

ASX Announcement

8 July 2024

Sale of White Dam Gold-Copper Project

KEY POINTS

- GBM Resources Limited (GBM or Company) has entered into a conditional term sheet with Olary Gold Mines Limited (Olary) in relation to the sale of the White Dam gold-copper heap leach project (White Dam).
- Total consideration of \$2.95 million in cash and a 1.5% net smelter royalty (capped at \$2.5 million).
- GBM to provide ongoing management, technical and administrative support for a period of time.
- GBM to retain a security over the fixed plant at White Dam until consideration paid in full.

The proposed sale comprises the acquisition by Olary of a 100% interest in the issued capital of GBM's 100% owned subsidiary Millstream Resources Pty Ltd (Millstream) and its wholly owned subsidiaries, which hold the White Dam assets and operations.

GBM has granted Olary a period of exclusivity until 31 July 2024 (Exclusivity Period) and has received from Olary a non-refundable deposit of \$50,000.

Consideration for the sale comprises:

- \$950,000 cash payable prior to 31 July 2024 or a later date as mutually agreed (Completion Date);
- \$1,000,000 cash payable 12 months from the Completion Date;
- \$1,000,000 cash payable 24 months from the Completion Date; and
- 1.5% net smelter royalty paid quarterly in arrears for all Au and Ag production at White Dam to a maximum of \$2.5 million.

As part of the transaction, Olary must also transfer a working capital contribution of a minimum of \$200,000 to Millstream on or before 31 July 2024.

During the Exclusivity Period GBM and Olary to use reasonable endeavours to negotiate a share purchase agreement (SPA), and management services agreement (MSA) relating to the provision of ongoing management, technical and administrative support.

GBM Managing Director and CEO, Peter Rohner, commented:

'GBM has continued to look to realise value from the sale of non-core assets for GBM's shareholders. GBM's focus continues to be on the prospective Drummond Basin where large high grade epithermal gold deposits exist and where it has expanded JORC resources to ~ 1.84 Moz of gold, including a Farm-in agreement with Newmont on the Mt Coolon Project.'

Conditions Precedent

The sale of White Dam to Olary is subject to a number of conditions precedent, including:

- Olary securing a minimum of \$2 million in funding during the Exclusivity Period;
- GBM shareholders approving the transaction (if required); and
- GBM obtaining all necessary consents to give effect to the sale.

