Deep Yellow Limited

2017 Annual Report

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Rudolf Brunovs	Chairman (Non-executive)
Mr John Borshoff	Managing Director/CEO *
Ms Gillian Swaby	Executive Director
Mr Mervyn Greene	Non-Executive Director
Mr Justin Reid	Non-Executive Director
Mr Christophe Urtel	Non-Executive Director

* referred to as Managing Director throughout this report

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Namibian Stock Exchange (NSX) Code: DYL

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COMPANY PROFILE

Deep Yellow Limited **(Deep Yellow or the Company)** is an advanced stage uranium exploration company with a clear growth strategy to establish a multi-project global uranium development platform. Led by Paladin Energy founder John Borshoff, Deep Yellow has the expertise and capability to achieve its strategy during a countercyclical period for uranium investment.

The Company has a cornerstone suite of projects in Namibia, a top-ranked African mining destination with a long, well regarded history of safely and effectively developing and regulating its considerable uranium mining industry.

Deep Yellow holds four key contiguous Exclusive Prospecting Licences (EPLs) covering 1,590km^2 within the heart of what is a world recognised, prospective uranium province of high significance. The tenements are strategically located amongst the major uranium mines of this region – 20km south of the Husab/Rössing deposits and 40km southwest of the Langer Heinrich deposit.

CORPORATE STRATEGY

Deep Yellow has a two-pronged growth strategy involving the growing of its existing uranium resources in Namibia and has already made a significant new discovery called Tumas 3 in March 2017. In parallel, the Company will pursue accretive, counter-cyclical acquisitions to create a multi-project uranium platform.

This will be conducted with a proven team led by John Borshoff who was appointed CEO & Managing Director in October 2016. This is an experienced senior management group with a unique track record that built a small explorer into a multi-project uranium producer, generating significant shareholder wealth.

HIGHLIGHTS OF THE 2017 FINANCIAL YEAR

Key achievements in the Company since the new management team became involved in October 2016 are as follows:

- Landmark A$4.5 million joint venture with Japan Oil, Gas and Metals National Corporation **(JOGMEC)**, the minerals investment arm of the Japanese government, over two tenements in Namibia where JOGMEC can earn 39.5%.

- An exciting new palaeochannel uranium discovery made on the 100% owned Reptile Project (Tumas 3) with a further 100km of untested prospective palaeochannel targets delineated.

- First 10,000m drill program at Tumas 3 identified extensive uranium mineralisation having potential to upgrade the current Mineral Resource base.

- Completed a very successful A$15.1 million capital raising, with the support of the Sprott Group, providing the base for future exploration and acquisition growth plans.

NAMIBIAN LICENCE STATUS

- Post reporting period, renewal confirmations were received for Exclusive Prospecting Licences (EPLs) 3496 and 3497 (Reptile Project) granting tenure for a further two year statutory period until 5 June 2019.

- Renewal confirmations were received for EPLs 3669 and 3670 (Nova JV project) granting tenure until 19 November 2019.

- Application has been made for a Mineral Deposit Retention Licence (Yellow Dune JV project) to secure the Aussinanis uranium resource within EPL 3498.

CHAIRMAN'S LETTER

Dear Shareholders

In less than one year we have seen very significant changes at Deep Yellow. These changes have reinvigorated the Company and it is now moving forward with confidence and looking positively at both the medium and long-term future.

The platform for all of these changes is without any doubt the appointment of Mr John Borshoff as Managing Director and Chief Executive Officer of your Company in October 2016. As most will be aware John brings first class and world class experience to the table. John's deep understanding of uranium, the industry and operating in Namibia are second to none.

John's appointment then helped gain the financial support of the Sprott Group, a very substantial resource investment organisation. This initially was through a placement of approximately $1.4million which in turn enabled Deep Yellow to move forward with some assurance. John was then able to bring together a small team with deep uranium industry experience. This team is led by Ed Becker, Head of Exploration.

A thorough analysis, reinterpretation and ultimately reassessment of a variety of geological data by the new management team has identified opportunities which is now the springboard for action. Prospects for the Reptile Project (within EPLs 3496 and 3497) are indeed very positive. The successful drilling of the target zone at Tumas 3 now positions us for focused expansion drilling campaigns.

At the same time John Borshoff has been instrumental in bringing to fruition a joint venture agreement with JOGMEC. Under this agreement JOGMEC can earn up to 39.5% of the Nova tenements by spending in the order of $4.5million. This exploration program is being managed by Deep Yellow and, in a very short timeframe, the relationship with JOGMEC has grown in strength and mutual respect. This joint venture and activity not only augurs well for the future for both entities but also is seen in a very positive light by the Namibian Ministry of Mines and Energy.

As you will no doubt be aware, in addition to our plans to substantially increase the resources in our Namibian tenements, the Company also has a strategy to identify and acquire interests in other uranium opportunities. The work on analysis has commenced.

To enable the execution of this two pronged strategy, Deep Yellow successfully completed a capital raising during the year of approximately $15 million. This is a vote of confidence in the new management team as the capital raising was strongly supported by Sprott and affiliates and CPS Capital Group, together with many of our existing shareholders.

As part of the overall transition we have been fortunate to have Gillian Swaby, one of our longest serving non-executive directors, taking on the role of executive director. The support that Gillian has provided has strengthened many aspects of operations in both Australia and Namibia. My thanks also go to the Company stalwarts Mark Pitts (Company Secretary), Ursula Pretorius (Group Financial Controller), Martin Hirsch (Exploration Manager, Namibia) and the rest of the team both in Australia and Namibia. Finally, to my fellow Non-executive Directors, many thanks for your thoughtful and valuable contributions to many discussions around the board table.

We are all very confident that Deep Yellow Limited is well positioned to reap the benefits as we go forward.

Yours faithfully

Rudolf Brunovs

FROM THE DESK OF THE CEO

A Company in Transformation

The uranium industry is currently in downturn with the uranium spot price at near 12-year historic lows. There is general sector disillusionment - major producers are just hanging on (some likely to withdraw) and junior uranium companies along with some emerging producer hopefuls will fall away as uranium prices refuse to move far away from a narrow trading band locked in the low US$20s/lb. Uranium has become unpopular and is a commodity in the wilderness leaving very few investors interested in the sector.

While I am a very strong proponent of nuclear there is no denying that the continued depressed uranium price is creating despondency in the industry. The uranium price will continue to languish in the low range for some years to come and, for some uranium companies, this timeframe will possibly be beyond the limits of their staying power. Although the supply/demand fundamentals indicate supply shortfalls will occur in the mid-term, with an attendant high uranium price response, this is not likely to happen until the early 2020s meaning there is still room for more corporate pain and uncertainty to come. Although these dire circumstances will have negative impact for some, they can be a positive for those that anticipate correctly as opportunities will arise from a situation such as this. It is my strong hope that Deep Yellow will be able to capitalise from this and will have a sufficient time window available within which to get its growth plan underway and completed.

What is of little doubt is that when the uranium price does move from the influence of supply shortage, the price-rise will be swift and strong to create a highly rewarding situation for those few companies that anticipated this outcome and have aligned their growth strategy to fully accord with this-once-in-a-several-decade opportunity.

It is this set of circumstances that convinced me to return to the uranium industry with Deep Yellow after my short absence. I see the supply/demand dynamic in strong disharmony. This time around, however, this is created mostly by fundamental uranium supply side issues and limitations that exist in our industry rather than demand from nuclear growth itself as was the case 20 years ago when I started Paladin on a similar contrarian, highly rewarding investment path.

Since I joined Deep Yellow in October 2016, the Company has become an advanced exploration company with a difference. It is run by a uniquely able team with a proven uranium track record that has worked together previously with success. In this time of depressed uranium outlook, we regard ourselves as sector consolidators running a dual growth strategy.

The objective is to establish a geographically diversified, global, multi project platform while enhancing our cornerstone projects in Namibia, Africa. To me, leadership, quality of team and uranium expertise is what differentiates Deep Yellow from the others. This year the Company has been rejuvenated both corporately and technically to better serve as a vehicle for growth by capitalising on the poor state of the uranium sector while it is in downturn. To be able to attract capital during such an environment provides the Company with an added competitive advantage. The support of the Sprott Group, with who we successfully raised $15M through the non-renounceable rights issue, has been a key element to allow a contrarian play to come into effect.

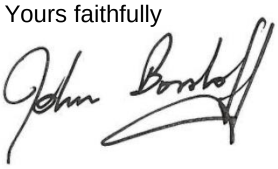
The work on our Namibian project has been very successful. The Company has a large landholding in a uranium province ripe for new discoveries where we are targeting palaeochannel and basement deposits of the Rössing, Husab and Langer Heinrich types. Towards this end we made a significant discovery with the first drilling program we carried out on our 100% Reptile project at Tumas 3. Work has delineated a 4km mineralised zone, still open at both ends and where we have delineated 100km of highly prospective channel still to be explored.

Our other achievement has been on our Nova Joint Venture project where we signed up with the highly reputable JOGMEC who will spend $4.5M over 4 years to earn 39.5% and we are the manager of this project.

Expansion of the resource base on our Namibian projects and the clear objective to build a global uranium project pipeline will give Deep Yellow diverse growth and production options.

At Deep Yellow, we now have the right team with proven performance to position the Company and the right vision for optimal gain at the next uranium cycle. We are doing this in the right environment when the sector is in downturn so we can grow value using contrarian investment principles.

Yours faithfully



John Borshoff

NAMIBIAN OPERATIONS

Deep Yellow Limited holds an interest in 3 key projects in Namibia; Reptile, the Nova Joint Venture (NVJ) and the Yellow Dune Joint Venture (YDJV) project (Figure 1). Reptile and NJV are active exploration projects, YDJV is non-active and these projects are described below. Reptile Mineral Resources and Exploration (Pty) Ltd (RMR – wholly owned subsidiary of Deep Yellow) is the manager of all projects.

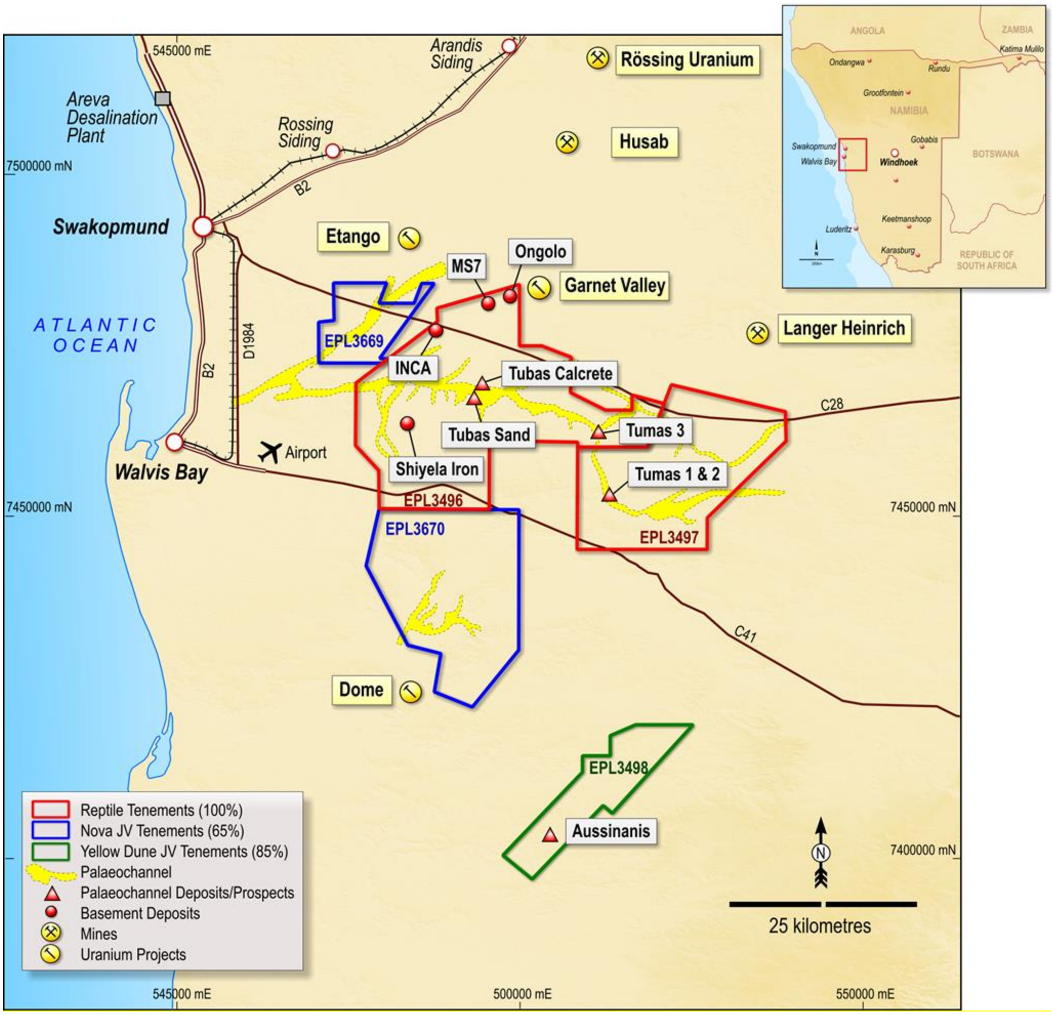


Figure 1: Locality map showing Deep Yellow's interests in Namibia as well as uranium mines and projects held by other companies in the region

REPTILE URANIUM PROJECT (EPLs 3496, 3497) – 100%

New Exploration Focus

With the change in management of the Company in late October 2016 and redirection of exploration effort on its Namibian projects to discover larger uranium deposits, the Marenica test work program (referred to later in this overview) was discontinued and a new approach was initiated. The calcrete-associated uranium mineralisation in the Tumas 1 and 2 areas including the Tubas zones was re-assessed. This work enabled a better understanding of the stratigraphy of the surficial cover units which can host the calcrete uranium mineralisation. Improved geological characterisation of the prospective palaeochannels isolated specific uranium target areas to test for increasing the uranium resource base of the project. Reinterpretation of the historic geological and drill-hole data and previous geophysical survey work identified several new prospective areas in the eastern and central parts of the palaeodrainage system in the Tumas 3, S Bend and S Bend East areas (Figure 2).

Importantly, the reinterpretation of existing regional data delineated 120km of palaeochannel considered prospective for this Langer Heinrich-type mineralisation across the Reptile project area. The Tumas 1 & 2 deposit, and the Tubas Red Sands/calcrete deposits, contain substantial resources in the Measured, Indicated and Inferred JORC resource categories which have previously been reported and all occur within this extensive palaeodrainage system. The newly defined 120km palaeochannel system has identified an extensive exploration target of which only 25km has been adequately tested.

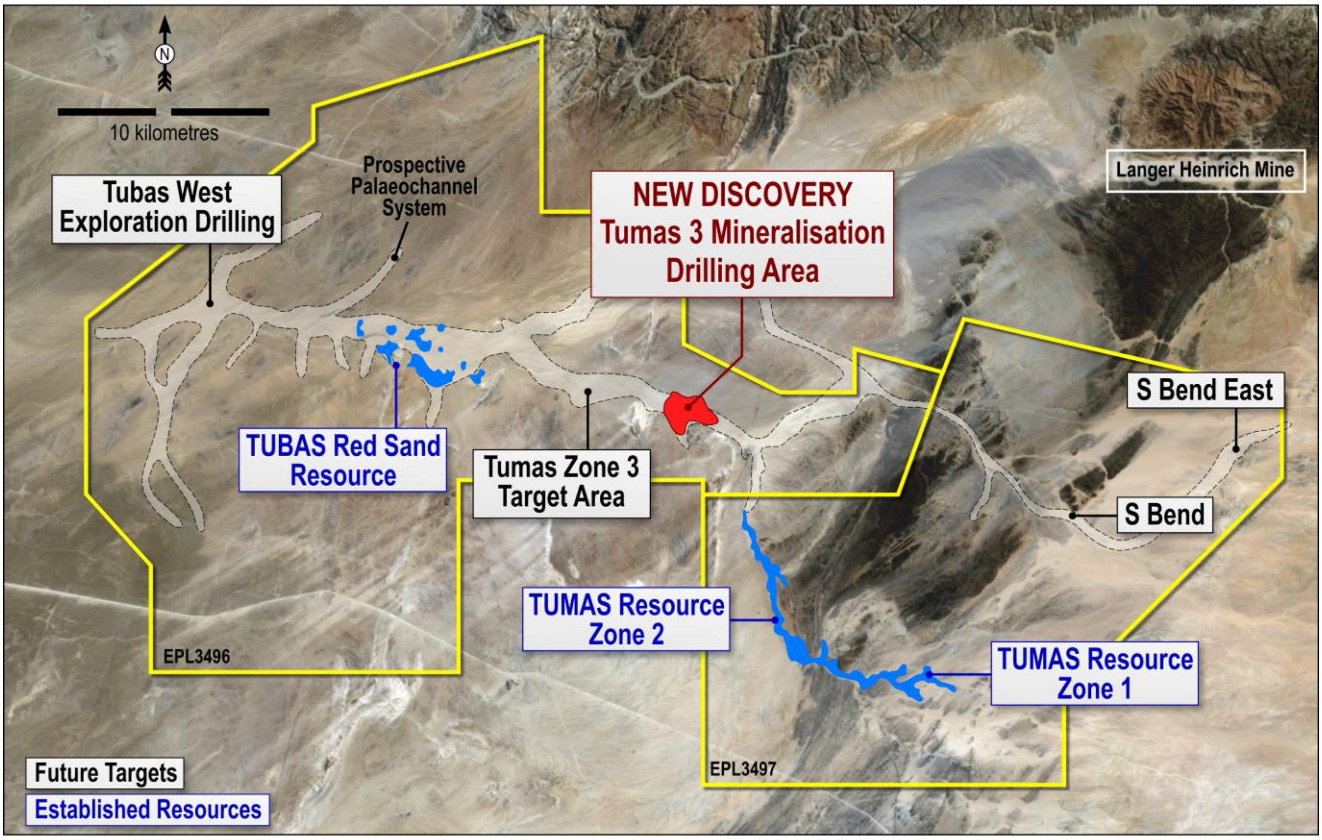


Figure 2: EPLs 3496, 3497, 3669 and 3670 showing Tumas 3 drilling area, main palaeochannels and uranium deposits and prospects.

