ENCOURAGING METALLURGICAL TESTWORK RESULTS FROM THE QUICKSILVER NICKEL-COBALT PROJECT

Highlights:

- Preliminary metallurgical testwork completed to assess processing characteristics for lateritic nickel-cobalt mineralisation at Quicksilver.
- 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).

  Nickel recovery of 85% - 90%

  Cobalt recovery of 76% - 77%
- Further opportunities identified for optimisation of the leaching process.
- Screening and scrubbing may be an effective beneficiation process to reject highly siliceous but poorly mineralised material.
- Excellent settling results obtained for atmospheric leaching of a laterite-hosted mineralisation.
- Results show that mineralisation can be effectively processed and Golden Mile will now undertake further evaluation of the Project to assess development options.

Golden Mile Resources Ltd (ASX:G88, "Golden Mile" or the "Company") is pleased to advise that a metallurgical testwork program has been completed on mineralised samples from its Quicksilver Nickel-Cobalt Project located in the South West Mineral Field of Western Australia.

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. 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.

Regarding the testwork results, Golden Mile's Managing Director, Mr Lachlan Reynolds commented:

> *"The Company is very encouraged by these preliminary metallurgical testwork results, which confirm that nickel and cobalt recovery from the laterite mineralisation present at the Quicksilver Project is comparable to other commercial laterite mining operations. Golden Mile can now move ahead with a scoping-level assessment of the options that are available for the further development of the Project."*

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.

Metallurgical Testwork

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

Metallurgical testwork results show that good metal recoveries for an atmospheric leaching process were achieved at comparatively low sulfuric acid doses. The results are considered to be very encouraging considering they are derived from preliminary bench-scale testwork and have not been optimised.

Atmospheric Leaching

Atmospheric leaching testwork using sulfuric acid achieved recoveries of up to 90.2% nickel and 76.8% cobalt from the composite samples using acid dosages between 450 and 480 kg/t (Table 1). It was noted that both a longer residence time and higher temperature could potentially increase the total recovery.

Table 1: Summary of atmospheric leaching test results

Test No.	Sample Domain	Metal Recovery		Acid Dose (kg/t)	Time (hrs)	Temperature (°C)
		Nickel (%)	Cobalt (%)			
HY7311	Upper Saprolite	84.6	76.8	480	8.1	90.5
HY7312	Lower Saprolite	90.2	76.0	450	8.1	90.9

Other key observations of the Quicksilver leaching testwork included:

- Free acid levels at the conclusion of the tests were typical for atmospheric leaching and considered similar to other leaching processes. Acid neutralisation requirements are therefore also considered to be typical.
- Magnesium recovery was considered to be typical for a sulfuric acid leach.
- Aluminium and iron dissolution was generally higher than for a high-pressure acid leach (HPAL) processes but relatively low for an atmospheric leach.

- Manganese recovery was considered to be lower than expected but likely to be amenable to optimisation in order to increase cobalt recovery.

Atmospheric leaching test results indicate that the characteristics of the Quicksilver mineralisation are comparable with other commercial leaching processes. These results are considered to be encouraging, particularly considering the preliminary and unoptimised nature of the tests.

Size-By-Size Analysis

Assessment of the distribution of nickel and cobalt in the different size fractions of the composite sample suggests that there may be some benefit through screening and/or scrubbing to beneficiate the mineralisation prior to leaching (Table 2 and 3).

For example, results show that screening of the Upper Saprolite composite sample at less than 6.7 mm particle size rejects a small amount of material without significantly affecting the amount of contained nickel and cobalt. The same size fraction after scrubbing rejects approximately 20% of the mass, while retaining 88% of the contained nickel and 99% of contained cobalt.

Table 2: Summary of screening and scrubbing results by size fraction, Upper Saprolite sample

Size Fraction (mm)	Screening			Scrubbing		
	Mass Recovery (%)	Nickel Recovery (%)	Cobalt Recovery (%)	Mass Recovery (%)	Nickel Recovery (%)	Cobalt Recovery (%)
< 6.7	92.4	97.2	97.4	80.2	88.1	99.1
< 2	80.6	91.6	83.2	69.3	82.6	69.2
< 1	74.6	88.3	73.3	65.8	80.5	63.9
< 0.5	69.1	84.9	64.2	61.1	76.9	56.6
< 0.35	65.8	82.4	59.5	58.4	74.9	52.8
< 0.106	49.6	68.4	41.2	45.1	63.6	37.5

Table 3: Summary of screening and scrubbing results by size fraction, Lower Saprolite sample

