

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2018

### HIGHLIGHTS

- Exploration and development activities continued at the Quicksilver Nickel-Cobalt Project where the Company has delineated a significant lateritic deposit.
- A resource estimate for the Quicksilver Project was completed, with total Indicated and Inferred Resources of:

**26.3 Mt @ 0.64% Nickel & 0.04% Cobalt** (cut-off grade >0.5% Ni or >0.05% Co)

incorporating **23.1 Mt @ 0.68% nickel & 0.04% cobalt** at a cut-off grade of 0.5% nickel; and an additional zone of higher grade cobalt mineralisation of **3.1 Mt @ 0.35% nickel & 0.08% cobalt** at a cut-off grade of 0.05% cobalt (see Table 1).

- Metallurgical testwork on representative samples from key geological and mineralised zones within the resource commenced.
- A program of RC percussion drilling was prepared to test shallow EM targets along strike to the north of Wyatt's Prospect for further zones of massive sulphide mineralisation.
- Evaluation of gold targets on the Company's projects in the North-Eastern Goldfields was accelerated, with a view to progressing field exploration programs in the next quarter.

**Golden Mile Resources (ASX: G88)** ("Golden Mile" or "the Company") is pleased to report on the ongoing exploration program over the Quicksilver nickel-cobalt project in the South-West Mineral Field and the Company's gold projects in the North-Eastern Goldfields of Western Australia (Figure 1).

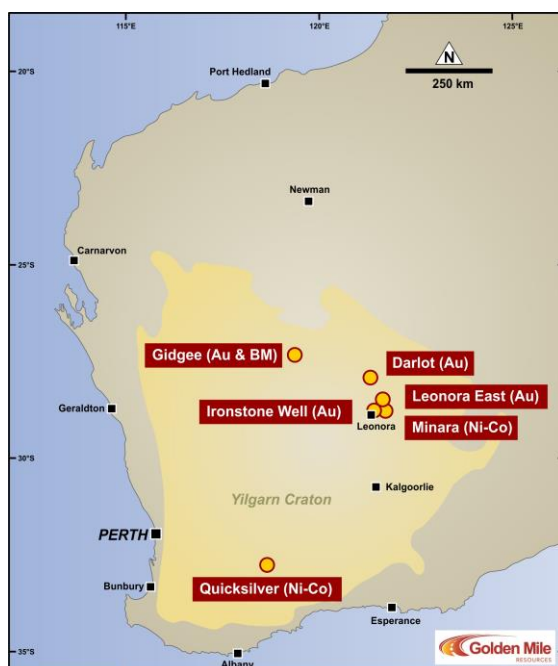


Figure 1: Golden Mile Project Locations in Western Australia

#### MARKET DATA

ASX Code:	G88
Share Price:	\$0.12 (as at 29/01/2019)
Market Cap:	\$6.9 Million
Shares on Issue:	57,899,977 (as at 31/12/2018)
Options on Issue:	9,425,000
Cash at bank:	\$ 1.78 Million (as at 31/12/2018)

#### BOARD & MANAGEMENT

Rhoderick Grivas - Non-Executive Chairman
Lachlan Reynolds - Managing Director
Phillip Grundy - Non-Executive Director
Justyn Stedwell - Company Secretary
Paul Frawley - Exploration Manager

## 1. QUICKSILVER NICKEL-COBALT PROJECT

### 1.1 Laterite Nickel-Cobalt Mineralisation

Golden Mile is evaluating a significant nickel-cobalt mineralised laterite deposit located near Pingaring in the South-West Mineral Field of Western Australia, approximately 280 km southeast of Perth. The project comprises an exploration license and a prospecting license that collectively cover a total area of 51.13 km<sup>2</sup>. The project is primarily located on privately owned farmland in an area with excellent local infrastructure, including easy access to grid power, sealed roads and a railway line to key ports (Figure 2).



Figure 2: Location map of the Quicksilver Project in the South-West Mineral Field of Western Australia

### Resource Estimation

During the Quarter the Company completed a maiden resource estimate for the Quicksilver Nickel-Cobalt Project (refer to Golden Mile ASX announcement dated 19 November 2018).

The total Mineral Resource (see Table 1) is **26.3 million tonnes grading 0.64% nickel and 0.04% cobalt** (using a cut-off grade >0.5% Ni or >0.05% Co). The estimated resource contains approximately **168,500 tonnes of nickel and 11,300 tonnes of cobalt metal**.

