



ABN 91 124 752 745

Financial Report

**For the Half-Year Ended
31 December 2023**

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GBM Resources Limited
ABN 91 124 752 745

Corporate Directory

Directors

Guan Huat Sunny Loh
Non-Executive Chairman

Peter Rohner
Managing Director

Peter Thompson
Non-Executive Director

Company Secretary

Kevin Hart
Dan Travers

Registered Office

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Mt Pleasant WA 6153
AUSTRALIA
Telephone: +61 493 239 674

Principal Place of Business

Level 5, Suite 502
303 Coronation Drive
Milton QLD 4064
AUSTRALIA

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000
AUSTRALIA

Share Registry

Computershare Investor Services
Level 17, 221 St Georges Terrace
Perth WA 6000
AUSTRALIA
Telephone: +61 8 9323 2000

Securities Exchange Listing

GBM Resources Limited - shares are listed on the
Australian Securities Exchange (ASX Code: GBZ)

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Building
16 Milligan Street
Perth WA 6000
AUSTRALIA

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GBM Resources Limited
ABN 91 124 752 745

Directors' Report

The Directors present the consolidated financial statements of GBM Resources Limited for the half-year ended 31 December 2023.

Directors

The following persons were directors of GBM Resources Limited during the whole of the half-year and up to the date of this report, unless stated otherwise:

| | |
|---------------------|------------------------|
| Guan Huat Sunny Loh | Non-Executive Chairman |
| Peter Rohner | Managing Director |
| Peter Thompson | Non-Executive Director |

Company Secretary

| | |
|-------------|-------------------------|
| Kevin Hart | Joint Company Secretary |
| Dan Travers | Joint Company Secretary |

Review of Operations

The consolidated net loss after income tax for the half-year was \$2,922,523 (31 December 2022: \$975,642), which includes exploration costs expensed and written off of \$38,465 (31 December 2022: \$191,548); net interest and finance costs of \$336,174 (31 December 2022: \$1,340,843 net income), and fair value losses of \$533,909 (31 December 2022: \$254,572 fair value gain).

At the end of the half-year the Group had \$254,428 (30 June 2023: \$1,901,042) in cash and at call deposits and approximately \$123,000 in listed shares that are available for trading.

Capitalised mineral exploration and evaluation expenditure at 31 December 2023 was \$45,522,633 (30 June 2023: \$45,629,203).

Exploration

Exploration expenditure incurred for the six months ended 31 December 2023 on the Company's wholly owned projects was \$1,478,061 (31 December 2022: \$3,404,154) and for the Farm-in projects was \$199,119 (31 December 2022: \$615,576).

During the half year, GBM undertook a systematic field review of identified high potential prospects across both the Twin Hills Gold Project and continued reviewing historical data at the Yandan Gold Project. Funding models to advance Twin Hills and Yandan exploration projects have been progressed with interested parties.

Work continued on the Mt Coolon Gold Project farm-in with Newcrest (now Newmont) with a multifaceted geophysical, geochemical and geological exploration program being completed. Expenditure during the reporting period was ~\$3.5 million, with a total expenditure on the farm-in to date of \$7.4 million.

Exploration activities also continued on other farm-in and joint venture projects.

Production – White Dam

In August 2023, the Company entered into a strategic binding agreement with Benagerie Gold & Copper Pty Ltd (BGC) to advance GBM's White Dam Project and BGC's Portia Gold Projects. BGC, via an associated company, mobilised its mining equipment at site to carry out activities enabling the treatment of remaining ROM pad material and rehandling/stacking of poorly irrigated heap leach material to increase gold production.

Gold production for the reporting period was 248 ounces with 246 ounces being sold during the period.

Directors' Report

Review of Operations (continued)

Corporate

During the reporting period, the Company raised \$1.1 million from the issue of 114,814,816 ordinary shares to institutional and sophisticated investors. Further work was undertaken on capital raising activities for a share placement and non-renounceable entitlement offer to be finalised in early 2024 to raise up to approximately \$3.5 million.

The Company continued with the rationalisation of its tenements. GBM entered into a Farm-In Agreement with Syndicated Minerals Pty Ltd (SM) under which SM can earn up to a 60% interest in selected commodities (Uranium, Rare Earth Elements, etc) on White Dam exploration licences EL 6435 and EL 6565. Non-core exploration lease EL 6299 was sold to Havilah Resources Limited for a consideration including \$100,000 cash payment (in stages) along with some development rights to two Havilah owned prospects Green and Gold and Wilkins, near White Dam.

