

31 January 2018

REPORT FOR THE QUARTER ENDED 31st DECEMBER 2017

The December Quarter represents a pivotal period for the Company with key activities together marking a major step forward in realising near term gold production from the Mt Coolon Gold Project while at the same time providing the opportunity for a longer mine life by incorporating significant additional gold resources from the Twin Hills Gold Project.

SIGNIFICANT HIGHLIGHTS:

- Successful completion of the Mount Coolon Gold Project Scoping Study demonstrating its potential economic viability.**

LOM Highlights Summary:

Au Produced	Oz	155,000
Pre-Tax Cash Flow¹	A\$M	60.5
Production Life	Years	5.5
Pre-production and CIL/HL Plant Capital	A\$M	25.2
Operating Cash Cost (C1)²	A\$/oz	909
AISC Cost (all-in-sustaining)³	A\$/oz	1,020

Reference Notes:

- A\$/US\$ exchange 75c and US\$ 1,250/oz (A\$1,667) gold price.
- C1 operating costs include all mining, processing and site administration.
- AISC is C1 operating costs plus royalties, refining and sustaining capital, but excludes head office costs.

- GBM enter into a non-binding Ore Purchase Term Sheet with Minjar's^A Pajingo Gold Mine. The opportunity with Minjar can transform GBM from a capital dependent Company to cash flow generating.**
- GBM signed a binding Heads of Agreement with Minjar to acquire a 100% interest in the Twin Hills Gold Project. The acquisition further underwrites the development of the Mt Coolon Gold Project.**

^A Minjar Gold Pty Ltd is a mid-tier gold company producing 230,000 ounces annually from the Golden Dragon, Pajingo and the Southern Cross Operations. Minjar Gold Pty Ltd is a wholly owned subsidiary of Shandong Tyan Home Co Ltd, a listed company on the Shanghai stock Exchange.

