Gold Mountain Limited

ASX RELEASE

ASX:GMN

17th July 2020

ASSAYS FROM MCD007 INDICATE GMN IS DRILLING THE UPPER LEVELS OF A PORPHYRY SYSTEM – UPCOMING DRILLING TO TEST FOR THE MAIN MINERALISED ZONE AT DEPTH

Highlights:

- Assays from MCD007, the fifth diamond hole drilled at Monoyal continue to highlight its prospective nature
- The results contain anomalous copper zones (to 0.44% Cu), gold (to 0.28 g/t Au) and molybdenum (to 0.14% Mo) mineralisation over 1m intervals
- The best intercepts recorded were:
    - 32m @ 0.10% Cu, 49ppm Mo and 0.03 g/t Au from 170m[1]
    - 13m @ 0.13% Cu, 63ppm Mo and 0.04 g/t Au from 176m
    - 3m @ 0.14% Cu, 96ppm Mo and 0.06 g/t Au from 285m[2]
    - 3m @ 0.10% Cu, 511ppm Mo and 0.04g/t Au
- A review of the hole and the whole rock geochemistry from the multi-element analysis by porphyry expert Phil Jones[3] indicates that MCD007 was most likely drilled in the upper parts of a porphyry system
- Drilling is now being planned to test below MCD007 and MCD003 to intersect the postulated high-grade mineralised zone at depth

[1] Intercept calculated using a 700 ppm Cu cut-off grade (COG) with 3 m of internal dilution
[2] Intercept calculated using a 1,000 ppm Cu COG with 2 m of internal dilution
[3] First reported in ASX Announcement of 15th June 2020: 'GMN Appoints Porphyry Expert"

- Samples for MCD005 and MCD006 are at ALS in Townsville and assay results are due shortly

Gold Mountain Limited (ASX: GMN) is pleased to provide an update in relation to its ongoing diamond drilling program at the Company's flagship Wabag Project. Final assay results from MCD007 have now been received, with the hole intersecting broad zones of elevated copper and molybdenum mineralisation, with anomalous gold and silver values. Contained within these broad intercepts are narrower high-grade zones. MCD007 was drilled to a depth of 409.60m, taking the total amount of holes drilled at Monoyal to five, totalling 2,152m. Drill hole parameters and drill hole location map are included as Table 1, and Figure 1 respectively.

Table 1. Monoyal – Completed drill hole collar details

Hole ID	Easting	Northing	RL	Depth (m)	Dip	Azimuth
MCD001*	810,225	9,419,395	1860	512.00 EOH	-60	165°
MCD002*	810,400	9,419,248	1838	356.40 EOH	-59	177°
MCD003	810,142	9,419,803	1,737	500.50 EOH	-65°	275°
MDC004	809,861	9,419,773	1,654	450.20 EOH	-60°	220°
MCD005	809,733	9,419,965	1,574	372.20 EOH	-60°	282°
MCD006	809,179	9,419,861	1,609	419.40 EOH	-60°	255°
MCD007	810,141	9,419,670	1,735	409.60 EOH	-60°	330°

coordinates in UTM (WGS 84) Zone 54S projection
Holes MCD001 and 002 were drilled at the Mongae Creek prospect in 2018 and have been included in this table for completeness

