

(ASX: GMN)

ASX RELEASE

Quarterly Activities Report For the Quarter Ended 31st March 2021

Gold Mountain Limited, (ASX: GMN) advises its activities during the January to March 2021 Quarter.

Wabag Project PNG

- Assay results for MCD008, which was drilled to a depth of 684.30m into a large low-grade porphyry system were received in the March Quarter
- A very wide intercept of 239m¹ grading at 0.10% Cu and 88ppm Mo, with spot highs of 0.32% Cu, 3,000 ppm Mo and 1.68 g/t Au was recorded in the hole
- Anomalous molybdenum (Mo) values are present to the end of the hole with the last 94m (From 589m to 684m) of MCD008 grading 133ppm Mo
- Drilling of MCD009 commenced in mid-January 2021 and was completed to a depth of 637m by the end of February
- MCD009 intersected a tonalitic porphyry in the top 309m of the hole (Wale Batholith) and a strongly potassically altered micro-diorite from approximately 309m to 637m
- Evidence of porphyry mineralogy's including quartz, magnetite, epidote, and sulphide veins occur in MCD009
- Chalcopyrite and molybdenum have been observed along fracture surfaces and are also observed associated with quartz veining
- All the samples from MCD009 are at Intertek in Lae with results due back by mid to late-April
- Exploration work at Mt Wipi is ongoing with a soil sampling programme well advanced, results from the soil sampling programme are expected back in late April 2021
- Once all the data from the soil programme has been analysed and interpreted GMN will then be able to identify drill targets at Mt Wipi

¹ This intercept has been calculated using a 700ppm Cu COG, and has a 23 m zone of internal dilution related to the presence of a weakly mineralized aplite dyke

MCD008

MCD008 was completed to a depth of 684.30m in mid-December 2020. All the assays have now been received from this hole. Results have returned the longest +0.10% Cu intercept recorded at the Monoyal-Mongae prospect to date with a 239m zone assaying 0.10% Cu and 88ppm Mo (from 279m). Spot highs of 0.32% Cu (470 to 471m), 3,000ppm Mo (631 to 632m) and 1.68 g/t Au (89m to 90m) were also recorded.

MCD008 intersected wide zones of low-grade copper mineralisation with associated Mo mineralisation. The Molybdenum mineralisation is persistent and extensive with the last 94m of the hole assaying 133ppm Mo.

The drill hole parameters for MCD008 and 009 are presented in Table 1, and a drill hole location map and an idealised cross section for MCD008 is included as Figure 2. The assay results for MCD008 are presented in Table 2 and Table 3, using a 700ppm Cu COG and a 1,000ppm COG respectively.

Table 1. Monoyal MCD008 and MCD009 drillhole parameters

Hole No	Easting	Northing	RL	Azimuth	Dip	Max Depth (m)
MCD008	809,995	9,419,939	1,655	225	-60	684.30 (EOH)
MCD009	810,589	9,419,192	1,766	225	-60	637.00 (EOH)



