

Quarterly Activities Report for the period ended 30 September 2011

1 EASTERN VICTORIAN GOLD PROJECTS

The company currently holds three granted exploration licences and has an application pending for one further exploration licence in eastern Victoria. The granted exploration licences are Burwang (EL5235), Twist Creek (EL5239), and Mudlark (EL5272). The Grant-Dargo (EL5240) licence is still proceeding through the application process. These licences and the application are for low impact gold exploration over a number of historic gold mining areas that have received limited exploration using modern techniques.

The Company recently attended an information session held by the Department of Primary Industries (DPI) in Benalla. This information session was held to introduce changes to the laws regarding exploration licences in Victoria. These changes may allow some drilling to take place on The Companies low impact exploration licenses.

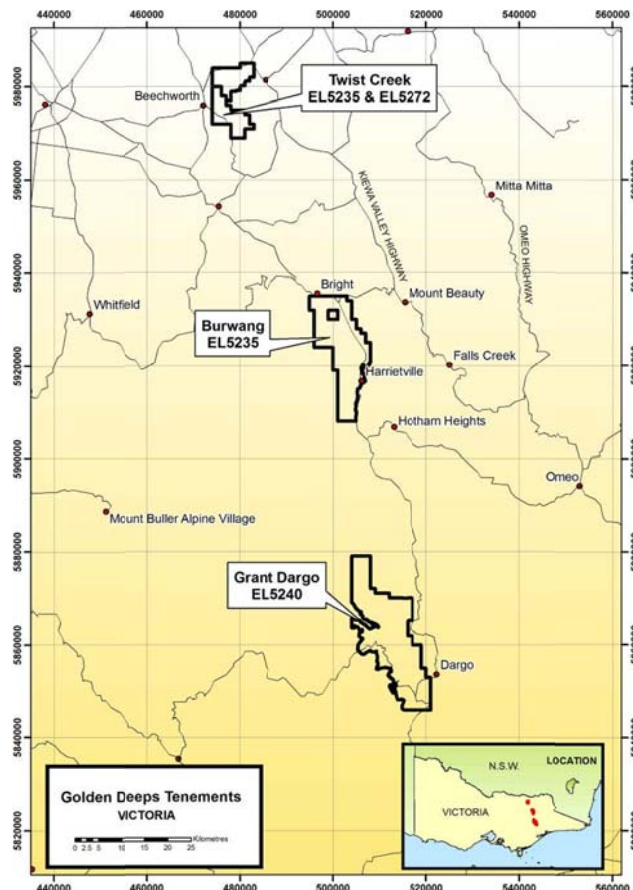


Figure 1 – Locations of the Company's three exploration areas (black outlines) in eastern Victoria.. Major towns and cities of the region are shown.

1.1 Burwang project (EL5235)

The Burwang project is located immediately south of the town of Bright and incorporates portions of the Bright, Freeburgh, Wandiligong and Harrietville goldfields. Gold was discovered in the area during the Victorian Gold Rush of the mid-1800s, and significant underground gold mining ceased in the 1930s.

According to government records, **over 730,000 oz of gold was historically produced from the Burwang licence area.** Little exploration has been undertaken in the area since the 1930s.

A number of sites have been selected for more detailed exploration as regional assessment of the numerous historic gold mines continues. These sites will be studied with a view to defining a series of drill targets for forthcoming exploration.

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1.1.1 Rose, Thistle & Shamrock gold mine

The Rose, Thistle and Shamrock (RTS) gold mine (Figure 1) and the immediately adjacent Landtax gold mine is an area of significant potential. According to official records, over **80,000 oz of gold** were produced at an **average grade of 22.2 g/t** between 1860 and 1934. Mining proceeded to a maximum depth of around 330 m. No significant exploration has been undertaken at or around the RTS mine since its closure almost 80 years ago.

