

Interim Financial Report

31 December 2019

Directors' Report

Your Directors submit the financial report of the Company for the half-year ended 31 December 2019. 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.

Sin Pyng "Tony" Teng Managing Director (appointed 9 July 2014)

Syed Hizam Alsagoff Non-Executive Director (appointed 2 September 2019)

Pay Chuan (Paul) Lim Non-Executive Director (appointed 14 October 2019)

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

14 October 2019)

Doug Smith Non-Executive Director (appointed 29 December 2016, ceased 23 August

2019)

Company Secretary

Eric Kam (Appointed 9 July 2014)

Management

Timothy Cameron Chief Executive Officer (Appointed 25 October 2019)

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 remained focussed on advancing its 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. Gold Mountain is focussed on exploring for large tonnage Copper-Gold-Molybdenum (Cu-Au-Mo) Porphyry deposits within its tenements.

During the reporting period the Company undertook regional soil and rock chip campaigns at the Sak Creek and K-Lam prospects (EL1966), excavated five trenches and drilled two diamond drill holes at the Monoyal Prospect (EL2306).

The focus of the exploration work on GMN's Wabag Project has been at the Monoyal Prospect. Monoyal is located approximately 1.70 km northwest of the Mongae Creek Prospect, which was drilled in late 2018. A soil sampling programme at Monoyal in the first half of 2019 identified a large +0.1% copper in soil anomaly. The anomaly was further tested by the excavation of five trenches, with the last of these trenches (T7) being excavated in December 2019.

Results from the soil sampling programme and trenching were used to plan a nine-hole drilling programme at Monoyal. The drilling commenced in October 2019 and as of the 31st of December 2019 two holes, MCD003 and MCD004 had been completed to depths of 500m and 450m, respectively. Samples from these holes were submitted to ALS in Townsville but a completed set of results are yet to be received.

A 1,000 plus soil sampling programme was completed at Sak Creek which identified a widespread copper in soil anomaly with a similar regional orientation to the Monoyal Prospect. Further work will be undertaken at Sak Creek in the first half of 2020 to define drillable targets at the prospect.

A regional soil programmed commenced in July 2019 to link the Mongae – Monoyal grid to the Sak Creek grid, this grid was only partially completed, and work will resume on it in the first part of 2020.

During the reporting period, wardens hearings were held for the renewal of four existing tenements, (EL's 1966, 1967, 1968 and 2306). A hearing was also held for a new exploration licence application, ELA 2632 – Mt Wipi. Mt Wipi is prospective for Skarn style copper – gold mineralisation. There were no objections to the renewal applications by GMN and it is expected that these tenements will be renewed in the first half of 2020.

A summary of the current tenement position for GMN is included in Table 1 below.

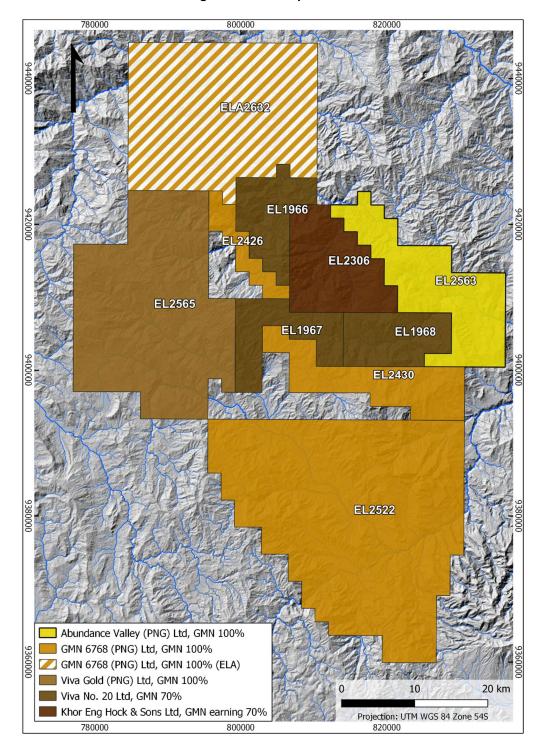
Tenure	Area (Km²)	Interest	Expiry Date ²	Commitment (Kina) ³
EL1966 Sak Creek	103 ¹	70%	26/06/2019	300,000
EL1967 Pocket Creek	103 ¹	70%	27/11/2019	80,000
EL1968 Crown Ridge	103 ¹	70%	27/11/2019	300,000
EL2306 Alakula	164 ¹	70%	13/12/2019	500,000
EL2426 Keman	48 1	100%	27/05/2020	160,000
EL2430 Meriamanda	154^{1}	100%	27/05/2020	160,000
EL2522 Wapenamada	839	100%	24/02/2021	160,000
EL2563 Kompiam	225	100%	22/01/2022	100,000
EL2565 Londol	535	100%	26/05/2021	100,000
ELA2632 Mt Wipi	505	Application, GMN 676	8 (PNG) Limited	

¹ Renewed Areas

² Renewals pending for EL1966, EL1967, EL1968 and EL2306. Warden's hearings completed in early October 2019.

