

GOLD MOUNTAIN LIMITED

(formerly known as Commissioners Gold Limited)

Interim Financial Report

31 December 2014

ASX RELEASE

GOLD MOUNTAIN LIMITED ABN 79 115 845 942 (ASX:GMN)



Directors' Report

Your Directors submit the financial report of the Company for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the interim and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Graham Kavanagh	Chairman and Non-Executive Director (appointed 5 June 2014)
Matthew Morgan	Non-Executive Director (appointed 3 July 2014)
Sin Pyng "Tony" Teng	Non-Executive Director (appointed 9 July 2014)
Robert J Waring	Non-Executive Director (resigned 11 July 2014)
Bill Richie Yang	Non-Executive Director (resigned 18 July 2014)
Eric Kam	Non-Executive Director (resigned 18 July 2014)

Company Secretary

Eric Kam	(appointed 9 July 2014)
Keith Taylor	(resigned 8 July 2014)

Dividends

No dividends have been paid or declared since the start of the half-year and the Directors do not recommend the payment of a dividend in respect of the half-year.

Principal Activities

The principal activity of the Company during the half-year was the exploration for and development of gold projects.

Significant Changes in the State of Affairs


On 3 July, 2014, the Company appointed Mr Matthew Morgan as a Non Executive Director.

On 8 July 2014, Mr Keith Taylor resigned as Company Secretary of the Company.

On 9 July, 2014, the Company appointed Mr Sin Pyng "Tony" Teng as a Non Executive Director. On the same day, Non Executive Director Mr Graham Kavanagh was appointed Chairman by the Board of Directors.

On 11 July, 2014, Non Executive Director Mr Robert Waring resigned as a Director of the Company.

On 18 July, 2014, Non Executive Directors Mr Bill Richie Yang and Eric Kam resigned as Directors of the Company.



On 1 August 2014, the Company completed a successful capital raising of \$390,000 through the issue of 13,000,000 ordinary shares at \$0.03 per share by way of a private placement to professional and sophisticated investors.

On 15 December 2014, the 2014 AGM of Shareholders was held by the Company and all resolutions were carried unanimously on a show of hands.

On 16 December 2014, following the passing of resolution 4 and 5 at the 2014 AGM held on 15 December 2014, the Company changed its name from Commissioners Gold Limited to Gold Mountain Limited and adopted the new Constitution of the Company in substitution for the previous constitution.

The ASX Code was changed from CGU to GMN on 22 December 2014.

On 18 December 2014, the Company completed a successful capital raising of \$300,000 through the issue of 10,000,000 ordinary shares at \$0.03 per share by way of a private placement to professional and sophisticated investors.

On 19 December 2014, following the passing of resolution 10 and 11 at the 2014 AGM held on 15 December 2014, 8,000,000 ordinary shares were issued to the Converting Noteholders on conversion of 8,000,000 Converting Notes at the conversion price of \$0.025.

On 24 December 2014, following the passing of resolution 6 at the 2014 AGM held on 15 December 2014, the Company entered into a Variation Deed with Viva No.20 Limited and its shareholders to rectify and confirm the continuing obligations under the Letter Agreement as varied by the variation deed.

On 31 December 2014, the Company concluded an agreement with Capital Mining Limited (ASX: CMY) to acquire the remaining unearned interest of EL 5939 Cowarra Gold Project.

Review of Operations

As announced on 30 June 2014, the Company entered into an Agreement with Viva No.20 Limited (Viva), a company incorporated in PNG, to acquire an initial 20% interest in three (3) exploration licences in Enga province, Papua New Guinea (collectively termed the Wabag Project) with an option to acquire a further 50% subject to certain conditions.

In July 2014, Geos Mining was contracted to undertake an independent technical assessment and valuation of the Wabag Project. Later, Nexia Australia was engaged to complete an independent expert's report on the proposed acquisition of the interest in Viva. The purpose of the reports were to assist the Directors and advise the shareholders of the Company of the fairness and reasonableness of the proposed acquisition transaction. A full report can be found on the Company's website and ASX Announcements under the header "2014 AGM – Independent Expert's Report" of 13 November 2014.

