

Gold Mountain Limited
(ASX: GMN)

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Directors and Management

Tim Cameron

Chief Executive Officer, Executive Director

Syed Hizam Alsagoff

Non-Executive Director

Pay Chuan Paul Lim

Non-Executive Director

Steven Larkins

Non-Executive Director

Dan Smith

Chief Financial Officer, Company Secretary

Projects

Lithium Projects (Brazil)

Juremal
Custodia
Jacurici

Cerro Cora and Porta D'Agua

Wabag Project (PNG)

Mt Wipi
Monoyal
Sak Creek

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ASX Announcement | 20 December 2022

Gold Mountain Limited (ASX:GMN)

Proposed Acquisition of a 75% interest in the Salinas II Lithium Tenements in Brazil

Gold Mountain continues to add to its highly prospective project book located
across Brazil's lithium belts

Corporate highlights

- ❖ Gold Mountain has executed a conditional agreement with Mars Mines Limited granting the Company a 75% interest in a package of seven highly prospective lithium exploration licenses located in the Salinas II Project area in eastern Brazil
- ❖ The acquired assets comprise four granted licenses and three licenses under application, which together cover an area of approximately 9,264 hectares located west and northeast of the town of Salinas
- ❖ These tenements are in the Eastern Lithium Belt of Brazil, part of the Brasiliano-Pan African Orogen that dates from the mid Late Proterozoic to Late Cambrian age
- ❖ Historical artisanal mining and more recently, modern exploration by Latin Resources (ASX:LRS) have discovered the presence of wide laterally extensive high grade, long strike length, lithium-cesium-tantalum (LCT) type pegmatites in the region
- ❖ Gold Mountain plans to explore and advance these Salinas II lithium prospects in tandem with the other four lithium projects in Brazil that the Company has a stake in
- ❖ Subject to shareholder approval, Gold Mountain will acquire a 75% interest in the Salinas II Project through the issue of 125,000,000 consideration shares to Mars Mines Limited, who will be free carried to decision to mine

Gold Mountain Limited (ASX:GMN) ("**Gold Mountain**" or the "**Company**") is pleased to announce the proposed acquisition of up to a 75% interest in an additional package of tenements ("**The Salinas II Project**") ("**proposed transaction**") in Brazil, which are highly prospective for lithium. The Salinas II Project comprises seven tenements covering an area of approximately 9,264 hectares. The Proposed Transaction is subject to shareholder approval, to be sought at an upcoming Extraordinary General Meeting (EGM).

Commercial Terms of the Transaction

Gold Mountain and Mars Mines Limited ("**Mars**") have entered into a conditional which, subject to shareholder approval in accordance with Listing Rule 7.1, will see Gold Mountain acquire a 75% interest in the Salinas II Lithium Project, located in eastern Brazil.

The key commercial terms of the agreement are:

- Subject to shareholder approval (to be sought in January 2023) and transferring the tenements to a newly incorporated SPV, Gold Mountain will issue Mars (or its nominees) with 125,000,000 fully paid ordinary shares for a 75% interest in the Salinas II Lithium Project
- Gold Mountain will free-carry Mars 25% interest in the project until a decision to mine is made
- Following completion of the free-carried period, both parties will fund joint venture activities pro-rata to their respective interests or dilute per standard dilution metrics.
- Should either party wish to divest their interest in the joint-venture, the other party will have a first right of refusal

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

Gold Mountain's Chief Executive Officer & Executive Director Tim Cameron said: "We are thrilled to further build on our Brazil-based lithium exploration project book, with the planned acquisition of a 75% interest in seven tenements within the Salinas II Project area. These licenses, four of which we are already authorised to undertake research activities, are located close to tenements held by Latin Resources that have identified significant lithium resources hosted in LCT pegmatites. The Mars Mines team has already developed a model for the area and believe that there are undiscovered pegmatites in the Salinas II area which have little or no surface expression. We anticipate that our team will commence exploration in the highly prospective Salinas II area in early 2023.

Assuming shareholder approval is forthcoming for this transaction, we intend undertaking a range of exploration activities at these Salinas II Project assets over the coming 12 months that hopefully prove up their prospectivity. All this while the Mars – Gold Mountain joint venture team will progress the planned exploration program across the four Brazil-based projects we recently acquired a 20% holding in (and come with significant earn-in upside)."

