



# Golden Rim Resources Ltd

ABN 39 006 710 774

## Half Year Report

For the period ended 31 December 2020

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## Corporate Directory

### Directors

Adonis Pouroulis, Non-Executive Chairman  
Craig Mackay, Managing Director  
Kathryn Davies, Non-Executive Director

### Company Secretary

Hayley Butcher

### Registered Office

Collins Square Tower Five, Level 23  
727 Collins Street  
MELBOURNE VIC 3008  
AUSTRALIA

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E: [info@goldenrim.com.au](mailto:info@goldenrim.com.au)  
W: [goldenrim.com.au](http://goldenrim.com.au)

### Share Registry

Link Market Services Limited  
Central Park Level 4  
152 St Georges Terrace  
PERTH WA 6000  
AUSTRALIA

T: 1300 554 474  
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F: 02 9287 0303

### Auditors

Deloitte Touche Tohmatsu  
Brookfield Place Tower 2,  
23 St Georges Terrace,  
PERTH WA 6000  
AUSTRALIA

### Stock Exchange Listing

The Company's shares are listed and quoted on the Australian Securities Exchange. The Company's Home Exchange is Perth, Western Australia.

Australian Securities Exchange Limited Code: GMR

The Company's shares are also traded on the Berlin Open Market (Freiverkehr).

## Directors' Report

The board of directors of Golden Rim Resources Ltd (**Golden Rim, Company**) presents its half year report together with the condensed consolidated financial statements of the Company and the entities it controlled (**Group**) for the half year ending 31 December 2020 (**Half Year**) (**Half Year Report**).

### Directors

The following persons were directors of Golden Rim at the date of this Half Year Report:

Adonis Pouroulis  
Craig Mackay  
Kathryn Davies

The above-named directors held office during the whole of the Half Year.

### Operating Results

During the Half Year, the Group incurred an operating loss after tax of \$2,275,346 (2019: \$3,734,805) which includes mineral exploration and evaluation expenditure of \$1,672,194 (2019: \$2,810,646).

### Overview of Operations

The Company carried out extensive exploration work programs during the Half Year. The Company's focus throughout the period was on its West African projects being the Kouri Gold Project in Burkina Faso which contains a 2.0Moz gold Mineral Resource, as well two new permits recently acquired in Guinea (the Kada Gold Project). The Paguanta Silver-Lead-Zinc-Copper Project in Chile has been on care and maintenance.

The COVID-19 virus and restrictions arising from the pandemic have impacted travel and logistics during the period. Despite these, the Company was able to advance its work programs without any material impact on cost or timelines. The Australian Government's Cash flow boost of \$50,000 was received by the Company during the reporting period.

Set out below is a summary of the work undertaken during the Half Year on each of the Company's projects.

#### Kouri Gold Project, Burkina Faso (Kouri)

Kouri lies on a major mineralised fault zone that extends to the NE into western Niger, where the 2.5Moz Samira Hill gold deposit is located. To the SW, the fault zone is connected to the Markoye Fault system which controls several large gold deposits in Burkina Faso, including Kiaka (5.9Moz gold, B2Gold), Bombore (5.2Moz gold, Orezone) and Essakane (6.2Moz gold, IAMGOLD).

Work carried out at Kouri during the Half Year included receiving the final outstanding drilling results from previous reverse circulation (RC) drilling program at the Diabatou Gold Shoot at the Diabatou Prospect (0.5g/t gold cut-off).

The drilling results included:

- **7m at 4.6g/t gold** from 191m (MRC050), including:
  - **3m at 10.2g/t gold** from 192m;
- **2m at 14.4g/t gold** from 141m (MRC040), including:
  - **1m at 24.6g/t gold** from 141m; and
- **1m at 28.1g/t gold** from 41m (MRC044).

In late October 2020, the Company announced an updated Indicated and Inferred Mineral Resource of **50 million tonnes at 1.3 g/t for 2 million ounces of contained gold** (0.5g/t gold cut-off grade within pit shells) for the Kouri Gold Project (Kouri) in Burkina Faso (Table 1).

The contained gold of 2 million ounces represents an increase of 43% from the contained gold in the previous Mineral Resource released in December 2018 and the Indicated Mineral Resource increased by 41% to 310,000 ounces at 1.4g/t gold.

Three areas of Mineral Resource were defined: West, Central and East Lodes (Figure 1). 95% of the Mineral Resource gold ounces lie in the Central Lodes, which comprises the Banouassi Prospect and the previous Mineral Resource area.

Considerable Mineral Resource upside remains at Kouri including:

- The more densely drilled Indicated Mineral Resource is 17% higher in gold grade than the Inferred Mineral Resource. Planned infill drilling to increase the Indicated Mineral Resource is likely to have a positive impact on gold grade.
- Most of the multiple, parallel lodes of gold mineralisation that comprise the Mineral Resource are open at depth.
- A shallow, maiden, Inferred Mineral Resource of 48,000 ounces at 3.2g/t gold defined at the East Lodes, predominantly on the high-grade Diabatou Gold Shoot. The bottom of the pit shell on the Diabatou Gold Shoot sits in 10g/t gold mineralisation and deeper drilling offers an outstanding opportunity to add additional high-grade gold ounces.
- Drilling of high priority regional target areas also offers potential for additional high-grade gold mineralisation.

