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DRILL RIG MOBILISATION INITIATED FOR POTENTIAL LARGE PORPHYRY GOLD-COPPER SYSTEM

HIGHLIGHTS:

- ✓ **Helicopter-assisted drill program initiated for the large Mongae Creek Porphyry Au-Cu System in EL2306**
- ✓ **Abundant coarse gold present in creeks within the Mongae Creek system and gold panned from gossanous rocks**
- ✓ **Copper mineralisation located in outcrops**
- ✓ **Reconnaissance mapping and sampling in adjoining drainage systems planned to determine the extent of the mineralisation**

Papua New Guinea-focused precious metals exploration company Gold Mountain Limited (ASX: GMN) ("Gold Mountain" or "the Company") is pleased to announce the next phase of its expanded exploration program (Exploration Licence 2306, Abundance Valley). A helicopter-assisted drill program has been initiated to test the potential of the Mongae Creek Porphyry Au-Cu System. Field crews have been on-site and selected drill targets of outcropping areas of quartz-sulphide hydrothermal mineralisation. (Figure 1).

Figure 1: Location of Mongae Creek Porphyry Gold-Copper System relative to major World Class 24Moz Porgera Gold Mine

The primary objective of the drilling program is to locate the source of the widespread gold discovered in the Mongae Creek drainage, which forms an elliptical topographic structure measuring 1.6km x 1.2km. Mineralised outcrops of altered diorite porphyry with extensive hydrothermal quartz-pyrite veining are the postulated source of the gold (ASX Release 13 June 2018). Free gold has been panned from drainages on all sides of the elliptical topographic feature (Figures 2 & 3).

Quartz-sulphide flooding of the intrusive host is widespread, confirming a large scale gold-bearing hydrothermal system. In places the quartz flooding and replacement has resulted in weathering resistant, elevated sub-linear zones that identify structures that were major conduits for mineralised fluid flow. Drilling will test the width, vertical exent and gold and copper grades of these structures. Outcrops were also located with minor amounts of copper (bornite, chalcopyrites, chalcocite) and molybdenum minerals.

Large floaters (over 0.5m in length) of gossan were located in Mongae Creek. The gossan was developed from hydrothermally brecciated diorite that was extensively subjected to quartz-suphide flooding. Portions of these gossanous floaters were crushed and panned to yield free gold. The richest gold areas discovered by the artisanal miners occurs near the headwaters of Mongae Creek (refer to photos below, Figures 2 and 3). Gossanous mineralisation has also been exposed in outcrops in Mongae Creek.

Drill pads and field camps for geological and drilling crews are in final stages of construction. The drilling contractor is mobilising a heliportable rig and drilling equipment. The material is currently being stockpiled near Crown Ridge for mobilisation to the drill sites in Mongae Creek.

