

ASX Announcement

20 December 2023

Share Placement and Non-Renounceable Entitlement Issue

KEY POINTS

Share Placement (Placement)

- Placement to raise approximately \$1.9 million supported by directors and Collins St Asset Management (CSAM).

Tranche 1:

- Placement to raise approximately \$1.0 million, before costs.

Tranche 2 (subject to shareholder approval):

- Issue of free attaching options to unrelated parties issued shares pursuant to Tranche 1.
- Placement to directors and management and their related parties to raise \$462,000.
- Placement to CSAM to raise \$462,000.
- Restructure of existing convertible note, along with conversion of \$900,000 of debt by CSAM to equity.

Non-Renounceable Pro Rata Entitlement Issue (Entitlement Offer)

- Non-renounceable entitlement issue to eligible shareholders to raise up to approximately \$1.65 million (before costs).
- Entitlement Offer is not underwritten, however Canaccord has been offered the ability to place any shortfall under the Entitlement Offer on a best endeavours basis.

Use of Funds

- Funds raised from the Placement and Entitlement Offer (up to a maximum of ~\$3.55 million), after costs, will be applied to exploration at the Company's wholly owned Twin Hills and Yandan Gold Projects (including drilling at the Lone Sister and 309 deposits, and regional geochemical and geophysical programs), reduction of convertible note debt and the provision of working capital.

Share Placement

GBM Resources Limited (ASX:GBZ) (**GBM** or **Company**) is pleased to announce it has received firm commitments for the issue of 213,777,778 ordinary fully paid shares at an issue price of \$0.009 per new share (**Placement Shares**) pursuant to a share placement (**Placement**).

In addition, the Company will issue subject to shareholder approval, free attaching options on the basis of one (1) new option exercisable at \$0.015 and expiring 24 months from the date of issue (**Placement Options**) for every two (2) Placement Shares issued.

The Placement is supported by commitments received from the directors/management up to \$462,000 and Collins St Asset Management Pty Ltd (**CSAM**) up to \$462,000, and in addition CSAM have indicated, subject

to shareholder approval, an intention to convert an additional \$900,000 convertible note debt into equity pursuant to the Placement.

The Placement is to be completed in two tranches as follows:

Tranche 1 – Issue of Placement Shares to unrelated parties

The Company will issue a total of 105,263,158 Placement Shares to unrelated parties pursuant to its existing security placement capacity as follows:

- 49,078,932 Placement Shares issued pursuant to ASX Listing Rule 7.1; and
- 62,032,180 Placement Shares issued pursuant to ASX Listing Rule 7.1A,

raising a total of \$1,000,000 (before costs).

Tranche 2 – Issue of Placement Shares and Placement Options subject to shareholder approval

Subject to shareholder approval expected to be sought in February 2024 the Company proposes the issue of the following securities:

- Up to 55,555,556 Placement Options to unrelated parties issued Placement Shares pursuant to Tranche 1 (pursuant to ASX Listing Rule 7.1);
- Up to 51,333,333 Placement Shares and 25,666,667 Placement Options to Directors/Management of the Company (pursuant to ASX Listing Rule 10.11);
- Up to 51,333,333 Placement Shares and 25,666,667 Placement Options to CSAM (pursuant to ASX Listing Rule 7.1); and
- Up to 100,000,000 Placement Shares and 50,000,000 Placement Options to CSAM St further to a proposed conversion of \$900,000 convertible note debt into equity on the same terms as the Placement (pursuant to ASX Listing Rule 7.1).

Non-Renounceable Entitlement Issue

The Company is also undertaking a non-renounceable entitlement issue (**Entitlement Offer**) to eligible shareholders to participate in the capital raising.

The Company will issue pursuant to the Entitlement up to one (1) New Share for every four (4) shares held at the Record Date at 0.9 cents per share. Indicatively the Company expects to offer up to 182,858,232 New Shares and 91,429,116 New Options pursuant to the Entitlement Offer, raising a maximum of \$1,645,724 before costs.

