

Golden Deeps Limited

ACN: 054 570 777

ANNUAL REPORT

2014

GOLDEN DEEPS LIMITED

CONTENTS

	Page No.
• Corporate Directory	1
• Review of Operations	2
• Directors' Report	14
• Consolidated Statement of Profit or Loss and Other Comprehensive Income	21
• Consolidated Statement of Financial Position	22
• Consolidated Statement of Changes in Equity	23
• Consolidated Statement of Cash Flows	24
• Notes to the Consolidated Financial Statements	25
• Directors' Declaration	47
• Independent Audit Report	48
• Auditor's Independence Declaration	51
• Corporate Governance Statement	52
• Shareholder Information	63

GOLDEN DEEPS LIMITED

CORPORATE DIRECTORY

DIRECTORS

Michael Scivolo
Michael Norburn
Robert Collins

AUDITORS

Grant Thornton Audit Pty Ltd
10 Kings Park Road
West Perth WA 6005

COMPANY SECRETARY

Norman Grafton

BANKERS

Westpac Banking Corporation
109 St George's Terrace
Perth WA 6000

REGISTERED OFFICE

1st Floor, 8 Parliament Place
West Perth WA 6005

Telephone: (08) 9481 7833
Facsimile: (08) 9481 7835

Email: ged@goldendeeps.com
Website: www.goldendeeps.com

SHARE REGISTRY

Advanced Share Registry Limited
110 Stirling Highway
Nedlands WA 6009

Telephone: (08) 9389 8033
Facsimile: (08) 9262 3723

SOLICITORS

Gilbert & Tobin
1202 Hay Street
West Perth WA 6005

STOCK EXCHANGE LISTING

Golden Deeps Limited is listed on the
Australian Securities Exchange.

ASX code for shares: GED

GOLDEN DEEPS LIMITED

REVIEW OF OPERATIONS

Golden Deeps holds exploration licences in Namibia, Western Australia and Victoria. During the reporting period to June 2014, the Company continued to progress exploration on the Namibian Grootfontein Base Metal tenements. These tenements contain a series of prospects for copper, lead, zinc and vanadium and have been the primary exploration target.

GROOTFONTEIN BASE METAL PROJECT

The Company acquired an 80% interest in the highly prospective Grootfontein Base Metal Project in June 2012. The project is located in the Otavi Mountain Land (OML), north east Namibia (Figure 1). The OML is a globally significant base metal province with significant historical production coming from several mines which are located in similar geology to the licences held by Golden Deeps. These include Tsumeb, which produced 24.9Mt @ 5.5% Cu, 11.8% Pb and 171 g/t Ag and Kombat which produced 8.7Mt @ 3.1% Cu, 1.1% Pb, 26g/t Ag. The internationally significant lead-zinc-vanadium mines at Abenab and Berg Aukas are located on and close to the licences held by Golden Deeps.

The Grootfontein Project land holding covers over 630km² on four exploration licences. Six additional licence applications are currently being considered by the Ministry of Mines and Energy. If approved, these will increase the licence area under Deeps' control to 1103km² (Figure 2).

The licences cover four recognised base metal trends. Each trend hosts at least one historical mine or previously drilled deposit as well as extensive unexplored strike lengths. Since acquisition a year ago, Deeps has rapidly and cost-effectively developed a range of highly prospective opportunities on each of the trends, namely:

- **Askeveld Trend:** Copper trend with 30km strike. Activity focused on historic Deblin copper shaft.
- **Abenab Trend:** Copper-lead-zinc-vanadium trend covering 40km, and includes the world-class Abenab West (Christiana) Mine in the East and the Nosib Block Copper Mine in the west.
- **Khusib Trend:** Copper-silver trend over 6km strike. Contains Khusib Springs Mine (excised, 500,000t @ 10% Cu, 1.8% Pb and 584g/t Ag).
- **Pavian Trend:** Lead-zinc trend covering 6km. along strike from Border deposit (held by Sabre Resources) which contains resources of 16.2Mt @ 2.2% Pb+Zn and 4.76 g/t Ag.

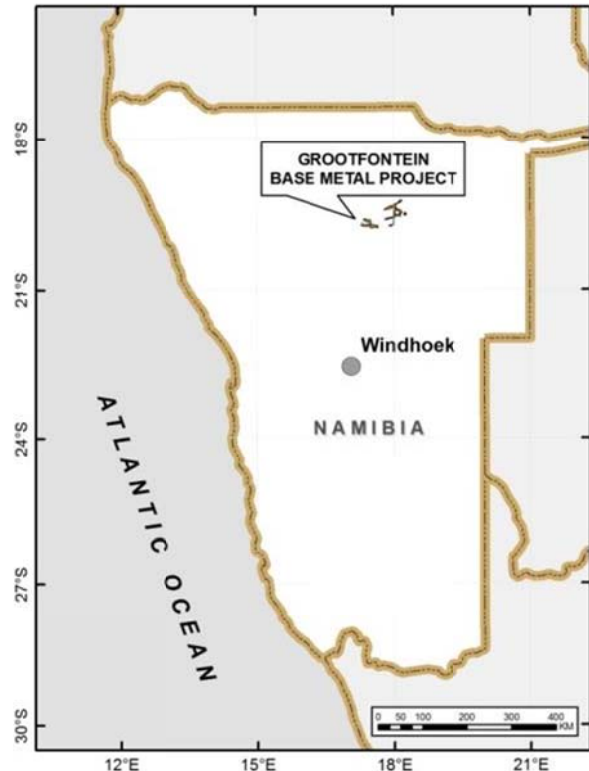


Figure 1 - Location of the Company's Namibian projects

Strategic Review of Prospectivity

During the latter part of the year the Company completed a strategic review of the prospectivity of its holdings and applications in the Grootfontein Base Metal Project. All available data were used to generate a series of ranked targets. The aim was to focus and prioritise exploration activity.

The highest ranking targets generated by the strategic review were as follows (see Figure 2);

1. Khusib Springs Epigenetic Cu-Zn-Pb prospect
2. Butterfly Epigenetic Cu-Zn-Pb prospect
3. Nosib Block Sedimentary Cu-Pb-Zn-Ag prospect
4. Chistiana-Abenab Epigenetic Zn-Pb-V prospect
5. Southridge East Epigenetic Zinc-Copper prospect

6. Deblin Epigenetic Copper-Silver prospect

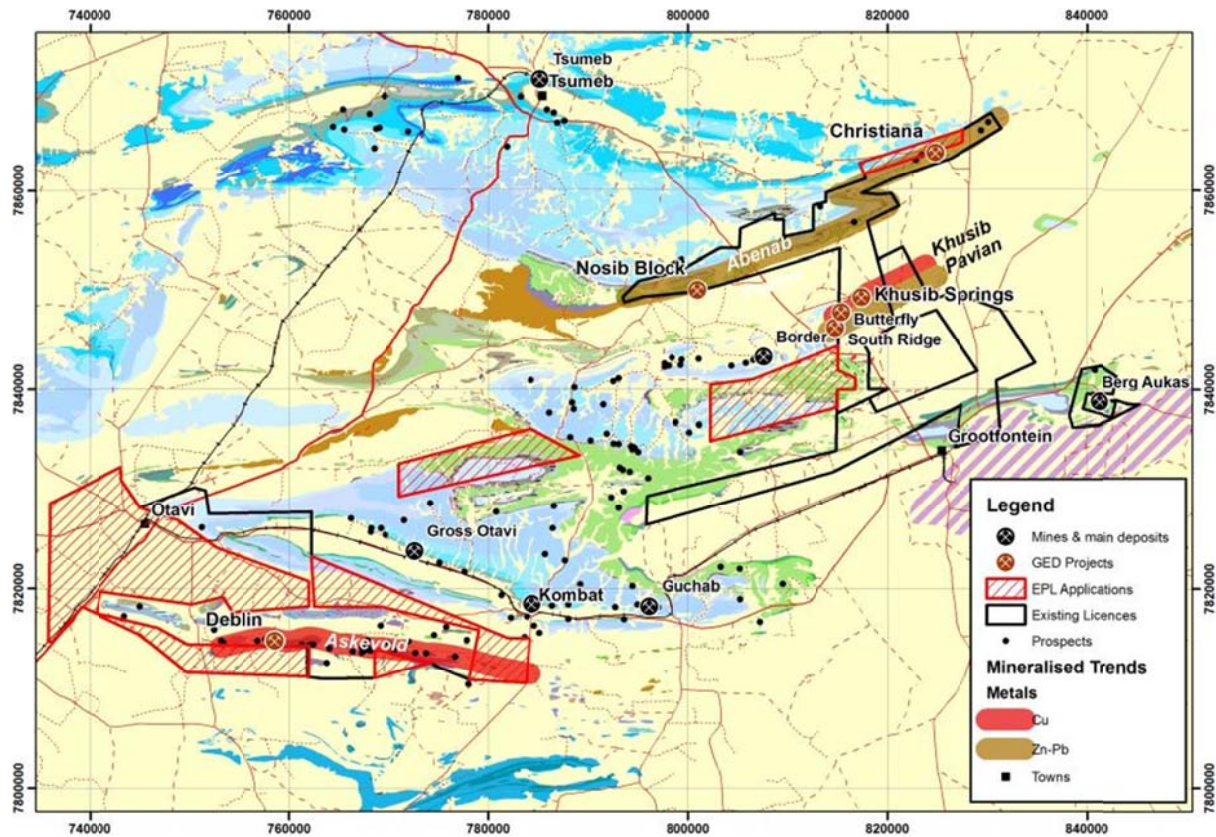


Figure 2 - The location of strategic targets in Golden Deeps Grootfontein Project, Otavi Mountainland, Namibia

1. Askeveld Trend

The Askeveld Trend is defined by a series of copper occurrences and geochemical anomalies associated with a sheared contact between the Askeveld Volcanics and the overlying Abenab Dolomites. A 30km strike length of this highly prospective contact position lies within the Company's EPL3743.

Historic data compilation, field mapping, soil geochemistry and surface EM surveying has resulted in six very high priority targets on the Askeveld Trend. They are the Deblin, Askeveld South, Hartbeespoort South, Redrob, Deblin South and Deblin West prospects. (Figure 3)

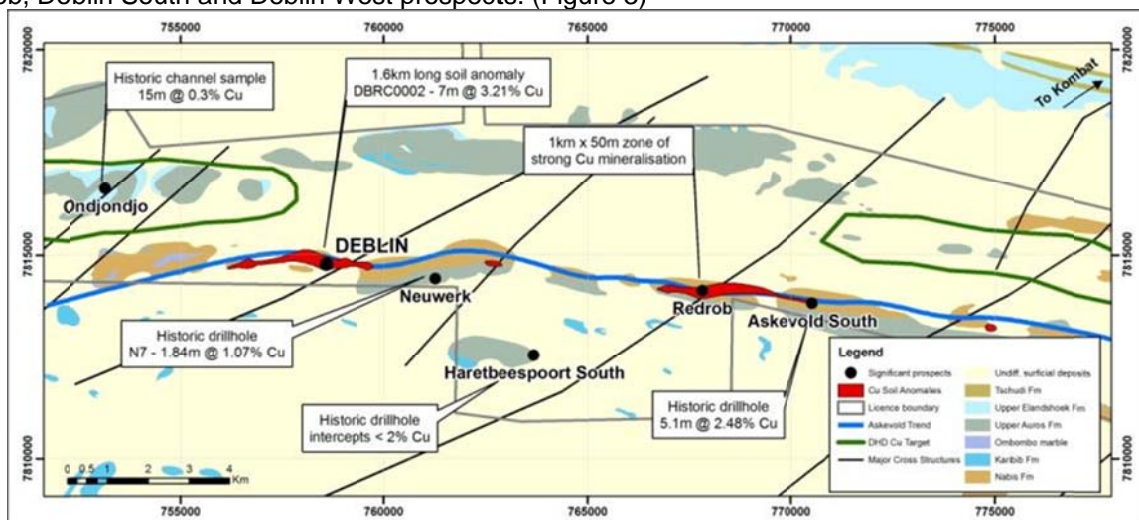


Figure 3 - The Askeveld Trend showing geochemical anomalies and prospect locations. Deblin, Askeveld South, Hartbeespoort South and Redrob are the highest priority prospects

GOLDEN DEEPS LIMITED

REVIEW OF OPERATIONS

1.1 Deblin Copper Mine

Drilling and subsequent geological modelling in 2013 by Deeps resulted in several significant copper intersections at the Deblin prospect. Further drilling is required to extend and confirm the geometry and mineralisation and to allow a JORC compliant copper mineral resource to be estimated at Deblin.

Drilling in 2012 reported broad intersections of copper mineralisation including:

DBDD0002 29.00 m @ 1.00% Cu & 1.86 g/t Ag from 57 m
Including 1.66m @ 5.38% Cu & 8.04 g/t Ag from 59.34m

DBDD0001 2.73 m @ 2.79% Cu & 6.80 g/t Ag from 135 m

The interpreted thrust positions and their related structures will be targeted for thick accumulations of copper mineralisation similar to those intersected in DBDD0002 (Figure 4).

Importantly, most mineralisation encountered at Deblin to date is within 100 metres of surface. The simple mineralogy of the Deblin deposit, the presence of a broad low-grade halo of copper mineralisation (in excess of 60 m) around the thickest intercept, and the newly interpreted geometry of the deposit (Figures 4 and 6), all combine to make Deblin potentially amenable to open cut mining..

