

ASX Announcement

9 September 2020

Drilling underway at Mt Coolon Gold Project

- Resource growth focussed 5,000 m diamond and RC drilling program at Mt Coolon commenced.
 - Primarily testing extensional targets at the Koala, Glen Eva and Eugenia deposits, which together have a current gold resource of 330 koz.[^]
 - Also commenced surface exploration on priority Mt Coolon “pipeline” prospects, centred on the Glen Eva - Eastern Siliceous Zone (ESZ) corridor where reconnaissance drilling by previous explorers has reported significant gold drill intersections.
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- GBM awarded a Collaborative Exploration Initiative (CEI) grant of A\$184,000 (from State of Queensland acting through the Department of Natural Resources, Mines and Energy) to part fund a 15 km² electrical geophysical survey already in progress at the Glen Eva - ESZ corridor (see Figure 1).

GBM Resources Limited (ASX: GBZ) (**GBM** or the **Company**) advises of the commencement of a 5,000 m diamond and RC drilling program at its flagship, 100%-owned Mt Coolon Gold Project in northern Queensland.

GBM Managing Director and CEO, Peter Rohner, commented: *“We are pleased to commence this new round of exploration drilling on the Mt Coolon Gold Project. The program is designed to test both existing targets adjacent to known resources and commence a larger, early-stage program to define a pipeline of exploration projects. The immediate goal is to build on our existing JORC 2012 resource of 330 koz at Mt Coolon. There are a number of known epithermal alteration systems hosting gold that we believe hold potential to establish a plus 1 million ounce resource base and ‘processing halo’ at the Mt Coolon Gold Project. This program is a significant step for GBM in moving towards becoming a gold producer in the Drummond Basin.”*

[^] For full details of the Mt Coolon Mineral Resource estimate, refer to GBM ASX release dated 4 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.

Koala Deposit Program

Approximately 2,000 m of drilling in up to 8 holes has been planned at the Koala Deposit to test down dip extensions of high grade shoots outlined by historic resource drilling (see Figure 2), including drill intersections of up to 2.6 m at 12.3 g/t Au (Hole KLRD0024 from 206.4 m down hole) and 8.2 m at 6.0 g/t Au (Hole UD003 from 79.2 m down hole) (refer GBM ASX announcement dated 27 April 2017).

The majority of the planned drill holes will be focused on the northern end of the Koala vein zone, where grade distribution and gold shoot geometry suggest the presence of an approximate 600 m long target zone. This zone may represent the principal hydrothermal fluid up-flow during formation of the gold deposit, presenting the potential for high-grade mineralisation and greater depth extent for mineralisation in this area.

The dimensions and shoot geometry of the Koala mineralisation show strong similarities to the larger 5.0 Moz Pajingo LSE deposit in the northern Drummond basin. The Pajingo vein system has a strike length of 2.25 km, with mineralised shoots displaying over 250 m of vertical extent ¹. The strike extents of the Koala vein zone are largely covered by post mineral sequences that have only been intermittently drill tested, and mineralised shoots within the deposit have been drilled to an average depth of only 150 m down dip.

