

# Interim Financial Report

31 December 2018

# **Directors' Report**

Your Directors submit the financial report of the Company for the half-year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

#### **Directors**

The names of Directors who held office during or since the end of the interim and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Graham Kavanagh Chairman and Non-Executive Director (appointed 5 June 2014)

Sin Pyng "Tony" Teng Non-Executive Director (appointed 9 July 2014)

Doug Smith Non-Executive Director (appointed 29 December, 2016)

## **Company Secretary**

Eric Kam (Appointed 9 July 2014)

#### **Dividends**

No dividends have been paid or declared since the start of the half-year and the Directors do not recommend the payment of a dividend in respect of the half-year.

# **Principal Activities**

The principal activity of the Company during the half-year was the exploration for and development of gold projects.

# **Review of Operations**

Gold Mountain Limited has remain focussed on advancing it's exploration activities on its highly prospective Wabag Project in PNG, which is situated immediately north of the town of Wabag, the provincial capital for the Enga Province.

Exploration completed by the company has identified areas which are highly anomalous in gold (Au) and platinum (Pt) at Crown Ridge (EL1968), copper (Cu) and gold (Au) at Mongae Creek (EL2306), and gold (Au), Copper (Cu) and base metals at Sak Creek and the newly identified K-Lam project, (EL1966).

Drilling at Mongae Creek in the reporting period has identified a copper +- gold porphyry system which has been confirmed by petrological analysis of the core samples. During the reporting period, two diamond drill holes were drilled at Mongae Creek for a total of 876m, with hole MCD002 intersecting sub-economic copper mineralisation characteristic of a porphyry system over long intercepts i.e. 55m @ 0.10% Cu from 55m and 49m @ 0.12% Cu from 165m. In additional to this a soil program was completed at Mongae Creek late in the year which confirms potential of the area to host a large porphyry system.

At Crown Ridge a bulk sampling processing plant was commission to process material from trial pits to determine if an economically viable alluvial / eluvial resource can be defined within the project area. A total of 3, 1 x1 m pits were dug to depths ranging from 4m to 6m deep, and 1, 5m x 5m by 2m pit was also excavated. Material from these pits was processed through the processing plant and heavy sand concentrates dispatched for analysis. Results have not yet been received for this work.



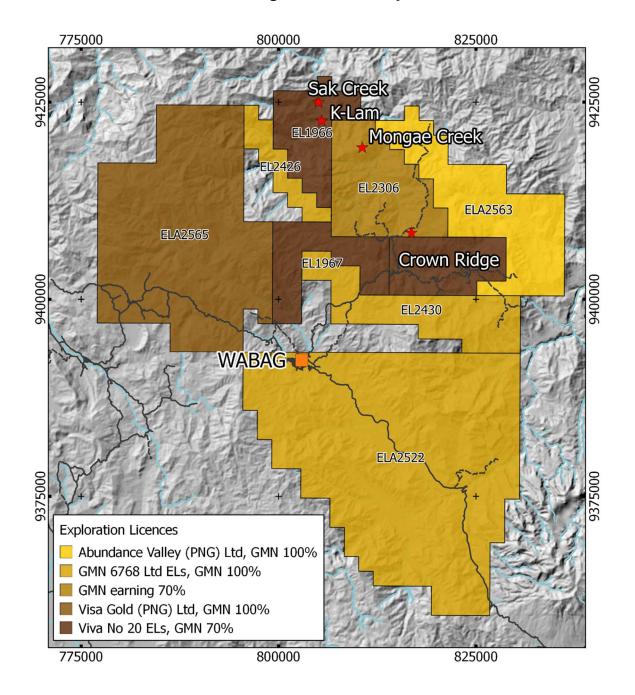
Reconnaissance exploration programs at Sak Creek and the newly discovered K-Lam prospect found mineralised outcrop samples and float samples in the streams and valleys which are highly anomalous in copper – gold and base metals and alteration mapping at Sak Creek confirms the potential of that prospect to host a copper – gold porphyry system.

During the reporting period, wardens hearings were held for the renewal of the existing tenements and the for the granting of the tenements under application. The warden hearings were positive, and it is expected that the new tenements will be granted in the first 6 months of 2019. A summary of the current tenement position for GMN is included in Table 1.

# **Tenements Summary**

EL No.	Holder	GMN Interest	Location	Area (sq km)	Expiry
EL1966	Viva No.20 Limited	70%	Enga Province, PNG	103	26/06/2017 (Renewal pending)
EL1967	Viva No.20 Limited	70%	Enga Province, PNG	103	27/11/2017 (Renewal pending)
EL1968	Viva No.20 Limited	70%	Enga Province, PNG	103	27/11/2017 (Renewal pending)
EL2426	GMN 6768 (PNG) Limited	100%	Enga Province, PNG	49	27/05/2018 (Renewal pending)
EL2430	GMN 6768 (PNG) Limited	100%	Enga Province, PNG	155	27/05/2018 (Renewal pending)
ELA2522	GMN 6768 (PNG) Limited	Application	Enga Province, PNG	841	1
ELA2563	Abundance Valley (PNG) Limited	Application	Enga Province, PNG	226	-
ELA2565	Viva Gold (PNG) Limited	Application	Enga Province, PNG	536	-
EL2306	Khor Eng Hock & Sons (PNG) Limited / Abundance Valley (PNG) Limited	Registration of transfer pending	Enga Province, PNG	164	31/12/2017 (Renewal pending)

# Suite of tenements located at the Enga Province in Papua New Guinea



# Operating results for the half-year

The loss of the Company for the half-year, after providing for income tax amounted to \$554,553 (2017 HY: Loss \$793,152).

#### **Review of financial conditions**

The Company had \$371,542 in cash assets at 31 December 2018 (30 June 2018: \$2,985,066).

