

29 July 2016

REPORT FOR THE QUARTER ENDED 30th JUNE 2016

Highlights

Mount Coolon Gold Project:

- **Koala Gold Mine resource increased by 135% to 1.4Mt at an average grade of 2.6 g/t Au containing an estimated 118,700 ounces.**
- **Priority IP Drill Target at Tower Hill, parallel to the Koala Gold Mine and supported by a Collaborative Drilling Grant awarded by Qld Government to test the IP/magnetic anomaly.**
- **Historical gold production at Koala is 243,000 ounces at an average grade of 12.7 g/t Au. Production was extracted from workings extending over a strike length of 900 metres and from a depth of only 130 metres from surface.**
- **The global gold resource at Mount Coolon Gold Project has increased to contain an estimated 326,800 ounces of gold.**

\$2.6 Million Capital Raising Completed:

- **Subsequent to the end of the quarter the Company completed a \$2.6 million capital raising by way of a placement of 160,500,000 ordinary fully paid shares (Shares) at 1.6 cents each.**
- **The number of Shares issued is the maximum number that the Company can currently issue under ASX Listing Rules 7.1 and 7.1A. The price represents a 14% premium to the 30 day VWAP.**

ASX Code: GBZ

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SAFETY AND ENVIRONMENT

No LTI or environmental incidents were reported during the quarter. The Company has now completed 58 consecutive months with no LTI's and 104 consecutive months with no significant environmental incidents. GBM is committed to continuously improving safety and environment systems with the clear aim of achieving zero harm.

100% GBM Gold Projects

Mount Coolon Gold Project, Queensland

Overview

The Mount Coolon project has continued as the major focus for the company as it investigated options for near term gold production during the June quarter. Completion of the database upgrade and geological interpretation at Koala led to successful upgrading of the open pit and underground resource. Similar database and interpretative work is well advanced for Glen Eva with a resource review planned to follow.

Advanced studies for the Eugenia resource continued during the quarter with the commencement of the environmental baseline study. Conduct and Compensation Agreement negotiations were commenced for planned metallurgical, resource and groundwater drilling at Eugenia, and for further exploration drilling of the Koala and Bimurra prospects.

A review of historic IP geophysical data at the Koala near-mine Tower Hill target confirmed the potential for structural offset repeats to the Koala Lode. A Collaborative Drilling Grant is available for drill testing of the Tower Hill anomaly.

Koala Gold Mine

During the June quarter, GBM commissioned remodelling and estimation of the gold resource at Koala. This work produced a 135% increase in resources to 1.4Mt averaging 2.6 g/t Au containing an estimated 118,700 ounces of gold (*refer ASX announcement 8 July 2016*).

The detailed review of the geology of the Koala deposit confirmed that lower grade stockwork mineralisation extends for several metres on either side of the central high grade chalcedony zone both below the open pit, and around the old underground workings. The new resource model (tabulated below) includes this mineralisation which contributes to the increase in contained ounces in a resource which, subject to further studies, is considered to be of sufficient grade to support open pit mining.

Resource Category		Ore Type	Cutoff Grade <i>(g/t Au)</i>	Tonnes <i>(t)</i>	Grade <i>Au (g/t)</i>	Contained Gold <i>(ozs.)</i>
Indicated	open pit	Fresh	0.4	250,000	2.9	22,800
		Oxide	0.4	30,000	1.1	1,100
		Transition	0.4	90,000	3.3	9,600
	underground	Fresh	2.0	50,000	3.0	5,100
		sub total Indicated		420,000	2.8	38,500
Inferred	open pit	Fresh	0.4	600,000	2.3	44,900
		Oxide	0.4	40,000	0.8	1,200
		Transition	0.4	110,000	1.6	5,600
	underground	Fresh	2.0	230,000	3.9	28,500
		sub total Inferred		980,000	2.6	80,200
total	open pit	Fresh	0.4	850,000	2.5	67,700
		Oxide	0.4	70,000	0.9	2,200
		Transition	0.4	190,000	2.4	15,100
	underground	Fresh	2.0	280,000	3.7	33,700
		TOTAL		1,400,000	2.6	118,700

Table. Koala in situ resource summary reported by resource category and oxidation state. Please note rounding; tonnes (1,000t), grade (0.1g/t) and contained gold (100 ounces).

Resource Parameters:

The current Koala resource is based on over 30,000m of historic drilling, grade control drilling, stope outlines and open pit topography. The gold mineralisation domain was defined by a nominal 0.2 g/t cutoff, (below likely open-pit mining cut-off grade) and minimum true width of 2m above the cut-off grade.

Three gold sub-domains were employed; the main Koala lode vein, sub-parallel splay veins and flat-lying low-grade mineralisation east of the main shaft. Near-surface oxide, transition and fresh oxidation domains were employed. The depth of oxidation changes abruptly across the Sullivan Fault (south end of the open pit). To the north, the top of fresh rock is at about 70m – 90m below surface, but south of the Sullivan Fault it is only about 10m depth.

Minesight Data Analyst software was used for statistical and variography analysis. A composite interval of 1m was selected and gold was interpolated using Ordinary Kriging (OK) from the composited data into the block model. No top-cut was applied but the influence of grades above 50 g/t Au was restricted to 20m. The search neighbourhood was determined from the drill spacing and variogram range. Model parameters were:

- Search ellipsoid (100m x 25m x 50m)
- Minimum 4 composites
- Maximum 30 composites (limits negative kriging weights)
- Gold domain as hard boundaries
- Block discretisation of 2x4x2 (XYZ)

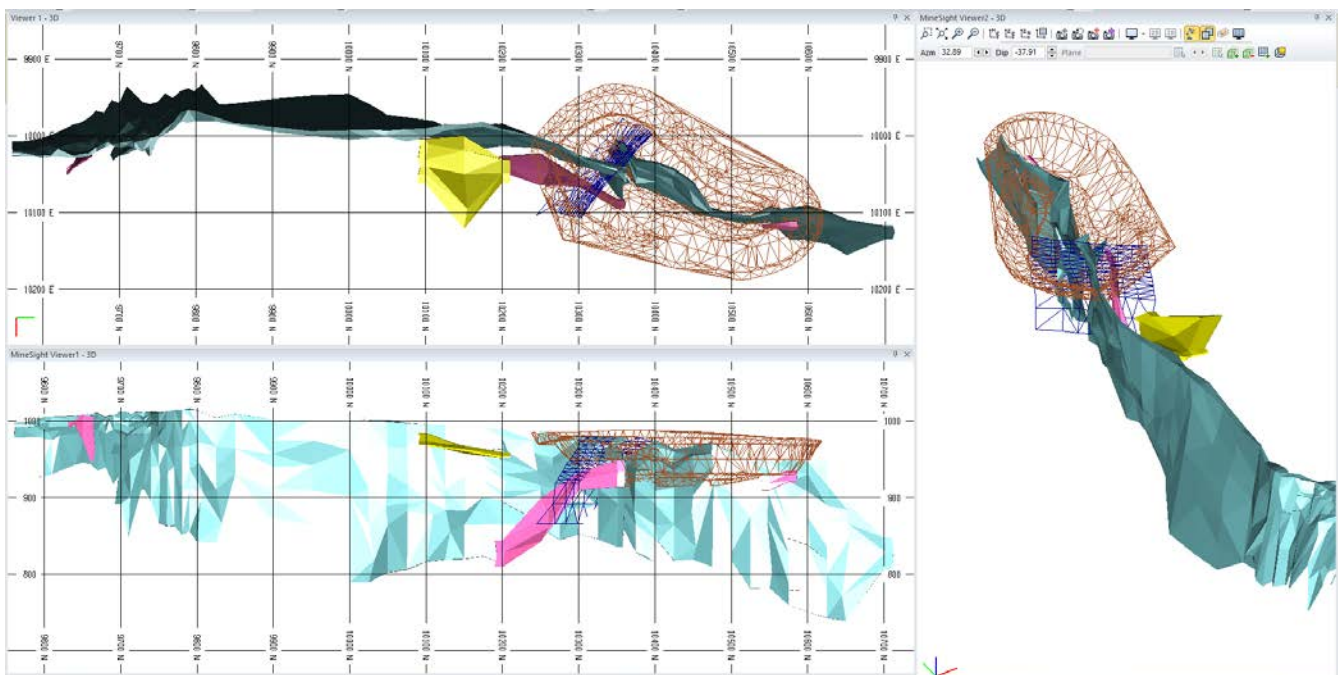


Figure: Gold domains showing main (green), splays (pink) and flat (yellow) sub-domains, Sullivan's Fault (dark blue wireframe) and Ross Mining pit (brown wireframe) for reference.

