



GOLD MOUNTAIN ANNOUNCES CLOSING OF \$6.5 MILLION FINANCING

NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN
THE UNITED STATES

Vancouver, Canada — August 23, 2024 – Gold Mountain Mining Corp. (“**Gold Mountain**” or the “**Company**”) (TSX: GMTN) (OTCQB: GMTNF) (FRA: 5XFA) is pleased to announce that further to its press release of August 15, 2024, the Company has raised \$6.5 million by way of issuance of a convertible secured debenture (the “**Convertible Debenture**”) to a choomEEnsh a Nlaka’pamux LP (the “**Investor**”). The Convertible Debenture is convertible at the Investor's option into 81,250,000 common shares at a conversion price of \$0.08 per share. The Convertible Debenture matures ten (10) years from the date of issuance and will accrue interest at the rate of 10.0% per annum, calculated monthly and payable in cash in arrears on each anniversary date from the date of issuance. The Convertible Debentures may be prepaid in whole or in part, at the option of the Company. The Investor is an affiliate of Nhwelmen Construction GP Ltd. (“**Nhwelmen**”) who is an existing insider of the Company. Nhwelmen currently holds a convertible debenture which is secured by a second-priority security interest over all of the assets of the Company including its current and after-acquired property and the security for the Convertible Debenture will be evidenced by the general security agreement dated effective March 10, 2024 between the Company and Nhwelmen.

The maximum number of securities issued, assuming the conversion of the Convertible Debenture, is 81,250,000 common shares representing 10.24% of the issued and outstanding common shares of the Company on a non-diluted basis. The transaction noted above was negotiated at arm’s length and there will be no effect on control.

Insider Participation

As previously disclosed in the August 15, 2024 press release, Nhwelmen owns 216,666,667 common shares of the Company, representing 27.30% of the issued and outstanding common shares of the Company and therefore is an “insider” of the Company for purposes of the TSX Company Manual and a “related party” of the Company pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). As an affiliate of Nhwelmen, the Investor is also considered to be an “insider” of the Company for purposes of the TSX Company Manual and a “related party” of the Company pursuant to MI 61-101. Assuming full conversion of the Convertible Debenture, Nhwelmen and its affiliates, being the Investor, would own 297,916,667 common shares representing 34.05% of the Company’s common shares, on a non-diluted basis.

The issuance of the Convertible Debenture to the Investor is a “related party transaction” within the meaning of MI 61-101. The Company’s Special Committee (as defined below) have determined that the Company meets the financial hardship requirements of Section 5.5(g) and Section 5.7(1)(e) of MI 61-101, respectively, as the Convertible Debenture is designed to improve the financial position of the Company, and the terms of the transaction is reasonable in the circumstances of the Company.



Special Committee

A special committee of the board of directors of the Company (the "**Special Committee**") was constituted and considered the fairness of the Convertible Debenture and related matters. The Special Committee was comprised of the independent directors. The Special Committee determined that the Convertible Debenture was reasonable for the Company in the circumstances and recommended that the Company proceed with the issuance of the Convertible Debenture.

Security Holder Approval

Pursuant to Section 604(a)(ii) and Section 607(g)(ii) of the TSX Company Manual, as the Company provided consideration to the Investor, which is an affiliate of a current insider of the Company, in aggregate of 10% or greater of the market capitalization of the Company during a six-month period, the TSX required and the Company obtained security holder approval with respect to the issuance of the Convertible Debenture. Instead of seeking security holder approval at a duly called meeting of security holders, the TSX permitted the Company, pursuant to section 604(d) of the TSX Company Manual, to provide written evidence from more than 50% of the voting securities of the Company held by disinterested shareholders who are familiar with the terms of the transactions. The vote of the disinterested shareholders excluded the 216,666,667 common shares of the Company held by Nhwelmen which represented approximately 27.30% of the issued and outstanding common shares of the Company.

Early Warning Disclosure

Nhwelmen and a choomEEEnsh a Nlaka'pamux LP are providing the following additional information pursuant to the early warning requirements of applicable Canadian securities laws.

Prior to the issuance of the Convertible Debenture, Nhwelmen owned an aggregate of 216,666,667 Common Shares, representing approximately 27.30% of the issued and outstanding common shares on a non-diluted basis. Assuming full conversion of the Convertible Debenture, Nhwelmen and the Investor, being an affiliate of Nhwelmen, will collectively own an aggregate of 297,916,667 common shares representing 34.05% of the Company's common shares, on a non-diluted basis.

The securities above are held by Nhwelmen and the Investor for investment purposes. Both Nhwelmen and the Investor have a long-term view of the investment and may acquire additional securities of the Company including on the open market or through private acquisitions or sell securities of the Company including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other factors that Nhwelmen or the Investor considers relevant from time to time.

A copy of the early warning report for Nhwelmen and a choomEEEnsh a Nlaka'pamux LP will appear on the Company's SEDAR+ profile at www.sedarplus.ca.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the



U.S. Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements thereunder.

About Gold Mountain

Gold Mountain is a British Columbia based gold and silver production, exploration and development company focused on the development of the Elk Gold Mine, a producing mine located 57 kilometers from Merritt in South Central British Columbia. Additional information is available at www.sedarplus.ca or on the Company's new website at www.gold-mountain.ca.

For more information, please contact:

Gold Mountain Mining Corp.

Calvin Cheung, Chief Financial Officer

Email: IR@gold-mountain.ca

Website: www.gold-mountain.ca

Twitter: www.twitter.com/goldmtnmine

Forward Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation regarding final approval of the Convertible Debenture, the ability of the Company to continue as a going concern, the impact of the raising of funds pursuant to the Convertible Debenture on the Company and the results thereof, including that it will allow the Company to address its significant working capital deficiency and provide operating capital to the Company so that it can go forward as a viable going concern, receipt of the final TSX approval and the ability for the Company to restart the mine, thereby significantly improving the Company's financial situation. Forward-looking statements include statements that are based on assumptions as of the date of this news release and are not purely historical including any information relating to statements regarding beliefs, plans, expectations or intentions regarding the future and often, but not always, use words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; the price of gold; and the results of current exploration. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Gold Mountain disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this News Release.