



## ASX RELEASE

ASX : ARM  
5 May 2014

### Diversified Western Australian Minerals Explorer

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- **Base metals**
- **Gold**
- **Iron ore**
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## AURORA TO BECOME CORNERSTONE INVESTOR IN GOLDEN RIM RESOURCES LIMITED

Aurora Minerals Limited (**Aurora**, Company; ASX: ARM) is today pleased to announce that it has entered into an A\$3 million secured convertible Loan Agreement with Golden Rim Resources Limited (**Golden Rim**; ASX: GMR).

Subject to certain conditions (including the receipt of Golden Rim shareholder approval), Golden Rim may repay the loan by the issue of ordinary fully paid shares in Golden Rim (**Shares**), with conversion of the first tranche resulting in Aurora having an 19.96% shareholding in Golden Rim. Upon the issue of the first tranche of Shares, Aurora will become Golden Rim's largest shareholder and a cornerstone investor. Repayment of the second tranche of the loan may be made in either cash or Shares, at Aurora's election. Details of the Loan are provided in Attachment 1.

### Highlights

- Extensive business development search yields exciting investment opportunity
- Aurora to invest \$3M in Golden Rim via convertible loan agreement
- Golden Rim
  - established and experienced operator in West Africa; a rapidly developing gold province
  - owns high-grade gold resource in Burkina Faso (**Balogo**)
  - controls several prospective gold projects in Burkina Faso and other West African countries

Golden Rim is an ASX listed exploration and development company with a pipeline of gold projects covering over 5,000km<sup>2</sup> in the highly prospective Birimian greenstone belts of Burkina Faso, Mali and Ivory Coast<sup>1</sup>.

West Africa has been the centre of an emerging gold discovery boom in the last several decades centred on the highly fertile Birimian greenstone belts. Figure 1 shows Golden Rim's gold projects located in Burkina Faso (**Burkina**). Since entering the country in 2010 Golden Rim has enjoyed significant exploration success including the delineation of a maiden high-grade gold resource at its 100% owned Balogo project<sup>a</sup> located in southern Burkina.

Within the Balogo Project the Netiana gold mineralisation is a near-surface and high-grade ((Inferred Mineral Resource of 850,000 tonnes at 6.8 g/t gold for 185,000 ounces of gold for a 0.5 g/t cut-off)<sup>1</sup>; and some feasibility study work has already commenced to determine the optimum way to commercialise the Resource. The Netiana Prospect has been drilled to typically 150 metres below surface with reverse circulation (RC) and diamond drilling. Exploration within a radius of approximately 10 kilometres of the Netiana Prospect has yielded significant gold (and copper) mineralisation in RC drilling conducted on several prospects<sup>2</sup>. Follow up work on these prospects is planned.

Golden Rim has several other prospective gold exploration projects in Burkina including the large (315km<sup>2</sup>) Korongou Project located in the NW of the country. The Korongou Project covers part of a highly prospective Lower Proterozoic Birimian Samira Hill greenstone belt and is traversed by a significant NE-trending fault splay which is connected to the major Markoye Fault system<sup>3</sup>. This fault system controls a number of major gold deposits in Burkina (operated by third parties), including Kiaka, Bomboré and Essakane. Golden Rim is in the process of earning a 90%<sup>a</sup> interest from a local Burkina operator on the Korongou permit which currently mines and recovers gold from a small scale project located on the permit. Work completed by Golden Rim at Korongou including prospect mapping, geochemical sampling and structural interpretation has generated many gold anomalies several of which have been drill tested with significant RC results recorded from reconnaissance drilling<sup>4</sup>.

## **Work Programs**

As a result of the Loan Agreement, Golden Rim intends to re-commence drilling as soon as the funds are available. Initially, Golden Rim intends to conduct auger and reverse circulation drilling programs on the Korongou Project, to follow-up various targets within the 16km gold mineralised corridor.

While Balogo remains the Company's major focus, exploration work also needs to be conducted at Korongou in order to meet Burkina Faso Government expenditure commitments. The funding provided by Aurora will also allow Golden Rim to meet the approximately AUD0.9 million in exploration permit option payments due, predominantly on Korongou, over the next 12 months.

