

DEEP YELLOW LIMITED
ABN 97 006 391 948

**NOTICE OF GENERAL MEETING AND
EXPLANATORY STATEMENT**

**For a General Meeting to be held on
Friday, 4 March 2005 at 10 am
at The Celtic Club
48 Ord Street
West Perth WA 6005**

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This is an important document. Please read it carefully.

If you are unable to attend the General Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.

DEEP YELLOW LIMITED
ABN 97 006 391 948
NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Deep Yellow Limited (**Deep Yellow or Company**) will be held at The Celtic Club, 48 Ord Street, West Perth, WA at 10 am on Friday, 4 March 2005.

AGENDA

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes the matters to be considered as special business.

ORDINARY BUSINESS

Resolution 1 – Ratification of Allotment and Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, the Company approves and ratifies the allotment and issue of 15,000,000 Shares at a deemed issue price of 1 cent each and the grant of 25,000,000 options each to acquire one fully paid ordinary share in the capital of the Company at an exercise price of 1 cent each on or before 31 December 2007 to Paladin Energy Minerals NL on 10 December 2004, and otherwise on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Approval is sought under Listing Rule 7.4 to allow the Company to ratify the issue and allotment of these securities. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who participated in the issue and any associates of those persons.

Resolution 2 – Allotment and Issue of Shares for Working Capital

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, approval is given for the Company to arrange a placement, on a best endeavours basis, of up to 33,000,000 fully paid ordinary shares in the capital of the Company at an issue price of 3 cents each to clients of D J Carmichael Pty Ltd and Montagu Stockbrokers Pty Ltd and other parties and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Under the Listing Rules, the Company may seek shareholder approval prior to a placement to authorise it to make an issue of securities in excess of the 15% threshold of its total ordinary securities and to allow it the flexibility to make future issues of securities up to the threshold of 15% of its total ordinary securities in any 12 month period. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any associate of those persons.

Resolution 3 – Approval to issue options to James Pratt or nominee

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

"That, for the purposes of Listing Rule 10.11 of the Listing Rules of the Australian Stock Exchange Limited and Section 208 of the Corporations Act and all other purposes, the Company approves and authorises the Directors to grant to James Pratt or nominee 10,000,000 options to subscribe for ordinary fully paid shares in the capital of the Company at an exercise price of 2 cents each on or before 31 December 2007, to be issued on the terms and conditions set out in section 2.4.4 of the Explanatory Memorandum accompanying this Notice of Meeting"

Short Explanation: Under the ASX Listing Rules and the Corporations Act, an issue of securities to a director (or entities controlled by a director) requires prior shareholder approval. James Pratt is a Director of the Company. For the purposes of ASX Listing Rule 10.11 and Section 208 of the Corporations Act, shareholder approval is being sought to allow Mr Pratt to be issued securities in the Company. Please refer to the Explanatory Statement for further details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr Pratt and any of his associates.

**DATED THIS 21st DAY OF JANUARY 2005
BY ORDER OF THE BOARD**



**Gary Steinepreis
Company Secretary**

NOTES:

1. A shareholder of the Company who is entitled to attend and vote at a general meeting of shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. For the purposes of Section 1109N of the Corporations Act, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 2 March 2005.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The General Meeting of the Shareholders of Deep Yellow Limited will be held at:

**The Celtic Club
48 Ord Street
West Perth WA 6005**

**Commencing
10 am
on Friday, 4 March 2005**

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 10 am.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- send the proxy by facsimile to the Company on facsimile number (08) 9481 2690 (International: + 61 8 9481 2690); or
- deliver to Level 1, 33 Ord Street, West Perth WA 6005 or PO Box 637, West Perth WA 6872;

so that it is received not later than 10 am on Wednesday, 2 March 2005.

Your proxy form is enclosed.

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

1. GENERAL INFORMATION

This Explanatory Statement has been prepared for the shareholders of the Company in connection with the General Meeting.

