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ABN 91 124 752 745

**Financial Report**

**For the Half-Year Ended  
31 December 2023**

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**Corporate Directory**

**Directors**

Guan Huat Sunny Loh  
*Non-Executive Chairman*

Peter Rohner  
*Managing Director*

Peter Thompson  
Non-Executive Director

**Company Secretary**

Kevin Hart  
Dan Travers

**Registered Office**

Suite 8, 7 The Esplanade  
Mt Pleasant WA 6153  
AUSTRALIA  
Telephone: +61 493 239 674

**Principal Place of Business**

Level 5, Suite 502  
303 Coronation Drive  
Milton QLD 4064  
AUSTRALIA

**Auditors**

HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth WA 6000  
AUSTRALIA

**Share Registry**

Computershare Investor Services  
Level 17, 221 St Georges Terrace  
Perth WA 6000  
AUSTRALIA  
Telephone: +61 8 9323 2000

**Securities Exchange Listing**

GBM Resources Limited - shares are listed on the  
Australian Securities Exchange (ASX Code: GBZ)

**Solicitors**

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Building  
16 Milligan Street  
Perth WA 6000  
AUSTRALIA

**Website and e-mail address**

[www.gbmr.com.au](http://www.gbmr.com.au)

Email: [reception@gbmex.com.au](mailto:reception@gbmex.com.au)

## Directors' Report

The Directors present the consolidated financial statements of GBM Resources Limited for the half-year ended 31 December 2023.

### Directors

The following persons were directors of GBM Resources Limited during the whole of the half-year and up to the date of this report, unless stated otherwise:

Guan Huat Sunny Loh	Non-Executive Chairman
Peter Rohner	Managing Director
Peter Thompson	Non-Executive Director

### Company Secretary

Kevin Hart	Joint Company Secretary
Dan Travers	Joint Company Secretary

### Review of Operations

The consolidated net loss after income tax for the half-year was \$2,922,523 (31 December 2022: \$975,642), which includes exploration costs expensed and written off of \$38,465 (31 December 2022: \$191,548); net interest and finance costs of \$336,174 (31 December 2022: \$1,340,843 net income), and fair value losses of \$533,909 (31 December 2022: \$254,572 fair value gain).

At the end of the half-year the Group had \$254,428 (30 June 2023: \$1,901,042) in cash and at call deposits and approximately \$123,000 in listed shares that are available for trading.

Capitalised mineral exploration and evaluation expenditure at 31 December 2023 was \$45,522,633 (30 June 2023: \$45,629,203).

#### Exploration

Exploration expenditure incurred for the six months ended 31 December 2023 on the Company's wholly owned projects was \$1,478,061 (31 December 2022: \$3,404,154) and for the Farm-in projects was \$199,119 (31 December 2022: \$615,576).

During the half year, GBM undertook a systematic field review of identified high potential prospects across both the Twin Hills Gold Project and continued reviewing historical data at the Yandan Gold Project. Funding models to advance Twin Hills and Yandan exploration projects have been progressed with interested parties.

Work continued on the Mt Coolon Gold Project farm-in with Newcrest (now Newmont) with a multifaceted geophysical, geochemical and geological exploration program being completed. Expenditure during the reporting period was ~\$3.5 million, with a total expenditure on the farm-in to date of \$7.4 million.

Exploration activities also continued on other farm-in and joint venture projects.

#### Production – White Dam

In August 2023, the Company entered into a strategic binding agreement with Benagerie Gold & Copper Pty Ltd (BGC) to advance GBM's White Dam Project and BGC's Portia Gold Projects. BGC, via an associated company, mobilised its mining equipment at site to carry out activities enabling the treatment of remaining ROM pad material and rehandling/stacking of poorly irrigated heap leach material to increase gold production.

Gold production for the reporting period was 248 ounces with 246 ounces being sold during the period.

## **Directors' Report**

### **Review of Operations (continued)**

#### Corporate

During the reporting period, the Company raised \$1.1 million from the issue of 114,814,816 ordinary shares to institutional and sophisticated investors. Further work was undertaken on capital raising activities for a share placement and non-renounceable entitlement offer to be finalised in early 2024 to raise up to approximately \$3.5 million.

