



GOLDEN DEEPS

LIMITED

AND CONTROLLED ENTITIES

(ACN 054 570 777)

**Interim Financial Report
for the Half Year Ended
31 December 2019**

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DIRECTORS' REPORT

The Directors of Golden Deeps Limited (GED) 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 2019.

1. DIRECTORS

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

Michael Minosora – Chairman
 Michael Rodriguez – Non-Executive Director
 Robert Collins – Non-Executive Director
 Michael Norburn – Non-Executive Director
 Michael Scivolo – Non-Executive Director

2. REVIEW OF OPERATIONS

REVIEW OF OPERATIONS

The Company has made significant progress on the development of its Abenab Vanadium Project near Grootfontein in Namibia. The project is considered to be highly prospective for vanadium and also lead, zinc and copper. Drilling and sampling of surface stockpiles and tailings has continued and metallurgical testwork is well advanced.

Abenab Vanadium Project

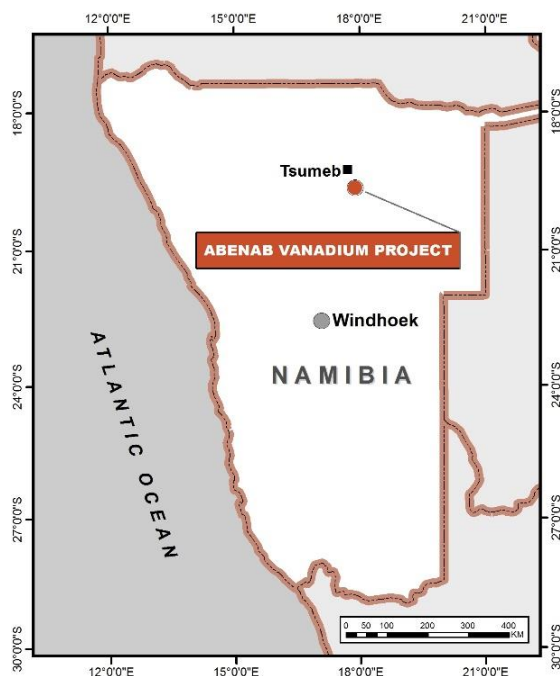
The Company holds an 80% interest in the highly prospective Abenab Vanadium Project (AVP). The Project is located in the Otavi Mountain Land (OML), north east Namibia (Figure 1). The OML is a globally significant base metal province with production coming from several mines, including the now closed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

The AVP landholding stands at 434 km² comprising five Exclusive Prospecting Licences (EPLs) with two currently undergoing a statutory renewal process (EPL5496 and 3543) Refer to Figure 2.

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

Abenab Vanadium Mine

The Company has identified the opportunity to define near-surface vanadium-lead-zinc resources and to re-open or extend the adjacent historic Abenab and Abenab West mines. The unusual, high grade vanadate mineralogy of the deposits is unlike any operating or proposed vanadium mines and is amenable to simple, low cost gravity-based processing methods to produce an exceptionally high grade and high value multi-metal concentrate rich in vanadium pentoxide (V₂O₅), lead and zinc.



DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

Abenab West Mine

The Abenab West Mine (formerly Christiana Mine) was mined between 1947 and 1958. Several open pits were dug and a number of shafts were sunk to access the mineralisation. Extensive underground level development was carried out over at least 1,000 m of mineralised strike extent and to a depth of at least 380 m below surface.

Historically the mine produced vanadium, lead and zinc concentrates using simple gravity separation techniques. Production from the mine is reported to have been 540,000 t at 10% Pb and 2.6% V₂O₅ (plus Zn)¹.