The resource estimate includes a coherent zone of higher grade nickel-cobalt mineralisation in the northern part of the deposit of 4.0 Mt @ 0.98% Nickel & 0.05% Cobalt (cut-off grade 0.8% Ni).

**Table 1: Quicksilver November 2018 Mineral Resource estimate (>0.5% Ni or >0.05% Co cut-off)**

Ni Domain	Class	Tonnes	Ni	Co	Ni Metal	Co Metal
		Mt	%	%	Tonnes	Tonnes
High Ni >0.5% Ni	Indicated	4.1	0.75	0.047	30,600	1,900
	Inferred	19.0	0.67	0.037	126,800	7,000
	<b>Sub Total</b>	<b>23.1</b>	<b>0.68</b>	<b>0.039</b>	<b>157,300</b>	<b>9,000</b>
Low Ni, High Co <0.5% Ni, >0.05% Co	Indicated	0.3	0.42	0.077	1,300	200
	Inferred	2.8	0.35	0.075	10,000	2,100
	<b>Sub Total</b>	<b>3.1</b>	<b>0.35</b>	<b>0.076</b>	<b>11,100</b>	<b>2,400</b>
<b>Total</b> <b>&gt;0.5% Ni or &gt;0.05% Co</b>	Indicated	4.4	0.72	0.049	31,900	2,100
	Inferred	21.9	0.63	0.042	136,600	9,100
	<b>Sub Total</b>	<b>26.3</b>	<b>0.64</b>	<b>0.043</b>	<b>168,500</b>	<b>11,300</b>

(Rounding discrepancies may occur in summary tables)

The Company has identified several areas where further drilling has the potential to extend the known resources, particularly in the southern area where drilling is currently limited and the mineralisation is open.

### **Metallurgy**

A metallurgical testwork program commenced on mineralised samples from the Quicksilver deposit during the Quarter.

The Company has commissioned ALS Metallurgy to undertake the testwork, which is designed to provide preliminary information on the leaching characteristics of the nickel-cobalt mineralisation. The scope of the testwork has been developed in conjunction with Boyd Willis, an independent metallurgist with extensive expertise in the processing of lateritic nickel deposits.

Approximately 200 kg of mineralised material collected from percussion drilling samples has been supplied to ALS Metallurgy in order to prepare representative composite samples for the testwork. These composites reflect the two key mineralogical and geochemical zones that have been identified within the deposit and that contain the bulk of the mineral resource.

Results of the work are expected to be available during the first quarter of 2019.

### **Further Work**

The Company is continuing its technical studies on the Quicksilver Project in order to progress a viable development strategy for the deposit.

The majority of mineralisation is classified as Inferred Resource due to the current drill hole spacing. Further infill and extensional drilling is currently being considered by the Company in order to increase both the resource and the geological confidence in the nature and continuity of the mineralisation.

The Company has identified significant potential to increase the resource at Garard's South prospect, where drilling is currently limited and the known nickel-cobalt mineralisation is open to the west and south. Statutory approvals are being obtained so that these areas can be further tested with drilling.

## 1.2 Massive Sulphide Targets

In addition to the laterite nickel-cobalt mineralisation at the Quicksilver Project, Golden Mile has shown that the project area is also prospective for massive sulphide mineralisation associated with the ultramafic rock sequence. Ground electromagnetic (EM) surveys were completed over the tenement area in 2018. A number of near surface 'Category 1' geophysical anomalies were defined by the Company's exploration consultants Newexco that are interpreted to be sourced by sulphide mineralisation.

