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ASX RELEASE

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Significant free gold recovered from ongoing Bulk Sampling Program

- **Potential goldfield identified at flagship Crown Ridge Gold Project**
- **Bulk Sampling continues to recover significant free gold within the first 2 metres from surface**
- **Bulk Sampling program progressing well - 37 bulk sample pits completed to date from target of 94**
- **35 of 37 pits show high presence of visible free gold within a 2 metre depth from surface**
- **Portable gold screening test plant ordered from Gray Brothers Engineering, New Zealand to increase current sample recoveries near term**
- **3D Geophysical modelling currently underway with results expected near term**

Papua New Guinea focused precious metals exploration company Gold Mountain Limited, (ASX:GMN) ("Gold Mountain" "the Company" "GMN") is pleased to announce the current Bulk Sampling program at the Crown Ridge Gold Project, EL1968 is approximately 36% complete with the majority of sampling continuing to produce significant quantities of free gold.

Further, the Company has placed an order with Gray Brothers Engineering to manufacture a portable test plant concentrator. The test plant concentrator has the potential to increase current sample recoveries of fine gold and produce representative samples suitable for resource estimation (JORC 2012). It is envisaged the plant will be completed in late November and commissioned on site at Crown Ridge December 2016.

The high presence of free gold throughout the Bulk Sampling program continues to give the technical team confidence in the project. Gold Mountain's Director – Exploration, Matthew Morgan stated: "The current Bulk Sampling Program continues to produce outstanding quantities of free gold from within the first 2 metres from the surface.

"Current Bulk Sampling operations cover approximately 2 square kilometres of very compelling geology and our 2 cubic metre pits continue to deliver exceptional results. Shortly, we will begin air freighting sample concentrates to ALS Laboratories in Brisbane,

Australia, where total physical gold and platinum content will be determined. It is anticipated the program will be near completion by mid December 2016, with further results to follow shortly after that time."

Furthermore, onsite Geologist, Douglas Smith, added: "At present, 37 sampling pits been completed. Of the 37 completed, 35 contained significant free gold, and in some cases gold has been liberated from surface and continues to 2 metres with potential to extend beyond that.

"Some sites have yielded very coarse gold ranging from 3mm to 5mm in size (Refer Figure 3). Examination of the gold from all pits to date suggests minimal travel distance, meaning the gold may well be very close to source.

Such an occurrence has many implications and the Company is very encouraged by this. Firstly coarser gold has a very positive impact on the project economics. And secondly, coarse free gold, such as that in pit 35, can be interpreted as being closer to the bedrock source, yet as that sample is from a depth of 2 metres, it is geologically possible to assume even coarser free gold may lie in the soils beyond this depth."

