

Golden Rim announces A\$8.3 Million Capital Raising

Key Points

- Firm commitments of approximately A\$2.44 million (before costs) received for Placement to fund exploration drilling and work programs at the Company's flagship Kada Gold Project (**Kada**) in eastern Guinea.
- Placement strongly supported by new and existing institutional and sophisticated investors.
- Launch of 1 for 2 non-renounceable pro-rata Entitlement Offer to raise up to approximately A\$5.89 million (before costs).
- Major drilling campaign to commence shortly which will focus on expanding the oxide gold inventory at Kada.

Golden Rim Resources Ltd (ASX: GMR) (**Golden Rim** or **Company**) is pleased to announce it has received firm commitments to raise approximately A\$2.44 million (before costs) via a placement (**Placement**) of approximately 81.5 million fully paid ordinary shares at A\$0.03 per share (**Placement Shares**). The Company will utilise its full placement capacity under ASX Listing Rule 7.1 (being 47,087,099 shares) and 7.1A (being 31,391,339 shares) to issue the Placement Shares.

New Golden Rim director Dr Doug Jones has agreed to subscribe for 3 million Placement Shares as part of the Placement for A\$90,000. As per the requirements of ASX Listing Rule 10.11, Golden Rim will also seek shareholder approval for Dr Jones' participation in the Placement at a shareholder meeting to be held in late January / early February 2023.

The Company today has also launched a 1 for 2 pro-rata non-renounceable entitlement offer by way of the issue of approximately 196.2 million new fully paid ordinary shares (**New Shares**) at A\$0.03 per New Share to raise approximately A\$5.89 million (before costs) (**Entitlement Offer**) (together with the Placement, the **Capital Raising**). The Capital Raising is joint lead managed by Argonaut Securities Pty Ltd and Canaccord Genuity (Australia) Limited (**Joint Lead Managers**). Directors eligible to participate propose to take up their entitlements in part or in full under the Entitlement Offer.

The Capital Raising issue price of A\$0.03 per share represents a discount of approximately 9.1% to the last closing price of the Company's shares on ASX as at 6 December 2022 and a 14.9% to the 10-day VWAP of A\$0.0352.

Funds from the Capital Raising will be utilised towards exploration drilling and work programs at the Company's flagship Kada Gold Project in eastern Guinea and general working capital.

Commenting on the Capital Raising, Golden Rim's CEO, Tim Strong, said:

"We have received firm commitments from new and existing shareholders which underlines the support for Golden Rim and its flagship Kada project in Guinea. The fundraise will allow us to build on the

930,000oz gold resource¹ discovered to date at the Massan prospect and establish the potential resource at the Bereko prospect, as well as initial exploration on additional early-stage targets. Kada has the potential to be Guinea's, and West Africa's, next big gold discovery. The team and I are excited for what will be a transformational year for Golden Rim."

Each New Share issued under the Placement and Entitlement Offer will rank equally with each existing fully paid ordinary share on issue in the capital of the Company (**Shares**). The Company is scheduled to issue the Placement Shares (other than those to Dr Jones) on or about Friday, 16 December 2022. Placement participants (other than Dr Jones) will be eligible to take up their entitlement in respect of their Placement Shares.

The Entitlement Offer is being extended to Golden Rim shareholders who:

- are registered as a holder of Shares at 7.00pm AEDT on Monday, 19 December 2022 (**Record Date**);
- have an address on the register in Australia, New Zealand, Mauritius, Hong Kong, Singapore, the Bahamas or the United Kingdom;
- are not in the United States or a US Person or acting for the account or benefit of such persons; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

The Entitlement Offer is expected to open on Thursday, 22 December 2022 and to close at 5.00pm AEDT on Friday, 13 January 2023. Please refer to the indicative timetable below for the key dates relating to the Entitlement Offer.

The Entitlement Offer is non-renounceable. This means that Golden Rim shareholders who do not take up their entitlement to participate in the Entitlement Offer will not be able to transfer or receive any value for those entitlements, and their equity interest in Golden Rim will be diluted.

Eligible shareholders will also be invited to subscribe for New Shares under the Entitlement Offer in excess of their entitlement under a shortfall facility, capped to a total of \$500,000, subject to overall participation levels in the Entitlement Offer and with priority allocations being made to those eligible shareholders who do not have a marketable parcel.

