



Golden Deeps Ltd

ABN 68 003 043 570

Notice of Annual General Meeting

Explanatory Statement

and

Proxy Form

11:30 am (*WDT*) on Tuesday 13 November 2007
Celtic Club, 48 Ord Street, West Perth, Western Australia

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Members of Golden Deeps Ltd (GED or the Company) will be held on Tuesday, 13 November 2007 commencing at 11:30am (Australian Western Daylight Time) at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes in more detail the matters to be considered. Terms used in this Notice of Annual General Meeting have the meaning given to them in the "Definitions" section contained in the Explanatory Statement.

AGENDA

BUSINESS OF THE MEETING

1. Accounts and reports

To receive and consider the financial statements and the reports of the directors and the auditors for the year ended 30 June 2007.

2. Resolution 1 – Non Binding Resolution to adopt the Remuneration Report

To consider and, if thought fit, pass the following ordinary resolution:

"That the Remuneration Report as set out in the Company's Annual Report for the year ended 30 June 2007 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors of the Company.

This is an opportunity for shareholders to comment and ask questions about the remuneration report detailed on page 5 of the Annual Report. The vote on the proposed resolution is advisory only, and will not bind the directors or the Company however the Board will take the outcome of the votes into consideration, when reviewing future practices of the Company.

3. Resolution 2 - Re-election of a Director

To consider and, if thought fit, pass the following ordinary resolution:

"That Alexander Clemen, who retires by rotation in accordance with the company's constitution, be re-elected a director of the company."

4. Resolution 3 - Grant of Options to Alexander Clemen

To consider, and if thought fit, to pass the following ordinary resolution:

"That pursuant to Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and section 208 of the Corporations Act and for all other purposes, Directors be and are hereby authorised to grant and issue 500,000 Options to Alexander Clemen, or his nominee(s), at an issue price of 0.1 cents per Option, each Option having an exercise price of 12 cents and an expiry date of 30 September 2011 and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including Annexure A to the Explanatory Statement)."

NOTES

- 1) Prior to making a decision with respect to Resolution 3, members should refer to the Explanatory Statement which accompanies this Notice of Meeting.
- 2) The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 3 by Mr Clemen and any associate of Mr Clemen. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Clemen or an associate of Mr Clemen.

5. Resolution 4 - Grant of Options to Michael Norburn

To consider, and if thought fit, to pass the following ordinary resolution:

"That pursuant to Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and section 208 of the Corporations Act and for all other purposes, Directors be and are hereby authorised to grant and issue 500,000 Options to Michael Norburn, or his nominee(s), at an issue price of 0.1 cents per Option, each Option having an exercise price of 12 cents and an expiry date of 30 September 2011 and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including Annexure A to the Explanatory Statement)."

NOTES

- 1) Prior to making a decision with respect to Resolution 4, members should refer to the Explanatory Statement which accompanies this Notice of Meeting.
- 2) The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 4 by Mr Norburn and any associate of Mr Norburn. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Norburn or an associate of Mr Norburn.

6. Resolution 5 - Grant of Options to David Zukerman

To consider, and if thought fit, to pass the following ordinary resolution:

"That pursuant to Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and section 208 of the Corporations Act and for all other purposes, Directors be and are hereby authorised to grant and issue 500,000 Options to David Nathan Zukerman, or his nominee(s), at an issue price of 0.1 cents per Option, each Option having an exercise price of 12 cents and an expiry date of 30 September 2011 and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including Annexure A to the Explanatory Statement)."

NOTES

- 1) Prior to making a decision with respect to Resolution 5, members should refer to the Explanatory Statement which accompanies this Notice of Meeting.
- 2) The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 5 by Mr Zukerman and any associate of Mr Zukerman. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Zukerman or an associate of Mr Zukerman.

7. Resolution 6 - Ratification of Previous Grant of Options to Consultants and Company Secretary

To consider, and if thought fit, to pass the following ordinary resolution:

"That pursuant to Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange and for all other purposes, the Company ratifies the allotment and issue of 5,500,000 Options to consultants and the Company Secretary of the Company, or their nominee(s), at an issue price of 0.1 cents per Option, each Option having an exercise price of 12 cents and an expiry date of 30 September 2011 and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (including Annexure A to the Explanatory Statement)."

