

Gold Mountain Limited

Proposed acquisition of a 50% interest in Viva No.20
Limited through the issue of shares

Independent Expert's Report
and Financial Services Guide

19 October 2015



FINANCIAL SERVICES GUIDE

Dated: 19 October 2015

What is a Financial Services Guide (“FSG”)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Nexia Court Financial Solutions Pty Ltd ABN 88 077 764 222, Australian Financial Services Licence Number 247300 (“NCFS”).

This FSG includes information about:

- NCFS and how they can be contacted
- the services NCFS is authorised to provide
- how NCFS are paid
- any relevant associations or relationships of NCFS
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that NCFS has in place.

Where you have engaged NCFS we act on your behalf when providing financial services. Where you have not engaged NCFS, NCFS acts on behalf of our client when providing these financial services and are required to provide you with a FSG because you receive a Report or other financial services from NCFS.

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NCFS holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients.

We provide financial product advice when engaged to prepare a Report in relation to a transaction relating to one of these types of financial products.

NCFS's responsibility to you

NCFS has been engaged by the independent directors of Gold Mountain Limited (“GMN” or the “Client”) to provide general financial product advice in the form of an independent expert’s report to be included in the Explanatory Memorandum attached to a Notice of Meeting (“Document”) sent to GMN shareholders dated on or about [xx] September 2015 (“Report”).

You have not engaged NCFS directly but have received a copy of the Report because you have been provided with a copy of the Document. NCFS or the employees of NCFS are not acting for any person other than the Client.

NCFS is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As NCFS has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

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Over the past two years \$20,000 (excluding GST) in professional fees has been received from the Client in order to provide an independent expert report on the initial acquisition of a 20% interest in Viva No.20 Ltd.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Proposed Transaction.

Complaints Resolution

If you have a complaint, please let NCFS know. Formal complaints should be sent in writing to:

Nexia Court Financial Solutions Pty Ltd
Head of Compliance
PO Box H195
Australia Square NSW 1215

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Craig Wilford, on +61 2 9251 4600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing,

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Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Financial Ombudsman Service Limited
GPO Box 3, Melbourne Victoria 3001
Telephone: 1300 56 55 62
Facsimile (03) 9613 6399
Email: info@fos.org.au

The Australian Securities and Investments Commission also has a free call info line on 1300 300 630 which you may use to obtain information about your rights.

Compensation Arrangements

NCFS has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact NCFS at:

Nexia Financial Solutions Pty Ltd
PO Box H195
Australia Square NSW 1215

19 October 2015

The Directors
Gold Mountain Limited
Suite 2501, Level 25, 31 Market Street
Sydney NSW 2000

Dear Sirs,

Independent Expert's Report on the proposed acquisition of a 50% interest in Viva No.20 Limited

1. OUTLINE OF THE TRANSACTION

At the annual general meeting on 15 December 2014, the shareholders of Gold Mountain Limited ("GMN") approved the issue of 50 million shares to the vendors of Viva No.20 Ltd ("Viva") to acquire a 20% interest in Viva and an option to acquire a further 50% in Viva subject to certain conditions being met. The terms of this agreement were finalised on 31 March 2015 (the "Initial Investment").

On 30 July 2015, GMN announced that it will be exercising the option to acquire a further 50% interest in Viva No.20 Ltd ("Viva") (the "Proposed Transaction"). The consideration of the Proposed Transaction comprises a cash payment of \$150,000 and the issue of 60 million shares at 8 cents per share to the Viva shareholders ("Consideration"). Upon completion of the Initial Investment and Proposed GMN will hold a 70% controlling interest in Viva.

Viva and GMN have agreed to vary the terms to exercise the option as set out in the Initial Investment and proceed with the Proposed Transaction on the terms set out above.

If the Proposed Transaction proceeds, Viva's shareholders will hold 110,000,000 (as a result of the Initial Investment and the Proposed Transaction) of a total of 315,012,842 issued shares in GMN, an interest of 34.92%.

Completion of the Proposed Transaction is conditional on a number of conditions precedent, including:

- completion of the Initial Investment of the 20% interest in Viva;
- the vendors of the Viva shares obtaining the regulatory and government approvals required from the relevant authorities in Papua New Guinea in respect of the Proposed Transaction;
- GMN obtaining of such regulatory and shareholder approvals as may be required, including those required by the ASX; and

The company has entered into a further agreement with Viva to extend the time for completion of the share purchase of the initial 20% interest in Viva, from 31 December 2014 to no later than 31 December 2015.

On completion of the Initial Transaction GMN intends to raise an additional \$5,000,000 by issue of shares to fund exploration of Viva's tenements.

2. PURPOSE OF THE REPORT

The purpose of this Report is to advise the shareholders of GMN on the fairness and reasonableness of the Proposed Transaction.

Under s606 of the Corporations Act, a transaction that would result in an entity and its associates increasing their voting power in an entity from:

- 20% or below to greater than 20%; or
- a position above 20% and below 90%

is prohibited without making a takeover offer to all shareholders unless an exemption applies.

Item 7 of s611 of the Corporations Act provides an exemption from the above if the transaction is approved by shareholders in a general meeting.

If the Proposed Transaction is completed Viva shareholders will hold an interest of 34.92% in GMN. As the Viva shareholders in aggregate obtain voting power above 20% the transaction requires shareholder approval.

The Australian Securities and Investments Commission (“ASIC”) has issued Regulatory Guide 74: Acquisitions approved by members (“RG 74”) that sets out the material disclosure requirements to shareholders when seeking their approval under item 7 of s611 of the Corporations Act. As part of the disclosure requirements, ASIC requires a detailed analysis of the transaction that complies with Regulatory Guide 111: Content of experts Report (“RG111”). This can either be undertaken by the directors if they believe they have sufficient skill and expertise or an independent expert.

3. SUMMARY AND OPINION

This section is a summary of our opinion and cannot substitute for a complete reading of this Report. Our opinion is based solely on information available as at the date of this Report.

The principal factors that we have considered in forming our opinion are summarised below.

3.1 Assessment of Fairness

In determining whether or not the transaction is fair we have considered the substance of the transaction, in accordance with RG111. In considering whether or not the transaction is fair to GMN’s non-associated shareholders, we have considered the fair value of a minority position in GMN before the Proposed Transaction to the fair value of a minority position in GMN after the Proposed Transaction.

The comparative positions are summarised below:

\$/share	Low	Preferred	High
GMN share on a minority basis (see section 9)	\$0.030	\$0.035	\$0.040
Fair value of a share of the Combined entity on a minority basis (see section 11)]	\$0.022	\$0.029	\$0.035

The above ranges are shown graphically below:



The fair value of a share in GMN is higher than the fair value of a minority interest in the Combined Entity.

Therefore, **we have concluded that the Proposed Transaction is not fair.**

3.2 Assessment of Reasonableness

In accordance with RG 111, a transaction is reasonable if:

- the transaction is fair; or
- despite not being fair, but considering other significant factors, shareholders should obtain an overall benefit if the transaction proceeds.

In forming our opinion we have considered the following relevant factors (see section 13).

Advantages	Disadvantages
<ul style="list-style-type: none"> • The acquisition of a controlling interest in a highly prospective gold exploration project in PNG • GMN's Australian tenements are not viable for further investment so the Proposed Transaction provides an opportunity to create shareholder value • Prior to the completion of the Proposed Transaction GMN intends to raise an additional \$5m in funding to continue exploration, placing GMN in position to develop the assets • The Proposed Acquisition may have a positive impact on GMN's share price 	<ul style="list-style-type: none"> • Viva shareholders together will hold a 34.92% stake in GMN allowing them to exert influence • GMN shareholders are not receiving a premium for providing Viva access to funding through its ASX listing • Viva shareholders retain a 54.4% economic interest in Viva tenements

Taking into consideration the matters above, **we have concluded that the Proposed Transaction is reasonable.**

3.3 Opinion

Accordingly, in our opinion, the Proposed Transaction is not fair but reasonable to GMN's non-associated shareholders.

The ultimate decision on whether to approve the Proposed Transaction should be based on shareholders' own assessment of their circumstances. We strongly recommend that shareholders consult their own professional advisers, carefully read all relevant documentation provided, including the Explanatory Memorandum, and consider their own specific circumstances before voting in favour of or against the Proposed Transaction.

Yours faithfully

Nexia Court Financial Solutions Pty Ltd (AFSL 247300)



Brent Goldman

Authorised Representative

STRUCTURE OF REPORT

Our Report is set out under the following headings:

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4. BASIS OF EVALUATION

RG 74 and RG 111 provide guidance as to matters that should be considered in determining whether a transaction is fair and reasonable in a range of circumstances.

RG 74 and RG 111 state that in deciding an appropriate form of analysis, the expert needs to consider that the main purpose of the Report is to deal with the concerns that could reasonably be anticipated by those persons affected by the transaction. An expert should focus on the purpose and outcome of the transaction; that is the substance of the transaction, rather than the legal mechanism used to effect the transaction.

RG 111 requires analysis of a transaction under two distinct criteria being:

- is the offer 'fair'?; and
- is it reasonable?

That is the opinion of fair and reasonable is not considered as a compound phrase.

In determining what is fair and reasonable for a control transaction, RG 111 states that:

- an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer, assuming a 100% interest of the target and irrespective of whether consideration is cash or scrip; and
- an offer is reasonable if it is fair, or if the offer is not fair, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of a higher bid before the close of an offer.

In determining whether the transaction is fair, the fair value is assumed to be based on a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

In considering the substance of the Proposed Transaction, when determining whether the transaction is fair we have determined that the non-associated shareholders of GMN currently hold a minority interest in GMN and will hold a minority interest in the Combined Entity following the Proposed Transaction. Therefore for the purpose of determining whether or not the transaction is fair we have compared the fair value of a minority interest in GMN to the fair value of a minority interest in the Combined Entity.

In applying this approach, we note that the management and directors of GMN will not change and GMN will raise funds to undertake the exploration activity on Viva's tenements. The essence of the Proposed Transaction is that GMN is acquiring an economic interest in the underlying tenement and the current Viva shareholders access to funding to further explore the tenements in return for a 34.92% interest in the Combined Entity along with a retained 30% interest in the tenements (a total economic interest of 54.4%).

In our assessment of the reasonableness of the Proposed Transaction, our consideration has included the following matters:

- Viva's pre-existing voting power in securities in GMN;
- other significant security holding blocks in GMN;
- the liquidity of the market in GMN's securities;
- taxation losses, cash flow or other benefits through achieving 100% ownership of GMN;
- any special value to Viva, such as technology, the potential to write-off outstanding loans from GMN, etc;
- the likely market price if the Proposed Transaction does not proceed;

- the value to an alternate bidder and the likelihood of an alternative bid being made;
- other significant matters set out in section 13.

4.1 Individual shareholders' circumstances

The ultimate decision whether to approve the Proposed Transaction should be based on each shareholder's assessment of the Proposed Transaction, including their own risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt about the Proposed Transaction or matters dealt with in this Report, shareholders should seek independent professional advice.

4.2 Limitations on reliance on information

The documents and information relied on for the purposes of this Report are set out in Appendix B. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that documents and material facts have been withheld. The information provided was evaluated through analysis, enquiry and review for the purpose of forming an opinion as to whether the Proposed Transaction is fair and reasonable to the shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit or extensive examination might disclose.

We understand the accounting and other financial information that was provided to us has been prepared in accordance with generally accepted accounting principles.

An important part of the information used in forming an opinion of the kind expressed in this Report is the opinions and judgement of Directors and management. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

NCFS are not the auditors of GMN or Viva. We have analysed and reviewed information provided by the Directors and management of GMN or Viva and made further enquiries where appropriate. Preparation of this Report does not imply that we have in any way audited the accounts or records of GMN or Viva.

In forming our opinion we have assumed:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Explanatory Memorandum to be sent to shareholders is complete, accurate and fairly represented in all material respects; and
- the publicly available information relied upon by NCFS in its analysis was accurate and not misleading.

This Report has been prepared after taking into consideration the current economic and market climate. We take no responsibility for events occurring after the date of this Report which may impact upon this Report or which may impact upon the assumptions referred to in the Report.

5. OVERVIEW OF GOLD MOUNTAIN

5.1 Corporate History

GMN, formally known as Commissioners Gold Ltd is an ASX listed company headquartered in Sydney, Australia. The company engages in mineral exploration, development and investment primarily in Australia and Papua New Guinea. The Company was founded in 2005 and listed on the ASX on 2 September 2011.

5.2 Business Activities

GMN has an interest in a number of tenements located in NSW, Australia. The tenements held are set out in the following table:

EL No.	Holder	GMN Interest	Location	Area (sq km)	Expiry
EL6922	Gold Mountain Ltd	100%	Dalton, NSW	42.4	24/10/2015
EL8263I	Gold Mountain Ltd	100%	Grenfell, NSW	11.4	30/04/2017
EL5939	Capital Mining Ltd	50% - 100%	Cowarra, NSW	19.5	29/04/2015

In addition to the above tenements, GMN held a farm-in agreement with Central West Gold NL for tenement EL 7702 in Oberon NSW. GMN considered this project as a low priority and as a result the exploration licence was left to expire during FY2015.

In addition to the Australian tenements, GMN holds a minority interest of 18.75% in Goldsmith Resources SAC, a Peruvian company.

GMN has also entered into a binding heads of agreement to acquire a 20% interest in Viva, under the Initial Investment.

A summary of each of the projects and the Company's interest in Goldsmith Resources SAC is set out below. Viva's tenements are discussed in section 6 of this report:

5.2.1 Dalton, NSW

This wholly owned tenement comprises a land area of 59.3km² and is located approximately 10km north of Gunning and 45km west of Goulburn.