The Salinas II tenements expand Gold Mountain’s Brazilian project book

The location of the Salinas II project and the other four project areas Gold Mountain is earning into in Brazil are presented in Figure 1. The location of the Salinas II tenements together with those held by Latin Resources are presented in Figure 2. Details of the Salinas II tenements are provided in Table 1.



Figure 1. GMN and Mars Tenements in Brazil, including the Salinas II Tenements

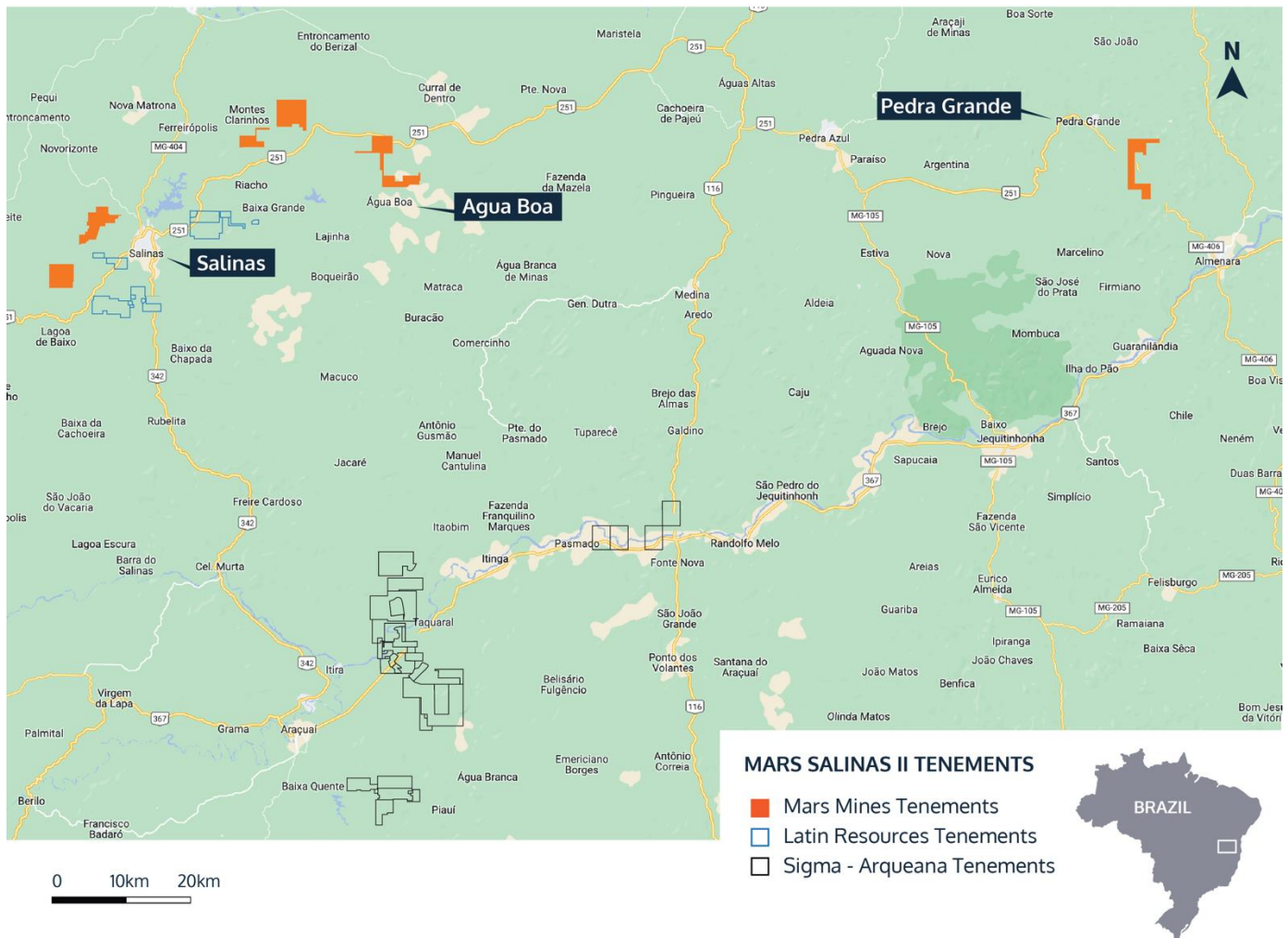


Figure 2. The Location of GMN’s Salinas II tenements, in relation to other tenements and explorers in the Salina area

