



ASX RELEASE

03 November 2017

DRILLING AND BULK SAMPLE PITTING COMMENCED AT CROWN RIDGE GOLD PROJECT

- **Initial Diamond drilling targeting hard rock prospective basement**
- **Bulk sampling program, and complementary shallow drilling aimed at defining a JORC 2012 compliant Mineral Resource**

Gold Mountain Limited (**ASX: GMN**) (“Gold Mountain”, “the Company” or “GMN”) announces that an initial exploratory 3-hole, circa 600 metre diamond drilling program has commenced at its flagship Crown Ridge prospect in the Highlands region of Papua New Guinea (Map 1). The drilling will target the hard rock gold potential at Crown Ridge along the margins of the interpreted volcanic crater.

Additionally, the Company has begun a program of pitting and bulk sampling, together with shallow diamond drilling program, circa 400 metre (9-holes 40m-60m deep), aimed at defining a near-surface Mineral Resource of free gold.

The Hard Rock Drilling Work:

- ◆ Three 150m-200m deep diamond drill holes targeting the shallow hard rock potential along the interpreted south-west caldera margin (Map 2).

Drill hole CRD001 was collared on 14 October 2017 and was completed at a downhole depth of 200.9m on 29 October 2017 (Table 1). The drill hole intersected the conglomerate unit along with volcanic breccia units and mafic volcanics. Half core samples will be sent to a NATA-certified laboratory in Lae for analysis of gold and other elements. Drill hole CRD002 was collared on 30 October 2017 and progressed to 104.9m as at 2 November 2017. The Company has established its core shed as part of its Camp facilities on the rim of the volcano. (Figures 1, 2 and 3)

Hole_ID	East	North	RL	Dip	Azim	Length (m)	Status
CRD001	815,692	9,407,435	2,319	-60	050	200.9	Completed
CRD002	815,904	9,407,294	2,318	-60	045	104.9	In progress

Table 1: Drill holes at Crown Ridge

Note: Co-ordinates in WGS84, Zone 54S datum; Azimuth relative to WGS84 grid



Figure 1: Core trays from drill hole CRD001 in the Crown Ridge core shed



Figure 2: Offloading pit samples at the Crown Ridge core shed



Figure 3: Closeup of showing location of Crown Ridge camp on top of the hill (elevation 2,320m)

The Bulk Sampling activities:

- ◆ Bulk sampling test pits (1m x 1m x 4m deep) targeting near-surface free gold mineralisation, hosted by the altered conglomerate unit. The initial phase will be conducted at a nominal pit spacing of 200m, with infill pitting at 50m spacings within areas of higher grade mineralisation.
- ◆ In conjunction with the test pits, up to nine 40m-60m deep shallow vertical diamond drill holes testing a 0.25 km² area will test the potential depth of the interpreted conglomerate-hosted gold deposit, covering an area that returned the best gold results from the previous 52 test pits.



Five bulk sampling 1m x 1m pits have been excavated and sampled to date (Table 2). The pits are being dug by hand to ensure precision in the excavation dimensions and sampled at 0.5m intervals to provide detailed information on the distribution of free gold mineralisation within the Timun Conglomerate and interbedded sediments and volcanoclastic rocks (Figure 4).



Figure 4: Photo of pit CRP001 showing altered and weathered conglomerate and interbedded sandstone units

The samples are being processed on-site through a Knelson concentrator and sluice box to collect a heavy mineral concentrate (Figure 5). Test sampling undertaken of a pit alongside the concentrator demonstrated that the Knelson / sluice box procedure was collecting almost all of the visible gold into the concentrates. The concentrates will be sent to ALS laboratories in Perth to determine the total contained gold in the samples. Representative samples of the tailings are also being collected for analysis.



Figure 5: Processing of pit samples using a Knelson concentrator and sluice box to collect heavy mineral concentrates

Pit_ID	East	North	RL	Depth (m)	Status	Samples collected
CRP001	816,432	9,407,067	2,296	5.00	Completed	10
CRP002	816,167	9,407,137	2,328	4.85	Completed	9
CRP003	815,880	9,407,336	2,334	4.80	Completed	10
CRP004	815,875	9,407,344	2,331	5.00	Completed	9
CRP005	816,129	9,407,393	2,273	4.15	Completed	8
CRP006	816,665	9,407,405	2,253	3.10	In progress	5

Table 2: Bulk sampling pits completed at Crown Ridge

Note: Co-ordinates in WGS84, Zone 54S datum

From geological mapping of outcrops and shallow pits, the prospective Timun Conglomerate, which is being exploited in places by artisanal miners, occurs throughout the >7 km² area of the interpreted volcanic crater. Results from both the shallow drilling, pitting and bulk sampling will aim to define near-surface Mineral Resources that will be amenable to recovery of gold using gravity processes.

