ASX Announcement
17 October 2018

QUICKSILVER NICKEL-COBALT PROJECT:
RESULTS OF DIAMOND DRILLING AND EXPLORATION UPDATE

Golden Mile Resources Ltd (ASX:**G88**, the Company) is pleased to provide an update on the results of recent diamond drilling at the Quicksilver Nickel-Cobalt Project located in the SW Mineral Field of Western Australia. The drilling was designed to assist the current exploration and development program by providing valuable technical data relating to both the known laterite mineralisation and testing potential sulphide targets.

Highlights:

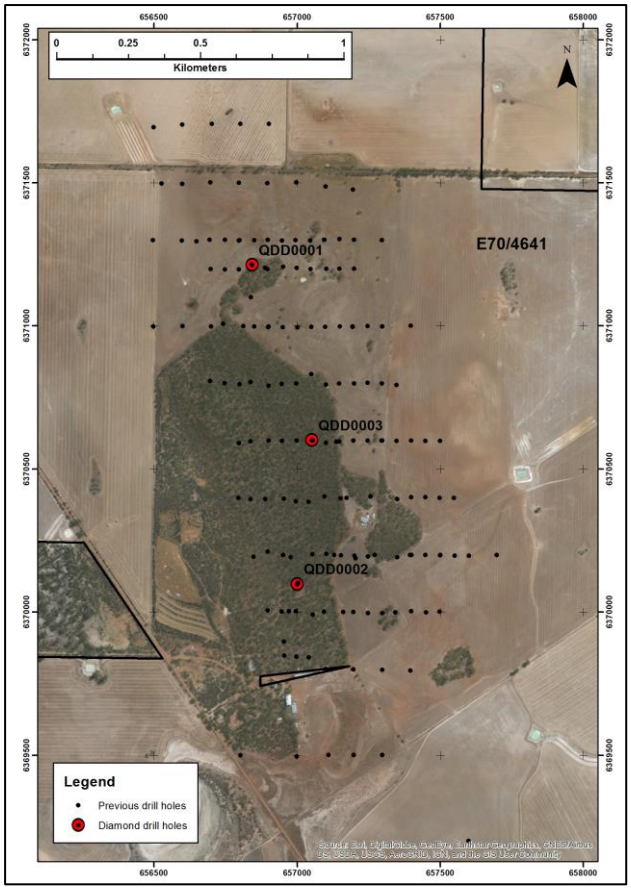
- Three diamond drill holes completed at Garard's prospect intersected significant nickel-cobalt mineralisation, including:
  - **QDD0001- 36.6m @ 1.01% nickel from 49.5m depth**
- Representative density (specific gravity) measurements were successfully collected from drill core to facilitate the estimation of a JORC Code compliant resource for the deposit.
- Two deeper diamond drill holes completed at Wyatt's Prospect successfully intersected the source of a previously identified geophysical anomaly, coring massive to semi-massive sulphide mineralisation containing anomalous copper grades.
- A resource estimation has commenced for the Garard's prospect and the Company expects to be able to report a maiden JORC Code compliant oxide resource estimate for the deposit in the coming weeks.
- The Company has engaged Dr Nigel Brand, an expert in nickel laterite geochemistry, to assist with the geological interpretation of the Garard's prospect.
- Metallurgical testwork on representative samples from key geological and mineralised zones within the resource will be undertaken and the Company has also engaged Boyd Willis, an nickel laterite/oxide specialist metallurgical consultant to oversee this work.

Golden Mile looks forward to updating shareholders as the exploration and development work progresses at Quicksilver.

GARARD'S PROSPECT

Diamond Drilling

Three shallow, vertical diamond drill holes (QDD0001-3) were successfully completed at Garard's prospect (Figure 1) for a total of 247.9m of core drilling. All three holes were twins of existing RC percussion drill holes and were principally designed to obtain representative core samples through the nickel-cobalt mineralisation so that an accurate measurement of the rock density could be obtained for the forthcoming resource estimation for the deposit (see below).



