



ASX : GMN

13 June 2018

EXPLORATION RESULTS SHOW STRONG INDICATIONS OF POTENTIALLY LARGE PORPHYRY GOLD-COPPER SYSTEM

HIGHLIGHTS:

- ✓ **Exploration program confirms characteristics of a potentially large porphyry Au-Cu system**
- ✓ **Mineralised system is only 77km north-east of the world-class 24 million ounces Porgera gold mine**
- ✓ **Free gold panned from outcropping gossanous rocks. Abundant coarse gold present in all creeks draining the porphyry system**
- ✓ **Classic signature mineral and alteration suites of large porphyry systems**
- ✓ **Potential for world-class discovery. Now fast-tracking geochemical survey to define drill targets for 3rd Quarter 2018**

PNG-focused precious metals exploration company Gold Mountain Limited (ASX: GMN) (“Gold Mountain” or “the Company”) is pleased to announce exciting results of its exploration program at its Abundance Valley project (Exploration Licence 2306). Helicopter-supported exploration work by the Company’s geologists has confirmed that the Mongae Creek –Mount Wirit area hosts mineralisation indicative of a large porphyry gold-copper system, which is only 77 km north-east of the 24 million ounces Porgera Gold Mine (Figure 1).



Figure 1 Location of Mongae Creek Porphyry Gold-Copper System relative to major World Class 24Moz Porgera Gold Mine

The recent field work has confirmed abundant alluvial gold in the drainage system of a valley that contains extensive diorite-hosted hydrothermal quartz-pyrite vein mineralisation, with accessory copper (bornite, chalcopyrites, chalcocite) and molybdenum minerals.

The mineralised outcrops are contained within an elliptical rim structure of 1.6 km x 1.2 km. Drainage sheds from both sides of the narrow elliptical rim (Figure 2).

The mineralisation is hosted in porphyritic diorite that is overprinted by late stage phyllic (quartz-sericite-pyrite) alteration. Inspection of artisanal workings confirmed that gold is shedding from the altered intrusive rocks in the hills flanking the drainage (Figure 3). In some of the richest alluvial gold areas the rocks in the drainage are extremely angular which indicate that they have not been transported far from their source.

Copper and molybdenite (MoS_2) mineralisation has been discovered in outcrop over tens of metres within this area. Significantly, one of the copper minerals identified is bornite (Cu_5FeS_4), which is distinguished by brilliant peacock coloured hues (Figure 4) and is diagnostic of porphyry gold-copper systems. Other copper minerals include chalcopyrites (CuFeS_2) and chalcocite (Cu_2S), see Figure 5.

The intrusive host/source of the gold and copper mineralisation consists of a suite of fractionated intrusives that are cut in places by swarms of white, leucocratic aplitic dykes. These dykes are also diagnostic of a significant stage in the final mineralising events. They represent the final unmixing and exsolution of the late-stage fluids that can be associated with the release of gold and copper mineralisation. 'Floaters' were discovered of a white (leucocratic), highly-fractionated porphyritic intrusion with disseminated sulphides. These intrusive phases are frequently associated with late-stage mineralising events.

