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Malmsbury Resource Upgraded to JORC 2012

Summary Highlights:

- **The 104,000 ounce resource at the Levan Star Deposit has been reviewed and upgraded to satisfy the requirements of JORC 2012.**
- **The Inferred Mineral Resource estimate for the Levan Star Deposit totals 820,000 tonnes at an average grade of 4.0 g/t Au containing 104,000 ounces.**
- **The Levan Star Lode is one of many auriferous lodes within the contiguous Drummond North and Belltopper Hill Goldfields.**

GBM Resources Limited (ASX: GBZ) (**GBM** or **the Company**) is pleased to announce that the Malmsbury resource has been reviewed and upgraded to comply with requirements of the 2012 version of the JORC Code and current ASX guidance.

The Malmsbury Gold Project is located within the Central Victorian Goldfields.

The inferred resource remains unchanged at 820,000 tonnes at an average grade of 4.0 g/t Au containing 104,000 ounces of gold at a cut-off grade of 2.5 g/t Au. Details are contained within the JORC Table 1 attached to this release and summarised in the table 1 below.

Resource Classification	Tonnes (t)	Grade g/t Au	Contained Gold ozs	Cut-off Grade g/t
Inferred	820,000	4.0	104,000	2.5

***Table 1**: Levan Star Resource. Please note rounding ('000 tonnes, 0.0 g/t and '000 ounces).*

The Levan Star Lode is hosted by one of the multiple known gold bearing structures spread over a strike length of at least 2 kilometres in the contiguous historic Drummond North and Belltopper Hill Goldfields (see figure 1). These structures have been subject to extremely limited exploration. The Drummond North Goldfield (Queens Birthday/Egyptian/O'Conners Mines) yielded around 90,000 ounces from mining in the late 1800's and to date has only been tested by one drill hole.

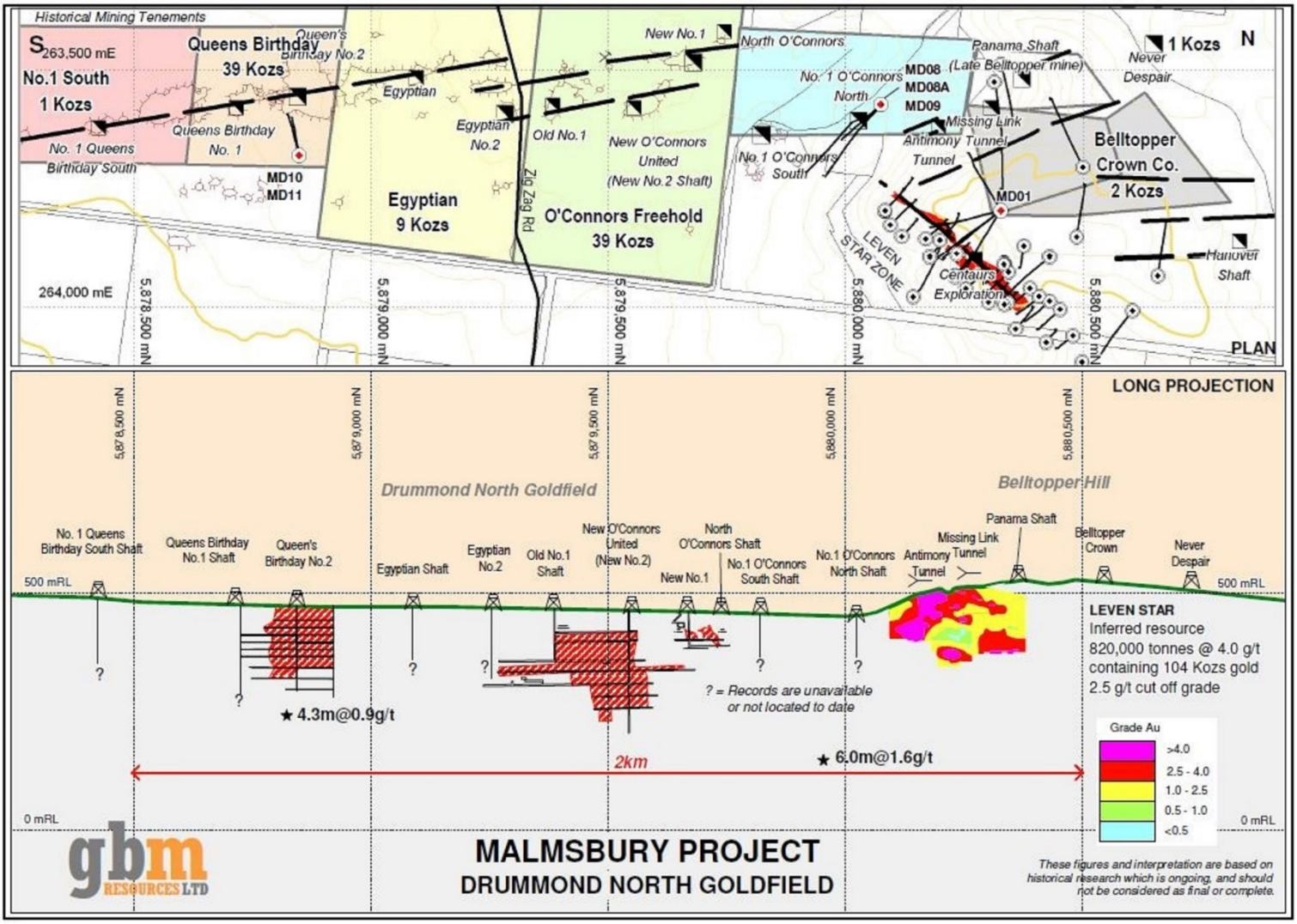

Figure 1: *Top: Surface plan showing historic gold mines, drillhole locations and the Levan Star Lode projected to surface. Bottom: Schematic long section through the Drummond/Belltopper goldfield showing historical mine development. Coloured shells define the current (2019) Leven Star resource.*

The resource is covered by Retention Licence application RLA 006587 which is progressing through the approval process.