Figure 1. Monoyal (Mongae area) – completed and current locations

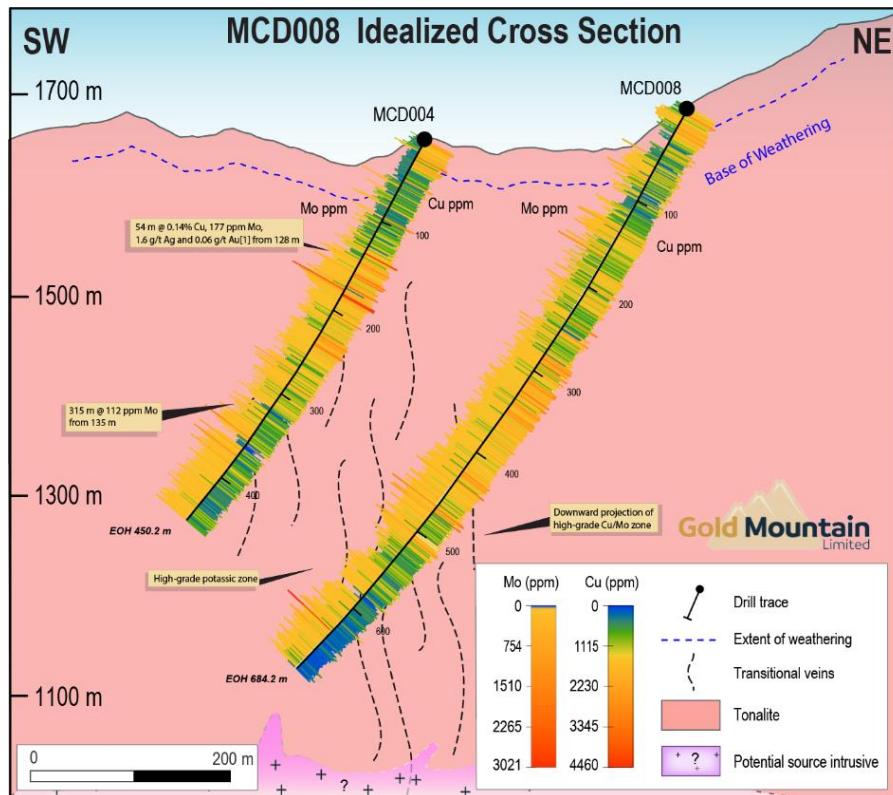


Figure 2. MCD008, Idealised Cross Section

Table 2. MCD008 Intercepts using a 700ppm Cu COG*

From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	S (%)	Zn (ppm)
2	10	8	0.02	0.61	0.12	5	<0.1	61
15	36	21	0.03	0.66	0.11	12	<0.1	56
138	154	16	0.04	0.49	0.07	173	1.78	72
199	205	6	0.04	0.33	0.11	103	1.71	24
254	260	6	0.04	0.23	0.11	29	0.95	28
277	454	177	0.02	0.21	0.11	65	1.15	54
468	476	8	0.02	0.80	0.17	344	1.60	93
507	512	5	0.04	0.12	0.13	115	0.40	28
515	518	3	0.03	0.00	0.10	23	0.31	31

*Intercepts calculated using a 3m minimum width with a 700ppm Cu COG, with maximum internal dilution of 3m

Table 3. MCD008 Intercepts using a 1,000ppm Cu COG

From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Mo (ppm)	S (%)	Zn (ppm)
283	297	14	0.04	0.66	0.16	64	0.95	250
337	355	18	0.02	0.44	0.15	69	1.41	56
419	433	14	0.03	0.44	0.13	104	1.33	30
468	476	8	0.02	0.80	0.17	344	1.62	93

*Intercepts calculated using a 3m minimum width with a 1,000ppm Cu COG, with maximum internal dilution of 2m

MCD009

MCD009 was completed to a depth of 637m. The hole was stopped at this depth due to the limited depth capability of the rig combined with adverse ground condition. The hole intersected the Wale Batholith, **Figure 3**, in the top 309m of the hole and at sporadic intervals for the rest of the hole. The tonalite appears to be intruded by a micro-dioritic intrusive, Micro-diorite (577.0m) showing qtz-pyrite-chlorite vein (LHS) and quarts – pyrite-Moly vein (RHS) at 437.40m **Figure 4** or is part of a less fraction part of the Wale batholith.

All the samples from MCD009 have been transported to Intertek in Lae, and assay results for MCD009 results expected back in mid to late April.



Figure 3. Typical photograph of the Wale Batholith (Tonalite) from 35.10m



Figure 4. Micro-diorite (577.0m) showing qtz-pyrite-chlorite vein (LHS) and quartz – pyrite-Moly vein (RHS) at 437.40m

Based on what has been observed in MCD009, GMN will design additional drill holes to test the Wale batholith further with the aim of intersecting economic levels of mineralisation.

Mt Wipi (EL2632)

Exploration on the Mt Wipi tenement is ongoing, with a soil sampling grid covering the Waa Creek area. The grid is designed to cover a distinct magnetic low within a well-defined structural corridor is nearing completion. The area covered by the soil grid also contains

anomalous gold stream sediment results and channel samples from sections along Waa Creek which returned highly anomalous copper and gold mineralisation.

The assay results from the initial reconnaissance stream sediment sampling programme within the Waa Creek area at Mt Wipi identified anomalous gold from drainages emanating from a magnetic low feature identified within EL2632 centred on Waa Creek. Strongly anomalous gold values to 439ppb Au (MWD003) were returned, with other anomalous sites located up to 1.6 km from MWD003 in adjacent drainages (MWD002, 54ppb Au and MWD006, 41ppb Au). The locations for the anomalous gold stream sediment samples are shown on a topographic background, Figure 5.

