ABN 91 124 752 745

23 August 2016

Eugenia Heap Leach Scoping Study Demonstrates Potential Economic Viability, Mt Coolon Gold Project, Queensland

- **Scoping Study demonstrates the potential economic viability of heap leaching the oxide Eugenia Deposit.**
- **The mine is a small open pit, heap leach gold operation to operate over 16 months. 77% of the in pit production target resource is in the Indicated Resource Category.**
- **Recovered gold ounces total 32,588 at a C1 cost of $848 per ounce, capital estimated at $8.3 million and gold production targeted for the 4Q 2017.**
- **Free cash flow generated will be allocated to accelerate expanding the known open pit resources and the mineralising systems with the aim to build the Mt Coolon Gold Project inventory to a level that will support the commissioning of a CIL plant**
- **Scoping Study completed by independent consultants, Mining One Pty. Ltd.**
- **Next step at Eugenia is to proceed with and complete a Feasibility Study.**

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to announce the outcome of the Eugenia Heap leach Scoping Study. This study demonstrates that a short term operation has the potential to generate a strong positive cash flow. The Eugenia Heap Leach is one of three near term gold production scenarios at Mt Coolon currently under review by the Company.

Background

In April 2015 GBM completed the acquisition of Mount Coolon Gold Mines Pty Ltd which holds a portfolio of tenements and associated gold resources. These resources are now estimated to contain a total 315,000 ounces of gold.

ASX Code: **GBZ**

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This tenement package is located in Queensland's Drummond Basin, a prolific gold province with a total known gold endowment in excess of 7.5 million ounces. The tenement package includes four granted Mining Leases and four granted exploration permits covering a total area of 772 km^2.

Mining One Pty Ltd was commissioned by GBM Resources to perform a scoping level study for a potential mine and heap leach processing facility on the Eugenia oxide deposit at Mt Coolon located approximately 250km. to the West of Mackay in North Queensland. In addition, AustralAsian Resource Consultants Pty Ltd (AARC) was commissioned to complete a desktop review of environmental factors likely to impact on any proposed development at Eugenia.

Cautionary Statement

The Company has concluded it has a reasonable basis for providing the forward looking statements included in this announcement. The detailed reasons for that conclusion are outlined throughout this announcement and all material assumptions are disclosed in the JORC table disclosures at the back of this ASX announcement.

This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the Scoping Study results, Production Targets and Forecast Financial Information contained in this announcement are preliminary in nature as the conclusions are based on low-level technical and economic assessments, and are insufficient to support the estimation of Ore Reserves or to provide an assurance of economic development at this stage.

There is a low level of geological confidence associated with Inferred Mineral Resources used in this report and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. The stated Production Target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

Scoping Study Report Sections

1 Scoping Study Cash Flow Summary
2 Scope of Work
3 Mineral Resources
4 Mining
5 Site Layout
6 Processing
7 Infrastructure, Capital, Cash Flow Model and Funding
8 Review of Environmental Factors and Grant or Mining Lease Process
9 Production Options Under Review and Next Steps

1. Scoping Study Cash Flow Model Summary with Production Profile (based on a gold price of A$1,650 per ounce)

Ore Tonnes	1,771,000	*t*
Ore Grade	0.71	*g/t*
Waste Tonnes	1,634,000	*t*
Total Tonnes	3,409,000	*t*
Strip Ratio	0.92	*w/o*
Recovered Ounces	32,588	*ozs*
Op. Cost / oz (C1)	848	*$/oz*
Operating life	16	*Months*
Revenue *(based on $AU1650/oz)*	52,426,000	*$*
Net Operating Cash flow before tax	22,321,000	*$*
Capital	8,312,000	*$*

Table 1: Eugenia Heap Leach Scoping Study Cash Flow Model Summary

Note:C1 = mining and processing expenditure+ site general and administration + transport and refining costs

Refer section 7.3 for sensitivity analysis.

2. Scope of Work

The study has been prepared based on a scoping level of accuracy to determine if a potential heap leach operation is financially viable.

The Study consisted of the following aspects:

- Geotechnical review;
- Hydrological and hydrogeological review;
- Pit optimisation and design;
- Metallurgical testing and analysis; and
- Engineering and infrastructure recommendations.

The study accuracy is appropriate for information available and is considered to be plus or minus 30%.

A review of environmental factors was completed by AARC to contribute to the Scoping Study

3. Mineral Resources

Introduction

In order to support the pit optimisation and design aspects of the scoping study the Eugenia Resource has been re-estimated using Ordinary Kriging with a reduced block size. The revised resource was completed by Skandus Pty Ltd and incorporated the current version of the Eugenia database *(please refer to the JORC table 1 appended to this release)*.

The new resource estimate is summarised in table 2 below and contains approximately 7% less ounces than the previous version *(refer ASX announcement dated 27 August 2015)*.

Eugenia Mineral Resource

For each deposit the basic data collection and compilation has been completed by GBM staff. This has been independently reviewed and competent person sign off provided by Mr. Scott McManus who also completed the new Eugenia resource estimate. A completed JORC Table 1, plan and collar table is provided at the end of this release. The new Eugenia Mineral Resource Estimate is summarised in table 2 below.

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	
Eugenia	Oxide				1,305	0.9	39,300	219	0.7	5,100	1,524	0.9	44,400	0.4
	Sulphide				2,127	0.9	62,300	1,195	1.2	45,500	3,322	1.0	107,800	0.4
	Total				**3,432**	**0.9**	**101,600**	**1,414**	**1.1**	**50,600**	**4,846**	**1.0**	**152,200**	**0.4**

Table 2; Mount Coolon Gold Project, Eugenia Global Resource Summary July 2016. Please note rounding (1000's tonnes, 100's ounces, 0.1 g/t) may cause minor variations to totals.

Geology and Interpretation.

The Mt Coolon leases are located in the Devonian to Carboniferous aged sedimentary and volcanic rocks of the Drummond Basin *(see following figure 1)*. The mineral prospects are structurally controlled low sulphidation gold epithermal systems. Sinters are common in this area and represent the highest levels of preservation of past epithermal events (Glen Eva and Verbena) to high level stockworks (Eugenia) and high grade vein deposits (Koala).

