



ASX : GMN

12 April 2018

GOLD MOUNTAIN COMMENCES PHASE 5 CONGLOMERATE GOLD-PLATINUM AT CROWN RIDGE

HIGHLIGHTS:

- ✓ **Phase 5 of the resource assessment program at Crown Ridge has commenced with the purchase of a portable bulk sampling plant, planned to be on-site during June**
- ✓ **The mobile gold recovery plant will be used to determine precious metal grades of the substantial volume of gold nugget-bearing conglomerate unit**
- ✓ **Bulk sampling of close-spaced test pits (125m³ samples) will be used to define near-surface Mineral Resources**
- ✓ **Scout diamond drilling program confirms that the gold-platinum hosting conglomerate is continuous over hundreds of metres laterally and 70 to 90 metres thick**
- ✓ **Re-interpretation of geophysics has identified potential bonanza grade gold-bearing structures, which are being tested by deeper diamond drillholes**

Papua New Guinea-focused precious metals exploration company Gold Mountain Limited (ASX : GMN) ("Gold Mountain" or "the Company") is pleased to announce that **Phase 5** of their gold exploration program at Crown Ridge, Enga Province, PNG, has commenced (Figure 1, Figure 2).

Phase 1: involved reconnaissance mapping and geochemical sampling, which identified a basin structure containing gold-bearing conglomerate extending over an area in excess of 7km². This conglomerate unit is the source of historical precious metal production by prospectors during 1948-1968 (38kg gold, 9kg silver, 3.5kg platinum) and continues to be processed by artisanal miners, who are recovering nuggets of gold and platinum (Photo 1 to Photo 4).

Phases 2 & 3: involved ground & airborne magnetics surveys to define mineralisation controlling structures and trenching to determine gold grades in bedrock, respectively.

Phase 4: involved pitting (1mx1mx4m) and shallow diamond drilling to determine the lateral and depth extents of the conglomerate unit. The diamond drilling program has confirmed that the sequence extends at least 1,100 metres from east to west and 550 metres from north to south and



70m-90m depth. The lateral extent of the conglomerate-bearing mineralisation is open in all directions.

Panning of the material excavated from the pits showed that gravity recoverable gold is present throughout the conglomerate unit (Photo 5). Bulk samples from the pits are being processed on site, using a small portable Knelson concentrator, to produce concentrates that have been sent to ALS Laboratories in Perth to determine the bulk grades of the gold content (in grams per cubic metre, g/m³). This program is being used to identify higher grade zones for the Phase 5 pitting. Full assay results for this program are still pending and will be reported once the program is complete.

Data from the Phase 4 program have indicated that the Crown Ridge prospect could contain a large volume of gold-bearing conglomerate that could be processed by non-chemical gravity methods. However, the Company recognises that the nuggety nature of the gold within the conglomerate requires larger bulk samples to get an accurate measure of the gold content (Figure 3) and various orientation sampling programs have been undertaken to determine the optimal method.

Phase 5: To expedite definition of Mineral Resources, GMN has purchased a portable bulk sampling plant, designed to process large volume (125m³) samples (Photo 6). This plant will be shipped from Australia and is expected to be on-site during June. Results from the Phase 5 bulk sampling program will be used to determine Mineral Resources of the shallow gold deposits.

Deep Drilling program

Re-interpretation of magnetics data has identified potential bonanza grade gold-bearing structures, which are being tested by deeper diamond drilling. Drillhole CRD015 was collared on 22/03/2018 and completed on 8/04/2018 at 401.9m downhole depth (Table 1). A milled breccia unit with moderate chlorite-carbonate-epidote alteration and disseminated fine pyrite (up to 1% by volume) was intersected from 365m to 370m (downhole depth) (Photo 7). Assays are not yet available for this drillhole.

Drillhole CRD016 was collared on 9/04/2018. The drillhole was designed to test a potential dilation zone indicated by processing of airborne magnetics data (Figure 5).

Exploration Director Doug Smith stated:

“We now have coherent geological data on the extent of the mineralised conglomerate and have developed the appropriate large scale sampling methodologies for this nuggety gold mineralisation. Processing large samples with the specifically designed bulk sampling plant will provide very accurate gold and platinum grade measurements for a Mineral Resource Estimate.”

