

ASX Announcement

ASX & NSX: DYL / OTCQX: DYLLF

#### 19 December 2019

#### SHARE ISSUE ON VESTING OF EMPLOYEE PERFORMANCE RIGHTS

Deep Yellow Limited (ASX:DYL) (**Deep Yellow** or **Company**) advises that it has today issued 8,631,204 ordinary shares and 370,372 unlisted options to Directors and employees.

The issues are made following approval received at the recent AGM held on 25 November 2019 and for the Loan Shares is made pursuant Deep Yellow Limited Share Plan as approved by Shareholders at the 2019 AGM and subject to a Limited Recourse Loan Agreement and holding lock.

An Appendix 3b is attached for immediate release.

Yours faithfully

JOHN BORSHOFF Managing Director/CEO Deep Yellow Limited

This ASX announcement was authorised for release by Mr Mark Pitts, Company Secretary, for and on behalf of the Board of Deep Yellow Limited.

#### For further information, contact:

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For further information on the Company and its projects, please visit the website at: <u>www.deepyellow.com.au</u>

# Appendix 3B

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

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

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

#### DEEP YELLOW LIMITED

ABN

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97 006 391 948
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We (the entity) give ASX the following information.

## Part 1 - All issues

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

| 1 | <sup>+</sup> Class of <sup>+</sup> securities issued or to be issued   | a)<br>b)      | Fully paid ordinary shares<br>Unlisted Options  |
|---|--|---------------|---|
| 2 | Number of <sup>+</sup> securities issued or to<br>be issued (if known) or maximum<br>number which may be issued  | ,<br>a)<br>b) | 8,631,204 shares<br>370,372 unlisted options  |
| 3 | Principal terms of the <sup>+</sup> securities<br>(e.g. if options, exercise price and<br>expiry date; if partly paid<br><sup>+</sup> securities, the amount outstanding<br>and due dates for payment; if<br><sup>+</sup> convertible securities, the<br>conversion price and dates for<br>conversion) | a)<br>b)      | Ordinary fully paid shares issued pursuant to the Deep<br>Yellow Limited Loan Share Plan as approved by<br>Shareholders at the 2019 AGM (incorporating issues<br>to Directors approved at the 2019 AGM) and subject<br>to a Limited Recourse Loan Agreement and holding<br>lock. Subject to various vesting conditions.<br>Vesting after 1 July 2020 and exercisable on or before<br>1 July 2024 with NIL exercise price. |

<sup>+</sup> See chapter 19 for defined terms.

| 4      | Do the <sup>+</sup> securities rank equally in<br>all respects from the <sup>+</sup> issue date<br>with an existing <sup>+</sup> class of quoted<br><sup>+</sup> securities?  | <ul><li>a) Yes, shares will rank equally with the existing class ordinary shares on issue.</li><li>b) Yes, once vested and exercised.</li></ul>   |
|--------|---|---|
|        | <ul> <li>If the additional <sup>+</sup>securities do not rank equally, please state:</li> <li>the date from which they do</li> <li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> |   |
| ,<br>5 | Issue price or consideration  | <ul> <li>a) \$0.459 (NIL consideration – deemed value in accordance with plan terms)</li> <li>b) Nil</li> </ul>   |
| 6      | Purpose of the issue<br>(If issued as consideration for the<br>acquisition of assets, clearly<br>identify those assets)   | <ul> <li>a) Shares issued pursuant to the Deep Yellow Loan Share<br/>Plan and in accordance with agreed terms and<br/>conditions.</li> <li>b) Options issued to non-executive directors following<br/>shareholder approval at the 2019 AGM</li> </ul> |
| 6a     | Is the entity an <sup>+</sup> eligible entity that<br>has obtained security holder<br>approval under rule 7.1A?   | No  |
|        | If Yes, complete sections $6b - 6h$ in relation to the <sup>+</sup> securities the subject of this Appendix 3B, and comply with section 6i  |   |
| 6b     | The date the security holder resolution under rule 7.1A was passed  | N/A   |
| 6c     | Number of <sup>+</sup> securities issued<br>without security holder approval<br>under rule 7.1  | N/A   |
| 6d     | Number of <sup>+</sup> securities issued with<br>security holder approval under rule<br>7.1A  | N/A   |
| 6e     | Number of <sup>+</sup> securities issued with<br>security holder approval under rule<br>7.3, or another specific security<br>holder approval (specify date of<br>meeting)   | N/A   |

