

**GOLDEN DEEPS LTD**

A.C.N. 054 570 777

Half Yearly Report

31 December 2003

**GOLDEN DEEPS LTD**  
**A.C.N. 054 570 777**

**HALF YEAR REPORT**  
**For the Half Year Ended 31 December 2003**

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**GOLDEN DEEPS LTD**  
**A.C.N. 054 570 777**

**COMPANY DIRECTORY**

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**DIRECTORS**

David Zukerman

Alexander Clemen

Bruce Russell McCullagh

**COMPANY SECRETARY**

Bruce Russell McCullagh

**REGISTERED OFFICE**

1<sup>st</sup> Floor, 8 Parliament Place  
WEST PERTH WA 6005

Telephone: (08) 9481 7833

Facsimile: (08) 9481 7835

**SHARE REGISTRY**

Computershare Investor Services  
Level 2, Reserve Bank Building  
45 St Georges Terrace  
PERTH WA 6000

Telephone: (08) 9323 2000

Facsimile: (08) 9323 2096

**AUDITORS**

Stanton Partners  
1 Havelock Street  
WEST PERTH WA 6005

**STOCK EXCHANGE LISTING**

The Company is listed on the Australian Stock Exchange Limited  
Home Exchange: Perth, Western Australia

Australian Stock Exchange Limited Code: GED

**GOLDEN DEEPS LTD**  
**A.C.N. 054 570 777**

**DIRECTORS' REPORT**  
**For the Half Year Ended 31 December 2003**

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The Board of Directors of Golden Deeps Ltd has pleasure in submitting their report together with the financial accounts of the consolidated entity for the half year ended 31 December 2003 and review report thereon.

**DIRECTORS**

The names of directors of the Company in office during or since the end of the half year are:-

**Name**

DN Zukerman, Chairman - Appointed August 18, 2003

A Clemen

BR McCullagh

RJ Collins - Resigned August 18, 2003

**RESULTS**

The profit of the Company for the half year was \$527,087.

**REVIEW OF OPERATIONS**

The Golden Deeps projects of Garden Gully, Blue Funnel and Twin Hills, in the Eastern Goldfields of Western Australia are currently the subject of a detailed review, with initial results indicating the potential for resource upgrades within several project areas.

The Garden Gully tenement (M 15/675) is located adjacent to the Coolgardie townsite and has an insitu resource of 121,850 tonnes at 3.04 gpt of gold. An evaluation has identified a number of areas requiring further exploration by infill drilling. The resource is hosted by a diorite porphyry. Analysis of the geological mapping and drilling to date indicate that this unit has untested strike extensions to the south east of the resource area, where it is covered by a veneer of alluvium which masks its geochemical signature. The Company is currently looking for a joint venture partner to fund further drilling in the resource areas.

The Blue Funnel (M 16/19) open pit is located 17 kilometres to the north east of Kundana. A resource of 150,000 tonnes @ 4.5 gpt of gold remains insitu below the current pit floor. A review of data and a re-interpretation of the insitu resource position shows a plunge component to several of the shoots within the mineralized system. The orientation of the plunge is being determined with a view to drill testing of the target areas.

The Twin Hills project (M 29/21, 107, 113, 115, 132 and 147) is located 27 kilometres to the north east of Menzies in the Eastern Goldfields and has an insitu resource of 17,540 tonnes @ 20.86 gpt gold and shows the potential for increases in tonnage through both infill and extensional drilling, which is planned for the first half of 2004.

**GOLDEN DEEPS LTD**  
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**DIRECTORS' REPORT**  
**For the Half Year Ended 31 December 2003**

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**CORPORATE**

During the half year the Company disposed of shares in a publicly listed company generating \$728,098. The shares were acquired at a cost of \$950.

**MEETINGS OF DIRECTORS**

The following table sets out the number of meetings of the chief entity's Directors held during the half year ended 31 December 2003 and the number of meetings attended by each Director.