## **About Burkina Faso**

Burkina is a landlocked country in West Africa around 274,200 square kilometres in size. It is surrounded by six countries: Mali to the north; Niger to the east; Benin to the southeast; Togo and Ghana to the south; and Ivory Coast to the southwest. Its capital is Ouagadougou. In 2010, its population was estimated at around 16 million.

During the last decade mining laws has been modernised and the country is open to foreign investment. The country welcomes modern mining development with 7 gold mines having been commissioned in the past decade<sup>5</sup>. Burkina has a modern well documented mining code based on international mining laws.

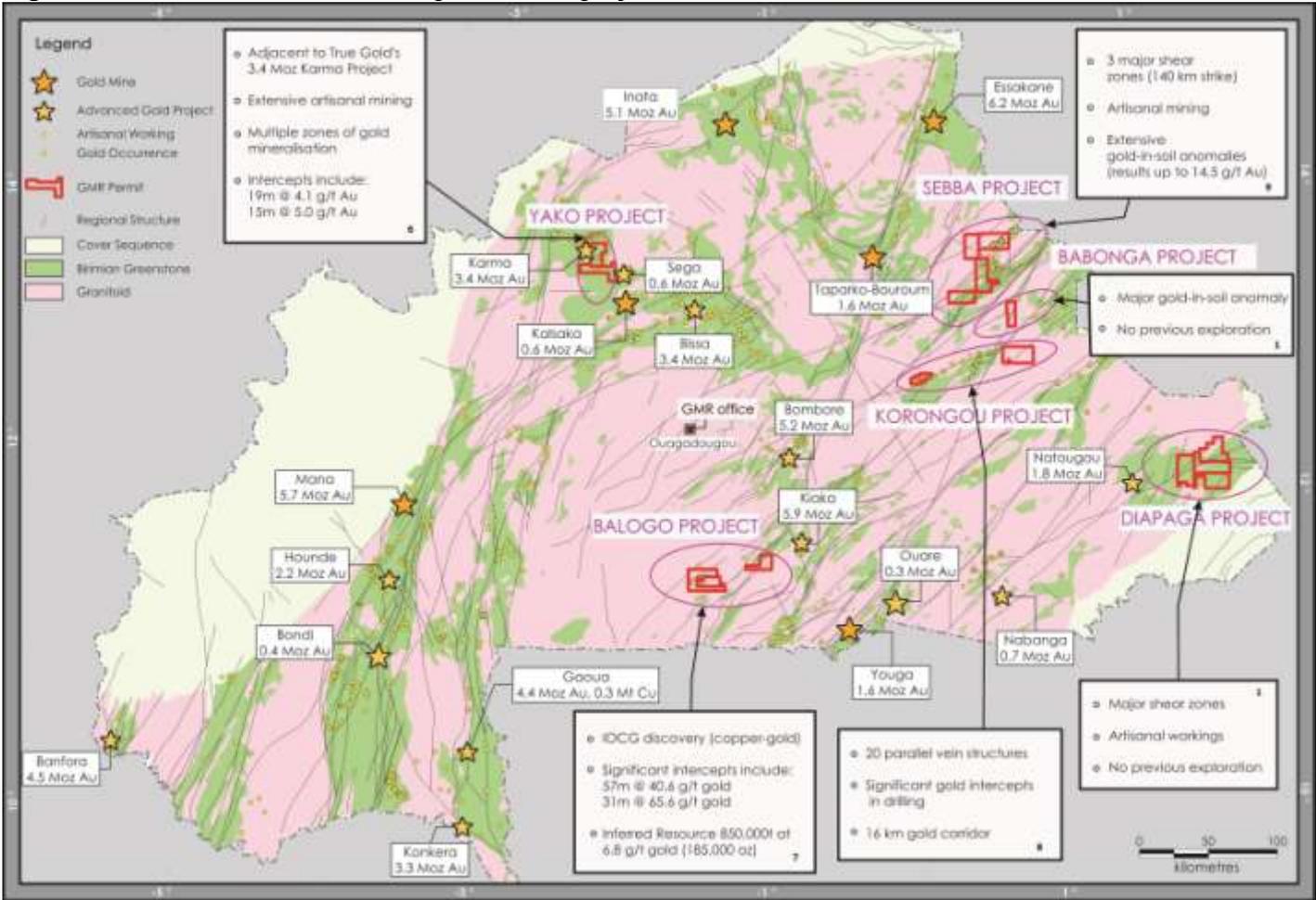
## **Why the Proposed Investment**

As previously disclosed Aurora has for some time been evaluating more advanced exploration and resource projects as a means of accelerating its ambitions of becoming a successful exploration and development company. This search has been extensive covering many projects throughout the world. It has also been occurring during a time of dramatically declining investor sentiment towards the mining sector resulting in a large reduction of exploration expenditure worldwide as capital for exploration continues to dry up. Many listed entities with excellent projects have suffered the challenge of falling company valuations and decreased appetite for funding support. Aurora has cautiously evaluated investment opportunities in the sector consistent with a macro view that we are approaching a low in the investment/valuation cycle for the resources sector.

The Aurora Board consider this investment to be a measured risk investment on behalf of shareholders at a time where valuations are approaching cyclical lows with the knowledge that during the recovery phase of the cycle good projects managed by good people will have good prospects for achieving excellent returns for shareholders. The Board is confident that Golden Rim represents just such an investment opportunity and is pleased to gain exposure to a high quality brownfield and greenfields exploration portfolio in a highly prospective part of the world.

