

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2019

### HIGHLIGHTS

- Auger drilling outlines extensive, coherent gold anomalism over 11 km of strike of the Monarch Gold Trend, within the Leonora East Project area:
  - Strong gold anomalism in several auger holes with grades up to 270 ppb Au
  - Numerous auger holes detected anomalous gold up to 50 ppb Au +/- pathfinder elements
- Large footprint of the anomalies indicates a significant gold mineralised system in a previously untested area.
- Preliminary metallurgical testwork completed to assess processing characteristics for lateritic nickel-cobalt mineralisation at Quicksilver Project:
  - Good nickel and cobalt recoveries for an atmospheric leaching process were achieved at comparatively low sulfuric acid doses (less than 500 kg/t mineralised material).
- A program of RC percussion drilling discovered sulphide mineralisation associated with shallow geophysical targets along strike to the north of known mineralisation at Quicksilver Project.

**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: \$0.066 (as at 26/04/2019)  
Market Cap: \$3.8 Million  
Shares on Issue: 57,899,977 (as at 31/03/2019)  
Options on Issue: 9,425,000  
Cash at bank: \$1.36 Million (as at 31/03/2019)

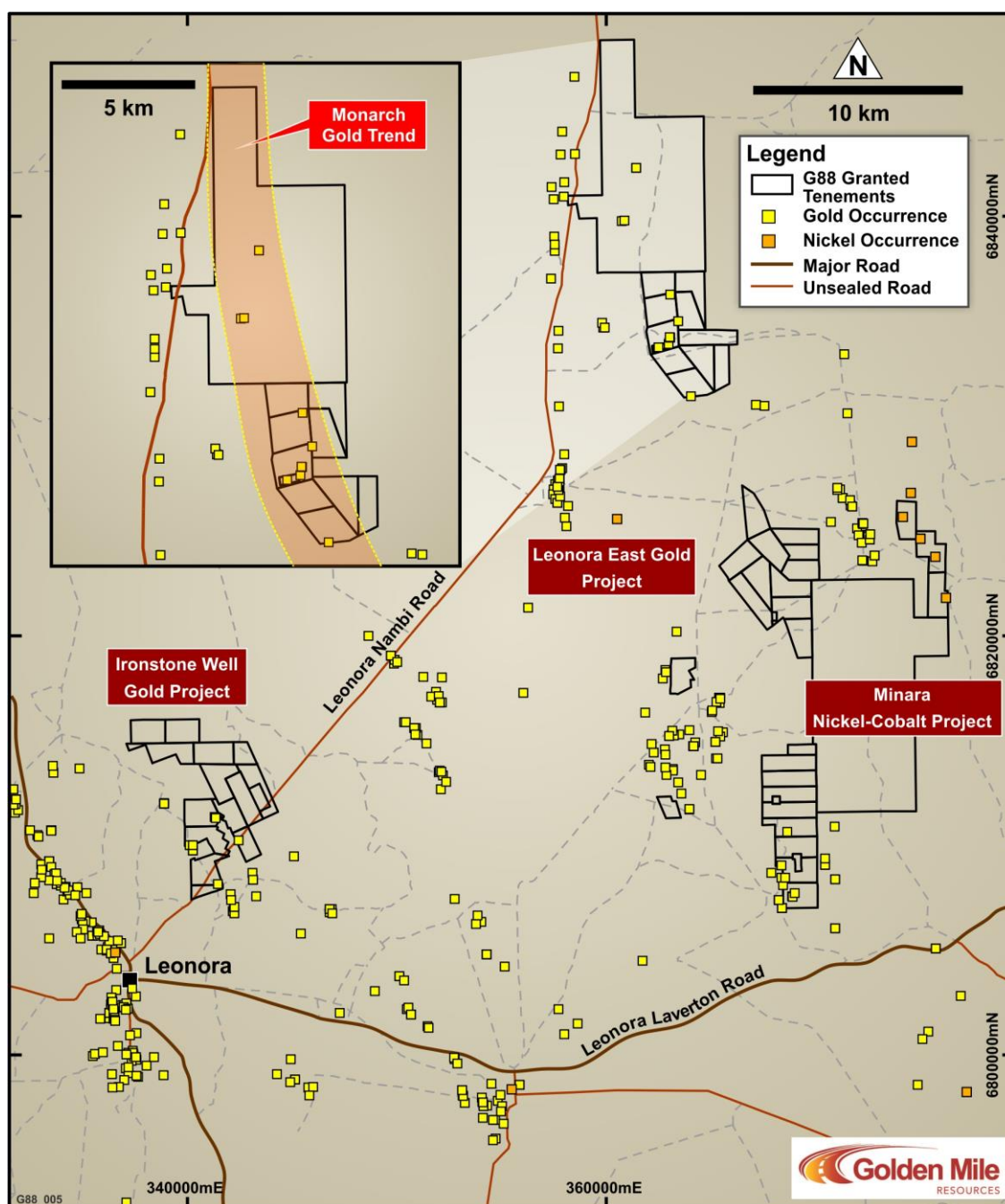
#### BOARD & MANAGEMENT

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

## 1. LEONORA EAST GOLD PROJECT

The Company's Leonora East Project comprises two main blocks of tenements in the Leonora region, over the Monarch Gold Trend in the north and the Benalla Gold Trend in the south. The tenement areas are approximately 40 km to the northeast and 30 km to the east of Leonora, respectively (Figure 2).

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.



**Figure 2: Golden Mile Resources gold and nickel projects in the Leonora region of the North Eastern Goldfields**

During the Quarter Golden Mile implemented an auger sampling program to test for near-surface gold mineralisation. Sampling outlined coherent gold anomalism stretching over approximately 11 kilometres of strike, confirming that the MGT contains a significant gold mineralised system and verifying the exploration potential for discovery of significant gold deposit within the Company's tenement area (*refer to Golden Mile Resources announcement to the ASX dated 8 March 2019*).