Subsequent to completion of the hardrock resource, the resource estimate for the Koala tailings has been revised to reflect evidence located during GBM's ongoing data review that some of this material was mined by Ross Mining while the Koala Open Pit mine was in operation. This has resulted in a decrease in contained gold in the Koala tailings from 16,700 ozs to 6,600ozs. The new tailings resource is included in an updated table of resources for the Mount Coolon Project below, and details of the estimate are contained within the JORC Table 1 appended to this report.

Koala Gold Mine - Tower Hill Prospect

A review of existing geophysical data during the quarter highlighted a coincident and intense IP chargeability and resistivity anomaly partly overlapping a discrete, linear magnetic low at the Tower Hill prospect. The prospect is located to the north-east of the Koala open pit.

Detailed IP surveying completed in 2008 revealed a moderate to strong IP chargeability and resistivity response correlating with the full length of the Koala lode. A similar, more intense, and deeper chargeability/resistivity anomaly was also detected at Tower Hill. The Koala and Tower Hill linear anomalies are approximately parallel, separated laterally by 500m. An intense magnetic low is partially coincident with the Tower hill IP feature, possibly representing magnetite destruction induced by hydrothermal fluids (figure below).

Simple structural interpretation of the geophysical data and known lode geometry at Koala defined a set of NW-trending faults. This fault set is interpreted to offset the mineralising system producing an 'en-echelon' geometry along the margin of the adjacent Manaman intrusive. The Tower Hill prospect forms one of these en echelon structures. Previous drilling at Tower Hill consists of a dozen shallow (50m) RAB holes which likely did not penetrate overlying rhyolite to the prospective andesite gold host.

Inversions of IP chargeability data indicate an approximate depth to the top of the anomaly of between 150-200m. This depth estimate will reflect the sheet of rhyolite that crops out at the north end of the Koala pit and dips shallowly and thickens to the north-east. If the IP anomaly at Tower Hill represents an offset extension of the Koala Lode, it will be entirely obscured by the overlying rhyolite, hence a 'blind' target which would have been 'invisible' to previous prospecting and shallow exploration drilling.

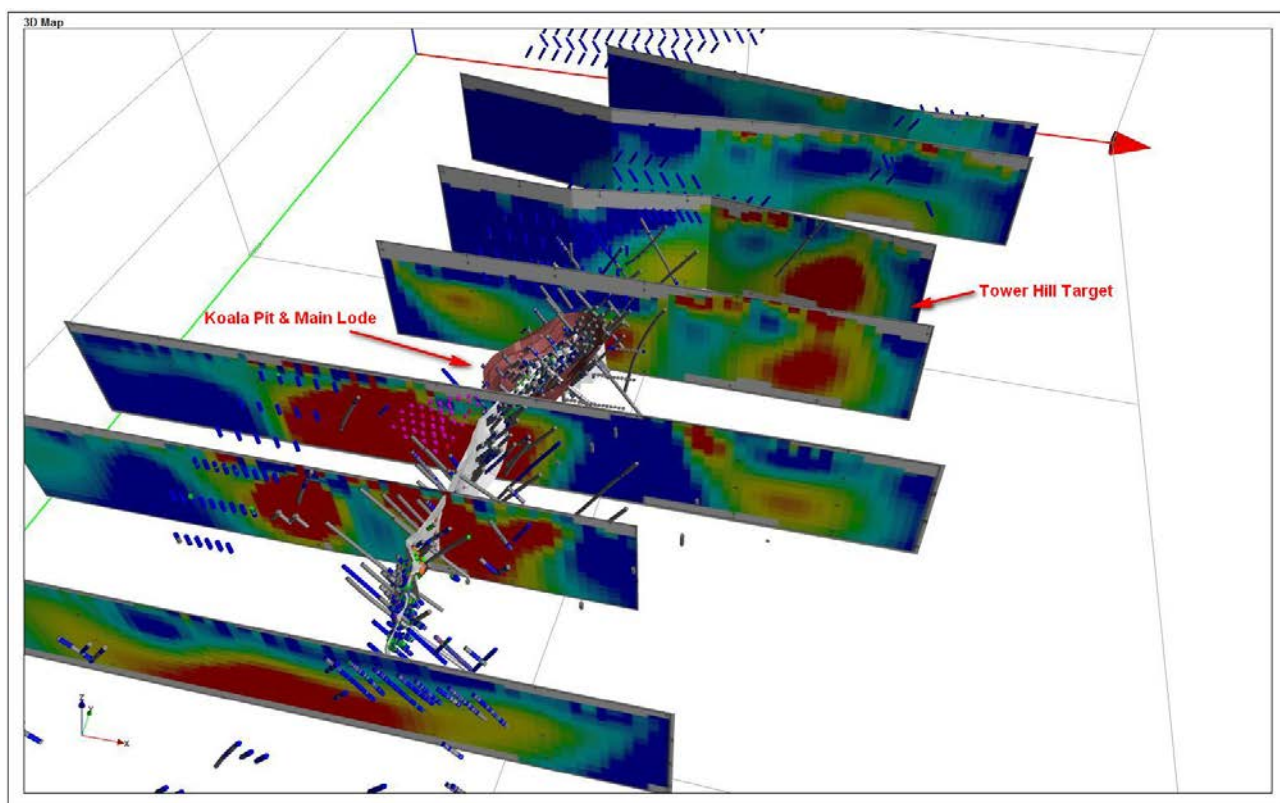


Figure: 3d oblique view to local grid north-north-west (MGA north-west) of Koala project area. 2d IP chargeability inversions shown highlighting chargeable response of the Koala main lode (light grey solid, pink pit outline) and parallel en echelon anomaly pattern. Strong chargeable response on multiple sections east of Koala Lode is the Tower Hill anomaly. Northern two sections show increasing depth to the anomaly which may represent overlying rhyolite thickening to the north.

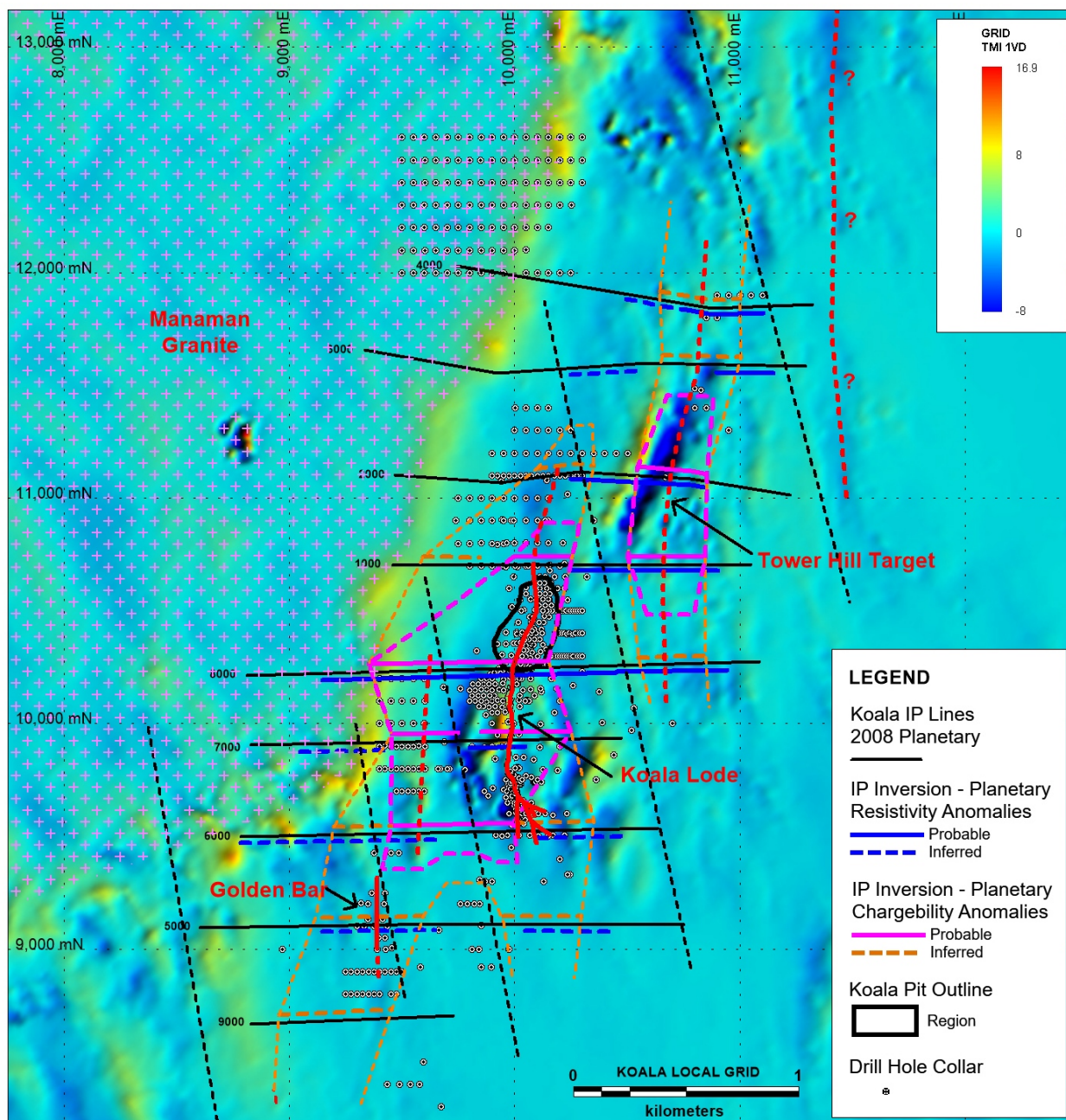


Figure: Koala project area showing interpreted en echelon offset geometry of mineralised lode structures, including Koala, at the eastern margin of the Manaman granite. IP chargeability and resistivity anomalies were picked from 2D inversions of raw data. Background image is first vertical derivative (1VD) of TMI magnetic data (co-ordinates Koala minegrid).