**Table 1. Kouri Mineral Resource Estimate by Resource Categories and Material Types**  
(October 2020 Mineral Resource Estimate (0.5g/t Gold Cut-off Reported Within Pit Shells))

Material Type	Measured		Indicated		Inferred		Total		
	Tonnes Mt	Gold g/t	Tonnes Mt	Gold g/t	Tonnes Mt	Gold g/t	Tonnes Mt	Gold g/t	Gold Ounces
Oxide	-	-	0.5	1.4	2.7	1.3	3.2	1.3	130,000
Transitional	-	-	0.6	1.2	2.7	1.3	3.4	1.3	140,000
Fresh	-	-	5.9	1.4	38	1.2	43	1.2	1,700,000
<b>Total</b>	-	-	<b>7.0</b>	<b>1.4</b>	<b>43</b>	<b>1.2</b>	<b>50</b>	<b>1.3</b>	<b>2,000,000</b>

Notes for Tables 1, 2 and 3:

1. Totals may differ due to rounding to significant figures to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results.
2. Mineral Resources reported on a dry in-situ basis at a 0.5g/t Au cut-off and constrained to the limit of an optimised USD 1,900/oz forward gold price pit shell, based on a gravity/CIL processing route and typical West African open pit mining costs.
3. Reporting cut-off grade within the pit shell was selected by RPM based on the parameters defined by a high level mining study conducted by independent consultants and updated in 2020 plus recent testwork by Golden Rim which supports reasonable expectations of processing via the carbon-in-leach (CIL) route. The selected economic cut-off grade for the Kouri Mineral Resource was 0.5g/t Au. It is based on a CIL processing route, assumed metallurgical recoveries of 95%, a base mining cost of USD3.68/t for fresh waste and USD4.21/t for fresh ore. Processing, GA and additional (to waste dump disposal) costs of USD18.80/t and consensus forward gold price plus 20% of USD1,625/oz.
4. The Statement of Estimates of Mineral Resources has been compiled by Mr David Allmark who is a full-time employee of RPM and a Member of the AIG. Mr Allmark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code (2012).
5. All Mineral Resources figures reported in the tables above represent estimates at 19 October 2020.
6. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
7. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of equal or less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 50m by 50m and up to a maximum spacing of 100m by 50m; where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.

More detail on the Kouri Mineral Resource update is available in the ASX announcement dated 26 October 2020.

