



Golden Deeps to acquire Namibian Projects

Golden Deeps is pleased to advise that it has entered into an agreement to acquire an 80% interest in two groups of licences located in northern Namibia, south western Africa. The licences cover projects located in two distinct mineral regions:

- The **Grootfontein Base Metal Project**, located in the world-class Otavi Mountain Land base metal province; and
- The **Huab Uranium Project**, located in the uraniumiferous western Damaraland.

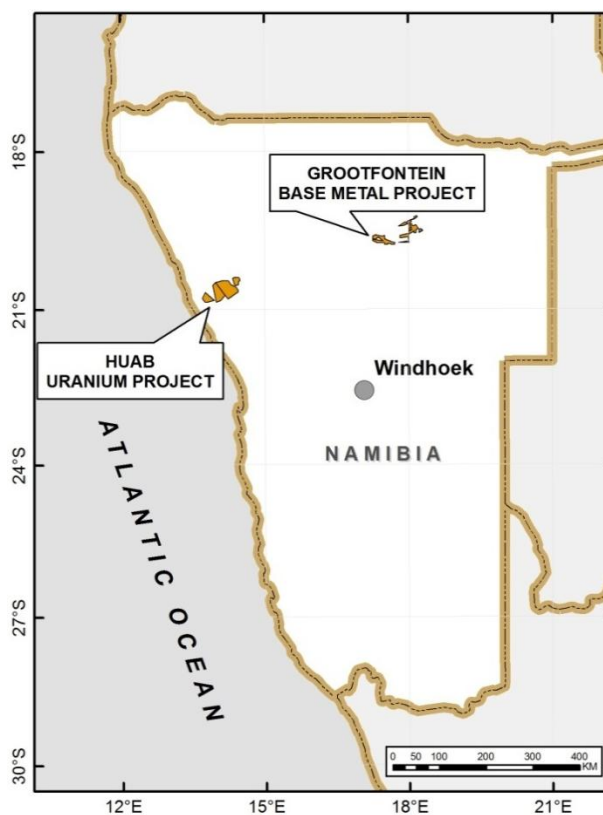


Figure 1 – Project locations in northern Namibia.

1 ABOUT NAMIBIA

Namibia is located in southwestern Africa and is bounded by the Atlantic Ocean to the west and South Africa to the south. It is one of the most politically stable and well-developed countries in Africa, with excellent infrastructure and government policy designed to promote investment in mining and exploration.

Namibia is currently rated amongst the top ten countries in the world in which to undertake both mining and exploration.

