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ASX Announcement
8 August 2023

White Dam Project Update

KEY POINTS

- Sale of non-core exploration lease EL 6299 to Havilah Resources Limited (ASX:HAV) with low gold/copper prospectivity for $100,000 and the right to mine potential oxide gold/copper resources at Havilah's Green & Gold and Wilkins prospects near White Dam, subject to a 1% Net Smelter Return (NSR) royalty payable to Havilah. See Figure 1 for more details on tenements and prospects.
- Additional cash from copper concentrate sale (provisional payment) and gold production of ~$403,000 received during July and early August. Remaining payment for concentrate expected in September once final assays received.
- A new exploration lease (~438 km^2) west of White Dam has been applied for that is prospective for gold mineralisation between the old Manna Hill and Outalpa goldfields. See Figure 2 for location relative to White Dam.
- These actions plus some other discussions that are ongoing with another regional resource owner are key steps in maximising the value of White Dam ahead of divestment. Discussions with several interested parties are continuing in parallel with GBM's actions on divestment. Further announcements will be made when binding agreements are completed.

GBM Resources Limited (ASX: GBZ) (GBM or the Company) is pleased to provide an update of activities relating to its 100% owned White Dam operation, located southwest of Broken Hill in South Australia.

GBM Managing Director & CEO, Peter Rohner, commented: ***"We continue to look at ways to add value for shareholders while we conduct an orderly process to divest the White Dam asset."***

Sale of EL6299 Lease and Rights to Potential Ore

GBM Resources Limited is pleased to announce that it has signed an agreement with Havilah Resources (ASX: HAV) for the sale of EL 6299 (Tenement) near Olary in the northeast of South Australia. EL 6299 covers an area of 49 square kilometres, that is largely underlain by extensive outcrops of the Braemar Iron Formation and not prospective for gold and copper (see Figure 1).

Havilah has agreed to pay GBM $100,000 for the Tenement split between $50,000 on completion of transfer of the Tenement and $50,000 on commencement of first commercial production of iron ore. As part of the purchase terms Havilah has offered GBM the first right to any oxidised gold/copper ore at its Green and Gold and Wilkins copper-gold prospects that are located near White Dam, subject to a 1% Net Smelter Return royalty payment.

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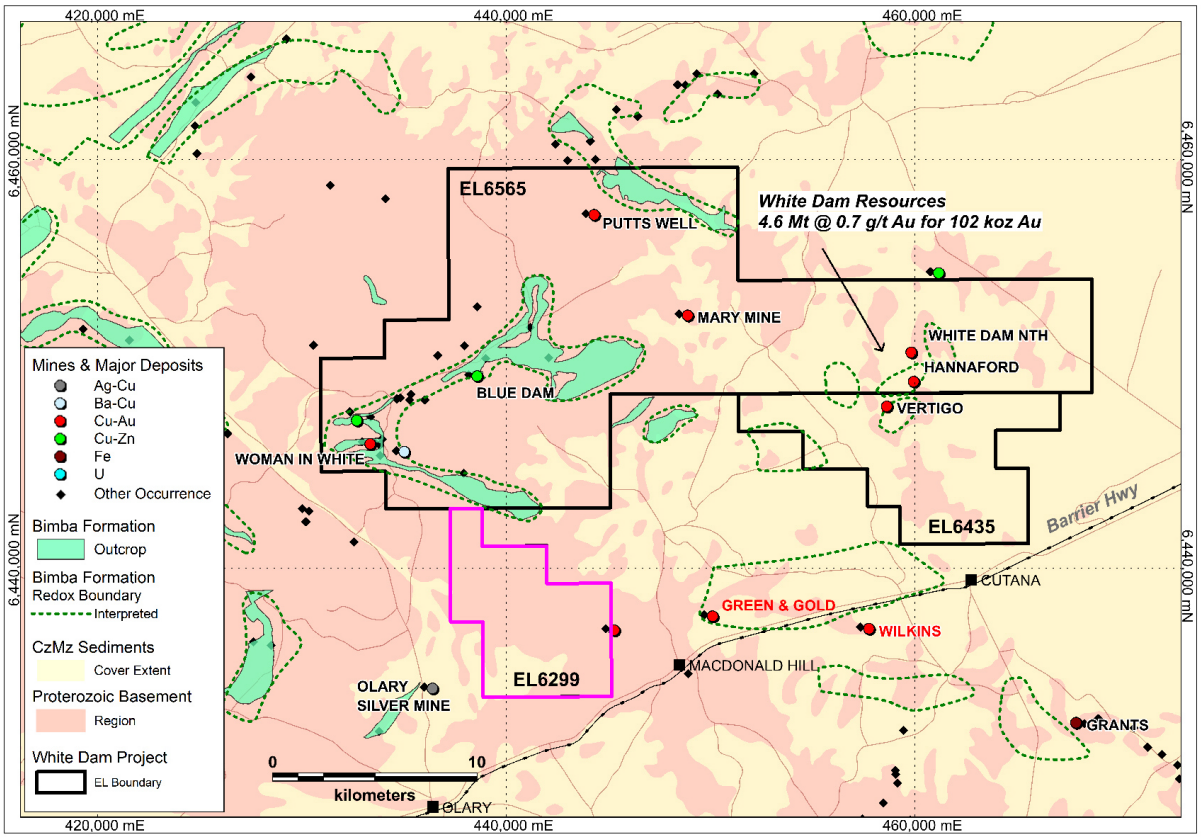