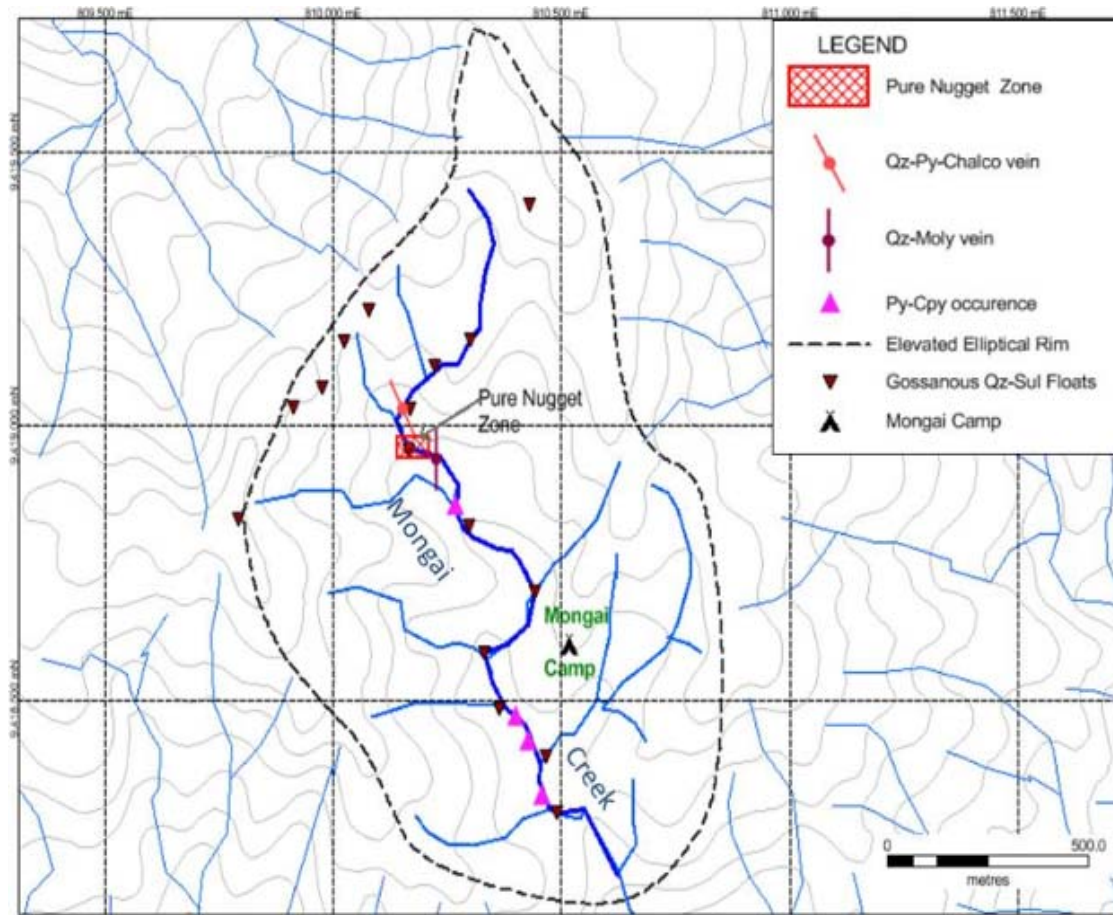


Figure 2 Extent of the mineralised system. Dashed line indicates outline of the elliptical rim. All free gold located within the internal drainage of this area has been sourced and shed from within the surrounding area.

Quartz-sulphide flooding of intrusive host is widespread, suggesting a large-scale gold-bearing hydrothermal system. In places the quartz flooding and replacement has resulted in weathering resistant, elevated sub-linear zones that identify structures that were major conduits for mineralised fluid flow. These structures are being mapped and geochemically analysed for potential drill targets.

Hydrothermal breccias comprising altered diorite clasts and quartz-sulphide flooding were found in outcrop and as widespread floaters in drainage. Two enigmatic swampy lakes were located associated with the semi-elliptical elevated rim enclosing the gold-bearing drainage. These are interpreted as potential depressions above diatreme breccias associated with mineralising events.

Gossanous outcrop has been exposed in the Mongae Creek, where artisanal miners are crushing floaters of this material and recovering gold. Mapping determined that the gossan has been developed within quartz-sulphide-filled structures. These structures will be traced with geochemical sampling and structural mapping to define targets for the planned drilling program. Drilling is planned for the third quarter of 2018.



The gold is a mixture of angular and crystalline gold that has undergone minimal transportation from its source; other pieces are rounded due to transportation.