Significant Changes in the State of Affairs of the Group

Other than as stated above and elsewhere in this report, there have been no significant changes in the state of affairs of the Group during the period ended 31 December 2023.

Events Subsequent to the Reporting Date

Other than the matters stated below, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 30 January 2024, a Pro-Rata Non-Renounceable Entitlement Offer closed. The Offer was on the basis of one New Share for every four Shares held in the Company at an issue price of \$0.009 per New Share. In addition, for each 2 New Shares issued, one option was issued with an exercise price of \$0.015 and expiring 24 months from the date of issue. At the date of this report, the Company has issued 143,158,720 New Shares and 71,579,344 Options under the Offer to raise approximately \$1.3 million (before costs).
- On 11 March 2024, a general meeting of shareholders was convened. One of the resolutions approved by shareholders related to amending the terms of the convertible notes held by Collins St Convertible Notes Pty Ltd (Collins Street) to allow \$900,000 of the convertible note debt to be converted into equity via the issue of 100,000,000 Shares (at an issue price of \$0.009) and 50,000,000 free attaching Options. In addition, the amendment of the conversion price from approximately \$0.06 to \$0.02 was approved.
- On 15 March 2024, the Company issued 100,738,888 shares under Tranche 2 of the Placement announced to the ASX on 20 December 2023 raising approximately \$907,000. A total of 105,924,993 free attaching options were issued in respect of Placement Shares issued under both tranches of the Placement. In addition, 100 million shares and 50 million free attaching options were issued to Collins Street for the conversion of \$900,000 of convertible note debt to equity.

Directors' Report

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 15th day of March 2024.



Peter Rohner
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of GBM Resources Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15 March 2024



M R Ohm
Partner

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

GBM Resources Limited
ABN 91 124 752 745

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2023

| | Note | Consolidated | |
|---|------|------------------------------|------------------------------|
| | | 31 December 2023 \$ | 31 December 2022 \$ |
| Revenue from metal sales | | 640,355 | 1,032,490 |
| (Loss)/gain on sale of assets | 3 | (38) | 231,621 |
| Other revenue | 3 | 47,338 | 228,104 |
| Interest and finance income | | 166,018 | 27,485 |
| Interest and finance expenses | | (502,192) | 1,313,358 |
| Net interest and finance (expenses)/income | 3 | (336,174) | 1,340,843 |
| Processing expenses | | (1,350,127) | (1,609,749) |
| Royalty expenses | | (54,328) | - |
| Employee expenses | | (369,298) | (464,867) |
| Employee expenses – share based | 16 | (23,309) | (237,673) |
| Consulting and professional expenses | | (135,729) | (281,619) |
| Exploration costs expensed and written off | 8 | (38,465) | (191,548) |
| Depreciation and amortisation expenses | | (308,108) | (574,482) |
| Fair value (loss)/gain on investments | 10 | (533,909) | 254,572 |
| Foreign exchange gain/(loss) | | - | (1,547) |
| Administration and other expenses | | (460,731) | (701,787) |
| Loss before income tax | | (2,922,523) | (975,642) |
| Income tax benefit | | - | - |
| Net loss for the half-year attributable to the members of the parent entity | | (2,922,523) | (975,642) |
| Other comprehensive income | | - | - |
| Total comprehensive loss for the period attributable to the members of the parent entity | | (2,922,523) | (975,642) |
| Loss per share | | | |
| Basic loss per share (cents) | | (0.5) | (0.2) |
| Diluted loss per share (cents) | | (0.5) | (0.2) |