Tumas 3 Uranium Discovery

In July 2017, a 10,000m drilling program was successfully completed at the newly discovered Tumas 3 prospect on EPL 3496. The RC drilling commenced in March and was completed in early July. A total of 400 holes for 10,545m was drilled. All holes were down-hole gamma logged by a fully calibrated AUSLogger and all down-hole gamma data were converted to equivalent uranium values in ppm (eU_3O_8ppm).

The drilling of the Tumas 3 target zone has delineated 4.4km of uranium mineralisation in calcrete rich fluvial sediments occurring within the prospective palaeochannel system. Of the 400 drill holes defining the new discovery, 284 returned positive results (defined as greater than 100ppm U_3O_8 over 1m) – a 71% success rate.

The Tumas 3 mineralisation remains open both to the west and east. This, in addition to some outlying mineralised holes from previous drilling, strongly justifies continuing with extension drilling to determine the full extent of the Tumas 3 discovery. This new uranium discovery adds significantly to the uranium deposits the Company has already identified within these palaeochannels in its Tumas 1 & 2 and Tubas Red Sands/calcrete deposits.

A zone of continuous uranium mineralisation has been delineated with equivalent uranium grades eU_3O_8 ranging from 101ppm to 0.71% (7100ppm) eU_3O_8 over 1m occurring within the 4.4km section tested to date. The mineralisation remains open to the west and east and is defined as anything having a grade thickness (GT) of greater than 100ppm eU_3O_8 over a 1m interval. These GT values (eU_3O_8ppm x thickness in metres) are shown in contoured form in Figure 3 and highlight the robust, open nature of the uranium mineralisation. Also shown in Figure 4 is a SW-NE drill hole cross section indicating mineralisation in relationship to palaeochannels.

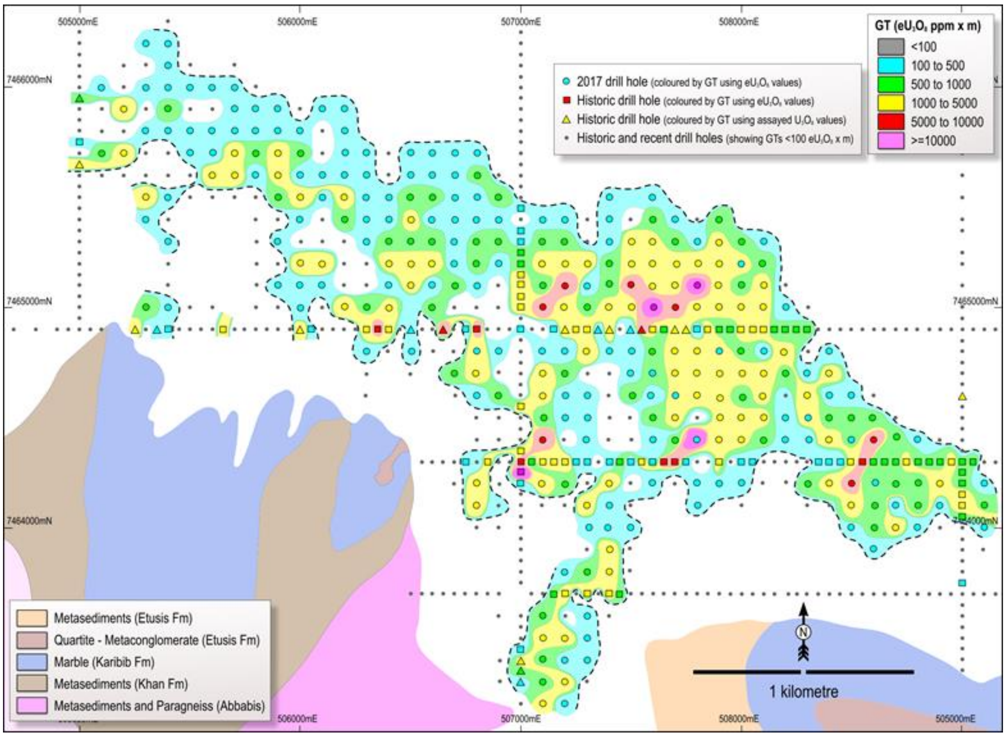


Figure 3: Drill hole Locations showing contours of e U_3O_8 grade thickness values (GT: e U_3O_8ppm x m)

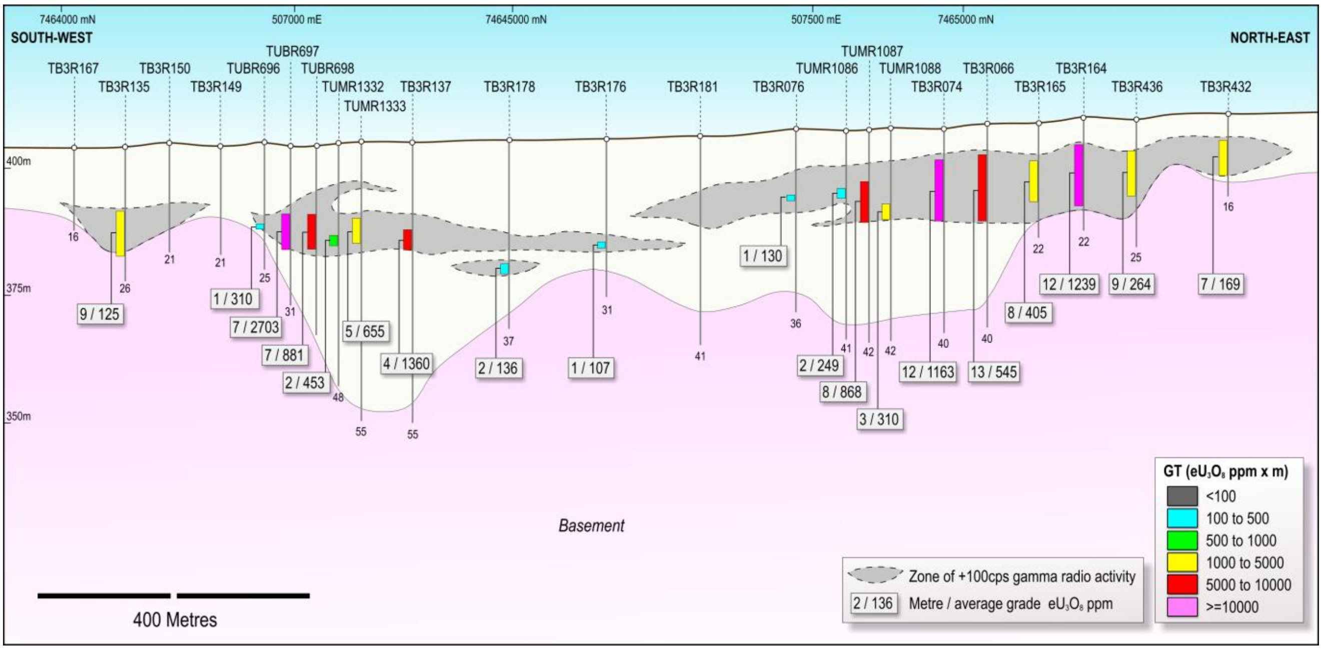


Figure 4: Tumas 3 SW-NE drill hole cross section

The mineralised channel system that has been identified at Tumas 3 varies from 200m to 900m in width and uranium mineralisation ranges in thickness from 1m to 12m occurring at depths varying between 1m to 21m.

The blind nature of the mineralisation at Tumas 3, having no surface radiometric expression, highlights the opportunity for further discovery. Apart from the benefit gained by the re-interpretation of the existing airborne geophysical data delineating more accurately the broad outline of this highly prospective palaeochannel system, the actual discovery has only been possible by drilling.

The palaeochannels occurring away from these deposits have only been sparsely drilled along widely spaced regional lines 2km apart in the vicinity of Tumas 1, 2 and 3 occurrences. Elsewhere spacing varies widely with large areas undrilled, leaving ample opportunity for both expansion of Tumas 3 and for further discoveries to be made within what is now recognised as a very poorly tested, highly prospective palaeochannel system of 100km in length.

EPLs 3496, 3497 - Renewal Granted (post reporting period)

Renewal applications for EPLs 3496 and 3497 for a further statutory two years were submitted in March 2017 to the Ministry of Mines and Energy (MME), prior to their expiry date in June 2017. The Company received notification from the MME on 22 August 2017 that these renewals had been granted until 5 June 2019.

NOVA JOINT VENTURE (EPLs 3669, 3670)

JOGMEC Earn-In Agreement

The tenements EPL3669 and EPL3670 comprise the Nova Joint Venture (NJV) held in the corporate entity Nova Energy (Namibia) Pty Ltd in which Reptile Mineral Resources and Exploration (Pty) Ltd (RMR - wholly owned subsidiary of Deep Yellow) holds 65% (Manager), Nova Energy Africa Pty Ltd (wholly owned subsidiary of Toro Energy Limited, ASX listed) 25% and Sixzone Investments (Pty) Ltd 10%.

On 29 March 2017 Deep Yellow advised that it had entered into a strategic earn-in agreement with JOGMEC to participate in the NJV. The NJV adjoins Deep Yellow's 100% owned Reptile project (EPLs 3496, 3497) where significant uranium resources have been defined and reported. Under the terms of the NJV, JOGMEC is responsible for expenditure from 1 November 2016.

The NJV area is considered prospective for both basement related alaskite-associated uranium targets (e.g. Rössing/Husab), skarn-type (e.g. Inca) and palaeochannel-related surficial calcrete uranium targets (e.g. Langer Heinrich).

JOGMEC, under the terms of the earn-in agreement, can earn a 39.5% interest in the project through the expenditure of A$4.5M within four years. RMR will continue to be the NJV manager. Following the achievement of the JOGMEC earn-in, the new equity distribution in the NJV would be JOGMEC 39.5%, RMR 39.5%, Nova Africa 15% and Sixzone 6%. JOGMEC will earn no equity unless it meets the full A$4.5M expenditure obligation. The remaining JV participants will be free carried until this expenditure commitment is satisfied and thereafter, the other parties will be required to contribute on a pro-rata basis (except for Sixzone, whose 6% share will be carried and paid back from future dividends).

JOGMEC is a Japanese Government organisation that collaborates with governmental agencies and companies, both domestically and overseas, to secure stable supplies of natural resources and energy for Japan. JOGMEC carries out exploration activities through joint venture with overseas exploration companies. For projects that generate promising results, JOGMEC's position in the project may then be transferred to Japanese companies with reduced exploration risk. Projects are selected based on geological potential, quality of management, mining investment environment (including safety) and Japanese companies' interest. The organisation has entered into more than 100 projects in the past 12 years and currently has more than 25 active joint ventures, spanning grassroots exploration through to pre-feasibility level projects.

Activities

Ground geological and geophysical follow-up of the anomalous zones have commenced to define the drill target locations for the 6,000m drilling program planned to start in the last quarter of 2017. The geophysical work on the basement targets included pole-dipole induced polarisation (PDIP), ground radiometric, electromagnetic (EM) and magnetic surveys.

Ground geophysics is being utilised to better establish the location of the palaeochannels identified previously in more broad form from airborne EM data interpretation. This work on palaeochannel definition includes ground magnetics, gravity, EM and passive seismic surveys.

Basement Targets

Airborne magnetic imagery is effective at mapping rocks prospective for alaskite and skarn-type deposits, and contributed significantly to the discovery of the world-class Husab deposit. A 40km strike length of prospective rock units has been identified in EPL3669 and 3670 using airborne magnetic imagery. The previous exploration strategy was to use RC drilling as a front-line approach to test the prospective stratigraphy, which, although it led to the discovery of the Ongolo alaskite-type deposit, proved costly and time-consuming. A focus of the new work therefore, is to re-evaluate existing geophysical datasets with a view to identifying rapid and cost-effective geophysical exploration methods for target definition.

Uranium deposits in the area are associated with rocks that are rich in sulphide minerals, indicating that induced polarisation (IP) surveys can be used to directly detect buried deposits of this type. Systematic, gradient-array IP (GAIP) surveys were carried out over prospective zones defined by magnetic imagery. The survey tested 15km of the previously defined alaskite associated target zones. Eight anomalies have been identified in total and are distributed equally between EPL3669 and EPL3670. The significance of these conductors will also be assessed.

Review of historic exploration data highlighted the Cape Flat alaskite target located in the north central part of EPL3670. This target is defined by a 4km long airborne radiometric anomaly and contains several EM conductors. Previous drilling returned an intersection of 55m at 133 ppm U3O8. This zone will be covered by GAIP and drill-tested.

Geological mapping was carried out in tandem with the geophysical data review and generated important new information, including significant revisions to the existing Geological Survey of Namibia geology maps. This will lead to improved targeting.

Surficial Calcrete Targets

Surficial, calcrete-type uranium deposits of the Erongo district are typically hosted within abandoned river channels referred to as palaeochannels. Defining these palaeochannels is a key step to discovering further surficial-type resources. The target definition work carried out identified surficial calcrete targets and these will be drill tested late 2017 to determine their prospectively.

Airborne electromagnetic surveys have proved to be effective at delineating these targets, probably due to high volumes of conductive, saline groundwater in the pores of the palaeochannel sediments. Many of the palaeochannels were previously unknown but the Skink prospect on EPL3670 was drill-tested by Aquitaine during the 1990s. Additional drilling is warranted, particularly in deeper sections of palaeochannel. A prominent NNW-SSE tending channel on EPL3669 seems particularly prospective as it drains a uranium-rich region to the North. This channel will also be drill tested.

YELLOW DUNE JOINT VENTURE (EPL 3498)

The parties to the Yellow Dune Joint Venture (YDJV) are Yellow Dune Uranium Resources (Pty) Ltd, a wholly owned subsidiary of Reptile Uranium Namibia (Pty) Ltd (RUN) (85%), Oponona Investments (Pty) Ltd (10%) and Epangelo Mining Company (Pty) Ltd (5%).

Due to the depressed uranium market outlook, the fact that EPL3498 is considered fully explored and that there is no further potential for additional discovery to add to the existing resources that have been defined, an application has been made for a Mineral Deposit Retention Licence to secure the area containing the resource within EPL 3498. Economic studies show that a mining operation at the current prevailing low uranium prices is not viable.

REVISED MINERAL RESOURCE STATUS

In October 2016, the Company provided the revised Mineral Resource Estimate for its Tumas 1 and 2 deposits. The Inferred Resource category remains unchanged at 0.3Mlb U3O8 resulting in a total Resource of 13.3Mlb. This work did however generate a 13% increase in the Measured and Indicated Resource categories. (Refer to the Annual Mineral Resource Statement for full details).

OVERALL MINERAL RESOURCE ESTIMATES

The Company still has a number of Mineral Resource Estimates classified under JORC 2004 and has committed to progressively reviewing previously stated resources for the other deposits and bringing all resources up to JORC 2012 standard as indicated in Table 1.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr. Martin Hirsch, M.Sc Geology, who is a member of the Institute of Materials, Minerals and Mining (UK) and the South African Council for Natural Science Professionals. Mr. Hirsch is the Exploration Manager for 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 in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012 Edition). Mr. Hirsch consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Annual Mineral Resource Statement

Deposit	Category	Cut-off (ppm U_3O_8)	Tonnes (M)	U_3O_8 (ppm)	U_3O_8 (t)	U_3O_8 (Mlb)	Resource Categories (Mlb U_3O_8) Measured	Indicated	Inferred
BASEMENT MINERALISATION		**Omahola Project - JORC 2004**							
INCA Deposit ♦	Indicated	250	7.0	470	3,300	7.2	-	7.2	-
INCA Deposit ♦	Inferred	250	5.4	520	2,800	6.2	-	-	6.2
Ongolo Deposit #	Measured	250	7.7	395	3,000	6.7	6.7	-	-
Ongolo Deposit #	Indicated	250	9.5	372	3,500	7.8	-	7.8	-
Ongolo Deposit #	Inferred	250	12.4	387	4,800	10.6	-	-	10.6
MS7 Deposit #	Measured	250	4.4	441	2,000	4.3	4.3	-	-
MS7 Deposit #	Indicated	250	1.0	433	400	1.0	-	1.0	-
MS7 Deposit #	Inferred	250	1.3	449	600	1.3	-	-	1.3
Omahola Project Sub-Total			**48.7**	**420**	**20,400**	**45.1**	**11.0**	**16.0**	**18.1**
CALCRETE MINERALISATION		**Tubas Sand Project - JORC 2012**							
Tubas Sand Deposit #	Indicated	100	10.0	187	1,900	4.1	-	4.1	-
Tubas Sand Deposit #	Inferred	100	24.0	163	3,900	8.6	-	-	8.6
Tubas Sand Project Total			**34.0**	**170**	**5,800**	**12.7**			
		Tumas Project - JORC 2012							
Tumas Deposit ♦	Measured	200	9.7	386	3,700	8.2	8.2	-	-
Tumas Deposit ♦	Indicated	200	6.5	336	2,200	4.8	-	4.8	-
Tumas Deposit ♦	Inferred	200	0.4	351	150	0.3	-	-	0.3
Tumas Project Total			**16.6**	**366**	**6,050**	**13.3**			
		Tubas Calcrete Resource - JORC 2004							
Tubas Calcrete Deposit	Inferred	100	7.4	374	2,800	6.1	-	-	6.1
Tubas Calcrete Total			**7.4**	**374**	**2,800**	**6.1**			
		Tumas Project - JORC 2012							
Aussinanis Deposit ♦	Indicated	150	5.6	222	1,200	2.7	-	2.7	-
Aussinanis Deposit ♦	Inferred	150	29.0	240	7,000	15.3	-	-	15.3
Aussinanis Project Total			**34.6**	**237**	**8,200**	**18.0**			
Calcrete Projects Sub-Total						**50.1**	**8.2**	**11.6**	**30.3**
GRAND TOTAL RESOURCES			**141.3**	**306**	**43,250**	**95.2**			

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 value

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 were calibrated at the Pelindaba Calibration facility in South Africa in 2007 and sensitivity checks were conducted by periodic re-logging of a test hole to confirm operation between 2008 and 2013. During drilling, probes were checked daily against a standard source. Auslog probes were re-calibrated at the calibration pit located at Langer Heinrich Minesite in 2014 and 2015.

Table 1: Mineral Resource Estimates

Review of Material Changes

As advised the Company announced a revised Mineral Resource Estimate for the Tumas Project on 12 October 2016, upgrading it to JORC 2012 status and increasing the metal content by 13% moving approximately 62% of the resource into the measured category.

The previous year's JORC 2004 Mineral Resource Estimate is shown below for comparative purposes.

