ASX RELEASE | ASX:GMN

19 September 2022

Proposed acquisition of up to a 75% interest in a package of highly prospective lithium projects in Brazil

Highlights

- Gold Mountain has executed a binding heads of agreement (**HoA**) with Mars Mines Limited (**Mars**) granting the Company a 60-day exclusive option to acquire up to a 75% interest in a package of highly prospective lithium licences in north-eastern Brazil (**Projects**) (**Proposed Transaction**)
- The tenement lies within the eastern Brazilian lithium belt over parts of the highly prospective Borborema Province and São Francisco craton. The eastern Brazilian lithium belt covers all know past and present lithium producing districts in Brazil.
- Situated in the north-eastern states of Bahia, Pernanbuco, and Rio Grande do Norte, the Mars package comprises 4 separate project areas (covering a combined area of 285km^2, and which all have the potential to host lithium bearing pegmatites)
- Brazil has experienced increased investment activity for lithium exploration, with notable junior exploration companies being Latin Resources Limited (ASX:LRS) and Oceana Lithium Limited (ASX:OCN)
- Subject to shareholder approval, Gold Mountain will acquire an initial 20% interest in the Projects through the issue of shares and options to Mars, with the ability to acquire an additional 55% interest through incurring project expenditure of $2.75 million over a 2-year period
- The licenses are situated in areas which are known to host lithium bearing pegmatites and the licences are situated along strike from and covering known pegmatite bodies
- An aggressive exploration program has been prepared to map and sample strike extensions to known pegmatites with the aim of identifying drill targets
- Gold Mountain plans to aggressively advance the Mars lithium project portfolio, alongside its Wabag copper-gold project, in PNG

Gold Mountain Limited (**ASX:GMN**) ("**Gold Mountain**" or the "**Company**") is pleased to announce the proposed acquisition of up to a 75% interest in 4 lithium projects in north-eastern Brazil, covering ~285km^2 from Mars Mines Limited, an unrelated third party. The Proposed Transaction is subject to shareholder approval, to be sought at the Company's upcoming Annual General Meeting (**AGM**).

Commenting on the Transaction, Tim Cameron the CEO of Gold Mountain said: "*We are excited about the proposed acquisition of up to a 75% interest in these highly prospective lithium projects is north-eastern Brazil. Over the last number of months, we have been reviewing a range of potential acquisition opportunities to diversify our project portfolio; we believe that, given the location and commodity, these projects offer the Company the best opportunity to increase shareholder value. Brazil has seen increased interest from junior explorers and major mining houses, with the region being home to a number of lithium projects.*

Our team will continue diligence work with the aim of initiating a maiden exploration program in November. I am excited to be part of this new venture for Gold Mountain and look forward to updating stakeholders and shareholders in due course."

The four project areas are presented in Figure 1 and are referred to as the:

- The Cerro Cora and Porta D'Agua Project Areas
- The Custodia Project Area
- The Juremal Project Area
- The Jacurici Project Area

Figure 1. Five projects (four project areas) of Mars' tenements, Brazil

The Cerro Cora and Porta D'Agua Projects

The Cerro Cora and Porta D'Agua project comprises of three tenements that lie within the Brasiliano Orogen. Pegmatite related minerals have been recorded in and adjacent to the tenement areas. This underexplored area has never been sampled and analysed for lithium by previous exploration companies, despite the abundance of tantalum, niobium and LCT[1] pegmatite minerals, being present. Regional structure can be seen which broadly trends north northeast which may control the location of the pegmatite bodies.

The tantalum occurrences and the interpreted pegmatite occurrences are located predominantly in the schists that are sandwiched between syn to late orogenic granites of Ediacaran age and Orthogneiss comprised of Migmatites, Metagranites, Augen gneiss, Granodiorite Orthogneiss, Tonalitic Orthogneiss of middle Lower Proterozoic age.

The Ediacaran age granites are thought to be the probable source of the pegmatites, however unmapped younger post tectonic Cambrian age granites may also be present.

