

29 October 2020

Dear Shareholders,

ANNUAL GENERAL MEETING – NOTICE AND PROXY FORM

The annual general meeting of the Company is scheduled to be held in Brisbane on 30 November 2020 at 10.00am (AEST) (**Meeting**). However, depending on the status of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the time of the Meeting, the Directors may make a decision prior to the Meeting that Shareholders will not be able to attend the Meeting in person.

Whilst GBM Resources Limited intends to proceed with the Meeting as proposed, it advises that:

- (a) Directors, other than the Chairman and Managing Director, will not be in physical attendance, and will instead be available via telephone as required;
- (b) no presentation or other update on the Company's operations will be provided; and
- (c) questions on the Company's activities may be directed at any time to the Chairman, who will endeavour to respond directly to shareholder questions in a prompt manner.

Accordingly, the Directors strongly encourage all shareholders to lodge a directed proxy form prior to the Meeting and appoint the Chair as proxy.

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020, the Company will not be dispatching physical copies of the Notice of Meeting (Notice). Instead, a copy of the Notice will be available under the "ASX announcements" section of the Company's website at <http://www.gbmr.com.au/asx-announcements/>.

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience.

The Australian government is implementing a wide range of measures to contain or delay the spread of COVID-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's website at www.gbmr.com.au and the ASX Company's Announcement Platform at asx.com.au (ASX:GBZ). Any Shareholders who plan to physically attend the Meeting should closely monitor these platforms for any updates from by the Company in regard to attending the Meeting in person and alternative arrangements.

If Shareholders do not attend the Meeting in person, they will be able to participate by:

- (a) voting their Shares prior to the Meeting by lodging the enclosed proxy form attached to the Notice by no later than 10:00 am (AEST) on 28 November 2020; and
- (b) lodging questions in advance of the meeting by emailing the questions to the Chairman reception@gbmex.com.au by no later than 24 November 2020.

If the Company puts in place teleconference or online meeting facilities, detailed instructions on how to access such facilities, will be made available to Shareholders on the Company's website at www.gbmr.com.au and the ASX Company's Announcement Platform at asx.com.au (**ASX: GBZ**) prior to the Meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'PM', with a long horizontal stroke extending to the right.

Peter Mullens
Executive Chairman

GBM RESOURCES LIMITED
ACN 124 752 745
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00 am (AEST)
DATE: 30 November 2020
PLACE: Meeting Room 83, Hilton Brisbane
190 Elizabeth Street
Brisbane, Queensland 4000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00 am on Saturday, 28 November 2020.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR BRENT COOK

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Brent Cook, a Director who was appointed as an additional Director on 17 September 2020, retires, and being eligible, is elected as a Director."

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR PETER THOMPSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.2 of the Constitution, and for all other purposes, Mr Peter Thompson, a Director, retires by rotation, and being eligible, is re-elected as a Director."

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

6. **RESOLUTION 5 – APPROVAL TO ISSUE CONSIDERATION SHARES – AERIS RESOURCES LIMITED**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 22,222,223 Shares on the terms and conditions set out in the Explanatory Statement.”

7. **RESOLUTION 6 – APPROVAL TO ISSUE SHARES TO AERIS RESOURCES LIMITED**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$1,000,000 on the terms and conditions set out in the Explanatory Statement.”

Dated: 26 October 2020

By order of the Board



**Peter Rohner
Director**

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none">(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or(b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none">(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or(b) the voter is the Chair and the appointment of the Chair as proxy:<ul style="list-style-type: none">(i) does not specify the way the proxy is to vote on this Resolution; and(a) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
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Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 5 – Approval to issue Shares	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Aeris Resources Limited) or an associate of that person (or those persons).
Resolution 6 – Approval to issue Shares	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (Aeris Resources Limited) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

You may still attend the Meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from the Company will need to verify your identity.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9316 9100.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.gbmr.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR BRENT COOK

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Brent Cook, having been appointed by other Directors on 17 September 2020 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Brent Cook is an economic geologist with over 40 years' experience in exploration, mining and finance. During his career he has worked on nearly every deposit type in over 60 countries. From 1997 until 2003, Brent was chief analyst at Global Resource Investments (now Sprott Global) and an advisor to three micro-cap junior exploration funds.