The area is dominated by a series of Upper Ordovician deep water sediments consisting of minerals such as shale, slate, siltstone sandstone/quartzite and some limestone. The presence of gold is associated with narrow regional shear zones. The principal gold mineral structure extends over 6 kilometres between the Coronation and Dalton mine.

In terms of exploration, the project area has been largely untouched with a notable exception taking place in 1985. At this time Nationwide Resources drilled three reverse circulation holes at Red Mine and two at the Coronation Mine.

To date GMN has engaged in a number of exploration activities since 2009. Further work is planned for the 2016 financial year with expenditure commitments estimated to be \$55,000.

The exploration license is due to expire on 24 October 2015. It is proposed that GMN will apply for renewal before the expiration date of the licence.

5.2.2 Grenfell, NSW

On 16 May 2014 GMN announced that it was granted the exploration license to the Grenfell site. From its discovery in 1865 to its closure in 1935, an estimated 150,000oz of gold has been produced. GMN intends to focus on possible extensions on previous exploration.

The tenement is located on the Coolac-Narromine Fault with gold mineralisation residing in a series of steeply dipping lodes, ranging from 0.5m to 3m wide with some 15m wide veins identified.

The exploration license is due to expire on 30 April 2017.

5.2.3 Cowarra, NSW

The Cowarra Project covers an area of 32.9km² and is located approximately 100km south of Canberra and 40km north of Cooma. While the tenement itself is held by Capital Mining Ltd, in 2011 GMN entered into a farm-in agreement with them to earn 50% equity. The terms of this involved GMN spending \$500,000 on exploration activities, to which they also have the opportunity to earn 85% interest by spending an additional \$350,000.

The Cowarra site has JORC inferred reserves of 38,000oz of gold.

Exploration at the Cowarra tenement has a long history dating back to the 1860s. Between 1936 and 1947, BHP actively prospected and developed the mine. By the time mining ceased in 1942, 52,838 tonnes of ore had been processed to retrieve 14,400oz of gold. The mine was later reopened in 1984 by Horizon Pacific Ltd who yielded 19,305oz of gold before the mine closed again in 1988.

On 6 January 2015 the Company announced it had entered into an agreement to acquire the remaining unearned interest from Capital Mining Ltd for \$40,000. A \$20,000 deposit has been paid with the final settlement due upon the completion of the registration of transfer with the NSW Department of Trade and Investments, Resources and Energy.

Application for renewal of the tenement, reduced to 7 sub-blocks, was lodged on 20 April 2015 and transfer of the title to GMN is in progress. Further exploration will be required to establish an economic reserve and progress it to project status.

18.1.3 Goldsmith Resources SAC

In December 2012 GMN acquired 25% ownership in Goldsmith Resources SAC ("Goldsmith") for an investment of US\$400,000. GMN invested a further US\$220,000 as a loan. GMN's interest in Goldsmith has since been reduced to 18.75% as it did not take up all of its equity rights under subsequent share issues.

Goldsmith has three Peruvian projects. The first is the Mollehuaca Gold Processing Plant, located on the coast of southern Peru in Nazca-Ocona. This plant has gone through major upgrades over the past 12 months and is now fully functional.

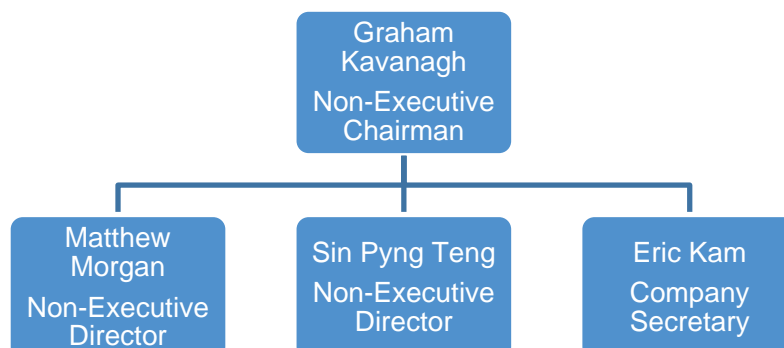
The Eladium project is located 35km east of the Mollehuaca Gold Plant and covers an area of 973.75ha. Measured gold grades have been recorded and the potential for yield of gold-copper porphyry and iron oxide copper gold has been identified. Goldsmith has commenced mining operations on this tenement.

The third project at Saulito is located in the Nazca-Ocona belt, 40km south east of the Mollehuaca Gold Plant in an area of 500 hectares. The site consists of gold, as well as potentially gold-copper porphyry and iron oxide copper gold.

On 30 April 2015 the company announced Goldsmith has entered into a binding agreement with Montan Mining Corp to purchase the Peruvian processing facility for a total consideration of USD \$3,300,000. This transaction is in progress.

5.3 Directors and Key Management

Following is a diagram of the board and management structure of GMN:



Since 1 July 2014 there have been significant movements with the directors of GMN as follows:

- Matthew Morgan was appointed as a non-executive director on 3 July 2014;
- Sin Pyng Teng was appointed as a non-executive director on 9 July 2014;
- Robert Waring resigned on 11 July 2014;
- Bill Richie Yang was appointed as a non-executive director on 2 June 2014 and resigned on 18 July 2014;
- Eric Kam was appointed a non-executive director on 5 June 2014 and resigned on 18 July 2014.

5.4 Financial Information

The GMN auditor's report for the year ending 30 June 2015 stated that they were unable to express an opinion on the investment in Goldsmith of \$514,641, and the corresponding receivable reported in that entity for \$210,740, as the management reports for Goldsmith for the year ended 30 June 2015 were unaudited at the time of the auditor's report. As such, the auditor was unable to confirm that the financial position as at 30 June 2015 was true and fair.

In addition, the auditor has raised significant uncertainty as to whether GMN is a going concern. In FY2013 and FY2014 GMN incurred negative cash flows, requiring the sale of assets and additional capital raisings to meet its obligations.

5.4.1 Financial Performance

Set out below are the audited consolidated profit and loss accounts of GMN for the years ended 30 June 2013, 2014 and 2015:

\$	FY2013 Audited	FY2014 Audited	FY2015 Unaudited
Income			
Other income ¹	13,293	38,151	5,046
Expenses			
Administration costs ²	(233,778)	(322,555)	(510,363)
Depreciation expense	-	-	(642)
Doubtful debts expense	-	-	(52,685)
Employment costs	(309,943)	(169,138)	(64,740)
Exploration expense ³	(815,488)	(46,953)	(187,806)
Interest expense	(1,267)	(11,359)	-
Marketing expense	(57,309)	(15,139)	(12,233)
Options expense	(23,250)	-	-
Other expenses ⁴	-	-	(24,262)
Share of net loss of associates accounted for using the equity method ⁵	(131,359)	-	-
Loss before and after tax	(1,559,101)	(526,993)	(847,685)

Source: Gold Mountain Limited 30 June 2013, 2014 and 2015 audited financial statements.

1. Other income in FY2015 consists of interest income of \$4,046 from funds held on deposit and the recovery of a debt of \$1,000.
2. Administration costs include legal and professional costs which increased from \$163,662 in FY2014 to \$314,226 in FY2015 as there was an increased requirement for external consulting.
3. Exploration expenses in FY2015 increased due to the impairment loss on existing tenements.
4. Other expenses are made up by travel expenses related to exploration activities on Viva's tenements in Papua New Guinea and capital raising activities undertaken by Mr Matthew Morgan and Mr Sin Pyng Teng.
5. The loss in FY2013 relates to the impairment of the investment in Goldsmith. This is in line with financial statements received from Goldsmith. At FY2014 and FY2015 audited financial statements for Goldsmith had not been received and, therefore, no impairment of the investment was recorded.

5.4.2 Financial Position

Set out below is the audited consolidated balance sheet of GMN as at 30 June 2013, 2014 and 2015:

\$	FY2013 Audited	FY2014 Audited	FY2015 Unaudited
Current assets			
Cash and cash equivalents ¹	51,406	200,070	759,938
Trade and other receivables	1,708	226,226	226,045
	53,114	426,296	985,983
Non-current assets			
Trade and other receivables	89,441	-	-
Deferred exploration and evaluation expenditure ²	606,436	626,376	1,210,941
Available-for-sale investments ³	268,641	514,641	514,641
Investments ⁴	-	-	124,500
Plant & equipment	-	-	1,461
Other assets	50,000	60,000	30,000
	1,014,518	1,201,017	1,881,543
Total assets	1,067,632	1,627,313	2,867,536
Current liabilities			
Trade and other payables ⁵	(243,025)	(55,493)	(86,727)
Borrowings ⁶	(100,000)	(200,000)	-
Other liabilities ⁷	(157,500)	-	(320,400)
	(500,525)	(255,493)	(407,127)
Non-current liabilities			
Long term borrowings	-	-	-
	-	-	-
Total liabilities	(500,525)	(255,493)	(407,127)
Net assets	567,107	1,371,820	2,460,399
Equity			
Issued capital	3,917,977	5,249,683	7,185,947
Reserves	90,975	90,975	52,425
Accumulated losses	(3,441,845)	(3,968,838)	(4,777,973)
Total equity	567,107	1,371,820	2,460,399

Source: Gold Mountain 30 June 2013, 2014 and 2015 audited financial statements.

1. The current cash position consists of cash on hand and short-term bank deposits.
2. The tenements value represents capitalised exploration expenditure adjusted for impairment. The increase in capitalised exploration was the result of exploration activities that were undertaken on the Wabag Project in Papua New Guinea.
3. Available-for-sale investments refer to GMN's 18.75% in Goldsmith Resources SAC. At FY2014 and FY2015 audited financial statements for Goldsmith had not been received and, therefore, no impairment of the investment was recorded. The audit opinion was qualified in respect of the carrying value of this investment.
4. Investments include gold nuggets valued at the cost of \$49,500 which were purchased from land owners within the Wabag Project tenements to be used solely for marketing purposes. Also included is the exclusive option fee of \$75,000 paid to Viva while due diligence was undertaken.
5. At 30 June 2013, trade and other payables partly consisted of \$68,286 payable to key management personnel. This amount was settled in FY2014. At 30 June 2015 \$22,846 is payable to Directors and their related entities for services provided.
6. Borrowings in FY2014 related to convertible notes that expired on 31 December 2014. These notes were converted to shares at \$0.025 a share on 18 December 2014.

7. Other liabilities at FY2015 relate to share applications funds received for shares not issued at 30 June 2015. These shares were subsequently issued on 15 July 2015.

5.5 Capital Structure and Ownership

GMN's issued capital as at 30 September 2015 comprised 205,012,842 fully paid ordinary shares and 1,250,000 options to subscribe for shares. The details of the options are listed below:

Expiry date	No. of options	Exercise price
31 December 2015	750,000	\$0.30
31 December 2016	500,000	\$0.07
Total outstanding	1,250,000	\$0.37

Source: ASX announcement released on 4 June 2015

The top 10 shareholders, as at 30 September 2015, hold 40.77% of the issued capital of GMN and are set out below:

Shareholder	Shareholding	% Total
G H A Development Pty Ltd	19,500,000	9.51%
Ghinan Mohamed Sani	10,166,667	4.96%
Hardie Oceanic Pty Ltd <Hardie Super Fund A/C>	9,334,444	4.55%
Ms Gan Yoke Lan	8,750,000	4.27%
Duncan John Hardie	8,500,000	4.15%
Ms Irene Teng	8,000,000	3.90%
Ms Gin Zhang	7,406,334	3.61%
Rodby Holdings Pty Limited <Sin Pyng Teng Super Fund A/C>	4,100,000	2.00%
Ms Nyok Chin Wong	4,000,000	1.95%
Mr Hua Zhang	3,827,500	1.87%
Top ten shareholders	83,584,945	40.77%
Other	121,427,897	59.23%
Total shareholders	205,012,842	100.00%

Source: Share register provided by Management

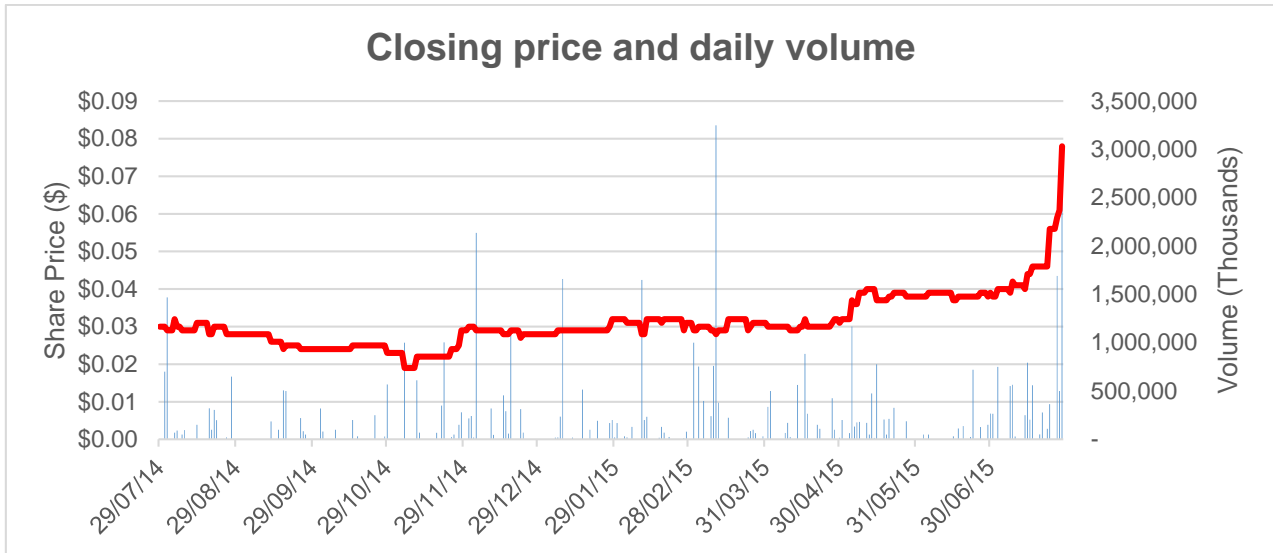
The table below summarises shareholders by size of shareholding at 30 September 2015:

Range	No. of holders	Shares	% of Total
1 – 1,000	10	1,633	0.001%
1,001 – 5,000	3	5,027	0.002%
5,001 – 10,000	104	1,036,500	0.506%
10,001 – 100,000	154	6,599,094	3.219%
100,001 and over	169	197,370,588	96.272%
Total	461	205,012,842	100.00%

Source: 30 June 2015 audited draft financial statements

5.6 Share Price and Volume Trading Analysis

The following chart provides a summary of the closing share price and trading volumes for GMN shares from 29 July 2014 to 29 July 2015, the last full day of trading prior to the announcement of the Proposed Transaction:



Source: S&P Capital IQ

The chart above indicates that the closing share price of GMN has traded within a range of \$0.019 and \$0.078 over the 12 months to 29 July 2015 (the last full day of trading before the announcement of the Proposed Transaction) with a closing price of \$0.078.