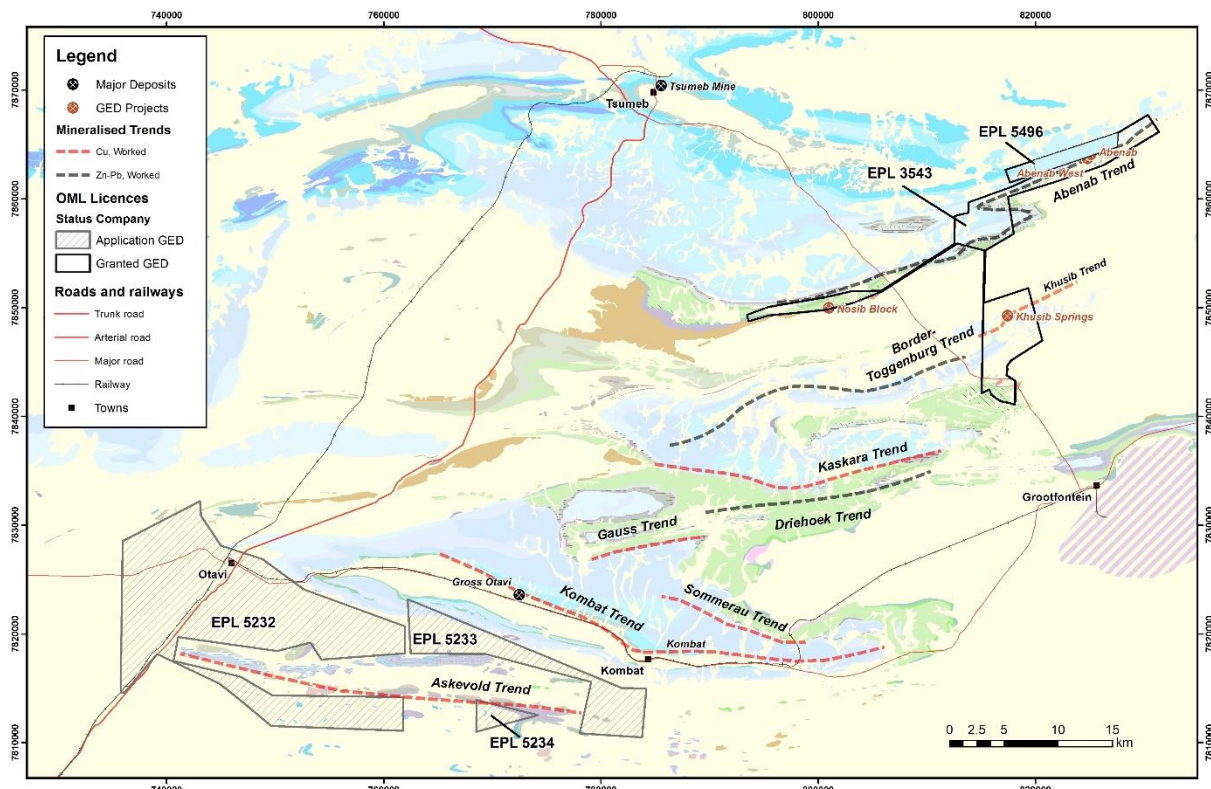


Figure 2: The location of Khusib Springs, Nosib Block, Abenab and Abenab West mines within the Golden Deeps Ltd Abenab Vanadium Project, Otavi Mountainland, Namibia

Activities Completed During the Period

Metallurgical Testwork

Mintek, of South Africa was engaged to complete the detailed metallurgical test program on the surface ore and tailings materials. This work involves the optimisation of the crushing and concentrator process flowsheet and preparation of a bulk concentrate sample for testing downstream with off takers and 3rd party refiners. Proving the ability to concentrate the above ground material increases the available resource and provides access to pre-mined material which can be utilised during the first 12 months of operation facilitating a quicker plant start-up whilst the wider mine area is being developed. This first stage test work is now complete.

¹ GED ASX announcement dated 8 May 2018

DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

Metallurgical testing of the above ground materials confirms that a crushing plant capable of a sub 1mm particle, supported by a water based gravity separation process is suitable. This produced a concentrate with a 30 times upgrade on vanadium units, delivering a grade of 8.9 % V_2O_5 , 30.5% Pb and 8.95% Zinc. Further analysis has identified that improvements in recovery may also be possible through introduction of recycle streams and less stages of separation.

Additional testing of the surface constrained tailings stockpiles was also completed. This material contained a high percent of slimes material which was successfully removed through a multi-stage hydro cyclone process. The tailings material was then separated using similar gravity separation methods as previous tests and showed signs of good concentration. Chemical assays showed that the separation results were in line with the ore stockpile test results, albeit that the tailings post de-slime present as a much lower grade feed material and therefore required significant upgrading to the detriment of recovery.

A detailed mineralogical assessment of the test work reject streams has also commenced to provide an in-depth analysis of the material dynamics. This will help further identify whether alternative processing technologies or comminution strategies should be considered to improve recovery from the tailings and other above ground materials.

Engineering Design - Crushing and Concentrate Plant

The process plant selection and design process continues to evolve with tenders for the feasibility study being received and assessed. Notable is the large interest shown in the project backed by the number of submissions.

Findings from the recent test works identified that alternative technologies may have the potential to improve recovery of the above ground materials. This, together with additional untested above ground materials which GED has found recently, the spiral separation process originally selected as the preferred method may not be the optimum solution for the recovery of vanadium. For this reason, the detailed designs under the bankable feasibility study have been put on hold pending further testing and assessment.

The preferred still option remains a modular plant enabling a shorter lead time to production whilst also enabling future upgrades to be obtained with relative ease. Initial reviews also support an initial plant size of 250ktpa (35tph).

The Namibian Government continues to support the project, acknowledging that the existing above ground stocks can be processed under an Accessory Works Approval process and will not require a full mining licence. This has the potential to significantly reduce approval and construction lead times by around 2-3 months.

Vanadium refining

Many options are available for downstream processing of the concentrate including in situ refining, toll treating through third parties and direct selling of the concentrate. Due to the mineralogy and high grade of concentrate achieved, indications are that a chemical based process can be employed as an alternative to the traditional salt roast and water leach method, extracting higher value from the resource at a lower capital and operating cost. To facilitate this, a bulk concentrate sample from the recent test program on the above ground rock stockpile has been produced to a targeted grade of 6% V_2O_5 . This material is being packaged for distribution to the above mentioned refineries for downstream testing.

DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

To advance this work, meetings have been held with a number of vanadium refineries in relation to third party refining of the high-grade concentrate. Among these is Dalian Bolong New Materials Limited, a leading vanadium products producer and through its subsidiary Dalian Rongke Power Company Limited, the leading global mass storage vanadium REDOX battery manufacturer. Dalian Bolong continue to express their confidence in processing the Abenab concentrate to recover vanadium and also extracting value from available lead and zinc credits which add further value to the project outcomes.

Golden Deeps – GMC Joint Venture

The Golden Deeps/Generous Metals Company Limited Joint Venture continues to develop with the trial phase of operations initiated early than planned on the back of good results from the initial operations round of test work.

The trial operation involves sampling and delivering a 40kg bulk sample of descloizite ore, tailings and willemite to GMC for concentrating and downstream refinery testing. The material was loaded in September and has arrived in China for testing. Results from this work are to be shared with all JV participants and are expected to take around 60 days from commencement of testwork by the refinery of the bulk sample.

