

Gold Mountain Mining Corp. Delivers First Shipment of Ore to New Gold Inc.

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VANCOUVER, Feb. 3, 2022 - [Gold Mountain Mining Corp.](#) ("Gold Mountain" or the "Company") (TSX:GMTN)(OTCQB:GMTNF)(FRA:5XFA) is pleased to announce that it has completed its first delivery of ore to New Gold Inc.'s ("New Gold") New Afton Mine ("New Afton") in Kamloops, BC located 133 km from the Elk Gold Mine.

Highlights:

- Following the extended provincial review and approval of New Gold's custom milling permit, the Company is now positioned to deliver high-grade ore to accommodate its Year 1 production profile.
- The material was mined from the 1300 vein near historic Pit 2, which was last mined from 2012 to 2014 at an average grade of 16.7 g/t.
- This initial delivery marks the Company's transition into cash-flow and revenue generation.
- Under the terms of the Ore Purchase Agreement with New Gold, the Company will be paid on a monthly basis for all ore delivered.
- Ownership of ore transfers to New Gold upon delivery, eliminating all risks of recovery for Gold Mountain.

"Since purchasing the project from Equinox, our primary focus has always been putting the mine back into production. When going public in December of 2020, we had a goal to restart the Elk and develop a million-ounce producer. We are very pleased to deliver this update to our loyal shareholders. The Elk project has always been an execution story and I'd like to thank all those involved in bringing the Elk Gold mine back to life. Looking forward, we plan to ramp up high-grade ore delivery to New Gold, continue aggressively drilling out our highly prospective land package, and kick off the technical work necessary for our proposed Phase II production expansion." commented Director and CEO Kevin Smith.

Indigenous Communities

While the Provincial review and the corresponding Mine Review Committee process have come to a close, Gold Mountain is aware and acknowledges each respective Indigenous Nation's decision-making process will continue independently from the Province of British Columbia.

Over the past 21 months, the Company has made a concerted effort to build strong relationships with communities that are affected by the development of the Elk Gold Project. Gold Mountain looks forward to continued collaboration with all Indigenous Nations that have interests in the Elk Gold mine. The Company also wishes to communicate that there is no time limit on direct engagement and consultation between the Company and each respective Indigenous Nation.

First Delivery and Payment Terms

Following the extended provincial review and approval of New Gold's custom milling permit, Gold Mountain completed its first delivery of ore to New Afton. The material was mined from the Elk's 1300 vein, located at the footwall of historic Pit 2 and marks the beginning of cash-flow and revenue generation for the Company.

Pursuant to the terms of the Ore Purchase Agreement ("OPA"), each truck leaving the Elk Gold Mine is weighed on-site to determine the weight of the ore being delivered. An assay is taken representing each day's gold and silver grades for delivered ore which, along with the truck scale tickets, combine to create a total metals value that are reconciled on a monthly basis. Gold and silver prices are determined based on the monthly average of the official AM/PM London Bullion Market Association for gold and London Metals Exchange for silver. The OPA differs from a traditional "toll milling" arrangement in that Gold Mountain is paid

based on the value of the ore delivered to New Gold and bears no risk of processing recovery.

A complete copy of the OPA was filed on the Company's SEDAR profile on February 3, 2021.

Sustainability

By selling high-grade ore directly to New Gold, the Company avoids the need for an on-site mill and tailings storage facility. This arrangement drastically reduces the Elk Gold Mine's environmental impact and minimizes the effects it has on surrounding ecosystems and habitats. As a result, the Company reduces its carbon emissions by 11,500 tonnes/annum, power consumption by 10.2 Mwh/year, and annual water consumption by over 14,000,000L^[1].

Ore Purchase Agreement

Under the terms of the OPA, the Company will deliver 70,000 tonnes of high-grade ore per annum or approximately 200 tonnes per day to New Gold. The OPA has a term of three years and is effective upon the first delivery of high-grade ore. In June 2021, the Company announced that it signed a letter of intent with New Gold to increase its tonnage delivered to New Afton from 70,000 to 350,000 tonnes per annum beginning in Year Four. The increase in tonnage delivered is subject to both the Company and New Gold obtaining the necessary regulatory and Indigenous approvals.

By securing a world-class ore purchase partner in New Gold and a fixed cost mining contract with Nhwelmen-Lake LP, Gold Mountain has the operational partners in place to consistently execute its business plan which the Company anticipates will result in increased shareholder value.

Qualified Person

The foregoing technical information was approved by Grant Carlson, P.Eng., a Qualified Person, as defined under National Instrument 43-101 and the Chief Operating Officer for the Company.

For information on past production at the Elk Gold Mine, please refer to the Company's technical report entitled "National Instrument 43-101 Technical Report and Resource Update of the Elk Gold Project, Merritt, British Columbia Canada" dated January 21, 2022 with an effective date of December 7, 2021.

About Gold Mountain Mining

Gold Mountain is a British Columbia based gold and silver exploration and development company focused on resource expansion at the Elk Gold Project, a producing mine located 57 KM from Merritt in South Central British Columbia. Additional information is available at www.sedar.com or on the Company's new website at www.gold-mountain.ca.

For further information, please contact:

[Gold Mountain Mining Corp.](http://www.gold-mountain.ca)

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This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include statements that are based on assumptions as of the date of this news release and are not purely historical including any information or statements regarding beliefs, plans, expectations or intentions regarding the future and often, but not always, use words or phrases such

as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements in this press release include, achieving 19,000 oz production profile for Years 1-3, the anticipated grade of ore shipped to New Afton, any increase in tonnage delivered to New Afton and the ability of Gold Mountain to consistently execute its business plan resulting in increased shareholder value. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; the price of gold; and the results of current exploration. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Gold Mountain disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. For a comprehensive overview of all risks that may impact the Company, please see the Annual Information Form for the year ended January 31, 2021 a copy of which was filed on November 4, 2020 and is available on SEDAR.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this News Release.

[1] 100,000 L diesel/month

using: <https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references>

Based on comparison to 1.5 MW mill contemplated in 2020 PEA = 30,000 kwh/day * 0.4L Diesel/kwh = 11,500 tonnes CO2/yea

and to the 900 tonne/day processing mill contemplated in the Company's 2020 PEA, a copy of which was available on the Company's SEDAR profile on September 24, 2020.

SOURCE: [Gold Mountain Mining Corp.](#)

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