

ASX Announcement

15 November 2021

Transformational Acquisition of Twin Hills Gold Project Nearing Completion

KEY POINTS

- GBM Resources Limited (ASX: GBZ) (**GBM** or the **Company**) advises that Minjar's subsidiary, has recently lodged Indicative Approval Transfer applications for the Twin Hills Gold Project Tenements (**Twin Hills**) with the Department of Resources (QLD). **Indicative approval, duty assessment and Completion is expected mid December 2021.**
- Twin Hills is considered **highly prospective for the discovery of additional mineralisation**, with preliminary analysis suggesting high grade gold shoots at 309 and Lone Sister may be open at depth.
- GBM is finalising drilling plans to test these targets at Twin Hills in early 2022 along with re-estimation of the Mineral Resource.**
- Significant historical drill results** to be followed up with drilling include (see Table 1):

309 Deposit

- THRC875: **140.6 m @ 5.2 g/t Au** from 154 m **(731 g/m)**
incl. **8 m @ 81.8 g/t Au** from 177 m
- TRCD384: **190 m @ 2.3 g/t Au** from 25 m **(437 g/m)**
incl. **27 m @ 7.3 g/t Au** from 100 m

Lone Sister Deposit

- LRCD015: **146 m @ 9.8 g/t Au** from 104 m **(1,430 g/m)**
incl. **28 m @ 45.2 g/t Au** from 211 m
- LRCD140: **254 m @ 1.2 g/t Au** from 128 m **(304 g/m)**
incl. **12 m @ 4.1 g/t Au** from 265 m

- Combined gold resources under GBM's ownership in the Drummond Basin now total approximately 1.5 Moz** across the Yandan, Mt Coolon and (to be settled) Twin Hills assets (see Table 3 for combined Mt Coolon and Yandan resources). All are located within 70 km of GBM's proposed "Drummond Basin Processing Hub" centred on the Yandan ML's, which has significant infrastructure (i.e., water storage dams, tailings facilities, airstrip, leach pads and grid power).

Key terms of Twin Hills acquisition:

- Total cash consideration payable to NQM of ~A\$2 million, along with assuming the financial assurance in respect of the environmental authorities for the tenements (currently for an amount of ~A\$1.48 million).

GBM Managing Director and CEO, Peter Rohner, commented: "Finalisation of this transformational transaction represents a significant step in the execution of our 'processing halo' strategy to build over two million ounces under ownership within the Drummond Basin, providing the potential for transition to a genuine mid-tier Australian gold company. "We look forward to completing the transfers and commencing an aggressive initial extensional and infill drilling program at Twin Hills in January 2022 along with progressing our exciting Yandan and Mt Coolon projects."

Twin Hills Resource Summary

The 309 and Lone Sister deposits are low sulphidation, epithermal gold deposits hosted within the western arm of the Drummond Basin in Queensland. The Drummond Basin is host to a number of significant gold deposits and is considered by GBM to hold potential for further discoveries.

The 309 and Lone Sister gold deposits are located 7 km apart and linked by a major north-south structural lineament. Both deposits have previously been interpreted as intrusion related, high gold fineness, low sulphidation epithermal gold deposits, sometimes **exhibiting bonanza gold grades** (as evidenced by the peak gold value in the 309 deposit of 2,940 g/t Au, with 300 individual metre samples exceeding 30 g/t Au, and a peak gold value of 939 g/t Au at Lone Sister). Refer ASX: GBZ release 18 January 2019 and 19 July 2021 and Table 1 below.

GBM considers that potential depth extensions and strike repetition of both the 309 and Lone Sister deposits have not been adequately tested and is looking forward to drilling the project in early 2022.

Table 1: 309 and Lone Sister Deposit Selected Down Hole Gold Drill Intersections.