At the 2014 AGM presentation, shareholders were advised that the current investments in the Peruvian Project whereby the Company has 18.75% interest in Goldsmith Resources SAC, Peru was being placed under review following reports of continuing production delays and further calls for additional capital requirements. The Company has not received any audited financial report from Goldsmith Resources SAC other than the unaudited management accounts for the six (6) months period to 30 June 2014.

The Company continues to assess its exploration assets in NSW, with particular focus on Cowarra gold project, in southern NSW. The acquisition of the remaining unearned interest in the Cowarra Project was concluded on 31 December 2014. There were little or no further exploration activities during the period.



Operating results for the half-year

The loss of the Company for the half-year, after providing for income tax amounted to \$259,818 (2013: \$259,211).

Review of financial conditions

The Company had \$310,831 in cash assets at 31 December 2014. The net assets of Gold Mountain Limited increased from \$1,371,820 at 30 June 2014 to \$1,918,452 at 31 December 2014, an increase of \$546,632.

During the half year reporting period, the Company raised in total \$690,000 for the purpose of working capital by issue of 23,000,000 ordinary shares.

With the approval of shareholders at the 2014 AGM in passing resolution 8 and 12, the Company has for the next 12 months a total share placement capacity to issue up to the maximum of 60,100,000 shares. It is anticipated that the placement facilities would enable the Company to raise sufficient funds to support its working capital requirements, including expenditures associated with NSW exploration assets and assumption of the operation and management rights and obligations in respect of the Wabag Project in Papua New Guinea.

Risk management

Details of the Company's Risk Management policies are contained within the Corporate Governance Statement in the Directors' Report as outlined in the 30 June 2014 Annual Report.

Events Subsequent to the End of the Half-Year

The Company, having entered into an agreement to acquire the remaining unearned interest of EL 5939 Cowarra Gold Project, paid a security deposit of \$20,000 to Capital Mining Limited on 2 January 2015. A further \$20,000 will become payable as final payment upon registration the title transfer with the NSW Department of Trade and Industry, Resources and Energy.

On 26 February 2015, the Company advises that 28,103,300 new fully paid ordinary shares in the Company have been issued via a placement at a price of \$0.03 per share to sophisticated investors, raising a total of \$843,099.00.

Other Activities and Company Strategy

The Company continues to focus on the exploration of its targets with the aim of finding and developing commercially viable gold projects.

Environmental legislation

The Company is subject to significant environmental and monitoring requirements in respect of its natural resource exploration activities. The Directors are not aware of any significant breaches of these requirements during the period.



Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial period the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 6 and forms part of this Directors' report for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors.



Graham Kavanagh
Chairman

6 March 2015

AUDITOR'S INDEPENDENCE DECLARATION

Declaration of Independence to the Directors of Gold Mountain Limited
(formerly Commissioners Gold Limited)
ABN 79 115 845 942

In relation to the audit review of Gold Mountain Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief that there have not been any contraventions of

- the reviewing auditor independence requirements of the Corporations Act, and
- any applicable code of professional conduct



T.O. Nolan
KS Black & Co

Sydney, 9 March 2015

Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2014

	Notes	31 Dec 2014 \$	31 Dec 2012 \$
Interest income		2,007	-
Other income		1,000	-
Sale of exploration interest	2	-	38,151
Administration costs		(153,933)	(52,488)
Employee benefits expense		-	(107,887)
Exploration expense	4	(225)	(3,768)
Interest expense		-	(5,791)
Investor and public relations		(3,995)	(9,895)
Legal and professional costs		(143,222)	(117,533)
Options expense		38,550	-
Loss before income tax expense		(259,818)	(259,211)
Income tax expense		-	-
Net loss for the period		(259,818)	(259,211)
Attributable to the owners of Gold Mountain Limited		(259,818)	(259,211)
Other comprehensive income		-	-
Total comprehensive loss for the period		(259,818)	(259,211)
Attributable to the owners of Gold Mountain Limited		(259,818)	(259,211)
Basic loss per share (cents per share)	8	(0.2002)	(0.4909)
Diluted earnings per share (cents per share)	8	N/A	N/A

