



Golden Rim
Resources

Golden Rim Resources Ltd

ABN 39 006 710 774

Half Year Report

For the period ended 31 December 2019

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Corporate Directory

Directors

Adonis Pouroulis, Non-Executive Chairman (appointed 16 January 2020)
Craig Mackay, Managing Director
Glenister Lamont, Non-Executive Director
Kathryn Davies, Non-Executive Director

Company Secretary

Hayley Butcher

Registered Office

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Auditors

Deloitte Touche Tohmatsu
550 Bourke Street
MELBOURNE VIC 3000
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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

The Company's shares are also traded on the Berlin Open Market (Freiverkehr).



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 ending 31 December 2019 (**Half Year**) (**Half Year Report**).

Directors

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

Adonis Pouroulis
Glenister Lamont
Craig Mackay
Kathryn Davies

The above named directors held office during the whole of the Half Year except for Mr Pouroulis who was appointed on 16 January 2020.

Operating Results

During the Half Year, the Group incurred an operating loss after tax of \$3,734,805 (2018: \$3,091,626) which includes mineral exploration and evaluation expenditure of \$2,810,646 (2018: \$2,243,096).

Overview of Operations

The Company carried out extensive exploration work programs during the Half Year. The Company's focus remained firmly on the Kouri Gold Project in Burkina Faso which contains 1.4Moz gold Mineral Resource. The Paguanta Silver-Lead-Zinc-Copper Project in Chile remains on care and maintenance.

Set out below is a summary of the work undertaken during the Half Year on each of the Company's projects.

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 (Figure 1). 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, B2Gold), Bombore (5.2Moz gold, Orezone) and Essakane (6.2Moz gold, IAMGOLD).

Work carried out at Kouri during the Half Year included reverse circulation (**RC**), diamond and auger drilling, as well as a ground geophysical survey, geological mapping and rock chip sampling.

A summary is provided below of the exploration activities carried out at each of the prospects at Kouri and across other project areas.

Diabatou Prospect

At the Diabatou Prospect 22 RC drill holes for 2,854m (MRC001-MRC022) were completed to test for granite hosted gold mineralisation identified in previous rock chip and trenching sampling. Assays were received for drill holes MRC001-021.



The drill holes intersected multiple east-west trending zones of disseminated pyrite (1-5%) and quartz + carbonate mineralisation hosted in both K-feldspar and plagioclase-rich sheared granite.

The drilling returned high-grade gold intersections in the southern mineralised zone:

- 7m at 121.2g/t gold from 41m, including 1m at 783.8g/t gold from 44m; and 3m at 7.2g/t gold from 56m (MRC008).
- 4m at 23.3g/t gold from 67m, including 1m at 65.7g/t gold from 67m (MRC014).
- 9m at 3.6g/t gold from 49m including 1m at 15.1g/t gold (MRC016).

Follow-up diamond drilling was then conducted with 5 diamond drill holes (MDH001 – 005) for 773.9m drilled to test for extensions to the high-grade gold mineralisation

Diamond hole MDH001, which twinned hole MRC008, intersected a mineralised zone of disseminated and veinlet quartz-pyrite-hematite-carbonate in sheared granite adjacent to the high-grade RC intercept. Diamond hole MDH002 which was drilled 70m beneath MDH001 and MRC008 and diamond holes MDH003 – 005, which were drilled to the NE and the SW to test the interpreted strike extent of the high-grade mineralisation, intersected a number of zones of weak quartz-pyrite mineralisation. However, the assays did not produce significant gold results. The highest-grade mineralisation was an intercept of 1m at 3.5g/t gold (135-136m) in MDH005.

Following the assay results, a detailed drill core analysis (MDH001) was then conducted and revealed that the mineralisation opposite the bonanza grade interval of 1m at 783.8g/t gold in MRC008 is related to a highly fractured zone in the granite. As a result, core orientation readings are not possible, and the orientation remains unclear. The only reliable orientations in MDH001 relate to shear-related quartz-pyrite-carbonate mineralisation within the granite. This mineralisation strikes 060° , dips steeply to the NW, and it is only associated with low-grade gold results.