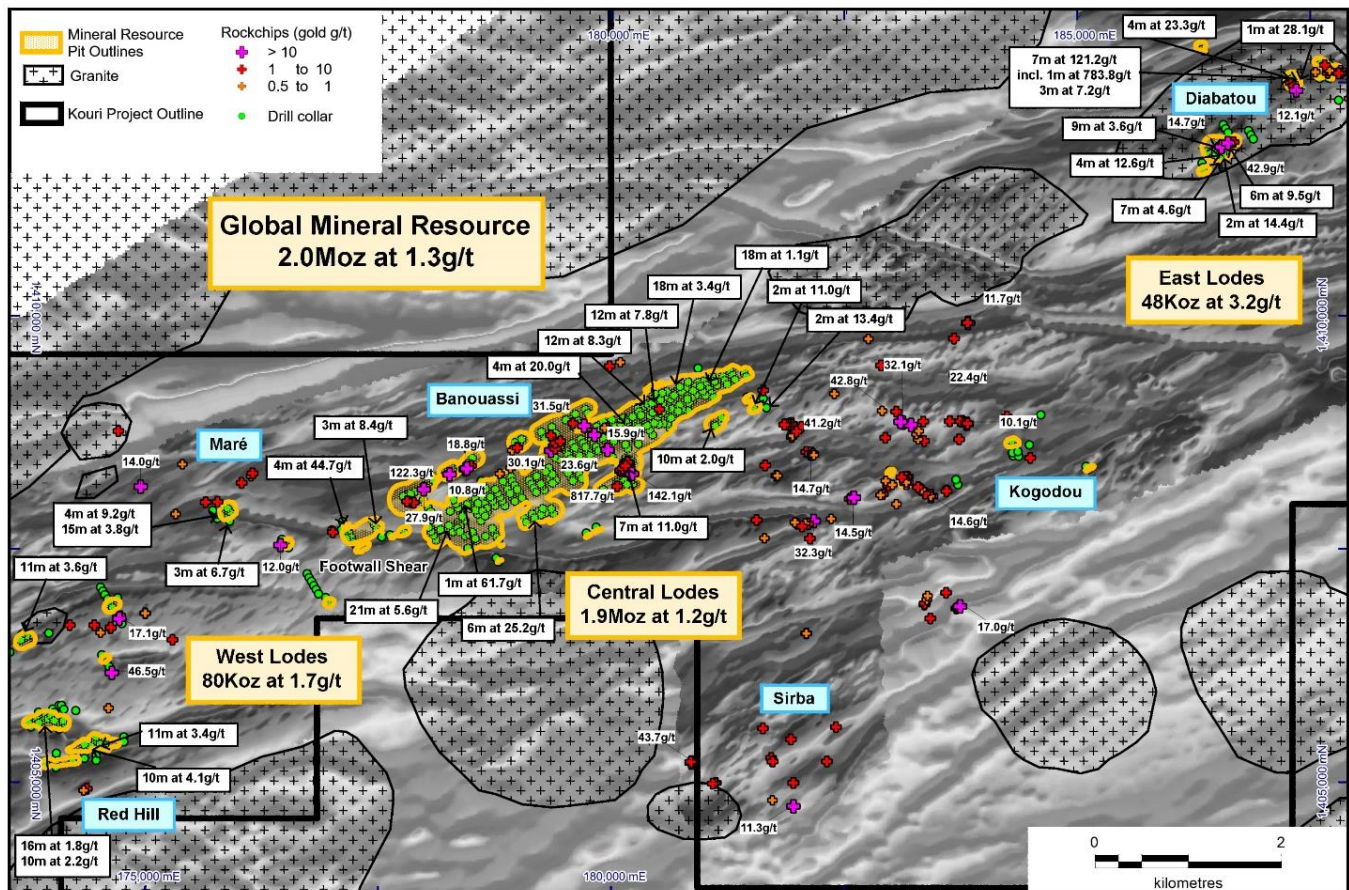


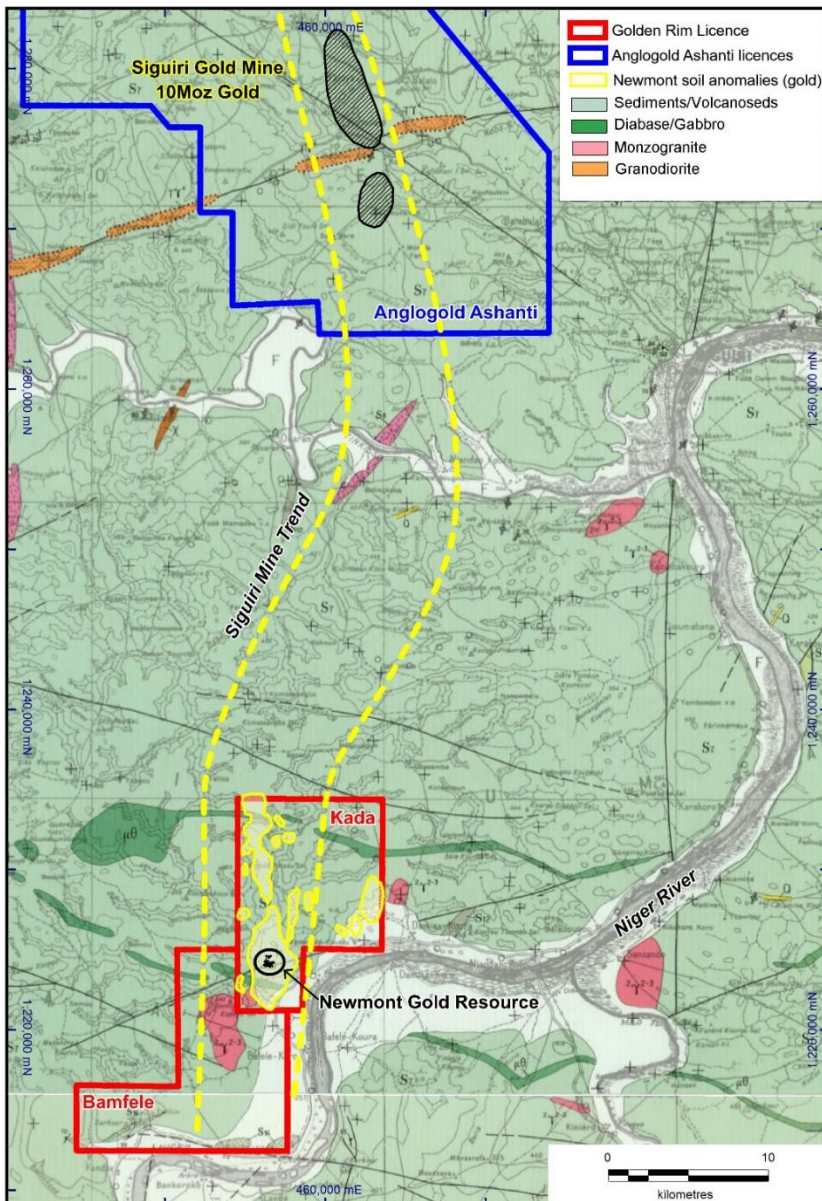
Figure 1. Kouri Gold Project Mineral Resource pit outlines and prospect areas over an aeromagnetic image.



## Kada Gold Project, Guinea (Kada)

The Kada Gold Project (**Kada**) is located in the central Siguiri Basin, Guinea, and it lies 36km along strike from and to the south of the 10Moz Siguiri Gold Mine operated by AngloGold Ashanti (Figure 2). Kada is an advanced project, having previously been explored by Newmont.

Following completion of due diligence, Golden Rim announced it had executed the Earn-In and Incorporated Joint Venture Agreement (**JVA**) with respect to Kada after the Company first announced its intention to acquire up to 75% interest in the project in July 2020.



**Figure 2.**  
Kada Gold  
Project in  
Guinea.

The Company received approvals from the Guinean Government for the Kada Gold Joint Venture to proceed and on 12 January 2021, it announced its acquisition of the initial 25% interest was complete, with all conditions under the JVA with respect to the initial acquisition satisfied or waived. As a result, the Company issued US\$2,500,000 worth of shares (Consideration Shares) to the vendor (being 317,203,744 shares at approximately \$0.01015 per share).

The Company's due diligence drilling at Kada included three diamond drill holes (KDH001 – KDH003) for a total of 456.8m were completed as twin holes to the historical Newmont drilling located in the centre of the non-JORC Newmont gold resource area.

