

## ASX Announcement

19 March 2021

# Update on the Acquisition of the Twin Hills Gold Project and Surrounding Tenements

## Highlights

- **Technical and environmental due diligence completed** on Twin Hills Gold Project.
- Progressing a binding Tenement Sale Agreement (“TSA”) **with a view to executing the TSA within the next 60 days with Minjar.**
- Separately, **GBM have the right to secure additional key tenement packages in the Drummond Basin**, with an option to acquire tenements surrounding Twin Hills and a competing application west of Yandan. **This further advances GBM’s Drummond Basin “processing halo” strategy and its strong tenement position in a premier gold province.**

## Twin Hills Gold Project Update

GBM Resources Limited (ASX:GBZ) (“**GBM**” or “**Company**”) advises that it has now completed the technical and environmental due diligence on the Twin Hills Gold Project (“**Twin Hills**”) to its satisfaction.

GBM previously entered into a new non-binding agreement with Minjar Gold Pty Ltd (“**Minjar**”) following recent re-engagement discussions, for the proposed acquisition of Minjar’s 100% interest in the Twin Hills Gold Project. (refer GBM ASX announcement 15 February 2021)

With the satisfactory completion of due diligence, GBM and Minjar have commenced the process of negotiating a binding Tenement Sale Agreement (“**TSA**”) with a view to executing the TSA within the next 60 days.

## Twin Hills Gold Deposits

The proposed acquisition of Twin Hills remains consistent with GBM’s Drummond Basin “processing halo” strategy to build +1 million ounces within the Mt Coolon region which provides an entry to develop into a mid-tier Australian gold company. See Figure 1.

The Twin Hills deposits are estimated to contain 6.9 million tonnes at an average grade of 2.8 g/t Au for 633,000 ounces of contained gold. See Table 1 on following page.

## Cautionary Statement – Ownership

The Twin Hills Gold Project assets, are not owned by GBM and are subject to the execution and completion of a binding TSA.

Category	Cut off Au (g/t)	Tonnage (t)	Grade Au (g/t)	Grade Ag (g/t)	Contained Metal Au (oz)	Contained Metal Ag (oz)
<b>309 Deposit</b>						
Measured	1.0 / 2.0	320,000	4.4	6.4	44,400	65,000
Indicated	1.0 / 2.0	2,800,000	2.3	3.4	209,900	307,300
Inferred	1.0 / 2.0	1,810,000	2.0	1.7	118,600	98,900
<b>TOTAL</b>	<b>1.0 / 2.0</b>	<b>4,930,000</b>	<b>2.4</b>	<b>3.0</b>	<b>372,900</b>	<b>471,200</b>
<b>Lone Sister Deposit</b>						
Measured	2.0	-	-	-	-	-
Indicated	2.0	-	-	-	-	-
Inferred	2.0	2,010,000	4.0	9.4	260,100	604,800
<b>TOTAL</b>	<b>2.0</b>	<b>2,010,000</b>	<b>4.0</b>	<b>9.4</b>	<b>260,100</b>	<b>604,800</b>
<b>Total Twin Hills</b>						
Measured	1.0 / 2.0	320,000	4.4	6.4	44,400	65,000
Indicated	1.0 / 2.0	2,800,000	2.3	3.4	209,900	307,300
Inferred	1.0 / 2.0	3,820,000	3.1	5.7	378,700	703,700
<b>TOTAL</b>	<b>1.0 / 2.0</b>	<b>6,940,000</b>	<b>2.8</b>	<b>4.8</b>	<b>633,000</b>	<b>1,076,000</b>

Table1: Twin Hills Resource Summary for the 309 and Lone Sister Gold Deposits (rounded for reporting ('000 tonnes, '00 ounces, 0.0 grade) (Refer ASX announcement 18 January 2019). Open Pit Resources (above 1050 RL) stated at 1.0 g/t Au cut off and Underground Resources (below 1,050 RL) stated at 2.0 g/t.

## Drummond Basin Tenement Update

GBM Resources Limited (**GBM**) and Yacimiento Pty Ltd (**YPL**) have signed an option agreement relating to the acquisition of exploration permit applications EPM27554 (near Twin Hills) and EPM27643 (west of Yandan) in Queensland, see Figure 1.

### Key terms of Option Agreement are summarised as follows:

- Option Period of 60 Business Days.
- Non-refundable Option Fee of \$45,000 to YPL, payable as \$10,000 immediately, and \$35,000 on the granting date of YPL's Twin Hills EP. Should the granting not occur within the 60 day period, the Option period shall be extended until 2 Business Days after notice from YPL to GBM that the EP has been granted.
- On Exercising the Option, a consideration payment of 2 million fully paid ordinary shares in GBM shall become payable to YPL or it's nominees in exchange for either the transfer of the exploration permit applications, or in the issued capital of YPL, at GBM's election. The consideration shares will be subject to a voluntary escrow period for 6 months from the date of issue.
- No royalty consideration is included in the terms.

