

**ASX RELEASE****GMN**

05 March 2018

BONANZA GRADE TYPE GOLD NUGGETS DISCOVERED AT CROWN RIDGE

HIGHLIGHTS:

- ✓ **Dendritic-Wire Gold Diagnostic of Bonanza Grade Gold Discovered at Crown Ridge**
- ✓ **The delicate gold structures discovered at Crown Ridge have not been transported far and are very close to the inground source**
- ✓ **Mineralisation and diagnostic textures of Low Sulphidation Epithermal Gold Systems discovered in ELs 1968 and 2306 with potential for concealed porphyry system**
- ✓ **Signature Gold Crystal forms that occur in Boiling Zones that can host Bonanza Gold Grades**
- ✓ **Similar crystalline wire gold occurs as bonanza grades in Zone VII of the 24Moz Porgera Gold Mine, 79km west of Crown Ridge**
- ✓ **Epithermal quartz-gold-silver deposits are characterised by the presence of bonanza gold grades possibly to hundreds of grams per tonne (e.g. Porgera Zone VII)**
- ✓ **Geophysics identifies structures for Drill-ready Targets**

Papua New Guinea-focused precious metals exploration company Gold Mountain Limited (ASX: GMN) ("Gold Mountain" or "the Company") is pleased to confirm Bonanza Grade Type Gold discovered at Crown Ridge. This type of mineralisation is frequently found in the high grade gold zones of Low Sulphidation Epithermal Gold Systems.

Crystalline Dendritic-Wire Gold diagnostic of Bonanza Grade Gold discovered at Crown Ridge approximately 50 metres north from Pit 200. Extraordinarily rich Bonanza gold grades result from sudden pressure release when fluid mixing and rock fracturing causes flash boiling of gold-bearing fluids and rapid dumping of gold and growth of dendritic-fractal and wire gold.

Epithermal quartz gold-silver deposits are characterised by the presence of **bonanza gold grades possibly to hundreds of grams per tonne** (e.g., Porgera Zone VII; Edie Creek), locally giving rise to significant alluvial gold deposits (Corbett and Leach, 1998). Within some deposits, the bonanza ore zones containing >1kg Au/tonne occur (Saunders and Schoenly 1995).



Crystalline Dendritic-Wire Gold Diagnostic of Bonanza Grade Gold Discovered at Crown Ridge

Signature Gold Crystal Forms Diagnostic of the Boiling Zone that can host Bonanza Gold Grades.



Photo 1. Dendritic-Gold found at Crown Ridge 3 March 2018



Photo 2. Portion of delicate dendritic gold and cluster of gold crystals in quartz – Crown Ridge 3 March 2018



Photo 3. Dendritic gold (left), and Wire gold (right) – Crown Ridge 3 March 2018



Photo 4. Dendritic gold (top), and wire gold in quartz (bottom)- Crown Ridge 3 March 2018



The crystalline Bonanza Type gold occurs in an area at Crown Ridge where geophysical data indicates structures that are interpreted as fault intersections that can host ore shoots that provide sites for fluid mixing and gold deposition –drill ready targets.



Figure 1: Crown Ridge is located 79km east of the 24Moz Porgera Gold Mine

The Porgera gold mine comprises two mineralized systems including the epithermal quartz gold-silver mineralization extracted mainly from the Zone VII. Emplacement of the Porgera Intrusion Complex was localized by the intersection of the NNE arc normal Porgera transfer structure with WNW arc parallel structures (Corbett 1997). The Crown Ridge gold mineralisation also occurs on a similar transverse structure located to the east of the Porgera Gold Mine (Figure 2).

