

Golden Deeps Limited

ACN 054 570 777

Notice of Annual General Meeting

Explanatory Statement

and

Proxy Form

**2:30 pm (WST) on 30 November 2018
Level 43 Central Park, 152-158 St Georges Terrace, Perth WA 6000**

GOLDEN DEEPS LIMITED

ACN 054 570 777

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Members of Golden Deeps Limited (**GED** or the **Company**) will be held on Friday, 30 November 2018 commencing at 2:30 pm (WST) at the Grant Thornton office, Level 43 Central Park, 152-158 St Georges Terrace, Perth WA 6000

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 2018.

2. Resolution 1 – Adoption of the Remuneration Report

To consider and, if thought fit, pass with or without amendment, the following as **an ordinary resolution**:

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2018 be adopted."

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

Voting Prohibition Statement

Restriction on proxy voting by Restricted Voters: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if:
 - (c) the proxy is the Chair; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

3. Resolution 2 - Re-election of a Director

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

"That Michael Norburn, who retires by rotation in accordance with the Company's Constitution, be re-elected a Director of the Company."

4. Resolution 3 - Approval for 10% placement facility under Listing Rule 7.1A

To consider, and if thought fit, to pass the following as a **special resolution**:

"That, for the purpose of Listing Rule 7.1A and all other purposes, the Company approves the allotment and issue of Equity Securities equal to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those person). However, the Company need not disregard a vote if the vote 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 the vote 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.

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

5. Resolution 4 – Approval of Issue of Options to Director – Mr Michael John Minosora

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

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue to Mr Michael John Minosora or his nominee, up to 17,000,000 Director Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of *Mr Michael John Minosora* (and his nominee) or an associates of *Mr Michael John Minosora*. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

Voting Prohibition Statement

Restriction on proxy voting by Restricted Voters: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

6. Resolution 5 – Replacement of Constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

7. Resolution 6 - Election of Director – Mr Michael John Minosora

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That Mr Michael John Minosora, who was appointed on 1 September 2018, retires in accordance with the Company’s Constitution, be elected a director of the Company.”

Voting Entitlements

For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by persons who are registered as holding Shares at 4:00pm (WST) on 28 November 2018. 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

Graham Baldisseri
Company Secretary

26 October 2018

Your annual report is available online, simply visit: www.goldendeeps.com

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions.

1. FINANCIAL REPORTS

The Corporations Act requires the Company to lay before the Annual General Meeting its annual financial report and reports of the Directors and Auditor for the last financial year. The annual financial report of the Company for the year ended 30 June 2018 is available on its website at www.goldendeeps.com.

Shareholders are not required to vote on these reports. However, shareholders will be given a reasonable opportunity at the Meeting to comment on, or to ask questions about, the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Auditor questions relevant to the Auditor's report, the conduct of the audit, accounting policies adopted by the Company and the independence of the Auditor.

Written questions to the Company's Auditor about the content of the Auditor's report or the conduct of the audit may be submitted no later than 23 November 2018 to:

Golden Deeps Limited
PO Box 1618
West Perth WA 6872.

Facsimile: +618 9481 7835
Email: companysecretary@kmm.com.au

Copies of the questions, if any, to the Company's Auditor will be available at the meeting.

2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Company or the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year. It is also available on the Company's website at www.goldendeeps.com.

The Remuneration Report includes:

- An explanation of the Company's policy in relation to the nature and amount of remuneration paid to Directors, Secretary and senior executives of the Company;
- A discussion of the link between this policy and the Company's performance;
- Details of any element of the remuneration of Directors and executives of the Company which is dependent upon the satisfaction of a performance condition; and
- Details of the total remuneration of each Director (including a breakdown of components of that remuneration) and the senior executives of the Company who receive the highest remuneration.

The Chairman of the meeting will allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

Voting consequences

A Company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of Directors of the Company (**Spill Resolution**) if, at

consecutive Annual General Meetings, at least 25% of the votes cast on a Remuneration Report resolution are voted against adoption of the Remuneration Report and at the first of those Annual General Meetings a Spill Resolution was not put to the vote. If required, the Spill Resolution must be put to vote at the second of those Annual General Meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second Annual General Meeting.

All of the Directors of the Company who were in office when the Directors' Report (as included in the Company's annual financial report for the most recent financial year) was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved will be the Directors of the Company.