These are the first diamond drill holes into the deposit and they provide a valuable insight into the nature of the weathering profile and its relationship to the nickel and cobalt mineralisation, which will assist the resource estimation as well as the metallurgical study.

Details of the completed diamond drill holes are provided in Table 1. Significant mineralised intersections from the Garard's prospect area are shown in Table 2.

Figure 1: Location of diamond drill holes at the Garard's prospect

Table 1: Drill hole summary information

Hole ID	Prospect	Collar Coordinates			Dip	Azimuth	Hole Depth
		North	East	RL	(º)	(º)	(m)
QDD0001	Garard's	6371212	656843	310	-90	000	92.7
QDD0002	Garard's	6370097	657000	318	-90	000	77.6
QDD0003	Garard's	6370600	657052	323	-90	000	77.6
QDD0004	Wyatt's	6372335	656090	285	-60	090	285.3
QDD0005	Wyatt's	6372400	656123	285	-60	090	156.1
Total							**689.3**

Table 2: Significant intersection summary

Hole ID	From	To	Interval	Grade	
	(m)	(m)	(m)	Ni (%)	Co (%)
QDD0001	49.4	86.0	36.6	1.01	-
	43.0	56.0	13.0	-	0.05
QDD0002	29.0	34.0	5.0	0.64	-
	41.2	42.85	1.65	-	0.19
	42.3	68.0	25.7	0.82	-
Including	60.85	68.0	7.15	1.46	-
and	65.0	68.0	3.0	2.03	-
QDD0003	17.0	23.0	6.0	-	0.11
	18.0	23.7	5.7	1.11	-

Density Measurements

Specific gravity (SG) of the diamond drill core from Garard's prospect was measured using a standard gravimetric method, calculated using the weight of the core samples in both air and submerged in water. The core was dried prior to measurement and porous material was wax-coated to prevent water ingress.

The results of the work (shown in Table 3) show that the average SG of the mineralised laterite varies from 1.90 to about 2.50 in ferruginous silicified zones. Fresh ultramafic host rock has an average SG of about 2.40. The measured SG's of the mineralised rocks are considered to be significantly higher than a "standard" laterite deposit, likely due to the silicic nature of the key mineralised zones. These results will be utilised in the resource estimation for the deposit (see below).

Table 3: Summary of specific gravity measurements

Lithology	Weathering	No. of Samples	Specific Gravity		
			Min	Max	Average
Ultramafic	Fresh	24	2.07	2.66	2.42
Ultramafic	Weak to Moderate	6	1.69	2.51	2.14
Ferruginous duricrust		6	2.06	2.41	2.20
Laterite (saprock)	Moderate oxidation	59	1.64	2.55	1.90
Laterite (saprock)	Weak oxidation	20	1.64	2.50	1.92
Laterite (silicified and ferruginous)	Weak oxidation	24	2.16	2.83	2.48
Total		**139**			

Resource Estimation

The resource estimation process for Garard's prospect has commenced and the Company has engaged independent consultant Paul Payne from PayneGeo Pty Ltd to undertake this work. Geological interpretation of the deposit is currently in progress, in conjunction with the Company's geological team. It is anticipated that the resource estimate will be finalised in November 2018.

Lithogeochemistry

The Company has engaged Dr Nigel Brand of Geochemical Solutions Pty Ltd to undertake a lithogeochemical assessment of the deposit at Garard's. Dr Brand is a highly experienced geochemist and an expert in nickel laterites.

The Company has compiled a comprehensive multi-element assay database suitable for mapping out different rock types and to assess the key regolith domains which are important controls on the distribution of mineralisation. A preliminary review of the assay data by Dr Brand has already provided useful insights into the lithology of the deposit and the key alteration/weathering boundaries that will be critical in the geological interpretation of the deposit for the resource estimate.

Metallurgy

The Company is planning to commence a program of metallurgical testing as soon as practicable. A number of representative samples have previously been collected for testing and additional samples may be required based on the geological modelling and lithogeochemical work currently being undertaken. The Company has engaged Boyd Willis, an independent metallurgist with extensive experience in the processing of lateritic deposits, to oversee the proposed work program and provide an assessment of test results.