NOTES

- 1) Prior to making a decision with respect to Resolution 6, members should refer to the Explanatory Statement which accompanies this Notice of Meeting.
- 2) The Company will disregard any votes cast on Resolution 6 by any party who participated in the issue or any associate of those parties. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

8. Resolution 7 – Appointment of auditors

To consider, and if thought fit, to pass the following ordinary resolution:

"That Messrs Grant Thornton having consented in writing to act as auditors of the Company be appointed as auditors of the Company."

The Company's previous auditors, Stantons International, have submitted their resignation as they have been its auditors for more than seven years and no longer meet the independence rules for auditors.

The Board of Directors unanimously recommends Shareholders vote in favour of the resolution.

9. Resolution 8 - Approval for a proposed Share and Option issue

To consider, and if thought fit, to pass the following ordinary resolution:

"That, pursuant to Listing Rule 7.1 of the Listing Rules of the Australian Securities Exchange and for all other purposes, approval is given for the Company to allot and issue up to 10,000,000 ordinary fully paid shares, together with 10,000,000 free attaching options to subscribe for ordinary fully paid shares in the capital of the Company (each option being exercisable at \$0.12 (12 cents) each on or before 30 September 2011) at a minimum issue price per Share which is at least 80% of the average market price of ordinary shares in the capital of the Company trading on ASX over the last 5 days on which sales were recorded before the day on which the issue was made (or if there is a prospectus or offer information statement relating to the issue, over the last 5 days on which sales in the shares were recorded before the date of the prospectus or offer information statement), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of General Meeting."

NOTES

- 1) Prior to making a decision with respect to Resolution 8, members should refer to the Explanatory Statement which accompanies this Notice of Meeting.
- 2) The Company will disregard any votes cast on Resolution 8 by any party who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or any associate of those parties. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

10. Resolution 9 - Ratification of Extension of the Facilitation and Management Agreement with Kalgoorlie Mine Management Pty Lt

To consider, and if thought fit, to pass the following ordinary resolution:

"That the Company ratifies the Directors' action in extending the Facilitation and Management Agreement between the Company and Kalgoorlie Mine Management Pty Ltd (KMM) to a date being five years from the date of this Annual General Meeting and otherwise on the same terms and conditions."

Voting Entitlements

For the purposes of determining voting entitlements at the general meeting, Shares will be taken to be held by persons who are registered as holding Shares at 11.30am on 11 November 2007. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the general meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of General Meeting.

BY ORDER OF THE BOARD

Norman Grafton

COMPANY SECRETARY

5 October 2007

Your annual report is available on line, simply visit:

www.goldendeeps.com



EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of members of GOLDEN DEEPS LTD in connection with the business to be conducted at the Annual General Meeting of members to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia, on 13 November 2007 at 11:30 am (Australian Western Daylight Time).

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Annual General Meeting.

Shareholders should note that all the Directors approved the proposal to put the resolutions to shareholders as outlined in the Notice of General Meeting and to prepare this Explanatory Statement.

FINANCIAL REPORTS

Shareholders will be given an opportunity to ask questions in relation to the accounts of the Company at the Annual General Meeting.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to present to its shareholders the Remuneration Report as disclosed in the Company's Annual Report 2007. The vote on the resolution is advisory only and does not bind the Directors of the Company. The Remuneration Report is set out in the Company's Annual Report 2007.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors of Golden Deeps Ltd, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

RESOLUTION 2 – RE-ELECTION OF A DIRECTOR

Pursuant the Company's Constitution, Alexander Clemen, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Mr Clemen is a qualified geologist with over 25 years experience practising in this field. He has worked for several large, international mining companies in various parts of the world and has gained experience in exploring for gold, base metals, industrial minerals and diamonds. During the past three years he also served as a director of Sabre Resources Ltd and Metals Australia Ltd (formerly Australian United Gold Ltd).

RESOLUTIONS 3 TO 5 – GRANT OF OPTIONS TO DIRECTORS

Shareholder approval is being sought in Resolutions 3 to 5 to grant a total of 1,500,000 Options to Directors of the Company, or their nominee(s), as follows:

Director	Number of Options
Alexander Clemen or nominee(s)	500,000
Michael Norburn or nominee(s)	500,000
David Zukerman or nominee(s)	500,000

The Options are to be granted to the Directors for a consideration of 0.1 cents per Option and are exercisable on or before 30 September 2011 at an exercise price of 12 cents each. The full terms and conditions of the Options are set out in Annexure A of this Notice of Meeting.

