

30 October 2015

## Quarterly Activities Report

for the period ended 30 September 2015

---

Golden Deeps Limited (“Deeps” or “the Company”) continued to progress the Grootfontein Base Metals Project in Namibia during the reporting period. Although field activity was significantly reduced this quarter due to the prevailing poor market conditions and depressed metal prices, work progressed in several key areas. The highlights of the quarter included:

- **Christiana-Abenab (Zn-Pb-V)** – Discussions continued with several companies with regard to offtake agreements, quotations for drill and blast, haulage, and mineral dressing in relation to a proposed small scale mining operation. Mining would target the high grade “Zinc Reef” mineralisation located at surface.
- **Khusib Springs (Cu-Ag-Pb)** – Access to the Tsumeb Archives produced a large volume of useful information on the project, including drill core, underground survey data, and underground geological mapping. This resulted in significant improvements to the 3D geological models as well as a better understanding of the deposit.

---

**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

The Company holds an 80% interest in the highly prospective Grootfontein Base Metal Project (GBP). 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, Kombat, Abenab, and Berg Aukas.

The GBP 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.

On its tenements and applications, Deeps holds two of the five historically important mines of the Otavi Mountain Land – Abenab and Christiana (formerly Abenab West). Both mines have only been tested over short strike lengths, with significant exploration upside available to Deeps.

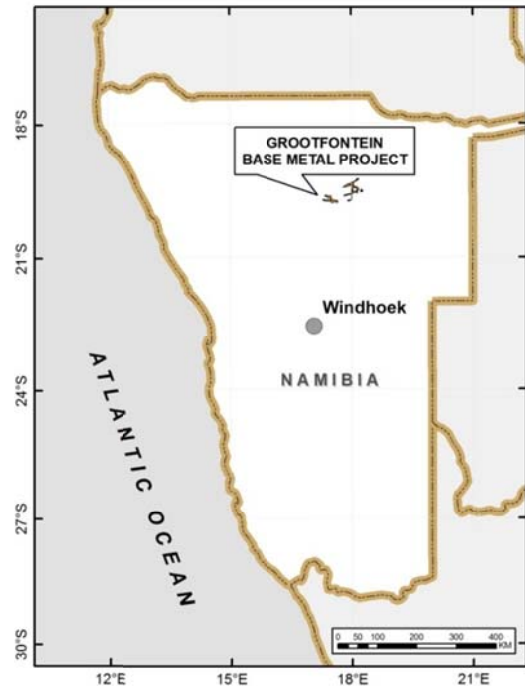


Figure 1 - Location of the Company's Namibian projects.

The Company has a significant historical records database, maps, and 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 main area of activity was the Christiana-Abenab project where further progress was made on the potential development of the "Zinc Reef" mineralisation. High level scoping and test work indicate that a positive cash flow is possible from a potential high grade mining operation on the project. The Company continued discussions with several potential buyers for a high grade zinc product and several potential contractors for proposed mining, mineral dressing and haulage operations.

The other area of activity was Khusib Springs, where a large volume of new information was acquired from the Tsumeb Archives. This information was in the form of hardcopy maps and reports, which were scanned and filed. A large amount of underground survey data and underground drillhole data were converted to digital format from the scanned hardcopies. This allowed the generation of detailed 3D models for the project. This ongoing work has already added significant value to the project.

