Field Work Commences at the Paguanta Zinc - Silver - Lead Project

Summary

- Golden Rim has commenced field work on its Paguanta Project in northern Chile.
- Previous ground magnetic and Induced Polarisation (IP) / Resistivity geophysical data from the Patricia Prospect has been remodelled.
- The magnetic response coincides with the vein-hosted mineralisation at Patricia and suggests an extension to the east and southeast.
- IP / Resistivity data defines coincident high chargeability IP and elevated resistivity anomalies around the Patricia mineralisation.
- A second significant coherent high chargeability anomaly to the southeast of Patricia remains untested by drilling.
- A 12 line-km Magneto-Telluric (MT) geophysical survey is currently being conducted at Patricia with the objective of better defining the extensions of the mineralisation at depth (below the extent of the previous IP / Resistivity survey) and along strike to the east.
- Detailed geological mapping at Patricia is also being conducted to better define the extent of and the structural controls on the mineralisation.
- Both the geophysical surveys and the mapping will be used to finalise targets for a planned diamond drilling program which is expected to include ~8 holes for a total of 2,500m.
- Earthmoving equipment has been mobilised to site to repair the access roads in preparation for the drilling.
- Tenders for the diamond drilling program are currently being submitted.

Golden Rim Resources Ltd (ASX: GMR, Golden Rim, Company) is pleased to announce that field work has commenced at its Paguanta zinc-silver-lead project, in northern Chile.

Golden Rim’s Managing Director, Craig Mackay, said “We are excited to have commenced our field work at Paguanta”.

“The MT geophysical survey and geological mapping that is underway are designed to firm up our targeting for the planned diamond drilling program.”

“The Paguanta project exhibits significant upside, with potential to extend the existing high grade resource associated with the Cathedral Vein at depth and to define additional resources along strike,” said Mr Mackay.
Remodelling of Previous Ground Magnetic and IP / Resistivity Data

A Chilean company, Southernrock Geophysics, was contracted to review and remodel the previous geophysical data collected at Paguanta.

Since 2006, four phases of geophysical surveying at Paguanta have accumulated approximately 51 line-km of IP and 200 line-km of ground magnetic data. A small pilot Fixed Loop TEM survey conducted in 2007 was not reviewed, since results have been deemed inconclusive.

Ground magnetic data and filtered image products have defined areas of low magnetic tenor that appear generally consistent with zones of alteration mapped at the Patricia and La Rosa prospects. Magnetic Vector Inversion has defined a positive response in the dominantly remnant component of magnetization which appears generally consistent with the zone of vein-hosted zinc-silver-lead mineralization defined at Patricia and suggests an extension to the east and southeast.

IP / Resistivity data defines a coherent IP (Phase) anomaly around the Patricia mineralization but does not distinguish the more economic parts of the system (Figure 1). A discrete elevated resistivity response at depth just below the location of the mineralized veins is coherent with the main Patricia IP anomaly but is not observed towards the east-southeast beneath a second coherent IP anomaly.

Southernrock Geophysics has recommended the completion of a Magneto-telluric (MT) survey to improve the depth of investigation at Patricia and better define the potential extension of this resistive zone that may have remained undetected at depth beyond the scope of the current IP / Resistivity survey coverage.

Southernrock Geophysics has also recommended that further exploratory drilling should be focused towards the east and southeast of the current drilling, initially testing the shallower parts of the east-southeastern IP anomaly.

Figure 1. Paguanta IP survey, N-S section 494750mE extracted from the 3D inversion model showing the strong chargeability anomaly associated with the Cathedral Veins (in black) at Patricia. The IP survey is only effective to a depth of ~250m below surface.

Magneto-Telluric (MT) Survey

A 12 line-km MT survey on 200m spaced lines is currently being conducted by Southernrock Geophysics (Figure 2).
The MT survey has the capacity to obtain data at greater depths than IP imaging techniques. The objective of the proposed MT survey is to define resistivity contrasts at depth to aid in the interpretation of the extension of mineralization at depth and along strike, particularly to the east and southeast where part of the IP anomaly remains untested.

The following figure summarizes the anomalous IP response around the previously completed drilling at Patricia, and summarizes a tentative line plan for the 50m dipole MT survey.

**Figure 2.** Paguanta, proposed MT survey. Survey lines (black) over image of modelled IP (Phase) response and satellite (GoogleEarth) image. Previous drill holes in blue.

The MT survey will be carried out during daylight hours with recovery and data download the following day. The survey is expected to be completed within 10 days.

The survey will utilise the use of the high resolution gDAS technology for the acquisition of MT data, providing resistivity imaging to several kilometres and eventually tens of kilometre’s depth. The system is also designed to extend the depth of investigation of the previously conducted IP / Resistivity survey, which was only effective to approximately 250m below surface.

**About Paguanta**

Paguanta is located in the Tarapacá Region of northern Chile, approximately 120km northeast of Iquique and 30km west of the Chile-Bolivia border. Paguanta is situated approximately 40km northeast of BHP Billiton’s Cerro Colorado Mine, which has a Mineral Resource of 400Mt @ 0.62% copper for 5.5Blb of copper and annual copper cathode production of approximately 175Mlb.