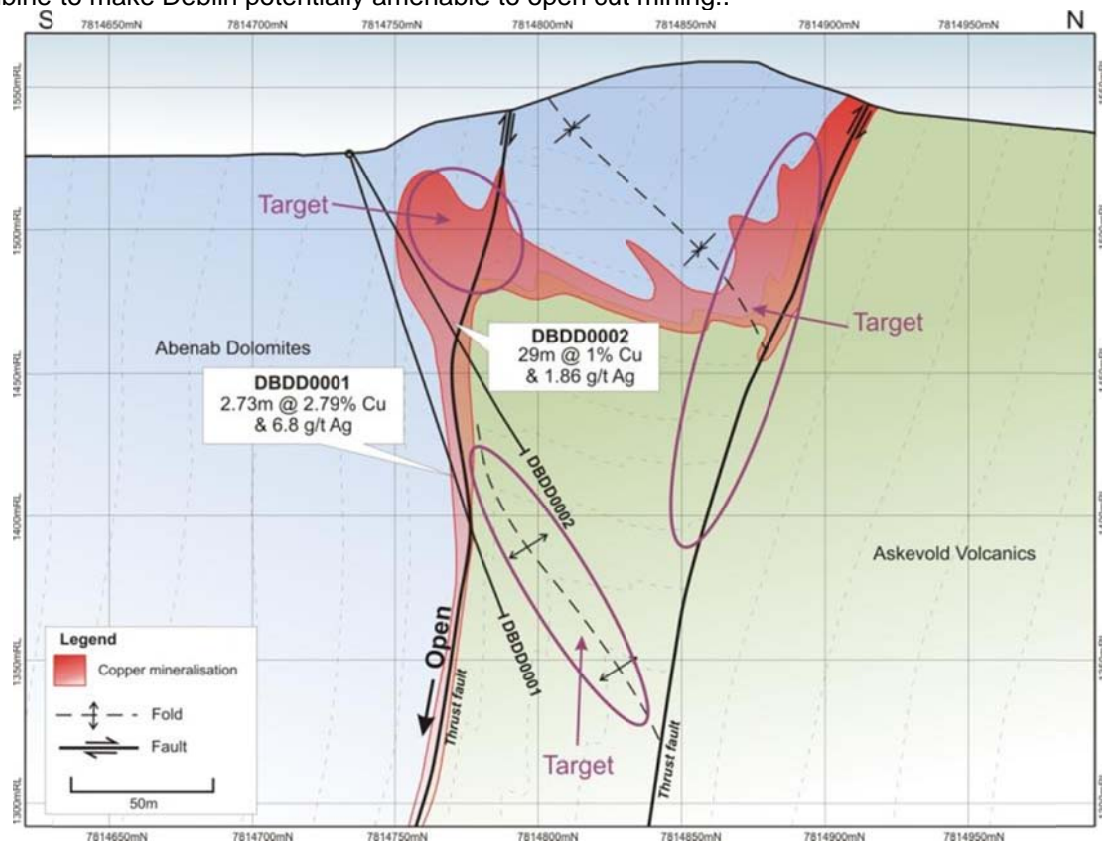


Figure 4 - Interpreted geological cross section at 758545E, looking west, and showing drillholes DBDD0001 and DBDD0002, new drill targets and new structural interpretation

GOLDEN DEEPS LIMITED

REVIEW OF OPERATIONS

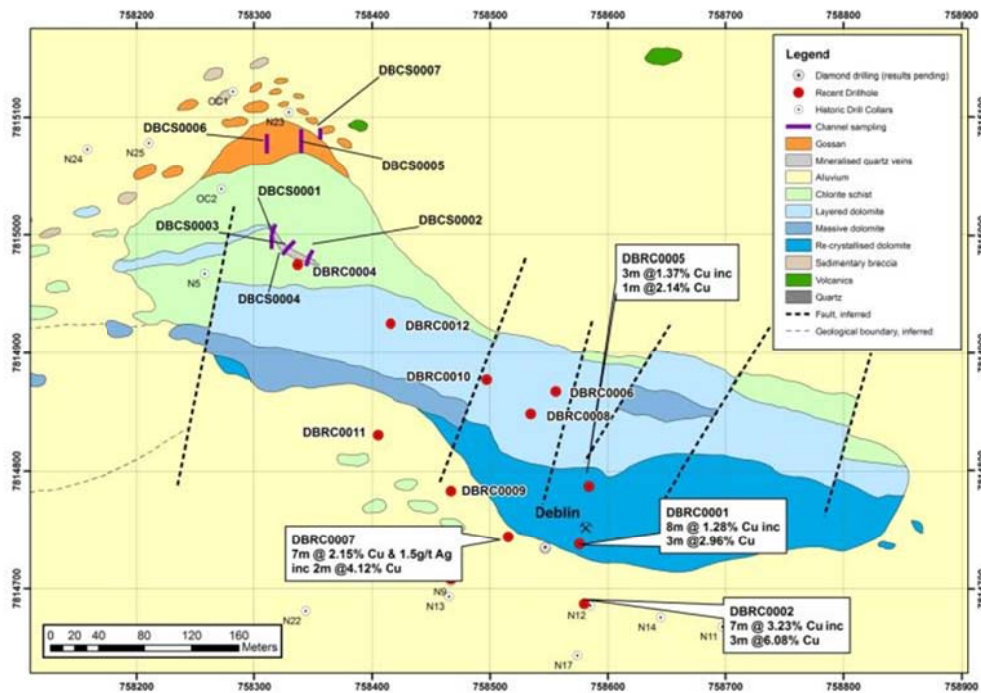


Figure 5 - Geological Map of Deblin showing the channel sample locations and drillhole collars.

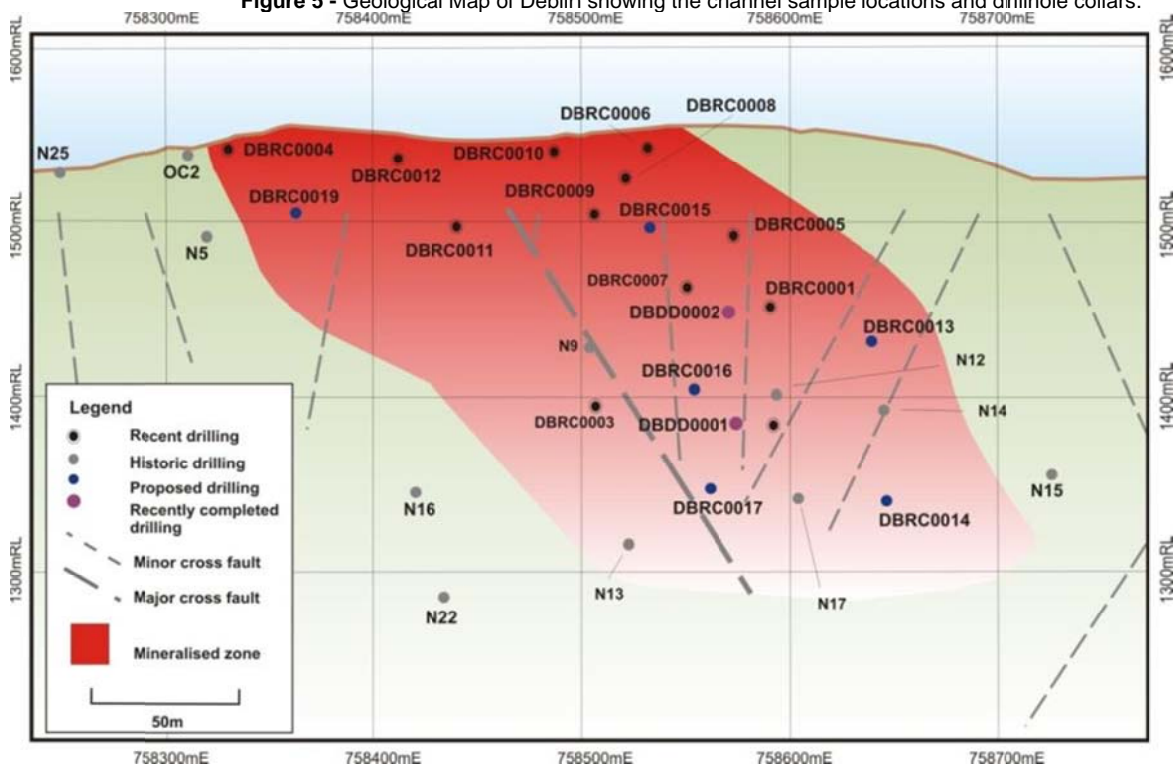


Figure 6 - Interpreted longitudinal projection of Deblin looking north. Note that historic drill intercepts and traces have been digitised from historic interpreted sections. Several drill collar locations have been confirmed in the field but hard copy assays and drill cores are not available.

The results to date demonstrate the potential for Deblin to host a significant copper deposit and highlight the prospectivity of the 30km Askeveld Copper Trend. Deblin is just one of four high priority prospects, which include including Askeveld South, Redrob and Hartbeespoort South.

1.2 Deblin West

Deblin West was located during the reporting period by the use of detailed (close spaced) soil sampling programs. The sampling identified two very high amplitude (+1000ppm Cu, or 0.1% Cu) geochemical

GOLDEN DEEPS LIMITED

REVIEW OF OPERATIONS

anomalies directly along strike to the west of the Deblin deposit (Figure 7). The anomalies are approximately 1km and 1.8km west of Deblin. Both anomalies are similar in size and amplitude to the Deblin gossan anomaly, which is believed to be the surface expression of the Deblin copper mineralisation. Follow-up work discovered a zone of strong outcropping copper mineralisation at anomaly 1. The outcropping mineralisation was channel sampled and mapped in detail, with very encouraging results including:

16 m @ 1.21% Cu & 2.11 g/t Ag including 2 m @ 5.38% Cu & 5.45 g/t Ag in DBCS0008

20 m @ 1.02% Cu & 8.53 g/t Ag in DBCS0009

Follow-up drilling did not intersect any significant mineralisation beneath the outcrop at Anomaly 1, but only one hole was drilled. This anomaly still requires further work to find the source of the observed surface mineralisation.

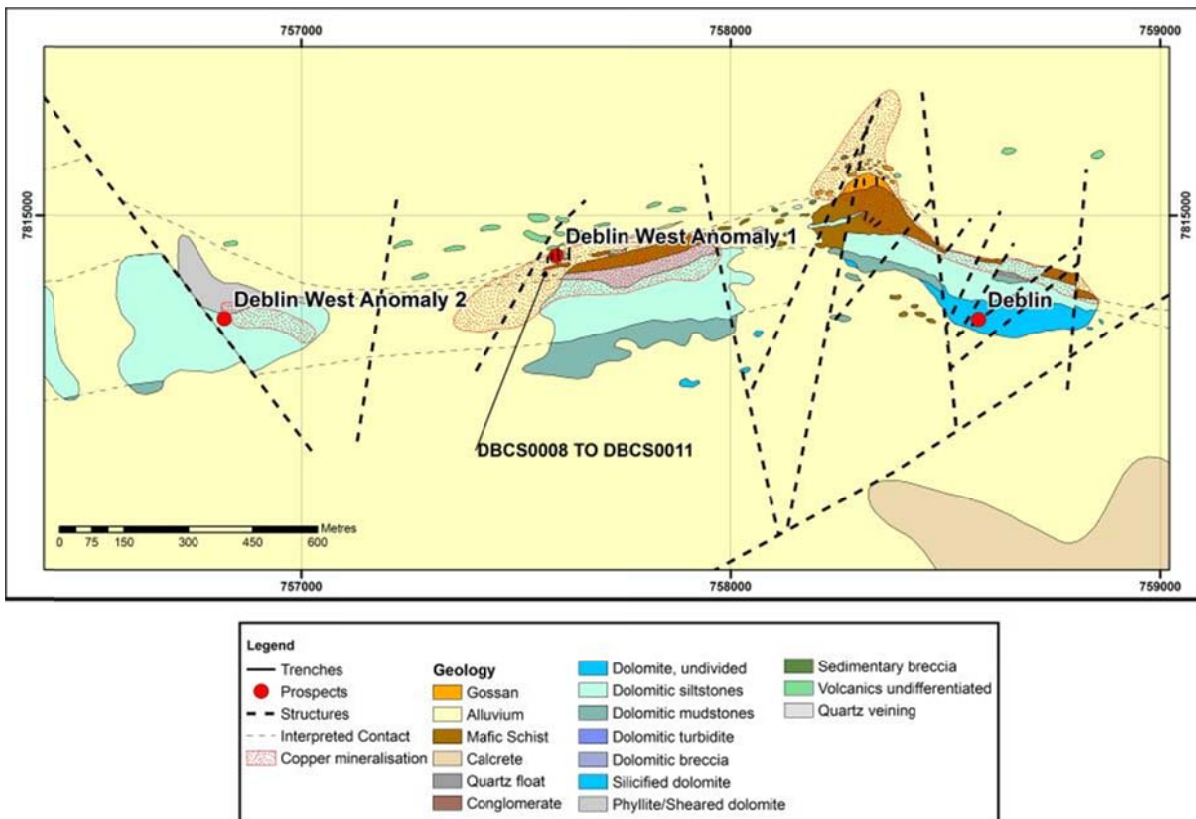


Figure 7 - Geological map of the Deblin area showing the location of Anomaly 1 and the recent channel samples DBCS0008 to DBCS0011

1.3 Deblin South

The FLTEM survey conducted during the 2012 detected three strong conductors at Deblin South, approximately 600m south of the Deblin Copper Mine. The Company plans to drill test each conductor for the presence of copper mineralisation. Four holes have been designed to test the three separate conductive bodies.

