

MINING FLASHNOTE

Golden Rim Resources (GMR ASX)

03 December 2018

Stock Data

Share Price:	A\$0.017
Market Cap (M):	A\$7.6
EV (M):	A\$4.8

Price Chart



52 Week Range

A\$0.014	A\$0.017
A\$0.06	

Company Summary

Golden Rim Resources is an exploration company focused on the discovery and development of gold deposits in Burkina Faso and polymetallic deposits in northern Chile.

MAIN SHAREHOLDERS HOLDING

Acorn Capital	5.6%
Ausdrill Ltd	5.0%
Board and Management	1.50%

Source: Golden Rim Resources & Bloomberg

Peter Rose

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

Golden Rim Announces ~40% Increase in Mineral Resource at Kouri

Event

Golden Rim has announced an upgraded Indicated and Inferred Mineral Resource of 32Mt grading 1.4g/t gold for 1.4M oz of gold. This resource is based on a cut-off grade of 0.3g/t and to a depth of 115m below surface.

Comment

The original resource was declared on the 3rd May 2018. It was an Indicated and Inferred Resource of 20.8Mt at 1.5g/t containing 1Moz of gold with a cut-off grade of 0.5g/t and to a depth 90m below surface.

The new Resource has a lower cut-off grades of 0.3g/t. This was selected for the upgraded Mineral Resource, based on a heap leach processing route, compared to a higher cut-off grade of 0.5g/t gold that was used for the maiden Mineral Resource based on a tank leach processing route. At a 0.3g/t cut-off grade, the continuity and the width of the gold lodes comprising the Mineral Resource are improved. This has positive ramifications in regard to mining dilution and the strip ratio and provides a Mineral Resource that may be more conducive to a larger scale, bulk mining development.

There are several key aspects with the new resource figure. Firstly, the additional 400,000oz was added with only 42 drill holes. Secondly, the Indicated Resource at a 0.3g/t cut-off actually has a grade of 1.6g/t, higher than the original resource. Whilst the bulk of the increase in resource has been in the inferred category, up 54% to 4.3Mt, BHC believes that infill drilling will easily move this to the indicated category. Further, in the 0.3 to 0.5g/t cut-off grade area, the ore resource does not appear to be particularly sensitive to the cut-off grade. (See Exhibit 2).

BHC expects that this resource will be significantly expanded before too long due to:

- The orebody being open along strike and at depth
- Recently discovered gold lodes, such as the lode that returned 23m at 2.5g/t in trench TR01 has yet to be included
- Auger drilling has outlined strong and extensive bedrock gold anomalies at Guitorga West, Guitorga North, Kom and Red Hill which may all be related to significant additional gold mineralisation.

This is a very significant increase in ore resources for Golden Rim. However, BHC believes that this is only one small step forward and that the additional drilling which we are confident will be conducted, should see this resource doubled to 3M oz before too long.

Exhibit 1: Kouri Mineral Resource Estimate by Resource Categories and Material Types

Kouri Deposit
November 2018 Mineral Resource Estimate (0.3g/t Gold Cut-off)

Material Type	Measured		Indicated		Inferred		Total		
	Tonnes	Gold	Tonnes	Gold	Tonnes	Gold	Tonnes	Gold	Gold
	Mt	g/t	Mt	g/t	Mt	g/t	Mt	g/t	Ounces
Oxide	-	-	0.3	1.4	2.1	1.3	2.5	1.3	103,000
Transitional	-	-	0.4	1.6	1.7	1.3	2.2	1.4	96,000
Fresh	-	-	3.6	1.6	23.0	1.3	26.9	1.4	1,200,000
Total	-	-	4.3	1.6	27.0	1.3	32.0	1.4	1,400,000

Source: Golden Rim Resources

Exhibit 2: Kouri Mineral Resource Estimate by Various Cut-Off Grades

Gold Cut-Off Grade	Tonnes	Gold	Gold
g/t	Mt	g/t	Ounces
0.2	45.0	1.0	1,500,000
0.3	32.0	1.4	1,400,000
0.4	30.0	1.4	1,400,000
0.5	28.0	1.5	1,300,000

Source: Golden Rim Resources

Research Disclosures

Peter Rose

Peter has 32 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 11 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

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Research disclosure as of 03 December 2018

<u>Company Name</u>	<u>Disclosure</u>
Golden Rim Resources (GMR ASX)	1, 2, 7, 8, 9

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Brandon Hill Contact List

International Sales

Oliver Stansfield

Tel: +44 20 3463 5061

Email: oliver.stansfield@brandonhillcapital.com

Arron Smyth

Tel: +44 20 3463 5042

Email: arron.smyth@brandonhillcapital.com

Research

Peter Rose

Tel: +44 20 3463 5034

Email: peter.rose@brandonhillcapital.com

Corporate Finance & Broking

Jonathan Evans

Tel: +44 20 3463 5016

Email: jonathan.evans@brandonhillcapital.com

Wei Jiao

Tel: +44 20 3463 5019

Email: wei.jiao@brandonhillcapital.com

Robert Beenstock

Tel: +44 20 3463 5023

Email: robert.beenstock@brandonhillcapital.com

Enzo Aliaj

Tel: +44 20 3463 5026

Email: enzo.aliaj@brandonhillcapital.com