

ASX Announcement
4 July 2017

QUICKSILVER NICKEL-COBALT PROJECT HIGH COBALT IN SAMPLING



Figure 1 – A view across the cobalt enriched outcrop at Quicksilver

HIGHLIGHTS

- Soil sampling has returned the highest levels of cobalt and nickel recorded at surface from the Quicksilver project
- Cobalt values of over 300 ppm and nickel values of over 2,700 ppm have been returned from recent geochemical sampling
- Sampling has extended the surface anomaly at Quicksilver to over 2,400 metres of strike and identified further targets for testing
- Drilling at Quicksilver is programmed to commence in the coming weeks
- Cobalt metal reached **US\$60,000/tonne** in overnight LME trade, continuing its strong upward price trend.

Golden Mile Resources (ASX: G88) (“Golden Mile” or “Company”) is pleased to announce that the Company has successfully completed its initial program of sampling and mapping at the Quicksilver nickel-cobalt project.

Sampling has further extended the surface anomaly at the Garard location (Figure 2), which now covers over 2,400 metres of strike and over 1,000 metres in width (Figure 3). This phase of geochemical surveying has returned the **highest grade cobalt and nickel surface sampling results**, recorded to date from the project, including:

QSS029 6370405 N/ 656903 E (MGA94-50) 305 ppm Cobalt & 2,720 ppm (0.27%) Nickel.

A summary of the recent sampling and exploration program is provided below.

ASX: G88

CAPITAL STRUCTURE

Total shares on issue: 51.83m

Market Cap @ \$0.18: \$9.3 million

CORPORATE DIRECTORY

Mr Rhod Grivas
Non-Executive Chairman

Mr Tim Putt
CEO & Executive Director

Dr Koon Lip Choo
Non-Executive Director

Mr Phillip Grundy
Non-Executive Director

CONTACT DETAILS

1B/ 205-207 Johnson St,
Fitzroy, Victoria, 3065
T: +61 (0) 3 9191 0135
F: +61 (0) 3 8678 1747

ACN 614 538 402

www.goldenmileresources.com.au

Quicksilver Soil Sampling

The Quicksilver nickel-cobalt project is located in the SW Mineral Field of Western Australia. The project is composed of one granted Exploration Licence (E 70/4641 – 100% Golden Mile) covering 15 km of prospective stratigraphy. Previous exploration has yielded an extensive nickel-cobalt surface anomaly at Garard's (Figure 2 & 3), which has now been extended, and covers over 2,400 metres of strike; this anomaly has yet to be systematically drill tested but has previously returned high-grade (>0.5%) cobalt intercepts in shallow drilling.