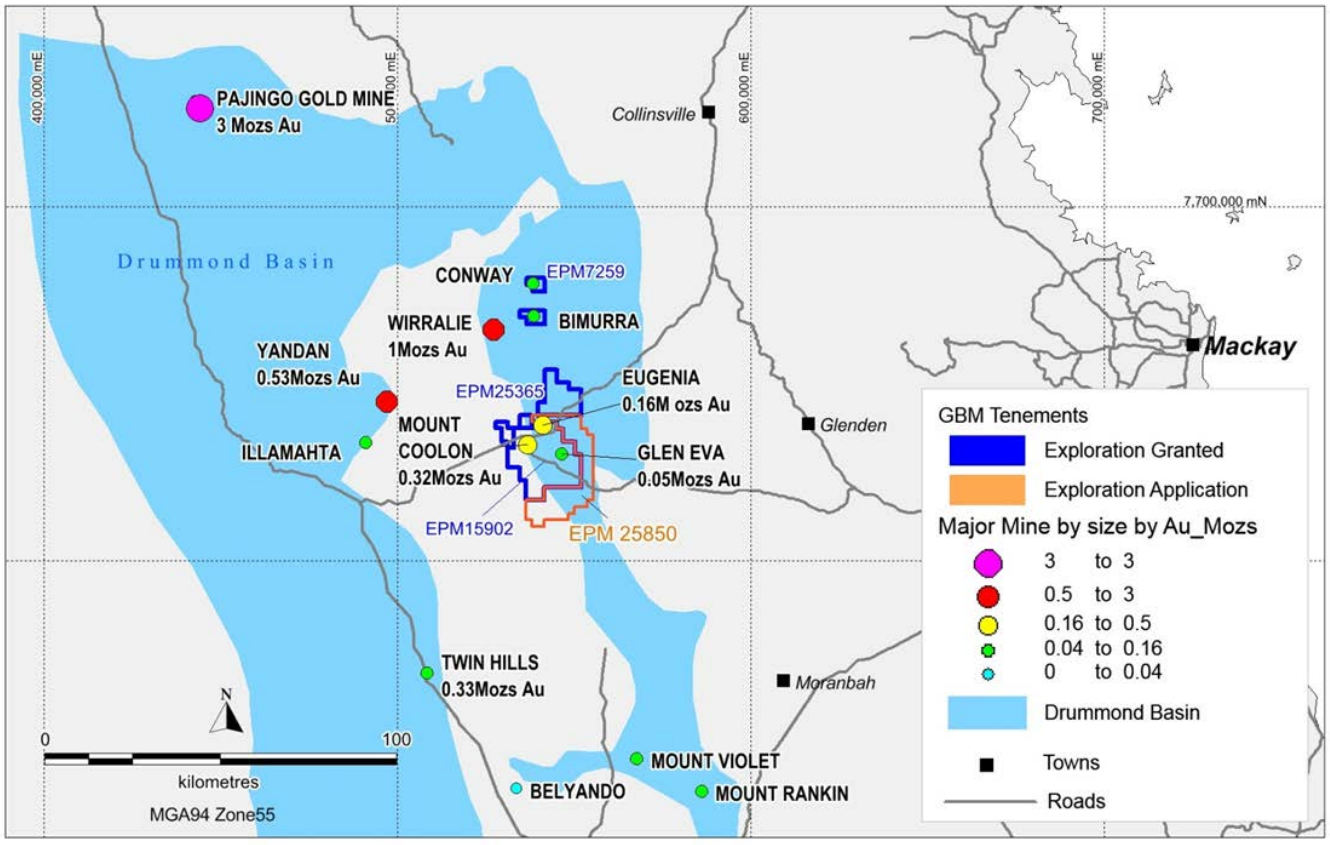

Figure 1: Mt Coolon project tenement group location plan.

The gold mineralisation at Eugenia is a complex arrangement of at least 5 styles of structurally-controlled quartz veins and sulphide disseminations, characteristic of a low sulphidation epithermal deposit type. The host rocks are crystal-rich dacitic ignimbrites located in the Devono-Carboniferous Drummond Basin. The host units are reported to have a shallow dip to the west combined with inferences of a steeper 'feeder' zone in the centre of the mineralisation. An intermediate argillic alteration assemblage is extensively developed at Eugenia, which exhibits both vertical and lateral zonation. Higher grade gold mineralisation occurs as quartz-carbonate veins and horizons within the porous host lithologies. Outcrop is very limited with thick soil cover, namely the Tertiary Suttor Formation to the north and Quaternary sands to the south.

The weathering profile has been interpreted as a truncated lateritic profile with depth to fresh rock averaging 50m below surface. There is evidence of localised supergene enrichment of the gold associated with the base of oxidation.

Drilling, Sampling and Analyses

Data for the Resource estimates is from a combination of RC and diamond drilling, with RC the dominant type. Sampling and analyses were conducted in line with accepted industry practice and are detailed in the attached JORC table 1. A total of 10,133 1m composites were created from the drillhole data within the alteration domain.

Resource Modelling and Estimation Methodolgy

Basic statistics indicated the gold populations were similar for both the oxide and sulphide sections and hence could be modelled together using a soft boundary. High coefficients of variation (>5) were noted for both geological domains. Top cutting of a single 350g/t sample to 60g/t was undertaken. The data was modelled using the Ordinary Kriging method. Modelling with a westerly dipping search elipse constrained within a broad alteration envelope used a block size of 10m by 10m by 5m (X,Y,Z). A search radius of 45 metres was use for indicated resource material increasing to 60 metres for inferred resource material.

Cut-off Grades and Resource Classification

Reporting of the global resource estimates was for a 0.4g/t Au cut off, consistent with the previous estimate but higher than indicated mining cut-off grades which may be as low as 0.25g/t for heap leaching of oxide material from an open cut mining operation. The resource has been truncated below the 85mRL (surface is around 250mRL). The 2009 original topography and base of oxidation surfaces were used to control the reporting of the oxide and sulphide resource estimates. GBM located 78 bulk density measurements for core samples allowing for default density values of 2.55t/m3 for the sulphide zone and 2.09t/m3 for the oxide zone.

Classification of the resource estimates as Indicated and Inferred is based on the amount and distribution of drill data, consideration of the QAQC data, the level of grade continuity, the amount of density data and the complexity of the mineralisation.

The Eugenia deposit has significant exploration upside with extensions indicated by some drillhole intersections to the east, and also potential to discover a higher grade 'feeder' vein below the existing deposit yet to be fully explored. Future work during feasibility stages will require additional drilling to better define oxide, supergene and primary zone boundaries, support geotechnical studies and to provide sample material for further metallurgical testwork.

4. Mining

A pit optimization was prepared using economic data and design recommendations compiled during the project. Shell 35 was selected as the preferred operational scenario and consisted of two mining areas a Northern and an Eastern pit. The Northern pit is the main pit and is illustrated in figure 2 below. Based on practical mine designs and maximising cash flow, a mine schedule was developed for this case. The mining schedule was developed with the objective of meeting an annual mining limit of 3Mtpa. A basic mining sequence without cutbacks was developed, where the north pit was mined first, followed by the east pit.

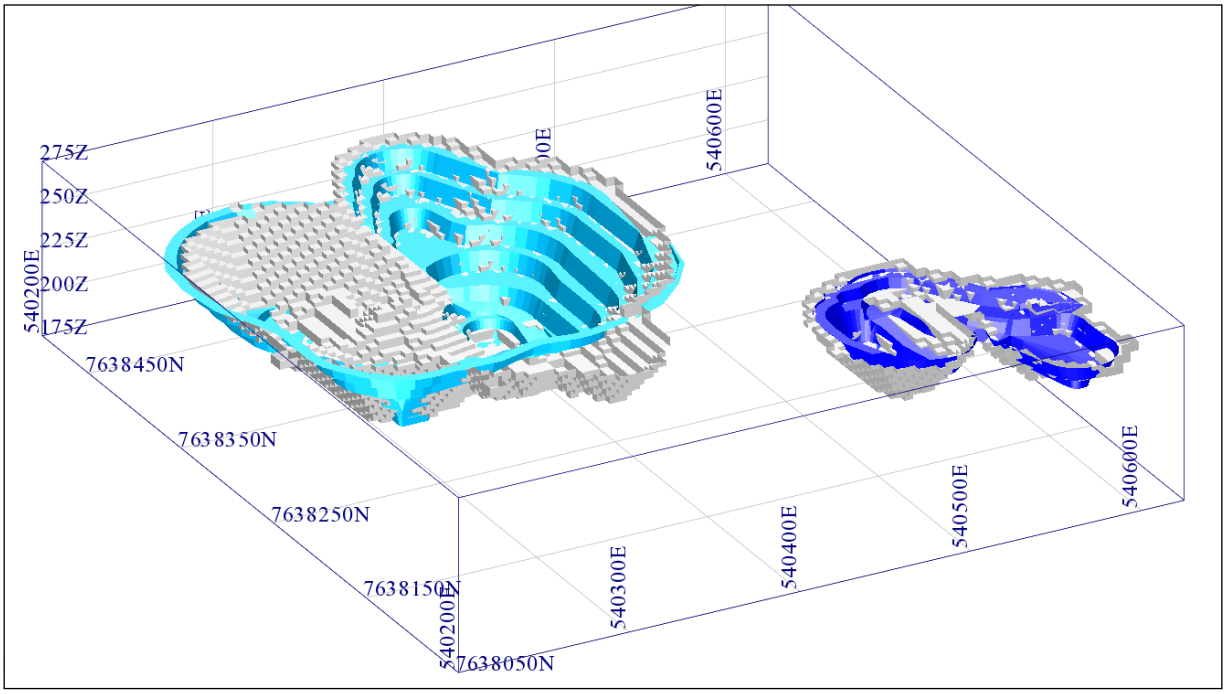

Figure 2: Whittle Shell 35 Overlayed with the Pit Design

Table 3 below outlines the material which is contained in the proposed mine design.

	North Pit			East Pit		
Category	**Tonnes**	**Grade**	**Ounces**	**Tonnes**	**Grade**	**Ounces**
Indicated	1,262,898	0.71	28,748	41,560	0.64	854
Inferred	326,342	0.58	6,109	140,127	0.57	2,567
Total	**1,589,240**	**0.68**	**34,857**	**181,687**	**0.59**	**3,421**

Table 3: Summarising resource classification of in pit mineralised material by pit.