Resource Definition and Mine Development Drilling

In April 2019, the Company commenced a drilling program at the Abenab Mine with the aim of in-filling and extending the existing Inferred Mineral Resource. A diamond core drill rig was mobilised first followed by a reverse circulation (RC) rig in May (Figures 3-4). The drill program was initially focussed on the reported vanadium resource but was later modified to include shallow exploration drilling around the open pit. The drill program was completed in July 2019 with 23 holes drilled for 3,638m.

Five diamond holes (green holes in Figure 5) were drilled to in-fill the resource to validate previous drilling and to support a planned conversion of the resource from Inferred to Indicated. Twelve RC holes (blue holes in Figure 5) were drilled around the existing Abenab open pit targeting shallow mineralisation that could potentially support a pit cutback.



Figure 3-4: RC and diamond drill rigs in operation at the Abenab Mine.

DIRECTORS' REPORT (continued)**2. REVIEW OF OPERATIONS (continued)**

Diamond hole ABD015 located centrally within the Abenab resource intersected brecciated dolomite with spar calcite-descloizite ($\text{PbZn}(\text{VO}_4)(\text{OH})$) fracture fill from 208m to 272m. The best intersection at a cut-off grade of 0.2% V_2O_5 is:

64.18m at 0.90% V_2O_5 , 2.01% Pb, 0.65% Zn from 207m²
Includes 19m at 1.25% V_2O_5 , 2.73% Pb, 0.878% Zn from 230m

Hole ABRC016 was drilled on the margin of the existing resource targeting possible up dip extensions. The hole intersected multiple zones of dolomite breccia with minor descloizite mineralisation between 151m and 266m, an interval of 115m. Best intersections include:

10.68m at 0.26% V_2O_5 , 0.57% Pb, 0.17% Zn from 167m
5.8m at 0.3% V_2O_5 , 0.92% Pb, 0.30% Zn from 203m
6.9m at 0.25% V_2O_5 , 0.58% Pb, 0.32% Zn from 216.1m

ABRC011 intersected multiple zones of brecciated dolomite and limestone with calcite fracture fill containing descloizite. Best intersections are as follows:

23m @ 1.34% V_2O_5 , 3.33% Pb, 1.25% Zn from 167m³
(includes 1m @ 7.84% V_2O_5 , 19.0% Pb, 6.52% Zn from 186m)
16m @ 0.56% V_2O_5 , 1.30% Pb, 0.53% Zn from 274m
15m @ 0.29% V_2O_5 , 0.65% Pb, 0.32% Zn from 292m

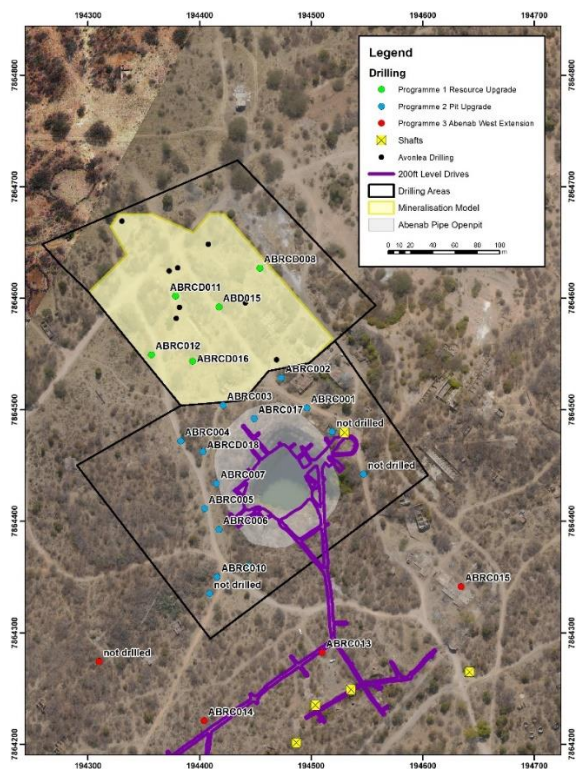


Figure 5: Drill hole location plan Abenab Mine

2 GED ASX announcement dated 14 August 2019

3 GED ASX announcement dated 17 September 2019

DIRECTORS' REPORT (continued)**2. REVIEW OF OPERATIONS (continued)**

The Abenab RC drilling program targeted shallow vanadium mineralisation adjacent to the historic Abenab open pit. This program forms part of a broader study evaluating mining options for the current defined resource including whether the resource will be accessed using an open-pit or underground mining method.

Shallow mineralisation up dip/plunge of the main resource could support a pit cut-back, with the recent discovery of remnant vanadium mineralisation in the southern wall of the pit providing further support. This area was targeted by holes ABRC019 and ABRC020 that intersected zones with visible descloizite. Results from these holes are pending.

Hole ABRC019 intersected seven intervals in the footwall limestone that are in excess of the resource cut-off grade of 0.2% V₂O₅. The best intersections are:

- 2m @ 1.76% V₂O₅, 4.38% Pb, 1.42% Zn from 8m⁴
- 2m @ 1.8% V₂O₅, 5.07% Pb, 2.53% Zn from 64m

Hole ABRC020 intersected six intervals in the footwall limestone that are in excess of the resource cut-off grade of 0.2% V₂O₅ (Figure 6). The best intersections are:

- 6m @ 0.63% V₂O₅, 1.53% Pb, 0.58% Zn from 48m
 - 3m @ 0.92% V₂O₅, 2.7% Pb, 0.44% Zn from 77m
- (Includes 1m @ 1.81% V₂O₅, 4.61% Pb, 3.62% Zn from 79m (end of hole))

ABRC020 ended in mineralisation with a 1m intersection of 1m at 1.81% V₂O₅. Including zones of internal waste greater than 1m the 38m interval from 42m to 80m averages 0.31% V₂O₅.