The net assets of Gold Mountain Limited decreased from \$19,275,974 at 30 June 2018 to \$18,820,986 at 31 December 2018, a decrease of \$454,988 which was primarily the net loss for the period of \$554,553 less options expense credited to the Options Reserve. There was no capital raised during the reporting period. With the approval of shareholders at the 2018 AGM, the Company has a share placement capacity to issue up to the maximum of 128,785,760 new shares over the next 12 months in accordance with Listing Rules 7.1 and 7.1.A. It is anticipated that the placement facilities would enable the Company to raise sufficient funds to support the associated operational and management rights and obligations in respect of the Wabag Project in Papua New Guinea, expenditures associated with NSW exploration assets and working capital requirements.

# **Significant Changes in the State of Affairs**

On 3 July 2018, the Company announced a helicopter-assisted drill program initiated for the large Mongae Creek (or Mongai Creek) Porphyry Cu-Au System in EL2306. Abundant coarse gold is present in creeks within the Mongai Creek system and gold has been panned from gossanous rocks. Copper mineralisation is located in outcrops. Reconnaissance mapping and sampling in adjoining drainage systems is planned to determine the extent of the mineralisation.

On 12 and 13 July 2018, the Company announced the progress of its mineral exploration programs on the Crown Ridge prospect in Enga Province, Papua New Guinea. The Company has completed a diamond drilling program of 19 drill-holes totalling 3761.8m, drilled between 14 October 2017 and 10 June 2018. The drilling targeted shallow conglomerate-hosted free gold-platinum mineralisation (Target 1) and high-grade gold mineralisation hosted by structurally controlled quartz-pyrite veins (Target 2). The Target 1 drill-holes were undertaken in conjunction with bulk sampling pits and aimed to define a Mineral Resource for the shallow conglomerate material. The Company will release the laboratory analysis and test results of the drill cores and the bulk pit samples as and when they become available. Assay results for the samples from the remaining 26 pits have been received and logged into the LIMS system by ALS in Perth. The results are expected in mid to late August 2018. However, the assays will require compilation and assessment against geological data before final results can be released. This is not expected until at least December 2018.

On 24 July 2018, the Company announced the arrival of a custom-built mobile bulk sampling plant at Crown Ridge and is undergoing commissioning. A helicopter-portable drill rig has also arrived on site at the Mongae Creek Au-Cu prospect with diamond drilling starts this week. Assays are underway on Mongae Creek rock samples. An Excavator continues costeaning at Crown Ridge, exploring for hard-rock source of large gold nuggets and coarse free gold found in shallow sampling programmes to date. Regional heli-borne geophysical survey is planned to search for Porgera-style gold systems. Metallurgical investigations on black sand pan concentrates will be undertaken to identify hosts of vanadium, titanium and chrome.

On 7 August 2018, the Company announced the maiden diamond drill hole at Mongai Creek confirmed diagnostic characteristics of a porphyry copper-gold system. Also noted that visible copper and molybdenite mineralisation was observed in drill cones.



On 14 August 2018, the Company announced the finalisation of assembly and commissioning of large capacity mobile plant for processing of coarse-gold and platinum bulk samples, and recovery heavy black sands to test titanium, vanadium and chrome concentrations. The plant would improve processing time of infill and extensional pitting samples that form the basis of the Mineral Resource estimation that is in progress.

On 28 August 2018, the Company announced the results for 35 rock chip samples from outcrop and float that confirmed the potential for economic grades of copper and gold mineralisation at Mongai Creek. This is supported by a petrographic report on test of samples from Mongai Creek which confirmed the expected diagnostics of porphyry copper-gold mineralisation, hydrothermal alterations, porphyritic texture, and primary mineralogical compositions. It is complimented with a maiden diamond drill-hole MCD001 completed at 521m down-hole below the mineralised outcrop with logging data providing a first view at the 3D geological framework of the system.

On 8 October 2018, the Company announced assay results for its maiden drill hole MCD001 at Mongai Creek returning encouraging results, with best results of 1m @ 243 g/t Ag, 0.8% Cu, 522 ppm Co, 0.4% Ni, and 0.7% W at 38m depth. A high-resolution soil geochemical sampling programme had commenced at Mongai Creek, to delineate the structural and geological framework prior to further drill targeting. The Company also noted Crown Ridge exploration was shifting focus to the area most prospective for an epithermal hard-rock source of the abundant coarse and dendritic gold found in the drainage system.

On 15 November 2018, the Company announced all core data for hole MCD002 at Mongae Creek has been logged and submitted for geochemical analysis. Early investigations show strong copper and polymetallic mineralisation and A-, B-, M- and D-type porphyry veins. Veining, brecciation, and mineralisation are all of a higher tenor than the first hole MCD001. The Company also announced that a newly-identified prospect, K-lam, to the NW of Mongae Creek, shows elevated copper mineralisation, with up to 0.99% Cu intersected in a narrow vein within an altered diorite which outcrops in the stream over a width of at least 30m.

On 30 November 2018, the Company announced Assay results for the second drill hole MCD002 at Mongae Creek returning significant mineralised intervals of 55m @ 0.11% Cu from 103m; 49m @ 0.12% Cu from 165m, including 10m @ 0.22% Cu from 183m; 10m @ 0.09% Cu from 228m; and 75m @ 0.10% Cu from 264m. These results are significantly better than those for MCD001 and suggest that drilling is getting nearer the centre of the mineralised system.

# **Corporate Governance**

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is displayed on the Company's website.

# Risk management

Details of the Company's Risk Management policies are contained within the Corporate Governance Statement in the Directors' Report as outlined in the 30 June 2018 Annual Report and at the Company's website <a href="http://www.goldmountainltd.com.au/#!corporate-governance/c1kzo">http://www.goldmountainltd.com.au/#!corporate-governance/c1kzo</a>.