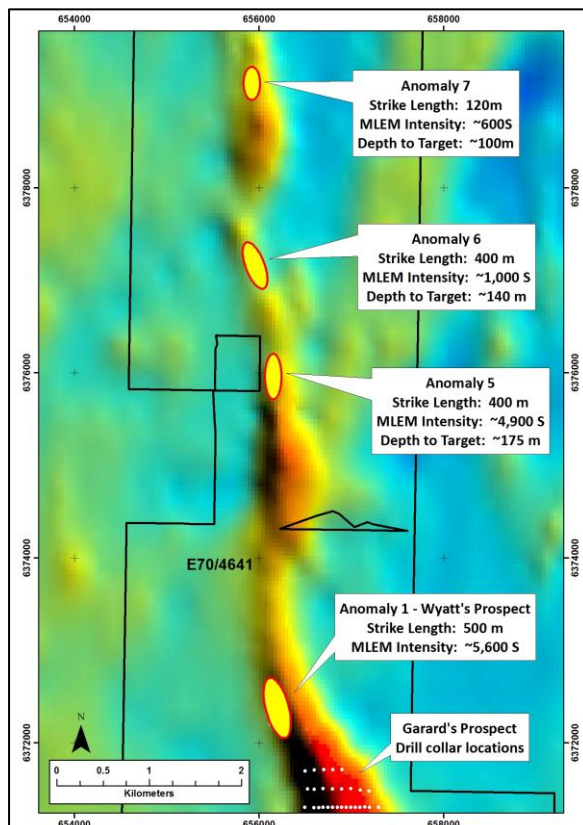
Drilling by the Company to test one of these anomalies at the Wyatt's Prospect discovered a previously unknown zone of semi-massive to massive sulphides and confirmed the geophysical modelling. While the sulphides intersected at Wyatt's were only weakly mineralised, the remaining anomalies are all still considered to be prospective.

### **RC Percussion Drilling**

In late December 2018 Golden Mile obtained statutory approvals for a cost effective program of RC percussion drilling to test three other near surface 'Category 1' geophysical anomalies that are located along strike to the north of Wyatt's Prospect (Figure 3). These targets are considered 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 drilling program commenced in early January 2019 and will comprise a total of approximately 700 metres of reverse circulation (RC) percussion drilling to test Anomalies 5, 6 and 7. Assay results will be reported when available.



