

## ASX Announcement

19 July 2021

# Transformational Acquisition of Twin Hills Gold Project

### HIGHLIGHTS

- GBM Resources Limited (ASX:GBZ) (**GBM** or the **Company**) advises that it has signed a Binding Tenement Sale Agreement (**TSA**) to acquire 100% of the Twin Hills Gold Project (**Twin Hills**) from NQM Gold 2 Pty Ltd (**NQM**), a wholly owned subsidiary of Minjar Gold Pty Ltd (**Minjar**), which is in turn a wholly owned subsidiary of Jinan High-Tech Development Co. Ltd (**Jinan**), a public company listed on the Shanghai Exchange.
- The Twin Hills deposits (Lone Sister and 309) have a **JORC (2012) Mineral Resource Estimate of 6.9 million tonnes at 2.8 g/t Au for 633,000 ounces** of contained gold on granted mining leases (Refer to Table 1).
- Both deposits have returned significant gold intersections from previous drilling, demonstrating potential for both bonanza gold grades and broad intersections of bulk mineable style gold mineralisation, hosted by an epithermal veinlet network and breccia matrix style of mineralisation.
- Twin Hills is considered **highly prospective for the discovery of additional mineralisation**, with preliminary analysis suggesting high grade gold shoots at 309 and Lone Sister may be open at depth. GBM is set to prioritise drilling at Twin Hills to test these targets following completion of the TSA.
- The acquisition of Twin Hills is **consistent with GBM's Drummond Basin "processing halo" strategy** and is set to deliver another step change in the Company's resource base. The transaction consideration represents a **highly competitive acquisition cost** of A\$5.53 (approx. US\$4.26) per gold resource ounce.
- The Twin Hills acquisition follows GBM's recently completed acquisition of the Yandan Gold Project from Aeris Resources Limited (ASX:AIS) (refer to ASX announcement 13 January 2021).
- **Combined gold resources under GBM's ownership in the Drummond Basin now total approximately 1.5 Moz** across the Yandan, Mt Coolon and (to be settled) Twin Hills assets (see Table 2 for combined Mt Coolon and Yandan resources). All are located within 70 km of GBM's proposed "Drummond Basin Processing Hub" centred on the Yandan ML's, which has significant infrastructure (i.e., water storage dams, tailings facilities, airstrip, leach pads and grid power).

### Key terms of Twin Hills acquisition:

- **Total cash consideration payable to NQM of ~A\$2 million**, along with assuming the financial assurance in respect of the environmental authorities for the tenements (currently for an amount of ~A\$1.48 million).
- Conditions precedent to be satisfied are obtaining indicative approval under the Mineral Resources Act 1989 (Qld) to transfer the Twin Hills tenements to GBM and other third party consents.
- The conditions precedent must be satisfied within the next six months.

### GBM Managing Director and CEO, Peter Rohner, commented:

*"We are pleased to have signed the TSA for the purchase of the Twin Hills Project. This transformational transaction represents a significant step in the execution of our 'processing halo' strategy to build over two million ounces under ownership within the Drummond Basin, providing an entry into the development of a genuine mid-tier Australian gold company.*

*"We would like to thank the Minjar Australian team and their parent company, Jinan, in Shanghai for getting the deal done in such a timely and professional manner. We look forward to completing the transaction and commencing an aggressive initial extensional and infill drilling program at Twin Hills over the next year."*

## Twin Hills Resource Summary

The 309 and Lone Sister deposits are low sulphidation, epithermal gold deposits hosted within the western arm of the Drummond Basin in Queensland. The Drummond Basin is host to a number of significant gold deposits and is considered by GBM to hold potential for further discoveries.

The 309 and Lone Sister gold deposits are located 7 kilometres apart and linked by a major north-south structural lineament. Both deposits have previously been interpreted as intrusion related, high gold fineness, low sulphidation epithermal gold deposits, sometimes exhibiting bonanza gold grades (as evidenced by the peak gold value in the 309 deposit of 2,940 g/t Au, with 300 individual metre samples exceeding 30 g/t Au, and a peak gold value of 939 g/t Au at Lone Sister). Refer to ASX announcement dated 18 January 2019.

GBM considers that potential depth extensions and strike repetition of both the 309 and Lone Sister deposits have not been adequately tested.

The 309 Deposit has been estimated to comprise 4.9 Mt averaging 2.4 g/t Au containing 372,900 ounces of gold and 471,000 ounces of silver (assuming open pit mining to 1050 RL, or a depth of approximately 200 m).

The Lone Sister Deposit is estimated at 2.0 Mt at an average grade of 4.0 g/t Au containing 260,000 ounces of gold and 604,000 ounces of silver (Refer to Table 1).

**Table 1: Twin Hills Resource Summary for the 309 and Lone Sister Gold Deposits** (rounded for reporting '000 tonnes, '00 ounces, 0.0 grade). See ASX GBM 18 January 2019 'Mount Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces'. Open Pit Resources (above 1050 RL) stated at 1.0 g/t Au cut-off and underground resources (below 1,050 RL) stated at 2.0 g/t Au.

