28 September 2018

GBM EXECUTES AGREEMENT WITH MINJAR TO ACQUIRE TWIN HILLS GOLD PROJECT IN DRUMMOND BASIN, QUEENSLAND

HIGHLIGHTS

- **Binding Sale and Purchase Agreement signed with Minjar Gold Pty Ltd[1] to acquire 100% interest in Twin Hills Gold Project proximate to GBM's Mt Coolon Gold Project.**
- **Acquisition cost is A$1.5 million on a partially deferred settlement basis.**
- **Twin Hills acquisition further underwrites the economic potential of the Mt Coolon Gold Project, potentially doubling its resource base and adding significant exploration potential.**

GBM Resources Limited (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to announce the signing of a binding Sale and Purchase Agreement ("**SPA**") with Minjar Gold Pty Ltd ("**Minjar**") whereby GBM will acquire 100% ownership of the Twin Hills Gold Project ("**Twin Hills**").

The inclusion of Twin Hills potentially doubles the resource base of the Company's flagship Mt Coolon Gold Project ("**Mt Coolon**"), which is located approximately 90km north-east of Twin Hills. Mt Coolon is planned to be redeveloped as a central processing hub with the proposed co-development of Twin Hills providing a high-grade satellite feed source.

GBM believes that the acquisition of Twin Hills also has clear potential to open up additional funding and investment opportunities for the development of Mt Coolon.

[1] *Minjar Gold Pty Ltd is a mid–tier gold company that operates the Golden Dragon operations in Western Australia and the Pajingo operations in Queensland. Minjar Gold Pty Ltd is a wholly owned subsidiary of Shandong Tyan Home Co Ltd, a listed company on the Shanghai Stock Exchange.*

ASX Code: GBZ

COMPANY DIRECTORS

Peter Thompson
Managing Director/ Executive Chairman

Neil Norris
Exploration Director – Executive

Hun Seng Tan
Non-Executive Director

CONTACT DETAILS

Principal & Registered Office
Suite 8, 7 The Esplanade,
Mt Pleasant, WA 6153

Exploration Office
10 Parker Street,
Castlemaine, Victoria 3450

Website
www.gbmr.com.au

Email
info@gbmr.com.au

Phone
+61 (8) 9316 9100

Fax
+61 (8) 9315 5475

Phone (Exploration Office)
+61 (3) 5470 5033

Key terms of the SPA

1. Consideration

Cash consideration of A$1.5 million is payable in the following tranches:

i. A$0.35 million on Completion;

ii. A$0.35 million paid 3 months after Completion; and

iii. A$0.80 million paid 6 months after Completion.

2. Conditions precedent

Completion is subject to and conditional upon:

i. GBM obtaining indicative approval for the transfer of the tenements;

ii. the consents of all third parties being obtained pursuant to the primary agreements to which the Third Party Agreements relate (as required);

iii. GBM completing a debt or equity capital raising of at least A$7 million (representing the estimated Stage 1 funding required for the re-development of Mt Coolon); and

iv. the SPA being endorsed by the Commissioner of State Revenue in the manner prescribed in the Duties Act.

GBM has 90 days to satisfy all these conditions or such later date as the parties may agree or the SPA is terminated.

3. Financial Assurance

The current Financial Assurance of A$1 million (meaning the sum provided as environmental security pursuant to the Mineral Resources Act 1989, Queensland) will be replaced on the transfer of the Twin Hill tenements to GBM.

A brief summary of the Twin Hills Project follows. For further details please see the GBM Resources ASX announcement of 22 December 2017, *"GBM ACQUIRES THE TWIN HILL GOLD PROJECT IN THE DRUMMOND BASIN, QLD"*.

Twin Hills

Twin Hills is located approximately 90km south-west of Mt Coolon in Queensland, within the Drummond Basin. The Drummond Basin is an established gold mining region with past production of more than 4.5Moz of gold. Deposit styles range from bonanza grade epithermal veins (eg Pajingo 3.0Moz) to bulk tonnage intrusive related gold deposits (eg Mt Leyshon 2.1Moz).

