

ASX Announcement

30 April 2020

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 31 MARCH 2020

GBM Resources (ASX:GBZ) (**GBM** or the **Company**) advises of the release of its quarterly activities report for the period ended 31 March 2020.

HIGHLIGHTS

Corporate

- **Placement.** GBM finalised the issue of a total of 32,148,305 million shares plus 16,074,152 options. Gross funds raised of approximately A\$1.8 million were comprised of A\$1.27 million in cash and shares in Novo Resources Corp (**Novo**), which are currently valued at approx. A\$584,000¹.
- **Strategic Partnership with Novo on the Malmsbury Gold Project.** Option to Purchase and Exploration Farm - In Agreement was executed during the quarter whereby Novo can earn 50% interest via the issue of 1,575,387 Novo shares¹ to GBM and can earn an additional 10% by spending A\$5 million over a 4 year period.

¹ Based on Novo 5-day VWAP at 29 April 2020 of CAD\$2.67 and CAD/AUD exchange rate of 1.104

Operations and exploration

- **White Dam Gold Heap Leach Operation - SART Construction Status.** The project is expected to commence commissioning in June 2020 when the JV with Round Oak Minerals will form. Civil works are complete and all major equipment items have been ordered. First equipment items arrived on site recently with the plant now taking shape.
- **Malmsbury Exploration.** Review completed during the quarter, facilitating design of an exploration program and prioritisation of targets for planned field work. GBM is awaiting the grant of Retention Licence Application RL006587 from the Department of Jobs, Precincts and Regions.
- **Mount Coolon Exploration.** A review of exploration and drill targets within the Mt Coolon Project area took place during the quarter. Planning has commenced for a first pass drill program at Mt Coolon and Glen Eva to test down dip extensions to known mineralisation. This is planned to be a program of up to 5,000 metres of diamond and RC (reverse circulation) drilling.
- GBM is targeting commencement of drilling in Q4 2020 subject to adequate funding.

COVID-19

- GBM's business continues to operate in full compliance with the COVID-19 advice from the Australian Government and relevant health authorities.
- The situation is evolving, and whilst there are currently no significant impacts, there remains some uncertainty and risks with potential impacts on the White Dam JV commissioning timetable and our exploration programmes in the second half.

SAFETY AND ENVIRONMENT

No LTI or environmental incidents were reported during the March 2020 Quarter. The Company has now completed 99 consecutive months with no LTI's and 145 consecutive months with no significant environmental incidents.

Construction activities at the White Dam SART Project were incident free during the March 2020 Quarter also.

WHITE DAM GOLD HEAP LEACH OPERATION, SOUTH AUSTRALIA (GBM earning in to a 50% JV) - SART Plant Construction Status

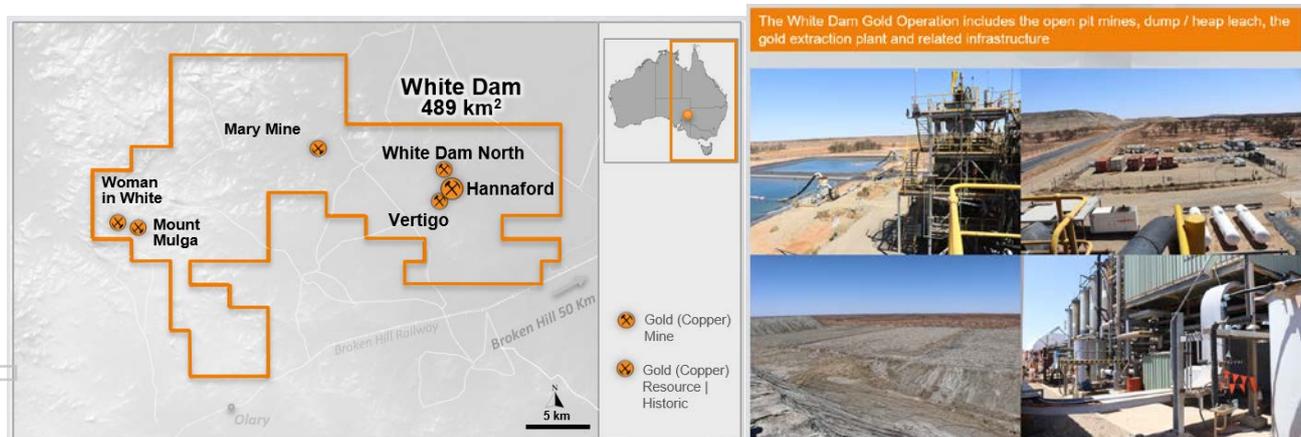
Project Background

White Dam (owned by Round Oak Minerals) is an IOCG deposit located in South Australia, near the border with NSW, approx. 50 km from the mining town of Broken Hill. White Dam is operated as a heap leach with adsorption gold plant that has processed 7.5 Mt at 0.94 g/t Au to produce approximately 175,000 oz gold since commissioning in 2010. Round Oak Minerals advise that the current heap is not delivering the predicted gold yield as the presence of cyanide soluble copper has impacted gold dissolution and elevated copper levels in leach solutions has resulted in increased cyanide consumption.

Production of gold has however continued, at approximately 450 oz per quarter over the last 12 months. All production until the JV is formed remains with Round Oak Minerals.

Successful implementation of the SART plant is targeted to resolve these metallurgical challenges and return the operation to positive cashflow with the addition of copper revenue, along with existing gold production.

Further potential opportunity exists to restart mining operations in order to exploit remnant open pit mineralisation and other previously defined mineralised zones, particularly in light of the current significantly higher Australian dollar gold price, which the Company intends to assess when it enters into the joint venture.



Figures: White Dam Heap Leach Gold Project location and Infrastructure

Option to Purchase and Joint Venture (JV) with Round Oak Minerals

1. GBM farm-in and Option to Purchase (OTP) agreement to acquire up to 100% of the White Dam gold-copper heap leach operation
2. GBM plans to leverage its in-house metallurgical expertise to build a SART plant with the objective of improving the operations profitability and generating early cashflow and sharing this under the initial Joint Venture (JV) arrangement.
3. Utilise these funds to evaluate additional opportunities to extend mine life and potentially drill test near-mine high-priority IOCG targets. This work is now underway evaluating existing remaining mineralisation on the project tenements.

SART Plant Construction Update

GBM is managing and directing the design and construction of the SART Plant at White Dam with the assistance of Round Oak staff at the operation. No significant impacts on the construction project have occurred due to the COVID-19 virus or government health directives. The remote nature of the site and local workforce has assisted in allowing activities to continue safely.

The project is expected to commence commissioning in June 2020 when the JV with Round Oak Minerals will form. GBM intends to provide further updates and production guidance as commissioning progresses.

Civil works are complete and all major equipment items have been ordered. First equipment items arrived on site recently with the plant now taking shape.



Figures: White Dam Heap Leach Gold Project – New SART Plant Site

MALMSBURY GOLD PROJECT, VICTORIA (GBM 100%)

Option to Purchase and Exploration Farm-In Agreement with Novo Resources Corp (Novo)

The key terms of the OTP/exploration farm-in agreement are:

Initial option period

1. An initial due diligence option period of 6 months.
2. Novo has the right to exercise its option at any point during this period in order to earn a 50% interest in the Malmsbury Project via the issue of 1,575,387 Novo shares to GBM.
3. If the option is exercised, GBM is also entitled to reimbursement on any expenditure on the Malmsbury Project during the option period up to Novo's option exercise date and limited to a maximum of A\$250,000.

Earn-in period

4. Upon exercise of its JV option and acquisition of a 50% interest in the Malmsbury Project, Novo has the right to earn an additional 10% interest by incurring A\$5 million in exploration expenditure over a four-year period.

5. Minimum annual earn-in expenditure is as follows:
 - i. At least A\$1 million in the first year;
 - ii. At least an additional A\$1.25 million in the second year;
 - iii. At least an additional A\$1.25 million in the third year; and
 - iv. At least an additional A\$1.25 million in the fourth year.

Earn-in expenditure incurred in a year which surpasses the minimum required amount shall be credited against the subsequent year.

6. If Novo does not incur the requisite earn-in expenditure profile during the earn-in period then its interest in the Malmsbury Project will decrease to 49%.
7. Upon Novo reaching the A\$5 million expenditure requirement it will have the right to earn into a 60% interest in the Malmsbury Project and initiate a joint venture with GBM.
8. For a 60-day period following the date on which the joint venture is initiated by Novo, GBM must elect to either:
 - i. Retain its 40% interest by contributing to 40% of exploration and development expenditure going forward; or
 - ii. Allow Novo to continue sole spending but with GBM's interest being diluted to 25% upon Novo delivering a preliminary economic assessment (PEA) within 3 years from the joint venture initiation date. This PEA must include, at minimum, a 1 Moz gold resource of which at least 60% must be in the Indicated classification.
9. In the event that GBM elects to dilute (i.e. option (ii)), Novo shall earn its additional 15% interest (taking it to 75%) from the date that it delivers the PEA and shall continue to fund all expenditure on the Malmsbury Project up until a decision to mine is made. Subsequent to a decision to mine, GBM shall reimburse 25% of any development expenditure incurred by Novo from a maximum of 80% of Malmsbury Project cash flows.
10. Novo and GBM shall negotiate a royalty arrangement whereby, subsequent to a decision to mine, GBM will be entitled to receive a 2.5% net smelter returns royalty. The Malmsbury Project is encumbered by certain pre-existing royalties; where such an encumbrance is present, Novo shall only be required to pay a 2.5% net smelter returns royalty in aggregate, with only any residual amount between pre-existing royalty rights and the 2.5% threshold being paid to GBM.

