

ASX Announcement

27 August 2024

Asset Divestments Update

KEY POINTS

Sale of White Dam Gold Project (South Australia)

- Extension of Exclusivity Period was granted to allow Olary Gold Mines Limited (Olary) until 15 August 2024 to satisfy the condition precedent regarding the minimum funding condition of \$2 million. Refer ASX:GBZ release 2 August 2024.
- Olary and their funding parties have confirmed to GBM that they have secured the minimum funding condition under the term sheet (Refer ASX:GBZ release 8 July 2024) to allow completion by 15 October 2024. Separately, Olary is seeking further funding which may enable the completion date to be brought forward.
- Both parties will continue to work (in a non-exclusive arrangement) to complete the Sale Transaction. Consideration for the sale comprises cash payments of \$2.95 million over 2 years and a 1.5% net smelter royalty for gold and silver to a maximum of \$2.5 million.

Sale of Sevastopol Graphite Rights (North-West QLD)

- GBM has entered into an option agreement with Graphite Plains Pty Ltd (GP) in relation to the sale GBM's 100% owned Sevastopol Graphite Prospect, in North-West QLD .
- Maximum consideration of \$1.2 million and a 1% net smelter royalty applied to graphite product produced.

White Dam Sale Key Terms

On 8 July 2024 GBM Resources Limited (GBM) advised of the proposed sale to Olary of a 100% interest in the issued capital of GBM's 100% owned subsidiary Millstream Resources Pty Ltd (Millstream) and its wholly owned subsidiaries, which hold the White Dam assets and operations.

The transaction is subject to a number of conditions precedent, which included Olary securing \$2 million in funding. Olary has advised the Company that this condition has now been satisfied and remaining conditions, relating to approvals and consents will be sought, where applicable.

GBM has received from Olary a non-refundable deposit of \$50,000 in respect of the period of exclusivity.

Consideration for the sale comprises:

- \$950,000 cash payable prior to 31 July 2024 or a later date as mutually agreed (Completion Date, now extended);
- \$1,000,000 cash payable 12 months from the Completion Date;
- \$1,000,000 cash payable 24 months from the Completion Date; and
- 1.5% net smelter royalty paid quarterly in arrears for all Au and Ag production at White Dam to a maximum of \$2.5 million.

As part of the transaction, Olary will transfer a working capital contribution of a minimum of \$200,000 to Millstream on completion.

Refer to the ASX announcement dated 8 July 2024 and this announcement for further details regarding the proposed sale transaction including the conditions precedent.

Sevastopol Graphite Sale Key Terms

GBM advises that it has entered into an option agreement with GP in respect of the proposed sale of graphite rights on EPM 16398 (as per the area defined in Figure 2 and Table 1 – Appendix 1). GBM owns 100% of the graphite rights.

Signing Payment of \$50,000 has been received for an exclusive option to purchase the 100% owned Graphite Rights at the Sevastopol project (EPM 16398) on the following terms:

1. Consideration of \$150,000 within 12 months of the Commencement Date (or as extended by mutual agreement) (the “Option Period”).
2. If GP exercises the option, it must execute and grant a 1% net smelter royalty on any Graphite Products extracted from the Specific Graphite Area, in favour of GBM.
3. Further consideration of \$1 million on achieving certain milestones, as follows:
 - I. On GP delineating a resource that is at or more than 40 million tonnes, with a contained grade equal to 6% or more of total graphitic carbon, according to the Measured & Indicated category as defined in the JORC Code (Resource), it will make a cash payment of \$250,000 to GBM. (“Milestone One”); and
 - II. On GP successfully completing a feasibility study on the resource described above, will result in an additional cash payment of \$750,000 to GBM (“Milestone Two”).

GBM Managing Director and CEO, Peter Rohner, commented:

“GBM has continued to look to realise value from the sale of non-core assets for GBM’s shareholders, with this graphite project that has been inside GBM for many years. GBM’s focus continues to be on the prospective Drummond Basin where large high grade epithermal gold deposits exist and where it has expanded JORC resources to ~ 1.84 Moz of gold, including a Farm-in agreement with Newmont on the Mt Coolon Project and the more recent partial sale and Farm-in agreement with Wise Walkers on the Twin Hills Project. GBM will continue to support Olary to finalise the acquisition of the White Dam Project.”