2. THE RESOLUTIONS

2.1 Background to Resolution 1

The Acquisition

On 10 December 2004, Deep Yellow Limited (Deep Yellow) acquired two advanced Uranium projects from Paladin Energy Minerals NL, a wholly owned subsidiary of Paladin Resources Ltd (Paladin). The projects are known as Napperby and Northeast Arunta and both are located in the Northern Territory:

Napperby Project (EL24246)

The Napperby Project is located 150km northwest of Alice Springs in the Northern Territory. It consists of one exploration licence covering 809km², prospective for both deeper sandstone roll front and surficial calcrete uranium target types.

Uranerz drilled 820 shallow percussion holes on the Napperby tenement in the late 1970's culminating in resource definition work and a pre-feasibility study. The work delineated a 20 x 4km uranium mineralised palaeodrainage and this area incorporates the New Well deposit which is several kilometres long by 1.5km wide, 1-5m thick and occurs at a shallow depth of around 10m.

The calculation of a JORC compliant resource estimate at New Well is a priority. Existing drilling is wide spaced (300m x 400m) and Deep Yellow believes that the higher grade parts of the deposit are controlled by sand filled channels. Deep Yellow plans to carry out infill drilling around these channels to establish a new higher grade resource at New Well.

The prime untested exploration target in this project is a sandstone hosted uranium deposit amenable to in-situ leaching (ISL). Drilling by Uranerz showed the presence of a deeper Tertiary palaeochannel extending to the west of the near-surface calcrete uranium mineralisation at New Well. This drilling was never followed up. Considering the high uranium content of the ground waters in the area, this palaeochannel system offers an excellent target for discovery of a sandstone hosted uranium deposit suitable for in-situ leaching, downstream from the New Well resource. Deep Yellow plans a regional gravity survey to delineate the channel geometry followed by drilling to establish the sedimentology and redox conditions of the deeper channel.

Further details in relation to this project are contained in:

- Page 12 of Paladin's 1997 Annual Report; and
- Pages 8 and 14 of Paladin's 1998 Annual Report.

NE Arunta Project (EL9890)

The North East Arunta Project is located in the Proterozoic Arunta block, approximately 270km NNE of Alice Springs. Exploration by previous workers has defined a 1400m long radiometric anomaly (Yambla Prospect) within the Yambla Amphibolite. Drilling and trenching of the Yambla Amphibolite by PNC, a major Japanese explorer in the 1980's, defined a 1-10m thick alteration zone within which occurs sporadic occasionally very high grade uranium mineralisation in the form of egg-shaped nodules of uraninite grading 1-10% U₃O₈.

Fifteen (15) of the trenches dug by PNC show mineralisation of which two have reasonable zones of high grade material. Better trench assays of channel samples (0.5m to 1.0m) ranged 0.1-10%.

Elsewhere, assays adjacent to mineralisation ranged 10-200ppm U. One campaign of diamond drilling (13 holes) was completed, with two holes showing moderate downhole anomalies. All holes intersected at least some alteration proving a wide extent of the mineralising system. Drillhole assays ranged 5-50ppm U in altered rock while unaltered amphibolite was all <5ppm U.

Previous explorers have found it difficult to determine the extent and distribution of the uranium nodules. After reviewing existing data Deep Yellow plans to carry out bulk sampling at Yambla and drilling to determine the distribution and potential economics of the Yambla Prospect and locate the routes of the extremely high grade egg-sized pods of the near surface uranium mineralisation.

Paladin Database Licence and Technical Support

Paladin has granted Deep Yellow an exclusive licence to use data from the Paladin database (acquired by Paladin from Uranerz) in relation to the project areas and surrounding areas within an approximate 50km radius. After 5 years, the licence will revert to a non-exclusive royalty free licence in perpetuity.

Paladin has also offered to provide the technical support of its highly experienced team, who have an extensive background in the projects, during the recommencement of activity on the projects.

Consideration

The consideration paid by Deep Yellow to Paladin comprised:

1. \$100,000 cash; and
2. 2% gross royalty; and
3. 15,000,000 ordinary shares in Deep Yellow; and
4. 25,000,000 options, each option granting Paladin the right to acquire one ordinary share in Deep Yellow exercisable at 1 cent each on or before 31 December 2007.

