

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2018

### HIGHLIGHTS

- Exploration and development activities continued at the Garard's prospect where the Company has delineated a significant lateritic nickel-cobalt deposit:
  - Extensional RC drilling was completed to the north and south of the Garard's prospect, intersecting significant mineralisation at the Garard's South prospect including:  
**QRC 162 - 45 metres @ 0.71% Nickel and 0.04% Cobalt from 15 metres to end of hole  
Including 5 metres @ 1.32% Nickel and 0.13% Cobalt from 55 metres to end of hole**
  - Three diamond drill holes completed at Garard's prospect intersected significant nickel-cobalt mineralisation, including:  
**QDD0001 - 36.6m @ 1.01% nickel from 49.5m depth**
  - Representative density (specific gravity) measurements were successfully collected from drill core to facilitate the estimation of a JORC Code compliant resource for the deposit.
  - Resource estimation has commenced and the Company expects to be able to report a maiden JORC Code compliant oxide resource estimate for the deposit during the next quarter.
  - The Company has engaged Dr Nigel Brand, an expert in nickel laterite geochemistry, to assist with the geological interpretation of the Garard's prospect.
  - Metallurgical testwork on representative samples from key geological and mineralised zones within the resource will be undertaken and the Company has also engaged Boyd Willis, a nickel laterite/oxide specialist metallurgical consultant to oversee this work.
- A Moving Loop EM survey (MLEM) was extended to the north of the Quicksilver exploration license and 3 new 'Category 1' anomalies were identified by exploration consultants Newexco. Fixed Loop EM (FLEM) was completed to model and target these anomalies for drilling.
- Drilling of the 'Anomaly One' target at Wyatt's prospect successfully intersected massive sulphides in RC percussion and follow-up diamond drill holes.
- Evaluation of gold targets on the Company's projects in the North-Eastern Goldfields was accelerated, with a view to progress field exploration programs in the next quarter.

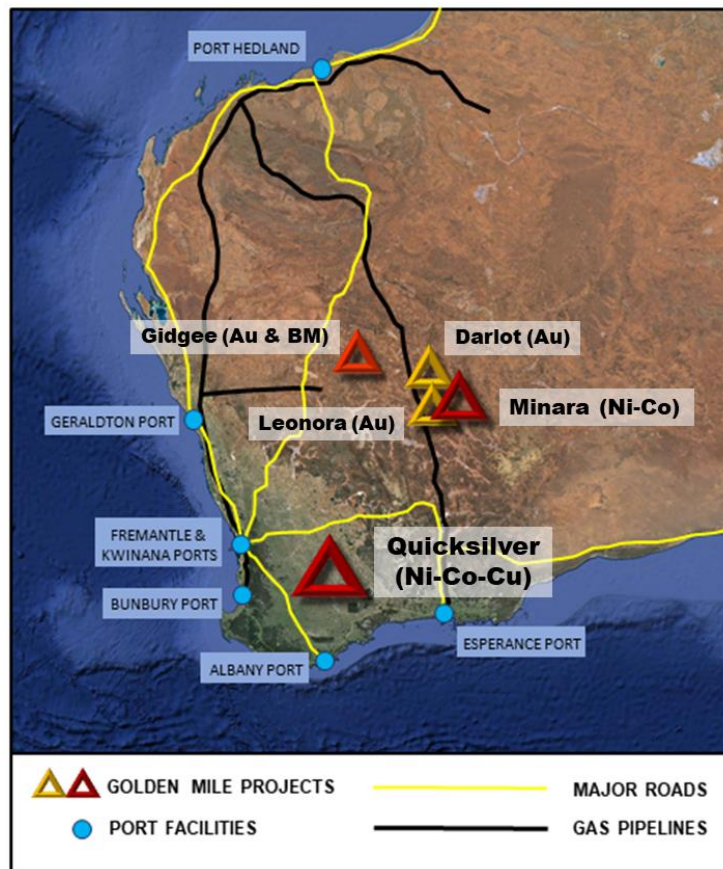
**Golden Mile Resources (ASX: G88)** ("Golden Mile" or "the Company") is pleased to report on the ongoing exploration program over the Quicksilver nickel-cobalt project in the South-West Mineral Field and the Company's gold projects in the North-Eastern Goldfields of Western Australia (Figure 1).