The mine is planned to be a small open cut operation, to operate over a 16 month period. Mining is planned using truck and excavator mining technique involving conventional drill and blast, load and haul using contract mining equipment. Mining will be campaign based. The mineralised material will be crushed and paddock dumped onto prepared heap leach areas, before capping and preparing for the leach process.

Mining costs were calculated from budget estimates sourced from an Australian based earthmoving contractor. A 5% ore loss and dilution in these wide mineralised zones was adopted as a basis for dilution.

The build-up of mining costs included:

- Drill and blast
- Mobilisation and demobilisation
- Load and haul
- Ancillary and Overheads costs

A total cost of mining was estimated at $4.12 per tonne.

Production Profile

Ore Tonnes	1,771,000	*t*
Ore Grade	0.71	*g/t*
Waste Tonnes	1,634,000	*t*
Total Tonnes	3,409,000	*t*
Strip Ratio	0.92	*w/o*
Recovered Ounces	32,588	*ozs*

Table 4: Production profile – Eugenia Heap Leach

5. Site Layout

Waste material will be placed in the waste dump north of the pit location. The conceptual site layout is presented below. The preliminary layout was developed considering the following constraints:

- Pit optimization;
- Footprint of heap leach, waste dump, mill, workshop in relation to Brigalow vegetation communities;
- Number and position of storm water and sedimentation ponds;
- Avoid or minimise impacts on waterways and significant environmental aspects.

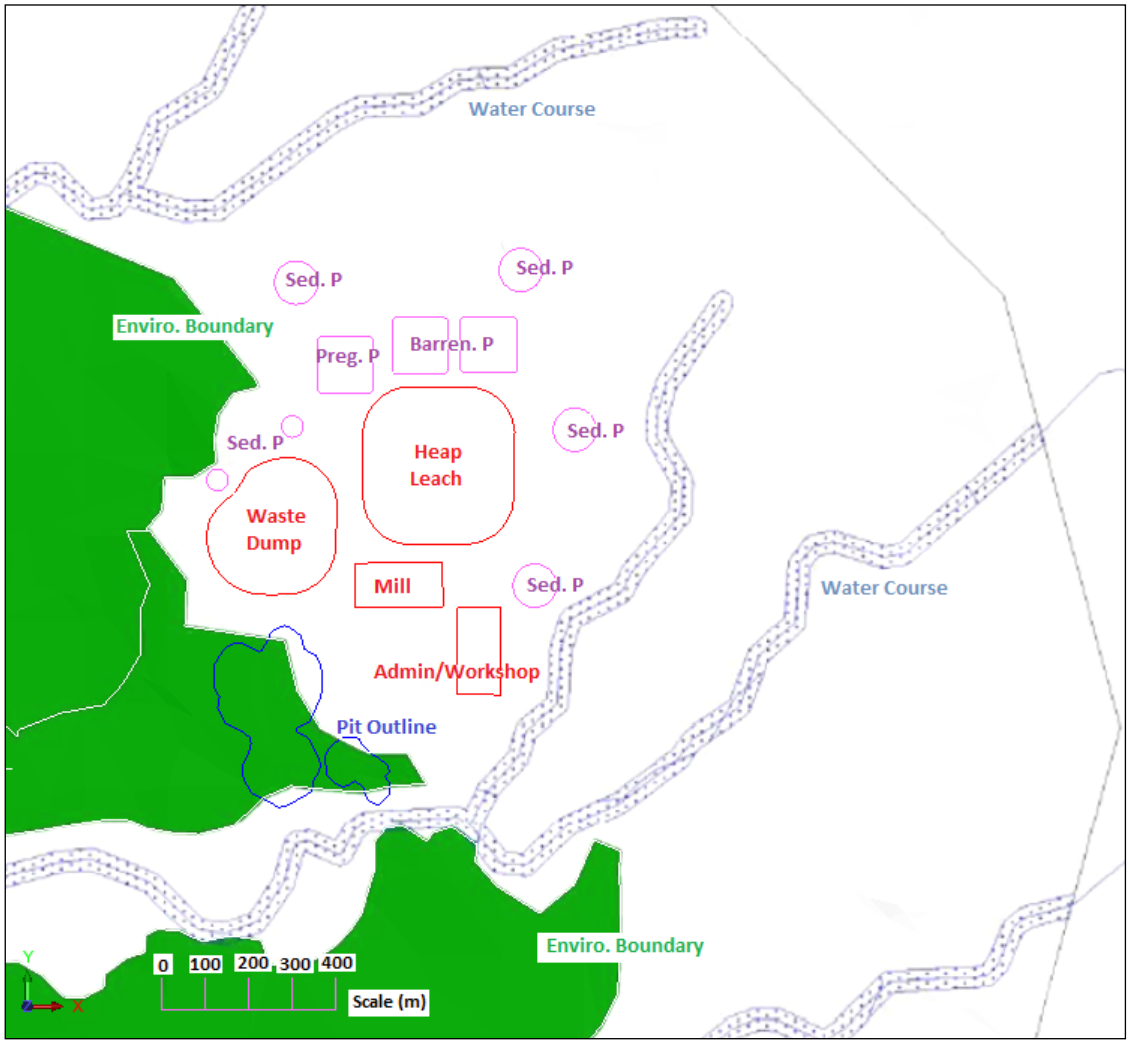

Figure 3: Mt Coolon Site Layout Plan

6. Processing

Heap Leach Facility

The Eugenia Heap Leach facility will include leach pad and collection ponds that consist of process ponds and a storm pond. The leach pad will consist of three phases and was designed to accommodate approximately 2 million tonnes (Mt) of material with a nominal maximum heap height of 15 m above the pad liner. A schematic representation of the Heap Leach process is presented in figure 4 below.

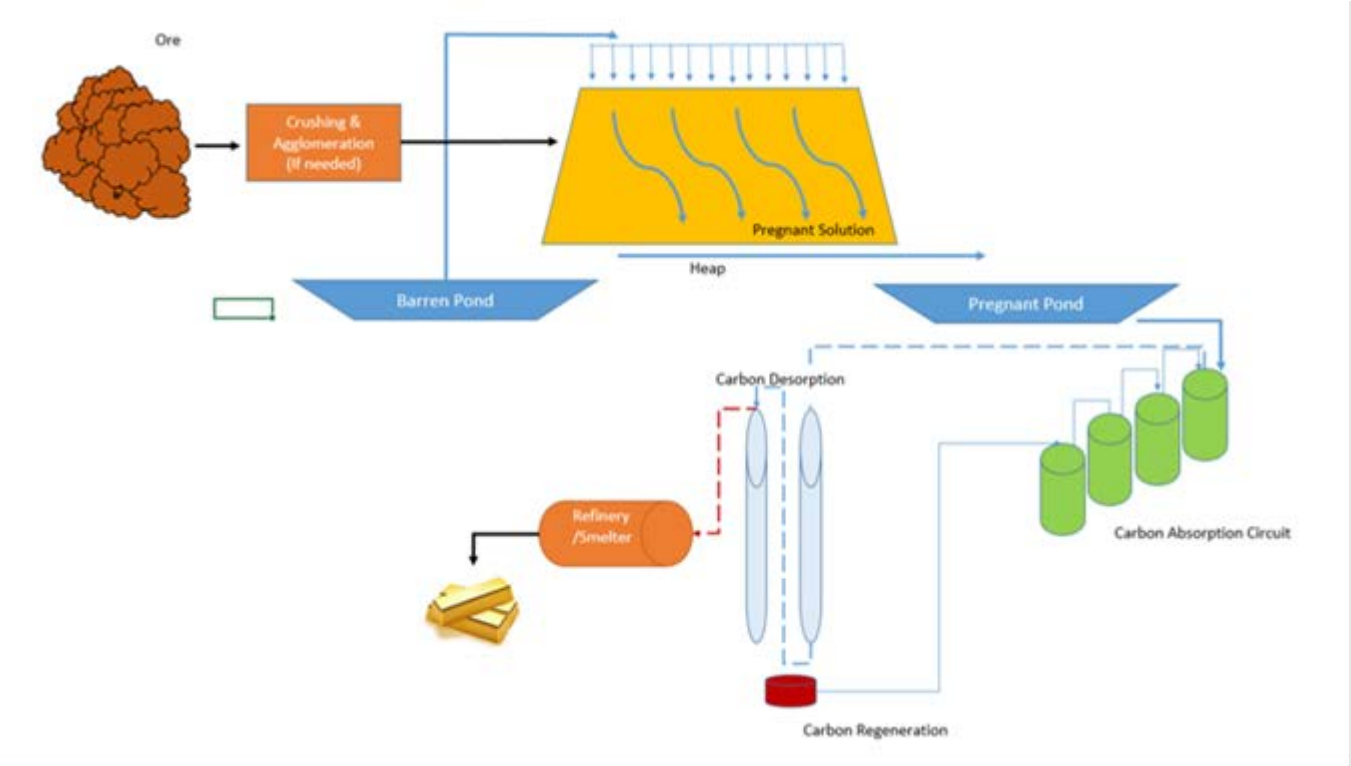

Figure 4: Heap Leach Process Schematic

The heap leaching process assumes stacking crushed gold bearing ore on the leach pad in lifts and leaching each individual lift to extract the gold. Barren leach solution (BLS) containing dilute sodium cyanide will be applied to the heap surface using drip emitters. The primary leaching cycle of the heap is up to 90 days.