The eastern two bodies, DB1 and DB2 are discrete and highly conductive. These two are the highest priorities. The western anomaly, DB3 is relatively large in size, and is also highly conductive (Figure 8).

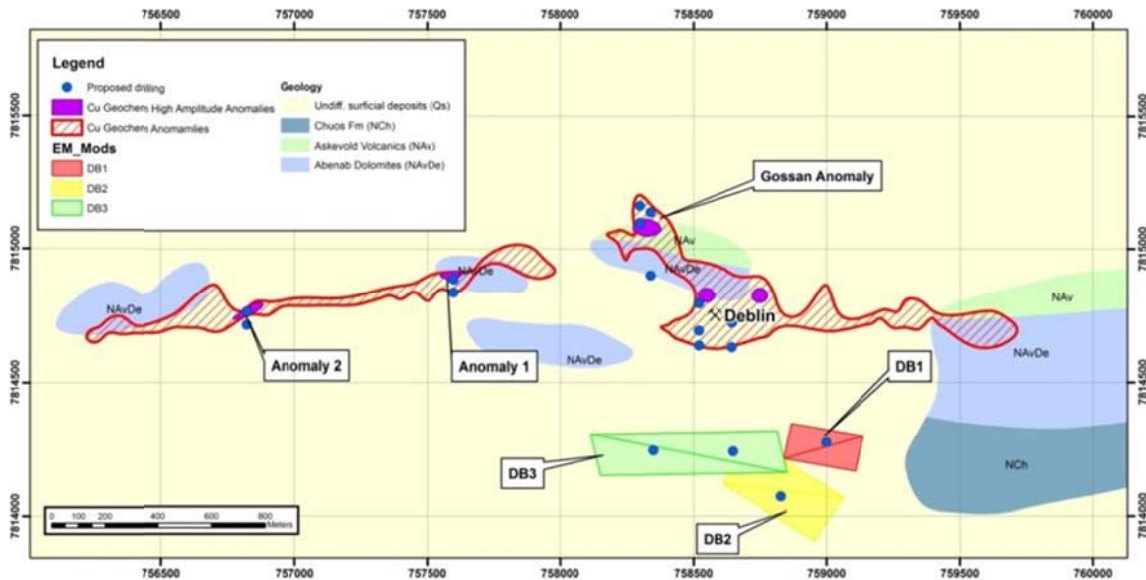


Figure 8 - Locations of the Deblin West geochemical anomalies and the Deblin South FLTEM conductors.

2. Abenab-Nosib Trend

The Abenab Trend is defined by a series of V-Pb-Zn-Cu occurrences located near the contact between the Auros Shale and Maieberg Dolomites. The Christiana, Nosib Block, and Okurundu mines are located on this contact position and are the highest priority targets. Approximately 40km strike extent of this highly prospective trend lies within the Company's EPL3543 (Figure 2)

2.1 Christiana Zn-Pb-V Mine

Christiana is the largest historic mine in the Grootfontein Base Metal Project and was formerly known as Abenab West (Figure 2). The Abenab area produced over 100,000t of Vanadium concentrates. Production figures from Christiana itself are not known, but the workings extend over 800m of strike and to a depth of at least 380m below surface. In the underground mine, extensive level development was undertaken, but only the very high grade vanadium and/or easily processed material was removed leaving broad zones of mineralisation remaining in situ and unmined at the Prospect.

Three styles of mineralisation have been observed by Golden Deeps at Christiana:

- “Zinc Reef”, comprising high-grade willemite (zinc silicate) mineralisation,
- Descloizite (lead vanadate) mineralisation, and
- Disseminated primary sphalerite (zinc) and galena (lead) mineralisation.

Deeps has previously surveyed and sampled most accessible areas including surface channels sampling. Previous excellent zinc, lead and vanadium sampling results from surface and underground at Christiana support its position as a high priority target for the Company.

GOLDEN DEEPS LIMITED

REVIEW OF OPERATIONS

2.2 Nosib Block Cu Mine



Figure 9 - Azurite mineralisation in underground exposure at Nosib Block Mine

The historic Nosib copper mine is located on the western end of the Abenab-Nosib Trend. Three levels of the historic Nosib Block copper/lead mine were accessed from the No2 Shaft during 2013 (inset, Figure 11).

At Nosib, high grade copper, lead, vanadium and silver are hosted in a sequence of tillites, conglomerates and felspathic sandstones (mine sequence) in contact with massive dolomites to the north (hanging wall) and basement granites to the south (footwall). The mine sequence is dipping moderately to the north and the mineralisation appears to be plunging to the north east. The mineralisation, hosted in sandstones is of great importance in the region as it represents only one of a few potential sedimentary Cu-Pb-Zn occurrences in the OML (Zambian Copper Belt style), the other important example being the Tschudi Mine currently being commissioned by Weatherly International (50.1Mt@0.86%Cu, JORC, see Weatherly website) 40km Northwest of Nosib.

From the Company's sampling and mapping activities, most of the copper mineralisation remains in situ. Level 1, 20m below surface, Level 2, 40m below surface and Level 3, 60m below surface have been accessed, mapped and sampled. Broad zones of strong copper, lead, vanadium and silver have been encountered on all levels.

In excess of 1,600m of strike have been identified to date containing several high priority exploration targets, in particular the "Pinch Out" structure, 600m east of No 2 shaft and the No 3 shaft area, 400m west of No 2 shaft (Figure 11).

The No 2 shaft and associated underground workings were recently surveyed. 3D models of the underground workings were built. This allowed the accurate positioning of the channel samples within the drives. 3D grade shells of the mineralisation have been generated (Figure 10). The 3D modelling shows high grade continuity from surface to over 60m below surface. The mineralisation remains open in all directions.

Channel sample results from Level 1 include;

- NOUG0001 6 m @ 9.30% Cu, 4.72% Pb & 7.92 g/t Ag*
- NOUG0002 13m @ 2.32% Cu, 7.06% Pb, 6.85 g/t Ag*
- NOUG0005 6 m @ 1.51% Cu, 10.59% Pb, 7.15 g/t Ag & 1.12% V2O5*
- NOUG0004 9 m @ 1.37% Cu, 10.37% Pb & 14.4 g/t Ag*
- NOUG0006 6 m @ 1.38% Cu, 4.19% Pb, 3.53 g/t Ag, 0.45% Zn & 1.09% V2O5*
- NOUG0003 16 m @ 0.68% Cu, 6.58% Pb & 5.5 g/t Ag*
- NOUG0010 13m @ 1.99% Cu, 5.56% Pb, 2.30% V2O5, 20.56 g/t Ga*

Channel sample results from Levels 2 and 3 include;

- NOUG0012 8 m @ 2.86% Cu, 3.13% Pb, 5.56 g/t Ag & 0.56% V2O5*
- NOUG0018 6m @ 2.50% Cu, 40.00g/t Ag & 16.8g/t Ga*
- NOUG0020 9m @ 3.10% Cu, 11.33g/t Ag, 10.84% Pb, 3.12% V2O5 & 94.95g/t Ga*

*These results were first reported in an earlier announcement

Several intersections contain anomalous levels of gallium, germanium and zinc, which show a similar metal association to the Tsumeb deposit located 26km to the northwest (30MT @ 4.3% Cu, 10% Pb, 3.5% Zn,

100g/t Ag and 50g/t Ge). This metal association has strong implications for the exploration and development potential of Nosib Block.

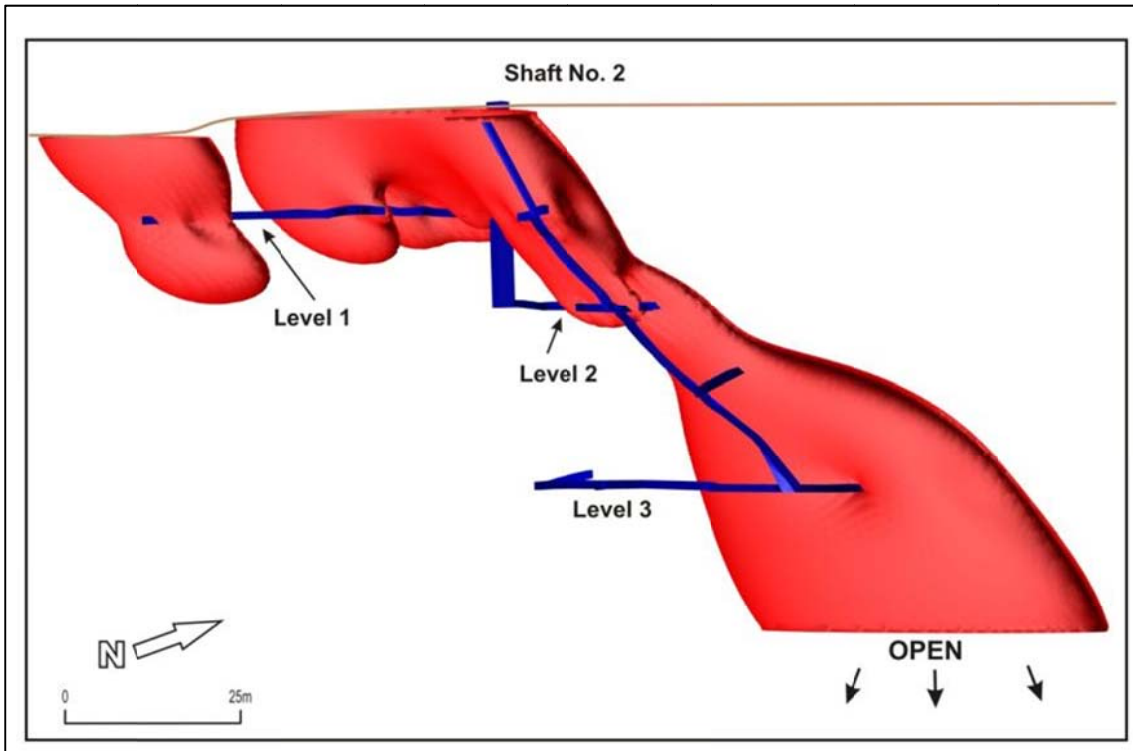


Figure 10 - View looking WNW showing the underground workings in blue and 4% Cu Equivalent (CuEq)* 3D implicit model in red. *CuEq grade is calculated by combining the metals of interest based on their prices. In this case $Cu\% + (Zn\% \times 0.25) + (Pb\% \times 0.25) + (Ag \text{ ppm} \times 0.00625) + (V2O5\% \times 1.695) + CuEq\%$. It is used as a visualisation tool only and is required Nosib Block due to the poly metallic and strongly zoned nature of the mineralisation. In this situation a CuEq grade provides a better picture of the overall geometry of the mineralisation than using copper grade on its own.

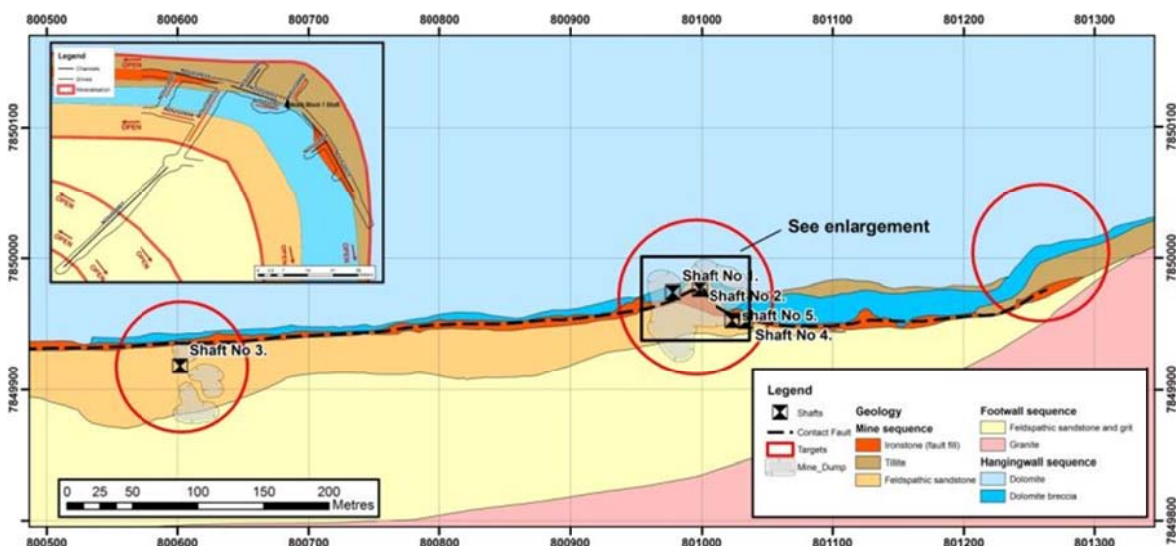


Figure 11 - Plan view of the Nosib Mine workings. To the east the pinch out position is shown and the potential sandstone host is shown extending to the west.

