ABN 91 124 752 745

ANNUAL REPORT 2019

Corporate Directory
GBM Resources Limited (**GBM** or the **Company**)

ASX Code
GBZ

Directors
Peter Thompson – Executive Chairman
Sunny Loh – Non-Executive Deputy Chairman
Neil Norris – Exploration Director – Executive
Peter Mullens - Non-Executive Director

Company Secretary
Kevin Hart

Registered & Principal Office
Suite 8, 7 The Esplanade
Mt Pleasant WA 6153
Australia
Telephone: +61 8 9316 9100
Facsimile: +61 8 9 315 5475

Exploration Office
Unit 11, 21 High St.
Harcourt, Vic 3453
Australia
Telephone: +61 3 5470 5033

Postal Address
PO Box 658
Castlemaine Vic 3450

Website
www.gbmr.com.au

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

Share Registry
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

Stock Exchange
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000
Australia

Solicitors
Steinepreis Paganin – Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000
Australia

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CHAIRMAN'S REPORT

Dear Fellow Shareholders

The confidence in GBM's future has recently received a further boost with the strategic agreement to acquire Millstream Resources Ltd (**Millstream**), which has the right to earn an initial 50% joint venture interest in the White Dam Gold Operation (**White Dam**).

The opportunity to generate cash flow through heap leach production at White Dam, the improving market sentiment for exploration/development companies and the historically high Australian gold price all provide the Company with an excellent future climate to grow and develop.

The acquisition of Millstream also has the potential to support the Company's working capital requirements and the development of the Mount Coolon Gold Project.

The current gold price of approximately A$2,150 per ounce gold has increased significantly from the Mount Coolon Gold Project Scoping Study assumption of A$1,667 per ounce. This A$483 per ounce increase potentially adds another A$75 million in gold revenue which may enhance the viability of the 155,000 ounces of initial potential production.

The exploration strategy remains to extend the current resource base in the Mount Coolon area with the objective of building resources in excess of 2 million ounces of contained gold.

We have also continued into our eighth consecutive year with an excellent record of zero harm in safety and environment. This is a credit to our people and an indication of the Company's committed approach to operating in a safe, sustainable, and socially and environmentally responsible manner.

The Board is also delighted with the recent appointment of Mr Peter Mullens as a Non-Executive Director. Mr Mullens (B.SC, Geology, Fellow AUSIMM) has over 35 years' experience in the mining industry from early exploration through to project development and mine production. Peter has a strong history of success with junior exploration companies over the last 20 years. His expertise in local and global capital markets, track record in building significant value for early stage exploration companies and technical abilities will greatly add to the composition of the Company's Board.

On behalf of the Board, I would like to thank GBM shareholders and all our employees and contractors who have made this a successful year and look forward to your continued support.

Yours sincerely

Peter Thompson
Executive Chairman

Our Vision – Our Values

OUR VISION

GBM Resources Limited is focused on delivering value to our shareholders through discovery, acquisition and development of projects in key commodities of gold and copper in Australia.

OUR VALUES

We are committted to achieving our vision in a safe and responsible manner with the highest regard for the environment and communiities in which we operate. The Board endorse the core values of GBM as summarised below.

SAFETY	SUBSTAINABILITY	INTEGRITY	RESPONSIBILITY
We take care of our safety, health and wellness by recognising, assessing and managing risk to continue our goal of zero harm.	We have the highest regard and support for the environment and local communities in which we operate.	We behave ethically and respect each other and the customs, cultures and laws in which we operate.	We deliver on our commitments and work together with all stakeholders

CORPORATE STRATEGY

Each year the Board review the Company's strategy and the key drivers to unlock the potential of gold and copper-gold exploration and development projects. These key drivers are summarised below:

- ✓ **Identify opportunities for early production and cashflow in deposits with potential for major resource growth.**
- ✓ **Focus on discovery of world-class gold and copper-gold deposits.**
- ✓ **Continue to consolidate and improve the quality of GBM's highly prospective tenement holdings.**
- ✓ **Apply a mineral systems approach to exploration.**
- ✓ **Operate safely and effectively.**
- ✓ **Maximise in-ground exploration expenditure.**

HIGHLIGHTS FOR 2019

- ### GBM to Acquire 100% Interest in Millstream Resources Pty Ltd

  Heads of Agreement *(refer ASX announcement 16 October 2019)* with Stibium Mining Pty Ltd (Stibium) to acquire its subsidiary Millstream Resources Pty Ltd (Millstream) for consideration of 150 million fully paid shares in the capital of GBM Resources Ltd.

  Millstream has entered into a Non – binding Terms Sheet with Round Oak Minerals Pty Ltd (Round Oak) which sets out the terms for Millstream to earn an initial 50% joint venture interest in the White Dam Gold Operation (White Dam).

  The Joint Venture interest provides GBM with the opportunity to generate cash flow through heap leach gold production in the next 12 months and assess opportunities to restart mining in remnant open pits and undeveloped resources at White Dam.

  The Company believes that acquisition of Millstream has the potential to support its working capital requirements and ongoing development of the MCGP.

- ### Mount Coolon Gold Project, QLD

  The Mount Coolon Gold Project (MCGP) scoping study 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$2,150 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.

  The Company continues to review potential investments option for the stand-alone development of the MCGP.

- ### Pan Pacific Copper Co Ltd – IOCG Joint Venture

  Pan Pacific Copper Co Ltd committed to a $0.64M budget for the 12 month period to 31 March 2020.

  Drill hole MMA015 at FC2 intersected strong sulphide mineralisation and IOCG-type alteration near the base of the hole. Hole MMA015 returned a best intersection of 2 m @ 0.39 % Cu from 385 m downhole. Magnetite alteration is increasing with depth.

- ### Malmsbury Gold Project

  The 104,000 ounce resource at the Leven Star Deposit has been reviewed and upgraded to satisfy the requirements of JORC 2012.

  The Inferred Mineral Resource estimate for the Leven Star Deposit totals 820,000 tonnes at an average grade of 4.0 g/t Au containing 104,000 ounces.

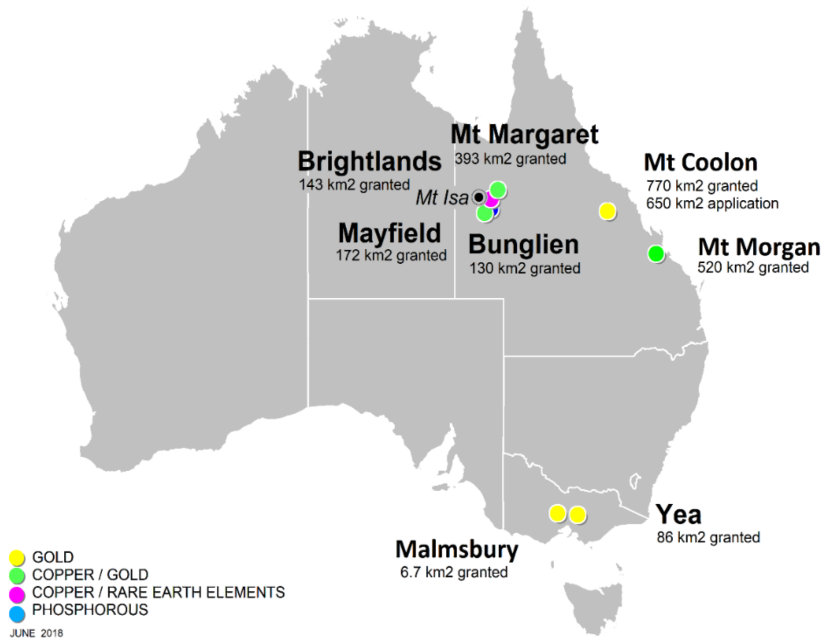
  The Leven Star Lode is one of many auriferous lodes within the contiguous Drummond North and Belltopper Hill Goldfields.

- ### Sustainable Development

  GBM has been a signatory to the Mineral Council of Australia's 'Enduring Value: The Australian Minerals Industry Framework for Sustainable Development' since 2008 and reconfirmed this commitment again in 2016. Our excellent record continues of zero LTI's and environmental incidents this year – this is the eighth year that GBM has achieved zero harm. This is a credit to our people and an indication of the Company's stringent and high safety and environment standards.

COMPANY SNAPSHOT

The Company holds a diversified portfolio of tenements – located in world-class gold and copper regions in Australia.



GBM PROJECT LOCATIONS

QUEENSLAND

Mount Coolon Gold Mines
100% wholly-owned
Project area: 1,248km² (granted)
Commodity: Epithermal and IRGS Gold
Resources: Totalling 330,500 ounces of gold

Mount Morgan
100% wholly-owned
Project area: 1,017km²,
Commodity: Gold and Copper-Gold Porphyry, VMS

Brightlands
100% wholly-owned
Project area: 94 km²
Commodity: Defined Cu-U-Mo-REE-P
Resource: containing 108,000 t TREEYO ,97,000t Cu 14 M lbs U3O8

Pan Pacific Copper Joint Venture Projects
47.1% owned by GBM
Project area: 918km²
Commodity: IOCG, ISCG

Mayfield
100% wholly-owned
Project area 91km²
Commodity: IOCG

VICTORIA

Malmsbury
100% wholly-owned
Project area: 6.7km²
Resource: containing 104,000 ozs gold

Yea
100% wholly-owned
Project area 25km²

REVIEW OF OPERATIONS

GBM is committed to developing the Mount Coolon Gold Project (MCGP) in the under-explored Drummond Basin epithermal gold province in Queensland. The Company has identified a number of other deposits and high quality exploration targets which may be viewed as stranded assets which could be consolidated into the MCGP.

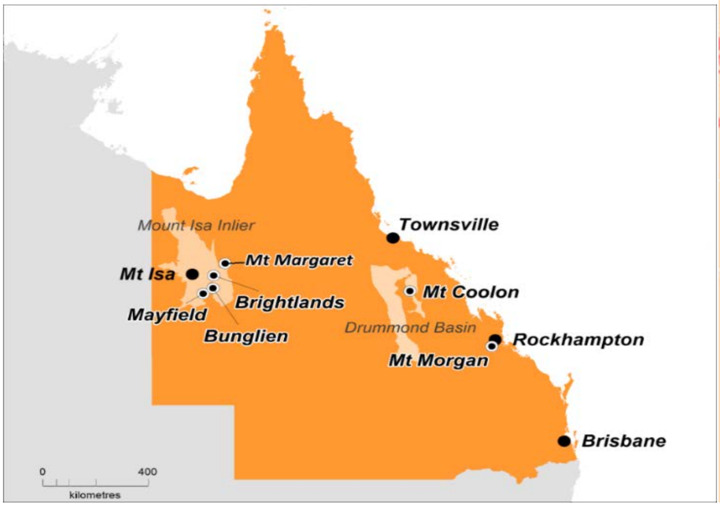
The Company believes that the successful acquisition of Millstream and formation of the White Dam Joint Venture may provide GBM with the opportunity to generate cash while assessing opportunities to restart mining operations and explore other associated tenements.

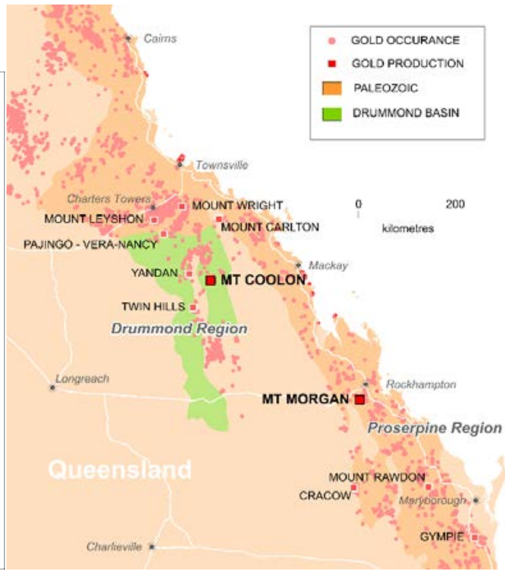
The Company believes that acquisition of Millstream has the potential to support its working capital requirements and ongoing development of the MCGP.

In addition, the Company in conjunction with our Joint Venture Partner, continues to explore for IOCG & ISCG deposits in the North West Mineral Province.

In line with the Company's vision, our exploration efforts are focussed on developing and expanding our known resource and securing tenements and projects that improve the quality and potential of our highly prospective tenement holdings within, Australia.

GBM tenements cover a total area greater than 3,200 square kilometres in seven major project areas in Queensland and Victoria. Of this area, 66% is held within the flagship MCGP and the Joint Venture with CED (Pan Pacific Copper Ltd).





Figures: Left, Location of GBM Gold and Copper projects in Queensland. Right, location of gold deposits, Drummond Basin and GBM Gold Projects in Queensland.

The Company has also developed an exploration strategy to extend the current resource base in the Mount Coolon area with the objective of building resources in excess of 2 million ounces of gold.

Subject to the Company fund raising initiatives GBM plans to step up activities in the 2020 financial year with a focus of moving the Mount Coolon Gold Project toward gold production.

In conjunction with our Joint Venture Partner CED (PPC) a total of 2 diamond drill holes for 125 meters of mud rotary drilling and 477 metres of diamond drilling and one additional 3D IP array, were completed on the Mount Margaret Project during the year.