The solution will percolate through the heap to the drainage system above the pad liner, where it will be collected in a network of perforated drain pipes embedded within a granular cover drain fill layer above the liner. Leach solution of intermediate grade will gravity flow to the process pond, where it will be pumped back onto the heap as intermediate leach solution (ILS) for further leaching of the material. This will produce a higher gold grade pregnant leach solution (PLS) that will gravity flow to the Absorption, Desorption and Refining plant for processing to extract the gold.

Processing costs were estimated at $8.40 per tonne processed based on operating a heap leach extraction process and based upon estimates from similar projects.

The build- up of processing costs included:

- Crushing, Agglomeration and Stacking
- Leaching, Adsorption and Stripping
- Reagents, Power
- Labour and Maintenance

Metallurgy

Historical Metallurgical test-work combined with the testing of samples collected during a site visit in February 2016 was used to provide guidance as to the expected metallurgical recoveries of the heap leach. Three material horizons were recognized within the resource including near surface potential oxide, transition and fresh ore.

The oxidised samples leached well at fine particle sizes across all test work programs with recoveries in the mid to high nineties. The simulated heap leach tests reflect the recovery/particle size relationship with the -12.5mm tests (86%-95%) giving higher results than the -25mm. A recovery of 90% was assigned to the oxidised material for this study.

The previous test work has demonstrated that the potential transitional/fresh ore will leach if the particle size is fine enough. The most recent test work showed a range of results from 25%-58%. For this Study a recovery of 60% has been assigned to the transitional material and 40% to the fresh material.

Approximately 87% of the proposed recovered gold ounces are mined from the oxide mineralised zone.

7 Infrastructure, Capital, Opex, Cash Flow model and Funding

7.1 Infrastructure and Capital

Mining One has prepared the capital cost estimate for the Mt Coolon Gold Heap Leach Project. The capital cost estimate includes cost for design engineering, equipment and materials procurement, construction and start-up cost and have been based on first principles from similar projects and factored cost estimates. Capital cost estimate is determined as plus or minus 30% which is considered reasonable for scoping study purposes

The total estimated capital cost for the cost components described in this section and shown in Table 5 below is $8.3 million, including Owner's Cost. The project will operate for 16 months and therefore minimal site infrastructure is envisioned.

Capital Cost Summary	
Item	**(AUD $000s)**
Mining	200,000
Process	4,059.000
Leach Pad	2,821,000
Owner And Infrastructure	1,231,000
Total Capital	**8,312,000**

Table 5: Overall capital cost summary

7.2 Opex Overview

Processing costs were estimated at $8.40 per tonne processed based on operating a heap leach extraction process and based upon estimates from similar projects. Mining costs were calculated from budget estimates sourced from a small Australian based earthmoving contractor. A 5% ore loss and dilution in these wide mineralised zones was adopted as a basis for dilution while metallurgical recoveries have been based on the findings of work from this study. Table 6 below provides a summary of the operational cost parameters adopted in this study.

Operational Cost Parameters

Processing Cost	8.40	$AU/t processed
Mining Cost	4.12	$AU/t mined
Mining Dilution	105%	
Mining Recovery	95%	
Oxide Met. Recovery	90%	
Trans. Met. Recovery	60%	
Sulphide Met. Recovery	40%	
Gold Price	1,650	$AU/oz
State Royalty	2.50%	

Table 6: Operational cost parameters

7.3 Cash Flow Model and Sensitivity (based on a gold price of A$1,650 per ounce)

Ore Tonnes	1,771,000	*t*
Ore Grade	0.71	*g/t*
Waste Tonnes	1,634,000	*t*
Total Tonnes	3,409,000	*t*
Strip Ratio	0.92	*w/o*
Recovered Ounces	32,588	*ozs*
Op. Cost / oz (C1)	848	*$/oz*
Operating life	16	*Months*
Revenue *(based on $AU1650/oz)*	52,426,000	*$*
Net operating cash flow before tax	22,321,000	*$*
Capital	8,312,000	*$*

Table 7: Cash Flow Model Summary with Production Profile

Note:C1 = mining and processing expenditure+ site general and administration + transport and refining costs

In order to determine the impact of fluctuations of various mining input parameters on cash flow, a basic sensitivity analysis was performed to ±20% of the input parameter, in 5% increments. The results of the sensitivity analysis are presented below. Gold price and oxide metallurgical recovery have the most impact on the potential cash flow. Changes in these key factors will have a material effect on the economic performance of the Eugenia heap leach project.

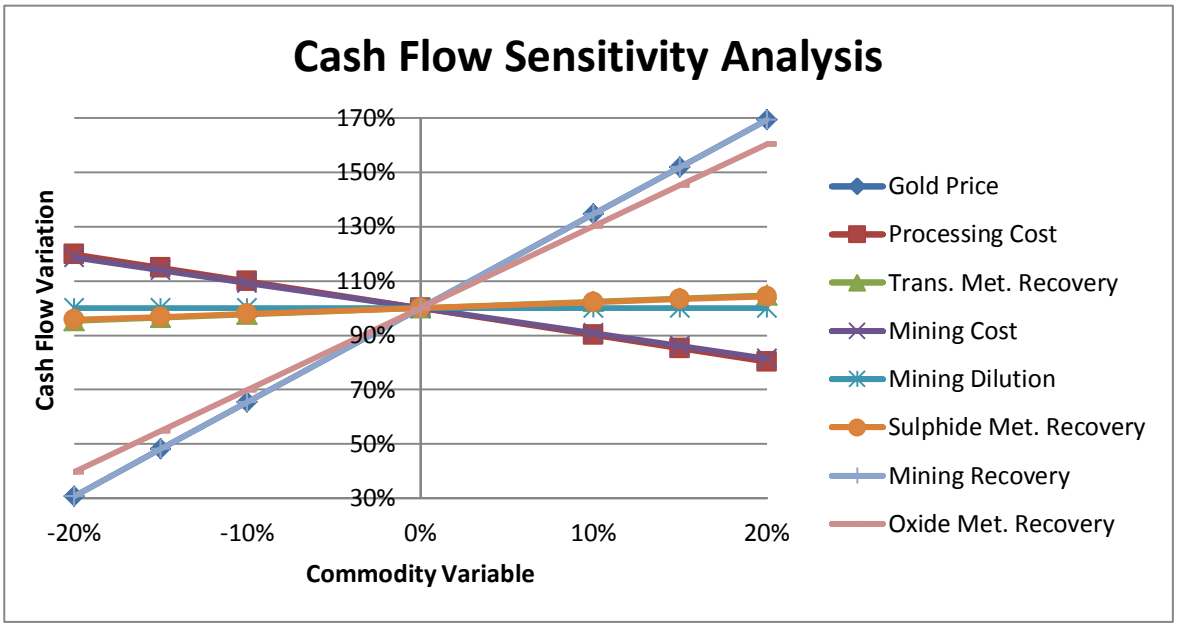

Figure 5: Eugenia heap leach cash flow sensitivity

7.4 Project Funding

The Company has recently completed a $2.6 million share placement, and together with the successful completion of the non-renounceable entitlement issue in January 2016, has raised over $4 million to advance the the Mt Coolon Gold assets towards gold production in the short to medium term .