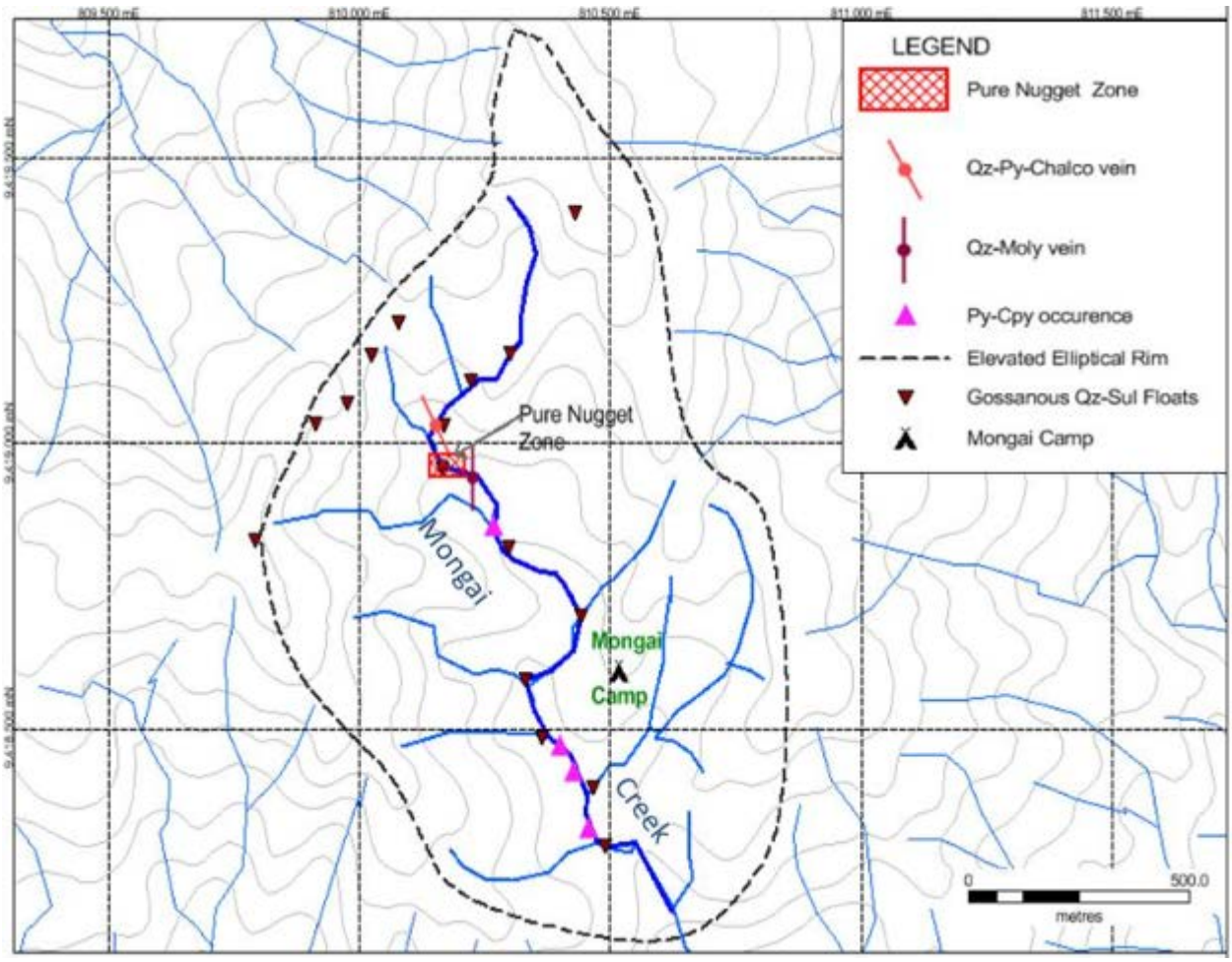

Figure 2: Mongae Creek prospect geological observations. Dashed line indicates outline of the elliptical topographic feature. 'Pure Nugget Zone' is the name given by local artisanal miners to one of the richest alluvial gold areas they have discovered.

