



(ASX: GMN)

ASX RELEASE

30 July 2021

Quarterly Activities Report For the Quarter Ended 30th June 2021

Gold Mountain Limited, (ASX: GMN, “Gold Mountain” or the “Company”) advises its activities during the June 2021 Quarter.

Wabag Project PNG

- **Mt Wipi**
 - Exploration work at Mt Wipi is ongoing with soil sampling programs well advanced
 - Three strong coherent coincident copper, molybdenum and gold in soil anomalies have been defined and drill targets have been identified¹
 - Individual spot highs from the soil program have returned values to 2,938ppm Cu (0.294% Cu) and 516ppb (0.52g/t) Au, which are considered significant
 - Exploration at Mt Wipi is ongoing with new targets areas being identified as the Company’s geologists extend the reconnaissance programs to other prospective areas within EL2632
- **Monoyal**
 - Assay results for MCD009², which was drilled to a depth of 637m into a large low-grade porphyry system
 - Evidence of porphyry mineralogies including quartz, magnetite, epidote and sulphide veins and fracture fill sulphides were observed throughout the hole
 - The best intercepts recorded in MCD009 were,
 - 20m @ 0.18% Cu, 0.01 g/t Au and 50ppm Mo from 75m³; and
 - 21m @ 0.13% Cu, 0.01 g/t Au and 7ppm Mo from 186m

¹ Refer ASX Announcement of 19 May 2021: ‘Drill Targets Identified at Mt Wipi’ Competent Person: Mr Patrick Smith

² Refer ASX Announcement of 14 May 2021: ‘Wabag Project, MCD009 Drill Hole Update’ Competent Person: Mr Patrick Smith

³ Intercept calculated using a 700ppm Cu Cutoff grade (COG) with a minimum width of 3m and a maximum of 3m of internal dilution

Corporate

- Post-quarter end, Gold Mountain announced a partially underwritten renounceable rights issue to raise up to \$5.1 million (before costs)
- The rights issue is underwritten by Mahe Capital Pty Ltd to \$2.05 million
- End June Quarter cash balance of \$780,000

Monoyal

MCD009 was drilled at the Monoyal prospect in January and February 2021. The hole was completed to a depth of 637m and was drilled to test below and along strike of elevated copper geochemistry intersected by hole MCD002, drilled by Gold Mountain in 2018⁴.

The hole intersected the Wale Batholith in the top 309m of the hole and at sporadic intervals for the rest of the hole. A micro diorite, or a less differentiated phase of the Wale Batholith was intersected in the remainder of the hole. Drill hole parameters and the location of MCD009 are presented in **Table 1** and **Figure 1**, respectively.

MCD009 intersected widespread copper mineralisation, with the entire hole assaying an average of 650ppm Cu, with associated Mo. Higher grade zones (+0.1% Cu) were intersected throughout the hole, with the best intercept being **20m @ 0.18% Cu from 75m**. Other intercepts of note are:

- 21m @ 0.13% Cu and 7ppm Mo from 186m
- 13m @ 0.12% Cu and 23 ppm Mo from 363m
- 46m @ 0.10% Cu and 39ppm Mo from 410m
- 68m @0.10% Cu and 57ppm Mo from 534m

An idealised section of the hole showing the copper and molybdenum geochemistry is included as **Figure 2** and significant intercepts are presented in **Table 2** and **Table 3**.

Table 1. Monoyal - MCD009 drillhole parameters

Hole No	Easting	Northing	RL	Azimuth	Dip	Max Depth (m)
MCD009	810,589	9,419,192	1,766	225	-60	637.00 (EOH)

⁴ Refer ASX Announcement of 30 November 2018: 'Significant Copper Drill Intercept MCD002 Mongae Creek' Competent Person: Mr Douglas Smith



Figure 1. Drill Hole Location Map - Monoyal (Mongae area)