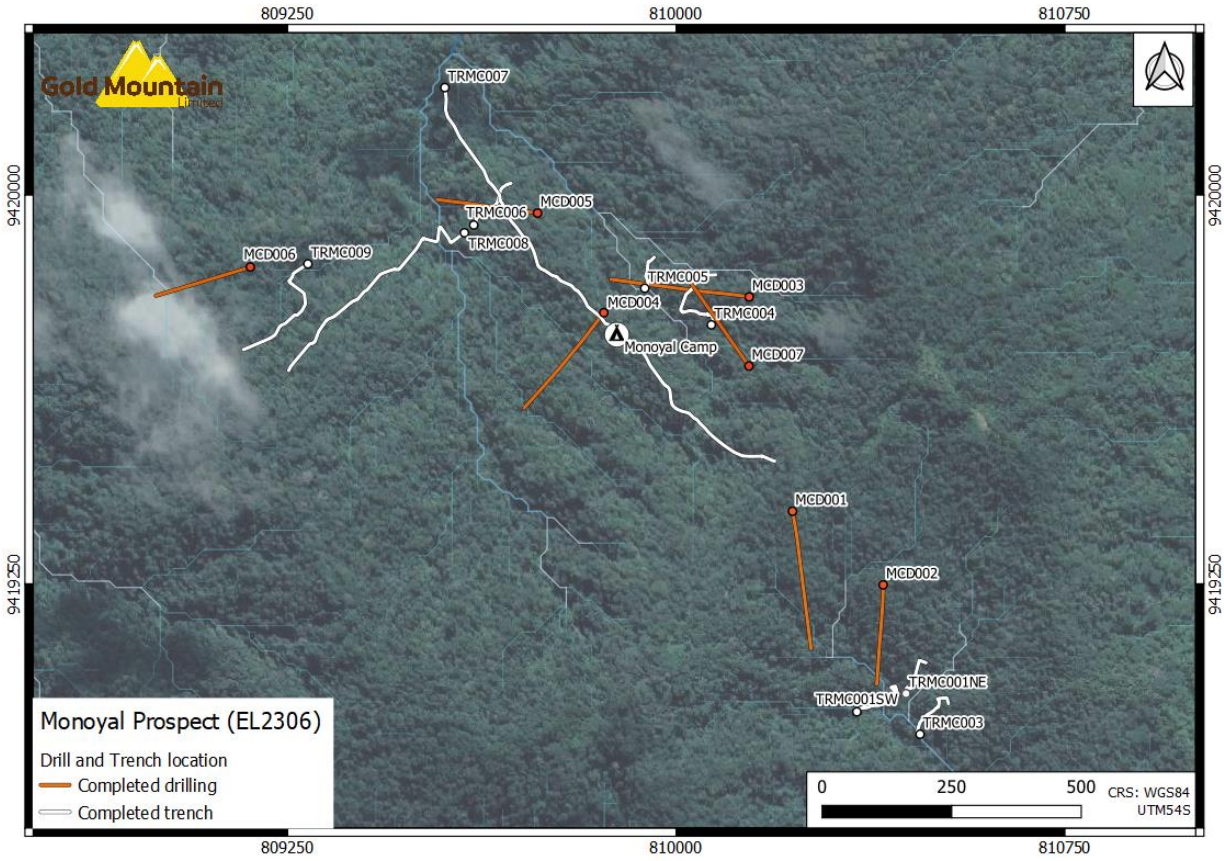

Figure 1. Drill hole plan of completed drill holes and trenches, Monoyal and Mongae Prospects

As previously reported[4], the style of mineralisation observed in MCD007 is similar to that seen in holes MCD003 to MCD006, i.e. mineralisation in predominantly associated with minor veins and coating fracture surfaces.

MCD007 intersected elevated zones +700ppm Cu over wide intervals (between 10m to 48m) contained within these zones were narrower (3m) sections of +1,000ppm Cu with associated molybdenum (Mo) mineralisation. The level of Mo in the system is high. With several broad intercepts of +50ppm Mo intersected, with one interval recording 95ppm Mo from 307m to 354m. Above detection levels of gold (Au) and silver (Ag) were also intersected by the hole. A summary of the results from MCD007 are presented in Table 2 and an idealised section of MCD007 is presented in Figure 2. MCD001[5] drilled at Mongae Creek in 2018 falls on the same section as MCD007 and has also been included in Figure 2 for completeness.

[4] First reported in ASX announcement of 4th May 2020: 'MCD007 Drill Hole Update". Competent Person: Mr Patrick Smith.

