

## ASX Announcement

30 July 2020

# QUARTERLY ACTIVITIES REPORT

## FOR THE PERIOD ENDED 30 JUNE 2020

GBM Resources (ASX:GBZ) (**GBM** or the **Company**) advises of the release of its quarterly activities report for the period ended 30 June 2020.

### HIGHLIGHTS

#### Equity Raisings

- **Non – Renounceable Entitlement Issue and Shortfall Offer Placement Raises \$3.07 million**

GBM Resources finalised the entitlement issue on the 29<sup>th</sup> June 2020 raising \$1.0 million from entitlements of existing shareholders and placed the Shortfall to existing shareholders, institutional and sophisticated investors to raise a further amount of \$2.07 million. A total of 55,884,534 new shares and 27,942,267 new options have been issued.

- **Share Placement Raises an additional \$2.58 million**

The Company and the Lead manager to the Offer, Henslow Pty Ltd, received strong demand from overseas and Australian investors raising a further \$2.58 million. The placement securities were issued pursuant to GBM's existing placement capacities and under ASX Listing Rule 7.1, 18,724,672 new shares and 23,352,714 new options were issued and under Listing Rule 7.1A, 28,180,757 new shares were issued.

The Company is now in a strong position to advance exploration of the Mount Coolon and Malmsbury Projects.

#### Projects Update

- **Malmsbury Retention Licence Granted**

Retention Licence RL006587 has been granted by the Victoria Department of Economic Development, Jobs, Transport and Resources (DEDJTR) for a period of 10 years from the 23 June 2020. This licence covers the Company's 100% owned Malmsbury Gold Project located in the prolific Bendigo Zone of the Victorian Goldfields.

Exploration commenced during the quarter with collection and reconditioning of historic drill core. Design of the Stage 1 Exploration Program and prioritisation of targets for planned field work is nearing completion and the programme will commence in the September Quarter.

- **White Dam Gold Copper Joint Venture Commences**

GBM's 50% JV interest earned via completion of the Sulphidisation-Acidification-Recycling-Thickening (SART) Plant construction at White Dam. Formal JV Agreement executed with Round Oak Minerals Pty Ltd. SART Plant designed to extract copper from the gold leach solution, thereby improving overall gold recoveries. Both copper and gold output expected during the September quarter.

JORC 2012 Mineral Resource estimate in progress.

- **Mt Coolon Gold Project - Strategic Landholding Acquired and Drill Program to Commence**

Nine (9) new exploration permit applications covering an additional ~2,515 square kilometres, were lodged with the Queensland Department of Natural Resources, Mines and Energy. Design of exploration program completed and a 5,000 metre drill program to commence late in the September quarter.

## SAFETY AND ENVIRONMENT

No LTI or environmental incidents were reported during the June 2020 Quarter. The Company has now completed 102 consecutive months with no LTI's and 148 consecutive months with no significant environmental incidents.

Construction activities at the White Dam SART Project were incident free during the June 2020 Quarter also.

GBM's business continues to operate in full compliance with the COVID-19 advice from the Australian Government and relevant health authorities. The situation is constantly evolving, and whilst there are currently no significant impacts, there remains some uncertainty and risk in this area with recent events in Victoria and NSW. The Company however, believes it is sufficiently resourced to be able complete our exploration programmes as planned in the second half.

## WHITE DAM GOLD HEAP LEACH OPERATION (GBM 50% JV Interest)

The Company is pleased to advise that it has executed the Joint Venture (**JV**) Agreement on the White Dam Gold-Copper Heap Leach Operation in South Australia (**White Dam**) with Round Oak Minerals Pty Ltd (**Round Oak**).

The construction of the SART Plant has been completed and commissioning is underway. All conditions precedent in the SART Implementation and Option Agreement executed on 18 December 2019 have been satisfied and GBM has successfully earned a 50% interest in the White Dam JV (refer ASX announcement 23 July 2020).