ASX Code: GBZ

COMPANY DIRECTORS

Peter Thompson
Managing Director/ Executive Chairman

Neil Norris
Exploration Director – Executive

Hun Seng Tan
Non- Executive Director

CONTACT DETAILS

Principal & Registered Office
Suite 8, 7 The Esplanade,
Mt Pleasant, WA 6153

Exploration Office
10 Parker Street,
Castlemaine, Victoria 3450

Website
www.gbmr.com.au

Email
info@gbmr.com.au

Phone
+61 (8) 9316 9100

Fax
+61 (8) 9315 5475

Phone (Exploration Office)
+61 (3) 5470 5033



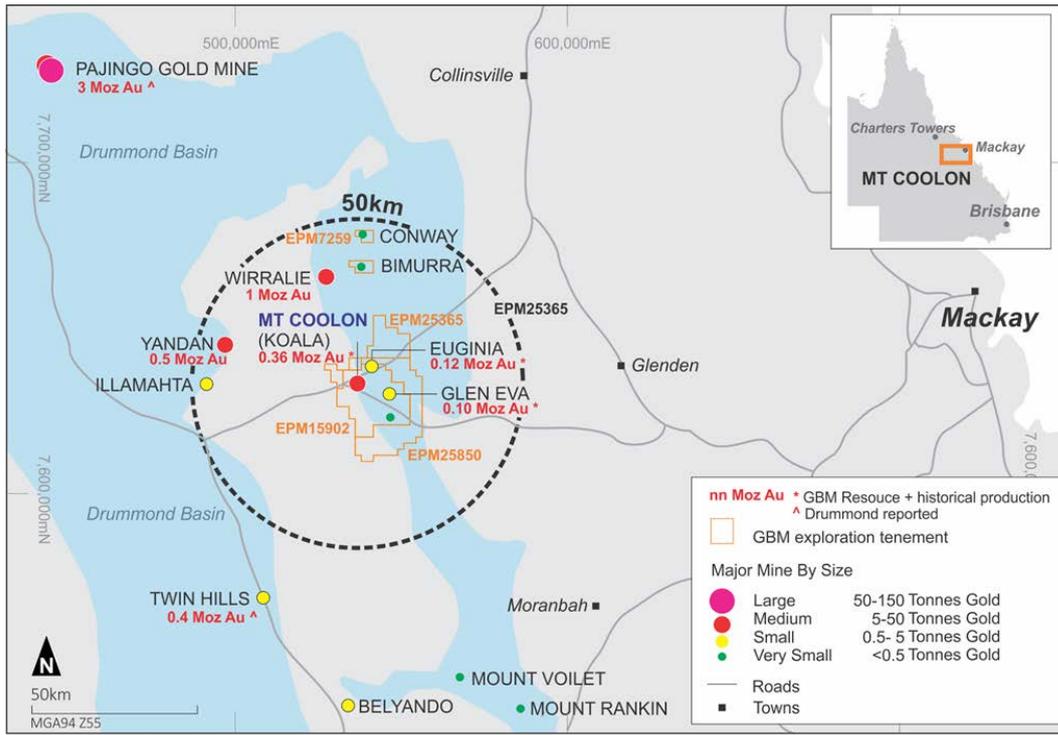


Figure 1: Mount Coolon Project Location plan showing the current GBM deposits and the nearby Twin Hills Gold Project. Known gold attributable to each deposit (past production plus resources) is shown.

Gold Projects

Mount Coolon Gold Project, Queensland (100% GBM)

During the quarter GBM announced the outcome of the Mount Coolon Scoping Study (**MCSS**). The MCSS demonstrates that the redevelopment of the Mount Coolon Gold Project (**MCGP**) with its current resources has the potential to generate a strong positive cash flow (refer to the full ASX release on 4 December 2017 for the MCSS).

Key Results of the MCSS are:

- Scoping Study demonstrates the current potential economic viability of mining the Koala, Glen Eva and Eugenia resources using a combination of Heap Leaching and CIL processing.
- LOM Highlights Summary:

Au Produced	Oz	155,000
Pre-Tax Cash Flow ¹	A\$M	60.5
Production Life	Years	5.5
Pre-production and CIL/HL Plant Capital	A\$M	25.2
Operating Cash Cost (C1) ²	A\$/oz	909
AISC Cost (all-in-sustaining) ³	A\$/oz	1,020

- 72% of Au produced is from Indicated Resources based on updated mineral resources estimates for the Koala, Glen Eva and Eugenia Deposits.
- The resource areas remain open and are expected to hold high potential to extend mine life.
- Scoping Study completed by Independent Consultants, Mining One Pty Ltd with input from GBM and external consultants.
- Koala and Glen Eva deposits are on granted mining leases.

The MCGP comprises a tenement package covering a total area of 770 square kilometres in the eastern side of the Drummond Basin in Queensland. Within this tenement area, the Company has reported mineral resources containing a total of 330,500 ounces of gold (*refer to the Resource Summary on page 6*).

The main focus since acquiring the MCGP has been on drilling and data validation to expand and improve on the confidence of the known resources at Koala, Glen Eva and Eugenia, to support options for near term production.

In conjunction with the compilation of the MCSS, the Company completed an exploration strategy with the aim of extending the current resource base on the Mount Coolon tenements to in excess of 1-2 million ounces of contained gold.

