

ASX Announcement

6 February 2023

GBM Terminates the Mt Morgan Au-Cu Project Sale with Smartset Services

KEY POINTS

- GBM Resources Limited (**GBM** or **Company**) has given notice to Smartset Services Inc. (**Canadian Company listed on TSXV: SMAR.P**), terminating the Agreement for the sale of GBM's Mt Morgan Gold Copper Project Tenements (**Mt Morgan**) (Refer to previous ASX: GBZ releases 18 June 2021, 1 July 2021, 14 July 2021 and 22 August 2022).
- Smartset Services Inc. (**Smartset**) was not able to complete the capital raising condition precedent by the agreed date and terms or provide some certainty that a later date to complete the capital raising could be achieved.
- GBM will now pursue other funding options in the Australian market to advance exploration of the Mt Morgan Gold-Copper Project targeting discovery of large-scale gold and copper deposits.

GBM advises that it has terminated the Agreement for the sale of its 100% owned Mt Morgan project in Queensland, Australia. Refer ASX:GBZ release 22 August 2022.

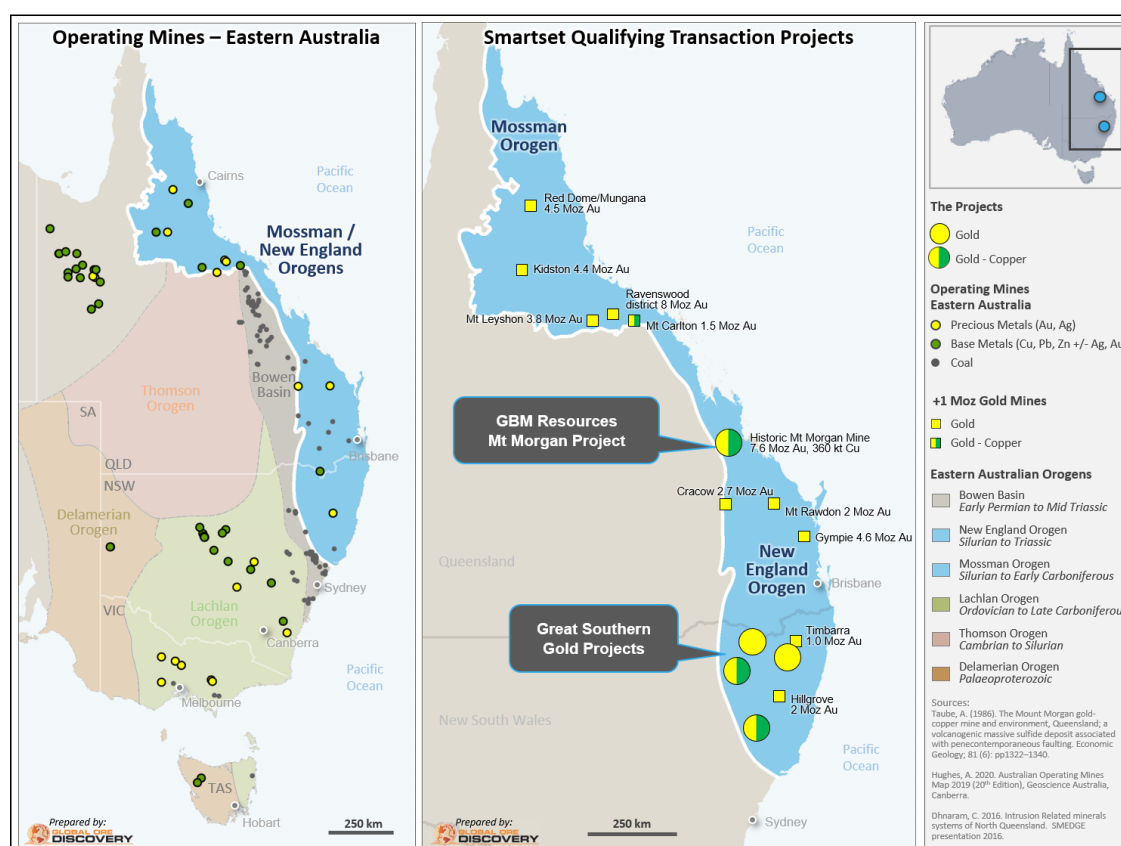
GBM Managing Director and CEO, Peter Rohner, commented: *"While it is frustrating to have to terminate the previous sale agreement, the market for funding copper and copper-gold assets has improved. GBM will continue to ensure maximum value is achieved for non-core assets in its portfolio that it looks to divest and will be consistent in the execution of GBM's stated portfolio management strategy. Alternative options will now be considered for the Mt Morgan Project so GBM can continue to maintain its core project focus on the Drummond Basin"*

Appendix 1: GBM and Great Southern Gold (GSG) Projects covered under the planned agreements with Smartset.

