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(ASX: GMN)

ASX RELEASE

**30 October 2020**

# Quarterly Activities Report
# For the Quarter Ended 30 September 2020

Gold Mountain Limited, (ASX: GMN) advises its activities during the July to September 2020 Quarter.

## Wabag Project PNG

- Planning to recommence drilling at the Monoyal Prospect in the December quarter
- Geochemical review of the multi-element assay data from holes MCD001 to MCD007 to attempt to vector in on the higher-grade portions of the Monoyal porphyry intrusive
- Grant of the Mt Wipi tenement (EL 2632) which increases GMN's footprint within the highly prospective Papuan Mobile Belt to 2,776km$^2$
- Exploration work at Mt Wipi initiated with encouraging initial rock chip results

## EL2306 - Monoyal

Plan to recommence drilling at Gold Mountain Limited (ASX: GMN) Monoyal copper-molybdenum porphyry prospect were finalised in the September Quarter. Drilling is set to resume at Monoyal in late October contingent on Helicopter availability.

A four hole programme totalling approximately 2,800m has been planned to test below a wide (+50m) zone of +0.10% Cu mineralisation and below a zone of 30ppm to 177ppm Mo mineralisation intersected in holes MCD003 and 004 respectively (MCPR001) and below a +50m wide zone of +0.1%Cu and 87ppm Mo intersected in hole MCD002 (MCPR002). The location of the first two holes have been finalised and the parameters for these holes are listed in Table 1 and their planned locations are presented on Figure 1. Idealised cross sections for holes MCPR001 and 002 are presented in Figure 2 and Figure 3 respectively.

The location of the subsequent two holes will be dependent on the visual observations from holes MCPR001 and 002, as well as from petrological and geochemical vectoring work currently being undertaken.

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**Table 1.** Monoyal, Mongae Proposed Holes

| Hole No | Easting | Northing | Azimuth | Dip | Proposed depth (m) |
|---|---|---|---|---|---|
| MCPR001 | 809,995 | 9,419,939 | 225 | -60 | 750 |
| MCPR002 | 810,593 | 9,419,184 | 225 | -60 | 750 |

