



31 January 2012

Quarterly Activities Report for the period ended 31 December 2011

1 WESTERN AUSTRALIAN GOLD PROJECTS

1.1 Twin Hills (M 29/21), Western Australia

The Twin Hills project is located 27 km to the north of the town of Menzies in the Eastern Goldfields. The historic Twin Hills mine is located in a shear zone within a narrow greenstone belt located between two granitoids. Recorded production from the belt totalled 1,100 t of ore at an **average grade of 23.6 g/t Au**.

A Measured Resource of **17,541 t @ 20.86 g/t Au** has been defined to a depth of 100 m beneath surface.



Figure 1 – The location of the Twin Hills Project.

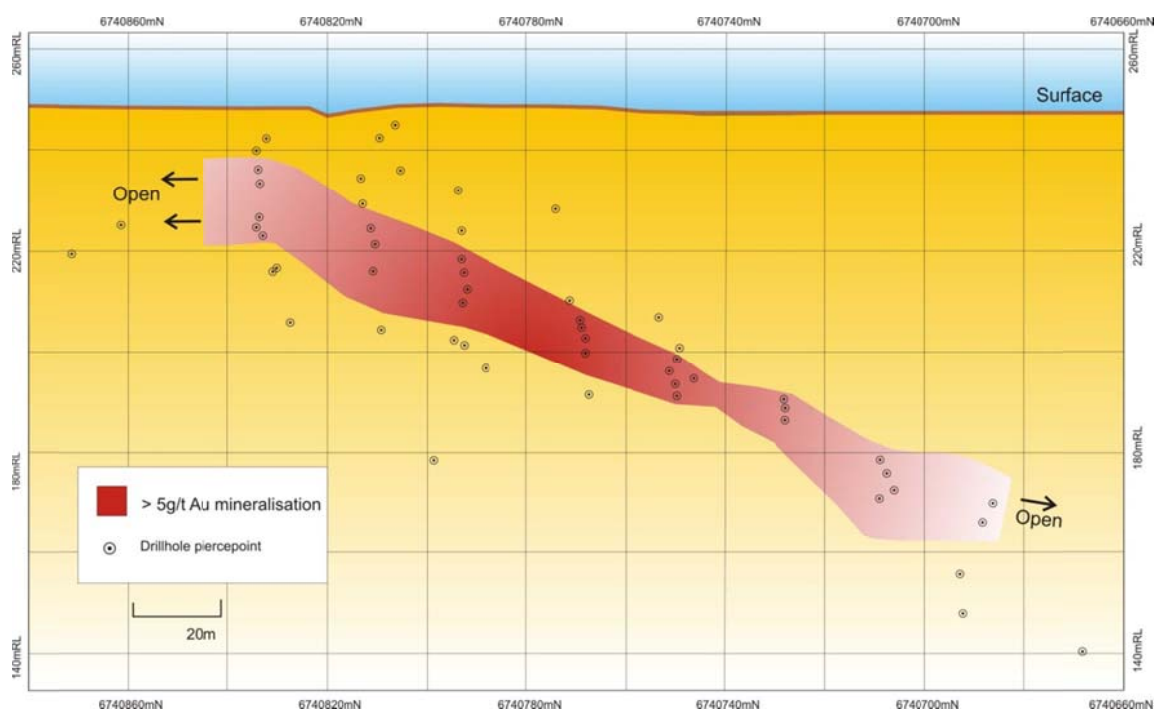


Figure 2 – Longitudinal projection of the Twin Hills mineralisation.

