GOLDEN RIM RESOURCES LTD AND CONTROLLED ENTITIES

(FORMERLY ALCASTON MINING NL)

ABN 39 006 710 774

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2007

CONTENTS

CORPORATE DIRECTORY

Directors	Rick W Crabb B.Juris (Hons); LLB; MBA; AAusIMM (Chairman) Craig R Mackay B.App. Sc- App.Geol; B.Sc (Hons); M.Sc; MAusIMM (Managing Director) Gilbert C Rodgers B.Bus; CA(Aust); FCPA; FAICD (Executive Director) Glenister Lamont B.Eng; MBA (Non-Executive Director) (Appointed 17 July 2007)
Secretary	Gilbert C Rodgers
Registered Office and Business Address	Level 2, 10 Outram Street West Perth WA 6005 Australia Telephone: + 61 8 9481 5758 Facsimile: + 61 8 9481 5759 E-mail: info@goldenrim.com.au Web: www.goldenrim.com.au
Exploration Office	Level 1, 19 Prospect Street Box Hill VIC 3128 Australia Telephone: + 61 3 9890 2311
Share Registry	Security Transfer Registrars Pty Ltd Alexandrea House 770 Canning Highway Applecross WA 6000 Australia Telephone : + 61 8 9315 2333 Facsimile : + 61 8 9315 2233
Home Exchange	Australian Securities Exchange Limited Home Branch Perth Exchange Plaza 2 The Esplanade Perth WA 6000 Australia ASX Code: GMR
Auditors	Stantons International Level 1 / 1 Havelock Street West Perth WA 6005 Australia

CORPORATE DIRECTORY (CONTINUED)

Solicitors	Blakiston and Crabb 1202 Hay Street West Perth WA 6005 Australia
Bankers	Commonwealth Bank of Australia 1254 Hay Street West Perth WA 6005 Australia

REVIEW OF OPERATIONS

Golden Rim Resources Ltd (“Golden Rim”) is an active exploration company focused on the discovery of significant gold, copper and uranium resources.

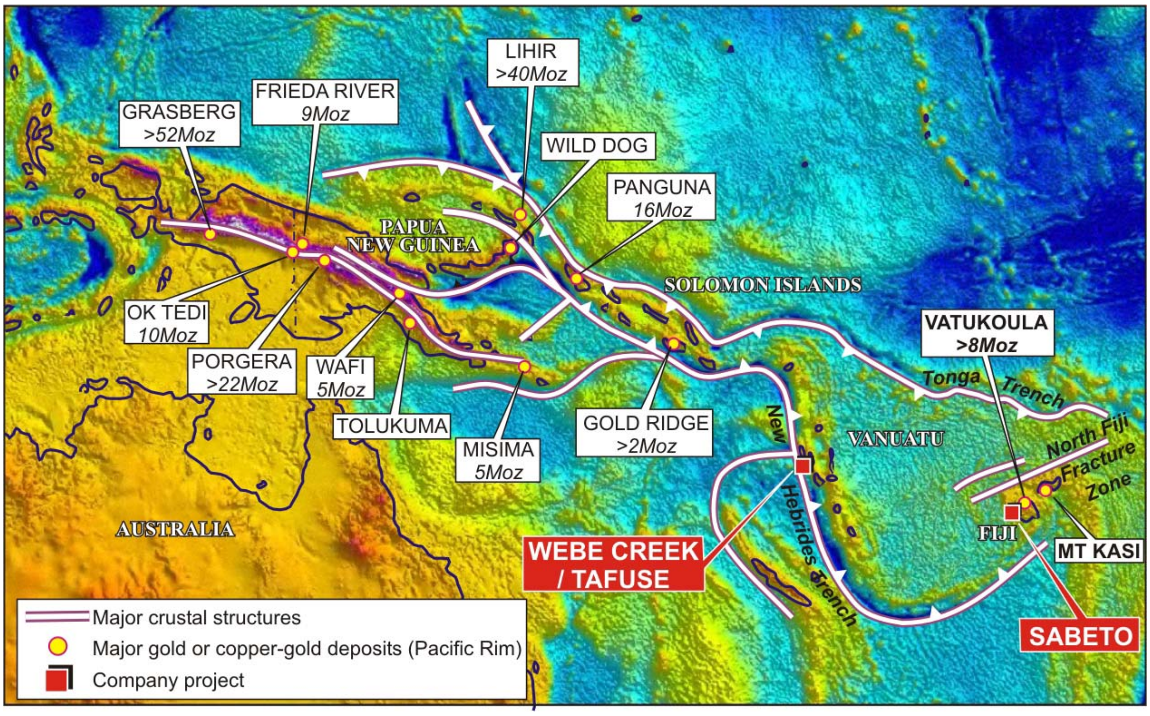
Golden Rim’s goal is to secure an advanced minerals project which can be developed into a mining operation. A successful operation will create significant value for shareholders. The Company is working on achieving this goal in two ways. Firstly, Golden Rim is completing major exploration programs on its existing projects in Fiji, and Vanuatu to test a number of exciting gold targets. Secondly, Golden Rim is aggressively pursuing new projects through either acquisition or farm-in. During the year, many new projects (gold, copper and uranium) were reviewed in the Pacific, South East Asia, Australia and in Africa. Negotiations to acquire several of these projects are on-going.

In Fiji, Golden Rim has the Sabeto project which sits to the north and directly along strike from Emperor Mines Limited’s (Emperor”) 450,000 ounce Tuvatu gold project and is prospective for similar high-grade epithermal gold mineralisation. During the year, Golden Rim completed 1199 metres of diamond drilling in 6 holes to test bulk-tonnage copper-gold targets at Central Ridge and the strike extensions of the high-grade Tuvatu gold resource at Tuvatu North. The results from holes completed at Central Ridge were disappointing with zones of gold and copper mineralisation proving sub-economic. Significant veining has been discovered in early drilling at Tuvatu North and this drilling is continuing.

Golden Rim holds two (2) advanced exploration properties, Webe Creek and Tafuse, in Vanuatu, which are prospective for high-grade epithermal gold mineralisation. During the year 720 metres of diamond drilling (5 holes) was completed at the Laonasmata prospect, at Webe Creek to test gold and copper targets. The program was severely disrupted by continued access problems due to unseasonal wet weather. With no let up to the wet weather and with the approach of the wet season, the drilling was abandoned in December 2006. High-grade gold targets in the northern portion of the Laonasmata prospect remain untested. No work was conducted at Tafuse. Exploration on several prospects with high-grade gold and base metal mineralisation is planned for next year.

During the year, Golden Rim was able to significantly expand the capacity and experience of its technical team with the appointment of two additional full-time geologists. Peter Olubas was appointed as the Exploration Manager of the Company. Mr Olubas is a geologist with 17 years experience. Prior to his commencement with Golden Rim Mr Olubas was Exploration Manager with Emperor. In addition, Mr Ashok Kumar, a geologist with over 25 years experience with the Emperor was engaged to assist with all aspects of exploration activities on the Sabeto Project.

The board of Golden Rim is very pleased to have secured the services of both Peter and Ashok and look forward to working with them to advance the Company.



Location of Golden Rim's Pacific Rim Projects

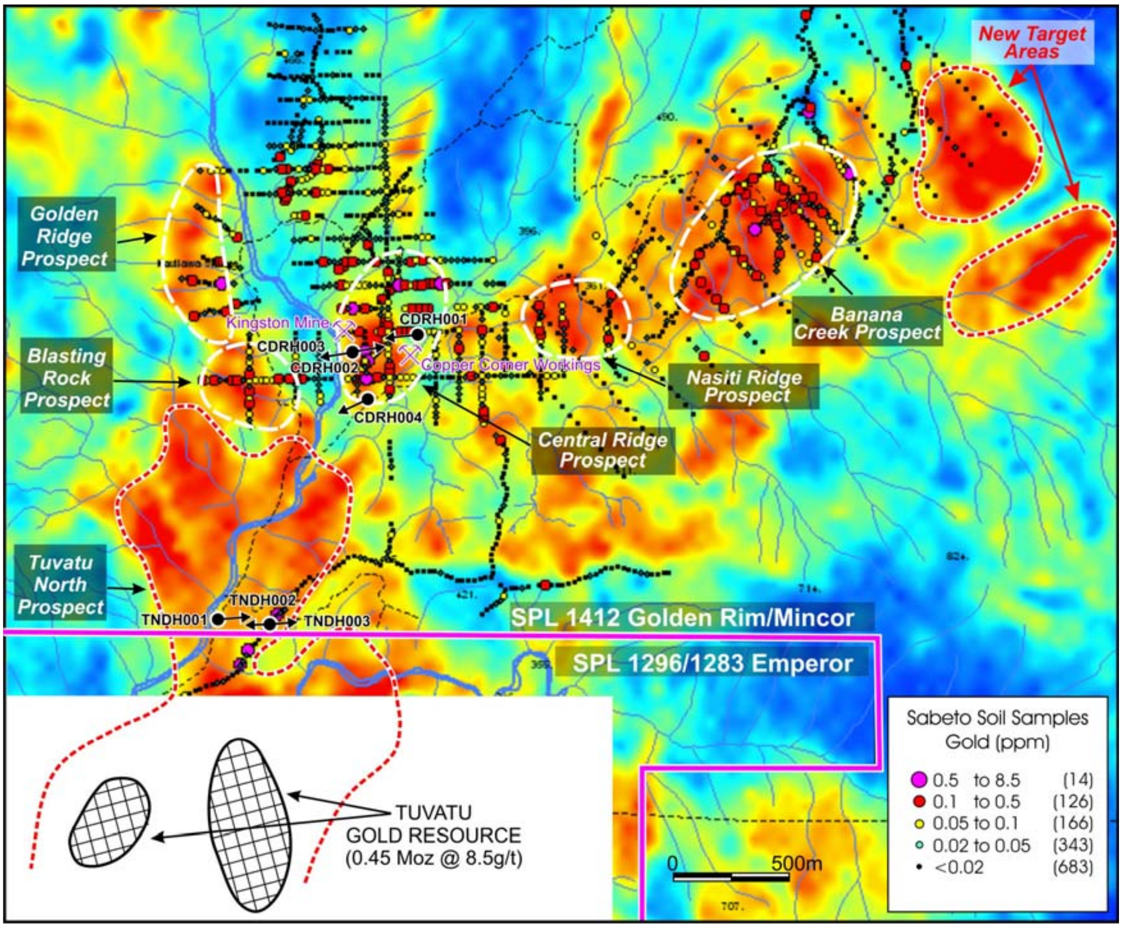
Sabeto Gold Project, Fiji

(Golden Rim 75%; Mincor Resources NL 25%)

Golden Rim controls the majority of the under-explored Navilawa Caldera (or Navilawa goldfield) in Fiji. The adjacent volcanic centre, the Tavua Caldera, located 35 km to the northeast hosts the giant Vatukoula gold deposit (greater than 10 million ounces of gold), which until recently was operated as a multi-shaft operation by Emperor, with production of some 120,000 ounces of gold per annum. Golden Rim considers the Navilawa Caldera to be just as prospective as the Tavua Caldera.