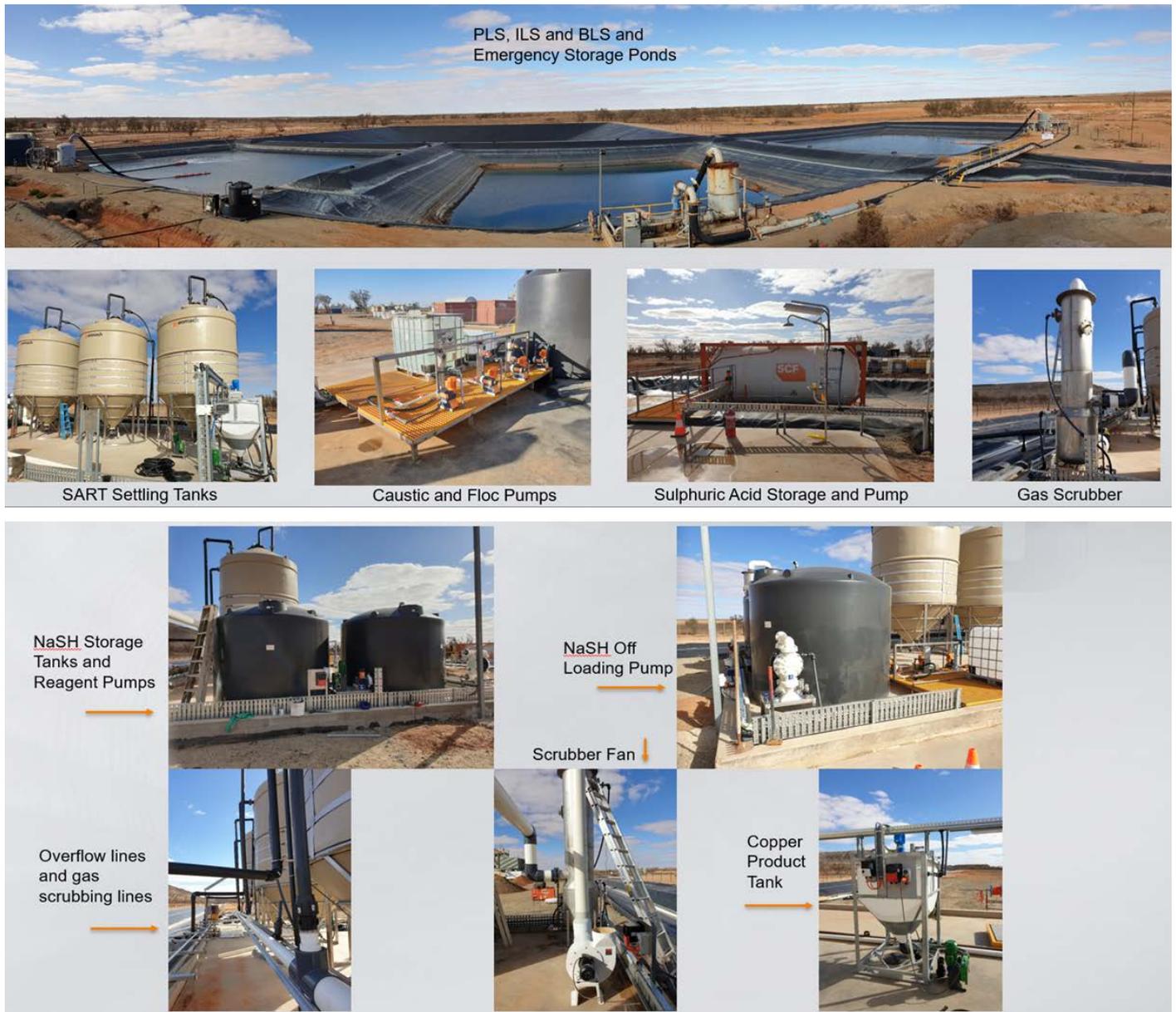
The SART Plant construction was completed broadly as planned, with only slight COVID-19 related delays to delivery times of some key equipment. Staged commissioning activities commenced over the past three weeks as circuits in the plant were progressively completed. The circuit has also now been continuously operated, with reagent additions and first copper sulphide concentrate having been produced. The gold leaching circuit and SART Plant are targeted to reach steady-state operations during the current quarter.

Key contractors contributing to the design and construction of the SART Plant included:

<b>Core Metallurgy</b>	<i>Metallurgical Testwork and Process Design</i>
<b>ammjohncm Pty Ltd</b>	<i>Civil and Electrical Design</i>
<b>Environmental Construction Ops Pty Ltd</b>	<i>Civil Construction</i>
<b>DKM Electrical</b>	<i>Electrical</i>

GBM also expects to complete a JORC 2012 compliant Mineral Resource estimate for White Dam shortly, which is expected to demonstrate the production potential of the heap leach operation moving forward.

**Figure 1: Process ponds and new SART Plant**



**Figure 2: First sodium hydrosulphide delivery**



**Figure 3: Settled copper concentrate slurry ahead of dewatering**



## JV Agreement

GBM and Round Oak have satisfied all conditions precedent (gaining all regulatory approvals and constructing the SART Plant) to enable execution of the JV Agreement and recognition of GBM's earned 50% interest in White Dam (refer GBM ASX announcement dated 16 October 2019 for full details).

Under the JV Agreement, and following the addition of reagents to the SART plant for the purposes of commissioning (now achieved), the following financial arrangement applies:

- GBM and Round Oak will contribute 50% of all capital and operating costs associated with White Dam;
- GBM and Round Oak will each be entitled to 50% of all gold, copper and other metals produced from White Dam; and
- Any increase in financing costs incurred by Round Oak as a result of an increase in rehabilitation bond shall be funded by GBM.

Round Oak has also granted GBM the option to acquire 100% (being the remaining 50%) of the White Dam JV for an exercise price of A\$500,000 plus a 2% royalty on any copper and gold production revenue. In the event of option exercise, GBM would also assume the environmental liabilities for eventual White Dam closure, currently standing at A\$1.9 million. The option is exercisable between 1 January 2021 and 30 June 2021.

## Opportunity for GBM

The White Dam JV has the potential to provide GBM with cashflow generation while allowing for assessing opportunities to restart mining operations at White Dam to exploit remnant open pit mineralisation, other previously defined mineralised zones and explore other associated tenements.

White Dam is located in South Australia, approximately 65 km south-west of Broken Hill. It is a heap leach operation that, since 2010, has produced approximately 175,000 oz of gold from heap leaching of 7.5 Mt of ore at 0.94 g/t Au (which was mined from two open pits).

While further work is required to confirm and quantify the opportunity in detail, there does appear strong potential to extend the life of the operation. It is worth noting the current gold price of around A\$2,500/oz compares with a price of approximately A\$1,650/oz at the time of the most recent mining at White Dam in 2016/17.

The White Dam operation continues to produce gold (~2,000 oz in calendar 2019) and has sufficient water to maintain production activities.

