GOLDEN DEEPS LTD

A.C.N. 054 570 777

Half Yearly Report
31 December 2004

GOLDEN DEEPS LTD
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HALF YEAR REPORT
For the Half Year Ended 31 December 2004

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

COMPANY DIRECTORY

DIRECTORS

David Zukerman

Alexander Clemen

Bruce Russell McCullagh

COMPANY SECRETARY

Bruce Russell McCullagh

REGISTERED OFFICE

1st Floor, 8 Parliament Place
WEST PERTH WA 6005

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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
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DIRECTORS' REPORT
For the Half Year Ended 31 December 2004

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 2004.

DIRECTORS

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

Name

DN Zukerman, Chairman

A Clemen

BR McCullagh

RESULTS

The loss of the consolidated entity for the half year was $236,591.

REVIEW OF OPERATIONS

1. Kelimaizina Gold Prospect, Madagascar.

This Prospect was acquired on 17th September 2004. It consists of 2 mining tenements (PR6256 and PR6978) totalling 87.5 square kilometres located 260kms north of Antananarivo, the capital of Madagascar.

The area is prospective for alluvial, eluvial and hardrock gold mining.

Previous exploration and alluvial mining was conducted by a French company from 1995 to 1998 when their tenancy was terminated. Reports from that period indicate a zone of mineralisation remains over an area of 140,000 square metres. Grades from exploration pits and surface workings ranged from 0.28g/m3 Au to 5.0 g/m3 Au with a suggested average of 2.6g/m3 Au. A JORC compliant resource has not been established at this stage.

In November 2003, the Vendors, Kalgoorlie Mine Management Pty Ltd completed a soil and rock chip sampling programme to gauge the areal extent and host lithologies of the gold mineralisation system.

Metallurgical tests on the samples indicate that the mineralization is predominantly free gold less than 1mm in diameter and gravity separation would be easily achievable with a simple milling and gravity circuit.

During the half year the Company conducted a comprehensive auger drilling programme to further define the mineralised zone. A total of 114 holes were drilled and 163 samples collected. The samples were despatched to Australia for assaying and the results should be available in February 2005.

2. Garden Gully (M 15/675)

The Garden Gully tenement is located adjacent to the Coolgardie townsite, on the Tindal's trend. The project has an insitu resource of 121,850 t @ 3.04 gpt Au. An evaluation of resource position and the overall prospectivity of the tenement has identified a number of areas requiring further exploration.

a. The Lone Hand Resource

The current resource is centred around the historical 'Lone Hand' workings. A sectional evaluation of the current resource shows that infill drilling is required in several areas. This drilling will give the resource greater integrity and increase its overall tonnage, and improve its optimisation characteristics.

b. The Lone Hand Porphyry

The Lone Hand resource is hosted by a diorite porphyry. Analysis of the geological mapping and drill data indicates 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. A program of aircore drilling has been planned to test this potential zone of mineralisation.

c. The King Billy Workings

This north-south striking set of workings sits on the western side of the Garden Gully tenement. These workings exploited a quartz reef system and were mined in the 1900's. The host reef has not been subjected to modern exploration and has the potential to host high-grade gold mineralisation.

Analysis of the Company's exploration data has shown several areas of potential within the tenement area that require drill testing, however the Company is currently looking for a joint venture partner to undertake this exploration.

3. Blue Funnel (M 16/19)

The Blue Funnel open pit is located on the Zuleika Shear, approximately 17 kilometres to the north-east of Kundana, and was mined in the late 1980's for 205,579 t @ 3.22 gpt Au; a resource of 150,000 t @ 4.50 gpt Au remains insitu below the current pit floor. A review of the historical open pit mining data, and a reinterpretation of the insitu resource position, shows extensions to the mineralised system at depth. Analysis of the mineralisation, utilising both contoured projection and long section methodology, identified two zones for drill testing. The Blue Funnel

Deeps and Northern Extension were tested with deep RC drilling in June 2004. The results from this area were not of the tenor and widths anticipated, the drilling confirmed the presence of mineralisation at depth and the ore system will be further examined to generate further drill targets.

3. Twin Hills (M 29/21, 107, 113, 115, 132 & 147)

The Twin Hills project is located 27 kilometres to the northeast of Menzies in the Eastern Goldfields. The historic Twin Hills mine has a reported insitu resource of 17,540 t @ 20.86 gpt Au and shows the potential for increases in tonnage through both infill and extensional drilling. Analysis of the existing drill data, utilising contoured projection, showed the ore system at the Twin Hills mine to plunge steeply to the southwest. The target area was the interpreted up plunge extensions to the ore body, which remained untested by drilling. A program of 13 RC holes was undertaken in June 2004. The best results came from north of the Roxbury box-cut area and are may represent a new zone of mineralisation, which requires follow up drilling. In addition to this drill target, several other anomalous zones have been identified within the project area, including the areas surrounding the historic Jasper Bore and the Southlands mine workings. The exploration data for these areas is currently being reviewed with a view to the drill testing of these positions.

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 2004 and the number of meetings attended by each Director.

Name:	Eligible to Attend	Attended
A Clemen	4	2
B McCullagh	4	4
DN Zukerman	4	4

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

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

DIRECTORS' REPORT
For the Half Year Ended 31 December 2004

The auditor's declaration is set out on page 16 and forms part of the directors' report for the half year ended 31 December 2004.