# **Events Subsequent to the End of the Half-Year**

On 5 February 2019, the Company announced that continual exploration shows high potential at key prospect areas including the Crown Ridge, and the areas of planned exploration programs of trenching and soil auger at Mongae Creek, soil grid at Sak Creek and sampling and mapping for K-Lam.

On 21 February 2019, the Company conducted an Investor Presentation to a group of sophisticated investors highlighting the Wabag Project in Papua New Guinea, analogous as "prime real-estate in one of the world's best mining belts". The presentation provided a snapshot of the exploration status and results of the Mongae Creek, Crown Ridge, Sak Creek and K-Lam prospects and the exploration budget estimates for the period to the first Quarter of 2020.

On 27 February 2019, the Company requested a trading halt of the Company's securities pending an announcement concerning the finalisation of a material fundraising. The trading halt was effective as of the following trading day and to be lifted upon the release of the announcement.

On 28 February 2019, the Company lodged Appendix 3B for the issue of 20,296,924 new fully paid ordinary shares (Placement Shares) in the company along with 20,296,924 free unlisted options (Options). The Placement Shares issued at \$0.065 per share raised a total of \$1,319,300.00 for the purpose of general working capital.

The Placement Shares are issued consistent to Resolution 3 – General Placement of Shares to Placement Investors as approved by Shareholders at the last Annual General Meeting held on 30 November 2018.

The Options are issued free of one (1) option at exercise price \$0.10 expiring 1/3/2020 and another one (1) option at exercise price \$0.15 expiring 1/3/2021 for every two (2) issued Placement Shares. These Options are issued using the Company's available placement capacity under ASX Listing Rule 7.1.

On 4 March 2019, the Company announced that it has secured commitments from a group of professional and sophisticated investors (Placement Investors) to participate in the capital raising of the Company in the issue of 100 million shares along with other equity securities entitlement that would meet GMN future funding requirements. At an issue price of \$0.10 per share, the Company would raise \$10 million before issue costs.

Subject to shareholder approval, the Company will issue for every two (2) shares issued, the Placement Investors entitlement of one (1) share option exercisable at \$0.10 within 12 months and another one (1) share option exercisable at \$0.15 within 24 months respectively from date of issue (Placement Options). These Placement Options shall provide the Company additional capital funding of \$12.5 million pace over the next 24 months.

The funds raised would meet the working capital requirements of the Company for the next two (2) years to support its planned exploration programs of the Wabag Project located in Papua New Guinea.

No other matters or circumstances that have arisen since the end of the half year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

# **Other Activities and Company Strategy**

The Company continues to focus on the exploration of its targets with the aim of finding and developing commercially viable gold projects.

# **Environmental legislation**

The Company is subject to significant environmental and monitoring requirements in respect of its natural resource exploration activities. The Directors are not aware of any significant breaches of these requirements during the period.

### Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related entity) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial period the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

# **Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires our auditors to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 10 and forms part of this Directors' report for the half-year ended 31 December 2018.

This report is signed in accordance with a resolution of the Board of Directors.

Graham Kavanagh

Chairman

12 March 2019

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DRUMMOYNE NSW 2047

PO Box 2210 NORTH PARRAMATTA NSW 1750

# AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GOLD MOUNTAIN LIMITED

I declare that, to the best of my knowledge and belief, during the Half-year ended 31 December 2018 there has been:

- a. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

The entities relate to Gold Mountain Limited and the entities it controlled during the period.

KS Black & Co. **Chartered Accountants** 

Scott Bennison Partner

Dated in Sydney on this 12 Lday of March

2019

Scott Bennison

Partner



# **Consolidated Statement of Profit or Loss and Other Comprehensive Income**

# For the Half-Year Ended 31 December 2018

	Notes	31 Dec 2018 \$	31 Dec 2017 \$
Other income	2	20,854	32,132
Administration costs		(192,793)	(232,255)
Depreciation expense		(63,500)	(19,643)
Employee benefits expense		(31,140)	(31,140)
Exploration expense	3	-	(75,016)
Investor and public relations	3	(104,377)	(202,444)
Legal and professional costs		(84,029)	(94,865)
Options expense	15(a)	(99,568)	(169,921)
Loss before income tax expense		(554,553)	(793,152)
Income tax expense  Net loss for the period	-	-	
Attributable to the owners of Gold Mountain Limited	<u>-</u>	(554,553)	(793,152)
Other comprehensive income			
Foreign currency translation	-	(3)	4
Total other comprehensive income for the year, net of tax	-	(3)	4
Total comprehensive loss for the period Attributable to the owners of Gold Mountain Limited	-	(554,556)	(793,148)
Basic loss per share (cents per share)	16	(0.11)	(0.18)
Diluted earnings per share (cents per share)	16	(0.11)	(0.18)

The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# **Consolidated Statement of Financial Position**

# As at 31 December 2018

	Notes	<b>31 Dec 2018</b>	<b>30 Jun 2018</b> \$
Assets		¥	Ţ
Current Assets			
Cash and cash equivalents		371,542	2,985,066
Trade and other receivables	4	121,272	82,239
Total Current Assets		492,814	3,067,305
Non-Current Assets			
Plant and equipment	5	482,280	489,797
Deferred exploration and evaluation expenditure	6	14,425,728	11,816,184
Intangible assets	7	5,996,367	6,002,733
Investments	8	50,555	50,555
Other assets	9	55,545	55,545
Total Non-Current Assets		21,010,475	18,414,814
Total Assets		21,503,289	21,482,119
Liabilities			
Current Liabilities			
Trade and other payables	10	339,703	238,545
Borrowings	11	365,000	-
Other current liabilities	12	777,600	767,600
Total Current Liabilities		1,482,303	1,006,145
Non-Current Liabilities			
Other non-current liabilities	12	1,200,000	1,200,000
Total Non Current Liabilities		1,200,000	1,200,000
Total Liabilities		2,682,303	2,206,145
Net Assets		18,820,986	19,275,974
Equity			
Issued capital	13	27,885,834	27,885,834
Reserves	14	495,518	395,953
Accumulated Losses		(9,560,429)	(9,005,876)
Total equity attributable to equity holders of the Company		18,820,923	19,275,911
Non controlling interest		63	63
Total Equity		18,820,986	19,275,974

The statement of financial position should be read in conjunction with the accompanying notes.