[5] Assays from MCD001 first reported in ASX announcement of 8th October 2018: 'Assay Results Received for Maiden Drill Hole at Mongai Creek'. Competent Person: Mr Doug Smith.

Table 2. Significant Intercepts – MCD007

From (m)	To (m)	Interval (m)	Cu (ppm)	Mo (ppm)	Au (g/t)	Ag (g/t)
54*	59	5	1,073	37	0.03	0.48
170	202	32	1,006	49	0.03	0.65
Inc:**						
176	189	13	1,334	63	0.04	0.79
220	228	8	801	21	0.04	0.63
238	254	16	841	56	0.05	0.48
285	288	3	1,455	96	0.06	0.59
292	295	3	1,037	511	0.04	0.69
307	354	47	871	95	0.02	0.41
Inc:						
307	311	4	1,270	41	0.04	0.43
330	338	8	1,192	147	0.03	0.50
359	377	18	825	47	0.02	0.34

**Intercepts calculated using 700 ppm Cu COG with 3 m internal dilution.*
***Intercepts calculated using a 1,000 ppm Cu COG with 2 m internal dilution*

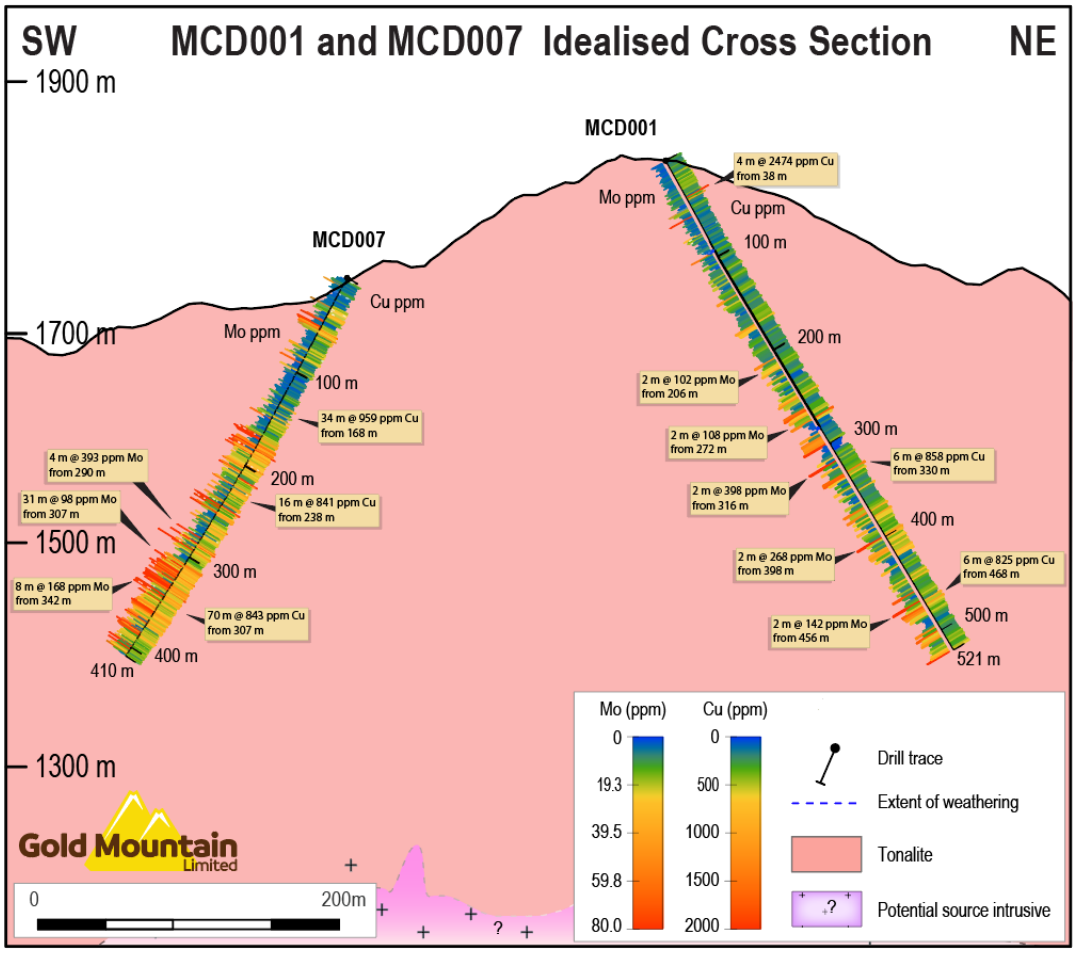

Figure 2. MCD007 – Idealised cross section

Whilst the assay results received from ALS were not as high as the Cu pXRF values reported in GMN's ASX release dated the 4th May 2020, similar intercept lengths were recorded but the tenor of mineralisation was generally lower.

Porphyry Model

All data collected from Monoyal since exploration commenced on the prospect in November 2019 is being reviewed by GMN's porphyry consultant Phil Jones, with the aim of using the data to vector in on where the high grade zone is located with respect to the current drilling completed by GMN. An initial interpretation of the data strongly suggests that GMN is drilling either on the periphyry of the main zone of mineralisation or above it. Several factors which indicate this include:

- The presence of sheeted quartz-pyrite-chlorite-carbonite veins associated with localised breccias and crackle breccias which point to a position above or adjacent to a potential mineralized porphyry.
- High grade molybdenum with elevated rhenium, to 4ppm Re in association with weak to locally moderate zinc and very weak lead mineralisation was evidenced in narrow (<10m) zones in holes MCD003, 004 and 007 to a depth of around 400m. This type of mineralisation is also likely to be found above the main mineralized portion of a porphyry or laterally to it.
