



ASX RELEASE: GMN

15 February 2017

More Gold and Platinum and a Hard Rock Sample recovered from Bulk Sampling at Crown Ridge

- **Approximately 1oz of additional free gold and further ~4g of platinum recovered from other half of first 125 cubic metre test pit (Pit 200)**
- **Recoveries from 125m³ test pit totals over 2 ounces of gold and nearly 9g of platinum**
- **Hard rock sample with extensive gold mineralisation recovered within 20m of Pit 200**
- **Further geophysical interpretations of Crown Ridge Gold Project underway with results pending**
- **Bulk Sampling program set to recommence in coming weeks**
- **Onsite equipment to be upgraded to capture finer gold particles and significantly increase recoveries from Phase 2 Bulk Sampling program**

The Board of Gold Mountain Limited (ASX: GMN) is pleased to announce further gold and platinum recoveries from its Phase 2 Bulk Sampling program at the flagship Crown Ridge Gold Project, EL1968. Also, and of equal significance, a heavily mineralised 'proximal float' hard rock sample has been recovered less than 20 metres from the first 125m³ bulk sampling pit (Pit 200).

Following the completion of the first large scale 125m³ test pit (approximate co-ordinates 817,000mE¹ / 9,407,450mN, WGS84, Zone 54S), using a tracked excavator and processed through a portable heavy mineral test plant, the Company is pleased to announce that it has recovered over 2 ounces of gold (75.05g Au) and 8.71g of platinum (refer table 2) from Pit 200.



As with the initial results from the smaller pits, the Company is also further encouraged by the ease in which the coarse grains of gold and platinum contents were amenable to recovery using gravity processes.

Significantly, GMN is reporting the recovery of a heavily gold mineralised hard rock sample recovered adjacent to Pit 200 (refer photos 3 and 4 and a video posted on the Company's website of the hard rock being assessed by Consulting Geologist/Metallurgist Tony King).

The 'proximal float' hard rock sample resembles an epithermal quartz-pyrite vein, similar to that assayed previously, which returned 29.9ppm (refer ASX announcement 11 May 2015), the Company looks forward to updating shareholders on further assays of the sample in the near term.

While these initial recoveries from the first large scale Bulk Sampling pit are encouraging, GMN notes that recoveries could increase extensively following an upgrade of the portable heavy mineral test plant now located on-site. Sizing of the gold particles, as outlined in table 3, show that it is apparent there are significant losses of finer gold and platinum particles below 0.1mm, as well as some below 0.2mm based. As a result, the Company is assessing augmenting current on site equipment to ensure maximum recoveries can be achieved when bulk sampling recommences in the coming weeks.

Consulting Geologist/Metallurgist, Tony King commented: "From the gold sizing, it is apparent that there are some losses below 0.1mm and also below 0.2mm due only to the heavy mineral processing equipment currently being used. While the initial results are very encouraging, the Company will witness significant increases in recoveries once equipment is upgraded.

"At present, there are two types of gold in this batch of concentrate. Firstly, a richer coloured gold, which is more crystalline and often attached to quartz; typical of in situ eluvials (free gold in soil). With other gold that is lower grade, it is silvery, and occurs as flat flakes, particularly in the larger grain sizes. Some flakes are rounded, similar to alluvial gold and there is no attached quartz."

The processes used to determine the free gold and platinum contents of the concentrate sample were similar to those detailed in the ASX announcement on 12 January 2017.

Director and Supervising Geologist, Doug Smith stated: "The gold and platinum recovered from the initial 125m³ Pit 200, and the discovery of the heavily mineralised hard rock sample adjacent to Pit 200, are both highly encouraging for the Company as we look to recommence phase 2 bulk sampling activities in the coming weeks. Recovery from free gold in the soils is continuing, and our confidence in the geology is growing daily. More and more, we are convinced that Crown Ridge will commence as a low-cost bulk mining operation with free gold in the soil occurring down to 40 metres.

"The hard rock sample recovered, albeit only a sample, clearly indicates that some proximal float has occurred, which simply means the hard rock has moved from what is likely a much larger hard rock source. The heavy mineralisation in the sample is very encouraging."

