

19 December 2017

## **GBM enters into Non Binding Ore Purchase Term Sheet with Minjar's Pajingo Gold Mine.**

### **Key Highlights**

- **GBM will sell its Mt Coolon high grade Glen Eva and Koala resources over a 2.5 year period.**
- **Mining is planned to commence in the September quarter 2018.**
- **GBM will mine and transport the material to the Pajingo Gold Mine and Pajingo will batch process.**
- **The commercial terms are based on open book approach and the nett proceeds from gold sales will be allocated 50:50 to the parties.**
- **This opportunity with Minjar<sup>1</sup> can transform GBM from a capital dependent Company to cash flow generating.**

**Executive Chairman, Mr Peter Thompson said "The finalisation of an Ore Purchase Agreement with Minjar Gold Pty Ltd will greatly reduce the development risks and funding of the Mt Coolon Gold Project. It represents a staged approach with early cashflows that will underwrite stage 2 to redevelop fully the three deposits with a CIL plant and heap leach processing on site"**

<sup>1</sup> *Minjar Gold Pty Ltd is a mid-tier gold company producing 230,000 ounces annually from its Golden Dragon, Pajingo and the Southern Cross Operations. Minjar Gold Pty Ltd is a wholly owned subsidiary of Shandong Tyan Home Co Ltd, a listed company on the Shanghai Stock Exchange.*

Australian Resources company, GBM Resources Limited (ASX: GBZ) ("GBM" or "the Company") is pleased to announce the signing of a non-binding Term Sheet under which the Company will mine material from the Koala and Glen Eva pits and truck for processing at the Pajingo Gold Operations.

ASX Code: GBZ

#### COMPANY DIRECTORS

**Peter Thompson**  
Managing Director/ Executive Chairman

**Neil Norris**  
Exploration Director – Executive

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Non-Executive Director

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The Binding Agreement between the parties will fully document the terms and conditions ordinarily included in an agreement of this nature and which shall be consistent with the material terms contained in the Term Sheet and is to be executed on or before the 28 February 2018. Any agreement to sell and purchase ore will be subject to achieving the environmental approvals and sufficient funding to commence mining on the Tenements.

Pit optimisations and designs have been completed (Refer ASX release dated 4 December 2017) and a site inspection and technical workshop have been completed with Minjar Gold Pty Ltd. The Koala and Glen Eva deposits are on granted Mining Leases. The Mine Development plan to meet the planned production schedule at Mt Coolon Gold Project consists of:

- A. Mining at Koala central pit: Environment Approval and Plan of Operations amendments are targeted for approval by 30 April 2018. Mining and Production scheduled for September quarter 2018.
- B. Mining of the Koala North and Glen Eva Pit: Additional groundwater studies are currently in progress to support mining below the water table and transfer of water to Glen Eva Pit or Koala North. Environmental Approval and Plan of Operations major amendments targeted for approval 30 September 2018. Mining and production scheduled for March quarter 2019.

The Company is currently in preliminary discussions with a number of parties in relation to the production opportunity with Minjar Gold Pty Ltd outlined above and believes that given the discussions currently being held and the company’s track record of securing funding that there is a reasonable basis to assume that the necessary funding will be available to commence mining as contemplated under the non- binding term sheet.