- The geochemistry of MCD007 also defined a very weak but consistent association between Te/W/Ag/Au/Zn/Pb/Sb/As and Sn; minerals which all generally tend to sit above the main copper mineralized zones in a porphyry.
- Anomalous calcium, manganese, iron and magnesium plus minor anomalous zinc in hole MCD004 possibly indicates Kutnohorite or Manganoan Siderite alteration or vein filling, which also indicates a more lateral position away from the potassic altered core to the porphyry system
- The high levels of Mo being intersected in holes MCD003, MCD004 and MCD007 suggests that the holes are located distal (peripheral to the main zone) of Cu-Au mineralisation[6]. The presence of an anomalous molybdenum outer halo has been noted at many porphyry deposits in the Pacific Region including Golpu in PNG[7].

[6] MCD003 assay results reported in ASX announcement of 13th February 2020: 'Correction Announcement – Drill Hole at Monoyal Prospect'. Competent Person: Patrick Smith.
MCD004 assay results reported in ASX announcement of 28th February 2020: 'Results from MCD004 Continue to Highlight the Potential for Porphyry Style Mineralisation at the Monoyal Prospect'. Competent Person: Patrick Smith.

[7] GIS footprints for porphyry Cu-Au exploration; Doug Menzies Corbett and Menzies Consulting Pty Ltd; 2013, http://cmcgeos.com/wp-content/uploads/bsk-pdf-manage r/12_MENZIES_D_M__2014_GIS_FOOTPRINTS_ FOR_PORPHYRY_CU-AU_DEPOSITS_AIG_GIS.PDF

- This combined with the previous observation[8] that the majority of the mineralisation observed to date is confined to fractures with only minor to 1% sulphides visible in the rock mass of MCD007 and the absence of well developed stockwork veining systems.

A typical porphyry model for the Monoyal Prospect has been modified in an effort to depict what part of the prophyry system GMN are currently testing, this is presented as Figure 3.