The grant of Options is designed to encourage a greater involvement by Directors in the achievement of the Company's objectives and to provide them with an opportunity to participate in the future growth of the Company through share ownership.

The Company recognises that the grant of Options to non-executive Directors would not comply with the ASX's Principles of Good Corporate Governance and Best Practice Recommendations.

However, under the Company's current circumstances, the Directors consider that the incentive represented by the grant of these Options is a cost effective means of rewarding and incentivising Directors, when compared to alternative forms of incentive such as the payment of additional cash compensation.

The number of Options to be granted to each of the Directors (or their nominee(s)) has been determined based upon a consideration of:

- Their remuneration – the Directors wish to ensure that the remuneration offered is competitive with market. The Directors have reviewed a selection of comparable companies to determine market conditions generally and consider the proposed number of Options to be granted will ensure that the Directors' overall remuneration is in line with market standards.
- The grant of the Options as an incentive to ensure continuity of service.

The Directors resolved to recommend the grant of Options at their Board meeting on 27 July 2007 and the intention to grant the Options to Directors was announced to the ASX on the same day.

The Directors determined the exercise price of the Options in light of the price of Shares during the month of July 2007 leading up to the Board meeting. In this regard, in the 12 month period before the issue of this Notice of Meeting, the highest price of Shares was 16 cents on 16 January 2007 and the lowest price was 7.5 cents on several days in September and October 2006. The latest available closing price prior to the date of the Notice of Meeting was 9.0 cents on 26 September 2007. In respect of the 1,500,000 Options to be granted to the Directors, the exercise price of 12 cents is 40% above the weighted average closing share price (8.6 cents) on the ASX over the 5 trading days preceding the date of this Notice of Meeting. On 27 July 2007 when it was resolved to grant the Options to Consultants (the subject of Resolution 6) and to recommend the grant of Options to Directors, the closing price of shares was 10 cents and the Option exercise price was set at 12 cents.

In the event all the Options are exercised, the three Directors will be required to pay the Company a total of \$180,000 (or \$60,000 each).

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related* party of the public company unless either:

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, the Directors are considered to be related parties of the Company.

Resolutions 3 to 5 provide for the grant of Options to Directors which is a financial benefit that requires shareholder approval.

Current Holdings

At the date of this Notice, the Directors have no relevant interest in any securities of the Company.

Information Requirements

For the purposes of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed resolution would permit the financial benefit to be given:

Subject to shareholder approval, the following maximum number of Options are to be granted to the following related parties of the Company.

Director	Number of Options
Alexander Clemen or nominee(s)	500,000
Michael Norburn or nominee(s)	500,000
David Zukerman or nominee(s)	500,000

The nature of the financial benefit

The proposed financial benefit to be given is the grant of Options for 0.1 cents each to the Directors as noted above. The Options are exercisable at 12 cents each on or before 30 September 2011. The full terms and conditions of the Options to be granted are set out in Annexure A to this Explanatory Statement.

Directors' recommendation

All the Directors were available to make a recommendation. For the reasons noted above:

Messrs Michael Norburn and David Zukerman (who have no interest in the outcome of Resolution 3) recommend that shareholders vote in favour of Resolution 3. Mr Alexander Clemen declines to make a recommendation about Resolution 3 as he has a material personal interest in the outcome of that particular resolution as it relates to the proposed grant of Options to him individually.

Messrs Alexander Clemen and David Zukerman (who have no interest in the outcome of Resolution 4) recommend that shareholders vote in favour of Resolution 4. Mr Michael Norburn declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of that particular resolution as it relates to the proposed grant of Options to him individually.

Messrs Alexander Clemen and Michael Norburn (who have no interest in the outcome of Resolution 5) recommend that shareholders vote in favour of Resolution 5. Mr David Zukerman declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of that particular resolution as it relates to the proposed grant of Options to him individually.

Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors:

The proposed ordinary Resolutions 3 to 5 would have the effect of giving power to the Directors to grant up to 1,500,000 Options on the terms and conditions as set out in Annexure A to this Explanatory Statement and as otherwise mentioned above.

If all Options granted as proposed above are exercised, the effect would be to dilute the share holding of existing shareholders by 3.8%. The market price of the Company's Shares during the period of the Options will normally determine whether or not the option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.