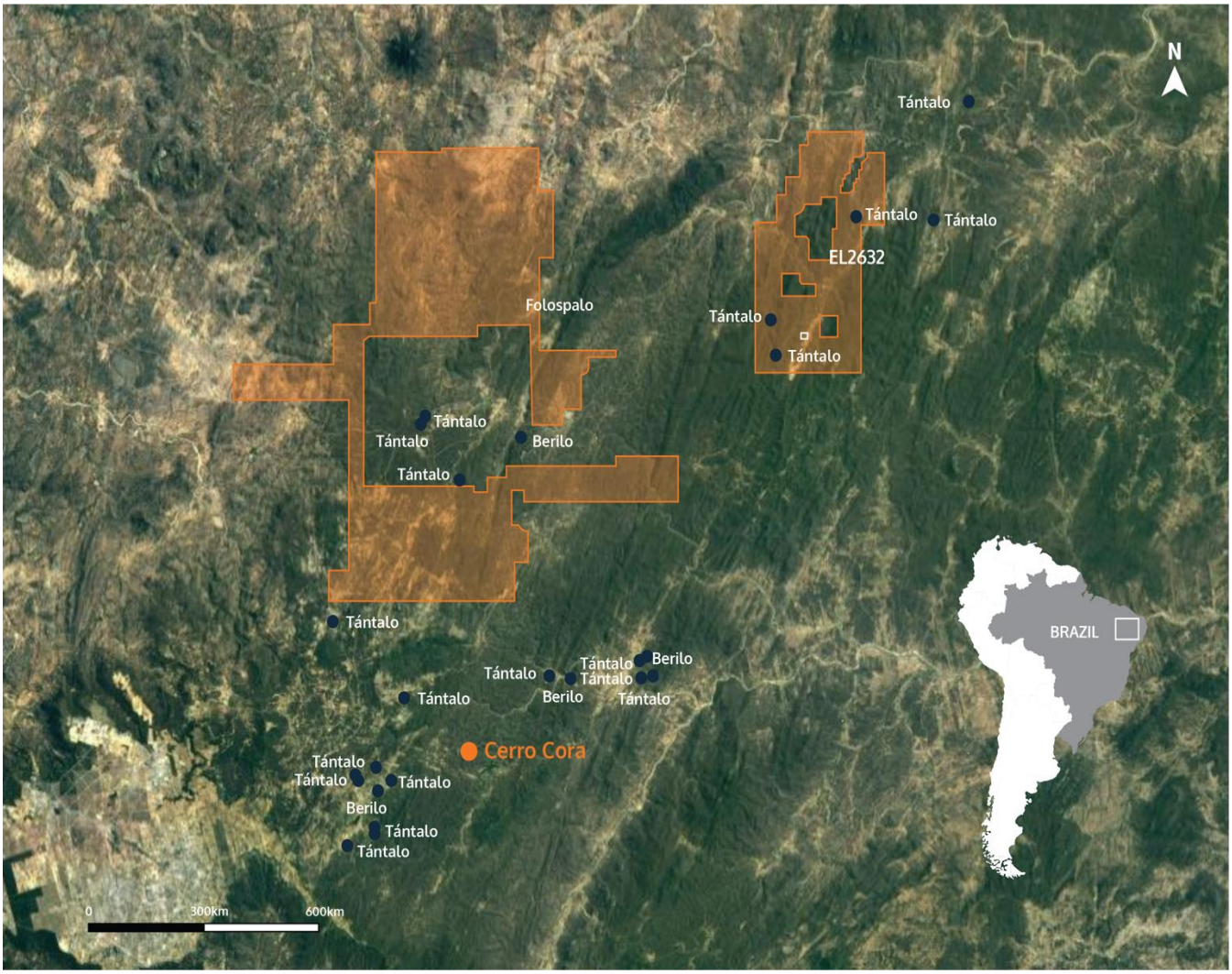

Figure 2. Location of Cerro Cora & Porta D'Agua projects

[1] Lithium – Cesium- Tantalite

The Juremal Project

The Juremal project covers a series of pegmatites outcropping in an orthogonal pattern, some of which are being mined for quartz. Pegmatites crop out over an area, interpreted from satellite imagery, of approximately 25 x 15km.

A thin cover of Pleistocene calcrete and calcareous breccia covers the majority of the pegmatite field, with pegmatites surrounded in some cases by a thin margin of granite, cropping out as inliers in the Pleistocene cover.

The basement rocks in the region consists of the early Archean Mairi Complex of migmatitic orthogneiss, tonalite, trondhjemite and granodiorite intruded by Late Archaean monzogranite to quartz syenite and subordinate granodiorite. Post tectonic middle to late Lower Proterozoic high potassium (K) peraluminous leucogranite, two mica granite, and biotite granites are present immediately north of the newly discovered pegmatite field.