Exposures of similar rocks have been mapped to the west of the Crown Ridge area, along the road from Wapai village towards Laialam village (Map 1). Reconnaissance mapping and geochemical sampling programs within this area is currently being undertaken to determine whether the rocks outside of the volcanic crater also contain free gold mineralisation.



Gold Mountain's Director of Exploration Doug Smith: *"The commencement of the hard rock drilling and bulk sampling, with associated shallow drilling programs are a major step forward for the Company. Observations of the drill cores suggests that a variety of mineralisation events, including palaeo-alluvial, volcanic and structural, have occurred. These events may have each contributed to the overall gold mineralisation of the bedrock within the Crown Ridge prospect and indicates the potential for a very large mineralised system. Further follow up drilling along the interpreted crater edge will enhance understanding of the Crown Ridge deposit."*

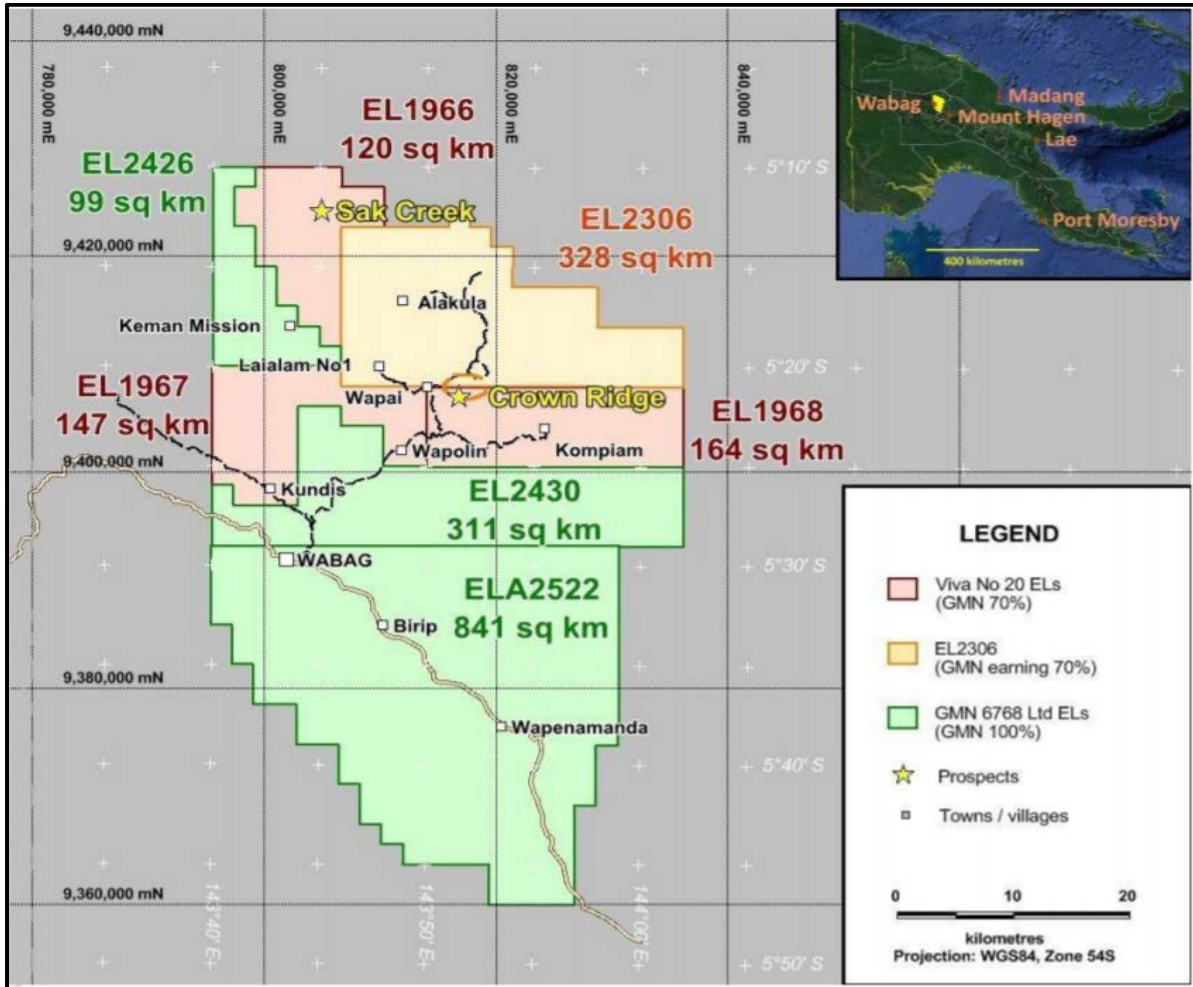
Gold Mountain has completed its recent private placement raising \$6.65 million. The Company is fully funded for the current drilling / bulk sampling program aimed at defining a Mineral Resource Estimate (MRE) that can be reported in compliance with JORC 2012 and for additional exploration as required.