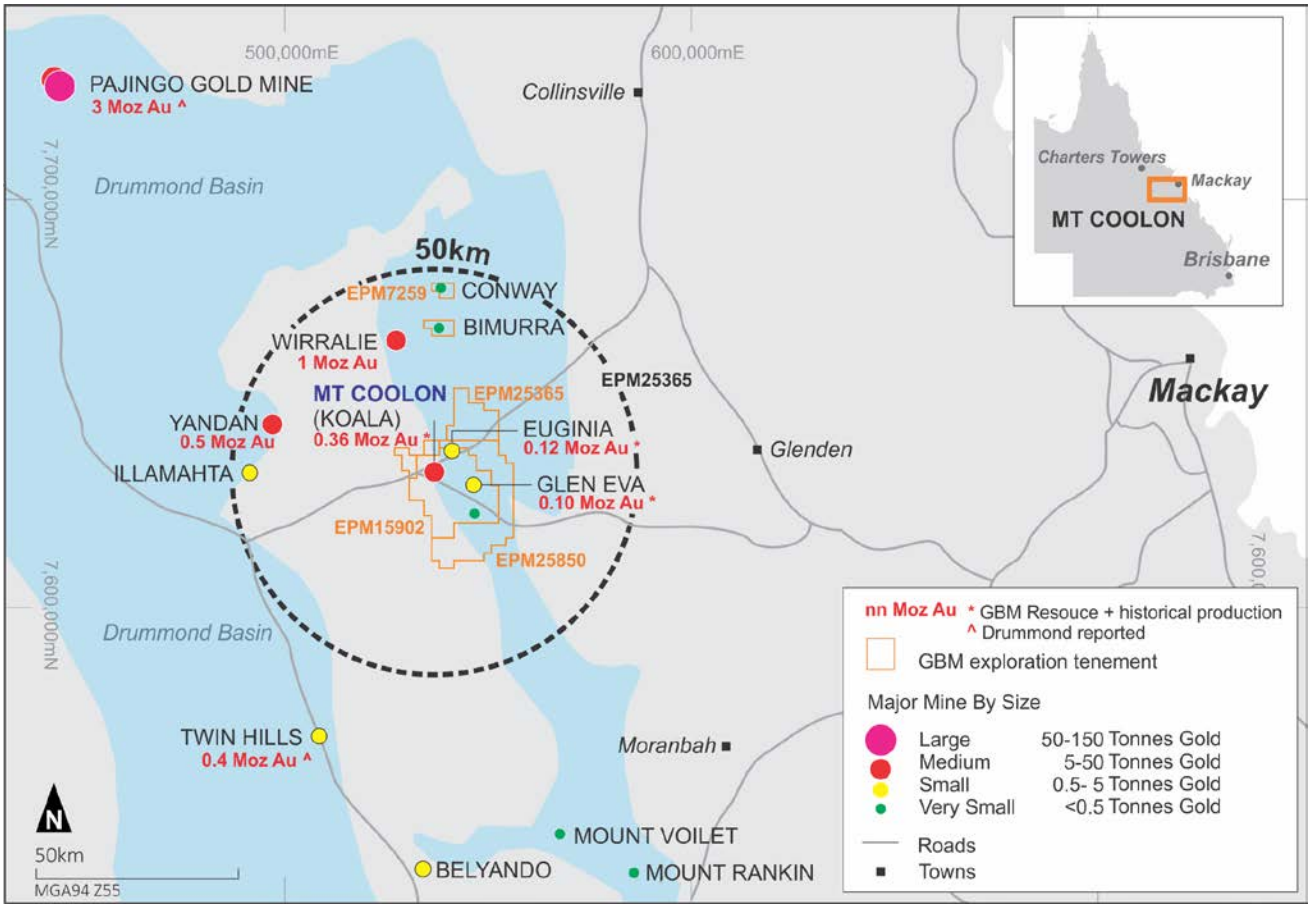

Figure 1: Mount Coolon Project location plan showing current GBM deposits and the nearby Twin Hills Gold Project. Known gold attributable to each deposit (past production plus resources) is shown.

