides the vendors with the right to receive earn-out payments in accordance with a set formula equal to 1.5% of the in-ground value of any uranium within the area of the EPL's upon completion of a definitive feasibility study and the making of a decision to mine. The Group has, at its election, the option of satisfying the 'earn out payment' either through payment of cash, the issue of shares or a combination of both. Since the date of acquisition and up to the date of this report there has been no decision made or study completed which would give rise to a liability.

The Group acquired tenements EL24246 and EL9890 and in consideration for the transfer of the tenements, the Group has agreed to pay the Vendor a royalty. The Vendor is entitled to the royalty from the commencement of commercial production on the tenements in accordance with a set formula equal to 2% of the Total Sales Return generated from the sale of any product. The Royalty shall be calculated by the Group each calendar year and paid within 30 days of the end of the Royalty Period. Since the date of acquisition and up to the date of this report, there has been no commercial production on either tenement which would give rise to a liability.

(b) Operating lease commitments

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

	Consolidated	
	2010 \$	2009 \$
Within one year	134,123	124,372
Later than one year but not later than five years	258,907	29,573
	393,030	153,945

(c) Contractual commitments

There are no contracted commitments other than those disclosed above.

Note 24 Related party transactions

There were no related party transactions during the year other than those disclosed in Note 20 on Key Management Personnel.

Note 25 Controlled entities

Controlled Entity	Country of Incorporation	2010		2009	
		Proportion of share capital owned %	Carrying value of investment \$	Proportion of share capital owned %	Carrying value of investment \$
Deep Yellow Namibia (Pty) Ltd	Mauritius	100	51,275,587	-	-
Superior Uranium Pty Ltd	Australia	100	9,592,559	100	9,592,559
Raptor Minerals Limited	British Virgin Islands	100	-	100	51,275,587
Reptile Mineral Resources and Exploration(Pty) Ltd	Namibia	100	-	100	-
Reptile Uranium Namibia (Pty) Ltd	Namibia	100	-	100	-
			60,868,146		60,868,146

During the year, Raptor Minerals Limited sold its shareholding in Reptile Minerals Resources and Exploration (Pty) Ltd to Deep Yellow Namibia (Pty) Ltd. In return, Deep Yellow Namibia (Pty) Ltd has issued shares to Raptor Minerals Limited as consideration. Raptor Minerals Limited has subsequently distributed its shares in Deep Yellow Namibia to Deep Yellow Limited.

See note 11 for details of investments in and loans to controlled entities.

Note 26 Parent Entity Information

Information relating to Deep Yellow Limited:	2010	2009
	\$	\$
Current assets	25,865,561	47,372,639
Total assets	152,492,405	153,240,907
Current liabilities	819,983	1,235,486
Total liabilities	819,983	1,235,486
Issued capital	194,801,070	193,696,974
Retained earnings	(53,083,273)	(50,361,172)
Equity compensation reserve	9,954,625	8,349,235
Asset fair value adjustment reserve	-	320,384
Total shareholders' equity	151,672,422	152,005,421
Profit/(loss) of the parent entity	(2,722,101)	(10,817,891)
Total comprehensive loss of the parent entity	(3,042,485)	(10,542,205)

Contingent liabilities of the parent entity

Native title claims have been made with respect to areas which include tenements in which the parent entity has an interest. The parent entity is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the parent entity or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the parent entity has an interest.

Tax consolidation**(i) Members of the tax consolidated group and the tax sharing arrangement**

Deep Yellow Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 2 February 2007. Deep Yellow Limited is the head entity of the tax consolidated group.

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

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

(ii) Tax effect accounting by members of the tax consolidated group**Measurement method adopted under UIG 1052 Tax Consolidated Accounting**

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*.

Note 27 Interests in joint ventures

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

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

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

- * On 19 November 2007 the Company completed the sale of a 50% interest in several Northern Territory exploration assets to Rum Jungle Uranium Limited. Subsequently the parties entered into a joint venture agreement whereby Rum Jungle Limited can earn a further 20% interest in the projects by spending \$2,000,000 on exploration of the assets within four years.
- * On 18 January 2008 the Company agreed terms with Xstrata to acquire the uranium rights on six West Isa tenements by spending \$10,000,000 within 4 years of the commencement date.
- * On 3 December 2008 the Company announced that a Heads of Agreement has been signed with Krucible Metals Ltd on the Pilgrim Joint Venture comprising EPM 15072 in North West Queensland. Krucible Metals Ltd can earn a 80% interest in the project by spending a minimum of \$400,000 over a period of four years;
- * On 29 May 2009 the Company announced that it had entered in a joint venture agreement with Toro Energy Ltd through its wholly owned Namibian subsidiary Reptile Mineral Resources and Exploration (Pty) Ltd, whereby the Group will spend A\$3,500,000 over the next two and a half years on three EPL's held by Toro Energy Ltd's Namibian subsidiary Nova Energy Namibia (Pty) Ltd to earn a 65% share of the joint venture.
- * On 28 October 2009 the Company announced that the Joint Venture Agreement with Universal Resources Limited, whereby the Company could earn a 80% interest in uranium and related products, has been finalised. The Company earned a 51% interest in EPM 14367 by expending in excess of \$100,000 on exploration by 31 December 2009. The additional 29% could be earned by expending a further \$150,000 on exploration by 31 December 2010;