The Company continued with the rationalisation of its tenements. GBM entered into a Farm-In Agreement with Syndicated Minerals Pty Ltd (SM) under which SM can earn up to a 60% interest in selected commodities (Uranium, Rare Earth Elements, etc) on White Dam exploration licences EL 6435 and EL 6565. Non-core exploration lease EL 6299 was sold to Havilah Resources Limited for a consideration including \$100,000 cash payment (in stages) along with some development rights to two Havilah owned prospects Green and Gold and Wilkins, near White Dam.

### **Significant Changes in the State of Affairs of the Group**

Other than as stated above and elsewhere in this report, there have been no significant changes in the state of affairs of the Group during the period ended 31 December 2023.

### **Events Subsequent to the Reporting Date**

Other than the matters stated below, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 30 January 2024, a Pro-Rata Non-Renounceable Entitlement Offer closed. The Offer was on the basis of one New Share for every four Shares held in the Company at an issue price of \$0.009 per New Share. In addition, for each 2 New Shares issued, one option was issued with an exercise price of \$0.015 and expiring 24 months from the date of issue. At the date of this report, the Company has issued 143,158,720 New Shares and 71,579,344 Options under the Offer to raise approximately \$1.3 million (before costs).
- On 11 March 2024, a general meeting of shareholders was convened. One of the resolutions approved by shareholders related to amending the terms of the convertible notes held by Collins St Convertible Notes Pty Ltd (Collins Street) to allow \$900,000 of the convertible note debt to be converted into equity via the issue of 100,000,000 Shares (at an issue price of \$0.009) and 50,000,000 free attaching Options. In addition, the amendment of the conversion price from approximately \$0.06 to \$0.02 was approved.
- On 15 March 2024, the Company issued 100,738,888 shares under Tranche 2 of the Placement announced to the ASX on 20 December 2023 raising approximately \$907,000. A total of 105,924,993 free attaching options were issued in respect of Placement Shares issued under both tranches of the Placement. In addition, 100 million shares and 50 million free attaching options were issued to Collins Street for the conversion of \$900,000 of convertible note debt to equity.

**Directors' Report**

**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 15<sup>th</sup> day of March 2024.



**Peter Rohner**  
**Managing Director**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of GBM Resources Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
15 March 2024



M R Ohm  
Partner

**h**l**b.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@h**l**bwa.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**GBM Resources Limited**  
**ABN 91 124 752 745**

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2023**

	Note	Consolidated	
		31 December 2023 \$	31 December 2022 \$
Revenue from metal sales		<b>640,355</b>	1,032,490
(Loss)/gain on sale of assets	3	<b>(38)</b>	231,621
Other revenue	3	<b>47,338</b>	228,104
Interest and finance income		<b>166,018</b>	27,485
Interest and finance expenses		<b>(502,192)</b>	1,313,358
Net interest and finance (expenses)/income	3	<b>(336,174)</b>	1,340,843
Processing expenses		<b>(1,350,127)</b>	(1,609,749)
Royalty expenses		<b>(54,328)</b>	-
Employee expenses		<b>(369,298)</b>	(464,867)
Employee expenses – share based	16	<b>(23,309)</b>	(237,673)
Consulting and professional expenses		<b>(135,729)</b>	(281,619)
Exploration costs expensed and written off	8	<b>(38,465)</b>	(191,548)
Depreciation and amortisation expenses		<b>(308,108)</b>	(574,482)
Fair value (loss)/gain on investments	10	<b>(533,909)</b>	254,572
Foreign exchange gain/(loss)		-	(1,547)
Administration and other expenses		<b>(460,731)</b>	(701,787)
<b>Loss before income tax</b>		<b>(2,922,523)</b>	(975,642)
Income tax benefit		-	-
<b>Net loss for the half-year attributable to the members of the parent entity</b>		<b>(2,922,523)</b>	(975,642)
Other comprehensive income		-	-
<b>Total comprehensive loss for the period attributable to the members of the parent entity</b>		<b>(2,922,523)</b>	(975,642)
<b>Loss per share</b>			
Basic loss per share (cents)		<b>(0.5)</b>	(0.2)
Diluted loss per share (cents)		<b>(0.5)</b>	(0.2)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



