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ANNUAL FINANCIAL REPORT

For the year ended 30 June 2024

GBM Resources Limited

ABN 91 124 752 745

Contents

	Page
Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	13
Consolidated Statement of Profit or Loss and Other Comprehensive Income	14
Consolidated Statement of Financial Position	15
Consolidated Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Notes to the Consolidated Financial Statements	18
Consolidated Entity Disclosure Statement	51
Directors' Declaration	52
Independent Auditor's Report	53

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GBM Resources Limited

ABN 91 124 752 745

Corporate Directory

Directors

Guan Huat Sunny Loh
Non-Executive Chairman

Peter Rohner
Managing Director

Peter Thompson
Non-Executive Director

Company Secretaries

Kevin Hart
Dan Travers

Registered Office

Suite 1.01
303 Coronation Drive
Milton QLD 4064
AUSTRALIA

Principal Place of Business

Suite 1.01
303 Coronation Drive
Milton QLD 4064
AUSTRALIA

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000
AUSTRALIA

Share Registry

Computershare Investor Services
Level 17, 221 St Georges Terrace
Perth WA 6000
AUSTRALIA
Telephone: +61 8 9323 2000

Securities Exchange Listing

GBM Resources Limited - shares are listed on the
Australian Securities Exchange (ASX Code: GBZ)

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Building
16 Milligan Street
Perth WA 6000
AUSTRALIA

Website and e-mail address

www.gbmr.com.au

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GBM Resources Limited

ABN 91 124 752 745

Directors' Report

The Directors present their report together with the consolidated financial statements of the Company and its controlled entities ('Group') for the financial year ended 30 June 2024.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are:

Mr Guan Huat Sunny Loh – BBA, ACS, ACIS, MBA
Non-Executive Chairman

Mr Loh's expertise lies in corporate strategy, finance markets, investor relations and capital restructures. Mr Loh holds a BBA from National University of Singapore and an MBA of Strategic Marketing from the University of Hull. He is also an Associate of the Institute of Chartered Secretaries and Administrators.

Mr Loh has been appointed to the role of Chairperson. In this role he will further support the Board through interaction with the Company's overseas shareholder base, and via evaluation of additional funding and corporate options to further develop and grow GBM. He has a long and supportive relationship with the Company as both a shareholder and previously held the role as a Non-Executive Director.

Mr Loh has been appointed as an Executive Chairman of Nova MSC Berhad, a public company listed on Bursa Malaysia since 1 April 2021.

Mr Loh has held no other directorships of listed companies in the last 3 years.

Peter Rohner – B.Sc (Metallurgy), Grad Dip Applied Finance & Investment
Managing Director

Mr Rohner has over 30 years' experience in the mining industry. In particular, he has been heavily involved in mineral process technology development including development of the Jameson flotation cell, IsaMill fine grinding and, more recently, significant involvement in further development of Glencore's Albion Process (fine grind oxidative leach) technology.

Mr Rohner is also currently a Technical Director of the Core Group, which provides metallurgical processing solutions to its global clients. He is also a director of Stibium Mining Pty Ltd, a private resource company that previously owned a gold antimony operation in South Africa. In the last 3 years, Mr Rohner was a former director of Stibium China Holdings Ltd (from October 2018 to August 2021).

Peter Thompson – B.Bus, CPA, FCIS
Non-Executive Director

Experience

Mr Thompson is a CPA qualified accountant and Fellow of Governance Institute of Australia. He has over 40 years' experience in the mining industry in Australia, UK and South America in senior roles with several international mining companies.

Mr Thompson is an independent non-executive director of Nova MSC Berhad, a Malaysian public company.

Mr Thompson has held no other directorships of listed companies in the last 3 years.

COMPANY SECRETARIES

Mr Kevin Hart – B.Comm, FCA

Mr Hart is a Principal in the Company Secretarial and CFO advisory divisions of the Automic Group providing secretarial support, corporate and compliance advice. He is a Chartered Accountant and was appointed to the position of Company Secretary on 3 February 2010. He has over 35 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

GBM Resources Limited

ABN 91 124 752 745

Directors' Report

COMPANY SECRETARIES (CONTINUED)

Dan Travers – B.Sc (Hons), FCCA

Mr Travers is a Fellow of the Association of Chartered Certified Accountants and was appointed to the position of Joint Company Secretary on 19 November 2020. Mr Travers is an employee of Automic Group and has over 25 years experience in company secretarial and accounting roles.

MEETINGS OF DIRECTORS

During the financial year, the following meetings of Directors (including committees) were held:

	DIRECTORS' MEETINGS	
	Number Eligible to Attend	Number Attended
S Loh	21	21
P Rohner	21	21
P Thompson	21	21

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were exploration in respect of its gold and copper gold projects in Australia and operation of the White Dam gold copper project. Corporate activities focussed on various equity raisings and strategic disposals of non-core assets to further the Group's Drummond Basin growth strategy.

REVIEW OF OPERATIONS

Exploration

During the year various exploration activities were undertaken and included:

- Work continued on the Twin Hills Gold Project consolidating all the historical data sets and reprocessing significant geophysical data to provide the best information to finalise exploration targeting which will comment on commencement of the farm-in agreement with Wise Walkers.
- Work continued on the Mt Coolon Gold Project farm-in with Newmont with a multifaceted geophysical, geochemical and geological exploration program being completed in the first half of the year. Following these programs, data interpretation and target assessment/prioritisation occurred and two diamond holes were completed. Planning and preparation for an air core drilling program of up to ~7,000 metres has been completed. Total expenditure for the farm-in to date is approximately \$8.9 million.
- Work continued on the Yandan Gold Project consolidating all the historical data sets and reprocessing significant geophysical data to provide the best information to finalise exploration targeting which will allow the commencement of a new phase of exploration in 2025.
- Work continued on the Cloncurry Copper Gold JV with Nippon Mining Australia, with earlier geophysical work that led to a drilling campaign at the Mt Margaret tenement (near Ernest Henry). A program of 12 RC holes for 1,884 metres was completed in May/June 2024 with assays to be reported.

