



ASX RELEASE | ASX:GMN

26 July 2022

Quarterly Activities Report For the Quarter Ended 30 June 2022

Gold Mountain Limited (ASX:GMN) ("Gold Mountain" or the "Company") advises its activities during the June 2022 Quarter.

Highlights

- Assay results from three trenches excavated at the Kandum – Pully prospect has been returned with anomalous copper mineralisation (+0.10% Cu) encountered in each trench
- The best result was from **MWTR008 which intersected a 52m zone of copper mineralisation assaying at 0.32% Cu, including a high-grade zone of 17m @ 0.53% Cu**
- These are the highest copper intercepts Gold Mountain have recorded within the tenements that comprise the Wabag Project
- The copper mineralisation is associated with widespread clay alteration and is located with the magnetic low feature at Kandum – Pully, that has been previously identified as a potential buried porphyry target. 1Trace gold values above detection limit to a maximum value of 0.47g/t Au were also intersected in MWTR008.

Mt Wipi Trenching Program (EL2632)

During the June quarter, Gold Mountain announced assay results from three trenches which were excavated within the Kandum – Pully area (Mt Wipi prospect). Results from the trenches have confirmed that this area is prospective for porphyry style mineralisation with these latest results increasing the Company's confidence that the Kandum – Pully area could host a significant porphyry copper-gold deposit. Assay results for an additional three trenches are pending.

Assay results have been received from three trenches which were excavated within the Kandum – Pully area. All three trenches intersected copper mineralisation over 0.10% Cu, with the best intercept being recorded in MWTR008 which intersected 52m at 0.32% Cu (from 0 to 52m) including a higher-grade intercept of 17m @ 0.54% Cu from 28m. The mineralisation is disseminated evenly throughout the exposed outcrop which is evident by the consistent copper assay values.

Trench locations are presented in **Figures 1 and 2** and a table of significant intercepts is presented in **Table 1**.

¹ First reported in ASX release dated 18th March 2022, "11.7g/t Gold Intercept Recorded in hole MWD005" Competent person Patrick Smith.

Table 1. Kandum – Pully Prospect, Significant trench Intercepts

Trench No.	From	To	Interval	Au (ppm)	Ag (ppm)	Cu (%)	Mo (ppm)	Zn (ppm)
MWTR006C	285	290	5	0.02	0.84	0.17	3.0	975
MWTR006E**	22	29	7	0.05	1.17	0.12	3.2	449
MWTR008*	0	52	52	0.03	0.77	0.32	1.5	56
Inc: #	28	45	17	0.05	1.21	0.53	2.3	71

* Intercepts calculates using a 0.10% Cu Cut of Grade with a maximum of 3m of internal dilution