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

GBM Resources Limited
ABN 91 124 752 745

Condensed Consolidated Statement of Financial Position
As at 31 December 2023

| | | Consolidated | |
|--|------|---------------------|-------------------|
| | | 31 December 2023 | 30 June 2023 |
| | | \$ | \$ |
| | Note | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 254,428 | 1,901,042 |
| Trade and other receivables | 5 | 68,729 | 387,495 |
| Prepayments | | 869,602 | 523,343 |
| Asset held for sale | 6 | 133,964 | 132,775 |
| Inventories | 7 | 368,715 | 299,267 |
| Financial assets | 10 | 834,498 | 132,512 |
| Total current assets | | 2,529,936 | 3,376,434 |
| Non-current assets | | | |
| Prepayments | 13 | 658,332 | 1,045,011 |
| Exploration and evaluation expenditure | 8 | 45,522,633 | 45,629,203 |
| Right-of-use assets | 9 | 49,347 | 91,644 |
| Property, plant and equipment | | 2,502,569 | 2,749,512 |
| Financial assets | 10 | - | 1,246,392 |
| Bonds and security deposits | 5 | 10,026,787 | 9,839,106 |
| Total non-current assets | | 58,759,668 | 60,600,868 |
| Total assets | | 61,289,604 | 63,977,302 |
| Current liabilities | | | |
| Trade and other payables | 11 | 1,333,740 | 598,230 |
| Employee leave liabilities | | 292,794 | 306,313 |
| Lease liabilities | 12 | 55,854 | 97,676 |
| Borrowings | 13 | 7,450,105 | 32,276 |
| Provisions | 14 | 117,751 | 30,000 |
| Total current liabilities | | 9,250,244 | 1,064,495 |
| Non-current liabilities | | | |
| Employee leave liabilities | | 136,629 | 128,285 |
| Borrowings | 13 | - | 7,360,421 |
| Provisions | 14 | 13,388,853 | 15,068,667 |
| Total non-current liabilities | | 13,525,482 | 22,557,373 |
| Total liabilities | | 22,775,726 | 23,621,868 |
| NET ASSETS | | 38,513,878 | 40,355,434 |
| Equity | | | |
| Issued capital | 15 | 66,936,608 | 65,878,950 |
| Option capital | | 193,694 | 193,694 |
| Accumulated losses | | (29,512,056) | (26,589,533) |
| Reserves | | 895,632 | 872,323 |
| TOTAL EQUITY | | 38,513,878 | 40,355,434 |

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

GBM Resources Limited
ABN 91 124 752 745

Condensed Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2023

| | Issued Capital | Option Capital | Accumulated losses | Share based payment reserve | Convertible Note Reserve | Total |
|--|-------------------|----------------|---------------------|--------------------------------|-----------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| At 1 July 2022 | 62,217,473 | 977,990 | (25,523,814) | 773,056 | - | 38,444,705 |
| Total comprehensive loss for the half-year: | | | | | | |
| Loss for the half-year | - | - | (975,642) | - | - | (975,642) |
| Shares issued net of costs | 1,598,473 | - | - | - | - | 1,598,473 |
| Issue of convertible notes | - | - | - | - | 110,806 | 110,806 |
| Exercise of options/rights | 664,816 | (9,522) | - | (226,727) | - | 428,567 |
| Cancellation of options | - | (968,468) | 968,468 | - | - | - |
| Fair value of options/rights vesting | - | - | - | 237,673 | - | 237,673 |
| At 31 December 2022 | 64,480,762 | - | (25,530,988) | 784,002 | 110,806 | 39,844,582 |
| At 1 July 2023 | 65,878,950 | 193,694 | (26,589,533) | 761,517 | 110,806 | 40,355,434 |
| Total comprehensive loss for the half-year: | | | | | | |
| Loss for the half-year | - | - | (2,922,523) | - | - | (2,922,523) |
| Shares issued net of costs | 1,038,604 | - | - | - | - | 1,038,604 |
| Shares issued in lieu of services | 19,026 | - | - | - | - | 19,026 |
| Exercise of options/rights | 28 | - | - | - | - | 28 |
| Fair value of options/rights vesting | - | - | - | 23,309 | - | 23,309 |
| At 31 December 2023 | 66,936,608 | 193,694 | (29,512,056) | 784,826 | 110,806 | 38,513,878 |