#### MARKET DATA

ASX Code: G88  
Share Price: \$0.16 (as at 30/10/2018)  
Market Cap: \$9.3 Million  
Shares on Issue: 57,899,977 (as at 30/09/2018)  
Options on Issue: 7,925,000  
Cash at bank: \$2.2 Million (as at 30/09/2018)

#### BOARD & MANAGEMENT

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



*Figure 1 – Golden Mile Project Locations*

## 1. QUICKSILVER NICKEL-COBALT PROJECT

### 1.1 Laterite Nickel-Cobalt Mineralisation

Golden Mile is evaluating a significant nickel-cobalt mineralised laterite deposit located near Pingaring in the South-West Mineral Field of Western Australia. The project is located on farmland approximately 280 km southeast of Perth in an area with excellent local infrastructure, including easy access to grid power, sealed roads and a railway line to key ports.

#### ***RC Percussion Drilling***

A RC percussion drilling program was completed to extend the known mineralisation at the Garard's prospect (refer to Golden Mile ASX announcement dated 8 August 2018). The shallow drilling program, comprising a total of 14 drill holes for 726 metres of drilling, was targeted to assess the extent and continuity of the mineralisation both to the north and south of the existing drill grid pattern (Figure 2).

The Company was particularly encouraged by the assay results for the Garard's South area, where the drilling intersected wide intercepts of anomalous nickel and cobalt, including:

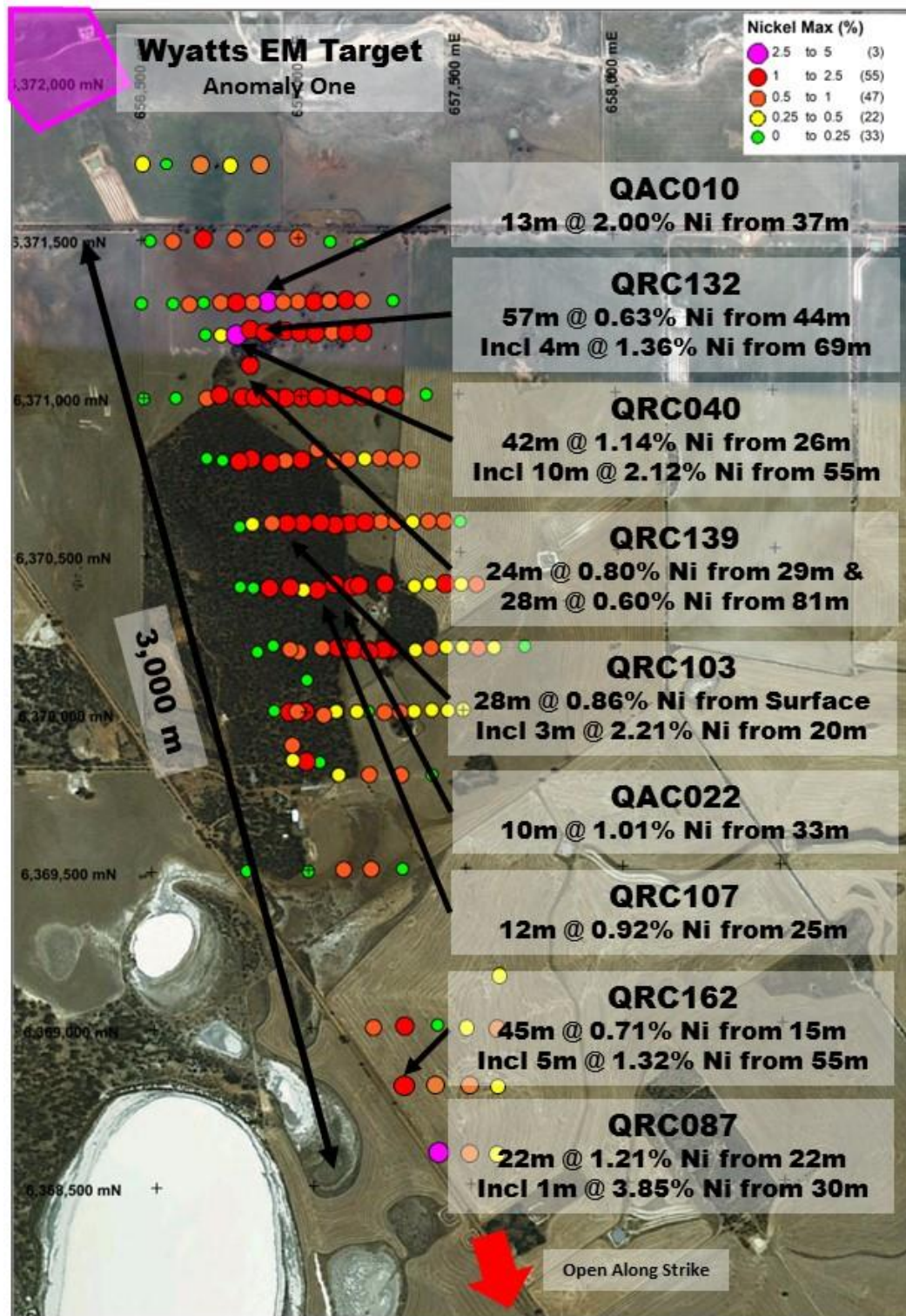
**QRC 160 - 24 metres @ 0.43 % Nickel and 0.02% Cobalt from 24 metres (EOH)**

