

ANNUAL REPORT 2019

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CORPORATE DIRECTORY

GOLD MOUNTAIN LIMITED

ABN 95 112 425 788

ASX: GMN



Directors

Graham Kavanagh Non-Executive Chairman

Sin Pyng "Tony" Teng Managing Director

Syed Hizam Alsagoff Non-executive Director

Management

Eric Kam Company Secretary

David Clark Chief Financial Officer

Registered and Principal Office

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SYDNEY NSW 2000 Australia

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Share Register

Boardroom Pty Limited

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SYDNEY NSW 2000,

GPO Box 3993, SYDNEY NSW 2001

Telephone: 1300 737 760

Facsimile: 1300 653 459

Solicitor

Bird & Bird Lawyers

Level 11, 68 Pitt Street

SYDNEY NSW 2000

Banker

Australia and New Zealand Banking Group Limited

Westpac Banking Corporation Limited

Auditor

KS Black & Co. Chartered Accountants

Level 1, 251 Elizabeth Street, SYDNEY NSW 2000

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REPORT TO SHAREHOLDERS

Dear Shareholders,

On behalf of the board of directors, I am pleased to present the annual report of Gold Mountain Limited for the year ended 30 June 2019.

Last year, I presented to shareholders that the company's exploration programs have resulted in the discovery of porphyry copper-gold mineralisation at its Mongae and Sak Creek prospects, and potential of an epithermal gold system at the Laialam prospect. These prospects all align on a clear structural NW-SE trend, with the work to date identifying clear geological fingerprints that are shared with other well-known large porphyry deposits both in Papua New Guinea and other locations worldwide.

The Mongae prospect, and its NW extension that was discovered in the latter part of the financial year, is grown into the company's highest priority area. Exploration work is nearing completion and the area is being prepared for drilling in the second quarter of the new financial year, aiming to intersect the high-grade copper mineralisation that was demonstrated from trenches and soil sampling at surface earlier in the year.

With its recently acquired new licence holdings surrounding and extending the current licences, the company management is considering potential farm-in and joint exploration programs with parties sharing a common interest in this highly prospective area. This includes the Crown Ridge prospect, where the company is open to receive expressions of interest from small-scale alluvial mining operators.

Leadership and management are important aspects impacting on the growth and prosperity of a company. The company mourns the loss of its director of exploration Mr Doug Smith and wishes his family and friends all the strength they need to deal with their loss. Shareholders of the company can expect new additions to the team, who will have the diversity of skills, knowledge and experience to execute the board's strategy. The board has since welcomed Mr Syed Hizam Alsagoff to the board.

I also thank you, our shareholders, for your continued support of the company, without which we would not be able to pursue these exciting projects.

Yours sincerely,

Graham Kavanagh
Non-Executive Chairman

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DIRECTORS' REPORT

Your Directors submit the annual financial report of Gold Mountain Limited for the financial year ended 30 June 2019. In order to comply with the provisions of the Corporations Act, the Directors' report as follows:

KEY MANAGEMENT PERSONNEL DISCLOSURES

DIRECTORS

The names of Directors who held office during or since the end of the year and until the date of this report are as follows.

Directors were in office for this entire period unless otherwise stated.

Graham Kavanagh

Sin Pyng "Tony" Teng

Douglas Smith (*ceased 23/8/2019*)

Syed Hizam Alsagoff (*appointed 2/9/2019*)

Names, qualifications, experience and special responsibilities

Graham Kavanagh Non-Executive Chairman

Qualifications *B Comm ASIA*

Experience Mr Kavanagh has an extensive background over more than 25 years in securities and fund management, property investment and development as well as earlier experience in the Department of Mines. He has held senior positions as securities analyst, general manager and director in fund management and property investment.

Interest in Shares and Options 1,500,000 unlisted options granted under the Employee Share Option Plan exercisable at \$0.30 and expiring on 28 November 2019 (indirect interest) (GMNAB);
1,000,000 unlisted options exercisable at \$0.15 subject to vesting conditions and expiring on 26 July 2021 (indirect interest) (GMNAD).

Directorships held in other listed entities No directorships held of ASX listed entities in the past three years

Sin Pyng "Tony" Teng Managing Director

Qualifications *B. Econ. Dip. Fin. Mangt. CPA, FAICD, AFAIM*

Experience Mr Teng has had experience as a management consultant and with merger and acquisitions, corporate restructuring and public company capital raising. He was co-founder and former director of Coalworks Limited that was acquired by Whitehaven in 2012 in a \$200m takeover bid.

Interest in Shares and Options 700,000 ordinary shares
8,810,000 ordinary shares (indirect interest)
5,000,000 unlisted options granted under the Employee Share Option Plan exercisable at \$0.30 and expiring on 28 November 2019 (indirect interest) (GMNAB)
1,000,000 unlisted options exercisable at \$0.15 and expiring on 26 July 2021 subject to vesting conditions (indirect interest) (GMNAD)
3,000,000 unlisted options granted under the Employee Share Option Plan exercisable at \$0.15 and expiring on 26 July 2021 (indirect interest) (GMNAE)

Douglas Smith Director Exploration (appointed 29 December 2016, ceased 23 August 2019)

Syed Hizam Alsagoff Non-Executive Director (appointed 2 September 2019)

Qualifications *B.Sc (Finance/Economics)*

Experience Mr Alsagoff has extensive network and experience in investment and corporate strategies in Asia and globally, of over 20 years' experience in senior operational and corporate leadership roles in diverse sector operations across several countries including distribution of industrial, electronic components and satellite manufacturing, engineering, construction, property and infra-structure development.

He is on the board of several public and private companies and currently serves as the Group Chief Financial Officer with Cahya Mata Sarawak Berhad (CMS:MK).

Interest in Shares and Options 4,333,333 ordinary shares
14,500,000 ordinary shares (indirect interest)
1,666,667 unlisted options exercisable at \$0.10 and expiring on 28 August 2020
1,666,667 unlisted options exercisable at \$0.15 and expiring on 28 August 2021

Directorships held in other listed entities No directorships held of ASX listed entities in the past three years

MANAGEMENT

Eric Kam

Company Secretary

Qualifications: *FCPA, FCMA, MBA, MAICD*

Mr Kam has extensive experience in finance and operations management across diverse businesses and industries in engineering, construction, mining & resources, technology, finance, marketing and distribution. He is involved in corporate change and listing of companies, and is on the board of several other companies. Mr Kam has had extensive experience as Company Secretary in several public listed and unlisted companies.

David Clark

Chief Financial Officer

Qualifications: *CA, CPA, AGIS, B Comm. (UNSW), MBA Executive (AGSM), Registered Tax Agent*

Mr Clark is a Chartered Accountant, Chartered Secretary and Registered Tax Agent of over twenty (20) years standing and holds a Bachelor of Commerce degree from UNSW and a Master of Business of Administration (Executive) from the Australian Graduate School of Management. Mr Clark is principal of D.W. Clark & Co., Chartered Accountant providing corporate financial, taxation and secretarial services and advice to listed and unlisted companies in the mineral exploration and oil and gas industries.



INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

DIRECTORS' SHAREHOLDINGS

As at the date of this report, the interests of the Directors in the securities of Gold Mountain Limited are:

Director Name	Shares and Options	Shares and Options
	Direct	Indirect
Graham Kavanagh	Nil	1,500,000 unlisted options granted under the Employee Share Option Plan exercisable at Options \$0.30 and expiring on 28 November 2019 (GMNAB). 1,000,000 unlisted options granted exercisable at \$0.15 subject to vesting conditions and expiring on 26 July 2021 (GMNAD)
Douglas Smith	Nil	2,000,000 unlisted options granted under the Employee Share Option Plan exercisable at \$0.30 and expiring on 28 November 2019 (GMNAB) 3,000,000 unlisted options granted under the Employee Share Option Plan exercisable at \$0.15 and expiring on 26 July 2021 (direct interest) (GMNAE)
Sin Pyng "Tony" Teng	700,000 ordinary shares	8,810,000 ordinary shares 5,000,000 unlisted options granted under the Employee Share Option Plan exercisable at \$0.30 and expiring on 28 November 2019 (indirect interest) (GMNAB) 1,000,000 unlisted options exercisable at \$0.15 subject to vesting conditions and expiring on 26 July 2021 (GMNAD) 3,000,000 unlisted options granted under the Employee Share Option Plan exercisable at \$0.15 and expiring on 26 July 2021 (GMNAE)
Syed Hizam Alsagoff	4,333,333 ordinary shares 1,666,667 unlisted options exercisable at \$0.10 and expiring on 28 Aug 2020 1,666,667 unlisted options exercisable at \$0.15 and expiring on 28 Aug 2021	14,500,000 ordinary shares

Movement in equity instruments (other than options and rights)

Details of the movement in equity instruments (other than options and rights) held directly, indirectly or beneficially by Directors and Key Management Personnel and their related parties are as follows:

	Balance at beginning of the Year	Granted as remuneration during the Year	Issued on Exercise of Options during the Year	Other changes during the Year	Balance at end of the Year
30 June 2019					
Graham Kavanagh	-	-	-	-	-
Sin Pyng "Tony" Teng	9,410,000	-	-	100,000	9,510,000
Douglas Smith	-	-	-	-	-
Total	9,410,000	-	-	100,000	9,510,000

	Balance at beginning of the Year	Granted as remuneration during the Year	Issued on Exercise of Options during the Year	Other changes during the Year	Balance at end of the Year
30 June 2018					
Graham Kavanagh	-	-	-	-	-
Sin Pyng "Tony" Teng	9,020,000	-	-	390,000	9,410,000
Douglas Smith	-	-	-	-	-
Total	9,020,000	-	-	390,000	9,410,000

Exercise of Options

No ordinary shares were issued by the Company during and/or since the end of the financial year as a result of the exercise of options by Directors and Key Management Personnel and their related parties. There are no unpaid amounts on the shares issued.

Options and Rights Holdings

Details of movements in options and rights held directly, indirectly or beneficially by Directors and Key Management Personnel and their related parties are as follows:

	Balance at beginning of period	Granted as remuneration	Options exercised or vested	Net change Other	Balance at end of period
30 June 2019					
Graham Kavanagh	2,500,000	-	-	-	2,500,000
Sin Pyng "Tony" Teng	9,000,000	-	-	-	9,000,000
Douglas Smith	5,000,000	-	-	-	5,000,000
Total	16,500,000	-	-	-	16,500,000

	Balance at beginning of period	Granted as remuneration	Options exercised or vested	Net change Other	Balance at end of period
30 June 2018					
Graham Kavanagh	1,500,000	1,000,000	-	-	2,500,000
Sin Pyng "Tony" Teng	5,000,000	4,000,000	-	-	9,000,000
Douglas Smith	2,000,000	3,000,000	-	-	5,000,000
Total	8,500,000	8,000,000	-	-	16,500,000

Options on issue at the date of this report are:					
Issue Date	Number	Expiry Date	Exercise price	Number of holders	ASX Code
28 Nov 2016	14,800,000	28 Nov 2019	\$0.30 ³	9	GMNAB
26 Sep 2017	2,000,000	26 Jul 2021	\$0.15 ⁴	2	GMNAD
26 Sep 2017	7,800,000	26 Jul 2021	\$0.15 ⁵	6	GMNAE
28 Feb 2019	10,148,162	01 Mar 2020	\$0.10	6	-
28 Feb 2019	10,158,162	01 Mar 2021	\$0.15	6	-
24 May 2019	7,138,461	27 May 2020	\$0.10	13	-
24 May 2019	7,138,461	27 May 2021	\$0.15	13	-
30 Aug 2019	9,866,669	28 Aug 2020	\$0.10	10	-
30 Aug 2019	9,866,669	28 Aug 2021	\$0.15	10	-

GMNAB ESOP options are exercisable at \$0.30 until expiry date 28/11/2019 and subject to the vending condition that the Company's share price must exceed \$0.50 based on VWAP over a 5-day consecutive period.

GMNAD options are exercisable at \$0.15 until expiry date 26/07/2021 and subject to vending condition that the total options granted shall be vested over 3 periods of 12 months per period.

GMNAE ESOP options are exercisable at \$0.15 until expiry date 26/07/2021 and subject to vending condition that the total options granted shall be vested over 3 periods of 12 months per period.

Dividends

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



OPERATIONS REPORT

Principal Activities

The principal activity of the Company during the financial period was to acquire, explore and develop areas that are highly prospective for gold and other precious and base metals and minerals in Australia and Papua New Guinea.

Operating and Financial Review

(i) Operations

Gold Mountain is an exploration company operating in Australia and Papua New Guinea to acquire, explore and develop areas that are highly prospective for gold and other precious and base metals and minerals.