A major structural zone with a NS orientation cuts through the field and extends south for about 220km.

Post tectonic granites of Lower Proterozoic age are mapped in the region, which lies on the edge of the Pan African-Brasiliano orogen however no granites of Late Proterozoic age are mapped in the area of the pegmatite field.

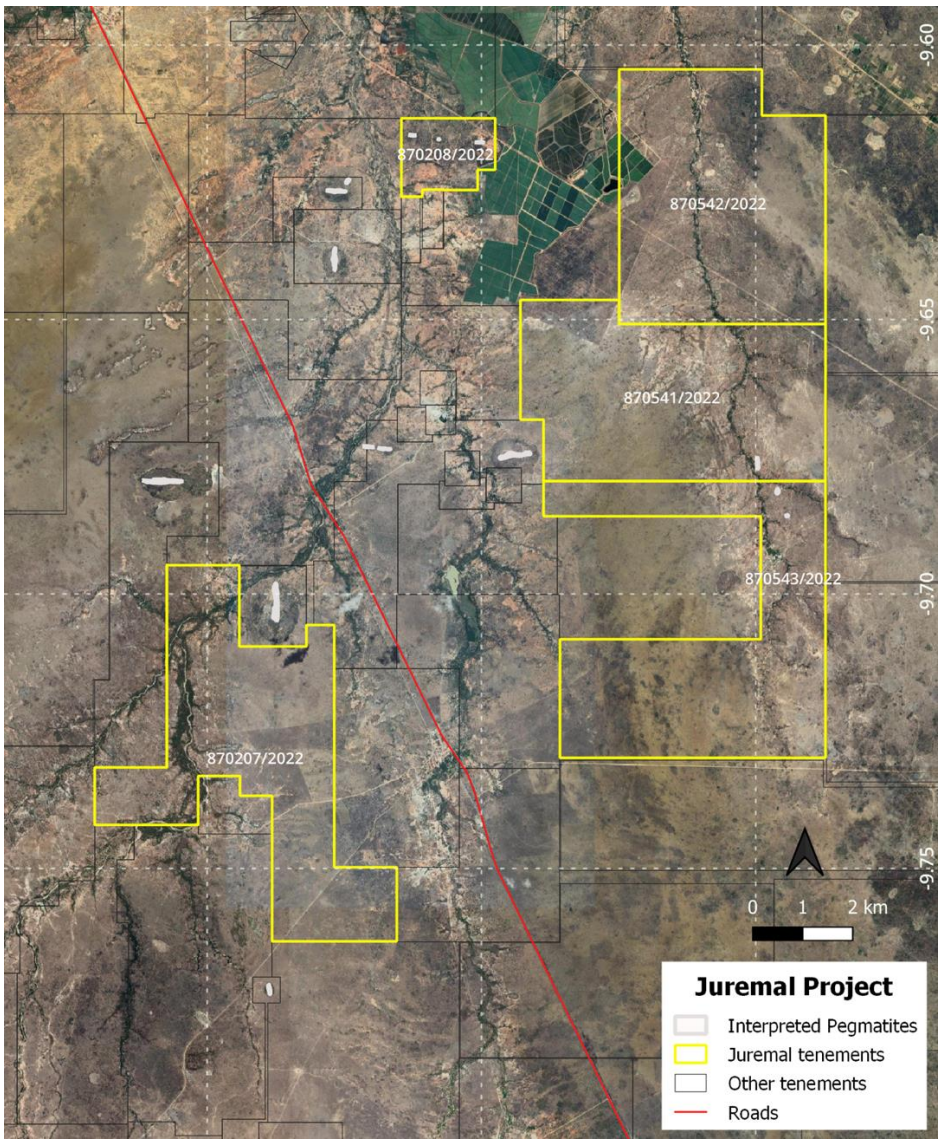

Figure 3. Location of Juremal pegmatite field with interpreted pegmatites shown as white lenses.

The Jacurici Project

The Jacurici project area is underlain by basement rocks of the Middle Archaean Santa Luz Complex Granulitic orthogneisses comprised of Migmatites, Orthogranulites with small remnants of greenstone belts and the Late Archaean Caraíba Complex of orthopyroxene bearing granite to tonalite.

The Archaean sequences are intruded by the Lower Proterozoic Itiúba Syenite, closely followed by the post tectonic granite, granodiorite, monzonite and syenite of the Pé de Serra de Ipirá and Pedra Solta.