The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2014

	Notes	31 Dec 2014 \$	30 Jun 2014 \$
Assets			
Current Assets			
Cash and cash equivalents		310,831	200,070
Trade and other receivables		264,636	226,226
Total Current Assets		575,467	426,296
Non-Current Assets			
Plant and equipment		2,103	-
Deferred exploration and evaluation expenditure	3	982,889	626,376
Investment in Goldsmith Resources SAC	5	514,641	514,641
Other assets		60,000	60,000
Total Non-Current Assets		1,559,633	1,201,017
Total Assets		2,135,100	1,627,313
Liabilities			
Current Liabilities			
Trade and other payables		216,648	55,493
Borrowings		-	200,000
Total Current Liabilities		216,648	255,493
Total Liabilities		216,648	255,493
Net Assets		1,918,452	1,371,820
Equity			
Issued capital	6	6,094,683	5,249,683
Reserves	7	52,425	90,975
Accumulated Losses		(4,228,656)	(3,968,838)
Total Equity		1,918,452	1,371,820

The statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Half-Year Ended 31 December 2014

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2013	3,917,977	90,975	(3,441,845)	567,107
Shares issued during the half-year	289,159	-	-	289,159
Share issue costs	(16,657)	-	-	(16,657)
Net loss for the period	-	-	(259,211)	(259,211)
Balance at 31 December 2013	4,190,479	90,975	(3,701,056)	580,398
Balance at 1 July 2014	5,249,683	90,975	(3,968,838)	1,371,820
Shares issued during the half-year	890,000	-	-	890,000
Share issue costs	(45,000)	-	-	(45,000)
Lapse of options	-	(38,550)	-	(38,550)
Net loss for the period	-	-	(259,818)	(259,818)
Balance at 31 December 2014	6,094,683	52,425	(4,228,656)	1,918,452

The statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the Half-year Ended 31 December 2014

	31 Dec 2014	31 Dec 2013
	\$	\$
Cash flows from operating activities		
Interest received	2,007	-
Payments to suppliers and employees	(234,693)	(138,011)
Finance costs	-	(4,991)
Net cash used in operating activities	(232,686)	(143,002)
Cash flows from investing activities		
Payment for plant and equipment	(2,103)	-
Proceeds from sale of exploration interest	-	38,151
Payments for loans to Goldsmith Resources SAC	-	(47,500)
Payments for exploration and evaluation expenditure	(296,510)	(40,066)
Net cash used in investing activities	(298,613)	(49,415)
Cash flows from financing activities		
Proceeds from the issue of shares	690,000	129,437
Share issue costs	(47,940)	(12,234)
Repayment of borrowings	-	(17,186)
Proceeds from borrowings	-	70,000
Net cash provided by financing activities	642,060	170,017
Net increase)/(decrease) in cash and cash equivalents	110,761	(22,400)
Cash and cash equivalents at the beginning of the period	200,070	51,406
Cash and cash equivalents at the end of the period	310,831	29,006

Non-cash financing activities

(i) Share issue

During the half year, 8,000,000 ordinary shares were issued to Converting Noteholders on conversion of 8,000,000 Converting Notes at the conversion price of \$0.025. This issue is not reflected in the statement of cash flows (Refer Note 6).

The statement of cashflows should be read in conjunction with the accompanying notes.



Notes to the Financial Statements

For the Half-year Ended 31 December 2014

Note 1: Statement of Significant Accounting Policies

Statement of compliance

These interim financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Gold Mountain Limited (the Company) during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2014.

Going concern

The financial statements have been prepared on the going concern basis, the validity of which depends upon the positive cash position. The Company's existing projections show that further funds will be required to be generated, either by capital raisings, sales of assets or other initiatives, to enable the Company to fund its currently planned activities for at least the next 12 months from the date of signing these financial statements.

With the approval of shareholders at the 2014 AGM in passing resolution 8 and 12, the Company has for the next 12 months a total share placement capacity to issue up to the maximum of 60,100,000 shares. It is anticipated that the placement facilities would enable the Company to raise sufficient funds to support its working capital requirements, including expenditures associated with NSW exploration assets and assumption of the operation and management rights and obligations in respect of the Wabag Project in Papua New Guinea.

Notwithstanding this issue, accordingly the Directors have prepared the financial statements of the Company on a going concern basis. In arriving at this position, the Directors have considered the following pertinent matter:

Australian Accounting Standard, AASB 101 "Accounting Policies", states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

In the Directors' opinion, at the date of signing the financial report, there are reasonable grounds to believe that the matters set out above will be achieved and therefore the financial statements have been prepared on a going concern basis.

Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Gold Mountain Limited.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2014, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2012.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new standards and interpretations that have been raised but are not yet effective for the half-year ended 31 December 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to the Company accounting policies.

Note 2: Sale of exploration interest

	31 Dec 2014	31 Dec 2013
	\$	\$
Sale of exploration interest	-	38,151
	-	38,151

As announced to the ASX on 15 August, 2013, the Company entered into an agreement with project partner, SC Investments No 1 Pty Ltd, for the sale and alignment of exploration interests in mining and treatment projects in southern Peru. As consideration for entering into this agreement, SC Investments No 1 Pty Ltd agreed to pay USD \$120,000 to the Company following the completion of certain production milestones at operations in Southern Peru.

The first scheduled payment of USD \$35,000 was received on 15 August 2013 following execution of agreement. The timetable for subsequent payments to the Company is as follows:

- USD \$35,000 once production reaches 20 tonnes /day at an average grade above 8 g/t gold
- USD \$30,000 once production reaches 30 tonnes /day at an average grade above 8 g/t gold
- USD \$20,000 once production reaches 50 tonnes /day at an average grade above 8 g/t gold

Note 3: Deferred Exploration and Evaluation Expenditure

	31 Dec 2014	30 Jun 2014
	\$	\$
Balance at beginning of period 1 July 2014	626,376	606,436
Expenditure incurred	356,513	54,052
Impairment loss on existing tenements	-	(34,112)
Balance at 31 December 2014	982,889	626,376

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

Note 4: Exploration Expense

	31 Dec 2014 \$	31 Dec 2013 \$
Deferred expenditure written-off	-	7,375
General exploration expenses	225	(3,607)
Exploration expense	225	3,768

Exploration expense in the 2014 half year refer to costs incurred in maintaining the Company's NSW exploration projects.

Note 5: Investment in Goldsmith Resources SAC

Interests are accounted for at fair value. Information relating to investments is set out below:

(a) Carrying amounts

Unlisted entity	Principal activities	Percentage interest		Company	
		Dec 2014 %	Jun 2014 %	31 Dec 2014 \$	30 Jun 2014 \$
Goldsmith Resources SAC	Mineral processing	18.75	18.75	514,641	514,641

(b) Movements in carrying amounts

Carrying amount at the beginning of the financial period	514,641	268,641
Acquisition of shares in associate	-	246,000
Carrying amount at the end of the financial period (shown as investment cost)	514,641	514,641

Note 6: Issued Capital

	31 Dec 2014 \$	30 Jun 2014 \$
Ordinary shares		
148,868,987 Ordinary Shares (30 June 2014 – 117,868,987 shares)	7,134,576	6,244,576
Share issue costs	(1,039,893)	(994,893)
Total issued capital	6,094,683	5,249,683
	No.	\$
<i>Movements in ordinary shares on issue</i>		
At 1 July 2014	117,868,987	5,249,683
Ordinary shares issued to professional and sophisticated investors	23,000,000	690,000
Conversion of converting notes	8,000,000	200,000
Issue costs	-	(45,000)
At 31 December 2014	148,868,987	6,094,683

Movement in options over ordinary shares on issue

Date	Particulars	Number of options	Exercise Price	Expiry Date
16-Mar-2011	Unlisted options – Director	750,000	\$0.30	31-Dec-2013
16-Mar-2011	Unlisted options – Director	750,000	\$0.25	31-Dec-2015
01-Mar-2012	Unlisted options – KMP	500,000	\$0.18	31-Dec-2014
01-Mar-2013	Unlisted options – KMP	500,000	\$0.07	31-Dec-2016
30-Jun-2013	Total options issued	2,500,000		
24-Dec-2013	Issue of unlisted options – rights issue free attaching	3,235,913	\$0.04	31-May-2015
31-Dec-2013	Expiry of unlisted options	(750,000)	\$0.30	31-Dec-2013
14-Feb-2014	Issue of unlisted options – rights issue free attaching	7,500,000	\$0.04	31-May-2015
07-Mar-2014	Issue of unlisted options – rights issue free attaching	16,997,542	\$0.04	31-May-2015
30-Jun-2014	Total options issued	29,483,455		
31-Dec-2014	Expiry of unlisted options	(500,000)	\$0.18	31-Dec-2014
31-Dec-2014	Total options issued	28,983,455		

