

Golden Deeps Ltd

ABN 12 054 570 777

ANNUAL REPORT

2008

GOLDEN DEEPS LTD

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**GOLDEN DEEPS LTD
CORPORATE DIRECTORY**

DIRECTORS

Alexander Clemen
Michael Norburn
David Zukerman

AUDITORS

Grant Thornton (WA) Partnership
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

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Website: www.goldendeeps.com

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2 Reserve Bank Building
45 St. Georges Terrace
Perth WA 6000

Investor Enquiries: 1 300 557 010
Facsimile: (08) 9323 2033

SOLICITORS

Blakiston and Crabb
1202 Hay Street
West Perth WA 6005

STOCK EXCHANGE LISTING

Golden Deeps Ltd is listed on the
Australian Securities Exchange.

ASX code for shares: GED

GOLDEN DEEPS LTD REVIEW OF OPERATIONS

EXPLORATION

1. GARDEN GULLY (M 15/675), WESTERN AUSTRALIA

The Garden Gully tenement is located adjacent to the Coolgardie town site, on the Tindal's trend. Analysis of the Company's exploration data has shown several areas of potential ore grade mineralisation within the tenement area that require further drill testing.

Prospecting continues within the project area for near surface gold mineralisation.

2. BLUE FUNNEL (M 16/19), WESTERN AUSTRALIA

The Blue Funnel open pit is located on the Zuleika Shear, approximately 17 kilometres to the northeast of Kundana, and was mined in the late 1980s for **205,579 t @ 3.22 gpt Au**. The potential for additional resources below the existing pit floor is strong.

3. TWIN HILLS (M 29/21), WESTERN AUSTRALIA

The Twin Hills project is located 27 kilometres to the northeast of Menzies in the Eastern Goldfields. The historic Twin Hills mine hosted high-grade gold mineralisation and shows the potential for additional resources at depth and along strike.

A detailed analysis of the existing drill data showed the ore system plunging steeply to the southwest, and will require further drill testing.

4. KELIMAIZINA GOLD PROJECT, MADAGASCAR

A final evaluation of the Kelimaizina gold project was undertaken during the reporting period. A decision was taken not continue with exploration and the project was relinquished.

5. PROJECT GENERATION

The Company has an active programme of project generation and is assessing a number of properties, both in Australia and overseas for possible joint venture or acquisition and looks forward to updating shareholders as this programme proceeds.

COMPETENT PERSON DECLARATION

The information included in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Timothy Putt of Exploration and Mining Information Systems. Mr Putt has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which 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 Resources and Ore Reserves."

Mr Putt consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

GOLDEN DEEPS LTD DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Golden Deeps Ltd and its controlled entities, for the year ended 30 June 2008.

DIRECTORS

The following persons were Directors of Golden Deeps Ltd during the financial year and up to the date of this report:

Alex Clemen
Michael Norburn
David Zukerman

The Directors each held 500,000 options in the Company as at the date of this report.

PRINCIPAL ACTIVITIES

The principal continuing activities of the Company and its controlled entities are the exploration for mineral deposits and investments.

RESULTS

The consolidated loss for the financial year after providing for income tax amounted to \$1,173,757. (2007: profit \$147,793).

DIVIDENDS

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Company and its controlled entities during the financial year, other than as noted in this financial report.

CORPORATE

During the year the Company raised \$7,000 from the grant of options to Directors and consultants.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The Directors and Company Secretary were in office for the entire period. Set out below are their qualifications, experience, special responsibilities and holdings of shares and options:

DIRECTORS

- (i) Alexander Clemen, B.Sc (Hons), M.Aus.I.M.M.

Mr Clemen is a qualified geologist with over twenty five years experience in this field. He has worked for several large, international mining companies in various parts of the world and has

GOLDEN DEEPS LTD DIRECTORS' REPORT

experience in exploring for gold, base metals, industrial minerals and diamonds. During the past three years he has also served as a Director of Sabre Resources Ltd and Metals Australia 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. He was formerly a Director of Tiger Resources Ltd.

(iii) David Zukerman

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, and was formerly a Director of Tiger Resources Ltd.

COMPANY SECRETARY

Norman Grafton FCPA, FCIS was appointed Company Secretary on 4 October 2006. He 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. During the last three years, he held a Directorship in Orchid Capital Limited.

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)

2008

Key Management Personnel	Short-term Benefits		Share-based	Total
	Directors	Consulting	Options	
	Fees	Fees		
	\$	\$	\$	\$
A Clemen	14,000	-	43,500	57,500
M Norburn	14,000	-	43,500	57,500
D Zukerman	-	26,346	43,500	69,846
	<u>28,000</u>	<u>26,346</u>	<u>130,500</u>	<u>184,846</u>

**GOLDEN DEEPS LTD
DIRECTORS' REPORT**

2007

Key Management Personnel	Short-term Benefits		Share-based Payment	Total
	Directors Fees	Consulting Fees	Options	
	\$	\$	\$	
A Clemen	14,000	-	-	14,000
B McCullagh (resigned 4 October 2006)	3,815	17,372	-	21,187
M Norburn (appointed 4 October 2006)	10,500	-	-	10,500
D Zukerman	-	30,004	-	30,004
	28,315	47,376	-	75,691

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

The Company does not have any officers or senior executives, other than the Directors.

Non-executive Directors receive a fixed fee, with Executive Directors being remunerated for any professional services conducted for the Company.

