

## ASX Announcement

7 May 2021

# White Dam Drilling Commenced

### KEY POINTS

- Phase 1 RC drilling program commenced at White Dam Gold-Copper JV focussed on two of the three resource areas – Vertigo and White Dam North.
- Program of approx. 43 holes for 3,250 m at Vertigo and 10 holes for 750 m at White Dam North.
- Current JORC (2012) resources at White Dam of 4.6 Mt at 0.7 g/t Au for 101,900 ounces gold.
- Key program objectives are upgrading Inferred category resource material (improving resource confidence), increasing total resources and providing additional copper assay data.
- Drilling results and resource outcomes expected to feed into study on the mining and treatment of additional material at White Dam.
- This work is targeted at evaluating the magnitude of life extension (and expansion) potential available at White Dam.
- The White Dam operation continues to produce strongly with forecast June 2021 quarter gold sales unchanged at 550 – 650 ounces (100% basis).

GBM Resources Limited (ASX: GBZ) (**GBM** or the **Company**) advises that it has commenced Phase 1 of the Reverse Circulation (**RC**) drilling program at its White Dam Gold/Copper JV (**White Dam**) (50% GBM).

The current JORC (2012) Mineral Resource estimate for White Dam is 4.6 Mt at 0.7 g/t Au for 101,900 ounces gold.

The Phase 1 program targets both infill and extensional drilling of the mineralisation to the south east. This resource material was not extracted during the last White Dam mining campaign due to lower prevailing gold prices and higher cyanide soluble copper grades.

The initial focus of the program is on the Vertigo zone, which has a current JORC (2012) Mineral Resource estimate of 1.7 Mt at 0.7 g/t Au for 38,300 ounces gold. Drilling at Vertigo is expected to encompass approximately 43 holes for 3,250 total drilling metres. The program is then planned to transition to the White Dam North zone, which has a current JORC (2012) Mineral Resource estimate of 1.2 Mt at 0.5 g/t Au for 20,300 ounces gold. Drilling at White Dam North is planned to entail approximately 10 holes for 750 total drilling metres.

The key objectives of the Phase 1 RC drilling at White Dam are:

- Upgrading Inferred category resource material (improving resource confidence) in these zones;
- Increasing overall resources in these zones; and
- Providing additional copper assay data.

The drilling results from this program, combined with the resultant resource outcomes, are expected to feed into a study being undertaken with respect to mining and treatment of additional material at White Dam. This work is designed to evaluate and capture the magnitude of potential life extension (and expansion) opportunity available at White Dam. White Dam also contains a broader exploration tenement package with considerable potential for further resource accretion given further exploration.