Production – White Dam

During the year, Benagerie Gold & Copper Pty Ltd (BGC) mobilised its mining equipment at site to carry out activities enabling the treatment of remaining ROM pad material and rehandling/stacking of poorly irrigated heap leach material to increase gold production. Irrigation of the new reclaimed and stacked mineralised material occurred in second half of the year with leach solutions indicating an elevated grade being realised from the drain lines beneath the newly placed material.

Gold production for the year was 425 ounces with 466 ounces being sold during the year ended 30 June 2024.

GBM Resources Limited

ABN 91 124 752 745

Directors' Report

REVIEW OF OPERATIONS (CONTINUED)

Corporate

The Group continued with the rationalisation of its tenements and asset divestment with the following transactions occurring during the financial year:

- the Company entered into a farm-in agreement with Syndicated Minerals Pty Ltd (SM) under which SM can earn up to a 60% interest in selected commodities, such as uranium and rare earth elements, on certain White Dam exploration licences.
- Non-core exploration lease EL 6299 was sold to Havilah Resources Limited for a consideration including \$100,000 cash payment (in stages) along with some development rights to two Havilah owned prospects (Green and Gold and Wilkins) near White Dam.
- the Company entered into a binding Heads of Agreement with Wise Walkers Limited to advance the Twin Hills Gold Project (Twin Hills) to a decision to mine. Under the agreement, the Company will receive \$6 million in cash consideration and Wise Walkers will fund a further \$6 million exploration over an 18 month period to earn a 70% interest. The Company will also retain a 30% free carried interest to decision to mine. The \$6 million cash consideration includes a \$1 million non-refundable exclusivity fee which was received in the current reporting period.
- The Company entered into a conditional term sheet with Olary Gold Mines Limited (Olary) in relation to the sale of the White Dam gold-copper heap leach project for a total consideration of \$2.95 million in cash and a 1.5% net smelter royalty (capped at \$2.5 million). The White Dam project has been reflected as a discontinued operation in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and as non-current assets held for sale and liabilities associated with assets held for sale in the Statement of Financial Position. Refer note 21a.

The Company received approximately \$3.8 million from capital raising activities conducted during the year through the issue of 417,895,236 shares and 208,400,296 unlisted options. An amount of \$0.9 million of the Collins St convertible note was converted via the issue of 100 million shares and 50 million unlisted options.

Operating Results

In the financial year to 30 June 2024, the Group made a net loss after income tax of \$5,926,950 (2023: \$2,112,654). The loss included \$2,724,652 in relation to the White Dam project (which is classified as a discontinued operation) and non-cash costs of \$939,923 (depreciation and fair value losses).

Financial Position

At the end of the financial year, continuing operations of the Group had \$1,600,808 (2023: \$1,901,042) in cash on hand and on deposit. Exploration expenditure incurred for the year on the Group's wholly owned projects was \$2,572,682, with carried forward exploration and evaluation expenditure totalling \$41,765,261 (2023: \$45,629,203).

Risk Management

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks, including emerging risks, and also opportunities, are identified on a timely basis and the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

Given the size of the Company and its stage of development all Board members are involved and have responsibility for management of risk.

Material business risks

There are inherent risks associated with the exploration for minerals. The Group faces the usual risks encountered by companies engaged in the exploration, evaluation and development of minerals. The material business risks for the Group include:

External Risks

Environmental risks	The Company's operations and projects are subject to the laws and regulations of the jurisdictions in which it has interests and carries on business (currently Queensland and South Australia), regarding environmental compliance and relevant hazards. There is also a risk that the environmental laws and regulations may become more onerous, making the Group's operations more expensive which may adversely affect the financial position and /or performance of the Group. The Directors are not aware of any environmental law that is not being complied with.
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GBM Resources Limited

ABN 91 124 752 745

Directors' Report

REVIEW OF OPERATIONS (CONTINUED)

Government regulations and claims risks	Changes in law and regulations or government policy may adversely affect the Group's operations. There is no guarantee that current or future exploration permit applications or existing permit renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits. Loss of permits may adversely affect the financial position and /or performance of the Group.
Commodity Price and foreign exchange risk	Volatility in the gold and copper markets will impact the revenues of the Group in relation to metal sales from the White Dam Project. In addition, fluctuation in commodity price could impact market sentiment and therefore adversely affect the ability of the Company to raise capital. During the year, the Group held investments in companies listed on the TSX and these securities were impacted by market conditions and the Australian/Canadian dollar exchange rate.
Cyber risk	The Group uses various IT systems and cloud based software. Should a cyber event occur, there is a risk of business disruption or data breach that may adversely affect the financial position and /or performance of the Group.
Climate change risks	The Group may be impacted by climate related risks including reduced water availability, extreme weather events and changes to legislation and regulation in relation to climate.

Operating Risks

Exploration and development risk	The exploration for and development of mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, not all exploration activity will lead to the discovery of economic deposits. Major expenditure may be required to locate and establish Ore Reserves, to establish rights to mine the ground, to receive all necessary operating permits, to develop metallurgical processes and to construct mining and processing facilities at a particular site.
Mineral Resources	The Group's estimates of Mineral Resources are based on different levels of geological confidence and different degrees of technical and economic evaluation, and no assurance can be given that anticipated tonnages and grades will be achieved or could be mined or processed profitably.

In addition to the risks described above, the Group's ability to successfully develop projects is contingent on the Group's ability to fund those projects through debt or equity raisings.

EQUITY SECURITIES ON ISSUE

	30 June 2024	30 June 2023
Ordinary fully paid shares	1,156,688,889	615,960,932
Options over unissued shares	314,394,002	106,561,007
Performance Rights over unissued shares	773,762	1,168,262

Subsequent to the end of the financial year, the Company issued no further shares. Total shares on issue at date of this report are 1,156,688,889.

