



ASX RELEASE: GMN

12 January 2017

Intensive Bulk Sampling ramps up at Crown Ridge

- **Portable heavy mineral test plant commissioned from Gray Brothers Engineering on site and fully operational**
- **Phase 2 bulk sampling program – 5m x 5m x 5m (125 cubic metres) ‘test pits’, initiated**
- **Considerable free gold and platinum recovered from first part of Pit 200 - ~60 cubic metres excavated with recovery of 37.6g of gold and ~4g of platinum**
- **Tony King Analytical Pty Ltd located in North Queensland engaged to undertake all analytical samples for Crown Ridge**
- **Further samples from remaining 65 cubic metres to be reported in the near term**

The Board of Gold Mountain Limited (ASX:GMN) is pleased to announce that Phase 2 of its bulk sampling program has commenced at the flagship Crown Ridge Gold project, EL1968, under the supervision of Director and Geologist Doug Smith.

Following the completion of the Phase 1 bulk sampling program, which utilised smaller 2m x 2m x 2m (8 cubic metre) and confirmed visible gold in over 92% of 52 pits through the Priority 1 zone, the Company has made the decision to begin an intensive, Phase 2 bulk sampling program utilising 5m x 5m x 5m pits of 125 cubic metres.

The first large scale test pit was excavated from Pit 200 (adjoining the earlier test pit 65; approximate co-ordinates 816,000mE / 9,407,450mN, WGS84, Zone 54S) using a tracked excavator (Photo 1) and processed using recently acquired portable heavy mineral test plant from Gray Brothers Engineering.



A sample of concentrates, collected from approximately 60 cubic metres of material, was shipped to Tony King Analytical Pty Ltd (Mineral Processing Consultancy firm) in Herberton, Queensland. Tony King is an industry professional in metallurgy and mineral processing with over 30 years' experience in gold recovery procedures.

Analytical results from the first concentrate sample have been received by the Company and summarised in Table 1.

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Fraction	Sample Weight	Gold recovered	Platinum recovered
> 1mm oversize	422 g	2.87 g	0.78 g
< 1mm magnetic fraction	3,028 g	0	0
< 1mm non-magnetic fraction	4,017 g	34.76 g	3.21 g

Table 1: Gold and platinum recovery from concentrate sample

The Company is highly encouraged by these preliminary results which included 37.6g of gold recovered from ~60 cubic metres of excavated materials. The Company is also encouraged by the ease in which coarse grain gold and platinum contents, like those uncovered, are amenable to recovery using gravity (non-chemical) processes.

The following processes determined the free gold and platinum contents of the concentrate sample:

- Sample washed, dried and weighed
- Screening at 1mm
- Removal of magnetic minerals using a magnetic separator
- Hand-picking gold particles from the +1mm size fraction
- Amalgamation of gold particles from the -1mm size non-magnetic fraction
- Panning to collect the amalgam (mercury plus gold) and a concentrate containing platinum
- Amalgam placed in a beaker and the mercury dissolved in nitric acid
- Gold washed with water, dried and weighed
- Platinum concentrate screened at 0.5mm
- Platinum particles hand-picked from the +0.5mm size fraction
- -0.5mm fraction weighed and platinum content estimated as a visual proportion



Director and Supervising Geologist Doug Smith stated: "The program of smaller 2x2x2m (8 cubic metre) test pits completed during 2016 demonstrated that free gold and platinum is widespread within the soft near-surface material of the interpreted volcanic crater at Crown Ridge.

"The initial results from the larger 125 cubic metre pits are highly encouraging. We have sampled results from half of the first pit only and results from the remaining 65 square this pit will be reported in the near term.

"Such an easily mineable deposit needs further assessment in order to fully determine project economics. Currently, GMN is designing a program of further pitting in order to estimate a JORC 2012 compliant mineral resource."

Bulk sampling operations at Crown Ridge have been temporarily wound down due to wet weather and are expected to resume in late March 2017. In the interim, GMN's team is focused on undertaking further geological studies across the EL's to broaden its understanding of the geology.