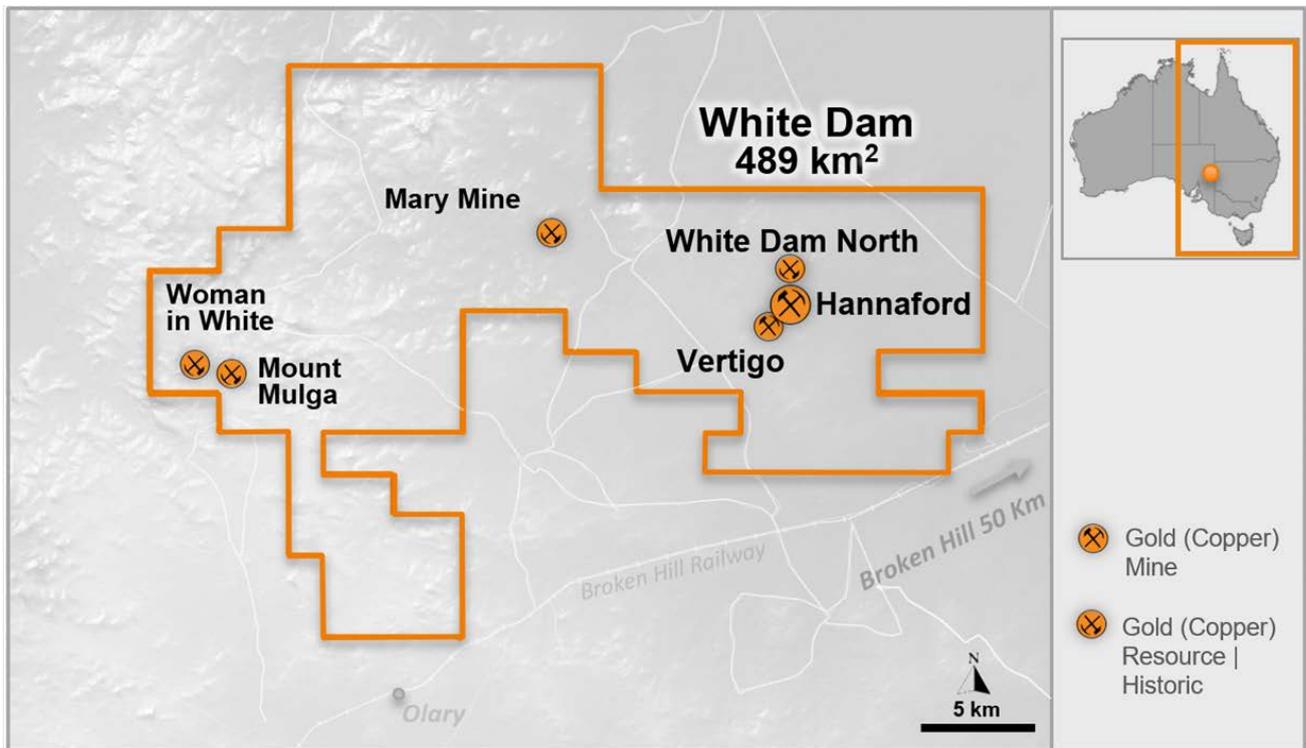
## **In summary, entering the White Dam JV is expected to deliver GBM the following key benefits and opportunities:**

- An attractively-priced acquisition of an asset interest expected to deliver short-term cashflow generation.
- Asset optimisation through improved gold and copper recovery via the SART Plant completion.
- An established and experienced operational team.
- A gold recovery plant with the ability to be relocated to GBM's 100% owned Mt Coolon Project to support its possible development (should GBM exercise its option to acquire 100% of the White Dam JV).
- Significant potential exploration upside from extension of existing pits and exploration of identified structural and geochemical targets for new gold discoveries.

**Cautionary Statement**

GBM has entered into a production joint venture regarding the White Dam Gold-Copper Heap Leach Operation, and has no current ownership of the White Dam tenements and processing infrastructure. Acquisition of these assets is subject to successful exercise of an option, of which further details are provided in the ASX announcements dated 16 October 2019 and 23 July 2020.

**Figure 4: Location map of the White Dam Gold-Copper Heap Leach Operation**



**Figure 5: Existing gold recovery plant**



**Figure 6: Existing Hannaford pit**



**Figure 7: Existing Vertigo Pit**



## **MALMSBURY GOLD PROJECT, VICTORIA (GBM 100%)**

Retention Licence RL006587 has been granted by Department of Economic Development, Jobs, Transport and Resources (DEDJTR) for a period of 10 years from the 23 June 2020. This licence covers the Company's 100% owned Malmsbury Gold Project located in the prolific Bendigo Zone of the Victorian Goldfields.

The licence area covers a strike length of over 4.5 km and includes the 1 km long Leven Star Trend, where GBM has outlined a 104,000 ounce Inferred gold resource (820 kt at 4.0 g/t Au). This is in addition to nineteenth century gold production from the Drummond North and Belltopper Hill Goldfields. Available records from the Victorian Geological Survey database show approximately 100,000 oz of high-grade hard rock production from these fields.

