

31st July 2019

QUARTERLY ACTIVITIES REPORT

FOR THE QUARTER ENDED 30th June 2019

Gold Mountain Limited, (ASX: GMN) advises its activities during the April - June 2019 quarter FY2019 Q4).

- Extensions to the Mongae Creek soil grid in Q4 have identified a new copper anomaly to the NW of where the 2018 drilling was undertaken.
- The copper in soils anomaly is of much higher tenor than the anomaly centred on MCD002, with a larger surface expression.
- The anomaly is still open, and work will continue in August to extend the soil grid further to the north-west to close off this anomaly.
- Five trenches totalling 733m were completed at Mongae and Mongae NW in May and June 2019. The trenches were excavated to provide additional geochemical and geological data for drill hole targeting.
- Channel samples taken from the trench confirmed the presence of broad zones of >0.1% Cu grades that covers an area of 90,000 m²
- Follow-up drilling is planned for the Mongae prospect in the second half of 2019 (Q1 and Q2; FY2020).
- Five of GMN's tenements which comprise the Wabag Project were renewed for an additional 2-year period in Q2 2019
- Two additional tenements (EL2522 and EL 2565) were each granted to a 100%-owned subsidiary of GMN in the March and June Quarter respectively, this has effectively increase the GMN land holding in the Wabag project by 50%.



Mongae Creek Soil Sampling Programme

Step-out soil auger programs were completed at Mongae Creek in April and June 2019, with an additional 249 soils samples collected from the prospect. The aim of these programs was to extend the soil grid to the NW to close off anomalous Cu-in-soil anomalism identified in February 2019¹.

The soil programs identified a significant Cu-in-soil anomaly located approximately 1,200 m northwest of drill hole MCD002². The Cu-in-soil anomaly is over 500 m wide and 500 m long, with a spot high of 0.71% Cu (Figure 1). A Mo anomaly is coincident with the Cu-in-soil anomaly, giving further confidence that a potential porphyry deposit is present at Mongae Creek³. The Cu anomaly is still open to the north-west and work on extending the soil grid further to the NW will commence in August 2019.

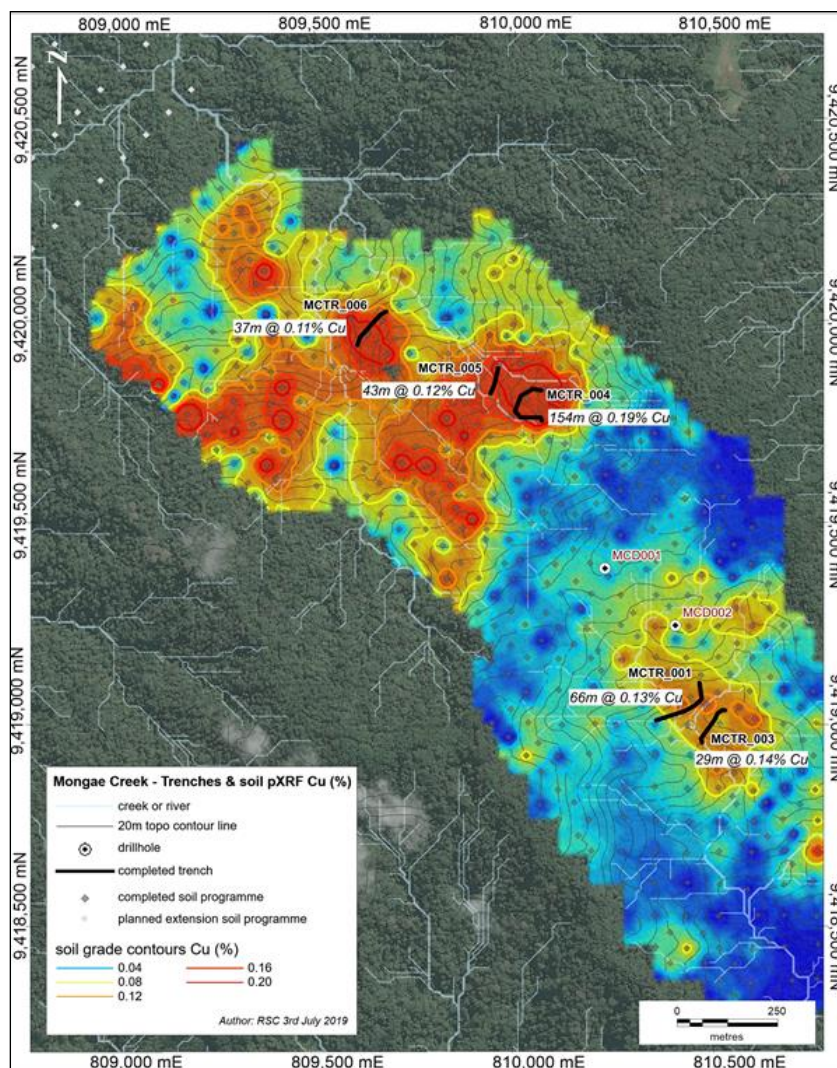


Figure 1: Mongae Creek and Mongae NW, Copper Soil Geochemistry

¹ First reported in ASX Announcement of 21st March 2019: 'Excellent Exploration Results on Track Drilling in 2019' Competent Person: Mr Douglas Smith