The Salinas II Tenements are highly prospective for lithium

The Proposed transaction comprises a western group of tenements located close to the town of Salinas and Água Boa, and one tenement located south of the town of Pedra Grande.

The western group of tenements cover areas where subsurface extensions to the Água Boa granitic batholith, have intruded into schists greywackes and arkose sediments of the Ribeirão da Folha formation and greywackes, meta-arenites, meta-conglomerates and schist of the Salinas Formation.

Pegmatites are known to emanate out from the Água Boa granite and have been intruded into the adjacent country rock formations. The Água Boa batholith is composite with a series of different suites of intrusives. The G4 suite of intrusives, which are found on the western margins of the batholith, are

considered to be the parent intrusives to the LCT pegmatites in the Salinas-Água Boa region and are shown with black dotted outline on Figure 3.

Figure 3 shows the broad regional geology mapped at 1:1,000,000 scale in relation to the Mars Mines tenements, the G4 granite suite and the locations of known LCT pegmatites.

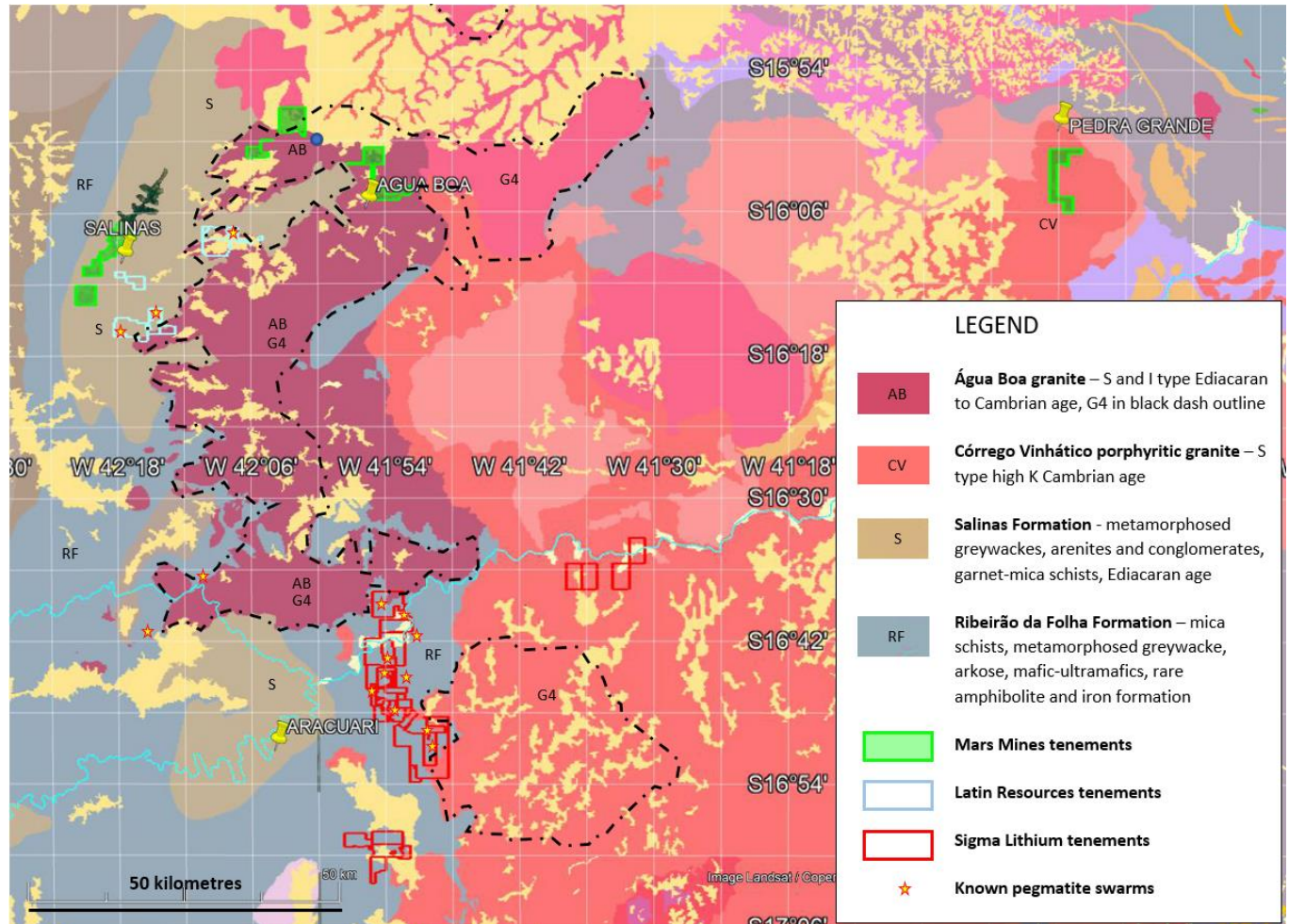


Figure 3: Regional geology of the Salinas II project area showing the G4 granite outlines in relation to the Mars Mines tenements

LCT pegmatites are the final intrusive phases of the related granite, containing concentrations of the most volatile and last crystallizing phases of the granite. There is a well-recognised zonation of pegmatite composition outward from the related granite with the most evolved and often highest-grade pegmatites in the most distal zones which may be up to 10 km from the related granite.

