

Gold Mountain Limited
(ASX: GMN)

24/589 Stirling Highway
Cottesloe WA 6011
Australia

Directors and Management

David Evans
Executive Director

Syed Hizam Alsagoff
Non-Executive Director

Aharon Zaetz
Non-Executive Director

Rhys Davies
CFO & Company Secretary

Projects

Lithium Projects (Brazil)

Cococi region
Custodia
Iguatu region
Jacurici
Juremal region
Salinas region
Salitre
Serido Belt

Copper Projects (Brazil)

Ararenda region
Sao Juliao region
Iguatu region

REE Projects (Brazil)

Jequie

Copper Projects (PNG)

Wabag region
Green River region

12 September 2024

Nicola Lombardi

Listed Compliance

Via email to ListingsComplianceSydney@asx.com.au

Dear Nicola

Response to ASX Query Letter Reference ODIN99478

Please see below Gold Mountain Limited's ("the Company" or "GMN") response to the query letter of 4 September 2024.

1. Noting that GMN indicated that each of the announcements identified at paragraph C was market-sensitive when they were submitted to MAP, please explain why GMN considered these announcements to be material for the purposes of Listing Rule 3.1. In your answer, please address at a minimum:

1.1 why GMN considered it was necessary to release 14 separate market-sensitive announcements between 22 July 2024 and 27 August 2024, with multiple announcements relating to the same projects released in short succession; and

1.2 why announcements with "*No exploration results...apart from presenting mapping done as a part of stream sediment sampling*" are of material importance to GMN to warrant disclosure under Listing Rule 3.1.

The Company has a significant number of projects, as set out in its quarterly reports. It is pursuing early stage exploration concurrently across most, if not all, of the projects. Exploration includes soil and sediment sampling, and the Company has multiple field teams operating, which has resulted in a large amount of data being received across July and August which needed analysing and confirming. Given the volume, often the results for a project are received in multiple smaller batches as the third party laboratory processes the samples, rather than after the laboratory has processed all samples.

The Company's policy is to announce sample results as soon as possible upon a batch being received, rather than waiting for all results. This ensures that any material information is provided to the market in compliance Listing Rule 3.1. As additional information or data was received in relation to a previously announced project this resulted in a new announcement being required. The Company believe a reasonable person would expect this information to be disclosed when received, rather than being withheld. Through an abundance of caution the Company marks all announcements which include operational matters or exploration results as price sensitive. We note that the final decision on price sensitivity is made by ASX prior to release.

ASX:GMN

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In regard to ASX question 1.2, each announcement clearly included exploration results and this sentence was an error and should not have been included.

- 2. If GMN does not consider that it engaged in ‘ramping’ as defined by section 7.10 of Guidance Note 8, which specifically identifies the conduct of releasing numerous announcements in close proximity to a capital raising, please explain the basis for that view.**

The Company does not consider the announcements to be ramping. The sampling programs conducted earlier in the year resulted, as set out in the below table, in a steady flow of results being received during July and August across multiple projects – with 3 announcements concerning the Iraiuba project (each being a new batch of sample results) and 2 announcements concerning the Jiquirica project (each being a new batch of sample results). The remaining announcements each concern a separate stand alone project and, in the Company’s view, was sufficiently material to warrant stand alone disclosure. Each of these sets of results needed to be interpreted and released. This was done as soon as the results were received and interpreted to comply with Listing Rule 3.1. The timing of the capital raising has no correlation with the timing of the receipt of sample results (which was determined by the third party laboratory), and was purely coincidental.