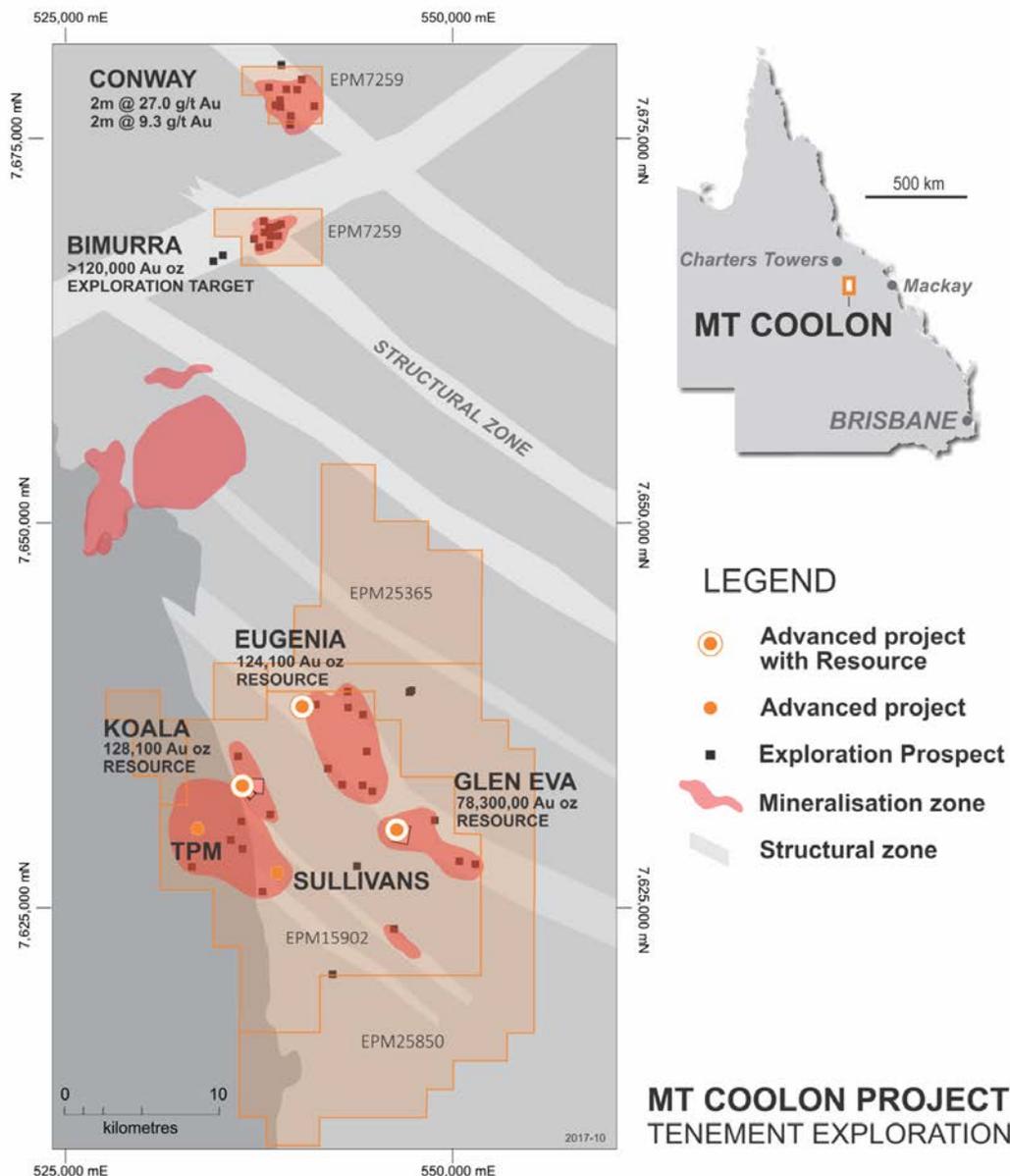


Figure 2: Resources, exploration targets and tenement locations in the Mount Coolon Gold Project.

Net Present Value and IRR Estimates for the MCSS

The Company provides the following net present value (NPV) and internal rate of return (IRR) estimates based on discount rates ranging from 6% to 14% based on the mining and production, plant construction and other capital parameters included in the MCSS which have been calculated based on a level of accuracy of +/- 30%.

Pre Tax IRR	%	48.3
Pre tax NPV 6%	A\$M	45.3
Pre tax NPV 8%	A\$M	41.1
Pre tax NPV 10%	A\$M	37.3
Pre tax NPV 12%	A\$M	33.7
Pre tax NPV 14%	A\$M	30.4

Table 1: NPV and IRR estimates form the MCSS (refer ASX announcement 4 December 2017).

Conclusion, Financing and Risks

The Directors of GBM consider that the MCSS, which is based on an accuracy of +/- 30%, has successfully demonstrated that the MCGM has the potential to add significant economic value to the Group's assets. The MCSS has outlined the potential and preferred mining and treatments plans and capital/operating costs which support the proposed MCGP production plans. The demonstrated economic value of the MCSS also gives a benchmark for potential joint venture parties.

While the redevelopment of MCGP is on a small scale the MCSS shows it has strong cash flows, supports its capital investment, risk is manageable and has low cash costs per ounce, and can move the Company forward from an explorer to a gold producer.

The redevelopment of MCGP has significant advantage over a number of other small producing gold projects due to its various production options which gives it flexibility in achieving its funding support.

The Company believes that its market capitalisation is likely to have an adjustment as the MCGP future development is further de-risked and funding is secured for its development.

The Company considers that there is a reasonable basis to assume that the necessary funding to redevelop the MCGP because:

- o Board has a strong history of securing funding;
- o The Company has no current debt;
- o Cornerstone shareholders fully support the board's proposed redevelopment of the MCGP moving from explorer to producer;
- o The range of development options allow for flexibility (refer to the Production Options section below) and the associated costs are considered modest compared to MCGP's economic potential;
- o The Company is currently in initial discussions with various parties in relation to the Production Options;
- o Each of the three known resources within the project area are considered to hold potential for additional resource growth; and
- o The Gold sector continues to remain strong.