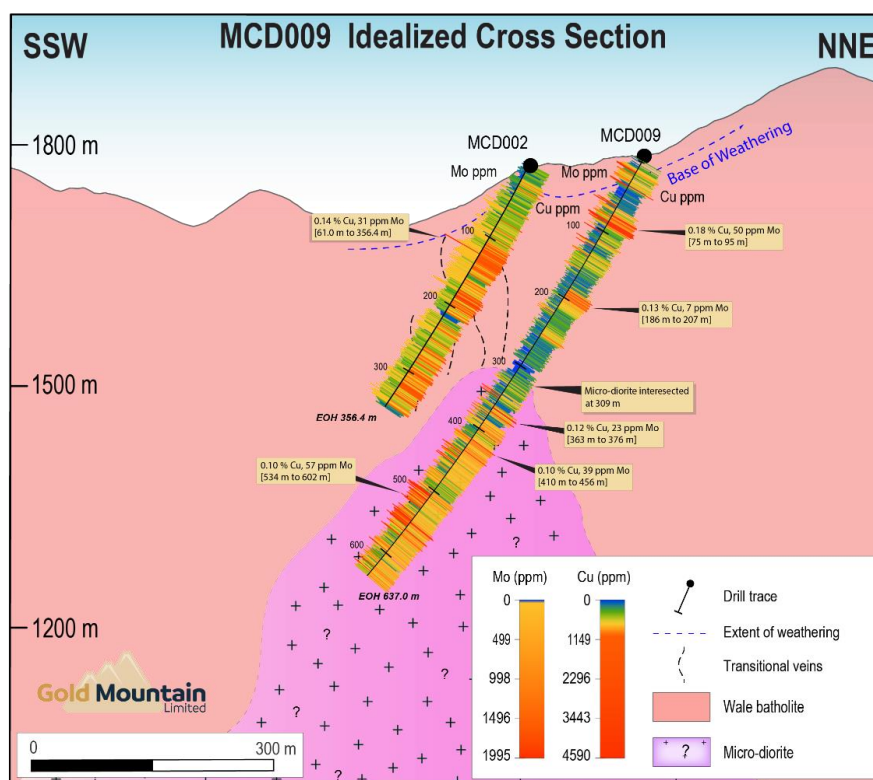


Figure 2. MCD009, Idealised Cross Section

Table 2. MCD009 Intercepts using a 700ppm Cu COG*

From (m)	To (m)	Interval (m)	Cu (%)	Mo (ppm)	Au (ppm)	Ag (ppm)	S (%)	Zn (%)
15	18	3	0.10	112	0.01	0.05	0.01	99
75	95	20	0.18	50	0.01	0.59	2.57	48
186	207	21	0.13	7	0.01	1.20	1.40	120
253	257	4	0.11	7	0.02	0.53	1.09	48
363	376	13	0.12	23	0.01	0.29	1.24	33
384	405	21	0.10	24	0.01	0.29	1.62	45
410	456	46	0.10	39	0.01	0.18	2.86	30
499	516	17	0.09	157	0.01	0.32	4.89	46
534	602	68	0.10	57	0.02	0.33	3.24	73
606	637	31	0.09	33	0.01	0.32	3.57	55

**Intercepts calculated using a 3m minimum width with a 700ppm Cu COG, with maximum internal dilution of 3m*

Table 3. MCD009 Intercepts using a 1,000ppm Cu COG

From (m)	To (m)	Interval (m)	Cu (%)	Mo (ppm)	Au (ppm)	Ag (ppm)	S (%)	Zn (ppm)
87	93	6	0.28	104	0.01	0.97	2.76	52
189	201	12	0.16	7	0.01	1.66	1.42	141
366	374	8	0.14	22	0.01	0.30	1.39	29
396	401	5	0.12	29	0.01	0.28	2.07	37
415	422	7	0.15	50	0.01	0.23	3.27	35
427	436	9	0.12	18	0.01	0.27	2.74	35
499	506	7	0.11	110	0.01	0.39	5.14	66
547	553	6	0.16	83	0.03	0.47	3.41	41
558	569	11	0.12	37	0.03	0.37	3.16	119
621	625	4	0.13	39	0.02	0.35	3.28	42

**Intercepts calculated using a 3m minimum width with a 1,000ppm Cu COG, with maximum internal dilution of 2m*

Mt Wipi (EL2632)

Exploration on the Mt Wipi tenement is ongoing, with a soil sampling grid over the Waa Creek area completed. The soil grid was designed to cover a distinct magnetic low within a well-defined structural corridor, which also contains anomalous gold and copper stream sediment results.

The soil sampling has identified 3 copper and gold in soil anomalies which will be drill tested in due course. The anomalies have been designated Targets 1 to 3, and the characteristics of each anomaly is listed below. The location of the anomalies identified to date are presented in **Figure 3** and **Figure**

4.