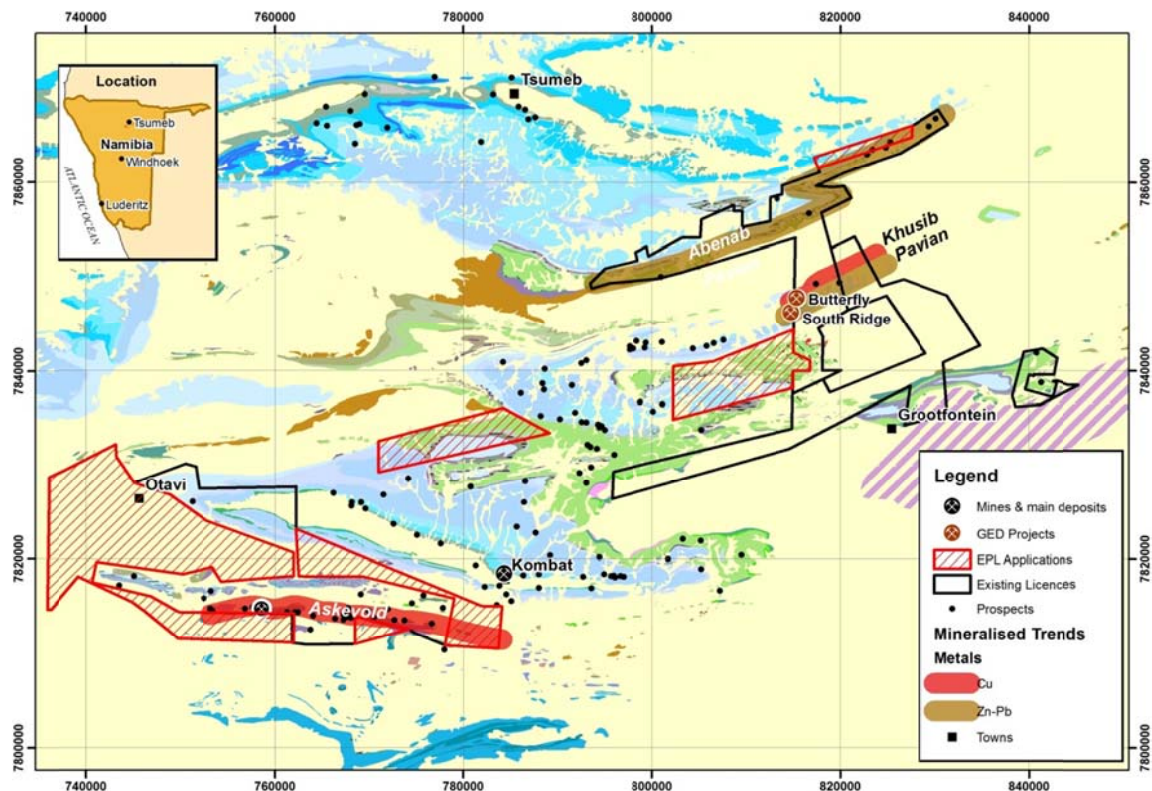


Figure 2 - The location of the key prospects at Christiana, Nosib Block and Khusib Springs in Golden Deeps' Grootfontein Project, Otavi Mountainland, Namibia

## 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 and Okurundu lead zinc mines, and 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 land holding (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 Deeps at Christiana:

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

Deeps previously surveyed and channel sampled most accessible areas including surface channel sampling. High grade zinc, lead and vanadium sampling results from surface and underground channel sampling support its position as a high priority target for the Company.



The Zinc Reef mineralisation is located very close to surface and is potentially amenable to an open pit mining operation. This concept was progressed further during the quarter. Discussions continued with various parties with respect to the mining, processing, and transportation of this material. Preliminary economic assessments indicate that a mining operation may be profitable, subject to the completion of a mineral resource estimate, metallurgical testwork and the negotiation of an offtake agreement.

## **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.

### **1.2.1 Khusib Springs Copper Mine**

The Khusib Springs mine is the most advanced prospect on the Khusib Trend. The deposit was discovered and mined by Goldfields Namibia and Ongopolo during the 1990s.

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

Deeps recently negotiated access to the Tsumeb Archives, which are owned by Weatherly International. The Tsumeb Archives contain a large amount of information and data from the Khusib Springs mining and exploration operations. A large amount of drill core is also available. This has provided a wealth of information on the project and allowed more detailed 3D interpretations and modelling to be undertaken. Work on this new dataset is ongoing.