Recent geological mapping has located mineralised cross-structures that clearly lie parallel to the current drilling direction at the Diabatou Prospect and that potentially host the high-grade gold. These have also been subject to artisanal mining. One of these structures strikes 150° and dips $65-85^{\circ}$ NE and lies 200m SW of MRC008. Another structure with a similar strike, but an unknown dip, has been interpreted to extend through the zone of high-grade mineralisation in MRC008. Of note, previous rock chip samples from artisanal workings related to this structure returned 8.4g/t gold and 12.1g/t gold. Additional drilling is planned to test the cross-structures.

Kogodou Prospect

At the Kogodou Prospect, two diamond drill holes (GDH001 – GDH002) for 258m and 8 RC drill holes for 1,000m (GRC001 – GRC008) were completed along the projected northeast strike extension of the Mineral Resource to follow-up previous gold anomalous drilling and rock chip results.

Drilling confirmed that the parallel gold lodes that comprise the Mineral Resource continue for a further 100m into the Gouéli Permit and remain open along strike to the northeast. Mapping and satellite imagery indicate the artisanal workings on these gold lodes extend for at least 500m into the Gouéli Permit and the mineralization may extend further again beneath shallow soil cover.

Results have been returned for RC drill holes GRC001 – GRC005. The best results include:



- 10m at 1.1g/t gold from 104m (GRC003); and
- 12m at 1.9g/t gold from 71m, including 1m at 15.9g/t gold from 79m (GRC005).

Drilling continues to the northeast of the Mineral Resource at Kogodou.

Maré Prospect

At the Maré Prospect, 11 holes for 1,363m (BARC346 – BARC356) were completed along the Footwall Shear (1.5km west of the Mineral Resource) to follow-up previous gold anomalous auger and trenching results.

A number of high-grade gold intersections were obtained in the drilling and are associated with a strong, northeast-trending, Induced Polarisation (IP) chargeability high anomaly which extends for at least 4km and lies 500m northwest and parallel to the Mineral Resource.

The best gold intersections include:

- 4m at 9.2g/t gold from 44m, including 1m at 22.8g/t gold from 45m (BAR347);
- 15m at 3.8g/t gold from 53m, including 1m at 38.7g/t gold from 54m (BARC347);
- 3m at 6.7g/t gold from 84m, including 1m at 16.1g/t gold from 84m (BARC356); and
- 1m at 8.9g/t gold from 47m (BARC353).

The high-grade mineralisation at the Maré Prospect remains open along strike and at depth and further drilling is planned.

Diabatou East Prospect

A total of 3 RC drill holes (MRC023 – MRC025) for 384m were drilled at the Diabatou East Prospect to follow up anomalous rock chip sample.

Auger Drilling

A major 15,000m auger drilling program commenced across the Margou Permit to the east of the Mineral Resource with approximately a third having been completed during the Half Year (717 auger holes for 4,177m). The average auger hole depth is approximately 4m with drilling conducted on lines orientated at 150°.

The auger drilling started at the Diabatou Prospect and then is planned to extend to systematically cover various target areas across the Margou Permit. Over other areas within the Margou Permit (including a number of interpreted cross-structure target areas) line spacing is planned at an initial 400m line spacing, with holes every 50m along the lines.

Geophysical Survey

During the reporting period, an extensive ground magnetic and gradient-array IP geophysical survey was conducted within the Margou and Gouéli permits. A total of 550-line km (with 100m spaced lines) was completed. Data processing has commenced and a final report on the geophysical survey is expected soon.



Initial data from the survey has outlined a strong, 1.6km long, IP chargeability-high anomaly at the Diabatou Prospect. It is believed the IP anomaly is related to the pyrite mineralisation (up to 5%) that is associated with the high-grade gold mineralisation. Previous drilling intersections within the IP anomaly at Diabatou include: 7m at 121.2g/t gold from 41m, including 1m at 783.8g/t gold (hole MRC008); and 4m at 23.3g/t gold from 67m, including 1m at 65.7g/t gold (hole MRC014).

