



ASX RELEASE

20 June 2017

Proposed drilling program at Crown Ridge Wabag Project, PNG

- **Planning of diamond drilling program aimed at testing multiple gold targets**
- **Drilling will be undertaken in conjunction with program of bulk sampling of shallow pits**
- **Programs fully funded**

The Board of Gold Mountain Limited, (ASX:GMN) is pleased to update shareholders on a planned diamond drilling program at the Company's flagship Crown Ridge project in the Highlands Region of Papua New Guinea.

The proposed diamond drilling program, shown on the prospect map below, will test multiple gold targets, including:

- High-grade gold in quartz veins adjacent to the rim of the postulated volcanic crater – three angled holes totalling around 500m length
- Extensions of free gold mineralisation beneath the area of bulk sampling pits – nine vertical drill holes totalling around 500m length
- Deeper drilling targets may be added to the program if early results warrant it.

The program will be under the supervision of Director - Exploration, Mr Doug Smith, assisted by consulting geologists Murray Hutton from Geos Mining and Rene Sterk from RSC. GMN anticipates mobilisation of the drill rigs and crews to site during August.



GMN has been developing its Crown Ridge project over the past 3 years and following geological mapping, geochemical results and magnetics surveys has methodically built up a geological model of the mineralisation consisting of a volcanic crater hosting altered conglomerate with coarse gold. Notable geochemical results to date (previously announced) include:

- Exceptional high grades for -80# stream sediment samples (up to 5.4ppm Au)
- Soil sample assays (up to 0.26ppm Au) and
- rock float samples (up to 29.2ppm Au)

Quartz-vein mineralisation along the crater rim is interpreted to be a conceptual hard-rock source for the gold contained in the conglomerate as well as rock float samples of quartz-pyrite-gold veins.

The bulk sampling pits, excavated during 2016, demonstrated that free gold in the altered conglomerate is both extensive and consistently high grade.

The geological setting of alteration, veining and gold mineralisation within a volcanic crater could be similar to Newcrest Mining's Lihir deposit or Vatukoula Gold Mines historic Emperor mine in Fiji.

Furthermore, modelling of the magnetics data by geophysics consultant Jim Allender has interpreted an intrusive source beneath the near-surface material that has been likened to the Porgera gold deposit. This is very similar to the situation at Porgera as described by Levett, J. and Logan, K., 1998 Geophysics of the Porgera gold mine, Papua New Guinea. Exploration Geophysics 1998.

Consulting Geologist, Murray Hutton, has been involved with the Crown Ridge project since 2011, prior to Gold Mountain's involvement. Commenting on the progress of exploration programs at Crown Ridge, he stated:

"This project has gone from strength to strength with GMN's ongoing commitment to funding the necessary resources to investigate and discover the area's mineral resource potential. The extensive high-grade gold values speak for themselves and this project is crying out for drilling to test the geological models of gold mineralisation."



Gold Mountain's Director – Exploration, Doug Smith stated:

“The planned drilling program will be the next in a series of coordinated investigations to test the potential for a major gold deposit at Crown Ridge.”

He went on to state:

“Previous exploration results, reported by the company since commencement of GMN's operations at Crown Ridge in 2014, indicate a significant gold target hosted by high-grade quartz veins near the rim of the postulated volcanic crater and this will be one of the targets for the upcoming drilling program. Diamond drilling will also test the area of the bulk sampling pits for depth extensions of the near-surface mineralisation.”

“At this stage, we are looking at shallow diamond drillholes for the conglomerate mineralisation. However, deeper holes will be considered if the early results show continuation of the prospective rocks below the planned drillhole depths.”

“Results from these holes will provide information on the geological continuity of the coarse gold mineralisation, to enable the estimation of a maiden Mineral Resource at Crown Ridge.”