Directors receive benefits in the form of share-based payments. On 13 November 2007, shareholders approved the grant of 500,000 unlisted options to each of the Directors at a cost of 0.1 cents per option. The options are exercisable at 12 cents per option at any time up to their expiration date of 30 September 2011.

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, executive or employee has an employment contract.

Being an exploration company with no earnings, a relationship is yet to be established between an emolument policy and the company's performance.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's board of directors during the year ended 30 June 2008 and the numbers of meeting attended were:

Name	Eligible to Attend	Attended
A Clemen	4	4
M Norburn	4	3
D Zukerman	4	4

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr Clemen retired by rotation as a director at the Annual General Meeting held on 13 November 2007 and was re-elected.

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

GOLDEN DEEPS LTD DIRECTORS' REPORT

RELEVANT INTEREST OF SHARES IN THE COMPANY

The Directors held no relevant interests in shares of the Company as at 30 June 2008.

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.

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 34.

NON AUDIT SERVICES

No other services were provided by Grant Thornton during the period.

This report is made in accordance with a resolution of the Directors.



D N Zukerman
DIRECTOR

Dated this thirtieth day of September 2008
Perth, Western Australia

**GOLDEN DEEPS LTD
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Consolidated		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Revenue					
Interest earned		174,523	97,771	174,523	97,771
Gain on sale of assets		-	3,054	-	3,054
		<u>174,523</u>	<u>100,825</u>	<u>174,523</u>	<u>100,825</u>
Expenses					
Loss/(profit) on share trading	4	224,001	(743,119)	224,001	(743,119)
Depreciation		2,563	2,947	2,563	2,947
Management fees		198,754	221,094	198,754	221,094
Exploration expenses		15,177	163,969	-	137,499
Directors fees and services		54,346	58,319	54,346	58,319
Option issues expensed		609,000	-	609,000	-
Other operating costs		54,281	66,414	54,281	66,414
Provision for non recovery of loan and expenditure incurred by subsidiary		-	-	15,177	26,470
Occupancy costs		190,158	145,408	190,158	145,408
Provision for rehabilitation		-	38,000	-	38,000
		<u>1,348,280</u>	<u>(46,968)</u>	<u>1,348,280</u>	<u>(46,968)</u>
Profit/(Loss) before income tax		(1,173,757)	147,793	(1,173,757)	147,793
Income tax	5	-	-	-	-
Profit/(Loss) after income tax	16	<u>(1,173,757)</u>	<u>147,793</u>	<u>(1,173,757)</u>	<u>147,793</u>
Earnings per share		2008 (cents)	2007 (cents)		
Basic earnings/(loss) per share	18	<u>(3.1)</u>	<u>0.4</u>		

Diluted earnings per share has no effect as compared to the Basic earnings per share.

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

**GOLDEN DEEPS LTD
BALANCE SHEET
AS AT 30 JUNE 2008**

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	8	2,193,602	1,415,348	2,193,602	1,415,348
Trade and other receivables	9	28,549	29,302	28,549	29,302
Other financial assets	12	-	1,325,000	-	1,325,000
TOTAL CURRENT ASSETS		<u>2,222,151</u>	<u>2,769,650</u>	<u>2,222,151</u>	<u>2,769,650</u>
NON-CURRENT ASSETS					
Plant and equipment	10	2,572	5,135	2,572	5,135
Exploration	11	-	-	-	-
Other financial assets	12	133,000	133,000	133,000	133,000
TOTAL NON-CURRENT ASSETS		<u>135,572</u>	<u>138,135</u>	<u>135,572</u>	<u>138,135</u>
TOTAL ASSETS		<u>2,357,723</u>	<u>2,907,785</u>	<u>2,357,723</u>	<u>2,907,785</u>
CURRENT LIABILITIES					
Trade and other payables	13	67,471	59,776	67,471	59,776
Provisions for rehabilitation		428,000	428,000	428,000	428,000
TOTAL CURRENT LIABILITIES		<u>495,471</u>	<u>487,776</u>	<u>495,471</u>	<u>487,776</u>
TOTAL LIABILITIES		<u>495,471</u>	<u>487,776</u>	<u>495,471</u>	<u>487,776</u>
NET ASSETS		<u>1,862,252</u>	<u>2,420,009</u>	<u>1,862,252</u>	<u>2,420,009</u>
EQUITY					
Issued capital	14	9,155,316	9,155,316	9,155,316	9,155,316
Share option reserve	15	871,060	255,060	871,060	255,060
Accumulated losses	16	(8,164,124)	(6,990,367)	(8,164,124)	(6,990,367)
TOTAL EQUITY		<u>1,862,252</u>	<u>2,420,009</u>	<u>1,862,252</u>	<u>2,420,009</u>

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

GOLDEN DEEPS LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

CONSOLIDATED ENTITY

	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 July 2006	9,139,520	255,060	(7,138,160)	2,256,420
Exercise of options	15,796	-	-	15,796
Profit for the year	-	-	147,793	147,793
Balance as at 30 June 2007	9,155,316	255,060	(6,990,367)	2,420,009
Grant of options	-	616,000	-	616,000
Loss for the year	-	-	(1,173,757)	(1,173,757)
Balance as at 30 June 2008	<u>9,155,316</u>	<u>871,060</u>	<u>(8,164,124)</u>	<u>1,862,252</u>