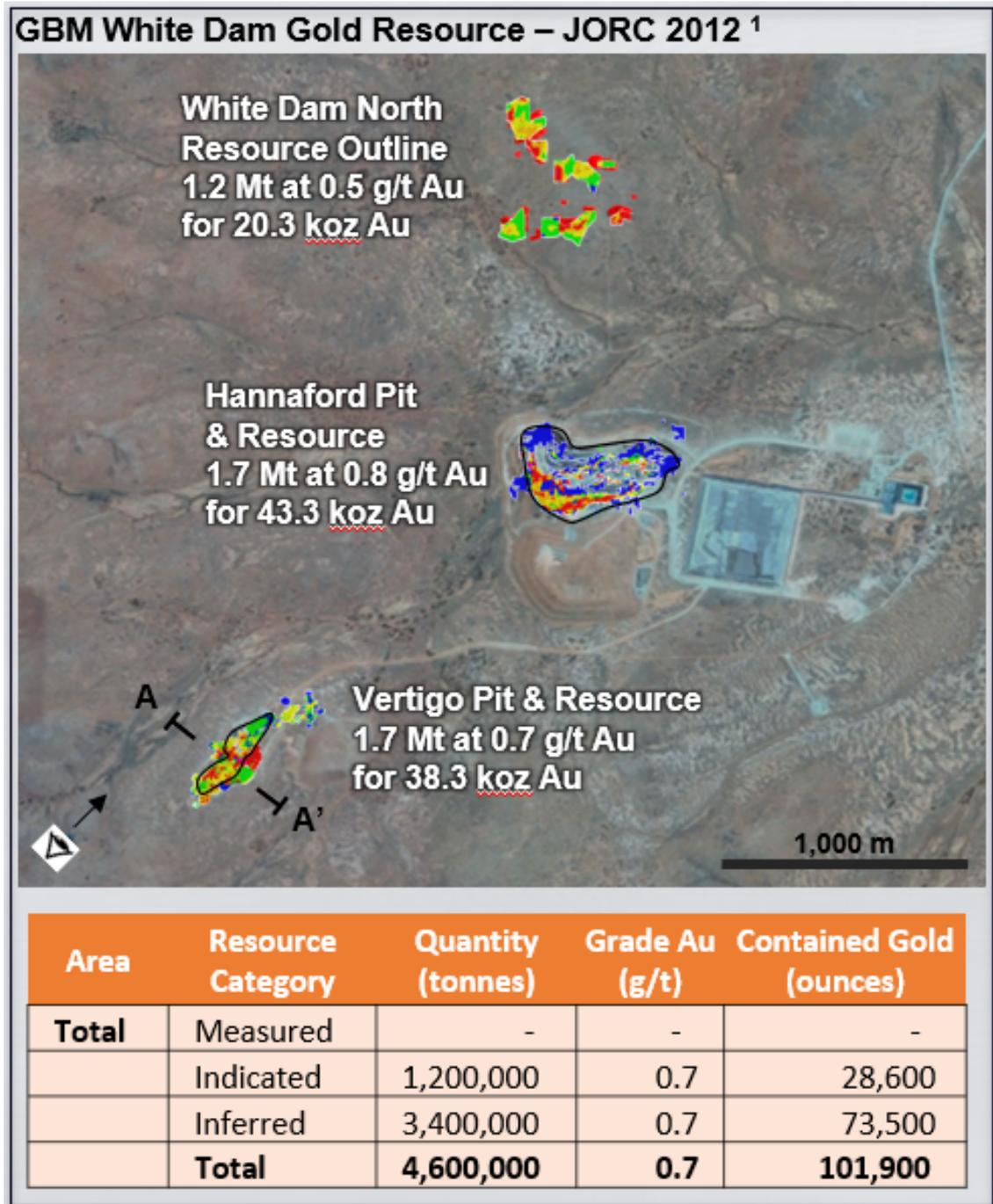


Figure 1: Aerial photo of White Dam with JORC resources highlighted in image and table.

This ASX announcement was approved and authorised for release by:

Peter Rohner, Managing Director

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About GBM Resources

GBM Resources Limited (ASX:GBZ) is a well-funded Queensland based 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 several premier metallogenic terrains.

GBM's flagship project in the Drummond Basin (QLD) holds ~1.84 Moz of gold in JORC resources (Mt Coolon, Yandan and Twin Hills). Some tenements (see Appendix 2) in the Basin are subject to a A\$25m farm-in with Newmont. 2024 will see an expanded drilling program which is aiming to define 2-3 Moz and support GBM's transition into a mid-tier Australian gold company.

Separately GBM also holds tenements in the Mt Morgan district, in the Mt Isa Inlier in Queensland (JV with Nippon Mining Australia – 56%) and holds a 100% interest in the White Dam Gold-Copper Project in South Australia. Divestment of these non-core assets is in progress.

About Olary Gold Mines

Olary Gold Mines was formed in January 2022 as an unlisted public company and owns several historic gold mining tenements in the Olary Region of South Australia.

Olary plans to consolidate its existing Olary regional opportunities and expand the toll processing opportunities at the White Dam Project,

Olary is engaged in Research and Development for new Gold ore separation technology which will facilitate lower transport and processing costs to and from the White Dam Project.

Competent Persons Statement

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 within 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.