Category	Cutoff	Tonnage (t)	Grade		Contained Metal	
	Au (g/t)		Au (g/t)	Ag (g/t)	Au (oz)	Ag (oz)
<b>309 Deposit</b>						
Open Pit (above 1050RL)						
Measured	1.0	320,000	4.4	6.4	44,400	65,000
Indicated	1.0	2,690,000	2.2	3.4	193,100	295,400
Inferred	1.0	1,300,000	1.4	1.7	58,500	70,100
Total open pit	1.0	4,310,000	2.1	3.1	296,000	430,500
Underground (below 1050 RL)						
Measured	2.0					
Indicated	2.0	110,000	4.8	3.4	16,800	11,900
Inferred	2.0	510,000	3.7	1.8	60,100	28,800
Total underground	2.0	620,000	3.9	2.0	76,900	40,700
<b>Total 309 Deposit</b>						
Measured	1.0 / 2.0	320,000	4.4	6.4	44,400	65,000
Indicated	1.0 / 2.0	2,800,000	2.3	3.4	209,900	307,300
Inferred	1.0 / 2.0	1,810,000	2.0	1.7	118,600	98,900
TOTAL	1.0 / 2.0	4,930,000	2.4	3.0	372,900	471,200

<b>Lone Sister Deposit</b>						
Measured	2.0					
Indicated	2.0					
Inferred	2.0	2,010,000	4.0	9.4	260,100	604,800
Total	2.0	2,010,000	4.0	9.4	260,100	604,800

<b>Total Twin Hills</b>						
Measured	1.0 / 2.0	320,000	4.4	6.4	44,400	65,000
Indicated	1.0 / 2.0	2,800,000	2.3	3.4	209,900	307,300
Inferred	1.0 / 2.0	3,820,000	3.1	5.7	378,700	703,700
TOTAL	1.0 / 2.0	6,940,000	2.8	4.8	633,000	1,076,000

## Key Terms of the Twin Hills TSA

Total cash consideration of ~A\$2 million, along with assuming the financial assurance in respect of the environmental authorities for the tenements (currently for an amount of ~A\$1.48 million).

Funding of this at completion will come from GBM's existing cash reserves or sale of marketable securities

Completion is subject to and conditional upon:

- obtaining indicative approval under the Mineral Resources Act 1989 (Qld) to transfer the Twin Hills tenements to GBM; and
- other third party consents.

The abovementioned conditions must be satisfied within the next six months. The conditions are standard for this type of transaction and steps towards satisfaction of the conditions have already been taken.

The Twin Hills Project (EPM 19856 and ML 70316 which includes the current resources) is subject to a 2.5% royalty on fine gold produced.

Refer to ASX announcement dated 15 February 2021 for further details regarding the Twin Hills acquisition.

**This ASX announcement was approved and authorised for release by:**

Peter Rohner, Managing Director

**For further information please contact:**

**Investor enquiries**

Peter Rohner  
Managing Director  
+61 8 9316 9100  
[peter.rohner@gbmex.com.au](mailto:peter.rohner@gbmex.com.au)

**Media enquiries**

Michael Vaughan  
Fivemark Partners  
+61 422 602 720  
[michael.vaughan@fivemark.com.au](mailto:michael.vaughan@fivemark.com.au)

**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 recent acquisition of the White Dam Gold-Copper Project in South Australia in which it will hold a 100% interest on completion.

## GBM Mineral Resource Estimate for Mt Coolon and Yandan Projects

**Table 2: November 2017 Resource Summary for the MCGP updated to include new JORC 2012 resource estimate for Yandan.** 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 announcement dated 4 December 2017 and 23 December 2020.

Project	Location	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						
Koala	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		
	<b>Total</b>	<b>114</b>	<b>1.7</b>	<b>6,200</b>	<b>729</b>	<b>2.6</b>	<b>60,800</b>	<b>700</b>	<b>2.7</b>	<b>61,100</b>	<b>1,563</b>	<b>2.5</b>	<b>128,100</b>			
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		
	<b>Total</b>				<b>1,790</b>	<b>1.1</b>	<b>65,900</b>	<b>1,639</b>	<b>1.1</b>	<b>58,200</b>	<b>3,430</b>	<b>1.1</b>	<b>124,100</b>			
Glen Eva	Total Open Pit				<b>1,070</b>	<b>1.6</b>	<b>55,200</b>	<b>580</b>	<b>1.2</b>	<b>23,100</b>	<b>1,660</b>	<b>1.5</b>	<b>78,300</b>	0.4		
Yandan	East Hill							20,600	0.8	505,000	20,060	0.8	505,000	0.3		
	South Hill							900	0.6	16,000	900	0.6	16,000	0.3		
	<b>Total</b>							<b>21,500</b>	<b>0.8</b>	<b>521,000</b>	<b>21,500</b>	<b>0.8</b>	<b>521,000</b>			
<b>Total</b>				<b>114</b>	<b>1.7</b>	<b>6,200</b>	<b>3,590</b>	<b>1.6</b>	<b>181,900</b>	<b>24,419</b>	<b>0.8</b>	<b>663,400</b>	<b>28,153</b>	<b>0.9</b>	<b>851,500</b>	

### COMPETENT PERSON STATEMENT

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