

**ASX ANNOUNCEMENT****ASX code: GED**

30 April 2019

## **Quarterly Activities Report For the Quarter Ended 31 March 2019**

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**Highlights:**

- **Joint venture agreement entered into with Generous Metals Company Limited (GMC) for vanadium production at the Company's Abenab vanadium project (Abenab project).**
  - **MINTEK engaged to undertake a detailed metallurgical study in developing a crushing and concentrator plant flowsheet.**
  - **Preliminary project capital and operating costs options received for the proposed Abenab project crushing and concentrator plant.**
  - **In conjunction with GMC, meetings held with Chinese vanadium refiners for refining of concentrate.**
  - **Sampling of vanadium stockpile and tailings for the Golden Deeps and GMC vanadium production joint venture at the Abenab project delivered highly positive results.**
  - **Major mineral resource upgrade at the Abenab project.**
  - **Commencement of drilling at the Abenab project.**
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Golden Deeps Limited ("Golden Deeps" and "Company") is pleased to provide the following report on the very positive progress the Company has made during the quarter on the development of its Abenab project. Golden Deeps believes that the results achieved are consistent with its stated objective of being a near-term and low-cost vanadium producer.

### **Abenab Project Development**

#### **Golden Deeps – GMC Joint Venture**

A very significant milestone in the development pathway for the Abenab project, and the first step in the Company's stated strategy to develop a plant to treat ore mined from underground, was achieved. Golden Deeps signed a Joint Venture Agreement with Hong Kong based metals trading company Generous Metals Company Limited (GMC) to produce high-grade vanadium concentrate at the Abenab project, which will be shipped to China for refining into vanadium products and the marketing of end vanadium products.

Under the Joint Venture (JV), Golden Deeps will provide existing material from the surface stockpile and tailings at the Abenab project and will oversee operations in Namibia as its contribution to the JV. GMC will pay all costs of crushing, concentrating and refining the stockpile and tailings into vanadium products and will also oversee third party refining operations in China, and the marketing of vanadium products.

JV profits will be shared equally by Golden Deeps and GMC.

## **Crushing and concentrate plant**

Mintek<sup>\*1</sup> has been engaged to undertake a comprehensive metallurgical study in developing an optimised crushing and concentrator process flowsheet using 8 tonnes of stockpile material. Work commenced on 8 April 2019.

Segoelele<sup>\*2</sup> has provided preliminary capital and operating cost estimates for the crushing and concentrator plant options adopting a modular plant design to enable quicker, easier installation and more cost-effective ramp up options in the future. This preliminary information has been used as the basis for developing the pre-feasibility scope of works which has been issued for tender.

*\*1 Mintek is South Africa's national mineral research organisation and it is one of the world's leading technology organisations specialising in mineral processing, extractive metallurgy providing service testwork, process development and optimisation, consulting and innovative products to clients worldwide.*

*\*2 Segoelele are a South African based process and engineering advisory, providing engineering services, outsourced operations, maintenance services, designs and supply of equipment to the minerals processing industry.*

## **Vanadium refining**

In conjunction with GMC, meetings have been held with a number of vanadium refineries in China to advance discussions on third party refining of the high-grade concentrate to be produced at Abenab.

## **Infrastructure**

The Abenab Project is well located with ready access to high quality road and rail through to Walvis Bay (Namibia's principal port), grid power, water and skilled labour and mining and related services in the nearby towns of Grootfontein and Tsumeb.

## **Sampling of the vanadium stockpile and tailings**

Sampling of the vanadium stockpile and tailings for the JV at Abenab has delivered highly positive results. Rock chip samples of the stockpile contain up to 1.79% vanadium pentoxide, whilst tailings dump auger samples contain up to 1.24% vanadium pentoxide. These results confirm the potential for very low-cost feed for the Golden Deeps and Generous Metals Company production JV.

Additional stockpiles and tailings have also been identified at Abenab and at other of the Company's project areas, and sampling of these additional areas is underway to assess the potential for inclusion in the JV.