3. Khusib Trend

The Khusib Trend is an east-west trending zone of copper anomalies and prospects located around a contact zone between Maieberg dolomites and limestones. This is known as the T2/T3 contact position. Over six strike kilometres of the T2/T3 contact is located within the Company's licenses. The Khusib Trend is marked by the Pickaxe, Butterfly and Dogleg anomalies and trends northeast for over six kilometres, with the

GOLDEN DEEPS LIMITED

REVIEW OF OPERATIONS

Khusib Springs copper mine located near the centre of the trend. The Khusib Trend is located in a similar structural and stratigraphic position to the lead zinc Pavian Trend to the south (Figure 2 and Figure 12).

3.1 Khusib Springs Copper Mine

The Khusib Springs mine is an advanced prospect on the Khusib Trend and is a high priority target. Khusib Springs was discovered and mined by Goldfields Namibia during the 1990s. Approximately 500,000t @ 10% Cu, 1.8% Pb and 584g/t Ag was mined from Khusib Springs before its closure in 1997.

Goldfields actively explored the area around Khusib Springs during the 1990s using predominantly electrical geophysics. Records show that many anomalies were generated from this work but few of the conductors were effectively drill tested.

Deepes regards the area around Khusib Springs as highly prospective for additional high grade Cu-Pb-Ag deposits similar to the mined out deposit. The area around the mine has a number of high-order anomalies such as Butterfly, generated from close spaced soil geochemistry, geophysics and airborne magnetics.

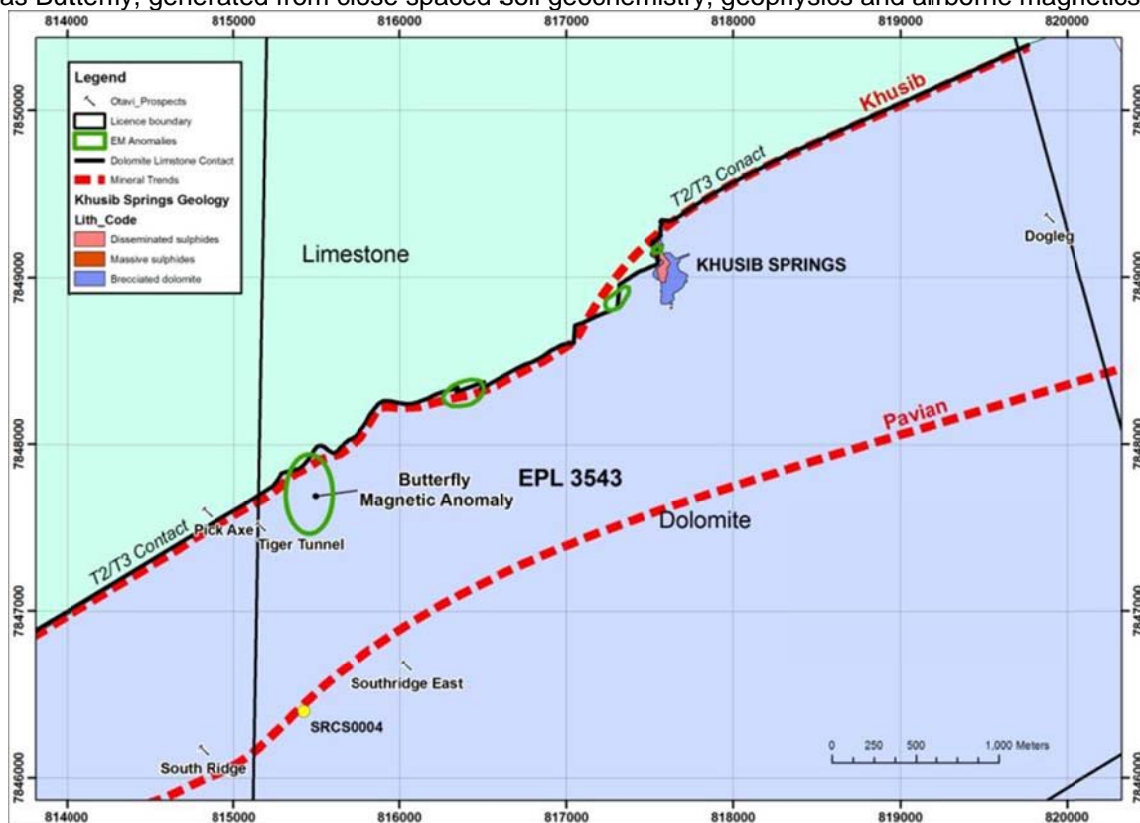


Figure 12 - Simplified geology of the Khusib Springs area

4. Pavian Trend

The Pavian Trend is marked by a high amplitude lead zinc geochemical anomaly located directly along strike to the east of Sabre Resources' Southridge prospect and Border deposit.

The most advanced prospect on the Golden Deeps part of the trend is Southridge East prospect (Figure 12). The area shows large and consistent soil geochemistry anomalism and a channel sample at the prospect returned a very encouraging intercept of:

- SRCS0004 18m @ 3.45% Pb+Zn (0.71% Zn, 2.74% Pb) and 13.97g/t Ag

GOLDEN DEEPS LIMITED

REVIEW OF OPERATIONS

WESTERN AUSTRALIA GOLD PROJECTS – TWIN HILLS

1. Twin Hills (M 29/21), Western Australia

The Twin Hills Project is located 27 km north of Menzies township in the Eastern Goldfields (Figure 15). The historic Twin Hills mine is located in a shear zone within a narrow greenstone belt located between two granitoids. Recorded production from the belt totalled 1,100 t of ore at an average grade of 23.6 g/t Au. Work for the years involved desktop studies, data review and discussions regarding potential transactions for the project.



Figure 13 - The location of the Twin Hills Project.

EASTERN VICTORIAN GOLD PROJECTS

The Company currently holds three granted exploration licences and has an application pending for one further licence in eastern Victoria (Figure 17). The granted exploration licences are Burwang (EL5235), Twist Creek (EL5239), and Mudlark (EL5272). The Grant-Dargo (EL5240) licence is still proceeding through the application process. These licences and the application are for low impact gold exploration over a number of historic gold mining areas that have received limited exploration using modern techniques. Government records show that over 730,000 oz of gold was historically produced from the Burwang project area (EL5235).

The Rose, Thistle and Shamrock (RTS) gold mine and the nearby Landtax gold mine, located on EL 5325, are areas of significant potential. Government records show that over 80,000 oz of gold was produced at an average grade of 22.2 g/t.

The work plan for the dewatering of the RTS mine was approved by the Department of Primary Industry during the year. Plans to dewater the mine, survey and sample the workings, and generate 3D models have

GOLDEN DEEPS LIMITED

REVIEW OF OPERATIONS

been prepared, however work on the Victorian Licences has been placed on hold pending a review of the Victorian exploration strategy.

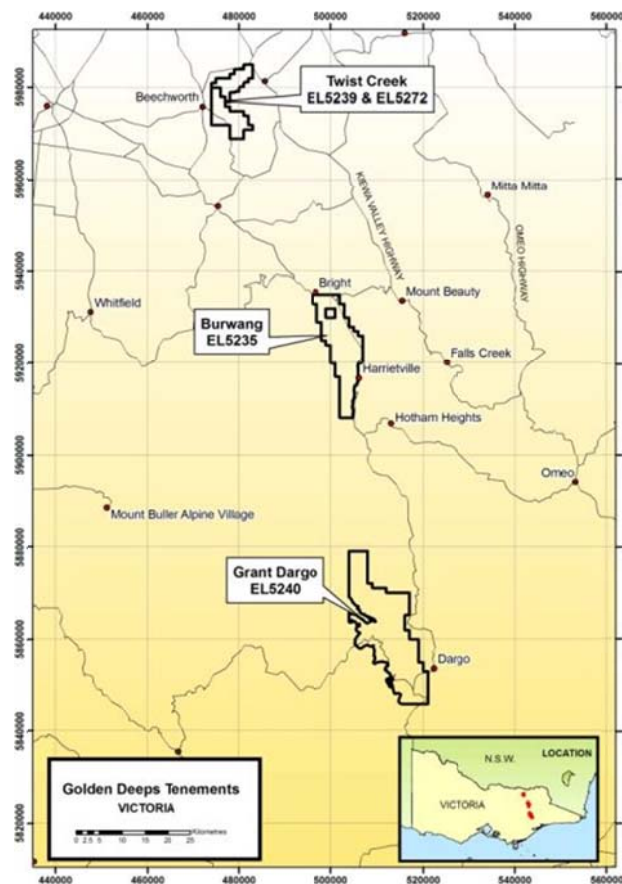


Figure 14 - Locations of the Company's three exploration areas (black outlines) in eastern Victoria. Major towns and cities of the region are shown.

CORPORATE

1. Blue funnel development to benefit Deeps

As a result of the profit sharing agreement with gold producer Phoenix Gold Limited (ASX:PXG) in respect of the Blue Funnel project in the Eastern Goldfields in WA, Deeps received \$93,500 (inclusive of GST) In April 2014. Deeps currently holds 2,114,140 shares in Phoenix.

Competent Person Declaration

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Luke Marshall, who is a member of The Australasian Institute of Geoscientists. Mr Marshall is a full time employee of Golden Deeps Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Marshall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Golden Deeps Limited's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Golden Deeps Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

GOLDEN DEEPS LIMITED

REVIEW OF OPERATIONS

Schedule of Mining and Exploration Tenements						
Country	State/Region	Project	Tenement ID	Area Km2	Grant Date	Interest %
Namibia	Otjozondjupa	Grootfontein Base Metals	EPL 3543	181	12/09/2006	80
			EPL 3744	18	28/08/2007	80
			EPL 3745	193	28/08/2007	80
			EPL 3743	240	28/08/2007	80
			EPL 5232	260	Application	Application
			EPL 5233	63	Application	Application
			EPL 5234	8.4	Application	Application
			EPL 5496	13	Application	Application
			EPL 5509	56	Application	Application
			EPL 5510	73	Application	Application
Australia	WA	Twin Hills	M25/21	0.63	2/04/1985	100
Australia	Vic	Victorian Gold	EL 5239	235	31/03/2010	100
			EL 5272	360	31/03/2010	100
			EL 5235	1463	31/03/2010	100

GOLDEN DEEPS LIMITED

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Golden Deeps Limited and its controlled entities for the year ended 30 June 2014.

DIRECTORS

The Directors of the Company during and since the end of the financial year were:

Michael Scivolo
Michael Norburn
David Zukerman (retired 26 February 2014)
Michael Scivolo (appointed 26 February 2014)

PRINCIPAL ACTIVITIES

The principal continuing activity of the Company and its controlled entity is the exploration for mineral deposits.

RESULTS

The consolidated profit/(loss) for the financial year after providing for income tax amounted to (\$258,416) (2013: (\$951,099)).

DIVIDENDS

No amounts have been paid or declared as payable during the course of the financial year.

FINANCIAL POSITION

The net assets of the Group have decreased by \$332,623 from \$4,473,911 at 30 June 2013 to \$4,141,288 at 30 June 2014.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are actively engaged in seeking new opportunities. Refer to Review of Operations.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Qualifications, experience and special responsibilities of Directors:-

DIRECTORS

- (i) Michael Scivolo B, Com, FCPA

Mr Scivolo has extensive experience in the fields of accounting and taxation in both corporate and non-corporate entities. He was a Director of South East Asia Resources Ltd until 29 November 2013, and is a Director of Blaze International Limited, Prime Minerals Limited, Power Resources Limited, Metals Australia Ltd and Sabre Resources Ltd.

- (ii) Michael Norburn, BSc (Hons)

Mr Norburn graduated from the University of Birmingham with an honours degree in engineering and has worked for over twenty five years in the resource industry in Australia, the Middle East and Africa.

GOLDEN DEEPS LIMITED

DIRECTORS' REPORT

(iii) David Zukerman (until 26 February 2014)

Mr Zukerman has an accounting and finance background. He has held a number of public company directorships in Australia and Asia during the past twenty five years and during the past three years he has also served as a Director of Metals Australia Ltd, Sabre Resources Ltd.

(iv) Robert Collins (appointed 26 February 2014)

Mr Collins has served on a number of ASX listed industrial and mining company boards, and owned a large accounting practice serving the corporate sector. He is currently a Non-Executive Director of Golden Deeps Limited, Blaze International Limited, Prime Minerals Limited and Power Resources Limited.

COMPANY SECRETARY

Norman Grafton FCIS, FCSA

Mr Grafton has extensive experience in both Australian and international commerce, having previously been based in Singapore, Indonesia, Papua New Guinea and Jamaica. Prior to returning to Australia he was Director of Finance and Company Secretary of the largest agro-industrial operation in Jamaica, on secondment from a major UK firm of corporate managers.

DIRECTORS' INTEREST IN CONTRACTS

No Director has an interest, whether directly or indirectly, in a contract or proposed contract with the Company.