Figure 1: *EL6299 highlighted (pink) along with location of Green & Gold and Wilkins Prospects*

Copper Concentrate Sale

All copper concentrate that was produced at White Dam has now been shipped from site and sold to Glencore.

A provisional payment was received in late July of ~$200k with final assays and final payment likely in September.

Figure 2: First shipment of copper concentrate leaving White Dam.

In addition payment for the gold bar representing June quarter production was received totaling ~$203k

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New Lease Application

To support additional potential life extension at the White Dam gold/copper Heap Leach operation, GBM has applied for a new Exploration Licence (ELA 2023/00009) in the name of Exco Operations (SA) Pty Limited; Polymetals (White Dam) Pty Ltd located near Manna Hill. See Figures 3, 4 and 5.

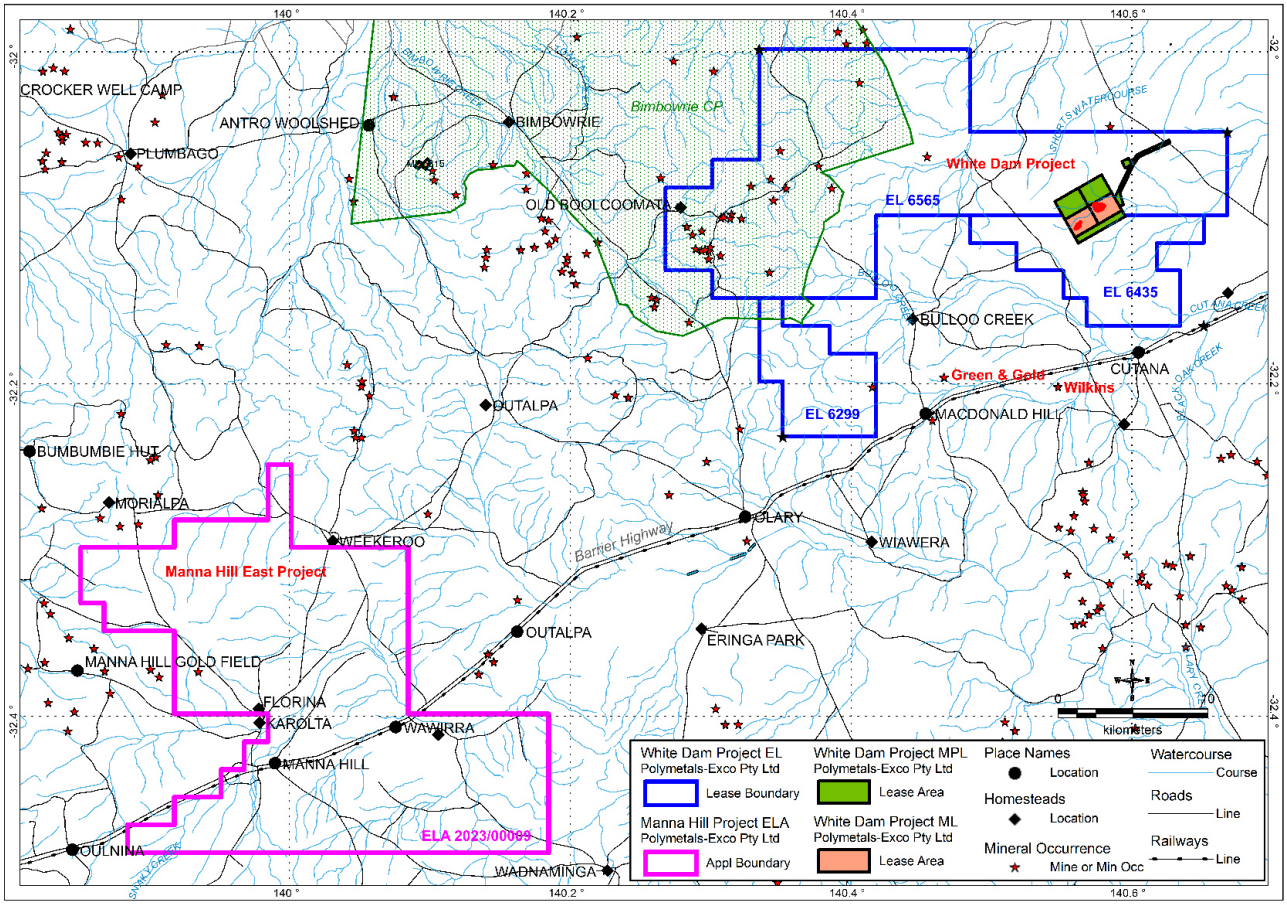

Figure 3: *Showing new lease application (pink) and location relative to White Dam operation and leases.*

The area is between the outcropping areas of the old Manna Hill and Outalpa Goldfields.

The spatial relationship between fold and fracture cleavage orientation and gold bearing quartz veins at the Manna Hill and Outalpa gold mines is evidence that the structural setting is a major control on the localisation of the gold mineralisation.

A total of 40,000 oz of gold production was reported from several small deposits located along three main gold reefs in the Manna Hill goldfield[1]. Other historic gold deposits in the area include the Boomerang, Coo-ee and Golden Dewdrop reefs of the Outalpa field (located immediately east of the ELA area), with the King's Bluff, Mt Perseverance and Olary Silver mines occurring further east.

Newmont inferred a possible resource along the Westward Ho line of workings at Manna Hill of 4 Mt, prior to drill testing in the 1980's. Jarmand Minerals then used Newmont's drilling results to estimate a resource of 1.7 Mt @ 2.5 g/t Au [2] for approximately 137 koz gold along the lode line from Westward Ho to Eudunda Hope. Both Newmont and Jarmand located the Eudunda Hope mine in the same group of workings as Westward Ho, approximately 10 km west of the MINOCC database location shown in the accompanying maps.

