

**ASX RELEASE**

6 April 2017

Geophysical modelling builds case for bulk mining at Crown Ridge

- **New geophysical modelling indicates Crown Ridge is sitting above a potential 4 km continuous intrusive**
- **Interpretation illustrates Crown Ridge has similar geological settings to +20 Moz Au Porgera Mine**
- **Modelling shows an extensive surface layer of weathered rock – consistent with near surface geology confirmed from bulk sampling pits**
- **Bulk sampling to ramp up shortly with GMN aiming to establish a JORC resource from results**

The Board of Gold Mountain Limited, (ASX:GMN) is pleased to announce the completion of further 3D Geophysical Modelling undertaken on the Company's flagship Crown Ridge Project on EL 1968 in the Papua New Guinea Highlands.

Further 3D Geophysical modelling has been completed by the Company's consulting geophysicist, Mr Jim Allender, with the results again illustrating the very compelling geology of the project, and further building a case for a possible bulk mining scenario.

The 3D modelling shows three vertical 'slices', or cross sections, 9408475, 9407875 and 9407425, illustrated in the two diagrams below. The cross sections clearly indicate that Crown Ridge is sitting on top of a body that is continuous over 4km in a north-south direction and extending into EL2306.

The cross section 9408475 (illustrated below with and without an interpreted surface layer) has an interpreted overlain weathered zone which is between 60 and 100 metres thick. It is this layer that is producing the copious free gold in most of the pits completed to date.

As such, Gold Mountain's technical team believes that these soils will continue to host much more free gold and platinum, as has been proven by the bulk sampling to date.



Gold Mountain's Director Exploration Doug Smith stated: "With continued geophysical modelling, and together with our highly successful bulk sampling campaign, our flagship Crown Ridge Prospect keeps growing and becomes more and more geologically compelling.

"Our modelling and bulk sampling is clearly showing that there are strong geological similarities to the +20m ounce Porgera Gold Mine which hosted gold and silver in soils above the hard rock source, whereas Crown Ridge hosts gold and platinum in the 'in situ' soils.

"The prospect of Gold Mountain being the next world-class precious metals discovery, and another PNG 'Elephant', is increasing daily through our systematic and methodical exploration approach."

Managing Director Tony Teng added: "The depth of the weathering profiles from the geophysical modelling illustrate the soils containing the free gold and platinum we have recovered from the bulk sampling pits could extend to depths well over 60 metres. This implies an enormous, low cost bulk mining scenario. Our priority now is to ramp up bulk sampling, and demonstrate continued and improved recoveries of gold and platinum, as we have done previously.

"Equally compelling is the fact that we are clearly sitting on a large and potentially heavily mineralised hard rock structure that extends continuously for 4 kilometres through EL1968 and into EL2306. Our sampling to date has been on top of part of this structure where we have recovered all free gold and platinum.

"Based on our analysis from the bulk sampling conducted over 1km², and applying a soil depth down to 50 metres, which is conservative based on the recent geophysical modelling, we could conceivably commence bulk mining on an initial 50 million cubic metres. When taking into account that we have expanded the potential sampling area to 7.5km², the bulk mining scenario could be significantly larger.

"It is important for shareholders and investors to understand that Gold Mountain's bulk sampling results are based on a total WEIGHT to VOLUME (g/BCM) exercise, and its bulk mining scenario will not be the same as conventional hard rock mining, and soil is significantly cheaper to mine and process. Potential revenues from a small scale mining operations at Crown Ridge will fuel ongoing exploration efforts across the Company's tenement holdings, as well as pay for all capital costs at the operations.

"We can confidently now claim that Gold Mountain is on the verge of becoming the next low cost producer in PNG in the not too distant future."