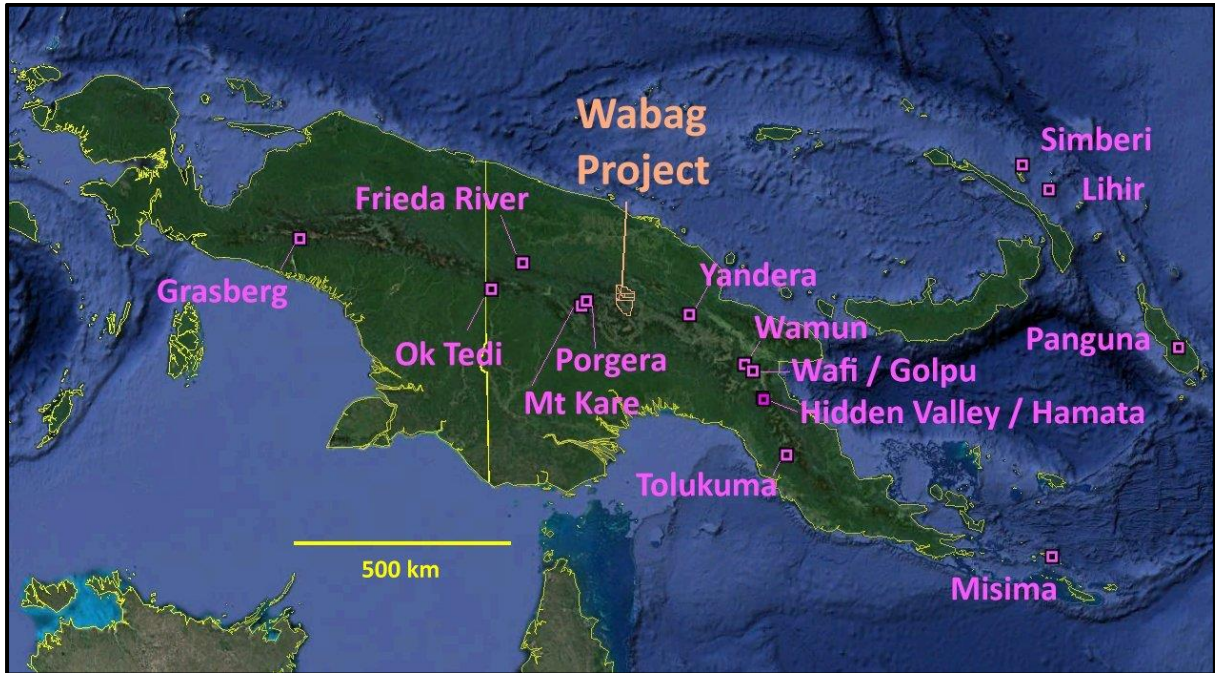


Figure 1: Location of Wabag Project and major gold / copper deposits

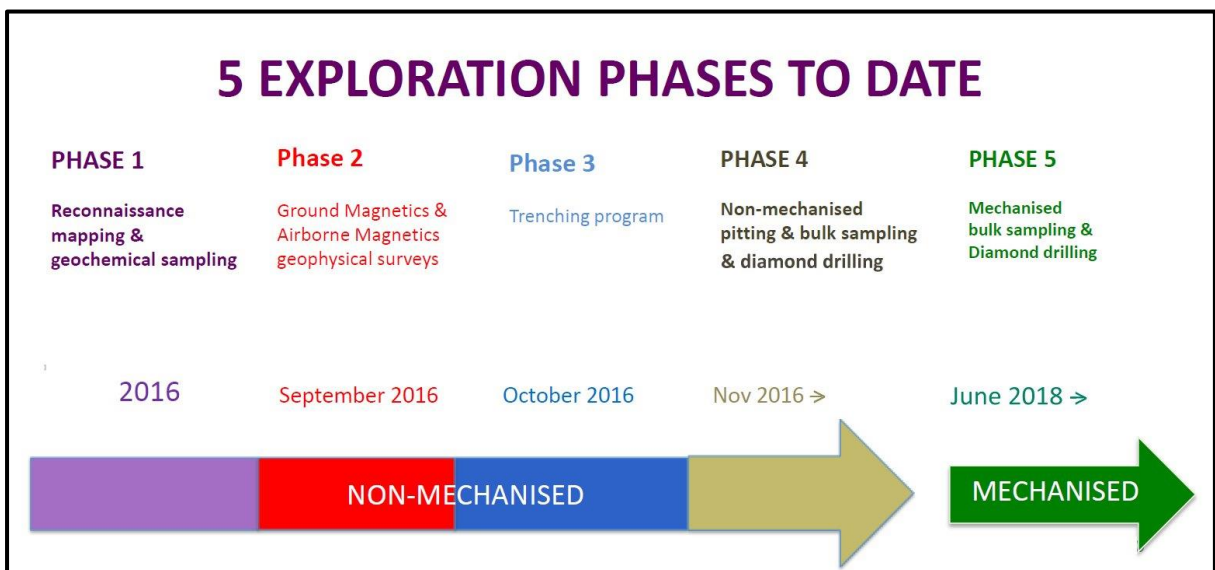


Figure 2: Exploration phases conducted at Crown Ridge

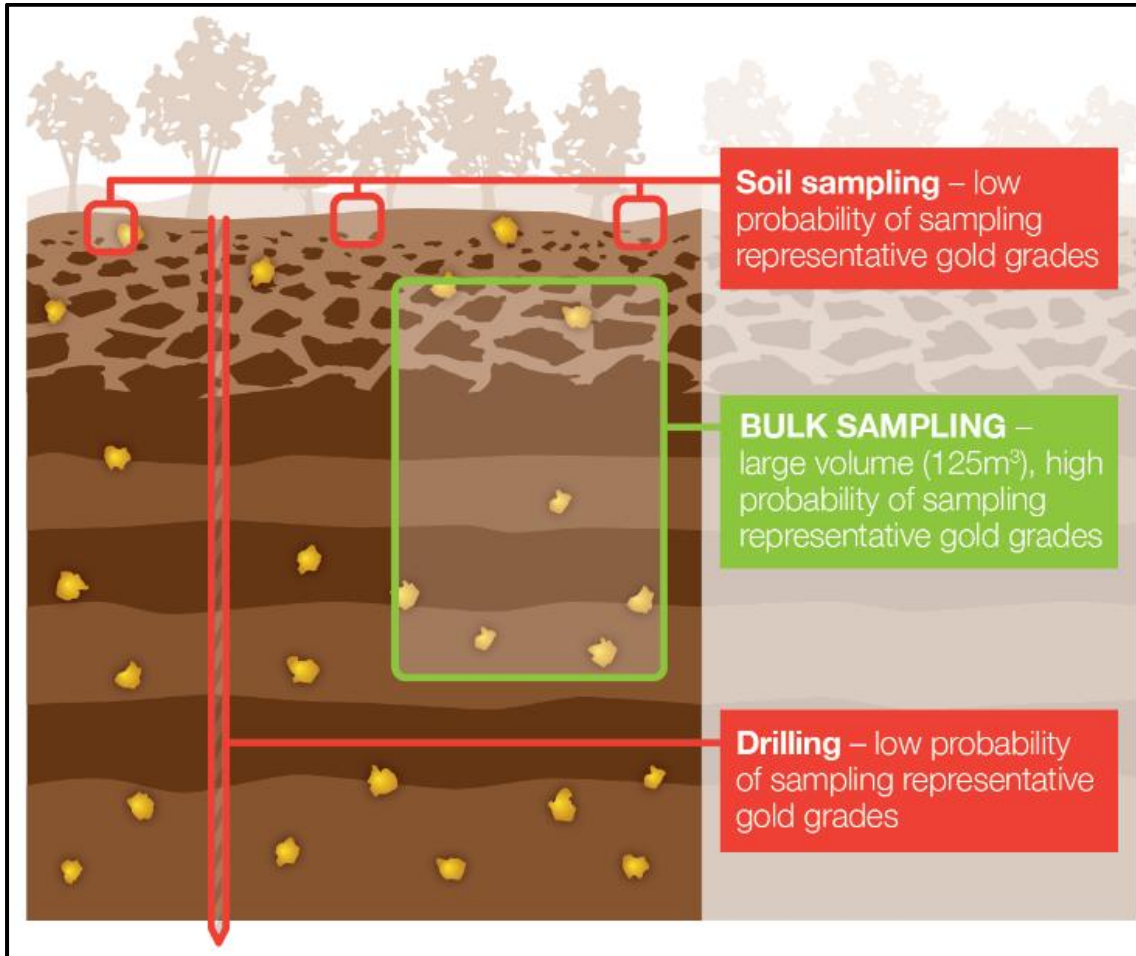


Figure 3: Large volume bulk (125m³) samples are essential to accurately measure gold grade per cubic metre for nuggety gold deposits. The gold-platinum conglomerate is continuous over hundreds of metres laterally and up to 70-90 metres thick.