Previous voting results

At the Company's previous Annual General Meeting the votes cast against the Remuneration Report considered at that Annual General Meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Voting

Note that a voting exclusion applies to resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chairman and expressly authorises the Chairman to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chairman will use any such proxies to vote in favour of the resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this resolution.

3. RESOLUTION 2 - RE-ELECTION OF A DIRECTOR – MICHAEL NORBURN

ASX Listing Rule 14.4 provides, that other than a Managing Director, a Director of an entity must not hold office (without re-election) past the third AGM following the Director's appointment or 3 years, whichever is the longer. However, where there is more than one Managing Director, only one is entitled not to be subject to re-election.

The Company's Constitution sets out the requirements for determining which Directors are to retire by rotation at an Annual General Meeting.

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.

Mr Norburn, who has served as a Director since 4 October 2006, retires by rotation and seeks re-election.

If re-elected the board considers Michael Norburn will be an independent director.

The Board supports the re-election of Mr Norburn and recommends that Shareholders vote in favour of this resolution.

4. RESOLUTION 3 - APPROVAL FOR 10% PLACEMENT FACILITY

4.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued share capital over a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if: (a) the entity has a market capitalisation of \$300 million or less; and (b) the entity that is not included in the S&P ASX 300 Index. The Company is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2. The formula is reproduced as follows:

“In addition to issues under rule 7.1, an eligible entity which has obtained the approval of its holders of its ordinary securities under this rule 7.1A may issue or agree to issue during the period of the approval a number of equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A = The number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue,

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in rule 7.2,*
- plus the number of partly paid ordinary securities that became fully paid in the 12 months.*
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under rule 7.1 or 7.4,*
- less the number of fully paid ordinary securities cancelled in the 12 months.*

D = 10%

E = The number of equity securities issued or agreed to be issued under rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of holders of ordinary securities under 7.1 or 7.4.”

The Company is putting this resolution to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards the Company's exploration activities, the acquisition of new assets (should suitable assets be found), administration costs and general working capital.

4.2 Listing Rule 7.1A

The effect of this Resolution will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has 171,380,789 Shares on issue, and its current market capitalisation is under \$300 million. The Company also has 58,666,667 options on issue exercisable at \$0.10 on or before 30 April 2019.

Based on the number of Shares on issue at the date of this Notice, the Company will have 171,380,789 Shares on issue and therefore, subject to Shareholder approval being sought under this Resolution, 17,138,079 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

This is a **Special Resolution**, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

4.3 Specific information required by Listing Rule 7.3A.1

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A.1:

- (a) the Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If this resolution is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued: (1) at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities; or (2) as consideration (or part thereof) for the acquisition of a new asset, both of which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.

The table below shows the dilution of existing Shareholders of the issue of the **maximum** number of Equity Securities under the Additional 10% Placement Capacity using different variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable "A" is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.025 50% decrease in Issue Price	\$0.05 Issue Price	\$0.075 50% increase in Issue Price
171,380,789 (Current Variable A)	Shares issued - 10% voting dilution	17,138,078 Shares	17,138,078 Shares	17,138,078 Shares
	Funds raised	\$428,451.95	\$856,903.90	\$1,285,355.85
257,071,184 (50% increase in Variable A)	Shares issued - 10% voting dilution	25,707,188 Shares	25,707,188 Shares	25,707,188 Shares
	Funds raised	\$642,677.95	\$1,285,355.90	\$1,928,033.85
342,761,578 (100% increase in Variable A)	Shares issued - 10% voting dilution	34,276,157 Shares	34,276,157 Shares	34,276,157 Shares
	Funds raised	\$856,903.93	\$1,713,807.85	\$2,570,711.78

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 171,380,789 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 22 October 2018.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

- (c) Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
 - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration: if Equity Securities are issued for cash consideration, the Company intends to use the funds for the Company's exploration activities at the Company's projects in Namibia and Australia administration costs and general working capital; or
 - (ii) non-cash consideration: for the acquisition of the acquisition of new assets (should suitable assets be found). If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.

- (e) The identity of the allottees will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities, including consideration of matters including, but not limited to:
- (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer;
 - (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The allottees under the Additional 10% Placement Capacity have not been determined as at the date of this Notice but will not include related parties (or their associates) of the Company.