The Company creates value for shareholders, through exploration activities which develop and quantify mineral assets. Once an asset has been developed and quantified within the framework of the JORC guidelines the Company may elect to move to production, to extract and refine ore which will then be available for sale as a primary product.

The Company is actively exploring and developing the Wabag Gold Project in Papua New Guinea.

Please refer to the Review of Operations for more information on the status of the projects.

(ii) Financial Performance & Financial Position

The financial results of the Company for the five (5) years to 30 June 2019 are:

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Cash and cash equivalents	54,070	2,985,066	2,693,337	1,189,947	759,938
Net assets	20,296,725	19,275,974	12,420,975	3,404,265	2,460,399
Revenue & financial income	48,529	119,426	32,874	3,178	5,046
Net loss after tax	(1,401,021)	(1,484,473)	(1,279,915)	(1,515,979)	(847,685)
EBITDAX	(1,401,021)	(1,257,241)	(840,424)	(1,351,697)	(659,879)
Share price at 30 June	\$0.066	\$0.100	\$0.086	\$0.036	\$0.039
Loss per share (cents)	(0.27)	(0.32)	(0.35)	(0.69)	(0.57)

a) Financial Performance

The net loss after tax of the Company for the financial year after tax amounted to \$1,401,021 (2018: Loss \$1,484,473).

The Company is creating value for shareholders through its exploration expenditure and currently has no revenue generating operations. Revenue and financial income are generated from interest income from funds held on deposit and miscellaneous income. As the average funds held on deposit have decreased during the year, accordingly interest income has decreased from \$25,400 to \$3,063 when compared to the prior year. The Company also received \$43,134 as rental income in FY 2019 (FY 2018: \$51,792) from sub-leasing unused office space at its Sydney CBD office.

During the year, the operations relating to the Papua New Guinea gold project continued and expanded as the Company undertook its exploration program, accordingly deferred exploration expenditure increased from \$11,816,184 at 30 June 2018 FY to \$15,868,988 at 30 June 2019.

Personnel and external consulting requirements and legal and professional costs remained constant. There was an increase in public and investor relations expense from \$240,944 in the 2018 FY to \$322,838 in the FY 2019.



b) Financial Position

The Company's main activity during the year was the investment of cash of \$54,707 (2018: \$2,985,066). The carrying value of the exploration assets and the capitalised exploration assets increased by \$4,052,804 or 34% to \$15,868,988 (2018: \$11,816,184).

The 30 June 2019 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 30 June 2019, the Company recorded a loss after tax of \$1,401,021 (2018: Loss \$1,484,473) and had a net working capital deficit of \$873,113 (30 June 2018: surplus of \$2,061,160).

As the Company is an exploration and development entity, ongoing exploration and development activities are reliant on future capital raisings. Based on these facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

(iii) Business Strategies and Prospects for future financial years

The Company actively evaluates the prospects of each project as results from each program become available, these results are available via the ASX platform for shareholders information. The Company then assesses the continued exploration expenditure and further asset development. The Company will continue the evaluation of its mineral projects in the future and undertake generative work to identify and acquire new resource projects.

There are specific risks associated with the activities of the Company and general risks which are largely beyond the control of the Company and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Company and the market price of the Company's shares.

a) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, sovereign risk difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

b) Environmental Risks

The operations and proposed activities of the Company are subject to the laws and regulations of Australia and Papua New Guinea concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

c) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

d) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.



e) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income, the Company will require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

f) Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to invest.

5. Significant Changes in the State of Affairs

On 3 July 2018, the Company announced a helicopter-assisted drill program initiated for the large Mongae Creek (or Mongai Creek) Porphyry Cu-Au System in EL2306. Abundant coarse gold is present in creeks within the Mongai Creek system and gold has been panned from gossanous rocks. Copper mineralisation is located in outcrops. Reconnaissance mapping and sampling in adjoining drainage systems is planned to determine the extent of the mineralisation.

On 12 and 13 July 2018, the Company announced the progress of its mineral exploration programs on the Crown Ridge prospect in Enga Province, Papua New Guinea. The Company has completed a diamond drilling program of 19 drill-holes totalling 3,761.8m, drilled between 14 October 2017 and 10 June 2018. The drilling targeted shallow conglomerate-hosted free gold-platinum mineralisation (Target 1) and high-grade gold mineralisation hosted by structurally controlled quartz-pyrite veins (Target 2). The Target 1 drill-holes were undertaken in conjunction with bulk sampling pits and aimed to define a Mineral Resource for the shallow conglomerate material. The Company will release the laboratory analysis and test results of the drill cores and the bulk pit samples as and when they become available. Assay results for the samples from the remaining 26 pits have been received and logged into the LIMS system by ALS in Perth. The results are expected in mid to late August 2018. However, the assays will require compilation and assessment against geological data before final results can be released. This is not expected until at least December 2018.

On 24 July 2018, the Company announced the arrival of a custom-built mobile bulk sampling plant at Crown Ridge and is undergoing commissioning. A helicopter-portable drill rig has also arrived on site at the Mongae Creek Au-Cu prospect with diamond drilling starts this week. Assays are underway on Mongae Creek rock samples. An Excavator continues costeaning at Crown Ridge, exploring for hard-rock source of large gold nuggets and coarse free gold found in shallow sampling programmes to date. Regional heli-borne geophysical survey is planned to search for Porgera-style gold systems. Metallurgical investigations on black sand pan concentrates will be undertaken to identify hosts of vanadium, titanium and chrome.

On 7 August 2018, the Company announced the maiden diamond drill hole at Mongai Creek confirmed diagnostic characteristics of a porphyry copper-gold system. Also noted that visible copper and molybdenite mineralisation was observed in drill cones.

On 14 August 2018, the Company announced the finalisation of assembly and commissioning of large capacity mobile plant for processing of coarse-gold and platinum bulk samples, and recovery heavy black sands to test titanium, vanadium and chrome concentrations. The plant would improve processing time of infill and extensional pitting samples that form the basis of the Mineral Resource estimation that is in progress.

On 28 August 2018, the Company announced the results for 35 rock chip samples from outcrop and float that confirmed the potential for economic grades of copper and gold mineralisation at Mongai Creek. This is supported by a petrographic report on test of samples from Mongai Creek which confirmed the expected diagnostics of porphyry copper-gold mineralisation, hydrothermal alterations, porphyritic texture, and primary mineralogical compositions. It is complimented with a maiden diamond drill-hole MCD001 completed at 521m down-hole below the mineralised outcrop with logging data providing a first view at the 3D geological framework of the system.

On 8 October 2018, the Company announced assay results for its maiden drill hole MCD001 at Mongai Creek returning encouraging results, with best results of 1m @ 243 g/t Ag, 0.8% Cu, 522 ppm Co, 0.4% Ni, and 0.7% W at 38m depth. A high-resolution soil geochemical sampling programme had commenced at Mongai Creek, to delineate the structural and geological framework prior to further drill targeting. The Company also noted Crown Ridge exploration was shifting focus to the area most prospective for an epithermal hard-rock source of the abundant coarse and dendritic gold found in the drainage system.



On 15 November 2018, the Company announced all core data for hole MCD002 at Mongae Creek has been logged and submitted for geochemical analysis. Early investigations show strong copper and polymetallic mineralisation and A-, B-, M- and D-type porphyry veins. Veining, brecciation, and mineralisation are all of a higher tenor than the first hole MCD001. The Company also announced that a newly-identified prospect, K-lam, to the NW of Mongae Creek, shows elevated copper mineralisation, with up to 0.99% Cu intersected in a narrow vein within an altered diorite which outcrops in the stream over a width of at least 30m.

On 30 November 2018, the Company announced Assay results for the second drill hole MCD002 at Mongae Creek returning significant mineralised intervals of 55m @ 0.11% Cu from 103m; 49m @ 0.12% Cu from 165m, including 10m @ 0.22% Cu from 183m; 10m @ 0.09% Cu from 228m; and 75m @ 0.10% Cu from 264m. These results are significantly better than those for MCD001 and suggest that drilling is getting nearer the centre of the mineralised system.

On 5 February 2019, the Company announced that continual exploration shows high potential at key prospect areas including the Crown Ridge, and the areas of planned exploration programs of trenching and soil auger at Mongae Creek, soil grid at Sak Creek and sampling and mapping for K-Lam.

On 21 February 2019, the Company conducted an Investor Presentation to a group of sophisticated investors highlighting the Wabag Project in Papua New Guinea, analogous as “prime real-estate in one of the world’s best mining belts”. The presentation provided a snapshot of the exploration status and results of the Mongae Creek, Crown Ridge, Sak Creek and K-Lam prospects and the exploration budget estimates for the period to the first Quarter of 2020.

On 27 February 2019, the Company requested a trading halt of the Company’s securities pending an announcement concerning the finalisation of a material fundraising. The trading halt was effective as of the following trading day and to be lifted upon the release of the announcement.

On 28 February 2019, the Company lodged Appendix 3B for the issue of 20,296,924 new fully paid ordinary shares (Placement Shares) in the company along with 20,296,924 free unlisted options (Options). The Placement Shares issued at \$0.065 per share raised a total of \$1,319,300.00 for the purpose of general working capital. The Placement Shares are issued consistent to Resolution 3 – General Placement of Shares to Placement Investors as approved by Shareholders at the last Annual General Meeting held on 30 November 2018. The Options are issued free of one (1) option at exercise price \$0.10 expiring 1/3/2020 and another one (1) option at exercise price \$0.15 expiring 1/3/2021 for every two (2) issued Placement Shares.

On 4 March 2019, the Company announced that it has secured commitments from a group of professional and sophisticated investors (Placement Investors) to participate in the capital raising of the Company in the issue of 100 million shares along with other equity securities entitlement that would meet GMN future funding requirements. At an issue price of \$0.10 per share, the Company would raise \$10 million before issue costs. Subject to shareholder approval, the Company will issue for every two (2) shares issued, the Placement Investors entitlement of one (1) share option exercisable at \$0.10 within 12 months and another one (1) share option exercisable at \$0.15 within 24 months respectively from date of issue (Placement Options). These Placement Options shall provide the Company additional capital funding of \$12.5 million pace over the next 24 months. The funds raised would meet the working capital requirements of the Company for the next two (2) years to support its planned exploration programs of the Wabag Project located in Papua New Guinea.

On 23 March 2019, the Company announced exploration results which included step-out soil sampling at Mongae Creek returning five samples over 0.1% Cu with one sample recording 0.39% Cu in soil with the anomaly is still open. Coincident Cu and Mo soil anomalies at Mongae Creek further support a porphyry model. Trenching would commence at Mongae Creek in early April on main soil anomalies and new high-quality drill targets were expected by late May; Additional rock chip sampling in the central part of the Sak Creek prospect returned rock chips to 23 g/t Au with a further 12 samples assaying over 5 g/t Au; Soil-sampling program was completed at Sak Creek, with the first 187 samples showing a distinct NW – SE striking feature similar to that observed in the Mongae Creek data; Additional geological mapping and rock-chip sampling at Sak Creek has identified mineralisation south of the main target with rock-chip values to 4.24 g/t Au; Furthermore, a geological reconnaissance program at the Laialam prospect completed in early February return rock chip results up to 7.60 g/t Au.

On 9 April 2019, the Company announced a new tenement was granted over highly prospective ground and four of GMN’s tenements which comprise the Wabag Project have been renewed for an additional 2-year period. The additional tenement (EL2522) has been granted effectively doubling the area of prospective ground held by GMN. Furthermore, two additional tenements (ELA2565 and ELA2563) are awaiting ministerial approval after being recommended for grant by the MRA.



On 29 April 2019, the Company announced extensions to the Mongae Creek soil grid have identified a new copper anomaly which is of much higher grade tenor than the previously announced. Copper-in-soil values include 12 samples higher than 0.2% Cu, with a spectacular high of 0.7% ppm Cu. The anomaly is in excess of 500 m wide and 500 m long (4.5 times larger than previous anomaly is open to the NW. Trenching has commenced in this new area and follow-up drilling planned for the second half of 2019.

On 24 May 2019, the Company lodged Appendix 3B for the issue of 14,276,923 new fully paid ordinary shares (Placement Shares) in the company along with 14,276,922 free unlisted options (Options). The Placement Shares issued at \$0.065 per share raised a total of \$928,000.00 for the purpose of general working capital. The Placement Shares are issued consistent to the last placement of securities issued on 28 February 2019. The Options are issued free of one (1) option at exercise price \$0.10 expiring 27/05/2020 and another one (1) option at exercise price \$0.15 expiring 27/5/2021 for every two (2) issued Placement Shares.

On 1 July 2019, the Company advised that 61,237,300 Unlisted Options (Code: GMNAC) over fully paid ordinary shares in the Company (exercise price \$0.15) lapsed on 30 June 2019 in accordance with the terms of the options.

