



GOLDEN DEEPS

LIMITED

AND CONTROLLED ENTITIES

(ACN 054 570 777)

**Interim Financial Report
for the Half Year Ended
31 December 2018**

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DIRECTORS' REPORT

The Directors of Golden Deeps Limited present their Report together with the financial statements of the Consolidated Entity, being Golden Deeps Limited (the Company) and its Controlled Entities (the Group) for the half-year ended 31 December 2018.

1. DIRECTORS

The following persons were Directors of Golden Deeps Ltd during or since the end of the financial year:

Michael Minosora – Executive Chairman (appointed 1 September 2018)
Michael Rodriguez – Non-Executive Director (appointed 30 November 2018)
Robert Collins – Non-Executive Director
Michael Norburn – Non-Executive Director
Michael Scivolo – Non-Executive Director

2. REVIEW OF OPERATIONS

The Company has made significant progress on the exploration and development of its Namibian tenements during the reporting period with particular emphasis on the Abenab vanadium project.

The Company also holds two claim blocks located in the historical Cobalt Mining Camp in Ontario.

Highlights for the period include:

- Company refocus on the Abenab vanadium project
- Highly experienced geological consultancy Shango Solutions engaged
- Comprehensive geological and target generation study completed at Abenab
- Update of Abenab Mineral Resource reported
- Sampling of broken ore and tailings stockpiles at Abenab
- Metallurgical consultants Mintek engaged
- China ENFI and the Institute of Process Engineering Engaged
- Bulk samples from Abenab and Abenab West sent for metallurgical testwork
- Discussions initiated with vanadium end users, traders and refiners

DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

ABENAB VANADIUM PROJECT

The Company holds an 80% interest in the highly prospective Abenab Vanadium Project ("AVP"). AVP is located in the Otavi Mountain Land ("OML"), north east Namibia (Figure 1). The OML is a globally significant base metal province with production coming from several mines, including the now closed Tsumeb, Kombat, Abenab, and Berg Aukas.

The AVP landholding stands at 231km² with an additional 331km² under application (Figure 2). The Company holds 4 granted Exclusive Prospecting Licences (EPLs), being EPLs 3543, 5496, 5509 and 5510.

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

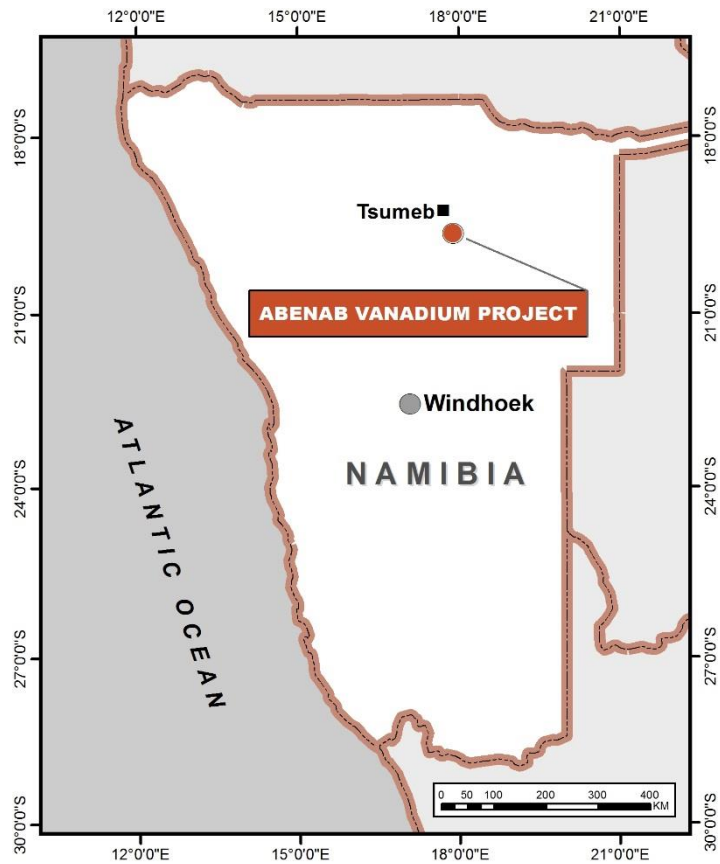


Figure1: Location of the Abenab Vanadium Project

There are three recognised base metal trends located within the tenement package, namely the Abenab, Khusib and Border-Toggenburg Trends (Figure 2). Advanced prospects along these trends have been the main focus of the Company's exploration efforts.

Each trend hosts at least one high priority exploration target identified by a prospectivity review completed earlier. These trends and targets in priority order are as follows:

- **Abenab Trend:** Vanadium and copper-lead-zinc trend covering 40km hosting the Abenab and Abenab West (Christiana) vanadium and lead-zinc mines in the east and the Nosib Block copper mine in the west.
- **Khusib Trend:** Copper-silver trend over 6km strike. Contains the Khusib Springs Mine (excised) and at least six untested bedrock EM conductors.
- **Border-Toggenburg Trend:** A lead-zinc mineralised trend with over 6km of strike held by the Company. It is the interpreted strike extension of the Border deposit and the recent Toggenburg discovery, which are held by Sabre Resources Ltd.

DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

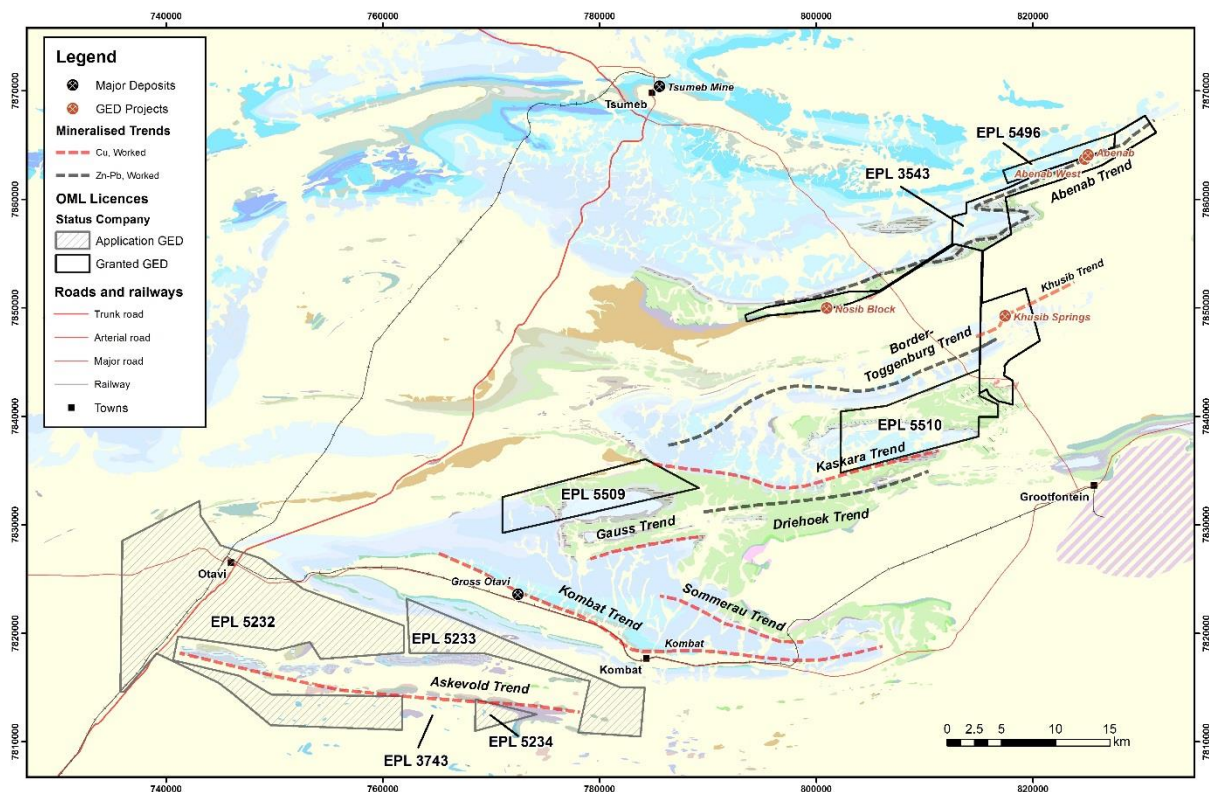


Figure 2: The location of Abenab, Khusib Springs, Deblin and Nosib Block in Golden Deeps Ltd Grootfontein Project, Otavi Mountainland, Namibia

1. Abenab Trend

The Abenab Trend is defined by a series of V-Zn-Pb-Cu occurrences located near the contact between the Auros Shale and Maieberg Dolomites. The Abenab, Abenab West, Nosib Block and Okurundu mines are located on this contact position and are the highest priority targets. Approximately 40km strike extent of this highly prospective trend lies within the Company's EPL3543 and EPL5496.

1.1 Abenab Vanadium Mine

The historical Abenab Mine was a major open pit and underground vanadium and base metal mining operation in the OML, with reported historical ore production of ~1.8Mt @ 1.05% V₂O₅ for approximately 102,000t of concentrate grading 18% V₂O₅, 13% Zn and 42% Pb. Historical exploration and more recent drilling indicate there is potential for extensions of the mineralisation at depth and laterally (Figure 3 and 4). Potential exists to re-open the Abenab Mine and to process the high-grade V-Zn-Pb mineralisation using simple, low-cost processing methods.

Drilling completed in 2011-2012 at the Abenab mine by Avonlea Minerals Limited ("Avonlea" and now AVZ Minerals Limited) intersected broad zones of vanadium (V₂O₅) and base metal (Zn+Pb) mineralisation and locally very high grades. Avonlea subsequently reported an Inferred Resource of 0.86 Mt @ 1.25% V₂O₅, 1.3% Zn and 2.96% Pb. Mineralisation is considered to be open down dip and along strike. No follow-up or further delineation of the resource has been completed and this is considered a priority for the Company to complete further work.

DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

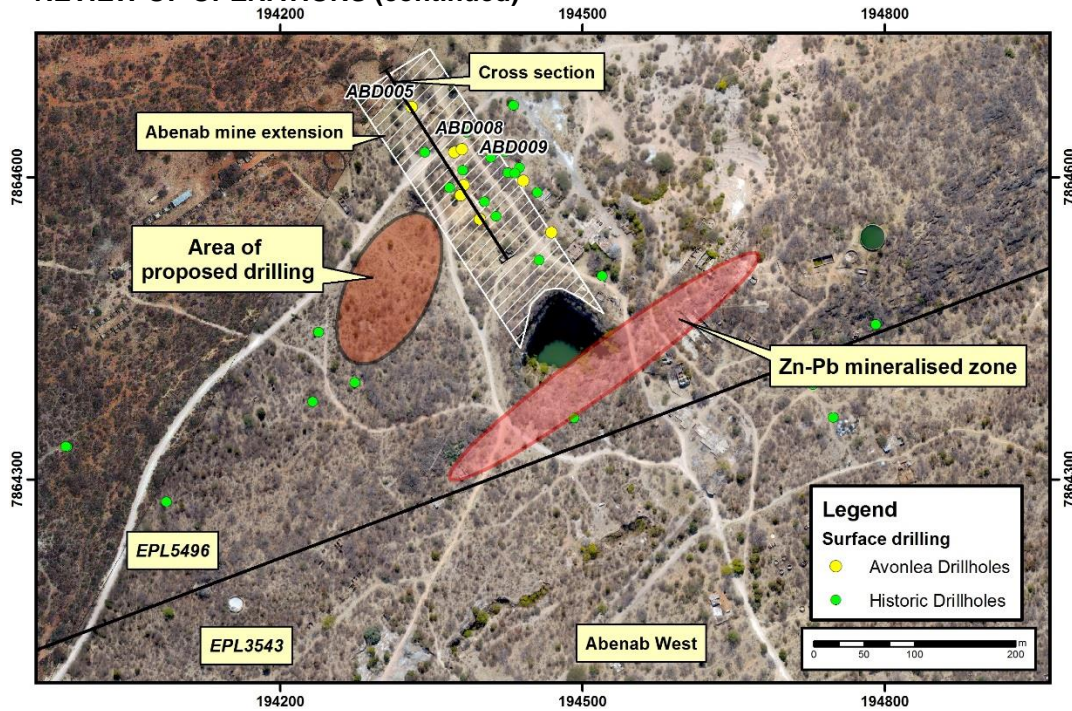


Figure 3: Summary of drilling completed at the Abenab V-Zn-Pb Mine by Avonlea Minerals Ltd

Avonlea also conducted preliminary metallurgical testing of remnant ore material on the surface at the Abenab mine and reported that heavy mineral concentrates could be produced using a simple coarse grind and gravity separation process similar to the historical processing completed at the mine.

