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(ASX: GMN)

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Lithium Projects (Brazil)
Juremal
Custodia
Jacurici
Cerro Cora
Porta D'Agua
Salinas II
Salitre South

Copper Projects (PNG)
Mt Wipi
Monoyal
Sak Creek
Green River

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Gold Mountain Limited (ASX:GMN)

Market Update

Positive Initial Results of Trial Soil Grid at Casa Nova

Gold Mountain Limited (ASX: GMN) ("Gold Mountain" or "the Company" or "GMN") is pleased with the results of a small trial soil grid over suspected strongly weathered lithium bearing pegmatites in a small portion of the 495 km2 Casa Nova Project. The soil and rock samples results show very clear evidence of the potential for lithium. In the Casa Nova region, the Brazilian Geological Service ("CPRM") reported that mafic to ultramafic intrusives had been intruded by pegmatitic fluids, which may be the source of the lithium anomalies found by GMN. These mafic to ultra mafic intrusives also have Nickel-Copper potential. Soil sampling was effective despite the reported presence of extensive windblown sand cover, and the results showed that the sand cover present doesn't mask anomalous results.

Highlights

- Soil sampling identified a zone with elevated Li, Cs, Be, Sn and Ga. This is close to a granite containing numerous pegmatites which may be the source of lithium bearing fluids.
- The potential for nickel-copper was evident after the announcements by the Bahia Geological Survey ("CBPM") relating to the Caboclos dos Mangueiros nickel-copper deposit, hosted in what may be correlatable mafic ultramafic rocks in the same near craton margin environment 230m km west of Casa Nova.
- Anomalies in Ni, Cu, Fe and V are present, indicating that the mafic-ultramafic intrusives mapped by CPRM are confirmed and these intrusives have coincident lithium anomalies in soil and rock.
- soil sampling was effective despite thin windblown sand cover in the Casa Nova project area. Readily recognisable anomalies were found for both LCT pegmatite associated elements and for mafic to ultramafic intrusives.

A small soil grid with four lines, each 400 metres apart with 25 metre sample spacing, were taken in an area of reported lithium bearing pegmatites and mapped mafic-ultramafic intrusives. The grid covered 0.5% of Casa Nova project area.

In July, GMN's new geological team checked the soil and rock sample sites to assess the work done by the previous geologist. The geological team found that the suspected lithium bearing pegmatite didn't contain visible spodumene, however granite outcrops with abundant pegmatites were found in several locations to the western side of the grid.

Three out of 14 initial rock samples returned analyses of 90, 201 and 300 ppm Li2O. The three rock samples are located in the anomalous soil sample LCT element zone. The highest value was associated with weakly anomalous Sn and Ta however the lowest two values were not associated with anomalous LCT elements. In strongly weathered areas of Brazil, lithium results in rocks are expected to be low, which shows to be very encouraging for follow up by GMN's team.

GMN's team is excited by the CPRM descriptions of the mafic intrusives in the region known as Açude das Pedras Dykes, taken from the 1:100,000 Casa Nova Sheet SC-24-V-C-II, describing these intrusives as: "meta-basic and meta-ultrabasic with paragenesis transformed into calcsilicate, or feldspathised through injections of pegmatitic fluids" meaning that the mafic intrusives/ structures were a preferred location for lithium pegmatite intrusion. The lithium soil and rock analyses found by GMN are also broadly coincident with the Ni and Cu anomalies, supporting the observations made by CPRM. We are also encouraged to announce that the soil data in this trial grid suggest that the extent of mafic intrusives may be more widespread than currently mapped.