Announcement	Relevant project, and commodity
22 July	Down Under Project, REE – drill targets identified Ronaldinho Project, REE – completion of initial stream sediment sampling
23 July	Iguatu Project, IOCG, LCT
24 July	Irajuba tenements in Down Under project, REE – initial stream sediment samples
25 July	Agua Boa and Bananal Valley tenements in Salinas II project, LCT – batch of 55 stream sediment samples
2 August	Irajuba tenements in Down Under project, REE – third batch of downstream sediment samples
7 August	Jiquirica – 54 stream sediment samples REE
9 August	Solonopole – 434 stream sediment samples Lithium
14 August	Irajuba – fourth batch of samples from REE
15 August	Mamba Creek, PNG – Exploration starting
15 August	Pocoes – 30 stream sediment samples REE
19 August	Jiquirica – 55 stream sediment samples REE

19 August	Itagi – 52 stream sediment samples REE
22 August	Salinas – 46 stream sediment sample Lithium
27 August	Iguatu – 133 stream sediment samples. IOCG, Lithium

- 3. Is GMN of the view that the Cleansing Notice was validly issued, in that GMN was not aware of any 'excluded information' as defined by section 708A(7) and (8) of the Act at the time it lodged the Cleansing Notice?**

Yes

- 4. If the answer to question 3 is:**

4.1 "yes", please explain the basis for that view, commenting specifically on when GMN received the sample results disclosed in the 22 August Announcement, and what knowledge of these results GMN possessed at the time it issued the Cleansing Notice.

The samples were received on or about 3 and 22 July 2024 but, as at 20 August 2024 (when the Cleansing Notice was announced) analysis by the lead geologist had not been completed. The level of materiality and therefore disclosure was unclear until analysis had been completed and reviewed. Through an abundance of caution the sentence "Assays from GMN's sampling program are continuing to be received but are not yet interpreted. An update will be provided in the coming weeks once work has been completed and verified" was required as the Company believes it was important information for the market, was an accurate depiction of the situation at the time, and ensured that the Cleansing Notice was not misleading. At that time it was not clear when the samples would be received and interpretation completed across a range of projects.

4.2 "no", please outline what remedial action GMN intends to take as a result of this breach.

N/A

- 5. Please confirm that GMN complying with the Listing Rules and, in particular, Listing Rule 3.1.**

The Company confirms it is in compliance with Listing Rule 3.1.

- 6. Please confirm that GMN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GMN with delegated authority from the board to respond to ASX on disclosure matters.**

The board confirm that GMN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GMN with delegated authority from the board to respond to ASX on disclosure matters.

Yours faithfully

A handwritten signature in black ink that reads "Rhys Davies".

Rhys Davies
Company Secretary
Gold Mountain Limited

For personal use only





4 September 2024

Reference: ODIN99478

Mr Rhys Davies
Company Secretary
Gold Mountain Limited
24 589 Stirling Highway
Cottesloe WA AU 6011

By email:

Dear Mr Davies

Gold Mountain Limited ('GMN'): Query Letter

ASX refers to the following:

- A. Section 7.10 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B titled 'Ramping Announcements' which states relevantly:

"ASX is alive to listed entities making market announcements with a view to "ramping up" the price of their securities. Ramping announcements come in many forms, including:

...

- a series of announcements in close proximity, none of which is particularly material but which together are intended to pique investor interest in the entity;*

...

Whenever ASX detects what it suspects to be a ramping announcement, it will give careful consideration to suspending the entity's securities from trading and issuing a query letter to the entity asking the entity:

- if it marked the announcement as market sensitive when it was lodged on MAP, to identify what information in the announcement the entity considered was market sensitive and why"*

Footnote 293 states (emphasis added):

"ASX has observed instances of ramping announcements being made: (a) just before a capital raising, with the apparent intent of boosting the price for the capital raising; (b) just after a capital raising, with the apparent intent of facilitating a profitable exit for some of the investors who acquired securities in the capital raising; and (c) following the appointment of a new adviser who is remunerated in whole or in part by the issue of securities in the entity."