New Exploration Program at Malmsbury Gold Project

GBM has engaged Global Ore Discovery consultants to undertake a hyperspectral alteration vectoring study from existing drill core and integrated analysis of the all historic data. This is set to facilitate design of an exploration program and prioritisation of targets for the planned field work.

Initial observations of drill core and of vein and wall rock on historic mine dumps has:

- Confirmed the presence of an early wall rock hosted disseminated and veinlet style gold-arsenopyrite mineralisation, and later vein hosted gold-antimony mineralisation, consistent with mineralisation styles developed at the Fosterville Mine, located 55 km north of the Malmsbury Project.
- Identified vein textures and alteration styles consistent with the high-level epizonal orogenic gold deposit class that can produce high grade gold mineralisation, as seen at Kirkland Lake Gold's (TSX:KL) Fosterville Mine, and in recent drill results reported from the Kalamazoo Resources (ASX:KZR) Castlemaine Gold Project, which adjoins the Malmsbury Project.

Reviewing the Leven Star Reef prospect drill results at lower cut off grades (0.25 g/t Au, versus the 2.5 g/t Au used for the prior Leven Star resource) has highlighted the presence of broader gold halos to the known mineralised trends, and previously unreported parallel zones of near surface gold mineralisation in the wall rock (refer GBM ASX announcement dated 4 July 2019 for drill hole details).

These results include (downhole intersections)

0.25 g/t Au cut off						2.5 g/t Au cut off					
Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Au Gram Metres	Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Au Gram Metres
LSDDH6	27.70	35.40	7.7	3.11	23.9	LSDDH6	28.70	31.70	3	3.76	11.3
LSRC16/D14	60.80	63.80	3	3.71	11.1	LSRC16/D14	62.00	63.80	1.8	6.00	10.8
LSRC16/D14	68.60	72.80	4.2	2.92	12.2						
LSRC16/D14	88.75	101.10	12.35	2.38	29.4						

GBM has been informed by the Department of Jobs, Precincts and Regions that the Company has provided all information required to proceed the final stage of processing of the Malmsbury retention licence application. GBM is anticipating grant of the retention licence during the second quarter of calendar 2020. Once granted, GBM plans to initiate an aggressive exploration program at the Malmsbury Project, subject to available funding.

Leven Star Resource and Recalculation of Gold Grades at 0.25 g/t Cut Off

In July 2019, GBM announced a JORC 2012 compliant Inferred resource of 820 kt at 4.0 g/t Au (at 2.5 g/t cut off) for total contained gold of 104,000 oz (refer ASX announcement 4 July 2019). The resource was based on 36 drill holes that tested the Leven Star structure to a maximum depth of 365 m, with the majority of holes (~85%) intersecting the structure at depths less than 100 m below surface. The resource “daylights” in the area of the historic Leven Star workings with mineralised drill intersections within a few tens of metres of surface. The resource and the mineralised trend are open below the depth of drilling and potentially along strike.

For comparison, the gold system at Fosterville daylighted where it was historically mined via hand dug open pits the 1900’s. The modern underground Fosterville resource has to date been drill tested to depths in excess of 1600 m below surface and remains open below that depth.

The drill intersections from the Malmsbury Leven Star Reef Prospect were recently recalculated at a 0.25 g/t Au cut off (Table 1). This has highlighted a number of zones where the gram x metre product (gold grade in g/t x width in metre) has increased by between 20 to 112%, and new zones of previously unreported gold mineralisation have been identified with down hole widths in excess of 10 m and grades in excess of 2 g/t Au.

Table 1: Length Weighted Average Downhole Gold Intersections – Leven Star Reef Drilling

Downhole intersections at 0.25 g/t Au cut off ¹ and greater than 10 Au gram metres						Downhole intersections at 2.5 g/t Au cut off ¹ and greater than 10 Au gram metres						% Change ³ Au gm (2.5 to 0.25)	Intersection Constrained by Sample Interval ⁴
Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Au gm ²	Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Au gm ²		
LSDDH1	84.35	92.00	7.65	7.14	54.6	LSDDH1	84.35	87.20	2.85	17.90	51.0	7	No
LSDDH6	27.70	35.40	7.7	3.11	23.9	LSDDH6	28.70	31.70	3	3.76	11.3	112	No
LSDDH8	66.30	70.40	4.1	13.10	53.7	LSDDH8	66.30	70.40	4.1	13.10	53.7	0	No
LSDDH9	186.10	194.70	8.6	5.38	46.3	LSDDH9	190.10	193.10	3	11.43	34.3	35	Yes
LSRC10	24.00	28.00	4	3.84	15.4	LSRC10	24.00	27.00	3	4.75	14.2	8	No
LSRC11	50.00	60.00	10	5.26	52.6	LSRC11	50.00	56.00	6	6.17	37.0	0.03	No
						LSRC11	58.00	60.00	2	6.98	14.0		No
LSRC13	81.00	89.00	8	2.82	22.6	LSRC13	81.00	83.00	2	9.43	18.9	20	No
LSRC14	51.00	61.00	10	3.57	35.7	LSRC14	54.00	57.00	3	9.38	28.1	27	No
LSRC15	66.00	73.00	7	5.44	38.1	LSRC15	67.00	69.00	2	15.95	31.9	19	No
LSRC16/D14	60.80	63.80	3	3.71	11.1	LSRC16/D14	62.00	63.80	1.8	6.00	10.8	3	No
LSRC16/D14	68.60	72.80	4.2	2.92	12.2							>100	No
LSRC16/D14	88.75	101.10	12.35	2.38	29.4							>100	Yes
LSRC17/D15	49.40	55.05	5.65	4.29	24.3	LSRC17/D15	50.70	55.05	4.35	4.96	21.6	13	No
LSRC17/D15	67.05	73.40	6.35	5.04	32.0	LSRC17/D15	71.00	73.40	2.4	8.06	19.3	66	No
LSRC5	80.00	93.00	13	2.99	38.9	LSRC5	82.00	87.00	5	5.12	25.6	52	No
LSRC6	17.00	33.00	16	2.62	42.0	LSRC6	27.00	32.00	5	5.29	26.5	59	No
LSRC7	47.00	53.00	6	8.93	53.6	LSRC7	47.00	51.00	4	12.85	51.4	4	No
LSRC8	93.00	106.00	13	2.44	31.8	LSRC8	93.00	94.00	1	12.10	12.1	0.12	Yes
						LSRC8	102.00	106.00	4	4.05	16.2		No
LSRC9	26.00	31.00	5	5.23	26.1	LSRC9	26.00	30.00	4	6.46	25.8	1	No
MD01	262.00	267.95	5.95	6.48	38.6	MD01	264.00	266.91	2.91	12.02	35.0	10	No

NOTES
 1) 0.25 g/t Au and 2.5 g/t Au cut offs calculated with internal dilution of 1 m @ 0.1 g/t Au. All assays below detection limit are multiplied by -0.5
 2) 'gm' = Gram Metre and is calculated using Au (g/t) x Downhole Interval (m)
 3) % Change Au gm between Au gm 2.5 g/t Au cut off and Au gm 0.25 g/t Au cut off
 4) Intersection is constrained by historic sampling interval
 5) Hole ID nomenclature – DDH = Diamond Drill Hole, RC = Reverse Circulation and LSRCx/Dx = RC top with Diamond tail
 6) For holes LSRC16/D14 and LSRC17/D15, calculated intersections occur within the DDH component of hole

Table 1: Length Weighted Average Downhole Gold Intersections – Leven Star Reef Drilling

In some cases, these wider lower grade gold intervals are constrained by the limit of current assay sampling in the core. Unsampled zones of alteration, veining and sulphide mineralisation were noted in historic drill core. Relogging of the historic core and sampling of these potentially mineralised intervals will be one of the objectives of the renewed exploration program at Malmsbury.

Technical Review of the Malmsbury Gold Project

The Malmsbury Project is located within the prolifically mineralised Bendigo Zone (BZ), that has total historic and current alluvial and hard rock gold production in excess of 60 Moz of gold. The BZ also hosts the world class Fosterville Mine (owned by Kirkland Lake) with historic production and current reserves of 8.8 Moz Au (refer following figure).