Size Fraction (mm)	Screening			Scrubbing		
	Mass Recovery (%)	Nickel Recovery (%)	Cobalt Recovery (%)	Mass Recovery (%)	Nickel Recovery (%)	Cobalt Recovery (%)
< 6.7	90.3	97.1	95.9	89.0	96.5	97.0
< 2	75.3	92.4	86.6	72.5	91.2	89.3
< 1	68.6	90.0	80.2	67.5	89.1	82.7
< 0.5	62.7	87.0	70.9	61.1	85.3	72.6
< 0.35	59.9	85.1	66.7	58.1	82.9	68.0
< 0.106	45.4	68.1	48.8	44.9	68.5	50.9

The main effect of screening and scrubbing is interpreted to be the rejection of relatively poorly mineralised siliceous material present within the mineralisation.

Settling Testwork

Bench-scale settling tests were performed on the atmospheric leach residues. Final solids of 29.9% and 24.4%, excellent for bench-scale settling, were achieved for the Upper Saprolite and Lower Saprolite samples, respectively (Table 2). Testwork utilised flocculant dosages typical for a leaching process.

Table 3: Summary of settling testwork results

Test No.	Sample Domain	Initial Solids (%)	Final Solids (%)	Flocculant Dose (g/t)
HY7311	Upper Saprolite	3.97	29.9	145.9
HY7312	Lower Saprolite	4.09	24.4	140.1

Further Work

The encouraging results of the preliminary metallurgical testwork gives Golden Mile 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.

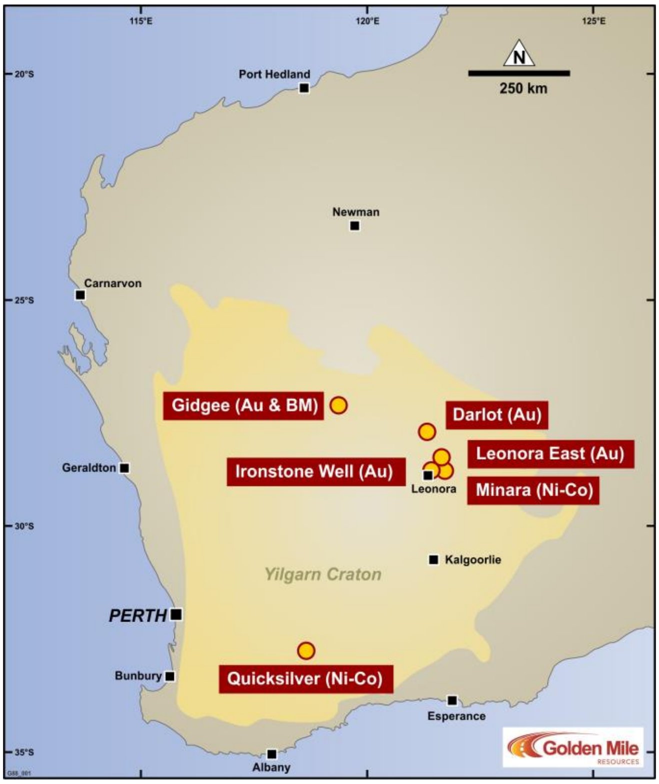
Further metallurgical testwork has been recommended to the Company to ensure that composite samples representative of the global mineral resource are obtained, variability within the resource is evaluated, and processing parameters are optimised. When appropriate, continuous leaching and/or large scale batch testing is recommended to establish the parameters for a commercial operation.

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

Justyn Stedwell – Company Secretary
Golden Mile Resources Ltd (ASX: G88)
T: (03) 9191 0135, **F:** (03) 8678 1747
E: 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 gold, nickel-cobalt, and base metal projects in Western Australia.

The Company was formed in 2016 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: www.goldenmileresources.com.au

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.

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 information in this report that relates to Metallurgical Results is based upon and fairly represents information and supporting documentation prepared by Mr Boyd Willis, a Competent Person who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Willis has sufficient experience which is relevant to metal recovery from the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person under the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. This includes over 22 years of experience in metal recovery from laterite mineralisation. Mr Willis consents to the inclusion of the technical data in the form and context in which it appears. Mr Willis is an independent consultant engaged by the Company.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements referenced in this announcement. 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 announcements.