MOUNT COOLON GOLD PROJECT (MCGP) *(100% OWNED GBM)*

The MCGP hosts a known resource (JORC2012) containing 330,500 ounces of gold in three separate, open pit deposits. GBM has identified exploration upside in each of these deposits along with a number of exploration prospects within the 1,248 square kilometre tenement package. The Company believes that the MCGP can provide the basis for future consolidation of several known gold deposits within the region.

The MCGP is located within the Drummond Basin, one of Queensland's most prolific gold provinces. The Basin's past production is more than 4.5 million ounces of gold and has a total known gold endowment in excess of 7.5 million ounces of gold. The Drummond Basin is an established gold mining region which has proven fertile for discovery of epithermal and intrusive relation gold systems.

Mineralisation in the Drummond Basin is typified by low sulphidation epithermal style precious metal Deposits. Examples include Pajingo (3.0Moz), Wirralie (1.1Moz), Yandan (0.6Moz) and Koala (0.36Moz). Epithermal mineralisation is typified by very fine-grained gold, sometimes occurring in electrum, in quartz veins and or breccias. These Deposits are variously interpreted to have formed in locally extensional jogs or bends of transform fault systems.

The Project is located 250 km to the West of Mackay in North Queensland, the tenement package covers a total area of over 1,200km^2 and holds potential for further significant discoveries.

GBM completed a scoping study on the MCGP *(refer ASX Release 4th of December 2017)*. This study demonstrates that the redevelopment of the MCGP with its current resources has the potential to generate a strong positive cash flow. Based on a gold price of A$1,667, the Scoping Study demonstrated the potential economic viability of mining the Koala, Glen Eva and Eugenia resources using a combination of Heap Leaching and CIL processing. The Life of Mine highlights summary is included in the table below.

Au Produced	Oz	155,000
Pre-Tax Cash Flow	A$M	60.5
Production Life	Years	5.5
Pre-production and CIL/HL Plant Capital	A$M	25.2
Operating Cash Cost (C1)	A$/oz	909
AISC Cost (all-in-sustaining)	A$/oz	1,020

The current gold price of A$2,150 per ounce gold has increased significantly from the scoping study gold price assumption of A$1,667 per ounce, an increase of A$483 per ounce which potentially adds another $75million in gold revenue and potentially increasing the viability of the LOM production of 155,000 ounces.

Of the gold production detailed in this study, 72% of Au is from Indicated Resources based on updated mineral resources estimates for the Koala, Glen Eva and Eugenia Deposits. The Koala and Glen Eva deposits are on granted mining leases. It is also significant that the resource areas remain open and are considered to hold high potential to extend mine life. The Scoping Study was completed by independent consultants, Mining One Pty Ltd with input from GBM and external consultants.

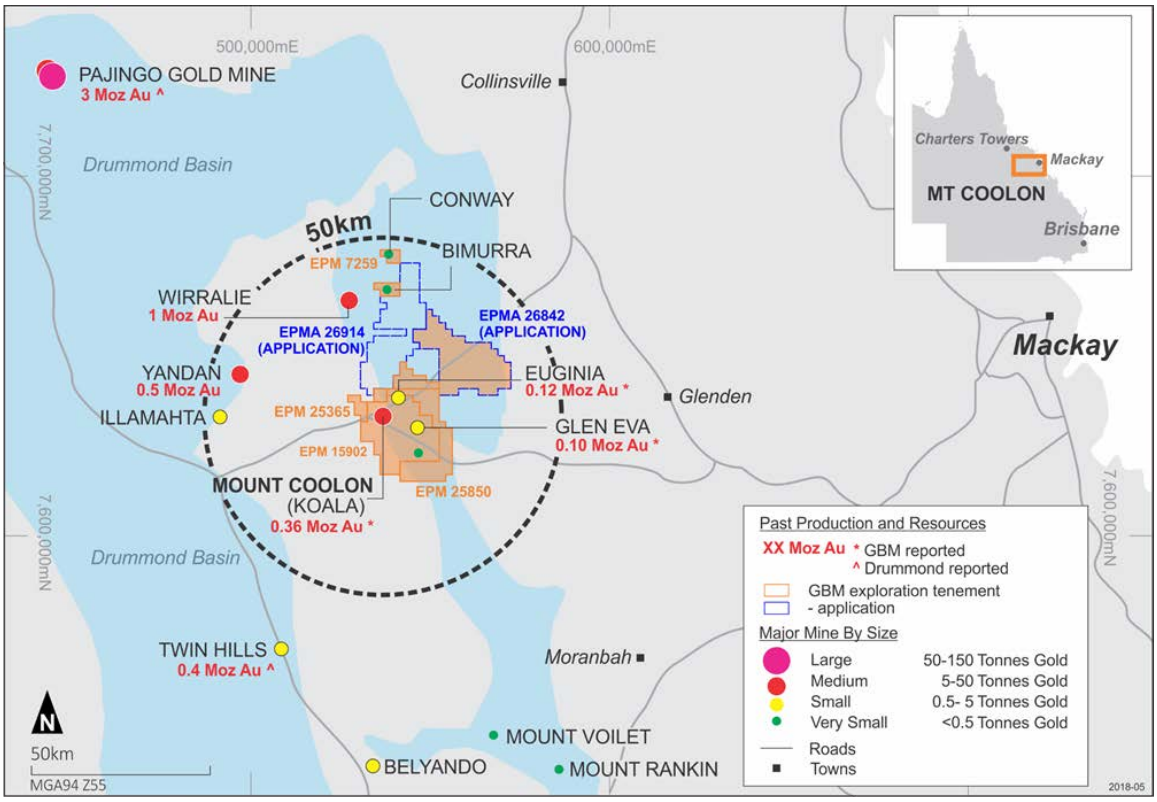


Figure: Resources, exploration prospects and tenement locations in the Mount Coolon Gold Project.

Mt Coolon Mineral Resources

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**	

Table: November 2017 Resource Summary for the MCGP. Please note rounding (1,000's tonnes, 100's ounces, 0.1 g/t) may cause minor variations to totals. For full details please refer to *ASX release dated the 4th of December 2017.*

Exploration

Two new exploration permits EPM26842 'Bungonunna' and EPM26914 'Black Creek' were granted during the year. These permits greatly strengthen the existing tenure in providing more contiguous coverage of the highly prospective eastern Drummond Basin. The MCGP now covers a total area of 1,248 square kilometres.

The Company considers that many highly prospective targets remain underexplored within the identified mineralization corridors hosted within the project area.

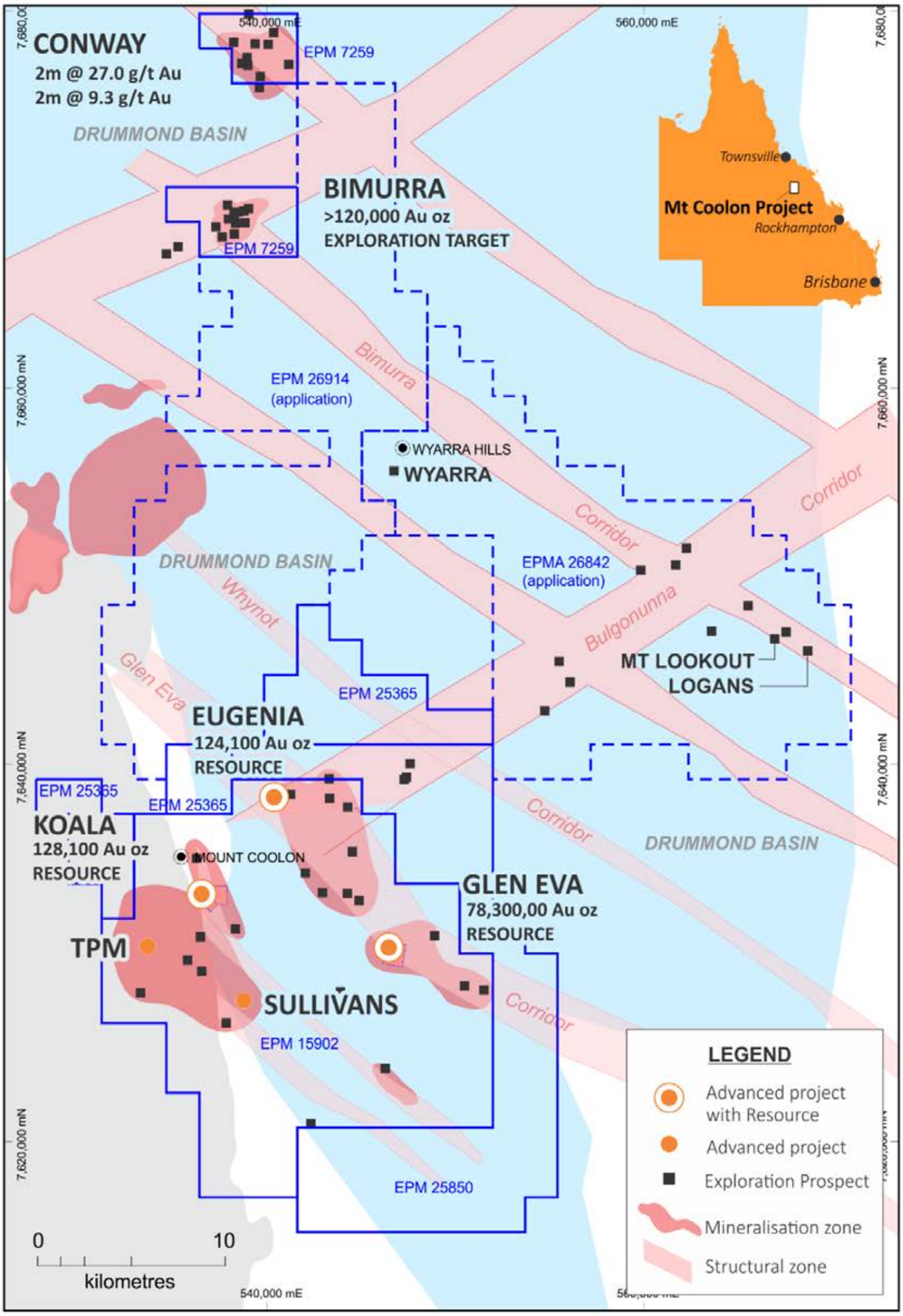


Figure: Resources, exploration prospects and tenement locations in the Mount Coolon Gold Project. Note that the exploration Permit applications EPM26842 and EPM26914 were granted in August 2019, subsequent to the end of the reporting period.

GBM TO ACQUIRE 100% INTEREST IN MILLSTREAM

The Company announced, on 16 October 2019, the signing of a Heads of Agreement (“**HoA**”) with Stibium whereby GBM has agreed to acquire a 100% interest in Millstream.

Stibium through its subsidiary Millstream can initially earn a 50% interest in the White Dam as part of an unincorporated joint venture (**Joint Venture**).

The Company believes that the successful formation of the Joint Venture may provide GBM with the opportunity to generate cash while assessing opportunities to restart mining operations to exploit remnant open pit mineralisation, other previously defined mineralised zones at White Dam and explore other associated tenements. The Option Agreement (defined below) will enable GBM to leverage the value of any discoveries with a fully functioning gold heap leach – extraction plant.

The acquisition of Millstream has the potential to support its working capital requirements and ongoing development of the Mt Coolon Gold Project.

The White Dam Gold Operation and Development Strategy

The White Dam Gold Operation is located in South Australia, approximately 100 km south-west of Broken Hill. It is currently owned by Round Oak.

The White Dam Gold Operation is a heap leach project and since, 2010 has produced approximately 170,000 oz gold from heap leaching of ~7.5 Mt of ore which has been mined from two open pits. Available reconciliation of mining against resource estimates is good and indicates that a significant tonnage of mineralised material remains to be mined from both the Hannaford and Vertigo open pits. While further work is required to confirm and quantify in detail, this does appear to represent an opportunity to extend the mine life of the project. It is worth noting the current gold price of around AUD$2,150 versus a price of AUD$1,650 at the time of the most recent mining in 2016/17.

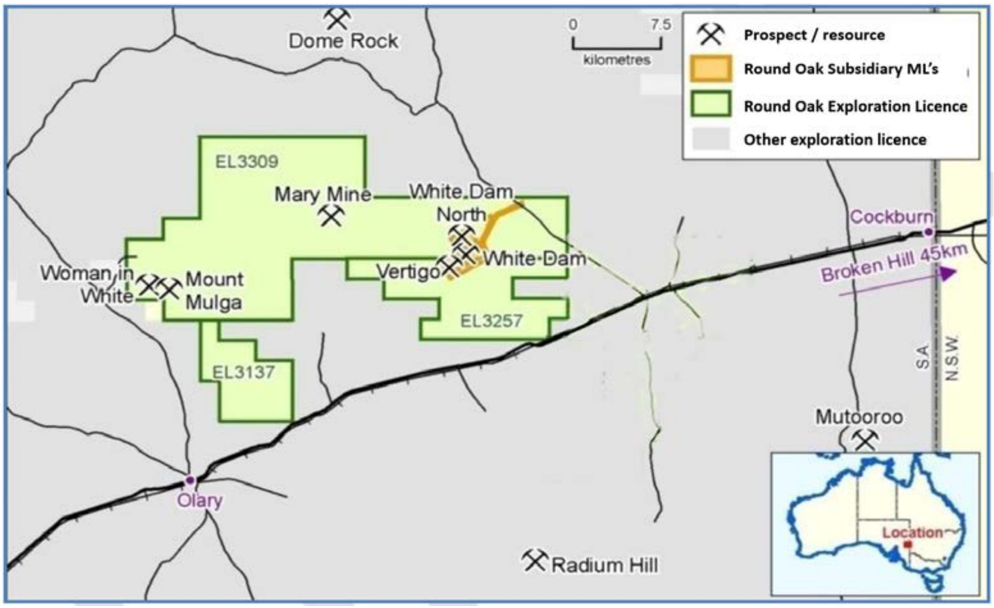


Figure: Location map of the White Dam Gold Operation

Figures: Existing Gold Recovery Plant

The White Dam Gold Operation includes the open pit mines, dump / heap leach, the gold extraction plant and related infrastructure.