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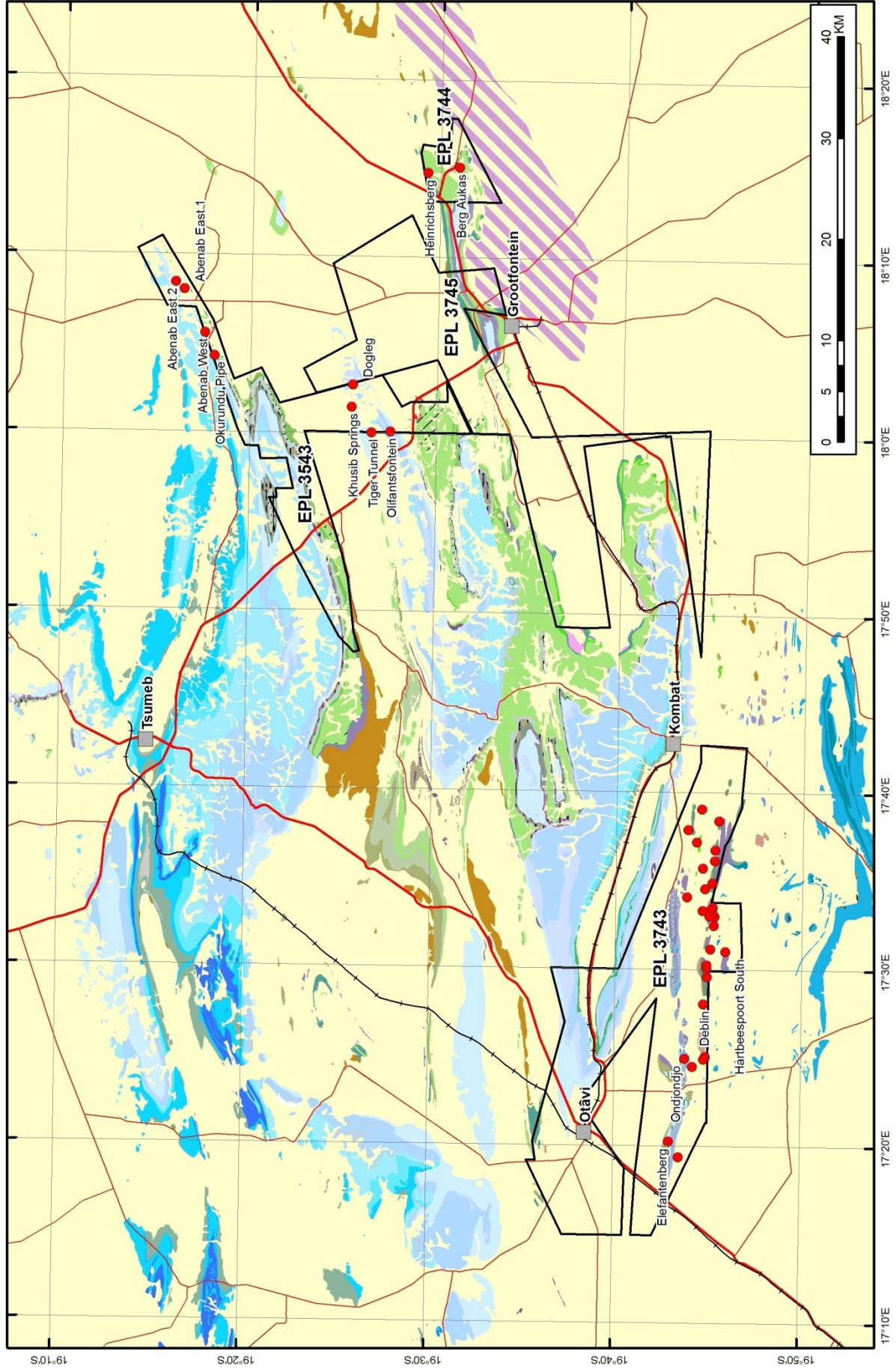


Figure 2 – Geology of the OML with tenement locations and known prospects and historical mines. These areas are subject to requisite reduction on application for renewal prior to 26 August 2012.



2 THE GROOTFONTEIN BASE METAL PROJECT

The Grootfontein Base Metal Project will comprise four exploration licences in the highly prospective Otavi Mountain Land of northern Namibia. The region hosts a number of world-class Copper, Zinc, Lead, Silver and Vanadium mines, including the Tsumeb Copper Mine & Smelter and Abenab Vanadium Mine. The tenement package wraps around the Otavi Mountain Land (OML) region, taking in areas of the southern, eastern and northern outcropping stratigraphy (see Figure 2.).

An initial review of the project area and compiled dataset indicates a large number of copper, vanadium and lead-zinc targets that require investigation. The tenements contain, or lie adjacent to, a large number of historical mine workings ranging from prospectors workings through to mechanised underground mining operations.

2.1 Location and access

The Grootfontein Base Metal Project is located around 500 km to the north of Windhoek, the capital of Namibia. It is centred on the town of Grootfontein, which is well serviced with a direct sealed highway to the capital, a rail line direct to the main port of Walvis Bay, Namibia's main air force base, and a strong agricultural sector. The region has well established infrastructure including sealed roads, electric power, telephone and water.

The mining town of Tsumeb is nearby, which is home to the Tsumeb Customs Smelter. The smelter is owned by Dundee Precious Metals Inc. and is one of only four commercial smelters in Africa. It is linked via rail to the port facilities at Walvis Bay.

2.2 Copper targets

A number of prospective copper targets have been identified through the tenement holding. Of most importance are the Khusib Springs Extensions and the Deblin Mine.

2.2.1 Khusib Springs Extensions (Cu-Ag)

Khusib Springs is located in the northern project area. The company's tenements surround (but do not include) the Khusib Springs mine. It is a small high-grade copper deposit discovered in 1990. The ore was mined between 2001-2002 and treated at the nearby Kombat copper plant. The mined resource was estimated to be:

500,000 tonnes @ 10% Cu, 1.8% Pb & 584 gpt Ag

The Khusib Springs ore body has a very small surface geochemical expression, but 'balloons' at depth. It is postulated that the extensions of the Khusib Springs mine strike into the areas to be acquired by Golden Deeps and will be a priority target for the company.