Appendix 1: JORC Code, 2012 Edition – Table 1

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
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.*	• RC percussion drilling was used to obtain 1 m chip samples of approximately 20 kg size. • Bulk samples of approximately 5 kg were collected from selected 1 m chip samples in order to obtain two representative bulk samples. • Each bulk sample comprised a total of approximately 100 kg of material for metallurgical testing. • Compositing and homogenisation of samples was completed by ALS Metallurgy.
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).*	• RC percussion drilling (5.25" face sampling bit) was utilised.
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.*	• RC percussion drill samples were weighed to assess chip sample recoveries. • There is no identified sample bias or relationship between grade and sample recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically 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.*	• All drill holes were geologically and geotechnically logged to a level of detail appropriate for further technical studies. • Logging is primarily qualitative in nature.
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*	• RC percussion drill samples were cone split directly from the cyclone of the drill rig to obtain an assay sub-sample for all 1 m intervals. • Bulk samples of approximately 5 kg size were collected from the remaining material from the 1 m intervals. • The sample size is considered appropriate to the grain size of the material being sampled.

Criteria	JORC Code explanation	Commentary
	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.*	
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.*	• Samples were submitted to ALS Metallurgy located in Balcatta, Perth. • Details of the nature of the laboratory testwork are contained within the body of the announcement.
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.*	• No verification of assaying completed by ALS Metallurgy has been completed by the Company.
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.*	• Drill hole collars are all located using a handheld GPS with accuracy of ±5 m. • Downhole surveys have been collected with a single-shot electronic downhole camera system, typically at 30 m intervals downhole. • The grid system used is the Geocentric Datum of Australia 1994 (GDA 94), projected to UTM Zone 50 South. • Topographic control is adequate using a surveyed digital elevation model.
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 procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Spacing and distribution of drill holes is sufficient to establish the degree of geological and grade continuity appropriate for the estimation of a resource. • Sample compositing has been applied to RC percussion drill hole samples to produce a bulk sample for metallurgical testing. • Samples have been selected to be representative of the two key mineralogical and geochemical zones within the resource. • The amount and distribution of sampling is insufficient for metallurgical test results to be considered representative of the whole resource.
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.*	• The orientation of the sampling is downhole, approximately perpendicular to the interpreted mineralised zones. • No sampling bias is considered to have been introduced at this time due to appropriate drilling orientation.
Sample security	• *The measures taken to ensure sample security.*	• Samples were bagged and secured by Company field staff prior to transport to the laboratory. • Samples were delivered directly to the laboratory by Company staff.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• At this preliminary stage no audits of sampling techniques and data have been completed.

Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
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 reported metallurgical results are from mineralisation located on granted exploration license E70/4641. • The Company has 100% ownership of the tenement. • The tenement overlays privately owned land. • Access agreements are in place with the landowners where the active work program is being undertaken. • The Company is in compliance with the statutory requirements and expenditure commitments for its tenements, which are considered to be secure at the time of this announcement. • There are no demonstrated or anticipated impediments to operating in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The deposit was discovered by Otter Exploration NL in 1979-80, who identified anomalous nickel mineralisation in a program of geological mapping, rock chip and soil sampling. • Associated Goldfields NL completed a limited program of ground magnetics and shallow vacuum drilling in 1984-85 confirming anomalous nickel and cobalt in the weathered zone. • Tiger Resources NL explored the ground between 1996 and 2001, completing more extensive geochemical soil surveys and shallow RAB drilling that also intersected anomalous nickel and cobalt. • Australia Minerals and Mining Group (AMMG) completed >2,500 m RC percussion drilling over the project area in 2011-13 exploring for nickel, iron ore and gold mineralisation. AMMG reported significant nickel mineralisation intercepts at the Garard's prospect. • Compilation and digital capture of key historical data, principally the soil sampling data from Tiger and drilling data from Tiger and AMMG, has been completed. These data being utilised to assist with the ongoing work program. However, the Company is not materially reliant on this information.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The project is hosted within an unnamed Archaean (?) Greenstone Belt comprising mafic-ultramafic rocks that have been deformed and metamorphosed under at least amphibolite facies conditions. • A laterite deposit occurs as a near-surface, sub-horizontal blanket of oxidised nickel-cobalt mineralisation, hosted by weathered mafic-ultramafic rocks.
Drill hole Information	• *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.*	• Not applicable, no drilling results reported.

Criteria	JORC Code explanation	Commentary
	• *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 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.*	• Not applicable, no drilling results reported.
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').*	• Not applicable, no mineralisation widths or intercept lengths reported.
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.*	• Not applicable to the metallurgical results reported.
Balanced reporting	• *Where comprehensive 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.*	• Representative and balanced results are reported.
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.*	• Metallurgical testwork results detailed in the body of this 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.*	• The ongoing work program at Quicksilver may include infill and extension RC percussion and diamond drilling to test for lateral extensions of the mineralisation, metallurgical testwork and other feasibility studies as appropriate.