About Crown Ridge

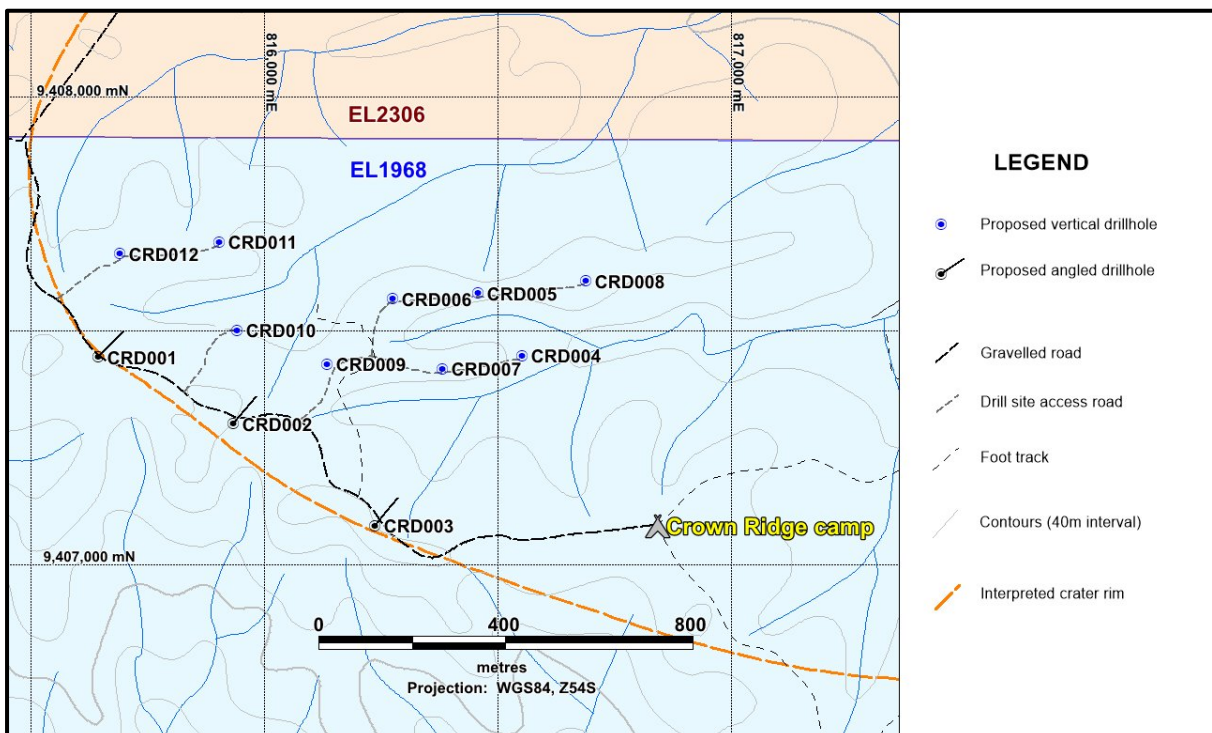
The Crown Ridge Gold Project sits within one of the world's most highly endowed gold provinces, which hosts major operations and deposits including the ~16 Moz Ok Tedi Mine, the ~28 Moz Porgera Mine, the ~20 Moz Frieda River Project and the ~20 Moz Wafi/Golpu Project.

Crown Ridge is located at the boundary between EL1968 and EL2306 (Map 2), within an interpreted volcanic crater. Access is good, with all-weather gravel roads having been built by Gold Mountain, and is connected by sealed highway to the major regional centre, Mount Hagen, which has an international airport.

Gold Mountain has consistently achieved encouraging results from work done at Crown Ridge to date, as reported in past ASX announcements. A bulk sampling program of 52 test pits over a 750m x 750m area resulted in 48 of the pits returning appreciable pannelable free gold and some platinum; one of these pits (Pit 200) returned 75.05 grams of gold and 8.71 grams of platinum from 125m³ of material, for a recoverable grade of ~0.7 grams gold per cubic metre. A 3D Magnetic Survey conducted in 2016, and announced to market on 23 December 2016 & 27 February 2017, indicated extensive, shallow drill targets within the Crown Ridge Project and extending past known project limits.