Figure 1: GBM Drummond Basin tenements and electrical geophysical survey program

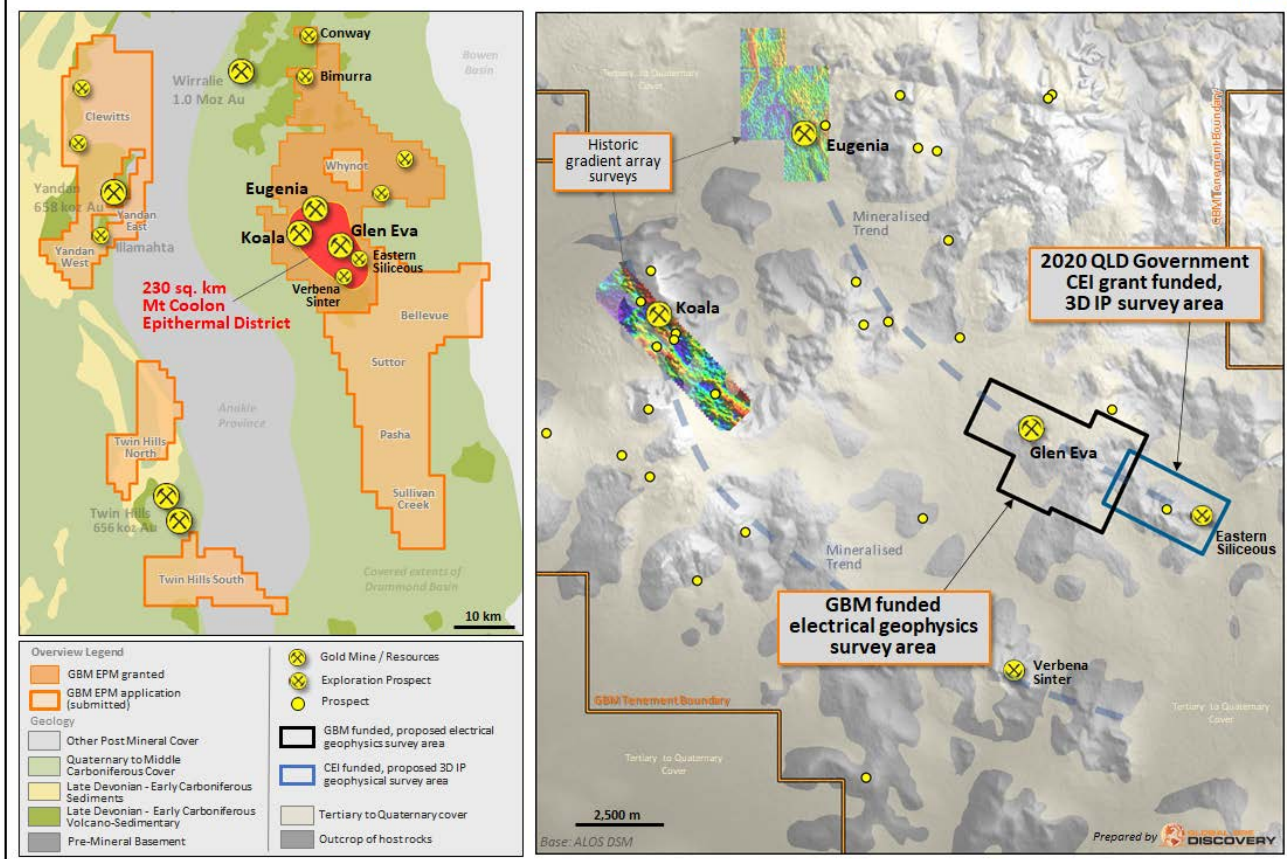