In general, the twin hole assay results show a reasonable correlation and confirm the multiple zones of broad, predominantly oxide, gold mineralisation identified in the Newmont drill holes.

The best new intersections include:

- **18m at 2.0g/t gold** from 1m in KDH003
- **78m at 1.4g/t gold** from 71m in KDH003 including:
  - **10m at 2.1g/t gold** from 72m
  - **34m at 2.1g/t gold** from 87m
- **7m at 4.3g/t gold** from 0m in KDH001 (in laterite)
- **43m at 1.7g/t gold** from 109m in KDH001 including:
  - **21m at 2.6g/t gold** from 130m

Considerable upside to outline additional gold mineralisation drilling is evident. For example, a thick, 70m wide, zone of mineralisation located 200m west of KDH001 – KDH003, which was only drilled by Newmont to ~70m below surface and remains open at depth, offers a priority target for follow-up drilling.

The completion of the acquisition of an initial interest in Kada allows Golden Rim to proceed with its exploration programs in 2021.

### **Paguanta Silver-Lead-Zinc-Copper Project, Chile (Paguanta)**

Paguanta lies in the Tarapacá Region of northern Chile, approximately 120km northeast of Iquique and 30km west of the Chile-Bolivia border. The project area hosts both epithermal silver-lead-zinc-gold mineralisation and porphyry copper mineralisation.

Paguanta is situated approximately 40km north-east of the Cerro Colorado Mine, which is exploiting a large porphyry copper deposit with a Mineral Resource of 400Mt @ 0.62% copper for 5.5Blb of copper and annual copper cathode production of approximately 175Mlb.

Using a cut-off grade of 6% zinc equivalent, the Measured, Indicated and Inferred Mineral Resource at Paguanta is **2.4Mt at 5.0% zinc, 1.4% lead, 88g/t silver and 0.3g/t gold** (or 2.4Mt at 8.0% Zn Eq) for 190,000t of contained Zn Eq metal. Almost 50% of the Mineral Resources is in the Measured and Indicated categories. The Mineral Resource for the Patricia Prospect at Paguanta remains open at depth and along strike.

Paguanta has been on care and maintenance to conserve cash while the Company looked at divestment opportunities. Options for Paguanta are being assessed in order to achieve the best outcome for the Company.

### **Babonga Gold Project, Burkina Faso (Babonga)**

Babonga is located 70km north-east of Golden Rim's primary project in Burkina Faso, Kouri. Babonga has a highly coherent gold-in-soil anomaly approximately 2.1km long and 300m wide, located in the southern part of the licence. This anomaly is coincident with a major regional fault that is connected to the major fault zone that hosts gold mineralisation at Kouri.

Aircore drilling has discovered widespread bedrock gold mineralisation, including a coherent zone of bedrock gold mineralisation (comprised of a series of stacked gold mineralised veins) over an area of 1km x 200m.

During the Half Year, no field work was completed at Babonga.

## Business Development

The Company has previously advised that it is investigating new business development opportunities. It is currently reviewing and investigating various new business opportunities across the African continent including advanced gold project opportunities. All potential opportunity processes the Company is engaged in remain incomplete, and are subject to full technical, legal and economic due diligence. Whilst some processes are more advanced than others, there is no guarantee that the Company will be able to successfully conclude a transaction. The Company cautions investors that there is no certainty that any transaction will proceed.

During the period the Company announced its intention to acquire an interest in the Kada Gold Project in Guinea. The acquisition of an initial 25% interest was completed on 12 January 2021. The Company can earn up to 75% interest by funding the project through exploration stages. Information on the project is detailed under Review of Operations above.

## Corporate

The Company issued shares during the Half Year as set out below:

- Following shareholder approval on 12 August 2020, Tranche 2 of a placement for 275,956,284 shares and 137,978,142 attaching options, settled on 18 August 2020. The securities were issued at a price of A\$0.0061 per share. Tranche 2 included participation by Directors of the Company for 27,600,000 shares and 13,800,000 attaching options. All options have an exercise price of A\$0.01 and expire 2 years from the date of issue, being 18 August 2022. Funds raised from Tranche 2 totalled A\$1,683,333 before costs.
- In lieu of cash remuneration to Directors and Employees under the Company's Director and Employee Remuneration Share Plan as follows:
  - ❖ 1,985,979 shares issued on 3 July 2020 at an issue price of A\$0.0114 per shares, in lieu of A\$22,640 owing;
  - ❖ 488,752 shares issued on 20 August 2020 at an issue price of A\$0.0143 per share, in lieu of \$6,989 owing; and
  - ❖ 436,823 shares issued on 25 September 2020 at an issue price of A\$0.016 per share, in lieu of \$6,989 owing.
- 13,395,800 shares on 2 July 2020 in lieu of cash payment of A\$133,958 for drilling services.
- 33,572,316 shares on 20 August 2020 in lieu of a cash payment of US\$300,000 for an Exclusivity Fee in relation to the Kada Gold Project acquisition.



## Permit Schedule

The following table sets out the permits in which the Company had an interest, as at the end of the Half Year.

