

GOLD MOUNTAIN LIMITED

ABN 79 115 845 942

SEPTEMBER 2017 QUARTERLY ACTIVITIES REPORT

OVERVIEW

Corporate

- Private placement oversubscribed raising more than \$6 million (cumulative) to support continuity of bulk sampling and exploration drilling activities of the PNG Projects
- Placement capital – cumulative 37,229,600 shares and 18,614,800 options issued as at end of Quarter reporting period for \$3.72 million of the total funds raised
- Announced 7,800,000 options granted to Employees under the Employee Share Option Plan (ESOP)
- Updated independent research report commissioned by the Company released on Company's website

Wabag Projects (PNG)

- Agreement concluded to secure 70% interest in highly prospective tenement EL2306 "Abundance Valley" which adjoins the Crown Ridge Prospect
- Completed detail survey of selected drill locations, prepared access roads and trails, campsite facilities and cleared drill pads
- Diamond drilling and further bulk sampling program has commenced at Crown Ridge

NSW Projects

- EL5939 "Cowarra" reviewing status to enhance resource estimates for eventual development into a production mine

Investment Research Report

The investment research report prepared by IRR is commissioned by the Company. This report can be found on the Company's website (see <http://www.goldmountainltd.com.au/independent-research-reports>).

Crown Ridge Prospect and Abundance Valley

Gold Mountain's Crown Ridge Gold project is located 75km ENE of Porgera in the Highlands of PNG. It sits within one of the world's most highly endowed gold provinces, which hosts major operations and deposits including the ~16 Moz Ok Tedi Mine, the ~28 Moz Porgera Mine, the ~20 Moz Frieda River Project and the ~20 Moz Wafi/Golpu Project.

Crown Ridge is positioned at the boundary between ELs 1968 and 2306, within an interpreted volcanic crater (Figures 1 & 2). Access is good with all-weather gravel roads (Figures 3 & 4) having been built by Gold Mountain, and is connected by sealed highway to the major regional centre, Mount Hagen, which has an international airport.

3D geophysical modelling completed indicates that the Crown Ridge is sitting on top of a continuous body over 4 km in a North-South direction and extending into the adjacent lease EL2306 Abundance Valley. The body has an overlain weathered zone of 60 and 100 meters thick, producing the copious free gold that is confirmed in the bulk sampling pits completed to date.

Current exploration activities include extensive bulk sampling and the first drilling program ever to have undertaken at the Crown Ridge area. The aim of the drilling and bulk sampling is to estimate an initial JORC 2012-compliant mineral resource estimate for the interpreted paleo-alluvial gold mineralisation, and simultaneously, to target the hard rock potential of Crown Ridge.

