

30 January 2015

## Quarterly Activities Report

for the period ended 31 December 2014

---

Golden Deeps Limited (“Deeps” or “the Company”), continued to progress the Grootfontein Base Metals Project in Namibia during the reporting period. The key highlights for the quarter include:

- **Christiana-Abenab (Zn-Pb-V)** – Review of sampling results ongoing, market release of zinc targets being prepared.
- **Butterfly (Cu-Ag-Pb)** – Shallow drill program planning phase completed to test geophysical and geochemical targets under blanketing calcrete cover
- **Khusib Springs (Cu-Ag-Pb)** – Full review of historic EM dataset identified several targets for follow-up EM and drill testing
- **Khusib Springs (Cu-Ag-Pb)** – Deeper drilling program planning phase completed to test for down plunge extensions to the deposit
- **Nosib Block (Cu-Ag-Pb)** – Shallow RC drilling planned to test the mineralised positions between the mine workings, and to test for strike extensions to the mineralised horizon.

---

**Golden Deeps Limited** (ABN 12 054 570 777)

1<sup>st</sup> Floor, 8 Parliament Place, West Perth, WA 6005 • PO Box 1618, West Perth, WA 6872  
• t: +61 8 9481 7833 • f: +61 8 9481 7835 • email: [ged@goldendeeps.com](mailto:ged@goldendeeps.com)



## 1 GROOTFONTEIN BASE METAL PROJECT

Deeps holds an 80% interest in the highly prospective Grootfontein Base Metal Project. 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 production coming from several mines, including the now closed Tsumeb mine, which produced 24.9Mt at 5.5% Cu, 11.8% Pb and 171 g/t Ag.

The Grootfontein Project landholding stands at 632km<sup>2</sup>, with a further 331km<sup>2</sup> under application. There are four recognised base metal trends with extensive strike lengths located within the tenement package, namely the Askevold, Khusib, Pavian and Abenab Trends. These advanced projects are the main focus of the Company's exploration efforts.

Deeps holds on its tenements and application for tenements in Namibia, two of the five historically important producing (now closed) mines of Otavi Mountain Land, being Abenab and Christiana. Both mines are confined to short strike lengths, with significant exploration upside available to Deeps in the near mine geological environment.

The Company has a significant and well managed historical records database, maps, as well as a fully populated industry standard GIS and Database. These are of great importance for the accurate analysis of all data for target generation.

### Activities during the Quarter

The Company continued its review of key prospects, and prepared exploration programs, including drilling to test several high priority targets. The initial focus of exploration will be Christiana-Abenab and Khusib Springs-Butterfly targets.

The lower priority targets will be included in the exploration planning at a later date. These include, in order of importance; a program of RC drilling at the Nosib Sedimentary Cu-Pb-Zn prospect; and shallow geochemical drilling at the Southridge Zn-Cu prospect.

The prospectivity review assessed a range of data including geochemical, geophysical, historical drilling, and mapping to identify priority targets for short term exploration focus. The targets (see Figure 2); in order of priority, are:

- Chistiana-Abenab mine Epigenetic Zn-Pb-V prospects
- Khusib Springs and Butterfly Epigenetic Cu-Zn-Ag-Pb prospects
- Nosib mine Sedimentary Cu-Pb-Zn-Ag prospects
- Southridge East Epigenetic Zn-Cu prospects
- Deblin Epigenetic Cu-Ag prospects

