

19 June 2012

Capital Raising with Major Shareholder Support

Advanced stage uranium explorer Deep Yellow Limited ("Deep Yellow" or the "Company") today announced that it will undertake a 2 for 9 non-renounceable entitlement issue at 4.2c per share, to raise up to approximately A\$10.5 million.

The pricing has been set at 4.2 cents to provide an opportunity for all shareholders to participate in the capital raising. The issue is 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 of \$4 million. The Directors have also reserved the right to place any shortfall.

Recent market related news flow has been encouraging with the lifting of the new build moratorium in China and the decision to begin the process of re-starting Japanese reactors. It is envisaged that this will provide positive direction to the market and will add to the growing realisation that demand will continue to increase, a supply deficit is becoming more likely and that a significant and sustained increase in the price of uranium will be required to stimulate new production to fill that shortfall.

The Company has set clear objectives for the coming year which, for the flagship Omahola Project, includes a focus on resource upgrades, mining studies, metallurgical testwork and further economic assessment which will provide critical inputs into the pre-feasibility study. A resource review has already commenced on the Tubas Sand Project in advance of a resource update and mining studies, which are important inputs into a decision to conduct a pre-feasibility study on the Project. Part of this assessment will examine how best to include the Tubas Sand Project into the Omahola Project as well as investigating the standalone option.

The Company's large exploration portfolio will also be rationalised to ensure that the focus remains on its core, attractive projects in Namibia. Shareholders will continue to be advised of progress in this regard.

The Board believes that the Company's enhanced focus, together with an anticipated gradual improvement in the uranium market, will place Deep Yellow in a strong position to capture the upside as it moves closer to the development of its core projects.

The attached Appendix 3B provides a summary of the proposed entitlement issue, a prospectus together with further details will be released shortly.

Further information on the Company's activities can be found in the Strategic Update ASX release of 15 June 2012.

Ends



For further information regarding this announcement, contact:

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

About Deep Yellow Limited

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

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

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

Appendix 3B

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

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

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

DEEP YELLOW LIMITED

ABN

97 006 391 948

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Ordinary Shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	250,830,312
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary shares of the Company in accordance with the Company's constitution
4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	The shares issued under the Rights Issue will rank equally with the existing fully paid ordinary shares of the Company from the date of allotment.

5	Issue price or consideration	4.2 cents	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The funds to be raised by the Company via the entitlement issue will be applied towards the exploration, drilling, evaluation, feasibility studies and general working capital for the Company's projects.	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	To be advised	
		Number	+Class
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	1,379,566,715 (Depending on acceptances)	Ordinary
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	440,000 30/06/12 at 27.5 c	Unlisted options
		625,000 30/06/12 at 60c	" "
		2,550,000 30/06/12 at 35c	" "
		3,325,000 30/06/12 at 45c	" "
		1,006,070	2011 Performance share rights granted 4 February 2011
		2,570,000	2011 Performance share rights granted 28 February 2011
		600,000	2011 Performance share rights granted 1 July 2011
		2,664,400	2011 Performance Share Rights Granted 15 December 2011
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non renounceable
13	Ratio in which the +securities will be offered	2 new shares for every 9 shares held at the record date (To be advised)
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	To be advised
16	Will holdings on different registers (or sub-registers) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractions will be rounded up to the nearest whole share
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries except for Australia, New Zealand, United Kingdom, Ireland, South Africa and Namibia.
19	Closing date for receipt of acceptances or renunciations	To be advised
20	Names of any underwriters	Patersons Securities Limited
21	Amount of any underwriting fee or commission	An underwriting fee of 6% of the total amount underwritten is payable to Patersons Securities Limited except for the amount which has been sub underwritten by Paladin Energy Limited.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	To be advised
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	To be advised

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities

(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders

36 If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over

37 A copy of any trust deed for the additional *securities

Entities that have ticked box 34(b)

38 Number of securities for which *quotation is sought

39 Class of *securities for which quotation is sought

40 Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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Number and *class of all *securities quoted on ASX
(including the securities in clause 38)

Number	Class

Quotation agreement

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

2 We warrant the following to ASX.

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

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

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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

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



19 June 2012

Sign here:
(Director/Company secretary)

Date:

Print name: Mark Pitts
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