

31 July 2019

REPORT FOR THE QUARTER ENDED 30 JUNE 2019

Key Field Activities:

1. Malmsbury Resource Upgraded to JORC 2012

- 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.

2. Pan Pacific Copper Farm-In Projects

- Field work commenced in the quarter covering leach soil sampling and mapping rock chip sampling programs at Burke Bore for target generation in preparation for drilling later in the year.
- The program is supported by the JV exploration budget totalling \$640k for the period to 31 March 2020.

Safety and Environment

No LTI or environmental incidents were reported during the June Quarter. The Company has now completed 92 consecutive months with no LTI's and 138 consecutive months with no significant environmental incidents.

Mt Coolon Gold Project, Queensland (MCGP)

In light of the recent uncertainty with the Twin Hills acquisition, the Company is reviewing potential investment option for the stand-alone development of the MCGP, including joint venture and/or divestment.

The MCGP scoping study, completed in December 2017, demonstrated the potential economic viability of mining the Koala, Glen Eva and Eugenia resources using a combination of Heap Leaching and CIL processing (refer ASX announcement 4 December 2017).

The current A\$2,075 per ounce gold price has increased significantly from the scoping study gold price assumption of A\$1,667 per ounce, which has potentially increased the viability of the LOM production of 155,000 ounces.

ASX Code: GBZ

COMPANY DIRECTORS

Peter Thompson
Managing Director/ Executive Chairman

Sunny Loh
Non-Executive Deputy Chairman

Neil Norris
Exploration Director – Executive

CONTACT DETAILS

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Table 1 below summarises the MCGP gold resources (Refer ASX announcement 4 December 2017 for information relating to the Koala, Glen Eva and Eugenia resource estimates).

Project	Location	Resource Category									Total			Cut-off	
		Measured			Indicated			Inferred			000' t	Au g/t	Au ozs		
		000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs					
Koala	Open Pit				670	2.6	55,100	440	1.9	26,700	1,120	2.3	81,800	0.4	
	Underground Extension				50	3.2	5,300	260	4	34,400	320	3.9	39,700	2.0	
	Tailings	114	1.6	6,200	9	1.6	400				124	1.6	6,600	1	
	Total	114	1.7	6,200	729	2.6	60,800	700	2.7	61,100	1,563	2.5	128,100		
Eugenia	Oxide				885	1.1	32,400	597	1.0	19,300	1,482	1.1	51,700	0.4	
	Sulphide				905	1.2	33,500	1,042	1.2	38,900	1,947	1.2	72,400	0.4	
	Total				1,790	1.1	65,900	1,639	1.1	58,200	3,430	1.1	124,100		
Glen Eva	Open Pit				1,070	1.6	55,200	580	1.2	23,100	1,660	1.5	78,300	0.4	
Total				114	0.0	6,200	3,590	1.6	181,900	2,919	1.5	142,400	6,653	1.5	330,500

Malmsbury Gold Project (Victoria)

The Malmsbury resource has been reviewed and upgraded to comply with requirements of the 2012 version of the JORC Code and current ASX guidance (refer ASX announcement 4 July 2019).

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.

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 2: 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'Connors Mines) yielded around 90,000 ounces from mining in the late 1800's and to date has only been tested by one drill hole.

