



# Deep Yellow Limited

ABN 97 006 391 948

## Notice of Annual General Meeting

|                          |  |
|--------------------------|--|
| <b>Date of Meeting:</b>  | 19 November 2009   |
| <b>Time of Meeting:</b>  | 3.00 pm  |
| <b>Place of Meeting:</b> | The Irish Club of WA (Inc), 61 Townshend Road, Subiaco WA 6008 |

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the members of Deep Yellow Limited ("Company") will be held at The Irish Club of WA (Inc), 61 Townshend Road Subiaco, Western Australia on 19 November 2009 at 3:00 pm.

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible at the Annual General Meeting are those who are registered Shareholders of the Company at 3:00 pm (WST) on 17 November 2009.

### PROXIES

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- \* appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act 2001 (Cth); and
- \* provides satisfactory evidence of the appointment of its corporate representative.

If such evidence is not received, then the body corporate (through its representative) will not be permitted to act as a proxy.

A shareholder that is entitled to cast 2 or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If two proxies are appointed and the appointment does not specify the proportion or number of votes that the proxy may exercise, section 249X of the Corporations Act 2001 takes effect so that each proxy may exercise half of the shareholder's votes.

A Proxy Form accompanies this Notice of Meeting and to be effective must be received at the company's share registry/registered office **by no later than 3.00 pm on 17 November 2009**:

- \* Computershare Investor Services, GPO Box 242, Melbourne Victoria 3001 **OR** By facsimile: 1800 783 447 or +61 3 9473 2555
- \* Deep Yellow Limited, Level 1 329 Hay Street, Subiaco Western Australia 6008 **OR** By facsimile: + 61 8 9286 6969

### OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act 2001 (Cth).

# Agenda

## FINANCIAL REPORT

To receive and consider the financial report for the year ended 30 June 2009, and the Directors' and Auditors' Reports thereon as included in the 2009 Annual Report.

### RESOLUTION 1 RE-ELECTION OF MR TONY MCDONALD

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Mr Tony McDonald who retires in accordance with clause 3.6 of the Company's Constitution and being eligible offers himself for re-election; be re-elected as a Director of the Company."*

### RESOLUTION 2 RE-ELECTION OF MR RUDOLF BRUNOVŠ

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Mr Rudolf Brunovš who retires in accordance with clause 3.6 of the Company's Constitution and being eligible offers himself for re-election; be re-elected as a Director of the Company."*

### RESOLUTION 3 REMUNERATION REPORT

To consider and, if thought fit, to approve the following resolution as an **ordinary resolution**:

*"That the Remuneration Report for the year ended 30 June 2009, be adopted."*

**Note:** The vote on this resolution is advisory only and does not bind the Directors of the Company.

### RESOLUTION 4 DIRECTORS, EMPLOYEES AND OTHER PERMITTED PERSONS OPTION PLAN

To consider and, if thought fit, to approve the following resolution as an **ordinary resolution**:

*"That for the purposes of Exception 9 in ASX Listing Rule 7.2 and for all other purposes, the adoption and administration of the Deep Yellow Limited Directors, Employees and Other Permitted Persons Option Plan, described in the Explanatory Statement, a signed copy of which is available to the Meeting, and the issue of securities under that plan as an exception to ASX Listing Rule 7.1, be approved."*

#### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by any person who is eligible to participate in the Directors, Employees and Other Permitted Persons Option Plan.

Notwithstanding the above, the company will not disregard a vote on Resolution 4 if it is cast in the following circumstances:

- \* by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form;
- \* by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or

### RESOLUTION 5 REMUNERATION OF NON EXECUTIVE DIRECTORS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purpose of Listing Rule 10.17 and all other purposes, the maximum aggregate remuneration payable to Directors as Directors fees in any financial year be increased by \$200,000 to \$450,000."*

#### Voting Exclusion Statement

All Non-Executive Directors and any of their associates are excluded from voting on Resolution 5. Accordingly, the Company will disregard any votes cast on Resolution 5 by any Director or any of their associates.