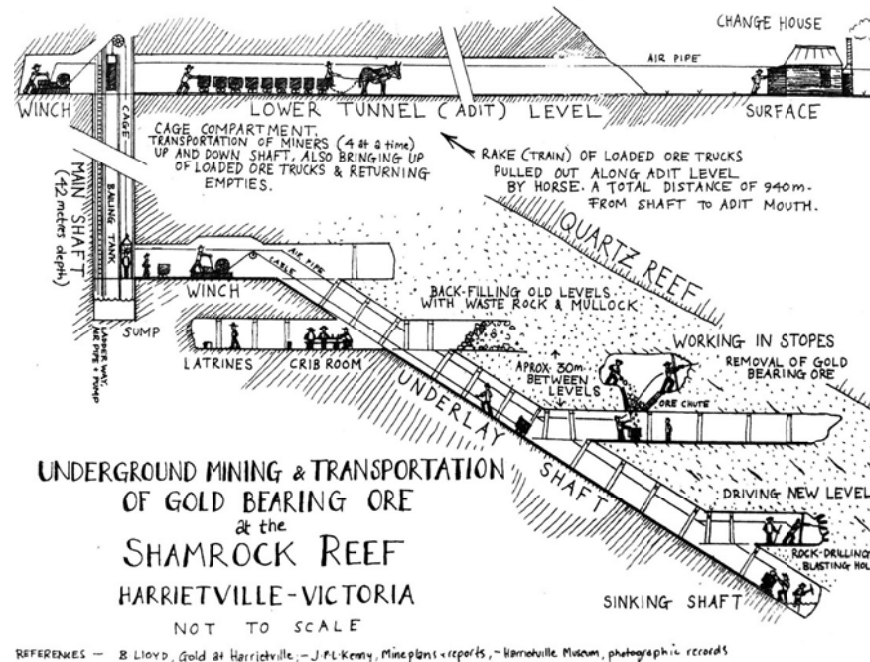


Figure 1 – Schematic cross section of the RTS mine (diagram courtesy of the Harrietteville Historical Society, c/- Post Office, Harrietteville, VIC 3741).

The RTS mine is flooded to the level of the lower adit (figure 2). The lower adit appears to be the best way to access the mine and determine the potential for remnant mineralisation. Dewatering will involve the removal of a bund wall which blocks the adits entrance. The Company is investigating the technical and environmental requirements for removal of the bund. Once dewatering has taken place the adit will be cleaned out and made safe so that geologists can enter the mine to conduct underground mapping, sampling and possibly drilling programmes.

The DPI requires a work plan to be submitted and approved before any ground disturbance can take place at the RTS lower adit. Standard information required in the work plan is as follows:

1. A description of the proposed works, including details of the potential environmental impacts and the measures proposed for their control or mitigation.
2. If specific sites have been identified for drilling or other earthworks, a map showing the general location of those works, including any details regarding the cutting of tracks or roads.
3. A description of the proposed rehabilitation of any areas subject to surface disturbance including re-vegetation proposals and where relevant, proposals for the removal of plant and equipment.



4. A description of the proposed arrangements for consultation with landowners and Crown land managers and local councils.
5. Information about the proposed methods of monitoring, auditing and reporting impacts on the environment.

There are also some site specific issues to consider such as a Catchment Management Authority permit, a detailed proposal to establish a trench to drain the water from the adit and heritage considerations.

The company is addressing all of the issues and will submit a work programme in due course.

1.1.2 Hillsborough gold mine

The Hillsborough gold mine (Figure 2) was a small producer from shallow workings. Mined to a maximum depth of 45 m (but generally to less than 20 m), a series of small adits follows a shear zone along strike for at least 300 m, across both sides of a prominent mountain spur. Despite the limited workings, just under **10,000 oz of gold** was produced at an **average grade of 23.8 g/t**.



Figure 2 – The Hillsborough mining centre showing altered gold-bearing quartz-carbonate veining (left) and access to one of the many adits on the hillside (right).

The full extent of the gold-bearing shear zone at Hillsborough has not been defined. On the lower slopes of the mountain spur, deep soil cover has obscured the geology, but a collinear series of small workings around 2 km away on the adjacent spur suggest that the shear may be quite laterally extensive.

It is clear that only limited portions of the near-surface part of the gold-bearing shear zone have been mined at Hillsborough. Significant potential exists between the various adits, at depth and along strike.

1.1.3 Other historic mining areas

Several other mining areas are also being assessed for further work. In particular, the Reliance, Buckeye and Red Parrot mines (Figure 3) and their surrounds are undergoing further study to determine their likely potential for exploitable gold mineralisation.