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About GBM Resources

GBM Resources Ltd (ASX: GBZ) is an Australian resource company that listed on the ASX in 2007, headquartered in Perth WA, with exploration operations in Victoria and Queensland. The Company's primary focus is in key commodities of gold and copper-gold, assets in Australia. GBM tenements cover an area greater than 2,500 square kilometres in eight major projects areas in Queensland and Victoria.

Malmsbury Gold Project and Geological Setting

The Project was acquired by GBM because of extensive known and relatively underexplored mineralisation and its similarities with the Fosterville Gold System including; regional geological setting, age, structural character, geochemical associations, mineralogy and mode of gold occurrence.

The Malmsbury Project displays many geological and mineralogical similarities with mineralisation at the nearby world class 8.8Moz Fosterville Gold Deposits including; style of gold mineralisation, age of formation, mineral association, host geology and structural setting. GBM's geological team have extensive experience of the Fosterville gold deposit and a review of the key features of both deposits in light of recent developments at Fosterville has reinforced the view that the Malmsbury Project remains highly prospective for further significant resource increases.

The Project is located in the Bendigo Zone of Victoria, one of the most fertile regions for gold mineralisation in the world.

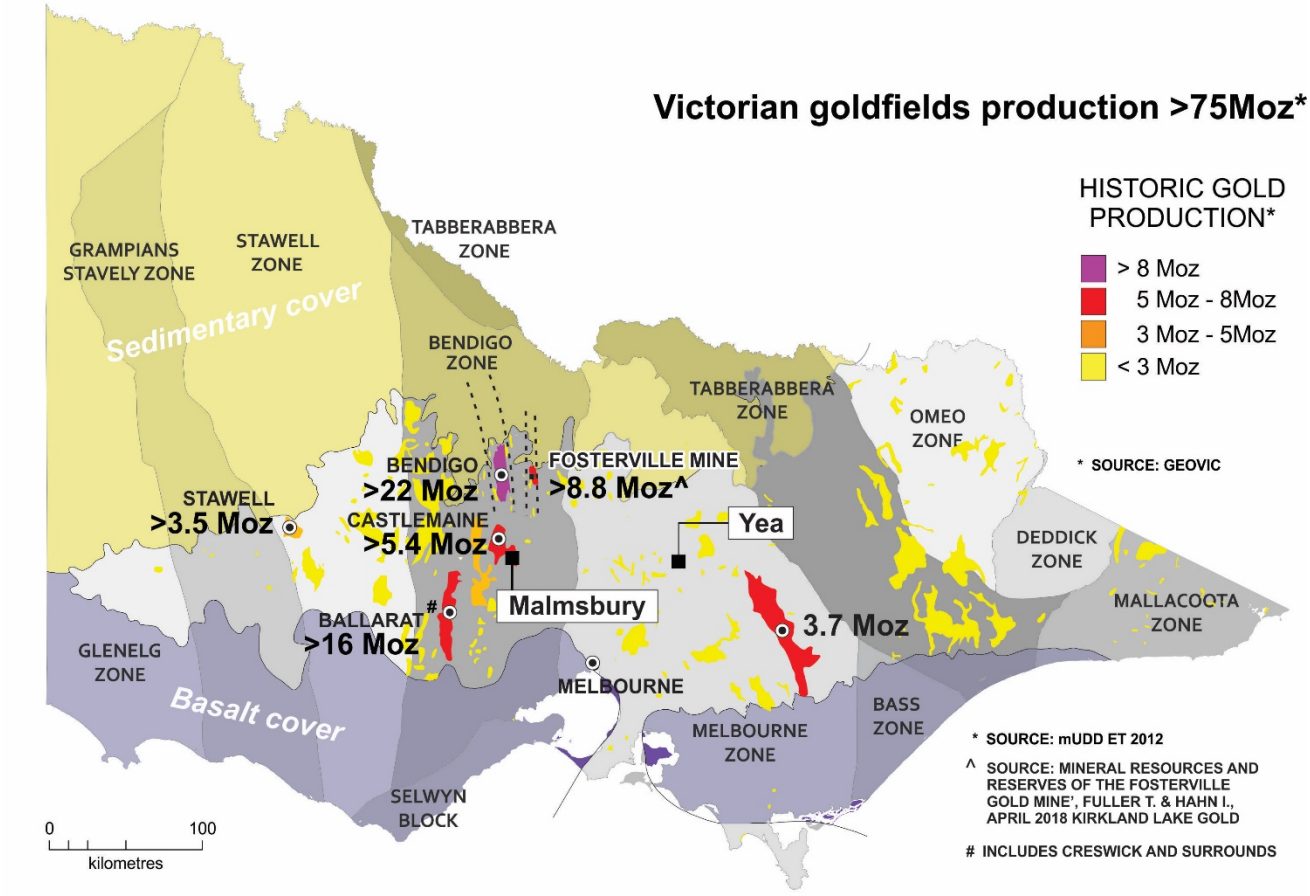

***Figure 2**; Malmsbury is located within the Central Victorian Goldfields and has a number of striking similarities with the Fosterville Goldfield which is now estimated to contain at least 8.8M ozs of gold.*

Most of Victoria's gold production has been from the Bendigo Zone associated with the well known quartz reef style deposits discovered in the 1850's and formed around 445Ma (*Phillips et al, 2012*).

The Malmsbury mineralisation is linked with a younger period of geological deformation which included intrusion of late Devonian granite suite around 370 million years ago (the quartz reef hosted mineralisation was formed much earlier at around 440Ma). Mineralisation at Malmsbury belongs to a style with strong association with antimony and falls within the Costerfield Mineralisation Domain (Phillips et al 2013) which includes the high grade Fosterville and Costerfield Gold mines.

The contiguous Drummond North and Belltopper Hill Goldfields together extend over an approximately northerly strike for at least 4 kilometres. Historical Production based on known historical workings is estimated at 98,000 tonnes returning 91,000 ounces of gold at an average recovered grade of 29 g/t Au *(refer ASX GBM Prospectus 14 August 2007 pp13).* The combined Levan Star Resource and past production total over 200,000 ounces of gold within approximately 150 metres of surface and a strike length 2 kilometres or approximately half of the strike of the known extents of mineralisation. The high grade mineralised zones at Fosterville have been drilled to more than 6 times this depth or 1,200 metres below surface and are still going.