GBM Resources Limited

ABN 91 124 752 745

Directors' Report

EQUITY SECURITIES ON ISSUE (CONTINUED)

Options over Ordinary Shares

At the date of this report, there are 314,094,002 unissued shares of the Group under option as follows:

Granted	Expiry Date	Exercise Price (cents)	Number of options at 30 June 2024	Number of options at date of report
September 2020	14 September 2024	21.0	300,000	-
February 2021	11 February 2025	18.0	2,000,000	2,000,000
April 2021	11 February 2025	18.0	1,900,000	1,900,000
December 2021	31 October 2025	18.0	855,000	855,000
November 2022	1 December 2026	6.9	8,000,000	8,000,000
February 2023	7 February 2025	7.5	38,738,706	38,738,706
February 2023	19 February 2027	6.1	4,200,000	4,200,000
February/March 2024	5 February 2026	1.5	91,429,098	91,429,098
March/April 2024	15 March 2026	1.5	166,971,198	166,971,198
			314,394,002	314,094,002

During the year, 258,400,296 options were issued (comprising of 91,429,098 options exercisable at \$0.015, expiring 5 February 2026; and 166,971,198 options exercisable at \$0.015, expiring 15 March 2026). A total of 50,567,051 options were cancelled during the financial year and 250 options were exercised.

Subsequent to 30 June 2024 and up to the date of this report, no options have been issued or exercised and 300,000 unlisted options were cancelled on their expiry date without being exercised.

Performance Rights over Ordinary Shares

During the year ended 30 June 2024, the Company issued 395,000 fully paid ordinary shares on the exercise of performance rights. No performance rights were issued or cancelled during the reporting period.

Subsequent to 30 June 2024, no performance rights have been issued, exercised or cancelled.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as stated in the Operational and Financial Review section above, there were no other significant changes in the state of affairs of the Group during the financial year, not otherwise disclosed in this Directors' Report or in the Review of Operations.

EVENTS SUBSEQUENT TO BALANCE DATE

Other than as stated below, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 8 July 2024, the Company announced that it had entered into a conditional term sheet with Olary Gold Mines Limited in relation to the sale of the White Dam gold-copper heap leach project (White Dam) for a total consideration of \$2.95 million in cash and a 1.5% net smelter royalty (capped at \$2.5 million). Currently both parties are working towards completion of the sales transaction. Refer note 21a for further detail.

GBM Resources Limited

ABN 91 124 752 745

Directors' Report

EVENTS SUBSEQUENT TO BALANCE DATE (CONTINUED)

- On 15 July 2024, the Company announced the execution of a binding Heads of Agreement with Wise Walkers Limited to earn up to a 70% joint venture interest in the Twin Hills Gold Project (Twin Hills) for a total of A\$6 million cash consideration including a non-refundable exclusivity fee of A\$1 million. At the date of this report, A\$3 million has been received. In addition, Wise Walkers will sole fund further exploration of A\$6 million over an 18 month period to earn a 70% interest. A full form farm-in and joint venture agreement is currently being negotiated.
- On 27 August 2024, the Company announced that it had entered into an option agreement with Graphite Plains Pty Ltd in relation to the sale of the Company's 100% owned Sevastopol Graphite Prospect in North-West Queensland for a maximum consideration of \$1.2 million (if certain milestones are achieved) and a 1% net smelter royalty applied to graphite product produced.

DIVIDENDS

No dividends were paid during the year and the Directors recommend that no dividends be paid or declared for the financial year ended 30 June 2024.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Comments on expected results of the operations of the Company are included in this report under the Review of Operations.

Disclosure of other information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL ISSUES

The Group holds participating interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement.

There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2024.

GBM Resources Limited

ABN 91 124 752 745

Directors' Report

REMUNERATION REPORT (AUDITED)

The remuneration report is set out in the following manner:

- Policies used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share based compensation

Remuneration Policy

The Board of Directors is responsible for remuneration policies and the packages applicable to the Directors of the Company. Whilst the broad remuneration policy is to ensure that packages offered properly reflect a person's duties and responsibilities and that remuneration is competitive and attracts, retains, and motivates people of the highest quality, the Board has consciously been focused on conserving the Company's funds to ensure the maximum amount is spent on exploration, and this is reflected in the modest level of Director fees.

The policy of the Group is to offer competitive salary packages which provide incentives to Directors and senior executives and are designed to reward and motivate. Total remuneration for all Non-Executive Directors was voted on by shareholders, whereby it is not to exceed in aggregate \$200,000 per annum. Non-Executive Directors receive fees agreed on an annual basis by the Board.

At the date of this report, the Company had not entered into any remuneration packages with Directors or senior executives which include specific performance-based components. Long term and short term incentives, may be awarded subject to Board discretion.

Details of Remuneration for Directors and Executive Officers

The remuneration of each Director of the Company and relevant executive officers (together known as Key Management Personnel or KMP) are set out in the table below.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. The Board of Directors obtains independent advice when appropriate in reviewing remuneration packages.

During the year, there were no senior executives who were employed by the Company for whom disclosure is required.

2024	<u>Short term</u>	<u>Post Employment</u>	<u>Share Based Payments</u>		
	Salary and fees \$	Super - annuation \$	Options / shares \$	Total \$	Performance Based Payments as % of remuneration %
<u>Directors</u>					
S Loh	48,000	-	-	48,000	-
P Rohner ¹	161,720	19,882	12,482	194,084	-
P Thompson	84,000	9,240	-	93,240	-
Total Directors	293,720	29,122	12,482	335,324	-

¹ Share based payments represents the fair value of 656,928 fully paid shares issued on 12 September 2023, following shareholder approval, in satisfaction of directors fees owing.

GBM Resources Limited

ABN 91 124 752 745

Directors' Report

REMUNERATION REPORT (AUDITED)

2023	<u>Short term</u>	<u>Post Employment</u>	<u>Share Based Payments</u>		
	<i>Salary and fees</i> \$	<i>Super - annuation</i> \$	<i>Options / shares</i> \$	<i>Total</i> \$	<i>Performance Based Payments as % of remuneration</i> %
<u>Directors</u>					
P Mullens ¹	28,000	-	-	28,000	-
P Rohner	209,285	21,975	184,704	415,964	-
P Thompson	84,000	8,820	-	92,820	-
S Loh	48,000	-	-	48,000	-
B Cook ²	12,000	-	-	12,000	-
<i>Total Directors</i>	381,285	30,795	184,704	596,784	-

¹ Resigned 30 June 2023.