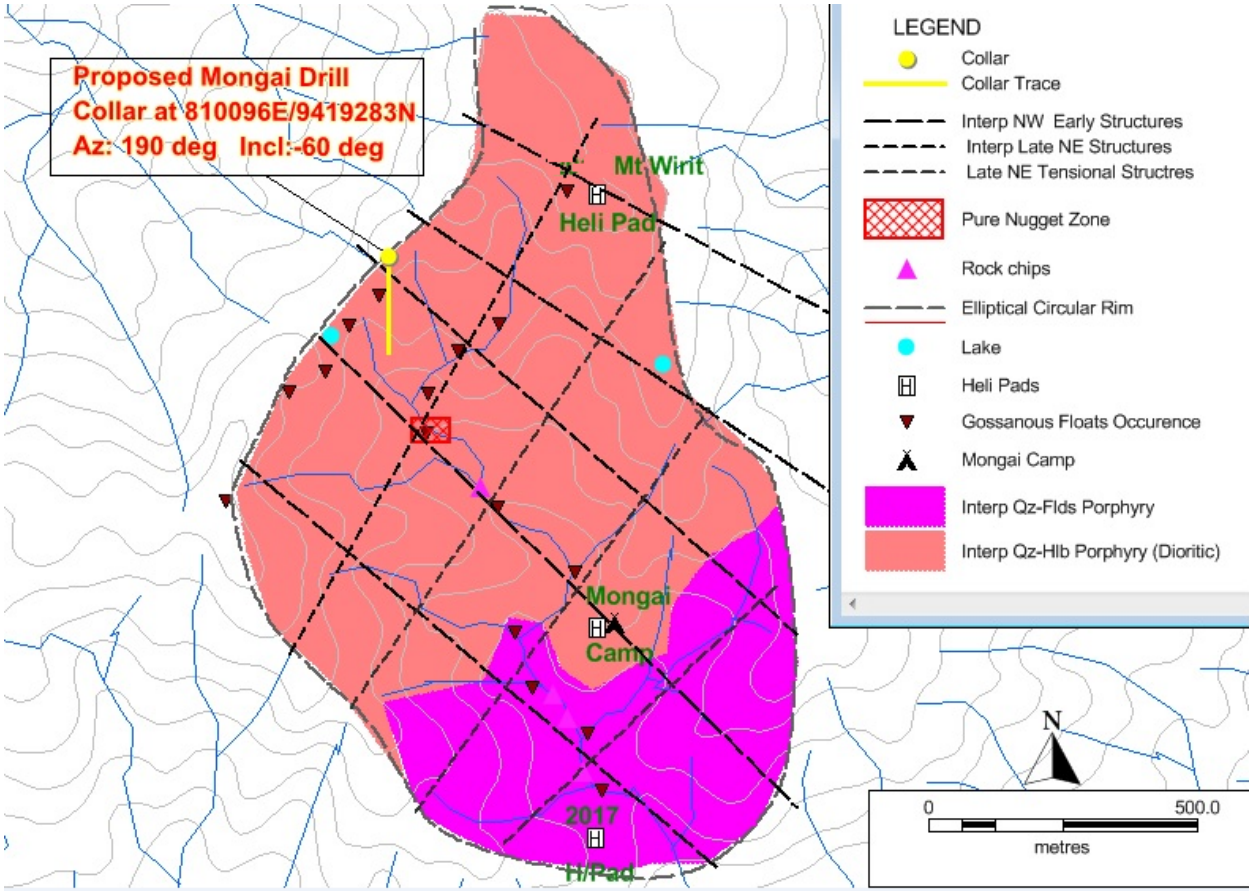

Figure 3: Multiple holes will be drilled from the collar location shown above to test structures that may be the source of one of richest alluvial gold areas discovered by artisanal miners in Mongae Creek (named the Pure Nugget Zone by locals)

Drainage sheds from both sides of the narrow (break-in slope indicated by red lines), encircling, elevated, elliptical rim (refer to photos below, Figures 2 & 3).

Gold from Mongae Creek and Tributaries

The gold is a mixture of angular and crystalline gold that has undergone minimal transportation from its source; other pieces are rounded due to transportation.

