



Golden Rim
Resources

Golden Rim Resources Ltd

ABN 39 006 710 774

Half Year Report

For the period ended 31 December 2017

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Corporate Directory

Directors

Glenister Lamont, Non-Executive Chairman
Craig Mackay, Managing Director
Rick Crabb, Non-Executive Director (resigned 29 November 2017)
Kathryn Davies, Non-Executive Director

Company Secretary

Hayley Butcher

Registered Office

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Share Registry

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AUSTRALIA

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Auditors

Deloitte Touche Tohmatsu
Tower 2, Brookfield Place
123 St Georges Tce
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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

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 ended 31 December 2017 (**Half Year**) (**Half Year Report**).

Directors

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

Glenister Lamont
Craig Mackay
Kathryn Davies

Rick Crabb was a director of the Company during the period until 29 November 2017.

Operating Results

During the Half Year, the consolidated entity incurred an operating loss after tax of \$3,090,405 (2016: \$2,171,413) which included mineral exploration expenditure written off of \$2,750,477 (2016: \$1,558,496).

Overview of Operations for the Half Year

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

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

During the Half Year, Golden Rim commenced a 1,500m diamond and 15,000m reverse circulation (**RC**) resource definition drilling program on the Guitorga Lodes at Kouri with the aim of delineating a maiden Mineral Resource. The Company then entered into a US\$1m drilling for equity agreement with Ausdrill Limited (**Ausdrill**). Given the agreement with Ausdrill, the Company has extended the reverse circulation (**RC**) drilling portion of the planned program to 17,500m in order to further delineate and expand zones of high grade gold mineralisation prior to the preparation of the Mineral Resource estimate, scheduled for the end of the first quarter of 2018.

By the end of the Half Year, the diamond drilling program of 12 holes had been completed (BADH001 – BADH012 for a total of 1,530m) and all assay results had been received and reported.

The RC drilling program continues and by the end of the Half Year, 68 holes (BARC131 – BARC198 for a total of 8,880m) of the initial planned 120 hole program had been completed. All of these assay results were received and reported.

High-grade intercepts included:



- 12m at 8.3 g/t gold from 92m, including 1m at 78.9 g/t gold in BARC154;
- 12m at 7.8 g/t gold from 77m, including 4m at 21.2 g/t gold in BARC198;
- 4m at 20.0 g/t gold from 23m, including 1m at 76.4 g/t gold in BARC169;
- 13m at 4.0 g/t gold from 49m, including 1m at 31.6 g/t gold and 8m at 3.9 g/t gold from 108m in BARC192;
- 6m at 8.3g/t gold from 10m and 4m at 8.2 g/t gold from 59m in BARC190;
- 2m at 23.9 g/t gold from 51m and 9m at 2.2 g/t gold from 120m in BARC197;
- 2m at 9.8g/t gold from 37m; including 1m at 19.0g/t gold in BARC165; and
- Three closely spaced parallel intercepts of 2m at 7.0 g/t gold from 97m; 4.2m at 18.8 g/t gold from 104.8m including 0.6m at 138.4 g/t gold; and 0.8m at 7.9 g/t gold from 122.2m in BADH004.

Also during the Half Year, all assays from a 19 hole (2,747m) RC drilling program conducted in the previous half year period on the Guitorga Lodes were received. High-grade intercepts from this program included:

- 10m at 11.0 g/t gold from 111m, including 1m at 104.7 g/t gold in BARC118;
- 7m at 8.4 g/t gold from 34m, including 2m at 27.3 g/t gold in BARC125;
- 2m at 45.6g/t gold from 18m, including 1m at 82.9g/t gold in BARC114;
- 2m at 11.6g/t gold from 38m, including 1m at 22.5g/t gold in BARC114;
- 6m at 3.8 g/t gold from 109m, including 1m at 22.1g/t gold in BARC112; and
- 10m at 3.0g/t gold from 67m, including 1m at 12.0g/t gold in BARC114.

The results of the drilling programs confirm the strike continuity of the gold mineralisation comprising the Guitorga Lodes and the potential to extend the strike directionally both south-west and north-east.

Several areas of deeper drilling have extended the depth of the Guitorga Lodes to 180m below surface with the mineralisation remaining open at depth.

Several zones of high-grade gold mineralisation have been delineated on the Guitorga Lodes that may be related to cross-structures that intersect the Guitorga Lodes and which were highlighted in previous ground magnetic data. Further, in recent diamond drilling it was found that a magnetic mineral, pyrrhotite, is associated with some of the gold mineralisation at Kouri.

