



(ASX: GMN)

ASX RELEASE

## Quarterly Activities Report For the Quarter Ended 31 December 2021

Gold Mountain Limited (ASX: GMN, “Gold Mountain” or the “Company”) advises its activities during the December 2021 Quarter.

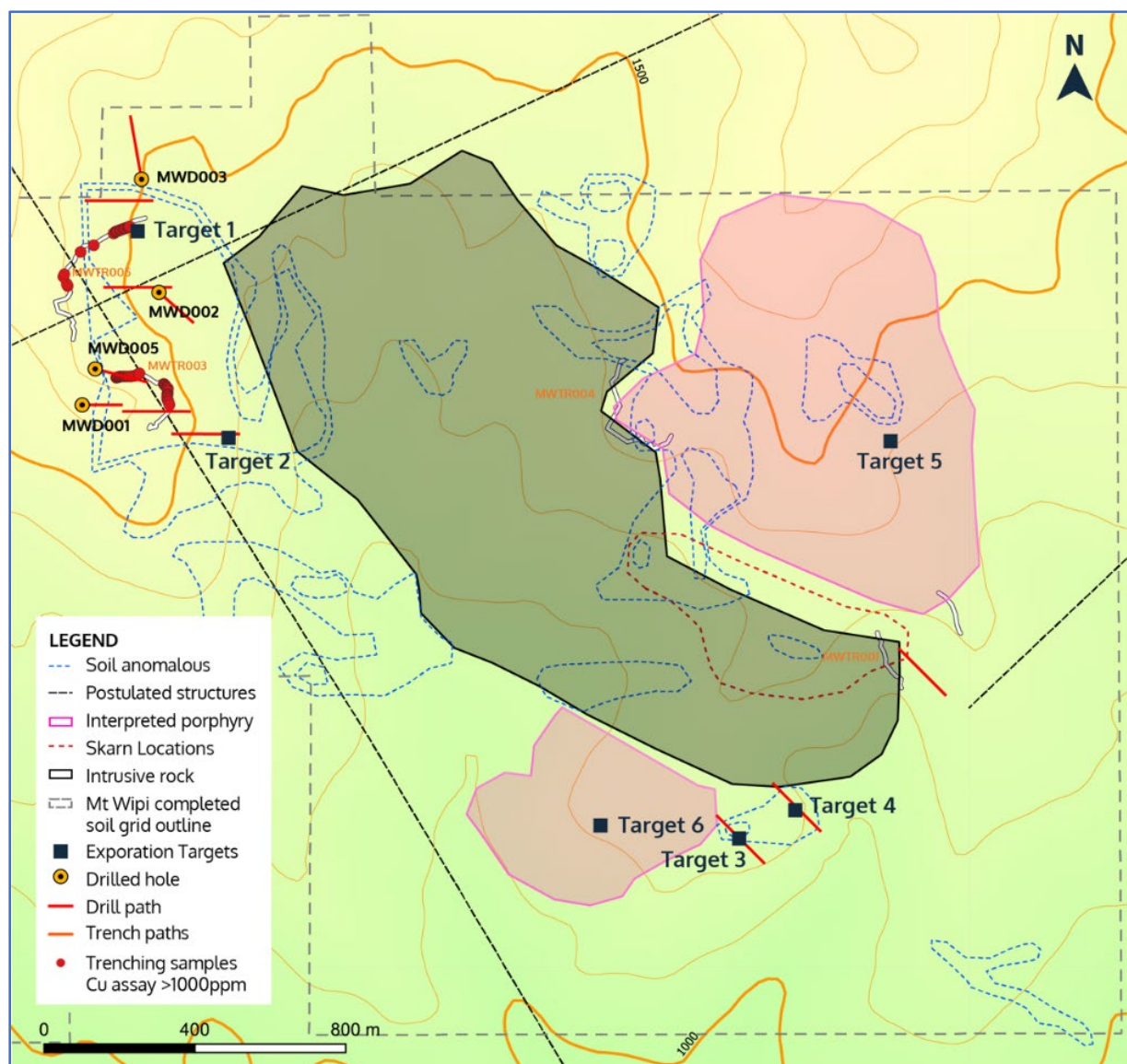
### Highlights

- Four holes (MWD001 to 004) for 1,114m have been completed at the Mt Wipi prospect in the December quarter with a fifth hole, MWD005 in progress which is expected to be complete by late January 2022
- Assay results have been received for holes MWD001 and MWD002, with both holes exhibiting strong alteration with associated elevated copper mineralisation to 0.33% Cu in MWD001 over a 1m interval, and gold to 0.31g/t Au, silver to 30g/t Ag and molybdenum to 151ppm intersected in MWD002, again over 1m intervals
- Holes MWD001, MWD002 and MWD004 intersected skarn style alteration within highly altered sediments containing, garnet, diopside, silica, epidote and carbonates associated with pyrite
- Hole MWD003 intersected an altered diorite with fracture controlled and micro quartz sulphide veined mineralisation, with chalcopyrite and molybdenum observed
- Hole MWD005 exhibits strong alteration and fracturing with pyrite sulphides disseminated in the skarn matrix and in small veins and fractures
- Continued exploration work at the Mt Wipi prospect has extended the mineralised corridor to approximately 6.5km by 2.5km which has yet to be closed off
- Gold Mountain has identified two new prospects in this corridor, the Kandum / Pully Prospect and the Anwan Prospect

## Mt Wipi Drilling Program (EL2632)

Drilling commenced at Mt Wipi in August 2021, with four holes (MWD001 to MWD004) for approximately 1,110m having been completed at the end of the December quarter. A fifth hole (MWD005) is currently in progress and should be completed in January 2022.

The drill hole parameters for the Mt Wipi program are detailed in Table 1 and the drill hole locations are shown in Figure 1.



*Figure 1. Mt Wipi Prospect Drill Hole location map*

Table 1. EL2632 – Mt Wipi, drill hole parameters

Hole No.	Easting	Northing	RL	Dip	Azim	Depth
MWD001	799,154	9,734,487	1,616	-60	90	203.4
MWD002	799,358	9,434,786	1,434	-60	131	235.8
MWD003	799,312	9,433,717	1,501	-60	350	348.0
MWD004	799,312	9,435,087	1,245	-60	315	324.0
