

**ASX RELEASE**

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6 October 2017

Issue of Securities

Gold Mountain Limited ("**GMN**" or "**Company**") advises that 19,245,000 new fully paid ordinary shares ("**Shares**") in the Company along with 9,622,500 free attaching options ("**Options**") will be issued for the placement of shares ("**Placement Shares**") at a price of \$0.10 per share raising a total of \$1,924,500.00.

The Placement Shares has with a free option entitlement of one (1) for every two (2) Shares issued. The share options are exercisable at \$0.15 and expires on 30/6/2019.

The funds raised are to be used for the purposes of meeting general working capital requirements and supporting on-going exploration activities with the aim to establish a maiden mineral resource in the Company's flagship project in Papua New Guinea.

Additional Information Required Under ASX Listing Rule 3.10.5A

The total of 28,867,500 securities comprising of 19,245,000 Shares and 9,622,500 Options are issued under ASX Listing Rule 7.1A.

The Company provides the following additional information as required under ASX Listing Rule 3.10.5A.

Details of issue under 10% placement shares Listing Rule 7.1A

- a) The dilutive effect¹ of the Placement on existing shareholders is as follow

Number of shares on issue prior to the Placement: 421,286,965

Placement issue under Listing Rule 7.1A (19,245,000 Shares)	4.369%
Placement issue under Listing Rule 7.1 (No shares issued)	nil
Total dilution as a result of Placement	4.369%

¹ Dilutive effect of placement does not include dilution arising from exercise of share options.

- b) The Company considered the Placement as the most efficient and expedient method for raising the funds at the time.
- c) The Placement was not underwritten.
- d) The Company will pay 5% underwriting fee on the total funds raised.

A completed Appendix 3B reflecting the changes in capital structure is attached.

For further information, contact

Eric Kam
Company Secretary
(M) 0403 551 819

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Gold Mountain Limited

ABN

79 115 815 942

We (the entity) give ASX the following information.

Part 1 – All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | 1) Ordinary Shares (GMN); and
2) Share Options (GMNAC) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1) 21,745,000
2) 9,622,500 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1) Fully Paid Ordinary Shares
2) Options (one option for every 2 issued placement shares) at exercise price \$0.15 expiring 30/6/2019 |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Shares rank equally with all other fully paid ordinary shares. Options will not be quoted. Shares to be issued upon exercise of the Options will rank equally with all other fully paid ordinary shares on issue.
5	Issue price or consideration	1 a) 2,500,000 Shares at \$0.055; b) 19,245,000 Shares at \$0.10; and 2) 9,622,500 Options (free) (Total: \$ 2,062,000)
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Exercise of unlisted options, placement of Shares (Working capital) and issue of free options (one option for every two issued placement shares) entitlement
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	18 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	28,867,500

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of +securities issued under an exception in rule 7.2	2,500,000	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes Securities issued under rule 7.1A were issued at least 75% of the 15-day VWAP as calculated under rule 7.1A3 Issue Price: \$0.10 15-day VWAP: \$0.0943 Data Source: ANZ ShareInvesting	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 nil Rule 7.1A 2,486,434	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	6 October 2017	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		443,031,965	Ordinary Shares

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	40,110,715	Options at exercise price \$0.055 expiring 18/1/2018 (Code: GMNAA)
	14,800,000	Options (ESOP) at exercise price \$0.30 expiring 28/11/2019 (Code: GMNAB)
	28,237,300	Options at exercise price \$0.15 expiring 30/6/2019 (Code: GMNAC)
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change	

Part 2 - Pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	
18 Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?

- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)

- (a) ☒ ⁺Securities described in Part 1

- (b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over

- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr style="height: 80px;"> <td></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(~~Director~~/Company Secretary)

Date: 6 October 2017

Print name: Eric Kam.

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	255,012,842
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 60,000,000 shares (16/8/16) 500,000 shares (14/12/16) 1,000,000 shares (20/1/17) 707,143 shares (31/3/17) 750,000 shares (12/5/17) - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval 38,251,926 shares (EGM 11/10/16) - Number of partly paid +ordinary securities that became fully paid in that 12 month period <i>Note:</i> - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	356,221,911

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 <i>[Note: this value cannot be changed]</i>
Multiply "A" by 0.15	53,433,286
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: - Under an exception in rule 7.2 - Under rule 7.1A - With security holder approval under rule 7.1 or rule 7.4 Note: <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i>	1,238,095 shares (18/10/16) 619,048 options (18/10/16) 10,660,000 shares (12/5/17) 17,034,000 shares (6/6/2017) 13,847,000 options (30/6/2017) 1,550,800 shares (30/6/2017) 775,400 options (30/6/2017) 5,139,296 shares; and 2,569,647 options
"C"	53,443,286
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 <i>Note: number must be same as shown in Step 2</i>	53,433,286
Subtract "C" <i>Note: number must be same as shown in Step 3</i>	53,433,286
Total ["A" x 0.15] – "C"	(nil) <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	356,221,911
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	35,622,191
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	2,845,504 shares; and 1,422,753 options (9/8/2017) 19,245,000 shares 9,622,500 options
“E”	33,135,757

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	35,622,191
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	33,135,757
Total [“A” x 0.10] – “E”	2,486,434 <i>Note: this is the remaining placement capacity under rule 7.1A</i>