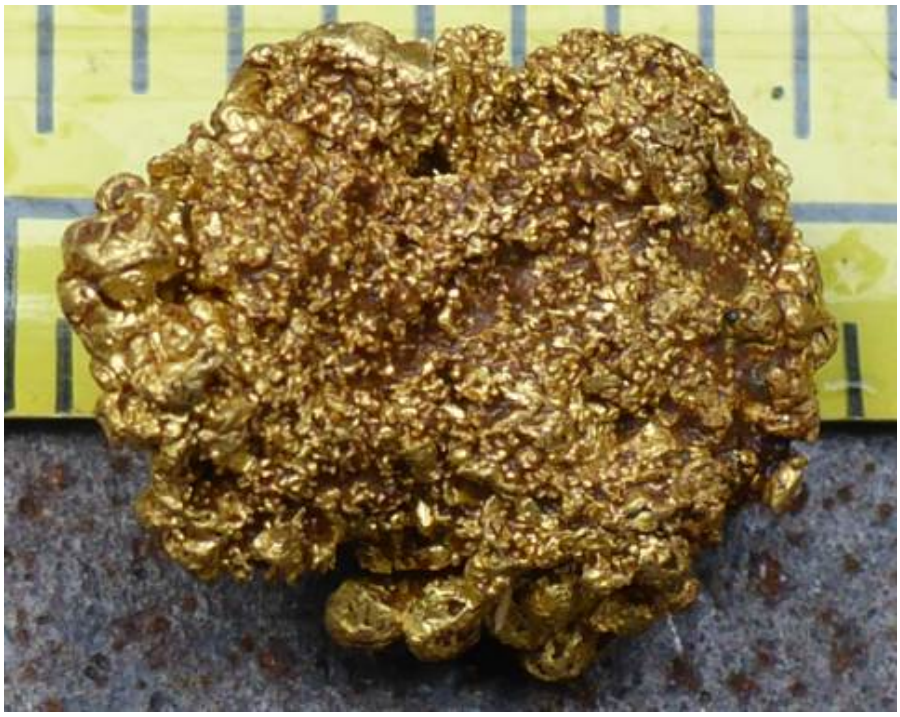

Photo 1: Gold from Mongae Creek
Scale: Lower row - divisions in millimetres

Photo 2: Gold from Mongae Creek
Scale: Divisions in millimetres

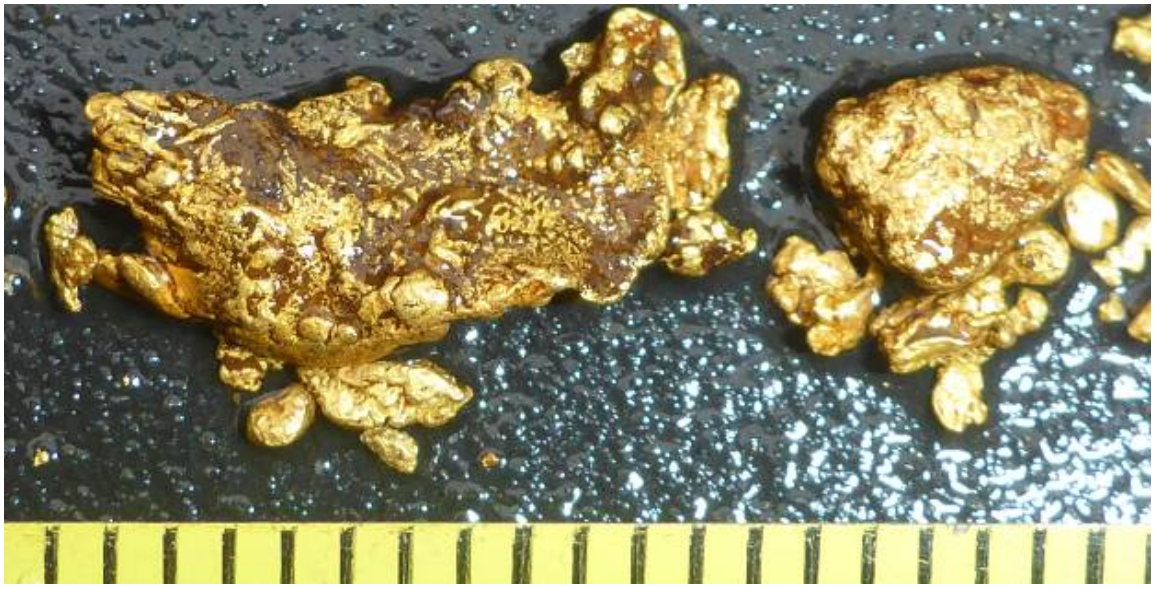

Photo 3: Gold from Mongae Creek
Scale: Divisions in millimetres

Photo 4: Gold from Mongae Creek
Scale: Divisions in millimetres

Photo 5: 17.3 gram gold nugget.
Scale: Lower row - divisions in millimetres

Diagnostic Mineral and Alteration Suites

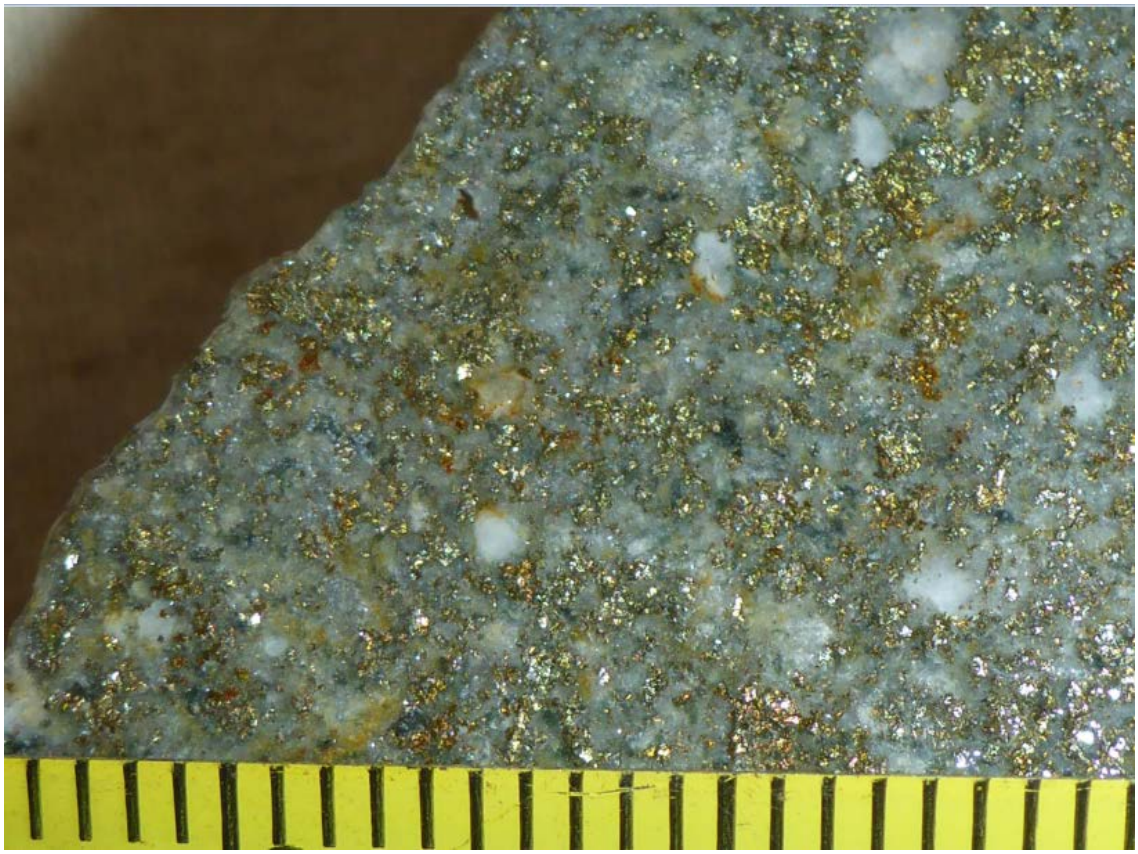

Photo 6: Disseminated copper (chalcopyrites $CuFeS_2$) in altered porphyritic intrusion (outcrop sample)
Scale: Divisions in millimetres.