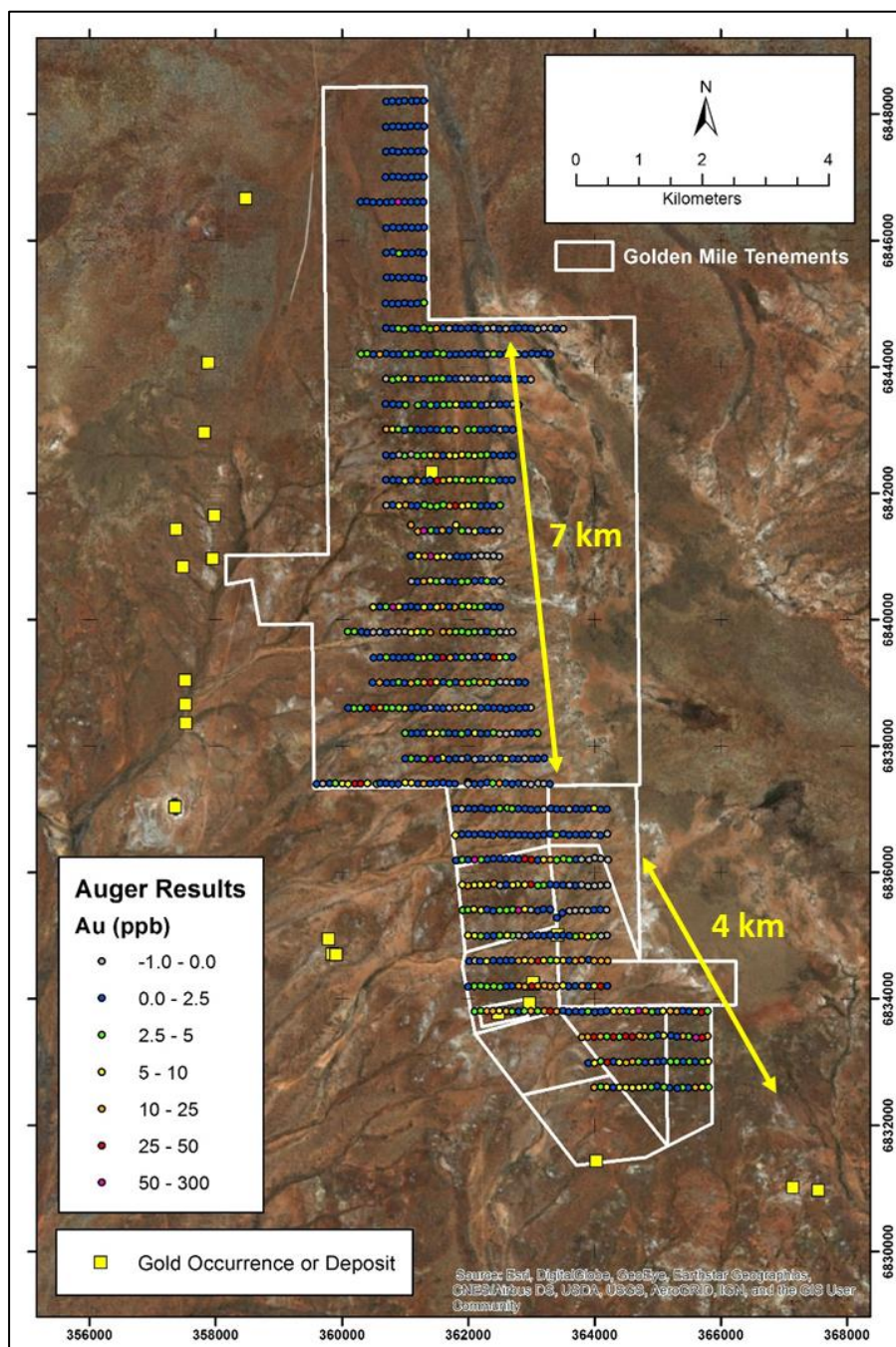
Preliminary evaluation indicates that the anomalies show several discrete, north-northwest trending linear zones of gold mineralisation within the overall MGT which covers a prospective granite-greenstone contact. All of these anomalies have a strike length and grade continuity that is similar to known gold deposits located further to the west within the Mertondale shear zone.



**Figure 3: Auger drill rig on the Monarch Gold Trend, Leonora East Project, January 2019.**

The auger sampling program consisted of 799 shallow, vertical auger holes on a nominal 400 m x 100 m spaced grid, completed using a 4WD-mounted auger drill rig (Figure 3). Each hole was 0.5-1.7 m deep and a sample was collected at the end of hole for analysis by a multi-element assay method.

Results show widespread, coherent near-surface gold anomalism (Figure 4) located over mafic greenstone rocks west of a granitoid contact interpreted from both regional aerial magnetic survey data and geological mapping. The gold anomalies extend over at least 11 km of strike within the MGT, broadly interpreted as two separate areas separated by a section of about 1 km with only low-level results.