Conclusion

The acquisition of these uranium properties offers Deep Yellow an excellent opportunity to:

1. evaluate a relatively advanced project in Napperby; and
2. carry out focused exploration programs on its Arunta Project to better define the high grade uranium occurrence.

2.2 Resolution I – Ratification of Allotment and Issue of Shares and Options

Resolution I is required to be approved in accordance with ASX Listing Rule 7.4.

The reason for an approval under ASX Listing Rule 7.4 is to reinstate the capacity of the Company to issue up to 15% of its securities without the approval of its shareholders.

The following information is provided to shareholders for the purposes of obtaining shareholder approval pursuant to the ASX Listing Rules:

- (a) the number of Shares issued by the Company was 15,000,000 and 25,000,000 options;
- (b) the Shares and options were issued to Paladin Energy Minerals NL;
- (c) the Shares rank equally with the existing Shares on issue and the options terms and conditions are detailed below; and
- (d) no funds were raised from the issue as the issue and allotment was made to satisfy the consideration for the acquisition of the Napperby and Arunta Projects.

The following are the rights attaching to the options:

- (a) each option entitles the holder, when exercised, to one (1) Share;
- (b) the options are exercisable at any time on or before 31 December 2007;
- (c) the exercise price of the options is 1 cent each;

- (d) subject to the Corporations Act, the Constitution and the Listing Rules, the options are fully transferable;
- (e) the options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;
- (f) all shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued shares. The options will be unlisted however the Company reserves the right to apply for quotation at a later date;
- (g) there are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of options to shareholders during the currency of the options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, option holders will be notified of the proposed issue at least seven (7) business days before the record date of any proposed issue. This will give option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;
- (h) in the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the options, all rights of the option holder will be varied in accordance with the Listing Rules; and
- (i) in the event the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in Listing Rule 6.22.2.

2.3 Resolution 2 – Approval for the Allotment and Issue of Shares for Working Capital

Resolution 2 is required to be approved by shareholders in accordance with ASX Listing Rule 7.1.

ASX Listing Rule 7.1

The following information is provided to shareholders for the purposes of obtaining shareholder approval for Resolution 2:

- (a) the maximum number of Shares to be issued is 33,000,000 fully paid ordinary shares at an issue price of 3 cents each;
- (b) the allottees of the Shares will be determined by the Directors of the Company. The identity of these parties are not yet known, however, they will not be related parties of the Company;
- (c) the Shares will rank equally with the existing Shares on issue;
- (d) the Shares will be issued no later than 3 months from the date of approval of the resolution. The Shares may be issued progressively during this period; and
- (e) funds being raised from the issue of the Shares will be used for working capital and to advance the Company's projects.

2.4 Resolution 3 – Approval to issue options to James Pratt or nominee

2.4.1 Background

Mr Pratt is a geologist with fourteen years experience in the mining industry in Australia and Africa. Mr Pratt has an Honours degree in geology from the University of Western Australia and a Graduate Diploma in Finance and Investment from the Securities Institute of Australia. Mr Pratt is an existing director of Deep Yellow and has been instrumental in directing the Company towards its uranium focus.

Mr Pratt is currently a director of Mokuti Mining Limited, a company listed on the ASX, Ascent Resources PLC, a company listed on the London Stock Exchange AIM Market, and MinRes Resources Inc., a company listed on the Toronto Venture Exchange.

Mr Pratt will be responsible for the advancement of the Company's existing projects in the Northern Territory and for pursuing new acquisitions and farm-in opportunities to grow and advance the Company both in Australia and overseas.

The Board considers that it is appropriate for Mr Pratt to be provided with an equity based incentive.

Shareholder approval is sought to issue and allot incentive options to Mr Pratt or his nominee.

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied. These are summarised below.

2.4.2 Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party of the Company.

If Resolution 3 is passed, securities will be issued to Mr Pratt, who is a related party of the Company.

Accordingly, approval for the issue of securities to Mr Pratt is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the options to Mr Pratt as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of securities to Mr Pratt will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

Listing Rule 10.13 requires certain information to accompany the Notice in relation to the approval sought under Listing Rule 10.11. This information is set out below.