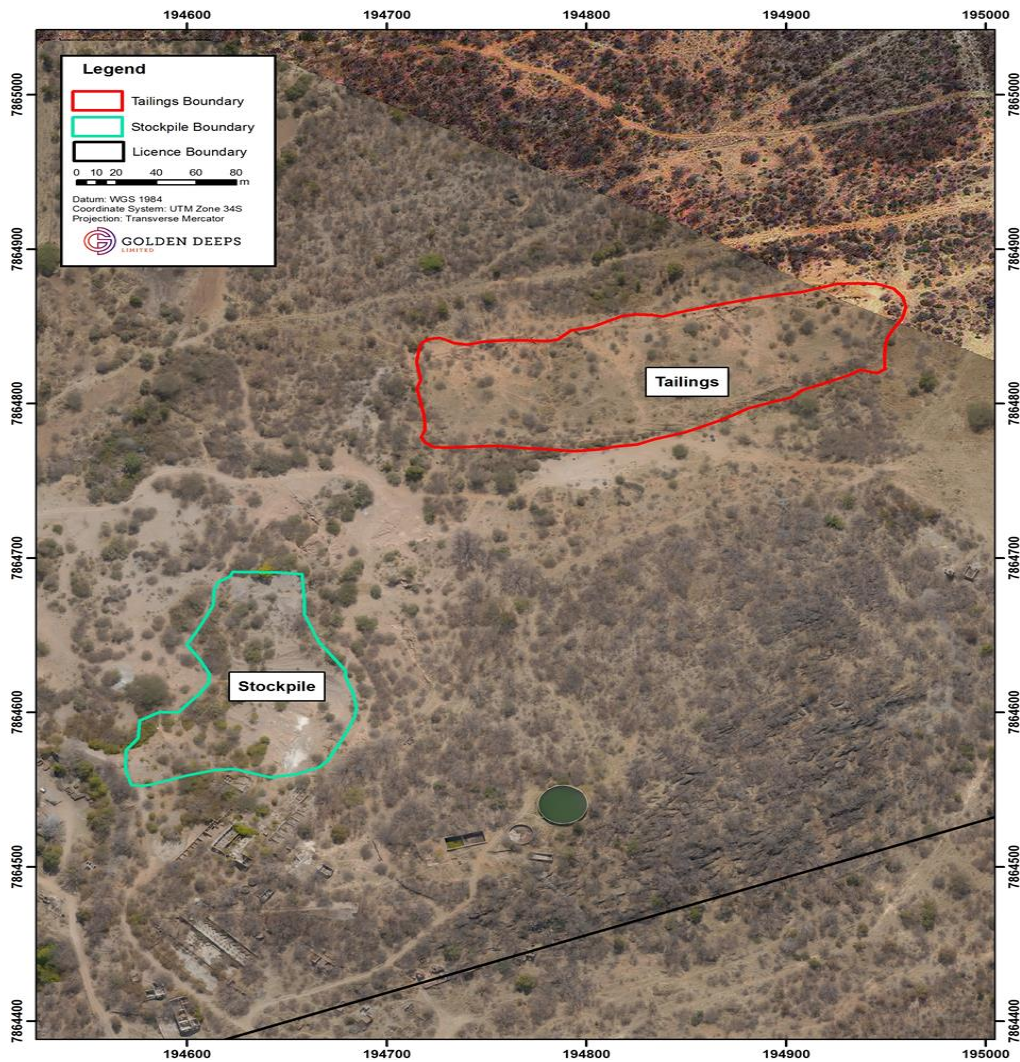


Figure 1: Location of Stockpile and Tailings at Abenab which have not been estimated as JORC resources.

## Resource Definition Drilling and Exploration

The Company completed a comprehensive geological study at the Abenab and Abenab West projects during the quarter. This has resulted in an updated Inferred Mineral Resource of 2.8Mt 0.66% vanadium pentoxide, 2.35% lead and 0.94% zinc at a cut-off grade of 0.2%. The Inferred Mineral Resource contains 18.5kt vanadium pentoxide, 65.8kt lead, 26.3kt zinc.

A diamond drilling program commenced at the Abenab project on 11 April 2019. The initial program comprises 22 holes for 2,909m, and is designed to increase the Company's current resource and to in-fill previous drilling at the Abenab project (Figure 2).



