

**ASX RELEASE**

Suite 2501 Level 25 St Martins Tower
31 Market Street Sydney NSW 2000 Australia
(PO Box Q638 QVB Market Street NSW 1230 Australia)
Tel: +61 (02) 9283 3880

15 May 2017

Extension of EL 2306 Exclusivity Dealing Agreement

The Board of Gold Mountain Limited (**ASX: GMN**) ("**Gold Mountain**" "**the Company**" "**GMN**") has extended an agreement to secure the highly prospective 328km² EL 2306 tenement, which adjoins the Company's flagship Crown Ridge gold project in Papua New Guinea.

On 23 August 2016, Gold Mountain reported that it had signed an exclusive dealing agreement with the owner of the highly prospective EL 2306 tenement, which adjoins the Company's flagship Crown Ridge gold project. The owner granted the Company an exclusive dealing period of 270 days ending on 19 May 2017.

The exclusive dealing agreement has now been extended for a further two (2) months until 15 July 2017. Subject to the completion of due diligence on the EL 2306 tenement, a decision to acquire the project will be made.

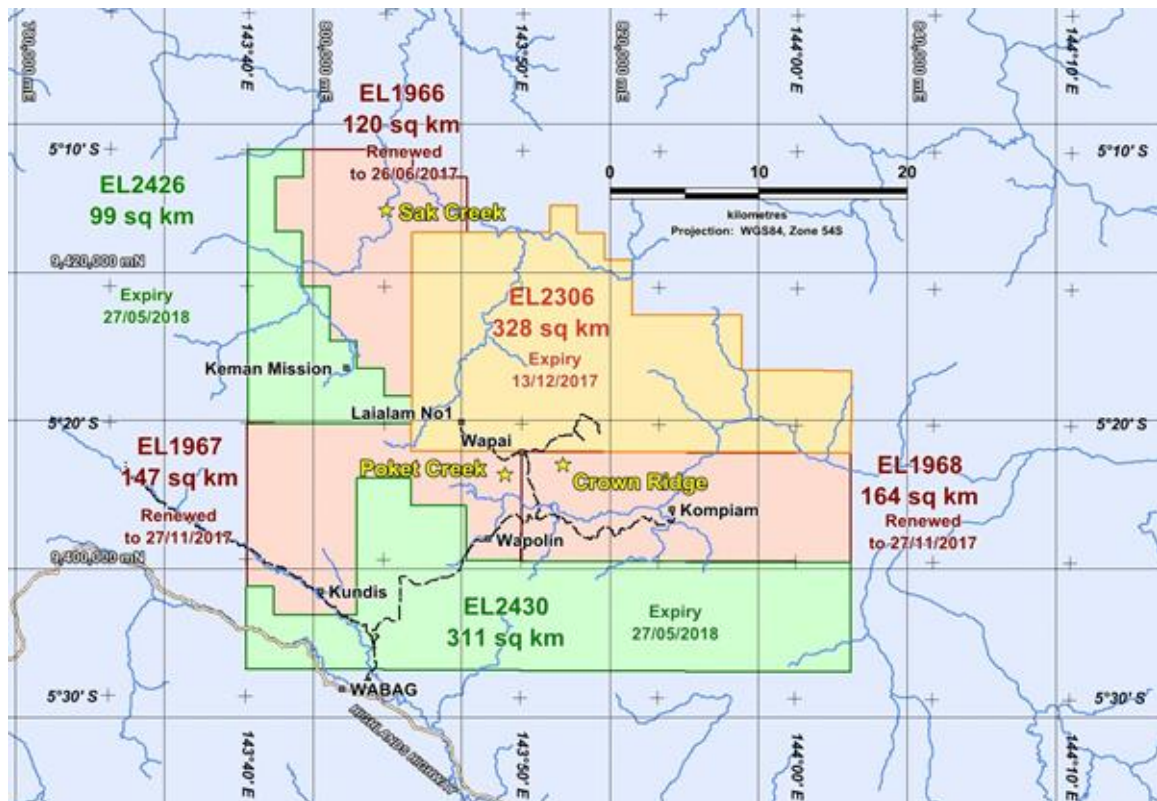