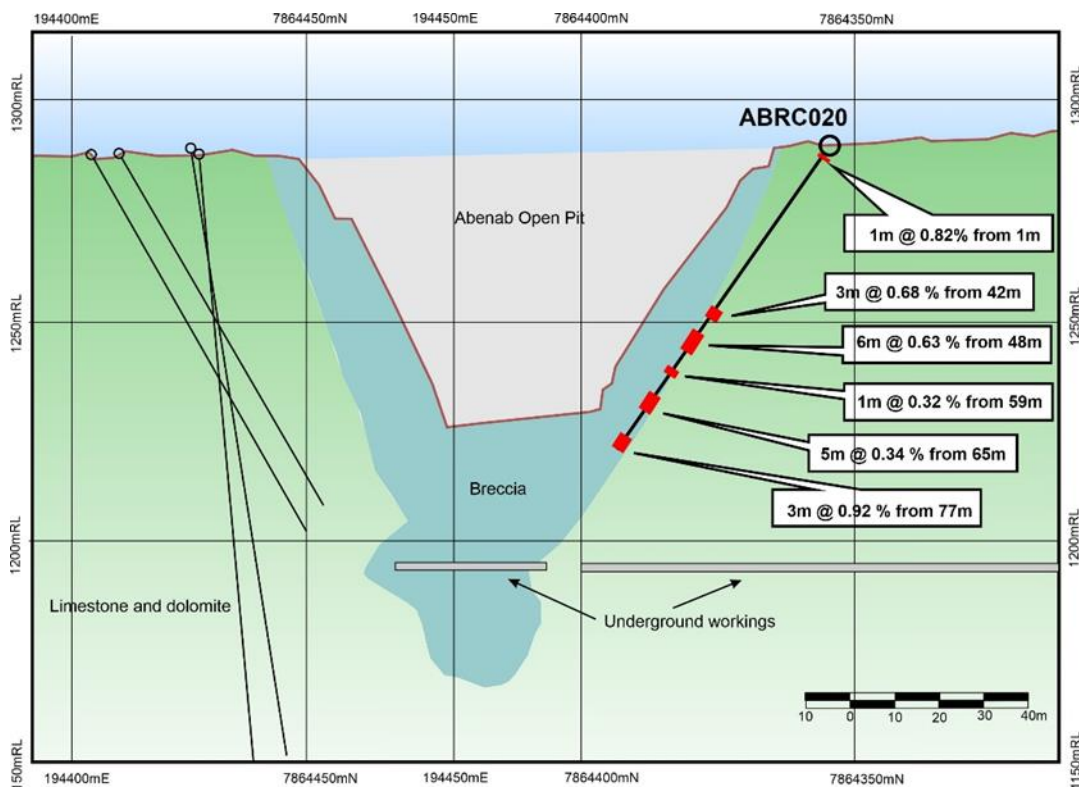


Figure 6: Cross section of hole ABRC020

DIRECTORS' REPORT (continued)**2. REVIEW OF OPERATIONS (continued)**

The encouraging results from holes ABRC019 and ABRC020 correlated well with the results from channel sampling in the open pit.

Five channels were cut and sampled along horizontal benches on the south wall of the historic Abenab open pit. The best intersections include:

ABPCS001 7m @ 2.72% V₂O₅, 7.09% Pb, 4.0% Zn from 29m⁵
Incl. 1m @ 12.49% V₂O₅, 29.9% Pb, 10.56% Zn from 32m

ABPCS005 5m @ 2.54% V₂O₅, 6.27% Pb, 2.08% Zn from 12m

Geological mapping along benches in the pit has revealed several zones of brecciated limestone with calcite fracture fill and descloizite, a lead-zinc vanadate. The descloizite occurs as black veneers on the margins of clasts in the breccia and resembles the ore that was mined historically from the Abenab pit and underground workings.

Surface Mineralised Material Drilling and Sampling

The Company's sampling of the vanadium bearing stockpile and tailings at Abenab (Figure 7) delivered highly positive results. Rock chip samples of the stockpile contain up to 1.79% vanadium pentoxide, whilst tailings dump auger samples contain up to 1.24% vanadium pentoxide⁶. These results confirm the potential for low-cost feed for the Golden Deeps and Generous Metals Company (GMC) production joint venture.

In addition to the main stockpile and tailings dump there are additional flat lying areas of surface mineralised material and tailings that extend over a broad area. Coarse mineralised material is restricted to the area around the historic open pit and is considered to be waste and stockpiled material from earlier mining operations. Unconstrained mine tailings extend for up to 1.5km to the north and northeast of the mine in shallow valleys.

The existence of the additional coarse mineralised material was initially identified in the wide-spaced mine development RC drill holes. These holes commonly contained 1-2m of vanadium mineralisation from surface.