|          | calculation.  |                  |  |
|----------|---|------------------|--|
| 6h       | If <sup>+</sup> securities were issued under rule<br>7.1A for non-cash consideration,<br>state date on which valuation of<br>consideration was released to ASX<br>Market Announcements                                      | N/A              |  |
| 6i       | Calculate the entity's remaining<br>issue capacity under rule 7.1 and<br>rule 7.1A – complete Annexure 1<br>and release to ASX Market<br>Announcements  | N/A              |  |
| 7        | <sup>+</sup> Issue dates  | 18 December 2019 |  |
|          | Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. |                  |  |
|          | Cross reference: item 33 of Appendix 3B.  |                  |  |
|          |   | Number           | +Class   |
| 8        | Number and <sup>+</sup> class of all <sup>+</sup> securities<br>quoted on ASX ( <i>including</i> the<br><sup>+</sup> securities in section 2 if   | 246,690,959      | Fully paid ordinary shares.  |
|          | applicable)   | 62,464,618       | Quoted options   |
|          |   |                  |  |
|          |   | Number           | +Class   |
| 9        | Number and <sup>+</sup> class of all <sup>+</sup> securities<br>not quoted on ASX ( <i>including</i> the<br><sup>+</sup> securities in section 2 if<br>applicable)  | 114,687          | 2018 Performance Share Rights granted on 26 June 2018                      |
|          | 11 /  | 181,961          | 2019 Performance Share Rights granted on 17 May 2019                       |
|          |   | 531,363          | 2019 Performance Share Rights granted on 11 Oct 2019                       |
|          |   | 370,372          | 2019 Options granted on 18<br>December 2019 and expiring on<br>1 July 2024 |
| 10       | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)  | N/A              |  |
|          |   |                  |  |
| + See ch | apter 19 for defined terms.   |                  |  |
|          |   |                  |  |

6f

6g

Number of <sup>+</sup>securities issued under

If <sup>+</sup>securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the <sup>+</sup>issue date and both values. Include the source of the VWAP

an exception in rule 7.2

calculation.

N/A

N/A

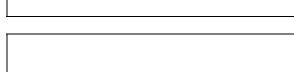
### Part 2 - Pro rata issue

| 11 | Is security holder approval required?   |
|----|---|
| 12 | Is the issue renounceable or non-<br>renounceable?  |
| 13 | Ratio in which the <sup>+</sup> securities will be offered  |
| 14 | +Class of +securities to which the offer relates  |
| 15 | <sup>+</sup> Record date to determine<br>entitlements   |
| 16 | Will holdings on different registers<br>(or subregisters) be aggregated for<br>calculating entitlements?                    |
| 17 | Policy for deciding entitlements in relation to fractions   |
| 18 | Names of countries in which the<br>entity has security holders who will<br>not be sent new offer documents                  |
|    | Note: Security holders must be told how their<br>entitlements are to be dealt with.<br>Cross reference: rule 7.7.           |
| 19 | Closing date for receipt of acceptances or renunciations  |
| 20 | Names of any underwriters   |
| 21 | Amount of any underwriting fee or commission  |
| 22 | Names of any brokers to the issue   |
| 23 | Fee or commission payable to the broker to the issue  |
| 24 | Amount of any handling fee payable<br>to brokers who lodge acceptances or<br>renunciations on behalf of security<br>holders |
| 25 | If the issue is contingent on security<br>holders' approval, the date of the<br>meeting                                     |
| 26 | Date entitlement and acceptance<br>form and offer documents will be<br>sent to persons entitled                             |

| If the entity has issued options, and |
|---------------------------------------|
| the terms entitle option holders to   |
| participate on exercise, the date on  |
| which notices will be sent to option  |
| holders                               |
|                                       |



- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?



33 <sup>+</sup>Issue date

# Part 3 - Quotation of securities

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

- 34 Type of +securities (*tick one*)
- (a) +Securities described in Part 1 (Excluding the Options)
  - All other +securities

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

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35

36

(b)

- If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories

<sup>+</sup> See chapter 19 for defined terms.

1 - 1,000 1,001 - 5,000 5,001 - 10,000 10,001 - 100,000 100,001 and over

A copy of any trust deed for the additional <sup>+</sup>securities

## Entities that have ticked box 34(b)

37

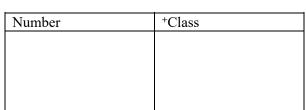
- 38 Number of <sup>+</sup>securities for which <sup>+</sup>quotation is sought
- 39 <sup>+</sup>Class of <sup>+</sup>securities for which quotation is sought
- 40 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?