A second significant chargeability-high IP anomaly associated with high grade gold mineralisation has been obtained at the Diabatou East Prospect. The Diabatou South East Prospect lies 2.5km south east of the Diabatou Prospect. The newly discovered IP anomaly extends for 1.7km and trends ENE which crosscuts the general NE orientation of the mineralisation in the region.

Mapping and Rock Chip Sampling

A program of regional geological mapping and rock chip sampling has been conducted on the Margou and Gouéli permits. To date a total of 1,063 rock chip samples have been collected from outcrop and artisanal pits across these permits. The assay results for 659 rock chip samples were reported. The results for a further 404 samples are expected in the March 2020 Quarter.

Results continue to confirm the exceptional prospectivity of the previously unexplored Margou and Gouéli permits. High-grade gold results cluster in four prospect areas: Kogodou, Diabatou, Diabatou East and Sirba.

The best new results of 41.2g/t gold, 14.7g/t gold, 14.6g/t gold and 10.1g/t gold were obtained at the Kogodou Prospect, directly east of the Mineral Resource, highlighting the potential for a major strike extension to the Mineral Resource.

High grade rock chip sample results including 21.2g/t gold, 21.1g/t gold, 9.2g/t gold and 5.2g/t gold have been obtained from outcropping quartz veins hosted in volcanic rocks along the IP anomaly at the Diabatou East Prospect.

At the Diabatou Prospect, rock chip sample results up to 14.7g/t gold, 6.3g/t gold, and 5.5g/t gold were obtained from granite-hosted mineralisation in artisanal workings located 110m south of the initial IP chargeability-high anomaly. Rock chip sampling over most of the IP anomaly area was not possible as it is covered by laterite up to 5m in thickness. The new high-grade rock chip sample results lie immediately south of the laterite cover.

