ASX:GMN

ASX RELEASE

30th April 2020

Quarterly Activities Report
For the Quarter Ended 31 March 2020

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

Wabag Project PNG

- Drilling recommenced at the Monoyal Prospect on the 24th January 2020
- Three diamond drill holes, MCD005 to 007, for a total of 1,291.20m were completed in the March Quarter
- Assay results have been returned for holes MCD003 and 004 which were completed in the December Quarter
- Observations from the core of MCD005 and MCD006 indicate higher levels of fracturing, brecciation, alteration and veining in these holes than in MCD003 and MCD004
- Observations to date confirm that in GMN's view, the Company has identified a major porphyry system at Monoyal
- Assays for MCD005, MCD006 and MCD007 are due to be reported in May and June 2020
- One new tenement (EL2563) was granted in the March Quarter thereby increasing GMN's exploration tenement area by an additional 225 km^2 to 2,271 km^2

Drilling at the Monoyal Prospect which forms part of GMN's Wabag Project resumed in the March Quarter. A total of three holes drilled between the 24th of January and the 30th of March (MCD005 to MCD007) were completed for a total of 1,291.20m. This brings the total number of holes drilled at Monoyal to five, totalling 2,241.90m. Drill hole parameters and drill hole locations are presented in Table 1 and Figure 1, respectively.

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							

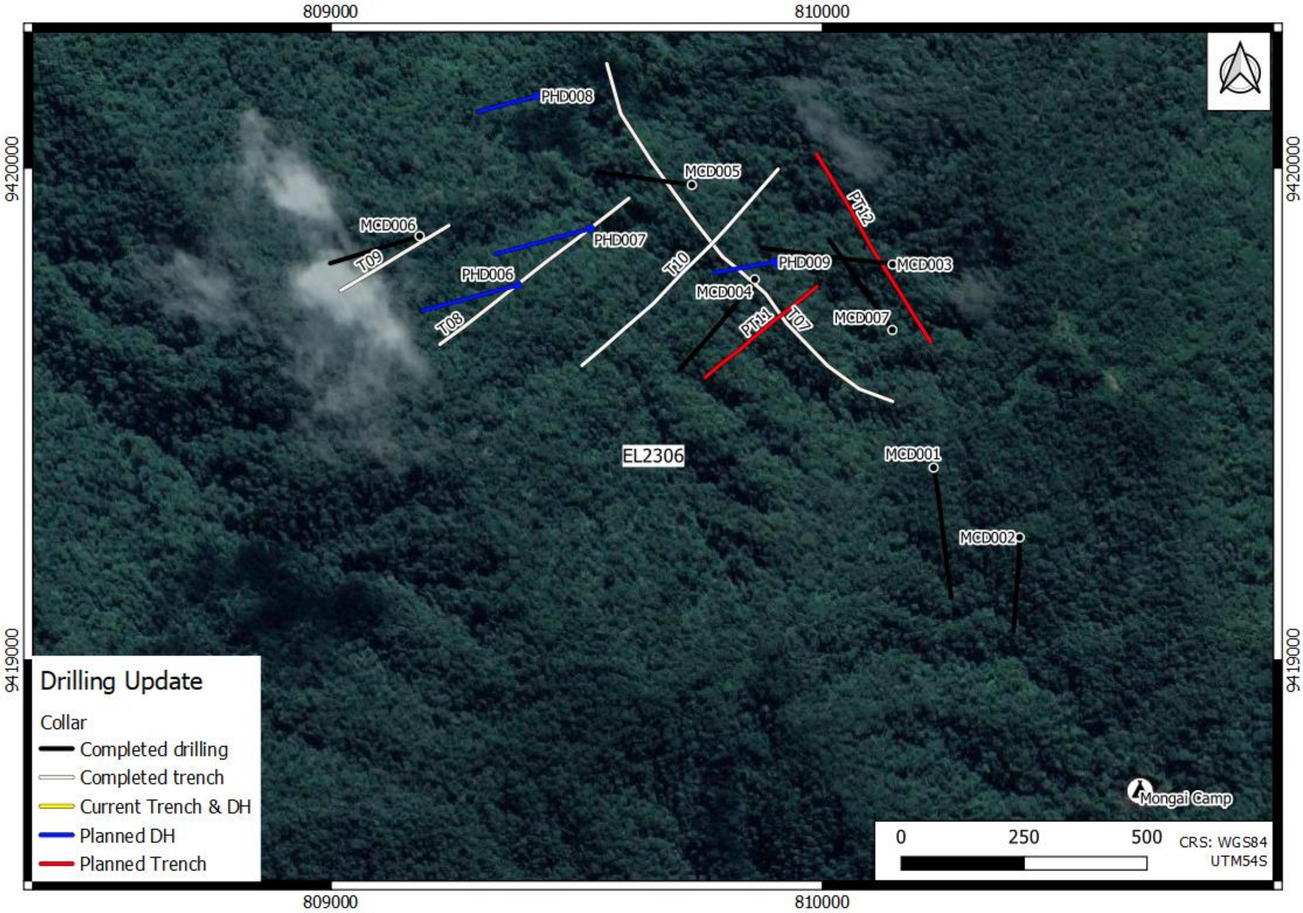

Figure 1. Monoyal Prospect - completed and Proposed Drill hole and trench locations