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

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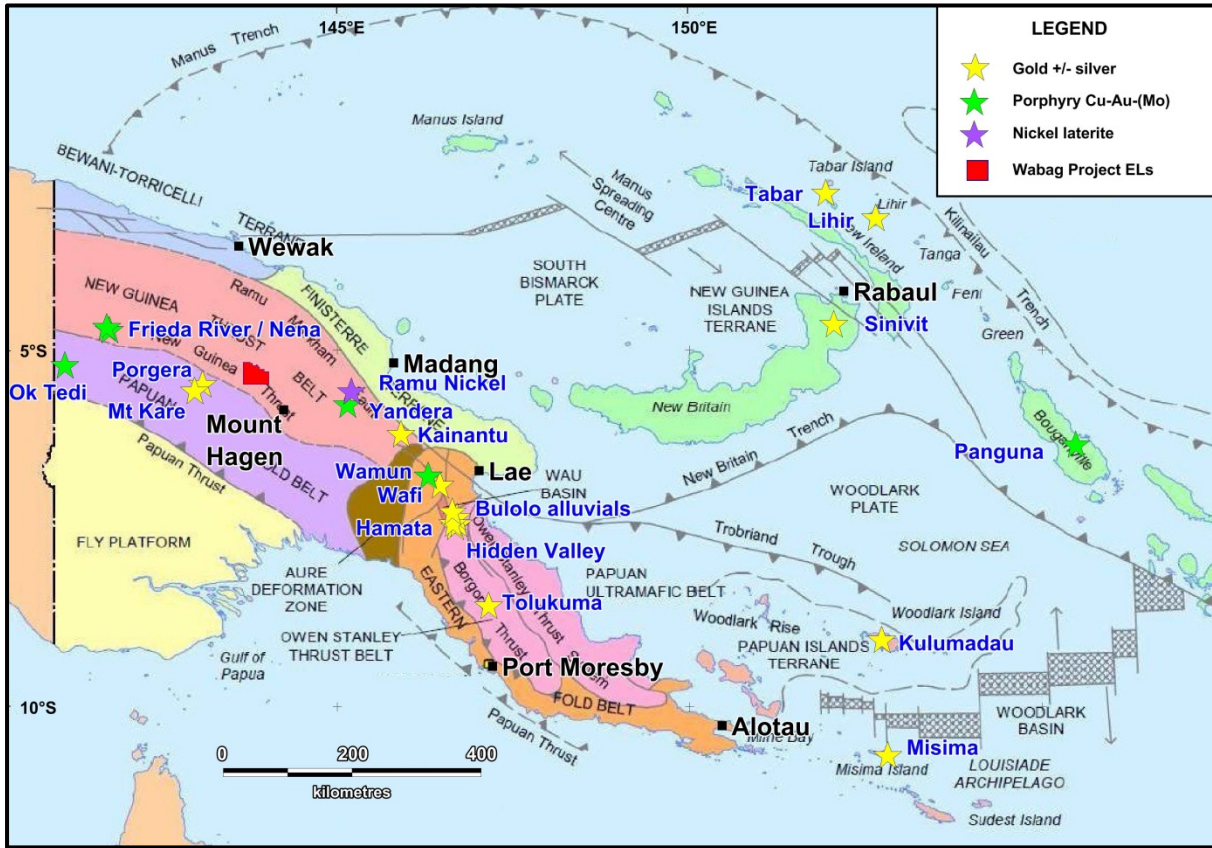