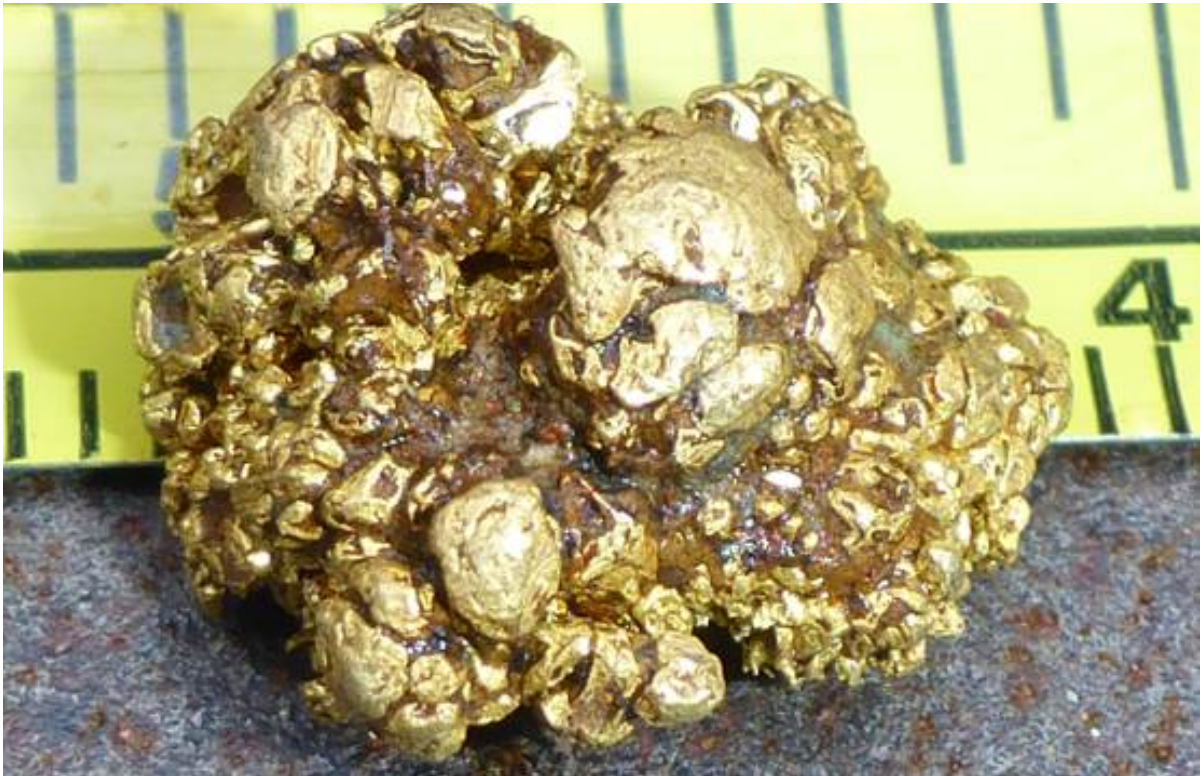


Figure 3 Gold from Mongae Creek. Scale: Lower row - divisions in millimetres

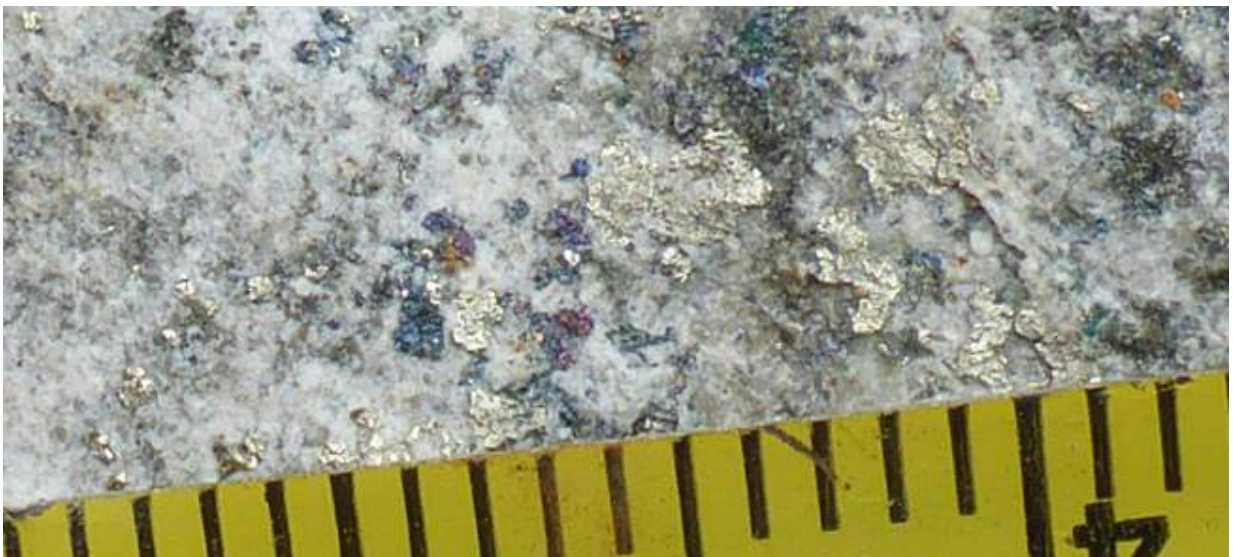


Figure 4 Diagnostic copper mineral, Bornite (peacock hues) and silvery sulphide. Scale: Divisions in millimetres.