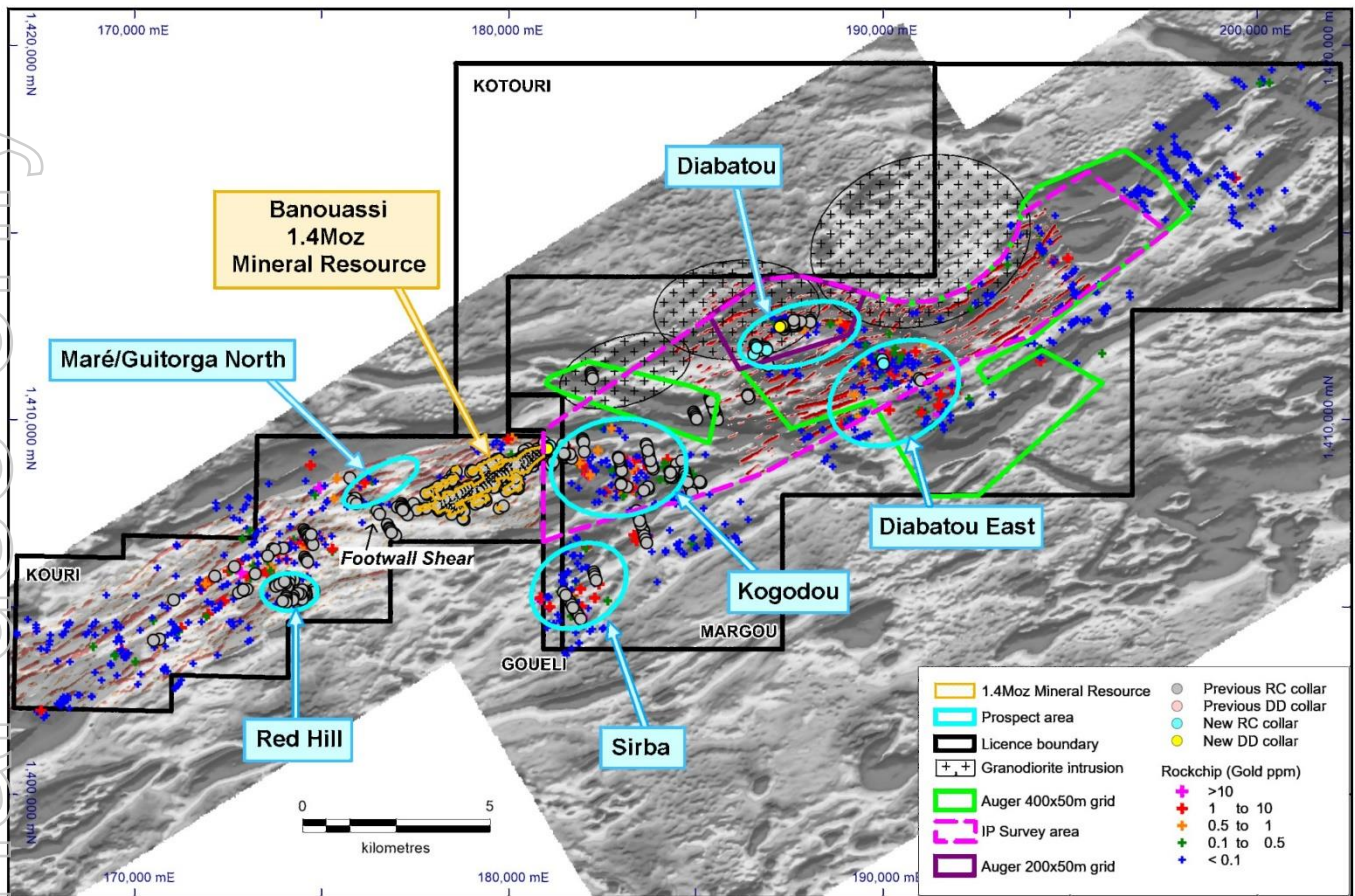


Figure 1. Kouri Gold Project permits and prospect areas over an aeromagnetic image (Golden Rim has exclusive right to acquire Kotouri Permit, upon grant).

Paguanta Silver-Lead-Zinc-Copper Project, Chile (Paguanta)

Paguanta lies in the Tarapacá Region of northern Chile, approximately 120km northeast 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 the Cerro Colorado Mine, which is exploiting a large porphyry copper deposit with a Mineral Resource of 400Mt @ 0.62% copper for 5.5Bib of copper and annual copper cathode production of approximately 175Milb.

Using a cut-off grade of 6% zinc equivalent, the Mineral Resource at Paguanta is 2.4Mt at 5.0% zinc, 1.4% lead, 88g/t silver and 0.3g/t gold (or 2.4Mt at 8.0% Zn Eq) for 190,000t of contained Zn Eq metal. Almost 50% of the Mineral Resources is in the Measured and Indicated categories. The Mineral Resource for the Patricia Prospect at Paguanta remains open at depth and along strike.

The Company's focus is on its exploration work programs at Kouri and Paguanta remains on care and maintenance while divestment opportunities are being sought.

A Chilean company, Kura Minerals, is assisting with the divestment of Paguanta.



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.

Corporate

The Company undertook capital raisings during the Half Year. These included a share placement of \$500,000 (before costs) from the issue of 50,000,000 shares at an issue price of 1 cent per share. A further share placement in conjunction with a Renounceable Rights Issue was also undertaken, raising approximately \$5.3 million (before costs). The shares were at an issue price of \$0.014 per share and the Renounceable Rights Issue was fully underwritten. In addition to taking up their entitlements under the Renounceable Rights Issue, Westward Investments Limited (**Westward**) (a substantial shareholder of the Company) was also issued a further 13,410,772 shares at \$0.014 per share, raising a further \$187,750 (before costs). Westward is a company associated with Golden Rim's current Non-Executive Chairman, Adonis Pouroulis. Mr Pouroulis was appointed to the Board of Golden Rim after the end of the Half Year.