The Twin Hills Project consists of 3 exploration permits and 1 mining lease with a total tenement area of approximately 200km^2:

Project	Tenement	Name
Twin Hills	EPM 19504	Dingo Range
Twin Hills	EPM 19856	Twin Hills CS
Twin Hills	EPM 25182	Anakie
Twin Hills	ML 70316	Twin Hills

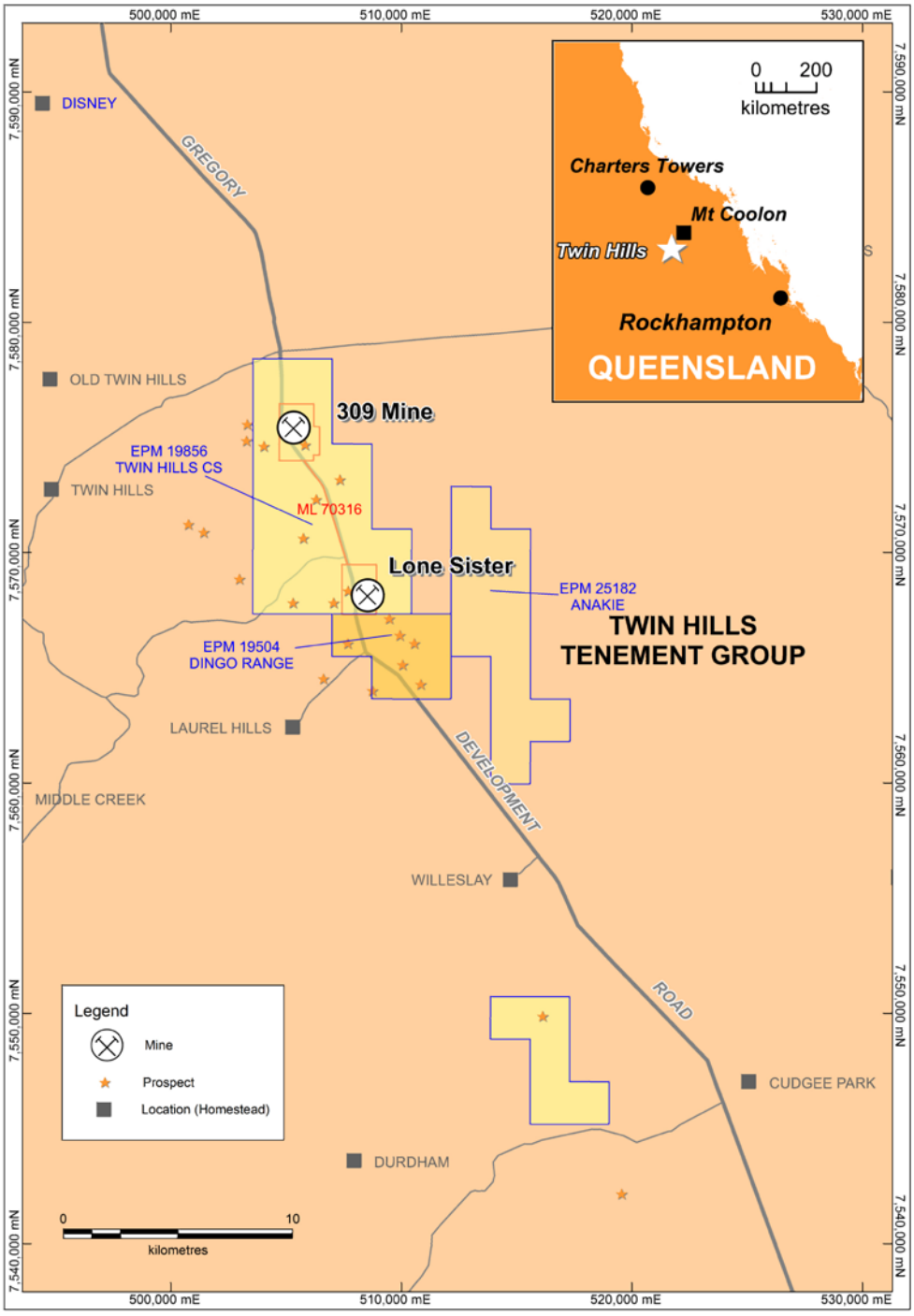

Figure 2: Twin Hills prospect and tenement location plan

Geology

The Twin Hills Project consists of the 309 and Lone Sister mineralised deposits which are interpreted to be structurally controlled epithermal gold and silver mineralised lodes hosted within metamorphic, volcanic, volcaniclastic and sedimentary units. The deposits can be characterised by hydrothermal breccias with localised structural controls on ore shoots and veining orientation. A strong silica-pyrite alteration of the host sedimentary rocks is present with the mineralised lodes

The deposits have been described (Corbett, G. April 2006) as low-sulphidation epithermal intrusion-related quartz-sulphide gold deposits where gold mineralisation occurs primarily as free gold, some of which may be relatively coarse (>100 µm in size). Gold is associated with chalcedony-quartz veining and brecciation. Bonanza grades do occur within the deposits with 88 samples assaying above 100g/t Au, with a peak value of 2,940 g/t Au.

Previous mining and development

The 309 Deposit was mined by BMA Gold Limited (BMA) from 2005-2007 with gold production of 72,979 t @ 10.0 g/t Au for 23,490 ounces (Minjar Information Memorandum, 30/09/2017). In this time approximately 1200 metres of decline (5.0m X 5.2m, 1-in-7 gradient) and significant level development to access the Area 2 mineralisation was completed (see Figure 3 below). With the development completed to Area 2 it may represent a ready opportunity to access residual underground mineralisation.

Figure 3: Underground workings at the 309 Deposit (decline and level development – green, stopes – brown) with the decline extending to approximately 170m below surface (surface RL is approximately 1250m). Significant development is in place adjacent to the Area 2 mineralisation, however very little of this deposit was extracted.

Infrastructure

The Twin Hills Project contains a series of established infrastructure and essential facilities as summarised below (and shown in Figures 4 and 5):

- Exploration Shed
- Core Farm
- Mine Portal/Boxcut
- Maintenance Shed
- Waste Dump
- Donger
- Utility Shed
- Accommodation Donger Footings
- Evaporation Pond
- Access Road