Further details of the Entitlement Offer will be provided by the Company in due course, and indicative timetable for the Entitlement Offer (subject to finalization of Entitlement Offer documentation) is as follows:

Event	Date*
Announcement of Entitlement Offer	20 December 2023
Lodgement of Appendix 3B with ASX	20 December 2023
Prospectus lodged at ASIC and ASX	22 December 2023
"Ex" Date (date Shares are quoted ex-rights)	29 December 2023

Event	Date*
Record Date to determine Entitlements	2 January 2024
Offer opening date, Prospectus made available to Shareholders and Company announces this has been completed	5 January 2024
Last day to extend the Closing Date	24 January 2024
Closing Date (5pm WST)**	30 January 2024
Notification to ASX of under subscriptions	5 February 2024
Entitlement Offer Securities issued	5 February 2024

* These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.

** The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date.

Eligible shareholders for the purposes of the Entitlement Offer are those shareholders with registered addresses at the Record Date in Australia, New Zealand, China, Hong Kong, Singapore, Germany, Canada and the United Kingdom.

Canaccord Genuity (**Canaccord**) acted as Lead Manager and Bookrunner to the Placement and will undertake to place any shortfall securities to the Entitlement Offer on a best endeavours basis. The Entitlement Offer is not underwritten.

Funds raised from the Placement and Entitlement Offer, after costs, will be applied to exploration at the Company's wholly owned Twin Hills and Yandan Gold Projects (including drilling at the Lone Sister and 309 deposits, and regional geochemical and geophysical programs), reduction of convertible note debt and provision of working capital.

GBM Managing Director & CEO, Peter Rohner, commented:

GBM Managing Director Peter Rohner said: "The Placement is one part of a broader restructure that will provide GBM opportunities to advance exploration at Twin Hills on the compelling targets we outlined to the market in our announcement on 28 April 2023, and reduce our Convertible Note position, while further asset divestments are completed in 2024".

Commenting on the Placement, CSAM co-founder and chief investment officer Vas Piperoglou said:

"We are proud to continue to support GBM, by participating in this placement (Tranche 2 component) and working with GBM to reduce the Convertible Note balance through conversion of a portion of our position and with the application of funds from further non-core asset sales to enable further reductions. Our team remains extremely excited to help GBM add and grow shareholder wealth via continued value add initiatives with an increased position on the equity side of the business (subject to shareholder approvals)."

An Appendix 3B with regards to the abovementioned securities will be lodged with ASX following this announcement.

This ASX announcement was approved and authorised for release by:
Peter Rohner, Managing Director

For further information please contact:

Investor enquiries

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About GBM Resources

GBM Resources Limited (ASX:GBZ) is a well-funded Queensland based 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 several premier metallogenic terrains.

GBM's flagship project in the Drummond Basin (QLD) holds ~1.84 Moz of gold in JORC resources (Mt Coolon, Yandan and Twin Hills). Some tenements in the Basin have recently become the subject of a A\$25m farm-in with Newcrest (now Newmont). 2024 will see an expanded drilling program which is aiming to define 2-3 Moz and support GBM's transition into a mid-tier Australian gold company.

Separately GBM also holds tenements in the Mt Morgan district, in the Mt Isa Inlier in Queensland (JV with Nippon Mining Australia - 56%) and also holds a 100% interest in the White Dam Gold-Copper Project in South Australia. Divestment of these non-core assets is in progress.

Competent Persons Statement

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.