The minimum and maximum prices and volumes for the year prior to 29 July 2015 are summarised in the table below.

Period prior to 29 July 2015	Share Price Low	Share Price High	Cumulative volume traded	Trading as a % of current issued capital
1 day	\$0.078	\$0.078	2,800,300	1.37%
1 week	\$0.046	\$0.078	5,466,300	2.67%
1 month	\$0.038	\$0.078	10,030,920	4.89%
6 months	\$0.028	\$0.078	29,346,150	14.31%
1 year	\$0.019	\$0.078	49,033,400	23.92%

Source: S&P Capital IQ and Nexia analysis

The table indicates that GMN's shares have a moderate level of liquidity, with 14.31% of GMN's capital being traded in the last 6 months and 23.92% in the last year prior to the announcement of the Proposed Transaction.

6. OVERVIEW OF VIVA NO.20 LIMITED

6.1 Corporate History

Viva No. 20 Limited (“Viva”) was registered on 20 February 2010 in Papua New Guinea. Viva is a gold mining company that owns three tenements in the Enga Province which is known collectively known as the Wabag project.

6.2 Business Activities

The Wabag Project consists of three exploration licences 100% owned by Viva. GMN will hold a 20% beneficial interest in the project on the completion of the Initial Investment. A summary of the Wabag project including details on the exploration licences are provided below:

EL No.	Holder	GMN Interest	Prospect	Area (sq km)	Expiry ¹
EL1966	Viva No.20 Ltd	20% - 70%	Sak Creek	239	26/06/2015
EL1967	Viva No.20 Ltd	20% - 70%	Poket Creek	293	27/11/2015
EL1968	Viva No.20 Ltd	20% - 70%	Crown Ridge	327	27/11/2015

1. As noted below application have been made to extend each of the licenses

6.2.1 Sak Creek Prospect, EL1966

Reconnaissance geological mapping and sampling programs were undertaken on the Sak Creek prospect during October 2014. Local artisanal miners have extracted gold nuggets, up to 60g in weight, by panning gravels in Sak Creek. Geological mapping located N-S trending structures with strong silicic and phyllic alterations as well as quartz-pyrite veins.

The sampling program consisted of stream sediments, rock chip/float and ridge-and-spur and bas-of-slop sampling. As a result, significant gold and weak copper anomalies were recorded.

An application for the renewal of EL1966 was lodged with the PNG Mineral Resources Authority on 4 June 2015.

6.2.2 Poket Creek Prospect, EL1967

The Poket Creek Prospect covers an area of 293km² and consists mostly of grasslands and clearings for village gardens. Access to the area is via the Highlands Highway from Mt Hagen, then via well-formed partly sealed roads. Helicopter support is required to get to the more remote parts of the area. K200,000 has been committed to this prospect

The exploration license was granted on 28 November 2013 with an expiry date of 28 November 2015, and an application for the renewal of EL1967 was lodged with the PNG Mineral Resources Authority on 24 August 2015.

18.1.3 Crown Ridge Prospect, EL1968

As part of the due diligence process, reconnaissance geological mapping and sampling programs were undertaken during October – November 2014. The prospect lies along the southern rim of an elliptical topographic feature, with tributaries of Timun River occurring inside the feature. Total recorded production from alluvial sources during 1948 – 1968 was 38kg of gold, 9 kg of silver and 3.5 kg platinum. The source of the gold was thought to be Miocene-Pliocene-aged Timun Conglomerate.

The sampling program consisted of stream sediments & panned concentrates and rock float sampling. Highly anomalous stream sediment assays were recorded. Follow-up programs of more detailed geochemical

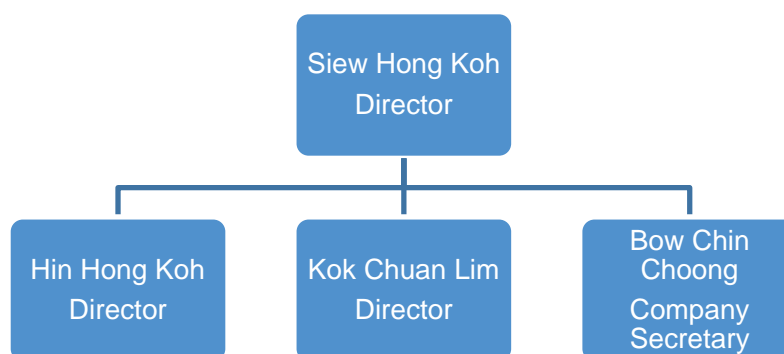
sampling and geological mapping were undertaken during January – February 2015. Assay results recorded highly significant gold and platinum values in stream sediments within the Crown Ridge prospect area.

Further details are included in the valuation of the tenements prepared by Geos Mining dated 2 September 2015, which is included in appendix E to our report.

An application for the renewal of EL1968 was lodged with the PNG Mineral Resources Authority on 24 August 2015.

6.3 Directors and Key Management

Following is a diagram of the board and management structure of Viva:



Since 1 July 2014 there have been movements with the directors of Viva as follows:

- Kok Chuan Lim was appointed director on 26 March 2015
- Bow Chin Choong was appointed company secretary on 26 March 2015
- Isaac Marum Wartovo resigned as director on 15 July 2015
- Unaba Daera resigned as company secretary on 26 March 2015

6.4 Financial Information

Viva does not have audited accounts for the years ending 30 June 2013, 2014 and 2015. GMN has received a signed letter from Siew Hong Koh, a director of Viva stating that Viva is a special purpose vehicle that holds the tenements in Papua New Guinea as its only asset. It has no liabilities and has 250 shares on issue.

6.5 Capital Structure and Ownership

Viva's issued capital as at 31 August 2015 comprised 250 fully paid ordinary shares. The shareholders, as at 8 September 2015 are set out below:

Shareholder	Shareholding	% Total
Khor Eng Hock & Sons (PNG) Limited	150	60.0%
Siew Hong Koh	51	20.4%
Hin Hong Koh	49	19.6%
Total shareholders	250	100.0%

Source: Independent state of Papua New Guinea, Company Extract as at 8 September 2015

7. INDUSTRY ANALYSIS

7.1 Gold

Positive economic conditions in the US continues to support the case for the US Federal Reserve to increase interest rates. This is expected to result in lower gold prices impacting on the rising demand for gold. World gold production is forecast to increase with existing mines expected to ramp up production, and a number of new mines expected to come online by 2016.

18.1.3 Prices

In 2015 the average price is forecast to decrease 4.8% compared to 2014 to US\$1,205/oz. In 2016 the average gold price is forecast to decrease a further 1.1% to US\$1,193/oz based on the expectation that the US Federal Reserve starts raising interest rates.

While in the medium term physical gold demand is likely to support higher prices, in the short term the effect of the increasing demand for gold is likely to be outweighed by the impact of rising US interest rates.

In Australia gold export volumes are forecast to increase 4.8% to \$14.6 billion in 2015-16 relative to 2014-15 due to the increased volumes and an expected lower exchange rate for the Australian dollar.

7.1.2 Consumption

World gold consumption is forecast to increase 0.8% to 2,868 tonnes in 2015 relative to 2014, and further in 2016 by 2.8% to 2,947 tonnes. This increase in consumption is expected to be supported by higher jewellery purchases in emerging economies such as India and China and an increase in purchases of gold bullion by Central Banks. According to the World Gold Council, jewellery purchases accounted for 58% of world gold consumption in 2014, a slight decrease from 2013 when jewellery purchases accounted for 60% of gold consumption.

Increase consumer confidence in India is likely to boost the demand for gold jewellery in 2015, which is likely supported by the decrease in the price of gold. Gold consumption in China is also expected to remain at high levels as low gold prices are expected to lead to an increase in jewellery purchases.

Between 2009 and 2014 investment in total bar and coin has increase at an average rate of 9%. However in 2014 total investment dropped a substantial 41% to 1,004 tonnes relative to 2013. Large drops were registered in all major gold consuming countries such as India and China. Bar and coin consumption and private bullion investment is forecast to continue to decline in 2015 as an expected increase in the US interest rates and higher returns on equity assets and 'low risk' bonds are keeping investors away from gold.

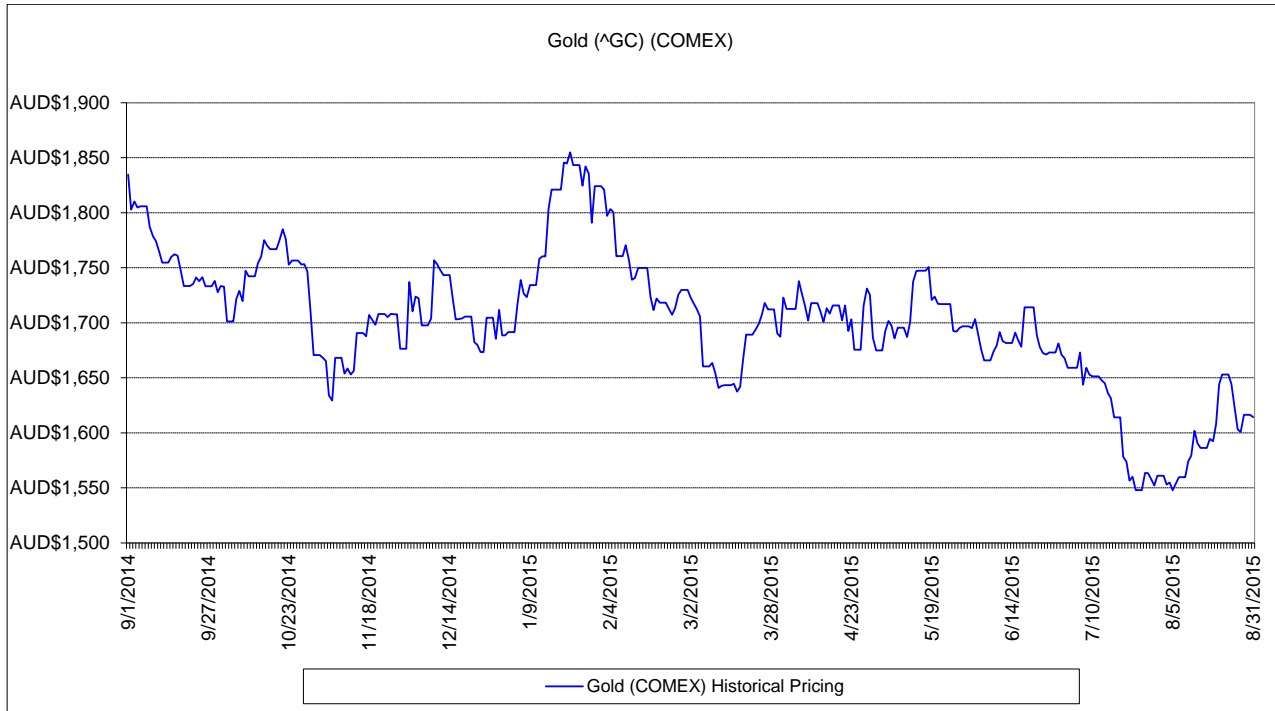
7.1.3 Production

By 2016 world gold mine production is forecast to increase 1.3% to 3,158 tonnes, relative to 2014 and 2015. This slight increase is lower than the growth rate over the previous five years which is reflective of lower gold prices affecting producers' willingness to explore and develop projects. There are a number of mines located in Mexico and Kazakhstan that are expected to come online by 2016, and production from existing mines in Canada, China and the US are expected to ramp up production.

Australia's gold production in 2014-15 is estimated to have declined 0.9% relative to 2013-14 to 272 tonnes. Gold production in 2015-16 is forecast to remain relatively flat compared to 2014-15, increasing a moderate 1.5% to 276 tonnes.

¹ BREE 2014, *Resources and Energy Quarterly*, June Quarter 2015, BREE, Canberra, June 2015

Below is the historical gold price movement since 1 September 2014:



8. VALUATION METHODOLOGIES

8.1 Definition of market value

In forming our opinion as to whether or not the Proposed Transaction is fair and reasonable to the GMN shareholders, we have assessed the value of the issued shares of GMN and Viva on a fair value basis. RG 111 defines fair value as the amount:

“assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length...”

8.2 Selection of Methodology

RG 111 provides guidance on the valuation methods that an independent expert should consider. These methods include:

- the discounted cash flow method and the estimated realisable value of any surplus assets;
- the application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;
- the amount that would be available for distribution to security holders on an orderly realisation of assets;
- the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale;
- any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets; and

- the amount that an alternative bidder might be willing to offer if all the securities in the target were available for purchase.

Each methodology is appropriate in certain circumstances. The decision as to which methodology to apply generally depends on the nature of the asset being valued, the methodology most commonly applied in valuing such an asset and the availability of appropriate information.

Appendix D summarises different valuation methodologies available.

In determining the fair value of GMN, we have applied the quoted market price and the price received in recent placing of shares. In respect of Viva we have applied the realisation of assets methodology.

In determining the appropriate methodologies to apply we have considered the following:

- as exploration companies, there is no history of profitability. Therefore a capitalisation of earnings approach is not applicable for either entity.
- GMN has a moderate level of liquidity in the trading of its shares. In addition, GMN has also recently undertaken a number of share placements with third parties.
- Viva is a special purpose vehicle established to hold tenements. The value of Viva is primarily the value of those tenements

9. FAIR VALUE OF A MINORITY INTEREST IN GMN BEFORE THE PROPOSED TRANSACTION

9.1 Quoted market price of GMN and recent placements

GMN's shares have a moderate level of liquidity with 23.92% of GMN's shares traded over the twelve months prior to announcement of the Proposed Transaction on 30 July 2015, and 14.31% in the six months prior to the announcement. The table below summarises the low, high and volume weighted average price ("VWAP") for specified periods prior to the announcement:

\$/share	Low	High	VWAP
1 day	0.078	0.078	0.078
1 week	0.046	0.078	0.068
1 month	0.038	0.078	0.056
6 month	0.028	0.078	0.040
1 year	0.019	0.078	0.035

Source: S&P Capital IQ and Nexia Australia calculations

The traded prices represent the share price for a minority interest in GMN. As can be seen from the table above, the VWAP increased throughout the period and the share price was significantly higher on the last day of trading prior to the announcement. This increase may represent the market's reaction to the investment and pending acquisition of Viva. Therefore, in considering the fair value of GMN on a quoted market price basis we have considered the 6 month VWAP.

Share issues from 1 July 2014 include:

- On 1 August 2014 GMN raised of \$390,000 through the issue of 13 million ordinary shares at an issue price of \$0.03 per share by way of a private placement to professional and sophisticated investors.
- On 18 December 2014 GMN raised of \$300,000 through the issue of 10 million shares at an issue price of \$0.03 per share by way of a private placement of shares with sophisticated investors.
- On 19 December 2014, 8 million ordinary shares were issued when 8 million convertible notes were converted to ordinary shares at the conversion price of \$0.025 per share.

- On 27 February 2015 GMN announced that 28,103,300 shares at an issue price of \$0.03 per share were issued via a placement to sophisticated investors.
- On 4 June 2015 GMN announced that 8,530,555 new fully paid ordinary shares have been allotted and issued upon the exercise of unlisted options at an exercise price of \$0.04 a share.
- On 15 July 2015 GMN announced that it raised \$780,400 through the issue of 19,510,000 fully paid ordinary shares at an issue price of \$0.04 per share.

9.2 Conclusion on fair value of a GMN share on a control basis

Based on the above analysis we have concluded that the quoted market price for GMN's shares and the value at which GMN placed shares prior to the announcement of the Proposed Transaction to be the most appropriate determination of fair value.

Therefore we have concluded that the fair value of a share in GMN to be:

	Low	Preferred	High
Fair value of GMN shares (minority basis)	0.030	0.035	0.040

In considering the range to apply, we have considered that a significant number of shares were issued at \$0.03 a share in the last 12 months and have determined this to be an appropriate low valuation in the range. As noted above, we have also considered that the 1 month VWAP is a more appropriate reflection of the quoted share price. This has been applied to determine the maximum of the range.

10. FAIR VALUE OF VIVA

10.1 Realisation of assets methodology

Viva is a special purpose vehicle that was incorporated to hold all rights, interests and legal ownership of the tenements. It is free from any encumbrances and is free of any liabilities.

Geos Mining prepared valuation of Viva's tenements dated 14 October 2014. For the purposes of the Proposed Transaction, Geos Mining have prepared an updated valuation dated 2 September 2015. A copy of Geos Mining's report is included in appendix E. The valuation of Viva's tenements is summarised below:

Method	Weighting	Low \$m	Preferred \$m	High \$m
Modified replacement value	5%	3.18	3.60	4.03
Comparable transactions	70%	0.20	1.00	1.50
Market Capitalisation	25%	1.70	4.50	4.40
Totals		2.14	3.79	5.26

The realisation of assets value reflects the value of a Viva share on a controlling basis. This reflects an interest where a shareholder has advantages such as the ability to exert influence over the strategic direction and cash flow of a company, amongst other things.

The Proposed Transaction will give GMN a 70% controlling interest in Viva. As noted in section 4, GMN's non-associated shareholders will have a minority interest in the Combined Entity, therefore a minority discount has been applied to the above valuation. These adjustments to the value of Viva are summarised below:

	Low	Preferred	High
Valuation of Viva (as above)	\$2,140,000	\$3,790,000	\$5,260,000
70% interest to be acquired	\$1,498,000	\$2,653,000	\$3,682,000
Minority discount	30%	25%	20%
Net assets on a minority basis	\$1,048,600	\$1,989,750	\$2,945,600

11. VALUATION OF A MINORITY INTEREST IN THE COMBINED ENTITY

In determining the value of the Combined Entity we have considered the fair value of the sum of the parts, the cash consideration and shares issued under the Proposed Transaction. Our calculation of a minority interest is as follows:

	Low	Preferred	High
Far value of GMN share on a minority basis (see section 9.2)	\$0.030	\$0.035	\$0.040
GMN shares on issue prior to the Proposed Transactions	205,012,842	205,012,842	205,012,842
Market capitalisation of GMN	\$6,150,385	\$7,198,212	\$8,246,040
Net asset value of Viva on a minority basis (see section 10.1)	\$1,048,600	\$1,989,750	\$2,945,600
Less: Cash consideration of the Proposed Transaction	(\$150,000)	(\$150,000)	(\$150,000)
Minority value of the Combined Entity	\$7,048,985	\$9,037,962	\$11,041,640
GMN shares on issue prior to the Proposed Transaction	205,012,842	205,012,842	205,012,842
Shares to be issued under Initial Investment and Proposed Transaction	110,000,000	110,000,000	110,000,000
	315,012,842	315,012,842	315,012,842
Fair value of a share in the Combined Entity	\$0.022	\$0.029	\$0.035

12. ASSESSMENT OF FAIRNESS

In determining whether or not the transaction is fair we have considered the substance of the transaction, in accordance with RG111. In considering whether or not the transaction is fair to GMN's non-associated shareholders, we have considered the fair value of a minority position in GMN before the Proposed Transaction to the fair value of a minority position in GMN after the Proposed Transaction.

The comparative positions are summarised below:

\$/share	Low	Preferred	High
GMN share on a minority basis (see section 9)	\$0.030	\$0.035	\$0.040
Fair value of a share of the Combined entity on a minority basis (see section 11)]	\$0.022	\$0.029	\$0.035

The above ranges are shown graphically below:



The fair value of a share in GMN is higher than the fair value of a minority interest in the Combined Entity. Therefore, **we have concluded that the Proposed Transaction is not fair.**

13. ASSESSMENT OF REASONABLENESS

13.1 Approach to assessing Reasonableness

In forming our conclusions in this Report, we have compared the advantages and disadvantages to shareholders if the Proposed Transaction proceeds.

13.2 Advantages of the transaction

We outline below potential advantages of the Proposed Transaction:

Advantage	Explanation
Acquisition of a controlling interest in a highly prospective gold exploration project	Geos Mining's report indicates that although early stages, there is good potential for discovery of economic mineral deposits. The control over the exploration activity provides GMN with the opportunity to undertake further exploration activity which may result in the identification of reserves.
Existing tenements are not viable for further investment and the Proposed Transaction provides an opportunity to create shareholder value	We understand the directors do not believe that it is viable for GMN to continue exploration activities on its existing tenements. In respect of the investment in Goldsmiths, this is a passive investment with no direct exploration activity undertaken by GMN. Therefore, the Proposed Transaction provides GMN with the opportunity to continue its operations.
Prior to the completion of the Proposed Transaction GMN intends to raise an additional \$5m in funding to continue exploration, placing GMN in position to develop the assets	It is the intention of GMN to raise an additional \$5 million to continue exploration of the PNG tenements prior to the completion of the Proposed Transaction. Therefore, on completion of the Proposed Transaction the Company will be in a position to continue exploration activity to develop Viva's tenements.
The Proposed Acquisition may have a positive impact on GMN's share price	Since the announcement of the Proposed Transaction, GMN has issued shares as high as \$0.78 after the announcement of the Proposed Transaction. As of the date of this report shares are trading at \$0.68 indicating that the Proposed Transaction may continue to have a positive impact on GMN's share price.

13.3 Disadvantages of the transaction

We outline following the potential disadvantages of the Proposed Transaction:

Disadvantage	Explanation
Viva shareholders together will hold a 34.92% stake in GMN allowing them to exert influence	Viva shareholders will hold a 34.92% interest in GMN on completion of the proposed transaction. As a result, they will be have a significant holding in GMN providing them with the opportunity to influence the direction and operations of the Company.
GMN shareholders are not receiving a premium for providing Viva access to funding through its ASX listing	Viva will require funding to undertake further exploration activities. The Proposed Transaction provides this funding indirectly through GMN's ASX listing.
Viva shareholders retain a 54.4% economic interest in Viva tenements	Viva will retain a 54.4% economic interest in the PNG tenements through their 30% interest in Viva and 34.92% interest in GMN.

13.4 Alternatives to the transaction

The Directors have advised us that there are currently no other alternatives to the Proposed Transaction.

13.5 Implications of the transaction not proceeding

If the Proposed Transaction is not approved, GMN will re-evaluate its exploration activities on its existing tenements.

13.6 Conclusion as to Reasonableness

In accordance with RG 111, a transaction is reasonable if:

- the transaction is fair; or
- despite not being fair, but considering other significant factors, shareholders should obtain an overall benefit if the transaction proceeds.

Taking into account other significant factors, **we have concluded that the Proposed Transaction is reasonable.**

14. OPINION

Accordingly, in our opinion, the Proposed Transaction is not fair but reasonable to the GMN's non-associated shareholders.

The ultimate decision on whether to approve the Proposed Transaction should be based on shareholders' own assessment of their circumstances. We strongly recommend that shareholders consult their own professional advisers, carefully read all relevant documentation provided, including the Explanatory Memorandum, and consider their own specific circumstances before voting in favour of or against the Proposed Transaction.

APPENDIX A – GLOSSARY

Term	Definition
Combined Entity	GMN and Viva after the Proposed Transaction
Company or GMN	Gold Mountain Limited (CAN 115 845 942)
Completion dates	The completion of the Proposed Transaction or
Cowarra, NSW	Tenement EL 5939 in Cowarra NSW that GMN has a 50% interest in
Dalton, NSW	Tenement EL 6922 in Dalton NSW that is 100% owned by GMN
Explanatory Memorandum	Document to be sent to shareholders on or about
FSG	Financial Services Guide
FY2013	the financial year ended or as at 30 June 2013
FY2014	the financial year ended or as at 30 June 2014
FY2015	the financial year ended or as at 30 June 2015
Grenfell, NSW	Tenement EL 8263 in Grenfell NSW that is 100% owned by GMN
Goldsmith	18.75% investment in Goldsmith Resources SAC in Peru
Initial Investment	The issue of 50 million shares to the vendors of Viva to acquire a 20% interest in Viva and an option to acquire a further 50% in Viva subject to certain conditions being met
NCFS	Nexia Court Financial Solutions Pty Ltd (AFSL 247300)
Oberon, NSW	Tenement 7702 in Oberon NSW which is owned by Central West Gold NL, a joint venture partner with GMN
PNG	Papua New Guinea
Proposed Transaction	Proposed acquisition of a further 50% interest in Viva whereby Viva's shareholders will receive 60 million shares in GMN
Report	Independent Expert's Report
Report date	The date of this report
RG 111	ASIC Regulatory Guide 111: Content of expert Reports
RG 74	ASIC Regulatory Guide 74: Acquisitions approved by members
Viva	Viva No.20 Limited
VWAP	Volume Weighted Average Price of shares
Wabag project	Three tenements 100% owned by Viva in PNG namely EL 1966, EL 1967 and EL1968

APPENDIX B - SOURCES OF INFORMATION

- APES 225 – Valuation Services
- Australia Securities and Investment Commission's (ASIC) database
- Audited financial statements of Gold Mountain Limited for the years ended 30 June 2013 and 2014
- Bureau of resources and Energy Economics 'Resources and Energy Quarterly – June Quarter 2015'
- Draft Notice of Annual General Meeting and Explanatory Memorandum prepared by Gold Mountain Limited
- Geos Mining, Mining Consultants, Competent Person's Consent Form
- Geos Mining, Mining Consultants, Memorandum , GMN NSW EIs – Expenditure Commitments & Work Programs
- Geos Mining's report dated 2 September 2015 "Addendum to Valuation of Wabag Project, Updated Valuation as at 1 September 2015"
- Regulatory Guide 74: Acquisitions approved by members
- Regulatory Guide 111: Content of expert Reports
- Regulatory Guide 112: Independence of expert's Reports
- Representation letter from Viva dated 10 September 2015 detailing assets and liabilities held by the company
- S&P Capital IQ
- Unaudited draft financial statements of Gold Mountain Limited as at 30 June 2015

APPENDIX C - STATEMENT OF DECLARATION & QUALIFICATIONS

Confirmation of Independence

Prior to accepting this engagement Nexia Court Financial Solutions Pty Ltd ("NCFS") determined its independence with respect to GMN and Viva with reference to ASIC Regulatory Guide 112: Independence of expert's Reports ("RG 112"). NCFS considers that it meets the requirements of RG 112 and that it is independent of GMN and Viva.

Also, in accordance with s648(2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with GMN or Viva, its related parties or associates that would compromise our impartiality.

Mr Brent Goldman, authorised representative of NCFS, has prepared this Report. Neither he nor any related entities of NCFS have any interest in the promotion of the Proposed Transaction nor will NCFS receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this Report. Our fee is not contingent upon the success or failure of the Proposed Transaction, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, NCFS does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.

NCFS provided a draft copy of this Report to the Directors and management of GMN for their comment as to factual accuracy, as opposed to opinions, which are the responsibility of NCFS alone. Changes made to this Report, as a result of the review by the Directors and management of GMN, have not changed the methodology or conclusions reached by NCFS.

Reliance on Information

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this Report NCFS has relied upon information provided on the basis it was reliable and accurate. NCFS has no reason to believe that any information supplied to it was false or that any material information (that a reasonable person would expect to be disclosed) has been withheld from it. NCFS evaluated the information provided to it by GMN and Viva as well as other parties, through enquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially mis-stated or would not afford reasonable grounds upon which to base its Report. Accordingly, we have taken no further steps to verify the accuracy, completeness or fairness of the data provided.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards. NCFS does not imply and it should not be construed that it has audited or in any way verified any of the information provided to it, or that its enquiries could have verified any matter which a more extensive examination might disclose.

The sources of information that we relied upon are outlined in Appendix B of this Report.

Qualifications

NCFS carries on business at Level 16, 1 Market Street, Sydney NSW 2000. NCFS holds Australian Financial Services Licence No 247300 authorising it to provide financial product advice on securities to retail clients. NCFS's representatives are therefore qualified to provide this Report.

Brent Goldman specifically was involved in the preparing and reviewing this Report. Brent Goldman is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand, a Business Valuation Specialist of the Institute of Chartered Accountants in Australia and New Zealand and a Fellow of the Financial Services Institute of Australasia. He has over 15 years of corporate finance experience in both Australia and the UK.

Consent and Disclaimers

The preparation of this Report has been undertaken at the request of the Directors of GMN. It also has regard to relevant ASIC Regulatory Guides. It is not intended that the Report should be used for any other purpose than to accompany the Explanatory Memorandum to be sent to GMN shareholders. In particular, it is not intended that this Report should be used for any purpose other than as an expression of NCFS's opinion as to whether or not the Proposed Transaction is fair and reasonable to GMN shareholders.

NCFS consent to the issue of this Report in the form and context in which it is included in the Explanatory Memorandum to be sent to GMN shareholders.

Shareholders should read all documents issued by GMN that consider the Proposed Transaction in their entirety, prior to proceeding with a decision. NCFS had no involvement in the preparation of these documents, with the exception of our Report.

This Report has been prepared specifically for the shareholders of GMN. Neither NCFS, nor any member or employee thereof undertakes responsibility to any person, other than a shareholder of GMN, in respect of this Report, including any errors or omissions howsoever caused. This Report is "General Advice" and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice, you should consider, with or without the assistance of a securities advisor, whether it is appropriate to your particular investment needs, objectives and financial circumstances.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards.

Our opinions are based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time. Furthermore, financial markets have been particularly volatile in recent times. Accordingly, if circumstances change significantly, subsequent to the issue of this Report, our conclusions and opinions may differ from those stated herein. There is no requirement for NCFS to update this Report for information that may become available subsequent to its date.

APPENDIX D - VALUATION METHODOLOGIES

In preparing this Report we have considered valuation methods commonly used in practice and those recommended by RG 111. These methods include:

- the discounted cash flow method;
- the capitalisation of earnings method;
- asset based methods; and
- analysis of share market trading.

Discounted Cash Flow Method

Description

Of the various methods noted above, the discounted cash flow method has the strongest theoretical standing. It is also widely used in practice by corporate acquirers and company analysts. The discounted cash flow method estimates the value of a business by discounting expected future cash flows to a present value using an appropriate discount rate. A discounted cash flow valuation requires:

- a forecast of expected future cash flows;
- an appropriate discount rate; and
- an estimate of terminal value.

It is necessary to project cash flows over a suitable period of time (generally regarded as being at least five years) to arrive at the net cash flow in each period. For a finite life project or asset this would need to be done for the life of the project. This can be a difficult exercise requiring a significant number of assumptions such as revenue growth, future margins, capital expenditure requirements, working capital movements and taxation.

The discount rate used represents the risk of achieving the projected future cash flows and the time value of money. The projected future cash flows are then valued in current day terms using the discount rate selected.

A terminal value reflects the value of cash flows that will arise beyond the explicit forecast period. This is commonly estimated using either a constant growth assumption or a multiple of earnings (as described under capitalisation of future maintainable earnings below). This terminal value is then discounted to current day terms and added to the net present value of the forecast cash flows.

The discounted cash flow method is often sensitive to a number of key assumptions such as revenue growth, future margins, capital investment, terminal growth and the discount rate. All of these assumptions can be highly subjective sometimes leading to a valuation conclusion presented as a range that is too wide to be useful.

Use of the Discounted Cash Flow Method

A discounted cash flow approach is usually preferred when valuing:

- early stage companies or projects;
- limited life assets such as a mine or toll concession;
- companies where significant growth is expected in future cash flows; or
- projects with volatile earnings.

It may also be preferred if other methods are not suitable, for example if there is a lack of reliable evidence to support a capitalisation of earnings approach. However, it may not be appropriate if reliable forecasts of cash flow are not available and cannot be determined.

Capitalisation of Earnings Method

Description

The capitalisation of earnings method is a commonly used valuation methodology that involves determining a future maintainable earnings figure for a business and multiplying that figure by an appropriate capitalisation multiple. This methodology is generally considered a short form of a discounted cash flow, where a single representative earnings figure is capitalised, rather than a stream of individual cash flows being discounted. The capitalisation of earnings methodology involves the determination of:

- a level of future maintainable earnings; and
- an appropriate capitalisation rate or multiple.

A multiple can be applied to any of the following measures of earnings:

Revenue – most commonly used for companies that do not make a positive EBITDA or as a cross-check of a valuation conclusion derived using another method.

EBITDA - most appropriate where depreciation distorts earnings, for example in a company that has a significant level of depreciating assets but little ongoing capital expenditure requirement.

EBIT - in most cases EBIT will be more reliable than EBITDA as it takes account of the capital intensity of the business.

NPAT - relevant in valuing businesses where interest is a major part of the overall earnings of the group (e.g. financial services businesses such as banks).

Multiples of EBITDA, EBITA and EBIT value the whole businesses, or its enterprise value irrespective of the gearing structure. NPAT (or P/E) values the equity of a business

The multiple selected to apply to maintainable earnings reflects expectations about future growth, risk and the time value of money all wrapped up in a single number. Multiples can be derived from three main sources.

Using the guideline public company method, market multiples are derived from the trading prices of stocks of companies that are engaged in the same or similar lines of business and that are actively traded on a free and open market, such as the ASX or the NSX. The merger and acquisition method is a method whereby multiples are derived from transactions of significant interests in companies engaged in the same or similar lines of business. In Australia this has been called the comparable transaction methodology.

Use of the Capitalisation of Earnings Method

The capitalisation of earnings method is widely used in practice. It is particularly appropriate for valuing companies with a relatively stable historical earnings pattern which is expected to continue. This method is less appropriate for valuing companies or assets if:

- there are no suitable listed company or transaction benchmarks for comparison;
- the asset has a limited life;
- future earnings or cash flows are expected to be volatile; or
- there are negative earnings or the earnings of a business are insufficient to justify a value exceeding the value of the underlying net assets.

Asset Based Methods

Description

Asset based valuation methods estimate the value of a company based on the realisable value of its net assets, less its liabilities. There are a number of asset based methods including:

- orderly realisation;
- liquidation value;
- net assets on a going concern basis;
- replacement cost; and
- reproduction cost.

The orderly realisation of assets method estimates Fair Market Value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame.

Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimate the market values of the net assets of a company but do not take account of realisation costs.

The asset / cost approach is generally used when the value of the business's assets exceeds the present value of the cash flows expected to be derived from the ongoing business operations, or the nature of the business is to hold or invest in assets. It is important to note that the asset approach may still be the relevant approach even if an asset is making a profit. If an asset is making less than an economic rate of return and there is no realistic prospect of it making an economic return in the foreseeable future, an asset approach would be the most appropriate method.

Use of Asset Based Methods

An asset-based approach is a suitable valuation method when:

- an enterprise is loss making and is not expected to become profitable in the foreseeable future;
- assets are employed profitably but earn less than the cost of capital;
- a significant portion of the company's assets are composed of liquid assets or other investments (such as marketable securities and real estate investments); or
- it is relatively easy to enter the industry (for example, small machine shops and retail establishments).

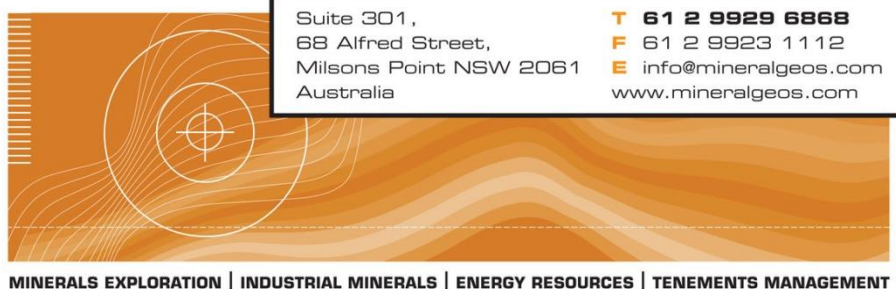
Asset based methods are not appropriate if:

- the ownership interest being valued is not a controlling interest, has no ability to cause the sale of the company's assets and the major holders are not planning to sell the company's assets; or
- a business has (or is expected to have) an adequate return on capital, such that the value of its future income stream exceeds the value of its assets.

Analysis of Share Trading

The most recent share trading history provides evidence of the Fair Market Value of the shares in a company where they are publicly traded in an informed and liquid market. There should also be some similarity between the size of the parcel of shares being valued and those being traded. Where a company's shares are publicly traded then an analysis of recent trading prices should be considered, at least as a cross-check to other valuation methods.

APPENDIX E – VALUATION OF VIVA NO.20 ELS



2 September 2015

Board of Directors
Gold Mountain Limited
Suite 2501 Level 25, St Martins Tower
31 Market Street, Sydney, NSW, 2000
(PO Box Q638, QVB Market Street, NSW, 1230)

ADDENDUM to VALUATION of WABAG PROJECT
UPDATED VALUATION AS AT 1 SEPTEMBER 2015

SUMMARY

Geos Mining has been requested by Gold Mountain Limited (ASX:GMN) to carry out an updated valuation of the Wabag Project in PNG. The project consists of three granted Exploration Licences (EL1966, EL1967 & EL1968) located in Enga Province and held by Viva No 20 Limited (Viva), a PNG-registered company. GMN holds a 70% beneficial interest in the project through its shareholding in Viva.

Geos Mining had previously compiled a VALMIN-compliant valuation of the Wabag Project, as at 1 October 2014. Since then, GMN completed a due diligence appraisal of the tenements through reconnaissance geological mapping and sampling programs on the Sak Creek prospect in EL1966 and the Crown Ridge prospect in EL1968. Follow-up programs at both prospects (on-going as at the date of this report) have detected highly anomalous gold, copper and platinum geochemical signatures.

Our valuation of the Wabag project as at 1 September, 2015 has a range of **\$2.14M to \$5.26M**, with a preferred value of **\$3.79M**.

INTRODUCTION

In accordance with instructions from Directors of GMN, I have revised the valuation of the Wabag Project, taking into account the exploration activities mentioned below, the results from the exploration programs and general market conditions for junior exploration companies.

Geos Mining undertook an independent technical assessment and VALMIN-compliant valuation, as at 1 October 2014, of three exploration licences and one exploration licence application (together known as the Wabag Project) held by Viva No.20 Limited (Viva) in Enga Province, Papua New Guinea. At the time, Gold Mountain Limited (GMN; previously named Commissioners Gold Limited) had entered into an agreement to acquire an interest in the Wabag Project by acquiring shares in Viva. Under the agreement Viva had granted GMN a five month exclusive dealing period in which to undertake due diligence, satisfy various conditions precedent, finalise the Acquisition Agreement and complete the transaction.

The valuation determined that the Wabag project, as at 1 October, 2014, had a fair value range of **\$1.16M to \$4.3M**, with a preferred value of **\$3.0M**.

Since the date of the 2014 valuation report, the following significant activities have occurred:

- GMN completed due diligence enquiries and completed acquisition of shares comprising 20% of the issued capital of Viva (ASX announcement 27/05/2015).
- GMN entered into a share purchase agreement with Viva and its shareholders to acquire a further 50% interest in Viva through the acquisition of shares from the Viva shareholders (ASX announcement 30/07/2015).
- GMN completed due diligence Stage 1 reconnaissance exploration programs on the Sak Creek prospect in EL1966 and the Crown Ridge prospect in EL1968 (ASX announcement 2/03/2015).
- GMN completed Stage 2 follow-up exploration programs on the Crown Ridge prospect (ASX announcement 11/05/2015).
- Application for renewal of EL1966 was lodged with the PNG Mineral Resources Authority on 4/06/2015.
- Applications for renewal of EL1967 and EL1968 were lodged with the PNG Mineral Resources Authority on 24/08/2015.
- Application for EL1969 was withdrawn due to perceived low prospectivity.
- In general, the market for exploration gold projects has declined and several junior exploration companies operating in PNG have moved, or intend to move, into other industries.

This report is an update of the VALMIN compliant report dated 14 October 2014. The earlier report contains technical information on the project and explanations of valuation methodology applied to the project. The author has been involved in the exploration programs conducted on the project and last visited the project on 15 July 2015.

The report includes information considered to be material and includes a description of the methodology used to derive the valuation, together with any supplementary methods used. This work

has not included any formal legal report on tenement status, but Geos Mining has made appropriate checks to satisfy themselves that the tenements are as described.

All dollar values in this report, unless otherwise specified, refer to current Australian dollars.

Values herein are considered to be fair market values. The effective date of the valuation is as at 1 September 2015. The author is not aware of any material changes that could affect the valuation since that date.

TENEMENTS

The Wabag Project currently consists of three granted Exploration Licences: EL1966, EL1967 and EL1968 (Figure 1). All tenements are 100% held by Viva No 20 Limited. GMN holds a 70% beneficial interest in the tenements through its shareholding in Viva. Details of these tenements are presented in Table 1.

Tenure	Status	Date Granted	Date Expiry	Sub-blocks	Commitment (Kina ¹)
EL1966	Renewal	27/06/2013	26/06/2015 ²	35	200,000
EL1967	Active	28/11/2013	27/11/2015 ³	86	200,000
EL1968	Active	28/11/2013	27/11/2015 ⁴	96	200,000

Table 1 : Viva No 20 tenements as per MRA listing 28/08/2015

¹ Expenditure commitment for first two-year period. As at 28 August 2015, 1 Kina = A\$0.49

² Application for renewal lodged with MRA on 4 June 2015.

³ Application for renewal lodged with MRA on 24 August 2015

⁴ Application for renewal lodged with MRA on 24 August 2015

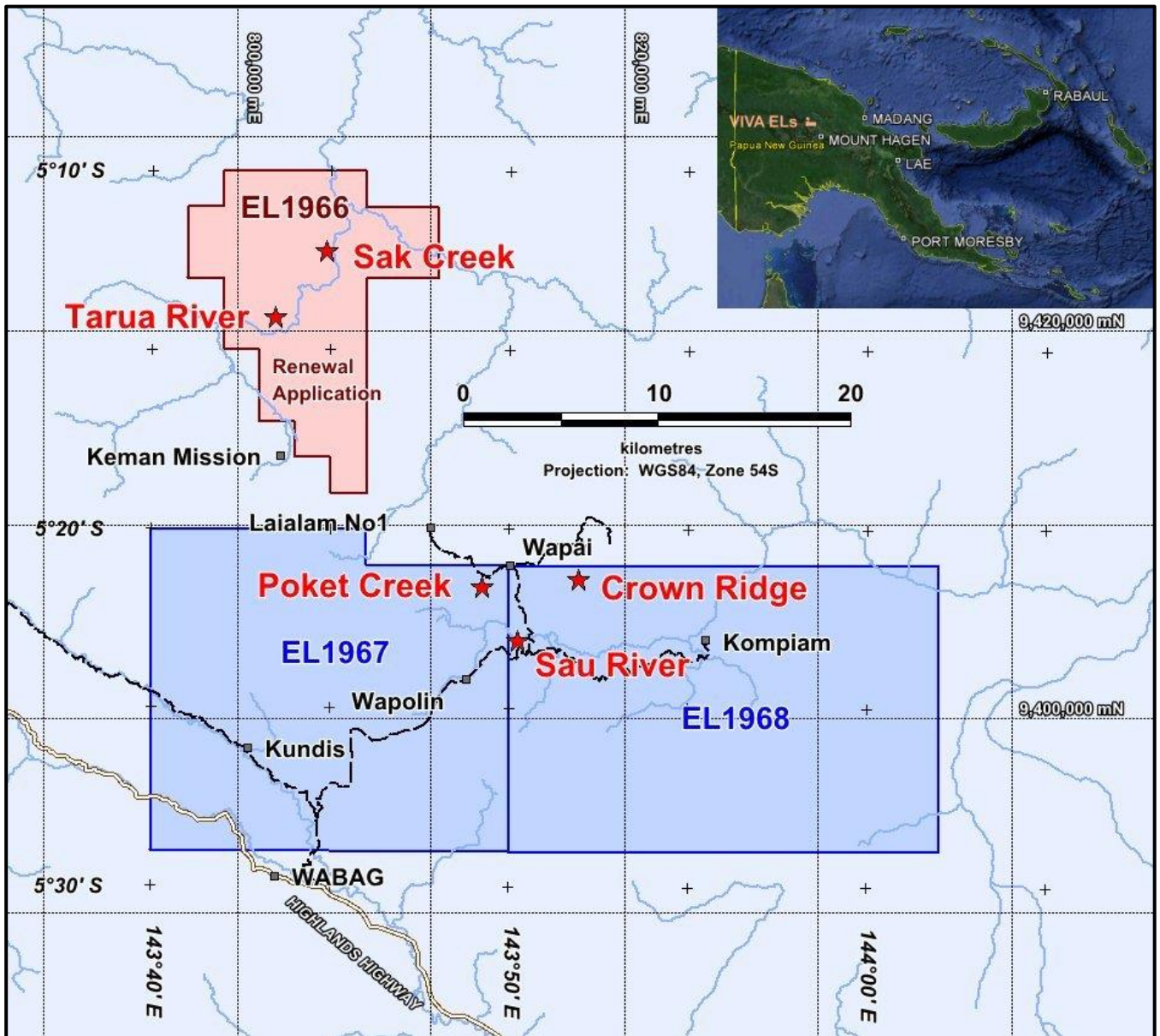


Figure 1: Viva No 20 ELs, as at 28/08/2015

SAK CREEK PROSPECT, EL1966

Exploration Completed

Reconnaissance geological mapping and sampling programs were undertaken on the Sak Creek prospect (EL1966) during October 2014. Local artisanal miners have extracted gold nuggets, up to 60g weight, by panning gravels in Sak Creek (Photo 1, Photo 2)

Geological mapping located N-S trending structures with strong silicic and phyllic alteration (Photo 3) as well as quartz-pyrite veins (Photo 4).



Photo 1: Artisanal gold mining in Sak Creek



Photo 2: Gold nuggets retrieved from Sak Creek by artisanal miners



Photo 3: N-S trending structure in Sak Creek with silicic-phyllitic alteration



Photo 4: Quartz-pyrite veins in phyllic altered diorite

The sampling program consisted of -80# stream sediments (19 samples), rock chip/float (17 samples) and ridge-and-spur & base-of-slope soil sampling (331 samples) (Figure 2).

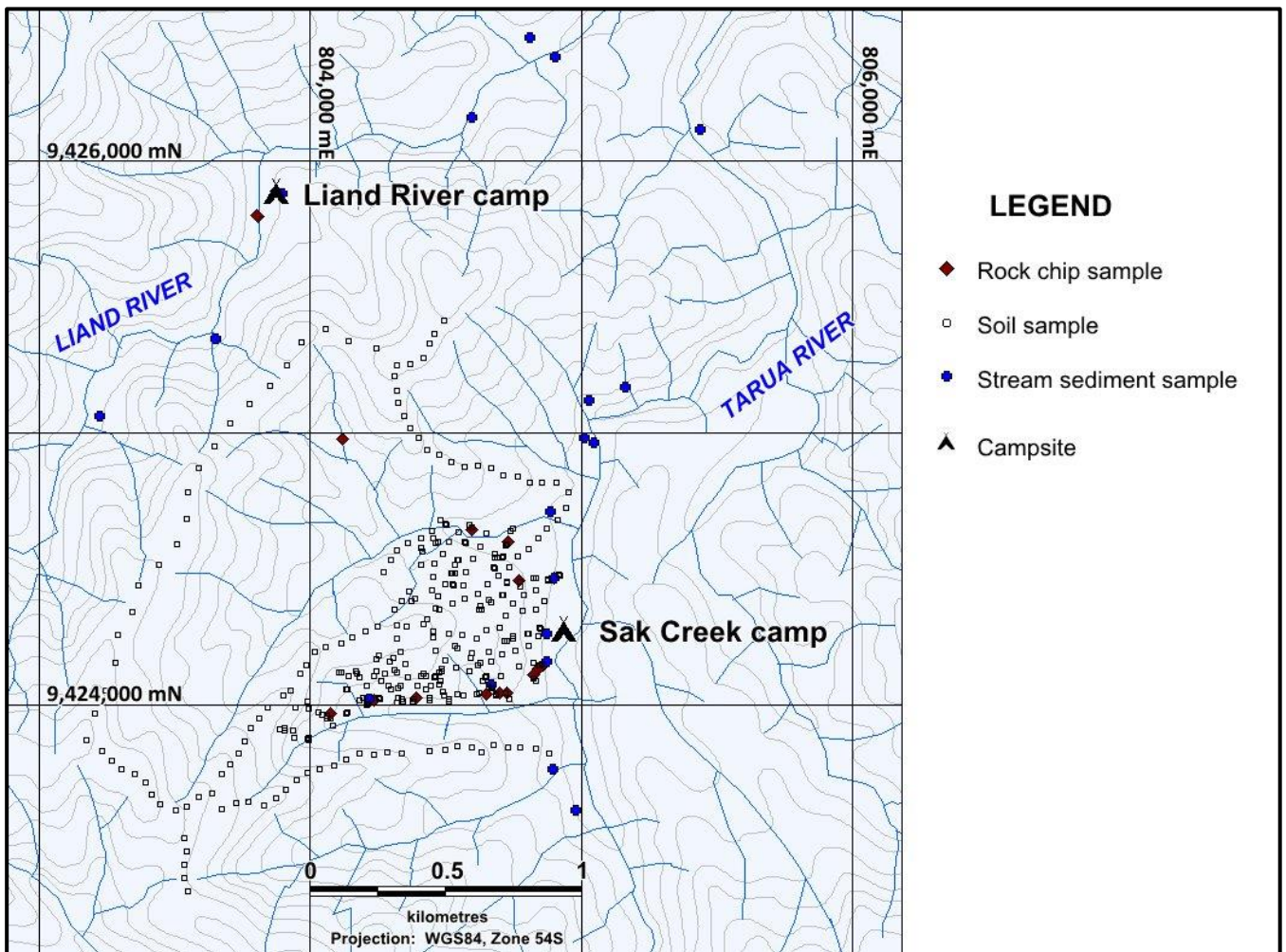


Figure 2: Sampling locations, Sak Creek prospect, 2014

Results

Significant gold values (>0.05 ppm Au, up to 0.223 ppm Au) and weak copper anomalies were recorded for -80# stream sediment samples from the Sak Creek drainage and tributaries of Liand River, to the northwest of Sak Creek. Rock chip assays were generally low, the highest being from an outcropping breccia, with vuggy quartz stockworks and iron oxide coatings (0.20 ppm Au, 4.4 ppm Ag, 1820 ppm As, 539 ppm Cu, 2426 ppm Zn).

Soil assays defined three geochemical zones centred on Sak Creek (Figure 3):

- Core zone of elevated Au-Cu
- Peripheral zone of elevated Pb-Zn-As-Ni

- Outer zone of elevated Ba-V

Other elements did not show any discernible patterns.

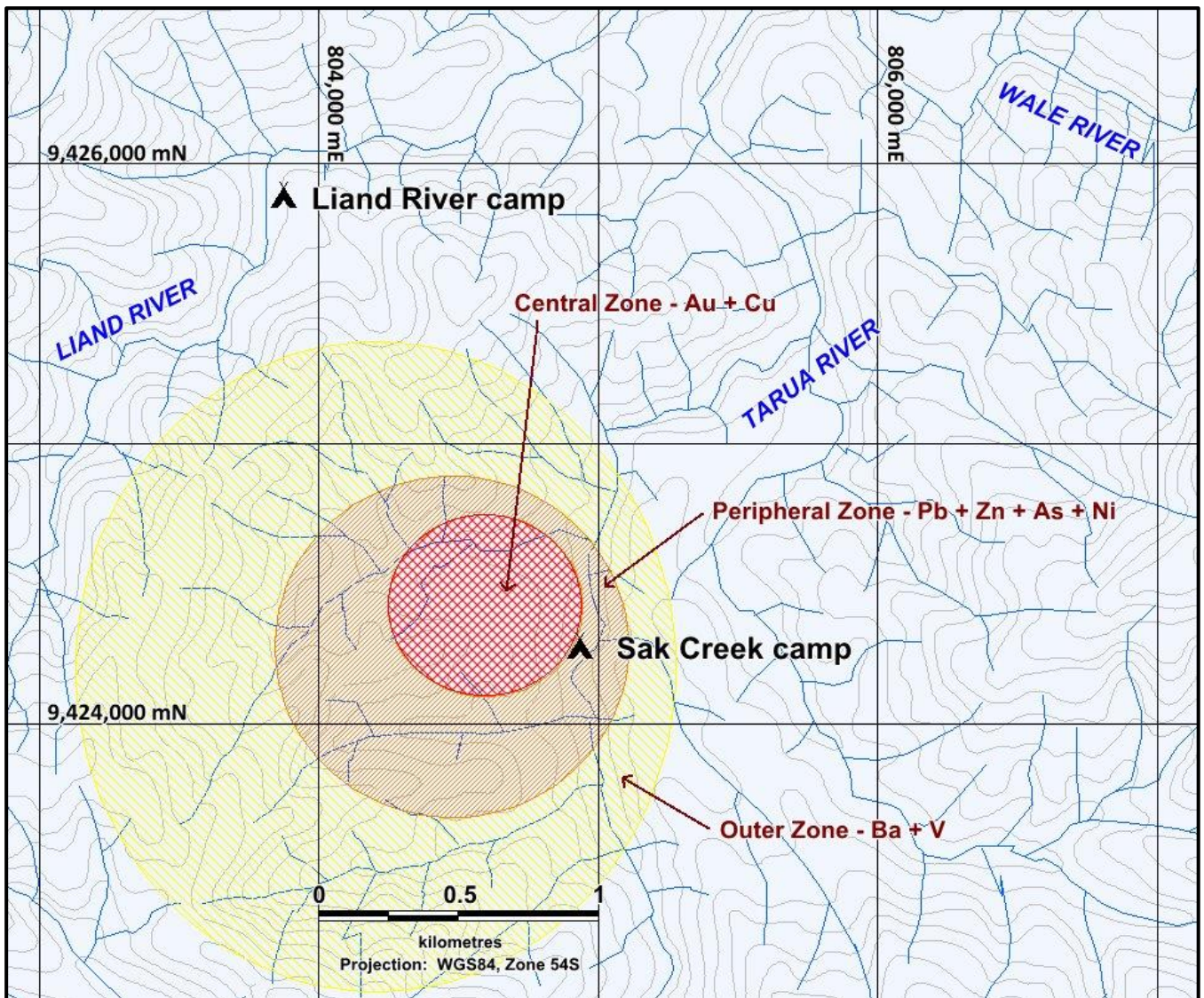


Figure 3: Generalised geochemical zones interpreted from soil assays

Satellite imagery also shows a circular topographic feature over Sak Creek (Figure 4). The interpretation of this feature is an intrusive body beneath Sak Creek that is the source of the mineralisation.



Figure 4: Perspective Google Earth view of Sak Creek prospect looking north, showing circular topographic feature

CROWN RIDGE PROSPECT, EL1968

Exploration Completed

As part of the due diligence process, reconnaissance geological mapping and sampling programs were undertaken on the Crown Ridge prospect (EL1968) during October-November 2014. The prospect lies along the southern rim of an elliptical topographic feature, with tributaries of Timun River occurring inside the feature. Total recorded production from alluvial sources during 1948 – 1968 was 38 kg gold, 9 kg silver and 3.5 kg platinum. The source of the gold was thought to be the Miocene-Pliocene-aged Timun Conglomerate.

The sampling program consisted of ~80# stream sediments & panned concentrates (7 samples each) and rock float sampling (3 samples). Highly anomalous stream sediment assays (up to 5.43 ppm Au) were recorded from several streams draining the southern rim of the topographic feature. Platinum

assays for the panned concentrate samples were up to 8.66 ppm Pt with higher values mostly coming from the eastern half of the area.

On the strength of the anomalous first-pass results, follow-up programs of more detailed geochemical sampling and geological mapping were undertaken during January-February 2015. The sampling program consisted of -80# stream sediments (31 samples), rock float (13 samples) and ridge-and-spur soil sampling (532 samples) (Figure 5). A ground magnetics survey, on N-S grid lines at 200m spacings, was in progress at the time of writing.

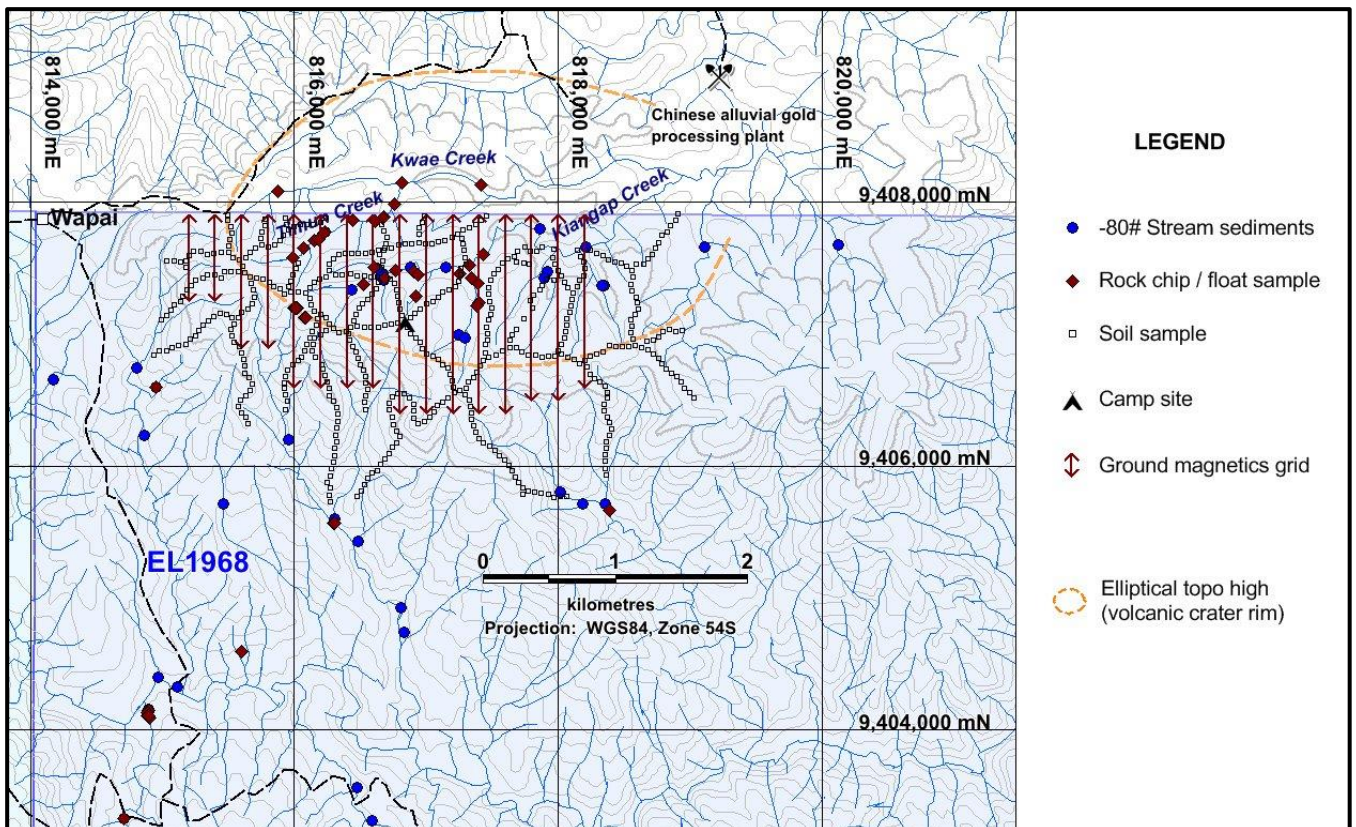


Figure 5: Crown Ridge prospect, sample locations

Results

Assay results recorded highly significant gold and platinum values in stream sediments within the Crown Ridge prospect area (up to 5.43 ppm Au, 487 ppb Pt). Rock float samples of quartz veins with pyrite-chalcopyrite-galena-sphalerite-arsenopyrite returned assays up to 29.2 ppm Au, 25,284 ppm (2.53%) Cu, 10,832 ppm (1.08%) Pb and 15,234 ppm (1.52%) Zn.

Soil assays indicated strong depletion of many metals within the elliptical structure and scattered gold anomalies, mostly along the ridge tops and within the elliptical structure. The system is interpreted to be a diatreme breccia within a volcanic crater (Figure 6), within which hydrothermal fluids have

produced widespread pervasive alteration. Several zones that could contain potential economic mineralisation have been postulated from the geology and geochemical data (Figure 7).

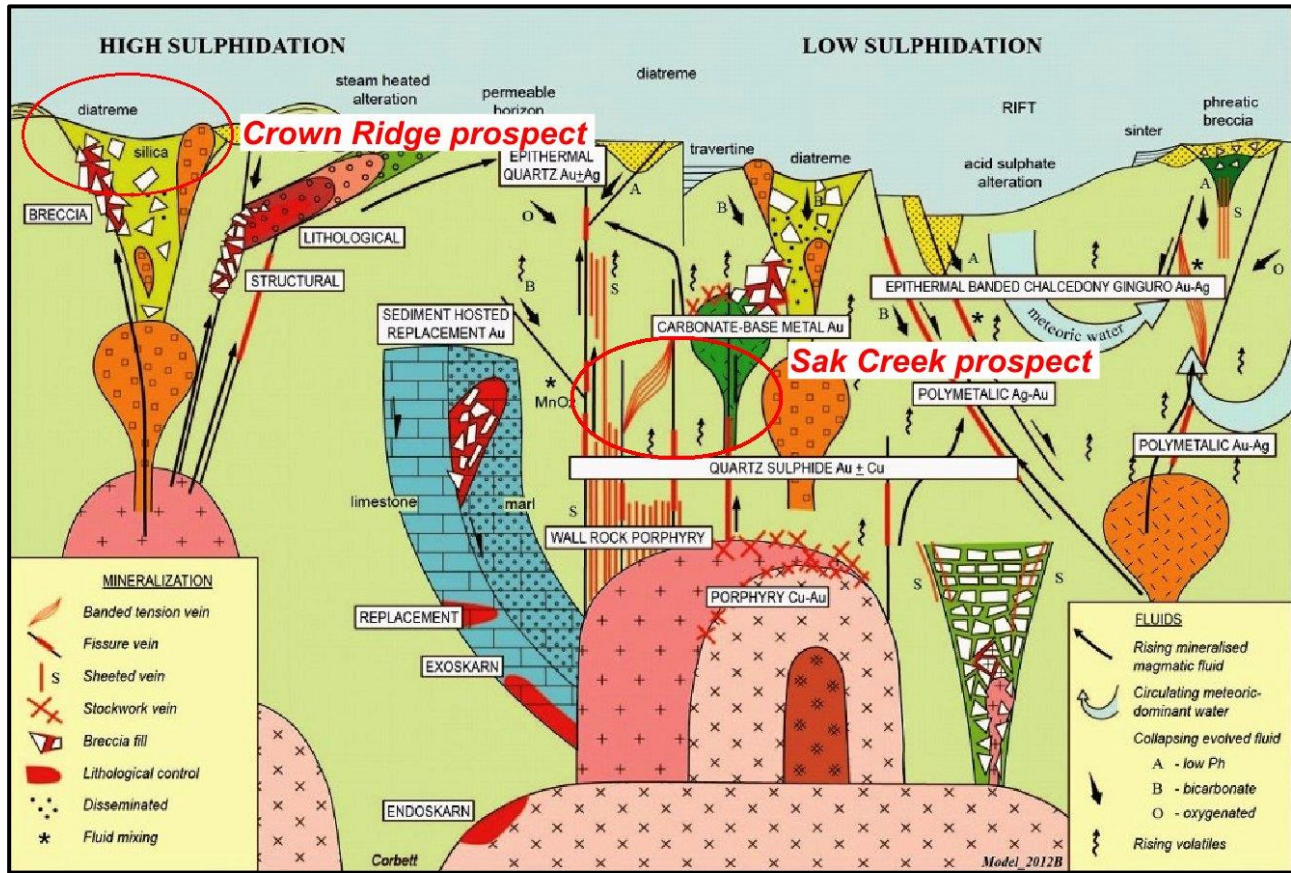


Figure 6: Conceptual models of the Sak Creek and Crown Ridge systems, after Corbett 2012

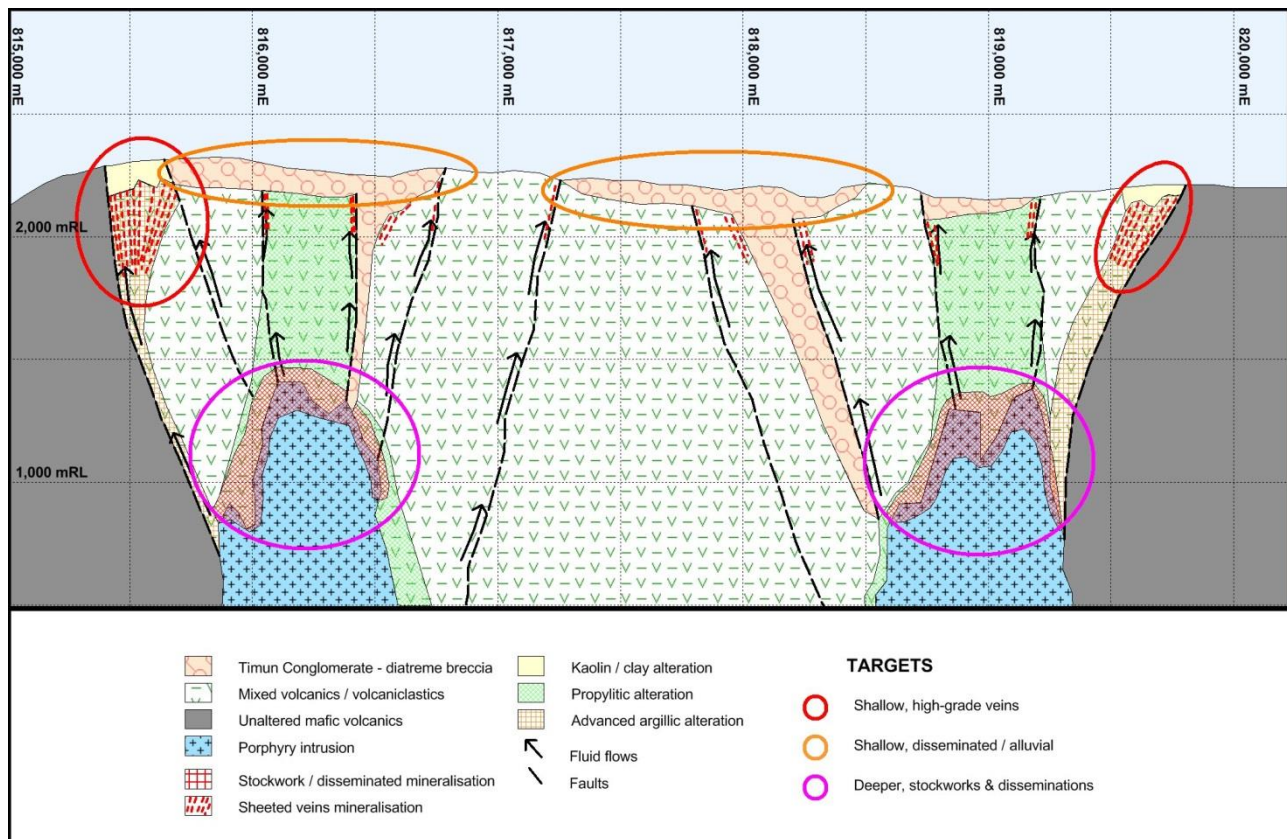


Figure 7: Crown Ridge prospect, conceptual cross-section and potential mineralisation targets

VALUATION

Methodology

Explanation of Valuation Methodology was detailed in the earlier valuation report, to which the reader is referred.

The valuation of the Wabag Project as at 1 October 2014 relied heavily on Comparable Transactions (70% weighting) and Market Capitalisation (25%), with minor weighting placed on Modified Replacement Value (5%), as very little exploration had been completed on the project at that time. The weighting has been adjusted for this revised valuation to reflect the results of the ongoing exploration programs and changes in market conditions.

Comparable Transactions

A search of the SNL database for comparable transactions since 1 October 2014 resulted in only one deal involving a PNG project: GMN’s acquisition of a further 50% equity in Viva No 20 Limited. The search was, therefore, broadened to include South-East Asian and Australasian project transactions.

Deals deemed to be similar to the GMN-Viva transaction were added to the table in Appendix 1. Because of the downturn in the market, deals older than 2014 were excluded from the list used in the 1 October 2014 valuation.

The accepted deals ranged in value (on a 100% equity basis) from **\$0.20M** to **\$1.50M**. However, some of the deals appear to be ‘fire sales’ that have undervalued the true worth of the assets. Therefore, our preferred value on the basis of Comparable Transactions is **\$1.00M**.

Modified Replacement Value

GMN’s financial records show that the equivalent of around \$715,000 of effective expenditure has been spent on exploration programs on the Wabag Project up to 30 June 2015. This expenditure has been added to the table of attributable exploration expenditure (EE) taken from the 1 October 2014 valuation (Table 3Table 2).

Program	Year (s)	Company	Cost (A\$)	Comment
Regional geochem	1980s	BHP, Brisa	50,000	No anomalies defined in Viva area
Regional geochem	2006-09	GEOMAP program	300,000	Au & Cu anomalies in Viva area
Airborne geophysics	2006-09	GEOMAP program	250,000	NW magnetic trend, mag low in EL1966
Prospect exploration	2014-15	Gold Mountain / Viva	715,000	Defined anomalous geochemistry at Sak Creek and Crown Ridge
TOTAL			1,315,000	

Table 2 : Estimate of attributable exploration expenditure (EE) for Wabag project

For the MRV calculation, we have used an Acquisition Cost (AC) of \$100,000, reflecting the high cost of applying for exploration licences in PNG, and a Market Factor (MF) of 1.5, due to prospective ground in PNG still being tightly held. However, the Prospect Factor (PF) has been increased to a range of 1.5 to 1.9 (prospects contain one or more defined significant targets warranting additional exploration) on the strength of the geochemical results from the recent exploration programs. The MRV formula:

$$\text{MRV} = (\text{AC} + \text{EE}) \times \text{MF} \times \text{PF}$$

gives a range of values from **\$3.18M** to **\$4.03M**, with a mid-range value of **\$3.60M**.

Market Capitalisation

The downturn in the market for funding has resulted in many junior exploration companies operating in PNG moving into other industries. For instance, Quintessential Resources has become a technology incubation company and Goldminex Resources has changed to a financial technology and eLearning

company. Appendix 2 presents the list of companies similar to Viva in that they hold exploration tenements in PNG or similar environments.

The current market capitalisation of Gold Mountain Limited is \$12.4M (185.5M shares @ \$0.067, as at 1 September 2015). Apart from the PNG project, GMN also holds three exploration licences in NSW and an 18.75% interest in Goldsmith Resources SAC (GRSAC), a gold exploration and processing company in Peru. On 30 April 2015, GMN announced that GRSAC had entered into a binding Heads of Agreement, whereby Montan Mining Limited, a Toronto-based company, will acquire the Peruvian project for US\$3.3M, making GMN’s interest worth around A\$0.87M.

GMN’s market capitalisation has shown significant growth since the announcement of the Viva agreement on 30 June 2014 and further announcements on progress of the exploration programs (Figure 8). From a level of around 3 cents per share up to mid-April, 2015, the current share price is 6.7 cents. During this time, no significant work has been undertaken on GMN’s NSW projects. Therefore, it can be argued that the bulk of the increase in the market capitalisation of GMN, approximately \$6.9M, has been due to the market’s perception of the value of GMN’s 70% interest in the Wabag Project.



Figure 8: GMN share price chart, 12 months to 1 September 2015 (source: ASX)

The range in Market Capitalisation for the companies listed in Appendix 2, excluding GMN, was **\$1.70M** to **\$4.40M** as at 1 September 2015. Of those companies PNG Gold Corporation and Ironside Resources Inc. are the most similar to Viva in terms of their exploration assets. Taking into account the increase in the share price of GMN since April, our preferred value on the basis of Market Capitalisation is **\$4.50M**.

Fair Market Value

The Fair Market Value of a property, as stated in the VALMIN Code (Definition 43), is the amount of money (or cash equivalent of some other consideration) that an asset should change hands on the valuation date in an open and unrestricted market between a willing buyer and a willing seller in an arm's length transaction, with each party acting knowledgeably, prudently and without compulsion.

To derive a Fair Market Value of the Viva assets, we have applied subjective weightings to the three valuation methods.

Comparable Transactions are the most difficult to compare with the Wabag Project, especially given the small number of transactions and the belief that the parlous state of the junior exploration industry has probably led to fire sales of assets in order for companies to stay afloat. Therefore, they have been assigned a weighting of 10%.

Modified Replacement Value is an appropriate valuation method of the technical value of the project as the actual costs and results are known and directly applicable. Therefore, it has been assigned a 40% weighting.

Market Capitalisation is appropriate if the listed companies have similar types of projects in similar jurisdictions. Although the number of companies is limited, it is a strong reflection of the market conditions at the time. The Market Cap valuation has been assigned a 50% weighting.

From these calculations, we have derived a range of Fair Market Valuations for the Wabag Project from **\$2.14M** to **\$5.26M**, with a preferred value of **\$3.79M** (Table 3). GMN's 70% share of the Wabag Project amounts to \$2.65M.

Method	Weighting	Low value	High value	Preferred value
Comparable Transactions	10%	\$0.20M	\$1.50M	\$1.00M
Modified Replacement Value	40%	\$3.18M	\$4.03M	\$3.60M
Market Capitalisation	50%	\$1.70M	\$7.00M	\$4.50M
VALUATION		\$2.14M	\$5.26M	\$3.79M

Table 3 : Valuation of Wabag Project as at 1 September 2015

Statement of Capability

This report has been prepared by Geos Mining and has been compiled and edited by Senior Consultant Murray Hutton. Principal Consultant Sue Border has reviewed this document.

Murray Hutton (BA Hons, Geology), MAIG)

Murray Hutton is a professional geologist with more than 35 years' experience in gold, base metals and other mineral commodities. He has considerable experience in the management of major exploration programs in a broad range of geological environments and countries, including several years' experience on exploration projects in Papua New Guinea.

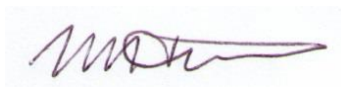
Murray Hutton has sufficient experience to qualify as a Competent Person, as defined in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code 2012), for assessment of epithermal gold and porphyry copper deposits. He also has sufficient relevant experience in the assessment and valuation of mining properties to qualify as a Competent Expert, as defined in the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the VALMIN Code 2005).

Statement of Independence

Geos Mining is independent of all parties involved with the project activities described in this report. Geos Mining will receive a professional fee based on standard rates plus reimbursement of out of pocket expenses for the preparation of this report. The payment of these fees is not contingent upon the success or otherwise of any associated fundraising or transactions. There are no pecuniary or other interests that could be reasonably regarded as being capable of affecting the independence of Geos Mining or the authors of this report.

Geos Mining is not aware of any appointments over the past two years by any stakeholders or other relevant parties involved in the Wabag project that may be perceived as able to affect the independence of Geos Mining. Geos Mining, the authors and members of the authors' families, have no interest in, or entitlement to, any of the project areas the subject of this report.

Signature:



Name: Murray Hutton Position: Senior Consultant

Qualifications: BA (Hons, Geology), MAIG Date: 2 September 2015

Limitations & Consent

The opinions expressed herein are given in good faith and Geos Mining believes that any assumptions or interpretations are reasonable.

With respect to this report and its use by Gold Mountain Limited and its advisers, Gold Mountain Limited agrees to indemnify and hold harmless Geos Mining, its shareholders, directors, officers and associates against any and all losses, claims, damages, liabilities or actions to which they or any of them may become subject under any securities act, statute or common law, except in respect to fraudulent conduct, negligence or wilful misconduct, and will reimburse them on a current basis for any legal or other expenses incurred by them in connection with investigating any claims or defending any actions, except where they or any of them are found liable for, or guilty of fraudulent conduct, negligence or wilful misconduct.

This report is provided to Gold Mountain Limited solely for the purpose of assisting Gold Mountain Limited directors and other interested parties in assessing the geological and technical issues associated with the Wabag project. This report does not constitute a full technical audit, but rather it seeks to provide an independent overview and technical appreciation of the Wabag project. This report may be reproduced only in its entirety and then only with Geos Mining's prior written consent.

Appendix 1 – Comparable Transactions

Project	Location	Status	Trans Value A\$M	100% equity A\$M	Date Announced	Transaction Type	General Comments
Fergusson Island + other ELs	Milne Bay	Exp	0.2	0.20	23/09/2014	Purchase	Trigold Resources to acquire 100% equity in Vangold (PNG) through cash and shares.
Warrego North	Northern Territory	Exp	0.75	1.07	3/11/2014	Earn-in JV	Bulletin Resources can earn 70% of Meteoric Resources' Warrego North project through expenditure of \$750,000
Sandstone	Western Australia	Exp	0.40	0.50	16/02/2015	Earn-in JV	Beacon Minerals can earn up to 80% of gold tenements from Black Oak Minerals by exploration expenditure of \$400,000
Bryah Basin	Western Australia	Exp	1.20	1.50	24/02/2015	Earn-in JV	Northern Star Resources can earn 80% interest in Alchemy Resources' Bryah Basin gold tenements by exploration expenditure of \$1.2M over three years.
Wilthorpe	Western Australia	R&R	0.09	0.90	12/03/2015	Acquisition	Meteoric resources to acquire the remaining 10% interest in the Wilthorpe gold project from Red Dog Prospecting through \$60,000 cash and \$30,000 in shares.
Spring Hill	Western Australia	R&R	0.31	0.63	30/04/2015	Acquisition	Thor Mining agreed to acquire the remaining 49% of the Spring Hill gold project from Western Desert Resources
Barambah	Queensland	Exp	0.075	0.30	22/06/2015	Acquisition	ActivEX to pay \$75,000 to acquire the remaining 25% interest in the Barambah project from Norton Gold Fields.
Duketon	Western Australia	Exp	1.1	1.47	14/07/2015	Earn-in JV	Regis Resources to pay \$100,000 cash plus \$1 million in exploration expenditure to earn 75% of the gold rights in the Duketon tenements held by Duketon Mining
Prospect Creek	Queensland	Exp	0.2	0.40	20/07/2015	Earn-in JV	Cape ClearMinerals to acquire 50% interest in the Prospect Creek project from ActivEX through exploration expenditure of \$200,000

Appendix 2 – Market Capitalisation

Company	Issued Shares	Share Price	Share Price Date	Market Cap (A\$M)	Cash at end of quarter (A\$)	Quarterly report date	Project Status	Project locations
Niuminco Group Limited	848.0M	0.002	31/08/2015	1.70	15,000	JUN 2015	GR to Exp, Prod	4 Au/Cu (PNG) + Sn (Tas)
Tiger International Resources Inc.	9.7M	C\$0.185	31/08/2015	1.90	C\$88,000	APR 2015	Exp	1 Au/Ag (Philippines)
Coppermoly Limited	383.7M	0.006	31/08/2015	2.30	488,000	JUN 2015	GR to Adv Exp	6 Cu-Au (PNG)
PNG Gold Corporation	131.2M	C\$0.01	4/02/2015	3.16	C\$1,781,000	JUN 2015	Exp to Adv Exp	2 Au (PNG)
Ironside Resources Inc.	74.2M	C\$0.05	28/08/2015	3.92	C\$235,184	MAR 2015	Exp	2 Au/Cu (PNG)
Papua Mining plc	51.2M	£0.035	28/08/2015	4.40	3,255,000	DEC 2014	Exp	6 Au-Cu (PNG),
Gold Mountain Limited	185.5M	0.067	1/09/2015	7.70 ⁵	761,000	JUN 2015	Exp, Prod	3 Au (NSW), 3 Au (PNG), 1 Peru

Abbreviations:	C\$	Canadian dollars
	GR	Grassroots (pre-drilling)
	Exp	Early exploration (minor drilling)
	Adv Exp	Advanced exploration (resources)
	PF	Pre-feasibility studies
	Prod	Mine production

⁵ Estimate attributable to PNG projects based on increase in share price