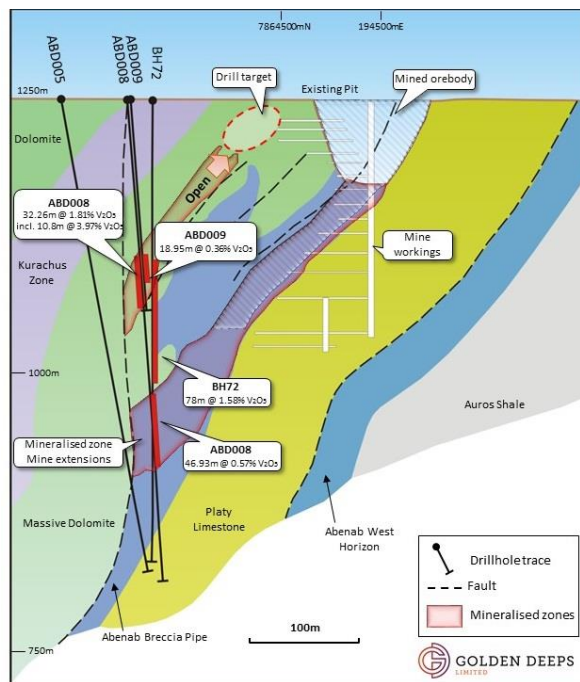


Figure 4: Schematic cross section of the Abenab V-Zn-Pb mine showing geology and mineralised zones, historical workings and drilling completed in 2011-2012 by Avonlea Minerals Ltd.

DIRECTORS' REPORT (continued)**2. REVIEW OF OPERATIONS (continued)****1.2 Abenab West Zn-Pb-V Mine**

Abenab West is a significant historic mine in the Abenab Vanadium Project and was formerly known as Christiana. The Abenab area produced over 100,000t of vanadium concentrates. Production figures from Abenab West itself are not known, but the workings extend over 800m of strike and to a depth of at least 380m below surface. In the underground mine, extensive level development is in place, but only selective mining has been undertaken, leaving broad zones of mineralisation in-situ.

The Company has previously completed a substantial mapping and sampling program at Abenab West in preparation for a drilling program to test the extent and continuity of the known mineralisation. However, the work was suspended as the relevant EPL was undergoing renewal. This tenement has subsequently been granted for a further 2 year period by the Ministry of Mines and Energy, and can now be advanced in conjunction with exploration at the adjacent Abenab Mine.

1.3 Nosib Block Cu Mine

Figure 5: Azurite mineralisation in underground exposure at Nosib Block Mine

The historic Nosib copper mine is located on the western end of the Abenab-Nosib Trend. High grade copper, lead, vanadium and silver are hosted in a sequence of tillites, conglomerates and felspathic sandstones (mine sequence) in contact with massive dolomites to the north (hanging wall) and basement granites to the south (footwall). The mine sequence is dipping moderately to the north and the mineralisation appears to be plunging to the north east.

The Company's previous sampling and mapping activities indicate that most of the copper mineralisation remains in-situ (Figure 5). Level 1, 20m below surface, Level 2, 40m below surface and Level 3, 60m below surface have been accessed, mapped and sampled. Broad zones of strong copper, lead, vanadium and silver have been encountered on all levels. The Company's 3D modelling shows high grade continuity from surface to over 60m below surface.

The mineralisation remains open down plunge (Figure 6). In excess of 1,600m of strike have been identified to date containing several high priority exploration targets (Figure 7).

Several intersections contain anomalous levels of gallium, germanium and zinc, which show a similar metal association to the Tsumeb deposit located 26km to the northwest (30 Mt @ 4.3% Cu, 10% Pb, 3.5% Zn, 100g/t Ag and 50g/t Ge). This metal association has strong implications for the exploration and development potential of Nosib Block.

DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

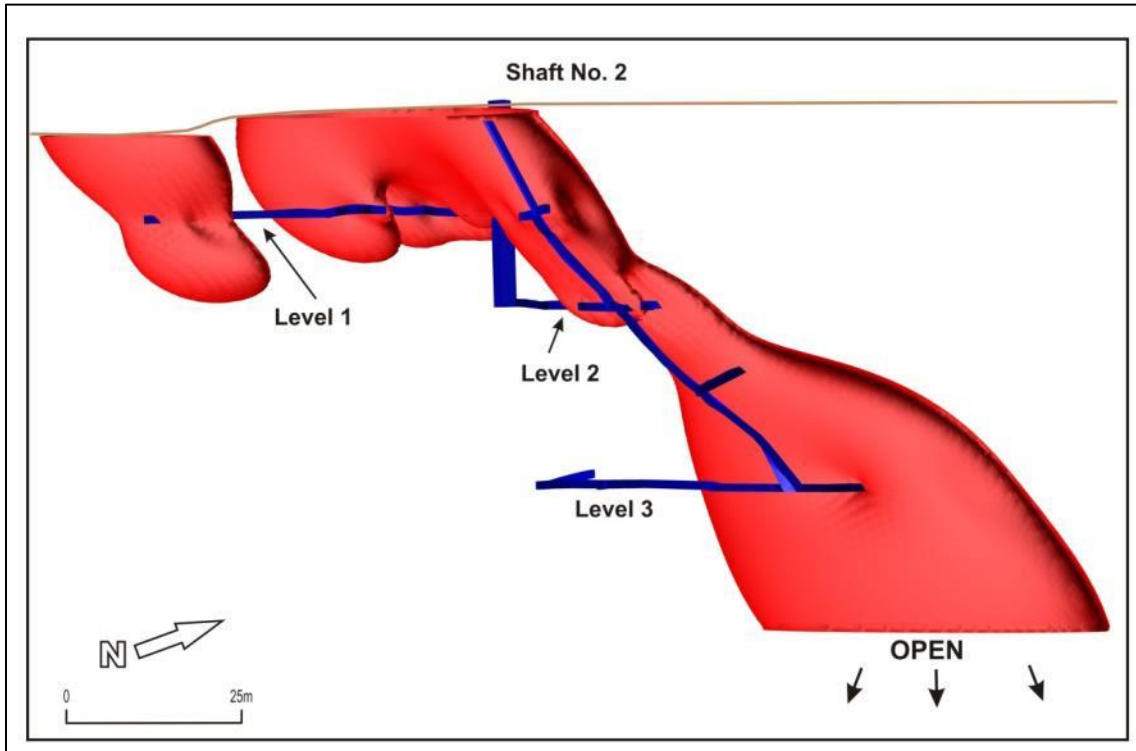


Figure 6: View looking WNW showing the underground workings in blue and 4% Cu Equivalent (CuEq)* 3D implicit model in red

*CuEq grade is calculated by combining the metals of interest based on their prices. In this case $Cu\% + (Zn\% \times 0.25) + (Pb\% \times 0.25) + (Ag \text{ ppm} \times 0.00625) + (V2O5\% \times 1.695) + CuEq\%$. It is used as a visualisation tool only and is required at Nosib Block due to the poly metallic and strongly zoned nature of the mineralisation. In this situation a CuEq grade provides a better picture of the overall geometry of the mineralisation than using copper grade on its own.

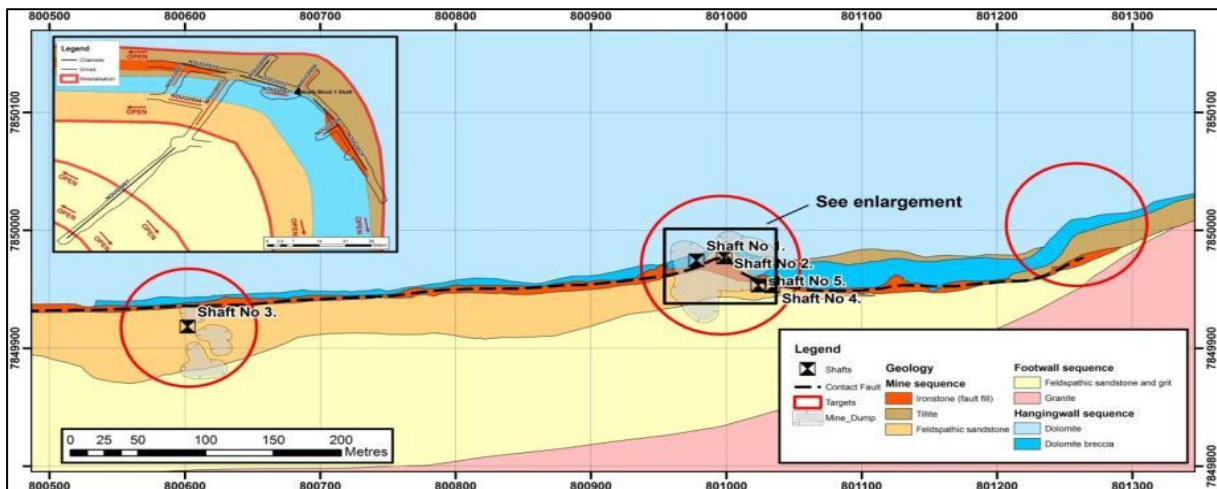


Figure 7: Plan view of the Nosib Mine workings. To the east the pinch out position is shown and the potential sandstone host is shown extending to the west

DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

2. Khusib Trend

The Khusib Trend is an east-west trending zone of copper anomalies and prospects located around a contact zone between dolomites and limestones. This is known as the T2/T3 contact position. The Khusib Trend is marked by the Pickaxe, Butterfly and Dogleg anomalies and trends northeast for over six kilometres, with the Khusib Springs copper mine located near the centre of the trend (Figure 8).

2.1 Khusib Mine

Khusib Springs was discovered and mined during the 1990s. Approximately 500,000t @ 10% Cu, 1.8% Pb and 584g/t Ag (unreferenced) was mined from Khusib Springs before its closure in 1997.

The area around Khusib Springs is considered highly prospective for additional high-grade Cu-Pb-Ag deposits similar to that of the mined out deposit. The area around the mine hosts a number of high-order anomalies generated from close-spaced soil geochemistry, geophysics and airborne magnetics.

Goldfields South Africa actively explored around Khusib Springs during the 1990s using predominantly electrical geophysics. Records show that many anomalies were generated from this work but few of the conductors were effectively drill tested. The EM technique and loop locations may also not have been optimal. This leaves a significant opportunity for new discoveries in the area.