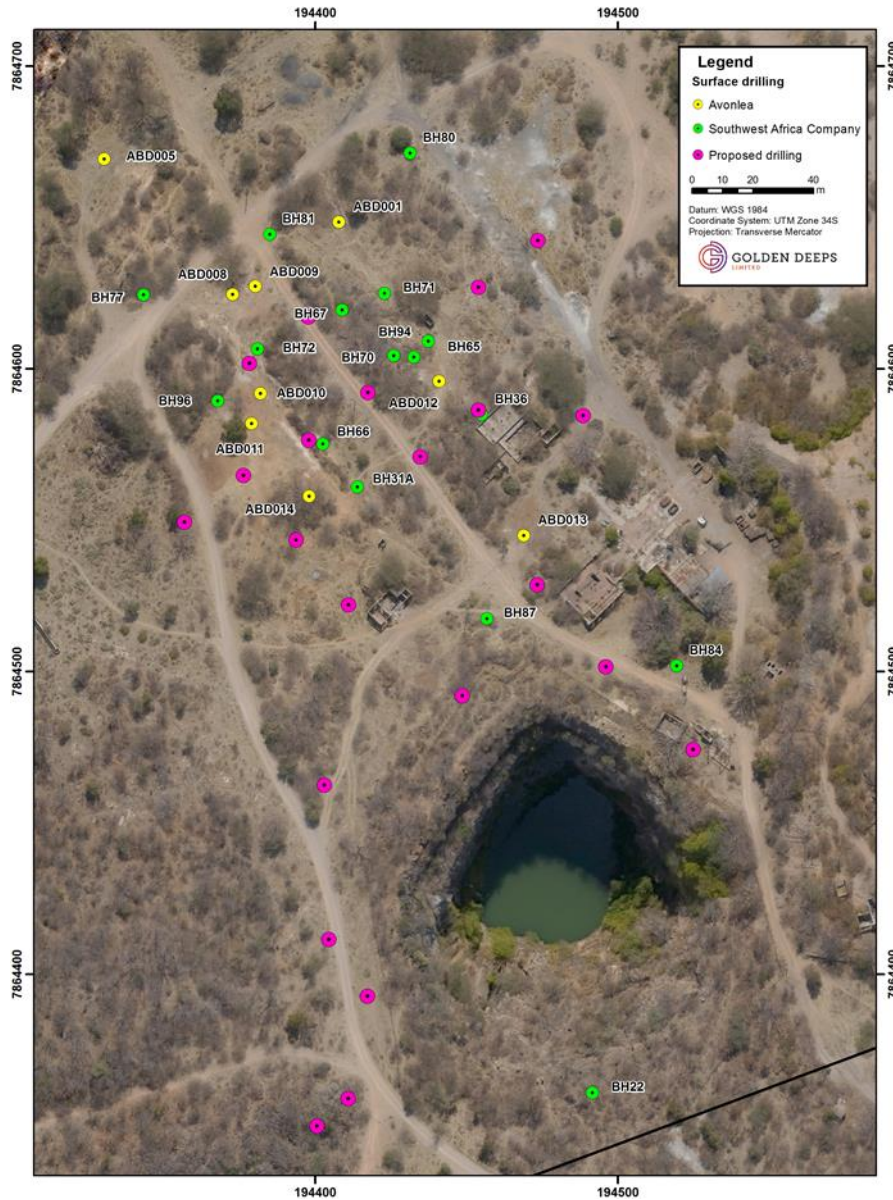


Figure2: Planned drill holes at the Abenab Mine.

The in-fill drilling will improve confidence in the current JORC Inferred Mineral Resource and advance understanding of the geological controls on mineralisation, resulting in an updated geological model. Resource extension drilling will target areas peripheral to the current resource with particular emphasis on the area around and below the pit shell to the upper boundary of the resource. Holes will range from 50m to a maximum of 460m.



Figure 3-4: Diamond drilling at Abenab Mine.

Additional vanadium targets have been identified in the Abenab mine area and will require additional field assessment and drill testing if warranted. Priority targets are breccia zones located on the northeast trending faulted contact that hosts Abenab.

A review of historical exploration data held by the Namibian Ministry of Mines has revealed multiple vanadium occurrences on the Company's tenements. Nine vanadium occurrences were mapped along the ~40km mineralised trend extending southwest and northeast from Abenab. Most of these targets have not had any modern exploration.

At the Nosib Block Mine 27km from Abenab, underground channel sampling on three levels returned high-grade vanadium pentoxide results including 25m at 2.05%  $V_2O_5$  from channel sample NOUG023 on Level 1 at a depth of approximately ~20m. Drill testing is planned to follow the current drilling program at Abenab.

## Finance

Golden Deeps has been in discussion with several interested parties, including vanadium industry participants and institutional investors, regarding the possibility of a capital raising. It is envisaged that a fund raising will be undertaken in the June 2019 quarter.