**GBM Resources Limited**  
**ABN 91 124 752 745**

**Condensed Consolidated Statement of Financial Position**  
**As at 31 December 2023**

		Consolidated	
		31 December 2023	30 June 2023
		\$	\$
	Note		
<b>Current assets</b>			
Cash and cash equivalents	4	254,428	1,901,042
Trade and other receivables	5	68,729	387,495
Prepayments		869,602	523,343
Asset held for sale	6	133,964	132,775
Inventories	7	368,715	299,267
Financial assets	10	834,498	132,512
<b>Total current assets</b>		<b>2,529,936</b>	<b>3,376,434</b>
<b>Non-current assets</b>			
Prepayments	13	658,332	1,045,011
Exploration and evaluation expenditure	8	45,522,633	45,629,203
Right-of-use assets	9	49,347	91,644
Property, plant and equipment		2,502,569	2,749,512
Financial assets	10	-	1,246,392
Bonds and security deposits	5	10,026,787	9,839,106
<b>Total non-current assets</b>		<b>58,759,668</b>	<b>60,600,868</b>
<b>Total assets</b>		<b>61,289,604</b>	<b>63,977,302</b>
<b>Current liabilities</b>			
Trade and other payables	11	1,333,740	598,230
Employee leave liabilities		292,794	306,313
Lease liabilities	12	55,854	97,676
Borrowings	13	7,450,105	32,276
Provisions	14	117,751	30,000
<b>Total current liabilities</b>		<b>9,250,244</b>	<b>1,064,495</b>
<b>Non-current liabilities</b>			
Employee leave liabilities		136,629	128,285
Borrowings	13	-	7,360,421
Provisions	14	13,388,853	15,068,667
<b>Total non-current liabilities</b>		<b>13,525,482</b>	<b>22,557,373</b>
<b>Total liabilities</b>		<b>22,775,726</b>	<b>23,621,868</b>
<b>NET ASSETS</b>		<b>38,513,878</b>	<b>40,355,434</b>
<b>Equity</b>			
Issued capital	15	66,936,608	65,878,950
Option capital		193,694	193,694
Accumulated losses		(29,512,056)	(26,589,533)
Reserves		895,632	872,323
<b>TOTAL EQUITY</b>		<b>38,513,878</b>	<b>40,355,434</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

**GBM Resources Limited**  
**ABN 91 124 752 745**

**Condensed Consolidated Statement of Changes in Equity**  
**For the half-year ended 31 December 2023**

	Issued Capital	Option Capital	Accumulated losses	Share based payment reserve	Convertible Note Reserve	Total
	\$	\$	\$	\$	\$	\$
At 1 July 2022	62,217,473	977,990	(25,523,814)	773,056	-	38,444,705
Total comprehensive loss for the half-year:						
Loss for the half-year	-	-	(975,642)	-	-	(975,642)
Shares issued net of costs	1,598,473	-	-	-	-	1,598,473
Issue of convertible notes	-	-	-	-	110,806	110,806
Exercise of options/rights	664,816	(9,522)	-	(226,727)	-	428,567
Cancellation of options	-	(968,468)	968,468	-	-	-
Fair value of options/rights vesting	-	-	-	237,673	-	237,673
At 31 December 2022	64,480,762	-	(25,530,988)	784,002	110,806	39,844,582
<b>At 1 July 2023</b>	<b>65,878,950</b>	<b>193,694</b>	<b>(26,589,533)</b>	<b>761,517</b>	<b>110,806</b>	<b>40,355,434</b>
<b>Total comprehensive loss for the half-year:</b>						
<b>Loss for the half-year</b>	<b>-</b>	<b>-</b>	<b>(2,922,523)</b>	<b>-</b>	<b>-</b>	<b>(2,922,523)</b>
<b>Shares issued net of costs</b>	<b>1,038,604</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,038,604</b>
<b>Shares issued in lieu of services</b>	<b>19,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,026</b>
<b>Exercise of options/rights</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>
<b>Fair value of options/rights vesting</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,309</b>	<b>-</b>	<b>23,309</b>
<b>At 31 December 2023</b>	<b>66,936,608</b>	<b>193,694</b>	<b>(29,512,056)</b>	<b>784,826</b>	<b>110,806</b>	<b>38,513,878</b>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**GBM Resources Limited**  
**ABN 91 124 752 745**