Permit name	Project name	Golden Rim Holding (%)
<b>Burkina Faso</b>		
Babonga	Babonga	100
Kouri	Kouri	100
Margou	Kouri	100
Gouéli	Kouri	100
<b>Chile</b>		
José Miguel 1 1-30 Exploitation	Paguanta	73
José Miguel 2 1-30 Exploitation	Paguanta	73
José Miguel 3 1-20 Exploitation	Paguanta	73
José Miguel 4 1-30 Exploitation	Paguanta	73
José Miguel 5 1-30 Exploitation	Paguanta	73
José Miguel 6 1-30 Exploitation	Paguanta	73
José Miguel 7 1-30 Exploitation	Paguanta	73
José Miguel 8 1-10 Exploitation	Paguanta	73
Carlos Felipe 1 1-30 Exploitation	Paguanta	73
Carlos Felipe 2 1-30 Exploitation	Paguanta	73
Carlos Felipe 3 1-30 Exploitation	Paguanta	73
Carlos Felipe 4 1-30 Exploitation	Paguanta	73
Carlos Felipe 5 1-30 Exploitation	Paguanta	73
Carlos Felipe 6 1-30 Exploitation	Paguanta	73
Teki I 1	Paguanta	100 - Conversion to Exploitation pending
Teki I 2	Paguanta	100 - Conversion to Exploitation pending
Teki I 3	Paguanta	100 - Conversion to Exploitation pending
Teki I 4	Paguanta	100 - Conversion to Exploitation pending
Teki I 5	Paguanta	100 - Conversion to Exploitation pending
Teki I 6	Paguanta	100 - Conversion to Exploitation pending
Teki I 7	Paguanta	100 - Conversion to Exploitation pending
<b>Guinea</b>		
Bamfele	Kada	100

## Competent Persons Statements

The information in this report relating to previous exploration results and Mineral Resources are extracted from the announcements Golden Rim Receives Government Approvals for Kada Joint Venture dated 14 December 2020; Golden Rim Executes Kada Gold Project Joint Venture Agreement dated 9 December 2020; Broad Zones of Deep Oxide Gold Mineralisation Confirmed at Kada dated 16 November 2020; Kouri Mineral Resource Increases by 43% to 2 Million Ounces Gold dated 26 October 2020; Drilling Commences at the Kada Gold Project in Guinea dated 25 September 2020; Kada Gold Project Area in Guinea Set to Double dated 8 September 2020; Extent of the High-Grade Diabatou Gold Shoot Doubled dated 31 July 2020; Heads of Agreement to Acquire the Kada Gold Project in Guinea dated 27 July 2020; Amended Announcement: \$2.7 Million Raised and Commencement of Drilling dated 19 June 2020; New Granite Contact Targets and High-Grade Gold Shoot at Kouri dated 2 June 2020; 1.4 Million Oz of Gold in Upgraded Kouri Mineral Resource dated 3 December 2018; New Resource Estimation for Paguanta dated 30 May 2017; and has been reported in accordance with the 2012 edition of the JORC Code. These announcements are available on the Company's website ([www.goldenrim.com.au](http://www.goldenrim.com.au)). The Company confirms that it is not aware of any new information or data that materially affects the information included in these announcements..

**Forward Looking Statements**

*Certain statements in this document are or maybe "forward-looking statements" and represent Golden Rim's intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Golden Rim, and which may cause Golden Rim's actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Golden Rim does not make any representation or warranty as to the accuracy of such statements or assumptions.*

**Events Subsequent to period end**

Since the end of the Half Year, no significant event has occurred, except as stated below and elsewhere in this Half Year Report.

On 12 January 2021, the Company completed the first stage of the Kada acquisition. The Company acquired a 25% interest in the project by issuing US\$2,500,000 worth of shares (being 317,203,744 shares at approximately \$0.01015 per share).

On 27 January 2021, the Company signed a Letter Agreement to acquire an interest in two additional gold permits in Guinea, expanding the Kada Gold Project footprint. The agreement is subject to conditions precedent being met before completion which the Company is working through at the date of this report.

On 2 February 2021, the Company announced the completion of a \$5,000,000 placement (555,555,556 shares at \$0.009 per share) to advance exploration on its gold projects and for working capital. 414,500,012 shares were issued under Tranche 1 on 8 February 2021 with the balance of 141,055,544 shares to be issued under Tranche 2 upon obtaining shareholder approval, expected to be received at the Company's next general meeting on 24 March 2021. Tranche 2 of this placement includes participation by the Company's Chairman for 40,222,210 shares being \$361,999.

On 5 February 2021, the Company issued 3,172,037 shares in lieu of cash payment for corporate finance advice on projects and acquisitions of \$32,196.

On 15 February 2021, the Company issued 3,076,471 shares in lieu of cash remuneration under the company's Director and Employee Remuneration Share Plan in settlement of \$33,225 owing.

## Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 12 of this Half Year Report.

This Half Year Report is signed in accordance with a resolution of the Directors, made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to be "Adonis Pouroulis".

Adonis Pouroulis  
12 March 2021

The Board of Directors  
Golden Rim Resources Ltd  
Collins Square Tower Five, Level 23  
727 Collins Street  
Melbourne VIC 3008

12 March 2021

Dear Board Members

## Auditor's Independence Declaration to Golden Rim Resources Ltd

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Golden Rim Resources Ltd.

