ASX/Media Announcement

14 December 2017

Scoping Study to Re-Position Paguanta

- A Scoping Study for a 500 tpd[1] underground mining operation utilising ore sorting has commenced on the Patricia Prospect (**Patricia**) at the Company's Paguanta Zinc-Silver-Lead Project in Chile
- A new geological model for Patricia has provided an improved understanding of the continuity of the mineralisation and the structural controls on the high grade ore shoots
- A new high grade vein has been interpreted between Central and Cathedral veins at Patricia
- Ore sorting test work to commence shortly on two ore samples from Patricia
- Investigations and conceptual engineering on surface and underground water sources for a potential mining operation have commenced

Golden Rim Resources Ltd (ASX: GMR) (**Golden Rim** or **Company**) is pleased to advise it has commenced a Scoping Study on its 73% owned Paguanta Zinc-Silver-Lead Project (**Paguanta**), in Chile in order to integrate the results of previous and recent work, to outline a mining development pathway and to better demonstrate Paguanta's value.

While the Company has been seeking a corporate transaction on Paguanta, low cost activities aimed at adding value to the project and for use in the Scoping Study have been progressing, including geological modelling and sampling and assaying of historical drill core. The Company also intends to undertake ore sorting test work to determine its impact on the processing circuit as well as water studies to determine the source and volumes of water required for the project.

Golden Rim's Managing Director, Craig Mackay, said: *"We believe Paguanta has significant value and that the Scoping Study has potential to help unlock this value and to determine the most appropriate pathway forward for the project. Given the relatively minimal work required to complete the Scoping Study, we believe that it can deliver a cost effective yet valuable outcome for the Company."*

Golden Rim has engaged Mintrex Pty Ltd (**Mintrex**) to conduct the Scoping Study which will assess the viability of a smaller 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. The existing feasibility study, which was prepared in 2013 by Golder Associates (**Golder Study**) while the previous owners held the project, will also be reviewed.

The proposed operation would produce two concentrates. The Golder Study determined that a lead-silver concentrate grading 55% lead, 9.3% zinc and 3,500 g/t silver and a zinc concentrate grading 52% zinc, 1.8% lead and 230 g/t silver could be obtained with a conventional flotation circuit.

The results of the Scoping Study are expected in approximately 8 weeks.

[1] tpd = tonnes per day

Geological Model

Historical drilling at Patricia, from 2006 – 2012, totals 40,844m in 243 drill holes (130 diamond drill holes and 113 reverse circulation drill holes). To date, Golden Rim has re-logged 28 historical diamond drill holes. This information has been combined with the logging information from Golden Rim's recent drilling and a new geological model for the mineralised veins at Patricia has been prepared using Leapfrog software (Figure 1 and 2). The new geological model includes 1%, 3%, 6% and 9% ZnEq[2] grade shells.

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 northwest 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 northwest trending vein, named Paula Vein, which is 700m long and up to 10m wide.

Assaying of Historical Drill Core

While re-logging the historical drill core at Patricia, Golden Rim identified a number of mineralised zones that have not been sampled and assayed. A total of 167m of drill core has been sampled (total of 130 samples) and sent to ALS Laboratories in Chile for analysis.

The new assay results are expected to fill several information gaps in the current geological model and to further improve the continuity of several of the interpreted veins.

Ore Sorting Test Work

Two bulk samples (>3% & >9% ZnEq) of mineralised drill core (approximately 100kg each) have been sent to Steinert Global, Australia (**Steinert**) for ore sorting test work (Photograph 1). The test work is scheduled to be completed by the end of January 2018.

Golden Rim believes that the technology used by Steinert, mainly X-Ray and laser identification, to sort ore and waste products from the mining operation before being sent to a plant, may result in a significant increase to the grade of the ore expected to be delivered to a processing plant. The ore sorting system is expected to enable the mining of lower grade ore from Patricia that previously may have been deemed sub-economic.

