Golden Rim Resources

ASX/Media Announcement

8 March 2018

Outstanding Results from Ore Sorting Test Work at Paguanta

- Zinc, lead and silver recoveries of more than 94%, 91% and 90% respectively with up to 49% rejection of waste from initial bulk ore sorting test work from the Company's Paguanta Zinc-Silver-Lead-Gold Project in Chile.

- Removal of barren waste via ore sorting results in potential increase in the zinc, lead and silver grades of between 60 – 75%.

- A moderate grade ore sample was upgraded from 7.4% Zn Eq to 12.8% Zn Eq[1] and a low grade ore sample was upgraded from 2.6% Zn Eq to 4.3% Zn Eq.

- Ore sorting enables a range of development options to be considered in a Scoping Study currently being conducted by Mintrex Pty Ltd (**Mintrex**) on Paguanta, including:

    - mining of lower grade ore that was previously considered uneconomic; and

    - an increase in the production rate by at least 46% without the need to increase the plant size; or

    - maintain the currently envisaged production rate of 500 tpd and utilise a smaller plant which may result in a significant reduction in the project CAPEX[2].

- The ore sorting results have the potential to enhance the financial outcomes for any potential development at Paguanta, assisting the Company to secure a suitable corporate transaction.

Golden Rim Resources Ltd (ASX: GMR) (**Golden Rim** or **Company**) is pleased to announce it has identified an opportunity to optimise and significantly enhance the financial outcomes of its 73% owned Paguanta Zinc, Silver, Lead, Gold Project (**Paguanta**) in Chile, through the application of state-of-the-art ore sorting technology.

Ore sorting test work has been conducted by Steinert Global, Australia (**Steinert**), on two bulk composite samples of mineralised drill core (ie. a moderate grade sample grading 7.4% Zn Eq and a low grade sample grading 2.6% Zn Eq) collected from holes PTDD-17-131 to PTDD-17-137 (Appendix 2).

The results from the test work demonstrate that the Steinert KSS ore sorter with XRT (and a laser overlay) sensors performed well on the zinc-lead-silver ore from Paguanta (Photograph 1). The ore sorter managed recoveries of 89.2% zinc, 85.6% lead and 83.5% silver in only 51.2% of the mass for the lower grade ore. The higher grade ore showed much better separation with recoveries of 94.2% zinc, 91.2% lead and 90.1% silver in 54% of the mass (Table 1).

[1] Zn Eq = Zinc equivalent. See Appendix 1 for the Zn Eq calculation
[2] CAPEX = capital expenditure

With the ore sorting successfully removing the barren waste, an upgrade in the zinc, lead and silver grades of between 60 – 75% was achieved on the samples from Paguanta. The moderate grade ore sample was upgraded from 7.4% Zn Eq to 12.8% Zn Eq and a low grade ore sample was upgraded from 2.6% Zn Eq to 4.3% Zn Eq (Table 2).

The ore sorting test work results allow a number of additional development options to be considered in the Scoping Study currently being undertaken by Mintex (ASX announcement 14 December 2014). These options include:

1) **Possible inclusion of lower grade ore through ore sorting:** With the successful upgrading of the low grade ore sample by means of ore sorting, a mining development at Paguanta utilising an ore sorter ore can be considered in the current Scoping Study to economically process lower grade ore. The Scoping Study will now also assess the economics of possibly processing a larger tonnage, lower grade resource base.

2) **Increased production rate v reduction of CAPEX**: With the ore sorting removing up to 46% of the original ore as waste, the Scoping Study can also consider the alternatives of increasing the production rate by at least 46% without the need to increase the plant size, or maintaining the currently envisaged production rate of 500 tpd and to utilise a smaller plant which may result in a significant reduction in the project CAPEX.

Golden Rim's Managing Director, Craig Mackay, said the results from the initial ore sorting test work on the zinc-silver-lead mineralisation from Paguanta are significant:

"Very high zinc, lead and silver recoveries have been obtained from approximately one half of the ore mass. In addition, the zinc, lead and silver grades in the ore sorted concentrate have been upgraded by up to 75%, which is very important for a deposit such as Paguanta where the mineralisation is generally lower in grade than similar base metals deposits elsewhere."