The Sabeto licence is also prospective for bonanza grade epithermal veining of similar style to the nearby Tuvatu gold deposit (1.64 million tonnes @ 8.5 grams per tonne (g/t) for 450,000 ounces of gold).

The Sabeto project is subject to Golden Rim's farm-in agreement with Mincor Resources NL ("Mincor"). During the year Golden Rim completed spending the A$2 million required to earn a 75% interest from Mincor in the Sabeto project and the Webe Creek and Tafuse projects in Vanuatu.



Sabeto prospect locations, Fiji

During the year, data was received for a detailed 1,858 line km helicopter-borne magnetic and radiometric survey completed by Golden Rim at Sabeto. The geophysical survey outlined several exciting new target areas, including a major potassium radiometric anomaly (“Tuvatu North”) which extends north directly along strike from the Tuvatu gold deposit into Golden Rim’s ground. The potassium anomaly is believed to be related to hydrothermal alteration associated with mineralisation. Potassium radiometric anomalies are also found associated with all previously known gold and gold/copper prospects at Sabeto, confirming the importance of this geophysical technique for targeting mineralisation.

Follow-up detailed mapping and rock chip sampling (169 samples) was completed at the Central Ridge, Golden Ridge, Blasting Rock, and Nasiti Ridge prospects. Encouraging results were received from several areas. Additional significant copper and gold mineralisation associated with intrusive dykes was discovered at Central Ridge. New rock chip results include 4.5 m @ 2.1 g/t gold, 0.4% copper; 4.8 m @ 2.9 g/t gold, 0.63% copper; and 1.5 m @ 2.0 g/t gold, 0.5% copper. At Nasiti Ridge (500 m east of Central Ridge), which is historically known for copper mineralisation, random grab rock chip samples taken over an area of 100 m x 150 m, returned results up to 6.2 g/t gold, 5.5 g/t silver, 2.1% copper; and 9.3 g/t gold, 14.4 g/t silver and 4.25% copper. At Blasting Rock (which lies at the northern end of the Tuvatu North potassium anomaly) a grab rock chip sample returned 9.2 g/t gold, 17.7 g/t silver and 4.9% copper from the portal of an old adit. A hydrothermal-altered quartz-carbonate vein which was found at the headwaters of the Nasarangga Creek, 400 m north along strike from the Central Ridge prospect, returned 9.9 g/t gold in a grab sample.

Data from a large Induced Polarisation (IP) geophysical survey conducted by CRA Exploration at Sabeto in 1994 was secured and reprocessed. A strong chargeability high anomaly was located at the Tuvatu North prospect. The anomaly may be related to sulphide alteration and/or mineralisation. The anomaly has not previously been tested by drilling.

A major diamond drilling program was commenced to test the copper-gold mineralisation at Central Ridge and the strike extensions of the high-grade Tuvatu gold resource at Tuvatu North. By the years' end a total of 1199.1 metres (4 holes at Central Ridge and 2 holes at Tuvatu North) had been drilled. A summary of the drilling statistics is presented in Table 1.

Table 1. Sabeto Drill Hole Details.

Hole ID	***Prospect***	***Easting (m)***	***Northing (m)***	***Collar RL (m)***	***Azimuth (degrees)***	***Dip (degrees)***	***Total Depth (m)***
CRDH 001	Central Ridge	562700.1	8043491	264.6	270	-59	235.6
CRDH 002	Central Ridge	562445.2	8043462	222.50	84	-60	241.9
CRDH 003	Central Ridge	562443	8043460	222.75	268	-70	134.6
CRDH 004	Central Ridge	562511	8043165	218.1	283	-51	110
TNDH 001	Tuvatu North	561927	8042278	167.3	91	-51	226.5
TNDH 002	Tuvatu North	562193	8042265	288	270	-60	250.5

Four diamond drill holes (CRDH001 to CRDH004) were completed at the Central Ridge Prospect. Significant carbonate / pyrite veining with patchy silicification was intersected in most holes hosted in biotite monzonite. Despite obtaining numerous anomalous gold and copper assays the intercepts are all sub-economic.

Much of the veining and silicification was associated with highly fractured zones within the main monzonite body. The most significant copper and gold mineralisation was intersected in CRDH 001 which was collared near historical workings and drilled towards the old Kingston Mine. Better intercepts from CRDH001 include 1.55 m @ 0.88 g/t gold, 0.18 % copper, 1.09 % zinc; 1 m @ 0.76 g/t gold, 0.72 % copper; and 1.5 m @ 0.8 g/t gold, 1.27 % copper. No further drilling is planned for the Central Ridge area.

Two holes (TNDH001 and TNDH002) were completed at the Tuvatu North Prospect for a total of 477 m. Hole TNDH001 intersected numerous zones of bleaching associated with silica / pyrite veins. The veins are comprised of fine-grained, dark grey pyritic silica which may exhibit rhythmic banding parallel to the vein margins. Individual veins vary from thin (<1cm) structures to over 30cm in thickness. Zones of intense veining reach over 8 metres in thickness. Assays have been received for this hole, but were low, with a best intercept of 0.4 m @ 0.41 g/t gold.

Hole TNDH002 intersected similar, but less intense mineralisation than hole TNDH001. Hole TNDH002 was collared at a significantly higher elevation than TNDH001. Assay results for this hole are awaited. Hole TNDH003 is currently being drilled at Tuvatu North and will test the strong IP chargeability anomaly which extends over the licence boundary to the south to the Tuvatu gold deposit area. One additional hole (TNDH004) is planned and this hole will be drilled to the west beneath the Sabeto River and the centre of the potassium radiometric anomaly.

A strong new shear zone with epithermal veining was discovered at the Tuvatu North Prospect. A rock chip sample from the structure returned 5.5 g/t gold and 4.8 g/t silver. Mineralisation at Tuvatu North is generally covered by scree and soil cover and this is the first outcropping vein to be located in the area which has significant gold mineralisation. The structure is 20 cm wide, strikes east-west, is steeply dipping and is located approximately 200 m north of the current drilling. Surprisingly the mineralisation is parallel to the direction of the current drilling and as such a new drilling orientation may need to be considered to test this mineralisation.

Golden Rim drilling at Sabeto in Fiji, June 2007

Webe Creek Gold Project, Vanuatu

(Golden Rim 81.25%, Mincor Resources NL/ Rimfire Resources Ltd 18.75%)

Webe Creek is situated on the Pacific Rim of Fire on the northern Island of Espiritu Santo in Vanuatu and is also subject to Golden Rim's farm-in agreement with Mincor Resources NL ("Mincor").

At the Laonasmata prospect, a 4 km long and 300 m wide mineralised zone has been identified. Coincident within the zone are outcropping epithermal gold and silver-bearing veins, anomalous gold-in-soil, hydrothermal alteration and geophysical anomalies. The Laonasmata prospect is prospective for a 'Porgera-style' (+14 million ounces) gold discovery.

During the year additional mapping and rock chip sampling (13 samples) at the Laonasmata prospect returned encouraging results. The La Fete epithermal quartz vein has now been mapped over a strike length of 300 m, with widths up to 2 m. New rock chip results include 0.95 g/t gold and 271 g/t silver (8.7 oz/t).

A 720 m (5 hole) diamond drilling program was completed at the Laonasmata prospect to test some of the gold and copper targets. The program was severely disrupted by continued access problems due to unseasonal wet weather. With no let up to the wet weather and with the approach of the wet season the drilling was abandoned in December 2006.

Table 2: Webe Creek Drill Hole Details

Hole Number	***Easting (m)***	***Northing (m)***	***Azimuth (degrees)***	***Dip (degrees)***	***Total Depth (m)***
LADH001	714155	8286140	225	-60	103.4
LADH002	713682	8286303	225	-60	164.6
LADH003	713535	8286731	045	-60	170.5
LADH004	713552	8286837	045	-60	131.5
LADH007	713535	8286731	225	-60	150

Anomalous gold and silver results were obtained from holes LADH003 and LADH007. The best intercepts include 4 m @ 0.6 g/t gold, 11.3 g/t silver and 0.8 % zinc (48 – 52 m), including 1.5 m @ 0.9 g/t gold, 12.6 g/t silver and 1.1 % zinc, and 0.7 m @ 0.4 g/t gold , 12.9 g/t silver and 0.2 % zinc (93 – 93.7 m) in LADH003. The deeper intercept relates to a quartz-pyrite-sphalerite-fluorite vein which is interpreted to be the La Fete epithermal vein approximately 70 m below surface. The apparent strong continuity of this mineralised structure is encouraging. As in most epithermal veins the gold and silver grades in the La Fete vein are expected to be highly variable.

A previous petrological study on vein samples completed by Kingston Morrison for Iscor suggested the La Fete vein exposure is approximately 100 m below the paleosurface and that the zone of gold deposition may be approximately 100 m below the current surface. The high silver assays obtained in surface rock chip samples supports this metal zonation model. As such deeper drilling is required on the La Fete Vein to test a possible gold-rich zone.

During the year the Prime Minister of Vanuatu the Honourable Ham Lini conducted a site visit to Webe Creek. He re-confirmed his government's strong support for the Company's exploration activities in Vanuatu.

Several priority gold target areas at the Laonasmata prospect remain poorly tested and Golden Rim is looking at options to continue drilling in 2007-2008. Targets include the depth and strike extensions of the La Fete epithermal vein and high-grade gold targets (e.g. mineralization with rock chips up to 13.2 g/t gold) in the northern portion of the Laonasmata prospect.

Golden Rim drilling at Webe Creek in Vanuatu, November 2006

Newly constructed access road at Webe Creek in Vanuatu. Unseasonal rain severely hampered the drilling program.

Tafuse Gold Project, Vanuatu

(Golden Rim 75%, Mincor Resources NL 25%)

The Tafuse Licence adjoins Webe Creek to the north. Five (5) gold targets have been identified, comprising epithermal alteration zones with gold mineralisation on surface. The most advanced prospect at Tafuse North consists of a series of explosive breccia bodies aligned over 700 m along an elongated northwest trending zone with a coincident gold (generally greater than 0.5 g/t), arsenic, copper, lead and zinc soil anomaly. Exotic siliceous clasts in the breccia have assayed up to 10 g/t gold and 860 g/t silver.

No exploration was conducted during the period with Golden Rim's resources in Vanuatu committed to the drilling at Webe Creek. Exploration on several prospects at Tafuse with high-grade gold and base metal mineralization is planned for next year.