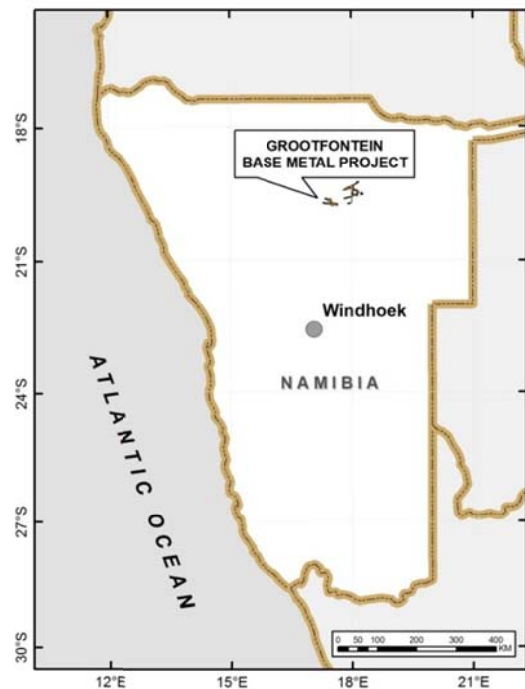
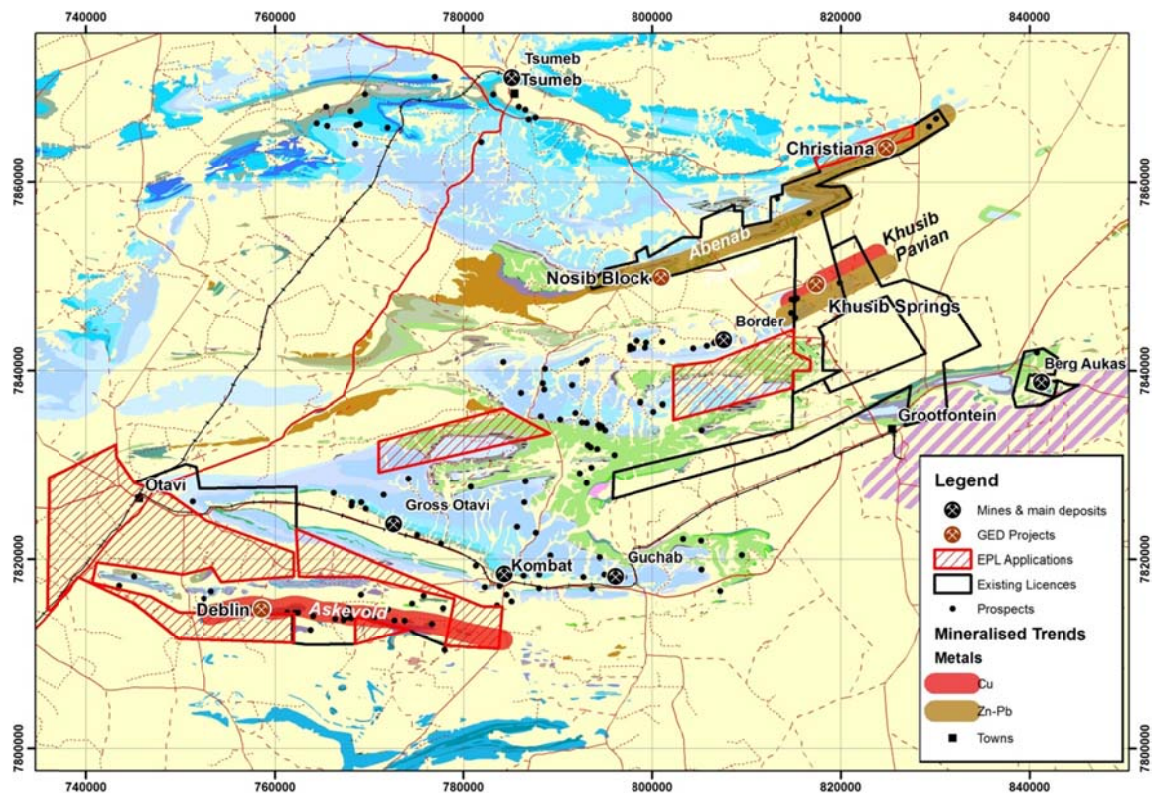


Figure 1 - Location of the Company's Namibian projects.



