



ASX: GMN

29 April 2022

ASX RELEASE

QUARTERLY ACTIVITIES REPORT

for the Quarter ended 31 March 2022

Gold Mountain Limited (**ASX:GMN**) ("**Gold Mountain**" or the "**Company**") advises its activities during the March 2022 Quarter.

HIGHLIGHTS

- Hole MWD005 was completed to a depth of 470.40m in the March Quarter, drilling at Mt Wipi is being paused pending assay results
- Assay results were received for holes MWD003, MWD004 and MWD005. Gold mineralisation was intersected in all three holes, including:
 - 1m @ 6.54g/t Au from 115m (MWD003)
 - 18m @ 0.21g/t Au from 240m (MWD004)
 - 1m @ 1m @ 11.7g/t Au from 144m (MWD005)
- A regional rock chip reconnaissance program in the Mt Wipi – Sak Creek – Monoyal structural corridor was completed with a total of 383 rock chip samples collected within the corridor. Results from this program include elemental highs of:
 - 37.3g/t Au – LYRC694
 - 13.76% Cu – LYRC636
 - 20.93% Zn – LYRC571
 - 478ppm Mo – LYRC556
 - 343g/t Ag – LYRC708
- Areas of anomalous rock chip geochemistry within the Mt Wipi to Monoyal structural corridor will be followed up in Q3 2022
- Detailed mapping and trenching north of the area which was drill tested by holes MWD001 to MWD005 identified the Kandum – Pully prospect
- The Kandum – Pully prospects are considered to be prospective for porphyry and skarn style mineralisation
- 3D inversion modelling of the regional aeromagnetic data in the vicinity of the Kandum – Pully area has identified a distinct "magnetic high feature" located approximately 200m from surface in the vicinity of the Kandum prospect
- This magnetic feature has a modeled depth of close to 1,000m and could possibly be a porphyry intrusive as distinct from the outcropping nonmagnetic porphyritic feldspar diorite
- Rights issue successfully raises \$1.23 million (before costs)

MT WIPI DRILLING PROGRAM (EL2632)

Gold Mountain has completed a total of five holes at the Mt Wipi prospect since the drilling commenced at the prospect in August 2021. The latest hole, MWD005 was completed to a depth of 470.40m in February 2022, making the total amount of meters drilled at Mt Wipi to date 1,581.60m. Drill hole parameters and drill hole locations are presented in Table 1 and Figure 1 respectively.

Additional drilling is planned for Q3 of 2022, in particular at the Kandum – Pully Prospect when mapping trenching and soil sampling data has been analysed and all outstanding assays have been received.

Drill hole parameters for the 5 holes completed at Mt Wipi to date are included in **Table 1** and the drill hole locations are presented on **Figure 1**.

Table 1. Mt Wipi – Drill Hole Parameters

Hole No.	Easting	Northing	RL	Dip	Azim	Depth
MWD001	799,154	9,734,487	1,616	-60	90	203.4
MWD002	799,358	9,434,786	1,434	-60	131	235.8
MWD003	799,312	9,433,717	1,501	-60	350	348.0
MWD004	799,312	9,435,087	1,245	-60	315	324.0
MWD005	799,191	9,434,592	1,553	-55	105	470.4