² First reported in ASX Announcement of 30th November 2018: 'Significant Copper Drill Intercept MCD002 Mongae Creek' Competent Person: Mr Douglas Smith

³ First reported in ASX Announcement of 30th April 2019: 'Mongae Creek reveals New Target and Larger size' Competent Person: Mr Douglas Smith



Mongae Creek Trenching Programme

In addition to the soil sampling, a trenching programme was completed at Mongae Creek and Mongae NW during May and June 2019. The aim of the trenching was to test those areas where high Cu-in-soil anomalies had been identified, in order to define future drill targets. A total of five trenches were excavated; two at Mongae Creek and three at Mongae NW⁴.

A total of 733 m of trenches were excavated over the course of the programme. The most promising results were returned from the Mongae NW target, trenching activities at Mongae Creek are shown in Figure 2 and results for the trenching programme are summarised in Table 1.

Table 1: Mongae Creek composited trenching results. Refer to Error! Reference source not found. for location details.

Prospect	Trench ID	From (m)	To (m)	Length (m)	Cu (%)	Intercept
Mongae Ck	MCTR_001	5	71	66	0.13	66 m @ 0.13% Cu
Mongae Ck	MCTR_002	Not excavated				
Mongae Ck	MCTR_003	0	29	29	0.14	29 m @ 0.14% Cu from 0 m
		31	52	21	0.11	21 m @ 0.11% Cu from 31 m
Mongae NW	MCTR_004	26	180	154	0.19	154 m @ 0.19% Cu from 26 m
	including	26	148	142	0.20	142 m @ 0.2% Cu from 26 m
		62	112	50	0.26	50 m @ 0.26% Cu from 62 m
	including	68	81	13	0.44	13 m @ 0.44% Cu from 68 m
		124	159	35	0.21	35 m @ 0.21% Cu from 124 m
Mongae NW	MCTR_005	15	58	43	0.12	43 m @ 0.12% Cu from 15 m
	including	31	48	17	0.13	17 m @ 0.13% Cu from 31 m
Mongae NW	MCTR_006	0	10	10	0.12	10 m @ 0.12% Cu from 0 m
		17	45	28	0.13	28 m @ 0.13% Cu from 17 m
		52	89	37	0.11	37 m @ 0.11% Cu from 52 m

NB: Intervals calculated using an arithmetic average, with maximum 5 m internal dilution, and minimum cut-off of 0.10% Cu.

⁴ First reported in ASX Announcement of 8th July 2019: 'Trench Results at Mongae Provide Strong Case to Drill High-Quality Porphyry Targets' Competent Person: Mr Douglas Smith

**Figure 2: Trenching Activities at Mongae Creek**

Tenements Renewals and Grant of New Tenements

In the March and June quarters five tenements which comprise a significant part of the Wabag Project, were renewed by the Mining Minister on the 05 March 2019⁵ and the 28 May 2019⁶.

The tenements previous expiry dates were in 2017 and 2018 (see Table 2); however, under the PNG Mining Act (1992), exploration can continue while renewal applications are processed and ratified. The renewals were granted after successful warden's hearings were completed by MRA in October 2018.

In addition to the renewal of the five tenements, two new tenements were also granted in the June quarter, increasing GMN's land holding in the Wabag Project by 1374.23 km². These two new tenements, EL2522 and EL2565, are held by GMN 6768 (PNG) Ltd and Viva Gold (PNG) Ltd, respectively, both of which are wholly owned subsidiaries of GMN. ELA 2563 which was lodged in January 2018 is with the minister awaiting approval.

Table 2: Schedule of GMN tenements recently renewed or granted.

Licence No.	Licence Name	Licence Effective Date	Previous Expiry Date	Renewal/Grant Notification Date	Current Expiry Date	Status
EL1966	Wabag 1	27/06/2013	27/06/2017	05/03/2019	26/06/2019	Renewed-Active
EL1967	Wabag 2	28/11/2013	27/11/2017	05/03/2019	27/11/2019	Renewed-Active
EL1968	Wabag 3	28/11/2013	27/11/2017	05/03/2019	27/11/2019	Renewed-Active
EL2430	Meriamanda	28/05/2016	27/05/2018	05/03/2019	27/05/2020	Renewed-Active
EL2426	Keman	28/05/2016	27/05/2018	28/05/2019	27/05/2020	Renewed-Active
EL2522	Wapenamanda	25/02/2019	n/a	05/03/2019	24/02/2021	Granted - Active
EL2565	Londol	27/05/2019	n/a	27/05/2019	26/05/2021	Granted - Active

⁵ Notifications of grant of grant of extension of term for EL1966, EL1967, EL1968 and EL2430 were received on 05 March 2019. These were reported to the ASX on 09 April 2019.