Like many gold projects the key risks remain:

- Access to Funding;
- USD Gold Price;
- USD / AUD exchange rates;
- Resource to Reserve conversion; and
- Not achieving mining and processing rates and adverse metallurgical recovery rates.

The following may further improve the economic and operational performance of the potential MCGP as described in this MCSS:

- Discovery of additional high value and high confidence mineral resources that may be incorporated into the potential production schedule, including:
 - Resource expansion at the Koala, Glen Eva and Eugenia deposits;
 - Increasing the proportion of resources at the Koala, Glen Eva and Eugenia deposits included in the measured and indicated categories which may allow for preferential inclusion in the proposed mining schedule; and
 - Conversion of the Bimurra exploration target into a resource category and delineation of resources at other MCGP prospects.
- Further investigations into the improvement of treatment recoveries; and
- Identification of savings in capital infrastructure costs.

Production Options include:

1. Achieving full funding support of A\$30million to redevelop the three deposits with CIL and heap leach processing; or
2. Develop the MCGP by staged development commencing with the Koala and Glen Eva deposits through a CIL Plant which will require funding of A\$20Million; or
3. Develop the Eugenia Heap Leach deposit which will require funding of A\$10 million; or
4. Mine the Koala and Glen Eva deposits and Toll Treat or sell the ore to 3rd parties in the district. Funding required is estimated at A\$5 million.

Mt Coolon Ore Sale Agreement (refer ASX release dated 19 December 2017)

The Company announced the signing of a non-binding Term Sheet on 19 December 2017 pursuant to which the Company may mine material from the Koala and Glen Eva pits and truck for processing at the Pajingo Gold Operations.

The Binding Agreement between the parties will fully document the terms and conditions ordinarily included in an agreement of this nature and which shall be consistent with the material terms contained in the Term Sheet and is to be executed on or before the 28 February 2018. Any agreement to sell and purchase ore will be subject to achieving the environmental approvals and sufficient funding to commence mining on the Tenements.

Pit optimisations and designs have been completed and a site inspection and technical workshop have been completed with Minjar Gold Pty Ltd. The Koala and Glen Eva deposits are on granted Mining Leases. The Mine Development plan to meet the planned production schedule at MCGP consists of:

- A. Mining at Koala central pit: Environment Approval and Plan of Operations amendments are targeted for approval by 30 April 2018. Mining and Production scheduled for September quarter 2018.
- B. Mining of the Koala North and Glen Eva Pit: Additional groundwater studies are currently in progress to support mining below the water table and transfer of water to Glen Eva Pit or Koala North. Environmental Approval and Plan of Operations major amendments targeted for approval 30 September 2018. Mining and production scheduled for March quarter 2019.

The finalisation of an Ore Purchase Agreement with Minjar Gold Pty Ltd (represents production option 4 from the MCSS above) has the potential to greatly reduce the development risks and funding of the MCGP. It represents a staged approach with early cash flows that will potentially support the funding of stage 2 which is to redevelop fully the three deposits with a CIL plant and heap leach processing on site.

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 2: 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.

Twin Hills Acquisition - Potentially doubling the Resource for the MCGP

(refer to ASX release dated 22 December 2017)

During the quarter GBM signed a Binding Heads of Agreement (HoA) signed with Minjar Gold Pty Ltd to acquire 100% interest in Twin Hills Gold Project proximate to GBM's Mt Coolon Gold Project.

Highlights include:

- Binding Heads of Agreement signed with Minjar Gold Pty Ltd to acquire 100% interest in Twin Hills Gold Project proximate to GBM's Mt Coolon Gold Project.
- Acquisition cost is \$1.5m cash on a deferred settlement basis and the issue of 50m ordinary fully paid shares in the Company.
- The acquisition further underwrites the development of the Mt Coolon Gold Project, potentially doubling its resource base and adding significant exploration potential.
- The Twin Hills Gold Project published inferred resource is estimated at 398,000 ounces (refer to Cautionary Statement on page 9).

- Inclusion of Twin Hills will potentially double the resource for the Mt Coolon Gold Project. Mt Coolon will become a processing hub and take the Twin Hills Gold Project from being a stranded gold asset to a potential additional satellite feed source for Mt Coolon.
- The Company also believes that the acquisition of the Twin Hills Gold Project together with the Ore Sale Agreement will open up additional funding and investment opportunities for the development of the Mt Coolon Gold Project.