# **Consolidated Statement of Changes in Equity**

# For the Half-Year Ended 31 December 2018

	Issued Capital	Reserves	Accumulated Losses	Non Controlling Interest	Total
-	\$	\$	\$	\$	\$
Balance at 1 July 2017	19,942,315	-	(7,521,403)	63	12,420,975
Comprehensive Income					
Net loss for the period Other comprehensive	-	-	(793,152)	-	(793,152)
income Total comprehensive income for the year Transactions with owners in their capacity as owners Shares issued during the half-year	- - 3,860,480	4	(793,152)	<u>-</u>	(793,148)
Share issue costs	(323,050)	_	_	_	(323,050)
Issue of options	-	169,921	-	_	169,921
Total transactions with owners	3,537,430	169,921	-	-	3,707,351
Balance at 31 December 2017	23,479,745	169,925	(8,314,555)	63	15,335,178
Balance at 1 July 2018	27,885,834	395,953	(9,005,876)	63	19,275,974
Comprehensive Income					
Net loss for the period Other comprehensive	-	-	(554,553)	-	(554,553)
income	-	(3)	-	-	(3)
Total comprehensive income for the year Transactions with owners in their capacity as owners	-	(3)	(554,553)	-	(554,556)
Options expense	-	99,568	-	-	99,568
Total transactions with owners	-	99,568	-	-	99,568
Balance at 31 December 2018	27,885,834	495,518	(9,560,429)	63	18,820,986

The statement of changes in equity should be read in conjunction with the accompanying notes.

# **Consolidated Statement of Cash Flows**

# For the Half-year Ended 31 December 2018

	Note	31 Dec 2018	31 Dec 2017
		\$	\$
Cash flows from operating activities			
Interest received		2,653	12,632
Rental receipts		28,201	29,500
Payments to suppliers and employees		(343,851)	(599,161)
Net cash used in operating activities		(312,997)	(557,029)
Cash flows from investing activities			
Payment for plant and equipment	5	(55,983)	(134,722)
Refund of security deposits		-	10,000
Proceeds from shares applications		-	142,313
Payments for other assets		-	(450,000)
Payments for exploration and evaluation expenditure	6	(2,609,544)	(1,261,903)
Net cash used in investing activities		(2,665,527)	(1,694,312)
Cash flows from financing activities			
Proceeds from borrowings		365,000	-
Proceeds from the issue of shares		-	3,860,480
Share issue costs			(323,050)
Net cash provided by financing activities		365,000	3,537,430
Net (decrease) / increase in cash and cash equivalents		(2,613,524)	1,286,089
Cash and cash equivalents at the beginning of the period		2,985,066	2,693,337
Cash and cash equivalents at the end of the period		371,542	3,979,426

The statement of cashflows should be read in conjunction with the accompanying notes.

# **Notes to the Financial Statements**

# For the Half-year Ended 31 December 2018

# **Note 1: Statement of Significant Accounting Policies**

# Statement of compliance

These interim financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Gold Mountain Limited (the Company) during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

# **Basis of preparation**

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

# **Basis of consolidation**

The consolidated financial statements comprise the financial statements of Gold Mountain Limited and its subsidiaries (as outlined in note 18) as at and for the half year ended 31 December.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities
  of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.



Where the Group has less than a majority of the voting, or similar, rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The financial statements of Viva No. 20 Limited are prepared using the calendar year ending on 31 December each year, using consistent accounting policies.

All intercompany balances and transactions have been eliminated in full.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where there is a loss of control of a subsidiary, the consolidated financial statements include the results of the part of the reporting period during which the Company has had control.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received



- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

# Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2018.

### Going concern

The financial statements have been prepared on the going concern basis, the validity of which depends upon the positive cash position. The Company's existing projections show that further funds will be required to be generated, either by capital raisings, sales of assets or other initiatives, to enable the Company to fund its currently planned activities for at least the next 12 months from the date of signing these financial statements.

With the approval of shareholders at the 2018 AGM, the Company has a share placement capacity to issue up to the maximum of 128,785,760 new shares over the next 12 months in accordance with Listing Rules 7.1 and 7.1.A. It is anticipated that the placement facilities would enable the Company to raise sufficient funds to support the associated operational and management rights and obligations in respect of the Wabag Project in Papua New Guinea, and other working capital requirements.

Notwithstanding this issue, the Directors have prepared the financial statements of the Company on a going concern basis. In arriving at this position, the Directors have considered the following pertinent matter: Australian Accounting Standard, AASB 101 "Accounting Policies", states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

In the Directors' opinion, at the date of signing the financial report, there are reasonable grounds to believe that the matters set out above will be achieved and therefore the financial statements have been prepared on a going concern basis.

# **Segment Reporting**

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Gold Mountain Limited.

# **Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 2018, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new standards and interpretations that have been raised but are not yet effective for the half-year ended 31 December 2018. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations or its business and, therefore, no change necessary to the Company accounting policies.

