



## ASX RELEASE

9 August 2016

### **Extensive trenching program commences at flagship Crown Ridge gold project in PNG**

- **35 shallow anomalous targets at less than 70m depth identified at Crown Ridge**
- **Extensive trenching and sampling program over 35 target areas is now underway**
- **Trenching program being conducted under supervision of experienced Porphyry Copper Gold geologist Mr Douglas Smith**
- **GMN aims to identify shallow suitable targets for drilling at Crown Ridge – maiden drill program planned for December this year**

Papua New Guinea focused gold exploration company Gold Mountain Limited (**ASX: GMN**) (“**Gold Mountain**” “**the Company**” “**GMN**”) is pleased to confirm the recommencement of exploration activity at the Company’s flagship Crown Ridge gold project within EL1968 in the PNG Highlands region.

Following completion of the three-dimensional (3D) modelling of the Magnetic Survey, 35 shallow anomalous targets have been identified and an extensive trenching program has commenced over these target areas (*See figure 1*).

The works are being conducted under the supervision of experienced international Porphyry Copper Gold geologist, Mr Doug Smith, assisted by Gold Mountain Pty Ltd PNG Country Manager, Aiyal Tribe Chief and Principal Crown Ridge landowner, Mr Bob Muiyo.

Gold Mountain’s Director – Exploration, Matthew Morgan commented: “The flagship Crown Ridge gold project continues to produce excellent exploration results, with the recent geophysical modelling identifying 35 shallow anomalous targets, all at less than a 70m depth (*See figure 3*).

“The Company has commenced an extensive trenching and sampling program with the aim of identifying multiple shallow drill targets at Crown Ridge. As previously stated, we hope to commence a maiden drill program in December this year.

“This is a very exciting time for Gold Mountain, as we systematically narrow down the potential hard rock source of the rich Timun River alluvial gold field located immediately downstream from Crown Ridge. We are confident that this initial trenching program will unlock further value from the project, and we look forward to updating shareholders on new exploration results as they come to hand.”



Figure 1: Supervising Geologist Mr Douglas Smith commencing trenching Crown Ridge, EL1968