This ASX announcement was approved and authorised for release by:
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About GBM Resources

GBM Resources Limited (ASX:GBZ) is a 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.

GBM's flagship project in the Drummond Basin (QLD) holds ~1.84 Moz of gold in JORC resources (Mt Coolon, Yandan and Twin Hills). Some tenements (see Appendix 2) in the Basin are subject to a A\$25m farm-in with Newmont. 2024 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 GBM also holds tenements in the Mt Morgan district, in the Mt Isa Inlier in Queensland (JV with Nippon Mining Australia – 56%) and holds a 100% interest in the White Dam Gold-Copper Project in South Australia. Divestment of these non-core assets is in progress.

About Olary Gold Mines

Olary Gold Mines was formed in January 2022 as an unlisted public company and owns several historic gold mining tenements in the Olary Region of South Australia.

Olary plans to consolidate its existing Olary regional opportunities and expand the toll processing opportunities at the White Dam Project,

Olary is engaged in Research and Development for new Gold ore separation technology which will facilitate lower transport and processing costs to and from the White Dam Project.

About Graphite Plains

Graphite Plains Pty Ltd is a wholly owned subsidiary of Syndicate Minerals Pty Ltd.

Syndicate Minerals Syndicate Minerals Pty Ltd is an exploration company based in Melbourne since 2019 with the focus of acquiring early stage projects in Australia and overseas using the latest exploration methods to explore for the next generation of large mineral deposits. Commodity types include gold, base metals, platinum, silver and critical minerals. Syndicate Minerals is also a shareholder in GBM.

Competent Persons Statement

The Company confirms that it is not aware of any new information or data that materially affects the information included in the respective announcements and all material assumptions and technical parameters underpinning the resource estimates within those announcements continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

APPENDIX 1: Background on Sevastopol Graphite Prospect, Cloncurry, Queensland (the subject of the Option agreement in this announcement), refer ASX:GBZ release 22 September 2014.

Sevastopol and Rhea Extended Graphite Prospects were defined on EPM 16398 around 2014 by GBM. The tenement is part of the Cloncurry Project tenement package and is subject to a Farm-In/Joint Venture agreement with Nippon Mining of Australia (NMA), a wholly owned subsidiary of JX Advanced Metals Corporation (JXM). However, GBM has 100% ownership rights over the two Prospects for graphite outlined in the polygons in Figure 2.

Very large scale graphitic shale deposits were defined from historic base-metal drilling and reprocessed Induced Potential (IP) geophysical data. To date no JORC resources have been defined for the prospects.

The graphitic shale deposit is near surface; only 3-30m of cover sediments and is located close to Ernest Henry mine and related infrastructure as can be seen in Figure 1 below.

Some petrology work has confirmed the graphite grain size, however no metallurgical testwork has been completed on the mineralisation.