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

GBM Resources Limited
ABN 91 124 752 745

Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2023

| | Consolidated | |
|--|------------------------------|------------------------------|
| | 31 December 2023 \$ | 31 December 2022 \$ |
| Cash flows from operating activities | | |
| Cash receipts from metal sales | 938,417 | 1,032,490 |
| Payments to suppliers and employees | (1,986,155) | (3,169,440) |
| Government assistance, grants and tax incentives | - | 146,926 |
| Interest received | 166,018 | 27,485 |
| JV management fee income | 47,338 | 78,596 |
| Interest and other costs of finance paid | (271,498) | (135,382) |
| Net cash used in operating activities | (1,105,880) | (2,019,325) |
| Cash flows from investing activities | | |
| Refunds of bonds and security deposits | 12,318 | - |
| Payments to acquire property, plant and equipment | - | (26,726) |
| Funds provided by JV partner under farm-in agreement | 441,822 | 956,088 |
| Proceeds from sale of investments | 10,459 | 1,832,409 |
| Proceeds from sale of tenements | - | 210,000 |
| Payments for exploration and evaluation, including joint venture spend | (2,054,919) | (6,018,900) |
| Net cash used in investing activities | (1,590,320) | (3,047,129) |
| Cash flows from financing activities | | |
| Proceeds from the issue of shares | 1,100,000 | 1,669,540 |
| Share issue costs | (66,000) | (71,068) |
| Proceeds from the exercise of options | - | 404,042 |
| Proceeds from loans and borrowings | 199,604 | 7,743,229 |
| Repayment of loans and borrowings | (142,196) | (147,678) |
| Repayment of lease liabilities | (41,822) | (41,532) |
| Net cash from financing activities | 1,049,586 | 9,556,533 |
| Net (decrease)/increase in cash held | (1,646,614) | 4,490,079 |
| Cash at the beginning of the period | 1,901,042 | 836,149 |
| Effect of foreign currency exchange on cash | - | (1,547) |
| Cash at the end of the period | 254,428 | 5,324,681 |

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 1 BASIS OF PREPARATION OF HALF-YEAR REPORT

These general purpose financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Compliance with AASB 134 ensures that the financial statements comply with International Financial Reporting Standard IAS 134: Interim Financial Reporting.

The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on the historical cost basis except for the revaluation of certain financial assets to fair value.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made by GBM Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in these half-year financial statements as compared with the most recent annual financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Significant accounting judgements and key estimates

The preparation of half-year reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2023.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

Going Concern

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As at 31 December 2023, the Group has cash assets of \$254,428, total current assets of \$2,529,936 and total current liabilities of \$9,250,244. The loss for the reporting period was \$2,922,523 and operating and investing cash outflows were \$2,696,200. In addition to the current liabilities highlighted above, the Group makes reference to the ~\$3.2 million financial surety required as outlined in note 19(iv).

Notwithstanding these factors, the Directors are of the opinion that the Company is a going concern for the following reasons:

- Subsequent to the end of the reporting period, the Company raised approximately \$1.3 million pursuant to a non-renounceable entitlement issue and is currently seeking to place the remaining shortfall securities thereby raising up to an additional \$0.36 million.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 1 BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)

- Following shareholder approval at a general meeting held on 11 March 2024, the Company has:
 - issued placement shares to directors to raise \$0.44 million;
 - issued placement shares to Collins St Convertible Notes Pty Ltd (Collins St) to raise \$0.46 million; and
 - converted \$0.9 million of the Collins St second convertible note debt into equity.
- Whilst the convertible note debt was required, under accounting standard *AASB 101 Presentation of Financial Statements*, to be classified as a current liability at 31 December 2023, had the note restructure discussions with the noteholder and required approvals been obtained prior to the end of the reporting period, the convertible note debt would have been classified as non-current. At the date of this report, the debt is non-current and repayable in 2025 pursuant to the terms and conditions of the convertible note agreement. (refer note 13).
- Negotiations for the divestment of certain assets are continuing.
- The remaining interest payable on the convertible notes has been prepaid.
- Expenditure on future exploration activity is largely discretionary and is entirely dependent on available cash.

The Directors will continue to manage the Group's activities with due regard to current and future funding requirements. The Directors reasonably expect that the Company will be able to raise sufficient capital to fund the Group's exploration and working capital requirements if required, and that the Group will be able to settle debts as and when they become due and payable.

The Group's ability to continue as a going concern and meet future working capital requirements is dependent on the above points being realised. Should the Company not be successful in generating the required cash flows, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

Adoption of new and revised accounting standards

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group for the reporting period ended 31 December 2023.

The consolidated half-year financial statements were approved by the Board of Directors on 15th March 2024.

GBM Resources Limited
ABN 91 124 752 745

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 2 SEGMENT INFORMATION

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group has two operating segments, these being mineral exploration and resource development within Australia and production of minerals in Australia.