An existing competitor lithium tenement overlaps the Archaean complexes adjacent to the granted Jacurici tenements which cover parts of the Archaean complexes and the contact zone with the younger granite complex.

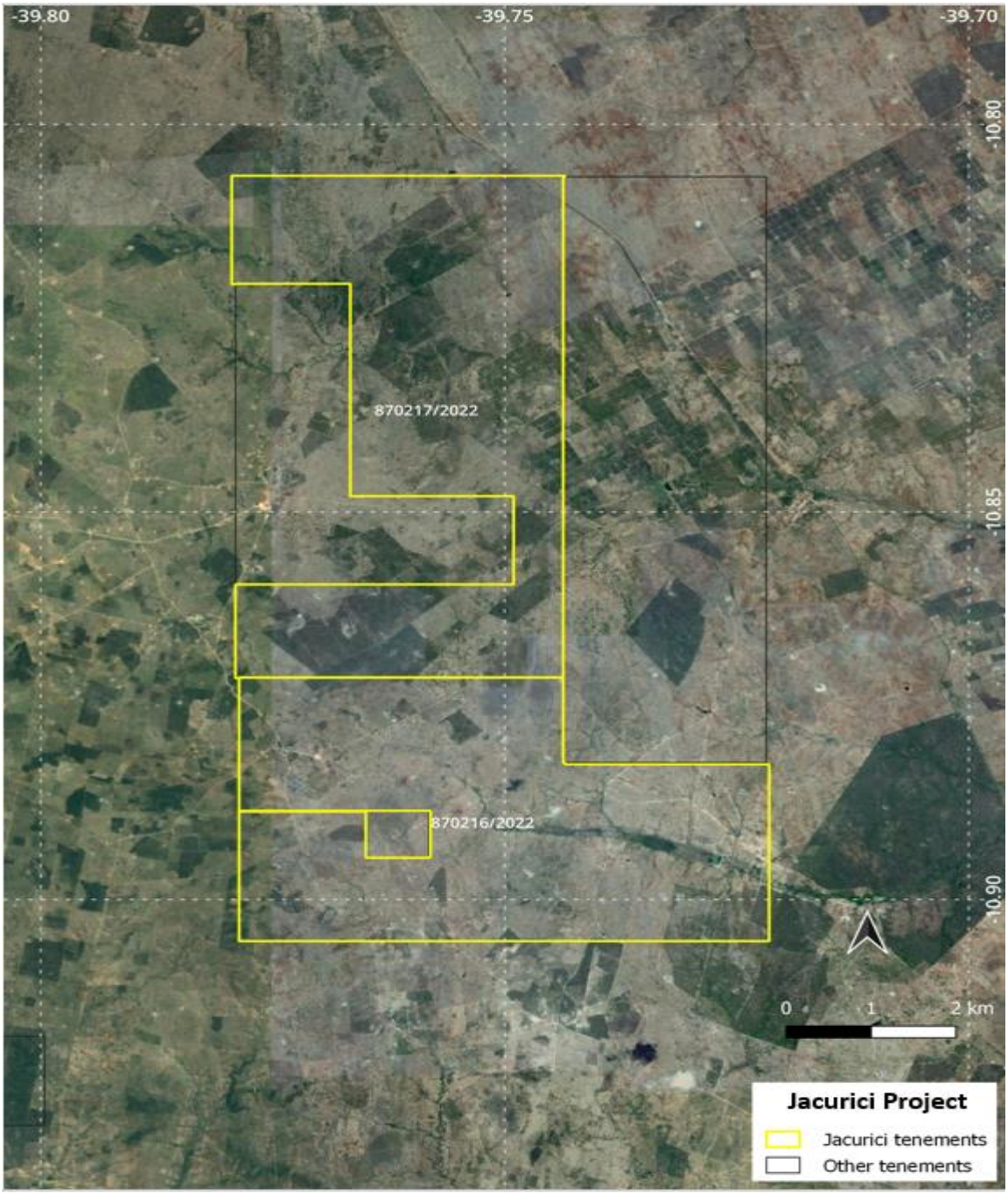

Figure 4. Jacurici Project Location

The Custodia Project

Lithium pegmatites have been reported within the granted Custodia project tenements by Neliton Santos, Mars Mines' local geologist.

Mars Mines carried out a soil and rock chip sample program and the Local geologist identified visible spodumene in pegmatite and these samples are currently at the laboratory, pending analysis.