**Figure 1: First hole of the 2021 drilling program at White Dam**

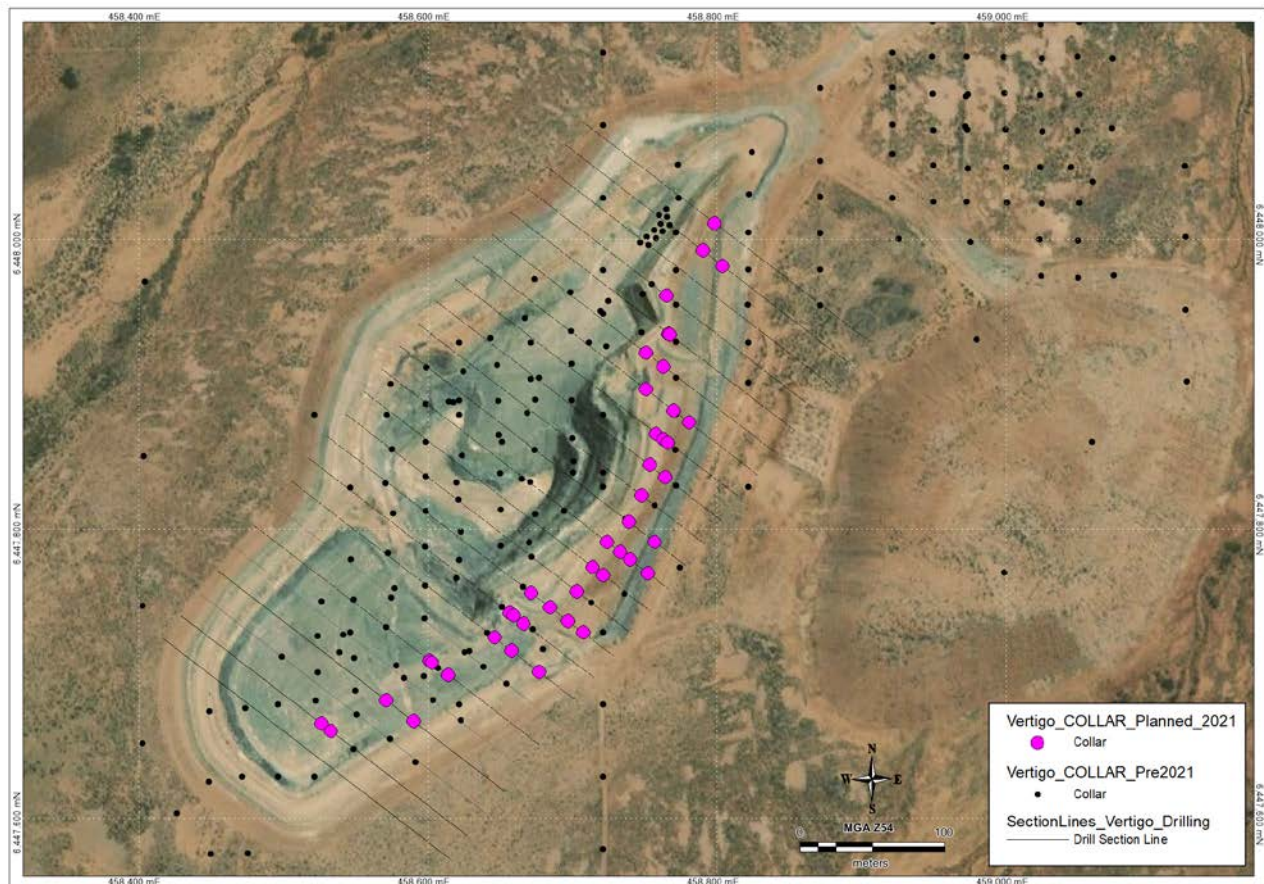
**Rig in position for hole 1**



**Vertigo Pit, looking south west**



**Figure 2: Planned Holes at Vertigo - White Dam**



**GBM Managing Director and CEO, Peter Rohner, commented:** *“We are pleased with the operational performance of White Dam and the improving free cashflow generation from copper and gold sales, particularly with stronger commodity prices. GBM has now initiated the Phase 1 RC drilling program to provide additional information that could support a potential further mining and ore leaching campaign at White Dam. This has clear potential to drive expanded production, greater cashflow generation, and substantial extension to project life.”*

### **Cautionary Statement**

*GBM has entered into a production joint venture regarding the White Dam Gold-Copper Heap Leach Operation and has no current ownership of the White Dam tenements and processing infrastructure. Acquisition of these assets is subject to successful exercise of an option, of which further details are provided in this announcement and ASX announcement dated 16 October 2019.*

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

Peter Rohner, Managing Director

**For further information please contact:**

#### **Investor enquiries**

Peter Rohner  
Managing Director  
+61 8 9316 9100  
[peter.rohner@gbmex.com.au](mailto:peter.rohner@gbmex.com.au)

#### **Media enquiries**

Michael Vaughan  
Fivemark Partners  
+61 422 602 720  
[michael.vaughan@fivemark.com.au](mailto:michael.vaughan@fivemark.com.au)

### **About GBM Resources**

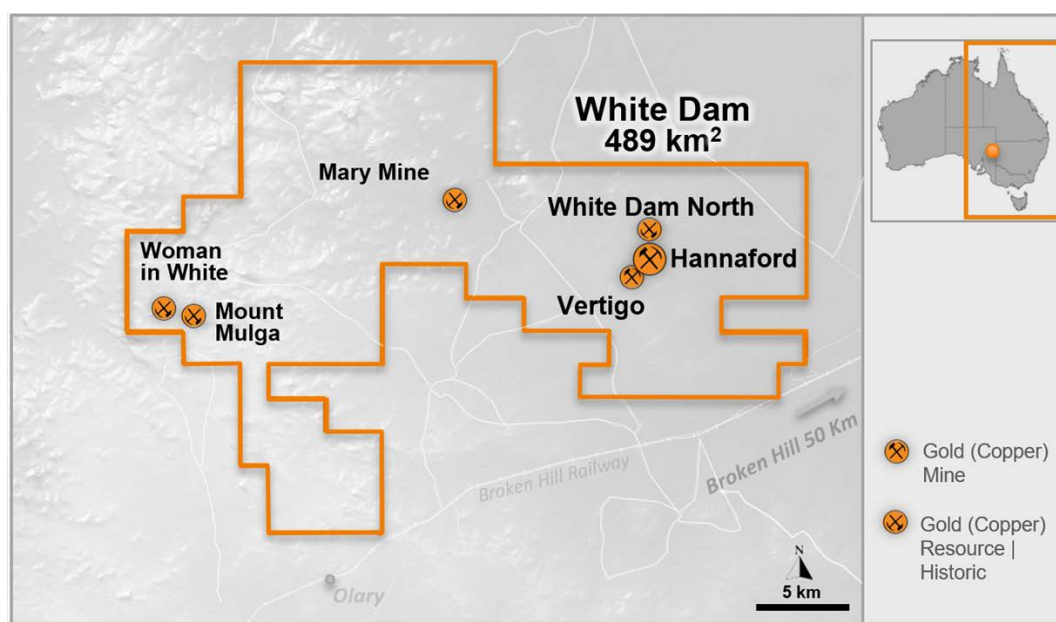
GBM Resources Limited is a mineral exploration and development company focused on the discovery of world-class gold and copper deposits in Eastern Australia. The company has a high calibre project portfolio, hosting district scale mineral systems, located in a number of premier metallogenic terrains 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).