The following tables present revenue and profit information and certain asset and liability information regarding operating segments.

| 31 December 2023 | Mineral Exploration \$ | Mineral Production \$ | Consolidated \$ |
|--|---------------------------------------|--------------------------------------|----------------------------|
| Segment income | 47,338 | 640,355 | 687,693 |
| Net interest and finance expenses (note 3) | (335,945) | (229) | (336,174) |
| Other segment expenses | (1,457,194) | (1,816,848) | (3,274,042) |
| Segment profit/(loss) | (1,745,801) | (1,176,722) | (2,922,523) |
| Current assets | 2,113,609 | 416,327 | 2,529,936 |
| Non-current assets | 54,822,281 | 3,937,387 | 58,759,668 |
| Current liabilities | (8,296,988) | (953,256) | (9,250,244) |
| Non-current liabilities | (9,032,284) | (4,493,198) | (13,525,482) |
| Net assets | 39,606,618 | (1,092,740) | 38,513,878 |
| 31 December 2022 | Mineral Exploration \$ | Mineral Production \$ | Consolidated \$ |
| Interest and financing income (note 3) | 1,697,331 | 173,164 | 1,870,495 |
| Other income | 459,725 | 1,032,490 | 1,492,215 |
| Segment income | 2,157,056 | 1,205,654 | 3,362,710 |
| Segment expenses | (2,042,548) | (2,295,804) | (4,338,352) |
| Segment profit/(loss) | 114,508 | (1,090,150) | (975,642) |
| Current assets | 5,621,769 | 774,414 | 6,396,183 |
| Non-current assets | 51,797,272 | 7,790,165 | 59,587,437 |
| Current liabilities | (1,229,604) | (457,837) | (1,687,441) |
| Non-current liabilities | (20,418,433) | (4,033,164) | (24,451,597) |
| Net assets | 35,771,004 | 4,073,578 | 39,844,582 |

GBM Resources Limited
ABN 91 124 752 745

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 3 LOSS FROM ORDINARY ACTIVITIES

Included in loss before income tax are the following specific items of income/(expense):

| | Consolidated | |
|---|---------------------|-----------------|
| | 31 | 31 |
| | December | December |
| | 2023 | 2022 |
| | \$ | \$ |
| Gain on disposal of exploration assets ¹ | - | 274,389 |
| (Loss)/gain on disposal of investments | (38) | (42,768) |
| Total gain on disposal of assets | (38) | 231,621 |

¹ Gain on sale of the Mayfield Project to C29 Metals Limited.

| | Consolidated | |
|---|---------------------|------------------|
| | 31 | 31 |
| | December | December |
| | 2023 | 2022 |
| | \$ | \$ |
| Joint venture management fee income | 47,338 | 78,595 |
| Research and development rebate | - | 146,926 |
| Other income | - | 2,583 |
| Total other revenue | 47,338 | 228,104 |
| Interest income | 166,018 | 27,485 |
| Discount on rehabilitation provision | (106,995) | 1,843,010 |
| Convertible note establishment fee | - | (300,000) |
| Interest expense – convertible notes | (392,222) | (218,630) |
| Interest expense – leases | (1,654) | (2,810) |
| Interest expense – other | (1,321) | (8,212) |
| Net interest and finance (expenses)/income | (336,174) | 1,340,843 |

NOTE 4 CASH AND CASH EQUIVALENTS

| | Consolidated | |
|-------------------------------------|---------------------|------------------|
| | 31 | 30 |
| | December | June |
| | 2023 | 2023 |
| | \$ | \$ |
| a) Cash and cash equivalents | | |
| Cash at bank and on hand | 254,428 | 1,901,042 |

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 4 CASH AND CASH EQUIVALENTS (continued)

b) Cash available for specific use

Included in cash and cash equivalents is \$27,989 (30 June 2023: \$209,428) relating to cash calls received in advance from farm in and joint venture partners. These funds are for specific use on tenements covered under the Cloncurry Joint Venture agreement.

NOTE 5 TRADE AND OTHER RECEIVABLES

| | Consolidated | |
|--|------------------------------|--------------------------|
| | 31 December 2023 \$ | 30 June 2023 \$ |
| Current | | |
| Trade receivables | 9,251 | 387,495 |
| GST recoverable | 35,344 | - |
| Accrued income | 24,134 | - |
| | 68,729 | 387,495 |
| Non-current | | |
| Environmental bonds and security deposits for: | | |
| Mount Coolon Gold Project | 1,238,000 | 1,238,000 |
| Yandan Project | 5,277,151 | 5,077,151 |
| White Dam | 1,940,000 | 1,940,000 |
| Twin Hills | 1,467,656 | 1,467,656 |
| Other | 103,980 | 116,299 |
| | 10,026,787 | 9,839,106 |

NOTE 6 ASSETS HELD FOR SALE

| | Consolidated | |
|---------------------------------|------------------------------|--------------------------|
| | 31 December 2023 \$ | 30 June 2023 \$ |
| White Dam tenement ¹ | 133,964 | 132,775 |
| | 133,964 | 132,775 |

¹ In August 2023, the Group entered into a sale agreement with Havilah Resources Limited (ASX: HAV) for the sale of non-core White Dam exploration lease EL 6299 for a cash consideration of \$100,000 (in stages) along with some development rights to two Havilah owned prospects Green and Gold and Wilkins. Capitalised exploration expenditure was transferred to assets held-for-sale.