**Figure 3: Category 1 ground electromagnetic (EM) targets at Quicksilver overlain on regional magnetic image**

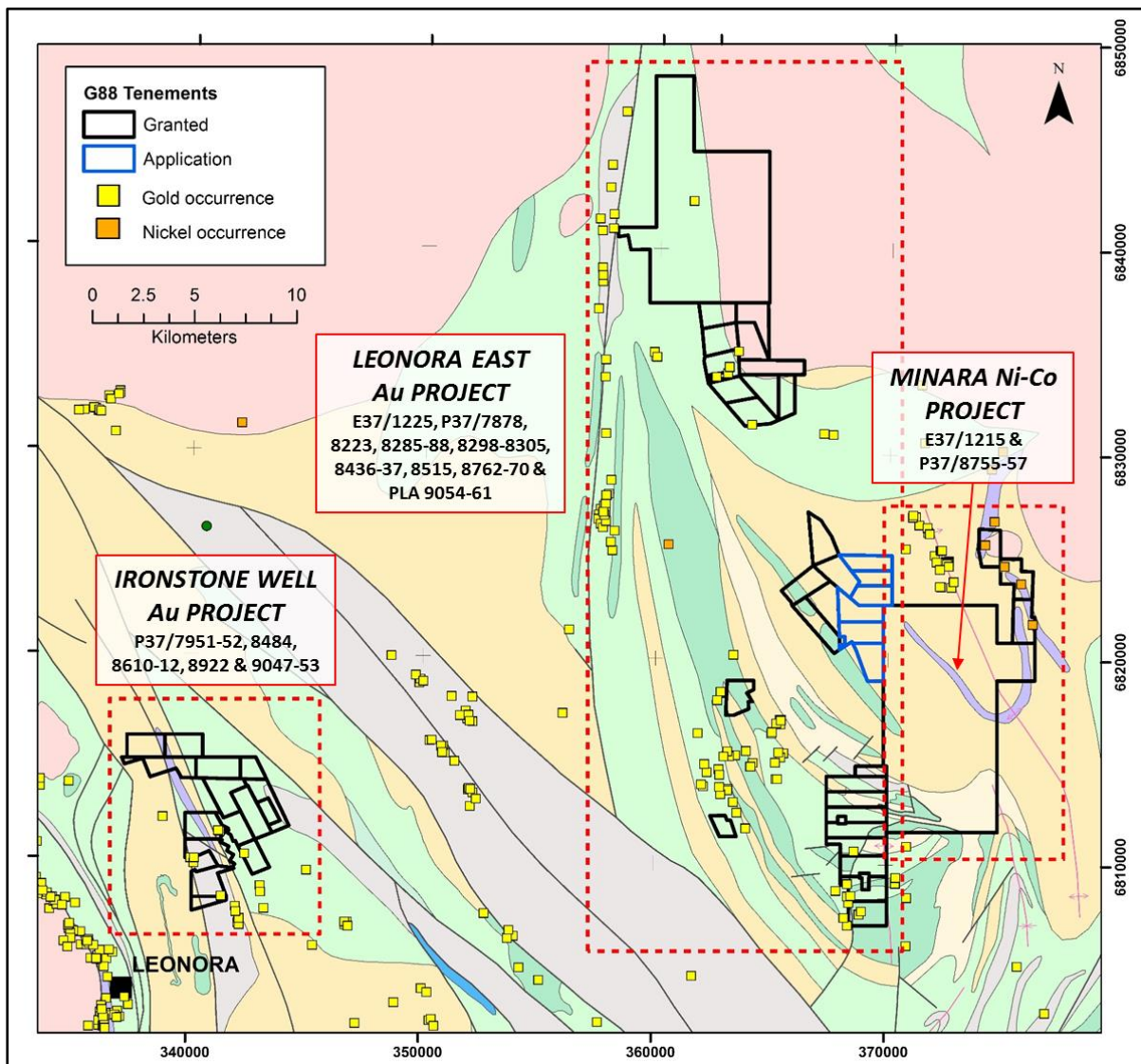


## 2. MINARA NICKEL-COBALT PROJECT

The Minara Nickel-Cobalt Project (Figure 4) is located approximately 30 km to the east of Leonora, to the northwest of Glencore’s Murrin Murrin nickel mine and close to the NiWest nickel-cobalt development currently being progressed by GME Resources Ltd (for more information see [www.gmeresources.com.au](http://www.gmeresources.com.au)).

Exploration by previous workers has outlined a number of nickel-cobalt deposits along the Waite Kauri Trend which require infill drilling to allow the estimation of a JORC Code 2012 compliant resource.

The current work program at Minara includes detailed evaluation of previous exploration and drilling, with a view to planning further infill and extensional drilling to increase the known resources in the project area.



**Figure 4: Golden Mile Resources gold and nickel projects in the Leonora region of the North Eastern Goldfields**

### **3. GOLD PROJECTS**

Golden Mile is undertaking a detailed program of data compilation, evaluation and target generation across its tenure in the North-Eastern Goldfields of Western Australia.

#### **3.1 Ironstone Well Gold Project – Leonora Region, NE Goldfields**

Ironstone Well Project is located approximately 6 km to the northeast of the town of Leonora (Figure 4). Golden Mile has undertaken preliminary exploration at Ironstone Well and has identified a number of prospective targets for gold mineralisation supported by historical geochemical, geophysical and drilling datasets.

The Company is evaluating additional exploration targets within project area with a view to implementing further field programs. Prospecting is active within the project area.

#### **3.2 Leonora East Gold Project – Leonora Region, NE Goldfields**

The Company's Leonora East Project comprises two main blocks of tenements, over the Monarch Gold Trend in the north and the Benalla Trend in the south, which is adjacent to the Company's Minara Project area (Figure 4). The tenement areas are approximately 50 km to the northeast and 30 km to the east of Leonora, respectively.