Statements contained in this report relating to exploration results and potential are based on information compiled by Doug Smith, GMN's Director - Exploration. Mr Smith is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). He has sufficient experience that is relevant to the style of mineralisation and types of deposit described in this report and to the activity for that he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Doug Smith consents to the use of this information in this report in the form and context in which it appears

Results of the exploration programs completed to date at Crown Ridge were announced to the ASX by GMN on 9 March 2015, 11 May 2015, 28 June 2016, 9 August 2016, 1 September 2016, 22 September 2016, 3 November 2016, 13 December 2016, 23 December 2016, 12 January 2017, 15 February 2017, 16 March 2017, 27 February 2017, 6 April 2017, 11 May 2017 and 9 June 2017.

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

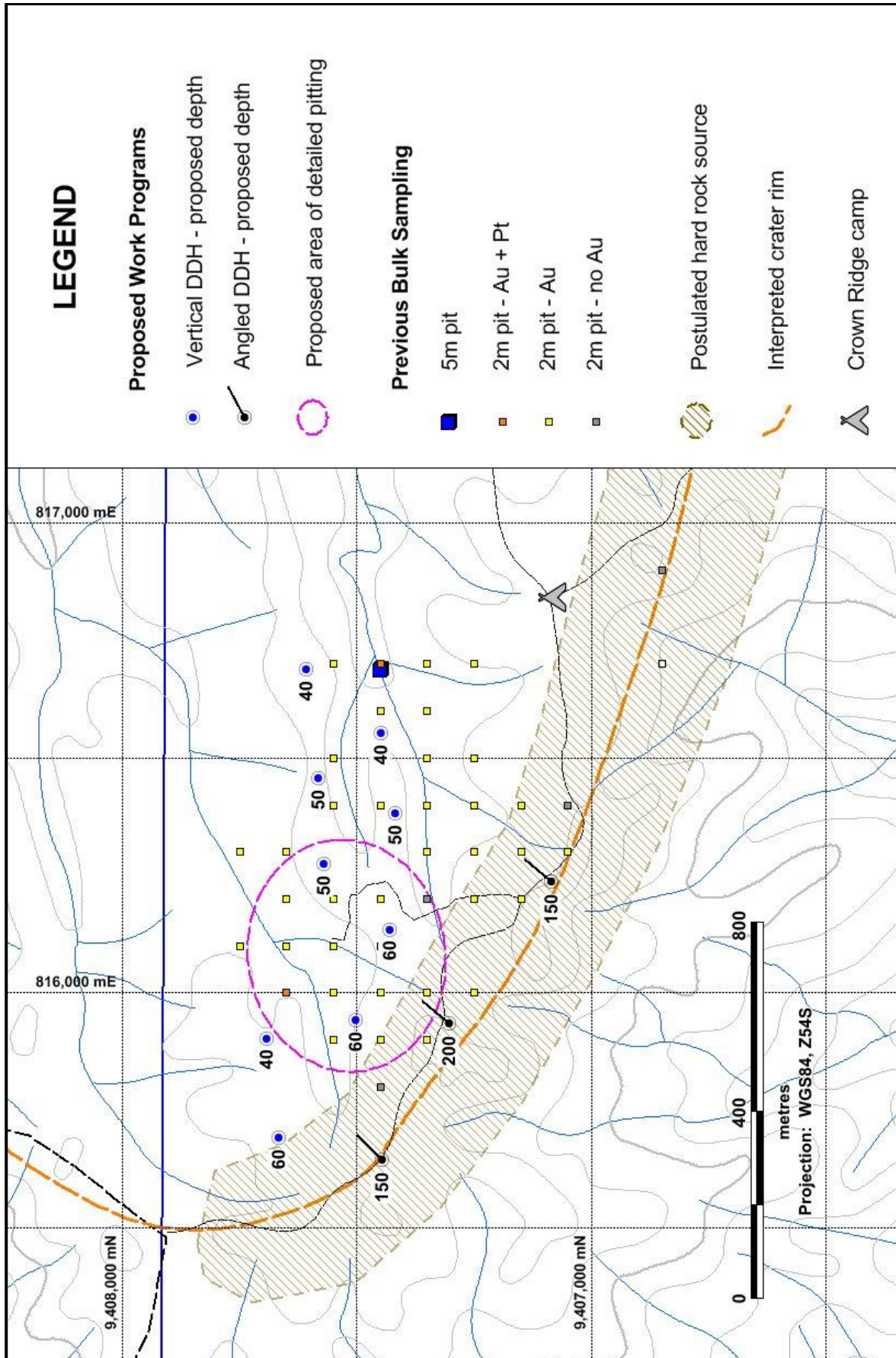
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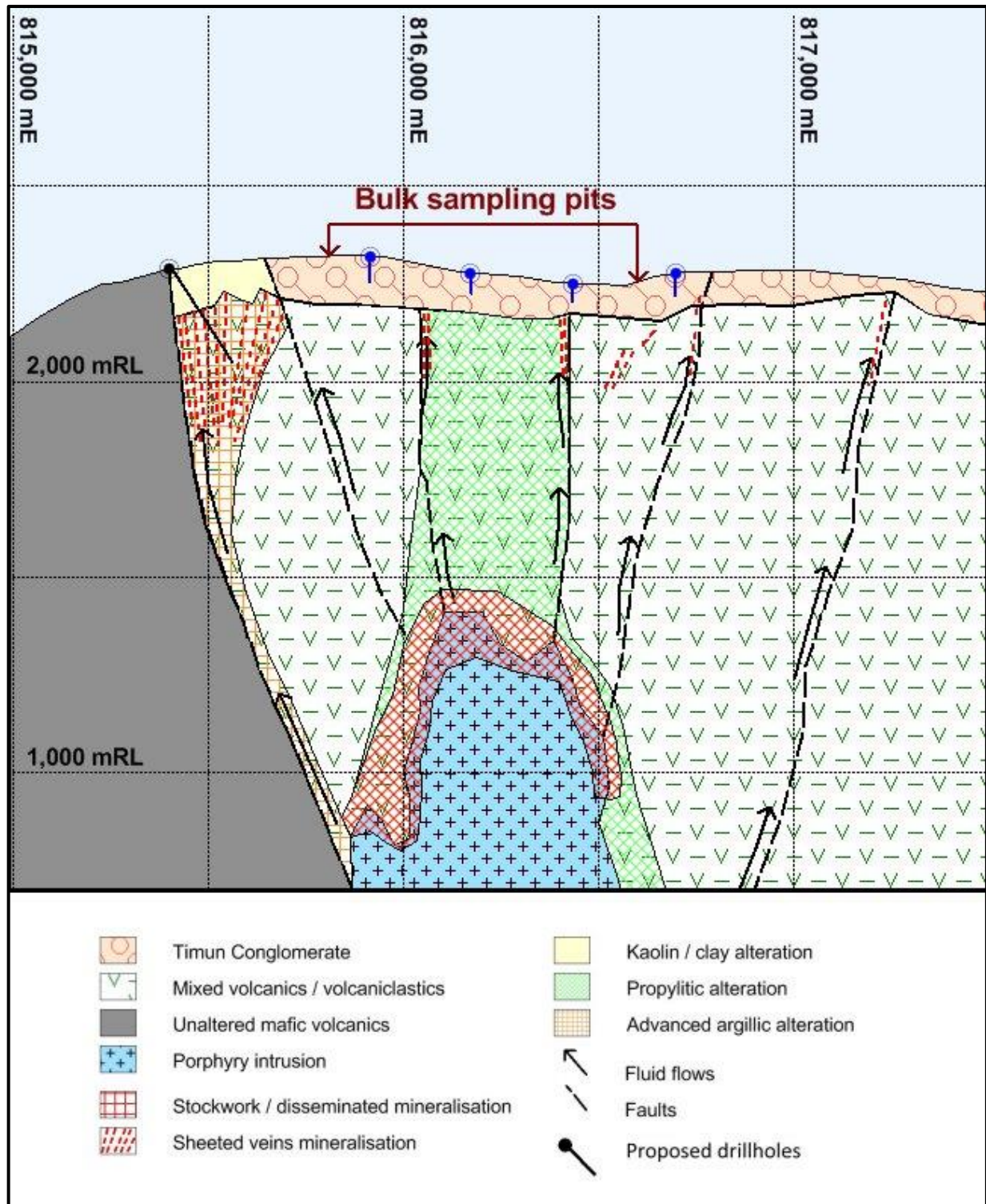