# Note 2: Other income

	Half-year 31 Dec 2018 \$	Half-year 31 Dec 2017 \$
Interest received	2,653	12,632
Rental income	18,201	19,500
Total other income	20,854	32,132

# Note 3: Loss for the year

	Half-year 31 Dec 2018 \$	Half-year 31 Dec 2017 \$
Loss before income tax includes the following expenses:		
Rental expense on operating leases	54,166	51,473
a. Significant items		
The following significant expense items are relevant in		
explaining the financial performance:		
- Investor and Public Relations	104,377	202,444
- Exploration expense	-	75,016

# Note 4: Trade and other receivables

- Options expense

Note 4. Trade and other receivables	31 Dec 2018 \$	30 Jun 2018 \$
PNG Project Advance	35,000	8,566
Other receivables	86,272	73,673
Total current trade and other receivables	121,272	82,239

169,921

99,568

# Note 5: Plant and equipment

	31 Dec 2018 \$	30 Jun 2018 \$
Plant and equipment - at cost	614,278	558,295
Accumulated depreciation	(131,998)	(68,498)
	482,280	489,797
Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous reporting period:	490 707	100 520
Carrying amount at beginning of the period Additions	489,797 55,983	108,620 437,341
Depreciation expense	(63,500)	(56,164)
Carrying amount at the end of the period	482,280	489,797

# Note 6: Deferred exploration and evaluation expenditure

	31 Dec 2018 \$	30 Jun 2018 <b>\$</b>
Balance at beginning of period 1 July 2018	11,816,184	3,038,522
Expenditure incurred in the period	2,609,544	3,578,730
Expenditure incurred on acquisition of 70% interest in EL2036	-	5,350,000
Impairment loss on existing tenements		(151,068)
Balance at 31 December 2018	14,425,728	11,816,184

Recoverability of the carrying amount of deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the areas of interest. Management reassess the carrying value of the Company's tenements at each half year, or at a period other than that should there be an indication of impairment.

# Note 7: Intangible assets

	31 Dec 2018	30 Jun 2018
	\$	\$
Intangible assets		
Goodwill on acquisition	5,996,367	6,002,733
Total intangible assets	5,996,367	6,002,733

# Movements in Carrying Amounts

Movement in the carrying amounts for intangible assets between the beginning and the end of the current financial period:

	31 Dec 2018	30 Jun 2018
	\$	\$
Opening balance at 1 July 2018	6,002,733	6,004,982
Additions	-	-
Disposals	-	-
Exchange movement	(6,366)	(2,249)
Carrying amount at 31 December 2018	5,996,367	6,002,733

# Goodwill on acquisition

On 16 August 2016 the Company completed the acquisition of an additional 50% of the issued capital of Viva through the issue of 60,000,000 shares at \$0.08 each to the Vendors. Simultaneously, the Vendors issued 125 ordinary shares to GMN comprising 50% of the entire issued capital of Viva held by the Vendors. On completion of this acquisition, the Company now holds a controlling interest of 70% in Viva. Goodwill of \$5,996,367 is recorded from the acquisition at 31 December 2018.

# **Note 8: Investments**

	31 Dec 2018 \$	30 Jun 2018 \$
Gold nuggets	50,555	50,555
_	50,555	50,555
Note 9: Other assets	31 Dec 2018	30 Jun 2018
	\$	\$
Security deposits	55,545	55,545
	55,545	55,545

# Note 10: Trade and other payables

	31 Dec 2018 \$	30 Jun 2018 \$
Trade payables and accrued expenses	330,133	206,445
Amounts payable to Director and related entities	9,570	32,100
Total trade and other payables	339,703	238,545

# Note 11: Borrowings

<b>C</b>	31 Dec 2018 \$	30 Jun 2018 \$
Share placement liability	365,000	-
Total borrowings	365,000	

Share placement liability arose due to placement funds of \$365,000 received as at 31 Dec 2018 for unissued shares pursuant to Resolution 3 - General Placement of Shares approved by Shareholders at the Annual General Meeting on 30 November 2018. On 28 February, 2019 the Company issued 20,296,923 new fully paid ordinary shares") along with 20,296,924 free unlisted options ("Options") for the Placement Shares at a price of \$0.065 per share raising a total of \$1,319,300.00.

# Note 12: Other current and non current liabilities

	31 Dec 2018 \$	30 Jun 2018 \$
Current		
Rental deposit received	27,600	17,600
Instalment costs – EL2306	750,000	750,000
Total other current liabilities	777,600	767,600
Non current		
Instalment costs – EL2306	1,200,000	1,200,000
Total other non current liabilities	1,200,000	1,200,000

#### Instalment costs - EL2306

On 18 July 2017, the Company announced that it had entered a binding agreement for the acquisition of the EL2306 Interest from the EL2306 Vendor for purchase price of \$5,200,000 comprising 22 million Shares at a notional price of \$0.10 per Share and \$3,000,000 in cash. The cash consideration of \$3,000,000 is payable in instalments. An exclusivity fee of \$150,000 was also paid and capitalised as Deferred Expenditure in FY 2016. On 19 February, 2018 the Company issued 22,000,000 shares at the issue price of \$0.10 to raise \$2,200,000 as part consideration for the acquisition of a 70% interest in EL2306 as approved by Shareholders at the Annual General Meeting held on 28 November 2017. Instalment costs of \$1,050,000 were paid by the Company in FY 2017 and FY 2018. The remaining instalment costs of \$1,950,000 are payable over 30 months with \$750,000 payable by 30 June 2019 and \$1,200,000 payable by 31 December 2020. In February 2019, the EL2036 Vendor agreed that instalment costs of \$250,000 be paid through participation in the Placement Offer which was announced to the Market on 28 February 2019. The Placement Offer is consistent with and part of Resolution 3 — General Placement of Shares to Placement Investors as approved by Shareholders at the 2018 Annual General Meeting held on 30 November 2018.

