

**ASX Announcement**

15 July 2024

**Binding \$12 Million Sale and Farm-in Agreement on Twin Hills****KEY POINTS**

- GBM Resources Limited (GBM or Company) has executed a binding Heads of Agreement (HoA) with Wise Walkers Limited (Wise Walkers) to earn up to a 70% joint venture interest in the Twin Hills Gold Project (Twin Hills). Refer to area highlighted in pale green in Appendix 3.
- GBM to receive a total A\$6 million in cash consideration and Wise Walkers to sole fund further exploration of A\$6 million over an 18-month period to earn a 70% interest.
- GBM to retain a 30% interest free carried to a decision to mine.
- A non-refundable exclusivity fee of A\$1 million and deposit of A\$2 million have been received. These payments will form part of the \$6 million cash consideration.
- The parties agree that they will use their best endeavours to negotiate and agree a full form Farm-in and Joint Venture Agreement over the next +60 days, subject to conditions precedent below being met.

GBM is pleased to advise that Wise Walkers, who are a significant and supportive shareholder with an interest of ~9.6% of the Company's issued shares, will enter into a farm-in agreement to advance the Twin Hills Gold Project to a decision to mine.

Pursuant to the HoA, Wise Walkers will settle a total cash consideration of A\$6 million to GBM and sole fund a further \$6 million in exploration expenditure over an 18-month period, subject to certain conditions. Wise Walkers will have earned a 70% interest in Twin Hills and GBM will retain a 30% free carried interest to a decision to mine.

Wise Walkers has paid GBM a non-refundable exclusivity fee of A\$1 million. A further A\$2 million has been received at GBM's solicitor's trust account from Wise Walkers, with the remaining A\$3 million cash payment to be paid by Wise Walkers following satisfaction of certain Conditions Precedent and execution of the formal Farm-in and Joint Venture Agreement.

GBM intends to apply the cash consideration component to repay the convertible notes debt held by Collins St Convertible Notes Pty Ltd and to provide working capital.

GBM and Wise Walkers will use best endeavours to negotiate and agree a formal Farm-in and Joint Venture Agreement.

*(Refer to the schedule of key terms of the HoA in Appendix 1 for further details.)*

**GBM Managing Director and CEO, Peter Rohner, commented:**

*'GBM has continued to look to realise value from the advancement of assets for GBM's shareholders. GBM's focus continues to be on the prospective Drummond Basin where large high grade epithermal gold deposits exist and where it has expanded JORC resources to ~ 1.84 Moz of gold. This HoA, along with the Farm-in agreement with Newmont on the Mt Coolon Project, provides funding and support to advance these two large prospective tenement packages. The sale component of this agreement provides the necessary funding to repay the Convertible Note when completed. GBM will now focus on advancing the Yandan Gold Project. Wise Walkers has been a supportive shareholder and recent discussions have demonstrated significant opportunities in which they can assist to grow value'*

### **Conditions Precedent**

If Required, GBM Shareholders approving by resolution at an extraordinary general meeting of Shareholders the Farm-in transaction.

A notice in writing being issued by or on behalf of the Treasurer to the effect that in accordance with the FIRB Act the Commonwealth Government does not object to the Farm-in transaction.

GBM and Wise Walkers obtaining any other third-party approvals or consents required to complete its obligations under the Farm-in Agreement.

### **About Twin Hills Mineral Resources**

**The combined resource at Twin Hills of 23.11 Mt @ 1.3 g/t Au and 6.5 g/t Ag for 999,200 oz Au and 4,824,600 oz Ag with 60% of the resource now in Measured and Indicated categories.**

#### **Lone Sister - Mineral Resource Estimate (MRE)**

The MRE for Lone Sister deposit comprises 12.48 Mt @ 1.2 g/t Au for 475,900 oz Au with 55% of the resource now in Measured and Indicated categories (Table 1). GBM considers Twin Hills as a stand-alone operation and the estimate includes open pit style resources that have captured most of the previously unreported gold mineralisation.