Further Work

The Company is progressively advancing technical studies at Garard's prospect with the aim of progressing to a scoping study level evaluation of the deposit. The resource estimate and metallurgical testwork currently being undertaken by the Company, in conjunction with a thorough understanding of the geology of the deposit, will be critical to determine the mining and processing options that the Company will consider at this stage in the development of the project.

WYATT'S PROSPECT

Diamond Drilling

Two deeper angled diamond drill holes (QDD0004 and QDD0005) were successfully completed at the Wyatt's prospect (Table 1, Figure 2) for a total of 441.4m of drilling. The holes were specifically designed to test a previously identified electromagnetic (EM) target interpreted to be associated with sulphide mineralisation (see Golden Mile Resources ASX announcement dated 5 July 2018).

Photograph 1: Diamond drill rig at the Wyatt's prospect

The diamond drill holes both intersected a 6-8 metre wide zone of semi-massive to massive sulphides dominated by pyrrhotite-pyrite mineralisation, with lesser chalcopyrite. This mineralisation coincides with the modelled position of the EM anomaly and is interpreted to be its

source. Assay results have been received for both holes and show that the sulphide mineralisation in anomalous in copper but does not contain any significant nickel grades.

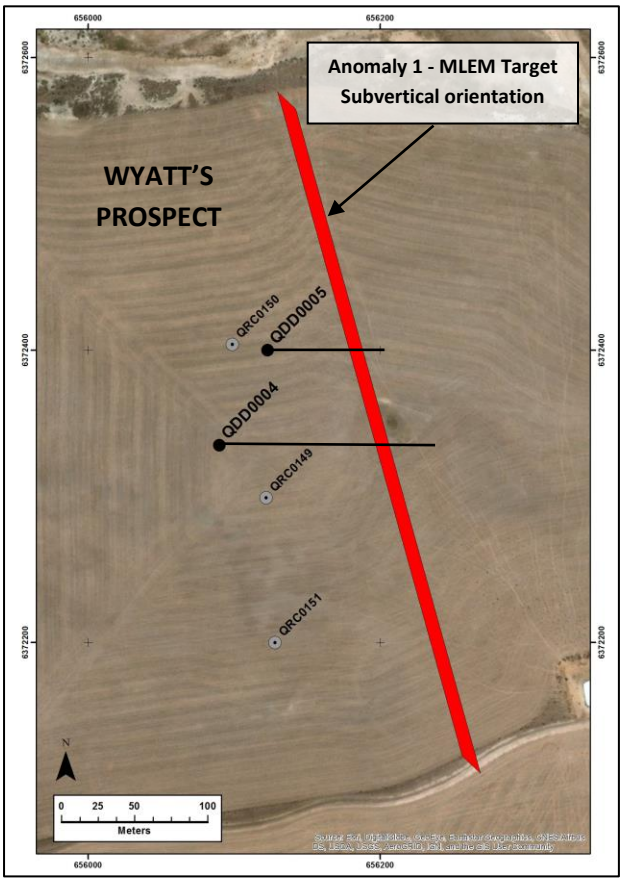


Figure 2: Drill hole collar locations at Wyatt's prospect

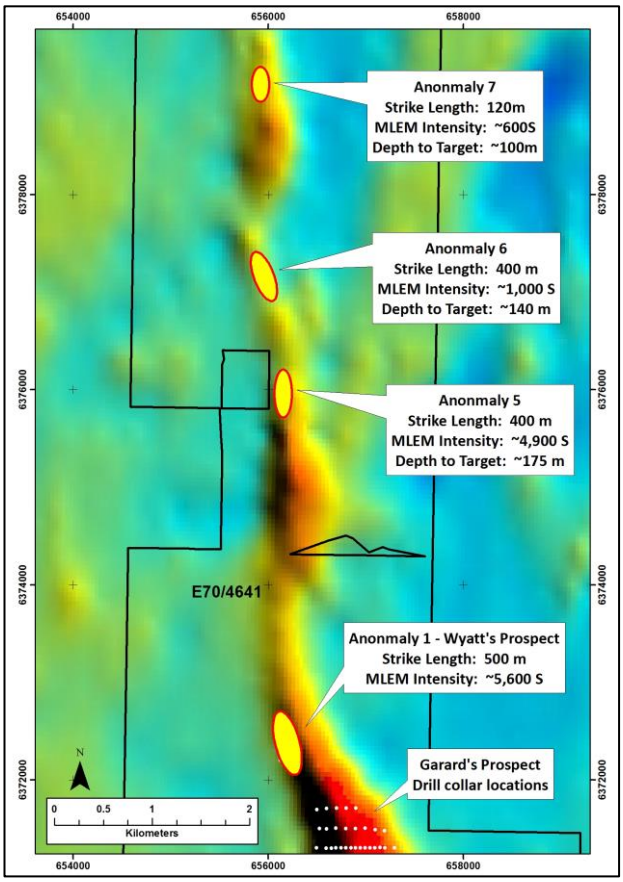


Figure 3: Category 1 MLEM targets overlain on regional magnetic image

Further Work

Previous EM surveys completed by the Company on the northern part of the Quicksilver tenement has identified a number of other discrete Category 1 anomalies (as defined by exploration consultants Newexco) to the north of Wyatt's prospect, along the interpreted trend of the prospective rocks (see Golden Mile Resources ASX announcement dated 8 August 2018).