Note 13: Is	sued Capital
-------------	--------------

Note 13: Issu	ed Capitai				
		31 Dec 2018 Number of shares	31 Dec 2018 \$	30 Jun 2018 Number of shares	30 Jun 2018 \$
(a) Ordinary s	hares				
Ordinary Shar	es, issued	515,142,680	29,551,110	515,142,680	29,551,110
Share issue co	osts		(1,665,276)		(1,665,276)
Total issued o	apital		27,885,834		27,885,834
(b) Movemen	ts in ordinary shares on issue				
Date	Particulars		Number of shares	Issue Price	\$
1 Jul 2018	Opening balance		515,142,680		27,885,834

515,142,680

# (c) Movement in options over ordinary shares on issue

31 Dec 2018 Total shares on issue and issued capital

Date	Particulars	Ex. Price: \$0.15 Expiry: 28 Nov 2019 Code: GMNAB	Ex. Price: \$0.30¹ Expiry: 30 Jun 2019 Code: GMNAC	Ex. Price: \$0.15 Expiry: 26 Jul 2021 Code: GMNAD	Ex. Price: \$0.15 <sup>2</sup> Expiry: 26 Jul 2021 Code: GMNAE
01 Jul 18	Opening balance	14,800,000	61,237,300	2,000,000	7,800,000
31 Dec 18	Closing balance	14,800,000	61,237,300	2,000,000	7,800,000

# Note 14: Reserves

Reserves	31 Dec 2018 \$	30 Jun 2018 \$
Foreign currency translation reserve	(4)	(1)
Options expense reserve	495,522	394,954
	495,518	395,953
Movements in the foreign currency translation reserve		
At 1 July 2018	(1)	-
Foreign currency translation	(3)	(1)
At 31 December 2018	(4)	(1)
Movements in options over ordinary shares on issue		
At 1 July 2018	395,954	-
Options expense amortised during the period	99,568	395,954
At 31 December 2018	495,522	395,954



27,885,834

# Note 15: Share based payments

Note 13. Share based payments	31 Dec 2018 \$	30 Jun 2018 \$
(a) Share-based payments		
Options expense amortised during the period	99,568	395,954
Total allocated against Options Expense Reserve	99,568	395,954

# (b) Unlisted options

The following table details the number, weighted average exercise prices (WAEP) and movements in share options issued as capital raising purposes, employment incentives or as payments to third parties for services during the half year to 31 December 2017.

	31-Dec-2018	31 Dec 2018
	Number	WAEP
Outstanding at the beginning of the period	85,837,300	\$0.176
Unlisted options granted during the half-year	-	-
Exercised during the half-year		-
Outstanding at the end of the period	85,837,300	\$0.176
(c) Options exercisable at reporting date	31-Dec-2018	Exercise
	Number	Price
GMNAB Unlisted options expiring 28 November 2019 <sup>(1)</sup>	14,800,000	\$0.30
GMNAC Unlisted options expiring 30 June 2019	61,237,300	\$0.15
GMNAD Unlisted options issued to participating Directors Expiring 26 July 2021 <sup>(2)</sup>	2,000,000	\$0.15
GMNAE Unlisted options under Employee Share Option Plan Expiring 26 July 2021 <sup>(3)</sup>	7,800,000	\$0.15
Exercisable at reporting date	85,837,300	

- (1) Options are exercisable at \$0.30 until expiry date 28/11/2019 and subject to the vending condition that the Company's share price must exceed \$0.50 based on VWAP over a 5 day consecutive period.
- (2) 2,000,000 unlisted options granted on 26 September 2017 to participating Directors have an exercise price of \$0.15, expire in 46 months from the grant date and are subject to vending condition that the total options granted shall be vested over 3 periods of 12 months per period.
- (3) 7,800,000 unlisted ESOP options granted on 26 September 2017 pursuant to the Company's Employee Share Option Plan have an exercise price of \$0.15, expire in 46 months from the grant date and are subject to vending condition that the total options granted shall be vested over 3 periods of 12 months per period.

# (d) Fair value of unlisted options

The following table lists the fair value of options granted during the half-year ended 31 December 2018 and the inputs to the Black-Scholes model used to determine each valuation taking into account the terms and conditions upon which the options were granted. The unlisted options were issued in separate tranches on 10 August 2017, 6 October 2017, 28 November 2017 and 29 December 2017 and 21 January 2018.

**Unlisted options** 

	·
GMNAB Unlisted options expiring 28 November 2019 (issued 29 August 2016)	
Fair value at grant date (29 August 2016)	\$Nil
Share price at grant date	\$0.170
Exercise price	\$0.300
Expected volatility	10%
Expected life	39 months
Expected dividends	Nil
Risk-free interest rate	2.67%
Number of options issued	14,800,000
Valuation	\$Nil
The total value of these options was \$Nil at the date they were granted.	
GMNAC Unlisted options expiring 30 June 2019 (issued 10 Aug 17, 6 October 2017, 28 November 2017 and 21 January 2018)	
Fair value at Placement Offer date (3 May 2017)	\$0.01 per option
Share price at Placement Offer date	\$0.090
Exercise price	\$0.150
Expected volatility	10%
Expected life	24 months
Expected dividends	Nil
Risk-free interest rate	2.60%
Number of options issued	61,237,300
Valuation	\$612,373
GMNAD Unlisted options expiring 26 July 2021 <sup>(1)</sup> (Issued 29 Dec 17)	
Fair value at grant date (26 September 2017)	\$70,508
Share price at grant date	\$0.090
Exercise price	\$0.150
Expected volatility	68%
Expected life	3.8 years
Expected dividends	Nil
Risk-free interest rate	2.75%
Number of options issued	2,000,000
Valuation	\$71,048
GMNAD options are exercisable at \$0.15 until expiry date 26/07/2021 and subject to vending congranted shall be vested over 3 periods of 12 months per period.	ndition that the total options

GMNAE Unlisted ESOP options expiring 26 July 2021 <sup>(1)</sup> (Issued 29 Dec 17)	
Fair value at grant date (26 September 2017)	Nil
Share price at grant date	\$0.090
Exercise price	\$0.150
Expected volatility	68%
Expected life	3.8 years
Expected dividends	Nil
Risk-free interest rate	2.75%
Number of options issued	7,800,000
Valuation	Nil
The total value of these options was \$Nil at the date they were granted.	

