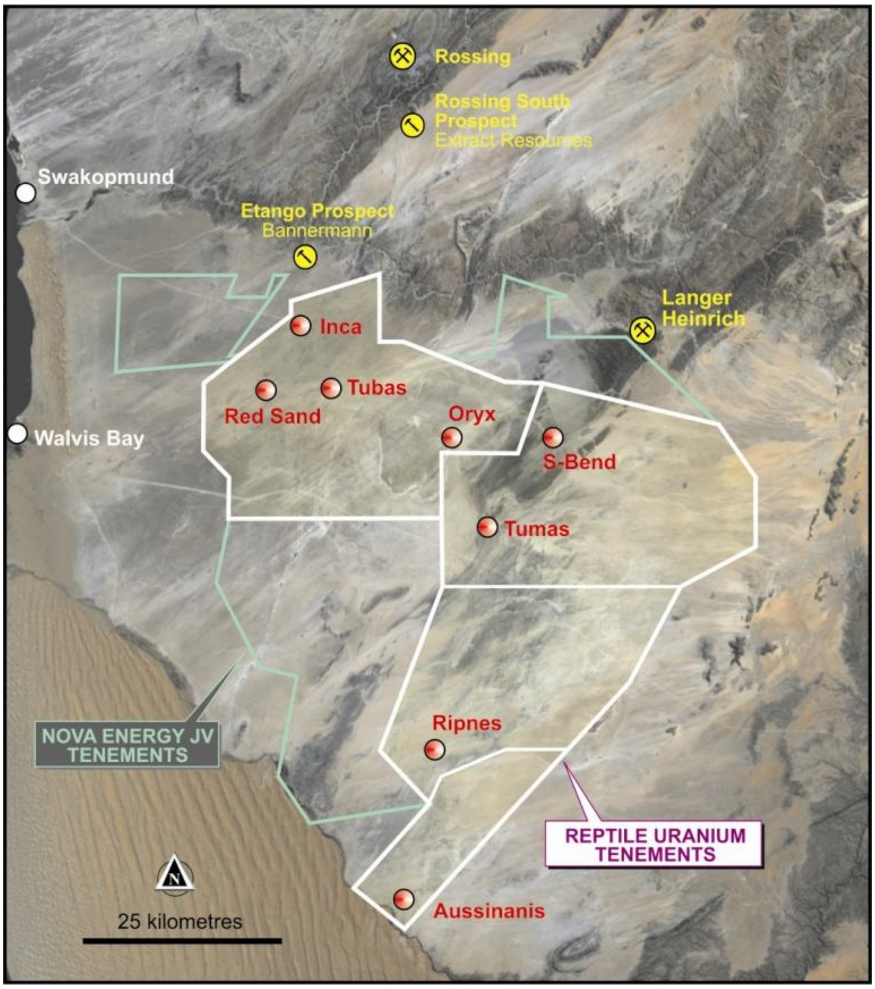
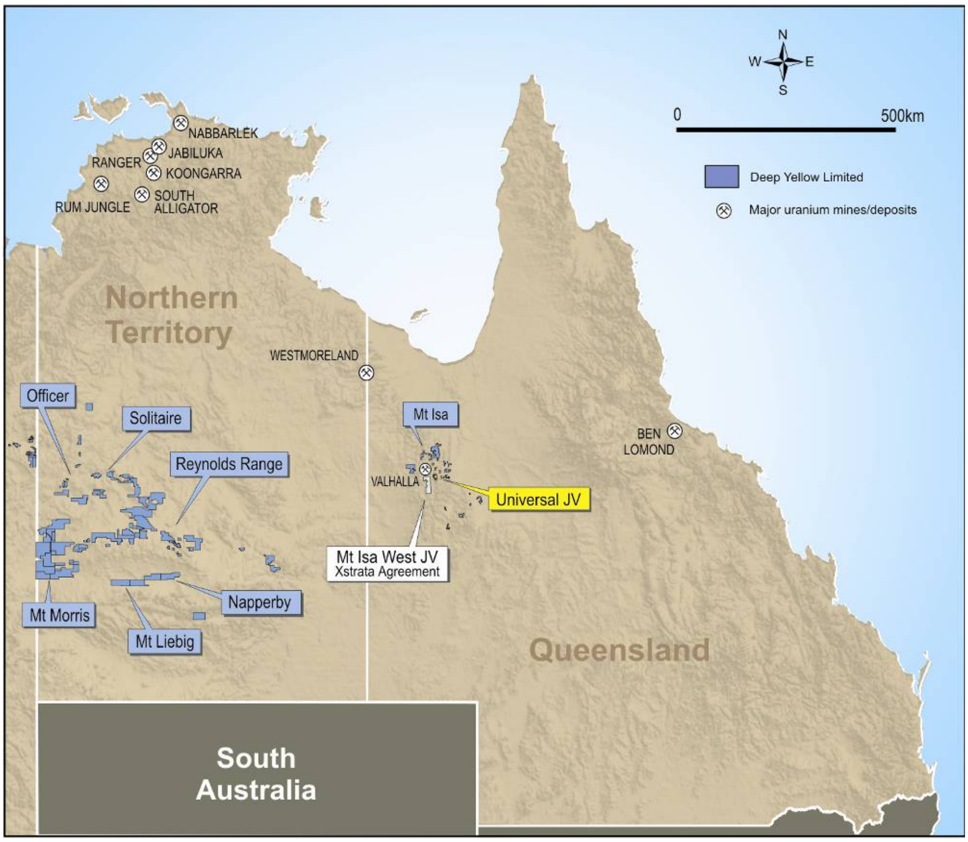
Deep Yellow Limited

Annual Report 2009

NAMIBIA





AUSTRALIA

Deep Yellow Limited

ABN 97 006 391 948

Board of Directors

Mr Mervyn Greene	Chairman (Non-Executive)
Dr Leon Pretorius	Managing Director
Mr Martin Kavanagh	Executive Director
Ms Gillian Swaby	Non-Executive Director
Mr Rudolf Brunovs	Non-Executive Director
Mr Tony McDonald	Non-Executive Director

Company Secretary

Mr Mark Pitts

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Stock Exchange Listings

Australian Stock Exchange (ASX)
Namibian Stock Exchange (NSX)

Website Address

www.deepyellow.com.au

ASX and NSX Code

DYL

Competent Person Statement:

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Leon Pretorius a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Pretorius has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Pretorius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Where eU_3O_8 is reported it relates to values attained from radiometrically logging boreholes with Auslog equipment using an A675 – slimline gamma ray tool. The probe has been calibrated at the Pelindaba Calibration facility in South Africa with calibration certification provided by Geotron Systems (Pty) Ltd a geophysical consultancy based in South Africa. All eU_3O_8 results reported are affected by issues pertaining to possible disequilibrium and uranium mobility which should be taken into account when interpreting those pending confirmatory chemical analyses.

Dear Shareholders

The past year has proved to be a significant period in the development of Deep Yellow (DYL). I'll summarise our major milestones further down the page but first allow me to create some context for the thinking that influences our decision making as a Board.

The year has seen a further upward shift in the expansion expectations that the world holds for nuclear power and the nuclear fuel and uranium industries. Instead of asking the question 'if' there will be a massive increase in the use of nuclear power the question has become twofold, querying exactly 'how big' and 'how fast'. The World Nuclear Association (WNA) symposium, held in London in early September was very focused on how to identify and solve problems created by demand increasing into the future rather than whether that demand would materialise. Looking at the numbers supplied by the WNA, the growth looks exceptional. In January 2007, when DYL started exploration in Namibia, there were a total of 250 mooted new reactors by 2030 - under construction (28), planned (64) or proposed (158). Today that number has soared to 482 with 50 under construction, 137 ordered/planned and another 295 proposed. Those numbers imply a doubling of the current fleet of 436. I believe we will continue to report an increase in these numbers annually in the years to come and in turn there is no doubt, on present trends, that the demand for uranium will continue to grow in parallel. This will therefore provide a stable and attractive price platform that will allow DYL to commercialise many of the deposits that we are exploring and developing.

Given the scale and scope of our operations in Namibia and Australia I will mention only the major highlights of the year as further information is covered later under the Review of Operations.

In Namibia the INCA Deeps discovery was a major achievement for Dr Leon Pretorius and his team. In addition the identification of significant multiple intersections of commercial grade mineralisation scattered throughout the 80 km of the Tumas-Oryx-Tubas palaeochannel has created a second project area for resource definition and potential future studies prior to development. Further significant achievements have been the successful extension of three of our Exclusive Prospecting Licences in full and the introduction of Namibian partners within our Namibian projects. We were also able to extend our tenement areas through the Toro Energy/Nova Energy joint venture which allows us to earn a 65% equity ownership through extensive and thorough exploration. Last but not least there has been a substantial drilling and data validation of the DYL programmes focusing on the areas of known historic mineralisation. As explained in previous announcements (most recently 7 September 2009) the drilling was completed towards the end of 2008 and has been delayed due to the sheer volume of data, the necessary and increased activity on the new (higher grade) discoveries at INCA and the palaeochannel projects and technical (software) issues with down-hole gamma logging tools. The JORC Code resource estimations will be completed by our chosen consultants with the results being released as soon as they are available. That so much has been achieved in the last year is a testament to the hard work and dedication of Leon and his teams, both out in the field and in our Swakopmund office and laboratory.

Progress in Australia has been impressive. Much of our effort, as indicated in various ASX announcements, has been focused on the continued investigation and delineation of various projects within our extensive tenement holdings centred on Mount Isa in Queensland. Highlights include very encouraging results from our Xstrata JV areas at Isa West and outstanding results from Queens Gift at Isa North. There were delays in our programmes targeted at projects located in areas previously held by Matrix Metals Ltd which went into receivership. However through the efforts of Mr Martin Kavanagh DYL was able to acquire 100% ownership and title to the tenements of interest to DYL at a significant discount, and programmes can resume once the acquisition is completed. In general results have been so encouraging from many of the areas around Mount Isa that Martin was able to announce that emphasis would switch from pure exploration to that of resource delineation with JORC Code resource estimates as the overall medium term objective. A consultant group has been appointed to undertake the resource work and DYL believes that the results obtained from many of our Mount Isa projects are outstanding in the context of new discoveries in Australia within the past few years. We further believe that a continued focused and measured investment in defining and delineating the resources will add value to our business and provide preparation for the day when uranium mining is again allowed in Queensland. Again, I'd like to congratulate Martin, Leon and the teams in Australia for their outstanding efforts and achievements.

It is important for me to note that during 2009 DYL took the first steps required in our necessary transition from a pure explorer to becoming an explorer **and developer**. Most of our current drilling and related activity is devoted to expanding the footprint of current projects and resource definition type work at a number of locations in both Namibia and Australia. This process of transition will continue in a measured way during 2009 and into 2010 and as an indicator of our intent I'd like to welcome Mr Pieter Niemann as Projects Manager in Namibia with responsibility for setting up and managing scoping and feasibility studies for Reptile under the direction of Mr Klaus Frielingsdorf, who is the General Manager in Namibia, and Leon.

Looking ahead for 2009/2010 on the development side we will appoint consultants and subsequently deliver on the JORC results for the historic Aussinanis area, the palaeochannel extensions at Tumas-Oryx-Tubas and the new discoveries at INCA/INCA Deeps and Tubas Red Sand. Consultants will be appointed with the task of developing scoping and feasibility studies under the guidance of Pieter, Klaus and Leon, initially focused on INCA. In Australia the programmes will continue to concentrate mainly on JORC Code resource drilling in the medium term. With regard to greenfields exploration in Namibia there are interesting threads and areas for examination generated by extensive airborne geophysical surveys – the investigation of INCA lookalike anomalies and a programme in the North and in the Nova ground to test for Extract/Rossing South lookalike anomalies. In Australia DYL has large tracts of prospective ground awaiting access for greenfields exploration in the Northern Territory while exploration programmes will continue around Mount Isa.

In conclusion I'd like to offer my congratulations to Leon on his election by his peers as an Executive Director of the Australian Uranium Association in July.

Finally the message from me and the Board of Deep Yellow is that your Company expects to continue to make significant progress in the next year, to build on the successes of the past and to capitalise on the opportunities that have been created up to now.

Mervyn Greene
Chairman

EXPLORATION ACTIVITIES

NAMIBIA

HIGHLIGHTS

* Discovery of INCA Deeps mineralisation.
* Ongoing reconnaissance drilling on the 80 km long Tumas-Tubas palaeochannel system continues to return some exceptionally good intersections.
* Acceptance by the Namibian Ministry of Mines and Energy (MME) of Reptile Uranium Namibia Pty Ltd's ("Reptile") proposal to introduce a Black Economic Empowerment (BEE) partner and broader community benefit Trust at the project (Mining Licence) stage instead of equity participation in the Exclusive Prospecting Licences (EPLs).
* Renewal of the three EPLs that expired in June for a further two years in their entirety.
* Conclusion of a Joint Venture with Toro Energy over three EPLs held by their subsidiary Nova Energy Namibia that adjoin Reptile's tenements. The terms allow Reptile to earn a 65% interest with Toro retaining 25% and a BEE Company holding the remaining 10%.
* Drilling continues with 8 to 10 rigs and metreage is between 8,000 and 12,000 metre per month.
* JORC Code resource determinations are pending subject to selection of an external consultant.
* Appointment of additional personnel including an experienced uranium metallurgical engineer to manage the project development planned for INCA and the Tubas Red Sand deposits.
* All aspects of the metallurgical and chemical testwork done on the INCA and Tubas Red Sand have been successful and are progressing well.

PROJECT SUMMARIES

INCA

Mineralisation at INCA, which is located 30 km inland from the coastal towns of Swakopmund and Walvis Bay has characteristics of both metasomatic and magnetite (calc-silicate) skarn types which is distinct and different from the known lower grade alaskite hosted uranium mineralisation being mined at Rossing and on the projects controlled by other companies in the district and also the higher grade Rossing South discovery of Extract Resources which in part exhibits some similarities to the INCA mineralisation.

Although discovered by Reptile in December 2007, the initial drilling returned 115 metre at 229 ppm eU_3O_8 from 14 metre in diamond drill hole ADM 02 which is typical of the wide intersections of around 200 ppm as commonly found in alaskites.

Reptile's technical team had determined that a grade closer to 400 ppm is required for a viable hardrock mining operation and therefore did not pursue this project until later when it was recognised that uranium mineralisation may well be controlled by later alteration systems and not necessarily only with the granites. RC drilling was then undertaken over an approximate 2 by 2 km area on a nominally 100 metre square grid to a vertical depth of 100 metre.

This drilling delineated an area of 300 by 500 metre within which a number of holes contained 400 ppm U_3O_8 or better close to the surface and which was deemed prospective and have potential for an open-cut mining operation.

Reptile then set about drilling out this potential pit area on a 50 by 50 metre grid in order to delineate resources down to a nominal depth of 100 metres. While this programme was underway it was decided to deepen two holes in the northern portion of the grid to test an airborne electromagnetic (AEM) anomaly at depth. This drilling led to the discovery of the INCA Deeps mineralisation with hole INCR139 returning 1,734 ppm U_3O_8 over 20 metres from 206 metres associated with massive magnetite. This hole ended in mineralisation due to excessive amounts of water curtailing the RC drilling but testing of the AEM anomaly had successfully discovered a zone of mineralisation towards the north that is tens of metres thick located approximately 200 metres below surface.

The mineralisation appears to be at least partly structurally controlled and occurs within a partly overturned fold or syncline. There is a 20 to 70 metre thick crystalline marble unit within the metamorphic package which, for all intent, is totally unaffected by the alteration associated with the uranium and iron mineralisation and occurs below the mineralisation. This marble unit is being used as a footwall marker and all previously drilled holes that finished above the marble marker are being deepened to intersect it. Where the mineralisation has not been intersected in the 50 metre spaced holes on the southern and western margins of the deposit, the hole spacing is being reduced to 25 metres.

Along with the drilling programme, metallurgical and other scoping studies have continued and a shortlist of consultants, who will undertake the detailed investigations leading to a Definitive Feasibility Study, is almost complete. It is anticipated that an announcement with respect to the successful group will be made during October 2009.

The conceptual/initial mine and production scenario that DYL has modelled is to combine ore from the Tubas Red Sand project with that from INCA to produce around **1,000 to 1,500 tonne per annum of U_3O_8 at a feed grade of +400 ppm**. It is estimated that an initial resource of **8,000 to 10,000 tonne** will suffice to fund this development while drilling will continue with a view to increasing the resource as regional holes indicate a much larger zone of alteration and mineralisation is present at INCA.

Heap leach trials have also been carried out in columns using a blend of 20% Tubas Red Sand and 80% INCA uraniferous magnetite which was acid cured and then agglomerated. The agglomerate essentially remained intact after 17 days of leaching and washing. All testwork has been completed on unscreened and uncrushed RC drill chips with excellent recoveries of above 80%. This would appear to indicate that milling, which is an extremely energy intensive and expensive step, may not be required.

TUBAS RED SAND TRENCH

Some 4,300 one metre channel samples were collected from the 12 metre deep trench and chemically assayed. The results included exceptionally high concentrations of up to **2.4% U_3O_8** processed and plotted to construct a 3-D model to better understand the distribution of the mineralisation.

This carnotite mineralisation is unique in that it occurs in aeolian (wind-blown) red sand located immediately south of the Tubas palaeochannel system. The sand deposit is up to 18 metre thick and contains visible organic carbon that would have acted as a reductant to precipitate the uranium. The sand is free-digging and occurs over wide areas although only one grid area of about 1 by 1.4 km has been drilled out with JORC Code resources pending. The low concentrations of carbonate (calcrete) in the sand means it will be amenable to either acid or alkaline extraction of uranium.

This is an extremely valuable discovery and the sand will ultimately be trucked to a processing plant at INCA or could be treated at either Langer Heinrich or Rossing.

PALAEOCHANNEL DRILLING

Ongoing reconnaissance drilling on the extensive **Tumas-Oryx-Tubas** palaeochannel systems on wide-spaced lines has continued during the year while drilling of the sheetwash deposits at **Aussinanis** and **Ripnes** were completed at the end of 2008. JORC Code resource estimations are yet to be undertaken.

The reconnaissance drilling is being undertaken by four RC rigs and continues to intersect high-grade and/or wide zones of carnotite mineralisation. Virtually the entire 80 km of previously untested channel system has now been covered by at least 2 km spaced lines with holes 50 metres apart on the lines.

Late August 2009 infill drilling between the reconnaissance holes commenced on 200 metre spaced east-west lines to follow-up and test the mineralised sections along the length of the system between Tumas and Oryx with holes 50 metres apart. Once this drill-out has been completed, the rigs will drill back towards the south to complete the 50 by 50 metre drill-out of the mineralisation found for JORC Code resource estimations which may require 25 metre infill drilling to define the peripheral areas. A completion date depends upon results and how many holes are ultimately required to complete the programme.

EPL STATUS AND BEE INVOLVEMENT

Since March 2009 any application to the MME for a new EPL or renewal of any existing EPL once processed by the MME has appended to it three new conditions; namely that any funds raised in respect of the EPL be deposited in Namibia; the EPL shall not be issued unless the applicant proves it has allocated certain previously disadvantaged Namibians (Black Economic Empowerment or BEE) shares in the applicant; and have in place a plan and commitment to empower the nearby community (Broad Based Economic Empowerment or BBEE) once a mineable deposit is found. No percentages or prescribed formula is given.

