Golden Rim Brings Balogo Sale Proceeds Forward and Deals on its Remaining Burkina Faso Exploration Projects

Golden Rim Resources Ltd (ASX: GMR, Golden Rim, Company) today announced that it had agreed, to a number of new transactions on its interests in Burkina Faso with MNG Gold Burkina Sarl, part of the MNG Group of companies (MNG). MNG is the group which has purchased the Balogo Project from Golden Rim. The various agreements include:

- renegotiated sale of the Balogo Project, with MNG to pay US$3 million cash by 31 March 2016;
- sale of the Yako Project; with MNG to pay US$100,000 cash on transfer of the permit;
- sale of the Babonga Project, with MNG to pay US$50,000 cash on transfer of the permit; and
- an unincorporated joint venture for the Korongou Project; with MNG to earn up to 70% by spending US$2.7 million.

Following completion of all the above transactions, Golden Rim will have received an additional US$3.15 million (A$4.37 million1) in cash within a short period of time which will considerably increase the Company’s cash balance to more than A$8 million. In addition, Golden Rim will have minimal on-going spending obligations in Burkina Faso, but retain an interest in the most promising exploration project.

Renegotiated Balogo Sale Agreement

Golden Rim is to receive US$3 million cash by 31 March 2016 as full and final payment of the Balogo Project.

Under the Balogo Sale Agreement announced on 6 February 2015, Golden Rim agreed to sell 100% of Balogo to MNG for payments totalling US$10 million of which Golden Rim received US$5 million on 20 May 2015. Golden Rim was to receive a further US$2 million upon the earlier of the granting of an exploitation permit for mining; or within 24 months of the conditions precedent being satisfied or waived (such conditions were satisfied in May 2015). Upon commercial production at Balogo, Golden Rim was also to receive an additional US$3 million in cash. Golden Rim was also entitled to a Net Smelter Return (NSR) of 1% on gold production at Balogo.

With a focus on their new Liberian gold mine development and the considerable uncertainty in Burkina Faso surrounding the September 2015 coup, the November 2015 general elections and the January 2016 terrorist attacks, MNG’s progress on Balogo to date has been slower than envisaged by Golden Rim at the time the original Balogo Sale Agreement was executed. As

1 All references to A$ have been calculated at the conversion rate of US$1 = A$0.72
matters currently stand, the Board is not expecting MNG to secure an exploitation permit within 12 months or to commence commercial production within 2 years.

The Company was approached by MNG to consider a renegotiation of the remaining consideration for the sale of Balogo and given the delay in the progress of the project; the development risks that are associated with any gold project; and the recent political and security issues in Burkina Faso, Golden Rim believes that it is more advantageous for the Company to accept a payment of US$3 million in cash now, over the uncertainty of receiving more money in the future.

**Joint Venture Agreement for the Korongou Project**

The Korongou Project is comprised of one permit (Korongou) which is 90% owned by Golden Rim. Golden Rim has agreed to enter into an unincorporated joint venture with MNG on the following, in principle, terms:

- MNG to earn a 51% in the Korongou Project by spending US$1.5 million on exploration within 3 years;
- MNG may increase its interest in the Korongou Project to 70% by spending a further US$1.2 million within 2 years; and
- the parties will then fund the joint venture on a pro-rata basis.

Golden Rim has defined an initial Exploration Target at Korongou with an estimated range of 7,954,000 to 9,722,000 tonnes grading from approximately 1.8 to 2.2 g/t gold and containing approximately 500,000 to 611,000 ounces of gold.

*Cautionary Statement: The potential quantity (tonnage) and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resources and it is uncertain if further exploration will result in the estimation of Mineral Resources.*

The Korongou Project currently requires substantial additional drilling to define the full extent of the potential gold resources. In the current market, Golden Rim believes MNG are better placed to fund the next stage of extensive exploration, a feasibility study and a potential mine development at Korongou.

The joint venture with MNG allows Golden Rim to retain an interest in the project and to participate in any future mine development.

**Yako Project and Babonga Project**

The Yako and Babonga projects are non-core projects for Golden Rim.

- The Yako Project is comprised on one permit (Zanna) which is 100% owned by Golden Rim. Golden Rim has agreed, in principle, to sell the Yako Project to MNG for US$100,000 cash.
- Further, the Babonga Project is comprised on one permit (Babonga) which is 100% owned by Golden Rim. Golden Rim has agreed, in principle, to sell the Babonga Project to MNG for US$50,000 cash.

The payments for Yako and Babonga will be made once the permits have been transferred to MNG. This process is expected to take 2 to 3 months.

Golden Rim will now proceed to arrange for the formal documentation for the above agreements and will notify the market once these are completed.
Golden Rim also announces that it has downsized its office in Burkina Faso. Most of the permanent staff in Burkina Faso have been retrenched and a number of these have now joined MNG. Golden Rim has retained several key personnel on a part-time consultative basis.

**New Opportunities**

The substantial additional cash from the sale of the Balogo, Yako and Babonga projects will considerably enhance Golden Rim’s capability to acquire new opportunities, including more advanced projects, which have the potential to significantly enhance shareholder value. Following completion of the revised Balogo transaction (expected by the end of March 2016) the cash backing of the Company will be approximately **0.6 cents** per share.

Currently the Company continues to review a number of mineral projects in several countries. In addition, the Company has been offered several interesting opportunities in other business sectors, which it is currently evaluating.

-ENDS-

**Competent Persons Statement**

The information in this report relating Exploration Targets is extracted from the announcements; Quarterly Activities & Cash Flow Report dated 28 April 2015; and Guitorga Delivers Significant Drilling Results dated 11 May 2015; and Initial Exploration Target Defined for Korongou dated 16 July 2015 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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