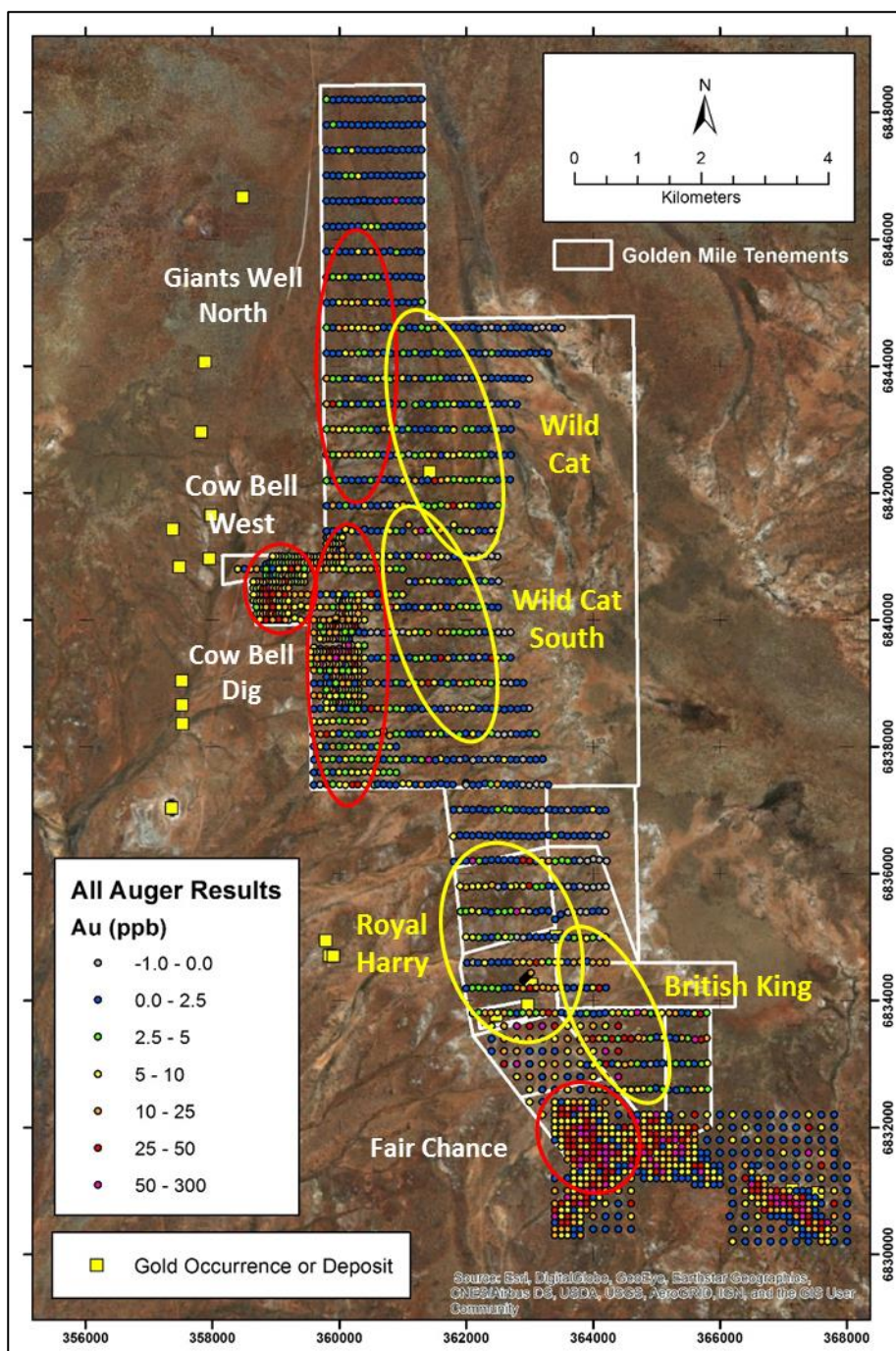


**Figure 4: Results of Golden Mile's auger sampling showing the distribution of gold anomalies along the Monarch Gold Trend.**

The gold anomalies identified by the auger sampling on the MGT have a scale and coherence that indicate the presence of a significant gold mineralised system. The Company has commenced work to further refine the interpretation of the anomalies and to plan the necessary follow-up work. This follow-up will include infill sampling to assist with the identification of key targets for future aircore or RC percussion drill testing.

The anomalies defined by Golden Mile show that the mineralised areas are potentially much more extensive than previously known (Figure 5). For example, anomalies defined at Wild Cat and Wild Cat South indicate that gold mineralisation extends over 7 km of strike and up to 2 km further to the east from the previously known Giants Well North and the Cow Bell

prospect areas. Similarly, Royal Harry and British Hill prospects are new zones of gold anomalism with strike lengths in excess of 2 km, proximal to a number of recorded historical gold occurrences which have been worked for high-grade mineralisation.