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the respective announcements and all material assumptions and technical parameters underpinning the resource estimates within those announcements continue to apply and have not materially changed.*

*The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.*

**This ASX announcement was approved and authorised for release by:**

Peter Rohner, Managing Director

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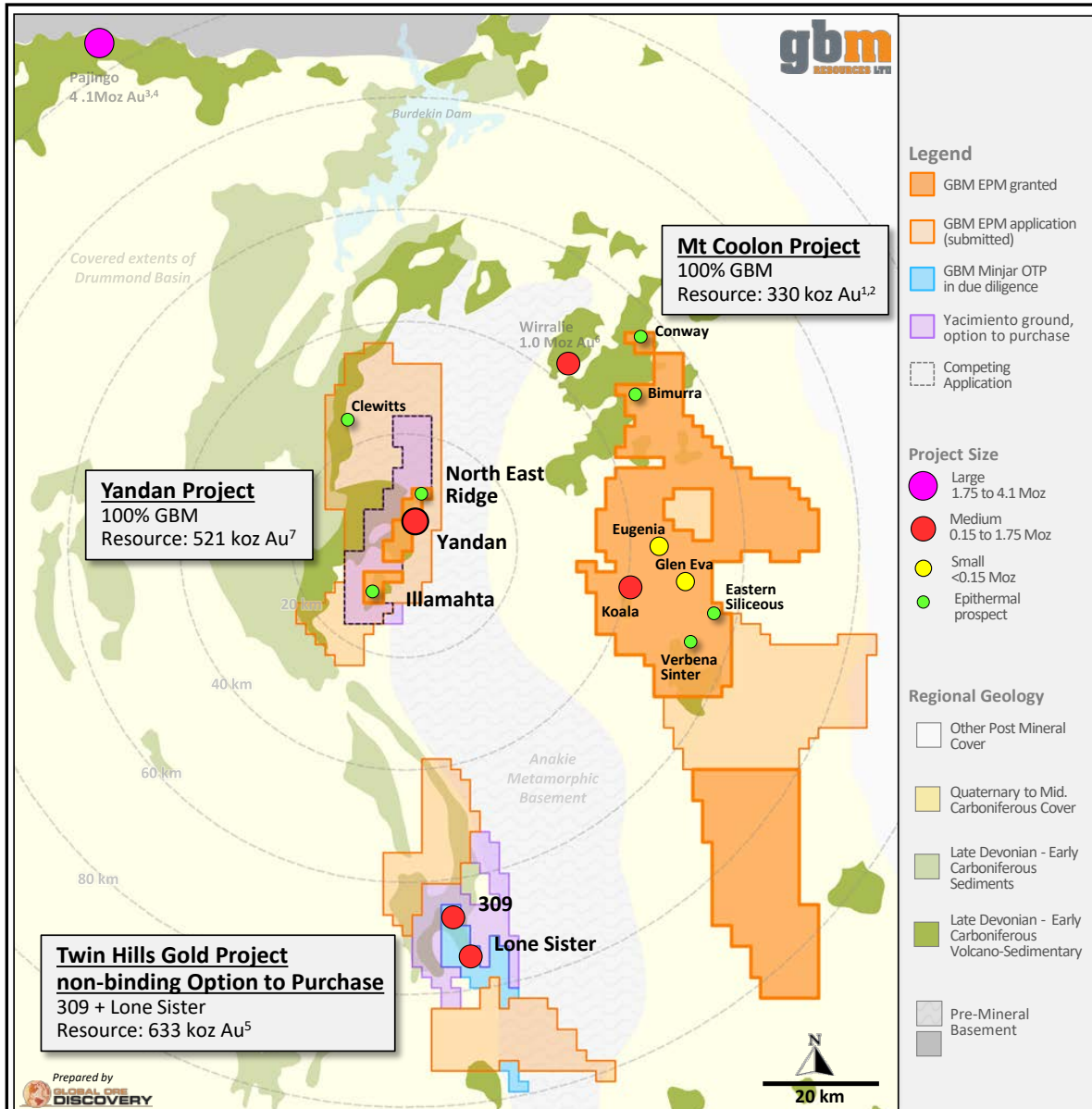
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**About GBM Resources**

GBM Resources Limited is a mineral exploration and development company focused on the discovery of world-class gold and copper deposits in Eastern Australia. The company has a high calibre project portfolio, hosting district scale mineral systems, located in a number of premier metallogenic terrains including the Drummond Basin, Mt Morgan district and the Mt Isa Inlier in Queensland, and the Malmsbury Project in the prolific Victorian Goldfields. This is complemented by the recently formed JV on the White Dam Gold Project in South Australia in which it holds a 50% interest (in cashflow only).

Figure 1: Mt Coolon Project, Yandan and Twin Hills Locations



Project	Location	JORC 2012 Resources <sup>7</sup>			
		Tonnes (000's)	Au (g/t)	Au (ounces)	Cut-off grade
Yandan	East Hill, South Pit	21,500	0.8	521,000	> 0.3 g/t
	<i>Including. East Hill</i>	1,900	3.6	218,000	> 1.0 g/t
Mt Coolon	Eugenia, Koala, Glen Eva	6,653	1.5	330,500	> 0.4 g/t
Twin Hills Option to Purchase	309, Lone Sister	6,940	2.8	633,000	Open-pit > 1.0 g/t Underground > 2.0 g/t
	<i>Including. 309 Measured</i>	320	4.4	44,400	1.0 g/t
	<i>Including. Lone Sister Inferred</i>	2,010	4.0	260,100	2.0 g/t
<b>GBM Drummond Basin Total</b>		<b>35,093</b>	<b>1.3</b>	<b>1,484,500</b>	

1. GBM ASX Announcement, 18 Jan. 2019, Mt Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces  
 2. GBM ASX Announcement, 4 Dec. 2017, Mt Coolon Gold Project Scoping Study \*Including Tailings  
 3. Evolution Mining. Pajingo-Fact-Sheet\_March-2016\_web-1.pdf  
 4. Osborne & Chambers. (2017). Pajingo Gold deposit. In Philips (ed), Australian Ore Deposits. AusIMM. Monograph 23.  
 5. GBM ASX Announcement, 18 Jan. 2019, Mt Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces  
 6. Drummond Gold Limited, 24 Oct 2014, Mining 2014 Presentation, October Brisbane  
 7. GBM ASX Announcement, 23 Dec 2020, Mt Coolon and Yandan Combined Resources Total 852,000 oz following completion of Yandan acquisition