TARGETS

- 1A:** Coincident Cu/Mo/W/In anomaly over 800m in length x 250m width and includes target 1B at the southern end of the anomaly. Additional sampling is required to the NW along strike as well as infill sampling within the anomaly given the >0.1% Cu values were returned in the area. The anomalous geochemistry appears to drape along the western edge of a Potassium high airborne radiometric response.
- 1B:** Coincident Cu/Mo/Au/W/In anomaly to the south of target 1A. Copper values at this location returned >0.2% Cu and is associated with anomalous Au.
- 2:** This is a strong Te/Cu/Au anomaly with semi-coincident W/In/Sn, possibly indicating a porphyry system under cover, unlike at Targets A and B. Infill sampling is required to further define the anomaly. The anomaly appears to lie along the NW edge of a potassic anomaly and coincident with a strong magnetic low.
- 3:** This is a strong Cu (5x background), moderate In/Mo/Au/Sn system at the northern end of a 750 x 250m copper response, which drapes over the western edge of a potassic anomaly within a diffuse magnetic high. Infill sampling is required to further define the anomaly.

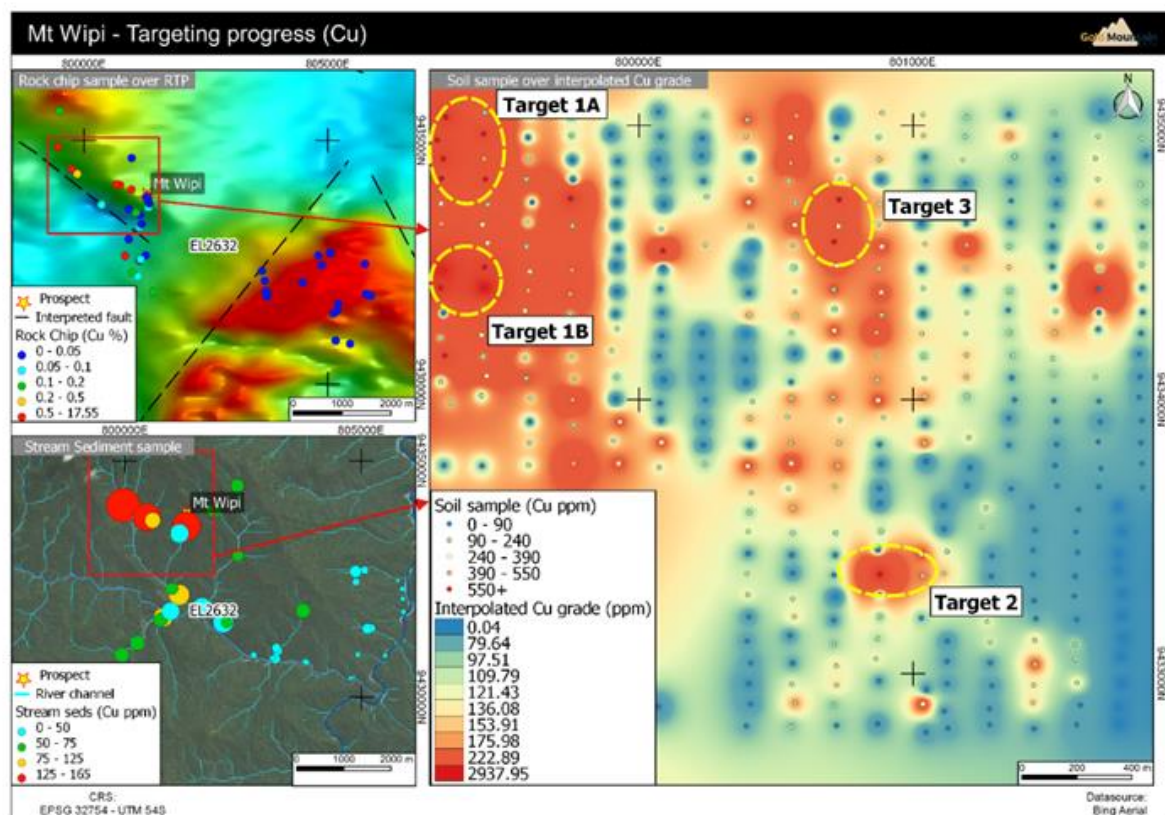


Figure 3. Mt Wipi Copper in soil geochemistry and target locations

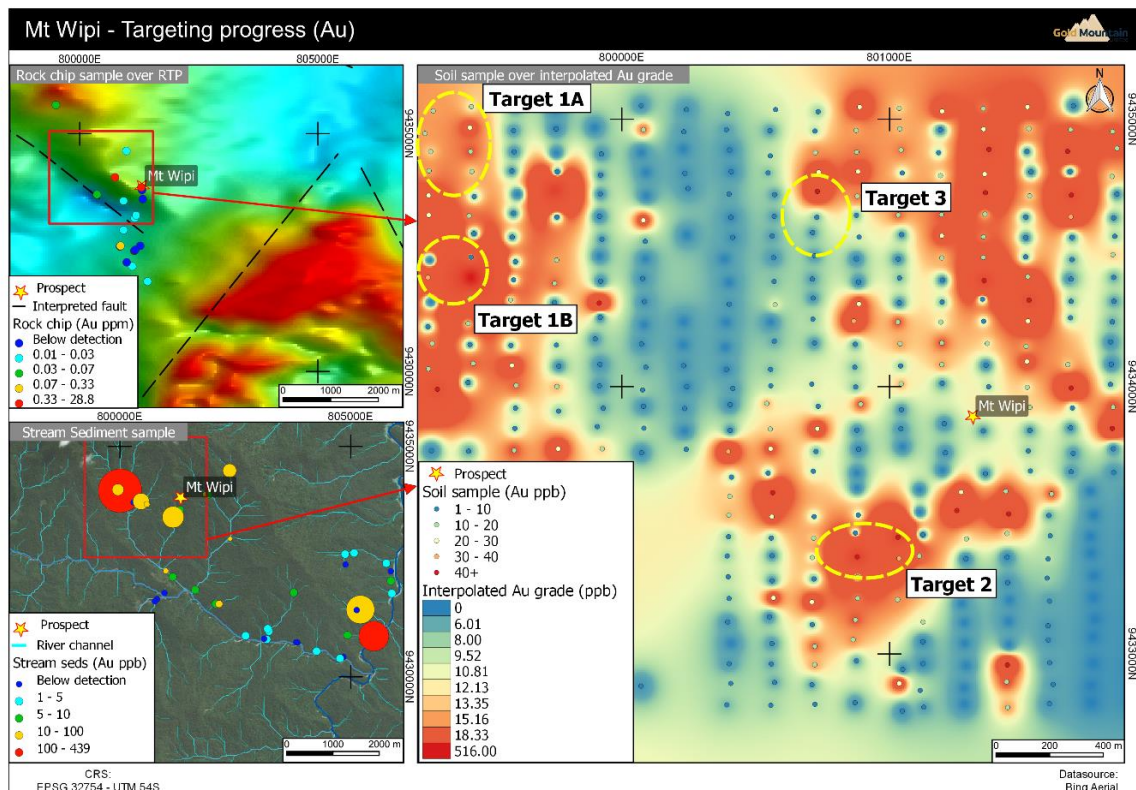


Figure 4. Mt Wipi Gold in soil geochemistry and target locations

Tenement Update

There were no changes to the ownership of the tenements in the June quarter and no farm-in agreements or joint venture agreements were entered into.