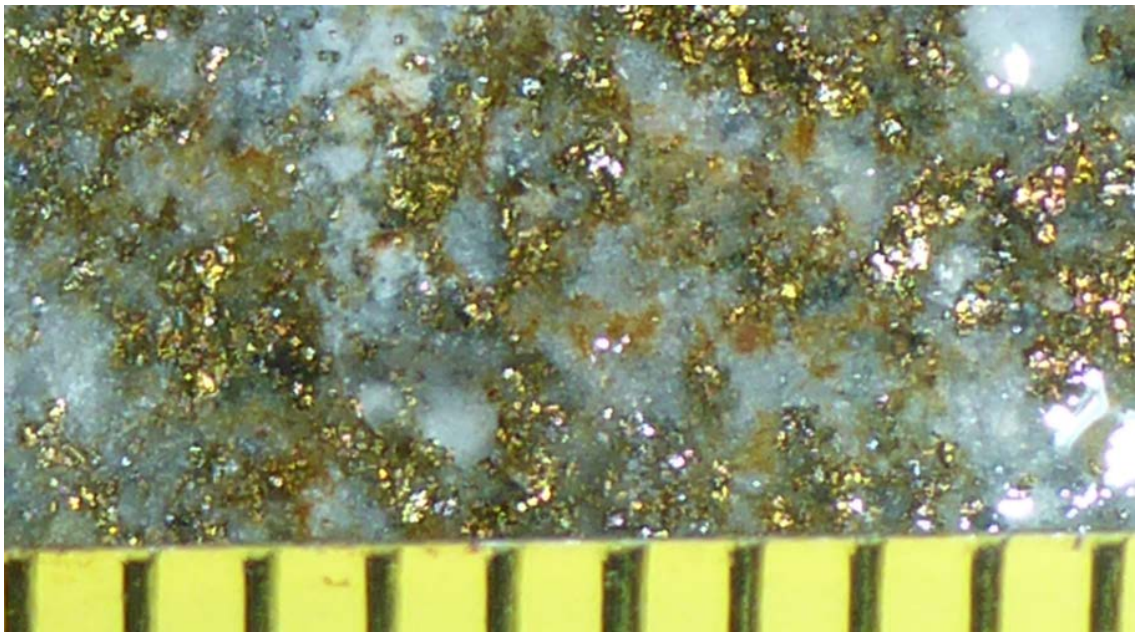

Photo 7: Disseminated copper (chalcopyrites $CuFeS_2$) in altered porphyritic intrusion (outcrop sample)
Scale: Divisions in millimetres.