The following table gives details of the highest, lowest and latest price of the Company's Shares trading on the Australian Securities Exchange over the past 12 months ending on 3 October 2007.

Security	Highest price	Date of highest price	Lowest price	Date of lowest price	Latest Price on 24 September 2007*
GED	16 cents	16 January 2007	7.5 cents	September and October 2006	9 cents

**No shares have been traded since this date and prior to the date of this Notice of Meeting.*

The Directors' remuneration per annum and the total financial benefit to be received by them in this current period as a result of the grant of Options the subject of Resolutions 3 to 5 is as follows:

Director	Current Salary/ Fees per annum	Value of Options (see below) based on 10% volatility	Total Financial Benefit (\$)
A Clemen	\$14,000	\$1,347	\$15,347
M Norburn	\$14,000	\$1,347	\$15,347
D Zukerman	\$30,004	\$1,347	\$31,351

Valuation of Options

The Company has valued the Options to be granted to the Directors using the Black Scholes option valuation methodology. They have considered the comments in AASB 2 on the use of Black Scholes and considered it appropriate to use this methodology.

For the purposes of the valuation the Company has assumed the following:

1. The valuation date is as at 27 July 2007 although the Options will not be granted until after shareholders approve the granting of the Options. For the purposes of this calculation, the grant date is assumed to be 27 July 2007.
2. The exercise price of the Options is 12 cents each.
3. The expiry date of the Options is to be 30 September 2011.
4. The closing share price of a Share as at 24 September 2007 was 9 cents.
5. The risk free interest rate (5 year Treasury Bonds rate) was approximately 6.261%.
6. The Company normally reviews the volatility of a company's share based on the prior year's trading after taking into account such factors as change in management, changes in activities, significant announcements that have caused a re-rating upwards or downwards in a company's share price and general market conditions. In the case of the Company, there have been no significant changes which would warrant any change in volatility and it is considered that the market is fully informed of its activities. Taking into account the last four months' trades, the closing Share price as at 27 July 2007, the length of the Options' term (50 months approximately), from the proposed grant date, the Company considered that a volatility factor of around 10% should be used in valuing the Options.
7. The valuation reflected below does not necessarily represent the market value of the Options or the tax value for taxation purposes to the Option holder. The future value of the Options may be up or down on the range of values noted below as it will primarily depend on the future share price of a Share over the time to expiry of the Options.
8. It is common practice to apply discounts for non-negotiability (not been freely tradable via the ASX) of between 20% and 50%. The Company considers that a discount of approximately 20% is appropriate for these circumstances in that the exercise price is 12 cents and the share price is around 9 cents.
9. There are no market based conditions attached to the Options.

Under the Australian Equivalent of the International Financial Reporting Standards, the Company is required to expense the value of the Options in its income statement for the current financial year. Other than as disclosed in this Explanatory Statement, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options pursuant to Resolutions 3 to 5.

Neither the Directors nor the Company are aware of any other information that would be reasonable required by shareholders to make a decision in relation to the financial benefits contemplated by the proposed resolution.

ASX Listing Rule 10.11

Listing Rule 10.11 requires shareholders to approve the grant of Options to a Director. Listing Rule 10.11 broadly requires shareholders' approval by ordinary resolution to any issue by a listed company of securities to a related party.

Additional Information

For the purposes of Listing Rule 10.13, the following information is provided to shareholders:

- (a) the Options will be granted to the Directors as noted above;
- (b) the maximum number of Options to be granted is 1,500,000;
- (c) the Options will be granted on a date which will be no later than one month after the date of this General Meeting, or such later date as approved by ASX by waiver;
- (d) the Options will be granted for consideration of 0.1 cents per Option;
- (e) \$1,500 will be raised by the grant of the Options, those funds will be put towards working capital; and
- (f) the terms and conditions of the Options are set out in Annexure A to this Explanatory Statement.

Listing Rule 7.1

As approval of shareholders is being sought pursuant to Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

RESOLUTION 6 – RATIFICATION AND APPROVAL OF PREVIOUS GRANT OF OPTIONS TO CONSULTANTS AND COMPANY SECRETARY

Introduction

On 27 July 2007, the Company granted 5,500,000 Options at 0.1 cents each (each exercisable at 12 cents on or before 30 September 2011) to a number of consultants and the Company Secretary of the Company in recognition of past services provided to the Company. The Company now seeks pursuant to this Resolution 6, shareholder approval to ratify the grant of the 5,500,000 Options.