The Company is encouraged by the result at Wyatt's that these targets, known as Anomalies 5, 6 and 7 (Figure 3) are also likely to be generated by sulphide mineralisation. These are still considered to be compelling nickel exploration opportunities because:

1) They are along strike from known nickel-copper-cobalt bearing rocks at the Garard's prospect;
2) They occur as discrete, apparently non-stratigraphic bodies (i.e. not graphitic shale or sulphidic chert units);
3) The targets are relatively shallow and easily tested with RC percussion drilling.

The occurrence of barren or weakly mineralised massive sulphides in a similar geological setting to nickel sulphides is common in WA and there are many barren sulphide horizons at Forrestania and

also at Lanfranchi in the Widgiemooltha area. Consequently the Quicksilver project area is still considered highly prospective for massive nickel sulphide mineralisation.

Drill testing of the modelled anomaly locations will be completed in due course and will require approximately 1,000 metres of RC drilling, at a cost of approximately $50,000. The Company anticipates receiving the regulatory approvals to do further work during November 2018.

Photograph 2: Massive sulphide mineralisation from hole QDD0004, length 15cm, approximately 214 metres depth downhole

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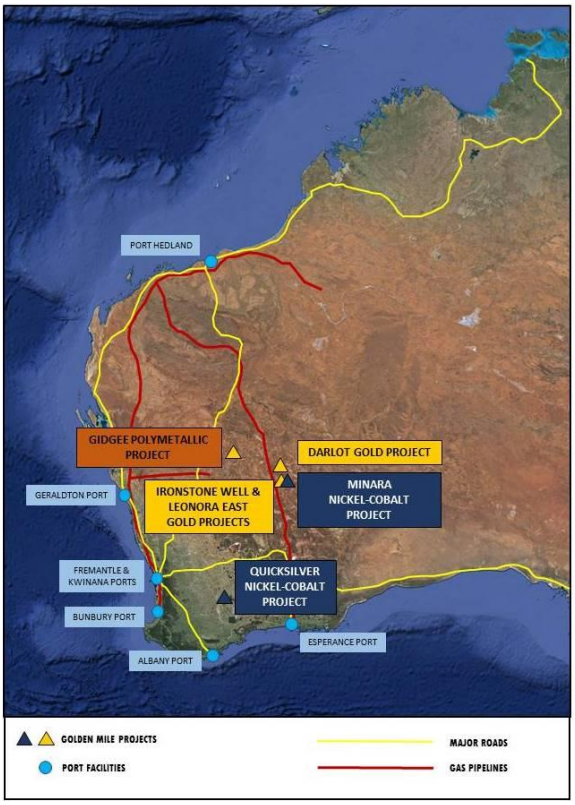
About Golden Mile Resources Ltd



Golden Mile Resources 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 portfolio includes two nickel-cobalt projects, namely the Quicksilver project in the South West Mineral Field and the Minara project in the North-Eastern Goldfields.