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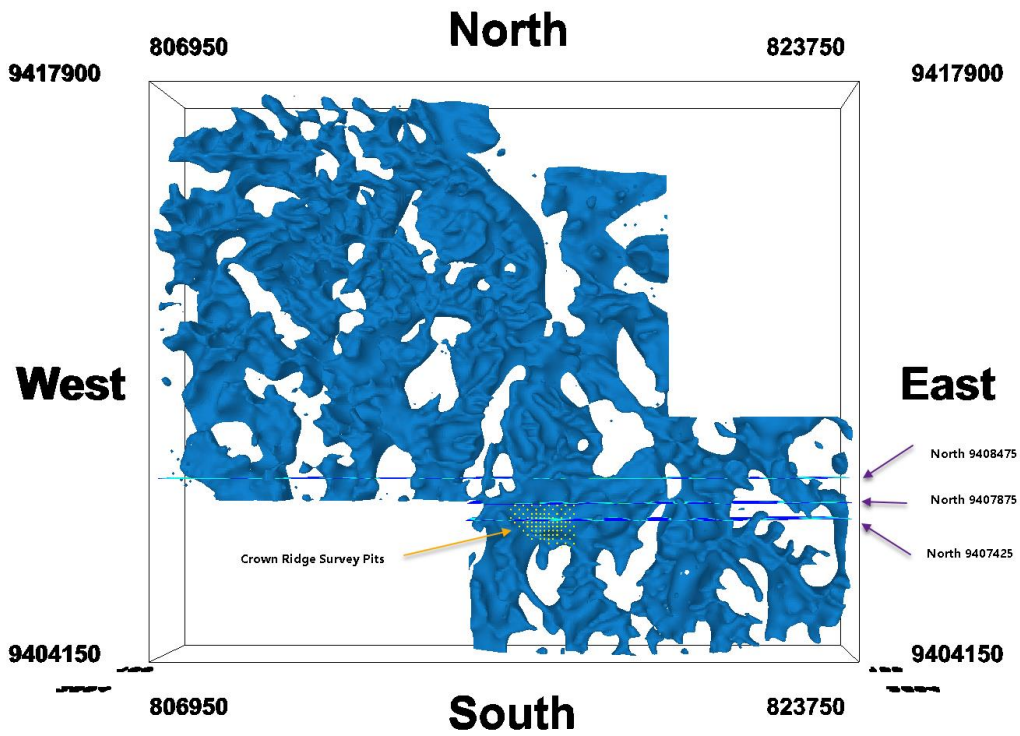


Figure 1: Vertical view of 3D spatial model of model 30,000nT shell showing location of section North 9408475, 9407875, and 9407425 with Crown Ridge pit locations

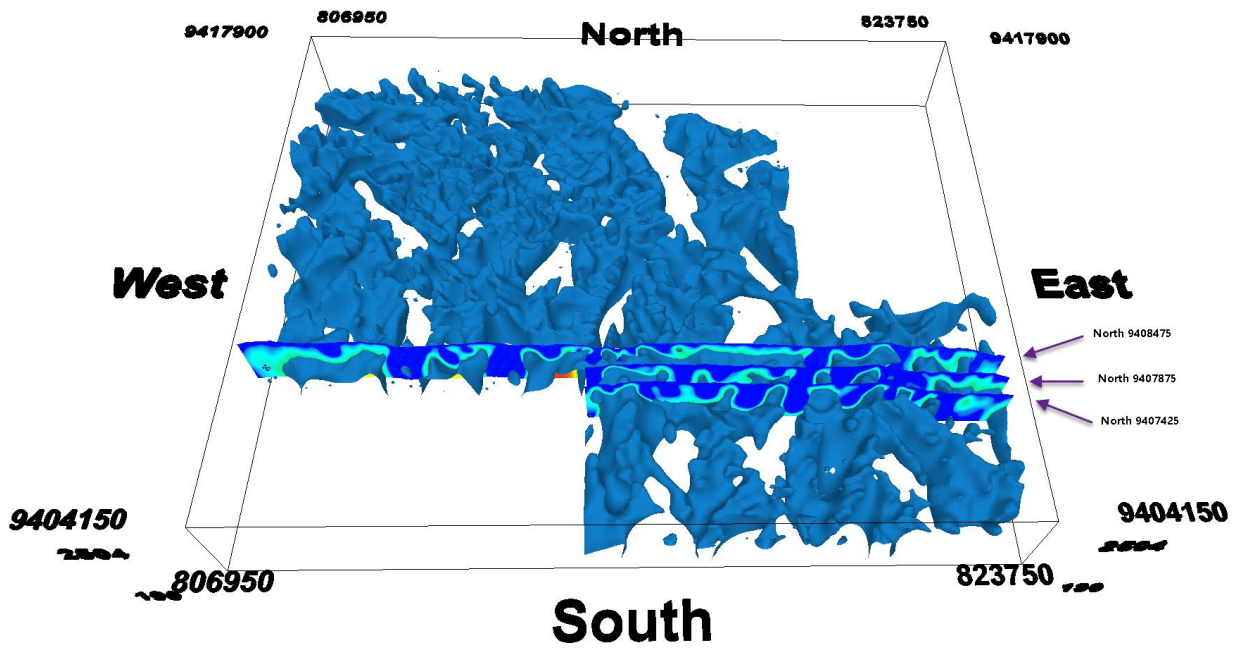
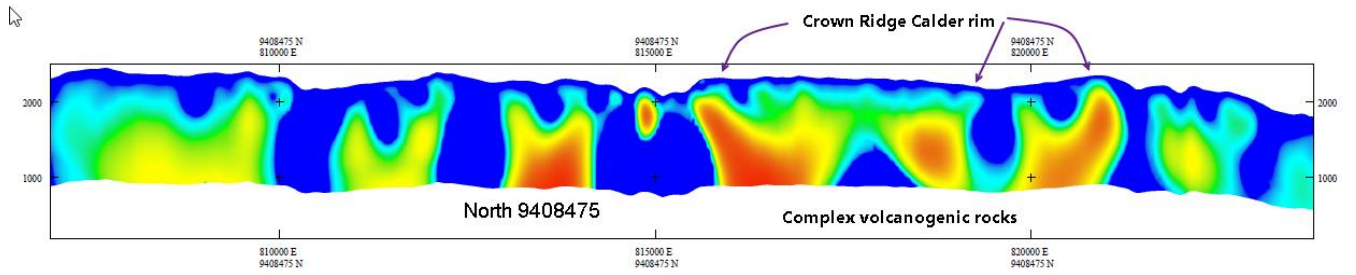
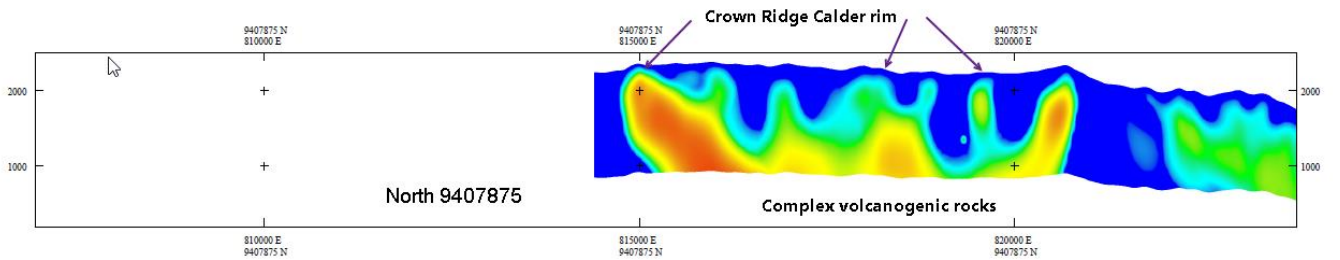