Name:	Eligible to Attend	Attended
RJ Collins	1	1
A Clemen	2	2
B McCullagh	2	2
DN Zukerman	2	2

**DIRECTORS' SHAREHOLDINGS**

At the date of this report the interests of the directors in the shares of the company and related body corporate were:-

Director	Interest	Shares
B R McCullagh	Direct	20,000

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit, other than benefits disclosed in the financial statements of the fixed salary of a full-time employee of the company or a related body corporate, by reason of a contract made by the company or a related body corporate with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as follows:-

- Mr McCullagh received payments for the provision of services to the Company.

This report has been made in accordance with a resolution of Directors.



**D N Zukerman**  
**Director**

**Perth, 10<sup>th</sup> March 2004**

**GOLDEN DEEPS LTD**  
A.C.N. 054 570 777

**CONDENSED STATEMENT OF FINANCIAL PERFORMANCE**  
**For the Half Year Ended 31 December 2003**

	Note	Consolidated 31 December 2003 \$	Consolidated 31 December 2002 \$
Revenue from ordinary activities			
Sale of shares		728,098	-
Interest income		33,129	26,219
		<u>761,227</u>	<u>26,219</u>
Operating costs			
Depreciation		3,474	4,099
Management fees		92,586	82,904
Exploration expense		47,243	42,419
Directors fees		16,500	18,000
Cost of investments sold		950	2,231
Other operating costs		73,387	66,152
		<u>234,140</u>	<u>215,805</u>
Profit/(loss) from ordinary activities before income tax		527,087	(189,586)
Income tax expense relating to ordinary activities		-	-
Profit/(loss) from ordinary activities after income tax expense		<u>527,087</u>	<u>(189,586)</u>
Earnings per share			
Basic earnings/(loss) per share - cents	3	<u>2.03</u>	<u>(0.73)</u>

Diluted earnings per share has not been disclosed as the notional exercise of options over ordinary shares would not show an inferior view of the basic earnings per share and as such they are not considered dilutive.

The accompanying notes form an integral part of this consolidated statement of financial performance.

**GOLDEN DEEPS LTD**  
A.C.N. 054 570 777

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
at 31 December 2003

	Note	Consolidated 31 December 2003 \$	Consolidated 30 June 2003 \$	Consolidated 31 December 2002 \$
<b>CURRENT ASSETS</b>				
Cash assets		1,632,359	1,101,759	869,880
Receivables		15,408	18,782	12,229
<b>TOTAL CURRENT ASSETS</b>		<u>1,647,767</u>	<u>1,120,541</u>	<u>882,109</u>
<b>NON-CURRENT ASSETS</b>				
Receivables		133,000	133,000	133,000
Other financial assets		38,325	39,275	183,000
Plant and equipment		8,339	11,813	15,287
<b>TOTAL NON-CURRENT ASSETS</b>		<u>179,664</u>	<u>184,088</u>	<u>331,287</u>
<b>TOTAL ASSETS</b>		<u>1,827,431</u>	<u>1,304,629</u>	<u>1,213,396</u>
<b>CURRENT LIABILITIES</b>				
Payables		2,815	7,100	4,000
<b>TOTAL LIABILITIES</b>		<u>2,815</u>	<u>7,100</u>	<u>4,000</u>
<b>NET ASSETS</b>		<u>1,824,616</u>	<u>1,297,529</u>	<u>1,209,396</u>
<b>EQUITY</b>				
Contributed equity		8,203,320	8,203,320	8,203,320
Accumulated losses	2	<u>(6,378,704)</u>	<u>(6,905,791)</u>	<u>(6,993,924)</u>
<b>TOTAL EQUITY</b>		<u>1,824,616</u>	<u>1,297,529</u>	<u>1,209,396</u>

The accompanying notes form an integral part of the consolidated statement of financial position.