Review of Operations

Papua New Guinea Project

During the reporting period, the Company's Wabag Project in Papua New Guinea concentrated on exploring for porphyry copper-gold deposits. To this end, the Company completed two diamond drill holes for 876m at the Mongae Prospect, and undertook close spaced soil sampling programs at Mongae and Mongae NW (EL2306), and at Sak Creek (EL1966) and Crown Ridge (EL1968).

In addition to the soil programmes, rock chip sampling and stream sediment sampling was undertaken on EL1966, EL1967, EL1968 and EL2306. A summary of the sampling statistics for the various exploration leases is included as Table 1, and the location of each prospect is presented as Figure 1.

The exploration programme culminated into the definition of a zone of highly anomalous copper (Cu) in soil geochemistry at the Mongae North West prospect which will be drilled in the fourth quarter of 2019.

Table 1: FY2019 Sample Statistics

EL Number	Project	Sample Type	No. Of Samples
EL2306	Mongae Creek	Drill Samples	877
EL1968	Crown Ridge	-80 mesh soil samples	249
EL2306	Mongae	-80 mesh soil samples	806
EL1966	Sak Creek	-80 mesh soil samples	604
EL1967	Laialam	Rock	21
EL1966	Sak Creek / K-Lam	Rock	48
EL2306	Mongae	Rock	68
EL1966	Sak Creek	Stream Sediments	30
EL2306	Mongae Creek	Trench	735

At Crown Ridge, the Company completed a pitting programme in order to determine if an alluvial gold resource could be delineated in and adjacent to the Timun River. Samples from the pitting programme were treated through a pilot plant which was commission in October 2018. The processing plant was designed to obtain an estimate of the recoverable gold in the pits and to determine if the gold in the alluvial deposits in the Timun River could be extracted economically.

In October 2018, the Company attended a series of Wardens' hearings for the renewal of tenements and for the grant of additional tenements to increase the area of the Company's exploration grounds in this highly prospective region.



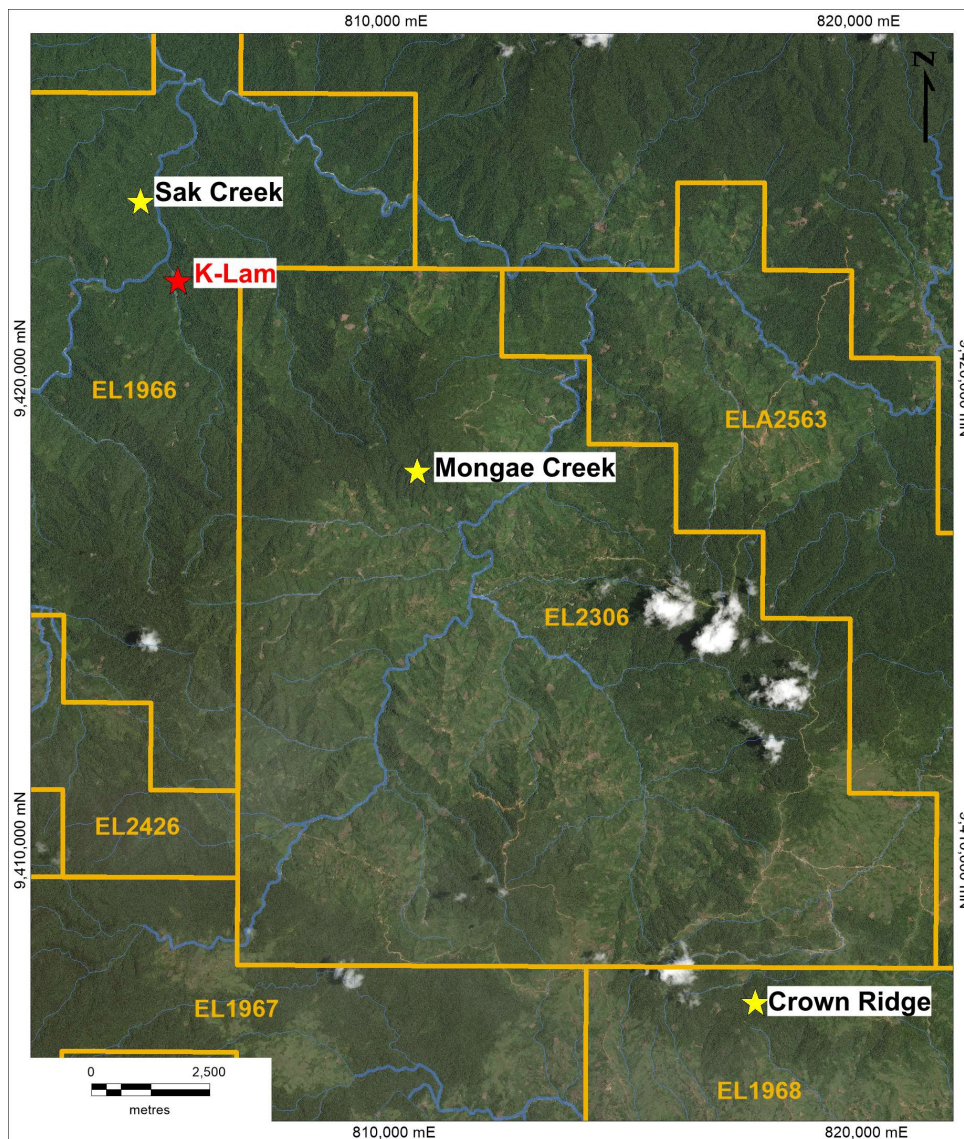


Figure 1: Prospect Location Map

Exploration Programme

The focus of the exploration programmes undertaken by the Company over the last twelve months was the Mongae prospect located in the north-east corner of EL2306. The aim of the exploration activities was to define drillable targets which could be tested in fourth quarter of 2019.

In the third quarter of 2018, two diamond drill holes (MCD001 and MCD003) comprising 876m of drilling were drilled at the Mongae Creek prospect. The two holes were designed to test an area of porphyry style alteration and mineralisation evident in outcrop. The holes intersected wide zones of sub-economic copper mineralisation and petrology studies of the core indicated that the holes had intersected alteration which is diagnostic of porphyry deposits.

Characteristics of porphyry copper-gold (Cu-Au) mineralisation were present throughout the two holes. The drill core from both holes exhibited the extensive development of stock-working and sheeted quartz-pyrite veins within a porphyritic tonalite, chalcopyrite, bornite, covellite and molybdenum (Mo) were observed in some veins. MCD002 was more intensively



mineralised than MCD001, with MCD002 recording intercepts of: 55m @ 0.11% Cu from 103m and 49m @ 0.12% Cu from 165m, including 10m @ 0.22% Cu from 183m.

Four soil sampling programmes were completed at the Mongae Creek and Mongae Creek Northwest prospects between November 2018 and May 2019. A total of 807 samples were collected in this period which resulted in the delineation a +500 m wide and 400 m long, copper in soil anomaly with a spot high of 0.71% Cu. This significant Cu-in-soil anomaly is located approximately 600 m northwest of drill hole MCD002. The Cu-in-soil anomaly (Figure 2) is coincident with a Mo-anomaly giving further confidence that a potential porphyry deposit is present at Mongae Creek. The Cu anomaly is still open to the north-west and work on extending the soil grid further to the NW will commence in third quarter of 2019.

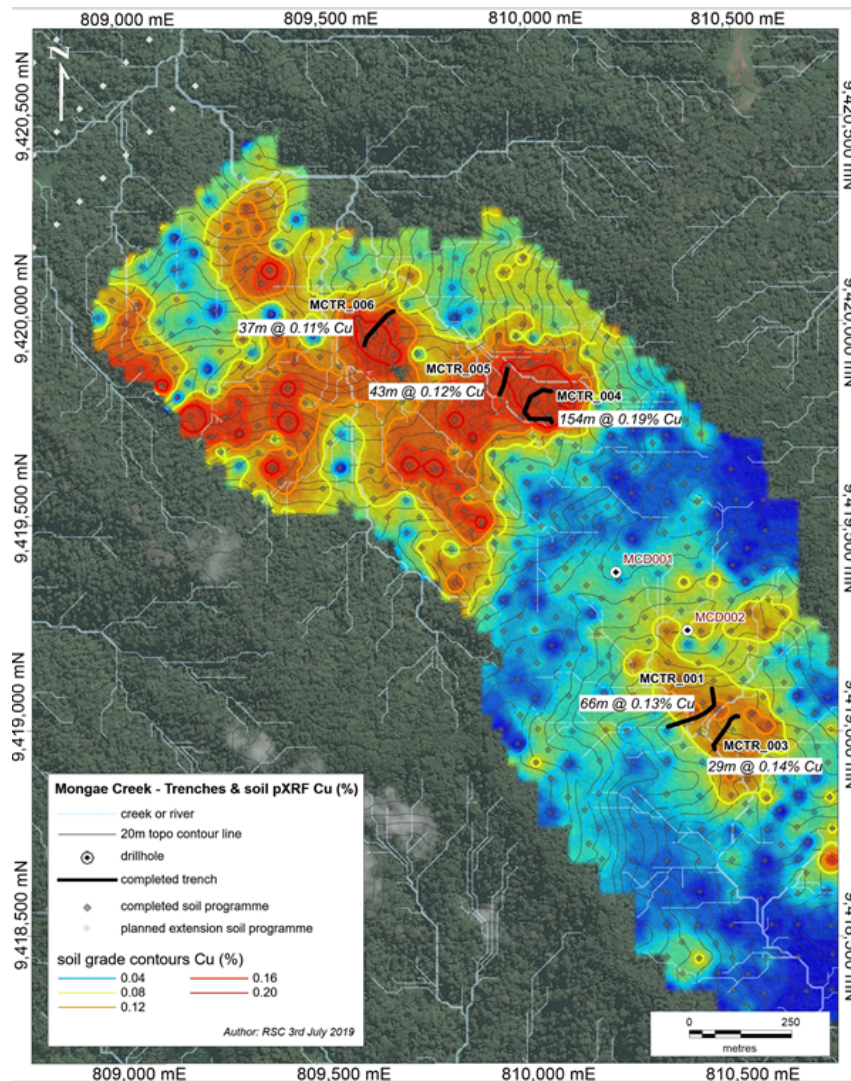


Figure 2: Mongae Creek and Mongae NW, Copper Soil Geochemistry

A trenching programme was completed at Mongae Creek and Mongae NW during May and June 2019. The aim of the trenching was to test those areas where high Cu-in-soil anomalies had been identified, in order to define drill targets. A total of five trenches were excavated; two at Mongae Creek and three at Mongae NW. A total of 733 m of trenches were excavated. This work delineated a broad zone of >0.1% Cu that covers an area of 90,000 m² with the best result obtained from T4 (Mongae NW) which recorded a 142m intercept which assayed 0.20% Cu and 0.11 g/t Au.

Alluvial Gold Resource Definition

In the third quarter of 2018, results from the shallow pitting program were reported. The pits were designed to assist in the estimation of an alluvial resource at Crown Ridge. Assay results were variable, with the best result of 410 mg/m³ gold (Au) between 2.0–2.5 m depth being reported in pit CRP006, within a 3.0-m interval that averaged 235 mg/m³ Au. All other intervals returned grades of below 100 mg/m³ Au.

A purpose-built, mobile bulk sampling plant for testing the nugget-bearing gold and platinum alluvial material was delivered to Crown Ridge, and successfully commissioned in October 2018. The plant was commissioned to improve the capacity and speed of processing bulk samples from the Crown Ridge project. The plant was used to process samples from three 1 x 1 m pits and one 5 x 5 m pit. Concentrates from these pits were sent to a specialised laboratory in Australia to measure the recovered gold grades.

Only one pit from this programme recorded economic levels of alluvial gold mineralisation, with the extent of the economic alluvial resource being limited. It was concluded that the alluvial resource at Crown Ridge is of insufficient size and grade to be processed economically.

Warden Hearings

Wardens Hearing for the renewal of six tenements and for the grant of an additional two tenements were held in October 2018. The outcomes from the hearings were communicated to the Company in mid-2019. Renewals for all the tenements was approved and the two tenements under application were granted.

Capital Raisings

During the financial year and until the date of signing this report, the Company completed four placements to institutional and sophisticated investors, the first in February 2019 following approval by shareholders at the 2018 AGM, the second in May 2019, the third in August 2019 and the fourth in September 2019.

The issue of 20,296,923 shares on 28 February 2019 at a price of \$0.065 per share raised a total of \$1,319,300 and was issued pursuant to Resolution 3 – General Placement of Shares to Placement Investors approved by Shareholders at the Annual General Meeting held on 30 November 2018. In addition, the Company granted one option at exercise price \$0.10 expiring 1/3/2020 and one option at exercise price \$0.15 expiring 1/3/2021 for every two (2) issued placement shares issued.