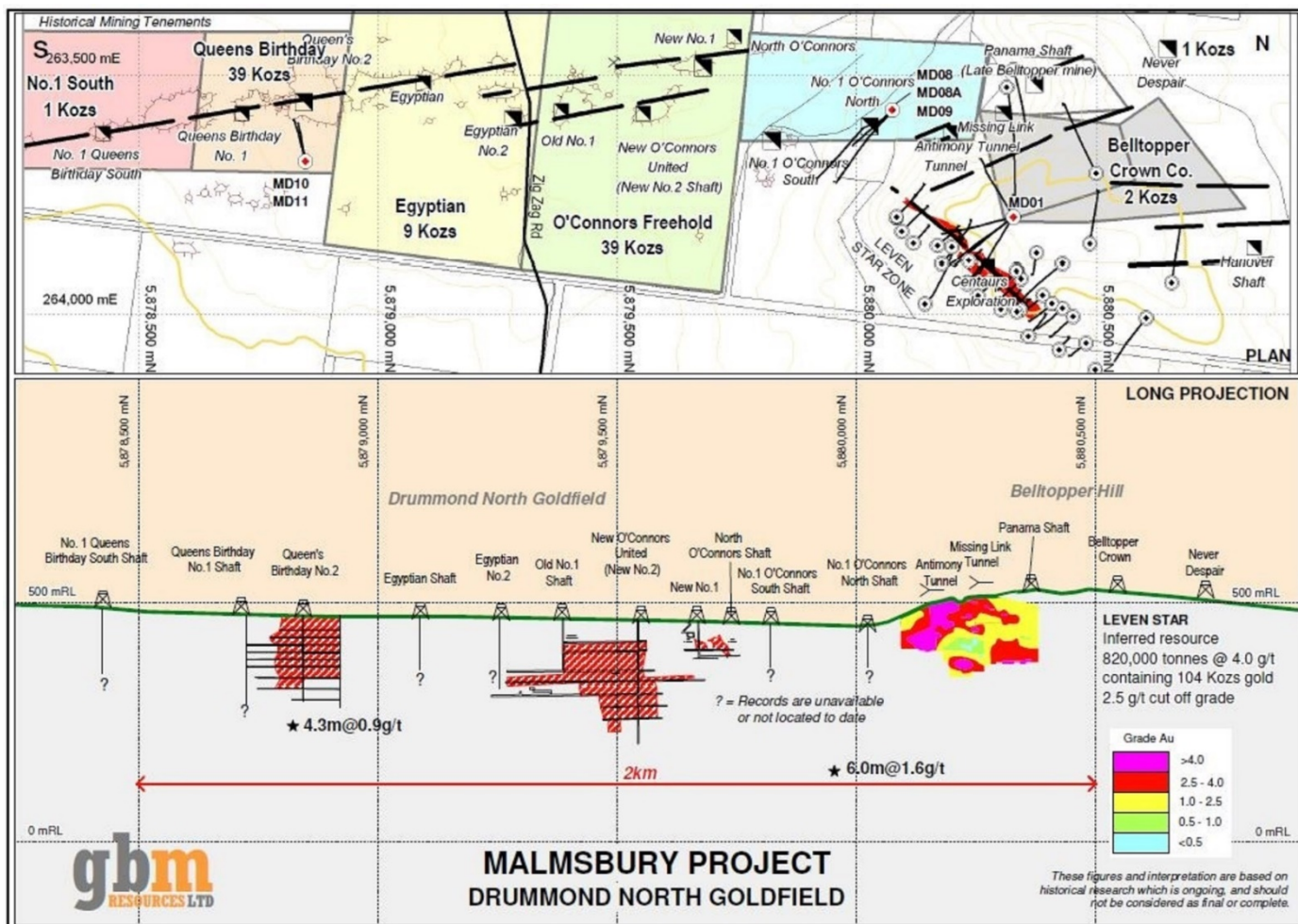


Figure 1; Resources and past production of the Malmsbury Gold Project, Surface Plan (top) and Long Projection (bottom).

Pan Pacific copper Farm-in Projects, Mount Isa Region, Queensland (47.1% GBM)

Introduction

Work commenced during the quarter on the 2019 exploration programme supported by a \$0.64M exploration budget previously approved by our Farm-In partners Cloncurry Exploration and Development (CED is wholly owned by Pan Pacific Copper Company Limited). The planned MMI partial leach soil sampling and mapping-rock chip sampling program was completed at Burke Bore prospect between the 17th and the 30th of June.

This program was designed to test for surface partial leach Au-Cu-Ag anomalism associated with linear magnetic low anomalies analogous to Hammer Metals nearby Perentie Project. The Perentie Project is characterised by high-grade Cu-Au +/- Ag IOCG-style mineralisation associated with narrow shear zones in Wimberu Granite. The host rock is often brecciated within the shear zones with pervasive hematite-carbonate gangue and strong red rock alteration present. Hydrothermal alteration of magnetite within the granite to hematite is considered responsible for producing the negative magnetic anomalies associated with the shear zones. The intersection of NNE and NW trending structures may be an important control on higher grade/width mineralisation.

A total of 430 MMI samples were collected (using SGS MMI sampling protocols) on EW or NS lines at nominal 100m or 50m point spacing and dispatched to SGS Labs in Perth. Samples were collected just below the organic soil horizon which for most of the project area was less than 100mm.