309 Deposit Selected Length Weighted Au g/t Intersections including High Grade 1.0 g/t Au Intercepts														
Length Weighted Au g/t Intersections Nominal 0.3 g/t Au cut off								Including Maximum Intervals at 1.0 g/t Au cut off						
Hole ID	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Au Gram Metres	Lode	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Au Gram Metres	
THRCD875	154	294.6	140.6	5.1	3.2	723.8	a	incl.	177	185	8	81.8	43.0	654.7
THRCD816	32	181	149	4.6	22.3	687.8	a	incl.	54	76	22	27.4	142.0	603.6
THRCD828	5	174	169	2.9	11.3	494.3	b	incl.	101	111	10	21.7	133.2	217.1
THRC761	75	146	71	6.3	20.8	445.4	b	incl.	111	125	14	16.4	54.7	228.9
TRCD384	25	215	190	2.3	4.0	437.2	b	incl.	100	127	27	7.3	10.3	198.1
THRCD827	236	408	172	2.1	0.8	361.8	a	incl.	382	396	14	11.0	2.4	154.4
THRCD843	106	262	156	2.3	2.4	360.2	a	incl.	108	119	11	13.0	20.0	143.4
THRCD826	241	315	74	4.7	2.3	350.7	a	incl.	269	274	5	65.5	29.4	327.3
THDD885	25	134	109	2.5	10.0	268.2	b	incl.	45	56	11	6.0	30.5	66.3
THRCD861	154	233.9	79.9	3.2	3.9	256.3	a	incl.	183.5	188.5	5	28.7	26.8	143.6
THRC781	20	109	89	3.0	9.2	270.6	a	incl.	56	81	25	9.9	29.0	247.3
THRCD844	84	236	152	1.3	0.9	199.8	a	incl.	201	214	13	7.1	2.4	92.0
THRCD873	147	261	114	1.9	3.9	213.1	a	incl.	194	206	12	8.9	11.6	107.2

Lone Sister Deposit Selected Length Weighted Au g/t Intersections including High Grade 1.0 g/t Au Intercepts														
Length Weighted Au g/t Intersections Nominal 0.3 g/t Au cut off								Including Maximum Intervals at 1.0 g/t Au cut off						
Hole ID	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Au Gram Metres	Lode	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Au Gram Metres	
LRCD015	104	250	146	9.8	8.7	1433.3	a	incl.	211	239	28	45.2	41.3	1266.8
LRCD154	216	242	26	10.3	13.8	267.5	a	incl.	218	229	11	23.4	31.4	257.9
LRCD057	121	217	96	5.5	0.0	529.3	a	incl.	177	189	12	27.1	0.0	324.9
LRCD063	158	268	110	3.6	4.8	395.6	a	incl.	247	267	20	14.3	26.6	285.3
LRCD157	168	248	80	4.7	10.6	373.8	a	incl.	219	231	12	13.8	18.9	165.9
LRCD152	243	359	116	2.8	5.0	321.7	a	incl.	245	263	18	6.0	12.8	108.7
LRCD012	222	375	153	2.0	0.4	309.7	a	incl.	343	352	9	5.8	0.5	51.9
LRCD140	128	382	254	1.2	3.9	306.8	a	incl.	265	277	12	4.1	5.4	49.5
LRCD143	124	216	92	3.3	4.8	301.1	a	incl.	139	157	18	12.4	10.1	224.0
LRCD147	80	210	130	2.3	3.5	294.4	a	incl.	172	187	15	4.8	8.5	71.9
LRC180	8	106	98	1.4	0.0	137.0	a	incl.	19	25	6	8.5	1.5	51.2
LRCD064	24	132	108	1.3	0.0	139.3	a	incl.	85	101	16	5.6	0.0	89.5
LRCD134	69	137.93	68.93	2.4	10.0	164.9	a	incl.	75	86	11	3.9	23.5	42.4

Length weighted downhole intercepts were manually selected using a combination of logged geology and Au grade above 0.3 g/t Au. Internal dilution was typically < 2 m but may include intervals of 5 to 10 m in some instances. 1 g/t Au composite calculated with 1 g/t Au cut off grade and a maximum 2 m internal dilution @ 0.1 g/t Au. No high-grade cut was applied. Selected intercepts at 309 Deposit do not include intersections which have passed through mining voids (have been mined out), or were drilled sub-parallel to the interpreted strike of the Lode. No underground drilling has been used in composite calculations (UG prefix holes, drilled primarily within the mining void).

The 309 Deposit has been estimated to comprise 4.9 Mt averaging 2.4 g/t Au containing 372,900 ounces of gold and 471,000 ounces of silver (assuming open pit mining to 1050 RL, or a depth of approximately 200 m).

The Lone Sister Deposit is estimated at 2.0 Mt at an average grade of 4.0 g/t Au containing 260,000 ounces of gold and 604,000 ounces of silver (refer to Table 2).

Table 2: Twin Hills Resource Summary for the 309 and Lone Sister Gold Deposits (rounded for reporting '000 tonnes, '00 ounces, 0.0 grade). See ASX GBM 18 January 2019 'Mount Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces'. 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 Au.