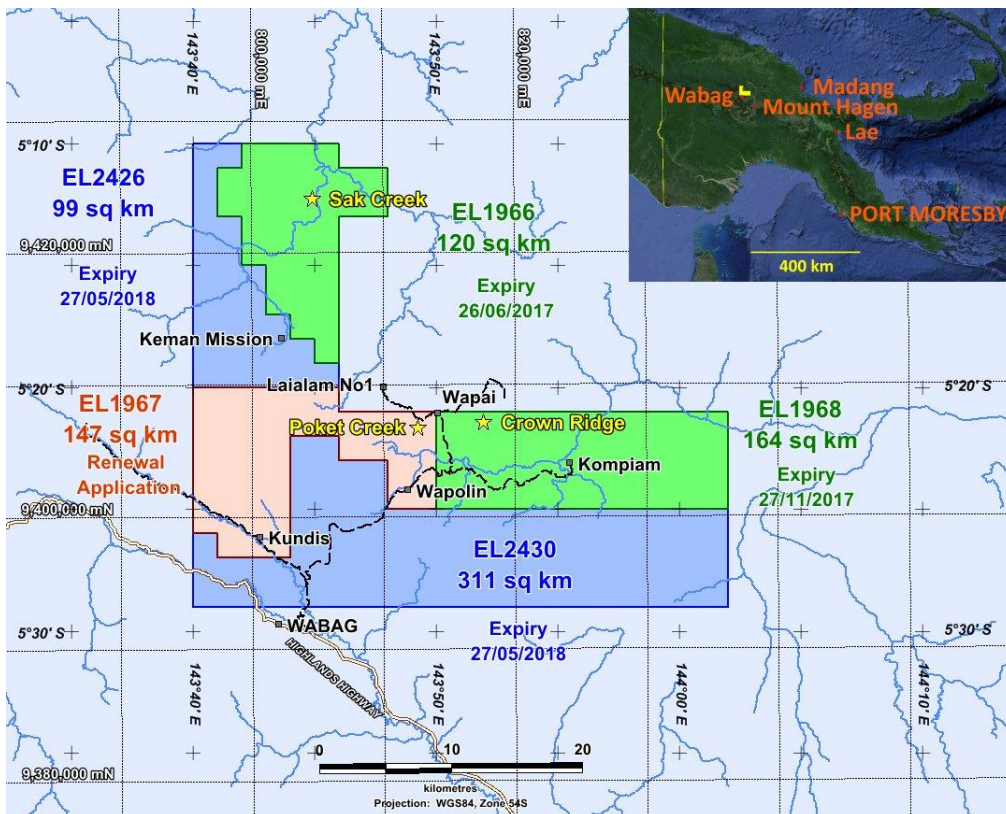
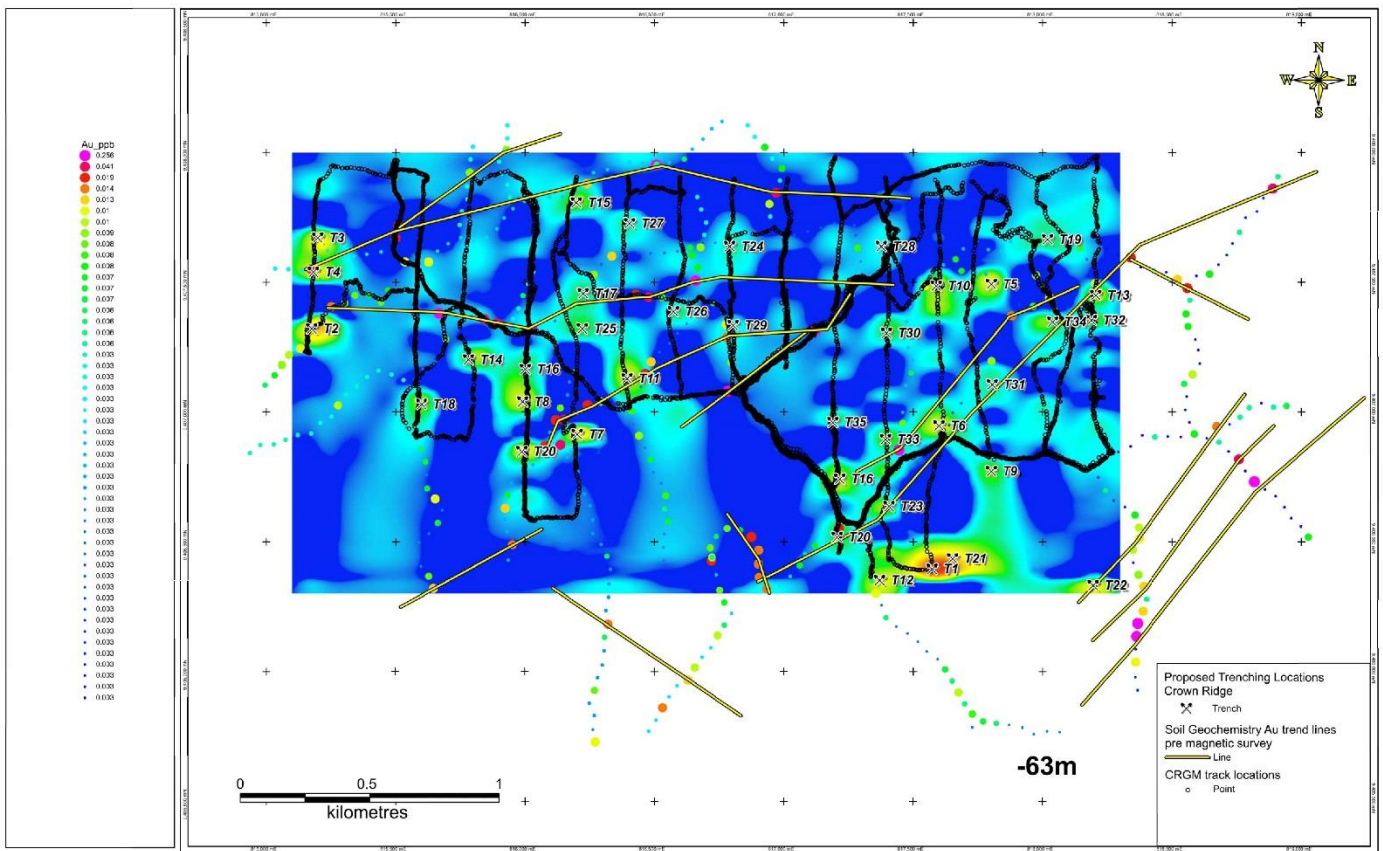