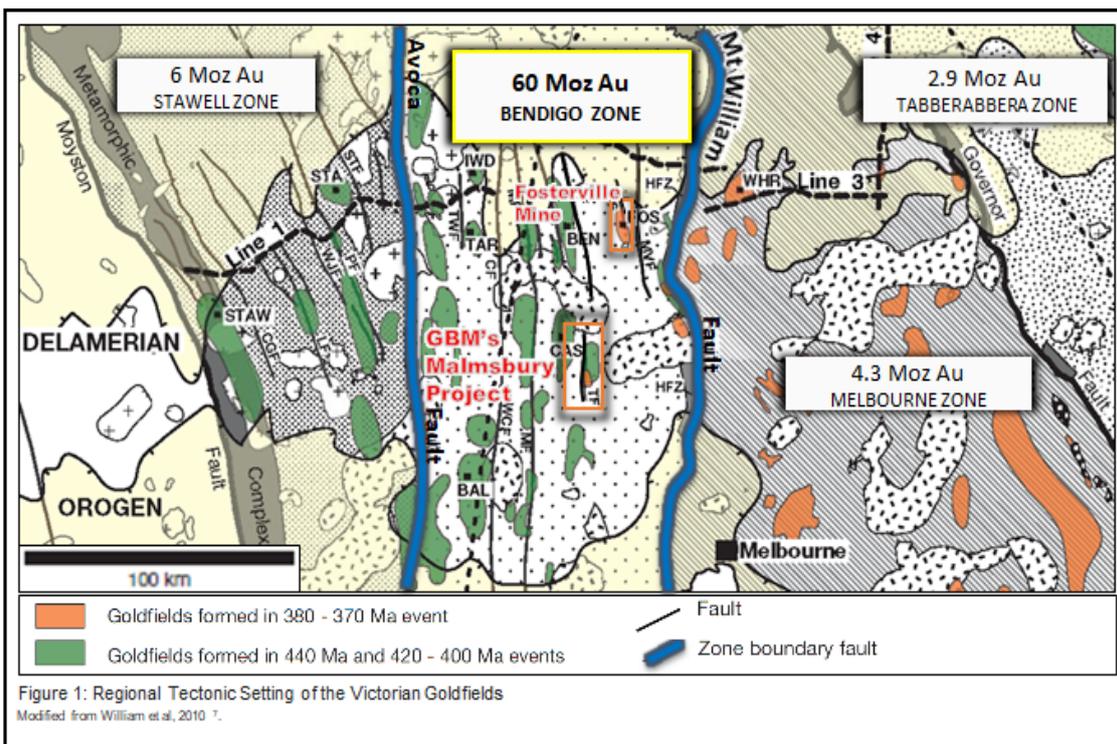


Figure: Regional Tectonic Setting of the Victorian Goldfields

The Malsbury Project is located 55 km south of the Fosterville Mine and adjoins the Castlemaine Gold Project, where Kalamazoo Resources has recently reported bonanza grade drill results from narrow intersections of orogenic style gold mineralisation, with geological characteristics similar to the high grade Lower Phoenix and Swan zones at the Fosterville Mine (refer following figure).

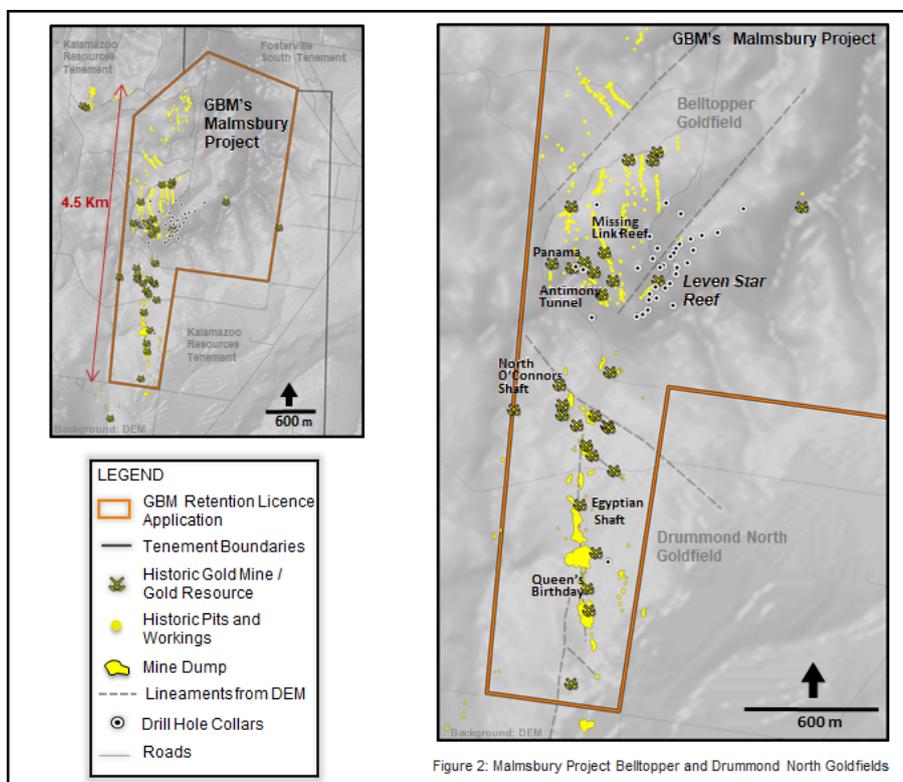


Figure: Location of Malsbury Project

GBM's geologist, and a number of researchers, have drawn analogies between the Fosterville gold district and Malmsbury Project (refer following table).

	Bendigo (B)	Fosterville (F)	Malmsbury (M)	Notes
Tectonic Setting	Bendigo (B), Fosterville (F) and Malmsbury (M) occur within the Bendigo Zone (60Moz Au) the most fertile structural zone of the Victoria Goldfields (Stawell Zone - 6 Moz Au, Melbourne Zone - 4.3 Moz, Tabberabbera Zone 2.9 Moz). The difference in endowment in the Bendigo Zone compared to other zones is interpreted to be the result of it having a basement with >25km thickness of mafic igneous lithologies with a thin Precambrian lithosphere. Mineralisation is spatially associated with deep penetrating listric shaped north south faults where regional fold culminations have controlled fluid flow ⁷ .			
Production, Reserves and Resources	22 Moz Au (hard rock and alluvial) ⁸	~2Moz (historic production prior to Lower Phoenix etc.). Total Resource including lower Phoenix 6.8 Moz Au ⁴	Historic production totalled ~98 kt @ 29 g/t for 91 koz Au. Average grades from Panama and Belltopper tunnel were 87.5 g/t Au and 64.8 g/t Au respectively. JORC2012 GBM resource of 820kt @ 4 g/t Au for 104 koz Au ²	Historic production records suggest potential for very high-grade mineralisation at M associated with antimony veins (supergene influence on grade unknown). Historic and current resources of ~200 koz Au at M indicates it is significantly underexplored and the potential of the field remains undefined.
Strike Length of Field	~12km	~7km	~4.5km	
Peak Metamorphic Grade	Greenschist Facies ⁹	Sub-Greenschist facies ³	Sub-Greenschist facies ¹⁰	Peak metamorphic grades are lower at F and M suggesting formation at shallow crustal levels i.e. Epizonal
Temperature of Mineralising Fluids	Moderate to high temperature hydrothermal fluids 325-375°C ¹¹	Low-moderate temperature hydrothermal fluids 180-270°C ¹²	Low-moderate temperature hydrothermal fluids 180-220°C ¹⁰	F and M mineralisation is formed at a similar temperature range and approximately 125°C lower than B consistent with F and M forming at a shallow Epizonal crustal level.
Depth of Formation	Deep 8 -12km ¹¹ (Mesozonal)	Shallow 2.6-5.7km ¹² (Epizonal)	Shallow 1-2.5km ¹⁰ (Epizonal)	F and M systems developed at shallower crustal levels than B
Age of Mineralisation	~440 Ma ⁸	~380 Ma ¹³	~370 Ma ¹⁰	F and M systems are a similar age and 60-70 million years younger than the B system and the age of F and M mineralisation overlaps with emplacement of late Devonian granite to granodiorite.
Lithology	Metasandstone and shales	Metasandstone and shales	Metasandstone and shales	B, F and M have similar host rock type
Mineralisation Style 1	Nuggety gold in quartz veins with pyrite, arsenopyrite, galena, sphalerite, chalcopryite, tetrahedrite, bournonite and pyrrhotite with occasional Ni Cu sulphides ^{11,14}	Disseminated gold and arsenopyrite in wall rocks.	Disseminated gold and arsenopyrite in wall rocks.	F has an early refractory gold-arsenopyrite wall rock hosted mineralisation with later high grade fine dusty visible gold +/- stibnite in quartz carbonate veins that forms the Lower Phoenix style mineralisation. B has nuggety gold-arsenopyrite in crystalline quartz.
Mineralisation Style 2 and 3		Visible gold in quartz veins with +/- stibnite, arsenopyrite, Fe-poor sphalerite, galena, tetrahedrite, chalcopryite, breithauptite, tennantite and bournonite ³	Visible gold in quartz veins with +/- stibnite, arsenopyrite, sphalerite, galena, tetrahedrite, chalcopryite, breithauptite, Bi-Te phases ^{10,15}	
Gold Pathfinder Association	Au-As +/- Pb, Zn, Sb, Cu, Ni	Au-As-Sb +/- Zn, Pb, Cu, Ni	Au-As-Sb +/- Zn, Pb, Cu, Ni, Bi, Te	F and M system later bonanza grade free gold is associated with antimony sulphide minerals (e.g. Stibnite) this is not observed at B
Alteration Associated with Mineralisation	K-White Mica +/- carbonate ¹⁶	K-white mica + carbonate associated proximal to gold bearing veins ¹⁶ . Shallow illite and kaolinite alteration ¹⁷	Hylogger hyperspectral scans on MD12 and MD08a mapped K-white mica + carbonate with veining and localised kaolinite + dickite +/- ammonium alunite ¹⁵	F and M have evidence of low-moderate temperature weakly to moderately acid hydrothermal fluids that may have resulted from H ₂ S phase separation or boiling. Alteration at B does not contain minerals that indicate low-moderate temperature acid fluids
Orogenic Gold Type ¹⁸	Mesozonal	Epizonal	Epizonal	F and M both display characteristics of shallow orogenic Epizonal style of mineralisation while B has characteristics of deeper Mesozonal style orogenic gold mineralisation

