



**(ASX: GMN)**

**ASX RELEASE**

29 November 2021

## **Wabag Project Drilling Update**

### **Highlights**

- Four holes (MWD001 to 004) for 1,110m have been completed at the Mt Wipi Prospect with the drilling of a fifth hole, MWD005, due to commence in the coming days
- The samples from MWD001 to MWD003 have been despatched to the Intertek laboratory in Lae and results are pending. Samples from MWD004 will be sent to the laboratory in early December
- Turn around in results from the laboratory is slow with results taking 6 to 8 weeks to be received which is significantly longer than normal; the first results from the Mt Wipi drilling programme are expected within the next 2 weeks

### **Mt Wipi Drilling Programme**

Gold Mountain Ltd (ASX:GMN) is pleased to provide its shareholders with an update on the Company's current drilling programme at its Wabag Project, PNG.

Drilling commenced at the Mt Wipi prospect in August 2021<sup>1</sup>, and as at 29 November, four holes (MWD001 to MWD004) have been completed for a total of approximately 1,110m. The drill rig is currently in the process of being moved to another site and it is expected that a fifth hole (MWD005) will be completed prior to a break for Christmas and the New Year.

All the samples from the first three holes have been transported to the Intertek laboratory in Lae with assays pending. Samples from MWD004 will be despatched to the laboratory in the first week of December.

The Intertek laboratory is experiencing slow turn around of samples due to a shortage of staff Australia wide and more particularly at their Townsville laboratory where the sample pulps

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<sup>1</sup> First reported in ASX Announcement of 24<sup>th</sup> August 2021,: 'Maiden Diamond Drilling Programme Commenced at Highly Prospective Mt Wipi Prospect'. Competent Person: Mr Patrick Smith Diamond Drilling Programme

from the current drilling programme are sent for multi-element analysis. Once assay results are received Gold Mountain will release them to the market.

MWD001 to MWD003 were drilled to test the Northwest copper – molybdenum and gold anomaly, where a distinct copper + molybdenum and gold in soil anomaly was identified by a -80 mesh soil programme<sup>2</sup> followed up by anomalous results in trench MWTR003. The copper in soil anomaly has dimensions of 1000m x 500m and contains values up to 0.29% Cu, 0.5 g/t Au and 37ppm Mo.

Hole MWD001 intersected oxidised skarn, intruded by various diorites and intermediate dykes and a number of structures. MWD002 intersected a variably altered feldspar diorite interspersed with a strongly calc-silicate altered sediment sequence which contains evidence of skarn mineralisation, and MWD003 intersected a moderately structurally affected quartz feldspar porphyritic diorite.

The drill hole parameters are detailed in Table 1 and the drill hole locations are shown in Figure 1.

*Table 1. EL2632 – Mt Wipi, drill hole parameters*

Hole No.	Easting	Northing	RL	Dip	Azim	Depth	Proposed Depth
MWD001	799,154	9,734,487	1,616	-60	90	203.4	300
MWD002	799,358	9,434,786	1,434	-60	131	235.8	300
MWD003	799,312	9,433,717	1,501	-60	350	348.0	300
MWD004	799,312	9,435,087	1,245	-60	315	324.0	350

The recently completed hole, MWD004, was designed to test highly anomalous trench sampling in the Waa Creek drainage, where previous channel sampling in late 2020 identified two zones of strong copper + gold skarn mineralisation. Key results included: 5m @ 2.57% Cu, 0.53 g/t Au and 33.56 g/t Ag from 172m, 7m @ 0.91% Cu, 0.19 g/t Au and 3.62 g/t Ag from 33m and 7m @ 0.82% Cu, 0.63 g/t Au and 7.37 g/t Ag from 45m<sup>3</sup>. MWD004 was drilled to test the down dip extensions to these zones and to attempt to intersect the marbleised contact between calc-silicate rocks and a prophyry intrusive.

The diamond drill core from MWD004 is currently being geologically logged, photographed and sampled, and it is expected that all the samples from this hole will be despatched to Intertek laboratory by early December.