The Lone Sister ore body is currently defined for 350 m along strike, over 400 m in height, and is approximately 150 m wide. The broadly tabular shape directly reflects mineralisation that is preferentially hosted within a rhyolite dyke with some evidence for limited mineralisation having formed within specific lithological units adjacent to the dyke. Higher grade gold mineralisation displays a distinct plunge to the north and remains open at depth.

Gold mineralisation manifests as quartz-pyrite veinlets and disseminated pyrite with higher grades associated with increased vein density and higher pyrite percentage. Silicification is also significantly increased around mineralisation.

#### **309 - Mineral Resource Estimate (MRE)**

The MRE for 309 deposit comprises 10.63 Mt @ 1.5 g/t Au for 523,300 oz Au with 64% of the resource now in Measured and Indicated categories (Table1).

Currently defined gold mineralisation extends from surface downward for 380 m, along strike in a WNW direction for 380 m and NNE for 330 m. Overall, the system dips steeply to the south and plunges to the east with high grade gold mineralisation remaining open at depth.

A variety of hydrothermal mineralisation styles are present at 309. On surface, sinter crops out along an arcuate trend that rings near surface gold mineralisation. The complex shape of the 309 ore body is the result of both structural controls on fluid flow and hydrothermal processes.

At depth gold mineralisation is predominantly focused along WNW and, to a lesser extent, NNE structural zones as stockwork veins and breccia fill. The best grades form in two 50 -70 m high layers broadly sub-parallel to bedding and presumably the palaeo surface.

The uppermost of the two zones contains abundant bladed fluorite-chalcedony-quartz veins and breccia fill. GBM interprets this zone to represent a boiling and / or fluid mixing zone with associated abundant silicification potentially having formed a cap that allowed later gold rich fluids to be concentrated.

Deposit	MRE Category	Cutoff (Au g/t)	Tonnes	Au (g/t)	Ag (g/t)	Au oz	Ag oz
309 Deposit	<b>309 Open Pit (above ORL)</b>						
	Measured	0.4	830,000	2.8	5.3	73,900	141,900
	Indicated	0.4	5,480,000	1.3	2.4	235,200	421,100
	Inferred	0.4	3,650,000	1.1	1.7	129,800	198,000
	Total open pit	0.4	9,960,000	1.4	2.4	438,900	761,000
	<b>309 Underground (below ORL)</b>						
	Measured	2.0	-	-	-	-	-
	Indicated	2.0	190,000	4.0	2.2	24,500	13,400
	Inferred	2.0	480,000	3.9	1.8	59,900	28,600
	Total underground	2.0	670,000	3.9	1.9	84,400	42,000
	<b>309 Total</b>						
	Measured	0.4 / 2.0	830,000	2.8	5.3	73,900	141,900
	Indicated	0.4 / 2.0	5,670,000	1.4	2.4	259,700	434,500
Inferred	0.4 / 2.0	4,130,000	1.4	1.7	189,700	226,600	
<b>309 Total</b>	<b>0.4 / 2.0</b>	<b>10,630,000</b>	<b>1.5</b>	<b>2.3</b>	<b>523,300</b>	<b>803,000</b>	
Lone Sister Deposit	<b>Lone Sister Open Pit (above ORL)</b>						
	Measured	0.4	-	-	-	-	-
	Indicated	0.4	5,250,000	1.3	15.2	227,300	2,559,200
	Inferred	0.4	6,550,000	0.9	6.5	188,500	1,370,700
	Total open pit	0.4	11,800,000	1.1	10.4	415,800	3,929,900
	<b>Lone Sister Underground (below ORL)</b>						
	Measured	2.0	-	-	-	-	-
	Indicated	2.0	370,000	2.9	4.3	34,300	51,800
	Inferred	2.0	310,000	2.6	4.0	25,800	39,900
	Total underground	2.0	680,000	2.7	4.2	60,100	91,700
	<b>Lone Sister Total</b>						
	Measured	0.4 / 2.0	-	-	-	-	-
	Indicated	0.4 / 2.0	5,620,000	1.4	14.5	261,600	2,611,000
Inferred	0.4 / 2.0	6,860,000	1.0	6.4	214,300	1,410,600	
<b>Lone Sister Total</b>	<b>0.4 / 2.0</b>	<b>12,480,000</b>	<b>1.2</b>	<b>10.0</b>	<b>475,900</b>	<b>4,021,600</b>	
Twin Hills Total	<b>Twin Hills Open Pit (above ORL)</b>						
	Measured	0.4	830,000	2.8	5.3	73,900	141,900
	Indicated	0.4	10,730,000	1.3	8.6	462,500	2,980,300
	Inferred	0.4	10,200,000	1.0	4.8	318,300	1,568,700
	Total open pit	0.4	21,760,000	1.2	6.7	854,700	4,690,900
	<b>Twin Hills Underground (below ORL)</b>						
	Measured	2.0	-	-	-	-	-
	Indicated	2.0	560,000	3.3	3.6	58,800	65,200
	Inferred	2.0	790,000	3.4	2.7	85,700	68,500
	Total underground	2.0	1,350,000	3.3	3.1	144,500	133,700
	<b>Twin Hills Total</b>						
	Measured	0.4 / 2.0	830,000	2.8	5.3	73,900	141,900
	Indicated	0.4 / 2.0	11,290,000	1.4	8.4	521,300	3,045,500
Inferred	0.4 / 2.0	10,990,000	1.1	4.6	404,000	1,637,200	
<b>Twin Hills Total</b>	<b>0.4 / 2.0</b>	<b>23,110,000</b>	<b>1.3</b>	<b>6.5</b>	<b>999,200</b>	<b>4,824,600</b>	

