



GOLD MOUNTAIN LIMITED

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ASX RELEASE

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Market Announcements Office
Australian Securities Exchange

Stage 2 Exploration Results – Crown Ridge, PNG

- ❖ **Highly Anomalous Gold values in stream sediments, rock chips and soils**
- ❖ **Significant Platinum values**

The Board of Gold Mountain Limited, (ASX:GMN) is pleased to release the Stage 2 exploration results from the Crown Ridge prospect within EL1968, Enga Province, PNG.

Matthew Morgan (Director – Exploration) stated:

“It is very encouraging to see that the Stage 2 follow up sampling results confirmed the initial Stage 1 highly anomalous assays and continue to support the current geological interpretation at Crown Ridge, with hydrothermal alteration and mineralisation associated with the eruption of a diatreme breccia.”

Eric Kam
Company Secretary



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EXPLORATION UPDATE REPORT 11 MAY 2015

KEY POINTS

- Assay results received for the Stage 2 follow-up geochemical sampling program at Crown Ridge prospect, EL1968, in PNG.
- Stream sediment assays up to 3.55 ppm¹Au and rock chip (float) assays up to 29.2 ppm Au for samples collected from creeks draining the Crown Ridge zone.
- Significant gold values, up to 256 ppb² Au, from soil samples within the Crown Ridge zone.
- Geochemical patterns reinforce the conceptual model of a diatreme breccia pipe within mafic volcanics.
- Results enhance the prospectivity of the Crown Ridge project and further exploration, including trenching, is planned to define drilling targets.

PROJECTS

Wabag, PNG (EL1966, EL1967, EL1968) – (earning 70%)

As previously announced on 30 June 2014, the Company negotiated a binding Heads of Agreement with Viva No.20 Limited, a Papua New Guinea incorporated company, to acquire an initial 20% interest in three exploration licences in Enga Province, Papua New Guinea (collectively termed the Wabag Project, Figure 1), with an option to acquire a further 50% interest subject to certain conditions.

The Wabag project covers a suite of Miocene intermediate intrusive rocks, related volcanics and younger metasediments of the New Guinea Thrust Belt, a strongly mineralised structural zone that dominates the Central Highlands region of PNG. Previous exploration identified gold and platinum anomalies in stream sediments, most notably in the Timun River area of EL1968, where historic production of around 100kg gold and 3.5kg platinum was recorded from alluvial mining operations since 1948. Artisanal gold mining is currently being undertaken in several locations within the Wabag Project area.

As part of the due diligence process, a reconnaissance exploration program, consisting of geological mapping, stream sediment and rock chip sampling, was completed on the Timun River prospect in EL1968 during September 2014 (see ASX announcement dated 9 March 2015). A follow-up ridge-and-spur soil sampling program, with additional -80# stream sediment and rock chip sampling, was completed during February-March, 2015 to better define the anomalous zone (Figure 2).

¹ ppm = parts per million, equivalent to grams per tonne (g/t)

² ppb = parts per billion, equivalent to 0.001 ppm

Crown Ridge Prospect Results

Stream Sediment Samples

Strongly anomalous gold values were received from a batch of 31 additional -80# stream sediment samples collected from within and to the south of the Crown Ridge prospect during February 2015 (Figure 2). Gold assays ranged from <1 ppb Au (<0.001 ppm Au) to 3,550 ppb Au (3.55 ppm Au) (Figure 3). These results confirmed and enhanced the anomalous response from the 2014 drainage sampling (see ASX announcement dated 9 March 2015). A majority of the highly anomalous samples came from drainages on the north side of the Crown Ridge, with additional responses coming from streams draining the south side of the ridge.

Platinum (Pt) assays were also undertaken for the follow-up stream sediment samples. Results ranged from 1 ppb Pt (0.001 ppm Pt) to 487 ppb Pt (0.487 ppm Pt) (Figure 4). As with the 2014 sample results, the higher Pt values came from streams draining the eastern end of the Crown Ridge.

Rock Chip Samples

Thirteen rock float samples were collected during the Stage 2 sampling program. Three highly significant gold results (up to 29.9 ppm Au) were returned for samples in streams draining the Crown Ridge (Figure 3). These samples consisted of brecciated volcanics with anastomosing quartz veins and disseminated fine-grained pyrite (Photo 1).

Soil Samples

Ridge-and-spur soil sampling, at nominal 50m spacing (Figure 5), was conducted over the Crown Ridge zone during February 2015. Significant gold assay results, up to 256 ppb Au (0.256 ppm Au) were returned for samples from the Crown Ridge zone as well as additional locations outside of the main zone.

Geochemical patterns from the soil sampling indicate depletion of several elements within the elliptical zone marked by topographic highs (Figure 5 to Figure 7). These patterns are interpreted to represent alteration of the host volcanics by hydrothermal fluids and reinforce the concept of a diatreme breccia (Figure 8).

Landowner Relations

Gold Mountain has established very strong co-operative relationships with the local landowners from the Crown Ridge prospect area. The GMN directors and project managers continue to hold regular meetings with landowner representatives to support the on-going building of mutual trust and co-operation.