Category	Cut-off (ppm U_3O_8)	Tonnes (M)	eU_3O_8 (ppm)	U_3O_8 (t)	U_3O_8 (Mlb)
Indicated	200	14.4	366	5,300	11.6
Inferred	200	0.4	360	100	0.3
Total	**200**	**14.8**	**365**	**5,400**	**11.9**

Australia

The Company no longer holds the Napperby Project in the Northern Territory, Australia. A commercial decision was made to withdraw from this project.

Review of Material Changes

As a result of the above decision the Company's Australian resource base as shown below has reduced to NIL. The Mineral Resource Estimate shown for the previous year is shown below for comparative purposes

Deposit	Category	Cut-off (ppm U_3O_8)	Tonnes (M)	U_3O_8 (ppm)	U_3O_8 (t)	U_3O_8 (Mlb)
Napperby Project (Northern Territory) – JORC 2004						
Napperby	Inferred	200	9.3	359	3,351	7.4
Napperby Total			9.3	359	3,351	7.4
TOTAL RESOURCES			**9.3**	**359**	**3,351**	**7.4**

Notes: Figures have been rounded and totals may reflect small rounding errors
XRF chemical analysis unless annotated otherwise

Governance and Internal Controls

The Company maintains thorough QAQC protocols for conducting exploration, site practice, sampling, safety, monitoring and rehabilitation which are documented in the company's various standard operating procedure manuals (SOPs).

Drilling methods vary according to the nature of the prospect under evaluation. These can include auger, sonic, air core or reverse circulation drilling for unconsolidated formations; to reverse circulation (hammer) and diamond core drilling (HQ & NQ) for hard rock formations. Typically resource estimations are based on a mix of downhole radiometric sampling and chemical assaying. Assay samples are collected over one metre intervals. Radiometric data is acquired at 5 cm intervals and composited to one metre intervals. Where statistical validation confirms radiometric and chemical assay equivalence, the resource estimate is primarily based on the radiometric data.

All radiometric data is acquired digitally by in-house personnel trained to operate the Company's fleet of Auslog downhole probes. These probes are calibrated at the Pelindaba pits in South Africa. QAQC controls for radiometrically acquired data comprises daily calibration sleeve checks and periodic comparison at a Reptile Uranium Namibia (Pty) Ltd test hole in Namibia. Assay samples are acquired by a three-tier riffle splitter or cone splitter at the drill site. Duplicate samples are inserted at 1:20_frequency. Diamond core samples are assayed as quarter-core over one metre intervals. External laboratories (ALS South Africa) assay for uranium by either pressed powder XRF or fused bead XRF. Characterisation of radiometric equilibrium is periodically assessed by submission of samples to ANSTO Minerals Laboratory in Sydney, Australia.

Drill hole collars are DGPS-surveyed by in-house operators, after an initial pick-up by hand-held GPS. Downhole directional surveys are outsourced to independent contractors.

Drill hole sample logging captures a suite of lithologic, alteration, mineralogic and hand-held radiometric data, at one metre intervals. This data is captured as permanent hard copy prior to digital input onto an in-house GBIS database. The parallel collection of drill sample and wireline probe data enables error recognition in depth discrepancies and confirmation of sampling accuracy.

Drill plans and sections generated from drilling and surface mapping are used to constrain wireframe mineralisation models; upon which resource estimations are made. Resource estimations for currently quoted prospects have previously been calculated by independent third party consultants; typically either Coffey Mining or CSA Global and are now being carried out by in-house resource specialists.

Competent Person Statement

The information in this Annual Mineral Resource Statement is based on and fairly represents information and supporting documentation prepared or reviewed by Mr Martin Hirsch, a Competent Person who is a Member of the Institute of Materials, Mining and Metallurgy (IMMM) in the UK. Mr Hirsch, who is currently the Exploration Manager for 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' and the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hirsch consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

MARENICA ENERGY LTD – TUMAS PROJECT TEST WORK PROGRAM ABANDONED

Following a detailed review carried out as a result of the changeover of management as announced on 24 October 2016, a decision was made to immediately terminate all test work related to the Marenica involvement in the Tumas Project. The active engagement with Marenica both on its existing projects in Namibia and elsewhere ceased to accommodate the new priorities that have arisen with the strategic growth plan developed for the Company.

GOVERNANCE FRAMEWORK

The Board of Deep Yellow Limited (Deep Yellow) 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 Corporate Governance Statement, dated 30 June 2017 and approved by the Board on 5 September 2017, sets out corporate governance practices of the Group which, taken as a whole, represents the system of governance.

The framework for corporate governance follows the 3rd Edition of the ASX Corporate Governance Council's Principles and Guidelines. 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. The Board will continue to review its policies to ensure they reflect any changes within the Group, or to accepted principles and good practice.

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.

This statement is available on our website at www.deepyellow.com.au/corporate-governance-2/ along with the ASX Appendix 4G http://www.deepyellow.com.au/announcements/ a checklist cross-referencing the ASX Principles and Recommendations to disclosures in this statement and copies and summaries of charters, principles and policies referred to in this statement.

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 2017 (the Group).

DIRECTORS

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

Names, qualifications, experience and special responsibilities

Rudolf Brunovs *FCA FAICD MBA*
Non-executive Chair

Mr Brunovs is a highly experienced Chartered Accountant and Director with more than 35 years of experience in business. He is a former audit partner of the international accounting firm Ernst & Young and for 12 years held the position of Managing Partner, first of the firm's Parramatta office and followed by the Perth office. He was also a member of the Minerals and Energy Division within Ernst & Young. Mr Brunovs has been a Director of Lions Eye Institute, a major WA based not for profit organisation, for more than 10 years and is a director of a privately owned biotechnology company based in Perth. He holds a Masters of Business Administration from Bowling Green State University in Ohio and is a Fellow of both the Institute of Chartered Accountants of Australia and New Zealand and the Australian Institute of Company Directors.

Mr Brunovs joined the Deep Yellow Board in August 2007 and was elected Non-executive Chairman in January 2016.

Mr Brunovs served on the Remuneration Committee up to 31 December 2016 and is the Chair of the Audit Committee of the Group.

John Borshoff B.Sc., F.AusIMM, FAICD
Managing Director / CEO (Appointed 23 October 2016)

Mr Borshoff is an experienced mining executive and geologist with more than 30 years of uranium industry experience. He spent more than a decade at the start of his career as a senior geologist and manager of the Australian activities of German uranium miner Uranerz. In 1993, following the withdrawal of Uranerz from Australia, Mr Borshoff founded Paladin Energy Ltd (Paladin). He built the company from a junior explorer into a multi-mine uranium producer with a global asset base and valuation of more than US$5 billion at its peak.

At Paladin, Mr Borshoff led the team that completed the drill out, feasibility studies, financing, construction, commissioning and safe operation of the first two conventional uranium mines built in the world for 20 years. He also oversaw numerous successful, large public market transactions including acquisitions and major capital raisings before leaving Paladin in 2015.

Mr Borshoff is recognised as a global uranium industry expert and has a vast international network across the uranium and nuclear industries, as well as the mining investment market. He has a Bachelor of Science (Geology) from the University of Western Australia and is a Fellow of both the Australian Institute of Company Directors and the Australasian Institute of Mining and Metallurgy.

During the past three years Mr Borshoff has also served as a Director of the following listed companies:
Paladin Energy Ltd – appointed 24 September 1993, resigned 10 August 2015

Gillian Swaby *BBus FCIS FAICD*
Executive Director

Ms Swaby is an experienced mining executive with a broad skillset across a range of corporate, finance and governance areas.

She has spent more than 30 years working with natural resources companies in numerous roles including Chief Financial Officer, Company Secretary, Director and corporate advisor. Ms Swaby worked at Paladin for the period 1993 – 2015 in the capacity as Executive Director for 10 years and as GM – Corporate Affairs. She had a key role in managing the company's growth through mine development, operation, acquisition and exploration. This role included responsibility for the Company's complex corporate, legal, human relations and corporate social responsibility programs as an operating uranium miner in multiple African countries.

Ms Swaby holds a Bachelor of Business (Accounting) and is a Fellow of the Australian Institute of Company Directors (AICD), the Institute of Chartered Secretaries and Administrators, and the Governance Institute of Australia.

Ms Swaby joined the Deep Yellow Board in October 2005 as Non-executive Director. Her role changed to that of Executive Director, on a consulting basis, effective 1 November 2017.

Ms Swaby served on the Audit Committee and was the Chair of the Remuneration Committee of the Group up to 31 December 2016.

During the past three years Ms Swaby has also served as a Director of the following listed companies:
Comet Ridge Limited - appointed 9 January 2004. *
Birimian Limited – appointed 26 April 2017. *

Mervyn Greene *MA (Maths) BAI (Engineering) MBA*
Non-executive Director

Mr Greene is an experienced investment banker and entrepreneur who has been working in investment markets in Africa, Europe and the United States for more than 30 years. His most recent experience has focussed on private equity investment in a range of sectors, including property.

From 1997 – 2005 Mr Greene was the London-based partner of Irwin Jacobs Greene, one of Namibia's premier stockbroking, private equity and corporate finance advisory firms. Prior to this Mr Greene worked for investment bank Morgan Stanley in New York and London. Mr Greene has a Masters in Mathematics and Bachelor in Engineering from Trinity College in Dublin. Mr Greene also has a Masters of Business Administration from London Business School.

Mr Greene was appointed to the Deep Yellow Board in November 2006 and was Chairman from August 2007 to August 2013.

Mr Greene serves on the Audit Committee and Remuneration Committee (appointed 1 January 2017) of the Group.

Christophe Urtel M.Sc., B.Sc.
Non-executive Director

Mr Urtel has close to 20 years of experience in the natural resources sector and is currently Head of Corporate Strategy and Capital (EMEA) for Singapore-listed commodity trader Noble Group Limited. Prior to joining Noble he was a Fund Manager at Laurium LP and an Executive Director in J.P. Morgan's Principal Investment franchise in London, responsible for natural resources investments. Previously Mr Urtel worked in J.P. Morgan and its predecessor organisations from 1999 – 2008, specialising in providing M&A, equity capital market and debt capital market advice to companies in the metals and mining sector.

Mr Urtel graduated with a Masters in Mining and Finance and Bachelor of Science (Geology with Engineering Geology) from the Royal School of Mines, Imperial College, London.

Mr Urtel joined the Deep Yellow Board in October 2012.

Mr Urtel serves on the Remuneration Committee of the Group and has been the Chair since 1 January 2017.

Justin Reid B.Sc., M.Sc., MBA
Non-executive Director (Appointed 28 October 2016)

Mr Reid is a geologist and capital markets executive with more than 20 years of experience focused exclusively in the mineral resources sector. He has held a number of senior executive roles, including President and Director of Sulliden Gold Corporation, until its acquisition of Rio Alto Mining in 2014. He is now the President and CEO of Toronto-listed Sulliden Mining Capital Inc which acquires and develops mining projects in the Americas. Mr Reid started his career as a geologist with SGS and Cominco Limited, before becoming a partner and senior mining analyst at Cormark Securities in Toronto.

Mr Reid holds a Bachelor of Science (Geology) from the University of Regina, a Masters from the University of Toronto and a Masters of Business Administration from the Kellogg School of Management at Northwestern University.

Mr Reid serves on the Audit and Remuneration Committees of the Group (appointed 1 January 2017 to both).

During the past three years Mr Reid has also served as a Director of the following listed company:
Aguia Resources Ltd - appointed 7 April 2015. *

Greg Cochran M*Sc Eng (Mining and Mineral Economics), MBA, FAusIMM, MAICD, MSAIMM*
Managing Director (Resigned 23 October 2016)

Mr Cochran has almost 30 years' experience in international mining in various commodities including gold, coal, base metals and uranium. He has held senior executive roles in projects, operations, finance and business development. Most recently he was CEO of Terramin Australia Ltd and prior to that he was Executive Vice President: Australia & Asia for Uranium One. Mr Cochran also worked for Mitsubishi Development whilst the earlier part of his career was spent with BHP Billiton and predecessor companies in the Billiton/Gencor group.

* Denotes current directorship

Interests in the shares of the Company

As at the date of this report, the Directors' interests in shares of the Company were:

Director	Ordinary Shares
Rudolf Brunovs	484,370
John Borshoff	5,000,000
Gillian Swaby	2,923,600
Mervyn Greene	2,774,192
Justin Reid	-
Christophe Urtel	842,832

Company Secretary

Mark Pitts *BBus FCA, GAICD*
Mr Pitts is a Fellow of the Institute of Chartered Accountants with more than 30 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.

Principal Activities

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

Namibian projects

* Exploration activities to progress the 100% owned Reptile Project and the adjacent Nova Joint Venture project with the emphasis of work changing to explore for the existence of larger uranium deposits that can be developed as standalone operations.

Review of Operations

A detailed review of the Group's operations by Project is set out in the 'Review of Operations' on pages 5 to 11 in this Annual Report.

Review of Financial Condition

Operating Results for the Year

The Group's net loss after income tax for the financial year is $28,044,373 (2016: loss $1,756,596).

Financial Position

At the end of the financial year the Group had $14,959,841 (2016: $1,579,488) in cash and at call deposits. The increase in cash balance in comparison with the prior year is largely due to raising additional capital through equity post management change in October 2016. Capitalised mineral exploration and evaluation expenditure carried forward was $28,181,518 (2016: $49,039,393).

The Group has net assets of $43,704,495 (2016: $50,942,856).

Business Strategies and Prospects for Future Financial Years

Since the appointment of John Borshoff as CEO and Managing Director in October 2016, the Company has set a new direction built around a robust strategy to grow shareholder wealth.

The Company has a two-pronged strategy founded firstly on growing the existing uranium resources across its uranium projects in Namibia and secondly, to pursue accretive counter cyclical acquisitions to build a global, multi-project uranium platform much needed with the diminishment of the major producers that has occurred.

Namibia, where Deep Yellow has its cornerstone suite of projects, is a top ranked uranium mining destination. Its 4 key tenements are situated in the heart of what is a world recognized, prospective uranium province of high significance situated amongst the major uranium deposits of the region.

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 1 July 2016 the Company's Share Purchase Plan (SPP) closed raising a total of $752,600 with subscriptions for 9,407,500 ordinary shares;
* On 24 October 2016 the Company announced the appointment of Mr John Borshoff as CEO and Managing Director and the establishment of a strategic relationship with an affiliate of the Sprott Group who made an initial A$1.42M investment to recapitalise the Company;
* On 28 February 2017 shareholders approved a consolidation of the Company's issued capital on a 20:1 basis. After consolidation, the Company's capital structure comprised of 129,577,758 ordinary shares and 709,250 performance rights;
* On 29 March 2017 the Company announced that it has entered into a strategic earn-in agreement with JOGMEC to participate in the Nova Joint Venture in Namibia. JOGMEC under the terms of the earn-in agreement can earn a 39.5% interest in the Nova project on expenditure of A$4.5M within four years;
* On 4 May 2017 the Company announced that is has signed a Strategic Alliance Deed with an affiliate of the Sprott Group (Sprott) through which Sprott retains the rights, while it holds a minimum of 10% equity in the Company, to bid to place or find subscribers for future financial raisings;
* On 16 June 2017 the Company announced that is has successfully raised A$15.1M in its non-renounceable entitlement issue to shareholders and placement of the shortfall; and
* Overall adoption of a dual strategy including growing the uranium resources in Namibia and pursuing accretive, countercyclical acquisitions to create a multi-project uranium platform.

Significant Events after Balance Date

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

Focus of exploration work is to increase the uranium resource base of the deposits contained within the Reptile project and to delineate mineralised targets within the Nova Joint venture project areas.

Environmental Regulation and Performance

The Group holds various exploration licences by the relevant authorities that regulate its exploration activities in Namibia. These licences include requirements, limitations and prohibitions on exploration activities in the interest of environmental protection. The holder of such licences must therefore adhere to the Environmental Contract entered into with the relevant authorities which regulates environment rehabilitation of areas disturbed during the course of the Group's exploration activities.

There have been no known breaches of the Group's licence conditions or any environmental regulations to which it is subject.

Share Options

Unissued shares

As at the date of this report, there were 62,469,618 unissued ordinary shares under options (62,469,618 at 30 June 2017 ("the reporting date")). No shares have been issued during the financial year as a result of the exercise of options. Refer to the remuneration report for further details of the options outstanding for Key Management Personnel (KMP).

There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Options.

The outstanding balance of unissued ordinary shares under option at date of this report is:

Number	Exercise price (cents)	Grant date	Expiry date
30,414,142	50.0	6-Jun-17	1-Jun-22
32,055,476	50.0	16-Jun-17	1-Jun-22
62,469,618			

Performance Rights

As at the date of this report, there were 332,750 Performance Rights outstanding (709,250 at the reporting date). Refer to Note 14 for further details of the Performance Rights outstanding.

There are no participating rights or entitlements inherent in the Performance Rights and Performance Right holders will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Performance Rights.

During the financial year, 919,775 shares have been issued at a weighted average issue price of 20.93 cents per share in relation to Performance Rights that vested.

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

Number of Rights	Vesting Performance Conditions	Date rights granted	Vesting Date
214,750	Time based	6-Nov-15	1-Jul-18
118,000	Market price	6-Nov-15	1-Jul-18
332,750			

Indemnification and Insurance of Directors and Officers

During or since the financial year, the Company has paid premiums 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.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the financial year.

Directors' Meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year ended 30 June 2017, whilst each Director was in office, and the number of meetings attended by each Director was:

	Director's meetings		Meetings of Committees			
	Board		Audit		Remuneration	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Number of meetings held:	16		3		1	
Number of meetings eligible and attended:						
Rudolf Brunovs	16	16	3	3	-	-
John Borshoff	9	9	-	-	-	-
Gillian Swaby	16	16	1	1	-	-
Mervyn Greene	16	15	3	3	1	1
Justin Reid	7	6	2	2	1	1
Christophe Urtel	16	16	-	-	1	1
Greg Cochran	6	6	-	-	-	-

Committee Membership

As at the date of this report, the Company had an Audit Committee and Remuneration Committee as detailed below:

Audit	Remuneration
Rudolf Brunovs ©	Christophe Urtel © (appointed 1 January 2017)
Mervyn Greene	Mervyn Greene (appointed 1 January 2017)
Justin Reid (appointed 1 January 2017)	Justin Reid (appointed 1 January 2017)
Gillian Swaby (resigned 1 January 2017)	Rudolf Brunovs (resigned 1 January 2017)
	Gillian Swaby (resigned 1 January 2017)

Notes
© designates the Chair of the Committee

Non-audit Services and Auditor's Independence Declaration

During the 2017 financial year Ernst & Young, the Group's auditor, has not provided any non-audit services in addition to their statutory duties.