(1) 7,800,000 unlisted ESOP options granted on 26 September 2017 pursuant to the Company's Employee Share Option Plan have an exercise price of \$0.15, expire in 46 months from the grant date and vest over 3 periods of 12 months per period.

# Note 16: Loss per share

a.		oss per share	Half-year 31 Dec 2018 \$	Half-year 31 Dec 2017 \$
<b></b>		asic Loss per share (cents)	(0.11)	(0.18)
		et loss used to calculate basic loss per share leighted average number of ordinary shares outstanding	(554,553)	(793,152)
	iii. du	uring the half-year used in calculating basic loss per share	515,142,680	431,680,568
b.	<b>Diluted loss per share</b> The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these			
	options	s would result in a decrease in the net loss per share.	(0.11)	(0.18)

# Note 17: Significant Events for the Period

On 3 July 2018, the Company announced a helicopter-assisted drill program initiated for the large Mongae Creek (or Mongai Creek) Porphyry Cu-Au System in EL2306. Abundant coarse gold is present in creeks within the Mongai Creek system and gold has been panned from gossanous rocks. Copper mineralisation is located in outcrops. Reconnaissance mapping and sampling in adjoining drainage systems is planned to determine the extent of the mineralisation.

On 12 and 13 July 2018, the Company announced the progress of its mineral exploration programs on the Crown Ridge prospect in Enga Province, Papua New Guinea. The Company has completed a diamond drilling program of 19 drill-holes totalling 3761.8m, drilled between 14 October 2017 and 10 June 2018. The drilling targeted shallow conglomerate-hosted free gold-platinum mineralisation (Target 1) and high-grade gold mineralisation hosted by structurally controlled quartz-pyrite veins (Target 2). The Target 1 drill-holes were undertaken in conjunction with bulk sampling pits and aimed to define a Mineral Resource for the shallow conglomerate material. The Company will release the laboratory analysis and test results of the drill cores and the bulk pit samples as and when they become available. Assay results for the samples from the remaining 26 pits have been received and logged into the LIMS system by ALS in Perth. The results are



# Note 17: Significant Events for the Period

expected in mid to late August 2018. However, the assays will require compilation and assessment against geological data before final results can be released. This is not expected until at least December 2018.

On 24 July 2018, the Company announced the arrival of a custom-built mobile bulk sampling plant at Crown Ridge and is undergoing commissioning. A helicopter-portable drill rig has also arrived on site at the Mongae Creek Au-Cu prospect with diamond drilling starts this week. Assays are underway on Mongae Creek rock samples. An Excavator continues costeaning at Crown Ridge, exploring for hard-rock source of large gold nuggets and coarse free gold found in shallow sampling programmes to date. Regional heli-borne geophysical survey is planned to search for Porgera-style gold systems. Metallurgical investigations on black sand pan concentrates will be undertaken to identify hosts of vanadium, titanium and chrome.

On 7 August 2018, the Company announced the maiden diamond drill hole at Mongai Creek confirmed diagnostic characteristics of a porphyry copper-gold system. Also noted that visible copper and molybdenite mineralisation was observed in drill cones.

On 14 August 2018, the Company announced the finalisation of assembly and commissioning of large capacity mobile plant for processing of coarse-gold and platinum bulk samples, and recovery heavy black sands to test titanium, vanadium and chrome concentrations. The plant would improve processing time of infill and extensional pitting samples that form the basis of the Mineral Resource estimation that is in progress.

On 28 August 2018, the Company announced the results for 35 rock chip samples from outcrop and float that confirmed the potential for economic grades of copper and gold mineralisation at Mongai Creek. This is supported by a petrographic report on test of samples from Mongai Creek which confirmed the expected diagnostics of porphyry copper-gold mineralisation, hydrothermal alterations, porphyritic texture, and primary mineralogical compositions. It is complimented with a maiden diamond drill-hole MCD001 completed at 521m down-hole below the mineralised outcrop with logging data providing a first view at the 3D geological framework of the system.

On 8 October 2018, the Company announced assay results for its maiden drill hole MCD001 at Mongai Creek returning encouraging results, with best results of 1m @ 243 g/t Ag, 0.8% Cu, 522 ppm Co, 0.4% Ni, and 0.7% W at 38m depth. A high-resolution soil geochemical sampling programme had commenced at Mongai Creek, to delineate the structural and geological framework prior to further drill targeting. The Company also noted Crown Ridge exploration was shifting focus to the area most prospective for an epithermal hard-rock source of the abundant coarse and dendritic gold found in the drainage system.

On 15 November 2018, the Company announced all core data for hole MCD002 at Mongae Creek has been logged and submitted for geochemical analysis. Early investigations show strong copper and polymetallic mineralisation and A-, B-, M- and D-type porphyry veins. Veining, brecciation, and mineralisation are all of a higher tenor than the first hole MCD001. The Company also announced that a newly-identified prospect, K-lam, to the NW of Mongae Creek, shows elevated copper mineralisation, with up to 0.99% Cu intersected in a narrow vein within an altered diorite which outcrops in the stream over a width of at least 30m.

On 30 November 2018, the Company announced Assay results for the second drill hole MCD002 at Mongae Creek returning significant mineralised intervals of 55m @ 0.11% Cu from 103m; 49m @ 0.12% Cu from 165m, including 10m @ 0.22% Cu from 183m; 10m @ 0.09% Cu from 228m; and 75m @ 0.10% Cu from 264m. These results are significantly better than those for MCD001 and suggest that drilling is getting nearer the centre of the mineralised system.

# Note 18: Events After the Reporting Period

On 5 February 2019, the Company announced that continual exploration shows high potential at key prospect areas including the Crown Ridge, and the areas of planned exploration programs of trenching and soil auger at Mongae Creek, soil grid at Sak Creek and sampling and mapping for K-Lam.