If any shortfall remains after the allocation to eligible shareholders as provided above, Golden Rim reserves the right to place any resulting shortfall within three months of the closing date of the Entitlement Offer. The Joint Lead Managers will act as brokers and bookrunners with respect to the shortfall.

Further details will be contained in an Entitlement Offer booklet to be dispatched in accordance with the below indicative timetable. Important information relating to the key risks of investing in Golden Rim are contained in the annexure to this announcement.

¹ ASX Announcement: Kada Maiden Mineral Resource 930koz Gold dated 3 March 2022 (Inferred Mineral Resource of 25.5Mt at 1.1g/t gold).

Indicative timetable*

An indicative timetable for the Placement and Entitlement Offer is set out below.

Event	Date
Announcement of Placement and Entitlement Offer, trading halt lifted	Friday, 9 December 2022
Cleansing notice for Entitlement Offer lodged with ASX	Friday, 9 December 2022
Issue of Placement Shares	Friday, 16 December 2022
Ex-date for Entitlement Offer	Friday, 16 December 2022
Record Date to determine entitlements	Monday, 19 December 2022
Entitlement Offer opens	Thursday, 22 December 2022
Dispatch of Entitlement Offer booklets and entitlement and acceptance forms	
Entitlement Offer closes	Friday, 13 January 2023
Announcement of shortfall (if any) under the Entitlement Offer	Wednesday, 18 January 2023
Issue of Shares under the Entitlement Offer	Friday, 20 January 2023
Commencement of normal trading for Shares issued under the Entitlement Offer	Monday, 23 January 2023

* The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including extending the closing date of the Entitlement Offer or accepting late applications, without notice. The commencement of quotation and trading of New Shares is subject to confirmation from the ASX.

The Entitlement Offer will be conducted in accordance with section 708AA of the Corporations Act. The Company will dispatch to eligible shareholders an Entitlement Offer booklet which will provide further details of the Entitlement Offer and how to participate in the Entitlement Offer. The Entitlement Offer booklet will also include a personalised entitlement and acceptance form. Eligible shareholders wishing to participate in the Entitlement Offer should carefully review the Entitlement Offer booklet. Those shareholders who the Company determines to be ineligible shareholders will be notified of that fact.

The Entitlement Offer falls within an exception to ASX Listing Rule 7.1 and 7.1A and does not require shareholder approval.

This is the announcement referred to in the Company's request for a trading halt on 7 December 2022.

This announcement has been authorised for release by the Board of Golden Rim Resources Ltd.

9 December 2022

ASX: GMR



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ABOUT GOLDEN RIM RESOURCES

Golden Rim Resources Limited is an ASX listed exploration company with a portfolio of advanced minerals projects in Guinea and Burkina Faso, West Africa and in Chile, South America.

The Company's flagship project is the advanced Kada Gold Project in eastern Guinea. Guinea remains one of the most under-explored countries in West Africa. Golden Rim has outlined a maiden Inferred Mineral Resource of 25.5Mt at 1.1g/t gold for 930Koz², the majority of which is shallow oxide-transitional gold mineralisation. Golden Rim is focussed on growing the Mineral Resource. Most of the 200km² project area remains poorly explored and there is considerable upside for the discovery of additional oxide gold mineralisation.

The Company discovered and has outlined an Indicated and Inferred Mineral Resource of 50Mt at 1.3g/t gold for 2Moz³ at the Kouri Gold Project, located in north-east Burkina Faso. Kouri covers 325km² of highly prospective Birimian greenstones. Exploration has successfully located several high-grade gold shoots.

In northern Chile, Golden Rim has the Paguanta Copper and Silver-Lead-Zinc Project. Historically a silver mine, the Company has outlined a Measured, Indicated and Inferred Mineral Resource of 2.4Mt at 88g/t silver, 5.0% zinc and 1.4% lead for 6.8Moz silver, 265Mlb zinc and 74Mlb lead⁴ at the Patricia Prospect. The Mineral Resource remains open.

At the adjacent Loreto Copper Project in Chile, Golden Rim has signed an Option and Joint Venture agreement with Teck Chile whereby Teck Chile can acquire up to a 75% interest in the project.

ASX:GMR

Market Capitalisation: A\$11 million

Shares on Issue: 314 million

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² ASX Announcement: Kada Maiden Mineral Resource 930koz Gold dated 3 March 2022 (Inferred Mineral Resource of 25.5Mt at 1.1g/t gold).