"The positive results from the ore sorting are not unique to Paguanta. The introduction of this innovative technology is spreading through the region with Steinert installing a number of ore sorters at mining operations on similar epithermal zinc-silver-lead deposits just to the north of Paguanta in Peru."

"Golden Rim believes the Scoping Study currently being prepared will show that the introduction of an ore sorter to the processing circuit at Paguanta has the potential to enhance the financial fundamentals for any mine development and that this positive outcome will assist in the Company in securing a suitable corporate transaction on its interest in project."

Ore Type	Wet Sample Weight (kg)	Size Fraction (mm)	Mass Rejected (%)	Recovery Zinc (%)	Grade Upgrade Zinc (%)	Recovery Lead (%)	Grade Upgrade Lead (%)	Recovery Silver (%)	Grade Upgrade Silver (%)
Moderate Grade	50	10 - 20	46.0	94.2	75	91.2	71	90.1	67
Low Grade	44	10 - 20	48.8	89.2	73	85.6	60	83.5	61

Table 1. Summary of bulk sample XRT (with Laser Overlay) ore sorting results

Sample Type	Original Ore Head Grade	Ore Sorting Concentrate Grade	Grade Upgrade
Moderate Grade	4.8% Zn	8.4% Zn	75%
	1.4% Pb	2.4% Pb	71%
	79 g/t Ag	132 g/t Ag	67%
	0.19 g/t Au	0.31 g/t Au	63%
	7.4% Zn Eq	**12.8% Zn Eq**	**73%**
Low Grade	1.5% Zn	2.6% Zn	73%
	0.5% Pb	0.8% Pb	60%
	33 g/t Ag	53 g/t Ag	61%
	0.1 g/t Au	0.15 g/t Au	50%
	2.6% Zn Eq	**4.3% Zn Eq**	**65%**

Table 2. Sample assay results

Photograph 1. *Steinhert's KSS ore sorter in Perth, Western Australia.*

-ENDS-

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Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by Mr Craig Mackay, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Mackay is a full-time employee of Golden Rim Resources Ltd. Mr Mackay 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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mackay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to Mineral Resources is extracted from the announcement New Rsource Estimation for Paguanta dated 30 May 2017 and has been reported in accordance with the 2012 edition of the JORC Code. This announcement is available on the Company's website (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 this announcement.

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.

Appendix 1: Zn Eq calcuation

The Zn Eq grades were calculated using the following formula: Zn Eq%= (Zn %) + (Pb %*0.63) + (Ag g/t*0.019) + (Au g/t*1.38) that was used with the JORC 2012 Mineral Resource announcement for Paguanta dated 30 May 2017. The metal prices used for the zinc equivalent formula were: Zinc - $US 1.1911/lb; Lead - $US 0.9411/lb; Silver – $US 17.07/oz; and Gold - $US 1,252/oz. The metallurgical recoveries included in the zinc equivalent formula were the non-optimised metallurgical recoveries were derived from previous test work at Paguanta and include 82%, 80% and 90% for zinc, lead and silver respectively. For gold a 90% recovery has been assumed, which Golden Rim believes is a reasonable average for an epithermal style of deposit. It is Golden Rim's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold.

Golden Rim Resources

Appendix 2: JORC Code (2012 Edition), Assessment and Reporting Criteria

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Explanation
Sampling Techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• All of the sampling described in this report refers to diamond core (DD) drill samples. The DD drilling was sampled using a geologic lithology and/or mineralization boundary bracketing system whereby samples are no less than 0.5m and no more than 2.0m • The DD core was cut in half with a core saw on site. Half of the core was sampled, retaining the other half on site. • Samples were all collected by qualified geologists or under geological supervision. • The samples are judged to be representative of the rock being drilled. • Location of each hole was recorded in WGS84 by hand held GPS with positional accuracy of approximately +/- 3 metres. • At the completion of the drilling campaign surveying with a differential GPS, which is accurate to +/-0.1m in X, Y and Z will be carried out on all holes drilled. Location data was collected in WGS84. • All drilling samples were submitted to ALS Laboratory Group, Chile for preparation and analysis.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• DD drilling was carried out using a BBS-56 rig drilling a HQ-3 (61mm) diameter hole. • The DD core was collected in aluminium boxes; labelled with the name of the drill hole, box number and from-to meterage. Drill core strings are identified at the start and end of each string with wooden blocks.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Core recovery was carried out on site by personnel responsible for drill hole control by measuring recovered core lengths versus drilled lengths. RQD was also performed. This information was registered on the wooden core blocks and the drilling reports. • The consistency of the mineralised intervals and density of drilling is considered to prevent any sample bias issues due to material loss or gain.
Logging	• Whether core and chip samples have been geologically and geotechnically	• Detailed geological logging has been

