GOLD MOUNTAIN LIMITED

ASX:GMN (ABN 79 115 845 942)

Suite 2501 Level 25 St Martins Tower
31 Market Street Sydney NSW 2000 Australia
(PO Box Q638 QVB Market Street NSW 1230 Australia)
Tel: +61 (02) 9283 3880

ASX RELEASE

14 December 2017

EXPLORATION UPDATE

CROWN RIDGE DRILLING & PITTING

- **Diamond drill hole CRD005 shows visible gold mineralisation at various depths between 88m and 230m downhole**
- **From 230 to 398m mixed mafic volcanics with variable sulphides and quartz carbonate chlorite veining were encountered, providing further encouraging signs of possible mineralisation**
- **4 diamond drill holes completed and CRD005 continues**
- **Total drilling metreage to date 1,178.7m**
- **Pitting at Crown Ridge continues; samples despatched to ALS laboratory in Perth for analysis of recoverable gold**

Gold Mountain Limited **(ASX: GMN)** ("Gold Mountain", "the Company" or "GMN") continues both its development of its flagship Crown Ridge prospect in the Highlands region of Papua New Guinea (Figure 1).

- The Hard Rock Exploration drilling has continued to progress with positive indications of mineralisation (Figure 2).

  - Drillhole CRD004 was abandoned at 57.2m due to ground conditions.
  - Drillhole CRD005 is currently being drilled approximately 80 metres north of the Crown Ridge camp; inclined at -70-degree angle towards the south.
  - Visible gold has been observed in drill core at various intervals between downhole depths of 88m to 230m.
  - The gold is very fine in nature, typically less than 1mm.
  - Both crustiform and fine wire gold has been observed.
  - The mineralisation is in fine stockwork veins and discrete shears, as well as also in rock matrix.
  - A positive result was obtained from field testing of 'malleability', which involved both bending and flattening of the grains.
  - From 230m to 398m CRD005 encountered visual mixed mafic volcanics with variable sulphides and quartz carbonate chlorite veining. The drill hole is continuing, and detailed logging is being undertaken.
  - Sampling of the mineralised zone in CRD005 is being given a high priority in order to obtain assay results to confirm the gold mineralisation.

Details of drilling completed to date are presented in Table 1.

Hole No	Easting	Northing	RL	Dip	Azimuth	Length
CRD001	815644	9407446	2290	-60	040	200.9
CRD002	815919	9407299	2316	-60	040	220.5
CRD003	816238	9407086	2298	-60	040	302.1
CRD004	816814	9407155	2300	-60	360	57.2
CRD005	816814	9407155	2300	-70	180	398[1]

Table 1: Crown Ridge drillholes completed to date

Collar co-ordinates in metres, WGS84, Zone 54S datum; azimuth relative to WGS84 grid

- The pitting work, aimed at defining a near-surface Mineral Resource of free gold hosted by altered conglomerate, is progressing well, with 10 of the planned 32, 1x1x4m deep pits completed to date. Concentrate samples have been dispatched to ALS laboratory in Perth, Australia; results and grade determination work is ongoing.