Table 2: High-Level Comparative of Bendigo, Fosterville and Malmsbury Projects within the Bendigo Zone

At the terrain scale, the similarities include the setting within the BZ and the association with the late Devonian age (360 to 370 Ma) cycle of mineralisation and intrusives, that post-date the main BZ mineralisation (including the giant Bendigo mining camp) by 60 to 70 Ma. The fault and fold geometries, and relationships to large north-south trending and west dipping faults (shown in deep seismic transects to tap the lower crust) are also seen at both mining districts. At the deposit scale, vein textures,

mineralisation styles and geochemical signatures of early gold-arsenopyrite with later higher-grade gold-antimony are seen at the Fosterville and Malmsbury districts.

The gold mineralisation in the central Victorian Goldfields is considered to belong to the globally significant orogenic gold deposit class (refer following figure). Deposit characteristics indicate that Fosterville and Malmsbury belong to a sub-type of this deposit class, epizonal orogenic gold that is formed at relatively shallow crustal levels

(2-3 km) and has recently been recognised as a priority target type for large-scale high-grade gold deposits. In the BZ, the temporal association of this cycle of mineralisation to the late Devonian intrusive event may also suggest an additional contribution of metal and heat from these intrusives to these gold deposits.

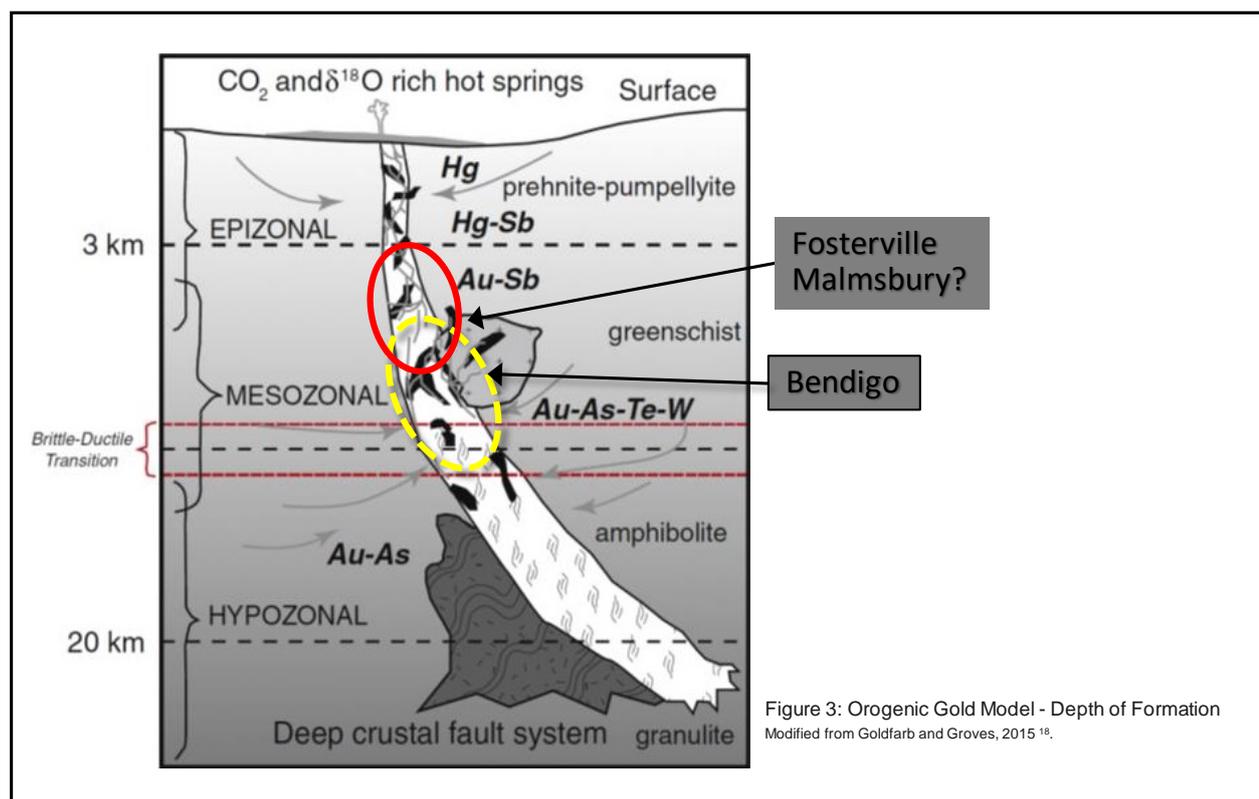


Figure: Orogenic Gold Model – Depth of Formation

The 6.7 square km Malmsbury Retention Licence application covers the historic Belltopper and Drummond North goldfields, that combined have a known north-south strike extent of over 4.5 km (refer above location figure). Previous exploration by GBM has outlined multiple trends of historic mines and pits within the field that have a cumulative strike extent of over 8.5 km.

Nineteenth century gold production records were not well documented in Australia, however available records from the Victorian Geological Survey database show approximately 100,000 oz of high-grade hard rock production from the field, with approximately 76,000 ounces at +18 g/t Au produced from O'Connor's and Queens Birthday mines in the Drummond field. Incomplete records show smaller scale but very high-grade gold production from the Belltopper goldfield with average production grades of 87.5 g/t Au and 64.8 g/t Au for the Panama and Belltopper Tunnel mines, respectively. The longest line of workings in the Belltopper field is the 450 m long Missing Link line. There are few production records from these workings, however a record of early batches of production of near surface ore average approximately 180 g/t Au, confirming the presence of multi-ounce ore near surface in at least part of this trend. The Missing Link Line has only been tested by one drill hole to date.

Significant antimony was recorded to accompany the high-grade gold production in the Belltopper field at the Panama and Belltopper Tunnel mines. This suggests that some of the historic high gold grades were in part hypogene (primary-sulphide bearing), as opposed to near surface supergene enrichment. The presence and economic significance of this mineralisation style at Malmsbury will need to be confirmed with exploration drilling.

An initial review of select mineralised intersections of core from the Leven Star Reef Prospect has highlighted the presence of metasandstone and shale hosted disseminated and veinlet gold-arsenopyrite mineralisation as halos to veins or as separate zones of mineralisation (refer following figures).