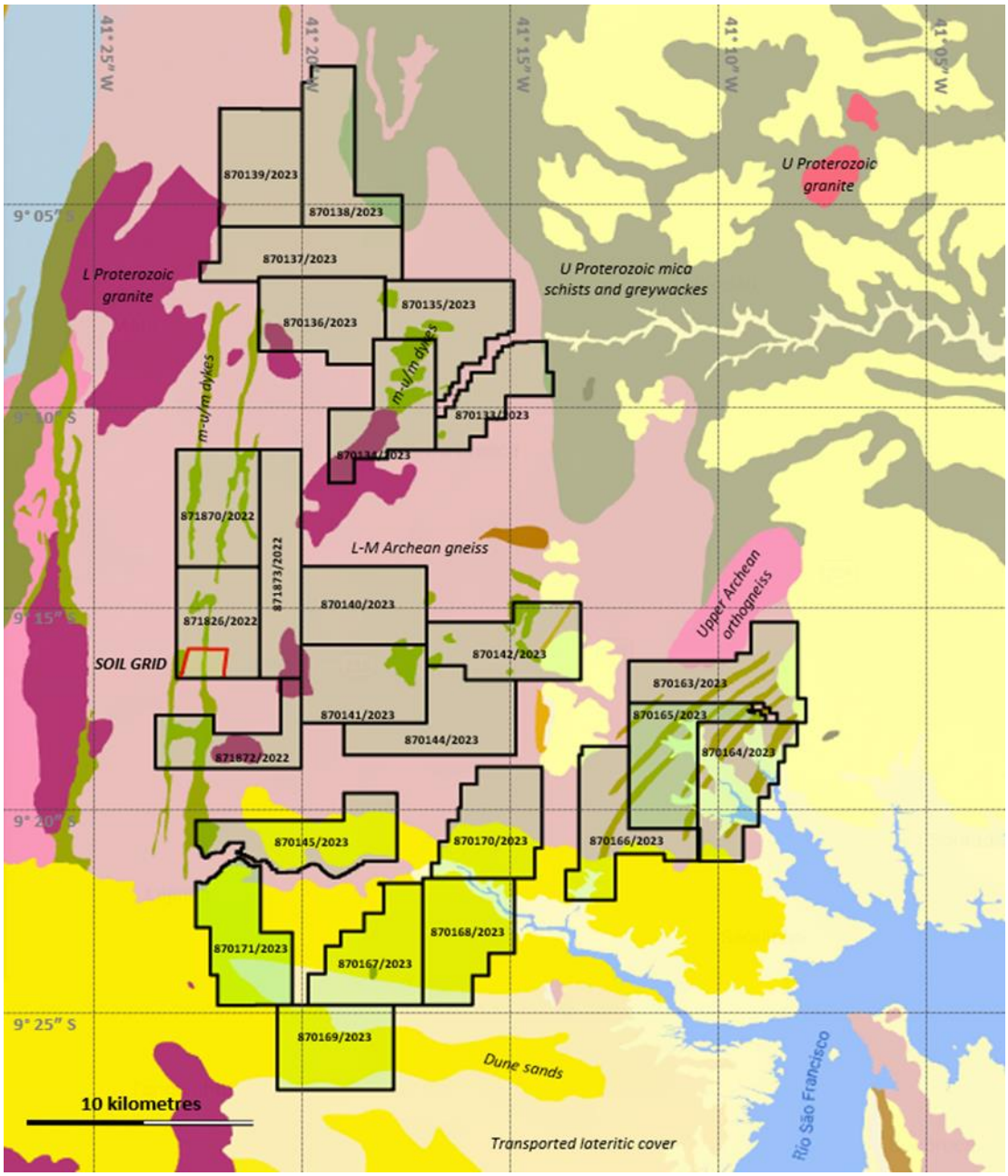

Figure 1. Geology of the Casa Nova tenements and location of the soil grid. Green units are the exposed areas of mafic and ultramafic intrusives that have both Ni-Cu potential and host pegmatites.

The area is arid and has gently undulating topography with Caatinga type vegetation consisting of short thorny trees, thorny bushes, grasses, and cactus. Future program will now consist of an already planned stream sediment sampling program to identify the most prospective parts of GMN's extensive tenement holdings in the Casa Nova project area.

The potential for nickel-copper was evident after the announcements by the CBPM relating to the Caboclos dos Mangueiros nickel-copper deposit, hosted in what may be correlatable mafic ultramafic rocks in the same near craton margin environment 230m km west of Casa Nova.

This craton edge environment is also common to many other mafic-ultramafic hosted chonolith style Ni-Cu deposits including the Nebo Babel, Savannah and Nova Bollinger deposits. The Caboclo dos Mangueiros deposit is currently being explored and is now 3000 metres long and open, up to 700 metres wide and from 250 to 300 metres thickness of disseminated mineralisation. The magnetic anomaly containing mineralization is a total of 5 kilometres long.

Figure 2 shows the combined nickel, copper, iron, vanadium, and chromium anomalies, which are the responses from mafic-ultramafic intrusives, and figure 3 shows the copper and nickel anomalies overlain with lithium anomalies.