A total of twelve days was spent mapping and rock chip sampling within target Area 1 and the northern part of Area 2 (see map below) at Burke Bore. A total of 50 rock chip samples were collected and dispatched to ALS Labs in Brisbane. The interpretation and presentation of mapping data is in progress..

The extent of Proterozoic basement was greater than expected and the presence of IOCG-style red-rock alteration, secondary hematite and fault breccia is widespread. Field mapping confirmed that most target magnetic low anomalies are fully or partially obscured by Cambrian or Quaternary sediments.

MMI and rock chip assay results are expected during the September Quarter.

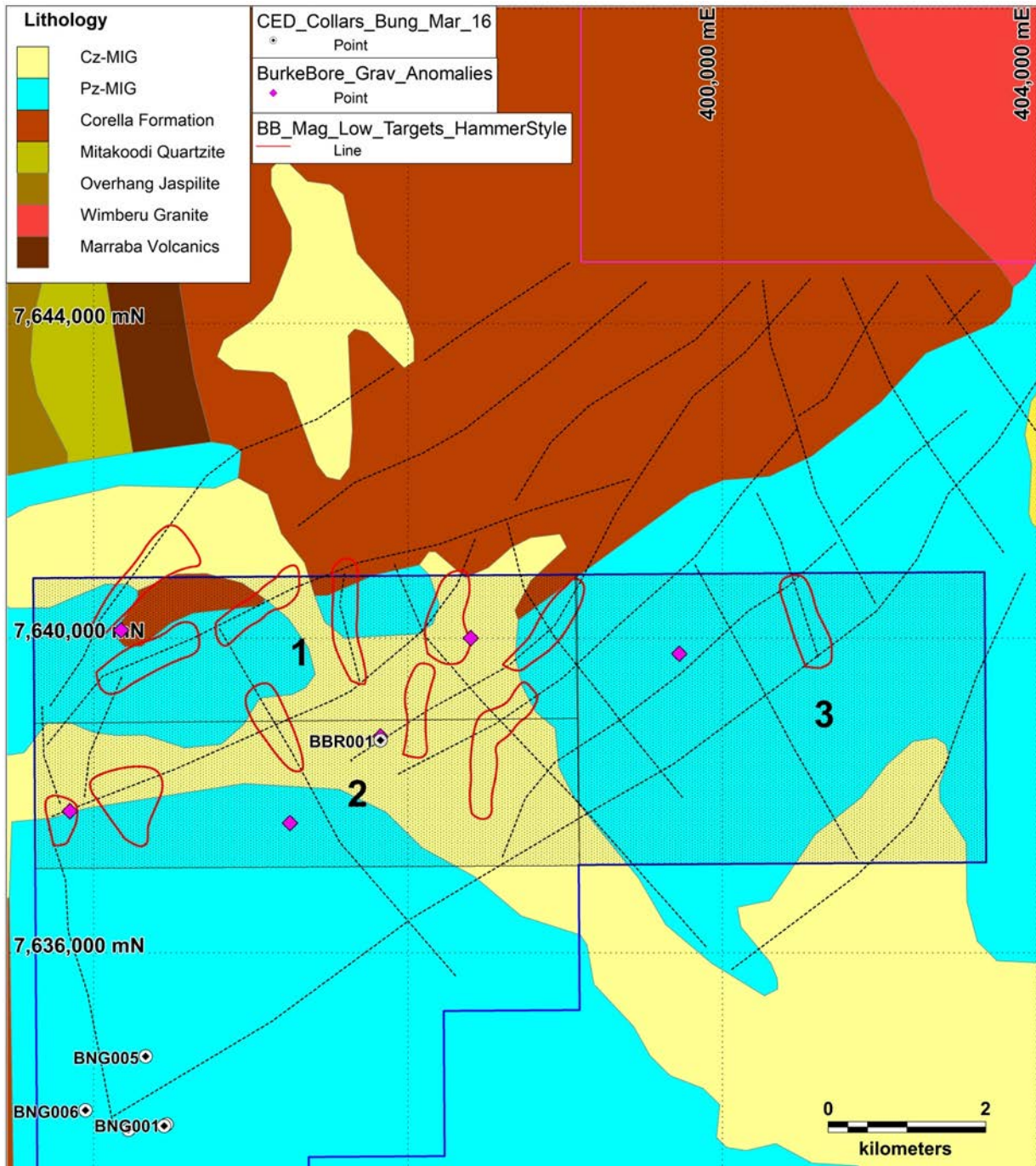


Figure 2: Planned mapping areas (hashed polygons) at Burke Bore project, numbered by priority.