Photo 1: Rock chip sample 11754 – 29.2 ppm Au

Statements contained in this report relating to exploration results and potential is based on information compiled by Murray Hutton, who is a Member of the Australian Institute of Geoscientists. He is a consultant geologist employed by Geos Mining and has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC Code). Murray Hutton consents to the use of this information in this report in the form and context in which it appears.

Assay results in the attached images are for geochemical samples that may not represent potential mineralisation. The values are presented as either parts per million ("ppm") or parts per billion ("ppb"). Parts per million is equivalent in scale to grams per tonne ("g/t"), which is usually restricted to presenting grades for defined mineral resources.

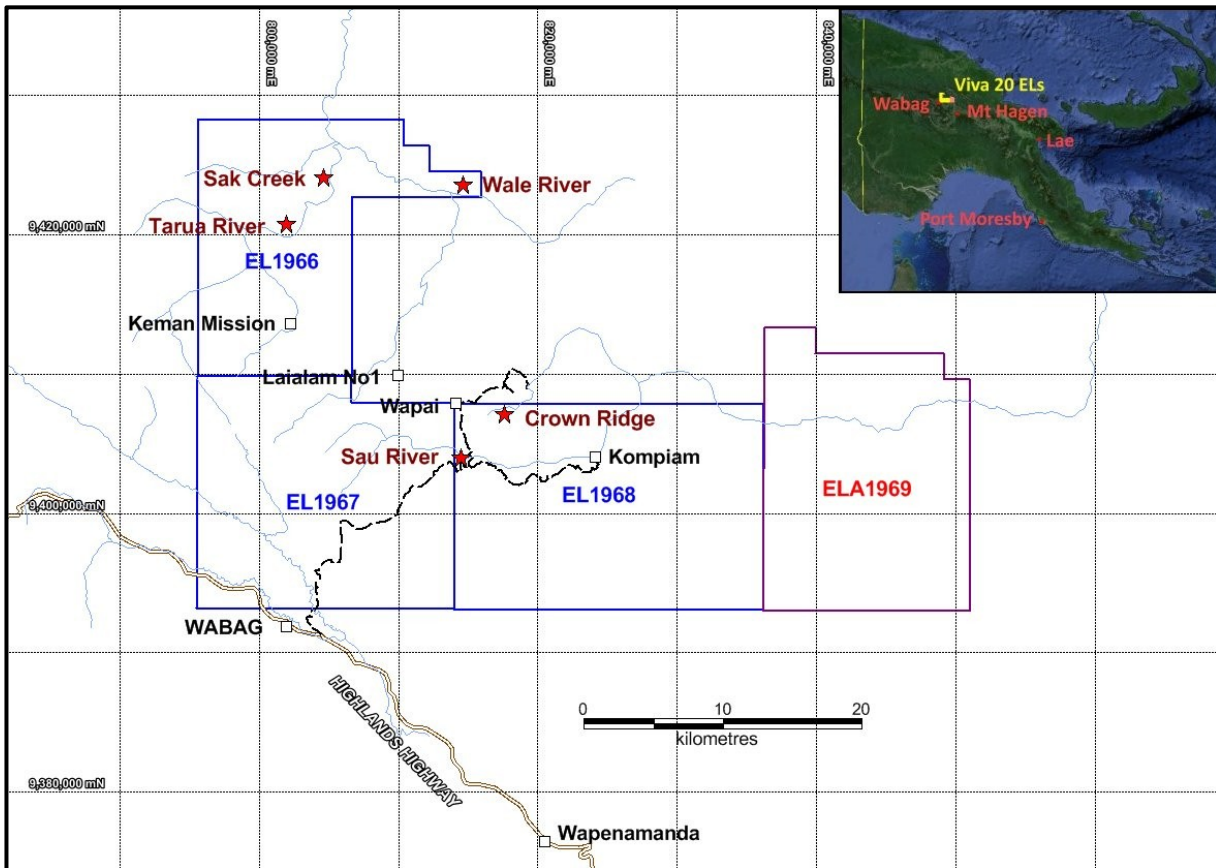


Figure 1: Location of Wabag Project ELs and prospects, PNG

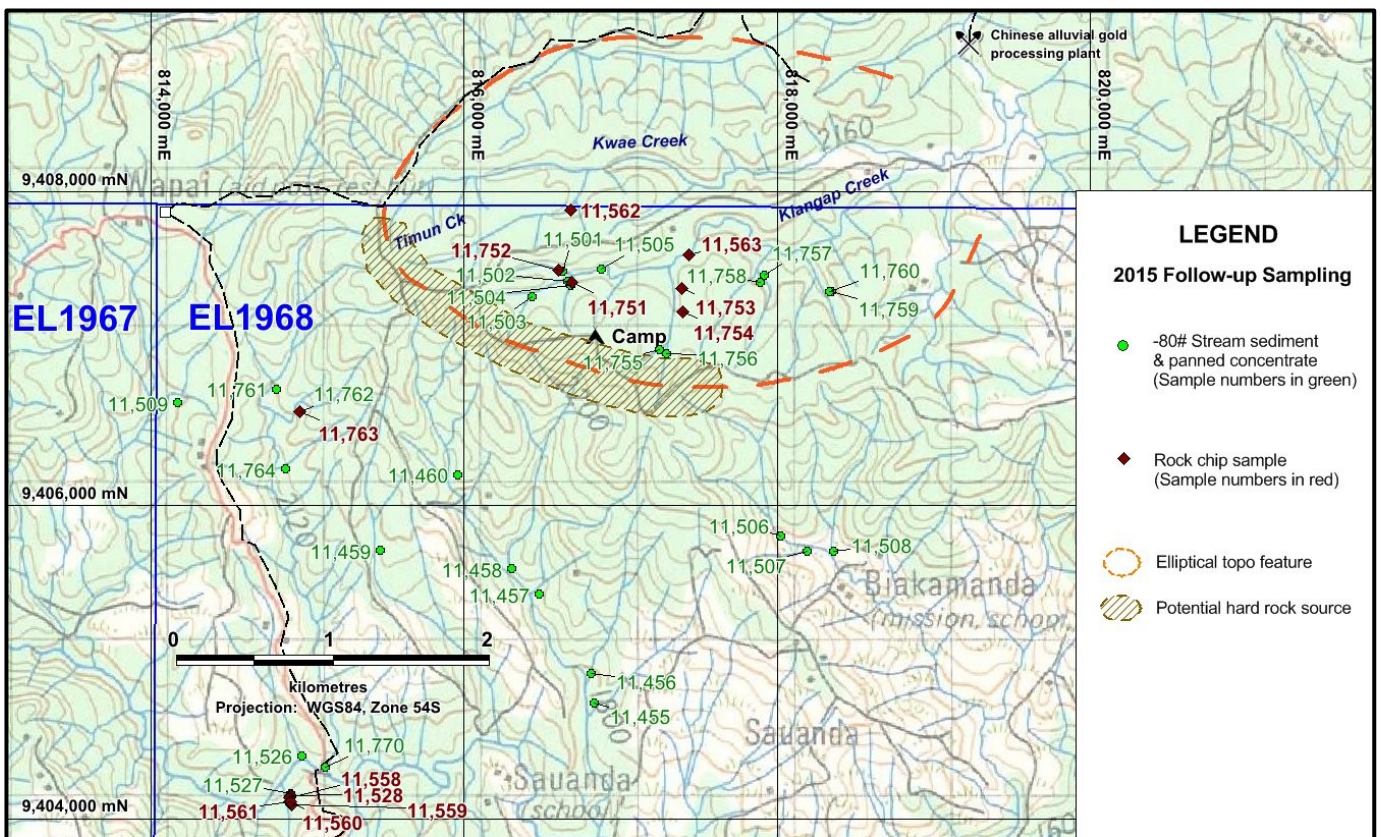


Figure 2: Crown Ridge prospect, 2015 sample locations - rock chips and stream sediments

