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ASX RELEASE **GMN**

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NEW PORPHYRY COPPER ZONE DISCOVERY

EL2306 - ABUNDANCE VALLEY

HIGHLIGHTS:

- **Reconnaissance exploration discovered a mineralised porphyry outcrop**
- **Visual chalcopyrite, chalcocite and bornite observed in outcrop, all common copper ore minerals**
- **Mineralised quartz-pyrite veins found in outcrops – are similar in appearance to float samples from Crown Ridge that assayed up to 29.2 grams per tonne gold, offering potential for gold**
- **Current Outcrop exposure 1km x 850m, providing a large immediate resource tonnage potential**
- **Host rocks show classic porphyry-style alteration and veining**
- **Local artisanal miners identified extracting coarse gold in proximity; from Mongae Creek**

Gold Mountain Limited **(ASX: GMN)** ("Gold Mountain", "the Company") has achieved immediate success with its maiden field reconnaissance exploration programs on the recently acquired Exploration Licence 2306 in the Highlands region of Papua New Guinea (Figure 2 & Figure 3).

This area was selected utilising previous government mapping as well as regional scale airborne geophysics and the Company believes that the Abundance Valley leases offers the potential for significant world class deposits (Copper / Gold). Basic primary infrastructure exists and thus reducing required exploration expenditure.

Geological mapping has successfully identified a strongly mineralised quartz-pyrite vein system hosted by altered diorite porphyry and hydrothermal breccias. Minor amounts of

chalcocite, chalcopyrite, bornite and molybdenite have been identified in outcrops. Presence of these minerals, and the rock type itself is normally associated with copper-gold deposits.

The host rock is described as a diorite porphyry with sericite-quartz-pyrite alteration overprinting an early secondary biotite alteration.

In Mongae Creek, a hydrothermal breccia, 15m long x 4m wide, contains clasts of diorite porphyry in a quartz-carbonate stockwork vein matrix with pyrite-chalcopyrite-bornite-chalcocite mineralisation. The initial program of geological mapping, stream sediment and rock chip sampling has concentrated on an area to the north of Alakula village where local artisanal miners are panning gold from Mongae Creek

The geology of the Abundance Valley discovery is similar to the Ok Tedi (PNG) deposit discovered in the 1970's and still in operation today. Porphyries have the potential to be immense systems, such as the giant Pebble deposit in Alaska, >100Moz gold, >80B pounds copper, covering an area in excess of 100 square km

