

4 April 2019

## Twin Hills Gold Project Acquisition

GBM Resources Limited (ASX: GBZ) (**GBM** or **the Company**) is pleased to advise that the Completion Conditions end date has now been extended to 30 April 2019.

A binding Tenement Sale Agreement (**TSA**) was signed with Minjar Gold Pty Ltd in September 2018 to acquire a 100% interest in the Twin Hills gold deposits. Under the Agreement, GBM has to satisfy certain conditions precedent by 30 April 2019, or such later date as the parties may agree (*refer GBZ ASX release, 28 September 2018*).

### Key terms of the TSA

#### 1. Consideration

Cash consideration of A\$1.5 million is payable in the following tranches:

- i. A\$0.35 million on Completion;
- ii. A\$0.35 million paid 3 months after Completion; and
- iii. A\$0.80 million paid 6 months after Completion.

#### 2. Conditions precedent

Completion is subject to and conditional upon:

- i. GBM obtaining indicative approval for the transfer of the tenements;  
*GBM obtained indicative approval for the transfer of the tenements on 4 January 2019.*
- ii. the consents of all third parties being obtained pursuant to the primary agreements to which the Third Party Agreements relate (as required);  
*The major third party agreements are well advanced and the process is as per the completion schedule.*
- iii. GBM completing a debt or equity capital raising of at least A\$7 million (representing the estimated Stage 1 funding required for the re-development of Mt Coolon); and  
*GBM continues to investigate a number of funding options, including a strategic joint venture partner. GBM is entitled to waive this condition at its sole discretion.*
- iv. The SPA being endorsed by the Commissioner of State Revenue in the manner prescribed in the Duties Act.

*This is a process step which follows item (i) above*

GBM has now until 30 April 2019, or such later date as the parties may agree, to satisfy these conditions or the TSA may be terminated. (*Refer to the full ASX release on 28 September 2018*).

ASX Code: **GBZ**

#### COMPANY DIRECTORS

Peter Thompson  
Managing Director/ Executive  
Chairman

Sunny Loh  
Non- Executive Deputy Chairman

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### 3. Financial Assurance

The current Financial Assurance of A\$1 million (meaning the sum provided as environmental security pursuant to the Mineral Resources Act 1989, Queensland) will be replaced on the transfer of the Twin Hill tenements to GBM.

#### The Twin Hills Gold Deposits (refer GBZ ASX full Release dated 18 January 2019)

The Twin Hills deposits are estimated to contain 6.9 million tonnes at an average grade of 2.8 g/t Au for 633,000 ounces of contained gold.

The 309 and Lone Sister gold deposits of Twin Hills are located 7 kilometres apart and linked by a major north-south structural lineament. Both deposits have previously been interpreted as intrusion related, high gold fineness, low sulphidation epithermal gold deposits, sometimes exhibiting bonanza gold grades (as evidenced by the **peak gold value in the 309 deposit of 2,940 g/t Au**, with 300 individual metre samples exceeding 30g/t Au, and a **peak gold value of 939 g/t Au at Lone Sister**).

The JORC 2012 Mineral Resource estimates for the Twin Hills gold deposits and combined with the Mount Coolon Gold Project (**MCGP**) now contain, an estimated 960,000 ounces of gold.

Both the existing MCGP deposits (Koala, Glen Eva and Eugenia) and the Twin Hills deposits (309 and Lone Sister) are considered by GBM to hold significant exploration upside.

Table 1 below summarises the MCGP gold resources, including Twin Hills. (Refer ASX announcement 4 December 2017 for information relating to the Koala, Glen Eva and Eugenia resource estimates).

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	1.7	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
Twin Hills 309	Open Pit	320	4.3	44,400	2,690	2.2	193,100	1,300	1.4	58,500	4,310	2.1	296,000	1
	Underground				110	4.8	16,800	510	3.7	60,100	620	3.9	76,900	
	<b>Total</b>	<b>320</b>	<b>4.3</b>	<b>44,400</b>	<b>2,800</b>	<b>2.3</b>	<b>209,900</b>	<b>1,810</b>	<b>2.0</b>	<b>118,600</b>	<b>4,930</b>	<b>2.4</b>	<b>372,900</b>	
Lone Sister	Underground							2,010	4.0	260,100	2,010	4.0	260,100	2.0
<b>Total</b>		<b>434</b>	<b>3.6</b>	<b>50,600</b>	<b>6,390</b>	<b>1.9</b>	<b>391,800</b>	<b>6,738</b>	<b>2.4</b>	<b>521,000</b>	<b>13,592</b>	<b>2.2</b>	<b>963,000</b>	

#### Cautionary Statement

The Twin Hills tenements are not owned by GBM and are subject to the binding Tenement Sale Agreement which was signed with Minjar Gold Pty Ltd in September 2018 to acquire a 100% interest in the Twin Hills Gold Deposits. Certain conditions precedent have to be satisfied by GBM by 30 April 2019. Refer to the Key Terms of the TSA section above for further details relating to these conditions.