Key terms of the HoA are summarized as follows:

1. Consideration

Consideration payable by GBM to Minjar consists of:

- I. Payment of cash amount of \$1,500,000 and
- II. The issue and allotment of 50 million fully paid ordinary shares in the capital of GBM.

The 50 million fully paid ordinary shares in the capital of GBM will remain in escrow for a period of 12 months from date of executing the Sale and Purchase Agreement (**SPA**).

2. Conditions Precedent

Settlement of the acquisition is conditional upon GBM completing due diligence to its satisfaction to executing the SPA which is scheduled to be executed on or before 28 February 2018.

3. Settlement Process

Settlement is to take place as follows:

- I. Payment of \$150,000 on the signing of the SPA.
- II. The issue and allotment of 50 million fully paid ordinary shares in the capital of GBM on settlement dated 31 March 2018.
- III. Financial Assurance Bond estimated at \$991,000 to be exchanged on the 31 March 2018.
- IV. Cash Consideration of \$350,000 paid on 30 June 2018.
- V. Cash Consideration of \$350,000 paid on 30 September 2018.
- VI. Final Cash Consideration of \$650,000 paid on 30 December 2018.

Twin Hills Gold Assets

The Project is located approximately 90km south west of Mt Coolon in Queensland in lies in Drummond Basin. The Drummond Basin is an established gold mining region with past production of more than 4.5 Mozs of gold. Deposit styles range from bonanza grade epithermal veins (eg. Pajingo 3.00 M ozs) to bulk tonnage intrusive related gold deposits (eg. Mt Leyshon 2.07 M ozs).

The Twin Hills Project area consists of 3 exploration permits and 1 mining lease with a total area of approximately 200km².

Project	Tenement	Name
Twin Hills	EPM 19504	Dingo Range
Twin Hills	EPM 19856	Twin Hills CS
Twin Hills	EPM 25182	Anakie
Twin Hills	ML 70316	Twin Hills

Table 3: Twin Hills Project permits and leases

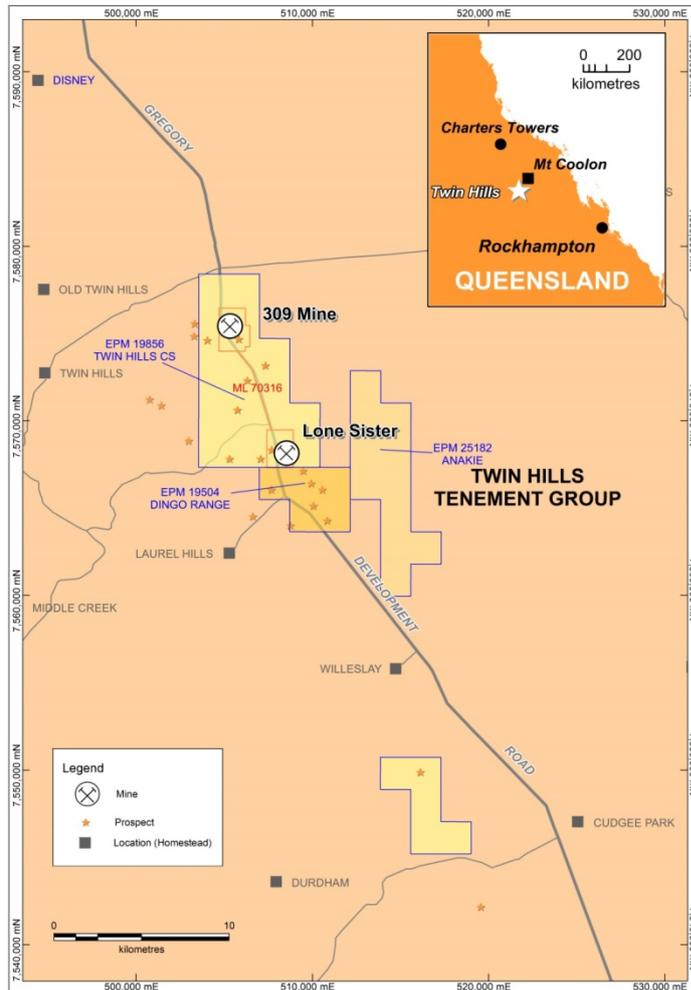


Figure 23: Prospect and Tenement Location Plan

Twin Hills Resources

The Mineral Resources contained in the table below sourced from the 2016 Evolution Mining Limited's Annual Report, Annual Statement of Mineral Resources (*refer Evolution Mining Limited's ASX announcement dated 24 Oct 2016*). Minjar acquired the Twin Hills Project from Evolution during 2016, to the best of GBM's knowledge the Evolution report is the most recent available public release of this resource. These resources are reported under the JORC Code 2004 and as such it is possible that they may not comply to the requirements of the JORC Code 2012.