**Condensed Consolidated Statement of Cash Flows**  
**For the half-year ended 31 December 2023**

	Consolidated	
	31 December 2023 \$	31 December 2022 \$
<b>Cash flows from operating activities</b>		
Cash receipts from metal sales	938,417	1,032,490
Payments to suppliers and employees	(1,986,155)	(3,169,440)
Government assistance, grants and tax incentives	-	146,926
Interest received	166,018	27,485
JV management fee income	47,338	78,596
Interest and other costs of finance paid	(271,498)	(135,382)
Net cash used in operating activities	<u>(1,105,880)</u>	<u>(2,019,325)</u>
<b>Cash flows from investing activities</b>		
Refunds of bonds and security deposits	12,318	-
Payments to acquire property, plant and equipment	-	(26,726)
Funds provided by JV partner under farm-in agreement	441,822	956,088
Proceeds from sale of investments	10,459	1,832,409
Proceeds from sale of tenements	-	210,000
Payments for exploration and evaluation, including joint venture spend	(2,054,919)	(6,018,900)
Net cash used in investing activities	<u>(1,590,320)</u>	<u>(3,047,129)</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	1,100,000	1,669,540
Share issue costs	(66,000)	(71,068)
Proceeds from the exercise of options	-	404,042
Proceeds from loans and borrowings	199,604	7,743,229
Repayment of loans and borrowings	(142,196)	(147,678)
Repayment of lease liabilities	(41,822)	(41,532)
Net cash from financing activities	<u>1,049,586</u>	<u>9,556,533</u>
Net (decrease)/increase in cash held	<u>(1,646,614)</u>	4,490,079
Cash at the beginning of the period	1,901,042	836,149
Effect of foreign currency exchange on cash	-	(1,547)
<b>Cash at the end of the period</b>	<u>254,428</u>	<u>5,324,681</u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**

**NOTE 1 BASIS OF PREPARATION OF HALF-YEAR REPORT**

These general purpose financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Compliance with AASB 134 ensures that the financial statements comply with International Financial Reporting Standard IAS 134: Interim Financial Reporting.

The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on the historical cost basis except for the revaluation of certain financial assets to fair value.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made by GBM Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in these half-year financial statements as compared with the most recent annual financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**Significant accounting judgements and key estimates**

The preparation of half-year reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2023.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

**Going Concern**

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As at 31 December 2023, the Group has cash assets of \$254,428, total current assets of \$2,529,936 and total current liabilities of \$9,250,244. The loss for the reporting period was \$2,922,523 and operating and investing cash outflows were \$2,696,200. In addition to the current liabilities highlighted above, the Group makes reference to the ~\$3.2 million financial surety required as outlined in note 19(iv).

Notwithstanding these factors, the Directors are of the opinion that the Company is a going concern for the following reasons:

- Subsequent to the end of the reporting period, the Company raised approximately \$1.3 million pursuant to a non-renounceable entitlement issue and is currently seeking to place the remaining shortfall securities thereby raising up to an additional \$0.36 million.

**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**

**NOTE 1 BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)**

- Following shareholder approval at a general meeting held on 11 March 2024, the Company has:
  - issued placement shares to directors to raise \$0.44 million;
  - issued placement shares to Collins St Convertible Notes Pty Ltd (Collins St) to raise \$0.46 million; and
  - converted \$0.9 million of the Collins St second convertible note debt into equity.
- Whilst the convertible note debt was required, under accounting standard *AASB 101 Presentation of Financial Statements*, to be classified as a current liability at 31 December 2023, had the note restructure discussions with the noteholder and required approvals been obtained prior to the end of the reporting period, the convertible note debt would have been classified as non-current. At the date of this report, the debt is non-current and repayable in 2025 pursuant to the terms and conditions of the convertible note agreement. (refer note 13).
- Negotiations for the divestment of certain assets are continuing.
- The remaining interest payable on the convertible notes has been prepaid.
- Expenditure on future exploration activity is largely discretionary and is entirely dependent on available cash.

The Directors will continue to manage the Group's activities with due regard to current and future funding requirements. The Directors reasonably expect that the Company will be able to raise sufficient capital to fund the Group's exploration and working capital requirements if required, and that the Group will be able to settle debts as and when they become due and payable.

The Group's ability to continue as a going concern and meet future working capital requirements is dependent on the above points being realised. Should the Company not be successful in generating the required cash flows, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

**Adoption of new and revised accounting standards**

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group for the reporting period ended 31 December 2023.

The consolidated half-year financial statements were approved by the Board of Directors on 15<sup>th</sup> March 2024.

**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**

**NOTE 2 SEGMENT INFORMATION**

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group has two operating segments, these being mineral exploration and resource development within Australia and production of minerals in Australia.