In summary the potential joint venture gives the opportunity for the Company to:

- Improve gold recovery at the White Dam Gold Project with the SART Plant to be commissioned in 2020.
- Brings an experienced operational team.
- Provides the basis of an attractively priced acquisition.
- The gold recovery plant has the ability to be relocated to the Mt Coolon Eugenia Heap Leaching Project to support its possible development, should GBM exercise its option to acquire 100% of the project.
- Provides significant exploration upside from extension of existing pits and exploration of identified structural and geochemical targets for new gold discoveries.

CLONCURRY EXPLORATION & DEVELOPMENT Ltd (CED) JOINT VENTURE (GBM 47.1% Interest at 30 June 2019)

The Joint Venture targets Iron Oxide Copper Gold (IOCG) and Iron Sulphide Copper Gold (ISCG) style systems in the Mount ISA Region.

The Farm In/ Joint Venture with Pan Pacific Copper ltd (PPC) subsidiary Cloncurry Exploration and Development Pty Ltd (CED) has operated since 2010. Project expenditure to date has been $16M exploring for Iron-Oxide-Copper-Gold (IOCG) and more recently Iron-Sulphide-Copper-Gold (ISCG) style deposits in the Cloncurry Region of the North West Mineral Province of Queensland.

GBM remains the manager of the Joint Venture and retains a free carried interest of 10% through to completion of a bankable feasibility study. The JV includes the Mount Margaret West, Bungalien and Chumvale Breccia Projects and have an approved budget of $0.64M for the year ending March 31st 2020.

Work in 2019 focussed on the FC2 Prospect. FC2 is a large (4 km2), structurally complex zone of elevated magnetic, gravity and electrical response obscured by 50-60 m of cover sediments. The JV in previous field seasons has completed detailed ground gravity, airborne magnetic and 2D/3D IP geophysical surveys, partial leach surface geochemical sampling, and drilled three deep diamond scout holes to test coincident geophysical anomalies. Two of the three holes (MMA007 and MMA010) tested the "Anomaly A" 3DIP/gravity/magnetic target, returning anomalous copper mineralisation associated with intense magnetite and feldspar alteration.

The host rock type, alteration, mineralisation and structural geometry intersected in previous JV drilling is analogous to the Ernest Henry setting and showed the potential for the FC2 prospect to host a large IOCG copper-gold deposit. A second 3DIP target defined in 2017, "Anomaly B", was drill tested in the 2018 season along with completion of the continuation of the 3DIP survey towards the southern margin of the prospect.

Drill hole MMA015 was completed in September at FC2 Anomaly B. The hole intersected intermediate volcanics of probable andesitic composition from 57.2m downhole (top of basement) to the end of hole at 442.2 m. The lithology is likely to be equivalent to the andesitic Fort Constantine Volcanics that are the main host of the Ernest Henry deposit. Actinolite, magnetite, biotite, apatite and red feldspar alteration is patchy throughout the hole, typically as vein and vein selvedge. The vein frequency increases over the last 100 m of the hole, reflected in the increasing magnetic susceptibility readings (see section below).

Significant sulphide mineralisation (up to 10% pyrite, 0.5% chalcopyrite) occurs within a 2 metre, massive pyrite-chalcopyrite-magnetite-actinolite-chlorite-carbonate-apatite vein from 385.2 to 387mDH. Assays for this interval returned 2m @ 0.39 % Cu *(refer ASX release 31 October 2018)*. See figure and core photo below. Minor pyrite (0.1-0.3%) and rare chalcopyrite occurs elsewhere throughout the hole, typically associated with actinolite-magnetite veins. Further testing of this anomaly and other structural positions within the FC-2 Anomaly are planned for the 2019 field season.

Figure: Drill hole MMA015. Massive pyrite-chalcopyrite-magnetite-actinolite-chlorite-carbonate-apatite vein (385.2-387mDH) returned 2m @ 0.39 % Cu from 385 m downhole.

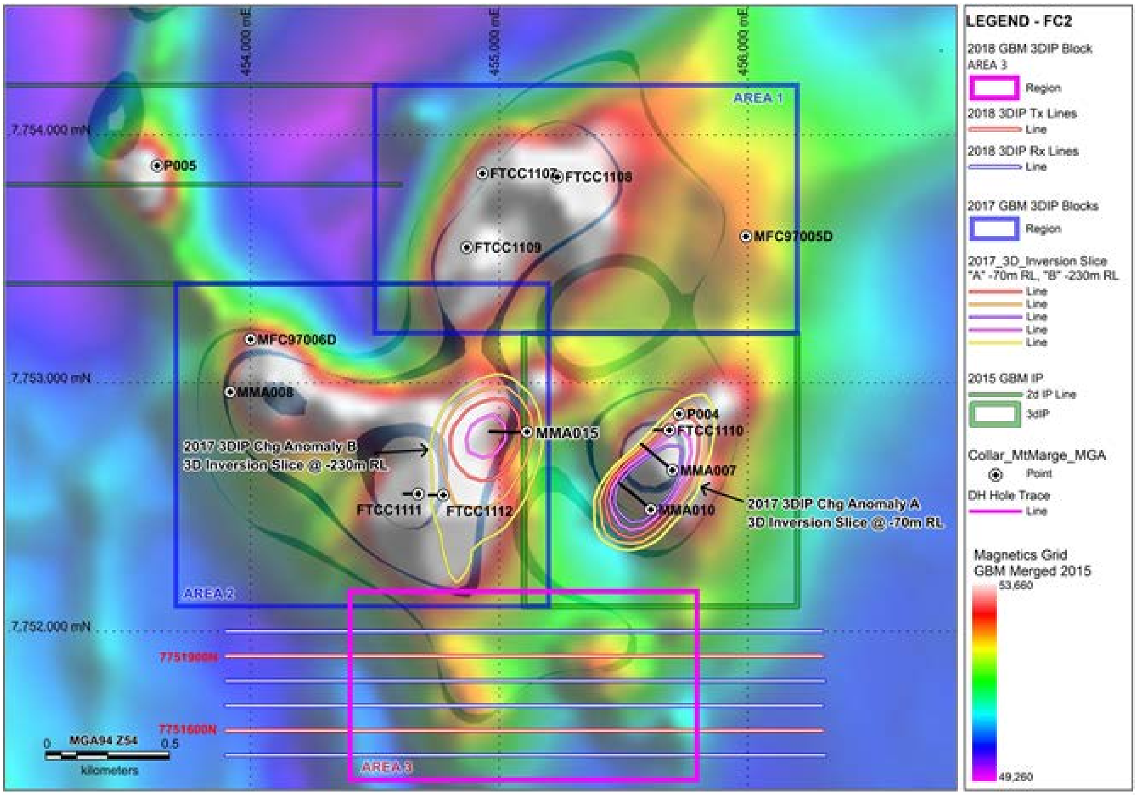


Figure: Completed 3DIP Rx-Tx lines over south end of FC2 complex within Area 3. The recently completed Area 3 is the southern-most pink polygon.

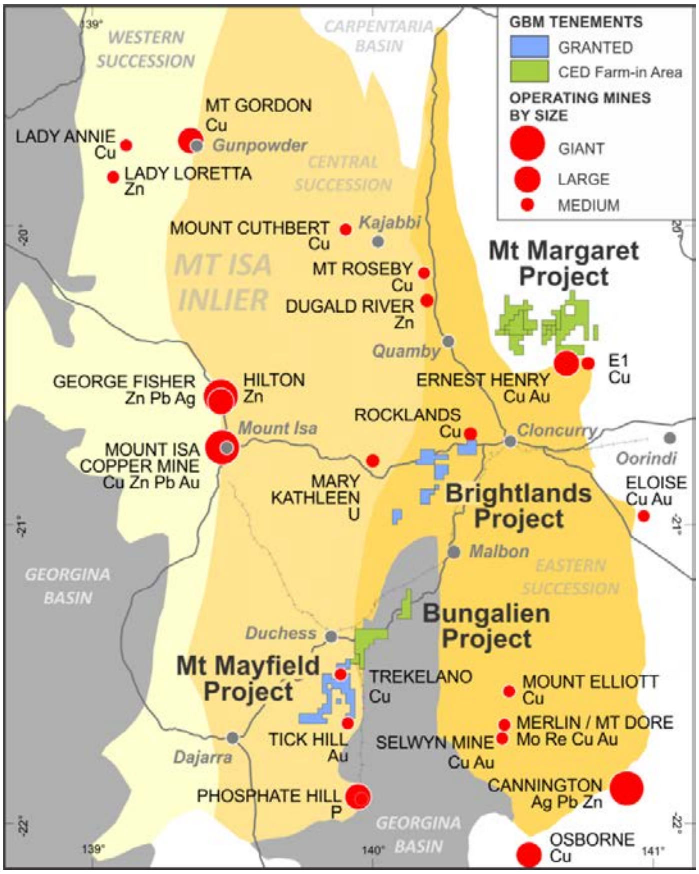


Figure: Tenement locations within the North West Mineral Province.

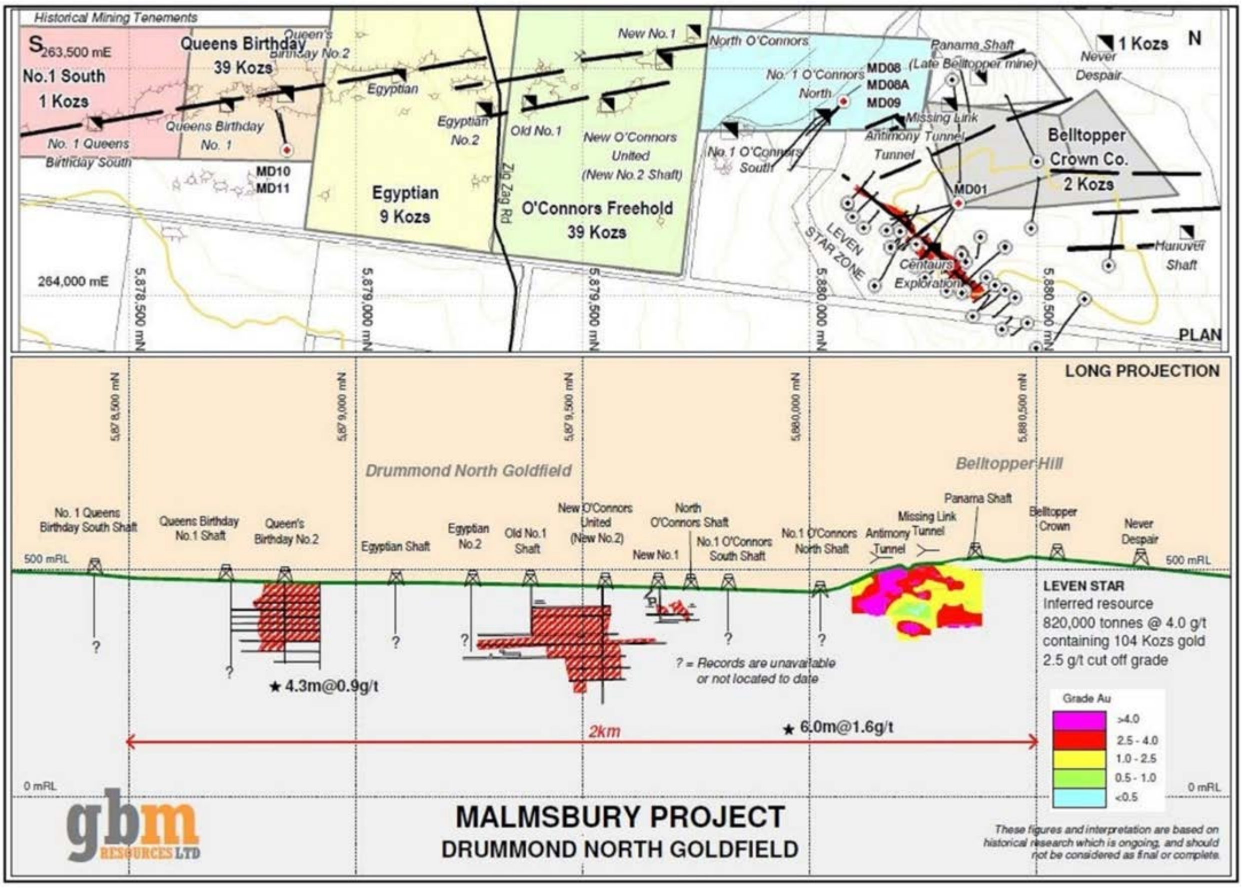
MALMSBURY PROJECT, VICTORIA *(100% OWNED GBM)*

Intrusive Related Gold

The Malmsbury Project is located in the same region as the large, high grade Fosterville Gold Mine. The Malmsbury Project has a known gold resource containing 104,000 ounces of gold at an average grade of 4 g/t Au. The project has high order exploration targets with previous mining to shallow depths that remain to be tested with modern exploration.