Tenements granted by the Brazilian Mining Agency are designed to cover the most likely favourable geology.

Favourable pegmatite source geology is considered to be the Brasiliano/Pan African age Itaporanga and Camalau intrusive suites and its immediate hosts within an approximate 5km of the granite margins.

The Mars tenements are located in an underexplored lithium bearing pegmatite provinces and very few samples have been collected by the Brazilian Geological Survey in their regional rock sampling program. This gives Gold Mountain the unique opportunity to be one of the first to explore this highly prospective region.

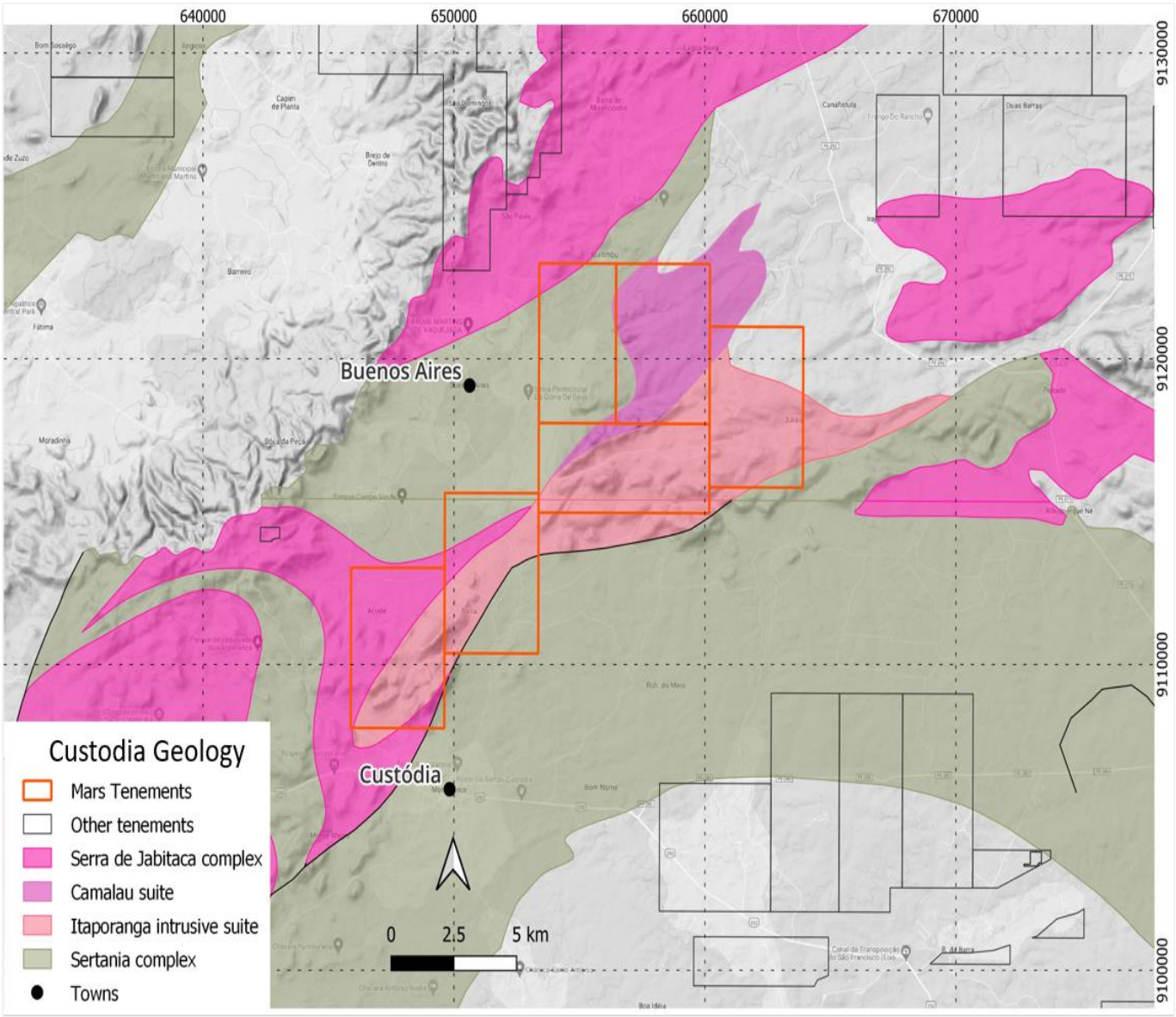

Figure 5. Location of Custodia project

Proposed Initial Exploration and Study Activities

The Company proposes to undertake the following exploration and study activities within 12 months following the completion of the transaction:

- Desktop review of available datasets (geological & geophysical);
- Detailed geological mapping;
- Stream sediment sampling on most project areas;
- First pass rock chip sampling on all projects;
- Grid-based soil geochemical sampling;
- Diamond drilling of lithium bearing pegmatites.