Key Terms:

Exclusivity Period	<p>Commencing from the date of signing the term sheet to 31 July 2024 (or a later date as mutually agreed between the parties) for a non-refundable exclusivity fee of \$50,000.</p> <p>During the Exclusivity Period, GBM and Olary to use reasonable endeavours to negotiate a share purchase agreement (SPA), and management services agreement (MSA) relating to the provision of ongoing management, technical and administrative support, to allow completion of the transaction by 31 July 2024, or a later date as mutually agreed by the parties (Completion Date).</p>
Conditions Precedent	<ul style="list-style-type: none"> - Olary securing at least \$2 million of additional funding within the Exclusivity Period to complete the transaction; - GBM shareholders approving the transaction (if required); and - GBM obtaining all necessary consents required to give effect to the transaction.
Consideration	<ul style="list-style-type: none"> - \$950,000 cash payable on signing of the term sheet and in any event prior to the Completion Date. If GBM shareholder approval is required before Millstream shares can be transferred to Olary, the \$950,000 will be held in the trust account of GBM's solicitors and released unconditionally on GBM on shareholder approval. - \$1,000,000 cash to be paid 12 months from the Completion Date, or earlier at the sole discretion of Olary; - \$1,000,000 cash to be paid 24 months from the Completion Date, or earlier at the sole discretion of Olary; - A minimum \$200,000 working capital contribution to Millstream by Olary, on or before 31 July 2024; and - 1.5% net smelter royalty to be paid quarterly in arrears for all Au and Ag production from the White Dam tenements until a total amount of \$2,500,000 is paid in full, after which no further royalty payment will be due or payable. <p>Amounts are stated in Australian dollars.</p>
Ongoing Operation Support	<p>While any items of Consideration remain outstanding GBM will provide required operational management, technical and administrative support to the White Dam operations as agreed with Olary from time to time under a Management Services Contract with consideration payable at a minimum of \$15,000 per month.</p>
Security	<p>While any items of cash consideration remain outstanding, GBM will have a second ranking security over the fixed plant of the White Dam Project to secure the outstanding cash payments, subject to the security limit of any first ranking security not exceeding \$6 million.</p>