<sup>2</sup> First reported in ASX Announcement of 19 May 2021: 'Drill Targets Identified at Mt Wipi'. Competent Person: Mr Patrick Smith

<sup>3</sup> First reported in ASX Announcement of 20 January 2021: 'Significant results at Mt Wipi, Affirm Gold Mountain's multiple target strategy'. Competent Person: Mr Patrick Smith

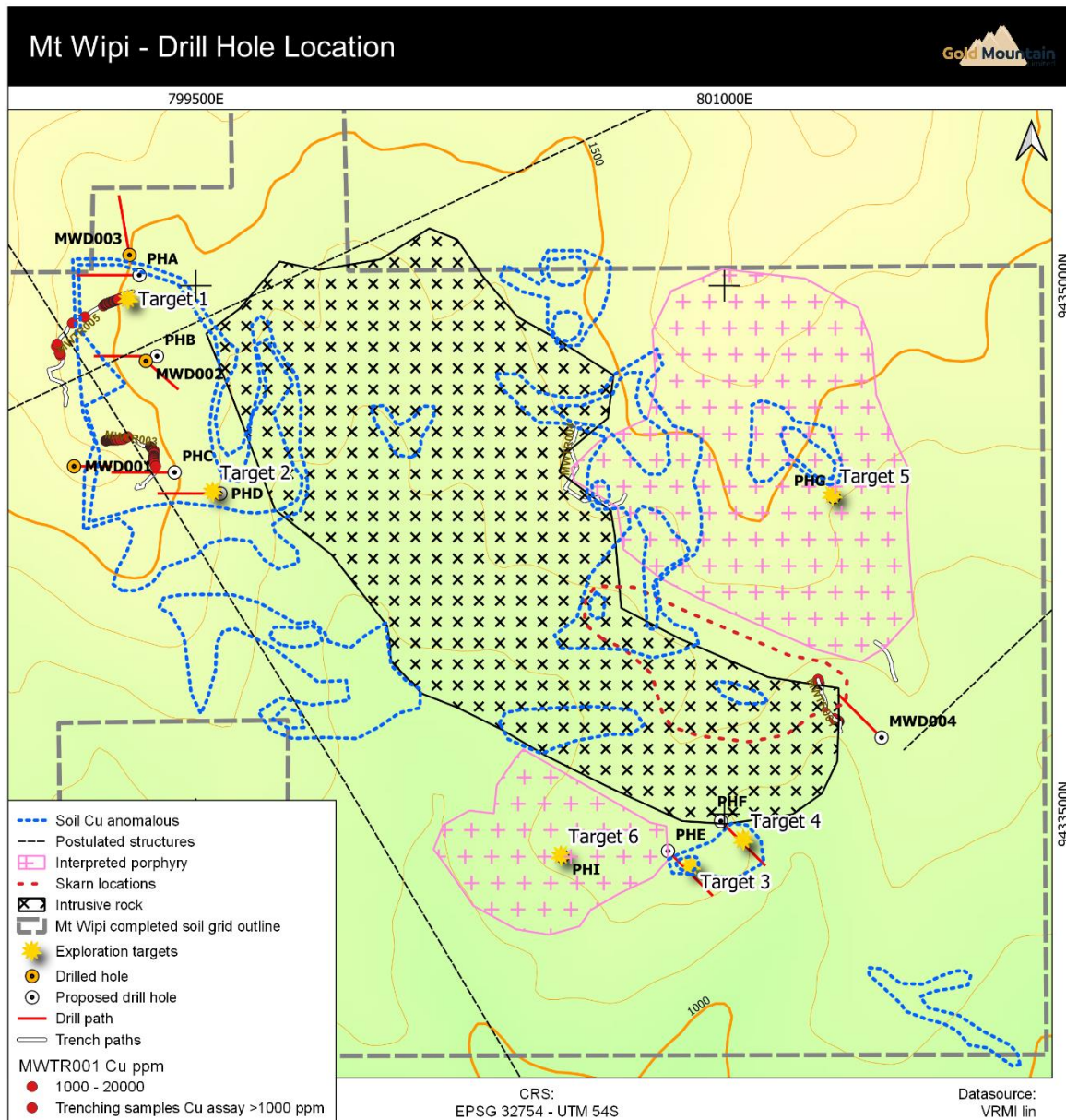


Figure 1. Drill Hole location map

## Planned Drilling Programme

Prior to the end of the year Gold Mountain plans to drill an additional hole to test the down dip extension of mineralisation intersected by trench three, (MWTR003), which intersected two wide anomalous zones of copper and gold geochemistry<sup>4</sup>, including: 37m @ 0.24g/t Au, 0.25% Cu and 5.4g/t Ag from 6m and 62m @ 0.20g/t Au, 0.18% Cu and 4.65g/t Ag from 145m. It is expected that this hole will be completed in mid-December when drilling will be paused for the Christmas – New year break.

<sup>4</sup> First reported in ASX Announcement of 9 September 2021: 'Successful Trenching at Mt Wipi Highlights Porphyry Prospectivity'. Competent Person: Mr Patrick Smith

Gold Mountain currently has four other targets that it plans to test at the Mt Wipi prospect, which were identified earlier in the year<sup>5</sup>, however the company is continually exploring and identifying new targets on a monthly basis. Over the Christmas and New Year break, the Company will evaluate and integrate all new exploration data ahead of follow-up drill programs in 2022.