Based on documentation reviewed to date this resource is based on estimations which were performed by experienced industry consultants in conjunction with company staff as follows;

- **309 Deposit-** by Snowden Mining Industry Consultants (Hackett, S. October 2009, Graindorge, J April 2010 and a review dated June 2011 confirming that the resource had been reported in accordance with the requirements of JORC 2004).
- **Lone Sister-** by Zilloc Pty. Ltd. (Lutherborrow, C.H. September 2006, Twin Hills Lone Sister Deposit Resource Estimate).

Project	Cut-off g/t Au	Tonnes Mt	Gold Grade g/t	Gold koz
Twin Hills -Open pit	0.5	3.06	2.1	204
Twin Hills -Underground	2.3	1.56	3.9	194
Total ☒		4.62	2.68	398

Table 4: Twin Hills Inferred Resource summary. Includes both the 309 and Lone sister deposits. Source: Evolution Mining Annual Report 2016, Annual Statement of Mineral Resources.

The 309 Deposit Resource is based on a database containing a total of 325 surface RC drillholes, 134 surface diamond drillholes and 204 underground diamond drillholes and a total of 54,170 assays. Estimation was performed using multiple indicator Kriging (MIK) for gold and ordinary kriging (OK) for silver with block size of 5m by 5m by 5m (X, Y and Z axis) using Datamine Studio Software. Drillhole data and geological interpretations were based on work by North Queensland Metal staff. The Mineral Resource estimate was divided into three domains for the 309 Deposit.

The Lone Deposit Resource at Twin Hills is based on assays from drill holes and mapping data interpreted on cross-sections spaced from 5 to 10m metres apart supported by considerable geological work. Data from a total of 52 drill holes were utilised in defining the Resource. The Resource has been modelled using four domains; a Rhyolitic domain, which contains two internal zones of veining each described as a separate domain and a welldefined breccia domain. The grade of the deposit has been interpolated using ordinary kriging in 5m x 5m x 5m blocks. The Resource at a 2.0g/T cut-off grade as modelled in September 2006 is estimated to contain 120,000 ounces of gold and 150,000 ounces of silver.

Based upon the information reviewed to date, including resource reports, analytical reports, geological reports, metallurgy reports and mining studies, it is the companies view that the resource as previously reported are based on data of sufficient quality, and the estimation of an acceptable standard to meet the requirements of JORC 2004. The cut-off grades and other assumptions are in line with those for similar deposits reviewed by the company within the region and are considered appropriate for this style of deposit and commodity.

It is anticipated that in order for the resources to be upgraded to meet the requirements of JORC 2012 the following will be required;

- Repeat sampling of sufficient intervals of core to confirm the reliability of previous analytical work
- Compilation and review of quality assurance and quality control data from previous sampling and analyses.
- Detailed review of geological and statistical modelling of the resource.

It is planned to have this work completed in the first half of the 2018 calendar year.

Cautionary Statement

Please note that these estimates of Mineral Resources are not reported in accordance with the JORC Code 2012. A Competent Person has not done sufficient work to classify the estimates of Mineral Resources or Ore Reserves in accordance with the JORC Code 2012. It is possible that following evaluation and/or further exploration work the currently reported estimates may materially change and hence will need to be reported afresh under and in accordance with the JORC Code 2012. Nothing has come to the attention of the acquirer that causes it to question the accuracy or reliability of the former owner's estimates but the acquirer has not independently validated the former owner's estimates and therefore is not to be regarded as reporting, adopting or endorsing those estimates.

Geology

The Twin Hills Project consists of the 309 and Lone Sister mineralised deposits which are interpreted to be structurally controlled epithermal gold and silver mineralised lodes hosted within metamorphic, volcanic, volcanoclastic and sedimentary units. The deposits can be characterised by hydrothermal breccias with localised structural controls on ore shoots and veining orientation. A strong silica-pyrite alteration of the host sedimentary rocks is present with the mineralised lodes.

