

ASX Announcement

18 February 2022

Drilling Commences at Highly Prospective Twin Hills Project

KEY

- Phase 1 diamond core drilling program commenced at the **highly prospective 309 Deposit at Twin Hills in the Drummond Basin, QLD** testing a series of high grade shoots at depth and down plunge.
- The Twin Hills Project **is considered to be under explored around the existing Mineral Resources**. Current JORC (2012) Mineral Resource estimate at **Twin Hills (309 and Lone Sister Deposits)** is **12.9 Mt at 1.8 g/t Au for 760,700 ounces gold¹**.
- Key drilling program objectives; intersection of **high-grade mineralisation on previously untested areas, resource expansion and improved resource certainty**. JORC (2012) Mineral Resource estimate for the **309 Deposit** is **10.8 Mt at 1.4 g/t Au for 500,600 ounces gold¹**.
- Camp and modern core cutting facilities will support the larger drilling program envisaged.
- **Approximately 7,000 metres of diamond drilling is planned in Phase 1 at the 309 Deposit** with drilling then moving to the Lone Sister Deposit, 7 km to the south-east in a few months' time.
- Planning for drilling satellite targets (e.g., Southern Sister) is also progressing.

GBM Managing Director and CEO, Peter Rohner, commented: *"Following the transformational acquisition of the Twin Hills Project, we are excited to be drilling so quickly at the highly prospective 309 Deposit and are looking forward to completing a safe and environmentally sound program with assays flowing in a few months. GBM now has two projects with drilling underway which is great, having just come back from reviewing the drilling progress at our Malmsbury Project in Victoria with JV partner Novo Resources Corp."*

¹ Refer to ASX: GBZ release 2 February 2021, Significant Resource Upgrade at Twin Hills Project and Appendix 1

GBM Resources Limited (ASX: GBZ) (**GBM** or the **Company**) advises that it has commenced Phase 1 of the diamond core drilling program at the Twin Hills Project (309 Deposit) in the Drummond Basin, QLD.

The Phase 1 program at 309 is designed as resource definition and extension drilling. The program is designed to confirm some of the high-grade intersections that characterise this deposit to improve confidence in the resource ounces and to test new areas; potentially adding to the already significant resource base. The immediate goal is to convert a larger proportion of the current resource from Inferred to Indicated classification as a precursor to mine design and feasibility studies planned. The investment in upgrading the camp and core processing facilities provide a functional and safe base to conduct similar programs at Lone Sister and other highly prospective targets in the recently acquired tenement package.