³ ASX Announcement: Kouri Mineral Resource Increases by 43% to 2 Million ounces Gold dated 26 October 2020 (Total Mineral Resource includes: Indicated Mineral Resource of 7Mt at 1.4g/t gold and Inferred Mineral Resource of 43Mt at 1.2g/t gold).

⁴ ASX Announcement: New Resource Estimation for Paguanta dated 30 May 2017 (Total Mineral Resource includes: Measured Mineral Resource of 0.41Mt at 5.5% zinc, 1.8% lead, 88g/t silver, 0.3g/t gold; Indicated Mineral Resource of 0.61Mt at 5.1% zinc, 1.8% lead, 120g/t silver, 0.3g/t gold; Inferred Mineral Resource of 1.3Mt at 4.8% zinc, 1.1% lead, 75g/t silver, 0.3g/t gold).

JORC Compliance Statement

The information in this announcement relating to Mineral Resources are extracted from the announcements: Kada Maiden Mineral Resource 930Koz Gold dated 3 March 2022, Kouri Mineral Resource Increases by 43% to 2 Million ounces Gold dated 26 October 2020 and New Resource Estimation for Paguanta dated 30 May 2017. 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 and, in the case of Mineral Resource estimates, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Annexure A – Risk Factors

Investors should be aware that an investment in the Company is subject to investment and other known and unknown risks, including possible loss of the principal invested. Investors should carefully read this Annexure A. An investment of this kind involves a number of risks, some of which are specific to the Company and the industry in which it operates.

The Company has implemented strategies, actions, systems and safeguards for known risks. However, some risks are beyond its control. Consequently, the prevailing price or value of the Placement Shares or New Shares (together, for the purposes of these risk factors, the "New Shares") issued under the Capital Raising may be more or less than the issue price. The New Shares offered under the Capital Raising carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered as a guide to its future performance. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of in evaluating the Company's business and risks of investing in the Company. Potential investors should carefully consider the following factors in addition to the other information presented in this announcement and accompanying investor presentation.

1 Specific risk factors to the Company

In addition to the general risks noted in section 2, investors should be aware of risks specific to an investment in the Company, which may include, but are not limited to, the following:

(a) Additional requirements for capital

The Company's ongoing activities and growth through development will require substantial expenditures. There can be no guarantee that the Company will be able to access the funds necessary to finance its future activities and successfully achieve all the objectives of the Company's overall business strategy on terms acceptable to the Company, or at all. Any equity financing may be dilutive to shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(b) Country risk

The Company's operations and assets are located in Guinea, Burkina Faso and Chile. The Company's operations in Guinea, Burkina Faso and Chile are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, 'black swan' events such as a pandemic or outbreak of disease, currency exchange rates, high rates of inflation, terrorism, labour unrest, social unrest, civil disobedience, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, changing political conditions, war and civil conflict, lack of law enforcement, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in Guinea, Burkina Faso and/or Chile may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of interests. Given the Company's focus on its operations in Guinea, the security of the Company's employees and contractors in, in particular, Guinea, is key to the Company's ability to perform its exploration and development activities and hence its success. However, the security environment in Guinea (and/or Chile and Burkina Faso) may deteriorate and adversely affect the Company's operations or profitability, in any event. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. The legal systems operating in Guinea, Burkina Faso and Chile may be less developed than more established countries, which may also result in risks.

(c) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its small senior management group. As the Company is a small organisation, there is substantial reliance on a few key personnel. Further as the Company's operations are in overseas jurisdictions, personnel with in-country knowledge are valuable to the Company's exploration and development activities. The Company's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these personnel were to leave the Company or are unable to perform their duties.

(d) Exploration and operational risks

The future profitability of the Company and the value of its Shares are directly related to the results of exploration and any subsequent project development. Until the Company can realise value from its projects, it is likely to incur ongoing operating costs. There are risks in undertaking exploration and development activities, which are inherently risky and speculative. There is no guarantee that gold or other mineral deposits will be discovered in the locations being explored by the Company. In the event that deposits are, or have been discovered, there is no guarantee that they will be in commercially viable quantities or economically profitable. In addition, the Company's operations and profitability will be affected by operational risks. These include geological conditions, technical difficulties, securing and maintaining tenements, weather, attracting and retaining suitable staff in remote locations and construction of efficient processing facilities.