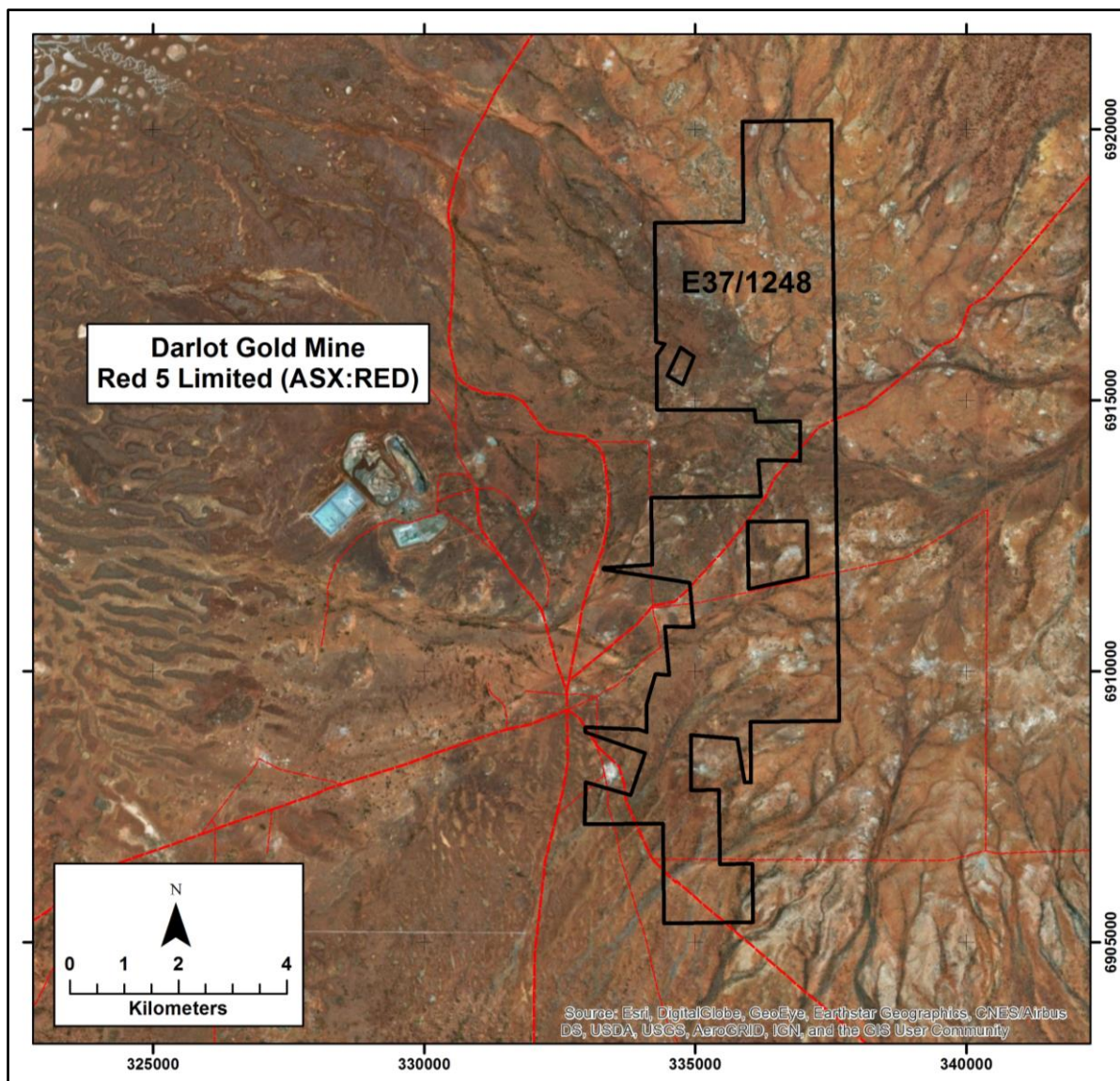
Previous exploration by Golden Mile at the Monarch Gold Trend in the northern part of the tenements has shown that the area contains numerous historical workings. Rock chip sampling and prospecting records indicate that the area is prospective over approximately 15 km of strike length. An exploration program has been prepared for the area and a program of auger drilling commenced during January 2019.

The Company is undertaking a detailed analysis and evaluation of available data to define additional exploration targets within the whole project area, which includes known high-grade gold occurrences and historical mine workings. Prospecting is active within the tenements.

#### **3.3 Darlot Gold Project – Leonora Region, NE Goldfields**

The Darlot Project is located approximately 110 km north of Leonora and comprises a single exploration license adjacent to the Darlot Gold Mine (Figure 5) owned and operated by Red 5 Limited (see [www.red5limited.com](http://www.red5limited.com)).

The Company is evaluating additional exploration targets within the tenement area with a view to implementing a field program to investigate known near-surface gold mineralisation. Prospecting is active within the project area.