- (a) shareholder approval is sought for the issue of 10,000,000 options to James Pratt or nominee exercisable at 2 cents each on or before 31 December 2007;
- (b) the maximum number of options to be issued and allotted is 10,000,000;
- (c) the abovementioned options will be issued and allotted within one (1) month after the date of the Meeting;
- (d) no cash consideration will be payable on, or in respect of, the issue and allotment of the options, as described in paragraph (b) above as they are being issued in consideration for their dedication and ongoing commitment and effort to the Company;
- (e) the material terms and conditions of the options are set out below in section 2.4.4.

2.4.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a public company issuing securities.

For the purpose of this meeting, a "related party" includes:

- (a) a Director;

- (b) an entity over which a Director has control; and
- (c) an entity which believes, or has reasonable grounds to believe, that it is likely to become a related party in the future.

For the purposes of Chapter 2E of the Corporations Act, Mr James Pratt is a related party of the Company by virtue of the fact that he is a Director.

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of that company, the public company must:

- (a) obtain the approval of members in the way set out in Sections 217 to 227; and
- (b) give the benefit within 15 months after the approval.

For the avoidance of doubt, the Company is seeking Shareholder approval for the purposes of Chapter 2E of the Corporations Act in respect of the options proposed to be issued pursuant to Mr Pratt or his nominee.

The following information is provided to satisfy the requirements of Section 219 of the Corporations Act:

- (a) the proposed financial benefit to be given to the related party (or nominee) is 10,000,000 options to James Pratt or nominee;
- (b) the options are being issued to Mr Pratt for no consideration and the terms and conditions are set out below;
- (c) Mr Pratt does not wish to make a recommendation to Shareholders about this Resolution because he has a material interest in the outcome of the resolution;
- (d) as at the date of this Notice, Mr Pratt has a relevant interest in 3,125,000 Shares;
- (e) the remaining Directors consider the incentive by way of grant of the options to Mr Pratt is a cost effective and efficient incentive when compared to other forms of incentive (e.g cash, bonuses or increased remuneration). The remaining Directors consider that the number of options proposed to be granted is appropriate because they are to provide an incentive and, in part, are subject to a vesting period. The non-associated Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the resolution;
- (f) if Shareholders approve the grant of options and all or any of the options exercised, the effect will be to dilute the shareholding of existing Shareholders. The market price for Shares during the term of the options would normally determine whether or not the related party exercises the options. If at any time any of the options are exercised, and the Shares which are trading on ASX are at a price which is higher than the exercise price of the options then, there may be a perceived cost to the Company. Subject to any adjustments arising from any rights issues or bonus issues of securities by the Company, 10,000,000 Shares will be allotted and issued upon exercise of the options issued to Mr Pratt with the effect that the shareholding of the existing Shareholders will be diluted by approximately 2.95% (based on the number of Shares on issue at the completion of the placement referred to in Resolution 2 being 338,817,363 and assuming no existing options are exercised);
- (g) the highest and lowest prices of the Shares on ASX in the 12 months prior to the date of issue of this Notice of Meeting, on a post-consolidated basis, were 4.3 cents on 20 January 2005 and 1.5 cents on 14 December 2004. The last trading price of Shares on ASX was 3.7 cents on 20 January 2005;

- (h) a valuation of the options proposed to be issued is set out below;
- (i) over the last 12 months from the date of issue of this Notice, Mr Pratt has not received any fees or salary and statutory superannuation. Mr Pratt has been employed on a salary effective 20 January 2005, at the rate of \$120,000 per annum. Mr Pratt is also entitled to statutory superannuation;
- (j) the primary purpose for the issue of the options is to provide an incentive to Mr Pratt to provide dedicated and ongoing commitment and effort to the Company. Given this purpose and bearing in mind the exercise terms of the options the Directors (other than Mr Pratt) do not consider that there are any significant opportunity costs to the Company or benefits foregoing by the Company in issuing the options upon the terms proposed; and
- (k) additional information in relation to this Resolution is set out throughout this Notice of Meeting.