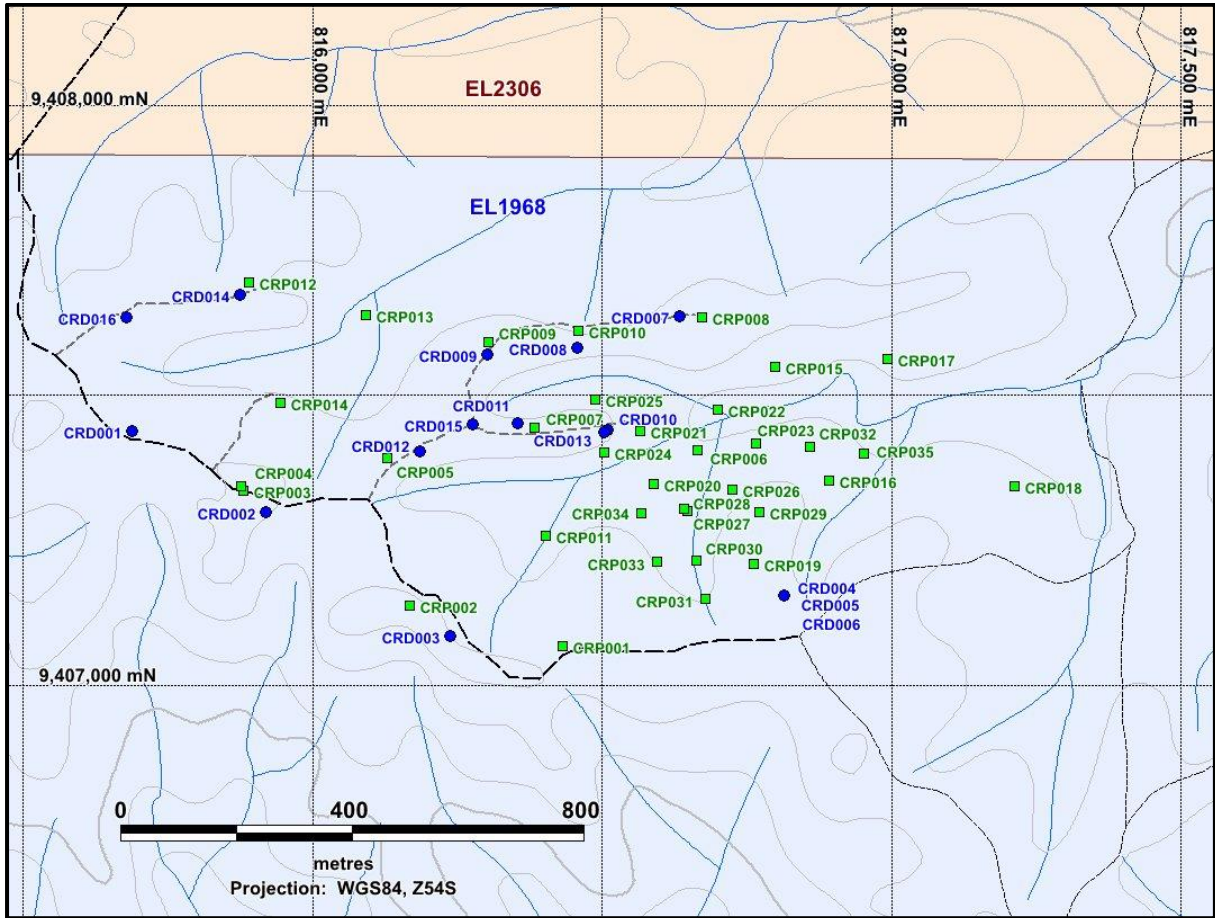


Figure 4: Crown Ridge, location of drillhole collars (blue) and Phase 4 pits (green)

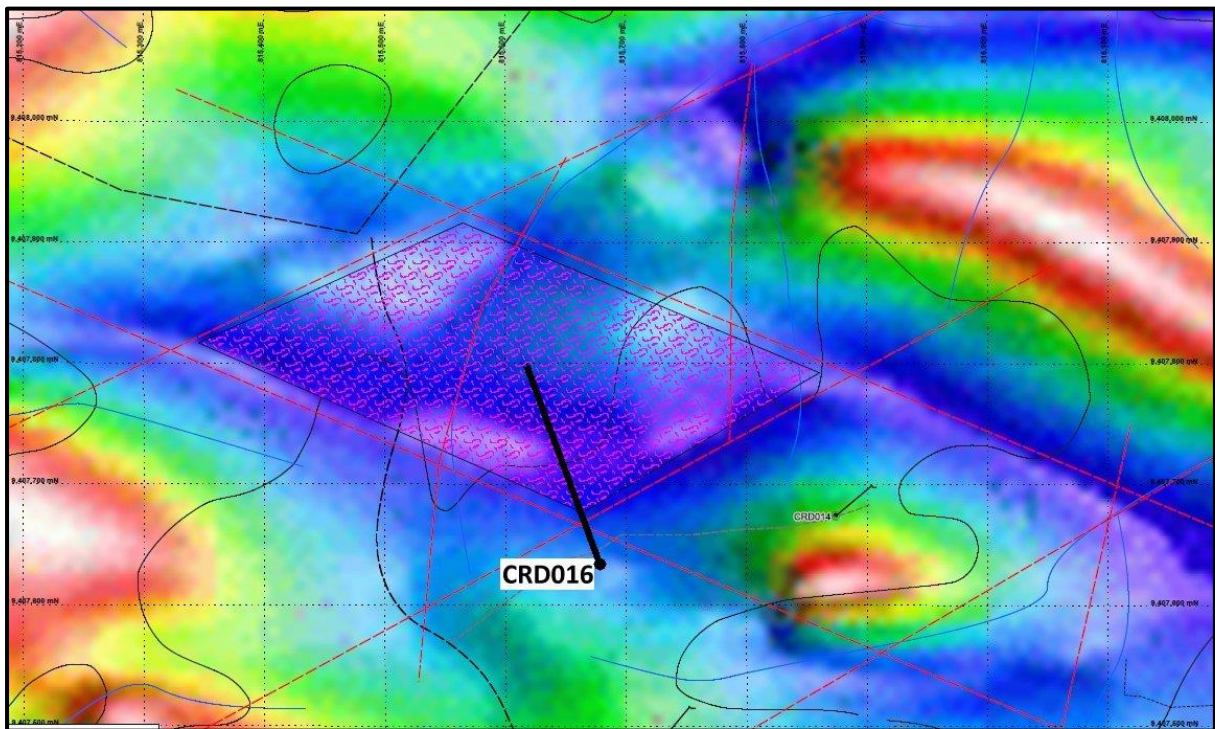


Figure 5: Drillhole CRD016 showing interpreted dilation zone from processed magnetics data



Photo 1: Gold and platinum nuggets panned by artisanal miners, Crown Ridge prospect



Photo 2: Nuggety gold and gold-quartz veins, Crown Ridge (Scale: divisions in millimetres)



Photo 3: Nuggety Gold, Crown Ridge (Scale: divisions in millimetres)