Listing Rule 7.4

Listing Rule 7.4 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of the Shares on issue at the commencement of that 12 month period.

The grant of Options detailed in Resolution 6 did not exceed the 15% threshold. However, Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

Accordingly, Resolution 6 proposes the ratification and approval of the grant of Options for the purpose of satisfying the requirements of Listing Rule 7.4.

Additional Information

For the purposes of Listing Rule 7.5, the following information is provided to shareholders:

- (a) Number of Options granted was 5,500,000;
- (b) the Options were granted for 0.1 cents each and accordingly only \$5,500 was raised from the grant of the Options, those funds will be put towards working capital;
- (c) the terms and conditions of the Options are set out in Annexure A to this Explanatory Statement; and
- (d) the Options were granted to the following allottees:

Kalgoorlie Mine Management Pty Ltd as Trustee for Kalgoorlie Mine Management Superannuation Fund	4,000,000
Gillian Arkwright	500,000
Timothy Steven Putt	250,000
Tisan Industries Pty Ltd	250,000

None of the allottees listed in the above table are associates or related parties of the Company.

RESOLUTION 7 – APPOINTMENT OF AUDITORS

The Company's previous auditors, Stantons International, have submitted their resignation as they have been its auditors for more than seven years and no longer meet the independence rules for auditors.

It is proposed to appoint Messrs Grant Thornton as Auditors.

The Board of Directors unanimously recommends Shareholders vote in favour of the resolution.

RESOLUTION 8 – APPROVAL FOR A PROPOSED SHARE AND OPTION ISSUE

Subject to shareholder approval, pursuant to Listing Rule 7.1, the Company proposes to issue 10,000,000 shares with one free attaching option per share issued (each option exercisable at 12 cents on or before 30 September 2011).

Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities where the securities proposed to be issued represent more than 15% of the Company's shares then on issue.

For the purposes of Listing Rule 7.3, the following information is provided to shareholders:

- (a) the maximum number of shares which may be issued pursuant to this resolution is 10,000,000;
- (b) the shares and options will be issued and allotted on one date which will be no later than 3 months after the date of this meeting or such later date as approved by ASX by waiver to the Listing Rules;
- (c) the Shares will be issued at a minimum issue price which is at least 80% of the average market price of Shares trading on ASX over the last 5 days on which sales were recorded before the day on which the issue was made (or if there is a prospectus or offer information statement relating to the issue, over the last 5 days on which sales in the shares were recorded before the date of the prospectus or offer information statement). The options are free attaching options and therefore will be issued for no consideration;
- (d) the proposed allottees are unknown at the date of the Notice of Meeting but the Company will disclose the names of the allottees when the shares are issued. None of the allottees will be related parties of the Company;
- (e) the terms of the shares will be the same as the existing ordinary fully paid shares in the Company, the options being issued and allotted and granted on the terms and conditions as attached as Annexure "A" of the Notice of Meeting.
- (f) the purpose of the issue is for ongoing mineral exploration, additional working capital and acquisition of assets;

The Board of Directors unanimously recommends Shareholders vote in favour of the resolution.

RESOLUTION 9 – RATIFICATION OF EXTENSION OF THE FACILITATION AND MANAGEMENT AGREEMENT WITH KALGOORLIE MINE MANAGEMENT PTY LTD

The Company currently has in place a Facilitation and Management Agreement with Kalgoorlie Mine Management Pty Ltd (KMM) for the provision of services normally associated with the management of a Company such as the provision of office accommodation, personnel, office supplies, equipment, telephones, computers etc (“the Agreement”).

This Agreement was entered into on 1 October 2003 for a period of 5 years at an annual fee of \$200,000 (subject to CPI adjustment).

On 4 October 2007 the Directors of the Company resolved to extend the Agreement for a further period of 5 years from the date of this Annual General Meeting on the same terms and conditions.

It is now proposed that shareholders ratify the Directors’ action in extending the Agreement for a further period of 5 years from the date of this Annual General Meeting on the same terms and conditions.

The Board of Directors unanimously recommends Shareholders vote in favour of the resolution.