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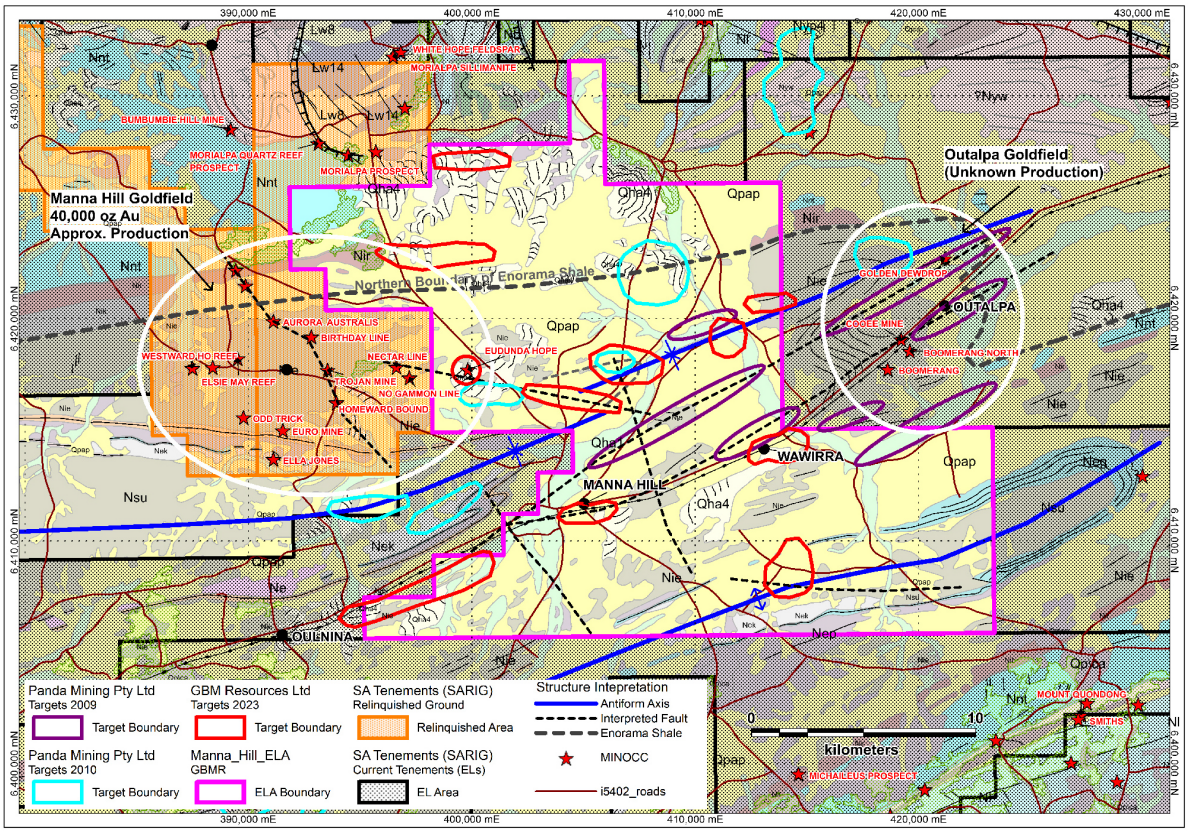