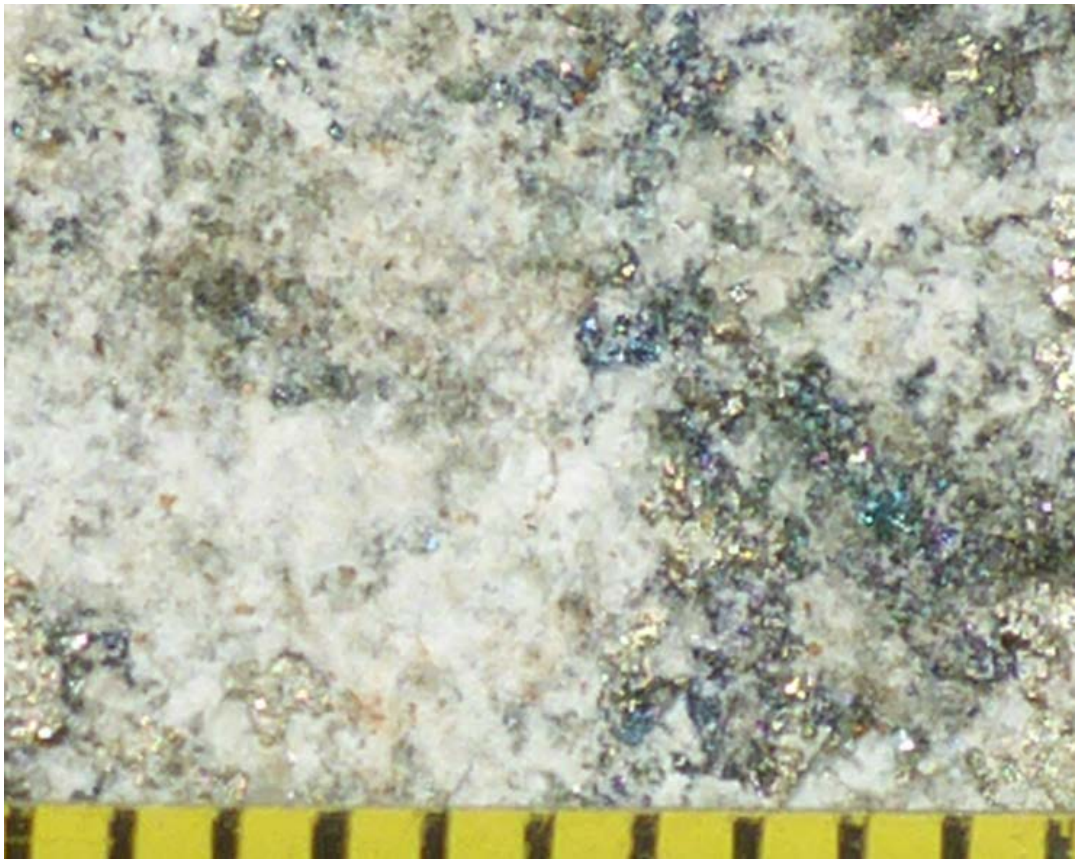

Photo 8: Diagnostic copper mineral, Bornite (peacock hues) and silvery sulphide (outcrop sample)
Scale: Divisions in millimetres.

Photo 9: Open textured (9mm wide) quartz-molybdenite (MoS_2, molybdenum sulphide) vein (outcrop sample)

Photo 10: Copper mineralisation, chalcocite (Cu_2S, black) associate with quartz-pyrite (outcrop sample)
Scale: Lower row - divisions in millimetres

Photo 11: The large system contains widespread phyllic (quartz-sericite-pyrite) alteration (outcrop sample)
Scale: Lower row - divisions in millimetres

Photo 12: Artisanal gold miners in narrow section of Mongae Creek
Here Mongae Creek has a narrrow channel with steep banks and the gold-bearing wash consists of angular blocks, clearly just shed from the uphill near vicinity.

Photo 13: Large floaters of gossan developed from hydrothermally brecciated diorite
Portions of the gossanous floater were crushed and panned and yielded free gold

Photo 14: Portions of the gossanous floater in previous photo were crushed and panned and yielded free gold. Near headwaters of Mongae Creek, clearly source well constrained as enclosed by elliptical rim (refer to photos above & Figure 2)

Photo 15: Outcrop exposed beneath alluvilal gold workings. Artisinal miners have started to mine hard rock mineralisation and recover gold by crushing and pannning oxidised mineralisation in narrow, orthogonal veins sets (Gapsy measuring vein structures).

About Gold Mountain

Gold Mountain Limited is an Australian-based minerals exploration and development company which is listed on the Australian Securities Exchange (ASX Code: GMN).

Gold Mountain's principal exploration project is in Papua New Guinea, where the Company is exploring and developing a number of highly promising mineralised zones (**Error! Reference source not found.**4).

Gold Mountain holds substantial areas within the fertile Gold-Copper endowed Papuan Mobile Belt that includes world-class mines (Figure 5 and **Error! Reference source not found.**6). The majority of the areas within the Exploration Licences (ELs) have never been explored using modern technology. Multiple targets have been identified over the licence area of nearly 2,000 km^2. Early success indicates significant scale of potential discoveries within the ELs:

- the Flagship Crown Ridge project, with final-stage assessment of potentially high cash-flow free gold and platinum in conglomerate;
- discovery of large porphyry system at Mongai Creek; and
- newly discovered (refer to ASX announcement 5 March 2018) mineralised floaters from a low-sulphidation epithermal gold system at Lialam.

Large areas remain to be assessed.