The issue of 14,276,923 shares on 24 May 2019 at a price of \$0.065 per share raised a total of \$928,000 and was issued using the Company's available placement capacity under ASX Listing Rule 7.1. In addition, the Company granted one option at exercise price \$0.10 expiring 27/5/2020 and one option at exercise price \$0.15 expiring 27/5/2021 for every two (2) issued placement shares issued.

The issue of 2,000,000 and 19,733,333 shares on 30 August 2019 at a price of \$0.065 and \$0.060 per share respectively raised a total \$1,314,000. The 19,733,333 shares issued were part of the proposed share placement (Placement) announced to the market on 31 July 2019. Consistent to the terms of the Placement, the Company granted one option at exercise price \$0.10 expiring 28/8/2020 and one option at exercise price \$0.15 expiring 28/8/2021 for every two (2) shares issued under the terms of Placement.

The issue of 30,000,000 shares on 4 September 2019 at a price of \$0.06 per share raised a total \$1,800,000 and represents part of the proposed share placement announced to the market on 31 July 2019. The Placement Shares has the accompanying entitlement of unlisted options for every two (2) Shares issued, of one (1) share option exercisable at \$0.10 within 12 months and another one (1) share option exercisable at \$0.15 within 24 months respectively from date of issue (Placement Options). The Company expects to issue the Placement Options after the 2019 Annual General Meeting. The Placement Options provides the Company with additional capital funding of \$3,750,000 over the next 24 months.

The funds raised are to be used in support of its planned exploration programs of the Wabag Project located in Papua New Guinea and general working capital requirements.



Capital Raising	Date	Shares Issued	Price	Amount Raised
Issue of shares approved at 2018 AGM	28-02-2019	20,296,923	\$0.065	1,319,300
Issue of shares	24-05-2019	14,276,923	\$0.065	928,000
Issue of shares	30-08-2019	2,000,000	\$0.065	130,000
Issue of shares	30-08-2019	21,733,333	\$0.060	1,184,000
Issue of shares	04-09-2019	30,000,000	\$0.060	1,800,000
Total		86,307,179		\$5,361,300

Risk management

Details of the Company's Risk Management policies are contained within the Corporate Governance Statement.

Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is displayed on the Company's website.

Subsequent events after balance date

On 8 July 2019, the Company announced an update to its exploration program at its flagship Wabag project in Papua New Guinea, with the focus on Mongae Creek. Trench results at Mongae provide a strong case to drill high-quality porphyry targets with significant intercepts including Mongae NW Trench 1 66 m @ 0.13% Cu and Mongae NW Trench 4 intercepted 154 m @ 0.19% Cu including 142 m @ 0.20% Cu and 0.11 ppm Au and and 13 m @ 0.44% Cu from 68 m.

On 30 July 2019, the Company announced it has received commitments for a placement raising \$2.5 million. The funds from this placement will be used to complete the initial diamond drilling programme at the Mongae NW prospect at the Company's Wabag Project in Papua New Guinea and for general working capital. For every Share issued to a subscriber in the placement an unlisted option over a Share at no additional cost will also be issued. 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 and the remaining half of the options will have an expiry date of 24 months from the date of their issue, with an exercise price of \$0.15 per option. The managing director, Mr Sin Pyng (Tony) Teng is proposing to participate in the \$2.5 million placement to the amount of \$500,000.00. The Company expects to seek approval from holders of ordinary securities for this placement and the placement to Mr Teng at its 2019 annual general meeting.

On 28 August 2019, the Company was in suspension under ASX Listing Rule 17.2, pending the appointment of sufficient directors to comply with section 201A(2) of the *Corporations Act 2001 (Cth)*.

On 30 August 2019, the Company lodged Appendix 3B for the issue of 21,733,333 new fully paid ordinary shares (Shares) in the company along with 19,733,338 options (Options) for the placement of shares (Placement Shares) at an issue price of \$0.065 and \$0.06 per share.

The issue of Shares raised a total of \$1,314,000 for purpose of general working capital. The Placement Shares include 19,733,333 Shares with accompanying options of one (1) option at exercise price \$0.10 expiring 28/8/2020 and one (1) option at exercise price \$0.15 expiring 28/8/2021 for every two (2) issued Placement Shares.

On 2 September 2019, the Company announced the appointment of Mr Syed Hizam Alsagoff as a Non-Executive Director of the Company.

On 3 September 2019, the Company was reinstated for Official Quotation following the appointment of an additional director meeting the minimum number of directors required under section 201A(2) of the *Corporations Act 2001 (Cth)*.

On 4 September 2019, the Company lodged Appendix 3B for the issue of 30,000,000 new fully paid ordinary shares (Shares) in the company for the placement of shares (Placement Shares) at a price of \$0.06 per share. The sum of \$1,800,000 raised represents part of the proposed share placement announced to the market on 31 July 2019. The Placement Shares has accompanying entitlement of unlisted options for every two (2) Shares issued, of one (1) share option exercisable at \$0.10 within 12 months and another one (1) share option exercisable at \$0.15 within 24 months respectively from date of issue (Placement Options). The Company expects to issue the Placement Options after the 2019 Annual General Meeting. The Placement Options shall provide the Company additional capital funding of \$3,750,000 pace over the next 24 months.

The announcement of the Appendix 3B lodgement further reiterated the participation and acknowledgement of an entity related to managing director, Mr Tony Teng in the placement amount of \$500,000, on the same terms of the placement offer as previously announced by the Company. The issue of securities in shares and options to this entity will be subject to the approval of the Company's shareholders under ASX Listing Rule 10.11. The Company expects to seek approval from shareholders at its next annual general meeting.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

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 entity) that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, GMN paid a premium in respect of a contract insuring the Directors and officers of the Company 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.

Options

The maximum terms of options granted during the year and until the date of this report are as follows:

On 28 February 2019 the Company granted 20,296,924 free unlisted options to participants in the share placement of 20,296,923 shares on the same date in two separate tranches of options. One option tranche is at an exercise price of \$0.10 expiring on 1 March 2020 and the other option tranche is at an exercise price of \$0.15 expiring on 1 March 2021 with no vesting conditions.

On 24 May 2019 the Company granted 14,276,922 free unlisted options to participants in the share placement of 14,276,923 shares on the same date in two separate tranches of options. One option tranche is at an exercise price of \$0.10 expiring on 27 May 2020 and the other option tranche is at an exercise price of \$0.15 expiring 27 May 2021 with no vesting conditions.

On 30 August 2019 the Company granted 19,733,338 free unlisted options to participants in the share placement of 19,733,333 shares on the same date in two separate tranches of options. One tranche of 9,866,669 options is at an exercise price of \$0.10 expiring on 28/08/2020 and the other tranche of 9,866,669 options is at an exercise price of \$0.15 expiring 28/08/2021 with no vesting conditions.

The options must be exercised on or before the expiry date in cash.



REMUNERATION REPORT (AUDITED)

The Board, in consultation with the Remuneration Committee, is responsible for determining and reviewing compensation arrangements for the directors and executive management. The Board assesses the appropriateness of the nature and amount of remuneration of key personnel on an annual basis. In determining the amount and nature of officers' packages, the Board takes into consideration the Company's financial and operational performance along with industry and market conditions.

The Committee has the authority to retain any outside advisor at the expense of the Company, without the Board's approval, at any time and has the authority to determine any such advisor's fees and other retention terms.

In setting corporate goals and objectives relevant to Senior Executives' compensation, the Committee considers both short-term and long-term compensation goals and the setting of criteria around this. In relation to setting Directors' remuneration the Committee looks at and considers comparative data from similar companies.

This report outlines the remuneration arrangements in place for Directors and Key Management Personnel of Gold Mountain Limited (the "Company") for the financial year ended 30 June 2019.

The following persons acted as Directors during or since the end of the financial year:

Graham Kavanagh	Douglas Smith
Sin Pyng "Tony" Teng	Syed Hizam Alsagoff (<i>appointed 2/9/2019</i>)

The term 'Key Management Personnel' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

Graham Kavanagh	
Sin Pyng "Tony" Teng	Eric Kam
Douglas Smith	David Clark

Remuneration Philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

Remuneration Committee

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the Senior Management team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration Structure

In accordance with best practice Corporate Governance, the structure of Non-Executive Director and executive remuneration is separate and distinct.



Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The aggregate remuneration for all non-executive directors has been set at an amount of \$300,000 per annum.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Director is entitled to receive a fee for being a Director of the Company.

The remuneration of Non-Executive Directors for the year ended 30 June 2019 is detailed in the Remuneration of Directors and named executives section of this report on the following pages of this report.

Senior Manager and Executive Director Remuneration

Remuneration consists of fixed remuneration and Company options (as determined from time to time). In addition to the Company employees and Directors, the Company has contracted key consultants on a contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Independent Directors' Committee (which assumes the role of the Remuneration Committee). The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of the six most highly remunerated Company executives is detailed in Table 1.

Employment Contracts

During the year and to the date of this report there are no employment contracts with the Company.



Remuneration of Directors and named executives

Table 1: Directors' and named executives remuneration for the year ended 30 June 2019

	Short-term employee benefits			Post-employment benefits		Equity		Other	Total	%
	Salary & Fees	Bonuses	Non- Monetary Benefits	Super-annuation	Prescribed Benefits	Options	Shares	Deferred Benefits		
Graham Kavanagh ¹	30,000	-	-	-	-	-	-	-	30,000	0%
Sin Pyng "Tony" Teng ²	75,000	-	-	285	-	-	-	-	75,285	0%
Douglas Smith ³	173,400	-	-	285	-	-	-	-	173,685	0%
Eric Kam ⁴	102,000	-	-	-	-	-	-	-	102,000	0%
David Clark ⁵	30,000	-	-	-	-	-	-	-	30,000	0%
Total	410,400	-	-	570	-	-	-	-	410,970	-

Table 2: Directors' and named executives remuneration for the year ended 30 June 2018

	Short-term employee benefits			Post-employment benefits		Equity		Other	Total	%
	Salary & Fees	Bonuses	Non- Monetary Benefits	Super-annuation	Prescribed Benefits	Options	Shares	Deferred Benefits		
Graham Kavanagh ¹	36,000	-	-	-	-	35,524	-	-	71,524	0%
Sin Pyng "Tony" Teng ²	108,000	-	-	1,140	-	35,524	-	-	144,664	0%
Douglas Smith ³	232,000	-	-	1,140	-	-	-	-	233,140	0%
Eric Kam ⁴	108,000	-	-	-	-	-	-	-	108,000	0%
David Clark ⁵	36,000	-	-	-	-	-	-	-	36,000	0%
Total	520,000	-	-	2,280	-	71,048	-	-	593,328	-





1. Paid to Drumcliffe Investments Pty Ltd for corporate advisory services of which Mr Kavanagh is a director and shareholder.
2. Paid to Rodby Holdings Pty Ltd for corporate advisory services of which Mr Teng is a director.
3. Paid to of Doughty Pty Ltd for geological services which Mr Smith is a director and shareholder and Dougie Downunder which Mr Smith is principal.
4. Paid to Useful Ways Pty Ltd for corporate advisory services of which Mr Kam is a director and shareholder and Ekam Commercial of which Mr Kam is principal.
5. Paid to D.W. Clark & Co., Chartered Accountant for corporate advisory services of which Mr Clark is principal.



Other Key Management Personnel Transactions

The Company has established the Gold Mountain Limited Employee Share Option Plan (ESOP) and a summary of the terms and conditions of the Plan are set out below:

- i. All employees (full time and part time) will be eligible to participate in the Plan.
- ii. Options are granted under the Plan at the discretion of the board and if permitted by the board, may be issued to an employee's nominee.
- iii. Each option is to subscribe for one ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable at any time from its date of issue provided all relevant vesting conditions, if applicable, have been met. Options will be issued free. The exercise price of options will be determined by the board. The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.
- iv. If, prior to the expiry date of options, a person ceases to be an employee of the Company for any reason other than retirement at age 60 or more (or such earlier age as the board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 30 days from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.
- v. Options cannot be transferred other than to the legal personal representative of a deceased option holder.
- vi. The Company will not apply for official quotation of any options.
- vii. Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- viii. Option holders may only participate in new issues of securities by first exercising their options.
- ix. Options are granted under the plan for no consideration.
- x. Each share options converts into one ordinary shares of Gold Mountain Limited.
- xi. 14,800,000 unlisted options granted on 29 August 2016 pursuant to the Company's Employee Share Option Plan have an exercise price of \$0.30 and are subject to the following vesting conditions:
 - (1) The Company's underlying share price must exceed \$0.50 based on volume weighted average price (VWAP) over a 5 day consecutive period;
 - (2) The holder must be an actual consultant to or employee of the Company at the time of exercise of the relevant Granted Options. In addition, the exercise of the Granted Options is subject to the following conditions:
 - (3) The exercise period shall not commence until a date that is at least 12 months after the date of the grant of the Granted Options to the holder; and
 - (4) a granted option expires 36 months after the date on which the relevant granted options were granted.The unlisted options granted under the Employee Share Option Plan are exercisable at \$0.30 expire on 28 November 2019.
- xii. 7,800,000 unlisted options granted on 29 December 2017 pursuant to the Company's Employee Share Option Plan have an exercise price of \$0.15 and are subject to the vending condition that the total granted options shall be vested over 3 periods of 12 months per period. The unlisted options granted under the Employee Share Option Plan are exercisable at \$0.15 expire on 26 July 2021.