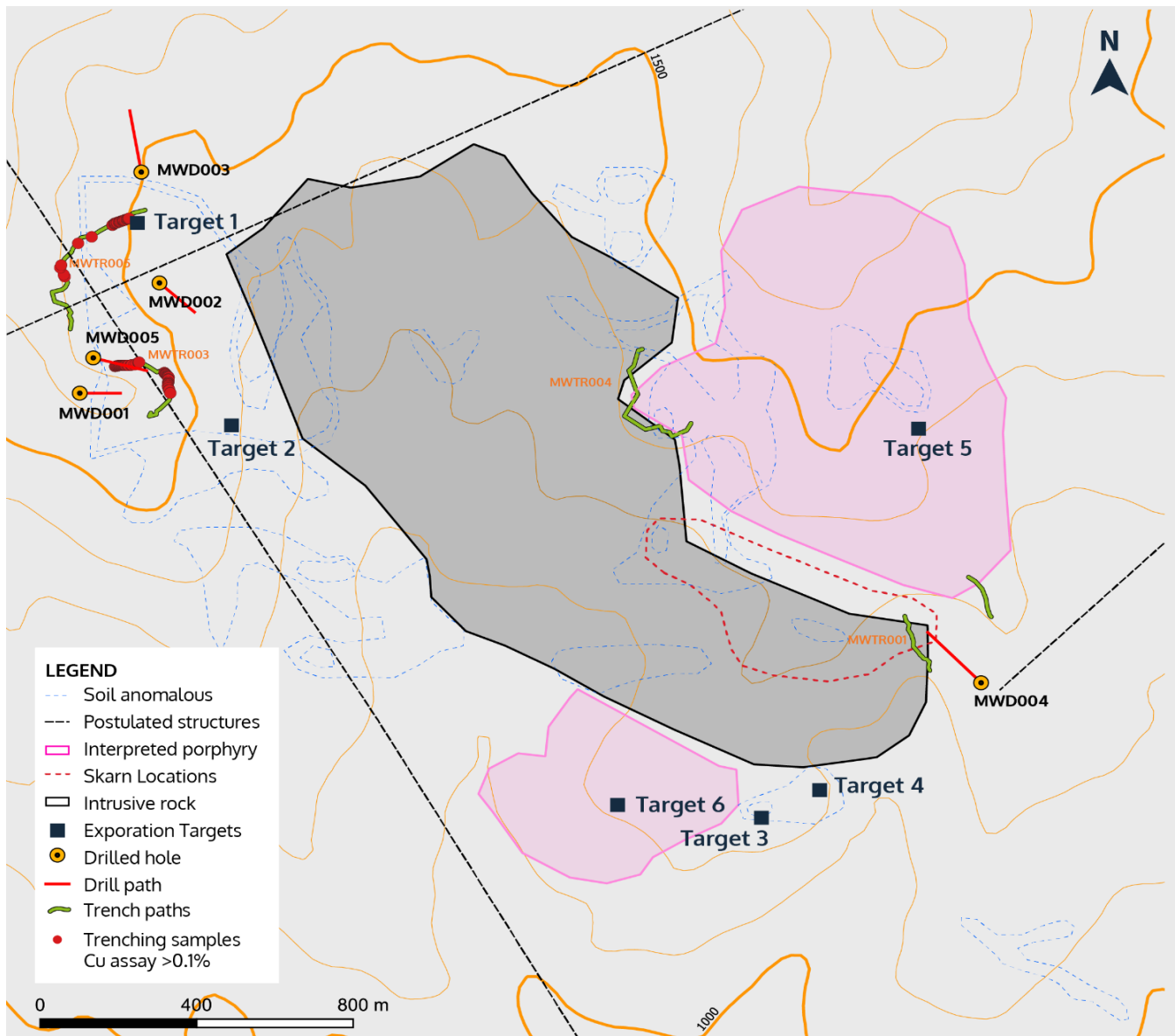


Figure 1. Mt Wipi Prospect Drill Hole location map

MT WIPI - DRILLING RESULTS

Assay results for MWD001 and MWD002 were reported in the December Quarterly report. Assay results from holes MWD003, 004 and 005 have been returned. Anomalous gold mineralisation was intersected in all three holes with the highest intercept being 1m @ 11.7 g/t Au from 144m in hole MWD005.

MWD003 intersected a moderate to strongly fractured micro-diorite which contains quartz-magnetite and pyrite veins with chalcopyrite in micro veins and along structures. Narrow gold intercepts were recorded in the top 120m of hole MWD003 and appear to be associated with brittle fractures (i.e. 52-54m @ 1.79g/t Au, Figure 2), or localised bleaching and with quartz magnetite, pyrite and trace sulphide veinlets (i.e. between 115-117m which recorded 2m at 3.34g/t Au).