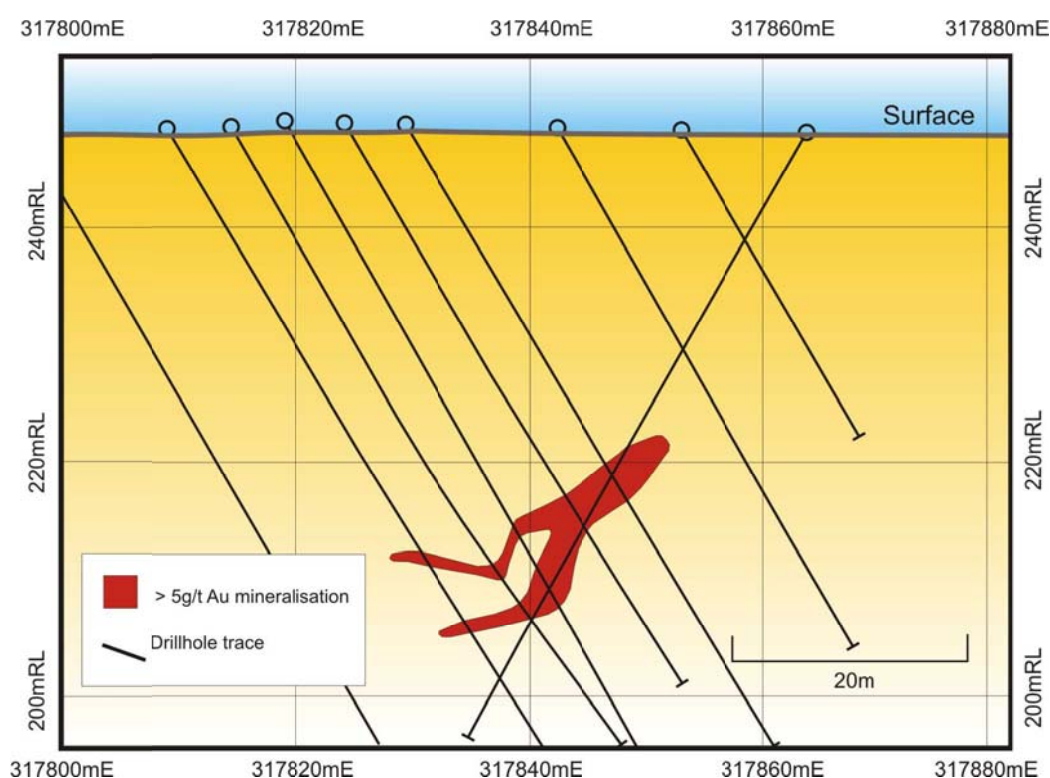


Figure 3 – Cross section through the Twin Hills mineralisation.

Historic mining extends to a depth of approximately fifty vertical metres via a box cut, small incline and a shaft. The underground workings are inaccessible at this time.

The Company believes there is significant potential for further mineralisation along strike and at depth. M29/21 contains at least a 1.5km strike length of highly prospective geology which has seen minimal drill testing, particularly below 50m depth. Several isolated



significant drill intercepts are yet to be followed up (figure 8). Some of the better intercepts are as follows:

- TH2001 5m @ 8.56g/t Au from 16m, including 1m @ 31.1 g/t Au from 20m
- LPB010 3m @ 42.02g/t Au from 32m
- TD1004 8m @ 3.17g/t Au from 107m