Figure 3 – Overgrown surface workings at Reliance (top left), veining exposed underground at Buckeye (bottom left) and the drive and stope at Red Parrot (right).

1.2 Twist Creek project (EL5239 & 5272)

As at Burwang, vein-hosted gold mineralisation appears to be hosted by shear zones throughout much of the Twist Creek project area. The Excelsior trend runs for several hundred metres and comprises a series of shafts and adits distributed along the length of a mountain spur. The trend dives beneath thick soil cover on the lower slopes of the spur, obscuring its full extent.

Government records for production along the trend are poor, but at the small Excelsior Mine itself, just under **2,500 oz of gold** was produced at an **average grade of 59.9 g/t**. It appears that pockets of high grade ore have been mined along the trend, leaving ample potential for intervening lower-grade zones, as well as high-grade potential at depth and along strike.

Like the historic mines of the Burwang project area, almost all significant mining ceased in the 1930s and little to no exploration has been undertaken since.

1.3 Tallandoon project (EL5241)

The Victorian Department of Primary Industries has accepted the relinquishment notice for the Tallandoon project. The Company no longer holds an interest in EL5241.



2 WESTERN AUSTRALIAN GOLD PROJECTS

2.1 Twin Hills (M 29/21), Western Australia

The Twin Hills project is located 27 km to the north of the town of Menzies in the Eastern Goldfields. The historic Twin Hills mine is located in a shear zone within a narrow greenstone belt located between two granitoids. Recorded production from the belt totalled 1,100 t of ore at an **average grade of 23.6 g/t Au**.



Figure 5 – The location of the Twin Hills Project.

A Measured Resource of **17,541 t @ 20.86 g/t Au** has been defined to a depth of 100 m beneath surface.

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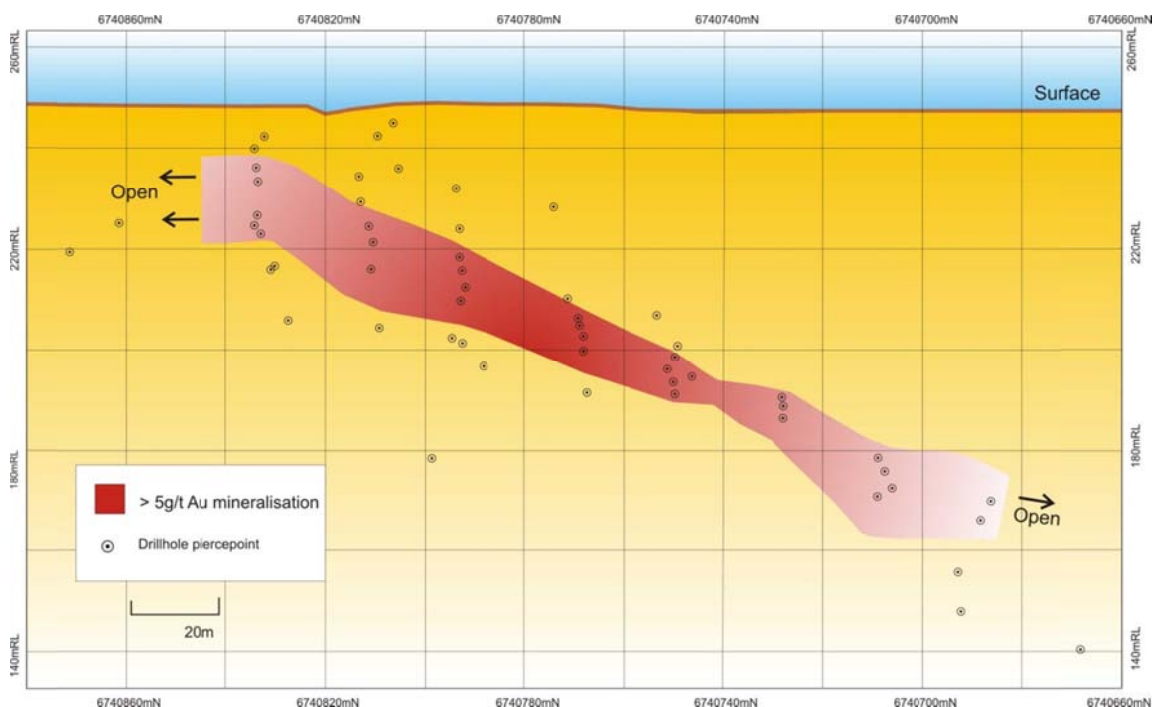


Figure 6 – Longitudinal projection of the Twin Hills mineralisation.

