

GOLDEN DEEPS LIMITED

ACN 054 570 777

Half Yearly Report
31 December 2008

GOLDEN DEEPS LIMITED
ACN 054 570 777

HALF YEAR REPORT
For the Half Year Ended 31 December 2008

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GOLDEN DEEPS LIMITED
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COMPANY DIRECTORY

This half year report covers the consolidated entity comprising Golden Deeps Limited and its subsidiaries (the Group).

DIRECTORS

David Zukerman
Alexander Clemen
Michael Norburn

COMPANY SECRETARY

Norman Grafton

REGISTERED OFFICE

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AUDITORS

Grant Thornton (WA) Partnership
10 Kings Park Road
WEST PERTH WA 6005

STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Limited

Home Exchange: Perth, Western Australia

Australian Securities Exchange Code: GED

GOLDEN DEEPS LIMITED
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DIRECTORS' REPORT
For the Half Year Ended 31 December 2008

The Board of Directors of Golden Deeps Limited has pleasure in submitting the Balance Sheet of the Company as at 31 December 2008 together with the Income Statement and Cash Flow Statement, and the Statement of Changes in Equity for the half year ended and report as follows:-

DIRECTORS

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

Name

D Zukerman, Chairman

A Clemen

M Norburn

RESULTS

The loss of the consolidated entity for the half year was \$205,069, (2007: \$1,199,956)

REVIEW OF OPERATIONS

1. Garden Gully (M 15/675), Western Australia

The Garden Gully tenement is located adjacent to Coolgardie town site, on the Tindal's trend. Analysis of the Company's exploration data has shown several areas of potential ore grade mineralisation within the tenement areas that require further drill testing.

A third party has shown an interest in acquiring the project and is presently in negotiations with the Company.

2. Blue Funnel (M 16/19), Western Australia

The Blue Funnel open pit is located on the Zuleika Shear, approximately 17 kilometres to the northeast of Kundana, and was mined in the late 1980s for **205,579 t @ 3.22 gpt Au**. The potential for additional resources below the existing pit floor is high.

A further evaluation of the exploration and mining prospectivity of the project is currently underway.

3. Twin Hills (M 29/21, 107, & 147), Western Australia

The Twin Hills project is located 27 kilometres to the northeast of Menzies in the Eastern Goldfields. The historic Twin Hills mine hosted high-grade gold mineralisation and shows the potential for additional resources at depth and along strike.

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DIRECTORS' REPORT
For the Half Year Ended 31 December 2008

A detailed analysis of the existing drill data showed the ore system plunging steeply to the southwest, and will require further drill testing. Further geological data is being obtained.

4. Project Generation

The Company has an active programme of project generation and is assessing a number of properties, both in Australia and overseas for possible joint venture or acquisition. Shareholders will be updated as this programme proceeds.

It is recommended that this half yearly report be read in conjunction with the 30 June 2008 Annual Report and any public announcements made by the Company during the half year in accordance with the continuous disclosure obligations of the *Corporations Act 2001* and Australian Securities Exchange.

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

The auditor's independence declaration is set out on page 16 and forms part of the directors' report for the half year ended 31 December 2008.

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



D Zukerman
Director
Perth
10 March 2009

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INCOME STATEMENT
For the Half Year Ended 31 December 2008

	Note s	Consolidated 31 December 2008 \$	Consolidated 31 December 2007 \$
Revenue	2	<u>87,155</u>	<u>60,336</u>
Expenses			
Management fees		107,130	109,479
Directors fees		27,463	27,310
Exploration expenses		22,371	14,055
Occupancy Costs		96,500	68,396
Other operating costs		37,989	39,964
Depreciation	2	771	1,793
Staff and directors' options		-	609,000
Change in fair value of investments held for trading		-	390,295
		<u>292,224</u>	<u>1,260,292</u>
Profit/(Loss) before income tax		(205,069)	(1,199,956)
Income tax		-	-
Profit/(Loss) after income tax		<u>(205,069)</u>	<u>(1,199,956)</u>
Earnings per share			
Basic earnings/(loss) per share - cents		(0.53)	(3.12)

The accompanying notes form an integral part of the Income Statement.

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BALANCE SHEET
As at 31 December 2008

ASSETS	Notes	Consolidated 31 December 2008 \$	Consolidated 30 June 2008 \$
CURRENT ASSETS			
Cash and cash equivalents	5	2,004,072	2,193,602
Trade and other receivables		39,148	28,549
TOTAL CURRENT ASSETS		2,043,220	2,222,151
NON-CURRENT ASSETS			
Other financial assets		133,000	133,000
Plant and equipment		1,801	2,572
TOTAL NON-CURRENT ASSETS		134,801	135,572
TOTAL ASSETS		2,178,021	2,357,723
CURRENT LIABILITIES			
Trade and other payables		92,838	67,471
Provisions for rehabilitation		428,000	428,000
TOTAL CURRENT LIABILITIES		520,838	495,471
TOTAL LIABILITIES		520,838	495,471
NET ASSETS		1,657,183	1,862,252
EQUITY			
Issued capital	7	9,155,316	9,155,316
Share option reserve	7	871,060	871,060
Accumulated losses		(8,369,193)	(8,164,124)
TOTAL EQUITY		1,657,183	1,862,252

The accompanying notes form an integral part of the Balance Sheet

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CASH FLOW STATEMENT
For the Half Year Ended 31 December 2008

	Note	Consolidated 31 December 2008 \$	Consolidated 31 December 2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(256,421)	(286,656)
Interest received		66,891	60,336
Net cash (used in) operating activities		(189,530)	(226,320)
CASH FLOWS FROM INVESTING ACTIVITIES			
Repayment of loan		-	500,000
Net cash (used in) investing activities		-	500,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from grant of options		-	7,000
Net cash inflow from financing activities		-	7,000
Net increase/(decrease) in cash and cash equivalents held		(189,530)	280,680
Cash and cash equivalents at the beginning of the half year		2,193,602	1,415,348
Cash and cash equivalents at the end of the half year	5	2,004,072	1,696,028

The accompanying notes form an integral part of the Cash Flow Statement.