Three of the four wholly held EPLs, namely EPL 3496 Tubas, EPL 3497 Tumas and EPL 3499 Ripnes, came due for renewal on 5 June 2009 after expiration of their first three year grant period. Application and motivation for their renewal without reduction in area was lodged by Reptile management in March.

Reptile, in a proactive approach, met with the Deputy Minister of the MME and other senior officials in February 2009 to discuss BEE and BBEE involvement in its activities once projects had been defined and Mining Licences were applied for.

Reptile then set about formulating a BEE and BBEE Charter which it presented to the MME and subsequently entered into an agreement with local BEE Company Oponona (Pty) Ltd whereby it would acquire a 5% interest in any and all projects within the three EPL boundaries upon Reptile applying for a Mining Licence.

There is no immediate local community associated with these three EPL areas that could become directly involved in Reptile's activities, but 40% of Oponona has been set aside for a BBEE Trust that will benefit previously disadvantaged Namibians and specifically assist with educating the youth of the general community closest to Reptile's activities. Reptile has undertaken to fund the Trust immediately after making its first sales.

The agreement with Oponona was approved by the MME and the three EPLs were renewed in their entirety for a further two years.

NOVA ENERGY JOINT VENTURE

Toro Energy Limited (Toro) and DYL announced on 28 May 2009 that they had entered into a JV whereby DYL, through their wholly owned Namibian subsidiary Reptile, will spend A$3.5 million over the next two and a half years on three EPLs held by Toro's Namibian subsidiary Nova. Reptile will then be entitled to earn a 65% share of the Joint Venture. Toro will retain 25% with Namibian BEE Company, Sixzone Investments Proprietary Limited, holding a 10% share.

Although Nova's EPLs do not contain any known uranium prospects, their location immediately adjacent to Reptile's uranium tenements and to other significant uranium projects and mines make them very prospective for alaskite, magnetite-skarn and secondary palaeochannel uranium mineralisation.

Reptile has entered into an agreement with Geotech Airborne Limited to undertake a helicopter-borne electromagnetic, radiometric and magnetic geophysical survey for approximately 6,087 line-kilometre over the two western EPLs. The survey areas are mostly sand covered and the survey is primarily aimed at 'mapping out' prospective lithologies and conductive zones similar to those hosting the INCA uraniferous magnetite discovery made by Reptile and to the stratigraphy hosting Extract Resources' Rossing South discovery further to the north.

Once interpretation of the data is complete drill testing of geophysical anomalies will be undertaken.

FUTURE ACTIVITIES

* JORC Code estimations on Tubas Red Sand; Aussinanis and Ripnes sheetwash mineralisation; INCA; and Tuba-Tumas palaeochannel as infill drilling progresses.

* Scoping through to feasibility studies on the viability of INCA and the Red Sand to produce 1,000 to 1,500 tonne per annum of U_3O_8 at a feed grade of +400 ppm.

* Ongoing drilling to test the extent of INCA and similar anomalies elsewhere.

* Reconnaissance drilling on the stratigraphic horizon hosting Extract Resources' Rossing South deposits where it occurs in the Reptile and possibly Nova EPLs.

* Drill testing of airborne geophysical anomalies on the Nova EPLs.

AUSTRALIA

MOUNT ISA PROJECT

The 2008-2009 year was marked by a number of significant developments in the Mount Isa District, namely:

* Highly successful start-up of drilling on the Isa West Project tenements.
* Delineation of significant mid to high grade intercepts at the Slance and Conquest Prospects on the Ewen Exploration Permit for Mining (EPM).
* Successful tenderer for the acquisition of Ewen (EPM 14916) and Yamamilla (EPM 14281) tenements from the Receivers and Managers of Matrix Metals Ltd.
* Continued drilling success in 2009 on the Isa West Project tenements.
* Signing of a Letter Agreement with Universal Resources Ltd to joint venture EPM 14367, 20 km northeast of Mount Isa.
* 2009 drill programme at the Queens Gift Prospect returning outstanding intercepts down to 200 metre vertical depth.

The 2008 drill programmes in the Mount Isa district were primarily first-pass-shallow auger/DC holes undercutting selected surface radiometric anomalies with ± 200 metre strike to 50 to 75 metre depth. In some cases infill and undercut holes of the better intercepts were drilled.

The 2009 drill programmes commenced in April and saw a switch to systematic grid drilling on 25 metre spaced sections on 25 metre centres on a number of prospects with a view to delineating JORC Code resources. This will be followed by a drill out on 50 metre spaced sections at 50 metre centres to 200 metre vertical depth. A summary of the 2008-2009 drill programmes is given below in Table 1.

Table 1: Mount Isa District 2008-2009 Drilling Summary

Project	Number of Holes	Total Metre Drilled	Project	Number of Holes	Total Metre Drilled
RC DRILLING			**DIAMOND DRILLING**		
Ewen EPM 14916 – 2008	87	9,107	Queens Gift Project – 2008	6	969
Queens Gift EPM 15070 - 2008	3	270	Isa West Project - 2009	7	700
Isa West Project – 2008	81	6,297			
Isa West Project – 2009	91	8,855			
Queens Gift Project – 2009	15	3,545			
Total	**277**	**28,074**	**Total**	**13**	**1,669**

ISA WEST PROJECT (earning 100% of uranium rights from Xstrata)

In January 2008, DYL reached agreement with Mount Isa Mines Limited (a company within the Xstrata Group) (Xstrata) whereby DYL may (subject to a number of conditions) ultimately acquire 100% of the uranium rights over six tenements held by Xstrata. The tenements cover a total of 504 km^2 immediately west of the Mount Isa townsite/minesite.

The six EPMs are known collectively as the Isa West Project and importantly they in part cover extensive basalt and sediment sequences of the prospective Haslingden Group which hosts the Valhalla and Skal (Summit/Paladin) and Queens Gift (DYL) uranium deposits.

Following on from the early phase of data review, prospect mapping and sampling, RC drilling commenced at Isa West in September 2008 with 12 prospects being drilled. A number of encouraging wide + 400 ppm U_3O_8 intercepts were returned. (All results from the 2008 drill programme have been previously reported to the ASX).

As a follow-up to the 2008 drill programme, four prospects were selected for resource delineation drilling with the object of intersecting plus 10 metre widths at + 400 ppm U_3O_8 mineralisation to 200 metre vertical depth. Drilling to approximately 100 metre vertical depth would be on 25 metre spaced sections on 25 metre centres opening up to 50 metre line spacing on 50 metre centres from 100 to 200 metre vertical depth.

The Thanksgiving, Bambino Turpentine and Eldorado North prospects were targeted with the first-pass 25 metre by 25 metre programme being completed in mid-July. During this programme a deeper hole at the Bambino Prospect intersected 17 metre at 433 ppm U_3O_8 from 200 metre down hole at a vertical depth of 190 metre.

Bambino Prospect

At the Bambino Prospect geological logging of the drill holes indicate that mineralisation is hosted by albitite-hematite-magnetite altered amphibolite. The mineralised zone appears to be dipping to the west at about 60 degrees. Elevated values (+ 400 ppm U_3O_8) were returned from drilling over 250 metre strike.

Summary of Bambino Prospect Drill Intercepts

- ∗ BBRC005 30 metre at 410 ppm U_3O_8 from 36 metre
- ∗ BBRC006 25 metre at 409 ppm U_3O_8 from 65 metre
- ∗ BBRC018 15 metre at 413 ppm U_3O_8 from 125 metre
- ∗ BBRC029 25 metre at 532 ppm U_3O_8 from 107 metre
- ∗ BBRC034 19 metre at 411 ppm U_3O_8 from 115 metre
- ∗ BBRC043B 17 metre at 433 ppm U_3O_8 from 201 metre
- ∗ BBRC045 10 metre at 477 ppm U_3O_8 from 202 metre

Thanksgiving Prospect

At the Thanksgiving Prospect alteration/mineralisation assemblages are the same as those seen at Bambino and the mineralised zone appears to be dipping to the west at about 55-60 degrees. Elevated values (+ 400 ppm U_3O_8) were observed in the drilling for 300 metre along strike.

Summary of Thanksgiving Prospect Drill Intercepts

- ∗ TGRC001 42 metre at 400 ppm U_3O_8 from 15 metre
- ∗ TGRC008 20 metre at 435 ppm U_3O_8 from 51 metre
- ∗ TGRC009 55 metre at 555 ppm U_3O_8 from 27 metre
- ∗ TGRC023 21 metre at 490 ppm U_3O_8 from 51 metre
- ∗ TGRC030 10 metre at 515 ppm U_3O_8 from 65 metre

Turpentine Prospect

Ten RC holes were drilled in 2009 at the Turpentine Prospect. The results show good continuity of mineralisation along strike and to depth. The grade returned so far is not as high as at the Thanksgiving and Bambino Prospects.

Eldorado North Prospect

A total of 12 holes for 738 metre were drilled at the Eldorado North Prospect. Geological logging of the drill holes indicates that mineralisation is hosted by albitite-hematite-magnetite altered amphibolite as at the other prospects. The mineralised zone appears to be steeply dipping to the west over 130 metre strike. The mineralisation to the north has been truncated by east-west trending faults. Mineralisation is still open to depth and to the south and will be followed up in the near future.

Summary of Eldorado North Prospect Drill Intercepts

- ∗ ENRC001 20 metre at 437 ppm U_3O_8 from 22 metre
- ∗ ENRC003 7 metre at 1,340 ppm U_3O_8 from 22 metre
- ∗ ENRC012 15 metre at 416 ppm U_3O_8 from 55 metre

Diamond Drilling Programme

The orientated HQ drill core from Thanksgiving and Bambino is providing quality information on the style and intensity of albitite-hematite ± quartz/carbonate alteration associated with uranium mineralisation. Structural information is also being collected with a view to identifying mineralising structures at prospect scale. When the detail logging programme is complete the core will be cut and half-core sent for assay.

The diamond holes have been collared midway between mineralised RC holes. The results from the downhole gamma logging (eU_3O_8) correlate well with the widths and grades returned from the RC drilling.

Quarter core samples will also be submitted for mineragraphic analysis with a view to identifying the uranium minerals present. Previous work (2008) on RC drill chips identified the principal uranium mineral present as uraninite.

ISA NORTH PROJECT

Prospector EPM 15070 – Queens Gift Prospect

The Queens Gift Prospect is located 70 km north of Mt Isa within EPM 15070. Surface mapping and sampling by DYL outlined a uranium mineralised zone up to 50 metres wide over 1,300 metre strike with a best surface composite rockchip sample assaying **2.86% U_3O_8**. Previous diamond drilling by Queensland Mines Ltd (QML) in 1969 and by Agip Nucleare Australia Pty Ltd (Agip) in 1974 was all completed above 50 metre vertical depth.

An RC percussion drill programme totalling 47 holes for 4,930 metre was carried out over 800 metre strike of the outcropping area of the 1.3 km strike radiometric anomaly with the best results coming from the Central and North anomalies.

Queens Gift Prospect 2007 RC Drilling

- ∗ DQRC0032 50 metre at 400 ppm U_3O_8 from 1 metre
- ∗ DQRC0033 69 metre at 467 ppm U_3O_8 from 8 metre
- ∗ DQRC0041 23 metre at 409 ppm U_3O_8 from 108 metre
- ∗ DQRC0043 43 metre at 362 ppm U_3O_8 from 37 metre
- ∗ DQRC0044 11 metre at 585 ppm U_3O_8 from 119 metre
- ∗ DQRC0045 22 metre at 348 ppm U_3O_8 from 31 metre
- ∗ DQRC0047 37 metre at 538 ppm U_3O_8 from 41 metre

Uranium mineralisation is hosted by altered (albitisation) basalts with quartz hematite breccia zones locally developed through the alteration zone. This metasomatic style of mineralisation is common within the Mt Isa district with the best example being Summit Resources Ltd's Valhalla uranium deposit (JORC Code 2004 compliant resource estimate – 25,970 tonne U_3O_8).

It is important to note that within some of the wider 400 ppm U_3O_8 intercepts, intervals with average grades in excess of 700 ppm U_3O_8 occur which approximates the resource grade of the Valhalla deposit. Uranium mineralisation is associated with intense hematite-magnetite alteration with a sharp western and a gradational eastern contact.

RC percussion drilling commenced at Queens Gift on 18 July 2009. The 5,000 metre programme will test to 150 to 200 metre vertical depth the two main mineralised shoots outlined by the 2007/2008 drill programmes. A 1,000 metre diamond drill programme will follow-on from the RC drilling.

The programme is focused on the drill out of the Northern and Central mineralised zones as delineated by drilling in 2007. An initial undercut (QGRC055) and scissor hole (QGRC056) on 2007 hole QGRC032 (50 metre at 400 ppm U_3O_8) returned 27 metre at 569 ppm U_3O_8 from 79 metre and 51 metre at 422 ppm U_3O_8 from 8 metre respectively from the Northern zone.

An undercut of 2007 hole QGRC047 (37 metre at 538 ppm U_3O_8) returned 28 metre at 608 ppm eU_3O_8 from 69 metre in the Central zone. Significant results from the 2009 drill programme include:

* QRC0055 27 metre at 569 ppm U_3O_8 from 79 metre
* QRC0056 51 metre at 422 ppm U_3O_8 from 8 metre
* QRC0060 58 metre at 449 ppm U_3O_8 from 74 metre
* QRC0064 27 metre at 430 ppm U_3O_8 from 69 metre
* QRC0069 10 metre at 994 ppm eU_3O_8 from 69 metre
* QRC0071 18 metre at 608 ppm eU_3O_8 from 64 metre

A diamond drilling programme is scheduled to be carried out in October/November 2009.

Ewen EPM 14916

In October 2008, DYL announced it had reached agreement with Matrix to acquire 100% of the uranium rights to all of the JV tenements for $3 million. In November 2008 Matrix went into voluntary administration and its secured creditor appointed Receivers and Managers over its principal mining assets. DYL did not make the $3 million payment.

Following a tender process put in place by the Receivers and Managers, DYL has, subject to Ministerial consent, agreed to purchase 100% of the Ewen tenement EPM 14916, the Yamamilla tenement EPM 14281 and EPM 17000 application (part of Ewen) from the Receivers and Managers for $1.4 million. Both of the granted tenements contain significant uranium mineralisation previously drilled by DYL. On completion of the sale, DYL will terminate the joint venture with Matrix and forego any rights it had over the other tenements in the JV.

2008 RC Drill Programme

A number of significant intercepts were returned from the programme with the widths and grade of intersections at the **Slance NE, Slance NW and Conquest Central Prospects** justifying follow-up RC and diamond drilling in the 2009 field season. The **Slance NW Prospect** returned some significant 'potentially economic' intercepts over a 115 metre strike length to 150 metre vertical depth and the prospect remains open to depth and to the south along strike. The **Slance NE Prospect** is located 400 metres south and 250 metres east of **Slance NW.** The 2007 drilled **Slance Prospect** is a further 250 metres south of **Slance NE** giving a total prospect strike length of 650 metres that will require follow-up evaluation and drilling in 2009. Significant intercepts include:

Conquest Central	CGRC009	8 metre at 760 ppm U_3O_8 from 46 metre
	CQRC010	9 metre at 734 ppm U_3O_8 from 13 metre
		and 14 metre at 1,080 ppm U_3O_8 from 29 metre
Slance NE	SLRC010	19 metre at 774 ppm U_3O_8 from 51 metre
	SLRC029	19 metre at 455 ppm U_3O_8 from 28 metre
Slance NW	SLRC018	12 metre at 1,338 ppm U_3O_8 from 61 metre
	SLRC033	14 metre at 813 ppm U_3O_8 from 82 metre
	SLRC034	16 metre at 964 ppm U_3O_8 from 90 metre

The 2009 drill programme will focus on the delineation of JORC Code resources on the Conquest and Slance NE and NW Prospects.

Miranda Project - Yamamilla EPM 14281

The Yamamilla EPM 14281 is part of a package of tenements being acquired from the Receiver and Manager of Matrix Metals Ltd. Exploration on the tenement was previously carried out by DYL as part of the NW Queensland JV with Matrix. Significant results include:

2007 DYL RC Drilling

* DMRC008 32 metre at 626 ppm U_3O_8 from 3 metre
* DMRC009 22 metre at 727 ppm U_3O_8 from 16 metre
* DMRC018 46 metre at 352 ppm U_3O_8 from 6 metre
* DMRC010 19 metre at 517 ppm U_3O_8 from 35 metre
* DMRC006 17 metre at 519 ppm U_3O_8 from 64 metre

Drilling scheduled to recommence in April-May 2010.

LEICHHARDT PROJECT – Spider EPM 14367 (DYL earning 50%)

Under a Letter Agreement, DYL is negotiating access to EPM 14367 as an Earn-In Joint Venture with Universal Resources Ltd. Terms and conditions of the Joint Venture have previously been announced to the ASX.

The tenement contains a number of surface radiometric anomalies in Haslingden Group rocks, the host to all major uranium deposits and occurrences in the immediate Mount Isa area. The tenement is located 10 km north of Summit's/Paladin's Anderson deposit and southeast of their Valhalla, Skal and Bikini deposits.

Historic exploration over the tenement was typical of the area and comprises surface trenching and shallow RC/diamond drilling. Surface values for grab samples ranged up to 4,000 ppm U_3O_8 with visible carnotite mineralisation seen at surface. Universal identified 17 surface anomalies of varying intensity that needed further evaluation.

A field visit by DYL to the two main anomalous areas A25 and Big Dip identified extensive zones of hematite-albitite-silica-carbonate alteration returning XRF uranium values of 470 and 360 ppm U_3O_8 respectively.

NORTHERN TERRITORY

DYL's exposure to the highly prospective Tanami - Arunta uranium province totals approximately 28,755 km^2 comprising:

* Operational base in Alice Springs
* Defined projects cover 12,270 km^2
* DYL has 100% rights to uranium with Tanami Gold's tenements covering an additional 16,035 km^2
* Napperby Farm-Out/Sale to Toro Energy Ltd
* Ongoing CLC and Landowner negotiations for access to prospective areas

The target within the majority of the tenement areas is calcrete-hosted uranium mineralisation similar to DYL's Napperby deposit. The potential for this style of mineralisation occurring in buried (palaeo) channels can be rapidly assessed by airborne electromagnetic surveys and to 1 to 2 km spaced shallow drill traverses. Other targets include roll-front uranium mineralisation at Mt Liebig located 250 km WNW of Alice Springs.

NAPPERBY PROJECT
(DYL 100% - Toro Energy Limited Option to Purchase)

Toro Energy Ltd (Toro) has an Option Agreement with DYL over the Napperby Project which allows 100% purchase of the project at a capped price per resource pound basis at any stage over a three year period.

The Napperby Project includes an historic mineralised zone discovered and explored by CRA Exploration and Uranerz in the late 1970's and early 1980's that defined a mineralised zone over some 20 km strike length. The extensive mineralised zone occurs within 3 metre to 8 metre from surface in semi-consolidated and unconsolidated sediments along a palaeochannel. The project is close to infrastructure, being 175 km northwest of Alice Springs along the sealed section of the Tanami Highway, within 20 km of the Alice Springs to Darwin gas pipeline and with access to the main north-south railway through Alice Springs.

Resource Drilling

A drilling programme utilising both aircore and sonic drilling was completed during 2008 at Napperby with the aim of increasing the existing JORC resource and assessing extensions to the published resource. Aircore drill holes were drilled at nominal 100 metre centres and logged with a calibrated gamma probe. Previously reported disequilibrium studies have provided confidence in eU_3O_8 values at Napperby and gamma data are universally corrected for disequilibrium by a factor of 1.4. Any aircore drill hole reporting greater than 100 ppm eU_3O_8 over 1 metre was twinned with a sonic drill hole that provided samples for assay as well as additional calibrated gamma data.