Locations of a weakly to undeformed granite, with abundant pegmatites, are indicated as well as the anomalous Li2O rock samples as green diamonds with a yellow Li2O value in ppm next to them.

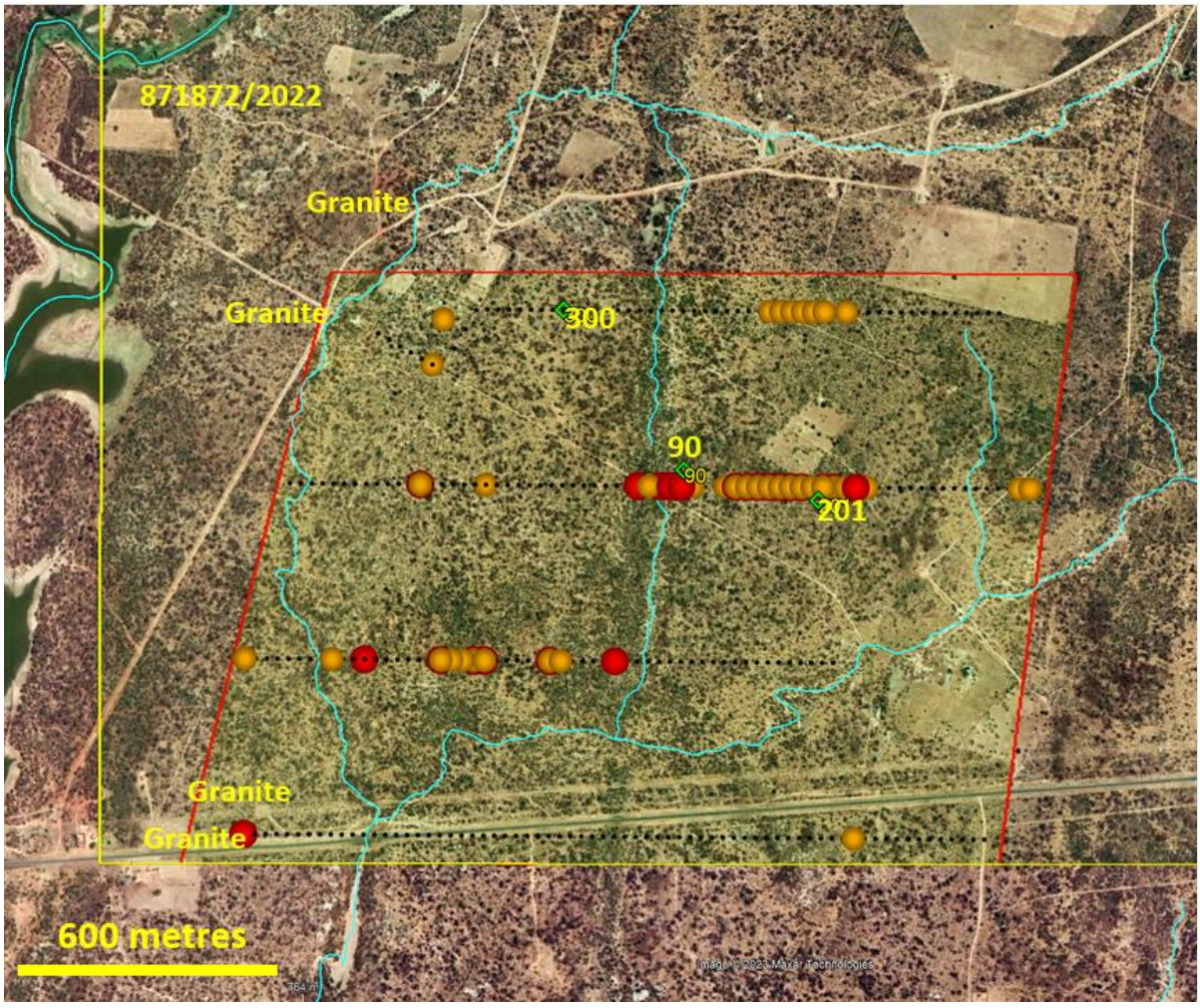

Figure 2. Combined nickel, copper, iron, vanadium, and chrome anomalies which are responses expected from mafic-ultramafic intrusives. Rock sample values anomalous in Li2O are shown as the yellow numbers next to the green diamonds showing rock sample locations.