Map 1: Wabag Project - tenement map and ownership details



Map 2: Crown Ridge prospect, showing interpreted crater rim and planned drill holes



Quest Exploration Drilling (PNG) Ltd (“QED” or “Quest”) has been contracted to undertake the program. Quest is an industry leader with more than 45 years’ experience in Papua New Guinea, Philippines and Solomon Islands. A tracked Atlas Copco CS14 drill rig (Figures 6 & 7) is being used for the program and the majority of the drilling metres will be using PQ triple tube wireline gear in order to maximise core recovery and provide large core samples for analysis.



Figure 6: QED’s Atlas Copco CS14 Drill Rig on drill hole CRD001



Figure 7: QED’s Atlas Copco CS14 Drill Rig on drill hole CRD002



The company invites you to view the latest photographs showing progress of drill site preparation here: <https://www.goldmountainltd.com.au/gallery>

About Gold Mountain

Gold Mountain Limited (ASX:GMN) is a junior mining explorer focused on delivering shareholder returns by developing its gold projects in Papua New Guinea (PNG). The company's experienced management team has assembled a portfolio of tenements prospective for gold, covering a total area of 2010km² within the Highlands of PNG. Gold Mountain is now focused on advancing its flagship Crown Ridge Gold project to assess the viability of and, results permitting, develop a relatively short term start up bulk gold mining operation.

The Company is fully funded for the current drilling and bulk sampling program aim at defining a Mineral Resource Estimate (MRE) that can be reported in compliance with JORC 2012 and additional exploration as required

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 mineralisation styles 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.



JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	<p>1m x 1m x 4m pits excavated by hand.</p> <p>Heavy mineral concentrates were obtained by slurring excavated material and processing through a Knelson concentrator and sluice box to produce a concentrate of 3-4kg to be shipped for analysis. One sample per 0.5m depth is produced.</p> <p>Sample of the tailings from the concentrator / sluice box is also collected for analysis.</p>
Drilling techniques	Diamond drilling using triple tube PQ / HQ equipment.
Drill sample recovery	Recovery measured for each drill run
Logging	Drill core logging of lithologies, structures, alteration veining and mineralisation.
Sub-sampling techniques and sample preparation	No drillhole sampling completed to date. Sampling will be done by splitting core in half using a diamond core saw.
Quality of assay data and laboratory tests	No assay results are reported in this announcement.
Verification of sampling and assaying	No quality control sampling has been undertaken to date.
Location of data points	Pit locations and drillhole collar positions were determined by hand-held GPS readings (accuracy +/- 5m) and recorded in WGS84, Zone 54S datum.
Data spacing and distribution	<p>First-pass pits are spaced on a nominal 200m x 200m grid. In-fill pitting will be undertaken at 50m x 50m grid spacings.</p> <p>Data spacing and distribution will be sufficient for Mineral Resource estimation.</p> <p>No sample compositing has been applied.</p>
Orientation of data in relation to geological structure	The orientation of samples is not likely to bias the assay results. The use of regular spaced grids will eliminate the potential bias that could be caused by the use of irregular grids.
Sample security	Samples are currently stored in a locked shed at the Crown ridge camp. Batches of samples will be transported by company personnel to Mount Hagen and despatched by courier to the ALS Laboratory in Perth.
Audits or reviews	No sampling results reported.



Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	EL1968 was granted to Viva No 20 Limited on 28 Nov 2013 and expires on 27 Nov 2017. The current tenement area is 164 km ² . GMN is earning 70% interest. Application for renewal of the tenement has been lodged with MRA in Port Moresby.
Exploration done by other parties	All exploration programs conducted by Gold Mountain Limited
Geology	EL1968 contains potential for intrusive-related gold-copper deposits, epithermal-style gold deposits, alluvial gold-platinum deposits and Alaskan-style platinum deposits
Drill hole Information	Drilling by QED using an Atlas Copco track-mounted CS14 Drill Rig running triple tube PQ / HQ drill rods. Collar co-ordinates, inclination, azimuth and depth presented in Table 1 of this announcement.
Data aggregation methods	No assay results or data aggregation methods included as part of this release. No material information is excluded. No intersections have been reported as part of this release.
Relationship between mineralisation widths and intercept lengths	No assay results included as part of this release No material information is excluded. No intersections have been reported as part of this release.
Diagrams	Maps showing the location of the Crown Ridge prospect within the Wabag suite of tenements and the locations of the drill holes (completed and proposed) at Crown Ridge are presented in this announcement
Balanced reporting	No assay results included as part of this release, hence no reported intersections.
Other substantive exploration data	Geochemical surveys have been previously reported. These included soil sampling, stream sediment sampling, rock chip sampling, trench and pit sampling. A Helimag survey involving flying lines at 100-metre line spacing, was completed in 2016 and processing and reporting of the data were previously announced.
Further work	Continued bulk sampling and diamond core drilling at Crown Ridge, leading up to the estimation of Mineral Resources. Regional geochemical sampling and geological mapping to detect other areas of potential gold mineralisation.