During the year the Leven Star resource was 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 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.

This area hosts an inferred resource estimated to contain 104,000 ounces of gold and historical production from the area totalled 91,000 ounces. Drilling by GBM has demonstrated that the characteristics of an IRGS persist to at least 1km depth in the project area. Reviews of structural and mineralogical characteristics of the mineralisation have confirmed a number of key similarities with the large, high grade Fosterville Gold Mine which has produced over 2.0 million ounces of gold and has current published reserves and resources containing 4.8Mozs as is one of the largest known gold systems in Eastern Australia. In addition, recently discovered mineralisation is among the highest grade resources in the world today. The current resource at Malmsbury is hosted within a 450m section of a single structure within the Drummond Goldfield which has an identified strike length in excess of 4 kilometres. The resource remains open at depth and along strike.



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

YEA PROJECT, VICTORIA *(100% OWNED GBM)*

Intrusive Related Tungsten, Molybdenum and Gold

Monkey Gully Prospect is considered to be an under-explored IRGS with significant evidence of Tungsten and Molybdenum mineralisation representing the upper levels of an IRGS system.

In April 2018 a Binding Terms Sheet was signed with Kennington Global Limited (KGL), a Hong Kong registered company. Under the terms of the agreement, KGL has the right to acquire up to 80% of the Project by spending A$600,000 with GBM retaining a 20% free carried interest to completion of a Bankable Feasibility Study.

A two day field trip to Monkey Gully was completed during September 2018 by NEDEX Pty Ltd (Nedex) on behalf of Kennington Global Limited (KGL). During the visit the geological setting and style of mineralisation was reviewed with the objective to design a preliminary drilling programme to test the zone of tungsten/molybdenum mineralization. A subsequent data review was undertaken during the December Quarter and an initial drill programme proposed.

Previous drilling by GBM intersected 17 metres averaging 0.19% W_2O_3 and 262 ppm Mo from 101 metres downhole, including 8 metres averaging 0.34% W_2O_3 and 493ppm Mo. Review of previous exploration data has also highlighted a number of significant geochemical and geophysical anomalies which represent targets for future exploration.

Two target styles have been proposed at Monkey Gully; a near surface target of multiple close-spaced dykes and dyke contacts and a deeper mineralised carapace over the tonalite source intrusion. Given the size of the central magnetic high (2 kilometre x 0.8 kilometre) and the modelled association with a mineralised tonalite carapace, the deep target has significant exploration potential for a large-tonnage W-Mo +- Au IRGS deposit.

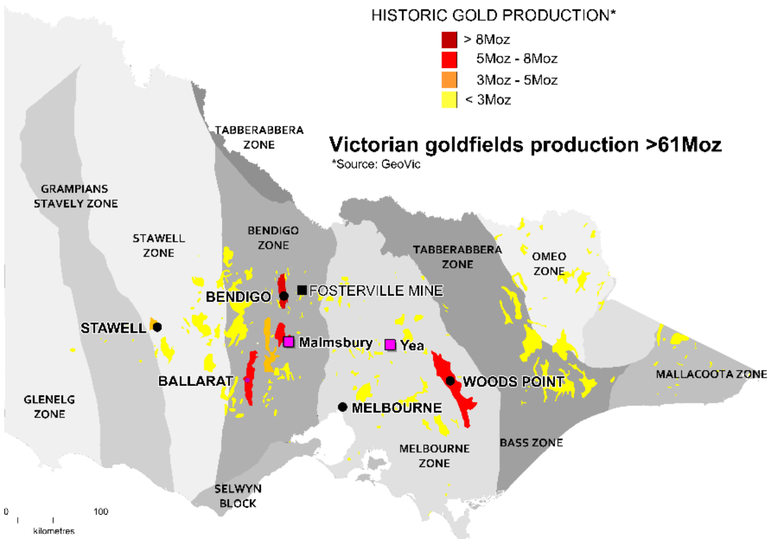


Figure: Major goldfields and structural domains in Victoria showing the location of the Malmsbury Au Project and Yea W,Mo,Au Project.

GBM'S TENEMENT SCHEDULE

Project / Name	Tenement No.	Owner	Manager	Interest 31-Mar-19	Interest 30-Jun-19	Status	Granted	Expiry	Application Date	Approx Area (km2)
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										
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%	Granted	28-Aug-19	27-Aug-19		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
Project Area										1017
Mount Isa Region										
Mount Margaret (Project Status)										
Mt Malakoff Ext	EPM16398	GBMR*[2, 4]/Isa	GBMR	47.1%	47.0%	Granted	19-Oct-10	18-Oct-20		78
Cotswold	EPM16622	GBMR*[2, 4]/Isa	GBMR	47.1%	47.0%	Granted	30-Nov-12	29-Nov-22		16
Dry Creek	EPM18172	GBMR*[2, 4]/Isa	GBMR	47.1%	47.0%	Granted	13-Jul-12	12-Jul-21		163
Dry Creek Ext	EPM18174	GBMR*[2, 4]/Isa	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
Project Area										683
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-21		7
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%	Granted	15-Aug-19	14-Aug-23		325
Black Creek	EPM26914			100%	100%	Granted	15-Aug-19	14-Aug-23		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
Project Area										**1248**
TOTALS										**3292**

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 royaly and other conditions to Rio Tinto*

Table: GBM Tenements summary table as at 22nd of October 2019.

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.

2019 ANNUAL MINERAL RESOURCES STATEMENT

The following Annual Statement of Mineral Resources statement reflects the Company's mineral resources (including wholly owned subsidiary companies) as at the 30th of June 2019.

For the purpose of preparing this Annual Statement of Mineral resources as at 30th of June 2019, GBM has completed a review of each resource taking into account long term metal price, foreign exchange rates, cost assumptions based on current industry trends and conditions, any changes that may affect the capability for these resources to be exploited or which may result in material changes to cut-off grades and physical mining parameters. It should be emphasised that this is a summary only and for further detail the reader is referred to the respective ASX releases.

In relation to commodities key to GBM's resource base the company holds the following views;

- Operating costs in the industry have increased in the last 12 months but remain at levels lower than at the end of the commodities boom. In particular, the availability and cost of labour, fuel and mining equipment remain at reduced levels.

- Gold price finished the year around its peak for the year of US$1,409 after starting the year at US$1,247 trading in a range between US$1,178 and US$1,350. Forecasts appear to be closer to consensus than in previous with most forecasting the price to increase further in the short to medium term. Importantly for GBM, the long-term upward trend which has continued since 2006 in AUD gold prices appears to be continuing.

- The copper price moved sideways for the year with commentators continuing to forecast copper to enter a period of production shortfall in the long term putting upward pressure on prices. It should be remembered that copper remains an important component of the technological revolution including new battery and motor technology.

- The REE market remains complex, however REE demand continues to grow and prices for almost all REE appears to have stabilised with those REE metals deemed as critical experiencing increases during the last twelve months. Uncertainty over the level and availability of REE production sourced from China has intensified throughout the year as a result of US trade restriction and ongoing concern over illegal mining. This uncertainty continues to support forecasts of a resultant supply shortage and price increases in the critical REE elements, particularly Neodymium, in the medium to longer term.

- The decline of the Australian dollar in relation to the US dollar continued throughout the year with the Australian Dollar moving from 74.05C at the start of the year to 70.23 at June 30 2019. This trend has continued and at the time of writing the Australian dollar is trading at US 67.32c. This decline in our currency is, in conjunction with recovering metal prices resulting in significant improvement in the outlook for Australian ore deposits, gold deposits in particular.

The company believes that, considering the outlook for commodity prices and other factors, there is a reasonable expectation that resources at all projects will eventually support mining operations.

Mount Coolon Gold Project Resources

The Mount Coolon Project is located in the Drummond Basin in Queensland. Tenements and resources are owned by 100% owned subsidiary, Mount Coolon Gold Mines Pty. Ltd.

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**	

Table: November 2017 Resource Summary for the MCGP. Please note rounding (1,000's tonnes, 100's ounces, 0.1 g/t) may cause minor variations to totals. For full details please refer to *ASX release dated the 4th of December 2017.*

There have been no changes in the Mount Coolon resources since the last Annual Statement of Mineral Resources as at 30 June 2018.

The company considers that any minor increases in mining and operating costs that may have occurred through the year are greatly outweighed by the increase in gold price in Australia resulting from a favourable combination of commodity price and currency movements.

The information in this report that relates to Koala and Glen Eva 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. Refer ASX announcement dated 4 December 2017.

The information in this report that relates to the Eugenia Mineral Resource is based on information compiled by Scott McManus, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Refer ASX announcement dated 4 December 2017.

Malmsbury Gold Project Resources

The Malmsbury Gold Project is located within the Bendigo structural zone of Victoria. During the year this resource was reviewed and upgraded to comply with the requirements of JORC 2012. This has not resulted in any change to the reported resource. For details please refer to ASX release dated 4th of July 2019 (CP K Allwood). For original release refer to ASX release dated 19th of January 2009 (CP K Allwood).

Resource Classification	Tonnes	Au (g/t)	Au (ozs)	Cut Off (g/t Au)
Inferred	**820,000**	**4.0**	**104,000**	**2.5**

There has been no change in the resource for the Malmsbury Project from the previous year other than the reclassification to be reported under JORC 2012.

The information in this report that relates to Malmsbury Mineral Resource 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.

Milo IOCG Project Resources

The Milo Deposit is located in the North West Mineral Province of Queensland. Details of the Milo resources are detailed in ASX release dated 22nd of November 2012 (CP K. Allwood).

<u>Milo - TREEYO Inferred Resource</u>

					LREEO							HREEY			
	cutoff (TREEYO ppm)	tonnes (Mt)	*TREEYO (ppm, t)*	P2O5 (%, t)	CeO2 (ppm, t)	La2O3 (ppm, t)	Nd2O3 (ppm, t)	Pr2O3 (ppm, t)	Sm2O3 (ppm, t)	Eu2O3 (ppm, t)	Gd2O3 (ppm, t)	Y2O3 (ppm, t)	Dy2O3 (ppm, t)	Er2O3 (ppm, t)	Others (ppm, t)
Grades	300	176	620	0.75	260	150	80	24	12	4	10	52	8	5	9
Contained Metal			108,000	1,330,000	46,140	26,460	13,850	4,230	2,170	710	1,780	9,150	1,480	850	1,620

There has been no change to the Milo TREEYO resource estimate during the current reporting year.

<u>Milo - Copper Equivalent Resource</u>

Resource Classification	cutoff (CuEQ %)	tonnes (Mt)	CuEQ (%, t)	Au (ppm, ozs)	Cu (ppm, t)	Ag (ppm, ozs)	Mo (ppm/ t)	Co (ppm/t)	U3O8 (ppm/ Mlbs)
Inferred	0.10	88.4	0.34	0.04	1090	1.63	65	130	72
Contained Metal			301,000	126,000	96,500	4,638,000	5,700	11,700	14.0

There has been no change to the copper equivalent resource estimate during the current reporting year.

The information in this report that relates to the Milo 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.

Explanatory Notes

** Copper Equivalent calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. However, it is the company's opinion that elements considered here have a reasonable potential to be recovered. It should also be noted that current state and federal legislation may impact any potential future extraction of Uranium. Prices and conversion factors used are summarised below, rounding errors may occur.*

Commodity	Price	Units	unit value	unit	Conversion factor (unit value/Cu % value)
copper	6836	US$/t	68.36	US$/%	1.0000
gold	1212	US$/oz	38.97	US$/ppm	0.5700
cobalt	40000	US$/t	0.04	US$/ppm	0.0006
silver	18	$/oz	0.58	US$/ppm	0.0085
uranium	40	US$/lb	0.08	US$/ppm	0.0012
molybdenum	38000	US$/t	0.04	US$/ppm	0.0006

The information in this Annual Mineral Resources Statement is based on and fairly represents information and supporting documentation prepared by the competent persons named in the relevant sections of this report.

The information in this Annual Mineral Resources Statement as a whole that relates to Mineral Resources is based on information compiled by Neil Norris, who is a Member 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.

Sustainable Development

While GBM's field activities have been limited during this year, the Company remain committed to providing a safe and healthy work environment for all of its employees, contractors, consultants and visitors at all sites. GBM has been a signatory to the Mineral Council of Australia's 'Enduring Value: The Australian Minerals Industry Framework for Sustainable Development' since 2008 and reconfirmed this commitment again in 2016. Our excellent record continues with zero LTI's and environmental incidents again this year – this is the ninth successive year that GBM has achieved zero harm.

This is a credit to our people and an indication of the Company's stringent and high safety and environment standards. Our aim is to operate in a safe and environmentally responsible manner meeting industry's highest standards. The Board, Management and Staff of GBM support and promote the Company's Core Values (see Page 5) in all endeavours. We are committed to upholding the company key values which include developing strong and lasting relationships with our employees, and with the communities in which we operate. The company is committed to maintaining regular and open communication with the landholders and stakeholders in the areas we operate.