The Company also acquired the exclusive right to purchase 100% of the Kotouri Exploration Permit (**Kotouri**), which is currently under application for grant. The acquisition is conditional upon the successful grant of the exploration permit.

Permit Schedule

The following table sets out the permits in which the Company had an interest, as at the end of the Half Year.

Permit name	Project name	Golden Rim Holding (%)
Burkina Faso		
Babonga	Babonga	100
Kouri	Kouri	100
Margou	Kouri	100
Gouéli	Kouri	100
Chile		
José Miguel 1 1-30 Exploitation	Paguanta	73
José Miguel 2 1-30 Exploitation	Paguanta	73
José Miguel 3 1-20 Exploitation	Paguanta	73
José Miguel 4 1-30 Exploitation	Paguanta	73
José Miguel 5 1-30 Exploitation	Paguanta	73
José Miguel 6 1-30 Exploitation	Paguanta	73
José Miguel 7 1-30 Exploitation	Paguanta	73
José Miguel 8 1-10 Exploitation	Paguanta	73



Permit name	Project name	Golden Rim Holding (%)
Carlos Felipe 1 1-30 Exploitation	Paguanta	73
Carlos Felipe 2 1-30 Exploitation	Paguanta	73
Carlos Felipe 3 1-30 Exploitation	Paguanta	73
Carlos Felipe 4 1-30 Exploitation	Paguanta	73
Carlos Felipe 5 1-30 Exploitation	Paguanta	73
Carlos Felipe 6 1-30 Exploitation	Paguanta	73
Teki I 1	Paguanta	100 - Conversion to Exploitation pending
Teki I 2	Paguanta	100 - Conversion to Exploitation pending
Teki I 3	Paguanta	100 - Conversion to Exploitation pending
Teki I 4	Paguanta	100 - Conversion to Exploitation pending
Teki I 5	Paguanta	100 - Conversion to Exploitation pending
Teki I 6	Paguanta	100 - Conversion to Exploitation pending
Teki I 7	Paguanta	100 - Conversion to Exploitation pending

Competent Persons Statements

The information in this report relating to previous exploration results and Mineral Resources are extracted from the announcements New Resource Estimation for Paguanta dated 30 May 2017; 1.4 Million Oz of Gold in Upgraded Kouri Mineral Resource dated 3 December 2018; Bonanza Intercept of 4m at 44.7g/t Gold at Kouri dated 16 January 2019; Commencement of Major Drilling Program at Kouri dated 6 May 2019; Kouri Exploration Update dated 17 May 2019; Positive Start to Exploration on new Kouri permits dated 4 June 2019; Broad zones of gold mineralisation identified in trenching at Kouri dated 11 June 2019; Golden Rim quadruples Kouri Gold Project dated 28 June 2019; Kouri Drilling Update dated 15 July 2019; Golden Rim Further Expands Kouri Gold Project dated 18 July 2019; 784g/t Gold Bonanza Intercept at Kouri dated 5 August 2019; Second High-Grade Zone Discovered in Granite at Kouri. 66g/t Gold Intersected dated 28 August 2019; Drilling Further Extends Gold Mineralisation Beyond Existing 1.4Moz Mineral Resource at Kouri dated 2 September 2019; Major Drilling Program Re-commences at Kouri dated 7 October 2019, Major Exploration Campaign Accelerates at Kouri dated 15 October 2019; 1.6km Geophysical Anomaly Associated with High Grade Gold at Kouri dated 1 November 2019; New High-Grade Gold Zone Discovered at Kouri, 9m at 3.6g/t including 1m at 15.1g/t dated 19 December 2019; More High-Grade Gold Results Obtained at Kouri dated 20 December 2019 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.

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 13 March 2020, the Company requested a trading halt in respect of its securities listed on ASX, pending finalising of arrangements regarding a capital raising.