Golden Rim has strong management; excellent in country relationships and a committed exploration team. Golden Rim’s exploration success while significant has been hampered in the past 12-24 months by difficulties in funding its ambitious exploration and development goals. Aurora is pleased to be able to support the company in advancing these goals and will look forward during the term of the Loan to exploring additional funding support for Golden Rim’s activities.

Figure 1. Location of Golden Rim’s permits and project areas in Burkina Faso <sup>1,6,7,8,9,10</sup>



<sup>a</sup> Golden Rim’s tenements are currently exploration permits held indirectly through a wholly owned subsidiary. Pursuant to Burkina Mining Law the Government is entitled to a 10% free carried interest on permits upon being converted to Exploitation Permits.

This announcement effects the end of the Company’s trading halt.

## Reference List

1. Golden Rim's March 2014 Quarterly Activities Report  
ASX Announcement – 5 February 2013 – 'Maiden Gold Resource and Preliminary Scoping Study Results for the Netiana Lodes at Balago, Burkina Faso'
2. ASX Announcement 12 November 2013 – 'New Zone of High Grade Gold Discovered at Balago'  
Golden Rim's December 2013 Quarterly Activities Report
3. ASX Announcement 1 February 2013 – Golden Rim to Acquire the Korongou Gold Project, Burkina Faso  
ASX Announcement 10 April 2014 – '51.5 g/t Gold Received in Sampling at Korongou'
4. ASX Announcement 18 June 2013 – Korongou Project Delivers Significant RC Drilling Results
5. USGS 2011 Minerals Yearbook Benin, Burkina Faso, and Sao Tome e Principe [advance release]
6. ASX Announcement – 21 March 2013 'New Gold Anomalies Outlined at Yako, Burkina Faso'
7. ASX Announcement – 8 November 2012 – 'Further High Grade Gold Intersections from the Netiana Lodes at Balago, Burkina Faso'  
ASX Announcement – 5 February 2013 – 'Maiden Gold Resource and Preliminary Scoping Study Results for the Netiana Lodes at Balago, Burkina Faso'
8. ASX Announcement – 26 April 2013 '4,000m Drilling Program Commences at Korongou, Burkina Faso'  
ASX Announcement – 23 July 2012 '31m at 65.6 g/t Gold Obtained from Check Assaying'
9. ASX Announcement – 28 February 2013 – '6,000m Drilling Program Commences at Sebba, Burkina Faso'

Further information on Golden Rim can be found at the company's website [www.goldenrim.com.au/](http://www.goldenrim.com.au/)