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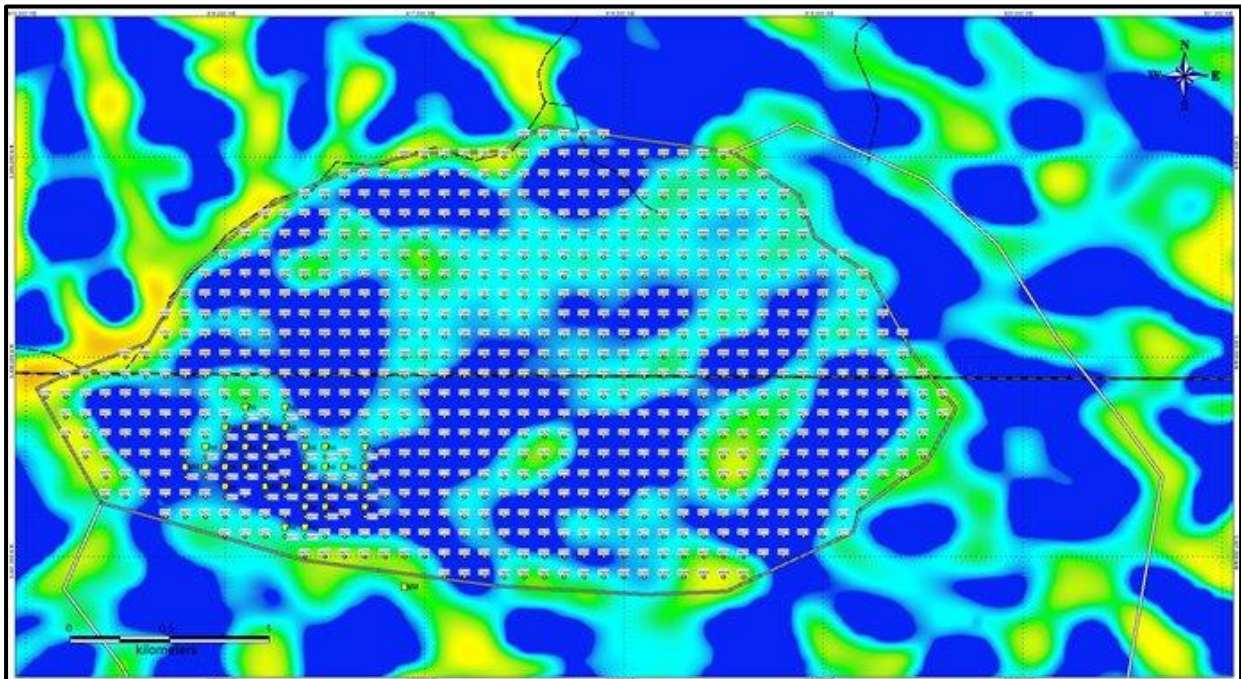