On 17 January 2020, the Company issued 5,000,000 unlisted options each with an exercise price of \$0.03 and an expiry date of 17 January 2022 to Adonis Pouroulis, in conjunction with his appointment as Non-Executive Chairman.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 11 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

Glenister Lamont
14 March 2020

14 March 2020

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

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 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Craig Bryan
Partner
Chartered Accountants
Melbourne

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year ended 31 December 2019

	31 December 2019 \$	31 December 2018 \$
Interest income	1,286	4,603
Other (losses) / gains	(41,901)	5,944
Administration expenses	(856,283)	(830,721)
Depreciation expense	(27,261)	(28,356)
Exploration and evaluation expenditure	(2,810,646)	(2,243,096)
Loss before income tax	(3,734,805)	(3,091,626)
Income tax expense	-	-
Loss for the period	(3,734,805)	(3,091,626)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(149,621)	31,937
Other comprehensive income for the period (net of tax)	(149,621)	31,937
Total comprehensive income for the period	(3,884,426)	(3,059,689)
Loss attributable to:		
Owners of the company	(3,690,156)	(3,009,215)
Non-controlling interests	(44,649)	(82,411)
	(3,734,805)	(3,091,626)
Total comprehensive loss attributable to:		
Owners of the company	(3,847,698)	(2,978,788)
Non-controlling interests	(36,728)	(80,901)
	(3,884,426)	(3,059,689)
Loss per share		
Basic (cents per share)	(0.37)	(0.73)
Diluted (cents per share)	(0.37)	(0.73)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position as at 31 December 2019

	Note	31 December 2019 \$	30 June 2019 \$
Current Assets			
Cash and cash equivalents		1,786,869	352,993
Trade and other receivables		11,249	17,505
Other assets		61,626	20,954
Total Current Assets		1,859,744	391,452
Non-Current Assets			
Other financial assets		11,984	11,995
Plant and equipment		100,834	94,018
Exploration and evaluation expenditure	6	5,814,615	5,925,234
Total Non-Current Assets		5,927,433	6,031,247
Total Assets		7,787,177	6,422,699
Current Liabilities			
Trade and other payables		638,678	939,528
Provisions		87,357	120,982
Total Current Liabilities		726,035	1,060,510
Non-Current Liabilities			
Provisions		117,915	108,059
Total Non-Current Liabilities		117,915	108,059
Total Liabilities		843,950	1,168,569
Net Assets		6,943,227	5,254,130
Equity			
Share capital	4	84,406,652	78,937,169
Reserves		1,247,608	1,601,375
Accumulated losses		(76,951,315)	(73,561,424)
Equity attributable to owners of the Company		8,702,945	6,977,120
Non Controlling Interests		(1,759,718)	(1,722,990)
Total Equity		6,943,227	5,254,130

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity for the Half Year ended 31 December 2019

	Share Capital	Option Reserve	Foreign Currency Reserve	Accumulated Losses	Non-Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	72,885,963	1,414,056	284,065	(68,316,662)	(1,593,082)	4,674,340
Loss for the period	-	-	-	(3,009,215)	(82,411)	(3,091,626)
Other comprehensive income for the period	-	-	30,427	-	1,510	31,937
Total comprehensive loss for the period	-	-	30,427	(3,009,215)	(80,901)	(3,059,689)
Transactions with owners recorded directly in equity						
Issue of shares and options	3,049,875	792,335	-	-	-	3,842,210
Share issue costs	(496,329)	-	-	-	-	(496,329)
Fair value of expired options	-	(33,750)	-	33,750	-	-
Balance at 31 December 2018	75,439,509	2,172,641	314,492	(71,292,127)	(1,673,983)	4,960,532
Balance at 1 July 2019	78,937,169	1,298,200	303,175	(73,561,424)	(1,722,990)	5,254,130
Loss for the period	-	-	-	(3,690,156)	(44,649)	(3,734,805)
Other comprehensive income for the period	-	-	(157,542)	-	7,921	(149,621)
Total comprehensive loss for the period	-	-	(157,542)	(3,690,156)	(36,728)	(3,884,426)
Transactions with owners recorded directly in equity						
Issue of shares and options	5,956,435	104,040	-	-	-	6,060,475
Share issue costs	(486,952)	-	-	-	-	(486,952)
Fair value of expired options	-	(300,265)	-	300,265	-	-
Balance at 31 December 2019	84,406,652	1,101,975	145,633	(76,951,315)	(1,759,718)	6,943,227

