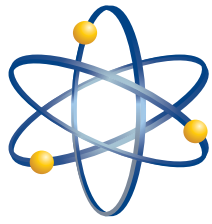
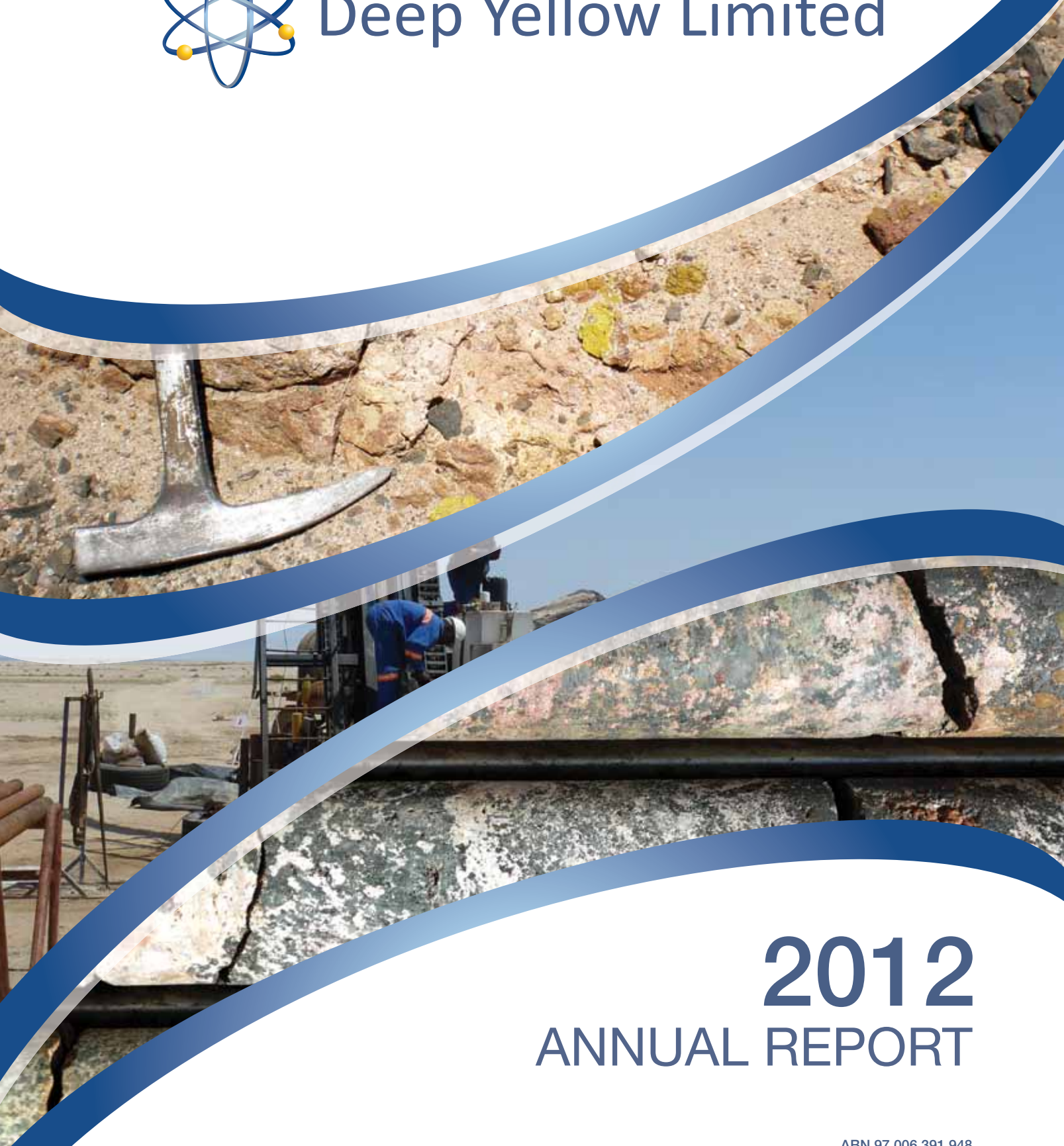


ASX: DYL



Deep Yellow Limited



2012 ANNUAL REPORT

ABN 97 006 391 948

www.deepyellow.com.au

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Mervyn Greene	Chairman (Non-executive)
Mr Greg Cochran	Managing Director
Mr Martin Kavanagh	Executive Director
Ms Gillian Swaby	Non-executive Director
Mr Rudolf Brunovs	Non-executive Director

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COMPANY SECRETARY

Mr Mark Pitts

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Namibian Stock Exchange (NSX) Code: DYL

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AUSTRALIAN BUSINESS NUMBER

97 006 391 948

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SUMMARY INFORMATION

COMPANY PROFILE

Deep Yellow Ltd (DYL) is an advanced stage uranium exploration company. The Company's focus is in Namibia, where exploration is conducted by its wholly-owned subsidiary Reptile Uranium Namibia (Pty) Ltd. DYL's JORC Mineral Resource inventory now totals almost 114 Mlbs U₃O₈, with over 101 Mlbs U₃O₈ in Namibia.

Omahola is the Company's flagship project, the last remaining independently held high grade alaskite project in Namibia, which has a JORC Compliant Mineral Resource of 38.2 Mt at 441 ppm U₃O₈ for 37 Mlbs U₃O₈ from three hard rock deposits, the Ongolo and MS7 Alaskite deposits and the INCA deposit.

Omahola is at pre-feasibility stage, with concurrent resource drilling and ongoing exploration along the highly prospective Ongolo – MS7 trend. Early in 2011 interim results for the partially completed pre-feasibility study (PFS) showed that the project could be developed with competitive capital (sub US\$340M) and operating costs (around US\$32/lb U₃O₈) producing 2.2 Mlbs U₃O₈ per annum.

DYL is also advancing its Tubas Sand Project. The Tubas Sand deposit is a low grade aeolian sand deposit that can be upgraded by physical beneficiation. The project resource is 87 Mt at 148 ppm U₃O₈ for 28.4 Mlbs U₃O₈ and offers the potential for the development of an operation producing some 1 Mlbs U₃O₈ per annum that could supply uranium loaded resin to one of the two existing Namibian uranium producers or as supplemental feed to enhance the Omahola Project.

DYL discovered a substantial area of iron mineralisation on one of its Namibian tenements in 2008. The Shiyela Iron Project has a JORC Compliant Mineral Resource of 78.7 Mt at 18.88% Fe. DYL is undertaking further testwork to update its scoping study with a view to divestment of the project. Shiyela is favourably located close to the Walvis Bay port and could produce a high grade magnetite-hematite blended concentrate with low impurities suitable for the blast furnace market.

In Australia DYL holds the Napperby Uranium Project and numerous exploration tenements in the Northern Territory and exploration assets in Queensland, all of which are slated for divestment.

CORPORATE STRATEGY

DYL's strategy is to become a uranium producer in 2015/16 by successfully making the transition from advanced explorer to developer.

To achieve this it will continue to focus primarily on its flagship Omahola Project, conducting the required testwork and technical studies in parallel with ongoing exploration of the high grade Ongolo – MS7 alaskite region to grow the project's attractive resource base, complete project evaluation activities and build a team to deliver on this strategy. Work will also continue on the Company's Tubas Sand Project with the objective of commencing production earlier.

EXECUTIVE CHANGES

In April 2012 the Company announced that Dr Leon Pretorius, the Namibian based Managing Director of DYL's wholly owned subsidiary Reptile Uranium Namibia (Pty), had decided to end his full time involvement with the Company to pursue his other growing interests in Australia.

Dr Pretorius has been involved with Deep Yellow as a senior Executive since June 2005 and was instrumental in laying the foundation to the company that today holds such a highly regarded portfolio of quality uranium projects in Namibia. He will continue to be involved on a part time basis with the Company specifically in relation to Namibian exploration strategy and permitting at least until the end of 2012.

The Chairman and the Board of DYL acknowledged Dr Pretorius' achievements and significant contribution to the Company over the years, which include numerous exploration discoveries and multiple successful permit applications in addition to his strong leadership of the team in Namibia, which have left DYL in an ideal position to move into the next phase of development.



HIGHLIGHTS OF THE 2012 FINANCIAL YEAR

OMAHOLA PROJECT

- * Grade increased by 42% to 441 ppm U_3O_8 , with uranium content almost doubled to 37 Mlbs U_3O_8 .
- * Ongolo Alaskite deposit resource tripled to 20.5 Mt at 400 ppm U_3O_8 for 18 Mlbs U_3O_8 at a 250 ppm cut-off.
- * MS7 Alaskite deposit resource doubled to 5.4 Mt at 470 ppm, U_3O_8 for 5.6 Mlbs U_3O_8 at a 250 ppm cut-off.
- * INCA deposit resource grade increased to 12.4 Mt at 490 ppm U_3O_8 for 13.4 Mlbs U_3O_8 at a 250 ppm cut-off.
- * Ongoing exploration success with multiple wide high grade intersections at Ongolo and MS7, with the best being 158 metres at 448 ppm U_3O_8 from 105 metres and the discovery of the Ongolo South satellite boosting confidence that the project resource base can be substantially increased.
- * Full environmental clearance was received and a mining licence application submitted for the INCA deposit area.

TUBAS SAND PROJECT

- * Sixfold increase in Tubas Sand Deposit to 87 Mt at 148 ppm U_3O_8 for 28.4 Mlbs U_3O_8 at a 70 ppm cut-off.
- * Additional breakthrough made on the physical beneficiation of Tubas Sand deposit by the removal of slimes and ultra-fine particles prior to scrubbing.
- * Schauenburg physical beneficiation performance now delivers a 7.9 times grade enhancement at a 12% mass pull with a 84% uranium recovery.
- * Schauenburg process also shown to reduce carbonate content by 86%, resulting in the production of a clean, high grade sand concentrate amenable to acid or alkali leaching.
- * Full environmental clearance was received and a mining licence application submitted for the project.

SHIYELA IRON PROJECT

- * Scoping study completed by ProMet Engineers Pty Ltd confirmed the potential for a financially robust project.
- * Base case capital costs were estimated at US\$467 million and operating costs US\$77.40/tonne of concentrate FOB Walvis Bay for a project producing 2 Mtpa of a blended magnetite-hematite concentrate.
- * A maiden JORC Resource estimate was completed by Golder Associates Pty Ltd totalling 78.7 Mt at 18.88% Fe.
- * Testwork confirmed that a coarse grained (~150 micron) high quality magnetite product could be produced (~69% Fe with low silica and no deleterious elements).
- * Further testwork indicated the potential to recover a hematite fraction from the project as well, with further work required to determine actual recovery.
- * Full environmental clearance was received and a mining licence application submitted for the project.



MINERAL RESOURCES SUMMARY

JORC Mineral Resource Estimate Summary – March 2012

Deposit	Category	Cut-off (ppm U ₃ O ₈)	Tonnes (M)	U ₃ O ₈ (ppm)	U ₃ O ₈ (t)	U ₃ O ₈ (Mlb)
NAMIBIA						
Omahola Project						
INCA ♦	Indicated	250	7.0	470	3,300	7.2
INCA ♦	Inferred	250	5.4	520	2,800	6.2
Ongolo #	Indicated	250	14.7	410	6,027	13.2
Ongolo #	Inferred	250	5.8	380	2,204	4.8
MS7 #	Indicated	250	3.3	430	1,400	3.2
MS7 #	Inferred	250	2.0	540	1,100	2.4
Omahola Project Total			38.2	441	16,831	37.0
Tubas Sand Project						
Tubas Sand	Inferred	70	87.0	148	12,876	28.4
Tubas Sand Project Total			87.0	148	12,876	28.4
Tubas-Tumas Palaeochannel						
Tumas ♦	Indicated	200	14.4	366	5,270	11.6
Tumas ♦	Inferred	200	0.4	360	144	0.3
Tubas Calcrete	Inferred	100	7.4	374	2,767	6.1
Tubas-Tumas Palaeochannel Total			22.2	369	8,181	18.0
Aussinanis Project						
Aussinanis ♦	Indicated	150	5.6	222	1,243	2.7
Aussinanis ♦	Inferred	150	29.0	240	6,960	15.3
Aussinanis Project Total			34.6	237	8,203	18.0
TOTAL - NAMIBIA			182.0	253	46,091	101.4
AUSTRALIA						
Napperby Project (NT)						
Napperby	Inferred	200	9.3	359	3,351	7.4
Napperby Total			9.3	359	3,351	7.4
Mount Isa Project (QLD)						
Mount Isa	Indicated	300	2.2	470	1,050	2.3
Mount Isa	Inferred	300	2.5	450	1,120	2.5
Mount Isa Total			4.7	460	2,170	4.8
TOTAL - AUSTRALIA			14.0	394	5,521	12.2
TOTAL INDICATED RESOURCES			47.2	387	18,290	40.2
TOTAL INFERRED RESOURCES			148.8	224	33,322	73.4
TOTAL RESOURCES			196.0	263	51,612	113.6

Notes: Figures have been rounded and totals may reflect small rounding errors
XRF chemical analysis unless annotated otherwise
♦ eU₃O₈ - equivalent uranium grade as determined by downhole gamma logging
Combined XRF Fusion Chemical Assays and eU₃O₈ values

JORC Mineral Resource Estimate - Shiyela Iron Project - December 2011

Deposit	Category	Cut-off (DTR%)	Tonnes (M)	DTR (%)	Fe (%)
Shiyela Iron Project					
M62 - Fresh	Inferred	10	40.2	17.12	17.02
M62 - Oxide	Inferred	10	3.5	15.46	18.13
Total			43.7	16.99	17.11
M63 - Fresh	Inferred	10	34.8	15.15	21.10
M63 - Oxide	Inferred	10	0.2	16.16	18.87
Total			35.0	15.16	21.09
Total – Shiyela Iron Project			78.7	16.17	18.88
Total Fresh			75.0	16.21	18.91
Total Oxide			3.7	15.50	18.17
TOTAL RESOURCES			78.7	16.17	18.88

Notes: Figures have been rounded and totals may reflect small rounding errors
Resource Estimation using a 10% DTR Wt% cut-off
Fe% - head assay of composited drill samples

CHAIRMAN'S LETTER

Dear Shareholders

My first task in this annual letter is to thank Dr Leon Pretorius, who will be leaving us at the end of 2012, for his significant contribution to Deep Yellow (DYL) over the past seven years. I believe that in time his legacy in terms of the discovery of the hard rock, higher grade uranium deposits in the north western areas of our Namibian tenements, together with the discovery of the Shiyela Iron deposit and his championing of innovative ways to beneficiate the Tubas Sand deposit will prove to be the making of DYL as a company. Given Leon will continue to assist the company in an advisory capacity going forward we are not saying good-bye and we are happy that he will be able to watch as we build on the successes of the past number of years. On behalf of the Board I wish him every success in his other business interests.

My second is to ensure that you all realise that the management and staff of DYL have continued to make significant positive progress on the ground. There is an often quoted expression applied to both business and sport – 'control the controllables' – and I can assure you all that we have done a very good job of that this year. Under the leadership of your Managing Director, Greg Cochran, that will continue. We cannot influence the uranium spot price or the interminable Euro debt crisis, for example, but we can continue to do as good a job internally as we can. The list of achievements is a long one and includes the following significant items relating to our main projects:

- * At Omahola a grade increase of 42% to 441 ppm plus an increase in uranium content of almost 100% to 37 Mlbs. Ongoing drilling since the last resource statement has confirmed and increased the extent of the mineralisation and there is a high degree of prospectivity in the remaining area yet to be drilled.
- * For Tubas Sands a sixfold resource increase to 28.4 Mlbs at 148 ppm after we re-allocated parts of the original Tubas palaeochannel deposit. This translates into an average of nearly 24 Mlbs at more than 1,000 ppm post low cost physical beneficiation after applying the test parameters derived from our work on the Schauenburg processes of 84% uranium recovery and a grade enhancement of 790%.
- * The Shiyela iron project, while non-core for DYL, is potentially a significant driver of shareholder value. Initial magnetite resource numbers showed the potential of the project and ongoing progress on the recovery of a hematite fraction is likely to lead to an increase in the resource size and a significant improvement in the economics of the project. We are looking to develop Namibia's first significant iron ore mine in conjunction with an expert operator who will fund its development.
- * Additionally environmental clearances were received for INCA (a subset of Omahola), Tubas Sands and Shiyela and mining licence applications lodged for all three. The rapid first time granting of our clearances is testament to the quality of the work done in Namibia and the efficiency of the Namibian Ministry of the Environment and Tourism.

Let us examine where we are at present and where we are going. We believe that we have high class, higher grade deposits in Namibia, a very mining friendly country with a long and proud history of uranium production through both Rio Tinto's Rossing and Paladin's Langer Heinrich and that we will continue to both expand and gain increased confidence in our resources. We also firmly believe we will continue to identify areas of significant additional mineralisation within the Omahola project boundaries. By recently slimming down the company and focusing our financial and managerial resources on a small number of key commercial projects in Namibia we are looking to tip the odds of success in our favour. We also believe that we have an exceptional management and advisory team and we believe that we can build on that team as we go forward. In addition we have very supportive major shareholders who have worked closely with us in the past year to ensure that we have the funding we require and that obstacles to our success are removed so that we are able to take maximum advantage of strategic opportunities as they are identified. The recent agreement by the Raptor Partners to exchange their expensive earn-out for additional shares in the company was both a vote of faith in the company, management and our strategy but has also allowed DYL to remove a significant impediment to the future financing of your company and its key projects. Your Board has supported this transaction as it believes the benefits of this agreement will be both positive and significant for all DYL shareholders in the future.

Last but not least we believe that there is going to be a serious supply crunch in the uranium market in the next few years and that this will drive uranium prices to more realistic levels and be the catalyst for renewed investor and strategic interest in uranium explorers.

On the demand side, as of August 2012, 65 reactors are under construction worldwide (pre Fukushima in August 2010 there were 59) and 158 are being actively planned (149). This represents potential new build of more than 50% of the current total of 433 operable reactors (440). In addition 329 new reactors are being proposed, the vast majority in countries such as China (120) and India (39) with massive electricity growth requirements over the next 25 years plus other new entrant countries such as Saudi Arabia (16) and the UAE (10). Worries about emissions and the contribution to global warming have not gone away, but are currently being drowned out by complex financial issues and overall global debt and growth concerns. We believe that nuclear will continue to be a critical part of the energy mix for the vast majority of the current nuclear operating countries plus a growing number of new entrants.

The supply element is a lot more constrained and, in our view, uncertain. As you will know the HEU agreement for the conversion of ex-Soviet weapons grade uranium to nuclear fuel comes to an end in just over a year's time. It has proved much more difficult to both finance and move into production many of the new uranium mining projects that were put forward as the means to bridge the supply gap. Current uranium prices and risk aversion by providers of credit means that many projects perceived as marginal are unlikely to be developed. Uranium in the ground is not scarce, known reserves are sufficient for many decades to come, but current mined production is simply not sufficient to satisfy the demand profile expected in the near future and beyond.

Something must change and we believe that there will be a sustained upward swing in uranium prices to more accurately reflect the cost of mined production. This does not take into account the consumers or strategic users of uranium (e.g. power plant manufacturers) who will become increasingly worried about security of supply. When these forces coalesce, the projects with higher grades, located in countries that can go into production quickly with relatively lower costs will become the most valuable properties for financiers, investors and strategic buyers. I and your Board believe that DYL will be one of a small number of companies with this kind of potential.

I'd like to thank my co-Directors Gill Swaby, Rudolf Brunovs, Martin Kavanagh and, of course, Greg Cochran for their patience, support and wisdom as we have grappled with important decisions in the past year. Greg's senior team deserve special mention; I have already paid tribute to Dr Leon Pretorius and our Company Secretary, Mark Pitts deserves a special mention for his contributions. In Namibia our General Manager Klaus Frielingsdorf and our Financial Controller Cobie Mans deserve your congratulations along with our very committed and enthusiastic Namibian team. In our Australian office our Group Financial Controller, Ursula Pretorius, works very hard and very effectively to pull everything together and I'd also like to thank our Office Manager Aneta Monk for her contribution over the years and especially her hard work with the annual report and the AGM planning and execution.

I'd also like to thank all our shareholders who were able to support us in the recent entitlement issue. To all current shareholders we are committed to and fully expect to repay your faith in DYL by continuing to make rapid and significant progress and add value to our company and to your investment(s) in us over the years.

Yours sincerely



Mervyn Greene
Chairman



Ongolo Alaskites

REVIEW OF OPERATIONS



NAMIBIA - OVERVIEW

Reptile Uranium Namibia (Pty) Ltd (RUN) is DYL's wholly owned operating subsidiary managing its activities in Namibia. Its office is in the resort town of Swakopmund and has an all-Namibian permanent staff of about 30. It relies on contract drilling companies to conduct its exploration but has its own well-equipped and certified laboratory for assay and pilot plant testwork.

RUN directly holds 100% of four contiguous Exclusive Prospecting Licences (EPLs) covering 2,875 km² and DYL also holds a 65% JV interest in Nova Energy (Namibia) (Pty) Ltd which has three adjoining EPLs covering 1,323 km². Uranium mineralisation in the region occurs as primary (in alaskite) and secondary mineralisation (in palaeochannels, sand and calcrete).

RUN's total JORC Compliant Mineral Resource is 182 Mt at 253 ppm U₃O₈ for 101.4 Mlbs of U₃O₈, however its flagship Omahola Project, the last remaining independently held high grade alaskite project in Namibia, has a resource of 38.2 Mt at 441 ppm U₃O₈ for 37 Mlbs U₃O₈ from three hard rock deposits, the Ongolo and MS7 Alaskite deposits and the INCA uraniferous magnetite deposit. DYL is targeting uranium production in Namibia in 2015.

The Company also has the Tubas Sand Project, which consists of a low grade aeolian sand deposit that can be cost effectively mined in a free dig mining operation and then upgraded by physical beneficiation. The project resource is 87 Mt at 148 ppm U₃O₈ for 28.4 Mlbs U₃O₈ at 70 ppm cut-off. The proposed development strategy is to produce uranium loaded resin from the project which could be supplied to one of the two existing Namibian uranium producers or used as supplemental feed to enhance the Omahola Project.

RUN discovered a substantial area of iron mineralisation on one of its Namibian tenements in 2008. An exploration programme and metallurgical testwork completed in 2011 resulted in the delineation of a JORC Compliant Mineral Resource of 78.7 Mt at 18.88% Fe for the Shiyela Iron Project and a Scoping Study has also been completed. Shiyela is favourably located close to the Walvis Bay port and could produce a high grade magnetite-hematite blended concentrate with low impurities suitable for the blast furnace market. DYL is undertaking further test work to update its scoping study with a view to divesting the project.

The Government of the Republic of Namibia (GRN) has a long term objective of ensuring that all its citizens benefit from the growth and development of the mining industry in the country and has taken tangible steps over the last few years to achieve this objective by asking companies to:

- * Ensure equity participation in mining projects by previously disadvantaged Namibian individuals (also loosely referred to as Black Economic Empowerment or BEE); and
- * Commit to empower people affected by mining projects by investing in social upliftment programmes in the wider community (Broad Based Economic Empowerment or BBEE).

RUN is supportive of the GRN's empowerment objectives and has therefore implemented a BEE and BBEE charter which has been approved by the Ministry of Mines and Energy (MME). In accordance with its charter, RUN has executed an agreement with Oponona Investments (Pty) Ltd (Oponona) to achieve both its BEE and BBEE objectives. Under the agreement, Oponona has the right to acquire a 5% interest in all projects developed on any of RUN's 100% held Exclusive Prospecting Licences (EPLs) at historical cost which may be funded out of profits.

A key component of the agreement with Oponona is the requirement to establish a community trust that will be overseen by its Directors. This trust will receive 40% of all income received by Oponona from its 5% equity position in RUN's projects. A commitment has been made to start funding the trust immediately after first sales are made and the income to the trust will be distributed to the local community to assist with education and general community upliftment programmes.

In the case of the Nova Energy (Namibia) (Pty) Ltd joint venture the BEE partner is Sixzone Investments (Pty) Ltd which holds a 10% share with Toro Energy Ltd's Namibian subsidiary Nova Energy (Africa) (Pty) Ltd holding the remaining 25%.