REMUNERATION REPORT (AUDITED)

2014

Key Management Personnel	Short-term Benefits		Salary	Super-annuation	Share-based Payments	Total	Percentage of remuneration paid in Equity
	Directors Fees	Consulting Fees					
	\$	\$					%
M Norburn	14,000	-	-	-	-	14,000	-
D Zukerman (until 26 February 2014)	-	10,064	-	7,139	-	17,203	-
M Scivolo	10,500	-	-	4,795	-	15,295	-
R Collins (from 26 February 2014)	4,667	-	-	-	-	4,667	-
N Grafton	-	38,114	-	6,645	-	44,759	-
V Algar	-	4,428	-	-	-	4,428	-
P Frawley (until September 2013)	-	-	78,004	6,105	-	84,109	-
L Marshall	-	-	201,148	25,000	-	226,148	-
	29,167	52,606	279,152	49,684	-	410,609	-

GOLDEN DEEPS LIMITED

DIRECTORS' REPORT

2013

Key Management Personnel	Short-term Benefits		Salary	Super-annuation	Share-based Payments	Total	Percentage of remuneration paid in Equity
	Directors Fees	Consulting Fees					
	\$	\$					%
A Clemen	1,167	-	-	-	-	1,167	-
M Norburn	14,000	-	-	-	-	14,000	-
D Zukerman	-	14,572	-	5,240	-	19,812	-
M Scivolo (from 23 July 2012)	3,398	-	-	9,685	-	13,083	-
N Grafton	-	35,512	-	4,983	2,875	43,370	6.6%
V Algar	-	26,063	-	-	-	26,063	-
P Frawley	-	-	186,486	16,784	2,875	206,145	1.4%
L Marshall	-	-	205,000	18,450	5,750	229,200	2.5%
	18,565	76,147	391,486	55,142	11,500	552,840	2.0%

(a) **Details of Key Management Personnel (KMP) are:**

Key Management Personnel	Position
M Scivolo	Non-executive Director
M Norburn	Non-executive Director
D Zukerman (to 26 February 2014)	Executive Director
R Collins (from 26 February 2014)	Non-executive Director
N Grafton	Company Secretary
V Algar	Chief Operating Officer
P Frawley (to 9 September 2013)	Exploration Manager
L Marshall	Exploration Manager

GOLDEN DEEPS LIMITED

DIRECTORS' REPORT

Key Management Personnel Options and Rights Holdings

The number of options over ordinary shares held by each KMP during the financial year is as follows:

30 June 2014	Balance 1 July 2013	Granted as Compensation	Options Exercised	Options Expired	Other changes during the year	Balance 30 June 2014
M Scivolo	-	-	-	-	-	-
M Norburn	-	-	-	-	-	-
D Zukerman	-	-	-	-	-	-
R Collins	-	-	-	-	-	-
N Grafton	125,000	-	-	125,000	-	-
M Painter	125,000	-	-	125,000	-	-
M McCabe	125,000	-	-	125,000	-	-
G Arkwright	125,000	-	-	125,000	-	-
V Algar	-	-	-	-	-	-
P Frawley	125,000	-	-	125,000	-	-
L Marshall	250,000	-	-	250,000	-	-
Total	875,000	-	-	875,000	-	-

Key Management Personnel Share Holdings

The number of ordinary shares in Golden Deeps Limited held by each KMP during the financial year was as follows:

30 June 2014	Balance 1 July 2013	Granted as Compensation	Issued on exercise of options during the year	Other changes during the year	Balance 30 June 2014
M Scivolo	-	-	-	-	-
M Norburn	-	-	-	-	-
D Zukerman	-	-	-	-	-
R Collins	-	-	-	-	-
N Grafton	-	-	-	-	-
M Painter	-	-	-	-	-
M McCabe	-	-	-	-	-
G Arkwright	-	-	-	-	-
V Algar	30,800	-	-	-	30,800
P Frawley	-	-	-	-	-
L Marshall	-	-	-	-	-
Total	30,800	-	-	-	30,800

GOLDEN DEEPS LIMITED

DIRECTORS' REPORT

Non-executive Directors receive a fixed fee, with Executive Directors being remunerated for any professional services conducted for the Company. There are no agreements to make any termination payments to any Director.

Board policy on the remuneration for this exploration company is influenced by comparing fees paid to directors in other companies within the exploration industry, and then set at a level to attract qualified people, to accept the responsibilities of directorship.

No Director has an employment contract.

Terms of employment for Key Management Personnel require that thirty days' notice of termination of contract is required from either employer or employee. There is no agreement to pay any termination payment other than accrued salary and annual leave.

Being an exploration company with no earnings, a relationship is yet to be established between an emolument policy and the company's performance. During the year the Company did not engage remuneration consultants to review its existing remuneration policies.

At the last AGM shareholders voted to adopt the remuneration report for the year ended 30 June 2013. The Company did not receive specific feedback at the AGM regarding its remuneration practices.

END OF REMUNERATION REPORT

ANALYSIS OF MOVEMENT IN OPTIONS

No options were granted to Directors during the year under review.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors during the year ended 30 June 2014 and the number of meetings attended were:

Name	Eligible to Attend	Attended
M Scivolo	4	4
M Norburn	4	4
D Zukerman	1	1
R Collins	2	2

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr Norburn retired by rotation as a Director at the Annual General Meeting held on 29 November 2013 and was re-elected.

Mr Zukerman retired as a Director on 26 February 2014 and Mr Collins was appointed to fill the casual vacancy. He will offer himself for election at the forthcoming Annual General Meeting.

At the forthcoming Annual General Meeting, Mr Scivolo retires by rotation as a Director and will offer himself for re-election.

RELEVANT INTEREST IN SHARES OF THE COMPANY

Mr Collins held a relevant interest in 620,000 ordinary fully paid shares in the Company, but no other Director held any relevant interest in shares of the Company as at 30 June 2014.

GOLDEN DEEPS LIMITED

DIRECTORS' REPORT

ENVIRONMENTAL ISSUES

The Company's objective is to ensure that a high standard of environmental care is achieved and maintained on all properties. There are no known environmental issues outstanding.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

INDEMNIFYING OFFICER OR AUDITORS

No indemnities have been given, or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

SHARE OPTIONS

As at the date of this report, there are no options over shares in the Company on issue.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independent auditor's declaration as required by section 307c of the *Corporations Act 2001* is set out on page 51.

AUDIT COMMITTEE

No Audit Committee has been formed as the Directors believe that the Company is not of a size to justify having a separate Audit Committee. Given the small size of the Board, the Directors believe an Audit Committee structure to be inefficient.

NON AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons;

- All non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year under review, our auditor Grant Thornton also provided services in relation to taxation matters. Details of the amounts paid and payable to the auditor of the company, Grant Thornton Audit Pty Ltd and its related entities for audit and non-audit services provided during the year are set out in Note 5 to the Financial Statements.

GOLDEN DEEPS LIMITED

DIRECTORS' REPORT

This report is made in accordance with a resolution of the Directors and Section 298(2) of the *Corporations Act 2001*.



Michael Scivolo
DIRECTOR

Dated this 30th day of September 2014
Perth, Western Australia

GOLDEN DEEPS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Consolidated 2014 \$	2013 \$
Revenue			
Interest earned		4,616	19,403
Profit on disposal of financial assets		23,432	68,712
Profit on sale of fixed assets		3,662	-
Sale of tenement		243,845	-
Cost recovery		217,506	213,677
		493,061	301,792
Expenses			
Fair value adjustment – Financial assets		(116,859)	210,000
Employee benefits expense		286,523	308,109
Management fees		248,936	241,264
Exploration expenses		-	63,702
Impairment	10	12,379	12,898
Director's fees and services		49,590	48,062
Share based payment	14	-	46,000
Administration costs		132,266	156,890
Depreciation	9	4,779	8,804
Other expenses		133,863	157,162
		751,477	1,252,891
(Loss) before income tax		(258,416)	(951,099)
Income tax	4	-	-
(Loss) after income tax	15	(258,416)	(951,099)
Other Comprehensive Income, net of tax		-	-
Items that may be subsequently transferred to profit or loss:			
Exchange differences on translating foreign controlled entities		(30,504)	43,387
Total Comprehensive (Loss), net of tax		(288,920)	(907,712)
Earnings per share		Cents	Cents
Basic earnings/(loss) per share	17	(0.25)	(0.9)

Diluted earnings/(loss) per share have no effect as compared to the Basic earnings (loss) per share.

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

GOLDEN DEEPS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	Consolidated 2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	7	397,159	210,360
Trade and other receivables	8	68,338	44,800
TOTAL CURRENT ASSETS		465,497	255,160
NON-CURRENT ASSETS			
Plant and equipment	9	24,182	40,496
Exploration and evaluation expenditure	10	4,231,821	4,071,172
Other financial assets	11	332,454	349,333
TOTAL NON-CURRENT ASSETS		4,588,457	4,461,001
TOTAL ASSETS		5,053,954	4,716,161
CURRENT LIABILITIES			
Trade and other payables	12	644,666	224,250
TOTAL CURRENT LIABILITIES		644,666	224,250
NON-CURRENT LIABILITIES			
Unsecured Loan		250,000	-
Provision for rehabilitation		18,000	18,000
TOTAL NON-CURRENT LIABILITIES		268,000	18,000
TOTAL LIABILITIES		912,666	242,250
NET ASSETS		4,141,288	4,473,911
EQUITY			
Issued capital	13	13,266,554	13,266,554
Share option reserve	14	-	46,000
Foreign currency translation reserve		(30,504)	43,703
Accumulated losses	15	(9,094,762)	(8,882,346)
TOTAL EQUITY		4,141,288	4,473,911

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

GOLDEN DEEPS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

CONSOLIDATED ENTITY

	Issued Capital	Option Reserve	Foreign Currency Translation	Accum- ulated Losses	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2012	11,905,316	893,786	316	(8,825,033)	3,974,385
Profit/(loss) for the year	-	-	-	(951,099)	(951,099)
Other comprehensive (loss) for the period, net of tax	-	-	43,387	-	43,387
Total comprehensive (loss) for the year	-	-	43,387	(951,099)	(907,712)
Shares issued	1,431,803	-	-	-	1,431,803
Share issue cost	(70,565)	-	-	-	(70,565)
Transfer to accumulated loss on expiry of options	-	(893,786)	-	893,786	-
Share based payments	-	46,000	-	-	46,000
Balance as at 30 June 2013	13,266,554	46,000	43,703	(8,882,346)	4,473,911
Profit/(loss) for the year	-	-	-	(258,416)	(258,416)
Other comprehensive (loss) for the period, net of tax	-	-	(74,207)	-	(74,207)
Total comprehensive (loss) for the year	-	-	(74,207)	(258,416)	(332,623)
Transfer to accumulated loss on expiry of options	-	(46,000)	-	46,000	-
Balance as at 30 June 2014	13,266,554	-	(30,504)	(9,094,762)	4,141,288

The accompanying notes form part of these financial statements

GOLDEN DEEPS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Consolidated 2014 \$	2013 \$
Cash flow from operating activities			
Payments to suppliers and employees		(466,040)	(1,051,562)
Interest received		4,616	24,149
Other income		452,744	192,680
Net cash (outflow) from operating activities		(8,680)	(834,733)
Cash flow from investing activities			
Proceeds from sale of financial assets		157,170	248,712
Purchase of property, plant and equipment		12,727	(317,901)
Exploration and Evaluation expenditure		(223,010)	(653,199)
Net cash (outflow) from investing activities		(53,113)	(722,388)
Cash flow from financing activities			
Proceeds from share issue, net of costs		-	1,361,238
Repayment of Short term loan		-	(19,880)
Proceeds from borrowings		250,000	-
Net cash inflow from financing activities		250,000	1,341,358
Net increase / (decrease) in cash and cash equivalents held		188,207	(215,763)
Cash and cash equivalents at the beginning of the financial year		210,360	427,728
Effect of exchange rates on cash holdings in foreign currencies		1,408	(1,605)
Cash and cash equivalents at the end of the financial year		397,159	210,360

The above statement of cash flows should be read in conjunction with the accompanying notes

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. CORPORATE INFORMATION

The financial report of Golden Deeps Limited (the Company) for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the Directors on 30 September 2014.

Golden Deeps Limited is a company incorporated and domiciled in Australia, limited by shares which are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are mineral exploration and investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, Australian Accounting Interpretations and complies with other requirements of the law, as appropriate for for-profit oriented entities. The financial report has also been prepared on an accruals basis and on a historical cost basis, except for financial assets and liabilities, which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(c) New and Amended Accounting Standards adopted by the Group

The group has applied the following standards and amendments for the first time for the financial year beginning 1 July 2013:

- AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards
- AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The adoption of the above standards only affected the disclosures in these notes to the financial statements.

(d) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting period, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(i) AASB 9 Financial Instruments (December 2010) (also refer to AASB 2013-9 and AASB 2014-1 below) supersedes AASB 139 Financial Instruments: Recognition and Measurement (in part).

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013) (continued)

(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: the change attributable to changes in credit risk are presented in other comprehensive income (OCI) and the remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: Classification and measurement of financial liabilities; and Derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in the financial statements.

Consequential amendments arising from AASB 9 are contained in AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2010-10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters, AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments and AASB 2014-1 Amendments to Australian Accounting Standards.

Effective date on annual reporting periods beginning on or after 1 January 2018.

(ii) Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).

The amendments to IFRS 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in IFRS 3 Business Combinations, should: apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except principles that conflict with the guidance of IFRS 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e. the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and provide disclosures for business combinations as required by IFRS 3 and other IFRSs.

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian amendment shortly.

Effective date on annual reporting periods beginning on or after 1 January 2016.

There are no other standards that are not yet effective and that are expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

(e) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2014. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

(f) Interest in joint venture operations

The Group's interest in any joint venture operation is accounted for by recognising the Group's assets and liabilities from the joint venture, as well as expenses incurred by the Group and the Group's share of income earned from the joint venture, in the consolidated financial statements.