The accompanying notes form part of these financial statements



Condensed Consolidated Statement of Cash Flows for the Half Year ended 31 December 2019

	31 December 2019 \$	31 December 2018 \$
Cash flows from operating activities		
Payments to suppliers and employees	(879,457)	(734,405)
Mineral exploration expenditure	(3,118,054)	(2,501,174)
Interest received	1,286	4,603
	<hr/>	<hr/>
Net cash used in operating activities	(3,996,225)	(3,239,976)
Cash flows from investing activities		-
Proceeds from sale of plant and equipment	-	18,553
Purchase of plant and equipment	(36,229)	-
	<hr/>	<hr/>
Net cash (used in) / provided by investing activities	(36,229)	18,553
Cash flows from financing activities		
Proceeds from issue of shares and options	5,956,435	3,569,441
Share issue costs	(486,952)	(302,933)
	<hr/>	<hr/>
Net cash provided by financing activities	5,469,483	3,266,508
Net increase in cash and cash equivalents held	1,437,029	45,085
Cash and cash equivalents at the beginning of the period	352,993	1,203,976
Translation differences on cash held in foreign currencies	(3,153)	2,455
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	1,786,869	1,251,516

The accompanying notes form part of these financial statements.



Condensed Notes to the Consolidated Financial Statements for the Half Year ended 31 December 2019

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 should 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 2019, except for the impact of the new Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Amendments to Accounting Standards that are mandatorily effective for this Half Year

The Group has adopted all 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 Half Year.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include AASB 16 Leases.

This Standard replaces the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations and introduces a single lessee accounting model that eliminates the requirements for leases to be classified as operating or financing leases.

The Standard will affect primarily the accounting for the Group's operating leases. As at the end of the Half Year, the Group has a non-cancellable operating lease commitment relating to premises occupied by the Group in the course of its operations for a term of 12 months. The lease does not contain a purchase option and the directors intend to apply the short-term exemption clause on adoption. The adoption of AASB 16 will therefore not have a significant impact on the Group's financial statements.

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 have not resulted in changes to the Group's presentation of, or disclosure in, this Half Year Report.

2. Going Concern

The consolidated financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.



During the Half Year the Group incurred a net loss after tax of \$3,734,805 (2018: \$3,091,626) and incurred net cash outflows from operating and investing activities of \$4,032,454 (2018: \$3,221,423). At 31 December 2019 the Group had net assets of \$6,943,227 (30 June 2019: \$5,254,130) and net current assets of \$1,133,709 (30 June 2019: net current liabilities of \$669,058).

The Group currently does not generate any revenue and in order to continue as a going concern is therefore reliant on achieving a combination of the following matters to complete its planned business activities:

- a) raising additional equity capital or debt funding;
- b) receiving the proceeds from either the full or partial sale of its existing permit portfolio; and
- c) securing farm-out or similar arrangements of its existing permit portfolio.

The directors have prepared a cash flow forecast for the period ending 31 March 2021, which indicates current cash resources will not meet expected cash outflows without additional funding by the end of April 2020. Based on the 12 month cashflow forecast the group will progressively require additionally funding of at least \$2.1 million to continue minimum operations through to March 2021. As announced on 13 March 2020, the Group has decided to undertake a capital raising to meet the Group's short-term working capital requirements.

The Directors are satisfied they will be able to raise additional working capital as and when required and thus it is appropriate to prepare the financial statements on a going concern basis. In arriving at this position the Directors have considered the following pertinent matters:

1. the forecast exploration expenditure is staged and expenditure may or may not be spent depending on the results of the prior exploration stage and the availability of cash reserves;
2. further reductions to discretionary expenditure may be applied; and
3. in addition to the capital raising announced on 13 March 2020, the Directors are satisfied that they will be able to raise additional funds by way of further equity, debt (or a combination of both) or the divestment of an asset and/or implementation of other corporate structures, to fund ongoing exploration and for working capital.