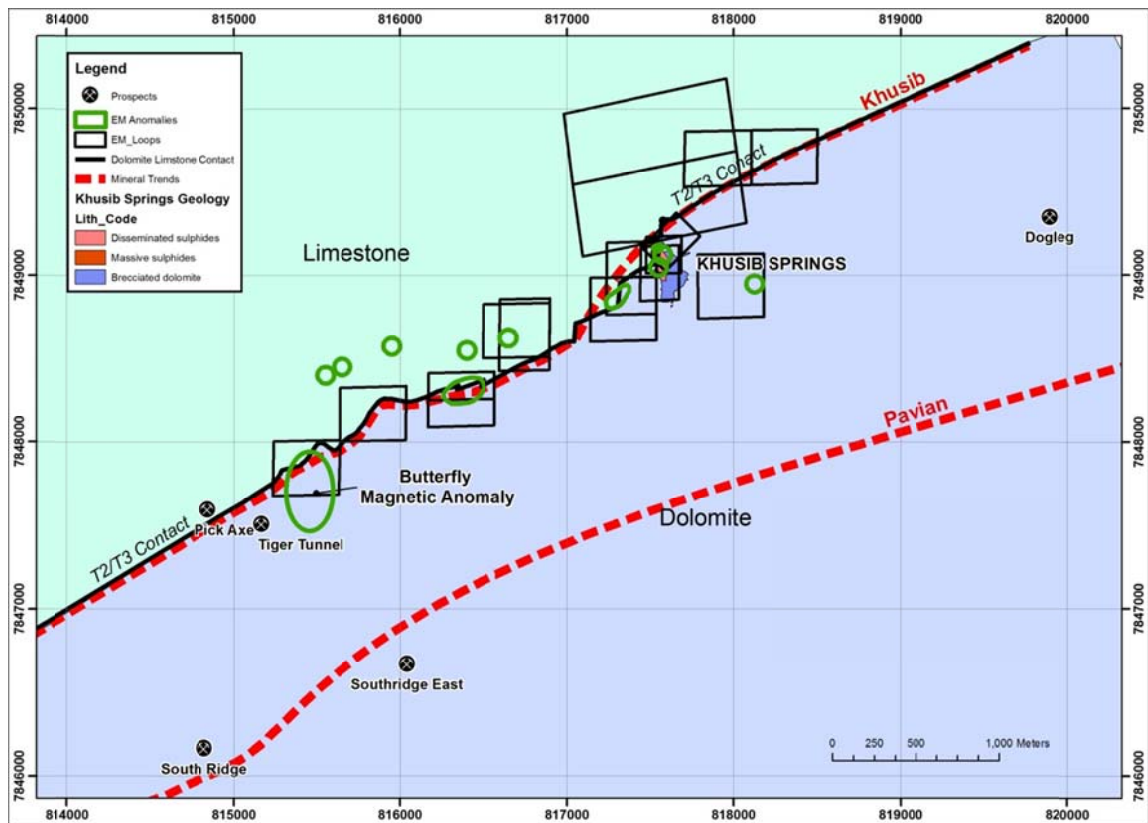


Figure 3 - Simplified geology of the Khusib Springs area showing locations of the Goldfields EM work and anomalies