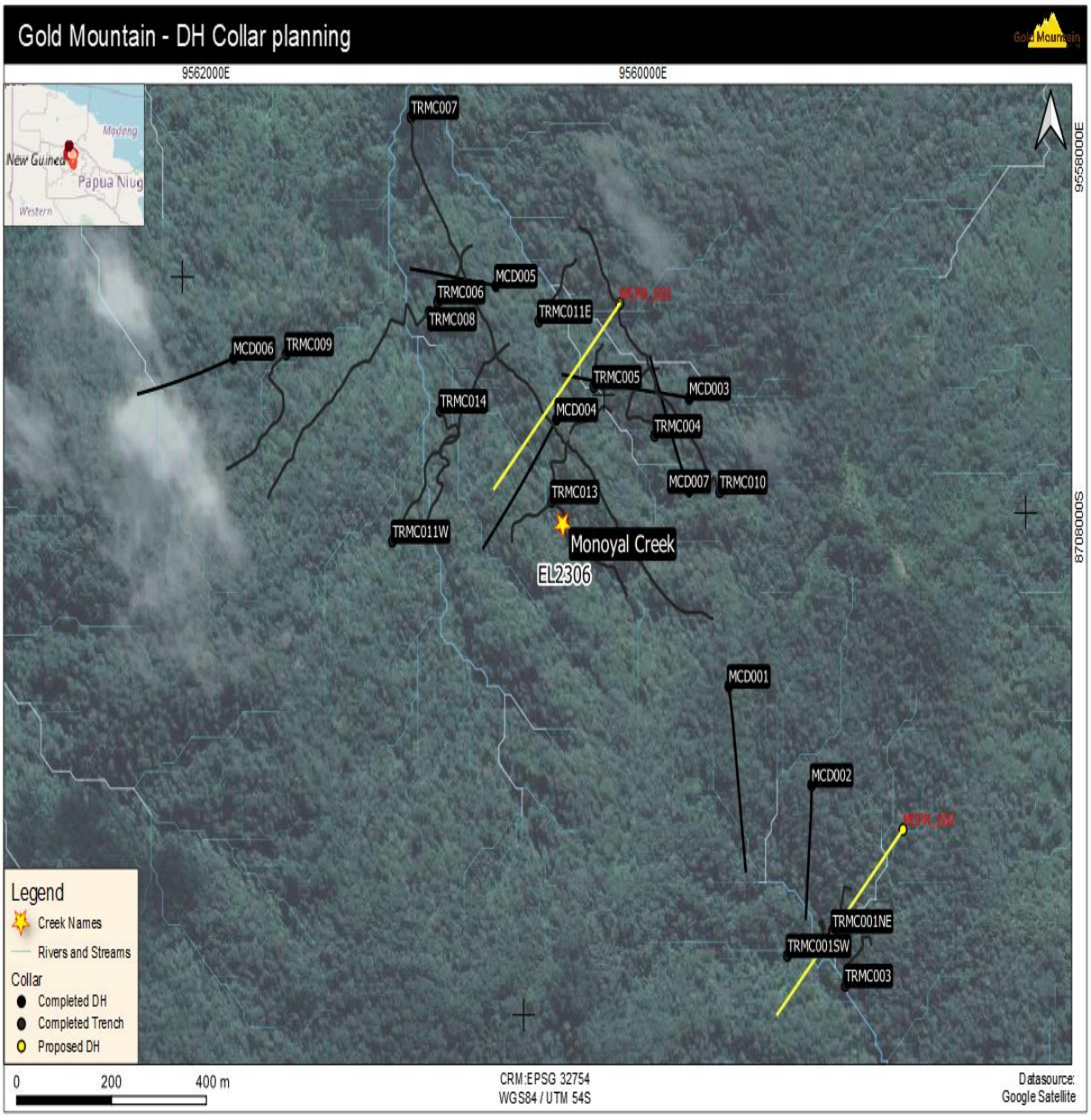



**Figure 1.** Mongae, Monoyal Proposed Hole Locations

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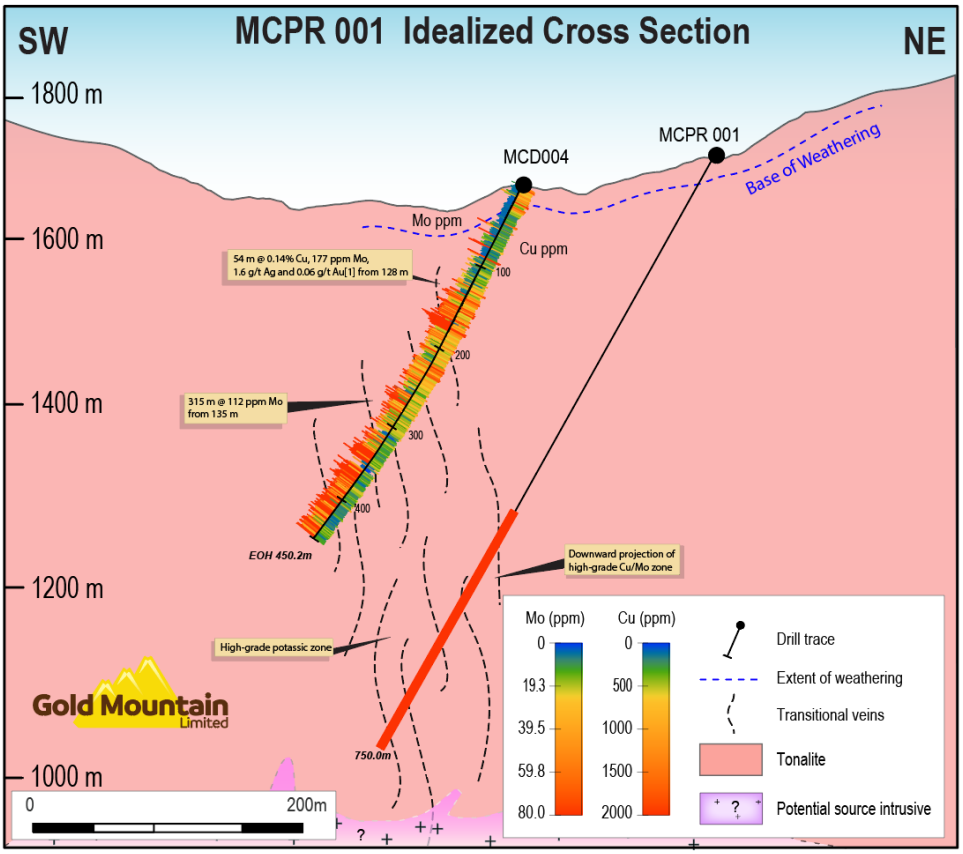