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(g) Foreign currency translation

Both the functional and presentation currency of Golden Deeps Limited, Cerep Pty Ltd, Glendale Asset Pty Ltd and Jewell Corporation Pty Ltd is the Australian dollar (A\$), and the functional and presentation currency For Huab Energy (Pty) Ltd and Oshivela Mining (Pty) Ltd is the Namibian Dollar (N\$).

Cash remittances from the parent entity to the Namibian subsidiaries are sent in Australian Dollars. Transactions in foreign currencies are initially recorded in the functional currency at 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 reporting date.

All differences in the consolidated financial report are taken to the statement of comprehensive income.

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.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at the reporting date the assets and liabilities of any overseas subsidiaries would be translated into the presentation currency of Golden Deeps Limited at the rate of exchange ruling at the reporting date and the statement of comprehensive incomes are translated at the weighted average exchange rates for the period.

The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the statement of comprehensive income.

(h) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment	- over 3 to 5 years
Furniture	- over 10 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

(i) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised and is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(j) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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.

(k) Investments and other financial assets

Financial assets in the scope of AASB 139 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 financial assets. 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 after 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. that date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

assets under contracts that require delivery of the assets within the period established generally by regulation or conversion in the market place.

(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 with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. 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 intended to be 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, including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payment 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 economic 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.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgmental inputs to a minimum.

(I) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development, or sale, 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 against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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.

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. 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. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(m) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognized and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(n) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(o) Provisions

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

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(p) Share-based payment transactions

(i) Equity settled transactions:

The Group provides benefits to Directors, management personnel and consultants in the form of share-based payments whereby personnel render services in exchange for options to purchase shares.

The cost of these equity-settled transactions was measured by reference to the fair value of the equity instruments at the date on which they were granted. The fair value was determined using the Black Scholes formula.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Golden Deeps Limited (market conditions). The cost of equity-settled transactions was recognised, together with the corresponding increase in equity, on the date of grant of the options.

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

(ii) Cash settled transactions:

The Group does not provide benefits to employees in the form of cash-settled share based payments.

Any cash-settled transactions would be measured initially at fair value at the grant date using the Black-Scholes formula, taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date with changes in fair value recognised in profit or loss.

(q) Revenue

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. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(iii) Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(r) Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and,

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting 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 income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

(s) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified 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 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.

(u) 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.

(v) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:

- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(w) Comparatives

Certain comparatives have been reclassified where necessary to be consistent with the current year's disclosures.

(x) Going concern

The financial statements have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the period, the Group has reported a net loss of \$258,416 and a net cash outflow from operating activities of \$8,680 and from investing activities of \$53,113.

The Company holds as an investment 2,114,140 shares in a listed entity on the ASX. These shares have a current market value at the signed date of this report of approximately 15 cents each, and their disposal would generate cash of approximately \$317,000.

The Directors will continue to monitor the capital requirements of the Group on a go forward basis and this may include additional capital raisings in future periods as required.

The Directors recognise that the above factors represent a material uncertainty as the Group's ability to continue as a going concern, however, they are confident that the Group will be able to continue its operations into the foreseeable future.

Should the Group be unable to obtain the funding as described above, there is a material uncertainty whether the Group will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

3. Significant Accounting Judgments, Estimates and Assumptions

In applying the Group's accounting policies, management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(i) Significant accounting judgments include:

- (a) Classification of and value of investments
The Group has decided to classify investments in listed securities as "held for trading" investments and movements in fair value are recognised directly in the profit or loss. The fair value of listed shares has been determined by reference to published price quotations in an active market.
- (b) Provision for investments in and loans to subsidiaries
Investments in and loans to subsidiaries are fully provided for until such time as subsidiaries are in a position to repay loans.

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(c) Exploration and evaluation expenditure

The Group determines whether exploration and evaluation expenditure is impaired on at least an annual basis based on historical information and best available current information. This requires an estimation of the various technical factors.

(ii) *Significant accounting estimates and assumptions include:*

(a) Provision for rehabilitation

Where applicable, the Group makes provision for material restoration obligations. The amount recognised includes the cost of reclamation and site rehabilitation after taking into account any restoration works which are carried out during exploration. The provision for rehabilitation costs is determined from an estimate of future costs which may be incurred in rehabilitating exploration sites.

(b) Share Based Payments

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

4. Income Tax

	2014	2013
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:	\$	\$
Prima facie tax payable on profit from original activities before income tax at 30%	(77,525)	(285,330)
Add:		
<i>Tax effect of:</i>		
Other non-allowable items	62,077	134,153
Deferred tax asset not brought to account	18,583	154,560
	<u>80,660</u>	<u>288,713</u>
Less:		
<i>Tax effect of:</i>		
Effective overseas tax rate	(3,135)	(3,383)
	<u>(3,135)</u>	<u>(3,383)</u>
Income tax attributable to entity	<u>-</u>	<u>-</u>
Unrecognised deferred tax assets:		
- Tax losses: operating losses	1,713,153	1,678,424
- Temporary differences	15,434	23,228
- Foreign tax losses	75,464	32,660
	<u>1,804,050</u>	<u>1,734,312</u>
Unrecognised deferred tax liabilities		
- Deferred tax liabilities: Australian	(87,234)	(78,421)
- Deferred tax liabilities: Foreign	(4,709)	-
	<u>(91,943)</u>	<u>(78,421)</u>

The benefits from unrecognised deferred tax assets will only be obtained if:-

- (i) The companies derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) The companies continue to comply with the conditions for deductibility imposed by the Law; and
- (ii) No changes in tax legislation adversely affect the companies in realising the benefits from the deductions for the losses.

5. Auditor's Remuneration

	2014	2013
	\$	\$
Remuneration of the auditor of the parent entity, Grant Thornton Audit Pty Ltd		
- auditing or reviewing of the financial report	27,280	31,075
- taxation services provided by related entity of the auditor	6,660	3,175
Remuneration of other auditors of subsidiaries for:		
- auditing or reviewing the financial reports of subsidiaries	16,521	21,182
	<u>50,461</u>	<u>55,432</u>

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

6. Remuneration of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for Details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2014.

The totals of remuneration paid to KMP during the year are as follows:

	2014 \$	2013 \$
Short-term employee benefits	360,925	486,198
Superannuation	49,684	55,142
Share-based payments	-	11,500
	<u>410,609</u>	<u>552,840</u>

7. Cash and Cash Equivalents

	Consolidated 2014 \$	2013 \$
Represented by:		
Cash at bank	397,159	210,360
	<u>397,159</u>	<u>210,360</u>

8. Trade and Other Receivables

Represented by:		
Trade debtors	68,338	44,800
	<u>68,338</u>	<u>44,800</u>

All trade debtors are current, not impaired and less than 90 days.

9. Plant and Equipment

Plant and Equipment, at cost	32,385	60,520
Less: accumulated depreciation	(8,203)	(20,025)
	<u>24,182</u>	<u>40,496</u>

Movement:		
Opening written down value	40,496	18,929
Additions	-	30,371
Disposals	(11,535)	-
Depreciation	(4,779)	(8,804)
Closing written down value	<u>24,182</u>	<u>40,496</u>

10. Exploration Expenditure

Opening balance	3,783,642	3,132,678
Exploration and evaluation expenditure	460,558	663,862
Exploration and evaluation expenditure written off	(12,379)	(12,898)
	<u>4,231,821</u>	<u>3,783,642</u>

The Company's Australian exploration properties may be subject to claim(s) under native title, or contain sacred sites or sites of significance to Aboriginal people. As a result exploration properties or areas within the

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

tenement may be subject to exploration and/or mining restrictions or incur a liability for compensation. It is not possible to quantify these restrictions and liabilities at this time.

11. Other Financial Assets

Non-Current

Deposit guarantees	6,000	6,000
Financial assets at fair value through profit or loss	326,454	343,333
	<u>332,454</u>	<u>349,333</u>

Fair value has been measured as the listed price of the investment at the reporting date.

12. Trade and other Payables

Current

Trade payables	<u>644,666</u>	<u>224,250</u>
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13. Issued Capital

Date	Details	Number of Shares	Issue Price (cents)	Amount \$
1 July 2012	Balance	88,445,322		11,905,316
7 September	Shares issued	15,068,800	9.5	1,431,803
10 September	Share issue costs	-		(70,565)
30 June 2013	Balance	103,514,122		13,266,554
30 June 2014	Balance	103,514,122		13,266,554

The Company's capital consists of Ordinary Shares. The Company does not have a limited amount of authorised capital. The shares have no par value and are entitled to participate in dividends and the proceeds on any winding up of the Company in proportion to the number of Shares held.

At shareholders' meetings each fully paid Ordinary Share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

14. Share Option Reserve

Date	Details	Number of Options	Amount \$
1 July 2012	Balance	500,000	893,786
7 September 2012	Options granted	2,000,000	46,000
30 September 2012	Options expired	(500,000)	-
30 June 2013	Reserve transferred to accumulated losses	-	(893,786)
30 June 2013	Balance	2,000,000	46,000
30 April 2014	Options expired	(2,000,000)	-
30 June 2014	Reserve transferred to accumulated losses	-	(46,000)
30 June 2014	Balance	-	-

15. Accumulated Losses

	Consolidated	
	2014	2013
	\$	\$
Accumulated losses at the beginning of the year	(8,882,346)	(8,825,033)
Share option reserve transfer on option expiry	46,000	893,786
Loss for year	(258,416)	(951,099)
Accumulated losses at the end of the financial year	<u>(9,094,762)</u>	<u>(8,882,346)</u>

16. Cash Flow Information

Reconciliation of Cash Flow from operations with Loss after tax

Operating (loss) after income tax:	(258,416)	(951,099)
Non-cash flows in operating loss:		
Share based payments	-	46,000
Gain on disposal of assets	(3,662)	-
Gain on disposal of other financial assets	(23,432)	-
Depreciation	4,779	8,804
Unrealised (gains) / losses on investments	(116,859)	210,000
Unrealised foreign exchange gain	(7,968)	-
Changes in assets and liabilities:		
(Decrease)/increase in loans	-	(19,880)
Decrease/(increase) in receivables	(23,538)	(9,875)
(Decrease)/increase in trade & other payables	420,416	(118,683)
Net cash flows (used in) operating activities	<u>(8,680)</u>	<u>(834,733)</u>

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

17. Earnings per share

	2014 Number	2013 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	<u>103,514,122</u>	<u>100,706,784</u>

Diluted profit per share has not been disclosed, as it does not show a position which is inferior to basic earnings per share.

	2014	2013
Profit/(loss) per share - cents	<u>(0.25)</u>	<u>(0.9)</u>

18. Financial Instruments

(a) Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Floating Interest Rate		Non-Interest Bearing		TOTAL	
	2014	2013	2014	2013	2014	2013
	0.00-1.80%	0.00%-5.30%				
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash and cash equivalents	397,159	210,360	-	-	397,159	210,360
Bank deposit over 3 months	6,000	6,000	-	-	6,000	6,000
Receivables	-	-	68,338	44,800	68,338	44,800
Held-for-trading investments	-	-	315,883	343,333	315,883	343,333
Total Financial Assets	403,159	216,360	384,221	388,133	787,380	604,493
Financial Liabilities						
Short term loans	-	-	-	-	-	-
Trade and other payables	-	-	(687,060)	(242,250)	(687,060)	(224,250)
Unsecured loan	-	-	(250,000)	-	(250,000)	-
Total Financial Liabilities	-	-	(937,060)	(242,250)	(937,060)	(224,250)
Net Financial Assets	403,159	216,360	(552,839)	145,883	(149,680)	380,243

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(b) **Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial report.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

(c) **Net Fair Values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

(d) **Financial Risk Management**

The Group's financial instruments consist mainly of deposits with recognised banks, investments in bank bills up to 90 days, accounts receivable and accounts payable, investments in listed and unlisted securities, and loans to subsidiaries. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The Directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. The Group has no exposure to foreign currency risks. The Group's credit risk is minimal, as being an exploration company, no goods are sold, or services provided, for which consideration is claimed. Risk management on the Group's investments is achieved by maintaining a close watch on market conditions as they apply to the investee companies.

(e) **Liquidity Risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages the risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Consolidated Group	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$					\$	\$
<i>Financial Liabilities - Due for Payment</i>								
Trade and other payables	28,604	242,250	634,062	-	-	-	662,666	242,250
Long term loans	-	-	250,000	-	-	-	250,000	-
Total expected outflows	28,604	242,250	884,062	-	-	-	912,666	242,250
<i>Financial Assets - Cash Flows Realisable</i>								
Cash and cash equivalents	397,159	210,360	-	-	-	-	397,159	210,360
Receivables	68,338	44,800	-	-	-	-	68,338	44,800
Held-for-trading investments	326,454	343,333	-	-	-	-	326,454	343,333
Total anticipated inflows	791,951	598,493	-	-	-	-	791,951	598,493
Net (outflow)/inflow on financial instruments	763,347	356,243	(884,062)	-	-	-	(120,715)	356,243

- (f) Sensitivity Analysis
Interest Rate Risk, Foreign Currency Risk and Price Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2014, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated	
	2014 \$000	2013 \$000
Change in profit		
·Increase in interest rate by 2%	1	4
·Decrease in interest rate by 2%	(1)	(4)
Change in Equity		
·Increase in interest rate by 2%	1	4
·Decrease in interest rate by 2%	(1)	(4)

Foreign Currency Risk Sensitivity Analysis

There is minimal foreign currency risk as insignificant balances of foreign currency are held.