PARENT ENTITY

	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 July 2006	9,139,520	255,060	(7,138,160)	2,256,420
Exercise of options	15,796	-	-	15,796
Profit for the year	-	-	147,793	147,793
Balance as at 30 June 2007	9,155,316	255,060	(6,990,367)	2,420,009
Grant of options	-	616,000	-	616,000
Loss for the year	-	-	(1,173,757)	(1,173,757)
Balance as at 30 June 2008	<u>9,155,316</u>	<u>871,060</u>	<u>(8,164,124)</u>	<u>1,862,252</u>

The accompanying notes form part of these financial statements

GOLDEN DEEPS LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Cashflow from operating activities					
Payments to suppliers		(495,053)	(623,448)	(479,876)	(596,978)
Interest received		165,308	97,771	165,308	97,771
Net cash outflow from operating activities	17	<u>(329,745)</u>	<u>(525,677)</u>	<u>(314,568)</u>	<u>(499,207)</u>
Cashflow from investing activities					
Purchase of fixed assets		-	(4,627)	-	(4,627)
Sale of shares		600,999	608,119	600,999	608,119
Repayment of loan for proposed investment		500,000	(500,000)	500,000	(500,000)
Investment in ASX listed options		-	(10,000)	-	(10,000)
Proceeds from sale of fixed assets		-	3,054	-	3,054
Advances to subsidiaries		-	-	(15,177)	(26,470)
Net cash inflow/(outflow) from investing activities		<u>1,100,999</u>	<u>96,546</u>	<u>1,085,822</u>	<u>70,076</u>
Cashflow from financing activities					
Exercise of options		-	15,796	-	15,796
Grant of options		7,000	-	7,000	-
Net cash inflow from financing activities		<u>7,000</u>	<u>15,796</u>	<u>7,000</u>	<u>15,796</u>
Net increase/(decrease) in cash and cash equivalents held		778,254	(413,335)	778,254	(413,335)
Cash and cash equivalents at the beginning of the financial year		<u>1,415,348</u>	<u>1,828,683</u>	<u>1,415,348</u>	<u>1,828,683</u>
Cash and cash equivalents at the end of the financial year	8	<u>2,193,602</u>	<u>1,415,348</u>	<u>2,193,602</u>	<u>1,415,348</u>

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

GOLDEN DEEPS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1. CORPORATE INFORMATION

The financial report of Golden Deeps Ltd (the Company) for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on 30th September 2008.

Golden Deeps Ltd is a company limited by shares incorporated in Australia whose shares 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* and Australian Accounting Standards. 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 Accounting standards and interpretation

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 6 AASB 107 AASB 127 AASB 134 AASB 136	Exploration for and Evaluation of Mineral Resources Cash Flow Statements Consolidated and Separate Financial Statements Interim Financial Reporting Impairment of Assets	1.1.2009	1.7.2009
AASB 8 Operating Segments	AASB 114	Segment Reporting As above	1.1.2009	1.7.2009

GOLDEN DEEPS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Golden Deeps Ltd has control.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately for the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(e) Interest in joint venture operation

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.

(f) Foreign currency translation

Both the functional and presentation currency of Golden Deeps Ltd and all its subsidiaries is Australian dollars (A\$).

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 balance sheet date.

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

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 Ltd at the rate of exchange ruling at the balance sheet date and the income statements 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 income statement.

(g) 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

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.

GOLDEN DEEPS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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

(h) 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.

Goodwill 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.

(i) 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.

GOLDEN DEEPS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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.

(j) 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 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 balance sheet 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 judgemental inputs to a minimum.

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(k) Exploration and Development Expenditure

Exploration, evaluation and development 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.

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.

(l) 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.

(m) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(n) 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 income statement 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.

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Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) 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 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 Ltd (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.

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 balance sheet date up to and including the settlement date with changes in fair value recognised in profit or loss.

(p) 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:

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.

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.

Dividends

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

(q) Income tax

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

GOLDEN DEEPS LTD
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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,
- 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 balance sheet 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 balance sheet date.

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

(r) 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 balance sheet.

Cash flows are included in the Cash Flow Statement 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.

GOLDEN DEEPS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

(s) 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.

(t) 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.

(u) 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
- 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.

(v) Comparatives

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

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 Income Statement. 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.

(c) Exploration expenditure

The Group determines whether exploration expenditure is impaired on at least an annual basis based on historical information and best available current information. This requires an estimation of the recoverable amount as discussed in note 2 (k)

GOLDEN DEEPS LTD
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(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) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included in note 10.

4. Revenue

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Proceeds on sale of shares	600,999	608,119	600,999	608,119
Cost of shares sold	(434,705)	(505,000)	(434,705)	(505,000)
Cumulative change in fair value of investments held for trading	(390,295)	640,000	(390,295)	640,000
(Loss)/profit on share trading	<u>(224,001)</u>	<u>743,119</u>	<u>(224,001)</u>	<u>743,119</u>

5. Income Tax

	Consolidated	Parent Entity
	2008	2008
	\$	\$
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%	(356,680)	(352,127)
Add:		
Tax effect of:		
Other non-allowable items	187,284	187,283
Other assessable items	117,089	117,089
Provisions	(1,050)	(1,050)
Deferred tax asset not brought to account	<u>55,698</u>	<u>51,145</u>
	<u>359,021</u>	<u>354,467</u>

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Less:

Tax effect of:

Capital raising costs	(2,400)	(2,400)
Income accruals	60	60
	<u>(2,340)</u>	<u>(2,340)</u>
Income tax attributable to entity	<u>-</u>	<u>-</u>
Unrecognised deferred tax assets		
Unrecognised deferred tax asset losses	852,230	847,677
Unrecognised deferred tax asset equity	4,800	4,800
	<u>857,030</u>	<u>852,477</u>

The benefits 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
- (iii) No changes in tax legislation adversely affect the companies in realising the benefits from the deductions for the losses.