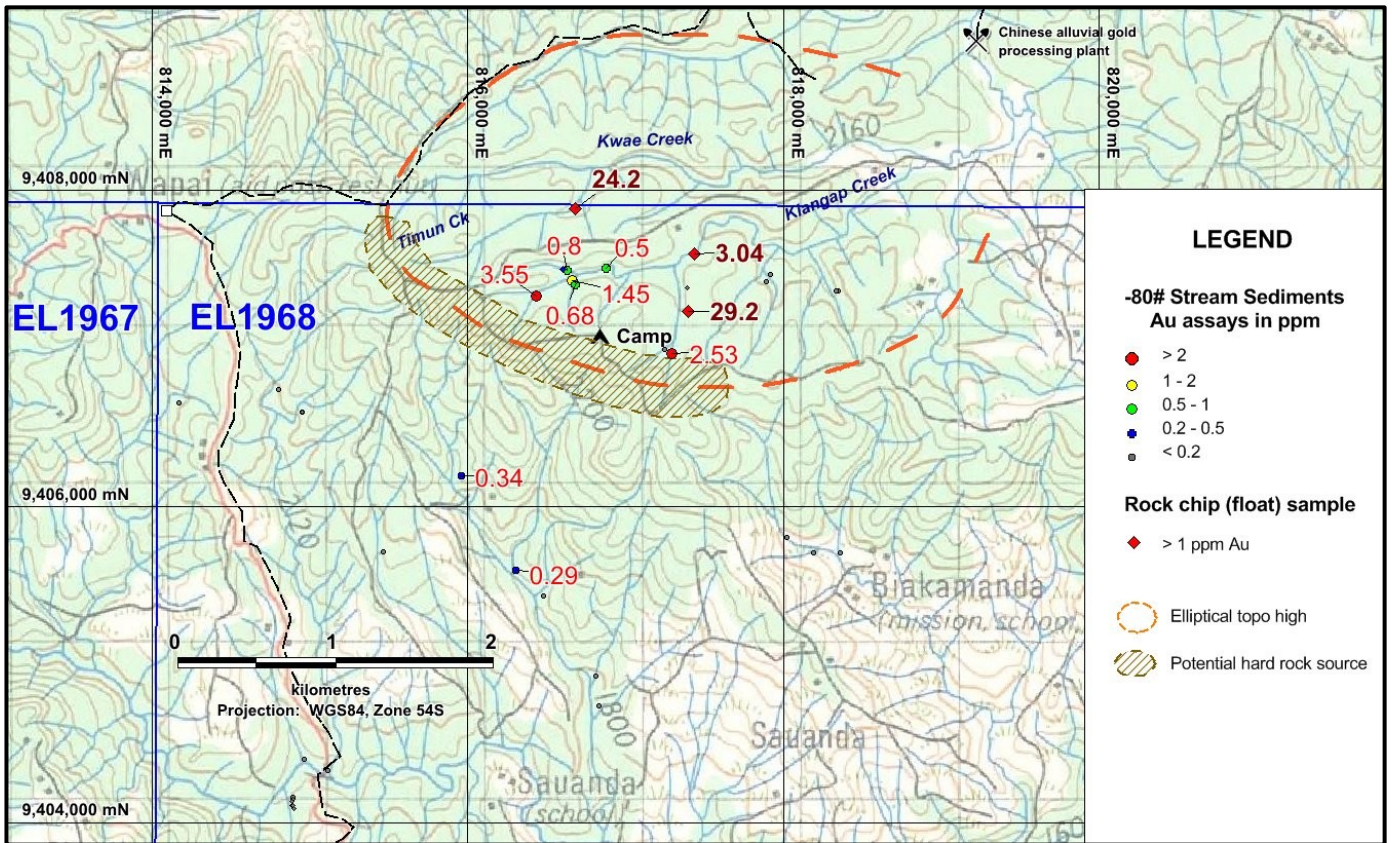


Figure 3: Crown Ridge stream sediment & significant rock chip results – Au (ppm)

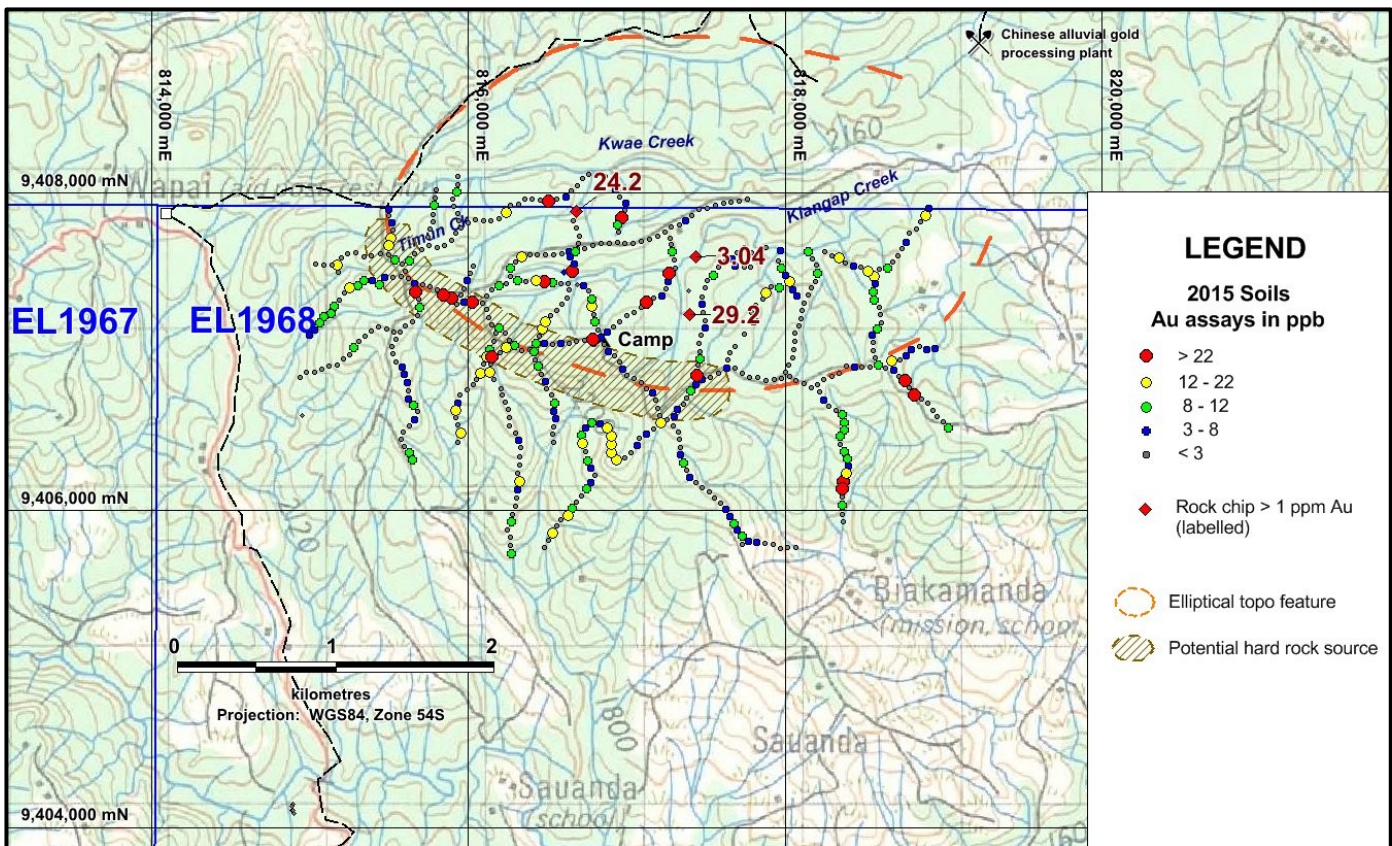


Figure 4: Crown Ridge soil results – Au (ppb) – and significant rock results – Au (ppm)