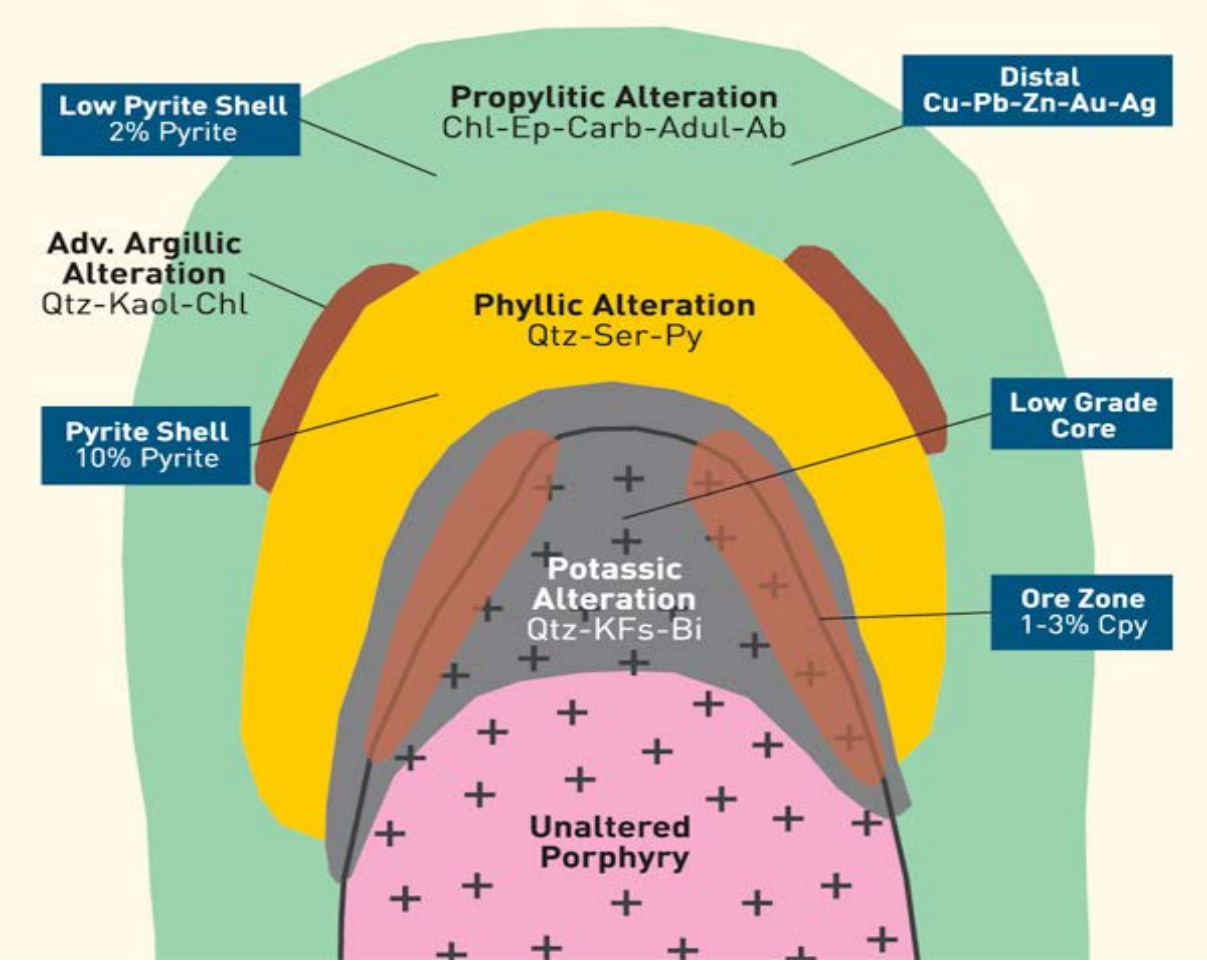

Figure1: Idealised Copper Porphyry Model (Asia Pacific source).

The larger quartz-pyrite veins show a close resemblance to rock float samples, collected from Crown Ridge prospect in EL1968, that returned assays up to 29.2 grams per tonne Au. The geological setting and mineralisation styles may also be analogous to the Hamata gold

deposit, part of Harmony Gold's Hidden Valley mining project (8.1M oz Total Gold Mineral Resource) in Morobe Province.

Rock chip samples have been despatched to ITS-Intertek Laboratory in Lae for analysis; results are pending and are being treated as priority.

Doug Smith, Gold Mountain's Exploration and Operations Director noted:

"We are greatly encouraged by this new discovery at Abundance Valley, Gold Mountain has commenced an intensive exploration program to ascertain its prospectivity. The Company has believed that it's leases held multiple opportunities and to get early exploration success on multiple targets creates a range of exciting opportunities to add further potentially significant assets to its existing portfolio, and extend the successful work to date done at Crown Ridge.

Drilling and bulk sampling at Crown Ridge continues, and we expect the first round of results expected to be released to market in the near future."