Figure 4: *ELA and regional geology*

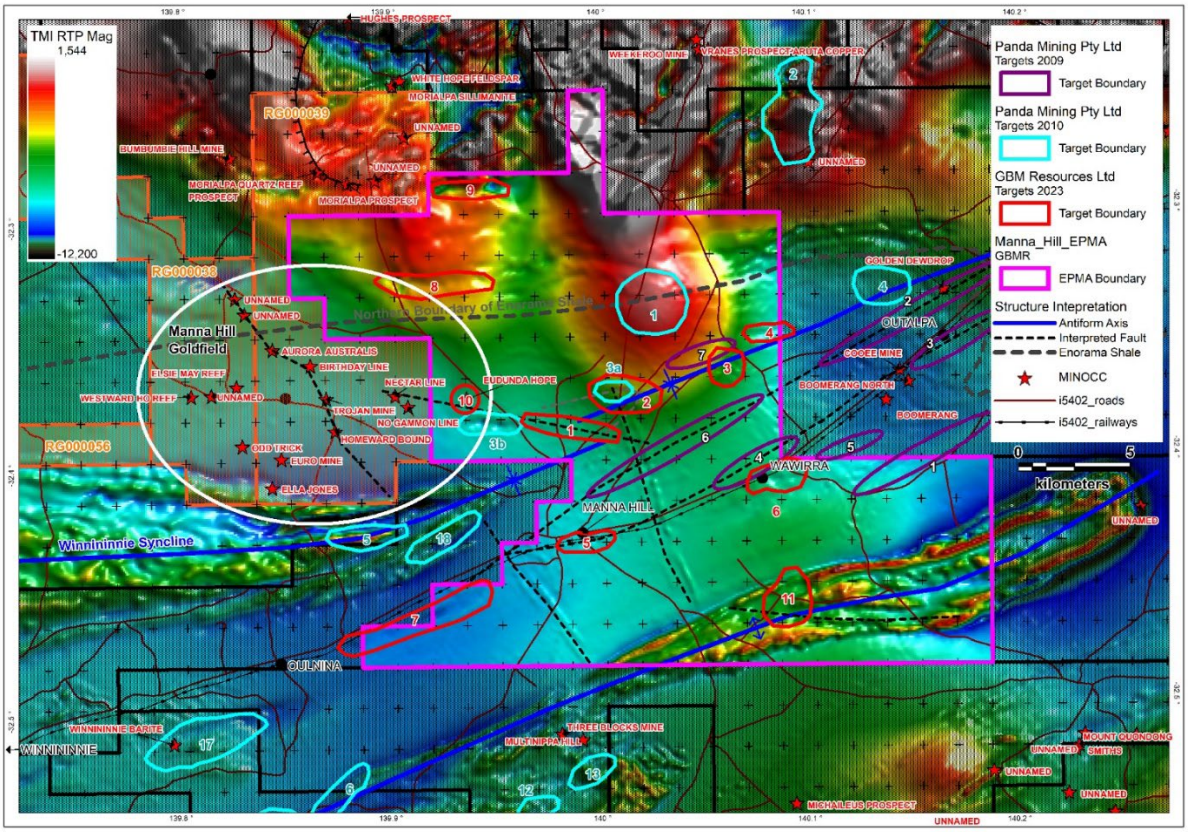

Figure 5: *ELA and regional magnetic data*

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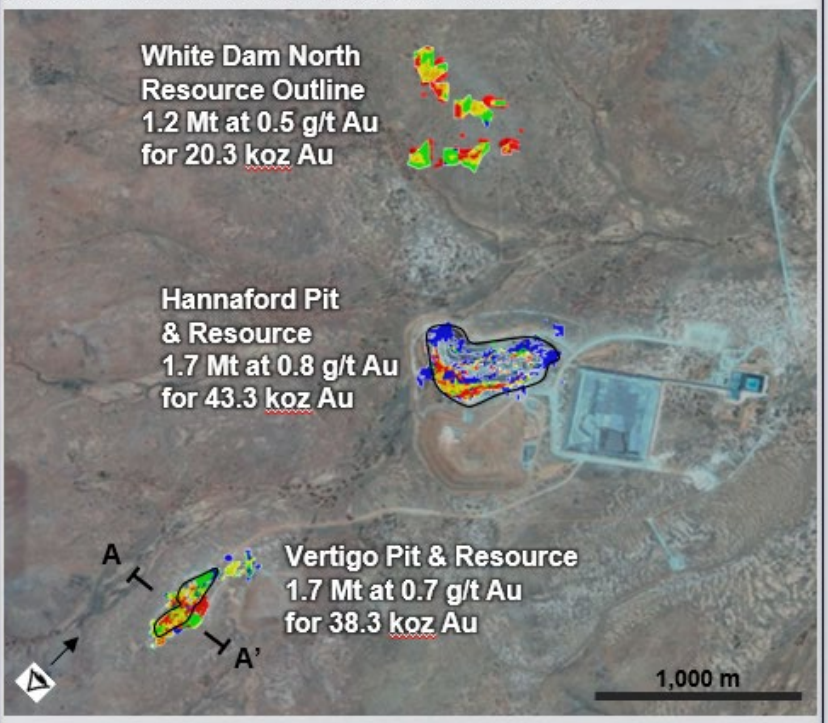
White Dam Operation and Sale Update

GBM continues to advance projects at White Dam than can increase production and profitability at the site from the existing heap leach operation (remaining resources) and the 101,900 oz Au JORC resources that remain at the Project (Refer ASX:GBZ release 10 August 2020).

GBM White Dam Gold Resource – JORC 2012 [1]



Area	Resource Category	Quantity (tonnes)	Grade Au (g/t)	Contained Gold (ounces)
Total	Measured	-	-	-
	Indicated	1,200,000	0.7	28,600
	Inferred	3,400,000	0.7	73,500
	Total	**4,600,000**	**0.7**	**101,900**

Project economics for further mining of the existing pits are encouraging in light of the significantly higher A$ gold price. In addition, discussions are continuing with another regional resource owner to look at ways to work together for mutual benefit (ore tolling etc.) while parallel discussions on the divestment of White Dam are continuing with interested parties. Further announcements will be made when binding agreements are completed.

References:
1. Panda Mining report discussed in SARIG report

2. SARIG ENV05260 page 100 of 177 pages

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

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 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 GBM also holds tenements in the Mt Morgan district, in the Mt Isa Inlier in Queensland (JV with Nippon Mining Australia - 56%) and also holds a 100% interest in the White Dam Gold-Copper Project in South Australia. Divestment of these non-core assets is in progress.

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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	
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				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 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, 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
- 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