Assay results for holes MCD003[1] and 004[2] which were drilled in the December quarter were received in the March quarter, with both hole intersecting multiple zones of >1,000 ppm copper (Cu) and >100 ppm molybdenum (Mo). Anomalous levels of gold (Au) are also present in the holes with values ranging from 0.01 – 1.24 ppm.

[1] 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.

[2] First reported in ASX Announcement of 28th February 2020: 'Results from MCD004 Continue to highlight the Potential for Porphyry Style Mineralisation at the Monoyal Prospect l'. Competent Person: Mr Patrick Smith.

Highlights from the drilling include, **101m @ 0.14% Cu, 76ppm Mo and 0.03g/t Au from 398 m in MCD003 and 124 m @ 0.12% Cu, 105 ppm Mo and 0.06 g/t Au**, **from 125 m in MCD004**. A list of significant intercepts for holes MCD003 and 004 are included in Tables 2 and 3.

Table 2. MCD003 intercepts using a 700 ppm Cu COG.

From (m)	To (m)	Interval (m)	Cu (%)	Mo (ppm)	Au (g/t)	Ag (g/t)	S (%)	Zn (ppm)
11	84	73	0.106	31	0.04	1.02	0.44	126
98	149	51	0.093	23	0.04	0.67	1.04	140
181	202	21	0.112	43	0.04	0.78	1.00	263
211	232	21	0.1	34	0.05	0.23	1.04	26
316	367	51	0.089	59	0.03	0.39	1.24	48
371	380	9	0.135	49	0.02	0.70	1.20	109
398	499	101	0.112	76	0.03	0.48	0.78	62

Intercepts calculated using 700 ppm Cu COG with 3 m internal dilution.

Table 3. MCD004 intercepts using a 700 ppm Cu COG.

From (m)	To (m)	Interval (m)	Cu (%)	Mo (ppm)	Au (g/t)	Ag (g/t)	S (%)	Zn (ppm)
1.50*	**30.00**	**28.50**	**0.12**	**6**	**0.05**	**0.56**	**0**	**70**
Inc:**								
1.50	6.00	4.50	0.14	5	0.03	0.31	0	73
11.00	22.00	11.00	0.14	9	0.09	0.75	0	85
26.00	30.00	4.00	0.14	4	0.03	0.64	0	51
125.00*	**249.00**	**124.00**	**0.120**	**105**	**0.06**	**0.97**	**1.49**	**122**
Inc:**								
136.00	157.00	21.00	0.14	92	0.03	0.58	1.68	149
161.00	167.00	6.00	0.16	159	0.04	0.99	1.66	924
169.60***	182.00	12.40	0.19	494	0.28	5.02	3.76	99
219.00	236.00	17.00	0.16	50	0.05	0.42	1.13	24

**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*
**** This intercept includes,* 8.4 m @ 0.23% Cu, 689 ppm Mo and 0.40 g/t Au from 169.60 m

Narrower high-grade zones of mineralisation were intersected in both holes, with the highest intercept being recorded in MCD004 which returned a 12.40m intercept which assayed 0.19% Cu, 494ppm Mo and 0.28 g/t Au from 169.60m.

The mineralisation intersected in MCD003[3] and MCD004[4] is predominantly hosted in minor veinlets, or as 1mm to 2mm thick layers of sulphides coated on fracture surfaces. The sulphides predominantly comprise iron pyrite ± chalcopyrite ± molybdenite. The current interpretation is that this style of mineralisation is found peripheral to the main zone of mineralisation which has yet to be identified. The higher-grade mineralised zones (I.e. 8.4 m @ 0.23 % Cu, 689 ppm Mo and 0.40 g/t Au in MCD004) intersected in the holes are usually associated with strong brecciation, veining and clay alteration of the tonalite, Figure 2.

Figure 2. MCD004 – Core trays which contain part of the 8.4m zone @ 0.40 g/t Au, 0.22% Cu and 689ppm Mo

Core from MCD005 and MCD006 has been logged photographed and is currently being sampled. It is expected that results should be reported in late May. Delays in processing and the transport of the samples from site are due to issues associated with the current CoVid 19 crisis which has prevented free movement of people and materials across provincial borders

---

[3] 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

[4] First reported in ASX Announcement of 28th February 2020: 'Results from MCD004 Continue to highlight the Potential for Porphyry Style Mineralisation at the Monoyal Prospect l'. Competent Person: Mr Patrick Smith.