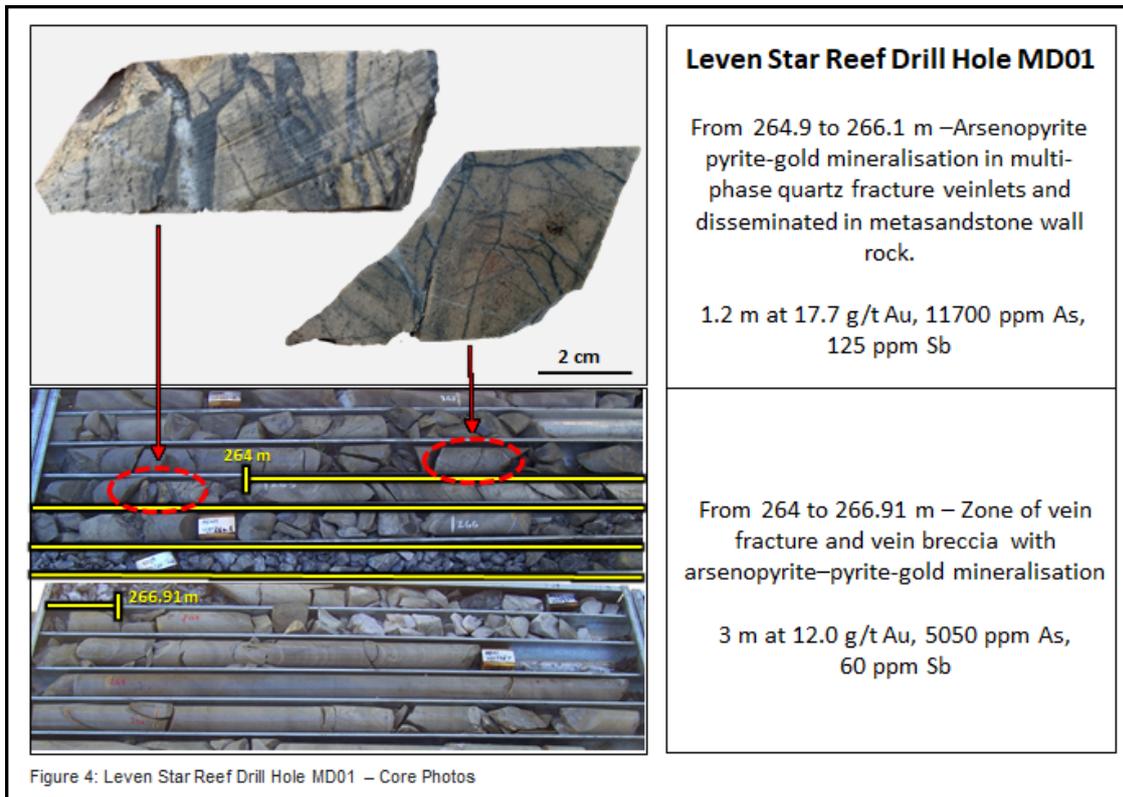


Figure 4: Leven Star Reef Drill Hole MD01 – Core Photos

Figure: Leven Star Reef Drill Holes MD01 – Core Photos

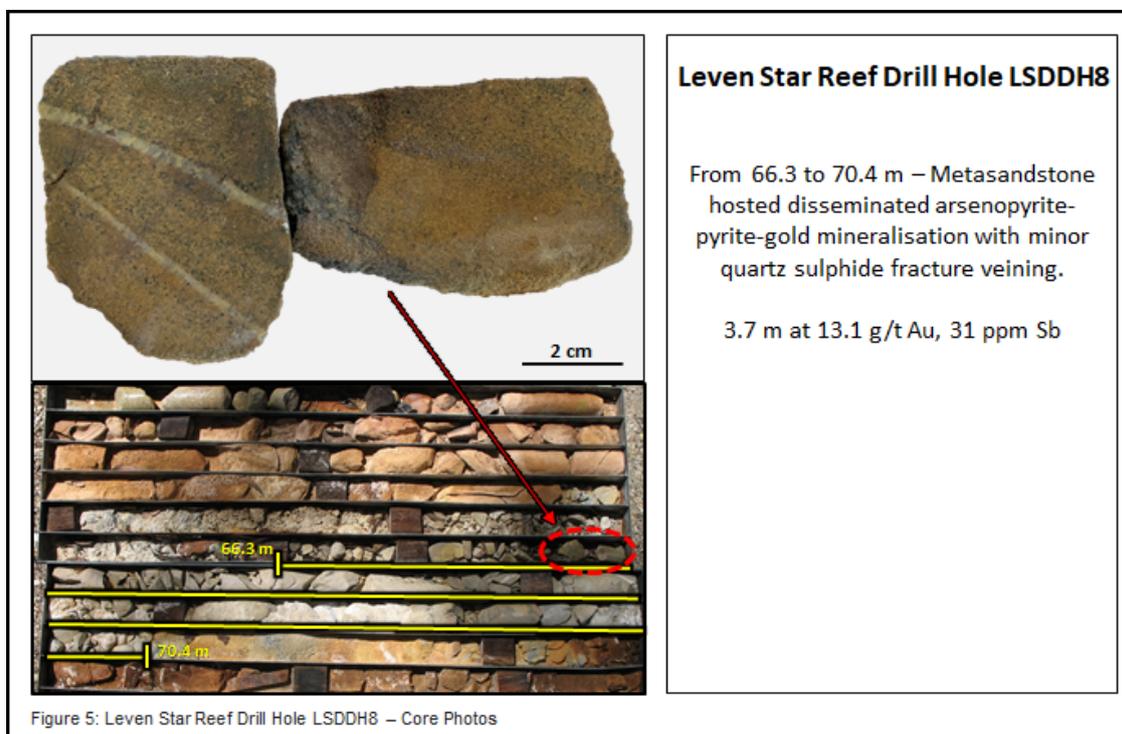


Figure 5: Leven Star Reef Drill Hole LSDDH8 – Core Photos

Figure: Leven Star Reef Drill Hole LSDDH8 – Core Photos

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There is also evidence in the core of banded crustiform veinlets that are associated with assays of up to 20.1 g/t Au, 1,100 ppm As (arsenic) and 2,150 ppm Sb (antimony), confirming the presence of both the gold-arsenic and gold-antimony phases of mineralisation (refer following figure).

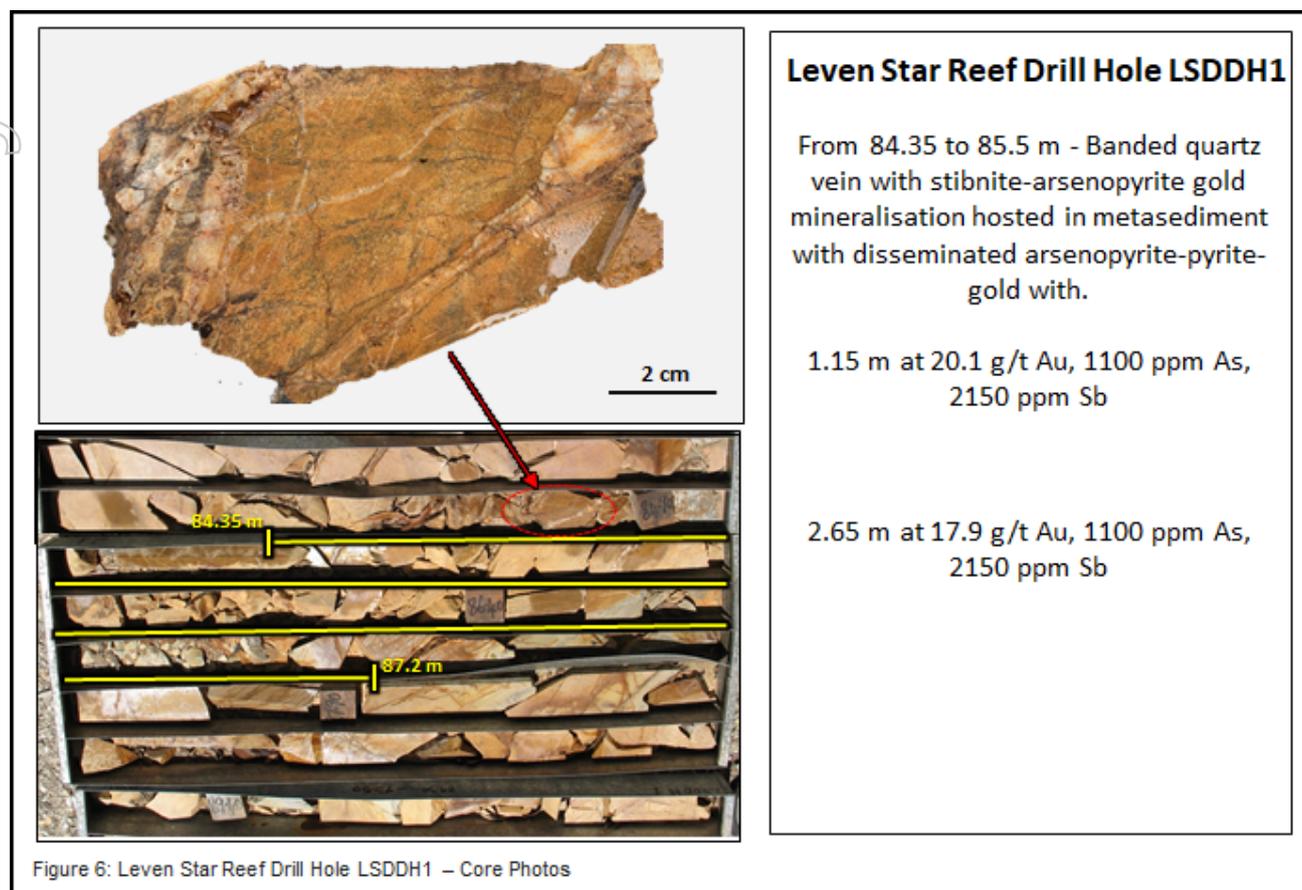


Figure: Leven Star Reef Drill Hole LSDDH1 – Core Photos

A review of the quartz vein textures, sulphide mineralogy and wall rock from historic mine dumps in the Belltopper section of the field, identified laminated quartz-sulphide, altered wall rock breccia clast in veins, crystal lined vugs, and veins with trails of disseminated arsenopyrite-pyrite-fine antimony and needle-like arsenopyrite (refer following figures).