In 2008, Brent founded the widely respected Exploration Insights investment newsletter, which is followed throughout the mining industry; he was author and editor from 2008 to 2016.

Since 2003, Brent has also acted as an independent advisor and mining analyst, working with a number of junior mining companies, money management groups and individual investors. He brings a wealth of knowledge from his experiences within the Financial and Mining sectors, particularly those of North America, along with his many contacts throughout the industry. Brent's expertise, experience and contacts will provide much value to the Board, for both technical evaluations and business development.

3.3 Independence

Mr Cook has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers that Mr Cook will be an independent Director.

3.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications and character,. The Company undertook such checks prior to the appointment of Mr Cook and confirms that no materially adverse information was revealed by such checks which requires disclosure.

3.5 Board recommendation

The Board has reviewed Mr Cook's experience and performance since his appointment to the Board and considers that Mr Cook's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Brent Cook and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR PETER THOMPSON

4.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Peter Thompson has served as Managing Director from his appointment to the Company on 3 April 2007. In accordance with the Constitution, Mr Thompson has not been required to retire by rotation during his serve as Managing Director.

On 25 November 2019, Mr Thompson stepped down from Managing Director, remaining on the Board as an executive Director. Mr Thompson has not stood for re-election since his appointment as Managing Director in April 2003. As a matter of good corporate governance, Mr Thompson retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr Thompson is a CPA qualified accountant and Fellow of Governance Institute of Australia. He has over 35 years' experience in the mining industry in Australia, UK and South America.

He has held senior roles with several major companies including Xstrata Plc, MIM Holdings Ltd and Mt Edon Gold Mines.

Since 2000, Mr Thompson has been involved in the development of various infrastructure projects, including mine and refinery expansions and establishment of infrastructure including roads, rail, port and power utilities.

Mr Thompson was appointed as a non-executive director of Nova MSC Berhad, a Malaysian public company on 1 June 2017. Mr Thompson has held no other directorships of Australian listed companies in the last 3 years.

4.3 Independence

If re-elected the Board considers Mr Thompson to be an independent Director from the date of him ceasing to be Managing Director.

4.4 Board recommendation

The Board has reviewed Mr Thompson's performance since his appointment to the Board and considers that Mr Thompson's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Thompson and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

5.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

5.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4:

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 5.2(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 23 October 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.095	\$0.19	\$0.285
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	398,849,592 Shares	39,884,959 Shares	\$3,789,071	\$7,578,142	\$11,367,213
50% increase	598,274,388 Shares	59,827,438 Shares	\$5,683,606	\$11,367,213	\$17,050,819
100% increase	797,699,184 Shares	79,769,918 Shares	\$7,578,142	\$15,156,284	\$22,734,426

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- There are currently 398,849,592 Shares on issue comprising:
 - 329,219,961 existing Shares as at the date of this Notice of Meeting;
 - 22,222,223 Shares which will be issued if Resolution 5 is passed at this Meeting;
 - 7,407,408 Shares (being the number of Placement Shares to be issued assuming the Initial Share Price) which will be issued if Resolution 6 is passed at this Meeting; and
 - 40,000,000 Shares which are to be issued pursuant to a new placement of Shares subject to receiving shareholder approval (**New Placement Shares**). The issue of New Placement Shares is considered in resolution 5 of the Company's General Meeting to be held on 22 October 2020.
- The issue price set out above is the closing market price of the Shares on the ASX on 23 October 2020.
- The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 25 November 2019 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 24 November 2019, the Company issued 47,432,208 Shares pursuant to the Previous Approval (**Previous Issue**), which represent approximately 37% of the total diluted number of Equity Securities on issue in the Company on 24 November 2019, which was 127,030,607 (on a post consolidation basis).

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

5.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

6. RESOLUTION 5 – APPROVAL TO ISSUE CONSIDERATION SHARES – AERIS RESOURCES LIMITED

6.1 Background

The Company has entered into a binding agreement (**Acquisition Agreement**) with Aeris Resources Limited (ACN 147 131 977) (**Aeris Resources**) for the acquisition of its wholly owned subsidiary Straits Gold Pty Ltd (ACN 072 498 081)(**SG**)(**Acquisition**).

