

ASX:GMN

19<sup>th</sup> February 2020

## **TENEMENT HOLDINGS EXPANDED IN PNG'S HIGHLY PROSPECTIVE, PORPHYRY MOBILE BELT**

### **Highlights**

- **Exploration License (EL2563) was granted to the 100% owned subsidiary Abundance Valley (PNG) Limited**
- **The tenement, once applied for by a Tier 1 company, increases GMN's exploration grounds by an additional 225 km<sup>2</sup> to 2,271 km<sup>2</sup>**
- **EL2563 is adjacent to the newly discovered Lombokai Creek Prospect, where rock chip sampling in December 2019 identified highly mineralised skarn in outcrop and float**
- **One additional Exploration License Application (ELA2632) over the Mt Wipi area is awaiting approval subsequent to the completion of a successful Warden's hearing in October 2019**

### **New Tenement**

Gold Mountain Limited (ASX: GMN) is pleased to announce the granting of EL2563 – Kompiam to its subsidiary company Abundance Valley (PNG) Limited (100% owned by GMN). The new tenement was approved by the Mining Minister on the 23<sup>rd</sup> of January 2020 and was granted for a two-year period expiring on the 22<sup>nd</sup> of January 2022 (Table 1). The grant of EL2563 brings the total tenements held by GMN to nine; encompassing an area of 2,271 km<sup>2</sup> (Figure 1).

The tenement is located east of, and contiguous to the Company's highly prospective EL2306 tenement which is the current focus of a nine-hole targeted drilling program. It was once applied for by BHP Billiton Ltd who intended to explore the area for potential porphyry copper deposits. BHP Billiton proposed an exploration work program for the area but later withdrew their exploration license applications.

The exploration license was granted to Gold Mountain Limited after Warden’s hearings were completed by the Minerals Resource Authority (MRA) in October 2018. At the hearings, no objections were raised by the local populace, who expressed their confidence in GMN and were happy for exploration to commence on their land.