The financial projections and estimates derived from the scoping study combined with recent support from key shareholders and the current market conditions for gold provides confidence in the potential funding of the project. The company is also looking at low cost opportunities to generate short term cashflow for the company such as toll milling for the Koala and Glen Eva open cuts.

8 Review of Environmental Factors- Grant of Mining Lease

AustralAsian Resource Consultants Pty Ltd (AARC) has completed a Review of Environmental Factors for the proposed Eugenia Project to contribute to the Scoping Study. It includes a preliminary desktop assessment of significant environmental factors for the Project, including environmental monitoring requirements prior to and following the application and recommendations for progressing with environmental approvals for the Project.

The following key environmental issues were reviewed during the study:

- Land use and tenure;
- Commonwealth government legislation;
- Environmentally sensitive areas;
- Flora and Fauna;
- Environmental offsets;
- Regional planning interests;
- Air quality;
- Noise;
- Surface water;
- Groundwater;
- Waste Management; and
- Cultural Heritage and Native Title.

These issues were investigated during the desktop study and recommendations for options to advance the environmental approvals for the project were provided. The review also incorporated environmental monitoring requirements prior to and following the project application.

Based on the desktop assessment and review of environmental factors for the proposed Eugenia Project it is likely that a site specific environmental approval (EA) application process will be required for environmental approval.

Approval of a mining lease for the Eugenia Project is contingent on environmental approvals (grant of the EA).

In order to achieve grant of the Mining Lease to support the production target of 4Q 2017 GBM has recently completed the autumn flora and fauna baseline environmental studies. The autumn field studies undertaken did not identify any threatened flora and fauna species.

The EA is integrated for the approval for a new Mining Lease on the Eugenia Heap leach Project. The Project Time Line schedule includes the EA process with both the EA and ML being targeted for approval and granted by 2Q 2017.

9 Production Options Under Review and Next Steps

The outcome of the Eugenia Heap leach Scoping Study demonstrates that a short term operation could generate a strong positive cash flow by 4Q 2017. The Company in parallel is also evaluating toll milling opportunities for the Koala and Glen Eva open cuts which have the potential to see the Company achieve gold production in the near term. The Company expects to be in a positon by the end of Q4 this calendar year to confirm the intention to proceed with the development of either toll milling the open cuts, progress with the Eugenia Heap Leach or both.

For a decision to be taken to develop the Eugenia Heap leach the following key steps are required.

1. GBM to finalise the appointment of a Consultant to complete the feasibility study to improve the study accuracy (+or- 15%) in the economic assessment.
2. Key areas for further assessment are:

   - ***Mineral Resource***

     Additional drilling required to better define oxide, supergene and primary zone boundaries.

   - ***Geotechnical***

     Further assessment and design iterations of slope parameters to produce an optimum balance of risk vs. cost

   - ***Hydrological***

     Design of an appropriate drainage system surrounding heap leach, waste dump, mill and workshop to be completed as part of the next phase of work to intercept and collect surface water and groundwater contamination.

     Impact of pit dewatering to be completed to assess the impact on surrounding users (including ecosystems).

   - ***Metallurgical***

     In future Studies better definition is required of the boundaries between the levels of oxidation.

     More leach test work to be done to better understand the leach characteristics of the less oxidised portions of the mineralised zone. This will be supported by column leach tests to confirm the metallurgical characteristics as well as the geotechnical properties of the heap.

- ***Infrastructure and Plant***

  All infrastructure designs have been based on preliminary budget estimates however more detailed engineering design and costing is required.

  Leach pad designs will require further engineering and costing.

  Further integrity of the mining and plant capital and infrastructure will be required.

  All mining estimates have been based on a budget estimate from a local earthmoving company. Where data was not readily provided, price estimates of recent Australian projects were used to estimate a reasonable value. As part of the feasibility study the contract mining element of this study will engage in a tender process to fix the rates for all mining activities.

3. GBM to finalise the engagement of an Environmental Consultant to complete the ecological studies and the environmental approval process to achieve the grant of the EA. The EA is integrated with the approval for a new Mining Lease on the Eugenia Heap leach Project.

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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 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-old Project.

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				370	2.8	33,500	750	2.1	51,700	1,110	2.4	85,000	0.4
	Underground Extension				50	3	5,100	230	3.9	28,500	280	3.7	33,700	2.0
	Tailings	114	1.6	6,200	9	1.6	400				124	1.6	6,600	1
	Total	**114**	**1.7**	**6,200**	**429**	**2.8**	**39,000**	**980**	**2.5**	**80,200**	**1,514**	**2.6**	**125,300**	
Eugenia	Oxide				1,305	0.9	39,300	219	0.7	5,100	1,524	0.9	44,400	0.4
	Sulphide				2,127	0.9	62,300	1,195	1.2	45,500	3,322	1.0	107,800	0.4
	Total				**3,432**	**0.9**	**101,600**	**1,414**	**1.1**	**50,600**	**4,846**	**1.0**	**152,200**	**0.4**
Glen Eva	Below pit.				132	7.8	33,200	21	5.9	4,000	154	7.5	37,200	3.0
Total		**114**	**1.7**	**6,200**	**3,993**	**1.4**	**173,800**	**2,415**	**1.7**	**134,800**	**6,514**	**1.5**	**314,700**	

Table 8: Mt Coolon Project resource summary.
Please note rounding; tonnes (1,000t), grade (0.1g/t) and contained gold (100 ounces).]

Competent Persons Statements

The information in this report that relates to Mineral Resources, Exploration Targets and 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.

Competent Persons Statements (continued)

The information in this report that relates to the Eugenia Mineral Resource is based on information compiled by Scott McManus, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Mr McManus is a full time employee of Skandus Pty Ltd . Mr McManus 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 McManus consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

Forward Looking and Cautionary Statements

This announcement has been prepared in compliance with the current JORC Code 2012 Edition and the ASX Listing Rules. All material assumptions on which the forecast financial information is based have been included in this announcement, and are also outlined in the following JORC Table disclosures.

The Company notes that an Inferred Mineral Resource has a lower level of confidence than an Indicated Mineral Resource and that the JORC Code 2012 advises that to be an Inferred Mineral Resource it is reasonable to expect that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration. Based on advice from relevant Competent Persons, the Company is confident that a significant portion of the Inferred Mineral Resources for the Eugenia mineral resource will be upgraded to Indicated Mineral Resources with further exploration work.

The geology and mineralisation at the Eugenia deposit is well understood. Detailed logging of all drill holes together with excellent geological documentation provides the Company with a high level of confidence it understands the lithologies and mineralisation characteristics of the potential mine at Eugenia.

The Company believes it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any Production Targets and economic evaluation based on information contained in this announcement and in particular:

- *GBM has a highly experienced management team with corporate, geological, mining operations, and project development experience.*
- *Mr Dean Basile is employed as Manager Mining for the independent consulting company, Mining One Pty Ltd, and managed and directed the Eugenia Scoping Study. The Study scope included:*
  - *Geotechnical review;*
  - *Hydrological and hydrogeological review;*
  - *Pit optimisation and design;*
  - *Metallurgical testing and analysis; and*
  - *Engineering and infrastructure recommendations.*

  Mr Dean Basile is satisfied that the information provided in this ASX announcement has been determined to a Scoping Study level of accuracy and, based on the data provided by the Company, considers that there is a reasonable likelihood that progress to a feasibility Study can be justified.
- *Ms Julie Byrd is employed as a Senior Scientist for independent consultants AustralAsia Resource Consultants Pty Ltd and has sufficient experience to advise the Company on environmental matters for the Eugenia Scoping Study.*