On 21 February 2019, the Company conducted an Investor Presentation to a group of sophisticated investors highlighting the Wabag Project in Papua New Guinea, analogous as "prime real-estate in one of the world's best mining belts". The presentation provided a snapshot of the exploration status and results of the Mongae Creek, Crown Ridge, Sak Creek and K-Lam prospects and the exploration budget estimates for the period to the first Quarter of 2020.

On 27 February 2019, the Company requested a trading halt of the Company's securities pending an announcement concerning the finalisation of a material fundraising. The trading halt was effective as of the following trading day and to be lifted upon the release of the announcement.

On 28 February 2019, the Company lodged Appendix 3B for the issue of 20,296,924 new fully paid ordinary shares (Placement Shares) in the company along with 20,296,924 free unlisted options (Options). The Placement Shares issued at \$0.065 per share raised a total of \$1,319,300.00 for the purpose of general working capital.

The Placement Shares are issued consistent to Resolution 3 – General Placement of Shares to Placement Investors as approved by Shareholders at the last Annual General Meeting held on 30 November 2018.

The Options are issued free of one (1) option at exercise price 0.10 expiring 1/3/2020 and another one (1) option at exercise price 0.15 expiring 1/3/2021 for every two (2) issued Placement Shares. These Options are issued using the Company's available placement capacity under ASX Listing Rule 7.1.

On 4 March 2019, the Company announced that it has secured commitments from a group of professional and sophisticated investors (Placement Investors) to participate in the capital raising of the Company in the issue of 100 million shares along with other equity securities entitlement that would meet GMN future funding requirements. At an issue price of \$0.10 per share, the Company would raise \$10 million before issue costs.

Subject to shareholder approval, the Company will issue for every two (2) shares issued, the Placement Investors entitlement of one (1) share option exercisable at \$0.10 within 12 months and another one (1) share option exercisable at \$0.15 within 24 months respectively from date of issue (Placement Options). These Placement Options shall provide the Company additional capital funding of \$12.5 million pace over the next 24 months.

The funds raised would meet the working capital requirements of the Company for the next two (2) years to support its planned exploration programs of the Wabag Project located in Papua New Guinea.

No other matters or circumstances that have arisen since the end of the half year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

# **Note 19: Operating Segments**

# **Segment Information**

# **Identification of reportable segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Gold Mountain Limited. During the half-year the Company operated principally in one business segment being mineral exploration and in two (2) geographical segments being Australia and Papua New Guinea.

## **Note 20: Controlled entities**

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)
Subsidiaries of Gold Mountain Limited:		
Viva No. 20 Limited	Papua New Guinea	70%
GMN 6768 (PNG) Limited	Papua New Guinea	100%
Viva Gold (PNG) Limited	Papua New Guinea	100%
Abundance Valley (PNG) Limited	Papua New Guinea	100%

Unless otherwise stated, the subsidiary listed above has share capital consisting solely of ordinary shares, which are held directly by the group, and the proportion of ownership interests held equals to the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

# Note 21: Dividends

The Directors of the Company have not declared an interim dividend.

# **Note 22: Commitments and Contingencies**

#### **Remuneration Commitments**

There are no remuneration commitments contingent liabilities as at 31 December 2018.

#### Guarantees

Gold Mountain Limited did not commit to nor make guarantees of any form as at 31 December 2018.

### **Contingent liabilities**

There are no contingent liabilities as at 31 December 2018.

# **Exploration licence expenditure requirements**

The Company holds six (6) exploration licences covering a reduced area of about 677 sq km in the Enga province, Papua New Guinea (collectively termed the Wabag Project) and is required to incur \$300,000 minimum expenditure per year on the development and maintenance on these licences.

The Company has also made applications for additional three (3) exploration licences in the areas surrounding the existing tenements. Pending Warden Hearing, approval granting of these new exploration licenses will incur additional expenditure commitments of \$350,000 spread over two (2) years.

It is likely that the granting of new licences and changes in licence areas at renewal or expiry, will change the expenditure commitment to the Company from time to time.

# **Directors' Declaration**

In the opinion of the Directors of Gold Mountain Limited (the Company):

- 1) The financial statements and notes thereto, as set out on pages 11 to 29 are in accordance with the Corporations Act 2001 including:
  - a) complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001; and other mandatory professional reporting requirements; and
  - b) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
- 2) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.

Graham Kavanagh

Chairman

12 March 2019

75 Lyons Road DRUMMOYNE NSW 2047



20 Grose Street NORTH PARRAMATTA NSW 2151

PO Box 2210 NORTH PARRAMATTA NSW 1750

# **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the Members of Gold Mountain Limited

# Report on the Half-Year Financial Report

## Conclusion

We have reviewed the accompanying Half-year Financial Report of Gold Mountain Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gold Mountain Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Consolidated Entity's financial position as at 31
   December 2018 and of its performance for the financial Half-year ended on that date;
- b) complying with Australian Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

# The Half- year Financial Report comprises:

- Consolidated statement of financial position as at 31 December 2018.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date.
- Notes 1-19 comprising a summary of significant accounting policies and other explanatory information.
- · The Directors' Declaration.

The **Consolidated Entity** comprises Gold Mountain Limited (the Company and the entities it controlled at the Half-year's end or from time to time during the Half-year.

The **Half year Period** is the 6 months ended on 31 December 2018.



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# Responsibilities of the Directors for the Half-year Financial Report.

The directors of the company are responsible for the preparation of the Half-year Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations *Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the Half-year financial report that gives a true and fair view and is free from maternal misstatement, whether due to fraud or error.

# Auditor's responsibility

Our responsibility is to express a conclusion on the Half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on *Review Engagements ASRE 2410 Review of a Financial Performed by Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the Half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Gold Mountain Limited, ASRE 2410 required that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year financial report consists of making enquiries, primary of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is subsequently less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurances that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KS Black & Co Chartered Accountants

Scott Bennison Partner

Dated: 12/3/19