The IP survey was completed at Koala in by Planetary Geophysics using a Pole-Dipole array with 50m dipole spacing to $n=10$. Equipment used for the survey consisted of a GDD Instrumentation GRx16 receiver and an Iris Instruments VIP5000 IP/Resistivity transmitter. All measurements were made in the time-domain using a two second half-duty cycle.

Bimurra Prospect

Work on the Bimurra project area during the quarter consisted of building a detailed geological model of the complex epithermal vein system with the aim of upgrading part of the existing GBM exploration target to resource status, adding to the growing Mt Coolon Gold Project gold inventory.

Fieldwork was undertaken locating and surveying historic drill collars and confirming the location and geometry of major mapped gold-bearing quartz veins. All collars in the central Delta area were located and surveyed by Differential GPS.

The Bimurra gold mineralization is typical of low sulphidation epithermal deposits with colloform chalcedonic quartz, hydrothermal brecciation, multi-episodic veins and silica-carbonate replacement textures all represented. The mapped and modelled quartz veins and vein zones occur in two distinct sets with ENE and WNW strikes. Both sets have near vertical to sub-vertical dips. GBM and historic mapping indicates that the WNW veins are more commonly represented than the ENE veins.

The dominant vein and structural trends were investigated on ground to determine any timing relationship and the nature of the intercepts of these veins. Three vein or structural orientation intersection types have been observed:

- Simple over-printing – In this case either one of the veins types (ENE or WNW) cuts the other, with no evidence of brecciation. Both veins have been observed as the overprinting vein, indicating a similar timing and relationship to the mineralizing event.
- Ductile displacement on the order of 5 cm to 10 cm – Narrow quartz veins show ductile deformation by the opposite conjugate structural set. E.g. ENE veins are stretched out along the WNW vein. Again both timing relationships have been overserved. The drag fault movement sense is Dextral.
- Brittle displacement of veins – On a small scale, there are examples where veins of either orientation are cross cut by fractures of the conjugate structural pair e.g. A 40 mm ENE vein is cross cut and displaced by a fracture (not a vein) with a WNW strike. This relationship can be explained by a later stage re-activation of these structures, which matches historic interpretation of the area.

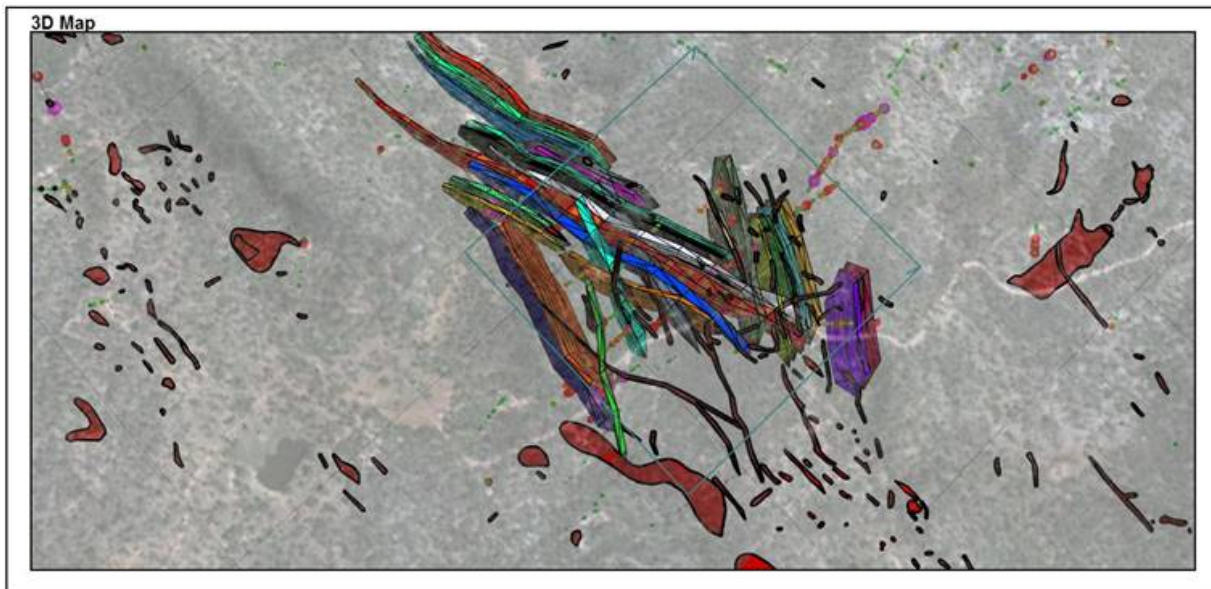


Figure: 3D screen capture with NW view of the 31 individual Au-bearing quartz veins so far modelled at Bimurra.

Forward Programme

The Company will continue the evaluation of the known mineralising systems and aims to advance a number of near-term production options and activities which include:

- Finalising the Scoping Study - evaluating the viability of heap leach gold extraction of the known oxide resources at the Eugenia Deposit.
- Investigating development options, including the potential for near term production from toll milling of the Koala and Glen Eva gold resources.
- Resource drilling to upgrade geological and geotechnical understanding of areas around the old Koala underground mine workings is planned to continue during the September Quarter.
- Drilling of the untested high – priority IP drill target adjacent to the Koala Lode system.
- Complete infill drilling and a resource estimate on the Bimurra Prospect. Previously GBM have estimated an exploration target (*refer ASX announcement dated 21 September 2015*).
- Continue the evaluation of the Conway Prospect which contains multiple prospects and is considered to hold potential for both bonanza epithermal vein style deposits and bulk tonnage low grade disseminated deposits. The highest grade intersects occur within the Wobegong prospect and include 14m @ 16.08 g/t

Au from surface in CFS005 (including 1m @ 208 g/t Au from 1m), 2m @ 26.6 g/t Au from 40m in CON006 and 8m @ 4.91 g/t Au from 26m in C013 (refer ASX announcement dated 17 February 2016).