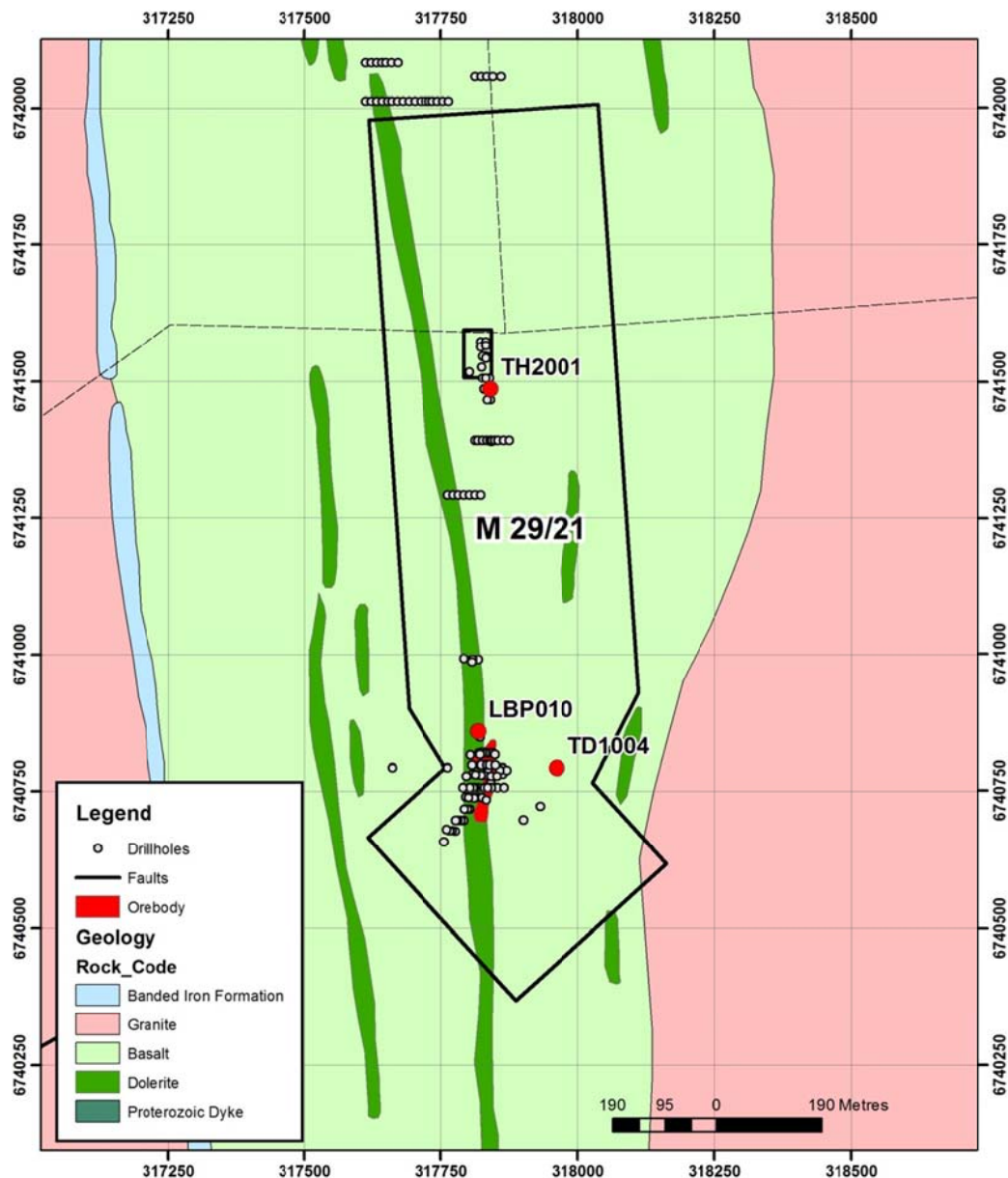


Figure 4 – Geology and drill status plan of Twin Hills.

Golden Deep's senior management visited the Twin Hills Mine in December 2011 to determine the structural controls on the gold mineralisation and the best way to advance the project. The site visit confirmed the structural and lithological interpretations determined through earlier 3D modelling of the deposit.