Table 1: Summary of the Twin Hills Gold Project MRE showing Au and Ag resources.

**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)

**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 (see Appendix 2) in the Basin are subject to a A\$25m farm-in with 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%). Divestment of these non-core assets is in progress. GBM has recently entered into a binding term sheet for the sale of White Dam Gold-Copper Project in South Australia (Refer ASX release dated 8 July 2024).

**About Wise Walkers**

Wise Walkers Limited was founded in 2012 and mainly engaged in equity investment, asset management, strategic planning, project consulting, with assets under management exceeding A\$1 billion.

Wise Walkers has extensive resources in the Asia-Pacific region (especially Hong Kong, Singapore, and Australia), and is active in major financial capital markets such as Hong Kong and Singapore. Wise Walkers has established long-term and good partnerships with well-known enterprises. Wise Walkers has vast experience and a proven track record in acquisition of Australian enterprises and has successfully assisted these enterprises to scale up their operations.

**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: Key Terms of the Twin Hills HoA

Farm-in	<p>Total Farm-in consideration, by payment of which Wise Walkers can earn up to a 70% joint venture interest, amounts to A\$12 million.</p> <p>GBM will also retain a 30% free carried interest to the decision to mine.</p> <p>Any funding requirement after the free carry period (i.e. after a decision to mine has been made) shall be proportioned based on the respective interests of the parties in the project, with Wise Walkers responsible for 70% and GBM responsible for 30% of any additional funding.</p>
Farm-in Consideration	<p>The Farm-in Consideration is made up of:</p> <ul style="list-style-type: none"> <li>- An upfront cash payment of A\$6 million (Cash Payment); and</li> <li>- Sole fund exploration expenditure of A\$6 million over an 18-month period.</li> </ul>
Conditions Precedent	<ul style="list-style-type: none"> <li>- If required, GBM Shareholders approving by resolution at an extraordinary general meeting of Shareholders the Farm-in Agreement.</li> <li>- A notice in writing being issued by or on behalf of the Treasurer to the effect that in accordance with the FIRB Act the Commonwealth Government does not object to the Farm-in Agreement.</li> <li>- GBM and Wise Walkers obtaining any other third-party approvals or consents required to complete its obligations under the Farm-in Agreement.</li> </ul>
Exclusivity Fee	<p>A non-refundable exclusivity fee of \$1 million, which has been received by GBM.</p> <p>The exclusivity fee forms part of the Cash Payment.</p>
Deposit Payment	<p>A deposit of \$2 million is being held in trust by GBM's solicitors until payment to GBM is required under an executed Farm-in Agreement.</p> <p>In the event that the Conditions Precedent are satisfied and Wise Walkers does not pay the balance of the Cash Payment amounting to \$3 million, then GBM will retain the \$2 million deposit and issue shares to Wise Walkers to that amount at \$0.015 per share.</p> <p>In the event that the Conditions Precedent are not satisfied the deposit payment of \$2 million will be returned in full to Wise Walkers.</p> <p>The Deposit Payment forms part of the Cash Payment.</p>
Balance of Cash Payment	<p>Following satisfaction of the Conditions Precedent, Wise Walkers is to advance payment of \$3 million to be held in trust by GBM's solicitors until payment to GBM is required under an executed Farm-in Agreement.</p>