APPENDIX 1: GBM Mineral Resource Estimate for the Drummond Basin Projects (Mt Coolon, Yandan and Twin Hills) along with other company interests

Deposit	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	000' t	Au g/t	Au oz	
Koala - ML													
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
Sub Total	114	1.7	6,200	729	2.6	60,800	700	2.7	61,100	1,563	2.5	128,100	
Eugenia													
Oxide - Open Pit				885	1.1	32,400	597	1.0	19,300	1,482	1.1	51,700	0.4
Sulphide - Open Pit				905	1.2	33,500	1,042	1.2	38,900	1,947	1.2	72,400	0.4
Sub Total				1,790	1.1	65,900	1,639	1.1	58,200	3,430	1.1	124,100	
Glen Eva - ML													
Sub Total - Open Pit				1,070	1.6	55,200	580	1.2	23,100	1,660	1.5	78,300	0.4
Yandan - ML													
East Hill - Open Pit				4,860	1.5	240,000	7,900	0.8	203,000	12,800	1.1	443,000	0.4
Yandan South - Open Pit							900	0.6	16,000	900	0.6	16,000	0.3
Sub Total				4,860	1.5	240,000	8,800	0.8	219,000	13,700	1.0	459,000	
Illamahta													
Oxide - Open Pit							1,147	0.7	26,900	1,147	0.7	26,900	0.4
Sulphide - Open Pit							1,045	0.9	28,600	1,045	0.9	28,600	0.4
Sub Total							2,192	0.8	55,500	2,192	0.8	55,500	
Twin Hills - ML													
309 - Open Pit	830	2.8	73,900	5,480	1.3	235,200	3,650	1.1	129,800	9,960	1.4	438,900	0.4
309 - UG				190	4.0	24,500	480	3.9	59,900	670	3.9	84,400	2.0
Lone Sister - Open Pit				5,250	1.3	277,300	6,550	0.9	188,500	11,800	1.1	415,800	0.4
Lone Sister - UG				370	2.9	34,300	310	2.6	25,800	680	2.7	60,100	2.0
Sub Total	830	2.8	73,900	11,290	1.4	521,300	10,990	1.1	404,000	23,110	1.3	999,200	
Drummond Basin Total	944	2.6	80,100	19,739	1.5	943,200	24,901	1.0	820,900	45,655	1.26	1,844,200	
White Dam - ML													
Hannaford - Open Pit				700	0.7	16,400	1,000	0.8	26,900	1,700	0.8	43,300	0.2
Vertigo - Open Pit				300	1.0	9,400	1,400	0.6	29,000	1,700	0.7	38,400	0.2
White Dam North - Open Pit				200	0.5	2,800	1,000	0.6	17,600	1,200	0.5	20,400	0.2
Sub Total				1,200	0.7	28,600	3,400	0.7	73,500	4,600	0.7	101,900	
cut-off grade is 0.20 g/t Au for all, Vertigo is restricted to above 150RL (~70 m below surface)													
GBM Total												1,946,100	

The announcements containing the Table 1 Checklists of Assessment and Reporting Criteria relating to the 2012 JORC compliant Resources are:

- Koala/Glen Eva and Eugenia – GBM ASX Announcement, 4 December 2017, Mt Coolon Gold Project Scoping Study, note these resources have not been verified by Newcrest (now Newmont) and are on tenements subject to a recent farm-in agreement with Newmont
 - Yandan – GBM ASX Announcement, 23 December 2020, Mt Coolon and Yandan Combined Resources Total 852,000 oz, following completion of Yandan acquisition, GBM ASX Announcement, 14 March 2023, Results of Yandan Mineral Resource Update
 - Twin Hills – GBM ASX Announcements, 18 January 2019, Mt Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces, 2 February 2022, Significant Resource Upgrade at Twin Hills Project and 5 December 2022, Twin Hills Gold Project Upgrades to ~1 Moz Mineral Resource
 - White Dam – GBM ASX Announcement, 18 August 2020, White Dam Maiden JORC 2012 Resource of 102 koz
- a) The preceding statements of Mineral Resources conforms to the “Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition”
 - b) All tonnages are dry metric tonnes
 - c) Data is rounded to ('000 tonnes, 0.0 g/t and '000 ounces). Discrepancies in totals may occur due to rounding
 - d) Resources have been reported as both open pit and underground with varying cut-off based off several factors as discussed in the corresponding Table 1 which can be found with the original ASX announcement for each Resource