- (f) The Company has previously obtained Shareholder approval under Listing Rule 7.1A. at the AGM held on 16 November 2017 but has not issued any securities pursuant to that approval.
- (g) During the 12 month period preceding the date of the Meeting, being on and from 23 November 2017, the Company otherwise issued a total of 67,866,667 Shares and 58,666,667 Options which represents approximately 68.95% of the total diluted number of Equity Securities on issue in the Company on 23 November 2017, which was 183,514,122.
- (h) Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out Annexure B.
- (i) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity therefore no existing security holders votes would be excluded under the voting exclusion statement included in this Notice.

4.4 Directors' Recommendation

The Directors recommend Shareholders vote in favour of this resolution.

5. RESOLUTION 4 – ISSUES OF OPTIONS TO DIRECTORS

5.1 General

The Company is proposing to issue Options to *Mr Michael John Minosora* (Executive Chairman) as a component of their remuneration, in order to keep cash payments to a minimum and to provide incentives linked to the performance of the Company.

The offer of Director Options to the *Mr Michael John Minosora* forms part of the Company's long term incentive objectives to encourage Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. The number of Director Options issued is based on factors such as length of service, continuity of executive management, significant contribution to the Company's success and to provide ongoing equity incentives to advance the Company and its assets.

The Board has resolved, subject to obtaining Shareholder approval, to issue a total of 17,000,000 Director Options to the *Mr Michael John Minosora* on the terms and conditions set out below.

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of Director Options constitute giving a financial benefit and *Mr Michael John Minosora* is a related party of the Company by virtue of being a Director.

The Directors (other than *Mr Michael John Minosora* who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Director Options because the agreement to grant the Director Options, reached as part of the remuneration package for *Mr Michael John Minosora*, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Director Options to the Related Parties requires the Company to obtain Shareholder approval because the grant of Director Options constitutes giving a financial benefit, and as a Director, each Director is a related party of the Company. The Company will not issue the Director Options unless Shareholder approval is granted.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the Director Options will be granted to Mr Michael John Minosora (or his nominee);

- (b) the maximum number of Director Options to be issued is 17,000,000, comprising the following:
 - (i) 4,250,000 Director Options with an exercise price of 7.5 cents per Director Options. These Options are exercisable on or before 1 February 2019;
 - (ii) 4,250,000 Director Options with an exercise price of 10 cents per Director Options. These Options are exercisable on or before 1 May 2019;
 - (iii) 4,250,000 Director Options with an exercise price of 15 cents per Director Options. These Options are exercisable on or before 1 September 2020;
 - (iv) 4,250,000 Director Options with an exercise price of 20 cents per Director Options. These Options are exercisable on or before 1 September 2020;

- (c) the Director Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Director Options occur on the same date.

- (d) the Director Options will be issued for nil cash consideration, accordingly non funds will be raised; and

- (e) the terms and conditions of the Director Options are set out in Annexure A.

6. **RESOLUTION 5 – REPLACEMENT OF CONSTITUTION**

6.1 **General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 6 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2001.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) confirming the non-executive director remuneration pool as an amount of \$200,000;
- (b) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer);
- (c) introducing proportional takeover provisions; and
- (d) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website <http://www.goldendeeps.com.au> and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

6.2 **Summary of material proposed changes**

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an

unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Director remuneration (clauses 14.7 and 14.8)

The Proposed Constitution provides that the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

Clause 14.8 of the Proposed Constitution establishes that the total aggregate fixed sum per annum to be paid to Directors (excluding salaries of executive Directors shall initially be no more than \$200,000 and may be varied by ordinary resolution of the Shareholders in general meeting.

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company’s assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company’s shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company’s ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the

Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and

- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 6.

7. RESOLUTION 6 – ELECTION OF DIRECTOR – MR MICHAEL JOHN MINOSORA

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Minosora, having been appointed by other Directors on 1 September 2018 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Minosora is a Chartered Accountant and has extensive experience with a number of ASX listed industrial and mining companies. He has been Managing Partner of Ernst & Young, Managing Director of advisory firm Azure Capital Limited, Chief Financial Officer of Fortescue Metals Group and Managing Director of Atlantic Limited. He holds a Bachelor of Business; a Masters of Business Administration and is a graduate of the Executive Management Program of the North Western University, Kellogg School of Business, Chicago.

Mr Minosora has no interests, positions, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.

The Board supports the re-election of Mr Minosora and recommends that Shareholders vote in favour of Resolution 7.