Crown Ridge Proposed Work Programs



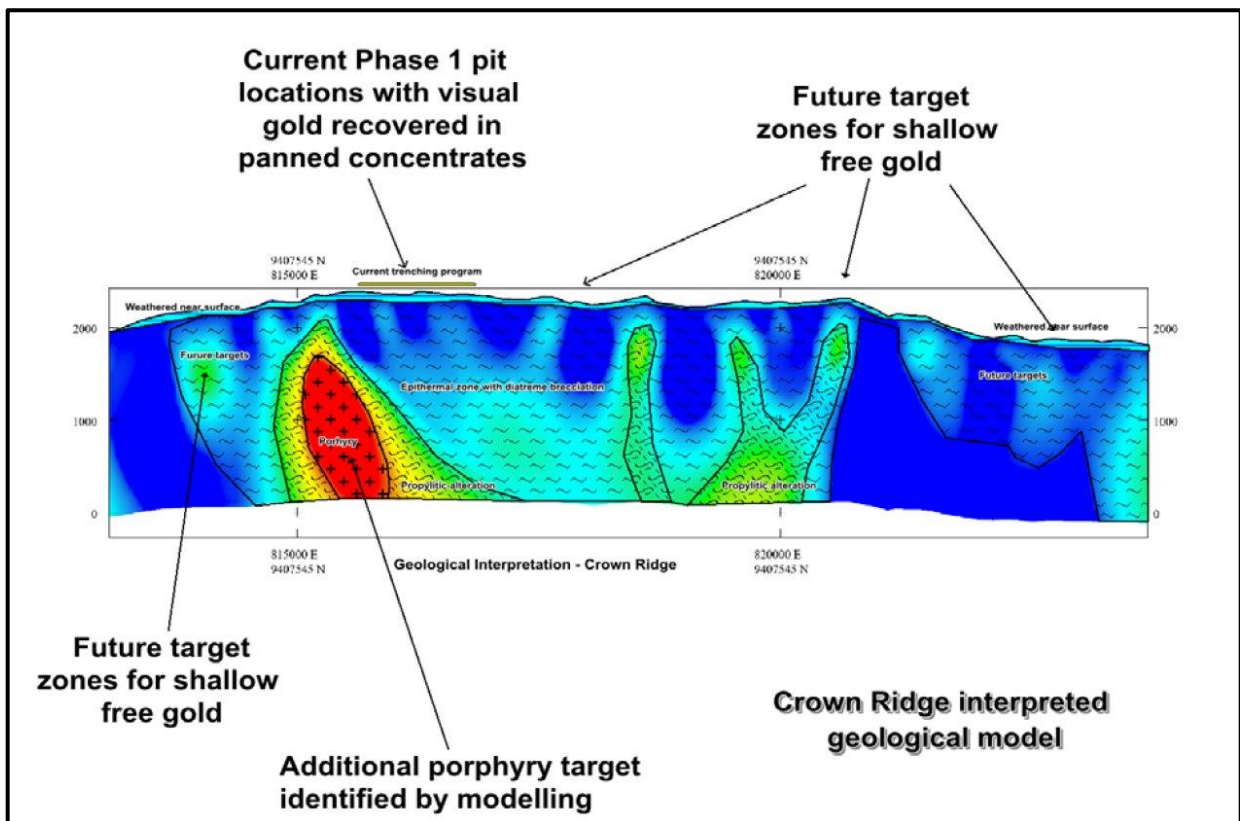
Crown Ridge conceptual geological cross-section

Proposed drill holes (schematic)



Crown Ridge modelled airborne magnetics data

Showing interpreted outline of the volcanic crater marked by magnetic highs



Crown Ridge modelled airborne magnetics data

Showing cross-section through Crown Ridge



Vuggy quartz-pyrite-gold vein

Float sample RX11571 – 16.9 ppm Au (816,671mE / 9,407,877mN)