**Figure 5: Composite geochemical anomaly map integrating historical and new gold sampling results. Historical prospect areas shown in white, newly defined anomalies shown in yellow.**

The Company has submitted additional Program of Work (POW) applications to the WA Department of Mines to conduct infill auger sampling and to extend auger sampling to the tenements over the Benalla Gold Trend and its other project areas in the Leonora region. Approval of the POW's is anticipated early in the next Quarter and work will commence immediately.

## 2. QUICKSILVER NICKEL-COBALT PROJECT

### 2.1 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 3).



**Figure 3: Location map of the Quicksilver Project in the South-West Mineral Field of Western Australia**

A total indicated and inferred resource estimate of 26.3 Mt @ 0.64% Ni & 0.04% Co (cut-off grade >0.5% Ni or >0.05% Co) has recently been announced for the Quicksilver deposit (refer to Golden Mile Resources ASX announcement dated 19 November 2018). Metallurgical characterisation of this mineralisation has been undertaken in order to advance the development of the Project.

### **Metallurgy**

A metallurgical testwork program has been completed on mineralised samples from the Quicksilver Nickel-Cobalt Project (refer to Golden Mile Resources ASX announcement dated 4 April 2019).

The Company commissioned ALS Metallurgy to undertake the testwork, which was designed to provide preliminary information on the leaching and other basic metallurgical characteristics of the Quicksilver nickel-cobalt mineralisation. The scope of the testwork was 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 was supplied to ALS Metallurgy in order to prepare two representative composite samples for the testwork. These composites are representative of the two key mineralogical and geochemical zones (Upper and Lower Saprolite) that have been identified within the deposit and that contain the bulk of the mineral resource (*refer to Golden Mile Resources ASX announcement dated 13 December 2018*).

Testwork completed by ALS Metallurgy comprised a bench-top scale program that included 1) atmospheric leaching to assess recoveries of nickel and cobalt using sulfuric acid; 2) size-by-size analysis to assess the potential effectiveness of screening and scrubbing of the mineralised material; and 3) settling tests.

Results of this preliminary testwork indicate that good nickel and cobalt recoveries can be achieved using comparatively low acid dosages for an atmospheric leaching process. Leaching tests achieved recoveries of between 85% to 90% nickel and 76% to 77% cobalt from the composite samples using acid dosages between 450 and 480 kg/t. It was noted that both a longer residence time and higher temperature could potentially increase the total recovery.