New Projects

Golden Rim is actively pursuing new minerals projects which have the ability to add value to the Company. The Company is looking at both acquisition and farm-in opportunities and is focused on obtaining quality gold, copper and uranium projects. During the year, many new projects were reviewed in the Pacific, South East Asia, Australia and in Africa. Negotiations to acquire several of these projects are on-going.

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Golden Rim Resources Ltd (Formerly Alcaston Mining NL) and the entities it controlled at the end of, or during the year ended 30 June 2007.

DIRECTORS

The following persons were directors of Golden Rim Resources Ltd during the whole of the financial year and up to the date of this report unless otherwise stated:

Rick W Crabb

Gilbert C Rodgers

Craig R Mackay

Glenister Lamont (Appointed 17 July 2007)

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year were mineral exploration and investment. There were no significant changes in the nature of those activities during the financial year.

OPERATING RESULTS

During the financial year the consolidated entity incurred a consolidated operating loss after tax of $2,456,139 (2006 - $3,871,988), which includes mineral exploration expenditure write off of $1,623,166 (2006 - $1,858,987).

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year and no dividend is recommended in respect of this financial year.

NATIVE TITLE

Claims of native title over certain of the company's tenements have been made, and may in the future be made under the Commonwealth Native Title Act. In the event that native title is established by an indigenous community over an area that is subject to the company's mining tenements, the nature of the native title may be such that consent to mining may be required from that community but is withheld.

No determination of native title has yet been made by the Federal Court or any other body with appropriate jurisdiction in respect of any of the land the subject of the company's tenements. It is also possible that some of the existing claims may be removed from the National Native Title Tribunal Register for failure to satisfy the new registration test which became operative upon proclamation of the Native Title Amendment Act 1998. The consequence of removal of a claim from the Register is that those claimants lose the right to negotiate under the Native Title Act in respect of the future grant of mining tenements over their claim area.

Due to uncertainties in the application of the Native Title Act, the effect, if any, of these claims and procedures on the company is not clear.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year, no significant event has occurred, except as stated elsewhere

The Company intends raising funds through share issue in the near future to enable it to continue with its exploration program in the South Pacific and project generation in Australia and other parts of the world.

LIKELY DEVELOPMENTS

Details of important developments occurring in this current financial year have been covered in the Directors' Report. The consolidated entity will continue to seek advanced or near production projects. As the outcome of exploration and subsequent development is uncertain, it is impossible to determine the effect on the results of the economic entity's operations.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

REVIEW OF OPERATIONS

The review of operations has been disclosed separately at page 5 of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year, except as stated elsewhere in this report.

CORPORATE INFORMATION

Golden Rim Resources Ltd (Formerly Alcaston Mining NL) is a publicly listed company incorporated and domiciled in Australia. Golden Rim Resources Ltd has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows;

Golden Rim Resources Ltd	parent entity
Associated Gold Mines of Victoria Ltd ("AGMV")	100% owned controlled entity
Pacific Bullion Resources Limited	Deregistered on 23 April 2007

INFORMATION ON DIRECTORS

Details of the directors of the company in office at the date of this report are:

Rick W CRABB

BJuris(Hons); LLB; MBA; AAusIMM

(Chairman)

Experience & expertise

Mr Rick Crabb is a specialist resource sector lawyer with over 25 years experience and holds the degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration and is an Associate of the Australian Institute of Mining and Metallurgy ("AusIMM"). Mr Crabb was first appointed to the Board on 21 August 2001. Mr Crabb has had many years experience involved in public company administration.

Other current directorships

Mr Crabb is a director of the following other public listed companies:

Port Bouvard Limited (appointed 2 December 1996)

Paladin Resources Ltd (appointed 8 February 1994)

Ashburton Minerals Limited (appointed 1 September 1999)

Ottoman Energy Limited (appointed 19 November 2004)

Royal Resources Limited (appointed 23 February 2004)

Former directorships in the last 3 years

Thundelarra Exploration Ltd (8 September 2003 to 30 June 2007)

ST Energy Limited (28 September 2001 to 6 May 2005)

Deep Yellow Limited (11 April 2003 to 20 August 2004)

Special Responsibilities

Mr Crabb is the non executive chairman of the Company .

Interests in shares and options

Mr Crabb and his associates hold directly and indirectly the following securities in the capital of the Company at the date of this report:

Fully paid ordinary shares	7,603,266
Options expiring 30 September 2007 exercisable at $1.05	17,857
Class A Options expiring 30 June 2010 exercisable at $0.35	1,750,000
Class B Options expiring 30 June 2010 exercisable at $0.40	1,750,000

Craig R MACKAY

B.App. Sc- App.Geol; B.Sc (Hons); M.Sc; MAusIMM

(*Managing Director***)**

Experience & expertise

Mr Craig Mackay is a geologist with 19 years experience and holds Bachelor of Applied Science – Applied Geology, Bachelor of Science (Honours) and Master of Science degrees. He is also a Member of the Australian Institute of Mining and Metallurgy ("AusIMM"). Craig has held positions with a number of major resource companies, including Shell, Acacia Resources and AngloGold. For AngloGold he was the Senior Geologist responsible for project generation and exploration property management in the eastern states of Australia. He is the current Managing Director for Golden Rim Resources Limited.

Other current directorships

Nil

Former directorships in the last 3 years

Nil

Special Responsibilities

Managing Director

Interests in shares and options

Mr Mackay and his associates hold directly and indirectly the following securities in the capital of the Company at the date of this report:

Fully paid ordinary shares	1,000,000
Options expiring 30 September 2007 exercisable at $1.05	211,904
Class A Options expiring 30 June 2010 exercisable at $0.35	1,750,000
Class B Options expiring 30 June 2010 exercisable at $0.40	1,750,000
Class C Options expiring 31 December 2010 exercisable at $0.15	2,500,000

Gilbert C RODGERS

BBus; CA(Aust); FCPA;FAICD

(Executive Director)

Experience & expertise

Mr Gilbert Rodgers is a Chartered Accountant and Company Secretary and holds the degree of Bachelor of Business and is a Fellow of the Institute of Company Directors in Australia. Mr Rodgers was first appointed to the Board on 21 August 2001. He has served as a director of ASX listed resource companies including Pilbara Mines NL and Africwest Gold NL. He has been involved in the Mining Industry for more than 26 years. He is also a Director of ASX listed public company, The ARK Fund Limited.

Other current directorships

The ARK Fund Limited (appointed 23 May 2003)

Former directorships in the last 3 years

Nil

Special Responsibilities

Company Secretary

Interests in shares and options

Mr Rodgers and his associate hold directly and indirectly the following securities in the capital of the Company at the date of this report:

Fully paid ordinary shares	322,497
Options expiring 30 September 2007 exercisable at $1.05	10,995
Class A Options expiring 30 June 2010 exercisable at $0.35	1,750,000
Class B Options expiring 30 June 2010 exercisable at $0.40	1,750,000
Class C Options expiring 31 December 2010 exercisable at $0.15	2,000,000

Glenister LAMONT

B. Eng –Min (Hon), MBA

(*Non-executive Director***)**

Experience & expertise

Mr Glenister Lamont has an Honours degree in Mining Engineering and a MBA from IMD, Switzerland. Glenister is a Fellow of Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors. He has worked as an engineer and manager in gold, base metal and coal mines. Previously General Manager for Ashton Mining, he led strategic planning and commercial implementation of business development. Before that an Executive Director at UBS he undertook financial, technical and strategic evaluation of companies and participated in many corporate transactions. He currently is also a board member for North Australian Diamonds Ltd.

Other current directorships

North Australian Diamonds Limited (Appointed 24 May 2005)

Top End Uranium Limited (Appointed 15 May 2007)

Former directorships in the last 3 years

Regis Resources Ltd (27 August 2004 to 31 October 2006)

Synergy Metals Ltd (10 March 2006 to 16 November 2006)

Special Responsibilities

Mr Lamont will serve as the Chair of the Audit Committee and the Remuneration Committee.

Interests in shares and options

Mr Lamont and his associates do not hold directly or indirectly any securities in the capital of the Company at the date of this report:

It should be noted that in relation to special responsibilities of the directors, due to the relative small size of the Company, all directors are generally involved in decision making process of material matters effecting the Company.

Company Secretary

The company secretary is Gilbert C Rodgers. Mr Rodgers was appointed company secretary on 21 August 2001 and is also a director of the company. Mr Rodgers is a Chartered Accountant.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the company's directors held during the year ended 30 June 2007, and the number of meetings attended by each director.

	Number eligible to attend	Number Attended
R W Crabb	9	8
G C Rodgers	9	9
C R Mackay	9	8

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of the Company.

Remuneration Policy

The Company's remuneration policy for executive directors is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration, which is market related. Overall, the remuneration policy is subject to the discretion of the Board and can be altered to reflect the competitive market and business conditions, where it is in the best interests of the Company and shareholders, to do so.

The Board's reward policy reflects its obligations to align executives' remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- Reward reflects the competitive market in which the Company operates;
- Individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Directors' and executives' remuneration is reviewed by the board of directors, having regard to various goals set. This remuneration and other terms of employment are commensurate with those offered within the exploration and mining industry.

Non-executive directors' remuneration is in the form of directors' fees and are approved by shareholders as to the maximum aggregate remuneration. The Board recommends the actual payment to non-executive directors. The Board's reward policy for non-executive directors reflects its obligation to align remuneration with shareholders' interests and to retain appropriately qualified talent for the benefit of the Company.

Remuneration packages are set at levels that are intended to attract and retain directors and executives capable of managing the consolidated entity's diverse operations.

The following discloses the remuneration of all of the directors and executive officers of the company as determined by the board during the year ended 30 June 2007.

DIRECTOR	CONSULT-ING FEES $	DIRECTOR'S FEES $	SUPER-ANNUATION $	OPTIONS $	OTHER $	TOTAL $	% OF REMUNER-ATION AS OPTIONS
Non-executive directors							
R W Crabb	-	19,266	21,401	-	-	40,667	-
Executive directors							
G C Rodgers	120,000	-	-	108,821	3,158	231,979	46.91
C R Mackay	181,681	-	-	136,026	-	317,707	42.81

Service Agreements

Remuneration and other terms of engagement for the Managing Director and the Executive Director are formalised in consultancy service agreements. Each of these agreements provide for the provision of remuneration. Other major provisions of the agreements relating to remuneration are set out below.

Both agreements have a fixed term of 1 year commencing on 1 March 2007. The Company may terminate the agreements in the event of any breach, non-observance or non-performance by the consultants and the failure by the consultants to remedy such breaches within 30 days of written notice requiring such breach to be remedied.

The remunerations of the directors are as follows:

C R Mackay, Managing Director, $200,000 pa excluding GST; and

G C Rodgers, Executive Director, $160,000 pa, excluding GST.

All agreements are subject to a review at the expiration of the first 12 month period.

Options issued as part of remuneration for the year ended 30 June 2007

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Golden Rim Resources Ltd and its subsidiaries to increase goal congruence between directors and shareholders.

Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Total value of options granted, exercised and lapsed during the year
G C Rodgers	182,200	-	-	182,200
C W Mackay	227,750	-	-	227,750

SHARE OPTIONS

The unissued ordinary shares of Golden Rim Resources Ltd under option at the date of this report are as follows:

- 12,540,505 options to subscribe for fully paid ordinary shares exercisable at $1.05 at any time on or before the expiry date of 30 September 2007. These options are listed on the Australian Securities Exchange.
- On 15 August 2005, unlisted Class A and Class B options were issued to the directors. Each of the 3 directors received 1,750,000 Class A options expiring on 30 June 2010 and exercisable at 35 cents and 1,750,000 Class B options expiring on 30 June 2010 and exercisable at 40 cents each.
- On 9 December 2005, unlisted 1,750,000 Class “A” Options expiring on 30 June 2010 and exercisable at 35 cents each and unlisted 750,000 Class “B” Options expiring on 30 June 2010 and exercisable at 40 cents each were issued.
- On 23 November 2006, unlisted 4,500,000 Class “C” Options expiring on 31 December 2010 and exercisable at 15 cents were issued.
- No options were converted during the year and to the date of this report.

No person entitled to exercise any of the options has any right, by virtue of the options, to participate in any share issue of any other body corporate.

The names of all persons who currently hold options, granted at any time, are entered in the register kept by the company at its share registry pursuant to Section 216C of the Corporations Act 2001 and the register may be inspected free of charge.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties, where the auditor’s expertise and experience with the Company and the Consolidated entities are important. A fee of $300 was paid for non-audit services to the auditor during the year ended 30 June 2007.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

CORPORATE GOVERNANCE STATEMENT

In accordance with the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* ("**ASX Principles and Recommendations**")[1], Golden Rim Resources Ltd ("**Company**") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Principles and Recommendations, the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the ASX Principles and Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

Further information about the Company's corporate governance practices is set out on the Company's website at www.goldenrim.com.au. In accordance with the ASX Principles and Recommendations, information published on the Company's website includes charters (for the Board and its committees), the Company's code of conduct and other policies and procedures relating to the Board and its responsibilities.

EXPLANATIONS FOR DEPARTURES FROM BEST PRACTICE RECOMMENDATIONS

During the Company's 2006/2007 financial year ("Reporting Period"), the Company has complied with each of ASX Principles and Recommendations, other than in relation to the matters specified below.

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
2	2.1	Only one of the three directors is considered to be independent.	The current Board members possess the diversity of skills and experience which has been appropriate for the Company's projects and business to date. The current Board is considered the best structure to add value to the Company, notwithstanding the lack of an independent majority. The independent director, Rick Crabb, is the chairman.
2	2.4	There is no nomination sub-committee.	The full Board considers those matters that would usually be the responsibility of a nomination committee. The composition of the Board does not make the establishment of a separate nomination committee practicable. The Board has adopted a Nomination Committee Charter, which it applies

[1] A copy of the ASX Principles and Recommendations is set out on the Company's website under the Section entitled "Corporate Governance".

Principle Ref	Recommendation Ref	Notification of Departure	Explanation for Departure
			when convening as the nomination committee.
4	4.2; 4.3	A separate audit committee has not been formed and therefore is not structured in accordance with the recommendation. The chair to the Board maintains the chair during audit related discussions. It is the intention of the Board to form an audit committee in the 2007/2008 financial year.	Given the small size of the Board, the formation of an audit sub-committee is not considered appropriate or necessary. The Board has adopted, and applies, an Audit Committee Charter when considering all matters relating to the financial affairs of the Company. In addition, the non-executive directors are available to meet separately with the external auditor at any time should they consider this necessary.
9	9.2	A separate remuneration committee has not been formed. . It is the intention of the Board to form a remuneration committee in the 2007/2008 financial year.	The Board considers that no efficiencies or other benefits would be gained by establishing a separate remuneration committee. However, similarly to its approach to nomination and audit related matters, the Board has adopted a Remuneration Committee Charter, which it applies when convening as the remuneration committee. In addition, all matters of remuneration will continue to be determined in accordance with *Corporations Act* requirements, especially in respect of related party transactions. That is, no directors participate in any deliberations regarding their own remuneration or related issues.

NOMINATION COMMITTEE

The full Board, in its capacity as the Nomination Committee, held 3 meetings during the Reporting Period. All Board members attended the meetings.

AUDIT COMMITTEE

The full Board, in its capacity as the Audit Committee, held two meetings during the Reporting Period. All Board members attended the meetings.

Details of each of the director's qualifications are set out in the Director's Report.

Mr Gilbert Rodgers is a Chartered Accountant, holds the degree of Bachelor of Business and is a Fellow of the Institute of Company Directors in Australia. He has been involved in the mining industry for more than 26 years. Because of his experience and qualifications, Mr Rodgers meets the tests of financial literacy, expertise and industry knowledge.

REMUNERATION COMMITTEE

Company's Remuneration Policies

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The full Board, in its capacity as the Remuneration Committee, held one meeting during the Reporting Period. All Board members attended the meeting.

Names of Remuneration Committee Members and their attendance at Committee Meetings

The full Board did not officially convene as a remuneration committee during the Reporting Period, however remuneration related discussions occurred from time to time during the year as required.

OTHER

Skills, Experience, Expertise and term of office of each Director

A profile of each director containing the skills, experience, expertise and term of office of each director is set out in the Directors' Report.

Identification of Independent Directors

A profile of each director containing the skills, experience, expertise and term of office of each director is set out in the Directors' Report.

Identification of Independent Directors

In considering the independence of directors, the Board refers to the criteria for independence as set out in Box 2.1 of the ASX Principles and Recommendations ("**Independence Criteria**"). To the extent that it is necessary for the Board to consider issues of materiality, the Board refers to the thresholds for qualitative and quantitative materiality as adopted by the Board and contained in the Board Charter, which is disclosed in full on the Company's website.

Applying the Independence Criteria, the independent director of the Company is Rick Crabb.

Statement concerning availability of Independent Professional Advice

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director, then, provided the director first obtains approval for incurring such expense from the chairperson, the Company will pay the reasonable expenses associated with obtaining such advice.

Confirmation whether performance Evaluation of the Board and its members have taken place and how conducted

During the Reporting Period a formal evaluation of the non-executive members of the Board was not carried out, as it was not considered to be a beneficial procedure given the size and composition of the Board and the nature of the Company's operations. However, the composition of the Board and its suitability to carry out the Company's objectives is discussed on an as-required basis during regular meetings of the Board and any adjustments made accordingly.

Existence and Terms of any Schemes for Retirement Benefits for Non-Executive Directors

There are no termination or retirement benefits for non-executive directors.

ENVIRONMENTAL REGULATION

The consolidated entity has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low, and has not identified any compliance breaches during the year.

AUDITOR'S INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 24.

INSURANCE OF DIRECTORS AND OFFICERS

The company did not have any insurance policies on the directors during the year.

Signed 26th September 2007 for and on behalf of the board in accordance with a resolution of the directors.

Gilbert C Rodgers

Director

Stantons International
ABN 41 103 088 697
LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
www.stantons.com.au

26 September 2007

Board of Directors
Golden Rim Resources
Level 2,
10 Outram Street,
WEST PERTH WA 6005

Dear Directors

RE: GOLDEN RIM RESOURCES LIMITED

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 Limited.

As Audit Director for the audit of the financial statements of Golden Rim Resources Limited for the year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely
STANTONS INTERNATIONAL
(Authorised Audit Company)

Keith Lingard
Director

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated 2007 $	Consolidated 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Revenue	4	110,360	93,978	110,360	60,719
Accounting and legal expenses		(55,526)	(89,088)	(55,526)	(89,088)
Audit fees		(21,400)	(40,243)	(21,400)	(38,440)
Borrowing costs	5	(599)	(19,214)	(599)	(19,214)
Corporate advisory		(5,000)	(57,965)	(5,000)	(57,965)
Corporate secretarial		(35,557)	(32,858)	(35,557)	(32,858)
Loss on disposal of tenements		-	(1,862)	-	(1,862)
Depreciation expense	5	(14,518)	(2,965)	(14,518)	(2,965)
Diminution in value of investments	5	(150,000)	-	(150,000)	-
Directors fees		(40,667)	(36,000)	(40,667)	(36,000)
Directors remuneration options		(244,847)	(1,232,700)	(244,847)	(1,232,700)
Doubtful debts	5	-	-	(212)	(7,868)
Exploration expenditure written off	5	(1,623,166)	(1,858,987)	(1,623,166)	(1,858,987)
External consultancy expenses		(135,645)	(208,105)	(135,645)	(208,105)
Rental expense		(43,154)	(47,722)	(43,154)	(47,722)
Share based payments		-	(226,700)	-	(226,700)
Travel expense		(47,299)	(10,850)	(47,299)	(10,850)
Other expenses		(149,121)	(100,707)	(148,623)	(99,438)
Loss before income tax expense		(2,456,139)	(3,871,988)	(2,455,853)	(3,910,043)
Income tax expense	6	-	-	-	-
Loss after income tax expense		(2,456,139)	(3,871,988)	(2,455,853)	(3,910,043)
Net loss attributable to members of Golden Rim Resources Ltd		(2,456,139)	(3,871,988)	(2,455,853)	(3,910,043)
Basic loss per share (cents per share)	21	(3.84)	(15.37)		

The above Income Statement should be read in conjunction with the accompanying notes.

