

Review of Operations

The past 12 months has been a period of fast-paced and extensive exploration for Golden Rim.

Within a single field season, Golden Rim has completed exploration on 25 individual exploration permits in Burkina Faso and Mali. In Burkina Faso, the Company has defined target areas and completed drilling programs on permits that had no previous exploration. The programs have produced some of the best intercepts in the Company's history.

Significant gold and copper mineralisation was discovered at the Balogo Project in Burkina Faso. Balogo had no history of previous exploration and its potential was not recognised until October 2010 when regional geochemical work had been completed by the Company. Major progress has been made in 8 months to advance this project to arguably the most important project held by Golden Rim.

Broad new stockwork gold mineralized zones have been discovered in trenching at the Sepola Project in Mali, and Golden Rim is set to expand the current JORC Inferred Resource of 181,000oz with additional drilling.

Golden Rim's exploration approach continues to be systematic. The Company does not rely solely on the location of artisanal gold workings, but utilises surface geochemical sampling, geophysics (both airborne and ground) and geological mapping to define the target areas prior to drilling. This systematic approach may take longer but Golden Rim believes the integration of various datasets is vital as it provides a greater chance of exploration success. For example, our best gold and copper intercepts from our recent drilling at Balogo are located well away from the areas of artisanal mining beneath soil geochemical anomalies.

A large exploration office was established in Ouagadougou, the capital of Burkina Faso. The Company was able to attract high calibre staff including 3 teams of geologists and technicians, a GIS geologist, logistics co-ordinator, and a drilling team for Golden Rim's new power auger rig.

Golden Rim is now one of the larger explorers operating in Burkina Faso and is firmly established as a significant gold and copper explorer with a pipeline of exciting projects in West Africa - currently the fastest growing gold producing region in the World.

