



ASX RELEASE

11 April 2017

GMN to expand Wabag Project area by over 72% with 841 km² highly prospective ELA secured

- **Application for a new Exploration Licence (ELA 2522) lodged with PNG's Mineral Resources Authority**
- **Additional 841 km² of prospective ground to be added to Crown Ridge Project – consolidated tenement holding of 2010 km² following approval**
- **ELA 2522 shows similar geology to PNG majors such as Porgera and Wafi-Golpu**
- **Phase 2 Bulk Sampling program set to commence with results expected near term**

The Board of Gold Mountain Limited, (ASX:GMN) is pleased to announce that an application for a new Exploration Licence (ELA 2522) has been lodged with the PNG Mineral Resources Authority. The new ELA covers an additional 841 km² of highly prospective ground located south of Gold Mountain's current tenements and following approval, will take the Company's overall tenement holding at the flagship Crown Ridge Project to over 2010 km², a ~72% increase.

The application was lodged in the name of GMN's wholly owned, PNG-registered subsidiary, GMN 6768 (PNG) Limited on 28 February 2017 and is expected to be approved during the second half of calendar year 2017.



Following the interpretation of recent regional airborne magnetics data conducted by the Company's consulting geophysicist, Mr Jim Allender, it is evident ELA 2522 is made up of dioritic intrusive rocks of similar age to those found at the +28m ounce Porgera Gold Mine located 80km to the west.

Data suggests that these intrusions occur along an arcuate zone of magnetic highs truncated by northeast-trending transfer structures. Transfer structures, which occur as deep fundamental breaks may tap mantle-derived melts, which have been interpreted as sources of gold mineralisation at major mines such as the +20m ounce Wafi-Golpu mine in Papua New Guinea and both the Grasberg mine in Indonesia and Cadia mine in Western Australia.

Gold Mountain's Director of Exploration, Mr Doug Smith stated: "ELA 2522 adds significant scale to Gold Mountain's Crown Ridge Project and some compelling geology to our growing and highly prospective Papua New Guinea portfolio. Our decision to apply for this EL is a further vote of confidence in Crown Ridge and its vast geological scope.

"The geological, structural and geophysical information interpreted by the Company and its highly regarded consultants indicates that ELA 2522 has the potential to be another PNG 'Elephant'. All geological evidence to date points to this.

"Field programs, geophysics and scout pit sampling programs are planned for the new licence and will commence following granting approval from the Mining Advisory Council.

"Whilst securing adjoining applications is important, our immediate priority is the ongoing exploration and development of EL1968. As advised last week, the phase two bulk sampling program will recommence later this month with the Knelson Concentrator expected to arrive on site shortly. Gold Mountain is very focused on this program and expects greatly increased gold and platinum mineralisation to be recovered when new results are reported."

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 sampling techniques 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.

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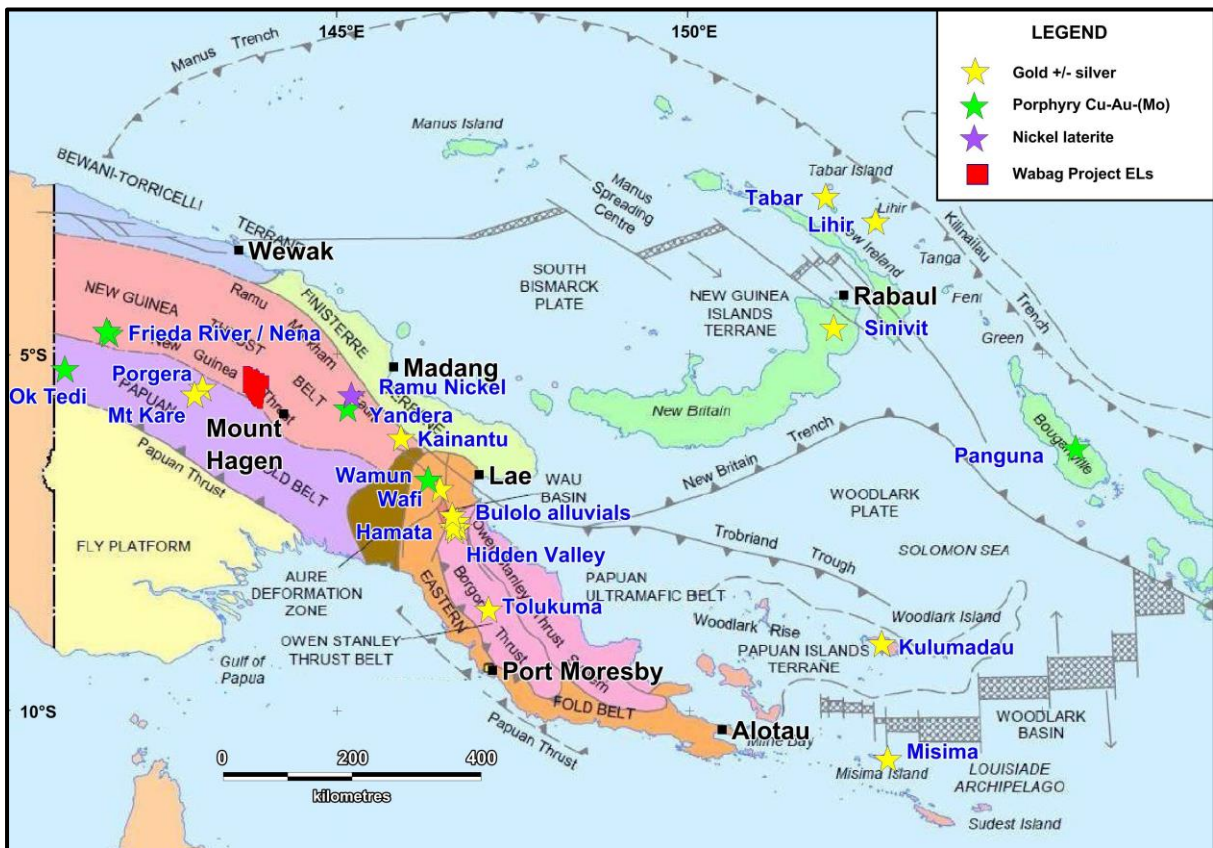