² Resigned 30 November 2022.

See disclosure relating to service agreements for further details of remuneration of executive directors.

Director Options

During the year ended 30 June 2024 no options were issued as remuneration.

Key management personnel have the following interests in unlisted options over unissued shares of the Company.

Name	Balance at beginning of the year	Received during the year as remuneration	Other changes during the year ¹	Balance at the end of the year	Vested and exercisable at 30.06.2024
P Rohner	8,516,302	-	23,982,467	32,498,769	32,498,769
S Loh	-	-	2,777,777	2,777,777	2,777,777

¹ Net of options acquired through participation in capital raisings and options cancelled during the year.

Service Agreements

Remuneration and other terms of employment for Executive Directors are set out in Service Agreements:

Peter Rohner – Managing Director

On 1 July 2023, Mr Rohner entered into a 2 year service agreement with the Company with a base salary inclusive of statutory superannuation of \$254,566 per annum which is subject to annual review. From 1 February 2024, Mr Rohner worked reduced hours with his salary being adjusted accordingly.

The Service agreement contains certain provisions typically found in contracts of this nature. Mr Rohner may be eligible to receive a short term incentive payment (STIP) in the form of a cash bonus based on achievement of key performance indicators agreed annually with the Board in advance of each financial year. Any decision regarding the eligibility to receive a STIP is at the discretion of the Board. Long term incentives in the form of options or performance rights may be awarded subject to Board discretion and shareholder approval. The Company may terminate the Service Agreement without cause by providing six months written notice to the individual or by making a payment in lieu of notice. The Service Agreement may be terminated immediately in the case of serious misconduct.

GBM Resources Limited

ABN 91 124 752 745

Directors' Report

REMUNERATION REPORT (AUDITED)

Share Based Compensation

At the date of this report the Company has not entered into any agreements with KMP which include performance based components. Options issued to Directors are approved by shareholders and were not the subject of an agreement or issued subject to the satisfaction of a performance condition.

Options may be issued to provide an appropriate level of incentive and are a cost effective means given the Company's size and stage of development.

Group Performance

In considering the Company's performance, the Board provides the following indices in respect of the past five financial years:

	2024	2023	2022	2021	2020
(Loss)/profit for the year attributable to shareholders	(\$5,926,950)	(\$2,112,654)	(\$642,341)	\$267,851	(\$1,198,012)
Closing share price at 30 June	\$0.01	\$0.022	\$0.061	\$0.115	\$0.080

As a Group focussed on exploration activities, the Board does not consider the loss attributable to shareholders as one of the performance indicators when implementing Short Term Incentive payments.

In addition to technical exploration success-resource growth, the Board considers the effective management of safety, environmental and operational matters and successful management, acquisition and consolidation of high quality projects together with successful management of the Group's joint venture and farm-in arrangements and divestment of non-core assets, as more appropriate indicators of management performance for the financial year.

DIRECTORS' INTERESTS

The relevant interest of each Director in the ordinary shares and options issued by the Company as notified by the Directors to the Australian Securities Exchange at the date of this report, is set out in the table below.

Ordinary shares

Director	Ordinary shares held at 1 July 2023	Received during the year as remuneration ¹	Movement during the financial year ²	Ordinary Shares held at 30 June 2024	Ordinary shares held at the date of the Directors' Report
S Loh	6,688,738	-	6,666,666	13,355,404	13,355,404
P Rohner	16,859,379	656,928	51,469,817	68,986,124	68,986,124
P Thompson	7,011,467	-	-	7,011,467	7,011,467

¹ Shares received in lieu of accrued director fees.

² Movement during the year relates to participation in placements and non-renounceable entitlement issue.

Options

Director	Options held at 1 July 2023	Received during the year as remuneration	Movement during the financial year ¹	Options held at 30 June 2024	Options held at the date of the Directors' Report
S Loh	-	-	2,777,777	2,777,777	2,777,777
P Rohner	8,516,301	-	23,982,468	32,498,769	32,498,769
P Thompson	-	-	-	-	-

¹ Free attaching options issued on participation in placements and non-renounceable entitlement issue less options cancelled (if applicable).

GBM Resources Limited

ABN 91 124 752 745

Directors' Report

REMUNERATION REPORT (AUDITED)

LOANS TO DIRECTORS AND EXECUTIVES

There were no loans entered into with Directors or executives during the financial year ended 30 June 2024.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

During the year, no transactions occurred with director related entities other than those listed above.

End of Remuneration Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the year, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

Other than the above, the Group has not, during or since the end of the financial year, given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums for the Directors, officers or auditors of the Company or the controlled entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

No non-audit services were provided by the external auditors in respect of the current or preceding financial year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001, is set out on the following page.

Signed in accordance with a resolution of the Board of Directors.

Dated this 27th day of September 2024



PETER ROHNER
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of GBM Resources Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
27 September 2024



M R Ohm
Partner

hlb.com.au

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A Western Australian Partnership

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

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GBM Resources Limited
ABN 91 124 752 745
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2024