**Figure 2.** Proposed drill hole trace for MCPR001, drilled oblique to MCD003 and directly beneath MCD004

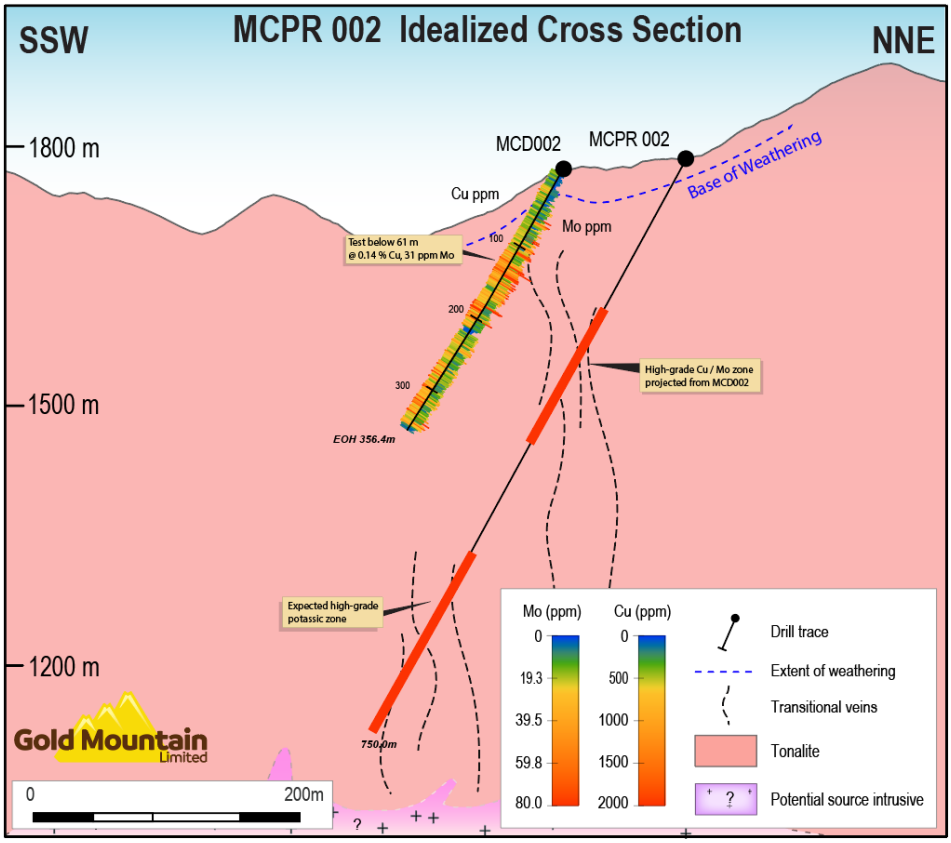



**Figure 3.** Drill hole trace for MCPR002, drilling beneath zone of 61m @ 0.14% Cu intersected in MCD002

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The planned holes will have target depths of between 700m to 750m and they are designed to intersect elevated copper and molybdenum mineralisation approximately 200m below the previous intercepts in holes MCD002, 003 and 004. The holes have been specifically designed to test the deeper parts of the porphyry system. The drilling of these holes is scheduled to commence in October, with both holes expected to be completed by mid to late December

**Mt Wipi – EL2632**

EL2632 – Mt Wipi was granted to GMN 6768 (PNG) Limited a 100% owned subsidiary of GMN. The new tenement was approved by the Mining Minister on the 14th of August 2020. EL2632 was granted for a two-year period that expires on the 13th August 2022.

EL2632 is contiguous to GMN's existing tenement package and located along the same structural trend that hosts both the Monoyal Prospect and the Sak Creek Prospect. EL2632 is located northwest of EL's 1966 (Sak Creek) and 2306 (Monoyal) Figure 1 and was previously under an exploration permit by BHP in 2012. GMN believes that it has the potential to host porphyry style copper - molybdenum - gold mineralisation and possible skarn style mineralisation.