Safety

GBM's strong commitment to safety ensures that all employees, including employees of contractors, suppliers and consultants, are fully instructed, trained and assessed in their activities by providing the facilities, equipment, tools, procedures, safety programs and training for employees to carry out their assigned tasks in a safe and appropriate manner.

The Company and our Staff are proud to achieve the results of zero LTI's, MTI's and Environmental Incidents, the Company's will strive to maintain and improve these high Safety and Environment standards.

Protection of the environment and the health and safety of its people remain at the core of GBM's culture. The company manages risk through the identification, elimination, monitoring and control of hazards, by implementing procedures accordingly, whilst reviewing performance on a daily basis. GBM seeks continuous improvement in safety and health performance by maintaining best practice procedures and taking into account evolving knowledge and technology. GBM recognises the importance of communication and consultation with all staff and stakeholders to foster a culture of commitment to health, safety and the environment by promoting healthy lifestyles through appropriate awareness and training programs.

Community & Environment

GBM Resources is committed to monitoring and managing the environmental impacts of our activities to secure a sustainable environmental future for communities surrounding our sites.

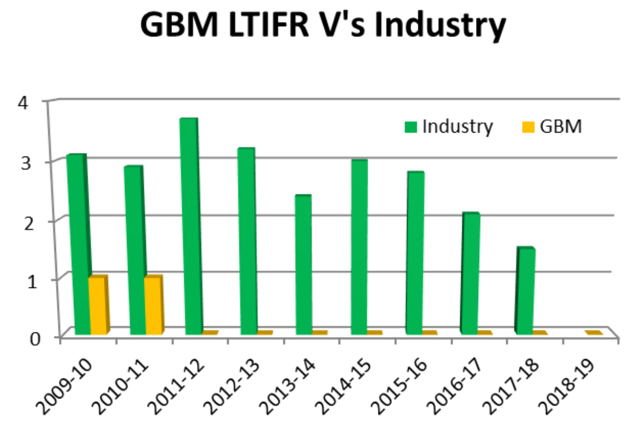
GBM continually strives to improve its environmental performance and complies with the environmental laws and regulations as a minimum standard. GBM -proactively manages and assesses environmental risks on a site-specific basis to achieve planned environmental outcomes.

GBM informs and consults with the community about its activities and projects on a regular basis.

During 2019 FY, GBM continued monitoring rehabilitation performance on the disturbed areas around the Malmsbury Gold Project with inspection of drill sites from 2008 confirming that no lasting disturbance has occurred and that native vegetation had recovered on these sites. At the Mount Coolon Project, results from the initial two surveys confirms that rehabilitation completed by previous operators has been largely successful, however some areas will require further remedial action and a rehabilitation strategy is being developed to ensure this is completed to the highest standards. The company will continue to monitor this and to undertake minor remediation and additional rehabilitation on areas where these surveys identify it is necessary.

Statistics / Achievements:

- No lost time injuries were sustained during the 2018/19 field season.
- No medically treated injuries were sustained during operations in 2018/19.
- No environmental incidents occurred during the reporting period.



Source: Qld mines and quarries - Safety performance and health report - Metaliferous - Surface LTIs per million hours worked

Figures: Drilling at Malmsbury in 2008 (L) and the drill site today rehabilitated.

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The Directors present their report together with the consolidated financial statements for the Company and its controlled entities ('Group') for the financial year ended 30 June 2019.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Peter Thompson – B.Bus, CPA, FCIS

Executive Chairman

Experience

Mr Thompson is a CPA qualified accountant and Fellow of Governance Institute of Australia. He has over 35 years experience in the mining industry in Australia, UK and South America. He has held senior roles with several major companies including Xstrata Plc, MIM Holdings Ltd and Mt Edon Gold Mines.

Since 2000, Mr Thompson has been involved in the development of various infrastructure projects, including mine and refinery expansions and establishment of infrastructure including roads, rail, port and power utilities. Mr Thompson was appointed as a non-executive director of Nova MSC Berhad, a Malaysian public company on 1 June 2017.

Mr Thompson has held no other directorships of listed companies in the last 3 years.

Mr Guan Huat (Sunny) Loh – B.Ba. MBA

Non-Executive Deputy Chairman *(Appointed 6 December 2018)*

Mr Loh's expertise lies in corporate strategy, finance markets, investor relations and capital restructures. Mr Loh holds a BBA from National University of Singapore and an MBA of Strategic Marketing from the University of Hull. He is also an Associate of the Institute of Chartered Secretaries and Administrators.

Mr Loh has been appointed to the role of Deputy Chairperson. In this role he will further support the Board through interaction with the Company's overseas shareholder base, and via evaluation of additional funding and corporate options to further develop and grow GBM. Mr Loh is a substantial shareholder in GBM. He has a long and supportive relationship with the Company as both a shareholder and, previously, as a Non-Executive Director.

Mr Loh has not been a director of any other ASX listed company in the last 3 years.

Neil Norris – BSc(Hons), MAIMM, MAIG

Exploration Director - Executive

Experience

Mr. Norris is a geologist with over 25 years' experience gained in Australia and overseas. Recently he was Group Exploration Manager for Perseverance Corporation Limited and spent over ten years with Newmont Australia Limited holding senior positions in both mining and exploration areas. A key achievement was his development of the geological models which contributed to the discovery of the Phoenix ore body at Fosterville. Mr. Norris was also involved in the discovery of the world class Cadia and Ridgeway deposits. Mr. Norris has a track record in the successful identification of mineral deposits and his experience will greatly advance GBM's exploration efforts.

Mr Norris has held no other directorships of listed companies in the last 3 years.

FORMER DIRECTOR

Hun Seng Tan - MBA

Non-Executive Director (Resigned 6 June 2019).

COMPANY SECRETARY

Mr Kevin Hart – B.Comm FCA

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 3 February 2010. He has over 30 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

He is currently a partner in an advisory firm which specialises in the provision of company secretarial services to ASX listed entities.

MEETINGS OF DIRECTORS

During the financial year, the following meetings of Directors (including committees) were held:

	DIRECTORS' MEETINGS	
	Number Eligible to Attend	Number Attended
P Thompson	14	14
S Loh	12	12
N Norris	14	14
H Tan	13	13

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was exploration and undertaking scoping studies in respect of its gold projects in Australia.

OPERATING AND FINANCIAL REVIEW

During the financial year the Group's activities were focused on exploration and assessment of the development potential at its wholly owned Mt Coolon Gold Project.

Operating Results

The net loss after income tax attributable to members of the Group for the financial year to 30 June 2019 amounted to $4,239,459 (2018: $5,781,089). The prior year loss included an impairment charge of $325,951 in respect of the change in value of investments to 30 June 2018. In addition, the Group has recognised $3,156,526 in respect of exploration costs written off, impaired and expensed (2018: $4,388,934).

Financial Position

At the end of the financial year, the Group had $332,540 (2018: $351,438) in cash on hand and on deposit. Carried forward exploration and evaluation expenditure was $9,644,180 (2018: $11,983,627).

During the prior year the Company disposed of its interest in Anchor Resources Pte Ltd (Anchor Resources), a Company holding the Lubuk Mandi mining concession which is quoted on the Catalist Board of the Singapore Stock Exchange (SGX).

EQUITY SECURITIES ON ISSUE

	30 June 2019	30 June 2018
Ordinary fully paid shares	**1,090,596,975**	863,566,975
Options over unissued shares	**222,191,744**	203,391,744

Ordinary Fully Paid Shares

During the 2019 financial year the Company issued 47,030,000 ordinary fully paid shares at 0.5 cents per share pursuant to a share purchase plan and 180,000,000 ordinary fully paid shares at 0.5 cents per share pursuant to a share placement.

No shares have been issued since the end of the financial year.

EQUITY SECURITIES ON ISSUE

Options over Ordinary Shares

During the 2019 financial year the Company issued 18,800,000 unlisted options to employees pursuant to the terms and conditions of the Company's incentive option plan.

No options have been issued, vested, exercised or cancelled during or since the end of the financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as stated in the Operational and Financial Review section above, there were no other significant changes in the state of affairs of the Group during the financial year, not otherwise disclosed in this Directors' Report or in the Review of Operations.

EVENTS SUBSEQUENT TO BALANCE DATE

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

- On 4 July 2019 the Company issued 350,000 convertible notes at a face value of $1 per note pursuant to the convertible note funding agreement announced to ASX on 9 May 2019.

DIVIDENDS

No dividends were paid during the year and the Directors recommend that no dividends be paid or declared for the financial year ended 30 June 2019.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Comments on expected results of the operations of the Company are included in this report under the Review of Operations.

Disclosure of other information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL ISSUES

The Group holds participating interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement.

There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2019.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out in the following manner:

- Policies used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share based compensation

REMUNERATION REPORT (AUDITED)

Remuneration Policy

The Board of Directors is responsible for remuneration policies and the packages applicable to the Directors of the Company. Whilst the broad remuneration policy is to ensure that packages offered properly reflect a person's duties and responsibilities and that remuneration is competitive and attracts, retains, and motivates people of the highest quality, the Board has consciously been focused on conserving the Company's funds to ensure the maximum amount is spent on exploration, and this is reflected in the modest level of Director fees.

The policy of the Group is to offer competitive salary packages which provide incentive to Directors and executives and are designed to reward and motivate. Total remuneration for all Non-Executive Directors was voted on by shareholders, whereby it is not to exceed in aggregate $200,000 per annum. Non-Executive Directors receive fees agreed on an annual basis by the Board.

At the date of this report, the Company had not entered into any remuneration packages with Directors or senior executives which include performance-based components.

Details of Remuneration for Directors and Executive Officers

The remuneration of each Director of the Company and relevant executive officers (together known as Key Management Personnel or KMP) are set out in the attached Table.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. The Board of Directors obtains independent advice when appropriate in reviewing remuneration packages.

During the year, there were no senior executives who were employed by the Company for whom disclosure is required.

2019	*Short term*		*Post Employment*	*Share Based Payments*		
	Salary and fees	*Other*	*Super - annuation*	*Options / shares*	*Total*	*Performance Based Payments as % of remuneration*
	$	*$*	*$*	*$*	*$*	*%*
Directors						
P Thompson[1]	**224,000**	**-**	**21,280**	**-**	**245,280**	**-**
S Loh	**28,000**	**-**	**-**	**-**	**28,000**	**-**
N Norris[1]	**207,173**	**14,865**	**19,681**	**-**	**241,719**	**-**
H Tan	**48,000**	**-**	**-**	**-**	**48,000**	**-**
Total Directors	**507,173**	**14,865**	**40,961**	**-**	**562,999**	**-**

Included in director remuneration in the table above for 2019 are amounts of $288,175 that were accrued for payment as at 30 June 2019.

REMUNERATION REPORT (AUDITED)

Details of Remuneration for Directors and Executive Officers (Continued)

2018	*Short term*		*Post Employment*	*Share Based Payments*		
	Salary and fees	*Other*	*Super - annuation*	*Options / shares*	*Total*	*Performance Based Payments as % of remuneration*
Directors	*$*	*$*	*$*	*$*	*$*	*%*
P Thompson[1]	215,000	-	20,425	-	235,435	-
N Norris[1]	198,173	8,176	18,827	-	225,176	-
H Tan	48,000	-	-	-	48,000	-
Total Directors	461,173	8,176	39,252	-	508,601	-

Included in director remuneration in the table above for 2018 are amounts of $64,454 that were accrued for payment as at 30 June 2018 and 30 June 2019.

[1]During the 2019 and 2018 financial years, total remuneration payable to the Executive Directors Peter Thompson and Neil Norris continued to be paid on a temporarily reduced basis. This is a temporary measure to ensure that the current strategies in place are achieved by the Company.

See disclosure relating to service agreements for further details of remuneration of executive directors.

Options Provided as Remuneration

During the years ended 30 June 2018 and 30 June 2019 no options have been granted and issued to KMP of the Company.

No shares were issued to KMP of the Company in respect of the exercise of options previously granted as remuneration.

Service Agreements

Remuneration and other terms of employment for the Executive Directors are set out in Service Agreements:

Peter Thompson – Executive Chairman

The service agreement expires 30 June 2020. Total remuneration under the contract of $300,000 per annum inclusive of superannuation has been temporarily reduced to $245,280 per annum as part of the Company's cost reduction program. This reduced remuneration level will remain in place until otherwise decided by the Board.

The Service agreement contains certain provisions typically found in contracts of this nature. The Company may terminate the Service Agreement without cause by providing nine months written notice to the individual or by making a payment in lieu of notice. The Service Agreement may be terminated immediately in the case of serious misconduct.

The Service Agreement is subject to annual review.

There is no specific cash bonus or other performance based compensation contemplated in the agreement. Long term and short term incentives, may be awarded subject to Board discretion.

REMUNERATION REPORT (AUDITED)

Service Agreements (Continued)

Neil Norris - Exploration Director

The service agreement expires 30 June 2020. Total remuneration under the contract of $300,000 per annum inclusive of superannuation has been temporarily reduced to $226,854 per annum as part of the Company's cost reduction program. This reduced remuneration level will remain in place until otherwise decided by the Board.

The Service agreement contains certain provisions typically found in contracts of this nature. The Company may terminate the Service Agreement without cause by providing nine months written notice to the individual or by making a payment in lieu of notice. The Service Agreement may be terminated immediately in the case of serious misconduct.

The Service Agreement is subject to annual review.