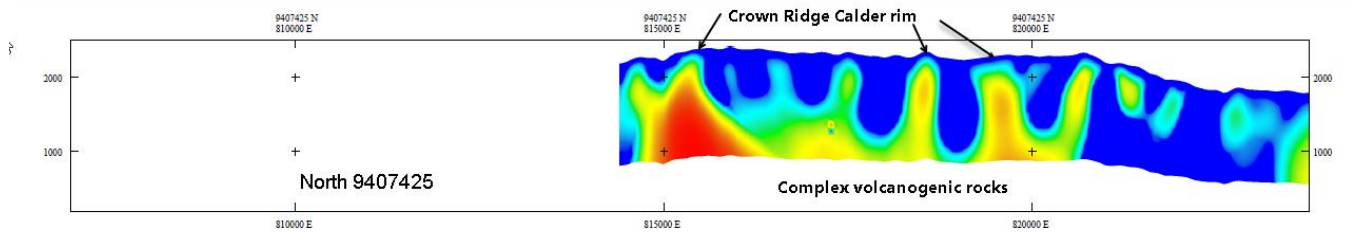
Figure 2: 3D model showing location of section North 9408475, 9407875, and 9407425



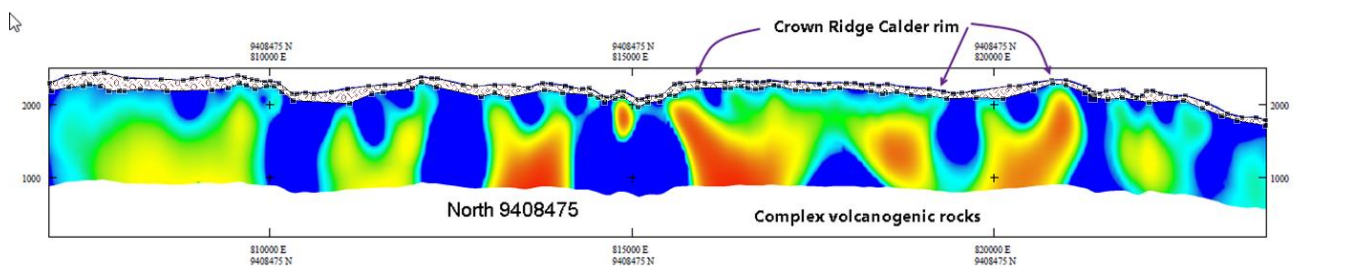
Section North 9408475



Section North 9407875



Section North 9407425



Section North 9408475 showing interpreted surface weathering