The following tables present revenue and profit information and certain asset and liability information regarding operating segments.

<b>31 December 2023</b>	<b>Mineral Exploration \$</b>	<b>Mineral Production \$</b>	<b>Consolidated \$</b>
Segment income	47,338	640,355	<b>687,693</b>
Net interest and finance expenses (note 3)	(335,945)	(229)	<b>(336,174)</b>
Other segment expenses	(1,457,194)	(1,816,848)	<b>(3,274,042)</b>
Segment profit/(loss)	(1,745,801)	(1,176,722)	<b>(2,922,523)</b>
Current assets	2,113,609	416,327	<b>2,529,936</b>
Non-current assets	54,822,281	3,937,387	<b>58,759,668</b>
Current liabilities	(8,296,988)	(953,256)	<b>(9,250,244)</b>
Non-current liabilities	(9,032,284)	(4,493,198)	<b>(13,525,482)</b>
Net assets	39,606,618	(1,092,740)	<b>38,513,878</b>
<b>31 December 2022</b>	<b>Mineral Exploration \$</b>	<b>Mineral Production \$</b>	<b>Consolidated \$</b>
Interest and financing income (note 3)	1,697,331	173,164	<b>1,870,495</b>
Other income	459,725	1,032,490	<b>1,492,215</b>
Segment income	2,157,056	1,205,654	<b>3,362,710</b>
Segment expenses	(2,042,548)	(2,295,804)	<b>(4,338,352)</b>
Segment profit/(loss)	114,508	(1,090,150)	<b>(975,642)</b>
Current assets	5,621,769	774,414	<b>6,396,183</b>
Non-current assets	51,797,272	7,790,165	<b>59,587,437</b>
Current liabilities	(1,229,604)	(457,837)	<b>(1,687,441)</b>
Non-current liabilities	(20,418,433)	(4,033,164)	<b>(24,451,597)</b>
Net assets	35,771,004	4,073,578	<b>39,844,582</b>

**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**

**NOTE 3 LOSS FROM ORDINARY ACTIVITIES**

Included in loss before income tax are the following specific items of income/(expense):

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
Gain on disposal of exploration assets <sup>1</sup>	-	274,389
(Loss)/gain on disposal of investments	<b>(38)</b>	<b>(42,768)</b>
<b>Total gain on disposal of assets</b>	<b>(38)</b>	<b>231,621</b>

<sup>1</sup> Gain on sale of the Mayfield Project to C29 Metals Limited.

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
Joint venture management fee income	<b>47,338</b>	78,595
Research and development rebate	-	146,926
Other income	-	2,583
<b>Total other revenue</b>	<b>47,338</b>	<b>228,104</b>
Interest income	<b>166,018</b>	27,485
Discount on rehabilitation provision	<b>(106,995)</b>	1,843,010
Convertible note establishment fee	-	(300,000)
Interest expense – convertible notes	<b>(392,222)</b>	(218,630)
Interest expense – leases	<b>(1,654)</b>	(2,810)
Interest expense – other	<b>(1,321)</b>	(8,212)
<b>Net interest and finance (expenses)/income</b>	<b>(336,174)</b>	<b>1,340,843</b>

**NOTE 4 CASH AND CASH EQUIVALENTS**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
<b>a) Cash and cash equivalents</b>		
Cash at bank and on hand	<b>254,428</b>	<b>1,901,042</b>

**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**

**NOTE 4 CASH AND CASH EQUIVALENTS (continued)**

**b) Cash available for specific use**

Included in cash and cash equivalents is \$27,989 (30 June 2023: \$209,428) relating to cash calls received in advance from farm in and joint venture partners. These funds are for specific use on tenements covered under the Cloncurry Joint Venture agreement.

**NOTE 5 TRADE AND OTHER RECEIVABLES**

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
<b>Current</b>		
Trade receivables	9,251	387,495
GST recoverable	35,344	-
Accrued income	24,134	-
	<b>68,729</b>	<b>387,495</b>
<b>Non-current</b>		
Environmental bonds and security deposits for:		
Mount Coolon Gold Project	1,238,000	1,238,000
Yandan Project	5,277,151	5,077,151
White Dam	1,940,000	1,940,000
Twin Hills	1,467,656	1,467,656
Other	103,980	116,299
	<b>10,026,787</b>	<b>9,839,106</b>

**NOTE 6 ASSETS HELD FOR SALE**

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
White Dam tenement <sup>1</sup>	133,964	132,775
	<b>133,964</b>	<b>132,775</b>

<sup>1</sup> In August 2023, the Group entered into a sale agreement with Havilah Resources Limited (ASX: HAV) for the sale of non-core White Dam exploration lease EL 6299 for a cash consideration of \$100,000 (in stages) along with some development rights to two Havilah owned prospects Green and Gold and Wilkins. Capitalised exploration expenditure was transferred to assets held-for-sale.