MWD005*	799,189	9,434,583	1,569	-55	105	244.5*

\*Drilling still in progress

MWD001 to MWD003 were drilled to test the “Northwest anomaly” where a distinct copper + molybdenum and gold in soil anomaly was identified by a -80 mesh soil program<sup>1</sup> followed up by anomalous results in trench MWTR003.

Hole MWD001<sup>2</sup> intersected an oxidised skarn, intruded by various diorites and intermediate dykes and a number of structures. Assay results from this hole returned an 8m section which averaged 0.20% Cu from 69m. Gold assays were above detection limits in the top 110m of the hole, ranging from 0.05 to 0.086g/t Au indicating the system has been subjected to mineralising fluids.

MWD002 intersected a variably altered feldspar diorite which has intruded into strongly altered calc-silicate sediments which contain evidence of skarn mineralisation with the hole intersecting anomalous copper ranging up to 407ppm Cu, with the entire hole averaging 142ppm copper. Gold to 0.30g/t was recorded in a 1m interval from 74m, and moderately anomalous silver recorded over 14m @ 6.14g/t from 2m.

MWD003 intersected a micro-diorite which is strongly altered and fractured. Chalcopyrite to 1% and associated molybdenum have been observed on fracture surfaces and micro quartz sulphide veinlets. Alteration associated with mineralisation is indicative of Potassic alteration.

MWD004 intersected extremely altered and hornfelsed rocks which exhibit skarn mineralisation. The hole intersected ferruginous quartz veins in the hole, indicating significant oxidation depth into the sequence due to large scale structures and secondary fracture systems with vein density varying between 1 vein per meter to over 5 veins per meter.

<sup>1</sup> First reported in ASX Announcement of 19 May 2021, “Drill Targets Identified at Mt Wipi”. Competent Person: Mr Patrick Smith

<sup>2</sup> First reported in ASX Announcement of 22 December 2021, “Mt Wipi Drilling Update and Expansion of Mineralised Zone” Competent Person: Mr Patrick Smith

## Reconnaissance Mapping

Further exploration undertaken concurrently with the maiden drilling program has continued to grow the prospective footprint at Mt Wipi, with additional skarns and potential porphyry intrusives identified at the Kandum, Pully and Anwan Creek prospects<sup>3</sup> (Figure 2).