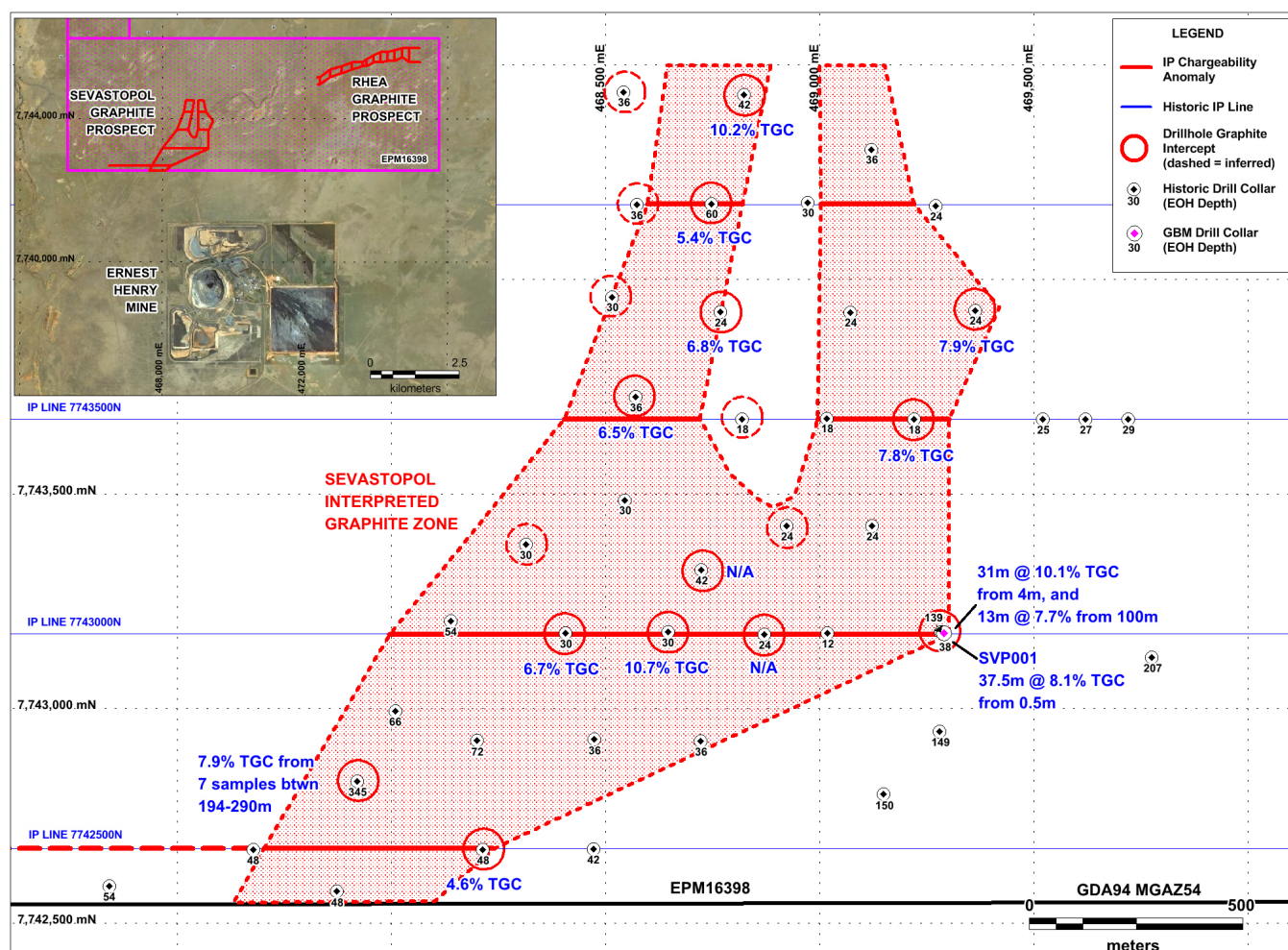


Figure 1: Sevastopol graphite prospect. MIMDAS IP chargeability anomaly and interpreted graphite zone highlighted in red. Historic and GBM drill collars shown; where circled indicates graphitic shale intersection. Most historic drilling is shallow, only just penetrating basement rocks. Refer ASX:GBZ release 22 September 2014.