GBM also drilled a deep hole, MD-12 (1,000 metres) to test the potential for Intrusive Related Gold System on the North End of the known mineralisation as it trends toward the Harcourt Granodiorite to the North. This hole confirmed a range of mineralisation indicators, (including tungsten, copper, molybdenum and bismuth) supportive of an IRGS system existing in this area and to a depth of at least 1 kilometre.

Recent re-processing of magnetic data suggests that the centre of the system may be located north of drillhole MD-12. It is interesting to note that the Myrtle Creek Prospect at the south end of the Fosterville trend as it approaches the North contact with the same Harcourt Granodiorite also exhibits some intrusive related characteristics (refer to *G. Dean 2010, Rediscover Victoria Drilling report MP-RDV-227*).

2019 Malmsbury Gold Project – Levan Star Resource Estimate Commentary

Geology, Mineralisation and Exploration Potential

The Malmsbury Goldfield is situated in a sequence of north-south folded and faulted Ordovician turbidites. The Leven Star reef has a distinctive gold-sulphide association and sulphide carbonate alteration similar to gold mineralisation at Fosterville in sedimentary rocks in the Bendigo Zone. The reef follows a narrow, brittle, mineralised fault zone with associated intense fracturing and sub-parallel quartz veining in the country rock. It strikes 035° (MGA) with a variable steep dip, mostly towards the southeast but changing to the northwest at depth. This dip reversal may explain why deeper drilling at some locations has failed to intersect the reef.

Several styles of sulphide mineralisation occur within the Leven Star reef. Fine grained sulphides (arsenopyrite, stibnite) occur in quartz veins and disseminated or along narrow fractures within country rock adjacent to the reef. Stibnite also occurs less commonly as more massive sulphide clots associated with quartz-carbonate veining and as breccia fill.

Work by GBM has identified strong potential for the discovery of additional resource ounces within the Drummond and Belltopper Hill Goldfields. Targets can be classified into categories based on exploration stage, structural domain and target model (Refer to figure 1 for general target locations);

- Incremental increases to the current Leven Star resource where shoots are open at depth and along strike to the east.
- Intersection targets between Leven Star reefs and the Missing Link structure. The down-plunge extensions of Reef 1 & 2/Missing Link junctions are highly prospective and the proposed intersection of Reef 4/Missing Link needs investigation.

- Panama/Antimony/Missing Link (Nth) reefs, particularly where surface mapping indicates clockwise rotation to NS on NNW trending reefs has localised high-grade shoots.
- Poorly tested 1.5+ km system strike length from Queen's Birthday to O'Connor's Reefs; consider relationships of fold cores to reef lines in the context of a Fosterville Phoenix shoot model. IP may help target definition.
- Leven Reef-parallel NE structures defined by geophysics and soils data; require drill testing.
- Further investigation of IRGS model; mineralisation in sheeted veins or aplitic host at margin of deeper seated intrusion within the Taradale Fault transfer zone dilational setting beneath Belltopper Hill.

Sampling Methods.

This resource is based on samples from 48 drill holes and a total of 8,469 metres of drilling. This comprised 31 diamond drill holes for 6787 metres (80%), 15 reverse circulation drill holes for 1497 metres (18%) and 2 pre-collared diamond drillholes for 185 metres (2%). Diamond drill core was sawn in half longitudinally and sampled on a preferred 1.0 metre interval (although a small number of samples range between 0.3m and 2.0m). RC samples were split using a Jones Riffle splitter to a nominal 3 to 5kg weight for submission to the laboratory. A total of 2618 samples were assayed (1768 diamond and 915 RC).

Sample Analysis Method.

All samples were pulverised and assayed by fire assay with aqua regia/AAS (30g sub-sample) finish at independent laboratories.

Quality control checks were only available for the GBM data which comprises 53% of drill metres and 67% of all diamond drilling to date. The checks comprised laboratory duplicate analyses from pulps at a rate of 1 in 20 samples for 84 pairs. Of these only 28 pairs had original results > 0.1 g/t Au. 95% of the 28 pairs had half absolute relative differences (HARD) 11% or less which is very close to the accepted standard of 95% of pairs returning HARD values of less than 10%.

Estimation Methodology.

Key elements of the estimation methodology are summarised below.

- The raw gold assay results were composited to 1.0 m length. Composite grades above 17.0 g/t Au were set to (top cut or grade capped) 17.0 g/t Au.
- The block model block size is 2m x 20 x 5 m (East, North, RL), reflecting the typical drill spacing (50m strike by 20m down dip), domain morphology and mining selectivity. Block partials were employed for volume determination.
- The grades of blocks within the gold domain were estimated using inverse distance squared weighted average of composites within the gold domain using Minesight mine planning software. Grade interpolation was conducted in a single pass using a maximum of 15 and a minimum of 3 composites from within a 50 m by 75 m by 75 m (east by north by vertical) ellipsoid.
- No mining production data or previous estimates are available to check the mineral resource estimate
- No by-products, deleterious elements or other variables are estimated
- Underground mining with 0.5m selectivity across strike was assumed.
- The geological interpretation was used to inform the gold grade domain interpretation. The gold grade domains were used as hard boundaries during interpolation.

The block model was checked by comparing the average block model to the average de-clustered composite grade and by comparing the gold domain wireframe volume to the block model volume.

Resource Classification Criteria.

The resources reported are classified as inferred reflecting the relatively early stage nature of exploration at Levan Star, in particular the uncertainty regarding the quality of much of the assay data, the lack of density data, the poor quality topographical data and the lack of geostatistical studies to quantify grade continuity. A small amount of the block model was excluded from reported resources because the width and grade in this area failed to pass the 'reasonable prospects of eventual economic extraction' test.

Cut-off Grades

The resources are reported at a 2.5 g/t Au cut-off grade, reflecting reasonably foreseeable economic production costs and gold prices for underground mining and processing.

Mining and Metallurgical Methods.

This Resource estimate is based on the following assumptions, that:

- The mining method to be employed is underground mining. Underground mining is assumed (not demonstrated) because the mineralization has sufficient continuity, width and contains sufficient gold to have reasonable prospects of eventual economic extraction.
- No metallurgical testwork has been completed to date. Metallurgical work at nearby projects with comparable mineralisation indicates that at least some of the gold may be refractory to conventional CIL/CIP processing. The higher likely processing costs associated with this 'refractory' material are factored into the cut-off grade.