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

Table 4. GMN's Wabag Project Tenement Schedule

License	License name	License Holder	GMN Interest	License Status	Area	Granted	Expiry
EL1966	Sak Creek	Viva No. 20 Limited	70%	Active	30 sub-blocks	27-Jun-13	26-Jun-21 Renewal Pending
EL1967	Poket Creek	Viva No. 20 Limited	70%	Active	30 sub-blocks	28-Nov-13	27-Nov-21 Renewal Submitted
EL1968	Crown Ridge	Viva No. 20 Limited	70%	Active	30 sub-blocks	28-Nov-13	27-Nov-21 Renewal Submitted
EL2306	Alakula/Kompam Station	Khor ENG Hock & Sons (PNG) Limited	70%	Active	48 sub-blocks	14-Dec-15	13-Dec-21
EL2426	Keman	GMN 6768 (PNG) Limited	100%	Active – Renewal Pending	14 sub-blocks	28-May-16	27-May-20 Renewal Pending
EL2430	Meriamanda	GMN 6768 (PNG) Limited	100%	Active – Renewal Pending	45 sub-blocks	28-May-16	27-May-20 Renewal Pending
EL2522	Wapenamanda	GMN 6768 (PNG) Limited		EXPIRED	246 sub-blocks	25-Feb-19	EXPIRED 24-Feb-21
EL2563	Kompam	Abundance Valley (PNG) Limited	100%	Active	66 sub-blocks	23-Jan-20	22-Jan-22
EL2565	Londol	Viva Gold (PNG) Limited	100%	Active	74 sub-blocks	27-May-19	26-May-21 Renewal Pending
EL2632	Mt. Wipi	GMN 6768 (PNG) Limited	100%	Active	148 sub-blocks	14-Aug-20	13-Aug-22
ELA2705	Kaipares	Abundance Valley (PNG) Limited	100%	Application	5 sub-blocks		

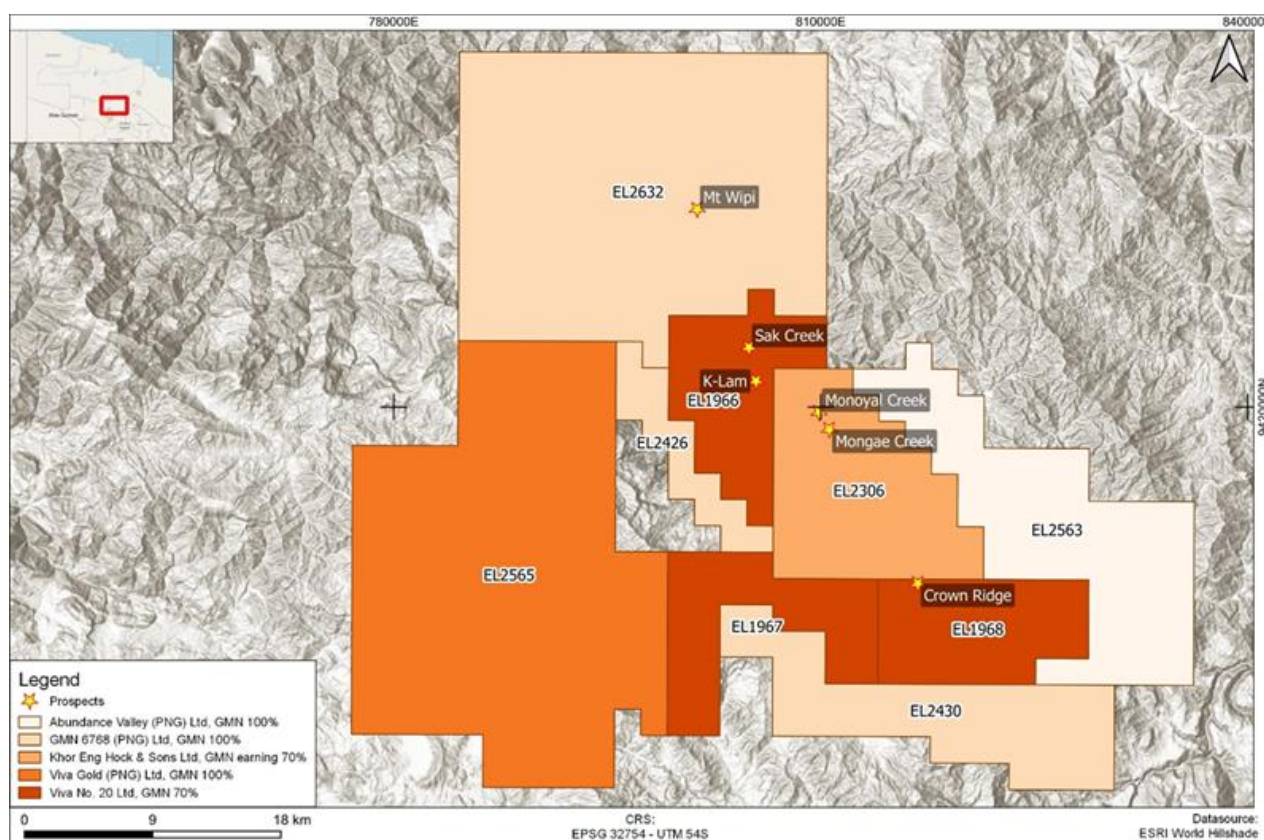


Figure 5. GMN's Wabag Project – Tenement Details as of 30 June 2021

Exploration and Evaluation Expenditure

During the reporting quarter, the Company spent approximately \$535,000 on exploration and evaluation activities on the Wabag Projects PNG. This expenditure is capitalised as reported in Appendix 5B item 2.1(d).

