

**ASX RELEASE**

Wednesday, 31 July 2019

Further Details Proposed \$2.5 million Share Placement

Further to its announcement to the ASX yesterday, Gold Mountain Limited (ASX: GMN, Gold Mountain, Company) also provides the following further information in relation to the commitments it has received relating to the proposed share placement raising \$2.5 million.

In relation to this placement, which will be made to sophisticated and professional investors only, the Company is proposing to issue up to 41,666,667 fully paid ordinary shares (Shares) at an issue price of \$0.06. As noted in the announcement to the ASX yesterday, the purpose of the issue will be to complete the initial diamond drilling programme at the Mongae NW prospect at the Company's Wabag Project in Papua New Guinea.

The funds will also be used for general working capital. At this stage, the Company expects to issue the Shares under the placement (except for those proposed to be issued to a related party, as referred to below) pursuant to the placement as funds are received.

In addition, the Company notes that for every Share issued to a subscriber in the placement an unlisted option over a Share at no additional cost will also be issued. The issue of these options are subject to approval by the Company's holders of ordinary securities under ASX Listing Rule 7.1.

The Company expects to seek that approval from holders of ordinary securities at its next annual general meeting. It is anticipated that one half of the options issued pursuant to the placement will have an expiry date of 12 months from the date of their issue, each with an exercise price of \$0.10 per option. It is anticipated that the remaining half of the options pursuant to the placement will have an expiry date of 24 months from the date of their issue, each with an exercise price of \$0.15 per option.

In addition, the Company notes that an entity related to managing director, Mr Sin Pyng (Tony) Teng is also proposing to participate in the \$2.5 million placement to the amount of \$500,000.00. The issue of Shares and options to this entity will be subject to the approval of the Company's holders of ordinary securities under ASX Listing Rule 10.11. The Company expects to seek approval from shareholders at its next annual general meeting."

For and on behalf of the Board

Eric Kam
Company Secretary