Category	Cutoff	Tonnage (t)	Grade		Contained Metal	
	Au (g/t)		Au (g/t)	Ag (g/t)	Au (oz)	Ag (oz)
309 Deposit						
Open Pit (above 1050RL)						
Measured	1.0	320,000	4.4	6.4	44,400	65,000
Indicated	1.0	2,690,000	2.2	3.4	193,100	295,400
Inferred	1.0	1,300,000	1.4	1.7	58,500	70,100
Total open pit	1.0	4,310,000	2.1	3.1	296,000	430,500
Underground (below 1050 RL)						
Measured	2.0					
Indicated	2.0	110,000	4.8	3.4	16,800	11,900
Inferred	2.0	510,000	3.7	1.8	60,100	28,800
Total underground	2.0	620,000	3.9	2.0	76,900	40,700
Total 309 Deposit						
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
TOTAL	1.0 / 2.0	4,930,000	2.4	3.0	372,900	471,200

Lone Sister Deposit						
Measured	2.0					
Indicated	2.0					
Inferred	2.0	2,010,000	4.0	9.4	260,100	604,800
Total	2.0	2,010,000	4.0	9.4	260,100	604,800

Total Twin Hills						
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
TOTAL	1.0 / 2.0	6,940,000	2.8	4.8	633,000	1,076,000

Key Terms of the Twin Hills TSA

Total cash consideration of ~A\$2 million, along with assuming the financial assurance in respect of the environmental authorities for the tenements (currently for an amount of ~A\$1.48 million).

Funding of this at Completion will come from GBM's existing cash reserves.

Completion is subject to and conditional upon:

- obtaining indicative approval under the Mineral Resources Act 1989 (Qld) to transfer the Twin Hills tenements to GBM; and
- other third party consents which have now been received for execution.

The abovementioned conditions must be satisfied on or before the 16 January 2022 or such later date the parties agree. The conditions are standard for this type of transaction and steps towards satisfaction of the conditions have already been taken.

The Twin Hills Project (EPM 19856 and ML 70316 which includes the current resources) is subject to a 2.5% royalty on fine gold produced.

Refer ASX: GBZ releases 15 February 2021 and 19 July 2021 for further details regarding the Twin Hills acquisition.

This ASX announcement was approved and authorised for release by:

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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 recent acquisition of the White Dam Gold-Copper Project in South Australia in which it will hold a 100% interest on completion.

GBM Mineral Resource Estimate for Mt Coolon and Yandan Projects

Table 3: November 2017 Resource Summary for the MCGP updated to include new JORC 2012 resource estimate for Yandan. Please note rounding (1,000's tonnes, 100's ounces, 0.1 g/t) may cause minor variations to totals.

For full details, please refer ASX: GBZ release 4 December 2017 and 23 December 2020.

Project	Location	Resource Category									Total			Cut-off
		Measured			Indicated			Inferred			000' t	Au g/t	Au oz	
		000' t	Au g/t	Au oz	000' t	Au g/t	Au oz	000' t	Au g/t	Au oz				
Koala	Open Pit				670	2.6	55,100	440	1.9	26,700	1,120	2.3	81,800	0.4
	UG Extension				50	3.2	5,300	260	4	34,400	320	3.9	39,700	2.0
	Tailings	114	1.7	6,200	9	1.6	400				124	1.6	6,600	1.0
	Total	114	1.7	6,200	729	2.6	60,800	700	2.7	61,100	1,563	2.5	128,100	
Eugenia	Oxide				885	1.1	32,400	597	1.0	19,300	1,482	1.1	51,700	0.4
	Sulphide				905	1.2	33,500	1,042	1.2	38,900	1,947	1.2	72,400	0.4
	Total				1,790	1.1	65,900	1,639	1.1	58,200	3,430	1.1	124,100	
Glen Eva	Total Open Pit				1,070	1.6	55,200	580	1.2	23,100	1,660	1.5	78,300	0.4
Yandan	East Hill							20,600	0.8	505,000	20,060	0.8	505,000	0.3
	South Hill							900	0.6	16,000	900	0.6	16,000	0.3
	Total							21,500	0.8	521,000	21,500	0.8	521,000	
Total		114	1.7	6,200	3,590	1.6	181,900	24,419	0.8	663,400	28,153	0.9	851,500	

COMPETENT PERSON STATEMENT

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.

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 with those announcements continue to apply.