## Appendix: White Dam Gold-Copper Heap Leach Operation JV (50% GBM)

### Background

White Dam is located in South Australia, approximately 50 km south-west of Broken Hill. It is a heap leach operation that, since 2010, has produced approximately 175,000 oz of gold from heap leaching of 7.5 Mt of ore at 0.94 g/t Au (which was mined from two open pits).

**Figure 3: Location map of the White Dam Gold-Copper Heap Leach Operation**



GBM's 50% production interest in the White Dam JV was earned via the construction of a SART plant which is designed to extract copper from the gold leach solution improving overall gold recoveries and lowering cyanidation costs. Since commissioning, the SART plant has operated above expectations with lower costs due to less cyanide usage and improved gold recoveries from the existing heaps.

The White Dam JV between Round Oak Minerals and GBM commenced on 1 July 2020. It has produced a total of 1,007 gold ounces (to 31 March 2021) together with approximately 70 tonnes of copper in concentrate.

**Table 1: White Dam JV gold sales by quarter (100% basis)**

Calendar quarter	Gold sold (oz)
September 2020	100
December 2020	347
March 2021	560
June 2021 (forecast)	550 – 650

Note: Minor silver production and sales not shown.

Total site operating costs are stable and have averaged approximately A\$260,000 per month over the period from July 2020 to March 2021.

GBM holds an option until 30 June 2021 to acquire 100% of the White Dam JV, which includes the gold plant, mining leases and other tenements.

## Life extension opportunity

While further work is required to confirm and quantify the opportunity in detail, there appears strong potential to extend the life of the White Dam operation, and possibly expand gold and copper output. It is worth noting that the current gold price of around A\$2,300/oz compares with a price of approximately A\$1,650/oz at the time of the most recent mining campaign at White Dam in 2016/17.

Commencement of the Phase 1 RC drilling, in combination with the current study work, is designed to evaluate and capture the magnitude of this potential extension (and expansion) opportunity.

## JORC (2012) Mineral Resource estimate

Updated JORC (2012) Mineral Resource estimates were released in August 2020 for the Hannaford, Vertigo and White Dam North deposits, which together form the current total resource base at White Dam.

The total White Dam resource is 4.6 Mt at an average 0.7 g/t Au for contained gold of 101,900 ounces.

Approximately 28% of the contained gold is classified as Indicated, with the balance being Inferred. Importantly, 59,000 ounces (or 58%) of the contained gold is contained in oxidised portions of these deposits, similar to the material that has already been mined and successfully leached in the current White Dam operations.

For further details of the White Dam resource estimate, refer to GBM ASX release dated 10 August 2020.

**Table 2: White Dam Mineral Resource estimate (August 2020)**

Area	Resource category	Quantity (tonnes)	Grade Au (g/t)	Contained Gold (ounces)
<b>TOTAL</b>	Measured	0	0.0	0
	Indicated	1,200,000	0.7	28,600
	Inferred	3,400,000	0.7	73,500
	<b>Total</b>	<b>4,600,000</b>	<b>0.7</b>	<b>101,900</b>
<b>Hannaford</b>	Measured	0	0.0	0
	Indicated	700,000	0.7	16,400
	Inferred	1,000,000	0.8	26,900
	<b>Total</b>	<b>1,700,000</b>	<b>0.8</b>	<b>43,300</b>
<b>Vertigo</b>	Measured	0	0.0	0
	Indicated	300,000	1.0	9,400
	Inferred	1,400,000	0.6	29,000
	<b>Total</b>	<b>1,700,000</b>	<b>0.7</b>	<b>38,300</b>
<b>White Dam North</b>	Measured	0	0.0	0
	Indicated	200,000	0.5	2,800
	Inferred	1,000,000	0.6	17,600
	<b>Total</b>	<b>1,200,000</b>	<b>0.5</b>	<b>20,300</b>

Please note rounding ('000 tonnes, 0.0 g/t and '000 ounces). Cut-off grade is 0.20 g/t Au for all, Vertigo is restricted to above 150 m RL (~70 m below surface).

Copper has become a valuable by product from White Dam operation with the commissioning of the SART plant. Copper grades have not been reported with the gold resource to date as there is insufficient copper data to reliably estimate copper grades – however this is also a focus of the current drilling program.

## COMPETENT PERSON STATEMENT

*The information in this report that relates to Exploration Results is based on information compiled by Peter Mullens, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Peter Mullens is an employee of the company and is a holder of shares and options in the company. Mr Mullens has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Mullens consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*GBM confirms that it is not aware of any new data or information that materially affects the information disclosed in this presentation and previously released by GBM in relation to Mineral Resource estimates on its tenure. All material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.*