 $^{^3}$ Expenditure commitment for the current licence year in PNG Kina. As at 10 February 2020, 1 Kina = A\$0.44

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 \$880,894 (2018 HY: Loss \$554,553).

Review of financial conditions

The Company is creating value for shareholders through its exploration programme and associated expenditures.

The Company had \$1,319,296 in cash assets at 31 December 2019 (30 June 2019: \$54,070), an increase of \$1,265,226 during the half-year. The net assets of Gold Mountain Limited increased from \$20,296,725 at 30 June 2019 to \$24,238,262 at 31 December 2019, an increase of \$3,941,537.

These increases are primarily the result of share placements undertaken during the half-year as announced on 4 September 2019, 24 October 2019 and 2 December 2019 in accordance with Listing Rules 7.1 and 7.1.A. These placement facilities enable the Company to support the associated operational and management rights and obligations in respect of the Wabag Project in the Enga Province of Papua New Guinea and working capital requirements.

During the half-year, the operations relating to the Papua New Guinea gold project continued and expanded as the Company undertook its exploration program with deferred exploration expenditure increasing by \$1,922,047 from \$15,868,988 at 30 June 2019 to \$17,791,035 at 31 December 2019.

Revenue and financial income are generated from interest income from funds held on deposit and miscellaneous income. The Company also received \$42,979 as rental income during the half-year (HY 2018: \$18,201) from sub-leasing unused office space at its Sydney CBD office.

Significant Changes in the State of Affairs

On 8 July 2019, the Company announced an update to its exploration program at its flagship Wabag project in Papua New Guinea, with the focus on Mongae Creek. Trench results at Mongae provide a strong case to drill high-quality porphyry targets with significant intercepts including Mongae NW Trench 1 66 m @ 0.13% Cu and Mongae NW Trench 4 intercepted 154 m @ 0.19% Cu including 142 m @ 0.20% Cu and 0.11 ppm Au and 13 m @ 0.44% Cu from 68 m.

On 30 July 2019, the Company announced it has received commitments for a placement raising \$2.5 million. The funds from this placement will be used to complete the initial diamond drilling programme at the Mongae NW prospect at the Company's Wabag Project in Papua New Guinea and for general working capital. For every Share issued to a subscriber in the placement an unlisted option over a Share at no additional cost will also be issued. One half of the options issued pursuant to the placement will have an expiry date of 12 months from the date of their issue, each with an exercise price of \$0.10 per option and the remaining half of the options will have an expiry date of 24 months from the date of their issue, with an exercise price of \$0.15 per option. The managing director, Mr Sin Pyng (Tony) Teng is proposing to participate in the \$2.5 million placement to the amount of \$500,000.00. The Company expects to seek approval from holders of ordinary securities for this placement and the placement to Mr Teng at its 2019 annual general meeting.

On 28 August 2019, the Company requested temporary suspension from quotation under ASX Listing Rule 17.2, pending the appointment of sufficient directors to comply with section 201A(2) of the Corporations Act 2001 (Cth).

On 30 August 2019, the Company lodged Appendix 3B for the issue of 21,733,333 new fully paid ordinary shares (Shares) in the company along with 19,733,338 options (Options) for the placement of shares (Placement Shares) at an issue price of \$0.06 per share. The issue of Shares raised a total of \$1,314,000 for purpose of general working capital. The Placement Shares include 19,733,333 Shares with accompanying options of one (1) option at exercise price \$0.10 expiring 28/8/2020 and one (1) option at exercise price \$0.15 expiring 28/8/2021 for every two (2) issued Placement Shares.

On 2 September 2019, the Company announced the appointment of Mr Syed Hizam Alsagoff as a Non-Executive Director of the Company. On 3 September 2019, the Company was reinstated for Official Quotation following the appointment of an additional director meeting the minimum number of directors required under section 201A(2) of the Corporations Act 2001 (Cth).

On 4 September 2019, the Company lodged Appendix 3B for the issue of 30,000,000 new fully paid ordinary shares (Shares) in the company for the placement of shares (Placement Shares) at a price of \$0.06 per share. The sum of \$1,800,000 raised represents part of the proposed share placement announced to the market on 31 July 2019. The Placement Shares has an accompanying entitlement of unlisted options for every two (2) Shares issued, 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). The Placement Options were issued on 2 December 2019 following approval by shareholders at the 2019 Annual General Meeting held on 28 November 2019.

The announcement of the Appendix 3B lodgement further reiterated the participation and acknowledgement of an entity related to managing director, Mr Tony Teng in the placement amount of \$500,000, on the same terms of the placement offer as previously announced by the Company. This issue of securities in shares and options to this entity was approved by shareholders at the 2019 Annual General Meeting held on 28 November 2019 in accordance with ASX Listing Rule 10.11.