MWD004 was designed to test beneath Cu-Au intercepts identified in Trench 1, which recorded an upper zone of 14m at 1.47% Cu and a lower zone which recorded 35m at 0.36% Cu. The mineralisation was associated with fault repeats of calc silicates and skarns intruded by a porphyry diorite. High intensity fracturing is associated

with these structures and MWD004 intersected 18m of strongly altered calc silicates and skarn style mineralisation from 240m, which assayed @ 0.21g/t Au.

MWD005 was drilled to test the down dip extensions of two wide zones of anomalous copper and gold intersected in trench MWTR003, (i.e. 37m @ 0.25% Cu, 0.24g/t Au, and 5.4g/t Ag from 6m and 4.65g/t Ag from 145m, which includes a 26m zone from 145m which assays 0.29g/t Au, 0.28% Cu and 6.7g/t Ag. MWD005 intersected strongly altered calc-silicates with trace chalcopyrite in places and the hole is strongly silicified and fractured and contains trace to 3% pyrite. The gold assay results from MWD005 returned 8 assays over 0.10g/t Au with a high of 11.7g/t Au from 144m, higher gold values are associated with stronger fracturing of the rock and with localised alteration and bleaching indicating that the gold is possible structurally controlled.

MONOYAL – SAK CREEK REGIONAL EXPLORATION

Gold Mountain undertook a detailed and wide spaced rock chip sampling program in the Southwestern part of the Mt Wipi to Monoyal structural corridor primarily within EL2306. A total of 383 rock chip samples were collected, Figure 2, with the aim of identifying prospects for future follow up work.