In addition, Golden Mile holds a suite of gold projects adjacent to Leonora which include the Ironstone Well & Leonora East projects.

The Company also holds the Darlot Gold project to the north of Leonora and the Gidgee Polymetallic project north of Sandstone.

For more information please visit the Company's website: www.goldenmileresources.com.au

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Golden Mile Resources Ltd (ASX: G88) planned exploration program 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 Mile Resources Ltd (ASX: G88) 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.

Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based upon information compiled by Mr Lachlan Reynolds, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Reynolds is the Managing Director of Golden Mile Resources Ltd and a full- time employee of the Company.

Mr Reynolds has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Reynolds consents to the inclusion in the report of the matter based on his information in the form and context in which it appears.

Appendix 1 JORC Code, 2012 Edition – Table 1

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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.*	• Diamond drilling was completed to obtain core samples of both laterite and sulphide mineralisation. • Samples were half core and typically 1m length, except where modified to sample to geological boundaries. • Samples were typically 1-4 kg in weight depending on the core size, degree of weathering and sample length. • Crushing and pulverisation was utilised to obtain a homogenised sample for multi-element assay.
Drilling techniques	• *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).*	• Diamond drill core (PQ, HQ and NQ2 size). • Triple tube methods were applied where appropriate. • Core was routinely oriented using an electronic tool attached to the core barrel.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Diamond drill core recovery was routinely recorded on a run by run basis and zones of missing core were identified during logging. • All samples were weighed to assess recovery. • There is no identified sample bias or relationship between grade and sample recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate*	• All diamond drill holes were geologically and geotechnically logged to a level of detail appropriate for further technical studies.

Criteria	JORC Code explanation	Commentary
	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.*	● Logging is primarily qualitative in nature. All diamond drill core was photographed. ● 100% of the intersections relevant to the exploration results reported in this announcement were logged.
Sub-sampling techniques and sample preparation	● *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.*	● Where competent, diamond drill core was cut with a diamond blade saw. Softer material was manually split. ● Half core was taken for assay. ● Industry standard sample preparation techniques were undertaken and these are considered appropriate for the sample type and material being sampled. ● Blanks and standards were introduced as checks through both the Company sampling on site and the assay laboratory. ● The sample size is considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	● *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.*	● The laboratory assaying techniques are suitable for the samples submitted. Samples were submitted to LabWest in Malaga, Perth, for a multi-element suite of elements including Ag, Co, Cr, Cu, Fe, Mg, Mn, Ni & Sc using a mixed acid digest and ICP analysis that is considered to be a total technique. ● The Company introduced standards and blanks throughout the sample runs on a 1:20 ratio to ensure quality control; no issues with accuracy or precision have been identified. ● Labwest also initiated duplicate sampling and ran internal standards as part of the assay regime.
Verification of sampling and assaying	● *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.*	● Samples were collected, sampled and verified by independent geological consultant in the field and physically checked by Company personnel in the field before submission for assaying. ● Sampling and logging has been undertaken in hardcopy format prior to being entered into the Company's digital database. ● No adjustments to assay data were undertaken.