On 14 October 2019, the Company announced the appointment of Mr Pay Chuan (Paul) Lim as a Non-Executive Director of the Company. The Company also announced the retirement of Mr Graham Kavanagh as a Non-Executive Director and Chairman of the Company.

On 15 October 2019, the Company announced that following the successful capital raising in August and early September 2019, the company has commenced a 1,250 m diamond drilling programme at its Mongae Northwest Cu-Mo porphyry prospect.

On 24 October 2019, the Company lodged Appendix 3B for the issue of 8,400,000 new fully paid ordinary shares (Shares) in the company for the placement of shares (Placement Shares) at a price of \$0.06 per share. The sum of \$504,000 raised represents part of the proposed share placement announced to the market on 31 July 2019. The Placement Shares has an accompanying entitlement of unlisted options for every two (2) Shares issued, 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). The Placement Options were issued on 2 December 2019 following approval by shareholders at the 2019 Annual General Meeting held on 28 November 2019.

On 28 October 2019, the Company announced the appointment of Mr Tim Cameron as Chief Executive Officer of the Company with effect from 25 October 2019.

On 14 November 2019, the Company announced completion of the first hole drilled at the 1,250 m diamond drilling programme at its Mongae Northwest Cu-Mo porphyry prospect. MCD003 is the first hole drilled

into the Monoyal Prospect which is targeted at an area of anomalous copper geochemistry. MCD003 was completed to a depth of 500.50 (planned depth 450m), the hole was planned utilising data from structural interpretation of airborne magnetic surveys, topographic analysis, ground geological mapping, and principal component analysis of soil geochemistry. The hole is also designed to test down dip of Trench 4 which recorded an intercept of 154 m @ 0.19% Cu.

On 2 December 2019, the Company lodged Appendix 3B for the issue of 24,833,333 new fully paid ordinary shares (Shares) in the company for the placement of shares (Placement Shares) at a price of \$0.06 per share. The Placement Shares has an accompanying entitlement of unlisted options for every two (2) Shares issued, 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).

Following approval by shareholders at the 2019 Annual General Meeting held on 28 November, 63,233,334 Placement Options were issued to participants and related parties in share placements announced on 4 September 2019, 24 October 2019 and 2 December 2019. Pursuant to resolution 7 of the 2019 AGM, 25,000,000 unlisted options were issued to Promoters in consideration for the provision of their services and their material contribution to the success of these share placements. The options issued to the promoters are exercisable at \$0.15 within 24 months from date of issue.

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 2019 Annual Report and at the Company's website https://goldmountainltd.com.au/company-overview/corporate-governance/.

Events Subsequent to the End of the Half-Year

On 28 January 2020, the Company announced the resumption of the nine-hole drilling programme at the Monoyal Prospect. The third hole MCD005 expected to complete by mid-February has drilled down to a depth of 90.9m of planned depth of 400m. Rock chip samples collected previously from Lombokai Creek at northern end of Monoyal have returned assay results of up to 1.34 g/t Au, 10.0% Cu and 73 g/t Ag.

On 4 February 2020, the Company reported in response to an Appendix 5B Query of receiving an unsolicited offer of substantial funding from an institution with significant experience in financing emerging companies. The offer is subject only to completion of legal due diligence by the Company and execution by the Board of Gold Mountain Limited.

On 13 February 2020, the Company reported the assay results from the first hole drilled at Monoyal Prospect (MCD003) to contain copper mineralisation averaging 850 ppm Cu over a 500m interval from surface with the best intercept 101m @ 0.14% Cu and 76 ppm Mo from 398 m. MCD003 also contains elevated Au and Ag.

On 19 February 2020, the Company announced that the Mineral Resources Authority of Papua New Guinea has granted its subsidiary, Abundance Valley (PNG) Limited the exploration license EL2563 Kompian. The Lombokai Creek Prospect, thought to be highly prospective for both porphyry and skarn style mineralisation is located on the boundary between EL2306 and this newly granted tenement EL2563.



On 28 February 2020, the Company reported the results of the second hole (MCD004) which continue to show the highly prospective nature of the Monoyal Prospect. The best intercept recorded was 124m @ 0.12% Cu, 105 ppm Mo and 0.06 g/t Au, and from 125m includes a zone of 12.4 m @ 0.19% Cu, 494 ppm Mo and 0.28 g/t Au. MCD005 has been completed while MCD006 drilling has reached a depth of 270.1m.

No 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 9 and forms part of this Directors' report for the half-year ended 31 December 2019.

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

Sin Pyng "Tony" Teng

Director

6 March 2020

Level 6 350 Kent Street SYDNEY NSW 2000

K.S. Black & Co.