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 32.

REMUNERATION REPORT (AUDITED)

The Directors present the Remuneration Report (the Report) for the Group for the year ended 30 June 2017. This Report forms part of the Directors' Report and outlines the remuneration arrangements of the Group's key management personnel (KMP) in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 300A of the Act. Any non-IFRS financial information contained in the Remuneration Report has not been audited or reviewed in accordance with Australian Auditing Standards.

The remuneration report is presented under the following sections:

1. Overview
2. Remuneration governance
3. Executive remuneration arrangements
   (a) Principles and objectives
   (b) Remuneration policies and structures
   (c) Detail of incentive plans
4. Group performance and Executive remuneration outcomes for 2017
5. Non-executive Director (NED) fee arrangements
6. Statutory and share based reporting
   (a) Executive KMP remuneration for the years ended 30 June 2016 and 30 June 2017
   (b) NED remuneration for the years ended 30 June 2016 and 30 June 2017
   (c) Disclosures relating to share options, performance rights and loan plan and ordinary shares
   (d) Loans to KMP and their related parties
   (e) Other transactions and balances with KMP and their related parties
7. Actual remuneration earned by KMP in the 2017 financial year

1. Overview

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, including any director (whether executive or otherwise) of the Parent (the Company) and include:

- Non-executive Directors (NEDs); and
- Executive Directors and Senior Executives

For the purpose of this report, the term 'Executive' includes Executive Directors and Senior Executives of the Parent and the Group. The table below outlines the KMP of the Group and their movements during the financial year ended 30 June 2017.

Name	Position	Term as KMP
Executive Director		
John Borshoff	Managing Director	Appointed 23 October 2016
Gillian Swaby *	Executive Director	From 1 November 2016
Greg Cochran	Managing Director	Ceased 23 October 2016
Other executives		
Mark Pitts **	Company Secretary	Ceased 31 October 2016
Non-executive directors (NEDs)		
Rudolf Brunovs	Chairman	Full financial year
Mervyn Greene	Non-executive Director	Full financial year
Justin Reid	Non-executive Director	Appointed 28 October 2016
Christophe Urtel	Non-executive Director	Full financial year

* Ms Swaby was an independent Non-executive Director of the Company since October 2005. Her role changed to that of Executive Director effective 1 November 2016.
** Although Mr Pitts ceased being a KMP effective 31 October 2016, he remains Company Secretary.

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.

There were no changes to KMP after the reporting date and before the date the financial report was authorised for issue.

2. Remuneration Governance

Remuneration Decision Making

The Board operates within a remuneration decision making framework whereby:

- Management implement general employee remuneration policies approved by the Managing Director;
- The Managing Director makes recommendations on remuneration outcomes for senior executives; and
- A Board appointed Remuneration Committee review the Group's Remuneration framework and policy and make recommendations to the Board on remuneration packages for NEDs and Executive Directors and incentive and equity-based remuneration plans for Senior Executives and other employees.

The composition of the Remuneration Committee is set out on page 18 of this Annual Report.

Further information on the Remuneration Committee's role, composition, operation, responsibilities and authority can be seen in the Remuneration Committee Charter at http://www.deepyellow.com.au/governance.html

Use of Remuneration Advisors

To ensure the Remuneration Committee is fully informed when making remuneration decisions, it from time to time obtains external advice from an independent consultant. During the financial year, the Remuneration Committee did not engage a remuneration consultant to make any remuneration recommendation (as defined in the Corporations Act) in relation to any of the KMP for the Group. General advice was sought and obtained in relation to market conditions and parity reviews.

Clawback of Remuneration

The Board has the discretion to reduce or cancel any unvested Long Term Incentive (LTI) including the compulsory divestment of unvested or vested Loan Plan shares under the Deep Yellow Limited Loan Share Plan if a KMP acts in a manner of:

- Wilful misconduct bringing disrepute to the Group;
- Repeated disobedience or incompetence in the performance of duties, after prior written warning; or
- Fraud, dishonesty or a material breach of their obligations to the Group

Securities Trading Policy

The Group's Securities Trading Policy applies to all KMP. The policy prohibits employees from dealing in the Company's securities while in possession of material non-public information relevant to the Group. Additional restrictions are placed on Restricted Employees whereby they are prohibited from dealing in the Company's securities during prescribed closed periods. Directors and employees are further prohibited from engaging in hedging arrangements over unvested securities to protect the value of their unvested LTI awards. Breach of the Securities Trading Policy will also be regarded by the Group as serious misconduct which may lead to disciplinary action and/or dismissal.

Executive Contracts

Remuneration arrangements for KMP are formalised in service agreements. Details of these agreements are provided below:

Mr J Borshoff – Managing Director / CEO

Scomac Management Services Pty Ltd as trustee for the Scomac Unit Trust (Scomac) has been appointed on a non-exclusive basis to provide the Company with management, strategic, technical and geological expertise and services through Scomac personnel which they employ or have access to (Scomac agreement).

Consultant personnel who Scomac employ or have access to include Mr John Borshoff, the Company's Managing Director and Chief Executive Officer, who has been appointed pursuant to the Scomac agreement.

The terms of the Scomac agreement as it relates to Mr Borshoff as an employee of Scomac and as disclosed to the ASX on 24 October 2016 are as follows:

- No fixed term, duration subject to termination provisions;
- Service Fee of $385,000 per annum plus 15% on-costs as contribution towards annual leave, sick leave, long service leave, superannuation, insurance and other on-costs (plus GST). The service fee to be reviewed annually;
- Sign-on bonus of 30 million Loan Plan Shares (pre-consolidation);
- Eligibility to receive an annual short term incentive of up to 25% of the Service Fee of $385,0000, at the discretion of the Company, which can be paid in either shares or cash;
- Long term incentive of 70 million Loan Plan Shares (pre-consolidation) (details provided in Section 6(c)) and Table 1(b); and

* Termination provisions
  1. Scomac may terminate the agreement on 6 months' prior notice to the Company;
  2. The Company may terminate the agreement on 12 months' prior notice to Scomac;
  3. Where either party has terminated the agreement the Company may pay Scomac an amount in lieu of the notice in which case the agreement shall be at an end on such a payment; and
  4. No notice of termination required by the Company for breach of a material term by Scomac.

Ms G Swaby – Executive Director

The Company has entered into a Consultancy Agreement with Strategic Consultants Pty Ltd ("Strategic") for consultancy services provided by Ms Swaby. The terms of the agreement are as follows:

* Commenced 24 October 2016 and continues until such time as terminated by either party;
* Consulting fee of $1,500 per day, reviewed from time to time having regard to the performance of Ms Swaby and the Company; and
* Either party may terminate the agreement on one month's notice to the other party

Termination payments

The following arrangements applied to outgoing executives in office during the 2017 financial year:

Mr G Cochran

* Mr Cochran resigned from his position effective 23 October 2016;
* He received a notice payment of $215,263 equivalent to 6 months' notice in accordance with the terms of his employment agreement;
* He received $25,000 in respect of outstanding remuneration owed to him;
* 25,000,000 unvested Performance Share Rights lapsed in accordance with their terms; and
* The Board permitted 10,000,000 unvested Performance Share Rights (pre-consolidation) to vest and automatically convert to ordinary shares in accordance with their terms.

3. Executive Remuneration Arrangements

a) Principles and objectives

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

* Promote mutually beneficial outcomes by aligning the interests of Executives with shareholder objectives;
* Build a culture of achievement by attracting, motivating and retaining high performing individuals who will add value to the Group;
* Provide a fair level of reward to all employees, benchmarked against peer groups; and
* Create a culture that promotes safety, diversity and stakeholder satisfaction.

Align the interests of Executives with shareholders

* The remuneration framework incorporates "at-risk" components through short and long term incentives; and
* For short term incentives, Group performance and the Managing Director's contribution to that performance is reviewed.

Attract, motivate and retain high performing individuals

* The remuneration offered is competitive for companies of a similar industry, size and complexity; and
* Longer term remuneration encourages retention and multi-year performance focus.

b) Remuneration policies and structures

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group. Executive remuneration levels are reviewed annually with reference to the remuneration guiding principles and market movements.

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/service fee, statutory superannuation contributions (where applicable) and other benefits. It is paid by the Group to compensate fully for all requirements of the Executives' employment with reference to the market and the individual's role and experience. It is subject to annual review considering market data and the performance of the Group and individual. Executive contracts do not include any guaranteed increases. The Group benchmarks the fixed component against appropriate market comparisons with its peer groups. The Group also pays particular attention to protecting its cash resources which resulted in no review being performed during the 2017 financial year. Improved cash resources enabled the Group to perform a detailed review during June 2017 leading to some parity adjustments for the 2018 financial year based on market analysis considering employees skills, job requirements and experience specific to 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 25% of his service fee. Payment of the cash bonus is entirely discretionary and recognises and rewards Group performance and the Managing Director's contribution to that performance.

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

c) Detail of Incentive Plans

Short Term Incentive (STI)

Under the STI, the Managing Director has the opportunity to earn an annual incentive award which incentive may, at the discretion of the Company, be paid in cash or shares. Actual STI payments awarded to the Managing Director are subject to Board approval.

The Managing Director's STI award is usually determined and paid within three months of the financial year, after consideration of the Group's performance and the Managing Director's contribution to this performance. The Remuneration Committee recommends for Board approval the amount, if any, to be paid. Cash bonus payments are therefore made in the following reporting period.

For the 2016 financial year, a maximum STI cash bonus of $50,228 (excluding statutory superannuation) was available to the Managing Director at the time and nil was paid.

The maximum STI cash bonus available to the current Managing Director for the 2017 financial year was $96,250 (excluding on-costs). The maximum STI of $96,250 was awarded to the Managing Director and paid during the 2018 financial year.

Long Term Incentive (LTI)

In the past, LTI awards were made annually to Executives and other employees in order to align remuneration with shareholder wealth over the long-term and delivered in the form of Performance Rights under The Deep Yellow Limited Awards Plan ("Awards Plan"). No Performance Rights awards were made during the 2017 financial year as the Group is in the process of reassessing the criteria for participation in its share based incentive plan including a review and update of its Awards Plan which administers the operation of Options and Performance Rights as long term incentives. LTI awards will be considered, following the review, in the 2018 financial year.

Loan Plan Shares

During the 2017 financial year the Group established the Deep Yellow Limited Loan Share Plan ("Loan Share Plan") administering the operation of Loan Plan Shares.

The Loan Share Plan rewards and incentivises the participant, where shareholder approval has been granted, through an arrangement where shares are offered subject to long term performance conditions in the form of share price target and time based vesting conditions. Details of performance conditions for awards made to the Managing Director during the 2017 financial year are provided in Table 1(b). The shares are offered at market value such that the incentive is linked to the increase in value over and above the purchase price and so aligns the participants to the risks and rewards of a shareholder. The purchase price payable by the participant for the ordinary shares is lent to the participant under an interest free limited recourse loan, with the loan secured against the shares. The loan can be repaid at any time, however, the loan must be repaid on the earlier of 10 years after the issuance of the shares and the occurrence of:

a) in the case of vested shares, the date being 12 months after cessation of employment or service contract for any reason; or
b) pre-determined occurrences as per the Loan Share Plan including but not limited to a Control Event or material breach by the Participant.

The shares vest over a period of time if certain company share price targets are met and the holder of the loan plan shares remains employed with the Company during the measurement period. Awards made to the Managing Director contained both share price target and time based vesting conditions. These conditions were chosen as it reflects an appropriate balance between individual reward and market performance. Those awards without performance conditions were issued to encourage long-term retention. If these vesting conditions are not met the shares are forfeited and the forfeited shares are treated as full consideration for the repayment of the loan. Financial based performance conditions such as Total Shareholder Return and Return on Equity Earnings are not chosen as a performance measure for the Loan Share Plan as these are difficult to measure in the present operating environment. A participant may not trade shares acquired under the Loan Share Plan until the shares have vested, any imposed dealing restrictions have ended and the limited recourse loan in respect to those shares has been paid in full.

Loan Plan Shares 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 performance based components. There is however a component on the Managing Director's most recent award that has no performance related vesting conditions as it was awarded as a sign-on payment.

Where a participant ceases employment prior to the vesting of their Loan Plan Shares, all unvested shares will be compulsorily divested on a date determined by the Board 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 Loan Plan Shares will automatically vest in a manner that allows the participant to participate in and/or benefit from any transaction from or in connection with the Change of Control Event.

The participant is entitled to receive dividends on unvested Loan Plan Shares. For so long as there is an outstanding loan balance in relation to the Loan Plan Shares, the participant irrevocably and unconditionally directs the Company to withhold all after-tax dividends in respect of the participants Loan Plan Shares and apply all amounts so withheld in repayment of the outstanding loan balance.

Loan Plan Shares were granted under the Loan Share Plan to the Managing Director in December 2016 and have been accounted for as a share based payment. Details in respect of the award are provided in Table 1(b).

Sign-on payments

In addition to fixed remuneration, STI and LTI, the Board may determine, from time to time, to award sign-on payments to new executives.

Mr Borshoff was entitled to a sign-on payment of 30 million shares (pre-consolidation) subject to shareholder approval.
He received the shares, the subject of the Loan Share Plan on 1 December 2016 valued at $300,000.

4. Group Performance and Executive Remuneration Outcomes for 2017

Actual Remuneration Earned

The actual remuneration earned by KMP in the 2017 financial year is set out in section 7 below. This provides shareholders with a view of the remuneration actually paid to KMP for performance in the 2017 financial year and the value of LTIs that vested during the period.

LTI Vesting Outcomes

The vesting of Performance Rights granted to Executives is driven by time and market price vesting conditions.

The table below outlines current and expected vesting outcomes for outstanding awards at 30 June 2017. Projected outcomes for the future vesting of market price awards are based on the assumption that the current share price will remain unchanged at the future testing date.

	Market Price and Time Based Tests	
FY 2014 grant 6-15 cents	**FY 2015 grant 3-7 cents**	**FY 2016 grant 1.8-3.5 cents**
34% of awards vested during the 2015, 2016 and 2017 financial years as time based vesting conditions were met.	26% of awards vested during the 2016 and 2017 financial years as time based vesting conditions were met.	6% of awards vested during the 2017 financial year as time based vesting conditions were met.
66% of awards were cancelled unexercised or expired as market price or time conditions were not met.	70% of awards were cancelled unexercised or expired as market price or time conditions were not met.	58% of awards were cancelled unexercised or expired as market price or time conditions were not met.
	2% of awards will vest during the 2018 financial year if time based vesting conditions are met.	4% of awards will vest during the 2018 and 2019 financial years if time based vesting conditions are met.
	2% of awards will be cancelled unexercised during the 2018 financial year if the market price test is not met.	1% of awards will be cancelled unexercised during the 2019 financial year if the market price test is not met.
		31% of awards vested during the 2017 financial year by Board discretion to the outgoing Managing Director.

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 U_3O_8 whereby historical U_3O_8 prices have continued to decrease from 2013 as indicated below.

	30 June 2017 Cents	30 June 2016 Cents	30 June 2015 Cents	30 June 2014 Cents	30 June 2013 Cents
Share price *	28	8.0	20.0	38.0	66.0
U_3O_8 spot price (US$/lb)	19.68	27.15	36.5	28.2	39.65
Earnings/(Loss) per share *	(22.51)	(1.82)	(22.32)	(24.33)	(12.17)

*Post-consolidation

5. Non-executive Director (NED) Fee Arrangements

Remuneration Structure

The structural component of NED fees is separate and distinct from Executive remuneration. It is designed to attract and retain Directors of the highest calibre who can discharge the roles and responsibilities required in terms of good governance, independence and objectivity whilst incurring a cost that is acceptable to shareholders.

Fee Policy

Up to 30 November 2016 the remuneration of NEDs consisted of Directors' fees and shares in lieu of fees in an effort to preserve cash and included base and committee fees. From 1 December 2016 the Company discontinued with the arrangement of shares in lieu of fees and continued to remunerate NEDs fully with Directors' fees only. The payment of additional fees for serving as Chair of a committee recognises the additional time commitment required by NEDs who act as Chair of a Board Committee.

The table below summarises Board and Committee fees paid to NEDs for the 2017 financial year (inclusive of superannuation):

Board fees		**Cash**	**Shares**	**Total**
Chair		73,125	16,875	90,000
NED		48,750	11,250	60,000
Committee fees				
Chair	Audit and Remuneration	4,062	938	5,000

NEDs may be reimbursed for expenses reasonable incurred in attending to the Group's affairs. NEDs do not receive retirement benefits, nor do they participate in any incentive programs.

The Board has confirmed there will be no increases in Board or Committee fees for the 2018 financial year.

Determination of Fees and Maximum Aggregate NED Fee Pool

NED fees are determined within an aggregate NED fee pool limit, which is periodically determined 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 NED fees of $450,000 per annum to be apportioned between the NEDs as determined by the Board. The maximum aggregate fee pool and the fee structure are reviewed on a periodic basis against fees paid to NEDs of comparable companies.

The Board will not seek any increase for the NED pool at the 2017 AGM.