Resource Upgrade

A JORC compliant update of the Napperby Resources was completed by SRK Consulting and included a revised geostatistical interpretation and updated estimation of the Napperby resource for the area outlined on. This update utilised all the assay data obtained from the Toro Energy 2007 and 2008 drilling programmes as well as assay data from the DYL drilling in 2006. Toro and DYL have now drilled approximately half of the mineralised area previously defined by Uranerz.

Current JORC Compliant Napperby Uranium Resource compared to previous Resource

Prospect Area	Category	February 2009				July 2008			
		Resource Million Tonnes	Grade U_3O_8 ppm	Contained U_3O_8 Tonnes	Contained U_3O_8 Mlb	Resource Million Tonnes	Grade U_3O_8 ppm	Contained U_3O_8 Tonnes	Contained U_3O_8 Mlb
		200 ppm U_3O_8 cut-off				200 ppm U_3O_8 cut-off			
Napperby Total	**Inferred**	**9.34**	**359**	**3,351**	**7.39**	**4.65**	**305**	**1,420**	**3.13**

The information in this report relating to the Centipede, Lake Way and Napperby Resources is based on information compiled by Mr Daniel Guibal of SRK Consulting, who is a Fellow (FP) of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Guibal is a full time employee of SRK Consulting and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Guibal consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

NONOUBA PROJECT (DYL 100%)

The Nonouba tenement EL 24547 covering 605 km^2 is located 70 km SW of Alice Springs. The tenement lies 60 km west along strike from the Angela - Pamela uranium prospect.

The Nonouba ground was previously explored for uranium by Uranerz from 1972-1983. Uranerz identified two prospects, 'Daria' and 'Nonouba', and returned assays up to 1,900 ppm U_3O_8 over 0.5 metre, hosted by carbonaceous - pyritic Undandita Sandstone. The target is roll front uranium mineralisation as delineated at the Angela-Pamela project of Paladin/Cameco.

An RC drill programme totalling 10 holes for 1,148 metre was completed in early December with 3 holes returning anomalous values requiring follow-up drilling.

NON-CORE ASSETS

Pilgrim Fault Joint Venture – EPM 15072

This EPM is subject of a Joint Venture between Krucible Metals Ltd and Superior Uranium Pty Ltd (a 100% owned subsidiary of Deep Yellow Ltd). Krucible can elect to purchase 100% ownership of this tenement once the minimum expenditure of $80,000 has been spent. The EPM abuts the Krucible Corella Bore EPM 15572.

Seven RC percussion holes were drilled (09PFRC 01-07) for 242 metre to test the NNE extension of phosphate enrichment from the D10 Prospect in EPM 15572.

The better intersections from this drilling are outlined below:

- 2 metre @ 23.2% P_2O_5 from 16 metre in 09PFRC 02 (394981E, 7592801N)
- 2 metre @ 23.2% P_2O_5 from 17 metre in 09PFRC 03 (395001E, 7592802N)
- 2 metre @ 23.2% P_2O_5 from 31 metre in 09PFRC 06 (394942E, 7592601N)

Phosphate was intersected over the entire 2,000 metre strike length drill tested at D10/Pilgrim but the zones are of narrow width and limited depth potential. However if a mining operation was established at PHM South, this shallow material may prove to have some economic significance, and more drilling may be warranted.

The Pilgrim EPM is also prospective for gold and base metal mineralisation in the calc-silicate breccias of the Proterozoic Corella Formation. There are a number of gold stream sediment anomalies covering this Formation (located about 3 km SE of Tick Hill) and rock chip and lag sampling, combined with geological mapping is planned for this area to delineate possible drill targets.

INTRODUCTION

The Board strongly supports the establishment and ongoing development of a corporate governance framework to ensure that its practices are responsible and meet the needs of shareholders.

The Company has adopted the revised principles of corporate governance as set out by the ASX Corporate Governance Council. The Directors have implemented policies and practices which they believe will focus their attention and that of their Senior Executives on accountability, risk management and ethical conduct.

This Statement sets out the corporate governance practices in place as at the date of this report all of which comply with the principles and recommendations of the ASX Corporate Governance Council unless otherwise stated.

Corporate Governance Council Recommendation 1: Lay Solid Foundations for Management and Oversight

Role of the Board of Directors
The Board guides and monitors the business and management of the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

In order to fulfil this role, the Board is responsible for the overall corporate governance of the Company including formulating its strategic direction, setting remuneration and monitoring the performance of Directors and Executives. The Board relies on Senior Executives to assist it in approving and monitoring expenditure, ensuring the integrity of internal controls and management information systems and monitoring financial and other reporting.

The Board has adopted a **Board Charter**, complying with Recommendation 1.1 of the Corporate Governance Council, which clarifies the respective roles of the Board and senior management and assists in decision making processes.

Board processes
The full Board currently holds four scheduled meetings each year, together with meetings at such other times as may be necessary.

An agenda for the meetings has been determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and or regular review are scheduled when appropriate. The agenda is reviewed by the Chairman and the Managing Director.

Evaluation of Senior Executive Performance

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

Corporate Governance Council Recommendation 2: Structure the Board to Add Value

Board Composition
The Constitution of the Company provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the Company, intellectual ability to contribute to Board duties and responsibilities.

Directors are initially appointed by the Board and are subject to re-election by shareholders at the next general meeting. In any event one third of the Directors are subject to re-election by shareholders at each annual general meeting.

The Board is presently comprised of six members, four Non-Executive and two Executive.

- Mr Mervyn Greene - Chairman (Non-Executive)
- Dr Leon Pretorius - Managing Director
- Mr Martin Kavanagh - Executive Director
- Ms Gillian Swaby - Non-Executive
- Mr Rudolf Brunovs - Non-Executive Independent
- Mr Tony McDonald - Non-Executive Independent

In considering whether or not a Director is independent, the Board has regard to the independence criteria set out in the ASX Corporate Governance Council's Principles and Recommendations.

Directors are expected to bring independent views and judgement to the Board's deliberations. Two of the six Directors are considered by the Board to be independent, and as such the Company does not comply with Recommendation 2.1 of the Corporate Governance Council, which recommends that a majority of Board Members should be independent. The Board considers that both its structure and composition are appropriate given the size of the Company and that the interests of the Company and its shareholders are well met.

Independence of Chairman
The Chairman is not considered to be independent due to holding a significant interest in the Company's securities, and therefore the Company has not complied with Recommendation 2.2 of the Corporate Governance Council. However, the Board considers the Chairman is the most appropriate person for the role due to his commercial experience and that the interests of the Company and its shareholders are being well met by the current Chairman.

Roles of Chairman and Chief Executive Officer
The roles of Chairman and Chief Executive Officer are exercised by separate individuals, and accordingly the Company complies with Recommendation 2.3 of the Corporate Governance Council.

Nomination Committee
The full Board carries out the functions of a Nomination Committee in respect of the selection and appointment process for Directors. While this does not comply with Recommendation 2.4 of the Corporate Governance Council which recommends having a separate Nomination Committee, the Board considers that given the size and maturity of the Company and the importance of Board composition it is appropriate that all members of the Board participate in such decision making.

Evaluation of Board Performance
The Company has a formal process for the evaluation of the effectiveness, processes and structure of the Board, and as such complies with Recommendation 2.5 of the Corporate Governance Council.

The process includes the completion of individual questionnaires focused on Board process, effectiveness and structure as well as the effectiveness and contribution made by each Director. The responses are collated and discussed with a view to considering recommendations for improvement.

Education
All Executives and Directors are encouraged to attend professional education courses relevant to their roles.

Independent professional advice and access to information
Each Director has the right to access all relevant information in respect to the Company and to make appropriate enquiries of Senior Executives.

Corporate Governance Council Recommendation 3: Promote Ethical and Responsible Decision Making

The Board actively promotes ethical and responsible decision making.

Code of Conduct
The Board has adopted a Code of Conduct that applies to Directors and key Executives of the Company and complies with Recommendation 3.1 of the Corporate Governance Council. This Code sets expectations for conduct in accordance with legal requirements and agreed ethical standards.

In addition the Board has adopted an **Ethics and Conduct Policy** which applies to all employees, consultants and Directors.

The Ethics and Conduct Policy addresses the following:

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

Securities Trading Policy
The Board is committed to ensuring that the Company, its Directors and Senior Executives comply with their legal obligations as well as conducting their business in a transparent and ethical manner. Directors and Senior Executives (including their immediate family or any entity for which they control investment decisions), must ensure that any trading in securities issued by the Company is undertaken within the framework set out in the **Securities Trading Policy.**

The Policy does not prevent Directors and Senior Executives (including their immediate family or any entity for which they control investment decisions) from participating in any share plan or share offers established or made by the Company, provided that at the time the individual is not in possession of any price sensitive information, not otherwise generally available to all security holders.

Governance Principal 3.2 suggests that the content of a Security Trading Policy should include a clause prohibiting Directors and Senior Executives from entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company over unvested entitlements. The Company had not amended its policy to include this recommendation as at 30 June 2009 but is in the process of reviewing this policy.

The Board has a policy which prohibits trading in the securities of the Company by Directors and Senior Executives and nominated employees prior to written consent being obtained from the Chairman or Managing Director.

Corporate Governance Council Recommendation 4: Safeguard Integrity in Financial Reporting

Audit Committee
The Audit Committee comprises of three of the four Non-Executive Directors and complies with Recommendation 4.1 of the Corporate Governance Council.

Composition of Audit Committee
The Audit Committee consists of Non-Executive Directors, the majority of which are Independent Directors and is chaired by an Independent Director who is not the Chairman of the Board. This complies with Recommendation 4.2 of the Corporate Governance Council.

The members of the Audit Committee are Rudolf Brunovs (Chairman), Gillian Swaby and Tony McDonald. The relevant qualifications and details of attendance at Audit Committee meetings are set out in the Directors' Report. This complies with Recommendation 4.4 of the Corporate Governance Council.

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

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

Corporate Governance Council Recommendation 5: Make Timely and Balanced Disclosure

Continuous Disclosure Policies
The Board is committed to the promotion of investor confidence by providing full and timely information to all security holders and market participants about the Company's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the Australian Stock Exchange Listing Rules. The Company has adopted a **Continuous Disclosure Policy**, complying with Recommendation 5.1 of the Corporate Governance Council, and designed to ensure compliance with the ASX Listing Rule Requirements.

Continuous disclosure is discussed at all regular Board meetings and on an ongoing basis the Board ensures that all activities are reviewed for disclosure to the market.

In accordance with ASX Listing Rules the Company Secretary has been appointed as the Company's disclosure officer.

Directors' Disclosure Obligations
The Board is committed to complying with ASX Listing Rules and best practices particularly with respect to the level and nature of information provided by Directors.

The Directors Disclosure Policy requires each of the Directors to provide continuous and timely disclosure to the Company of all dealings in Company securities in which the Director has a relevant interest. Dealing includes charging, pledging, lending, transferring or granting a right over the Company's securities.

Corporate Governance Council Recommendation 6: Respect the Rights of Shareholders

Communications Policy
The Board supports practices that provide effective and clear communications with security holders and allow security holder participation at general meetings. A formal **Shareholder Communications Policy** has been adopted, complying with Recommendation 6.1 of the Corporate Governance Council.

In addition to electronic communication via the ASX web site, the Company publishes all ASX announcements together with all quarterly reports. These documents are available in both hardcopy on request and on the Company web site at www.deepyellow.com.au. In addition 'user friendly' interactive Annual Reports are available on the website.

The website provides shareholders and others interested in the Company the opportunity to receive additional information by registering to receive by email press releases and other materials posted to the website.

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

Corporate Governance Council Recommendation 7: Recognise and Manage Risk

Adoption of Risk Management Policies
The Board has recently implemented a Risk Management Strategy including a number of specific policies to oversee and manage potential and actual material business risks, complying with Recommendation 7.1 of the Corporate Governance Council. The Board is responsible for supervising management's framework of control and accountability systems to enable risk to be assessed and managed. The Board has delegated day-to-day management of risk to the Managing Director.

Risk Management and Internal Control System
The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

In order to implement DYL's Risk Management Policy, it was considered important that the Company establish a Risk Management Strategy and an internal control regime in order to:

- Assist the Company to achieve its strategic objectives,
- Safeguard the assets and interests of the Company and its stakeholders,
- Ensure the accuracy and integrity of external reporting; but however
- Not to lose the essence of what has created the Company's fortunes and will continue to do so.

Risk Management Strategy
The **Risk Management Strategy** is designed to allow the Company to identify and assess possible sources of harm to the Company and to take steps to decrease or prevent that harm from occurring.

The Strategy must include evidence of procedures and processes which document the Company's commitment to the management of risk by – avoiding, sharing, transferring, reducing (mitigation) or accepting/retaining the risk.

To manage and assess risk the Company has adopted and 'tailored to fit' a **Risk Management Plan** and a **Risk Management Framework** as outlined in the Australia/New Zealand Standard AS/NZS 4360:2004 and associated Guidelines 436:2004.

Key risk traits are identified and managed using the flowing tools:

- *Business Risk Management*
  The Company manages its activities within budgets and operational and strategic plans.

- *Internal Controls*
  The Board has implemented internal control processes appropriate for a Company of Deep Yellow's size and stage of development. It requires senior executives to ensure the proper functioning of internal controls.

- *Financial Reporting*
  Directors approve an annual budget for the Deep Yellow Group and regularly review performance against budget.

* *Operation Review*
  Executive Directors regularly visit the Company's exploration project areas to review the geological practices including the environmental and safety aspects of the operations. In addition the Board also has a programme for site visits.

* *Environment and Safety*
  The Company is committed to ensuring that sound environmental management and safety practices are carried out in its exploration activities. Significant resources have been focussed on establishing and maintaining a culture of best practice through the implementation of an **Occupational Health and Safety Plan** and an **Environmental Management Plan**. The Company as a uranium explorer has additional responsibilities that require the implementation of a Radiation Management Plan as part of the management of its Occupational Health and Safety policies. The Company uses external consultants to review its activities and to assist in maintaining a best practice approach to the issues surrounding Radiation Management.

  To assist in the management of this risk the Board has adopted an **Occupational Health and Safety Policy**, **Environmental Policy** and **Ethics and Conduct Policy**, through which all employees and contractors are inducted.

In accordance with Recommendation 7.2 of the Corporate Governance Council, the Risk Management Policy requires that senior management report to the Managing Director as to the effectiveness of the risk management and internal control systems and that regular reports thereon be provided to the Board.

Continuous Improvement
The Company's Risk Management Strategy is evolving and is an on-going process. The level and extent of the strategy will develop with the growth of the Company's activities in the following risk areas:

Corporate:

* Financial
* Commercial
* Legal
* Sovereign Risk
* Management
* Business Development
* Public Relations
* Human Resources

Operations:

* Field Operations
* Occupational Health & Safety
* Environmental
* Technological
* Land Management
* Native Title
* Radiation Management

Chief Executive Officer and Chief Financial Officer Confirmations
In accordance with Recommendation 7.3 of the Corporate Governance Council, the Board requires the Managing Director and the Company Secretary to provide a written statement that the financial statements of the Company present a true and fair view, in all material aspects, of the financial position and performance and have been prepared in accordance with Australian accounting standards and the Corporations Act. In addition, the Board requires assurance from the Managing Director and Company Secretary that the declaration is founded upon a sound system of risk management and internal control, and that the systems operate effectively in all material aspects.

Corporate Governance Council Recommendation 8: Remunerate Fairly and Responsibly

Remuneration Committee
The Remuneration Committee consists of all four Non-Executive Directors, operates under the Remuneration Committee Charter and is chaired by an Independent Director and as such complies with Recommendation 8.1 of the Corporate Governance Council.

The Remuneration Committee is responsible for determining and reviewing the overall remuneration philosophy, strategy, plans, policies and procedures to implement the remuneration objective. It also reviews and makes recommendations as to the makeup of the remuneration packages for the directors and executives.

Structure of Non-Executive and Executive Directors/Senior Executive Remuneration
The Company's remuneration objective is to adopt policies, processes and practices to attract and retain appropriately qualified and experienced directors and executives who will add value to the Company and to adopt reward programmes which are fair and responsible and in accordance with principles of good corporate governance. This dictates a need to align director and executive entitlements with shareholder objectives. The Board assesses the appropriateness of remuneration packages, given trends in comparative companies and the need for a balance between fixed remuneration and non-cash incentive remuneration.

Remuneration packages for Executive Directors and senior executives comprise fixed remuneration and may include bonuses or equity based remuneration entirely at the discretion of the Board. Remuneration packages are reviewed by the Remuneration Committee. The process consists of a review of company, individual performance and relevant comparative remuneration externally and internally.

Non-Executive Director remuneration is a fixed amount of Director fees of which the total is within the amount approved by shareholders. Performance based bonuses or equity based remuneration is not considered appropriate for Non-Executive Directors and accordingly does not form part of their remuneration.

In distinguishing between the remuneration practices for its Non-Executive Directors and the remuneration practices applicable to Executive staff, the Company complies with Recommendation 8.2 of the Corporate Governance Council.

The Directors present their report on Deep Yellow Limited and the entities it controlled at the end of, and during the year ended 30 June 2009 (the Group).

Directors

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

Mervyn Greene ***MA (Maths) BAI (Engineering) MBA***
Chairman

Mr Greene is an investment banker and entrepreneur who has worked in the US, Europe and Africa for more than 20 years. Between 1997 and 2005 Mr Greene was the London based partner of Irwin Jacobs Greene (IJG), one of Namibia's premier stockbroking, private equity and corporate finance advisory firms. As part of its business IJG was involved in a number of capital raisings for Namibian State enterprises. Mr Greene has had broad experience in a range of corporate transactions both in Namibia and abroad and is involved in a non-executive capacity in a number of public and private businesses in Ireland and the UK. In the early stages of his career, before doing an MBA in the London Business School in 1992, Mr Greene worked for Morgan Stanley in New York and London.

Mr Greene is a member of the Board's Remuneration Committee.

Dr Leon Pretorius ***BSc BSc (Hons) MSc PhD FAusIMM (CP) MAIG PrNatSci***
Managing Director

Dr Pretorius is a Geochemist and brings to the Company 38 years experience and an intimate knowledge of the uranium industry in both Australia and Southern Africa, including MSc and PhD degrees in uranium research. He has worked in Africa, Canada, the United States of America and Europe in a variety of roles. He has also been involved with Paladin Energy Limited for the past seven years, firstly as an Executive Director of Paladin Energy Limited until 12 April 2005 and still as a Non-Executive Director of their Namibian operating mining company Langer Heinrich Uranium (Pty) Limited.

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

Mr Kavanagh is an exploration geologist with considerable experience acquired through extensive fieldwork, research and management of Australia-wide and offshore programmes. He has held several senior positions and worked widely within the exploration and mining industry throughout Australia and offshore in North America, Indonesia and the Southwest Pacific islands for the past 38 years. Mr Kavanagh was also a Non-Executive Director of Tanami Gold NL until 31 July 2007.