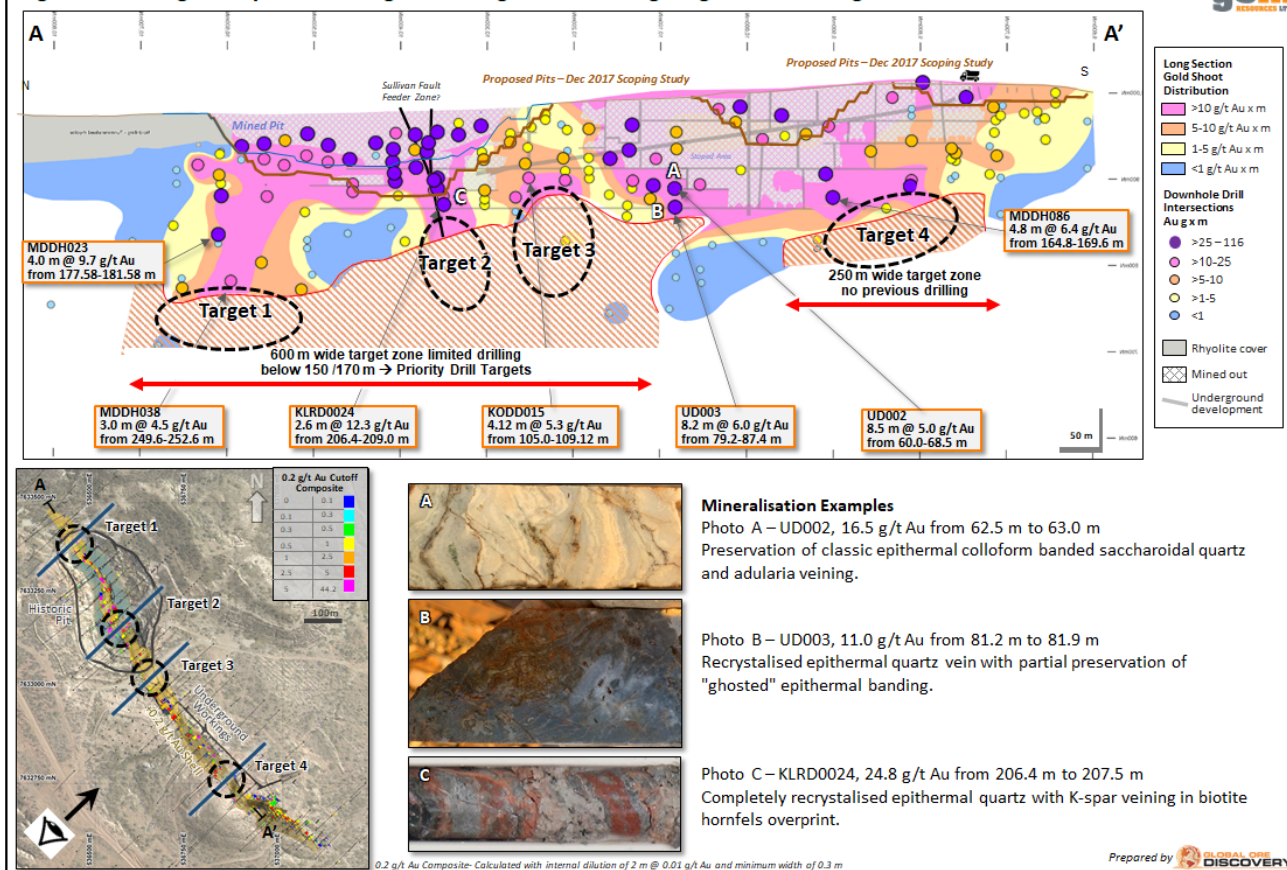
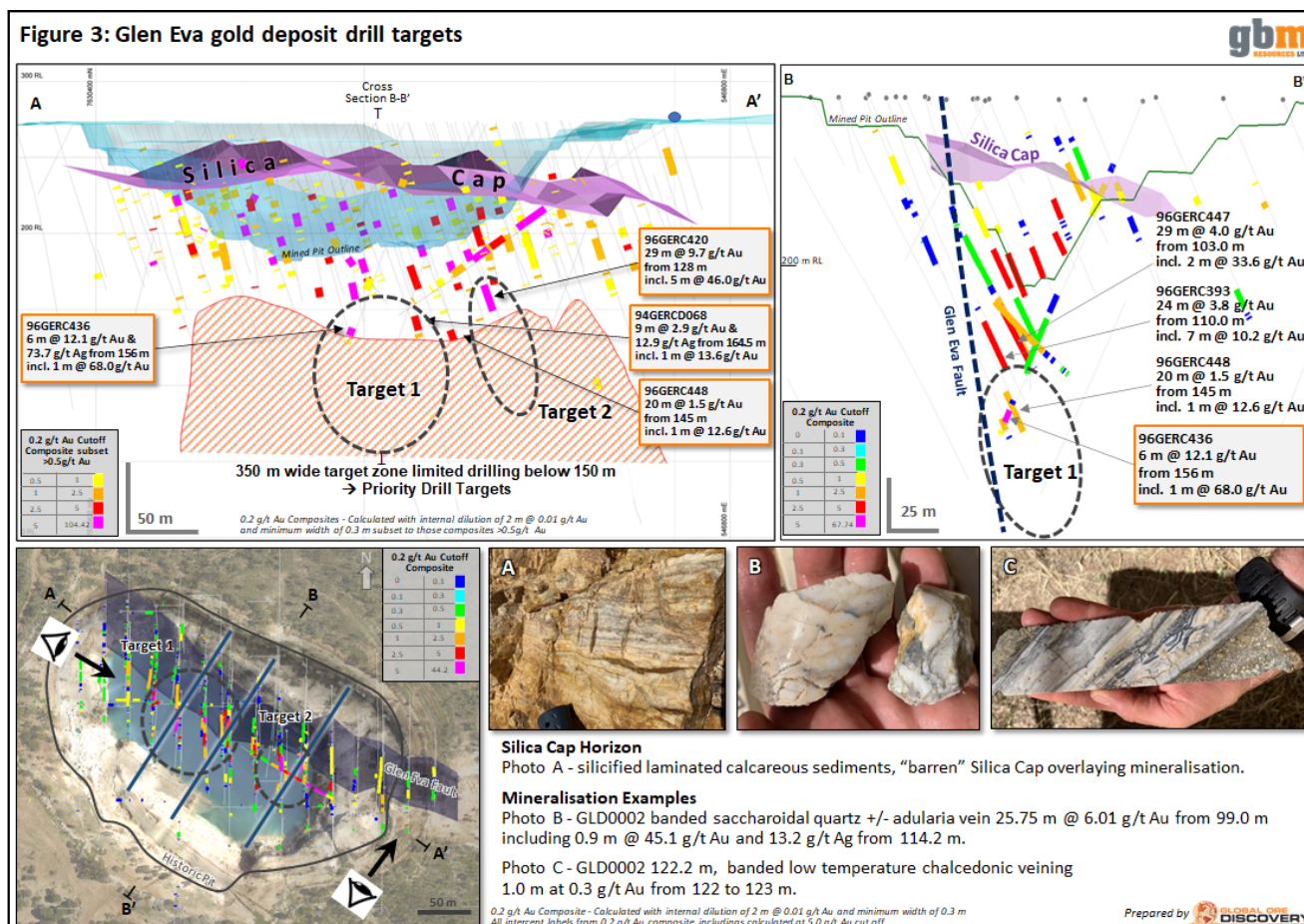