DEFINITIONS

ASX	means ASX Limited (formerly Australian Stock Exchange Limited and now operating under the name, Australian Securities Exchange).
Board	means the board of Directors.
Company	means Golden Deeps Ltd ABN 12 054 570 777.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Listing Rules	means the official listing rules of ASX.
Notice	means the Notice of Annual General Meeting accompanying this Explanatory Statement.
Option	means an option to acquire a Share on the terms and conditions as outlined in Annexure “A”.
Share	means a fully paid ordinary share in the capital of the Company and Shares has a corresponding meaning.

ANNEXURE "A"

Terms and Conditions of Options

The Options granted will entitle the holder to subscribe for and be allotted Shares as follows:

- (a) A certificate will be issued for the Options.
- (b) The Options shall expire at 5.00pm Australian Western Standard Time on 30 September 2011 ("**Expiry Date**").
- (c) Subject to condition (m) the Option is a right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company ("**Share**").
- (d) Shares allotted to option holders on exercise of Options shall, be issued at a price of 12 cents each ("**Exercise Price**").
- (e) The Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
- (f) Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to:
 - (i) exercise all or a specified number of Options; and
 - (ii) pay the subscription monies in full for the exercise of each Option.
- (g) The notice must be accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by him.
- (h) The Company shall allot the resultant Shares and deliver the share certificate or holding statement within five business days of the exercise of the Option.
- (i) The Options are not transferable.
- (j) Shares allotted pursuant to an exercise of Options shall rank, from the date of the allotment, equally with existing ordinary fully paid Shares of the Company in all respects.
- (k) The Company shall in accordance with the Listing Rules make application to have Shares allotted pursuant to an exercise of Options listed for official quotation.
- (l) In case of any entitlements issue (other than bonus issue) the Exercise Price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is exercisable.
- P = the average market price per share (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlement date.

- S = the subscription price for a security under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

In the case of a bonus issue the number of Shares over which the Option is exercisable may be increased by the number of Shares which the option holder would have received if the Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.

- (m) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules.
- (n) The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options
- (o) The Options do not give any right to participate in new issues unless the option holder exercises the Option.

GOLDEN DEEPS LTD
ABN 12 054 570 777

FORM OF PROXY

The Secretary, Golden Deeps Ltd
1st Floor, 8 Parliament Place,
West Perth, WA, 6005

I/We.....

of.....

being a holder of _____ shares in the capital of Golden Deeps Ltd hereby appoint

.....

of.....

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the Annual General Meeting of the Company to be held at 9.00 am (WDT) on 13 November 2007 and at an adjournment thereof in respect of _____% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

Should you so desire to direct the proxy how to vote, then please tick the appropriate box below:

RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1. Non Binding resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Grant of Options – Alexander Clemen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Grant of Options – Michael Norburn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Grant of Options – David Zukerman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of Previous Grant of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Appointment of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approval for proposed share and option issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Ratification of extension of Management Agreement of the Facilitation and Management Agreement with Kalgoorlie Mine Management Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given the proxy may vote as the proxy thinks fit or may abstain subject to the below.

INSTRUCTIONS AS TO VOTING AS TO RESOLUTION 5

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect to resolution 5, please place a mark in the box.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of resolution 5 and that votes cast by the Chair of the meeting other than as proxy holder will be disregarded because of that interest.

If you do not mark the box, and you have not directed your proxy how to vote, the Chair will not cast your votes on resolution 5 and your votes will not be counted in calculating the required majority if a poll is called on the resolutions.

If the member is an individual or joint holder:

Usual Signature

Usual Signature

Dated this _____ day of _____ 2007.

If the member is a Company:

Signed in accordance with the
Constitution of the company in
the presence of:

Director/Sole Director

Director/Secretary

Sole Director and Sole Secretary

Dated this _____ day of _____ 2007.

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy. A member that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (1st Floor, 8 Parliament Place, West Perth, Western Australia, 6005) or sent by facsimile to that office on Fax: 08 94817835 to be received not less than 48 hours prior to the time of the meeting.
5. If the member is a company it must execute under its Common Seal or otherwise in accordance with its Constitution and s.127 of the Corporations Act.
6. The Chairman intends to vote all undirected proxies in favour of the resolutions.
7. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolutions, the proxy must not vote on a show of hands; and
 - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in anyway that the proxy sees fit.