Gold Mountain CEO, Tim Cameron, stated: *"I am very happy with the progress of the drilling programme, with four holes completed to date, and the likelihood that we will complete another hole prior to years' end. While laboratories across Australia have been impacted by increased exploration activity and disruptions from COVID-19 travel restrictions, the technical team is working extremely hard to minimise any delays"*.

*"The Company has achieved a lot this year, with our successful regional rock chip and soil sampling programmes culminating in this current diamond drilling programme. Our systematic exploration programme is continuing and our geologists are identifying additional targets that warrant follow-up. Results from current drilling, which we expect to start receiving over coming weeks, will be integrated into our existing database, and will allow the Company to map out an aggressive and high-impact exploration program for the coming year"*.

*"With the good work we are doing at our key Mt Wipi prospect, I believe all of this brings us closer to a breakthrough discovery. I am confident that 2022 will be a great year for GMN"*.

-END-

For further information please visit the website [www.goldmountainltd.com.au](http://www.goldmountainltd.com.au) or contact:



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<sup>5</sup> First reported in ASX Announcement of 4<sup>th</sup> August 2021,: 'Additional Highly Prospective Diamond Drill targets Identified at Mt Wipi". Competent Person: Mr Patrick Smith

## Reference to Previous Releases

Soil and trench results and target identification referred to in this announcement have been previously announced to the market in the reports dated: 20 January 2021, 19 May 2021, 4 August 2021, 24 August 2021 and 9 September 2021, and are available to view and download from the Company's website: <https://goldmountainltd.com.au/corporate/asx-announcements/>.

The Competent Person responsible for the original reports on the soil sampling and trench data was Mr Pat Smith. Gold Mountain confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. Gold Mountain confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Patrick Smith, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy.

Patrick Smith is the owner and sole director of PSGS Pty Ltd and is contracted to Gold Mountain Ltd as their Operations Manager. Mr Smith confirms there is no potential for a conflict of interest in acting as the Competent Person. Mr Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears



## Appendix 1 JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling results have been disclosed in this document and no sample results have been disclosed that have not been previously announced</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling on the project is being undertaken by QED using an Atlas Copco helicopter transportable drill rig running triple tube PQ / HQ / NQ equipment. Drilling was used to produce drill core with a diameter of 85 mm (PQ) or 63.5mm (HQ) and 47.6mm.</li> <li>Diamond core was orientated downhole using a reflex core orientation device and alpha and beta angles recorded where the core was competent enough to collect readings</li> <li>Details of the azimuth and the dip for each hole is presented in Table one in the body of this document</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li><i>Whether a relationship exists</i></li> </ul>	<ul style="list-style-type: none"> <li>Recovery measured for each drill run as a ratio of recovered core per run length. Diamond core recoveries were logged and recorded in the database. The overall recovery for MWD0001 to MWD004 was plus 85%, with the majority of core loss in the top 100 m of the hole in the oxide zone</li> <li>Triple tube drilling and sound SOPs ensured good core recovery. Depths are checked against the depth given on the</li> </ul>

	<p><i>between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>core blocks and rod counts are routinely carried out by the driller.</p> <ul style="list-style-type: none"> <li>Relationship between recovery and grade cannot yet be established. However, this issue is not overly relevant to diamond drilling and is more problematic for RC drilling.</li> </ul>
Logging	<ul style="list-style-type: none"> <li><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li><i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>All core samples were photographed and geologically logged.</li> <li>Logging of sampling followed Company SOPs. Core was geologically and geotechnically logged including lithology, mineralogy, alteration, veining and weathering, structure and geotechnical parameters.</li> <li>Drill core logging of lithologies, structures, alteration veining and mineralisation.</li> <li>Drill core logging of lithologies, structures, alteration veining and mineralisation suitable to support MRE.</li> <li>All core from MWD001 to MWD004 has been logged and the entire hole s being assayed.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>All samples are half-core.</li> <li>Industry standard sample preparation techniques undertaken at Intertek in Lae (PNG) for gold and by Intertek in Townsville (Australia) for multi-element analysis.</li> <li>The Entire samples were pulverised by the laboratory prior to sub-sampling.</li> <li>QC procedures - No duplicate samples collected in the field or company standards submitted. Laboratory standards used.</li> <li>No second-half sampling of the diamond core has been conducted.</li> <li>Sample sizes are appropriate for the type of material being sampled to ensure good representivity.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make</i></li> </ul>	<ul style="list-style-type: none"> <li>Industry standard analytical methods undertaken by Intertek is Lae, (PNG), Queensland.</li> <li>Gold assays were completed using Interteks' 50 g fire assays (method Au-FA50).</li> <li>Multi-element assays were completed using Interteks' 0.25 g sub-sample digested in 4-acid digest followed by ICP-(4A/MS).</li> <li>QC by laboratory included check assays, duplicate sub-sampling, blanks and standards. QC results show acceptable accuracy and precision. Industry standard.</li> </ul>