Reptile Uranium Namibia (Pty) Ltd Office in Swakopmund

NAMIBIA - PROJECTS

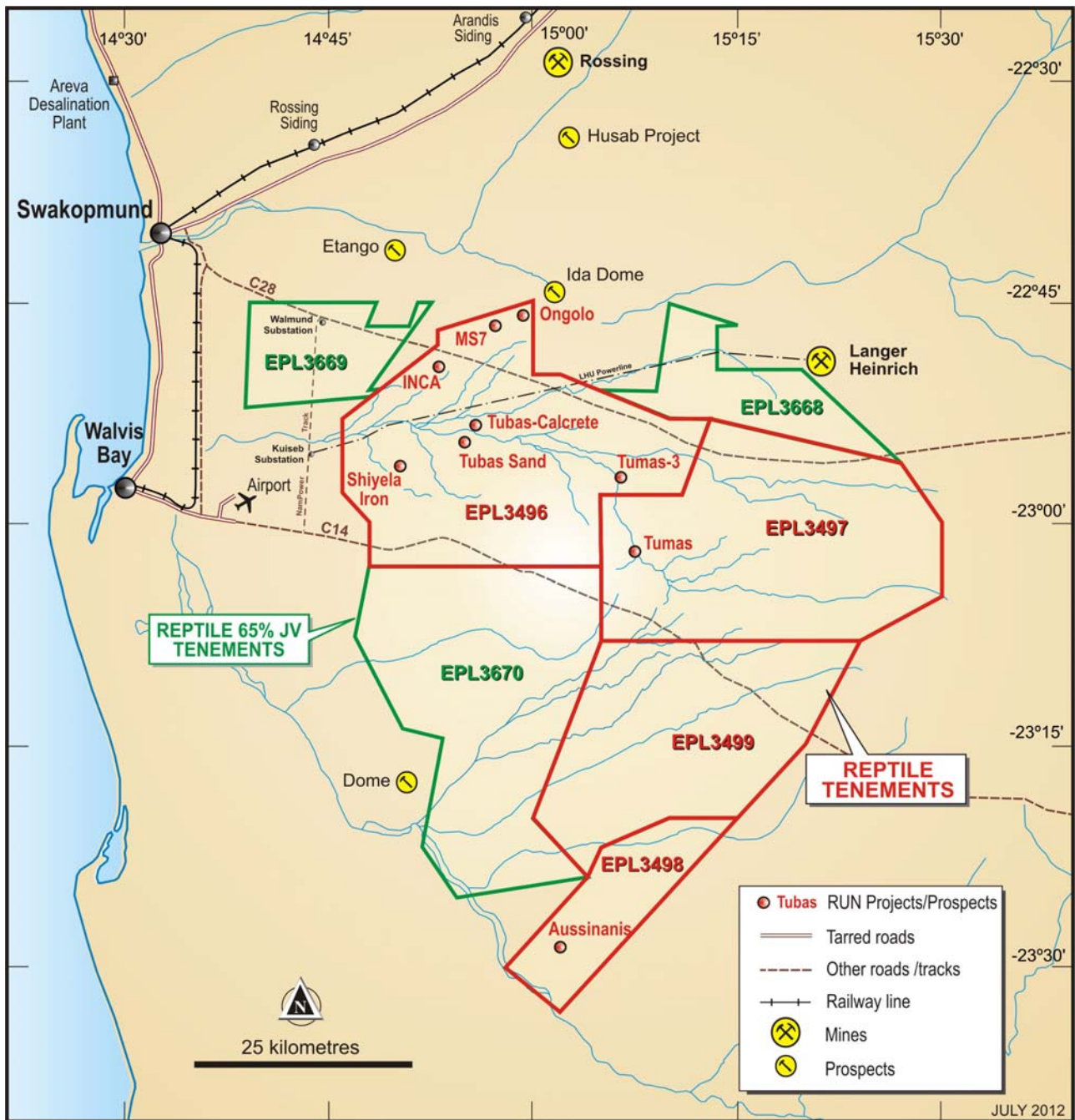


Figure 1: Locality map showing RUN's four EPLs and Project areas, the three Nova JV EPLs plus uranium mines and projects held by other companies in the area

OMAHOLA PROJECT

Overview

The Omahola Project is the Company's flagship project, which conceptually comprises a single plant processing a blend of ore from three hard rock deposits – the Ongolo and MS7 Alaskite deposits and the INCA deposit (Figure 2).

The Omahola Project JORC Compliant Indicated and Inferred Mineral Resource totals 38.2 Mt at 441 ppm U₃O₈ for 37 Mlbs U₃O₈ at a 250 ppm cut-off. Drilling is ongoing at Ongolo and MS7 as well as the recently discovered Ongolo South Prospect thus adding to the existing resource base.

A PFS was conducted by SNC-Lavalin (SNCL) originally based on the INCA and the Tubas Sand deposits and interim results released in early 2011 demonstrated the potential for an operation with:

- * A 12-year mine life at a production rate of 2.2 Mlbs U₃O₈ per annum;
- * Competitive capital costs of less than US\$340 million including a 10% contingency;
- * Operating costs around US\$32/lb U₃O₈; and
- * Sulphuric acid leach processing and solvent extraction.

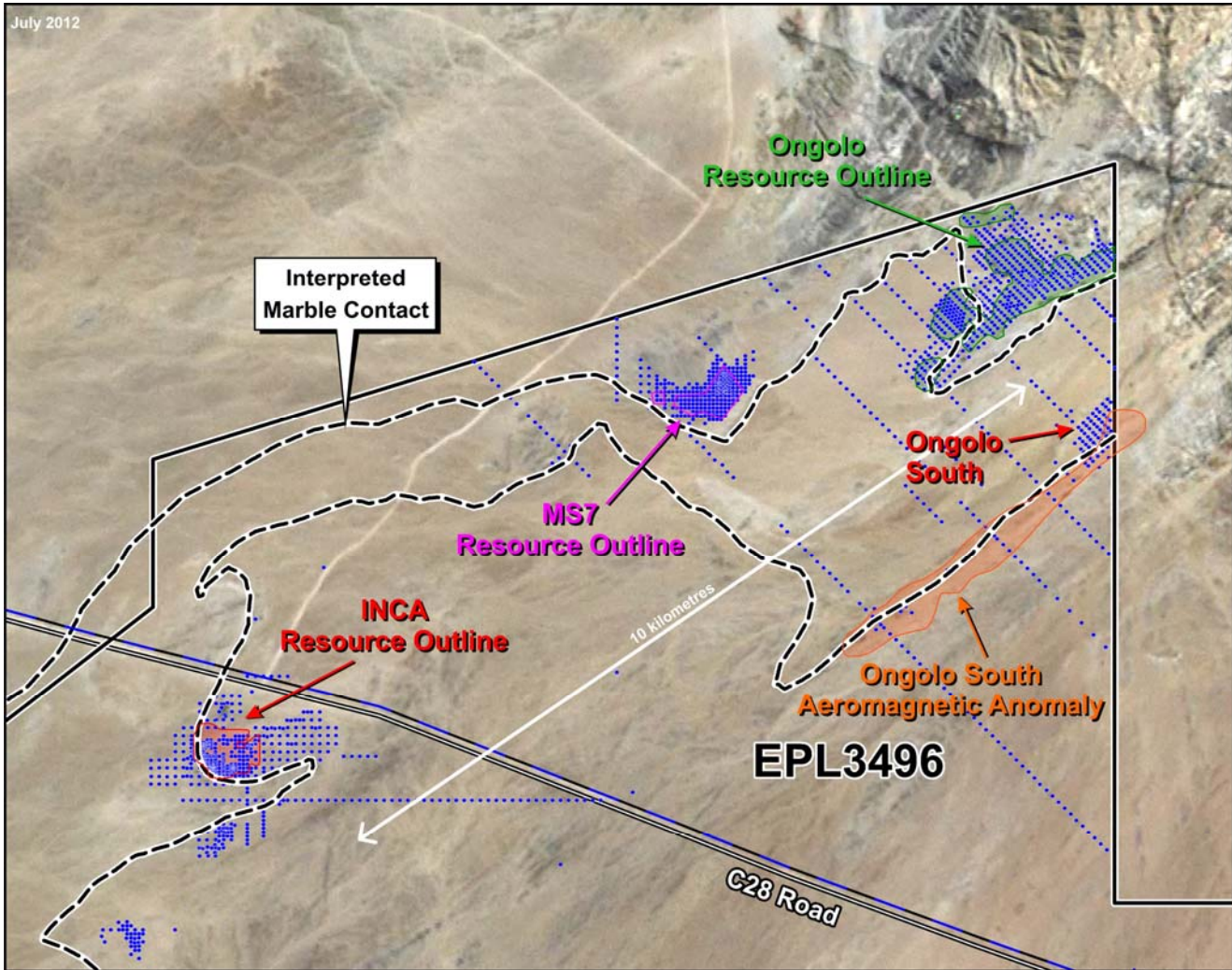


Figure 2: Resource Outlines and Drilling – Ongolo - MS7 - INCA Area

The PFS was put on hold due to the discovery of high grade alaskite mineralisation which, it was recognised, had potential to add significant tonnage to the resource base and potentially simplify the process flow sheet. Subsequently the focus has been on exploration to achieve a nominal 50 Mlbs U_3O_8 in resources – deemed to be a suitable level of critical mass to enable the completion of the PFS.

Project Summary

ONGOLO ALASKITE	MS7 ALASKITE	INCA
JORC Resource: 18 Mlbs	JORC Resource: 5.6 Mlbs	JORC Resource: 13.4 Mlbs
Primary mineralisation	Primary mineralisation	Primary mineralisation
Open Pit Hardrock – Drill and blast	Open Pit Hardrock – Drill and blast	Open Pit Hardrock – Drill and blast
Acid plant treatment	Acid plant treatment	Acid plant treatment
Grade: 400 ppm	Grade: 470 ppm	Grade: 490 ppm

Pre-Feasibility Study

A PFS commenced in March 2010 based on the INCA and Tubas Sand deposits which had a combined resource of only 18.3 Mlbs U_3O_8 under the expectation that additional resources would be discovered with further exploration. The discovery of the Ongolo Alaskite deposit in April 2010 not only confirmed that there was exploration upside but also provided the Company with an opportunity to simplify the process flow sheet and thereby reduce the estimated capital cost of the project.

Subsequently DYL discovered another alaskite deposit, MS7, and in the last year added 18 Mlbs U_3O_8 at grades above 400 ppm U_3O_8 to the Project's resource base.

In the PFS, SNCL assumed a production rate of 2.2 Mlbs U_3O_8 per annum beginning 2014 targeting resources for a minimum 12 year mine life, generated from open-pit mining at the INCA deposit (80% of plant feed) and the Tubas Sand deposit (20% of feed). The INCA deposit would be mined by shallow, open-pit mining (starting from 20 metres). A sulphuric acid leach circuit and solvent extraction plant was envisaged and an autoclave and iron recovery circuit were included. Under the expectation that plant feed will be predominantly alaskite ore there is the potential to remove both the autoclave and the iron recovery circuit which would reduce the capital cost considerably.

PFS results were:

- * Capital costs in a range of US\$324 to US\$336 million with 10% contingency;
- * Operating costs estimated to be US\$24.90 to US\$25.30 per pound U₃O₈;
- * Capital and operating costs were reported with an accuracy of -15% to +25%;
- * Iron (magnetite) could be produced as saleable by-product; and
- * Sulphuric acid to be partially generated on-site.

Prior to the inclusion of Ongolo and MS7 into the Omahola Project the plant was to be located at INCA, however with the bulk of the tonnage expected to come predominantly from the alaskites in the Ongolo-MS7 region it is now likely that the plant will be located close to the Ongolo deposit.

Water supply is a key risk area for a mining project in Namibia and therefore RUN completed limited pump testing of aquifers in the region and confirmed the availability of significant amounts of groundwater (albeit saline) at INCA and in the nearby palaeochannel system. Aquifer recharge tests and Government licensing will determine how much (if any) of the total water supply required for the Omahola Project can be sourced from this natural, local water supply. The cost of an on-site desalination plant was included in the capital estimate above.

Due to the proximity of the project to the coastal towns of Swakopmund and Walvis Bay and ready access via a sealed, black-top road there will be no need for on-site housing for construction and operation personnel.

Ongolo Alaskite Deposit

The Ongolo Alaskite deposit is potentially the main source of ore for the Omahola Project. The JORC Compliant Indicated and Inferred Mineral Resource estimate for Ongolo is 20.5 Mt at 400 ppm U₃O₈ for 18 Mlbs U₃O₈ at a 250 ppm cut-off.

Evaluation of the potential of alaskites in the northern part of EPL 3496 commenced in late 2007 and after the discovery of the INCA deposit, drilling was initially focused on proving up an INCA resource. Subsequently, Ongolo was discovered and an intensive campaign (completed in March 2011) was conducted to allow a maiden Ongolo JORC resource to be declared by Coffey Mining Pty Ltd (Perth) (Coffey) in May 2011.

Resource drilling continued on Ongolo throughout the financial year and a resource upgrade was announced towards the end of 2011, resulting in the current 18 Mlb resource. DYL has consistently reported outstanding results from this drilling campaign which is expected to be completed late in 2012, with another resource upgrade due before the end of the year.

Uranium mineralisation at Ongolo is hosted by alaskitic granite, which occurs as voluminous masses and sheeted intrusive dykes, within the metasedimentary Khan Formation (Figure 3). Across strike, multiple mineralised zones with grades in excess of 400 ppm U₃O₈ occur within a mineralised alaskite envelope with an average U₃O₈ content of approximately 200 ppm. Selected highlights from this year's drilling include:

- * **ALAR1241** 24 metres at 726 ppm U₃O₈ from 67 metres
- * **ALAR1243** 61 metres at 424 ppm U₃O₈ from 138 metres
- * **ALAR1247** 39 metres at 611 ppm U₃O₈ from 105 metres
- * **ALAR1249** 19 metres at 903 ppm U₃O₈ from 126 metres

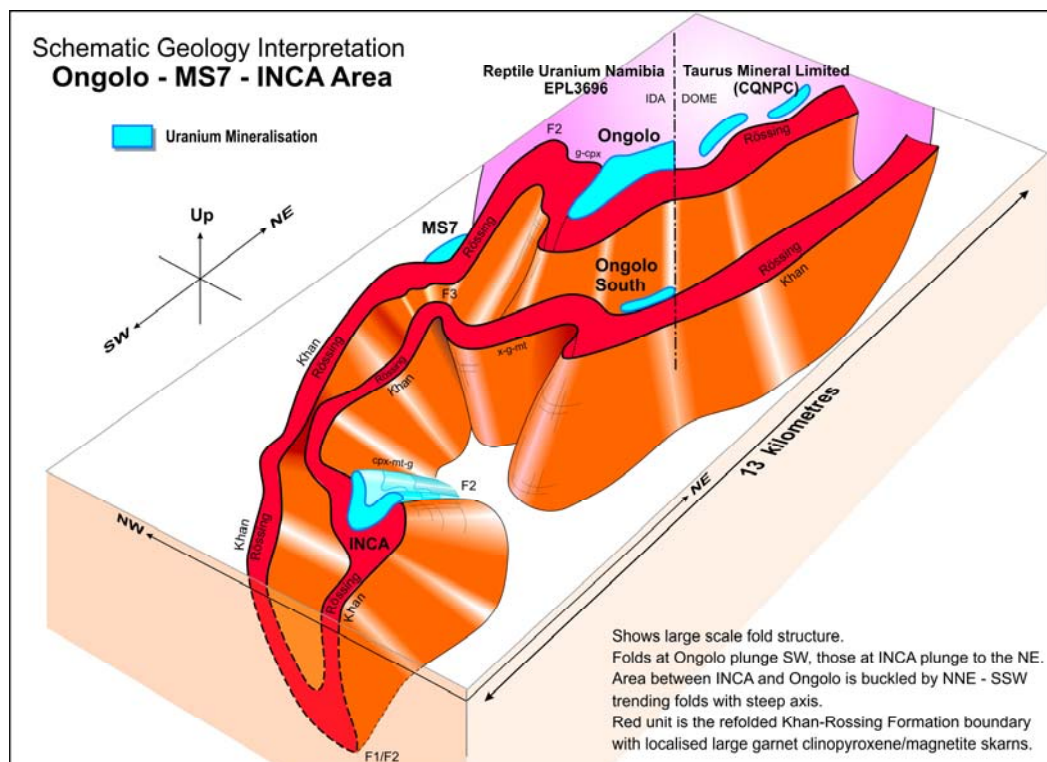


Figure 3: Schematic Geology - Ongolo – MS7 - INCA Area

The Ongolo mineralisation (Figure 4) comes to within 20 metres of surface and underlies a broad, flat gently sloping sheetwash plain, thinly veneered by gravelly alluvial and aeolian sands. The host rocks are mostly pelitic gneiss with variable but significant pyrite/pyrrhotite content, which may be important if sufficient to be recovered to support locally generated sulphuric acid production. The uranium mineral is primarily uraninite, and where present at grades of greater than 500 ppm, is marked by the presence of significant visible smokey quartz and frequently, biotite.

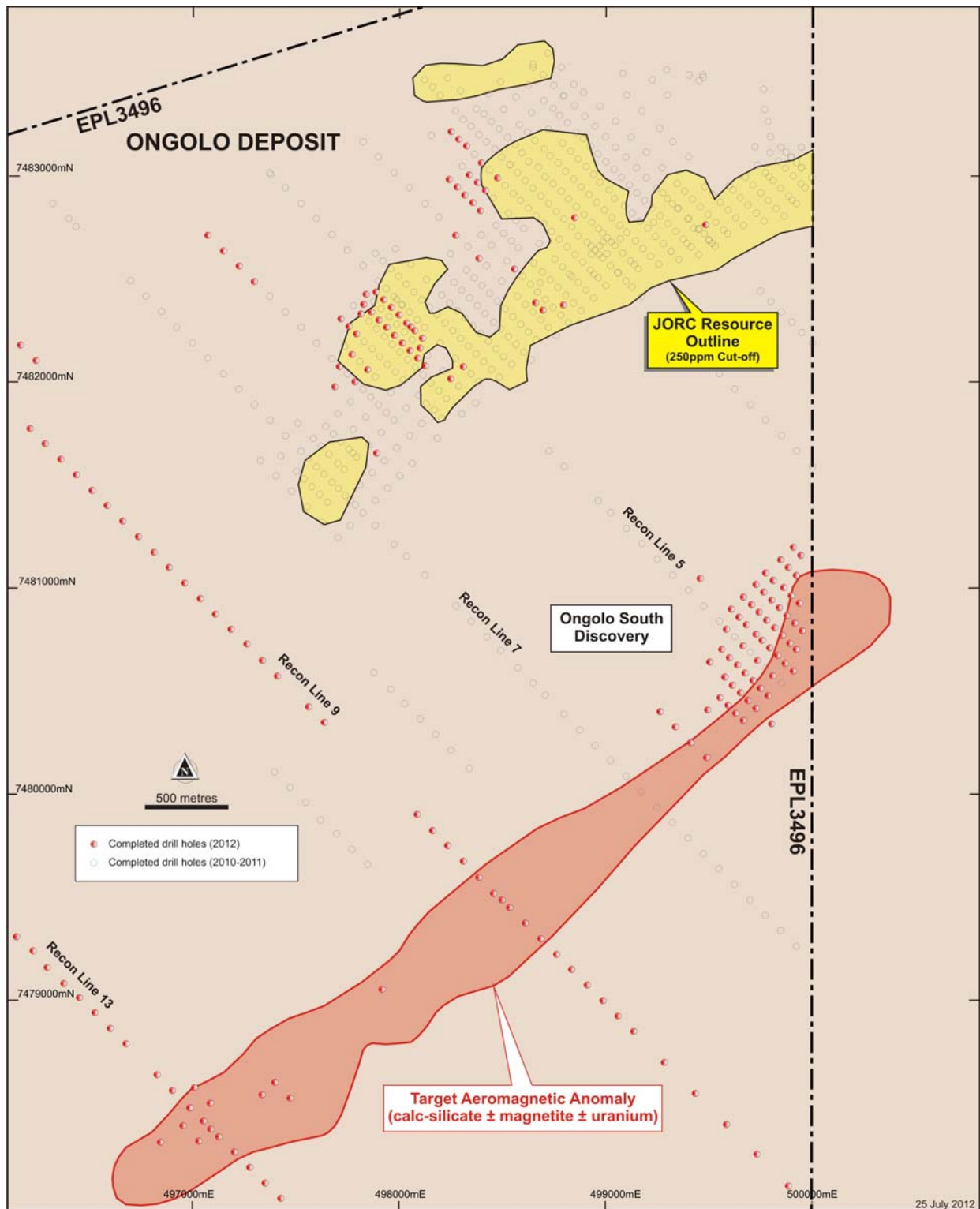


Figure 4: Drill Hole Location Plan showing Ongolo and the Ongolo South Prospect Areas

MS7 Alaskite Deposit

The deposit is located approximately 2 kilometres to the west of Ongolo and was discovered in April 2011. The main mineralised zone extends about 600 metres along strike and is up to 400 metres wide (Figure 5). Drilling has returned consistent high grade intersections (even better than at Ongolo). The results received during the current financial year's 'infill' drill programme in the central and north-east of the deposit have provided continuity between the resource blocks outlined by the 2011 drill programme. These should serve to increase the size of the resource and upgrade the JORC classification. A resource update is scheduled for completion by the end of September 2012.

Geological logging of RC chips and of diamond drill core identified a pegmatitic Alaskite phase associated with the high grade mineralisation now being outlined at MS7 (Figure 6) and thus RC drilling has been following the high grade zone to the north and north-east outside of the current resource envelope with the objective of increasing the size of the resource.

Of the many spectacular results received, the best was Hole ALAR1222 which had an initial interpreted downhole width of 120 metres although this was subsequently increased to 158 metres to incorporate previously unreported hanging wall and footwall mineralisation.

- * ALAR1134 54 metres at 405 ppm U₃O₈ from 28 metres
- * ALAR1135 26 metres at 438 ppm U₃O₈ from 83 metres
- * ALAR1222 158 metres at 448 ppm U₃O₈ from 105 metres
- * ALAR1255 20 metres at 408 ppm U₃O₈ from 155 metres

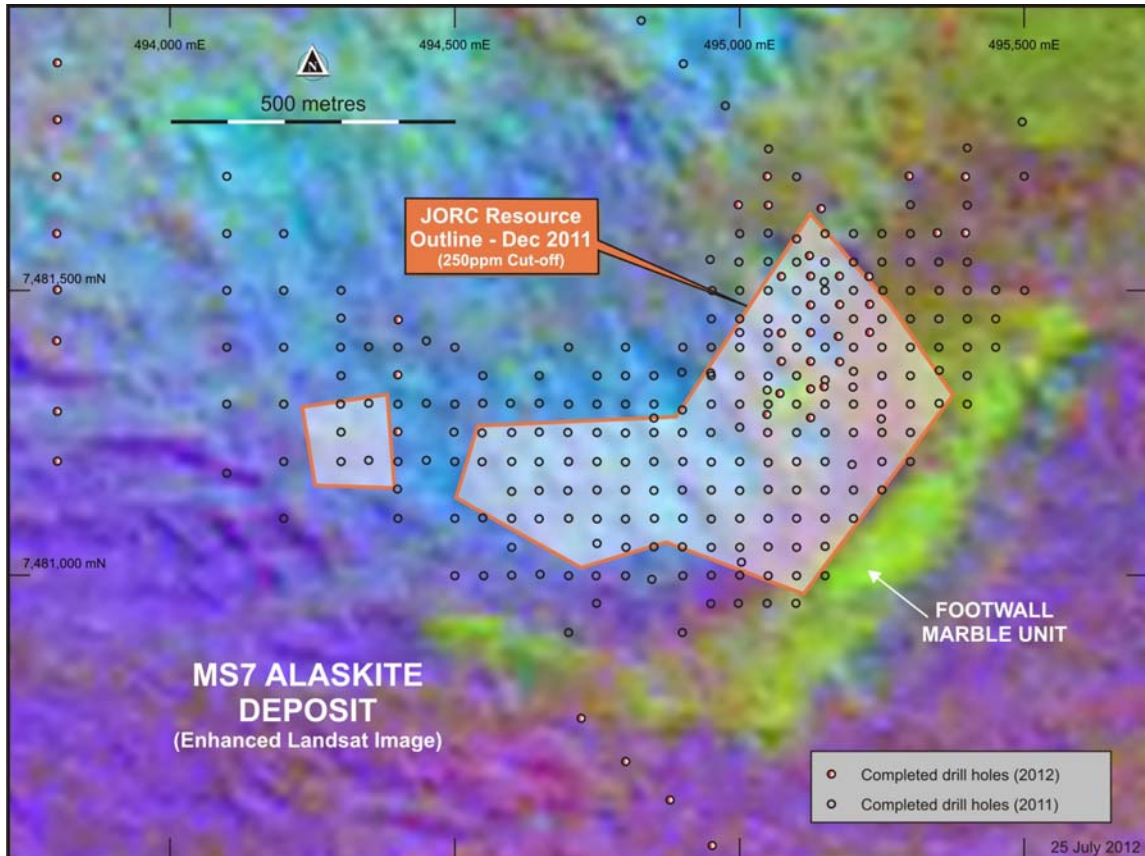


Figure 5: Drill Hole Location Plan - MS7 Alaskite Deposit



Figure 6: Drillcore ALAD828 - High Grade Mineralisation in Alaskite (white) with Smokey Quartz (dark grey)

INCA Deposit

The mineralisation at INCA is best described as metasomatic introduction of uranium and iron into a north-east plunging syncline (Figure 3). 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.