6. Auditor's Remuneration

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Amounts received or due and receivable by the Company's auditors for:-				
Auditing the Company's financial statements	16,698	18,185	16,698	18,185
Other services to the Company by the previous auditors Stanton International	3,561	1,770	3,561	1,770
	<u>20,259</u>	<u>19,955</u>	<u>20,259</u>	<u>19,955</u>

7. Key Management Personnel

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

Key Management Person	Position
A Clemen	Non executive Director
M Norburn	Non executive Director
D Zukerman	Executive Director

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report

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(b) **Options and Rights Holdings**

Number of Options Held by Key Management Personnel

	Balance 1 July 2007	Granted as Compensation	Options Exercised	Net Change Other
A Clemen	-	500,000	-	-
M Norburn	-	500,000	-	-
D Zukerman	-	500,000	-	-
Total	-	1,500,000	-	-

Number of Options Held by Key Management Personnel

	Balance 30 June 2008	Total Vested 30 June 2008	Total Exer- cisable 30 June 2008	Total Unexer- cisable 30 June 2008
A Clemen	500,000	500,000	500,000	-
M Norburn	500,000	500,000	500,000	-
D Zukerman	500,000	500,000	500,000	-
Total	1,500,000	1,500,000	1,500,000	-

8. Cash and Cash Equivalents

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Represented by:				
Bank deposit maturing within three months	700,000	1,300,000	700,000	1,300,000
Bank deposit maturing after three months	1,300,000	-	1,300,000	-
Cash at bank	193,602	115,348	193,602	115,348
	<u>2,193,602</u>	<u>1,415,348</u>	<u>2,193,602</u>	<u>1,415,348</u>

9. Trade and Other Receivables

Current

Represented by:

Other debtors	<u>28,549</u>	<u>29,302</u>	<u>28,549</u>	<u>29,302</u>
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10. Plant and Equipment

Plant and Equipment, at cost	11,934	11,934	11,934	11,934
Less: cost of items scrapped	(6,767)	-	(6,767)	-
accumulated depreciation	(2,595)	(6,799)	(2,595)	(6,799)
	<u>2,572</u>	<u>5,135</u>	<u>2,572</u>	<u>5,135</u>

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Movement:				
Opening written down value	5,135	3,455	5,135	3,455
Additions	-	4,627	-	4,627
Depreciation	<u>(2,563)</u>	<u>(2,947)</u>	<u>(2,563)</u>	<u>(2,947)</u>
Closing written down value	<u><u>2,572</u></u>	<u><u>5,135</u></u>	<u><u>2,572</u></u>	<u><u>5,135</u></u>

11. Exploration Expenditure

Opening balance	-	-	-	-
Exploration expenditure	15,177	163,969	-	137,499
Exploration expenditure written off	<u>(15,177)</u>	<u>(163,969)</u>	<u>-</u>	<u>(137,499)</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The company's 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 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.

12. Other Financial Assets

Current

Loan	-	500,000	-	500,000
Listed investments at market value	<u>-</u>	<u>825,000</u>	<u>-</u>	<u>825,000</u>
	<u><u>-</u></u>	<u><u>1,325,000</u></u>	<u><u>-</u></u>	<u><u>1,325,000</u></u>

Non-Current

Investment in subsidiary, at cost	-	-	1,028,327	1,028,327
Less: provision for diminution	-	-	(1,028,327)	(1,028,327)
Investment in subsidiary, at cost	-	-	-	1,500
Less: provision for diminution	-	-	-	(1,500)
Loans to subsidiary	-	-	2,125,236	2,111,440
Less: provision for non-recovery	-	-	(2,125,236)	(2,111,440)
Deposit guarantees	<u>133,000</u>	<u>133,000</u>	<u>133,000</u>	<u>133,000</u>
	<u><u>133,000</u></u>	<u><u>133,000</u></u>	<u><u>133,000</u></u>	<u><u>133,000</u></u>

13. Trade and other Payables

Current

Payables	<u>67,471</u>	<u>59,776</u>	<u>67,471</u>	<u>59,776</u>
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GOLDEN DEEPS LTD
NOTES TO THE FINANCIAL STATEMENTS
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14. Issued Capital

Movement in ordinary share capital of the Company during the last two years

Date	Details	Number of Shares	Issue Price (cents)	Amount \$
1 July 2006	Balance	38,340,020		9,139,520
1 March 2007	Options exercised	105,302	0.15	15,796
30 June 2007	Balance	38,445,322		9,155,316
30 June 2008	Balance	38,445,322		9,155,316

Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and 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. These responses include distributions to shareholders and share issues.