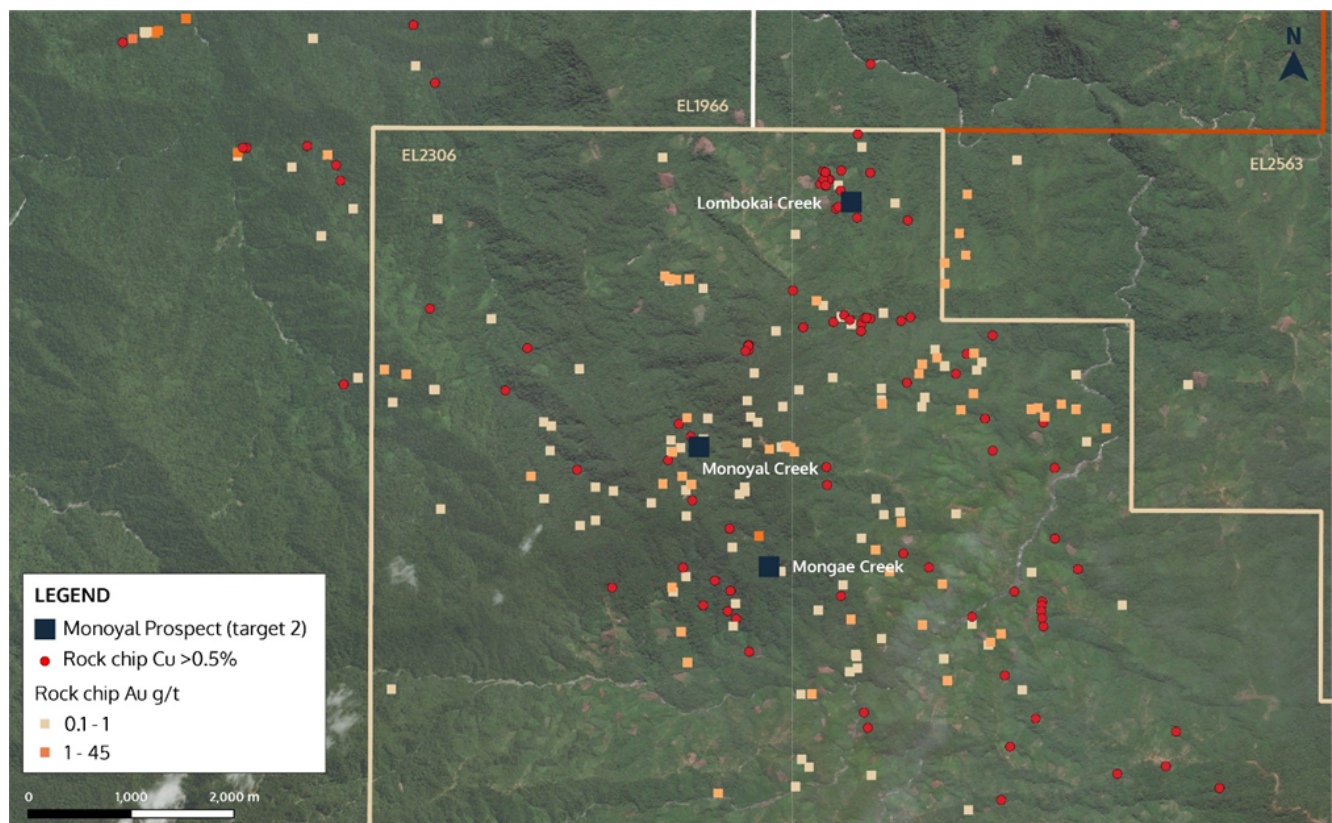


Figure 2. EL2306 Rock Chip Locations

Numerous rock chip samples containing elevated copper, gold, silver, molybdenum, and silver were collected and these data are now being compiled and analysed to identify high priority targets.

The highest recorded values from this rock chip sampling program are:

- 37.3g/t Au from LYRC694 with a total of 88 samples recording gold values over 0.10g/t Au
- 343g/t Ag from LYRC708, with a total of 45 samples recording values over 10g/t Ag
- 13.76% Cu from LYRC636, with a total of 83 samples recording values over 1,000ppm Cu, and 26 samples recording values over 1% Cu
- 478ppm Mo from LYRC556, with a total of 24 samples recording values over 50ppm Mo
- 20.93% Zn from LYRC571 with a total of 58 samples recording values over 1,000ppm Zn

Photographs of these samples are presented in **Figure 3**.



LYRC556 - 478ppm Mo



LYRC571 - 20.93% Zn



LYRC636 - 13.76% Cu



LYRC694 - 37.3g/t Au



LYRC708 - 343g/t Ag



LYRC708 close-up - 343g/t Ag

Figure 3. EL2306 Rock Chip samples

THE KANDUM – PULLY PROSPECT

Geological mapping, rock chip sampling, trenching and ridge and spur soil sampling in the area north of where the existing drilling at Mt Wipi was completed, identified the Kandum and Pully prospect.

Exploration work commenced in this area after geological reconnaissance programs identified a boulder field comprised of large (+3m in diameter) ferruginous sub-crops with minor associated malachite staining, subsequent assay results for samples from this area returned Copper values from 0.1% Cu to a maximum of 1.37% Cu with 12 samples recording gold values greater than 0.1g/t to a max of 2.07g/t Au and iron levels of over 28% Fe to a max of 68.7% Fe.

Detailed mapping is underway at the tenement and areas adjacent to where elevated rock chip samples were collected are being opened up by trenching, one such area is in trench MWTR006B, where a grab sample (MWR166) assayed 1.4% Cu and 2.0g/t Au, **Figure 4**.



Figure 4. Zones of endo-skarn with minor (1%) malachite staining, a grab sampled # MWR 166 assayed 1.4% Cu and 2g/t gold.

In addition to the geological mapping and sampling program, Gold Mountain engaged RAMA geophysics to model the airborne magnetic data in the Kandum and Pully areas. The location of the Kandum – Pully prospect overlain on the airborne magnetic data is presented in **Figure 5**.