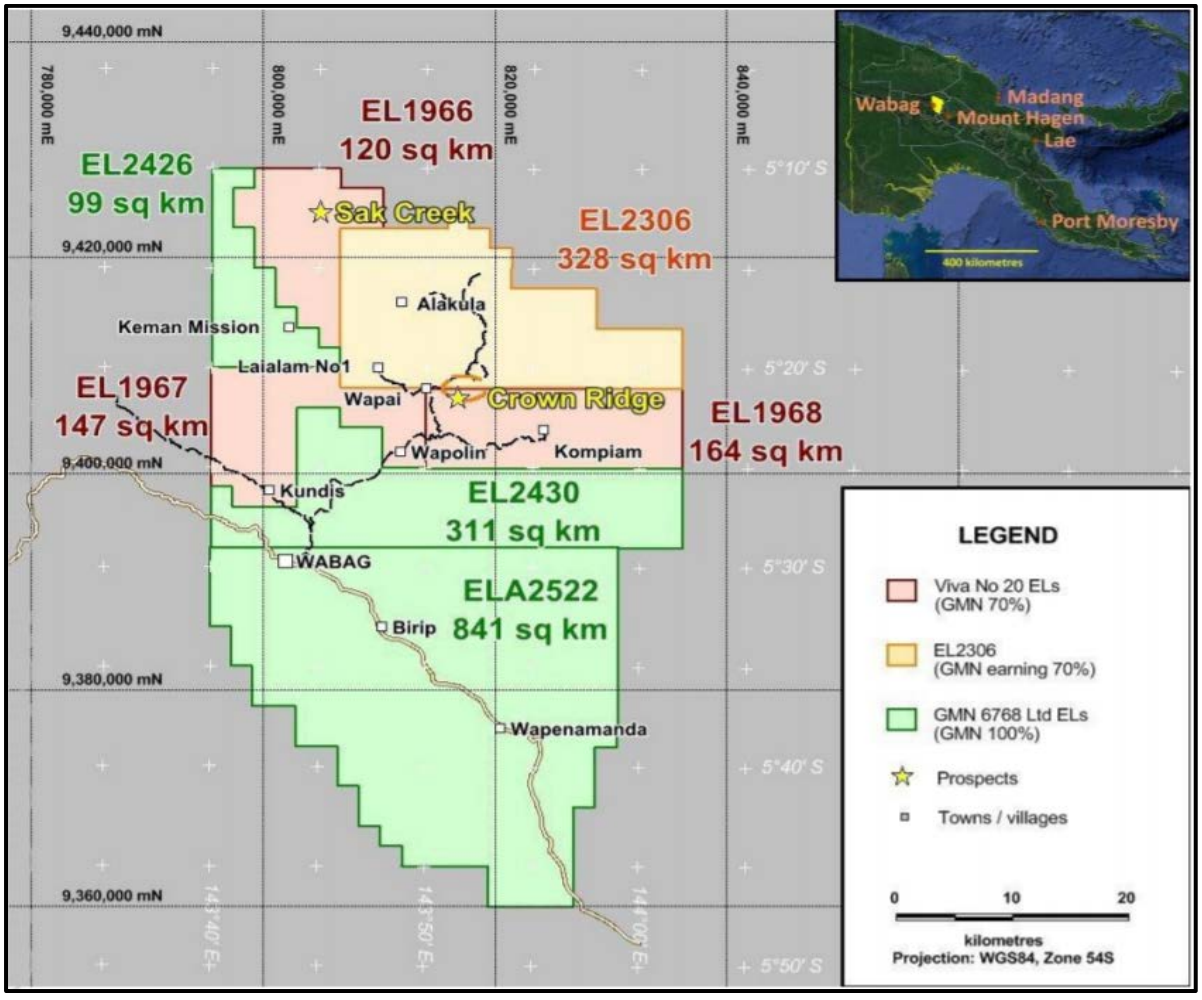

Figure 1: Wabag Project - tenement map and ownership details

[1] In progress

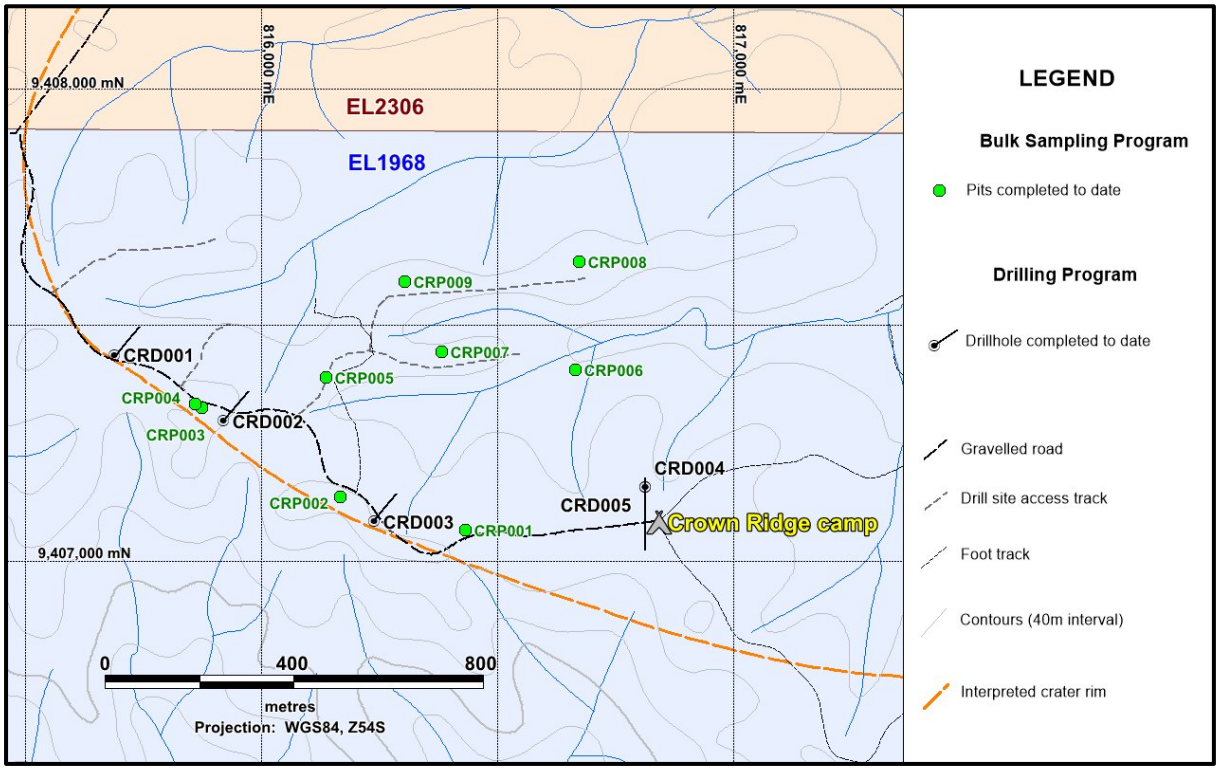

Figure 2: Crown Ridge prospect, showing drillholes and pits completed to date

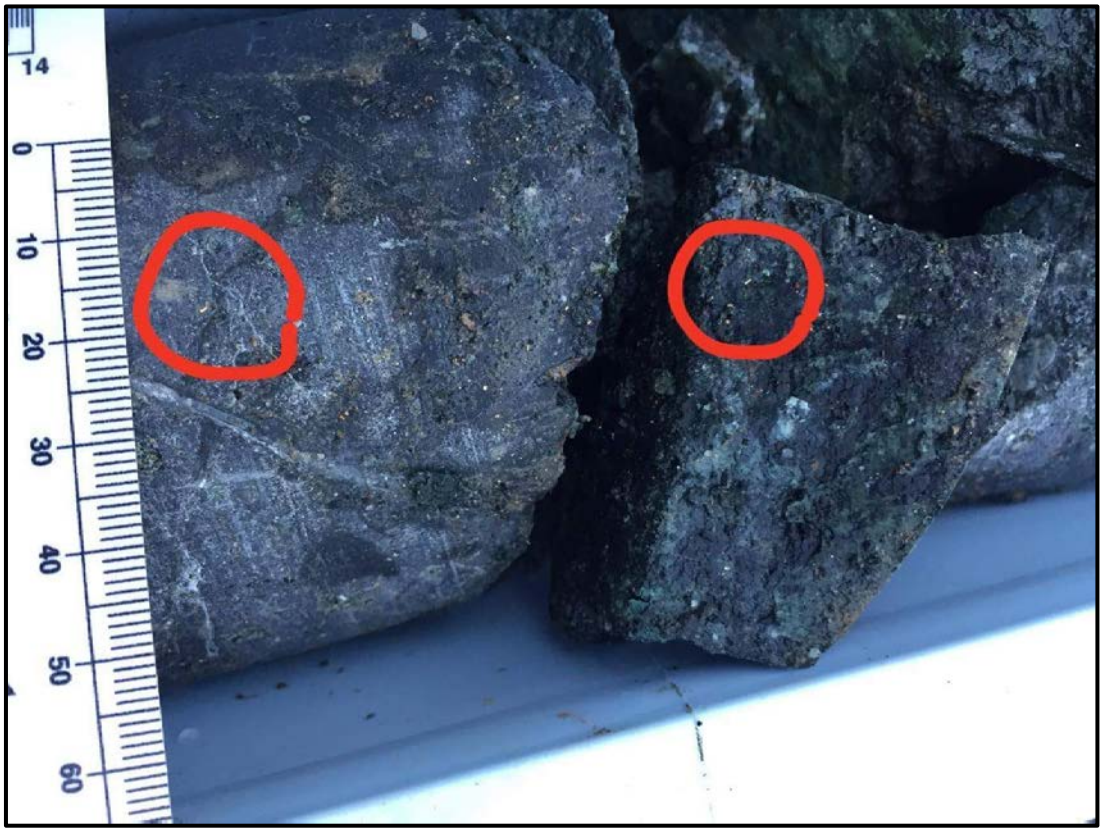

Photo 1: Visible gold in drill core, CRD005

Photo 2: Visible gold from drill core, CRD005

The company invites you to view the latest photographs showing progress of exploration programs on the Wabag project 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 2010km^2 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 JORC 2012 compliant Mineral Resource Estimate (MRE) 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	1m x 1m x 4m pits excavated by hand. Heavy mineral concentrates were obtained by slurrying 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. Sample of the tailings from the concentrator / sluice box is also collected for analysis.
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	Drillhole 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	First-pass pits are spaced on a nominal 200m x 200m grid. In-fill pitting will be undertaken at 50m x 50m grid spacings. Data spacing and distribution will be sufficient for Mineral Resource estimation. No sample compositing has been applied.
Orientation of data in relation to geological structure	The orientation of samples is not likely to bias the assay results. The use of regulary 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.