GMN has initiated exploration activities on EL2632, with a total of 28 outcrop and float rock chip samples collected from five drainages at the southern end of the tenement. Assay results for these samples are highly encouraging with copper values ranging from 100ppm Cu to 9.64% Cu, gold from 0.01 g/t Au to 1.96 g/t Au and silver from 0.14 g/t Ag to 144 g/t Ag.

Rock chip sample locations are presented in Figure 4, and photographs of samples; 152158 and Mt Wipi_09 are shown in Figure 5 and Figure 6 respectively. Sample coordinates for the 28 samples and their respective Cu, Au, Ag assay results are included in Table 2.

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**Table 1.** Mt Wipi Rock Chop Locations and Assays

| Sample ID | Location | Easting | Northing | Copper (Cu %) | Gold (Au g/t) | Silver (Ag g/t) | Sample Type |
|---|---|---|---|---|---|---|---|
| Mt Wipi_01 | Warakom Creek | 801425 | 9431891 | 0.16 | 0.02 | 1.53 | Float |
| Mt Wipi_02 | Warakom Creek | 801103 | 9432210 | 0.09 | 0.02 | 0.47 | Float |
| Mt Wipi_03 | Yakaiptan Creek | 801146 | 9432536 | 0.15 | 0.01 | 0.46 | Float |
| Mt Wipi_04 | Yakaiptan Creek | 800846 | 9432630 | 0.02 | 0.01 | 0.14 | Float |
| Mt Wipi_05 | Waa Creek | 800358 | 9433715 | 1.28 | 0.15 | 2.7 | Outcrop |
| Mt Wipi_06 | Yakaiptan Creek | 801156 | 9433223 | 0.09 | 0.02 | 0.47 | Float |
| Mt Wipi_07 | Yakaiptan Creek | 801324 | 9433623 | 0.10 | 0.01 | 0.26 | Outcrop |
| Mt Wipi_08 | Yakaiptan Creek | 801309 | 9433813 | 0.02 | <0.01 | 0.16 | Float |
| Mt Wipi_09 | Yakaiptan Creek | 801295 | 9433869 | 3.73 | 0.71 | 30.1 | Outcrop |
| Mt Wipi_10 | Yakaiptan Creek | 801272 | 9432639 | 0.04 | 0.01 | 0.23 | Float |
| Mt Wipi_11 | Warakom Creek | 800987 | 9432294 | 0.14 | <0.01 | 0.68 | Float |
| MWRC_01 | Waa Creek | 800921 | 9432972 | 0.01 | 0.02 | 0.19 | Float |
| MWRC_02 | Waa Creek | 801306 | 9433864 | 9.64 | 1.14 | 144 | Float |
| MWRC_03 | Waa Creek | 800921 | 9433585 | 0.04 | 0.02 | 0.59 | Outcrop |
| MWRC_04 | Anwan Creek | 800980 | 9434636 | 0.02 | 0.02 | 0.2 | Outcrop |
| MWRC_05 | Anwan Creek | 800741 | 9434081 | 2.11 | 0.85 | 7.81 | Outcrop |
| MWRC_06 | Yakaiptan Creek | 801185 | 9433280 | 0.01 | 0.03 | 0.09 | Outcrop |
| MWRC_07 | Yakaiptan Creek | 799500 | 9435600 | 0.13 | 0.05 | 0.28 | Outcrop |
| 152153 | Yakaiptan Creek | 800358 | 9433715 | 0.23 | 0.02 | 3.13 | Float |
| 152154 | Yakaiptan Creek | 800363 | 9433720 | 0.02 | 0.06 | 1.50 | Float |
| 152155 | Waa Creek | 801146 | 9432536 | 0.03 | 0.01 | 0.53 | Outcrop |
| 152156 | Waa Creek | 801151 | 9432541 | 0.47 | 0.06 | 2.72 | Outcrop |
| 152157 | Waa Creek | 801156 | 9432546 | 3.21 | 0.64 | 27.30 | Outcrop |
| 152158 | Waa Creek | 801161 | 9432551 | 9.17 | 1.03 | 84.60 | Outcrop |
| 152159 | Waa Creek | 801166 | 9432556 | 0.06 | 0.01 | 0.49 | Outcrop |
| 152160 | Anwan Creek | 800846 | 9432630 | 5.46 | 1.96 | 23.70 | Outcrop |
| 152161 | Anwan Creek | 800851 | 9432635 | 0.28 | 0.04 | 2.62 | Outcrop |
| 152162 | Anwan Creek | 800856 | 9432640 | 1.20 | 0.10 | 2.55 | Outcrop |

