



(ASX: GMN)

ASX RELEASE

20th May 2020

Update Appendix 5B for 31 March 2020

We refer to the Appendix 5B lodged by Gold Mountain Limited (**GMN**) on 30 April 2020.

GMN notes that there was a minor omission in Item 7 of the Appendix 5B in that it does not describe a loan between GMN and a group of shareholders, of which of \$800K is undrawn at end of the quarter.

Cash Outflow Forecast

In item 8 of Appendix 5B announced on 30 April 2020, the Company advised that control measures to scale down the level of exploration and to reduce discretionary expenditures in response to COVID-19 would minimise, if not alleviate the effects of negative operating cash flows. The Company notes the following further information regarding the ongoing reduction of GMN's costs.

- PNG – State of Emergency (SOE) declared on 20 March 2020 for 14 days, and on 6 April 2020 extended the SOE a further 2 months which led to further reduction in expenditure.
- Shutdown of drilling operations and helicopter transport services on 28 March 2020 would lead to an expected reduction in 60% of cash outflow over April – June Quarter.
- GMN's cash outflow forecast for the April-June Quarter is estimated at \$750K.

The Company is intensifying its capital raising effort by extending the Share Placement Offer to overseas investors following indicative interests from certain high-profile Asian investor groups. GMN's local representatives are in continuing discussions with the investor groups and the Company is confident of achieving a funding target of up to \$5 million by end of the quarter.

The Company has faced with many challenges of the COVID-19 in relation to its capital raising initiatives. Despite this, the Company is pleased to acknowledge receipt of \$500,000 of placement funds. Appendix 3B Proposed Issue of Securities will be released shortly.

This announcement is authorised for release by The Board.