During the financial year Coffey provided an updated JORC Compliant resource estimate for INCA of 12.4 Mt at 490 ppm U₃O₈ for 13.4 Mlbs of U₃O₈ at a 250 ppm cut off, consistent with Ongolo and MS7.

Ongolo South Prospect

In 2010 a single hole intersected mineralisation along Reconnaissance Line 5 which highlighted the potential of an alaskite/calc-silicate-magnetite (skarn) contact zone to host uranium mineralisation which is marked by a regional aeromagnetic anomaly which is some 4.5 kilometres along strike (Figure 4). Follow up drilling this year led to the confirmation of a new discovery which has been named the Ongolo South Prospect, some 2 kilometres south of the Ongolo Deposit. Results included:

- * **ALAR286 16 metres at 710 ppm U₃O₈ from 148 metres**
- * **ALAR978 6 metres at 1,430 ppm U₃O₈ from 171 metres**
- * **ALAR939 18 metres at 681 ppm U₃O₈ from 103 metres**
- * **ALAR1097 10 metres at 2,261ppm U₃O₈ from 146 metres**

This high grade mineralised zone clustered along the marble contact zone centred on Reconnaissance Line 5 was followed along strike to Reconnaissance Line 9, a distance of some 1.7 kilometres and Reconnaissance 13. Initial drilling results from Reconnaissance Line 13 and a deep intersection on Reconnaissance Line 9 further highlighted the prospectivity of the aeromagnetic anomaly with the possibility that there could be a connection all the way along the aeromagnetic anomaly. The results were:

- * **Line 9: ALAR1010 4 metres at 420 ppm U₃O₈ from 225 metres**
- * **Line 13: ALAR1174 3 metres at 455 ppm U₃O₈ from 70 metres**
and 2 metres at 402 ppm U₃O₈ from 79 metres
- * **Line 13: ALAR1175 3 metres at 907 ppm U₃O₈ from 171 metres**

TUBAS SAND PROJECT

Overview

The Tubas Sand Project consists primarily of a low grade secondary uranium mineralisation deposit (carnotite) in well-sorted aeolian (windblown) sand within the Tubas palaeochannel. The mineralisation is classified as free-dig sand and gravel amenable to upgrading via physical beneficiation. Pilot plant testwork in 2011 demonstrated that the deposit could readily be physically beneficiated in an economical and chemical free process to produce a low carbonate, uranium rich sand concentrate that is amenable to alkali or acid leaching. A small area was intensely drilled around a trial mining trench to acquire bulk samples for this physical beneficiation testwork.

As a result of the successful testwork a development strategy to produce a loaded resin which could be sold to one of the two existing uranium producers in Namibia was proposed. This would enable the Company to commence production sooner, although initially at a smaller scale (possibly 500,000 lbs U₃O₈ per annum), and then incrementally grow the project to up to 1 Mlbs U₃O₈ per year. It is however still intended that ultimately the loaded resin from Tubas Sand will supply DYL's own Omahola Project plant.

The Inferred JORC Mineral Resource for the deposit is 87 Mt at 148 ppm for 28.4 Mlbs U₃O₈ at a 70 ppm U₃O₈ cut-off.

Pilot Plant Testwork in the 2012 Financial Year

A pilot plant designed and supplied by German technology specialist Schauenburg MAB GmbH (Schauenburg) was used in the testwork on the Tubas Sand deposit and is located in RUN's laboratory in Swakopmund (Figure 7). After the initial success of the pilot plant testwork in the first half or 2011, which showed that the grade of the sand could be increased by a factor of 6.9 via physical beneficiation, it was decided to conduct further tests in a quest to improve recovery. The aim was to remove the -20 µm slimes and ultra-fine particles in the feed by using a Schauenburg hydrocyclone prior to scrubbing as this is a well-tested effective method of increasing efficiencies and reducing energy requirements.

A low grade trench sample (~140 ppm U₃O₈) was used in the test. After the initial hydrocyclone treatment the de-slimes underflow (i.e. oversize material) was subsequently scrubbed and manually screened at 125 µm with the undersize separated again using a Schauenburg hydrocyclone. The de-slimes overflow was combined with the pre-scrubbing overflow and the barren -125 µm to +20 µm collected for further testwork to remove the remaining carnotite adhering to the surface of the particles.

This optimized scrubbing method reduced the total mass of uranium remaining in the barren -125 µm to +20 µm size fraction to 8.2%, a significant improvement from the initial pilot plant testwork.

Mass pull of the TRS material to the -20 µm uranium bearing fraction can be highly variable and during this testwork only 10.4% reported to the -20 µm size fraction, resulting in an improved uranium concentration upgrade factor of 7.9 compared to the previous 6.9. Other relevant results were:

- * over 80% uranium recovery;
- * carbonate reduction up to 86% (which would result in lower plant reagent consumption).



Figure 7: Schauenburg Pilot Plant in RUN's Laboratory

The results demonstrated that even lower grade sand-type ores (below 150 ppm U_3O_8) could potentially be economically beneficiated, which would allow a reduction in the cut-off grade to around 70 ppm.

Resource Update

As a result of the success of the Schauenburg pilot plant tests it was decided to update the Tubas Sand deposit as it was known that sand amenable to the process was found extensively across the Tubas palaeochannel. The drill logs from the historic Tubas drilling were interrogated to provide a split between unconsolidated (free-dig) uraniferous sand and gravels and indurated calcrete-hosted uranium mineralisation. This allowed the Tubas deposit to be split into the Tubas Sand deposit and the Tubas Calcrete Deposit and Geomine Consulting Namibia cc (Geomine) performed a resource update on the Sand deposit (Figure 8). The result was an almost six fold increase in the Project Resource to the current 28.4 lbs U_3O_8 at a 70 ppm cut-off.

Having increased the size of the Tubas Sand deposit by deducting from the historical Tubas palaeochannel resource there was a concomitant reduction in RUN's overall mineral resource inventory.

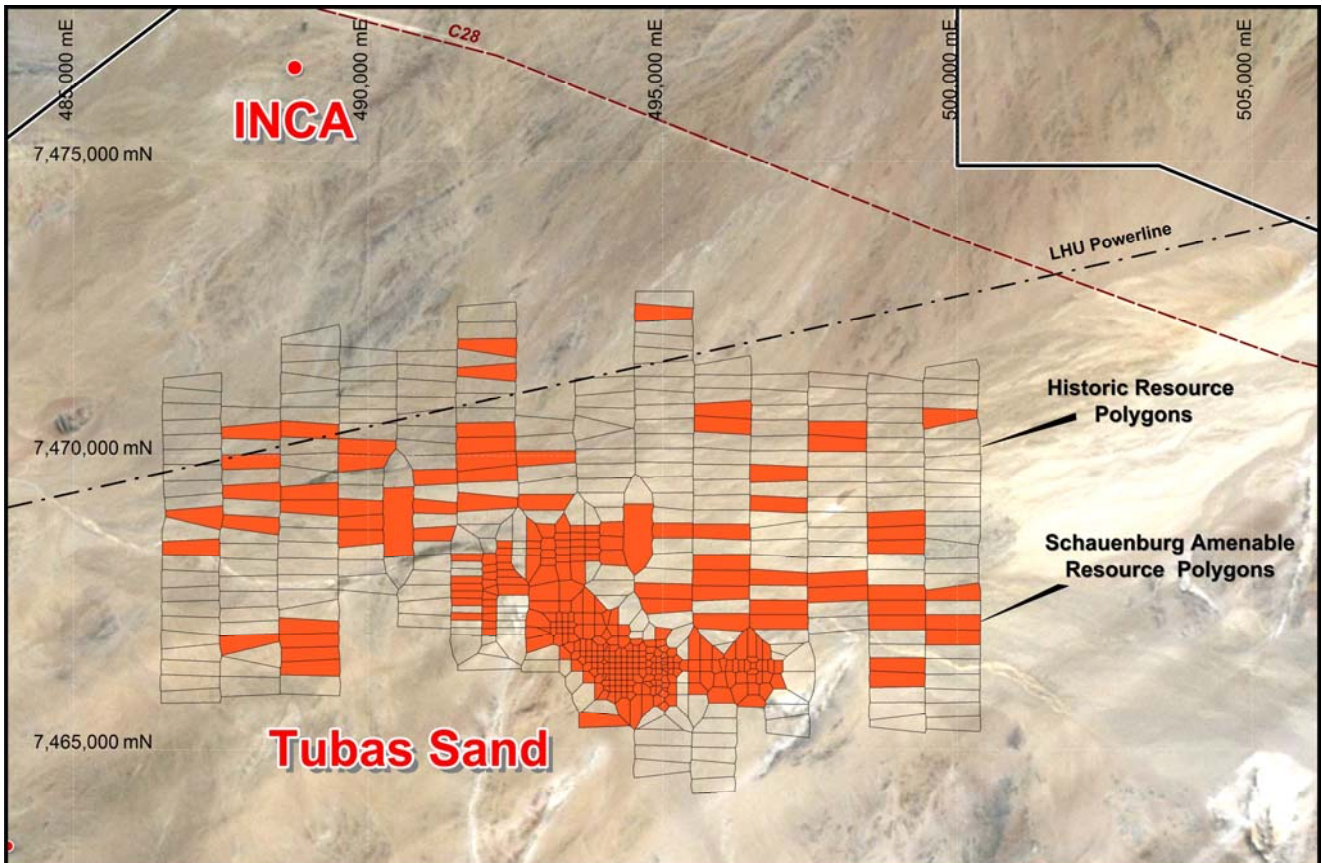


Figure 8: Tubas Sand Resource Blocks

PALAEOCHANNEL PROJECTS

Overview

DYL's current Palaeochannel JORC Compliant resources total 56.8 million tonnes at 288 ppm U_3O_8 for 36 million pounds U_3O_8 .

There are some 80 kilometres of prospective palaeochannel systems within RUN's tenements, with JORC Compliant Mineral Resources established at Tubas (2008 and 2012), Tumas (2009 and 2010) and Aussinanis (2010) (Figure 9). RC drilling of the Tumas-3 sector of the palaeochannel over 30 kilometres on wide spaced regional lines also outlined a significant exploration target.

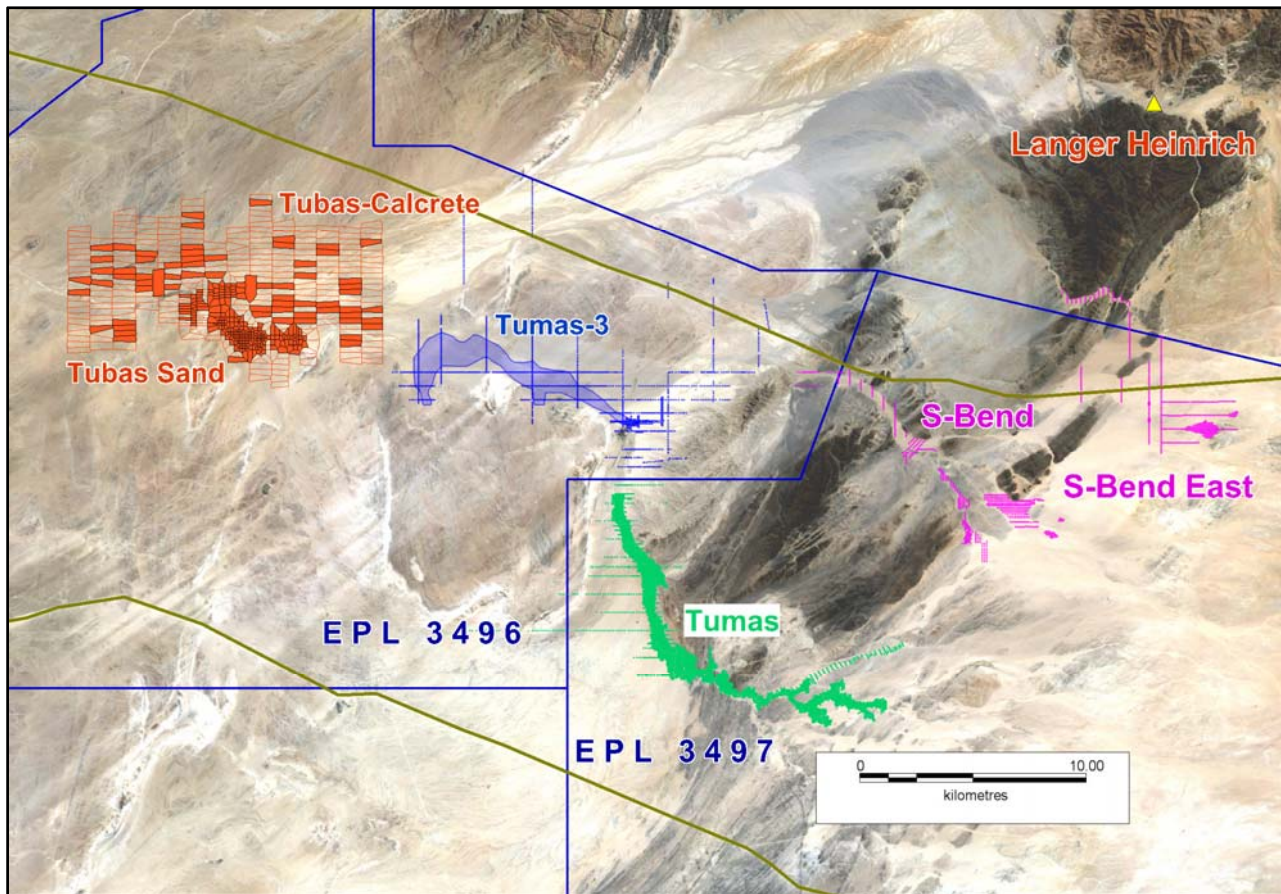


Figure 9: Tubas-Tumas Palaeochannel with Tumas Zones of Mineralisation

These palaeochannel deposits contain secondary uranium mineralisation (carnotite) hosted predominantly by fluvialite 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).

Tubas Palaeochannel

The Tubas palaeochannel resource was originally drilled out by Anglo America in the 1980's outlining a Non-JORC historic resource based on chemical assays. In 2007 DYL commenced RC drilling over selected areas within the Anglo American drill grid. DYL's drilling duplicated early holes and allowed Geomine (Pty) Ltd (Namibia) to calculate a JORC Compliant Mineral Resource estimate for the Tubas block of 77.3 Mt at 228 ppm U_3O_8 for 38.9 Mlbs of U_3O_8 at 100 ppm cut-off, which included the Tubas Sand deposit. As explained elsewhere in this report, the Resource was updated with a greater percentage allocated to the Sand fraction, thus reducing the calcrete resource, which is currently 7.4 Mt at 374 ppm U_3O_8 for 6.1 Mlbs U_3O_8 .

Tumas Palaeochannel

In October 2010, Hellman & Schofield Pty Ltd (H&S) provided the company with an updated JORC Compliant Indicated and Inferred Mineral Resource estimate for the Tumas Zone 1 and 2 totalling 14.8 Mt at 366 ppm U_3O_8 for 11.9 Mlbs U_3O_8 at a cut-off grade of 200 ppm.

Tumas mineralisation occurs as secondary carnotite enrichment of a variably calcretised palaeochannel and sheetwash sediments and adjacent weathered bedrock. The mineralisation domains used for the current study were interpreted to capture continuous zones of mineralisation above 50 ppm U_3O_8 . The combined Tumas Zones 1 and 2 mineralisation included in current resource estimates has a combined strike length of approximately 16 kilometres with an average width of around 400 metres and extends to a maximum depth of 47 metres.

Tumas-3 Palaeochannel

Tumas-3 drill data was also evaluated by H&S but due to broadly and irregularly spaced lines of drillholes, the mineralisation was determined to be too poorly defined for inclusion in DYL's resource estimates. However when combined with geophysical survey results, the drill results provide an indication of the orientation and extent of the mineralised zone. Consequently a conceptual exploration target range has been estimated of 10 to 30 million tonnes at a grade of 300 to 400 ppm U₃O₈ at 200 ppm cut-off, although it is uncertain if future exploration will result in the determination of a Mineral Resource over the entire Tumas-3 channel.



Figure 10: Tumas Palaeochannel RC Drilling



Figure 11: Tumas-3 Palaeochannel Outcropping Carnotite Mineralisation

SHIYELA IRON PROJECT

RUN identified a substantial area of magnetite mineralisation on its 100% held Exclusive Prospecting Licence (EPL) 3496 in 2008 when an iron-oxide-copper-gold-uranium prospect hole made a 340 metre magnetite rich intercept from near surface.

A decision was taken after an internal review to test the potential of the deposit. The review recognised that if this proved to be a significant magnetite deposit then it would have a number of natural competitive advantages due to its location:

- * 45 km by road from Walvis Bay deep sea port with a potential available export capacity of 2 Mtpa;
- * 10 km from the main C14 road that leads to Walvis Bay;
- * 10 km from the Kuiseb electricity substation which currently supplies Langer Heinrich Uranium Mine; and
- * Potential source of water in the Tubas channel to the north of the project area.

Initial core sample testing of the upper 25 metre (slightly oxidised zone) returned a high-grade magnetite concentrate of 70% iron with very low silica and no deleterious elements (SiO₂, Al₂O₃, P, S).

Maiden JORC Resource

A maiden JORC Resource estimate for the Shiyela deposit was completed by Golder Associates Pty Ltd in December 2011, which totalled 78.7 Mt at 18.88% Fe. The resource was obtained from an exploration programme that consisted of 210 RC and DD holes for 38,473 metres of drilling, which confirmed strongly mineralised zones in both the M62 and the M63 deposits. The M62 deposit was drilled along strike for almost a kilometre and over a maximum width of 500 metres and to a vertical depth of just over 300 metres. The M63 deposit has a strike length of over 800 metres with a width of 500 metres and has been drilled down to a maximum vertical depth of approximately 300 metres. Both deposits are open to depth and reconnaissance drilling confirmed lateral extensions to M62.

A total of 141 holes were used in generating the wire frame models for M62 and M63. DTR results from 1,699 four metre composite samples were also used in the estimate. Notwithstanding the 100 x 50 metre drill pattern the resource was classified as inferred pending completion of concentrate multi-element analysis which would be used to evaluate the overall quality of the magnetite concentrate product.

JORC Mineral Resource Estimate Shiyela

Deposit	Category	Cut-off (DTR%)	Tonnes (M)	DTR (%)	Fe (%)
Shiyela Iron Project					
M62 - Fresh	Inferred	10	40.2	17.12	17.02
M62 - Oxide	Inferred	10	3.5	15.46	18.13
Total			43.7	16.99	17.11
M63 - Fresh	Inferred	10	34.8	15.15	21.10
M63 - Oxide	Inferred	10	0.2	16.16	18.87
Total			35	15.16	21.09
Total Fresh			75.0	16.21	18.91
Total Oxide			3.7	15.50	18.17
TOTAL RESOURCES			78.7	16.17	18.88

Notes: Figures have been rounded and totals may reflect small rounding errors. Resource Estimation using a 10% DTR Wt% cut-off. Fe% - head assay of composited drill samples.

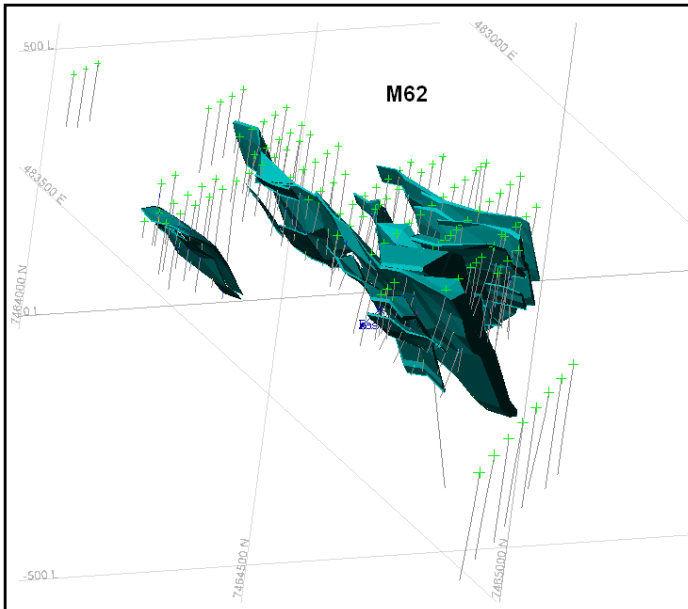


Figure 12: M62 Wire Frame Model With Drill Holes

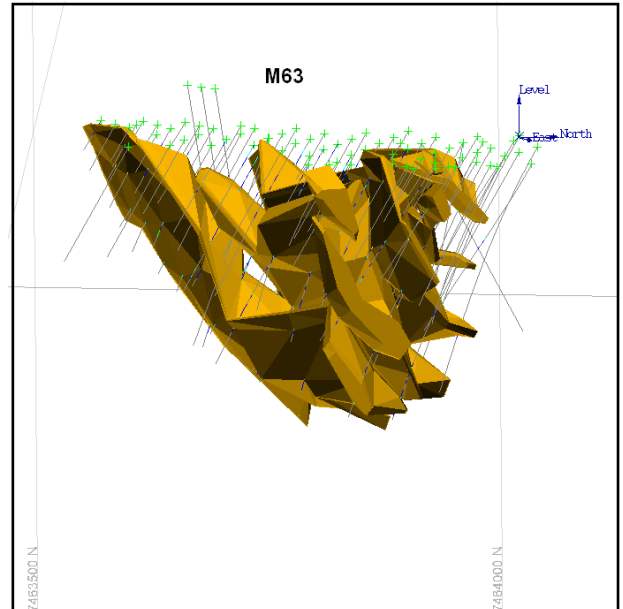


Figure 13: M63 Wire Frame Model With Drill Holes

Scoping Study

ProMet Engineers Pty Ltd (ProMet) completed a scoping study for the Shiyela Iron Project, which confirmed the potential for a financially robust project. Base capital costs were estimated at US\$467 million and operating costs US\$77.40/tonne of concentrate FOB Walvis Bay for a project producing 2 Mtpa of a blended magnetite-hematite concentrate. The study was based on mining some 8 Mtpa ore to produce the product and assumed a 2.5:1 waste to ore stripping ratio. Plant capital costs were US\$268 million which included US\$50 million for the hematite recovery circuit, with the remainder of the capital being mining and infrastructure related.

Whilst the initial design was based on the recovery of magnetite only, the project was improved by the addition of the hematite circuit which increased overall recovery and reduced operating costs.

Metallurgical testwork conducted for the scoping study confirmed that the magnetite to be recovered would be a coarse grained (~150 micron) high quality product (~69% Fe) with low silica and no deleterious elements.



Figure 14: Shiyela Iron Project M63 – Medium to Coarse-Grained Dark Grey Magnetite Bands at 23 Metres Depth (Hole SHID4)

Permitting

RUN obtained full Environmental Clearance for the Shiyela Project in March 2012 and a Mining Licence Application, submitted in December 2011, is pending approval. Environmental Clearance is usually seen as a precursor to the award of a mining licence.