Forward Program

Work during the June quarter will consist of data interpretation of both the field data and geochemistry collected during the June Quarter for the Bungalien Project. For the Mount Margaret West Project, detailed reprocessing of GA/GSQ VTEM data, interpretation and target ranking of reprocessed VTEM data, follow-up ground EM surveys of priority VTEM targets

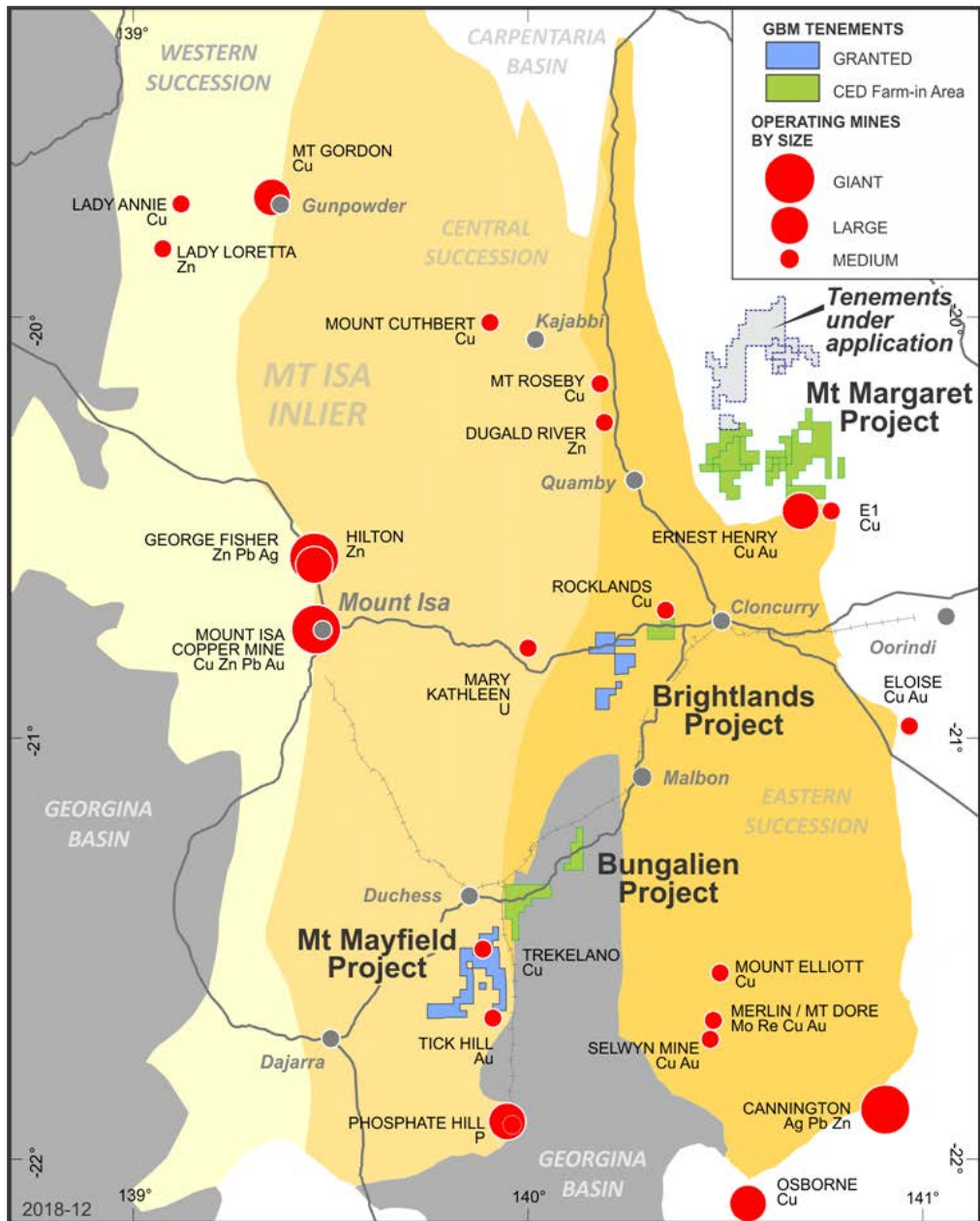


Figure 3; Location map showing Farm-in Areas and GBM tenements in the North West Mineral Province, Queensland.