SG owns 100% of the Yandan Project comprising mining licences ML 1095, ML 1096 and EPM8257 (**Yandan Project**). The Yandan Project is located approximately 40 kilometres to the west of Mount Coolon and 155 kilometres south east of Charters Towers on the eastern margin of the Drummond Basin which is highly prospective for epithermal gold-rich mineral systems.

A summary of the material terms of the Acquisition Agreement is set out in Schedule 2.

6.2 General

The Company has entered into an agreement to issue 22,222,223 Consideration Shares in consideration for the Acquisition.

The 22,222,223 Consideration Shares to be issued is the maximum number of Shares which, when multiplied by the deemed issue price of \$0.135, equals \$3,000,000.

As summarised in Section 5.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Consideration Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

6.3 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Consideration Shares. In addition, the issue of the Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Consideration Shares. If the Company is not able to satisfy the conditions precedent in the Acquisition Agreement by 14 December 2020 (or such other date as agreed by the parties in writing), which includes the issue of the Consideration Shares, the parties will need to renegotiate terms or the Acquisition Agreement will be at an end and the parties will be released from their obligations under the Acquisition Agreement.

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Consideration Shares.

6.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) The Consideration Shares will be issued to Aeris Resources Limited;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Consideration Shares to be issued is 22,222,223. The Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Consideration will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Consideration Shares will occur on the same date;
- (e) the Consideration Shares will be issued at a deemed issue price equal to \$0.135 per Share, in consideration for the Acquisition;
- (f) the purpose of the issue of the Consideration Shares is to satisfy the Company's obligations under the Acquisition Agreement;
- (g) the Consideration Shares are being issued to Aeris Resources under the Acquisition Agreement. A summary of the material terms of the Acquisition Agreement is set out in Schedule 2; and
- (h) the Consideration Shares are not being issued under, or to fund, a reverse takeover.

7. RESOLUTION 6 – APPROVAL TO ISSUE SHARES TO AERIS RESOURCES LIMITED

7.1 Background

Subject to obtaining shareholder approval, Aeris Resources has agreed to subscribe for the Placement Shares pursuant with the terms of the Acquisition Agreement as summarised at Schedule 2 of this Notice of Meeting. Refer also to Section 6.1 for some background to the Acquisition.

The maximum number of Placement Shares to be issued the is up to that number of Shares which, when multiplied by the issue price, equals \$1,000,000.

The issue price of the Placement Shares will be the same as the issue price for the placement announced by the Company on 19 October 2020, being \$0.135 (**Initial Share Price**). In the event that the volume weighted average sale price (**VWAP**) of the Company's Shares on ASX for the 5 trading days prior to the date of issue of the Placement Shares (**New Share Price**) is less than 80% of the Initial Share Price, then the issue price for the Placement Shares will be the New Share Price and not the Initial Share Price.

Pursuant to the Acquisition Agreement, any Placement Shares issued to Aeris Resources will be escrowed for 12 months.

7.2 General

The Company is proposing to issue to Aeris Resources up to that number of Shares, when multiplied by the issue price, will raise up to \$1,000,000 (**Placement Shares**).

As summarised in Section 5.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of Placement Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

7.3 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Placement Shares. In addition, the issue of the Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company may not be able to proceed with the issue of the Placement Shares. If the Company is not able to satisfy the conditions precedent in the Acquisition Agreement by 14 December 2020 (or such other date as agreed by the parties in writing), which includes obtaining all shareholder approvals for the transactions contemplated by the Acquisition Agreement (including the issue of Placement Shares), the parties will need to renegotiate terms or the Acquisition Agreement will be at an end and the parties will be released from their obligations under the Acquisition Agreement.

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Shares.

7.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the Placement Shares will be issued to Aeris Resources Limited;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Placement Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$1,000,000. The Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX

waiver or modification of the Listing Rules) and it is intended that issue of the Placement Shares will occur on the same date;

- (e) the issue price of the Placement Shares will be equal to the issue price for the Initial Share Price (being \$0.135 per Placement Share). In the event that the VWAP of the Company's Shares on ASX for the 5 trading days prior to the date of issue of the Placement Shares (New Share Price) is less than 80% of the Initial Share Price, then the issue price for the Placement Shares under paragraph will be the New Share Price. The Company will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Placement Shares is to raise \$1,000,000. The Company intends to apply the funds raised from the issue towards accelerating exploration programs at Mt Coolon Gold Project, assessment of potential project acquisitions and project generation activities and working capital;
- (g) the Placement Shares are being issued to Aeris Resources Limited pursuant to the terms of the Acquisition Agreement. A summary of the material terms of the Acquisition Agreement is set out in Schedule 2; and
- (h) the Placement Shares are not being issued under, or to fund, a reverse takeover.