Project Status

An additional programme of work was approved by the DYL board to enhance the Project's marketability and to address some outstanding issues in regard to the resource understanding and hematite recoverability. (DYL reaffirmed its commitment to focus on uranium with a strategic update made in June 2012. It also confirmed its intention to seek a partner for the Shiyela Iron Project and RMB Namibia continues to work with the company to execute an effective divestment strategy.) To this end a large diameter drill programme was conducted to allow a final phase of metallurgical testwork whilst external concentrate assays are being undertaken to provide confidence in the quality of the magnetite product. This will enhance confidence in the Shiyela resource and should allow it to be reclassified to Indicated status. In addition, testwork is being carried out to quantify potential hematite recovery. These results will also be incorporated into the updating of the JORC resource work with the objective of adding additional tonnes to the existing resource base.

It is envisaged that the additional work will be completed by the end of September 2012 and that the divestment will be concluded by the end of the year.



Figure 15: Shiyela Project – Diamond Drilling for Testwork Core – M63 Deposit



Figure 16: Shiyela PQ Core Showing Folded Magnetite Bands

AUSTRALIA - EXPLORATION

Overview

DYL is currently engaged in the process of divestment of its Australian assets in order to focus on the highly prospective uranium assets in Namibia. Notwithstanding this fact, DYL will be conducting limited work through to December 2012 in order to retain the Queensland and Northern Territory tenements in good standing until the conclusion of a divestment transaction.

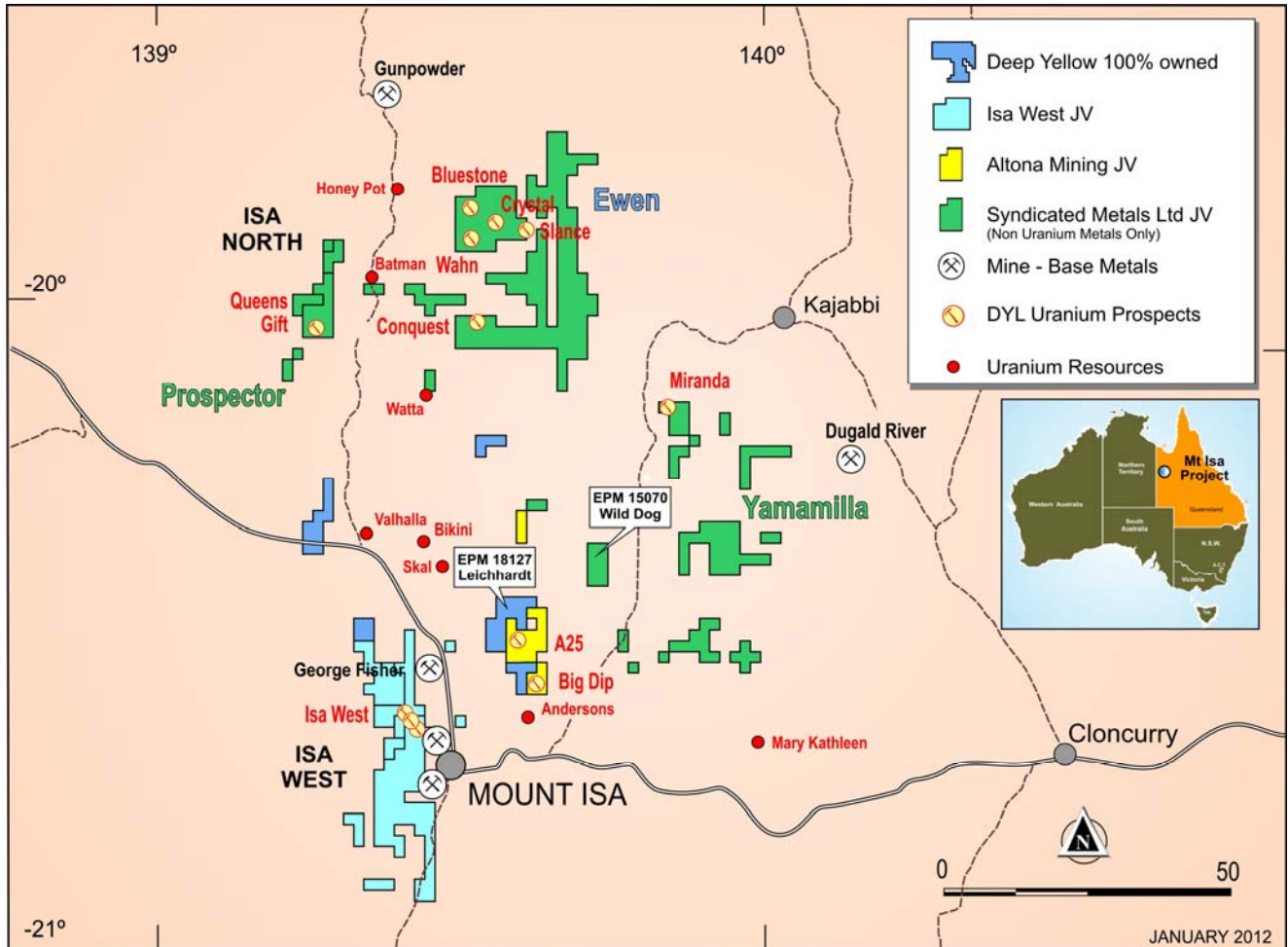


Figure 17: Mt Isa District Tenements

Queensland

DYL's activities in Queensland have been focused on the Mount Isa District where it has both 100% owned and joint venture tenements. Highlights since initiation of exploration in the region in 2007 include:

- * A Mount Isa total JORC Compliant Resource of 4.8 Mlbs U_3O_8 at a grade of 460 ppm U_3O_8 , July 2011.
- * The JORC Resource includes 2.8 Mlbs U_3O_8 at a grade of 440 ppm U_3O_8 at the Isa West Project and 2 Mlbs U_3O_8 at a grade of 500 ppm U_3O_8 at the Isa North Project (Slance and Queens Gift Prospects).
- * The development and analysis of over 20 uranium prospects across the region including historical and newly identified occurrences.
- * The signing of a joint venture agreement with Mount Isa Mines (Xstrata) in 2008 for a project area immediately west of the mine under which DYL can ultimately acquire 100% of the uranium rights.
- * The signing of a joint venture agreement with Syndicated Metals Ltd (SMD) in 2011 whereby SMD has the right to earn 80% equity in all non-uranium metals on four of DYL's Mount Isa tenements.
- * An 80% interest in uranium and related minerals on Altona Mining Ltd's EPM 14367 (Leichhardt JV).

Projects and Joint Ventures

DYL's major projects across the region include:

- * The **Isa West Joint Venture** with Xstrata covering 6 tenements to the west of the Mount Isa Mine. Currently containing 4 prospects with JORC Resources totalling 2.9 Mt at 440 ppm U₃O₈ for 2.8 Mlbs U₃O₈.
- * The **Prospector Project**, EPM 15070 acquired 100% from Superior Uranium which is now in a joint venture with Syndicated Metals Ltd (SMD). The project area is extensive covering a number of anomalies and including the Queens Gift JORC Resource of 1 Mlb at an average grade of 430 ppm U₃O₈.
- * The **Ewen Project**, an EPM 14916 acquired 100% from Matrix Metals and is now in a joint venture with SMD. The project area contains a number of uranium prospects and the Slance JORC Resource of 1 Mlb at an average grade of 600 ppm U₃O₈.
- * The **Spider Project/Leichhardt JV** (EPM 14367). DYL has to date earned an 80% interest in the uranium rights on the EPM is in a joint venture with Altona Mining. Numerous uranium occurrences and historical prospects occur on this lease. This project also includes EPM 18127, recently acquired 100% by DYL.
- * The **Yamamilla Project**, EPM 14281 acquired 100% from Matrix Metals and now in a joint venture with SMD. This project contains a number of uranium occurrences including the Miranda Prospect, which is unique in its geological setting compared to the other projects, as discussed below.

JORC Resources

The current Indicated and Inferred JORC Compliant Mineral Resource estimate for the region totals 4.7 million tonnes at 460 ppm U₃O₈ for 2,170 tonnes (4.8 Mlbs) U₃O₈ at a 300 ppm cut-off. The following table details the JORC resources by prospect.

JORC Code Resources Mount Isa

Category	Cut-off Grade	Tonnes	U ₃ O ₈ ppm	U ₃ O ₈ (t)	U ₃ O ₈ (Mlb)
ISA WEST PROJECT					
Thanksgiving Prospect					
Inferred	300	660,000	470	310	0.7
Indicated	300	470,000	400	190	0.4
Bambino Prospect					
Inferred	300	670,000	370	240	0.5
Indicated	300	370,000	390	140	0.3
Citation Prospect					
Inferred	300	340,000	520	180	0.4
Indicated	300	170,000	470	80	0.2
Eldorado Prospect					
Inferred	300	170,000	570	100	0.2
Indicated	300	60,000	660	40	0.1
Total Isa West					
Inferred	300	1,830,000	450	820	1.8
Indicated	300	1,080,000	420	460	1.0
TOTAL ISA WEST RESOURCES	300	2,910,000	440	1,280	2.8
ISA NORTH PROSPECT					
Queens Gift Prospect					
Inferred	300	430,000	430	180	0.4
Indicated	300	650,000	430	280	0.6
Slance Prospect					
Inferred	300	222,000	540	120	0.3
Indicated	300	510,000	620	320	0.7
Total Isa North					
Inferred	300	650,000	460	300	0.7
Indicated	300	1,160,000	510	590	1.3
TOTAL ISA NORTH RESOURCES	300	1,810,000	500	900	2.0
TOTAL MOUNT ISA					
Inferred	300	2,480,000	452	1,120	2.5
Indicated	300	2,240,000	468	1,050	2.3
TOTAL MOUNT ISA RESOURCES	300	4,720,000	460	2,170	4.8

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

The Pilgrim Prospect is located about 110 kilometres south to south-east of Mount Isa. Krucible Metals Ltd (Krucible) fulfilled its earning commitment in the JV and have now earned 80% equity by expenditure of over \$400,000. The total expenditure by Krucible on Pilgrim EPM 15072 is currently \$1.13 million. Further drilling for Tick Hill style gold targets is planned by Krucible for 2011/2012.

Having acquired its 80% interest, Krucible can elect to buy out DYL's remaining interest by issuing 1.2 million Krucible shares to DYL.

NORTHERN TERRITORY

DYL's exposure to the highly prospective Tanami - Arunta uranium province in the Northern Territory comprises:

- * The Napperby calcrete-hosted uranium deposit with an Inferred JORC Mineral Resource of 9.34 Mt at 359 ppm U₃O₈ for 3,351 tonnes U₃O₈ (7.39 Mlbs) which is part of a larger mineralised system.
- * Defined Projects covering 9,325 km².
- * Radiometric anomalies associated with surface uranium mineralisation at the underexplored Officer Project.
- * 100% rights to uranium within ABM Resources NL's (ABM) tenements covering an additional 15,012 km².
- * Ongoing Central Land Council (CLC) and Landowner negotiations for access to prospective areas.
- * Significant upside potential to increase total uranium resources in conjunction with the Napperby uranium deposit.
- * An operational base in Alice Springs.

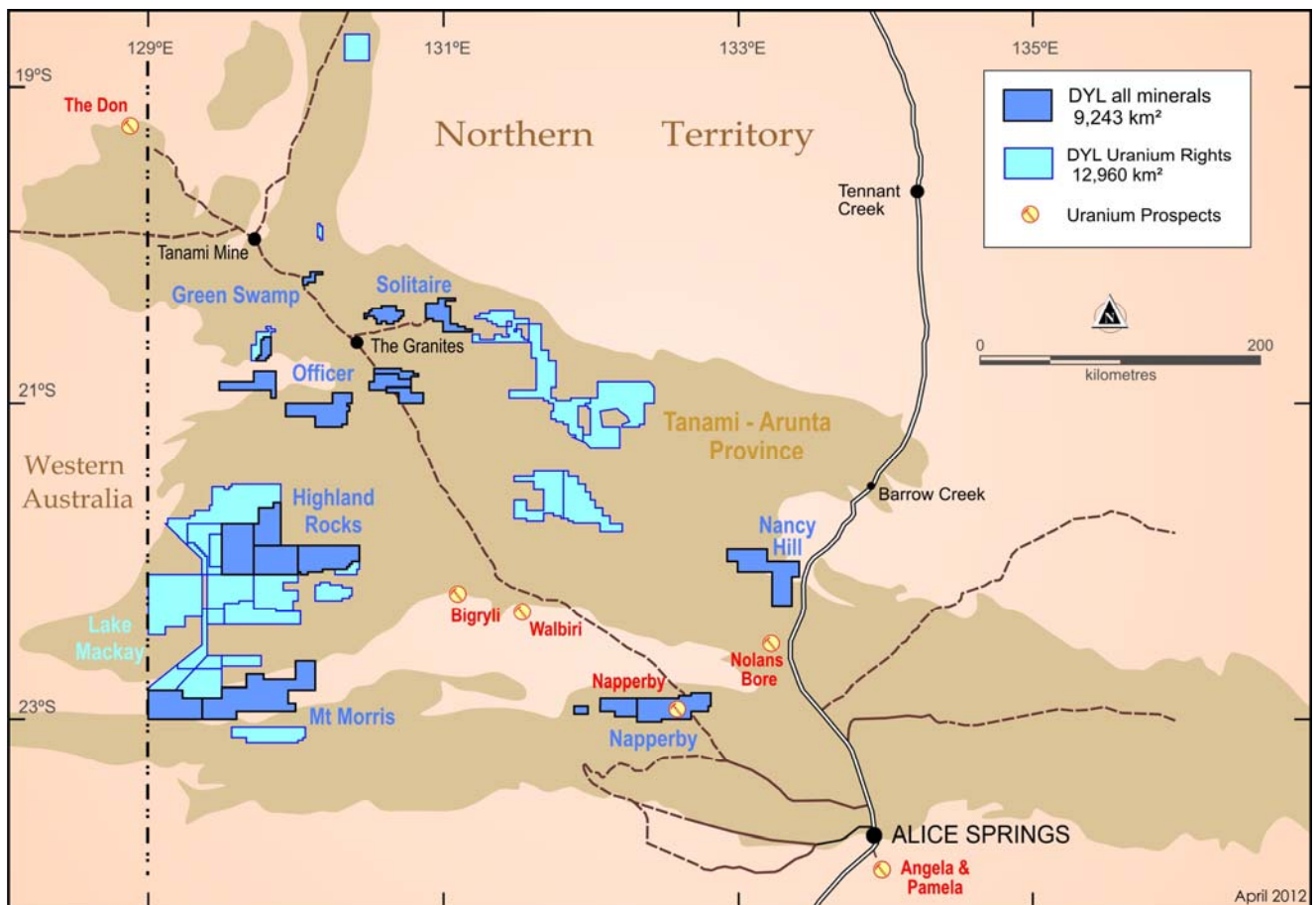


Figure 18: Northern Territory Tenements

The exploration target within the majority of the tenement areas is near surface calcrete-hosted uranium mineralisation similar to the Napperby deposit. Within the ABM tenements, Proterozoic basement hosted uranium mineralisation is also being targeted.

Napperby Project

The Napperby Project includes a deposit originally 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 in strike length. The extensive mineralised zone occurs within 3 metre to 8 metre from surface in semi-consolidated and unconsolidated sediments along a palaeochannel. The project is close to infrastructure, being 175 kilometres north-west 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.

Napperby was optioned to Toro Energy Ltd (Toro) in 2006 and it had until May 2010 to complete a JORC resource drill out at which point it had an option to purchase the property from DYL. In May 2010, Toro indicated that it would not be exercising its option. As a result of this decision, the project is now a 100% owned project of DYL.

Delineation work on the deposit resulted in an Inferred Resource under the JORC Code, totalling of 9.34 Mt at 359 ppm for 7.39 Mlbs U₃O₈ using a 200 ppm cut-off grade. The resource drillout covered 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 standard.

The tenement is granted under a Pastoral Lease and a reconnaissance programme including work over the original Uranerz resource and targets generated though AEM survey was submitted and accepted by the CLC with no additional exclusion zones/restricted areas.

Other Projects

Nancy Hill: Granted - Deed Signed with CLC - Clearance certificate received for reconnaissance and first pass aircore drilling.

Officer/Solitaire: Majority Granted - Deed Signed with CLC - Clearance certificate received for reconnaissance work over ELs 27140, 27141, 10223 and 25097. Work programmes submitted for aircore drilling. Awaiting clearance certificate.

Highland Rocks: Application - EL 29385 – 29388 - Received grant of Consent to Negotiate. Exploration Proposal in respect of the applications is due to be lodged with the CLC by 18 August 2012.



COMPETENT PERSON STATEMENTS

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, Managing Director of Reptile Uranium Namibia (Pty) Ltd 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 the **Ongolo, MS7 and INCA** Mineral Resources is based on work completed by Mr Neil Inwood and Mr Doug Corley. Mr Inwood is a Fellow of the Australasian Institute of Mining and Metallurgy and Mr Corley is a member of the Australian Institute of Geoscientists. Messrs Inwood and Corley have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Messrs Inwood and Corley consent to the inclusion in the report of the matters based on his information in the form and context in which it appears. Messrs Inwood and Corley are full-time employees of Coffey Mining.

The information in this report that relates to the **Tabas Sand and Tabas Calcrete** Mineral Resource is based on information compiled by Mr Willem H. Kotzé Pr.Sci.Nat MSAIMM. Mr Kotzé is a Member and Professional Geoscientist Consultant of Geomine Consulting Namibia CC. Mr Kotzé 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 Kotzé consents to the inclusion in this release 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 **Aussinanis and Tumas** Mineral Resources 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 **Shiyela Iron** Mineral Resource is based on information compiled by Mr Alan Miller who is a full-time employee of Golder Associates Pty Ltd and a Member and chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Miller has sufficient experience 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 JORC Code (2004).

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 Mr Neil Inwood. Mr Inwood is a Member of The Australasian Institute of Mining and Metallurgy. Mr 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 Exploration Results, Mineral Resources and Ore 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.

CORPORATE GOVERNANCE STATEMENT

GOVERNANCE FRAMEWORK

The Board of Deep Yellow Limited (DYL) has responsibility for corporate governance for the Company and its subsidiaries (the Group) and has implemented policies, procedures and systems of control with the intent of providing a strong framework and practical means for ensuring good governance outcomes which meet the expectations of all stakeholders.

The framework for corporate governance follows the principles 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 Executives on accountability, risk management and ethical conduct.

This Statement sets out corporate governance practices adopted by the Board and which are in place as at the date of this report. Where the Board considers the Group is not of sufficient size or complexity to warrant adoption of all the recommendations set out in the ASX Corporate Governance Council's published guidelines, these instances have been highlighted.

The Board will continue to review its policies to ensure they reflect any changes within the Group, or to accepted principals and good practice.

SHAREHOLDER COMMUNICATION

The Board is committed to ensuring that there is open and timely communication with 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, all ASX announcements together with all quarterly reports are published. These documents are available on request and are posted on the Company website at www.deeptyellow.com.au. The website provides shareholders and others the opportunity to receive additional information such as press releases and other materials electronically.

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

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 Board has adopted a **Continuous Disclosure Policy**, complying with Recommendation 5.1 of the Corporate Governance Council and 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 to assess the need for disclosure to the market.

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

BOARD OF DIRECTORS

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 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 Executives and assists in decision making processes.

Board processes

The Board agrees in advance a schedule of regular meetings for each calendar year, together with such other meetings as may be necessary. For the 2012 financial year, there were seven scheduled Board meetings and twenty one in total.

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

Evaluation of Senior Executive Performance

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

Board Composition

The Constitution of the Company requires a minimum number of three Directors. 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 and consideration of the objectives of the recently adopted Diversity Policy. In complying with Principles 2 and 3 of the Corporate Governance Council, the Board is mindful to ensure that it is comprised of individuals with skills to provide appropriate stewardship to the Group as it moves from an advanced stage explorer to a developer. The background of each Director is set out on page 29 of the Directors Report.

The Board is presently comprised of five members, three Non-executive and two Executive:

* Mr Mervyn Greene	- Chairman (Non-executive)	* Ms Gillian Swaby	- Non-executive
* Mr Greg Cochran	- Managing Director	* Mr Rudolf Brunovs	- Non-executive Independent
* Mr Martin Kavanagh	- Executive Director		

Independence of Directors

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. Only one of the five Directors is considered by the Board to be independent, and as such the Company does not comply with Recommendation 2.1 of the Corporate Governance Council, which recommends that a majority of Board members should be independent. However, the Board considers that both its structure and composition are appropriate given the size of the Group and that the interests of shareholders are well met.

The Chairman is not considered to be independent as he holds a significant interest in the Company's securities, and therefore the Group has not complied with Recommendation 2.2 of the Corporate Governance Council. However, the Board considers the Chairman to be an appropriate person for the role due to his commercial experience. It also believes that the interests of the Group 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.

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. As the Group approaches the potential development of one or more of its projects it is considering whether or not there is an appropriate mix of skills, experience, expertise and diversity on the Board. In doing so it is aware of the level and areas of expertise currently on the Board and has identified that an appropriate individual or individuals with mining / engineering expertise and experience in taking projects through to development would be an advantageous. Review of the Board's composition is an ongoing process and is particularly important at this time.

Retirement, re-election and appointment of new Directors

The constitution of the Company notes that Directors cannot hold office for a period longer than three years without submitting themselves for re-election at the next AGM, one third of the Directors (other than the Managing Director) must retire by rotation at each AGM together with any new Directors appointed by the Board during the period since the last general meeting. Retiring Directors are eligible to stand for re-election.

If the Board decides to appoint a new member either to compliment the existing members or fill a vacancy, it goes through the process of identifying a wide base of potential candidates with appropriate skills and with a view to meeting the objectives of its Diversity Policy. This process would likely involve the appointment of an independent and experienced recruitment firm and would involve a rigorous process including Director interviews and discussions; site visits; and if necessary discussions with senior management.

Evaluation of Board Performance

The Group 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 undertakes an annual formal review of its performance.

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 Executives.

Structure of Non-executive and Executive Directors Remuneration

The objective of Group remuneration policies, processes and practices is to:

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| * attract and retain appropriately qualified and experienced Directors who will add value; | * adopt reward programmes which are fair and responsible, in accordance with the principles of good corporate governance and which align Director entitlements with shareholder objectives. |
| * result in competitive remuneration bench marked against peer groups; and | |

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 comprise fixed remuneration and may include short term incentives in the form of cash bonuses or long term incentives in the form of share rights as per individual contractual agreements. Remuneration packages are reviewed by the Remuneration Committee. The process consists of a review of Group, 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 cash 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 Directors, the Company complies with Recommendation 8.3 of the Corporate Governance Council. A full outline of the remuneration policy is set out in the Remuneration Report of the Group's Annual Report.

BOARD COMMITTEES

The Board has established several Committees with separate charters which it relies on to assist with the proper discharge of its duties. The Chairman of the Board has included the Committees in his evaluation of Board performance through the circulation and completion of specific questionnaires seeking comment on the effectiveness and structure of the Committees.

Audit Committee

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

The Audit Committee consists of Non-executive Directors and is chaired by an Independent Director who is not the Chairman of the Board. However, the majority of members of the Audit Committee are not independent and the Group therefore does not comply with Recommendation 4.2 of the Corporate Governance Council.

The members of the Audit Committee are Rudolf Brunovs (Chairman), Mervyn Greene and Gillian Swaby. 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.

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

Remuneration Committee

The Remuneration Committee has been established to assist the Board by making recommendations on remuneration packages for Executive and Non-executive Directors, and where appropriate, senior managers. In addition, the Remuneration Committee reviews proposed long and short term incentive plans including the appropriate use of performance based hurdles.

The Remuneration Committee consists of all three Non-Executive Directors being Rudolf Brunovs (Chairman), Gillian Swaby and Mervyn Greene. The Remuneration Committee is chaired by an Independent Director, however it does not have a majority of Independent Directors and accordingly does not comply with Recommendation 8.2 of the Corporate Governance Council.