2.2.2 Deblin Mine (Cu)

The historical Deblin Copper Mine is located in the southern part of the OML. It sits at the centre of an extensive geochemical anomaly that extends for several kilometres east-west, following stratigraphy. The Deblin deposit is comprised of two lodes, with historic drill intercepts of the western lode including:

Hole N9 3.5 metres @ 2.60% Cu from 131.75 metres

Hole N12 4.6 metres @ 3.06% Cu from 149.35 metres



Developed in mid-1973, the Deblin mine was closed in 1974 after heavy rain caused flooding.

Malachite, bornite, chalcocite and chalcopyrite mineralisation are found throughout the prospect area along the Askevold-Abenab stratigraphic contact. This large mineralised prospect requires systematic testing utilising modern exploration methods.

The Deblin Mine area has not been tested utilising modern exploration methods. Reconnaissance exploration indicates that mineralisation at the prospect may extend significantly along strike. Deblin will be a priority target for Golden Deeps exploration programme.

2.2.3 Other Copper Targets

A number of other copper targets have been identified within the tenement package, ranging from geochemical anomalies to old workings, and include:

- Nosib;
- Gemsboklaagte;
- Neuwerk; and
- Askevold.

2.3 Vanadium targets

High-grade vanadium (vanadate) mineralisation was mined historically at Abenab and Berg Aukas in the OML. Considering the current high prices for V_2O_5 , workings and/or extensions of these deposits will be targets for GED's exploration programmes.

2.3.1 Abenab Vanadium Mine (V-Pb-Zn)

The Abenab mine was the largest known deposit of 'vanadate' mineralisation in the world before its closure in 1958 and produced:

1,850,000 tonnes @ 1.036% V_2O_5

or

123,490 tonnes of concentrate @ 15.52% V_2O_5

In addition, a substantial quantity of high-grade lead concentrate was also produced from the interconnected Abenab West lead-zinc-vanadium mine.

The Abenab mining area straddles the boundary of EPL 3543 with much of the vanadium operation lying within EPL 3134, which is not owned by the company. However both the Abenab West and Okarundu prospects are located on EPL 3543 and require further drilling and assessment. In addition, the strike extension to the west of the mine remains untested by modern exploration and will initially be sampled utilising surface geochemistry.

2.3.2 Berg Aukas Mine (V-Pb-Zn)

The Berg Aukas mine is located to the northeast of Grootfontein and between 1950 and 1978 produced in excess of:

1.6 Million Tonnes @ 1.22% V_2O_5 , 21.79% Zn & 5.23% Pb

It should be noted that the Berg Aukas mining operations are EXCISED from Oshivela Mining's Berg Aukas tenement (EPL 3744), which completely surrounds these excisions on all sides, however strike extensions to the mining operation are likely to trend into the tenement area.



China-Africa Resources are currently in the final phases of resource drilling and feasibility studies to reopen the Berg Aukas mine.

2.3.3 Other Vanadium Targets

A number of other vanadium targets have been identified within the tenement package, such as those at Olifantsfontein. These targets are typically associated with lead-zinc mineralisation.

2.4 Lead-zinc-silver targets

Lead-zinc-silver mineralisation has been identified throughout the project area through historical exploration and mining. In addition to the lead-zinc-rich vanadium deposits at Abenab and Berg Aukas, a number of exploration targets have been identified, mostly within EPL 3543, including:

- South Ridge East,
- Pick Axe,
- Olifantsfontein,
- Dogleg,
- Hambone &
- Jagersquell.

Golden Deeps will review the dataset and prioritise its lead-zinc-silver targets prior to commencing exploration in the coming months.

3 THE HUAB URANIUM PROJECT

The Huab Uranium project is located in the Ugab region, in the western portion of Damaraland in Namibia, southwestern Africa (Figure 1). The project covers more than 2,000 km² of prospective uraniferous stratigraphy, including Karoo-equivalent sediments, and hosts a number of untested uranium anomalies, as well as two known uranium occurrences at Auris and Doros.

The tenement holder has undertaken a number of work programmes in the Huab region, highlighting targets for further exploration. These studies have included an evaluation of ASTER hyperspectral data by Coffey Mining Ltd and sedimentological evaluations by the University of Namibia (UNAM).

These studies highlight the prospectivity of the region and have identified a number of areas of uranium mineralisation requiring more detailed exploration.

3.1 Location & access

The Huab Uranium Project is located approximately 320 km northwest of Windhoek, the capital of Namibia. The Huab tenements cover a number of private farms and state land.