Tenement update

The Levan Star Lode occurs within retention licence application RLA006587 which is progressing through the approval process. On granting, RL006587 will be subject to a 2.5% royalty payable to B & Y Van Riel & The Forwood Royalty Agreement (details can be found in GBM Prospectus 2007), and subject to conditions of the Dja Dja Wurrung Recognition and Settlement Agreement area.

There are no known impediments to the granting of RL006587. Future development will require the grant of a mining licence and all relevant permits.

Notes

The information in this report that relates to The Levan Star Mineral Resources is based on information compiled by Kerrin Allwood, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Mr Allwood is a full time employee of Geomodelling Limited. Mr Allwood 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 Allwood consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates Exploration Results is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Mr Norris is a full-time employee of the company, and is a holder of shares and options in 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.

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 estimate with those announcements continue to apply and have not materially changed.

References

Phillips et al, in Birch W.D. 2003, Geology of Victoria Ch. 13.Geological Society of Victoria, Special Publication 23.

Appended

Levan Star Deposit JORC Table 1

Malmsbury Project, Levan Star Gold Lode.

JORC Code, 2012 Edition – Table 1

Resource Estimate (originally completed December 2008, reviewed 2019)

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• This mineral resource estimate is based on samples taken from diamond drill (DD) core and reverse circulation (RC) drill chips. 82% of the drilling (by length) was DD with the remainder RC. • The diamond drill core was sampled by cutting the core in half longitudinally. Samples were cut to geological boundaries and ranged in length from 0.3m to 2.0m, with a preferred length of 1.0 m. The core was halved along the plane of orientation using a diamond saw and the upper half of the core dispatched for analysis and the lower half returned to the core tray in its original orientation. A total of 1,768 DD samples were assayed. • 915 RC samples split using a Jones riffle splitter to a nominal 3-5kg sample weight. • All samples were assayed for Au at an independent laboratory. Samples were pulverised and sub-sampled to a 30g charge which was analysed by Fire Assay with AAS finish.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling utilised standard wireline drilling methods at HQ and NQ size. • Diamond drilling completed by GBM (3799.8m in 11 holes) was surveyed at 30m intervals. • The RC drilling methods were not recorded, but were likely drilled using a cross over hammer • A total of 31 diamond drill holes for 6,787.15 metres (80%), 15 RC holes for 1,497.0 m (18%) and 2 RC pre-collars with DD tails for 185.1 m (2%) were drilled • RC drilling was to a maximum depth of 118 metres • Diamond drilling was to a maximum depth of 478.5 metres.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Drilling recovery data for RC drilling is recorded in drill logs as good, medium or poor with recovery generally considered by the geologist logging as 'good'. Diamond core recovery was recorded in diamond drill logs run by run. Recovery was high (average 93.3%) and no obvious relationship with mineralization was noted.; • The sampling methods used (DD half core and RC riffle split) are representative when done well. Sampling is considered to have been to a high standard.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All diamond drill core was washed and then and logged for lithology, mineralization, weathering, RQD and drill recovery measured run by run. GBM diamond drillholes (MD Series) were photographed, however photographs for older core are not available. • .The logging is of a standard that allows identification and interpretation of key geological features to a level appropriate to support mineral resource estimation.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The diamond drill core was sampled by cutting the core in half longitudinally. Samples were cut to geological boundaries and ranged in length from 0.3m to 2.0m, with a preferred length of 1.0 m. The core was halved along the plane of orientation using a diamond saw and the upper half of the core dispatched for analysis and the lower half returned to the core tray in its original orientation. A total of 1,768 DD samples were assayed. • 915 RC samples split using a Jones riffle splitter to a nominal 3-5kg sample weight. • All samples were assayed for Au at an independent laboratory. Samples were pulverised and sub-sampled to a 30g charge which was analysed by Fire Assay with AAS finish. • The sampling methods and sample sizes are appropriate to the style of mineralisation (fine grained disseminated auriferous sulphides or the oxidized equivalents).
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• The assay method (fire assay / AAS of a 30g sub-sample) is total and appropriate to the style of mineralization • No geophysical tools were used • Quality control checks were only available for the GBM data. The checks comprised laboratory duplicate analyses from pulps at a rate of 1 in 20 samples for 84 pairs. Of these only 28 pairs had original results > 0.1 g/t Au. 95% of the 28 pairs had half absolute relative

Criteria	JORC Code explanation	Commentary
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	differences (HARD) 11% or less which is very close to the accepted standard of 95% of pairs returning HARD values of less than 10%. • No other QAQC data is available and this is factored into the resource classification.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The assay results were verified by analysis of 80 pulp check samples at an umpire laboratory. The umpire laboratory results were biased 8% high. • No twinned holes were drilled because the project is at an early stage of development. • The data was checked prior to use in resource estimation with checks for overlapping samples, extremely high grades, and duplicated results. No errors were found. • Negative gold values (2 had Au = -0.03, 269 had Au = -0.02 and 463 had Au = -0.01) were assumed to represent below detection results and multiplied by -0.5 before use in resource estimation.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Surveying of drillhole collars was by independent contractors using industry standard methods (total station / theodolite / DGPS). • Downhole surveying of both RC and diamond drilling was carried out at nominal 50m intervals • The mineral resource estimate was completed using a local grid. The local grid is non-earth. The MapInfo projection is "Leven Star", 8, 116, "m", 147, 0, 0.9996, 500000, 10000000 affine units "m", 0.707102734428, -0.707095925114, 3976237.748046875, 0.707119383223, 0.707111252705, -4334438.6328125 . • A topographic surface was created by triangulating drill collar and contours from high level aerial photography (+/- 2m) and is considered adequate for inferred mineral resource estimation.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill holes have been drilled in a predominantly 20m (along strike) by 50m (down dip) grid pattern at Leven Star. 31 holes were drilled between -60º and -75° towards 090° (local grid), with the remaining 16 drilled between -60º and -75° towards 270°. • Drill intersections are in a predominantly 20m (along strike) by 50m (down dip) grid pattern. This is sufficient to establish an inferred resource given the mineralisation style and geological continuity. • Samples were not physically composited.
Orientation of data in	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering*	• Holes were drilled across strike at a high angle to the interpreted mineralisation geometry. Drill intersections are typically 560% to