6. Statutory and Share-based Reporting

a) Executive KMP remuneration for the years ended 30 June 2016 and 30 June 2017

		Short-term benefits			Post employment	Long-term benefits	Share-based payments				Total Remuneration	Performance Related (iv) %
	Financial year	Salary & fees	Other	Cash bonus (ii)	Superannuation Contributions	Long service leave	Shares (ix)	Performance Rights	Loan plan shares (iii)	Termination payments		
Executive Directors												
J Borshoff (i)	2017	-	307,183	96,250	-	-	-	-	554,825	-	**958,258**	26.1
	2016	-	-	-	-	-	-	-	-	-	-	-
G Swaby (v)	2017	35,065	200,250	-	3,331	-	2,895	-	-	-	**241,541**	-
	2016	-	-	-	-	-	-	-	-	-	-	-
G Cochran (vi)	2017	155,350	-	-	30,922	-	-	(38,049)	-	215,263	**363,486**	(11.8)
	2016	251,142	-	-	23,858	7,466	105,206	162,827	-	-	**550,499**	9.3
Other KMP												
P Christians (vii)	2017	-	-	-	-	-	-	-	-	-	-	-
	2016	93,750	-	-	-	-	22,484	-	-	-	**116,234**	-
M Pitts (viii)	2017	-	25,666	-	-	-	-	3,111	-	-	**28,777**	1.8
	2016	-	60,000	-	-	-	-	16,116	-	-	**76,116**	2.6
Total Executive KMP	**2017**	**190,415**	**533,099**	**96,250**	**34,253**	**-**	**2,895**	**(34,938)**	**554,825**	**215,263**	**1,592,062**	
	2016	**344,892**	**60,000**	**-**	**23,858**	**7,466**	**127,690**	**178,943**	**-**	**-**	**742,849**	

(i) Mr Borshoff was appointed and a consultancy agreement concluded with effect from 24 October 2016
(ii) Mr Borshoff earned 100% of his maximum STI opportunity
(iii) Inclusive of an amount of $300,000 in relation to 30 million Loan Plan Shares that were issued on 1 December 2016 as sign-on bonus. Details in respect of the awards are provided in Table 1(b)
(iv) Performance measures are based on the cash bonus and the market related component of Performance rights and Loan plan shares.
(v) Ms Swaby has been an independent Non-executive Director of the Company since October 2005. Her role changed to that of Executive Director effective 1 November 2016, on a consulting basis.
(vi) Mr Cochran resigned effectively 23 October 2016 and his final salary included an amount of $45,114 in relation to past annual leave benefits. He forfeited a proportion of his unvested performance rights in accordance with the terms of the Awards Plan and any expense previously recognised in respect of the performance rights has been reversed.
(vii) Mr Christians resigned effective 30 November 2015 and as a result he forfeited his unvested performance rights in accordance with the terms of the Awards Plan
(viii) The Company underwent a management change during October 2016 where after Mr Pitts was no longer defined as a KMP effective 1 November 2016
(ix) Shares have been issued in lieu of fees up to 30 November 2016 as approved by shareholders at the 2016 AGM. The fair value has been recognised based on the share price at 30 November 2016 (AGM date) when shareholder approval was obtained. The actual value received has been indicated in sub-section 7 below.

b) NED remuneration for the years ended 30 June 2016 and 30 June 2017

		Short term benefits		Post Employment	Share based Payments	
	Financial year	Board and Committee fees	Other benefits	Superannuation contributions	Shares (i)	Total
Non-executive Directors						
R Brunovs	2017	70,490	-	6,696	33,723	110,909
	2016	37,781	-	3,589	50,136	91,506
M Greene	2017	48,750	-	-	21,296	70,046
	2016	31,733	-	-	36,719	68,452
J Reid (ii)	2017	40,000	-	-	-	40,000
	2016	-	-	-	-	-
G Swaby (iii)	2017	10,882	-	1,034	20,180	32,096
	2016	30,685	-	2,915	39,497	73,097
C Urtel (iv)	2017	51,249	56,687	-	21,296	129,232
	2016	31,733	-	-	36,719	68,452
T Netscher (v)	2017	-	-	-	-	-
	2016	30,898	-	2,935	17,376	51,209
Total NED	**2017**	**221,371**	**56,687**	**7,730**	**96,495**	**382,283**
	2016	**162,830**	**-**	**9,439**	**180,447**	**352,716**

(i) Shares have been issued in lieu of fees up to 30 November 2016 as approved by shareholders at the 2016 AGM. The fair value has been recognised based on the share price at 30 November 2016 (AGM date) when shareholder approval was obtained. The actual value received has been indicated in sub-section 7 below.
(ii) Mr Reid was appointed effective 28 October 2016.
(iii) Ms Swaby has been an independent Non-executive Director of the Company since October 2005. Her role changed to that of Executive Director effective 1 November 2016, on a consulting basis.
(iv) Mr Urtel performed work outside the scope of his director duties and 5,668,703 ordinary shares were issued to him in lieu of consulting fees and included in “Other benefits”
(v) Mr Netscher resigned effective 31 December 2015.

c) Disclosures relating to share options, performance rights and loan plan and ordinary shares

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

During the financial year no Options or Performance Rights were granted as equity compensation benefits to KMP and no Options vested.

The tables below disclose the Performance Rights and Loan Plan Shares granted to Executives during the 2017 financial year. The Performance Rights do not carry any voting or dividend rights and will automatically be exercised once the vesting conditions have been met, until their expiry date. Loan Plan Shares carry voting rights and participants are entitled to dividends on unvested Loan Plan Shares. For so long as there is an outstanding loan balance in relation to the Loan Plan Shares, the participant irrevocably and unconditionally directs the Company to withhold all after-tax dividends in respect of the participants Loan Plan Shares and apply all amounts so withheld in repayment of the outstanding loan balance.

Table 1(a): Performance Rights: Granted, vested and lapsed during the year ended 30 June 2017

					Number		Fair Value
	Financial year	Grant Date	Fair Value per right at grant date (cents)	Vesting date	Vested during year and shares issued (i)	Lapsed during year (i)	Vested during year and shares issued (ii) A$
Executive directors							
G Cochran	2016	6-Nov-15	1.0	1-Jul-16	1,500,000	-	7,500
G Cochran	2016	6-Nov-15	0.4	1-Jul-16	-	1,500,000	-
G Cochran	2016	6-Nov-15	1.0	1-Jul-17	1,250,000	6,000,000	15,000
G Cochran	2016	6-Nov-15	0.5	1-Jul-17	-	4,750,000	-
G Cochran	2016	6-Nov-15	1.0	1-Jul-18	8,750,000	-	105,000
G Cochran	2016	6-Nov-15	0.6	1-Jul-18	-	2,500,000	-
G Cochran	2016	6-Nov-15	0.5	1-Jul-18	-	3,750,000	-
G Cochran	2015	10-Nov-14	1.8	1-Jul-16	1,500,000	-	7,500
G Cochran	2015	10-Nov-14	0.8	1-Jul-16	-	1,500,000	-
G Cochran	2015	10-Nov-14	1.8	1-Jul-17	-	2,500,000	-
G Cochran	2015	10-Nov-14	0.9	1-Jul-17	-	2,500,000	-
G Cochran	2014	29-Oct-13	2.0	1-Dec-16	-	1,000,000	-
G Cochran	2014	29-Oct-13	0.7	1-Dec-16	-	1,000,000	-
G Cochran	2014	29-Oct-13	0.6	1-Dec-16	-	1,000,000	-
Other KMP							
M Pitts	2016	6-Nov-15	1.0	1-Jul-16	400,000	-	2,000
M Pitts	2015	10-Nov-14	1.8	1-Jul-16	250,000	-	1,250
M Pitts	2014	29-Oct-13	2.0	1-Jul-16	225,000	-	1,125
M Pitts	2014	29-Oct-13	0.8	1-Jul-16	-	225,000	-

(i) Pre-consolidation numbers.
(ii) Determined at time of vesting at intrinsic value.

Table 1(b): Loan Plan Shares: Granted, vested and divested during the year ended 30 June 2017

								Number	Value	
	Financial year	Number issued (i)	Issue Date	Fair Value per share at issue date (cents)	Vesting date	Exercise price (cents)	Expiry date (ii)	Vested during year (i)	Issued during year $A	Vested during year A$
Executive directors										
J Borshoff (iii)	2017	30,000,000	1-Dec-16	1.0	1-Dec-16	1.1	30-Nov-26	30,000,000	300,000	300,000
J Borshoff	2017	6,000,000	1-Dec-16	1.0	30-Jun-17	1.1	30-Nov-26	6,000,000	60,000	84,000
J Borshoff	2017	12,000,000	1-Dec-16	0.7	30-Jun-17	1.1	30-Nov-26	12,000,000	84,000	168,000
J Borshoff	2017	7,000,000	1-Dec-16	1.0	30-Jun-18	1.1	30-Nov-26	-	70,000	-
J Borshoff	2017	17,000,000	1-Dec-16	0.6	30-Jun-18	1.1	30-Nov-26	-	102,000	-
J Borshoff	2017	7,000,000	1-Dec-16	1.0	30-Jun-19	1.1	30-Nov-26	-	70,000	-
J Borshoff	2017	21,000,000	1-Dec-16	0.7	30-Jun-19	1.1	30-Nov-26	-	147,000	-

(i) Pre-consolidation numbers.
(ii) Loan Plan Shares do not have an expiry date. The limited recourse loan in respect of the Loan Plan Shares has to be fully paid 10 years after grant date of the Loan Plan Shares.
(iii) Issued as sign-on award.

For details on the valuation of Performance Rights and Loan Plan Shares, including models and assumptions used, please refer to Note 14.

The Performance Rights and Loan Plan Shares were provided at no cost to the recipients.

There were no alterations to the terms and conditions of Performance Rights granted and Loan Plan Shares issued as remuneration since their grant/issue dates.

Table 1(c): Performance Right holdings

2017 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 (i)	Capital consolidation 20:1 (ii)	Balance at resignation as KMP
Executive director						
G Cochran	41,000,000	-	(13,000,000)	(28,000,000)	-	-
Other KMP						
M Pitts	3,250,000	-	(875,000)	(225,000)	(2,042,500)	107,500

Table 1(d): Shareholdings *

2017 Name	Balance at start of the year	Received during the year on performance rights vesting	Received during the year in lieu of fees and salary (iii)	Net other changes during the year (i)	Capital consolidation 20:1 (ii)	Balance on resignation	Balance at the end of the year
Executive directors							
J Borshoff (iv)	-	-	-	100,000,000	(95,000,000)	-	5,000,000
G Swaby (v)	56,164,490	-	2,307,541	-	(55,548,431)	-	2,923,600
G Cochran (vi)	23,136,930	13,000,000	-	500,000	- (vi)	36,636,930	-
Other KMP							
M Pitts	2,366,105	875,000	-	2,639,209	(5,454,050)	-	426,264
Non-executive Directors							
R Brunovs	5,065,069	-	3,372,343	1,250,000	(9,203,042)	-	484,370
M Greene	53,354,231	-	2,129,602	-	(52,709,641)	-	2,774,192
J Reid	-	-	-	-	-	-	-
T Netscher (vii)	4,240,695	-	-	-	-	4,240,695	-
C Urtel	5,747,294	-	2,129,602	8,979,751	(16,013,815)	-	842,832

* Includes shares held directly, indirectly and beneficially by KMP

(i) All equity transactions with KMP other than those arising from the vesting of Performance Rights or issue of shares in lieu of fees have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length
(ii) On 6 March 2017, the Company completed a consolidation of its share capital on a 20:1 ratio
(iii) Shares have been issued in lieu of fees for the 2017 financial year as approved by shareholders at the 2016 AGM
(iv) On 1 December 2016 Mr Borshoff was issued with Loan Plan Shares. Details in respect of the awards are provided in Table 1(b)
(v) Ms Swaby has been an independent Non-executive Director of the Company since October 2005. Her role changed to that of Executive Director effective 1 November 2016, on a consulting basis.
(vi) Mr Cochran resigned effectively 23 October 2016. Balance is inclusive of all share transactions whilst in the Company's employment or as a result of such employment. He resigned before the share consolidation date
(vii) Balance at date of resignation and before the share consolidation date

Table 1(e): Share Options

2017 Name	Balance at start of the year	Net other changes during the year (i)	Balance at the end of the year
Executive directors			
J Borshoff	-	-	-
G Swaby	-	-	-
G Cochran	-	-	-
Other KMP			
M Pitts (ii)	-	139,209	139,209
Non-executive Directors			
R Brunovs	-	-	-
M Greene	-	-	-
J Reid	-	-	-
T Netscher	-	-	-
C Urtel	-	-	-

(i) All equity transactions with KMP have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length
(ii) Mr Pitts participated in the Company's non-renounceable entitlement issue that concluded during June 2017 and was issued with listed options. Details in respect of the share options are provided in Note 17

d) Loans to KMP and their related parties

Table 1(f): Details of loans to KMP and their related parties

2017 Name	Balance at start of the year	Interest charged	Interest not charged	Write-off or allowance for doubtful debt	Balance at end of period	Highest balance during period
J Borshoff	-	-	55,317	-	1,100,000	1,100,000

A loan of $1,100,000 was provided to Mr Borshoff to enable the acquisition of Loan Plan Shares under the Deep Yellow Limited Loan Share Plan. The loan was approved by shareholders at the 2016 AGM. The average commercial rate of interest during the year was 8.6%. The terms and conditions of the loan:

(i) No interest or other charges are payable;
(ii) Loan Plan shares are not to be disposed or utilised as security while the loan balance in respect of the Loan Plan shares remains outstanding;
(iii) The loan balance relating to a Loan Plan Share will become due and payable immediately on the earlier to occur of:
  a) the date on which that Loan Plan share has been compulsorily divested in accordance with the rules of the Plan;
  b) the date that the participant has otherwise disposed of that Loan Plan share;
  c) the occurrence of a Change of Control Event; and
  d) the date which is 10 years after the Grant Date in relation to the Loan Plan share
(iv) For so long as there is an outstanding loan balance, the participant irrevocably and unconditionally directs the Company to withhold all after-tax dividends in respect of the participants Loan Plan shares and apply all amounts so withheld in repayment of the outstanding loan balance;
(v) Limited recourse loan whereby the Company will have recourse to only the proceeds from a disposal of the Loan Plan shares and 100% of all after-tax dividends as indicated in (iv) above

There were no other loans made to any Director or KMP or any of their related entities during the reporting period.

e) Other transactions and balances with KMP and their related parties

Details and terms and conditions of other transactions with KMP and their related parties:

Scomac Management Services Pty Ltd as trustee for the Scomac Unit Trust ("Scomac" or "Consultant") has been appointed on a non-exclusive basis to provide the Group with management, strategic, technical and geological expertise and services through the Consultant personnel they employ or have access to ("Scomac agreement"). Mr Borshoff has a financial interest in Scomac.

During the year ended 30 June 2017 Scomac billed the Company $417,050, inclusive of GST and on-costs (2016 Nil), for technical and geological services (excluding Mr Borshoff) on normal commercial terms and conditions. These amounts are not included in the remuneration tables above. Fees paid to Scomac in relation to services provided by Mr Borshoff as Managing Director are detailed in section 6(a). No amount was outstanding at 30 June 2017 (2016 Nil). The amount for other services was recognised as non-current asset: capitalised mineral exploration and evaluation expenditure.

7. Actual Remuneration Earned by KMP in the 2017 Financial Year

The actual remuneration earned by executives in the 2017 Financial Year is set out below. This information is considered to be relevant as it provides shareholders with a view of the remuneration actually paid to KMP for performance in the 2017 FY and the value of LTIs that vested during the period. This differs from the remuneration details prepared in accordance with statutory obligations and accounting standards on pages 26 and 27 of this report, as those details include the values of Performance Rights that have been awarded but which may or may not vest.

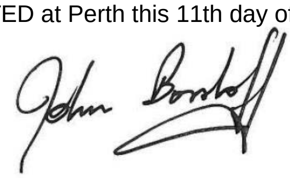
2017 Name	Fixed cash remuneration (i)	Termination payments	Shares in lieu of fees / salary (ii)	STI (FY17 performance) (iii)	LTI award exercised (iv)	Total remuneration received
Executive director						
J Borshoff (v)	307,183	-	-	-	-	307,183
G Swaby (vi)	250,562	-	27,690	-	-	278,252
G Cochran (vii)	186,272	215,263	-	-	135,000	536,535
Other KMP						
M Pitts (viii)	25,666	-	-	-	4,375	30,041
Non-executive Directors						
R Brunovs	77,186	-	40,468	-	-	117,654
M Greene	48,750	-	25,555	-	-	74,305
J Reid (ix)	40,000	-	-	-	-	40,000
C Urtel (x)	51,249	-	93,580	-	-	144,829

(i) Base salary, superannuation and leave entitlements paid out
(ii) Shares have been issued in lieu of fees up to 30 November 2016 as approved by shareholders at the 2016 AGM. The value in the table above is based on the number of shares issued multiplied by the share price on the date of issue. The value for statutory purposes has been indicated in sub-sections 6(a) and (b) above.
(iii) The maximum STI was awarded to the Managing Director but only paid during the 2018 financial year.
(iv) The value is based on the number of performance rights vested multiplied by the share price on the date of share issue.
(v) Mr Borshoff was appointed and a consultancy agreement concluded with effect from 24 October 2016
(vi) Ms Swaby has been an independent Non-executive Director of the Company since October 2005. Her role changed to that of Executive Director effective 1 November 2016, on a consulting basis.
(vii) Mr Cochran resigned effective 23 October 2016 and his final salary included an amount of $45,114 in relation to past annual leave benefits.
(viii) The Company underwent a management change during October 2016 where after Mr Pitts was no longer defined as a KMP effective 1 November 2016.
(ix) Mr Reid was appointed effective 28 October 2016
(x) Mr Urtel performed work outside the scope of his director duties and ordinary shares were issued to him in lieu of consulting fees together with shares as per (ii) above.

End of Remuneration Report (Audited)

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

DATED at Perth this 11th day of September 2017.



John Borshoff
Managing Director

Building a better working world

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Auditor's independence declaration to the Directors of Deep Yellow Limited

As lead auditor for the audit of Deep Yellow Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Deep Yellow Limited and the entities it controlled during the financial year.