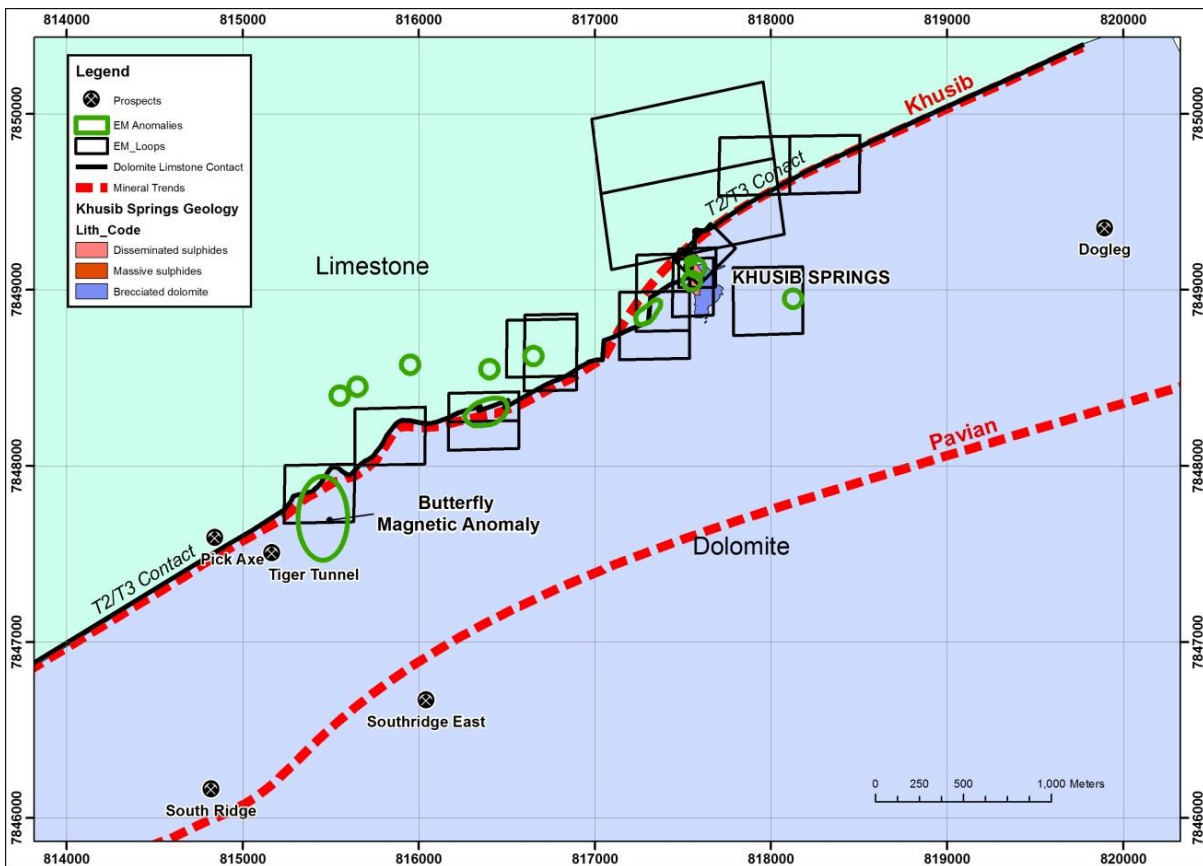


Figure 8: Simplified geology of the Khusib Springs area showing Protem loops with high priority EM targets circled in green

DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

A large volume of new information was previously acquired from the Tsumeb archives. This information has been integrated with the Company's database.

3. Border-Toggenburg Trend

The Border-Toggenburg Trend is marked by a high amplitude lead-zinc geochemical anomaly located directly along strike to the east of Sabre Resources' Southridge prospect and Border deposit.

The most advanced prospect on the Golden Deeps Ltd part of the trend is Southridge East prospect. The area shows large and consistent soil geochemistry anomalism and a channel sample at the prospect returned a very encouraging intercept of:

SRCS0004 18m @ 3.45% Pb+Zn (0.71% Zn, 2.74% Pb) and 13.97g/t Ag

4. Activities During the Period

4.1 Geological and Target Generation Study

In November 2018, GED engaged highly experienced and recognised geological consultancy Shango Solutions (Shango) to conduct a comprehensive geological review and drill targeting study on the Abenab project. The study included new data acquired from the previous project Avonlea. The scope of work included data capture and collation, extensive data validation, geological interpretation, 3D modelling and target generation. The main deliverable was the ranking and prioritisation of targets in the Abenab mine area and the design of a drilling program to be implemented in early 2019. Key outcomes for the study include:

- New data has been located and captured adding to the knowledge of the deposit.
- Validation of historic data has been completed and errors corrected.
- Abenab Mine designated the priority target for vanadium mineralisation.
- Abenab West is primarily a target for lead-zinc mineralisation with secondary potential for vanadium.
- Target generation indicates potential to extend the Abenab resource down dip and along strike.
- The new geological model provides support for an increase to the Abenab resource.

4.2 Abenab Mineral Resource Update

Shango generated an updated Mineral Resource for Abenab using the new geological model and a revised cut-off grade.

The new, upgraded JORC 2012 Inferred Mineral Resource is **2.8Mt @ 0.66% V₂O₅, 2.35% Pb, 0.94% Zn at a 0.2% V₂O₅ cut-off** (equates to 18.5kt vanadium pentoxide, 65.8kt lead and 26.3kt zinc).

4.3 Sampling of Tailings and Broken Ore Stockpiles

In August 2018, GED completed sampling of the historical Abenab Mine tailings and broken ore stockpiles. The stockpiles and tailings were also surveyed to provide estimates of volume.

Sampling of the broken ore stockpile was conducted by taking a 2-3kg surface samples of rock on a nominal 10m x 10m grid. 90 samples and 3 QAQC samples (GD00343-435) were submitted to the laboratory for multi-element analysis.

DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

The Abenab tailings impoundment was sampled using an auger drill with samples taken on a nominal 10m x 10m grid. A total of 172 auger holes were drilled and 328 samples and 6 QAQC samples submitted to the laboratory for multi-element analysis.

4.4 Mineral Processing

Mintek in Johannesburg has been engaged by the Company to develop a mineral processing flowsheet for the dolomite hosted vanadium ore type at Abenab. Mintek is South Africa's national mineral research organisation and is one of the world's leading technology organisations specialising in mineral processing and extractive metallurgy.

Mintek will produce a sample of ore concentrate using a pilot scale plant by processing an 8 tonne sample of ore from the existing ROM stockpile. The concentrate will then be used to test downstream processing options with potential off-take partners and assist in the development of future refining options for the recovery of vanadium, lead and zinc post concentration.

ONTARIO COBALT PROJECTS

Cobalt Resources Inc., a company incorporated in Quebec, Canada, was registered on 31 July 2018 and is a wholly owned subsidiary. It was incorporated for the purposes of holding the Company's mineral interests in the Professor Cobalt Project and the Waldman Cobalt Project, both located in Ontario, Canada.

The projects are located within the Cobalt Mining Camp which is historically the most prolific silver-cobalt mining camp in Canada, with some 50 million pounds of cobalt and 600 million ounces of silver mined over a 60-year period.