2.4.4 Terms and conditions of executive options

The material terms and conditions of the executive options are as follows:

- (a) each option entitles the holder, when exercised, to one Share;
- (b) subject to these terms and conditions, the options vest in the holder in two tranches and are exercisable on or before 5pm (Perth time) on 31 December 2007:

| Allocation | Vesting | Expiry date | Exercise Price |
|------------|----------------------|------------------|----------------|
| 5,000,000 | Upon issue | 31 December 2007 | 2 cents |
| 5,000,000 | 6 months after issue | 31 December 2007 | 2 cents |

- (c) With regards to the options, should a Director, Executive, Officer, Staff or Consultant cease to hold office, employment and/or consulting as the case may be with the Company for any reason whatsoever (except where such cessation occurs as a result of a change in control of the Company, with a change in control being where a shareholder or group of associated shareholders become entitled to sufficient shares in the Company to give it or them the ability to replace all or a majority of the Board of the Company), the relevant outstanding existing options of that Director, Executive, Officer, Staff or Consultant or their nominee shall be forfeited and all rights and/or benefits in relation to those options shall also be forfeited after a period of 3 months from the date of cessation of holding office, employment and/or consulting as the case may be.
- (d) the option exercise price is 2 cents per option;
- (e) an option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised;
- (f) the options are not transferable;
- (g) all Shares issued upon exercise of the options will rank pari passu in all respects with the Company's then ordinary issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the options;
- (h) there are no participating rights or entitlements inherent in the options and the holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven (7) business days after the issue is announced. This will give the option holder the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue; and
- (i) if at any time the issued capital of the Company is reconstructed, all rights of the option holder are to be changed in a manner consistent with the ASX Listing Rules.

2.4.5 Valuation of Options

The options issued pursuant to Resolution 3 in this Notice have been valued using the Black & Scholes pricing model. The assumptions that have been used to value the options are as follows:

- (a) the last expiry date of the options is 31 December 2007;
- (b) all of the options are exercisable at 2 cents each and no discount has been attributed as a result of vesting periods;
- (c) the market price of a Share has been assumed to be 3.5 cents after considering the current trading price of the Shares on the ASX;
- (d) a common volatility factor of 25% and 50%. These common volatility factors have been used on the basis that the market value of the Shares will not be known until the Shares are quoted on the ASX and the market in exploration companies is volatile and it is considered prudent to provide a range of volatility factors;
- (e) an interest rate of 5.25%;
- (f) the valuation ascribed to the options may not necessarily represent the market price of the options at the date of the valuation; and
- (g) the valuation date for the options is at 28 February 2005, being the approximate date of issue of the options.

The above parameters result in a range of values of:

| Expiry date | Exercise Price | 25% volatility | 50% volatility | Total valuation 25% volatility | Total valuation 50% volatility |
|------------------|----------------|----------------|----------------|--------------------------------|--------------------------------|
| 31 December 2007 | 2 cents | 1.996 cents | 1.796 cents | \$179,630 | \$199,607 |

3. ENQUIRIES

Shareholders are invited to contact the Company Secretary on (08) 9420 9300 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

ASIC means Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Company and **Deep Yellow** means Deep Yellow Limited (ABN 97 006 391 948).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Share means a fully paid ordinary share in the capital of the Company.

**PROXY FORM
APPOINTMENT OF PROXY**

**Deep Yellow Limited
ABN 97 006 391 948**

GENERAL MEETING

I/We

being a Member of Deep Yellow Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at Celtic Club, 48 Ord Street, West Perth on 4 March 2005 at 10 am and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the General Meeting

| | | FOR | AGAINST | ABSTAIN |
|--------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Ratification of allotment and issue of shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Approval for the Allotment and Issue of Shares for Working Capital | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Approval to issue options to James Pratt | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

OR

If the Chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on the Resolutions, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the Resolutions and that votes cast by him, other than as proxy holder, will be disregarded because of that interest. 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 the Resolutions and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman will vote in favour of all of the resolutions if no directions are given.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signed this _____ day of _____ 2005

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Deep Yellow Limited
ABN 97 006 391 948
Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.