Consolidation of Projects Opportunity

The Eastern States of Australia are underlain by a collage of geologic orogens that formed over 500 ma period and from the Cambrian to Triassic periods, along the margin of the supercontinent Gondwana. Mt Morgan is focused within Devonian to Triassic arcs of the Mossman and New England Orogens that have a significant gold pedigree with over 40 Moz^{1 2} of gold delineated in historic production and current reserves from eleven (11), + 1 Moz Au deposits (Figure 1) that include Mt Morgan intrusive related Au-Cu, Intrusion Related Gold Systems (IRGS), Epithermal gold and Orogenic Gold deposits.

Figure 1: Eastern Australian operating mines and projects



The historic Mt Morgan Mine is the single largest deposit in the New England Orogen and remains one of the largest gold deposits in Australia. The Mt Morgan Mine operated for over 90 years producing 50 Mt of ore from a single body of mineralization, averaging 4.75 g/t Au and 0.72 % Cu, for a total 7.65 Moz gold and 361 kt of copper³.

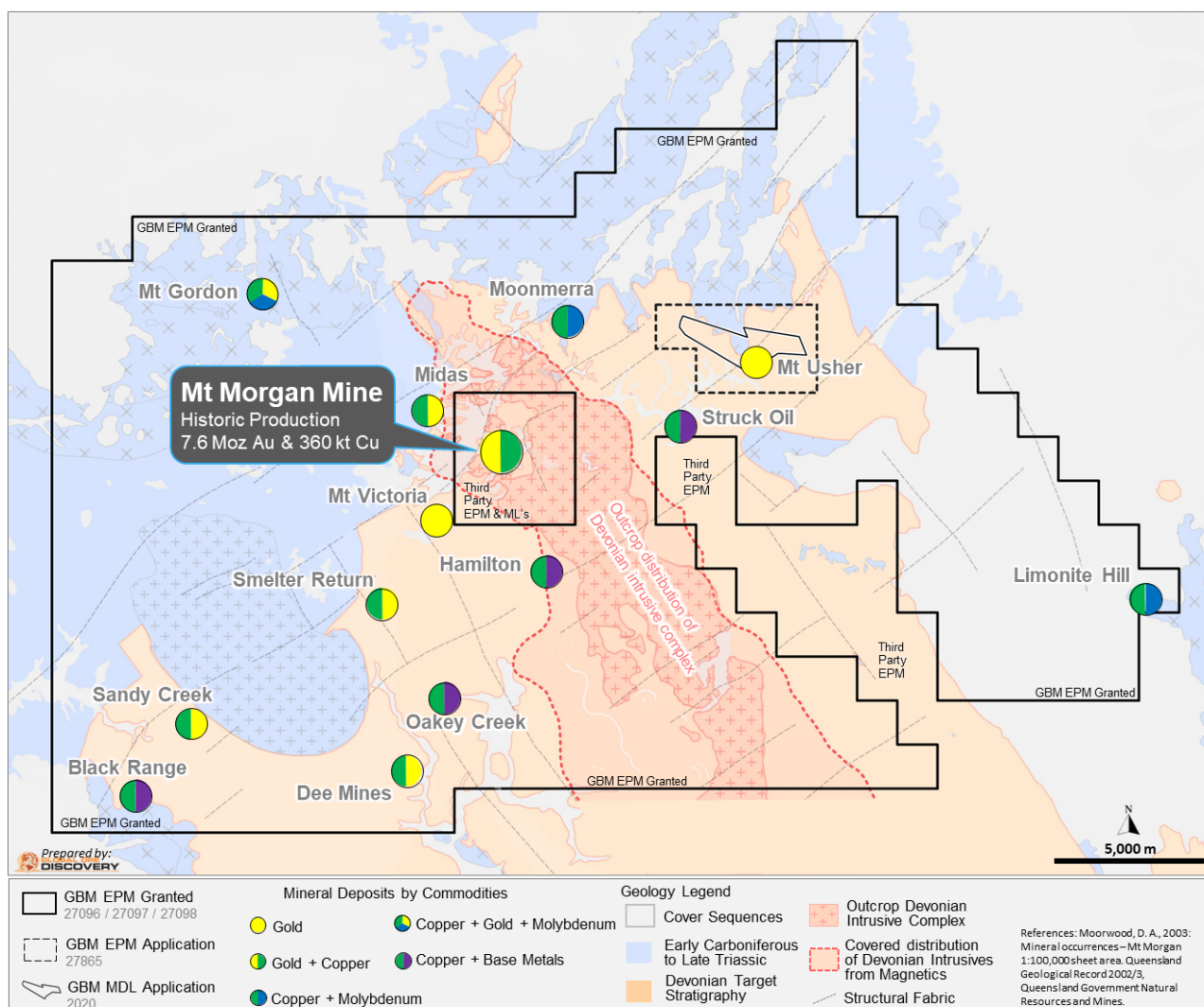
The genesis of the deposit remains contested, but geoscience consultants, Global Ore Discovery, consider that the Mt Morgan deposit is a magmatic related gold-copper deposit that is genetically linked to a Devonian age intrusive complex outcropping in the mine area and over a large area within the GBM claims. The deposit geology suggests mineralization formed in a submarine island arc setting and produced a shallow epigenetic deposit with hybrid epithermal to porphyry transition characteristics.