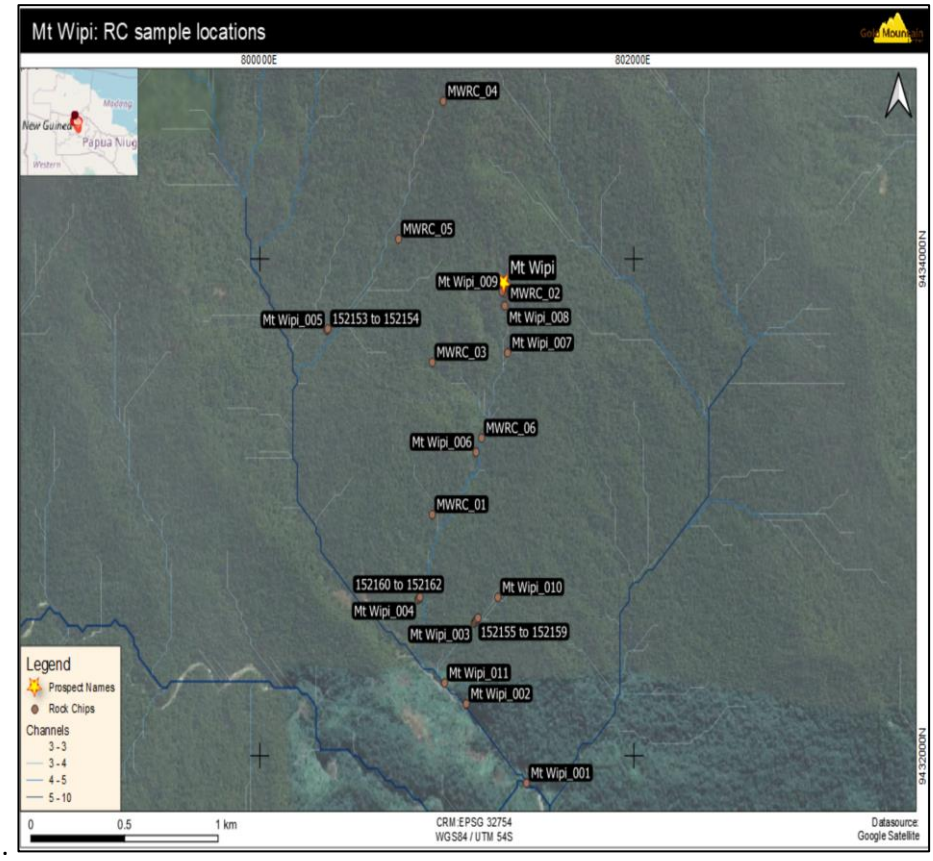



**Figure 4.** Mt Wipi – Rock Chip Locations

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**Figure 5.** Sample number 152158, outcrop sample from Waa Creek, (assays 9.17% Cu and 1.03 g/t Au)

