



29 January 2009

Quarterly Activities Report for the period ended 31 December 2009

1 VICTORIAN GOLD PROJECT APPLICATIONS

The Company has been awarded priority on four exploration licence applications in eastern Victoria (Figure 1). The applications are for low impact gold exploration over a number of historical gold mining areas that have not been explored utilising modern exploration methods.

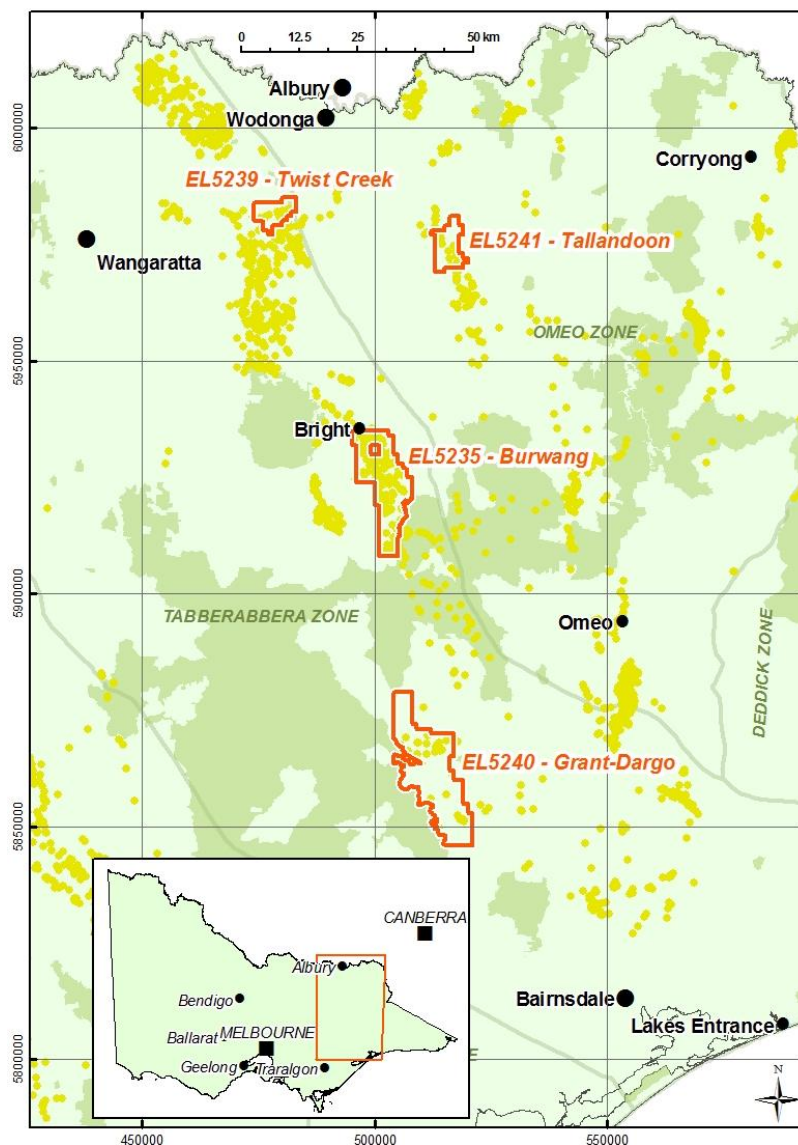


Figure 1 – Locations of the Company's Exploration Licence Applications (orange outlines) in eastern Victoria. Yellow dots mark known gold mines, prospects, and occurrences. Green areas mark national and state parks and other reserves in which exploration and mining are prohibited. Green lines mark the boundaries of the tectonic components of eastern Victoria. Major towns and cities of the region are shown.

The eastern Victorian gold fields were discovered in the Victorian Gold Rush of the mid-1800s, and significant underground gold mining ceased in these areas between 1910 and 1930. The Company believes that substantial opportunity exists in Victoria, and that



historic mining has only exploited the upper portions of the extensive gold mineralising systems throughout the region.

Over 300 gold mines, prospects and occurrences are documented within the licence application areas. Government records show that combined production from reef and vein gold deposits within these areas is over 380,000 ounces at average grades in excess of 24 g/t gold. A similar amount of gold was also recovered at lower grades from alluvial deposits in the licence areas, but these are not being considered due to the Company's environmental concerns and the banning of river dredging in Victoria.

The Company has submitted a two year low-impact work plan to the Department of Primary Industries in Victoria. In summary, the full work program involves the following:

- Heritage survey and identification of indigenous sites.
- Compilation of a GIS database and analysis of historical exploration data.
- Acquisition and processing of geophysical data.
- Ground reconnaissance and rock chipping.
- Geological mapping.
- Soil sampling.

None of the applications have yet been awarded. All are proceeding through the Victorian application process for exploration licences.

2 WESTERN AUSTRALIAN GOLD PROJECTS

2.1 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**. There is strong potential for additional resources below the existing pit floor, and requires further investigation.

The company has been approached by a third party to either acquire or joint venture into the Blue Funnel project. A review of the project data by that party is currently being undertaken.

2.2 Twin Hills (M 29/21), 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.

A review of both the near mine and regional potential continues over the project area.

Yours faithfully,

Norman Grafton
Company Secretary
Golden Deeps Ltd



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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.