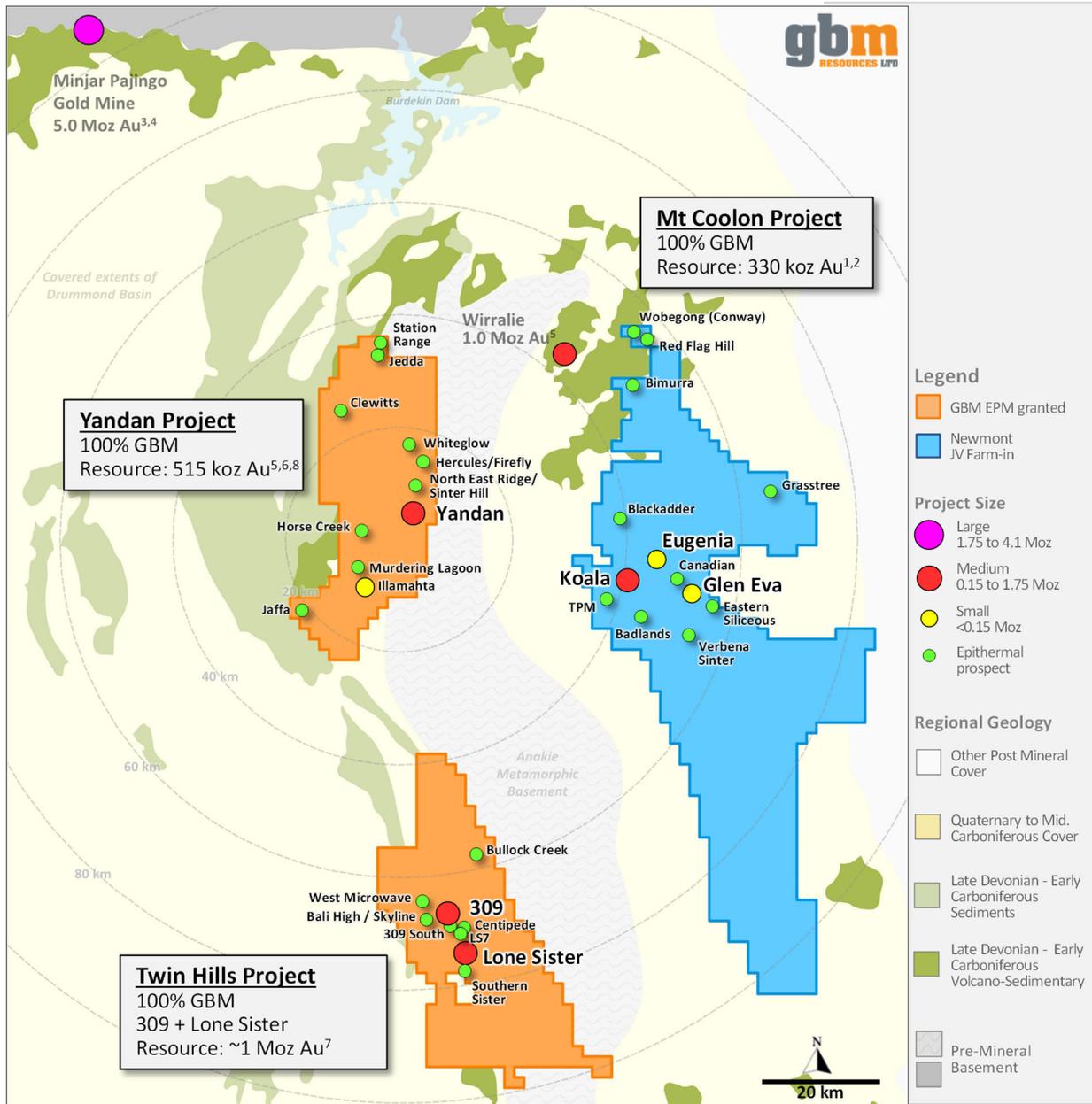
APPENDIX 1: GBM Mineral Resource Estimate for the Drummond Basin Projects (Mt Coolon, Yandan and Twin Hills) along with other company interests