"As well as continuing the Phase 2 bulk sampling program, GMN's will also undertake further geological mapping and geochemical sampling in other EL's within the Wabag tenement suite, while concurrently designing a program of further pitting in order to estimate a JORC 2012 compliant mineral resource in the near term.

"Very shortly, we expect Allender Exploration to report on further geophysical interpretations of Crown Ridge and we are eagerly awaiting these independent results and accompanying commentary. "We look forward to updating shareholders on progress of all activities as we continue to unlock Gold Mountain's potential value."



Please go to www.goldmountainltd.com.au to access a video on the initial analysis of the hard rock sample by Consulting Geologist/Metallurgist Tony King.

<http://www.goldmountainltd.com.au/gallery>

<https://youtu.be/WLIn8UM4nKM>

Fraction	Sample Weight	Gold recovered	Platinum recovered
> 1mm oversize	1,300 g	7.13 g	2.70 g
< 1mm magnetic fraction	11,935 g	0	0
< 1mm non-magnetic fraction	9,645 g	30.29 g	2.02 g

Table 1: Gold and platinum recovery from second concentrate sample

Fraction	Sample Weight	Gold recovered	Platinum recovered
> 1mm oversize	1,722 g	10.00 g	3.48 g
< 1mm magnetic fraction	14,963 g	0	0
< 1mm non-magnetic fraction	13,662 g	65.05 g	5.23 g
TOTALS	30,347 g	75.05 g	8.71 g

Table 2: Total gold and platinum recovery from Pit 200

Size	Percentage
> 3mm	3.3
3mm - 1mm	15.7
1mm – 0.5mm	26.4
0.5mm – 0.2mm	49.3
0.2mm – 0.1mm	5.0
< 0.5mm	0.5

Table 3: Sizing of gold particles from the second concentrate sample

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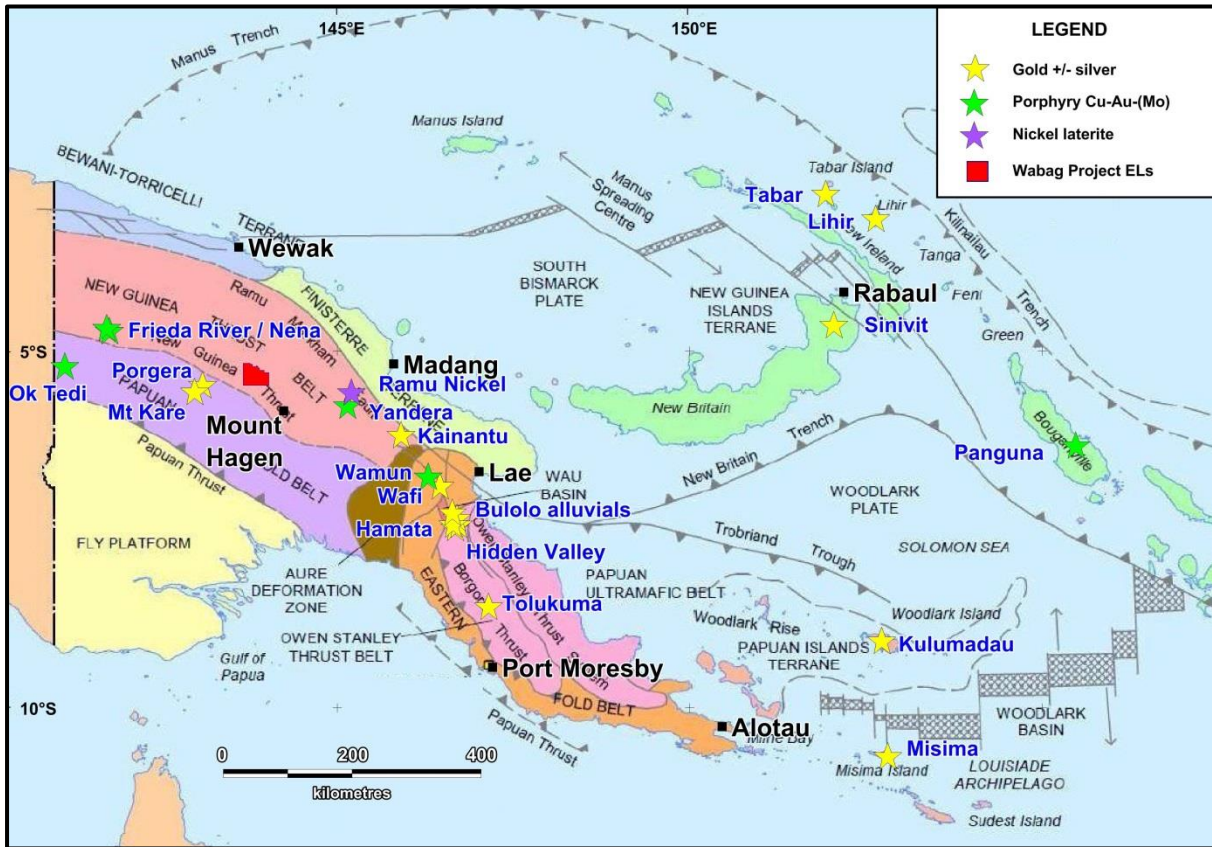