Criteria	JORC Code explanation	Commentary
relation to geological structure	*the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	100% of true width. 31 holes were drilled between -60º and -75° towards 090° (local grid) and the remaining 16 drilled between -60º and -75° towards 270°. • No sampling bias is considered to have been introduced by the drilling orientation.
Sample security	• *The measures taken to ensure sample security.*	• Sample transport and security methods were not recorded.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The assay results were not audited or reviewed beyond the routine validation checks described above.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The mineralization occurs within retention licence application RLA006587. On granting, RL006587 will be subject to a 2.5% royalty payable to B & Y Van Riel & The Forwood Royalty Agreement (details can be found in GBM Prospectus 2007), and subject to conditions of the Dja Dja Wurrung Recognition and Settlement Agreement area. • There are no known impediments to the granting of RL006587.There are no known impediments to development at Malmsbury, but such development would require the grant of a mining licence and all relevant permits.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The project area has been explored by several companies since the 1970s. In 1987 Paringa drilled 3 DD holes for 741.55m. In 1990-92 Pittson drilled 16 DD holes for 2245.8m. In 1994 Eureka drilled 15 RC holes for 1682.1m and 2 RC holes with DD tails for a further 185.1m. GBM drilled 11 DD holes for 3799.8m in 2008.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Malmsbury Goldfield is situated in a sequence of north-south folded and faulted Ordovician turbidites. The Leven Star reef has a distinctive gold-sulphide association and sulphide carbonate alteration similar to gold mineralisation at Fosterville in sedimentary rocks in the Bendigo Zone. The reef follows a narrow, brittle, mineralised fault zone with associated intense fracturing and sub-

Criteria	JORC Code explanation	Commentary
		parallel quartz veining in the country rock. It strikes 035° (MGA) with a variable steep dip, mostly towards the southeast but changing to the northwest at depth. This dip reversal may explain why deeper drilling at some locations has failed to intersect the reef. • Several styles of sulphide mineralisation occur within the Leven Star reef. Fine grained sulphides (pyrite, stibnite) occur in quartz veins and disseminated or along narrow fractures within country rock adjacent to the reef. Stibnite also occurs less commonly as more massive sulphide clots associated with quartz-carbonate veining and as breccia fill.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Detailed drill hole information is provided in the accompanying table.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results are not reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true*	• Exploration results are not reported.

Criteria	JORC Code explanation	Commentary
	width not known').	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Exploration results are not reported.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Exploration results are not reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Other exploration data exists, but is not material to the mineral resource estimate being reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Work by GBM has identified strong potential for the discovery of additional resource ounces within the Drummond and Belltopper Hill goldfields. Targets can be classified into categories based on exploration stage, structural domain and target model; 1. Incremental increases to the current Leven Star resource where shoots are open at depth and along strike to the east. 2. Intersection targets between Leven Star reefs and the Missing Link structure. The down-plunge extensions of Reef 1 & 2/Missing Link junctions are highly prospective and the proposed intersection of Reef 4/Missing Link needs investigation. 3. Panama/Antimony/Missing Link (Nth) reefs, particularly where surface mapping indicates clockwise rotation to NS on NNW trending reefs has localised high-grade shoots. 4. Poorly tested 1.5+ km system strike length from Queen's Birthday to O'Connor's Reefs; consider relationships of fold cores to reef lines in the context of a Fosterville Phoenix shoot model. IP may help target definition. 5. Leven Reef-parallel NE structures defined by geophysics and soils data; require drill 6. Further investigation of IRGS model; mineralisation in sheeted veins or aplitic host at margin of deeper seated intrusion within the Taradale Fault transfer zone dilational setting beneath Belltopper Hill.

Criteria	JORC Code explanation	Commentary
		• Refer to figures 3 and 4 below for target locations.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The database was used as provided by GBM. GBM staff completed random checks against the original data. • The database was validated by checking for overlapping samples, extremely high grades, and duplicated results. No errors were found.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The competent person has not visited the site. This mineral resource estimate was carried out in 2008 by Kerrin Allwood of Geomodelling Limited, under the supervision of Neil Norris who is still employed by GBM Resources, is a member of the AusIMM and is qualified to act as a Competent Person under JORC. Mr Norris has completed numerous visits to site both during and subsequent to drilling and confirms that the site is as described.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• A 3-dimensional gold domain wireframe was constructed enclosing continuous gold mineralisation as defined by assays nominally greater than 0.5 g/t Au and following the interpreted geological controls on mineralisation. The domain includes up to 4m of material below 0.5 g/t Au for geological continuity and excludes zones above 0.5 g/t Au for which geological continuity has not been demonstrated. The domain shape is a simple north striking, sub-vertical tabular body 2m to 10 m wide. Several alternative domains at differing nominal gold grades were interpreted as part of the model validation process. • The confidence in the geological interpretation is moderate as an alternative interpretation is possible. Additionally, with further infill drilling it is likely that more details (such as minor fault offsets) will be resolved. • Geological and grade continuity is affected by likely but not yet identified offsetting faults and the influence of wall rock lithology.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The mineralization has been defined by drilling as approximately 500 metres in strike length, 2 to 10 metres in width (typically 6 metres) and 270 metres vertically.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Raw assay data was composited to 1.0 m length. Composite grades above 17.0 g/t Au were set to (top cut or grade capped) 17.0 g/t Au. • The block model block size is 2m x 20 x 5 m (East, North, RL), reflecting the typical drill spacing (50m strike by 20m down dip), domain morphology and mining selectivity. Block partials were employed for volume determination. • The grades of blocks within the gold domain were estimated using inverse distance squared weighted average of composites within the gold domain using Minesight™ mine planning software. Grade interpolation was conducted in a single pass using a maximum of 15 and a minimum of 3 composites from within a 50 m by 75 m by 75 m (east by north by vertical) ellipsoid. • No mining production data or previous estimates are available to check the mineral resource estimate • No by-products, deleterious elements or other variables are estimated • Underground mining with 0.5m selectivity across strike was assumed. • The geological interpretation was used to inform the gold grade domain interpretation. The gold grade domains were used as hard boundaries during interpolation. • The block model was checked by comparing the average block model to the average de-clustered composite grade and by comparing the gold domain wireframe volume to the block model volume.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• No allowance has been made for the moisture content of the mineralisation. Experience with similar mineralisation hosted by similar rocks suggests that moisture content is likely to be less than 1%. Grades are based on dry weight of samples.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The resources are reported at a 2.5 g/t Au cut-off grade, reflecting reasonably foreseeable economic production costs and gold prices for underground mining and processing.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources*	• The mining method to be employed is underground mining. Underground mining is assumed (not demonstrated) because the mineralization has sufficient continuity, width and contains sufficient gold to have reasonable prospects of eventual economic extraction. No adjustments have been made for possible historical mining which is poorly recorded and very limited.