As lead audit partner for the review of the half-year financial report of Golden Rim Resources Ltd for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



**Penelope Pink**  
Partner  
Chartered Accountants



## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year ended 31 December 2020

	31 December 2020	31 December 2019
	\$	\$
Interest income	388	1,286
Government Grants	50,000	-
Other gains/(losses)	44,022	(41,901)
Administration expenses	(669,394)	(856,283)
Depreciation expense	(28,168)	(27,261)
Exploration and evaluation expenditure	(1,672,194)	(2,810,646)
Loss before income tax	(2,275,346)	(3,734,805)
Income tax expense	-	-
<b>Loss for the period</b>	<b>(2,275,346)</b>	<b>(3,734,805)</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange differences on translating foreign operations	(163,501)	(149,621)
Other comprehensive income for the period (net of tax)	(163,501)	(149,621)
<b>Total comprehensive income for the period</b>	<b>(2,438,847)</b>	<b>(3,884,426)</b>
Loss attributable to:		
Owners of the company	(2,252,309)	(3,690,156)
Non-controlling interests	(23,037)	(44,649)
	<b>(2,275,346)</b>	<b>(3,734,805)</b>
Total comprehensive loss attributable to:		
Owners of the company	(2,414,703)	(3,847,698)
Non-controlling interests	(24,144)	(36,728)
	<b>(2,438,847)</b>	<b>(3,884,426)</b>
<b>Loss per share</b>		
Basic (cents per share)	(0.13)	(0.37)
Diluted (cents per share)	(0.13)	(0.37)

The accompanying notes form part of these financial statements.

## Condensed Consolidated Statement of Financial Position as at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
<b>Current Assets</b>			
Cash and cash equivalents		622,709	1,628,461
Trade and other receivables		21,885	18,235
Other assets		13,777	24,616
Total Current Assets		658,371	1,671,312
<b>Non-Current Assets</b>			
Other financial assets		12,657	12,679
Plant and equipment		92,367	117,606
Exploration and evaluation expenditure	6	5,706,028	5,796,886
Total Non-Current Assets		5,811,052	5,927,171
<b>Total Assets</b>		6,469,423	7,598,483
<b>Current Liabilities</b>			
Trade and other payables		310,593	1,349,125
Provisions		102,178	106,631
Total Current Liabilities		412,771	1,455,486
<b>Non-Current Liabilities</b>			
Provisions		105,341	121,458
Total Non-Current Liabilities		105,341	121,458
<b>Total Liabilities</b>		518,112	1,576,944
<b>Net Assets</b>		5,951,311	6,021,539
<b>Equity</b>			
Share capital	4	86,386,056	85,576,561
Reserves		2,131,690	1,734,815
Accumulated losses		(80,740,714)	(79,488,260)
Equity attributable to owners of the Company		7,777,032	7,823,116
Non-Controlling Interests		(1,825,721)	(1,801,577)
<b>Total Equity</b>		5,951,311	6,021,539

The accompanying notes form part of these financial statements.

## Condensed Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2020

	Share Capital	Option Reserve	Foreign Currency Reserve	Accumulated Losses	Non-Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	78,937,169	1,298,200	303,175	(73,561,424)	(1,722,990)	5,254,130
Loss for the period	-	-	-	(3,690,156)	(44,649)	(3,734,805)
Other comprehensive income for the period	-	-	(157,542)	-	7,921	(149,621)
Total comprehensive loss for the period	-	-	(157,542)	(3,690,156)	(36,728)	(3,884,426)
Transactions with owners recorded directly in equity						
Issue of shares and options	3,049,875	104,040	-	-	-	6,060,475
Share issue costs	(496,329)	-	-	-	-	(486,952)
Fair value of expired options	-	(300,265)	-	300,265	-	-
Balance at 31 December 2019	84,406,652	1,101,975	145,633	(76,951,315)	(1,759,718)	6,943,227
Balance at 1 July 2020	85,576,561	1,653,642	81,173	(79,488,260)	(1,801,577)	6,021,539
Loss for the period	-	-	-	(2,252,309)	(23,037)	(2,275,346)
Other comprehensive income for the period	-	-	(162,394)	-	(1,107)	(163,501)
Total comprehensive loss for the period	-	-	(162,394)	(2,252,309)	(24,144)	(2,438,847)
Transactions with owners recorded directly in equity						
Issue of shares and options	970,638	1,638,739	-	-	-	2,609,377
Share issue costs	(240,758)	-	-	-	-	(240,758)
Fair value of expired/exercised options	79,615	(1,079,470)	-	999,855	-	-
Balance at 31 December 2020	86,386,056	2,212,911	(81,221)	(80,740,714)	(1,825,721)	5,951,311

The accompanying notes form part of these financial statements

## Condensed Consolidated Statement of Cash Flows for the Half Year ended 31 December 2020

	31 December 2020 \$	31 December 2019 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(620,665)	(879,457)
Mineral exploration expenditure	(1,488,409)	(3,118,054)
Interest received	388	1,286
Government grant	50,000	-
<b>Net cash used in operating activities</b>	<b>(2,058,686)</b>	<b>(3,996,225)</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(36,948)	(36,229)
<b>Net cash used in investing activities</b>	<b>(36,948)</b>	<b>(36,229)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares and options	1,197,670	5,956,435
Share issue costs	(107,721)	(486,952)
<b>Net cash provided by financing activities</b>	<b>1,089,949</b>	<b>5,469,483</b>
Net (decrease)/ increase in cash and cash equivalents held	(1,005,685)	1,437,029
Cash and cash equivalents at the beginning of the period	1,628,461	352,993
Translation differences on cash held in foreign currencies	(67)	(3,153)
<b>Cash and cash equivalents at the end of the period</b>	<b>622,709</b>	<b>1,786,869</b>

The accompanying notes form part of these financial statements.