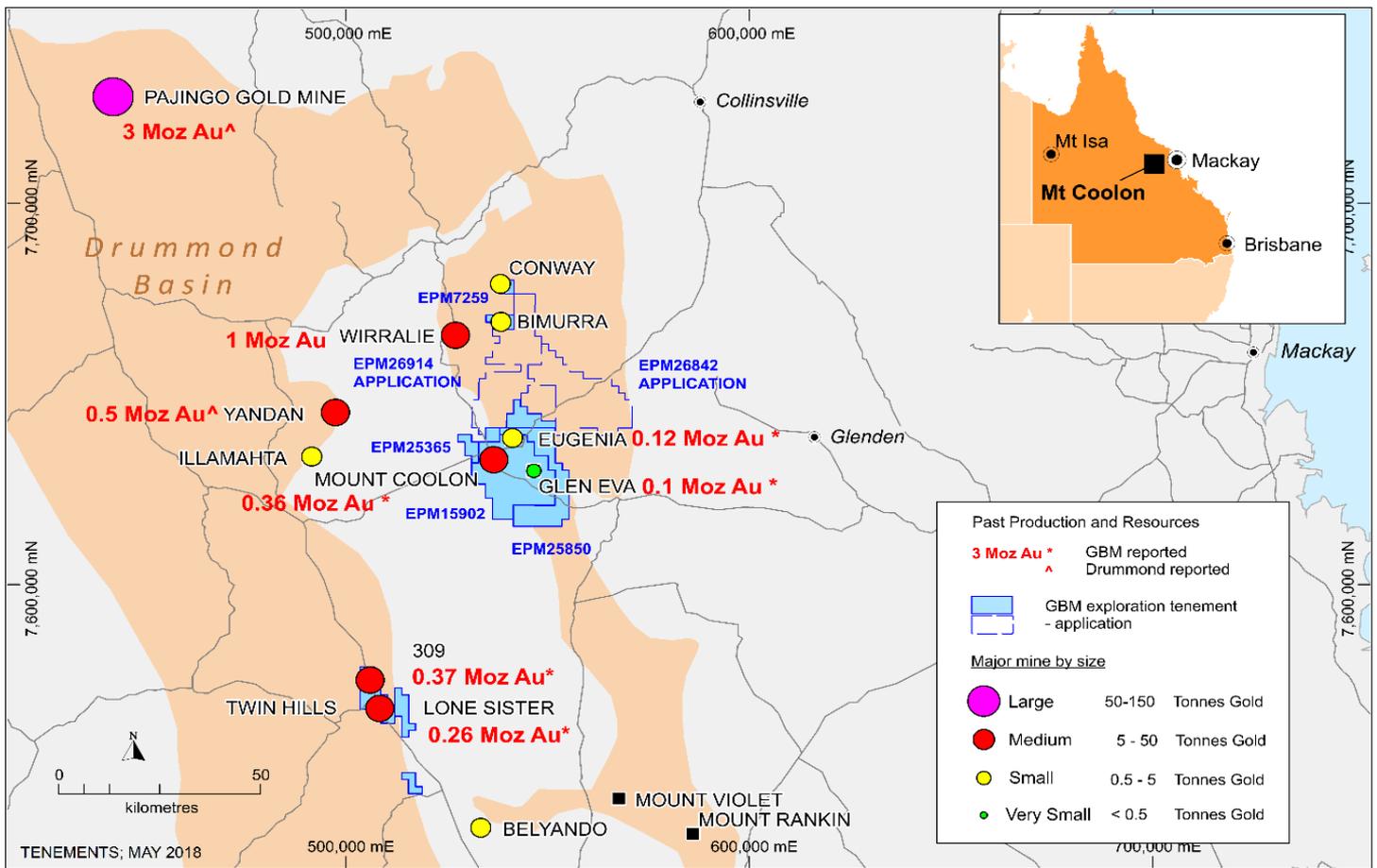


Figure 2: Mt Coolon Gold Project tenement group location plan

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**About GBM Resources**

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 Victoria and Queensland.

The Company's primary focus is in key commodities of gold and copper-gold, assets in Australia. GBM tenements cover an area greater than 2,500 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.

## **Notes**

*The information in this report that relates to Mineral resources is extracted from the report entitled 'Mount Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces', refer GBZ ASX full Release dated 18 January 2019 which is available at [www.gbmr.com.au](http://www.gbmr.com.au)*

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

*The information in this report that relates Exploration Results is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Mr Norris is a full-time employee of the company, and is a holder of shares and options in the company. Mr Norris has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*