Drilling during the period had been completed over approximately 1.5km of strike on the Guitorga Lodes. The total strike length of the Guitorga Lodes is over 3km and the remainder of the RC program is designed to test all of this strike length, including the 650m gap within the area comprising the Exploration Target which remains to be tested.

Paguanta Base Metals Project, Chile (Paguanta)

Paguanta lies in the Tarapacá Region of northern Chile, approximately 120km north-east 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 BHP Billiton's 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 JORC Mineral Resource is **2.4Mt at 5.0% zinc, 1.4% lead, 88 g/t silver and 0.3 g/t gold** (or **2.4Mt at 8.0% Zinc Equivalent (Zn Eq)**) for **190,000t** of contained Zn Eq metal. Almost 50% of the resource is in the Measured and Indicated categories. The

resource estimate for the Patricia Prospect (**Patricia**) at Paguanta remains open at depth and along strike.

While the Company is seeking a corporate transaction on Paguanta the Company has been conducting low cost activities aimed at adding value to the project.

Golden Rim has commenced a Scoping Study which will assess the viability of a 500 tpd underground mining operation at Paguanta at current metal prices and using the updated JORC Mineral Resource estimate completed by Golden Rim in mid-2017.

During the Half Year, Golden Rim re-logged 28 historical diamond drill holes. The information from the re-logging combined with information from recent drilling enabled the Company to prepare a new geological model for the mineralised veins at Patricia.

The new model has provided an improved understanding of the continuity of the principle east-west veins at Patricia, both along strike and down dip, as well as the location and orientation of high grade ore shoots along these veins. The ore shoots are generally located where the veins have been intersected and offset by a series of north-west trending faults. Both the east-west veins and the high-grade ore shoots remain open at depth and locally along strike. Several historical high-grade drilling intercepts between the Central and Cathedral veins have been interpreted in the new geological model as a north-west trending vein, named Paula Vein, which is 700m long and up to 10m wide.

Ore sorting test work is also being conducted on mineralised drill core from Paguanta. Ore sorting, if successful, has the potential to provide a significant increase to the grade of the ore expected to be delivered to a processing plant and may enable the mining of lower grade ore from Patricia that previously may have been deemed sub-economic.

Investigations into sourcing both surface and underground water for a potential mining operation at Paguanta have also commenced.

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.

Yako Gold Project, Burkina Faso (**Yako**)

The Company relinquished the licence comprising Yako.

Corporate

During the Half Year, the Company shifted its focus from Paguanta in Chile to Kouri in Burkina Faso, West Africa, of which it owns 100% and where it is now conducting drilling to enable the Company delineate a maiden Mineral Resource.

Largely as a result of the extensive drilling programs at Kouri, the Company's expenditure was higher than in the previous half year to 31 December 2016. There were also increases in administration for the Half Year however the majority of these increases were paid in equity rather than cash. During the Half Year the Company also received funds for the sale of technical information relating to previously owned projects in West Africa.

Various fundraising activities also took place during the Half Year. The Company raised approximately \$1.27 million (before costs) under a rights issue following which it raised a further \$1.3 million from the shortfall under the rights issue. Combined, the rights issue and shortfall placement, raised approximately \$2.57 million (before costs), enabling the Company to conduct the drilling programs at Kouri.

Prior to the rights issue and shortfall placement, Acorn Capital, one of Australian's largest microcap investors became the Company's largest shareholder following a share placement raising \$446,955 (before costs).

The Company also entered into a drilling for equity agreement with Ausdrill Limited (**Ausdrill**). Ausdrill may subscribe for up to US\$1,000,000 worth of ordinary fully paid shares in the Company (**Shares**) in return for drilling services. Golden Rim has the option, at its sole discretion, to choose to pay Ausdrill for their services either in cash, Shares or a mixture of cash and Shares on a 50/50 basis.

Golden Rim continues to seek to secure a corporate transaction for Paguanta and in the meantime has been undertaking low cost activity at Paguanta expected to increase its value.

At the Company's Annual General Meeting, shareholders approved a consolidation of the Company's share capital on a 15 for 1 basis which has now been completed. Further, long serving director and former Chairman, Rick Crabb, resigned as Non-Executive Director of the Company at the end of that meeting.