¹ Morrison, G. and Beams, S., Intrusion-related gold systems of the Charters Towers Province, North Queensland.

² https://www.dpi.nsw.gov.au/_data/assets/pdf_file/0005/266522/New_England_Orogen_Deposits.pdf

³ Taube, A., 1986. The Mount Morgan gold-copper mine and environment, Queensland; a volcanogenic massive sulfide deposit associated with penecontemporaneous faulting. *Economic Geology* 1986;; 81 (6): 1322–1340. doi: <https://doi.org/10.2113/gsecongeo.81.6.1322>

Figure 2: GBM's Mt Morgan Tenements subject to terminated sale agreement



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

Media enquiries

Michael Vaughan
Fivemark Partners
+61 422 602 720
michael.vaughan@fivemark.com.au

About GBM Resources

GBM Resources Limited (ASX: GBZ) is a well-funded Queensland based mineral exploration and development company focused on the discovery of world-class gold and copper deposits in Eastern Australia. The company has a high calibre project portfolio, hosting district scale mineral systems, located in several premier metallogenic terrains.

Its flagship project in the Drummond Basin (QLD) holds ~1.85 Moz of gold in JORC resources (Mt Coolon, Yandan and Twin Hills). Some tenements in the Basin have recently become the subject of a A\$25m farm-in with Newcrest. 2023 will see an expanded drilling program which is aiming to define 2-3 Moz and support GBM's transition into a mid-tier Australian gold company.

Separately it also holds tenements in the Mt Morgan district and in the Mt Isa Inlier in Queensland (JV with Nippon Mining Australia - 54%), and the Malmsbury Project (JV with Novo Resources Corp. - 50%, earning additional 10%) in the prolific Victorian Goldfields. This is complemented by the White Dam Gold-Copper Project in South Australia in which GBM now holds a 100% interest. Divestment of non-core assets will continue.

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

Deposit	Resource Category									Total			Cut-off
	Measured			Indicated			Inferred			000' t	Au g/t	Au oz	
	000' t	Au g/t	Au oz	000' t	Au g/t	Au oz	000' t	Au g/t	Au oz	000' t	Au g/t	Au oz	
Koala - ML													
Open Pit				670	2.6	55,100	440	1.9	26,700	1,120	2.3	81,800	0.4
UG Extension				50	3.2	5,300	260	4	34,400	320	3.9	39,700	2.0
Tailings	114	1.7	6,200	9	1.6	400				124	1.6	6,600	1.0
Sub Total	114	1.7	6,200	729	2.6	60,800	700	2.7	61,100	1,563	2.5	128,100	
Eugenia													
Oxide - Open Pit				885	1.1	32,400	597	1.0	19,300	1,482	1.1	51,700	0.4
Sulphide - Open Pit				905	1.2	33,500	1,042	1.2	38,900	1,947	1.2	72,400	0.4
Sub Total				1,790	1.1	65,900	1,639	1.1	58,200	3,430	1.1	124,100	
Glen Eva - ML													
Sub Total - Open Pit				1,070	1.6	55,200	580	1.2	23,100	1,660	1.5	78,300	0.4
Yandan - ML													
East Hill - Open Pit							20,600	0.8	505,000	20,060	0.8	505,000	0.3
South Hill - Open Pit							900	0.6	16,000	900	0.6	16,000	0.3
Sub Total							21,500	0.8	521,000	21,500	0.8	521,000	
Twin Hills - ML													
309 - Open Pit	830	2.5	73,900	5,480	1.3	235,200	3,650	1.1	129,800	9,960	1.4	438,900	0.4
309 - UG				190	4.0	24,500	480	3.9	59,900	670	3.9	84,400	2.0
Lone Sister - Open Pit				5,250	1.3	277,300	6,550	0.9	188,500	11,800	1.1	415,800	0.4
Lone Sister - UG				370	2.9	34,300	310	2.6	25,800	680	2.7	60,100	2.0
Sub Total	830	2.5	73,900	11,290	1.6	571,300	10,990	1.1	404,000	23,110	1.3	999,200	
Drummond Basin Total	944	2.6	80,100	14,879	1.6	753,200	35,409	0.9	1,067,400	51,263	1.12	1,850,700	
White Dam - ML													
Hannaford - Open Pit				700	0.7	16,400	1,000	0.8	26,900	1,700	0.8	43,300	0.2
Vertigo - Open Pit				300	1.0	9,400	1,400	0.6	29,000	1,700	0.7	38,400	0.2
White Dam North - Open Pit				200	0.5	2,800	1,000	0.6	17,600	1,200	0.5	20,400	0.2
Sub Total				1,200	0.7	28,600	3,400	0.7	73,500	4,600	0.7	101,900	
cut-off grade is 0.20 g/t Au for all, Vertigo is restricted to above 150RL (~70m below surface)													
Malmsbury - RL													
Sub Total - UG							820	4.0	104,000	820	4.0	104,000	2.5
Sub Total - UG - GBM Share							410	4.0	52,000	410	4.0	52,000	2.5
GBM Total	2,004,600												

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

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