	Note	Consolidated	
		2024	2023
		\$	\$
Gain on sale of assets	4	6,784	2,122,340
Other revenue	4	83,596	271,579
Interest and finance income		325,013	2,367,774
Interest and finance expenses		(925,521)	(958,839)
Net Interest and finance (expenses)/income	4	(600,508)	1,408,935
Employee expenses	5	(675,794)	(1,050,971)
Consulting and professional services		(367,299)	(425,494)
Exploration expenditure expensed and written off	5	(74,073)	(386,173)
Depreciation and amortisation expenses	5	(155,238)	(187,204)
Foreign exchange gain/(loss)		-	(1,547)
Fair value loss on investments	13	(784,685)	(282,017)
Administration and other expenses		(635,081)	(1,015,477)
(Loss)/profit before income tax		(3,202,298)	453,971
Income tax benefit	6	-	-
(Loss)/profit for the year from continuing operations		(3,202,298)	453,971
Loss for the year from discontinued operations	21a	(2,724,652)	(2,566,625)
Loss for the year		(5,926,950)	(2,112,654)
Other comprehensive income		-	-
Total comprehensive loss for the year		(5,926,950)	(2,112,654)
		Cents	Cents
Basic loss per share from continuing operations	7	(0.39)	0.08
Basic loss per share from discontinuing operations	7	(0.34)	(0.45)
Diluted loss per share from continuing operations	7	(0.39)	0.08
Diluted loss per share from discontinuing operations	7	(0.34)	(0.45)

The accompanying notes form part of these financial statements

For personal use only

GBM Resources Limited
ABN 91 124 752 745
Consolidated Statement of Financial Position
As at 30 June 2024

	Note	Consolidated	
		2024	2023
		\$	\$
Current assets			
Cash and cash equivalents	25	1,600,808	1,901,042
Trade and other receivables	8	92,749	387,495
Prepayments	9	628,809	523,343
Inventories	10	-	299,267
Financial assets	13	15,041	132,512
Assets held-for-sale	21a, b	7,907,680	132,775
Total Current Assets		10,245,087	3,376,434
Non-current assets			
Prepayments	9	223,379	1,045,011
Exploration and evaluation expenditure	11	41,765,261	45,629,203
Right-of-use assets		7,050	91,644
Property, plant and equipment	12	468,619	2,749,512
Financial assets	13	-	1,246,392
Bonds and security deposits	14	8,425,883	9,839,106
Total Non-current Assets		50,890,192	60,600,868
TOTAL ASSETS		61,135,279	63,977,302
Current liabilities			
Trade and other payables	15	571,536	598,230
Employee leave liabilities		169,942	306,313
Lease liabilities		7,717	97,676
Borrowings	16	3,354	32,276
Provisions	17	-	30,000
Deferred consideration	21c	1,000,000	-
Liabilities associated with assets held for sale	21a	4,957,680	-
Total Current Liabilities		6,710,229	1,064,495
Non-current liabilities			
Employee leave liabilities		96,283	128,285
Borrowings	16	6,011,972	7,360,421
Provisions	17	8,924,182	15,068,667
Total Non-current Liabilities		15,032,437	22,557,373
TOTAL LIABILITIES		21,742,666	23,621,868
NET ASSETS		39,392,613	40,355,434
Equity			
Issued capital	18	70,858,065	65,878,950
Option capital		193,694	193,694
Accumulated losses	20	(32,516,483)	(26,589,533)
Reserves	20	857,337	872,323
TOTAL EQUITY		39,392,613	40,355,434

The accompanying notes form part of these financial statements

For personal use only

GBM Resources Limited
ABN 91 124 752 745
Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2024

	Note	Issued capital \$	Option capital \$	Accumulated losses \$	Share based payment reserve \$	Convertible note reserve \$	Total \$
Balance at 1 July 2022		62,217,473	977,990	(25,523,814)	773,056	-	38,444,705
Loss attributable to members of the Company	20	-	-	(2,112,654)	-	-	(2,112,654)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive loss for the year		-	-	(2,112,654)	-	-	(2,112,654)
Shares issued (net of costs)	18	2,915,961	-	-	-	-	2,915,961
Shares issued in lieu of services		31,325	-	-	-	-	31,325
Issue of convertible notes		-	-	-	-	110,806	110,806
Issue of options		-	193,694	-	-	-	193,694
Exercise of options/rights		714,191	(9,522)	-	(276,102)	-	428,567
Cancellation of options		-	(968,468)	1,046,935	(78,467)	-	-
Vesting of options/rights		-	-	-	343,030	-	343,030
Balance at 30 June 2023		65,878,950	193,694	(26,589,533)	761,517	110,806	40,355,434
Balance at 1 July 2023		65,878,950	193,694	(26,589,533)	761,517	110,806	40,355,434
Loss attributable to members of the Company	20	-	-	(5,926,950)	-	-	(5,926,950)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive loss for the year		-	-	(5,926,950)	-	-	(5,926,950)
Shares issued capital raise (net of costs)	18	3,716,028	-	-	-	-	3,716,028
Shares issued in lieu of services/fees	18	313,684	-	-	-	-	313,684
Shares issued on convertible note redemption		900,000	-	-	-	-	900,000
Exercise of options/rights		49,403	-	-	(49,375)	-	28
Vesting of options/rights		-	-	-	34,389	-	34,389
Balance at 30 June 2024		70,858,065	193,694	(32,516,483)	746,531	110,806	39,392,613

The accompanying notes form part of these financial statements

GBM Resources Limited
ABN 91 124 752 745
Consolidated Statement of Cash Flows
For the Year Ended 30 June 2024

	Note	Consolidated	
		2024	2023
		\$	\$
Cash flows from operating activities			
Cash receipts from metal sales		1,697,152	1,304,176
Payments to suppliers and employees		(4,034,869)	(5,028,764)
Interest received		325,171	132,171
Government assistance, grants and tax incentives		-	146,926
JV management fee income		83,596	107,071
Interest and other costs of finance paid		(223,740)	(658,839)
Net cash flows used in operating activities	25(c)	<u>(2,152,690)</u>	<u>(3,997,259)</u>
Cash flows from investing activities			
Payments for bonds and security deposits		(354,236)	-
Refunds of bonds and security deposits		25,818	15,000
Funds provided by JV partner under Farm-in agreement		780,230	1,222,372
Payments for exploration and evaluation, including JV Farm-in spend		(3,344,896)	(8,097,965)
Proceeds on sale of tenements		1,050,000	1,210,000
Proceeds on sale of investments		122,178	1,832,409
Proceeds on sale of property, plant and equipment		18,000	-
Payments to acquire property, plant and equipment		(42,539)	(30,757)
Net cash flows used in investing activities		<u>(1,745,445)</u>	<u>(3,848,941)</u>
Cash flows from financing activities			
Proceeds from the issue of shares		3,827,724	3,070,340
Share issue costs		(83,332)	(154,379)
Proceeds from the issue/exercise of options		-	597,763
Proceeds from loans and borrowings		199,604	228,051
Repayment of loans and borrowings		(231,403)	(260,492)
Proceeds from the issue of convertible notes		-	7,515,174
Redemption of convertible notes		-	(2,000,000)
Repayment of lease liabilities		(89,959)	(83,817)
Net cash flows provided by financing activities		<u>3,622,634</u>	<u>8,912,640</u>
Net (decrease)/increase in cash held		<u>(275,501)</u>	<u>1,066,440</u>
Cash and cash equivalents at the beginning of the financial year		1,901,042	836,149
Effect of foreign exchange on cash and cash equivalents		-	(1,547)
Cash and cash equivalents at the end of the financial year	25(a)	<u>1,625,541</u>	<u>1,901,042</u>