**Figure 2** - The location of the key prospects at Christiana, Nosib Block and Khusib Springs in Golden Deeps' Grootfontein Project, Otavi Mountainland, Namibia

## 1.1 Abenab-Nosib Trend

The Abenab-Nosib Trend is defined by a series of Zn-Pb-V occurrences located on or near the contact between the Auros Shale and Maieberg Dolomites. The Christiana (formerly Abenab West) and Okurundu lead zinc mines as well as the Nosib Block copper mine are located near this contact position. Approximately 40km of strike extent of this highly prospective trend lies within the Company's EPL3543 (Figure 2).

### 1.1.1 Christiana Zn-Pb-V Mine

Christiana is the largest historic mine in the Grootfontein Base Metal Project (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 base metal 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 channel sampled most accessible areas including surface channel 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.



A strategic review was undertaken on the project during the quarter given recent increases in the zinc price and market analysts' predictions of a supply deficit in the coming years. Christiana would become a very strategic asset to the company in a rising zinc market.

## 1.2 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 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 3).

### 1.2.1 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.

Deeps 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 generated from close spaced soil geochemistry, geophysics and airborne magnetics.

During the quarter the Company completed a strategic review of the area around Khusib Springs. This involved the processing and interpretation of several datasets including surface EM, aeromagnetics, surface geochemistry, historic mapping, and historic drilling.

A drilling program was designed to test the down plunge extensions of the Khusib Springs deposit. Follow-up EM surveying was considered over several untested strong conductors identified from the historic EM data.