Criteria	JORC Code explanation	Commentary
	may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No metallurgical testwork has been completed to date. Metallurgical work at nearby projects with comparable mineralisation indicates that at least some of the gold may be refractory to conventional CIL/CIP processing. The higher likely processing costs associated with this 'refractory' material are factored into the cutoff grade.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• It is assumed that suitable sites for the disposal of mining waste and water will be identified during future permitting processes. There are numerous suitable areas within the EL and no nearby buildings, other surface infrastructure or cultural features which may hinder development.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• No density data is available. A dry bulk density of 2.6 t/m^3 was applied to the entire model; this value is based on experience in similar mineralisation hosted by the same rocks in a nearby project. The resource categorisation takes the lack of density data into account. • Whilst there are surface workings and shallow shafts, there are no records of historical mining from the Leven Star deposit. The total recorded tonnage (volume) of historical mining is minor compared to the tonnages reported in this resource estimate. Therefore this mineral resource estimate has not been adjusted for historical mining.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's*	• The reported resources are all classified as inferred due to uncertainty regarding the quality of much of the assay data, the lack of density data, the poor quality topographical data and the lack of geostatistical studies to quantify grade continuity. • A small amount of the block model was excluded from reported resources because the width and grade in this area failed to pass the *'reasonable prospects of eventual economic extraction'* test.

Criteria	JORC Code explanation	Commentary
	view of the deposit.	
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No external review has been carried out for this resource estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• No quantitative assessment of the relative accuracy and confidence level of the mineral resource estimate has been made as there is insufficient geostatistical knowledge of the mineralization to make such an estimate reliable. The resource classification reflects a qualitative assessment of the confidence in the resource estimation.

[no section 4 as no reserves reported]

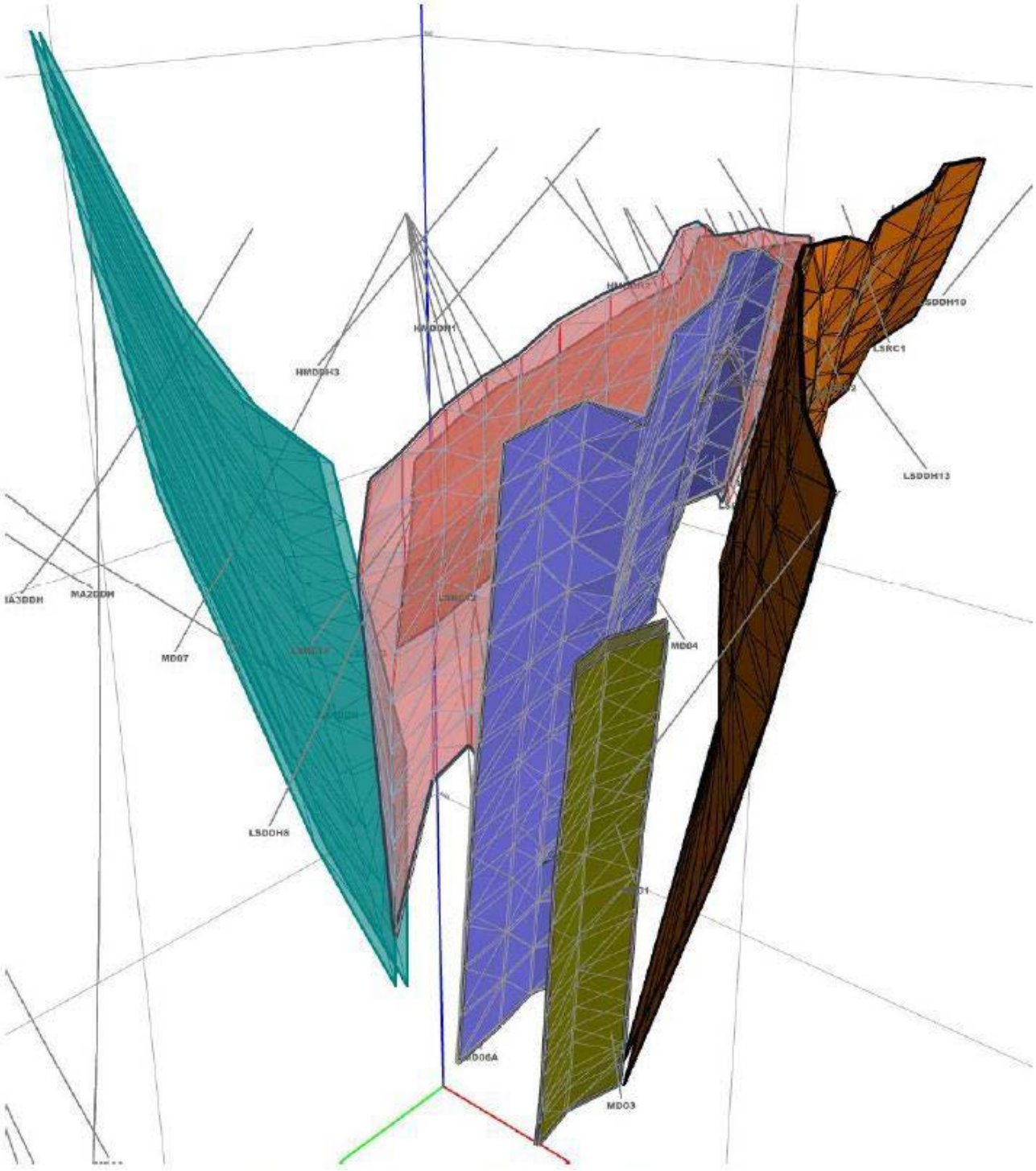

Figure 3: *Leven Star and Missing Link reefs solid models (**S King, 2012** Structural and Geological Compilation and Interpretation of the Area Around The Levan Star Reef, Malmsbury Victoria, Final Report by Solid Geology for GBM Resources Limited). Leven Reef 1 (pink), 2, (dark pink), 3 (blue), 4 (brown), 5 (olive) and Missing Link (turquoise). Viewed to NW on local grid.*