Notwithstanding the above, the company will not disregard a vote on Resolution 5 if it is cast in the following circumstances:

- \* by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form;
- \* by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides; or

By order of the Board



Mark Pitts  
Company Secretary  
Dated: 9 October 2009

# Explanatory Memorandum

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Meeting of the Company.

The Directors of the Company (**Directors**) recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting.

## Annual Accounts and Reports

Appropriate time will be devoted to the consideration of the Financial Statements and Reports of the Company for the year ended 30 June 2009.

The Company's auditor will be in attendance to take questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

## Resolution 1 and 2 Re-Election of Directors

In accordance with the Company's constitution, the Directors of the Company are required on a rotational basis to retire and offer themselves for re-election to the Board by Shareholders.

### Resolution 1 seeks the re-election of Mr Tony McDonald

Mr McDonald is a lawyer and has been in private practice in Queensland for over 20 years. He has been a legal advisor to a number of resource based listed and unlisted companies and has been a director and corporate secretary of other ASX listed companies in the past. He is presently a Non-Executive Director of Planet Gas Limited and Industrea Limited. He was a Director of Kings Minerals NL resigning on 27 March 2007.

### Resolution 2 seeks the re-election of Mr Rudolf Brunovs

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.

## Resolution 3 Remuneration Report

The Board is submitting its Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution.

The Remuneration Report forms part of the Directors' Report, included in the 2009 Annual Report. The Report:

- \* Explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- \* Explains the relationship between the Board's remuneration policy and the Company's performance;
- \* Sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- \* Details and explains any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

## Resolution 4 Directors, Employees and Other Permitted Persons Option Plan

The Directors seek authorisation to issue securities under a Directors, Employees and Other Permitted Persons Option Plan (Plan) in accordance with Listing Rule 7.2, Exception 9. The plan has been formulated to comply with ASIC Policy Statement 49 in relation to employee share schemes. This Policy Statement gives disclosure relief from the need to prepare a prospectus for offers of shares and options under compliant employee share and option schemes.

Under Listing Rule 7.1, companies are generally restricted from issuing more than 15% of their issued share capital in any 12 month period without shareholder approval. There are a number of exceptions to this restriction, including Exception 9 in Listing Rule 7.2, which applies where there is an issue of securities under an employee incentive scheme if, within three years before the date of issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to Listing Rule 7.1.

The Company has had an Option Plan operating successfully since its approval by shareholders at the Company's annual general meeting held on 30 November 2006. The new Plan has had some minor changes incorporated into the rules. Given the current revision of relevant taxation laws in Australia the Company envisages that it will need to review the Plan again when the tax laws have been clarified and certainty for employees, eligible persons and the company is greater. At that time it may result in a change of plan or incentive format.

### *Reasons for Plan*

Success for the Company and its shareholders depends greatly on the people employed by the Company. To maintain and improve performance the Company has an on going need both to motivate and retain an excellent and dedicated team, and to attract new and high quality employees.

The Board believes that the Plan will provide an effective means to achieve these ends, in that the implementation of the Plan will:

- \* encourage management to focus on creating shareholder value;
- \* link employee reward with the achievement of the long term performance of the Company;
- \* encourage valued employees to remain with the Company by giving them the opportunity to participate in the creation of a valuable personal asset – ie a financial stake in the Company; and
- \* enable the Company to attract, as required, individuals of high calibre to bring expertise to the organisation.

# Explanatory Memorandum

## *Description of the Plan*

This section gives a brief outline of the Rules of the Plan.

### \* *Participation*

Persons eligible to participate in the Plan are Officers, Employees and other permitted persons of the Company or a related body corporate. The Board may from time to time determine that any Eligible Person is entitled to participate in the Plan and the extent of that participation. In making that determination the Directors must consider, where appropriate, matters including record of employment, length of service and seniority.

### \* *Offer of Options*

Each offer made by the Board must specify:

- i. the number and the exercise price of the Options;
- ii. that the Eligible Person may accept the whole or any lesser number of Options offered;
- iii. the period within which the offer may be accepted.