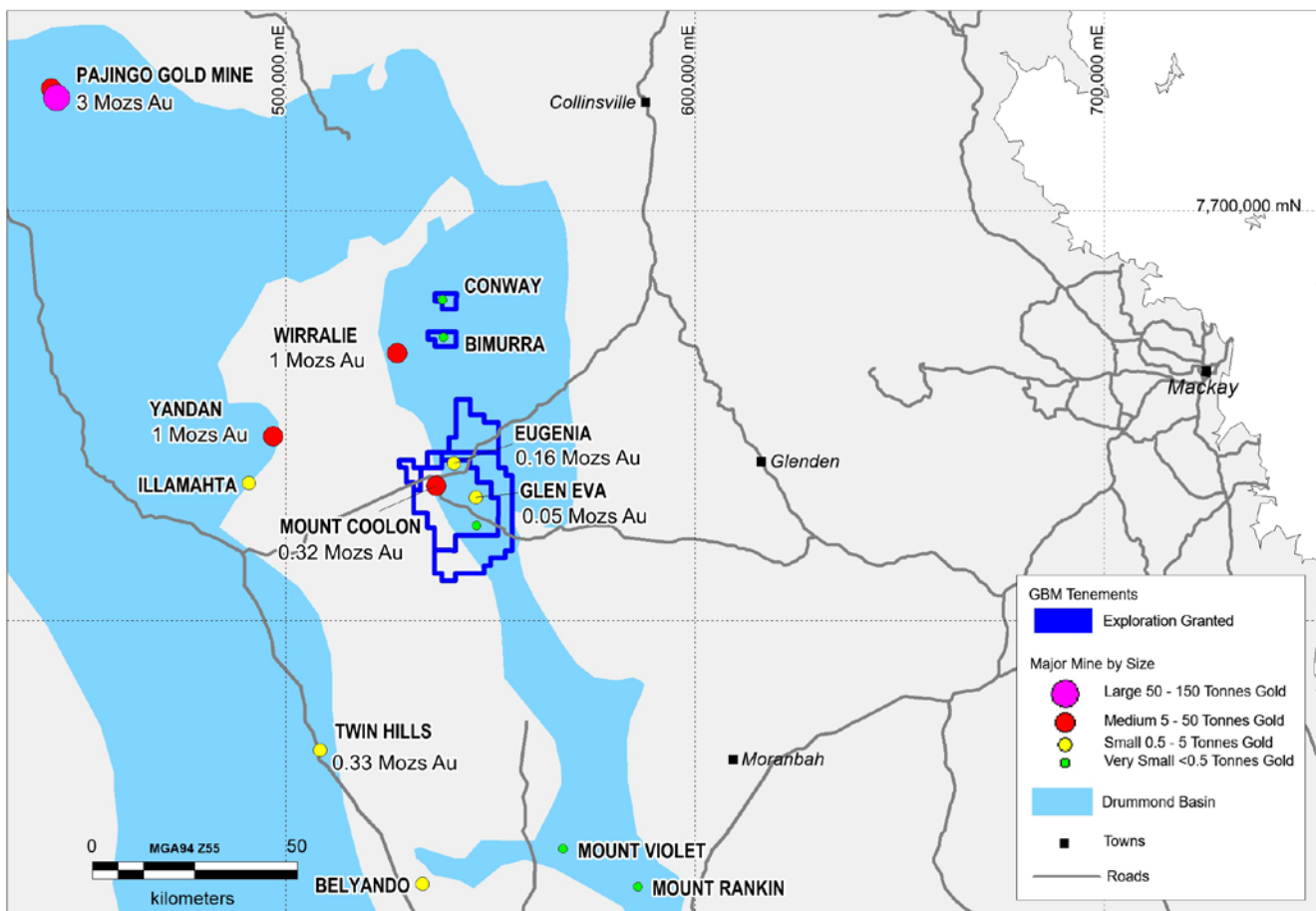


Figure: Mt Coolon project tenement group location plan.

The Mt Coolon tenement package includes four granted Mining Leases, and four granted exploration permits covering a total area of 761 km². Independent review of these tenements has confirmed that all are in good standing and key mining licences have recently been renewed until 2024.

Mt Coolon Resource Summary

Project	Location	Resource Category									Total			Cut-off
		Measured			Indicated			Inferred			000' t	Au g/t	Au ozs	
		000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs				
Koala	Open Pit				370	2.8	33,500	750	2.1	51,700	1,110	2.4	85,000	0.4
	Underground Extension				50	3.0	5,100	230	3.9	28,500	280	3.7	33,700	2.0
	Total				420	2.8	38,500	980	2.60	80,200	1,400	2.6	118,700	
Eugenia	Tailings	114	1.6	6,200	9	1.6	400				124	1.6	6,600	1.0
	Oxide				1,445	0.9	43,300	252	1.2	9,700	1,698	1.0	53,000	0.4
	Sulphide				2,306	0.9	66,100	1,007	1.4	45,200	3,313	1.0	111,300	0.4
	Total				3,751	0.9	109,400	1,260	1.4	54,900	5,011	1.0	164,300	0.4
Glen Eva	Below pit.				132	7.8	33,200	21	5.9	4,000	154	7.5	37,200	3.0
Total		114	1.7	6,200	4,312	1.3	181,500	2,261	1.9	139,100	6,689	1.5	326,800	

Table; Mount Coolon Gold Project Global Resource Summary updated 8 July 2016. Please note rounding (1000's tonnes, 100's ounces, 0.1 g/t) may cause minor variations to totals.

Other Exploration Activities

Yea W-Mo-Au IRGS Prospect - Victoria

A detailed grid soil sampling program was completed during the period at the Monkey Gully prospect located near Yea, north-east of Melbourne. The program was designed to infill existing soil sampling and attempt to define the distribution of W-Mo relative to surface mapping to better understand the controls on mineralisation. A total of 587 soils were collected over the centre of the prospect at 10m point spacing and 50m line spacing. All samples were analysed by Niton portable XRF analyser. A selection of existing drill core and soil pulps were also analysed by Niton and the results compared to existing lab assays. Excellent correlation was reported for the elements of interest at Monkey Gully; Mo-W-Cu (co-efficient of determination, $R^2 > 0.97$) and Fe, As ($R^2 > 0.91$).

The recent Niton work also supported the evidence for the gold-bearing nature of the system at Monkey Gully with more than 60 results reporting anomalous gold, all from the central dyke/W-Mo zone. Conventional soil sampling has returned peaks of 3.1 ppm Au (Capden) and 0.1 ppm Au (GBM) and gold was weakly anomalous in MGDD08 (peak 0.3 ppm) and historic drilling (peak 0.8 ppm).

Two target styles have been proposed at Monkey Gully; a near surface target of multiple close-spaced dykes and dyke contacts and a deeper mineralised carapace over the tonalite source intrusion. Given the size of the central magnetic high (2km x 0.8km) and the modelled association with a mineralised tonalite carapace, the deep target has significant exploration potential for a large-tonnage W-Mo +/- Au IRGS deposit.

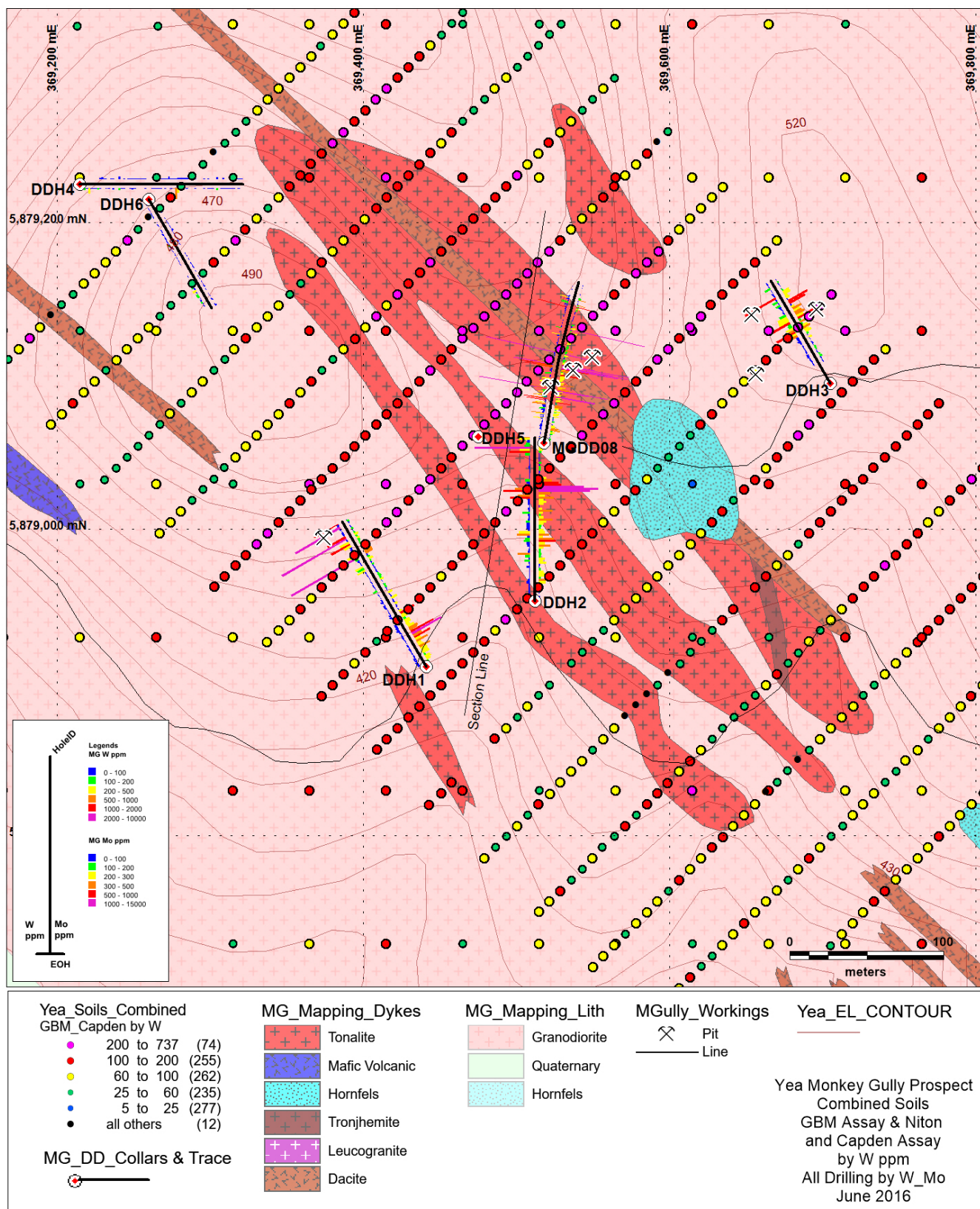


Figure: Yea Monkey Gully prospect mapping, soil sampling (conventional and Niton assays) and drill collar/trace location plan with downhole W-Mo shown.