Figure 1: Location of Wabag Project ELs in the PNG Highlands Region

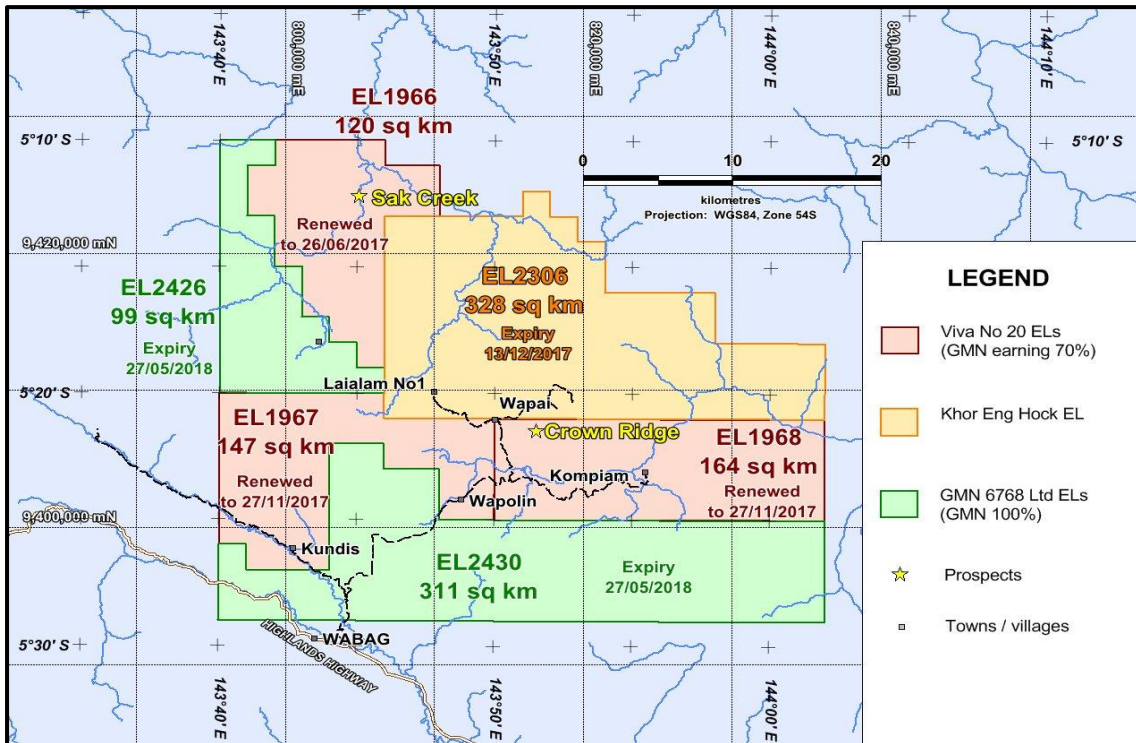


Figure 2: Gold Mountain tenement suite, Enga Province, PNG Highlands

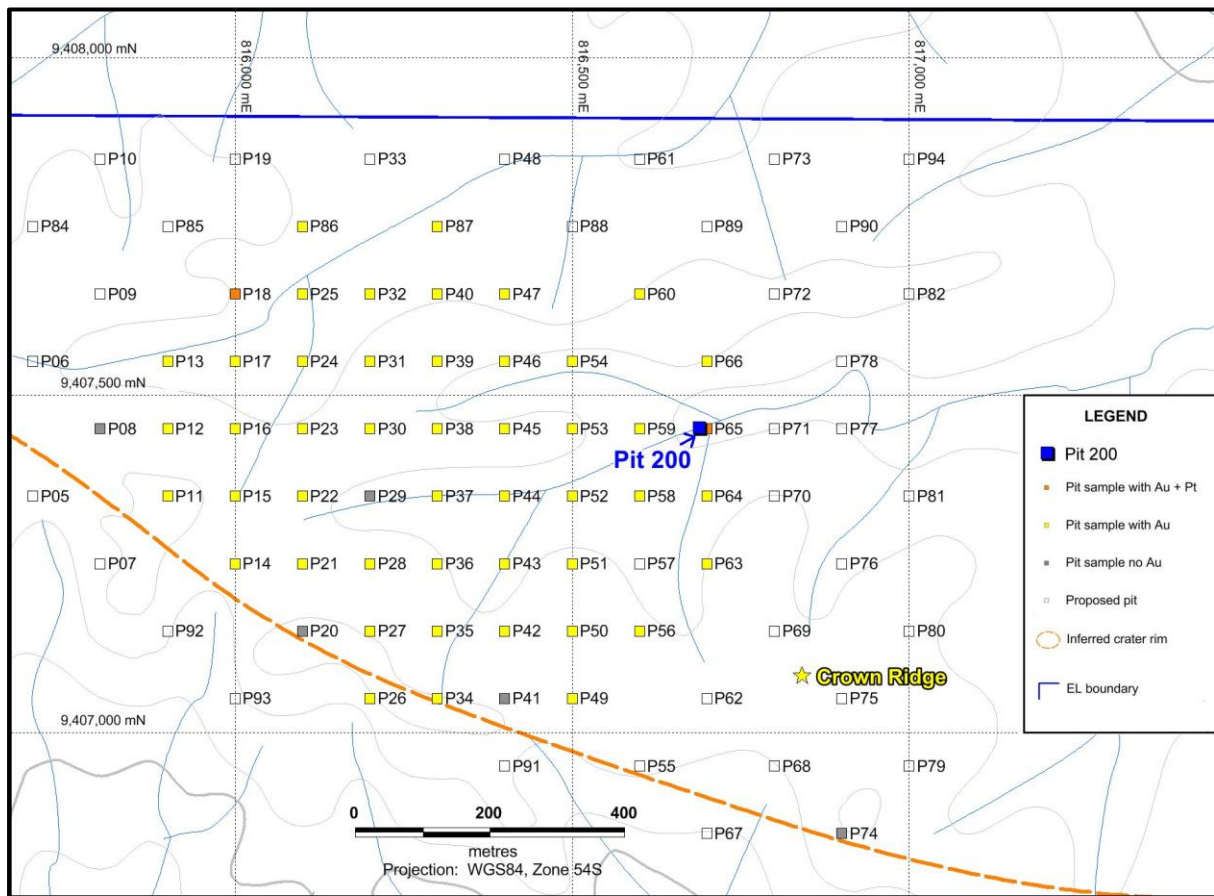


Figure 3: Location of Pit 200 relative to Phase 1 pits



Photo 1: Excavator digging bulk sample Pit 200 at Crown Ridge



Photo 2: Coarse gold particles and gold-quartz vein material from the trommel oversize (diameter of coin approximately 28mm)



Photo 3: Free gold on surface of quartz-pyrite vein float sample near Pit 200



Photo 4: Float sample sawn in half to reveal quartz and pyrite textures



Statements contained in this report relating to exploration results and potential are based on information compiled by Doug Smith, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Doug is a consultant geologist and has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral resources and Ore reserves (JORC Code 2012). Doug Smith consents to the use of this information in this report in the form and context in which it appears.