GBM Resources Limited
ABN 91 124 752 745

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 7 INVENTORIES

| | Consolidated | |
|--------------------------|---------------------------------|-----------------------------|
| | 31 December 2023 | 30 June 2023 |
| | \$ | \$ |
| Gold on hand | 236,853 | 220,311 |
| Reagents and consumables | 131,862 | 78,956 |
| | 368,715 | 299,267 |

NOTE 8 EXPLORATION AND EVALUATION EXPENDITURE

The capitalised exploration and evaluation expenditure of \$45,522,633 (30 June 2023: \$45,629,203) represents expenditure and acquisition costs incurred by the Group on its exploration assets.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

| | Consolidated | |
|--|---------------------------------|---------------------------------|
| | 31 December 2023 | 31 December 2022 |
| | \$ | \$ |
| Capitalised exploration costs at the beginning of the period | 45,629,203 | 37,442,813 |
| Exploration and evaluation costs incurred (excluding joint venture costs incurred) | 1,677,180 | 3,404,154 |
| Capitalised rehabilitation costs (note 14) | (1,744,096) | 2,904,714 |
| Transfer (to)/from asset held for sale (refer note 6) | (1,189) | 760,280 |
| Exploration costs expensed | (38,465) | (191,548) |
| Capitalised exploration costs at the end of the period | 45,522,633 | 44,320,413 |

NOTE 9 RIGHT-OF-USE ASSETS

| | Consolidated | |
|----------------------|---------------------------------|-----------------------------|
| | 31 December 2023 | 30 June 2023 |
| | \$ | \$ |
| Opening balance | 91,644 | 176,239 |
| Depreciation expense | (42,297) | (84,595) |
| | 49,347 | 91,644 |

The Group leases office space in Brisbane, Australia under an agreement for a term of 3 years.

GBM Resources Limited
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Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 10 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

| | Consolidated | |
|---|------------------------------|--------------------------|
| | 31 December 2023 \$ | 30 June 2023 \$ |
| Current | 834,498 | 132,512 |
| Non-current | - | 1,246,392 |
| | 834,498 | 1,378,904 |
| Balance at the start of the period/year | 1,378,904 | 1,634,642 |
| Investments acquired – Novo ¹ | - | 1,665,493 |
| Investments acquired – C29 Metals Limited ² | - | 250,000 |
| Disposal of investments ³ | (10,497) | (1,889,214) |
| Fair value gain/(loss) on investment recognised through profit or loss ⁴ | (533,909) | (282,017) |
| Balance at the end of the period | 834,498 | 1,378,904 |

¹ Fair value of fully paid ordinary shares and warrants received from Novo Resources Corp (Novo), a TSX-V listed company, as consideration for the remaining 50% of the Malmsbury Project.

² Fair value of fully paid ordinary shares received from C29 Metals Limited (ASX: C29) as part consideration for the Mayfield Project.

³ The fair value of shares sold.

⁴ Adjustment to carrying value of investments in shares based on TSX closing price and the AUD/CAD exchange rates at the end of each reporting period. The loss on the investment has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Investments designated at fair value through profit or loss have been measured at Level 1 in the fair value hierarchy.

NOTE 11 TRADE AND OTHER PAYABLES

| | Consolidated | |
|---|------------------------------|--------------------------|
| | 31 December 2023 \$ | 30 June 2023 \$ |
| Current | | |
| Unspent funds received from farm-in partner | 324,451 | 126,445 |
| Acquisition costs payable ¹ | 12,500 | 12,500 |
| Trade creditors ² | 525,241 | 362,485 |
| Sundry creditors and accruals | 374,773 | 21,970 |
| Employee liabilities | 96,775 | 74,802 |
| Share subscription liability | - | 28 |
| | 1,333,740 | 598,230 |

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Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 11 TRADE AND OTHER PAYABLES (continued)

¹ Acquisition costs payable to Drummond Gold Limited pursuant to the acquisition of Mt Coolon Gold Mines Pty Ltd.

² Trade payables are non-interest bearing and are normally settled on 30 day terms.