JORC Code, 2012 Edition – Table 1 Eugenia Gold Deposit, Mt Coolon Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• The project was sampled using HQ and NQ triple tube diamond drill holes (DD) (17 holes for 3130m), Reverse Circulation (RC) with DD with HQ and NQ tails (PCRCDD) (14 holes for 1,955m), RC (172 holes for 17,672 m), Rotary Air Blast (RAB) (130 holes for 878m) and 7 Trenches (for 1,010m) • The sampling techniques used by all previous workers adhere to GBM Resources Limited standard operating procedures for exploration drill product logging and sampling and are of a standard sufficient for resource estimation. Samples were recovered in a standard wireline core barrel with inner split or 'triple' tube. Samples were pushed out from the core barrel, with the top half split was split and the core placed in a core tray of suitable dimension. Samples were from HQ and NQ size barrels. All were dispatched to ALS Group of Australia for processing. DGO undertook adequate QAQC sampling including the use of duplicates and check samples of repeats and duplicates at check labs. Other Companies undertook varying amounts of QaQc not considered adequate to modern industry standards. DGPRS Surveying equipment used was checked by the use of registered surveyors coming out and picking up collars. Down hole camera shots were checked using visual and graphical representation. • All RC samples were collected through a riffle splitter via a cyclone with varying sampling intervals/processes based on the company/phase of drilling. Sampling intervals are a mixture of 1m, 2m and 4m with 1m being the dominant. Diamond holes were geologically logged and sample intervals selected on a lithological basis to a nominal maximum 1m length and a minimum 0.3m length. A blank sample and registered standard were inserted every 20 samples in the diamond core, and every 40m in the RC holes. Duplicate samples were collected every 80m in the RC holes. The ACM RC samples had gold analysed using method GG313 which comprises a 50g Au fire assay and silver using G101. Ross drill samples were analysed at ALS, Townsville, for Au by 50g fire assay with an AAS finish. Normandy drilling samples were submitted to ALS, Townsville, and analysed for Au by 50g fire assay with AAS finish, and Cu, Pb, Zn, Ag, As, Fe,

Criteria	JORC Code explanation	Commentary
		Mn, Mo, Bi, Sb and S by ME-ICP. Duplicates, standards and blanks were included for quality control. DGO samples were submitted to ALS, Townsville, and analysed for Au by 50g fire assay with AAS finish and 35 elements by ME-ICP. In all cases whole samples were dispatched in batches to the labs for sample reduction and preparation to the final assay charge using standard industry procedures.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Diamond drilling accounts for 18% of the drilling used in the resource and comprises of HQ and NQ sized triple tube core. Hole depths range from 140 to approximately 180 m. Drill core was oriented using a spear to assist in future structural interpretation. RC Drilling accounts for 82% of the drilling in the resource. The usual size of bit was 5.75". Hole depths range from 30 to 268m with an average depth of 105m.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• DD Recovery was measured from core block to core block, to check core recovery. Recovery is expressed as a ratio (or percentage) of the total length of core recovered to the length of the run drilled and stored in the database. Because the core is sometimes broken up, the total length of core recovered is often measured by attempting to reassemble the broken pieces. It does not appear that Chip recovery has been addressed apart from DGO and Ross procedures for samplers to note when sample weight is too much or not enough at the rig. RC recovery was assessed at the rig, but there is no written record of this. • Larger diameter HQ and NQ size core was used to provide more improved recovery and triple tube drilling employed to preserve core in a more coherent state for logging and also to improve recovery in very broken or clayey lithologies. RC Samplers were to keep an eye on sample weights produced a the rig and advise the geologist if the weight was more or less than expected. RC samples were riffle split to produce a representative sample on site, and diamond core was split using a saw. • There does not appear to be a correlation between mineralisation and poor core recovery for the DD holes that have recovery recorded. The Average recovery is 99%. 80 DD samples have less than 80% recovery. Of these 60 are in the top 30m and in high weathered clays. Most low recovery samples are close to detection limit. Recovery of RC samples has not been able to be determined. No core recoveries are available for Ross or Normandy DD.
Logging	• *Whether core and chip samples have been geologically and geotechnically*	• All core and chips have been suitable logged to an industry standard and is

Criteria	JORC Code explanation	Commentary
	logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	appropriate to support resource estimation. • Diamond core has been qualitative logged for lithology, size, colour, texture, alteration, structure, weathering, and a mixture of qualitative and quantitatively logged for mineralisation, structure orientation, geotechnical and veining. RC chips were qualitatively logged for colour, weathering, lithology, alteration and mineralisation and DGO quantitatively logged Magnetic susceptibility for some RC holes. All core was photographed wet and dry and pre and after cutting. Digital and Analogue photography is available for DD core. • All intervals for RC and DD has been logged. For a total of 22,757m
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was sub sampled by splitting it in half longitudinally with a diamond saw. Half went for assay and the other was retained for reference and future measurement and checking or metallurgical testing. Twenty four 1 m intervals of NQ diamond half core from the five drill holes 93PCDH01 to 93PCDH005 were quartered for the task of character sampling. Quartered samples were subdivided on the basis of veining, brecciation, lithology, and degree of oxidation. • Chip samples were riffle split and sampled dry, which was noted in log sheets. All RC samples were collected through a riffle splitter via a cyclone with varying sampling intervals/processes based on the company/phase of drilling. ACM (PCRC001 to PCRC097) – One meter dry samples were split to gain a 1/8 representative sample. The 1/8 splits were composited into 2 m composites for assay. All 2 m composites were assayed. The 2 meter splits for assays averaged 6 kg, and varied from 4.5 to 8.5 kg, depending on recovery. Ross (93PCRC01 to 93PCRC04 and PCRC098 to PCRC0106) – One meter dry samples were split to gain a 1/8 representative sample. The 1/8 splits were composited into 2 m composites for assay. All 2 m composites were assayed. Normandy (PCRC107 to PCRC131) - Riffle split 4 m dry sample composites. Anomalous intervals were re-assayed at 1 m interval. Drummond Gold (EURC001 to EURC035, EURC042, EURC043, EURC047 to EURC052) – One meter dry samples were assayed. • Sample preparation for all samples followed ALS standard methodologies for gold fire assays at their Townsville lab. • DGO QAQC included field duplicates inserted at every 24m, blanks at 25m

Criteria	JORC Code explanation	Commentary
		while standards at every 50m. QaQc from 1990 to 1997 included check samples, twined holes and duplicates. Lab QaQc data was also reviewed. AMC appear to only to have used field duplicates. • Field Duplicates were taken to ensure representative sampling. (DGO did not take field duplicates in diamond core). Ross carried out studies of twined DD holes (5 against ACM RC holes) and found 3 to have good to reasonable continuity and grade, and two to have poor continuity and grade. • Diameter of core sizes employed are considered appropriate to the grain size of the gold and in line with general industry practice for epithermal style gold deposits. Field duplicates were routinely checked to ensure that they reported within acceptable limits.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• ALS Au-AA25(30g charge) and Au-AA26 (50g charge) is an acceptable industry standard for gold assays. A prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required, in quarted with 6 mg of gold-free silver and then cupelled to yield a precious metal bead. The bead is digested in 0.5 mL dilute nitric acid in the microwave oven. 0.5 mL concentrated hydrochloric acid is then added and the bead is further digested in the microwave at a lower power setting. The digested solution is cooled, diluted to a total volume of 10 mL with de-mineralized water, and analysed by atomic absorption spectroscopy against matrix-matched standards. The technique is total. • No geophysical tools were used to determine any element concentrations used in this resource estimate. Grind size checks were performed by the labs and reported as part of their due diligence. • Only Drummond used blanks, the results indicate no significant issues with the sample prep or assaying. A number of historic 'in house' gold standards were used by Normandy plotted graphs suggests there is generally good consistency within the standards. The Drummond supplied matrix specific gold standards. Unfortunately in some instances the number of standards was too few such that meaningful conclusions from the results were difficult to obtain. Generally there were more sulphide standard samples which showed a tendency to under-report the gold grade by 4-8%, particularly in the first half of the drilling. This bias is noted and is reflected in the resource classification. The lab inserted standards appeared to show similar patterns with often phases of under-reporting by 4-8% particularly