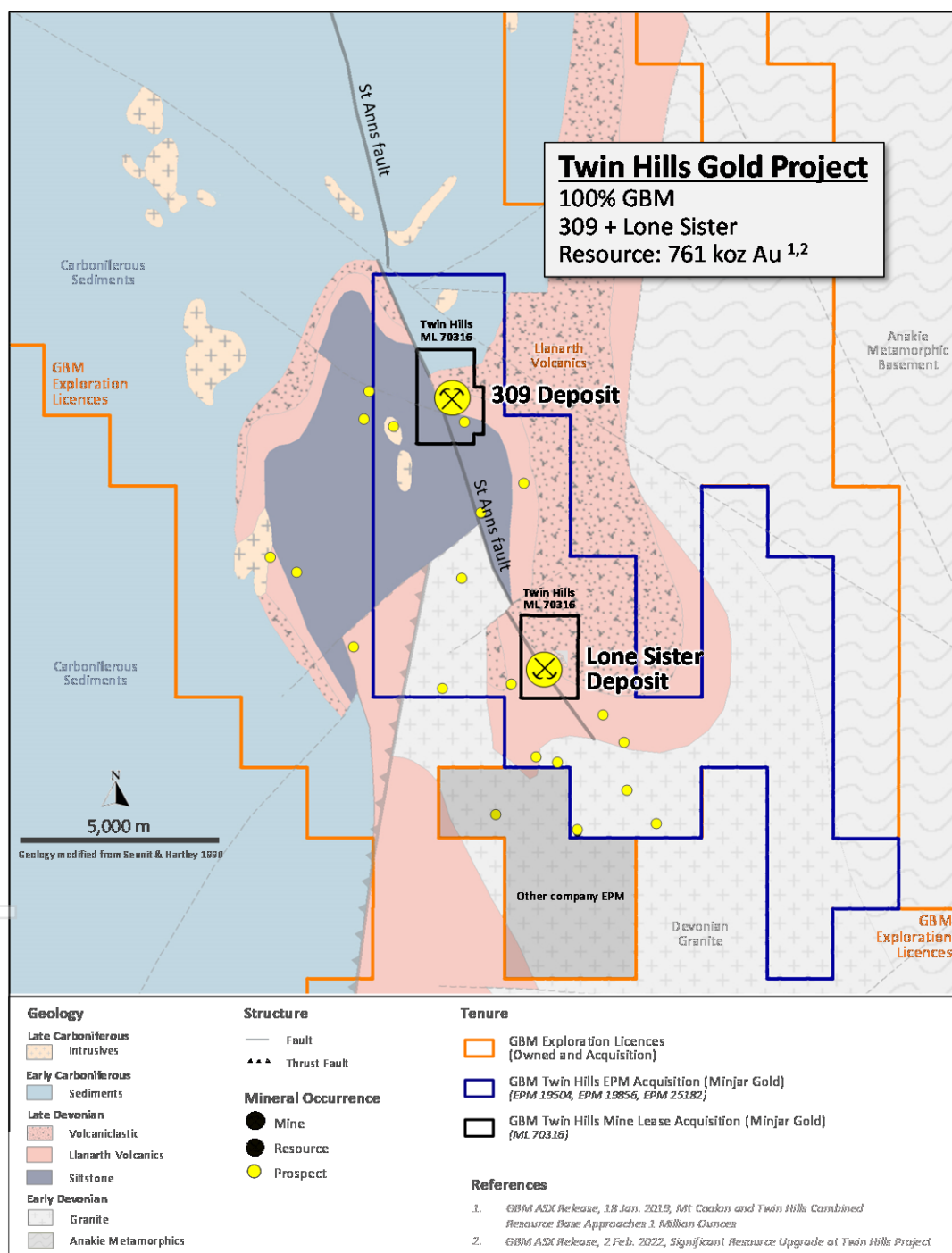
Figure 1: Eagle Drilling Rig on First Hole at 309.



Twin Hills Geology and Exploration Potential – High-Grade Shoots Open to Depth

Twin Hills is hosted by a sedimentary-volcanic package interpreted to have been deposited in a late Devonian age, structurally controlled, pull apart basin that formed along the margin of a Cambro-Ordovician age metamorphic basement high, the Anakie metamorphic inlier (refer Figure 2).

Figure 2: Geological setting of 309 and Lone Sister Deposits.