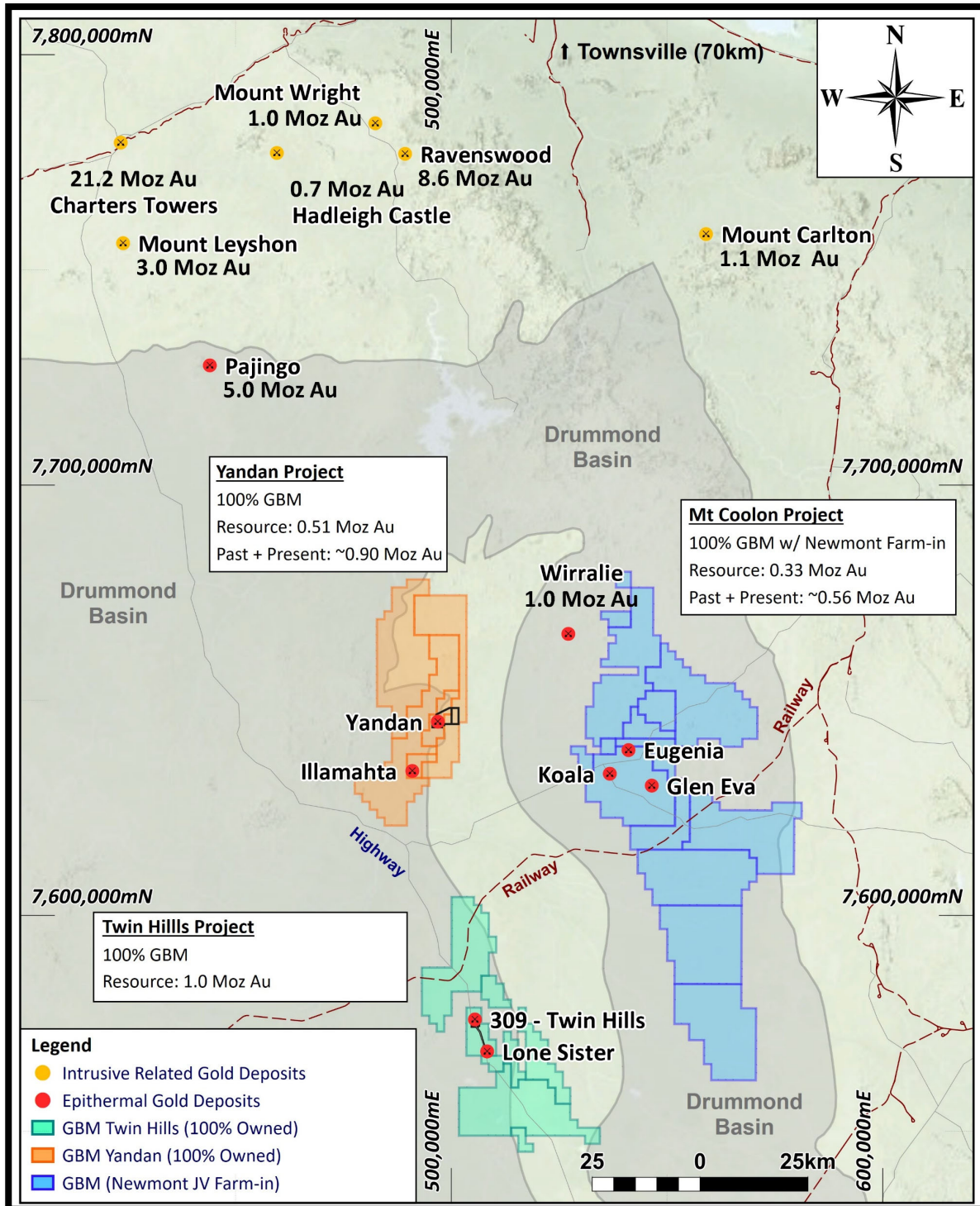
## APPENDIX 2: GBM Mineral Resource Estimate for the Drummond Basin Projects (Mt Coolon, Yandan and Twin Hills) along with other company interests

