



ASX RELEASE

ASX:GMN

31th July 2020

Quarterly Activities Report For the Quarter Ended 30 June 2020

Gold Mountain Limited, (ASX: GMN) advises its activities during the April to June 2020 Quarter.

Wabag Project PNG

- Drilling at the Monoyal prospect was paused on the 31st of March 2020, due to restrictions imposed on transport and people movements due to the COVID-19
- Three diamond drill holes, MCD005 to 007, for a total of 1,291.20m were completed in the March Quarter, these holes were photographed, logged and sampled in the June quarter
- Sample results for MCD007 were reported to the ASX on the 17th of July and results for MCD005 and 006 will be reported by the 28th of July 2020
- MCD007 contains 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 in MCD007 were:
 - 32m @ 0.10% Cu, 49ppm Mo and 0.03 g/t Au from 170m
 - 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
 - 3m @ 0.10% Cu, 511ppm Mo and 0.04g/t Au from 292m
- GMN appointed a consultant porphyry expert to assist in the interpretation of drill hole data from the Monoyal prospect and to help plan further drilling programs at Monoyal and at other prospects which comprise the GMN Wabag Project

Drilling at the Monoyal Prospect which forms part of GMN's Wabag Project was paused at the end of March 2020, due to a State of Emergency (SOE) imposed by the PNG Government due to the COVID-19 crisis. As of the 31st of March 2020, GMN has drilled a total of five holes at the Monoyal Prospect (MCD003 to MCD007) totalling 2,241.90m of drilling. The drill hole parameters and drill hole locations are presented in Table 1 and Figure 1, respectively.

During the June quarter GMN concentrated on the logging, photographing, and sampling of MCD005 to MCD007. These samples were dispatched to ALS in Australia, however due to transport restrictions and logistical issues related to the COVID-19 crisis, assay results from the three holes were not reported in the June Quarter. Initial observations for holes MCD005 and MCD006 were released to the ASX on the 14th of April 2020 and for MCD007 on the 5th June 2020. With the final assay results for MCD007 released on the 17th of July 2020.

Table 1. Monoyal – Completed Drill Hole Parameters

Proposed Hole ID	Easting	Northing	RL	Planned Depth (m)	Current Depth (m)	Dip	Azimuth
MCD003	810,142	9,419,803	1,737	450	500.50 EOH	-65	275
MDC004	809,861	9,419,773	1,654	475	450.20 EOH	-60	220
MCD005	809,733	9,419,965	1,574	400	372.20 EOH	-60	282
MCD006	809,179	9,419,861	1,609	400	419.40 EOH	-60	255
MCD007	810,141	9,419,670	1,735	400	409.60 EOH	-60	330

**coordinates in UTM (WGS 84) Zone 54S projection, # as of 30th March 2020*

MCD005 was drilled to test a zone of coincident Cu – Mo anomalism which was identified in trench MCTR006. The top 89m of MCD005 is strongly oxidised and fractured with limonitic veins and limonite (after sulphides) coated fractures common. From 89m to 320m, MCD005 intersected a variably altered and mineralised tonalite, with iron-pyrite, chalcopyrite and molybdenum mineralisation observed on fracture surfaces and in veins.

MCD006 intersected strongly oxidised tonalite from surface to a depth of 85.20m. From 85.20m to the EOH, a variable altered and fractured tonalite was intersected. Visual observations indicate that there is increased brecciation and alteration in hole MCD006 that was not previously observed in the holes drilled at Monoyal. Quartz - pyrite veining is more prevalent in the hole and the vein abundance effectively doubled from 2 to 3 veins a meter to between 5 to 6 veins a meter, the veins are also wider and have well developed alteration selvages which have also not been noted in the previous holes drilled at Monoyal.

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 mineralisation. Above detection levels of gold (Au) and silver 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 drilled at Mongae Creek in 2018 falls on the same section as MCD007 and has also been included in Figure 2 for completeness.