## Notes to the Condensed Consolidated Financial Statements for the Half Year ended 31 December 2020

### 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the financial periods presented unless otherwise stated.

#### Statement of compliance

This Half Year Report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". This Half Year Report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

#### Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of investments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2020, except for the impact of the new Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### Adoption of new and revised Australian Accounting Standards

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group are:

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*
- AASB 2020-4 *Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions*

The adoption of these standards has not had a material impact on the disclosures and/or amounts reported in these financial statements

## 2. Going Concern

The condensed consolidated financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

During the half year, the Group incurred a net loss after tax of \$2,275,346 (2019: \$3,734,805) and experienced net cash outflows from operating and investing activities of \$2,095,634 (2019: \$4,032,454). At 31 December 2020, the Group had net assets of \$5,951,311 (30 June 2020: \$6,021,539) and net current assets of \$245,600 (30 June 2020: \$215,826). As at 31 December 2020, the Group had a cash balance of \$622,709 (30 June 2020: \$1,628,461).

As disclosed in note 7, on 2 February 2021, the Company announced a \$5,000,000 placement (555,555,556 shares at \$0.009 per share) to advance work programs on its gold projects as well as for working capital. 414,500,012 shares were issued on 8 February 2021 raising approximately \$3,500,000 (before share issue costs) with the balance of 141,055,544 shares to be issued subsequent to shareholder approval to raise approximately \$1,500,000 (before share issue costs). The resolution to approve this issue of shares is being put to members at the Company's next general meeting on 24 March 2021.

The directors have prepared a cash flow forecast for the period ending 31 March 2022, which indicates that additional funding will be required to meet expected cash outflows in relation to the Group's planned work program of exploration and evaluation activities in relation to its existing areas of interest. The cashflow forecast assumes that the Chilean project remains in care and maintenance. The Directors are in the process of considering their options in relation to the Chilean project, in particular whether to recommence limited exploration and evaluation activities given current commodity prices.

The ability of the Group to carry out its planned work program and to continue as a going concern is dependent on receiving the \$1,500,000 from finalising the capital raising in March 2021, and securing additional sources of funding of at least \$1,300,000 via capital raisings, divestment of assets or other type of corporate transaction progressively commencing from July 2021.

Any additional expenditure on the Chilean project will require further funding to be raised and may impact upon the timing of the above mentioned additional funding.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above, and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due.

Should the Directors not be successful in securing the additional funding referred to above, a material uncertainty would exist that may cast a significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

These condensed consolidated financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

## 3. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group operates in one business, namely exploration for mineral resources in various geographical regions. The financial results from this business are presented to the Board on a geographical basis.

Information on a geographical segment basis is presented below:

	Australia \$	South America \$	Africa \$	Group \$
<b>Half year 2020</b>				
Segment revenue	50,388	-	-	50,388
Segment result	(619,701)	(103,731)	(1,551,914)	(2,275,346)
Exploration costs expensed	-	141,447	1,530,747	1,672,194
Depreciation expense	6,988	-	21,170	28,168
<b>As at 31 December 2020</b>				
Segment assets	662,489	2,461,836	3,345,098	6,469,423
Segment liabilities	451,747	36,751	29,614	518,112
<b>Half year 2019</b>				
Segment revenue	1,286	-	-	1,286
Segment result	(856,600)	(189,617)	(2,688,588)	(3,734,805)
Exploration costs expensed	-	134,891	2,675,755	2,810,646
Depreciation expense	8,249	6,179	12,833	27,261
<b>As at 30 June 2020</b>				
Segment assets	1,564,509	2,436,356	3,597,618	7,598,483
Segment liabilities	989,560	28,946	558,438	1,576,944

#### 4. Issued capital

	31 December 2020 \$	30 June 2020 \$
<b>Ordinary shares</b>		
Issued and fully paid: 1,791,341,871 (30 June 2020: 1,456,306,317) shares	86,386,056	85,576,561

#### Shares

Movements in the ordinary share capital of the Company during the period were as follows:

	Number of Shares	Cents	\$
30/06/2020	1,456,306,317		85,576,561
2/07/2020 Shares under Remuneration Share Plan	1,985,979	1.14	22,640
2/07/2020 Shares issued to service provider	13,395,800	1.00	133,958
2/07/2020 Shares under cleansing prospectus	100	1.12	1
18/08/2020 Placement	275,956,284	0.61	1,683,333
Less: fair value of free attaching options			(1,393,579)
20/08/2020 Shares under Remuneration Share Plan	488,752	1.43	6,989
20/08/2020 Exclusivity Fee	33,572,316	1.25	418,311
25/09/2020 Shares under Remuneration Share Plan	436,823	1.60	6,989
31/12/2020 Exercise of options during year	9,199,500	1.00	91,996
Fair value of options exercised			79,615
Cost of share issues			(240,758)
31/12/2020	1,791,341,871		86,386,056

The shares issued pursuant to the Remuneration Share Plan were issued to directors and eligible employees in lieu of cash remuneration as approved in a general meeting of shareholders held on 2 June 2020.