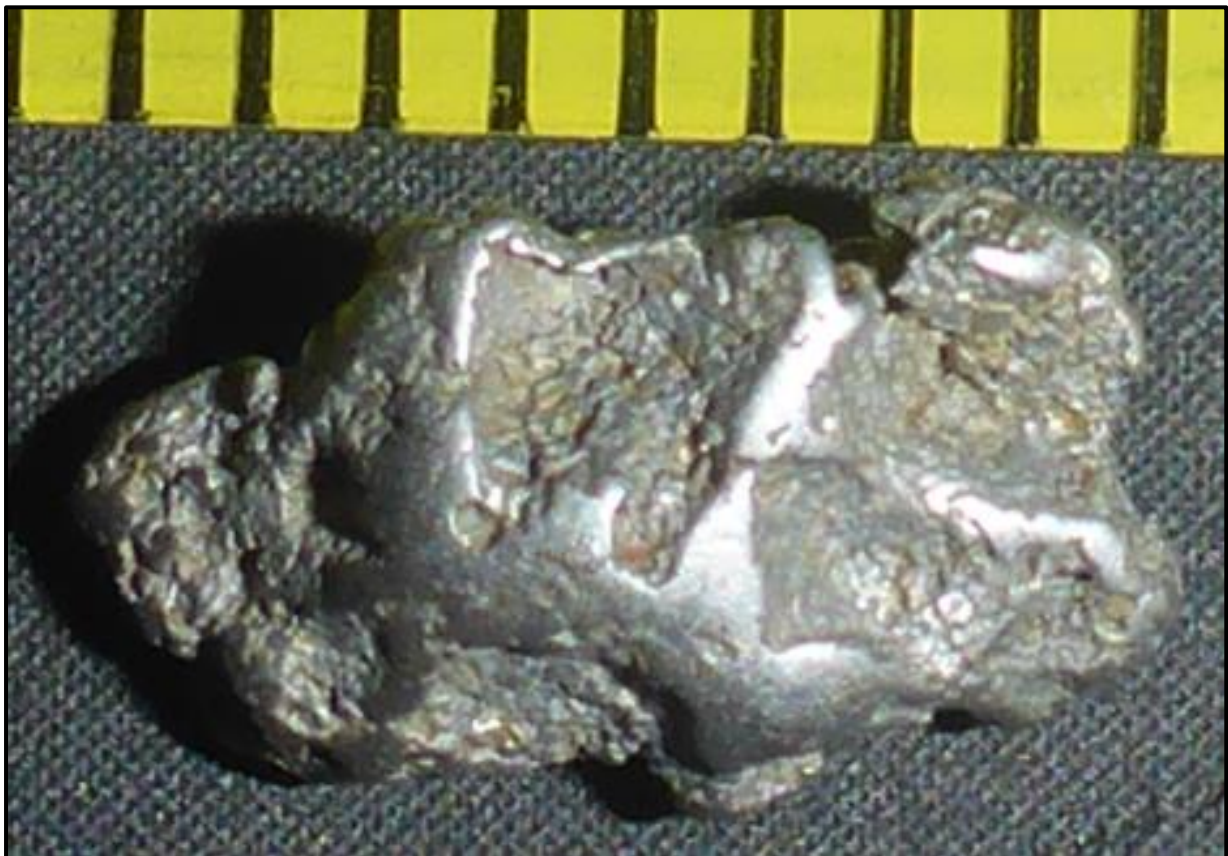


Photo 4: Platinum nugget, Crown Ridge (Scale: divisions in millimetres)