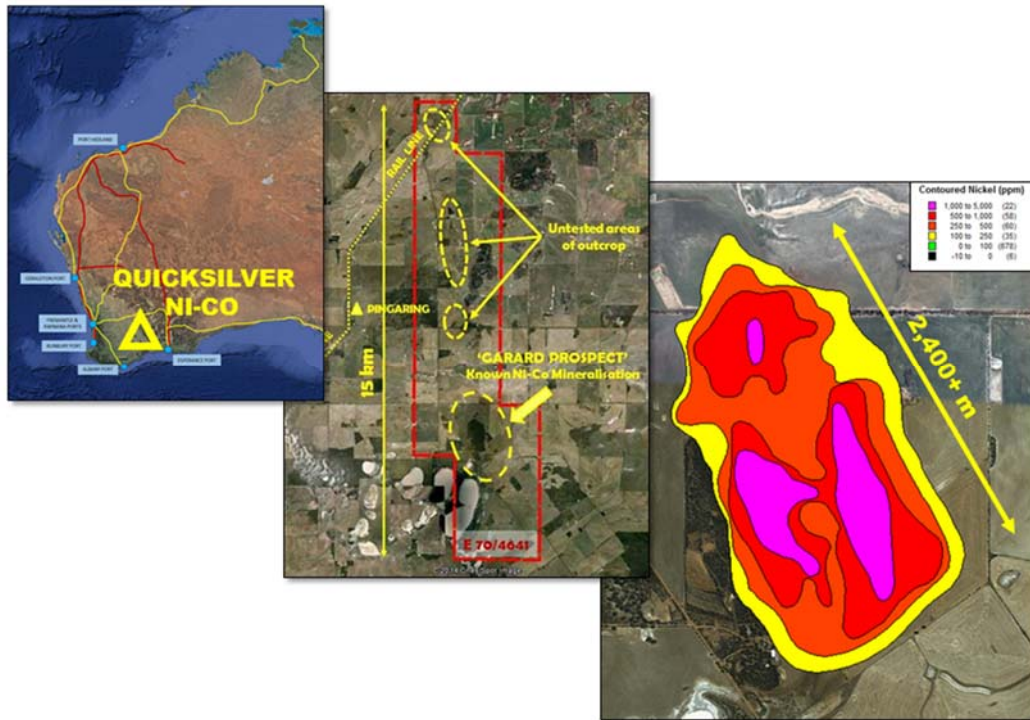


Figure 2 – Quicksilver & prospect locations, with contoured nickel assays at Garard's (far right)

Golden Mile has recently completed a program of extensional soil sampling across the southwestern corner of the Garard location (Figure 3). A total of 45 samples were taken on 200 x 100 metre spacing, with more than a third of those samples returning anomalous nickel (>100 ppm) and/or cobalt (>25 ppm) assays, with peak results in **QSS029 of 305 ppm cobalt and 2,720 ppm nickel** (Appendix 2).

The program of sampling & mapping has successfully:

- Extended the recognised nickel-cobalt anomaly by a **further 400 metres** (to 2,400 metres in strike)
- Returned the **highest grades of cobalt & nickel in surface geochemical sampling** at the prospect
- Defined the contacts of the geological host unit at Quicksilver, in particular the western 'footwall' contact
- Identified **two additional target areas** for follow up & extensional surface sampling, namely '**Wyatt's West**' and '**Garard South**' anomalies (Figure 3)
- Defined three priority, cobalt enriched (>100 ppm), targets within the Garard prospect for drill testing including '**Fenceline**', '**Ridge Cap**' & '**Wyatt's**' (Figure 3).

In addition to the surface sampling at Garard's, geological mapping was undertaken to assist in the interpretation of the surface geochemistry as well as preparation for the upcoming drilling program.