The best intersections from the surface vanadium mineralisation drilling include:

ABRCD016 3m @ 0.62% V₂O₅ from surface
ABRCD017 4m @ 0.37% V₂O₅ from surface
ABRC002 5m @ 0.3% V₂O₅ from surface

An additional seven RC holes (ABRC021-27) were completed in July to further evaluate the surface mineralised material. The holes were drilled on a 100m x 100m grid in an area to the northeast of the open pit. The holes were drilled vertically to a maximum depth of 6m. Results include:

ABRC023 2m @ 1.42% V₂O₅, 3.33% Pb, 1.15% Zn from surface⁷
ABRC025 3m @ 0.5% V₂O₅, 1.31% Pb, 1.06% Zn from surface

⁵ GED ASX announcement dated 8 October 2019

⁶ GED ASX announcement dated 16 April 2019

⁷ GED ASX announcement dated 5 September 2019

DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

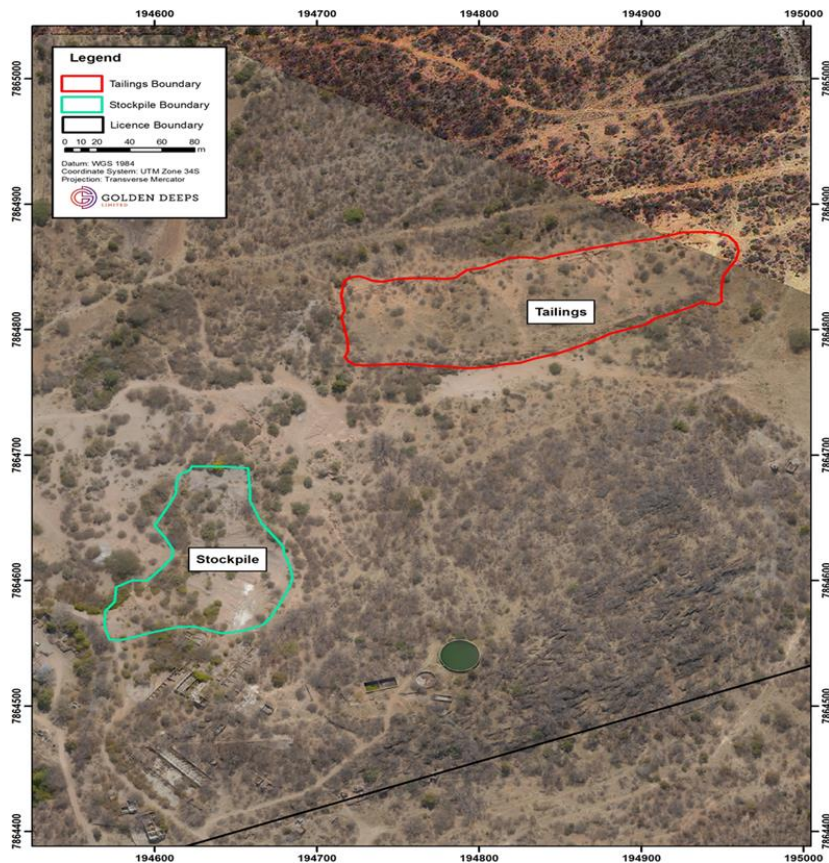


Figure 7: Location of Stockpile and Tailings at Abenab which have not been estimated as JORC resources.

To fully evaluate the unconstrained tails several phases of auger sampling were conducted. The first program conducted in September 2019 comprised 46 powered auger holes. The holes were drilled on a 100m x 100m grid to a maximum depth of 1.6m over an area of 1,250m x 250m. The highest value is 1.61% V₂O₅ in a valley to the east and south of the plant site. Lead and zinc values average 1.74% and 1.51% respectively, with peak values of 4.33% Pb and 3.23% Zn⁸. Best results include:

ABTS179	0.5m @ 1.61% V ₂ O ₅ , 4.34% Pb, 1.55% Zn from surface ⁸
ABTS178	0.5m @ 1.49% V ₂ O ₅ , 4.16% Pb, 1.71% Zn from surface
ABTS208	0.5m @ 1.34% V ₂ O ₅ , 3.65% Pb, 1.65% Zn from surface
ABTS180	0.6m @ 1.08% V ₂ O ₅ , 3.54% Pb, 3.08% Zn from surface

A second auger sampling programme comprising 74 holes was conducted in December 2019 extending the initial sampling program and in-filling the grid to 25m x 25m near the plant site (Figure 8). The tails have an average grade of 0.42% V₂O₅, 1.53% Pb and 1.2% Zn. Highest grade results are 1.81% V₂O₅, 5.44% Pb and 9.67% Zn.

⁸ GED ASX announcement dated 14 October 2019

DIRECTORS' REPORT (continued)

