

Chilean Operations Update and Litigation

Golden Rim Resources (ASX: GMR; **Golden Rim** or **Company**) advises of an update of its Chilean Operations comprising the Paguanta Project and the Loreto Project.

Paguanta Project – Chile

The Paguanta Copper and Silver-Lead-Zinc Project in northern Chile (**Paguanta Project**) is currently on care and maintenance whilst the Company is actively seeking to divest its interest in the Paguanta Project to focus on the Kada Gold Project in Guinea.

The Paguanta Project is held by Compania Minera Paguanta SA (**CMP**). The Paguanta Project is an incorporated joint venture with Costa Rica Dos SpA (**Costa Rica Dos**). The shareholdings in CMP are as follows:

- Golden Rim – 74.69%
- Costa Rica Dos 25.31%

Golden Rim acquired its interest in the Paguanta Project in May 2016. Please refer to the Company's ASX announcement dated 10 May 2016 for further details.

Loreto Project - Chile

The Loreto Copper Project in Chile (**Loreto Project**) is adjacent to the Paguanta Project.

As announced to ASX on 26 April 2022, the Company signed a US\$17.6m Option and Joint Venture agreement (**OJV**) with a subsidiary of Teck Resources Limited – Teck Resources Chile Limitada (**Teck Chile**), whereby Teck Chile can acquire up to a 75% interest in the Loreto Project. Please refer to the Company's ASX announcement dated 26 April 2022 for further details.

The Loreto Project is held by the Company's wholly owned subsidiary, Paguanta Resources Chile SpA (**PRC**), and the Company entered into the OJV with Teck Chile through PRC.

Loreto Project Litigation

General

Costa Rica Dos is the Company's partner in the incorporated joint venture for the Paguanta Project (see above for details).

Costa Rica Dos has instigated legal proceedings in Chile regarding the Loreto Project in the form of a civil action for damages against the Company and Teck Chile.

As per Costa Rica Dos' demands in respect of the legal proceedings, CMP (being the holder of the Paguanta Project referred to above) held predecessor exploration concessions over the ground comprising the Loreto Project which were granted in December 2014 and expired in December 2016.

PRC lodged exploration applications over the same area in December 2014, which were granted in May 2015 (**PRC Exploration Concessions**). This occurred prior to the Company's acquisition of Paguanta and Loreto Projects. Overlapping exploration concessions (which have a legal term of two years, unless prior to the expiry the holder of the concession requests an extension) is permitted under the Chilean Mining Code. CMP did not request an extension of the predecessor exploration concessions, instead, allowed them to expire.

Prior to the PRC Exploration Concessions expiring, they were converted into exploitation concessions (which have an indefinite term), all granted in December 2019. These exploitation concessions now comprise the Loreto Project.

Costa Rica Dos

Costa Rica Dos alleges that PRC's application for the PRC Exploration Concessions constitutes an intentional act intended to produce economic damage to Costa Rica Dos.

At the time PRC executed the OJV with Teck Chile, Costa Rica Dos had a 25.48% interest in CMP and Golden Rim had a 74.52% interest in CMP. Costa Rica Dos has since diluted its interest in CMP rather than contribute to cash calls in CMP. All ongoing costs associated with the Paguanta Project since July 2017 have been borne by Golden Rim.

Accordingly, if CMP extended the predecessor exploration concessions, rather than let them expire, and then did the same deal with Teck Chile that PRC did, then the Company's interest in Loreto would be shared with Costa Rica Dos, 74.52%/25.48%.

Accordingly, if Costa Rica Dos' claim were successful, the Company anticipates that it could be for up to a 25.48% interest in the Company's current interest in the Loreto Project and/ or damages for a similar value. The quantum and nature of what is being sought has not been disclosed by Costa Rica Dos and may exceed the Company's expectations.

Teck Chile

As noted above, Teck Chile has been added as a party to the litigation.