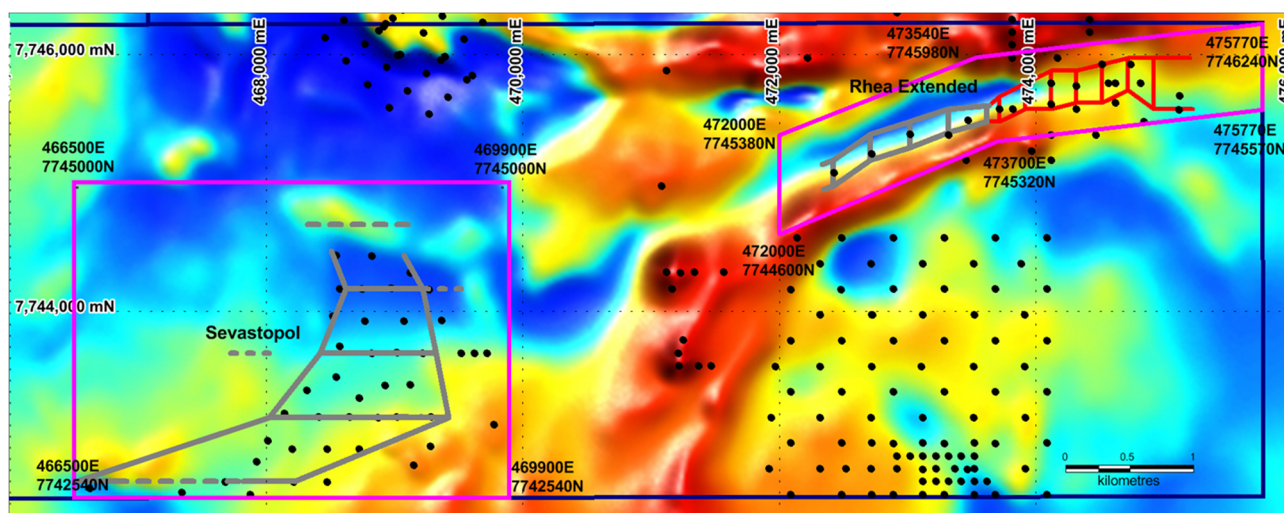


Figure 2: Sevastopol and Rhea Extended graphite prospects with purple polygons outlining GBM's project rights (for graphite) along with historical drill holes. Background image is airborne TMI RTP magnetics.

Hole ID	MGA54_E	MGA54_N	RL	Azimuth	Dip	EOH_Depth	Intercept From_m	Intercept To_m	Intercept Length_m	Grade %TGC
SVP001	469170	7743000	149.7	0	-90	38.0	0.5	38	37.5	8.0
						(Including)	19.0	38.0	19.0	10.4

Table: Summary of drill hole results (SVP001, shown in Figure 1) for a single aircore hole GBM drilling at the Sevastopol prospect in 2014. Refer ASX:GBZ release 22 September 2014.

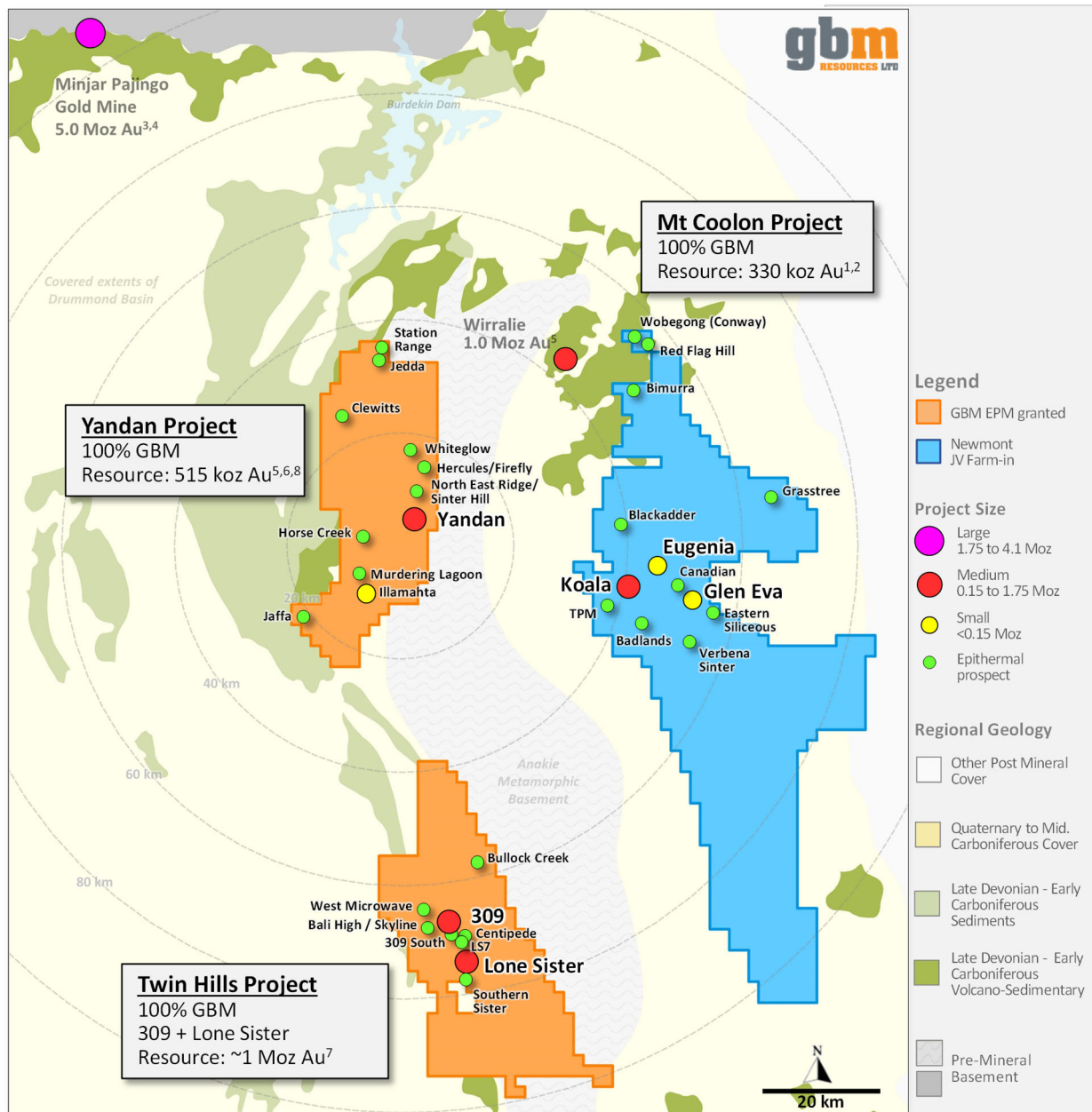
APPENDIX 2: GBM Mineral Resource Estimate for the Drummond Basin Projects (Mt Coolon, Yandan and Twin Hills) along with other company interests