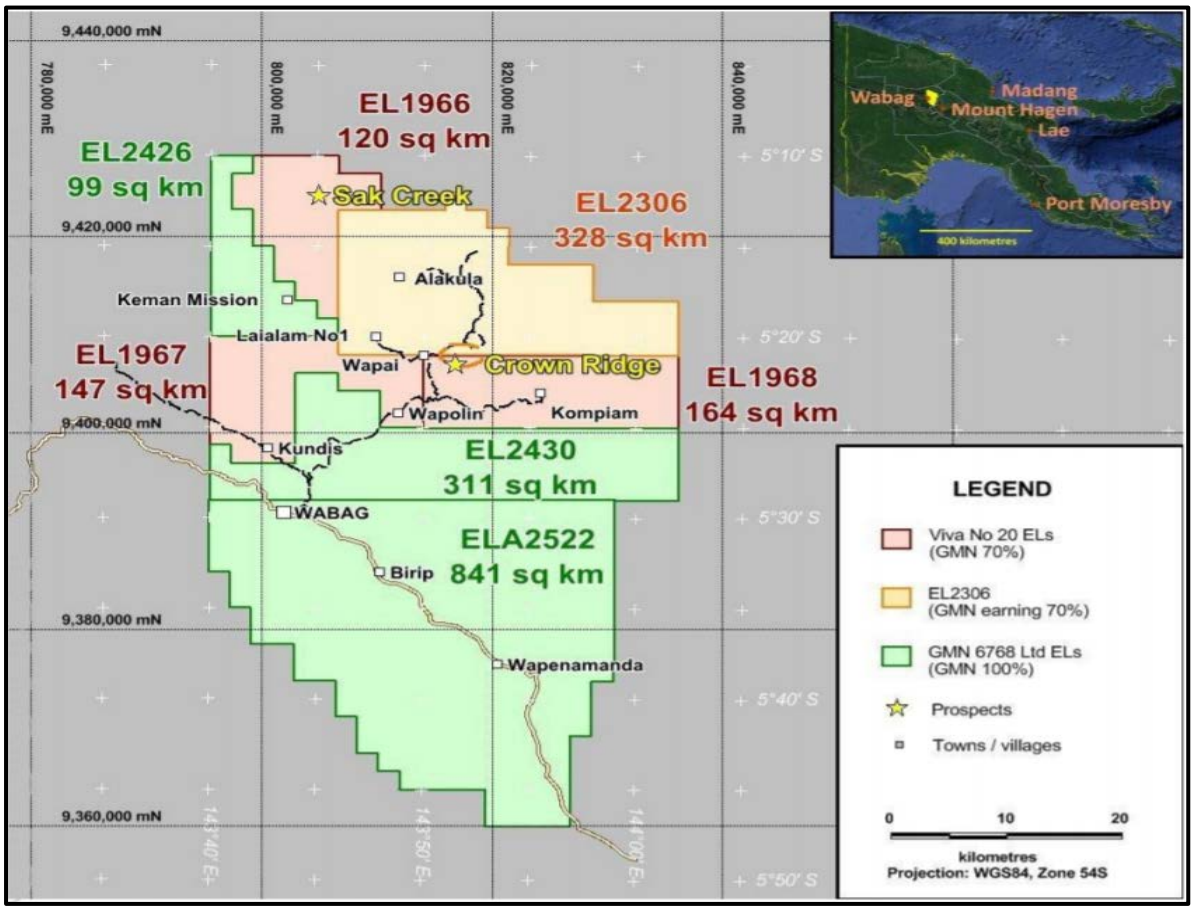

Figure 2: Wabag Project - tenement map and ownership details

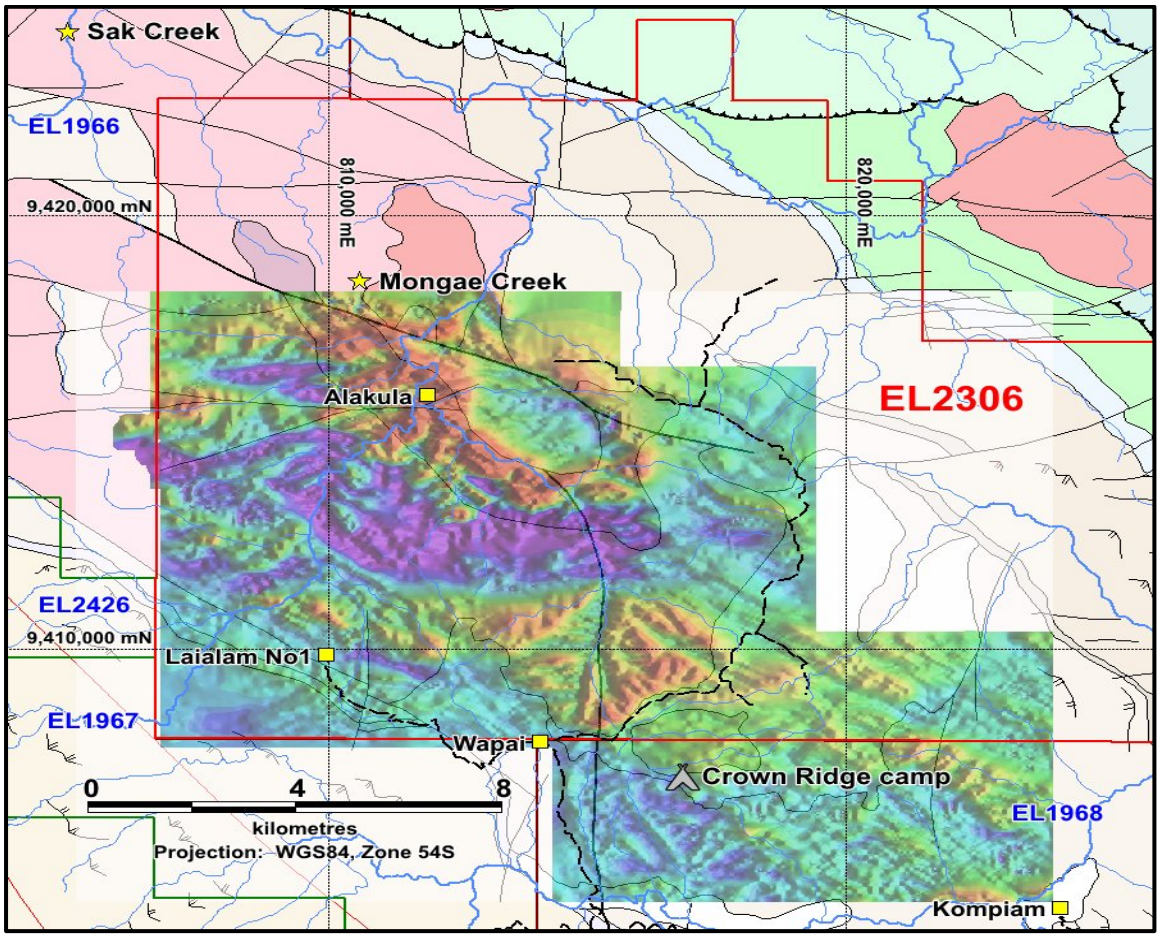

Figure 3: Location of Mongae Creek area in EL2306

Regional geology and airborne magnetics (TMI-RTP) data; pink regions are Miocene-aged granitoid intrusions

Photo 1: Outcropping hydrothermal breccia hosted by altered diorite porphyry in Mongae Creek