TENEMENT SUMMARY

Throughout the June Quarter reports and payments have been lodged as required.

GBM submitted, in November 2017, to the Department of Jobs, Precincts & Regions (DJRP) a Retention Licence application for the Malmsbury Gold Project. During the quarter a request for further information and some modifications to the proposed programme was received and a response returned during March to the Department by GBM. The Retention Licence application is still being processed by the DJRP.

Project / Name	Tenement No.	Owner	Manager	Interest	Interest	Status	Granted	Expiry	Application Date	Approx Area (km ²)
				31-Mar-19	30-Jun-19					
Victoria										
Malmsbury										
Drummond	RL6587	GBMR* ¹ /Belltopper Hill	GBMR	100%	100%	Application			15-11-2017	6.7
Yea										
Monkey Gully	EL5293	GBMR	GBMR	100%	100%	Granted	23-Mar-11	22-Mar-21		25
Queensland										
Mount Morgan (Project Status)										
Dee Range	EPM16057	GBMR	GBMR	100%	100%	Granted	27-Sep-07	26-Sep-20		36
Boulder Creek	EPM17105	GBMR	GBMR	100%	100%	Granted	26-Mar-08	25-Mar-21		88
Black Range	EPM17734	GBMR	GBMR	100%	100%	Granted	20-May-09	19-May-20		49
Smelter Return	EPM18366	GBMR	GBMR	100%	100%	Granted	21-Jun-12	20-Jun-21		62
Limonite Hill	EPM18811	GBMR	GBMR	100%	100%	Granted	21-Nov-12	20-Nov-19		107
Mt Hoopbound	EPM18812	GBMR	GBMR	100%	100%	Granted	26-Jul-12	25-Jul-21		23
Limonite Hill East	EPM19288	GBMR	GBMR	100%	100%	Granted	31-Oct-13	30-Oct-20		3
Mt Victoria	EPM25177	GBMR	GBMR	100%	100%	Granted	26-Aug-14	25-Aug-21		3
Mountain Maid	EPM25678	GBMR	GBMR	100%	100%	Granted	09-Apr-15	08-Apr-21		26
Mt Morgan West	EPM27096	GBMR	GBMR	100%	100%	Application			01-Nov-18	325
Mt Morgan East	EPM27097	GBMR	GBMR	100%	100%	Application			01-Nov-18	325
Mt Morgan Central	EPM27098	GBMR	GBMR	100%	100%	Application			01-Nov-18	325
Moonmera	EPM19849	GBMR* ³	GBMR	100%	100%	Granted	12-Apr-13	11-Apr-21		16
Mount Usher	ML100184	GBMR	GBMR	100%	100%	Application				6
Mount Isa Region										
Mount Margaret (Project Status)										
Mt Malakoff Ext	EPM16398	GBMR* ^{2,4} /Isa Tenements	GBMR	47.1%	47.0%	Granted	19-Oct-10	18-Oct-20		78
Cotswold	EPM16622	GBMR* ^{2,4} /Isa Tenements	GBMR	47.1%	47.0%	Granted	30-Nov-10	29-Nov-22		16
Dry Creek	EPM18172	GBMR* ^{2,4} /Isa Tenements	GBMR	47.1%	47.0%	Granted	13-Jul-12	12-Jul-21		163
Dry Creek Ext	EPM18174	GBMR* ^{2,4} /Isa Tenements	GBMR	47.1%	47.0%	Granted	25-Oct-11	24-Oct-20		23
Mt Marge	EPM19834	GBMR* ⁴ /Isa Tenements	GBMR	47.1%	47.0%	Granted	04-Mar-13	03-Mar-21		3
Corella	EPM25545	GBMR* ⁴ /Isa Tenements	GBMR	47.1%	47.0%	Granted	20-Mar-15	19-Mar-21		46
Tommy Creek	EPM25544	GBMR* ⁴ /Isa Tenements	GBMR	47.1%	47.0%	Granted	11-Nov-14	10-Nov-20		33
Middle Creek	EPM27128	GBMR/Isa Tenements	GBMR	100%	100%	Application			03-Dec-18	35
Sigma	EPM27166	GBMR/Isa Tenements	GBMR	100%	100%	Application			02-Jan-19	287
Brightlands										
Brightlands	EPM14416	GBMR* ² /Isa Brightlands	GBMR	100%	100%	Granted	5-Aug-05	4-Aug-21		94
Bungalien										
Bungalien 2	EPM18207	GBMR* ² /Isa Tenements	GBMR	100%	100%	Granted	24-May-12	23-May-21		120
The Brothers	EPM25213	GBMR/Isa Tenements	GBMR	100%	100%	Granted	16-Oct-14	15-Oct-19		10
Mayfield										
Mayfield	EPM19483	GBMR* ² /Isa Tenements	GBMR	100%	100%	Granted	11-Mar-14	10-Mar-22		91
Mt Coolon										
Mt Coolon	EPM15902	GBMR/MCGM	GBMR	100%	100%	Granted	13-Jun-08	12-Jun-23		299
Mt Coolon North	EPM25365	GBMR/MCGM	GBMR	100%	100%	Granted	18-Sep-14	17-Sep-21		85
Mt Coolon East	EPM25850	GBMR/MCGM	GBMR	100%	100%	Granted	07-Sep-15	06-Sep-20		176
Conway	EPM7259	GBMR/MCGM	GBMR	100%	100%	Granted	18-May-90	17-May-22		39
Bulgonunna	EPM26842			100%	100%	Application			27-Mar-2018	325
Black Creek	EPM26914			100%	100%	Application			9-May-2018	325
Koala 1	ML 1029	GBMR/MCGM	GBMR	100%	100%	Granted	30-May-74	31-Jan-24		0.71
Koala Camp	ML 1085	GBMR/MCGM	GBMR	100%	100%	Granted	27-Jan-94	31-Jan-24		0.05
Koala Plant	ML 1086	GBMR/MCGM	GBMR	100%	100%	Granted	27-Jan-94	31-Jan-24		0.98
Glen Eva	ML 10227	GBMR/MCGM	GBMR	100%	100%	Granted	05-Dec-96	31-Jan-24		1.30
TOTALS										3675