Breccia with quartz-pyrite-gold veining

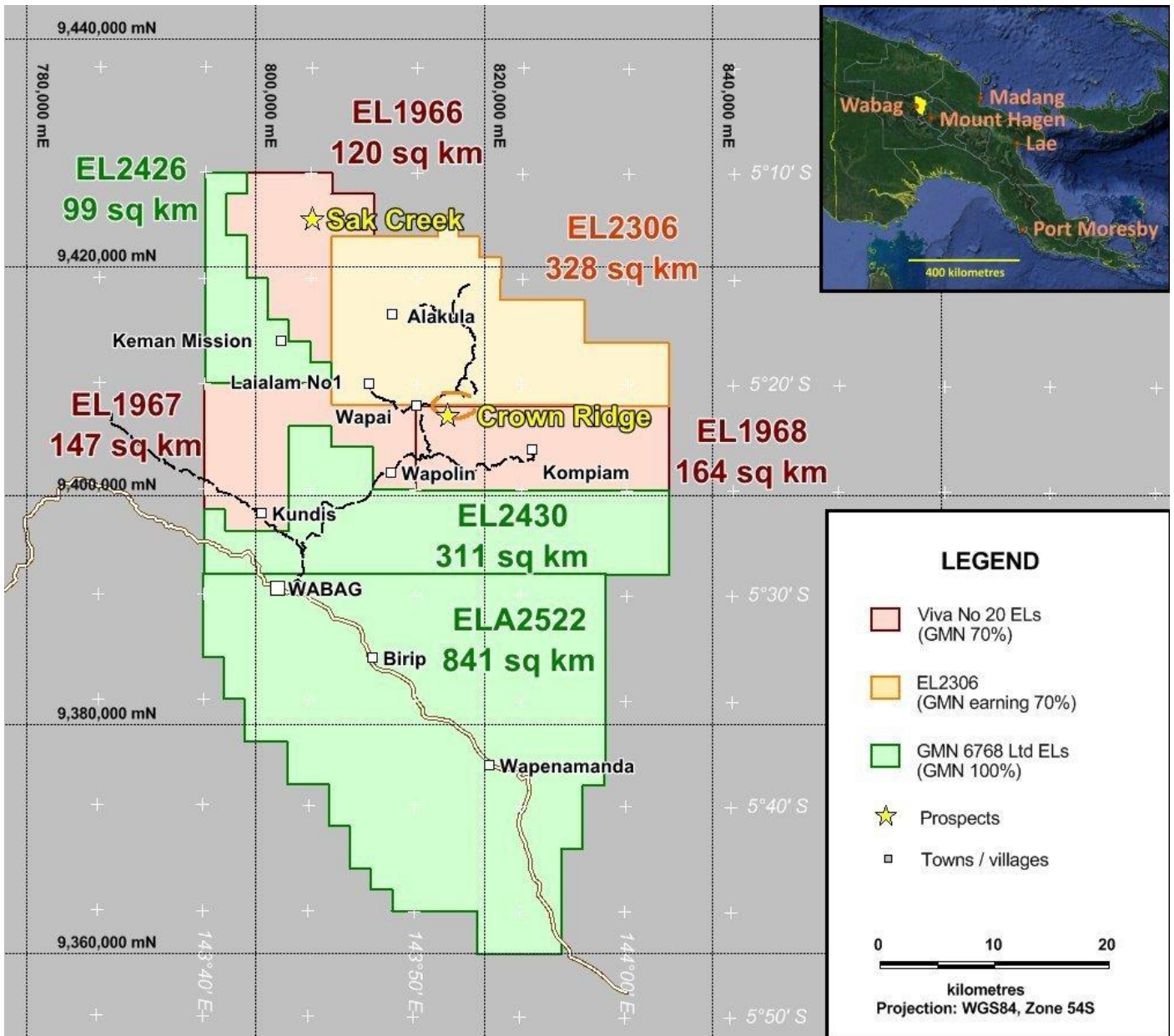
Float sample RX11754 – 29.2 ppm Au (817,399mE / 9,407,236mN)

Assay results in the attached images are for geochemical samples that may not represent potential mineralisation. The values are presented as either parts per million ("ppm") or parts per billion ("ppb"). Parts per million is equivalent in scale to grams per tonne ("g/t"), which is usually restricted to presenting grades for defined mineral resources.



Quartz-pyrite-gold vein

Float sample excavated from near Pit 65 (816,700mE / 9,407,350mN)



Gold Mountain tenement suite, Enga Province, PNG Highlands