Steinert are currently installing ore sorters at several zinc-silver-lead mines in Peru, which are processing mineralisation that is very similar to the mineralisation at Patricia.

Water Studies

The Golder Study anticipated a 1,000 tpd mining operation that required a mine water supply of 15 l/s[3]. The newly commenced Scoping Study will consider a smaller mine throughput which will reduce the mine water requirement.

Investigations into sourcing both surface and underground water for a potential mining operation at Paguanta have commenced. At this stage investigations have been positive and the supply of at least 15 l/s is believed to be achievable. Golden Rim hopes to initiate underground water exploration in the short term. Conceptual and basic engineering on water pipeline possibilities has also recently begun.

[2] ZnEq (zinc equivalent) calculation details are provided in Appendix 1.
[3] l/s = litres per second

Cumbre Prospect

Cumbre is located approximately 700m south of Patricia and may be directly spatially related to the vein system at Patricia (Figure 3).

Previous geological mapping and rock chip sampling at Cumbre identified a series of east-west trending veins and stock works with anomalous zinc, silver, lead and manganese mineralisation and demonstrates the potential for further mineralised structures to the south of Patricia that may feed into a mine plan at Paguanta.

-ENDS-

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Competent Persons Statement

The information in this report relating to previous exploration results are extracted from the announcements Amended: Paguanta Zinc-Silver-Lead Project Update dated 20 January 2017; and Golden Rim to Acquire Advanced Base Metals Project in Chile dated 10 May 2016 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.