7.5 Dilution

In the event the issue price of the Placement Shares is the Initial Share Price, the number of Placement Shares that may be issued under Resolution 6 will be 7,407,408 Placement Shares. Assuming the Company issues this amount of Placement Shares pursuant to Resolution 6, the number of existing Shares on issue would increase from 329,219,961 to 336,627,369, resulting in an approximate dilution effect on existing Shareholders of 2.2%.

Set out below is a worked example of the number of Placement Shares that may be issued under Resolution 6 based on assumed issue prices of \$0.108, \$0.0945 and \$0.081 per Placement Share, being the volume weighted average prices for Shares which are equal to 80%, 70% and 60% of the Initial Share Price (respectively).

Assumed issue price	Maximum number of Placement Shares which may be issued ¹	Current Shares on issue as at the date of this Notice ²	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 6	Dilution effect on existing Shareholders
\$0.108	9,259,259	329,219,961	338,479,220	2.74%
\$0.0945	10,582,011	329,219,961	339,801,972	3.11%
\$0.081	12,345,679	329,219,961	341,565,640	3.61%

Notes:

1. Rounded to the nearest whole number.
2. There are currently 329,219,961 existing Shares on issue as at 13 October 2020 and this table assumes no Options are exercised, no convertible securities converted or additional Shares issued, other than the maximum number of Shares which may be issued pursuant to Resolution 6 (based on the assumed issue prices set out in the table).

3. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 5.1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means GBM Resources Limited (ACN 124 752 745).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or

if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Managing Director means the managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES UNDER LISTING RULE 7.1A SINCE 24 NOVEMBER 2019

Date	Recipients	Number and Class of Equity Securities Issued	Issue price and discount to Market Price (if applicable) ¹	Total Cash Consideration and Use of Funds
Issue – 10 July 2020 Appendix 2A – 10 July 2020	Professional and sophisticated investors as part of a placement announced on 2 July 2020. The investors were based in Europe, North America and Australia and were clients of the Lead Manager Henslow Pty Ltd (Henslow). The recipients were identified through a bookbuild process, which involved Henslow seeking expressions of interest to participate in the Placement from non-related parties of the Company. None of the recipients are related parties of the Company.	28,143,225 Shares ²	\$0.055 (representing a discount to Market Price of 40%, based on the last closing price prior to the date of issue). The issue of shares was completed compliant with the discount limitation permitted under ASX Listing Rule 7.1A.	Amount raised or to be raised = \$1,547,877 Amount spent = \$Nil Use of funds: funds are to be applied towards accelerating development and exploration activities across the Company's project portfolio. Amount remaining = \$1,547,877 Proposed use of remaining funds ³ : the remaining funds are to be applied towards accelerating development and exploration activities across the Company's project portfolio.
Issue – 9 April 2020 Appendix 2A – 9 April 2020	Euro Pacific Asset Management, LLC <EuroPac Gold Fund>, Commodity Capital – Global Mining Fund (an entity incorporated in Luxembourg) and Ryan Doersam.	19,288,983 Shares ²	\$0.055 (representing a discount to Market Price of 18%, based on the last closing price prior to the date of issue). The issue of shares was completed compliant with the discount limitation permitted under ASX Listing Rule 7.1A.	Amount raised or to be raised = \$1,060,894 Amount spent = \$1,060,894 Use of funds: funds were applied towards finalising the construction of the SART plant for production of copper and gold at the White Dam JV Project, continuing with exploration and drill hole targeting to increase the 330 k oz Au resource base at Mt Coolon Gold Project, commencement of geological mapping and sampling to assist with drill hole targeting for later in 2020 at Malmsbury Project, in Central Victoria and general corporate and promotional activities.