Figure 1: Location of Wabag Project ELs in the PNG Highlands Region

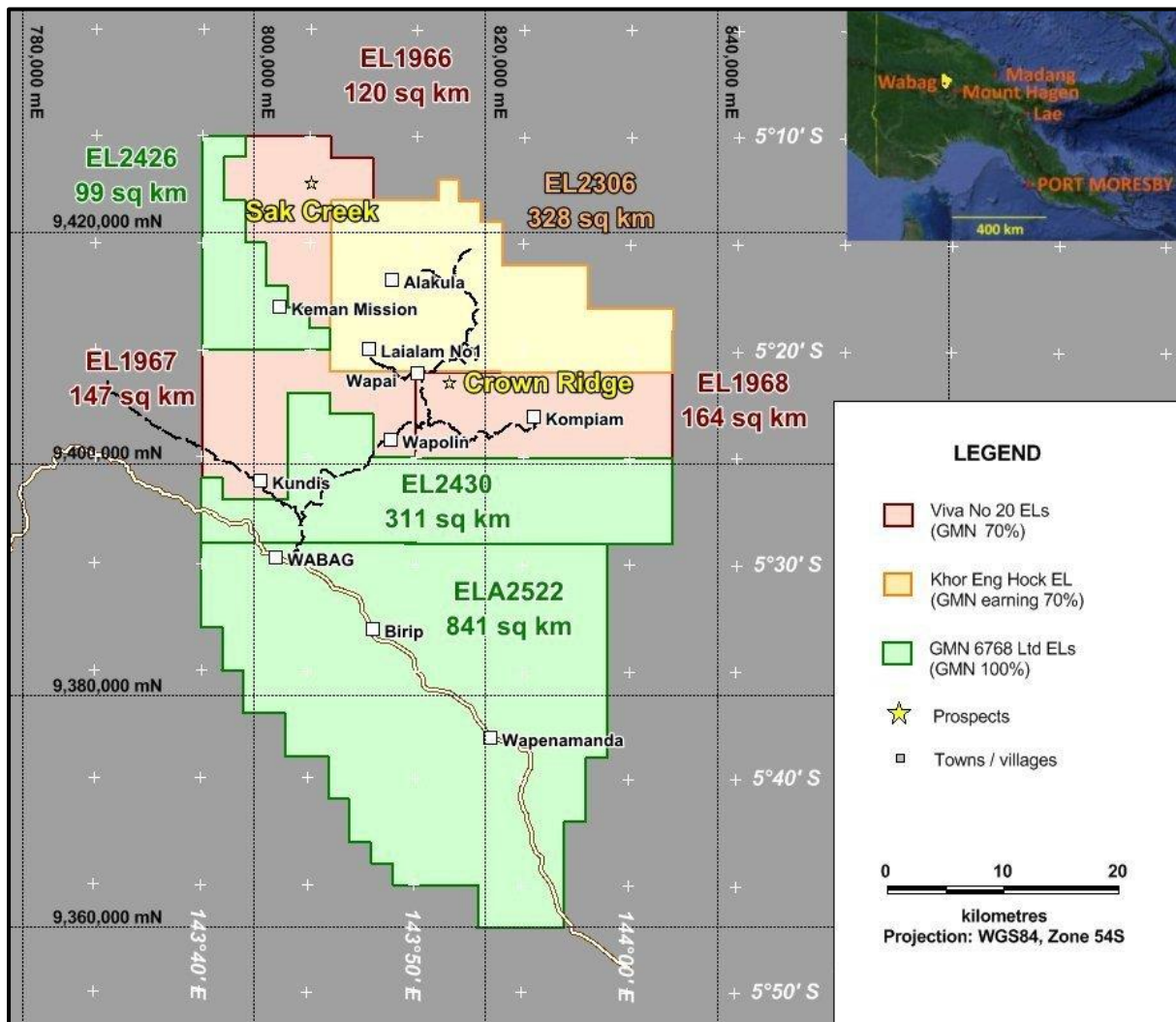