Criteria	JORC Code Explanation	Explanation
	logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	carried out on all drill samples, recording lithology, weathering, structure, veining, mineralisation, grainsize and colour. • Logging of sulphide mineralisation and veining is quantitative. • The geological logging was done using a standardised logging system. This information and the sample details were entered into the drilling database.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• The standard sample interval was between 0.5-2m lengths of half core. When duplicate samples were taken quarter core samples were taken. The sampling interval may be broken at changes in geology or mineral zone, so the length of the sample interval can vary. • A technician cut the core in half along the axis using a diamond cutting saw, at intervals defined by the geologist during logging. • Half of the core is stored in the tray for backup purposes, while the other half is collected in a plastic bag for chemical analysis. The bag includes two tickets (one that is loose inside sample bag and one which is stapled to interior of bag) which identify the sample number. The sample numbers are also written on both sides on the exterior of the sample bag. • The geologist leaves one ticket in the core tray at the beginning of each sample interval and also stores a duplicate of the ticket with the same number, hole-id, from, to, etc. • Samples were then put into sealed sacks (max 5 samples per bag) and stored securely on site at project. • When 3 full sample lotes (complete drill holes) were finished (3700-4700kilos), the samples were transported by road to to ALS Global laboratory in Antofagasta (usually once every two weeks) in a 5000k cargo truck. • The sample preparation for all samples follows industry best practice. • At the laboratory all samples were weighed, dried and crushed to -2mm in a jaw crusher. A 250g split of the crushed sample was subsequently pulverised in a ping mill to achieve a nominal particle size of 90% passing 75um. • Field QC procedures involve the use of certified reference material as assay

Criteria	JORC Code Explanation	Explanation
		standards and blanks. The insertion rate of these averaged 1:20. • The sample sizes are considered to be appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• The laboratory used Agua Regia digestion and analysis by High Grade Four Acid ICP-AES(ME-ICP61a) for 33 elements. Zn & Pb (20-100000ppm),Ag (1-200ppm) • Over limit results for Zn, Pb, and Ag were analysed using AAS (method OG62) to provide ore grade results in the ranges of Zn & Pb (0.001-30%), Ag (1-1500ppm) (g/t). • Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure the grind size of 90% passing 75 microns. • Internal laboratory QAQC checks were reported by the laboratory. • Review of the internal laboratory QAQC suggests the laboratory is performing within acceptable limits.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Sample data was compiled and digitally captured by the company's geologists. • The compiled digital data is verified and validated by the Company's database geologist. • Reported results were compiled by the Company's Senior Geologists and the Managing Director. • There were no adjustments to the assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Down-hole surveys were completed at the end of every hole (where possible) using a Reflex EZ Trac down-hole survey tool. Measurements were taken at approximately every 15-20 meters depending on length of the hole. • At the completion of the program all holes are surveyed with a DGPS, which has location accuracy of +/- 0.1m, X, Y and Z. Location data was collected in WGS84
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation	• The drill intercepts are irregularly spaced. • There was no sample compositing in samples reported. At the completion of the program, all assay results for Zn, Pb and Ag will be compiled the company may decide to do composite samples for Au.

