

ASX Announcement

30 July 2021

Completion of White Dam Gold-Copper Project Acquisition

GBM Resources Limited (ASX: GBZ) (**GBM** or the **Company**) is pleased to announce that it **has completed the acquisition of the White Dam Gold-Copper Project (White Dam)** in South Australia, by acquiring the relevant Round Oak Minerals Pty Ltd subsidiaries that owned the assets.

Background

GBM's 50% production interest in the White Dam JV was earned via the construction of a SART plant which is designed to extract copper from the gold leach solution, improving overall gold recoveries and lowering cyanidation costs. Since commissioning, the SART has operated above expectations with lower costs due to less cyanide usage and improved gold recoveries from the existing heaps.

GBM exercised its option in June 2021 to acquire 100% of the White Dam Gold Copper Project, which includes the gold plant, mining leases and other tenements (refer ASX announcement 16 June 2021). The exercise price of \$500 k and replacement of \$1.9 million environmental bonds has been settled. Consideration also includes a 2% royalty on copper and gold sales.

White Dam JV performance (100% basis)

The White Dam JV commenced on 1 July 2020 and ceases on 30 July 2021. It has produced a total of 1,394 gold ounces (to 30 June 2021) together with approximately 95 tonnes of copper in concentrate (stockpiled at site). Gold sales revenue for the White Dam JV (to 30 June 2021) totals ~A\$3.35 million. The final gold pour in June 2021 was reduced due to completion being delayed to end of July 2021.

Table 1: White Dam JV gold sales by quarter (including joint venture partner share)

Calendar quarter	Gold sold (oz)
September 2020	100
December 2020	347
March 2021	560
June 2021	387

Note: Minor silver production and sales not shown.

The White Dam JV is still finalising smelter terms in Australia for the first shipment of copper concentrate expected to be delivered to the customer as soon as final product classifications are received.

From 30 July 2021, GBM will be responsible for 100% of site costs and entitled to 100% of gold and copper production from this date forward.

GBM Managing Director and CEO, Peter Rohner, commented:

"Over recent months GBM has continued to review opportunities to improve the performance of the White Dam Project, which it will now look to implement. As previously discussed, White Dam is now self-funding and producing meaningful positive free cashflow at current gold and copper prices. This puts GBM in an attractive position of having a further source of cashflow to drive its gold development strategy in the Drummond Basin, centered around the flagship Mt Coolon/Yandan Projects."

Further development activities

GBM will now progress a number of operating and production enhancements which together will further optimise and expand gold and copper production from the existing heap leach operation.

Following on from the announcement of the maiden JORC Mineral Resource Estimate for White Dam in August 2020 (see GBM ASX release dated 10 August 2020), GBM has initiated studies to evaluate the potential to mine these resources at current metal prices, utilising the capacity of the SART plant to recover copper and regenerate cyanide. Future production if economic, will rely on only funding mining costs and working capital (until gold leaching delivers sales) as the infrastructure, including heaps and a gold processing plant is already in place. This provides GBM with optionality and a low cost/risk further development opportunity.

Approximately 4,000 m of drilling at Vertigo (43 holes) and White Dam North (10 holes) has been completed. First encouraging assays have been reported (see GBM ASX release dated 5 July 2021) with the remaining assays expected in the coming weeks. The main focus of this drilling was on the Vertigo resource (38 koz Au) as an initial further heap leach feed, being on the granted mining lease. The drilling was targeted to improve confidence levels (including total/cyanide soluble copper grades) and key inputs to progress studies targeted at evidencing positive development economics.