**QRC 161 - 33 metres @ 0.40% Nickel and 0.01% Cobalt from 30 metres (EOH)**

**QRC 162 - 45 metres @ 0.71% Nickel and 0.04% Cobalt from 15 metres (EOH)**

**Including 5 metres @ 1.32% Nickel and 0.13% Cobalt from 55 metres (EOH)**

\*EOH = End of Hole, i.e. drill hole ended in mineralisation



**Figure 2 – Garard’s and Garard’s South prospect areas showing the location of drill hole collar locations and significant mineralisation intercepts**

The drilling program at Garard’s South ended prematurely due to access issues resulting from high rainfall. In addition a number of drill holes at this location ended in mineralisation and require additional testing at depth.

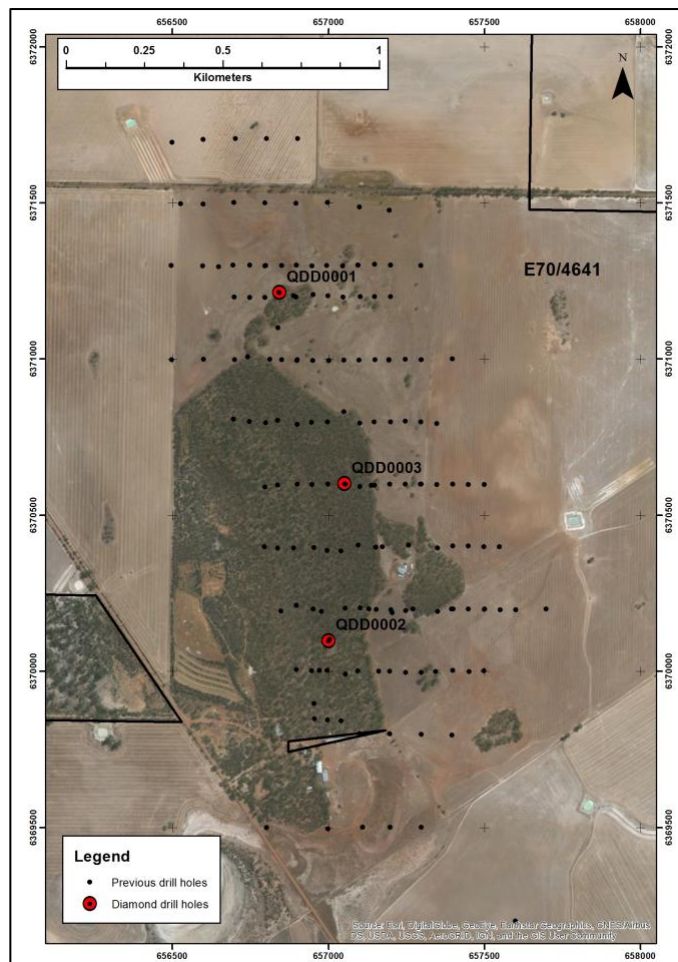
Further drilling is required to fully assess the potential of the mineralisation at Garard’s South and the Company considers that this area will contain significant additional resources similar to the mineralisation defined at Garard’s.