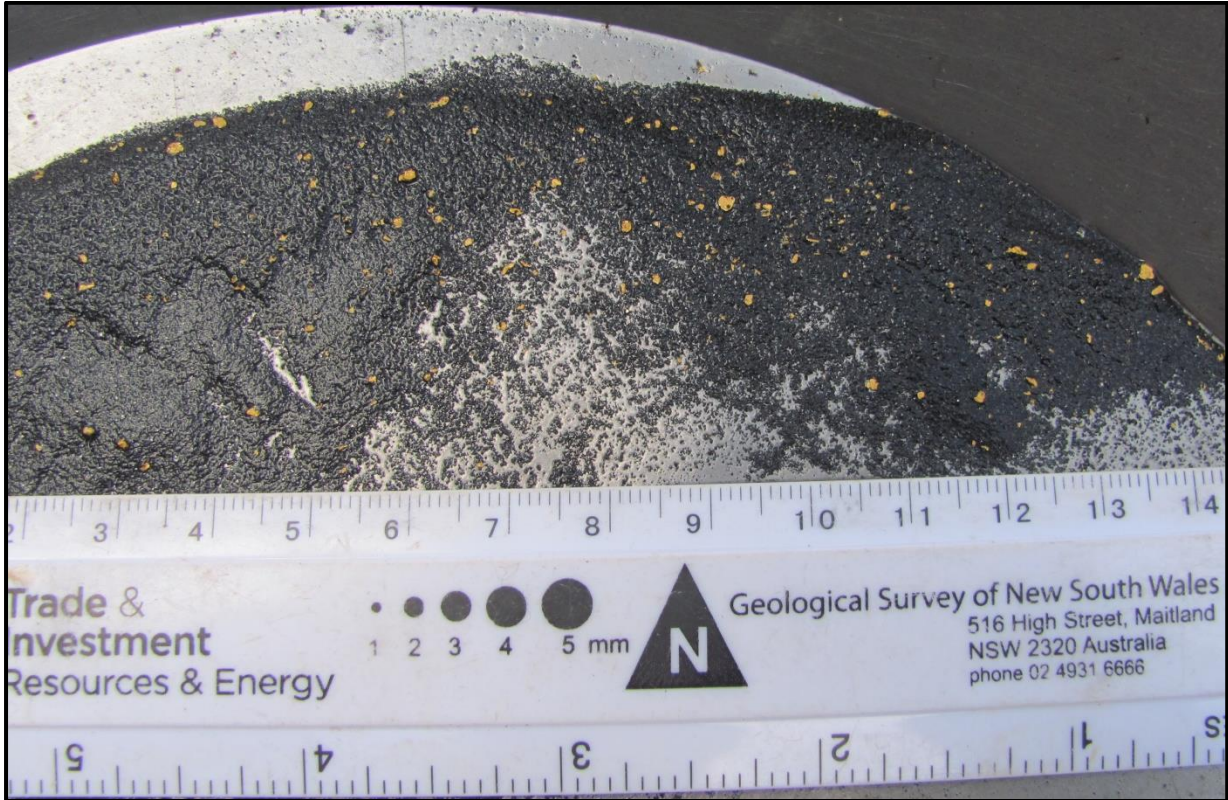


Photo 5: Panned concentrate from bulk sampling pit showing free gold in black sand

BULK SAMPLE PLANT - Model BSP-10



Photo 6: Bulk sampling plant constructed in Australia ready to be shipped and operational at Crown Ridge in June



Photo 7: Milled breccia unit in CRD015

HoleID	Easting	Northing	RL	Dip	Azim	Length	Commenced	Completed
CRD001	815688	9407439	2290	-60	040	200.9	14/10/2017	29/10/2017
CRD002	815919	9407299	2316	-60	040	221.5	30/10/2017	7/11/2017
CRD003	816238	9407086	2298	-60	040	302.1	13/11/2017	24/11/2017
CRD004	816814	9407155	2300	-60	330	70.5	25/11/2017	28/11/2017
CRD005	816814	9407155	2300	-70	180	470.6	28/11/2017	24/12/2017
CRD006	816814	9407155	2300	-60	340	329.9	25/12/2017	3/01/2018
CRD007	816633	9407637	2314	-90	000	106	23/01/2018	3/01/2018
CRD008	816457	9407582	2248	-90	000	94.8	4/02/2018	9/02/2018
CRD009	816301	9407571	2298	-90	000	96.8	11/02/2018	14/02/2018
CRD010	816509	9407441	2281	-90	000	88	16/02/2018	19/02/2018
CRD011	816353	9407452	2301	-90	000	108	24/02/2018	27/02/2018
CRD012	816185	9407404	2317	-90	000	104.6	1/03/2018	5/03/2018
CRD013	816503	9407437	2292	-75	095	236.5	7/03/2018	14/03/2018
CRD014	815874	9407674	2327	-65	050	92.5	16/03/2018	19/03/2018
CRD015	816276	9407450	2312	-65	050	401.9	22/03/2018	8/04/2018