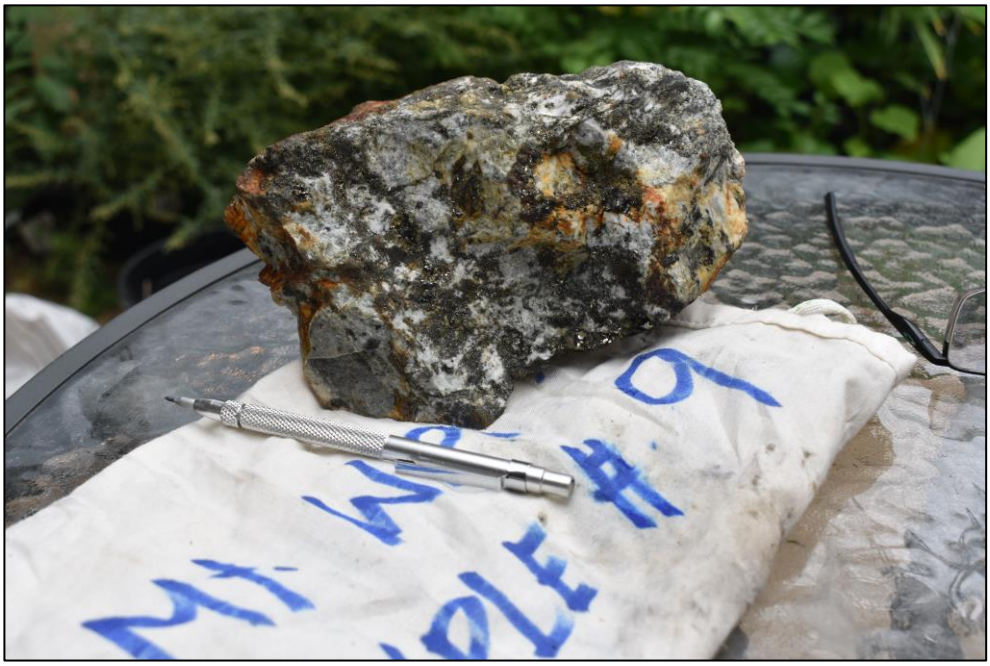


**Figure 6.** Mt_Wipi_09, outcrop sample from Yakapatan Creek, (assays 3.73 % Cu and 0.71 g/t Au)

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**Tenement Update**

During the September quarter no changes in ownership of the tenements were made and no farm in agreements or joint venture agreements entered into. EL2632 was granted for a period of 2 years and EL1966 has been renewed until June 2021.

A complete schedule on the status of the GMN tenements that comprise the Wabag project is included as Table 3 and a map showing the status of the GMN tenements is included as Figure 5.

**Table 2.** GMN's Wabag Project Tenement Schedule

| Tenure | Area ($Km^2$) | Interest | Expiry Date[2] | Commitment (Kina)[3] |
|---|---|---|---|---|
| EL1966 Sak Creek | 103 [1] | 70% | 26/06/2021 | 300,000 |
| EL1967 Pocket Creek | 103 [2] | 70% | 27/11/2019 | 80,000 |
| EL1968 Crown Ridge | 103 [2] | 70% | 27/11/2019 | 300,000 |
| EL2306 Alakula | 164 [2] | 70% | 13/12/2019 | 500,000 |
| EL2426 Keman | 48 [2] | 100% | 27/05/2020 | 160,000 |
| EL2430 Meriamanda | 154 [2] | 100% | 27/05/2020 | 160,000 |
| EL2522 Wapenamada | 839 | 100% | 24/02/2021 | 180,000 |
| EL2563 Kompiam | 225 | 100% | 22/01/2022 | 100,000 |
| EL2565 Londol | 535 | 100% | 26/05/2021 | 150,000 |
| EL2632 Mt Wipi | 505 | 100% | 13/08/2022 | 100,000 |

*[1] Renewed Areas as of 31st October 2020*

*[2] Renewals pending for EL1967, EL1968, EL2306, EL2426 and EL2430. Warden's hearings were completed for EL1967, EL1968 and EL2306 in early October 2019.*

*Expenditure commitment for the current licence year in PGK. PGK (Kina) = A$0.40 (30 September 2020)*