	<p><i>and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No assay data is being reported</li> <li>• All primary data recorded in field logs and notebooks, then transferred into a database.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill hole collar pegged before drilling and surveyed using a Garmin GPSMAP64ST hand-held GPS unit (lateral accuracy+/- 5 m). This is considered appropriate at this early stage of exploration by the competent person.</li> <li>• Grid system used is WGS84, Zone 54S.</li> <li>• Currently there is no DTM for the prospect, RLs are recorded using a hand held Garmin GPS unit, as the prospect develops a DTM for the area will be constructed</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Data spacing is sufficient for reconnaissance stage exploration sampling and drilling programs. Data from the Fugro geophysical survey was flown at an indeterminate height above surface with 400m line spacing which is appropriate for an airborne geophysical campaign and for early exploration.</li> <li>• Data spacing for the diamond drill holes is not relevant for this reconnaissance stage of exploration. It will not be used for Resource Estimation purposes.</li> <li>• The data spacing of the geophysical survey is sufficient to allow for preliminary interpretations of the geology and structure of the Wabag area.</li> <li>• There has been no sample compositing</li> </ul>



<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>The orientation of samples is not likely to bias the assay results and is not relevant given the scouting nature of the drill hole.</li> <li>There is no apparent bias in the drill orientation used.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Samples packed into polyweave sacks, sealed by cable ties and transported to Intertek in Lae (PNG) by GMN contractors. The samples undergo sample preparation in Lae and are assayed for Gold. The pulverised samples are then forwarded to Intertek in Townsville (Australia) for multi-element analysis by Intertek</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews undertaken.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling undertaken on Exploration Licence EL2632 in Enga Province, PNG.</li> <li>EL2632 was granted on the 14th of August 2020 for a period of two years, the tenement is held by GMN 6788 (PNG) Limited (100%).</li> <li>There are no impediments to conduct exploration programs on the tenements.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>All exploration programs conducted by Gold Mountain Limited.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>EL2632 occurs within a major structural zone, the New Guinea Mobile Belt. It is underlain by Cretaceous-Paleocene marine sediments of the Chim Formation in the east, Eocene micrite and fine calcarenite of the Nebilyer unit limestone in the north, Oligocene-Miocene siltstone and shale of the Kera unit, Miocene sediments and andesitic volcanics of the Aure Group. Miocene granodiorite and diorite of the Wale Batholith intrude the sediments in the northern part of the EL. Pliocene Timun Conglomerate, composed of a variety of rock type clasts, occurs in the headwaters of the Timun River in the south-eastern part of the EL.</li> <li>EL2632 contain the potential for skarn deposits and porphyry copper-gold deposits, intrusive-related gold and epithermal gold deposits.</li> <li>The Mt Wipi prospect is targeting porphyry mineralisation within a variably altered porphyritic tonalite and micro-diorite</li> <li>Mineralisation encountered to date has been predominantly iron-pyrite, chalcopyrite and molybdenum observed on fracture surfaces and in veins.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results</li> </ul>	<ul style="list-style-type: none"> <li>Drilling by QED using an Atlas Copco helicopter transportable Drill Rig running triple tube PQ / HQ drill rods.</li> <li>All drill holes were pegged as required using a Garmin hand-</li> </ul>

	<ul style="list-style-type: none"> <li><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<p>held GPS unit. The drill rig was positioned and oriented on the drill pad by the geologist using GPS and compass and declination was determined by a clinometer on the mast of the rig and aligned.</p> <ul style="list-style-type: none"> <li>Collar co-ordinates, inclination, azimuth and depth presented in the body of this announcement.</li> <li>Apart from results reported in the attached report, no other assay results are considered to be significant.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>No assay results have been reported in this release</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>No assay results that have not been previously reported have been reported in this release</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and</i></li> </ul>	<ul style="list-style-type: none"> <li>A plan view of drill hole locations are included in the attached report.</li> </ul>

	<i>appropriate sectional views.</i>	
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All exploration results are reported in a balanced manner. All results are supported by clear and extensive diagrams and descriptions. No assays or other relevant information for interpreting the results have been omitted.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	
<i>Further work</i>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</li> </ul>	<p>Additional drill holes are planned at the Mt Wipi prospect and drill targets are currently being generated. Assay results for MWD001 to MWD004 will be announced when they come to hand.</p>