Figure 2: Koala gold deposit drill targets on long section with gold gram x metres grade distribution



Glen Eva Deposit Program

The planned program at the Glen Eva Deposit includes 6 holes for a total of 1,500 m (see Figure 3). These holes are designed to test conceptual targets at depth beneath the existing pit and current resource. Analysis of grade distribution, alteration geometry and fault zones of the Glen Eva mineralisation has defined a 3D model that shows strong similarities to the nearby Yandan East deposit, where previous drilling defined a body of mineralisation (4 Mt @ 2.4 g/t Au for 300 koz gold²) lying approximately 170 m below the existing pit floor.



(refer GBM ASX announcement dated 27 April 2017 for drill holes in Figure 3 above).

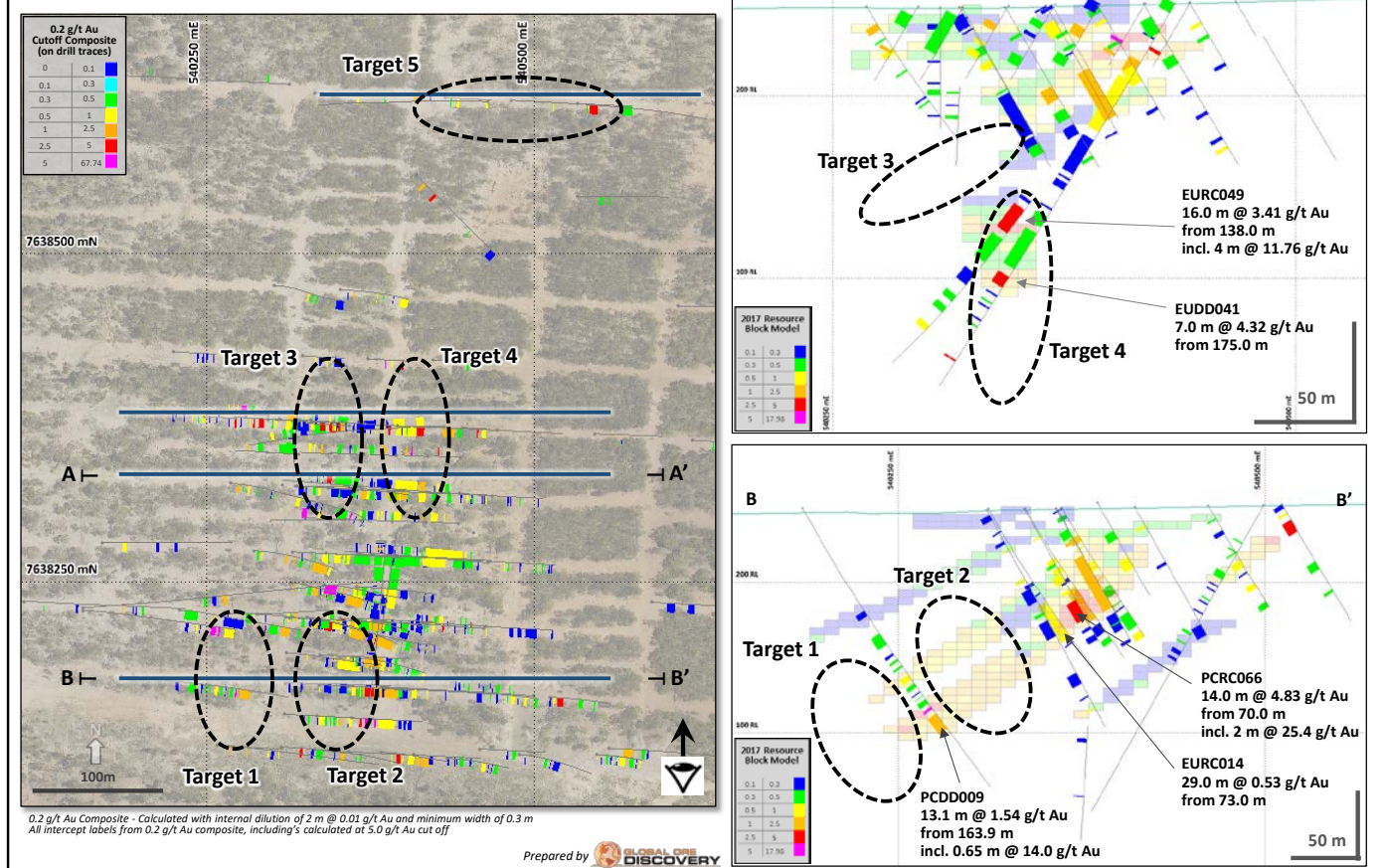
At Glen Eva, modeling of the historic drilling has identified an approximate 350 m long target zone, significantly larger than the footprint of the Yandan East deposit, underlying the existing Glen Eva pit at depths of 150 to 170 m below the pit base. The top of the target zone is defined by a series of high-grade gold intersections that have not been systematically tested to depth. Intersections include 6.0 m at 12.1 g/t Au including 1.0 m of 68.0 g/t Au (Hole 96GERC436 from 156 m down hole), and 9.0 m at 2.9 g/t Au including 1.0 m at 13.6 g/t Au (Hole 94GERCD068 from 164.5 m down hole) (refer GBM ASX announcement dated 27 August 2015).