3.2 Licences

The Huab Uranium Project is held under four Exclusive Prospecting Licences (EPL) which cover more than 2,000 km² of prospective uraniferous stratigraphy (see Figure 3). Two of these leases are granted, namely EPL 3541 & EPL 3774, whilst EPL 3772 & EPL 3773 remain under application.

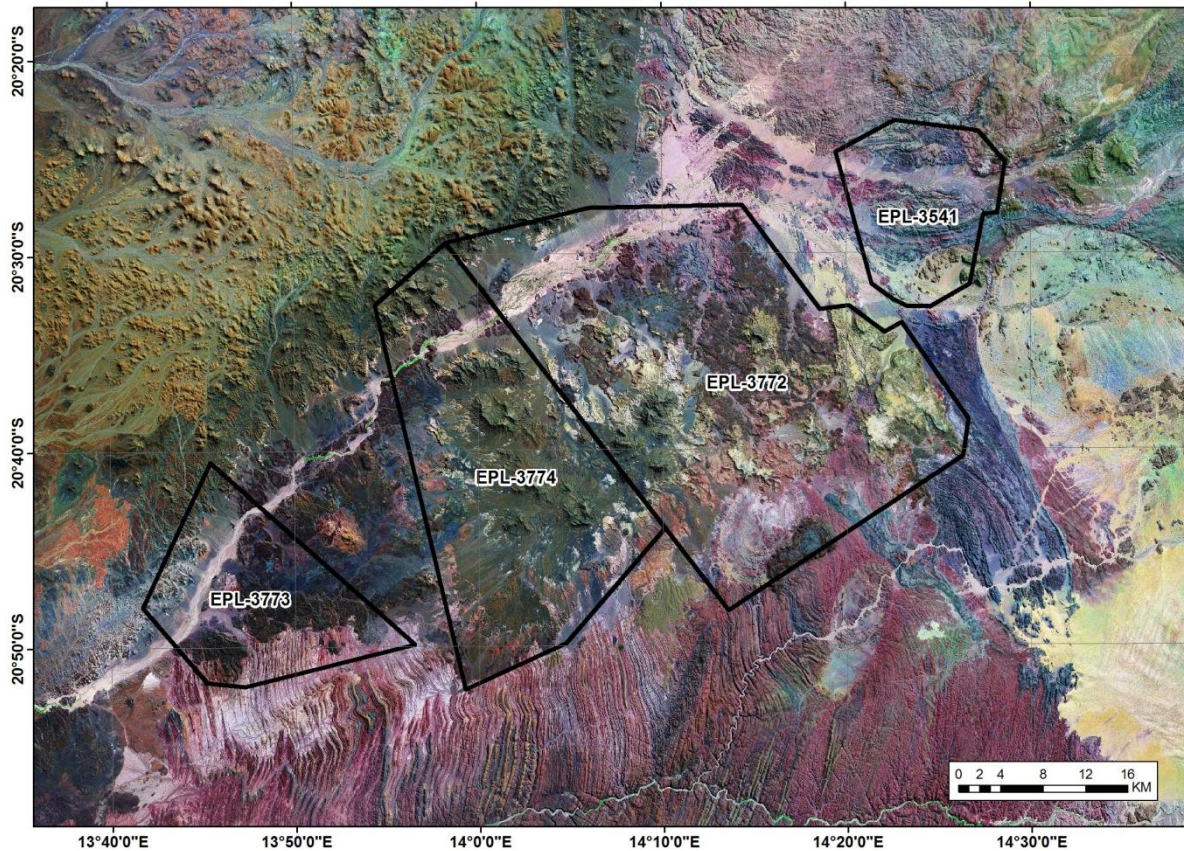


Figure 2 – Map of the Ugab Basin, with the Huab Uranium Project licences shown.

3.3 Geology & mineralisation

The Huab Uranium Project covers a significant area of the Ugab basin, within the Damara Orogen. The basement sequence of Damara sediments consists of folded schists and dolomitic carbonate sedimentary rocks. ‘Salem’ granites and syenites flank the project to the east and also represent part of the basement sequence.

This basement sequence is overlain by much younger, flat lying, Jurassic-aged Karoo sedimentary rocks that are up to 300 metres thick. These sedimentary sequences host significant uranium mineralisation and are well-known targets for exploration in South Africa, Tanzania, Botswana & Kenya. In Namibia, Karoo sedimentary sequences also host the Enago Valley uranium deposit in the north of the country.