Note 28 Events occurring after the balance sheet date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Note 29 Reconciliation of profit/(loss) after tax to net cash outflow from operating activities

	Consolidated	
	2010 \$	2009 \$
Loss from continuing operations after income tax	(4,508,422)	(13,346,812)
Depreciation and amortisation	560,950	534,740
(Profit)/Loss on disposal of fixed assets	-	816
Bad debt written off	-	250,000
Exploration costs written off	1,035,221	14,395,847
Impairment expense	222,867	1,189,324
(Profit)/Loss on disposal of exploration assets	-	141,287
Profit on disposal of investments	(60,977)	(584,972)
Share based payments expense	2,031,444	2,893,253
<i>Change in operating assets and liabilities:</i>		
(Increase)/ Decrease in receivables	(558,677)	(298,609)
Increase/(decrease) in deferred tax liability	3,562	(4,320,193)
(Decrease)/Increase in payables	(51,028)	567,659
Net cash (outflow)/inflow from operating activities	(1,325,060)	1,422,340

Non cash financing and investing activities

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

Note 30 Earnings per share

	Consolidated	
	2010	2009
<i>a) Basic earnings per share</i>		
Loss attributable to ordinary equity holders of the Company	(0.40) cents	(1.19) cents
<i>b) Diluted earnings per share</i>		
Loss attributable to ordinary equity holders of the Company	(0.40) cents	(1.19) cents
<i>c) Loss used in calculation of basic and diluted loss per share</i>		
Loss from continuing operations after income tax	(4,508,422)	(13,346,812)
<i>d) Weighted average number of shares used as the denominator</i>		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	1,124,844,622	1,120,469,835

There are on issue 41,047,500 options at 30 June 2010 (2009: 56,425,000) which are not considered to be dilutive.

e) Information concerning the classification of securities

Options

Options to acquire ordinary shares granted by the Company and not exercised at the reporting date are considered to be potential ordinary shares. Options with an exercise price below the ordinary share price at 30 June 2010 are not considered to be dilutive and accordingly have not been included in the determination of diluted earnings per share.

DIRECTOR'S DECLARATION

In the opinion of the Directors of Deep Yellow Limited ('the Company')

- (a) the financial statements, notes and additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2010 and of its performance for the financial year ended on that date;
- (b) the financial statements and notes also comply with International Reporting Standards as disclosed in note 1; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Company Secretary for the financial year ended 30 June 2010.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board

Signed at Perth this 16th day of September 2010.


Patrick Mutz
Managing Director

Independent audit report to members of Deep Yellow Limited

Report on the Financial Report

We have audited the accompanying financial report of Deep Yellow Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

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Auditor's Opinion

In our opinion:

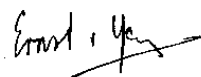
1. the financial report of Deep Yellow Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of the consolidated entity at 30 June 2010 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 41 to 45 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Deep Yellow Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



R A Kirkby
Partner
Perth
16 September 2010

ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of the Australian Securities Exchange Limited, the shareholder information set out below was applicable as at 8 September 2010.

A. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shareholders	Number of Shares	Percent of Issued Capital
1 – 1,000	851	388,067	0.03
1,001 – 5,000	2,727	8,131,796	0.72
5,001 – 10,000	1,835	14,963,072	1.33
10,001 – 100,000	3,967	131,338,745	11.67
More than 100,000	693	970,992,778	86.25
Totals	10,073	1,125,814,458	100.00

There were 1,965 shareholders holding less than a marketable parcel of ordinary shares.

B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Issued Ordinary Shares	
	Number of Shares	Percentage of Shares
Paladin Energy Ltd	220,258,461	19.56
HSBC Custody Nominees (Australia) Limited	145,282,186	12.90
Dr Leon Eugene Pretorius	73,981,124	6.57
Mr Robert Anthony Healy	72,680,312	6.46

C. Twenty Largest Shareholders

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

Shareholder Name	Listed Ordinary Shares	
	Number	Percentage Quoted
Paladin Energy Ltd	220,258,461	19.56
HSBC Custody Nominees (Australia) Limited	145,282,186	12.90
Mr Robert Anthony Healy	72,680,312	6.46
Dr Leon Eugene Pretorius	66,365,000	5.89
Gillian Swaby	40,673,333	3.61
Mr Zac Rossi + Mrs Thelma Rossi	35,800,000	3.18
Robert Anthony Healy + Helen Maree Healy	25,437,500	2.26
Mr Mervyn Patrick Greene	22,700,000	2.02
ANZ Nominees Limited <Cash Income A/C>	18,606,312	1.65
IJG Securities Pty Ltd	17,371,132	1.54
J P Morgan Nominees Australia Limited	16,720,549	1.49
Citicorp Nominees Pty Limited	11,897,925	1.06
Walkabout Superannuation Fund Pty Limited <Walkabout Super Fund A/C>	11,000,000	0.98
Mrs Heather Joy Buchanan	8,866,750	0.79
Superior Resources Ltd	7,000,000	0.62
Strategic Consultants Pty Ltd	6,630,000	0.59
Mr Robert Anthony Healy + Mrs Helen Maree Healy <Glenview Super Fund A/C>	4,938,600	0.44
Lando Pty Ltd	4,700,000	0.42
National Nominees Limited	4,539,225	0.40
Rossi Orchards Pty Ltd <Rossi Orchards S/Fund A/C>	4,200,000	0.37
Totals	745,667,285	66.23

D. Voting Rights

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

E. Restricted Securities

As at 30 June 2010 there were no restricted securities.