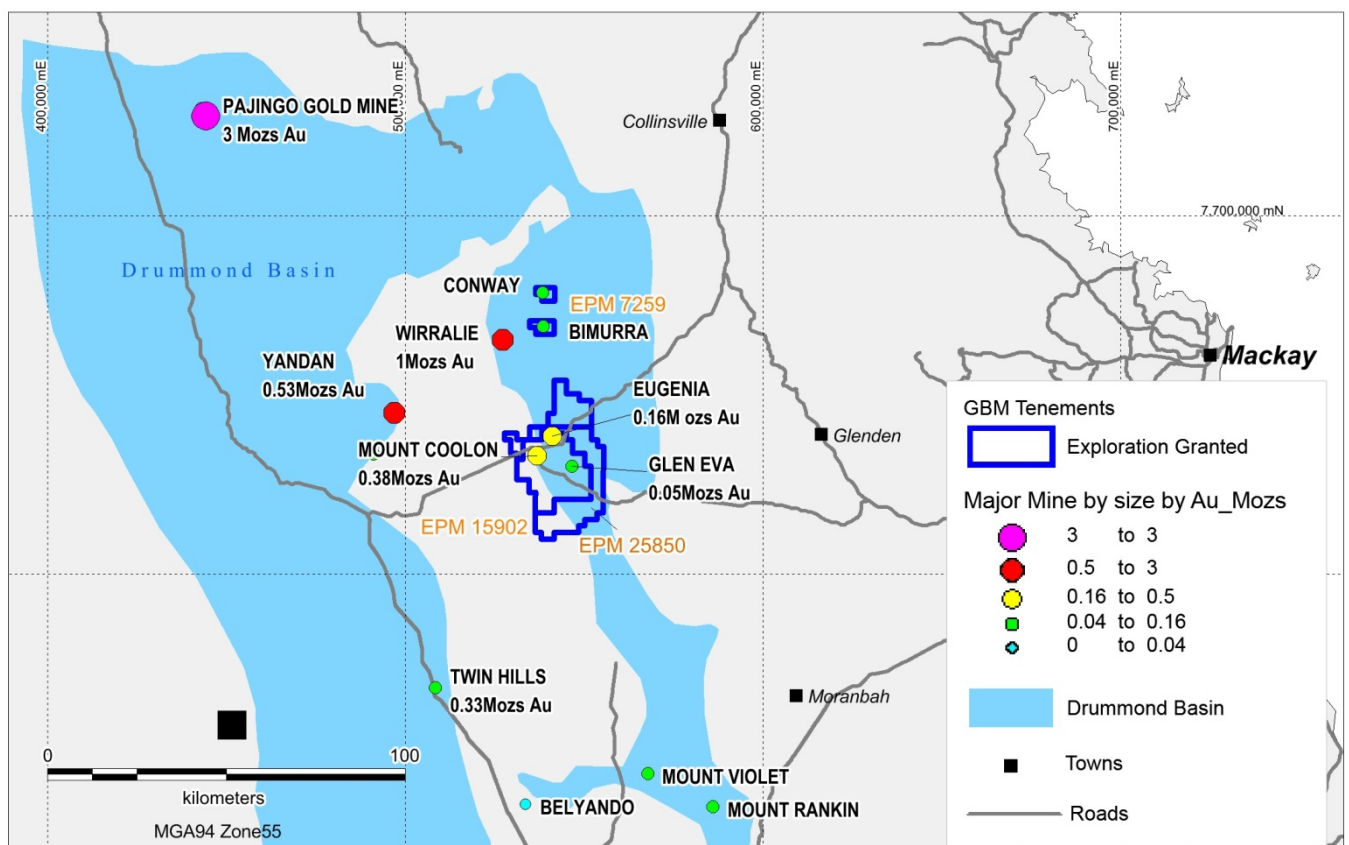


Figure 1: Mt Coolon Project tenement group and prospect location plan.

## About GBM Resources Limited

GBM Resources Ltd (ASX: GBZ) is an Australian resource company that listed on the ASX in 2007, headquartered in Perth WA, with exploration operations in Queensland and Victoria.

The Company's primary focus is in key commodities of gold and copper-gold, assets in Australia. GBM tenements cover an area greater than 3,200 square kilometres in eight major projects areas in Queensland and Victoria.

GBM is prioritising the exploration and development of the Mount Coolon Gold Project and Mount Morgan Gold Copper Project.

## Mt Coolon Gold Project Resources

Project	Location	Resource Category									Total			Cut-off
		Measured			Indicated			Inferred			000' t	Au g/t	Au ozs	
		000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs				
Koala	Open Pit				670	2.6	55,100	440	1.9	26,700	1,120	2.3	81,800	0.4
	Underground Extension				50	3.2	5,300	260	4	34,400	320	3.9	39,700	2.0
	Tailings	114	1.6	6,200	9	1.6	400				124	1.6	6,600	1
	<b>Total</b>	<b>114</b>	<b>1.7</b>	<b>6,200</b>	<b>729</b>	<b>2.6</b>	<b>60,800</b>	<b>700</b>	<b>2.7</b>	<b>61,100</b>	<b>1,563</b>	<b>2.5</b>	<b>128,100</b>	
Eugenia	Oxide				885	1.1	32,400	597	1.0	19,300	1,482	1.1	51,700	0.4
	Sulphide				905	1.2	33,500	1,042	1.2	38,900	1,947	1.2	72,400	0.4
	<b>Total</b>				<b>1,790</b>	<b>1.1</b>	<b>65,900</b>	<b>1,639</b>	<b>1.1</b>	<b>58,200</b>	<b>3,430</b>	<b>1.1</b>	<b>124,100</b>	
Glen Eva	Open Pit				1,070	1.6	55,200	580	1.2	23,100	1,660	1.5	78,300	0.4
<b>Total</b>		<b>114</b>	<b>0.0</b>	<b>6,200</b>	<b>3,590</b>	<b>1.6</b>	<b>181,900</b>	<b>2,919</b>	<b>1.5</b>	<b>142,400</b>	<b>6,653</b>	<b>1.5</b>	<b>330,500</b>	

November 2017 Resource Summary for the MCGP. Please note rounding (1,000's tonnes, 100's ounces, 0.1 g/t) may cause minor variations to totals. (refer ASX release dated 4 December 2017).

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.

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 estimate with those announcements continue to apply and have not materially changed.

For further information please visit [www.gbmr.com.au](http://www.gbmr.com.au) or contact:

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