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

D N Zukerman
Director

Perth
14th March 2005

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CONDENSED STATEMENT OF FINANCIAL PERFORMANCE
For the Half Year Ended 31 December 2004

	Note	Consolidated 31 December 2004 $	Consolidated 31 December 2003 $
Revenue from ordinary activities			
Sale of shares		56,559	728,098
Interest income		50,645	33,129
		107,204	761,227
Operating costs			
Depreciation		2,659	3,474
Management fees		101,250	92,586
Exploration expense		124,672	47,243
Directors fees		12,225	16,500
Cost of investments sold		345	950
Other operating costs		102,644	73,387
		343,795	234,140
(Loss)/profit from ordinary activities before income tax		(236,591)	527,087
Income tax expense relating to ordinary activities		-	-
(Loss)/profit from ordinary activities after income tax expense		(236,591)	527,087
Earnings per share			
Basic (loss)/earnings per share - cents	3	(.87)	2.03

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 the consolidated statement of financial performance.

GOLDEN DEEPS LTD
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CONDENSED STATEMENT OF FINANCIAL POSITION
at 31 December 2004

	Note	Consolidated 31 December 2004 $	Consolidated 30 June 2004 $
CURRENT ASSETS			
Cash assets		1,754,665	1,990,464
Receivables		21,093	19,099
TOTAL CURRENT ASSETS		1,775,758	2,009,563
NON-CURRENT ASSETS			
Receivables		133,000	133,000
Other financial assets		37,500	37,845
Plant and equipment		9,513	4,865
Capitalised exploration		238,200	-
TOTAL NON-CURRENT ASSETS		418,213	175,710
TOTAL ASSETS		2,193,971	2,185,273
CURRENT LIABILITIES			
Payables		138,749	69,660
TOTAL LIABILITIES		138,749	69,660
NET ASSETS		**2,055,222**	**2,115,613**
EQUITY			
Contributed equity		8,379,520	8,203,320
Accumulated losses	2	(6,324,298)	(6,087,707)
TOTAL EQUITY		**2,055,222**	**2,115,613**

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

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

CONDENSED STATEMENT OF CASH FLOWS
For the Half Year ended 31 December 2004

	Consolidated 31 December 2004 $	Consolidated 31 December 2003 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers	(147,960)	(185,488)
Interest received	49,581	35,228
Net cash (used in) operating activities	**(98,379)**	**(150,255)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment purchased	(7,307)	-
Sale of shares	56,559	728,098
Exploration costs paid	(206,672)	(47,243)
Net cash (used in)/from investing activities	**(157,420)**	**680,855**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	20,000	-
Net cash inflow from financing activities	**20,000**	**-**
Net (decrease)/increase in cash held	(235,799)	530,600
Cash at the beginning of the half year	1,990,464	1,101,759
Cash at the end of the half year	**1,754,665**	**1,632,359**

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2004.

1. BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared for the half year ended 31 December 2004 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 2004 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

	Consolidated 31 December 2004 $	Consolidated 31 December 2003 $
Accumulated losses at the start of the period	(6,087,707)	(6,905,791)
(Loss)/profit for the six month period	(236,591)	527,087
Accumulated losses at the end of the half year	(6,324,298)	(6,378,704)

3. EARNINGS PER SHARE

Weighted average number of shares on issue during the period used in the calculation of basic earnings per share.	27,108,499	25,940,020

4. EVENTS SUBSEQUENT TO REPORTING DATE

In January 2005 the Company raised $255,060 by the issue of 25,506,018 Options at one cent per Option, exercisable at 15 cents, expiring 1 March 2007.

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 has recently commenced an exploration program in Madagascar, and also has an investment in a publicly listed company.

	Australia	Madagascar	Consolidated
Revenue	107,204	-	107,204
Segment result	(218,284)	(18,307)	(236,591)

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 1st, 2003 for a five year term.

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DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 12:

   (a) comply with Accounting Standard AASB 1029 : Interim Financial Reporting and the Corporations Regulations; and

   (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2004 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.

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

D N Zukerman
DIRECTOR

Perth
14th March 2005

STANTON PARTNERS

1 HAVELOCK STREET
WEST PERTH 6005
WESTERN AUSTRALIA

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INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF
GOLDEN DEEPS LIMITED

Scope

We have reviewed the financial report comprising the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration of Golden Deeps Limited (the Company) for the half-year ended 31 December 2004 as set out on pages 8 to 13. 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 preparing a financial report that gives a true and fair view of the statement of financial position and performance, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

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.

Independence

We are independent of the Company, and have met the independence requirements of Australian ethical pronouncements and the Corporations Act 2001. We have given the directors of the Company a written Auditor's Independence Declaration.

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 2004 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 Van Der

J P V
Partner

West Perth, Western Australia
14 March 2005

STANTON PARTNERS

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14 March 2005

Board of Directors
Golden Deeps Ltd
Level 1
8 Parliament Place
WEST PERTH WA 6005

Dear Directors

RE: GOLDEN DEEPS LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Golden Deeps Ltd.

As Audit Partner for the review of the financial statements of Golden Deeps Ltd for the half year ended 31 December 2004, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely
STANTON PARTNERS

Partner