Gillian Swaby ***BBus FCIS FAICD***
Non-Executive Director

Ms Swaby has been involved in financial and corporate administration, as both Director and Company Secretary covering a broad range of industry sectors, for over 25 years. Ms Swaby has extensive experience in the area of secretarial practice, corporate governance, management accounting and corporate and financial management and sits on a number of advisory committees. Ms Swaby is the principal of a corporate consulting company and past Chair of the Western Australian Council of Chartered Secretaries of Australia and a former Director on their National Board. Ms Swaby is a current Non-Executive Director of Comet Ridge Limited having been appointed on 9 January 2004. She is currently the Company Secretary of Paladin Energy Limited and was a member of the Paladin Energy Limited Board for a period of nine years, resigning on 1 February 2003.

Ms Swaby is a member of the Audit Committee and the Remuneration Committee.

Rudolf Brunovs ***FCA FCPA FAICD MBA***
Non-Executive Director

Mr Brunovs is a former audit partner of the International Chartered Accounting firm Ernst & Young and practiced in a number of offices in Australia and overseas. For a total period of twelve years he held the position of Managing Partner of the Parramatta NSW and subsequently the Perth office of the firm. He had no involvement in the Deep Yellow Limited audit whilst a partner at Ernst & Young. He was a member of the Minerals and Energy Division with Ernst & Young. Mr Brunovs is also a Director of the Lions Eye Institute Ltd.

Mr Brunovs is Chairman of the Audit Committee and is a member of the Remuneration Committee.

Tony McDonald ***LLB***
Non-Executive Director

Mr McDonald is a lawyer involved in the natural resources sector in Australia and internationally. He has previously held positions of director, secretary and legal advisor to a number of listed and unlisted public companies. He is presently a Non-Executive Director of ASX listed companies Planet Gas Limited (from 2003) and Industrea Limited (from 2007). He was a Director of Kings Minerals NL resigning on 27 March 2007.

Mr McDonald is Chairman of the Remuneration Committee and is a member of the Audit Committee.

Company Secretary

Mark Pitts ***BBus CA***
Mr Pitts is a Chartered Accountant with over 25 years experience in statutory reporting and business administration. He has been directly involved with, and consulted to a number of public companies holding senior financial management positions. He is a Partner in the corporate advisory firm Endeavour Corporate providing company secretarial support; corporate and compliance advice to a number of ASX listed public companies.

Directors' Interests

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options
Mervyn Greene	74,316,667	3,000,000
Leon Pretorius	73,981,124	14,650,000
Martin Kavanagh	487,500	11,800,000
Gillian Swaby	32,122,570	3,000,000
Rudolf Brunovs	125,000	-
Tony McDonald	866,666	-

Included in the Directors' interests in unlisted options are the following unlisted options that have vested and are able to be exercised.

Director	Number of options	Exercise price
Mervyn Greene	3,000,000	55.1 cents
Leon Pretorius	5,000,000	55.1 cents
Leon Pretorius	3,750,000	59.5 cents
Martin Kavanagh	5,000,000	55.1 cents
Martin Kavanagh	2,500,000	59.5 cents
Martin Kavanagh	900,000	27.5 cents
Gillian Swaby	3,000,000	55.1 cents

Directors' Meetings

The number of meetings of the Company's Directors (including meetings of committees of Directors) held during the year ended 30 June 2009, whilst each Director was in office, and the numbers of meetings attended by each Director were:

Director	Directors' Meetings		Audit Committee		Remuneration Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Mervyn Greene	7	6	-	-	1	1
Leon Pretorius	7	7	-	-	-	-
Martin Kavanagh	7	7	-	-	-	-
Gillian Swaby	7	6	2	2	1	1
Rudolf Brunovs	7	7	2	2	1	1
Tony McDonald	7	7	2	2	1	1

Principal Activities

The principal activities of the Group during the financial year consisted of uranium mineral exploration and development in various States and Territories of Australia and in Namibia.

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

Operating results for the year

The Group's net loss after income tax for the financial year is $13,346,812 (2008: loss $3,804,149). The above figure is after the following charges:

* Exploration expenditure written off of $14,245,847 (2008: $115,242)
* Impairment expense and fair value movement of $1,189,324 (2008: $2,649,317)

Dividends

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

Review of Activities

Operations

A detailed review of the Group's operations in each of the key regions is set out in the 'Review of Operations' on pages 2 to 9 in this Annual Report.

Financial Position

At the end of the financial year the Group had $47,415,814 (2008: $57,055,701) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure carried forward was $98,196,751 (2008: $96,519,814).

The Group has net assets of $148,503,827 (2008: $154,878,555).

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 6 May 2009 the Company announced that it had signed a Sale Agreement with the Receivers and Managers of Matrix Metals Ltd to acquire EPM's 14916 and 14281 and EPM application 17000 in the Mt Isa district outright for $1,400,000;

* On 29 May 2009 the Company announced that through its wholly owned Namibian subsidiary Reptile Mineral Resources and Exploration (Pty) Ltd it had entered into a joint venture agreement with Toro Energy Ltd. The Company will spend A$3,500,000 over the next two and a half years on three EPL's held by Toro Energy Ltd's Namibian subsidiary Nova Energy Namibia (Pty) Ltd to be entitled to gain a 65% share of the Joint Venture.

* On 22 June 2009 the Company announced that its wholly owned controlled entity Reptile Uranium Namibia (Pty) Ltd had entered into an agreement with a local Black Economic Empowerment Company, Oponona (Pty) Ltd whereby Oponona would acquire a 5% interest in any and all projects within the three EPL boundaries upon Reptile Uranium Namibia (Pty) Ltd applying for a Mining Licence;

Options Over Unissued Capital

Unlisted Options

During and since the end of the financial year the Company granted 19,375,000 unlisted options over unissued shares and issued 14,650,000 ordinary fully paid shares on the exercise of options. During and since the end of the financial year 7,290,000 options lapsed unexercised upon vesting conditions not being satisfied by the holders and 5,000,000 options expired according to their terms and conditions.

As at the date of this report unissued ordinary shares of the Company under option are:

Number of Options Granted	Exercise Price	Expiry Date	Vesting Period
16,000,000	55.1 cents	30 November 2009	Nil
2,912,500	44.6 cents	31 December 2009	Now vested
787,500	64.6 cents	30 June 2010	Now vested
2,437,500	59.6 cents	31 December 2010	Now vested
6,250,000	59.5 cents	30 November 2010	Now vested
6,250,000	59.5 cents	30 November 2010	21 December 2009
6,230,000	27.5 cents	30 June 2011	Now vested
900,000	27.5 cents	30 June 2011	Nil
612,500	74.6 cents	30 June 2011	07 December 2009
3,405,000	40.0 cents	30 June 2011	01 December 2009
2,145,000	45.0 cents	30 June 2011	Now vested
2,145,000	60.0 cents	30 June 2011	01 June 2010
2,350,000	27.5 cents	31 December 2011	Now vested
3,050,000	27.5 cents	30 June 2011	01 July 2010
120,000	27.5 cents	30 June 2012	Now vested
390,000	27.5 cents	30 June 2012	01 December 2009
375,000	27.5 cents	30 June 2012	01 June 2010
2,650,000	35.0 cents	30 June 2012	01 December 2009
3,400,000	45.0 cents	30 June 2012	01 June 2010
600,000	45.0 cents	30 June 2012	Now vested
625,000	60.0 cents	30 June 2012	01 June 2010
63,635,000			

Unlisted options issued to Directors, employees and consultants are subject to various vesting conditions detailed above and in Note 18.

The holders of unlisted options are not entitled to any voting rights nor may they participate in any share issue of the Company until the options are exercised.

Matters Subsequent to the End of the Financial Year

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group are included elsewhere in this Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of the future exploration and evaluation.

Environmental Regulation and Performance

The Group holds various exploration licences that regulate its exploration activities in Australia and Namibia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of the Group's exploration activities.

At the date of this report no agency has notified the Group of any environmental breaches during the financial year nor are the Directors aware of any environmental breaches.

Remuneration Report (Audited)

This Remuneration Report outlines the Director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent Company.

For the purpose of this report, the term "executive" encompasses senior executives, general managers and secretaries of the Parent and the Group.

Details of key management personnel

(a) Directors

Mervyn Greene	Chairman (Non-Executive)	Gillian Swaby	Non- Executive Director
Dr Leon Pretorius	Managing Director	Rudolf Brunovs	Non- Executive Director
Martin Kavanagh	Executive Director	Tony McDonald	Non- Executive Director

(b) Executives

Mark Pitts	Company Secretary	Alexander Moyle – left employment 28 February 2009	Exploration Manager – Australia

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

There were no changes of Key Management Personnel between the reporting date and the date the financial report was authorised for issue.

Remuneration committee

The Board has appointed a Remuneration Committee to assist it in its determination of levels and components of remuneration packages. The Remuneration Committee consists only of non-executive directors.

The Remuneration Committee is responsible for reviewing the overall remuneration philosophy, strategy, plans, policies and procedures to implement the remuneration objective. It also reviews and makes recommendations as to the makeup of the remuneration packages for the directors and executives.

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

Remuneration philosophy

The Company's remuneration objective is to adopt policies, processes and practices to appropriately attract and retain Directors and executives who will add value to the Company and to adopt reward programmes which are fair and responsible and in accordance with principles of good corporate governance. This dictates a need to align director and executive entitlements with shareholder objectives.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective
The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure
The Constitution and the ASX Listing Rules specify that the remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 28 November 2007 when shareholders approved a total of $250,000 per annum to be apportioned between the Non-Executive Directors as determined by the Board

The remuneration of non-executive directors for the period ending 30 June 2009 and 30 June 2008 is detailed in Table 1 and 2 respectively of this report.

Executive Director Remuneration

Objective
The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- Reward executives for performance.
- Align the interest of executives with those of shareholders.
- Ensure total remuneration is competitive by market standards.

Remuneration Report (Audited) (continued)

Structure
In making recommendations to the Board, the Remuneration Committee may take independent advice.

At the date of this report, agreements entered into with Senior Executives do not include performance based components.

Options issued to Directors during the financial year were approved by shareholders and were not the subject of an agreement or issued subject to the satisfaction of a performance condition. The options were issued to encourage the recipients and to provide an incentive to strive for the achievement of the Company's objectives and to link those objectives to those of the shareholders. The terms of the options did not include performance conditions, however:

* the exercise price of the options at the time of issue was approximately 100% greater than the market price at that time; and
* 50% of the options issued vest immediately and the balance vest on 1 July 2010.

Options were deliberately chosen because they can provide the appropriate level of incentive required in an otherwise competitive environment and are cost effective given the Company's stage of development.

The Company does not have a policy preventing executives and directors from managing their risk exposure from ownership of Employee Share Options.

Group performance

The table below shows the performance of the Group as measured by its market capitalization and its share price since 30 June 2006. We have not disclosed the relevant information for the period prior to 2006 as the Company was in voluntary administration after trading in a different commodity and with different management.

The measures shown in the table are a reflection of the volatility in the price of U_3O_8 and world capital markets recently.

	2009 Cents	2008 Cents	2007 Cents	2006 Cents
Share price	33.50	27.00	55.00	10.58
Earnings/(Loss) per share	(1.19)	(0.35)	(0.34)	(0.43)

Details of Remuneration for Directors and Executive Officers

The Company Secretary, Mr Mark Pitts and Australian Exploration Manager, Mr Alexander Moyle are Key Management Personnel and have been included in remuneration disclosures in this report.

During the year there were no other executives who were employed by the Group for whom disclosure is required. Details of the remuneration of each Director and Executive of the Group are as follows:

Table 1: Remuneration for the year ended 30 June 2009

30 June 2009	Short Term		Post Employment	Share Based Payments	Total $
	Base Emolument $	Other Benefits $	Superannuation Contributions $	Value of Options $	
Directors					
L Pretorius	-	504,000	-	481,964	985,964
M Kavanagh	293,578	-	26,422	289,869	609,869
M Greene	70,850	-	-	-	70,850
G Swaby	50,000	-	4,500	-	54,500
R Brunovs	54,500	-	-	-	54,500
T McDonald	54,500	-	-	-	54,500
Executives					
M Pitts	76,000	-	-	29,784	105,784
A Moyle (i)	140,000	-	12,600	(72,134)	80,466
Total	**739,428**	**504,000**	**43,522**	**729,484**	**2,016,434**

(i) Left employment 28 February 2009

Table 2: Remuneration for the year ended 30 June 2008

30 June 2008	Short Term		Post Employment	Share Based Payments	Total $
	Base Emolument $	Other Benefits $	Superannuation Contributions $	Value of Options $	
Directors					
L Pretorius	-	275,000	-	505,779	780,779
M Kavanagh	223,626	-	20,131	337,186	580,943
M Greene	69,488	-	-	-	69,488
G Swaby	50,000	-	4,500	-	54,500
R Brunovs	49,958	-	-	-	49,958
T McDonald	49,958	-	-	-	49,958
Executives					
M Pitts	120,000	-	-	85,812	205,812
A Moyle	87,500	-	7,875	72,134	167,509
Total	**650,530**	**275,000**	**32,506**	**1,000,910**	**1,958,946**

Remuneration Report (Audited) (continued)

Service Agreements

The Group has the following service agreements with Key Management Personnel:

An agreement with Opaline Gold (Pty) Limited for consultancy services from Dr L Pretorius has no fixed term. Professional fees under the contract are $444,000 (2009: $504,000) per annum with effect from 1 July 2009. Termination of the contract by the Group will result in a payment equivalent to 12 months consultancy fees.

An employment agreement with Mr M Kavanagh has no fixed term. Remuneration under the contract is $320,000 per annum (including statutory superannuation). Termination of the contract by the Group will result in a payment equivalent to 12 months remuneration.

Unlisted Options

Unlisted Options provided as remuneration and shares issued on exercise of such options

The value of options set out in remuneration Table 1 for 2009 includes 6,325,000 options granted during the financial year. The options were independently valued using a binomial option valuation methodology (details are included in Table 3).

Table 3: Compensation options: Granted and vested during the year ended 30 June 2009

	Granted		Terms & Conditions for each Grant						Vested	
30 June 2009	Number of options	Total value of options granted ($)	Grant Date	Fair Value per option at grant date (cents)	Exercise price per option (cents)	Expiry date	First Exercise Date	Last Exercise Date	Number	%
Directors										
L Pretorius	2,150,000	92,880	02.12.08	4.32	27.5	30.06.11	02.12.08	30.06.11	2,150,000	100
L Pretorius	2,150,000	92,880	02.12.08	4.32	27.5	30.06.11	01.07.10	30.06.11	-	0
M Kavanagh	900,000	38,880	02.12.08	4.32	27.5	30.06.11	02.12.08	30.06.11	900,000	100
M Kavanagh	900,000	38,880	02.12.08	4.32	27.5	30.06.11	01.07.10	30.06.11	-	0
Executives										
M Pitts	75,000	11,610	20.08.08	15.48	27.5	31.12.11	01.06.09	31.12.11	75,000	100
A Moyle	150,000	23,220	20.08.08	15.48	27.5	31.12.11	01.06.09	31.12.11	-	0
Total	**6,325,000**	**298,350**								

Table 4: Compensation options: Granted and vested during the year ended 30 June 2008

	Granted			Terms & Conditions for each Grant					Vested in 2008		Vested in 2009	
30 June 2008	Number of options	Total value of options granted ($)	Grant Date	Fair Value per option at grant date (cents)	Exercise price per option (cents)	Expiry date	First Exercise Date	Last Exercise Date	Number	%	Number	%
Directors												
L Pretorius	7,500,000	861,000	28.11.07	11.48	59.5	30.11.10	28.11.08	30.11.10	-	0	7,500,000	100
M Kavanagh	5,000,000	574,000	28.11.07	11.48	59.5	30.11.10	28.11.08	30.11.10	-	0	5,000,000	100
Executives												
M Pitts	75,000	17,108	26.02.08	22.81	27.5	30.06.11	01.12.08	30.06.11	-	0	75,000	100
M Pitts	75,000	15,405	26.02.08	20.54	40.0	30.06.11	01.12.09	30.06.11	-	0	-	0
A Moyle	250,000	57,025	28.02.08	22.81	27.5	30.06.11	01.12.08	30.06.11	-	0	250,000	100
A Moyle	250,000	51,350	28.02.08	20.54	40.0	30.06.11	01.12.09	30.06.11	-	0	-	0
A Moyle	500,000	98,950	28.02.08	19.79	45.0	30.06.11	01.06.09	30.06.11	-	0	-	0
A Moyle	500,000	89,500	28.02.08	17.90	60.0	30.06.11	01.06.10	30.06.11	-	0	-	0
Total	**14,150,000**	**1,764,338**										

Remuneration Report (Audited) (continued)

Table 5: Compensation options: Changes during the year ended 30 June 2009

30 June 2009	Value of options granted during the year ($)	Value of options exercised during the year ($)	Value of options lapsed during the year ($)	Remuneration consisting of options for the year
L Pretorius	185,760	279,500	-	48.9%
M Kavanagh	77,760	-	-	47.5%
G Swaby	-	-	-	Nil%
M Greene	-	-	-	Nil%
R Brunovs	-	-	-	Nil%
T McDonald	-	-	-	Nil%
M Pitts	11,610	-	-	28.2%
A Moyle *	23,220	-	-	(89.6%)
Total	**298,350**	**279,500**	**-**	

*The fair value of 1,400,000 options which lapsed during the year was nil on the day the options were forfeited.

Table 6: Compensation options: Changes during the year ended 30 June 2008

30 June 2008	Value of options granted during the year ($)	Value of options exercised during the year ($)	Value of options lapsed during the year ($)	Remuneration consisting of options for the year
L Pretorius	861,000	-	-	64.8%
M Kavanagh	574,000	-	-	58.0%
G Swaby	-	-	-	Nil%
M Greene	-	-	-	Nil%
R Brunovs	-	-	-	Nil%
T McDonald	-	-	-	Nil%
M Pitts	32,513	-	-	41.7%
A Moyle	296,825	-	-	43.1%
Total	**1,764,338**	**-**	**-**	

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

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

There were no forfeitures during the period.

The options were provided at no cost to the recipients.

Table 7: Shares issued on exercise of compensation options

30 June 2009	Shares issued No.	Paid per share (cents) (note 22)	Unpaid per share
L Pretorius	2,150,000	27.5	-
Total	**2,150,000**		

End of Remuneration Report.

Officers' Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors and the Company Secretary named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not entered into any agreement to indemnify any auditor of the Group.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Corporate Governance

The Directors recognise the need for the highest standards of corporate behaviour and accountability, and the Company's corporate governance statement is contained in the annual report.

Non-audit Services and Auditor's Independence Declaration

During the 2009 financial year Ernst & Young, the Company's auditor, has provided non audit services in addition to their statutory duties as disclosed below.

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Audit and review of the Group's financial statements	**62,134**	**72,257**	**44,290**	**58,230**
Taxation and other services	**2,541**	**-**	**2,541**	**-**
	64,675	**72,257**	**46,831**	**58,230**

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 22.

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

DATED at Perth this 15th day of September 2009.