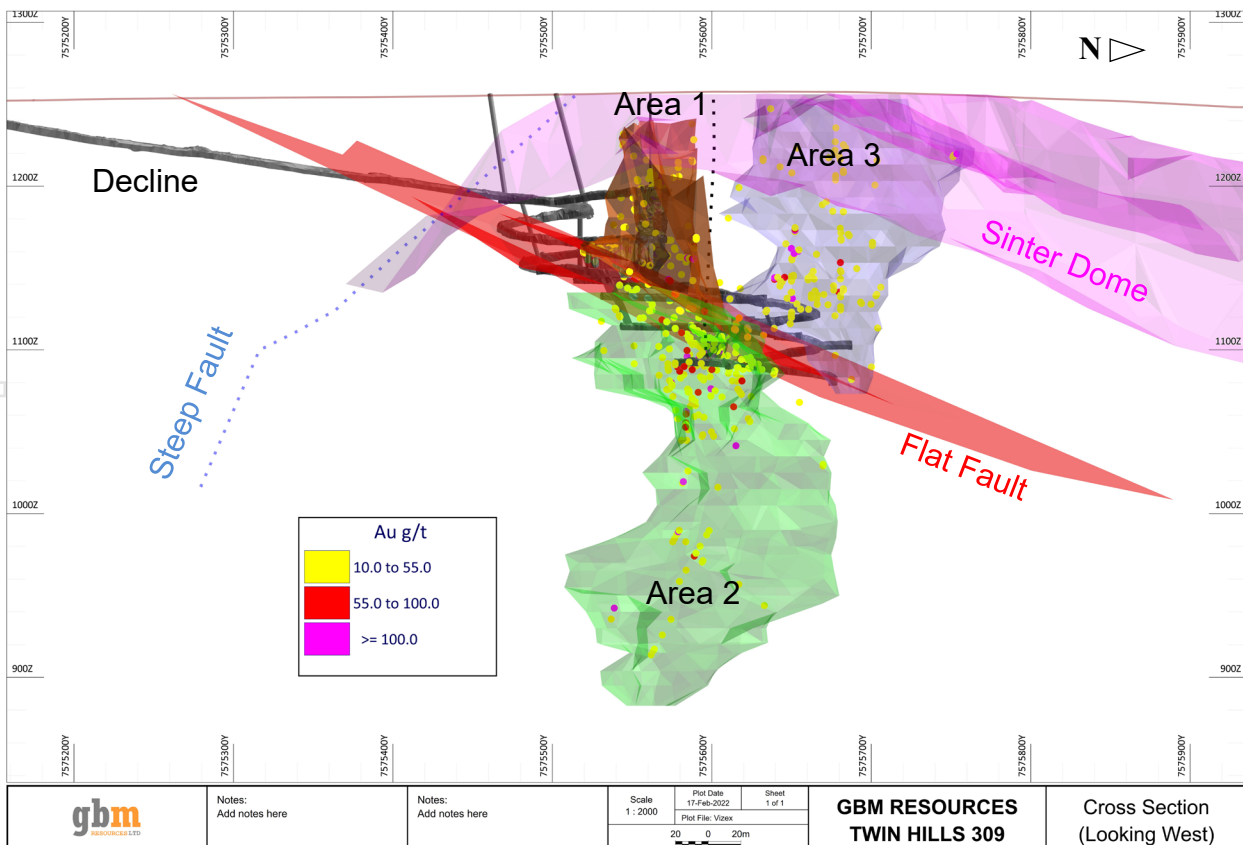
Gold-silver mineralisation is temporally and probably genetically linked to subvolcanic to volcanic felsic domes and related breccia pipes. The age of mineralisation at Lone Sister and by association the related domes has been shown to be early Carboniferous (341 to 346 ma).

Mineralisation at the Twin Hills project, 309 and Lone Sister deposits (refer Figure 2) belongs to the felsic dome related, high gold fineness, low sulphidation quartz sulphide class of mineralisation that has produced a number of notable high value gold deposits including the high-grade Sleeper deposit and large bulk minable style deposits like Round Mountain in Nevada. This class of deposit usually develops an early phase of quartz-sulphide gold mineralisation followed by later stages of very high-grade often free gold quartz and or gold electrum chalcedony events, as is seen at Twin Hills, that are important to the deposit economics.

GBM's preliminary interpretation shows that the Twin Hills deposits are characterised by the 309 (phreatomagmatic to phreato-hydrothermal) milled matrix breccia body and the Lone Sister breccia and veinlet zone that is hosted within a rhyolite feeder dyke to a flow dome and the adjacent wall rock sediments. Better gold mineralisation in these deposits is strongly associated with epithermal quartz breccia matrix fill and cross cutting quartz fracture veinlet networks, forming discontinuous veinlet corridors that crosscut the host rock. GBM believes that the 309 and Lone Sister deposit characteristics are better suited to open pit or underground bulk mining approach compared to the selective underground mining previously used at Twin Hills.

The overall geometry of gold mineralization at 309 is a steeply west plunging body that is open at depth. Three main ore domains are recognized, known simply as Areas 1, 2 and 3 (Figure 3). Near surface mineralization comprises two broadly cylindrical breccia orebodies (Areas 1 and 3) 70-100 m in diameter within an arch shaped dome approximately 300 m long x 200 m wide, defined by a sinter horizon that dips gently away from the central point, with the apex of the arch appearing to dip more steeply toward the north-east. The western margin of the sinter dome is truncated by a steeply southwest dipping fault. Surface mapping of quartz veinlets and faults indicate a late-stage east-west structural fabric within the dome complex.