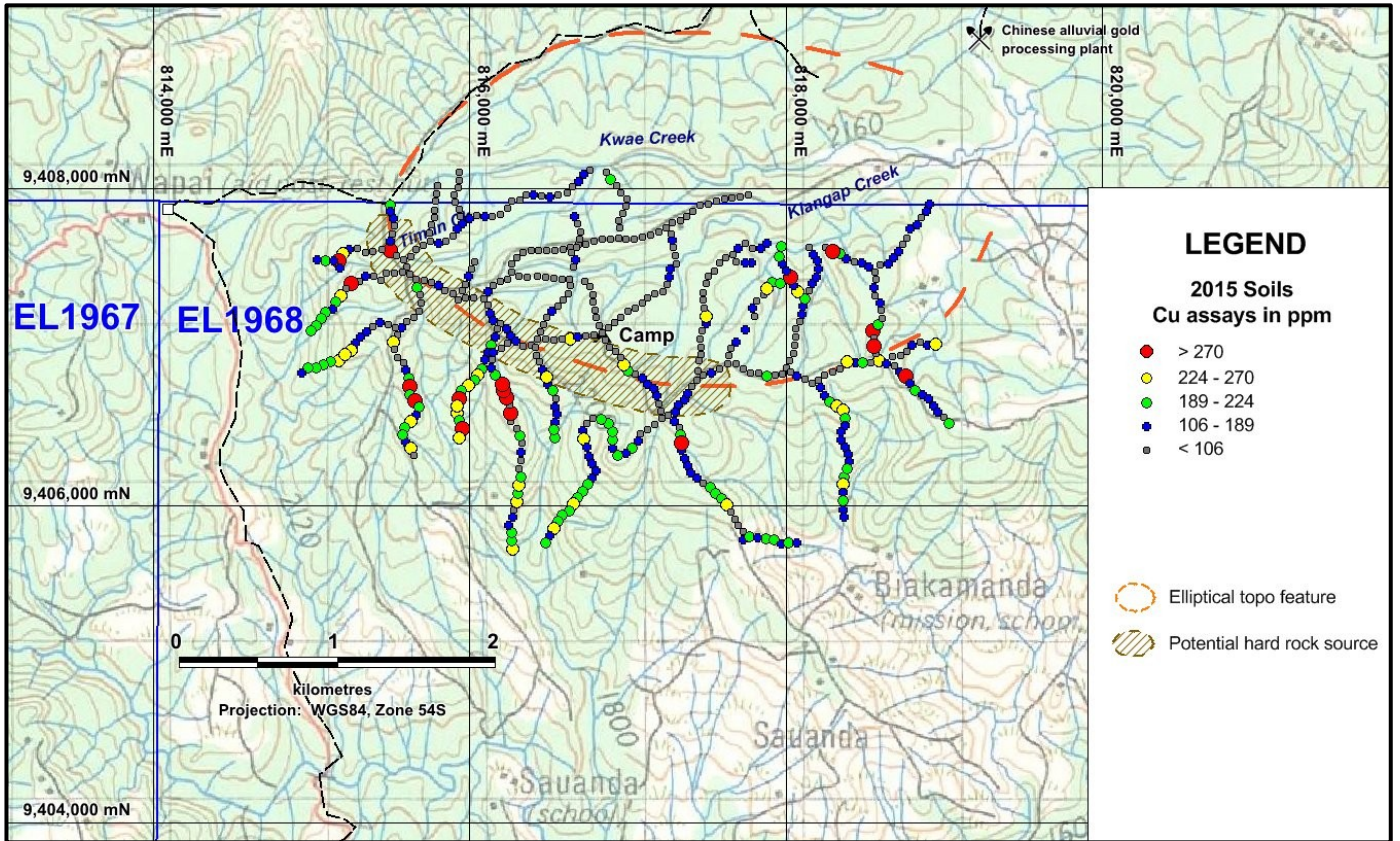


Figure 5: Crown Ridge soil results – Cu (ppm)