## ***Diamond Drilling***

Three shallow, vertical diamond drill holes (QDD0001-3) were successfully completed at Garard's prospect (Figure 3) for a total of 247.9m of core drilling (refer to Golden Mile ASX announcement dated 17 October 2018). All three holes were twins of existing RC percussion drill holes and were principally designed to obtain representative core samples through the nickel-cobalt mineralisation so that an accurate measurement of the rock density could be obtained for the forthcoming resource estimation for the deposit (see below).

These are the first diamond drill holes into the deposit and they provide a valuable insight into the nature of the weathering profile and its relationship to the nickel and cobalt mineralisation, which will assist the resource estimation as well as the metallurgical study.



***Figure 3 – Collar locations for diamond drill holes QDD0001-3 at the Garard's prospect***

## ***Density Measurements***

Specific gravity (SG) of the diamond drill core from Garard's prospect was measured using a standard gravimetric method, calculated using the weight of the core samples in both air and submerged in water. The core was dried prior to measurement and porous material was wax-coated to prevent water ingress.

The results of the work show that the average SG of the mineralised laterite varies from 1.90 to about 2.50 in ferruginous silicified zones. Fresh ultramafic host rock has an average SG of about 2.40. The measured SG's of the mineralised rocks are considered to be significantly higher than a "standard" laterite deposit, likely due to the silicic nature of the key mineralised zones. These results will be utilised in the resource estimation for the deposit (see below).

### ***Resource Estimation***

The resource estimation process for Garard's prospect has commenced and the Company has engaged independent consultant Paul Payne from PayneGeo Pty Ltd to undertake this work. Geological interpretation and grade modelling of the deposit is currently in progress, in conjunction with the Company's geological team. It is anticipated that the resource estimate will be finalised in November 2018.

### ***Lithogeochemistry***

The Company has engaged Dr Nigel Brand of Geochemical Solutions Pty Ltd to undertake a lithogeochemical assessment of the deposit at Garard's. Dr Brand is a highly experienced geochemist and an expert in nickel laterites. The Company has compiled a comprehensive multi-element assay database suitable for mapping out different rock types and to assess the key regolith domains which are important controls on the distribution of mineralisation. A review of the assay data by Dr Brand has already provided useful insights into the lithology of the deposit and the key alteration/weathering boundaries that will be critical in the geological interpretation of the deposit for the resource estimate.

### ***Metallurgy***

The Company is planning to commence a program of metallurgical testing as soon as practicable. A number of representative samples have previously been collected for testing and additional samples may be required based on the geological modelling and lithogeochemical work currently being undertaken. The Company has engaged Boyd Willis, an independent metallurgist with extensive experience in the processing of lateritic deposits, to oversee the proposed work program and provide an assessment of test results.

### ***Further Work***

The Company is advancing the detailed technical studies at Garard's prospect with the aim of progressing to a scoping study level evaluation of the deposit. The resource estimate and metallurgical testwork currently being undertaken by the Company, in conjunction with a thorough understanding of the geology of the deposit, will be critical to determine the mining and processing options that the Company will consider at this stage in the development of the project.

## **1.2 Massive Sulphide Targets**

### ***RC Percussion Drilling***

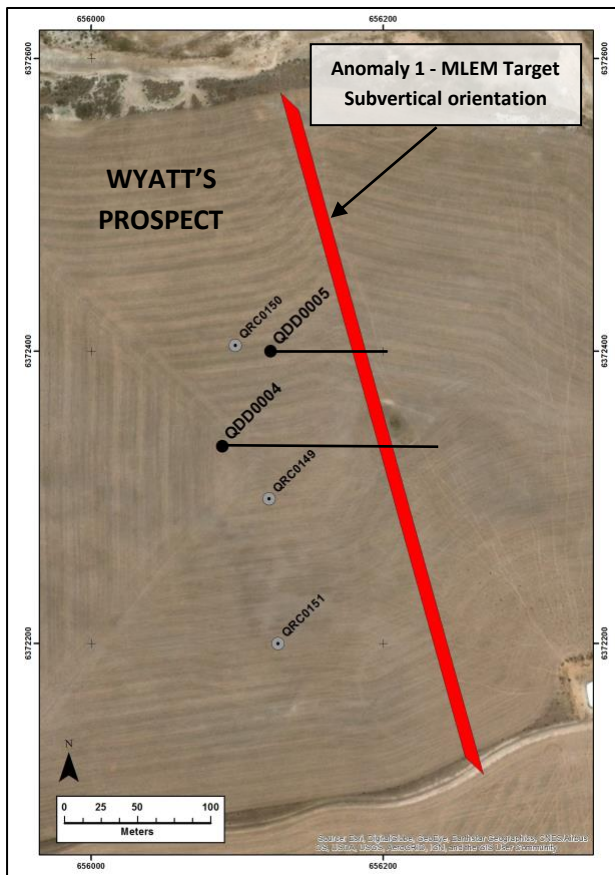
The Company initiated drill testing of massive sulphide targets at the Quicksilver Project with a program of 3 deep angled RC percussion drill holes (QRC0149-151, Figure 4) at the Wyatt's prospect, located approximately 500 metres to the north of Garard's prospect. A total of 684 metres of drilling was completed to test a steeply-dipping, north-northwest trending conductive target defined by previous geophysical surveys (see Golden Mile ASX announcement dated 11 July 2018).