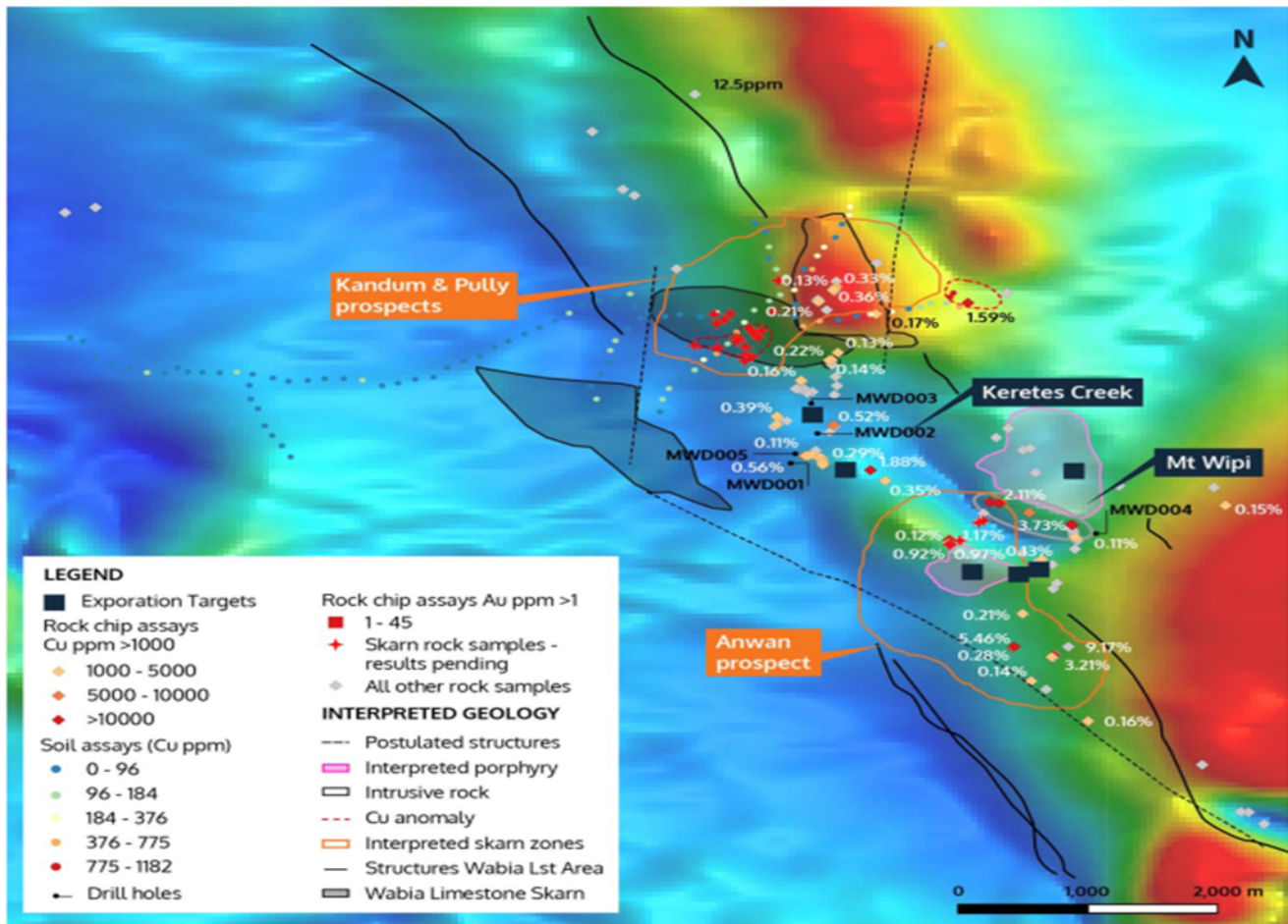


Figure 5. Kandum – Pully Prospects – over airborne magnetic data

The 3D modeling identified a magnetic high feature centered on Kadum – Pully indicated that is located within 200m of surface and has a modelled depth of over 1000m. This has been interpreted as an intrusive which may be responsible for the mineralization and alteration seen at Kandum – Pully.

A long section through the magnetic feature, orientated in a NW direction indicates that the recent drilling by Gold Mountain is located South of and above the feature with subtle increases in higher temperature mineralogies and geochemistry observed in hole MWD003 proximal to the outer edges of the magnetic feature. The location of the drill holes drilled by Gold Mountain close to this feature (white box) are shown in **Figure 6**.