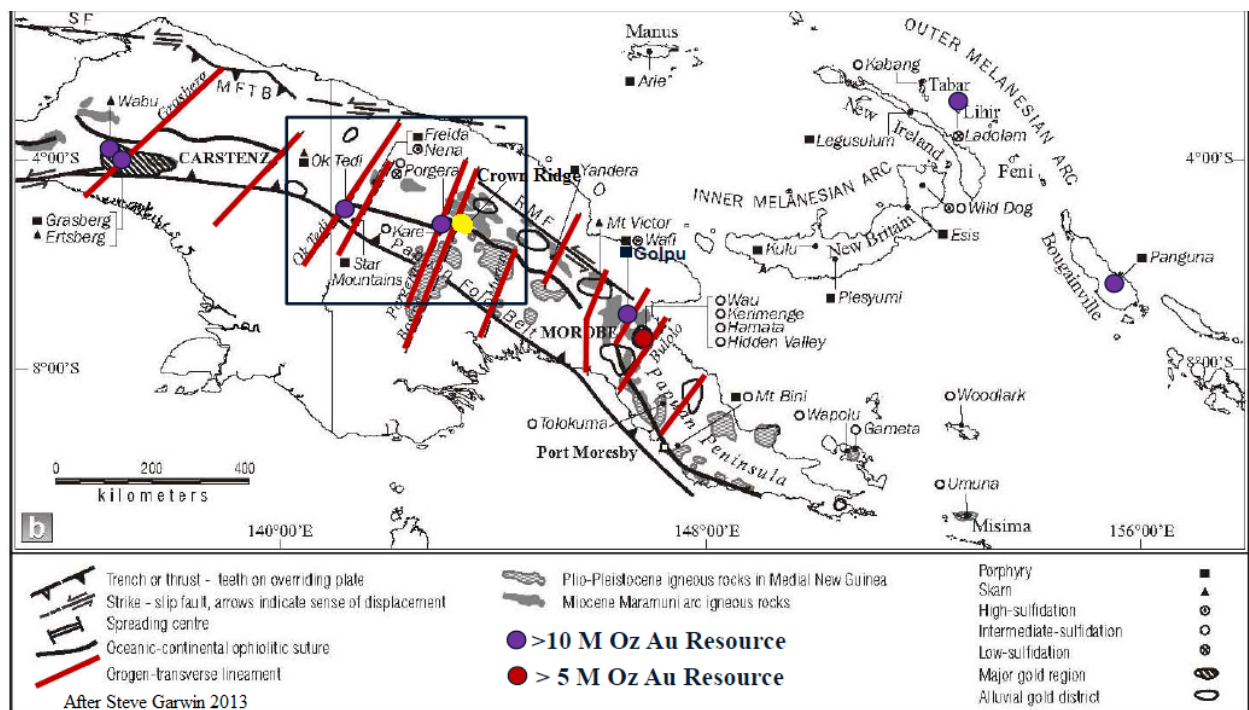


Figure 2: Crown Ridge has a Similar Structural setting to Porgera, situated on or near Orogen Transverse Lineaments that focus intrusives, heat and fluid flow with Gold, Silver and Copper

A feeder (differentiating intrusion complex with gold-bearing magmatic fluids) stock in the centre of the Porgera Intrusion Complex, is inferred from the magnetic data. A similar is also inferred from magnetic data at Crown Ridge (Figure 3).

