



22 June 2012

NOTICE LETTERS TO SHAREHOLDERS

Advanced stage uranium explorer Deep Yellow Limited ("Deep Yellow" or the "Company") is pleased to advise that the attached letters were sent to shareholders today in accordance with the notice requirements for the recently announced non renounceable entitlement issue.

Mark Pitts
Company Secretary

Ends

About Deep Yellow Limited

Deep Yellow Limited is an ASX-listed, advanced stage uranium exploration company with extensive operations in the southern African nation of Namibia and in Australia. It also has a listing on the Namibian Stock Exchange.

Deep Yellow's primary focus is in Namibia where its operations are conducted by its 100% owned subsidiary Reptile Uranium Namibia (Pty) Ltd (RUN). Its flagship is the Omahola Project currently under Pre-Feasibility Study with concurrent resource drill-outs on the high grade Ongolo Alaskite – MS7 trend. It is also evaluating a stand-alone project for its Tubas-TRS uranium deposit utilising physical beneficiation techniques it successfully tested in 2011.

In Australia the Company owns the Napperby Uranium Project and numerous exploration tenements in the Northern Territory and in the Mount Isa District in Queensland.

For further information regarding this announcement, contact:

Greg Cochran
Managing Director

Phone: +61 8 9286 6999
Email: info@deepyellow.com.au

For further information on the Company and its projects - visit the website at www.deepyellow.com.au



Deep Yellow Limited

22 June 2012

Shareholder
Address

Dear Shareholder

Deep Yellow Limited – Notification Details

We write to you as a registered holder of Deep Yellow Limited (**DYL or Company**) fully paid shares as at today's date.

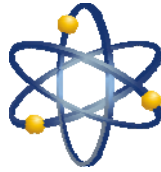
As announced on 19 June 2012, the directors of DYL have resolved to undertake a pro-rata non-renounceable rights issue of approximately 250,830,312 shares on the basis of 2 new shares for every 9 shares held as at 5.00 pm (WST) on 29 June 2012 (**Record Date**) at an issue price of 4.2 cents per share (**Offer**). The issue will raise a maximum of \$10,534,873 if all of the entitlements are taken up.

The Offer will be made to all registered shareholders on the Record Date and who reside in Australia, New Zealand, United Kingdom, Ireland, South Africa and Namibia.

The Offer is made pursuant to a prospectus lodged with the Australian Securities and Investments Commission (**ASIC**) on 20 June 2012 (**Prospectus**). The Prospectus is available on DYL's website: www.deeppyellow.com.au or on the ASX website (company announcements section, ASX code: DYL): www.asx.com.au.

Pursuant to the Listing Rules of the ASX (Listing Rules), the Company is required to provide to you certain information before proceeding with the Offer. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. Approximately 250,830,312 shares will be issued pursuant to the Offer (assuming no existing options are exercised).
2. The shares to be issued will rank equally in all respects from the date of allotment with the existing quoted ordinary shares.
3. The issue price of the shares will be \$0.042 each.
4. The Company will apply for quotation of the shares issued pursuant to the Offer on the official list of the ASX.
5. The shares will be fully paid ordinary shares in the capital of the Company.



6. The funds raised by the Offer will primarily be used towards:
- (a) funding the costs of the Offer;
 - (b) resource updates and mining studies on the Omahola Project, as well as metallurgical test work, and scoping level environmental impact studies on Omahola Project;
 - (c) a resource review and mining studies on the TRS Project;
 - (d) completing test work and resource update on Shiyela Project to attract a partner to monetise the asset
 - (e) exploration and resource definition drilling programmes 2012; and
 - (f) general working capital and administrative expenses.
7. The Offer is partially underwritten by Patersons Securities Limited (**Patersons**) up to \$5.8 million (**Underwritten Amount**). Sub-underwriters include a London based Institutional Investor and Paladin Energy Limited. Paladin Energy Limited will sub-underwrite to \$4 million. Patersons will receive an underwriting fee equal to 6% of the Underwritten Amount, excluding any contribution by Paladin Energy Limited under its sub-underwriting commitment.
8. The securities will be entered into uncertificated holdings on 27 July 2012.
9. The total number and class of all securities quoted on ASX (including the maximum number of New Shares to be issued in the Offer but assuming no existing options are exercised prior to the Record Date) is as follows:
- | Number | Class |
|---------------|----------------------------|
| 1,379,566,715 | Fully paid ordinary shares |
10. The Company currently has no dividend policy.
11. No shareholder approval for the Offer is required.
12. The Offer is non-renounceable.
13. This rights issue on the basis of two shares for every nine ordinary shares held at 5:00 pm AWST on the Record Date (i.e. 29 June 2012).
14. The Offer relates to fully paid ordinary shares in the Company.
15. The ex date is 25 June 2012.
16. The Company does not have multiple share registers.
17. Fractional entitlements will be rounded up to the nearest whole number.
18. The Company will be sending the Offer to all Company shareholders in Australia, New Zealand, United Kingdom, Ireland, South Africa and Namibia.