1. Kalamazoo Resources Ltd. Assays confirm exceptional high-grade gold drill Hole intersection at the Castlemaine gold project. Press Release December 23, 2019.
2. GBM Resources Ltd. Malmsbury Resource Updated to JORC 2012. ASX Press Release July 4, 2019.
3. Verity, B., Fuller, T., Hitchman, S., Edgar, W., Jackson, A., ...& Pittaway, N. (2019). Fosterville - A discovery story of perseverance. In NewGenGold Conference Proceedings 2019, 47-61.
4. Fuller, T., & Hann, I. Updated NI 43-101 Technical Report Fosterville Gold Mine, in the State of Victoria, Australia. Prepared for Kirkland Lake Gold Ltd. Published on www.sedar.com (2019)
5. Kirkland Lake Gold Ltd. Kirkland Lake Gold Increases 2019 Production Guidance to 920,000 – 1,000,000 Ounces, Fosterville Mineral Reserves Increase 60% to 2.7 Million Ounces at 31.0 g/t. ASX Press Release February 21, 2019.
6. Goldfields Tender Briefing – Geodynamics and implications for gold prospectivity. Victorian State Government Department of Job, Precincts and Regions. <https://youtu.be/jxNE8WPU-BQ>

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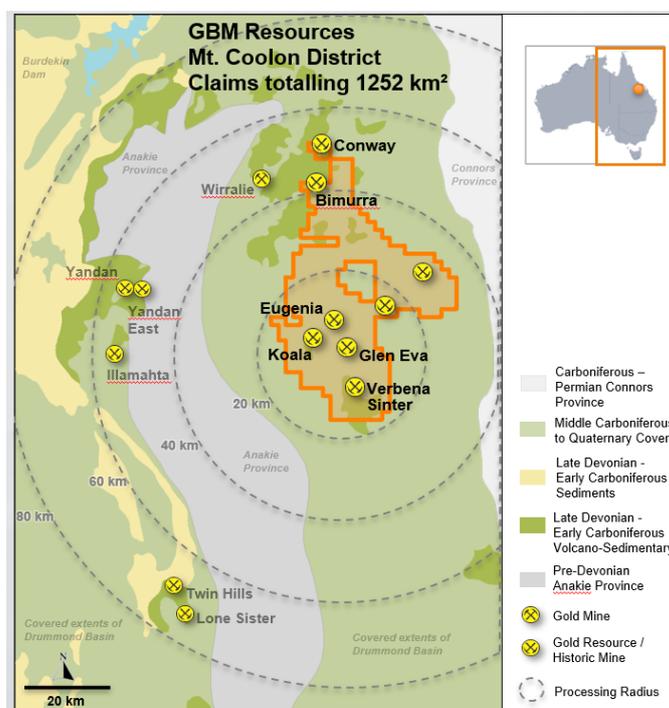
Figure: Examples of Mineralisation Textures from Historic Mine Dumps in the Belltopper Section of the Goldfield

These vein textures and sulphide species are characteristic of the high-level epizonal orogenic gold deposit class, that includes the high-grade Fosterville Mine. While there has not been modern systematic assay sampling of the dump material to determine gold content at Belltopper, the extent and continuity of mine workings and the presence of foundations for historic stamper batteries with associated areas of tailings, attest to the high grade nature of the ore historically mined in this area. These observations confirm the prospectivity of the Malmesbury Project for the discovery of further significant gold resources.

MT COOLON GOLD PROJECT, QUEENSLAND (100% GBM)

Mount Coolon Gold Project Status

During the quarter a review of exploration and drill targets within The Mt Coolon project has taken place. Planning has commenced for a first pass drill program at Mt Coolon and Glen Eva to test down dip extensions to known mineralisation. This is planned to be a program of up to 5,000 metres of diamond and RC (reverse circulation) drilling.



Mt Coolon District Gold Resources	Tonnes (000's)	Au (g/t)	Au oz (000's)
GBM Mt Coolon District			
Koala Tailings ^{1, ML}	124	1.6	6.6
Koala – Sulphide + Transition + Oxide ^{1, ML}	1,430	2.6	121.5
Glen Eva – Sulphide ^{1, ML}	1,660	1.47	78.3
Eugenia – Oxide ^{1, EL}	1,482	1.08	51.6
Eugenia – Sulphide ^{1, EL}	1,947	1.16	72.4
GBM Sub Total	6,643	1.54	330.4
Third Party Resources within 70kms of Mt Coolon	Tonnes (000's)	Au (g/t)	Au oz (000's)
Yandan East ^{2, ML}	4,000	2.4	300.0
Twin Hills + Lone Sister ^{2, ML}	6,940	2.8	633.0
Other Company Gold Resource Sub Total	10,940	2.6	933.0

Figure: Mt Coolon Gold Project location and regional resources

1. **GBM ASX Announcement, 4 December 2017, Mt Coolon Gold Project Scoping Study**
2. **GBM ASX Announcement, 18 January 2019, Mt Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces and <https://www.aerisresources.com.au/wp-content/uploads/2019/12/Annual-Report-30-June-2019-Mineral-Resources-and-Ore-Reserves.pdf>**

GBM personnel, in addition, are reviewing previous work which defined targets at the Bimurra gold project which is located approximately 40 kilometres north of Koala. In 2015, GBM identified potential targets for gold mineralisation at Bimurra, (refer ASX announcement, 21 September 2015, “GBM Identifies Significant Gold Mineralisation at Bimurra Gold project, Mt Coolon Gold Mines.”) GBM identified an exploration target range for the Perseverance Elizabeth area of the Bimurra Prospect of between 10 million tonnes at an average grade of 0.7 g/t Au containing an estimated 230,000 oz Au and 4 million tonnes at an average grade of 1.2 g/t Au containing an estimated resource of 120,000 oz of gold. This Exploration Target was generated from historic drilling of 130 drill holes and 9,285 samples. GBM plans to continue to review this previous work and if funding permits test the geological targets in Q 3 or Q 4 2020.

It should be noted that the potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Bimurra project represents a large mineralising hydrothermal system hosting numerous prospects and mineral occurrences, it is epithermal in origin and contains bonanza grades in places. Some of the better intercepts from previous drilling include following (Refer ASX announcement 21 September 2015.)

BIMC 081	15 to 20 metres	5 m @ 6.42 g/t Au
DDHBIM 557	79 to 102 metres	23 m @ 2.85 g/t Au Includes 0.92 metres @ 51.5 g/t Au
PDHBIM 531	0 to 44 metres	44 m @ 1.2 g/t Au
PDHBIM 523	60 to 70 metres	20 m @ 1.67 g/t Au

Encouragingly, Bimurra shows both broad zones of low-grade mineralisation which may be potentially mined with bulk mining open pit methods and in addition narrow high grade veins more typical of epithermal vein systems which may be mined with underground methods.

BIMURRA PROSPECT TARGET AREA

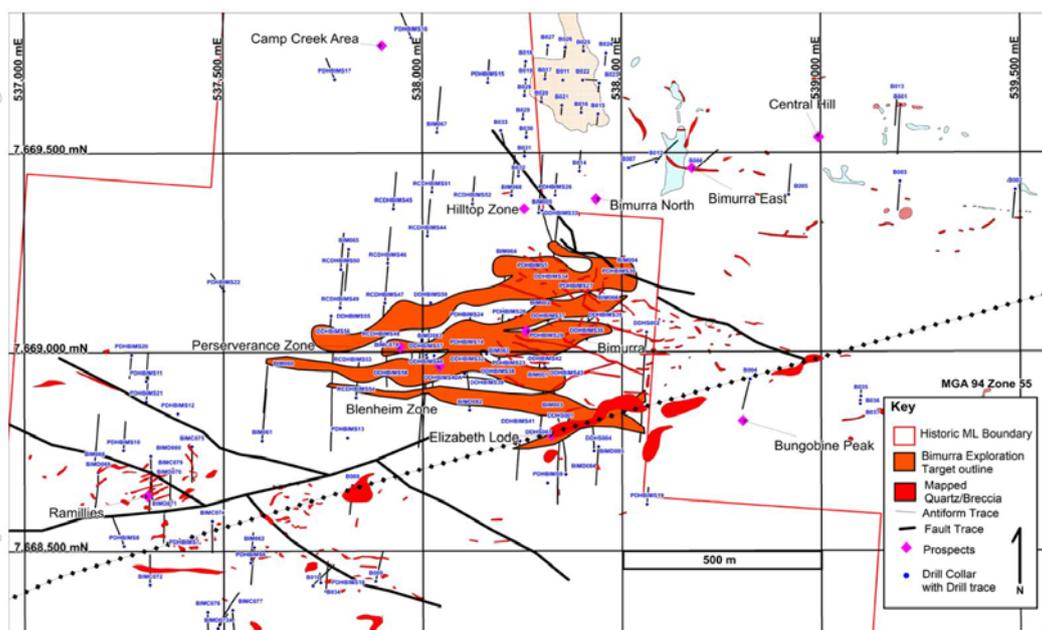


Figure: Bimurra collar location plan of the Bimurra Prospect area including mapped quartz veins and breccia (after Tate 2001).