Figure 1: Drilling Completed at Vertigo Pit

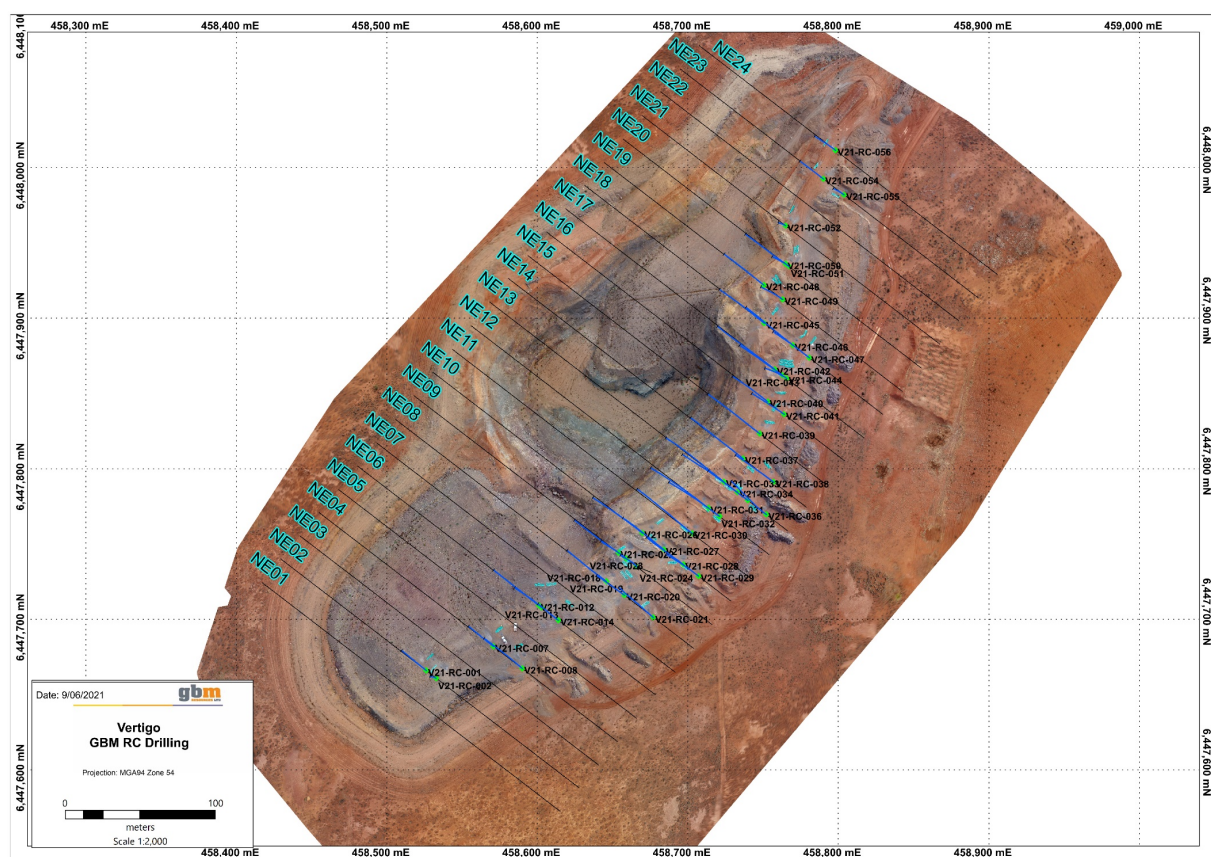


Figure 2: Drilling