The Remuneration Committee operates under a Remuneration Committee Charter which complies with Recommendation 8.1 of the Corporate Governance Council. The Charter clearly sets out the role and responsibilities of the Remuneration Committee and the charter terms provide the Remuneration Committee with the ability to access internal and external resources as appropriate.

ETHICAL STANDARDS

The Board actively promotes ethical and responsible decision making aiming to maintain the highest standard of ethical behaviour in business and in all its dealings with customers, clients, shareholders, governments, suppliers, employees and the community. As a minimum the Board and employees will:

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| * act within applicable laws; | * act with courtesy; |
| * act with fairness and respect; | * foster an environment which encourages diversity in all its forms across the Group. |
| * encourage co-operation and rational debate with a view to achieving shared goals; | |

Codes of Conduct

To assist with these aims 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:

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

In addition to the legal requirements and accepted practices which are addressed in each of the policies adopted by the Company and across the Group, the Board is mindful of its broader stakeholders including the community at large in all the geographical regions in which it operates.

Diversity Policy

The Board has implemented a Diversity Policy in line with Corporate Governance guidelines. The Group believes that the promotion of diversity on its Boards, in senior management and within the organisation generally is good practice and adds to the strength of the Group.

The Diversity Policy affirms existing employment arrangements which seek to attract and retain people by promoting an environment where employees are treated with fairness and respect and have equal access to opportunities as they arise. Diversity within the workforce includes such factors as religion, race, ethnicity, language, gender, disability and age.

Gender Diversity

The Corporate Governance recommendation 3.2 was effective from 1 July 2011 and required the Board to set 'measurable objectives' for achieving gender diversity and to report against them on an annual basis. A number of objectives were put in place and the Board is continuing to review its practices with a focus on ensuring the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant. Some of the measures to assess the success of the policy are set out below.

The following table is a summary of the workforce within DYL and across the Group and provides a high level snap shot of the level of gender diversity as at 30 June 2012.

Workforce Summary

	Male	Female	Total	Proportion female
DYL Board	4	1	5	20%
Senior Management	4	1	5	20%
Balance of Employees	25	10	35	29%
	33	12	45	27%
Australia	8	5	13	38%
Namibia	25	7	32	22%
	33	12	45	27%

At 30 June 2012, DYL had a diverse workforce with operations in Australia and Africa, the majority (32 persons) are based in Namibia and are all Namibian nationals.

Measurable Objectives

Objective	Outcome
Adopt, publish and promote a Diversity Policy that encompasses the principals and recommendations of the Corporate Governance Council.	The Board has adopted a Diversity Policy and has posted it on the Company's website.
Review and amend where appropriate other Company policies to align with the Diversity policy.	The Board is in the process of reviewing Board, and Board Committee Charters to ensure they reflect the objectives of the Diversity Policy.
Undertake a gender audit and in addition a general assessment of the current diversity levels within the Company and across the Group.	The Group has undertaken an audit of its human resources to establish the gender mix and cultural backgrounds.
Establish procedures to track the gender mix of the Company and of the Group over time.	The Group has compiled a summary of staff including gender and cultural diversity for the past and will continue to do so.
Structure recruitment and selection processes to recognise value of diversity.	The Group is reviewing its practices.
Have clear and transparent governance processes around reward and recognition.	The Group has a good remuneration charter which encourages rewards to be transparent. It is however in a process of reviewing its charter in this area.
Develop succession plan for the Board with aim to increase representation of women on the Board, subject to identifying candidates with appropriate skills.	The Group has reviewed its current composition and is developing a plan to grow the Board as necessary and in doing so will endeavour to engage with available and appropriately credentialed female candidates.

FINANCIAL REPORTING

Financial Reporting

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

Chief Executive Officer and Financial Controller Confirmations

In accordance with Recommendation 7.3 of the Corporate Governance Council, Australian Accounting Standards and the Corporations Act the Board requires that the Managing Director and Financial Controller provide a written statement in respect to the annual financial statements of the Group. In addition, the Board requires assurance from the Managing Director and Financial Controller that the declaration is founded upon a sound system of risk management and internal controls, and that the system operates effectively in all material aspects.

SECURITIES DEALINGS

There is no requirement for Directors to hold Company securities. In addition the Board and Remuneration Committee have formed the view that it is not appropriate for Non-executive Directors to be issued options or performance rights in respect of the Company's securities.

Securities Trading Policy

The Board is committed to ensuring that all Directors and employees comply with their legal obligations as well as conducting their business in a transparent and ethical manner. All Directors and employees (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 Securities Trading Policy does not prevent Directors or employees (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. However, Directors or employees are prevented from trading in the securities once acquired if the individual is in possession of price sensitive information not generally available to all security holders.

In keeping with recent listing rule amendments, additional restrictions are placed on trading by Directors, Executives and other key management personnel as determined by the Chairman and Company Secretary from time to time ('Restricted Employees').

In addition to the overriding prohibition against dealing in the Company's securities when a person is in possession of inside information, Restricted Employees and their associated parties are at all times prohibited from dealing in the Company's securities during prescribed 'closed' periods. The Company has nominated closed periods to run from the end of the financial quarter up to the day after the release date of the quarterly report. Restricted Employees must also obtain written consent from the Chairman or Managing Director prior to trading in the Company's securities.

The Securities Trading Policy also includes a clause prohibiting Directors and Executives from entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company over unvested entitlements.

RISK MANAGEMENT

Adoption of Risk Management Policies

The Board has implemented a Risk Management Policy 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:

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| * Assist the Group to achieve its strategic objectives; | * Safeguard the assets and interests of the Group and its stakeholders; |
| * 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 and to take steps to decrease or prevent that harm from occurring.

The Risk Management Strategy incorporates procedures and processes which provide evidence of 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:

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| * Business Risk Management
The Group manages its activities through financial budgets and operational and strategic plans. | * Operational Review
Executive Directors regularly visit exploration project areas to review the geological practices including the environmental and safety aspects of the operations. |
| * Internal Controls
The Board has documented internal control processes appropriate for the Group's size and stage of development. It requires Executives to ensure the proper functioning of internal controls. | * Environment and Safety
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. |
| * Financial Reporting
Directors approve an annual financial budget and regularly review performance against budget. | |

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.

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 Plan continues to evolve and will develop with the growth of the Group's activities in the following risk areas:

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|-------------|--------------|-------------------|------------------------|
| * Financial | * Legal | * Human Resources | * Environmental/Social |
| * Corporate | * Management | * Political | |

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 2012 (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.

Names, qualifications, experience and special responsibilities

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. 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 visiting Lecturer at the University College Cork school of Engineering focusing on Engineering and Business.

Mr Greene serves on the Audit and Remuneration Committees of the Group.

Greg Cochran MSc Eng (Mining and Mineral Economics), MBA, FAusIMM, MAICD, MSAIMM *Managing Director*

Mr Cochran has over 25 years' experience in international mining in commodities including gold, coal, base metals and uranium. He has held senior positions in various functions including projects, operations, finance and business development. Most recently he was CEO of Terramin Australia Limited and prior to that he was Executive Vice President: Australia & Asia for TSX listed Uranium One. Mr Cochran also worked for Mitsubishi Development whilst the earlier part of his career was spent with BHP Billiton and its predecessor companies in the Billiton group.

Mr Cochran is a professional engineer and holds a MSc. in Mining Engineering and Mineral Economics from the University of the Witwatersrand in Johannesburg and an MBA from Cranfield University in the UK. He also holds South African mine manager's certificates of competency for metalliferous and coal mines. He is a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Mining and Metallurgy.

Martin Kavanagh BSc (Hons) FAusIMM MAIG *Executive Director*

Mr Kavanagh is a geologist with more than 40 years experience acquired through extensive fieldwork, research and management of Australia-wide and offshore programmes. Mr Kavanagh holds a BSc Honours Geology degree from the London University in the UK. He has held several senior positions and worked widely within the exploration and mining industry throughout Australia and offshore in Indonesia, New Zealand, North America, the Southwest Pacific region and southern Africa. The earlier part of his career was spent in nickel exploration and mining. He was Exploration Director for Tanami Gold NL and General Manager Exploration for Dominion Mining Ltd.

Mr Kavanagh has more than 15 years' corporate experience as a Director of public companies. As Executive Director of Deep Yellow Limited his principal role has been to head up Australian operations and to provide technical support for the Namibian operations as required.

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 more than 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 serves on the Audit and Remuneration Committees of the Group. 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 and Remuneration Committees of the Group.

Directors' Interests

As at the date of this report, the Directors' interests in securities of the Company are as follows:

Director	Ordinary Shares	Share Rights
Mervyn Greene	51,491,667	-
Greg Cochran	450,000	1,500,000
Martin Kavanagh	720,500	1,070,000
Gillian Swaby	50,000,000	-
Rudolf Brunovs	155,000	-

Company Secretary

Mark Pitts *BBus FCA*

Mr Pitts is a Chartered Accountant with more than 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.

Dividends

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

Review of 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 6 to 23 in this Annual Report.

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 13 July 2011 the Company announced that it has signed a joint venture agreement with Syndicated Metals Limited over four tenements in the Mount Isa District in Northwest Queensland. Syndicated Metals Limited has the rights to earn 100% of all minerals, excluding uranium on EPM 14281 (Yamamilla), EPM 14916 (Ewen), EPM 16533 (Crocodile Creek) and EPM 15070 (Prospector). Syndicated Metals Limited can earn up to 80% equity in the non-uranium mineral rights through expenditure of \$800,000 over four years. They then have the option to purchase the remaining 20% at fair market value after sole funding the joint venture until delivery of a Mining Study.
- * On 15 June 2012 the Company announced that it has reached a settlement with Raptor Partners Limited ("Raptor") to terminate its earn-out agreement on the Company's wholly owned Namibian Exclusive Prospecting Licences (EPLs). The settlement is for \$15 million to be settled with the issue of 129.3 million shares and 100,000 in cash.

Principal Activities

The principal activities of the Group during the financial year were:

- * Uranium mineral exploration and pre-development activities in Namibia and various States and Territories of Australia; and
- * Activities associated with the intended divestment of its Iron ore project in Namibia

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

Performance indicators

Management and the Board monitor the Group's overall performance against strategic operating plans and financial forecasts. The Board, together with management, have identified key operational milestones that are used to monitor performance. Key management monitor the achievement of operational milestones on a regular basis and report back to the Board on a monthly basis.

Dynamics of the business

Ongoing volatility in the world's financial markets and uncertainty in the uranium sector, made it increasingly challenging to grow shareholders wealth, irrespective of the Group achieving many outstanding results during the past financial year. However, management remains confident and have reviewed, aligned and defined its strategy. The Group have prioritised actions for the coming financial year to not only protect but also add value to its assets. Management believes they have taken the appropriate steps to cope with volatile financial markets and ensure a strong position from where to capture future opportunities on the back of an anticipated improvement in the financial markets.

Divestment of the Shiyela Iron Ore Project is a priority for the Group. The divestment will allow the Group to concentrate on its core activities, uranium mineral exploration and project development and presents a potential opportunity to source non-dilutionary funding for the Group.

Operating results for the year

The Group's net loss after income tax for the financial year is \$48,588,215 (2011: loss \$3,563,054). The net loss also includes the following significant items before income tax:

- * Exploration expenditure written off of \$36,803,625 (2011: \$2,159,944).

Financial Position

At the end of the financial year the Group had \$2,211,948 (2011: \$13,053,098) in cash and term deposits. Capitalised mineral exploration and evaluation expenditure carried forward was \$91,169,926 (2011: \$122,024,322).

The Group has net assets of \$92,930,800 (2011: \$139,120,973).

Significant events after the balance sheet date

On 19 June 2012 the Company announced its undertaking of a 2 for 9 non-renounceable entitlement issue at 4.2 cents per share to raise up to approximately A\$10.5 million. The issue would be partially underwritten by Patersons Securities Limited up to \$5.8 million with London based institutional support together with significant support from major shareholder Paladin Energy Limited ("Paladin"), who committed to a general sub-underwriting commitment of A\$4 million. During the period 27 July 2012 to 2 August 2012 the Company instructed its registry to allot and issue 138,977,938 ordinary fully paid shares at 4.2 cents each raising a total of \$5,837,068.

On 19 June 2012, the Company and Paladin entered into a loan agreement pursuant to which Paladin agreed to provide an unsecured loan of \$2,000,000 to the Company. Paladin may set-off such portion of the loan outstanding against any amount owing by Paladin in respect of an application for securities under a capital raising conducted by the Company. On 27 July 2012 Paladin has set-off a portion of the loan outstanding by converting \$1,735,096 into 41,311,821 new fully paid shares in the Company at 4.2 cents per share in satisfaction of an underwriting commitment.

As of 27 July 2012 Paladin held 297,198,282 of the Company's ordinary fully paid shares and has 23.41% voting power based on 1,269,412,056 fully paid ordinary shares on issue at the date of this report.

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this report that has arisen since the end of the year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group are set out in the 'Review of Operations' on pages 6 to 23 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.

There have been no significant known breaches of the Group's licence conditions and at the date of this report no agency has notified the Group of any environmental breaches during the financial year or no Directors are aware of any environmental breaches.

Directors' Meetings

The number of meetings of Directors (including meetings of committees of directors) held during the year ended 30 June 2012, whilst each Director was in office, and the numbers of meetings attended by each Director were:

	Director's meetings	Meetings of Committees	
		Audit	Remuneration
Number of meetings held:	21	2	2
Number of meetings attended:			
Mervyn Greene	20	2	2
Greg Cochran	21	-	-
Martin Kavanagh	21	-	-
Gillian Swaby	19	2	1
Rudolf Brunovs	21	2	2

All Directors were eligible to attend all meetings held.

Shares under Option

As at the date of this report, there were no unissued ordinary shares under options and no shares have been issued during the financial year as a result of the exercise of options.

The outstanding balance of Share Rights at the date of this report is:

Number of Rights	Vesting Performance Conditions	Date rights granted	Vesting Date
320,000	Market price	25-Feb-11	30-Nov-12
600,000	Market price	7-Jul-11	30-Nov-12
300,000	Time based	25-Feb-11	30-Jun-13
1,200,000	Market price	25-Feb-11	30-Jun-13
150,000	Time based	25-Feb-11	1-Jul-13
600,000	Market price	25-Feb-11	1-Jul-13
363,280	Time based	9-Dec-11	1-Jul-13
317,130	Market price	3-Feb-11	1-Aug-13
544,920	Time based	9-Dec-11	1-Jul-14
544,920	Market price	9-Dec-11	1-Jul-14
4,940,250			

Officers' Indemnities and Insurance

During the financial 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 2012 financial year Ernst & Young, the Group's auditor, has provided non-audit services in addition to their statutory duties. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	Consolidated	
	2012	2011
	\$	\$
Taxation and other services	5,356	27,378
	5,356	27,378

Remuneration Report (Audited)

This Remuneration Report for the year ended 30 June 2012 outlines the Director and Executive remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
 - (a) Remuneration principles and strategy
 - (b) Approach to setting remuneration
 - (c) Detail of incentive plans
4. Group performance and Executive remuneration outcomes for 2012
5. Executive contracts
6. Non-executive director remuneration (including statutory remuneration disclosures)
7. Additional statutory disclosures

1. Introduction

The remuneration report details the remuneration arrangements for key management personnel (KMP). For the purposes of this report, 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.

For the purpose of this report, the term 'Executive' includes executive directors, senior executives, general managers and company secretaries of the Parent and the Group.

(a) Executive Directors

Greg Cochran	Managing Director
Martin Kavanagh	Executive Director

(b) Other Executives

Leon Pretorius	Managing Director: Reptile Uranium Namibia (Pty) Ltd
Mark Pitts	Company Secretary

(c) Non-executive Directors (NEDs)

Mervyn Greene	Chairman
Gillian Swaby	Non-executive Director
Rudolf Brunovs	Non-executive Director

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

2. Remuneration Governance

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 NEDs.

The Remuneration Committee is responsible for reviewing the overall remuneration philosophy, strategy, plans, policies and procedures to implement the remuneration objective. It reviews and makes recommendations as to the composition of the remuneration packages for the Executives (Directors and Other), ensuring that there is a clear link between performance and remuneration. This is achieved by a combination of fixed remuneration and short and long term incentives so as to align short and long term performance of the Executives. The Board approves the remuneration packages of the Executives following consideration of the recommendations by the Remuneration Committee. The Board also sets the aggregate remuneration for NEDs and individual NED fee levels based on recommendations made by the Remuneration Committee. Aggregate NED remuneration is subject to shareholder approval.

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

The Remuneration Committee meets regularly through the year. The Managing Director attends certain Remuneration Committee meetings by invitation, where management input is required. The Managing Director is not present during any discussions related to his own remuneration arrangements.

Use of Remuneration Consultants

To ensure the Remuneration Committee is fully informed when making remuneration decisions, it from time to time obtains external advice from an independent consultant who provides no other services to the Group.

Remuneration Report approval at 2011 Financial Year AGM

The 2011 Financial Year Remuneration Report received positive shareholder support at the 2011 Financial Year AGM with a vote of 76% in favour.

3. Executive Remuneration Arrangements

a) Remuneration principles and strategy

The Group's remuneration objective is to adopt policies, processes and practices to adopt reward programs which are fair and responsible in accordance with principles of good corporate governance. The key objectives of the Group's award framework are to ensure that remuneration practices:

- * Aim to align Executive entitlements with shareholder objectives;
- * Attract, motivate and retain Executives who will add value to the Group;
- * Result in competitive remuneration, benchmarked against peer groups; and
- * Reward Executives for performance with a strong linkage to Group performance.

Align the interests of Executives with shareholders

- * The award framework incorporates substantial "at-risk" components within the short and long term incentives.
- * For short term incentives, performance is assessed against business goals linked to the strategic and operational plans and for long term incentives, performance is primarily linked to the market value of Company shares.

Attract, motivate and retain high performing individuals

- * The remuneration offered is competitive for companies of a similar size and complexity.
- * Long term incentives encourage retention.

b) Approach to setting remuneration

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group.

The Group's remuneration structure for Executives can include a mix of:

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

The **fixed remuneration** component is represented by total employment cost and comprises base salary and statutory superannuation contributions (where applicable). It is paid by the Group to compensate fully for all requirements of the Executives employment and is subject to annual review. Executive contracts of employment do not include any guaranteed base pay increases. 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, experience 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 to the Managing Director of up to 20% of base salary. Payment of the cash bonus is entirely discretionary and is linked to the achievement of business goals. The business goals are determined annually by the Board and are linked to the strategic and operational plans of the Group, including budgets agreed for each financial year.

The **long term incentive** (LTI) component is in the form of Performance Rights. It rewards the Executives for their contribution to the creation of shareholder value over the longer term. Vesting of Performance Rights is dependent on certain time and/or market price conditions being met.

c) Detail of incentive plans

Short term incentive (STI)

Actual STI payments awarded to the Managing Director depend on the achievement of a number of business goals covering financial and non-financial, corporate and individual measures. A summary of these measures are set out below.

Performance measures	
Financial measure:	
* Maximising value of strategic disposals	* Appropriate funding arrangements
Non-financial measures:	
* Strategic tenement retention and exploration	* Risk management
* Resource and development progressing	* Leadership/Staff retention
* Market and competitive positioning	* Stakeholder communication

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 the various business goals, the Remuneration Committee recommends the amount, if any, to be paid. This process usually occurs within three months of the financial year. Cash bonus payments are made in the following reporting period.

For the 2011 financial year, the bonus to the Managing Director was payable on a pro-rata basis and at the discretion of the Board.. The Remuneration Committee recommended and the Board determined that \$45,872 (excluding statutory superannuation) be awarded which was paid in the 2012 financial year.

The maximum STI cash bonus available to the Managing Director for the 2012 financial year was \$93,000 (excluding statutory superannuation) and the minimum nil, assuming that the Managing Director does not meet his respective business goals. Under the current economic circumstances of ongoing volatility in the world's financial markets and uncertainty in the uranium sector, the Managing Director agreed to forego any entitlement to a STI cash bonus for the 2012 financial year.

Long term incentive (LTI)

LTI awards are made to Executives in order to align remuneration with shareholder wealth over the long-term and delivered in the form of share rights under The Deep Yellow Limited Awards Plan ("Awards Plan"). Each right upon vesting entitles the holder to one fully paid ordinary share in the Company. The rights vest over a period of up to 31 months so as to retain Executives and subject to meeting time and market price measures.

Rights were deliberately chosen because they provide an appropriate level of incentive in a competitive environment and are cost effective in that there is no cash outlay for the Group which is appropriate given the Group's exploration status. The agreement entered into with the Managing Director includes an obligation to provide equity based components, subject to meeting time and market price measures. Agreements entered into with other Executives do not include an obligation to provide equity based components but do provide for consideration of them in accordance with the Group policies and practices.

Where a participant ceases employment prior to the vesting of their award, the rights are forfeited unless the Board exercises its discretion to allow vesting at or post cessation of employment.

In the event of a change of control of the Group, the Board may determine, in its absolute discretion, that some or all of the unvested rights will become vested rights (disregarding any Performance Hurdle).

Rights were granted under the Awards Plan to a number of Executives during July and December 2011. Details in respect of the awards are provided in Table 3(a).

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 share rights granted as part of their remuneration package.

4. Group performance and Executive remuneration outcomes for 2012

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 five 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 2008 as indicated below.

	30 June 2012	30 June 2011	30 June 2010	30 June 2009	30 June 2008
Share price (Cents)	4.6	15.00	13.00	33.50	27.00
U3O8 spot price (US\$/lb)	50.83	53.13	41.75	51.50	59.00
Earnings/(Loss) per share (Cents)	(4.31)	(0.32)	(0.40)	(1.19)	(0.35)

LTI vesting outcomes

The table below outlines the remuneration actually received by Executives in the 2012 financial year. The table includes fixed remuneration, the cash component of the STI earned for the 2012 financial year and vesting of the 2011 LTI grant. The value attributed to the equity amount (LTI) is based on the number of share rights that vested multiplied by the share price at the date of vesting. Note that the value actually received by individuals differs from the remuneration outlined in Table 1 (which is based on accounting values).

Name	Fixed remuneration	STI (FY12 performance)	LTI award vested (2011 LTI grant)	Total remuneration received
Greg Cochran	542,614	-	-	542,614
Martin Kavanagh	353,294	-	32,165	385,459
Leon Pretorius	463,248	-	50,165	513,413
Mark Pitts	75,750	-	7,104	82,854

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 Executive of the Group for the years ended 30 June 2012 and 30 June 2011 are detailed in Table 1 below:

Table 1: Remuneration for Directors and Executive Officers for the years ended 30 June 2012 and 30 June 2011

	Financial year	Short Term			Post Employment Superannuation Contributions	Sub-total	Share Based Payments Share Rights (i)	Long Term Benefits Long Service Leave	Termination Payments	Total	Performance Related %
		Base Emolument	Cash Bonus	Other Benefits							
Executive Directors											
G Cochran	2012	500,764	-	-	41,850	542,614	145,054	7,750	-	695,418	-
	2011	221,564	45,872	-	21,946	289,382	48,351	2,917	-	340,650	13
M Kavanagh	2012	326,046	-	-	27,248	353,294	143,473	5,046	-	501,813	-
	2011	316,158	-	-	26,422	342,580	125,742	4,893	-	473,215	12
P Mutz (ii)	2012	-	-	-	-	-	-	-	-	-	-
	2011	258,482	15,000	-	21,600	295,082	-	5,834	272,500	573,416	3
Other KMP											
L Pretorius	2012	-	-	463,248	-	463,248	130,681	-	-	593,929	6
	2011	-	-	444,000	-	444,000	-	-	-	444,000	-
M Pitts	2012	-	-	75,750	-	75,750	31,465	-	-	107,215	-
	2011	-	-	112,275	-	112,275	25,875	-	-	138,150	-
Total Executive KMP	2012	826,810	-	538,998	69,098	1,434,906	450,673	12,796	-	1,898,375	-
	2011	796,204	60,872	556,275	69,968	1,483,319	199,968	13,644	272,500	1,969,431	-

- (i) Value of share rights expensed during the year is detailed in Table 3(a)
(ii) Resigned 12 January 2011

5. Executive contracts

Remuneration arrangements for Key Management Personnel are formalised in service agreements. Details of these contracts are provided below:

Mr G Cochran

The terms of the employment contract are as follows:

- * No fixed term
- * Fixed remuneration for 2012 of \$506,850 per annum (including statutory superannuation)
- * Annual STI cash bonus of up to 20% of fixed base remuneration of \$465,000 for 2012.
- * LTI of 1,500,000 share rights (details provided in Table 3(a)).