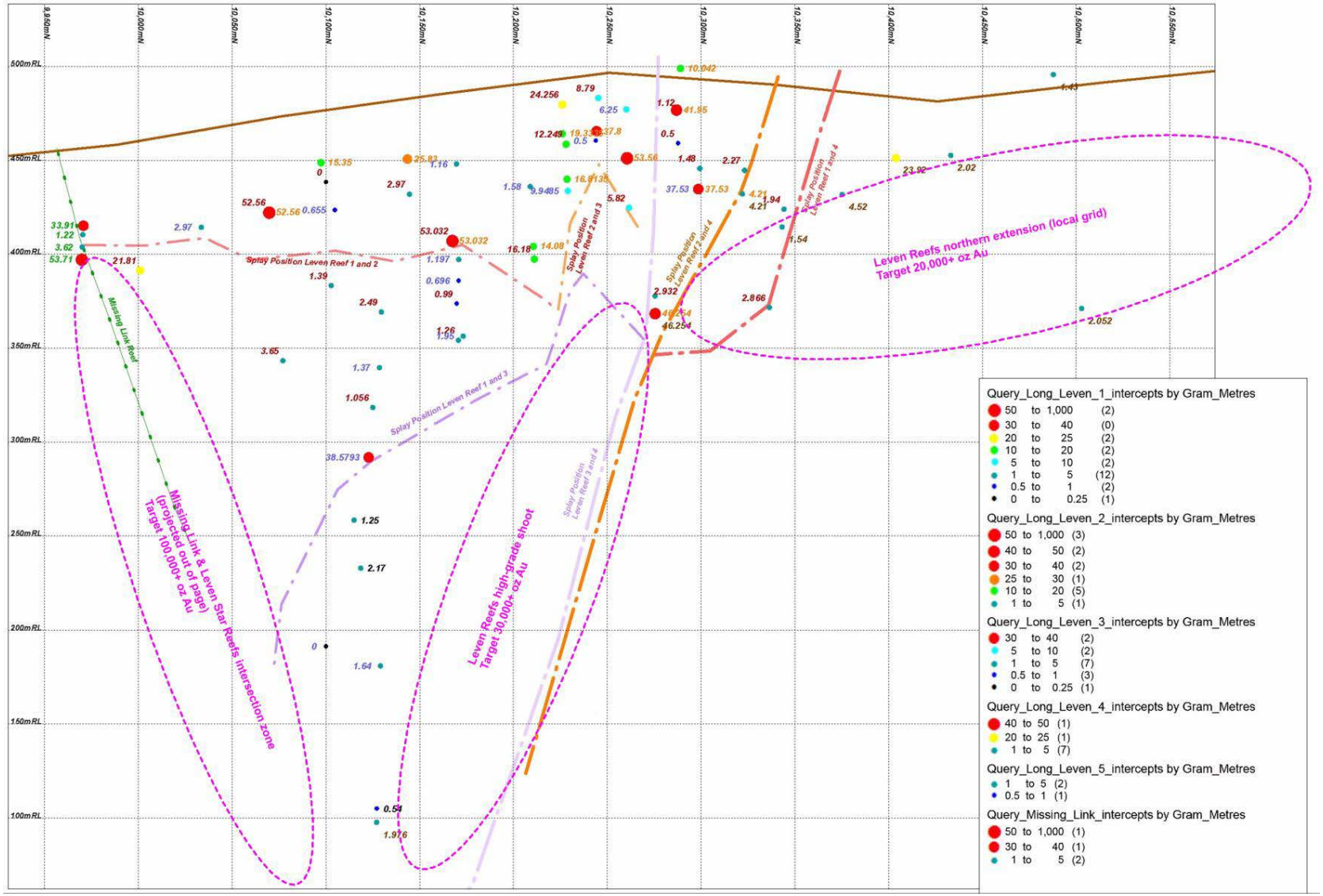

Figure 4: *Leven Star Reefs long projection with all resource drilling intercepts and interpreted reef splay intersections (after* ***S King, 2012****). Target areas for additional resource ounces shown in pink.*