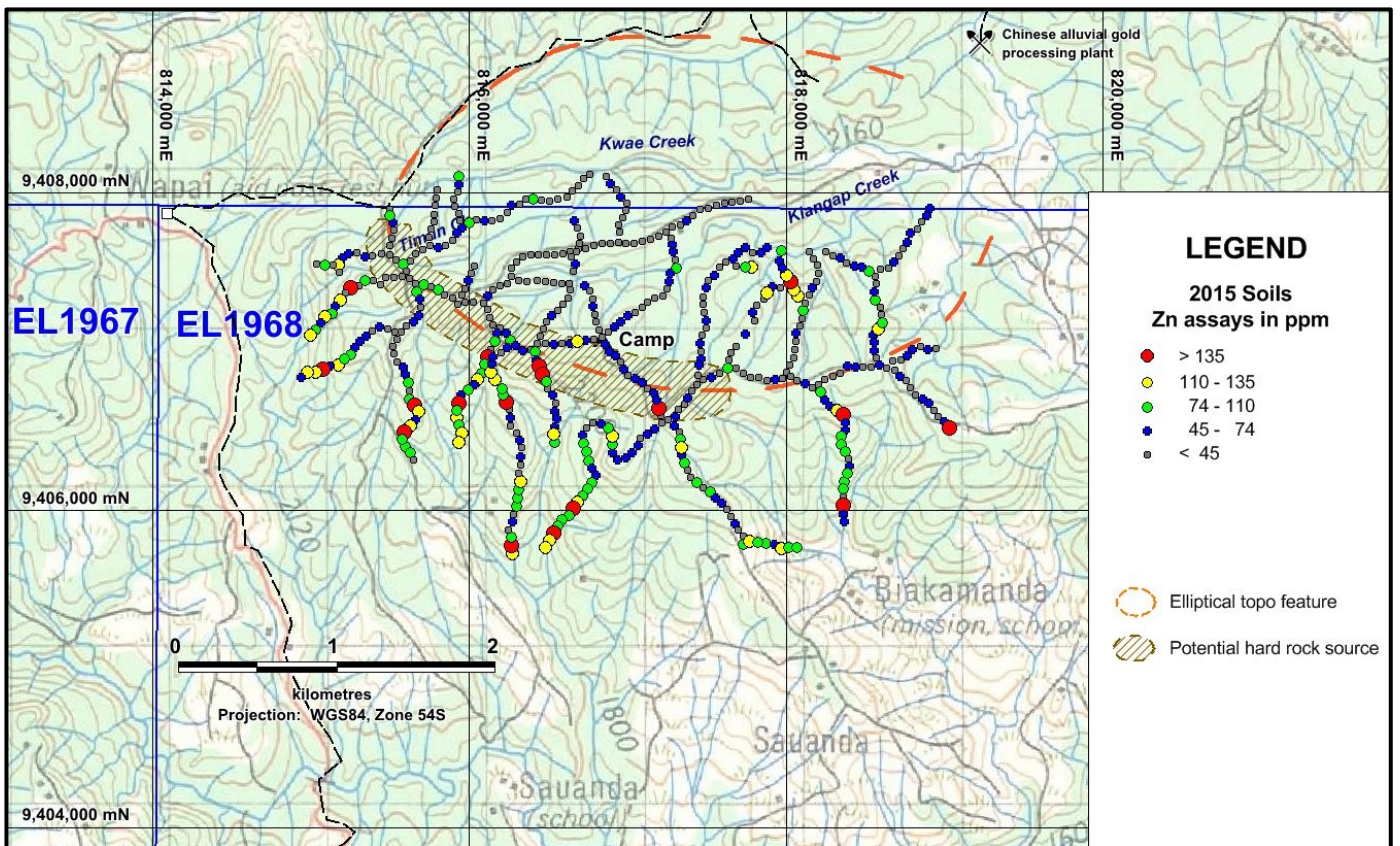


Figure 6: Crown Ridge soil results – Zn (ppm)