These intercepts may represent leakage from an underlying zone of high grade mineralisation.

Eugenia Deposit Program

Planned drilling at the Eugenia Deposit includes up to 7 holes totaling approximately 1,500 m (see Figure 4). These holes will test down dip projections of the shallowly west dipping tabular bodies of mineralisation that define the current largely oxide resource. Several planned holes also target the down dip projections of historic intersections of up to 16.0 m at 3.41 g/t Au, including 4.0 m at 11.76 g/t Au (Hole EURCO49 from 138 m down hole) (refer GBM ASX announcement dated 27 August 2015). These potentially represent higher grade feeder structures to the known tabular bodies defining the Eugenia resource.

Figure 4: Eugenia gold deposit drill targets



Mt Coolon Pipeline Prospects

The Mt Coolon district “footprint” – as defined by the aerial extents of known gold deposits, anomalous gold in drilling, rock chips and soils samples – is more than 230 km². This large epithermal district hosts many prospects that have not been systematically explored for gold deposits using modern exploration technologies and deposit models. The Mt Coolon Project area also includes significant epithermal gold prospects at Bimurra and Conway that have returned gold in drill intersections from previous exploration, but have seen little exploration since the 1990’s.

GBM is in the process of evaluating the extensive historic exploration database for Mt Coolon, Bimurra and Conway, in order to rank known prospects into a “project pipeline” for further exploration. A preliminary ranking has been undertaken, identifying the 7 km long Glen Eva - Eastern Siliceous Zone (ESZ) corridor as a priority for initial exploration.

The ESZ prospect is a 1.7 km long by 700 m wide area of intense silica-illite-pyrite altered rhyolite domes, dome margin breccias and mixed sedimentary pyroclastic rocks, that partially outcrop as a low rise in a window through post mineral cover sequences. Gold mineralisation occurs in a series of sub-metre wide, up to 850 m long chalcedonic veinlet zones with classic high-level epithermal characteristics.

During the 1990’s a 700 m by 300 m area of the ESZ was the focus of a shallow reverse circulation drill program. Average drilling depths were 105 m and reached a maximum depth of 243 m. No significant exploration has been undertaken in the ESZ since the late 1990’s.

GBM has commenced a surface exploration program of geological mapping, rock chip sampling, alteration modeling and electrical geophysics over a 7 km long corridor that encompasses the Glen Eva Deposit and the ESZ.

GBM looks forward to updating the market over the next 2 to 3 months on the outcomes of the drilling and exploration field activities.

Figure 5: Drilling has commenced next to existing Glen Eva pit



References

¹ Hoschke T. Sexton M. (2005). Geophysical exploration for epithermal gold deposits at Pajingo, North Queensland, Australia. *Exploration Geophysics* **36**, 401-406.

² Aeris Resources. Yandan Mineral Resource Estimate, (<https://www.aerisresources.com.au/wp-content/uploads/2019/12/Annual-Report-30-June-2019-Mineral-Resources-and-Ore-Reserves.pdf>, page 29)

This ASX announcement was approved and authorised for release by:

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About GBM Resources

GBM 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. These exploration assets are complemented by the recently formed JV on the White Dam Gold Operation in South Australia, in which GBM holds a 50% interest (in cashflow only).

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.