⁶ Notification of grant of grant of extension of term for EL2426 was received on 28 May 2019.



In the June quarter GMN also applied for an additional tenement (ELA2632, Mt Wipi) to cover the postulated strike extensions of a northwest trending structural corridor which runs from Mongae Creek through Sak creek and onto Mt Wipi. A map showing the tenement status of GMN's tenements is presented in Figure 3.

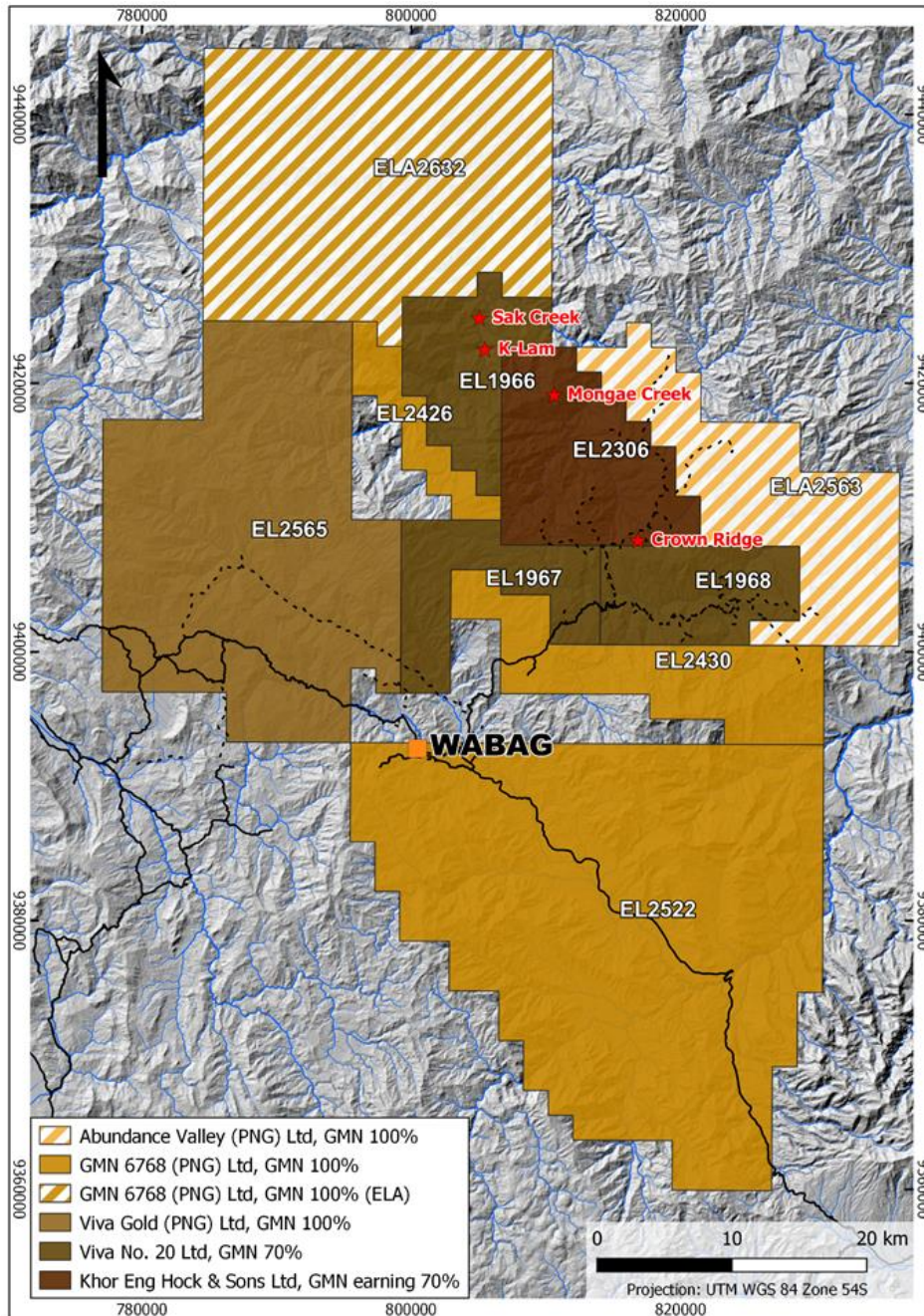


Figure 3: GMN Wabag Project – Tenement Details as of June 2019.



REPORTING IN COMPLIANCE WITH ASX LISTING RULES AND IN ACCORDANCE WITH THE JORC CODE (2012)

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

Where the Company has re-issued information in this quarterly report that has previously been issued with the written consent of the Competent Person, it has made reference to the original report name, the name of the Competent Person responsible for the original report, and the date and reference of the location of the original source public report for public access.

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