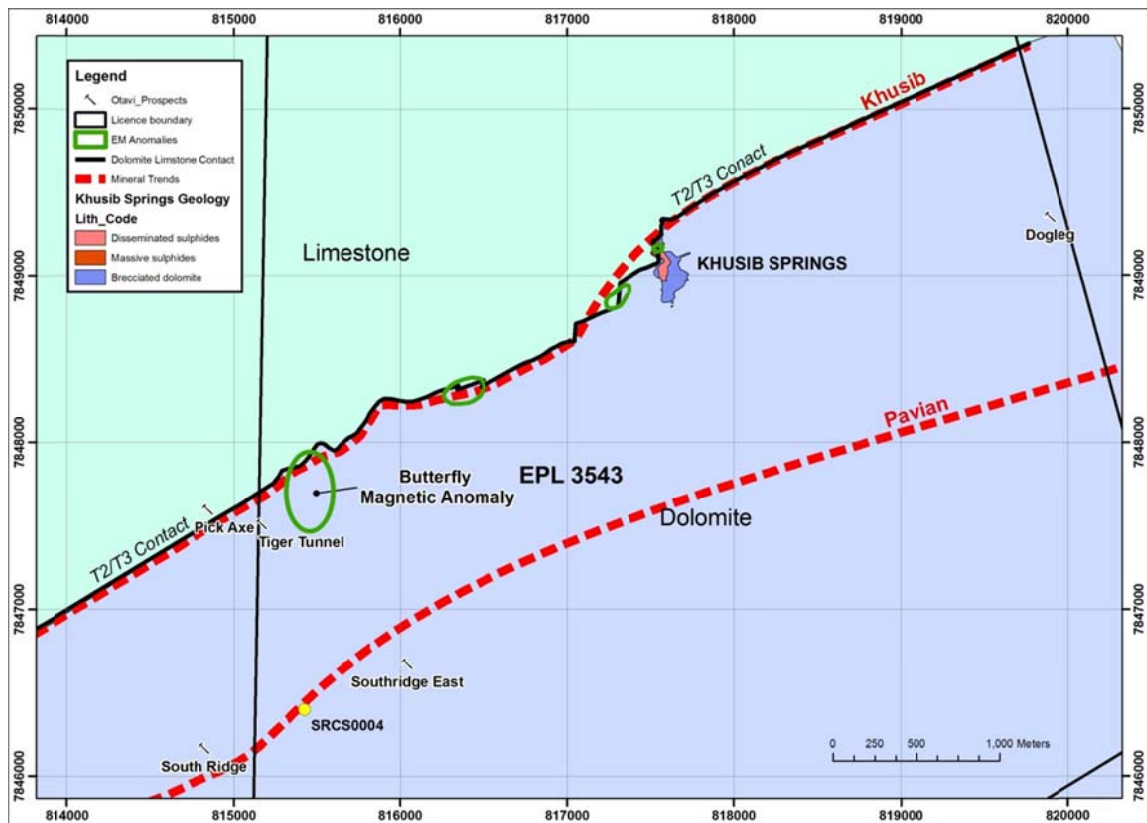


Figure 3 - Simplified geology of the Khusib Springs area

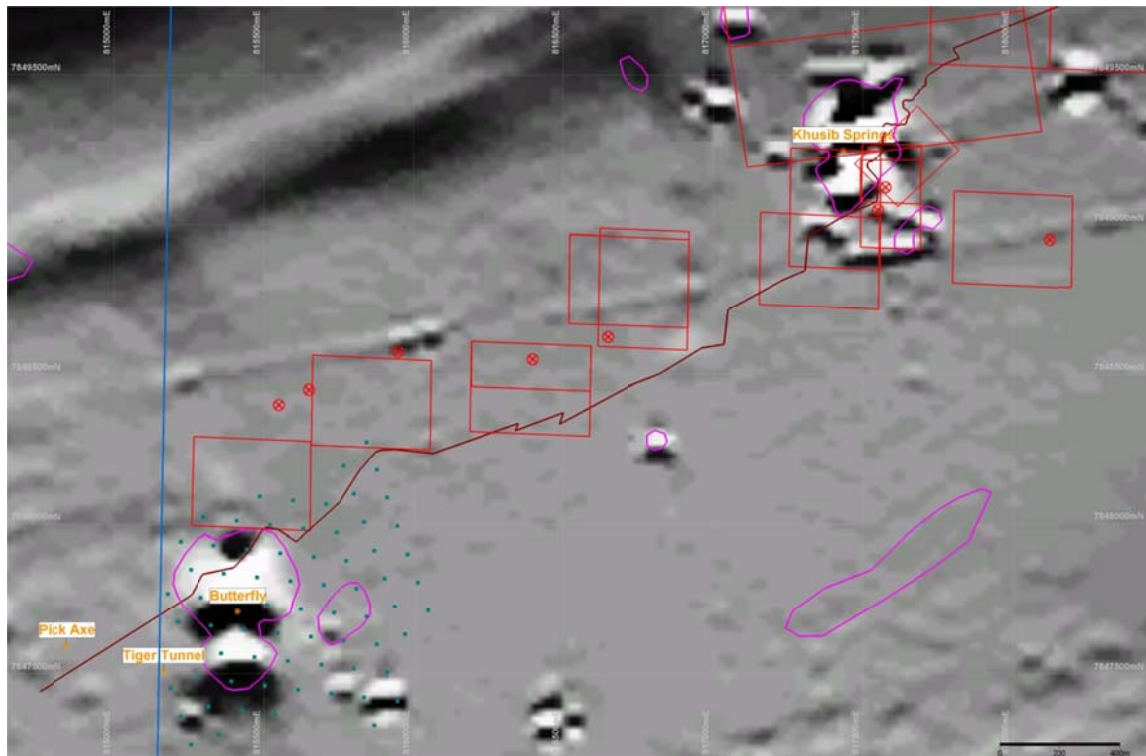
### 1.2.2 Butterfly Anomaly

The Butterfly anomaly is a very strong dipole magnetic anomaly, with coincident vegetation and geochemical anomalies located 2km west of the Khusib springs deposit along the T2/T3 contact. Butterfly is a very high priority target for the Company.

Goldfields Namibia identified the Butterfly anomaly, and in 1997 drilled a single hole to 174m to test it. The hole was abandoned due to broken rods. The hole intersected an alkaline intrusive described as being similar to the “Kersantite” dykes and sills known from the Tsumeb deposit. At the time, a ground magnetic survey and a shallow geochemical drill program were proposed. There is no evidence to show that these programs were ever carried out.