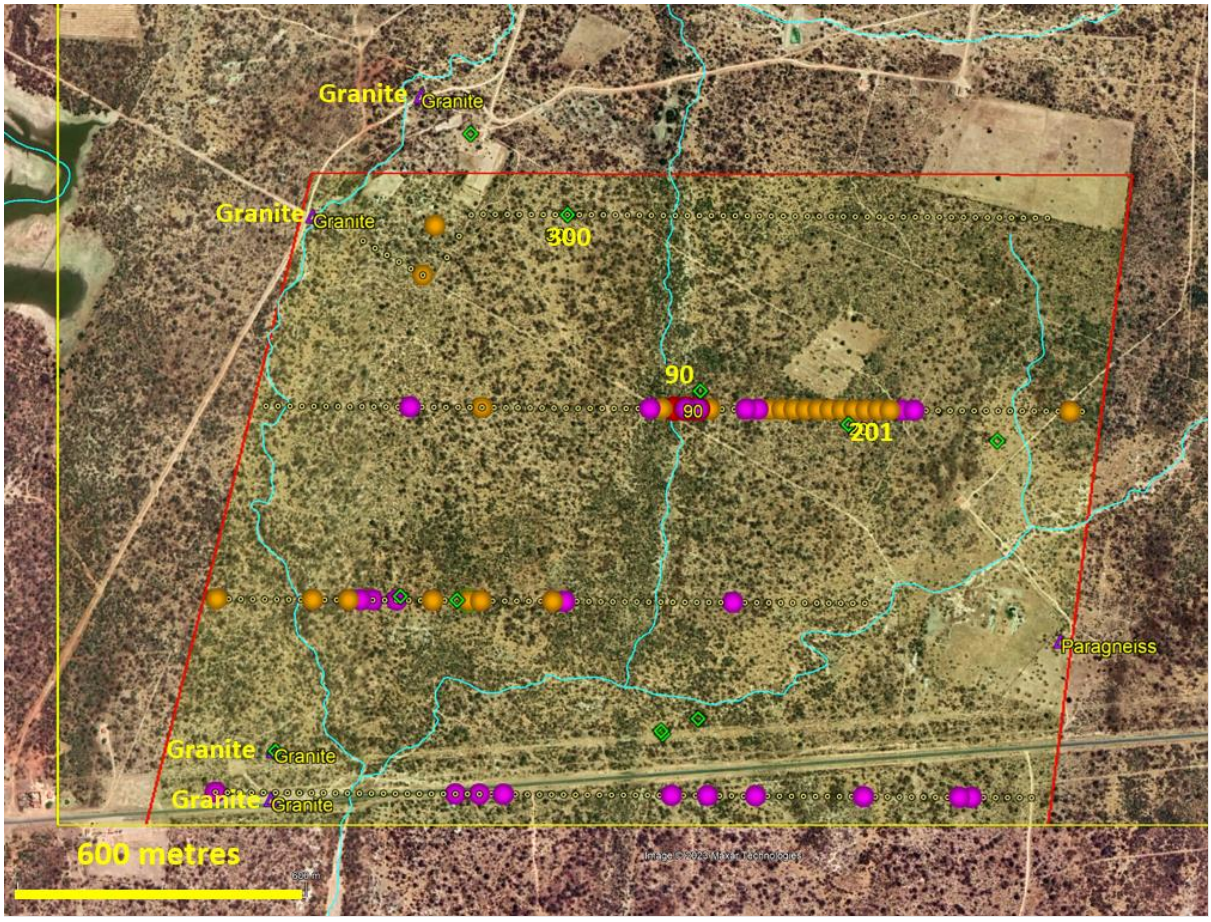

Figure 3. Lithium anomalies in pink dots overlying nickel in red dots and copper in orange dots. Rock sample values anomalous in Li2O are shown as the yellow numbers next to the green diamonds showing rock sample locations.

Lithium in soil anomalies were up to a maximum of 49 ppm with a background interpreted at 16 ppm.

Competent Persons Statement

The information in this announcement that relates solely to Exploration Results for the GMN-Mars Mines JV in Brazil is based on information compiled by Peter Temby, a Competent Person who is a Member of Australian Institute of Geoscientists. Peter Temby is an independent consultant working currently for Mars Mines Ltd. Peter Temby confirms there is no potential for a conflict of interest in acting as the Competent Person. Peter Temby 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'. Peter Temby consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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, nickel, copper and gold, are now actively being explored.