GOLDEN DEEPS LTD LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

APPENDIX I – Schedule of Tenements Namibia

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

APPENDIX II – Schedule of Tenements Canada

Country	State/Region	Project	Claim No.	Claim Type	Area ha	Expiry Date	Interest*
Canada	Ontario	Professor Co-Ag	A100	Patent	5.96	-	70%
			A96	Patent	7.71	-	70%
			C1000	Patent	8.48	-	70%
			C1376	Patent	6.78	-	70%
			C1383	Patent	8.28	-	70%
			C1384	Patent	6.61	-	70%
			C976	Patent	7.29	-	70%
			T19086	Patent	7.90	-	70%
			T19481	Patent	7.29	-	70%
			T19492	Patent	8.77	-	70%
			T25837	Lease	7.83	31/07/2022	70%
			T25838	Lease	8.03	31/07/2022	70%
			T27896	Lease	8.26	31/08/2022	70%
			T27897	Lease	7.06	31/08/2022	70%
		T43067	Lease	10.23	30/04/2023	70%	
		Waldman Co-Ag	322446	Mining Claim	22	8/09/2019	70%
			189411	Mining Claim	22	8/09/2019	70%
			236092	Mining Claim	22	30/10/2019	70%
			167029	Mining Claim	22	8/9/2020	70%
			117980	Mining Claim	22	8/9/2020	70%
			296687	Mining Claim	22	24/02/2020	70%
			343032	Mining Claim	22	8/09/2019	70%
			203057	Mining Claim	22	22/6/2020	70%
			256057	Mining Claim	22	8/09/2019	70%
			285204	Mining Claim	22	8/09/2019	70%
			239325	Mining Claim	22	8/09/2019	70%
			123450	Mining Claim	22	30/10/2019	70%
			155118	Mining Claim	22	30/10/2019	70%
			236093	Mining Claim	22	30/10/2019	70%
			306085	Mining Claim	22	10/05/2020	70%
			153797	Mining Claim	22	8/09/2020	70%
			218338	Mining Claim	22	8/09/2019	70%
182442	Mining Claim		22	8/09/2020	70%		
322445	Mining Claim	22	8/09/2019	70%			
122494	Mining Claim	22	8/09/2020	70%			

DIRECTORS' REPORT (continued)
APPENDIX II – Schedule of Tenements Canada (continued)

			174898	Mining Claim	22	4/05/2020	70%
			199634	Mining Claim	22	30/10/2019	70%
			200977	Mining Claim	22	8/09/2019	70%
			189303	Mining Claim	22	15/12/2019	70%
			182443	Mining Claim	22	8/09/2019	70%
			290776	Mining Claim	22	30/10/2019	70%
			227355	Mining Claim	22	10/05/2020	70%
			136813	Mining Claim	22	8/09/2020	70%
			343033	Mining Claim	22	8/09/2019	70%
			203776	Mining Claim	22	4/05/2020	70%
			283242	Mining Claim	22	30/10/2019	70%
			320124	Mining Claim	22	30/10/2019	70%
			321848	Mining Claim	22	15/12/2019	70%
			324858	Mining Claim	22	30/10/2019	70%
			156804	Mining Claim	22	4/05/2020	70%
			275742	Mining Claim	22	22/06/2020	70%

*Subject to transfer of title to Cobalt Resources Inc., a 100% owned subsidiary of Golden Deeps Ltd. Option to acquire 100% subject to terms of binding License Acquisition Agreement.

DIRECTORS' REPORT (continued)

Competent Person Declaration

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

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Golden Deeps Ltd Limited's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Golden Deeps Ltd Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

3. FINANCIAL RESULT

The Group recorded a loss after income tax of \$489,205 (2017: \$374,545) for the half year period. As at 31 December 2018 the Group had cash funds of \$912,901 (30 June 2018: \$2,110,949).

4. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of the Directors.



Michael Minosora
Director

Perth, 8 March 2019

Auditor's Independence Declaration

To the Directors of Golden Deeps Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Golden Deeps Limited for the period ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner – Audit & Assurance

Perth, 8 March 2019

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Consolidated Half year 2018 \$	Consolidated Half year 2017 \$
Income		
Interest earned	8,690	147
Investments marked to market	-	25,106
	<u>8,690</u>	<u>25,253</u>
Expenses		
Professional services	(83,871)	(38,934)
Exploration expenditure	-	(1,353)
Office facility fees for services under a Management Agreement	(122,500)	(128,809)
Directors' fees and services	(83,100)	(21,000)
ASX fees	(42,224)	(15,632)
Provision for doubtful debts	(16,212)	(3,126)
Share based payments expense	(91,842)	-
Other operating costs	(58,146)	(190,944)
	<u>(497,895)</u>	<u>(399,798)</u>
Profit/(Loss) before income tax	(489,205)	(374,545)
Income tax	-	-
Profit/(Loss) for the half year, net after tax	(489,205)	(374,545)
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign controlled entities	(50,275)	16,137
Total comprehensive income/(loss) for the half year	(539,480)	(358,408)
Profit/(loss) for the period attributable to:		
Owners of the parent	(480,754)	(365,305)
Non-controlling interest	(8,451)	(9,240)
Total Profit/(Loss) for the half year, net after tax	(489,205)	(374,545)
Total comprehensive income/(loss) for the period attributable to:		
Owners of the parent	(520,974)	(352,395)
Non-controlling interest	(18,506)	(6,013)
Total comprehensive income/(loss) for the half year	(539,480)	(358,408)
Basic and diluted profit /(loss) cents per share	(0.29)	(0.34)