JORC Code, 2012 Edition – Table 1 report

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">• <i>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.</i>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>• <i>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.</i>	<ul style="list-style-type: none">• Approximately 125 cubic metres of material were excavated by tracked excavator.• Concentrates were obtained by a portable gold test plant consisting of a trommel and sluice.
Drilling techniques	<ul style="list-style-type: none">• <i>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).</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as part of this release.
Drill sample recovery	<ul style="list-style-type: none">• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>• <i>Whether a relationship exists between</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as part of this release



Criteria	JORC Code explanation	Commentary
	<p><i>sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • No drilling, logging or sampling was conducted as part of this release
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • No drilling, logging or sampling was conducted as part of this release
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable</i> 	<ul style="list-style-type: none"> • Gold and platinum contents of the concentrate determined by screening, hand-picking coarse particles, amalgamated of fine gold • The analytical technique is appropriate for determination of free gold / platinum contents that can be recovered using gravity methods • No QAQC procedures used at this stage



Criteria	JORC Code explanation	Commentary
	<i>levels of accuracy (ie lack of bias) and precision have been established.</i>	
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none">• <i>The verification of significant intersections by either independent or alternative company personnel.</i>• <i>The use of twinned holes.</i>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>• <i>Discuss any adjustment to assay data.</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as part of this release
<i>Location of data points</i>	<ul style="list-style-type: none">• <i>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.</i>• <i>Specification of the grid system used.</i>• <i>Quality and adequacy of topographic control.</i>	<ul style="list-style-type: none">• Pit locations were determined by hand-held GPS readings at the eastern ends of the pits (accuracy +/- 5m) and recorded in WGS84, Zone 54S datum
<i>Data spacing and distribution</i>	<ul style="list-style-type: none">• <i>Data spacing for reporting of Exploration Results.</i>• <i>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.</i>• <i>Whether sample compositing has been applied.</i>	<ul style="list-style-type: none">• Single pit at this early stage of the program. Further test pits will be excavated later at appropriate spacings• No sample compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none">• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>• <i>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.</i>	<ul style="list-style-type: none">• The orientation of samples is not likely to bias the assay results.
<i>Sample security</i>	<ul style="list-style-type: none">• <i>The measures taken to ensure sample security.</i>	<ul style="list-style-type: none">• Samples were taken to Mount Hagen by company personnel and despatched by courier to Tony King in Herberton, Queensland.



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<i>Audits or reviews</i>	<ul style="list-style-type: none"><i>The results of any audits or reviews of sampling techniques and data.</i>	<ul style="list-style-type: none">No audits or reviews have been undertaken at this stage.



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">• EL1968 was granted to Viva No 20 Limited on 28 Nov 2013 and expires on 27 Nov 2017. The current tenement area is 164 km². GMN is earning 70% interest.
<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">• All exploration programs conducted by Gold Mountain Limited
<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">• EL1968 contains potential for intrusive-related gold-copper deposits, epithermal-style gold deposits, alluvial gold-platinum deposits and Alaskan-style platinum deposits
<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">• No drilling, logging or sampling was conducted as part of this release.



Criteria	JORC Code explanation	Commentary
<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 (eg 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 typical examples of such aggregations should be shown in detail.</i>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as part of this release• No material information is excluded.• No intersections have been reported as part of this release.
<i>Relationship between mineralisation widths and intercept lengths</i>	<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 (eg 'down hole length, true width not known').</i>	<ul style="list-style-type: none">• No drilling, logging or sampling was conducted as part of this release• No material information is excluded.• No intersections have been reported as part of this release.
<i>Diagrams</i>	<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">• Maps showing the location of the Crown Ridge prospect within the Wabag suite of tenements are presented in the announcement
<i>Balanced reporting</i>	<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">• No drilling, sampling or assaying was conducted as part of this release, hence no reported intersections.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none">• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations;</i>	<ul style="list-style-type: none">• Geochemical surveys have been previously reported. These included soil sampling, stream sediment sampling, rock



Criteria	JORC Code explanation	Commentary
	<i>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>	chip sampling and trench sampling. <ul style="list-style-type: none">• A Helimag survey involving flying lines at 100 metre line spacing, was recently completed and processing of the data is in progress.
<i>Further work</i>	<ul style="list-style-type: none">• <i>The nature and scale of planned further work (eg 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">• Continued bulk sampling from 125 cubic metre pits.