Paguanta is predominantly owned through a joint venture company, Compania Minera Paguanta S.A. (CMP) of which Golden Rim indirectly holds a 70% interest and an unrelated party, Costa Rica Dos SpA, holds the remaining 30% interest.
Paguanta is comprised of 14 exploitation concessions covering a total surface area of 3,900ha, and 8 exploration concessions covering a total surface area of 2,100ha. In Chile, an exploitation concession, also known as a mining concession, is granted for an indefinite time period and allows the holder to undertake mining activities on the concession area.

Since acquiring Paguanta in late 2005, CMP has completed approximately 40,000m of drilling, for total expenditure, including the majority of a feasibility study, of approximately US$31.5M (A$42m).

Geology

The Patricia prospect, located in the south of the project area, is the best explored area at Paguanta and represents the major economic interest. The mineralisation is hosted in andesite and rhyolite volcanic rocks and consists of silver-lead-zinc sulphides in multiple mineralised vein structures that are typically steep dipping, 3m to 15m in width, and have an east-west orientation. The style of mineralisation within the vein structures includes massive to semi-massive breccia zones and stockwork vein zones.

Exploration Target

Mining Plus Pty Ltd (Mining Plus) was contracted by Golden Rim to estimate an initial Exploration Target, for the potential strike and depth extensions to the higher grade mineralisation at Patricia. The results of this study are presented in Table 1 and the area included in the Exploration Target is depicted in Figure 3.

The Exploration Target represents potential polymetallic endowment in addition to the defined Mineral Resource for the Patricia deposit.

Table 1. Patricia Exploration Target Estimation

<table>
<thead>
<tr>
<th>Tonnage Range (Mt)</th>
<th>Zinc Grade Range (%)</th>
<th>Lead Grade Range (%)</th>
<th>Silver Grade Range (g/t)</th>
<th>Gold Grade Range (g/t)</th>
</tr>
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<tr>
<td>80% 120%</td>
<td>80% 120%</td>
<td>80% 120%</td>
<td>80% 120%</td>
<td>80% 120%</td>
</tr>
<tr>
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<td>4.5 6.7</td>
<td>1.5 2.3</td>
<td>100 150</td>
<td>0.16 0.24</td>
</tr>
</tbody>
</table>

Notes:
1) **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 Resource and it is uncertain if further exploration will result in the estimation of Mineral Resources.
2) Mining Plus created an indicative mineralisation model to identify the potential location and size of the immediate strike and dip extensions to the current mineralised system utilising Leapfrog Geo implicit modelling software to create solids at a 3% cut-off grade and a maximum vein width of 5m.
3) The Exploration Target was based on drilling data, surface geochemical data and a 3D model of Induced Polarisation (IP) chargeability data. The surface geochemical data (1,930 samples) and IP geophysical data (survey by Zonge, Chile, 2012) were utilised to support the continuity of mineralisation in areas where drilling was more sparse.
4) A total of 28 RC drill holes (3,626m) and 11 diamond drill holes (1,338m) were used to prepare the Exploration Target. The holes are generally drilled on lines spaced from 20m – 250m apart, with spacing along the lines ranging from 30m – 200m. The holes used for the Exploration Target are depicted on Figure 4.
5) A base for the Exploration Target was set at 3250mFL – 200m below the base of the current drilling. The Exploration Target extends along strike for 250m from the eastern-most drill hole.
6) The Exploration Target was calculated using a SG of 3.2 g/cm³

¹ Calculated at the conversion rate of US$1 = A$0.75
Figure 3. Current Mineral Resource Model block (green-yellow). The orange shape represents the extent of the Exploration Target (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 Resource and it is uncertain if further exploration will result in the estimation of Mineral Resources).

Figure 4. Drill hole collar locations at Patricia. Holes with green collars were used to calculate the Exploration Target.
Competent Persons Statement

The information in this release that relates to the estimation of the Exploration Target has been compiled by Mr. Richard Buerger BSc (Hons). Mr. Buerger is a full-time employee of Mining Plus Pty Ltd and has acted as an independent consultant during the estimation of the Exploration Target for the Paguanta Project. Mr. Buerger is a Member of the Australian Institute of Geoscientists and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr. Buerger consents to the inclusion in this report of the contained technical information relating to the estimation of the Exploration Target in the form and context in which it appears.

Forward Looking Statements

Certain statements in this document are or may be "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.

For further information, please contact:

Hayley Butcher
Golden Rim Resources Ltd
Company Secretary
+61 0409 880 009

Further Company Information

E: info@goldenrim.com.au
W: goldenrim.com.au

Capital Structure:
Issued Shares: 1,438,520,000
Unlisted Options: 143,358,400

Share Registry:
Link Market Services Limited
Central Park Level 4
152 St Georges Terrace
Perth WA 6000
Telephone: (+61) 1300 554 474
Fax: 02 9287 0303

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