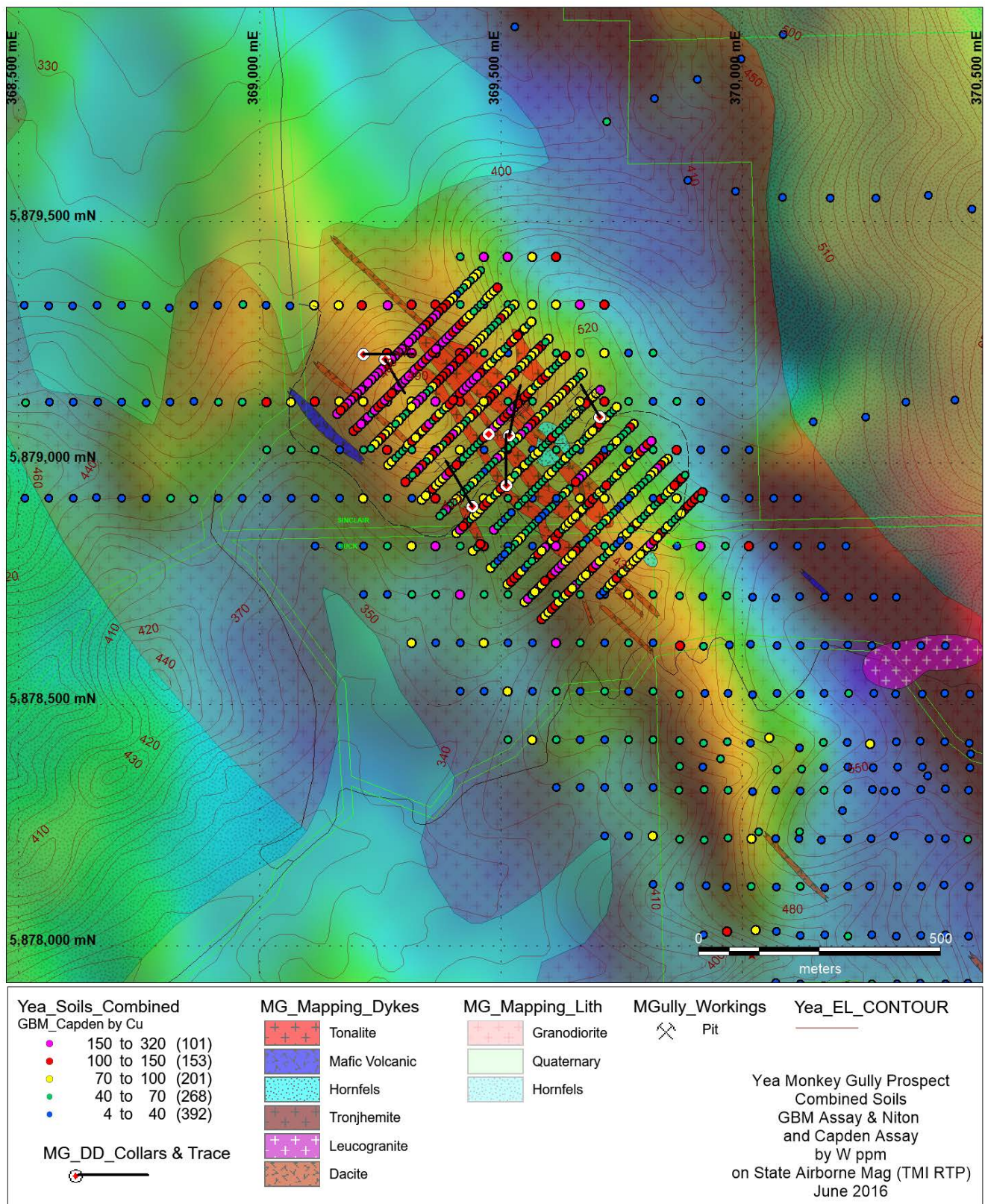


Figure: Copper in soils showing possible metal zoning within the IRGS system. Copper distribution is weighted towards the NW end of the grid and is strongly anomalous right up to the cover sediment fringe. Magnetic data suggests a zone of higher mag response exists under cover in the NW. A high-sulphide Cu-Po-rich zone may occur at depth here.

Willaura Porphyry Cu–Au Prospect

A Target Exploration Grant was awarded during the month to GBM for a work proposal relating to Anomaly 'I' within EL5423 Lake Bolac. The anomaly straddles the boundary of EL5423 and EL5346 Willaura, however due to renewal period constraints, only EL5423 was eligible for grant funding. The proposed program consists of soil sampling, IP geophysics and RC and DD drill testing. Grant funding of \$184,950 is available for the 3-staged program and is conditional upon GBM meeting existing expenditure requirements for EL5423

Pan Pacific Copper/ Mitsui - North Queensland Farm-in Projects

Discussions have continued with Pan Pacific Copper throughout the quarter as they complete the transition from the partnership with Mitsui Corporation. As noted in the Company's March Quarterly report, the final year of the six year Farm-in Agreement with multinational companies Pan Pacific Copper and Mitsui Corporation was completed during the March Quarter. Partners Pan Pacific Copper have indicated that they wish to proceed to formal a joint venture to further progress the exploration and development of the tenement areas, Mitsui have elected not to continue and will withdraw from the project.

PPC have indicated they wish GBM to continue as project managers and a letter confirming agreement to extend the Stage 1 Farm-In until arrangements are made for the joint venture was signed by PPC and GBM during April. The exploration budget for the year ending 31 March 2017 has not been finalised at this time and discussions are ongoing.