Events Subsequent

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

On 21 February 2018 the Company announced it had received commitments to raise \$3.5 million, before costs, through a placement of approximately 87.5 million Shares at an issue price of 4 cents (**Placement**). On 1 March 2018, the Company issued 48,725,956 Shares at an issue price of 4 cents raising \$1,949,038 (before costs) (**Tranche 1**). The balance of the Placement, comprising a further tranche of 38,774,044 Shares at the same issue price as Tranche 1 to raise an additional \$1,550,962 (before costs) (**Tranche 2**), will be issued subject to shareholder approval which is being sought at a general meeting of shareholders expected to be held on 5 April 2018.



Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 8 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 that reads "Glenister Lamont". The signature is written in a cursive style.

Glenister Lamont
15 March 2018

The Board of Directors
Golden Rim Resources Ltd
Level 2, 609 Canterbury Road
Surrey Hills VIC 3127

15 March 2018

Dear Board Members

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.

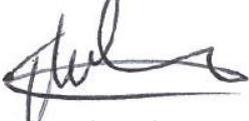
As lead audit partner for the review of the financial statements of Golden Rim Resources Ltd for the half year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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

DELOITTE TOUCHE TOHMATSU



John Sibenaler
Partner
Chartered Accountants

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2017

	31 December 2017	31 December 2016
	\$	\$
Interest income	2,474	1,604
Other gains/(losses)	683,826	(25,593)
Administration expenses	(987,214)	(571,615)
Depreciation expense	(39,014)	(17,313)
Exploration and evaluation expenditure	(2,750,477)	(1,558,496)
Loss before income tax	(3,090,405)	(2,171,413)
Income tax expense	-	-
Loss for the period	(3,090,405)	(2,171,413)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	105,766	80,212
Reclassification adjustments relating to investments disposed of during the period	19,137	986
Other comprehensive income for the period (net of tax)	124,903	81,198
Total comprehensive income for the period	(2,965,502)	(2,090,215)
Loss attributable to:		
Owners of the company	(2,747,854)	(1,823,524)
Non-controlling interests	(342,551)	(347,889)
	(3,090,405)	(2,171,413)
Total comprehensive loss attributable to:		
Owners of the company	(2,626,356)	(1,733,777)
Non-controlling interests	(339,146)	(356,438)
	(2,965,502)	(2,090,215)
Loss per share		
Basic (cents per share)	(1.61)	(0.12)
Diluted (cents per share)	(1.61)	(0.12)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position As at 31 December 2017

	Note	31 December 2017 \$	30 June 2017 \$
Current Assets			
Cash and cash equivalents		1,100,221	702,575
Trade and other receivables		14,405	24,000
Other assets		58,458	46,743
Total Current Assets		1,173,084	773,318
Non-Current Assets			
Other financial assets		11,310	30,421
Plant and equipment		177,053	144,800
Exploration and evaluation expenditure	6	4,381,935	4,361,106
Total Non-Current Assets		4,570,298	4,536,327
Total Assets		5,743,382	5,309,645
Current Liabilities			
Trade and other payables		662,700	534,714
Provisions		136,259	121,870
Total Current Liabilities		798,959	656,584
Non-Current Liabilities			
Provisions		86,892	80,500
Total Non-Current Liabilities		86,892	80,500
Total Liabilities		885,851	737,084
Net Assets		4,857,531	4,572,561
Equity			
Share capital	4	68,621,752	66,680,957
Reserves		766,227	(635,176)
Accumulated losses		(62,570,518)	(59,852,436)
Equity attributable to owners of the Company		6,817,461	6,193,345
Non Controlling Interests		(1,959,930)	(1,620,784)
Total Equity		4,857,531	4,572,561

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity For the Half Year ended 31 December 2017

	Share Capital	Option Reserve	Foreign Currency Reserve	Asset Revaluation Reserve	Goodwill on Acquisition Reserve	Accumulated Losses	Non- Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	63,607,959	232,236	140,646	(19,137)	(870,599)	(53,963,220)	(558,002)	8,569,883
Loss for the period	-	-	-	-	-	(1,823,524)	(347,889)	(2,171,413)
Other comprehensive income for the period	-	-	89,747	-	-	-	(8,549)	81,198
Total comprehensive loss for the period	-	-	89,747	-	-	(1,823,524)	(356,438)	(2,090,215)
Outside equity interest acquired from asset acquisition	-	-	-	-	-	-	153,762	153,762
Transactions with owners recorded directly in equity								
Issue of shares	2,794,400	-	-	-	-	-	-	2,794,400
Share issue costs	(41,502)	-	-	-	-	-	-	(41,502)
Fair value of expired options	-	(57,689)	-	-	-	57,689	-	-
Balance at 31 December 2016	66,360,857	174,547	230,393	(19,137)	(870,599)	(55,729,055)	(760,678)	9,386,328
Balance at 1 July 2017	66,680,957	134,472	120,088	(19,137)	(870,599)	(59,852,436)	(1,620,784)	4,572,561
Loss for the period	-	-	-	-	-	(2,747,854)	(342,551)	(3,090,405)
Other comprehensive income for the period	-	-	102,361	19,137	-	-	3,405	124,903
Total comprehensive loss for the period	-	-	102,361	19,137	-	(2,747,854)	(339,146)	(2,965,502)
Transactions with owners recorded directly in equity								
Issue of shares and options	2,310,258	1,309,677	-	-	-	-	-	3,619,935
Share issue costs	(369,463)	-	-	-	-	-	-	(369,463)
Fair value of expired options	-	(29,772)	-	-	-	29,772	-	-
Balance at 31 December 2017	68,621,752	1,414,377	222,449	-	(870,599)	(62,570,518)	(1,959,930)	4,857,531