DEFINITIONS

Accounting Standards	has the meaning given to that term in the Corporations Act.
Additional 10% Placement Capacity	has the meaning set out in section 5.1.
ASX	means ASX Limited and where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the Board of Directors.
Closely Related Party	has the meaning given to that term in the Corporations Act.
Company	means Golden Deeps Limited ACN 054 570 777.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Equity Securities	has the meaning given to that term in the Listing Rules.
Explanatory Statement	means the explanatory statement accompanying the Notice.
Key Management Personnel	has the meaning given to that term in the Accounting Standards.
Listing Rules	means the official listing rules of ASX.
Notice	means the Notice of Annual General Meeting accompanying this Explanatory Statement.
Option and Directors Options	means an Option to acquire a Share.
Resolution	means the resolutions set out in the Notice, or any one of them, as the context requires.
Share	means a fully paid ordinary share in the issued capital of the Company.
Shareholder	means a holder of Shares
Trading Day	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
WST	means Australian Western Standard Time.

ANNEXURE "A"

Terms and Conditions of New Options

The terms and conditions of the Options are as follows:

- a) Each Option shall entitle the Option holder, when exercised, to one fully paid ordinary share in the Company ("Share").
- b) The Options are exercisable wholly or in part at any time prior to 5.00 pm (WST) on or before:
 - (i) 1 February 2019 with respect to the 4,250,000 Options;
 - (ii) 1 May 2019 with respect to the 4,250,000 Options;
 - (iii) 1 September 2020 with respect to the 4,250,000 Options; and
 - (iv) 1 September 2020 with respect to the 4,250,000 Options,

(together, the "Expiry Date").

The Options not exercised by that date shall lapse.

- c) Each Option may be exercised by notice in writing to the Company, together with the payment for the number of shares in respect of which the Options are exercised, at any time before the Expiry Date. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- d) The Options exercise price is:
 - (i) 7.5 cents per Option with respect to the 4,250,000 Options;
 - (ii) 10 cents per Option with respect to the 4,250,000 Options;
 - (iii) 15 cents per Option with respect to the 4,250,000 Options; and
 - (iv) 20 cents per Option with respect to the 4,250,000 Options.
- e) An Option does not confer the right to a change in exercise price or a change in the number of the underlying Shares over which the Option can be exercised.
- f) Shares issued upon exercise of the Options will be issued following receipt of all the relevant documents and payments and will rank equally in all respects with the then issued Shares.
- g) The Options are not to be quoted on ASX and the Company is under no obligation to apply for quotation of the Options on ASX. The Company may apply for quotation on ASX of the Options.
- h) The Company will apply for quotation on ASX of all Shares issued upon exercise of the Options.
- i) Subject to the Corporations Act, the Constitution and the Listing Rules, the Options are freely transferable.
- j) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced so as to give Option holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.
- k) If at any time the issued capital of the Company is reorganised, the rights of an Option holder are to be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

ANNEXURE "B"
ISSUES OF EQUITY SECURITIES SINCE 23 NOVEMBER 2017

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 20 August 2018 Appendix 3B – 20 August 2018	36,666,667	Quoted Options ³	Participants in a placement.	Nil cash consideration (free attaching to Shares on a [1:1] basis)	Consideration: free attaching Option for every one Share subscribed for. Current value ⁶ = \$1,833,333
Issue – 20 August 2018 Appendix 3B – 20 August 2018	22,000,000	Quoted Options ³	Employees, consultants and company secretary of the Company.	Nil cash consideration	Consideration: in satisfaction of services provided by employees, consultants and the company secretary. Current value ⁶ = \$1,100,000
Issue – 17 May 2018 Appendix 3B – 17 May 2018	36,666,667	Shares ²	Participants in a placement.	\$0.06 (premium of 20%)	Amount raised = \$2,200,000 Amount spent = \$ 791,000 Use of funds: directed towards accelerating the exploration, project development and process design of Abenab-Christiana vanadium-lead-zinc project in Namibia, cobalt exploration in Ontario and working capital. Amount remaining = \$1,409,000 Proposed use of remaining funds ⁵ Further drill & develop Abenab Vanadium Project
Issue – 23 March 2018 Appendix 3B – 23 March 2018	10,000,000	Shares ²	New Found Gold Corp.	\$0.04 (discount of 33.33%)	Amount raised = \$400,000.00 Amount spent = \$400,000.00 Use of funds: as part of the consideration to acquire 70% interest in Professor and Waldman Cobalt Projects in Canada, as announced on 26 February 2018
Issue – 23 March 2018 Appendix 3B – 23 March 2018	1,500,000	Unquoted Options ⁴	Asenna Wealth Solutions for fees as a Lead Manager to share placement.	No issue price (non-cash consideration)	Consideration: for services as Lead Manager to share placement. Current value ⁶ = \$1,004
Issue – 5 February 2018 Appendix 3B – 5 February 2018	10,000,000	Unquoted Options ⁴	Asenna Wealth Solutions for fees as a Lead Manager to share placement.	No issue price (non-cash consideration)	Consideration: for services as Lead Manager to share placement. Current value ⁶ = \$6,697
Issue – 22 December 2017 Appendix 3B – 27 December 2017	8,500,000	Unquoted Options ⁴	Asenna Wealth Solutions for fees as a Lead Manager to share placement.	No issue price (non-cash consideration)	Consideration: for services as Lead Manager to share placement. Current value ⁶ = \$5,692
Issue – 11 December 2017	20,000,000	Shares ²	Professional and sophisticated investors.	\$0.0412 (discount of 31.33%)	Amount raised = \$824,000 Amount spent = \$824,000 Use of funds: to assist in the acquisition cost of two Cobalt