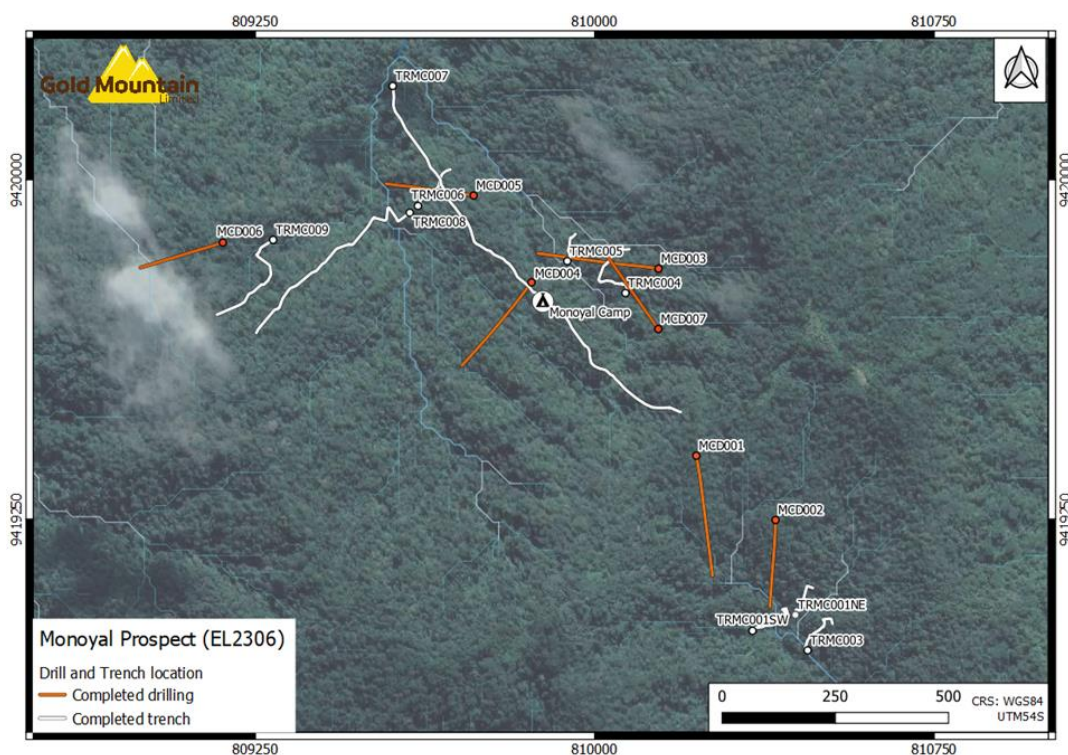


Figure 1. Monoyal Prospect - Completed and Proposed Drill Hole and Trench Locations