Gold Mountain has gradually diversified its project portfolio. The Company has a 75% holding in a package of highly prospective lithium licenses located within the eastern Brazilian lithium belt, spread over parts of the Borborema Province and São Francisco craton in north-eastern Brazil.

More recently, Gold Mountain acquired 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.

Gold Mountain has also applied for a 491 km^2 exploration licence at Green River where high grade Cu-Au and Pb-Zn float has been found and porphyry style mineralisation was identified by previous explorers. Intrusive float, considered to be equivalent to the hosts of the majority of Cu and Au deposits in mainland PNG, was also previously identified.

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.*	▪ *Samples taken were approximately 2 kg rock chip samples and approximately 1 kg soil samples taken at 20-30 cm depth* ▪ *Style of mineralisation sought is pegmatite intrusion hosted lithium and tantalum. Sources are considered to be certain S type granites present in the region of the tenements. In addition potential for Ni-Cu is being sought hosted in small intrusives of mafic-ultramafic composition.*
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.* ▪ *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	▪ *No drilling undertaken*

Criteria	JORC Code Explanation	Commentary
	▪ *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* ▪ *No samples reported* ▪ *No samples reported*
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.*	▪ *Rock samples were crushed and a subsample pulverised then digested with a 4 acid digest and analysed by ALS method ME-MS61L. The method is a partial extraction technique with good recovery of lithium in CRMs.* ▪ *No standards of blanks were submitted with these first pass exploration samples.*
Verification of sampling and assaying	▪ *The verification of significant intersections by either independent or alternative company personnel.* ▪ *The use of twinned holes.* ▪ *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* ▪ *Discuss any adjustment to assay data.*	▪ *No drilling was undertaken, no repeat analyses of the soil and rock samples was undertaken.*
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.*	▪ *No drilling undertaken.* .

Criteria	JORC Code Explanation	Commentary
	▪ *Quality and adequacy of topographic control.*	
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.*	*Soil samples were taken on lines 400 metres apart and at 25 metre spacing along lines. No sample compositing took place. Line spacing is too wide to infer continuity from line to line*
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, orientation of pegmatites that contain lithium is unknown at present*
Sample security	▪ *The measures taken to ensure sample security.*	▪ *Samples were securely packed and dispatched by post to the laboratory. All samples were reported to have been delivered intact.*
Audits or reviews	▪ *The results of any audits or reviews of sampling techniques and data.*	▪ *No audits were undertaken, laboratory standards and blanks were reviewed to confirm that quality had been maintained in the analytical procedures.*

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.*	***GMN tenements*** ▪ *The tenements are held by Mars Mines Brasil Ltda and Neliton Dias Santos for Mars Mines Brasil Ltda.*
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 and production by artisanal miners on some tenements for talc, vermiculite, silica and amethyst.*
Geology	▪ *Deposit type, geological setting and style of mineralisation.*	▪ *The mineralisation in the region pegmatite intrusion related lithium and tantalum mineralisation. Mineralisation typically occurs as disseminated crystals or crystal clusters in the host pegmatite. The host to the pegmatite is commonly a greenschist to amphibolite facies sedimentary or volcanic sequence but can include many other rock types. The Ni-Cu mineralisation sought is expected to be hosted by mafic-ultramafic intrusives in the craton margin setting of the tenements*

Criteria	JORC Code Explanation	Commentary
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 result aggregation undertaken, no cut off grades applied*
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; Appropriate maps and diagrams are included*
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.*	▪ *Low order anomalous results have been reported from this soil sampling program together with low order rock sample anomalies.*

Criteria	JORC Code Explanation	Commentary
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.*	▪ *An undeformed or weakly deformed granite with numerous narrow pegmatites is present on the western edge of the grid area. The Brazil Geological Service reports that pegmatitic fluids have feldspathised the host mafic-ultramafic intrusives.*
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 planned is regional stream sediment sampling over all the tenements and rock chip sampling followed up by soil sampling to focus attention on the most prospective areas. Anomalous lithium areas will be followed by RC and diamond drilling to define resources. Anomalous nickel and copper will be followed up with geophysics to define sulphide concentrations, then drilled with RC or diamond drilling.*