Ernst & Young

G H Meyerowitz
Partner
11 September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Interest revenue	5(a)	**44,612**	**75,211**
Other income	5(b)	**267,417**	**52,615**
Revenue and Other Income		**312,029**	**127,826**
Depreciation and amortisation expenses	6	**(37,928)**	**(31,442)**
Marketing expenses		**(38,759)**	**(17,105)**
Occupancy expenses		**(97,302)**	**(87,424)**
Administrative expenses		**(1,319,259)**	**(896,772)**
Employee expenses	6	**(1,410,784)**	**(729,382)**
Impairment of capitalised mineral exploration and evaluation expenditure	11	**(25,452,370)**	**(121,938)**
Loss before income tax		**(28,044,373)**	**(1,756,237)**
Income tax expense	7(b)	**-**	**(359)**
Loss for the period after income tax		**(28,044,373)**	**(1,756,596)**
Other comprehensive income			
Items to be reclassified to profit and loss in subsequent periods, net of tax			
Foreign currency translation gain/(loss)		**3,464,618**	**(5,392,798)**
Other comprehensive income/(loss) for the year, net of tax		**3,464,618**	**(5,392,798)**
Total comprehensive loss for the year, net of tax		**(24,579,755)**	**(7,149,394)**
Earnings per share for loss attributable to the ordinary equity holders of the Company.		**Cents**	Cents
Basic loss per share	26	**(22.51)**	**(1.82)**
Diluted loss per share	26	**(22.51)**	**(1.82)**

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

		Consolidated	
	Note	2017 $	2016 $
ASSETS			
Current assets			
Cash and cash equivalents	8	**14,959,841**	**1,579,488**
Trade and other receivables	9(a)	**443,115**	**71,619**
Other assets	9(b)	**185,149**	**98,897**
Total current assets		**15,588,105**	**1,750,004**
Non-current assets			
Property, plant and equipment	10	**547,797**	**442,607**
Capitalised mineral exploration and evaluation expenditure	11	**28,181,518**	**49,039,393**
Total non-current assets		**28,729,315**	**49,482,000**
Total assets		**44,317,420**	**51,232,004**
LIABILITIES			
Current liabilities			
Trade and other payables	12	**612,925**	**289,148**
Total current liabilities		**612,925**	**289,148**
Total liabilities		**612,925**	**289,148**
Net assets		**43,704,495**	**50,942,856**
EQUITY			
Issued equity	13(a)	**239,065,259**	**222,055,441**
Accumulated losses	13(d)	**(189,770,518)**	**(161,726,145)**
Employee equity benefits reserve	13(d)	**10,774,425**	**10,442,849**
Foreign currency translation reserve	13(d)	**(16,364,671)**	**(19,829,289)**
Total equity		**43,704,495**	**50,942,856**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Issued Equity	Accumulated losses	Employee equity benefits reserve	Foreign currency translation reserve	Total Equity
	$	$	$	$	$
At 1 July 2016	**222,055,441**	**(161,726,145)**	**10,442,849**	**(19,829,289)**	**50,942,856**
Loss for the period	-	(28,044,373)	-	-	(28,044,373)
Other comprehensive income	-	-	-	3, 464,618	3,464,618
Total comprehensive loss for the period	-	(28,044,373)	-	3, 464,618	(24,579,755)
Issue of share capital	17,285,258	-	-	-	17,285,258
Capital raising costs	(624,248)	-	-	-	(624,248)
Vesting of performance rights	192,530	-	(192,530)	-	-
Share based payments	156,278	-	524,106	-	680,384
At 30 June 2017	**239,065,259**	**(189,770,518)**	**10,774,425**	**(16,364,671)**	**43,704,495**

	Issued Equity	Accumulated losses	Employee equity benefits reserve	Foreign currency translation reserve	Total Equity
	$	$	$	$	$
At 1 July 2015	**221,601,827**	**(159,969,549)**	**10,404,702**	**(14,436,491)**	**57,600,489**
Loss for the period	-	(1,756,596)	-	-	(1,756,596)
Other comprehensive loss	-	-	-	(5,392,798)	(5,392,798)
Total comprehensive loss for the period	-	(1,756,596)	-	(5,392,798)	(7,149,394)
Capital raising costs	(37,061)	-	-	-	(37,061)
Vesting of performance rights	149,105	-	(149,105)	-	-
Vesting of share rights	33,433	-	(33,433)	-	-
Share based payments	308,137	-	220,685	-	528,822
At 30 June 2016	**222,055,441**	**(161,726,145)**	**10,442,849**	**(19,829,289)**	**50,942,856**

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 2017

	Note	Consolidated 2017 $	2016 $
Cash flows from operating activities			
Interest received		**46,364**	**80,478**
Payments to suppliers and employees		**(1,930,125)**	**(1,099,062)**
R&D tax refund	5(b)	**216,896**	**50,323**
Other receipts		**6,000**	**2,292**
Income tax paid	7(a)	**-**	**(359)**
Net cash used in operating activities	8	**(1,660,865)**	**(966,328)**
Cash flows from investing activities			
Exploration expenditure		**(1,587,989)**	**(1,226,317)**
Payments for property, plant and equipment		**(103,025)**	**(52,349)**
Payment of security deposits		**(101,428)**	**(12,863)**
Refund of security deposits		**43,032**	**2,500**
Net cash used in investing activities		**(1,749,410)**	**(1,289,029)**
Cash flows from financing activities			
Proceeds from the issue of shares		**17,285,258**	**-**
Other (capital raising costs)		**(624,248)**	**(37,061)**
Net cash from/(used in) financing activities		**16,661,010**	**(37,061)**
Net increase/(decrease) in cash and cash equivalents		**13,250,735**	**(2,292,418)**
Effects on cash of foreign exchange		**129,618**	**(54,725)**
Cash and cash equivalents at the beginning of the financial year		**1,579,488**	**3,926,631**
Cash and cash equivalents at the end of the financial year	8	**14,959,841**	**1,579,488**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Note 1 Corporation information and summary of significant accounting policies

The consolidated financial statements of Deep Yellow Limited and its subsidiaries ('the Group') for the year ended 30 June 2017 were authorised for issue in accordance with a resolution of Directors on 5 September 2017, subject to minor changes.

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

Information on the nature of the operations and principal activities of the Group are described in the Directors' Report. Information on the Group's structure is provided in Note 3 and information on other related party relationships is provided in Note 22.

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.

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis.

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

The consolidated financial statements provide comparative information in respect of the previous period.

(b) Compliance with International Financial Reporting Standards (IFRS)

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

(c) Changes in accounting policies, disclosures, standards and interpretations

(i) Changes in accounting policies, new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year. From 1 July 2016, Deep Yellow Limited has adopted all Australian Accounting Standards and Interpretations effective from 1 July 2016, including:

Reference	Title	Application date of standard*	Application date for Group*
AASB 2014-3	*Amendments to Australian Accounting Standards– Accounting for Acquisitions of Interests in Joint Operations* The amendments require an entity acquiring an interest in a joint operation, in which the activity of the joint operation constitutes a business, to apply, to the extent of its share, all of the principles in *AASB 3 Business Combinations* and other Australian Accounting Standards that do not conflict with the requirements of *AASB 11 Joint Arrangements.*	1 January 2016	1 July 2016
AASB 2014-4	*Amendments to Australian Accounting Standards– Clarification of Acceptable Methods of Depreciation and Amortisation* The amendments clarify the principle in *AASB 116 Property, Plant and Equipment* and *AASB 138 Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.	1 January 2016	1 July 2016

Note 1: Corporation information and summary of significant accounting policies (continued)

AASB 2014-9	*Amendments to Australian Accounting Standards– Equity Method in Separate Financial Statements* The amendments to *AASB 127 Separate Financial Statements* allow an entity to use the equity method as described in AASB 128 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements.	1 January 2016	1 July 2016
AASB 2015-1	*Amendments to Australian Accounting Standards– Annual Improvements to Australian Accounting Standards 2012–2014 Cycle* The amendments clarify certain requirements in: ► *AASB 5 Non-current Assets Held for Sale and Discontinued Operations* – Changes in methods of disposal ► *AASB 7 Financial Instruments: Disclosures* - servicing contracts; applicability of the amendments to AASB 7 to condensed interim financial statements ► *AASB 119 Employee Benefits* - regional market issue regarding discount rate ► *AASB 134 Interim Financial Reporting* - disclosure of information 'elsewhere in the interim financial report'	1 January 2016	1 July 2016
AASB 2015-2	*Amendments to Australian Accounting Standards– Disclosure Initiative: Amendments to AASB 101* This Standard amends *AASB 101 Presentation of Financial Statements* to clarify existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying the Standard in determining what information to disclose, where and in what order information is presented in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.	1 January 2016	1 July 2016

* Designates the beginning of the applicable annual reporting period unless otherwise stated.
** The application of this standard is highly unlikely to have an impact on Australian entities.

The adoption of the above amendments resulted in changes to presentation and disclosures, but had no material impact on the financial position or financial performance of the Group.

(ii) Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2017 are outlined in the table below:

Reference	Title	Summary	Application date of standard *	Application date for Group *
AASB 2016-1	*Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*	This Standard makes amendments to *AASB 112 Income Taxes* to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017	1 July 2017
AASB 2016-2	*Amendments to Australian Accounting Standards– Disclosure Initiative: Amendments to AASB 107*	The amendments to *AASB 107 Statement of Cash Flows* are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).	1 January 2017	1 July 2017
AASB 2017-2	Amendments to Australian Accounting Standards– Further Annual Improvements 2014-2016 Cycle	This Standard clarifies the scope of *AASB 12 Disclosure of Interests in Other Entities* by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale or discontinued operations in accordance with *AASB 5 Non-current Assets Held for Sale and Discontinued Operations.*	1 January 2017	1 July 2017

Note 1: Corporation information and summary of significant accounting policies (continued)

Reference	Title	Summary	Application date of standard *	Application date for Group *
AASB 9, and relevant amending standards	*Financial Instruments*	AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish amore principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.	1 January 2018	1 July 2018
AASB 15, and relevant amending standards	*Revenue from Contracts with Customers*	AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB Interpretation 13 *Customer Loyalty Programs*, AASB Interpretation 15 *Agreements for the Construction of Real Estate*, AASB Interpretation 18 *Transfers of Assets from Customers* and AASB Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 *Leases*, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: ► Step 1: Identify the contract(s) with a customer ► Step 2: Identify the performance obligations in the contract ► Step 3: Determine the transaction price ► Step 4: Allocate the transaction price to the performance obligations in the contract ► Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2018	1 July 2018

Note 1: Corporation information and summary of significant accounting policies (continued)

Reference	Title	Summary	Application date of standard *	Application date for Group *
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. AASB 2015-10 defers the mandatory effective date (application date) of AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018** instead of 1 January 2016.	1 January 2018	1 July 2018
AASB 2016-5	*Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*	This Standard amends AASB 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ► The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ► Share-based payment transactions with a net settlement feature for withholding tax obligations ► A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	1 January 2018	1 July 2018
AASB 2017-1	*Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and Other Amendments*	The amendments clarify certain requirements in: ► AASB 1 First-time Adoption of Australian Accounting Standards – deletion of exemptions for first-time adopters and addition of an exemption arising from AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration ► AASB 12 Disclosure of Interests in Other Entities – clarification of scope ► AASB 128 Investments in Associates and Joint Ventures – measuring an associate or joint venture at fair value ► AASB 140 Investment Property – change in use.	1 January 2018	1 July 2018
AASB Interpretation 22	*Foreign Currency Transactions and Advance Consideration*	The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non- monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non- monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.	1 January 2018	1 July 2018

Note 1: Corporation information and summary of significant accounting policies (continued)

Reference	Title	Summary	Application date of standard *	Application date for Group *
AASB 16	Leases	AASB 16 requireslesseesto account for all leasesunder a single on-balance sheetmodel in a similarway tofinance leases under AASB 117 Leases. The standard includes two recognition exemptionsfor lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with aleasetermof 12 months or less). At the commencement dateof a lease, a lessee will recognise aliability to make lease payments (i.e., the lease liability) and an asset representing the right touse the underlying asset during thelease term (i.e., the right-of-use asset). Lesseeswill be required to separately recognise theinterest expense on the lease liability and the depreciation expense on the right-of-use asset. Lesseeswill be required to remeasure the leaseliability uponthe occurrence of certain events (e.g., a change in the lease term, a change in futurelease payments resulting from a change in anindex or rate used to determine those payments). The lesseewill generally recognise the amount of the remeasurementof the leaseliability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continueto classify all leases using the same classification principleas in AASB 117 and distinguish between twotypesof leases: operating andfinance leases.	1 January 2019	1 July 2019

* Designates the beginning of the applicable annual reporting period unless otherwise stated.
** In December 2015, the IASB postponed the effective date of the amendments indefinitely pending the outcome of its research project on the equity method of accounting.

The Group has not yet determined the likely impact of each of the above amendments, if any, on the Group.

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 2.

(d) Significant accounting policies

(i) Basis 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). Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Note 1: Corporation information and summary of significant accounting policies (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(ii) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the Group's normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iii) 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 being the functional currency of the Parent entity.

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 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. Exchange differences arising from these procedures are recognised in profit and loss for the year.

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rate for the year. The exchange differences arising on translation for consolidation purposes are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Note 1: Corporation information and summary of significant accounting policies (continued)

(iv) 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.

(v) Income Tax

Current 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 substantively enacted at balance 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
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 substantively 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 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 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.

Note 1: Corporation information and summary of significant accounting policies (continued)

(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*.

Goods and services 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.

(vi) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. 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 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 (d)(ix)).

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.

(vii) 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.

(viii) 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.

Note 1: Corporation information and summary of significant accounting policies (continued)

(ix) 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.

(x) 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.

(xi) ***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 bi-annual 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.

(xii) 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.

(xiii) Joint arrangements

The Group has interests in joint arrangements that are joint operations. A joint operation is a type of joint arrangement whereby the parties have a contractual agreement to undertake an economic activity that is subject to joint control. A joint operation involves use of assets and other resources of the ventures rather than the establishment of a separate entity. The Company recognises its interest in the joint operations by recognising its interest in the assets and liabilities of the joint operation, including its share of any assets held any liabilities incurred jointly. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods and services by the joint operations, including any expenses incurred and revenue received jointly. Details relating to the joint operations, are set out in Note 24.

Note 1: Corporation information and summary of significant accounting policies (continued)

(xiv) 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.

(xv) Provisions

General
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Wages, salaries and sick leave
Liabilities for wages and salaries, including non-monetary benefits, which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave and annual leave
The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave 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 wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(xvi) 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 shares with an attached limited recourse loan or 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, rights or shares 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, right or share, 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.

Note 1: Corporation information and summary of significant accounting policies (continued)

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 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 and rights is reflected as additional share dilution in the computation of diluted earnings per share.

(xvii)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.

(xviii) 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.

(xix) 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.

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. The subsequent measurement of financial assets depends on their classification, described as follows:

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. The Group did not have any ‘financial assets at fair value through profit or loss’ during the years ended 30 June 2017 and 2016.

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. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. 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 as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs. The Group did not have any held-to-maturity investments during the years ended 30 June 2017 and 2016.

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.

Note 1: Corporation information and summary of significant accounting policies (continued)

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. The Group did not have any available-for-sale investments during the years ended 30 June 2017 and 2016.

(xx) Financial liabilities

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 and loans and borrowings. The subsequent measurement of financial liabilities depends on their classification, described as follows:

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 assets and 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

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.

(xxi) Impairment of financial assets

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.

(xxii)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 Critical accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Financial risk management objectives and policies Note 16
- Sensitivity analyses disclosures Note 16
- Capital management Note 17

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Accounting for capitalised mineral exploration and evaluation expenditure
The Group's accounting policy is stated at Note 1(d)(xi). A regular review is undertaken of each Project Area to determine the reasonableness of the continuing carrying forward of costs in relation to that Project Area.

Factors that could impact the continuing carrying forward of costs include the status of resources and exploration targets, changes in legal frameworks and sovereign risk in the countries where the Group operates, changes to commodity prices and foreign exchange rates.

Share based payments
The Group's accounting policy is stated at Note 1(d)(xvi). The Group uses independent advisors to assist in valuing share based payments. Refer Note 14 for details of estimates and assumptions used.

Note 3 Information about subsidiaries

The consolidated financial statements of the Group include:

Name	Principal activities	Country of incorporation	Equity interest 2017	Equity interest 2016
Deep Yellow Namibia (Pty) Ltd	Investment	Mauritius	100	100
Superior Uranium Pty Ltd	Uranium exploration	Australia	100	100
Reptile Mineral Resources and Exploration(Pty) Ltd	Investment	Namibia	100	100
Reptile Uranium Namibia (Pty) Ltd	Uranium exploration	Namibia	100	100
Omahola Uranium (Pty) Ltd	Uranium exploration	Namibia	100	100
Nova Energy (Namibia)(Pty) Ltd	Uranium exploration	Namibia	65	65
Shiyela Iron (Pty) Ltd	Iron ore exploration	Namibia	95	95
Sand and Sea Property Number Twenty Four (Pty) Ltd	Property investment	Namibia	100	100
Tarquin Investments (Pty) Ltd	Property investment	Namibia	100	100
QE Investments (Pty) Ltd	Property investment	Namibia	100	100
Inca Mining (Pty) Ltd	Uranium exploration	Namibia	95	95
TRS Mining Namibia (Pty) Ltd	Uranium exploration	Namibia	95	95
Yellow Dune Uranium (Pty) Ltd	Uranium exploration	Namibia	85	85

Note 4 Segment information

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.

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 Namibia whilst Australia is responsible for capital raising and corporate activities. Mauritius as country of operation has been aggregated to form the reportable operating segment for Australia.