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

Dr L Pretorius

The agreement with Opaline Gold (Pty) Ltd for consultancy services from **Dr L Pretorius** has been terminated by Opaline Gold (Pty) Ltd with effect from 31 July 2012. The Company has entered into a new agreement with Opaline Gold (Pty) Ltd for ongoing consulting services from Dr L Pretorius for a fixed term of 5 (five) months from 1 August 2012 to 31 December 2012. Professional fees under the contract are \$143,604 for the fixed term. The contract can at any time be terminated by either party providing the other party with 1 months' notice. Termination of the contract by either party will result in a payment equivalent to the notice period remuneration.

Mr M Kavanagh

The employment agreement with **Mr M Kavanagh** has no fixed term. Remuneration under the contract is \$330,008 per annum (including statutory superannuation). The Group may terminate the agreement by the giving of 12 months' notice. Mr Kavanagh may terminate the agreement by the giving of 3 months' notice. Termination of the contract by either party will result in a payment equivalent to the notice period remuneration.

6. Non-executive Director Remuneration

Remuneration structure

In accordance with best practice corporate governance, the structural component of Non-executive Director remuneration are separate and distinct from Executive remuneration. The remuneration of Non-executive Directors of the Group consists of directors' fees only and they do not participate in any incentive programs.

Remuneration Policy

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.

The amount of aggregate remuneration and the fee structure is reviewed on a periodic basis against fees paid to NEDs of comparable companies.

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 Board will not seek any increase for the Non-executive Director pool at the 2012 AGM.

Structure

The remuneration of NEDs consists of directors' fees and committee fees. The payment of additional fees for serving on a committee recognises the additional time commitment required by NEDs who serve on sub-committees. The Chairman of the board attends all committee meetings but does not receive any additional fees in addition to his board fee.

The table below summarises the NED fee structure for the 2012 financial year

Board fees:

Chairman	\$122,500
Directors	\$ 70,000

Committee fees:

Committee Chair	\$ 5,000
Committee Member	\$ 5,000

Performance based cash bonuses or equity based remuneration is not considered appropriate for Non-executive Directors and accordingly does not form part of their remuneration. The payment of additional fees for supplementary work are summarised as Other Benefits in Table 2 below.

Details of the remuneration of Non-executive Directors of the Group for the years ended 30 June 2012 and 30 June 2011 are detailed in Table 2 below:

Table 2: Remuneration for Non-executive Directors for the years ended 30 June 2012 and 30 June 2011

	Financial year	Fees	Other Benefits	Superannuation Contributions	Total
Non-executive Directors					
M Greene	2012	122,500	38,000	-	160,500
	2011	120,000	-	-	120,000
G Swaby	2012	68,807	-	6,193	75,000
	2011	65,000	-	5,850	70,850
R Brunovs	2012	73,394	-	6,606	80,000
	2011	65,000	4,900	5,850	75,750
T McDonald	2012	-	-	-	-
	2011	32,500	-	2,925	35,425
Total NED	2012	264,701	38,000	12,799	315,500
	2011	282,500	4,900	14,625	302,025

7. Additional statutory disclosures

This section sets out the additional disclosures required under the *Corporations Act 2001*.

The tables below disclose the share options and performance rights granted to Executives during the 2012 and 2011 financial years. They do not carry any voting or dividend rights and will automatically be exercised once the vesting conditions have been met.

Table 3(a): Share rights: Value of rights expensed during the year ended 30 June 2012

30 June 2012	Grant date	Number of rights	Terms and Conditions for each Grant				Value of rights expensed during the year	
			Fair Value per right at grant date (cents)	Total value of rights granted (\$)	Vesting date	Vesting and performance conditions (i)	Value of expensed rights during the year	% of Total Remuneration consisting of rights
Executive Directors								
G Cochran	25-Feb-11	300,000	30.50	91,500	30-Jun-13	Time based	39,214	
G Cochran	25-Feb-11	1,200,000	20.58	246,960	30-Jun-13	Market price	105,840	
							145,054	22
M Kavanagh (ii)	25-Feb-11	180,000	30.50	54,900	1-Jul-11	Time and performance based	(8,235)	
M Kavanagh	25-Feb-11	80,000	30.50	24,400	30-Nov-11	Time based	13,556	
M Kavanagh (i)	25-Feb-11	320,000	23.12	73,984	30-Nov-11	Market price	41,102	
M Kavanagh(i)	16-Nov-11		8.20	26,240	30-Nov-12	Market price	15,703	
M Kavanagh	25-Feb-11	150,000	30.50	45,750	1-Jul-13	Time based	19,607	
M Kavanagh	25-Feb-11	600,000	24.01	144,060	1-Jul-13	Market price	61,740	
							143,473	30
Other KMP								
L Pretorius	7-Jul-11	250,000	17.50	43,750	7-Jul-11	Time and performance based	37,188	
L Pretorius	7-Jul-11	150,000	17.50	26,250	30-Nov-11	Time based	26,250	
L Pretorius (i)	7-Jul-11	600,000	6.30	37,800	30-Nov-11	Market price	37,800	
L Pretorius (i)	16-Nov-11		8.20	49,200	30-Nov-12	Market price	29,443	
							130,681	22
M Pitts	3-Feb-11	52,080	37.00	19,270	1-Aug-11	Time based	3,212	
M Pitts	3-Feb-11	52,080	37.00	19,270	1-Aug-12	Time based	12,846	
M Pitts	3-Feb-11	44,640	36.00	16,070	1-Aug-12	Market price	10,714	
M Pitts	9-Dec-11	16,000	15.50	2,480	1-Jul-12	Time based	2,480	
M Pitts	9-Dec-11	16,000	15.50	2,480	1-Jul-13	Time based	892	
M Pitts	9-Dec-11	24,000	15.50	3,720	1-Jul-14	Time based	816	
M Pitts	9-Dec-11	24,000	9.60	2,304	1-Jul-14	Market price	505	
							31,465	29
							450,673	

- (i) Performance Hurdles attaching to the Performance Rights with a 30 November 2011 testing date were varied for the market price to be retested on 30 November 2012.
(ii) 27,000 Share Rights with a 1 July 2011 vesting date were forfeited and previously recognised expenses of \$8,235 were written back.

Vesting and Performance conditions

The Share rights issued in July and December 2011 are subject to a range of vesting and performance conditions:

L Pretorius

250,000 rights vest on 7 July 2011 if non-market KPIs are met and if Dr L Pretorius remains employed by the Company up to the Vesting Date.

750,000 rights vest on 30 November 2011 if Dr L Pretorius remains employed by the Company up to the Vesting Date, however 80% (600,000) of the rights will be subject to an additional market based vesting condition, that the DYL share price equals or exceeds 25 cents.

M Pitts

16,000 rights vest on 1 July 2012 if Mr M Pitts remains employed by the Company up to the Vesting Date.

16,000 rights vest on 1 July 2013 if Mr M Pitts remains employed by the Company up to the Vesting Date.

48,000 rights vest on 1 July 2014 if Mr M Pitts remains employed by the Company up to the Vesting Date and 24,000 of the rights will be subject to an additional market based vesting condition, that the DYL share price equals or exceeds 27.8 cents.

Table 3(b): Share rights: Value of rights expensed during the year ended 30 June 2011

30 June 2011	Grant date	Number of rights	Terms and Conditions for each Grant				Value of rights expensed during the year	
			Fair Value per right at grant date (cents)	Total value of rights granted (\$)	Vesting date	Vesting and performance conditions	Value of expensed rights during the year	% of Total Remuneration consisting of rights
Executive Directors								
G Cochran	25-Feb-11	300,000	30.50	91,500	30-Jun-13	Time based	13,071	15
G Cochran	25-Feb-11	1,200,000	20.58	246,960	30-Jun-13	Market price	35,280	
							48,351	
M Kavanagh	25-Feb-11	180,000	30.50	54,900	1-Jul-11	Time and performance based	54,900	27
M Kavanagh	25-Feb-11	80,000	30.50	24,400	30-Nov-11	Time based	10,844	
M Kavanagh	25-Feb-11	320,000	23.12	73,984	30-Nov-11	Market price	32,882	
M Kavanagh	25-Feb-11	150,000	30.50	45,750	1-Jul-13	Time based	6,536	
M Kavanagh	25-Feb-11	600,000	24.01	144,060	1-Jul-13	Market price	20,580	
							125,742	
Other KMP								
M Pitts	3-Feb-11	52,080	37.0	19,270	1-Aug-11	Time based	16,058	19
M Pitts	3-Feb-11	52,080	37.0	19,270	1-Aug-12	Time based	5,353	
M Pitts	3-Feb-11	44,640	36.0	16,060	1-Aug-12	Market price	4,464	
							25,875	
							199,968	

Equity instruments

Unlisted Options

During the financial year no options were granted as equity compensation benefits to key management personnel, none vested and 6,940,000 lapsed unexercised with nil intrinsic value.

Share Rights

Share rights granted and/or vested during the year are set out in Table 4 below.

Table 4: Share rights: Granted and/or vested during the year ended 30 June 2012

30 June 2012	Number granted	Grant Date	Fair Value per right at grant date (cents)	Vesting date	Vested	
					Number	%
Executive Directors						
G Cochran	300,000	25-Feb-11	30.50	30-Jun-13	-	-
G Cochran	1,200,000	25-Feb-11	20.58	30-Jun-13	-	-
M Kavanagh	180,000	25-Feb-11	30.50	1-Jul-11	153,000	85
M Kavanagh	80,000	25-Feb-11	30.50	30-Nov-11	80,000	100
M Kavanagh (i)	320,000	25-Feb-11	23.12	30-Nov-11	-	-
M Kavanagh (i)	320,000	16-Nov-11	8.20	30-Nov-12	-	-
M Kavanagh	150,000	25-Feb-11	30.50	1-Jul-13	-	-
M Kavanagh	600,000	25-Feb-11	24.01	1-Jul-13	-	-
Other KMP						
L Pretorius	250,000	7-Jul-11	17.50	7-Jul-11	212,500	85
L Pretorius	150,000	7-Jul-11	17.50	30-Nov-11	150,000	100
L Pretorius (i)	600,000	7-Jul-11	6.30	30-Nov-11	-	-
L Pretorius (i)	600,000	16-Nov-11	8.20	30-Nov-12	-	-
M Pitts	52,080	3-Feb-11	37.0	1-Aug-11	-	-
M Pitts	52,080	3-Feb-11	37.0	1-Aug-12	-	-
M Pitts	44,640	3-Feb-11	36.0	1-Aug-12	-	-

(i) Performance Hurdles attaching to the Performance Rights with a 30 November 2011 vesting date were varied for the market price to be retested on 30 November 2012.

No share rights lapsed during the year as a result of time based vesting conditions not met.

For details on the valuation of the rights, including models and assumptions used, please refer to note 18.

The rights were provided at no cost to the recipients.

The terms and conditions for rights granted to M Kavanagh and L Pretorius with a 30 November 2011 vesting date have been altered for the market price to be retested on 30 November 2012.

The rights were provided at no cost to the recipients.

End of Remuneration Report

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 39.

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

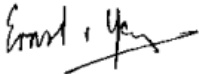
DATED at Perth this 29th day of August 2012



Greg Cochran
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 year ended 30 June 2012, 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.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'R A Kirkby'.

R A Kirkby
Partner
Perth
29 August 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated	
		2012 \$	2011 \$
Continuing operations			
Interest revenue	5(a)	381,512	1,214,316
Other income	5(b)	115,608	227,577
Revenue and Other Income		497,120	1,441,893
Depreciation and amortisation expenses	6	(298,747)	(493,011)
Marketing expenses		(208,447)	(182,489)
Occupancy expenses		(243,672)	(238,062)
Administrative expenses		(1,766,016)	(1,737,970)
Employee expenses	6	(2,141,495)	(2,004,959)
Exploration expenditure written off	13	(36,803,625)	(2,159,944)
Settlement of Raptor earn-out agreement	16	(7,407,333)	-
Net fair value gain/(loss) on held for trading financial assets	6	(125,000)	230,000
Impairment on available for sale financial assets	6	(91,000)	-
Loss before income tax from continuing operations		(48,588,215)	(5,144,542)
Income tax benefit	7(b)	-	1,581,488
Loss after income tax from continuing operations	31	(48,588,215)	(3,563,054)
Other comprehensive income			
Foreign currency loss		(5,734,391)	(4,225,653)
Net fair value (losses)/gains on available for sale financial assets		(24,133)	40,133
Total other comprehensive loss for the period, net of tax		(5,758,524)	(4,185,520)
Total comprehensive loss for the period, net of tax		(54,346,739)	(7,748,574)
Earnings per share for loss attributable to the ordinary equity holders of the Company.		Cents	Cents
Basic loss per share	32	(4.31)	(0.32)
Diluted loss per share	32	(4.31)	(0.32)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	Consolidated	
		2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	2,211,948	11,033,098
Trade and other receivables	9(a)	610,565	4,881,356
Other assets	9(b)	292,596	456,170
Held for trading financial assets	10	57,000	258,000
Total current assets		3,172,109	16,628,624
Non-current assets			
Available-for-sale investments	11	358,533	272,667
Property, plant and equipment	12	1,398,904	1,853,146
Capitalised mineral exploration and evaluation expenditure	13	91,169,926	122,024,322
Total non-current assets		92,927,363	124,150,135
Total assets		96,099,472	140,778,759
LIABILITIES			
Current liabilities			
Trade and other payables	14	1,068,672	1,657,786
Convertible loan	15	2,000,000	-
Financial liability	16	100,000	-
Total current liabilities		3,168,672	1,657,786
Non-current liabilities			
Deferred tax liabilities	7(c)	-	-
Total non-current liabilities		-	-
Total liabilities		3,168,672	1,657,786
Net assets		92,930,800	139,120,973
EQUITY			
Issued equity	17	195,948,041	195,589,154
Accumulated losses	19	(111,046,335)	(62,458,120)
Other reserves	19	7,307,333	-
Employee equity benefits reserve	19	10,362,807	9,872,461
Asset fair value adjustment reserve	19	16,000	40,133
Foreign currency translation reserve	19	(9,657,046)	(3,922,655)
Total equity		92,930,800	139,120,973

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 2012

	Issued Equity	Asset fair value adjustment reserve	Foreign currency translation reserve	Employee equity benefits reserve	Other reserves	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$	\$	\$
At 1 July 2011	195,589,154	40,133	(3,922,655)	9,872,461	-	(62,458,120)	139,120,973
Loss for the period	-	-	-	-	-	(48,588,215)	(48,588,215)
Other comprehensive loss	-	(24,133)	(5,734,391)	-	-	-	(5,758,524)
Total comprehensive loss for the period	-	(24,133)	(5,734,391)	-	-	(48,588,215)	(54,346,739)
Settlement of Raptor earn-out agreement	-	-	-	-	7,307,333	-	7,307,333
Exercise of options or vesting of share rights	358,887	-	-	(358,887)	-	-	-
Share based payments	-	-	-	849,233	-	-	849,233
At 30 June 2012	195,948,041	16,000	(9,657,046)	10,362,807	7,307,333	(111,046,335)	92,930,800

	Issued Equity	Asset fair value adjustment reserve	Foreign currency translation reserve	Employee equity benefits reserve	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$	\$
At 1 July 2010	194,801,070	-	302,998	9,954,625	(58,895,066)	146,163,627
Loss for the period	-	-	-	-	(3,563,054)	(3,563,054)
Other comprehensive profit/(loss)	-	40,133	(4,225,653)	-	-	(4,185,520)
Total comprehensive loss for the period	-	40,133	(4,225,653)	-	(3,563,054)	(7,748,574)
Exercise of options	788,084	-	-	(315,084)	-	473,000
Share based payments	-	-	-	232,920	-	232,920
At 30 June 2011	195,589,154	40,133	(3,922,655)	9,872,461	(62,458,120)	139,120,973

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 2012

	Note	Consolidated	
		2012 \$	2011 \$
Cash flows from operating activities			
Interest received		517,444	1,635,854
Payments to suppliers and employees		(3,480,539)	(3,855,219)
Tax refund		2,125,378	727,396
Other receipts		2,356	5,725
Net cash used in operating activities	31	(835,361)	(1,486,244)
Cash flows from investing activities			
Exploration expenditure		(11,434,839)	(14,689,126)
Proceeds from sale of investments		-	319,852
Payments for property, plant and equipment		(27,608)	(127,324)
Payments for purchase of equity investment		(125,000)	-
Proceeds on sale of property, plant and equipment		45,682	19,195
Refund of security deposits		244,731	22,150
Payments for security deposits		-	(13,000)
Net cash used in investing activities		(11,297,034)	(14,468,253)
Cash flows from financing activities			
Proceeds from the issue of shares		-	473,000
Proceeds from convertible loan		2,000,000	-
Net cash from financing activities		2,000,000	473,000
Net decrease in cash and cash equivalents		(10,132,395)	(15,481,497)
Effects on cash of foreign exchange		(708,755)	(1,041,033)
Cash and cash equivalents at the beginning of the financial year		13,053,098	29,575,628
Cash and cash equivalents at the end of the financial year	8(a)	2,211,948	13,053,098

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

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

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 nature of the operations and principal activities of the Group are described in the Directors' Report.

The consolidated financial report of Deep Yellow Limited ('the Group') was authorised for issue in accordance with a resolution of Directors on 27 August 2012.

(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.

Going concern

As at 30 June 2012, the Group had cash reserves of \$2,211,948 and net current assets of \$3,437. For the year then ended, the Group expended net cash from operations of \$835,361 and exploration expenditure of \$11,434,839.

Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis which contemplates that the Group will continue to meet its commitments and therefore continue normal business activities and realise its assets and settle its liabilities in the ordinary course of business.

The directors have reached this conclusion based on the following:

- * the Group has reduced its ongoing expenditure primarily by reducing drilling and associated support and overhead costs;
- * the Group recently raised \$5.8 million via non-renounceable entitlement issue priced at 4.2c per share; and
- * the Group is presently working to place the balance of the shortfall from the entitlement issue, being a further \$4.7 million.

At the date of this financial report the Directors are satisfied that there are reasonable grounds to believe that, having regard to the Group's position and its available funding options, the Group will be able to raise additional capital to enable it to continue to operate and meet its obligations as and when they fall due.

Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability or classification of recorded assets' amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

New accounting standards and interpretations

From 1 July 2011, Deep Yellow Limited has adopted all Australian Accounting Standards and Interpretations mandatory for annual periods beginning on or after 1 July 2011. Adoption of these standards and interpretations did not have an effect on the financial statements of the Group.

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 124 (Revised)	Related Party Disclosures (December 2009)	<p>The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:</p> <ul style="list-style-type: none"> * The definition now identifies a subsidiary and an associate with the same investor as related parties of each other * Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other * The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other <p>A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.</p>	1 January 2011	The amendments have no or minimal effect on the Group's accounting.	1 July 2011

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 1054	Australian Additional Disclosures	This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas: * Compliance with Australian Accounting Standards * The statutory basis or reporting framework for financial statements * Whether the entity is a for-profit or not-for-profit entity * Whether the financial statements are general purpose or special purpose * Audit fees * Imputation credits	1 July 2011	The amendments have no or minimal effect on the Group's accounting.	1 July 2011
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]	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. 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)	1 January 2011	The amendments have no or minimal effect on the Group's accounting.	1 July 2011
AASB 2010-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	This amendment emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. 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. It provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions 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.	1 January 2011	The amendments have no or minimal effect on the Group's accounting.	1 July 2011
AASB 2010-5	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.	1 January 2011	The amendments have no or minimal effect on the Group's accounting.	1 July 2011

New accounting standards and interpretations issued but not yet effective

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 have recently been issued or amended but are not yet effective and 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 2010-8	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate <i>SIC-27 Income Taxes – Recovery of Revalued Non-Depreciable Assets</i> into AASB 112.	1 January 2012	The amendments are expected to have no or minimal effect on the Group's accounting.	1 July 2012
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	This Standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.	1 July 2012	The amendments are expected to have no or minimal effect on the Group's accounting.	1 July 2012
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This Amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies.	1 July 2013	The amendments are expected to have no or minimal effect on the Group's accounting.	1 July 2013
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and Interpretation 112 Consolidation – Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the group. Consequential amendments were also made to other standards via AASB 2011-7	1 January 2013	The Group has not yet determined the impact of the amendments, if any.	1 July 2013

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 <i>Interests in Joint Ventures</i> and Interpretation 113 <i>Jointly- controlled Entities – Non-monetary Contributions by Ventures</i> . AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition AASB 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. This may result in a change in the accounting for the joint arrangements held by the group. Consequential amendments were also made to other standards via AAB 2011-7 and amendments to AASB 128.	1 January 2013	The Group has not yet determined the impact of the amendments, if any.	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	The Group has not yet determined the impact of the amendments, if any.	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	The Group has not yet determined the impact of the amendments, if any.	1 July 2013
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	The Group has not yet determined the impact of the amendments, if any.	1 July 2013
Annual Improvements 2009–2011 Cycle	Annual Improvements to IFRSs 2009–2011 Cycle	This standard sets out amendments to International Financial Reporting Standards (IFRSs) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB. The following items are addressed by this standard: * IFRS 1 First-time Adoption of International Financial Reporting Standards a) Repeated application of IFRS 1 b) Borrowing costs * IAS 1 Presentation of Financial Statements a) Clarification of the requirements for comparative information * IAS 16 Property, Plant and Equipment a) Classification of servicing equipment * IAS 32 Financial Instruments: Presentation a) Tax effect of distribution to holders of equity instruments * IAS 34 Interim Financial Reporting a) Interim financial reporting and segment information for total assets and liabilities	1 January 2013	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2013
AASB 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: * Tier 1: Australian Accounting Standards * Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: * For-profit entities in the private sector that have public accountability (as defined in this Standard) * The Australian Government and State, Territory and Local Governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: * For-profit private sector entities that do not have public accountability * All not-for-profit private sector entities * Public sector entities other than the Australian Government and State, Territory and Local Governments. Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11 and 2012-1.	1 July 2013	The amendments are expected to have no or minimal effect on the Group's accounting.	1 July 2013

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.	1 January 2013	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2013
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle; and	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The Standard addresses a range of improvements, including the following: <ul style="list-style-type: none"> * repeat application of AASB 1 is permitted (AASB 1); and * clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements). 	1 January 2013	The amendments are expected to have no or minimal effect on the Group's accounting.	1 July 2013
AASB 9	Financial Instruments	The revised Standard includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. <ul style="list-style-type: none"> * Financial assets that are debt instruments will be classified based on (a) the objective of the entity's business model for managing the financial assets and (b) the characteristics of the contractual cash flows. * Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit and loss and there is no impairment or recycling on disposal of the instrument. * Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. * Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ul style="list-style-type: none"> a) The change attributable to changes in credit risk are presented in other comprehensive income (OCI) b) The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	1 January 2015	The Group has not yet determined the impact of the amendments, if any.	1 July 2015
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities;	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2015

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 consolidated financial statements comprise the financial statements of Deep Yellow Limited and its subsidiaries as at and for the period ended 30 June each year (the Group). Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-entity balances resulting from transactions with or between subsidiaries are eliminated in full on consolidation.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(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, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria below must also be met before revenue is recognised.

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.

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*.

(f) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

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 statement of comprehensive income as an integral part of the total lease expense.

(g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

(h) 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.

(i) 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.

(j) 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.

(k) 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% of cost	Site equipment	25% of cost
Motor vehicles	25% of cost	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(h)).

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.

(l) 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 of interest 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.

(m) 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.

(n) 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 29.

(o) 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.

(p) 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 Executive Directors and employees of the Group, whereby Executive Directors and employees render services in exchange for rights over shares.

The fair value of these equity settled transactions 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 award.

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 or rights 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 or the Monte-Carlo simulation model, as appropriate, that takes into account the exercise price, the term of the option or right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free rate for the term of the option and the probability of market based vesting conditions being realised.

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

Upon the exercise of awards, the balance of the share based payments reserve relating to those awards 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 diluted earnings per share.

(q) Issued 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.

(r) 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; and
- * 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.