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75 Lyons Road DRUMMOYNE NSW 2047

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 2019 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

Dated in Sydney on this (II day of March

2020

Scott Bennison







Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2019

	Notes	31 Dec 2019 \$	31 Dec 2018 \$
Other income	2	52,560	20,854
Administration costs		(141,677)	(192,793)
Depreciation expense		(103,378)	(63,500)
Employee benefits expense		(28,570)	(31,140)
Exploration expense	3	(6,045)	-
Investor and public relations	3	(310,739)	(104,377)
Legal and professional costs		(184,616)	(84,029)
Options expense	15(a)	(162,511)	(99,568)
Loss before income tax expense		(880,894)	(554,553)
Income tax expense Net loss for the period Attributable to the owners of Gold Mountain Limited	-	(884,894)	<u>-</u> (554,553)
Other comprehensive income	-		
Foreign currency translation	<u>-</u>	1	(3)
Total other comprehensive income for the year, net of tax	-	1	(3)
Total comprehensive loss for the period Attributable to the owners of Gold Mountain Limited	-	(880,893)	(554,556)
Basic loss per share (cents per share)	16	(0.15)	(0.11)
Diluted earnings per share (cents per share)	16	(0.15)	(0.11)

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 2019

	Notes	31 Dec 2019	30 Jun 2019 \$
Assets		¥	Ŷ
Current Assets			
Cash and cash equivalents		1,319,296	54,070
Trade and other receivables	4	133,547	60,509
Total Current Assets		1,452,843	114,579
Non-Current Assets			
Plant and equipment	5	349,700	418,780
Deferred exploration and evaluation expenditure	6	17,791,035	15,868,988
Intangible assets	7	5,997,727	5,995,970
Investments	8	50,555	50,555
Other assets	9	196,918	35,545
Total Non-Current Assets		24,385,935	22,369,838
Total Assets		25,838,778	22,484,417
Liabilities			
Current Liabilities			
Trade and other payables	10	235,062	437,692
Borrowings		-	-
Other current liabilities	11	1,285,336	1,300,000
Total Current Liabilities		1,520,398	1,737,692
Non-Current Liabilities			
Other non-current liabilities	11	80,118	450,000
Total Non Current Liabilities		80,118	450,000
Total Liabilities		1,600,516	2,187,692
Net Assets		24,238,262	20,296,725
Equity			
Issued capital	13	34,670,334	30,006,334
Reserves	14	859,674	697,225
Accumulated Losses		(11,291,809)	(10,406,897)
Total equity attributable to equity holders of the Company		24,238,199	20,296,662
Non controlling interest		63	63
Total Equity		24,238,262	20,296,725

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 2019

	Issued Capital	Reserves	Accumulated Losses	Non Controlling Interest	Total
-	\$	\$	\$	\$	\$
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	-	- (2)	(554,553)	-	(554,553)
income Total comprehensive income for the year Transactions with owners in their capacity as owners	-	(3)	(554,553)	-	(3) (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
Balance at 1 July 2019	30,006,334	697,225	(10,406,897)	63	20,296,725
Comprehensive Income					
Net loss for the period Other comprehensive	-	-	(880,894)	-	(880,894)
income	-	1	-	-	1
Total comprehensive income for the year Transactions with owners in their capacity as owners	-	1	(880,894)	-	(880,893)
Shares issued during the half-year	5,108,000	_	_	_	5,108,000
Share issue costs	(444,000)	-	-	-	(444,000)
Options expense		162,511			162,511
Total transactions with owners	4,664,000	162,511	-	-	4,826,511
Balance at 31 December 2019	34,670,334	859,737	(11,287,791)	63	24,242,343

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 2019

	Note	31 Dec 2019	31 Dec 2018
		\$	\$
Cash flows from operating activities			
Interest received		787	2,653
Rental receipts		26,659	28,201
Payments to suppliers and employees		(720,629)	(343,851)
Net cash used in operating activities		(693,183)	(312,997)
Cash flows from investing activities			
Payment for plant and equipment	5	-	(55,983)
Refund of security deposits		-	-
Proceeds from shares applications		-	-
Payments for other assets		-	-
Payments for exploration and evaluation expenditure	6	(2,455,591)	(2,609,544)
Net cash used in investing activities		(2,455,591)	(2,665,527)
Cash flows from financing activities			
Proceeds from borrowings		100,000	365,000
Repayment of borrowings		(350,000)	-
Proceeds from the issue of shares		5,108,000	-
Share issue costs		(444,000)	
Net cash provided by financing activities		4,414,000	365,000
Net (decrease) / increase in cash and cash equivalents		1,265,226	(2,613,524)
Cash and cash equivalents at the beginning of the period		54,070	2,985,066
Cash and cash equivalents at the end of the period		1,319,296	371,542

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 2019

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 2019 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 2019.

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 2019 AGM, the Company has a share placement capacity to issue 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 2019, 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 2019.

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The directors have decided not to early-adopt any of the new and amended pronouncements. The following sets out their assessment of the pronouncements that are relevant to the Group but applicable in future reporting periods.

A core change resulting from applying AASB 16 is that most leases will be recognised on the balance sheet by lessees as the standard no longer differentiates between operating and finance leases. An asset and a financial liability are recognised in accordance to this new Standard. There are, however, two exceptions allowed: short-term and low-value leases.