Observations from holes MCD005 and MCD006[5] indicate that both holes have intersected a variably altered and mineralised tonalite, with iron-pyrite, chalcopyrite and molybdenum mineralisation observed on fracture surfaces and in veins. Fracture density ranges from 3 to 4 fractures a meter to in excess of 10 fractures a meter, with approximately 30% to 40% of the fractures coated with sulphides. The mineralisation on the fractures predominantly comprises iron-pyrite, chalcopyrite and molybdenum, other minerals including quartz – epidote – chlorite and biotite are also observed on the fracture. Visual observations suggest that there is more veining, and alteration in these two holes than seen in MCD003 and MCD004 and suggests that MCD005 and MCD006 are testing a separate part of the porphyry system. Examples of the style of mineralisation seen in holes MCD005 and MCD006 are presented in Figure 2 and Figure 3.

Figure 3. Examples of veining and mineralisation in MCD005, **from left to right**, qtz-pyrite-malachite bearing vein from 112.42m, vein is approximately 5mm wide and contains between 3 – 5% sulphide minerals, C**entre**, qtz-pyrite vein, which is 4mm wide with Fe-pyrite (5%) and molybdenum (0.5%) from 106.76m**, Right**, evidence of malachite and chalcocite coating on fracture surface at 98.30m, these copper minerals coat the fracture with the coating being 3mm thick

[5] First 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: Mr Patrick Smith.

Figure 4. MCD006 – Quartz – pyrite veins with well-developed alteration selvages seen in MCD006, (LHS from 8.00m, contains approximately 5% sulphides, centre, veins 3mm wide with 5 mm wide alteration selvages , veins contain 30% pyrite and 70% quartz, with 2% pyrite in the tonalite matrix 115m to 117.60m, RHS – chalcocite (approximately 2%) on fracture surface associated with quartz and pyrite from 76m

Tenement Update

EL2563 **–** Kompiam was granted to Abundance Valley (PNG) Limited a 100% owned subsidiary of Gold Mountain Limited[6]. The new tenement was approved by the Mining Minister on the 23rd of January 2020 and was granted for a two-year period expiring on the 22nd of January 2022. The grant of EL2563 brings the total number of tenements held by GMN to nine; encompassing an area of 2,271 km^2 (Figure 5).

The EL2563 – Kompiam is located east of, and contiguous to the Company's highly prospective EL2306 tenement which is the current focus of a nine-hole targeted drilling programme. EL2563 was granted after Warden's hearings were completed by the Minerals Resource Authority (MRA) in October 2019. At the hearings, no objections were raised by the local populace, who expressed their confidence in GMN and were happy for exploration to commence on their land.

EL2563 forms an adjoining area on the eastern borders of EL2306 and EL1968. EL2563 is prospective for porphyry style Cu – Mo – Au mineralisation is also prospective for skarn style Cu-Au mineralisation. Rock chip samples with distinct skarn characteristics and assaying up to 1.34 g/t Au, 10% Cu and 73 g/t Ag were collected from the Lombokai Creek area in December 2019[7]. The Lombokai Creek prospect sits on the boundary between EL2306 and the newly granted tenement, EL2563.

[6] First reported in ASX Announcement of 19th February 2020: 'Tenement Holding Expanded in PNG's Highly Prospective, Porphyry Mobile Belt'.
[7] First reported in ASX Announcement of 28th January 2020: 'Monoyal Drilling Recommences'. Competent Person: Mr Patrick Smith.

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 4. 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 Poket 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	Submitted application to extend term for two years to 27/05/2022
EL2430 Meriamanda	154 [1]	100%	27/05/2020	160,000	Submitted application to extend 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 Kompiam	225	100%	22/01/2022	100,000	Licence granted on 23/01/2020
ELA2632 Mt Wipi	505	Application, GMN 6768 (PNG) Limited			

[1] Renewed Areas

[2] Renewals pending for EL1966, EL1967, EL1968 and EL2306. Warden's hearings completed in early October 2019.

[3] Expenditure commitment for the current licence year in PNG Kina. As at 28 April 2020, 1 Kina = A$0.44

Exploration and Evaluation Expenditure

During the reporting quarter, the Company spent approximately $1,254,000 on exploration and evaluation activities on the Wabag Projects PNG. This expenditure is capitalised as reported in Appendix 5B item 2.1(d).