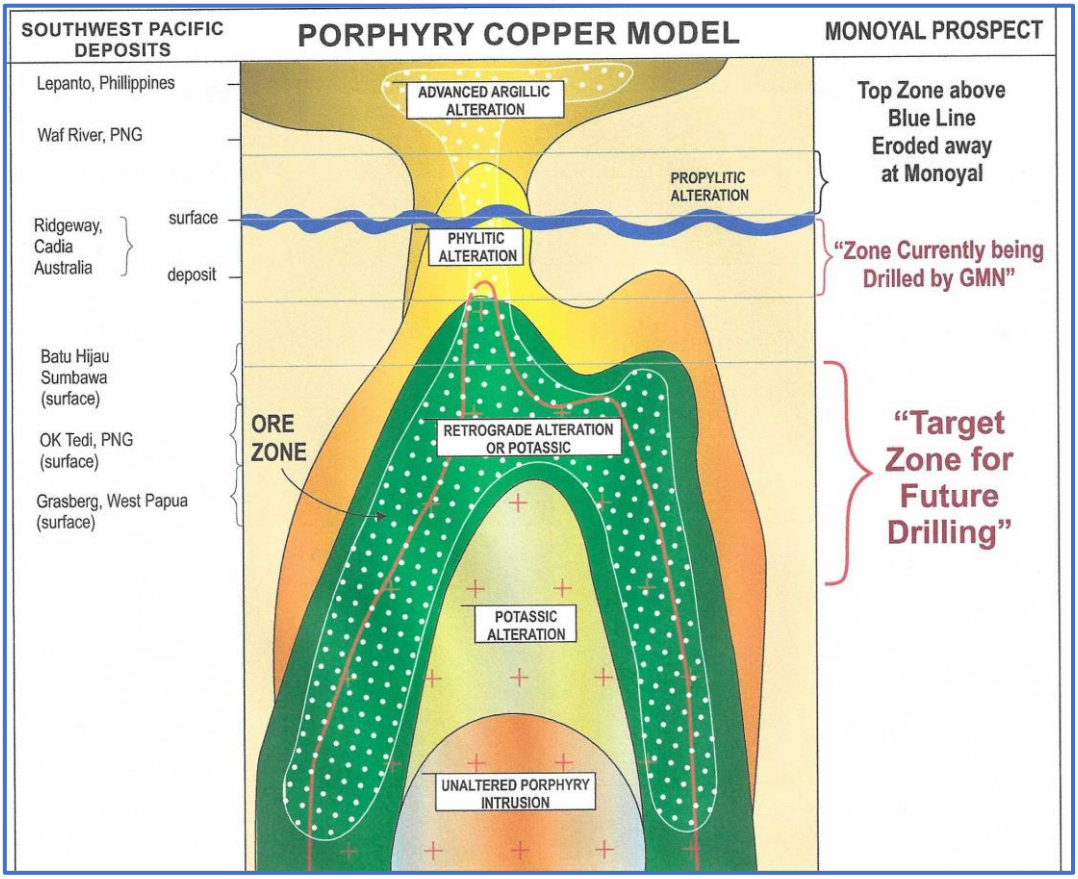

Figure 3. Copper-Gold Porphyry Model, adapted for Monoyal (after Terry Leach)

Tim Cameron the CEO of GMN said, "*The results from drill hole MCD007 intersected highly anomalous zones of mineralisation but did not deliver ore grade intercepts foreshadowed by the pXRF analysis. However, our intensive analysis of the wide zones of copper and molybdenum associated with fracturing intersected by MCD007 and the trace element geochemistry all point to the likelihood that we have drilled above or adjacent to the potentially higher grade mineralised core of the porphyry system. We are therefore encouraged by the geological clues yielded by MCD007 and the results are a*

[8] First reported in ASX Announcement of 13th February 2020: 'Initial Drill Hole at Monoyal Prospect Validates Surface Anomalies and Model'. Competent Person: Mr Patrick Smith.

critical step forward in our understanding of the geology. GMN is now in the process of reviewing the significant amount of data we have generated at Monoyal and with the guidance of Phil Jones' insights we will refine our drilling programme with the aim of targeting the high grade zone of the postulated porphyry system at depth. We are very enthusiastic about Monoyal and the Wabag Project in general and I look forward to continued progress."