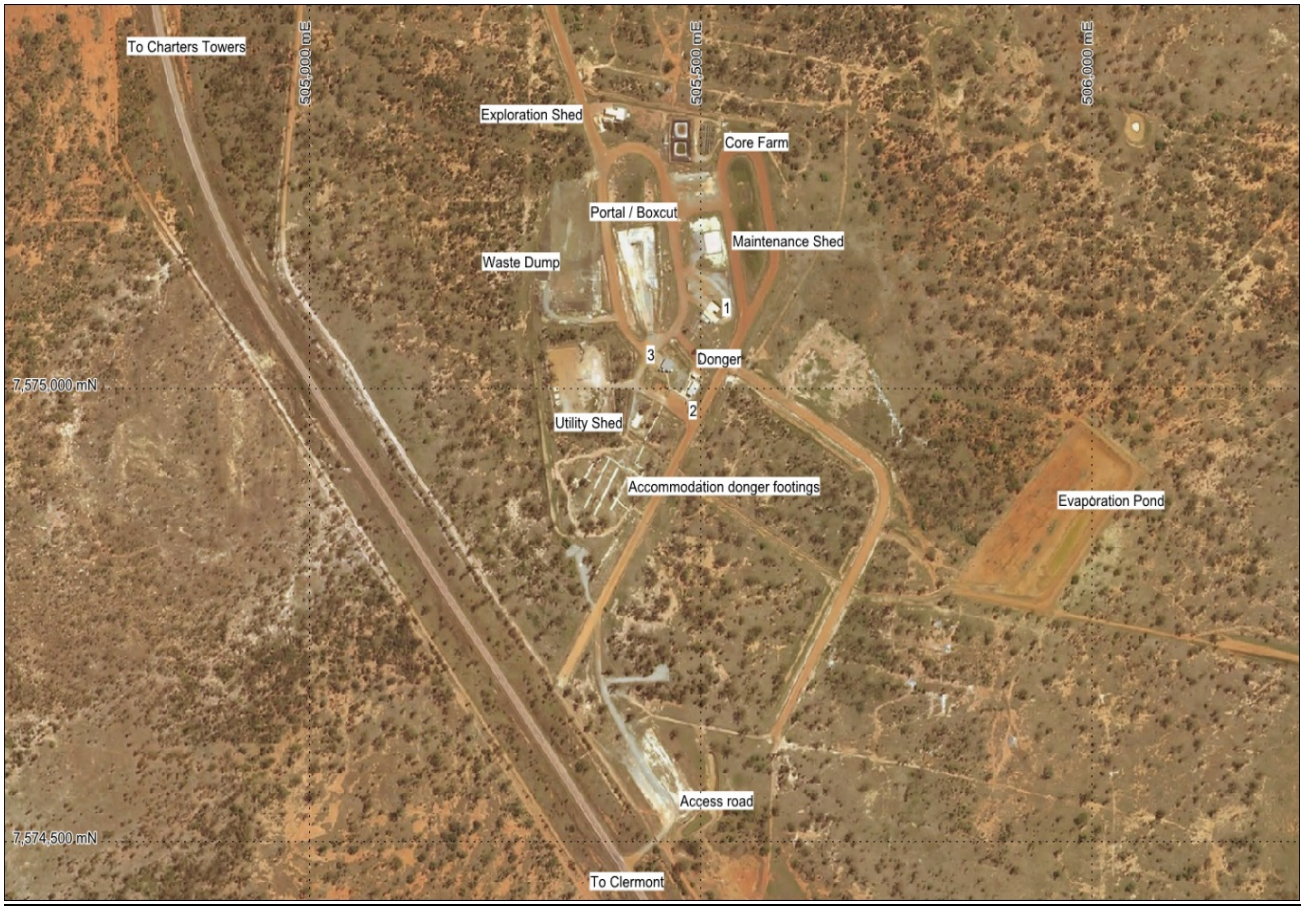

Figure 4: Location of infrastructure at Twin Hills

Figure 5: Portal to underground workings.

For further information please visit www.gbmr.com.au or contact:

Investor enquiries:
Peter Thompson
Managing Director
GBM Resources Limited
+61 8 9316 9100

Media enquiries:
Michael Vaughan
Fivemark Partners
+61 422 602 720
michael.vaughan@fivemark.com.au

The information in the market announcement provided is an accurate representation of the available data and studies for the material mining project; The information was compiled by Neil Norris, who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy.; Mr Norris is a holder of shares and options in the company and is a full-time employee of the company. Mr Norris has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

References.

Corbett, G. April 2006, 'Comments on Geology and Exploration of the Twin Hills Gold Project, Queensland, Australia'.
Graindorge, J (Snowden Mining Consultants) April 2010'Twin Hills Resource Update – March 2010'
Hackett, S. (Snowden Mining Consultants) October 2009,'Twin Hills Recoverable Resource Estimate'
Lutherborrow, C.H.(Zilloc Pty. Ltd.) September 2006, 'Twin Hills Lone Sister Deposit Resource Estimate'.