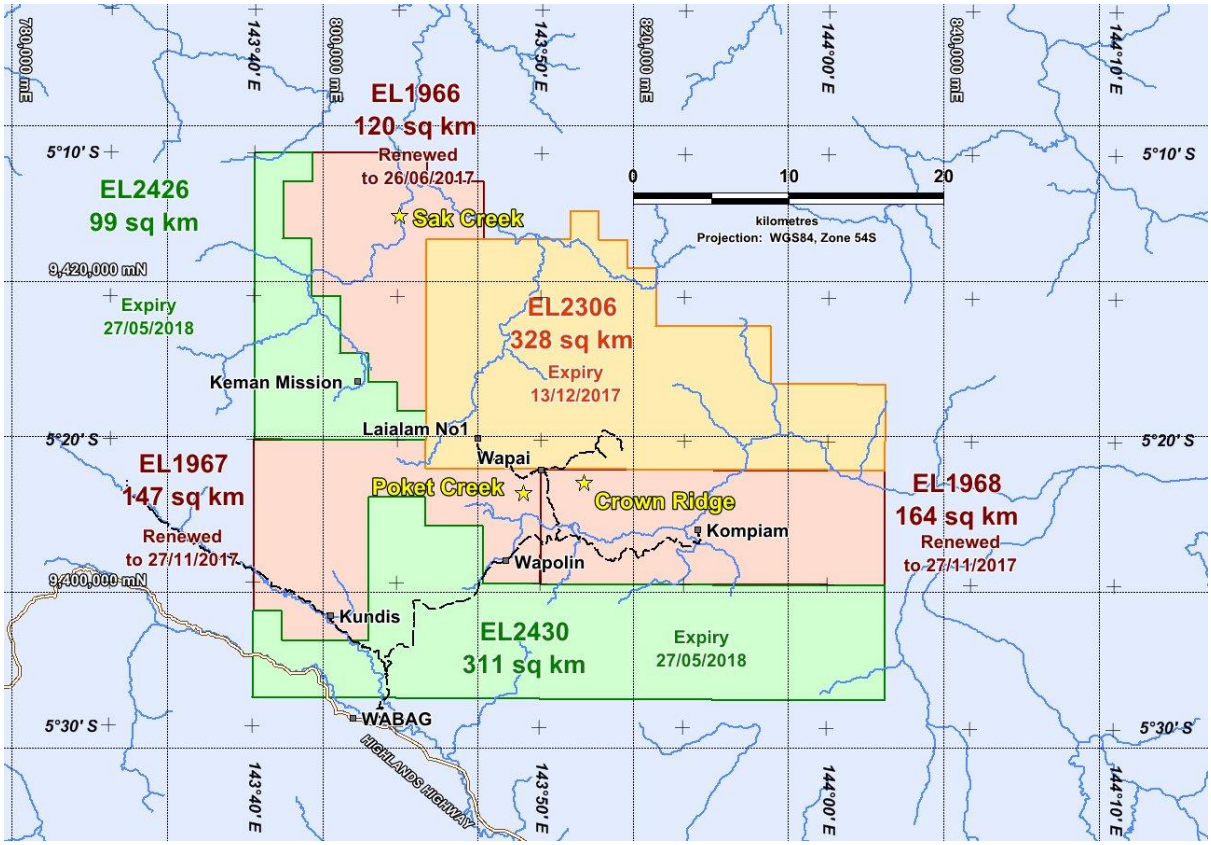

Figure 1: Gold Mountain tenement suite, Enga Province, PNG Highlands including EL2306

