

**ASX RELEASE**

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PNG EXPLORATION PROGRAM FORGES AHEAD

HIGHLIGHTS:

- ✓ **Custom-built mobile bulk sampling plant arrives at Crown Ridge and is undergoing commissioning**
- ✓ **Helicopter-portable drill rig arrives on site at the Mongae Creek Au-Cu prospect, diamond drilling starts this week**
- ✓ **Assays underway on Mongae Creek rock samples**
- ✓ **Excavator continues costeaning at Crown Ridge, exploring for hard-rock source of large gold nuggets and coarse free gold found in shallow sampling programmes to date**
- ✓ **Regional Heliborne geophysical survey planned to search for Porgera-style gold systems**
- ✓ **Metallurgical investigations on black sand pan concentrates to identify hosts of vanadium, titanium and chrome**

Papua New Guinea-focused precious metals exploration company Gold Mountain Limited (ASX: GMN) ("Gold Mountain" or "the Company") is pleased to announce that significant progress has been achieved and that its exploration programmes are expanding on several fronts.

Crown Ridge Update

- ✓ **A purpose-built, mobile bulk sampling plant for testing the nugget-bearing gold and platinum unit was delivered to Crown Ridge (Figure 1), and commissioning is underway this week, with the team having successfully overcome considerable climatic, terrain and road condition issues.**
- ✓ **The plant will improve bulk sample processing speeds and will aid with reconciliation and validation (by trial mining) of the Mineral Resource estimate, which will be based on the 1x1m pits which are currently at the laboratory in Perth for analysis.**



- ✓ The plant (Figure 2) was engineered and fabricated in Australia to specifically maximise precious metal recovery in the weathered conglomerates at Crown Ridge
- ✓ A Komatsu PC200 excavator is currently costeaning (Figure 3), in search of source(s) for the nugget and coarse gold that has been discovered along the key drainage headwaters of several creeks at Crown Ridge (reported in [ASX release](#) of 5 March 2018¹).
- ✓ The gold structures discovered at Crown Ridge suggest that the gold has not been transported far and are very close to the in-ground source. The mineralisation and diagnostic textures indicate the nearby presence of a low-sulphidation epithermal gold system.
- ✓ Metallurgical test work and analyses of heavy mineral sand (HMS) pan concentrates from the gold-bearing sediments in the creek systems at Crown Ridge are being conducted, in order to identify sources of Vanadium, Titanium and Chrome. Presence of these elements indicates potential for by-products produced during gold recovery.



Figure 1: Truck convoy delivering shipping containers with the mobile bulk sampling plant purpose-built in Australia

¹ The Company is not aware of any new information or data that materially affects the information included in the market announcement of 5 March 2018 referred to in this announcement.



Figure 2: Mobile gravity gold bulk sampling plant engineered and constructed in Australia



Figure 3: A Komatsu PC200, costeaming along the top of ridges and their flanks forming the headwaters to the drainage at Crown Ridge



Mongae Creek Au-Cu Update

- ✓ Helicopter-delivered diamond drill rig on-site (Figure 4) and drilling to commence this week on mineralised surface exposures.
- ✓ The drilling will follow up on the recent exciting discovery of free gold (Figure 5), panned from outcropping gossanous rocks (reported in [ASX release](#) 13 June 2018²). Abundant coarse gold present in all creeks draining the porphyry system.
- ✓ Final analyses are currently underway for rock samples collected at Mongae Creek
- ✓ Mongae Creek prospect is only 77 km north-east of the world-class 24 million ounces Porgera gold mine, and shows evidence of classic signature mineral and alteration, characteristic of large porphyry systems .
- ✓ This prospect has the potential for a world-class discovery, and the Company is prioritising follow-up exploration work.



Figure 4: Hevilift helicopter transporting drill rig components and supplies to the Mongae Creek prospect

² The Company is not aware of any new information or data that materially affects the information included in the market announcement of 13 June 2018 referred to in this announcement.



Figure 5: Alluvial Gold from Mongae Creek. Scale: Divisions in millimetres

Regional Exploration

- ✓ Following the success of exploration programmes to date, a regional heliborne geophysical survey has been planned to identify additional exploration targets. The survey is planned for end of Quarter 4 of 2018.
- ✓ Gold Mountain holds nearly 2,000 km² of ground as Exploration Licences ('EL') and Exploration Licence Applications ('ELA'), situated between major world-class mines. This ground has never been explored with modern technologies.
- ✓ The selected survey area covers a Tertiary intrusion (as mapped on the Wabag 250k geology sheet) and a prominent NE-trending fault zone that may be a transfer structure. Most of the major gold and copper mines in PNG are situated on or near NE-trending orogen transverse faults that focus intrusives, heat and fluid flow with gold, silver and copper.