The Board may amend the terms and conditions of the plan subject to the requirements of the Listing Rules.

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with Key Management Personnel, refer to Note 18: Related Party Disclosures.

End of Remuneration Report.



Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

Director	Board Meetings	
	Attended	Eligible to Attend
Graham Kavanagh	4	4
Sin Pyng "Tony" Teng	4	4
Douglas Smith	4	4

In addition, 2 circular resolutions were signed by the Board during the period.

Auditor Independence

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 audit of the annual report. This Independence Declaration is set out on page 25, and forms part of this Directors' report for the year ended 30 June 2019.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 22 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence.

Signed in accordance with a resolution of the Directors.



Graham Kavanagh
Non-Executive Chairman

Dated this 27th day of September 2019



SCHEDULE OF TENEMENTS

EL No.	Holder	GMN Interest	Location	Area (km ²)	Expiry
EL1966 Sak Creek	Viva No.20 Limited	70%	Enga Province, PNG	103	26/06/2019 <i>(Renewal pending)</i>
EL1967 Poket Creek	Viva No.20 Limited	70%	Enga Province, PNG	103	27/11/2019 <i>(Renewal submitted)</i>
EL1968 Crown Ridge	Viva No.20 Limited	70%	Enga Province, PNG	103	27/11/2019 <i>(Renewal submitted)</i>
EL2426 Keman	GMN 6768 (PNG) Limited	100%	Enga Province, PNG	48	27/05/2020
EL2430 Meriamanda	GMN 6768 (PNG) Limited	100%	Enga Province, PNG	154	27/05/2020
EL2522 Wapenamanda	GMN 6768 (PNG) Limited	100%	Enga Province, PNG	841	24/02/2021
EL2565 Londol	Viva Gold (PNG) Limited	100%	Enga Province, PNG	537	26/05/2021
EL2306 Alakula/Kompian Station	Khor Eng Hock & Sons (PNG) Limited / Abundance Valley (PNG) Limited	Registration of transfer pending	Enga Province, PNG	164	13/12/2019
ELA2563 Kompian	Abundance Valley (PNG) Limited	Application	Enga Province, PNG	226	-
ELA2632 Mt Wipi	GMN 6768 (PNG) Limited	Application	Enga Province, PNG	537	-

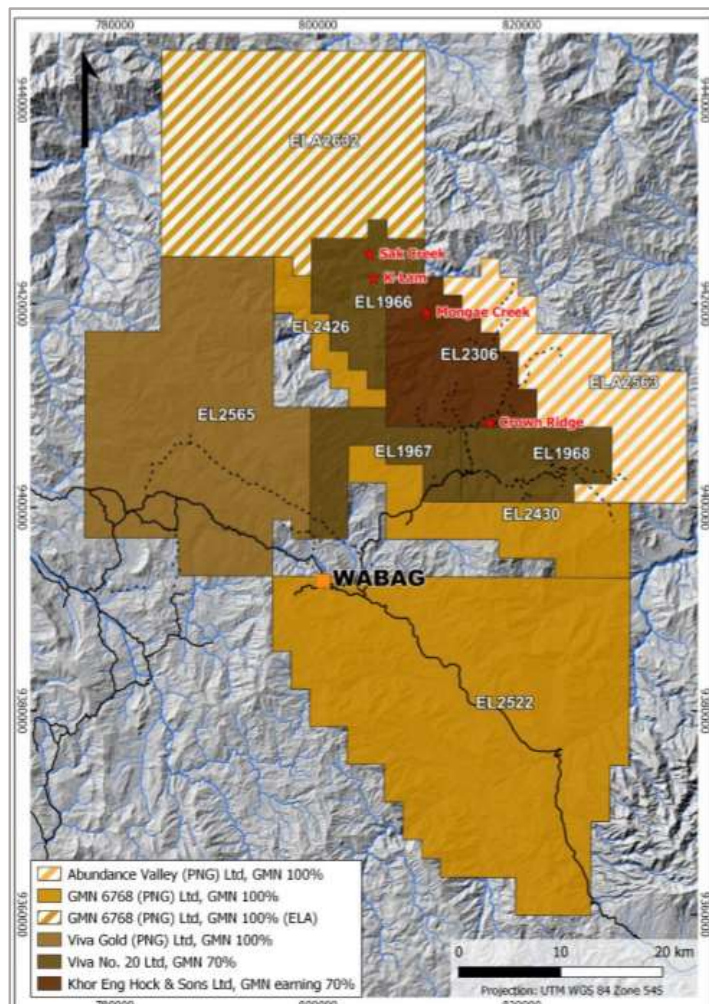


Figure 1 – Suite of tenements located at the Enga Province in Papua New Guinea

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Level 1
251 Elizabeth Street
SYDNEY NSW 2000

K.S. Black & Co.

ABN 48 117 620 556

20 Grose Street
NORTH PARRAMATTA NSW 2151

75 Lyons Road
DRUMMOYNE NSW 2047

PO Box 2210
NORTH PARRAMATTA NSW 1750

Lead Auditors' Independence Declaration under Section 307C of the Corporations Act 2001

To the Gold Mountain Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there has been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

The entities are in respect of Gold Mountain Limited and the entities it controlled during the period.

KS Black & Co
Chartered Accountants



Scott Bennison
Partner

Dated in Sydney on this *27th* day of *September* 2019

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Other income	3	<u>48,529</u>	119,426
		48,529	119,426
Administration costs		(488,078)	(369,322)
Depreciation expense		(127,000)	(56,164)
Employment costs		(62,280)	(62,280)
Exploration expense	9	-	(171,068)
Impairments expense		(20,000)	-
Investor and public relations expense		(322,838)	(240,944)
Legal and professional costs		(128,079)	(308,167)
Other expenses		<u>(301,275)</u>	(395,954)
Loss before income tax expense		(1,401,021)	(1,484,473)
Income tax expense	5	<u>-</u>	-
Net loss for the period		(1,401,021)	(1,484,473)
Attributable to the owners of Gold Mountain Limited		(1,401,021)	(1,484,473)
Other comprehensive income			
Foreign currency translation		<u>(3)</u>	(1)
Total other comprehensive income for the year, net of tax		(3)	(1)
Total comprehensive loss for the period		(1,401,024)	(1,484,474)
Attributable to the owners of Gold Mountain Limited		(1,401,024)	(1,484,474)
Loss per share	20		
Basic loss per share (cents)		(0.27)	(0.32)
Diluted loss per share (cents)		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 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	54,070	2,985,066
Trade and other receivables	7	60,509	82,239
TOTAL CURRENT ASSETS		114,579	3,067,305
NON-CURRENT ASSETS			
Plant and equipment	8	418,780	489,797
Deferred exploration and evaluation expenditure	9	15,868,988	11,816,184
Intangible assets	10	5,995,970	6,002,733
Investments	11	50,555	50,555
Other assets	12	35,545	55,545
TOTAL NON-CURRENT ASSETS		22,369,838	18,414,814
TOTAL ASSETS		22,484,417	21,482,119
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	437,692	256,145
Other current liabilities	14	1,300,000	750,000
TOTAL CURRENT LIABILITIES		1,737,692	1,006,145
NON CURRENT LIABILITIES			
Other non-current liabilities	14	450,000	1,200,000
TOTAL NON CURRENT LIABILITIES		450,000	1,200,000
TOTAL LIABILITIES		2,187,692	2,206,145
NET ASSETS		20,296,725	19,275,974
EQUITY			
Issued capital	15	30,006,334	27,885,834
Reserves	16	697,225	395,953
Accumulated losses		(10,406,897)	(9,005,876)
Total equity attributable to equity holders of the Company		20,296,662	19,275,911
Non-controlling interest		63	63
TOTAL EQUITY		20,296,725	19,275,974

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital	Reserves	Accumulated Losses	Non Controlling Interest	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2017	19,942,315	-	(7,521,403)	63	12,420,975
Comprehensive Income					
Net loss for the period	-	-	(1,484,473)	-	(1,484,473)
Other comprehensive income		(1)	-	-	(1)
Total comprehensive income for the year	-	(1)	(1,484,473)	-	(1,484,474)
Transactions with owners in their capacity as owners					
Issue of share capital	8,266,569	-	-	-	8,266,569
Share issue costs	(323,050)	-	-	-	(323,050)
Options expense	-	395,954	-	-	395,954
Total transactions with owners in their capacity as owners	7,943,519	395,953	-	-	8,339,472
Balance at 30 June 2018	27,885,834	395,953	(9,005,876)	63	19,275,974
Balance at 1 July 2018	27,885,834	395,953	(9,005,876)	63	19,275,974
Comprehensive Income	-	-	-	-	-
Net loss for the period	-	-	(1,401,021)	-	(1,401,021)
Other comprehensive income	-	(3)	-	-	(3)
Total comprehensive income for the year	-	(3)	(1,401,021)	-	(1,401,024)
Transactions with owners in their capacity as owners					
Issue of share capital	2,247,300	-	-	-	2,247,300
Share issue costs	(126,800)	-	-	-	(126,800)
Options expense	-	301,275	-	-	301,275
Total transactions with owners in their capacity as owners	2,120,500	301,275	-	-	2,421,775
Balance at 30 June 2019	30,006,334	697,225	(10,406,897)	63	20,296,725

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

STATEMENT OF CASHFLOWS FOR YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Interest received		3,063	25,400
Payments to suppliers and employees		(801,000)	(825,903)
Other receipts		55,228	94,936
Net cash (used in) provided by operating activities	27	(742,709)	(705,567)
Cash flows from investing activities			
Payments for plant and equipment		(55,983)	(407,996)
Payments for other investments	14	(450,000)	(750,000)
Receipt of tenement security deposits		-	10,000
Payments for exploration and evaluation	9	(4,052,804)	(3,598,227)
Net cash (used in) provided by investing activities		(4,558,787)	(4,746,223)
Cash flows from financing activities			
Proceeds from issue of shares		2,247,300	6,066,569
Payments for share issue costs		(126,800)	(323,050)
Proceeds from borrowings		250,000	-
Net cash provided by (used in) financing activities		2,370,500	5,743,519
Net (decrease) / increase in cash and cash equivalents		(2,930,996)	291,729
Cash and cash equivalents at beginning of financial year		2,985,066	2,693,337
Cash and cash equivalents at end of financial year	6	54,070	2,985,066

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

This financial report includes the financial statements and notes of Gold Mountain Limited.

Number	Notes to the Financial Statements
1	Summary of significant accounting policies
2	Operating segments
3	Revenue & other income
4	Loss for the year
5	Income tax expense
6	Current assets - Cash and cash equivalents
7	Current assets - Trade and other receivables
8	Non-current assets – Plant and equipment
9	Non-current assets – Deferred exploration and evaluation expenditure
10	Non-current assets – Intangible assets
11	Non-current assets – Investments
12	Non-current assets – Other assets
13	Current liabilities – Trade and other payables
14	Current and non-current liabilities – Other
15	Contributed equity
16	Reserves
17	Share based payments
18	Related party disclosures
19	Key management personnel compensation
20	Loss per share
21	Financial Risk Management
22	Auditor’s remuneration
23	Parent Entity Information
24	Dividends
25	Events subsequent to reporting date
26	Controlled entities
27	Cash flow information



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities

b. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, financial statements as at the beginning of the earliest comparative period will be disclosed.

c. Principles of consolidation

Business combinations

For every business combination, the Company identifies the acquirer, which is the combining entity that obtains control over the other combining entities. An investor controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, the Company takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred from the acquirer.

Interests in equity-accounted investees

The Company's interests in equity-accounted investees comprise the interest in a joint venture. A joint venture is a joint arrangement, whereby the Group and other parties have joint control and have rights to the net assets of the arrangement. The interest in the joint venture is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Joint arrangements

Under AASB 11, the Company has classified its interests in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement).

When making this assessment, the Company considered the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances.

The Company did not have any joint arrangements at the start of the financial year.