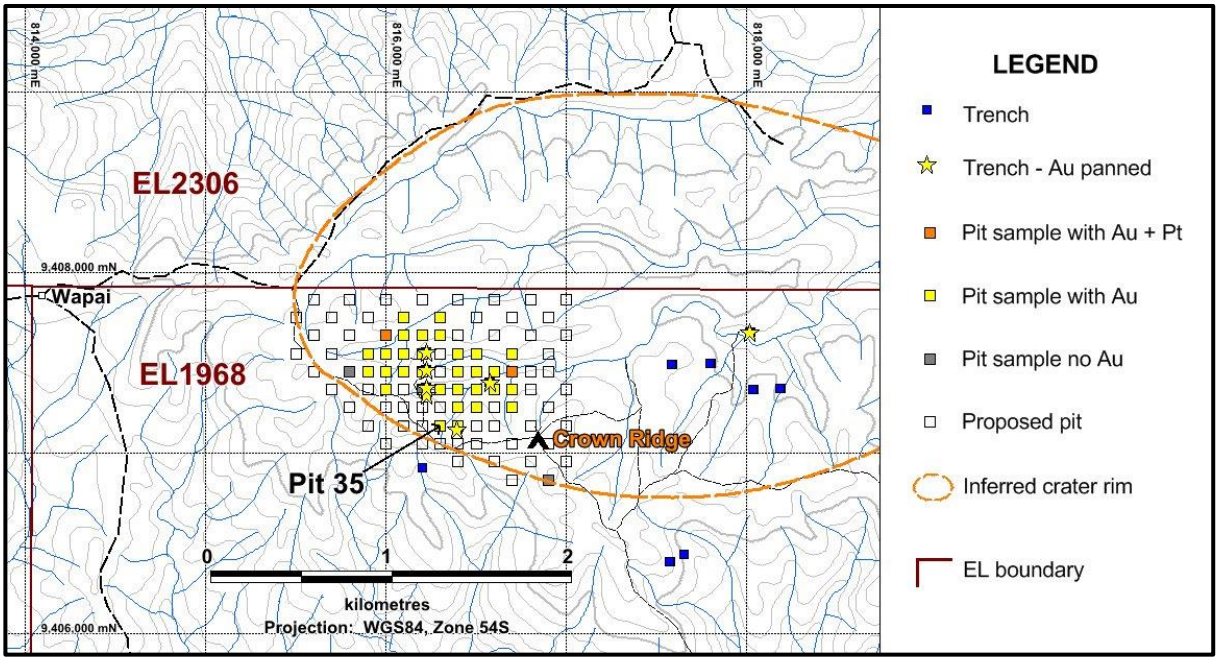

Figure 2: Bulk sampling locations, Crown Ridge EL1968

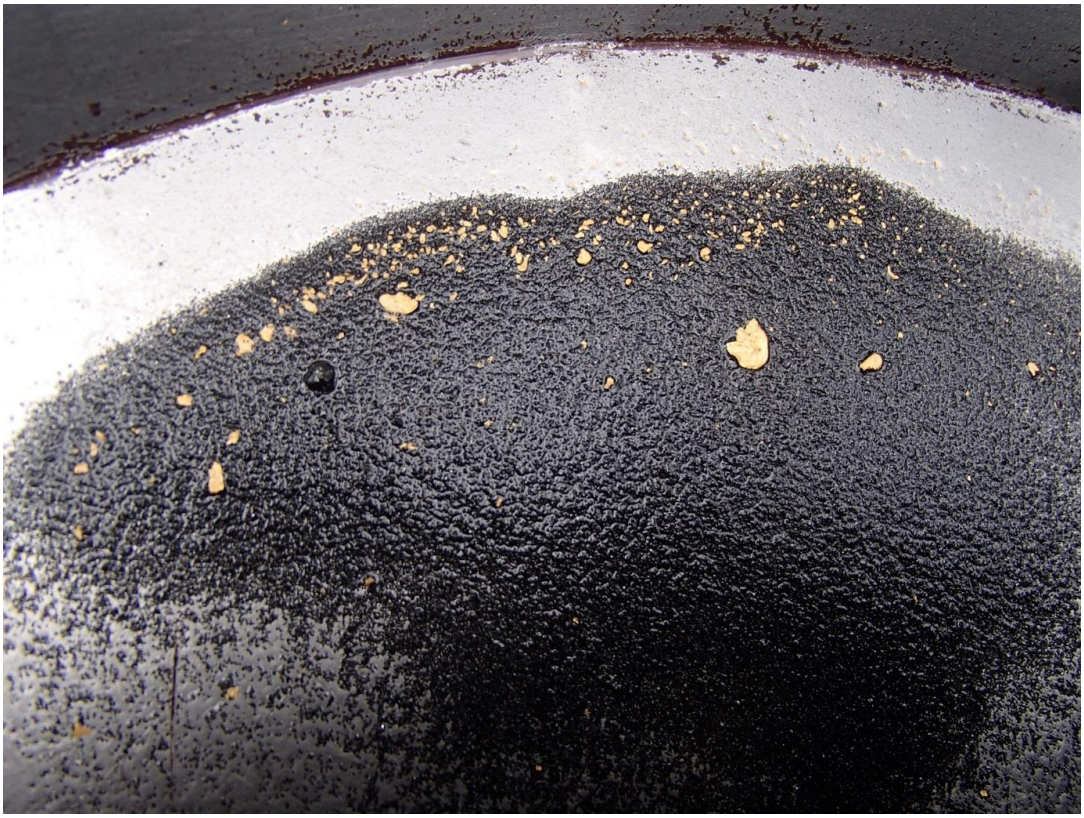

Figure 3: Abundant coarse free gold recovered from location Pit 35

Figure 4: Pit 35 location, gold was recovered from 2 metres of clay

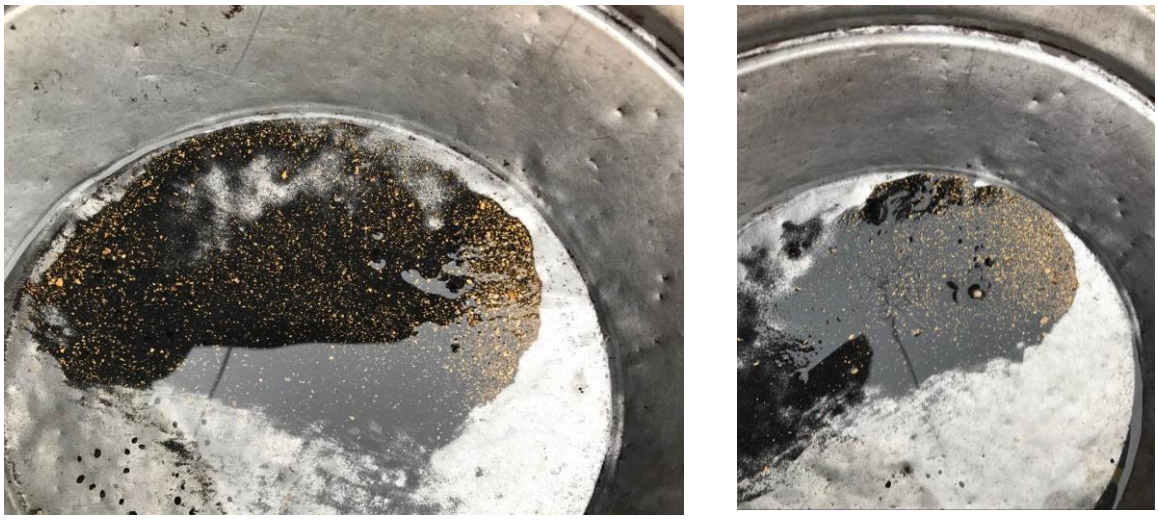

Figure 5: Free gold recovered near Pit 65 (250 pans - approximately 14.5g)