There is no specific cash bonus or other performance based compensation contemplated in the agreement. Long term and short term incentives, may be awarded subject to Board discretion.

Share Based Compensation

At the date of this report the Company has not entered into any agreements with KMP which include performance based components. Options issued to Directors are approved by shareholders and were not the subject of an agreement or issued subject to the satisfaction of a performance condition.

Options may be issued to provide an appropriate level of incentive using a cost effective means given the Company's size and stage of development.

DIRECTORS' INTERESTS

The relevant interest of each Director in the ordinary shares and options issued by the Company as notified by the Directors to the Australian Securities Exchange at the date of this report, is set out in the table below.

Ordinary shares

Director	Ordinary shares held at 1 July 2018	Movement during the financial year	Ordinary Shares held at 30 June 2019	Ordinary shares held at the date of the Directors' Report
P Thompson	11,200,000	13,000,000	24,200,000	24,200,000
S Loh	60,811,152[1]	-	60,811,152	60,811,152
N Norris	11,141,667	13,000,000	24,141,667	24,141,667
H Tan	18,666,667	3,000,000	21,666,667[2]	-

Options

Director	Options held at 1 July 2018	Movement during the financial year	Options held at 30 June 2019	Options held at the date of the Directors' Report
P Thompson	2,800,000	-	2,800,000	2,800,000
S Loh	23,983,198[1]	-	23,983,198	23,983,198
N Norris	2,556,250	-	2,556,250	2,556,250
H Tan	4,666,667	-	4,666,667[2]	-

[1] Interests held on appointment as Director on 6 December 2018

[2] Interests held on ceasing to be a Director on 6 June 2019.

REMUNERATION REPORT (AUDITED)

LOANS TO DIRECTORS AND EXECUTIVES
There were no loans entered into with Directors or executives during the financial year ended 30 June 2019.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL
Other than the above, there are no transactions with Directors, or Director related entities or associates.

End of Remuneration Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS
During the year, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

Other than the above, the Group has not, during or since the end of the financial year, given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums for the Directors, officers or auditors of the Company or the controlled entity.

PROCEEDINGS ON BEHALF OF THE COMPANY
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES
No non-audit services were provided by the external auditors in respect of the current or preceding financial year.

AUDITOR'S INDEPENDENCE DECLARATION
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001, is set out on the following page.

Signed in accordance with a resolution of the Board of Directors.

Dated this 30th day of September 2019

PETER THOMPSON
Executive Chairman

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of GBM Resources Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2019

D I Buckley
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year ended 30 June 2019

	Note	Consolidated 2019 $	2018 $
Interest income		**5,332**	7,381
Other revenue	3a	**148,513**	89,309
Loss on sale of investments	3b	**-**	(201,053)
Consulting and professional services		**(116,929)**	(135,408)
Corporate and project assessment costs		**(77,393)**	(27,363)
Depreciation	4	**(18,959)**	(27,430)
Employee benefits expense	4	**(732,762)**	(358,312)
Impairment expense – available for sale financial assets	10	**-**	(325,951)
Exploration expenditure written off and expensed	4	**(3,156,526)**	(1,851,058)
Exploration assets impairment expense	4	**-**	(2,537,876)
Travel expenses		**(75,592)**	(124,837)
Administration and other expenses		**(215,143)**	(288,491)
Loss before income tax		**(4,239,459)**	(5,781,089)
Income tax benefit	5	**-**	-
Loss for the year		**(4,239,459)**	(5,781,089)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(4,239,459)**	(5,781,089)
		Cents	Cents
Basic loss per share	6	**(0.4)**	(0.7)
Diluted loss per share	6	**(0.4)**	(0.7)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position as at 30 June 2019

	Note	Consolidated 2019 $	2018 $
Current assets			
Cash and cash equivalents	21	**332,540**	351,438
Trade and other receivables	7	**7,298**	47,060
Total Current Assets		**339,838**	398,498
Non-current assets			
Trade and other receivables	7	**802,021**	746,488
Exploration and evaluation expenditure	8	**9,644,180**	11,983,627
Property, plant and equipment	9	**73,141**	92,101
Total Non-current Assets		**10,519,342**	12,822,216
TOTAL ASSETS		**10,859,180**	13,220,714
Current liabilities			
Borrowings	11	**350,000**	-
Trade and other payables	12	**711,944**	430,566
Total Current Liabilities		**1,061,944**	430,566
Non-current liabilities			
Provision for rehabilitation	13	**754,258**	706,907
Total Non-current Liabilities		**754,258**	706,907
TOTAL LIABILITIES		**1,816,202**	1,137,473
NET ASSETS		**9,042,978**	12,083,241
Equity			
Issued capital	14	**32,915,823**	31,795,094
Option reserve	16	**610,175**	610,175
Accumulated losses	16	**(24,561,487)**	(20,322,028)
Share based payment reserve		**78,467**	-
TOTAL EQUITY		**9,042,978**	12,083,241

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2019

Consolidated	Note	Issued capital $	Option reserve $	Accumulated losses $	Share based payment reserve $	Total $
Balance at 1 July 2017		31,801,764	610,175	(14,540,939)	-	17,871,000
Shares issued costs	14	(6,670)	-	-	-	(6,670)
Loss attributable to members of the Company	16	-	-	(5,781,089)	-	(5,781,089)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the year		-	-	(5,781,089)	-	(5,781,089)
Balance at 30 June 2018		31,795,094	610,175	(20,322,028)	-	12,083,241
Balance at 1 July 2018		**31,795,094**	**610,175**	**(20,322,028)**	**-**	**12,083,241**
Shares issued (net of costs)	**14**	**1,120,729**	**-**	**-**	**-**	**1,120,729**
Loss attributable to members of the Company	**16**	**-**	**-**	**(4,239,459)**	**-**	**(4,239,459)**
Other comprehensive income		**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the year		**-**	**-**	**(4,239,459)**	**-**	**(4,239,459)**
Options issued as remuneration		**-**	**-**	**-**	**78,467**	**78,467**
Balance at 30 June 2019		**32,915,823**	**610,175**	**(24,561,487)**	**78,467**	**9,042,978**

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows for the Year Ended 30 June 2019

	Note	Consolidated 2019 $	2018 $
Cash flows from operating activities			
Interest received		**3,631**	7,297
Other income		**-**	5,563
JV management fee income		**48,514**	72,456
Payments to suppliers and employees		**(847,289)**	(809,369)
Net cash flows (used in) operating activities	21(c)	**(795,144)**	(724,053)
Cash flows from investing activities			
Payments for bonds and security deposits		**(53,832)**	(1,500)
Proceeds on disposal of bonds and security deposits		**-**	10,000
Proceeds on sale of available for sale investments		**-**	2,203,563
Funds provided by JV partner under Farm-in agreement		**528,505**	603,799
Payments for exploration and evaluation, including JV Farm-in spend		**(1,262,487)**	(2,477,059)
Proceeds on sale of exploration assets		**100,000**	-
Payments to acquire property, plant and equipment		**-**	(3,030)
Net cash flows provided by/(used in) investing activities		**(687,814)**	335,773
Cash flows from financing activities			
Proceeds from the issue of shares		**1,135,150**	-
Share issue costs		**(21,090)**	-
Proceeds from issue of convertible notes		**350,000**	-
Net cash flows provided by financing activities		**1,464,060**	-
Net decrease in cash and cash equivalents		**(18,898)**	(388,280)
Cash and cash equivalents at the beginning of the financial year		**351,438**	739,718
Cash and cash equivalents at the end of the financial year	21(a)	**332,540**	351,438

The accompanying notes form part of these financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

GBM Resources Limited ('the Company') is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2019 comprises the Company and its subsidiaries (together referred to as the 'Group').

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards and Interpretations. The financial report has also been prepared on an historical cost basis, unless otherwise stated. The financial report is presented in Australian dollars. For the purpose of preparation of the consolidated financial statements the Company is a for-profit entity.

Going Concern Basis for the Preparation of Financial Statements

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The ability of the Group to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets.

As at 30 June 2019 the Group has cash assets of $332,540, and total current liabilities at that date amounting to $1,061,944 (including employee leave liabilities of $191,239 and a convertible note liability of $350,000). The loss for the 2019 financial year was $4,239,456 which included a total expense of $3,156,526 in respect of exploration costs written off, expensed and impaired.

Subsequent to the end of the financial year the Company raised a further $350,000 pursuant to a convertible note arrangement.

During the year ended 30 June 2019 the Group has been actively marketing a number of its exploration projects, including the Mt Coolon gold assets, seeking funding or joint venture partners or outright sale arrangements.

The Directors will continue to manage the Group's activities with due regard to current and future funding requirements. The directors reasonably expect that the Company will be able to raise sufficient capital to fund the Group's exploration and working capital requirements, and that the Group will be able to settle debts as and when they become due and payable. On this basis, the Directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Company be unable to raise the required funding, there is a material uncertainty that may cast significant doubt on whether the Company will be able to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Adoption of New and Revised Standards - Changes in accounting policies on initial application of accounting standards

In the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period. It has been determined by the Directors that there is no material impact of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies. This includes an assessment of AASB15 and AASB9.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2019. As a result of this review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies, including an assessment of AASB 16.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Statement of Compliance

The financial report was authorised for issue on 30 September 2019.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

c) Principles of Consolidation

The consolidated financial statements comprise the financial statements of GBM Resources Limited and its subsidiaries as at 30 June each year (the Group). The financial statements for the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which the control is transferred out of the Group.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition. Non-controlling interests represent the portion of profit and loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position.

d) Revenue Recognition

Revenue is recognised to the extent that control has passed and it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest Revenue
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Management Fees

Revenue from farm-in management fees is recognised at the time the fees are invoiced for services rendered.

e) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are re-assessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

f) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

g) Financing Costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method. Borrowing costs are expensed as incurred and included in net financing costs, where there is no qualifying asset.

h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs – refer Note 1(g).

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

i) Cash and Cash Equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at bank and in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

j) Trade and Other Receivables

Trade receivables, which generally have 30–90 day terms, are recognised at fair value and then are subsequently measured at amortised cost and carried at original invoice amount less an allowance for any expected credit loss. The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Bad debts are written off to the allowance when the debt is considered uncollectible.

k) Plant and Equipment

Plant and equipment is stated at cost, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Property and improvements	10 – 40 years
Office furniture and equipment	2.5 - 20 years
Plant and equipment	0 - 40 years
Motor Vehicles	8 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) De-recognition and Disposal

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is de-recognised.

l) Financial Instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or

(ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Exploration and Evaluation Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

n) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a re-valuation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at re-valued amount, in which case the reversal is treated as a re-valuation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

o) Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

p) Interest Bearing Liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised.

Where borrowings contain a conversion option and the number of shares to be issued is fixed the amount of borrowing is initially recognised at fair value of a similar liability that does not have an equity conversion option. The equity conversion feature is the residual. Subsequently the borrowing is measured at amortised cost and the equity portion is not remeasured.

q) Employee Benefits

(i) Wages, Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and non-accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

r) Share Based Payments

Equity Settled Transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by using a Black and Scholes model. Share rights are valued at the underlying market value of the ordinary shares over which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of GBM Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge or credit to the consolidated statement of profit or loss and other comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, the cumulative expense recognised in respect of that award is transferred from its respective reserve to accumulated losses. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

s) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t) Earnings Per Share

Basic earnings/loss per share ("EPS") is calculated by dividing the net profit or loss attributable to members of the Company for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus element.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion, by the weighted average number of ordinary shares and potential dilutive ordinary shares, adjusted for any bonus element.

u) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 9, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

v) Provision for Restoration and Rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

w) Parent Entity Financial Information

The financial information for the parent entity, GBM Resources Limited, disclosed in Note 29 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

x) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Accounting for capitalised mineral exploration and evaluation expenditure

The Group's accounting policy is stated at 1(m). A regular review is undertaken of each area of interest to determine the reasonableness of continuing to carry forward costs in relation to that area of interest.

Share based payments

The Group uses independent advisors to assist in valuing share based payments.

Estimates and assumptions used in these valuations are disclosed in the notes in periods when these share based payments are made.

2. FINANCIAL RISK MANAGEMENT

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks. Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables

The current nature of the business activity does not result in trading receivables. The receivables that the Group recognises through its normal course of business are short term in nature and the most significant (in quantity) is the receivable from the Australian Taxation Office and interest receivable. The risk of non recovery of receivables from this source is considered to be negligible.

Cash deposits

The Group's primary banker is Commonwealth Bank. At balance date all operating accounts and funds held on deposit are with this bank. The Directors believe any risk associated with the use of only one bank is mitigated by its size and reputation. Except for this matter the Group currently has no significant concentrations of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Group's current and future operations, and consideration is given to the liquid assets available to the Group before commitment is made to future expenditure or investment.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Currency risk

The Group is not exposed to any currency risk other than the respective functional currencies of each Company within the Group, the Australian dollar (AUD).

Interest rate risk

The Group is not exposed to significant interest rate risk and no financial instruments are employed to mitigate risk (Note 18 – Financial Instruments).

Equity price risk

The Group was not exposed to any material equity price risk during the financial year (Note 19 – Financial Instruments).

2. FINANCIAL RISK MANAGEMENT

(d) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows as mentioned in (b).