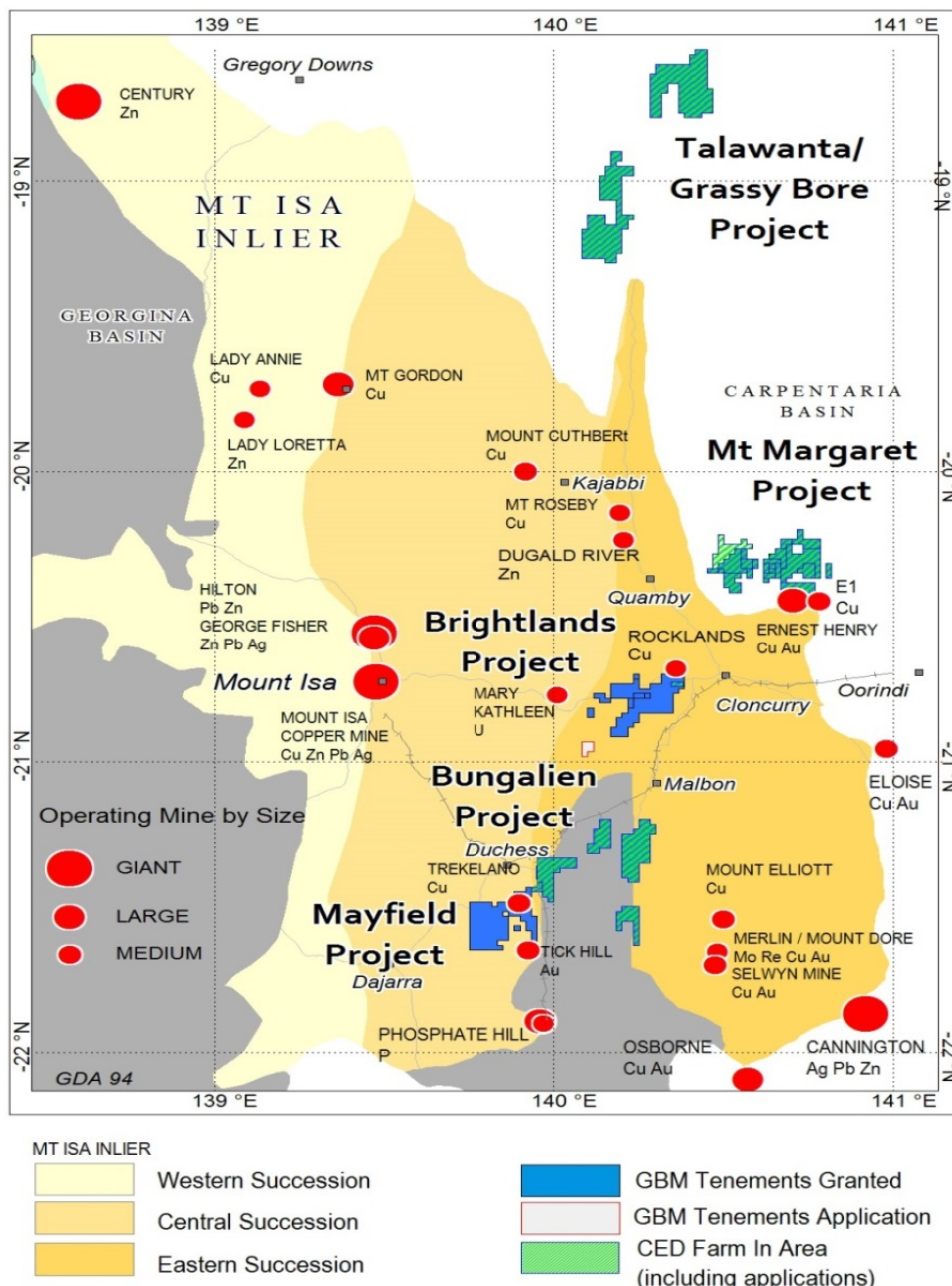


Figure: Location map showing Farm-in Areas.

TENEMENT SUMMARY

Throughout the June quarter reports and payments have been lodged as required. Technical reports continue to be lodged and are up to date and in line with the Department requirements. Events during the quarter:

- GBM acquired the Moonmera Copper-Molybdenum Project from Rio Tinto during the quarter. Moonmera forms part of GBM's Mount Morgan Copper Project.
- Brightlands West Ext EPM18672 was granted for a period of five years from 16 June 2016.
- Renewals submitted for Malmsbury EL 4515, Brightlands EPM 14416, Dee Range EPM 16057, Willaura EL 5346, Monkey Gully EL 5293 and Tin Creek EL 5292; outcome pending.
- Horsecreek2, EPM18208, Talawanta2 EPM 19255 and Grassy Bore2 EPM 19256 surrendered in total.
- Glen Eva ML 10227 renewal submitted.
- Notices of Entries were sent to all landowners on EPM 15902, ML 1029 and EPM 7259.

Project / Name	Tenement No.	Owner	Manager	Interest	Status	Granted	Expiry	Application Date	Approx Area (km ²)	sub-blocks
Victoria										
Malmsbury										
Belltopper	EL4515	GBMR*/Belltopper Hill	GBMR	100%	Granted	06-Oct-05	05-Oct-15		25	25
Willaura										
Willaura	EL5346	GBMR	GBMR	100%	Granted	02-Jun-11	01-Jun-16		5	5
Lake Bolac2	EL5423	GBMR	GBMR	100%	Granted	03-Dec-12	02-Dec-17		218	218
Yea										
Monkey Gully	EL5293	GBMR	GBMR	100%	Granted	23-Mar-11	22-Mar-16		86	86
Tin Creek	EL5292	GBMR	GBMR	100%	Granted	23-Mar-11	22-Mar-16		91	91
Rubicon	EL5347	GBMR	GBMR	100%	Granted	27-Feb-12	26-Feb-17		10	10
Queensland										
Mount Morgan										
Dee Range	EPM16057	GBMR	GBMR	100%	Granted	27-Sep-07	26-Sep-16		46	14
Boulder Creek	EPM17105	GBMR	GBMR	100%	Granted	26-Mar-08	25-Mar-17		88	27
Black Range	EPM17734	GBMR	GBMR	100%	Granted	20-May-09	19-May-18		81	25
Smelter Return	EPM18366	GBMR	GBMR	100%	Granted	21-Jun-12	20-Jun-17		98	30
Limonite Hill	EPM18811	GBMR	GBMR	100%	Granted	21-Nov-12	20-Nov-17		260	80
Limonite Hill East	EPM19288	GBMR	GBMR	100%	Granted	31-Oct-13	30-Oct-18		29	9
Mt Hoopbound	EPM18812	GBMR	GBMR	100%	Granted	26-Jul-12	25-Jul-17		23	7
Moonmera	EPM19849	GBMR* ³	GBMR	100%	Granted	12-Apr-13	11-Apr-18		16	5
Mt Victoria	EPM25177	GBMR	GBMR	100%	Granted	26-Aug-14	25-Aug-17		3	1
Bajool	EPM25362	GBMR	GBMR	100%	Granted	27-Nov-14	26-Nov-17		111	34
Mountain Maid	EPM25678	GBMR	GBMR	100%	Granted	09-Apr-15	08-Apr-18		26	8
Mount Isa Region										
Mount Margaret										
Mt Malakoff Ext	EPM16398	GBMR* ² /Isa Tenements	GBMR	100%	Granted	19-Oct-10	18-Oct-20		85	26
Cotswold	EPM16622	GBMR* ² /Isa Tenements	GBMR	100%	Granted	30-Nov-12	29-Nov-17		46	14
Mt Marge	EPM19834	GBMR/Isa Tenements	GBMR	100%	Granted	04-Mar-13	03-Mar-18		3	1
Dry Creek	EPM18172	GBMR* ² /Isa Tenements	GBMR	100%	Granted	13-Jul-12	12-Jul-17		189	58
Dry Creek Ext	EPM18174	GBMR* ² /Isa Tenements	GBMR	100%	Granted	25-Oct-11	24-Oct-16		39	12
Corella	EPM25545	GBMR/Isa Tenements	GBMR	100%	Granted	20-Mar-15	19-Mar-17		59	18
Tommy Creek	EPM25544	GBMR/Isa Tenements	GBMR	100%	Granted	11-Nov-14	10-Nov-16		33	10
Brightlands										
Brightlands	EPM14416	GBMR* ² /Isa Brightlands	GBMR	100%	Granted	5-Aug-05	4-Aug-16		254	78
Brightlands West	EPM18051	GBMR/Isa Brightlands	GBMR	100%	Granted	22-Oct-13	21-Oct-18		7	2
Brightlands West Ext.	EPM18672	GBMR/Isa Brightlands	GBMR	100%	Granted	16-Jun-16	15-Jun-21		16	5
Wakeful	EPM18454	GBMR/Isa Brightlands	GBMR	100%	Granted	23-Jan-12	22-Jan-17		6	2
Highway	EPM18453	GBMR/Isa Brightlands	GBMR	100%	Granted	23-Jan-12	22-Jan-17		10	3
Bungalien										
Limestone Creek	EPM17849	GBMR/Isa Tenements	GBMR	100%	Granted	20-Oct-10	19-Oct-20		49	15
Bungalien 2	EPM18207	GBMR* ² /Isa Tenements	GBMR	100%	Granted	24-May-12	23-May-17		120	37
The Brothers	EPM25213	GBMR/Isa Tenements	GBMR	100%	Granted	16-Oct-14	15-Oct-19		10	3
Mayfield										
Mayfield	EPM19483	GBMR* ² /Isa Tenements	GBMR	100%	Granted	11-Mar-14	10-Mar-19		302	93
Mt Coolon										
Mt Coolon	EPM15902	GBMR/MCGM	GBMR	100%	Granted	13-Jun-08	12-Jun-18		325	100
Mt Coolon East	EPM25850	GBMR/MCGM	GBMR	100%	Granted	07-Sep-15	06-Sep-20		260	80
Mt Coolon North	EPM25365	GBMR/MCGM	GBMR	100%	Granted	18-Sep-14	17-Sep-19		146	45
Conway	EPM7259	GBMR/MCGM	GBMR	100%	Granted	18-May-90	17-May-19		39	12
Koala 1	ML 1029	GBMR/MCGM	GBMR	100%	Granted	30-May-74	31-Jan-24		0.7	
Koala Camp	ML 1085	GBMR/MCGM	GBMR	100%	Granted	27-Jan-94	31-Jan-24		0.0	
Koala Plant	ML 1086	GBMR/MCGM	GBMR	100%	Granted	27-Jan-94	31-Jan-24		1.0	
Glen Eva	ML 10227	GBMR/MCGM	GBMR	100%	Granted	05-Dec-96	31-Dec-16		1.3	
									3212.79	

Note *¹ subject to a 2.5% net smelter royalty to vendors.

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

*³ subject to 1% smelter royalty and other conditions to Rio Tinto; transfer documents with Department

Figure; GBM Tenement summary table as at 30 June 2016.

CORPORATE

- The Company announced on 27 July 2016 that it completed a \$2.6 million capital raising by way of a placement of 160,500,000 ordinary fully paid shares (Shares) at 1.6 cents each.