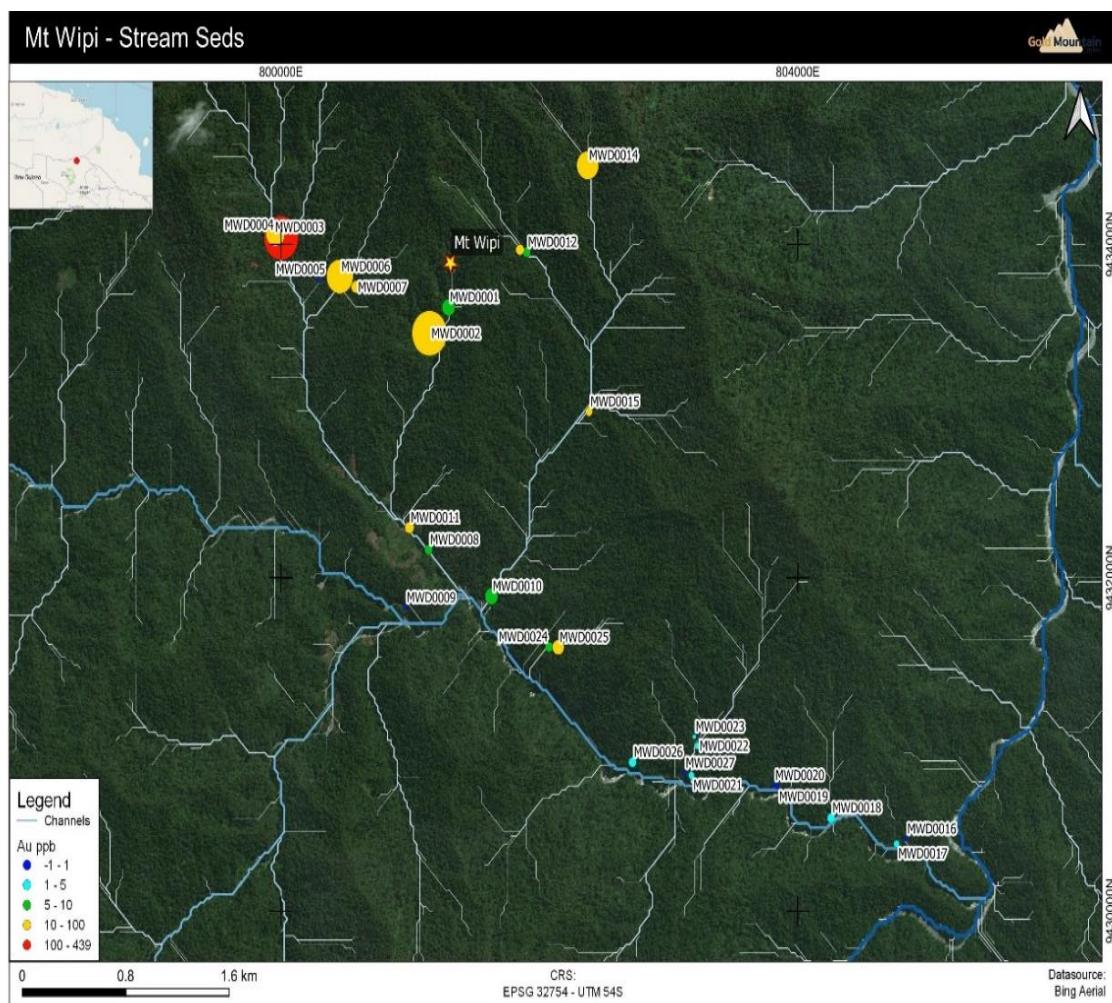


Figure 5. Stream sediment sample locations and gold values

Tenement Update

During the March quarter EL 2522 expired and no renewal was lodged. No other changes to ownership of the tenements were made and no farm in agreements or joint venture agreements were entered into.

A complete schedule on the status of the GMN tenements that comprise the Wabag project is included as Table 4 and a map showing the status of the GMN tenements is included as Figure 6

Table 4. GMN's Wabag Project Tenement Schedule

License	License name	License Holder	GMN Interest	License Status	Area	Granted	Expiry
EL1966	Sak Creek	Viva No. 20 Limited	70%	Active	30 sub-blocks	27-Jun-13	26-Jun-21
EL1967	Poket Creek	Viva No. 20 Limited	70%	Active	30 sub-blocks	28-Nov-13	27-Nov-21
EL1968	Crown Ridge	Viva No. 20 Limited	70%	Active	30 sub-blocks	28-Nov-13	27-Nov-21
EL2306	Alakula/Kompiam Station	Khor ENG Hock & Sons (PNG) Limited	70%	Active	48 sub-blocks	14-Dec-15	13-Dec-21
EL2426	Keman	GMN 6768 (PNG) Limited	100%	Active – Renewal Pending	14 sub-blocks	28-May-16	27-May-20 Renewal Pending
EL2430	Meriamanda	GMN 6768 (PNG) Limited	100%	Active – Renewal Pending	45 sub-blocks	28-May-16	27-May-20 Renewal Pending
EL2522	Wapenamanda	GMN 6768 (PNG) Limited		EXPIRED	246 sub-blocks	25-Feb-19	EXPIRED 24-Feb-21
EL2563	Kompiam	Abundance Valley (PNG) Limited	100%	Active	66 sub-blocks	23-Jan-20	22-Jan-22
EL2565	Londol	Viva Gold (PNG) Limited	100%	Active	157 sub-blocks	27-May-19	26-May-21 Renewal SUBMITTED
EL2632	Mt. Wipi	GMN 6768 (PNG) Limited	100%	Active	148 sub-blocks	14-Aug-20	13-Aug-22