Note 7: Reserves

	31 Dec 2014 \$	30 Jun 2014 \$
Reserves		
Share based payments reserve	52,425	90,975
	<u>52,425</u>	<u>90,975</u>
<i>Movements in options over ordinary shares on issue</i>		
At 1 July 2014	90,975	90,975
Options lapsed during this period and prior periods	(38,550)	-
At 31 December 2014	<u>52,425</u>	<u>90,975</u>

Detailed movement in options over ordinary shares on issue

Date	Particulars	Number of options	Exercise Price	Expiry Date	Valuation
16-Mar-2011	Unlisted options – Director	750,000	\$0.30	31-Dec-2013	20,850
16-Mar-2011	Unlisted options – Director	750,000	\$0.25	31-Dec-2015	29,175
01-Mar-2012	Unlisted options – KMP	500,000	\$0.18	31-Dec-2014	17,700
01-Mar-2013	Unlisted options – KMP	500,000	\$0.07	31-Dec-2016	23,250
30-Jun-2013	Closing balance	2,500,000			\$90,975
31-Dec-2013	Expiry of unlisted options	(750,000)	\$0.30	31-Dec-2013	(20,850)
30-Jun-2014	Closing balance	1,750,000			\$70,125
31-Dec-2014	Expiry of unlisted options	(500,000)	\$0.18	31-Dec-2014	(17,700)
31-Dec-2014	Closing balance	1,250,000			\$52,425

Note 8: Loss Per Share

	31 Dec 2014 \$	31 Dec 2013 \$
a. Basic Loss per share		
i. Basic Loss per share (cents)	(0.20)	(0.49)
ii. Net loss used to calculate basic loss per share	(259,818)	(259,211)
Weighted average number of ordinary shares outstanding during the		
iii. half-year used in calculating basic loss per share	<u>129,792,900</u>	<u>52,798,671</u>
b. Diluted loss per share		
The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.	-	-



Note 9: Significant Events for the Period

On 3 July, 2014, the Company appointed Mr Matthew Morgan as a Non Executive Director.

On 8 July 2014, Mr Keith Taylor resigned as Company Secretary of the Company.

On 9 July, 2014, the Company appointed Mr Sin Pyng "Tony" Teng as a Non Executive Director. On the same day, Non Executive Director Mr Graham Kavanagh was appointed Chairman by the Board of Directors.

On 11 July, 2014, Non Executive Director Mr Robert Waring resigned as a Director of the Company.

On 18 July, 2014, Non Executive Directors Mr Bill Richie Yang and Eric Kam resigned as Directors of the Company.

On 1 August 2014, the Company completed a successful capital raising of \$390,000 through the issue of 13,000,000 ordinary shares at \$0.03 per share by way of a private placement to professional and sophisticated investors.

On 15 December 2014, the 2014 AGM of Shareholders was held by the Company and all resolutions were carried unanimously on a show of hands.

On 16 December 2014, following the passing of resolution 4 and 5 at the 2014 AGM held on 15 December 2014, the Company changed its name from Commissioners Gold Limited to Gold Mountain Limited and adopted the new Constitution of the Company in substitution for the previous constitution.

The ASX Code was changed from CGU to GMN on 22 December 2014.

On 18 December 2014, the Company completed a successful capital raising of \$300,000 through the issue of 10,000,000 ordinary shares at \$0.03 per share by way of a private placement to professional and sophisticated investors.

On 19 December 2014, following the passing of resolution 10 and 11 at the 2014 AGM held on 15 December 2014, 8,000,000 ordinary shares were issued to the Converting Noteholders on conversion of 8,000,000 Converting Notes at the conversion price of \$0.025.

On 24 December 2014, following the passing of resolution 6 at the 2014 AGM held on 15 December 2014, the Company entered into a Variation Deed with Viva No.20 Limited and its shareholders to rectify and confirm the continuing obligations under the Letter Agreement as varied by the variation deed.