Figure 2: Exploration Licences that make up the Wabag Project, PNG

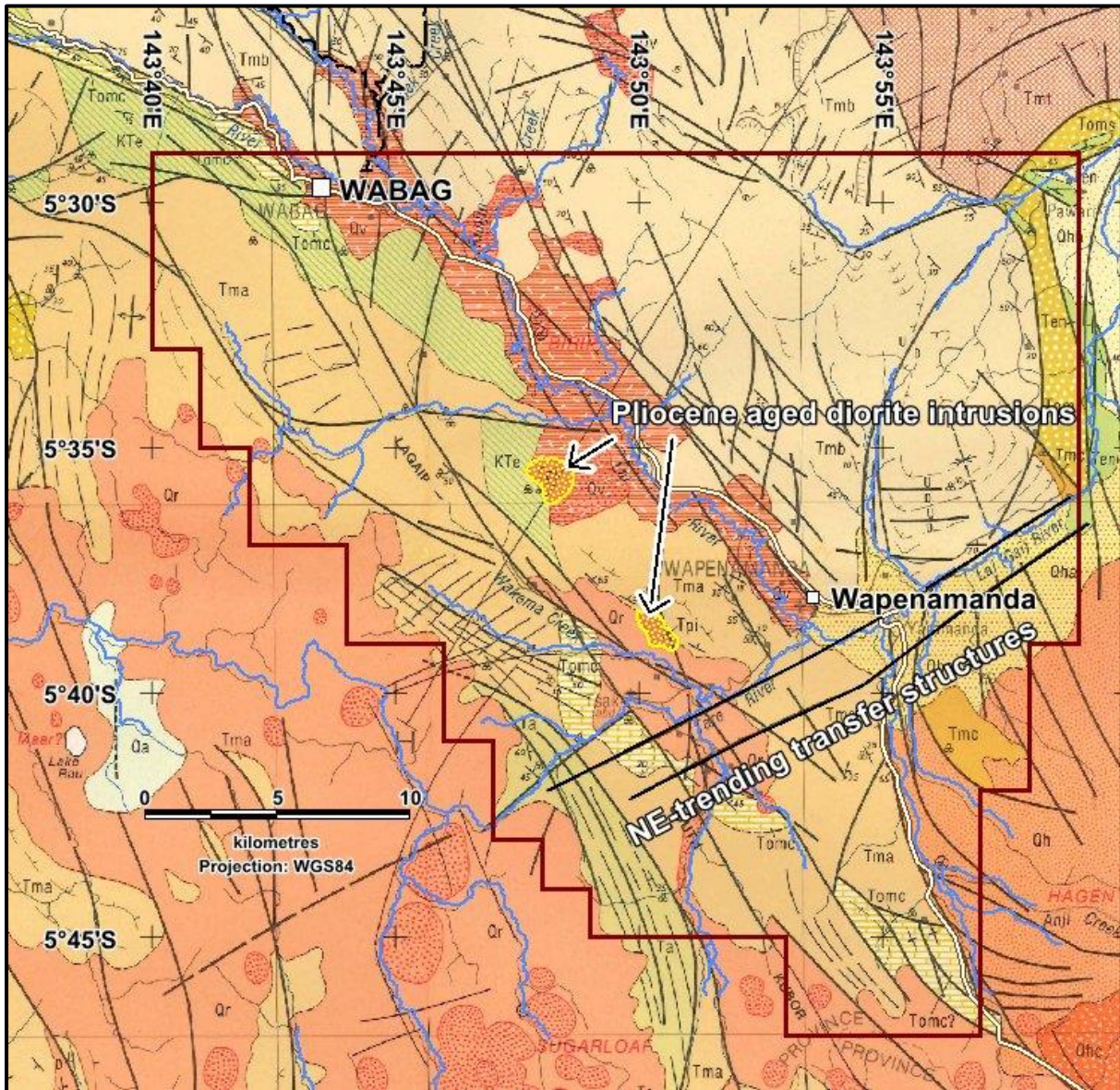


Figure 3: EL252 on regional geology