(e) Access to land

The Company will likely experience delays and cost overruns in the event it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, harvesting, landholder's or community activities, government legislation or other factors. In particular, Guinea has a rainy season in the winter months. This may impact on the Company's ability to conduct operations such as drilling.

(f) Title risk

The Company's current operations and exploration permits and/or exploitation concessions are in Guinea, Burkina Faso and Chile. The Company's exploration permits and/or exploitation concessions are subject to the 2011 Mining Code of Guinea, the 2015 Mining Code of Burkina Faso or 1983 Mining Code of Chile, as applicable.

In Guinea, each exploration permit is granted for 3 periods of 3 years following which a replacement permit or exploitation permit may be applied for.

In Burkina Faso, each exploration permit is granted for 3 periods of 3 years following which a replacement permit or exploitation permit may be applied for.

Each exploration permit carries with it annual expenditure and reporting commitments, as well as other material conditions requiring compliance, such as satisfaction of other statutory payments (including land taxes and statutory duties) and compliance with work programmes and public health and safety laws. Consequently, the Company could lose title to or its interest in permits and concessions if permit and concession conditions are not met or if insufficient funds are available to meet expenditure commitments or statutory payments. There is no guarantee that the exploration permits granted by the governments of the jurisdictions in which the Company operates will be renewed upon their termination.

In Chile, the Company holds exploitation concessions that are not subject to a renewal process other than the payment of an annual fee. Consequently, the Company could lose title to or its interest in concessions due to administrative error or if insufficient funds are available to meet statutory payments. There are no annual expenditure commitments on the exploitation concessions in Chile. The exploitation concessions in Chile are not subject to a specific term and therefore do not carry an expiration date.

Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations including in any other foreign jurisdiction other than Guinea, Burkina Faso or Chile. To the extent such approvals are required, and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

(g) Environmental regulation risk

The Company's operations are subject to environmental regulations in Guinea, Burkina Faso and Chile. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

(h) Future government actions

Future Guinean, Burkinabé or Chilean government actions concerning the economy, or the operation and regulation of the mining industry, could have a significant effect on the Company. No assurances can be given that the Company will not be adversely affected by any future developments in Guinea, Burkina Faso and Chile.

(i) Exploration and evaluation

Investors should understand that mineral exploration and development are high risk undertakings. While the Company has attempted to reduce this risk by selecting projects that have identified potential, there is still no guarantee of success. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(j) Operational risk

If the Company decides to develop and commission a mine, the operations of the Company including mining and processing may be affected by a range of factors. These include failure to achieve the predicted grade in exploration, mining and processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

(k) Insurance arrangements

The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to continue to maintain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

(l) Exchange rate fluctuations

International prices of most commodities are denominated in United States dollars, whereas the income and expenditure of the Company, whilst operating on Australian projects, will be in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, subject to any currency hedging that might be undertaken.

2 General risks

(a) Nature of investment

Any potential investor should be aware that subscribing for New Shares involves risks. The New Shares to be issued pursuant to this Capital Raising carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares. Investors may not be able to recoup their initial investment. More specifically, the risks are that (i) the price at which the investor is able to sell the New Shares is less than the price paid due to changes in market circumstances; (ii) the investor is unable to sell the New Shares; and (iii) the Company is placed in receivership or liquidation making it reasonably foreseeable that shareholders could receive none, or only some of their initial investment.

(b) Stock market

The New Shares may trade on the ASX at higher or lower prices than the Issue Price following listing. Investors who decide to sell their New Shares after listing may not receive the entire amount of their original investment.

The Shares are currently listed on the ASX, and also trade on the Berlin Open Market (Freiverkehr: A0LGRE) and the Frankfurt Open Market (WKN: A0LGRE). However, there can be no guarantee that there is or will be an active market in the Shares or that the price of the New Shares will increase. The price at which the New Shares trade may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

(c) Economic factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

(d) Management actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

(e) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(f) Regulatory risk, Government policy

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities. The activities of the Company will be subject to various federal, state and local laws governing prospecting, development, production, environmental remediation of mining activities, taxes, labour standards and occupational health and safety, climate change and other matters.

3 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under the Capital Raising. Therefore, the New Shares to be issued carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares.