



31 August 2016

Mr Andrew Kabega
Senior Adviser, Listing Compliance (Sydney)
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Mr Kabega

Re: ASX Aware Query

We refer to your aware query letter of 29 August 2016.

We respond to each of the queries as follows.

1. The Company considers the Announcement released by the Company at 1:16 pm on 23rd August 2016 to be information that a reasonable person would expect to have a material effect on the price or value of its securities.
2. The Company made a series of announcements to the market after the release of the June 2016 Quarterly Reports on 28th July 2016, on 3rd, 9th and 17th August 2016, all of which had material effect on the price or value of its securities. The Company is not aware that the Announcement of 23rd August 2016 regarding EL2306 exclusive dealing period could have any influence on trading activities of securities prior to its release.
3. Although the grant of exclusivity dealing period was reached on the late afternoon of 22nd August 2016, the understanding of the regulatory requirements concerning compliance to the PNG Mining Act (duration, access rights and conditions to foreign participation) in respect of EL2306 was incomplete at that time. On 23rd August 2016 at about 11:00am, the directors of the Company were satisfied with the disclosure on technical content in the Announcement but sought urgent legal opinion on the rights or conditions to complete an eventual acquisition of the PNG exploration licence.
4. The series of announcements released prior to 23rd August 2016 were directly or indirectly related to the flagship Crown Ridge project of the Company. These announcements had provided information regarding the project, including description of the project, proximity to, and geological similarities with, of the same area that constitutes the flagship Crown Ridge project, although it may not be discernible to a reasonable person without the mention of EL2306 and “the exclusivity dealing period” to an adjoining area to Crown Ridge. The Company has taken reasonable steps to ensure the information content in the Announcement is adequate, correct and released promptly to the market.

5. The information related to the Announcement was incomplete at the time the Company's securities commenced trading on Tuesday 23 August 2016 but was ready for release before 11:00am on that day, subject to concurrence of the directors.

The Company did not request a trading halt under Listing Rule 17.11 as the Announcement was only delayed momentarily to ensure the information content therein was adequate and correct. It was not considered necessary to do so at that time with release of the Announcement immediately after calling for a trading halt.

In hindsight, had the Company requested for a trading halt, the Announcement could have been released later on that day and avoided the technical glitch that resulted to a subsequent Amended Announcement released at about 2:45pm.

6. The Company confirms that it is compliant with the ASX Listing Rules and, in particular Listing Rule 3.1 (immediate notification of material information).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Eric Kam', with a stylized flourish at the end.

Eric Kam
Company Secretary



29 August 2016

Mr Eric Kam
Company Secretary
Gold Mountain Limited
Suite 2501, Level 25
31 Market Street
Sydney NSW 2000

By email: eric@goldmountainltd.com.au

Dear Mr Kam,

Gold Mountain Limited (the “Entity”): ASX aware query

ASX Limited (“ASX”) refers to the following:

1. The Entity’s announcement entitled “Exclusivity to Highly Prospective Tenement to Crown Ridge” lodged on the ASX Market Announcements Platform and released at 1:16 pm on 23 August 2016 (the “Announcement”), disclosing that the Company has signed an exclusive dealing agreement with the owner of the highly prospective EL2306 tenement, which adjoins the flagship Crown Ridge project.
2. The change in the price of the Entity’s securities from a closing price of 9.3 cents on Monday, 22 August 2016 to a high of 12.0 cents on Tuesday, 23 August 2016 prior to release of the Announcement.
3. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
4. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

5. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*

- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

5. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

6. If the market is or will be trading at any time after an entity first becomes obliged to give market sensitive information to ASX under Listing Rule 3.1 and before it can give an announcement with that information to ASX for release to the market, the entity should consider carefully whether it is appropriate to request a trading halt or, in an exceptional case, a voluntary suspension.

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did the Entity first become aware of the information?
4. If the answer to question 1 is "yes" and the Entity first became aware of the information before the relevant date, did the Entity make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
5. If the Entity first became aware of the information before the Entity's securities commenced trading on Tuesday 23 August 2016, please explain why the Entity did not request a trading halt under Listing Rule 17.11.
6. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEST on Thursday, 1 September 2016. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at andrew.kabega@asx.com.au . It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Andrew Kabega

Senior Adviser, Listings Compliance (Sydney)