Dr Leon Pretorius
Managing Director

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Revenue	5(a)	**3,184,559**	4,282,266	**3,054,874**	3,789,344
Other income	5(b)	**751,440**	4,603,674	**751,440**	4,603,170
Revenue and Other Income		**3,935,999**	8,885,940	**3,806,314**	8,392,514
Depreciation and amortisation expenses	6	**(534,740)**	(461,000)	**(331,325)**	(344,490)
Marketing expenses		**(33,550)**	(52,423)	**(27,926)**	(44,711)
Occupancy expenses		**(215,543)**	(135,303)	**(175,847)**	(103,907)
Office and other expenses		**(1,239,472)**	(823,490)	**(1,003,792)**	(682,402)
Employee expenses	6	**(3,853,241)**	(3,540,641)	**(2,019,086)**	(2,077,569)
Finance costs		**-**	(642)	**-**	(642)
Exploration costs written off	14	**(14,537,134)**	(115,242)	**(14,537,134)**	(115,242)
Impairment expense and fair value movement	6	**(1,189,324)**	(2,649,317)	**(1,189,324)**	(2,649,317)
Provision for non recovery of loan		**-**	-	**-**	470,282
Net profit/(loss) before income tax		**(17,667,005)**	1,107,882	**(15,478,120)**	2,844,516
Income tax benefit / (expense)	7	**4,320,193**	(4,912,031)	**4,660,229**	(4,802,948)
Loss after income tax	19	**(13,346,812)**	(3,804,149)	**(10,817,891)**	(1,958,432)

Earnings per share for loss attributable to the ordinary equity holders of the company.			
		Cents	Cents
Basic earnings/(loss) per share	31	**(1.19)**	(0.35)
Diluted earnings/(loss) per share	31	**(1.19)**	(0.35)

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

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
ASSETS					
Current assets					
Cash and cash equivalents	8	**47,415,814**	57,055,701	**46,815,577**	54,614,411
Trade and other receivables	9(a)	**1,269,469**	2,324,774	**232,938**	1,759,486
Other assets	9(b)	**427,381**	557,862	**206,324**	108,370
Held for trading financial assets	10	**117,800**	580,688	**117,800**	580,688
Total current assets		**49,230,464**	60,519,025	**47,372,639**	57,062,955
Non- current assets					
Investments in controlled entities at cost	11(a)	**-**	-	**60,868,146**	59,868,146
Loans to controlled entities	11(b)	**-**	-	**16,924,567**	8,501,344
Available-for-sale investments	12	**822,427**	1,915,612	**822,427**	1,915,612
Property, plant and equipment	13	**2,900,621**	2,482,727	**1,083,376**	1,196,324
Capitalised mineral exploration and evaluation expenditure	14	**98,196,751**	96,519,814	**24,342,945**	33,473,394
Deferred Tax asset	7	**-**	-	**1,826,807**	-
Total non-current assets		**101,919,799**	100,918,153	**105,868,268**	104,954,820
Total assets		**151,150,263**	161,437,178	**153,240,907**	162,017,775
LIABILITIES					
Current liabilities					
Trade and other payables	16	**1,795,906**	1,387,900	**1,026,455**	611,558
Loans from controlled entities	26	**-**	-	**209,031**	794,760
Total current liabilities		**1,795,906**	1,387,900	**1,235,486**	1,406,318
Non-Current liabilities					
Deferred tax liabilities	7	**850,530**	5,170,723	**-**	2,481,099
Total non-current liabilities		**850,530**	5,170,723	**-**	2,481,099
Total liabilities		**2,646,436**	6,558,623	**1,235,486**	3,887,417
Net assets		**148,503,827**	154,878,555	**152,005,421**	158,130,358
EQUITY					
Contributed equity	17	**193,696,974**	191,084,094	**193,696,974**	191,084,094
Accumulated losses	19	**(54,386,644)**	(41,039,832)	**(50,361,172)**	(39,543,281)
Equity compensation reserve	19	**8,349,235**	6,544,847	**8,349,235**	6,544,847
Asset fair value adjustment reserve	19	**320,384**	44,698	**320,384**	44,698
Foreign exchange reserve	19	**523,878**	(1,755,252)	**-**	-
Total equity		**148,503,827**	154,878,555	**152,005,421**	158,130,358

The above balance sheet should be read in conjunction with the accompanying notes.

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Total equity at the beginning of the financial year		**154,878,555**	115,260,035	**158,130,358**	115,260,035
Movement in foreign exchange reserve	19	**2,279,130**	(1,406,086)	**-**	-
Fair value adjustment on investment recognised in equity	19	**275,686**	44,698	**275,686**	44,698
Net expense / (income) recognised directly in equity		**2,554,816**	(1,361,388)	**275,686**	44,698
Loss for the year	19	**(13,346,812)**	(3,804,149)	**(10,817,891)**	(1,958,432)
Total recognised expense for the year		**(10,791,996)**	(5,165,537)	**(10,542,205)**	(1,913,734)
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity	17(b)	**2,612,880**	42,451,037	**2,612,880**	42,451,037
Transaction costs of equity issued	17(b)	**-**	(91,575)	**-**	(91,575)
Movement in equity compensation reserve	19	**1,804,388**	2,424,595	**1,804,388**	2,424,595
Total equity at the end of the financial year		**148,503,827**	154,878,555	**152,005,421**	158,130,358

The above statement of changes in equity should be read in conjunction with the accompanying notes.

	Note	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Cash flows from operating activities					
Interest received		**3,513,814**	3,735,125	**3,397,658**	3,242,202
Payments to suppliers and employees		**(2,331,039)**	(2,091,989)	**(1,361,254)**	(611,435)
Cash received on issue of option to acquire interest in tenements		**-**	50,000	**-**	50,000
Other income received		**239,565**	249,380	**239,565**	248,873
Net cash from / (used in) operating activities	30	**1,422,340**	1,942,516	**2,275,969**	2,929,640
Cash flows from investing activities					
Exploration expenditure		**(14,557,150)**	(9,572,934)	**(5,062,650)**	(2,611,552)
Payments for investments in controlled entities		-	-	**(1,000,000)**	(2,000,000)
Funds advanced to controlled entities		-	-	**(7,446,137)**	(3,935,474)
Proceeds from sale of investments		**1,227,407**	-	**1,227,407**	-
Payments for property, plant and equipment		**(723,677)**	(1,110,380)	**(225,693)**	(455,421)
Proceeds on sale of property, plant and equipment		**6,500**	-	**6,500**	-
Proceeds on sale of exploration interests		**900,000**	500,000	**900,000**	500,000
Proceeds on disposal of security deposits		**9,420**	-	**4,420**	-
Payments for security deposits		**(83,193)**	(29,085)	**(82,400)**	(29,085)
Net cash from / (used in) investing activities		**(13,220,693)**	(10,212,399)	**(11,678,553)**	(8,531,532)
Cash flows from financing activities					
Proceeds from the issue of shares		**1,603,750**	42,451,037	**1,603,750**	42,451,037
Payments for transaction costs relating to share issues		**-**	(91,575)	**-**	(91,575)
Net cash from financing activities		**1,603,750**	42,359,462	**1,603,750**	42,359,462
Net increase/(decrease) in cash and cash equivalents		**(10,194,603)**	34,089,579	**(7,798,834)**	36,757,570
Effects on cash of foreign exchange		**554,716**	(1,185,008)	-	-
Cash and cash equivalents at the beginning of the financial year		**57,055,701**	24,151,130	54,614,411	17,856,841
Cash and cash equivalents at the end of the financial year	8(a)	**47,415,814**	57,055,701	**46,815,577**	54,614,411

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

Note 1 Corporation information and summary of significant accounting policies

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

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Deep Yellow Limited as an individual entity and the consolidated entity consisting of Deep Yellow Limited and its controlled entities ("Group").

The financial report of Deep Yellow Limited ("the Company") and of the Group was authorised for issue in accordance with a resolution of Directors on 10 September 2009.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporation Act 2001.

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

Statement of Compliance
The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

New accounting standards and interpretations
The following standards, amendments to standards and interpretations have been identified as those which may impact the consolidated entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report.

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements.	1 July 2009
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	These amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised. The Group has no borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on the Group's financial report.	1 July 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Group has share-based payment arrangements that may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 3 (Revised)	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations.	1 July 2009	The Group may enter into some business combinations during the next financial year and may therefore consider early adopting the revised standard. The Group has not yet assessed the impact of early adoption, including which accounting policy to adopt.	1 July 2009

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 127 (Revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to AASB 127 relating to changes in ownership interest in a controlled entity without loss of control, allocation of losses of a controlled entity and accounting for the loss of control of a controlled entity. Specifically in relation to a change in the ownership interest of a controlled entity (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction	1 July 2009	If the Group changes its ownership interest in existing controlled entities (that does not result in loss of control) in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement.	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127. Refer above	1 July 2009	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.	1 July 2009
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. The AASB issued these amendments in two separate amending standards; one dealing with the accounting changes effective from 1 January 2009 and the other dealing with amendments to AASB 5, which will be applicable from 1 July 2009 [refer below AASB 2008-6].	1 January 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer to AASB 2008-5 above for more details.	1 July 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Controlled entity, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to AASB 127 deleting the "cost method" and requiring all dividends from a controlled entity, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a controlled entity, in limited reorganisations, to be based on the previous carrying amount of the controlled entity (that is, share of equity) rather than its fair value.	1 January 2009	The Group has not received dividends from a controlled entity, jointly controlled entity or associate and as such the amendments are not expected to have any impact on the Group's financial report.	1 July 2009

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: * quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); * inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and * inputs for the asset or liability that are not based on observable market data (unobservable inputs)(Level 3). These amendments arise from the issuance of *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to IFRIC 16 which allows qualifying hedge instruments to be held by any entity or entities within the Group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements in AASB 139 that relate to a net investment hedge are satisfied. More hedging relationships will be eligible for hedge accounting as a result of the amendment. These amendments arise from the issuance of the IASB's *Improvements to IFRSs*. The amendments pertaining to IFRS 5, 8, IAS 1,7, 17, 36 and 39 have been issued in Australia as AASB 2009-5 (refer below).	1 July 2009	The Interpretation is unlikely to have any impact on the Group since it does not significantly restrict the hedged risk or where the hedging instrument can be held.	1 July 2009
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The main amendment of relevance to Australian entities is that made to AASB 117 by removing the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible v property, plant and equipment) needs to be determined. These amendments arise from the issuance of the IASB's *Improvements to IFRSs*. The AASB has issued the amendments to IFRS 2, IAS 38, IFRIC 9 as AASB 2009-4 (refer above).	1 January 2010	The amendments are expected to have no or minimal effect on the Group's accounting.	1 July 2010

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2009-Y	Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]	These comprise editorial amendments and are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009	The amendments are expected to have no major impact on the requirements of the amended pronouncements.	1 July 2009
Amendments to International Financial Reporting Standards***	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular: * the scope of AASB 2; and * the interaction between IFRS 2 and other standards. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. A "group" has the same meaning as in IAS 27 *Consolidated and Separate Financial Statements*, that is, it includes only a parent and its controlled entities. The amendments also incorporate guidance previously included in IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *IFRS 2—Group and Treasury Share Transactions*. As a result, IFRIC 8 and IFRIC 11 have been withdrawn.	1 January 2010	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2010

* designates the beginning of the applicable annual reporting period unless otherwise stated
*** pronouncements that have been issued by the IASB and IFRIC but have not yet been issued by the AASB.

Historical cost convention
These financial statements have been prepared on a historical cost basis, except for the fair valuation of available for sale financial assets and of financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(b) Principles of consolidation

The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of the controlled entities are prepared for the same reporting period as the parent company, using consistent accounting policies.

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation. Investments in controlled entities are accounted for at cost in the individual financial statements of the Company.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest income
Interest income is recognised as it accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(e) Income tax

The current income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate enacted or substantially enacted at balance sheet date for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. In addition, no deferred tax is recognised in respect of goodwill.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax amounts attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys the right to use the asset.

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

(g) 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.

(h) 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.

(i) Fair value estimation

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using a binomial option valuation methodology.

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the written down value method or straight line method to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Office equipment and fittings	12.5% – 33% written down value
Motor vehicles	25% written down value
Site equipment	25% written down value
Leasehold property and buildings	5% of cost

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

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.

(k) Intangible assets

Specific policies applied to the Group's intangible assets are disclosed at note 15.

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Impairment
Intangible assets with finite lives are tested for impairment when an objective indicator of impairment is present either individually or at the cash generating unit level. Useful lives are reviewed annually and any adjustments made on a prospective basis.

(l) Mineral exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable Area of Interest. An Area of Interest is generally defined by the Group as a number of geographically proximate exploration permits which could form the basis of a project. These costs are only carried forward to the extent that the Group's rights of tenure to that Area of Interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full in the Income Statement in the year in which the decision to abandon the area is made.

A regular review is undertaken of each Area of Interest to determine the appropriateness of continuing to carry forward costs in relation to that Area of Interest.

(m) Restoration and Rehabilitation policy

Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits.

Site rehabilitation is required to decommission and rehabilitate exploration sites to a condition acceptable to the relevant authority.

(n) Joint ventures

The Group's joint venture interests are classified as joint venture operations in accordance with AASB 131 Interest in Joint Ventures.

Interests in joint venture operations have been brought to account by including the appropriate share of the relevant assets, liabilities and costs of the joint ventures in their relevant categories in the financial statements. Details of these interests are shown in note 28.

(o) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured and usually paid within 30 days of recognition.

(p) Employee benefits

Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salaries, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share based payments
Share based compensation payments are made available to Directors and employees of both the parent company and controlled entities, whereby Directors and employees render services in exchange for rights over shares.

The fair value of options granted 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 options.

At each subsequent reporting date until vesting, the cumulative charge to the income statement is the product of:

i. the grant date fair value of the award;
ii. the current best estimate of the number of options 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 income statement 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 granted by the parent company to employees of controlled entities are recognised in the parent's separate financial statements as a loan to the controlled entity. As a result, the expense recognised by the parent company in relation to share based compensation payments only represents the expense associated with options to employees of the parent. 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 that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

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

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(s) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts, and generally have 30 day terms. An allowance for a doubtful debt is made when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified.

(u) Investments and other financial assets

Financial assets in the scope of AASB139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets at initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Investments that are included as held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

(v) Foreign currency translation

The functional currencies of Deep Yellow Limited and its overseas controlled entities are Australian dollars ($), Namibian dollars and US dollars respectively. These consolidated financial statements are presented in Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All realised exchange differences are taken to profit and loss and foreign exchange differences arising on consolidation are recognised in reserves.

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.

(w) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and that a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(x) Impairment of financial assets

(i) Financial assets carried at cost
If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(ii) Available-for-sale investments
If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair-value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. The prolonged or significant decline in the market value of the investments is taken as an impairment indicator. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(y) Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Note 2 Financial risk management

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables
The nature of the business activity of the Group does not result in trading receivables. The receivables that the Company does experience through its normal course of business are short term in nature and the risk of non recovery of receivables is considered to be negligible. The Board does not consider there to be a significant exposure to credit risk in relation to trade and other receivables.

Cash at bank
The Group's primary banker is Westpac Banking Corporation, at balance date all operating accounts are with this bank, other than funds transferred to Namibia to meet the working capital needs of the controlled entity, Reptile Uranium Namibia Pty Ltd. The cash needs of the controlled entity's operations are monitored by the parent company and funds are advanced to the Namibian operations as required. The Directors believe this is the most efficient method of combining the monitoring and mitigation of potential credit risks arising out of holding cash assets in overseas jurisdictions, and the funding mechanisms required by the Group.

Deposits at call
In addition the Group has a significant amount of cash assets on deposit with two banking organisations in Australia, these organisations being Westpac Banking Corporation Limited and Australia and New Zealand Banking Group Limited. The Board considers these financial institutions, which have ratings of at least A1 from Standard & Poor's, to be sufficient in the management of credit risk with regards to funds on deposit.

Except for the matters above, the Group currently has no significant concentrations of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's 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 term investments and short and medium term exploration programmes are tailored within current cash resources.

The Board does not consider liquidity risk to be a significant concern for the short to medium term but actively monitors liquid assets in conjunction with the Group's budgeting and reporting process.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Interest rate risk
The Group has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Group requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest deposits. The Group does not employ interest rate swaps or enter into any other hedging activity with regards to its interest bearing investments.

Currency risk
The Group is exposed to currency risk on financial assets and liabilities held by Group companies in Namibia. Financial assets in overseas Group companies are not generally material in the context of financial instruments entered into by the Group as a whole, as they generally relate to funds advanced to fund short term exploration and administration activities of the overseas operations. Once the funds are expended they are no longer classified as financial assets. Management is of the opinion that the advancing of funds to overseas operations on a needs basis, and hence preventing the accumulation of cash assets or other financial instruments that may lead to exposing the Group to increased foreign currency risk, is an effective method for the management of currency risk.

The Group's investments in overseas subsidiary companies are not hedged as they are considered to be long term in nature.

Equity price risk
The Group is exposed to equity price risk through its holding of investments in the ordinary share capital of a number of entities listed on the Australian Securities Exchange, and through the holding of options to acquire ordinary shares in the same entities. The holdings have generally arisen from the divestment of exploration interests given as consideration and as such have not been acquired under a formal investment strategy. A number of the equity investments are also subject to restriction conditions and as such the Group is limited in its ability to mitigate short term equity risk in these financial assets.

Where the equity investments are liquid financial assets of the Group, their market values and potential future value to the Group are considered by management when considering whether to divest or retain the assets.

The Company does not have any direct exposure to any other foreign exchange or equity risks other than their effect on the general economy.

(d) Capital management

The Board's policy is to maintain a strong 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 tax law influenced 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 and after consultation with local expertise when considered necessary.

The Group's approach to capital management has not changed during the financial year. Capital is comprised of shareholders' equity as disclosed in the balance sheet.

Note 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

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

Share based payments
The Group's accounting policy is stated at note 1(p). The Group uses independent advisors to assist in valuing share based payments. Refer note 18 for details of estimates and assumptions used.

Investments in and loans to controlled entities
The Group's accounting policy is stated at note 1(u). Intercompany loans, on initial recognition, are measured at fair value plus transaction costs. After initial recognition, subsequent measurements are at amortised cost using the effective interest rate method.

Note 4 Segment information

The Group's primary segment reporting format is geographical segments and are determined based on the Group's assets. Secondary reporting is done on business segments for which the Group does not separately disclose any financial information as it is only involved in the mineral exploration and resource development sector.

Geographical segments

The following table presents revenue, expenses and certain asset information regarding geographical segments for the years ended 30 June 2009 and 30 June 2008.

	Australia $	Namibia $	Total $
Year Ended 30 June 2009			
Revenue			
Other income	751,440	-	751,440
Interest Income	3,054,874	129,685	3,184,559
Total consolidated revenue and income			3,935,999
Segment result	(11,180,963)	(2,165,849)	(13,346,812)
Depreciation and amortisation	331,325	203,415	534,740
Other segment information			
Segment assets	85,253,115	65,897,148	151,150,263
Segment liabilities	(1,881,199)	(765,237)	(2,646,436)
Capital expenditure	226,878	499,968	726,846
Capitalised exploration expenditure	35,943,935	62,252,816	98,196,751
Non cash transactions (i)(ii)	2,105,057	1,642,548	3,747,605
Year Ended 30 June 2008			
Revenue			
Other income	4,603,170	504	4,603,674
Interest Income	4,282,266	-	4,282,266
Total consolidated revenue and income			8,885,940
Segment result	(2,537,798)	(1,266,351)	(3,804,149)
Depreciation and amortisation	344,491	116,510	461,001
Other segment information			
Segment assets	104,688,399	56,748,779	161,437,178
Segment liabilities	(5,334,975)	(1,223,648)	(6,558,623)
Capital expenditure	455,421	654,959	1,110,380
Capitalised exploration expenditure	44,461,019	52,058,795	96,519,814
Non cash transactions	4,564,250	-	4,564,250

(i) The non cash transactions for the Australian segment relate to impairment expense and fair value movement (note 6), share based payment expense (note 6), gain on sale of investments (note 5) and bad debts written off of $250,000.
(ii) The non cash transactions for the Namibian segment relate to share based payment expense (note 6).