On 31 December 2014, the Company concluded an agreement with Capital Mining Limited (ASX: CMY) to acquire the remaining unearned interest of EL 5939 Cowarra Gold Project.

Note 10: Events After the Reporting Period

The Company, having entered into an agreement to acquire the remaining unearned interest of EL 5939 Cowarra Gold Project, paid a security deposit of \$20,000 to Capital Mining Limited on 2 January 2015. A further \$20,000 will become payable as final payment upon registration the title transfer with the NSW Department of Trade and Industry, Resources and Energy.

On 26 February 2015, the Company advises that 28,103,300 new fully paid ordinary shares in the Company have been issued via a placement at a price of \$0.03 per share to sophisticated investors, raising a total of \$843,099.00.

Note 11: Operating Segments

Segment Information

Identification of reportable segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Gold Mountain Limited. During the half-year the Company operated principally in one business segment being mineral exploration and in three (3) geographical segments being Australia, Papua New Guinea and Peru.



Note 12: Dividends

The Directors of the Company have not declared an interim dividend.

Note 13: Commitments and Contingencies

Remuneration Commitments

The Company and Mr Jason Needham were parties to an Executive Employment Agreement dated 1 March 2012 by which the Company employs Mr Needham as Exploration Manager and COO from 1 March 2012. Mr Needham worked for the Company on a full time basis and was paid a remuneration package of \$200,000 per annum, plus superannuation. On 31 December 2013 Mr Needham resigned his employment from the Company. From 1 January, 2014, Mr Needham was retained by the Company as a consultant geologist.

Guarantees

Gold Mountain Limited did not commit to nor make guarantees of any form as at 31 December 2014.

Contingent liabilities

There are no contingent liabilities as at 31 December 2014.

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence of \$25,000 per annum per licence area.

The Company has full management and operational rights with respect to three (3) exploration licences in Enga province, Papua New Guinea (collectively termed the Wabag Project) and is required to incur \$1,000,000 expenditure over 2 years on the development and maintenance on these licences on the basis of \$300,000 each 6 months in the first year and \$200,000 each 6 months in the second year.

It is likely that the granting of new licences and changes in licence areas at renewal or expiry, will change the expenditure commitment to the Company from time to time.



Directors' Declaration

In the opinion of the Directors of Gold Mountain Limited (the Company):

- 1) The financial statements and notes thereto, as set out on pages 7 to 16 are in accordance with the Corporations Act 2001 including:
 - a) complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001; and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
- 2) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.



Graham Kavanagh
Chairman

6 March 2015

GOLD MOUNTAIN LIMITED

(formerly Commissioners Gold Limited)

ABN 79 115 845 942

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Gold Mountain Limited which comprises of

- a. the Statement of Financial Position as at 31 December 2014;
- b. the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the six month period ended on 31 December 2014;
- c. a statement of accounting policies and other explanatory notes, and the Directors declaration

Responsibility for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Reviewing Auditors Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We have conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the Corporations Act 2001 including: giving a true and fair view of Gold Mountain Limited's financial position at 31 December 2014 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Gold Mountain Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any material matter that causes us to believe that the half year financial report of Gold Mountain Limited is not in accordance with the Corporations Act 2001 including:

- a. giving a true and fair view of Gold Mountain Limited's financial position at 31 December 2014 and of its half year performance for the half year ended on that date, and
- b. complying with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Matters of Emphasis

Without amendment to our conclusion we emphasise the following two matters.

1. Investment in (\$515,646), and advance to (\$210,740) Goldsmith Resources SAC, Peru (GR).
The company has been unable to provide current financial statements and other audit evidence of the operations of GR. Consequently, we are unable to conclude that the company has complied with the provisions of Australian Accounting Standard AASB 136 Impairment of Assets. A Director of the company acts also as a Director of GR. We have relied upon the company's representations relating to GR in compiling our review report.
2. Going Concern
The Directors opinion, as detailed in the Note 1 to the Financial Statements, of the ability of the company to fund its operations, and the consequent preparation of the half year report on a Going Concern basis. On 27 February 2015, the company raised \$843,099 by issue of shares. Cash used in operating activities unrelated to exploration expenditure for the half year ended 31 December 2014 was \$232,686.



T.O. Nolan
Partner
K.S. Black & Co

Dated: 9 March 2015