**GOLDEN DEEPS LTD**  
**A.C.N. 054 570 777**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Half Year ended 31 December 2003**

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	<b>31 December 2003</b>	<b>31 December 2002</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers	(185,488)	(165,228)
Interest received	35,228	24,765
<b>Net cash used in operating activities</b>	<b><u>(150,255)</u></b>	<b><u>(140,463)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment purchase	-	(180,000)
Sale of shares	728,098	-
Exploration costs paid	(47,243)	(42,419)
<b>Net cash from/(used in) investing activities</b>	<b><u>680,855</u></b>	<b><u>(222,419)</u></b>
Net increase/(decrease) in cash held	530,600	(362,882)
Cash at the beginning of the half year	1,101,759	1,232,762
<b>Cash at the end of the half year</b>	<b><u>1,632,359</u></b>	<b><u>869,880</u></b>

The accompanying notes form an integral part of the consolidated statement of cash flows.

**GOLDEN DEEPS LTD**  
**A.C.N. 054 570 777**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**1. BASIS OF PREPARATION**

The half-year consolidated financial statements are a general purpose financial report prepared for the half year ended 31 December 2003 in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. It is recommended that this report should be read in conjunction with the 30 June 2003 Annual Report and any public announcements made by Golden Deeps Ltd during the half-year in accordance with the continuous disclosure obligations of the Corporations Act 2001.

The accounting policies applied by the Company are consistent with those of the previous financial year and corresponding half year.

For the purpose of preparing these half year financial statements, the half year has been treated as a discrete reporting period.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

**2. ACCUMULATED LOSSES**

	<b>Consolidated 31 December 2003 \$</b>	<b>Consolidated 31 December 2002 \$</b>
Accumulated losses at the start of the period	(6,905,791)	(6,804,338)
Profit/(loss) for the six month period	<u>527,087</u>	<u>(189,586)</u>
Accumulated losses at the end of the half year	<u>(6,378,704)</u>	<u>(6,993,924)</u>

**3. EARNINGS PER SHARE**

Weighted average number of shares on issue during the period used in the calculation of basic earnings per share.	<u>25,940,020</u>	<u>25,940,020</u>
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**4. SUBSEQUENT EVENTS**

During January 2004 the Company sold certain share investments, which generated \$493,628 in cash and a profit of \$492,803.

**GOLDEN DEEPS LTD**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**5. CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last reporting date.

**6. SEGMENT INFORMATION**

The consolidated entity operates predominately within Western Australia in exploration for mineral deposits, and also has an investment in a publicly listed company.

**7. COMMITMENTS**

Management Agreement.

The Company has a Management Agreement with a management services company for the provision of services at \$200,000 per annum plus CPI. Charges are at commercial terms in accordance with the agreement entered into effective October 1<sup>st</sup>, 2003 for a five year term.

**GOLDEN DEEPS LTD**  
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**DIRECTORS' DECLARATION**

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The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 10:
  - (a) comply with Accounting Standards, the Corporations Regulations and other mandatory reporting requirements; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance as represented by the results of its operations and its cash flows for the half year ended on that date.
  
2. In the Directors' opinion:
  - (a) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
  - (b) the financial statements and notes are in accordance with the Corporations Act 2001.

SIGNED in accordance with a resolution of the Directors on behalf of the Board.



**D N Zukerman**  
**DIRECTOR**

**Perth**  
**10<sup>th</sup> March 2004**

**GOLDEN DEEPS LTD**  
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**INDEPENDENT REVIEW REPORT**

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**STANTON PARTNERS**

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WESTERN AUSTRALIA

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**INDEPENDENT REVIEW REPORT  
TO THE MEMBERS OF  
GOLDEN DEEPS LIMITED**

**Scope**

We have reviewed the financial report of Golden Deeps Limited for the half-year ended 31 December 2003 as set out on pages 6 to 11. The financial report includes the consolidated financial statements of the consolidated entity comprising the disclosing entity and the entities it controlled at the end of the half year or from time to time during the half year. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

**GOLDEN DEEPS LTD**  
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**INDEPENDENT REVIEW REPORT**

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**Statement**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Golden Deeps Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2003 and of its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

**STANTON PARTNERS**

*Stanton Partners*

*J P Van Dieren*

**J P Van Dieren**  
**Partner**

West Perth, Western Australia  
10 March 2004