(s) 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 statement of financial position.

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.

(t) 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.

(u) 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.

(v) Financial liabilities

Financial liabilities within the scope of AASB 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, and derivative financial instruments. The subsequent measurement of financial liabilities depends on their classification, described as follows:

(i) Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of comprehensive income.

Financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- * There is a currently enforceable legal right to offset the recognised amounts
- * There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

(a) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(b) Convertible Loan

The component of the convertible loan that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On draw down of the convertible loan, the fair value of the liability component is determined using an estimated market rate for an equivalent non-convertible loan and this amount is carried as a long-term liability on an amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. Interest on the liability component of the instrument is recognised as an expense in the statement of comprehensive income. The fair value of any derivative features embedded in the convertible loan other than the equity component are included in the liability component. Subsequent to initial recognition, these derivative features are measured at fair value with gains and losses recognised in the statement of comprehensive income. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

(w) 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 prevailing at balance sheet date. 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.

The results of subsidiaries are translated as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at balance sheet date. All realised exchange differences are taken to profit and loss and foreign exchange differences arising on consolidation are recognised in reserves.

(x) 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.

(y) 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.

(z) 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 reporting 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 cash assets on deposit with Westpac Banking Corporation 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 only liabilities are short term trade and other payables and a convertible loan from its major shareholder, Paladin for which the majority of the loan has subsequent to the financial year end been set-off against an application made by Paladin for securities under a capital raising conducted by the Company in satisfaction of an underwriting commitment.

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.

(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 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. Refer to sensitivity analysis in note 20.

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 an adequate 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 statement of financial position.

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(l). 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(p). The Group uses independent advisors to assist in valuing share based payments. Refer note 18 for details of estimates and assumptions used.

Note 4 Operating segments

The Group has identified its operating segments based on 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 based on country of operation as this is the area that has the most effect on allocation of resources. The Group conducts uranium exploration and pre-development 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
- * Settlement expenses
- * 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 2012			
Revenue			
Other income	85,003	30,605	115,608
Unallocated			
Interest income			381,512
Total revenue			497,120
Profit and Loss			
Pre-tax segment profit and loss	(40,705,760)	(640,634)	(41,346,394)
Unallocated			
Interest income			381,512
Settlement of Raptor earn-out agreement			(7,407,333)
Fair value gain on held for trading assets			(125,000)
Impairment on available for sale financial assets			(91,000)
Income tax benefit			-
Loss from continuing operations after income tax			(48,588,215)
Year Ended 30 June 2012			
Segment Assets			
Segment operating assets	6,749,813	86,111,613	92,861,426
Unallocated assets			
Cash			2,211,948
Receivables			610,565
Held for trading financial assets			57,000
Available for sale financial assets			358,533
Total assets			96,099,472
Year Ended 30 June 2011			
Revenue			
Other income	227,577	-	227,577
Unallocated			
Interest income			1,214,316
Total revenue			1,441,893
Profit and Loss			
Pre-tax segment profit and loss	(6,061,718)	(527,140)	(6,588,858)
Unallocated			
Interest income			1,214,316
Fair value gain on held for trading assets			230,000
Income tax benefit			1,581,488
Loss from continuing operations after income tax			(3,563,054)
Year Ended 30 June 2011			
Segment Assets			
Segment operating assets	42,715,508	81,618,130	124,333,638
Unallocated assets			
Cash			11,033,098
Receivables			4,881,356
Held for trading financial assets			258,000
Available for sale financial assets			272,667
Total assets			140,778,759

Note 5 Revenue and other income

a) Revenue

Interest received and receivable

b) Other income

Gain on sale of investment

Consultancy fee income

Gain on sale of fixed assets

Loan forgiveness

Distribution from creditors trust

	Consolidated	
	2012	2011
	\$	\$
Interest received and receivable	381,512	1,214,316
	381,512	1,214,316
Gain on sale of investment	-	221,852
Consultancy fee income	42,139	-
Gain on sale of fixed assets	40,507	-
Loan forgiveness	30,605	-
Distribution from creditors trust	2,357	5,725
	115,608	227,577

Note 6 Expenses

Loss before income tax includes the following specific expenses:

Impairment expense and fair value movements:

Impairment on available for sale financial assets (note 11)

Fair value changes in held for trading financial assets (note 10)

Total Impairment Expense and Fair Value Movements

Depreciation expense:

Office equipment and fittings

Motor vehicles

Site equipment

Buildings

Total Depreciation and Amortisation Expenses

Employee expenses:

Wages, salaries and fees

Superannuation

Share based payments

Total Employee Expenses

Rental expenses on operating leases

	Consolidated	
	2012	2011
	\$	\$
Impairment on available for sale financial assets (note 11)	91,000	-
Fair value changes in held for trading financial assets (note 10)	125,000	(230,000)
Total Impairment Expense and Fair Value Movements	216,000	(230,000)
Office equipment and fittings	39,768	68,550
Motor vehicles	81,149	171,497
Site equipment	126,523	196,156
Buildings	51,307	56,808
Total Depreciation and Amortisation Expenses	298,747	493,011
Wages, salaries and fees	1,481,346	1,664,587
Superannuation	96,849	107,452
Share based payments	563,300	232,920
Total Employee Expenses	2,141,495	2,004,959
Rental expenses on operating leases	124,625	120,590

Note 7 Income tax

	Consolidated	
	2012	2011
	\$	\$
<i>a) Income tax expense</i>		
<i>Current income tax:</i>		
Current income tax charge (benefit)	(980,065)	(1,673,277)
Utilised against future income tax charge	980,065	1,673,277
Under / (over) provision in prior year	-	(727,396)
<i>Deferred income tax:</i>		
Relating to origination and reversal of timing differences	(8,633,409)	(1,432,837)
Under / (over) provision in prior year	(9,236)	369,248
Carry forward tax losses not brought to account	8,642,645	209,497
Income tax expense / (benefit) reported in the statement of comprehensive income	-	(1,581,488)
<i>b) Reconciliation of income tax expense to prima facie tax payable</i>		
Profit / (Loss) before income tax expense	(48,588,215)	(5,144,542)
Tax at the Australian rate of 30% (2011 – 30%)	(14,576,465)	(1,543,363)
Effect of tax rates in foreign jurisdictions*	194,062	7,532
<i>Tax effect:</i>		
Non-deductible share based payment	168,990	69,876
Raptor earn-out settlement expense not deductible	2,222,200	-
Other expenditure not deductible	69,536	102,118
Tax (benefit) / expense on fair value of trading financial assets	37,500	(69,000)
Tax benefit on Impairment of financial assets	27,300	-
Under / (over) provision in prior year	(9,236)	(358,148)
Carry forward tax losses not brought to account	11,866,113	209,497
Tax expense / (benefit)	-	(1,581,488)
<i>c) Deferred tax – Statement of financial position</i>		
<i>Liabilities</i>		
Prepayments	1,155	2,722
Accrued Income	7	40,787
Capitalised exploration and evaluation expenditure	1,835,413	9,438,210
	1,836,575	9,481,719
<i>Assets</i>		
Revenue losses available to offset against future taxable income	10,478,733	9,514,355
Income recognised in advance for tax	75,000	75,000
Accrued expenses	109,859	89,069
Deductible equity raising costs	25,126	12,792
Carry forward tax losses not brought to account	(8,852,143)	(209,497)
	1,836,575	9,481,719
Net deferred tax asset (liability)	-	-
<i>d) Deferred tax – Statement of Comprehensive Income</i>		
<i>Liabilities</i>		
Prepayments	(1,567)	(20,112)
Accrued Income	(40,780)	(248,386)
Capitalised exploration expenses	(7,602,797)	221,540
<i>Assets</i>		
Accruals	(20,789)	(89,069)
Deductible equity raising costs	(12,334)	7,746
Decrease/(Increase) in tax losses carried forward	7,678,267	(725,811)
Deferred tax expense / (benefit)	-	(854,092)

e) Unrecognised temporary differences

At 30 June 2012, 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 (2011: Nil).

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

Note 8 Current assets - Cash and cash equivalents

	Consolidated	
	2012	2011
	\$	\$
Cash at bank and in hand	2,211,948	4,033,098
Deposits	-	7,000,000
	2,211,948	11,033,098

The carrying amounts of cash and cash equivalents represent fair value. See note 20 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

Cash and cash equivalents	2,211,948	11,033,098
Other short term bank deposits (Note 9)	-	2,020,000
Balance per cash flow statement	2,211,948	13,053,098

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

	Consolidated	
	2012	2011
	\$	\$
<i>a) Receivables</i>		
GST recoverable	594,636	2,707,693
Other receivables	15,929	153,663
Other short term bank deposits	-	2,020,000
	610,565	4,881,356
<i>b) Other assets</i>		
Environmental, tenement and vehicle bonds	71,094	316,170
Prepayments	221,502	140,000
	292,596	456,170

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	
	2012	2011
	\$	\$
Financial assets at fair value through profit and loss:		
Rum Jungle Uranium Limited Options	57,000	258,000
	57,000	258,000

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 20.

Basis and assumptions used in the valuation of options:

Group	Date granted	Number of options	Exercise price (cents)	Underlying share price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Option valuation (cents)
Rum Jungle Uranium Limited	14-Nov-07	1,500,000	25.0	22.0	02-Nov-12	2.46%	95%	3.8

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

	Consolidated	
	2012	2011
	\$	\$
Value of investments at the start of the reporting period	258,000	28,000
Options exercised during the reporting period	(76,000)	-
Fair value gain / (loss) recognised during the reporting period (note 6)	(125,000)	230,000
	57,000	258,000

Note 11 Non-current assets – Available for sale investments

	Consolidated	
	2012	2011
	\$	\$
Available for sale investments at market value:		
Toro Energy Limited	208,533	214,667
Rum Jungle Uranium Limited	110,000	-
Rox Resources Limited	40,000	58,000
	358,533	272,667

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	
	2012	2011
	\$	\$
Value of investments at the start of the reporting period	272,667	330,533
Investments disposed during the reporting period		
Rum Jungle Uranium Limited	-	(97,999)
Fair value of shares received during the reporting period		
Rum Jungle Uranium Limited – Options exercised	200,999	-
Net impairment expense recognised during the reporting period (Note 6)	(91,000)	-
Net fair value movement from equity during the reporting period (Note 19)	(24,133)	40,133
	358,533	272,667

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

	Consolidated	
	2012	2011
	\$	\$
<i>Buildings</i>		
At cost	1,289,231	1,425,588
Accumulated depreciation	(264,335)	(232,816)
	1,024,896	1,192,772
<i>Office equipment and fittings</i>		
At cost	410,311	444,770
Accumulated depreciation	(361,652)	(355,853)
	48,659	88,917
<i>Motor vehicles</i>		
At cost	719,646	871,166
Accumulated depreciation	(618,967)	(663,490)
	100,679	207,676
<i>Site equipment</i>		
At cost	935,082	986,909
Accumulated depreciation	(710,413)	(623,128)
	224,669	363,781
	1,398,904	1,853,146
Reconciliation		
<i>Buildings</i>		
Net book value at start of the year	1,192,772	1,358,158
Exchange adjustment	(116,569)	(108,578)
Additions	-	-
Depreciation	(51,307)	(56,808)
Net book value at end of the year	1,024,896	1,192,772
<i>Office equipment and fittings</i>		
Net book value at start of the year	88,917	136,178
Exchange adjustment	(3,169)	(3,789)
Additions	4,899	25,547
Disposals	(2,220)	(469)
Depreciation	(39,768)	(68,550)
Net book value at end of the year	48,659	88,917
<i>Motor vehicles</i>		
Net book value at start of the year	207,676	351,835
Exchange adjustment	(20,815)	(18,647)
Additions	-	83,256
Disposals	(5,033)	(37,271)
Depreciation	(81,149)	(171,497)
Net book value at end of the year	100,679	207,676
<i>Site equipment</i>		
Net book value at start of the year	363,781	581,576
Exchange adjustment	(34,788)	(37,383)
Additions	22,710	18,521
Disposals	(511)	(2,777)
Depreciation	(126,523)	(196,156)
Net book value at end of the year	224,669	363,781

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	
	2012	2011
	\$	\$
<i>In the exploration and evaluation phase</i>		
Cost brought forward	122,024,322	113,290,676
Exploration expenditure incurred during the year at cost	10,563,206	13,738,453
Exchange adjustment	(4,613,977)	(2,844,863)
Exploration expenditure written off	(36,803,625)	(2,159,944)
Cost carried forward	91,169,926	122,024,322

Exploration expenditure written off during the year was as a result of tenements surrendered, applications withdrawn or refused and under recovery of exploration expenditure within Areas of Interest and is the total accumulated expenditure to date of surrender, withdrawal, refusal and evaluation.

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	
	2012	2011
	\$	\$
Australia		
Northern Territory	2,650,964	7,450,352
Queensland	3,467,078	34,469,305
Namibia	85,051,884	80,104,665
Cost carried forward	91,169,926	122,024,322

Note 14 Current liabilities – Trade and other payables

	Consolidated	
	2012	2011
	\$	\$
Trade payables and accruals	637,207	1,280,108
Other payables	111,731	87,916
Employee leave liabilities	319,734	289,762
	1,068,672	1,657,786

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 20. There are no secured liabilities as at 30 June 2012.

Note 15 Convertible loan

	Consolidated	
	2012	2011
	\$	\$
Loan from major shareholder	2,000,000	-
	2,000,000	-

On 19 June 2012, the Company and Paladin Energy Ltd ("Paladin") entered into a loan agreement pursuant to which Paladin agreed to provide an unsecured loan of \$2,000,000 to the Company. The loan with all accrued but unpaid interest and any other moneys due under the terms of the loan is payable no later than 31 March 2013. Interest on the loan is recognised at the aggregate rate of 10% per annum until the amount outstanding has been paid in full and without any deduction.

(a) Fair values

The carrying amount of the loan approximates its fair value.

(b) Interest rate and liquidity risk

Details regarding interest rate and liquidity risk are disclosed in note 20.

(c) Set-offs

Under the loan agreement, Paladin may at any time prior to repayment in full, convert all or any part of the amount outstanding into new fully paid shares in the Company at 4.2cents per share. Paladin may set-off such portion of the loan outstanding against any amount owing by Paladin in respect of an application for securities under a capital raising conducted by the Company. Refer note 30 for set-off that has occurred after balance sheet date.

(d) Defaults and breaches

There were no defaults or breaches on the loan during the current financial year.

Note 16 Financial liability

	Consolidated	
	2012	2011
	\$	\$
Settlement of Raptor earn-out agreement	100,000	-
	100,000	-

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 in the 2007 financial year, 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.

The Company and Raptor have entered into a binding heads of agreement (Termination Agreement) dated 12 June 2012 under which the Company and Raptor agreed to terminate the Earn-out Agreement. In consideration for the termination of the Earn-out Agreement, the Company will issue 129,333,333 shares (Consideration shares), each with a deemed issue price of \$11.52 cents per share and pay a cash amount of \$100,000.

The consideration shares have been recognised under "Other reserves" (Refer Note 19) and have been measured at the fair value of the equity instrument on the date of exchange (12 June 2012). The market price of Company shares on the Australian Securities Exchange on 12 June 2012 was \$5.65 cents per share, resulting in a valuation of \$7,307,333.

The Termination Agreement is conditional upon:

- the approval of the Company's shareholders; and
- Raptor entering into a voluntary escrow deed in respect of the Consideration Shares (50,000,000 shares for 12 months from the date of execution of the Termination Agreement, 50,000,000 shares for 24 months from the date of execution and 29,333,333 shares for 36 months from the date of execution).

Note 17 Issued equity

	Consolidated		Consolidated	
	2012	2011	2012	2011
	No.	No.	\$	\$
<i>a) Share capital</i>				
Issued share capital	1,128,736,403	1,127,534,458	195,948,041	195,589,154
<i>b) Share movements during the year</i>				
				<i>Issue price (cents)</i>
At the beginning of the year	1,127,534,458	1,125,814,458	195,589,154	194,801,070
Issued on exercise of options	27.5	-	1,720,000	473,000
Add: transfer from equity compensation reserve in respect of options exercised (note 19)	-	-	-	315,084
Issued on vesting of share rights	1,201,945	-	358,887	-
Less: costs related to shares issued	-	-	-	-
At the end of the year	1,128,736,403	1,127,534,458	195,948,041	195,589,154

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) Share based payment plans

The previous option plan was replaced by an awards plan which allows the offer of either options or share rights. Options over unissued shares are issued and share rights are granted at the discretion of the Board. Information relating to options issued and share rights granted are set out in note 18.

Note 18 Share based payment plans

a) Recognised share based payment expenses

The expense recognised for employee services, arising from equity-settled share based payment transactions during the year is shown in the table below:

	Consolidated	
	2012 \$	2011 \$
Amount recognised as employee expenses in the consolidated statement of comprehensive income	563,300	232,920
Amount recognised as capital mineral exploration and evaluation expenditure	285,933	-
	849,233	232,920

The Company's long-term incentive plan, the Awards Plan has the ability to offer options or share rights to an Eligible Person. There have been no cancellations or modifications to the Awards Plan during the 2012 financial year.

b) Types of share based payments

Share options

All outstanding options over unissued shares in the Company have expired and were cancelled on 30 June 2012.

Share rights

Awards are made in order to align remuneration with shareholder wealth over the long-term and assist in attracting and retaining talented employees. Share Rights are granted under the Awards Plan for no consideration. Each right upon vesting entitles the holder to one fully paid ordinary share in the capital of the Company if certain time and/or market price measures are met in the measurement period.

The Share Rights issued to employees in 2012 are subject to a combination of conditions:

- * **Time-based** conditions which prescribe a period of time that the employee must stay employed by the Company prior to automatic vesting.
- * **Market price** condition measures the increase in share price of the Company. Share Rights subject to the Market Price Condition will vest if, at the end of the measurement period, the share price of the Company is 85% above the market price as at the date of the offer.

The Share Rights issued to Key Management Personnel in 2012 are subject to a combination of conditions as outlined in the Remuneration Report.

If at any time prior to the Vesting Date an employee voluntarily resigns from employment with the Group or is terminated the Share Rights automatically lapse and are forfeited, subject to the discretion of the Board.

c) Summary of options granted under the Awards Plan

The following table illustrates the number (No.) and weighted average exercise price (WAEP) of, and movements in, share options during the year:

	2012		2011	
	No.	WAEP (cents)	No.	WAEP (cents)
Options outstanding at the start of the year	8,240,000	39.35	41,047,500	45.93
Options exercised	-	-	(1,720,000)	27.50
Options lapsed	-	-	(1,455,000)	47.65
Options expired	(8,240,000)	39.35	(29,632,500)	48.74
Options outstanding at the end of the year	-	-	8,240,000	39.35

d) Options on issue at the reporting date

There are no options outstanding as at 30 June 2012 (2011: 8,240,000).

e) Weighted average fair value

There were no options granted during the current or previous financial years.

f) Weighted average remaining contractual life

There are no options outstanding as at 30 June 2012. The weighted average remaining contractual life for share options outstanding as at 30 June 2011 was 11.05 months.

g) Basis and assumptions used in the valuation of options.

There were no options granted during the current or previous financial years.

h) Summaries of share rights granted under the Awards Plan

The following table illustrates the number (No.) and movements in, share rights issued during the year:

	2012	2011
	No.	No.
Outstanding at the start of the year	4,515,260	-
Granted during the year	3,664,400	4,785,700
Forfeited during the year	(137,245)	(270,440)
Vested during the year	(1,201,945)	-
Outstanding at the end of the year	6,840,470	4,515,260

Subsequent to the reporting date and prior to signing this report, 202,505 rights were forfeited and 1,697,715 vested.

Note 18 Share based payment plans (Cont'd)

i) Outstanding share rights balance at 30 June 2012

Number	Date rights granted	Vesting date	Vesting Condition
532,880	9-Dec-11	1-Jul-12	Time based
541,730	3-Feb-11	1-Aug-12	Time based
464,340	3-Feb-11	1-Aug-12	Market price
320,000	25-Feb-11	30-Nov-12	Market price
600,000	7-Jul-11	30-Nov-12	Market price
300,000	25-Feb-11	30-Jun-13	Time based
1,200,000	25-Feb-11	30-Jun-13	Market price
150,000	25-Feb-11	1-Jul-13	Time based
600,000	25-Feb-11	1-Jul-13	Market price
532,880	9-Dec-11	1-Jul-13	Time based
799,320	9-Dec-11	1-Jul-14	Time based
799,320	9-Dec-11	1-Jul-14	Market price
6,840,470			

j) Outstanding share rights balance at 30 June 2011

Number	Date rights granted	Vesting date	Vesting Condition
612,955	3-Feb-11	1-Aug-11	Time based
577,395	3-Feb-11	1-Aug-12	Time based
494,910	3-Feb-11	1-Aug-12	Market price
180,000	25-Feb-11	1-Jul-11	Time and performance based
80,000	25-Feb-11	30-Nov-11	Time based
320,000	25-Feb-11	30-Nov-11	Market price
300,000	25-Feb-11	30-Jun-13	Time based
1,200,000	25-Feb-11	30-Jun-13	Market price
150,000	25-Feb-11	1-Jul-13	Time based
600,000	25-Feb-11	1-Jul-13	Market price
4,515,260			

k) Weighted average remaining contractual life

The weighted average remaining contractual life for the share rights outstanding as at 30 June 2012 is 15.63 months (2011:15.63 months).

l) Weighted average fair value

Weighted average fair value of share rights granted during the year was 22.16 cents (2011:29.24 cents).

m) Rights pricing model

The fair value of the share rights granted under the plan is estimated as at the grant date.

The following table lists the inputs to the model used for the years ended 30 June 2012 and 30 June 2011

	Grants			
	9 December 2011	7 July 2011	25 February 2011	3 February 2011
Rights pricing model	Monte-Carlo simulation under Black Scholes framework	Monte-Carlo simulation under Black Scholes framework	Monte-Carlo simulation under Black Scholes framework	Hoadley's Barrier 1 binomial
Dividend yield (%)	Zero	Zero	Zero	Zero
Expected volatility (%)	85	85	89.85	90
Risk-free interest rate (%)	3.06	4.69	5.058	5.31
Expected life of rights (years)	7	7	2.86 – 7.0	7
Closing share price at grant date (cents)	15.5	17.5	30.5	37.0
Fair value per right at grant date (cents)				
* Time based vesting conditions	15.5	17.5	30.5	37.0
* Time and market price vesting conditions	9.6	6.3	20.58-24.01	36.0

Note 19 Reserves and accumulated losses

2012	Consolidated				
	Accumulated losses	Employee equity benefits reserve (i)	Asset fair value adjustment reserve (ii)	Foreign Currency Translation Reserve (iii)	Other reserve (iv)
	\$	\$	\$	\$	
Balance at 1 July 2011	(62,458,120)	9,872,461	40,133	(3,922,655)	-
Loss for year	(48,588,215)	-	-	-	-
Transfer to issued capital in respect of share rights vested (i)	-	(358,887)	-	-	-
Recognition of share rights issued	-	849,233	-	-	-
Adjustment to fair value of available for sale assets	-	-	(24,133)	-	-
Movement for the year	-	-	-	(5,734,391)	-
Settlement of Raptor earn-out agreement (iv)	-	-	-	-	7,307,333
Balance at 1 July 2012	(111,046,335)	10,362,807	16,000	(9,657,046)	7,307,333

2011	Consolidated				
	Accumulated Losses	Employee equity benefits reserve (i)	Asset fair value adjustment reserve (ii)	Foreign Currency Translation Reserve (iii)	
	\$	\$	\$	\$	\$
Balance at 1 July 2010	(58,895,066)	9,954,625	-	-	302,998
Loss for year	(3,563,054)	-	-	-	-
Transfer to issued capital in respect of options exercised (i)	-	(315,084)	-	-	-
Recognition of share rights issued	-	232,920	-	-	-
Adjustment to fair value of available for sale assets	-	-	40,133	-	-
Movement for the year	-	-	-	-	(4,225,653)
Balance at 1 July 2011	(62,458,120)	9,872,461	40,133	(3,922,655)	-

(i) Employee equity benefits reserve

The employee equity benefits reserve is used to recognise the fair value of options and share rights issued as remuneration. Share rights vested during the year have been previously recognised as an expense and included in the reserve. A transfer is now required from the Employee equity benefits reserve to issued equity (note 17).