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

15. Share Option Reserve

Date	Details	Number of Options	Unit Price (cents)	Amount \$
1 July 2006	Balance	27,506,018		255,060
1 March 2007	Options exercised	(105,302)		-
1 March 2007	Options expired	(25,400,716)		-
30 June 2007	Balance	2,000,000		255,060
9 August 2007	Grant of options	5,500,000	8.8	484,000
13 December 2007	Grant of options to Directors	1,500,000	8.8	132,000
30 June 2008	Balance	9,000,000		871,060

Should the options not be exercised, capital gains tax may be assessed against the funds contributed.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Accumulated Losses

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Accumulated losses at the beginning of the year	(6,990,367)	(7,138,160)	(6,990,367)	(7,138,160)
Profit/(Loss) for year	<u>(1,173,757)</u>	<u>147,793</u>	<u>(1,173,757)</u>	<u>147,793</u>
Accumulated losses at the end of the financial year	<u>(8,164,124)</u>	<u>(6,990,367)</u>	<u>(8,164,124)</u>	<u>(6,990,367)</u>

17. Cashflow Information

Operating profit/(loss) after income tax	(1,173,757)	147,793	(1,173,757)	147,793
Revaluation of investments	390,295	(640,000)	390,295	(640,000)
Surplus on sale of shares	(166,294)	(103,119)	(166,294)	(103,119)
Gain on disposal of fixed assets	-	(3,054)	-	(3,054)
Grant of options	609,000	-	609,000	-
Depreciation of plant & equipment	2,563	2,947	2,563	2,947
Increase in rehabilitation provision	-	38,000	-	38,000
Provision for doubtful debts	-	-	15,177	26,470
Decrease/(increase) in receivables	753	(6,990)	753	(6,990)
(Decrease)/increase in trade & other payables	<u>7,695</u>	<u>38,746</u>	<u>7,695</u>	<u>38,746</u>
Net cash used by operating activities	<u>(329,745)</u>	<u>(525,677)</u>	<u>(314,568)</u>	<u>(499,207)</u>

18. Earnings per share

	2008 Number	2007 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	<u>38,445,322</u>	<u>38,372,908</u>
Options to purchase ordinary shares not exercised at June 30, 2008 have not been included in the determination of basic earnings per share. Diluted profit per share has not been disclosed, as it does not show a position which is inferior to basic earnings per share.		
	2008	2007
Profit/(loss) per share - cents	<u>(3.1)</u>	<u>0.4</u>

19. 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:

GOLDEN DEEPS LTD
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	Floating Interest Rate		Non-Interest Bearing		TOTAL	
	2008	2007	2008	2007	2008	2007
	0.00% - 8.05%	1.95% - 6.60%				
Financial Assets	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	893,602	1,415,348	-	-	893,602	1,415,348
Bank deposit over 3 months	1,300,000	-	-	-	1,300,000	-
Receivables	133,000	133,000	28,549	29,302	161,549	162,302
Loan	-	-	-	500,000	-	500,000
Investment in listed entities	-	-	-	825,000	-	825,000
Total Financial Assets	2,326,602	1,548,348	28,549	1,354,302	2,355,151	2,902,650
Financial Liabilities						
Trade and other payables	-	-	(67,471)	(59,776)	(67,471)	(59,776)
Net Financial Assets	2,326,602	1,548,348	(38,922)	1,294,526	2,287,680	2,842,874

Reconciliation of Financial Assets to Net Assets

	Consolidated	
	2008	2007
	\$	\$
Net financial assets	2,287,680	2,842,874
Exploration expenditure	-	-
Equipment	2,572	5,135
Provision for rehabilitation	(428,000)	(428,000)
Net assets	1,862,252	2,420,009

(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 balance sheet 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's active exposure to foreign currency is confined to services procured through the Madagascar subsidiary. 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.

GOLDEN DEEPS LTD
NOTES TO THE FINANCIAL STATEMENTS
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(e) 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 2008, 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 Group		Parent Entity	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Change in profit				
- Increase in interest rate by 2%	40	28	40	28
- Decrease in interest rate by 2%	(40)	(28)	(40)	(28)
Change in Equity				
- Increase in interest rate by 2%	40	28	40	40
- Decrease in interest rate by 2%	(40)	(28)	(28)	(28)

20. Investment in controlled entities

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding (%)		Book Value of Investment		Contribution to Consolidated Result	
			2008 %	2007 %	2008 \$	2007 \$	2008 \$	2007 \$
Cerep Pty Ltd	Australia	Ordinary	100	100	-	-	(15,177)	(25,089)
Lynx Resources SA	Madagascar	Ordinary	100	100	-	-	-	(1,381)

21. Related Parties

Wholly owned subsidiary Cerep Pty Ltd has been loaned \$2,125,236 to date, to conduct exploration.

All transactions with Directors are disclosed in Note 7.

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NOTES TO THE FINANCIAL STATEMENTS
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22. Segment Reporting

The group operates in the resources industry in Western Australia, and no longer operates in Madagascar. It is intended to dispose of Lynx Resources SA in the near future.

	Australia		Madagascar		Consolidated	
	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Revenue	775,522	708,944	-	-	775,522	708,944
Share of net profit/(loss)	(1,173,757)	149,174	-	(1,381)	(1,173,757)	147,793
Income tax expense	-	-	-	-	-	-
Net profit/(loss) after tax	(1,173,757)	149,174	-	(1,381)	(1,173,757)	147,793
Segment assets	2,357,723	2,907,785	-	-	2,357,723	2,907,785
Segment liabilities	(495,471)	(487,776)	-	-	(495,471)	(487,776)
Net assets	1,862,252	2,420,009	-	-	1,862,252	2,420,009

23. 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. Over the next five years this amounts to \$155,000, as follows:

Year Ending 30 June	Amount \$
2009	31,000
2010	31,000
2011	31,000
2012	31,000
2013	31,000
	155,000

(ii) Management Agreement

The Company has an agreement with a management service company for the provision of services at \$214,259 per annum plus CPI. Charges are at commercial terms in accordance with the agreement entered into on 14 November 2007 for a five year term.