- B. GMN's announcement titled '\$2.7 Million Placement to Advance Exploration of High-Priori', lodged on the ASX Market Announcements Platform ('MAP') on 5 August 2024, which disclosed that GMN had received firm commitments for a placement to be conducted at \$0.0037 per share.
- C. The following announcements lodged on MAP by GMN:
- 22 July 2024 – 'Rare Earth (REE) drill targets defined at Down Under Project'
 - 23 July 2024 – 'Strongly anomalous IOGC Copper and LCT pegmatites'
 - 24 July 2024 – 'Very High Grade REE Assays in 2nd are in Down Under Project'
 - 25 July 2024 – 'Strongly anomalous lithium results Salinas Lithium Valley'

- v. 2 August 2024 – ‘Down Under Rare Earths major extensions high grade zones’
- vi. 7 August 2024 – ‘High grade REEs extended at Jiquirica Down Under’
- vii. 9 August 2024 – ‘Solonopole results find Very Highly Anomalous Lithium’
- viii. 14 August 2024 – ‘High Grade REE Assays in Channel Samples Down Under’
- ix. 15 August 2024 – ‘Mamba Creek Gold Exploration started at Wabag PNG’
- x. 16 August 2024 – ‘Pocoas highly anomalous Rare Earths Down Under’
- xi. 19 August 2024 – ‘Highly Anomalous REE on Itagi Prospect, Brazil’
- xii. 19 August 2024 – ‘Jiquirica Very Highly Anomalous REE results consolidate area’
- xiii. 22 August 2024 – ‘Strongly Anomalous Lithium Assays in Lithium Valley’ (the ‘**22 August Announcement**’)
- xiv. 27 August 2024 ‘Strongly Anomalous Copper and Lithium Assays – Iguatu’

Each of these announcements contained the following statement (or similar) in the Competent Persons Statement:

“No exploration results are included in this announcement apart from presenting mapping done as a part of stream sediment sampling.”

- D. GMN’s announcement titled ‘Cleansing Notice’ lodged on MAP on 20 August 2024, disclosing *“Assays from GMN’s sampling program are continuing to be received but are not yet interpreted. An update will be provided in the coming weeks once work has been completed and verified”* (the ‘**Cleansing Notice**’), seeking to ‘cleanse’ for secondary sale purposes the securities issued under the Cleansing Notice, and stating that there is no excluded information, as defined in sections 708A(7) and 708A (8) of the *Corporations Act 2001* (the ‘Act’) as of the date of the Cleansing Notice.
- E. The definition of ‘aware’ in Chapter 19 of the Listing Rules. This definition states that:

‘an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.’

Additionally, GMN should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B ‘When does an entity become aware of information’.
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

3.1A *Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:*

3.1A.1 *One or more of the following 5 situations applies:*

 - *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity;*
or

- *The information is a trade secret; and*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 *A reasonable person would not expect the information to be disclosed.'*

Request for information

Having regard to the above, ASX asks GMN to respond separately to each of the following questions and requests for information.

1. Noting that GMN indicated that each of the announcements identified at paragraph C was market-sensitive when they were submitted to MAP, please explain why GMN considered these announcements to be material for the purposes of Listing Rule 3.1. In your answer, please address at a minimum:
 - 1.1 why GMN considered it was necessary to release 14 separate market-sensitive announcements between 22 July 2024 and 27 August 2024, with multiple announcements relating to the same projects released in short succession; and
 - 1.2 why announcements with *"No exploration results...apart from presenting mapping done as a part of stream sediment sampling"* are of material importance to GMN to warrant disclosure under Listing Rule 3.1.
2. If GMN does not consider that it engaged in 'ramping' as defined by section 7.10 of Guidance Note 8, which specifically identifies the conduct of releasing numerous announcements in close proximity to a capital raising, please explain the basis for that view.
3. Is GMN of the view that the Cleansing Notice was validly issued, in that GMN was not aware of any 'excluded information' as defined by section 708A(7) and (8) of the Act at the time it lodged the Cleansing Notice?
4. If the answer to question 3 is:
 - 4.1 "yes", please explain the basis for that view, commenting specifically on when GMN received the sample results disclosed in the 22 August Announcement, and what knowledge of these results GMN possessed at the time it issued the Cleansing Notice.
 - 4.2 "no", please outline what remedial action GMN intends to take as a result of this breach.
5. Please confirm that GMN complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that GMN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GMN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.00 AM AEST Tuesday, 10 September 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, GMN's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require GMN to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on MAP.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in GMN's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in GMN's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to GMN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that GMN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Kind regards

ASX Compliance