The GMN - Mars Mines Salinas II tenements cover areas adjacent to the G4 granite – meta-sediment contact zone and above the projected sub-surface extensions of the G4 granite.

In the Salinas II area, it has been observed that weathering has resulted in near surface leaching of lithium from surface rocks, and pegmatite may not outcrop in areas with deeper weathering but have been shown to continue subsurface by drilling in competitors areas. This area covered by the Mars tenements has been largely ignored by artisanal miners and other explorers. Mars believes that even though pegmatites have not yet been identified on its tenements, they are nevertheless located in a very fertile LCT pegmatite province, meaning the potential for identifying high grade lithium pegmatites is high. Experience by other modern explorers in the same region have found numerous previously undiscovered pegmatites.

Geological Model

A model for the Salinas Region has been developed by Mars Mines Geologists to better understand the occurrences of pegmatites in the Salinas area and to assist in exploring for additional lithium-bearing pegmatites.

It is thought that lithium-bearing pegmatites intrude out from the highly fertile G4 Granite into the surrounding country rock shown in Figure 4. Due to the intense weathering of the pegmatites, where the feldspars are broken down to clays, the pegmatites have minimal surface expression where weathering zones are stronger. It is also postulated that the more distal the pegmatites are to the G4 granite, the more fractionated they are and therefore they are more likely to be strongly mineralised – see Figure 5.

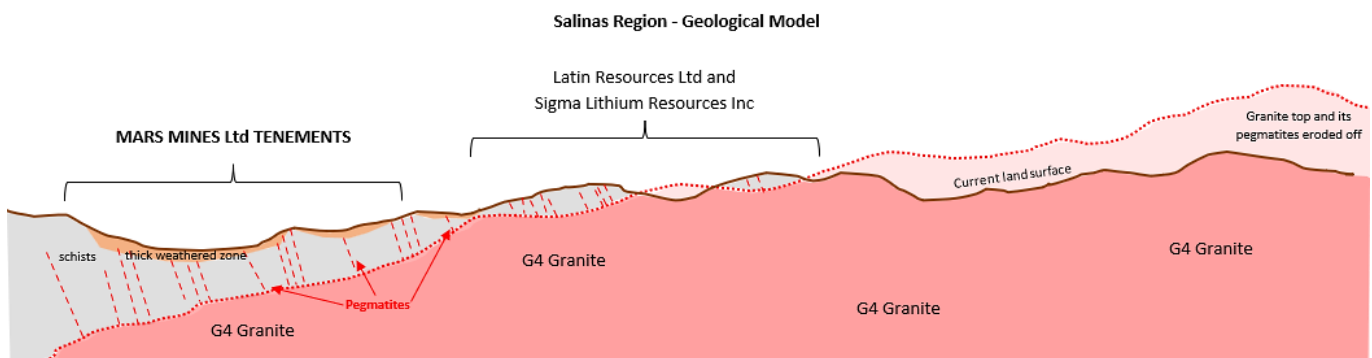


Figure 4: Idealised section through the G4 Granite with the location of the Mars tenements relative to the G4 granite