24. Contingent Liabilities

No contingent liability exists for termination benefits under service agreements with directors or persons who take part in the management of the company. There are no contingent liabilities as at 30 June 2008.

GOLDEN DEEPS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

25. Share based payment plan

During the year, the Company granted the following options to Directors and consultants:

- (1) 1,500,000 unlisted options to Directors, at an issue price of 0.1 cents each, an exercise price of 12 cents each, and expiring on 30 September 2011. The options were fair-valued at 8.8 cents per option, and vested immediately at date of grant.

The fair value of the options granted has been calculated using the Black Scholes option pricing model as follows:

Weighted average exercise price	12 cents
Weighted average life of options	3.8 years
Underlying share price	8.5 cents
Expected volatility	167 %
Risk free interest rate	6.75%

- (2) 5,500,000 unlisted options to consultants, at an issue price of 0.1 cents each, an exercise price of 12 cents each, and expiring on 30 September 2011. The options were fair-valued at 8.8 cents per option, and vested immediately at date of grant.

The fair value of the options granted has been calculated using the Black Scholes option pricing model as follows:

Weighted average exercise price	12 cents
Weighted average life of options	3.8 years
Underlying share price	8.5 cents
Expected volatility	167%
Risk free interest rate	6.75%

None of the above options had been exercised up to 30 June 2008.

The fair value of the options granted has been calculated using the Black Scholes option pricing model.

Historical volatility has been the basis of determining expected share price volatility and it is assumed that this is indicative of future trends, which may not eventuate.

The life of option is based on the historical exercise patterns, which may not eventuate in the future.

The expense recognised in respect of the options issued during the year is shown in the table below.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Expense arising from equity settled share-based payment transactions for:				
(a) Directors	130,500	-	130,500	-
(b) Consultants	478,500	-	478,500	-
	<u>609,000</u>	<u>-</u>	<u>609,000</u>	<u>-</u>

GOLDEN DEEPS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

26. Summary of Options Granted

The following table sets out the number and exercise price of, and movements in, share options granted during the year.

	2008		2007	
	Number	Exercise Price (cents)	Number	Exercise Price (cents)
Outstanding at beginning of the year	2,000,000	10.0	27,506,018	14.6 (Average)
Granted during the year	7,000,000	12.0	-	
Expired during the year	-		(25,400,716)	15.0
Exercised during the year	-		(105,302)	15.0
Outstanding at end of the year	<u>9,000,000</u>	11.6 (Average)	<u>2,000,000</u>	10.0

The outstanding balance as at 30 June 2008 was comprised of:

- (i) 2,000,000 options over ordinary shares, with an exercise price of 10 cents each, exercisable at any time up to 30 June 2009;
- (ii) 7,000,000 options over ordinary shares, with an exercise price of 12 cents each, exercisable at any time up to 30 September 2011.

The weighted average remaining contractual life for the share options outstanding at 30 June 2008 was 2.75 years (2007: 2.0 years).

The range of exercise price for options outstanding at the end of the year was 10 to 12 cents (2007: 10 cents).

The weighted average fair value of options granted during the year was 12 cents (2007: none granted).

27. 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.

**GOLDEN DEEPS LTD
DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 30 are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards, the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the Company and consolidated group.

2. The Chief Executive Officer and Chief Financial Officer have each declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.

3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



D N Zukerman
DIRECTOR

Dated this thirtieth day of September 2008
Perth,
Western Australia

**INDEPENDENT AUDITOR'S REPORT
To the members of Golden Deeps Limited**

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Report on the Financial Report

We have audited the accompanying financial report of Golden Deeps Limited (the company) which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. These Auditing Standards require that we 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity'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 opinions.

Electronic Presentation of Audited Financial Report

This auditor's report relates to the financial report of Golden Deeps Limited for the year ended 30 June 2008 included on the company's web site. The company's directors are responsible for the integrity of the company's web site. We have not been engaged to report on the integrity of the company's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site

Independence

In conducting our audit, we complied with applicable 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 company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 5 in the Directors' Report for the year ended 30 June 2008. 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

In our opinion the Remuneration Report of Golden Deeps Limited for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants



P W WARR
Partner

Perth, 30 September 2008

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**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 2008, 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 (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP

Chartered Accountants

P. Warr.

P W WARR

Partner

Perth, 30 September 2008

**GOLDEN DEEPS LTD
AND ITS CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT**

INTRODUCTION

Golden Deeps Ltd 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 :

- Corporate Governance Disclosures and explanations;
- Statement of Board and Management Functions;
- Nomination Committee Charter;
- Policy and Procedure for Selection and Appointment of New Directors;
- Code of Conduct for Company Executives;
- Policy for Trading in Company Securities;
- Audit Committee Charter;
- Procedure for Selection, Appointment and Rotation of External Auditor;
- Summary of Compliance Procedures for ASX Listing Rule Disclosure;
- Shareholder Communication Strategy;
- Company's Risk Management Policy and Internal Compliance and Control System;
- Statement of process for performance evaluation of the Board, Board committees, individual Directors and key executives;
- Remuneration Committee Charter; and
- Corporate Code of Conduct.