Condensed Consolidated Statement of Cash Flows For the Half Year ended 31 December 2017

	31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities		
Payments to suppliers and employees	(651,101)	(339,554)
Mineral exploration expenditure	(2,676,221)	(1,497,099)
Interest received	2,474	1,603
Net cash used in operating activities	<u>(3,324,848)</u>	<u>(1,835,050)</u>
Cash flows from investing activities		
Acquisition of asset net of cash acquired	-	(2,028,444)
Proceeds from sale of exploration interests	782,688	-
Proceeds from sale of investments	46,192	-
Purchase of plant and equipment	(66,813)	(68,795)
Net cash provided by / (used in) investing activities	<u>762,067</u>	<u>(2,097,239)</u>
Cash flows from financing activities		
Proceeds from issue of shares and options	3,140,371	2,794,400
Share issue costs	(175,862)	(24,283)
Net cash provided by financing activities	<u>2,964,509</u>	<u>2,770,117</u>
Net increase / (decrease) in cash and cash equivalents held	401,728	(1,162,172)
Cash and cash equivalents at the beginning of the period	702,575	6,675,153
Translation differences on cash held in foreign currencies	(4,082)	(87,274)
Cash and cash equivalents at the end of the period	<u>1,100,221</u>	<u>5,425,707</u>

The accompanying notes form part of these financial statements.

Condensed Notes to the Consolidated Financial Statements For the Half Year Ended 31 December 2017

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 shall 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 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of 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 reporting period.

The adoption of all new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations have not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its half year financial statements.

2. Going Concern

This Half Year Report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Group incurred a loss of \$3,090,405 (2016: \$2,171,413) and experienced net cash outflows from operating and investing activities of \$2,562,781 (2016: \$3,932,289) for the Half Year. As at 31 December 2017, the Group had a net current asset position of \$374,125 (30 June 2017: \$116,734). Cash and cash equivalents totalled \$1,100,221 as at 31 December 2017 (30 June 2017: \$702,575).

On 21 February 2018 the Company announced it had received commitments to raise \$3.5 million, before costs, through a placement of approximately 87.5 million Shares at an issue price of 4 cents (**Placement**). On 1 March 2018, the Company issued 48,725,956 Shares at an issue price of 4 cents raising \$1,949,038 (before costs) (**Tranche 1**). The balance of the Placement, comprising a further tranche of 38,774,044 Shares at the same issue price as Tranche 1 to raise an additional \$1,550,962 (before costs) (**Tranche 2**), will be issued subject to shareholder approval which is being sought at a general meeting of shareholders expected to be held on 5 April 2018.

The directors have prepared a cash flow forecast for the period ending 31 March 2019 that includes the funds raised under Tranche 1 (\$1,949,038, before costs) and which indicates the Group will have sufficient

cash flow to fund its operations during the period from the date of signing this Half Year Report. The cash flow forecast has been based on the following assumptions:

- (a) cash of \$1,550,962 (before costs) under Tranche 2 being received in April 2018; and
- (b) managing and deferring expenditure in line with available funds, where applicable.

The Directors are confident that the Group will be successful in achieving the matters noted above and this Half Year Report has therefore been prepared on the going concern basis. 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 achieving the matters set out above, there is a material uncertainty 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.

