

Gold Mountain Mining Corp. Signs Ore Purchase Agreement With New Gold Inc.

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VANCOUVER, January 26, 2021 - [Gold Mountain Mining Corp.](#) (TSXV:GMTN) (FRA:5XFA) ("Gold Mountain" or the ("Company")) is pleased to announce that it has entered into an Ore Purchase Agreement ("OPA") with New Gold Inc. ("New Gold") for a three-year term.

HIGHLIGHTS:

- Gold Mountain will deliver ore to New Gold's New Afton Mine located 130km from the Company's Elk Gold Project in Kamloops, British Columbia.
- Pursuant to the OPA, New Gold has agreed to pay Gold Mountain in a timely manner based on the tonnes and grade of the ore delivered to the mill independent of when it's processed.
- The OPA provides the Company with an efficient path towards initial production following the receipt of necessary permits.

Kevin Smith, CEO of Gold Mountain, states "Signing the OPA with New Gold represents another key milestone and partnership for Gold Mountain. This agreement will help advance initial production at the Elk Gold Project by eliminating the time and capital required to build on-site infrastructure. We are confident in our ability to execute on our mine plan and deliver significant value for our shareholders."

Ore Purchase Agreement

Under the terms of the OPA, Gold Mountain will deliver 70,000 tonnes of ore per annum, approximately 200 tonnes per day, to the mill located at New Gold's New Afton Mine situated 130km from the Elk Gold Project, in Kamloops, British Columbia. The OPA has a term of three years, giving Gold Mountain sufficient time to scale its business accordingly.

The ore will be sampled and weighed at the Elk Gold Project site to determine the contained ounces of gold and silver being delivered to the New Afton Mine. Following delivery of the ore, New Gold will pay Gold Mountain at the end of each calendar month based on the value of the gold and silver in the ore, net of the agreed metallurgical recovery and concentrate selling costs. New Gold then has 17 days to deliver payment for the ore. The terms of the OPA mitigate the variance and volatility of operational throughput for Gold Mountain and allows the Company to avoid any risk of recovery.

By securing a world-class toll milling partner in New Gold, along with the previously announced mining contract executed with Nhwelmen-Lake LP, Gold Mountain has the operational partners in place to increase shareholder value. The terms of the OPA supports the economic analysis set forth in Elk Gold's 2020 PEA posted on SEDAR (www.sedar.com) and available for download at <https://gold-mountain.ca/operations/>.

The OPA is effective upon the first delivery of ore to the New Afton Mine. Prior to the first delivery of ore, the parties must settle on a sampling procedure for tracking the tonnes and grade delivered, Gold Mountain must receive the Permit (as defined below) and New Gold must obtain a permit amendment to allow for the processing to occur.

Mining Permit Update

Gold Mountain is pleased to provide an update on the progress of the Joint Permit Amendment Application that was submitted in May 2020 (the "Permit") and will allow for the extraction of 70,000 tonnes per annum of ore. The Permit was accepted through the application screening phase of the application review and Gold Mountain has responded to the first round of technical review questions that were provided by the Ministry of Energy, Mines and Low Carbon Innovation, the Ministry of Environment and Climate Change Strategy and the Ministry of Forests, Lands, Natural Resources and Rural Development. Gold Mountain is anticipating a second (final) round of technical review questions from the regulators in the coming months prior to completing the Permit review process.

COVID-19

Gold Mountain is committed to the health and safety of all employees, contractors, and local communities in which they operate. The Company has implemented additional controls and safety protocols in accordance with Canadian guidelines and government requirements related to the COVID-19 pandemic

About New Gold Inc.

New Gold is a Canadian-focused intermediate gold mining company with a portfolio of two core producing assets in Canada, the Rainy River and New Afton Mines. The Company holds an 8% gold stream on the Artemis Gold Blackwater project located in British Columbia and a 6% equity stake in Artemis. The Company also operates the Cerro San Pedro Mine in Mexico (in reclamation). New Gold's vision is to build a leading diversified intermediate gold company based in Canada that is committed to environment and social responsibility. For further information on New Gold, visit www.newgold.com.

About Gold Mountain

Gold Mountain is a BC-based gold and silver exploration and development company focusing on the expansion of the resource at the Elk Gold Project, a past producing mine located 57 km from Merritt in South Central British Columbia. www.gold-mountain.ca.

For further information, please contact:

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Cautionary Note Regarding Forward-Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, Gold Mountain obtaining its mining permit, Gold Mountain hauling ore to New Afton, New Gold paying Gold Mountain in a timely manner, the ability of Gold Mountain to execute on its mine plan, the terms of the Permit, 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; New Gold's ability to obtain its custom milling permit, Gold Mountain's timely receipt of the Permit 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 Filing Statement dated December 14, 2020 a copy of which is available on Gold Mountain's SEDAR profile at www.sedar.com.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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