The number of Shares issued is the maximum number that the Company can currently issue under ASX Listing Rules 7.1 and 7.1A. The price represents a 14% premium to the 30 day VWAP.

The successful completion of the capital raising reflects the confidence of investors to support the Company's forward programme of evaluation and development of 100% owned Mt Coolon Gold Project, located 250km west of Mackay in Queensland in the northern Drummond Basin. The Company believes these targeted deposits have the potential to achieve gold production in the short to medium term.

- On 30 June 2016 177,743,562 GBZO options, exercisable at 3.5 cents each, expired at the end of the exercise term.
- On 13 April 2016, 50 million ordinary fully paid shares held by DGO Gold Limited were released from voluntary escrow.

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References:

Capden Pty. Ltd 1982. A geological and Geochemical Investigation of the Eastern Part of Exploration Licence No. 934, Black Range Area, Central Victoria by A.G. Rossiter

Explanatory notes:

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Mr Norris is a full-time employee of the company, and is a holder of shares and options in the company. Mr Norris has sufficient experience which is relevant to the style of mineralisation 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 Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Koala Tailings Mineral Resources is based on information compiled by Kerrin Allwood, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Mr Allwood is a full time employee of Geomodelling Limited . Mr Allwood has sufficient experience which is relevant to the style of mineralisation 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 Allwood consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

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.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Important Note:

Drilling and exploration has been carried out at Koala over a 30 year period by a variety of companies using varied drilling, sampling and assaying methods. The comments below refer to a compilation of all data in which like drilling, sampling and assaying methods have been aggregated for reporting purposes unless noted otherwise. For more detail refer to the full technical report on this resource estimate.

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	- Samples were collected by aircore drilling - Drill samples were collected as individual 1m samples through a cyclone. - Sub-samples were collected using a riffle splitter and submitted to the laboratory - At the laboratory the sample was crushed and pulverised with a 30 g charge analysed by fire assay with AAS analysis
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	Drilling was entirely aircore drilling
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential</i>	- RC drilling recovery was not systematically recorded, however extremely poor recovery is noted in the drill logs - Any measures taken to maximize recovery were not recorded. - The relationship between grade and drilling recovery was not investigated due to the insufficient drilling recovery data.

Criteria	JORC Code explanation	Commentary
	<i>loss/gain of fine/coarse material.</i>	
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Percussion chips were logged for lithology, weathering, colour and veining • The logging has been carried out to an appropriate level for resource estimation. The logging was checked against stored core for 23 holes. • All drilling was logged geologically
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Percussion drilling was sub-sampled using a Jones riffle splitter. The quality (moisture content and recovery) of percussion samples was not recorded. • Laboratory sample preparation for all samples followed the respective laboratories standard methodologies for gold fire assays techniques. • No quality control procedures to ensure the quality of sampling and analysis have been recorded for this data. • Sample quality is assumed but not demonstrated.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• All tailings sample preparation and assaying was performed by Analabs, Townsville. Subsamples were pulverized and assayed with a standard 50 g fire assay with an AAS finish (GG313, Detection limit 0.001 ppm Au). • This method is considered acceptable industry standard for gold assays. In the fire assay method, a prepared sample is fused and then cupelled to yield a precious metal bead. The bead is digested in 0.5 mL dilute nitric acid and 0.5 mL concentrated hydrochloric acid. The digested solution is cooled, diluted to a total volume of 10 mL with de-mineralized water, and analysed by atomic absorption spectroscopy against matrix-matched standards. The technique is total. • No handheld tools were used with all assays performed at external laboratories
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes.	• Three verification check holes were drilled by GBM in 2015. These holes showed that the upper part of the tailings area had been partially mined.

Criteria	JORC Code explanation	Commentary
	- Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	- Digital data was checked against original drill logs and assay certificates for 40% of the data and no significant errors were found. - The raw assay data has been used with no adjustments. The first assay result was used for intervals with more than one assays result.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- Hole collar locations were determined using total station survey instruments. - No downhole drill surveys were carried because the holes were very shallow (maximum depth of 13.0 m) and so any deviation is likely insignificant - All work was carried out in the Koala local mine grid. Original survey data is in MGA94. The data in MGA94 was converted to Koala Mine Grid using a grid conversion in MapInfo developed from 50 known points. - The topographic surface was triangulated from survey data collected by Drummond Gold after the mining of tailings by Ross Mining. The resultant surface is of sufficient quality for resource estimation
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- Drilling has been carried out on a staggered 25m by 25 m grid. Holes were drilled vertically, intersecting the sub-horizontal tailings at about 90 degrees. - Holes were terminated when basement was intersected. - The spacing and orientation of the sampling is appropriate to establish the grade and geological continuity. - The samples were not composited prior to submission to the laboratory
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	- The spacing and orientation of the sampling is appropriate to the mineralization. - There is no evidence to suggest that the spacing and / or orientation of the sampling has introduced a bias.
Sample security	The measures taken to ensure sample security.	- The measures taken to ensure sample security (if any) were not recorded. - Core, coarse chip rejects and pulps from previous exploration are stored on site in a lock container.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits of either the data or the methods used in this resource estimate have been undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	- The Koala resource is located within ML1029 which along with ML1085 and ML1086 form a contiguous group of leases that form the Koala project and are 100% owned by GBM Resources Ltd. ML1029 expires on 31/1/24 - GML is not aware of any material issues with third parties which may impede current or future operations at Koala. GBM would need to obtain certain permits before a mining operation could proceed at Koala.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	- In 1913 gold was discovered at MT Coolon (Koala gold mine) by a boundary rider, from 1913 until 1931 gold was mined from small shallow leases and shallow shafts, from 1931 -1939 Gold Mines of Australia (GMA) consolidated and mined the whole field. Historic underground mining from discovery in 1914 to 1938 produced approximately 180,000 ounces of gold at an average grade of 18.4g/t Au. - No activity was taken from 1939 to 1974 Saracen Minerals (~1974) - Saracen Minerals explored for porphyry-style base metals in an area from Koala Mine to east of Bungobine Homestead during 1974. Work involved collection of 115 rock chip samples and geological traverses. The two main prospects were at Bungobine Yards and around Mt Coolon/Koala Mine. Due to poor results, the tenement was relinquished. - Renison Goldfields LTD/Gold Feilds Exploration (1986 – 1989) Carried out mapping, colour aerial photography, airborne magnetic and radiometric survey, ground magnetics, produced a feasibility study, a review of old GMA data and plans from 1939, rock chip sampling of the reef at surface, and drilling; 78 percussion Drill holes, 99 Reverse circulation collars with Diamond Drill holes tails to test and delineate remnant resources, the western reef and Hectorina deposit. Renison commenced a decline but terminated mining due to intersecting a major fault. - ACM Gold Limited/Wirralie Gold Mines (1989 - 1992) carried out exploration on the Tower prospect and at Mt Koala. Producing a resource estimate and feasibility study for open pit mining. Work

Criteria	JORC Code explanation	Commentary
		included evaluating Renison's previous work, photo and lineament analysis, rock chip sampling, and drilling; 45 RAB scout holes testing surface mineralisation, 291 soil auger holes and 1 RC hole. - Ross Mining (1992 - 2000) carried out regional and detailed mapping, produced a new resource estimate, soil sampling, metallurgy testing, a gradient array Resistivity survey, IP surveys, CSMAT survey, Petrology, drilling; RC collars with Diamond tails (6 holes), 39 RC, 103 diamond holes and 157 RAB holes. Ross carried out mining of the northern end of the ML an area that Renison had planned to mine from underground and is known as the Koala Pit. Ross Mining produced 53,000 ounces gold at an average grade of 5.6g/t Au. - During the mining of the Ross pit an un-recorded portion of the 1930s tailings were also mined and sent to Yandan for processing. - Normandy Mining (2000 - 2002) carried out work re-modelling the whole deposit, a heli-borne EM survey and drilling distal to the main Koala resource. - MCGM/Drummond Gold (2006 -2014) carried out a revaluation and synthesis of all previous work which included a verification and validation of previous work and data, mapping, HyVista imagery, reinterpretation of previous geophysics data sets, and drilled; 17 RC holes, 9 RC pre collar with diamond tail holes and 4 Diamond holes - GBM acquired the project from Drummond Gold in 2015. - All drilling, sampling, surveying and assaying that forms the basis of this resource estimate was carried out by these other parties.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	- The mineralization comprises tailings from processing during the 1930s of ore mined from the adjacent Koala desposit. The ore was processed by crushing, milling, batch cyanidation and zinc precipitation. The average produced grade during the 1930s was 18.4 g/t Au with overall recovery reported as 90% implying a tailings grade of 2.0 g/t Au. - Mineralisation at Koala comprises auriferous epithermal veining and associated low grade stockworks.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <i>o easting and northing of the drill hole collar</i>	Not applicable –individual drill intercepts would not have a material effect on the resource estimate reported on here.