Deposit	Resource Category									Total			Cut-off
	Measured			Indicated			Inferred			000' t	Au g/t	Au oz	
	000' t	Au g/t	Au oz	000' t	Au g/t	Au oz	000' t	Au g/t	Au oz	000' t	Au g/t	Au oz	
Koala - ML (subject to the 2022 farm-in agreement with Newmont, formerly Newcrest)													
Open Pit				670	2.6	55,100	440	1.9	26,700	1,120	2.3	81,800	0.4
UG Extension				50	3.2	5,300	260	4	34,400	320	3.9	39,700	2.0
Tailings	114	1.7	6,200	9	1.6	400				124	1.6	6,600	1.0
Sub Total	114	1.7	6,200	729	2.6	60,800	700	2.7	61,100	1,563	2.5	128,100	
Eugenia (subject to the 2022 farm-in agreement with Newmont, formerly Newcrest)													
Oxide - Open Pit				885	1.1	32,400	597	1.0	19,300	1,482	1.1	51,700	0.4
Sulphide - Open Pit				905	1.2	33,500	1,042	1.2	38,900	1,947	1.2	72,400	0.4
Sub Total				1,790	1.1	65,900	1,639	1.1	58,200	3,430	1.1	124,100	
Glen Eva - ML (subject to the 2022 farm-in agreement with Newmont, formerly Newcrest)													
Sub Total - Open Pit				1,070	1.6	55,200	580	1.2	23,100	1,660	1.5	78,300	0.4
Yandan - ML													
East Hill - Open Pit				4,860	1.5	240,000	7,900	0.8	203,000	12,800	1.1	443,000	0.4
Yandan South - Open Pit							900	0.6	16,000	900	0.6	16,000	0.3
Sub Total				4,860	1.5	240,000	8,800	0.8	219,000	13,700	1.0	459,000	
Illamahta													
Oxide - Open Pit							1,147	0.7	26,900	1,147	0.7	26,900	0.4
Sulphide - Open Pit							1,045	0.9	28,600	1,045	0.9	28,600	0.4
Sub Total							2,192	0.8	55,500	2,192	0.8	55,500	
Twin Hills - ML													
309 - Open Pit	830	2.8	73,900	5,480	1.3	235,200	3,650	1.1	129,800	9,960	1.4	438,900	0.4
309 - UG				190	4.0	24,500	480	3.9	59,900	670	3.9	84,400	2.0
Lone Sister - Open Pit				5,250	1.3	277,300	6,550	0.9	188,500	11,800	1.1	415,800	0.4
Lone Sister - UG				370	2.9	34,300	310	2.6	25,800	680	2.7	60,100	2.0
Sub Total	830	2.8	73,900	11,290	1.4	521,300	10,990	1.1	404,000	23,110	1.3	999,200	
Drummond Basin Total	944	2.6	80,100	19,739	1.5	943,200	24,901	1.0	820,900	45,655	1.26	1,844,200	
White Dam - ML													
Hannaford - Open Pit				700	0.7	16,400	1,000	0.8	26,900	1,700	0.8	43,300	0.2
Vertigo - Open Pit				300	1.0	9,400	1,400	0.6	29,000	1,700	0.7	38,400	0.2
White Dam North - Open Pit				200	0.5	2,800	1,000	0.6	17,600	1,200	0.5	20,400	0.2
Sub Total				1,200	0.7	28,600	3,400	0.7	73,500	4,600	0.7	101,900	
cut-off grade is 0.20 g/t Au for all, Vertigo is restricted to above 150RL (~70 m below surface)													
GBM Total												1,946,100	

The announcements containing the Table 1 Checklists of Assessment and Reporting Criteria relating to the 2012 JORC compliant Resources are:

- Koala/Glen Eva and Eugenia – GBM ASX Announcement, 4 December 2017, Mt Coolon Gold Project Scoping Study, note these resources have not been reviewed or verified by Newmont and are on tenements subject to the 2022 farm-in agreement with Newmont (formerly Newcrest)
 - Yandan – GBM ASX Announcement, 23 December 2020, Mt Coolon and Yandan Combined Resources Total 852,000 oz, following completion of Yandan acquisition, GBM ASX Announcement, 14 March 2023, Results of Yandan Mineral Resource Update
 - Twin Hills – GBM ASX Announcements, 18 January 2019, Mt Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces, 2 February 2022, Significant Resource Upgrade at Twin Hills Project and 5 December 2022, Twin Hills Gold Project Upgrades to ~1 Moz Mineral Resource
 - White Dam – GBM ASX Announcement, 18 August 2020, White Dam Maiden JORC 2012 Resource of 102 koz
- a) The preceding statements of Mineral Resources conforms to the “Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition”
 - b) All tonnages are dry metric tonnes
 - c) Data is rounded to ('000 tonnes, 0.0 g/t and '000 ounces). Discrepancies in totals may occur due to rounding
 - d) Resources have been reported as both open pit and underground with varying cut-off based off several factors as discussed in the corresponding Table 1 which can be found with the original ASX announcement for each Resource

APPENDIX 2: GBM holds 4,667 km² of mining and exploration tenure across 23 granted EPMs and 7 Mining Leases within the Drummond Basin, Australia's pre-eminent epithermal gold terrain. This includes granted mining leases at Twin Hills, Yandan, and Mt Coolon. Along with a key JV with Newmont on the Mt Coolon tenements.



Mt Coolon Project tenements (blue above) subject to Newmont Farm-in include; EPM's 15902, 25365, 25850, 7259, 26842, 26914, 27555, 27556, 27557, 27558, 27598 and ML's 10227, 1029, 1085, 1086.