Criteria	JORC Code explanation	Commentary
		in the first half of the time frame presented. Laboratory duplicate analysis show no issues with the homogeneity of the sample preparation. RC field duplicate samples were collected by Drummond there is a higher grade bias for the original sample especially with the higher grade samples. Hence there is potentially an issue with the Drummond RC sampling leading to a possible loss of barren material or an upgrading of gold material. The Drummond RC sampling accounts for roughly 25% of the overall sampling at Eugenia and this will have some impact on the classification of the resource estimates. 246 field duplicates were collected by ACM and indicated better results with no obvious of bias with the RC sampling. In a similar fashion 25 RC field duplicates collected by Normandy also indicated no issues with the sampling. 54 field duplicates for diamond core were collected by ACM and Ross Mining. The results show a higher grade bias with the high grades for the original sample. The inherent problems with core duplicates especially for gold and the limited number of samples suggest only a small impact on the resource classification. Ross diamond holes 93PCDH001 to 93PCDH005B were drilled as twin holes to a selection of ACM RC holes drilled in 1990. The purpose of this twin hole programme was to investigate the width and value continuity of gold mineralisation. No second lab checks are reported. No coarse rejects assayed. The QAQC data for the historical drilling is lacking in parts. Despite Drummond carrying out batch based QaQc there does not seem to have been any real time management of the process and no batches failed and resampled or re run at the lab. An absence of standards for the ACM drilling is significant and will have an impact on the resource classification. The standards for the Normandy and Drummond work indicate reasonable accuracy although they do seem to be highlighting under-reporting of the gold grade between 4 to 8%. The Drummond field duplicates indicate outcomes which might suggest the problem of repeatability is drilling related. The significant high bias for higher grades with the original Drummond sample relative to its field duplicate will have an impact on the resource classification. This has been partly offset by the lack of bias associated with the Normandy and ACM RC sampling. The hole twinning indicates significant repeatability issues for the gold mineralisation with a possible higher grade bias towards the RC drilling. However this is not necessarily unusual with diamond core duplicates, especially for gold mineralisation.

Criteria	JORC Code explanation	Commentary
		It is unlikely that any Measured Resource status can be conferred onto the estimates from the outcomes of the QAQC work. Substantial checking work is required.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections inspected in the field by staff geologists to confirm nature of mineralization and verify integrity of sampled intervals. During the December 2014 site visit GBM and Skandus staff located chips and drill core of significant mineralisation to review and sub sampled lab reject pulps of the relevant intercepts. Ross twinned 5 AMC RC holes with DD and found reasonable to good correlation on continuity and grade. • All Data, data entry procedures, data verification and data storage has been carried out in accordance with Ross, AMC, Normandy and DGO SOPS. The site office has all documentation and paper files on hand. At all stages all companies validated and verified previous workers data. DGO had computer/database geologists responsible for the electronic health of the data. Final Data verification and data storage has been managed by GBM Data Management staff using industry standard Data Shed. A few minor issues have arisen with different logging schemes used by different companies and a change in some sample numbers by DGO. None of this affects the resource and GBM has been able to resolve all these issues and start fresh with a clean dataset. Skandus carried out its own validation checks and found there to be very few validation issues. Skandus also reviewed all previous workers data and data protection SOPS, and documentation at site and found all work had been carried out to acceptable industry standard and care. • No adjustments or calibrations were made to any assay data used in this estimate.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• ACM, Ross and Normandy used in house surveyors and a local prospect grid. (Grid origin and pegs are still well located). DGO Collar surveys were carried out by hand held GPS. Collars positions were surveyed in GDA94 by DGPS in Sept. – Oct. 2008 by Tony Baylis from Resource & Exploration Mapping (REM) providing a verified coordinate location of all Eugenia collars. DGO, Normandy, and Some Ross Down hole surveys were carried out at approximately 30 or 50 metres using a single shot Eastman downhole survey camera. ACM and some Ross holes were surveyed only at the collar. Acid surveys were used by Ross on some holes. • GDA94 datum (Zone 55) • Topographic control was checked during the 2008 REM DGPS collar

Criteria	JORC Code explanation	Commentary
		pickups. DGO also sourced a 1m A DEM (source unknown) and used that to verify topographic control.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drillhole spacing is approximately 30m by 25m with downhole sampling predominantly at 1m intervals (ranging up to 50m in some places). The majority of the RC and diamond holes were 60° angled holes, generally to the east. Some historical drilling contained 60° angled holes to the west. DGO infilled a Ross line of drilling to 12.5m. • For the size of the deposit and expected mining block, the spacing gives good coverage of the mineralised zone and at a suitable spacing to estimate blocks if a non-linear estimator is used. Variography (Hellman & Schofield) has shown that 80% of the variance occurs at distances less than 15m and that drill spacing would need to be less than 25m to improve confidence. Sample spacing has been taken into consideration for classification of the resource blocks. • Samples were composited to 1m.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Based on the current geological model of gently west dipping strata bound mineralisation, the current predominant orientation is appropriate. • No orientation based sampling bias has been identified in the data at this point.
Sample security	• *The measures taken to ensure sample security.*	• GBM has an industry standard SOP governing sample security. Previous workers also had SOPs, Skandus interviewed previous senior technicians from DGO and Ross Mining and found that sample security on historical samples was adequate, this is backed up by the physical evidence of DGO storage of pulps, rock chips and Drill core.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Skandus, in late 2014 and 2015 carried out a review of the historical sampling techniques and data and found it appropriate. 5 Check samples were taken of DGO Core and RC chips (from lab pulps) with good correlation and a limited review of drill core and drill chips versus hand written logs versus database entries was carried out with very good correlation.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Eugenia prospect is located 9km to the east of Mt Coolon town site, within the Whynot Pastoral Station. Eugenia and the former gold mining township Mt. Coolon, lie approximately 200 km due west of Mackay and 130 km south west of Collinsville in Central North Queensland. The nearest regional city, Mackay, can be accessed by the Suttor Development Road via Nebo. The road is bitumen as far as the Moranbah turn-off just past Lake Elphinstone, after which it is a formed gravel road for 110km. The 227km journey takes about 3 hours. Mt Coolon can also be accessed from Collinsville, 135km, via the Bowen Development Road, which is sealed to within 40km of Mt Coolon, then by a formed gravel road, or from Townsville via Charters Towers and Belyando Crossing. It is Covered by Exploration Permit for Minerals ("EMP") 15902, of 100 sub blocks it is in in its 8th year with an expiry date of 12th June 2018. There are currently no Compensation agreements, Encumbrances, Mortgages, Caveats or Third Party Interests in place. A Cultural Heritage Management Agreement with the Jangga People who also have a Native Title Protection Conditions, Expedited Grant. The EPM is partially covered by a Cropping Zone however there is no Strategic Cropping Zones over the Tenure. A tenement review carried out by GBM in December 2014 found the lease to be in good standing and compliance. The EPM is held 100% by MT COOLON GOLD MINES PTY LTD, which is in turn owned 100% by GBM Resources LTD. • The tenure is currently secured via direct ownership. The permit is an Exploration Permit. There are no known impediments to exploration or for application to a Mining Title.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Eugenia deposit (previously named Police Creek) prospect was discovered by ACM Gold Ltd in November 1989 by regional stream sediment sampling. Soils sampling further delineated a significant geochemical soil anomaly which was subsequently drilled tested by ACM Gold Ltd through its wholly-owned subsidiary Wirralie Mines Pty Ltd, at the same time they carried out a ground magnetics survey. Ross Mining took up the ground in 1992 and first explored at Eugenia in October 1993 with initial mapping, spectral analysis, rock chipping, re-logging of high priority ACM RC chips, RAB drilling and a small costean program followed by RC then diamond drilling. The last work by Ross

Criteria	JORC Code explanation	Commentary
		Mining was completed in late 1996. Normandy Gold Exploration entered into a joint venture with Ross in 1999 and in 2001 completed a small diamond program followed by a 34 hole RC program in 2001 supplemented by core re-logging and sampling and an IP geophysical survey. Following the takeover of Normandy by Newmont Mining Corporation, the joint venture was managed by Newmont Gold Exploration Newmont withdrew from the joint venture in 2002. Delta Gold Ltd took over Ross in May 2000. Delta Gold merged with Goldfields Limited to form Aurion Gold Limited. In 2002 Placer Dome Asia Pacific Limited ("Placer") acquired 100% of Aurion Gold. In August 2003, Ashburton Minerals Ltd completed negotiations with Placer under which Ashburton acquired the Drummond Basin gold assets off Placer, by acquiring 100% of Wirralie Mines Pty Ltd. Ashburton carried out database consolidation, review of Aster data and a regolith study. Police Creek and the surrounding tenements were acquired by Mt Coolon Gold Mines Pty Ltd in early 2005 a wholly-owned subsidiary of Drummond (DGO). The Police Creek prospect was renamed Eugenia by MCGM. Drummond commenced exploration in 2006 with a RC program proving geological continuity between previous drilling and testing preciously untested deeper targets. Prior to Drummond's drilling, the prospect had only been sparsely tested below 60m depth. During the 2008 field season Drummond drilled nine diamond hole supplemented by eight RC holes for work towards the 2009 Eugenia resource estimate.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Eugenia is a typical adularia sericite low sulphidation epithermal system with a significant component of strata bound control. The general stratigraphy of Eugenia Deposit dips gently to the west. Multiple stages of mineralisation associated with varying degrees of alteration have been identified at Eugenia. The most significant styles of Gold mineralisation are associated with quartz-carbonate-adularia veining and distinct zones of banded chalcedonic quartz veins. A broader zone of silica-pyrite alteration and quartz-sulphide brecciation are also host to varying degrees of lower tenor Au. A superimposed lateritic weathering profile has resulted in the development of a zone of supergene enrichment.
Drill hole	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all*	• Exploration results not being reported