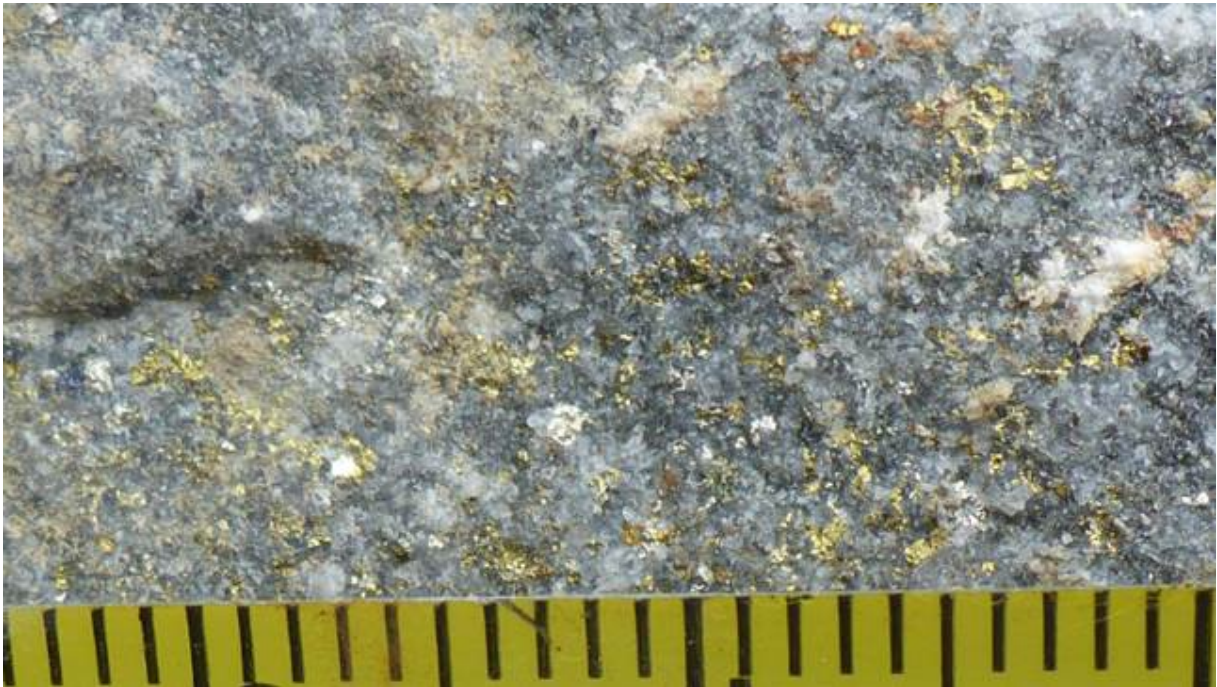


Figure 5 Vein fracture with disseminated chalcopyrites (Copper CuFeS_2). Scale: Divisions in millimetres.



Figure 6 Panning gold, Left to Right: Gold Miners Nemba and Cortnis; Geologists Gapsy Guyhem and Michael Leu. Note angular, gold-bearing wash.



Exploration Director Doug Smith stated:

“This is a significant find. Gold Mountain is emerging as a sleeping giant in elephant country. This large porphyry gold-copper system has potential to be world-class. I am prioritising the geochemical sampling program at Mongae Creek to move to drilling of high-priority targets as soon as possible.”

About Gold Mountain

Gold Mountain Limited is an Australian-based minerals exploration and development company which is listed on the Australian Securities Exchange (ASX Code: GMN).

Gold Mountain's principal exploration project is in Papua New Guinea, where the Company is exploring and developing a number of highly promising mineralised zones (Figure 7).

Gold Mountain holds substantial areas within the fertile Gold-Copper endowed Papuan Mobile Belt that includes world-class mines (Figure 8 and Figure 9). The majority of the areas within the exploration licences have never been explored using modern technology. Multiple targets have been identified over the licence area of nearly 2,000 km². Early success indicates significant scale of potential discoveries within the Els:

- the Flagship Crown Ridge project, with final-stage assessment of potentially high cash-flow free gold and platinum in conglomerate;
- discovery of large porphyry system at Mongai Creek; and
- newly discovered (refer to ASX announcement 5 March 2018) mineralised floaters from a low-sulphidation epithermal gold system at Lialam.