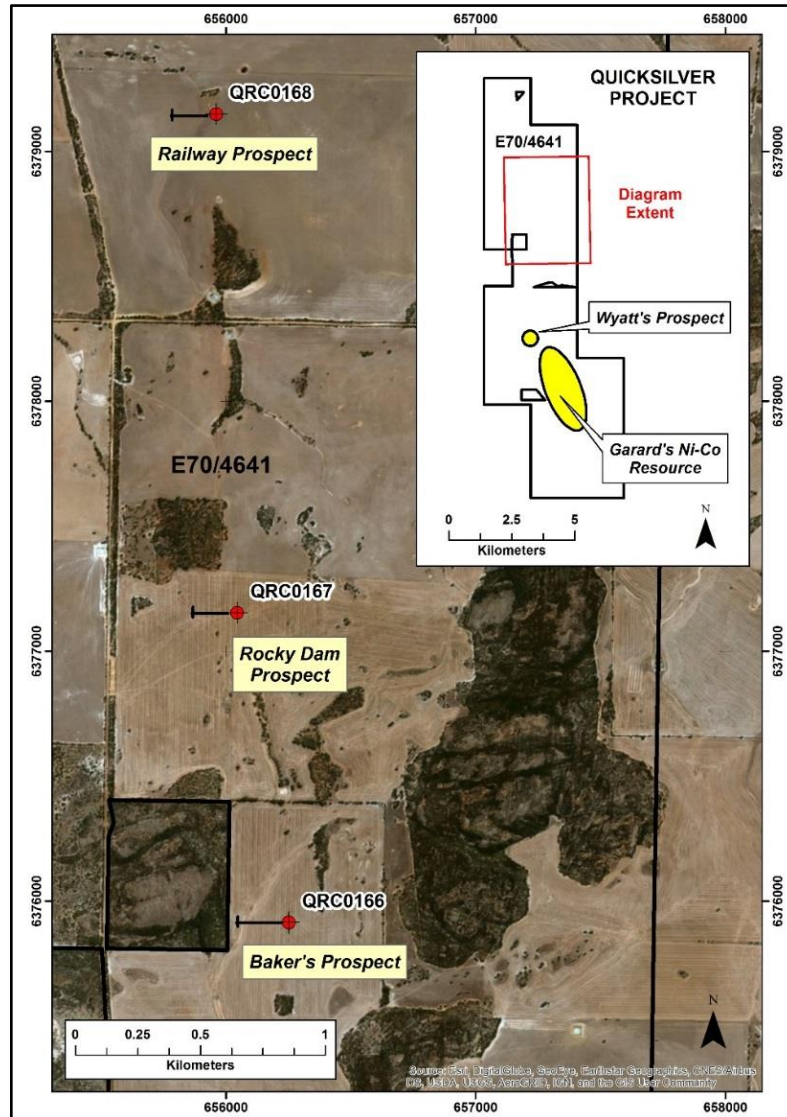
The results are considered to be very encouraging considering they are derived from preliminary bench-scale testwork and have not been optimised. This, along with potential beneficiation advantages and excellent settling test results, indicates that the laterite hosted nickel-cobalt mineralisation at the Quicksilver Project is potentially amenable to commercial processing.

### ***Further Work***

The encouraging results of the preliminary metallurgical testwork gives the Company further confidence that the Quicksilver Project has potential to become a viable mining development, subject to the completion of the necessary technical and economic evaluations. Accordingly, the Company intends to progress further evaluation of the project to assess development options.

## **2.2 Massive Sulphide Targets**

The Company completed a program of 3 RC percussion drill holes (612 metres of drilling) to test three shallow 'Category 1' electromagnetic (EM) conductor targets at the Baker's, Rocky Dam and Railway Prospects (Figure 3). The drilling confirmed that the EM anomalies are sourced by conductive sulphide mineralisation similar to that previously discovered at the Wyatt's Prospect (*refer to Golden Mile Resources ASX announcement dated 11 February 2019*).



**Figure 4: RC percussion drill hole locations in the northern part of the Quicksilver Project area.**

Zones of semi-massive to disseminated sulphide mineralisation was intersected in all three holes. The sulphides are dominated by pyrrhotite-pyrite mineralisation with some chalcopyrite. No significant intersections were identified from assay samples and the sulphides contain only weakly anomalous nickel and copper mineralisation.

The Company has now completed drill testing of all the priority geophysical anomalies identified at the Quicksilver Project. The exploration model was verified but the sulphide zones intersected in drilling do not contain significant mineralisation and therefore no further follow-up work is considered to be necessary.

### 3. MINARA NICKEL-COBALT PROJECT

The Minara Nickel-Cobalt Project (Figure 2) 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.

