

31 May 2019

ASX Announcement

Issue of Convertible Notes

The Board of GBM Resources Limited ('GBM' or 'the Company') advises that it has drawn down A\$350,000 of the A\$700,000 Convertible Note which was executed with Lion Resources Development Pte Ltd (Subscriber) (refer ASX announcement 9 May 2019). An Appendix 3B and cleansing notice with respect to the issue are attached.

The next draw down of A\$350,000 is scheduled for 19th June 2019.

The proceeds received from the Convertible Notes will be applied by the Company towards working capital requirements. The Company will issue the Convertible Notes pursuant to its placement capacity under Listing Rule 7.1.

For Further information please contact:

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ASX Code: GBZ

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Chairman

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Non-Executive Deputy Chairman

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Exploration Director – Executive

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Non-Executive Director

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

GBM Resources Limited

ABN

91 124 752 745

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|-------------------|
| 1 | +Class of +securities issued or to be issued | Convertible notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 350,000 |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 3 Principal terms of the ⁺securities (eg, if options, exercise price and expiry date; if partly paid ⁺securities, the amount outstanding and due dates for payment; if ⁺convertible securities, the conversion price and dates for conversion)

Convertible Note terms as follows:

Repayment Date: 12 months from date of issue

Interest: Interest accrues at the rate of 10% per annum, calculated monthly and payable 3 monthly in arrears.

Conversion Price: Each Convertible Note may be convertible into Shares at 0.5 cents per share.

Company Redemption: There are no redemption rights held by the Company with respect to the Convertible Notes.

Early conversion: Subject to Shareholder approvals, if required, the Subscriber may, before the Repayment Date, convert the Convertible Notes into Shares, by providing the Company with written notice.

Security: The Convertible Notes are secured by way of a mortgage over the issued capital of Mt Coolon Gold Mines Pty Ltd.

⁺ See chapter 19 for defined terms.

4	Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No The shares issued on conversion of the Convertible Notes will rank equally with all existing fully paid ordinary shares.
5	Issue price or consideration	\$1.00 per convertible note
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issued to provide working capital (refer ASX announcement 9 May 2019)
6a	Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	22 November 2018
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	350,000 convertible notes (convertible in to up to 70,000,000 shares)
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Nil

⁺ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of securities issued under an exception in rule 7.2	Nil	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/a	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/a	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure 1	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	31 May 2019	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		1,090,596,975	Ordinary shares (GBZ)
		203,391,744	Options exercisable at 5 cents each and expiring 30 September 2019 (GBZOA)

⁺ See chapter 19 for defined terms.

9 Number and ⁺class of all ⁺securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="766 255 1069 302">Number</th><th data-bbox="1069 255 1359 302">⁺Class</th></tr> </thead> <tbody> <tr> <td data-bbox="766 302 1069 481">18,800,000</td><td data-bbox="1069 302 1359 481">Options exercisable at 0.9 cents each and expiring 31 January 2023.</td></tr> <tr> <td data-bbox="766 481 1069 593">350,000</td><td data-bbox="1069 481 1359 593">Convertible notes repayable on or before 31 May 2020.</td></tr> </tbody> </table>	Number	⁺ Class	18,800,000	Options exercisable at 0.9 cents each and expiring 31 January 2023.	350,000	Convertible notes repayable on or before 31 May 2020.
Number	⁺ Class						
18,800,000	Options exercisable at 0.9 cents each and expiring 31 January 2023.						
350,000	Convertible notes repayable on or before 31 May 2020.						
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/a						

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the ⁺securities will be offered	
14 ⁺Class of ⁺securities to which the offer relates	
15 ⁺Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	
18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19 Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Despatch date	

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Company secretary

Date: 31 May 2019

Print name:

Kevin Hart

== == == == ==

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for ⁺eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	863,566,975
Add the following: - Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid ordinary securities that became fully paid in that 12 month period <i>Note:</i> - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	47,030,000 ordinary fully paid shares issued pursuant to a share purchase plan (issued 6 August 2018) 140,000,000 ordinary fully paid shares issued pursuant to a share placement (issued 14 August 2018) approved by shareholders on 11 September 2018 20,000,000 ordinary fully paid shares issued pursuant to a share placement (issued 9 October 2018) approved by shareholders on 11 September 2018
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	1,070,596,975

⁺ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	160,589,546
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: - Under an exception in rule 7.2 - Under rule 7.1A - With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i>	20,000,000 ordinary fully paid shares issued pursuant to a share placement (issued 9 October 2018) under ASX Listing Rule 7.1 Up to 70,000,000 ordinary fully paid shares pursuant to 350,000 convertible notes (issued 31 May 2019) under ASX Listing Rule 7.1
“C”	90,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	160,589,546
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	90,000,000
Total [“A” x 0.15] – “C”	70,589,546 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,070,596,975
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	107,059,697
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	107,059,697
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	107,059,697 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

31 May 2019

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir or Madam

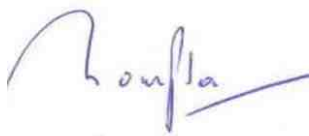
GBM RESOURCES LIMITED
SECONDARY TRADING NOTICE – NOTIFICATION PURSUANT
TO PARAGRAPH 708A(5)(e) OF THE CORPORATIONS ACT 2001

This notice is given by GBM Resources Limited (ACN 124 752 745) ("GBM") under section 708A(5)(e) of the Corporations Act 2001 (Cth) ("the Act").

On 31 May 2019 GBM issued 350,000 convertible notes with a face value of \$1.00 each (Convertible Notes) without disclosure under Part 6D.2 of the Corporations Act.

GBM gives notice under section 708A(5)(e) of the Act that:

- (a) The Convertible Notes were issued without disclosure to investors under Part 6D.2 of the Act;
- (b) as a disclosing entity, GBM is subject to regular reporting and disclosure obligations;
- (c) as at the date of this notice, GBM has complied with the provisions of Chapter 2M as they apply to GBM and section 674 of the Act; and
- (d) as at the date of this notice, there is no information that is 'excluded information' within the meaning of section 708A(7) and 708A(8) of the Act which is required to be disclosed by GBM under section 708A(6)(e) of the Act.



Peter Thompson
Executive Chairman

ASX Code: GBZ

COMPANY DIRECTORS

Peter Thompson
Managing Director/ Executive
Chairman

Neil Norris
Exploration Director – Executive

Hun Seng Tan
Non-Executive Director

CONTACT DETAILS

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