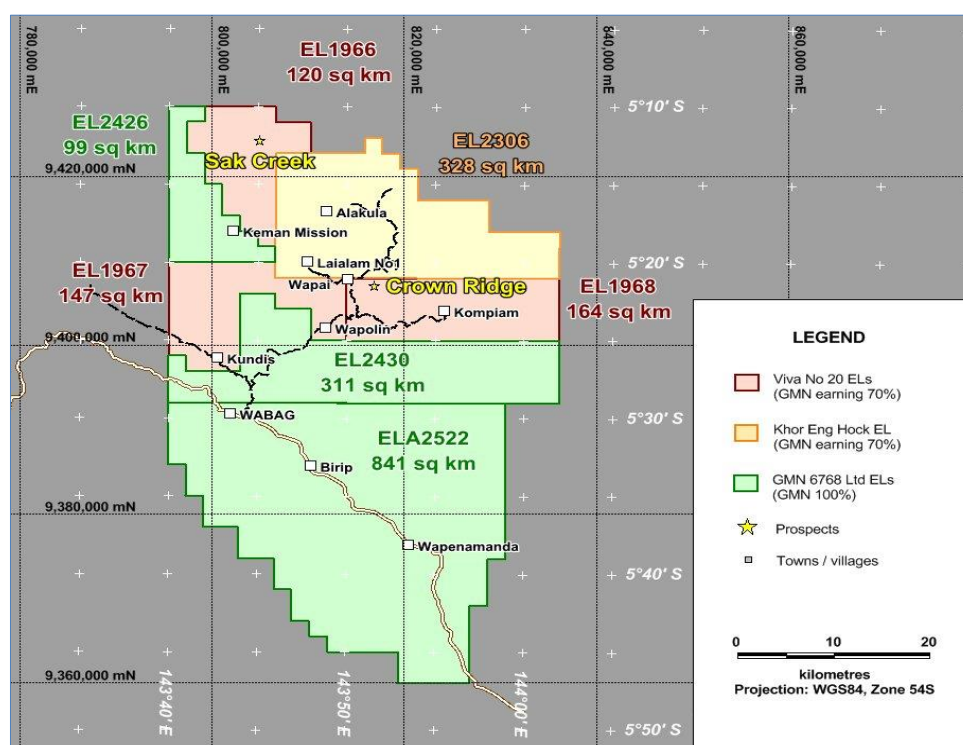


Figure 1: Location of Wabag Project ELs, PNG

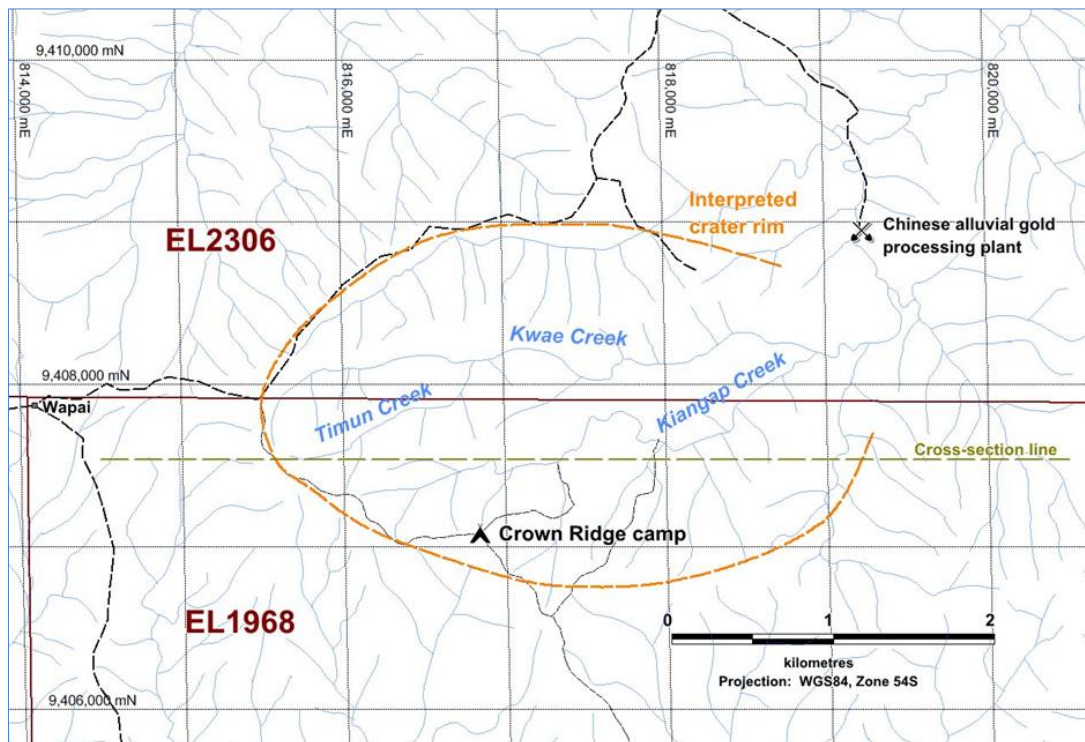


Figure 2: Crown Ridge diatreme crater at the boundary between EL1966 and EL2306

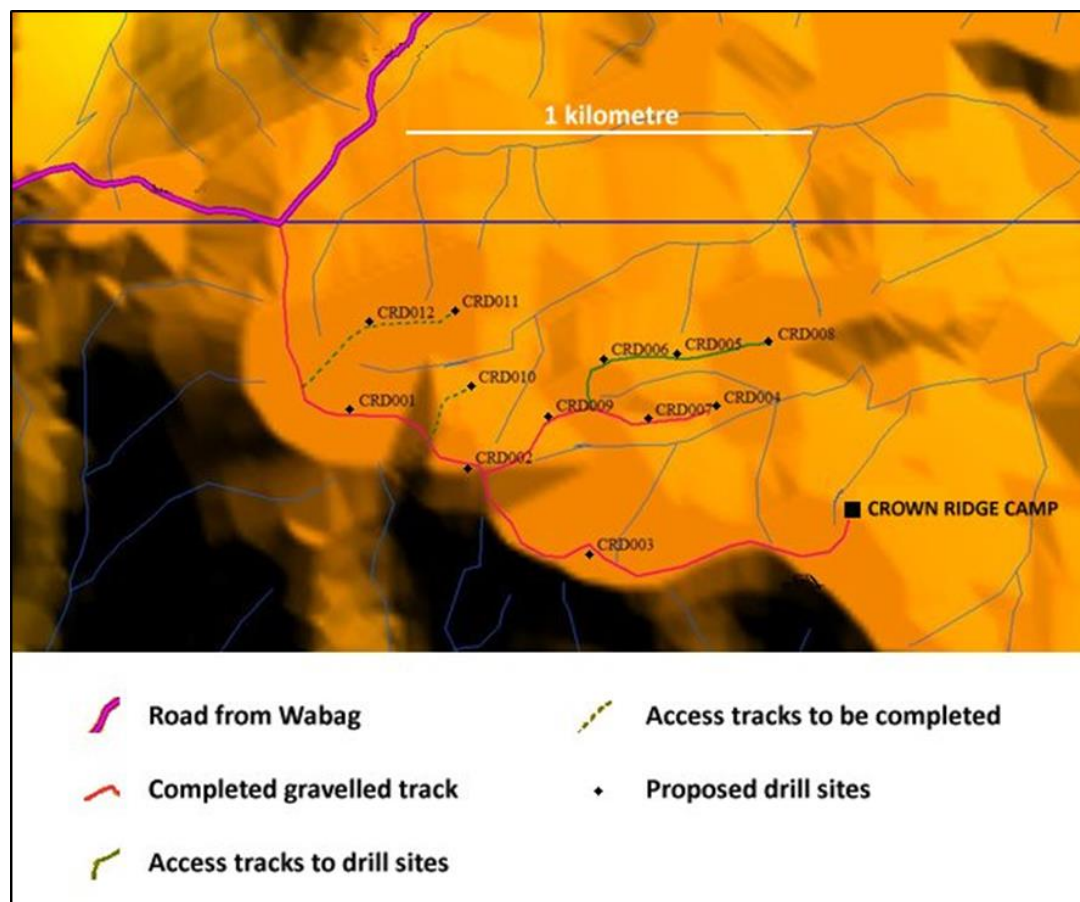


Figure 3: Proposed drill sites and access tracks at Crown Ridge



Figure 4: Crown Ridge all weather access road to camp, drill sites and sampling pits



Figure 5: Prepared drill pad ready for rig mobilisation



Figure 6: Equipment mobilisation (Atlas Copco CS14 Drill Rig)

NSW EL5939 Cowarra

No on-site work was carried out on the tenement during the Quarter reporting period.

The Company will re-assess the status of Cowarra Project with the aim to enhance its resource estimates of 37,253 ounces of gold (JORC Inferred 500,000 tonnes @ 2.31g/t Au) and eventual development of Cowarra into a production mine.

Tenements Summary

EL No.	Holder	GMN interest	Location	Area (sq km)	Expiry
EL1966	Viva No.20 Limited	70%	Enga Province, PNG	120	26/06/2017 <i>(Renewal pending)</i>
EL1967	Viva No.20 Limited	70%	Enga Province, PNG	147	27/11/2017 <i>(Renewal submitted)</i>
EL1968	Viva No.20 Limited	70%	Enga Province, PNG	164	27/11/2017 <i>(Renewal submitted)</i>
EL2426	GMN6768 (PNG) Ltd	100%	Enga Province, PNG	99	27/05/2018
EL2430	GMN6768 (PNG) Ltd	100%	Enga Province, PNG	311	27/05/2018
EL2306	Khor Eng Hock & Sons (PNG) Limited	Agreement to Acquire	Enga Province, PNG	328	13/12/2017 <i>(Renewal submitted)</i>
EL5939	Gold Mountain Limited	100%	Cowarra, NSW	19.5	29/04/2019

Table 1: Summary of tenements

Statements contained in this report relating to exploration results and potential is based on information compiled by Doug Smith, who is a Member of AusIMM. Doug is a company director and 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 Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC Code). Doug Smith consents to the use of this information in this report in the form and context in which it appears.