Figure 3: Cross section of major resource domains and structural interpretation, existing underground development, and historical drill intercept pierce points in g/t Au over 1 metre.



309 – Historical Drilling

Surface drilling comprises a mix of vertical and inclined holes. Large gaps still exist in the inclined surface holes within defined resource blocks. Drilling at depth is relatively sparse, particularly on the margins of ore domains. Extremely high-grade intercepts occur intermittently throughout the deposit and would benefit from drilling twinned/scissor holes to test consistency of these assays. Vertical holes from surface, although at times recording significant width and grades, are often barren due to parallelism with the predominant strike/dip and may exert some negative bias to resource characterization.

309 – Proposed Drilling

Seventeen holes (6,840 m) are planned to infill gaps, validate existing high-grade intercepts, and explore for extensions to mineralisation. All holes are planned from surface, typically inclined at -55 to -60 degrees drilling either to the south or north; generally perpendicular to the evident strike of mineralisation. Hole particulars are shown in Table 1 and Figure 4

Similar program is currently being prepared for the Lone Sister deposit, as well as regional exploration activities across the broader tenement package.

Table 1: 309 - DRILL HOLE DETAILS & COLLAR LOCATIONS (Planned)

Hole ID	MGA East	MGA North	RL	Dip	MGA Azi	EOH (m)
22-309-AA	505492.441	7575685.302	257.14	-82	189.4	250
22-309-AB	505492.112	7575683.333	257.14	-67	189.4	380
22-309-AC	505491.328	7575678.594	257.28	-55	189.4	400
22-309-AD	505477.764	7575719.165	256.63	-55	9.4	80
22-309-AE	505476.956	7575714.236	256.63	-67	189.4	400
22-309-AF	505476.799	7575713.247	256.65	-57	189.4	360
22-309-AG	505465.535	7575645.110	257.63	-57	189.4	320
22-309-AH	505455.459	7575706.788	257.06	-60	189.4	440
22-309-AI	505448.285	7575663.397	257.72	-55	189.4	410
22-309-AJ	505428.594	7575544.261	256.70	-58	9.4	350
22-309-AK	505409.117	7575610.318	257.71	-55	189.4	300
22-309-AL	505349.054	7575860.007	253.14	-60	189.4	600
22-309-AM	505338.071	7575793.500	255.28	-55	189.4	550
22-309-AN	505288.645	7575494.371	256.51	-55	9.4	500
22-309-AO	505273.498	7575402.650	255.49	-55	9.4	500
22-309-AP	505242.675	7575461.438	256.51	-55	9.4	500
22-309-AQ	505229.152	7575379.594	255.49	-55	9.4	500
17						6,840

Note: Planned holes may vary during the program.

Figure 4. Plan view of proposed drilling relative to existing underground workings and historical Au intercepts in g/t Au over 1 metre.