2. REVIEW OF OPERATIONS (continued)

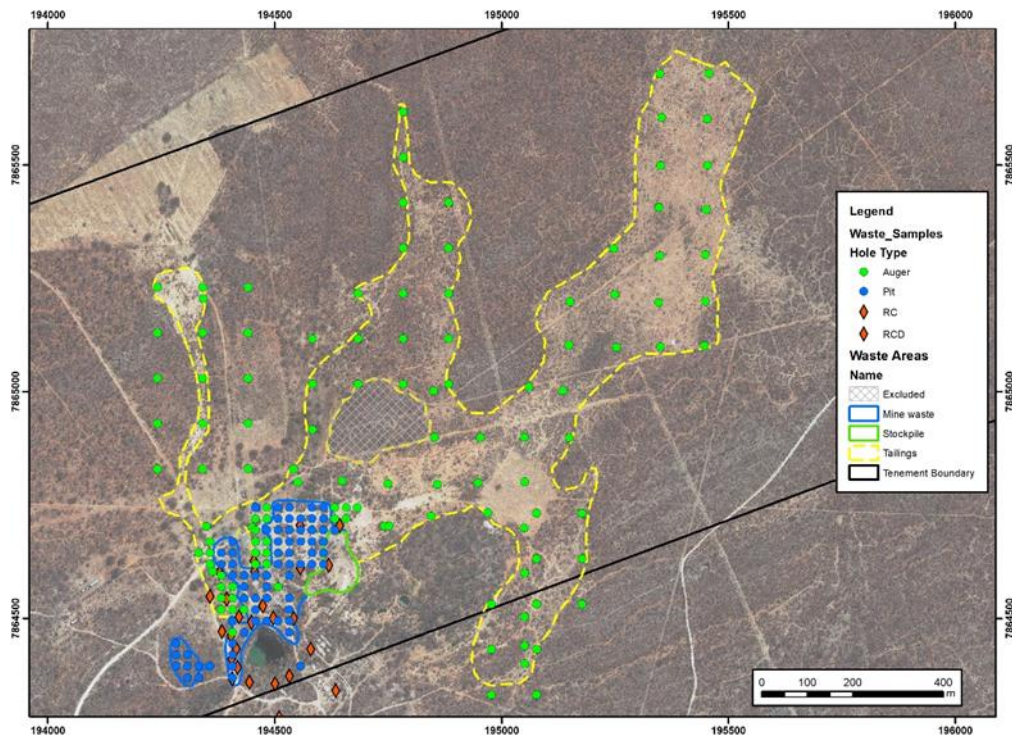


Figure 8: Plan showing all sampling of surface mineralised material at Abenab: Auger holes (green), pits (blue) and RC holes (red)

To better evaluate the extent and composition of the coarse surface mineralised material near the open pit and historic plant, 71 pits were dug with a backhoe and sampled at a nominal 25m x 25m grid. The pits were dug to a depth of 1-2m but in the majority of cases did not penetrate to the base of the material which is up to 4m in some locations. Samples were taken at 1m depth intervals and comprised of coarse rock fragments (<0.5m) and fine-grained tails. The sample pits have an average grade of 0.41% V_2O_5 , 0.91% Pb and 1.33% Zn. The highest grade results are 1.20% V_2O_5 , 4.33% Pb and 3.15% Zn⁹.

Work Planned 2020 - 2021

Abenab Exploration

Resource Definition and Mine Development Drilling

Pitting and powered auger drilling failed to fully evaluate the coarse surface mineralised material because the pits failed to penetrate to the base of the material. An ODEX drilling program is being assessed and costed. ODEX is a specialist drilling technique that can drill through unconsolidated material such as stockpiles and dumps generating uncontaminated samples for analysis. If conducted the ODEX drilling will form the basis for a JORC compliant resource estimate.

A Lidar survey (3D laser scanning) is planned for the open pit and surrounding areas with stockpiles and dumps. The survey will generate an accurate 3D model of the pit shell and a digital terrain model of the land surface. These will assist the assessment of the surface mineralised material and the calculation of material volumes and tonnage.

Drilling is planned to test the vanadium bearing breccia zones and fractures in the south wall of the Abenab open pit. Access for a drill rig within the pit is very poor because benches are narrow and there is no access ramp. An alternative under consideration is to drill from underground using the historic development drives. The planned Lidar survey will assist planning and the selection of drill sites.

⁹ GED ASX announcement dated 20 January 2020

DIRECTORS' REPORT (continued)**2. REVIEW OF OPERATIONS (continued)****Near-Mine Exploration**

A compilation of previous exploration on EPL3543 has identified eight vanadium occurrences along the prospective Abenab trend that extends for over 20km to the southwest of the Abenab Mine. Reconnaissance mapping and sampling is planned at these occurrences to determine their potential to add to the vanadium resource base already reported at Abenab. The occurrences may relate to carbonate hosted breccia pipes similar to the one that hosts vanadium mineralisation at Abenab.

Priority targets include the Okurundu Pipe and Nosib Block prospects. The historic Nosib copper-vanadium mine is located on the western end of the Abenab-Nosib Trend. Previous sampling and mapping activities indicate that most of the copper-vanadium mineralisation remains in-situ. On Level 1 channel sample results include 5m @ 6.5% V₂O₅ in channel sample NOUG005.

APPENDIX I – Schedule of Golden Deeps 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 5496	13	07/04/2016	06/04/2019*	80%
			EPL 5232	260	08/08/2019	07/08/2020	80%
			EPL 5233	63	08/08/2019	07/08/2020	80%
			EPL 5234	8.4	08/08/2019	07/08/2020	80%

*Renewal application pending

APPENDIX II – Schedule of Tenements Canada

Country	State/Region	Project	Claim No.	Claim Type	Area ha	Expiry Date	Interest*
Canada	Ontario	Waldman	123450	Boundary Cell Mining Claim	7.35	30-Oct-20	70%
			155118	Single Cell Mining Claim	21.86	30-Oct-20	70%
			199634	Single Cell Mining Claim	21.86	30-Oct-20	70%
			236092	Boundary Cell Mining Claim	1.24	30-Oct-20	70%
			236093	Single Cell Mining Claim	21.86	30-Oct-20	70%
			283242	Single Cell Mining Claim	21.86	30-Oct-20	70%
			290776	Boundary Cell Mining Claim	1	30-Oct-20	70%
			320124	Single Cell Mining Claim	21.86	30-Oct-20	70%
			324858	Single Cell Mining Claim	21.86	30-Oct-20	70%
			189303	Boundary Cell Mining Claim	3.11	15/12/2019*	70%
			321848	Boundary Cell Mining Claim	0.58	15/12/2019*	70%
			296687	Boundary Cell Mining Claim	0.31	24-Feb-20	70%
			156804	Single Cell Mining Claim	21.86	4-May-20	70%
			174898	Boundary Cell Mining Claim	4.57	4-May-20	70%
			203776	Single Cell Mining Claim	21.85	4-May-20	70%
			227355	Boundary Cell Mining Claim	2.46	10-May-20	70%
			306085	Single Cell Mining Claim	21.85	10-May-20	70%
			203057	Single Cell Mining Claim	21.85	22-Jun-20	70%
			275742	Single Cell Mining Claim	21.85	22-Jun-20	70%