Commercial Terms of the Transaction

1. Option fee

Gold Mountain has paid to Mars an option fee consisting of A$30,000 in cash and issued 30,000,000 ordinary shares, granting Gold Mountain an exclusive option period of up to 60 days to undertake due diligence and obtain shareholder approval to exercise the option. The shares were issued without shareholder approval and using the Company's existing 15% capacity under Listing Rule 7.1.

2. Upfront consideration

Subject to successful due diligence and shareholder approval, the total consideration payable by Gold Mountain to acquire an initial 20% interest in the Projects from Mars is $0.57 million, to be satisfied through the issue of a combination of shares and options to Mars (or its nominee/s), as follows:

- 95 million fully paid ordinary shares; and
- 125 million options exercisable at $0.012 expiring 12 months from the date of issue.

3. Farm-in joint venture

Gold Mountain has the right to acquire an additional 55% in the Projects (thereby increasing its interest to 75%) via sole-funding A$2.75m of expenditure across the Projects over 2 years (**Farm-in**). During the Farm-in period and until Gold Mountain acquires a 75% interest in the Projects, Mars will be the manager of the joint venture.

Following completion of the Farm-in, both parties will fund exploration pro-rata to their respective interests or dilute per standard dilution metrics, with Gold Mountain as the manager of the joint venture.

There will be no change to the Board following completion of the Proposed Transaction.

Tenement Details

Table 1 below outlines the licenses which Gold Mountain may acquire up to a 75% interest.

EL ID	Project	Area (ha)	STATUS	Subs	STATE	PHASE
848131/2022	Cerro Cora	1980.72	Application EL	Lithium	Rio Grande do Norte	Research Application
848132/2022	Cerro Cora	1885.99	Application EL	Lithium	Rio Grande do Norte	Research Application
848134/2022	Porta D'Agua	1365.21	Application EL	Lithium	Rio Grande do Norte	Research Application
840027/2022	Custodia	1955.24	Granted EL	Lithium	Pernambuco	Search Authorisation
840028/2022	Custodia	1988.74	Granted EL	Lithium	Pernambuco	Search Authorisation
840029/2022	Custodia	1957.62	Granted EL	Lithium	Pernambuco	Search Authorisation
840030/2022	Custodia	1959.05	Application EL	Lithium	Pernambuco	Research Application
840031/2022	Custodia	1953.17	Application EL	Lithium	Pernambuco	Research Application
840195/2018	Custodia	1599.49	Granted EL	Lithium	Pernambuco	Search Authorisation
870216/2022	Jacurici	1994.75	Granted EL	Lithium	Bahia	Search Authorisation
870217/2022	Jacurici	1947.17	Granted EL	Lithium	Bahia	Search Authorisation
870207/2022	Juremal	1990.23	Granted EL	Lithium	Bahia	Search Authorisation
870208/2022	Juremal	262.39	Granted EL	Lithium	Bahia	Search Authorisation
870541/2022	Juremal	1969.35	Application EL	Lithium	Bahia	Research Application
870542/2022	Juremal	1999.75	Application EL	Lithium	Bahia	Research Application
870543/2022	Juremal	1988.98	Application EL	Lithium	Bahia	Research Application

An appendix 3B follows this announcement.

-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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Competent Person Statement

The information in this report that relates to Geological Data and Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mr Peter Temby, who is an independent consulting geologist engaged by Gold Mountain Limited, and a Member of the Australian Institute of Geoscientists.