- The Kandum prospect and nearby Pully Prospect are situated along the eastern and southern flanks of Mt Wipi which is a distinct topographic high, possibly indicative of silicification
- The Kandum prospect is defined as a coincident magnetic high and more moderate potassic high with associated skarn alteration associated and oxide copper occurrences
- The Pully prospect occurs at the intersection of mapped Wabia Limestone, a NE cross structure and two major NNW trending structures
- Ridge and spur sampling has been completed over the Kandum and Pully prospects as a prelude to a larger regional program in this northern area
- The Anwan Creek prospect is located 400m NW of the Mt Wipi main exploration camp, where skarn mineralisation has been sampled over a 7m channel containing individual channel samples assaying up to 8.66% Cu, 1.46g/t Au and 34.9g/t Ag,

## Tenement Details

There were no changes to ownership of the Company's tenements in the December quarter and no farm in agreements or joint venture agreements were entered into. Wardens hearings for EL2306 and 2563 have been scheduled for late February 2022.

A complete schedule on the status of the Gold Mountain tenements that comprise the Wabag project is included as Table 2 and a map showing the status of the Company's tenements is included as Figure 3.

---

<sup>3</sup> First reported in ASX Announcement of 22 December 2021, "Mt Wipi Drilling Update and Expansion of Mineralised Zone" Competent Person: Mr Patrick Smith