The accounting for the Group's operating leases will be primarily affected by this new Standard.

AASB 16 will be applied by the Group from its mandatory adoption date of 1 July 2019. The comparative amounts for the year prior to first adoption will not be restated, as the Group has chosen to apply AASB 16 retrospectively with cumulative effect. While the right-of-use assets for property leases will be measured on transition as if the new rules had always been applied, all other right-of-use assets will be measured at the amount of the lease liability on adoption (after adjustments for any prepaid or accrued lease expenses).

The Group's non-cancellable operating lease commitments amount to \$174,299 as at the reporting date.

The Group has performed a preliminary impact assessment and has estimated that on 1 July 2019, the Group expects to recognise the right-of-use assets and lease liabilities of approximately \$201,715 (after adjusting for prepayments and accrued lease payments recognised as at 30 June 2019).

Following the adoption of this new Standard, the Group's net profit after tax is expected to increase by approximately \$3,000 in 2020.

The repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities, thus increasing operating cash flows and decreasing financing cash flows by approximately \$75,197.

Given that the Group's activities as a lessor will not be materially impacted by this new Standard, the Group does not expect any significant impact on its financial statement from a lessor perspective. Nonetheless, starting from 2020, additional disclosures will be required.

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 2019. 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

Note 2. Guiler intentie	Half-year 31 Dec 2019 \$	Half-year 31 Dec 2018 \$
Interest received	787	2,653
Rental income	42,979	18,201
Foreign exchange gain	8,794	-
Total other income	52,560	20,854

Note 3: Loss for the year

	Half-year 31 Dec 2019 \$	Half-year 31 Dec 2018 \$
Loss before income tax includes the following expenses:		
Rental expense on operating leases	50,810	54,166
a. Significant items		
The following significant expense items are relevant in		
explaining the financial performance:		
- Investor and Public Relations	310,739	104,377
- Exploration expense	6,045	-
- Options expense	162,511	99,568

Note 4: Trade and other receivables

	31 Dec 2019 \$	30 Jun 2019 \$
PNG Project Advance	95,000	-
Other receivables	38,547	60,509
Total current trade and other receivables	133,547	60,509

Note 5: Plant and equipment

	31 Dec 2019 \$	30 Jun 2019 \$
Plant and equipment - at cost	604,978	614,278
Accumulated depreciation	(255,278)	(195,498)
	349,700	418,780
Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous reporting period:		
Carrying amount at beginning of the period	418,780	489,797
Additions	-	55,983
Transferred to exploration expense and written-off	(6,045)	-
Depreciation expense	(63,035)	(127,000)
Carrying amount at the end of the period	349,700	418,780

Note 6: Deferred exploration and evaluation expenditure

	31 Dec 2019	30 Jun 2019
	\$	\$
Balance at beginning of period 1 July 2019	15,686,988	11,816,184
Expenditure incurred in the period	1,922,047	4,052,804
Expenditure incurred on acquisition of 70% interest in EL2036	-	-
Impairment loss on existing tenements	-	=
Balance at 31 December 2019	17,791,035	15,868,988

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 2019	30 Jun 2019
	\$	\$
Intangible assets		
Goodwill on acquisition	5,995,727	5,995,970
Total intangible assets	5,995,727	5,995,970

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 2019	30 Jun 2019
	\$	\$
Opening balance at 1 July 2019	5,995,970	6,002,733
Additions		-
Disposals		-
Movement in foreign exchange	1,757	(6,763)
Carrying amount at 31 December 2019	5,997,727	5,995,970

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 \$5,997,727 is recorded from the acquisition at 31 December 2019.

Note 8: Investments

	31 Dec 2019 \$	30 Jun 2019 \$
Gold nuggets	50,555	50,555
	50,555	50,555
Note 9: Other assets	31 Dec 2019	30 Jun 2019

	01 000 1015	00 34 =023
	\$	\$
Right To Use Asset	201,716	-
Accumulated Amortisation	(40,343)	-
Security deposits	35,545	35,545
	196,918	35,545
		



Note 10: Trade and other payables

	31 Dec 2019 \$	30 Jun 2019 \$
Trade payables and accrued expenses	198,662	364,200
Amounts payable to Director and related entities	8,800	45,892
Rental deposit received	27,600	27,600
Total trade and other payables	235,062	437,692

Note 11: Other current and non current liabilities

Note 11: Other current and non current liabilities		
	31 Dec 2019	30 Jun 2019
	\$	\$
Current		
Lease Liability	85,336	-
Instalment costs – EL2306	1,200,000	1,300,000
Total other current liabilities	1,285,336	1,300,000
Non current		
Lease Liability	80,118	-
Instalment costs – EL2306	-	450,000
Total other non current liabilities	80,118	450,000

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 \$1,200,000 remain to be paid by the Company at 31 December 2019, with \$750,000 payable by 30 June 2020 and \$450,000 payable by 31 December 2020.