On 16 August 2016, the Company completed the acquisition of an additional 50% of the issued capital of Viva No. 20 Limited ("Viva") through the issue of 60,000,000 shares at \$0.08 each to the Vendors. Simultaneously, the Vendors issued 125 ordinary shares to GMN comprising 50% of the entire issued capital of Viva held by the Vendors. On completion of this acquisition, the Company now holds a controlling interest of 70% in Viva. As a result of the acquisition and in accordance with AASB 11, this new arrangement has been recognised on a consolidated basis.

On 18 July 2017, the Company announced that it had entered a binding agreement for the acquisition of the EL2306 Interest from the EL2306 Vendor for purchase price of \$5,200,000 comprising 22 million Shares at a notional price of \$0.10 per Share and \$3,000,000 in cash. The cash consideration of \$3,000,000 is payable in instalments. An exclusivity fee of \$150,000 was also paid and capitalised as Deferred Expenditure in FY 2016. On 19 February, 2018 the Company issued 22,000,000 shares at the issue price of \$0.10 to raise \$2,200,000 as part consideration for the acquisition of a 70% interest in EL2306 as approved by Shareholders at the Annual General Meeting held on 28 November 2017. Instalment costs of \$1,500,000 were paid by the Company in FY 2017, FY 2018 and FY 2019. The remaining instalment costs of \$1,500,000 is payable over 18 months with \$300,000 payable by 30 June 2020 and \$1,200,000 payable by 31 December 2020. As a result of the acquisition and in accordance with AASB 11, this new arrangement has been recognised as a joint arrangement. See Note 14 for further information.

d. Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks and other short-term highly liquid investments with original maturities of three months or less.

f. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

h. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

i. **Exploration and Development Expenditure**

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) The rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.



Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

j. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of goods and services tax (GST).

k. Earnings (Loss) per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- (i) costs of servicing equity (other than dividends);
- (ii) the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- (iii) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

m. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.



Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%-32%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

n. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.



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o. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one (1) year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one (1) year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

p. Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest one dollar (\$1).

q. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

(i) *Impairment*

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgments

(i) *Exploration and evaluation expenditure*

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

r. 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 twelve months from the date of signing these financial statements. Should new opportunities present that require additional funds the Directors will take action to reprioritise activities, dispose of assets and or raise further funds.

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.



s. Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

t. Segment reporting

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.

u. Associates

Associates are entities over which the Company has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

v. Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Company's interest in joint venture entities are accounted for using the proportionate consolidation method of accounting. The Company recognises its interest in the assets that it controls and the liabilities that it incurs and the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture, classified according to the nature of the assets, liabilities, income or expense.

Profits or losses on transactions establishing the joint venture entities and transactions with the joint venture are eliminated to the extent of the Company's ownership interest until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

The Company discontinues the use of proportionate consolidation from the date on which it ceases to have joint control over a jointly controlled entity.

w. Fair Value of Assets and Liabilities

Equity Instruments

The fair value of available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date.

Trade and Other Receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. Due to the short-term nature of other receivables, their carrying value is assumed to approximate their fair value.

Non-Derivative Financial Liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

x. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2019. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations are that they will have no material effect.

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NOTE 2: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

During the year, the Company operated principally in one business segment being mineral exploration and in two geographical segments being Australia and Papua New Guinea.

The Company's revenues and assets and liabilities according to geographical segments are shown below.

	June 2019			June 2018		
	Total	Australia	PNG	Total	Australia	PNG
	\$	\$	\$	\$	\$	\$
REVENUE						
Revenue	48,529	48,529	-	119,426	119,426	-
Total segment revenue	48,529	48,529	-	119,426	119,426	-
RESULTS						
Net loss before income tax	(1,401,021)	(1,348,298)	(52,723)	(1,484,473)	(1,381,637)	(102,836)
Income tax	-	-	-	-	-	-
Net loss	(1,401,021)	(1,348,298)	(52,723)	(1,484,473)	(1,381,637)	(102,836)
ASSETS AND LIABILITIES						
Assets	22,484,417	149,407	22,335,010	21,482,119	2,795,323	18,686,796
Liabilities	2,187,692	417,783	1,769,909	2,206,145	121,226	2,084,919

NOTE 3: REVENUE AND OTHER INCOME

	Note	2019 \$	2018 \$
a. Revenue			
Other income			
Interest received ¹		3,063	25,400
Rental income		43,134	51,792
Foreign exchange gains		2,332	42,234
Total other income		48,529	32,874
Total revenue		48,529	32,874
¹ Interest received from:			
Bank		3,063	25,400

NOTE 4: LOSS FOR THE YEAR

	2019 \$	2018 \$
Loss before income tax includes the following specific expenses:		
— Consultants fees	169,750	170,200
— Legal costs	16,969	28,862
— Rental expense on operating leases	101,533	100,373

a. Significant expenses

The following significant expense items are relevant in explaining the financial performance:

— Exploration expense	-	171,068
— Impairments expense	20,000	-

NOTE 5: INCOME TAX EXPENSE

	2019 \$	2018 \$
The prima facie tax on the loss before income tax is reconciled to income tax as follows:		
Loss before income tax expense	(1,401,021)	(1,484,473)
Prima facie tax benefit on the loss before income tax at 27.5% (2018: 27.5%)	(385,281)	(408,230)
Add:		
Tax effect of:		
Other non-allowable items	141,031	195,692
	141,031	195,692
Less:		
Tax effect of:		
Other deductible expenses	(116,245)	(84,579)
Future tax benefits not brought to account	360,495	297,117
Income tax attributable to the Company	-	-

The Company has tax losses arising in Australia of \$8,651,483 (2018: \$7,340,591) that are available indefinitely to offset against future taxable profits.

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(h) occur.

NOTE 6: CASH AND CASH EQUIVALENTS

	2019 \$	2018 \$
Cash at bank	12,243	136,973
Short-term bank deposits	<u>41,827</u>	<u>2,848,093</u>
	<u>54,070</u>	<u>2,985,066</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	<u>54,070</u>	<u>2,985,066</u>
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Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

NOTE 7: TRADE AND OTHER RECEIVABLES

	2019 \$	2018 \$
Current		
PNG Project Advance	-	8,566
Other receivables	<u>60,509</u>	<u>73,673</u>
Total current trade and other receivables	<u>60,509</u>	<u>82,239</u>

NOTE 8: PLANT AND EQUIPMENT

	2019 \$	2018 \$
Plant and equipment – at cost	614,278	558,295
Accumulated depreciation	<u>(195,498)</u>	<u>(68,498)</u>
	<u>418,780</u>	<u>489,797</u>

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year:

Carrying amount at beginning of the year	489,797	108,620
Additions	55,983	437,341
Depreciation expense	<u>(127,000)</u>	<u>(56,164)</u>
Carrying amount at end of the year	<u>418,780</u>	<u>489,797</u>

NOTE 9: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2019 \$	2018 \$
Assets in Development		
Balance at the beginning of the year	11,816,184	3,038,522
Expenditure incurred	4,052,804	3,578,730
Expenditure incurred on acquisition of 70% interest in EL2306	-	5,350,000
Impairment loss on existing tenements	-	(151,068)
Net carrying value	<u>15,868,988</u>	<u>11,816,184</u>

Recoverability of the carrying amount of deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the areas of interest. Management reassesses the carrying value of the Company's tenements at each half year, or at a period other than that should there be an indication of impairment.

During the year to 30 June 2019, no impairment of exploration expense (2018: \$171,068) was recognised. This impairment of exploration expense refers to past costs incurred in maintaining the Company's NSW exploration projects.

NOTE 10: INTANGIBLE ASSETS

	2019 \$	2018 \$
Intangible assets		
Goodwill on acquisition	5,995,970	6,002,733
Total intangible assets	<u>5,995,970</u>	<u>6,002,733</u>

Movements in Carrying Amounts

Movement in the carrying amounts for intangible assets between the beginning and the end of the current financial year:

	2019 \$	2018 \$
Carrying amount at 30 June 2018	<u>6,002,733</u>	6,004,982
Additions	-	-
Disposals	-	-
Movement in foreign exchange	(6,763)	(2,249)
Carrying amount at 30 June 2019	<u>5,995,970</u>	6,002,733

Goodwill on acquisition

On 16 August 2016, the Company completed the acquisition of an additional 50% of the issued capital of Viva through the issue of 60,000,000 shares at \$0.08 each to the Vendors. Simultaneously, the Vendors issued 125 ordinary shares to GMN comprising 50% of the entire issued capital of Viva held by the Vendors. On completion of this acquisition, the Company now holds a controlling interest of 70% in Viva.

NOTE 11: INVESTMENTS

	2019 \$	2018 \$
Non-Current		
Gold nuggets	50,555	50,555
	<u>50,555</u>	<u>50,555</u>

NOTE 12: OTHER ASSETS

	2019 \$	2018 \$
Non-Current		
Security deposits	35,545	55,545
	<u>35,545</u>	<u>55,545</u>

NOTE 13: TRADE AND OTHER PAYABLES

	2019 \$	2018 \$
Current		
Unsecured liabilities:		
Trade payables and accrued expenses	364,200	206,445
Amounts payable to Director and related entities	45,892	32,100
Rental deposit received	27,600	17,600
	<u>437,692</u>	<u>256,145</u>

NOTE 14: OTHER CURRENT AND NON CURRENT LIABILITIES

	2019 \$	2018 \$
Current		
Borrowings	250,000	-
Instalment costs - EL2306	1,050,000	750,000
Total other current liabilities	<u>1,300,000</u>	<u>750,000</u>
Non-current		
Instalment costs - EL2306	450,000	1,200,000
Total other non-current liabilities	<u>450,000</u>	<u>1,200,000</u>

Instalment costs - EL2306

On 18 July 2017, the Company announced that it had entered a binding agreement for the acquisition of the EL2306 Interest from the EL2306 Vendor for purchase price of \$5,200,000 comprising 22 million Shares at a notional price of \$0.10 per Share and \$3,000,000 in cash. The cash consideration of \$3,000,000 is payable in instalments. An exclusivity fee of \$150,000 was also paid and capitalised as Deferred Expenditure in FY 2016. On 19 February, 2018 the Company issued 22,000,000 shares at the issue price of \$0.10 to raise \$2,200,000 as part consideration for the acquisition of a 70% interest in EL2306 as approved by Shareholders at the Annual General Meeting held on 28 November 2017. Instalment costs of \$1,500,000 were paid by the Company in FY 2017, FY 2018 and FY 2019. The remaining instalment costs of \$1,500,000 is payable over 18 months with \$1,050,000 payable by 30 June 2020 and \$450,000 payable by 31 December 2020.

NOTE 15: CONTRIBUTED EQUITY

	2019	2019	2018	2018
	Number of shares	\$	Number of shares	\$
(a) Ordinary shares				
Ordinary Shares, issued	549,716,526	31,798,410	515,142,680	29,551,110
Share issue costs		<u>(1,792,076)</u>		<u>(1,665,276)</u>
Total issued capital		<u>30,006,334</u>		<u>27,885,834</u>

Ordinary shares carry one vote per share and carry the rights to dividends.

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Movements in ordinary shares on issue		Number of shares	Issue Price	\$
Date	Particulars			
At 30 June 2017		413,302,165		19,942,315
09-08-17	Placement to professional and sophisticated investors	7,984,800	\$0.100	798,480
06-10-17	Placement to professional and sophisticated investors	19,245,000	\$0.100	1,924,500
06-10-17	Issue of shares on exercise of options	2,500,000	\$0.055	137,500
29-11-17	Placement to professional and sophisticated investor	10,000,000	\$0.100	1,000,000
22-01-18	Issue of shares on exercise of options	40,110,715	\$0.055	2,206,089
19-02-18	Placement to acquire 70% of EL2306 (as approved at 2017 AGM and escrowed for 24 months)	22,000,000	\$0.100	2,200,000
30-06-18	Share issue costs			<u>(323,050)</u>
At 30 June 2018		515,142,680		27,885,834
28-02-19	Placement to professional and sophisticated investors	20,296,923	\$0.065	1,319,300
24-05-19	Placement to professional and sophisticated investors	14,276,923	\$0.065	928,000
30-06-19	Share issue costs			<u>(126,800)</u>
At 30 June 2019		549,716,526		30,006,334

Information on options is included in Note 17: Share Based Payments.

(d) Capital Management

The Directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The Group's overall strategy remains unchanged from the 2019 financial year.

The focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programs and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, budgeting and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

NOTE 16: RESERVES

	2019	2018
	\$	\$
Reserves		
Foreign currency translation reserve	(4)	(1)
Share based payments reserve	697,229	395,954
	697,225	395,953
<i>Movements in the Foreign Currency Translation Reserve</i>		
At 1 July 2018	(1)	-
Foreign Currency Translation	(3)	(1)
At 30 June 2019	(4)	(1)
<i>Movements in options over ordinary shares on issue</i>		
At 1 July 2018	395,954	-
Options expense amortised	301,275	395,954
At 30 June 2019	697,229	395,954

NOTE 17: SHARE BASED PAYMENTS

	2019	2018
	\$	\$
(a) Share-based payments		
Expense arising from the grant of options	301,275	395,954
Total Share Based Payments	301,275	395,954

(b) Movements in unlisted options

The following table details the number, weighted average exercise prices (WAEP) and movements in share options issued as capital raising purposes, employment incentives or as payments to third parties for services during the year.

	2019	2019	2018	2018
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	85,837,300	\$0.176	72,033,115	\$0.12
Options granted during the year	34,573,246	\$0.125	56,414,900	\$0.15
Options lapsed during the year	(61,237,300)	\$0.150	-	-
Options exercised during the year	-	-	(42,610,715)	\$0.055
Outstanding at the end of the year	59,173,246	\$0.173	85,837,300	\$0.176

(c) Options exercisable at reporting date

	2019	Exercise	2018	Exercise
	Number	Price	Number	Price
Unlisted options expiring 30 June 2019	-	-	61,237,300	\$0.150
Unlisted options expiring 28 November 2019	14,800,000	\$0.300	14,800,000	\$0.300
Unlisted options expiring 26 July 2021	2,000,000	\$0.150	2,000,000	\$0.150
Unlisted options expiring 26 July 2021	7,800,000	\$0.150	7,800,000	\$0.150
Unlisted options expiring 01 March 2020	10,148,162	\$0.100	-	-
Unlisted options expiring 27 May 2020	7,138,461	\$0.100	-	-
Unlisted options expiring 01 March 2021	10,148,162	\$0.150	-	-
Unlisted options expiring 27 May 2021	7,138,461	\$0.150	-	-
Exercisable at reporting date	59,173,246		85,837,300	

(d) Options issued during the year

The maximum terms of options granted during the year are as follows:

On 28 February 2019 the Company granted 20,296,924 free unlisted options to participants in the share placement of 20,296,923 shares on the same date on a one-for-one basis in two separate grant of options. One option is at an exercise price of \$0.10 expiring on 1 March 2020 and the other option is at an exercise price of \$0.15 expiring on 1 March 2021 with no vesting conditions.

On 24 May 2019 the Company granted 14,276,922 free unlisted options to participants in the share placement of 14,276,923 shares on the same date on a one-for-one basis in two separate grant of options. One option is at an exercise price of \$0.10 expiring on 27 May 2020 and the other option is at an exercise price of \$0.15 expiring 27 May 2021 with no vesting conditions.

The options must be exercised on or before the expiry date in cash.

(e) Fair value of unlisted options

The fair value of the options granted is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted. The following tables list the inputs to the model used for the year ended 30 June 2019.

Financial year of grant	2017	2018	2018	2019	2019	2019	2019
ASX Code	GMNAB	GMNAD	GMNAE	-	-	-	-
Grant date	29 Aug 16	26 Sep 17	26 Sep 17	01 Mar 19	27 May 19	01 Mar 19	27 May 19
Expiry date	28 Nov 19	26 Jul 21	26 Jul 21	01 Mar 20	27 May 20	01 Mar 21	27 Mar 21
Option term	39 months	3.8 years	46 months	12 months	12 months	24 months	24 months
Number of options issued	14,800,000	2,000,000	7,800,000	10,148,162	7,138,461	10,148,162	7,138,461
Share price at grant date	\$0.170	\$0.090	\$0.090	\$0.066	\$0.055	\$0.066	\$0.055
Exercise price	\$0.300	\$0.150	\$0.150	\$0.100	\$0.100	\$0.150	\$0.150
Expected volatility	68%	68%	68%	60%	60%	60%	60%
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate	2.67%	2.75%	2.75%	1.74%	1.74%	1.23%	1.23%
Fair value	\$Nil	\$71,048	\$Nil	\$91,333	\$91,333	\$35,692	\$42,831

GMNAB ESOP options are exercisable at \$0.30 until expiry date 28/11/2019 and subject to the vending condition that the Company's share price must exceed \$0.50 based on VWAP over a 5-day consecutive period.

GMNAD options are exercisable at \$0.15 until expiry date 26/07/2021 and subject to vending condition that the total options granted shall be vested over 3 periods of 12 months per period.

GMNAE ESOP options are exercisable at \$0.15 until expiry date 26/07/2021 and subject to vending condition that the total options granted shall be vested over 3 periods of 12 months per period.

NOTE 18: RELATED PARTY DISCLOSURES

Related Parties

a. **The Company's main related parties are as follows:**

i. *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise), are considered key management personnel.

The directors in office during the year were as follows:

Graham Kavanagh	Appointed 5 June 2014
Sin Pyng "Tony" Teng	Appointed 9 July 2014
Douglas Smith	Appointed 29 December 2016 (Ceased 23 August 2019)

For details of disclosures relating to key management personnel, refer to Key Management Personnel disclosures Directors and Remuneration Report.

b. **Transactions with related parties:**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

i. <i>Other related parties:</i>	2019	2018
	\$	\$
Purchase of goods and services:		
Corporate advisory fees paid to Drumcliff Investment Pty Ltd as Directors Fees, an entity associated with Mr Graham Kavanagh.	30,000	36,000
Corporate advisory fees paid to Rodby Holdings Pty Ltd as Directors Fees and Consulting Fees, an entity associated with Mr Sin Pyng "Tony" Teng.	72,000	108,000
Corporate advisory fees paid to Dougnic Pty Ltd and Dougie Downunder as Directors and Consulting Fees, entities associated with Mr Doug Smith.	180,369	232,000

c. **Amounts payable to related parties:**

Trade and other payables:	45,892	32,100
Amounts payable to Directors and related entities, as follows:		
Directors fees	9,000	-
Reimbursement of expenses	1,692	-
Corporate advisory services	35,200	32,100
Total trade and other payable related party amounts	45,892	32,100

NOTE 19: KEY MANAGEMENT PERSONNEL COMPENSATION

	2019	2018
	\$	\$
Short-term employee benefits	404,400	460,000
Post-employment benefits	570	2,280
Share based payments	-	71,048
Non-Executive Directors Fees	6,000	60,000
Balance at the end of year	410,970	593,328

NOTE 20: LOSS PER SHARE

	2019	2018
	\$	\$
a. Basic Loss per share		
i. Basic Loss (cents per share)	(0.27)	(0.32)
ii. Net loss used to calculate basic loss per share	(1,401,021)	(1,484,473)
	No.	No.
iii. Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	523,468,830	467,801,944
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.	Not applicable	Not applicable

NOTE 21: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from related parties, bills and leases. The following table details the expected maturities for the Company's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

Financial Risk Management Policies

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks as summarised below. The Audit and Risk Committee (ARC) has been delegated responsibility by the Board of Directors for, among other issues, monitoring and managing financial risk exposures of the Company. The ARC monitors the Company's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk.

The ARC's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk. This note presents the information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Company, credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the FRMC has otherwise cleared as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Company has no significant concentrations of credit risk with any single counterparty or company of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 7.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

b. **Liquidity risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;

using derivatives that are only traded in highly liquid markets;

monitoring undrawn credit facilities;

obtaining funding from a variety of sources;

maintaining a reputable credit profile;

managing credit risk related to financial assets;

only investing surplus cash with major financial institutions; and

comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

c. **Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of the holdings of financial instruments. The Company is exposed to movements in market interest rates on short term deposit. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Company does not have short or long term debt, and therefore this risk is minimal. The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

d. **Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments. The Company is exposed to interest rate risk as the Company deposits the bulk of its cash reserves in Term Deposits. The risk is managed by the Company by maintaining an appropriate mix between short term and medium-term deposits. The Company's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.



Interest rate sensitivity

At 30 June 2019, the effect on loss and equity as a result of changes in the interest rate, with all other variable remaining constant would be as follows:

	2019 \$	2018 \$
Increase in interest rate by 1%	541	29,851
Decrease in interest rate by 1%	(541)	(29,851)

Interest rate risk is not material to the Company.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019			2018				
		Floating Interest Rate	Non-interest bearing	Fixed Interest Rate	Total 2019	Floating Interest Rate	Non-interest bearing	Fixed Interest Rate	Total 2018
Financial Assets									
Cash and cash equivalents	6	54,070	-	-	54,070	2,985,066	-	-	2,985,066
Trade and other receivables	7	-	60,509	-	60,509	-	82,239	-	82,239
Other financial assets	12	-	35,545	-	35,545	-	55,545	-	55,545
Total financial assets		54,070	96,054	-	150,124	2,985,066	137,784	-	3,122,850
Financial liabilities at amortised cost:									
Financial Liabilities									
- Trade and other payables	13	-	437,692	-	437,692	-	238,545	-	238,545
- Other financial liabilities	14	-	250,000	-	250,000	-	-	-	-
Total financial liabilities		-	687,692	-	687,692	-	238,545	-	238,545
Net Financial Assets		54,070	(591,638)	-	(537,568)	2,985,066	(100,761)	-	2,884,305

NOTE 22: AUDITOR'S REMUNERATION

	2019 \$	2018 \$
Remuneration of the auditor of the Company for:		
Auditing or reviewing the financial statements	33,905	34,585
	33,905	34,585

NOTE 23: PARENT ENTITY INFORMATION

The following information relates to the parent entity, Gold Mountain Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	2019	2018
ASSETS	\$	\$
Current assets	114,579	3,067,305
Non-current assets	22,369,983	18,414,957
TOTAL ASSETS	22,484,562	21,482,262
LIABILITIES		
Current liabilities	987,692	1,006,145
Non-current liabilities	1,200,000	1,200,000
TOTAL LIABILITIES	2,187,692	2,206,145
NET ASSETS	20,296,870	19,276,117
EQUITY		
Issued capital	30,006,334	27,885,834
Reserves	697,229	395,954
Accumulated losses	(10,406,693)	(9,005,671)
TOTAL EQUITY	20,296,870	19,276,117
FINANCIAL PERFORMANCE		
Profit (loss) for the year	(1,401,021)	(1,484,473)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive profit/(loss)	(1,401,021)	(1,484,473)

Remuneration Commitments

There are no remuneration commitments apart from ongoing director and management fees incurred on a monthly basis.

Guarantees

Gold Mountain Limited did not commit to nor make guarantees of any form as at 30 June 2019.

Contingent liabilities

There are no contingent liabilities as at 30 June 2019.

Exploration licence expenditure requirements

The Company holds eight (8) exploration licences covering an area of about 2,053 sq km in the Enga province, Papua New Guinea (collectively termed the Wabag Project) and is required to incur PGK1.12 million (AUD500,000) minimum expenditure per year on the development and maintenance on these licences.

The Company has also made applications for additional two (2) exploration licences in the areas surrounding the existing tenements. Pending Warden's Hearing, approval granting of these new exploration licenses which cover a total area of 765 sq.km. will incur additional expenditure commitments of PGK750,000 (AUD330,000) spread over two (2) years.

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.

NOTE 24: DIVIDENDS

The Directors of the Company have not declared any dividends for the year ended 30 June 2019.

NOTE 25: EVENTS SUBSEQUENT TO REPORTING DATE

On 8 July 2019, the Company announced an update to its exploration program at its flagship Wabag project in Papua New Guinea, with the focus on Mongae Creek. Trench results at Mongae provide a strong case to drill high-quality porphyry targets with significant intercepts including Mongae NW Trench 1 66 m @ 0.13% Cu and Mongae NW Trench 4 intercepted 154 m @ 0.19% Cu including 142 m @ 0.20% Cu and 0.11 ppm Au and and 13 m @ 0.44% Cu from 68 m.

On 30 July 2019, the Company announced it has received commitments for a placement raising \$2.5 million. The funds from this placement will be used to complete the initial diamond drilling programme at the Mongae NW prospect at the Company's Wabag Project in Papua New Guinea and for general working capital. For every Share issued to a subscriber in the placement an unlisted option over a Share at no additional cost will also be issued. 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 and the remaining half of the options will have an expiry date of 24 months from the date of their issue, with an exercise price of \$0.15 per option. The managing director, Mr Sin Pyng (Tony) Teng is proposing to participate in the \$2.5 million placement to the amount of \$500,000.00. The Company expects to seek approval from holders of ordinary securities for this placement and the placement to Mr Teng at its 2019 annual general meeting.

On 28 August 2019, the Company was in suspension under ASX Listing Rule 17.2, pending the appointment of sufficient directors to comply with section 201A(2) of the *Corporations Act 2001 (Cth)*.