DIRECTORS' REPORT (Continued)

Country	State/Region	Project	Claim No.	Claim Type	Area ha	Expiry Date	Interest*
Canada	Ontario	Professor	T25837	Lease	7.89	31-Jul-22	70%
			T25838	Lease	7.89	31-Jul-22	70%
			T27896	Lease	6.92	31-Aug-22	70%
			T27897	Lease	7.33	31-Aug-22	70%
			T43067	Lease	11.03	30-Apr-23	70%
			A100	Patent	6.83	-	70%
			A96	Patent	7.89	-	70%
			A99	Patent	7.85	-	70%
			C1376	Patent	9.38	-	70%
			C1383	Patent	8.41	-	70%
			C1384	Patent	7.68	-	70%
			C976	Patent	7.56	-	70%
			T19481	Patent	8.03	-	70%
			T19492	Patent	8.86	-	70%

*Subject to transfer of title to Cobalt Resources Inc., a 100% owned subsidiary of Golden Deeps Ltd.

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 \$556,028 (2018: \$489,205) for the half year period. As at 31 December 2019 the Group had cash funds of \$568,690 (30 June 2019: \$492,601).

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.

DIRECTORS' REPORT (continued)

Signed in accordance with a resolution of the Directors.



Michael Minosora
Director

Perth, 26 February 2020

Crowe Perth

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www.crowe.com.au**AUDITOR'S INDEPENDENCE DECLARATION**

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 half-year ended 31 December 2019, 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.

**Crowe Perth****Sean McGurk**

Partner

Signed at Perth, 26 February 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Consolidated Half year 2019 \$	Consolidated Half year 2018 \$
Income		
Interest earned	260	8,690
Proceeds from joint venture partner	5,315	-
Other income	8,782	-
	<u>14,357</u>	<u>8,690</u>
Expenses		
Professional services	(158,136)	(83,871)
Employee benefits	(1,868)	-
Office facility fees for services under a Management Agreement	(133,656)	(122,500)
Directors' fees and services	(144,995)	(83,100)
ASX fees	(19,539)	(42,224)
Provision for doubtful debts	(50,243)	(16,212)
Share based payments expense	-	(91,842)
Depreciation	(43)	-
Other operating costs	(61,905)	(58,146)
	<u>(570,385)</u>	<u>(497,895)</u>
Loss before income tax	(556,028)	(489,205)
Income tax	-	-
Loss for the half year, net after tax	(556,028)	(489,205)
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign controlled entities	3,197	(50,275)
Total comprehensive loss for the half year	(552,831)	(539,480)
Loss for the period attributable to:		
Owners of the parent	(548,741)	(480,754)
Non-controlling interest	(7,287)	(8,451)
Total Loss for the half year, net after tax	(556,028)	(489,205)
Total comprehensive loss for the period attributable to:		
Owners of the parent	(546,183)	(520,974)
Non-controlling interest	(6,648)	(18,506)
Total comprehensive loss for the half year	(552,831)	(539,480)
Basic and diluted loss per share (cents)	(0.22)	(0.29)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	Consolidated 31 December 2019 \$	Consolidated 30 June 2019 \$
CURRENT ASSETS			
Cash and cash equivalents		568,690	492,601
Trade and other receivables		56,707	66,979
TOTAL CURRENT ASSETS		625,397	559,580
NON-CURRENT ASSETS			
Exploration and evaluation expenditure		3,737,356	3,262,304
Trade and other receivables		49,257	49,257
TOTAL NON-CURRENT ASSETS		3,786,613	3,311,561
TOTAL ASSETS		4,412,010	3,871,141
CURRENT LIABILITIES			
Trade and other payables		394,228	379,732
Provisions		8,409	11,994
Borrowings		-	62,000
TOTAL CURRENT LIABILITIES		402,637	453,726
NON-CURRENT LIABILITIES			
Trade and other payables		1,627,604	1,914,609
TOTAL NON-CURRENT LIABILITIES		1,627,604	1,914,609
TOTAL LIABILITIES		2,030,241	2,368,335
NET ASSETS		2,381,769	1,502,806
EQUITY			
Issued capital	4	18,204,368	16,772,574
Option reserve	5	60,274	64,205
Foreign currency translation reserve		(83,720)	(86,278)
Accumulated losses		(15,572,617)	(15,027,807)
Parent interests		2,608,305	1,722,694
Non-controlling interest		(226,536)	(219,888)
TOTAL EQUITY		2,381,769	1,502,806

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	<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)
Total other comprehensive income for the period	-	-	(40,220)	-	(40,220)	(10,055)	(50,275)
Total comprehensive loss for the period	-	-	(40,220)	(480,754)	(520,974)	(18,506)	(539,480)
Issues of options	-	91,842	-	-	91,842	-	91,842
Expiration of options	-	(473,101)	-	473,101	-	-	-
BALANCE AT 31 DECEMBER 2018	16,162,383	99,842	(98,418)	(13,730,117)	2,433,690	(210,786)	2,222,904