The accompanying notes form part of these financial statements

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

GBM Resources Limited ('the Company') is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2024 comprises the Company and its subsidiaries (together referred to as 'the Group').

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

In addition, the Group has adopted amendments made to *AASB 101 Presentation of Financial Statements* which require the disclosure of "material" rather than "significant" accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in this note.

a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards and Interpretations. The financial report has also been prepared on an historical cost basis, unless otherwise stated. The financial report is presented in Australian dollars. For the purpose of preparation of the consolidated financial statements the Company is a for-profit entity.

Going Concern Basis for the Preparation of Financial Statements

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As at 30 June 2024, the Group has cash assets of \$1,600,808 (2023: \$1,901,042), total current assets of \$2,337,407 (2023: \$3,376,434) and total current liabilities of \$1,752,548 (2023: \$1,064,495) excluding assets held for sale and liabilities associated with such assets. The loss for the 2024 financial year was \$5,926,950 (2023: \$2,112,654) and operating and investing cash outflows were \$3,898,135 (2023: \$7,846,200). Notwithstanding the fact that the Company incurred an operating loss, the Directors are of the opinion that the Company is a going concern for the following reasons:

- Sale of the White Dam gold-copper Project (refer note 21a).
- Sale and Farm-in agreement for Twin Hills Project.
- Negotiations for the divestment of certain non-core assets are continuing.
- The remaining interest payable on the convertible notes has been prepaid.
- Continued support from the Queensland regulatory bodies regarding future environmental bond obligations;
- Expenditure on future exploration activity is largely discretionary and is entirely dependent on available cash.

The Company is party to a convertible note agreement with Collins St Convertible Notes Pty Ltd (refer note 16) and a requirement under this agreement is that the Group holds a minimum cash balance of \$1 million. The Directors will continue to manage the Group's activities with due regard to current and future funding requirements and the minimum cash balance requirement under the convertible note agreement. The directors reasonably expect that the Company will be able to raise sufficient capital to fund the Group's exploration and working capital requirements if required, and that the Group will be able to settle debts as and when they become due and payable.

The Group's ability to continue as a going concern and meet future working capital requirements is dependent on the above points being realised. Should the Company not be successful in generating the required cash flows, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Adoption of New and Revised Standards - Changes in accounting policies on initial application of accounting standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group for the reporting year ended 30 June 2024. There are no material new or amended Accounting Standards which will materially affect the Group.

b) Statement of Compliance

The financial report was authorised for issue on 27 September 2024.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

c) Principles of Consolidation

The consolidated financial statements comprise the financial statements of GBM Resources Limited and its subsidiaries as at 30 June each year (the Group). The financial statements for the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which the control is transferred out of the Group.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition. Non-controlling interests represent the portion of profit and loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position.

d) Revenue Recognition

Revenue is recognised to the extent that control has passed and it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Management Fees

Revenue from farm-in management fees is recognised at the time the fees are invoiced for services rendered.

Sales of gold and other metals

With the sale of gold bullion, copper concentrate and other metals control is determined to occur when physical bullion/concentrate from a contracted sale is transferred from the Company's account into the account of the buyer. Revenue from gold, copper and other metal sales is recognised at this point.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are re-assessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

f) Financing Costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method. Borrowing costs are expensed as incurred and included in net financing costs, where there is no qualifying asset.

g) Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Right-of-use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

h) Property, Plant and Equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Property and improvements	10 – 40 years
Office furniture and equipment	2.5 - 20 years
Plant and equipment	1 - 40 years
Motor Vehicles	8 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Property, Plant and Equipment (continued)

(ii) Derecognition and Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

i) Financial Instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

- (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
- (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Fair value hierarchy

All assets and liabilities measured at fair value are classified using a three level hierarchy based on the lowest level of input that is significant to the entire fair value measurement, being Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date and is based on the fair value hierarchy

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12 month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

j) Exploration and Evaluation Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

k) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a re-valuation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at re-valued amount, in which case the reversal is treated as a re-valuation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

l) Interest Bearing Liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised.

Where borrowings contain a conversion option and the number of shares to be issued is fixed the amount of borrowing is initially recognised at fair value of a similar liability that does not have an equity conversion option. The equity conversion feature is the residual. Subsequently the borrowing is measured at amortised cost and the equity portion is not remeasured.

m) Share Based Payments

Equity Settled Transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by using a Black and Scholes model. Share rights are valued at the underlying market value of the ordinary shares over which they are granted unless they contain market conditions in which case such rights are valued using an appropriate valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of GBM Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge or credit to the consolidated statement of profit or loss and other comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, the cumulative expense recognised in respect of that award is transferred from its respective reserve to accumulated losses. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

n) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

o) Earnings Per Share

Basic earnings/loss per share ("EPS") is calculated by dividing the net profit or loss attributable to members of the Company for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus element.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion, by the weighted average number of ordinary shares and potential dilutive ordinary shares, adjusted for any bonus element.

p) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

q) Discontinued Operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations or is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately on the face of the consolidated statement of profit or loss and other comprehensive income.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

r) Provision for Restoration and Rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

s) Parent Entity Financial Information

The financial information for the parent entity, GBM Resources Limited, disclosed in Note 33 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

t) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Accounting for capitalised mineral exploration and evaluation expenditure

The Group's accounting policy is stated at 1(j). A regular review is undertaken of each area of interest to determine the reasonableness of continuing to carry forward costs in relation to that area of interest.