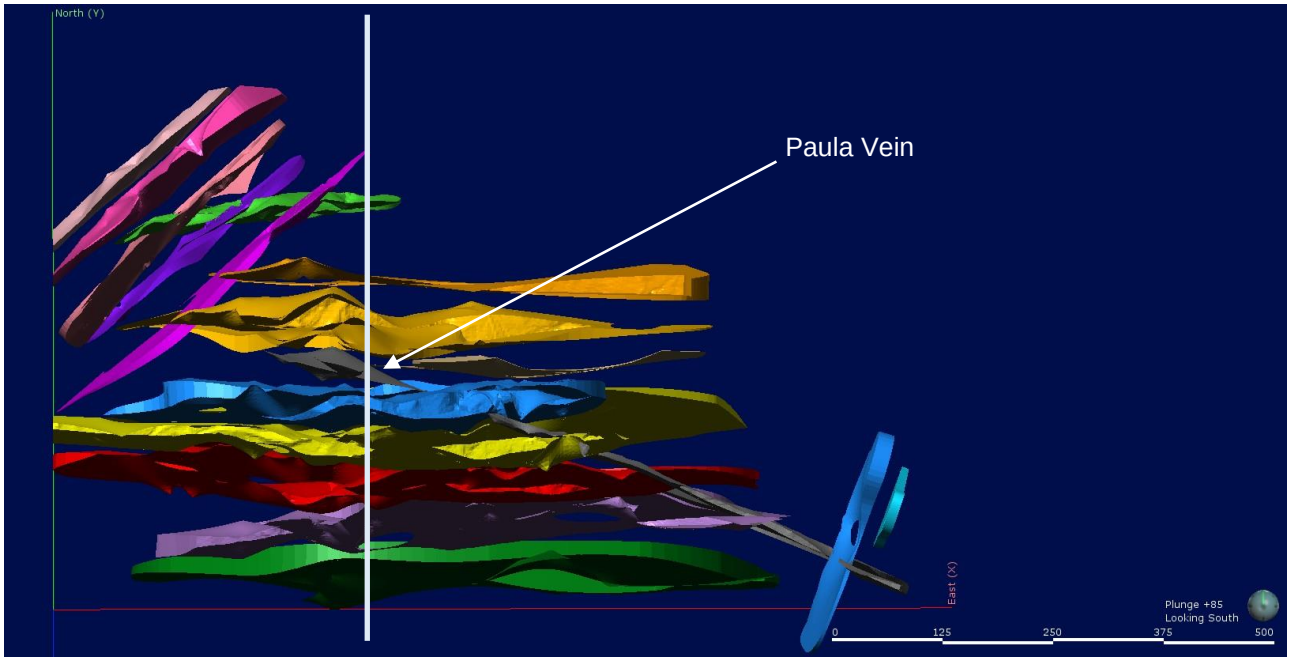

Figure 1. *Plan view of the new geological model for Patricia depicting the zinc-silver-lead veins. The newly interpreted Paula Vein (coloured in grey) is highlighted.*

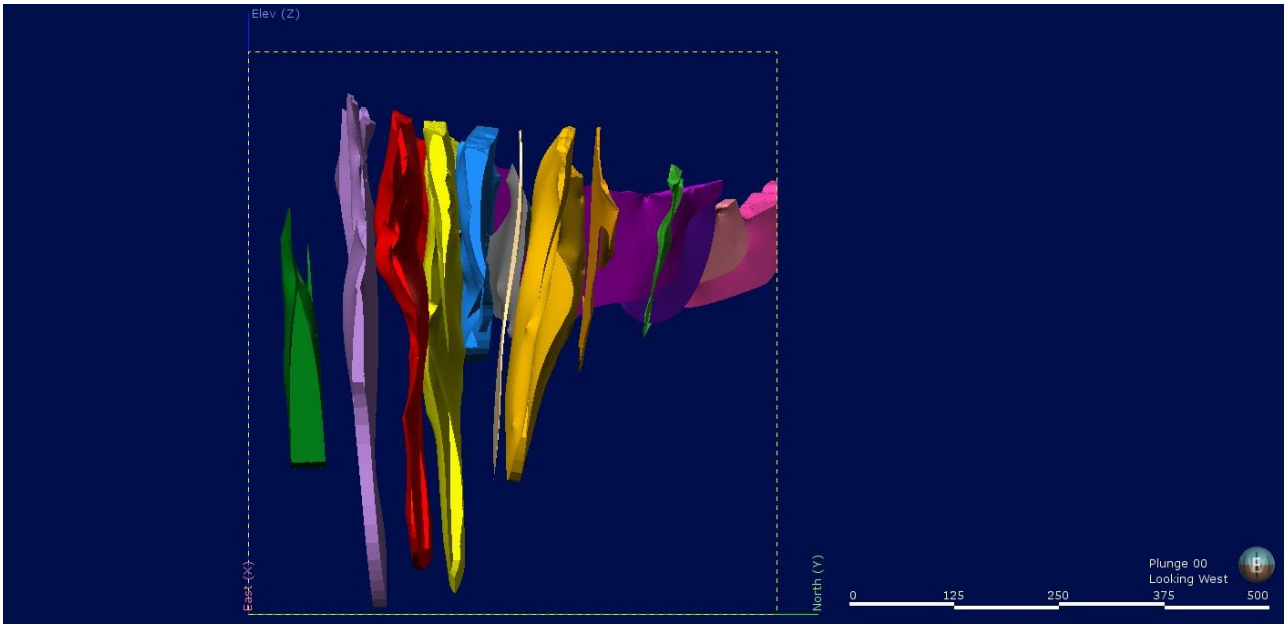

Figure 2. *Sectional view of the new geological model for Patricia (north-south section location indicated as pale grey line on Figure 1).*