## Options

At 31 December 2020, the Company had the following unlisted options on issue:

Option series	No. of options	Exercise price \$	Issue Date	Expiry date
<b>Unlisted options</b>				
Class V	27,600,000	0.03	29/11/2019	29/11/2021
Class X	5,000,000	0.03	17/01/2020	17/01/2022
Class GMRUOPT11	79,638,959	0.01	8/09/2020	29/06/2022
Class GMRUOPT12	132,473,016	0.01	8/09/2020	18/08/2022
Class AA	16,541,680	0.61	20/08/2020	20/08/2022
Class AB	24,700,000	0.03	30/11/2020	30/11/2022

Movements in the number of options and the Option Reserve during the period were as follows:

Issue / Expiry Date	Description	Number of Options	Fair value cents	\$
30/06/2020	Balance	228,560,562		1,653,642
	Options issued during the period ended 31/12/2020			
18/08/2020	Class GMRUOPT12	137,978,142	1.01	1,393,579
20/08/2020	Class AA	16,541,680	0.84	138,950
30/11/2020	Class AB	24,700,000	0.43	106,210
		179,219,822		1,638,739
	Options expired during the period ended 31/12/2020			
06/07/2020	Class R	(5,959,404)		(205,599)
17/07/2020	Class T	(1,600,000)		(23,200)
14/09/2020	Class ULOPT10	(90,767,825)		(717,066)
19/12/2020	Class U	(12,700,000)		(52,070)
19/12/2020	Class W	(1,600,000)		(1,920)
		(112,627,229)		(999,855)
	Options exercised during the period ended 31/12/2020			
	Class GMRUOPT11	(3,694,374)		(24,013)
	Class GMRUOPT12	(5,505,126)		(55,602)
		(9,199,500)		(79,615)
31/12/2020	Balance	285,953,655		2,212,911

The option reserve relates to the fair value of options granted by the Company. The fair values of options are transferred to share capital on exercise, or to accumulated losses on expiry of the options.



The Class GMRULOPT12 options were issued as part of a placement. The Class AA options were issued as a share based payment. The Class AB options were issued to directors and key management personnel of the Company as remuneration.

## 5. Fair value measurement of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group approximate their fair values.

## 6. Exploration and Evaluation Expenditure

	31 December 2020	30 June 2020
	\$	\$
At beginning of period	5,796,886	5,925,234
Exchange losses	(90,857)	(128,348)
	<u>5,706,028</u>	<u>5,796,886</u>

The exploration and evaluation expenditure above include \$2,457,986 (30 June 2019: \$2,428,055) relating to the acquisition costs of the Paguanta project in Chile. Paguanta has been on care and maintenance to conserve cash while the Company looked at divestment opportunities. Options for Paguanta are being assessed in order to achieve the best outcome for the Company.

## 7. Events subsequent to reporting date

Since the end of the Half Year, no significant event has occurred, except as stated below and elsewhere in this Half Year Report.

On 12 January 2021, the Company completed the first stage of the Kada acquisition. The Company acquired a 25% interest in the project by issuing US\$2,500,000 worth of shares (being 317,203,744 shares at approximately \$0.01015 per share).

On 27 January 2021, the Company signed a Letter Agreement to acquire an interest in two additional gold permits in Guinea, expanding the Kada Gold Project footprint. The agreement is subject to conditions precedent being met before completion which the Company is working through at the date of this report.

On 2 February 2021, the Company announced the completion of a \$5,000,000 placement (555,555,556 shares at \$0.009 per share) to advance exploration on its gold projects and for working capital. 414,500,012 shares were issued under Tranche 1 on 8 February 2021 with the balance of 141,055,544 shares to be issued under Tranche 2 upon obtaining shareholder approval, expected to be received at the Company's next general meeting on 24 March 2021. Tranche 2 of this placement includes participation by the Company's Chairman for 40,222,210 shares being \$361,999.

On 5 February 2021, the Company issued 3,172,037 shares in lieu of cash payment for corporate finance advice on projects and acquisitions of \$32,196.

On 15 February 2021, the Company issued 3,076,471 shares in lieu of cash remuneration under the Company's Director and Employee Remuneration Share Plan in settlement of \$33,225 owing.

## 8. Exploration Commitments

The Group has the following expenditure commitments at balance date in respect of exploration interests, subject to the right to withdraw at any time.

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
Not later than one year	149,553	143,822
Later than one year, but not later than 5 years	1,518,105	67,098
Later than 5 years	-	-
	<u>1,667,657</u>	<u>210,920</u>

## Directors Declaration

The Directors declare that the condensed consolidated financial statements and notes of the consolidated entity set out on pages 13 to 21:

- (a) comply with *Accounting Standard AASB 134 – Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance, as represented by the results of its operations and its cash flows, for the Half Year.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to be "Adonis Pouroulis".

Adonis Pouroulis  
12 March 2021

# Independent Auditor's Review Report to the members of Golden Rim Resources Limited

## *Conclusion*

We have reviewed the half-year financial report of Golden Rim Resources Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

## *Material Uncertainty Related to Going Concern*

We draw attention to Note 2 in the financial report which indicates that during the half-year the Group incurred a net loss after tax of \$2,275,346 (2019: \$3,734,805) and incurred net cash outflows from operating and investing activities of \$2,095,634 (2019: \$4,032,454) during the half year ended 31 December 2020. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect to this matter.

## *Directors' Responsibilities for the Half-year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



**Penelope Pink**

Partner

Chartered Accountants

Perth, 12 March 2021