The drilling program successfully intersected semi-massive to massive sulphides in the northern two drill holes, QRC0149 & 150 that contained anomalous copper mineralisation. However, subsequent down-hole electromagnetic surveys (DHEM) indicated that the holes had not intersected the main part of the sulphide zone and the Company determined that additional diamond drilling was required to fully test the target (see below).

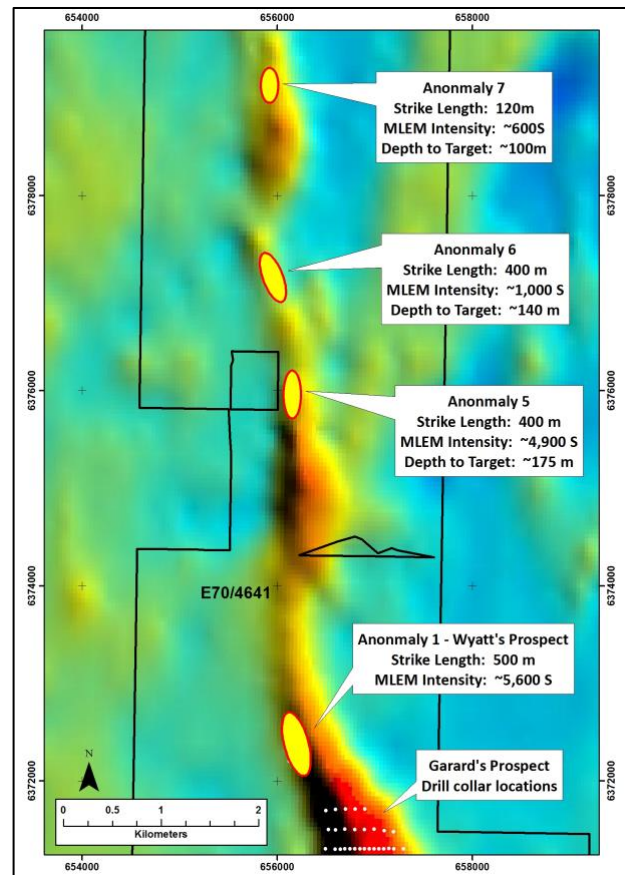
## Diamond Drilling

Two deeper angled diamond drill holes (QDD0004 and QDD0005) were successfully completed at the Wyatt's prospect (Figure 4) for a total of 441.4m of drilling. The holes were specifically designed to test DHEM target interpreted to be associated with sulphide mineralisation (see Golden Mile Resources ASX announcement dated 5 July 2018).

The diamond drill holes both intersected a 6-8 metre wide zone of semi-massive to massive sulphides dominated by pyrrhotite-pyrite mineralisation, with lesser chalcopyrite. This mineralisation coincides with the modelled position of the EM anomaly and is interpreted to be its source. Assay results have been received for both holes and show that the sulphide mineralisation is anomalous in copper but does not contain any significant nickel grades.



**Figure 4 – Drill hole collar locations at Wyatt's prospect shown on aerial photograph image**



**Figure 5 – Category 1 MLEM/FLEM targets overlain on regional magnetic image**

## Moving Loop Electromagnetic ('MLEM') Survey

Following the success of earlier geophysical surveys, the Company and exploration consultants Newexco, designed and initiated a MLEM survey to extend the geophysical coverage of the prospective ultramafic rock units to the north of the Wyatt's 'Category One' EM anomaly (refer to Golden Mile Resources ASX announcement dated 8 August 2018).

