

Gold Mountain Announces Closing of Debt Settlement Transactions and Issuance of Convertible Debenture

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VANCOUVER, June 18, 2024 - [Gold Mountain Mining Corp.](#) ("Gold Mountain" or the "Company") (TSX:GMTN)(OTCQB:GMTNF)(FRA:5XFA) is pleased to announce the closing of its debt settlement transactions (the "Debt Settlements") previously announced on June 3, 2024, pursuant to which the Company settled all of the secured debt of Nhwelmen Construction Limited Partnership ("Nhwelmen"), who was owed \$6.5 million (the "Nhwelmen Secured Debt").

Nhwelmen, the contract miner at the Company's Elk Gold Mine, was issued 50,000,000 common shares of the Company in payment of \$1.5 million of the Nhwelmen Secured Debt at an issuance price of \$0.03 per share, which was at a discount to the market price, and a convertible secured debenture (the "Convertible Debenture") in the amount of \$5 million which represented the remaining amount of the Nhwelmen Secured Debt. The Convertible Debenture is convertible at Nhwelmen's option into 62,500,000 common shares at a conversion price of \$0.08 per share. The Convertible Debenture matures four (4) years from the date of issuance and accrues interest at the rate of 12.0% per annum, calculated monthly and payable in cash in arrears on each anniversary date from the date of issuance. The Convertible Debentures may be prepaid in whole or in part, at the option of the Company. The Convertible Debenture is secured by a second-priority security interest over all of the assets of the Company including its current and after-acquired property and the security for the Convertible Debenture will continue to be evidenced by the general security agreement dated effective March 10, 2024 between the Company and Nhwelmen.

The Company has also closed on Debt Settlements with certain unsecured vendors who provide critical services to the Company. These unsecured vendors have agreed to convert \$1,700,660 of unsecured debt for settlement of such debts in payment of a total of 56,688,667 common shares of the Company at the issuance price of \$0.03 per share, which is at a discount to the market price.

The maximum number of securities issued, assuming the conversion of the Convertible Debenture, is 169,188,667 common shares representing 24.63% of the issued and outstanding common shares of the Company on a non-diluted basis. All of the transactions noted above were negotiated at arm's length and there will be no effect on control.

The Debt Settlement remains subject to the final acceptance of the Toronto Stock Exchange.

Insider Participation

As previously disclosed in the June 3, 2024 press release, Nhwelmen held 166,666,667 common shares of the Company prior to the closing of the Debt Settlements, which represented approximately 24.26% of the issued and outstanding common shares of the Company. Therefore, Nhwelmen is an "insider" of the Company for purposes of the TSX Company Manual and a "related party" of the Company pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Assuming full conversion of the Convertible Debenture, Nhwelmen will own 279,166,667 common shares representing 35.18% of the Company's common shares, on a non-diluted basis.

The Nhwelmen Debt Settlement and issuance of the Convertible Debenture to Nhwelmen are "related party transactions" within the meaning of MI 61-101. The Company's Special Committee (as defined below)

determined that the Company meets the financial hardship requirements of Section 5.5(g) and Section 5.7(1)(e) of MI 61-101, respectively, the Nhwelmen Debt Settlement and Convertible Debenture are designed to improve the financial position of the Company, and the terms of such transactions are reasonable in the circumstances of the Company.

Special Committee

A special committee of the board of directors of the Company (the "Special Committee") was constituted and considered the fairness of the Nhwelmen Debt Settlement and Convertible Debenture and related matters. The Special Committee was comprised of the independent directors. The Special Committee determined that the Nhwelmen Debt Settlement and Convertible Debenture were reasonable for the Company in the circumstances and recommended that the Company proceed with the Nhwelmen Debt Settlement and Convertible Debenture.

Security Holder Approval

Pursuant to Section 604(a)(ii) and Section 607(g)(ii) of the TSX Company Manual, as the Company provided consideration to Nhwelmen, a current insider of the Company, in aggregate of 10% or greater of the market capitalization of the Company during a six-month period, the TSX required and the Company obtained security holder approval with respect to the Nhwelmen Debt Settlement and the issuance of the Convertible Debenture. Instead of seeking security holder approval at a duly called meeting of security holders, the TSX permitted the Company, pursuant to section 604(d) of the TSX Company Manual, to provide written evidence from more than 50% of the voting securities of the Company held by disinterested shareholders who are familiar with the terms of the transactions. The vote of the disinterested shareholders excluded the 166,666,667 common shares of the Company held by Nhwelmen which represented approximately 24.26% of the issued and outstanding common shares of the Company.

Early Warning Disclosure

Nhwelmen is providing the following additional information pursuant to the early warning requirements of applicable Canadian securities laws.

Prior to the Debt Settlements and issuance of the Convertible Debenture, Nhwelmen owned an aggregate of 166,666,667 Common Shares, representing approximately 24.26% of the issued and outstanding common shares on a non-diluted basis. Following the Debt Settlements and assuming full conversion of the Convertible Debenture, Nhwelmen will own an aggregate of 279,166,667 common shares representing 35.18% of the Company's common shares, on a non-diluted basis.

The securities above are held by Nhwelmen for investment purposes. Nhwelmen has a long-term view of the investment and may acquire additional securities of the Company including on the open market or through private acquisitions or sell securities of the Company including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other factors that Nhwelmen considers relevant from time to time.

A copy of the early warning report for Nhwelmen will appear on the Company's SEDAR+ profile at www.sedarplus.ca.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the U.S. Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements thereunder.

About Gold Mountain

Gold Mountain is a British Columbia based gold and silver production, exploration and development

company focused on the development of the Elk Gold Mine, a producing mine located 57 kilometers 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 more information, please contact:

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Forward Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation regarding final approval of the Debt Settlement and Convertible Debenture, the ability of the Company to continue as a going concern, the impact of the Debt Settlement on the Company and the results thereof, including that it will allow the Company to address its significant working capital deficiency and provide operating capital to the Company so that it can go forward as a viable going concern, receipt of the final TSX approval, elimination of future interest payments and the ability for the Company to restart the mine, thereby significantly improving the Company's financial situation. 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 relating to 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 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.

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

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

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