		Consolidated	
		2019	2018
	Note	**$**	$
3. OTHER REVENUE AND OTHER GAINS/LOSSES			
a) Other Revenue			
Gain on disposal of exploration assets		**100,000**	-
Joint venture management fee		**48,513**	72,456
Other income		**-**	16,853
		148,513	89,309
b) Gain/(loss) on sale of investments			
Loss on disposal of available for sale financial assets		**-**	(201,053)
		-	(201,053)
4. EXPENSES			
Employee expenses			
Gross employee benefit expense:			
Wages and salaries[1]		**866,966**	840,726
Directors' fees		**76,000**	48,000
Superannuation expense[1]		**71,923**	79,834
Share based remuneration		**78,467**	-
Other employee costs		**24,636**	71,932
		1,117,992	1,040,492
Less amount allocated to exploration		**(385,230)**	(682,180)
Net consolidated statement of profit or loss and other comprehensive income employee benefit expense		**732,762**	358,312

[1] Includes accrued salary expense of $263,173 (2018: $58,862) and accrued superannuation of $25,001 (2018: $5,592).

Depreciation expense:			
Property and improvements	9	**2,962**	3,512
Office equipment and software	9	**1,932**	2,157
Site equipment	9	**4,632**	6,205
Motor vehicles	9	**9,433**	15,556
		18,959	27,430
Exploration costs:			
Unallocated exploration costs		**124,538**	115,084
Exploration costs written off	8	**3,031,988**	1,735,974
		3,156,526	1,851,058
Impairment expense – exploration costs	8	**-**	2,537,876
		3,156,526	4,388,934

	Consolidated 2019 $	2018 $
5. INCOME TAX		
a) Income tax recognised in profit or loss		
The prima facie tax benefit on the operating result is reconciled to the income tax provided in the financial statements as follows:		
Accounting loss before income tax from continuing operations	**(4,239,459)**	(5,781,089)
Income tax benefit calculated at 27.5% (2018: 27.5%)	**(1,165,851)**	(1,589,799)
Impairment expense	**-**	89,636
Share based payments	**21,578**	-
Capital raising costs claimed	**(33,141)**	(33,557)
Exploration costs written off and impaired	**833,797**	1,175,309
Unused tax losses and temporary differences not recognised as deferred tax assets	**343,617**	358,411
Income tax (benefit) reported in the consolidated statement of profit or loss and other comprehensive income	**-**	-

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% payable by Australian corporate entities on taxable profits under Australian tax law.

	Consolidated 2019 $	2018 $
b) Unrecognised deferred tax assets and liabilities		
The following deferred tax assets and liabilities have not been brought to account:		
Unrecognised deferred tax assets relate to:		
Losses available for offset against future taxable income	**8,598,138**	8,265,125
Capital raising costs	**37,858**	67,034
Accrued expenses and leave liabilities	**149,564**	63,487
Rehabilitation provisions	**207,421**	194,399
	8,992,981	8,590,045
Unrecognised deferred tax liabilities relate to:		
Exploration expenditure	**(2,652,150)**	(3,295,497)
Net unrecognised deferred tax asset	**6,340,831**	5,294,548

5. INCOME TAX (CONTINUED)

The deductible temporary differences and tax losses do not expire under current tax legislation. Potential deferred tax assets attributable to tax losses carried forward have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future tax benefit as probable.

The potential future income tax benefit will only be obtained if:

(i) the Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;
(ii) the Group companies continue to comply with the conditions for deductibility imposed by the law; and
(iii) no changes in tax legislation adversely affect the Group in realising the benefits.

	Consolidated	
	2019	2018
	$	$
6. EARNINGS/(LOSS) PER SHARE		
Loss used in calculation of earnings/(loss) per share	**(4,239,459)**	(5,781,089)
	Cents	Cents
Basic and diluted loss per share	**(0.4)**	(0.7)
	#	#
Weighted average number of shares used in the calculation of earnings per share	**1,057,739,222**	863,566,975

Options and performance share rights
Options and share rights to acquire ordinary shares granted by the Company and not exercised at the reporting date have been included in the determination of diluted earnings per share to the extent to which they are dilutive. There are no options on issue at 30 June 2019 that are considered to be dilutive.

	Consolidated	
	2019	2018
	$	$
7. TRADE AND OTHER RECEIVABLES		
Current		
GST recoverable	**4,271**	7,771
Other debtors	**3,027**	39,289
	7,298	47,060
Non-current		
Security and environmental bonds[1]	**802,021**	746,488
	802,021	746,488

[1] Included in non-current assets at 30 June 2019 is an amount of $762,829 (2018: $713,899) in respect of security deposits paid to the Queensland State Government in respect of the exploration licences and mining leases recognised on acquisition of Mt Coolon Gold Mines Pty Ltd.

There is no expected credit loss in relation to the trade and other receivables at the balance date.

	Note	Consolidated 2019 $	2018 $
8. EXPLORATION AND EVALUATION EXPENDITURE			
Exploration and evaluation phase:			
Capitalised costs at the start of the financial year		**11,983,627**	14,428,442
Costs capitalised during the financial year		**645,190**	1,829,035
Capitalised costs written off during the financial year[1]	4	**(3,031,988)**	(1,735,974)
Capitalised rehabilitation costs (note 13)		**47,351**	-
Impairment of exploration costs	4	**-**	(2,537,876)
Capitalised costs at the end of the financial year		**9,644,180**	11,983,627

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or alternatively, sale of the respective areas.

[1]Capitalised costs written off during the year relate to areas of interest where substantive expenditure is neither budgeted nor planned.

9. PROPERTY, PLANT AND EQUIPMENT

	Note	2019 $	2018 $
Carrying values at 30 June:			
Property and improvements:			
Cost		**193,117**	193,117
Depreciation		**(130,192)**	(127,230)
		62,925	65,887
Office equipment and software:			
Cost		**176,223**	176,223
Depreciation		**(173,461)**	(171,528)
		2,762	4,695
Site equipment and plant:			
Cost		**134,910**	221,124
Depreciation		**(128,260)**	(209,843)
		6,650	11,821
Motor vehicles:			
Cost		**130,633**	161,638
Depreciation		**(129,829)**	(151,400)
		804	10,238
Total		**73,141**	92,101
Reconciliation of movements:			
Property and improvements:			
Opening net book value		**65,887**	69,399
Depreciation	4	**(2,962)**	(3,512)
Closing net book value		**62,925**	65,887

	Note	Consolidated 2019 $	2018 $
9. *PROPERTY, PLANT AND EQUIPMENT* (CONTINUED)			
Reconciliation of movements (Continued):			
Office equipment and software:			
Opening net book value		**4,695**	3,822
Cost of additions		**-**	3,030
Net book value of disposals		**-**	-
Depreciation	4	**(1,933)**	(2,157)
Closing net book value		**2,762**	4,695
Site equipment and plant:			
Opening net book value		**11,821**	17,486
Net book value of disposals		**(539)**	-
Depreciation	4	**(4,632)**	(6,205)
Closing net book value		**6,650**	11,821
Motor vehicles:			
Opening net book value		**10,238**	25,794
Net book value of disposals		**-**	-
Depreciation	4	**(9,433)**	(15,556)
Closing net book value		**804**	10,238
Total		**73,141**	92,101

10. AVAILABLE FOR SALE FINANCIAL ASSETS

Investment – Anchor Resources Limited

The Company sold its investment in Anchor Resources Ltd (Anchor), a Company quoted on the Catalist Board of the Singapore Stock Exchange (SGX), during the comparative financial year.

The Group received the Anchor shares pursuant to a share swap agreement relating to its original shareholding in Angka Alamjaya Sdn Bhd (AASB), which were vended into the Initial Public Offer of Anchor.

Prior to the completion of the share swap agreement, the Group accounted for its investment in AASB as an associate using the equity method.

	2019	2018
Balance at the start of the financial year	**-**	2,655,492
Carrying value of shares disposed during the year	**-**	(2,329,541)
Impairment expense[1]	**-**	(325,951)
Carrying amount at the end of the financial year	**-**	-

[1] The directors have reviewed the decline in value of the investment and have considered it to be significant and as such it has been reclassified from equity to profit or loss.

The investment is within the level 1 fair value hierarchy.

The loss on sale during the comparative year in addition to the impairment loss was $420,528. Proceeds of $1,909,013 were received on sale of the investment.

	Note	Consolidated 2019 $	2018 $

10. AVAILABLE FOR SALE FINANCIAL ASSETS (CONTINUED)

Investment – WCB Resources Limited

The investment relates to a holding in WCB Resources Limited (WCB), a Company quoted on the Venture Board of the Toronto Stock Exchange (TSX:V). The shares were acquired by the Company at a deemed price of CAD$0.05 per share in full settlement and satisfaction of a loan previously advanced to WCB by the Company.

During the comparative financial year, the Company received 13,500,000 ordinary fully paid shares in Kingston Resources Limited (Kingston) following the merger of Kingston and WCB. During the financial year the Company sold its entire investment in Kingston.

	2019	2018
Balance at the start of the financial year	**-**	75,075
Carrying value of shares disposed in the period	**-**	(75,075)
Carrying amount at the end of the financial year	**-**	-

The investment is within the level 1 fair value hierarchy.

On sale the Company received $294,550 and recognised a profit on sale of $219,475.

11. Borrowings

Current

	2019	2018
Convertible note liability	**350,000**	-

The Company entered into a convertible note agreement during the 2019 financial year for funding of up to $700,000. As at 30 June 2019, a total of $350,000 had been drawn pursuant to the facility. The convertible notes pay interest at 10% per annum (paid quarterly) and have a 12-month term.

The face value of the notes are convertible at any time by the holder into fully paid ordinary shares in the capital of the Company at a conversion price of $0.005. The conversion option has an immaterial fair value at the balance date. The convertible notes are secured by way of a mortgage over the issued share capital of Mt Coolon Gold Mines Pty Ltd which holds the Mt Coolon Gold Project. The carrying amount of the Mt Coolon Gold Project at the balance date is approximately $7.8 million.

The convertible note is a level 2 financial instrument within the fair value hierarchy.

12. TRADE AND OTHER PAYABLES

Current

	2019	2018
Unspent funds received from farm-in partner	**112,779**	93,923
Acquisition costs payable[1]	**12,500**	12,500
Trade creditors[2]	**39,014**	83,704
Sundry creditors and accruals[3]	**356,412**	74,033
Employee leave liabilities	**191,239**	166,406
	711,944	430,566

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

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

[3] Includes $352,629 accrued director remuneration (2018: $64,454).

	Note	Consolidated 2019 $	2018 $
13. PROVISIONS			
Non-current			
Rehabilitation provision[1]		**754,258**	706,907

[1] An additional $47,351 provision for rehabilitation was recognised in the 2019 financial year following an environmental approval assessment (Note 8).

	Issue price	2019 No.	2018 No.	2019 $	2018 $
14. ISSUED CAPITAL					
Issued capital at the balance date		**1,090,596,975**	863,566,975	**32,915,823**	31,801,764
Movements in issued capital:					
On issue at the start of the year		**863,566,975**	863,566,975	**31,795,094**	31,801,764
Share purchase plan	$0.005	**47,030,000**	-	**235,150**	-
Share placement	$0.005	**180,000,000**	-	**900,000**	-
Share issue costs		**-**	-	**(14,421)**	(6,670)
On issue at the end of the reporting year		**1,090,596,975**	863,566,975	**32,915,823**	31,795,094

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

Shares Subject to Restriction Agreement

At balance date there were no ordinary shares subject to any restrictions.

15. OPTIONS

Details of the Company's Incentive Option Scheme are provided at Note 17.

(a) Options over unissued shares

	2019 No.	2018 No.
Options on issue at the balance date	**222,191,744**	203,391,744
Movements in options:		
Options on issue at the start of the year	**203,391,744**[1]	203,391,744
Options issued pursuant to the GBM Resources Incentive Option Plan	**18,800,000**[2]	-
Options on issue at the end of the reporting year	**222,191,744**	203,391,744

15. OPTIONS (CONTINUED)

[1] Listed options exercisable at 5 cents each and expiring 30 September 2019 issued pursuant to a non-renounceable entitlement offer.

[2] Unlisted options exercisable at 0.9 cents and expiring 31 January 2023 (refer note 17).

	Note	Consolidated 2019 $	2018 $
16. RESERVES AND ACCUMULATED LOSSES			
Option reserve[i]			
Opening balance		**610,175**	610,175
Change during the financial year		**-**	-
Closing balance		**610,175**	610,175
Accumulated losses			
Opening balance		**(20,322,028)**	(14,540,939)
Net profit/(loss) attributable to the members of the Company		**(4,239,459)**	(5,781,089)
Closing balance		**(24,561,487)**	(20,322,028)
Share based payments reserve[ii]			
Opening balance		**-**	-
Change during the financial year		**78,467**	-
Closing balance		**78,467**	-

[i] *Option reserve*

The option reserve represents the proceeds received on the issue of options.

[ii] *Share based payments reserve*

The share based payments reserve represents the fair value of vested equity instruments issued as remuneration or consideration.

17. EMPLOYEE BENEFITS

Details of the Company's performance right and share option plans, under which performance rights and options are issuable to employees, directors and consultants are summarised below. Details of share rights and options issued to Directors and executives are set out in the Remuneration Report that forms part of the Directors' Report.