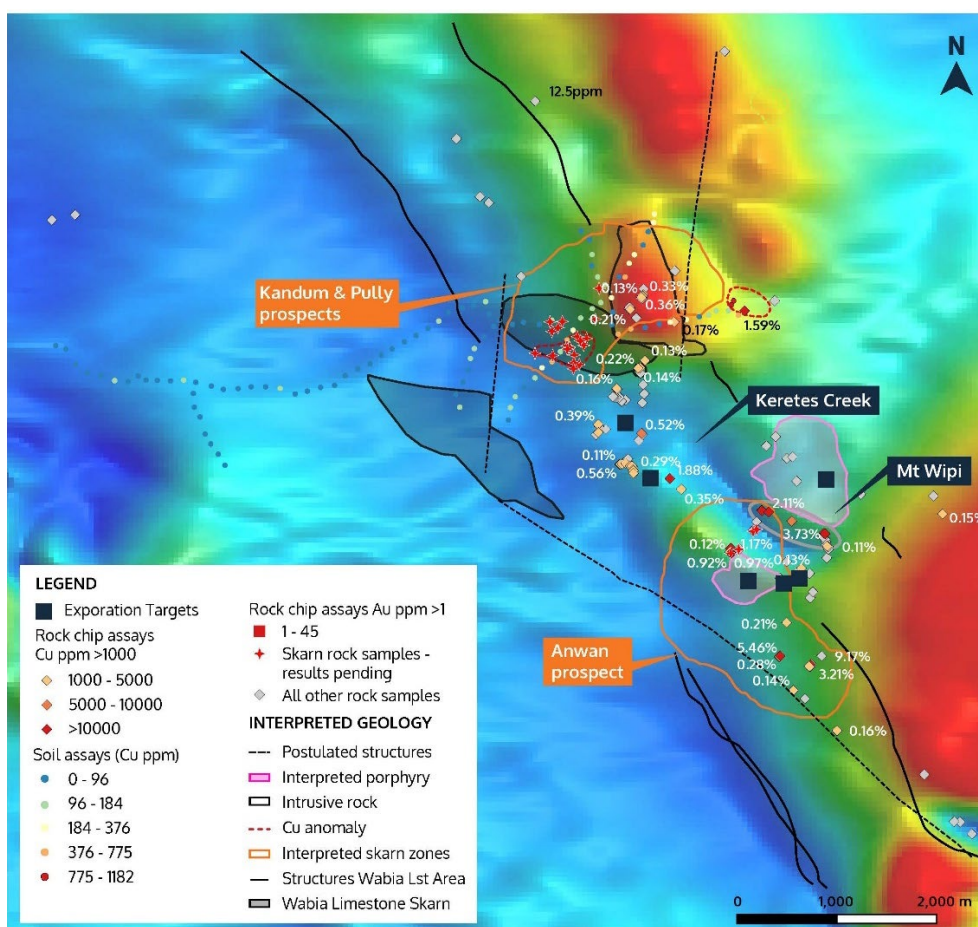


Figure 2. Regional Reconnaissance results – Kandum, Pully and Anwan Prospects

Table 2. Gold Mountain Wabag Project Tenement Status

License	License name	License Holder	GMN Interest	License Status	Area	Granted	Expiry
EL1966	Sak Creek	Viva No. 20 Limited	70%	Active – <b>Renewal Pending</b>	30 sub-blocks	27-Jun-13	26-Jun-21 <b>Renewal Pending</b>
EL1967	Poket Creek	Viva No. 20 Limited	70%	Active – <b>Renewal Submitted</b>	30 sub-blocks	28-Nov-13	27-Nov-21 <b>Renewal Pending</b>
EL1968	Crown Ridge	Viva No. 20 Limited	70%	Active – <b>Renewal Submitted</b>	30 sub-blocks	28-Nov-13	27-Nov-21 <b>Renewal Pending</b>
EL2306	Alakula / Kompiam Station	Khor ENG Hock & Sons (PNG) Limited/Abundance Valley (PNG) Limited	70%	Active – <b>Renewal Submitted</b>	48 sub-blocks	14-Dec-15	13-Dec-21 <b>Renewal Pending</b>
EL2563	Kompiam	Abundance Valley (PNG) Limited	100%	Active – <b>Renewal Submitted</b>	48 sub-blocks	23-Jan-20	22-Jan-22 <b>Renewal Submitted</b>
EL2565	Londol	Viva Gold (PNG) Limited	100%	Active – <b>Renewal Pending</b>	74 sub-blocks	27-May-19	26-May-21 <b>Renewal Pending</b>
EL2632	Mt. Wipi	GMN 6768 (PNG) Limited	100%	Active	148 sub-blocks	14-Aug-20	13-Aug-22
ELA2705	Kaipares	Abundance Valley (PNG) Limited	100%	<b>Application</b>	5 sub-blocks		