Note 5 Revenue and other income

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
a) Revenue				
Interest received and receivable	**3,184,559**	4,282,266	**3,054,874**	3,789,344
	3,184,559	4,282,266	**3,054,874**	3,789,344
b) Other income				
Gain on sale of exploration interests	**-**	1,247,630	**-**	1,247,630
Gain on sale of investment	**584,972**	-	**584,972**	-
Option fee on farm out agreement	**-**	50,000	**-**	50,000
Income on the sale of exploration assets	**150,000**	2,836,667	**150,000**	2,836,667
Distribution from creditors trust	**-**	290,000	**-**	290,000
Other income	**16,468**	179,377	**16,468**	178,873
	751,440	4,603,674	**751,440**	4,603,170

Note 6 Expenses

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Loss before income tax includes the following specific expenses:				
Impairment expense and fair value movements:				
Impairment on available for sale financial assets (note 12)	**829,957**	2,455,630	**829,957**	2,455,630
Fair value changes in held for trading financial assets (note 10)	**359,367**	193,687	**359,367**	193,687
Total Impairment Expense and Fair Value Movements	**1,189,324**	2,649,317	**1,189,324**	2,649,317
Depreciation expense:				
Office equipment	**101,108**	60,957	**71,001**	40,862
Motor vehicles	**193,953**	101,796	**147,800**	81,054
Site equipment	**180,598**	71,422	**91,350**	39,119
Buildings	**59,081**	64,543	**21,174**	21,173
Amortisation of intangible asset	**-**	162,282	**-**	162,282
Total Depreciation and Amortisation Expenses	**534,740**	461,000	**331,325**	344,490
Employee expenses:				
Wages, salaries and fees	**940,188**	972,053	**748,581**	802,230
Superannuation	**19,800**	18,031	**19,800**	18,031
Share based payments	**2,893,253**	2,550,557	**1,250,705**	1,257,308
Total Employee Expenses	**3,853,241**	3,540,641	**2,019,086**	2,077,569
Rental expenses on operating leases	**103,219**	31,976	**103,219**	31,976

Note 7 Income tax

	Consolidated		Company	
a) Income tax expense	2009 $	2008 $	2009 $	2008 $
Current income tax:				
Current income tax charge (benefit)	**(1,262,017)**	-	**(929,569)**	352,323
Utilised against Future Income tax charge	**1,262,017**	-	**929,569**	-
Under / (over) provision in prior year	**(650,728)**	375,684	**(1,186,992)**	2,553,742
Deferred income tax:				
Relating to origination and reversal of timing differences	**(3,857,941)**	1,934,829	**(3,661,713)**	1,537,684
Under / (over) provision in prior year	**188,476**	(568,600)	**188,476**	(2,810,919)
Carry forward tax losses no longer brought to account	**-**	3,170,118	**-**	3,170,118
Income tax expense / (benefit) reported in the income statement	**(4,320,193)**	4,912,031	**(4,660,229)**	4,802,948
b) Reconciliation of income tax expense to prima facie tax payable				
Profit / (Loss) before income tax expense	**(17,667,005)**	1,107,882	**(15,478,120)**	**2,844,516**
Tax at the Australian rate of 30% (2008 – 30%)	**(5,300,101)**	332,365	**(4,643,436)**	**853,355**
Effect of tax rates in foreign jurisdictions*	**6,484**	2,871	**-**	**-**
Tax effect:				
Provision for non recovery of intercompany loan	**-**	-	**-**	**(141,085)**
Non-deductible share based payment	**867,976**	765,167	**375,212**	**375,392**
Other expenditure not allowable	**210,903**	39,631	**249,714**	**7,549**
Tax benefit on Impairment of available for sale assets not recognised	**356,797**	794,795	**356,797**	**794,795**
Under / (over) provision in prior year	**(462,252)**	(192,916)	**(998,516)**	**(257,176)**
Carry forward tax losses no longer brought to account	**-**	3,170,118	**-**	**3,170,118**
Tax expense / (benefit)	**(4,320,193)**	4,912,031	**(4,660,229)**	**4,802,948**
c) Deferred tax – Balance Sheet				
Liabilities				
Prepayments	**27,208**	100,200	**15,137**	9,271
Capitalised exploration and evaluation expenditure	**7,430,825**	9,985,950	**4,555,198**	7,294,332
	7,458,033	10,086,150	**4,570,335**	7,303,603
Assets				
Revenue losses available to offset against future taxable income	**6,334,451**	4,421,706	**6,185,944**	4,421,706
Income recognised in advance for tax	**75,000**	210,000	**75,000**	210,000
Accrued expenses	**164,441**	170,204	**102,587**	77,281
Deductible equity raising costs	**33,611**	113,517	**33,611**	113,517
	6,607,503	4,915,427	**6,397,142**	4,822,504
Net deferred tax liability / (asset)	**850,530**	5,170,723	**(1,826,807)**	2,481,099

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

Note 7 Income Tax (Cont'd)

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
d) Deferred tax – Income Statement				
Liabilities				
Prepayments	**(72,992)**	91,678	**5,866**	883
Intangible asset	**-**	(393,539)	**-**	(393,539)
Capitalised exploration expenses	**(2,555,125)**	396,999	**(2,739,134)**	(2,236,808)
Assets				
Income recognised in advance for tax	**135,000**	(210,000)	**135,000**	(210,000)
Accruals	**5,763**	(115,772)	**(25,306)**	(30,633)
Deductible equity raising costs	**79,906**	(47,137)	**79,906**	(47,137)
Decrease/(Increase) in tax losses carried forward	**(1,262,017)**	4,814,118	**(929,569)**	5,125,541
Deferred tax expense / (benefit)	**(3,669,465)**	4,536,347	**(3,473,237)**	2,208,307

e) Unrecognised temporary differences
At 30 June 2009, there are no unrecognised temporary differences associated with the Group's investments in subsidiaries, associate or joint venture, as the Group has no liability for additional taxation should unremitted earnings be remitted (2008: Nil).

f) Tax consolidation
(i) Members of the tax consolidated group and the tax sharing arrangement
Deep Yellow Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 2 February 2007. Deep Yellow Limited is the head entity of the tax consolidated group.

Members of the group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

(ii) Tax effect accounting by members of the tax consolidated group
Measurement method adopted under UIG 1052 Tax Consolidated Accounting
The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*.

Note 8 Current assets - Cash and cash equivalents

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Cash at bank and in hand	**5,415,814**	3,670,975	**4,815,577**	1,229,685
Deposits	**42,000,000**	53,384,726	**42,000,000**	53,384,726
	47,415,814	57,055,701	**46,815,577**	54,614,411

The carrying amounts of cash and cash equivalents represents fair value. See note 20 for the Group's fair value disclosures. Cash at bank and in hand and deposits at call earn interest at fixed and floating rates based on daily bank deposit rates.

(a) Reconciliation to cash and cash equivalents at the end of the year

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Balances as above	**47,415,814**	57,055,701	**46,815,577**	54,614,411
Balance per cash flow statement	**47,415,814**	57,055,701	**46,815,577**	54,614,411

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

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
a) Receivables				
GST recoverable	**1,043,108**	59,605	**6,577**	17,114
Receivable from Uranio	**-**	1,000,000	**-**	1,000,000
Other receivables	**226,361**	1,265,169	**226,361**	742,372
	1,269,469	2,324,774	**232,938**	1,759,486
b) Other assets				
Environmental, tenement and vehicle bonds	**336,684**	223,861	**155,869**	77,468
Prepayments	**90,697**	334,001	**50,455**	30,902
	427,381	557,862	**206,324**	108,370

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

Receivable from Uranio Limited related to part consideration of the sale of interests in exploration projects. During the year, $250,000 was written off as past due and impaired.

Other receivables include interest receivable on deposits at call.

Note 10 Current assets – Held for trading financial assets

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Financial assets fair value through profit and loss:				
Rum Jungle Uranium Limited Options	**117,800**	268,200	**117,800**	268,200
Uranio Limited Options	**-**	312,488	**-**	312,488
	117,800	580,688	**117,800**	580,688

The unlisted options have been valued using a binomial option pricing model. The Black Scholes option pricing model has been used to validate the valuation prices calculated by the binomial option pricing model. The fair value was partly determined in reference to published price quotation. The options have been brought to account at the valuation on receipt and subsequently revalued at the balance date using the binomial option valuation method. Details of the Group's exposure to price risk in respect of its Financial Assets are set out in Note 20.

Basis and assumptions used in the valuation of options:

Company	Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Option valuation (cents)
Rum Jungle Uranium Limited	14.11.2007	2,000,000	25.0	02.11.2012	5.23%	130%	5.89

All Uranio Limited options were disposed of during the year.

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

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Value of investments at the start of the reporting period	**580,688**	-	**580,688**	-
Options disposed during the reporting period:				
Uranio Limited	**(103,521)**	-	**(103,521)**	-
Fair value of options received during the reporting period:				
Rum Jungle Limited – part consideration on sale of interests in exploration asset	**-**	308,600	**-**	308,600
Uranio Limited – part consideration on sale of interests in exploration assets	**-**	465,775	**-**	465,775
		774,375		774,375
Fair value loss recognised during the reporting period (note 6)	**(359,367)**	(193,687)	**(359,367)**	(193,687)
	117,800	580,688	**117,800**	580,688

Note 11 Non-current assets – Investments in and loans to controlled entities

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
a) Interests in share capital of controlled entities:				
Raptor Minerals Limited	**-**	-	**51,275,587**	50,275,587
Superior Uranium Pty Ltd	**-**	-	**9,592,559**	9,592,559
	-	-	**60,868,146**	59,868,146
b) Loans to controlled entities:				
Reptile Uranium Namibia (Pty) Ltd	**-**	-	**16,894,768**	8,501,344
Deep Yellow Namibia (Pty) Ltd	**-**	-	**29,799**	-
	-	-	**16,924,567**	8,501,344

Loans to controlled entities are non-interest bearing and repayable at call. The Directors of the Company do not intend to call for repayment of the loans within the next 12 months. See Note 27 for details of controlled entities.

Note 12 Non-current assets – Available for sale investments

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Available for sale investments at market value:				
Toro Energy Limited	**567,334**	782,000	**567,334**	782,000
Rum Jungle Uranium Limited	**174,000**	330,000	**174,000**	330,000
Uranio Limited	**-**	538,913	**-**	538,913
Rox Resources Limited	**40,000**	156,000	**40,000**	156,000
WCP Resources Limited	**41,093**	108,699	**41,093**	108,699
	822,427	1,915,612	**822,427**	1,915,612

The above investments are stated at the closing market price at the balance date. A reconciliation of movements in available for sale investments is as follows:

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Value of investments at the start of the reporting period	**1,915,612**	-	**1,915,612**	-
Investments disposed during the reporting period				
Uranio Limited	**(538,914)**	-	**(538,914)**	-
Fair value of shares received during the reporting period:				
Toro Energy Limited – option fee income on farm-in agreement	**-**	2,836,667	**-**	2,836,667
Rum Jungle Limited – part consideration on sale of interests in exploration assets	**-**	500,000	**-**	500,000
Uranio Limited – part consideration on sale of interests in exploration assets	**-**	769,877	**-**	769,877
Rox Resources Limited – distribution of assets upon wind up of creditors trust	**-**	120,000	**-**	120,000
WCP Resources Limited – consideration on sale of interests on a company exploration asset	**-**	100,000	**-**	100,000
Net impairment expense recognised during the reporting period (Note 6)	**(829,957)**	(2,455,630)	**(829,957)**	(2,455,630)
Net fair value adjustment recognised in equity during the reporting period (Note 19)	**275,686**	44,698	**275,686**	44,698
	822,427	1,915,612	**822,427**	1,915,612

Note 13 Non-current assets – Property, plant and equipment

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Buildings				
At cost	**1,583,275**	1,069,473	**418,460**	418,460
Accumulated depreciation	**(134,696)**	(67,797)	**(50,996)**	(29,822)
	1,448,579	1,001,676	**367,464**	388,638
Office equipment and fittings				
At cost	**405,313**	315,078	**294,640**	225,552
Accumulated depreciation	**(204,527)**	(100,659)	**(151,441)**	(81,806)
	200,786	214,419	**143,199**	143,746
Motor vehicles				
At cost	**869,449**	765,489	**591,199**	539,178
Accumulated depreciation	**(365,616)**	(167,291)	**(296,806)**	(149,007)
	503,833	598,198	**294,393**	390,171
Site equipment				
At cost	**1,010,652**	745,619	**414,870**	320,987
Accumulated depreciation	**(263,229)**	(77,185)	**(136,550)**	(47,218)
	747,423	668,434	**278,320**	273,769
	2,900,621	2,482,727	**1,083,376**	1,196,324
Reconciliation				
Buildings				
Net book value at start of the year	**1,001,676**	1,201,472	**388,638**	409,812
Exchange adjustment	**113,975**	(135,253)	**-**	-
Additions	**392,009**	-	**-**	-
Depreciation	**(59,081)**	(64,543)	**(21,174)**	(21,174)
Net book value at end of the year	**1,448,579**	1,001,676	**367,464**	388,638
Office equipment and fittings				
Net book value at start of the year	**214,419**	188,451	**143,746**	147,476
Exchange adjustment	**12,352**	(4,752)	**-**	-
Additions	**75,656**	91,677	**70,987**	37,132
Disposals	**(533)**	-	**(533)**	-
Depreciation	**(101,108)**	(60,957)	**(71,001)**	(40,862)
Net book value at end of the year	**200,786**	214,419	**143,199**	143,746
Motor vehicles				
Net book value at start of the year	**598,198**	298,265	**390,171**	291,184
Exchange adjustment	**37,277**	1,188	**-**	-
Additions	**62,311**	400,541	**52,022**	180,041
Depreciation	**(193,953)**	(101,796)	**(147,800)**	(81,054)
Net book value at end of the year	**503,833**	598,198	**294,393**	390,171
Site equipment				
Net book value at start of the year	**668,434**	127,129	**273,769**	73,341
Exchange adjustment	**70,686**	(4,631)	**-**	-
Additions	**196,870**	617,358	**103,869**	239,547
Disposals	**(7,969)**	-	**(7,968)**	-
Depreciation	**(180,598)**	(71,422)	**(91,350)**	(39,119)
Net book value at end of the year	**747,423**	668,434	**278,320**	273,769

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

Note 14 Non-current assets – Capitalised mineral exploration and evaluation expenditure

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
In the exploration and evaluation phase				
Cost brought forward	**96,519,814**	88,193,438	**33,473,394**	31,770,468
Exploration expenditure incurred during the year at cost	**16,214,071**	9,588,724	**5,406,685**	2,965,274
Exploration costs on tenements disposed of during the period:				
50% interest in various Northern Territory tenements – Rum Jungle Uranium Limited	**-**	(33,234)	**-**	(33,234)
70% interest in various Western Australian and South Australian tenements – Uranio Limited	**-**	(1,113,872)	**-**	(1,113,872)
30% interest in various Western Australian and South Australian tenements – Uranio Limited	**(291,287)**	-	**(291,287)**	-
Exploration expenditure written off				
Western Gawler agreement terminated in South Australia	**(13,545,976)**		**(13,545,976)**	
Other tenements exploration expenditure written off	**(699,871)**	(115,242)	**(699,871)**	(115,242)
Cost carried forward	**98,196,751**	96,519,814	**24,342,945**	33,473,394

Note 14 Non-current assets – Capitalised mineral exploration and evaluation expenditure (Cont'd)

Exploration expenditure written off was as a result of tenements surrendered or applications withdrawn or refused during the year. The carrying value represents the total accumulated costs to date of surrender, withdrawal or refusal.

The recoverability of capitalised mineral exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective Area of Interest.

A summary of Capitalised mineral exploration and evaluation expenditure by Business Segment and State is as follows:

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Australia				
New South Wales	**-**	112,220	**-**	112,220
Northern Territory	**8,142,741**	7,568,790	**8,142,741**	7,568,790
Queensland	**27,801,194**	22,949,103	**16,200,204**	11,961,478
South Australia	**-**	13,601,423	**-**	13,601,423
West Australia	**-**	229,483	**-**	229,483
Namibia	**62,252,816**	52,058,795	**-**	-
Cost carried forward	**98,196,751**	96,519,814	**24,342,945**	33,473,394

Note 15 Non-current assets – Intangible assets

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Balance at beginning of the year	**-**	1,311,797	**-**	1,311,797
Less: amortisation	**-**	(162,282)	**-**	(162,282)
Disposed of during the period	**-**	(1,149,515)	**-**	(1,149,515)
Balance at end of the financial year	**-**	-	**-**	-

The intangible asset related to the Frome Database Licence Agreement with Paladin Energy Limited and was amortised on a straight line basis over six years, being the term of the agreement.

Note 16 Current liabilities – Trade and other payables

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Trade payables and accruals	**1,557,339**	1,213,434	**831,202**	481,007
Other payables	**90,131**	63,662	**90,131**	63,662
Employee leave liabilities	**148,436**	110,804	**105,122**	66,889
	1,795,906	1,387,900	**1,026,455**	611,558

Trade payables and accruals are non interest bearing and normally settled on 30 day terms.

Details of the Group's exposure to interest rate risk and fair value in respect of its liabilities are set out in note 20. There are no secured liabilities as at 30 June 2009.

Note 17 Contributed equity

		Company		Company	
		2009 No.	2008 No.	2009 $	2008 $
a) Share capital					
Issued share capital		**1,123,376,958**	1,108,726,958	**193,696,974**	191,084,094
b) Share movements during the year	*Issue price (cents)*				
At the beginning of the year		**1,108,726,958**	1,023,824,884	**191,084,094**	148,724,632
Issued on exercise of options	8.1	**12,500,000**	-	**1,012,500**	-
Issued on exercise of options	27.5	**2,150,000**	-	**591,250**	-
Issued under rights issue prospectus and placement of shortfall	50.0	**-**	84,902,074	**-**	42,451,037
Add: transfer from equity compensation reserve in respect of options exercised (note 19)	-	**-**	-	**1,009,130**	-
Less: costs related to shares issued	-	**-**	-	**-**	(91,575)
At the end of the year		**1,123,376,958**	1,108,726,958	**193,696,974**	191,084,094

Note 17 Contributed equity (Cont'd)

c) Ordinary shares
The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

d) Option plan
The Company has an employee and other permitted persons option plan. Options over unissued shares are issued at the discretion of the Board. Information relating to options issued by the Company are set out in note 18.