The offer document must also include a copy of the plan and an undertaking that the Company will provide current share information within two business days of a request by an Eligible Person. The offer document must also be provided to ASIC within 7 days after provision of this material to an Eligible Person.

### \* *Number of Options that may be issued under the Plan*

Under ASIC Policy Statement 49, the Company cannot issue Options over in excess of 5% of the total number of issued ordinary shares at the time of the offer. For the purposes of this 5% limit ASIC includes (subject to certain exceptions):

- i. all shares which might be issued pursuant to the exercise of an Option under the offer in question;
- ii. the number of ordinary shares that would be issued if Options over them issued under the Plan were exercised; and
- iii. the number of shares in the same class issued during the previous five years pursuant to an employee share scheme.

### \* *Price*

Options issued under the Plan are issued for no consideration. The exercise price of the Options issued under the Plan will not be less than 80% of the weighted average price of the Company's shares on ASX over the five trading days immediately preceding the day on which the Board resolves to offer or issues an Option as the case may be.

### \* *Acceptance*

An Eligible Person must, within the period specified in the offer either:-

- i. accept the whole or any lesser number of Options offered by notice in writing; or
- ii. nominate a nominee in whose favour the Eligible Person wishes to renounce the offer by notice in writing.

### \* *Restrictions*

Unless otherwise decided by the Board in its absolute discretion:

- i. Any Options issued pursuant to the Plan will automatically lapse and be forfeited if the Eligible Person to which they were issued is dismissed from employment with the Company for a number of reasons including wilful misconduct bringing disrepute on the Company, incompetence in the performance of duties after prior written warning or fraud or dishonesty.
- ii. If at any time prior to the latter of a vesting date (if any) or the first anniversary of the date of issue an Eligible Person voluntarily resigns from employment with the Company otherwise than to take up employment with an associate company, or ceases to be an Eligible Person on account of retirement, permanent disability, redundancy or death the whole of the Options issued to that Eligible Person automatically lapse and are forfeited. If at any time after the latter of the vesting date (if any) or the first anniversary date of the issue and prior to the expiry date of any Options an Eligible Person to which they were issued voluntarily resigns from employment with the Company otherwise than to take up employment with an associate company, or cease to be an Eligible Person on account of retirement, permanent disability, redundancy or death the whole of the Options issued to that Eligible Person automatically lapse and are forfeited if that Eligible Person or if appropriate, his Permitted Nominee fails to exercise any or all of those Options within a period of three (3) months from the date provided in the certificate issued by the Company in accordance with the Plan.

The options are not transferable.

### \* *Administration*

The Board in its absolute discretion will administer the Plan in accordance with terms and conditions set out in the Plan rules.

# Explanatory Memorandum

## *Listing Rules Disclosure*

Exception 9(b) to Listing Rule 7.2 sets out several details that are required to be included in this Notice of the approval of the Option Plan. For that purpose in addition to the Summary of Plan Rules, the number of options, together with the specific terms, issued since shareholders last approved the terms of the plan at the general meeting on 30 November 2006 is set out below:

| Issue # | Date of Grant    | Number Options issued | Exercise Price | Expiry Date      |
|---------|------------------|-----------------------|----------------|------------------|
| 1       | 26 December 2006 | 2,912,500             | 44.6 cents     | 31 December 2009 |
| 2       | 26 December 2006 | 2,437,500             | 59.6 cents     | 31 December 2010 |
| 3       | 07 June 2007     | 787,500               | 64.6 cents     | 30 June 2010     |
| 4       | 07 June 2007     | 612,500               | 74.6 cents     | 30 June 2011     |
| 5       | 26 February 2008 | 4,930,000             | 27.5 cents     | 30 June 2011     |
| 6       | 26 February 2008 | 3,405,000             | 40 cents       | 30 June 2011     |
| 7       | 26 February 2008 | 2,145,000             | 45 cents       | 30 June 2011     |
| 8       | 26 February 2008 | 2,145,000             | 60 cents       | 30 June 2011     |
| 9       | 20 August 2008   | 1,300,000             | 27.5 cents     | 30 June 2011     |
| 10      | 20 August 2008   | 2,350,000             | 27.5 cents     | 31 December 2011 |
| 11      | 30 June 2009     | 885,000               | 27.5 cents     | 30 June 2012     |
| 12      | 01 August 2009   | 2,650,000             | 35 cents       | 30 June 2012     |
| 13      | 01 August 2009   | 4,000,000             | 45 cents       | 30 June 2012     |
| 14      | 01 August 2009   | 625,000               | 60 cents       | 30 June 2012     |
|         |                  | <b>31,185,000</b>     |                |                  |