Large areas remain to be assessed.

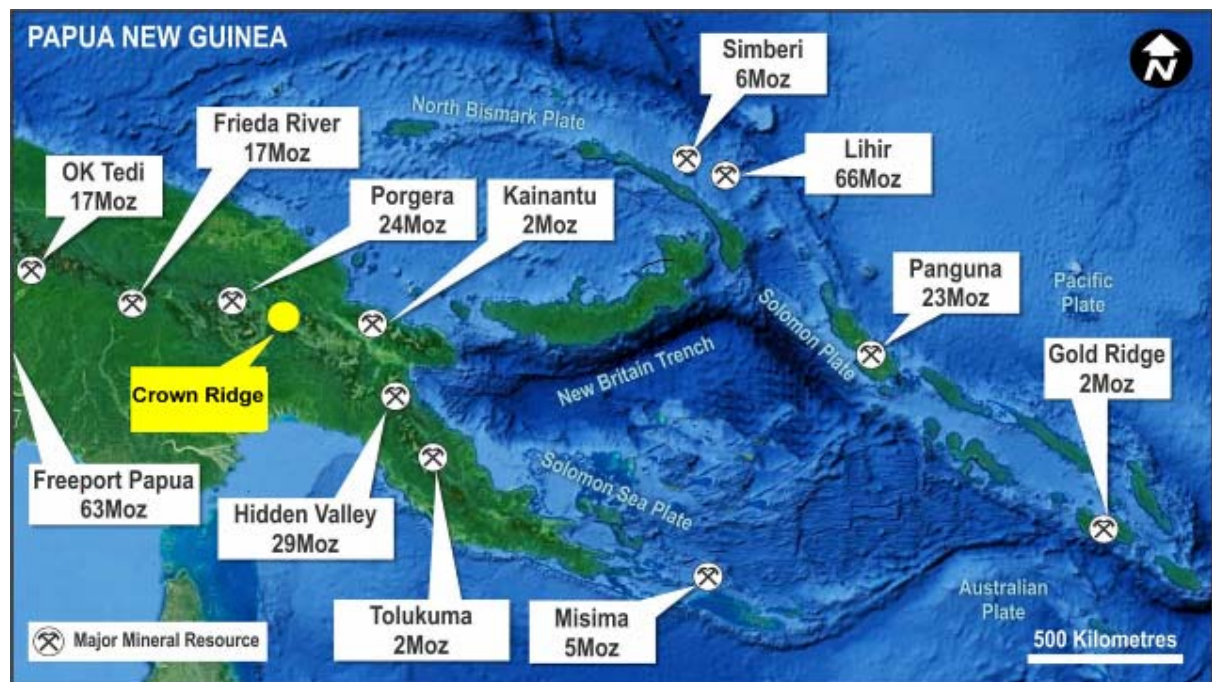


Figure 7 Location of Crown Ridge relative to major World Class gold mines in Papua New Guinea