Note 12: Iss	ued Ca	pital
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·	31 Dec 2019 Number of shares	31 Dec 2019 \$	30 Jun 2019 Number of shares	30 Jun 2019 \$
(a) Ordinary shares				
Ordinary Shares, issued	643,683,192	36,906,410	549,716,526	31,798,410
Share issue costs		(2,236,076)		(1,792,076)
Total issued capital		34,670,334		30,006,334

(b) Movements in ordinary shares on issue

Date	Particulars	Number of shares	Issue Price	\$
1 Jul 2019	Opening balance	549,716,526		30,006,334
30 Aug 2019	Ordinary shares issued	21,733,333	\$0.06	1,314,000
04 Sep 2019	Ordinary shares issued	30,000,000	\$0.06	1,800,000
24 Oct 2019	Ordinary shares issued	8,400,000	\$0.06	504,000
02 Dec 2019	Ordinary shares issued	24,833,333	\$0.06	1,490,000
31 Dec 2019	Share issue costs			(444,000)
31 Dec 2019	Total shares on issue and issued capital	643,683,192		34,670,334

Note 13: Reserves

Reserves	31 Dec 2019 \$	30 Jun 2019 \$
Foreign currency translation reserve	(3)	(4)
Share based payments reserve	859,740	697,229
• •	859,737	697,225
Movements in the foreign currency translation reserve		
At 1 July 2019	(4)	(1)
Foreign currency translation	1	(3)
At 31 December 2019	(3)	(4)
Movements in options over ordinary shares on issue		
At 1 July 2019	697,229	395,954
Options expense amortised during the period	162,511	301,275
At 31 December 2019	859,740	697,229

Note 14: Share based payments

	Y	Y
(a) Share-based payments		
Options expense amortised during the period	162,511	99,568
Total allocated against Options Expense Reserve	162,511	99,568

31 Dec 2019



31 Dec 2018

Note 14: Share based payments (continued)

(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 2019.

	31-Dec-2019	31 Dec 2019
	Number	WAEP
Outstanding at 1 July 2019	59,173,246	\$0.173
Unlisted options granted during the half-year	107,966,672	\$0.131
Unlisted options lapsed during the half-year	(14,800,000)	\$0.15
Unlisted options exercised during the half-year		-
Outstanding at 31 December 2019	152,339,918	\$0.131
(c) Options exercisable at reporting date	Number	Exercise Price
GMNAD Unlisted options granted to participating Directors Expiring 26 July $2021^{(1)}$	2,000,000	\$0.15
GMNAE Unlisted options under Employee Share Option Plan Expiring 26 July 2021 ⁽²⁾	7,800,000	\$0.15
Unlisted options granted to participants in share placement Expiring 1 March 2020	10,148,162	\$0.10
Unlisted options granted to participants in share placement Expiring 1 March 2021	10,148,162	\$0.15
Unlisted options granted to participants in share placement Expiring 27 May 2020	7,138,461	\$0.10
Unlisted options granted to participants in share placement Expiring 27 May 2021	7,138,461	\$0.15
Unlisted options granted to participants in share placement Expiring 28 August 2020	9,866,669	\$0.10
Unlisted options granted to participants in share placement Expiring 28 August 2021	9,866,669	\$0.15
Unlisted options granted to participants in share placements Expiring 3 December 2020	31,616,667	\$0.10
Unlisted options granted to participants in share placements Expiring 3 December 2021 and to promoters and related parties pursuant to resolutions 7, 8 and 9 at the 2019 AGM	56,616,667	\$0.15
Exercisable at reporting date	152,339,918	

^{(1) 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.

^{(2) 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.

Note 14: Share based payments (continued)

(d) Fair value of unlisted options

The following table lists the fair value of options granted during the half-year ended 31 December 2019 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.

conditions upon which the options were granted.	
Unlisted options expiring 28 August 2020	
Fair value at grant date (28 August 2019)	\$49,333
Share price at grant date	\$0.051
Exercise price	\$0.100
Expected volatility	74.83%
Expected life	12 months
Expected dividends	Nil
Risk-free interest rate	0.88%
Number of options issued	9,866,669
Unlisted options expiring 28 August 2021	
Fair value at grant date (28 August 2019)	\$69,067
Share price at grant date	\$0.051
Exercise price	\$0.150
Expected volatility	74.83%
Expected life	24 months
Expected dividends	Nil
Risk-free interest rate	0.88%
Number of options issued	9,866,669
Unlisted options expiring 3 December 2020	
Fair value at grant date (3 December 2019)	\$158,083
Share price at grant date	\$0.075
Exercise price	\$0.100
Expected volatility	74.83%
Expected life	12 months
Expected dividends	Nil
Risk-free interest rate	0.88%
Number of options issued	31,616,667
Unlisted options expiring 3 December 2021	
Fair value at grant date (3 December 2019)	\$396,317
Share price at grant date	\$0.075
Exercise price	\$0.150
Expected volatility	74.83%
Expected life	24 months
Expected dividends	Nil
Risk-free interest rate	0.88%
Number of options issued	56,616,667