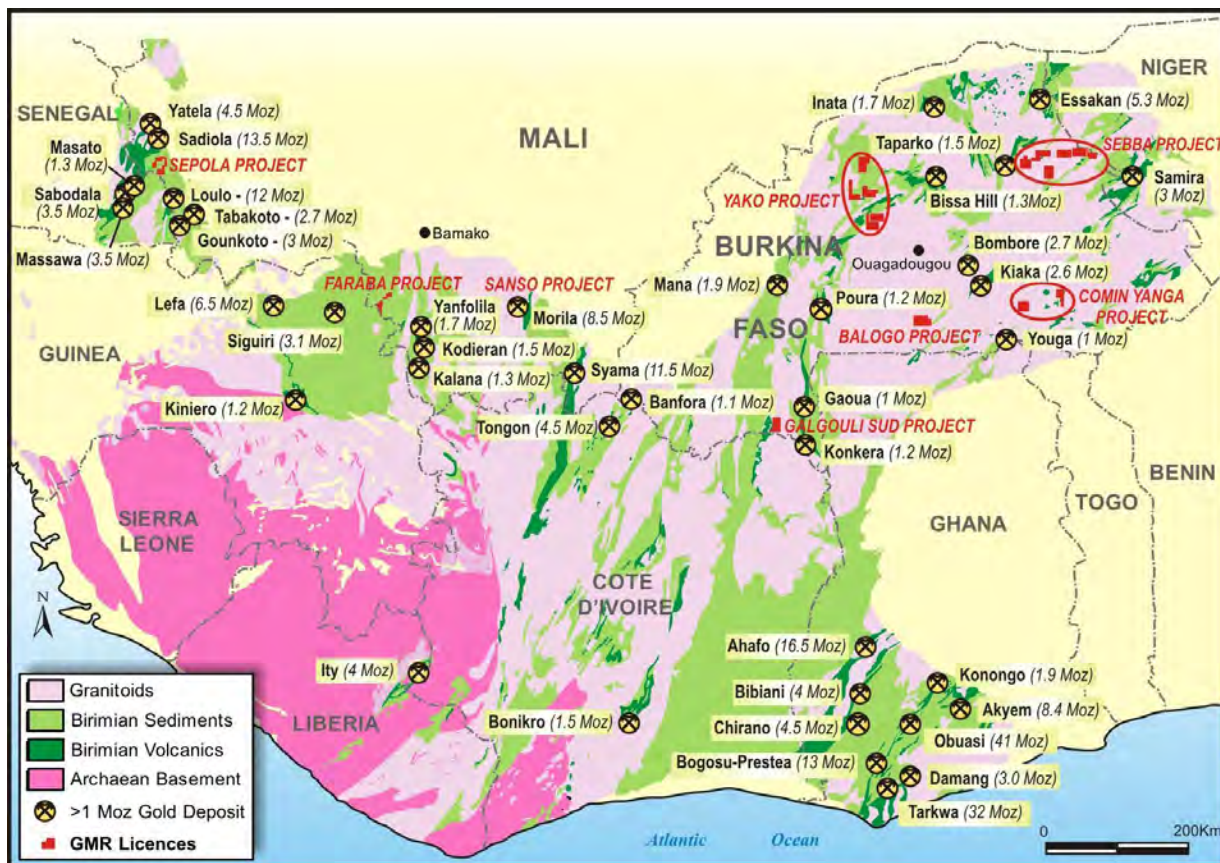


Figure 1. Location of Golden Rim's gold projects in West Africa

Project	RC (metres)	RAB (metres)	Rocks	Soils	Trenches (metres)
Sepola	3,346	0	194	727	3,521
Faraba	0	0	60	1,733	147
Mali Total	3,346	0	254	2,460	3,521
Sebba	2,359	4,906	1,644	14,080	0
Balogo	7,110	0	312	9,832	0
Yako	4,191	0	136	451	0
Galgouli Sth	0	0	141	4,839	0
Comin Yanga	0	0	257	1,545	0
Burkina Faso Total	13,660	4,906	2,490	30,747	0
Totals	17,006	4,906	2,744	33,207	3,521

Summary of work completed during the reporting period

Balogo Project, Burkina Faso

Prospects: Balogo Hill

- A major program of geological mapping, soil and rock chip sampling was completed on all 3 permits comprising Balogo.
- 9,832 soil samples and 312 rock chip samples were collected.
- Two major gold-in-soil anomalies have been identified. The main gold-in-soil anomaly in the vicinity of the Balogo Hill Prospect is approximately 11km x 2.8km, as defined by the 5ppb gold contour. The central, higher gold tenor part of the anomaly, defined by the 20ppb gold contour, extends for 2.9km x 1.1km. A second parallel gold-in-soil anomaly has been outlined 1km to the NW of the main soil anomaly where the highest gold grade of 2.5 g/t gold was obtained. This second anomaly extends for approximately 6km and is around 500m in width.
- An initial program of scout reverse circulation (**RC**) drilling (32 holes for 3,099m) was completed in April 2011 and intercepted significant copper and gold mineralisation (Figure 2).

Best intersections included:

11m at 2.15 g/t gold, 2.75% copper from 25m, including 3m at 5.83 g/t gold and 8.15% copper (Hole BRC013)

24m at 1.43 g/t gold, 0.88% copper (end of hole) from 93m (Hole BRC028)

12m at 0.24 g/t gold, 0.61% copper from 19m and 11m at 0.40 g/t gold, 0.50% copper from 55m (Hole BRC001)

6m at 9.97 g/t gold from 68m (Hole BRC005)

8m @ 5.75 g/t gold from 34m (Hole BRC025)

- A high resolution aeromagnetic / radiometric survey was flown over the entire Balogo area in late March 2011. Flight lines were spaced at 200m intervals and the survey was flown at a nominal height of 40m. The magnetic data identified a number of features which indicate the Cobra Shear Zone, within the Balogo Hill Prospect, may have a possible strike extent (mainly under soil cover) for **more than 5km**.
- Following the regional geophysics survey and the recognised association of magnetite with gold and disseminated copper sulphide mineralisation from the RC drilling, a 6km x 1km area was selected for survey by ground geophysics. Gradient array induced polarisation (IP) and a proton precession magnetic surveys were completed. The results of these surveys were highly successful in resolving the magnetic character of the area as well as identifying potential electrical conductors.
- A second phase of RC drilling comprising 35 holes totalling 4,012m was completed in July 2011. Most of these holes lie in the SW part of the Balogo Hill Prospect. Assay results for this drilling are pending.

