



**ASX RELEASE**

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## **Gold Mountain enters agreement to acquire 70% interest in highly prospective 328km<sup>2</sup> tenement adjoining flagship Crown Ridge gold project**

- **Highly prospective tenement EL 2306 (Abundance Valley) adjoins flagship Crown Ridge project**
- **Acquisition of EL 2306 (Abundance Valley) would give the Company access to the other half of prospective crater rim' geological model as well as other areas with significant exploration potential**
- **On completion, the Company's Crown Ridge Project would encompass ~7.8km<sup>2</sup> of target area with significant free gold mineralisation**
- **Extensive program for maiden Mineral Resource definition to commence August 2017 in the identified surface "free gold" zone within the Crown Ridge Prospect. Potential hard rock and high grade gold zone targeted for diamond drilling.**



The Directors of Gold Mountain Limited (**GMN** or the **Company**) are pleased to advise that the Company has entered into an acquisition agreement with Khor Eng Hock & Sons (PNG) Limited (**Vendor**) to acquire a 70% interest in the PNG tenement EL2306 “**Abundance Valley**”.

The key terms of the acquisition are as follows:

- The purchase price for the Tenement is \$5.2 million comprising of \$3 million in cash (\$300,000 of which was paid as a non-refundable deposit) and 22 million GMN shares @ \$0.10 per share (Consideration Shares);
- Completion of the acquisition of the Tenement Interest is due to occur on the business day immediately following the second anniversary of the registration of EL 2306 (14<sup>th</sup> December 2017) by the PNG Mineral Resources Authority;
- On Completion on or before 16/12/2017;
  - full title and risk in the Tenement Interest passes to the Company;
  - the Company must issue the Consideration Shares and pay a Completion instalment of \$450,000;
  - the issue of Consideration Shares will be put to Shareholders approval at the next general meeting of the Company; and
  - the Consideration Shares are subject to agreed voluntary escrow conditions for 24 months
- The balance of the cash consideration (\$2,250,000) is payable in seven (7) bi-annual instalments ending on 16 December 2020.
- Completion of the acquisition of the Tenement Interest is conditional on a number of conditions precedent, including;
  - the exploration licence EL2306 remaining in good standing;
  - the Vendor remaining as the registered owner of EL 2306; and
  - GMN has first right of refusal to acquire the remaining 30% of the project from the vendor

**Gold Mountain’s Director – Exploration, Doug Smith said:** “The Crown Ridge target area, which is 3.8 km long and 2.2 km wide, has been the source area for the alluvial gold mined by local people in the Timun River since the 1940s.

“Gold Mountain is confident that the acquisition of EL 2306 (Abundance Valley), which encompasses the northern half of the caldera target and hosts free gold and platinum occurrences, will strengthen the upcoming and any future exploration drill programs.

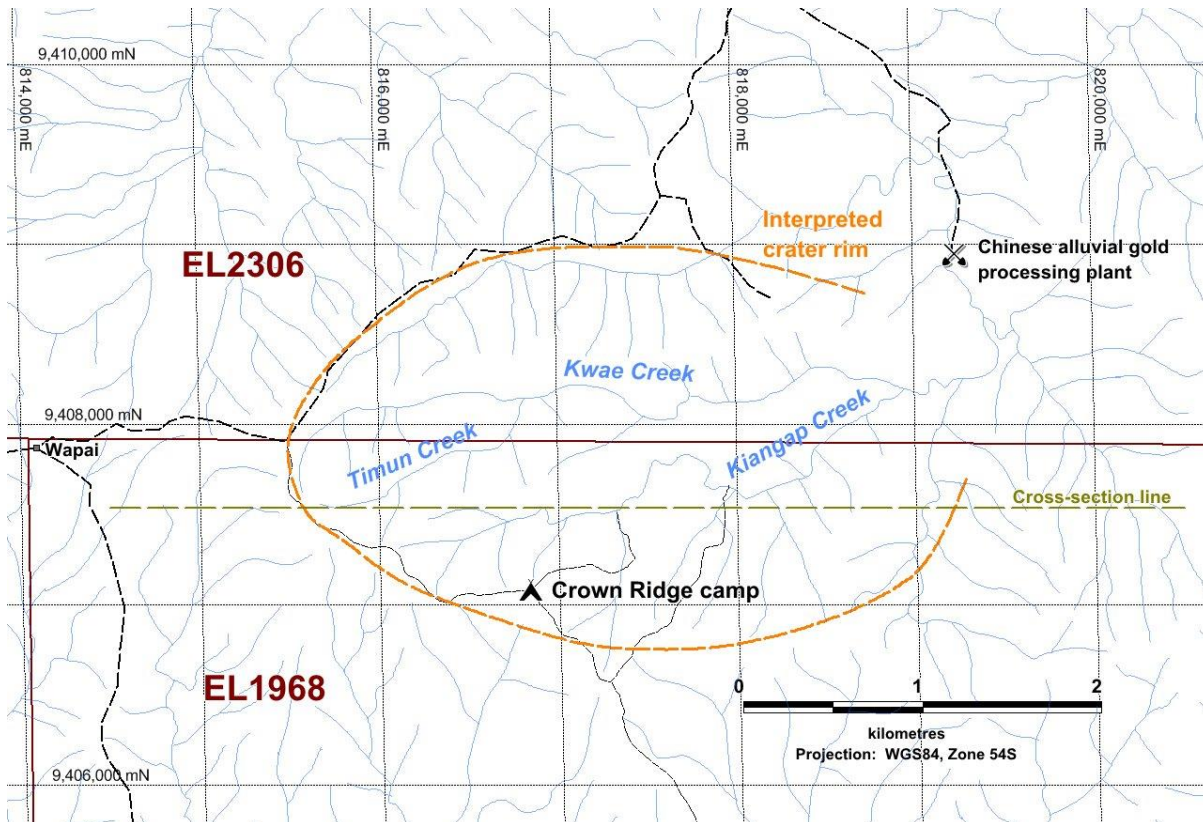
“The relative proximity, and geological affinity to Porgera (with more than 20 million ounces gold produced) is a testament to the potential of Gold Mountain’s tenement holdings, which now cover more than 2,000 square kilometres in a highly prospective region.”