**For further information, please refer to the Company's website or contact:**

Michael Minosora  
Chairman  
Golden Deeps Limited  
P: +61 (0) 413 056 909  
E: [minosora@seabourncapital.com](mailto:minosora@seabourncapital.com)

Martin Stein  
Company Secretary  
Golden Deeps Limited  
P: +61 (08) 9481 7833  
E: [mstein@kmm.com.au](mailto:mstein@kmm.com.au)

### **Caution Regarding Forward-Looking Information**

This document contains forward-looking statements concerning Golden Deeps Ltd. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward-looking statements in this document are based on the Company's beliefs, opinions and estimates of Golden Deeps Ltd as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

### **Competent Person Statement**

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Martin Bennett. Mr Bennett is an employee of Golden Deeps Limited and is a member of the Australian Institute of Geoscientists. Mr Bennett has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bennett consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

**APPENDIX I – Schedule of Tenements Namibia**

Country	State/Region	Project	Tenement ID	Area km <sup>2</sup>	Grant Date	Expiry Date	Interest
Namibia	Otjozondjupa	Grootfontein Base Metals	EPL 3543	89	12/09/2006	11/09/2019	80%
			EPL 5496	13	07/04/2016	06/04/2019	80%
			EPL 5509	56	07/04/2016	06/04/2019	80%
			EPL 5510	73	07/04/2016	06/04/2019	80%
			EPL 5232	260	Application	-	NA
			EPL 5233	63	Application	-	NA
			EPL 5234	8.4	Application	-	NA

**APPENDIX II – Schedule of Tenements Canada**

Country	State/Region	Project	Claim No.	Claim Type	Area ha	Expiry Date	Interest*
Canada	Ontario	Professor Co-Ag	T25837	Lease	7.89	31-Jul-22	70%
			T25838	Lease	7.89	31-Jul-22	70%
			T27896	Lease	6.92	31-Aug-22	70%
			T27897	Lease	7.33	31-Aug-22	70%
			T43067	Lease	11.03	30-Apr-23	70%
			A100	Patent	6.83	-	70%
			A96	Patent	7.89	-	70%
			A99	Patent	7.85	-	70%
			C1000	Patent	8.48	-	70%
			C1376	Patent	9.38	-	70%
			C1383	Patent	8.41	-	70%
			C1384	Patent	7.68	-	70%
			C976	Patent	7.56	-	70%
			T19481	Patent	8.03	-	70%
			T19492	Patent	8.86	-	70%
			Waldman Co-Ag	322446	Mining Claim	22	8/09/2019
		189411		Mining Claim	22	8/09/2019	70%
		236092		Mining Claim	22	30/10/2019	70%
		167029		Mining Claim	22	8/9/2020	70%
		117980		Mining Claim	22	8/9/2020	70%
		296687		Mining Claim	22	24/02/2020	70%
		343032		Mining Claim	22	8/09/2019	70%
		203057		Mining Claim	22	22/6/2020	70%
		256057		Mining Claim	22	8/09/2019	70%
		285204		Mining Claim	22	8/09/2019	70%
		239325		Mining Claim	22	8/09/2019	70%
		123450	Mining Claim	22	30/10/2019	70%	
155118	Mining Claim	22	30/10/2019	70%			
236093	Mining Claim	22	30/10/2019	70%			
306085	Mining Claim	22	10/05/2020	70%			
153797	Mining Claim	22	8/09/2020	70%			
218338	Mining Claim	22	8/09/2019	70%			
182442	Mining Claim	22	8/09/2020	70%			
322445	Mining Claim	22	8/09/2019	70%			
			122494	Mining Claim	22	8/09/2020	70%
			174898	Mining Claim	22	4/05/2020	70%
			199634	Mining Claim	22	30/10/2019	70%

			200977	Mining Claim	22	8/09/2019	70%
			189303	Mining Claim	22	15/12/2019	70%
			182443	Mining Claim	22	8/09/2019	70%
			290776	Mining Claim	22	30/10/2019	70%
			227355	Mining Claim	22	10/05/2020	70%
			136813	Mining Claim	22	8/09/2020	70%
			343033	Mining Claim	22	8/09/2019	70%
			203776	Mining Claim	22	4/05/2020	70%
			283242	Mining Claim	22	30/10/2019	70%
			320124	Mining Claim	22	30/10/2019	70%
			321848	Mining Claim	22	15/12/2019	70%
			324858	Mining Claim	22	30/10/2019	70%
			156804	Mining Claim	22	4/05/2020	70%
			275742	Mining Claim	22	22/06/2020	70%

\*Subject to transfer of title to Cobalt Resources Inc., a 100% owned subsidiary of Golden Deeps Ltd.