Intercept calculated using a 0.30% Cu Cut-off Grade with no internal dilution

** Trench length was 29m and could not be extended due to topographical issues

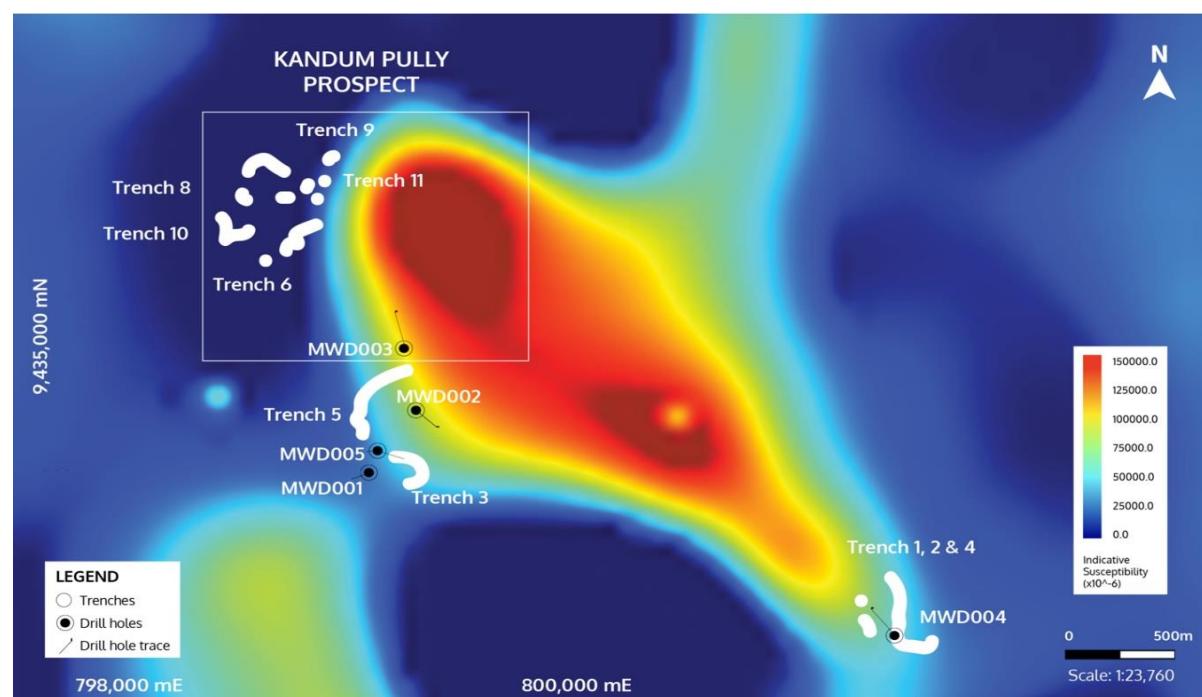


Figure 1. Location of Kandum – Pully Area and trenches overlain on the TMI data

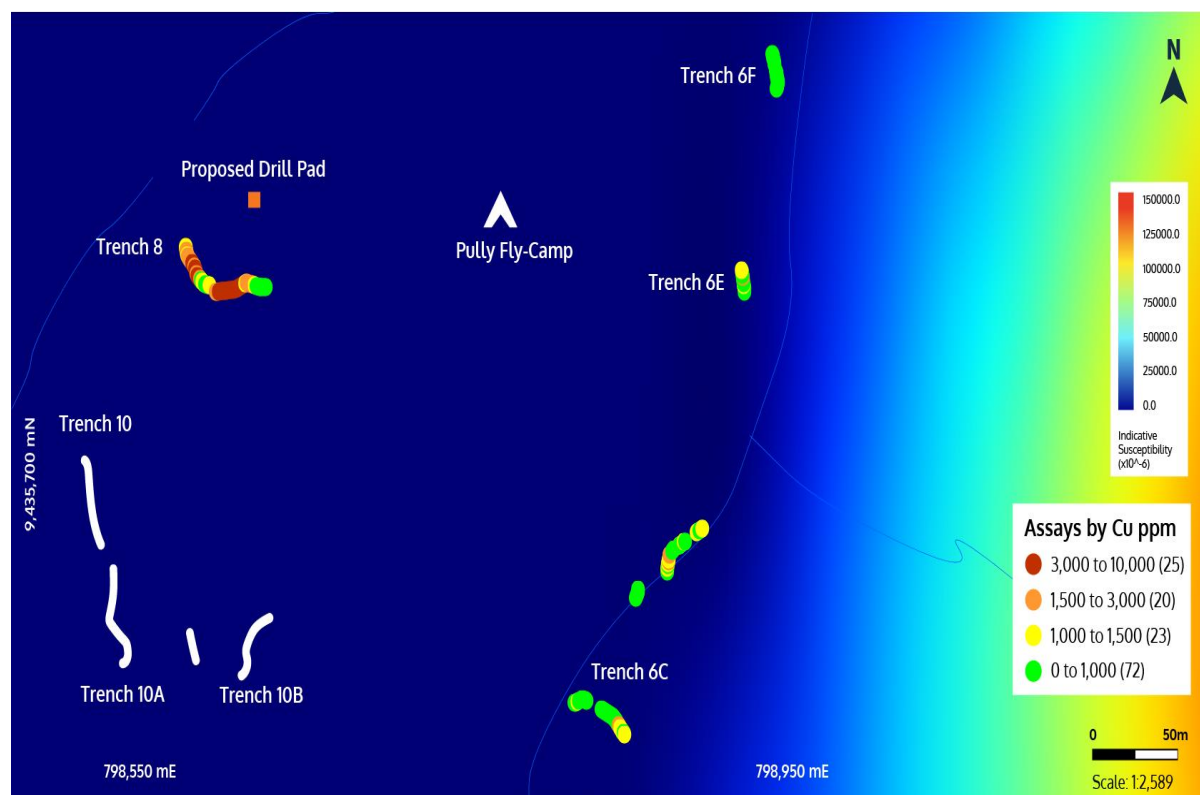


Figure 2. Kandum – Pully Trench results

Tenement Details

There were no changes to ownership of the Company's tenements in the June quarter 2022, and no farm in agreements or joint venture agreements were entered into. 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 7**.

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 – Renewal Pending	30 sub-blocks	27-Jun-13	26-Jun-21 Renewal Pending
EL1967	Poket Creek	Viva No. 20 Limited	70%	Active – Renewal Pending	30 sub-blocks	28-Nov-13	27-Nov-21 Renewal Pending
EL1968	Crown Ridge	Viva No. 20 Limited	70%	Active – Renewal Pending	30 sub-blocks	28-Nov-13	27-Nov-21 Renewal Pending
EL2306	Alakula / Kompiam Station	Khor ENG Hock & Sons (PNG) Limited/Abundance Valley (PNG) Limited	70%	Active – Renewal Pending	48 sub-blocks	14-Dec-15	13-Dec-21 Renewal Pending
EL2563	Kompiam	Abundance Valley (PNG) Limited	100%	Active – Renewal Pending	48 sub-blocks	23-Jan-20	22-Jan-22 Renewal Pending

EL2565	Londol	Viva Gold (PNG) Limited	100%	Active	74 sub-blocks	27-May-19	26-May-23
EL2632	Mt. Wipi	GMN 6768 (PNG) Limited	100%	Active	148 sub-blocks	14-Aug-20	13-Aug-22 Renewal Submitted
ELA2705	Kaipares	Abundance Valley (PNG) Limited	100%	Application Warden Hearing postponed	5 sub-blocks		