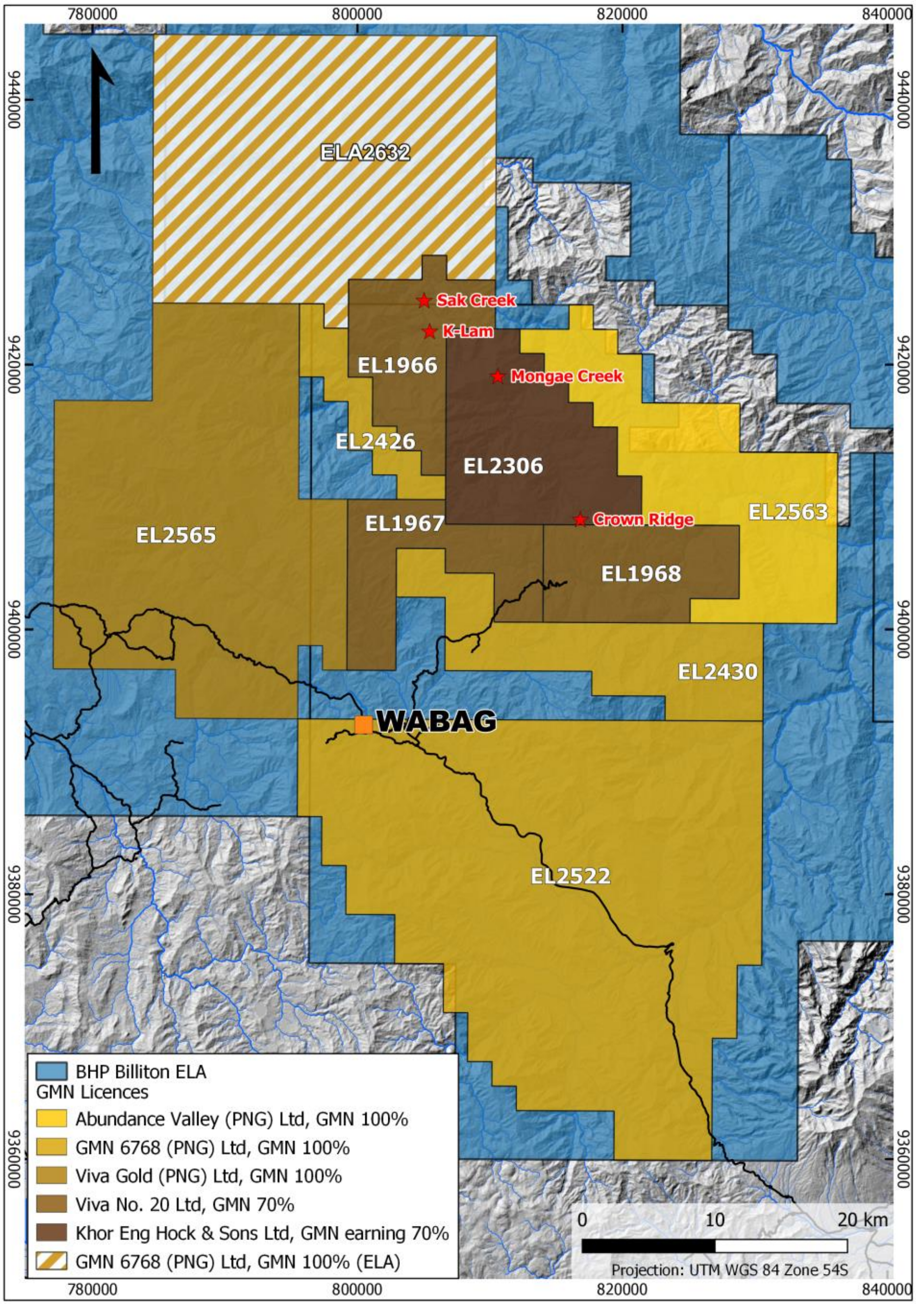

Figure 5: GMN's Wabag Project – Tenement Details as of 31st of March 2020

Corporate

During the quarter, the Company is fortunate to have successfully raised $1,028,500 by the issue of 15,823,077 shares along with 20,823,078 options. The securities of shares and options were issued on 16 March 2020.

Due to the impact of COVID-19, the Company has taken steps to scale down the level of exploration on its Wabag Project in PNG and reduce all discretionary expenditures and services of associated personnel. The precautionary and control measures under restrictive circumstance would as a result maintain and conserve the Company's cash position.

The Company is also pleased to advise the market of the continuing support of certain major shareholders who have agreed to provide temporary working capital loans. This will provide certainty of the company's operations in the immediate future.

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 comprising of director's fee 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.

--END—

For further information please visit the website www.goldmountainltd.com.au or contact:

Tim Cameron
Chief Executive Officer
+61 448 405 860

Tony Teng
Managing Director
+61 414 300 044

Follow Gold Mountain on Twitter: www.twitter.com/GoldMountainASX

Follow Gold Mountain on LinkedIn: www.linkedin.com/company/goldmountain

Previous Releases