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	
<b>Koala - ML (subject to the 2022 farm-in agreement with Newmont, formerly Newcrest)</b>													
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
<b>Sub Total</b>	<b>114</b>	<b>1.7</b>	<b>6,200</b>	<b>729</b>	<b>2.6</b>	<b>60,800</b>	<b>700</b>	<b>2.7</b>	<b>61,100</b>	<b>1,563</b>	<b>2.5</b>	<b>128,100</b>	
<b>Eugenia (subject to the 2022 farm-in agreement with Newmont, formerly Newcrest)</b>													
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
<b>Sub Total</b>				<b>1,790</b>	<b>1.1</b>	<b>65,900</b>	<b>1,639</b>	<b>1.1</b>	<b>58,200</b>	<b>3,430</b>	<b>1.1</b>	<b>124,100</b>	
<b>Glen Eva - ML (subject to the 2022 farm-in agreement with Newmont, formerly Newcrest)</b>													
<b>Sub Total - Open Pit</b>				<b>1,070</b>	<b>1.6</b>	<b>55,200</b>	<b>580</b>	<b>1.2</b>	<b>23,100</b>	<b>1,660</b>	<b>1.5</b>	<b>78,300</b>	<b>0.4</b>
<b>Yandan - ML</b>													
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
<b>Sub Total</b>				<b>4,860</b>	<b>1.5</b>	<b>240,000</b>	<b>8,800</b>	<b>0.8</b>	<b>219,000</b>	<b>13,700</b>	<b>1.0</b>	<b>459,000</b>	
<b>Illamahta</b>													
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
<b>Sub Total</b>							<b>2,192</b>	<b>0.8</b>	<b>55,500</b>	<b>2,192</b>	<b>0.8</b>	<b>55,500</b>	
<b>Twin Hills - ML</b>													
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
<b>Sub Total</b>	<b>830</b>	<b>2.8</b>	<b>73,900</b>	<b>11,290</b>	<b>1.4</b>	<b>521,300</b>	<b>10,990</b>	<b>1.1</b>	<b>404,000</b>	<b>23,110</b>	<b>1.3</b>	<b>999,200</b>	
<b>Drummond Basin Total</b>	<b>944</b>	<b>2.6</b>	<b>80,100</b>	<b>19,739</b>	<b>1.5</b>	<b>943,200</b>	<b>24,901</b>	<b>1.0</b>	<b>820,900</b>	<b>45,655</b>	<b>1.26</b>	<b>1,844,200</b>	
<b>White Dam - ML</b>													
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
<b>Sub Total</b>				<b>1,200</b>	<b>0.7</b>	<b>28,600</b>	<b>3,400</b>	<b>0.7</b>	<b>73,500</b>	<b>4,600</b>	<b>0.7</b>	<b>101,900</b>	
cut-off grade is 0.20 g/t Au for all, Vertigo is restricted to above 150RL (~70 m below surface)													
<b>GBM Total</b>												<b>1,946,100</b>	

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 reviewed or verified by Newmont and are on tenements subject to the 2022 farm-in agreement with Newmont (formerly Newcrest)
  - 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

**APPENDIX 3: GBM holds 4,667 km<sup>2</sup> of mining and exploration tenure across 23 granted EPMS and 7 Mining Leases within the Drummond Basin, Australia's pre-eminent epithermal gold terrain. This includes granted mining leases at Twin Hills, Yandan, and Mt Coolon. Along with a key JV with Newmont on the Mt Coolon tenements.**



Mt Coolon Project tenements (blue above) subject to Newmont Farm-in include; EPM's 15902, 25365, 25850, 7259, 26842, 26914, 27555, 27556, 27557, 27558, 27598 and ML's 10227, 1029, 1085, 1086.