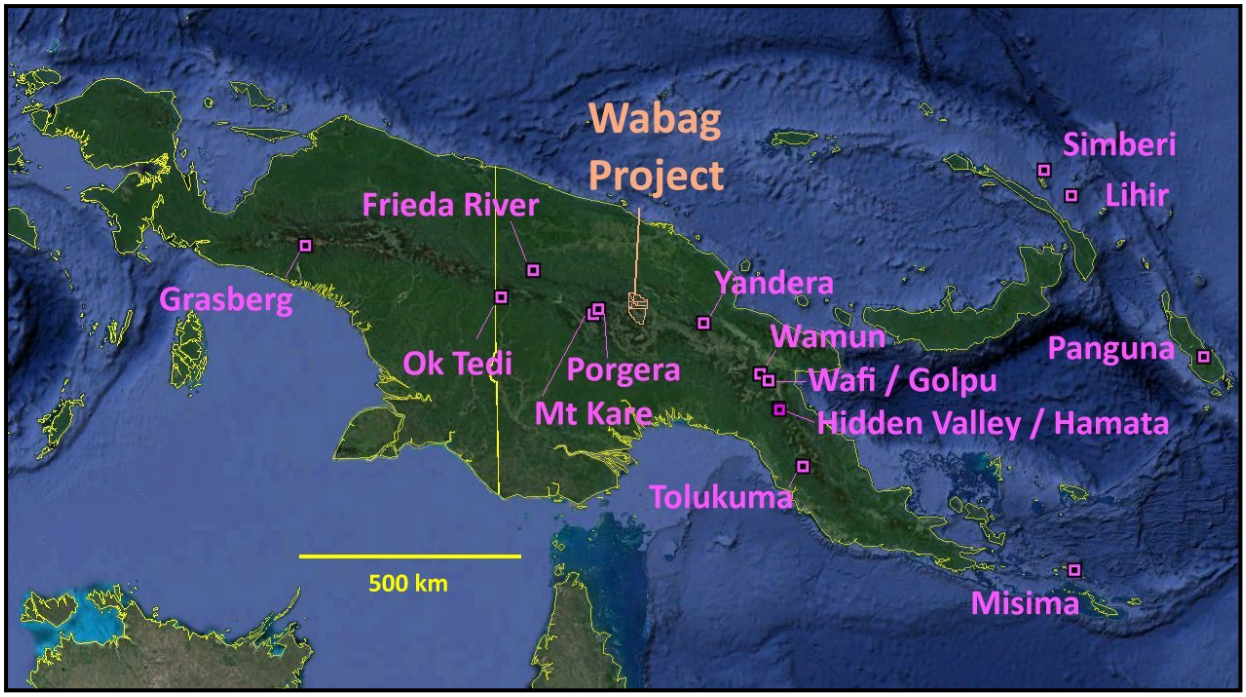

Figure 4: Location of the Wabag Project relative to major World Class gold mines in Papua New Guinea

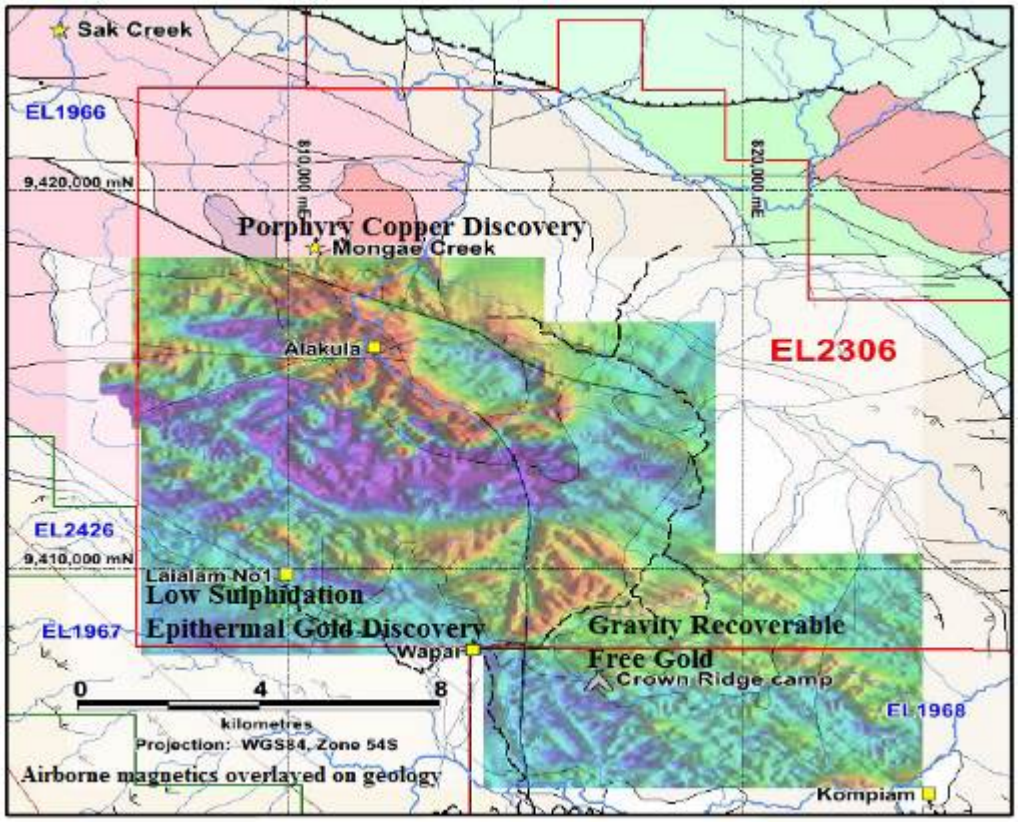

Figure 5: Expanded exploration program to investigate other potential mineral systems