Figure: Map of Bimurra project targets and drill holes.

Note the length of the mineralised zone approximately 750 metres by 500 metres. Resource target zone in red.

ABOUT THE MT COOLON GOLD PROJECT, QUEENSLAND (MCGP)

GBM completed a Scoping Study on the MCGP (refer ASX Release 4th of December 2017). This study demonstrates that the redevelopment of the MCGP with its current resources has the potential to generate a strong positive cash flow. Based on a gold price of A\$1,667, the Scoping Study demonstrated the potential economic viability of mining the Koala, Glen Eva and Eugenia resources using a combination of Heap Leaching and CIL processing. The Life of Mine highlights summary is included in the table below.

Au Produced - LOM	oz	155,000
Pre-Tax Cash Flow	A\$M	60.5
Production Life	Years	5.5
Pre-production and CIL/HL Plant Capital	A\$M	25.2
Operating Cash Cost (C1)	A\$/oz	909
AISC Cost (all-in-sustaining)	A\$/oz	1,020

The current gold price of + A\$2,600 per ounce gold has increased significantly from the scoping study gold price assumption of A\$1,667 per ounce, an increase of A\$933 per ounce which potentially adds another A\$145 million in forecast gold revenue and may further support the viability of the LOM production of 155,000 ounces.

Of the gold production detailed in this study, 72% of Au is from Indicated Resources based on updated mineral resources estimates for the Koala, Glen Eva and Eugenia Deposits. The Koala and Glen Eva deposits are on granted mining leases. It is also significant that the resource areas remain open and are considered to hold high potential to extend mine life. The Scoping Study was completed by independent consultants, Mining One Pty Ltd with input from GBM and external consultants.

The table below summarises the MCGP gold resources (refer ASX announcement 4 December 2017 for information relating to the Koala, Glen Eva and Eugenia resource estimates).

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

Table: summary of the MCGP gold resources (Refer ASX announcement 4 December 2017 for information relating to the Koala, Glen Eva and Eugenia resource estimates).

PAN PACIFIC COPPER FARM-IN PROJECTS, MOUNT ISA REGION, QUEENSLAND (46.2% GBM)

Work Completed in the Quarter

Results from work completed during the December Quarter, which included 8 lines of ground electromagnetic (EM) surveys (33.5 line kilometres) and extension of diamond drill hole MMA015 by a further 178 metres to a final depth of 620.7 metres, was evaluated during the March Quarter. In addition, two new licences EPM27128 Middle Creek and EPM27166 Sigma were granted during the quarter. Assimilation and review of historical data has commenced.

Forward Program

Collection and review of previous exploration data for EPM27128 Sigma and EPM27166 Middle Creek are proceeding and will continue throughout the June Quarter.

Following the success of the trial MLEM program in 2019 at Mt Margaret, which indicated the method will penetrate conductive cover throughout the eastern half of the project, the MLEM survey should be expanded to produce detailed ground EM data over selected prospect areas.

Planning of a programme to extend coverage of the EM technique in the FC12, FC6 and subject to budget constraints, FC4NW and FC4 with allowance for drill testing of limited targets will be developed. This will be submitted to our partners for approval prior to the commencement of the field season in the June Quarter.

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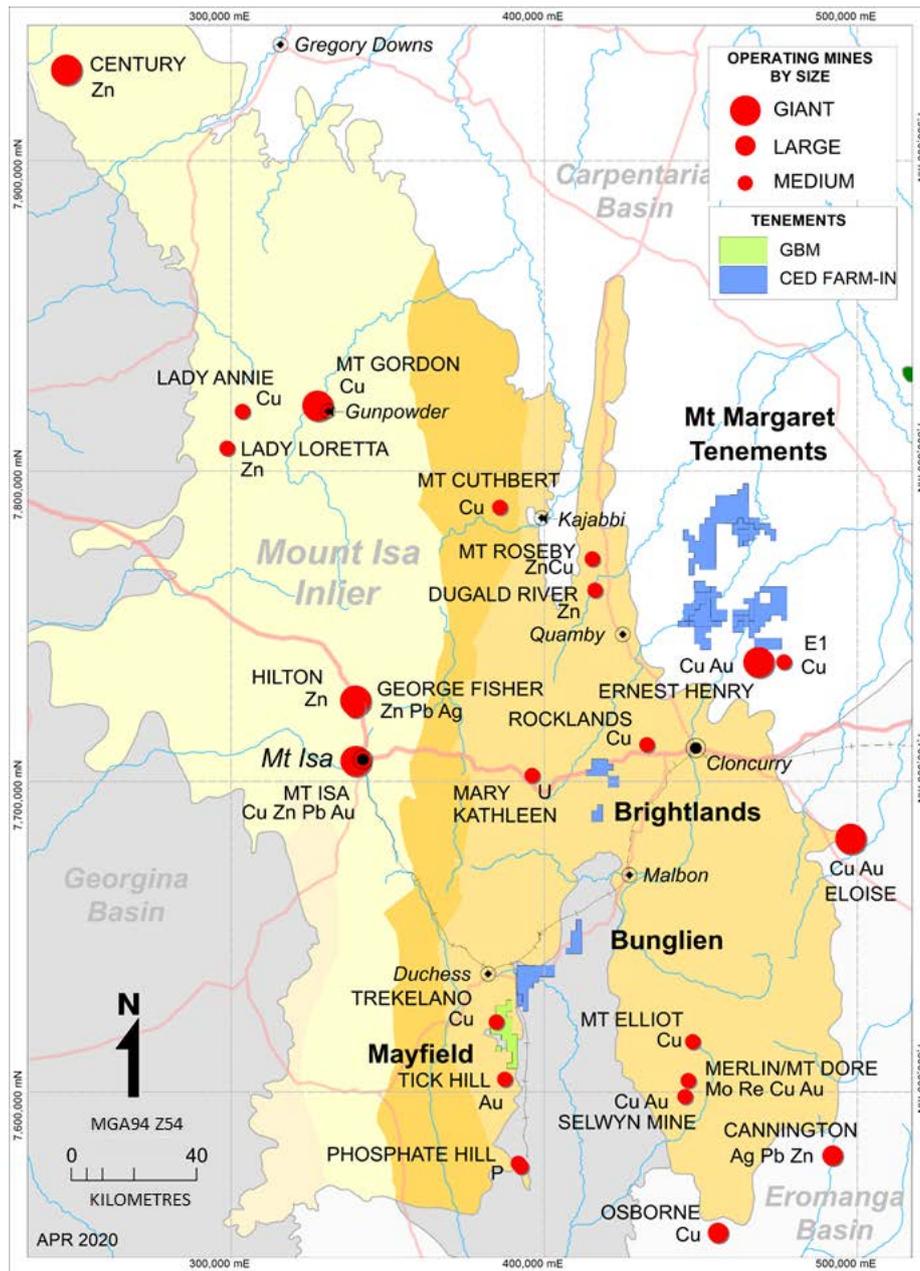


Figure: Location of GBM and Farm In tenements in the Cloncurry region.

TENEMENT SUMMARY

Throughout the March Quarter reports and statutory payments have been lodged as required. Two EPM applications in the Cloncurry area, EPM27128 Middle Creek and EPM27166 Sigma, were granted on the 28th of January.