NOTE 12 LEASE LIABILITIES

| | Consolidated | |
|--|--|--|
| | 31 December 2023 \$ | 30 June 2023 \$ |
| Current liability | 55,854 | 97,676 |
| | 6 months to 31 December 2023 \$ | Year to 30 June 2023 \$ |
| Movement in lease liabilities | | |
| Opening balance | 97,676 | 181,493 |
| Principal repayments | (41,822) | (83,817) |
| Lease liabilities at the end of the period | 55,854 | 97,676 |

During the current reporting period, \$1,654 interest expense on leases was recognised in the Statement of Profit or Loss and Other Comprehensive Income.

NOTE 13 BORROWINGS

| | Consolidated | |
|---|------------------------------|--------------------------|
| | 31 December 2023 \$ | 30 June 2023 \$ |
| Current | | |
| Secured loan ¹ | 17,626 | 32,276 |
| Insurance premium funding | 74,935 | - |
| Convertible note liability ² | 7,357,544 | - |
| | 7,450,105 | 32,276 |
| Non-Current | | |
| Secured loan ¹ | - | 2,877 |
| Convertible note liability ² | - | 7,357,544 |
| | - | 7,360,421 |
| Total Borrowings | 7,450,105 | 7,392,697 |

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 13 BORROWINGS (continued)

¹ Loan agreements to finance vehicles/mobile equipment at the White Dam project.

² The Company entered into a convertible note (Note) agreement with Collins Street Convertible Notes Pty Ltd (Collins Street) for funding of up to \$10,000,000 via the issue of two convertible notes each with a face value of \$5,000,000. The convertible notes were issued on 21 October 2022 and 30 December 2022. Each note is due for repayment 3 years after its issue date. The second note was partially redeemed during the prior financial year.

Interest on the convertible notes is calculated at 10.5% per annum and is paid monthly in advance for the first 12 months from issue date. The remainder of the interest due has been prepaid and is classified as Prepayments on the Statement of Financial Position (current: \$786,323; non-current \$658,332).

In December 2023, the Company entered into a binding agreement with Collins Street to amend the Convertible Note Agreement to convert, subject to meeting a number of conditions precedent, \$900,000 of the outstanding face value of the second note and to amend the conversion price of the notes from approximately \$0.06 to \$0.02. Approval for these changes was obtained from shareholders on 11 March 2024.

At 31 December 2023, the convertible note debt was required, under accounting standard *AASB 101 Presentation of Financial Statements*, to be classified as a current liability. Had the note restructure discussions with the noteholder and required approvals (conditions) been obtained prior to the end of the reporting period, the convertible note debt would have been classified as non-current. At the date of this report, the debt is non-current and repayable in 2025 (Note 1 October 2025 and Note 2 in December 2025) pursuant to the terms and conditions of the convertible note agreement.

| | 6 months to | Year to |
|-------------------------------------|--------------------|------------------|
| | 31 | 30 |
| | December | June |
| | 2023 | 2023 |
| | \$ | \$ |
| Movement in convertible note | | |
| Opening balance | 7,357,544 | - |
| Proceeds from drawdown | - | 10,000,000 |
| Amounts classified as equity | - | (110,806) |
| Partial redemption of note | - | (2,531,650) |
| Closing balance | 7,357,544 | 7,357,544 |

GBM Resources Limited
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Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 14 PROVISIONS

| | Consolidated | |
|---------------------------------------|------------------------------|--------------------------|
| | 31 December 2023 \$ | 30 June 2023 \$ |
| Current | | |
| Royalty Provision | 117,751 | 30,000 |
| Non-Current | | |
| Rehabilitation Provision ² | 11,179,343 | 12,816,444 |
| Royalty Provision ¹ | 2,209,510 | 2,252,223 |
| | 13,388,853 | 15,068,667 |
| Total Provisions | 13,506,604 | 15,098,667 |

¹ Under the acquisition of the White Dam Project, the consideration included future royalties payable on the JORC resources forming the White Dam Project.

² At 30 June 2023, the value of the rehabilitation provision for the Yandan project was recognised at \$9.67 million which represented the Estimated Rehabilitation Cost (ERC) as advised by the Department of Environment and Science (DES). The Group appealed the DES' calculations with the Land Court of Queensland and in November 2023 a decision was agreed by the parties and handed down with an amount of the ERC being \$7.91 million.

The present value of the provision for future rehabilitation costs was reassessed during the reporting period. The unwinding of the discount on the rehabilitation provision is recognised in the Statement of Profit or Loss and Other Comprehensive Income as a financing expense.