The deposits have been described (Corbett, G. April 2006) as low-sulphidation epithermal intrusion-related quartz-sulphide gold deposits where gold mineralisation occurs primarily as free gold, some of which may be relatively coarse (>100 µm in size). Gold is associated with chalcedony-quartz veining and brecciation. Bonanza grades do occur within the deposits with 88 samples assaying above 100g/t Au with a peak value of 2940 g/t Au.

Previous mining and development

The 309 Deposit was mined by BMA Gold Limited (BMA) from 2005-2007 with gold production of 72,979 t @ 10.0 g/t Au for 23,490 ounces of gold (Minjar Information Memorandum, 30/09/2017). In this time approximately 1200 metres of decline (5.0m X 5.2m, 1 in 7 gradient) and significant level development to access the Area 2 mineralisation was completed (see figure 4). With the development completed to Area 2 it may represent an opportunity to access remaining underground ore.



Figure 4: Underground workings at the 309 Deposit (decline and level development –green, stopes –brown) with the decline extending to approximately 170 m below surface (surface RL is approximately 1250 m.). Significant development is in place adjacent to the Area 2 mineralisation, however very little of this deposit was extracted.

Infrastructure

The Twin Hills project contains a series of existing established infrastructure and essential facilities as summarised below (Figures 5 and 6):

- An Exploration Shed
- Core Farm
- The Mine Portal/Boxcut
- Maintenance Shed
- Waste Dump
- Donger
- The Utility Shed
- Accommodation donger footings
- Evaporation Pond
- Access Road



Figure 5: Location of infrastructure at Twin Hills



Figure 6: Portal to underground workings. Historical production was 72,979 t @10.01g/t for 23,490 ounces.

TENEMENT SUMMARY

Throughout the December Quarter reports and payments have been lodged as required. Technical reports continue to be lodged and are up to date and in line with the Department requirements.

A retention Licence application, RL006587 was lodged over the Belltopper Hill area in the Malmsbury Project. Notification of priority for this application was received from DEDJTR on November 17th 2017.

Project / Name	Tenement No.	Owner	Manager	Interest	Status	Granted	Approx Area (km ²)
Victoria							
Malmsbury							
Belltopper	EL4515	GBMR* ¹ /Belltopper Hill	GBMR	100%	pending	06-Oct-05	25
Yea							
Monkey Gully	EL5293	GBMR	GBMR	100%	Granted	23-Mar-11	86
Queensland							
Mount Morgan (Project)							
Dee Range	EPM16057	GBMR	GBMR	100%	Granted	27-Sep-07	36
Boulder Creek	EPM17105	GBMR	GBMR	100%	Granted	26-Mar-08	88
Black Range	EPM17734	GBMR	GBMR	100%	Granted	20-May-09	81
Smelter Return	EPM18366	GBMR	GBMR	100%	Granted	21-Jun-12	62
Limonite Hill	EPM18811	GBMR	GBMR	100%	Granted	21-Nov-12	153
Mt Hoopbound	EPM18812	GBMR	GBMR	100%	Granted	26-Jul-12	23
Limonite Hill East	EPM19288	GBMR	GBMR	100%	Granted	31-Oct-13	16
Mt Victoria	EPM25177	GBMR	GBMR	100%	Granted	26-Aug-14	3
Bajool	EPM25362	GBMR	GBMR	100%	Granted	27-Nov-14	111
Mountain Maid	EPM25678	GBMR	GBMR	100%	Granted	09-Apr-15	26
Moonmera	EPM19849	GBMR* ³	GBMR	100%	Granted	12-Apr-13	16
Mount Isa Region							
Mount Margaret (Project Status)							
Mt Malakoff Ext	EPM16398	GBMR* ² /Isa Tenements	GBMR	100%	Granted	19-Oct-10	85
Cotswold	EPM16622	GBMR* ² /Isa Tenements	GBMR	100%	Granted	30-Nov-12	16
Dry Creek	EPM18172	GBMR* ² /Isa Tenements	GBMR	100%	Granted	13-Jul-12	189
Dry Creek Ext	EPM18174	GBMR* ² /Isa Tenements	GBMR	100%	Granted	25-Oct-11	23
Mt Marge	EPM19834	GBMR/Isa Tenements	GBMR	100%	Granted	04-Mar-13	3
Corella	EPM25545	GBMR/Isa Tenements	GBMR	100%	Granted	20-Mar-15	59
Tommy Creek	EPM25544	GBMR/Isa Tenements	GBMR	100%	Granted	11-Nov-14	33
Brightlands							
Brightlands	EPM14416	GBMR* ² /Isa Brightlands	GBMR	100%	Granted	5-Aug-05	127
Brightlands West Ext.	EPM18672	GBMR/Isa Brightlands	GBMR	100%	Granted	16-Jun-16	16
Bungalien							
Bungalien 2	EPM18207	GBMR* ² /Isa Tenements	GBMR	100%	Granted	24-May-12	120
The Brothers	EPM25213	GBMR/Isa Tenements	GBMR	100%	Granted	16-Oct-14	10
Mayfield							
Mayfield	EPM19483	GBMR* ² /Isa Tenements	GBMR	100%	Granted	11-Mar-14	172
Mt Coolon							
Mt Coolon	EPM15902	GBMR/MCGM	GBMR	100%	Granted	13-Jun-08	325
Mt Coolon North	EPM25365	GBMR/MCGM	GBMR	100%	Granted	18-Sep-14	146
Mt Coolon East	EPM25850	GBMR/MCGM	GBMR	100%	Granted	07-Sep-15	260
Conway	EPM7259	GBMR/MCGM	GBMR	100%	Granted	18-May-90	39
Koala 1	ML 1029	GBMR/MCGM	GBMR	100%	Granted	30-May-74	0.7
Koala Camp	ML 1085	GBMR/MCGM	GBMR	100%	Granted	27-Jan-94	0.0
Koala Plant	ML 1086	GBMR/MCGM	GBMR	100%	Granted	27-Jan-94	1.0
Glen Eva	ML 10227	GBMR/MCGM	GBMR	100%	Granted	05-Dec-96	1.3
TOTALS							2350