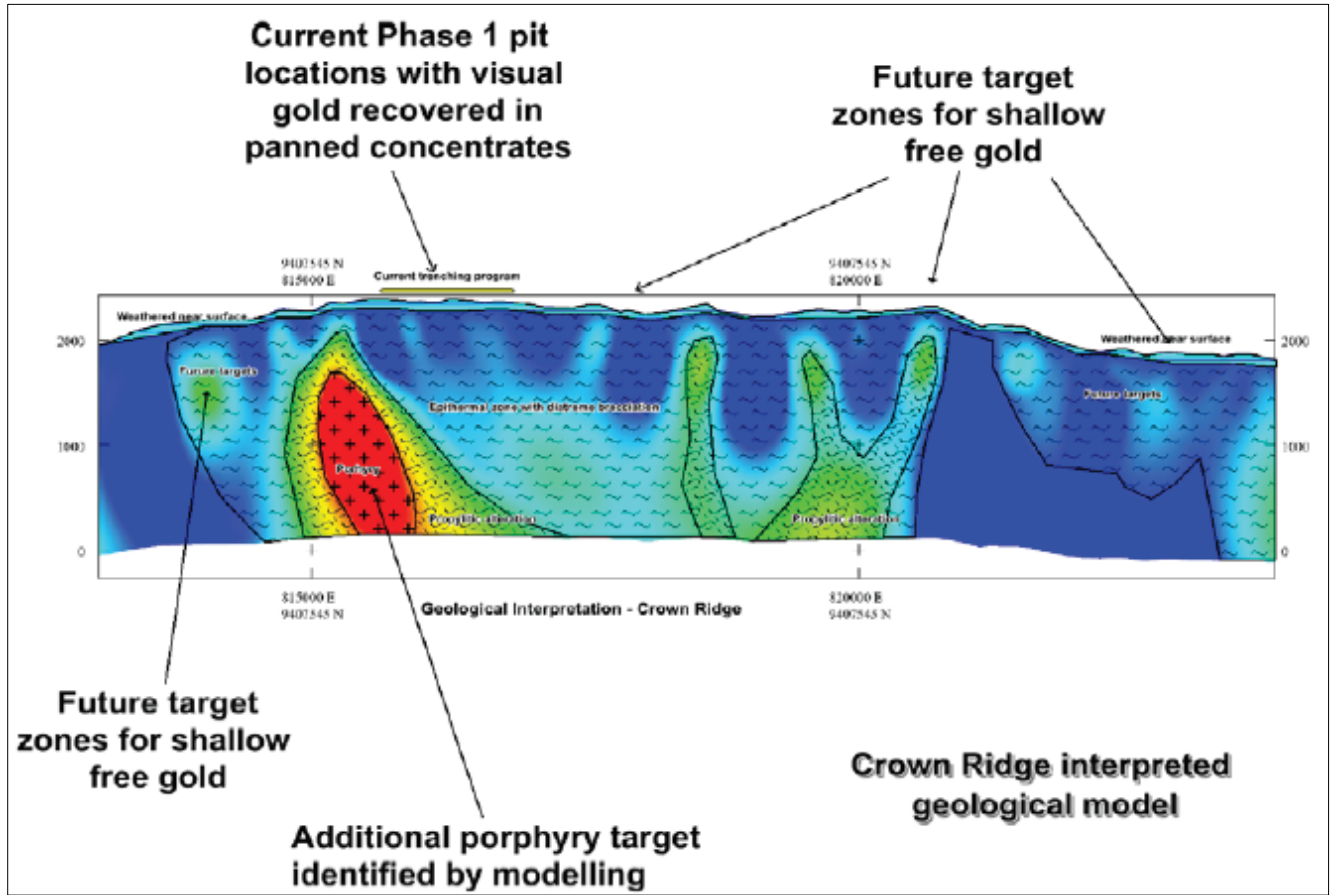


Figure 3: Geological interpretation from 3D magnetic modelling by Allender Exploration –potential blind feeder stock, Crown Ridge Area, EL 1968.