Deeps planned a shallow drilling program over Butterfly and several other “Khusib Springs Style” targets during the quarter. Drilling would aim to penetrate through the blanketing calcrete cover and obtain bedrock sampled for geochemical analysis.





**Figure 4** - Magnetic imagery map of the Butterfly-Khusib Springs area showing historic EM loops as red squares, historic EM conductor centres as red dots, 2014 targets as pink polygons, the T2/T3 contact as a brown line and planned drill collars as light blue dots. Note the similar magnetic signatures of Butterfly and Khusib Springs.

During the quarter the Company completed the following

- finalised processing and interpretation of historic EM data, resulting in the identification of at least six potentially untested conductors.
- Finalised aeromagnetic and geochemical targeting in the area, identifying another six high priority targets.
- Completed planning of shallow geochemical drilling over the Butterfly anomaly



## 2 WESTERN AUSTRALIAN GOLD PROJECTS

### 2.1 Twin Hills (M 29/21), Western Australia

The Twin Hills Project is located 27 km north of Menzies Township in the Eastern Goldfields. 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 1,100t of ore at an average grade of 23.6 g/t Au.

Environmental rehabilitation around the historic mine site and drilling activity was initiated during the quarter.



Figure 5 - The location of the Twin Hills Project



### 3 EASTERN VICTORIAN GOLD PROJECTS

The Company currently holds three granted exploration licences and has an application pending for one further exploration licence in eastern Victoria (Figure 5). 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, is an area of significant potential. Government records show that **over 80,000 oz. of gold was produced at an average grade of 22.2 g/t.**

No significant work was conducted on these projects during the quarter. The Company is actively seeking partners to conduct gold exploration on its Victorian licences.

**For further information please contact:**

Vincent Algar or Luke Marshall

Phone (08) 9481 7833

**Or consult our website:**

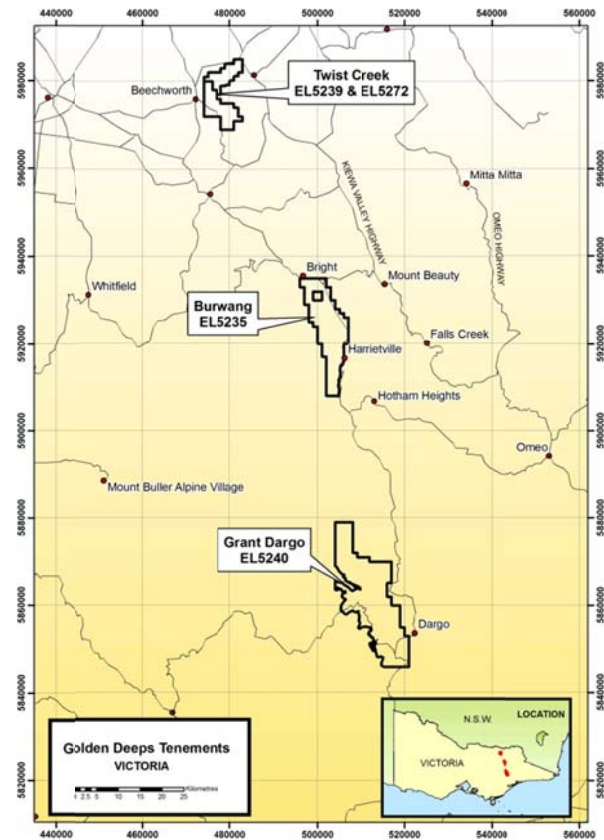
[www.goldendeeps.com](http://www.goldendeeps.com)

**Competent Person Declaration**

The information in this report that relates to Exploration Results is based on information compiled by Luke Marshall, who is a full time employee of Golden Deeps Limited and a member of The Australasian Institute of Geoscientists. Mr Marshall 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 2004 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.



**Figure 6 - Locations of the Company's three exploration areas (black outlines) in eastern Victoria. Major towns and cities of the region are shown.**





## APPENDIX 1 – Schedule of Golden Deeps tenements

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