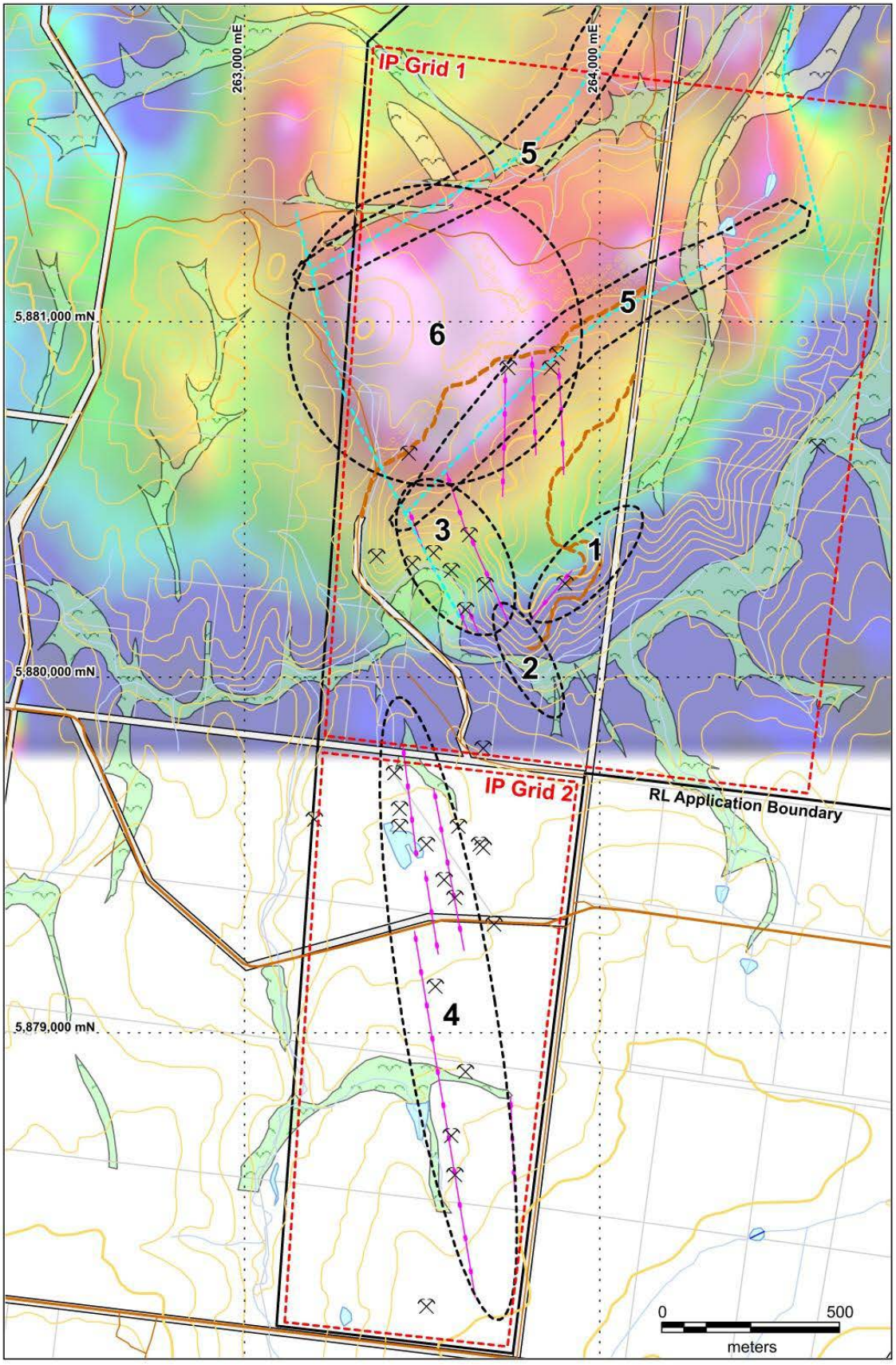

***Figure 5**: Regional exploration targets at Belltopper Hill;1-extensions to Leven Star as per previous figures, 2 &3 Missing Link and Panama structures, 4-O'Conners Reef System, 5 linears identified as parallel to the Leven Star Reef, 6- IOCG system*

HOLEID	Local East	Local North	Local RL	EOH	HOLE_TYPE
HMDDH1	4677.18	10470.49	513.68	180.7	DD
HMDDH2	4830.015	10233.15	528.82	70	DD
HMDDH3	4740.2	10297.18	527.49	176.5	DD
LSDDH1	4973.696	10175.15	473.32	100.6	DD
LSDDH10	4955.595	10550.26	502.14	98.5	DD
LSDDH11	4913.269	10485.39	497.17	9	DD
LSDDH12	4959.034	10722.9	488.37	106.2	DD
LSDDH13	4765.039	10485.12	500.66	247.8	DD
LSDDH2	4975.605	10176.21	473.32	162.4	DD
LSDDH3	4982.479	10111.89	455.82	110.4	DD
LSDDH4	4935.075	10290.87	500.12	49.5	DD
LSDDH5	4962.136	10341.07	478.32	140.7	DD
LSDDH6	4936.545	10404.31	477.15	60.5	DD
LSDDH7	5064.193	10145.03	435.32	333	DD
LSDDH8	4982.049	9980.679	457.47	199	DD
LSDDH9	4808.151	10285.27	518.5	201	DD
LSRC1	4887.924	10433.55	493.24	87	RC
LSRC10	4944.586	10102.9	470.1	112	RC
LSRC11	4962.935	10079.4	464.54	96	RC
LSRC12	4994.731	10041.49	453.68	82	RC
LSRC13	4994.236	10008.05	455.31	118	RC
LSRC14	4981.627	9979.205	457.32	100	RC
LSRC15	4889.618	10248.03	519.02	100	RC
LSRC16/D14	4883.859	10229.34	519.89	101.1	RC / DD
LSRC17/D15	4885.339	10229.41	519.68	84	RC / DD
LSRC2	4868.441	10377.07	496.34	111	RC
LSRC3	4872.584	10349.89	499.43	111	RC
LSRC4	4880.342	10328.07	503.16	110	RC
LSRC5	4882.181	10302.92	508.69	110	RC
LSRC6	4942.996	10288.33	497.67	70	RC
LSRC7	4962.674	10262.63	492.57	105	RC
LSRC8	4975.892	10209.63	482.14	112	RC
LSRC9	4939.445	10146.56	474.93	73	RC
MA1DDH	4634.431	9950.923	437.32	298.6	DD
MA2DDH	4598.949	9934.601	435.32	182.3	DD
MA3DDH	4629.818	10204.98	479.32	260.65	DD
MD01	4812.455	10148.37	520	352.2	DD
MD02	4812.455	10148.37	520	262	DD
MD03	4812.455	10148.37	520	478.5	DD
MD04	4812.455	10148.37	520	255	DD
MD05	4812.455	10148.37	520	266.9	DD
MD06A	4812.455	10148.37	520	426.8	DD
MD07	4812.455	10148.37	520	249	DD
MD08	4833.203	9818.337	436.08	350	DD
MD08A	4833.203	9818.337	436.08	447.3	DD
MD09	4833.203	9818.337	436.08	259.8	DD
MD10	5754.249	9044.804	475	191.3	DD
MD11	5754.941	9045.496	475	261	DD

***Table 2**: Drillhole locations and details for the Malmsbury Project.*