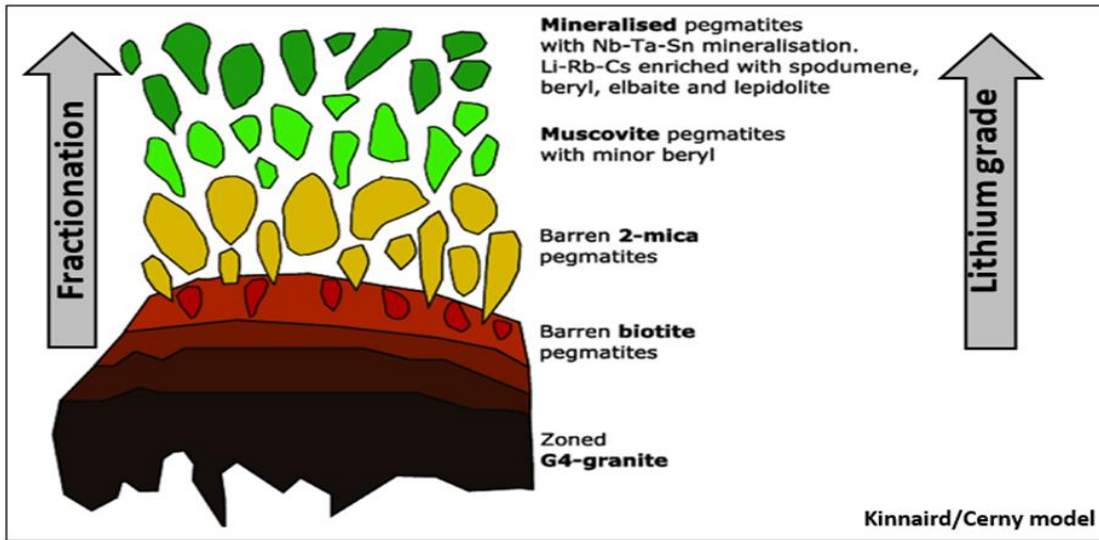


Figure 5: Model showing the fractionation of the granite versus the lithium concentration

The outcrop pattern of the G4 source granite suite indicated it is a large pluton with a gently west dipping roof that has irregular ridges that are oriented northeast. It is thought that pegmatites emanate out from the "top" of the granite (see Figure 6), into the country rock above the granite. It is therefore believed that this makes the tenement areas covered by the Salinas II tenements very prospective for the discovery of LCT-bearing pegmatites.