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

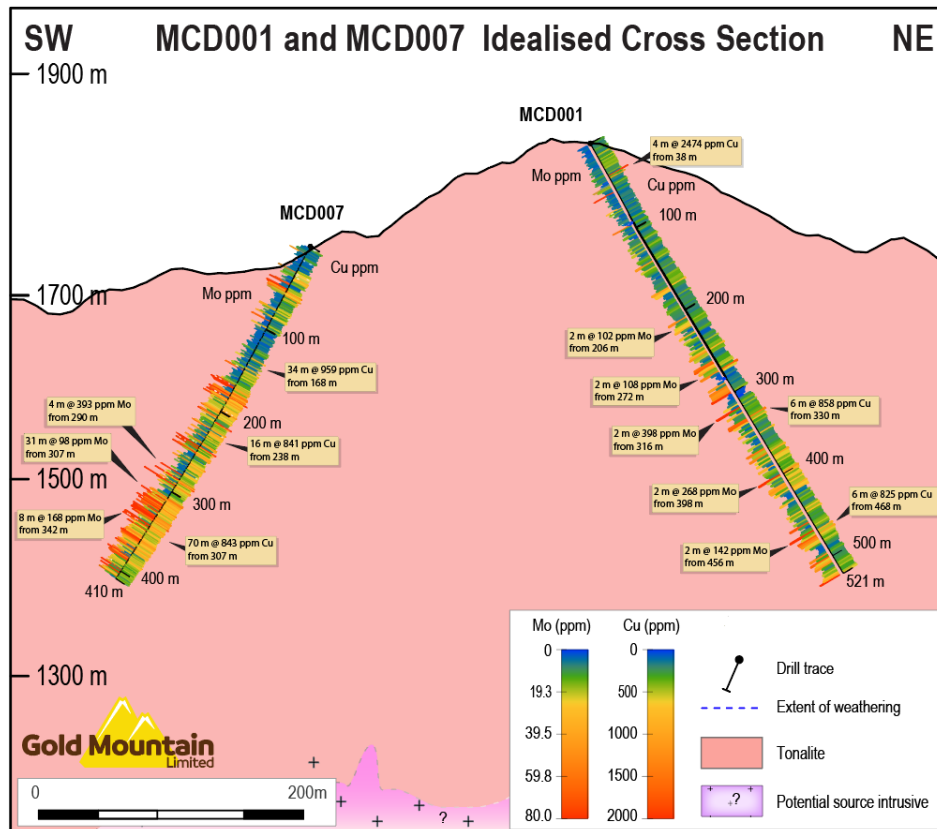


Figure 2. MCD007 – Idealised Cross Section

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 periphery of the main zone of mineralisation or above it.