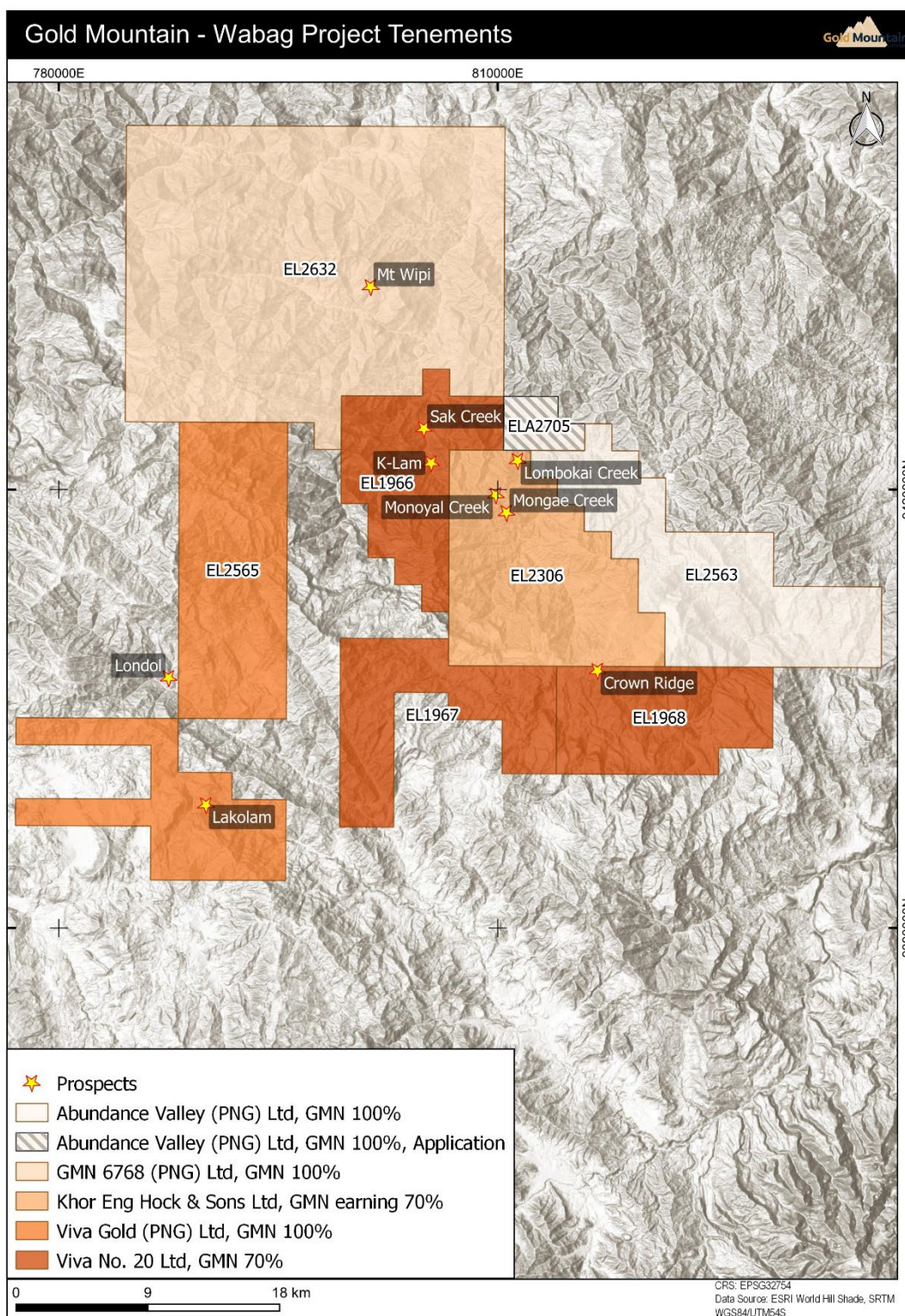


Figure 3. GMN's Wabag Project – Tenement Details as of 31 December 2021

## Exploration and Evaluation Expenditure

During the reporting quarter, the Company spent approximately \$1.35 million on exploration and evaluation activities on the Wabag Projects PNG. This expenditure is capitalised as reported in Appendix 5B item 2.1(d).

## Corporate

### *Annual General Meeting*

The Company's Annual General Meeting was held on 29 November 2021, with all resolutions passing by way of a Poll.

### *Board & Management Changes*

Following quarter end, on 13 January 2022 Mr Eric Kam resigned as joint company secretary.

### *Securities*

On 26 October 2021, the Company advised that 10,000,000 unlisted options exercisable at \$0.12 had been issued to an advisor.

On 3 December 2021, 56,616,667 unlisted options expired unexercised.

Following shareholder approval, on 21 December 2021 the Company issued 20,000,000 unlisted options to CEO, Tim Cameron.

### *Cash Position*

As at 31 December 2021, the Company had approximately \$1.99 million of cash and nil debt.

### *Note 6 to Appendix 5B*

Payments to related parties of the entity and their associates: during the quarter \$61,000 was paid to Directors and associates for director and consulting fees.

- 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](http://www.goldmountainltd.com.au) or contact:



**Tim Cameron**

Chief Executive Officer & Executive Director

M +61 (0) 448 405 860



Follow Gold Mountain on Twitter at: [www.twitter.com/GoldMountainASX](https://www.twitter.com/GoldMountainASX)



Follow Gold Mountain on LinkedIn at: [www.linkedin.com/company/goldmountain](https://www.linkedin.com/company/goldmountain)



Follow Gold Mountain on YouTube at: [YouTube Channel](#)

## Reference to Previous Releases

Drilling results referred to in this announcement have been previously announced to the market in the reports dated 19 May 2021 and 22 December 2021, and are available to view and download from the Company website: [www.goldmountainltd.com.au/announcements](http://www.goldmountainltd.com.au/announcements)

Regional aeromagnetic data used as underlays in some figures of this announcement have been previously reported to the market in the report dated 23 September 2020 and can be viewed and downloaded from the Company website: [www.goldmountainltd.com.au/announcements](http://www.goldmountainltd.com.au/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. Mr 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 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Gold Mountain Limited

ABN

79 115 845 942

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(316)	(674)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(34)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	(91)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(316)</b>	<b>(799)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(1,358)	(2,129)
	(e) investments	-	-
	(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,358)</b>	<b>(2,129)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,400
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(320)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(939)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Repayment of lease liability	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>4,141</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,667	780
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(316)	(799)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,358)	(2,129)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,141

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,993</b>	<b>1,993</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,993	20
5.2	Call deposits	-	3,647
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,993</b>	<b>3,667</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	61
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(316)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,358)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,674)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,993
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,993
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.19
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. The Company's estimated outflow for the March and June quarters is forecast to be lower than the prior two quarters.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Company considers that it is able to access new capital to fund its operations on an as needed basis.	



8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes – the Company has demonstrated a track-record of accessing new capital on an as needed basis.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: **By the Board**.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.