The following items and associated assets and liabilities are not allocated to operating segments as the underlying instruments are managed on a Group basis and are not considered as part of the core operations of both segments:

* Interest income
* Research and development tax incentive
* Foreign currency gains and losses
* Liabilities are not allocated to the segments as they are not monitored by the executive management team on a segment by segment basis

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Australia $	Namibia $	Total $
Year Ended 30 June 2017			
Revenue and other income	**6,000**	**44,521**	**50,521**
Unallocated			
Interest income			**44,612**
Research and development tax incentive			**216,896**
Total revenue and other income			**312,029**
Expenses			
Impairment of capitalised mineral exploration and evaluation expenditure	**(10,272)**	**(25,442,098)**	**(25,452,370)**
Profit and Loss			
Pre-tax segment loss	**(2,623,718)**	**(25,682,163)**	**(28,305,881)**
Unallocated			
Interest income			**44,612**
Research and development tax incentive			**216,896**
Income tax expense			**-**
Loss from continuing operations after income tax			**(28,044,373)**
Year Ended 30 June 2017			
Segment Assets			
Segment operating assets	**197,200**	**28,717,264**	**28,914,464**
Unallocated assets			
Cash			**14,959,841**
Receivables			**443,115**
Total assets			**44,317,420**
Total additions to non-current assets	**30,298**	**72,727**	**103,025**

Note 4 Segment information (Cont'd)

	Australia $	Namibia $	Total $
Year Ended 30 June 2016			
Revenue and other income	-	2,292	2,292
Unallocated			
Interest income			75,211
Research and development tax incentive			50,323
Total revenue and other income			127,826
Expenses			
Impairment of capitalised mineral exploration and evaluation expenditure	(41,854)	(80,084)	(121,938)
Profit and Loss			
Pre-tax segment loss	(1,538,804)	(342,967)	(1,881,771)
Unallocated			
Interest income			75,211
Research and development tax incentive			50,323
Income tax expense			(359)
Loss from continuing operations after income tax			(1,756,596)
Year Ended 30 June 2016			
Segment Assets			
Segment operating assets	103,078	49,477,819	49,580,897
Unallocated assets			
Cash			1,579,488
Receivables			71,619
Total assets			51,232,004
Total additions to non-current assets	6,966	50,265	57,232

Note 5 Revenue and other income

	Consolidated 2017 $	2016 $
a) Revenue		
Interest received and receivable	**44,612**	75,211
	44,612	75,211
b) Other income		
Gain on sale of non-current assets	**6,000**	-
Research and development tax incentive	**216,896**	50,323
Asset recharges and administration fee earned	**44,491**	-
Other	**30**	2,292
	267,417	52,615

Note 6 Expenses

	Consolidated 2017 $	Consolidated 2016 $
Loss before income tax includes the following specific expenses:		
Depreciation expense:		
Office equipment and fittings	**13,062**	9,597
Buildings	**24,866**	21,845
	37,928	31,442
Depreciation capitalised to mineral exploration and evaluation expenditure	**3,990**	3,869
Total depreciation and amortisation expense reflected in Note 10	**41,918**	35,311
Employee expenses:		
Wages, salaries and fees	**875,516**	487,543
Superannuation	**37,771**	18,621
Share based payments	**497,497**	223,218
Total employee expenses	**1,410,784**	729,382
Rental expenses on operating leases	**58,880**	65,090

Note 7 Income tax

The major components of income tax expense for the years ended 30 June 2016 and 30 June 2017 are:

	Consolidated 2017 $	Consolidated 2016 $
a) Income tax expense		
Current income tax:		
Current income tax charge/(benefit)	**-**	-
Adjustments in respect of current income tax of previous year	**-**	359
Deferred income tax:		
Relating to origination and reversal of timing differences	**(534,448)**	(229,592)
Under provision in prior year	**(18,913)**	(41,145)
Carry forward tax losses not brought to account	**553,361**	270,737
Income tax expense reported in the Statement of Comprehensive Income	**-**	359
b) Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	**(28,044,373)**	(1,756,237)
Tax at the Australian rate of 30% (2016: 30%)	**(8,413,312)**	(526,871)
Effect of tax rates in foreign jurisdictions*	**152,717**	177,135
Tax effect:		
Non-deductible share based payment	**196,132**	119,259
Other expenditure not deductible	**21,839**	15,982
Under provision in prior year	**(18,913)**	(40,786)
Non-assessable income: Research and development incentive	**(65,069)**	(15,097)
Carry forward tax losses and deductible temporary differences not brought to account	**8,126,606**	270,737
Tax expense	**-**	359

Note 7 Income tax (Cont'd)

	Consolidated 2017 $	Consolidated 2016 $
c) Deferred tax – Statement of financial position		
Liabilities		
Prepayments	**898**	836
Accrued Income	**-**	525
	898	1,361
Assets		
Revenue losses available to offset against future taxable income	**12,560,881**	12,007,521
Income recognised in advance for tax	**-**	75,000
Accrued expenses	**20,062**	47,376
Deductible equity raising costs	**9,378**	41,911
Capitalised exploration and evaluation expenditure	**18,655,683**	11,023,054
Deferred tax assets not brought to account	**(31,245,106)**	(23,193,501)
	898	1,361
Net deferred tax asset/(liability)	**-**	-
d) Deferred tax – Statement of Comprehensive Income		
Liabilities		
Prepayments	(62)	208
Accrued Income	525	1,580
Assets		
(Increase)/decrease in tax losses carried forward	553,361	287,443
Accruals	(27,314)	4,929
Deductible equity raising costs	(32,533)	(47,450)
Capitalised exploration expenses	7,632,629	24,025
Deferred tax assets not brought to account	(8,126,606)	(270,735)
Deferred tax expense/(benefit)	-	-

e) Unrecognised temporary differences

At 30 June 2017, there are temporary differences to the value of $18,655,683 in relation to capitalised exploration and evaluation expenditure associated with the Group's investment in subsidiaries. It represents a deferred tax asset which would be realised once the subsidiary is in a tax paying position. (2016: $11,023,054).

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

Note 8 Current assets - Cash and short term deposits

	Consolidated	
	2017	2016
	$	$
Cash at bank and on hand	**14,959,841**	829,488
Deposits	**-**	750,000
	14,959,841	1,579,488

The carrying amounts of cash and cash equivalents represent fair value. See Note 15 for the Group's fair value disclosures.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Deposits are made for varying periods of between three and twelve months, depending on the immediate cash requirements of the Group and earn interest at the respective deposit rates.

Cash flow reconciliation:

	Consolidated	
	2017	2016
		$
Loss after income tax	**(28,044,373)**	(1,756,596)
Depreciation and amortisation	**37,928**	31,442
Loss on sale of non-current assets	**-**	146
Impairment of capitalised mineral exploration and evaluation expenditure	**25,452,370**	121,938
Share based payments expense	**497,497**	553,867
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	**(78,092)**	20,509
Increase in payables	**473,805**	62,366
Net cash flows used in operating activities	**(1,660,865)**	(966,328)

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 9 Current assets – Trade, other receivables and other assets

	Consolidated	
	2017	2016
	$	$
a) Receivables		
GST recoverable	**218,673**	68,652
Other receivables	**224,442**	2,967
	443,115	71,619
b) Other assets		
Tenement and property bonds	**123,042**	64,590
Prepayments	**62,107**	34,307
	185,149	98,897

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

Note 10 Non-current assets – Property, plant and equipment

	Consolidated 2017 $	Consolidated 2016 $
Buildings		
At cost	**466,838**	442,573
Accumulated depreciation	**(227,284)**	(202,716)
	239,554	239,857
Office equipment and fittings		
At cost	**268,188**	208,222
Accumulated depreciation	**(188,498)**	(175,529)
	79,690	32,693
Motor vehicles		
At cost	**115,236**	325,131
Accumulated depreciation	**(54,318)**	(269,810)
	60,918	55,321
Site equipment		
At cost	**317,718**	260,878
Accumulated depreciation	**(150,083)**	(146,142)
	167,635	114,736
	547,797	442,607
Reconciliation		
Buildings		
Net book value at start of the year	**239,857**	306,768
Exchange adjustment	**24,563**	(45,066)
Depreciation	**(24,866)**	(21,845)
Net book value at end of the year	**239,554**	239,857
Office equipment and fittings		
Net book value at start of the year	**32,693**	25,723
Exchange adjustment	**2,267**	(2,396)
Additions	**57,792**	19,111
Disposals	**-**	(148)
Depreciation	**(13,062)**	(9,597)
Net book value at end of the year	**79,690**	32,693
Motor vehicles		
Net book value at start of the year	**55,321**	20,140
Exchange adjustment	**5,597**	(2,940)
Additions	**-**	38,121
Net book value at end of the year	**60,918**	55,321
Site equipment		
Net book value at start of the year	**114,736**	138,937
Exchange adjustment	**11,655**	(20,332)
Additions	**45,233**	-
Depreciation	**(3,990)**	(3,869)
Net book value at end of the year	**167,635**	114,736

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

Note 11 Non-current assets – Capitalised mineral exploration and evaluation expenditure

	Consolidated	
	2017	2016
	$	$
In the exploration and evaluation phase		
Cost brought forward	**49,039,393**	53,301,619
Exploration expenditure incurred during the year at cost	**1,299,931**	1,085,080
Exchange adjustment	**3,294,564**	(5,225,368)
Impairment of capitalised mineral exploration and evaluation expenditure	**(25,452,370)**	(121,938)
Cost carried forward	**28,181,518**	49,039,393

Impairment of capitalised mineral exploration and evaluation expenditure relates to assets for which the expenditure are not expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale.

The fair value of the Group's capitalised mineral exploration and evaluation assets at 30 June 2017 has been determined based on comparable market transactions. The fair value methodology adopted at 30 June 2017 is categorised as Level 3 in the fair value hierarchy. In determining the fair value less cost to dispose (FVLCD), estimates are made in relation to the underlying resources and the valuation multiple. Any changes in these estimates could impact the FVLCD of the underlying asset.

Uranium spot prices has been in sustained downturn and are languishing at near 12 year historic lows with the outlook predicted to be depressed into the early 2020s. In this context, the Board considers the impairment and cost carried forward of the Group's exploration and evaluation assets fairly reflects the situation.

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

	Consolidated	
	2017	**2016**
	$	**$**
Australia	-	-
Namibia	28,181,518	49,039,393
Cost carried forward	**28,181,518**	49,039,393

Note 12 Current liabilities – Trade and other payables

	Consolidated	
	2017	**2016**
	$	**$**
Trade payables and accruals	**498,518**	59,677
Other payables	**69,577**	102,502
Employee leave liabilities	**44,830**	126,969
	612,925	289,148

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 16. There are no secured liabilities as at 30 June 2017.

Note 13 Issued capital and reserves

	Issue price (cents)	Consolidated 2017 No.	Consolidated 2016 No.	Consolidated 2017 $	Consolidated 2016 $
a) Share capital					
Issued and fully paid share capital		**185,047,376**	1,947,777,004	**239,065,259**	222,055,441
b) Share movements during the year	*Issue price (cents)*				
At the beginning of the year		**1,947,777,004**	1,910,322,720	**222,055,441**	221,601,827
Issued on vesting of performance rights		**18,395,500**	6,141,110	**192,530**	149,105
Issued on vesting of share rights		**-**	2,389,785	**-**	33,433
Issued in lieu of salaries and fees		**15,607,792**	28,923,389	**156,278**	308,137
Issued under Loan Share Plan *		**100,000,000**	-	**-**	-
Issued under capital raising	0.4-0.44	**509,798,376**	-	**2,167,853**	-
Share consolidation on a 20:1 basis		**(2,462,000,914)**	-	**-**	-
Issued under capital raising	25	**60,469,618**	-	**15,117,405**	-
Less: costs related to shares issued/to be issued	-	**-**	-	**(624,248)**	(37,061)
At the end of the year		**190,047,376**	1,947,777,004	**239,065,259**	222,055,441

*Shares issued under the Loan Share Plan to the Managing Director and subject to long term performance conditions and repayment of limited recourse loan made to the participant to purchase the shares. The shares may not be traded until the shares have vested, any imposed dealing restrictions have ended and the limited recourse loan in respect to those shares has been paid in full.

c) Ordinary shares
The holding company, Deep Yellow Limited is incorporated in Perth, Western Australia.

The holding company's shares are limited and 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) Other reserves

2017	Accumulated losses $	Consolidated Employee equity benefits' reserve (i) $	Foreign Currency Translation Reserve (ii) $
Balance at 1 July 2016	**(161,726,145)**	**10,442,849**	**(19,829,289)**
Loss for year	**(28,044,373)**	**-**	**-**
Transfer to issued capital in respect of performance rights vested	**-**	**(192,530)**	**-**
Recognition of share based payments	**-**	**524,106**	**-**
Movement for the year	**-**	**-**	**3,464,618**
Balance at 30 June 2017	**(189,770,518)**	**10,774,425**	**(16,364,671)**

Note 13 Issued capital and reserves (Cont'd)

2016	Consolidated Accumulated losses $	Employee equity benefits' reserve (i) $	Foreign Currency Translation Reserve (ii) $
Balance at 1 July 2015	(159,969,549)	10,404,702	(14,436,491)
Loss for year	(1,756,596)	-	-
Transfer to issued capital in respect of performance rights vested	-	(149,105)	-
Transfer to issued capital in respect of share rights vested	-	(33,433)	-
Recognition of share based payments	-	220,685	-
Movement for the year	-	-	(5,392,798)
Balance at 30 June 2016	(161,726,145)	10,442,849	(19,829,289)

(i) Employee equity benefits reserve
The previous Option Plan was replaced by an Awards Plan which allows the offer of either Options or Performance Rights. Options over unissued shares are issued and Performance Rights are granted at the discretion of the Board. Information relating to Options issued and Performance Rights granted are set out in Note 14.

During the year the Group established a Loan Share Plan which allows the offer of Loan Plan Shares to qualifying employees and/or consultants. Loan Plan Shares are issued at the discretion of the Board. Information relating to Loan Plan Shares are set out in Note 14.

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

Note 14 Share based payment plans

a) Types of share based payments

Performance Rights
Under the Awards Plan rights can be granted to Executives and other qualifying employees in order to align remuneration with shareholder wealth over the long-term and assist in attracting and retaining talented employees. These rights are granted for no consideration and each right upon vesting entitles the holder to one fully paid ordinary share in the capital of the Company if certain time, market price and/or performance measures are met in the measurement period.

No rights were issued to employees in the 2017 financial year as the Group is in the process of reassessing the criteria for participation in its share based incentive plan including a review and update of its Awards Plan which administers the operation of Options and Performance Rights as long term incentives. Past awards were subject to a combination of vesting 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. Rights subject to the Market Price Condition will vest if, at the end of the measurement period, the share price of the Company has reached a pre-determined market price.

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

Share Rights
Share Rights have been allocated on a progressive monthly basis to directors in lieu of fees and salaries until 30 November 2016 in a continued effort to conserve cash reserves. Shares to be issued in relation to the share rights were calculated based on the 5-Day VWAP for the relevant month and the accumulated shares were issued on 1 December 2016. The 5-Day VWAP is the volume weighted average share price for the five days on which shares are traded up to but excluding the 20th of the relevant month. There were no outstanding Share Rights on 30 June 2017.

Note 14 Share based payment plans (Cont'd)

Loan Plan Shares
On 1 December 2016, 100,000,000 (5,000,000 post-consolidation) shares were granted to the Managing Director under the Deep Yellow Limited Loan Share Plan (Share Plan). The Share Plan rewards and incentivises employees (including Directors who are employees of the Company) and contractors (Participant), where shareholder approval has been granted, through an arrangement where Participants are offered shares subject to long term performance conditions. The shares are offered at market value such that the incentive is linked to the increase in value over and above the purchase price and so aligns the Participants to the risks and rewards of a shareholder. The purchase price payable by the Participant for the ordinary shares is lent to the Participant under an interest free limited recourse loan, with the loan secured against the shares. The loan can be repaid at any time, however, the loan must be repaid on the earlier of 10 years after the issuance of the shares and the occurrence of:

a) in the case of vested shares, the date being 12 months after cessation of employment or service contract for any reason; or
b) pre-determined occurrences as per the Share Plan including but not limited to a Control Event or material breach by the Participant.

The shares vest if certain company share price targets are met and the holder of the awards remains employed with the Company during the measurement period. If these conditions are not met the shares are forfeited and the forfeited shares are treated as full consideration for the repayment of the loan. A Participant may not trade shares acquired under the Share Plan until the shares have vested, any imposed dealing restrictions have ended and the limited recourse loan in respect to those shares has been paid in full. The fair value at grant date is estimated using a Black Scholes option pricing model for shares with non-market based vesting conditions and a Monte-Carlo model for those with market based vesting conditions.

b) Recognised share based payment expenses
The expense recognised for employee services during the year, arising from equity-settled share based payment transactions in the form of Performance Rights and Loan Plan Shares are shown in the table below:

	Consolidated	
	2017	2016
	$	$
Amount recognised as employee expenses in the Consolidated Statement of Comprehensive Income	**497,497**	223,218
Amount recognised as capitalised mineral exploration and evaluation expenditure	**26,653**	18,393
	524,150	241,611

The Awards Plan has the ability to offer Options or Performance Rights to an Eligible Person. There have been no cancellations or modifications to the Awards Plan during the 2017 financial year.

c) Summaries of Rights granted under the Awards Plan
The following table illustrates the number (No.) and weighted average exercise price (WAEP) of, and movements in, Performance Rights during the year:

	2017 No.	2017 WAEP (cents)	2016 No.	2016 WAEP (cents)
Outstanding at the start of the year	**61,821,000**	**0.99**	36,626,020	1.70
Granted during the year	**-**	**-**	43,900,000	0.83
Forfeited during the year	**(25,000,000)**	**0.99**	(6,863,800)	1.84
Expired during the year	**(4,240,500)**	**0.66**	(5,700,110)	1.71
Vested during the year	**(18,395,500)**	**1.05**	(6,141,110)	2.43
Reduction due to share capital consolidation	**(13,475,750)**	**-**	-	-
Outstanding at the end of the year	**709,250**	**1.04**	61,821,000	0.99

Subsequent to the reporting date and prior to signing this report 257,375 Performance Rights vested and 119,125 Performance Rights expired.

The limited recourse loan outstanding in relation to Loan Plan Shares at 30 June 2017 was $1,100,000 (2016:$0). 5,000,000 (post-consolidation) Loan Plan Shares were granted and 1,500,000 (post-consolidation) vested during the year.

d) Weighted average remaining contractual life
The weighted average remaining contractual life for the rights outstanding as at 30 June 2017 is 5.90 months (2016: 15.90 months).

Note 14 Share based payment plans (Cont'd)

e) Performance Rights and Loan Plan Shares pricing models
The fair value of the Performance Rights and Loan Plan Shares granted under their respective Plans are estimated as at the grant date.

The following table lists the inputs to the models used for the years ended 30 June 2017 and 30 June 2016

	Grants	
	2017	2016
	Loan Plan Shares	Performance Rights
	1 December 2016	6 November 2015
Rights pricing model	Black Scholes (i) Monte-Carlo simulation using hybrid pricing model (ii)	Black Scholes (i) Monte-Carlo simulation using hybrid pricing model (ii)
Dividend yield (%)	Zero	Zero
Expected volatility (%)	110	95
Risk-free interest rate (%)	2.73	2.09
Expected life of rights / repayment term of limited recourse loan in relation to loan plan shares (years)	10	7
Closing share price at grant date (cents)	1.1	1.0
Fair value per right at grant date (cents)		
* Time based vesting conditions	1.0	1.0
* Time and market price vesting conditions	0.6-0.7	0.4-0.6

(i) Performance Rights and Loan Plan Shares subject to non-market based vesting conditions
(ii) Performance Rights and Loan Plan Shares subject to market based vesting conditions

The expected life of the limited recourse loan in relation to Loan Plan Shares is based on current expectations and is not necessarily indicative of repayment patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the rights and repayment term of the limited recourse loan in relation to the Loan Plan Shares is indicative of future trends, which may not necessarily be the actual outcome.

f) Modifications
The Board permitted Mr Greg Cochran (former Managing Director) to retain 10,000,000 Performance Rights (pre-consolidation) at resignation. The rights were due to vest on 1 July 2018 and the remaining expense relating to these Performance Rights has been accelerated and recognised in profit or loss.