On 30 August 2019, the Company lodged Appendix 3B for the issue of 21,733,333 new fully paid ordinary shares (Shares) in the company along with 19,733,338 options (Options) for the placement of shares (Placement Shares) at an issue price of \$0.065 and \$0.06 per share. The issue of Shares raised a total of \$1,314,000 for purpose of general working capital. The Placement Shares include 19,733,333 Shares with accompanying options of one (1) option at exercise price \$0.10 expiring 28/8/2020 and one (1) option at exercise price \$0.15 expiring 28/8/2021 for every two (2) issued Placement Shares.

On 2 September 2019, the Company announced the appointment of Mr Syed Hizam Alsagoff as a Non-Executive Director of the Company.

On 3 September 2019, the Company was reinstated for Official Quotation following the appointment of an additional director meeting the minimum number of directors required under section 201A(2) of the *Corporations Act 2001 (Cth)*.

On 4 September 2019, the Company lodged Appendix 3B for the issue of 30,000,000 new fully paid ordinary shares (Shares) in the company for the placement of shares (Placement Shares) at a price of \$0.06 per share. The sum of \$1,800,000 raised represents part of the proposed share placement announced to the market on 31 July 2019. The Placement Shares has accompanying entitlement of unlisted options for every two (2) Shares issued, of one (1) share option exercisable at \$0.10 within 12 months and another one (1) share option exercisable at \$0.15 within 24 months respectively from date of issue (Placement Options). The Company expects to issue the Placement Options after the 2019 Annual General Meeting. The Placement Options shall provide the Company additional capital funding of \$3,750,000 pace over the next 24 months.

The announcement of the Appendix 3B lodgement further reiterated the participation and acknowledgement of an entity related to managing director, Mr Tony Teng in the placement amount of \$500,000, on the same terms of the placement offer as previously announced by the Company. The issue of securities in shares and options to this entity will be subject to the approval of the Company's shareholders under ASX Listing Rule 10.11. The Company expects to seek approval from shareholders at its next annual general meeting.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

NOTE 26: CONTROLLED ENTITIES

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)
Subsidiaries of Gold Mountain Limited:		
Viva No. 20 Limited	Papua New Guinea	70%
GMN 6768 (PNG) Limited	Papua New Guinea	100%
Viva Gold (PNG) Limited	Papua New Guinea	100%
Abundance Valley (PNG) Limited	Papua New Guinea	100%

Unless otherwise stated, the subsidiary listed above has share capital consisting solely of ordinary shares, which are held directly by the group, and the proportion of ownership interests held equals to the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

NOTE 27: CASH FLOW INFORMATION

	2019 \$	2018 \$
Reconciliation of Net Cash (used in) provided by operating activities with Loss after Income Tax		
Loss	(1,401,021)	(1,484,473)
Non-cash flows in profit:		
Options expense	301,275	395,954
Exploration expense	-	171,068
Impairments expense	20,000	-
Unrealised Foreign Exchange Loss	6,760	-
Depreciation expense	127,000	56,164
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	21,730	43,200
Increase/(decrease) in trade payables and other payables	181,547	112,520
Net Cash (used in) provided by operating activities	(742,709)	(705,567)

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 27 to 54 are in accordance with the *Corporations Act 2001* including:
 - a. giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year then ended; and
 - b. complying with *Accounting Standards and Corporations Regulations 2001*; and
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.
3. The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2019.

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




Graham Kavanagh
Non-Executive Chairman

Dated this 27th day of September 2019

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**Independent Auditors
Report**



INDEPENDENT AUDITOR'S REPORT

To the Members of Gold Mountain Limited

Report of the Audit of the Financial Report

Opinion

We have audited the financial report of Gold Mountain Limited (the company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and *the Corporations Regulations 2001*.

Basis of opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the '*Auditor's Responsibilities for the Audit of the Financial Report*' section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
<p>Impairment of mining tenements Refer to note 9 (Deferred Exploration and evaluation expenditure)</p> <p>At 30 June 2019, the Group has capitalised mining tenement costs of \$15.868M. AASB 136, 'Impairment of Assets' requires that the recoverable amount of an asset, or cash generating unit to which it belongs, be determined whenever an indicator of impairment exists.</p> <p>The Group's assessment of the recoverable amount of its mining tenements was a key audit matter because the carrying value of the assets are material to the financial statements and management's assessment of recoverable amounts incorporated significant internal and external judgments and assumptions including commodity prices, available reserves, residual values and discount rates.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Assessing the current market capitalisation compared to the net assets of Gold Mountain Limited.• Reviewing the adequacy of the independent valuation for the tenements;• Assessing whether the external expert engaged by management to provide the independent valuation was appropriately experienced and qualified;• Assessing the accuracy of management's cash flow by assessing the reliability of historical and future forecasts and reviewing whether current market conditions would impact those forecasts; and• Assessing whether appropriate disclosure regarding significant areas of uncertainty has been made in the financial report.
<p>Intangibles Refer to note 10 (Intangible Assets)</p> <p>At 30 June 2019, the Group has Goodwill on acquisition valued at \$5.995M</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• Assessing the current market capitalisation of which includes the tenements of Viva No. 20 Limited compared to the net assets of Gold Mountain Limited;• Reviewing the adequacy of the independent valuation for the tenements which included the valuation of the Viva No. 20 Limited tenements dated 13 September 2019;• Assessing whether the external expert engaged by management to provide the independent valuation was appropriately experienced and qualified;• Assessing the accuracy of management's cash flow by assessing the reliability of historical and future forecasts and reviewing whether current market conditions would impact those forecasts; and• Assessing whether appropriate disclosure regarding significant areas of uncertainty has been made in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Directors' for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our representation of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

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NORTH PARRAMATTA NSW 1750

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report include in pages 19 to 23 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Gold Mountain Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporation Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

KS Black & Co
Chartered Accountants



Scott Bennison
Partner

Dated:

Sydney

27/9/2019

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SHAREHOLDER INFORMATION



ADDITIONAL SHAREHOLDER INFORMATION

AS AT 16 SEPTEMBER 2019

A. Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is contained within the Directors' Report.

B. Shareholding

1. Substantial Shareholders

	Shareholders	Substantial Holding	% of Issued Capital
1	HSBC Custody Nominees (Australia) Limited	61,750,692	10.27
2	Citicorp Nominees Pty Limited	40,531,372	6.74

2. Number of holders in each class of equity securities and the voting rights attached (as at 16 September 2019)

Ordinary Shares

In accordance with the Company's Constitution, on a show of hands every number present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Options

There were nine (9) classes of options and 75 holders of options at 16 September 2019.

Option Code	Holders	Units
GMNAB	9	14,800,000
GMNAD	2	2,000,000
GMNAE	6	7,800,000
GMNAC – various		
\$0.10 expiry 28/8/2020	10	9,866,669
\$0.10 expiry 27/5/2020	13	7,138,461
\$0.10 expiry 1/3/2020	6	10,148,462
\$0.15 expiry 28/8/2021	10	9,866,669
\$0.15 expiry 27/5/2021	13	7,138,461
\$0.15 expiry 1/3/2021	6	10,148,461
Total on Register	75	78,907,183

3. Distribution schedule of the number of holders in each class of equity security as at close of business on 16 September 2019.

Ordinary Shares

Spread of Holdings	Holders	Units	% of Issued Capital
1 - 1,000	29	3,692	< 0.01
1,001 - 5,000	23	85,791	< 0.02
5,001 - 10,000	151	1,375,718	0.23
10,001 - 100,000	289	12,820,903	2.13
100,001+	330	587,163,755	97.62
Total on Register	822	601,449,859	100%

Marketable Parcel

There are 94 non-marketable parcels at 16 September 2019, representing 375,201 shares.

4. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 16 September 2019) is as follows:

Ordinary Shares Top 20 holders and percentage held

	Shareholder	Holding	% of Issued Capital
1	CITICORP NOMINEES PTY LIMITED	61,750,692	10.267%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	40,531,372	6.739%
3	PAY CHUAN LIM	30,000,000	4.988%
4	THE SUMMIT HOTEL BONDI BEACH PTY LTD	20,475,694	3.404%
5	MR GAK SAN SEAH	17,450,770	2.901%
6	ASLAN EQUITIES PTY LTD <ASLAN EQUITIES A/C>	12,980,296	2.158%
7	RASHIDAH MOHD SANI	12,350,000	2.053%
8	MS SIOW KWEE HENG	12,000,000	1.995%
9	MR GHINAN MOHAMED SANI	10,266,667	1.707%
10	MR SUWEI CHEN	9,910,000	1.648%
11	MS IRENE TENG	9,692,313	1.611%
12	SIEW HONG KOH	9,606,360	1.597%
13	G H A DEVELOPMENT PTY LTD	9,070,562	1.508%
14	MINPAX RESOURCES LIMITED	9,000,000	1.496%
15	GHINAN MOHAMED SANI	8,750,000	1.455%
16	MISS YOKE LAN GAN	8,050,000	1.338%
17	MS TEN SOO LAN	7,145,857	1.188%
18	KO CHU HONG	6,950,000	1.156%
19	MS QIN ZHANG	6,261,699	1.041%
20	DR PETER ASLAN	5,177,341	0.861%
	TOP 20 TOTAL	307,419,623	51.113%
	Other shareholders	294,030,236	48.887%
	TOTAL ISSUED CAPITAL	601,449,859	100%

5. Company Secretary

The name of the Company Secretary is Eric Kam.

Address and telephone details of the Company's registered administrative office and principal place of business:

Suite 2501, Level 25
31 Market Street
SYDNEY NSW 2000 Australia
Telephone: +61 2 9283 3880
info@goldmountainltd.com.au
www.goldmountainltd.com.au

Address and telephone details of the office at which a registry of securities is kept:

Boardroom Pty Limited
Grosvenor Place, Level 12, 225 George Street, SYDNEY NSW 2000
GPO Box 3993, SYDNEY NSW 2001
Telephone: 1300 737 760 (*In Australia*)
+61 2 9290 9600 (*International*)
Facsimile: 1300 653 459

Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Securities Exchange – code GMN.

Restricted Securities

There are restricted ordinary shares.

22,000,000 ordinary shares escrowed to 29 November 2019.

Options

Code	Number	Strike	Expiry	Restriction
GMNAB	14,800,000	\$0.30	28 November 2019	ESOP Vesting VWAP \$0.50
GMNAD	2,000,000	\$0.15	26 July 2021	Vesting over 3 periods of 12 months per period
GMNAE	7,800,000	\$0.15	26 July 2021	ESOP Vesting over 3 periods of 12 months per period
GMNAC (Various)				
	9,866,669	\$0.10	28 August 2020	
	9,866,669	\$0.15	28 August 2021	N/A
	7,138,461	\$0.10	27 May 2020	
	7,138,461	\$0.15	27 May 2021	N/A
	10,148,462	\$0.10	1 March 2020	
	10,148,462	\$0.15	1 March 2021	N/A

Review of Operations

A review of operations is contained in the Directors' Report on page 13 of this Annual Report.

Schedule of Tenements

The Company's Schedule of Tenements is on page 25 of this Annual Report.



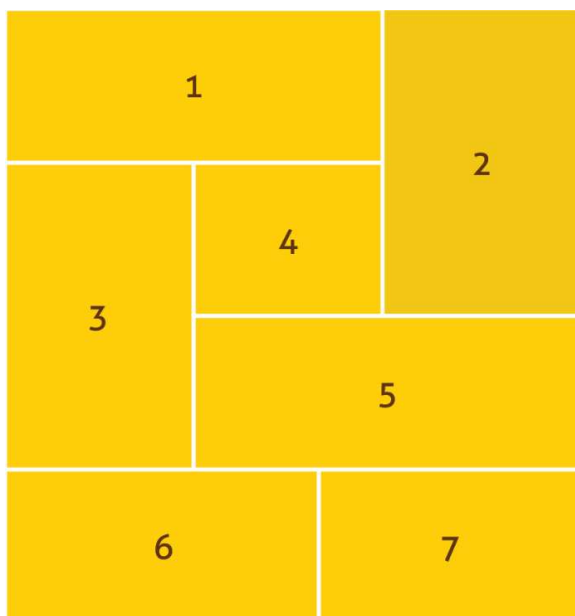
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The Front Cover Page

Pictogram



Front Cover Pictures

1. *Aerial view of Crown Ridge camp site*
2. *Regional exploration team at Sak Creek with geologist Guy Guhyem (1st left) and visiting consulting geologist Michael Leu (centre)*
3. *Trenching at Mongae Creek with field technician Junior Bob*
4. *Mineralised float – sample recovered from Tomb Creek near Sak Creek*
5. *Transport helicopter at Crown Ridge Heli-pad*
6. *Country Manager Bob Muio (2nd left) with field assistants at Yakari Creek (K-Lam Prospect) – background outcrop of quartz-pyrite-chalcopyrite sub-parallel veins*
7. *Rock chip - chalco-pyrite bearing rock sample from Sak Creek Prospect*



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