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	
Koala - ML (subject to the 2022 farm-in agreement with Newmont, formerly Newcrest)													
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 (subject to the 2022 farm-in agreement with Newmont, formerly Newcrest)													
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 (subject to the 2022 farm-in agreement with Newmont, formerly Newcrest)													
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				4,860	1.5	240,000	7,900	0.8	203,000	12,800	1.1	443,000	0.4
Yandan South - Open Pit							900	0.6	16,000	900	0.6	16,000	0.3
Sub Total				4,860	1.5	240,000	8,800	0.8	219,000	13,700	1.0	459,000	
Illamahta													
Oxide - Open Pit							1,147	0.7	26,900	1,147	0.7	26,900	0.4
Sulphide - Open Pit							1,045	0.9	28,600	1,045	0.9	28,600	0.4
Sub Total							2,192	0.8	55,500	2,192	0.8	55,500	
Twin Hills - ML													
309 - Open Pit	830	2.8	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	2.8	73,900	11,290	1.4	521,300	10,990	1.1	404,000	23,110	1.3	999,200	
Drummond Basin Total	944	2.6	80,100	19,739	1.5	943,200	24,901	1.0	820,900	45,655	1.26	1,844,200	
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 (~70 m below surface)													
GBM Total	1,946,100												

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 reviewed or verified by Newmont and are on tenements subject to the 2022 farm-in agreement with Newmont (formerly Newcrest)
 - Yandan – GBM ASX Announcement, 23 December 2020, Mt Coolon and Yandan Combined Resources Total 852,000 oz, following completion of Yandan acquisition, GBM ASX Announcement, 14 March 2023, Results of Yandan Mineral Resource Update
 - 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. Subject to partial sale to Wise Walkers - GBM Announcement 15 July 2024
 - White Dam – GBM ASX Announcement, 18 August 2020, White Dam Maiden JORC 2012 Resource of 102 koz
- 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

APPENDIX 3: GBM holds 4,667 km² of mining and exploration tenure across 23 granted EPMs and 7 Mining Leases within the Drummond Basin, Australia's pre-eminent epithermal gold terrain. This includes granted mining leases at Twin Hills, Yandan, and Mt Coolon. Along with a key JV with Newmont on the Mt Coolon tenements.



Mt Coolon Project tenements (blue above) subject to Newmont Farm-in include; EPM's 15902, 25365, 25850, 7259, 26842, 26914, 27555, 27556, 27557, 27558, 27598 and ML's 10227, 1029, 1085, 1086.

Twin Hills Project tenements, subject to partial sale to Wise Walkers – ASX:GBZ release 15 July 2024