Figure 2: Gold Mountain tenement suite, Enga Province, PNG Highlands





**Figure 3: 35 Shallow Geophysical Targets identified at Crown Ridge with overlaying anomalous Soil Geochemistry and Geological Structural Interpretations**

For information please see our website [www.goldmountainltd.com.au](http://www.goldmountainltd.com.au) or contact

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*Statements contained in this report relating to exploration results and potential are based on information compiled by Jim Allender, who is a member of the Australian Institute of Geoscientists (AIG). Jim is a consultant geophysicist 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. Jim Allender 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
<b>Sampling techniques</b>	<ul style="list-style-type: none"><li>• <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></li><li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li><li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li><li>• <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></li></ul>	<ul style="list-style-type: none"><li>• The magnetics survey data were collected by geophysicists from the PNG Mineral Resources Authority under contract to Viva No 20 Limited, the EL holder and joint venture partner of GMN</li><li>• The data were processed by Allender Exploration</li><li>• No drilling, logging or sampling was conducted as part of this release</li><li>• The data were resampled to a North - South series of grid lines</li></ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"><li>• <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></li></ul>	<ul style="list-style-type: none"><li>• No drilling, logging or sampling was conducted as part of this release.</li></ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"><li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li><li>• <i>Measures taken to maximise sample recovery</i></li></ul>	<ul style="list-style-type: none"><li>• No drilling, logging or sampling was conducted as part of this release</li></ul>



Criteria	JORC Code explanation	Commentary
	<p><i>and ensure representative nature of the samples.</i></p> <ul style="list-style-type: none"><li>• <i>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.</i></li></ul>	
<b>Logging</b>	<ul style="list-style-type: none"><li>• <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></li><li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li><li>• <i>The total length and percentage of the relevant intersections logged.</i></li></ul>	<ul style="list-style-type: none"><li>• No drilling, logging or sampling was conducted as part of this release</li></ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"><li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li><li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li><li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li><li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li><li>• <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></li><li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li></ul>	<ul style="list-style-type: none"><li>• No drilling, logging or sampling was conducted as part of this release</li></ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"><li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li><li>• <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></li><li>• <i>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.</i></li></ul>	<ul style="list-style-type: none"><li>• No drilling, logging or sampling was conducted as part of this release</li><li>• Information on type and accuracy of the location data is not available. It has been assumed that the locational data for these ten surveys are correct.</li><li>• No filed report was made available by MRA</li><li>• MRA made the following corrections<ul style="list-style-type: none"><li>- All location data was collected in WGS84, Zone 54.</li><li>- Diurnal corrections were made using bases in Guam and Longreach Australia</li><li>-Magnetic data were gridded, resampled onto a series of straight lines and made</li></ul></li></ul>



Criteria	JORC Code explanation	Commentary
		<p>available as an ASCII data set which was used for gridding and subsequent processing</p> <ul style="list-style-type: none"><li>• Elevation data used was Global Land Survey Digital Elevation Model (GLSDEM) data</li><li>• Magnetic inversion modelling was undertaken</li></ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"><li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li><li>• <i>The use of twinned holes.</i></li><li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li><li>• <i>Discuss any adjustment to assay data.</i></li></ul>	<ul style="list-style-type: none"><li>• No drilling, logging or sampling was conducted as part of this release</li></ul>
<b>Location of data points</b>	<ul style="list-style-type: none"><li>• <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></li><li>• <i>Specification of the grid system used.</i></li><li>• <i>Quality and adequacy of topographic control.</i></li></ul>	<ul style="list-style-type: none"><li>• The data used were not collected by AE or GMN</li><li>• Elevation data used was Global Land Survey Digital Elevation Model (GLSDEM) data</li><li>• All location data was collected in WGS84, Zone 54</li><li>• Data were provided by MRA and information on the accuracy of the location data is not available. It has been assumed that the locational data for the survey are correct.</li></ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"><li>• <i>Data spacing for reporting of Exploration Results.</i></li><li>• <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></li><li>• <i>Whether sample compositing has been applied.</i></li></ul>	<ul style="list-style-type: none"><li>• Magnetic data were recorded on lines approximately 200 metres apart with a nominal spacing of 10 metres. The overall spacing of the magnetic readings is considered more than adequate for first pass surveying with the area having sufficient detail to allow for structural interpretation and targeting.</li><li>• The magnetic grids are all at 200metre line spacing and this is adequate for exploration for shallow and deep targets.</li></ul>
<b>Orientation of data in relation to</b>	<ul style="list-style-type: none"><li>• <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></li></ul>	<ul style="list-style-type: none"><li>• The use of regular spaced grids eliminated the potential bias that could be caused by the use of irregular grids.</li></ul>