Figure 1: Gold Mountain tenement suite, Enga Province, PNG Highlands

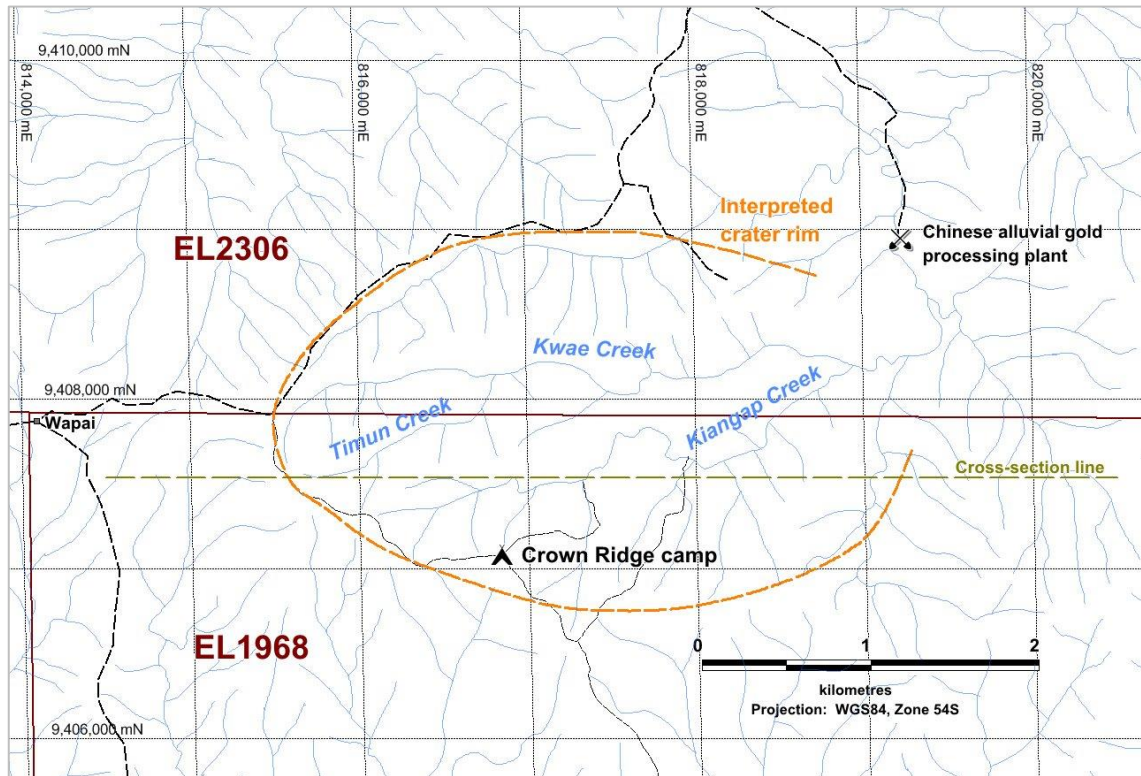


Figure 2: Outline of highly prospective Crown Ridge diatreme crater

As reported previously, the addition of EL 2306 to Gold Mountain's tenement holdings would be a significant milestone for the Company, and give the Company 100% exploration access to the highly prospective Crown Ridge diatreme structure (*See figures above*). It would also extend the Company's total tenement area in the Wabag mineral province to ~1,169km².

The Company will update shareholders on the progress of negotiations on EL 2306, and following the receipt of new funding, Gold Mountain looks forward to providing regular updates on exploration and development activities at its flagship Crown Ridge project.

For information please see our website www.goldmountainltd.com.au or contact:

Doug Smith
Director Explorations
0419 414 460

Tony Teng
Managing Director
0414 300 044

Shareholder & Media Enquiries
Six Degrees Investor Relations
Henry Jordan: 0431 271 538



Follow Gold Mountain on Twitter: <https://twitter.com/GoldMountainASX>