This Half Year Report does 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	Consolidated Entity
	\$	\$	\$	\$
Half year 2017				
Segment revenue	2,474	-	-	2,474
Segment result	(985,211)	(916,417)	(1,188,777)	(3,090,405)
Exploration costs expensed	-	880,285	1,870,192	2,750,477
Depreciation expense	8,585	24,502	5,927	39,014
As at 31 December 2017				
Segment assets	1,060,053	2,681,867	2,001,462	5,743,382
Segment liabilities	570,525	250,727	64,599	885,851
Half year 2016				
Segment revenue	1,604	-	-	1,604
Segment result	(599,171)	(1,554,088)	(18,155)	(2,171,414)
Exploration costs expensed	-	1,540,341	18,155	1,558,496
Depreciation expense	11,258	6,055	-	17,313
As at 30 June 2017				
Segment assets	744,520	2,679,420	1,885,705	5,309,645
Segment liabilities	455,098	277,025	4,961	737,084

4. Issued capital

	31 December 2017	30 June 2017
	\$	\$
Ordinary shares		
Issued and fully paid: 201,570,489 (30 June 2017: 1,919,020,000 (unconsolidated)) shares	68,621,752	66,680,957

The Company completed a consolidation of its issued capital on the basis that every 15 shares be consolidated into 1 share (fractions being rounded up to the nearest whole share). The effective date of the consolidation was 1 December 2017.

Options

At 31 December 2017, the Company had the following options on issue:

Option series	Number on issue	Exercise Price	Expiry Date
Unlisted Class P	900,003	37.5 cents	28 November 2018
Unlisted Class Q	1,433,335	45.0 cents	28 November 2019
Unlisted Class R	5,959,404	7.5 cents	6 July 2020
Unlisted Class S	8,699,999	7.5 cents	21 December 2019
Listed	38,605,331	7.5 cents	31 January 2019

None of the options listed above have a vesting period.

5. Fair value measurement of financial instruments

Other financial assets include available for sale investments of \$- (30 June 2017: \$19,137) which are measured at fair value on a recurring basis, using quoted bid prices in an active market (Level 1 hierarchy).

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

6. Exploration and Evaluation Expenditure

	\$
At beginning of period	4,361,106
Disposals	(95,345)
Exchange gains	116,174
	4,381,935

The Company received US\$600,000 for the sale of technical information relating to previously owned projects in West Africa for a gain of \$687,343.

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 21 February 2018 the Company announced it had received commitments to raise \$3.5 million, before costs, through a placement of approximately 87.5 million Shares at an issue price of 4 cents (**Placement**). On 1 March 2018, the Company issued 48,725,956 Shares at an issue price of 4 cents raising \$1,949,038 (before costs) (**Tranche 1**). The balance of the Placement, comprising a further tranche of 38,774,044 Shares at the same issue price as Tranche 1 to raise an additional \$1,550,962 (before costs) (**Tranche 2**), will be issued subject to shareholder approval which is being sought at a general meeting of shareholders expected to be held on 5 April 2018.



Directors Declaration

The Directors declare that the condensed consolidated financial statements and notes of the consolidated entity set out on pages 9 to 15:

- (a) comply with *Accounting Standard AASB 134 – Interim Financial Reporting*, the *Corporations Regulations* and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2017 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 Golden Rim 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.

Glenister Lamont
15 March 2018

Independent Auditor's Review Report to the Members of Golden Rim Resources Ltd

We have reviewed the accompanying half-year financial report of Golden Rim Resources Ltd, which comprises the condensed consolidated statement of financial position as at 31 December 2017, 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 of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility 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 Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 consolidated entity's financial position as at 31 December 2017 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*. As the auditor of Golden Rim Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Golden Rim Resources Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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 Golden Rim Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

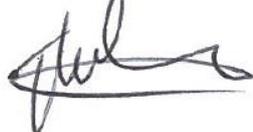
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$3,090,405 and experienced net cash outflows from operating and investing activities of \$2,562,781 during the half year ended 31 December 2017. 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.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



John Sibenaler

Partner

Chartered Accountants

Perth, 15 March 2018



Competent Persons Statements

The information in this report relating to Exploration Targets, Mineral Resources and previous exploration results are extracted from the announcements Korongou Project Delivers Significant RC Drilling Results dated 18 June 2013; Korongou Delivers Significant Drilling Results dated 7 July 2014; Guitorga Delivers Significant Drilling Results 21m at 5.6 g/t gold including 8m at 11.8 g/t gold from 13m dated 11 May 2015; Initial Exploration Target Defined for Korongou dated 17 July 2015; New Resource Estimation for Paguanta dated 30 May 2017; Gold Intercepts Move Kouri Closer to Maiden Resource dated 6 July 2017; High Grade Gold Zone Intersected at Kouri dated 28 November 2017; and Further high-grade gold hits at Kouri dated 21 December 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). 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.

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