Notes:

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: GBZ (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

SCHEDULE 2 – SUMMARY OF MATERIAL TERMS OF ACQUISITION AGREEMENT

The material terms and conditions of the Acquisition Agreement are as follows:

- (a) **(Consideration)**: The consideration payable by the Company for the Acquisition is the issue of that number of fully paid ordinary shares in the Company which equates to \$3,000,000 based on an issue price of \$0.13, which will be issued in conjunction with this acquisition (**Consideration Shares**).
- (b) **(Placement)**: Subject to paragraph (i) and (ii) below, Aeris Resources will subscribe to a placement of A\$1,000,000 of common equity in the Company at the same share price (**Initial Share Price**) of the placement announced by the Company on 19 October 2020, being \$0.135 per share (**Placement Shares**).
 - (i) Despite paragraph (b), in the event that the volume weighted average sale price of shares in the Company on ASX for the 5 trading days prior to the date of issue of the Placement Shares (**New Share Price**) to Aeris Resources is less than 80% of the Initial Share Price, then the issue price for the Placement Shares under paragraph (b) will be the New Share Price and not the Initial Share Price.
 - (ii) The issue of the Placement Shares under paragraph (b) shall be subject to the Purchaser's shareholders approving the issue at its upcoming AGM for the purpose of ASX Listing Rule 7.1 (the subject of Resolution 6).
 - (iii) Any shares issued from the Placement will be escrowed for 12 months and to this end Aeris Resources agrees to enter into a voluntary escrow agreement.
 - (i) The Placement Shares to be issued within 5 business days of completion of the Acquisition.
- (c) **(Conditions precedent)**: completion of the Acquisition is conditional upon the satisfaction (or waiver by the parties) of the following conditions:
 - (i) **(Financier approval)** Aeris Resources obtaining all necessary approvals for the transactions contemplated by the Acquisition Agreement from its financiers.
 - (ii) **(Definitive Agreement)** Aeris Resources and the Company entering into the Definitive Agreement (a share sale and purchase agreement to provide for the terms and conditions of the Acquisition).
 - (iii) **(Shareholder approvals)** the Company obtaining shareholder approvals for the transactions contemplated by the Acquisition Agreement, including the approval for the issue of the Consideration Shares pursuant to Listing Rule 7.1.
 - (iv) **(Board approval)** Aeris Resources obtaining all necessary board approvals for the transactions contemplated by the Acquisition Agreement.

- (v) **(Authorisations)** both parties obtaining all authorisations, including from ASIC or ASX in accordance with the Listing Rules, that may be required to facilitate the sale and purchase of the SG shares by the Company.
 - (vi) **(Divestment of Goldminco Corporation)** Aeris Resources (and its associates) disposing of all of its legal and beneficial interest in Goldminco Corporation (a Canadian domiciled entity).
 - (vii) **(Ministerial Approval)** The Minister approving the change in effective control of SG Gold from Aeris Resources to the Company in accordance with the Mining Act and on conditions reasonably acceptable to the parties.
 - (viii) **(De-Registration)** Straits Indo Gold Pty Ltd (ACN 104 934 321) to be de-registered.
- (d) **(Termination):** If by 14 December 2020 (or such other date as agreed in writing between the parties), the conditions precedent are not satisfied or waived, the agreement constituted by this Acquisition Agreement will be at an end and the parties will be released from their obligations under the Acquisition Agreement.
 - (e) **(Environmental Bond):** An amount of \$5,077,151 of financial assurance for the environmental authority EPML00771913 provided by SG to DES in respect of ML1095, ML1096 and EPM8257 is non refunded and will remain in place with DES. SG will continue with a cash backed bank guarantee to meet its rehabilitation liability under EPML00771913. Any future increase by DES on EPML00771913 will be the sole liability of GBM.
 - (f) **(Royalty):** The Company will grant Aeris Resources a 1.5% Net Smelter Royalty (**NSR**) on the first 300,000 oz of gold equivalent produced from ML1095, ML1096 and EPM8257. This NSR will be registered as security over the Yandan Project.

The Acquisition Agreement also contains such other terms as are considered standard for an agreement of this nature (including exclusivity, representations and warranties, indemnities, and confidentiality provisions).