Note 15: Loss per share

			Half-year 31 Dec 2019 \$	Half-year 31 Dec 2018 \$
a.	Bas	ic Loss per share		
	i.	Basic Loss per share (cents)	(0.15)	(0.11)
	ii.	Net loss used to calculate basic loss per share	(880,894)	(554,553)
		Weighted average number of ordinary shares outstanding		
	iii.	during the half-year used in calculating basic loss per share	590,963,989	515,142,680
b.	Dilu	ited loss per share		
	The	Company's potential ordinary shares, being its options		
	grai	nted, are not considered dilutive as the conversion of these		
	opt	ions would result in a decrease in the net loss per share.	(0.15)	(0.11)

Note 16: Significant Events for the Period

On 8 July 2019, the Company announced an update to its exploration program at its flagship Wabag project in Papua New Guinea, with the focus on Mongae Creek. Trench results at Mongae provide a strong case to drill high-quality porphyry targets with significant intercepts including Mongae NW Trench 1 66 m @ 0.13% Cu and Mongae NW Trench 4 intercepted 154 m @ 0.19% Cu including 142 m @ 0.20% Cu and 0.11 ppm Au and and 13 m @ 0.44% Cu from 68 m.

On 30 July 2019, the Company announced it has received commitments for a placement raising \$2.5 million. The funds from this placement will be used to complete the initial diamond drilling programme at the Mongae NW prospect at the Company's Wabag Project in Papua New Guinea and for general working capital. For every Share issued to a subscriber in the placement an unlisted option over a Share at no additional cost will also be issued. One half of the options issued pursuant to the placement will have an expiry date of 12 months from the date of their issue, each with an exercise price of \$0.10 per option and the remaining half of the options will have an expiry date of 24 months from the date of their issue, with an exercise price of \$0.15 per option. The managing director, Mr Sin Pyng (Tony) Teng is proposing to participate in the \$2.5 million placement to the amount of \$500,000.00. The Company expects to seek approval from holders of ordinary securities for this placement and the placement to Mr Teng at its 2019 annual general meeting.

On 28 August 2019, the Company requested temporary suspension from quotation under ASX Listing Rule 17.2, pending the appointment of sufficient directors to comply with section 201A(2) of the Corporations Act 2001 (Cth).

On 30 August 2019, the Company lodged Appendix 3B for the issue of 21,733,333 new fully paid ordinary shares (Shares) in the company along with 19,733,338 options (Options) for the placement of shares (Placement Shares) at an issue price of \$0.06 per share. The issue of Shares raised a total of \$1,314,000 for purpose of general working capital. The Placement Shares include 19,733,333 Shares with accompanying options of one (1) option at exercise price \$0.10 expiring 28/8/2020 and one (1) option at exercise price \$0.15 expiring 28/8/2021 for every two (2) issued Placement Shares.

On 2 September 2019, the Company announced the appointment of Mr Syed Hizam Alsagoff as a Non-Executive Director of the Company. On 3 September 2019, the Company was reinstated for Official Quotation following the appointment of an additional director meeting the minimum number of directors required under section 201A(2) of the Corporations Act 2001 (Cth).

Note 16: Significant Events for the Period

On 4 September 2019, the Company lodged Appendix 3B for the issue of 30,000,000 new fully paid ordinary shares (Shares) in the company for the placement of shares (Placement Shares) at a price of \$0.06 per share. The sum of \$1,800,000 raised represents part of the proposed share placement announced to the market on 31 July 2019. The Placement Shares has an accompanying entitlement of unlisted options for every two (2) Shares issued, 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). The Placement Options were issued on 2 December 2019 following approval by shareholders at the 2019 Annual General Meeting held on 28 November 2019.

The announcement of the Appendix 3B lodgement further reiterated the participation and acknowledgement of an entity related to managing director, Mr Tony Teng in the placement amount of \$500,000, on the same terms of the placement offer as previously announced by the Company. This issue of securities in shares and options to this entity was approved by shareholders at the 2019 Annual General Meeting held on 28 November 2019 in accordance with ASX Listing Rule 10.11.

On 14 October 2019, the Company announced the appointment of Mr Pay Chuan (Paul) Lim as a Non-Executive Director of the Company. The Company also announced the retirement of Mr Graham Kavanagh as a Non-Executive Director and Chairman of the Company.

On 15 October 2019, the Company announced that following the successful capital raising in August and early September 2019, the company has commenced a 1,250 m diamond drilling programme at its Mongae Northwest Cu-Mo porphyry prospect.

On 24 October 2019, the Company lodged Appendix 3B for the issue of 8,400,000 new fully paid ordinary shares (Shares) in the company for the placement of shares (Placement Shares) at a price of \$0.06 per share. The sum of \$504,000 raised represents part of the proposed share placement announced to the market on 31 July 2019. The Placement Shares has an accompanying entitlement of unlisted options for every two (2) Shares issued, 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). The Placement Options were issued on 2 December 2019 following approval by shareholders at the 2019 Annual General Meeting held on 28 November 2019.