Photo 2: Rock chip sample 135839 - Quartz-pyrite vein from Mongae Creek area

Photo 3: Gold nuggets panned by artisanal miners at Mongae Creek

Scale in millimetres

Photo 4: Hydrothermal breccia with intense quartz-sericite-pyrite alteration

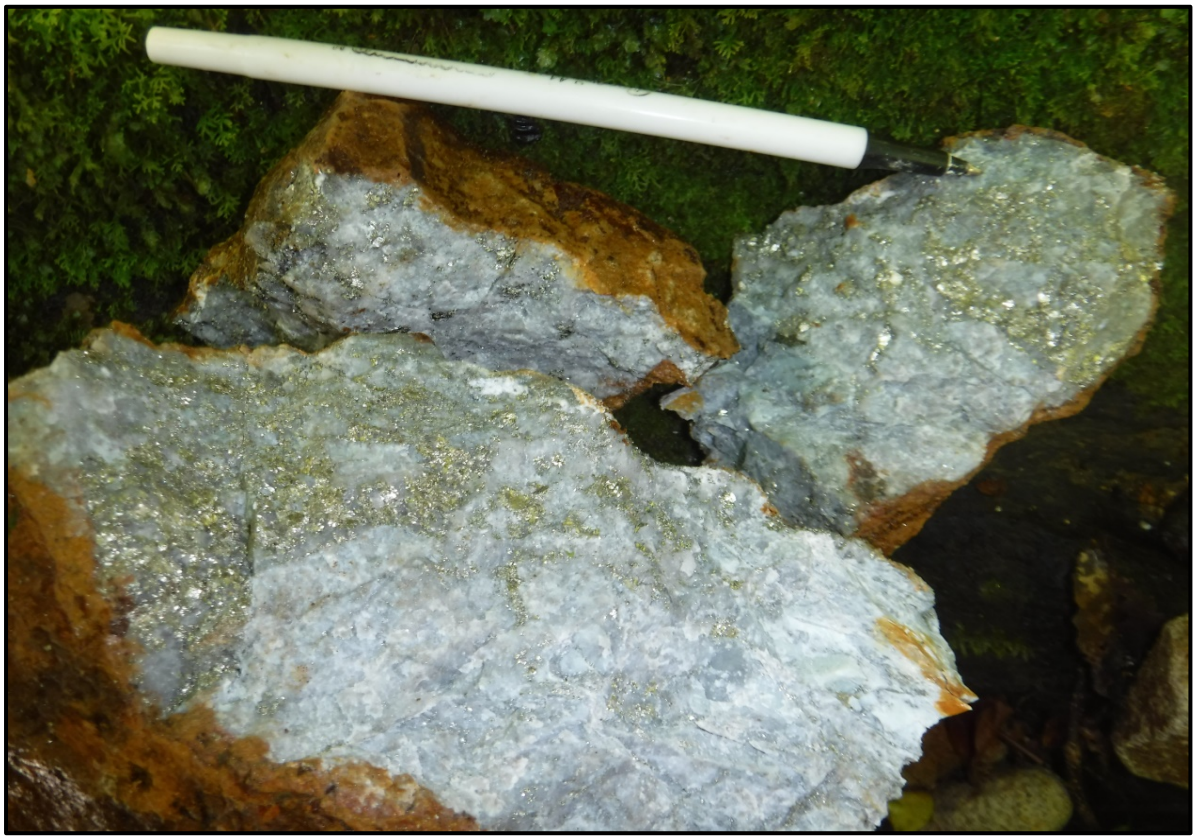

Photo 5: Intensely altered diorite porphyry with quartz-pyrite veining

Photo 6: Rock chip sample 135834 – Mongae Creek

Photo 7: Rock chip sample 15807 with coarse-grained pyrite-chalcopyrite-chalcocite mineralisation

The company invites you to view the latest photographs showing progress of exploration programs on the Wabag project here: https://www.goldmountainltd.com.au/gallery

About Gold Mountain

Gold Mountain Limited (ASX:GMN) is a junior mining explorer focused on delivering shareholder returns by developing its gold projects in Papua New Guinea (PNG). The company's experienced management team has assembled a portfolio of tenements prospective for gold, covering a total area of 2010km^2 within the Highlands of PNG. Gold Mountain is now focused on advancing its flagship Crown Ridge Gold project to assess the viability of and, results permitting, develop a relatively short term start up bulk gold mining operation.

The Company is fully funded for the current drilling and bulk sampling program aim at defining a JORC 2012 compliant Mineral Resource Estimate (MRE) and additional exploration as required.

Statements contained in this report relating to exploration results and potential are based on information compiled by Doug Smith, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Doug is a consultant geologist and has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC Code 2012). Doug Smith consents to the use of this information in this report in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	Rock chip sampling of outcrops and rock float. Sample size 2-3kg.
Drilling techniques	No drilling undertaken to date.
Drill sample recovery	No drilling undertaken to date
Logging	No drilling undertaken to date.
Sub-sampling techniques and sample preparation	No drilling undertaken to date.
Quality of assay data and laboratory tests	No assay results are reported in this announcement.
Verification of sampling and assaying	No quality control sampling has been undertaken to date.
Location of data points	Rock chip sample locations were determined by hand-held GPS readings (accuracy +/- 5m) and recorded in WGS84, Zone 54S datum.
Data spacing and distribution	Reconnaissance sampling determined by location of outcrops. No sample compositing has been applied.
Orientation of data in relation to geological structure	The orientation of samples is not likely to bias the assay results.
Sample security	Samples transported by company personnel to a locked shed at the Crown Ridge camp. Batches of samples will be transported by company personnel to Mount Hagen and despatched by courier to the ITS Laboratory in Lae.
Audits or reviews	No assay results reported.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	EL2306 was granted to Khor Eng Hock & Sons(PNG) Limited on 14 December 2015 and expires on 13 December 2017. Application for renewal of the tenement has been lodged and is being processed by MRA in Port Moresby. The current tenement area is 328 km^2. GMN is earning 70% interest.
Exploration done by other parties	All exploration programs conducted by Gold Mountain Limited
Geology	EL2306 contains potential for intrusive-related gold-copper deposits, epithermal-style gold deposits and alluvial gold-platinum deposits
Drill hole Information	No drilling undertaken to date.
Data aggregation methods	No assay results or data aggregation methods included as part of this release. No material information is excluded. No intersections have been reported as part of this release.
Relationship between mineralisation widths and intercept lengths	No assay results included as part of this release No material information is excluded. No intersections have been reported as part of this release.
Diagrams	Maps showing the location of EL2306 within the Wabag suite of tenements and the locations of the outcropping vein are presented in this announcement
Balanced reporting	No assay results included as part of this release.
Other substantive exploration data	A Helimag survey involving flying lines at 100-metre line spacing, was completed in 2016 and processing and reporting of the data were previously announced.
Further work	Continued regional geochemical sampling and geological mapping to define the extent of the outcropping vein are planned.