Criteria	JORC Code Explanation	Explanation
	procedure(s) and classifications applied. • Whether sample compositing has been applied.	• December 2012 Mineral Resource Estimate (JORC 2004) was calculated using 2m composite data subdivided by the geological interpretation. • The method used to estimate mineral resources for Zinc, Lead and Silver was Ordinary Kriging. • Detailed visual and statistical review of the mineral resource was completed as part of routine validation, and the mineral resources is considered globally robust.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• All drill holes reported here were drilled approximately at right angles to the strike of the target mineralisation. • No orientation based sampling bias has been identified in the data at this point.
Sample security	• The measures taken to ensure sample security.	• Samples are securely stored on site prior to road transport by Company personnel or ALS Global personnel to the laboratory in Antofagasta, Chile.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• A review by Golder and Associates was undertaken as part of the 2013 Feasibility Study.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Explanation
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The DD drilling results are from the Paguanta Project. • The Paguanta Project is comprised of 14 exploitation concessions covering a total surface area of 3,900ha, and 8 exploration concessions covering a total surface area of 2,100ha. • Paguanta Resources (Chile) SA (PRC) is a wholly owned subsidiary of Golden Rim. PRC holds 70% of the shares in Compania Mineral Paguanta SA, which holds the mineral concessions at the Paguanta Project. • Tenure is in good standing.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Explanation</th></tr>
<tr><td>Exploration done by other parties</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>The area that is presently covered by the Paguanta Project has undergone some previous mineral exploration.</td></tr>
<tr><td>Geology</td><td>Deposit type, geological setting and style of mineralisation.</td><td>Paguanta is located in the Tarapacá Region of northern Chile, approximately 120km northeast of Iquique and 30km west of the Chile-Bolivia border. Paguanta is situated approximately 40km northeast of BHP Billiton’s Cerro Colorado Mine, which has a Mineral Resource of 400Mt @ 0.62% copper for 5.5Blb of copper and annual copper cathode production of approximately 175Mlb.
The Patricia zinc-silver-lead deposit, located in the south of the Project area, is the best explored area at Paguanta.
The epithermal-style mineralisation is hosted in andesite and rhyolite volcanic rocks and consists of silver-lead-zinc sulphides in multiple mineralised vein structures that are typically steep dipping, 3m to 15m in width, and have an east/west orientation. The style of mineralisation within the vein structures includes massive to semi-massive sulphide replacement, breccia zones and stockwork vein zones.</td></tr>
<tr><td>Drill hole Information</td><td>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
dip and azimuth of the hole
down hole length and interception depth
hole length.
If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the</td><td><table>
<tr><th>Hole ID</th><th>Easting (m)</th><th>Northing (m)</th><th>Elevation (m)</th><th>Azimth (0)</th><th>Dip (0)</th><th>Total Depth (m)</th></tr>
<tr><td>PTDD-17-131</td><td>494211</td><td>7809176</td><td>3755</td><td>183</td><td>-50</td><td>367.4</td></tr>
<tr><td>PTDD-17-132</td><td>494344</td><td>7809136</td><td>3803</td><td>179</td><td>-44</td><td>255.7</td></tr>
<tr><td>PTDD-17-133</td><td>494388</td><td>7809284</td><td>3799</td><td>180</td><td>-60</td><td>450</td></tr>
<tr><td>PTDD-17-134</td><td>494564</td><td>7809204</td><td>3805</td><td>177</td><td>-55</td><td>427.9</td></tr>
<tr><td>PTDD-17-135</td><td>494353</td><td>7809359</td><td>3786</td><td>174</td><td>-60</td><td>610</td></tr>
<tr><td>PTDD-17-136</td><td>494240</td><td>7809433</td><td>3,727</td><td>180</td><td>-55</td><td>557</td></tr>
<tr><td>PTDD-17-137</td><td>494132</td><td>7809384</td><td>3709</td><td>180</td><td>-55</td><td>521</td></tr>
</table>Notes:
Projection is UTM WGS84, zone 19 south</td></tr>
</table>

Criteria	JORC Code explanation	Explanation
	case.	
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Samples were taken at 1m intervals, except when there was a geological change. In this case, the sample was taken to the geological boundary. • No weighting or high grade cutting techniques have been applied to the data reported. • Assay results are generally quoted rounded to 1 decimal place. • Metal equivalent values are not reported in this announcement.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• The orientation of the mineralised zone has been established and the drilling was planned in such a way as to intersect mineralisation in a perpendicular manner.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Maps are provided in the main text.
Balanced	• Where comprehensive	• All sample results containing significant assays are

Criteria	JORC Code explanation	Explanation
reporting	reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	reported the table in the main text.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• There is no other exploration data which is considered material to the results reported in the announcement.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Further infill, downdip and lateral extension, as well as exploration drilling is planned to follow up the results reported in this announcement.