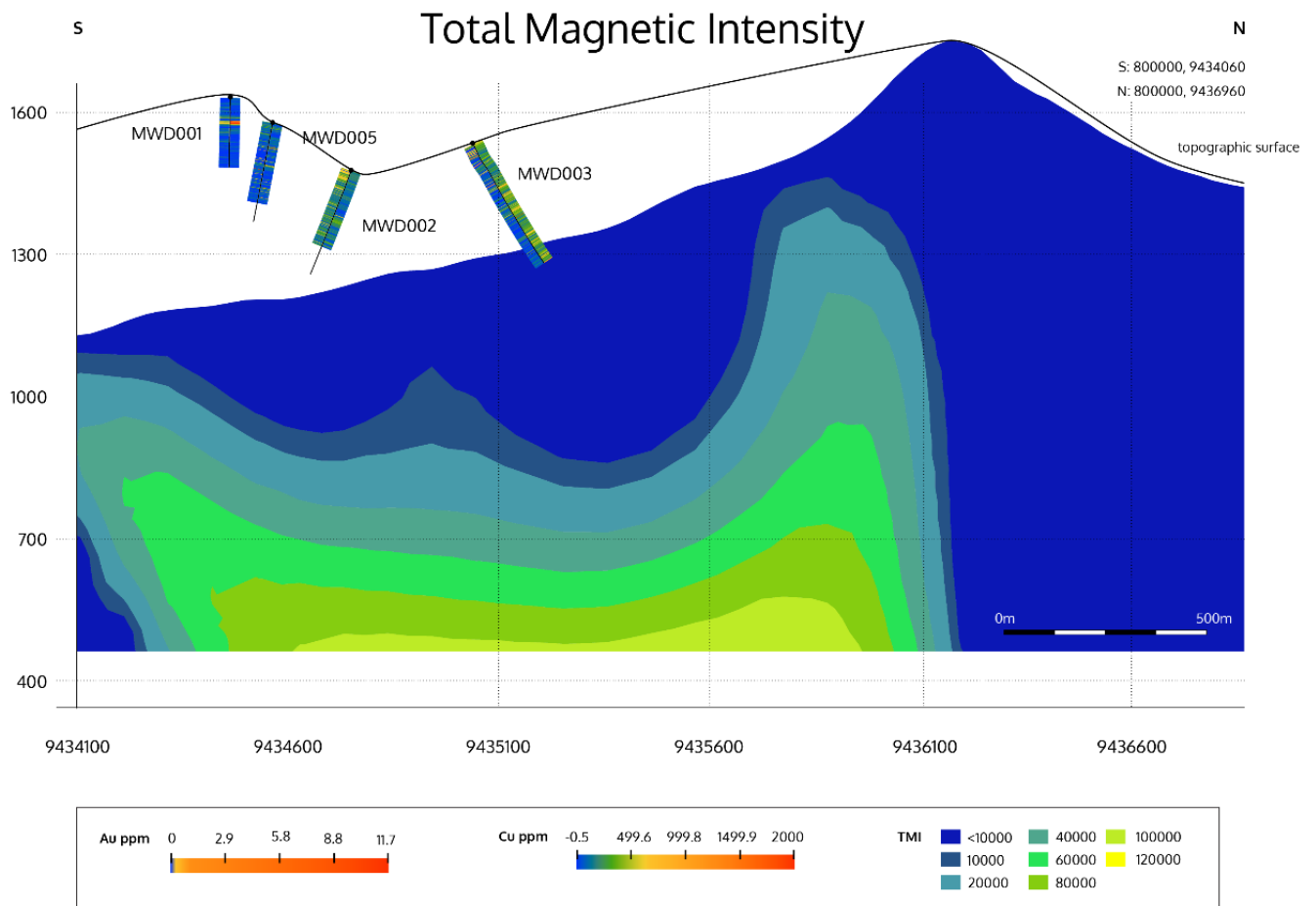


Figure 6. Modelled magnetic feature at the Kandum and Pully prospects with drill hole traces

Gold Mountain is in the process of collating the Kandum and Pully geochemical and geophysical data in order to design holes to test this area.