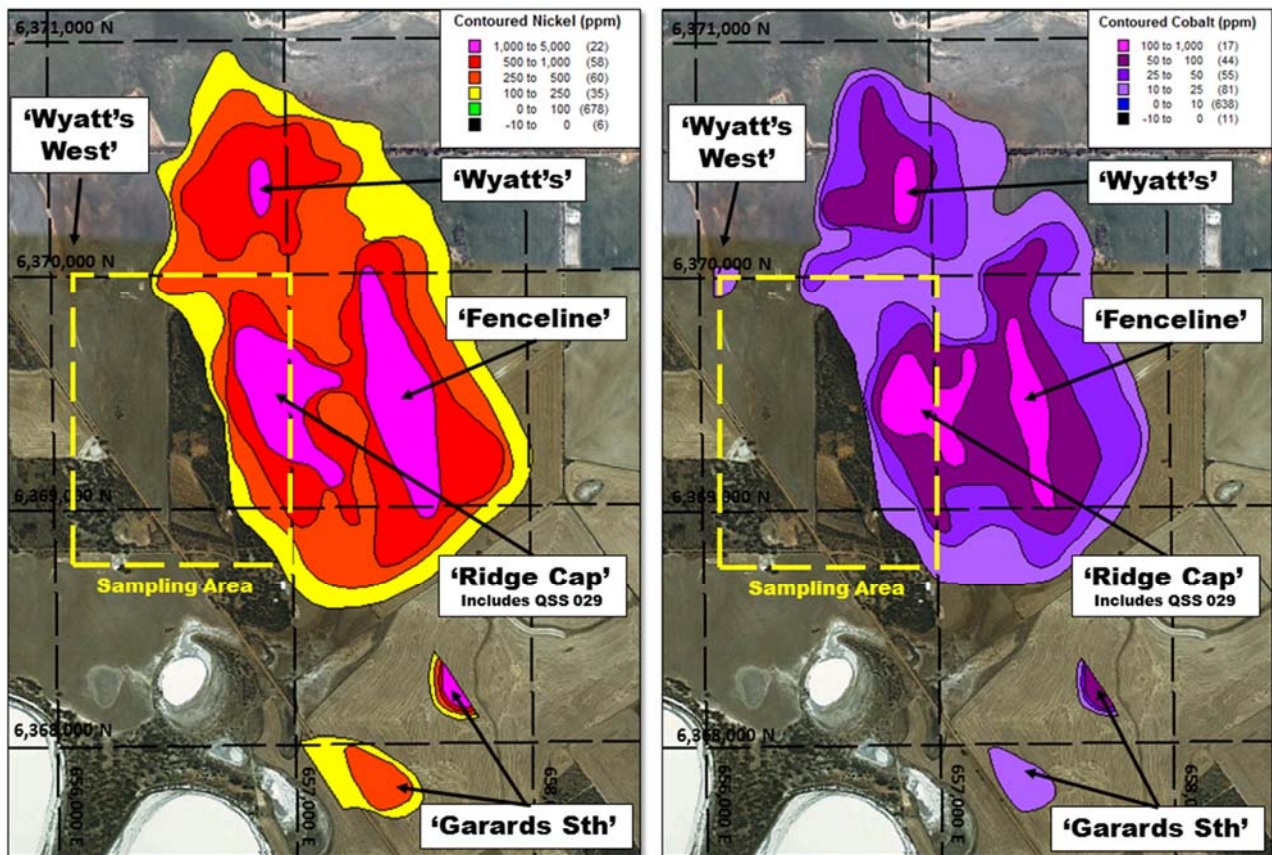


Figure 3 – Garard's Prospect, contoured nickel (left) and cobalt (right) geochemistry with anomalies

Quicksilver Aircore Drilling

An initial program of drilling is now programmed for the Garard prospect area at Quicksilver. Wide spaced aircore drilling is planned on 400 x 100 metre north-south drill lines and is designed to:

- Drill test the surface nickel-cobalt anomalies at Garard's
- Infill and extend on the historical drilling, as well as confirm the presence of high-grade cobalt (>5,000 ppm or 0.5%) mineralisation in the sub-surface environment
- Provide systematic drill coverage and allow the estimation of an initial 'Exploration Target'

Drilling is in the final stages of the permitting process and is programmed to commence in the coming weeks.

Cobalt Market

The demand for cobalt in the global market remains strong, **with the price reaching an 8-year high of US\$60,000** in overnight trade on the London Metals Exchange (LME Cash Seller & Settlement)¹.

In course of the 2017 calendar year, **the cobalt price has close to tripled**, rising from a low of US\$21,700 in late March to \$60,000/tonne in overnight trade (Figure 4). This growth in the value of cobalt has been triggered by increased demand from the power storage industry, with analysts tipping this trend to continue, and be sustained, in the short to medium term².



Figure 4 - LME Cobalt Price per tonne (\$US) - Source: www.quandl.com

Golden Mile looks forward to updating investors as the Company's exploration program at Quicksilver, and in the Leonora region, continues to progress.

References

1. https://www.quandl.com/data/LME/PR_CO-Cobalt-Prices
2. <http://www.news.com.au/finance/business/breaking-news/auroch-picks-up-cobalt-mine-in-czech/news-story/7591c9889927e15c2d7ab5a154a6b80e>

About Golden Mile Resources Ltd

Golden Mile is an Australian based exploration and development company, with an outstanding suite of cobalt, gold, and base metal projects in Western Australia. The Company was formed in 2016 to carry out the acquisition, exploration and development of mining assets in Western Australia, and has to date acquired a suite of exploration projects, predominantly within the fertile North-Eastern Goldfields of Western Australia. The Company's initial focus will be the exploration of the Quicksilver Nickel-Cobalt Project in the SW Mineral Field and the Leonora Gold Projects in the North-Eastern Goldfields of Western Australia.