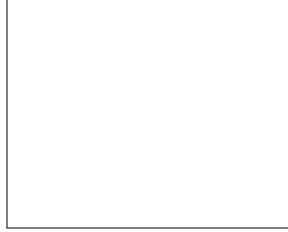
If the additional <sup>+</sup>securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now Example: In the case of restricted securities, end of restriction period

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

42 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (*including* the <sup>+</sup>securities in clause 38)





#### **Quotation agreement**

- <sup>1</sup> <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those <sup>+</sup>securities should not be granted <sup>+</sup>quotation.
  - An offer of the <sup>+</sup>securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

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

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any <sup>+</sup>securities to be quoted and that no-one has any right to return any <sup>+</sup>securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
- If we are a trust, we warrant that no person has the right to return the <sup>+</sup>securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before <sup>+</sup>quotation of the <sup>+</sup>securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

\_\_ \_\_ \_\_ \_\_ \_\_

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Sign here:

Date: 19 December 2019

MARK PITTS

(Company secretary)

Print name:

<sup>+</sup> See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

# Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

# Part 1

| Rule 7.1 – Issues exceeding 15% of capital<br>Step 1: Calculate "A", the base figure from which the placement<br>capacity is calculated   |  |  |
|---|--|--|
|   |  |  |
| Add the following:  |  |  |
| <ul> <li>Number of fully paid <sup>+</sup>ordinary<br/>securities issued in that 12 month<br/>period under an exception in rule 7.2</li> </ul>  |  |  |
| <ul> <li>Number of fully paid <sup>+</sup>ordinary<br/>securities issued in that 12 month<br/>period with shareholder approval</li> </ul>   |  |  |
| <ul> <li>Number of partly paid <sup>+</sup>ordinary<br/>securities that became fully paid in that<br/>12 month period</li> </ul>  |  |  |
| <ul> <li>Note:</li> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul> |  |  |
| <i>Subtract</i> the number of fully paid<br><sup>+</sup> ordinary securities cancelled during that<br>12 month period   |  |  |
| "A"   |  |  |

| Step 2: Calculate 15% of "A" |                                      |  |
|------------------------------|--------------------------------------|--|
| "B"                          | 0.15                                 |  |
|                              | [Note: this value cannot be changed] |  |
| <i>Multiply</i> "A" by 0.15  |                                      |  |

| Step 3: Calculate "C", the amount 7.1 that has already been used  | of placement capacity under rule                                |
|---|---|
| <i>Insert</i> number of <sup>+</sup> equity securities issued<br>or agreed to be issued in that 12 month<br>period <i>not counting</i> those issued:  |   |
| Under an exception in rule 7.2  |   |
| Under rule 7.1A   |   |
| <ul> <li>With security holder approval under<br/>rule 7.1 or rule 7.4</li> </ul>  |   |
| <ul> <li>Note:</li> <li>This applies to equity securities, unless specifically excluded – not just ordinary securities</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul> |   |
| "C"   |   |
| Step 4: Subtract "C" from ["A" x '<br>placement capacity under rule 7.1   |   |
| "A" x 0.15  |   |
| Note: number must be same as shown in<br>Step 2   |   |
| Subtract "C"  |   |
| Note: number must be same as shown in<br>Step 3   |   |
| <i>Total</i> ["A" x 0.15] – "C"   | N/A   |
|   | [Note: this is the remaining placement capacity under rule 7.1] |

<sup>+</sup> See chapter 19 for defined terms.

| Step 1: Calculate "A", the base figure from which the placement<br>capacity is calculated  |                                    |  |
|--|------------------------------------|--|
| " <b>A</b> "   | N/A                                |  |
| Note: number must be same as shown in<br>Step 1 of Part 1  |                                    |  |
| Step 2: Calculate 10% of "A"   |                                    |  |
| "D"  | 0.10                               |  |
|  | Note: this value cannot be changed |  |
| <i>Multiply</i> "A" by 0.10  |                                    |  |
| 7.1A that has already been used  | of placement capacity under rule   |  |
| Step 3: Calculate "E", the amount 7.1A that has already been used  | of placement capacity under rule   |  |
| <ul> <li>7.1A that has already been used</li> <li>Insert number of <sup>+</sup>equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</li> <li>Notes:</li> <li>This applies to equity securities – not just ordinary securities</li> <li>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> </ul>  | of placement capacity under rule   |  |
| <ul> <li>7.1A that has already been used</li> <li>Insert number of <sup>+</sup>equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</li> <li>Notes:</li> <li>This applies to equity securities – not just ordinary securities</li> <li>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>Do not include equity securities issued under rule 7.1 (they must be dealt with</li> </ul> | of placement capacity under rule   |  |

| Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A |   |  |
|---|---|--|
| "A" x 0.10  |   |  |
| Note: number must be same as shown in<br>Step 2   |   |  |
| Subtract "E"  |   |  |
| Note: number must be same as shown in<br>Step 3   |   |  |
| <i>Total</i> ["A" x 0.10] – "E"   | N/A   |  |
|   | <i>Note: this is the remaining placement capacity under rule 7.1A</i> |  |