Completed at White Dam North

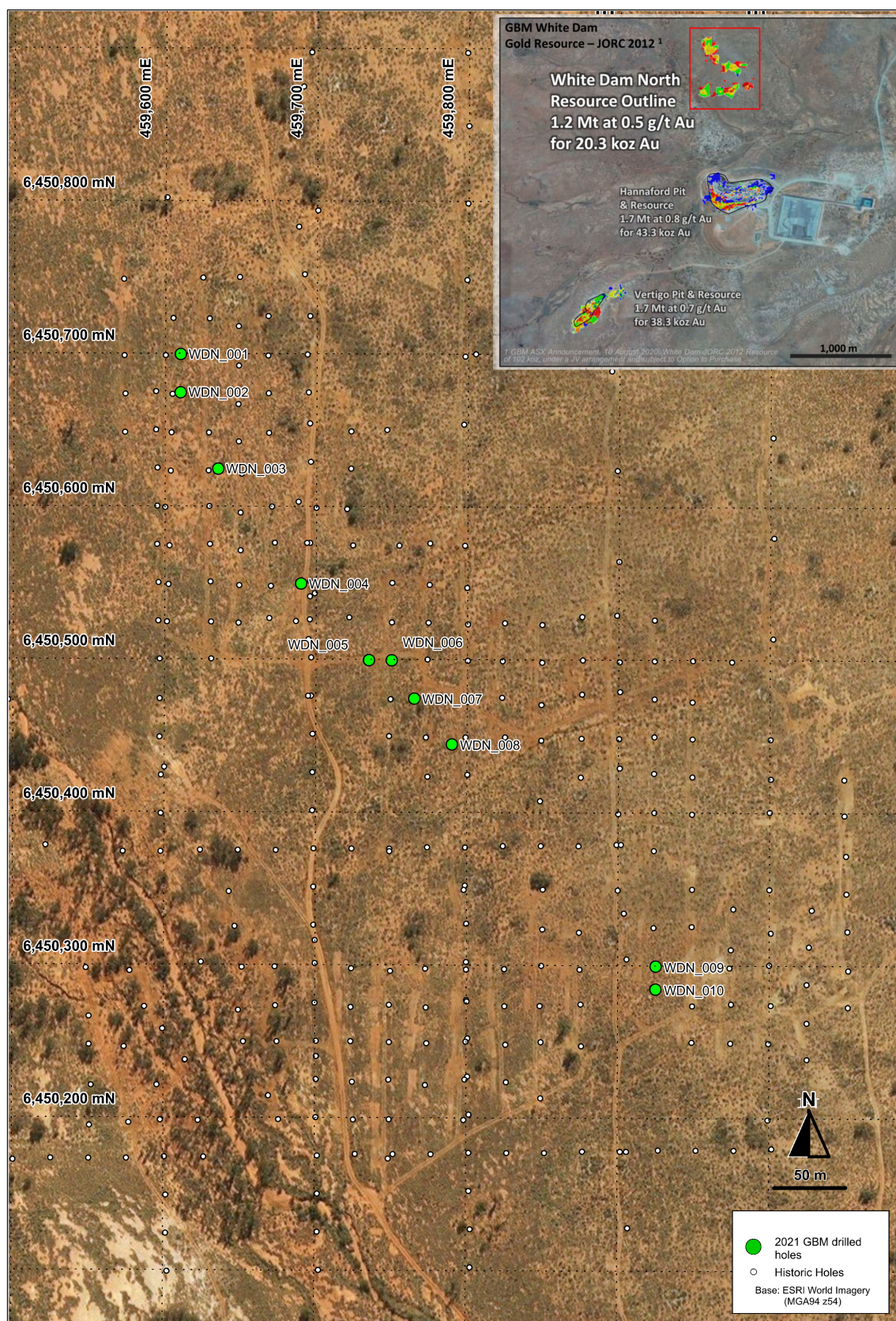
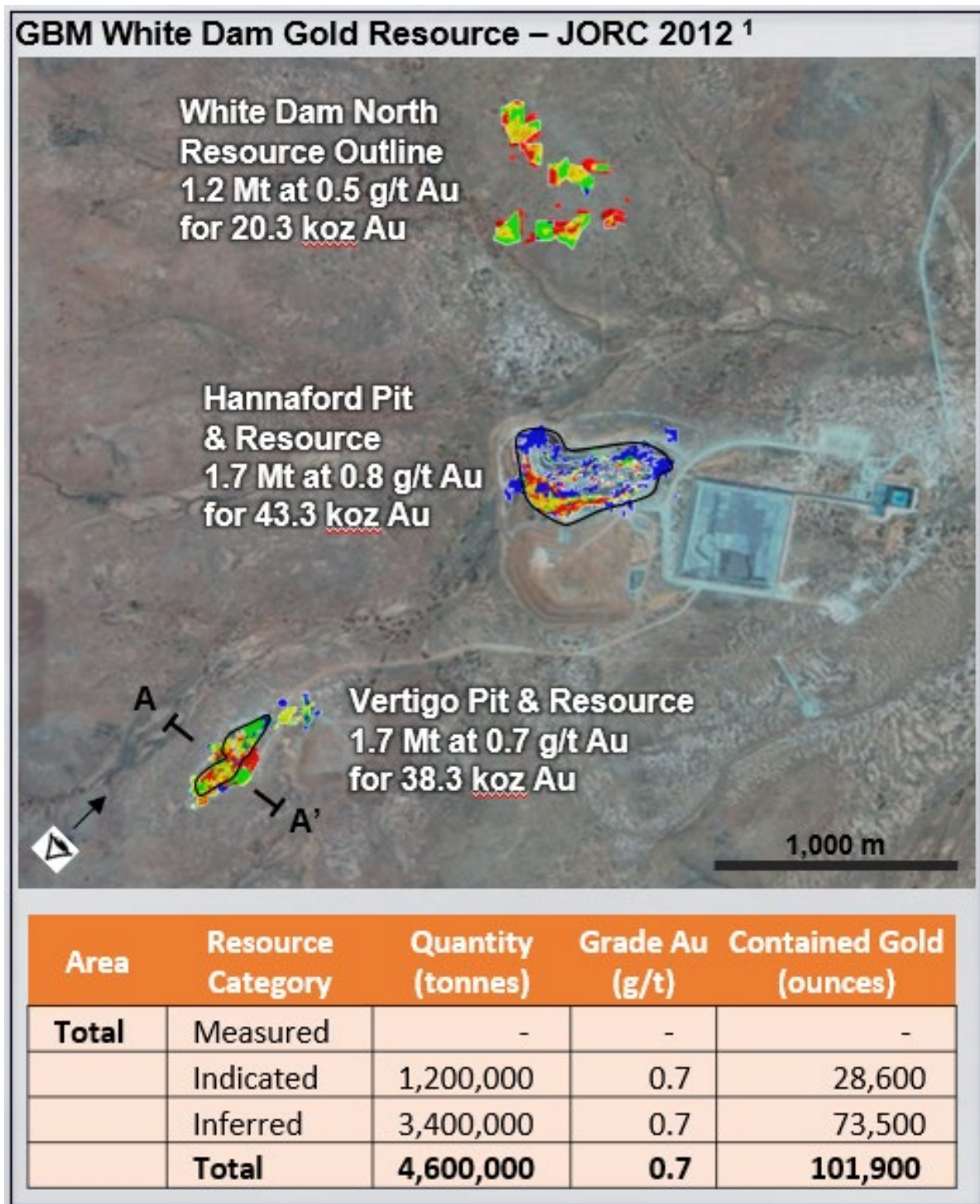