Table 1: Crown Ridge drillholes completed to date

Collar co-ordinates and azimuth are relative to WGS84, Zone 54S datum



Pit_ID	East	North	RL	Depth	Commenced	Completed
CRP001	816432	9407067	2296	5	11/10/2017	14/10/2017
CRP002	816167	9407137	2328	4.85	10/10/2017	17/10/2017
CRP003	815880	9407336	2329	4.8	17/10/2017	23/10/2017
CRP004	815875	9407344	2327	5	19/10/2017	23/10/2017
CRP005	816129	9407393	2273	4.15	24/10/2017	30/10/2017
CRP006	816665	9407405	2253	5.4	27/10/2017	13/11/2017
CRP007	816382	9407445	2276	4.4	2/11/2017	6/11/2017
CRP008	816672	9407634	2315	5.22	7/11/2017	13/11/2017
CRP009	816304	9407592	2303	4.85	17/11/2017	25/11/2017
CRP010	816458	9407612	2292	4.1	26/11/2017	2/12/2017
CRP011	816402	9407258	2280	4.65	20/12/2017	30/12/2017
CRP012	815889	9407696	2312	5	4/01/2018	12/01/2018
CRP013	816092	9407638	2282	5	17/01/2018	23/01/2018
CRP014	815944	9407487	2291	4.7	24/01/2018	30/01/2018
CRP015	816798	9407550	2269	5	31/01/2018	3/02/2018
CRP016	816892	9407353	2285	5.3	4/02/2018	7/02/2018
CRP017	816993	9407563	2263	4.9	7/02/2018	12/02/2018
CRP018	817212	9407344	2278	5	13/02/2018	16/02/2018
CRP019	816761	9407210	2288	5	23/02/2018	26/02/2018
CRP020	816588	9407347	2267	4.5	26/02/2018	28/02/2018
CRP021	816565	9407438	2288	4.9	1/03/2018	4/03/2018
CRP022	816699	9407475	2297	5	5/03/2018	7/03/2018
CRP023	816765	9407418	2263	5	7/03/2018	9/03/2018
CRP024	816504	9407402	2267	4.8	10/03/2018	12/03/2018
CRP025	816488	9407493	2292	4.9	13/03/2018	15/03/2018
CRP026	816724	9407337	2287	4.5	16/03/2018	18/03/2018
CRP027	816646	9407301	2251	2.4	19/03/2018	19/03/2018
CRP028	816642	9407305	2268	4.5	20/03/2018	22/03/2018
CRP029	816772	9407299	2302	5	23/03/2018	25/03/2018
CRP030	816663	9407215	2289	5.3	25/03/2018	28/03/2018
CRP031	816678	9407149	2290	4	29/03/2018	1/04/2018
CRP032	816858	9407411	2250	5	2/04/2018	4/04/2018
CRP033	816595	9407214	2294	5	4/04/2018	6/04/2018
CRP034	816568	9407296	2281	4.1	6/04/2018	8/04/2018

Table 2: Crown Ridge pits completed to date

Collar co-ordinates are relative to WGS84, Zone 54S datum

**Competent Person's Statement**

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.

Forward Looking Statements

All statements other than statements of historical fact used in this announcement, including, without limitation, statements regarding future plans and objectives of Gold Mountain Limited are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Gold Mountain Limited that could cause Gold Mountain Limited's actual results to differ materially from the results expressed or anticipated in these statements.

Gold Mountain Limited cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Gold Mountain Limited does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements. Exploration Licence 1968 is fully permitted by the PNG Government, subject to meeting the conditions of the licence.



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>

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

Doug Smith
Director Exploration
0419 414 460

Tony Teng
Managing Director
0414 300 044



Follow Gold Mountain on Twitter: <https://twitter.com/GoldMountainASX>

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 maiden Mineral Resource Estimate (MRE) under JORC 2012 guidelines and additional exploration as required.