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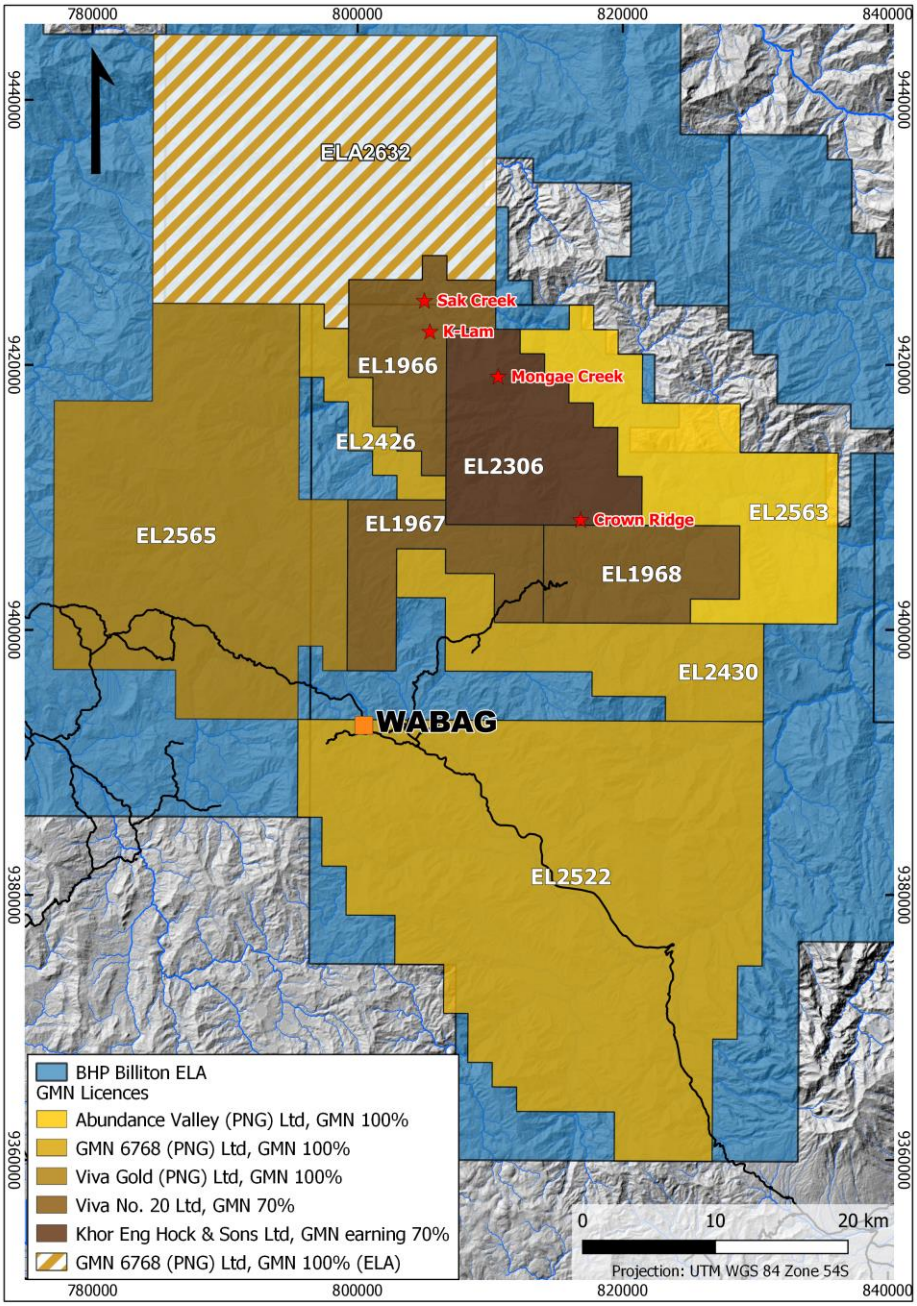



**Figure 7.** GMN's Wabag Project – Tenement Details as of 31st of March 2020

**Exploration and Evaluation Expenditure**

The Company has incurred, since the commencement of the Wabag Project in PNG accumulated exploration and evaluation expenditure of $20.3 million including cash spent during the reporting Quarter (July-September 2020) of $595,314. The Quarter expenditure is capitalised as reported in Appendix 5B item 2.1(d).

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**Corporate**

On 3 July 2020, the Company announced the issue of securities along with an application for quotation (Appendix 2A) of 11,823,847 shares having raised $768,550 during the preceding quarter period.

Approval is sought with Shareholders to refresh the securities issuing capacity under the 15% limit in ASX Listing Rule 7.1 to enable the Company to issue securities without the approval of Shareholders. And, to further authorise the Company for the purpose as general placement of shares to investors to issue up to 160,000,000 shares. Shareholders' approval was granted at the Extraordinary General Meeting (EGM) held on 2 October 2020.

During the quarter period, the Company has had discussions with professional investors and expect to conclude new investor participation in the Company after Shareholders approval of the securities issuing capacity at the EGM.

In addition, the Company has appointed a promoter to raise capital from Investors primary located in Singapore and Malaysia. The promoter is responsible for selecting and identifying those Investors using a network of contacts. Detail of which is in the explanatory notes of the Notice of EGM announced on 24 August 2020.

The Company is vigilant of the restrictive circumstance during COVID-19 and has taken precautionary and various control measures including conserve of Company's cash position. The Wabag Project team is in preparation to recommence its drilling program at the Monoyal Prospect following PNG Government announcement on certain relaxation of travel restrictions. Drilling at Monoyal will start upon receipt of new investor funding.

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

**-END-**

**This Quarterly Activities Report is authorised for release by the Board.**

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



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