BALANCE SHEET
AS AT 30 JUNE 2007

	Notes	Consolidated 2007 $	Consolidated 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
CURRENT ASSETS					
Cash and cash equivalents	20(a)	470,279	1,038,874	470,279	1,037,395
Trade and other receivables	7	21,413	34,099	21,413	34,099
Other financial assets	8	-	240,000	-	240,000
TOTAL CURRENT ASSETS		491,692	1,312,973	491,692	1,311,494
NON-CURRENT ASSETS					
Trade and other receivables	7	-	-	-	-
Other financial assets	8	30,303	13,000	30,303	13,000
Plant and equipment	9	91,335	18,238	91,335	18,238
Exploration expenditure	10	-	-	-	-
TOTAL NON-CURRENT ASSETS		121,638	31,238	121,638	31,238
TOTAL ASSETS		613,330	1,344,211	613,330	1,342,732
CURRENT LIABILITIES					
Trade and other payables	11	139,665	291,140	139,665	291,140
Interest bearing liabilities	12	-	64,537	-	64,537
TOTAL CURRENT LIABILITIES		139,665	355,677	139,665	355,677
TOTAL LIABILITIES		139,665	355,677	139,665	355,677
NET ASSETS		473,665	988,534	473,665	987,055
EQUITY					
Parent entity interest					
Issued capital	13	15,909,138	14,211,522	15,909,138	14,211,522
Reserves	13	2,466,725	2,188,830	2,466,725	2,221,878
Accumulated losses		(17,902,198)	(15,411,818)	(17,902,198)	(15,446,345)
TOTAL SHAREHOLDERS' EQUITY		473,665	988,534	473,665	987,055

The above Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2007

Economic Entity

	Share Capital $	Accumulated Losses $	Reserves $	Total $
Balance at 1 July 2005	12,105,233	(11,539,830)	763,028	1,328,431
Loss attributable to members of economic entity	-	(3,871,988)	-	(3,871,988)
Issue of shares	2,296,441	-	-	2,296,441
Transaction costs	(190,152)	-	-	(190,152)
Issue of options	-	-	1,459,400	1,459,400
Adjustments from translation of foreign controlled entities	-	-	(33,598)	(33,598)
Balance at 30 June 2006	**14,211,522**	**(15,411,818)**	**2,188,830**	**988,534**
Loss attributable to members of economic entity	-	(2,456,139)	-	(2,456,139)
Issue of shares	1,834,888	-	-	1,834,888
Transaction costs	(137,272)	-	-	(137,272)
Issue of options	-	-	244,847	244,847
De-consolidation of Pacific Bullion Resources Ltd	-	(34,241)	33,048	(1,193)
Balance at 30 June 2007	**15,909,138**	**(17,902,198)**	**2,466,725**	**473,665**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2007

Parent Entity

	Share Capital $	Accumulated Losses $	Reserves $	Total $
Balance at 1 July 2005	12,105,233	(11,536,302)	762,478	1,331,409
Loss attributable to members of parent entity	-	(3,910,043)	-	(3,910,043)
Issue of shares	2,296,441	-	-	2,296,441
Transaction costs	(190,152)	-	-	(190,152)
Issue of options	-	-	1,459,400	1,459,400
Balance at 30 June 2006	**14,211,522**	**(15,446,345)**	**2,221,878**	**987,055**
Loss attributable to members of parent entity	-	(2,455,853)	-	(2,455,853)
Issue of shares	1,834,888	-	-	1,834,888
Transaction costs	(137,272)	-	-	(137,272)
Issue of options	-	-	244,847	244,847
Balance at 30 June 2007	**15,909,138**	**(17,902,198)**	**2,466,725**	**473,665**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated 2007 $	Consolidated 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers		(685,791)	(572,279)	(685,293)	(565,508)
Interest received		27,950	8,260	27,950	8,260
Borrowing costs		(599)	(4,677)	(599)	(4,677)
NET CASH (OUTFLOWS) FROM OPERATING ACTIVITIES	20(b)	(658,440)	(568,696)	(657,942)	(561,925)
CASH FLOWS FROM INVESTING ACTIVITIES					
Mining exploration expenditure		(1,606,500)	(803,822)	(1,606,500)	(803,822)
Purchase of plant and equipment		(89,431)	(14,747)	(89,431)	(14,747)
Loans to controlled entities		-	-	(212)	(7,868)
Repayment of loan from controlled entities		-	-	1,193	-
Lease bond		(17,303)	(13,000)	(17,303)	(13,000)
Proceeds from sale of investments		320,000	57,208	320,000	57,208
Proceeds from sale of tenements		-	134,091	-	134,091
NET CASH (OUTFLOWS) FROM INVESTING ACTIVITIES		(1,393,234)	(640,270)	(1,392,253)	(648,138)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares and options		1,684,888	2,113,641	1,684,888	2,113,641
Share issue costs		(137,272)	(190,152)	(137,272)	(190,152)
Proceeds from borrowings		200,000	625,000	200,000	625,000
Repayment of borrowings		(264,537)	(392,200)	(264,537)	(392,200)
NET CASH INFLOWS FROM FINANCING ACTIVITIES		1,483,079	2,156,289	1,483,079	2,156,289
Net increase/(decrease) in cash and cash equivalents held		(568,595)	947,323	(567,116)	946,226
Cash and cash equivalents at the beginning of the financial year		1,038,874	91,640	1,037,395	91,169
Effects of exchange rate changes on cash		-	(89)	-	-
Cash and cash equivalents at the end of the financial year	20(a)	470,279	1,038,874	470,279	1,037,395

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1 CORPORATE INFORMATION

The financial report of Golden Rim Resources Ltd for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 26th September 2007.

Golden Rim Resources Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activity of Golden Rim Resources Ltd is gold exploration.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and Interpretations, and the *Corporations Act 2001.*

The financial report covers the economic entity of Golden Rim Resources Ltd and controlled entities, and Golden Rim Resources Ltd as an individual parent entity. Golden Rim Resources Ltd is a listed public company, incorporated and domiciled in Australia.

The financial report is prepared on an accruals basis and based on historical costs except for financial assets which have been measured at fair value. Cost is based on the fair values of consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Going Concern

The consolidated financial statements have been prepared on a going concern basis.

However, the ability of the company and the consolidated entity to actively explore and continue as a going concern, and to meet their debts and commitments as they fall due, is dependant upon further capital raisings. The company intends to undertake a capital raising within the next two months. Meanwhile the chairman has pledged to advance funds to the company until fundraising is completed.

Statement of Compliance

In the current year, Golden Rim Resources Ltd has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in changes to Golden Rim Resources Ltd's accounting policies. The consolidated financial report of the group complies with IFRS and Interpretations adopted by the International Accounting Standards Board. The company's financial report does not comply with IFRS as Golden Rim Resources Ltd has elected to apply the relief provided to parent entities by AASB 132 Financial Instruments: Presentation and Disclosure in respect of certain disclosure requirements.

Statement of Compliance (continued)

At the date of authorisation of the financial report, the following Standards and interpretations were in issue but not yet effective:

• AASB 7 'Financial Instruments: Disclosures' and consequential amendments to other accounting standards resulting from its issue.	Effective for annual reporting periods beginning on or after 1 January 2007
• AASB 101 'Presentation of Financial Statements' – revised standard	Effective for annual reporting periods beginning on or after 1 January 2007.
• Interpretation 10 'Interim Financial Reporting and Impairment'	Effective for annual reporting periods beginning on or after 1 November 2006.

ACCOUNTING POLICIES

(a) **Principles of Consolidation**

A controlled entity is any entity Golden Rim Resources Ltd ("the Group") has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 19 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(b) **Exploration Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the areas have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(c) **Interests in Joint Ventures**

The economic entity's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated income statement and consolidated balance sheet.

The economic entity's interest in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interest in joint venture entities are brought to account using the cost method.

(d) **Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is based on the diminishing value method over their useful lives to the Company commencing from the time the assets are held ready for use. The depreciation rates used for plant and equipment vary between 2.5% and 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(e) **Acquisition of Assets**

The purchase method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is determined having reference to the fair value of the assets or net assets acquired, including goodwill or discount on acquisition where applicable.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

(f) **Investments**

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales financial assets are recognised on the trade date ie the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases and sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit and loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivates are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) *Held-to-maturity investments*

Non-derivates financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains or losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables including loan notes and loan to key management personnel are non-derivates financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) *Available-for-sale investments*

Available-for-sale investments are those non-derivate financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

(iv) *Available-for-sale investments (continued)*

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgmental inputs to a minimum.

Shares in listed companies held for resale are valued at net realisable value. Any movement in investments, whether realised or unrealised, are included in profit / (loss) from ordinary activities before income tax.

(g) **Trade and Other Creditors**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) **Earnings Per Share**

(i) Basic Earnings per Share

Basic earnings per share is determined by dividing net profit/loss after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(i) **Income Tax**

The charge for current income tax is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

(j) **Financial Instruments**

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial assets
Financial assets are classified into four categories, which determines the accounting treatment of the item. The categories and various treatments are:
— held to maturity, measured at amortised cost;
— held for trading, measured at fair value with unrealised gains or losses charged to the profit and loss;
— loans and receivables, measured at amortised cost; and
— available for sale instruments, measured at fair value with unrealised gains or losses taken to equity.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principle payments and amortisation.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment
At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(k) **Foreign Currency Translation**

(i) *Functional and presentation currency*
The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

(ii) *Transaction and balances*
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical costs continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

(iii) *Group Companies*

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

Assets and Liabilities are translated at year-end exchange rates prevailing at that reporting date.
Income and expenses are translated at average exchange rates for the period.
Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange rate differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(l) **Impairment of Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(m) **Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the sale of assets is recognised at the date that the contract is entered into.

All revenue is stated net of the amount of goods and services tax (GST).

(n) **Employee Benefits**

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(o) **Share-Based Payment Transactions**

The group provides benefits to the directors and senior executives in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with directors is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to price of the shares of the Group.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the market conditions are fulfilled.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

(o) **Share-Based Payment Transactions (continued)**

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that in the opinion of the directors will ultimately vest. The opinion is formed on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(p) **Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of a past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(q) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

(r) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Golden Rim Resources Ltd ("the Group") and that are believed to be reasonable under the circumstances.

In applying the Group's accounting policies management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(i) Significant accounting judgments

(i) *Classification of and valuation of investments*
The Group has decided to classify investments in listed and unlisted securities, other than investments in subsidiaries, as 'held for trading' investments and movements in fair value are recognised directly in the income statement. The fair value of listed shares has been determined by reference to published price quotations in an active market.

(ii) *Impairment of non-financial assets*
The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that my lead to impairment. These include prospectivity of an area of interest and economic and political environments. If an impairment trigger exists the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.

The Group's accounting policy is stated at 2(b). There is some subjectivity involved in the carrying forward as capitalised or writing off to the income statement exploration and evaluation expenditure, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation.

(ii) Significant accounting estimates and assumptions

(i) *Accounting for share based payments*
The Group's accounting policy is stated at 2(o). The value of these option payments are based on reasonable estimates using a recognised option pricing model.

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black Scholes model, with the assumptions detailed in note 14. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted. See note 14.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(ii) *Allowance for impairment loss on receivables and inter-company loans*
Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. A provision has been raised for all inter-company receivables.