Criteria	JORC Code explanation	Commentary
Location of data points	• *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.*	• Drill holes reported in this announcement were located using a hand held GPS (accurate to <5 metres). • The grid system used is the Geocentric Datum of Australia 1994 (GDA 94), projected to UTM Zone 50 South. • Topographic control is adequate and provided by DGPS surveying of hole collars and spot heights.
Data spacing and distribution	• *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.*	• Diamond drilling at Garard's prospect was undertaken on broad spacing within the existing drilling grid, principally to obtain representative samples for density (specific gravity). The diamond drill holes are "twins" of previously completed RC percussion drill holes. • Spacing and distribution of diamond drill holes at Garard's prospect complements previous RC percussion drilling, which is considered to have a data spacing and distribution sufficient to establish the degree of geological and grade continuity appropriate for the estimation of a resources. • Spacing of diamond drill holes at Wyatt's prospect is insufficient to establish geological and grade continuity. • Sample compositing has not been applied to the diamond drilling results reported in this announcement.
Orientation of data in relation to geological structure	• *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.*	• Sampling is unbiased and was designed to test the weathered and fresh lithologies in the laterite profile. Both drilling and sampling orientations have been optimised for this purpose. • No sampling bias is considered to have been introduced at this time due to appropriate drilling orientation.
Sample security	• *The measures taken to ensure sample security.*	• Samples were bagged and secured by Company field staff prior to transport to the laboratory. • Samples were delivered to the laboratory by Company staff.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• At this preliminary stage no audits of sampling techniques and data have been completed.

Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• The Company has 100% ownership of exploration license E70/4641, which overlies both private and crown land. Access agreements are in place with the landowners where the active work program is being undertaken. • The Company is in compliance with the statutory requirements and expenditure commitments for E70/4641 and the tenement is secure at the time of this announcement. • There are no known impediments to operating in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The deposit was discovered by Otter Exploration NL in 1979-80, who identified anomalous nickel mineralisation in a program of geological mapping, rock chip and soil sampling. • Associated Goldfields NL completed a limited program of ground magnetics and shallow vacuum drilling in 1984-85 confirming anomalous nickel and cobalt in the weathered zone. • Tiger Resources NL explored the ground between 1996 and 2001, completing more extensive geochemical soil surveys and shallow RAB drilling that also intersected anomalous nickel and cobalt. • Australia Minerals and Mining Group (AMMG) completed >2,500m RC percussion drilling over the project area in 2011-13 exploring for nickel, iron ore and gold mineralisation. AMMG reported significant nickel mineralisation intercepts at the Garard's prospect. • Compilation and digital capture of key historical data, principally the soil sampling data from Tiger and drilling data from Tiger and AMMG, has been completed. These data being utilised to assist with the ongoing work program. However, the Company is not materially reliant on this information.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation defined at Garard's prospect is a lateritic nickel-cobalt deposit, hosted by ultramafic rocks. • The Quicksilver project is also considered to have potential for ultramafic-hosted, massive sulphide associated nickel-cobalt mineralisation.
Drill hole Information	• *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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *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.*	• A listing of the drill hole information material to the understanding of the exploration results is provided in the body of this announcement.
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Length-weighted averages have been used in the calculation of the reported drill hole intercepts. • Maximum or minimum grade truncations have not been applied. • Lower cut-off grades for average intercepts have included: o 400 ppm or 0.04% for cobalt with up to 2m internal dilution o 4,000 ppm or 0.4% for nickel with up to 2m internal dilution • No metal equivalent values have been quoted.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• The Company considers the mineralisation at Garard's prospect to be principally distributed in sub-horizontal zones. All mineralised intercepts reported in this announcement are from holes drilled vertically, at a high angle to the mineralisation geometry. The Company therefore considers these to represent true width intersections. • Sulphide mineralisation intercepted at Wyatt's prospect is interpreted to have a sub-vertical orientation and because it has been intersected by angled holes the true width of mineralisation is not known.
Diagrams	• *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.*	• Appropriate maps and tabulation are presented in the body of the announcement.
Balanced reporting	• *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.*	• Representative reporting of the exploration results is presented in the body of the announcement.
Other substantive exploration data	• *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.*	• Specific gravity (SG) values reported in the announcement were calculated for whole core samples using the following formula: SG = Wa/(Wa-Ww); where Wa is the weight of the sample in air and Ww is the weight of the sample in water. • Sample were dried at a temperature of 80^{o}C for a minimum of 3 hours prior to measurement. • Porous samples were wax coated to prevent water absorption.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The ongoing work program and discussion of targets for drilling is contained in the body of the announcement.