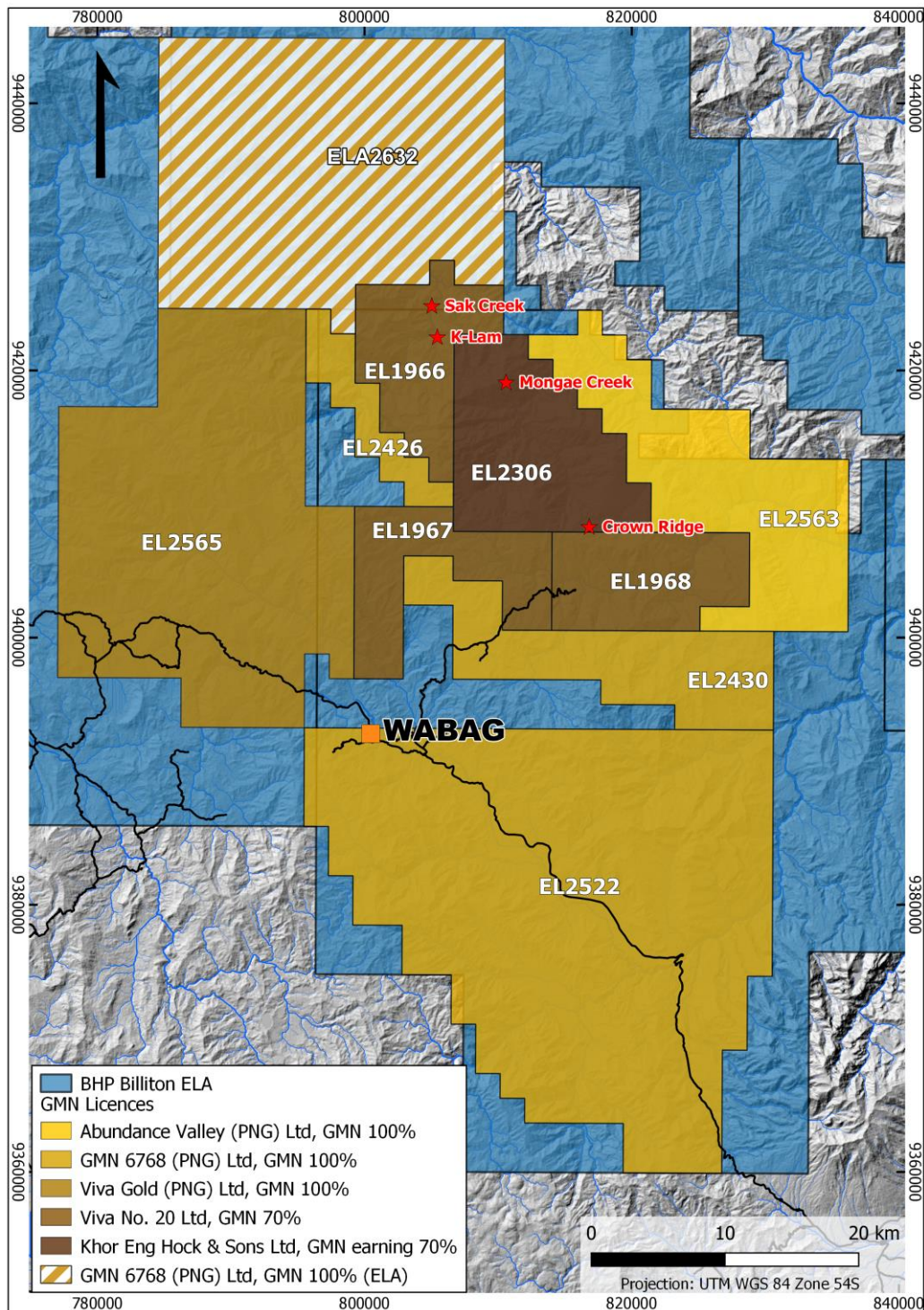


Figure 1: GMN’s Wabag Project – Tenement Details as of February 2020.

**Table 1: Schedule of GMN tenements recently renewed or granted.**

Licence No.	Licence Name	Licence Effective Date	Previous Expiry Date	Renewal/Grant Notification Date	Current Expiry Date	Status
EL2563	Kompam	23/01/2020	N/A	30/01/2020	22/01/2022	Granted

EL2306 is prospective for porphyry style Cu – Mo – Au mineralisation as evidenced by the four drill holes completed on the exploration license in 2018<sup>1</sup> and 2019<sup>2</sup>. EL2306 is also prospective for skarn style Cu-Au mineralisation. Rock chip samples with distinct skarn characteristics and assaying up to 1.34 g/t Au, 10% Cu and 73 g/t Ag were collected from the Lombokai Creek area in December 2019<sup>3</sup>. The Lombokai Creek prospect sits on the boundary between EL2306 and the newly granted tenement, EL2563.

Previous explorers identified several porphyry and skarn prospects on their exploration license which appear to sit on a major NW-SE striking lineament (Figure 2), similar to that seen in GMN’s tenements. It is thought that EL2563 also covers one of these major lineaments and therefore is highly prospective for both porphyry and skarn style mineralisation.

### Planned Work Programme

A soil grid has been planned to cover the Lombokai Creek catchment area and this soil grid will now be extended into EL2563. This work is expected to commence in March 2020.

In addition to the planned soil programme, GMN will undertake a detailed review of all historical exploration data which will enable the Company to identify priority areas within the licence. Field work based on this review is expected to commence in Q3 or Q4 of 2020, following the completion of community awareness and education programmes.

Tim Cameron, CEO of Gold Mountain, commented: *“This is good news for Gold Mountain. Not only does it expand our tenement holding in this highly prospective part of the PNG Mobile Belt, it is also in close proximity to the area currently being drilled where the hole MCD003 encountered anomalous copper mineralisation over a 500m interval from the surface<sup>2</sup>. Knowing that this area was previously a target for BHP Billiton (who is renowned for exploring Tier 1 assets), provides additional encouragement. We have found high grade copper and gold bearing skarn mineralisation close to the boundary of EL2563 , we also know that previous explores have identified porphyry and skarn mineralisation to the north of EL2563, thus reinforcing the tenement potential.”*

*“We are currently drilling at Monoyal and will fast track exploration within the new EL to identify drillable targets that can be tested while we have the rig in the area” he added.*

<sup>1</sup> First reported in ASX Announcement of 30<sup>th</sup> November 2018: ‘Significant Copper Intercept in Drill Hole MCD002 at Mongae Creek’. Competent Person: Mr Douglas Smith.

<sup>2</sup> First reported in ASX Announcement of 13<sup>th</sup> February 2020: ‘Initial Drill Hole at Monoyal Prospect Validates Surface Anomalies and Model’. Competent Person: Mr Patrick Smith.