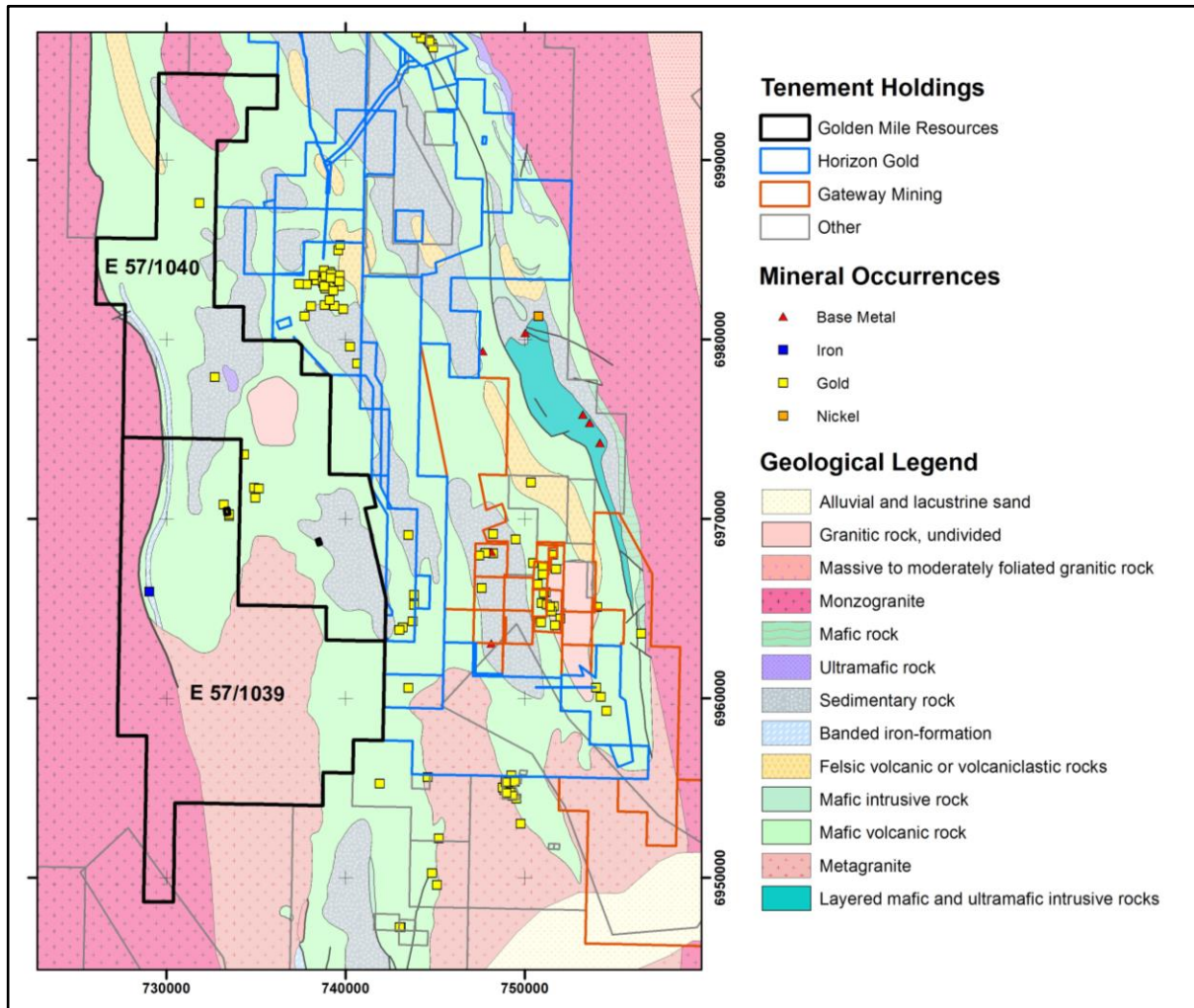
*Figure 5: Darlot Gold Project location diagram*

### 3.4 Gidgee Multi-Element Project – Northern Yilgarn Block

The Gidgee Project comprises two large exploration licenses covering ground to the west of the historical gold mining areas in the Gum Creek (Gidgee) Goldfield (Figure 6). The project area is adjacent to tenements held by Horizon Gold Limited (ASX:HRN, see [www.panoramicresources.com/gumcreekgoldproject](http://www.panoramicresources.com/gumcreekgoldproject)) and Gateway Mining Limited (ASX:GML, see [www.gatewaymining.com.au/gidgee-gold-project](http://www.gatewaymining.com.au/gidgee-gold-project)). The tenements are located approximately 75 km north of the town of Sandstone in the northern Yilgarn Block.

The project area is considered prospective for both gold and base metal mineralisation. Data compilation and evaluation to target and prioritise future exploration is currently in progress.