Criteria	JORC Code explanation	Commentary
<b>geological structure</b>	<ul style="list-style-type: none"><li><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></li></ul>	
<b>Sample security</b>	<ul style="list-style-type: none"><li><i>The measures taken to ensure sample security.</i></li></ul>	<ul style="list-style-type: none"><li>No drilling, logging or sampling was conducted as part of this release</li></ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"><li><i>The results of any audits or reviews of sampling techniques and data.</i></li></ul>	<ul style="list-style-type: none"><li>Data were provided by MRA and information on the accuracy of the location data is not available. It has been assumed that the locational data for the survey are correct.</li></ul>



## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"><li>• <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></li><li>• <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></li></ul>	<ul style="list-style-type: none"><li>• EL1968 was granted to Viva No 20 Limited on 28 Nov 2013 and expires on 27 Nov 2017. The current tenement area is 164 km<sup>2</sup>. GMN is earning a 70% interest</li></ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"><li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li></ul>	<ul style="list-style-type: none"><li>• All exploration programs conducted by Gold Mountain Limited</li></ul>
<b>Geology</b>	<ul style="list-style-type: none"><li>• <i>Deposit type, geological setting and style of mineralisation.</i></li></ul>	<ul style="list-style-type: none"><li>• EL1968 contains potential for intrusive-related gold-copper deposits, epithermal-style gold deposits, alluvial gold-platinum deposits and Alaskan-style platinum deposits</li></ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"><li>• <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"><li>○ <i>easting and northing of the drill hole collar</i></li><li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li><li>○ <i>dip and azimuth of the hole</i></li><li>○ <i>down hole length and interception depth</i></li><li>○ <i>hole length.</i></li></ul></li><li>• <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></li></ul>	<ul style="list-style-type: none"><li>• No drilling, logging or sampling was conducted as part of this release.</li></ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"><li>• <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></li></ul>	<ul style="list-style-type: none"><li>• No drilling, logging or sampling was conducted as part of this release</li><li>• No material information is excluded.</li><li>• No intersections have been reported as part of this release.</li></ul>





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	<ul style="list-style-type: none"><li>• 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.</li><li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li></ul>	
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"><li>• These relationships are particularly important in the reporting of Exploration Results.</li><li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li><li>• 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').</li></ul>	<ul style="list-style-type: none"><li>• No drilling, logging or sampling was conducted as part of this release</li><li>• No material information is excluded.</li><li>• No intersections have been reported as part of this release.</li></ul>
<b>Diagrams</b>	<ul style="list-style-type: none"><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• See attached plans for the magnetic coverage of the area,</li><li>• Inversion modelling of potential drill targets has been produced using Scientific Computing's specialist software package designed specifically to produce 3D models from the geophysical data.</li></ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• No drilling, sampling or assaying was conducted as part of this release, hence no reported intersections.</li></ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• Geochemical surveys have been previously recorded. These are soils sampling, stream sediment sampling, rock chip sampling and trench sampling.</li></ul>



Criteria	JORC Code explanation	Commentary
<b>Further work</b>	<ul style="list-style-type: none"><li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li><li>• <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></li></ul>	<ul style="list-style-type: none"><li>• Subject to GMN board approval, a Helimag survey is proposed. This will involve flying lines at 100 metre line spacing.</li></ul>

1 August 2016

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