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STATEMENT OF CHANGES IN EQUITY
For the Half Year Ended 31 December 2008

Consolidated	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2007	9,155,316	255,060	(6,990,367)	2,420,009
Grant of options	-	616,000	-	616,000
Profit/(Loss) for period	-	-	(1,199,956)	(1,199,956)
Balance at 31 December 2007	9,155,316	871,060	(8,190,323)	1,836,053
Profit/(Loss) for period	-	-	26,199	26,199
Balance as at 30 June 2008	9,155,316	871,060	(8,164,124)	1,862,252
Profit/(Loss) for period	-	-	(205,069)	(205,069)
Balance at 31 December 2008	9,155,316	871,060	(8,369,193)	1,657,183

The accompanying notes form an integral part of the Statement of Changes in Equity.

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NOTES TO THE FINANCIAL STATEMENTS
For the Half Year Ended 31 December 2008

1. BASIS OF PREPARATION

BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Golden Deeps Limited as at 30 June 2008.

(a) Basis of accounting

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Golden Deeps Ltd and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by entities in the consolidated group and are consistent with those in the June 2008 financial report.

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

Reporting basis and conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) New accounting standards and interpretations

These consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 30 June 2008. The accounting policies have been applied consistently throughout the Group for the purposes of the preparation of these consolidated interim financial statements.

The following applicable standards have been issued but have not been early adopted:

- AASB 101 *Presentation of Financial Statements* (Revised 2007)
- AASB 8 *Operating Segments*
- AASB 123 *Borrowing Costs* (Revised 2007)

AASB 101 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. AASB 101 affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. Further, a 'Statement of changes in equity' is now presented as a primary statement.

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NOTES TO THE FINANCIAL STATEMENTS
For the Half Year Ended 31 December 2008

AASB 8 now reports segment results based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual and interim financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns.

AASB 123 *Borrowing Costs* (Revised 2007) requires the capitalisation of borrowing costs to the extent they are directly attributable to the acquisition, production or construction of qualifying assets that need a substantial period of time to get ready for their intended use or sale. Borrowing costs have been capitalised only for qualifying assets with a commencement date after 1 January 2009

2. REVENUE AND EXPENSES

Specific Items

Profit/(loss) before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

	Consolidate d 31 December 2008 \$	Consolidated 31 December 2007 \$
(i) Revenue		
Interest income	87,155	60,336
TOTAL REVENUE	87,155	60, 336
(ii) Expenses		
Depreciation	771	1,793

3. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

4. COMMITMENTS AND CONTINGENCIES

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

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NOTES TO THE FINANCIAL STATEMENTS
For the Half Year Ended 31 December 2008

5. CASH & CASH EQUIVALENTS

For the purpose of the half year Condensed Cashflow Statement, Cash and Cash Equivalents are comprised of the following:

	31 December 2008	30 June 2008	31 December 2007
	\$	\$	\$
Cash at bank	204,072	193,602	(3,972)
Short term deposits	1,800,000	2,000,000	1,700,000
	<u>2,004,072</u>	<u>2,193,602</u>	<u>1,696,028</u>

6. INVESTMENTS

The ASX listed investments held by the Company as at 31 December 2007 were disposed of during the year ended 30 June 2008.

7. CONTRIBUTED EQUITY

	Consolidate d 31 December 2008	Consolidate d 30 June 2008
Issued Capital		
Ordinary shares		
Issued and fully paid	<u>\$9,155,316</u>	<u>\$9,155,316</u>
	Number	Number
Number of ordinary shares issued	<u>38,445,322</u>	<u>38,445,322</u>
Options		
Option reserve	<u>\$871,060</u>	<u>\$871,060</u>
	Number	Number
Number of options granted	<u>9,000,000</u>	<u>10,500,000</u>

8. SEGMENT INFORMATION

The consolidated entity undertakes mining exploration activities within Australia.

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DIRECTORS' DECLARATION
For the Half Year Ended 31 December 2008

The Directors of the company declare that:

- 1 The financial statements and notes as set out on pages 6 to 12:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations;
 - and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2008 and of the performance for the half-year ended on that date.
- 2 In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors on behalf of the Board.



D Zukerman
DIRECTOR

Perth
Dated this 10 March 2009



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

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Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Golden Deeps Limited (the Company) and consolidated entity, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration. The consolidated entity comprises both the Company and the entities it controlled at the half-year's end or from time to time during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, 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 2008 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, 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 other 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

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that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

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 is not in accordance with the Corporations Act 2001, including:

- 1 giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- 2 complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

P. Warr.

P W WARR
Partner

Perth, 10 March 2009

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF GOLDEN DEEPS LIMITED**

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 2008, 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.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

P. Warr.

P W WARR
Partner

Perth, 10 March 2009