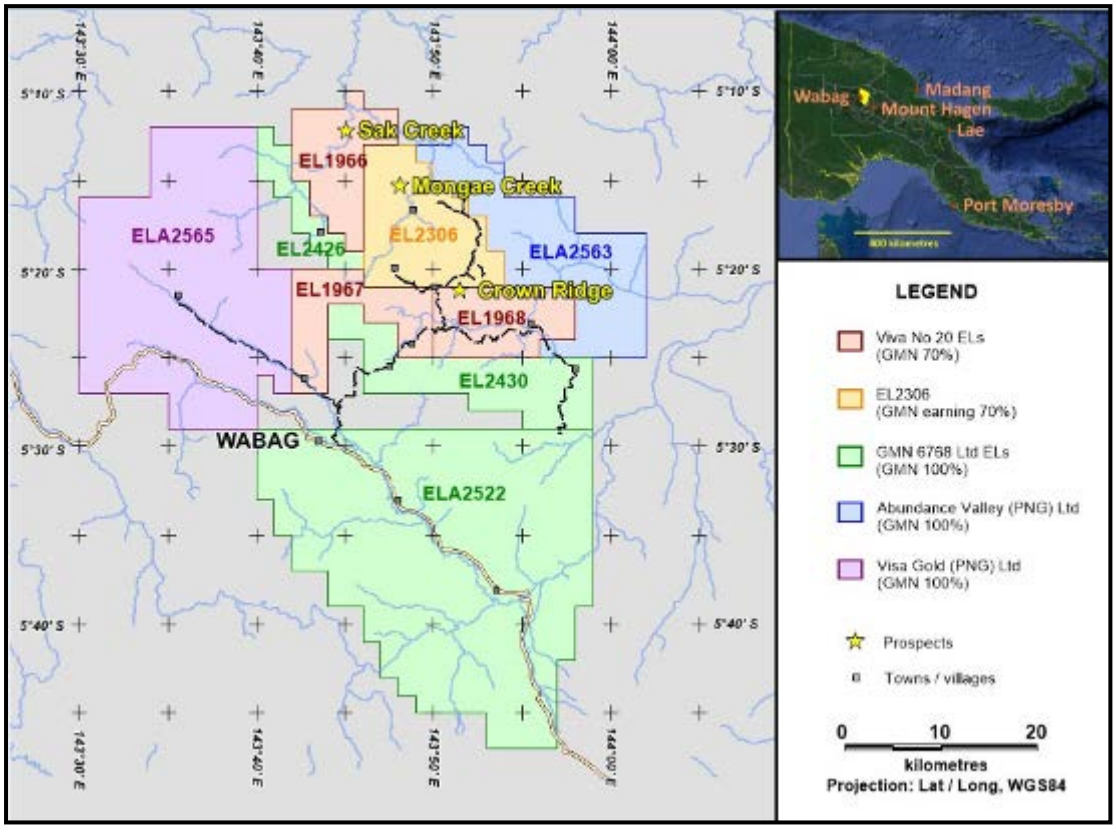

Figure 6: Exploration Licences cover substantial areas within the fertile Gold-Copper endowed Papuan Mobile Belt

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 Ltd that could cause Gold Mountain Limited's actual results to differ materially from the results expressed or anticipated in these statements.

Gold Mountain Ltd 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 Ltd 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 fully 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:

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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	• Samples collected from floats and outcrop via rock chipping • Concentrate samples prepared using panning on site.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• No drilling is reported on
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No drilling is reported on
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• No drilling is reported on
Sub-sampling techniques	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Rock chip samples were crushed in the field and then panned to obtain coarse gold concentrates.

Criteria	JORC Code explanation	Commentary
and sample preparation	• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Samples have not yet been tested by laboratories and only selected floaters, field rock chip and pan concentrates were generated.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Samples consisted of selected float, rock chip and pan concentrates. • No drilling • Samples sent to Australian Laboratory Services for analyses.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample locations were recorded by conventional GPS, which is fit for the purpose of this stage of exploration. • The grid system used is WGS84 Zone 54S
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing is not relevant for this stage of exploration. It is not sufficient for Resource Estimation purposes.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Samples are from outcrop and float with no relevance with regards to orientation as they are chip samples.

Criteria	JORC Code explanation	Commentary
geological structure	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	
Sample security	• *The measures taken to ensure sample security.*	• Sample security was ensured through Chain of Custody SOPs and managed by senior GMN personnel on site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been carried out.