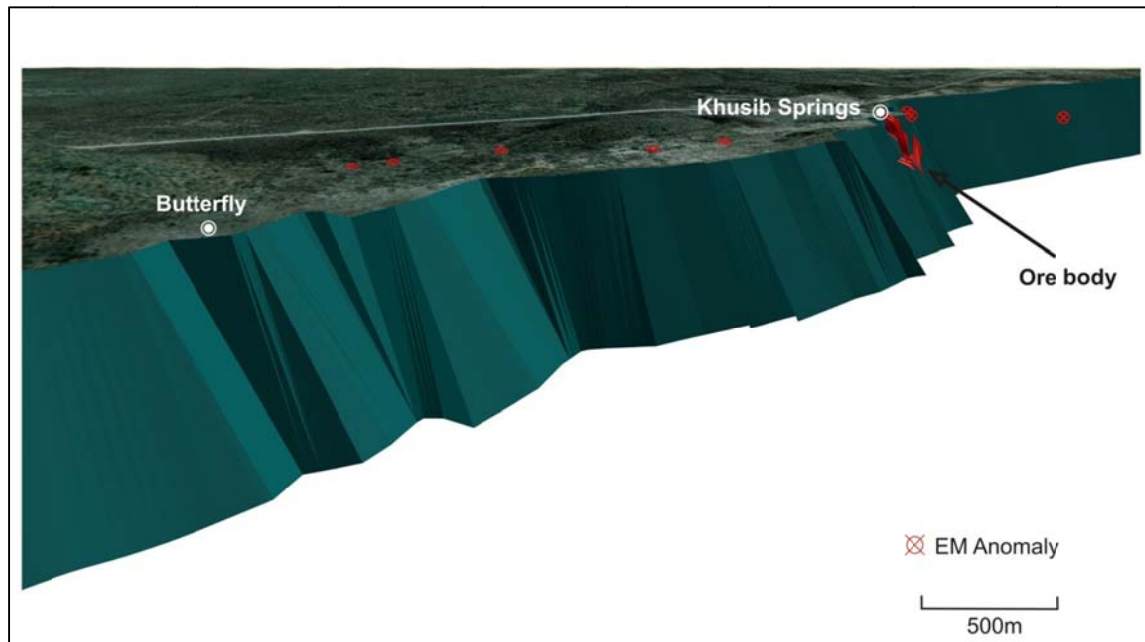


Figure 4 - Khusib Trend 3D modelling

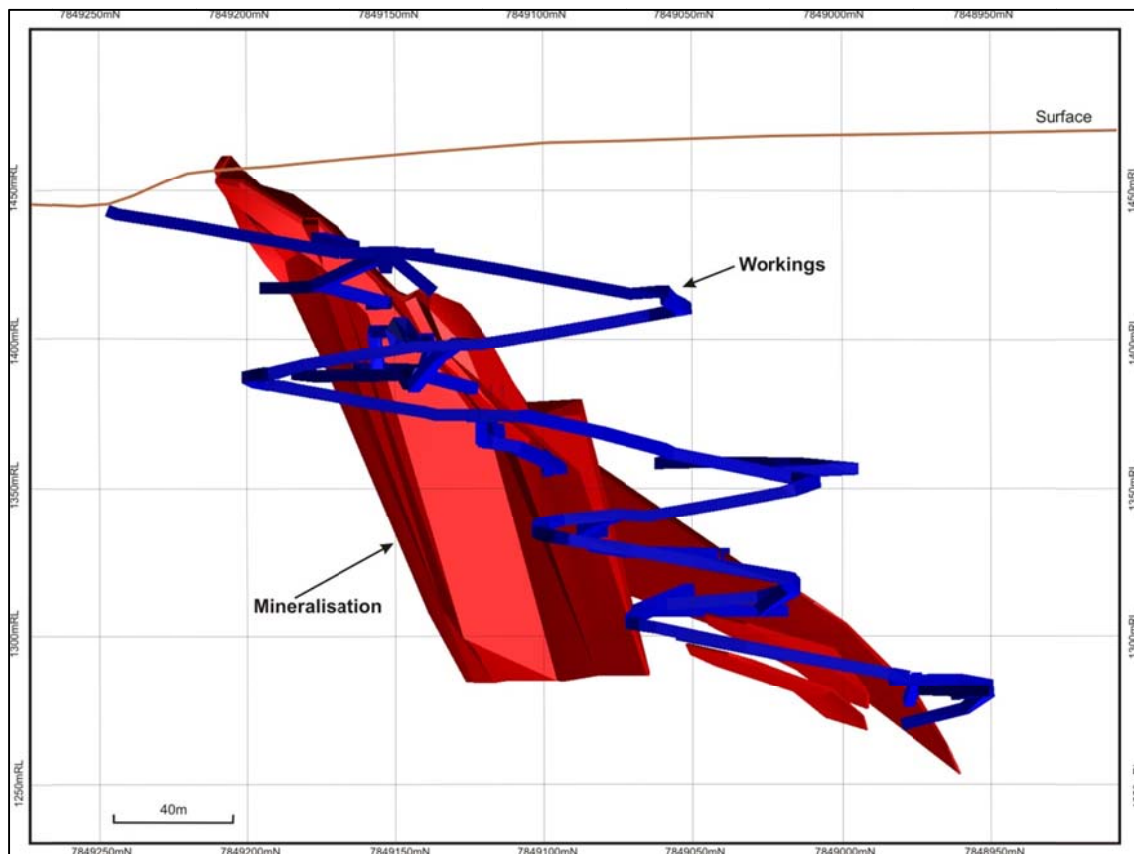


Figure 5 – 3D modelling of the Khusib Springs mine area

## 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.

Discussions continued for the sale of the project, which will allow the Company to focus on other core assets.

## 3 EASTERN VICTORIAN GOLD PROJECTS

No significant work was conducted on these projects during the quarter. The Company has now relinquished all of the Victorian licences to allow it to focus on other core assets.

**For further information please contact:**

Luke Marshall

Phone (08) 9481 7833

**Or consult our website:**

[www.goldendeepest.com](http://www.goldendeepest.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.

## **APPENDIX 1 – Schedule of 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	89	12/09/2006	80
			EPL 3744	18	28/08/2007	80
			EPL 3745	193	28/08/2007	80
			EPL 3743	120	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