—END—

This announcement is authorised for release by the GMN Board.

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Patrick Smith, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy.

Patrick Smith is an external consultant to the Company. Mr Smith confirms there is no potential for a conflict of interest in acting as a Competent Person. Mr Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Reference to Previous Releases

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 dated the 15th of June 2020, 4th May 2020, 28th February 2020, 13th February 2020 and 8th October 2018. Gold Mountain Limited confirms that the form and context in which the Competent Person findings are presented here have not been materially modified from the original market announcements.

Appendix 1 JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	• Drill core described in this announcement were taken from MCD007 which was drilled using a diamond drilling rig using a combination of PQ and HQ core • SOPs for all work were used to safeguard representivity of the sampling and drilling, which was carried out using best and standard practice. Various quality control (QC) measures were used to ensure the quality of diamond drilled samples collected, with recovery measured and recorded by the drillers on the rig and corroborated by the geologist when metre marked. • PQ core and HQ core was submitted for analysis. Sample intervals were based on lithology but in general were 1 m. • All samples were placed in individually labelled calico bags prior to being transported and dispatched to a laboratory.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	• Diamond drilling by QED using an Atlas Copco helicopter transportable drill rig running triple tube PQ / HQ equipment. Drilling was used to produce drill core with a diameter of 85 mm (PQ) or 63.5mm (HQ). • Diamond core was orientated downhole using a reflex core orientation device and alpha and beta angles recorded where the core was competent enough to collect readings • MCD007 was orientated at -60° towards azimuth 330° to a depth of 409.50m (see collar table in body of the report).
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.*	• Recovery measured for each drill run as a ratio of recovered core per run length. Diamond core recoveries were logged and recorded in the database. The overall the recovery for MCD007 was plus 85%, with the majority of core loss in the top 100 m of the hole in the oxide zone • Triple tube drilling and sound SOPs ensured good core recovery. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the driller. • Relationship between recovery and grade cannot yet be established. However, this issue is not overly relevant to diamond drilling and is more problematic for RC drilling.
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.*	• All core samples were photographed and geologically logged. • Logging of sampling followed Company SOPs. Core was geologically and geotechnically logged including lithology, mineralogy, alteration, veining and weathering, structure and geotechnical parameters. Portable X-ray fluorescence (pXRF) analyses were also conducted on the core. The logging was

	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	done in detail to support any interpretations and comments in the release. • No pXRF results are reported in this release. The pXRF was used to confirm the presence of certain elements in the core which was reported in the ASX release on 4th May 2020. • Drill core logging of lithologies, structures, alteration veining and mineralisation. • Drill core logging of lithologies, structures, alteration veining and mineralisation suitable to support MRE. • All core from MCD007 was logged and the entire hole was assayed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *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.*	• All samples were half-core. • Industry standard sample preparation techniques undertaken at ALS in Brisbane (Australia). Entire samples pulverised before sub-sampling. • QC procedures - No duplicate samples collected in the field or company standards submitted. Laboratory standards used. • No second-half sampling of the diamond core has been conducted. • Sample sizes are appropriate for the type of material being sampled to ensure good representivity.
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.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Industry standard analytical methods undertaken by ALS, Brisbane, Queensland. • Gold assays – 50 g fire assays (method Au-AA24). • Multi-element – 0.25 g sub-sample digested in 4-acid digest followed by ICP-MS determination (method ME-MS61). • QC by laboratory included check assays, duplicate sub-sampling, blanks and standards. QC results show acceptable accuracy and precision.
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.*	• All intercepts that are considered material have been reported in this press release. The main significant intercepts have been calculated using a 700 ppm Cu COG with a maximum of 3 m internal dilution. Further intersections have been calculated using a 1000 ppm Cu COG with a maximum internal dilution of 2 m. The significant intercepts reported match the geological interpretation of core by company geologists and an independent consultant. • No twinned holes were drilled. • All primary data recorded in field logs and notebooks, then transferred into a database. • No data has been adjusted.