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

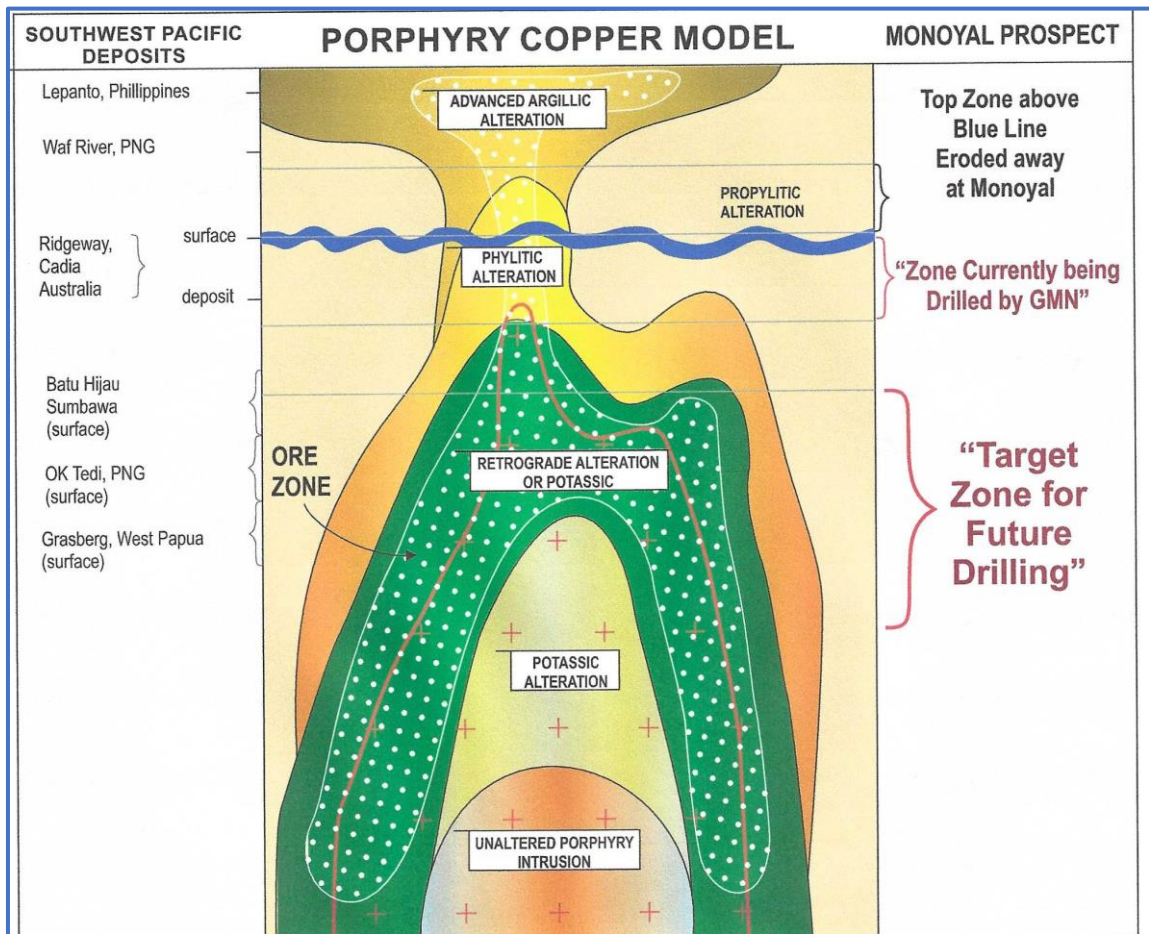


Figure 3. Copper-Gold Porphyry Model, Adapted for Monoyal (after Terry Leach)

Tenement Update

During the March quarter no changes in ownership of the tenements were made and no farm in agreements or joint venture agreements entered into.

A complete schedule on the status of the GMN tenements that comprise the Wabag project is included as Table 4 and a map showing the status of the GMN tenements is included as Figure 5.

Table 3. GMN's Wabag Project Tenement Schedule

Tenure	Area (km ²)	Interest	Expiry Date ²	Commitment (Kina) ³	Notes
EL1966 Sak Creek	103 _{1#}	70%	26/06/2019	300,000	Pending extension of term for two years to 26/06/2021
EL1967 Pocket Creek	103 ¹	70%	27/11/2019	80,000	Pending extension of term for two years to 27/11/2021
EL1968 Crown Ridge	103 ¹	70%	27/11/2019	300,000	Pending extension of term for two years to 27/11/2021
EL2306 Alakula	164 ¹	70%	13/12/2019	500,000	Pending extension of term for two years to 14/12/2021
EL2426 Keman	48 ¹	100%	27/05/2020	160,000	Pending extension of term for two years to 27/05/2022
EL2430 Meriamanda	154 ¹	100%	27/05/2020	160,000	Pending extension of term for two years to 27/05/2022
EL2522 Wapenamada	839	100%	24/02/2021	180,000	
EL2565 Londol	535	100%	26/05/2021	100,000	
EL2563 Kompam	225	100%	22/01/2022	100,000	
ELA2632 Mt Wipi	505#	100%	Application, GMN 6768 (PNG) Limited, currently application with the minister		
<p>1. Renewed Areas 2. Renewals pending for EL1966, EL1967, EL1968, EL2306, EL2426 and EL2430. Wardens hearings were completed for EL1966, EL1967, EL1968 and EL2306 in early October 2019 3. Expenditure commitments for the current licence year in PNG Kina. As at the 24th July 2020, PGK1 = AUD \$0.41 #. Matter with the Minister</p>					

Exploration and Evaluation Expenditure

During the reporting quarter, the Company incurred approximately \$510,000 in exploration and evaluation activities on the Wabag Projects PNG. The related cash spent of \$697,000 is capitalised as reported in Appendix 5B item 2.1(d).