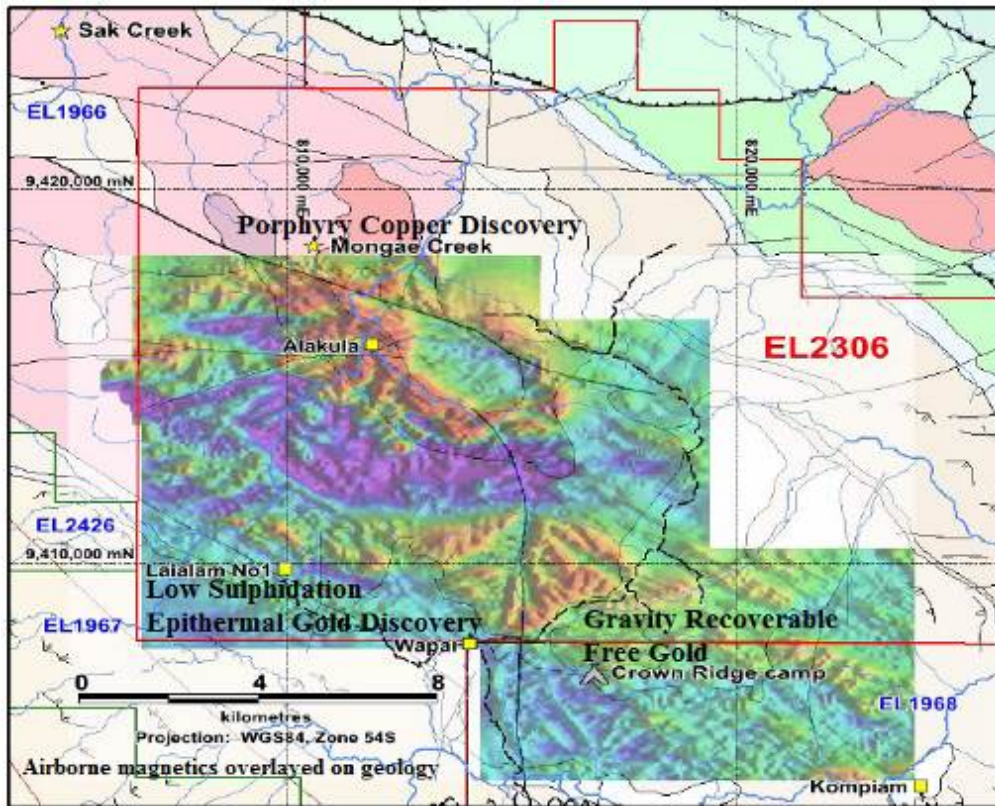


Figure 8 Expanded exploration program to aggressively investigate other potential mineral systems including at Laialam and Mongae Creek

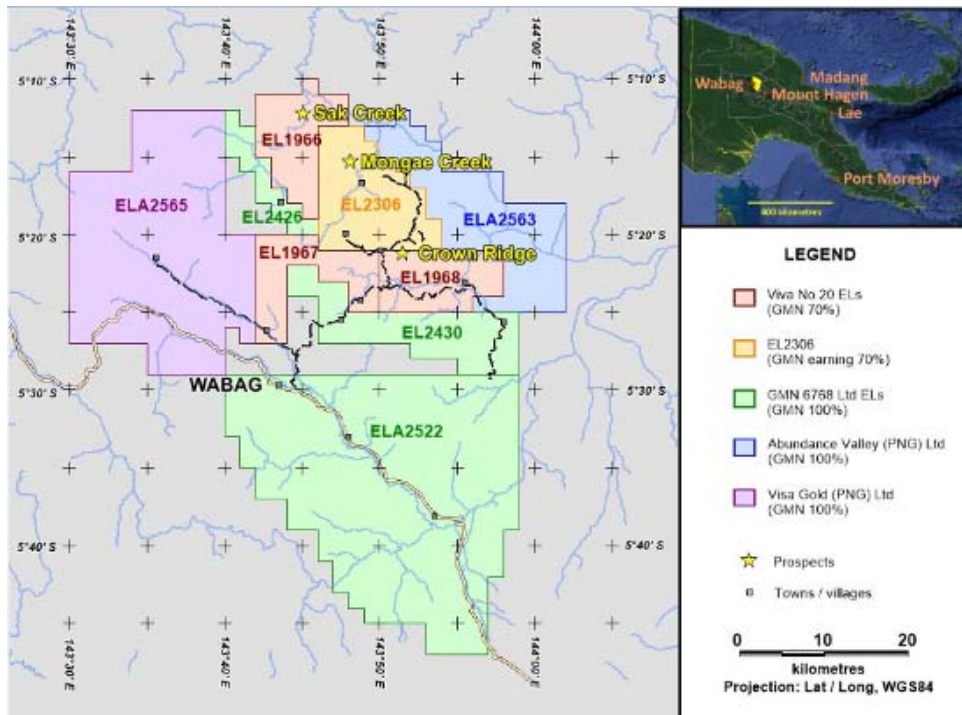


Figure 9 Explrtion Licences cover substantial areas within the fertile Gold-Copper endowed Papuan Mobile Belt that includes World Class mines



Social Licence to Operate and Local Support

Gold Mountain would like to acknowledge the support, encouragement and assistance provided by the landowners. They guided Gold Mountain's geologists to sites where they were recovering crystalline gold in Mongae Creek and this often resulted in the team locating adjacent mineralised, alteration structures that will be tested in the upcoming drilling program.

A strong rapport has been developed and they insisted we return soon as they wish to actively work with Gold Mountain to enjoy the benefits of Porgera-type gold mine like their neighbouring tribes. The Clan leaders offered to construct a permanent camp at Mongae Creek that can be continuously manned by exploration teams. To further expedite the companies exploration activities and defray costs they offered to build a wide walking track to the nearest road and act as porters to bring in supplies and equipment.