**GOLDEN DEEPS LTD
AND ITS CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT**

EXPLANATIONS FOR DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS

During the Company's 2007/2008 financial year the Company complied with each of the Ten Essential Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("**ASX Principles and Recommendations**"), other than in relation to the matters specified below.

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
1	1.1	The functions of management were not disclosed prior to the Board formalising providing its Statement of Board and Management Functions on 28 June 2004. It disclosed these functions on the website in September 2004.	Separate functions of the Board and management existed and were practised prior to the formal adoption of the Statement of Board and Management Functions on 28 June 2004.
2	2.1	The Chairman does not satisfy the Independence Test.	While the Board recognises the importance of independence in decision making, it does not comply with best practice recommendation 2.2 as Mr Zukerman, the current Chairman, does not satisfy paragraphs 3 and 4 of the test of independence set out in box 2.1 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations ("Independence Test"). The Board believes that Mr Zukerman is the most appropriate person for the position as Chairman because of his industry experience. Additionally, the Board has appointed Mr Clemen as the lead independent Director to facilitate any areas where it is inappropriate for Mr Zukerman to do so.

**GOLDEN DEEPS LTD
AND ITS CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT**

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
2	2.2	The Company does not have a Chief Executive Officer and delegates the day to day management of the Company to a management services company. Mr Zukerman is both the Chairman of the Company, a member of the Executive and a consultant to the management services company. The Company therefore considers that for the purposes of best practice recommendation 2.3, Mr Zukerman's position is the equivalent of a Chief Executive Officer.	While the Company recognises that the ASX recommends that the same individual does not hold these two positions, the existing structure is considered appropriate in light of the small scale of the Company and its economic restrictions. The Board has also appointed Mr Clemens as the lead independent Director to facilitate those areas when it is inappropriate for Mr Zukerman to do so.
2	2.3	A separate Nomination Committee has not been formed.	Given that the Board comprises only three members, it was decided that no efficiencies would be achieved by establishing a separate Nomination Committee. The whole Board carries out the duties which would otherwise be undertaken by the nomination committee and each member excludes himself from matters in which he has a material personal interest and otherwise ensures compliance with all aspects of the <i>Corporations Act</i> in relation to related party transactions.
3	3.1	A Code of Conduct was formalised and adopted by the Company on 28 June 2004.	Prior to 28 June 2004 the Board considers that its business practices, as led by the example of Board and key executives, were the equivalent of a code of conduct. These practices are now reflected in the Code of Conduct adopted by the Company on 28 June 2004.
3	3.2	The Company adopted a written securities trading policy on 28 June 2004.	Although prior to 28 June 2004 there was no written policy, there was an understanding as to when it was appropriate for trading in securities to occur. This understanding has been formulated into the Company's written securities trading policy which was disclosed on the website in September 2004.

**GOLDEN DEEPS LTD
AND ITS CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT**

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
4	4.2; 4.3	A separate Audit Committee has not been formed. The full Board carries out the functions of an Audit Committee which is not in compliance with the criteria specified in the best practice recommendation 4.3.	Due to the small size and structure of the Board, it was decided that no efficiencies would be achieved by establishing a separate Audit Committee. The whole Board carries out the duties of the Audit Committee. In so acting, the whole Board follows the Audit Committee Charter, a copy of which is available on the Company's website. Mr Zukerman meets the requirements of financial literacy, expertise and industry experience.
4	4.4	The Company adopted a formal Audit Committee charter on 28 June 2004.	Prior to 28 June 2004, all the Board members considered audit issues to ensure compliance with statutory responsibilities relating to accounting policy disclosure, on an informal basis.
5	5.1	Until 28 June 2004, there were no written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for the compliance.	Informal procedures were in place prior to 28 June 2004, which have been formulated into the written policies and procedures.
6	6.1	The Company's shareholders' communication strategy was designed and disclosed in a formal way on 28 June 2004.	The Company has a positive strategy to communicate with shareholders and actively promote shareholder involvement in the Company. It has continued to increase and improve the information available to shareholders on its website. The Company's formal strategy was documented in the last quarter of the Reporting Period and disclosed on the website in September 2004.
7	7.1	On 28 June 2004, the Company adopted a framework for formal policies and procedures to identify financial and operating risks, and to effectively manage and communicate to the Board.	Prior to 28 June 2004, the Board had informal policies and procedures in place which have been documented and reflected in the formal policies and procedures.

**GOLDEN DEEPS LTD
AND ITS CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT**

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
8	8.1	The process for performance evaluation of the Board, its committees and individual Directors and key executives was disclosed on the website in September 2004.	An informal review is carried out by the Chairman.
9	9.1	The Company's remuneration policy was disclosed on the website in September 2004.	Although the policy was not formally disclosed, it did exist and was applied during the Reporting Period.
9	9.2	The Company has not established a separate Remuneration Committee. The Company adopted the Remuneration Committee Charter on 28 June 2004.	The Board considers that due to its small size, all members should be involved in determining remuneration levels. Instead, time is set aside at two Board meetings each year specifically to address the matters usually considered by a Remuneration Committee and function in accordance with the Remuneration Committee Charter. Executive Directors absent themselves during discussion of their remuneration.
10	10.1	A code of conduct was adopted on 28 June 2004 and disclosed on the website in September 2004.	Although until 28 June 2004 there was no code of conduct documented or disclosed, the Board considered its business practices, as led by the example of the Board and key executives, were the equivalent of a code of conduct. The Company has now documented these practices and principles into a written code of conduct.