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Notes	Consolidated 31 December 2018 \$	Consolidated 30 June 2018 \$
CURRENT ASSETS			
Cash and cash equivalents		912,901	2,110,949
Trade and other receivables		1,837	71,804
TOTAL CURRENT ASSETS		914,738	2,182,753
NON-CURRENT ASSETS			
Exploration and evaluation expenditure		3,344,804	2,970,526
Trade & other receivables		49,257	49,257
TOTAL NON-CURRENT ASSETS		3,394,061	3,109,783
TOTAL ASSETS		4,308,799	5,202,536
CURRENT LIABILITIES			
Trade and other payables		171,286	197,385
Loan - unsecured		-	420,000
TOTAL CURRENT LIABILITIES		171,286	617,385
NON-CURRENT LIABILITIES			
Trade and other payables		1,914,609	1,914,609
TOTAL NON-CURRENT LIABILITIES		1,914,609	1,914,609
TOTAL LIABILITIES		2,085,895	2,531,994
NET ASSETS		2,222,904	2,670,542
EQUITY			
Issued capital	4	16,162,383	16,162,383
Option reserve	5	99,842	481,101
Foreign currency translation reserve		(98,418)	(58,198)
Accumulated losses		(13,730,117)	(13,722,464)
Parent interests		2,433,690	2,862,822
Non-controlling interest		(210,786)	(192,280)
TOTAL EQUITY		2,222,904	2,670,542

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	<i>Ordinary Issued Capital</i>	<i>Option Reserve</i>	<i>Foreign Currency Translation Reserve</i>	<i>(Accumulated Losses)</i>	<i>Total attributable to owners of parent</i>	<i>Non-controlling Interest</i>	<i>Total Equity</i>
	\$	\$	\$	\$			\$
BALANCE AT 1 JULY 2017 – as previously stated	13,266,554	8,000	(67,563)	(13,287,569)	(80,578)	-	(80,578)
Prior period adjustment (Refer to Note 6)	-	-	13,513	161,694	175,207	(175,207)	-
BALANCE AT 1 JULY 2017- restated	13,266,554	8,000	(54,050)	(13,125,875)	94,629	(175,207)	(80,578)
Total loss for the period	-	-	-	(365,305)	(365,305)	(9,240)	(374,545)
Issues of share capital	873,440	-	-	-	873,440	-	873,440
Cost of capital raising	(522,541)	-	-	-	(522,541)	-	(522,541)
Issues of options	-	473,101	-	-	473,101	-	473,101
Total other comprehensive income for the period	-	-	12,910	-	12,910	3,227	16,137
BALANCE AT 31 DECEMBER 2017	13,617,453	481,101	(41,140)	(13,491,180)	566,234	(181,220)	385,014

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2018 (continued)

	<i>Ordinary Issued Capital</i>	<i>Option Reserve</i>	<i>Foreign Currency Translation Reserve</i>	<i>(Accumulated Losses)</i>	<i>Total attributable to owners of parent</i>	<i>Non-controlling Interest</i>	<i>Total Equity</i>
	\$	\$	\$	\$	\$	\$	\$
BALANCE AT 1 JULY 2018 – as previously stated	16,162,383	481,101	(72,748)	(13,900,194)	2,670,542	-	2,670,542
Prior period adjustment (Refer to Note 6)	-	-	14,550	177,730	192,280	(192,280)	-
BALANCE AT 1 JULY 2018- restated	16,162,383	481,101	(58,198)	(13,722,464)	2,862,822	(192,280)	2,670,542
Total loss for the period	-	-	-	(480,754)	(480,754)	(8,451)	(489,205)
Issues of options	-	91,842	-	-	91,842	-	91,842
Expiration of options	-	(473,101)	-	473,101	-	-	-
Total other comprehensive income for the period	-	-	(40,220)	-	(40,220)	(10,055)	(50,275)
BALANCE AT 31 DECEMBER 2018	16,162,383	99,842	(98,418)	(13,730,117)	2,433,690	(210,786)	2,222,904

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
HALF YEAR ENDED 31 DECEMBER 2018**

	Consolidated Half year 2018 \$	Consolidated Half year 2017 \$
Cash Flows from Operating Activities		
Payments to suppliers and employees	(465,068)	(109,031)
Interest received	13,864	147
<i>Net cash flows (used in) operating activities</i>	<u>(451,204)</u>	<u>(108,884)</u>
Cash Flows From Investing Activities		
Payments for exploration expenditure	(326,844)	(34,293)
<i>Net cash flows (used in) investing activities</i>	<u>(326,844)</u>	<u>(34,293)</u>
Cash Flows from Financing Activities		
Proceeds from capital raising	-	824,000
Proceeds from borrowings	-	70,000
Repayment of borrowings	(420,000)	-
<i>Net cash flows (used in) / provided by financing activities</i>	<u>(420,000)</u>	<u>894,000</u> -
Net increase/(decrease) in cash and cash equivalents	(1,198,048)	750,823
Cash and cash equivalents at the beginning of the half year	2,110,949	87,071
Effect of exchange rates on cash holdings in foreign currency	-	1,208
Cash and cash equivalents at the end of half year	<u>912,901</u>	<u>839,102</u>

The accompanying notes form part of these financial statements.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF YEAR ENDED 31 DECEMBER 2018**

1. BASIS OF PREPARATION OF HALF YEAR REPORT

Golden Deeps Limited is a company domiciled in Australia.

This general purpose financial report for the interim half year reporting period ended 31 December 2018 has been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134 *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Golden Deeps Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018 together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

The interim financial statements have been approved and authorised for issue by the Board of Directors.

New standards adopted as at 1 July 2018

As at the half year ended 31 December 2018, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 January 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2018.

The adoption of this standard has had no impact on the current or previous reporting period and as such there have been no adjustments to the opening balance of retained earnings and disclosures.

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139's '*Financial Instruments: Recognition and Measurement*' requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The adoption of this standard has had no impact on the current or previous reporting period and disclosures.

(i) Changes in accounting policy and disclosures

Other than those identified above, there have been no other standards coming into effect for the first time during the half-year ended 31 December 2018.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF YEAR ENDED 31 DECEMBER 2018**

BASIS OF PREPARATION OF HALF YEAR REPORT (continued)

(ii) Accounting standards and Interpretations issued but not yet effective

There have been no material changes to Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective. These have not been adopted by the Group for the half year reporting period ended 31 December 2018.

Going concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group has reported a net loss after tax for the period of \$489,205 (2017: \$374,545) and a cash outflow from operating activities of \$451,204 (2017: \$108,884).