TENEMENT DETAILS

There were no changes to ownership of the Company's tenements in the March quarter 2022, 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 2** and a map showing the status of the Company's tenements is included as **Figure 7**.

Table 2. Gold Mountain Wabag Project Tenement Status

License	License Name	License Holder	GMN Interest	License Status	Area	Granted	Expiry
EL1966	Sak Creek	Viva No. 20 Limited	70%	Active – Renewal Pending	30 sub-blocks	27-Jun-13	26-Jun-21 Renewal Pending
EL1967	Poket Creek	Viva No. 20 Limited	70%	Active – Renewal Pending	30 sub-blocks	28-Nov-13	27-Nov-21 Renewal Pending
EL1968	Crown Ridge	Viva No. 20 Limited	70%	Active – Renewal Pending	30 sub-blocks	28-Nov-13	27-Nov-21 Renewal Pending
EL2306	Alakula / Kompiam Station	Khor ENG Hock & Sons (PNG) Limited/Abundance Valley (PNG) Limited	70%	Active – Renewal Pending	48 sub-blocks	14-Dec-15	13-Dec-21 Renewal Pending
EL2563	Kompiam	Abundance Valley (PNG) Limited	100%	Active – Renewal Pending	48 sub-blocks	23-Jan-20	22-Jan-22 Renewal Pending
EL2565	Londol	Viva Gold (PNG) Limited	100%	Active	74 sub-blocks	27-May-19	26-May-23
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 – Warden Hearing postponed	5 sub-blocks		

