



5 October 2012

SPECIALIST RESOURCES FUND BECOMES CORNERSTONE INVESTOR

KEY POINTS

- **Shortfall shares from recent non-renounceable entitlement issue successfully placed to Laurium L.P., a specialist mining fund.**
- **Additional share placement made to Laurium taking total investment in DYL to \$6.5 million at a share price of 4.2 cents.**
- **Laurium to become a cornerstone investor with 10.87% of DYL's expanded share capital.**
- **Senior Laurium fund advisor Mr Christophe Urtel to join the DYL board as a Non-Executive Director.**
- **Deep Yellow in a strong financial position to advance the Omahola project with cash resources now in excess of \$10 million.**

Namibian-focussed advanced stage uranium explorer Deep Yellow Limited ('DYL' or the 'Company') (ASX: DYL) is pleased to announce that it has successfully completed the placement of the shortfall shares pursuant to its recent non-renounceable entitlement issue which closed on 20 July 2012.

The placement of **154,761,905** ordinary fully paid shares at 4.2 cents per share for \$6.5 million will be made to a specialist mining fund, Laurium L.P. ('Laurium'). As a result of the placement Laurium will become a substantial shareholder in DYL with 10.87% of the Company's expanded share capital. Settlement is expected to occur within seven days.

The placement consists of two tranches, the first tranche being in satisfaction of the non-renounceable entitlement issue shortfall of 111,856,307 shares equating to \$4.7 million and the second tranche being an excluded placement made pursuant to the Company's 15% placement capacity for 42,905,598 shares equating to \$1.8 million. The two tranches will be settled and resulting shares issued at that time.

DYL's Managing Director Greg Cochran welcomed Laurium as a new substantial shareholder and commented, "As a specialist resources investor, Laurium's participation as a cornerstone investor is a strong vote of confidence in our projects, management and strategy. The finalisation of the entitlement issue now allows us to fully devote our attention to progressing our flagship Omahola Project along with the Tubas Sand Project."

Mervyn Greene, the DYL Chairman, noted that the Laurium investment reinforced the Company's belief in the medium to long term prospects for the nuclear industry, adding "with our capital raising completed DYL will now continue delivering the strategy we communicated to the market in June this year. The consistently outstanding exploration results from the Company's high grade alaskite Omahola Project bode well for this project's future and we should be in a strong position to capitalise on the back of an anticipated improvement in the uranium market."

DYL's focus is in Namibia where its operations are conducted by a 100% owned subsidiary Reptile Uranium Namibia (Pty) Ltd. Its flagship asset is the Omahola Project, the only independent high grade alaskite project in Namibia (38.2 Mt at 441 ppm for 37 Mlbs U₃O₈) where resource drill-outs are currently underway on an extensive alaskite trend. It is also evaluating a stand-alone project for its Tubas Sand uranium deposit utilising the physical beneficiation upgrading techniques it successfully tested in 2011.

Laurium Fund Placement

About Laurium

Laurium L.P. is a specialist mining fund. The close-ended fund targets high quality deposits located in investor friendly jurisdictions held by companies with experienced management teams. The fund is advised by Liberum Capital Limited, an independent UK investment bank.

Board Appointment

DYL is pleased to announce the proposed appointment to the Board (subject to settlement of the placement) of Mr Christophe Urtel as a Non-executive Director.

Mr Urtel has more than 13 years' industry experience and prior to joining Liberum Capital in 2011 he was an Executive Director in J.P.Morgan's Principal Investment franchise in London responsible for natural resources investments. Previously he worked in J.P.Morgan and its predecessor organisations from 1999 to 2008, specialising in the mining and metals sector, providing M&A advice and raising capital on the equity and debt markets.

Mr Urtel graduated with a MSc (Mining and Finance) and BSc (First Class Honours – Geology with Engineering Geology) from the Royal School of Mines, Imperial College, London.

DYL's Chairman Mervyn Greene commented, "We are extremely pleased to welcome Christophe to the Board and believe that his broad experience in the resources sector and his previous roles in the capital markets will play an important role in assisting DYL to achieve our growth ambitions".

The Company worked with RFC Ambrian Limited in the United Kingdom and Patersons Securities Limited in Australia to finalise the placement.

An Appendix 3B will be lodged on settlement and issue of the shares.

ENDS

For further information regarding this announcement, contact:

Greg Cochran
Managing Director

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

RFC Ambrian Limited
Caspar Shand Kydd

Phone: +44 20 3440 6814

Patersons Securities Limited
Mark Tomlinson

Phone: +61 3 8803 0148

Media:
Emily Fenton

Phone: +44 20 7920 3155
Email: efenton@tavistock.co.uk

Greg Galton

Phone: +61 8 6314 6312
Email: ggalton@canningspurple.com.au

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