The Directors will continue to monitor the capital requirements of the Group and this includes additional capital raisings in future periods as required. The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The ability of the Company to raise capital by the issue of additional shares under the Corporations Act 2001: and
- The ability to curtail administration and operational cash out flows as required; and
- The Company's largest creditor has deferred settlement of all outstanding amounts payable at balance date, totalling \$1,933,182, for a period to at least 31 March 2020, unless and until the Company becomes in a position to repay the whole or part of the amounts accrued and still remain solvent and a going concern.

The Directors recognise that the above represents a material uncertainty as to the Group's ability to continue as a going concern, however, they are confident that the Group will be able to continue its operations into the foreseeable future.

Should the Group be unable to obtain the funding as described above, there is a material uncertainty as to whether the Group will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustment relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

2. DIVIDENDS

No dividends have been paid or proposed during the half year ended 31 December 2018.

3. CAPITAL AND LEASING COMMITMENTS AND CONTINGENCIES

There has been no material change in contingent liabilities and commitments since the end of the last annual reporting period.

The consolidated entity is required to meet minimum expenditures as imposed by the Namibian and Canadian government mining authorities to retain its interest in the mining tenements that it has. If the minimum expenditure commitments are not met, there is a risk that the mining tenements will not be renewed.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF YEAR ENDED 31 DECEMBER 2018**

4. ISSUED CAPITAL

Date	Details	Number of Shares	Amount \$
1 July 2017	Balance	103,514,122	13,266,554
11 December 2017	Capital Raised, net of capital raising costs	21,200,000	350,899
31 December 2017	Balance	124,714,122	13,617,453
1 July 2018	Balance	171,380,789	16,162,383
		-	-
31 December 2018	Balance	171,380,789	16,162,383

5. OPTIONS

Date	Details	Number of Options	Amount \$
1 July 2017	Balance	80,000,000	8,000
7 December 2017	Options Granted	20,000,000	473,101
31 December 2017	Balance	100,000,000	481,101
1 July 2018	Balance	100,000,000	481,101
20 August 2018	Options Granted	58,666,667	22,000
30 November 2018	Options Expired	(20,000,000)	(473,101)
28 December 2018	Options Granted	17,000,000	69,842
31 December 2018	Balance	155,666,667	99,842

The 156,666,667 options on issue have terms as outlined below.

Number	Listed / Unlisted	Exercise Price	Expiry Date
58,666,667	Listed	\$0.10	30 April 2019
80,000,000	Unlisted	\$0.015	31 August 2019
4,250,000	Unlisted	\$0.075	1 February 2019
4,250,000	Unlisted	\$0.10	1 May 2019
4,250,000	Unlisted	\$0.15	1 September 2020
4,250,000	Unlisted	\$0.20	1 September 2020

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF YEAR ENDED 31 DECEMBER 2018**

6. PRIOR PERIOD ADJUSTMENT

The restatement of the 31 December 2017 financial statements is as a result of the non-controlling interest not being accounted for in prior period. This has been rectified by restating each of the affected financial statement line items for prior period.

	Previous amount \$	Adjustment \$	Restated amount \$
30 June 2018			
Foreign currency translation reserve	(72,748)	14,550	(58,198)
Accumulated losses	(13,900,194)	177,730	(13,722,464)
Non-controlling interest	-	(192,280)	(192,280)
30 June 2017			
Foreign currency translation reserve	(67,563)	13,513	(54,050)
Accumulated losses	(13,287,569)	161,694	(13,125,875)
Non-controlling interest	-	(175,207)	(175,207)

7. RELATED PARTY TRANSACTIONS

The Group's related parties include its subsidiaries, key management personnel and others as described below. None of the transactions incorporate special items and conditions and no guarantees were received or given.

Related Party	Relationship	Nature of Transaction	Half Year Ended 31 December 2018 \$	Half Year Ended 31 December 2017 \$
Huab Energy (Pty) Ltd	Subsidiary	Loan funding	248,939	29,000
Oshivela Mining (Pty) Ltd	Subsidiary	Loan funding	26,939	28,500
Sabre Resources Ltd	Common Directors	Exploration and evaluation	47,434	6,108
Sabre Resources Ltd	Common Directors	Trade payables	52,177	5,280

The Company expensed director fees of \$60,000, as well as \$9,605 in travel and accommodation, from Seabourn Capital Pty Ltd, a company of which Michael Minosora is a director and shareholder. An amount of \$27,904 (excluding GST) remains payable as at 31 December 2018.

The Company expensed director fees of \$7,000 from Profit & Resource Management Pty Ltd, a company of which Robert Collins is a director and shareholder. An amount of \$7,000 (excluding GST) remains payable as at 31 December 2018.

The Company expensed director fees of \$7,000 from Poldor Pty Ltd, a company of which Michael Norburn is a director and shareholder. An amount of \$7,000 remains payable as at 31 December 2018.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF YEAR ENDED 31 DECEMBER 2018**

8. OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal management reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and determining the allocation of resources. As the Group is focused on mineral exploration, the Board monitors the Group based on actual exploration expenditure incurred by area of interest. The internal reporting framework is the most relevant to assist the executive management team with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

The executive management team has aggregated the performance of all segments as they maintain similar economic characteristics including the development and exploration of the Group's mineral interests in Namibia and in Canada.

Basis of Accounting for purposes of reporting by operating segments

Accounting Policies Adopted

All amounts reported to the Board of Directors with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Unallocated items

Corporate costs are not considered core operations of any segment.

9. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

DIRECTORS' DECLARATION

In the opinion of the Directors of Golden Deeps Ltd:

- (a) the consolidated financial statements and notes, as set out on the accompanying pages, are in accordance with the Corporations Act 2001 including:
 - (i) Giving a true and fair view of its financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
 - (ii) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Michael Minosora
Director

Perth, 8 March 2019

Independent Auditor's Review Report

To the Members of Golden Deeps Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Golden Deeps Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated condensed statement of financial position as at 31 December 2018, and the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Golden Deeps Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$489,205 during the half year ended 31 December 2018 and a net cash outflow from operating activities of \$451,204. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Golden Deeps Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Hillgrove
Partner – Audit & Assurance

Perth, 8 March 2019