#### 4. Ironstone Well Gold Project

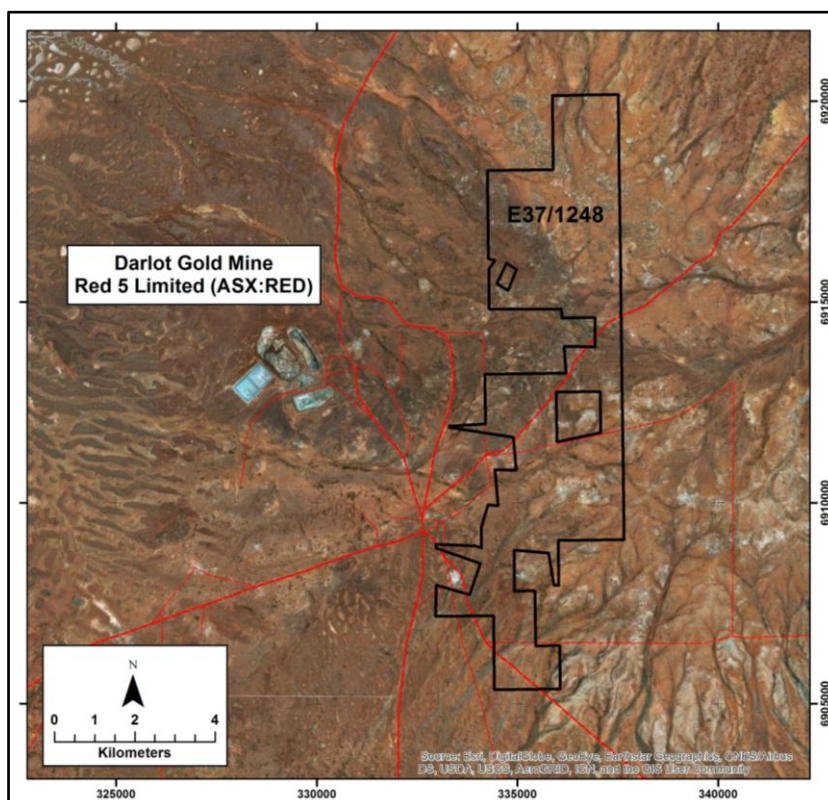
Ironstone Well Project is located approximately 6 km to the northeast of the town of Leonora (Figure 2). Golden Mile has undertaken preliminary exploration at Ironstone Well and has identified a number of prospective targets for gold mineralisation supported by historical geochemical, geophysical and 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.

#### 5. Darlot Gold Project

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.