Project / Name	Tenement No.	Owner	Manager	Interest	Interest	Status	Approx Area (km ²)
				31-Dec-19	31-Mar-20		
Victoria							
Malmsbury							
Drummond	RL6587	GBMR* ¹ /Belltopper Hill	GBMR	100%	100%	Application	6.7
Yea							
Monkey Gully	EL5293	GBMR	GBMR	100%	100%	Granted	25
Queensland							
Mount Morgan (Project)							
Smelter Return	EPM18366	GBMR	GBMR	100%	100%	Renewal App	62
Limonite Hill	EPM18811	GBMR	GBMR	100%	100%	Renewal App	68
Mt Hoopbound	EPM18812	GBMR	GBMR	100%	100%	Renewal App	23
Limonite Hill East	EPM19288	GBMR	GBMR	100%	100%	Granted	3
Moonmera	EPM19849	GBMR* ³	GBMR	100%	100%	Granted	16
Mt Victoria	EPM25177	GBMR	GBMR	100%	100%	Granted	3
Mountain Maid	EPM25678	GBMR	GBMR	100%	100%	Renewal App	26
Mt Morgan West	EPM27096	GBMR	GBMR	100%	100%	Granted	325
Mt Morgan East	EPM27097	GBMR	GBMR	100%	100%	Application	325
Mt Morgan Central	EPM27098	GBMR	GBMR	100%	100%	Application	325
Mount Usher	ML100184	GBMR	GBMR	100%	100%	Application	6
Project Area							1007
Mount Isa Region							
Mount Margaret (Project Status)							
Mt Malakoff Ext	EPM16398	GBMR* ^{2,4} /Isa Tenements	GBMR	46.5%	46.3%	Granted	78
Cotswold	EPM16622	GBMR* ^{2,4} /Isa Tenements	GBMR	46.5%	46.3%	Granted	16
Dry Creek	EPM18172	GBMR* ^{2,4} /Isa Tenements	GBMR	46.5%	46.3%	Granted	163
Dry Creek Ext	EPM18174	GBMR* ^{2,4} /Isa Tenements	GBMR	46.5%	46.3%	Granted	23
Mt Marge	EPM19834	GBMR* ⁴ /Isa Tenements	GBMR	46.5%	46.3%	Granted	3
Tommy Creek	EPM25544	GBMR* ⁴ /Isa Tenements	GBMR	46.5%	46.3%	Granted	33
Corella	EPM25545	GBMR* ⁴ /Isa Tenements	GBMR	46.5%	46.3%	Granted	46
Middle Creek	EPM27128	GBMR* ⁴ /Isa Tenements	GBMR	100.0%	46.3%	Granted	35
Sigma	EPM27166	GBMR* ⁴ /Isa Tenements	GBMR	100.0%	46.3%	Granted	287
Brightlands							
Brightlands	EPM14416	GBMR* ² /Isa Brightlands	GBMR	100%	100%	Granted	65
Bungalien							
Bungalien 2	EPM18207	GBMR* ^{2,4} /Isa Tenements	GBMR	46.5%	46.3%	Renewal App	120
The Brothers	EPM25213	GBMR* ² /Isa Tenements	GBMR	46.5%	46.3%	Granted	7
Mayfield							
Mayfield	EPM19483	GBMR* ² /Isa Tenements	GBMR	100%	100%	Granted	91
Project Area							966
Mt Coolon							
Mt Coolon	EPM15902	GBMR/MCGM	GBMR	100%	100%	Granted	299
Mt Coolon North	EPM25365	GBMR/MCGM	GBMR	100%	100%	Granted	85
Mt Coolon East	EPM25850	GBMR/MCGM	GBMR	100%	100%	Granted	176
Conway	EPM7259	GBMR/MCGM	GBMR	100%	100%	Granted	39
Bulgonunna	EPM26842	GBMR/MCGM	GBMR	100%	100%	Granted	325
Black Creek	EPM26914	GBMR/MCGM	GBMR	100%	100%	Granted	325
Other Tenements							
Koala 1	ML 1029	GBMR/MCGM	GBMR	100%	100%	Granted	0.71
Koala Camp	ML 1085	GBMR/MCGM	GBMR	100%	100%	Granted	0.05
Koala Plant	ML 1086	GBMR/MCGM	GBMR	100%	100%	Granted	0.98
Glen Eva	ML 10227	GBMR/MCGM	GBMR	100%	100%	Granted	1.30
Project Area							1248
TOTALS							3253

Note

*¹ subject to a 2.5% net smelter royalty to vendors.

*² subject to a 2% net smelter royalty is payable to Newcrest Mining Ltd. On all or part of the tenement area.

*³ subject to 1% smelter royalty and other conditions to Rio Tinto

*⁴ subject to Farm In by Cloncurry Exploraiton and Develoment, a subsidiary of Pan Pacific Copper Ltd.

Figure: GBM Tenement summary table as at 31st March 2020.

CORPORATE

Executive Management Appointment

Mr Stephen Nano was appointed to the new role of Senior Advisor, Technical and Business Development.

Mr Nano brings over 30 years of industry experience as well as an extensive network from his international career as a successful exploration geologist. He has previously held senior technical and management positions with major precious and base metal companies including Newmont, Newcrest and MIM. Mr Nano's geological expertise extends to a wide range of gold and base metal mineralisation types spanning the Americas, central Asia and the Asia-Pacific regions.

Mr Nano is a Chartered Professional Geologist and Fellow of the AusIMM, Member of the SEG and Member of the AICD.

Placement Funds Summary (refer ASX releases dated 17 April 2020 and 31 March 2020)

The Company has issued a total of 32,148,305 million Shares plus 16,074,152 Options in the quarter. Gross funds raised of approximately A\$1.8 million is made up of A\$1.268 million in cash and with shares in Novo, which are currently valued at A\$584,000¹. (see page 1 for note on value).

Included in the funds raised GBM executed a A\$1 million placement agreement with US institutional gold investor, EuroPac. EuroPac Gold Fund (EPGFX) is a major US-based institutional investment fund focused on the gold sector. EuroPac's stated stock selection philosophy focusses on three main characteristics to select individual securities: attractive valuation, financial strength, and high business and management quality.

The issue of Shares and Options has been completed pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 and the additional 10% placement capacity under Listing Rule 7.1A. Shares issued pursuant to the placement will rank equally with all other fully paid ordinary shares on issue.

Related party transactions

Included in Section 6 of the Appendix 5B for the quarter are amounts paid to directors and their related parties of:

- Remuneration of Directors – approximately A\$100,000;
- Office rent paid to Ironbark Pacific Pty Ltd, an entity associated with Mr Peter Mullens – approximately \$2,000; and
- Project consulting fees paid to Core Metallurgy Pty Ltd, an entity associated with Mr Peter Rohner – approximately \$20,000.

This ASX announcement was approved and authorised for release by Peter Rohner, Managing Director

For further information please contact:

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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.

The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Peter Mullens, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Peter Mullens is an employee of the company and is a holder of shares and options in the company. Mr Mullens has sufficient experience which is relevant to the style of mineralization 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 Mullens consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GBM Resources Limited

ABN

91 124 752 745

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(100)	(329)
(e) administration and corporate costs	(95)	(377)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(18)	(50)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (incl farm in management fee)	12	54
1.9 Net cash from / (used in) operating activities	(201)	(702)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(109)	(109)
(d) exploration & evaluation (if capitalised)	(383)	(1,021)
(e) investments	-	-
(f) other non-current assets- bonds/deposits	(2)	(7)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Farm-in partner exploration contributions	62	405
2.6	Net cash from / (used in) investing activities	(432)	(732)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	415	1,800
3.2	Proceeds from issue of convertible debt securities	-	350
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(15)	(47)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	400	2,103
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,235	333
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(201)	(702)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(432)	(732)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	400	2,103

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,002	1,002

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	976	1,209
5.2	Call deposits	26	26
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,002	1,235

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

102

20

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other Convertible Note	-	-
7.4 Total financing facilities	700	700

7.5 Unused financing facilities available at quarter end

-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

During the June 2019 quarter the Company entered into a convertible note with Lion Resources Development Pte Ltd or its nominee (Subscriber). Key details of the Convertible Note Term Sheet, which were amended at the Company's 2019 annual general meeting are as follows:

- o Subscriber to pay the Convertible Note amount of A\$700,000 (Principal Amount).
- o Repayment Date is 30 November 2020 (being 18 months from the date of issue)
- o Interest is payable on the Principal Amount until the Convertible Notes are either redeemed or converted into fully paid ordinary shares (Shares) in the capital of the Company at the rate of 10% per annum, calculated monthly and payable 3 monthly in arrears.
- o Each Convertible Note will be convertible into Shares at a conversion price of \$0.03 per Share (convertible into up to 23,333,333 shares).
- o The Subscriber may before the Repayment Date, convert the Convertible Notes into Shares.

The Convertible Notes are secured over the issued capital of Mt Coolon Gold Mines Pty Ltd.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(228)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(356)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(584)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,002
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,002
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.7 quarters

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

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Answer:

Subsequent to the end of the quarter the Company raised cash of \$1.268 million before costs pursuant to a share placement announced to ASX on 31 March 2020.

In addition, the Company entered into a share swap with Novo Resources Corp pursuant to which the Company received approximately A\$500,000 in quoted securities which may be realisable into cash assets, there is no current intention to convert the investment in Novo into cash.

The Company will continue to assess its short to medium term funding requirements and consider appropriate capital raising strategies where appropriate.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The entity does expect that it will be able to continue its operations and to meet its business objectives based on the entity's expectations to raise capital as detailed in Answer 2 above.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2020

Authorised by: The Board of GBM Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.