Note 18 Options

The options are unlisted and are granted under the employee share option plan at a fixed price in accordance with the terms of the grant. The exercise price of each option is determined by the Board with reference to the average closing sale price of the company's shares on the ASX. As options issued during the year ended 30 June 2009 are part of a remuneration or incentive package, in all instances, the exercise price has been set at a premium to the market price of the company's shares at the date of issue. The vesting period is determined by the Board prior to the offer of the relevant Options, subject to any restriction in the Corporations Act from time to time. If at any time prior to the Vesting Date an employee voluntarily resigns from employment with the Company or is terminated the whole of the Options issued to that employee automatically lapse and are forfeited, subject to the discretion of the Board. There are no cash settlement alternatives.

a) Options issued, granted and lapsed during the year
During the financial year the company granted 12,100,000 options in exchange for receipt of services as follows:

Number of Options Granted	Exercise Price	Expiry Date
1,375,000	27.5 cents	30 June 2011
3,675,000	27.5 cents	31 December 2011
6,100,000	27.5 cents	30 June 2011
950,000	27.5 cents	30 June 2012
12,100,000		

The weighted average fair value of options granted during the year was 10.31cents (2008: 16.98 cents)

During the year 14,650,000 options over unissued shares were exercised according to their terms and conditions. The exercise price and expiry dates for the options are as follows:

Number of Options Exercised	Exercise Price	Expiry Date
12,500,000	8.1 cents	31 July 2008
2,150,000	27.5 cents	30 June 2011
14,650,000		

During the year 7,225,000 options over unissued shares were forfeited according to their terms and conditions. The exercise price and expiry dates for the options are as follows:

Number of Options Forfeited	Exercise Price	Expiry Date
475,000	59.6 cents	31 December 2010
175,000	74.6 cents	30 June 2011
150,000	27.5 cents	30 June 2011
1,675,000	40.0 cents	30 June 2011
1,675,000	45.0 cents	30 June 2011
1,675,000	60.0 cents	30 June 2011
75,000	27.5 cents	30 June 2011
1,325,000	27.5 cents	31 December 2011
7,225,000		

During the year 5,000,000 options over unissued shares expired according to their terms and conditions. The exercise price and expiry dates for the options are as follows:

Number of Options Expired	Exercise Price	Expiry Date
3,000,000	21.1 cents	31 December 2008
2,000,000	31.1 cents	31 December 2008
5,000,000		

b) Options on issue at the balance date
The number of options outstanding over unissued ordinary shares at 30 June 2009 is 56,425,000 (2008: 71,200,000). The terms of these options are shown in the table below. Options issued to Directors, employees and consultants are subject to various vesting conditions as indicated in the table below and description above.

The holders of options are not entitled to any voting rights nor may they participate in any share issue of the Company until the options are exercised. The weighted average contractual life for options outstanding at the end of the reporting period is 16.18 months (2008: 21.76 months).

Note 18 Options (Cont'd)

Number of Options Granted	Exercise Price	Expiry Date	Vest Period
16,000,000	55.1 cents	30 November 2009	Nil
2,912,500	44.6 cents	31 December 2009	Nil
787,500	64.6 cents	30 June 2010	Nil
2,437,500	59.6 cents	31 December 2010	Nil
612,500	74.6 cents	30 June 2011	07 December 2009
6,250,000	59.5 cents	30 November 2010	Nil
6,250,000	59.5 cents	30 November 2010	21 December 2009
4,930,000	27.5 cents	30 June 2011	Nil
3,405,000	40.0 cents	30 June 2011	01 December 2009
2,145,000	45.0 cents	30 June 2011	Nil
2,145,000	60.0 cents	30 June 2011	01 June 2010
2,200,000	27.5 cents	30 June 2011	Nil
2,350,000	27.5 cents	31 December 2011	Nil
3,050,000	27.5 cents	30 June 2011	01 July 2010
120,000	27.5 cents	30 June 2012	Nil
420,000	27.5 cents	30 June 2012	01 December 2009
410,000	27.5 cents	30 June 2012	01 June 2010
56,425,000			

c) Subsequent to the balance date
Subsequent to the balance date and prior to the date of signing this report 7,275,000 options have been granted and 65,000 options have been cancelled.

Reconciliation of movement of options over unissued shares during the year including weighted average exercise price (WAEP)

	2009		2008	
	No.	WAEP (cents)	No.	WAEP (cents)
Options outstanding at the start of the year	**71,200,000**	**42.26**	43,500,000	38.66
Options granted	**12,100,000**	**27.50**	32,600,000	48.82
Options exercised	**(14,650,000)**	**10.95**	-	-
Options lapsed	**(7,225,000)**	**45.24**	(4,900,000)	53.93
Options expired	**(5,000,000)**	**25.10**	-	-
Options outstanding at the end of the year	**56,425,000**	**48.37**	71,200,000	42.26

Basis and assumptions used in the valuation of options.

The following options were independently valued during 2009 using the binomial option valuation methodology.

Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Option valuation (cents)
20 August 2008	1,375,000	27.5	30 Jun 2011	5.81%	95%	14.44
20 August 2008	3,675,000	27.5	31 Dec 2011	5.77%	95%	15.48
2 December 2008	6,100,000	27.5	30 Jun 2011	3.21%	95%	4.32
30 June 2009	950,000	27.5	30 Jun 2012	5.23%	100%	22.77
	12,100,000					

The weighted average exercise price of options granted in the above table is 27.5 cents.

A dividend yield of 0% was incorporated into the above option valuations.

The expected life of the options is based upon historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects an assumption that the historical volatility is indicative of future trends, which may also not be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

The following options were independently valued during 2008 using the binomial option valuation methodology.

Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Option valuation (cents)
28 November 2007	12,500,000	59.5	30 Nov 2010	6.34%	70%	11.48
26 February 2008	5,530,000	27.5	30 Jun 2011	6.94%	95%	22.81
26 February 2008	5,530,000	40.0	30 Jun 2011	6.94%	95%	20.54
26 February 2008	4,520,000	45.0	30 Jun 2011	6.94%	95%	19.79
26 February 2008	4,520,000	60.0	30 Jun 2011	6.94%	95%	17.90
	32,600,000					

The weighted average exercise price of options granted in the above table is 48.82 cents.

A dividend yield of 0% was incorporated into the above option valuations.

Note 19 Reserves and accumulated losses

2009	Consolidated Accumulated losses $	Consolidated Equity compensation reserve (i) $	Consolidated Asset fair value adjustment reserve (ii) $	Consolidated Foreign Exchange Reserve (iii)	Company Accumulated losses $	Company Equity compensation reserve (i) $	Company Asset fair value adjustment reserve (ii) $	Company Foreign Exchange Reserve (iii)
Balance brought forward at 1 July 2008	(41,039,832)	6,544,847	44,698	(1,755,252)	(39,543,281)	6,544,847	44,698	-
Loss for year	(13,346,812)	-	-	-	(10,817,891)	-	-	-
Recognition of options issued	-	2,813,518	-	-	-	2,813,518	-	-
Transfer to issued capital in respect of options exercised (i)	-	(1,009,130)	-	-	-	(1,009,130)	-	-
Adjustment to fair value of available for sale assets	-	-	275,686	-	-	-	275,686	-
Movement for the year	-	-	-	2,279,130	-	-	-	-
Balance carried forward at 30 June 2009	(54,386,644)	8,349,235	320,384	523,878	(50,361,172)	8,349,235	320,384	-

2008	Consolidated Accumulated Losses $	Consolidated Equity compensation reserve (i) $	Consolidated Asset fair value adjustment reserve (ii) $	Consolidated Foreign Exchange Reserve (iii)	Company Accumulated losses $	Company Equity compensation reserve (i) $	Company Asset fair value adjustment reserve (ii) $	Company Foreign Exchange Reserve (iii
Balance brought forward at 1 July 2007	(37,235,683)	4,120,252	-	(349,166)	(37,584,849)	4,120,252	-	-
Loss for year	(3,804,149)	-	-	-	(1,958,432)	-	-	-
Recognition of options issued	-	2,424,595	-	-	-	2,424,595	-	-
Transfer to issued capital in respect of options exercised (i)	-	-	-	-	-	-	-	-
Adjustment to fair value of available for sale assets	-	-	44,698	-	-	-	44,698	-
Movement for the year	-	-	-	(1,406,086)	-	-	-	-
Balance carried forward at 30 June 2008	(41,039,832)	6,544,847	44,698	(1,755,252)	(39,543,281)	6,544,847	44,698	-

(i) Equity compensation reserve
The equity compensation reserve is used to recognise the fair value of options issued as remuneration or as other consideration but not exercised. Options exercised during the year have been previously recognised as an expense and as such a transfer is required from the Equity remuneration reserve to contributed equity (note 17).

(ii) Asset fair value adjustment reserve
The asset fair value adjustment reserve is used to recognise adjustments to the fair values of available for sale investment assets until the asset is sold or impaired, see note 1(u) for detail of the accounting policy.

(iii) Foreign exchange reserve
The foreign exchange 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 20 Financial instruments

Details of the risks that the Group is exposed to and the Board's assessment and management of those risks are disclosed in note 2.

Credit risk

Exposure to 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 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Cash and cash equivalents	**47,415,814**	57,055,701	**46,815,577**	54,614,411
Trade and other receivables	**1,269,469**	2,324,774	**232,938**	1,759,486
Amounts receivable from subsidiary companies	**-**	-	**16,924,567**	8,501,344
	48,685,283	59,380,475	**63,973,082**	56,373,897

Note 20 Financial instruments (Cont'd)

The Group has no trade receivables at the reporting date for reporting under geographical, customer type or business segments.

Liquidity risk

Exposure to liquidity risk
The Group's exposure to liquidity risk is limited to trade creditors which have a contractual maturity of 30 days (note 16). Trade payables mainly originate from the financing of assets used in our ongoing operations such as exploration and evaluation expenditure, and property, plant and equipment. These assets are considered in the Group's overall liquidity risk.

Currency risk

Exposure to currency risk
The Group has limited exposure to foreign currency risk in currencies other than the function currency of each subsidiary.

Interest rate risk

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

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Cash and cash equivalents	**47,415,814**	57,055,701	**46,815,577**	54,614,411

Cash flow sensitivity analysis for variable rate instruments
A change of 1% in interest rates at the reporting date as per management's best estimate would have increased/(decreased) equity and profit and loss by the amounts shown below. This analysis assumes all other variables remain constant. The same sensitivity analysis has been performed for the comparative reporting date.

	Profit and loss		Equity	
Consolidated **30 June 2009**	1% Increase	1% Decrease	1% increase	1% Decrease
Cash and cash equivalents	**474,158**	**(474,158)**	**-**	**-**
30 June 2008				
Cash and cash equivalents	**554,470**	**(554,470)**	**-**	**-**
Company **30 June 2009**				
Cash and cash equivalents	**468,156**	**(468,156)**	**-**	**-**
30 June 2008				
Cash and cash equivalents	**522,668**	**(522,668)**	**-**	**-**

Price risk

Price risk is the risk that the Group's financial position will be adversely affected by movements in the market value of its financial assets.

The financial instruments exposed to movements in market value are as follows:

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Available-for-sale investments	**822,427**	1,915,612	**822,427**	1,915,612
Financial assets held for trading	**117,800**	580,688	**117,800**	580,688
	940,227	2,496,300	**940,227**	2,496,300

The following tables summarises the sensitivity of financial instruments held at balance date to movements in the market price, with all other variables held constant, based on a 10% sensitivity. This has been determined based on management's best estimate.

	Impact on equity			
	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Available-for-sale investments				
Market price +10%	**82,243**	191,561	**82,243**	191,561
Market price -10%	**(82,243)**	(191,561)	**(82,243)**	(191,561)

Equity represents the fair value adjustment reserve.

	Impact on profit and loss			
	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Financial assets held for trading				
Market price +10%	**11,780**	58,068	**11,780**	58,068
Market price -10%	**(11,780)**	58,068	**(11,780)**	58,068

Note 20 Financial instruments (Cont'd)

Fair values

Fair values versus carrying amounts
The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

Consolidated	2009		2008	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Cash and cash equivalents	**47,415,814**	**47,415,814**	57,055,701	57,055,701
Trade and other receivables	**1,269,469**	**1,269,469**	2,882,636	2,882,636
Held for trading financial assets	**117,800**	**117,800**	580,688	580,688
Available for sale investments	**822,427**	**822,427**	1,915,612	1,915,612
Trade and other payables	**(1,647,470)**	**(1,647,470)**	(1,387,900)	(1,387,900)
	47,978,040	**47,978,040**	61,046,737	61,046,737

Company	2009		2008	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Cash and cash equivalents	**46,815,577**	**46,815,577**	54,614,410	54,614,410
Trade and other receivables	**232,938**	**232,938**	1,867,856	1,867,856
Held for trading financial assets	**117,800**	**117,800**	580,688	580,688
Loans to subsidiaries	**16,924,567**	**16,924,567**	8,501,344	8,501,344
Available for sale investments	**822,427**	**822,427**	1,915,612	1,915,612
Trade and other payables	**(921,332)**	**(921,332)**	(611,558)	(611,558)
	63,991,977	**63,991,977**	66,868,352	66,868,352

Determination of fair values

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

Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Investments in equity and debt securities
The fair value of financial assets at fair value through profit and loss, available for sale investments and held for trading financial assets is determined by reference to their quoted bid price at the reporting date.

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes only, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Note 21 Dividends

No dividends were paid or proposed during the financial year (2008: Nil).

The Company has no franking credits available as at 30 June 2009 (2008: Nil).

Note 22 Key Management Personnel disclosures

(a) Directors

The following persons were Directors of the Company during the financial year:

(i) Managing Director
Dr Leon Pretorius
(ii) Executive Director
Martin Kavanagh
(iii) Non-Executive Directors
Mervyn Greene
Gillian Swaby
Rudolf Brunovs
Tony McDonald

(b) Executives

(i) Company Secretary
Mark Pitts
(ii) Exploration Manager - Australia
Alexander Moyle (left employment 28 February 2009)

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

Note 22 Key Management Personnel disclosures (Cont'd)

There were no changes of Key Management Personnel between the reporting date and the date the financial report was authorised for issue.

(c) Compensation of key management personnel

	Consolidated and Company	
	2009	2008
	$	$
Short-term employee benefits	1,243,428	925,530
Post employment benefits	43,522	32,506
Share based payment	729,484	1,000,910
Total compensation	**2,016,434**	**1,958,946**

(d) Interest in Securities

Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each Director of the Company and other Key Management Personnel of the Group, are set out below:

2009 Name	Balance at start of the year	Granted as remuneration during the year	Exercised during the year	Net other changes during the year (ii)	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
L Pretorius	12,500,000	4,300,000	(2,150,000)	-	14,650,000	8,750,000
M Kavanagh	15,000,000	1,800,000	-	(5,000,000)	11,800,000	8,400,000
M Greene	3,000,000	-	-	-	3,000,000	3,000,000
G Swaby	3,000,000	-	-	-	3,000,000	3,000,000
R Brunovs	-	-	-	-	-	-
T McDonald	-	-	-	-	-	-
Executives						
M Pitts	1,650,000	75,000	-	-	1,725,000	1,650,000
A Moyle (i)	1,500,000	150,000	-	(1,650,000)	-	250,000

(i) Left employment 28 February 2009. The balance of vested and exercisable options was 250,000.
(ii) Includes forfeitures during the year.

Details of the options granted during the year ended 30 June 2009 are as follows:

The 4,300,000 options issued to L Pretorius with an exercise price of 27.5 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 June 2011(refer note 18);

The 1,800,000 options issued to M Kavanagh with an exercise price of 27.5 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 June 2011 (refer note 18);

The 75,000 options issued to M Pitts with an exercise price of 27.5 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 31 December 2011 (refer note 18); and

The 150,000 options issued to A Moyle with an exercise price of 27.5 cents each were forfeited during the year prior to vesting date.

2008 Name	Balance at start of the year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
L Pretorius	5,000,000	7,500,000	-	-	12,500,000	5,000,000
M Kavanagh	10,000,000	5,000,000	-	-	15,000,000	10,000,000
M Greene	3,000,000	-	-	-	3,000,000	3,000,000
G Swaby	3,000,000	-	-	-	3,000,000	3,000,000
R Brunovs	-	-	-	-	-	-
T McDonald	-	-	-	-	-	-
Executives						
M Pitts	1,500,000	150,000	-	-	1,650,000	1,500,000
A Moyle	-	1,500,000	-	-	1,500,000	-

Details of the options granted during the year ended 30 June 2008 are as follows:

The 7,500,000 options issued to L Pretorius with an exercise price of 59.5 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 November 2010;

The 5,000,000 options issued to M Kavanagh with an exercise price of 59.5 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 November 2010;

The 150,000 options issued to M Pitts are exercisable as follows:

- 75,000 options with an exercise price of 27.5 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 June 2011;
- 75,000 options with an exercise price of 40.0 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 June 2011;

The 1,500,000 un-vested options issued to A Moyle are exercisable as follows:

* 250,000 options with an exercise price of 27.5 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 June 2011;
* 250,000 options with an exercise price of 40.0 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 June 2011;
* 500,000 options with an exercise price of 45.0 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 June 2011; and
* 500,000 options with an exercise price of 60.0 cents each are exercisable upon the conditions as indicated in the Option Agreement and until 30 June 2011.

Share holdings
The number of shares in the Company held during the financial year by each Director of the Company and other Key Management Personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

2009 Name	Balance at start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors				
L Pretorius	72,616,124	2,150,000	(785,000)	73,981,124
M Kavanagh	487,500	-	-	487,500
M Greene	74,316,667	-	-	74,316,667
G Swaby (i)	28,222,570	-	(9,000,000)	19,222,570
R Brunovs	125,000	-	-	125,000
T McDonald	866,666	-	-	866,666
Executives				
M Pitts	455,000	-	(455,000)	-

(i) The Company notes that G Swaby has 15,000,000 ordinary shares which were lodged with Lift Capital Partners Pty Ltd as security for loans. The Company has been informed by G Swaby that between 11 and 15 April 2008, a creditor of Lift Capital Partners Pty Ltd in exercise of purported rights, sold 2,100,496 ordinary shares on behalf of G Swaby. A further 589,571 ordinary shares were sold by the creditor in exercise of purported rights on 5 and 6 May 2008. No consideration was received by G Swaby from this involuntary sale. It is believed that a further 12,309,933 ordinary shares are presently being held by the creditor of Lift Capital Partners Pty Ltd. Legal action for the recovery of the 15,000,000 shares is being pursued. G Swaby has disposed of 9,000,000 ordinary shares during the financial year and continues to assert a beneficial interest in the shares lodged as security for loans together with 19,222,570 shares which she continues to hold in her name.

2008 Name	Balance at start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors				
L Pretorius	60,000,000	-	12,616,124	72,616,124
M Kavanagh	450,000	-	37,500	487,500
M Greene	68,600,000	-	5,716,667	74,316,667
G Swaby	39,897,758	-	(11,675,188)	28,222,570
R Brunovs	-	-	125,000	125,000
T McDonald	-	-	866,666	866,666
Executives				
M Pitts	420,000	-	35,000	455,000

Other changes during the year occurred at an arms length basis.

d) Loans made to Key Management Personnel

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

e) Other transactions with Key Management Personnel

During the year the Company leased a property in Perth on commercial terms from Dr L Pretorius for $60,000 (2008: $60,000).

In addition to the amounts disclosed in the Remuneration Report the Company paid $13,278 (2008: $11,128) to Endeavour Corporate, a firm associated with M Pitts for administrative support, accounting services and disbursements.

Note 23 Remuneration of auditors

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

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Amounts received or due and receivable by Ernst & Young (Australia) for:				
Audit or review of the financial report of the entity and any other entity in the Consolidated Group	**62,134**	72,257	**44,290**	58,230
Taxation and other services in relation to the entity and any other entity in the Consolidated Group	**2,541**	-	**2,541**	-
	64,675	72,257	**46,831**	58,230

Note 24 Contingencies

(i) Contingent liabilities
There were no material contingent liabilities as at 30 June 2009 other than:

Native Title and Aboriginal Heritage
Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

(ii) Contingent assets
There were no material contingent assets not recognised in the financial statements of the Company or Group as at 30 June 2009.