Share based payments

The Group uses independent advisors to assist in valuing share based payments.

Estimates and assumptions used in these valuations are disclosed in the notes in periods when these share based payments are made.

Rehabilitation Provision

A provision has been made for the anticipated costs for future rehabilitation of land explored. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Provision for Royalty

Under the acquisition of the White Dam Project the consideration payable by the Group includes \$2,355,619 of future royalties payable on the JORC resources forming the White Dam Project. The independent valuation undertaken made a number of assumptions including those on production parameters, revenue received from production and discount rates. Actual royalties incurred in future periods could differ materially from the estimate. At 30 June 2024, the provision for royalty is \$2,282,223 (note 21a).

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

White Dam Impairment

An assessment of recoverable amount has been performed in comparison to carrying amount with reference to prior valuations performed on the assets constituting the CGU and the conditional term sheet entered into with Olary Gold Mines Limited for the sale of the White Dam Project. An impairment charge of \$687,286 has been recognised against the carrying value of White Dam property, plant and equipment (refer note 21a).

2. FINANCIAL RISK MANAGEMENT

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks. Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from transactions with customers and investments.

Trade and other receivables

The current nature of the business activity does not result in trading receivables. The receivables that the Group recognises through its normal course of business are short term in nature and the most significant (in quantity) is the receivable from the Australian Taxation Office and interest receivable. The risk of non-recovery of receivables from this source is considered to be negligible.

Cash deposits

The Group's primary banker is National Bank of Australia. At balance date all operating accounts and funds held on deposit are with this bank. The Directors believe any risk associated with the use of only one bank is mitigated by its size and reputation. Except for this matter the Group currently has no significant concentrations of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Group's current and future operations, and consideration is given to the liquid assets available to the Group before commitment is made to future expenditure or investment.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Currency risk

The Group is not exposed to any currency risk other than the respective functional currencies of each Company within the Group, the Australian dollar (AUD).

Interest rate risk

The Group is not exposed to significant interest rate risk and no financial instruments are employed to mitigate risk (Note 23 – Financial Instruments).

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Equity price risk

The Group was not exposed to any material equity price risk during the financial year (Note 23 – Financial Instruments).

(d) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows as mentioned in (b).

3. SEGMENT REPORTING

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group has two operating segments, these being mineral exploration and resource development within Australia and production of minerals in Australia.

The following tables present revenue and profit information and certain asset and liability information regarding operating segments.

	Mineral Exploration \$	Mineral Production ¹ \$	Consolidated \$
30 June 2024			
Interest income	325,013	14,180	339,193
Metal sales	-	1,399,090	1,399,090
Other income	90,380	43,927	134,307
Segment income	415,393	1,457,197	1,872,590
Segment expenses	(3,617,691)	(4,181,849)	(7,799,540)
Segment profit/(loss)	(3,202,298)	(2,724,652)	(5,926,950)
Current assets	2,337,407	7,907,680	10,245,087
Non-current assets	50,890,192	-	50,890,192
Current liabilities	(1,752,549)	(4,957,680)	(6,710,229)
Non-current liabilities	(15,032,437)	-	(15,032,437)
Net assets	36,442,613	2,950,000	39,392,613
Acquisitions of non-current assets	734,669	42,539	777,208

¹ At 30 June 2024 the White Dam Project was classified as held for sale and all assets and liabilities relating to the mineral production segment were treated as current in the Statement of Financial Position. Refer to note 21a for further detail.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

3. SEGMENT REPORTING (CONTINUED)

	Mineral Exploration	Mineral Production ¹	Consolidated
30 June 2023			
Interest income	2,367,774	275,441	2,643,215
Metal Sales	-	1,626,372	1,626,372
Other income	2,393,919	-	2,393,919
Segment income	4,761,693	1,901,813	6,663,506
Segment expenses	(4,307,722)	(4,468,438)	(8,776,160)
Segment profit/(loss)	453,971	(2,566,625)	(2,112,654)
Current assets	2,737,834	638,600	3,376,434
Non-current assets	56,458,516	4,142,352	60,600,868
Current liabilities	(737,185)	(327,310)	(1,064,495)
Non-current liabilities	(18,027,607)	(4,529,766)	(22,557,373)
Net assets	40,431,558	(76,124)	40,355,434
Acquisitions of non-current assets	8,213,116	4,030	8,217,146

	Consolidated	
	2024	2023
Note	\$	\$

4. INCOME

Included in loss before tax are the following amounts of income:

Gain on disposal of assets:		
Gain on disposal of exploration assets - Mayfield	-	274,389
Gain on disposal of exploration assets - Malmsbury	-	1,890,719
Gain on disposal of motor vehicles	18,000	-
Loss on disposal of investments	(11,216)	(42,768)
	6,784	2,122,340

Interest and financing income/(expense):		
Interest income	325,013	132,171
Discount on rehabilitation provision	(46,484)	2,511,044
Convertible note establishment fee	-	(300,000)
Interest expense – convertible notes	(867,676)	(640,232)
Interest expense – leases	(1,755)	(4,865)
Interest expense – other	(9,606)	(13,742)
Less reclassified as discontinued operations	21a	(275,441)
	(600,508)	1,408,935
Other Revenue		
Joint venture management fee	83,596	107,071
Research and development rebate	-	146,926
Other income	-	17,582
	83,596	271,579