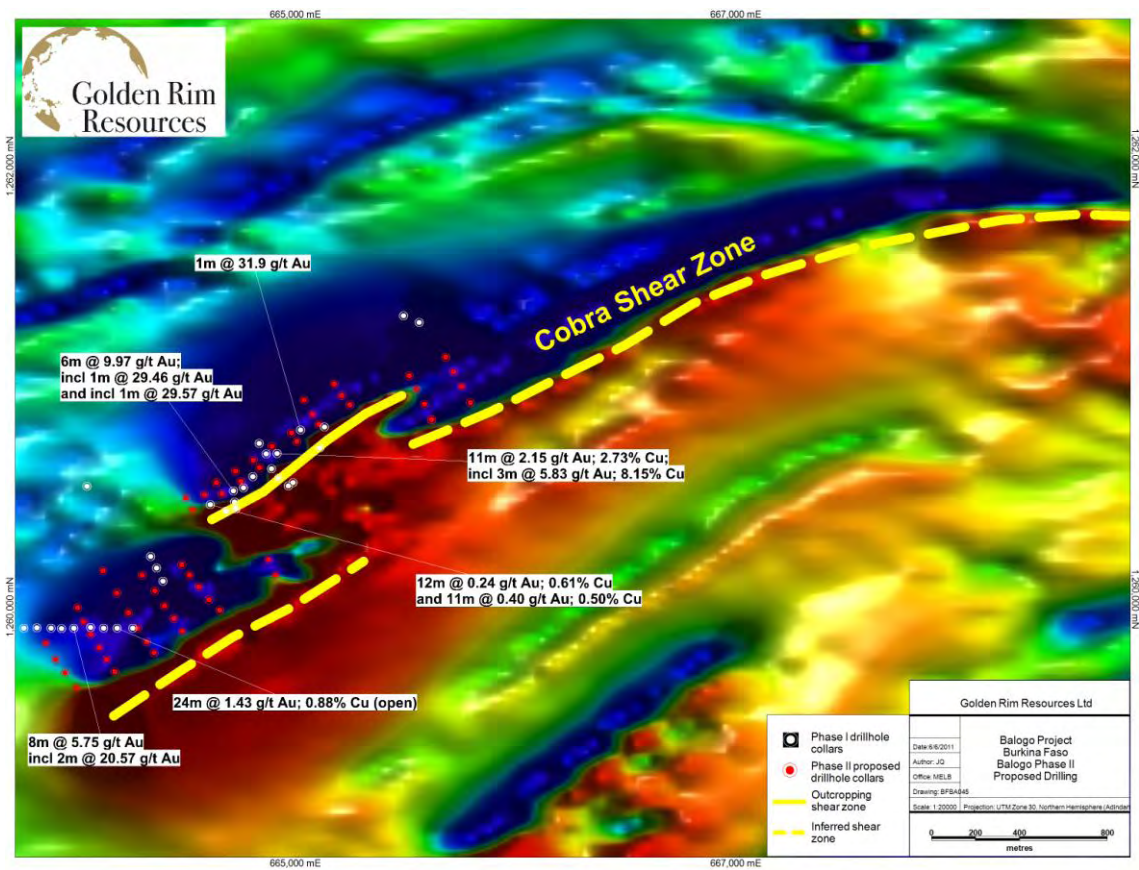


Figure 2. High resolution aeromagnetic image with significant copper and gold intercepts from the initial RC drilling and planned Phase 2 drill holes



Photograph 1. RC drilling at Balogo

Sebba Project, Burkina Faso

Prospects: Sefa Eddi, Tyena

- During the past 12 months, Golden Rim has completed the following work at Sebba:
 - collected 1,644 rock samples
 - taken 11,042 soil samples covering 160km²
 - drilled 3,038 power auger holes totalling 12,066m
 - drilled 28 RC holes for an aggregate of 2,359m
 - completed 102 rotary air blast (RAB) holes totalling 4,906m
 - flown a detailed magnetic / radiometric survey over the entire Sebba area
 - expanded the project area to 1,928km².
- Rock chip samples were collected during mapping of the various permits at Sebba. Gold grades of up to 78.53 g/t were obtained from the Sefa Eddi Prospect.
- Soil and auger samples were taken along the trends of major regional shear zones. Approximately 160km² has been covered by soil sampling over approximately 36 strike kilometres of shear zones. Major gold-in-soil anomalies were outlined over the shear zones.
- Scout RC drilling was completed at the Sefa Eddi Prospect.