Figure 1: Location of Wabag Project ELs in the PNG Highlands Region

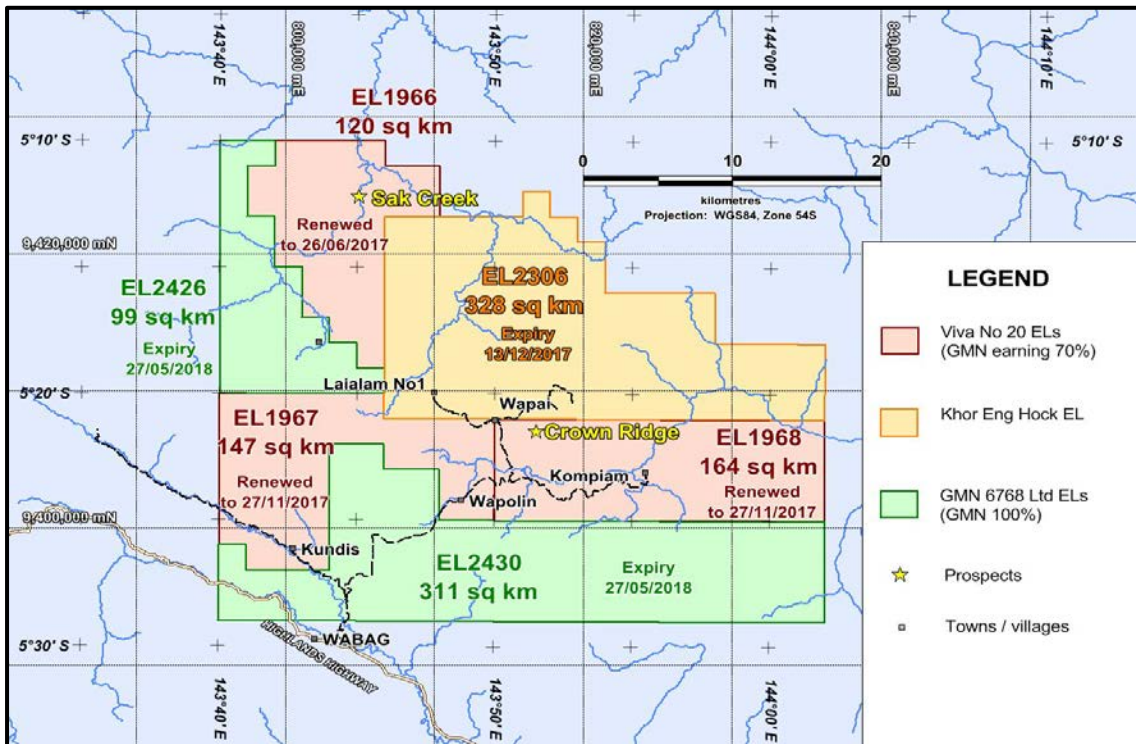


Figure 2: Gold Mountain tenement suite, Enga Province, PNG Highlands



Photo 1: Excavator digging bulk sample pit at Crown Ridge



Photo 2: Portable heavy mineral test plant processing material to produce a concentrate



Photo 3: Coarse gold particles and gold-quartz vein material from the trommel oversize (diameter of coin approximately 28mm)



Photo 4: Magnetic separator



Photo 5: Gold recovered from concentrate sample



Photo 6: Platinum recovered from the concentrate sample



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	<ul style="list-style-type: none">• <i>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.</i>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>• <i>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.</i>	<ul style="list-style-type: none">• Approximately 60 cubic metres of at surface material were excavated by tracked excavator.• Concentrates were obtained by a portable gold test plant consisting of a trommel and sluice.
Drilling techniques	<ul style="list-style-type: none">• <i>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 type, whether core is oriented and if so, by what method, etc).</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as part of this release.
Drill sample recovery	<ul style="list-style-type: none">• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>• <i>Measures taken to maximise sample recovery and ensure representative</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as part of this release



Criteria	JORC Code explanation	Commentary
	<p><i>nature of the samples.</i></p> <ul style="list-style-type: none">• <i>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.</i>	
Logging	<ul style="list-style-type: none">• <i>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.</i>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>• <i>The total length and percentage of the relevant intersections logged.</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as part of this release
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none">• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>• <i>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.</i>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as part of this release
Quality of assay data and laboratory tests	<ul style="list-style-type: none">• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>• <i>Nature of quality control procedures</i>	<ul style="list-style-type: none">• Gold and platinum contents of the concentrate determined by screening, hand-picking coarse particles, amalgamated of fine gold• The analytical technique is appropriate for determination of free gold / platinum contents that can be recovered using gravity methods• No QAQC procedures used at this stage