NOTE 15 ISSUED CAPITAL

| | 6 months to 31 December 2023 # | Year to 30 June 2023 # | 6 months to 31 December 2023 \$ | Year to 30 June 2023 \$ |
|--------------------------------|--|------------------------------------|---|-------------------------------------|
| At the beginning of the period | 615,960,932 | 522,928,466 | 65,878,950 | 62,217,473 |
| Share placements | 114,814,816 | 83,250,747 | 1,100,000 | 3,070,340 |
| In lieu of services | 656,928 | 918,869 | 19,026 | 31,325 |
| Exercise of options | 250 | 8,380,893 | 28 | 654,816 |
| Exercise of rights | - | 481,957 | - | 59,375 |
| Costs related to share issues | - | - | (61,396) | (154,379) |
| At the end of the period | 731,432,926 | 615,960,932 | 66,936,608 | 65,878,950 |

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 16 SHARE BASED PAYMENTS

Options and Rights

During the reporting period, no options or performance rights were issued as an incentive or for the payment of services.

The fair value of options and rights is apportioned over the vesting period of these securities. A total vesting expense of \$23,309 is recognised in the consolidated statement of profit or loss and other comprehensive income during the reporting period for options (\$5,509) and performance rights (\$17,800) granted in prior periods.

Shares

During the reporting period and following shareholder approval, the Company issued 656,928 ordinary shares to Managing Director, Peter Rohner, as payment in lieu of directors' fees payable to Mr Rohner during the period 1 February 2023 to 31 March 2023.

NOTE 17 FAIR VALUE

The carrying amount of the financial assets and financial liabilities that are recognised in the condensed consolidated financial statements approximate their fair values.

The methods and valuation techniques used for the purposes of measuring fair value are unchanged from the previous reporting period.

NOTE 18 DIVIDENDS

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2023.

NOTE 19 CONTINGENCIES AND COMMITMENTS

(i) *Contingent liabilities*

There has been no change in contingent liabilities since the last annual reporting date.

(ii) *Contingent assets*

There has been no change in contingent assets since the last annual reporting date.

(iii) *Exploration commitments*

Minimum expenditure requirements for the following 12 months on the Group's exploration licences as at 31 December 2023 are approximately \$3.9 million.

(iv) *Environmental Bonds*

The Queensland State Government has a Financial Provisioning Scheme (FPS) to assist with managing environmental and rehabilitation obligations. Estimated Rehabilitation Costs (ERC) as advised by the Department of Environment and Science (DES) for the Yandan, Twin Hills, and Mount Coolon Gold Projects were re-assessed during the period, resulting in an increase of environmental bonds due of approximately \$3.2 million.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2023

NOTE 20 EVENTS OCCURRING AFTER THE BALANCE DATE

Other than the matters stated below, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 30 January 2024, a Pro-Rata Non-Renounceable Entitlement Offer closed. The Offer was on the basis of one New Share for every four Shares held in the Company at an issue price of \$0.009 per New Share. In addition, for each 2 New Shares issued, one option was issued with an exercise price of \$0.015 and expiring 24 months from the date of issue. At the date of this report, the Company has issued 143,158,720 New Shares and 71,579,344 Options under the Offer to raise approximately \$1.3 million (before costs).
- On 11 March 2024, a general meeting of shareholders was convened. One of the resolutions approved by shareholders related to amending the terms of the convertible notes held by Collins St Convertible Notes Pty Ltd to allow \$900,000 of the convertible note debt to be converted into equity via the issue of 100,000,000 Shares (at an issue price of \$0.009) and 50,000,000 free attaching Options. In addition, the amendment of the conversion price from approximately \$0.06 to \$0.02 was approved.
- On 15 March 2024, the Company issued 100,738,888 shares under Tranche 2 of the Placement announced to the ASX on 20 December 2023 raising approximately \$907,000. A total of 105,924,993 free attaching options were issued in respect of Placement Shares issued under both tranches of the Placement. In addition, 100 million shares and 50 million free attaching options were issued to Collins Street for the conversion of \$900,000 of convertible note debt to equity.

Directors' Declaration

The Directors of GBM Resources Limited ("the Company") declare that:

- (a) the attached interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*, and the Corporations Regulations 2001, and other mandatory reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors, made pursuant to s303(5) of the Corporations Act 2001.

Signed at Perth this 15th day of March 2024.



Peter Rohner
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of GBM Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of GBM Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of GBM Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2024



M R Ohm
Partner