Corporate

Board & Management Changes

Sadly, as announced on 17 May 2021, executive director Mr Sin Pyng “Tony” Teng, passed away following a battle with cancer.

Following quarter end, on 12 July 2021 Mr Steven Larkins was appointed as a non-executive director of the Company.

Following quarter end, on 5 July 2021 Mr Daniel Smith was appointed as a joint-company secretary.

Capital Raisings

Following quarter end, on 14 July 2021 the Company announced a partially underwritten 1 for 3 renounceable rights issue to raise up to \$5.1 million (before costs) through the issue of up to 256 million new shares at \$0.02 each (“Rights Issue”). The Rights Issue is partially underwritten by Mahe Capital Pty Ltd to \$2.05 million. The proceeds of the Rights Issue will be used for corporate requirements and to progress:

- Commencement of a 6,000-8,000m targeted drilling program in the highly prospective Mt Wipi target area;
- Conducting a detailed airborne geophysical survey (100m x 100m spacing). This will provide a better understanding of the structural geology allowing for enhanced target generation and better targeting of the drilling program;
- Compilation and review of the extensive geological database for the highly prospective Monoyal and Sak Creek target areas with specific focus on Lombokai Creek; and
- Continued regional exploration works programs.

Securities

On 28 May 2021, the Company announced that 7,138,461 unlisted options exercisable at \$0.15 each, had expired unexercised.

Note 6 to Appendix 5B

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

- END -

This announcement is authorised for release by the Board of Gold Mountain Limited.

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

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



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Reference to Previous Releases

Drilling results referred to in this announcement have been previously announced to the market in the reports dated, 30 November 2018, 14 May 2021 and 19 May 2021 and are available to view and download from the Company website: www.goldmountainltd.com.au/announcements

Regional aeromagnetic data used as underlays in some figures of this announcement have been previously reported to the market in the report dated 23 September 2020 and can be viewed and downloaded from the Company website: www.goldmountainltd.com.au/announcements

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Patrick Smith, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Smith is the owner and sole director of PSGS Pty Ltd and is contracted to Gold Mountain Ltd as their Operations Manager. Mr Smith confirms there is no potential for a conflict of interest in acting as the Competent Person. Mr Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Gold Mountain Limited

ABN

79 115 845 942

Quarter ended ("current quarter")

June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		(47)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(459)	(1,430)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)	52	81
1.9	Net cash from / (used in) operating activities	(407)	(1,396)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		(750)
	(c) property, plant and equipment		
	(d) exploration & evaluation	(535)	(2,912)
	(e) investments		
	(f) other non-current assets		(5)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(535)	(3,667)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,347	4,368
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(143)	(161)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		(200)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	1,204	4,007

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	518	1,836
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(407)	(1,396)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(535)	(3,667)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,204	4,007

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	780	780

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	81	80
5.2	Call deposits	699	438
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	780	518

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	89
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify) Shareholders Loan	550	550
7.4	Total financing facilities	550	550
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Shareholders Loan – unsecured temporary working capital loan accruing interest quarterly at 5% per annum.		
8.	Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	(407)	
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(535)	
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(942)	
8.4	Cash and cash equivalents at quarter end (item 4.6)	780	
8.5	Unused finance facilities available at quarter end (item 7.5)	-	
8.6	Total available funding (item 8.4 + item 8.5)	780	
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.83	
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:		
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?		
	Answer: The Company does expect to operate at lower level of net operating cash flows on a temporary basis until the conclusion of the Rights Issue announced on 14 July 2021.		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?		
	Answer: The announced rights issue is partially underwritten to raise up to \$5.1 million.		

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

The rights issue shall raise sufficient funds to continue its exploration activities and for general working capital purposes including the repayment of debts.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 / 7 /2021

The Board of Gold Mountain Ltd
 Authorised by:
 (Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.