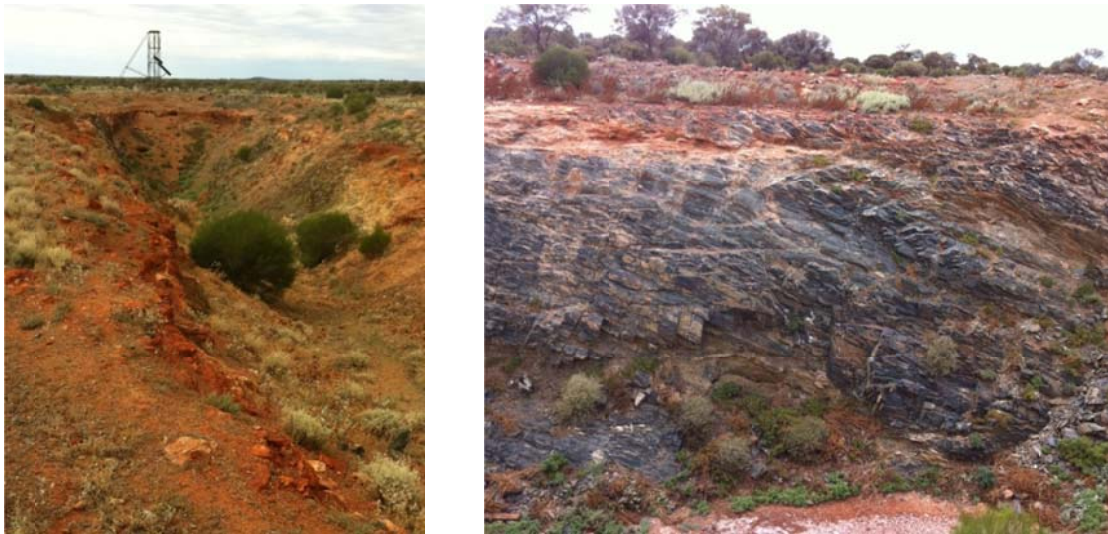


Figure 5 – The Twin Hills pit (left, looking south)) and exposure of amphibolitic chlorite schist in the eastern wall. The apparent lineation evident in the east wall (by the fracturing of the schistosity and vertical north-south jointing) is subparallel to the plunge of mineralisation.



Figure 6 – Excavation of mineralised veining in the southern pit wall at Twin Hills (left). A mineral elongation lineation on the vein surface (right, and arrow in left image) parallels the fold plunges and the plunge of mineralisation.

The mineralisation at Twin hills is believed to be associated with the nose of a tight fold structure formed by west over east compression. The axial plane of the fold is sub parallel to the pervasive schistosity in the area and the hinge plunges gently to the south. Quartz vein hosted mineralisation is localised around the fold hinge (Figure 6). The new structural interpretation provides a well constrained model for the orebody geometry, and has generated new target positions for potential repetitions of the mineralisation.

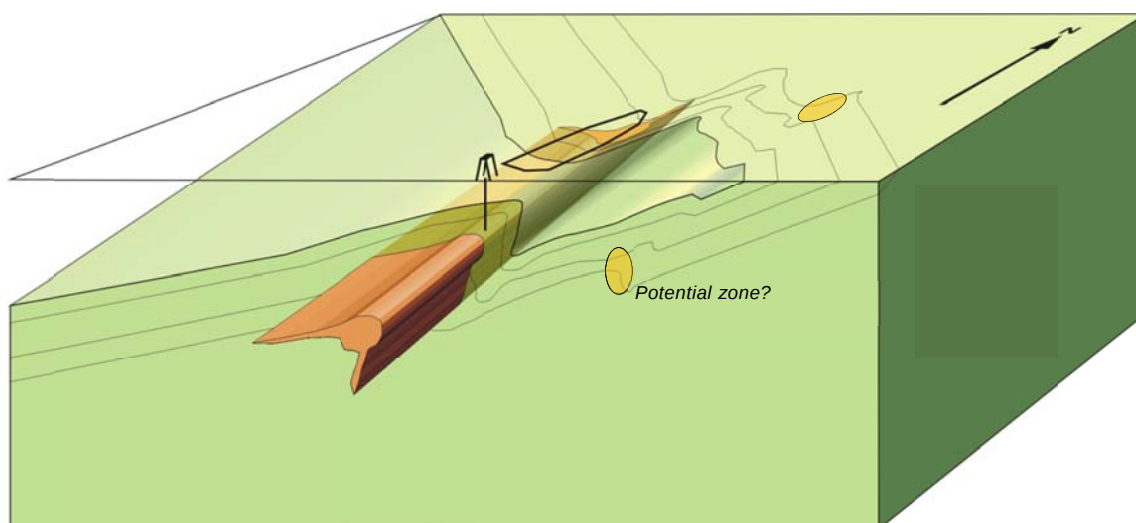


Figure 7 – Block model of mineralisation controls at Twin Hills. The fold style is peculiar to the Twin Hills area, and the magnitude of folding shown in the diagram may be exaggerated. Other folds could yield similar mineralisation and may be associated with outlying intercepts to the east.