On 28 October 2019, the Company announced the appointment of Mr Tim Cameron as Chief Executive Officer of the Company with effect from 25 October 2019.

On 14 November 2019, the Company announced completion of the first hole drilled at the 1,250 m diamond drilling programme at its Mongae Northwest Cu-Mo porphyry prospect. MCD003 is the first hole drilled into the Monoyal Prospect which is targeted at an area of anomalous copper geochemistry. MCD003 was completed to a depth of 500.50 (planned depth 450m), the hole was planned utilising data from structural interpretation of airborne magnetic surveys, topographic analysis, ground geological mapping, and principal component analysis of soil geochemistry. The hole is also designed to test down dip of Trench 4 which recorded an intercept of 154 m @ 0.19% Cu.

On 2 December 2019, the Company lodged Appendix 3B for the issue of 24,833,333 new fully paid ordinary shares (Shares) in the company for the placement of shares (Placement Shares) at a price of \$0.06 per share. The Placement Shares has an accompanying entitlement of unlisted options for every two (2) Shares issued, 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).

Note 16: Significant Events for the Period

Following approval by shareholders at the 2019 Annual General Meeting held on 28 November, 63,233,334 Placement Options were issued to participants and related parties in share placements announced on 4 September 2019, 24 October 2019 and 2 December 2019. Pursuant to resolution 7 of the 2019 AGM, 25,000,000 unlisted options were issued to Promoters in consideration for the provision of their services and their material contribution to the success of these share placements. The options issued to the promoters are exercisable at \$0.15 within 24 months from date of issue.

Note 17: Events After the Reporting Period

On 28 January 2020, the Company announced the resumption of the nine-hole drilling programme at the Monoyal Prospect. The third hole MCD005 expected to complete by mid-February has drilled down to a depth of 90.9m of planned depth of 400m. Rock chip samples collected previously from Lombokai Creek at northern end of Monoyal have returned assay results of up to 1.34 g/t Au, 10.0% Cu and 73 g/t Au.

On 4 February 2020, the Company reported in response to an Appendix 5B Query of receiving an unsolicited offer of substantial funding from an institution with significant experience in financing emerging companies. The offer is subject only to completion of legal due diligence by the Company and execution by the Board of Gold Mountain Limited.

On 13 February 2020, the Company reported the assay results from the first hole drilled at Monoyal Prospect (MCD003) to contain copper mineralisation averaging 850 ppm Cu over a 500m interval from surface with the best intercept 101m @ 0.14% Cu and 76 ppm Mo from 398 m. MCD003 also contains elevated Au and Ag.

On 19 February 2020, the Company announced that the Mineral Resources Authority of Papua New Guinea has granted its subsidiary, Abundance Valley (PNG) Limited the exploration license EL2563 Kompian. The Lombokai Creek Prospect, thought to be highly prospective for both porphyry and skarn style mineralisation is located on the boundary between EL2306 and this newly granted tenement EL2563.

On 28 February 2020, the Company reported the results of the second hole (MCD004) which continue to show the highly prospective nature of the Monoyal Prospect. The best intercept recorded was 124m @ 0.12% Cu, 105 ppm Mo and 0.06 g/t Au, and from 125m includes a zone of 12.4 m @ 0.19% Cu, 494 ppm Mo and 0.28 g/t Au. MCD005 has been completed while MCD006 drilling has reached a depth of 270.1m.

No 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 18: 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 19: 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 20: Dividends

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

Note 21: Commitments and Contingencies

Remuneration Commitments

There are no remuneration commitments contingent liabilities as at 31 December 2019.

Guarantees

Gold Mountain Limited did not commit to nor make guarantees of any form as at 31 December 2019.

Contingent liabilities

There are no contingent liabilities as at 31 December 2019.

Exploration licence expenditure requirements

The Company holds nine (9) exploration licences covering a total area of about 2,271 sq km (666 sub-blocks) in the Enga province, Papua New Guinea (collectively the Wabag Project) and is required to incur expenditures in total of \$812,000 (PGK 1.92 million) and \$907,000 (PGK 2.15 million) respectively over the next two (2) years on the continuing development and maintenance on these licences.

The Company has one other application for exploration licence (ELA2632) of 148 sub-blocks situated in a contiguous part of the exploration grounds within the Wabag Project. The granting of this additional exploration license remains pending Warden's Hearing.

It is likely that the granting of this new licence application and changes in the 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 10 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 2019 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.

Sin Pyng "Tony" Teng

Director

6th March 2020

Level 5 350 Kent Street SYDNEY NSW 2000

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75 Lyons Road DRUMMOYNE NSW 2047

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 2019 and of its performance for the financial Half-year ended on that date; and
- 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 2019.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Halfyear 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 2019.





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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 2019 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: 6/3/2620

Phone: 02 8639 3000 Fex: 02 8639 3055



