



(ASX: GMN)

ASX RELEASE

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HOLE MCD007 DRILL CORES BEING ASSAYED WITH RESULTS PENDING

Highlights

- **Core samples from hole MCD007, the fifth hole drilled in Gold Mountain's nine-hole diamond drilling programme at the Monoyal Prospect, have now arrived at the ALS Laboratory in Townsville**
- **The samples from MCD007 have been prioritised for assay due to the exceptionally encouraging visual indications of mineralisation**
- **Assay results from MCD007 are expected to be released by end of June 2020**
- **Samples from holes MCD005 and MCD006 are in transit to ALS**

Gold Mountain Limited (ASX: GMN) is pleased to provide an update on hole MCD007 which was completed on the 30th March and was the fifth diamond hole drilled at GMN's Monoyal Prospect. The Monoyal Prospect is a copper – molybdenum – gold porphyry target and is one of multiple prospects comprising the Company's flagship Wabag Project in PNG.

Drill samples from hole MCD007 have reached the ALS laboratory in Townsville, Queensland. The impact of the COVID-19 crisis on the exploration industry and more specifically on the transport and logistics network in PNG due to the implementation of a State of Emergency (SOE), significantly hindered the transportation of freight across provincial borders. This was further exacerbated by initially getting samples out of the remote drilling site at Monoyal. These issues have now been resolved, and GMN is pleased to announce that all the samples from the three holes drilled at Monoyal in 2020 are either at ALS (MCD007) or en-route to Australia (MCD005 and MCD006).

A decision was made by GMN to prioritise MCD007 ahead of MCD005 and MCD006 due to the encouraging visual indications of mineralisation observed in the hole.

The Company now expects to announce assay results for MCD007 within the month. The drill samples from holes MCD005 and MCD006 have left site and are now in transit to ALS laboratory for assay, it is expected that these samples will reach the laboratory in the next seven to ten days.

GMN has provided a summary of MCD007 to remind shareholders of why the company has prioritised this hole over MCD005 and MCD006.

Note: All the information presented below has been previously released to the market in an ASX announcement dated the 4th of May 2020. There is no new technical information in this announcement.

MCD007 was drilled to a depth 409.6m, which took the total amount of diamond drilling from the five completed holes at Monoyal to 2,152m. Drilling of the remaining four holes in the Monoyal drilling programme were deferred due to the SOE implemented by the PNG Government due to the COVID-19 crisis. Assay results from MCD005 to MCD007 will now be incorporated into the database and be used to modify the existing drilling programme if warranted.

Initial observations of the mineralisation, alteration and fracture density viewed in MCD007¹ core indicate that the hole could potentially have intersected the highest levels of copper and or gold mineralisation at Monoyal thus far. The style of mineralisation is similar to that seen in holes MCD003 to MCD006, i.e. it was observed in veins (Figure 1), and along fracture surfaces (Figure 2). The key difference, however, is that mineralisation in MCD007 is also seen disseminated in the matrix of the rock, which suggests that the hole is more altered and more mineralising fluids are circulating in the system. It can be postulated that MCD007 has been drilled closer to the mineralised core of a porphyry system.

The intensity of fracturing in sections of MCD007 is high, with many sections of the core containing in excess of 10 fractures per meter, with between 40% to 50% of the fractures coated with mineralisation in the form of iron pyrite, chalcopyrite and molybdenum. Overall, Iron pyrite is the dominate sulphide mineralisation on the fractures with over 40% of the surface area coated with iron pyrite, and the remaining surface area coated with chalcopyrite (between 1 to 5%), molybdenum, (1 to 5%), with quartz, epidote, biotite and chlorite being the other main mineral. Mineralisation on fracture surfaces varies from between 2mm to 5mm thick. Mineralised vein widths vary from 1mm to 10mm, with veins on average containing pyrite (20%) chalcopyrite (1 to 2%) and quartz, (50%), other vein constituents include biotite, clays and chlorite.

