



(ASX: GMN)

12 August 2021

ASX RELEASE

Rights Issue Closes Oversubscribed

Highlights

- Renounceable rights issue seeking to raise \$5.1 million closes oversubscribed
- Significant support from shareholders and new institutional and professional investors
- Gold Mountain now well funded to advance the Company's exploration projects and prospects at the highly prospective Wabag Project in PNG

Gold Mountain Limited (ASX: GMN, **Gold Mountain** or the **Company**) is pleased to announce that the renounceable rights issue announced on 14 July 2021 has closed significantly oversubscribed and raised **\$5.1 million**. To accommodate a portion of the excess demand, the Company has agreed to undertake a placement to raise an additional \$281,834 on the same terms as the rights issue (**Follow-on Placement**).

Following completion of the Follow-on Placement, the total amount raised will be **\$5.4 million** before costs. The Company will issue a total of 270 million new fully paid ordinary shares (**Shares**) and 90 million new options exercisable at \$0.04, with an expiry of 16 February 2023 (**Options**). The Options will be quoted under the ASX code GMNOA.

Under the Follow-on Placement, the Company will issue 14,091,700 new Shares and 4,697,233 GMNOA options. These will be issued using the Company's existing capacity under Listing Rule 7.1 and 7.1A and without shareholder approval. Additionally, the Company advises that it has received adjustment notices from the subscribers of the placement announced 16 November 2020. Pursuant to the adjustment notices, the Company will issue the subscribers with an additional 32,424,242 shares, utilising the Company's existing capacity under Listing Rule 7.1.

Mahe Capital Pty Ltd (ACN 634 087 84) (**Mahe Capital**) acted as Lead Manager and Underwriter to the Rights Issue and advised Gold Mountain on the Rights Issue and the Follow-on Placement.

The proceeds from the rights issue and the Follow-on Placement will be used to advance the Company's projects and prospects within the Wabag Project in PNG through:

- A 6,000 – 8,000m targeted drilling program at the highly prospective Mt Wipi target;
- Conducting a detailed airborne geophysical survey;

- Compilation and review of the extensive geological database for the highly prospective Monoyal and Sak Creek target areas, with specific focus on Lombokai Creek; and
- Continued Regional exploration works programme

Funds raised will also be used for general working capital, repayment of debt and to cover costs associated with the offers.

The final results from the Rights Issue and the details of the Follow-on Placement are set out below:

	Funds raised	Shares	GMNOA Options*
Rights taken up	\$1,432,660	71,632,988	23,877,663
Shortfall placed	\$3,685,506	184,275,320	61,425,107
Follow-on Placement	\$281,834	14,091,700	4,697,233
Total	\$5,400,000	270,000,000	90,000,000

*The number of new Shares and GMNOA Options issued is subject to rounding. A further 21,600,000 GMNOA options will be issued to the underwriter as described in the Prospectus.

The new securities are expected to be issued on 16 August 2021, in accordance with the timetable in the Prospectus.

Gold Mountain's Chief Executive Officer, Tim Cameron said: *"I would like to thank our shareholders for the support they have shown during this Rights Issue, demonstrating their continued commitment to the Company and enthusiasm for our future as we progress targeted exploration in the highly prospective Wabag Project. In the near term I am particularly excited about the drilling program at our six drill ready targets in Mt Wipi and uncovering the potential at both Lombokai Creek and the new target that has just been identified at Mt Nemai."*

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This announcement is authorised for release by the Board of Gold Mountain Limited.

For further information please visit the website www.goldmountainltd.com.au or contact:

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