Significant intercepts included:	3m @ 5.3 g/t gold
	1m @ 9.8 g/t gold
	3m @ 3.5 g/t gold

- The semi-regional program of deep RAB drilling identified anomalous gold mineralisation from the Tyena Prospect.

Results included:	8m at 2.43 g/t gold from 12m (Hole GRA024)
	12m at 1.46 g/t gold from 12m (Hole GRA044)
	12m at 1.34 g/t gold from surface (Hole GRA025)
	12m at 0.95 g/t gold from 16m (Hole GRA034)

- A high resolution aeromagnetic / radiometric survey was flown over most of Sebba in late March 2011. Flight lines were spaced at 200m intervals and the survey was flown at a nominal height of 40m. A detailed structural interpretation has been completed utilising the new aeromagnetic data and this will form the basis for targeting key prospective sites across the project area. The Sebba area now covers 1,928km².

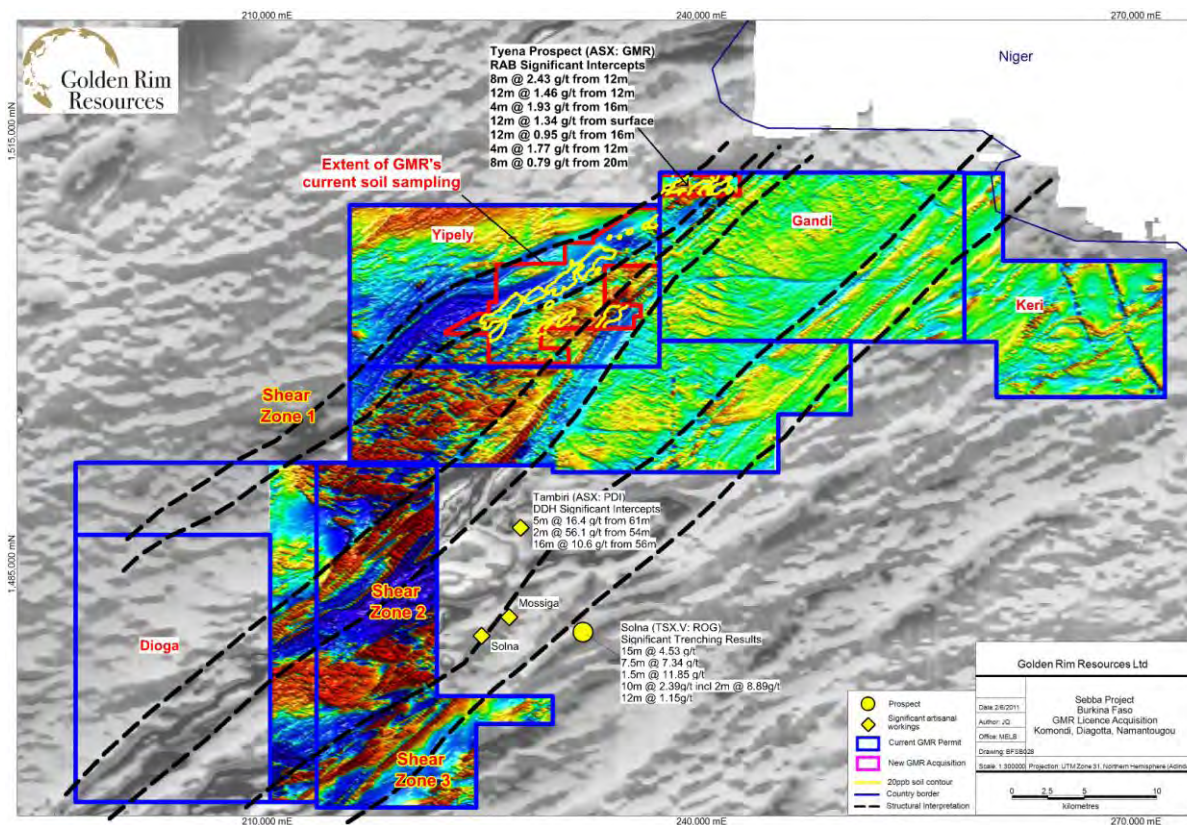


Figure 3. Location of Sebba and Golden Rim’s new high resolution aeromagnetic survey data (colour image) on the regional government aeromagnetics (b/w image)