Figure 3: White Dam Aerial Photo with JORC Resources



¹ GBM ASX Announcement, 10 August 2020, White Dam JORC 2012 Resource of 102 koz, under a JV arrangement and subject to Option to Purchase See Appendix 1 for more details also.

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.

This ASX announcement was approved and authorised for release by:

Peter Rohner, Managing Director

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About GBM Resources

GBM Resources Limited 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. This is complemented by the recently formed JV on the White Dam Gold Project in South Australia in which it holds a 50% interest (in cashflow only).

Appendix 1

White Dam Resources. Please note rounding ('000 tonnes, 0.0 g/t and '000 ounces). Cut-off grade is 0.20 g/t Au for all, Vertigo is restricted to above 150 m RL (~70 m below surface)

Area	Resource category	Quantity (tonnes)	Grade Au (g/t)	Contained Gold (ounces)
TOTAL	Measured	0	0.0	0
	Indicated	1,200,000	0.7	28,600
	Inferred	3,400,000	0.7	73,500
	Total	4,600,000	0.7	101,900
Hannaford	Measured	0	0.0	0
	Indicated	700,000	0.7	16,400
	Inferred	1,000,000	0.8	26,900
	Total	1,700,000	0.8	43,300
Vertigo	Measured	0	0.0	0
	Indicated	300,000	1.0	9,400
	Inferred	1,400,000	0.6	29,000
	Total	1,700,000	0.7	38,300
White Dam North	Measured	0	0.0	0
	Indicated	200,000	0.5	2,800
	Inferred	1,000,000	0.6	17,600
	Total	1,200,000	0.5	20,300