Note 25 Commitments

(a) Exploration

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities and may reduced by the surrendering of tenements. As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements and which cover the following twelve month period amount to $ 1,180,000 (2008: $1,492,000) respectively. These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements. This commitment does not include the expenditure commitments which are the responsibility of the joint venture partners. Refer note 28 for details.

(b) Operating lease commitments

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

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Within one year	**124,372**	123,275	**124,372**	123,275
Later than one year but not later than five years	**29,573**	160,290	**29,573**	160,290
	153,945	283,565	**153,945**	283,565

(c) Contractual commitments

There are no contracted commitments other than those disclosed above.

Note 26 Related party transactions

In addition to the disclosures relating to Key Management Personnel at note 22 (e) there were the following transactions with wholly owned subsidiaries of the Company.

During the year the Company incurred expenses on behalf of its subsidiary companies and advanced working capital for the funding of the subsidiary companies operations. Transactions during the year were on normal commercial terms and are as follows:

	2009 $	2008 $
Reptile Uranium Namibia (Pty) Ltd:		
Exploration expenditure incurred and recharged	959,814	1,396,668
Recharged vehicle costs	55,120	44,452
Fair value of options issued to employees as remuneration	1,562,795	1,173,287
Cash advanced to fund operations	5,000,000	-
Deep Yellow Namibia (Pty) Ltd		
Cash advanced to fund operations	29,799	-
Superior Uranium Pty Ltd:		
Recharged exploration expenditure	674,722	1,386,786

Balances of intercompany loans as at the reporting date are provided at note 11(b). Intercompany loans payable of $209,031 (2008: $794,760) are payable on demand to Superior Uranium Pty Ltd, but will not be recalled within the next 12 months.

No repayments have been made or material services provided by subsidiary companies to the Company during the reporting period, other than the following:

	2009 $	2008 $
Reptile Uranium Namibia (Pty) Ltd:		
Costs paid on behalf of Deep Yellow Limited	44,377	26,385

There were no other related party transactions during the year.

Note 27 Controlled entities

Controlled Entity	Country of Incorporation	2009 Proportion of share capital owned %	2009 Carrying value of investment $	2008 Proportion of share capital owned %	2008 Carrying value of investment $
Raptor Minerals Limited	British Virgin Islands	**100**	**51,275,587**	100	50,275,587
Reptile Mineral Resources and Exploration(Pty) Ltd	Namibia	**100**	**-**	100	-
Reptile Uranium Namibia (Pty) Ltd	Namibia	**100**	**-**	100	-
Superior Uranium Pty Ltd	Australia	**100**	**9,592,559**	100	9,592,559
Deep Yellow Namibia (Pty) Ltd	Mauritius	**100**	**-**	-	-
			60,868,146		59,868,146

See note 11 for details of investments in and loans to controlled entities.

Note 28 Interests in joint ventures

Joint venture agreements have been entered into with third parties, whereby the Company or the third parties can earn an interest in exploration areas by expending specified amounts in the exploration areas.

There are no assets employed by these joint ventures and the Group's expenditure in respect of them is brought to account initially as capitalised exploration and evaluation expenditure (refer note 14). The Group is currently in the earn-in phase of it's joint venture agreements.

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

* On 15 February 2007 the Company entered into an agreement with Toro Energy Limited (Toro) which granted Toro an option to farm-in and purchase the Napperby project in the Northern Territory, subject to Toro issuing 3,066,667 shares to the value of $2,836,667, and meeting agreed expenditure requirements on the project. Toro can elect to purchase the project from the Company at any time during the three year agreement period.

* On 28 February 2007 the Company issued shares as part consideration on the initial earn in to the Northwest Queensland Joint Venture with Matrix Metals Limited. The Company has since acquired a 50% interest in the joint venture project by spending in excess of $3,000,000 and has signed a Sale Agreement on the 6 May 2009 that completed on 24 August 2009 to outright acquire EPM's 14916 and 14281 and EPM application 17000. The remainder of the joint venture will be cancelled.

* On 19 November 2007 the Company completed the sale of a 50% interest in several Northern Territory exploration assets to Rum Jungle Uranium Limited. Subsequently the parties entered into a joint venture agreement whereby Rum Jungle Limited can earn a further 20% interest in the projects by spending a further $2,000,000 on exploration of the assets within four years.

* On 18 January 2008 the Company agreed terms with Xstrata to acquire the uranium rights on six West Isa tenements by spending $10,000,000 within 4 years of the commencement date.

* On 3 December 2008 the Company announced that a Heads of Agreement (HOA) has been signed with Krucible Metals Ltd on the Pilgrim Joint Venture with the Company comprising EPM 15072 in North West Queensland. Krucible Metals Ltd can earn a 80% interest in the project by spending a minimum of $400,000 over a period of four years;

* On 29 May 2009 the Company announced that it had entered in a joint venture agreement with Toro Energy Ltd through its wholly owned Namibian subsidiary Reptile Mineral Resources and Exploration (Pty) Ltd, whereby the Group will spend A$3,500,000 over the next two and a half years on three EPL's held by Toro Energy Ltd's Namibian subsidiary Nova Energy Namibia (Pty) Ltd to be entitled to gain a 65% share of the Joint Venture.

Note 29 Events occurring after the balance sheet date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Note 30 Reconciliation of profit/(loss) after tax to net cash outflow from operating activities

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Profit/(loss) after income tax	**(13,346,812)**	(3,804,149)	**(10,817,891)**	(1,958,432)
Depreciation and amortisation	**534,740**	461,000	**331,325**	344,490
(Profit)/Loss on disposal of fixed assets	**816**	-	**816**	-
Bad debt written off	**250,000**	-	**250,000**	-
Exploration costs written off	**14,395,847**	115,242	**14,395,847**	115,242
Non-cash element of income received on financing and investing activities	**-**	(3,056,667)	**-**	(3,056,667)
Impairment expense	**1,189,324**	2,649,317	**1,189,324**	2,649,317
Provision for non recovery of intercompany loan	**-**	-	**-**	(470,282)
(Profit)/Loss on disposal of exploration assets	**141,287**	(1,247,630)	**141,287**	(1,247,630)
Profit on disposal of investments	**(584,972)**	-	**(584,972)**	-
Share based payments expense	**2,893,253**	2,358,554	**1,250,705**	2,424,595
Change in operating assets and liabilities:				
(Increase)/ Decrease in receivables	**(298,609)**	(1,351,660)	**506,575**	(717,287)
Increase/(decrease) in deferred tax liability	**(4,320,193)**	4,912,030	**(4,307,904)**	4,802,948
(Decrease)/Increase in payables	**567,659**	906,479	**(79,143)**	43,346
Net cash inflow from operating activities	**1,422,340**	1,942,516	**2,275,969**	2,929,640

Non cash financing and investing activities

The Group has not entered into any transaction during the financial year which had material non cash components.

During the prior financial year the Group entered into a number of transactions which had material non cash components (refer note 12):

a) Received 3,066,667 ordinary shares in Toro Energy Limited as option fee consideration to evaluate and purchase the Company's Napperby project in the Northern Territory;

b) Received 2,000,000 ordinary shares and 2,000,000 unlisted options in Rum Jungle Uranium Limited, upon that company listing on the ASX as consideration to purchase a 50% interest in several of the Company's Northern Territory projects;

c) Received 3,849,379 ordinary shares and 3,848,379 unlisted options in Uranio Limited, upon that company listing on the ASX as part consideration to purchase a 70% interest in the Company's Western Australian projects, a 70% interest in the Siccus JV agreement and the assignment of the Frome Database;

d) Received 2,000,000 ordinary shares in Rox Resources Limited as part distribution from the Deep Yellow Limited Creditors Trust;

e) Received 1,325,590 ordinary shares in WCP Resources Limited in consideration for the transfer of Phosphate rights on one of the Company's Queensland exploration assets.

Note 31 Earnings per share

	Consolidated 2009	Consolidated 2008
a) Basic earnings per share		
Loss attributable to ordinary equity holders of the Company	**(1.19) cents**	(0.35) cents
b) Diluted earnings per share		
Loss attributable to ordinary equity holders of the Company	**(1.19) cents**	(0.35) cents
c) Loss used in calculation of basic and diluted loss per share		
Loss after tax from continuing operations	**(13,346,812)**	(3,804,149)
d) Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	**1,120,469,835**	1,101,570,632

There are on issue 56,425,000 options at 30 June 2009 (2008: 71,200,000) which are not considered to be dilutive.

e) Information concerning the classification of securities

Options
Options to acquire ordinary shares granted by the Company and not exercised at the reporting date are considered to be potential ordinary shares. Options with an exercise price below the ordinary share price at 30 June 2009 are not considered to be dilutive and accordingly have not been included in the determination of diluted earnings per share.

Director's Declaration

In the opinion of the Directors of Deep Yellow Limited ("the Company")

(a) the financial statements, notes and additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

  (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the financial position of the Company and Consolidated Entity as at 30 June 2009 and of their performance, as represented by the results of their operations, changes in equity and their cash flows, for the financial year ended on that date.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Company Secretary for the financial year ended 30 June 2009.

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

On behalf of the Board

Signed at Perth this 15th day of September 2009.

Dr Leon Pretorius
Managing Director

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 14 September 2009.

A. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shareholders	Number of Shares	Percent of Issued Capital
1 – 1,000	834	401,272	0.04
1,001 – 5,000	2,867	8,639,338	0.77
5,001 – 10,000	1,965	16,020,294	1.43
10,001- 100,000	3,956	130,892,402	11.65
More than 100,000	661	967,423,652	86.11
Totals	10,283	1,123,376,958	100.00

There were 1,119 shareholders holding less than a marketable parcel of ordinary shares.

B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Issued Ordinary Shares	
	Number of Shares	Percentage of Shares
Paladin Energy Ltd	220,258,461	19.61
HSBC Custody Nominees (Australia) Limited	137,304,430	12.22
Robert Anthony Healy	76,257,105	6.79
Dr Leon Eugene Pretorius	66,365,000	5.91

C. Twenty Largest Shareholders

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

Shareholder Name	Listed Ordinary Shares	
	Number	Percentage Quoted
Paladin Energy Ltd	220,258,461	19.61
HSBC Custody Nominees (Australia) Limited	137,304,430	12.22
Robert Anthony Healy	76,257,105	6.79
Dr Leon Eugene Pretorius	66,365,000	5.91
Mr Zac Rossi + Mrs Thelma Rossi	36,550,000	3.25
Robert Anthony Healy +	25,437,500	2.26
IJG Securities Pty Ltd	24,495,001	2.18
ANZ Nominees Limited <Cash Income A/C>	23,819,256	2.12
Mr Mervyn Patrick Greene	23,650,000	2.11
National Nominees Limited	19,279,457	1.72
J P Morgan Nominees Australia Limited	16,862,261	1.50
Citicorp Nominees Pty Limited	15,163,129	1.35
Walkabout Superannuation Fund Pty Limited <Walkabout Super Fund A/C>	11,000,000	0.98
Gillian Swaby	9,795,903	0.87
Mrs Heather Joy Buchanan	8,616,750	0.77
Superior Resources Ltd	7,000,000	0.62
Strategic Consultants Pty Ltd *	6,630,000	0.59
Mr Robert Anthony Healy + Mrs Helen Maree Healy <Glenview Super Fund A/C>	4,938,600	0.44
Rossi Orchards Pty Ltd <Rossi Orchards S/Fund A/C>	4,600,000	0.41
HSBC Custody Nominees (Australia) Limited - A/C 2	4,128,274	0.37
Totals	**742,151,127**	**66.06**

***** Company associated with G Swaby

D. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

E. Restricted Securities

As at 30 June 2009 there were no restricted securities.

NAMIBIA

Tenement No.	Tenement Name	Interest	Granted From	Expiry Date	Approx Area (km^2)
EPL 3496	Tubas	100%	06.06.06	05.06.11	956
EPL 3497	Tumas	100%	06.06.06	05.06.11	949
EPL 3498	Aussinanis	100%	08.05.07	07.05.10	250
EPL 3499	Ripnes	100%	06.06.06	05.06.11	717
				Sub-Total	**2,872**

NORTHERN TERRITORY

Tenement No.	Tenement Name	Interest	Granted From	Expiry Date	Approx Area (km^2)
EL 9807	TiTree	100%	14.10.04	13.10.10	778
EL 9809	Papunya	100%	14.10.04	13.10.10	681
EL 10404 [#1]	Mordor	50%	21.05.02	20.05.10	47
EL 10223	Cornelius	100%	22.05.02	21.10.10	244
EL 23923	Mt Treachery	100%	01.06.04	31.05.10	93
EL 23924	Anmatjira	100%	01.06.04	31.05.10	179
EL 23991	Beantree	100%	01.06.04	31.05.10	54
EL 24246 [#2]	Napperby	100%	11.10.04	10.10.10	775
EL 24547	Nonouba	100%	17.08.07	16.08.13	570
EL 24606 [#2]	Lake Lewis	100%	28.12.05	27.12.11	628
EL 25097	Billabong North	100%	Application		232
EL 25101 [#1]	Mordor West	50%	21.11.06	20.11.12	96
EL 25146	Mt Morris West	100%	Application		690
EL 25147	Mt Morris	100%	Application		1,580
EL 25155	Mongrel Downs	100%	Application		356
EL 25156	Abbotts Bore	100%	Application		113
EL 25177	Fiddlers Lake	100%	Application		670
EL 25212	Mt Davidson	100%	Application		307
EL 25601	Nancy Hill	100%	Application		909
EL 25698	Carrington Bore	100%	15.10.07	14.10.13	86
EL 25701	Mt Singleton	100%	15.10.07	14.10.13	1,246
EL 25702	Mt Hardy	100%	06.09.07	05.09.13	93
EL 25940	Gida	100%	Application		442
EL 25941	Atlee Creek	100%	Application		484
EL 25953	Turners	100%	Application		294
EL 25954	Baystone	100%	15.10.07	14.10.13	417
EL 27140	Cornelius North	100%	Application		128
EL 27141	Cornelius South	100%	Application		192
EL 27334	Green Swamp Hill	100%	Application		61
				Sub-Total	**12,445**

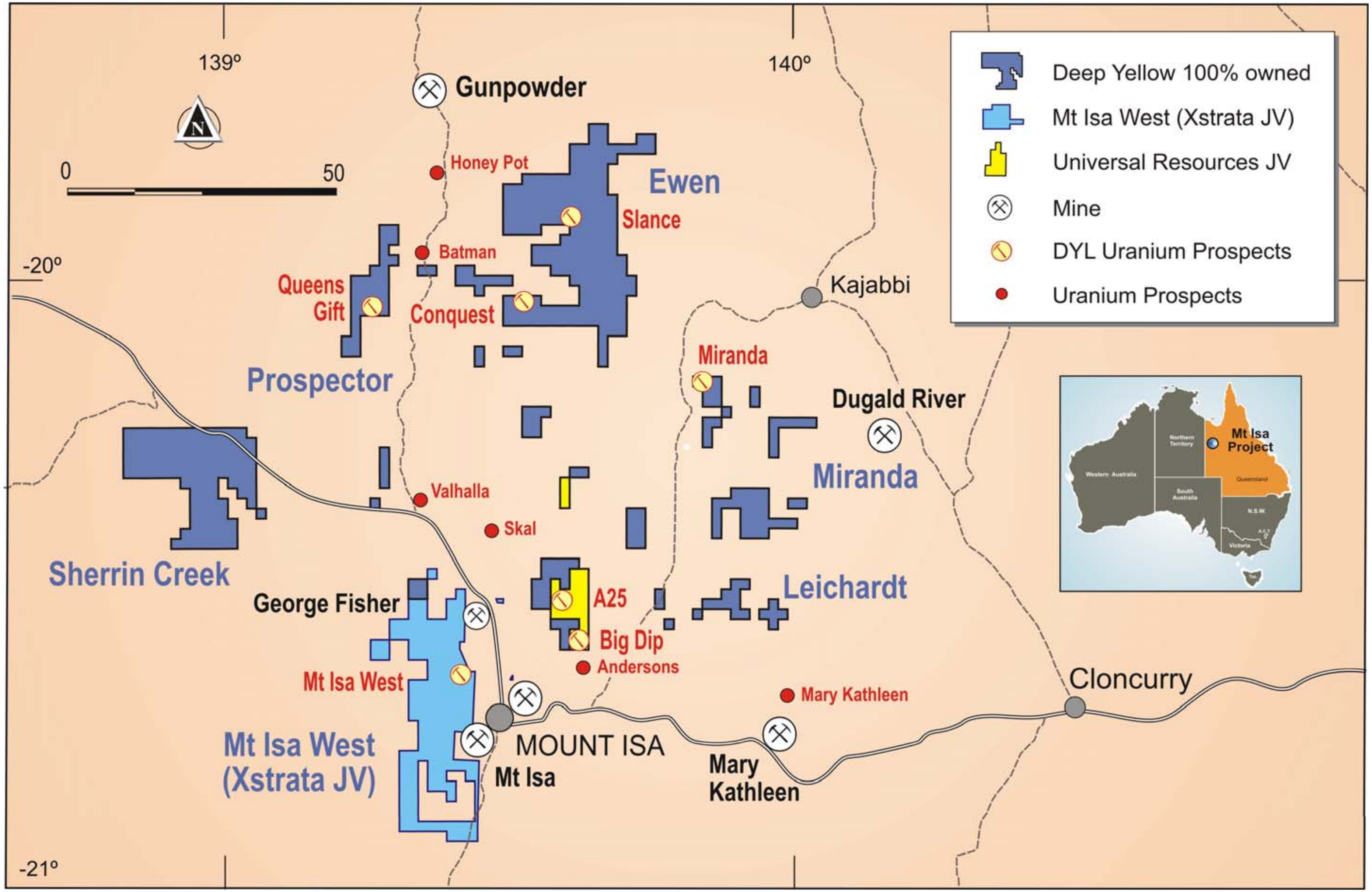
[#1] Rum Jungle Uranium Ltd JV
[#2] Option Agreement – Toro Energy Ltd

QUEENSLAND

Tenement No.	Tenement Name	Interest	Granted From	Expiry Date	Approx Area (km^2)
EPM 14281	Yamamilla	100%	07.07.05	06.07.10	205
EPM 14916	Ewen	100%	15.05.06	14.04.11	560
EPM 15070	Prospector	100%	28.03.06	27.03.11	300
EPM 15072 [#3]	Pilgrim	100%	28.03.06	27.03.11	51
EPM 16007	Sherrin Creek	100%	14.03.08	13.03.13	327
EPM 16533	Crocodile Creek	100%	Application		24
EPM 16534	Paroo Creek	100%	23.04.09	22.04.14	21
EPM 17000	Gum Creek	100%	Application		30
EPM 17716	Barkly South	100%	Application		13
EPM 17860	O'Hara's Gap	100%	Application		29
EPM 17952	Mort River	100%	Application		6
EPM 17967	Barkly	100%	Application		35
EPM 18127	Leichhardt River	100%	Application		61
				Sub-Total	**1,662**

[#3] Krucible Metals Ltd Joint Venture

AGREEMENTS		Approx Area (km^2)
Toro Energy Ltd – Namibia		1,323
Universal Resources Ltd – Queensland		75
Xstrata Copper Exploration Pty Ltd – Queensland		432
Tanami Gold NL - Northern Territory and Western Australia		18,001
	Sub-Total	**19,831**
	Total Area	**36,810**



Mount Isa District Prospects and Tenements

AUSTRALIA


VH-HZ


Thermo
SCIENTIFIC
RadEye PRD
Personal Radiation Detector

NAMIBIA

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