(iii) *Estimation of useful lives of assets*
The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicle). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included in note 9.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
4. REVENUE				
Revenue from outside the operating activities				
Interest	29,167	8,260	29,167	8,260
Increase in net market values	-	40,000	-	40,000
Foreign exchange gain	-	33,259	-	-
Surplus on disposal of shares	80,000	12,459	80,000	12,459
Other income	1,193	-	1,193	-
Revenue	110,360	93,978	110,360	60,719

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
5. OPERATING LOSS				
Net Expenses				
The loss before income tax includes the following specific expenses:				
(i) Expenses:				
Exploration expenditure written off	1,623,166	1,858,987	1,623,166	1,858,987
Depreciation	14,518	2,965	14,518	2,965
Borrowing costs	599	19,214	599	19,214
Provision for diminution of investments	150,000	-	150,000	-
Provision for doubtful debts	-	-	212	7,868
Loss on sale of non-current assets	1,816	-	1,816	-
Profit/Loss on disposal of investments and tenements				
Proceeds from sale of shares	320,000	57,208	320,000	57,208
Carrying value of shares sold	(240,000)	(44,749)	(240,000)	(44,749)
Surplus on disposal	80,000	12,459	80,000	12,459
Proceeds from sale of tenements	-	334,091	-	334,091
Carrying value of tenements sold	-	(335,953)	-	(335,953)
Loss on disposal	-	(1,862)	-	(1,862)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
6. INCOME TAX				
(a) Numerical reconciliation of income tax expense to prima facie tax payable				
Loss from ordinary activities before income tax expense	(2,456,139)	(3,871,988)	(2,455,853)	(3,910,043)
Prima facie tax benefit on loss from ordinary activities at 30% (2006 30%)	(736,842)	(1,161,596)	(736,756)	(1,173,013)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
Directors Options	69,809	-	69,809	-
Entertainment	527	430	527	430
	(666,506)	(1,161,166)	(666,420)	(1,172,583)
Movement in unrecognised temporary differences	(197,868)	339,104	(197,804)	342,499
Tax effect of current year tax losses for which no deferred tax asset has been recognised	864,374	822,062	864,224	830,084
Income tax expense	-	-	-	-
(b) Unrecognised temporary differences				
Deferred Tax Asset (30%)				
Loans (provisions)	122,474	198,846	122,474	198,846
Investments (provisions)	117,592	253,054	117,592	253,054
Capital raising costs	82,434	73,031	82,434	73,031
Accruals	30,156	17,320	30,156	18,355
Plant & equipment	821	-	821	-
Capitalised tenement acquisition costs	-	97,146	-	97,146
Carry forward tax losses	3,708,075	2,844,050	3,708,075	2,844,050
	4,061,552	3,483,447	4,061,552	3,484,482

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
6. INCOME TAX (CONTINUED)				
Deferred Tax Liabilities (30%)				
Unrealised foreign exchange movement	-	9,978		-
Receivables (interest)	365	-	365	-
	365	9,978	365	-

No income tax is payable by the company. The consolidated entity has estimated un-recouped income tax losses of approximately $6.7 million, foreign tax losses of approximately $3.4 million and capital losses of approximately $2.2 million.

Such benefits have not been included and will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss to be realised;
(ii) the losses are transferred to an eligible entity in the consolidated entity, and
(iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
(iv) no changes in taxation legislation adversely affect the economic entity in realising the benefit from the deductions for the losses.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
7. TRADE AND OTHER RECEIVABLES				
CURRENT				
Other receivables	21,413	34,099	21,413	34,099
NON-CURRENT				
Loans to controlled entities	-	-	344,448	599,023
Less provision for doubtful debts	-	-	(344,448)	(599,023)
Other loans	63,797	63,797	63,797	63,797
Less provision for doubtful debts	(63,797)	(63,797)	(63,797)	(63,797)
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
8. OTHER FINANCIAL ASSETS				
CURRENT				
Investments listed on a prescribed securities exchange, at cost	-	200,000	-	200,000
Increase in market value	-	40,000	-	40,000
Carrying value at balance date	-	240,000	-	240,000
NON-CURRENT				
Investments in controlled entities (Note 19) at cost	-	-	116,974	632,507
Less provision for diminution	-	-	(116,974)	(632,507)
Investments in other entities at cost	401,006	251,005	401,006	251,005
Less provision for diminution	(401,006)	(251,005)	(401,006)	(251,005)
Lease bond	30,303	13,000	30,303	13,000
	30,303	13,000	30,303	13,000

Shares in controlled entities

The carrying value of the investments in controlled entities is dependent upon the successful development and exploitation of the controlled entities' tenements, or alternatively the sale of those tenements for at least carrying value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated 2007 $	Consolidated 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
9. PLANT AND EQUIPMENT				
Office equipment, at cost	62,815	29,404	62,815	29,404
Less: accumulated depreciation	(7,262)	(11,166)	(7,262)	(11,166)
Motor vehicles, at cost	43,179	-	43,179	-
Less: accumulated depreciation	(7,397)	-	(7,397)	-
Total plant and equipment	91,335	18,238	91,335	18,238

Reconciliations

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below.

	Office Equipment	Motor Vehicles	Total
Consolidated	$	$	$
Carrying amount at 1 July 2006	18,238	-	18,238
Additions	46,252	43,179	89,431
Disposals	(1,816)	-	(1,816)
Depreciation	(7,121)	(7,397)	(14,518)
Carrying amount at 30 June 2007	55,553	35,782	91,335

	Office Equipment	Motor Vehicles	Total
Parent	$	$	$
Carrying amount at 1 July 2006	18,238	-	18,238
Additions	46,252	43,179	89,431
Disposals	(1,816)	-	(1,816)
Depreciation	(7,121)	(7,397)	(14,518)
Carrying amount at 30 June 2007	55,553	35,782	91,335

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
10. MINING EXPLORATION EXPENDITURE				
Costs brought forward	-	1,391,118	-	1,391,118
Expenditure incurred during the year	1,623,166	803,822	1,623,166	803,822
Expenditure written off during the year	(1,623,166)	(1,858,987)	(1,623,166)	(1,858,987)
Cost of tenements sold during the year	-	(335,953)	-	(335,953)
Costs carried forward	-	-	-	-

For those areas of interest which are still in the exploration phase, the ultimate recoupment of the stated costs is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
11. TRADE AND OTHER PAYABLES				
CURRENT				
Trade creditors	37,865	203,397	37,865	203,397
Accrued expenses	100,520	61,183	100,520	61,183
Other creditors	1,280	26,560	1,280	26,560
	139,665	291,140	139,665	291,140
12. INTEREST BEARING LIABILITIES				
CURRENT UNSECURED				
Loans from directors	-	64,537	-	64,537
	-	64,537	-	64,537

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

12. INTEREST BEARING LIABILITIES (CONTINUED)

a. Key Management Personnel Loans

		Balance at Beginning of year $	Balance at End of Year $	Interest Charged $	Interest not Charged $	Provision for Impairment $	Number of Individuals
Key Management Personnel							
2007	R W Crabb	64,537	-	599	-	-	1
2006	R W Crabb	-	64,537	14,537	-	-	1

The above loan represented funds loaned from R W Crabb, and entities related to R W Crabb being RW & CJ Crabb ATF Crabb Family Trust and Westessa Holdings Pty Ltd during the 2006 financial year. The balance of the loan was repaid on 31 August 2006. Interest of 8.5% has been charged on the loan. An additional $200,000 was lent from R W Crabb and repaid during the year but interest was not paid in relation to this loan as it was short term.

13. ISSUED CAPITAL

	Consolidated 2007 $	Consolidated 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Issued Capital				
Fully paid shares				
73,734,859 (2006 – 51,167,757)	15,909,138	14,211,522	15,909,138	14,211,522

Movements in ordinary share capital of the company during the past 2 years were as follows

		Number of shares	cents	$
01/07/05	Opening balance	155,810,075		12,105,233
22/07/05	Share issue	7,000,000	2.9	203,000
03/08/05	Reconstruction (1:7)	(139,552,002)		
24/05/06	Share issue	1,077,426	7.5	80,807
31/05/06	Share issue	11,978,605	7.5	898,395
02/06/06	Share issue	6,856	7.5	514
07/06/06	Share issue	14,846,797	7.5	1,113,725
	Cost of share issues	-		(190,152)
30/06/06		51,167,757		14,211,522

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

13. ISSUED CAPITAL (CONTINUED)

		Number of shares	cents	$
01/07/06	Opening balance	51,167,757		14,211,522
24/10/06	Share issue	1,500,000	10.0	150,000
07/12/06	Share issue	21,067,102	8.0	1,684,888
	Cost of share issues			(137,272)
30/06/07		73,734,859		15,909,138

(i) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(ii) Options

At 30 June 2007, the company had the following options on issue:

12,540,505 options (87,784,788 options prior to 1:7 reconstruction) to subscribe for fully paid ordinary shares exercisable at $1.05 at any time on or before the expiry date of 30 September 2007. These options are quoted on the Australian Securities Exchange.

8,750,000 unlisted Class A options exercisable at 35 cents on or before the expiry date of 30 June 2010.

7,750,000 unlisted Class B options exercisable at 40 cents on or before the expiry date of 30 June 2010.

4,500,000 unlisted Class C options with a vesting period of 12 months from 23 November 2006, exercisable at 15 cents on or before the expiry date of 31 December 2010.

Movements in options of the company during the past 2 years were as follows

		Number of options	cents	$
01/07/05	Opening balance	87,784,788		762,478
03/08/05	Reconstruction (1:7)	(75,244,283)		-
15/8/05	Option issue – A & B Class	14,000,000	8.805	1,232,700
9/12/05	Option issue – A & B Class	2,500,000	9.068	226,700
30/06/06		29,040,050		2,221,878
23/11/06	Option issue – C Class	4,500,000	5.441	244,847
30/06/07		33,540,505		2,466,725

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

14. KEY MANAGEMENT PERSONNEL COMPENSATION

a. Names and Positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key Management Position	Position
R W Crabb	Chairman – non-executive
C R Mackay	Director – managing director
G C Rodgers	Director – executive

There are no executives (other than directors) with authority for strategic decision and management.

b. Compensation Practices
The full Board carries out the functions of a remuneration committee in accordance with the remuneration committee charter.

Non-executive directors receive directors' fees include superannuation. The aggregate fees are fixed and approved by shareholders.

Executive directors receive consultancy fees for their services to the Company. The company does not have in place any bonus or incentive option schemes for the directors. There is in place an Employee Share/Option Scheme, in which the directors can participate.

The Company does not have any terms or schemes relating to retirement benefits for non-executive directors.

Remuneration and other terms of engagement for the Managing Director and the Executive Director are formalised in consultancy service agreements. Each of these agreements provide for the provision of remuneration. Other major provisions of the agreements relating to remuneration are set out below.

Both agreements have a fixed term of 1 year commencing on 1 March 2007. The Company may terminate the agreements in the event of any breach, non-observance or non-performance by the consultants and the failure by the consultants to remedy such breaches within 30 days of written notice requiring such breach to be remedied.

The remunerations of the directors are as follows:

C R Mackay, Managing Director, $200,000 pa excluding GST; and

G C Rodgers, Executive Director, $160,000 pa, excluding GST.