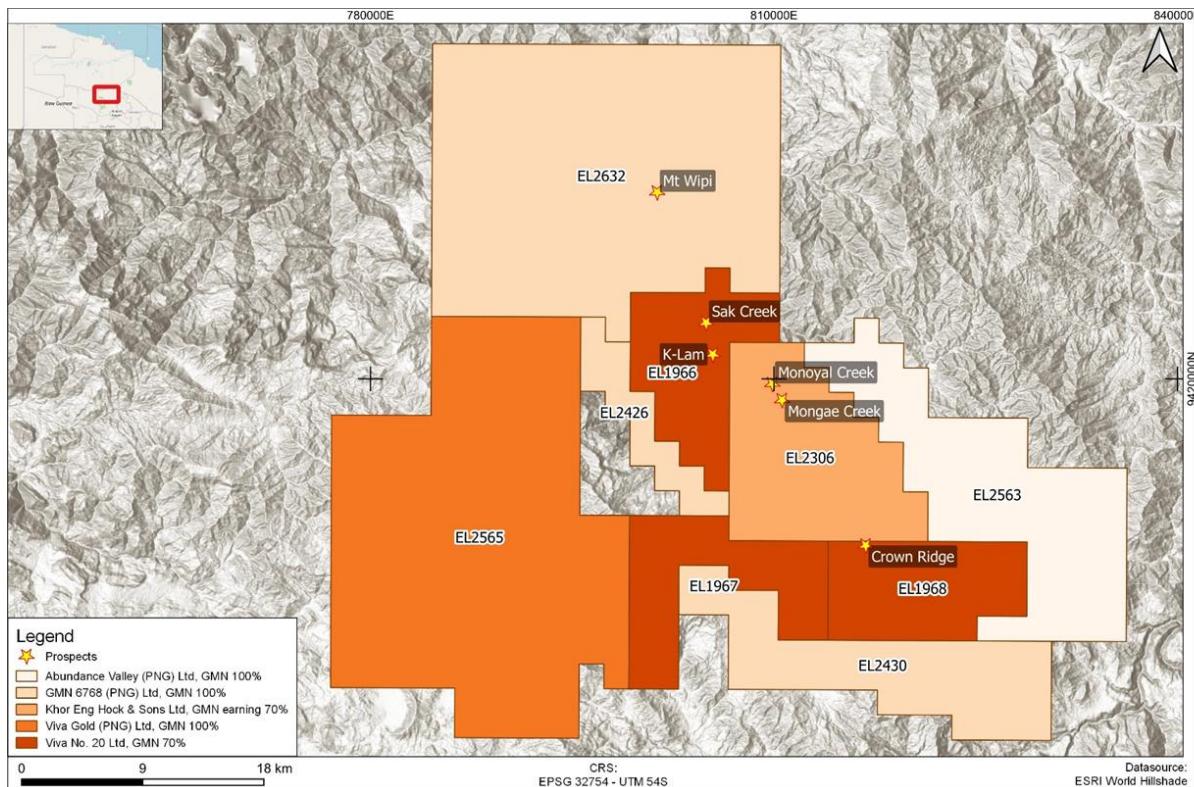


Figure 6. GMN's Wabag Project – Tenement Details as of 31st of March 2021

Exploration and Evaluation Expenditure

During the reporting quarter, the Company spent approximately \$845,000 on exploration and evaluation activities on the Wabag Projects PNG. This expenditure is capitalised and reported as cash spent in Appendix 5B item 2.1(d).

Corporate

The Company initiated a fresh capital raising program that reached its momentum after the current reporting quarter.

The Company received funding commitments after the reporting quarter from sophisticated investors and certain interest groups for placement issue of shares potentially raising up to \$3.1 million, of which a total sum of \$1.06 million placement funds received is acknowledged with shares being issued at \$0.04. An announcement for the Proposed issue of securities will follow shortly.

Further equity securities will be issued as and when the placement funds are received.

In addition, the Company is considering a collaborative business proposition for an exclusive working capital facility to support the development programmes of the PNG Wabag Project. It is expected that the funding facility offer would eventuate into equity securities of the Company.

During the reporting quarter, the aggregate amount of payments to related parties and their associates as reported in Appendix 5B item 6.1 were paid to two directors comprising of director's fee and superannuation contributions, and consulting services fee (excluding GST), at a discount from normal commercial rate.

- END -

This announcement is authorised for release by the GMN Board.

For further information please visit the website www.goldmountainltd.com.au or contact:



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