The survey, which utilised a 400 metre line spacing with 100 metre stations along those lines, covered approximately 8 kilometres of strike, extending survey coverage to about 15 km overall. A number of previously unknown EM anomalies were identified by the survey and these were further defined utilising detailed Fixed Loop EM ('FLEM') with 100 metre line spacing.



Preliminary modelling of the MLEM/FLEM survey has delineated three new Category One targets (Anomalies 5-7), the most prominent being approximately three kilometres north of Wyatt's prospect (Figure 5). In addition, ongoing modelling indicates the presence of a number of Category Two targets within the stratigraphy that have yet to be properly defined.

### ***Further Work***

The Company is encouraged by the result at Wyatt's prospect that the EM targets known as Anomalies 5, 6 and 7 (Figure 5) are also likely to be generated by sulphide mineralisation. These are still considered to be compelling nickel exploration opportunities because:

- 1) They are along strike from known nickel-copper-cobalt bearing rocks at the Garard's prospect;
- 2) They occur as discrete, apparently non-stratigraphic bodies (i.e. not graphitic shale or sulphidic chert units);
- 3) The targets are relatively shallow and easily tested with RC percussion drilling.

The occurrence of barren or weakly mineralised massive sulphides in a similar geological setting to nickel sulphides is common in WA and there are many barren sulphide horizons at Forrestania and also at Lanfranchi in the Widgiemooltha area. Consequently the Quicksilver project area is still considered highly prospective for massive nickel sulphide mineralisation.

The Company anticipates receiving the regulatory approvals to do further work during November 2018 and is planning to progress drilling of the targets before the end of the next quarter.



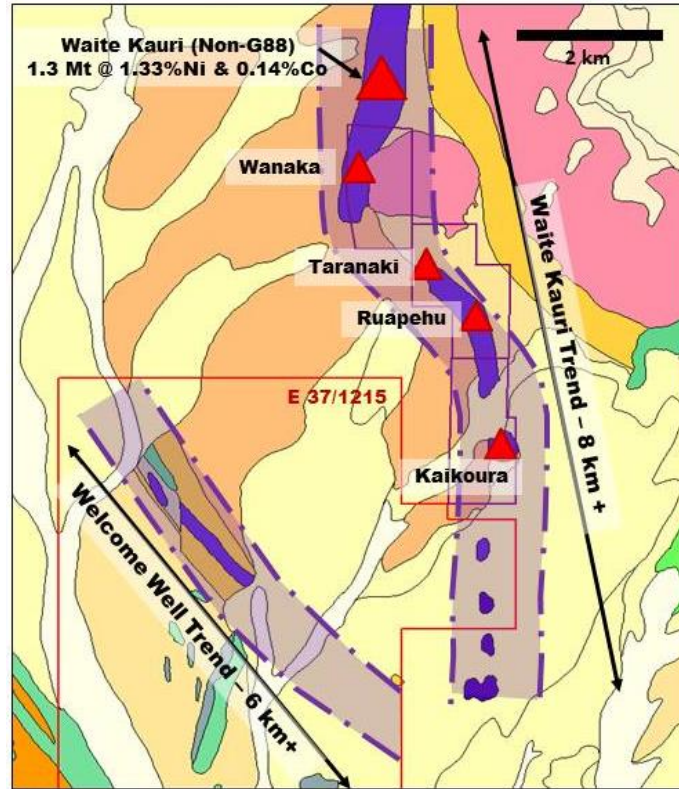
***Photograph 1 – Semi-massive to massive sulphide mineralisation from hole QDD0004, length 15cm, approximately 214 metres depth downhole***

## **2. MINARA NICKEL-COBALT PROJECT**

The Minara Nickel-Cobalt project is located approximately 30 km to the east of Leonora, to the northwest of Glencore's Murrin Murrin nickel mine and close to the NiWest nickel-cobalt development currently being progressed by GME Resources Ltd (for more information see [www.gmeresources.com.au](http://www.gmeresources.com.au)).

Exploration by previous workers has outlined a number of nickel-cobalt deposits along the Waite Kauri Trend (Figure 6), which require infill drilling to allow the estimation of a JORC Code 2012 compliant resource.