**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**

**NOTE 7 INVENTORIES**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Gold on hand	<b>236,853</b>	220,311
Reagents and consumables	<b>131,862</b>	78,956
	<b>368,715</b>	<b>299,267</b>

**NOTE 8 EXPLORATION AND EVALUATION EXPENDITURE**

The capitalised exploration and evaluation expenditure of \$45,522,633 (30 June 2023: \$45,629,203) represents expenditure and acquisition costs incurred by the Group on its exploration assets.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
Capitalised exploration costs at the beginning of the period	<b>45,629,203</b>	37,442,813
Exploration and evaluation costs incurred (excluding joint venture costs incurred)	<b>1,677,180</b>	3,404,154
Capitalised rehabilitation costs (note 14)	<b>(1,744,096)</b>	2,904,714
Transfer (to)/from asset held for sale (refer note 6)	<b>(1,189)</b>	760,280
Exploration costs expensed	<b>(38,465)</b>	(191,548)
Capitalised exploration costs at the end of the period	<b>45,522,633</b>	<b>44,320,413</b>

**NOTE 9 RIGHT-OF-USE ASSETS**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Opening balance	<b>91,644</b>	176,239
Depreciation expense	<b>(42,297)</b>	(84,595)
	<b>49,347</b>	<b>91,644</b>

The Group leases office space in Brisbane, Australia under an agreement for a term of 3 years.

**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**

**NOTE 10 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS**

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Current	834,498	132,512
Non-current	-	1,246,392
	<b>834,498</b>	<b>1,378,904</b>
Balance at the start of the period/year	<b>1,378,904</b>	1,634,642
Investments acquired – Novo <sup>1</sup>	-	1,665,493
Investments acquired – C29 Metals Limited <sup>2</sup>	-	250,000
Disposal of investments <sup>3</sup>	<b>(10,497)</b>	(1,889,214)
Fair value gain/(loss) on investment recognised through profit or loss <sup>4</sup>	<b>(533,909)</b>	(282,017)
Balance at the end of the period	<b>834,498</b>	<b>1,378,904</b>

<sup>1</sup> Fair value of fully paid ordinary shares and warrants received from Novo Resources Corp (Novo), a TSX-V listed company, as consideration for the remaining 50% of the Malmsbury Project.

<sup>2</sup> Fair value of fully paid ordinary shares received from C29 Metals Limited (ASX: C29) as part consideration for the Mayfield Project.

<sup>3</sup> The fair value of shares sold.

<sup>4</sup> Adjustment to carrying value of investments in shares based on TSX closing price and the AUD/CAD exchange rates at the end of each reporting period. The loss on the investment has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Investments designated at fair value through profit or loss have been measured at Level 1 in the fair value hierarchy.

**NOTE 11 TRADE AND OTHER PAYABLES**

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
<b>Current</b>		
Unspent funds received from farm-in partner	324,451	126,445
Acquisition costs payable <sup>1</sup>	12,500	12,500
Trade creditors <sup>2</sup>	525,241	362,485
Sundry creditors and accruals	374,773	21,970
Employee liabilities	96,775	74,802
Share subscription liability	-	28
	<b>1,333,740</b>	<b>598,230</b>

**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**

**NOTE 11 TRADE AND OTHER PAYABLES (continued)**

<sup>1</sup> Acquisition costs payable to Drummond Gold Limited pursuant to the acquisition of Mt Coolon Gold Mines Pty Ltd.

<sup>2</sup> Trade payables are non-interest bearing and are normally settled on 30 day terms.

**NOTE 12 LEASE LIABILITIES**

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Current liability	55,854	97,676
	<b>6 months to 31 December 2023 \$</b>	<b>Year to 30 June 2023 \$</b>
<b>Movement in lease liabilities</b>		
Opening balance	97,676	181,493
Principal repayments	(41,822)	(83,817)
Lease liabilities at the end of the period	<b>55,854</b>	<b>97,676</b>

During the current reporting period, \$1,654 interest expense on leases was recognised in the Statement of Profit or Loss and Other Comprehensive Income.