19. The closing date for receipt of acceptances is 5:00 pm AWST on 20 July 2012.
20. The Offer is partially underwritten to \$5,800,000.
21. Patersons is lead manager to the Offer.
22. The Prospectus for the Offer and the accompanying Entitlement and Acceptance Form will be sent to you on 3 July 2012.
23. Existing optionholders may participate in the Offer upon exercise of their options. The Company sent a notice to option holders to notify them of their right to participate in the Offer upon exercise of their options on 20 June 2012.
24. If you wish to take up all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form, together with payment for the amount shown on the form or for such lesser amount as you wish to apply for, so as to reach the Company's share registry no later than 5.00 pm AWST on 20 July 2012.
25. Eligible Shareholders may, in addition to their Entitlement, apply for additional shares if they have taken up their full Entitlement, regardless of the size of their present holding. Refer to the Brief Instructions at section 1.9 of the Prospectus if you wish to apply for additional new shares. A single cheque or BPAY payment should be used for the application money for your Entitlement and the number of additional shares you wish to apply for as stated on the Entitlement and Acceptance Form.
26. Any shares not taken up by Existing Shareholders will form part of the shortfall (**Shortfall Shares**) and which may be placed by the Company in conjunction with the underwriter and in accordance with the Underwriting Agreement. The Offer of any Shortfall Shares is a separate offer made pursuant to the Prospectus (**Shortfall Offer**). Shortfall Shares will be issued at the same issue price as the shares offered to eligible shareholders pursuant to the Offer. In addition, the Directors reserve the right to place any Shortfall Shares, which are not underwritten or issued to eligible shareholders under the Shortfall Offer, at their discretion within 3 months after the Closing Date in accordance with Listing Rule 7.2 Exception 3. The Directors advise that it is their intention to consider adding to the depth and geographical diversity of the register through the addition of Institutional and sophisticated investors.
27. If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.
28. The latest date for entry of the securities into your security holdings is 27 July 2012.

The above information was provided to the ASX on 20 June 2012.



Key Dates

The current proposed timetable for the Offer is as follows*:

Summary of Important Dates*	
Announcement of Offer	19 June 2012
Lodgement of Prospectus with ASIC	20 June 2012
Record Date to determine Entitlements	29 June 2012
Opening Date and despatch of Prospectus	3 July 2012
Closing Date**	20 July 2012
Notification to ASX of under subscriptions	25 July 2012
Allotment of shares	27 July 2012
Despatch of holding statements	30 July 2012

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

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

A copy of the Prospectus will be sent to you on 3 July 2012 if you are an eligible Company shareholder at the Record Date. If you are eligible and wish to participate in the Offer, it will be necessary for you to complete an Entitlement and Acceptance form, which will accompany your Prospectus, and return it with the appropriate application monies, to the Company before the Closing Date (set out above).

The Directors of Deep Yellow recommend that if you are in doubt as to the value of the Offer then you should contact your financial adviser.

Further queries

You are not required to take any action at this time, however if you are an eligible shareholder and you do not receive a copy of the Prospectus by 9 July 2012, please call DYL's Perth office at any time from 9.00 am to 5.00 pm (AWST) Monday to Friday, or consult your stockbroker, accountant or other professional adviser.



This letter is not a prospectus and does not constitute an offer of securities. The offer of shares will only be made in, or accompanied by, a copy of the Prospectus sent to eligible shareholders. Before deciding whether to apply for shares, you should consider the terms of the Prospectus carefully. If in doubt, consult with your professional adviser.

If you have any queries in relation to the Offer, please do not hesitate to contact the Company Secretary on +61 8 92866999.

Yours faithfully

Mark Pitts
Company Secretary

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Important Information

This document is issued by Deep Yellow Limited, ABN 97 006 391 948 (DYL). This document is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in DYL in any jurisdiction. This document does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of DYL shares. This document may not be released or distributed in the United States.

This document does not constitute an offer to sell, or the solicitation of any offer to buy, any securities in the United States or to any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (**Securities Act**) (**U.S. Person**)). The shares offered in the Entitlement Offer have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to U.S Persons absent registration or an exemption from the registration requirements of the Securities Act.



Deep Yellow Limited

22 June 2012

Shareholder
Address

Dear Shareholder

Notice to Overseas Shareholders of Rights Issue

We write to you as a holder of Deep Yellow Limited (DYL or Company) fully paid shares as at today's date with a registered address outside of Australia, New Zealand, United Kingdom, Ireland, South Africa and Namibia (**Excluded Foreign Holders**).

As announced on 19 June 2012, the directors of DYL have resolved to undertake a pro-rata non-renounceable rights issue of approximately 250,830,312 shares on the basis of 2 new shares for every 9 shares held as at 5.00pm (WST) on 29 June 2012 (**Record Date**) at an issue price of 4.2 cents per share (**Offer**). The issue will raise a maximum of \$10,534,873 if all of the entitlements are taken up.

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The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it is unreasonable to extend the Offer to those shareholders that are Excluded Foreign Holders. The Company has taken into consideration the size of the shareholdings held by the Excluded Foreign Holders and the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to Excluded Foreign Holders. Accordingly, the Company is unable to extend to you the opportunity to participate in the entitlements issue.

Subject to ASIC's approval for the purposes of section 615 of the *Corporations Act 2001*, the Company has appointed Patersons Securities Limited as nominee for Excluded Foreign Holders (Nominee). The Company advises the Excluded Foreign Holders that the Nominee will arrange for the sale of the shares that would be on offer to Excluded Foreign Holders and if they are sold, for the net proceeds to be sent to the Excluded Foreign Holders.

Please note it is possible that no net proceeds will be available for distribution to Excluded Foreign Holders after the costs of the sale have been paid to the Nominee. We will inform you in due course of the outcome of the sale of the shares.

Thank you for your ongoing support of the Company, if you have any questions in relation to the above, please do not hesitate to contact the Company Secretary on +61 8 9286 6999.

Yours faithfully

Mark Pitts
Company Secretary

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