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	<i>adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none">• <i>The verification of significant intersections by either independent or alternative company personnel.</i>• <i>The use of twinned holes.</i>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>• <i>Discuss any adjustment to assay data.</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as part of this release
<i>Location of data points</i>	<ul style="list-style-type: none">• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>• <i>Specification of the grid system used.</i>• <i>Quality and adequacy of topographic control.</i>	<ul style="list-style-type: none">• 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
<i>Data spacing and distribution</i>	<ul style="list-style-type: none">• <i>Data spacing for reporting of Exploration Results.</i>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>• <i>Whether sample compositing has been applied.</i>	<ul style="list-style-type: none">• Single pit at this early stage of the program. Further test pits will be excavated later at appropriate spacings• No sample compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none">• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>• <i>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.</i>	<ul style="list-style-type: none">• The orientation of samples is not likely to bias the assay results.
<i>Sample security</i>	<ul style="list-style-type: none">• <i>The measures taken to ensure sample security.</i>	<ul style="list-style-type: none">• Samples were taken to Mount Hagen by company personnel and despatched by courier to



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		Tony King in Herberton, Queensland.
<i>Audits or reviews</i>	<ul style="list-style-type: none"><i>The results of any audits or reviews of sampling techniques and data.</i>	<ul style="list-style-type: none">No audits or reviews have been 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
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none">• <i>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.</i>• <i>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.</i>	<ul style="list-style-type: none">• EL1968 was granted to Viva No 20 Limited on 28 Nov 2013 and expires on 27 Nov 2017. The current tenement area is 164 km². GMN is earning 70% interest.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none">• <i>Acknowledgment and appraisal of exploration by other parties.</i>	<ul style="list-style-type: none">• All exploration programs conducted by Gold Mountain Limited
<i>Geology</i>	<ul style="list-style-type: none">• <i>Deposit type, geological setting and style of mineralisation.</i>	<ul style="list-style-type: none">• EL1968 contains potential for intrusive-related gold-copper deposits, epithermal-style gold deposits, alluvial gold-platinum deposits and Alaskan-style platinum deposits
<i>Drill hole Information</i>	<ul style="list-style-type: none">• <i>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:</i><ul style="list-style-type: none">○ <i>easting and northing of the drill hole collar</i>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i>○ <i>dip and azimuth of the hole</i>○ <i>down hole length and interception depth</i>○ <i>hole length.</i>• <i>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.</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as part of this release.
<i>Data aggregation methods</i>	<ul style="list-style-type: none">• <i>In reporting Exploration Results, weighting averaging techniques,</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as



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	<p><i>maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <ul style="list-style-type: none">• <i>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.</i>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	<p>part of this release</p> <ul style="list-style-type: none">• No material information is excluded.• No intersections have been reported as part of this release.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none">• <i>These relationships are particularly important in the reporting of Exploration Results.</i>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>• <i>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').</i>	<ul style="list-style-type: none">• 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.
<i>Diagrams</i>	<ul style="list-style-type: none">• <i>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.</i>	<ul style="list-style-type: none">• Maps showing the location of the Crown Ridge prospect within the Wabag suite of tenements are presented in the announcement
<i>Balanced reporting</i>	<ul style="list-style-type: none">• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	<ul style="list-style-type: none">• No drilling, sampling or assaying was conducted as part of this release, hence no reported intersections.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none">• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test</i>	<ul style="list-style-type: none">• Geochemical surveys have been previously reported. These included soil sampling, stream sediment sampling, rock chip sampling and trench sampling.• A Helimag survey involving



Criteria	JORC Code explanation	Commentary
	<i>results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	flying lines at 100 metre line spacing, was recently completed and processing of the data is in progress.
<i>Further work</i>	<ul style="list-style-type: none">• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	<ul style="list-style-type: none">• Continued bulk sampling from 125 cubic metre pits.