The Leaders requested Gold Mountain to inform the world about the Pipya and Yanag people, their culture and their valleys of gold.



Figure 10 Pipiya Tribe, Clan Leaders. Left to Right Front Row: Samuel, Dominic, PastorKiap; Back Row: Ben and Lawrence

**Competent Person's Statement**

The information in this report that relates to Exploration Results is based on information compiled by Doug Smith, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Smith is a consultant geologist who is employed in a full-time capacity by Gold Mountain. Mr Smith has sufficient relevant experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Doug Smith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

All statements other than statements of historical fact used in this announcement, including, without limitation, statements regarding future plans and objectives of Gold Mountain Limited are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Gold Mountain Limited that could cause Gold Mountain Limited's actual results to differ materially from the results expressed or anticipated in these statements.

Gold Mountain Limited cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Gold Mountain Limited does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements. Exploration Licence 1968 is fully permitted fully by the PNG Government, subject to meeting the conditions of the licence.

The company invites you to view the latest photographs showing progress of exploration programs on the Wabag project here: <https://www.goldmountainltd.com.au/gallery>

For further information please see our website www.goldmountainltd.com.au or contact:

Doug Smith
Director Exploration
0419 414 460

Tony Teng
Managing Director
0414 300 044



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GOLD MOUNTAIN LIMITED

ASX:GMN

(ABN 79 115 845 942)

Suite 2501 Level 25 St Martins Tower
31 Market Street Sydney NSW 2000 Australia
(PO Box Q638 QVB Market Street NSW 1230 Australia)
Tel: +61 (02) 9283 3880

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none">• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.• Aspects of the determination of mineralisation that are Material to the Public Report.• In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	<ul style="list-style-type: none">• Samples collected from outcrop via "rock chipping". Concentrate samples prepared using panning on site.
Drilling techniques	<ul style="list-style-type: none">• <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	<ul style="list-style-type: none">• No drilling is reported on
Drill sample recovery	<ul style="list-style-type: none">• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<ul style="list-style-type: none">• No drilling is reported on



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> No drilling is reported on
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Rock chip samples are crushed and concentrated in the field and then panned to obtain coarse gold concentrates.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	<ul style="list-style-type: none"> Samples have not been tested by laboratories and only field-pan concentrates were generated.



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Significant gold concentrates were verified in field by additional sampling from the same outcrop.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Location of drill holes and pits is provided by conventional GPS, which is fit for the purpose of this stage of exploration. The grid system used is WGS Zone 54S Good topographic control is not yet available.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Data spacing is not relevant for this stage of exploration. It is not sufficient for Resource Estimation purposes.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Samples are from outcrop and have no relevance with regards to orientation as they are chip samples.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Sample security was ensured through Chain of Custody SOPs and managed by senior GMN personnel on site.



Criteria	JORC Code explanation	Commentary
<i>Audits or reviews</i>	<ul style="list-style-type: none"><i>The results of any audits or reviews of sampling techniques and data.</i>	<ul style="list-style-type: none">No audits or reviews have been carried out.



Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> EL1968 was granted to Viva No 20 Limited on 28 Nov 2013 and expires on 27 Nov 2017. The current tenement area is 164 km². GMN is earning 70% interest. Application for renewal of the tenement has been lodged with MRA in Port Moresby.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> All exploration programs conducted by Gold Mountain Limited
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> EL1968 contains potential for intrusive-related gold-copper deposits, epithermal-style gold deposits, alluvial gold-platinum deposits and Alaskan-style platinum deposits
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> No drill holes are reported on
Data aggregation	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high 	<ul style="list-style-type: none"> No drilling is reported



Criteria	JORC Code explanation	Commentary
methods	<p><i>grades) and cut-off grades are usually Material and should be stated.</i></p> <ul style="list-style-type: none"> Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> No drilling is reported
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Suitable images are included in the main body of the Report
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> A balanced view of the Exploration results is provided
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> There is no other relevant exploration data to report at present.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, 	<ul style="list-style-type: none"> Follow-up sampling, geochemical programmes and drilling is planned to confirm grade and dimensions.



Criteria	JORC Code explanation	Commentary
	<i>provided this information is not commercially sensitive.</i>	