All agreements are subject to a review at the expiration of the first 12 month period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

14. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

c. Key Management Personnel Compensation

Details of the remuneration of each director of Golden Rim Resources Ltd, including their personally related entities are set out below:

2007	Short Term		Post Employment		Share-Based	% of Remuneration as Options	
Name	Cash Salary & Fees	Non-Monetary Benefits	Superannuation	Retirement Benefits	Shares & Options		Total
R W Crabb	19,266	-	21,401	-	-	-	40,667
G C Rodgers	123,158	-	-	-	108,821	46.91	231,979
C W Mackay[(a)]	181,681	-	-	-	136,026	42.81	317,707
Total	**324,105**	**-**	**21,401**	**-**	**244,847**		**590,353**

2006	Short Term		Post Employment		Share-Based	% of Remuneration as Options	
Name	Cash Salary & Fees	Non-Monetary Benefits	Superannuation	Retirement Benefits	Shares & Options		Total
R W Crabb	33,028	-	2,972	-	308,175	89.54%	344,175
G C Rodgers	110,000	-	-	-	308,175	73.70%	418,175
D J Porter	125,886	-	-	-	308,175	70.10%	434,061
C W Mackay[(a)]	140,360	-	-	-	308,175	68.71%	448,535
Total	**409,274**	**-**	**2,972**	**-**	**1,232,700**		**1,644,946**

(a) These fees were paid to Earth Science Solutions Pty Ltd, a company which Mr Mackay has an interest.

d. Compensation Options

Key Management Personnel	Granted No.	Grant Date	Value per Option at Grant Date $	Exercise Price $	Vesting Date	Last Exercise Date	No. of Options Vested
R W Crabb	1,750,000	15/8/05	.082	.35	19/09/05	30/06/10	-
	1,750,000	15/8/05	.082	.40	19/09/05	30/06/10	-
G C Rodgers	1,750,000	15/8/05	.082	.35	19/09/05	30/06/10	-
	1,750,000	15/8/05	.082	.40	19/09/05	30/06/10	-
	2,000,000	23/11/06	.091	.15	23/11/07	31/12/10	-
C R Mackay	1,750,000	15/8/05	.082	.35	19/09/05	30/06/10	-
	1,750,000	15/8/05	.082	.40	19/09/05	30/06/10	-
	2,500,000	23/11/06	.091	.15	23/11/07	31/12/10	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

14. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

During the year, the company granted a total of 4,500,000 unlisted class “C” options to directors at an exercise price of 15 cents each and an expiry date of 31 December 2010. The options were fair valued at 9.11 cents per option, and vested on 23 November 2006.

The fair value of the options has been calculated using the Black Scholes option pricing model as follows:

Weighted average exercise price	15 cents
Underlying share price	11 cents
Weighted average life of options	4.1 years
Expected volatility	125%
Risk free interest rate	5.865%

Historical volatility has been the basis of determining the basis of expected share price volatility and it is assumed that this is indicative of future trends, which may not eventuate.

The life of options is based on the historical exercise paterns, which may not eventuate in the future.

e. Shareholdings

The number of shares in the company held by each director of Golden Rim Resources Ltd, including their personally-related entities, are set out below:

Name	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
R W Crabb	5,042,332	-	2,560,934	7,602,266
G C Rodgers	216,069	-	106,428	322,497
C W Mackay	499,047	-	500,963	1,000,010

f. Options

The number of options over ordinary shares in the company held during the financial year by each director Golden Rim Resources Ltd, including their personally-related entities, are set out below.

Name	Balance at start of the year	Granted during the year as remuneration	Other changes during the year	Balance at end of the year	Vested and exerciseable at the end of the year
R W Crabb	3,517,857	-	-	3,517,857	3,517,857
G C Rodgers	3,510,995	2,000,000	-	5,510,995	3,510,995
C W Mackay	3,711,904	2,500,000	-	6,211,904	3,711,904

Other transactions with directors

All transactions between related parties are on normal commercial terms and conditions and are conducted on an arms' length basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

14. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

g. Options granted as part of remuneration

Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Total value of options granted, exercised and lapsed during the year
G C Rodgers	182,200	-	-	182,200
C W Mackay	227,750	-	-	227,750

15. SHARE BASED PAYMENTS PLAN

Share-based payment plan

The following table illustrates the number (No.) and weighted average exercise price (WAEP) of and movements in share options issued during the year:

	2007 No.	2007 WAEP Cents	2006 No.	2006 WAEP Cents
Outstanding at the beginning of the year	16,500,000	37.35	-	-
Granted during the year	4,500,000	15.00	16,500,000	37.35
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	21,000,000	32.56	16,500,000	37.35

The outstanding balance as at 30 June 2007 is represented by:

- 8,750,000 Class A options over ordinary shares with an exercise price of 35 cents each, exercisable until 30/06/10
- 7,750,000 Class B options over ordinary shares with an exercise price of 40 cents each, exercisable until 30/06/10
- 4,500,000 Class C options over ordinary shares with an exercise price of 15 cents each, exercisable until 31/12/10

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
16. REMUNERATION OF AUDITORS				
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:	21,100	21,953	21,100	20,150
Remuneration for other services	300	18,290	300	18,290

17. RELATED PARTIES

Directors and specified executives
Disclosures relating to directors and specified executives are set out in note 14.

Wholly owned group
The wholly owned group consists of Golden Rim Resources Ltd and its wholly controlled entity, Associated Gold Mines of Victoria Limited. Pacific Bullion Resources Ltd was part of the wholly owned group until it was deregistered during the year. The group entered into an agreement to acquire all the shares in Rimfire Resources Ltd however this will not be consolidated as part of the group until the share transfer is complete.

Transactions between Golden Rim Resources Ltd and subsidiaries in the group during the year 30 June 2007 consisted of loans on an interest free basis with no fixed term and no specific repayment arrangements. No amounts were included in the determination of operating loss before tax of the parent entity that resulted from transactions with related parties in the wholly-owned group. Golden Rim Resources Ltd made an additional provision for doubtful debts of $212 in its accounts for the year ended 30 June 2007 (2006: $7,868) in relation to the loans made to its subsidiaries.

The loan to Pacific Bullion Resources Ltd has been written off as the company was de-registered during the year. Golden Rim Resources Ltd was repaid $1,193 being the closing bank balance at the date of deregistration.

Aggregate amounts receivable from controlled entities in the wholly owned group at balance date were as follows:

	2007	2006
	$	$
Non-current receivables (note 7)	344,448	599,023
Provision for doubtful debts (note 7)	(344,448)	(599,023)
	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

18. EXPENDITURE COMMITMENTS

Exploration Commitments

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
Not later than one year	-	654,513	-	654,513
Later than one year, but not later than 2 years	-	654,513	-	654,513
Later than two years, but not later than 5 years	-	1,963,539	-	1,963,539
	-	3,272,565	-	3,272,565

The company has spent all committed expenditure under joint venture agreements that are in place and there are no agreements that have been executed by the company for future exploration commitments.

Capital Commitments

There were no outstanding capital commitments not provided for in the financial statements of the company as at 30 June 2007 or 30 June 2006.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$

Operating Lease Commitments

Non-cancellable leases contracted for the lease of premises that have not been capitalised in the financial statements.

Not later than one year	69,168	38,965	69,168	38,965
Later than one year, but not later than 2 years	152,102	145,060	152,102	145,060
Later than two years, but not later than 5 years	-	-	-	-
	221,270	184,025	221,270	184,025

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

18. EXPENDITURE COMMITMENTS (CONTINUED)

Service and Contractual Commitments

Service and contractual commitments in relation to consulting fees for directors and geologists that exist at the end of the financial year.

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
Not later than one year	310,833	166,667	310,833	166,667
Later than one year, but not later than 2 years	-	-	-	-
Later than two years, but not later than 5 years	-	-	-	-
	310,833	166,667	310,833	166,667

19. INVESTMENTS IN CONTROLLED ENTITIES

Controlled Entities:	Cost of Parent Entity's Investment		Equity Holding	
	2007	2006	2007	2006
	$	$		
Associated Gold Mines of Victoria Ltd	116,974	116,974	100%	100%
Pacific Bullion Resources Limited	-	515,533	-	100%
	116,974	632,507		

Pacific Bullion Resources Limited was deregistered during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

20. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows cash and cash equivalents includes cash on hand and at call deposits with banks, and investments in money market instruments net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	Consolidated		Parent Entity	
	2007	2006	2007	2006
	$	$	$	$
Reconciliation of cash and cash equivalents				
Cash at bank	470,279	1,038,874	470,279	1,037,395

(b) Reconciliation of loss after income tax to net cash flow from operating activities

	Consolidated 2007 $	Consolidated 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Operating loss after income tax	(2,456,139)	(3,871,988)	(2,455,853)	(3,910,043)
Non Cash Items				
Depreciation	14,518	2,965	14,518	2,965
Profit on sale of shares	(80,000)	(12,459)	(80,000)	(12,459)
Exploration costs written off	1,606,500	1,858,987	1,606,500	1,858,987
Net exchange differences	-	(33,259)	-	-
Diminution in investments in controlled entities	150,000	-	150,000	-
Provision for doubtful debts	(1,193)	-	(981)	7,868
Revaluation of investments	-	(40,000)	-	(40,000)
Shares based payments	-	226,700	-	226,700
Directors remuneration options	244,847	1,232,700	244,847	1,232,700
(Surplus)/Deficit on tenements sold	-	1,862	-	1,862
Loss on sale of non-current assets	1,816	-	1,816	-
Change in operating assets and liabilities				
Decrease/(increase) in receivables	12,686	3,471	12,686	3,471
(Decrease)/increase in trade creditors	(190,812)	64,508	(190,812)	64,508
(Decrease)/increase in accruals	39,337	(2,183)	39,337	1,516
Net cash outflow from operating activities	(658,440)	(568,696)	(657,942)	(561,925)

(c) Non-cash Financing and Investing Activities

	Consolidated 2007 $	Consolidated 2006 $	Parent Entity 2007 $	Parent Entity 2006 $
Acquisition of shares in Rimfire Resources Ltd	-	-	150,000	-

During the year, the company granted 4,500,000 unlisted options to the directors at an exercise price of 15 cents each. The fair value of the options granted has been calculated using the Black Scholes option pricing model, refer to 14 (d).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

		2007	2006
21.	**EARNINGS PER SHARE**	cents	cents
(a)	Basic and diluted loss per share	(3.84)	(15.37)
(b)	Weighted average number of shares outstanding during the year used in the calculation of basic loss per share	64,023,253	25,225,407

As disclosed in Note 13 the company has on issue 12,540,505 listed options and 21,000,000 unlisted options to subscribe for fully paid ordinary shares exercisable between 15 cents and 40 cents at any time on or before the expiry date 30 September 2007 and 31 December 2010. As the exercise price of these options at balance date was greater than the market price of the shares, it is considered the options are unlikely to be exercised and consequently have not been considered dilutive.

None of the options have been included in the determination of basic earnings per share. Details relating to options are set out in Note 13(ii).

Reconciliation of loss used in the calculating basic loss per share

	Consolidated	
	2007	2006
	$	$
Net loss	(2,456,139)	(3,871,988)
Loss used in calculating basic loss per share	(2,456,139)	(3,871,988)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

22. FINANCIAL INSTRUMENTS

Net Fair Value of Financial Assets and Liabilities
The net fair value of financial assets and financial liabilities of the company approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to and forming part of these financial statements.

	Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2007	2006	2007 $	2006 $	2007 $	2006 $	2007 $	2006 $
Financial Assets								
Cash and cash equivalents	4.25%	4.00%	470,279	1,038,874	-	-	470,279	1,038,874
Trade and other receivables	-	-	-	-	21,413	34,099	21,413	34,099
Other financial assets	-	-	30,303	13,000	-	240,000	30,303	253,000
Total Financial Assets			500,582	1,051,874	21,413	274,099	521,995	1,325,973
Financial Liabilities								
Trade and other payables	-	-	-	-	139,665	291,140	139,665	291,140
Interest bearing liabilities	-	8%	-	64,537	-	-	-	64,537
Total Financial Liabilities			-	64,537	139,665	291,140	139,665	355,677

Credit Risk
The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Balance Sheet and notes to and forming part of the financial statements.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered by the economic entity.

Interest Rate Risk
The economic entity's exposure to interest rate risk, is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on classes of financial assets and liabilities. The group does not have a major exposure in this area as the interest rate earned on deposited funds does not vary greatly from month to month.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

22. FINANCIAL INSTRUMENTS (CONTINUED)

Foreign Currency Risk
The group is exposed to fluctuations in foreign currencies arising from costs incurred at overseas mineral exploration tenements. Overseas expenses are paid at the spot rate applicable on the date the invoice is received. The group does not hedge to reduce the foreign exchange risk as the directors believe the risk is not significant.

23. EVENTS OCCURRING AFTER BALANCE DATE

On 18 July 2007 the loan advanced to Rimfire Resources Ltd by Goldstream Mining NL was converted into shares. Rimfire Resources Ltd issued 495,486 ordinary shares to Goldstream Mining NL. Goldstream Mining NL has to transfer the shares in Rimfire Resources to Golden Rim Resources Ltd in the due course. The company is working with Goldstream NL to have the shares transferred to it.

24. SEGMENT INFORMATION

Primary Reporting – geographical segments
The geographical segments of the consolidated entity are as follows:

2007

	Australia	**Asia**	**South Pacific**	**Eliminations/ Unallocated**	**Economic Entity**
Segment revenue	80,000	-	-	30,360	110,360
Segment result	65,744	(19,784)	(1,535,248)	(966,851)	(2,456,139)
Income tax expense					-
Net loss					(2,456,139)
Segment assets	53,084	-	38,250	521,994	613,330
Segment liabilities	-	-	86,152	53,513	139,665
Mineral exploration expenditure written off	7,566	19,784	1,527,420	68,396	1,623,166
Depreciation expense	6,690	-	7,828	-	14,518

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

24. SEGMENT INFORMATION (CONTINUED)

2006

	Australia	Asia	Canada	South Pacific	Eliminations/ Unallocated	Economic Entity
Segment revenue	12,459	-	-	-	81,519	93,978
Segment result	(169,096)	(38,300)	(1,160)	(1,642,097)	(2,021,335)	(3,871,988)
Income tax expense						-
Net loss						(3,871,988)
Segment assets	292,337	-	1,480	-	1,050,394	1,344,211
Segment liabilities	267,934	-	-	-	87,743	355,677
Mineral exploration expenditure written off	178,590	38,300	-	1,642,097	-	1,858,987
Depreciation expense	2,965	-	-	-	-	2,965

Secondary Reporting – Business Segments

The consolidated entity operates predominantly in the mineral exploration industry. There are therefore no business segments requiring disclosure.

25. CONTINGENT LIABILITIES

The consolidated entity did not have any contingent liabilities at 30 June 2007 or 30 June 2006.

DIRECTORS' DECLARATION

The directors declare that:

1. The financial statements and notes set out on pages 25 to 59:

   (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   (b) give a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance, as represented by the results of their operations and their cashflows, for the financial year ended on that date.

2. The Chief Executive Officer and Company Secretary have each declared that:

   (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial year comply with Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view.

3. 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. However attention is drawn to the matters disclosed in note 2.

This declaration is made in accordance with the resolution of directors.

Gilbert C Rodgers
Director

26th September 2007
Perth

Stantons International

ABN 41 103 088 697

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
www.stantons.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDEN RIM RESOURCES LTD

Report on the Financial Report

We have audited the accompanying financial report of Golden Rim Resources Ltd, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of Golden Rim Resources Ltd are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report of the Group, comprising the financial statements and notes, complies with International Financial Reporting Standards, but that the financial report of the Company does not comply.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

1. In our opinion:

(a) the financial report of Golden Rim Resources Ltd is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report of the Group also complies with International Financial Reporting Standards as disclosed in note 2.

Inherent Uncertainty Regarding Going Concern

Without qualification to the audit opinion expressed above, attention is drawn to the following matter.

The ability of the Company and of its subsidiaries to continue as going concerns and meet their planned exploration, administration, and other commitments is dependent upon the Company and its subsidiaries raising further working capital, and/or commencing profitable operations. In the event that the Company cannot raise further equity, the Company and its subsidiaries may not be able to meet their liabilities as they fall due and the realisable value of the Company's and consolidated entity's non-current assets may be significantly less than book values.

STANTONS INTERNATIONAL
(An Authorised Audit Company)
Stantons International

Keith Lingard

Director

West Perth, Western Australia
26 September 2007

ADDITIONAL SHAREHOLDER INFORMATION

The following additional information dated 21 September 2007 is provided in compliance with the requirements of the Australian Securities Exchange Limited.

1 DISTRIBUTION OF LISTED ORDINARY SHARES AND OPTIONS

(a) Analysis of numbers of shareholders by size of holding.

Distribution	No. of Shareholders	No of Option Holders
1 - 1,000	268	87
1,001 - 5,000	321	88
5,001 - 10,000	115	42
10,000 - 100,000	345	97
100,000 and over	130	23
	1,179	337

(b) There were 660 shareholders holding less than a marketable parcel and 872 shareholders holding less than an economic parcel.

(c) The percentage of the total of the twenty largest holders of ordinary shares was 41.62%

2 TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest shareholders of shares are listed below:

Names	Number of Shares Held	%
Westessa Holdings Pty Ltd	6,224,268	8.44
Rickland Holdings Pty Ltd	3,339,598	4.53
D P Prospecting Services Pty Ltd (Super Fund A/C)	2,344,590	3.18
Jansen, William & M G (W & M G Jansen Super Fund A/C)	2,000,000	2.71
Fortis Clearing Nominees Pty Ltd (Settlement A/C)	1,882,067	2.55
RBJ Nominees Pty Ltd (Super Fund A/C)	1,662,633	2.25
Goldstream Mining NL	1,547,142	2.10
Toltec Holdings Pty Ltd	1,454,998	1.97
Crabb, Rick	1,198,998	1.63
Warnes, Kathryn	1,164,391	1.58
Teofilova, Liliana	1,093,998	1.48
Kirk, Laurence C G H	1,000,000	1.36
Toro De Plata Pty Ltd	842,857	1.13
Redtower Corp Pty Ltd	800,000	1.08
G I Investments (UK) Ltd	800,000	1.08
Zadnik Holdings Pty Ltd	744,800	1.01
Mincor Resources NL	714,285	0.97
Istana Securities Limited	642,427	0.87
Brolese, Lino & Napoli N	635,001	0.86
DeMarte, Frank (DeMarte Family A/C)	615,760	0.84
TOTAL	30,694,956	41.62

ADDITIONAL SHAREHOLDER INFORMATION

3 TWENTY LARGEST OPTIONHOLDERS

The names of the twenty largest listed option holders are as follows: These options expire on 30 September 2007.

Names	Number of Options	%
Helmut Rocker	2,594,063	20.69
Istana Securities Limited	857,142	6.83
Rickland Holdings Pty Ltd	714,285	5.70
Jansen, William & M G (W & M G Jansen Suer Fund A/C)	585,325	4.67
D P Prospecting Services Pty Ltd (Super Fund A/C)	500,000	3.99
Pathold 77 Pty Ltd (Midvale A/C)	429,928	3.43
G I Investments (UK) Ltd	421,428	3.36
Vetter, Anthony John	392,857	3.13
Ge Zhi Liang & Min Xin	271,428	2.16
Koutsoupias, Thomas	243,969	1.95
Byrne, Nicholas Patrick (NPB Super Fund A/C)	200,000	1.59
Jindabyne Pty Ltd (H W Daly Family A/C)	171,428	1.37
D P Prospecting Services Pty Ltd	171,410	1.37
Kenny, John Damian (JDK A/C)	157,703	1.26
Crabb, R W & C J (Intermax Fund A/C)	157,703	1.26
Monaco Cove Pty Ltd	156,547	1.25
Sharyn Mackay	154,762	1.23
Each Nominees Pty Ltd	142,857	1.14
Mills, Aaron William	128,828	1.03
Nutbean, Jeff	125,000	1.00
TOTAL	8,576,663	68.41

4 SUBSTANTIAL SHAREHOLDERS

An extract from the company's Register of substantial shareholders is set out below:

Name	Number	Ordinary Shares Held Percentage
Westessa Holdings Pty Ltd and Rick Crabb Group	7,603,266	10.31

5 VOTING RIGHTS

The company's share capital is of one class with the following voting rights:

(a) Ordinary Shares

On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

The company's options have no voting rights.

ADDITIONAL SHAREHOLDER INFORMATION

6 RESTRICTED SECURITIES

There are no shares on issue that have been classified by the Australian Securities Exchange Limited, Perth as restricted securities.

7 STOCK EXCHANGE LISTING

Golden Rim Resources Ltd shares and options are listed on the Australian Securities Exchange Limited. The home exchange is the Australian Securities Exchange (Perth) Limited. The listed options of the Company expire on 30 September 2007.

The Company's shares only are quoted on the Berlin Stock Exchange in Germany.

Tenement Schedule

Tenement Name	Tenement Number	Project Name	Area (km^2)	Holder	Golden Rim Equity (%)	Target Commodity (s)
Fiji						
Sabeto	SPL 1412	Sabeto	106.00	Oribi Resources Inc 100%	75.00	Gold
Vanuatu						
Webe Creek	PL 1587	Webe Creek	50.12	Oribi Resources Inc 75%, Rimfire 25%	81.25	Gold
Tafuse	PL 1612	Tafuse	39.84	Oribi Resources Inc 100%	75.00	Gold
		TOTAL AREA	**740.45**			

Notes:

(1) Fiji & Vanuatu properties subject to a revised joint venture agreement with Mincor Resources NL. Golden Rim Resources Ltd has spent the required A$2M to earn 75%.

(2) Golden Rim Resources Ltd has an agreement Rimfire Resources Ltd to purchase their 25% interest in Webe Creek by the issue of 1,500,000 Golden Rim shares at a deemed issue price of 10 cents each.