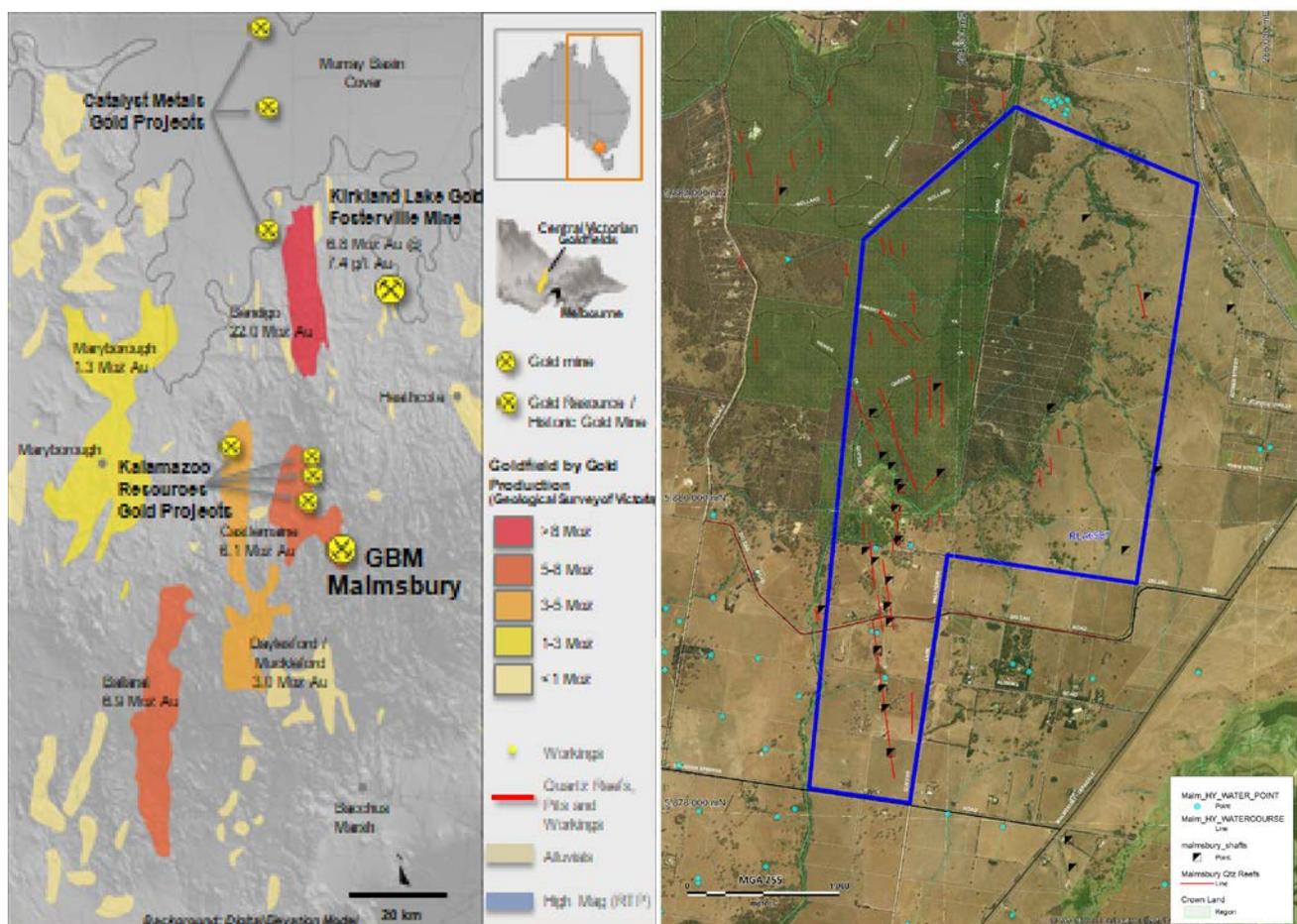
Orogenic gold mineralisation present at the Malmsbury Project bears many similarities to ore deposits being mined at the nearby 8 Moz. Fosterville Gold Mine. The Company recognises the underexplored nature of the goldfield and considers it highly prospective in character and considers it to hold potential for discovery of further significant gold mineralisation.

The programme of work and milestones have been agreed with DEDJTR will require expenditure of \$4.7 million over the initial ten year period. Exploration activities have commenced with core from historic drilling programmes being collected from other sites and moved to GBM's core shed for relogging and additional sampling of previously unrecognized mineralized zones. Planning of the Stage 1 exploration programme is at an advanced stage and field activities are expected to commence in August. Other work

to be completed in this programme will include; geological mapping and sampling, digital reconstruction of previous mines from historic data, soil surveys, drilling and metallurgical testwork.

The Malmsbury Project is subject to a strategic option to purchase and exploration Farm In agreement with Novo Resources Corp. (TSX-V:NVO) (ASX Announcement 31 March 2020). Novo has until 30 September 2020 to conduct due diligence to exercise an option to acquire a 50% interest in the Malmsbury Project via the issue of 1,575,387 Novo common shares (Approx. market value A\$6.2 million – using 5 day VWAP/Exchange Rates to 28 July 2020) to GBM. If the option is exercised, Novo then has the right to earn a further 10% interest via the expenditure of A\$5 million on the Malmsbury Gold Project over a four year period, with the possibility of Novo’s interest being increased to 75% upon delivery of a preliminary economic assessment.

**Figure 8: Malmsbury Region and RL Area in Blue**



## MT COOLON GOLD PROJECT, QUEENSLAND (100% GBM)

### Mount Coolon Gold Project Status

GBM staff and consultants reviewed prospectivity of the Drummond basin and recognised that key structural corridors under relatively shallow cover and identified mineral systems were currently available. As a result, nine (9) new exploration permit applications covering an additional 2,515 square kilometres, were lodged with the Queensland Department of Natural resources, Mines and Energy during the quarter. These tenements cover key structural corridors and known mineralisation within the Drummond Basin and provide GBM with a strategic landholding in Australia's premier epithermal gold province.

Work on the Mt Coolon project during the second quarter consisted of reviewing previous work and compiling the extensive drill data base into sections and plans. A 5,000 metre drill program has been planned for Q4, 2020, with between 12 and 15 drill holes being designed. This will test for down dip extensions of high grade mineralisation at Koala and Glen Eva below the existing open pits. Drilling is anticipated to commence in late August or September and carry on throughout the last four months of 2020.