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

The Group is also exposed to securities price risk on investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations.

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within 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).

	Level 1	Level 2	Level 3	Total
	\$000	\$000	\$000	\$000
Consolidated Group				
2014				
Financial assets				
Financial assets at fair value through profit or loss:				
- investments – held-for-trading	326	-	-	326
	326	-	-	326
2013				
Financial assets				
Financial assets at fair value through profit or loss:				
- investments – held-for-trading	343	-	-	343
	343	-	-	343

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

19. Investment in controlled entities

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding (%)		Book Value of Investment		Contribution to Consolidated Result	
			2014 %	2013 %	2014 \$	2013 \$	2014 \$	2013 \$
Cerep Pty Ltd	Australia	Ordinary	100	100	-	-	243,845	-
Glendale Asset Pty Ltd	Australia	Ordinary	100	100	1,674,286	1,674,286	-	-
Jewell Corporation Pty Ltd	Australia	Ordinary	100	100	1,255,714	1,255,714	-	-
Huab Energy Pty Ltd	Namibia	Ordinary	100	100	-	-	(52,863)	(104,217)
Oshivela Mining Pty Ltd	Namibia	Ordinary	100	100	-	-	(51,645)	(8,550)

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

20. Related Parties

The Group's related parties include its subsidiaries, key management and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were received or given.

Related Party	Relationship	Nature Of Transaction	Year ended 30 June 2014		Year ended 30 June 2013	
			Transaction	Balance	Transaction	Balance
Huab Energy (Pty) Ltd	Subsidiary	Expenses paid	114,300	(447,000)	327,000	(332,700)
Cerep Pty Ltd	Subsidiary	Expenses paid	(230,755)	(836,139)	30,204	(1,066,894)
Oshivela Mining (Pty) Ltd	Subsidiary	Expenses paid	125,500	(517,000)	384,000	(391,500)
Sabre Resources Ltd	Common directorship	Staff salaries	172,920	(866)	194,387	(19,088)
Sabre Resources Ltd	Common directorship	Expenses paid	21,997	-	-	-
Metals Australia Ltd	Common directorship	Staff salaries	22,298	-	18,657	-

Particulars of key management personnel compensation and share option holdings are disclosed in note 6.

21. Segment Reporting

Identification of Reportable Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company is managed on the basis of its development and exploration of the group's mineral interests in the geographical regions of Australia and Namibia.

	Australia		Namibia		Consolidated	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Revenue	626,126	481,125	673	667	626,799	481,792
Share of net profit/(loss)	(153,898)	(838,332)	(104,518)	(112,767)	(258,416)	(951,099)
Income tax expense	-	-	-	-	-	-
Net profit/(loss) after tax	(153,898)	(838,332)	(104,518)	(112,767)	(258,416)	(951,099)
Segment assets	1,082,347	1,150,271	-	3,565,890	5,053,954	4,716,161
Segment liabilities	(902,510)	(197,186)	(10,156)	(45,064)	(912,666)	(242,250)
Net assets	3,334,337	953,085	(10,156)	3,520,826	4,141,288	4,473,911

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

22. Commitments

(i) Mining Tenements

As part of ongoing activities, the consolidated entity is required to commit to minimum expenditures to retain its interest in its mining tenements in Australia. There are no formal exploration commitments specified by the Namibian Ministry of Mining and Energy. Over the next five years this amounts to \$489,400, as follows:

Year Ending 30 June	Amount \$
2015	109,400
2016	95,000
2017	95,000
2018	95,000
2019	95,000
	<u>489,400</u>

(ii) Management Agreement

The Company has an agreement with a management service company for the provision of services at \$245,000 per annum plus CPI. Charges are at commercial terms in accordance with the Deed of Variation to the Management agreement entered into on 30 October 2012 for a renewable one year term.

23. Contingent Liabilities

On 29 June 2012, the Company acquired all the issued share capital of Glendale Assets Pty Ltd (Glendale) and Jewell Corporation Pty Ltd (Jewell), and these companies hold an 80% interest in Namibian companies that hold various mining rights. Terms of the transaction include the issue of a further 25 million shares on achieving inferred JORC resource from either the Huab or Oshivela Projects.

24. Share based payment plan

On 7 September 2012, 2,000,000 unlisted share options were granted free of charge to management employees and consultants as compensation, to take up ordinary shares in the Company at an exercise price of 15 cents each. These options vested immediately and were exercisable on or before 30 April 2014. The options held no voting or dividend rights and were not transferrable. These options expired unexercised on 30 April 2014.

A summary of all outstanding Company options at 30 June 2014 is as follows:

	Number	Exercise Price (Cents)
Outstanding as at 1 July 2012	500,000	15
Granted 7 September 2012	2,000,000	15
Expired 30 September 2012	(500,000)	15
Outstanding as at 30 June 2013	2,000,000	15
Expired 30 April 2014	(2,000,000)	15
Outstanding as at 30 June 2014	<u>-</u>	-

GOLDEN DEEPS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

No options were exercised during the year and 2,000,000 options expired on 30 April 2014, leaving no options in existence.

25. Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the year which significantly affect, or may affect, the operations of the economic entity, the results of these operations, or the state of affairs of the economic entity in subsequent financial years.

26. Parent Entity Information

The following details information related to the parent entity, Golden Deeps Limited, at 30 June 2013. The information presented here has been prepared using consistent accounting policies as shown in Note 2.

	2014	Parent Entity	2013
	\$		\$
ASSETS			
Current assets	774,411		557,551
Non-current assets	3,527,493		3,456,399
TOTAL ASSETS	4,301,904		4,013,950
LIABILITIES			
Current liabilities	(24,770)		(197,187)
Non-current liabilities	(902,134)		-
TOTAL LIABILITIES	(926,904)		(197,187)
EQUITY			
Issued capital	13,266,554		13,266,554
Accumulated losses	(9,891,554)		(9,495,791)
TOTAL EQUITY	3,375,000		3,770,763
RESERVES			
Share option reserve	-		46,000
TOTAL RESERVES	-		46,000
FINANCIAL PERFORMANCE			
Profit/(loss) for the year	(441,763)		(652,528)
TOTAL COMPREHENSIVE PROFIT/(LOSS)	(441,763)		(652,528)

No guarantees have been entered into by the parent entity on behalf of its subsidiary.

No contingent liabilities exist.

GOLDEN DEEPS LIMITED
DIRECTORS' DECLARATION

1. In the opinion of the Directors of Golden Deeps Limited (the "Company"):

- (a) the financial statements and notes set out on pages 21 to 46 and the Remuneration Report disclosures that are contained in pages 15 to 18 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (iii) complying with International Financial Reporting Standards as disclosed in Note 1.
- (b) the remuneration disclosures that are contained in pages 15 to 18 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2014.

Signed in accordance with a resolution of the Directors:



Michael Scivolo
DIRECTOR

Dated this 30th day of September 2014
Perth,
Western Australia

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report To the Members of Golden Deeps Limited

We have audited the accompanying financial report of Golden Deeps Limited (the “Company”), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors’ declaration of the company the consolidated entity comprising the Company and the entities it controlled at the year’s end or from time to time during the financial year.

Directors’ responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors’ responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor’s responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Golden Deeps Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2(x) in the financial report which indicates that the consolidated entity incurred a net loss of \$258,416 and also incurred cash outflows from operating and investing activities of \$61,793 during the year ended 30 June 2014. These conditions, along with other matters as set forth in Note 2(x), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity's may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 15 to 18 of the directors' report for the year ended 30 June 2014. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Golden Deeps Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J W Vibert
Partner - Audit & Assurance

Perth, 30 September 2014



Grant Thornton

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

**Auditor's Independence Declaration
To the Directors of Golden Deeps Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Golden Deeps Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Partner - Audit & Assurance

Perth, 30 September 2014

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a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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GOLDEN DEEPS LIMITED

CORPORATE GOVERNANCE

INTRODUCTION

Golden Deeps Limited ACN 054 570 777 ("the Company") has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised below.

The following additional information about the Company's corporate governance practices is set out on the Company's website at www.goldendeeps.com :

Principle 1 – Lay solid foundations for management and oversight

Responsibilities of the Board

The Board is responsible for the following matters:

- ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;
- development of corporate strategy, implementation of business plans and performance objectives;
- reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control system and legal and regulatory compliance;
- the appointment of the Company's Corporate Manager, Chief Executive Officer (or equivalent), Chief Financial Officer, Company Secretary and other senior executives;
- monitoring senior executives' performance and implementation of strategy;
- determining appropriate remuneration policies;
- allocating resources and ensuring appropriate resources are available to management;
- approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

Diversity

The Company recognises and respects the value of diversity at all levels of the organisation.

Due to the size and scale of the Company's activities, most managerial and geological services are provided by the Corporate Manager and the Company has only two direct employees, neither of whom are women.

When the level of activity permits, the Directors will ensure that women are fairly considered and the Company's aim will be to promote a culture which embraces diversity through ongoing education, succession planning, director and employee selection and recognising that skills are not gender specific.

As at the date of this report, the Company has no women appointed to the Board, to senior management, and one to the organisation as a whole.

Chairman

The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business. The Chairman should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management of the Company. The Chairman is responsible for briefing directors on issues arising at Board meetings and is ultimately responsible for communications with shareholders and arranging Board performance evaluation.

GOLDEN DEEPS LIMITED

CORPORATE GOVERNANCE

Corporate Manager

The Corporate Manager is responsible for running the affairs of the Company under authority delegated from the Board. In carrying out its responsibilities the Corporate Manager must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

Company Secretary

The Company Secretary is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agendas and briefing material. All directors are to have access to the Company Secretary.

Performance Evaluation

The Chairman and/or the Corporate Manager are responsible for reviewing the performance of each executive at least once every calendar year with reference to the terms of their employment contract.

Principle 2 - Structure the Board to add value

Composition of the Board

The Company will ensure that the Board will be of a size and composition that is conducive to making appropriate decisions and be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole rather than of individual shareholders or interest groups. It will not, however, be so large that effective decision-making is hindered.

Independent Directors

The Company will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed and explained to the market in a timely fashion.

The Company will endeavour to ensure that it has a majority of independent directors at all times, subject to the right of shareholders in general meeting to elect and remove directors.

Chairman

The Chairman should be a non-executive director who is independent. The Chairman should not be the Chief Executive Officer of the Company. The Chairman's other positions should not be such that they are likely to hinder the effective performance of his role of Chairman of the Company.

Independent decision- making

All directors - whether independent or not - should bring an independent judgment to bear on Board decisions. Non-executive directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairman, if he is independent, or, if he is not independent, the deputy Chairman. Non-executive directors should inform the Chairman before accepting any new appointments as directors.

Independent advice

To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairman, individual directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities.

GOLDEN DEEPS LIMITED

CORPORATE GOVERNANCE

Procedure for selection of new directors

The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors will be involved in the search and recruitment of a replacement. The Board believes corporate performance is enhanced when it has an appropriate mix of skills and experienced.

In support of their candidature for directorship or re-election, non-executive directors should provide the Board with details of other commitments and an indication of time available for the Company. Prior to appointment or being submitted for re-election non-executive directors should specifically acknowledge to the Company that they will have sufficient time to meet what is expected of them. Re-appointment of directors is not automatic.

Induction and education

The Board will implement an induction programme to enable new directors to gain an understanding of:

- the Company's financial, strategic, operational and risk management position;
- the rights, duties and responsibilities of the directors;
- the roles and responsibilities of senior executives; and
- the role of any Board committees in operation.

Directors will have reasonable access to continuing education to update and enhance their skills and knowledge, including education concerning key developments in the Company and in the industries in which the Company's business is involved.

Access to information

The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.

Senior executives are required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

Principle 3: Promote ethical and responsible decision-making

Code of conduct

The Board has adopted the Code of Conduct set out at Appendix A to promote ethical and responsible decision making by directors, management and employees. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity.

The Board is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.

The Board is responsible for making advisers, consultants and contractors aware of the Company's expectations set out in the Code of Conduct.

Policy for trading in Company securities

The Board has adopted a policy on trading in the Company's securities by directors, senior executives and employees set out in Appendix B.

GOLDEN DEEPS LIMITED

CORPORATE GOVERNANCE

The Board is responsible for ensuring that the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Management

The Company believes it is not of a size to justify having a separate Audit and Risk Management Committee. Ultimate responsibility for the integrity of the Company's financial reporting rests with the full Board. Given the small size of the Board, the directors believe an Audit Committee structure to be inefficient. All directors share responsibility for ensuring the integrity of the Company's financial reporting and appropriate Board processes must be implemented to perform the following audit and risk management functions:

- external audit function:
 - review the overall conduct of the external audit process including the independence of all parties to the process;
 - review the performance of the external auditors;
 - consider the reappointment and proposed fees of the external auditor; and
 - where appropriate seek tenders for the audit and where a change of external auditor is recommended arrange submission to shareholders for shareholder approval;
- reviewing the quality and accuracy of published financial reports;
- reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures;
- reviewing and imposing variations to the risk management and internal control policies designed and implemented by Company management; and
- any other matters relevant to audit and risk management processes.