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.*	• Drill hole collar pegged before drilling and surveyed using a Garmin GPSMAP64ST hand-held GPS unit (lateral accuracy+/- 5 m). This is considered appropriate at this early stage of exploration by the competent person. • Grid system used is WGS84, Zone 54S. • Currently there is no DTM for the prospect, RLs are recorded using a hand held Garmin GPS unit, as the prospect develops a DTM for the area will be constructed
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 sufficient for reconnaissance stage exploration sampling programs. • Data spacing for the diamond drill hole is not relevant for this reconnaissance stage of exploration. It will not be used for Resource Estimation purposes. • There has been no sample compositing
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• The orientation of samples is not likely to bias the assay results and is not relevant given the scouting nature of the drill hole. • There is no apparent bias in the drill orientation used.
Sample security	• *The measures taken to ensure sample security.*	• Samples packed into polyweave sacks, sealed by cable ties and transported to TNT in Mt Hagan by senior personnel. TNT transported samples to ALS in Australia via Air Freight.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Diamond drilling undertaken on Exploration Licence 2306 in Enga Province, PNG. • EL2306 was granted to Khor Eng Hock & Sons (PNG) Limited (KEH) on 14 December 2015. Gold Mountain Limited (ASX: GMN) is the manager of the exploration programs under an agreement with KEH. • EL2306 is currently under renewal application. • A Wardens hearing for the renewal of EL2306 was held in October 2019, there were no objections to the renewal at the hearing. • The tenement is in good standing and there are no impediments to conduct exploration programs on the tenements.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• All exploration programs conducted by Gold Mountain Limited.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• EL2306 contains the potential for porphyry copper-gold deposits, intrusive-related gold and epithermal gold deposits,
Drill hole Information	• *A summary of all information material to the understanding of the exploration results* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Drilling by QED using an Atlas Copco helicopter transportable Drill Rig running triple tube PQ / HQ drill rods. • All drill holes were pegged as required using a Garmin hand-held GPS unit. The drill rig was positioned and oriented on the drill pad by the geologist using GPS and compass and declination was determined by a clinometer on the mast of the rig and aligned. • Collar co-ordinates, inclination, azimuth and depth presented in the body of this announcement. • Apart from results reported in the attached report, no other assay results are considered to be significant.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• All intercepts reported are from laboratory data, no pXRF data for the drill hole has been quoted in this release. Weighted averaging of drill hole intercepts used where relevant. The COG and internal dilution values are provided. No top cut has been applied to any of the calculated intercepts. • No metal equivalents used.

Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• At this stage there is no indication of the true width of the intercepts; mineralisation is predominantly confided to fracture surfaces, with the fractures in the hole occurring at various orientations. The fracture orientation does not appear to have a bearing on the mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A plan view of drill hole locations and an interpreted sectional view are included in the attached report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All exploration results are reported in a balanced manner. All results are supported by clear and extensive diagrams and descriptions. No assays or other relevant information for interpreting the results has been omitted.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All Monoyal exploration data, including assays and geological observations, has been reviewed to generate an initial interpretation of the prospect. • All exploration results for MCD007 and the subsequent Monoyal prospect interpretations are detailed in an internal memo to GMN management from Phil Jones. The memo includes comparisons with other porphyry deposits, the geochemical signature of the Monoyal porphyry and possible drill targets, which have been summarised in this release. The review of the Monoyal data will take at least 8 weeks to complete and any information will be released to the market on the completion of the review
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive*	Additional drill holes are planned at the Monoyal Prospect. MCD007 is part of a nine-hole drilling programme currently underway. Results will be announced when they come to hand.