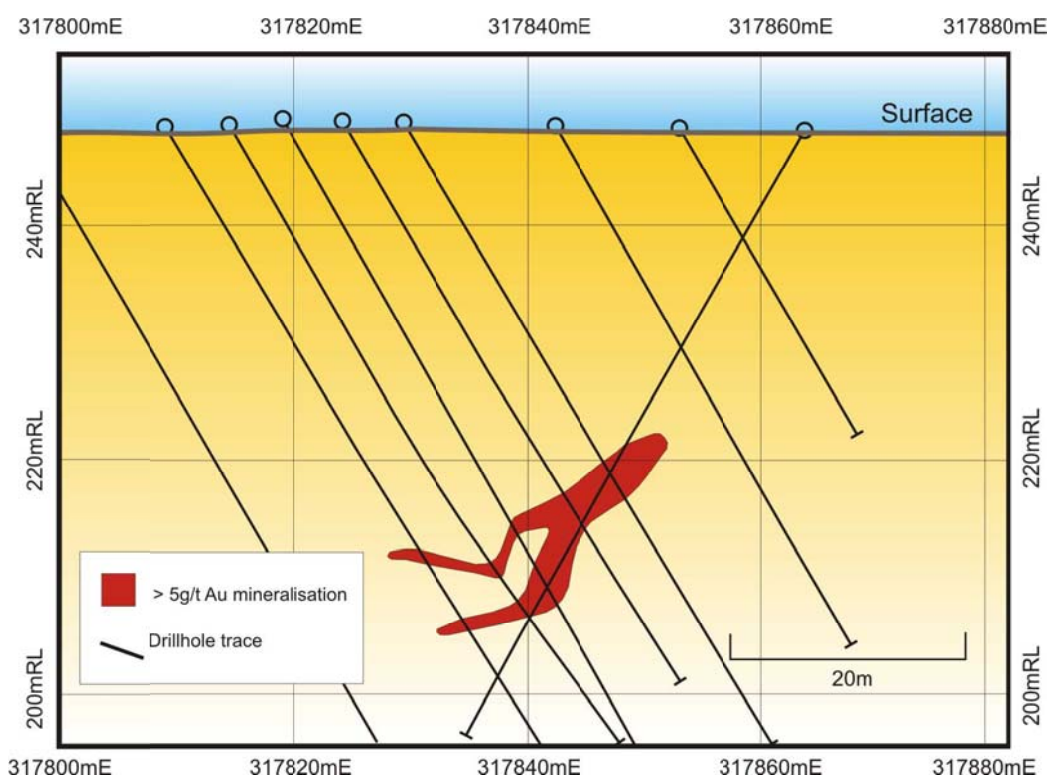


Figure 7 – Cross section through the Twin Hills mineralisation.

Historic mining extends to a depth of approximately fifty vertical metres via a box cut and small incline.

Recent data compilation and 3D modelling indicates that the high grade mineralisation occurs as a shallow south westerly plunging shoot (Figure 6). Mineralisation remains open both up and down plunge and is partially open down dip to the west. Some of the shallow mineralisation may have been mined out.



The Company believes there is significant potential for further mineralisation along strike and at depth. M29/21 contains at least a 1.5km strike length of highly prospective geology which has seen minimal drill testing, particularly below 50m depth. Several isolated significant drill intercepts are yet to be followed up (figure 8). Some of the better intercepts are as follows:

- TH2001 5m @ 8.56g/t Au from 16m, including 1m @ 31.1 g/t Au from 20m
- LPB010 3m @ 42.02g/t Au from 32m
- TD1004 8m @ 3.17g/t Au from 107m