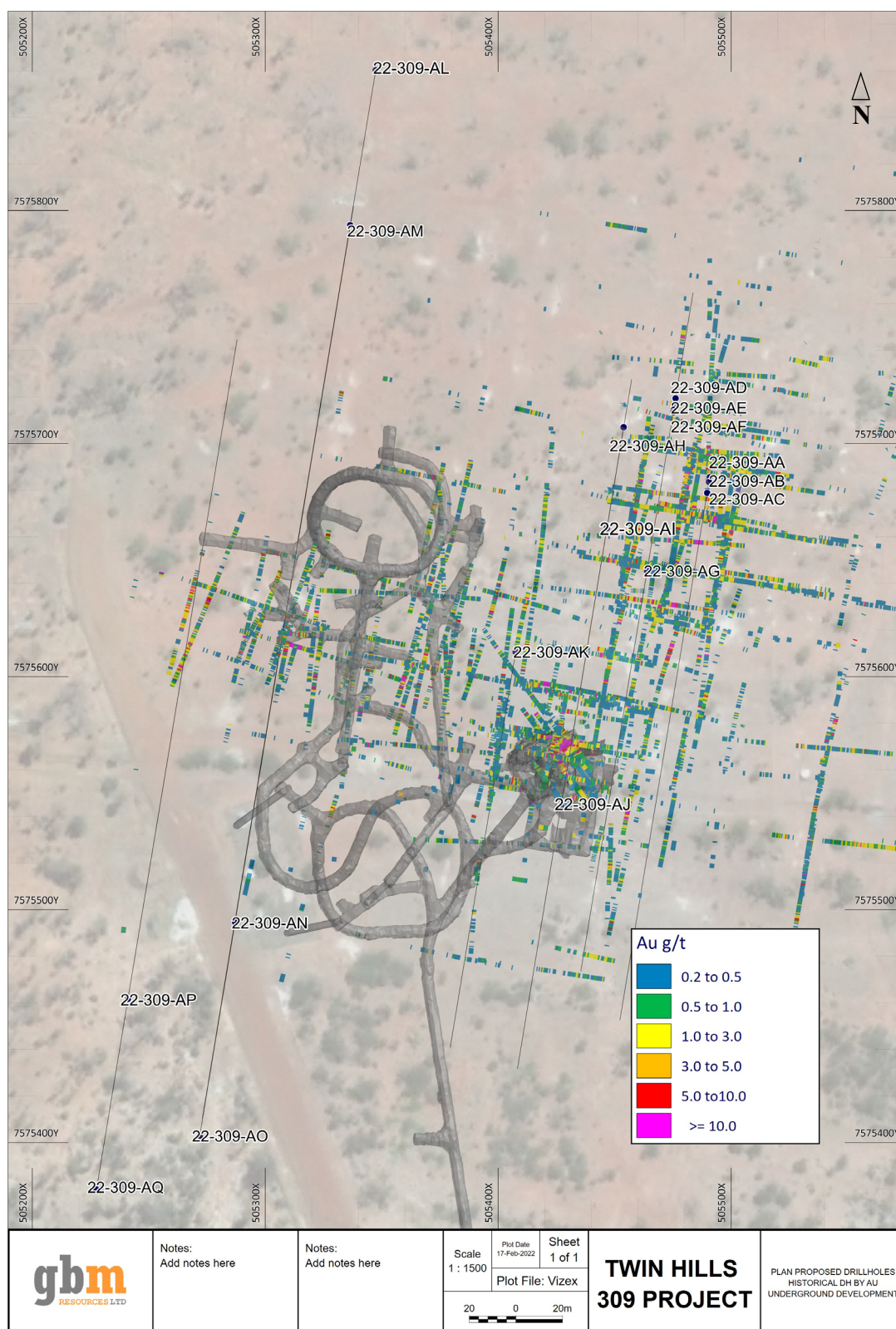


Figure 5. Containerised Camp being built on site to allow full time drilling, technical support and core processing.



Figure 6: Original mechanical workshop now being re-purposed as dedicated core logging and processing facility. The yellow container is an airconditioned core cutting room that will house a new Corewise™ automatic core saw.



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About GBM Resources

GBM Resources Limited (ASX: GBZ) is a well-funded Queensland based mineral exploration and development company focused on the discovery of world-class gold and copper deposits in Eastern Australia. The company has a high calibre project portfolio, hosting district scale mineral systems, located in a number of premier metallogenic terrains.

Its 100% owned flagship project in the Drummond Basin (QLD) holds ~1.6 Moz of gold in JORC resources (Mt Coolon, Yandan and Twin Hills). 2022 will see an expanded drilling program which is aiming to define 2-3 Moz and support GBM's transition into a mid-tier Australian gold company.

Separately it also holds tenements in the Mt Morgan district (subject to a vend into a TSX company) and in the Mt Isa Inlier in Queensland (JV with Nippon Mining Australia - 54%), and the Malmsbury Project (JV with Novo Resources Corp. - 50%, earning additional 10%) in the prolific Victorian Goldfields. This is complemented by the cash generating White Dam Gold-Copper Project in South Australia in which GBM now holds a 100% interest. Divestment of non-core assets will continue.