Note

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

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

*³ subject to 1% smelter royalty and other conditions to Rio Tinto; transfer documents with Department

Figure 12: GBM Tenement summary table as at 31 December 2017

SAFETY AND ENVIRONMENT

No LTI or environmental incidents were reported during the December Quarter. GBM is committed to continuously improving safety and environment systems with the clear aim of achieving zero harm and have now completed 74 consecutive months with no LTI's and 120 consecutive months with no significant environmental incidents.

CORPORATE

1. The Company spent a total of A\$1,034,000 in the quarter, of which A\$853,000 was for exploration and project development and A\$181,000 for corporate administration costs. Cash at 31 December was A\$936,000.
2. The company during January 2018 sold the balance of its Anchor Resources Ltd investment for approx. \$300,000.

For Further information please contact:

Peter Thompson
Managing Director
GBM Resources Limited
Tel: 08 9316 9100

Media
Karen Oswald
Marko Communications
Tel: 0423 602 353

Explanatory notes:

The information in this report that relates to Exploration Results, Exploration targets and Mineral Resources is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Mr Norris is a full-time employee of the company, and is a holder of shares and options in the company. Mr Norris has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that 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.

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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

GBM Resources Limited

ABN

91 124 752 745

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(853)	(1,473)
(b) development	-	-
(c) production	-	-
(d) staff costs	(70)	(141)
(e) administration and corporate costs	(111)	(236)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (incl. farm-in management fee)	5	44
1.9 Net cash from / (used in) operating activities	(1,025)	(1,800)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets – bonds/deposits	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	664	1,627
	(d) other non-current assets – bonds/deposits	-	10
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Farm-in partner exploration contributions	38	362
2.6	Net cash from / (used in) investing activities	699	1,996
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares and options	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,262	740
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,025)	(1,800)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	699	1,996
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	936	936

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	827	1,156
5.2 Call deposits	109	106
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	936	1,262

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	125
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Remuneration and fees paid to directors.

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

N/a

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

Mining exploration entity and oil and gas exploration entity quarterly report

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	300
9.2	Development	-
9.3	Production	-
9.4	Staff costs	75
9.5	Administration and corporate costs	120
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	495

Note: During the March 2018 quarter the Company received approximately \$300,000 in respect of the sale of shares held in Anchor Resources Limited.

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

Compliance statement

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

Sign here:



Company secretary

Date: 31 January 2018

Print name:

Kevin Hart

Notes

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