Criteria	JORC Code explanation	Commentary
Information	*Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results not being reported
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Exploration results not being reported
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Exploration results not being reported
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Exploration results not being reported
Other substantive exploration	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of*	• Exploration results not being reported

Criteria	JORC Code explanation	Commentary
data	*treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Exploration results not being reported

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary

Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*
	• *Data validation procedures used.*
		• Data collated by GBM from a mixture of hardcopy and digital logging and analytical data
		• Checks completed by H&SC include:
		  • Data was imported into an HS&C Access database with indexed fields, including checks for duplicate entries, sample overlap, unusual assay values and missing data.
		  • Additional error checking using the Surpac database audit option for incorrect hole depth, sample/logging overlaps and missing downhole surveys.
		  • Manual checking of logging codes for consistency, plausibility of drill hole trajectories and assay grades. Modifications made to lithology codes for easier use in interpretation
		  • Assessment of the data confirms that it is suitable for resource estimation.

Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Scott McManus of independent geological consulting firm Skandus Pty. Ltd, completed a site visit in January 2015 and has reviewed all drill core and RC chips, and all geological mapping and interpretation. Neil Norris, Exploration Director for GBM also visited site in January 2015.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• A detailed report on the geological model has been completed by GBM. The model is entirely reasonable. • Eugenia is a typical adularia sericite low sulphidation epithermal system with significant component of stratabound control. The general stratigraphy of Eugenia Deposit dips gently to the west. Multiple stages of mineralisation associated with varying degrees of alteration have been identified at Eugenia. The most significant styles of Au mineralisation are associated with quartz-carbonate-adularia veining and distinct zones of banded chalcedonic quartz veins. A broader zone of silica-pyrite alteration and quartz-sulphide brecciation are also host to varying degrees of lower tenor Au. A superimposed lateritic weathering profile has resulted in the development of a localised zone of supergene enrichment. • Interpretation of the drillhole database allowed for the generation of a 3D base of oxidation surface on 25m sections.

Criteria	JORC Code explanation	Commentary
		• A model based on alteration has been used. • A lack of drilling suggests the mineralisation is open along strike and at depth. An occasional drillhole has terminated in significant gold mineralisation • Oxidation due to weathering has been defined by logged codes and low value sulphur assays. There is evidence of gold enrichment at the base of the oxide zone • Geological understanding appears to be good and appropriate for resource estimation • Alternative interpretations are possible for the mineral zone definition but are unlikely to affect the estimates. • The complexity of overlapping mineral styles and the orebody type means there is both a strong stratabound and strong structural control to the gold grade and geological continuity of the mineralisation.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The block model measures 400m in the east by 475m in the north and by 240m from surface • The resource is divided into 3 domains, the oxide, transition and fresh rock zones based on a 3D surface within the alteration zone. (Transition and Oxide are reported togther) • Depth to fresh rock is of the order of 50m below surface
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.*	• The gold block grade was estimated using Ordinary Kriging using Gemcom software. • Ordinary Kriging is an appropriate method to use as long as top cutting is carried out and the data is domained. • There is no correlation between gold and any other elements eg Cu, Ag, Pb & Zn • The base of oxidation was treated as a soft boundary • No assumptions were made regarding the recovery of any by-products. • Variography parameter from the July resource estimate were used. A relatively high nugget effect was observed. Grade continuity was poor to modest in the downhole and the directional variograms. The poor grade continuity is expected with this type of gold mineralisation. • Drill holes are on relatively regular but variably spaced grids with a nominal spacing of 20 by25m increasing to a nominal 50 by 50m. Block size was set at 10x10x5m (X, Y and RL) after kriging neighbourhood analysis and discussion with engineers carrying out pit optimisation work. Discretisation was set to 3x3x3 (E, N, RL respectively).

Criteria	JORC Code explanation	Commentary
	• *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Modelling used an expanding search pass strategy with the initial search radii based on the detailed drill spacing increasing to take in the geometry of the mineralisation and the variography. Modelling consisted of one estimation run with 3 passes. The minimum search used was 30m by 30m by 6m and expanding by 50% to a maximum of 45m by 45m with 9m in the vertical, Z, direction for the second and then to 60m by 60m by 9 for the final search pass. The minimum number of data was 16 samples for Passes 1 & 2 decreasing to 8 points for Pass 3. • The maximum extrapolation of the estimates is about 50m. • The estimation procedure was reviewed against the July 2015 estimate. • No deleterious elements or acid mine drainage has been factored in. • The final block model was reviewed visually and it was concluded that the block model fairly represents the grades observed in the drill holes. Skandus also validated the block model statistically using a variety of histograms and summary statistics in the X, Y and Z directions. • Validation confirmed the modelling strategy as acceptable with no significant issues. • No production has taken place so no reconciliation data is available.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry weight basis; moisture not determined.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• 0.4 g/t gold cut off used on blocks above the 85m RL for both oxide and sulphide material. • The base of oxidation was used to divide the oxide and fresh rock resources with a partial percent volume adjustment. • The cut-off grade at which the resource is quoted reflects an intended bulk-mining approach and initial pit optimisation work on the July 2015 model and this model.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Skandus's understanding of a bulk mining scenario is based on information supplied by GBM. • The SMU (5x5x1m) is the effective minimum mining dimension for this estimate. • Any internal dilution has been accounted for with the modelling and as such is appropriate to the block size. • A heap leach operation is envisaged for the oxide material
Metallurgical factors or	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining*	• Preliminary bench scale metallurgical test work has indicated high recoveries in cyanide leaching of oxide and transitional material. No

Criteria	JORC Code explanation	Commentary
assumptions	*reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	appropriate studies of heap leach recoveries have been completed, however one early test for only 7 days on coarse material returned 56% and 36% recoveries. • A simple grinding and CIL plant operation is envisaged for the sulphide material • It is assumed that there will be no significant problems recovering the gold. • No penalty elements identified in work so far
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• The area lies within flat terrain with broad watercourses • The area is covered with sparse vegetation typical of that part of North Central Queensland • GBM has commissioned a desktop environmental study in 2016 the report did not find any significant issues but did recommend starting a base line study in preparation for a ML application.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vughs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Default density values for mineralisation and waste rock were derived from 78 samples (using the Archimedes method) including 39 fresh rock and 39 oxide samples. • Default values are 2.09t/m^3 for oxide material and 2.55t/m^3 for fresh rock • Allocation of density grades to panels is based on the oxidation surface and its partial percent volume adjustment. • More density test work is required in order to raise the confidence of the resource estimate.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral resources have been classified on sample spacing, grade continuity, QAQC, geological understanding and sensible mining depths • Classification has included Indicated & Inferred Resources • The classification appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audits completed. The Resource has been closely compared to the 2015 model (as it used many of the same parameters) as well as the use of model validation tools in Snowden Visor software.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy and confidence level in the Mineral Resource estimates are considered to be in line with the generally accepted accuracy and confidence of the nominated Mineral Resource categories. This has been determined on a qualitative, rather than quantitative, basis, and is based on the Competent Person's experience with similar deposits. • The geological nature of the deposit, the modelling method and the composite/block grade comparison lend themselves to a reasonable level of confidence in the resource estimates. • The Mineral Resource estimates are considered to be reasonably accurate globally, but there is some uncertainty in the local estimates due to the current drillhole spacing. • No mining of the deposit has taken place so no production data is available for comparison.