**NOTE 13 BORROWINGS**

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
<b>Current</b>		
Secured loan <sup>1</sup>	17,626	32,276
Insurance premium funding	74,935	-
Convertible note liability <sup>2</sup>	7,357,544	-
	<b>7,450,105</b>	<b>32,276</b>
<b>Non-Current</b>		
Secured loan <sup>1</sup>	-	2,877
Convertible note liability <sup>2</sup>	-	7,357,544
	-	7,360,421
Total Borrowings	<b>7,450,105</b>	<b>7,392,697</b>

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**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**

**NOTE 13 BORROWINGS (continued)**

<sup>1</sup> Loan agreements to finance vehicles/mobile equipment at the White Dam project.

<sup>2</sup> The Company entered into a convertible note (Note) agreement with Collins Street Convertible Notes Pty Ltd (Collins Street) for funding of up to \$10,000,000 via the issue of two convertible notes each with a face value of \$5,000,000. The convertible notes were issued on 21 October 2022 and 30 December 2022. Each note is due for repayment 3 years after its issue date. The second note was partially redeemed during the prior financial year.

Interest on the convertible notes is calculated at 10.5% per annum and is paid monthly in advance for the first 12 months from issue date. The remainder of the interest due has been prepaid and is classified as Prepayments on the Statement of Financial Position (current: \$786,323; non-current \$658,332).

In December 2023, the Company entered into a binding agreement with Collins Street to amend the Convertible Note Agreement to convert, subject to meeting a number of conditions precedent, \$900,000 of the outstanding face value of the second note and to amend the conversion price of the notes from approximately \$0.06 to \$0.02. Approval for these changes was obtained from shareholders on 11 March 2024.

At 31 December 2023, the convertible note debt was required, under accounting standard *AASB 101 Presentation of Financial Statements*, to be classified as a current liability. Had the note restructure discussions with the noteholder and required approvals (conditions) been obtained prior to the end of the reporting period, the convertible note debt would have been classified as non-current. At the date of this report, the debt is non-current and repayable in 2025 (Note 1 October 2025 and Note 2 in December 2025) pursuant to the terms and conditions of the convertible note agreement.

	<b>6 months to</b>	Year to
	<b>31</b>	30
	<b>December</b>	June
	<b>2023</b>	2023
	<b>\$</b>	<b>\$</b>
<b>Movement in convertible note</b>		
Opening balance	<b>7,357,544</b>	-
Proceeds from drawdown	-	10,000,000
Amounts classified as equity	-	(110,806)
Partial redemption of note	-	(2,531,650)
Closing balance	<b>7,357,544</b>	<b>7,357,544</b>

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**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**

**NOTE 14 PROVISIONS**

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
<b>Current</b>		
Royalty Provision	117,751	30,000
<b>Non-Current</b>		
Rehabilitation Provision <sup>2</sup>	11,179,343	12,816,444
Royalty Provision <sup>1</sup>	2,209,510	2,252,223
	<b>13,388,853</b>	<b>15,068,667</b>
Total Provisions	<b>13,506,604</b>	<b>15,098,667</b>

<sup>1</sup> Under the acquisition of the White Dam Project, the consideration included future royalties payable on the JORC resources forming the White Dam Project.

<sup>2</sup> At 30 June 2023, the value of the rehabilitation provision for the Yandan project was recognised at \$9.67 million which represented the Estimated Rehabilitation Cost (ERC) as advised by the Department of Environment and Science (DES). The Group appealed the DES' calculations with the Land Court of Queensland and in November 2023 a decision was agreed by the parties and handed down with an amount of the ERC being \$7.91 million.

The present value of the provision for future rehabilitation costs was reassessed during the reporting period. The unwinding of the discount on the rehabilitation provision is recognised in the Statement of Profit or Loss and Other Comprehensive Income as a financing expense.