(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(u) 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.

(iv) Other reserves

Other reserves is used to record the arrangement to deliver a fixed number of equity instruments in settling a contractual obligation. See note 16 for detail on the contractual obligation with Raptor to settle an earn-out agreement.

Note 20 Financial instruments

Details of the financial 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	
	2012	2011
	\$	\$
Cash and cash equivalents	2,211,948	11,033,098
Other receivables	610,565	4,881,356
	2,822,513	15,914,454

The Group has no trade receivables at the reporting date.

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due. The Group's only liabilities are short term trade and other payables and a loan from its major shareholder, Paladin that is payable no later than 31 March 2013. The majority of the loan from Paladin has subsequent to the financial year end been set-off against an application made by Paladin for securities under a capital raising conducted by the Company in satisfaction of an underwriting commitment. The Group manages its liquidity risk by monitoring the total cash inflows and outflows on a quarterly basis.

Currency risk

As a result of significant investment in Namibia, the Group's statement of financial position can be affected significantly by movements in the Namibian dollar / Australian dollar / US dollar exchange rates. The Group does not consider there to be a significant exposure to the Namibian dollar or US dollar as they represent the functional currencies of controlled entities.

Note 20 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	
	2012 \$	2011 \$
Cash and cash equivalents	2,211,948	11,033,098
Convertible loan	(2,000,000)	-
	211,948	11,033,098

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 2012				
Cash and cash equivalents	221,195	(221,195)	-	-
30 June 2011				
Cash and cash equivalents	110,331	(110,331)	-	-

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	
	2012 \$	2011 \$
Available-for-sale investments	358,533	272,667
Financial assets held for trading	57,000	258,000
	415,533	530,667

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	
	2012 \$	2011 \$
Available-for-sale investments		
Market price +10%	35,853	27,267
Market price -10%	(35,853)	(27,267)

Equity represents the fair value adjustment reserve.

	Impact on Profit and Loss Consolidated	
	2012 \$	2011 \$
Financial assets held for trading		
Market price +10%	5,700	25,800
Market price -10%	(5,700)	(25,800)

Fair values

Fair values versus carrying amounts

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

Consolidated	2012		2011	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Cash and cash equivalents	2,211,948	2,211,948	11,033,098	11,033,098
Trade and other receivables	610,565	610,565	4,881,356	4,881,356
Held for trading financial assets	57,000	57,000	258,000	258,000
Available for sale investments	358,533	358,533	272,667	272,667
Trade and other payables	(1,068,672)	(1,068,672)	(1,657,786)	(1,657,786)
Convertible loan	(2,000,000)	(2,000,000)	-	-
Financial liability	(100,000)	(100,000)	-	-
	69,374	69,374	14,787,335	14,787,335

Note 20 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:

- Quoted prices in active markets (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- 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 2012	Quoted market price (Level 1)	Valuation technique – non-market observable inputs (Level 3)	Total
Financial Assets			
Held for trading	-	57,000	57,000
Available for sale	358,533	-	358,533
Total	358,533	57,000	415,533
30 June 2011			
30 June 2011	Quoted market price (Level 1)	Valuation technique – non-market observable inputs (Level 3)	Total
Financial Assets			
Held for trading	-	258,000	258,000
Available for sale	272,667	-	272,667
Total	272,667	258,000	536,667

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 to calculate price volatility. 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 21 Dividends

No dividends were paid or proposed during the financial year (2011: Nil).

The Company has no franking credits available as at 30 June 2012 (2011: Nil).

Note 22 Key Management Personnel disclosures

(a) Compensation of key management personnel

	Consolidated	
	2012 \$	2011 \$
Short-term employee benefits	1,668,509	1,700,751
Post employment benefits	81,897	357,093
Long-term employee benefits	12,796	13,644
Share based payment	450,673	199,968
Total compensation	2,213,875	2,271,456

Note 22 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:

2012 Name	Balance at start of the year	Granted as remuneration during the year	Exercised during the year	Net other changes during the year (i)	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
Mervyn Greene	-	-	-	-	-	-
Greg Cochran	-	-	-	-	-	-
Martin Kavanagh	-	-	-	-	-	-
Gillian Swaby	-	-	-	-	-	-
Rudolf Brunovs	-	-	-	-	-	-
Other Key Management Personnel						
Leon Pretorius	-	-	-	-	-	-
Mark Pitts	125,000	-	-	(125,000)	-	-

(i) Includes expired options during the year.

2011 Name	Balance at start of the year	Granted as remuneration during the year	Exercised during the year	Net other changes during the year (iv)	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
Mervyn Greene	-	-	-	-	-	-
Greg Cochran (i)	-	-	-	-	-	-
Martin Kavanagh	5,900,000	-	-	(5,900,000)	-	-
Gillian Swaby	-	-	-	-	-	-
Rudolf Brunovs	-	-	-	-	-	-
Patrick Mutz (ii)	-	-	-	-	-	-
Tony McDonald (iii)	-	-	-	-	-	-
Other Key Management Personnel						
Leon Pretorius	7,500,000	-	-	(7,500,000)	-	-
Mark Pitts	1,025,000	-	-	(900,000)	125,000	125,000

(i) Appointed 24 January 2011.

(ii) Resigned as Group Managing Director on 12 January 2011.

(iii) Resigned 31 December 2010

(iv) Includes expired options during the year.

There were no options granted during the years ended 30 June 2012 and 30 June 2011.

Share Rights

The numbers of share rights held during the financial year by Directors and other Key Management Personnel of the Group, are set out below:

2012 Name	Balance at start of the year	Granted as remuneration during the year	Vested as shares during the year	Net other changes during the year	Balance at the end of the year
Directors					
Greg Cochran	1,500,000	-	-	-	1,500,000
Martin Kavanagh	1,330,000	-	(233,000)	(27,000)	1,070,000
Other Key Management Personnel					
Leon Pretorius	-	1,000,000	(362,500)	(37,500)	600,000
Mark Pitts	148,800	80,000	(52,080)	-	176,720

2011 Name	Balance at start of the year	Granted as remuneration during the year	Vested as shares during the year	Balance at the end of the year
Directors				
Greg Cochran (i)	-	1,500,000	-	1,500,000
Martin Kavanagh	-	1,330,000	-	1,330,000
Other Key Management Personnel				
Mark Pitts	-	148,800	-	148,800

(i) Appointed 24 January 2011.

Note 22 Key Management Personnel disclosures (Cont'd)

Share holdings

The number of shares in the Company held during the financial year by Directors and other Key Management Personnel of the Group, including their personally related parties are set out below.

2012 Name	Balance at start of the year	Received during the year on vesting of share rights	Other changes during the year	Balance at the end of the year
Directors				
Mervyn Greene	51,491,667	-	-	51,491,667
Greg Cochran	100,000	-	-	100,000
Martin Kavanagh	487,500	233,000	-	720,500
Gillian Swaby	50,000,000	-	-	50,000,000
Rudolf Brunovs	125,000	-	-	125,000
Other Key Management Personnel				
Leon Pretorius	73,981,124	362,500	(3,592,943)	70,750,681
Mark Pitts	-	52,080	-	52,080

2011 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				
Mervyn Greene	74,316,667	-	(22,825,000)	51,491,667
Greg Cochran (i)	-	-	100,000	100,000
Martin Kavanagh	487,500	-	-	487,500
Gillian Swaby	50,000,000	-	-	50,000,000
Rudolf Brunovs	125,000	-	-	125,000
Tony McDonald (ii)	866,666	-	35,001	901,667
Other Key Management Personnel				
Leon Pretorius	73,981,124	-	-	73,981,124

- (i) Appointed 24 January 2011
(ii) Resigned 31 December 2010.

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 continued to lease a property in Perth on commercial terms from Dr L Pretorius for \$60,000 (2011: \$60,000). The lease expired on 31 July 2012.

Note 23 Remuneration of auditors

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

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

Consolidated	
2012	2011
\$	\$
84,972	77,807
5,356	27,378
90,328	105,185

Note 24 Contingencies

(i) Contingent liabilities

There were no material contingent liabilities as at 30 June 2012 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 2012.

Note 25 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 \$1,595,725 (2011: \$1,595,725). 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 29 for details.

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	
	2012 \$	2011 \$
Within one year	132,383	139,681
Later than one year but not later than five years	171,631	297,641
	304,014	437,322

(c) Remuneration commitments

	Consolidated	
	2012 \$	2011 \$
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within one year	765,641	1,046,675

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of Key Management Personnel referred to in the Remuneration Report of the Director's Report that are not recognised as liabilities and are not included in the compensation of Key Management Personnel.

(d) Contractual commitments

There are no contracted commitments other than those disclosed above.

Note 26 Related party transactions

There were no related party transactions during the year other than those disclosed in Note 22 on Key Management Personnel. A transaction with the major shareholder has been disclosed in Note 15.

Note 27 Controlled entities

Controlled Entity	Country of Incorporation	2012		2011	
		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	58,575,587	100	51,275,587
Superior Uranium Pty Ltd	Australia	100	102,595	100	9,592,559
Raptor Minerals Limited	British Virgin Islands	-	-	100	-
Reptile Mineral Resources and Exploration(Pty) Ltd	Namibia	100	-	100	-
Reptile Uranium Namibia (Pty) Ltd	Namibia	100	-	100	-
			58,678,182		60,868,146

Note 28 Parent Entity Information

Information relating to Deep Yellow Limited:

	2012	2011
	\$	\$
Current assets	1,297,342	11,875,885
Total assets	114,937,384	149,936,350
Current liabilities	2,688,485	618,459
Total liabilities	2,688,485	618,459
Issued capital	195,948,041	195,589,154
Accumulated losses	(93,982,667)	(56,183,857)
Equity compensation reserve	10,362,807	9,872,461
Other reserves	7,307,333	-
Asset fair value adjustment reserve	16,000	40,133
Total shareholders' equity	119,651,514	149,317,891
Profit/(loss) of the parent entity	(37,798,811)	(2,934,597)
Total comprehensive loss of the parent entity	(37,822,944)	(2,894,464)

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.

Note 29 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 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. The parties entered into a replacement agreement on 7 June 2012 whereby expenditure was reduced to \$8,000,000 and earn-in period extended to 5 years;
- * 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 13 July 2011 the Company announced that it has signed a joint venture agreement with Syndicated Metals Limited over four tenements in the Mount Isa District in Northwest Queensland. Syndicated Metals Limited has the rights to earn 100% of all minerals, excluding uranium on EPM 14281 (Yamamilla), EPM 14916 (Ewen), EPM 16533 (Crocodile Creek) and EPM 15070 (Prospector). Syndicated Metals Limited can earn up to 80% equity in the non-uranium mineral rights through expenditure of \$800,000 over four years. They then have the option to purchase the remaining 20% at fair market value after sole funding the joint venture until delivery of a Mining Study.

Note 30 Events occurring after the balance sheet date

On 19 June 2012 the Company announced its undertaking of a 2 for 9 non-renounceable entitlement issue at 4.2 cents per share to raise up to approximately A\$10.5 million. The issue would be partially underwritten by Patersons Securities Limited up to \$5.8 million with London based institutional support together with significant support from major shareholder Paladin Energy Limited, who have committed to a general sub-underwriting commitment of A\$4 million. During the period 27 July 2012 to 2 August 2012 the Company instructed its registry to allot and issue 138,977,938 ordinary fully paid shares at 4.2 cents each raising a total of \$5,837,068.

On 19 June 2012, the Company and Paladin entered into a loan agreement pursuant to which Paladin agreed to provide an unsecured loan of \$2,000,000 to the Company. Paladin may set-off such portion of the loan outstanding against any amount owing by Paladin in respect of an application for securities under a capital raising conducted by the Company. On 27 July 2012 Paladin has set-off a portion of the loan outstanding by converting \$1,735,096 into 41,311,821 new fully paid shares in the Company at 4.2 cents per share in satisfaction of an underwriting commitment.

As of 27 July 2012 Paladin held 297,198,282 of the Company's ordinary fully paid shares and has 23.41% voting power based on 1,269,412,056 fully paid ordinary shares on issue at the date of this report.

There has not arisen in the interval between the end of the financial year and the date of this report any other 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 31 Reconciliation of loss after tax to net cash outflow from operating activities

	Consolidated	
	2012	2011
	\$	\$
Loss from continuing operations after income tax	(48,588,215)	(3,563,054)
Depreciation and amortisation	298,747	493,011
(Profit)/Loss on disposal of fixed assets	(37,835)	21,322
Exploration costs written off	36,803,625	2,159,944
Equity component – Settlement of Raptor earn-out agreement	7,307,333	-
Impairment expense	91,000	-
Net fair value (gain)/loss on held for trading financial assets	125,000	(230,000)
Profit on disposal of investments	-	(221,852)
Share based payments expense	563,300	232,920
<i>Change in operating assets and liabilities:</i>		
(Increase)/ Decrease in receivables	2,609,654	270,490
Increase/(decrease) in deferred tax liability	-	(854,092)
(Decrease)/Increase in payables	(7,970)	205,067
Net cash used in operating activities	(835,361)	(1,486,244)

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 32 Earnings per share

	Consolidated	
	2012	2011
<i>a) Basic earnings per share</i>		
Loss attributable to ordinary equity holders of the Company	(4.31) cents	(0.32) cents
<i>b) Diluted earnings per share</i>		
Loss attributable to ordinary equity holders of the Company	(4.31) cents	(0.32) cents
<i>c) Loss used in calculation of basic and diluted loss per share</i>		
Loss from continuing operations after income tax	(48,588,215)	(3,563,054)
<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	1,128,521,117	1,126,594,595
<i>e) Information concerning the classification of securities</i>		

Options

Options to acquire ordinary shares granted by the Company and not exercised at the reporting date are considered to be potential ordinary shares. At 30 June 2012, there were no options on issue. At 30 June 2011, there were on issue 8,240,000 options with an exercise price above the average market price of the Company's ordinary shares. They are not considered to be dilutive and accordingly have not been included in the determination of diluted earnings per share.

Share Rights

Share rights granted by the Company and not vested at the reporting date are considered to be contingently issuable shares. There are 3,983,660 instruments excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive for either of the periods presented. These shares have not been included in the determination of basic earnings per share.

841,100 shares were issued on 6 July 2012 and 856,615 shares were issued on 21 August 2012 following the vesting of Share Rights. This would not have a significant impact on the number of ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Diluted earnings per share is the same as basic earnings per share in 2012 and 2011 as the Group is in a loss position.

DIRECTOR'S DECLARATION

In accordance with a resolution of the Directors of Deep Yellow Limited ('the Company'), I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1; and
- (c) subject to the matters outlined in Note 1(a) 'Going Concern', there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) this declaration has been made after receiving the declarations to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

On behalf of the Board



Greg Cochran
Managing Director
29th day of August 2012

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 consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 the auditor's 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, the auditor considers 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 complied with 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.

Opinion

In our opinion:

- a. 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 consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter - Going Concern

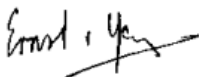
Without qualifying our audit opinion, we draw attention to Note 1 in the financial report. As a result of the matters described in Note 1, there is material uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Report on the remuneration report

We have audited the Remuneration Report included in pages 33 to 38 of the directors' report for the Year ended 30 June 2012. 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.

Opinion

In our opinion, the Remuneration Report of Deep Yellow Limited for the Year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'Ernst & Young', written over a faint, larger version of the company logo.

Ernst & Young

A handwritten signature in black ink, appearing to read 'R A Kirkby', written over a faint, larger version of the company logo.

R A Kirkby
Partner
Perth

29 August 2012

ASX ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of the Australian Securities Exchange Limited, the shareholder information set out below was applicable as at 27 August 2012.

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	252	82,507	0.01
1,001 – 5,000	1,498	5,267,642	0.41
5,001 – 10,000	1,553	12,450,668	0.98
10,001- 100,000	3,781	129,106,133	10.17
More than 100,000	848	1,122,505,106	88.43
Totals	7,932	1,269,412,056	100.00

There were 3,498 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	297,198,282	23.41%
HSBC Custody Nominees (Australia) Limited	150,891,972	11.89%
Mr Robert Anthony Healy	72,920,312	5.74%
Dr Leon Eugene Pretorius	70,750,681	5.57%

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	297,198,282	23.41%
HSBC Custody Nominees (Australia) Limited	150,891,972	11.89%
Mr Robert Anthony Healy	72,920,312	5.74%
Dr Leon Eugene Pretorius	63,134,557	4.97%
Ms Gillian Swaby	46,318,476	3.65%
Mr Zac Rossi and Mrs Thelma Rossi	35,760,000	2.82%
JP Morgan Nominees Australia Limited	32,168,453	2.53%
Mr Robert Anthony Healy + Mrs Helen Maree Healy	25,437,500	2.00%
Mr Mervyn Patrick Greene	21,945,000	1.73%
IJG Securities Pty Ltd	17,811,966	1.40%
Walkabout Superannuation Fund Pty Limited <Walkabout Super Fund A/C>	13,444,445	1.06%
Citicorp Nominees Pty Limited	11,043,768	0.87%
Elegant World Pty Ltd <M I T Partners A/C>	9,900,000	0.78%
Mrs Heather Joy Buchanan	9,766,750	0.77%
Superior Resources Ltd	7,000,000	0.55%
National Nominees Limited	6,751,447	0.53%
Mr Robert Anthony Healy and Mrs Helen Maree Healy <Glenview Super Fund A/C>	4,938,600	0.39%
Rossi Orchards Pty Ltd <Rossi Orchards S/Fund A/C>	4,200,000	0.33%
C J Bova Pty Ltd <C J Bova Ret Fund A/C>	4,000,000	0.32%
Mr Simon Christopher Healy	4,000,000	0.32%
Totals	838,631,528	66.06%

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 2012 there were no restricted securities.

SCHEDULE OF MINERAL TENEMENTS

NAMIBIA

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

NORTHERN TERRITORY

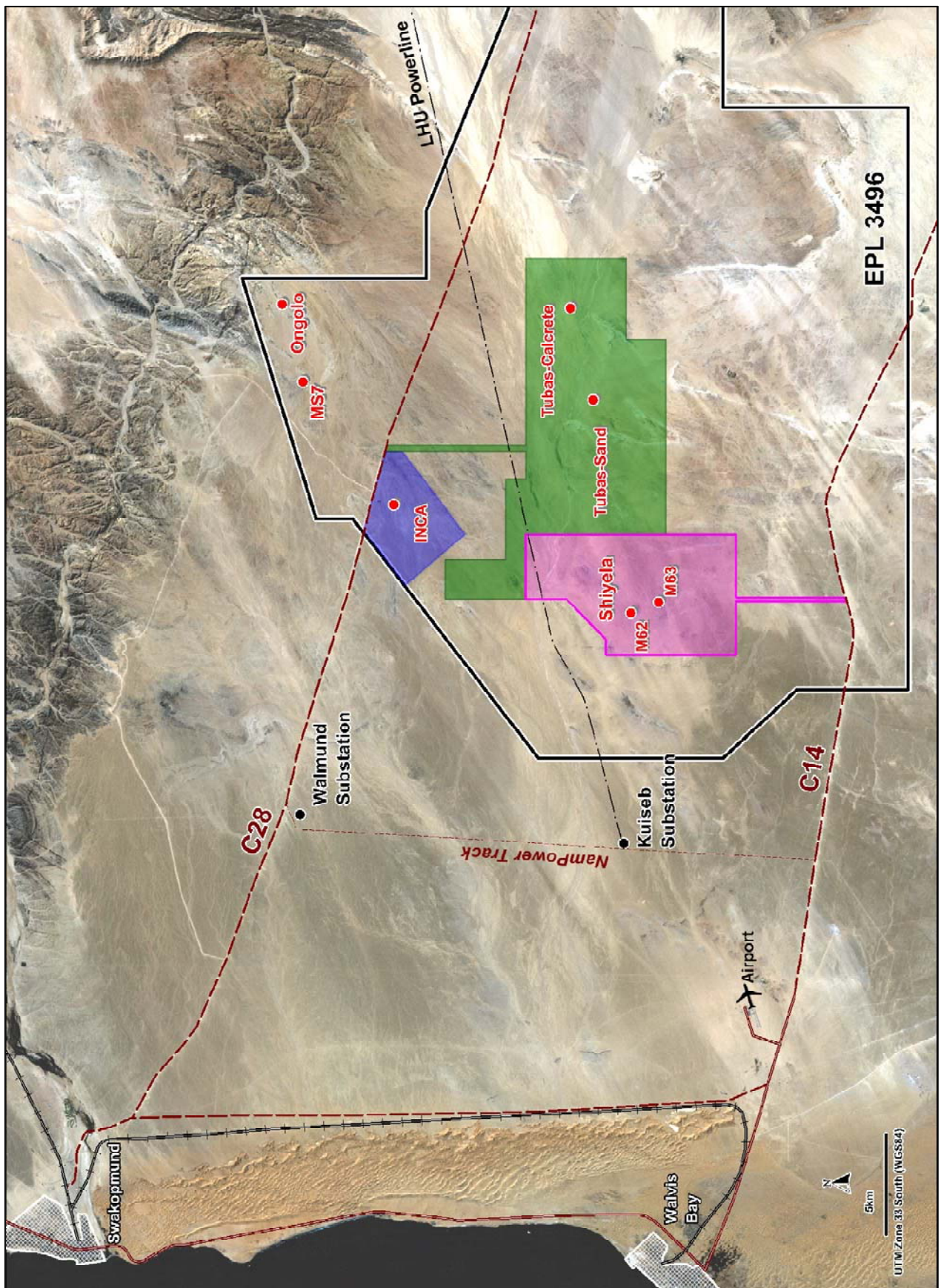
Tenement No.	Tenement Name	Interest	Granted From	Approx Area (km ²)
EL 10223	Cornelius	100%	22.05.02	244
EL 24246	Napperby	100%	11.10.04	775
EL 24606	Lake Lewis	100%	28.12.05	357
EL 25097	Billabong North	100%	19.03.12	232
EL 25146	Mt Morris West	100%	Application	690
EL 25147	Mt Morris	100%	Application	1,580
EL 25155	Muriel Range	100%	19.03.12	356
EL 25156	Abbotts Bore	100%	Application	113
EL 25177	Fiddlers Lake	100%	19.03.12	670
EL 25212	Mt Davidson	100%	19.03.12	307
EL 25601	Nancy Hill	100%	19.04.11	909
EL 27140	Cornelius North	100%	19.03.12	128
EL 27141	Cornelius South	100%	19.03.12	192
EL 27734	Green Swamp Hill	100%	19.03.12	61
EL 29385	Highland Rocks 1	100%	Application	790
EL 29386	Highland Rocks 2	100%	Application	474
EL 29387	Highland Rocks 3	100%	Application	634
EL 29388	Highland Rocks 4	100%	Application	723
Sub-Total				9,235

QUEENSLAND

Tenement No.	Tenement Name	Interest	Granted From	Approx Area (km ²)
EPM 14281 ^{#1}	Yamamilla	100%	07.07.05	176
EPM 14367 ^{#2}	Spider	80%	21.07.05	38
EPM 14916 ^{#1}	Ewen	100%	15.05.06	458
EPM 15070 ^{#1}	Prospector	100%	28.03.06	125
EPM 15072 ^{#3}	Pilgrim	20%	28.03.06	51
EPM 16533 ^{#1}	Crocodile Creek	100%	17.12.09	13
EPM 17716	Barkly South	100%	20.10.10	13
EPM 17967	Barkly	100%	24.01.11	35
EPM 18127	Leichhardt River	100%	28.02.11	58
^{#1} Syndicated Metals Ltd Joint Venture				
^{#2} Altona Mining Ltd Joint Venture				
^{#3} Krucible Metals Ltd Joint Venture				
^{#4} Renewal Pending				
Sub-Total				967
DYL Total				10,202

AGREEMENTS

	Approx Area (km ²)
Nova Energy (Namibia) (Proprietary) Limited	1,323
Xstrata Copper Exploration Pty Ltd – Queensland	197
ABM Resources NL - Northern Territory (100% uranium rights stay with DYL)	15,012
Tanami Gold NL – Western Australia	1,147
Sub-Total	17,679
Total Area	30,756



Mining Lease Applications: INCA, Tubas and Shiyela



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