Note

*¹ subject to a 2.5% net smelter royalty to vendors.

*² subject to a 2% net smelter royalty is payable to Newcrest Mining Ltd. On all or part of the tenement area.

*³ subject to 1% smelter royalty and other conditions to Rio Tinto

Figure 4: GBM Tenement summary table as at 30th June 2019

1. The Company spent a total of A\$433,000 in the quarter, of which A\$200,000 was for exploration and project development and A\$256,000 for corporate and administration costs. Cash as at 30 June 2019 was \$333,000.

As at the date of this report the company's current cash is \$889k which includes JV monies of \$380k.

2. **Twin Hills Gold Project Acquisition**

On the 9th of May the Company advised the market on the status of the Tenement Sale Agreement between GBM Resources Ltd and Minjar Gold Pty Ltd (Minjar) dated on or about 20 September 2018 (Agreement).

The Agreement was subject to the satisfaction of certain conditions precedent by 30 April 2019, or such later date as the parties may agree (refer GBZ ASX release, 3 April 2018).

GBM notified Minjar that the conditions precedent were, in its view, either satisfied or waived. Notwithstanding this, GBM advises that Minjar issued a letter to GBM on 2 May 2019 giving notice of termination of the Agreement on the basis that, in their view, the conditions precedent were not satisfied. GBM does not agree with Minjar's view and is currently considering its position (including, without limitation, possible legal remedies that may be available to it) and will continue to keep the market informed of developments.

3. **A\$700,000 Convertible Note Term Sheet Executed**

The Company announced to ASX on 9 May 2019 that it had executed a term sheet for a A\$700,000 Convertible Note to be issued to Lion Resources Development Pte Ltd (Subscriber).