Tony Teng, Managing Director stated: *"Very exciting times ahead for the company and its shareholders with exploration and resource estimation advancing now. I look forward to delivering positive news flow on several fronts."*

Exploration Director Doug Smith stated: *"Achieving multiple, coordinated pivotal stages in moving projects forward is a testimony to the skills of my highly experienced logistical and exploration teams."*



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 (Figures 1-4).

Gold Mountain holds substantial areas within the fertile Gold-Copper endowed Papuan Mobile Belt that includes world-class mines (Figures 1-4). 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 km². 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.

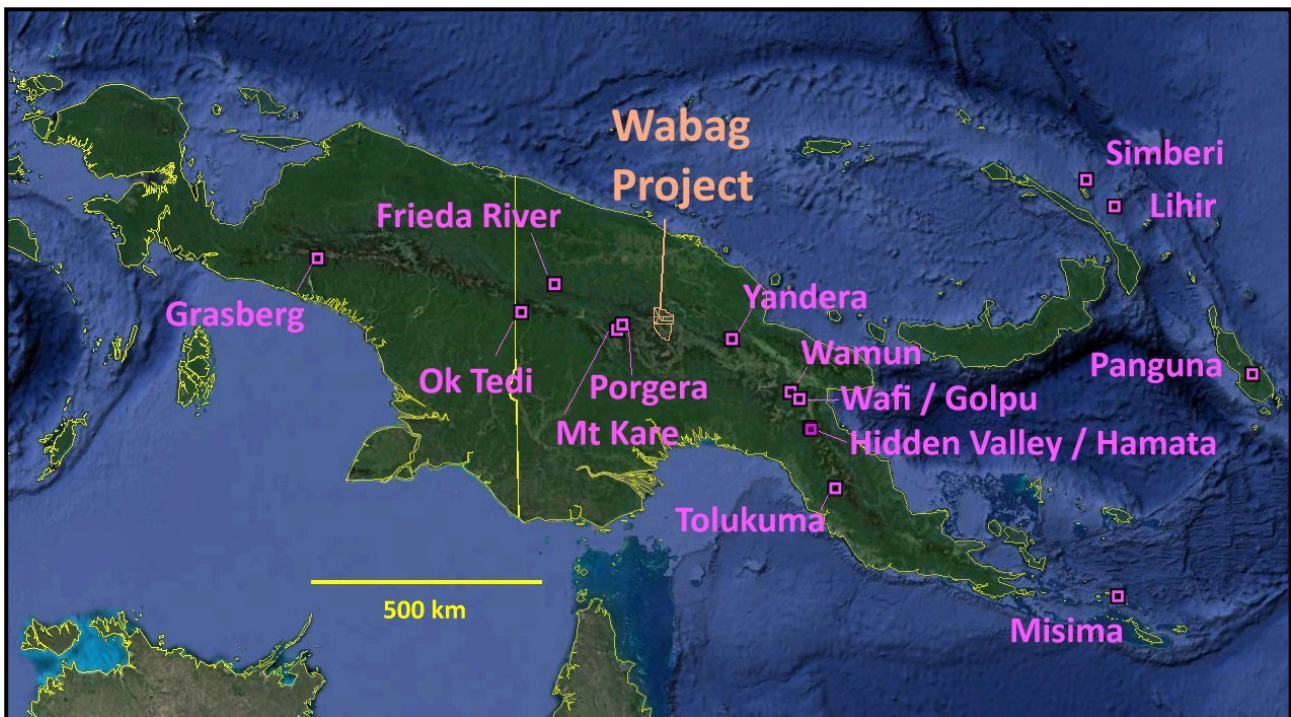


Figure 6: Location of the Wabag Project relative to major world class gold mines in Papua New Guinea



Figure 7: Location of Mongae Creek Porphyry Gold-Copper System relative to major world class 24Moz Porgera Gold Mine