Principle 5: Make timely and balanced disclosure

Disclosure Policy

The Board has adopted a Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to shareholders through the ASX set out in Appendix D.

The Disclosure Policy ensures that:

- all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and
- Company announcements are subjected to a vetting and authorisation process designed to ensure they are:
 - released in a timely manner;
 - factual and do not omit material information; and
 - expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

GOLDEN DEEPS LIMITED

CORPORATE GOVERNANCE

Principle 6: Respect the rights of shareholders

Communication with Shareholders

The Board is committed to open and accessible communication with holders of the Company's shares and other securities. Disclosure of information and other communication will be made as appropriate by telephone, mail or email.

The Company's website will also be used to provide additional relevant information to security holders. The Board considers the following to be appropriate features for the Company's website:

- placing the full text of notices of meeting and explanatory material on the website;
- providing information about the last three years' press releases or announcements plus at least three years of financial data on the website; and
- providing information updates to security holders on request by email.

General Meetings

The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.

Principle 7: Recognise and manage risk

Creation and implementation of Company risk management policies

It is the responsibility of the Corporate Manager to create, maintain and implement risk management and internal control policies for the Company, subject to review by the Board.

The Corporate Manager must report to the Board on an annual basis regarding the design, implementation and progress of the risk management policies and internal control systems.

Audit and Risk Management

As referenced with respect to Principle 4, the Board has not established an Audit and Risk Management Committee for the reasons given above.

Review by the Board

The Board will review the effectiveness of implementation of the risk management system and internal control system at least annually.

When reviewing risk management policies and internal control system the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

Corporate Manager

The Corporate Manager is required annually to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.

Verification of financial reports

The Corporate Manager and Chief Financial Officer are required by the Company to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(4) of the Corporations Act:

GOLDEN DEEPS LIMITED

CORPORATE GOVERNANCE

- that the Company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and
- that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

Director and senior executive remuneration policies

The Company's remuneration policy is structured for the purpose of:

- motivating senior executives to pursue the long-term growth and success of the Company; and
- demonstrating a clear relationship between senior executives' performance and remuneration.

The Board's responsibility is to set the level and structure of remuneration for officers (including but not limited to directors and secretaries) and executives, for the purpose of balancing the Company's competing interests of:

- attracting and retaining senior executives and directors; and
- not paying excessive remuneration.

Executive directors' remuneration should be structured to reflect short and long-term performance objectives appropriate to the Company's circumstances and goals.

Executive directors' and senior executives' remuneration packages should involve a balance between fixed and incentive-based pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

Non-executive directors' remuneration should be formulated with regard to the following guidelines:

- non-executive directors should normally be remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or equity, usually without participating in schemes designed for the remuneration of executives;
- non-executive directors should not be provided with retirement benefits other than superannuation.

No director may be involved in setting their own remuneration or terms and conditions and in such a case relevant directors are required to be absent from the full Board discussion.

Remuneration Committee

The Company believes it is not of a size to justify having a Remuneration Committee and that it has Board processes in place which raise the issues which would otherwise be considered by a committee.

Appendix A – Code of Conduct

Introduction

This Code of Conduct sets out the standards with which the Board, management and employees of the Company are encouraged to comply when dealing with each other, the Company's shareholders and the broader community.

Responsibility to shareholders

The Company aims:

- to increase shareholder value within an appropriate framework which safeguards the rights and interests of shareholders; and
- to comply, with openness and integrity, the systems of control and accountability which the Company has in place as part of its corporate governance.

Responsibility to clients, employees, suppliers, creditors, customers and consumers

The Company will comply with all legislative and common law requirements which affect its business.

Employment practices

The Company will employ the best available staff with the skills required to carry out the role for which they are employed. The Company will ensure a safe workplace and maintain proper occupational health and safety practices.

Responsibility to the community

The Company recognises, considers and respects environmental, native title and cultural heritage issues which may arise in relation to the Company's activities and will comply with all applicable legal requirements.

Responsibility to the individual

The Company recognises and respects the rights of individuals and will comply with applicable laws regarding privacy and confidential information.

Obligations relative to fair trading and dealing

The Company will deal with others in a way that is fair and will not engage in deceptive practices.

Business courtesies, bribes, facilitation payments, inducements and commissions

Corrupt practices are unacceptable to the Company. It is prohibited for the Company or its directors, managers or employees to directly or indirectly offer, pay, solicit or accept bribes or any other corrupt arrangements.

Conflicts of interest

The Board, management and employees must report any situations where there is a real or apparent conflict of interest between them as individuals and the interests of the Company. Where a real or apparent conflict of interest arises, the matter must be brought to the attention of the Chairman in the case of a Board member, the Corporate Manager in the case of a member of management and a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner.

Compliance with the Code of Conduct

Any breach of compliance with this Code of Conduct is to be reported directly to the Chairman.

Periodic review of Code

The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff. Suggestions for improvements or amendments to this Code of Conduct can be made at any time to the Chairman.

GOLDEN DEEPS LIMITED
CORPORATE GOVERNANCE

Appendix B – Policy for trading in Company securities

Introduction

The Company recognises and enforces legal and ethical restrictions on trading in its securities by relevant persons within and external to the Company. The terms of this securities dealing policy apply to the Company's directors, Corporate Manager, senior executives, employees and consultants (Relevant Persons).

Communication

This policy will be communicated to all Relevant Persons and will be placed on the Company website.

Trading restrictions

Trading by Relevant Persons in the Company's securities is subject to the following limitations:

- No trading in Company securities shall take place during the two weeks preceding release of each quarterly report, half-yearly financial report, and annual financial report of the Company.
- No trading in the Company's securities shall take place, directly or indirectly, where it is known, or ought reasonably to have been known by the person intending to trade, that information exists which has not been released to the ASX and where that information is of a type that could reasonably be expected to encourage buying or selling were that information known by others.
- No trading shall take place in Company securities unless prior notice is given to the Chairman [and approval is obtained from the Chairman].

Hardship

During a period specified in the above paragraphs, Relevant Persons may, after obtaining the Chairman's consent, trade the Company's securities to the extent reasonably necessary to avoid or ameliorate documented hardship and suffering or as required by other extenuating circumstances.

Directors' trading and disclosures

Within twenty four hours of a director being appointed to the Board, resigning or being removed from the Board, or trading in the Company's securities, full details of the director's notifiable interests in the Company's securities and changes in such interest must be advised to the Company Secretary so that a record is kept within the Company and so that necessary ASX notifications will occur.

All directors must notify the Company Secretary of any margin loan or similar funding arrangement entered into in relation to the Company's securities and any variations to such arrangements, including the number of securities involved, the circumstances in which the lender can make margin calls, and the right of the lender to dispose of securities.

GOLDEN DEEPS LIMITED
CORPORATE GOVERNANCE

Appendix C - Disclosure Policy

Disclosure requirements

The Company recognises its obligations pursuant to the continuous disclosure rules of the ASX Listing Rules and the Corporations Act to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities.

Subject to certain exceptions (in ASX Listing Rule 3.1A), the Company is required to immediately release to the market information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Responsibilities of directors officers and employees

The Board as a whole is primarily responsible for ensuring that the Company complies with its disclosure obligations and for deciding what information will be disclosed. Subject to delegation, the Board is also responsible for authorising all ASX announcements and responses of the Company to ASX queries.

Every director, officer and employee of the Company is to be informed of the requirements of this policy and must advise the Corporate Manager, Chairman or Company Secretary as soon as possible (and prior to disclosure to anyone else) of matters which they believe may be required to be disclosed.

Authorised Disclosure Officer

The Board has delegated its primary responsibilities to communicate with ASX to the following Authorised Disclosure Officer:

- the Company Secretary or
- in the absence of the Company Secretary, the Corporate Manager is authorised to act in that capacity by the Board.

Responsibilities of Authorised Disclosure Officer

Subject to Board intervention on a particular matter, the Authorised Disclosure Officer is responsible for the following:

- monitoring information required to be disclosed to ASX and coordinating the Company's compliance with its disclosure obligations;
- ASX communication on behalf of the Company, authorising Company announcements and lodging documents with ASX;
- requesting a trading halt in order to prevent or correct a false market;
- providing education on these disclosure policies to the Company's directors, officers and employees; and
- ensuring there are vetting and authorisation processes designed to ensure that Company announcements:
 - are made in a timely manner;
 - are factual;
 - do not omit material information;
 - are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

An Authorised Disclosure Officer, who is responsible for providing contact details and other information to ASX to ensure such availability, must be available to communicate with the ASX at all reasonable times.

Measures to avoid a false market

In the event that ASX requests information from the Company in order to correct or prevent a false market in the Company's securities, the Company will comply with that request. The extent of information to be provided by the Company will depend on the circumstances of the ASX request.

GOLDEN DEEPS LIMITED
CORPORATE GOVERNANCE

If the Company is unable to give sufficient information to the ASX to correct or prevent a false market, the Company will request a trading halt.

If the full Board is available to consider the decision of whether to call a trading halt, only they may authorise it, but otherwise, the Authorised Disclosure Officer may do so.

ASX announcements

Company announcements of price sensitive information are subjected to the following vetting and authorisation process to ensure their clarity, timely release, factual accuracy and inclusion of all material information:

- The Authorised Disclosure Officer must prepare ASX announcements when required to fulfil the Company's disclosure obligations.
- Proposed announcements must be approved by the Corporate Manager or in his absence, urgent announcements may be approved by any other person expressly authorised by the Board.
- Announcements must first be released to the ASX Announcements Platform before being disclosed to any other private or public party (such as the media). After release of the announcement, it must be displayed on the Company's website, following which the Company can then release such information to media and other information outlets.
- Wherever practical, all announcements must be provided to the directors, Corporate Manager and Company Secretary prior to release to the market for approval and comment.

Confidentiality and unauthorised disclosure

The Company must safeguard the confidentiality of information which a reasonable person would expect to have a material effect on the price or value of the Company's securities. If such information is inadvertently disclosed, the Authorised Disclosure Officer must be informed of the same and must refer it to the Chairman and Corporate Manager as soon as possible.

External communications and media relations

The Chairman, Corporate Manager and Company Secretary are authorised to communicate on behalf of the Company with the media, government and regulatory authorities, stock brokers, analysts and other interested parties or the public at large. No other person may do so unless specifically authorised by the Chairman or the Corporate Manager.

All requests for information from the Company must be referred to the Authorised Disclosure Officer for provision to the Chairman and the Corporate Manager.

Breach of Disclosure Policy

Serious breaches of the Company's Disclosure Policy may be treated with disciplinary action, including dismissal, at the discretion of the Board.

Where the breach is alleged against a member of the Board, that director will be excluded from the Board's consideration of the breach.

Board Structure

Name of Director	Year Appointed	Executive	Independent	Seeking re-election at 2014 AGM
D Zukerman (until 26 February 2014)	2003	Yes	No	No
M Norburn	2006	No	Yes	No
M Scivolo	2012	No	Yes	Yes
R Collins (from 26 February 2014)	2014	No	Yes	Yes

GOLDEN DEEPS LIMITED

SHAREHOLDER INFORMATION

Additional information included in accordance with the listing requirements of the Australian Securities Exchange Limited.

1. SHAREHOLDING

(a) Distribution of Shareholders as at 24 September 2014:

Size of Holding	Number of Holders	Shares Held	%
1 - 1,000	117	38,715	0.04
1,001 - 5,000	57	145,316	0.14
5,001 - 10,000	54	465,842	0.45
10,001 - 100,000	131	5,412,498	5.23
100,001 and over	70	97,451,751	94.14
	<u>429</u>	<u>103,514,122</u>	<u>100.00</u>

(b) The twenty largest shareholders as at 24 September 2014 representing 80.54% of paid up capital were:

Name of Holder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Coniston Pty Ltd <Coniston A/c>	50,000,000	48.30
Metals Australia Ltd	5,000,000	4.83
Coniston Pty Ltd	4,150,000	4.01
Kalgoorlie Mine Management Pty Ltd	4,000,000	3.86
J P Morgan Nominees Ltd	3,637,633	3.51
B & K Doolan Super Fund	2,500,000	2.42
Jeff Towler Building Pty Ltd	1,500,000	1.45
Wolseley Group Pty Ltd	1,427,200	1.38
Faretra Incorporated	1,345,000	1.30
Herlequin Investments Ltd	1,200,000	1.16
Nelbert Finance Ltd	1,200,000	1.16
Kleanthe Investments Pty Ltd	1,000,000	0.97
Maxwell Capital Pty Ltd	1,000,000	0.97
Bachilton Pty Ltd	1,000,000	0.97
Dale Estates Pty Ltd	930,100	0.90
Shandora One Pty Ltd	730,000	0.71
Brian G Bengier	730,000	0.71
Gregory Terranova	725,000	0.70
Lorene Lee	638,500	0.62
Trevor Hay	627,281	0.61
Total	<u>83,340,714</u>	<u>80.54</u>

GOLDEN DEEPS LIMITED
SHAREHOLDER INFORMATION

(c) Substantial Shareholders

The names of the substantial shareholders who have notified the Company in accordance with Section 671B of the *Corporations Act 2001* are:

	Shares Held	% Interest
Coniston Pty Ltd together with group member Kalgoorlie Mine Management Pty Ltd	58,167,000	56.19

(d) There exist 328 shareholders with unmarketable parcels of shares.

(e) Options

As at 24 September 2014, there were no options on issue.