

Gold Mountain Limited

ACN 115 845 942

SUPPLEMENTARY PROSPECTUS

Important Information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 14 July 2021 (**Prospectus**) issued by Gold Mountain Limited (**Company**).

This Supplementary Prospectus is dated 12 August 2021 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that day. Neither ASIC nor ASX (and their respective officers) take any responsibility as to the contents of this Supplementary Prospectus.

To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisors without delay.

1 ISSUE OF FURTHER SECURITIES UNDER THE PROSPECTUS

The Company advises that, as a result of excess demand under the Shortfall Offer it has today agreed to issue an additional 14,091,700 New Shares and 4,697,233 attaching New Options under the Prospectus to raise an additional \$281,834 (**Follow-on Placement**). Additional funds raised will be used for the purposes set out in this Supplementary Prospectus.

The Follow-on Placement is made without Shareholder approval, and the securities will be issued under the Company's existing capacity under Listing Rule 7.1 and 7.1A.

The New Options will be listed under the ASX code GMNOA.

Attached to this Supplementary Prospectus is an announcement made by the Company to the ASX today.

The Shortfall Offer remains open for the purposes of section 708A(11) of the Corporations Act. Applications can only be made by an application form provided to a person nominated by the Directors, and is not open to any other person.

2 AMENDMENTS TO PROSPECTUS

The following sections of the Prospectus are amended as follows:

2.1 Capital structure

Sections 2, 4 and 5.4 of the Prospectus are amended to reflect the current number of securities on issue:

Shares on issue prior to the Offer	767,724,924
New Shares issued under the Prospectus ¹	270,000,000
Total Shares on issue	1,037,724,924
Total Options on issue prior to the Offer	199,650,262
New Options issued under the Prospectus	111,600,000
Amount raised under the Prospectus (before costs)	\$5,400,000

¹ The Company has also received an adjustment notice under the subscription agreement announced to ASX on 16 November 2021, and will issue a further 32,424,242 Shares under that agreement.

The number of Shares and GMNOA Options issued is subject to rounding.

The above table includes 21,600,000 New Options issued to the Underwriter in part satisfaction of its fees. See section 8.4 of the Prospectus for further details on the fees to be paid to the Underwriter.

2.2 Use of funds

Sections 4 and 5.2 of the Prospectus are amended to reflect the increased amount raised:

Use of funds (approx.)	Amount (A\$'000)
Repayment of debts	1,091
Exploration consisting:	3,400
(a) targeted drilling program in the highly prospective Mt Wipi target area	
(b) a detailed airborne geophysical survey (100m x 100m spacing)	
(c) compilation and review of extensive geological data for the highly prospective Monoyal and Sak Creek prospects areas with specific focus on Lombokai Creek	
(d) continued Regional exploration works programme	

Working capital	1,312
Cash costs of the Offer ³	403
Total use of existing cash and funds raised	6,206

2.3 Statement of financial position

Set out in the annexure to this Supplementary Prospectus is the unaudited Statement of Financial Position for the Company, as at 29 June 2021 and on the basis of the following assumptions:

- (a) the Offer was effective on 29 June 2021;
- (b) no further Shares are issued other than all Shares offered under this Prospectus (the Offer and Follow-on Placement);
- (c) \$5,400,000 is received under the Offers; and
- (d) (cash) costs of the Offer are \$403,000.

The pro-forma Statement of Financial Position has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company set out in the annexure to this Supplementary Prospectus. The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

2.4 Dilution

Shareholders who did not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect on the basis of the full amount raised under the Prospectus and assuming no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	3,838,625	0.005	1,279,541	3,838,625	0.0037
2	5,757,937	0.0075	1,919,312	5,757,937	0.0055
3	7,677,249	0.01	2,559,083	7,677,249	0.0074
4	19,193,123	0.025	6,397,707	19,193,123	0.0185

2.5 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Supplementary Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Supplementary Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Supplementary Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Supplementary Prospectus;
- (b) has not caused or authorised the issue of this Supplementary Prospectus;
- (c) has not made any statement in this Supplementary Prospectus or any statement on which a statement in this Supplementary Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Supplementary Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Supplementary Prospectus with the consent of that person.

Name	Role
Mahe Capital Pty Limited	Lead Manager and Underwriter

2.6 Expenses of the Offer

The total (cash) expenses of the Offer excluding GST are estimated to be \$403,000, consisting of the following:

Cost ¹	A\$
Legal fees	35,000
ASX and ASIC fees	18,000
Capital raising fees ²	320,000
Printing, postage and other expenses	30,000
Total	403,000

¹ These expenses have or will be paid by the Company.

² The Company has also agreed to issue 21,600,000 New Options to the Underwriter in part satisfaction of its fees. See section 8.4 of the Prospectus for details.

The Directors do not consider the circumstances disclosed in this Supplementary Prospectus to be materially adverse from the point of view of an investor, and no withdrawal rights will be offered to investors.

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC.

Dated: 12 August 2021

A handwritten signature in black ink, appearing to be 'Tim Cameron', written in a cursive style.

By Mr Tim Cameron
Executive Director
On behalf of Gold Mountain Limited

SCHEDULE 1 ASX ANNOUNCEMENT MADE ON 12 AUGUST 2021



(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."*

- END -

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:

Tim Cameron
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SCHEDULE 2 PRO FORMA STATEMENT OF FINANCIAL POSITION

	Full			
Values in AUD	Unaudited	Underwritten Amount	Subscription	Top-up Placement
CURRENT ASSETS				
Cash and cash equivalents**1	806,264	1,504,689	4,508,855	4,711,689
Trade and other receivables	113,496	113,496	113,496	113,496
TOTAL CURRENT ASSETS	919,760	1,618,185	4,622,351	4,825,185
NON-CURRENT ASSETS				
Plant and equipment	226,412	226,412	226,412	226,412
Right of Use Assets	42,702	42,702	42,703	42,703
Deferred exploration & evaluation expenditure	22,148,613	22,148,613	22,148,612	22,148,612
Intangible assets	6,300,000	6,300,000	6,300,000	6,300,000
Investments	50,555	50,555	50,555	50,555
Other assets	35,545	35,545	35,545	35,545
TOTAL NON-CURRENT ASSETS	28,803,827	28,803,827	28,803,827	28,803,827
TOTAL ASSETS	29,723,587	30,422,012	33,426,178	33,629,012
CURRENT LIABILITIES				
Trade and other payables	118,298	-	-	-
Borrowings	973,277	-	-	-
Other current liabilities	72,200	72,200	72,200	72,200
TOTAL CURRENT LIABILITIES	1,163,775	72,200	72,200	72,200
NON-CURRENT LIABILITIES	-	-	-	-
TOTAL LIABILITIES	1,163,775	72,200	72,200	72,200
NET ASSETS	28,559,812	30,349,812	33,353,978	33,556,812
EQUITY				
Contributed equity**2	40,955,834	42,745,834	45,750,000	47,742,834
Reserves	465,683	465,683	465,683	465,683
Accumulated Losses	(12,861,705)	(12,861,705)	(12,861,705)	(12,861,705)
TOTAL EQUITY	28,559,812	30,349,812	33,353,978	35,346,812