SCHEDULE OF MINERAL TENEMENTS

NAMIBIA

Tenement No.	Tenement Name	Interest	Granted From	Expiry Date	Approx Area (km ²)
EPL 3496	Tubas	100%	06.06.06	05.06.11	956
EPL 3497	Tumas	100%	06.06.06	05.06.11	949
EPL 3498	Aussinanis	100%	08.05.07	07.05.10	253
EPL 3499	Ripnes	100%	06.06.06	05.06.11	717
Sub-Total					2,875

NORTHERN TERRITORY

Tenement No.	Tenement Name	Interest	Granted From	Expiry Date	Approx Area (km ²)
EL 9807	TiTree	100%	14.10.04	13.10.10	406
EL 9809	Papunya	100%	14.10.04	13.10.10	365
EL 10404 # ¹	Mordor	50%	21.05.02	20.05.12	47
EL 10223 # ²	Cornelius	100%	22.05.02	21.10.10	244
EL 23923 # ²	Mt Treachery	100%	01.06.04	31.05.12	93
EL 23924 # ²	Anmatjira	100%	01.06.04	31.05.12	179
EL 23991 # ²	Beantree	100%	01.06.04	31.05.12	54
EL 24246 # ²	Napperby	100%	11.10.04	10.10.10	775
EL 24547	Nonouba	100%	17.08.07	16.08.13	570
EL 24606 # ²	Lake Lewis	100%	28.12.05	27.12.11	628
EL 25097	Billabong North	100%	Application		232
EL 25101 # ¹	Mordor West	50%	21.11.06	20.11.12	48
EL 25146	Mt Morris West	100%	Application		690
EL 25147	Mt Morris	100%	Application		1,580
EL 25155	Mongrel Downs	100%	Application		356
EL 25156	Abbotts Bore	100%	Application		113
EL 25177	Fiddlers Lake	100%	Application		670
EL 25212	Mt Davidson	100%	Application		307
EL 25601	Nancy Hill	100%	Application		909
EL 25698	Carrington Bore	100%	15.10.07	14.10.13	45
EL 25701	Mt Singleton	100%	15.10.07	14.10.13	666
EL 25702	Mt Hardy	100%	06.09.07	05.09.13	93
EL 25940	Gida	100%	Application		442
EL 25941	Atlee Creek	100%	Application		484
EL 25953	Turners	100%	Application		294
EL 25954	Baystone	100%	15.10.07	14.10.13	237
EL 27140	Cornelius North	100%	Application		128
EL 27141	Cornelius South	100%	Application		192
EL 27734	Green Swamp Hill	100%	Application		61
Sub-Total					10,908

#¹ Rum Jungle Uranium Ltd JV

#² Renewal pending

QUEENSLAND

Tenement No.	Tenement Name	Interest	Granted From	Expiry Date	Approx Area (km ²)
EPM 14281	Yamamilla	100%	07.07.05	06.07.15	217
EPM 14367 # ²	Spider	51%	21.07.05	20.07.10	75
EPM 14916	Ewen	100%	15.05.06	14.04.11	458
EPM 15070	Prospector	100%	28.03.06	27.03.11	125
EPM 15072 # ³	Pilgrim	20%	28.03.06	27.03.11	51
EPM 16007	Sherrin Creek	100%	14.03.08	13.03.13	173
EPM 16533	Crocodile Creek	100%	17.12.09	16.12.14	24
EPM 16534	Paroo Creek	100%	23.04.09	22.04.14	21
EPM 17000	Gum Creek	100%	Application		29
EPM 17716	Barkly South	100%	Application		13
EPM 17952	Mort River	100%	Application		6
EPM 17967	Barkly	100%	Application		35
EPM 18127	Leichhardt River	100%	Application		58
Sub-Total					1,285
DYL Total					15,068

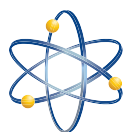
#³ Krucible Metals Ltd Joint Venture

Agreements

	Approx Area (km ²)
Toro Energy Ltd - Namibia	1,323
Xstrata Copper Exploration Pty Ltd – Queensland	400
Tanami Gold NL * - Northern Territory and Western Australia	18,670
* NT tenements in process of being transferred to ABM Resources NL. 100% uranium rights stay with DYL	
Sub-Total	
20,393	
Total Area	
35,461	

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Deep Yellow Limited

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