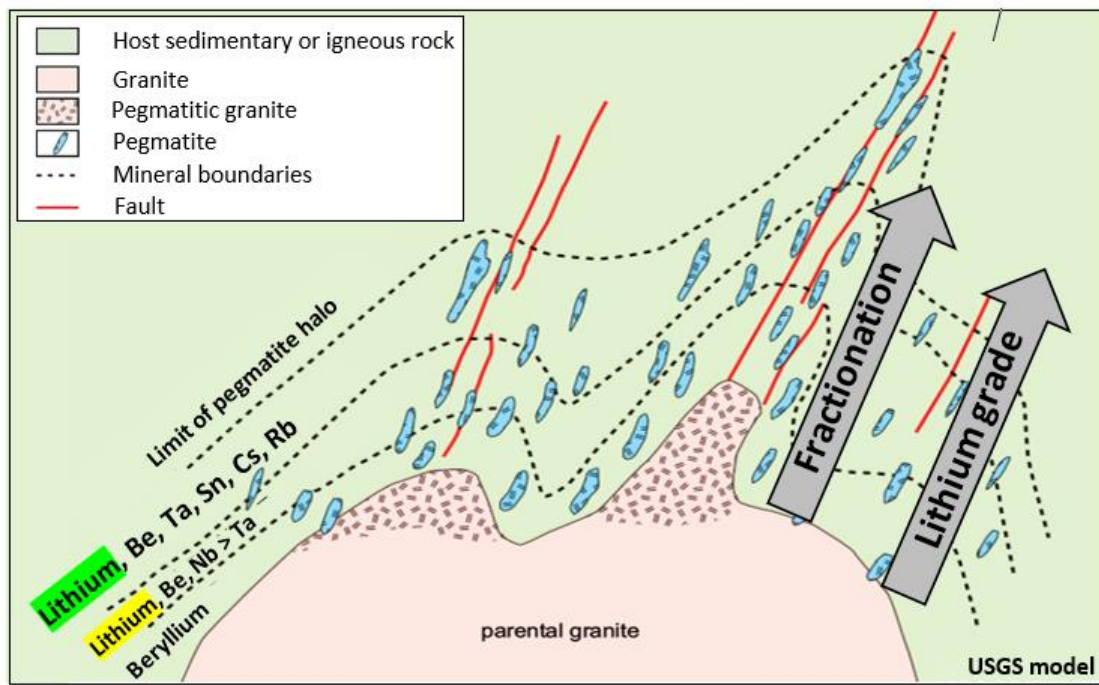


Figure 6: Geological Model for the Mars tenements at Salinas II

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.
- First-pass rock chip sampling.
- Grid-based geochemical sampling.
- Aircore drill planning.

Tenement Details

Table 1 below provides details of the authorised or under application licenses Gold Mountain plans to acquire a 75% interest in (subject to shareholder approval).

EL ID	PROJECT	Area (ha)	STATUS	Substance	STATE	PHASE
831696/2022	Salinas	979.15	Exploration Licence Granted	Lithium	Minas Gerais	Research Authorisation
831697/2022	Salinas	618.53	Exploration Licence Granted	Lithium	Minas Gerais	Research Authorisation
831698/2022	Salinas	1513.81	Application Exploration Licence	Lithium	Minas Gerais	Research Request
831700/2022	Agua Boa	540.56	Exploration Licence Granted	Lithium	Minas Gerais	Research Authorisation
831702/2022	Agua Boa	1632.19	Application Exploration Licence	Lithium	Minas Gerais	Research Request
831703/2022	Agua Boa	1999.48	Application Exploration Licence	Lithium	Minas Gerais	Research Request
831704/2022	Pedra Grande	1980.08	Exploration Licence Granted	Lithium	Minas Gerais	Research Authorisation

This ASX announcement has been authorised by the Board of Gold Mountain Limited

For further information, please contact:

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About Us

Gold Mountain (ASX:GMN) is a mineral explorer with projects based in Brazil and Papua New Guinea (PNG). These assets, which are highly prospective for a range of metals including lithium, copper and gold, are now actively being explored.

Gold Mountain has gradually diversified its project portfolio. In November 2022, the company acquired an initial 20% holding in a package of highly prospective lithium licences located within the eastern Brazilian lithium belt, spread over parts of the Borborema Province and São Francisco craton in north-eastern Brazil. The company can earn an additional 55% interest through incurring project expenditure of \$2.75 million over a 2-year period. More recently, Gold Mountain announced plans to acquire a 75% interest in a package of seven highly prospective lithium exploration licenses located in the Salinas II Project area in eastern Brazil.

In PNG, Gold Mountain is exploring the Wabag Project, which covers approximately 950km² of highly prospective exploration ground in the Papuan Mobile belt. This project contains three targets, Mt Wipi, Monoyal and Sak Creek, all lying within a northwest-southeast striking structural corridor. The three prospects have significant potential to host a porphyry copper-gold-molybdenum system and, or a copper-gold skarn system. Gold Mountain's current focus is Mt Wipi, which has been subjected to several phases of exploration, and the potential to host a significant copper-gold deposit is high. The current secondary targets are, in order of priority, Monoyal and Sak Creek.

To learn more, please visit: www.goldmountainltd.com.au/

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 employed by Mars Mines Limited which is consulting to 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.