Yako Project, Burkina Faso

Prospects: Pelle North, Nongfaire West

- Mapping was completed at the Pelle North and Nongfaire West prospects. Extensive artisanal mining has occurred at both prospects.
- 34 rock samples (results of up to **9.17 g/t gold**) were collected at the Pelle North Prospect. Mineralisation consists of an extensive zone of quartz veining over a strike extent of 700m and around 40m in width.
- 55 rock chip samples (results of up to **49.2 g/t gold**) were collected at the Nongfaire West Prospect. Gold mineralisation is associated with at least 3 parallel zones of quartz veins over an area of 500m x 500m. Mineralisation is open along strike.
- A program of RC drilling was completed at the Pelle North and Nongfaire West prospects in July 2011. A total of 15 holes for an aggregate of 835m were drilled at the Nongfaire West Prospect and 14 holes (882m) were drilled at the Pelle North Prospect. Assay results for these holes are pending.

Galgouli South Project, Burkina Faso

Prospects: Wewekera

- Located 36km NW of Ampella Mining Limited's Konkera deposit (2.2 Moz gold) in a similar geological setting.
- A total of 4,839 soil and power auger samples were collected over multiple areas with the most significant results (up to 1.12 g/t gold) obtained over an area of **760m x 370m** at the Wewekera Prospect.
- Limited outcrop, but rock chip samples of up to 2.39 g/t gold were obtained in the vicinity of the gold-in-soil anomalism.
- The Wewekera Prospect is located between two WNW-trending structures. One of these is interpreted to be a splay off the shear that hosts Konkera.



Photograph 2. Golden Rim's new power auger rig sampling soils at Galgouli South

Comin Yanga Project, Burkina Faso

- Reconnaissance mapping and rock chip sampling were completed over the Comin Yanga area.
- A total of 257 rock samples were collected with one sample returning a value of **65.5 g/t gold**. Other significant results obtained included 27.9 g/t gold, 14.3 g/t gold and 6.0 g/t gold.
- Five soil sampling grids were completed with a total of 1,545 samples collected. Several gold-in-soil anomalies were identified.

Sepola Project, Mali

Prospects: Mogoyafara South, Linnguekoto West

- A program of RC drilling was completed over parts of the Mogoyafara South Prospect in July 2010. A total of 24 holes were completed during the entire program for an aggregate of 3,346m.

Significant results obtained from the drilling included:

6m at 2.13 g/t gold from 92m in RCSP 1341
 3m at 1.02 g/t gold from 25m in RCSP 1340
 2m at 1.56 g/t gold from 10m in RCSP 1339.Z

- Results from a major program of trenching at the Mogoyafara South Prospect were received.

Significant trench intercepts included:

12 m at 3.53 g/t gold from 0m in TMS 17
 29m at 2.34 g/t gold from 74m in TMS 17
 13m at 1.36 g/t gold from 120m in TMS 17
 5m at 1.06 g/t gold in TMS 13

- A major trenching program was completed at the Linnguekoto West Prospect. A total of 16 trenches were completed for an aggregate of 905.5 linear metres. Eight channels were cut into areas with exposed bedrock where trenching was not possible. A total of 142 linear metres of channels were completed.

Significant trench and channel intercepts included:

16m at 3.15 g/t gold in Trench TLIN-2.
 5m at 1.03 g/t gold, 2m at 1.52 g/t gold and 5m at 3.07 g/t gold in Trench TLIN-5.
 31m at 2.29 g/t gold in Trench TLIN-06 (true width approximately 25m).
 3m at 4.54 g/t gold in Channel LIN-03.

- The mineralisation located at the Linnguekoto West Prospect includes high density gold-bearing quartz stringer veining or stockworks hosted in a sandstone unit within a sedimentary sequence dominated by siltstones. This is a new style of mineralisation not previously recognised at Sepola. It is considered to be highly significant and a drilling program is currently being planned for this Prospect.