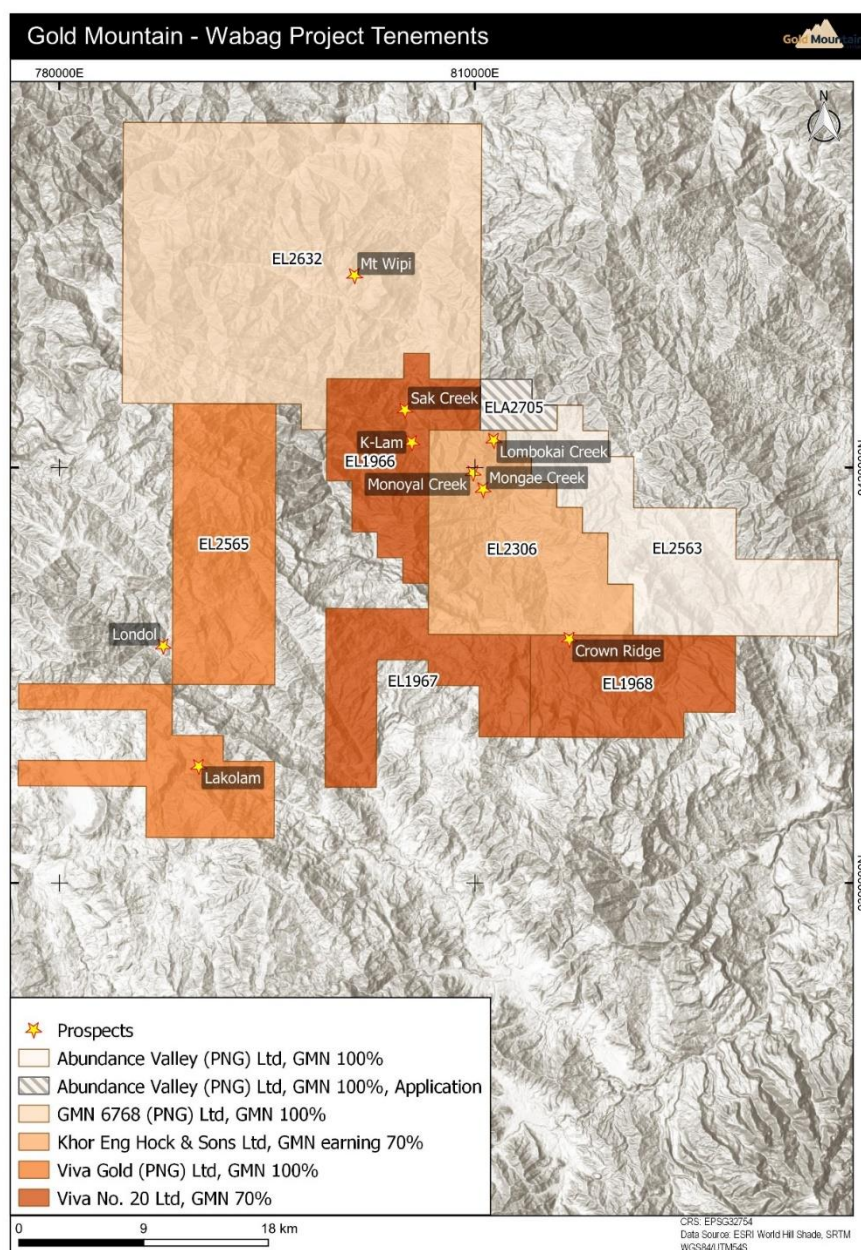


Figure 3. Gold Mountain's Wabag Project – Tenement Details as of 31 March 2022

Exploration and Evaluation Expenditure

During the June quarter, the Company spent approximately \$834,000 on exploration and evaluation activities on the Wabag Projects in PNG. This expenditure is capitalised as reported in Appendix 5B item 2.1(d).

Corporate

Securities

On 7 June 2022, the Company advised that 11,131,539 unlisted options exercisable at \$0.146 each have expired unexercised on 5 June 2022.

On 4 July 2022, the Company advised that 23,411,924 unlisted options exercisable at \$0.146 each have expired unexercised on 3 July 2022.

Cash Position

As at 30 June 2022, the Company had approximately \$670,000 of cash and nil debt.

Note 6 to Appendix 5B

Payments to related parties of the entity and their associates: during the June quarter \$82,000 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 or contact:



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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 14 June 2022, 7 March 2022, 7 February 2022, 22 December 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 trenching 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 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")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(275)	(1,194)
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)
1.9	Net cash from / (used in) operating activities	(275)	(1,319)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(834)	(4,051)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	(834)	(4,051)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,630
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	-	(454)
3.5	Proceeds from borrowings	-	46
3.6	Repayment of borrowings	(14)	(962)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Repayment of lease liability	-	-
3.10	Net cash from / (used in) financing activities	(14)	5,260

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,793	780
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(275)	(1,319)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(834)	(4,051)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(14)	5,260

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	670	670

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	670	1,793
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	670	1,793

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	82
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>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(275)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(834)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,109)
8.4	Cash and cash equivalents at quarter end (item 4.6)	670
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	670
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.60
	<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 September and December 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.	
	<i>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.</i>	

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: 26 July 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.