Forward Looking Statements and Important Notice

This report contains forecasts, projections and forward-looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations and estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Gold Mountain's control.

Actual results and developments will almost certainly differ materially from those expressed or implied. Gold Mountain has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this announcement. To the maximum extent permitted by applicable laws, Gold Mountain makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and without prejudice, to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

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"> ▪ Nature and quality of sampling (e.g., 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 (e.g., ‘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 (e.g., submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> ▪ No sampling has been undertaken on the tenements. ▪ Style of mineralisation sought is pegmatite intrusion hosted lithium and tantalum.
Drilling techniques	<ul style="list-style-type: none"> ▪ Drill type (e.g., core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g., 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). 	<ul style="list-style-type: none"> ▪ No drilling has been undertaken
Drill sample recovery	<ul style="list-style-type: none"> ▪ Method of recording and assessing core and chip sample recoveries and results assessed. ▪ 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. 	<ul style="list-style-type: none"> ▪ No drilling has been undertaken

Criteria	JORC Code Explanation	Commentary
Logging	<ul style="list-style-type: none"> ▪ 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. 	<ul style="list-style-type: none"> ▪ No drilling has been undertaken
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> ▪ 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. 	<ul style="list-style-type: none"> ▪ No drilling has been undertaken
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> ▪ 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 (e.g., standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e., lack of bias) and precision have been established. 	<ul style="list-style-type: none"> ▪ No assaying has been undertaken
Verification of sampling and assaying	<ul style="list-style-type: none"> ▪ The verification of significant intersections by either independent or alternative company personnel. ▪ The use of twinned holes. 	<ul style="list-style-type: none"> ▪ No sampling or drilling has been undertaken

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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. 	<ul style="list-style-type: none"> ▪ No sampling or drilling has been undertaken
Data spacing and distribution	<ul style="list-style-type: none"> ▪ 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. 	<ul style="list-style-type: none"> ▪ No sampling or drilling has been undertaken
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> ▪ 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. 	<ul style="list-style-type: none"> ▪ No sampling or drilling has been undertaken
Sample security	<ul style="list-style-type: none"> ▪ The measures taken to ensure sample security. 	<ul style="list-style-type: none"> ▪ No sampling has been undertaken
Audits or reviews	<ul style="list-style-type: none"> ▪ The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> ▪ No sampling has been undertaken

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"> ▪ <i>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.</i> ▪ <i>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.</i> 	<ul style="list-style-type: none"> ▪ <i>Seven 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 acquire a 75% interest in.</i> ▪ <i>The tenements consist of 4 granted tenements and 3 applications going through the grant process.</i>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> ▪ <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> ▪ <i>No prior formal exploration is known on any of the tenements.</i>
<i>Geology</i>	<ul style="list-style-type: none"> ▪ <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> ▪ <i>The mineralisation in the region is pegmatite intrusion related lithium mineralisation associated with post orogenic intrusives.</i>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> ▪ <i>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:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> ▪ <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> 	<ul style="list-style-type: none"> ▪ <i>No sampling or drilling has been undertaken</i>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> ▪ <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g., cutting of high grades) and cut-off grades are usually Material and should be stated.</i> ▪ <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</i> 	<ul style="list-style-type: none"> ▪ <i>No drilling or sample aggregation undertaken</i>

Criteria	JORC Code Explanation	Commentary
	<p><i>typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> ▪ <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> ▪ <i>These relationships are particularly important in the reporting of Exploration Results.</i> ▪ <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> ▪ <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> ▪ <i>No drilling undertaken</i>
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> ▪ <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 appropriate sectional views.</i> 	<ul style="list-style-type: none"> ▪ <i>No drilling undertaken; plan views of rock sample locations are provided</i>
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> ▪ <i>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.</i> 	<ul style="list-style-type: none"> ▪ <i>No results are reported</i>
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> ▪ <i>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.</i> 	<ul style="list-style-type: none"> ▪ <i>No exploration data has been acquired</i>
<p><i>Further work</i></p>	<ul style="list-style-type: none"> ▪ <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> ▪ <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> ▪ <i>Additional work is regional stream sediment sampling and rock chip sampling followed up by soil sampling, followed by aircore and diamond drilling to define resources.</i>