For more information please visit: <https://www.goldenmilresources.com.au/>

For further information please contact:

Rod North, Managing Director,
Bourse Communications Pty Ltd
 T: (03) 9510 8309, M: 0408 670 706
 E: rod@boursecommunications.com.au

Tim Putt, CEO & Executive Director,
Golden Mile Resources Ltd (ASX: G88)
 T: (08) 9480 0630, F: (08) 9321 0320
 E: tputt@goldenmilresources.com.au

APPENDIX 1 – GARARD’S SOIL SAMPLING LOCATIONS & ASSAYS

APPENDIX 2 – JORC TABLE 1.

Appendix 2 JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • 45 soil samples were taken on 200 x 100 metre spacing in the SW corner of the Garard prospect at Quicksilver. Soil samples comprised of ~0.5 kg of -10 mm residual soil taken ~0.2 metres below surface. • These samples indicate the potential mineralisation of the Garard prospect Ni-Co and appears to be representative of a larger mineralised system at Garards, based upon recent & historical surface geochemistry.
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • Only soil sampling was carried out in the current programme and no drilling occurred. Hence drilling technique is not applicable.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • Only soil sampling was carried out in the current programme and no drilling was done. Hence drill sample recovery is not applicable.

Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • Soil samples were geologically logged to assist in mapping and recognition of appropriate sampling media.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • The samples comprised of comprised of ~0.5 kg of -10 mm residual soil taken ~0.2 metres below surface. • Infill samples were taken in several areas to ensure soils were representative • Blanks and standards were introduced as checks through LabWest in Malaga.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • The laboratory assaying techniques are suitable for the samples submitted. Samples were submitted to LabWest in Malaga, Perth, for a suite of elements including Co, Cr, Cu, Fe, Mg, Mn & Ni using an MAD prep and ICP analysis.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • Soil samples were collected, sampled and verified by independent geological consultant in the field. This was further confirmed through photos and physically checked by Company personnel in the field before submitting to LabWest for assaying. No adjustments to assay were done.

<i>Location of data points</i>	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Samples were located using a hand held GPS (accurate to <5 metres) in MGA 94, Zone 50.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Samples were taken at surface 'spot' locations and are unsuitable for resource calculations.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • Sampling is unbiased and was designed to assist in defining the orientation of the footwall contact of the mineralised lithology. • No drilling undertaken.
<i>Sample security</i>	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Samples were bagged and secured by field staff prior to submission to the laboratory.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • At this preliminary stage no audits of sampling technique were done.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • E 70/4641 overlies both private and crown land with access agreements in place over the landowners where the active work program is being undertaken.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Compilation of historical data has been completed and is being utilised to target the ongoing work program.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Ultramafic hosted nickel, cobalt & copper mineralisation.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ◦ <i>easting and northing of the drill hole collar</i> ◦ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ◦ <i>dip and azimuth of the hole</i> ◦ <i>down hole length and interception depth</i> ◦ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • Only soil sampling was carried out in the current programme and no drilling was done.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • At this stage we had only carried out soil sampling. No drilling was carried out; hence data aggregation method cannot be applied.

<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • At this stage Golden Mile has only carried out soil sampling. No drilling was carried out; hence cannot apply relationship between mineralisation widths and intercept lengths.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Maps are presented in ASX announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Sampling was conducted to check the location of the unmineralised footwall unit and the anomalous ultramafic host unit within the prospect area.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • At this stage only the soil sampling, results are of relevance. The geological mapping program is ongoing and requires interpretation and validation prior to further discussion.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The ongoing work program and discussion of targets for drilling is contained in the body of the report.