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 initiatives set out above, a material uncertainty would exist that may cast a significant doubt as to 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.

These consolidated financial statements do 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 \$	Group \$
Half year 2019				
Segment revenue	1,286	-	-	1,286
Segment result	(856,600)	(189,617)	(2,688,588)	(3,734,805)
Exploration costs expensed	-	134,891	2,675,755	2,810,646
Depreciation expense	8,249	6,179	12,833	27,261
As at 31 December 2019				
Segment assets	1,678,060	2,521,649	3,587,468	7,787,177
Segment liabilities	305,651	43,118	495,181	843,950
Half year 2018				
Segment revenue	4,603	-	-	4,603
Segment result	(825,355)	(406,927)	(1,859,344)	(3,091,626)
Exploration costs expensed	-	394,512	1,848,584	2,243,096
Depreciation expense	8,489	9,107	10,760	28,356
As at 30 June 2019				
Segment assets	289,722	2,599,756	3,533,220	6,422,699
Segment liabilities	339,756	44,798	784,015	1,168,569

4. Issued capital

	31 December 2019 \$	30 June 2019 \$
Ordinary shares		
Issued and fully paid: 1,162,966,109 (30 June 2019: 723,220,708) shares	<u>84,406,652</u>	<u>78,937,169</u>

Shares

During the Half Year, the Company issued 439,745,401 shares to raise a total of \$5,469,483 after share issue costs.

Options

At 31 December 2019, the Company had the following unlisted options on issue:

5,959,404 Class R options with no vesting period, exercisable at 7.5 cents on or before 6 July 2020.

1,600,000 Class T options with no vesting period, exercisable at 7.0 cents on or before 17 July 2020.

90,767,825 Class ULOPT10 options with no vesting period, exercisable at 4.0 cents on or before 14 September 2020.

12,700,000 Class U options with no vesting period exercisable at 4.0 cents on or before 19 December 2020.

27,600,000 Class V options with no vesting period exercisable at 3.0 cents on or before 29 November 2021.

1,600,000 Class W options with no vesting period exercisable at 4.0 cents on or before 19 December 2020.

5. Fair value measurement of financial instruments

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	5,925,234
Exchange losses	<u>(109,619)</u>
	<u>5,814,615</u>

The exploration and evaluation expenditure above include \$2,506,984 relating to the acquisition costs of the Paguanta project in Chile. The Company is currently seeking a corporate transaction with respect to its interest in this project.

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 13 March 2020, the Company requested a trading halt in respect of its securities listed on ASX, pending finalising of arrangements regarding a capital raising.

On 17 January 2020, the Company issued 5,000,000 unlisted options each with an exercise price of \$0.03 and an expiry date of 17 January 2022 to Adonis Pouroulis, in conjunction with his appointment as Non-Executive Chairman.



Directors Declaration

The Directors declare that the condensed consolidated financial statements and notes of the consolidated entity set out on pages 12 to 19:

- (a) comply with *Accounting Standard AASB 134 – Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Group's financial position as at 31 December 2019 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 the Company 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
14 March 2020

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 (the "Company") and its subsidiaries (the "Group") which comprises the condensed consolidated statement of financial position as at 31 December 2019, and 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, selected explanatory notes and, the directors' declaration.

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 Golden Rim Resources Ltd's financial position as at 31 December 2019 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.

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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 Group 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 during the half year ended 31 December 2019, the Group incurred a net loss of \$3,734,805 (31 December 2018: \$3,091,626) and experienced net cash outflows from operating and investing activities of \$4,032,454 (2018: \$3,221,423). At 31 December 2019, the Group had net assets of \$6,943,227 (30 June 2019: \$5,254,130) and net current assets of \$1,133,709 (30 June 2019: net current liability \$669,058).

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



Craig Bryan
Partner
Chartered Accountants
Melbourne, 14 March 2020