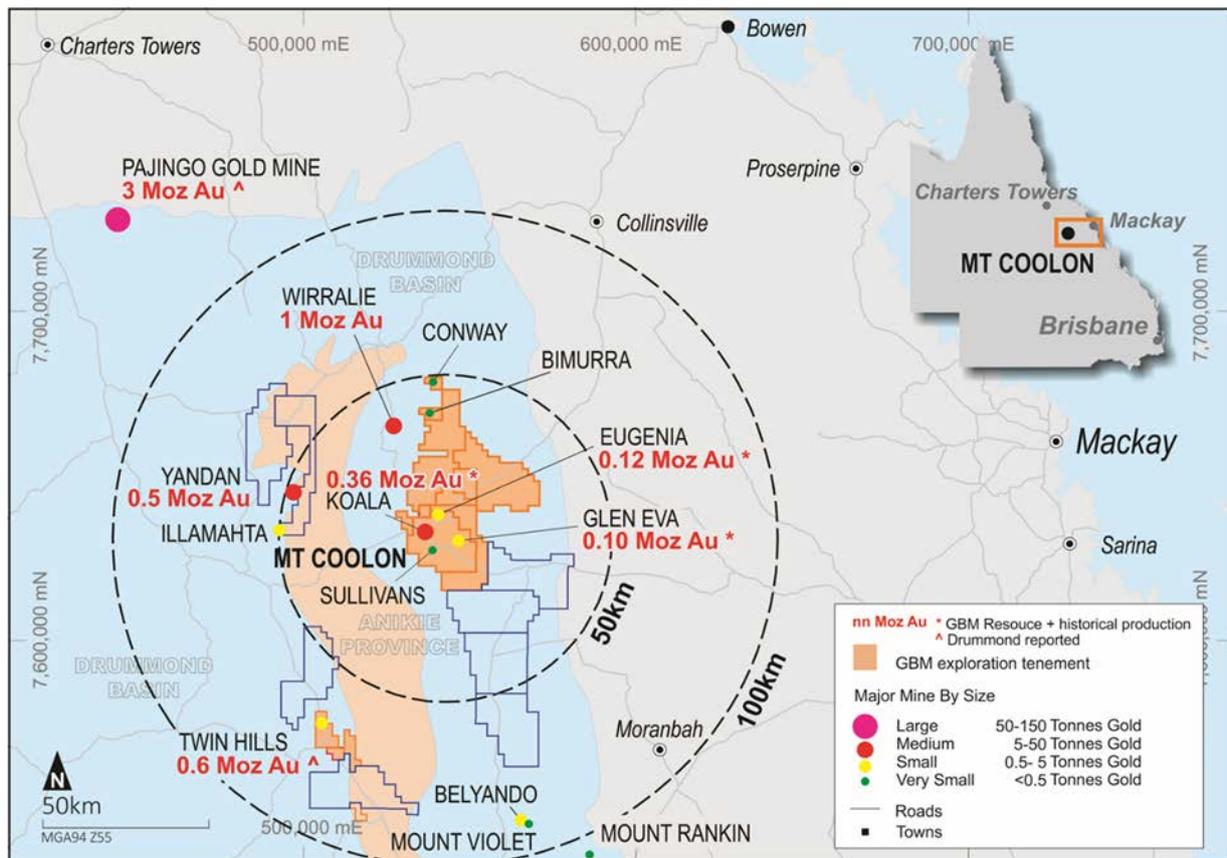
A two week field program was completed in late June for designing the drill program for Q3/Q4, 2020. In addition, a review of several early stage targets, Eugenia, Bimurra and Eastern Siliceous Zone was completed. A mapping and field checking program to follow up on these targets is being planned to be completed in the second half of this year. This work is to move target areas forward so geophysics can be completed and the targets be drill tested Q2 2021.

Applications were lodged for two grants as part of the Queensland Government Collaborative Exploration Initiative (CEI). These applications were to trial geophysics and advanced geochemical sampling over areas prospective for gold mineralisation, but where shallow recent cover has rendered conventional prospecting techniques ineffective. The outcome of CEI applications is expected to be announced in August. During the quarter a review of exploration and drill targets within The Mt Coolon project has taken place.

**Table 1: Mt Coolon Gold Project and Regional Resources**

<b>Mt Coolon District Gold Resources</b>	<b>Tonnes (000's)</b>	<b>Au (g/t)</b>	<b>Au oz (000's)</b>
<b>GBM Mt Coolon District</b>			
Koala Tailings <sup>1, ML</sup>	124	1.6	6.6
Koala – Sulphide + Transition + Oxide <sup>1, ML</sup>	1,430	2.6	121.5
Glen Eva – Sulphide <sup>1, ML</sup>	1,660	1.47	78.3
Eugenia – Oxide <sup>1, EL</sup>	1,482	1.08	51.6
Eugenia – Sulphide <sup>1, EL</sup>	1,947	1.16	72.4
<b>GBM Sub Total</b>	<b>6,643</b>	<b>1.54</b>	<b>330.4</b>
<b>Third Party Resources within 70kms of Mt Coolon</b>	<b>Tonnes (000's)</b>	<b>Au (g/t)</b>	<b>Au oz (000's)</b>
Yandan East <sup>2, ML</sup>	4,000	2.4	300.0
Twin Hills + Lone Sister <sup>2, ML</sup>	6,940	2.8	633.0
<b>Other Company Gold Resource Sub Total</b>	<b>10,940</b>	<b>2.6</b>	<b>933.0</b>

**Figure 9: Mt Coolon Gold Project Location and New Tenement Applications (Blue Outlines).**



1. GBM ASX Announcement, 4 December 2017, Mt Coolon Gold Project Scoping Study
2. GBM ASX Announcement, 18 January 2019, Mt Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces and <https://www.aerisresources.com.au/wp-content/uploads/2019/12/Annual-Report-30-June-2019-Mineral-Resources-and-Ore-Reserves.pdf>

## CLONCURRY COPPER FARM-IN PROJECTS, MOUNT ISA REGION, QUEENSLAND (46.2% GBM)

### Work Completed in the Quarter

Assimilation and review of historical data has commenced for two new licences EPM27128 Middle Creek and EPM27166 Sigma which were granted during the March quarter.