The current work program at Minara presently includes detailed evaluation of previous exploration and drilling, with a view to planning further infill and extensional drilling to increase the known resources in the project area.



*Figure 6 – Minara project and target stratigraphy (purple)*

### 3. GOLD PROJECTS

Golden Mile is undertaking a detailed program of data compilation, evaluation and target generation across its tenure in the North-Eastern Goldfields of Western Australia (Figure 7).

#### 3.1 Ironstone Well Gold Project – Leonora Region, NE Goldfields

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

The Company is evaluating additional exploration targets within project area with a view to implementing further field programs. Prospecting is active within the project area.

#### 3.2 Leonora East Gold Project – Leonora Region, NE Goldfields

The Company's Leonora East Project comprises two main blocks of tenements, over the Monarch Gold Trend in the north and the Benalla Trend in the south, which is adjacent to the Company's Minara Project area (Figure 7). The tenement areas are approximately 50 km to the northeast and 30 km to the east of Leonora, respectively.



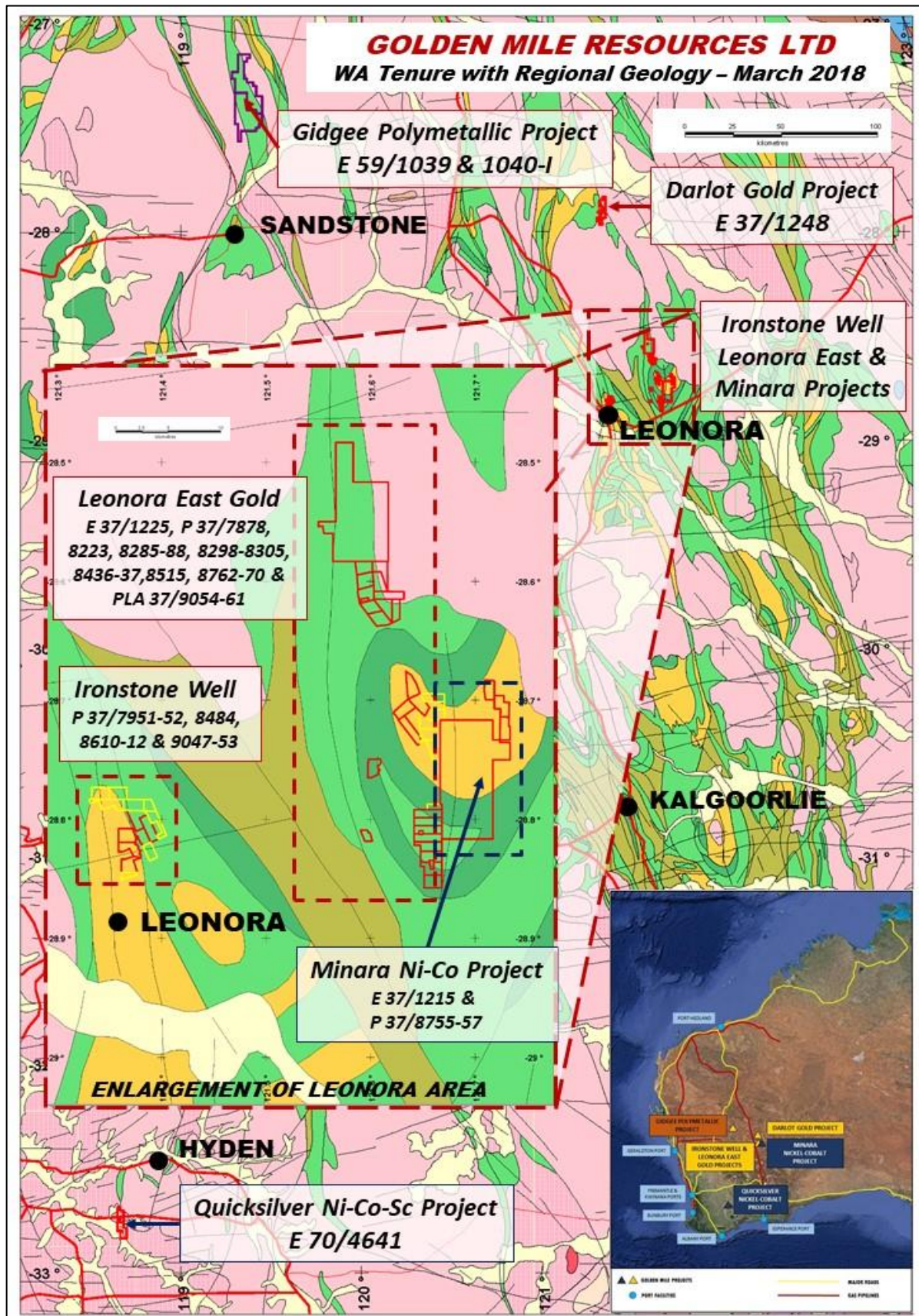


Figure 7 – Golden Mile gold projects in the North Eastern Goldfield

Previous exploration by Golden Mile at the Monarch Gold Trend in the northern part of the tenements has shown that the area contains numerous historical workings. Rock chip sampling and prospecting records indicate that the area is prospective over approximately 10 km of strike length.

The Company is undertaking a detailed analysis and evaluation of available data to define additional exploration targets within project area, which include known high-grade gold occurrences and historical mine workings. An exploration program, including drilling, is being prepared for the area and prospecting is active within the tenements.

### **3.3 Darlot Gold Project – Leonora Region, NE Goldfields**

The Darlot Project is located approximately 110 km north of Leonora (Figure 7) and comprises a single exploration license adjacent to the Darlot Gold Mine owned and operated by Red 5 Limited (see [www.red5limited.com](http://www.red5limited.com)).

The Company is evaluating additional exploration targets within the tenement area with a view to implementing a field program to investigate known near-surface gold mineralisation. Prospecting is active within the project area.

### **3.4 Gidgee Multi-Element Project – Northern Yilgarn**

The Gidgee Project comprises two large exploration licenses covering ground to the west of the historical gold mining areas in the Gum Creek (Gidgee) Goldfield, adjacent to tenements held by Horizon Gold Limited (see [www.panoramicresources.com/gumcreekgoldproject](http://www.panoramicresources.com/gumcreekgoldproject)). The tenements are located approximately 75 km north of the town of Sandstone in the northern Yilgarn Block (Figure 7).