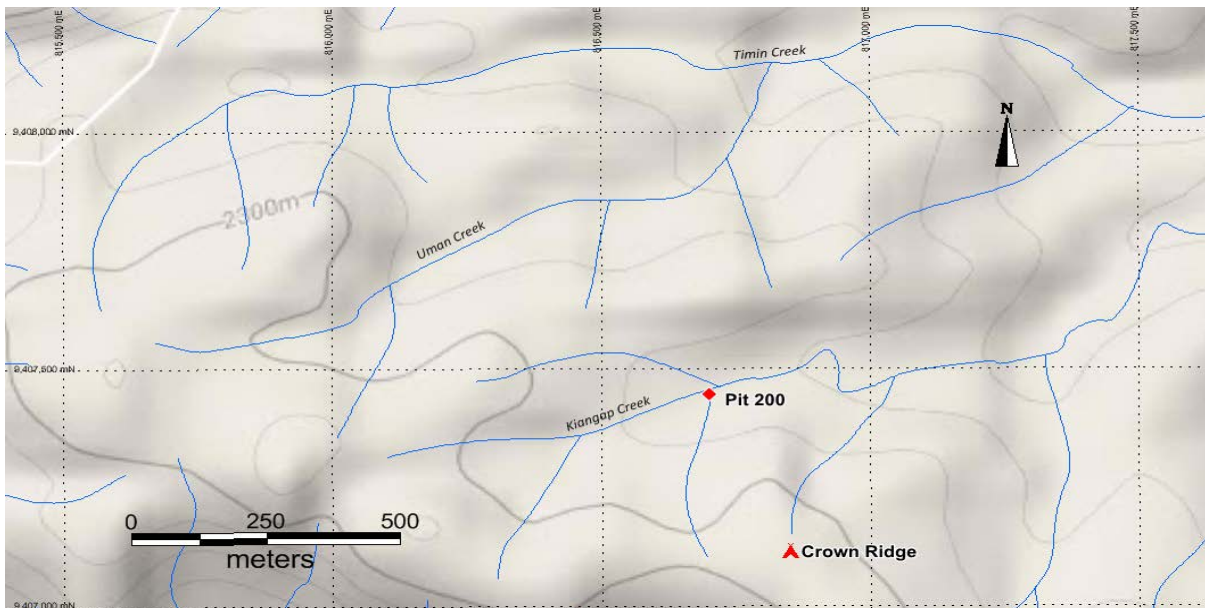


Figure 4: Crown Ridge prospect, showing location area of recovered nuggets, approx. 50m north of pit 200.



Mineralisation and Diagnostic Textures of Low Sulphidation Epithermal Gold Systems Discovered at Several Locations in ELs 1968 and 2306

Significant Low Sulphidation epithermal gold system with potential for concealed porphyry system (Figure 5)

- Mineralised samples discovered at Crown Ridge (EL 1968), Lalalam and Mongae Creek (EL 2306) are derived from Low Sulphidation Epithermal Gold Systems
- Low Sulphidation Epithermal Gold Systems of PNG include Porgera: Zone VII. Porgera (24Moz Au), Lihir (66Moz Au), Hidden Valley (28Moz Au), Misima (5Moz Au), Kainantu (2Moz Au)
- Diagnostic characteristics of the Boiling Zone that is frequently associated with Bonanza Gold Grades. Boiling causes the ore fluids to “dump” their mineral load into any available open space (fissures and veins)
- Diagnostic features include multiple episodes of vein deposition and brecciation and are economic indicators, as precious metal mineralization is continually upgraded with each gold-bearing fluid pulse
- Links to deeper porphyry Cu-Au deposits
- Exploration underway to locate in-ground source of this mineralisation
- Magnetic and radiometric geophysical data to be reprocessed with state of the art software to identify structures that host potential location of the Epithermal Gold Mineralisation.