SKILLS, EXPERIENCE, EXPERTISE AND TERM OF OFFICE OF EACH DIRECTOR

A profile of each Director containing the applicable information is set out in the Directors' Report.

IDENTIFICATION OF INDEPENDENT DIRECTORS

The independent Directors of the Company are Messrs Alexander Clemen and Michael Norburn.

STATEMENT CONCERNING AVAILABILITY OF INDEPENDENT PROFESSIONAL ADVICE

If the Directors consider it necessary to obtain independent professional advice to properly discharge the responsibility of their office as Directors, then provided the Director first obtains approval for incurring such expense from the chairperson, the Company will pay the reasonable expenses associated with obtaining such advice.

**GOLDEN DEEPS LTD
AND ITS CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT**

NAMES OF NOMINATION COMMITTEE MEMBERS AND THEIR ATTENDANCE AT COMMITTEE MEETINGS

The full Board carries out the functions of a nomination committee in accordance with the Nomination Committee Charter.

Relevant issues were dealt with at the regular Board meetings on an as required basis.

NAMES AND QUALIFICATIONS OF AUDIT COMMITTEE MEMBERS

The full Board carries out the functions of an audit committee in accordance with the Audit Committee Charter. The following director has relevant financial and industry experience:

David Zukerman

Mr Zukerman joined the Board in 2003 and has an accounting and finance background. He has held a number of directorships in Australia and Asia during the past 25 years.

NUMBER OF AUDIT COMMITTEE MEETINGS

During the Reporting Period the full Board conducted informal reviews of the Company's accounts on a six monthly basis.

CONFIRMATION WHETHER PERFORMANCE EVALUATION OF THE BOARD AND ITS MEMBERS HAVE TAKEN PLACE AND HOW CONDUCTED

During the Reporting Period a formal evaluation of the Board and its members was not carried out. With a Board of three members, informal evaluation is conducted on an ongoing basis.

COMPANY'S REMUNERATION POLICIES

The full Board carries out the functions of a remuneration committee in accordance with the Remuneration Committee Charter. The level of fees paid to Directors is influenced by comparing fees paid to directors of other companies within the exploration industry and then set at a level to attract qualified people to accept the responsibilities of directorship.

Directors are remunerated on a fixed fee basis, and are also remunerated for any other professional services conducted for the Company. Directors do not receive performance based remuneration, but do receive equity based remuneration.

NAMES OF REMUNERATION COMMITTEE MEMBERS AND THEIR ATTENDANCE AT COMMITTEE MEETINGS.

The full Board considers the issue of remuneration on an ongoing basis.

EXISTENCE AND TERMS OF ANY SCHEMES FOR RETIREMENT BENEFITS FOR NON-EXECUTIVE DIRECTORS

The Company does not have any schemes for retirement benefits for non-executive Directors.

**GOLDEN DEEPS LTD
AND ITS CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT**

Board Structure

Name of Director	Year Appointed	Executive	Non-Executive	Independent	Seeking re-election at 2008 AGM
A Clemen	2000	NO	YES	YES	NO
M Norburn	2006	NO	YES	YES	YES
D Zukerman	2003	YES	NO	NO	NO

**GOLDEN DEEPS LTD
SHAREHOLDER INFORMATION**

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

1. SHAREHOLDING

(a) Distribution of Shareholders as at 25 September 2008:

Size of Holding	Number of Holders	Shares Held	%
1 - 1,000	112	36,963	0.10
1,001 - 5,000	56	141,966	0.37
5,001 - 10,000	56	489,982	1.27
10,001 - 100,000	116	4,826,225	12.55
100,001 - and over	48	32,950,186	85.71
	<u>388</u>	<u>38,445,322</u>	<u>100.00</u>

(b) The twenty largest shareholders as at 25 September 2008 representing 68.50% of paid up capital were:

Name of Holder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Metals Australia Ltd	5,000,000	13.01
Coniston Pty Ltd	4,150,000	10.79
Kalgoorlie Mine Management Pty Ltd	4,000,000	10.40
ANZ Nominees Ltd <Cash Income A/C>	3,339,962	8.69
Graham G & Thelma J Walker <Walker Super A/c>	1,000,000	2.60
Paso Holdings Pty Ltd	923,927	2.40
Arthur Carbo	800,000	2.08
Heaver Group Ltd	600,000	1.56
Herlequin Investments Ltd	600,000	1.56
L C Asia Ltd	600,000	1.56
Nelbent Finance Ltd	600,000	1.56
Sancoast Pty Ltd	600,000	1.56
Tripura Ltd	600,000	1.56
Graham G & Thelma J Walker	600,000	1.56
Brian Garfield Bengier	585,000	1.52
Toltec Holdings Ltd	551,155	1.43
Robert G & Karen F Paddon	470,000	1.22
Pio Services Ltd	458,464	1.19
Clapsy Pty Ltd	451,615	1.17
Nefco Nominees Pty Ltd	416,000	1.08
Total	<u>26,346,123</u>	<u>68.50</u>

GOLDEN DEEPS LTD 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	8,150,000	21.19
Metals Australia Ltd	5,000,000	13.01

(d) There exist 194 shareholders with unmarketable parcels of shares.

(e) Options

(i) As at 25 September 2008, there was one optionholder with 2,000,000 options exercisable at 10 cents each, on or before 30 June 2009.

(ii) As at 25 September 2008, there were eight optionholders with a total of 7,000,000 options exercisable at 12 cents each, on or before 30 September 2011.