As part of the geological logging process, pXRF readings were taken at 25cm intervals along the length of the core. On average (depending on core recoveries) four readings were collected for each sample interval. The averaged pXRF readings returned wide intercepts of > 0.20% Cu with some spot highs in excess of 2.0% Cu being reported. An example of a section of the core which has been analysed using the pXRF is included as Figure 4.

PXRF reading were taken on the rock mass and on mineralised fractures, with only one reading taken on a fracture every meter with the remaining three readings taken on the core surface. The four readings were then averaged to obtain a value for each meter. The final averaged pXRF reading for each 1m interval is highly dependent on the fracture density and the degree of mineralisation on a fracture surface.

¹ First reported in ASX Announcement of 4th May 2020: 'MCD007 Drill Hole Update' Competent Person: Mr Patrick Smith.

As noted in the announcement on the 4th of May 2020, these pXRF readings should be treated with extreme caution and should only be used as a very rough guide to the final assays, as comparison between pXRF readings of core versus the laboratory results at Monoyal has shown large discrepancies in values, either by significantly over estimating or underestimating the final assay value of the sample interval.



Figure 1. MCD007 – 100mm wide Quartz - Clay sulphide vein at 151.30m, vein contains chalcopyrite (5%), pyrite 10% and molybdenum (0.5%)



Figure 2. MCD007 – Mineralisation Styles. (LHS) 203.20m - Molybdenum covers the entire fracture surface. (RHS) from 146.20m, fracture coated with iron pyrite (~40%) and chalcopyrite (~5%)². Layer of sulphides on fracture is ~2mm thick.

Partial brecciation of the core is also observed in sections of MCD007, with the rock broken up and strongly fractured, with clay and disseminated pyrite observed in these highly fractures zones within the core Figure 3.



Figure 3. MCD007 – Strongly fractured and clay pyrite altered core from 46m to 47.40m
Pyrite content in clay between 47.00m to 47.440m is approximately 10%



Figure 4. Core from MCD007 with averaged pXRF reading for each one-meter interval². Mineralisation predominantly confined to fracture surfaces, with between 40 to 50% of the fractures in MCD007 coated with sulphides. The main sulphide mineral was iron-pyrite (~20%), followed by 1 to 2% chalcopyrite on the fractures².

² These pXRF readings on the core may not accurately reflect the final laboratory assay. These pXRF values must be treated with utmost caution and GMN is not implying that these values will be replicated once the final assays are received.

In compliance with the JORC Code (2012), GMN cautions investors and notes that these are selected pictures of the core and that visual estimates of sulphide mineral abundance should not be considered a proxy or substitute for laboratory analyses.

Tim Cameron the CEO of GMN, said; “Each hole we drill at the Monoyal prospect has yielded valuable data with which to narrow down our target area. Hole MCD007 was particularly exciting given the extent and nature of the visual indications of mineralisation as previously announced. The assay data will be in our hands shortly. This data and subsequent assays from MCD005 and 006 will be combined with all the Mongae and Monoyal data and reviewed by a porphyry expert who will assist in planning the remainder of the drilling programme. Recent heavy rains and subsequent flooding at the Monoyal Prospect has exposed fresh mineralised outcrop at Monoyal indicating that the prospect area is now potentially larger than previously estimated³. I am increasingly confident that GMN has discovered something substantial at Monoyal.

This announcement is authorised by the CEO of GMN, Tim Cameron.

In compliance with the JORC Code (2012), GMN cautions investors and notes that comments on visual inspection of mineralisation is a matter of supposition and should not be considered a proxy or substitute for laboratory analyses. Samples are being analysed by the laboratory and full disclosure of these results will be made in due course.

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³ First reported in ASX Announcement of the 22nd May 2020: ‘Wide Zones of Fractured Controlled Copper Mineralisation Recently discovered at the Monoyal Prospect’ Competent Person: Mr Patrick Smith.

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Reference to Previous Releases

Gold Mountain Limited confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements dated the 4th of May 2020 and the 22nd of May 2020. Gold Mountain Limited confirms that the form and context in which the Competent Person findings are presented here have not been materially modified from the original market announcements.