### *Competent Person Statement*

*The information in this report that relates to exploration results and mineral resources for the Golden Rim projects is based on information compiled by Mr Craig Mackay, a Competent Person, who is a member of the Australian Institute of Mining and Metallurgy. The information in this announcement that relates to previously released exploration results was disclosed under JORC Codes 2004 and 2012 for the Golden Rim's Burkina Faso Projects. This information is extracted and or summarised from reports listed in the References Table and are available to view on Golden Rim's website at [www.goldenrim.com.au/](http://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 the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. Mr Craig Mackay is not an employee of Aurora Minerals Limited. Mr Craig Mackay is a full time employee of Golden Rim Resources Limited. Mr Craig Mackay has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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'. Mr Craig Mackay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## Attachment 1: Details of the Loan Agreement

The Loan Agreement provides that Golden Rim would receive A\$3 million following satisfaction of certain conditions precedent within 10 business days of execution of the Loan Agreement. The conditions precedent are:

- Aurora being satisfied with its legal, financial and technical due diligence investigations on Golden Rim and its subsidiary Golden Rim Resources Burkina SARL (**GMR Burkina**) and GMR Burkina's operations;
- Golden Rim providing a share mortgage over all of the shares it holds in GMR Burkina;
- Aurora and Golden Rim agreeing in writing on a budget for Golden Rim and the Balogo and Korongou Projects for the 12 months following drawdown; and
- each Golden Rim Director who holds in excess of 0.25% of Golden Rim's issued capital, in their capacity as a Golden Rim shareholder (if applicable), unconditionally and irrevocably undertaking to vote in favour of the issue of the Shares for repayment of the loan.

Repayment of the loan is by way of two tranches as follows:

- the first tranche is repayable by converting A\$1.65 million of the loan into 206,250,000 Shares (at a deemed price of 0.8 cents per Share), subject to shareholder approval which will be sought as soon as possible. These shares will be held in escrow for a period not exceeding 6 months following issue<sup>1</sup>. In the event that shareholder approval is not obtained following two shareholder meetings, the loan amount under the first tranche will form part of the second tranche; and
- the second tranche is repayable by Aurora electing to receive repayment of the balance of the loan amount (including accrued interest) by the issue of Shares (subject to shareholder approval) or the payment of cash. Each of the Shares issued in repayment of the second tranche will be issued at a deemed issue price equal to a 20% discount to the 20 day volume weighted average price Shares on ASX on the 20 trading days immediately prior to the date of notice of election given by Aurora. The second tranche election to convert the loan into Shares can be made any time after 6 months following drawdown and up until approximately 11 months after execution of the Loan Agreement. Otherwise, the term of the loan is for 12 months except in the event that Golden Rim makes an early repayment.

Early repayment may only be made if Golden Rim sells, transfers or assigns any asset located in Burkina Faso for cash amount of \$1,500,000 or more and Aurora then elects to apply up to a maximum 50% of the value of the sale proceeds to the outstanding part of the loan.

Aurora is to receive a structuring fee equal to 6% of the loan amount. Half of the structuring fee will be refunded if shareholder approval for the issue of the Shares in repayment of the first tranche of the loan is received within 60 days of drawdown of the loan.

Interest on the loan is payable at a rate of 12% per annum which is reduced to 10% if shareholder approval for the issue of the Shares in repayment of the first tranche of the loan is received within 60 days of drawdown of the loan.

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<sup>1</sup> The escrow period will terminate on the earlier of 6 months from the date of issue of the escrowed Shares or the occurrence of any of the following: (i) a third party making a takeover offer under Chapter 6 of the Corporations Act for at least 50% of the Shares on issue in Golden Rim; (ii) Golden Rim completing a capital raising with a value of \$1,500,000 or greater with a third party; (iii) Golden Rim completing a debt raising valuing \$1,500,000 or greater with a third party; or (iv) Aurora's sale, assignment or disposal of any of the escrowed Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act.

Throughout the term of the loan, Aurora has first right to match any third party capital raising offer and offset that raising to the extent of the then outstanding loan amount. It also has first right of refusal on capital raisings. In the event Golden Rim proposes to undertake a rights issue, Aurora may underwrite and offset that underwritten amount to the extent of the then outstanding loan amount.

Upon Aurora attaining and maintaining a 10% interest in the issued capital of Golden Rim, it becomes entitled to have one nominee as a director on the board of Golden Rim.

The Loan Agreement contains customary events of defaults for agreements of this nature.