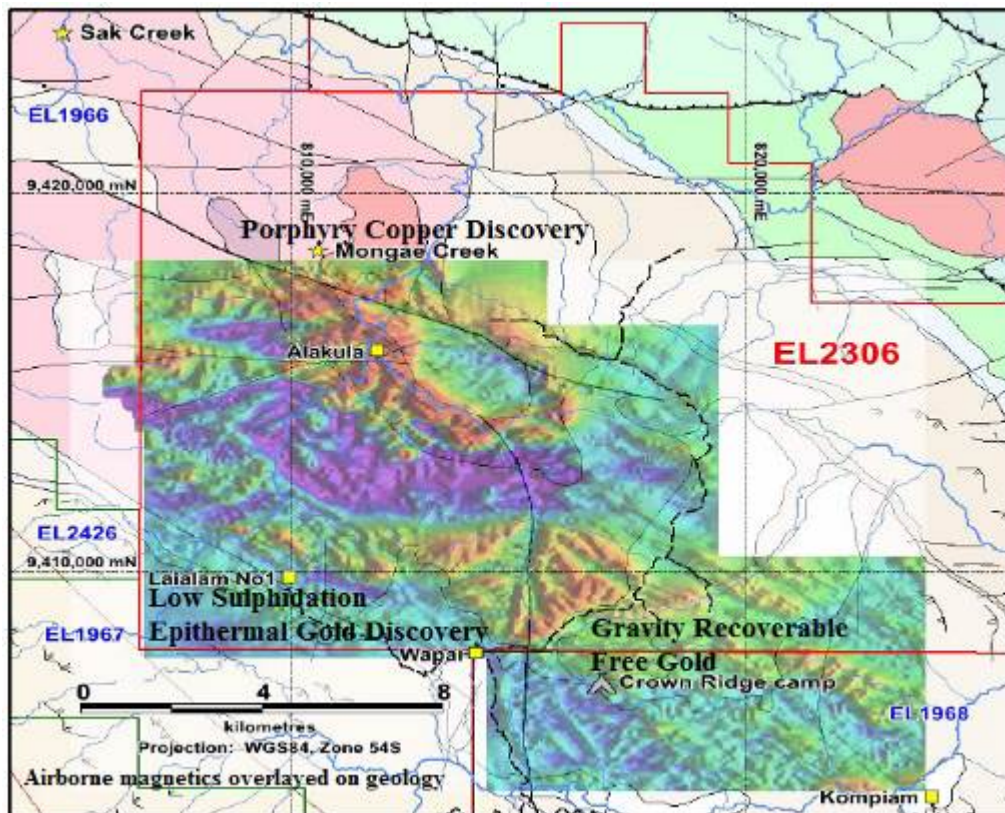


Figure 8: Expanded exploration program to aggressively investigate other potential mineral systems including at Lailam and at Mongae Creek

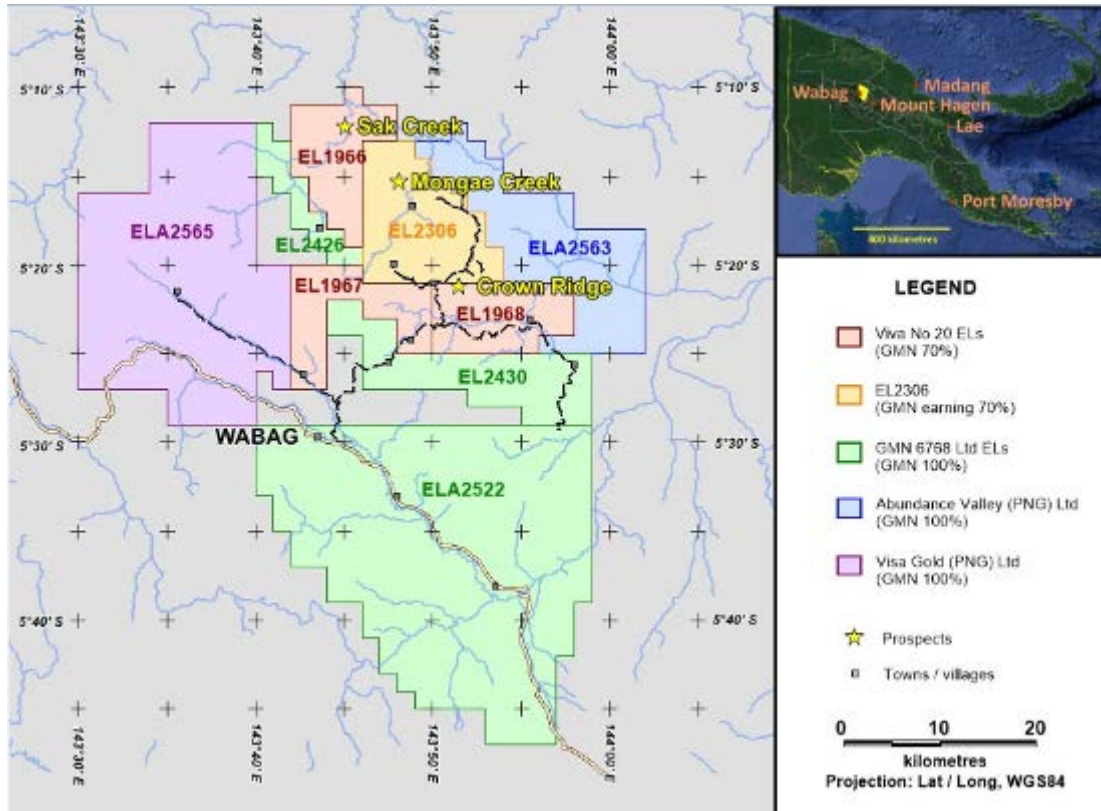


Figure 9: Exploration Licences cover substantial areas within the fertile Gold-Copper endowed Papuan Mobile Belt that includes world class mines

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 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.

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