

ASX Announcement
19 August 2020

EXPLORATION LICENCE APPLICATIONS IN DRUMMOND GOLD BASIN

- GBM Resources Limited (ASX: GBZ) (**GBM** or the **Company**) has applications for 9 new exploration licences covering **2,515 km² of prospective ground** for epithermal gold and silver mineralisation in the Drummond Basin, Queensland.
- Supports GBM's **strategy to consolidate a leading ground position within the 'processing halo'** of the Company's flagship 100% owned Mt Coolon Gold Project (**Mt Coolon**), which has an existing gold resource of 330 koz.¹
- Granting of these tenements will see GBM control a total of approximately 3,766 km² of exploration and mining leases, making it the **largest tenement holder in the Drummond Basin**, Australia's premier low sulfidation epithermal gold province.

Peter Rohner, Managing Director and CEO, commented: "GBM is focusing its current owner-led exploration efforts on its flagship Mt Coolon Gold Project in the highly mineralised Drummond Basin, Queensland. The Company's 'processing halo' consolidation strategy has seen it obtain substantial new exploration licences via low cost open ground staking. This is the first step in a strategy to place GBM in a commanding strategic position within this highly prospective, underexplored epithermal gold terrain".

Drummond Basin Exploration Licence Applications

The Drummond Basin is Australia's premier Low Sulfidation Epithermal (**LSE**) gold province, with a known metallogenic endowment (past production plus current reserves and resources) of more than 7.9 Moz of gold (Figure 1).

This prospective gold terrain has seen intermittent exploration since the main cycle of discovery in the late 1980's to 1990's, which was a period of much lower gold prices than today. GBM's management and consultants have a track record for discovery of low sulfidation gold and silver deposits and view the Drummond Basin as significantly underexplored in comparison to similar LSE provinces globally.

The Drummond Basin is an Upper Devonian aged back arc basin that hosts a number of LSE gold and silver deposits. These deposits are typically hosted within a sequence of andesitic to rhyolitic volcanics, volcanic domes and bedded sediments including laterally extensive limestones, that were deposited early in the history of the Basin's formation (and defined as "Cycle 1 sequence").

LSE mineralisation in the Drummond Basin generally falls into two subclasses:

1. Steeply dipping epithermal fissure vein systems (e.g. Pajingo and GBM's Koala deposit) hosted with large structural breaks within thick andesitic to rhyolitic volcanic flow units; and
2. Stratabound stockwork vein and replacement deposits, often spatially associated with volcanic domes (e.g. Yandan, Twin Hills, Yandan East and GBM's Glen Eva, Eugenia, Bimurra, Eastern Siliceous, Verbena Sinter deposits) hosted within the thin bedded volcanic sediments and pyroclastic units and volcanic dome related rocks.

¹ For full details of the Mt Coolon Mineral Resource estimate, refer to Appendix A of this release and GBM ASX release dated 4 December 2017.

GBM's team has applied their extensive knowledge of the Drummond Basin mineralisation and global experience of controls on LSE mineralisation, to prioritize prospective ground for the exploration licence applications. The applications secure shallow covered extensions of "Cycle 1 sequence" stratigraphy that may host extensions of the Mt Coolon gold corridor to the south-east of the current licences, plus prospective covered targets and areas of outcropping alteration and epithermal gold prospects elsewhere within a 70 km radius of Mt Coolon.

GBM's 'processing halo' strategy aims to build a +1 Moz resource base within a 70 km radius of Mt Coolon, that may be able to be fast-tracked to production. This strategy incorporates:

- Staking of prospective ground to control potential extensions of the Mt Coolon gold corridor and to build district-scale holdings centred on key gold systems within the 'processing halo' radius.
- The current exploration program scheduled for Q3 2020 being designed to test priority drill targets adjacent to the existing Koala, Glen Eva and Eugenia resources.
- Building a pipeline of quality exploration targets within the Mt Coolon region with new applications that can be systematically advanced to drill testing.
- Review of potential opportunities to acquire existing resources within the 70 km radius of Mt Coolon.

The new exploration licence applications represent an initial step in the 'processing halo' consolidation strategy. Granting of these tenements will see GBM control in excess of 3,766 km² of exploration and mining leases centred on key prospective gold zones within the Mt Coolon 'processing halo'.

This ASX announcement was approved and authorised for release by:

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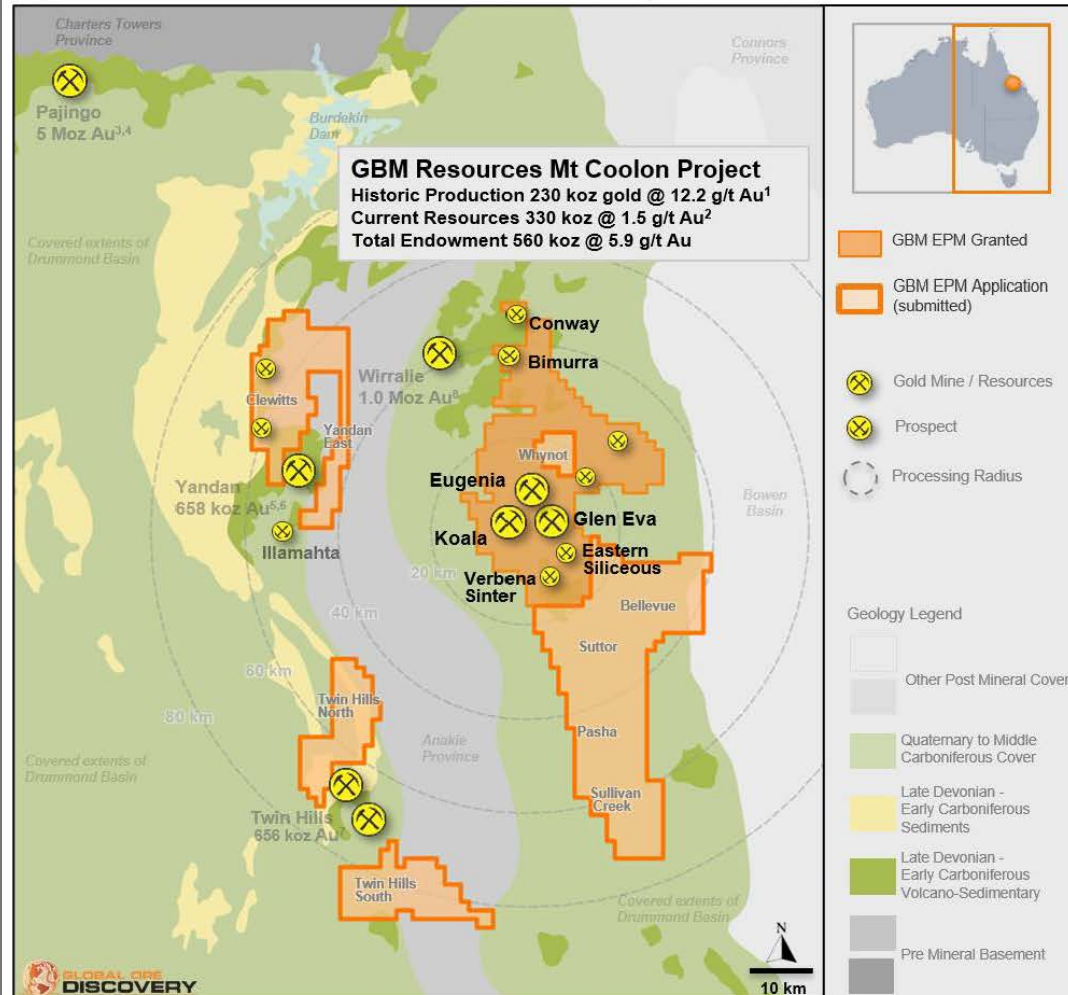
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About GBM Resources

GBM Resources Limited is a mineral exploration and development company focused on the discovery of world-class gold and copper deposits in Eastern Australia. The company has a high calibre project portfolio, hosting district scale mineral systems, located in a number of premier metallogenic terrains including the Drummond Basin, Mt Morgan district and the Mt Isa Inlier in Queensland, and the Malmsbury Project in the prolific Victorian Goldfields. This is complemented by the recently formed JV on the White Dam Gold Project in South Australia in which GBM holds a 50% cashflow interest.

Figure 1: GBM Resources Drummond Basin Gold Project Portfolio



| Permit Type | Status | Area (km ²) |
|--------------------|------------------|-------------------------|
| Exploration Permit | Granted | 1,248 |
| Mining Lease | Granted | 3 |
| Exploration Permit | New Applications | 2,515 |
| Total | | 3,766 |

| Deposit | Description | Gold ounces / grade |
|------------------------------------|------------------------|-----------------------------|
| Pajingo ^{3,4} | Historic production | 3.3 Moz Au |
| | Total endowment | ~5.0 Moz Au |
| Yandan ^{5,6} | Historic production | 350 koz @ 1.4 g/t Au |
| | Current resource | 308 koz @ 2.4 g/t Au |
| | Total endowment | 658 koz @ 1.8 g/t Au |
| Twin Hills ⁷ | Historic production | 23 koz @ 10.0 g/t Au |
| | Current resource | 633 koz @ 2.8 g/t Au |
| | Total endowment | 656 koz @ 2.9 g/t Au |
| Wirralie ⁸ | Historic production | 477 koz @ 2.0 g/t Au |
| | Current resource | 548 koz @ 1.8 g/t Au |
| | Total endowment | 1.0 Moz @ 1.9 g/t Au |
| GBM Mt Coolon^{1,2} | Historic Production | 230 koz @ 12.2 g/t Au |
| | Current resource | 330 koz @ 1.5 g/t Au |
| | Total endowment | 560 koz @ 5.9 g/t Au |

1 GBM ASX Announcement, 30 Dec. 2015, Eight Major Gold Systems Identified, Mount Coolon Gold Project
 2 GBM ASX Announcement, 4 Dec. 2017, Mt Coolon Gold Project Scoping Study
 3 Department Natural Resources and Mines, Qld, 2015, Intrusion-related minerals systems of north Queensland
 4 Vera Nancy Discovery New Gen Gold 1997, Evolution Mining Fact Sheet 2016.pdf
 5 Carver and Chenoweth, 2003, Yandan Gold Deposit, Drummond Basin, Queensland
 6 Aeris Resources Annual Report 2013
 7 GBM ASX Announcement, 18 Jan. 2019, Mt Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces
 8 Ashburton Minerals Annual Report, 2004



APPENDIX A: Mt Coolon Gold Project Resource Estimate

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.

GBM confirms that it is not aware of any new data or information that materially affects this resource estimate and that all material assumptions and technical parameters underpinning the estimates in that ASX release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.