Third party discussions with respect to a potential tribute mining operation, surface drilling and ground surveying requirements continued during the quarter. The company will continue to explore all of the available options in order to realise the maximum potential of the project.

2 EASTERN VICTORIAN GOLD PROJECTS

The company currently holds three granted exploration licences and has an application pending for one further exploration licence in eastern Victoria. The granted exploration licences are Burwang (EL5235), Twist Creek (EL5239), and Mudlark (EL5272). The Grant-Dargo (EL5240) licence is still proceeding through the application process. These licences and the application are for low impact gold exploration over a number of historic gold mining areas that have received limited exploration using modern techniques.

Government records show that **over 730,000 oz of gold was historically produced from the Burwang project area (EL5235)**. The Rose, Thistle and Shamrock (RTS) gold mine and the nearby Landtax gold mine is an area of significant potential. Government records show that **over 80,000 oz of gold was produced at an average grade of 22.2 g/t**.

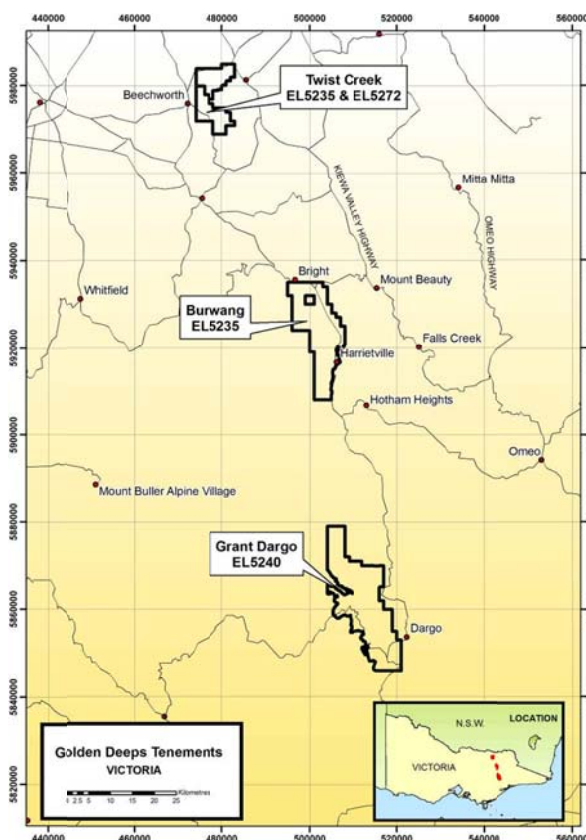


Figure 8– Locations of the Company's three exploration areas (black outlines) in eastern Victoria. Major towns and cities of the region are shown.



No significant exploration has been undertaken at or around the RTS mine since its closure almost 80 years ago. Several targets have been selected for detailed follow-up and work is ongoing. The Company is also busy preparing the information required to submit a work plan for the proposed bund wall removal from the main adit entrance.

The Hillsborough gold mine was a small producer from shallow workings. Just under **10,000 oz of gold** was produced at an **average grade of 23.8 g/t**. Significant potential exists between the various adits, at depth and along strike from the existing workings. This potential will be assessed by mapping and sampling followed by possible drill testing.

Several other mining areas are also being assessed for further work. In particular, the Reliance, Buckeye and Red Parrot mines.

At the Twist Creek project (EL5239 & EL5272) government production records are poor, but from the Excelsior Mine just under **2,500 oz of gold** was produced at an **average grade of 59.9 g/t**. The Company is currently assessing the potential for intervening lower-grade zones, as well as high-grade potential at depth and along strike.

3 PROJECT GENERATION

The Company is currently assessing a number of opportunities, both in Australia and in southern Africa, for possible joint venture or acquisition. Several copper-lead-zinc and vanadium projects are undergoing in-depth evaluation to provide the Company with an additional focus for its future exploration efforts.

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.