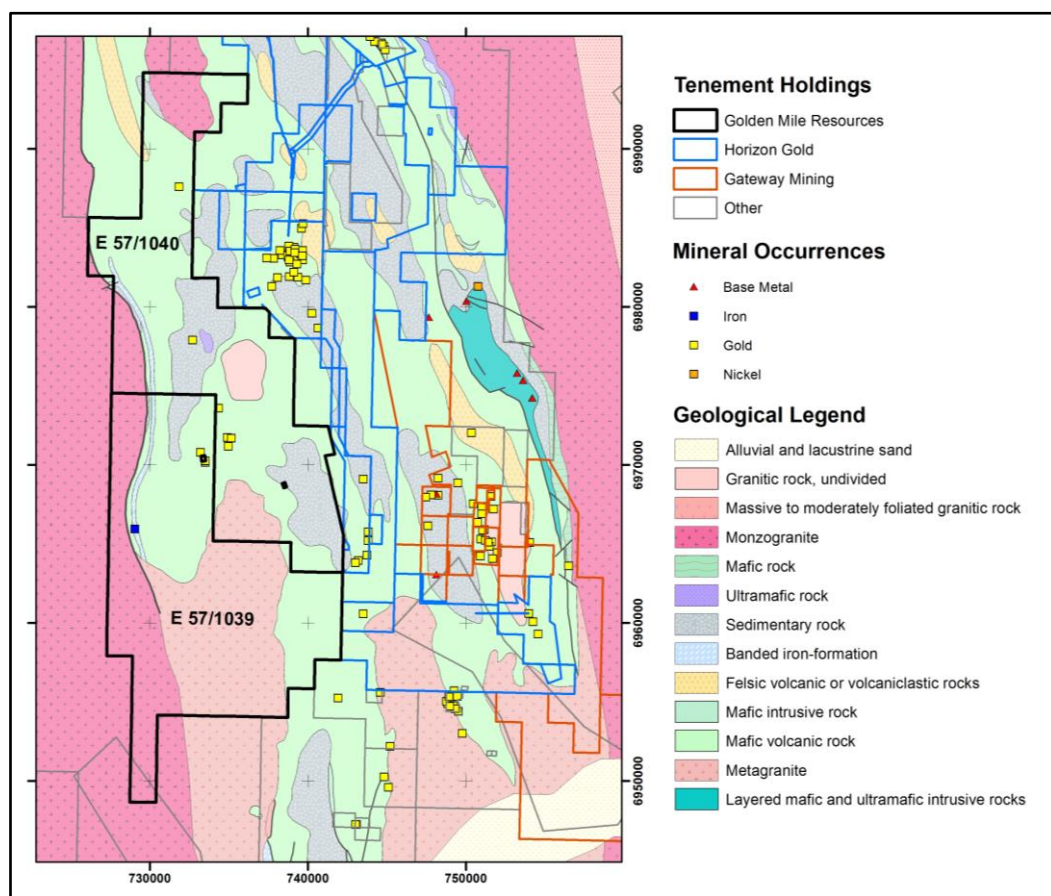


**Figure 5: Darlot Gold Project location diagram**

## 6. Gidgee Multi-Element Project

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. Prospecting is active in the area.



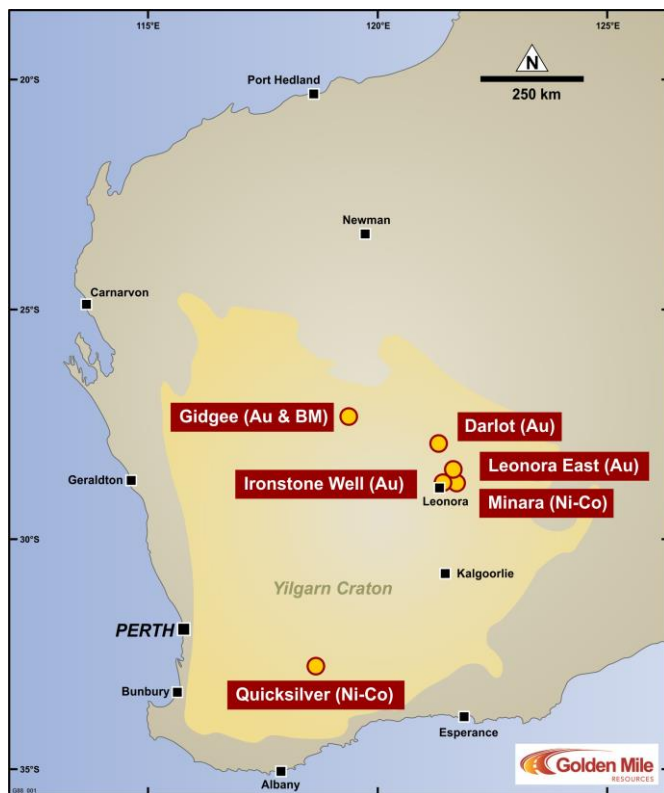
**Figure 6: Gidgee Gold and Base Metal Project location diagram showing interpreted geology, mineral occurrences and major tenement holdings**

**For further information please contact:**

**Lachlan Reynolds** – Managing Director  
**Golden Mile Resources Ltd (ASX: G88)**  
**T: (08) 9480 0636, F: (08) 9321 0320**  
**E: [lreynolds@goldenmileresources.com.au](mailto:lreynolds@goldenmileresources.com.au)**

**Justyn Stedwell** – Company Secretary  
**Golden Mile Resources Ltd (ASX: G88)**  
**T: (03) 9191 0135, F: (03) 8678 1747**  
**E: [justyn@stedwell.com.au](mailto:justyn@stedwell.com.au)**

## 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.goldenmileresources.com.au/>

### **Competent Persons Statement**

The information in this report that relates to Exploration Results and Mineral Resources is based upon and fairly represents information and supporting documentation prepared 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, is a full-time employee of the Company and is a shareholder 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 March 2019**

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-I	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
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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
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P 37/9059	Leonora East Gold	Granted	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 March 2019