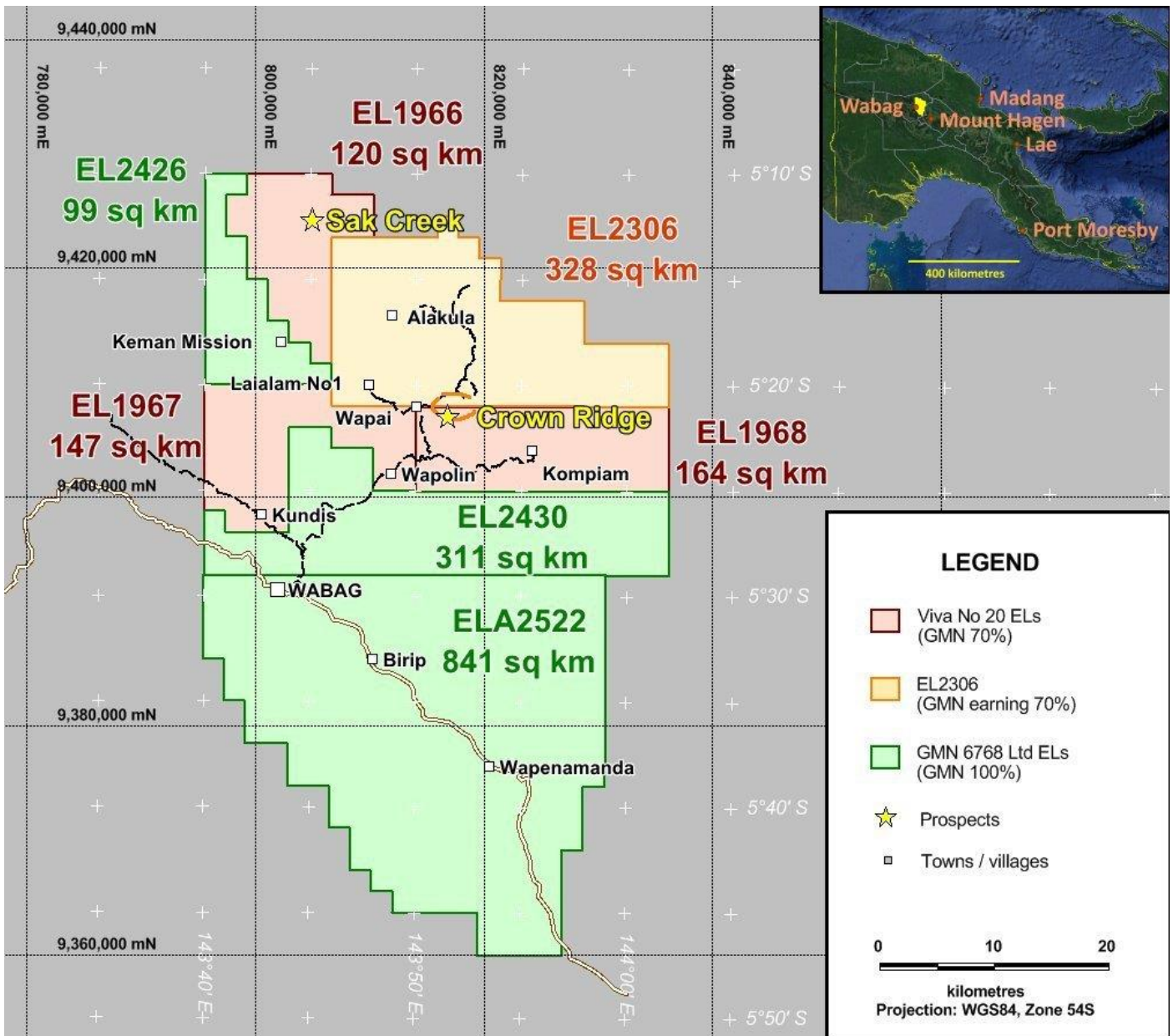
**Gold Mountain’s Managing Director Tony Teng commented:** “The acquisition of EL 2306 (Abundance Valley) is a significant milestone for the Company, as it further consolidates our highly prospective portfolio in the Wabag Mineral Province. It gives us contiguous exploration grounds that cover the entire caldera which is underexplored with multiple high value targets.

“We have a fantastic working relationship with the Vendor and we are well received by the local community that our endeavours would bring great economic benefits to its people and the region.”

The Directors are excited about the inclusion of Abundance Valley to the Company’s project portfolio, and will provide shareholders with an update on its exploration program pivotal in defining a maiden JORC inferred resource by first quarter of 2018.



**Figure 1: Outline of highly prospective Crown Ridge diatreme crater**



**Figure 2: Gold Mountain tenement suite, Enga Province, PNG Highlands, with EL 2306 located adjacent to Crown Ridge (EL 1968)**

For information please see our website [www.goldmountainltd.com.au](http://www.goldmountainltd.com.au) or contact:

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