

ASX Announcement
2 July 2020

Entitlement Issue Shortfall Notice and Placement

- **Strong support from existing shareholders** with applications for entitlements totalling \$1,007,504 received as at the Closing Date of the Non-Renounceable Pro Rata Entitlement Offer (Offer).
- **Commitments and applications have been received to subscribe in excess of the amount available in the Shortfall Offer** (being shares not subscribed for pursuant to the Offer)
- Due to excessive demand generated through the Shortfall Offer, **GBM intends to undertake a \$2.58 Million share placement to unrelated parties on the same terms** as the Shortfall Offer (Placement)

GBM Resources (ASX:GBZ) (**GBM** or the **Company**) is pleased to advise it has received strong support from its shareholders in respect of the Offer, which closed on 29 June 2020 (Closing Date), with applications for entitlements of 18,318,248 New Shares and 9,159,124 New Options, to raise \$1,007,504.

	Shares	Options
Total securities offered to eligible shareholders pursuant to the Offer *	55,884,534	27,942,267
Applications for entitlement under the Offer	18,318,248	9,159,124
Shortfall securities available	37,566,286	18,783,143

* Excludes entitlements of 375,000 New Shares and 187,500 New Options held by ineligible shareholders.

New Shares and New Options will be issued on Monday 6 July 2020 in respect of valid applications for entitlements received as at the Closing Date.

Shortfall Offer

The Shortfall Offer is a separate offer of entitlements not taken up pursuant to the Offer and is made pursuant to section 4.9 of the Prospectus dated 28 May 2020. The Shortfall Offer will close on or before 29 September 2020, being three months after the Closing Date.

The Shortfall Offer is on the same terms as the Offer, at an issue price of \$0.055 per New Share, together with one attaching New Option for every two New Shares subscribed.

GBM and the Lead Manager to the Offer, Henslow Pty Ltd have received commitments to subscribe for in excess of all available Shortfall Offer securities, being 37,566,266 New Shares and 18,783,143 New Options, from existing shareholders, institutional and sophisticated investors. With the strong demand, GBM anticipates that the Shortfall Offer securities will be issued during the week commencing 6 July 2020.

Applications for additional shares by existing shareholders will be scaled back at the discretion of the directors pursuant to section 4.9 of the Prospectus.

New Options

New Options issued pursuant to the Offer and Shortfall Offer will be exercisable at \$0.11 per option and will expire at 5 pm (WST) on or about 6 July 2023, being three years from the date of issue of the securities.

GBM will apply for quotation of the New Options on the ASX pursuant to section 6.2 of the Prospectus.

\$2.58 Million Share Placement (Placement)

GBM and the Lead Manager to the Offer, Henslow Pty Ltd, has received strong demand for securities from investors in Europe, North America and Australia that are not eligible to participate in the Shortfall Offer, and therefore intends to issue securities on the same terms as the Offer (being \$0.055 per New Placement Share with one New Placement Option, for every two New Placement Shares subscribed and issued, exercisable at \$0.11 and expiring at 5pm (WST) on or about 6 July 2023) pursuant to the Placement.

Up to 46,905,429 New Placement Shares and 23,452,714 New Placement Options will be offered pursuant to the Placement. The Placement securities will be issued pursuant to GBM's existing placement capacities under ASX Listing Rules 7.1 and 7.1A (based on the placement capacities as at the date of this announcement), as follows:

	Shares	Options
To be issued pursuant to ASX Listing Rule 7.1	18,724,672	23,452,714
To be issued pursuant to ASX Listing Rule 7.1A	28,180,757	Nil

An Appendix 3B with respect to the proposed issue of Placement Shares and Placement Options will be lodged with ASX following release of this announcement.

Henslow Pty Ltd acted as Lead Manager to the Offer, the Shortfall Offer and the Placement. Management and commission fees of up to 6% of funds raised will be payable pursuant to the Placement.

Peter Rohner, Managing Director and CEO, commenting on the entitlement issue and share placement:

"We are pleased with the level of support of our existing shareholders for the Offer and also for the strong interest shown by new investors to our investment proposition and our progress to date. These placements along with earlier placements in 2020, will result in GBM having in excess of \$7.5 million (in cash and marketable securities on completion of the Offers and Placement) and will support our strategy to accelerate development and exploration activities across our portfolio.

The additional funds from the Shortfall Offer and the Placement, will provide a stronger financial base to maximise the efficiency of our development and exploration activities, by allowing some programs to grow to gain efficiencies and more time to develop strategies to maximise the value of our portfolio.

The range of new small and large investors attracted and showing interest in GBM again shows how the management team is delivering on its objective to accelerate exploration and unlock value across our extensive portfolio."

This ASX announcement was approved and authorised for release by:

Peter Rohner, Managing Director

For further information please contact:

Investor enquiries

Peter Rohner
 Managing Director
 +61 8 9316 9100
peter.rohner@gbmex.com.au

Media enquiries

Michael Vaughan
 Fivemark Partners
 +61 422 602 720
michael.vaughan@fivemark.com.au

About GBM Resources

GBM Resources Limited is a 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 a number of premier metallogenic terrains including the Drummond Basin, Mt Morgan district and the Mt Isa Inlier in Queensland, and the Malmsbury Project in the prolific Victorian Goldfields.