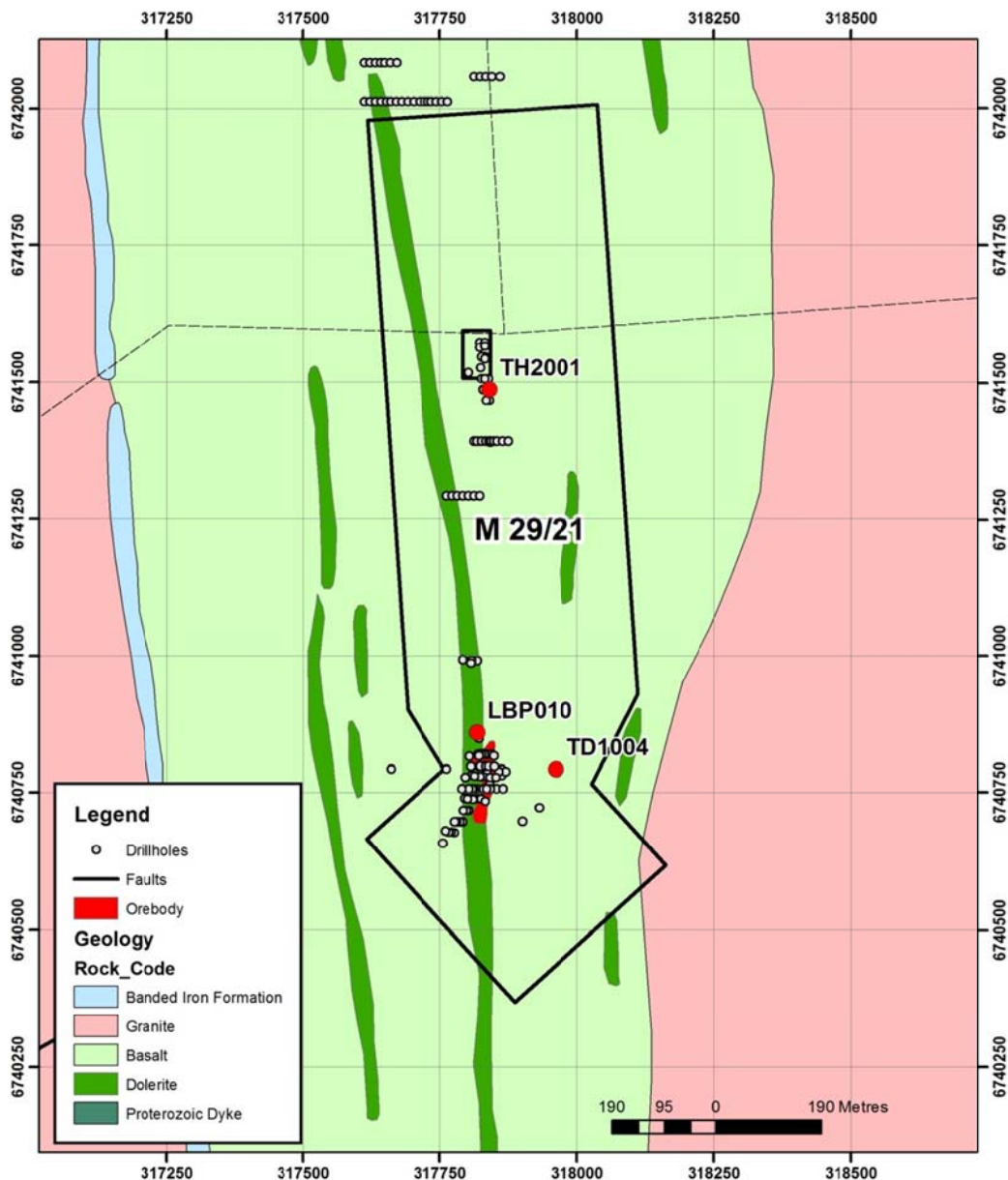


Figure 8 – Geology and drill status plan of Twin Hills.

Several options are being assessed with respect to the Twin Hills Mine including surface drilling and tribute mining.



3 PROJECT GENERATION

The Company is currently assessing a number of opportunities, both in Australia and in southern Africa, for possible joint venture or acquisition. Several copper-lead-zinc and vanadium projects are undergoing in-depth evaluation to provide The Company with an additional focus for its future exploration efforts.

For further information please contact:

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Or consult our website:

www.goldendeeps.com

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Matthew Painter, who is a member of The Australasian Institute of Geoscientists. Dr Painter 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Dr Painter 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 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 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.

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