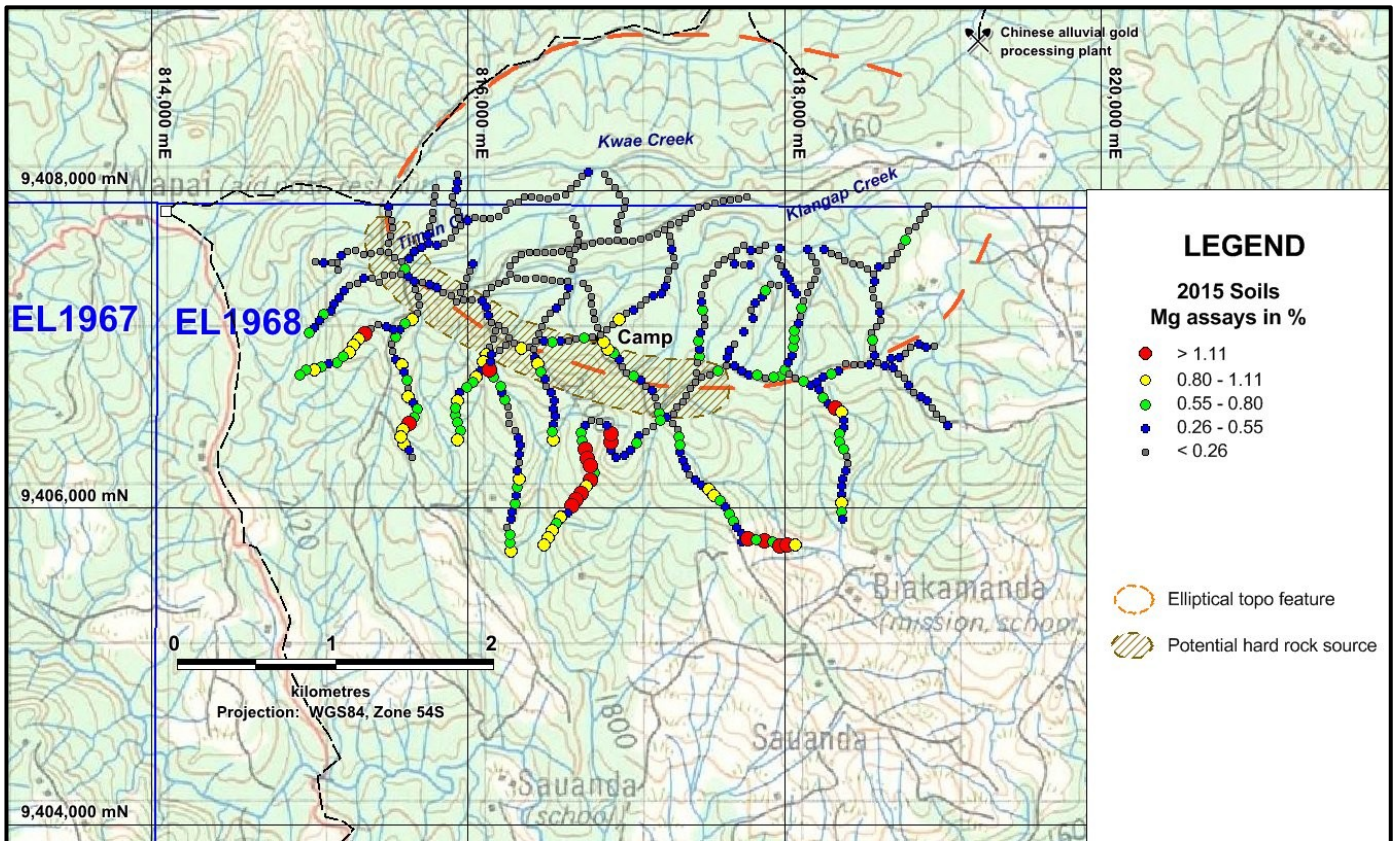


Figure 7: Crown Ridge soil results – Mg (%), showing strong depletion within the diatreme breccia due to hydrothermal alteration

Note: similar patterns of depletion within the elliptical structure were displayed for Ce, Co, Cr, Fe, Mn, Sc, Ti and V.

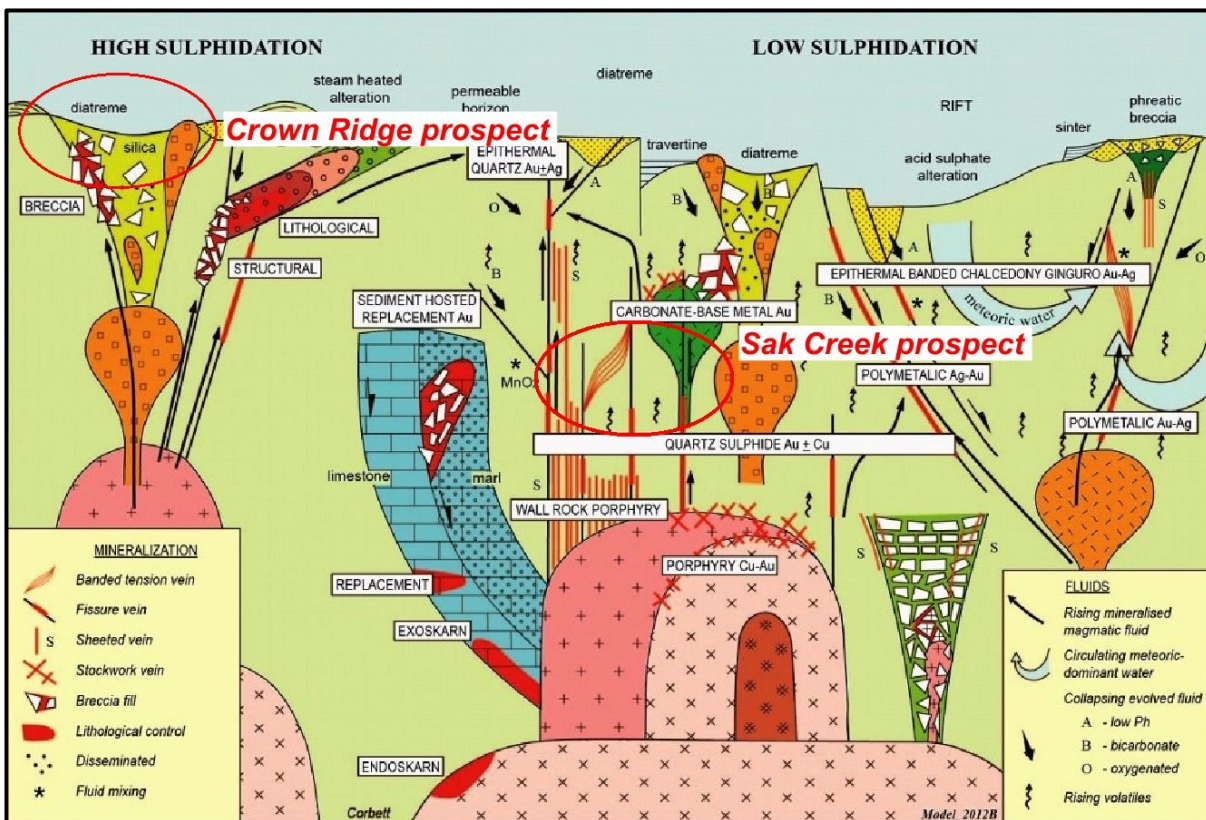


Figure 8: Conceptual models for Crown Ridge and Sak Creek prospects (after Corbett, 2012)