Criteria	JORC Code explanation	Commentary
	- o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - o dip and azimuth of the hole - o down hole length and interception depth - o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable – exploration results are not reported
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Not applicable – exploration results are not reported
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Not applicable – exploration results are not reported
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Not applicable – exploration results are not reported
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Not applicable – exploration results are not reported

Criteria	JORC Code explanation	Commentary
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	No further drilling is planned as the tailings are adequately defined by the current drilling.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Database integrity</i>	<i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i> <i>Data validation procedures used.</i>	- Downhole data was collated by Drummond Gold and validated by GBM from a mixture of hardcopy and digital logging. Responsibility for the data resides with GBM - GML performed further checks of drill collar locations against the topographic surface, extreme assay values and geologically - On import into mine planning software automated checks were performed for sample overlaps, gaps, out of range values - All flagged suspect data was investigated and either corrected, or else omitted if it could not be satisfactorily resolved
<i>Site visits</i>	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> <i>If no site visits have been undertaken indicate why this is the case.</i>	Kerrin Allwood completed a site visit from 19 to 22 May, 2016. During this time checks were made of collar locations, outcrop geology and core logging as well as the general site layout and possible site specific impediments to development. No issues were identified.
<i>Geological interpretation</i>	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i> <i>Nature of the data used and of any assumptions made.</i> <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> <i>The factors affecting continuity both of grade and geology.</i>	- The confidence in the interpretation of the 'geology' is very high. - The interpretation of the tailings gold domain is largely based on gold assay data and logged lithology and colour. - There are no possible alternative interpretation of the tailings domain. - Grade continuity is very high as evidenced by the gold CV of 0.26.
<i>Dimensions</i>	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i>	The mineral resource extends approximately 210 m (NS) by 170 m (EW) and varies in thickness from 2 m to 10 m.
<i>Estimation and modelling</i>	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance</i>	The grade estimation involved the interpolation of gold grades composited to 1.0 m length using inverse distance squared weighting into a block model. A gold tailings domain was used as a 'hard'

Criteria	JORC Code explanation	Commentary
techniques	<i>of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i> <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> <i>The assumptions made regarding recovery of by-products.</i> <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i> <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> <i>Any assumptions behind modelling of selective mining units.</i> <i>Any assumptions about correlation between variables.</i> <i>Description of how the geological interpretation was used to control the resource estimates.</i> <i>Discussion of basis for using or not using grade cutting or capping.</i> <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	boundary for data selection. A minimum of 4 and a maximum of 15 composites were used from within a horizontal search ellipse of 50 m by 50 m by 10 m (vertical) for interpolation. No other method of de-clustering the data was used. Inverse distance squared weighting was selected as the interpolation method because this resource is not a natural deposit and so may not have stationarity as required for geostatistically based interpolation methods such as ordinary kriging. - The block model has parent blocks 10 m (X) by 10 m (Y) by 1 m (Z) compared to the data spacing of typically 25 m by 25 m by 1 m. The search neighbourhood extends at least two drill sections along strike. The block model was sub-blocked to a minimum 5 m (X) by 5m (Y) by 0.5m (Z) honouring the tailings domain and topography wireframes. - No by-product was assumed. Although it may be possible to economically produce silver, there is insufficient silver data for meaningful grade estimation. - There are no known deleterious elements for the envisaged processing methods. - The block model was constructed assuming mining would be a combination of open pit and underground mining to a minimum 2.0m mining width. - The resultant block model was validated visually against drill assays, and by comparing histograms of the raw assays and block grades
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	All tonnages are on a dry basis, consistent with the assay method.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	No cutoff has been used for resource reporting as it is assumed that the entire resource can be processed.
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	The block model was constructed assuming mining would be by open pit mining to a minimum 2.0m mining width.
Metallurgical factors or	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to</i>	- It is assumed that an economic process to recover gold will be possible. - Historical mining in 1996/97 with processing through a conventional

Criteria	JORC Code explanation	Commentary
assumptions	<i>consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	- CIL plant shows that this is a viable processing option. - No metallurgical testwork had been carried out.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	It has been assumed that, while there may be some environmental impacts it will be possible to technically and economically mitigate these effects. Such impacts may include (but not limited to) acid mine drainage from waste dumps, dust, noise, surface hydrology, sub-surface hydrology, sediment runoff, flora and fauna impacts
Bulk density	- Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. - The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. - Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	- There is no bulk density data available. - Bulk density was assigned to the block model using an assumed bulk density of 1.6 t/m³. This bulk density is based on typical tailings sands density. - The lack of bulk density data was taken into account during resource classification
Classification	- The basis for the classification of the Mineral Resources into varying confidence categories. - Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). - Whether the result appropriately reflects the Competent Person's view of the deposit.	- The resource was classified as either measured or indicated. Indicated material was classified in the margins of the resource where the exact limit of the tailings has not been defined by drilling with sufficient precision to allow classification as measured. - Measured resources are reported despite the lack of assay QAQC and bulk density data because the documented history of tailings grades and very low grade variability. - The result reflects the competent person's view of the deposit.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	This mineral resource estimate has not been audited or reviewed because this project is at an early stage. It is anticipated that an audit will be completed before a decision is made to proceed to construction.
Discussion of	Where appropriate a statement of the relative accuracy and	The resource classification signifies the confidence in this resource

Criteria	JORC Code explanation	Commentary
relative accuracy/ confidence	confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	estimate. • Local (parent block) grade estimates will be less accurate than the global estimate.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/01, 01/06/10, 17/12/10

Name of entity

GBM Resources Limited

Quarter ended ("current quarter")

ABN 91 124 752 745

30 June 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for: (a) exploration and evaluation (including JV Farm-in spend)	(549)	(2,796)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(73)	(775)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	11
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid	-	-
1.7	Other – JV and farm-in management fees	-	132
	- Option fee income	-	100
	- Sundry income	8	24
Net Operating Cash Flows		(612)	(3,305)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	-	(38)
	(b)equity investments	-	-
	(c) other fixed assets	-	-
	(d) bonds	-	-
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
	(d) bonds redeemed	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	57
1.12	Other - JV Farm-in contributions received	5	1,104
	Other – Refundable payments received/(repaid)	-	50
Net investing cash flows		5	1,173
1.13	Total operating and investing cash flows (carried forward)	(607)	(2,132)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(607)	(2,132)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,395
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	(16)
	Net financing cash flows	-	1,379
	Net increase (decrease) in cash held	(607)	(753)
1.20	Cash at beginning of quarter/year to date	962	1,108
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	355	355

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	54
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director remuneration – fees and salaries (during the quarter a portion of director remuneration was deferred whereby the executive directors received a reduced remuneration of \$9,000 per month each and non-executive director fees were not paid. A deferred amount of approximately \$90,000 is accrued and payable to directors as at 30 June 2016).

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Expenditure for the quarter of \$109,043 (\$1,395,296 year to date) incurred by other entities under joint venture farm-in agreements on projects held by the Company has been included at 1.2(a).

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	
4.2 Development	500
4.3 Production	
4.4 Administration	
	250
Total	750

Note – subsequent to the end of the quarter the Company completed a placement of 160,500,000 ordinary fully paid shares at 1.6 cents per share, raising \$2,568,000 before associated costs. The funds received will be used to fund the Company's exploration programs and feasibility studies at its Mt Coolon Gold Project and provide working capital.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	252	859
5.2 Deposits at call	103	103
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	355	962

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPM 18208&19255&19256	100%	100%	NIL %
6.2 Interests in mining tenements acquired or increased	N/A			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	-			
7.2 Changes during quarter	-			
7.3 *Ordinary securities	653,063,975	653,063,975		
7.4 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 *Convertible debt securities (description)	-	-		
7.6 Changes during quarter	-	-		
7.7 Options (description and conversion factor)	-	-	Exercise price	Expiry date
			-	-
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter (Note)	177,743,562	177,743,562	\$0.035	30 Jun 2016
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.

7.13	Performance Share Rights <i>(description and vesting dates)</i>			<i>Vesting date</i>	<i>Expiry date</i>
		-	-		
7.14	Issued during quarter	-	-		
7.15	Exercised during quarter	-	-		
7.16	Expired during quarter	-	-		

Note – Prior to the end of the June 2016 quarter the Company received an exercise notice for 3,000 GBZO options at 3.5 cents per share. The shares on the exercise of these options were issued subsequent to the end of the quarter.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



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Company Secretary

Date: 29 July 2016

Print name: Kevin Hart

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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