Under the OJV in place with Teck Chile regarding the Loreto Project, the Company and PRC provide a number of warranties to Teck Chile including without limitation around having good title to the exploration concessions, being the sole legal and beneficial owner of the exploration concessions free from all encumbrances or other claims, no information was withheld from Teck Chile which was inconsistent with information provided to Teck Chile, PRC is not a party to any agreements regarding the exploration concessions other than a lease agreement with Yuvisa Pereira and the exploration concessions were acquired or constituted with fair title in good faith in compliance with the law and there are to the best of the Company's knowledge no third party concessions which preferentially overlap the exploration concessions.

Under the OJV in place with Teck Chile regarding the Loreto Project, the Company and PRC provide Teck Chile, its officers, directors and employees an indemnity and release from and against any and all claims, causes of action, liabilities, obligations, losses, damages, penalties, fines, settlements, costs or expenses of any nature whatsoever, including without limitation reasonable attorneys' fees and disbursements arising from any of the Company's representations or warranties set out in the agreement being incorrect or untrue or any state of facts contrary to any such representation or warranty and any breach of the Company's covenants, duties, obligations or agreements contained in the agreement.

In light of the above, there could be potential legal proceedings from Teck Chile against PRC and or the Company under the OJV as a result of Costa Rica Dos's assertions and legal proceedings.

At this stage, the Company has not been advised of any legal proceedings from Teck Chile.

Way Forward

Golden Rim disputes any wrongdoing on its behalf and is currently assessing the veracity and merits of Costa Rica Dos' claim. The Company will update the market as the legal proceedings progress.

-ENDS-

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This announcement was authorised for release by the Board of Directors of Golden Rim Resources Ltd.

ABOUT GOLDEN RIM RESOURCES

Golden Rim Resources Limited is an ASX listed exploration company with a portfolio of advanced minerals projects in Guinea and Burkina Faso, West Africa and in Chile, South America.

The Company's flagship project is the advanced Kada Gold Project in eastern Guinea. Guinea remains one of the most under-explored countries in West Africa. Golden Rim has outlined an Indicated and Inferred Mineral Resource Estimate of 30.3Mt at 1.0g/t gold for 923Koz¹, the majority of which is shallow oxide-transitional gold mineralisation. Golden Rim is focussed on growing the Mineral Resource Estimate. Most of the 150km² project area remains under explored and there is considerable upside for the discovery of additional oxide gold mineralisation.

The Company has outlined an Indicated and Inferred Mineral Resource of 50Mt at 1.3g/t gold for 2Moz² at the Kouri Gold Project, located in north-east Burkina Faso, and it also holds the Paguanta Copper and Silver-Lead-Zinc Project in northern Chile which has a Measured, Indicated and Inferred Mineral Resource of 2.4Mt at 88g/t silver, 5.0% zinc and 1.4% lead for 6.8Moz silver, 265Mlb zinc and 74Mlb lead³ at the Patricia Prospect, which remains open. The Company is seeking to divest these projects to focus on Kada.

At the adjacent Loreto Copper Project in Chile, Golden Rim has signed an Option and Joint Venture agreement with Teck Chile whereby Teck Chile can acquire up to a 75% interest in the project.

¹ ASX Announcement: Kada Mineral Resource Estimate Update improves confidence; more than 40% of oxide gold now indicated dated 09 October 2023.

² ASX Announcement: Kouri Mineral Resource Increases by 43% to 2 Million ounces Gold dated 26 October 2020 (Total Mineral Resource includes: Indicated Mineral Resource of 7Mt at 1.4g/t gold and Inferred Mineral Resource of 43Mt at 1.2g/t gold).

³ ASX Announcement: New Resource Estimation for Paguanta dated 30 May 2017 (Total Mineral Resource includes: Measured Mineral Resource of 0.41Mt at 5.5% zinc, 1.8% lead, 88g/t silver, 0.3g/t gold; Indicated Mineral Resource of 0.61Mt at 5.1% zinc, 1.8% lead, 120g/t silver, 0.3g/t gold; Inferred Mineral Resource of 1.3Mt at 4.8% zinc, 1.1% lead, 75g/t silver, 0.3g/t gold).