**Figure 6: Gidgee Gold and Base Metal Project location diagram showing interpreted geology, mineral occurrences and major tenement holdings**

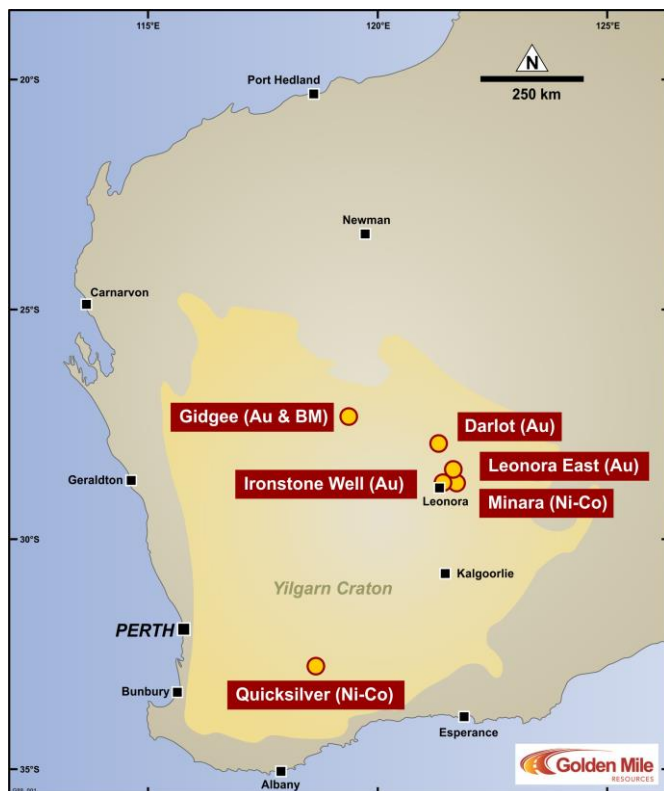
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## About Golden Mile Resources Ltd



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 and ASX listed in June 2017 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: <https://www.goldenmilresources.com.au/>

### **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.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

### **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.

**Appendix I – Tenement Schedule as at 31 December 2018**

Tenement No.	Project	Status	Interest At Beginning of Quarter	Interest At End of Quarter	Region
E 37/1248	Darlot Gold	Granted	100%	100%	NE Goldfields, WA
E 57/1039	Gidgee Polymetallic	Granted	100%	100%	Northern Yilgarn, WA
E 57/1040-I	Gidgee Polymetallic	Granted	100%	100%	Northern Yilgarn, WA
P 37/7951	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/7952	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8484	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8610	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8611	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8612	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/9047	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/9048	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/9049	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/9050	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/9051	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/9052	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/9053	Ironstone Well Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8922	Ironstone Well East	Granted	100%	100%	NE Goldfields, WA
E 37/1225	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/7878	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8223	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8285	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8286	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8287	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8288	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8298	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8299	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8300	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8301	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8302	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8303	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8304	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8305	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8436	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8437	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8515	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/8762	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
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P 37/8770	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
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P 37/9055	Leonora East Gold	Application	100%	100%	NE Goldfields, WA
P 37/9056	Leonora East Gold	Application	100%	100%	NE Goldfields, WA
P 37/9057	Leonora East Gold	Application	100%	100%	NE Goldfields, WA
P 37/9058	Leonora East Gold	Application	100%	100%	NE Goldfields, WA
P 37/9059	Leonora East Gold	Application	100%	100%	NE Goldfields, WA
P 37/9060	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
P 37/9061	Leonora East Gold	Granted	100%	100%	NE Goldfields, WA
E 37/1215	Minara Nickel-Cobalt	Granted	100%	100%	NE Goldfields, WA
P 37/8755	Minara Nickel-Cobalt	Granted	100%	100%	NE Goldfields, WA
P 37/8756	Minara Nickel-Cobalt	Granted	100%	100%	NE Goldfields, WA
P 37/8757	Minara Nickel-Cobalt	Granted	100%	100%	NE Goldfields, WA
E 70/4641	Quicksilver Nickel-Cobalt	Granted	100%	100%	SW Mineral Field, WA
P 70/1723	Quicksilver Nickel-Cobalt	Granted	100%	100%	SW Mineral Field, WA

Appendix II – Tenement Location Map as at 31 December 2018