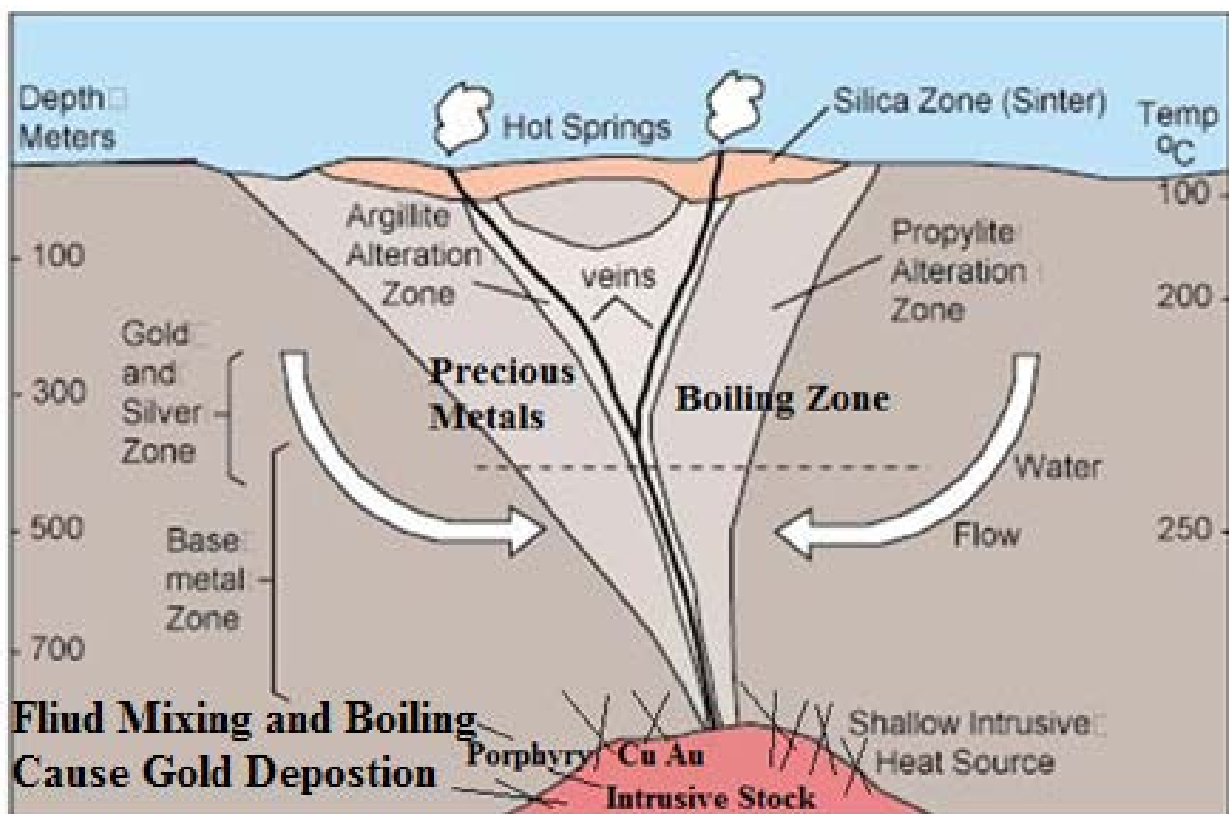


Figure 5: Simplified model for porphyry Cu-Au and Low Sulphidation Epithermal Au-Ag Systems (Modified after earthsci.org)



Other Diagnostic Signatures Textures Indicative of the Boiling Zone that can host Bonanza Gold Grades

- Gold Mineralization occurs when the pressure drops abruptly (through faulting or other rupture), which instantly triggers boiling (“flashing”) and causes the ore fluids to “dump” their gold and mineral load into any available open space.
- The mineralisation discovered displays diagnostic crustiform-colloform symmetrical bands (refer to Figure below) developed from both walls of a fissure. Each band pair represents a separate episode of mineral deposition, due to a series of pressurised opening stages (crack-seal growth) and boiling phases producing sequential mineral deposition.
- Boiling results in hydrothermal brecciation of host rock and cockade texture, concentric bands surrounding isolated fragments of wall rocks or early vein materials (refer to picture below).
- Other diagnostic characteristics: Quartz veins with open-spaced filling textures comprising centrally terminated quartz, dark Fe-rich high temperature sphalerite, lesser galena and the Fe sulphides, pyrite, chalcopyrite and pyrrhotite.
- **Economic indicators confirm multiple episodes of vein deposition and brecciation; precious metal mineralization is continually upgraded with each gold-bearing fluid pulse.**

Crustiform-Colloform Banding



Cockade Texture





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>

For further information please see our website www.goldmountainltd.com.au or contact:

Doug Smith
Director Explorations
0419 414 460

Tony Teng
Managing Director
0414 300 044



Follow Gold Mountain on Twitter: <https://twitter.com/GoldMountainASX>

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 2010km² 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 maiden Mineral Resource Estimate (MRE) under JORC 2012 guidelines 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.