Incentive Option Plan

The Company has a formal option plan for the issue of options to employees, directors and consultants, which was last approved by shareholders at the Company's Annual General Meeting on 28 October 2016. Options are granted free of charge and are exercisable at a fixed price in accordance with the terms of the grant. Options over unissued shares are issued under the terms of the Plan at the discretion of the Board.

There are 18,800,000 options on issue under the Incentive Option Plan at 30 June 2019 (2018: nil), which have been valued as follows using the Black-Scholes valuation model:

Grant date	Options issued	Exercise price	Expiry date	Volatility	Interest rate	Value $
5 Feb 19	18,800,000	0.9 cents	31 Jan 23	112.8%	1.85%	$78,467

17. EMPLOYEE BENEFITS (CONTINUED)

Performance Rights Plan

The Company has a formal plan for the issue of performance share rights to employees, which was approved by shareholders at the Company's Annual General Meeting on 28 October 2016. Share rights are granted free of charge and are exercisable into ordinary fully paid shares in accordance with the terms of the grant. Share rights are issued to employees under the terms of the Plan at the discretion of the Board.

There are no share rights on issue under the Performance Rights Plan at 30 June 2019 (2018: nil).

18. SEGMENT REPORTING

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

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics.

The Group's core activity is mineral exploration and resource development within Australia. There were no separately reportable segments for the 2019 financial year.

During the 2018 financial year the Group recognised an investment in a company in Singapore (note 10).

The reportable segments for the comparative financial year are represented as follows:

	Australia	Singapore	Consolidated
30 June 2018	$	$	$
Revenue			
Joint venture management fee	72,456	-	72,456
Gain/(loss) on disposal of available for sale financial asset	219,475	(420,528)	(201,053)
Total segment revenue	291,931	(420,528)	(128,597)
Segment net operating profit/(loss) after tax	(5,034,610)	(746,479)	(5,781,089)
Other revenue - unallocated	24,234	-	24,234
Depreciation	(27,430)	-	(27,430)
Exploration expenditure written off, expensed and impaired	(4,388,934)	-	(4,388,934)
Segment assets	13,220,714	-	13,220,714
Capital expenditure during period	3,030	-	3,030
Other non-current assets acquired	-	-	-
Segment liabilities	(1,137,473)	-	(1,137,473)
Segment non-current assets	12,822,216	-	12,822,216

19. FINANCIAL INSTRUMENTS

Credit risk
The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made (note 2(a)).

Impairment losses
The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

Currency risk
The Group does not have any direct exposure to foreign currency risk, other than in respect of its impact on the economy and commodity prices generally (note 2 (c)).

Liquidity risk
The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements (note 2(b)):

Consolidated	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $	2-5years $	More than 5 years $
30 June 2019							
Borrowings	**350,000**	**385,292**	**17,646**	**367,646**	**-**	**-**	**-**
Trade and other payables	**395,426**	**395,426**	**395,426**	**-**	**-**	**-**	**-**
	745,426	**780,718**	**413,072**	**367,646**	**-**	**-**	**-**
30 June 2018							
Trade and other payables	157,237	157,237	157,237	-	-	-	-
	157,237	157,237	157,237	-	-	-	-

Interest rate risk
At the reporting date the interest profile of the Group's interest-bearing financial instruments were:

	Consolidated	
	2019 $	2018 $
Fixed rate instruments:		
Financial liabilities	**(350,000)**	-
	(350,000)	-
Variable rate instruments:		
Financial assets	**332,540**	351,438
	332,540	351,438

The Group is not materially exposed to interest rate risk on its variable rate investments.

19. FINANCIAL INSTRUMENTS (CONTINUED)

Equity risk

The Group is no longer exposed to equity price risk, which arose through its holding of available for sale financial assets, being the investments in shares in Anchor Resources Limited and WCB Resources Limited (see note 10 for details).

Fair values

Fair values versus carrying amounts
The carrying amounts of financial assets and liabilities not measured at fair value on a recurring basis, as described in the consolidated statement of financial position represent their estimated net fair value.

20. COMMITMENTS

(a) Exploration
The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements. These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

Minimum expenditure requirements for the following 12 months on the Group's exploration licences as at 30 June 2019, including licences subject to farm-in arrangements are approximately $1,821,500 (2018: $1,868,500).

(b) Operating Lease Commitments

The Group has no operating lease commitments.

(c) Contractual Commitment

The Group has no contractual commitments.

	Consolidated 2019 $	2018 $

21. NOTES TO THE STATEMENT OF CASH FLOWS

a) Cash and cash equivalents

	2019 $	2018 $
Cash at bank and on hand	**326,403**	242,425
Bank at call cash account	**6,137**	109,013
Total cash and cash equivalents	**332,540**	351,438

b) Cash balances not available for use

Included in cash and cash equivalents are amounts pledged as guarantees for the following:

	2019 $	2018 $
Corporate credit card facility	**6,137**	109,013

	2019 $	2018 $
c) Reconciliation of Loss from Ordinary Activities after Income Tax to Net Cash Used in Operating Activities		
Loss after income tax	**(4,239,459)**	(5,781,089)
Add (less) non-cash items:		
Loss on sale of investments	**-**	201,053
Profit on sale of exploration assets	**(100,000)**	-
Impairment charge	**-**	325,951
Share based payments	**78,467**	-
Depreciation	**18,959**	27,430
Exploration expenditure written off, expensed and impaired	**3,156,526**	4,388,934
Changes in assets and liabilities:		
Increase/(decrease) in trade creditors and accruals	**271,065**	133,888
(Increase)/decrease in sundry receivables	**19,298**	(20,220)
Net cash flow from operations	**(795,144)**	(724,053)

22. AUDITOR'S REMUNERATION

	2019 $	2018 $
Amounts received or receivable by HLB Mann Judd for:		
- Audit and review of financial reports	**31,300**	36,000

	2019 %	2018 %
23. CONTROLLED ENTITIES		
a) Particulars in Relation to Ownership of Controlled Entities		
Belltopper Hill Pty Ltd	**100**	100
Syndicated Resources Pty Ltd	**100**	100
Willaura Minerals Pty Ltd	**100**	100
Isa Brightlands Pty Ltd	**100**	100
Isa Tenements Pty Ltd	**100**	100
Koala Quarries Pty Ltd*	**100**	100
Mt Coolon Gold Mines Pty Ltd	**100**	100

*Formerly Bungalien Phosphate Pty Ltd

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in the note. Details of transactions between the Group and other related parties are disclosed in note 25.

24. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Details of Key Management Personnel

The following were key management personnel of the Group at any time during the year and unless otherwise stated were key management personnel for the entire year, unless otherwise stated.

Non-Executive Director

Hun Seng Tan – Non-Executive Director (resigned 6 June 2019)
Guan Huat Loh – Non-Executive Director (appointed 6 December 2018)

Executive Directors

Peter Thompson – Managing Director/Executive Chairman
Neil Norris – Exploration Director

Total remuneration paid to key management personnel during the year:

	Consolidated	
	2019 $	2018 $
Short-term benefits	**522,038**	469,349
Post-employment benefits	**40,961**	39,252
	562,999	508,601

Note, the above benefits for the 2019 financial year include amounts of $288,175 that were accrued for payment as at 30 June 2019.

A total of $64,454 that was accrued for payment in the 2018 financial year is also accrued for payment as at 30 June 2019.

24. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

b) Other Transactions and Balances with Key Management Personnel

There are no other transactions with Directors, or Director related entities or associates, other than those reported in note 24. As at 30 June 2019 an amount of $352,629 (2018: $64,454) has been accrued for payment to Key Management Personnel in respect of remuneration.

25. RELATED PARTY TRANSACTIONS

Total amounts receivable and payable from entities in the wholly-owned group (see Note 22 for details of controlled entities) at balance date:

Non-Current Receivables		
Loans to controlled entities	**17,737,919**	17,149,806
Non-Current Payables		
Loans from controlled entities	**-**	-

26. DIVIDENDS

There are no dividends paid or payable during the year ended 30 June 2019 or the 30 June 2018 comparative year.

27. EVENTS SUBSEQUENT TO BALANCE DATE

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

- On 4 July 2019 the Company issued 350,000 convertible notes at a face value of $1 per note pursuant to the convertible note funding agreement announced to ASX on 9 May 2019.

28. CONTINGENCIES

(i) Contingent liabilities

There were no material contingent liabilities not provided for in the financial statements of the Group as at 30 June 2019 or 30 June 2018.

(i) Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Group has an interest. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

(iii) Contingent assets

There were no material contingent assets as at 30 June 2019 or 30 June 2018.

29. PARENT ENTITY INFORMATION

Financial position

	2019 $	2018 $
Assets		
Current assets	**337,463**	430,735
Non-current assets	**9,767,711**	12,083,324
Total Assets	**10,105,174**	12,514,059
Liabilities		
Current liabilities	**(1,062,196)**	(430,818)
Non-current liabilities	**-**	-
Total Liabilities	**(1,062,196)**	(430,818)
NET ASSETS	**9,042,978**	12,083,241
Equity		
Issued capital	**32,915,823**	31,795,094
Option reserve	**610,175**	610,175
Accumulated losses	**(24,561,487)**	(20,322,028)
Share based payment reserve	**78,467**	-
TOTAL EQUITY	**9,042,978**	12,083,241
Financial performance		
Loss for the year	**(4,239,459)**	(5,781,089)
Other comprehensive income	**-**	-
Total comprehensive loss	**(4,239,459)**	(5,781,089)

Contingent liabilities
For full details of contingent liabilities see Note 28.

Commitments
For full details of commitments see Note 20.

Directors’ Declaration

1. In the opinion of the Directors:

   a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group’s financial position as at 30 June 2019 and of its performance for the year then ended; and

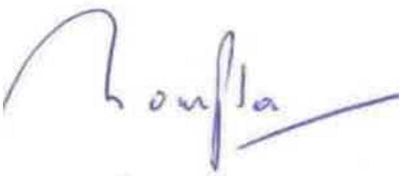
      ii. complying with Accounting Standards and Corporations Regulations 2001.

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c) the financial statements and notes are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

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



PETER THOMPSON
Executive Chairman

Dated this 30th day of September 2019

INDEPENDENT AUDITOR'S REPORT
To the members of GBM Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of GBM Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report**.**

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of exploration and evaluation expenditure Note 8 in the financial report	
The Group has capitalised exploration and evaluation expenditure of $9,644,180 as at 30 June 2019. Our audit procedures determined that the carrying value of exploration and evaluation expenditure was a key audit matter as it was an area which required the most audit effort, required the most communication with those charged with governance and was determined to be of key importance to the users of the financial statements.	Our procedures included but were not limited to the following: - We obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; - We considered the Directors' assessment of potential indicators of impairment; - We obtained evidence that the Group has current rights to tenure of its areas of interest; - We substantiated a sample of additions to exploration expenditure during the year; and - We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of GBM Resources Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 September 2019

DI Buckley

D I Buckley
Partner

Pursuant to the Listing Rules of the Australian Securities Exchange Limited, the shareholder information set out below was applicable as at 7 October 2019.

a. Distribution of Equity Securities

	Quoted Shares (GBZ)	
Range	**Number of Holders**	**Securities Held**
1 – 1,000	59	13,428
1,001 – 5,000	67	255,159
5,001 – 10,000	118	1,045,309
10,001 – 100,000	388	16,146,819
100,001 and over	299	1,073,136,260
	931	**1,090,596,975**

There are 708 shareholders holding less than a marketable parcel of shares.

b. Substantial Shareholders

An extract of the Company's register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder	Shares Held	% of Issued Capital
Chew Leok Chuan	121,731,560	11.16%
Longru Zheng	88,718,593	8.13%
Guan Huat Loh	60,810,708	5.58%

c. Twenty Largest Holders – Ordinary Shares (GBZ)

Shareholder	Shares Held	% of Issued Capital
Citicorp Nominees Pty Ltd	221,313,357	20.29%
BNP Paribas Nominees Pty Ltd <DRP>	97,841,777	8.97%
Longru Zheng	88,718,593	8.13%
HSBC Custody Nominees (Australia) Limited	76,663,066	7.03%
National Federal Capital Limited	50,000,000	4.58%
Chew Leok Chuan	41,598,226	3.81%
Weijun Chen	39,520,100	3.62%
Li Rongzhi	35,000,000	3.21%
Bikun Lin	32,261,307	2.96%
Bradley Green	27,000,000	2.48%
Superfine Nominees Pty Ltd	24,200,000	2.22%
Richgroup Holdings International Pte Ltd	22,000,000	2.02%
Leok Chuan Chew	20,000,000	1.83%
Kok Yong Lim	20,000,000	1.83%
De Gracie Nominees Pty Ltd	15,541,667	1.43%
Choong Jun Yen	10,750,000	0.99%
Chung Hoi Ching	10,000,000	0.92%
Ou Hsin Hung	10,000,000	0.92%
Neil Norris <North Atlantic S/F A/c>	8,600,000	0.79%
Chen Yafeng	8,600,000	0.79%
Total	**859,608,093**	**78.82%**

d. Unquoted Securities

There are 18,800,000 unlisted options on issue, exercisable at 0.9 cents each and expiring 31 January 2023, issued pursuant to the Company's Incentive Option Plan.

There are 750,000 convertible notes of issue at a face value of $1 per note. The notes are repayable on 31 May 2020 and convertible into ordinary fully paid shares at 0.5 cents per share.

e. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

f. Restricted Securities

There are no restricted securities.