**NOTE 15 ISSUED CAPITAL**

	6 months to 31 December 2023 #	Year to 30 June 2023 #	6 months to 31 December 2023 \$	Year to 30 June 2023 \$
At the beginning of the period	615,960,932	522,928,466	65,878,950	62,217,473
Share placements	114,814,816	83,250,747	1,100,000	3,070,340
In lieu of services	656,928	918,869	19,026	31,325
Exercise of options	250	8,380,893	28	654,816
Exercise of rights	-	481,957	-	59,375
Costs related to share issues	-	-	(61,396)	(154,379)
At the end of the period	<b>731,432,926</b>	615,960,932	<b>66,936,608</b>	65,878,950

Notes to the Condensed Consolidated Financial Statements  
For the half-year ended 31 December 2023

**NOTE 16 SHARE BASED PAYMENTS**

*Options and Rights*

During the reporting period, no options or performance rights were issued as an incentive or for the payment of services.

The fair value of options and rights is apportioned over the vesting period of these securities. A total vesting expense of \$23,309 is recognised in the consolidated statement of profit or loss and other comprehensive income during the reporting period for options (\$5,509) and performance rights (\$17,800) granted in prior periods.

*Shares*

During the reporting period and following shareholder approval, the Company issued 656,928 ordinary shares to Managing Director, Peter Rohner, as payment in lieu of directors' fees payable to Mr Rohner during the period 1 February 2023 to 31 March 2023.

**NOTE 17 FAIR VALUE**

The carrying amount of the financial assets and financial liabilities that are recognised in the condensed consolidated financial statements approximate their fair values.

The methods and valuation techniques used for the purposes of measuring fair value are unchanged from the previous reporting period.

**NOTE 18 DIVIDENDS**

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2023.

**NOTE 19 CONTINGENCIES AND COMMITMENTS**

(i) *Contingent liabilities*

There has been no change in contingent liabilities since the last annual reporting date.

(ii) *Contingent assets*

There has been no change in contingent assets since the last annual reporting date.

(iii) *Exploration commitments*

Minimum expenditure requirements for the following 12 months on the Group's exploration licences as at 31 December 2023 are approximately \$3.9 million.

(iv) *Environmental Bonds*

The Queensland State Government has a Financial Provisioning Scheme (FPS) to assist with managing environmental and rehabilitation obligations. Estimated Rehabilitation Costs (ERC) as advised by the Department of Environment and Science (DES) for the Yandan, Twin Hills, and Mount Coolon Gold Projects were re-assessed during the period, resulting in an increase of environmental bonds due of approximately \$3.2 million.

**Notes to the Condensed Consolidated Financial Statements**  
**For the half-year ended 31 December 2023**

**NOTE 20 EVENTS OCCURRING AFTER THE BALANCE DATE**

Other than the matters stated below, there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 30 January 2024, a Pro-Rata Non-Renounceable Entitlement Offer closed. The Offer was on the basis of one New Share for every four Shares held in the Company at an issue price of \$0.009 per New Share. In addition, for each 2 New Shares issued, one option was issued with an exercise price of \$0.015 and expiring 24 months from the date of issue. At the date of this report, the Company has issued 143,158,720 New Shares and 71,579,344 Options under the Offer to raise approximately \$1.3 million (before costs).
- On 11 March 2024, a general meeting of shareholders was convened. One of the resolutions approved by shareholders related to amending the terms of the convertible notes held by Collins St Convertible Notes Pty Ltd to allow \$900,000 of the convertible note debt to be converted into equity via the issue of 100,000,000 Shares (at an issue price of \$0.009) and 50,000,000 free attaching Options. In addition, the amendment of the conversion price from approximately \$0.06 to \$0.02 was approved.
- On 15 March 2024, the Company issued 100,738,888 shares under Tranche 2 of the Placement announced to the ASX on 20 December 2023 raising approximately \$907,000. A total of 105,924,993 free attaching options were issued in respect of Placement Shares issued under both tranches of the Placement. In addition, 100 million shares and 50 million free attaching options were issued to Collins Street for the conversion of \$900,000 of convertible note debt to equity.

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**Directors' Declaration**

The Directors of GBM Resources Limited ("the Company") declare that:

- (a) the attached interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*, and the Corporations Regulations 2001, and other mandatory reporting requirements; and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors, made pursuant to s303(5) of the Corporations Act 2001.

Signed at Perth this 15<sup>th</sup> day of March 2024.



**Peter Rohner**  
**Managing Director**

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of GBM Resources Limited

### Report on the Condensed Half-Year Financial Report

#### *Conclusion*

We have reviewed the half-year financial report of GBM Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of GBM Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### *Responsibility of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**15 March 2024**



**M R Ohm**  
**Partner**