The project area is considered prospective for both gold and base metal mineralisation. Data compilation and evaluation to target and prioritise future exploration is currently in progress.

## **4. CORPORATE**

### **4.1 Board Changes**

Golden Mile appointed Mr Lachlan Reynolds as the Managing Director the Company during the reporting period. Mr Reynolds commenced in the role on 23 September 2018.

On the 27 August 2018, the Company also announced the resignation of executive director Mr Tim Putt and non-executive director Dr Koon Lip Choo. Mr Putt has retired from the Board, however he will remain with the Company for several months to ensure a smooth transition.

### **4.2 Capital Raising**

The Company raised \$1.5 million dollars (exclusive of costs) at the end of July 2018 through the placement of 5,000,000 ordinary shares, at \$0.30 per share, to sophisticated and institutional investors. Refer to Golden Mile announcement dated 25 July 2018 for further details.



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**Golden Mile Resources Ltd (ASX: G88)**  
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 E: [justyn@stedwell.com.au](mailto:justyn@stedwell.com.au)

## About Golden Mile Resources Ltd



Golden Mile Resources is an Australian based exploration and development company, with an outstanding suite of cobalt, gold, and base metal projects in Western Australia. The Company was formed in 2016 and ASX listed in June 2017 to carry out the acquisition, exploration and development of mining assets in Western Australia, and has to date acquired a suite of exploration projects, predominantly within the fertile North-Eastern Goldfields of Western Australia.

The Company's portfolio includes two nickel-cobalt projects, namely the Quicksilver project in the South West Mineral Field and the Minara project in the North-Eastern Goldfields.

In addition, Golden Mile holds a suite of gold projects adjacent to Leonora which include the Ironstone Well & Leonora East projects.

The Company also holds the Darlot Gold project to the north of Leonora and the Gidjee Polymetallic project north of Sandstone.

For more information please visit the Company's website: <https://www.goldenmilresources.com.au/>

## Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based upon information compiled 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, and a full-time employee of the Company.

Mr Reynolds has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Reynolds consents to the inclusion in the report of the matter based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Golden Mile Resources Ltd (ASX: G88) planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Golden Mile Resources Ltd (ASX: G88) believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.