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<ul style="list-style-type: none"> Stream sediment samples – Active sediments collected from several sites over 20m length of stream to avoid unrepresentative local trap sites. Wet sieved on site to -80# (<180µm). Flocculant used to precipitate fine clay fraction. Nominal sample weight ~ 1kg. Panned concentrate samples (not collected during Stage 2 program) – Active sediments collected from several sites over 20m length of stream to avoid unrepresentative local trap sites. Approximately 40-50kg of sediment sieved to <1mm and panned on site to indicate visible gold. Rock chip samples – Approximately 3-4kg of sample collected on site. Selective float samples collected on basis of visible veining and/or mineralisation (sulphides / iron oxides). Outcrops sampled on basis of structures, veining or mineralisation. Soil samples – Samples collected along ridges & spurs. Approximately 2kg of soil collected from shallow pits dug by shovel. Nominal depth around 40-50cm below base of vegetation layer. Gravel pieces (>1cm) picked out by hand but otherwise entire sample collected. All samples placed in individually labelled calico bags and sun-dried before dispatch to laboratory.
Drilling techniques	<ul style="list-style-type: none"> Drill type and details. 	<ul style="list-style-type: none"> No drilling undertaken.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	<ul style="list-style-type: none"> No drilling undertaken.
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. 	<ul style="list-style-type: none"> No drilling undertaken.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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"> Samples sun-dried on-site before dispatch to laboratory. Industry standard sample preparation techniques undertaken at ITS (PNG) laboratory in Lae, PNG. Entire samples pulverized before sub-sampling. QAQC procedures - No duplicate samples collected in the field. In-house standards and random duplicate sub-samples analysed by ITS (PNG). Sample sizes are appropriate for the type of material being sampled to ensure good representivity.
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 	<ul style="list-style-type: none"> Industry standard analytical methods undertaken by Intertek and affiliated laboratories in Lae, PNG, Townsville, Queensland and Jakarta, Indonesia.

	<p><i>and whether the technique is considered partial or total.</i></p> <ul style="list-style-type: none"> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Gold assays – 50g fire assays (method FA55). • Platinum assays (on stream sediment samples only) - 50g fire assays (method FA55). • Multi-elements – 1g sub-sample digested in aqua regia followed by ICP-OE MS determination (method AR01/OE). • QAQC by laboratories included check assays, duplicate sub-sampling, blanks and standards. QAQC results show acceptable accuracy and precision.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • No drilling undertaken. • Site and sample descriptions recorded in field notebooks and data entered into Excel spreadsheets.
Location of data points	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Locations of sampling sites recorded using Garmin GPSMAP64S hand-held GPS units (lateral accuracy <5m). • Grid system used – WGS84, Zone 54S.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Stream sediment & panned concentrate samples – stream catchments range from 0.3 sq km to 1.3 sq km (average ~ 0.5 sq km). • Soil samples – ridge and spur sampling at nominal 50m spacing. • Data spacing is sufficient for reconnaissance stage sampling programs.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> 	<ul style="list-style-type: none"> • Rock chip samples collected from float material in streams.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Samples packed into polyweave sacks, sealed by tape and taken to ITS (PNG) laboratory in Lae by company personnel.
Audits or reviews	<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 undertaken.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<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"> Sampling undertaken on Exploration Licence 1968 in Enga Province, PNG. EL1968 is held by Viva No.20 Limited, a PNG-incorporated company. Gold Mountain Limited has signed a Heads of Agreement with Viva. EL1968 is current to 27/11/2015. There are no impediments to conduct exploration programs on the tenements.
<i>Exploration done by other parties</i>	<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.
<i>Geology</i>	<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.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results 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 drilling undertaken to date. Reconnaissance exploration results detailed in attached report. Apart from results reported in the attached report, no other assay results are considered to be significant.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. 	<ul style="list-style-type: none"> No drilling undertaken to date.
<i>Relationship between mineralisation widths and intercept lengths</i>	<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. 	<ul style="list-style-type: none"> No drilling undertaken to date.
<i>Diagrams</i>	<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"> Maps showing sample locations and results included in the attached report.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative 	<ul style="list-style-type: none"> All exploration results detailed in attached report.

	<i>reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • All exploration results detailed in attached report.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> 	<ul style="list-style-type: none"> • EL1968 - Follow-up trenching, geological mapping and rock chip sampling planned for May 2015. Depending on results of this program, further exploration may include geophysical surveys and detailed grid soil sampling to define drilling targets. • Maps showing areas of potential included in the attached report.