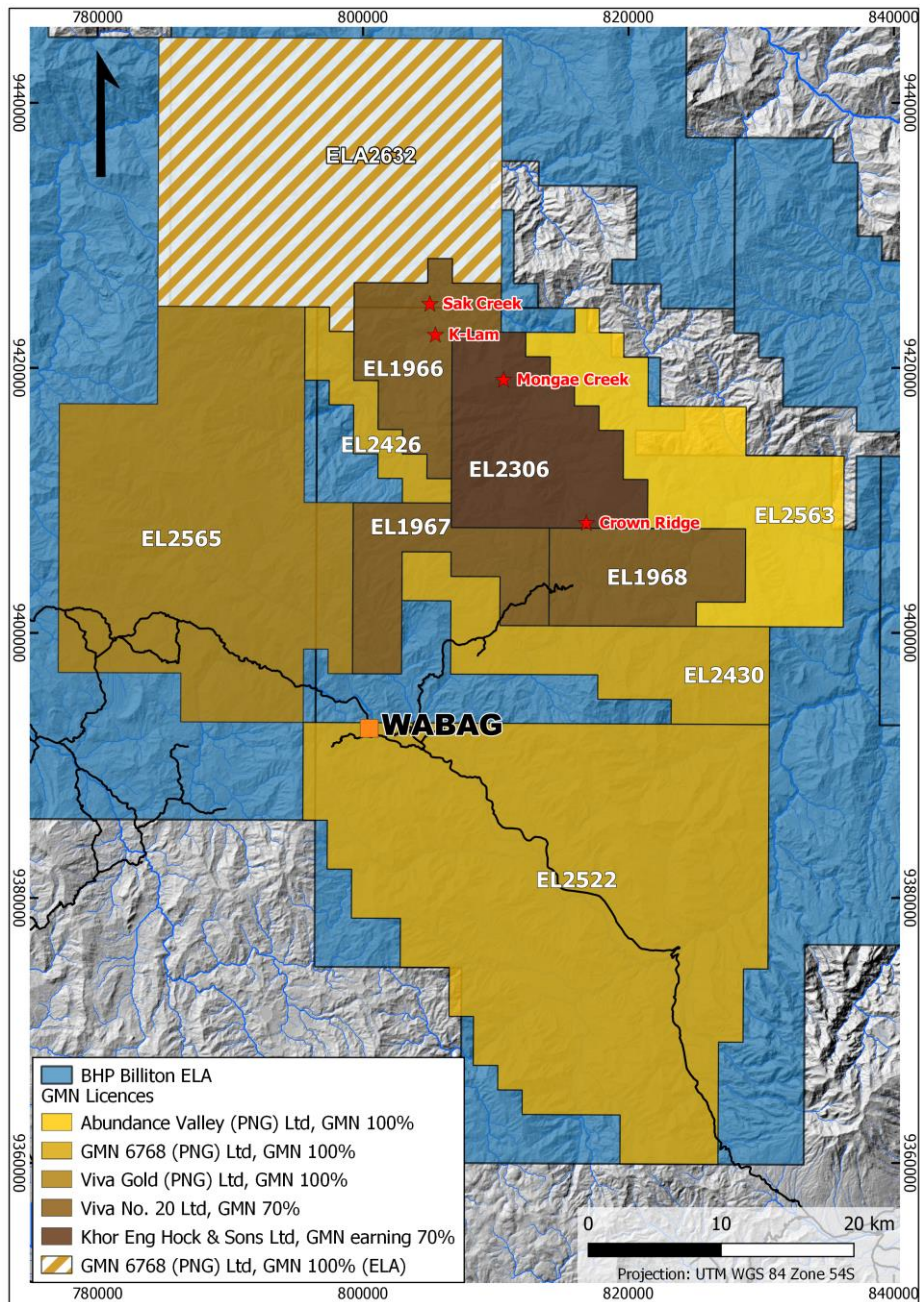


Figure 4: GMN's Wabag Project – Tenement Details as of 31st of March 2020

Corporate

On 5 June 2020, the Company issued 17,332,308 shares along with 19,797,693 options of \$0.10 and \$0.15 exercisable within 12-months and 24-months respectively, of which include 2,465,385 options were offered to introducers and promoters for their assistance in placement services. The placement issue raised \$1.12 million before issue costs.

The Company further received \$650,000 in the share placement of which its securities in shares and options were issued after the current reporting quarter.

The support of certain major shareholders provided an unsecured temporary working capital loan in aggregate of \$750,000. The immediate drawdown facility accrues interest quarterly at 5% per annum.

During the reporting quarter, the aggregate amount of payments to related parties and their associates as reported in Appendix 5B item 6.1 was paid to a director and the chief executive officer comprising of fees and superannuation contributions, and consulting services fee (inclusive of GST), at a discount from normal commercial rate.

This Quarterly Activities Report is authorised for release by the Board.

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