

9 May 2019

ASX Announcement

A\$700,000 Convertible Note Term Sheet Executed

The Board of GBM Resources Limited ('GBM' or 'the Company') is pleased to announce that the Company has executed a term sheet for a A\$700,000 Convertible Note to be issued to Lion Resources Development Pte Ltd (Subscriber), which is not a related party of GBM Resources Limited.

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

1. Subscriber to pay the Convertible Note amount of A\$700,000 (Principal Amount) on or before the 30th May 2019.
2. Repayment Date is 12 months from date of issue.
3. Interest is payable on the Principal Amount until the Convertible Notes are either redeemed or converted into fully paid ordinary shares (Shares) in the capital of the Company at the rate of 10% per annum, calculated monthly and payable 3 monthly in arrears.
4. Each Convertible Note will be convertible into Shares at a conversion price of \$0.005 per Share.
5. The Subscriber may before the Repayment Date, convert the Convertible Notes into Shares.
6. The Convertible Notes are secured over the issued capital of Mt Coolon Gold Mines Pty Ltd.

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

For Further information please contact:

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