## **Resolution 5 Remuneration of Non Executive Directors**

Resolution 5 seeks approval to increase the aggregate amount of fees payable to Non Executive Director's as explained below.

Listing Rule 10.17 and clause 10.2 of the Constitution provide that the maximum aggregate amount of the remuneration payable as Directors' fees to Non Executive Directors is to be determined by Shareholders in General Meeting.

The current maximum level of Directors fees payable to Non Executive Directors, as approved at the 2007 Annual General Meeting is \$250,000 including superannuation contributions payable by the Company. The Remuneration Committee and the full board has reviewed market comparables, considered increased work load to be placed upon the Chairman and the Non-Executive Directors as the Company moves toward development and the actual amounts payable for the roles. It is intended that the Chairman be paid \$100,000 for the 2010 year and the Non-Executive Directors \$65,000 each. The Board intends to pay fees to the Non-Executive Directors (including the Chairman) in aggregate of \$321,550 including superannuation.

Although the increased amount in aggregate of \$450,000 will not be fully utilised, the Board has elected to seek approval for an amount over and above \$321,550 to ensure that should the need arise to expand the Board that could be accommodated.

If approved, the increase will be effective from 1 July 2009.

## **GLOSSARY**

'ASIC' means the Australian Securities and Investments Commission

'ASX' means the Australian Stock Exchange Limited

'Board' means the board of Directors of the Company from time to time

'Employee Options' means options to acquire DYL Shares on the terms and conditions set out in Annexure A to this Explanatory Memorandum

'Company' or 'Deep Yellow' or 'DYL' means Deep Yellow Limited (ACN 006 391 948)

'Corporations Act' means Corporations Act 2001 (Cth)

'Director' means a director of the Company and, where the context required

'DYL Share' means an ordinary share in the capital of DYL

'Explanatory Memorandum' means the Explanatory Memorandum accompanying this Notice of Meeting

'Listing Rules' means the Listing Rules of ASX

'Notice of Meeting' means the Notice of Annual General Meeting accompanying this Explanatory Memorandum

000001 000 DYL  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

 For your vote to be effective it must be received by 3.00pm (WST) Tuesday 17 November 2009

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.computershare.com](http://www.computershare.com).

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View the annual report:

[www.deeptyellow.com.au](http://www.deeptyellow.com.au)

View your securityholder information, 24 hours a day, 7 days a week:

[www.investorcentre.com](http://www.investorcentre.com)

Review your securityholding

Update your securityholding

Your secure access information is: SRN/HIN: I999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Deep Yellow Limited hereby appoint

the Chairman of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Deep Yellow Limited to be held at The Irish Club of WA, 61 Townshend Road, Subiaco Western Australia 6008 on Thursday, 19 November 2009 at 3.00pm (WST) and at any adjournment of that meeting.

**Important for Resolutions 4 & 5:** If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolutions 4 & 5 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 4 & 5 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 4 & 5 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

### STEP 2 Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

#### Ordinary Business

|              |                                  | For                      | Against                  | Abstain                  |
|--------------|----------------------------------|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Re-election of Mr Tony McDonald  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Mr Rudolf Brunovs | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Adoption of Remuneration Report  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

#### Special Business

|              |  |                          |                          |                          |
|--------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 4 | Directors, Employees and Other Permitted Persons Option Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Remuneration of Non Executive Directors                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_