Figure 6: Ongoing works at Crown Ridge Gold Project

Figure 7: Ongoing works at Crown Ridge Gold Project

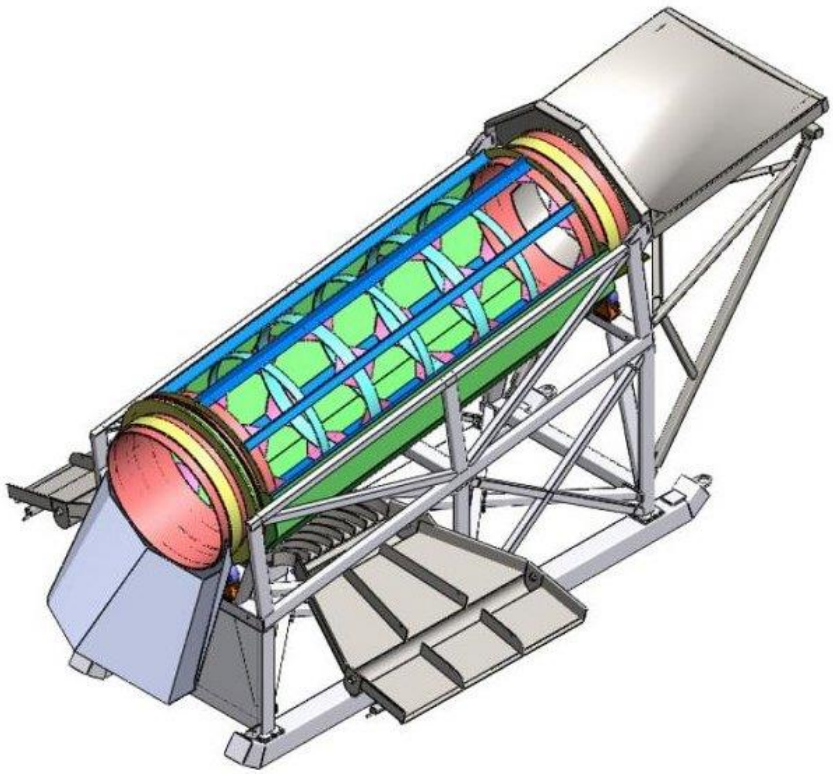

Figure 8: Illustration of gold screening test plant from Gray Brothers Engineering website

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

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Statements contained in this report relating to exploration results and potential are based on information compiled by Doug Smith, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Doug is a consultant geologist and has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC Code 2012). Doug Smith consents to the use of this information in this report in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Two cubic metre pits were excavated by hand. • Concentrates were obtained by panning on-site. One sample per pit is produced.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other*	• No drilling, logging or sampling was conducted as part of this release.

Criteria	JORC Code explanation	Commentary
	type, whether core is oriented and if so, by what method, etc).	
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No drilling, logging or sampling was conducted as part of this release
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• No drilling, logging or sampling was conducted as part of this release
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No drilling, logging or sampling was conducted as part of this release
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the*	• No assay results are reported in this announcement

Criteria	JORC Code explanation	Commentary
	parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No drilling, logging or sampling was conducted as part of this release
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Pit locations were determined by hand-held GPS readings at the eastern ends of the pits (accuracy +/- 5m) and recorded in WGS84, Zone 54S datum
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Pit were distributed over a 100m grid. • Data spacing and distribution is sufficient for Mineral Resource estimation • No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation of samples is not likely to bias the assay results.
Sample security	• *The measures taken to ensure sample security.*	• Samples were taken to Mount Hagen by company personnel and despatched by courier to the ALS

Criteria	JORC Code explanation	Commentary
		Laboratory in Brisbane.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been undertaken at this stage.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• EL1968 was granted to Viva No 20 Limited on 28 Nov 2013 and expires on 27 Nov 2017. The current tenement area is 164 km^2. GMN is earning 70% interest.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• All exploration programs conducted by Gold Mountain Limited
Geology	• *Deposit type, geological setting and style of mineralisation.*	• EL1968 contains potential for intrusive-related gold-copper deposits, epithermal-style gold deposits, alluvial gold-platinum deposits and Alaskan-style platinum deposits

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
		• No drilling, logging or sampling was conducted as part of this release.

Criteria	JORC Code explanation	Commentary
	○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No drilling, logging or sampling was conducted as part of this release • No material information is excluded. • No intersections have been reported as part of this release.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No drilling, logging or sampling was conducted as part of this release • No material information is excluded. • No intersections have been reported as part of this release.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Maps showing the location of the Crown Ridge prospect within the Wabag suite of tenements and the locations of the pits at Crown Ridge are presented in the announcement
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading*	• No drilling, sampling or assaying was conducted as part of this release, hence no reported intersections.

Criteria	JORC Code explanation	Commentary
	reporting of Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Geochemical surveys have been previously reported. These included soil sampling, stream sediment sampling, rock chip sampling and trench sampling. • A Helimag survey involving flying lines at 100 metre line spacing, was recently completed and processing of the data is in progress.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Continued bulk sampling in two cubic metre pits.