Note 15 Fair value measurement

Set out below is a comparison, by class of the carrying amounts shown in the Statement of Financial Position and fair value of the Group's financial instruments:

Consolidated	2017 Carrying amount $	2017 Fair value $	2016 Carrying amount $	2016 Fair value $
Cash and cash equivalents	**14,959,841**	**14,959,841**	1,579,488	1,579,488
Trade and other receivables	**443,115**	**443,115**	71,619	71,619
Trade and other payables	**(612,925)**	**(612,925)**	(289,148)	(289,148)
	14,790,031	**14,790,031**	1,361,959	1,361,959

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

Cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short term maturities of these instruments.

Note 15 Fair value measurement (Cont'd)

AASB 7 Financial Instruments require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

Note 16 Financial instruments risk management objectives and policies

Financial assets

The Group's principal financial assets include trade and other receivables and cash and short-term deposits that originate from its operations.

Financial liabilities

The Group's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations.

The Group is exposed to a variety of risks arising from its use of financial instruments which are summarised below. 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 while senior management oversees the management of these risks.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate, currency and other price risk, such as equity price risk and commodity risk. The Group is only exposed to interest rate and currency risk. The financial instrument affected by market risk is deposits.

The sensitivity analyses in the following sections relate to the position as at 30 June 2017 and 30 June 2016.

(a) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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.

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

	Consolidated	
	2017	**2016**
	$	**$**
Cash and cash equivalents	**14,959,841**	829,488
Other short-term bank deposits	**-**	750,000
	14,959,841	1,579,488

Interest rate sensitivity
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.

Note 16 Financial instruments risk management objectives and policies (Cont'd)

	Profit and Loss		Other Comprehensive Income	
	1% Increase	1% Decrease	1% increase	1% Decrease
30 June 2017				
Cash and cash equivalents	**149,598**	**(149,598)**	-	-
30 June 2016				
Cash and cash equivalents	15,795	(15,795)	-	-

(b) Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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.

As a result of significant investment in Namibia, the Group's statement of financial position can be affected 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.

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. The Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and foreign exchange transactions.

(a) Trade and other receivables
The receivables that materialise through the Group's 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.

(b) Cash at bank
Credit risk from balances with banks and financial institutions is managed by the Group Financial Controller and reviewed by the Board. Investments of surplus funds are made only with approved counterparties. The Group's primary banker is Westpac Banking Corporation Limited ("Westpac"). At reporting date all current accounts are with this bank, other than funds transferred to Namibia to meet the working capital needs of the controlled entity, Reptile Mineral Resources and Exploration (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.

(c) Deposits at call
In addition the Group has cash assets on deposit with Westpac. The Board considers this financial institution, which have a short-term credit rating of A-1+ and long term rating of AA- 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.

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	
	2017 $	2016 $
Cash and cash equivalents	**14,959,841**	829,488
Other short-term bank deposits	-	750,000
Other receivables	**443,115**	71,619
	15,402,956	1,651,107

Note 16 Financial instruments risk management objectives and policies (Cont'd)

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.

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 programs are tailored within current cash resources.

The Group's trade and other payables of $612,925 (2016:$289,148) are settled on 30 day trading terms.

Note 17 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 Exchange Controls 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.

Unissued shares under option

The outstanding balance of unissued ordinary shares under option at date of this report is:

Number	Exercise price (cents)	Grant date	Expiry date
30,414,142	50.0	6-Jun-17	1-Jun-22
32,055,476	50.0	16-Jun-17	1-Jun-22
62,469,618			

Each option entitles the holder to one fully paid ordinary share in the Company at any time up to expiry date. No shares have been issued during the financial year as a result of the exercise of options.

Note 18 Dividends

No dividends were paid or proposed during the financial year (2016: Nil).

The Company has no franking credits available as at 30 June 2017 (2016: Nil).

Note 19 Key Management Personnel disclosures

Transactions with Key Management Personnel

A loan of $1,100,000 was provided to Mr Borshoff to enable the acquisition of Loan Plan Shares under the Deep Yellow Limited Loan Share Plan. The loan was approved by shareholders at the 2016 AGM.

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

Note 19 Key Management Personnel disclosures (Cont'd)

Compensation of Key Management Personnel

	Consolidated	
	2017	2016
	$	$
Short-term employee benefits	**1,097,822**	567,722
Post employment benefits	**41,983**	33,297
Termination	**215,263**	-
Long-term employee benefits	**-**	7,466
Share based payment	**619,277**	487,080
Total compensation paid to Key Management Personnel	**1,974,345**	1,095,565

The amounts disclosed in the table are the amounts recognised as a cost during the reporting period related to Key Management Personnel.

Other transactions with Key Management Personnel

Scomac Management Services Pty Ltd as trustee for the Scomac Unit Trust ("Scomac" or "Consultant") has been appointed on a non-exclusive basis to provide the Group with management, strategic, technical and geological expertise and services through the Consultant personnel they employ or have access to ("Scomac agreement"). Mr Borshoff has a financial interest in Scomac.

During the year ended 30 June 2017 Scomac billed the Company $417,050, inclusive of GST and on-costs (2016 Nil), for technical and geological services (excluding Mr Borshoff) on normal commercial terms and conditions. These amounts are not included in the remuneration tables above. Fees paid to Scomac in relation to services provided by Mr Borshoff as Managing Director are detailed in section 6(a). No amount was outstanding at 30 June 2017 (2016 Nil). The amount for other services was recognised as non-current asset: capitalised mineral exploration and evaluation expenditure.

There were no other transactions with any Director or Key Management Personnel or any of their related entities during the reporting period.

Note 20 Remuneration of auditors

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

	Consolidated	
	2017	2016
	$	$
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	**62,693**	56,432
Taxation and other services in relation to the entity and any other entity in the Consolidated Group	**1,061**	-
	63,754	56,432

Note 21 Commitments and contingencies

(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 programs and priorities and may be reduced by the surrendering of tenements. 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. As at balance date, the Group has no outstanding commitment for exploration expenditure.

(b) Operating lease commitments

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

	Consolidated	
	2017	2016
	$	$
Within one year	**146,515**	47,521
Later than one year but not later than five years	**703,089**	91,359
	849,604	138,880

(c) Contractual commitments

There are no contracted commitments other than those disclosed above.

(d) Contingent liabilities

There were no material contingent liabilities as at 30 June 2017.

Note 22 Related party transactions

There were no related party transactions during the year other than those disclosed in Note 19 on Key Management Personnel.

Note 23 Parent Entity Information

	2017	2016
Information relating to Deep Yellow Limited:	**$**	$
Current assets	**14,775,436**	1,414,435
Total assets	**45,665,789**	61,722,798
Current liabilities	**438,031**	244,217
Total liabilities	**438,031**	244,217
Issued capital	**239,065,259**	222,055,441
Accumulated losses	**(201,931,026)**	(171,019,710)
Equity compensation reserve	**10,774,424**	10,442,849
Total shareholders' equity	**45,227,758**	61,478,580
Loss of the parent entity	**(30,911,316)**	(1,165,788)
Total comprehensive loss of the parent entity	**(27,446,699)**	(6,558,586)

Contingent liabilities of the parent entity
There were no material contingent liabilities as at 30 June 2017.

Note 24 Interests in joint operations

Joint arrangements 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 operations 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 operations.

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

* On 22 January 2013 the Company announced the execution of a Heads of Agreement with Epangelo Mining Company (Pty) Ltd ("Epangelo") to progress the Aussinanis project ("Aussinanis") in Namibia. Epangelo, a private company owned by the Government of the Republic of Namibia has acquired 5% of Aussinanis by funding testwork. Epangelo can earn up to 50% of the project by funding the Project through to a bankable feasibility study.

Note 25 Events occurring after balance date

No events occurred after balance date.

Note 26 Earnings per share (EPS)

Basic earnings per share
Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary 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.

Diluted earnings per share
Diluted earnings per share is calculated by dividing the net profit attributable to ordinary 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 plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Diluted EPS is the same as basic EPS in 2017 and 2016 as the Group is in a loss position.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Consolidated	
	2017	2016
	$	$
a) Loss attributable to ordinary equity holders of the Company		
• Continuing operations	**28,044,373**	1,756,596
b) Weighted average number of ordinary shares for basic and diluted EPS *	**124,574,555**	96,265,870

*The weighted average number of shares takes into account the weighted average effect of the share consolidation done during the year

c) Information concerning the classification of securities

Performance Rights
Performance Rights granted that are subject to market price and other performance vesting conditions that had not vested at the reporting date are considered to be contingently issuable shares. There are 709,250 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.

376,500 shares were issued on 1 July 2017 following the vesting of Performance 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.

Note 26 Earnings per share (EPS) (Cont'd)

Unissued shares under option
Options that were granted and had not vested at the reporting date are considered to be contingently issuable shares. There are 62,469,618 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.

Loan Plan Shares
The weighted average number of ordinary shares includes 5,000,000 (post-consolidation) Loan Plan Shares that were issued under the Loan Share Plan and are subject to long term performance conditions. Details of the issue are provided in Note 14.

DIRECTORS' DECLARATION

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

1. In the opinion of the Directors:

(a) the financial statements and notes of the consolidated entity for the financial year ended 30 June 2017 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 2017 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) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. 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 2017

On behalf of the Board

John Borshoff

John Borshoff
Managing Director
11th day of September 2017

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
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Independent auditor's report to the Members of Deep Yellow Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Deep Yellow Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

1. **Carrying value of capitalised mineral exploration and evaluation expenditure**

Why significant	How our audit addressed the key audit matter
The carrying value of capitalised mineral exploration and evaluation expenditure is assessed for impairment when facts and circumstances indicate that exploration and evaluation expenditure for an area of interest may exceed its recoverable amount. The determination as to whether there are any indicators to require capitalised mineral exploration and evaluation expenditure for an area of interest to be assessed for impairment involves a number of judgments. This includes whether the Group will be able to maintain tenure, undertake ongoing exploration and evaluation activities and if there is sufficient information for a decision to be made that the carrying amount of capitalised mineral exploration and evaluation expenditure is unlikely to be recovered in full from successful development and exploitation or by sale. During the year the Group recognised an impairment write-down of $25.4 million. Refer to Note 11 for the capitalised mineral exploration and evaluation expenditure amount recognised on the consolidated statement of financial position as at 30 June 2017 and related disclosures.	We considered the Group's assessment as to whether there were indicators to require the mineral exploration and evaluation asset to be tested for impairment as at 30 June 2017 and assessed the appropriateness of the resulting impairment write-down. In doing so we: ▶ considered the Group's right to explore which included obtaining and assessing supporting documentation such as licence agreements and correspondence with relevant government agencies; ▶ understood whether the Group had made an assessment that technical and commercial viability of extracting mineral resources had been demonstrated in considering whether it was appropriate to continue to classify the capitalised mineral exploration and evaluation expenditure as an exploration and evaluation asset; and ▶ involved our valuation specialists to assess whether the Group's estimated recoverable value of the mineral exploration and evaluation asset, which resulted in the impairment write-down, was appropriate based on calculated resource multiples of other comparable market transactions of exploration and evaluation projects. We also assessed the adequacy of the disclosures in Notes 2 and 11.

Building a better working world

2. Share based payments – loan plan shares

Why significant	How our audit addressed the key audit matter
In the current year the Group granted share based payment awards in the form of loan plan shares. The awards vest subject to the achievement of certain vesting conditions. Due to the complex and judgmental estimates used in determining the valuation of the share based payments and vesting expense, we considered the Group's calculation of the share based payment expense to be a key audit matter. In determining the fair value of the awards and related expense the Group uses assumptions in respect of future market and economic conditions. The Group used the Black Scholes and Monte Carlo Simulation models in valuing the share-based payment awards. Refer to Note 14 to the financial report for the share based payment expenses recognised for the year ended 30 June 2017 and related disclosures.	For awards granted during the year, in performing our audit procedures we: ▶ assessed the third party expert engaged by the Group for the purposes of performing an independent actuarial valuation on the awards that have share price target vesting conditions. This included assessing the independence and capability of the third party expert; and ▶ involved our valuation specialists to assess the assumptions used in the Group's calculation, being the share price of the underlying equity, interest rate, volatility, dividend yield, time to maturity (expected life) and grant date. We also assessed the adequacy of the disclosures in Note 14.

Information other than the financial report and auditor's report

The Directors are responsible for the other information. The other information comprises the information in the Group's Annual Report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities 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 control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included the Directors' Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Deep Yellow Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Ernst & Young

G H Meyerowitz
Partner
Perth
11 September 2017

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 5 September 2017.

A. Distribution of Equity Securities

Ordinary share capital

190,304,752 fully paid ordinary shares are held by 6,944 individual shareholders

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. All issued ordinary shares carry the rights to dividends.

Options

62,469,618 options are held by 465 individual option holders with each option having an exercise price of $0.50 and expiring on 1 June 2022.

Options do not carry a right to vote

The number of shareholders by size of holding are:

Distribution	Fully paid ordinary shares	Options
1 – 1,000	3,539	88
1,001 – 5,000	1,904	173
5,001 – 10,000	476	45
10,001- 100,000	891	117
More than 100,000	134	42
Totals	**6,944**	**465**
Holding less than a marketable parcel	4,472	297

B. Substantial Shareholders

Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Issued Ordinary Shares	
	Number	Percentage
EXPLORATION CAPITAL PARTNERS 2014 LIMITED PARTNERSHIP	30,198,645	15.87
COLLINES INVESTMENTS LTD	19,680,294	10.34

C. Twenty Largest Shareholders

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

Shareholder Name	Ordinary Shares	
	Number	Percentage
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	48,892,287	25.69
CITICORP NOMINEES PTY LIMITED	28,736,794	15.10
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,869,898	8.34
J P MORGAN NOMINEES AUSTRALIA LIMITED	13,275,798	6.98
MR JOHN BORSHOFF	5,000,000	2.63
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,136,130	1.65
MS GILLIAN SWABY	2,357,182	1.24
ELEGANT WORLD PTY LTD <M I T PARTNERS A/C>	2,100,000	1.10
MR GREGORY ALLAN COCHRAN	1,691,542	0.89
MS MEI-LING FU	1,650,000	0.87
MR MERVYN PATRICK GREENE	1,296,858	0.68
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,000,000	0.53
BNP PARIBAS NOMS PTY LTD <DRP>	990,432	0.52
TIERRA DE SUENOS SA	870,566	0.46
MRS CATHERINE JANINE DENTRINOS + MR NICKOLAS DENTRINOS	660,000	0.35
GECKO RESOURCES PTY LTD	660,000	0.35
MR ZACCARIA ROSSI + MRS THELMA ROSSI	638,639	0.34
MR BRENDON TONY DUNSTAN	516,949	0.27
MRS HEATHER JOY BUCHANAN	500,837	0.26
MR CHING YAO LIN	500,000	0.26
Totals	**130,343,912**	**68.49**

D. Twenty Largest Option Holders

The names of the twenty largest holders of options are listed below:

Option Holder Name	Options	
	Number	Percentage
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	34,890,604	57.70
CITICORP NOMINEES PTY LIMITED	6,712,448	11.10
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,651,023	2.73
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,226,049	2.03
MR ANTHONY HARNETT	1,000,000	1.65
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,000,000	1.65
MRS CATHERINE JANINE DENTRINOS + MR NICKOLAS DENTRINOS	773,000	1.28
ELEGANT WORLD PTY LTD <M I T PARTNERS A/C>	738,690	1.22
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	563,141	0.93
MS MEI-LING FU	450,000	0.74
AET SFS PTY LTD <PEAK OPPORTUNITIES FUND>	400,000	0.66
MGL CORP PTY LTD	400,000	0.66
MRS ZI JUAN QI <CHEN FAMILY A/C>	400,000	0.66
LONDON WALL INVESTMENTS PTY LTD <THE JENKINS FAMILY A/C>	300,000	0.50
NICAMA INVESTMENTS PTY LTD	300,000	0.50
LOK HUNG NOMINEES PTY LTD <SF SUPERANNUATION FUND A/C>	252,059	0.42
MR GUY WEST	249,999	0.41
MR MICHAEL SOUCIK + MRS HEATHER SOUCIK <HMS SUPERANNUATION FUND A/C>	222,221	0.37
GECKO RESOURCES PTY LTD	210,000	0.35
IBT HOLDINGS PTY LTD <IBT HOLDINGS PTY LTD FAM A/C>	200,000	0.33
ROOKHARP INVESTMENTS PTY LIMITED	200,000	0.33
SARTO PTY LTD <R ZAPPIA& SONS PROVIDENT A/C>	200,000	0.33
MR STOJCE SULESKI	200,000	0.33
THAMSON PTY LTD <THOMSON-HAMMOND SUPER A/C>	200,000	0.33
VILLAGE MPIRE PTY LTD <VILLAGE PARTNERS UNIT A/C>	200,000	0.33
ZAPPIA NOMINEES PTY LTD	200,000	0.33
Totals	**130,343,912**	**68.49**

E. Restricted Securities

As at 30 June 2017 there were 2,000,000 options subject to voluntary escrow to 6 September 2017.The escrow condition was lifted on 7 September 2017.

SCHEDULE OF MINERAL TENURE

As at 5 September 2017

NAMIBIA

Number	Name	Interest	Expiry Date	JV Parties	Approx. Area (km²)
EPL 3496 #1	Tubas	100%	05.06.2019	-	608
EPL 3497 #1	Tumas	100%	05.06.2019	-	382
EPL 3498	Aussinanis	85%	07.05.2016 #2	5% Epangelo #4 10% Oponona #5	253
EPL 3669	Tumas North	65%	20.11.2019	[25% Nova (Africa) #6	122
EPL 3670	Chungochoab	65%	20.11.2019	10% Sixzone #7]	477
ML 176 #3	Shiyela	95%	05.12.2027	5% Oponona #5	54

#1 5% right granted to Oponona#5 in 2009 to participate in any projects which develop from these EPLs
#2 Renewal documentation has been submitted and the Company awaits the administrative process to be finalised. Application has been made for a Mineral Deposit Retention Licence (MDRL) to secure the uranium resource within EPL3498.
#3 Located entirely within EPL3496
#4 Epangelo Mining (Pty) Ltd
#5 Oponona Investments (Pty) Ltd
#6 Nova (Africa) (Pty) Ltd
#7 Sixzone Investments (Pty) Ltd

AGREEMENTS

	Approx. Area (km²)
ABM Resources NL - Northern Territory (100% uranium rights stay with Deep Yellow)	5,257

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