COMPETENT PERSON STATEMENT

The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the respective announcements, and all material assumptions and technical parameters underpinning the resource estimates with those announcements continue to apply

APPENDIX 1: GBM Mineral Resource Estimate For Mt Coolon, Yandan and Twin Hills Projects, along with White Dam and Malmsbury JV

Deposit	Resource Category								Total			Cut-off	
	Measured			Indicated			Inferred						
	000' t	Au g/t	Au oz	000' t	Au g/t	Au oz	000' t	Au g/t	Au oz	000' t	Au g/t	Au oz	
Koala													
Open Pit				670	2.6	55,100	440	1.9	26,700	1,120	2.3	81,800	0.4
UG Extension				50	3.2	5,300	260	4	34,400	320	3.9	39,700	2.0
Tailings	114	1.7	6,200	9	1.6	400				124	1.6	6,600	1.0
Sub Total	114	1.7	6,200	729	2.6	60,800	700	2.7	61,100	1,563	2.5	128,100	
Eugenia													
Oxide - Open Pit				885	1.1	32,400	597	1.0	19,300	1,482	1.1	51,700	0.4
Sulphide - Open Pit				905	1.2	33,500	1,042	1.2	38,900	1,947	1.2	72,400	0.4
Sub Total				1,790	1.1	65,900	1,639	1.1	58,200	3,430	1.1	124,100	
Glen Eva													
Sub Total - Open Pit				1,070	1.6	55,200	580	1.2	23,100	1,660	1.5	78,300	0.4
Yandan													
East Hill - Open Pit							20,600	0.8	505,000	20,060	0.8	505,000	0.3
South Hill - Open Pit							900	0.6	16,000	900	0.6	16,000	0.3
Sub Total							21,500	0.8	521,000	21,500	0.8	521,000	
Twin Hills													
309 - Open Pit	586	2.7	50,300	5,470	1.4	253,200	4,165	0.9	120,200	10,220	1.3	423,700	0.4
309 - UG				110	4.8	16,800	510	3.7	60,100	620	3.9	76,900	2.0
Lone Sister - UG							2,010	4.0	260,100	2,010	4.0	260,100	2.0
Sub Total	586	2.7	50,300	5,580	1.5	270,000	6,685	2.0	440,400	12,850	1.8	760,700	
Drummond Basin Total	700	2.5	56,500	9,169	1.5	451,900	31,104	1.1	1,103,800	41,003	1.2	1,612,200	
White Dam													
Hannaford - Open Pit				700	0.7	16,400	1,000	0.8	26,900	1,700	0.8	43,300	0.2
Vertigo - Open Pit				300	1.0	9,400	1,400	0.6	29,000	1,700	0.7	38,400	0.2
White Dam North - Open Pit				200	0.5	2,800	1,000	0.6	17,600	1,200	0.5	20,400	0.2
Sub Total				1,200	0.7	28,600	3,400	0.7	73,500	4,600	0.7	101,900	
cut-off grade is 0.20 g/t Au for all, Vertigo is restricted to above 150RL (~70m below surface)													
Malmsbury													
Sub Total - UG							820	4.0	104,000	820	4.0	104,000	2.5
Sub Total - UG - GBM Share							410	4.0	52,000	410	4.0	52,000	2.5
GBM Total	1,766,100												

The announcements containing the Table 1 Checklists of Assessment and Reporting Criteria relating to the 2012 JORC compliant Resources are:

- Koala/Glen Eva and Eugenia – GBM ASX Announcements, 4 December 2017, Mt Coolon Gold Project Scoping Study
- Yandan – GBM ASX Announcement, 23 December 2020, Mt Coolon and Yandan Combined Resources Total 852,000 oz, following completion of Yandan acquisition
- Twin Hills – GBM ASX Announcement, 18 January 2019, Mount Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces
- White Dam - GBM ASX Announcement, 18 August 2020, White Dam Maiden JORC 2012 Resource of 102 koz
- Malmsbury – GBM ASX Announcement, 4 July 2019, Malmsbury Resource Upgraded to JORC 2012

- a) The preceding statements of Mineral Resources conforms to the “Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition”
- b) All tonnages are dry metric tonnes
- c) Data is rounded to ('000 tonnes, 0.0 g/t and '000 ounces). Discrepancies in totals may occur due to rounding
- d) Resources have been reported as both open pit and underground with varying cut-off based off several factors as discussed in the corresponding Table 1 which can be found with the original ASX announcement for each Resources.