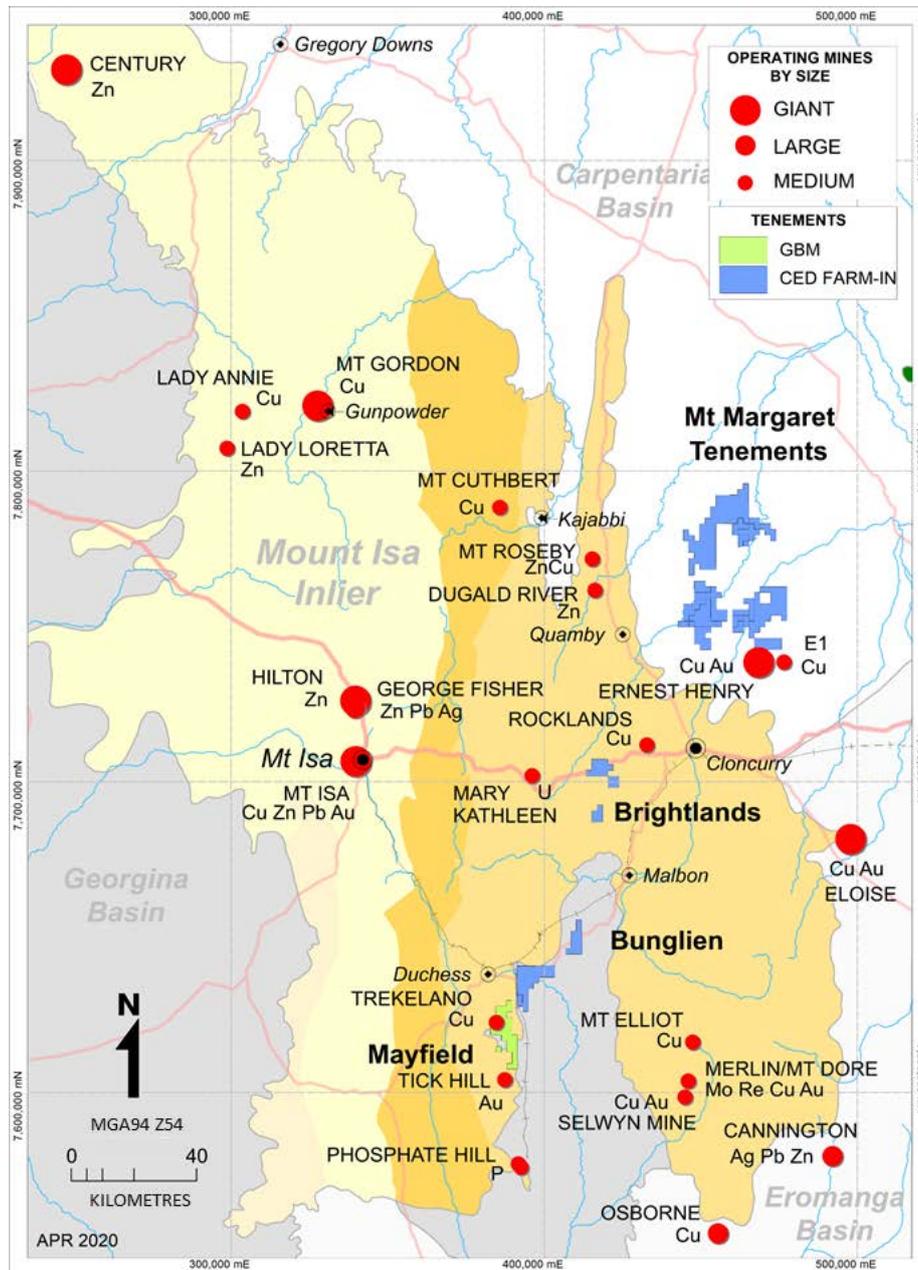
### Forward Program

Following the success of the trial MLEM program in 2019 at Mt Margaret, which indicated the method will penetrate conductive cover throughout the eastern half of the project, the MLEM survey is to be expanded to produce detailed ground EM data over selected prospect areas.

Planning of a programme to extend coverage of the EM technique in the FC12, FC6, subject to budget priorities, FC4NW and FC4 with allowance for drill testing of limited targets will be developed. This will be submitted to our partners for approval prior to the commencement of the programme which is expected during the September Quarter.

Collection and review of previous exploration data for EPM27128 Sigma and EPM27166 Middle Creek are proceeding and will continue throughout the September Quarter.

Figure 10: Location of GBM and Farm in Tenements in the Cloncurry Region.



## TENEMENT SUMMARY

Throughout the March Quarter reports and statutory payments have been lodged as required. A total of 9 new EPM applications were lodged in the Drummond Basin. EPMA's 27555 to 27558 extend south from Mount Coolon, EPMA27598 to fill a gap in our Mount Coolon package, EPMA27592 and EPMA27594 cover extensions to the Twin Hills system, EPMA27591 & 2 cover extensions to the Yandan system.

Figure 11: GBM Tenement Summary Table as at 30 June 2020.