with main targets identified

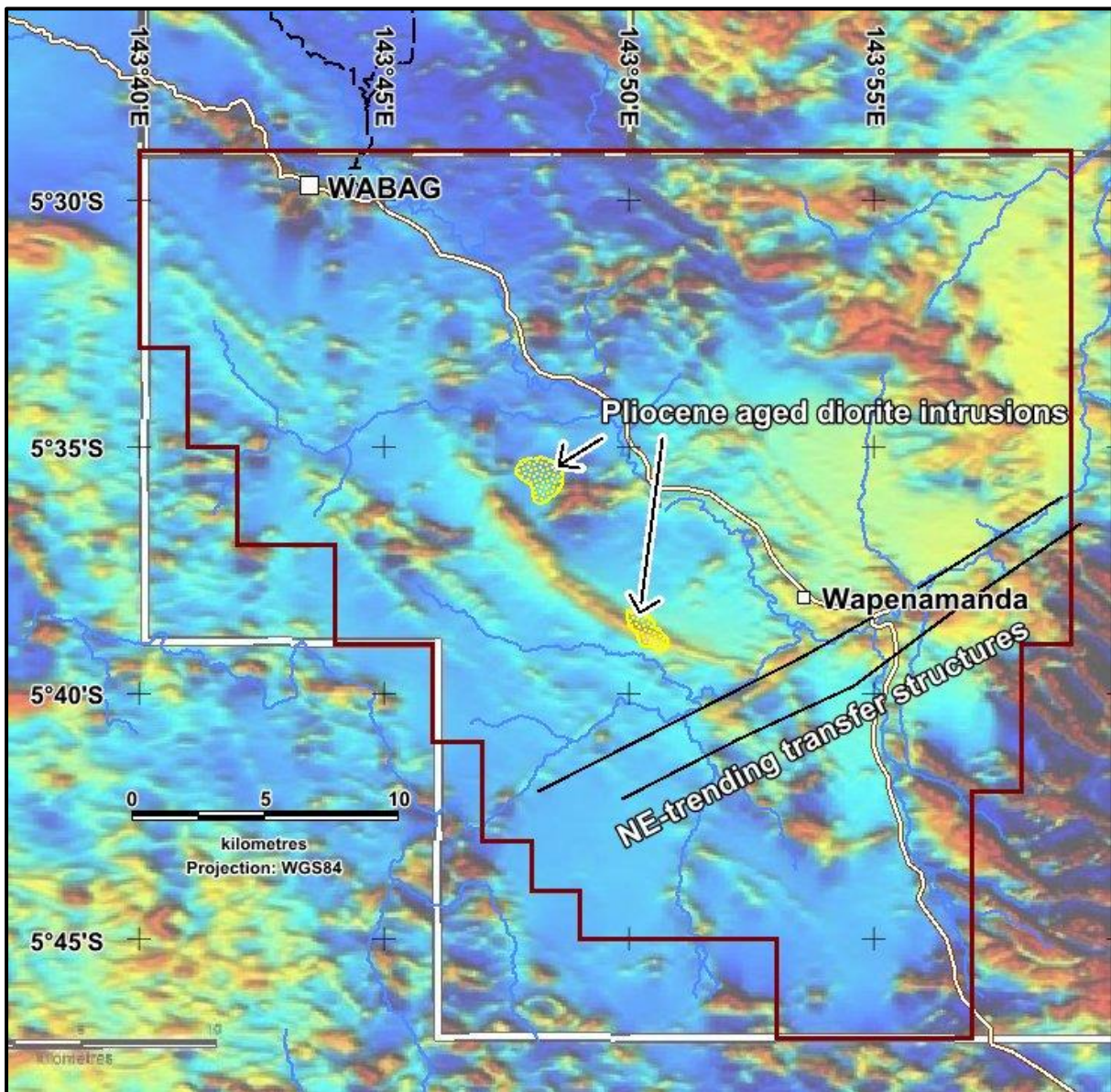


Figure 4: EL2522 on regional airborne magnetic data