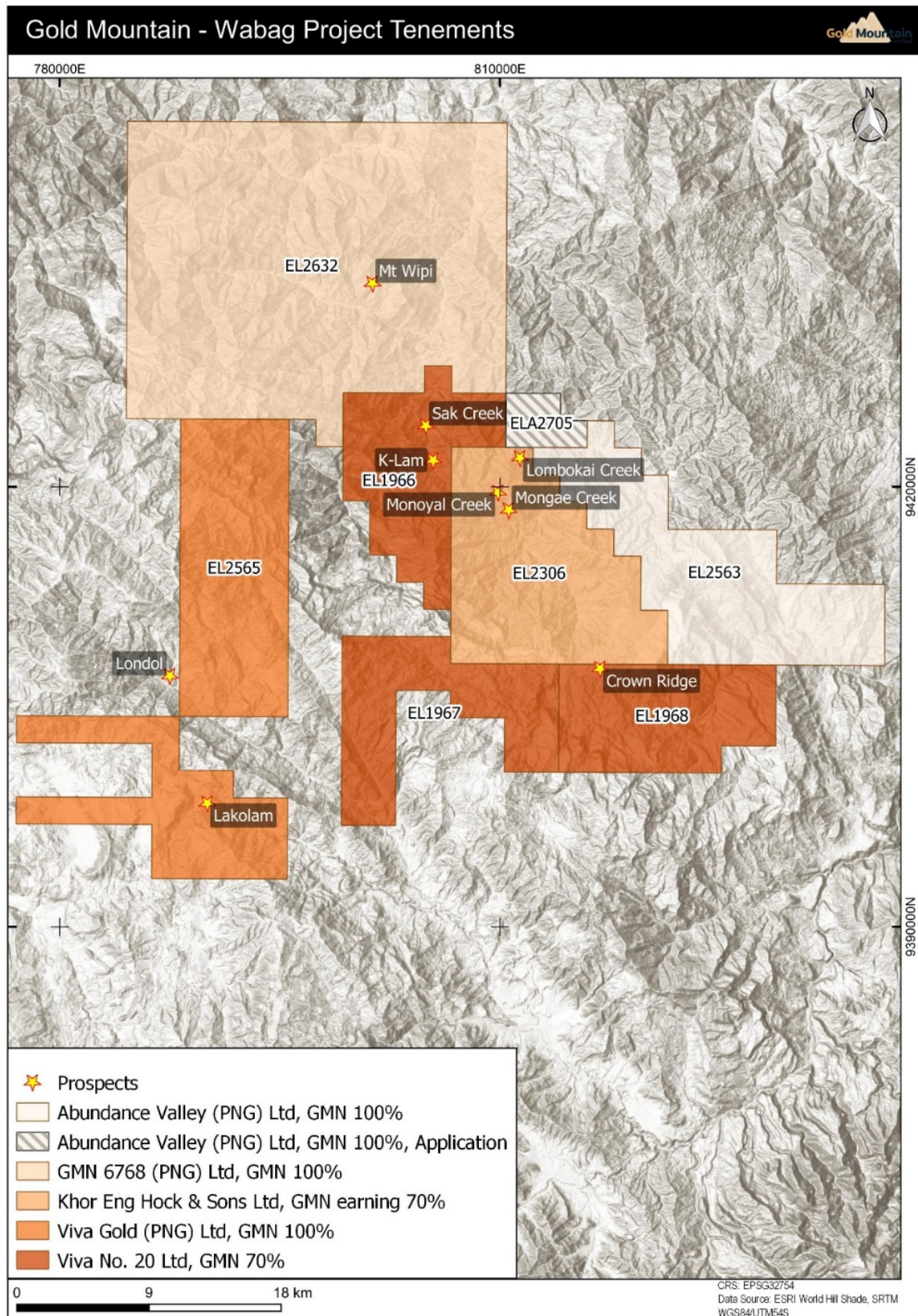


Figure 7. Gold Mountain's Wabag Project – Tenement Details as of 31 March 2022

EXPLORATION AND EVALUATION EXPENDITURE

During the March quarter, the Company spent approximately \$1.08 million on exploration and evaluation activities on the Wabag Projects PNG. This expenditure is capitalised as reported in Appendix 5B item 2.1(d).

CORPORATE

Rights Issue

On 23 March 2022, the Company announced that the Company's Rights Issue which was announced on 21 February 2022, had closed raising \$1.23 million (before costs). The Company issued 123,000,000 new fully paid ordinary shares at an issue price of \$0.01 per share and 61,500,000 new options exercisable at \$0.02 each on or before 25 March 2024 pursuant to the Rights Issue on 25 March 2022.

Securities

On 18 March 2022, the Company advised that 12,911,539 unlisted options exercisable at \$0.15 each have expired unexercised on 16 March 2022.

Cash Position

As at 31 March 2022, the Company had approximately \$1.79 million of cash and nil debt.

Note 6 to Appendix 5B

Payments to related parties of the entity and their associates: during the March quarter \$61,000 was paid to Directors and associates for director and consulting fees.

- 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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REFERENCE TO PREVIOUS RELEASES

Soil and trench results and target identification referred to in this announcement have been previously announced to the market in the reports dated 7th February 2022, 7th of March 2022, 22 December 2021 and the 9 September 2021 and are available to view and download from the Company's website: <https://goldmountainltd.com.au/corporate/asx-announcements/>

The Competent Person responsible for the original reports on the soil sampling and trenching data was Mr Pat Smith. Gold Mountain confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. Gold Mountain confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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.

Patrick 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")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(245)	(919)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(34)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	(91)
1.9	Net cash from / (used in) operating activities	(245)	(1,044)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(1,088)	(3,217)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(1,088)	(3,217)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,230	6,630
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	(134)	(454)
3.5	Proceeds from borrowings	46	46
3.6	Repayment of borrowings	(9)	(948)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Repayment of lease liability	-	-
3.10	Net cash from / (used in) financing activities	1,133	5,274

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,993	780
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(245)	(1,044)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,088)	(3,217)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,133	5,274

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,793	1,793

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	1,793	1,993
5.2	Call deposits	-	-
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)	1,793	1,993

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	69
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(245)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,088)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,333)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,793
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,793
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.35
<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: No. The Company's estimated outflow for the June and September quarters is forecast to be lower than the prior two quarters.	
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 Company considers that it is able to access new capital to fund its operations on an as needed basis.	
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: Yes – the Company has demonstrated a track-record of accessing new capital on an as needed basis, such as the recent rights issue which raised \$1.23 million (before costs).	
<i>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.</i>		

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: 29 April 2022

Authorised by: **By the Board**.....
(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.