Project / Name	Tenement No.	Owner	Manager	Interest		Status	Approx Area (km <sup>2</sup> )
				31-Mar-20	30-Jun-20		
<b>Victoria</b>							
<b>Malmsbury</b>							
Drummond	RL6587	GBMR/Belltopper Hill	GBMR	100%	100%	Application	6.7
<b>Yea</b>							
Monkey Gully	EL5293	GBMR	GBMR	100%	100%	Granted	25
<b>Queensland</b>							
<b>Mount Morgan (Project Status)</b>							
Smelter Return	EPM18366	GBMR	GBMR	100%	100%	Renewal App	62
Limonite Hill	EPM18811	GBMR	GBMR	100%	100%	Renewal App	68
Mt Hoopbound	EPM18812	GBMR	GBMR	100%	100%	Renewal App	23
Limonite Hill East	EPM19288	GBMR	GBMR	100%	100%	Granted	3
Moonmera	EPM19849	GBMR* <sup>3</sup>	GBMR	100%	100%	Granted	16
Mt Victoria	EPM25177	GBMR	GBMR	100%	100%	Granted	3
Mountain Maid	EPM25678	GBMR	GBMR	100%	100%	Renewal App	26
Mt Morgan West	EPM27096	GBMR	GBMR	100%	100%	Granted	325
Mt Morgan East	EPM27097	GBMR	GBMR	100%	100%	Application	299
Mt Morgan Central	EPM27098	GBMR	GBMR	100%	100%	Application	325
Mount Usher	ML100184	GBMR	GBMR	100%	100%	Application	6
<b>Project Area</b>							<b>981</b>
<b>Mount Isa Region</b>							
<b>Mount Margaret (Project Status)</b>							
Mt Malakoff Ext	EPM16398	GBMR* <sup>2,4</sup> /Isa Tenements	GBMR	46.3%	46.2%	Granted	78
Cotswold	EPM16622	GBMR* <sup>2,4</sup> /Isa Tenements	GBMR	46.3%	46.2%	Granted	16
Dry Creek	EPM18172	GBMR* <sup>2,4</sup> /Isa Tenements	GBMR	46.3%	46.2%	Granted	163
Dry Creek Ext	EPM18174	GBMR* <sup>2,4</sup> /Isa Tenements	GBMR	46.3%	46.2%	Granted	23
Mt Marge	EPM19834	GBMR* <sup>4</sup> /Isa Tenements	GBMR	46.3%	46.2%	Granted	3
Tommy Creek	EPM25544	GBMR* <sup>4</sup> /Isa Tenements	GBMR	46.3%	46.2%	Granted	33
Corella	EPM25545	GBMR* <sup>4</sup> /Isa Tenements	GBMR	46.3%	46.2%	Granted	46
Middle Creek	EPM27128	GBMR* <sup>4</sup> /Isa Tenements	GBMR	46.3%	46.2%	Granted	35
Sigma	EPM27166	GBMR* <sup>4</sup> /Isa Tenements	GBMR	46.3%	46.2%	Granted	287
<b>Brightlands</b>							
Brightlands	EPM14416	GBMR* <sup>2</sup> /Isa Brightlands	GBMR	100%	100%	Granted	65
<b>Bungalien</b>							
Bungalien 2	EPM18207	GBMR* <sup>2,4</sup> /Isa Tenements	GBMR	46.3%	46.2%	Granted	120
The Brothers	EPM25213	GBMR* <sup>2</sup> /Isa Tenements	GBMR	46.3%	46.2%	Granted	7
<b>Mayfield</b>							
Mayfield	EPM19483	GBMR* <sup>2</sup> /Isa Tenements	GBMR	100%	100%	Granted	91
<b>Project Area</b>							<b>966</b>
<b>Mt Coolon</b>							
Mt Coolon	EPM15902	GBMR/MCGM	GBMR	100%	100%	Granted	299
Mt Coolon North	EPM25365	GBMR/MCGM	GBMR	100%	100%	Granted	85
Mt Coolon East	EPM25850	GBMR/MCGM	GBMR	100%	100%	Granted	176
Conway	EPM7259	GBMR/MCGM	GBMR	100%	100%	Granted	39
Bulgonunna	EPM26842	GBMR/MCGM	GBMR	100%	100%	Granted	325
Black Creek	EPM26914	GBMR/MCGM	GBMR	100%	100%	Granted	325
Sullivan Creek	EPMA27555	GBMR/MCGM	GBMR	100%	100%	Application	325
Belleview	EPMA27556	GBMR/MCGM	GBMR	100%	100%	Application	325
Pasha	EPMA27557	GBMR/MCGM	GBMR	100%	100%	Application	325
Suttor	EPMA27558	GBMR/MCGM	GBMR	100%	100%	Application	325
Yandan East	EPMA27591	GBMR/MCGM	GBMR	100%	100%	Application	230.75
Clewitts	EPMA27592	GBMR/MCGM	GBMR	100%	100%	Application	321.75
Twin Hills Sth	EPMA27594	GBMR/MCGM	GBMR	100%	100%	Application	325
Twin Hills Nth	EPMA27597	GBMR/MCGM	GBMR	100%	100%	Application	273
Whynot	EPMA27598	GBMR/MCGM	GBMR	100%	100%	Application	65
Koala 1	ML 1029	GBMR/MCGM	GBMR	100%	100%	Granted	0.71
Koala Camp	ML 1085	GBMR/MCGM	GBMR	100%	100%	Granted	0.05
Koala Plant	ML 1086	GBMR/MCGM	GBMR	100%	100%	Granted	0.98
Glen Eva	ML 10227	GBMR/MCGM	GBMR	100%	100%	Granted	1.30
<b>Project Area</b>							<b>3764</b>
<b>TOTALS</b>							<b>5742</b>

Note

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

\*<sup>3</sup> subject to 1% smelter royalty and other conditions to Rio Tinto

\*<sup>4</sup> subject to Farm In by Cloncurry Exploraiton and Development, a subsidiary of Pan Pacific Copper Ltd.

## CORPORATE

### Non Renounceable Pro Rata Entitlement Offer and Short Fall Offer raises \$3.07 million

GBM successful completed a non-renounceable pro rata entitlement offer (**Offer**) of shares and options to eligible shareholders to raise approximately \$3 million.

The basis of the Offer was 1 New Share for every 4 existing shares held at the record date at a subscription price of \$0.055 per New Share, being the same subscription price as the recently completed share placement (refer ASX announcement 17 April 2020). In addition, for each 2 New Shares applied for pursuant to the Offer, GBM issued 1 New Option exercisable at \$0.11 each and expiring on the 6 July 2023.

The issue had the support of Henslow Pty Ltd who have been appointed as Lead Manager to the Offer.

The Company received strong support from its shareholders in respect of the Offer, which closed on 29 June 2020 (Closing Date), with applications for entitlements of 18,318,248 New Shares and 9,159,124 New Options, to raise \$1,007,504.

	Shares	Options
Total securities offered to eligible shareholders pursuant to the Offer	55,884,534	27,942,267
Applications for entitlement under the Offer	18,318,248	9,159,124
Shortfall securities available	37,566,286	18,783,143

New Shares and New Options were issued on Monday 6 July 2020 in respect of valid applications for entitlements received as at the Closing Date.

The Shortfall Offer is a separate offer of entitlements not taken up pursuant to the Offer and is made pursuant to section 4.9 of the Prospectus dated 28 May 2020.

The Shortfall Offer is on the same terms as the Offer, at an issue price of \$0.055 per New Share, together with one attaching New Option for every two New Shares subscribed.

GBM and the Lead Manager to the Offer, Henslow Pty Ltd received commitments to subscribe for in excess of all available Shortfall Offer securities, being 37,566,266 New Shares and 18,783,143 New Options, from existing shareholders, institutional and sophisticated investors. With the strong demand, the Shortfall Offer securities were issued during the week commencing 6 July 2020. The Shortfall Offer raised gross proceeds of \$2.07 million

Applications for additional shares by existing shareholders were scaled back at the discretion of the directors pursuant to section 4.9 of the Prospectus.