Appendix 3B – 11 December 2017					projects, exploration expenditure on the Company's Namibian tenements and provide working capital
Issue – 11 December 2017 Appendix 3B – 11 December 2017	1,200,000	Shares ²	Asenna Wealth Solutions for fees as a Lead Manager to share placement.	No issue price (non-cash consideration)	Consideration: for services as Lead Manager to share placement. Current value ⁶ = \$60,000

Notes:

1. **Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.**
2. **Fully paid ordinary shares in the capital of the Company, ASX Code: GED (terms are set out in the Constitution).**
3. **Quoted Options, exercisable at \$0.10 each, on or before 30 April 2019, ASX Code: GEDOA. The full terms and conditions were disclosed in the Prospectus – Options announced on 16 August 2018.**
4. **Unquoted Options, exercisable at \$0.08 each, on or before 30 November 2018. The full terms and conditions were disclosed in the announcement, “Issue of Unquoted Options to Broker” dated 27 December 2017.**
5. **This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.**
6. **In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.05) or Options (\$0.05) as the context requires on the ASX on 23 October 2018. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).**

**GOLDEN DEEPS LIMITED
ACN 054 570 777
FORM OF PROXY**

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

Facsimile: (08) 9481 7835

I/We.....
of.....

being a shareholder of Golden Deeps Limited hereby appoint as my/our proxy

**the Chairman
Of the Meeting** OR

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 2.30 pm (WST) on 30 November 2018 at Level 43 Central Park, 152-158 St Georges Terrace, Perth WA 6000, and at any adjournment thereof.

AUTHORITY FOR CHAIRMAN TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chairman as my/our proxy (or where the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolution 1, 5 and 6 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chairman.

CHAIRMAN'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chairman intends to vote undirected proxies in favour of all Resolutions in which the Chairman is entitled to vote. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

OR

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

RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of a Director – Michael Norburn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Additional 10% placement facility - Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Issue of Option to Director - Rule 10.11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Increase in the Maximum Amount Paid to Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given, the proxy may vote as he thinks fit or may abstain

If the member is an individual or joint holder:

.....
Usual Signature

.....
Usual Signature

Dated this day of 2018.

If the member is a Company:

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

.....
Director/Sole Director/Secretary

.....
Director/Secretary

Dated this day of 2018.

GOLDEN DEEPS LIMITED
ACN 054 570 777

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. The proxy form must be signed personally by the member or his attorney duly authorised in writing. 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, or its duly authorised attorney. In the case of joint members, the proxy must be signed by at least one of the joint members, personally or by a duly authorised attorney.
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 Chairman, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairman, 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 any way that the proxy sees fit.

Attendance and Voting Eligibility

For the purposes of the meeting, securities will be taken to be held by the persons who are registered holders at 4.00 pm on 28 November 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Proxies

A member of the Company entitled to attend and vote at the meeting shall be entitled to appoint not more than two other persons (whether members of the company or not) as the member's proxy or proxies, to attend and vote on the member's behalf. Where two proxies are appointed the appointments shall be of no effect unless each proxy is appointed to represent a specified proportion of the member's voting rights. Forms of proxy must be deposited at the registered office of the company in West Perth not less than forty-eight (48) hours before the time appointed for the holding of the meeting.