Mr Temby has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Temby consents to the inclusion in this report of the matters based on his information, and information presented to him, 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	▪ *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* ▪ *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* ▪ *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.*	▪ *Soil samples taken were from B horizon soils, taken at approximately 0.4 metres depth, below the organic rich A horizon. One kg samples were taken. Samples currently in the laboratory, no results received.* ▪ *Rock chip samples were random chip samples from outcrops of float in the field, they weighed approximately 1 kg. Are currently at the laboratory with no results yet received.* ▪ *Style of mineralisation sought is pegmatite intrusion hosted lithium and tantalum.*
Drilling techniques	▪ *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).*	▪ *No drilling undertaken*
Drill sample recovery	▪ *Method of recording and assessing core and chip sample recoveries and results assessed.*	▪ *No drilling undertaken*

Criteria	JORC Code Explanation	Commentary
	▪ *Measures taken to maximise sample recovery and ensure representative nature of the samples.* ▪ *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	
Logging	▪ *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.* ▪ *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* ▪ *The total length and percentage of the relevant intersections logged.*	▪ *No drilling undertaken*
Sub-sampling techniques and sample preparation	▪ *If core, whether cut or sawn and whether quarter, half or all core taken.* ▪ *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* ▪ *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* ▪ *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* ▪ *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.* ▪ *Whether sample sizes are appropriate to the grain size of the material being sampled.*	▪ *No drilling undertaken*
Quality of assay data and laboratory tests	▪ *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* ▪ *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* ▪ *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.*	▪ *The analytical techniques requested are fusion with sodium peroxide followed by ICP-MS analysis.*
Verification of sampling and assaying	▪ *The verification of significant intersections by either independent or alternative company personnel.* ▪ *The use of twinned holes.*	▪ *No verification will be undertaken for these initial samples that will not be used in any resource estimate. The samples are to determine the levels of Li and other valuable elements in grab samples*

Criteria	JORC Code Explanation	Commentary
	▪ *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* ▪ *Discuss any adjustment to assay data.*	
Location of data points	▪ *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.* ▪ *Specification of the grid system used.* ▪ *Quality and adequacy of topographic control.*	▪ *All sample locations were measured using a handheld Garmin GPS model 60 in WGS84 and UTM coordinates. The accuracy is considered sufficient for a first pass sampling program.*
Data spacing and distribution	▪ *Data spacing for reporting of Exploration Results.* ▪ *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.* ▪ *Whether sample compositing has been applied.*	▪ *Sampling intervals were grid based at 200 metre spaced lines with 20 metre sample intervals along lines*
Orientation of data in relation to geological structure	▪ *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* ▪ *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.*	▪ *No drilling undertaken, surface sampling where drainages or interesting rocks found.*
Sample security	▪ *The measures taken to ensure sample security.*	▪ *Samples were securely packed and sent by a reliable commercial courier to the laboratory*
Audits or reviews	▪ *The results of any audits or reviews of sampling techniques and data.*	▪ *No audits or reviews of sampling data undertaken*

Section 2 - Reporting of Exploration Results

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

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	▪ *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.* ▪ *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.*	▪ *The tenements are held by Tatiana Barbosa de Souza Libardi who is the legal representative and holder of POA as well as the trustee on behalf of Mars Mines Brasil Ltda for all the tenements which have been applied for. These tenements are those that GMN will earn an interest in as stated in the accompanying release.* ▪ *The tenements consist of 8 granted tenements and 8 applications going through the grant process.*

Criteria	JORC Code Explanation	Commentary
Exploration done by other parties	▪ *Acknowledgment and appraisal of exploration by other parties.*	▪ *No prior formal exploration is known on any of the tenements however there has been some informal exploration by artisanal miners.*
Geology	▪ *Deposit type, geological setting and style of mineralisation.*	▪ *The mineralisation in the region pegmatite intrusion related lithium and tantalum mineralisation associated with post orogenic intrusives*
Drill hole Information	▪ *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* ▪ *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.*	▪ *No drilling undertaken*
Data aggregation methods	▪ *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.* ▪ *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.* ▪ *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	▪ *No drilling or sample aggregation undertaken*
Relationship between mineralisation widths and intercept lengths	▪ *These relationships are particularly important in the reporting of Exploration Results.* ▪ *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* ▪ *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').*	▪ *No drilling undertaken*
Diagrams	▪ *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 appropriate sectional views.*	▪ *No drilling undertaken; plan views of soil sample grids are provided*

Criteria	JORC Code Explanation	Commentary
Balanced reporting	▪ *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.*	▪ *No results are reported*
Other substantive exploration data	▪ *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.*	▪ *No additional substantive data*
Further work	▪ *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* ▪ *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	▪ *Additional work is regional stream sediment sampling followed up by soil sampling, followed by RC and diamond drilling to define resources.*