3.3.1 Target geology & mineralisation

The Huab Project shows extensive radiometric anomalies throughout the project area, a large number of which are associated with the Karoo sediments. The regional ‘high resolution’ radiometrics show uranium anomalism throughout the project area associated not only with the Karoo Sediments but also with the Damara basement sediments, Salem Granites.

The radiometrics show the uranium mineralisation associated with the various different stratigraphic units. An airborne radiometric survey conducted by the Namibian Ministry of Mines and Energy (NMME) in the 1990’s ‘spot tested’ many of these stratigraphic units, encountering uranium counts of up to 255 ppm U_3O_8 . Historical sampling by Gencor in the



Doros area shows a strong correlation between the radiometric data and the rock chip sampling assays.

3.4 Uranium exploration in the Ugab Basin

The Ugab region has been explored since early the early 20th century, when prospectors discovered base-metal mineralisation in the region. A number of small copper and lead prospects occur within the project area, however uranium exploration did not commence until the late 20th century.

In the 1970s General Mining & Finance Corporation Ltd (Gencor), of South Africa, held a number of uranium exploration projects in Namibia in the 1970s. Gencor conducted first-pass exploration through many of these areas utilizing road-based and airborne radiometrics. In 1976 Gencor conducted an aerial radiometric survey through the northern Huab project area and detected anomalous radioactivity associated with the Karoo sediments, south of the Ugab River. This survey was followed up by aerial photography, photo geology, ground radiometrics and surface sampling. It was this exploration that led to the discovery of the Auris and Doros occurrences. A downturn in uranium exploration resulted in these prospects being neglected until the mid-2000s.

In the 1990s a regional radiometric survey undertaken by the Namibian Mines Department indicated that the historically identified uranium prospects at Auris and Doros covered a far larger area than the survey conducted by Gencor had indicated. Little exploration has been undertaken in the area since that time, with the exception of the recently completed 'high-resolution' airborne magnetic/ radiometric survey completed by the NMME in January 2007.

The NMME radiometric survey has been an important exploration tool, highlighting a number of areas for follow up work. The tenement holder has undertaken a number of work programmes over the project area, that include:

- A detailed data compilation & review,
- Sedimentological studies (undertaken by UNAM),
- ASTER hyperspectral study (undertaken by Coffey Mining Ltd).

The Huab project is prospective for uranium mineralisation, with the potential to host economically significant uranium deposits. GED will review all of the previous exploration prior to proceeding with the project.

4 CORPORATE

Golden Deeps Ltd ("GED") has entered into an agreement to acquire all the issued capital of each of Glendale Asset Pty Ltd ("Glendale") and Jewell Corporation Pty Ltd ("Jewell"), both Australian registered private companies.

Glendale holds an 80% interest in Huab Energy (Pty) Ltd, a Namibian registered company, which is the holder of a 100% legal and beneficial interest in Namibian exploration tenements EPLs 3541, 3543, and 3774, and exploration tenement applications EPLAs 3772 and 3773, known as the Huab Projects.

The Independent Valuation of the combined Huab projects is A\$14,700,000 with the 80% being acquired by Golden Deeps Ltd valued at A\$11,760,000.



Jewell holds an 80% interest in Oshivela Mining (Pty) Ltd, a Namibian registered company, which is the holder of a 100% legal and beneficial interest in Namibian exploration tenements EPLs 3743, 3744, and 3745 known as the Oshivela Projects.

The Independent Valuation of the combined Oshivela Projects being acquired by Golden Deeps Ltd is A\$6,300,000 with the 80% being acquired by Golden Deeps Ltd being A\$5,040,000.

4.1 Consideration for the acquisition

The consideration for the acquisition is the allotment and issue to the Vendor of the following ordinary fully paid shares ("Consideration Shares") in the capital of GED: -

- (i) 50 million Shares on settlement of the Share Sale Agreement;
- (ii) 25 million Shares on achieving an inferred JORC resource from either the Huab Projects or the Oshivela Projects .

In addition there is a cash consideration payable of \$180,000.

The Vendor is a substantial shareholder of the Company and shareholder approval will be sought under Listing Rule 10.1. An Independent Expert's Report will accompany the Notice of Meeting

For further information please contact:

Norman Grafton, Company Secretary

Phone (08) 9481 7833

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 Luke Marshall, who is a member of The Australasian Institute of Geoscientists. Mr Marshall 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". Mr Marshall 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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