Photograph 3. Gold-bearing stock work veining in greywacke in Trench 2 at the Linnguekoto West Prospect, Sepola

Faraba Project, Mali

- Soil sampling on a 400m x 100m grid was completed at Faraba with 955 soil and 150 termite mound samples collected. Samples of up to **3.85 g/t gold** were obtained and 5 major gold-in soil anomalies were identified.
- Infill sampling on a 200m x 50m grid was completed to better define the initial gold-in-soil anomalies. A total of 567 soil and 61 termite mound samples were collected. Samples of up to **12.6 g/t gold** were obtained during the infill sampling program.
- A program of air core drilling (approximately 246 holes for 10,000m) is planned to test the major gold-in-soil anomalies. This program will commence when access to the area becomes available after the current wet season.

Bergslagen Joint Venture, Sweden

Projects: Falun Project, Bersbo Project

- Golden Rim’s Abu Dhabi alliance company, Royal Falcon, secured an initial 51% interest in the Bergslagen Joint Venture after spending US\$3M on exploration at the Falun and Bersbo projects. Royal Falcon has elected to proceed to increase its interest to 75% by spending a further US\$3M over a 3 year period.
- Assays were received for the second phase of drilling completed on the Eastern Zone at Falun.

New intersections included:	15.6m @ 11.9 g/t gold and 2.5% copper
	6.6m @ 14.2 g/t gold and 0.9% copper
	25.8m @ 1.5 g/t gold and 0.8% copper
	1.9m @ 13.2 g/t gold and 0.7% copper

- This drilling extended the high grade gold and copper mineralisation along strike and at depth and the mineralisation remains open.
- Re-assays of old drill core from between 200m and 400m below surface suggested depth continuity of the Eastern Zone.

New deeper intercepts included:	10.3m @ 3.3 g/t gold and 0.3% copper
	6.5m @ 7.3 g/t gold and 0.1% copper
	11.0m @ 12.6 g/t gold and 0.2% copper

- A detailed (200 x 100m) gravity survey for massive sulphide mineralisation over prospective areas in the vicinity of the Falun Mine was completed. A number of gravity anomalies were outlined along strike from the Falun mine.
- The geological models for the Eastern and Western Zones were refined and block modelling for a resource estimate re-commenced. The first resource estimation of the gold-copper mineralised zones at Falun is expected during the second half of 2011.
- Diamond drilling recommenced on the Western Zone at Falun. The program consisted of two diamond holes for a total of 500m (with the potential to drill a third hole) and was designed to delineate the extent of the massive sulphide mineralisation discovered in Hole 20-10 (17.2 m at 2.3 g/t gold, 1.9% copper, 3.8% zinc, 0.8% lead and 56.4 g/t silver) and to test an area of disseminated mineralisation where historic drill hole intercepts include 33.1 m at 4.1 g/t gold, 1.5% copper and 42 g/t silver; 34.9 m at 0.9% copper; and 7.2 m at 1.1 g/t gold, 7.2% copper and 75 g/t silver.
- With the challenging conditions being encountered at surface and cavities at depth, it was decided to investigate the feasibility of drilling the Western Zone from underground. An engineer and mining contractor was engaged to make an assessment. A report on work required to refurbish the areas to allow drilling is pending.

Corporate Update

- Highly successful two part capital raising was completed which included:
 - 40 million shares placed at 14 cents to raise \$5.6 million (before issue costs)
 - renounceable rights issue made of one new share for every 8 shares held (approximately 39,432,970 shares issued) raising up to approximately \$5.5 million (before issue costs).
- Approximately 90% of eligible shareholders took up their rights issue entitlement.
- Hayley Butcher was appointed sole Company Secretary responsible for compliance of Corporations Law, ASX Listing Rules and other statutory requirements as well as corporate governance. Gilbert Rodgers, former Joint Company Secretary resigned from that position and remains in the Executive Director position, overseeing and providing strategic and financial expertise to the Company. He is also the Director responsible for the financial matters of the Company.

The information in this public report that relates to exploration results and mineral resources is based on information compiled by Mr Craig Mackay who is a member of The Australasian Institute of Mining and Metallurgy. Mr Mackay is an employee of Golden Rim Resources Ltd. Mr Mackay has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mackay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.