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2019 (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 2019	16,772,574	64,205	(86,278)	(15,027,807)	1,722,694	(219,888)	1,502,806
Total loss for the period	-	-	-	(548,741)	(548,741)	(7,287)	(566,028)
Total other comprehensive income for the period	-	-	2,558	-	2,558	639	3,197
Total comprehensive loss for the period	-	-	2,558	(548,741)	(546,183)	(6,648)	(552,831)
Issue of shares	1,514,455	-	-	-	1,514,455	-	1,514,455
Costs of issuing shares	(82,661)	-	-	-	(82,661)	-	(82,661)
Expiration of options	-	(3,931)	-	3,931	-	-	-
BALANCE AT 31 DECEMBER 2019	18,204,368	60,274	(83,720)	(15,572,617)	2,608,305	(226,536)	2,381,769

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR
ENDED 31 DECEMBER 2019**

	Consolidated Half year 2019 \$	Consolidated Half year 2018 \$
Cash Flows from Operating Activities		
Payments to suppliers and employees	(796,238)	(465,068)
Interest received	260	13,864
Other income	16,790	-
Proceeds from joint venture partner	5,315	-
<i>Net cash flows used in operating activities</i>	<u>(773,873)</u>	<u>(451,204)</u>
Cash Flows from Investing Activities		
Payments for exploration expenditure	(518,250)	(326,844)
Payments for plant and equipment	(1,582)	-
<i>Net cash flows used in investing activities</i>	<u>(519,832)</u>	<u>(326,844)</u>
Cash Flows from Financing Activities		
Proceeds from capital raising (net of capital raising costs)	1,431,794	-
Repayment of borrowings	(62,000)	(420,000)
<i>Net cash flows (used in) / provided by financing activities</i>	<u>1,369,794</u>	<u>(420,000)</u>
Net increase/(decrease) in cash and cash equivalents	76,089	(1,198,048)
Cash and cash equivalents at the beginning of the half year	492,601	2,110,949
Cash and cash equivalents at the end of half year	<u>568,690</u>	<u>912,901</u>

The accompanying notes form part of these financial statements.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF YEAR ENDED 31 DECEMBER 2019**

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 2019 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 2019 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 and amended standards adopted by the Group

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

- AASB 16: Leases

The impact of the adoption of this Standard and the respective accounting policies is disclosed below.

Changes in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

i. Leases

The Group as lessee

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

1. BASIS OF PREPARATION OF HALF YEAR REPORT (continued)

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
- variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(i) 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 2019.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF YEAR ENDED 31 DECEMBER 2019**

BASIS OF PREPARATION OF HALF YEAR REPORT (continued)

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 \$556,028 (2018: \$489,205) and a cash outflow from operating activities of \$773,873 (2018: \$451,204).

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 \$1,888,235 (being current Trade and other payables of \$260,631 as well as non-current Trade and other payables \$1,627,604), for a period to at least 31 March 2021, unless and until GED 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 2019.

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 2019**

4. ISSUED CAPITAL

Date	Details	Number of Shares	Amount \$
1 July 2018	Balance	171,380,789	16,162,383
31 December 2018	Balance	171,380,789	16,162,383
1 July 2019	Balance	212,080,789	16,772,574
19 August 2019	Conversion of options	1,300,000	19,500
27 August 2019	Conversion of options	22,997,000	344,955
2 October 2019	Issue of shares at \$0.026	41,346,155	1,075,000
5 December 2019	Issue of shares at \$0.026	2,884,615	75,000
	Capital raising costs	-	(82,661)
31 December 2019	Balance	280,608,559	18,204,368

5. OPTIONS

Date	Details	Number of Options	Amount \$
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
1 July 2019	Balance	47,800,000	64,205
31 August 2019	Options expired	(39,300,000)	(3,931)
31 December 2019	Balance	8,500,000	60,274

The 8,500,000 options on issue have terms as outlined below.

Number	Listed / Unlisted	Exercise Price	Expiry Date
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 2019**

6. PRIOR PERIOD ADJUSTMENT

The restatement of the 31 December 2018 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)

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 2019 \$	Half Year Ended 31 December 2018 \$
Huab Energy (Pty) Ltd	Subsidiary	Loan funding	401,938	248,939
Oshivela Mining (Pty) Ltd	Subsidiary	Loan funding	18,794	26,939
Sabre Resources Ltd	Common Directors	Exploration and evaluation	35,626	47,434
Sabre Resources Ltd	Common Directors	Trade payables	14,362	52,177

The Company expensed director fees of \$110,000, as well as \$15,801 in travel, accommodation and other expenses, from Seabourn Capital Pty Ltd, a company of which Michael Minosora is a director and shareholder. An amount of \$46,479 (excluding GST) remains payable as at 31 December 2019.

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 \$3,500 (excluding GST) remains payable as at 31 December 2019.

The Company expensed director fees of \$12,000 from Oppenheimer Resources, an entity related to Michael Rodriguez. An amount of \$4,000 (excluding GST) remains payable as at 31 December 2019.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF YEAR ENDED 31 DECEMBER 2019**

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 2019 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, 26 February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GOLDEN DEEPS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Golden Deeps Limited (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of Golden Deeps Limited 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 control as the directors determine is necessary to enable the preparation of the half-year financial report that 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, 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 financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 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 and its subsidiaries, 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 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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Independence

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

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss after tax of \$556,028 and had net cash used in operating activities of \$773,873 for the half-year ended 31 December 2019, and as of that date. As stated in Note 1 these events and conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Golden Deeps Limited and its subsidiaries is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



Crowe Perth



Sean McGurk
Partner

Signed at Perth, 26 February 2020