Key details of the Convertible Note Term Sheet are as follows:

- a. Subscriber to pay the Convertible Note amount of A\$700,000 (Principal Amount).
- b. Repayment Date is 12 months from date of issue.
- c. Interest is payable on the Principal Amount until the Convertible Notes are either redeemed or converted into fully paid ordinary shares (Shares) in the capital of the Company at the rate of 10% per annum, calculated monthly and payable 3 monthly in arrears.
- d. Each Convertible Note will be convertible into Shares at a conversion price of \$0.005 per Share.
- e. The Subscriber may before the Repayment Date, convert the Convertible Notes into Shares.
- f. The Convertible Notes are secured over the issued capital of Mt Coolon Gold Mines Pty Ltd.

The proceeds received from the Convertible Notes will be applied by the Company towards working capital requirements. The Company issued the Convertible Notes pursuant to its placement capacity under Listing Rule 7.1.

The convertible note funds were received and the convertible notes issued to the investor by the Company in equal tranches of \$350,000 on 31 May 2019 and 4 July 2019.

4. **Director Retirement**

The Company advised that Mr Hun Seng Tan retired from the board of GBM effective from the 6 June 2019.

Mr Hun Seng Tan has been on the Board, as a non-executive director, for over 4 years supporting the Mt Coolon gold development strategy and in particular overseeing the Company's divestment of its Malaysian gold interest.

The Board thanks Mr Hun Seng for his commitment and efforts to the Company and wishes him well in his retirement.

For Further information please contact:

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The information in this report that relates to Mount Coolon Gold Project Mineral resources is extracted from ASX announcement 4 December 2017 which is available at www.gbmr.com.au Information relating to the Malmsbury Project Mineral Resources is extracted from ASX announcement 4 July 2019, also available on the company website.

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

GBM Resources Limited

ABN

91 124 752 745

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(200)	(1,263)
(b) development	-	-
(c) production	-	-
(d) staff costs	(178)	(317)
(e) administration and corporate costs	(78)	(530)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (incl. farm-in management fee)	23	149
1.9 Net cash from / (used in) operating activities	(433)	(1,957)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets – bonds/deposits	-	(54)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets – bonds/deposits	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Farm-in partner exploration contributions	215	529
2.6	Net cash from / (used in) investing activities	215	475
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares and options	-	1,135
3.2	Proceeds from issue of convertible notes	350	350
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(21)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	350	1,464
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	201	351
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(433)	(1,957)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	215	475
4.4	Net cash from / (used in) financing activities (item 3.10 above)	350	1,464
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	333	333

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	327	165
5.2 Call deposits	6	36
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	333	201

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	86
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Remuneration and fees paid to directors.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/a

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other – Convertible Note	700	350
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

During the June quarter the Company entered into a convertible note with Lion Resources Development Pte Ltd or its nominee (Subscriber). Key details of the Convertible Note Term Sheet are as follows:

- o Subscriber to pay the Convertible Note amount of A\$700,000 (Principal Amount).
- o Repayment Date is 12 months from date of issue.
- o Interest is payable on the Principal Amount until the Convertible Notes are either redeemed or converted into fully paid ordinary shares (Shares) in the capital of the Company at the rate of 10% per annum, calculated monthly and payable 3 monthly in arrears.
- o Each Convertible Note will be convertible into Shares at a conversion price of \$0.005 per Share.
- o The Subscriber may before the Repayment Date, convert the Convertible Notes into Shares.
- o The Convertible Notes are secured over the issued capital of Mt Coolon Gold Mines Pty Ltd.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation ¹	200
9.2 Development	-
9.3 Production	-
9.4 Staff costs	
9.5 Administration and corporate costs	100
9.6 Other	-
9.7 Total estimated cash outflows	300

The Company is cognisant of the fact that additional funding will be required to meet short and medium term working capital requirements and is assessing various capital raising opportunities.

During the quarter the Company entered into a convertible note agreement to raise \$700,000, of which \$350,000 was drawn prior to 30 June 2019. The balance of the convertible note was drawn on 3 July 2019. Refer section 8.4 for further details of the convertible note.

Subsequent to the end of the quarter the Company received an amount of \$267,623 in respect of cash call contributions from its joint venture partner.

¹ Estimated exploration outflows are dependent on available cash resources.

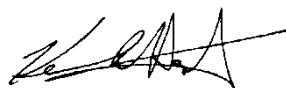
Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	none			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	none			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 31 July 2019

Print name: Kevin Hart

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.