<sup>3</sup> First reported in ASX Announcement of 28<sup>th</sup> January 2020: ‘Monoyal Drilling Recommences’. Competent Person: Mr Patrick Smith.

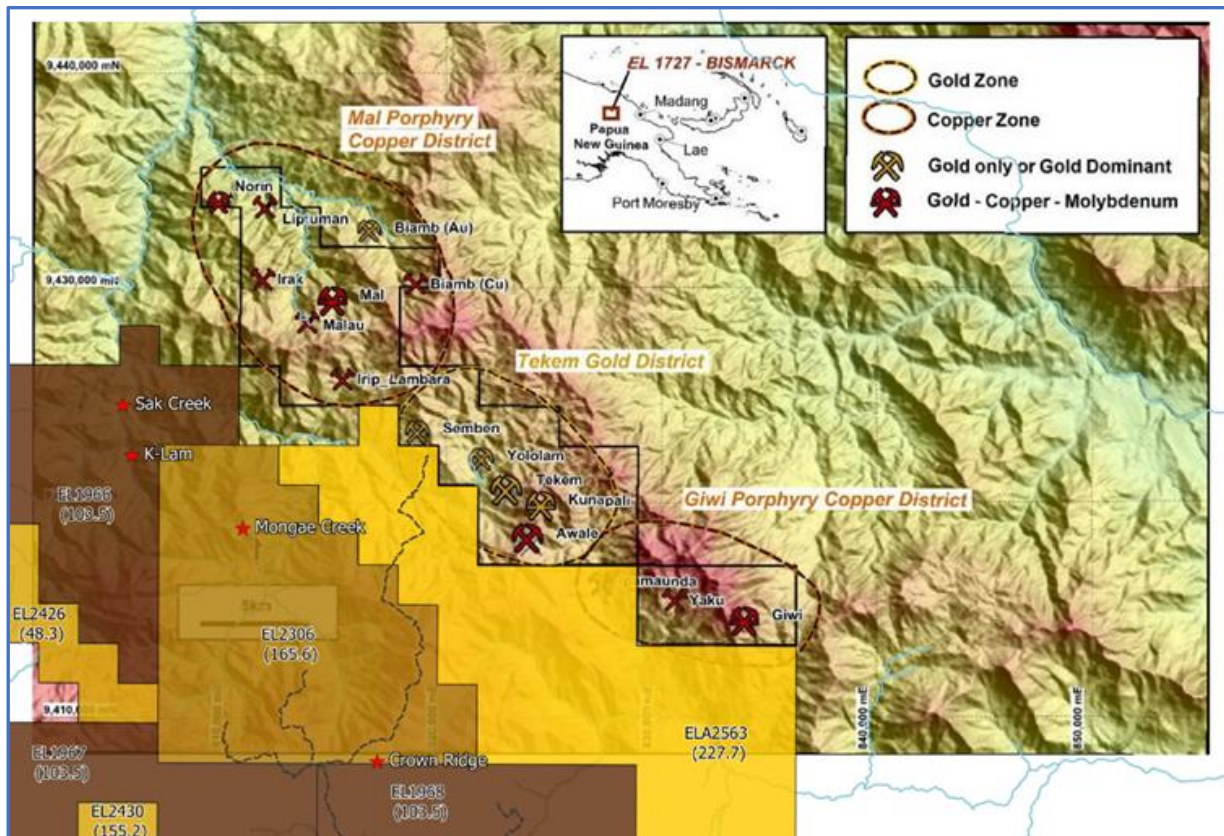


Figure 2: Location of EL2563, adjacent to EL2306 and ground previously held by Quintessential Ltd.

### Reference to Previous Releases

Previous drilling and rock chip sampling results referred to in this announcement have been previously announced to the market in the reports dated 30<sup>th</sup> November 2018, 28<sup>th</sup> January 2020 and 13<sup>th</sup> February 2020 and are available to view and download from the Company's website [www.goldmountainltd.com.au](http://www.goldmountainltd.com.au).

Gold Mountain Limited confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. Gold Mountain Limited confirms that the form and context in which the Competent Person's (Mr Doug Smith and Mr Patrick Smith) findings are presented here have not been materially modified from the original market announcements.

For further information please visit the website [www.goldmountainltd.com.au](http://www.goldmountainltd.com.au) or contact:



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