New Options issued pursuant to the Offer and Shortfall Offer are exercisable at \$0.11 per option and will expire at 5 pm (WST) on 6 July 2023, being three years from the date of issue of the securities.

All Shares issued under the Entitlement Offer rank equally with existing fully paid ordinary shares in the Company.

The proceeds from the Entitlement Offer will be used by the Company for the following purposes:

- Mount Coolon Project – IP and drilling at Koala / Glen Eva / Eugenia which host our current JORC resources and drilling at our Bimurra Prospect;
- Malmsbury Project – Commence fieldwork and drill targeting during Novo's option period;

- White Dam JV Project – Finalise SART plant construction and advance commissioning and complete resource upgrade to JORC compliance;
- Cover entitlement offer costs and working capital.

## Share Placement raises \$2.58 million

GBM and the Lead Manager to the Offer, Henslow Pty Ltd, received strong demand for securities from investors in Europe, North America and Australia that were not eligible to participate in the Shortfall Offer, and therefore issue securities on the same terms as the Offer (being \$0.055 per New Placement Share with one New Placement Option, for every two New Placement Shares subscribed and issued, exercisable at \$0.11 and expiring at 5pm (WST) on 6 July 2023) pursuant to the Placement.

46,905,429 New Placement Shares and 23,452,714 New Placement Options were issued pursuant to the Placement raising gross proceeds of \$2,579,798. The Placement securities were issued pursuant to GBM's existing placement capacities under ASX Listing Rules 7.1 and 7.1A as follows:

	Shares	Options
Issued pursuant to ASX Listing Rule 7.1	18,724,672	23,452,714
Issued pursuant to ASX Listing Rule 7.1A	28,180,757	Nil

## General Meeting

The Company sent to shareholders a Notice of Meeting dated 15<sup>th</sup> May 2020. The General meeting was held on the 16<sup>th</sup> June 2020 and all resolutions were passed on a poll of shareholder votes and also advise that the resolution to Agenda Item 7, being a special resolution relating to the adoption of an updated Constitution was passed by a sufficient majority as a special resolution.

## Change in Exercise Price of Options

In accordance with ASX Listing Rule 6.22.2 and the terms of the unlisted options currently on issue the exercise price of those Options is required to be adjusted following completion of the recent Entitlement Offer.

The exercise price of the Options will be adjusted as follows.

Number of Options	Expiry Date	Current Exercise Price	New Exercise Price
1,880,000	31 January 2023	9.0 cents	8.5 cents
16,074,152	6 April 2023	11.0 cents	10.5 cents

## Grant of Performance Rights

Subsequent to the end of the quarter the Company issued 1,128,000 performance rights to a consultant pursuant to the terms and conditions of the Company's Performance Rights and Options Plan, on the following terms:

- 564,000 rights vesting on 1 July 2020;
- 282,000 rights vesting on 30 September 2020; and
- 282,000 rights vesting on 31 December 2020.

## Related party transactions

Included in Section 6 of the Appendix 5B for the quarter are amounts paid to directors and their related parties of:

- Remuneration of Directors – approximately A\$104,000;
- Office rent \$6,000 and \$8,000 consulting paid to Ironbark Pacific Pty Ltd, an entity associated with Mr Peter Mullens; and
- Project consulting fees paid to Core Metallurgy Pty Ltd relating to White Dam Project design and construction, an entity associated with Mr Peter Rohner – approximately \$94,000.

This ASX announcement was approved and authorised for release by Peter Rohner, Managing Director

### For further information please contact:

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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 estimate with those announcements continue to apply and have not materially changed.

The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Peter Mullens, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Peter Mullens is an employee of the company and is a holder of shares and options in the company. Mr Mullens has sufficient experience which is relevant to the style of mineralization 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 Mullens consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GBM Resources Limited

ABN

91 124 752 745

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(73)	(402)
(e) administration and corporate costs	(149)	(526)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(18)	(68)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives (Cash Flow Boost)	50	50
1.8 Other (incl farm in management fee)	-	54
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(189)</b>	<b>(891)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(249)	(1,270)
(e) investments	-	-
(f) other non-current assets		
- bonds/deposits	1	(6)
- JV earn-in (plant and equipment)	(457)	(566)

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Farm-in partner exploration contributions	-	405
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(705)</b>	<b>(1,437)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,372	3,172
3.2	Proceeds from issue of convertible debt securities	-	350
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(98)	(145)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,274</b>	<b>3,377</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,002	333
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(189)	(891)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(705)	(1,437)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,274	3,377

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,382</b>	<b>1,382</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,356	976
5.2	Call deposits	26	26
5.3	Bank overdrafts		-
5.4	Other (provide details)		-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,382</b>	<b>1,002</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	118
6.2	Aggregate amount of payments to related parties and their associates included in item 2	94

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

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<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>700</b>	<b>700</b>
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>During the June 2019 quarter the Company entered into a convertible note with Lion Resources Development Pte Ltd or its nominee (Subscriber). Key details of the Convertible Note Term Sheet, which were amended at the Company's 2019 annual general meeting are as follows:</p> <ul style="list-style-type: none"> <li>o Subscriber to pay the Convertible Note amount of A\$700,000 (Principal Amount).</li> <li>o Repayment Date is 30 November 2020 (being 18 months from the date of issue)</li> <li>o 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.</li> <li>o Each Convertible Note will be convertible into Shares at a conversion price of \$0.03 per Share (convertible into up to 23,333,333 shares).</li> <li>o The Subscriber may before the Repayment Date, convert the Convertible Notes into Shares.</li> </ul> <p>The Convertible Notes are secured over the issued capital of Mt Coolon Gold Mines Pty Ltd.</p>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(189)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(249)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(438)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,382
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,382
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>3.1</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

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8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## 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.

Date: 30 July 2020.

Authorised by: The Board of GBM Resources Limited.  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.