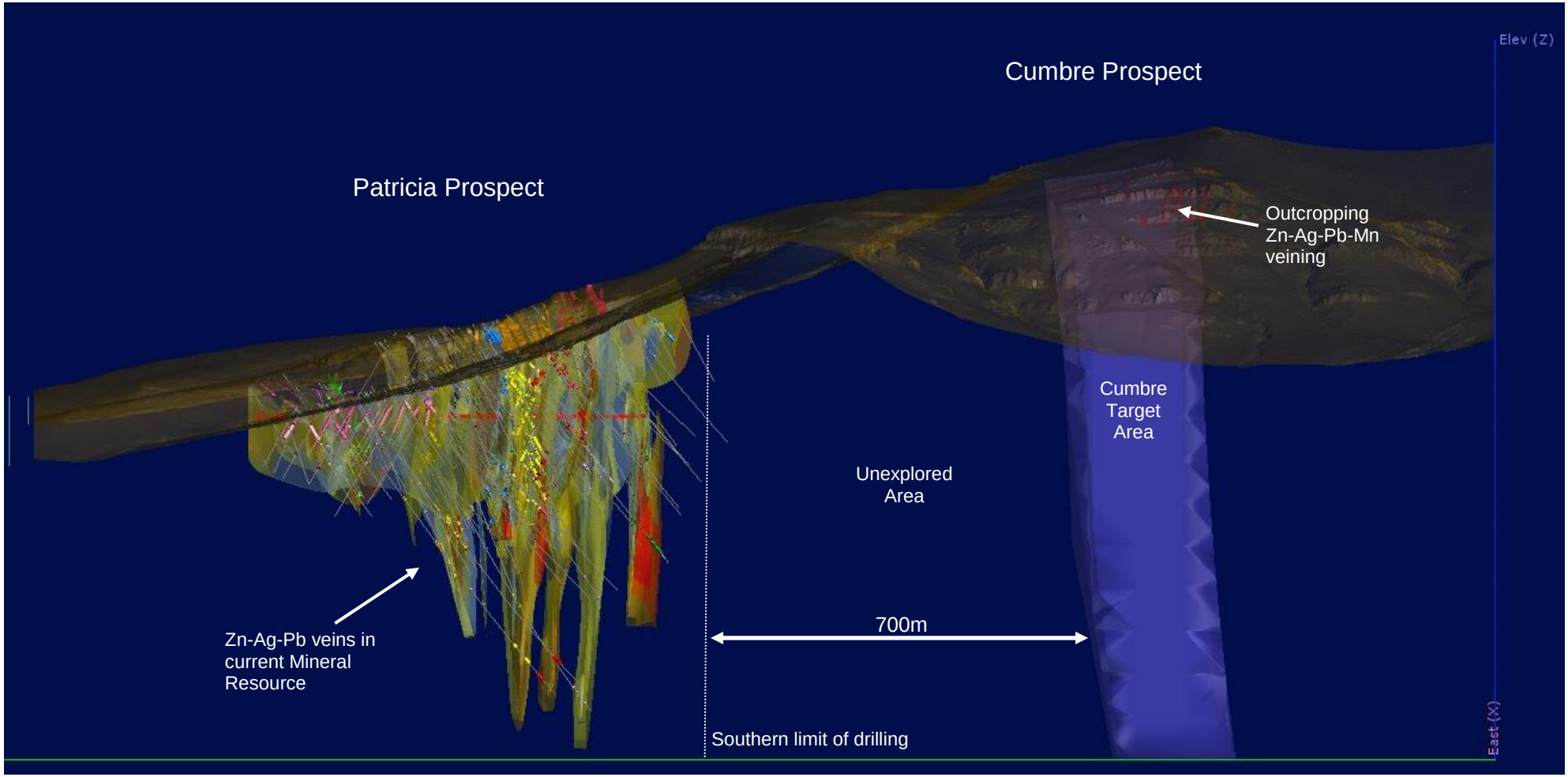

Figure 3. *North-south section (looking east) through Patricia and Cumbre.*

Photograph 1. *Steinhert's ore sorting test work facility in Perth, Western Australia.*

Appendix 1: Zinc Equivalent (ZnEq) Calculation Details

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)

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
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 Patricia 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.

The ZnEq calculation above is the same that was used in the current Mineral Resource estimate (ASX Announcement dated 30 May 2017 "New Resource Estimation for Paguanta").