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

	Note	Consolidated	
		2024	2023
		\$	\$
5. EXPENSES			
Employee expenses			
Wages and salaries		2,253,729	3,249,137
Directors' fees		303,965	360,503
Superannuation expense		263,968	336,359
Share based remuneration		27,845	343,030
Contract labour		165,151	-
Other employee costs		157,292	270,075
		3,171,950	4,559,104
Less allocated to discontinued operation:	21a		
- Employee costs: processing		(1,217,924)	(1,238,067)
- Employee costs: administration		(79,410)	(169,238)
Less allocated to exploration		(1,198,822)	(2,100,828)
Employee benefit expense		675,794	1,050,971
Depreciation expense:			
Property and improvements	12	677	2,645
Office equipment and software	12	6,476	37,783
Site equipment	12	44,840	224,153
Motor vehicles	12	18,651	18,650
Buildings	12	-	457,260
Mine properties	12	-	74,155
Right-of-use asset		84,594	84,595
Less reclassified as discontinued operations	21a		(712,037)
		155,238	187,204
Other costs:			
Exploration costs expensed		74,073	386,173

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

	Consolidated	
	2024	2023
	\$	\$
6. INCOME TAX		
a) Tax expense		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-
b) Numerical reconciliation between tax expense and pre-tax loss		
Loss before income tax from continuing operations	(3,202,298)	453,971
Income tax benefit at 25%	(800,575)	113,493
Increase in income tax due to tax effect of:		
Share based payments expense	80,088	89,214
Non-deductible expenses	1,116	321
Current year tax losses not recognised	606,612	-
Current year capital losses not recognised	31,903	290,205
Decrease in income tax due to:		
Non-assessable income	-	(36,732)
Capital raising costs claimed	(86,218)	(83,466)
Unused tax losses and temporary differences not brought to account	167,074	(273,712)
Current year tax losses offset to discontinued operations	-	(99,323)
Income tax expense attributable to the Group	-	-
c) Deferred tax assets and liabilities		
Recognised deferred tax assets and liabilities		
Deferred tax assets:		
Losses available for offset against future taxable income	6,616,396	8,954,963
Employee provisions	66,556	108,649
Other provisions and accruals	8,095	939
Royalty provision	3,885	570,556
Rehabilitation assets and liabilities	2,231,046	-
Right of Use assets	167	1,508
Capital raising costs	5,054	7,117
Assets held for sale	1,270,029	-
Other DTAs	316,215	127,571
	10,517,443	9,771,303
Set-off deferred tax liabilities:		
Exploration and mine properties	(9,855,929)	(8,855,656)
Inventory	-	(21,585)
Rehabilitation assets and liabilities	-	(631,640)
Property, plant and equipment	-	(262,422)
Liabilities associated with assets held for sale	(661,514)	-
	(10,517,443)	(9,771,303)
Net deferred tax asset/tax liability	-	-

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

	Consolidated	
	2024	2023
	\$	\$

6. INCOME TAX (CONTINUED)

d) Unused tax losses and temporary differences for which no deferred tax asset has been recognised

Deferred tax assets have not been recognised in respect of the following using a corporate tax rate of 25%:

Deductible temporary differences	421,141	319,292
Tax revenue losses	10,285,322	6,784,482
Tax capital losses	1,360,387	1,259,887
Total unrecognised deferred tax assets	<u>12,066,850</u>	<u>8,363,661</u>

The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised or the liability is settled.

The potential future income tax benefit will only be obtained if:

- I. the Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;
- II. the Group companies continue to comply with the conditions for deductibility imposed by the law; and
- III. no changes in tax legislation adversely affect the Group in realising the benefits.

	Consolidated	
	2024	2023
	\$	\$

7. EARNINGS/(LOSS) PER SHARE

(Loss)/profit from continuing operations	(3,202,298)	453,971
Loss from discontinued operations	(2,724,652)	(2,566,625)
Loss for the year	<u>(5,926,950)</u>	<u>(2,112,654)</u>

	Cents	Cents
Basic (loss)/profit per share from continuing operations	(0.39)	0.08
Basic loss per share from discontinued operations	(0.34)	(0.45)
Diluted (loss)/profit per share from continuing operations	(0.39)	0.08
Diluted loss per share from discontinued operations	(0.34)	(0.45)

	#	#
Weighted average number of shares used in calculation of basic loss per share	814,397,676	566,089,672
calculation of diluted loss per share	814,397,676	567,427,991

Options and performance share rights

Options and share rights to acquire ordinary shares granted by the Company and not exercised at the reporting date have been included in the determination of diluted earnings per share to the extent to which they are dilutive. There are no options or share rights on issue at 30 June 2024 that are considered to be dilutive.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

	Consolidated	
	2024	2023
	\$	\$
8. TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	2,222	387,495
GST recoverable	20,166	-
Other receivables ¹	70,361	-
	92,749	387,495

¹ Refund owing on prepaid convertible note interest.

There is no expected credit loss in relation to the trade and other receivables at the balance date. The carrying amount of trade and other receivables are assumed to approximate their fair values due to their short-term nature.

	Consolidated	
	2024	2023
	\$	\$
9. PREPAYMENTS		
Current		
Prepaid interest ¹	619,317	523,343
Other prepaid expenses	9,492	-
	628,809	523,343
Non-Current		
Prepaid interest	223,379	1,045,011
	852,188	1,568,354
Total Prepayments	852,188	1,568,354

¹ Prepaid interest on convertible note (refer note 16).

	Consolidated	
	2024	2023
	\$	\$
10. INVENTORIES		
Gold on hand	-	220,311
Reagents and consumables	-	78,956
	-	299,267

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

	Note	Consolidated	
		2024	2023
		\$	\$
11. EXPLORATION AND EVALUATION EXPENDITURE			
Exploration and evaluation phase:			
Capitalised costs at the start of the financial year		45,629,203	37,442,813
Exploration and evaluation costs incurred (excluding joint venture costs incurred)		2,572,682	4,912,526
(Decrease)/increase in capitalised rehabilitation costs		(1,744,096)	3,817,801
Less: costs relating to tenements sold		(19,844)	(282,204)
Less: exploration costs not capitalised	5	(74,073)	(261,733)
Less: transfer to asset held for sale	21(a)	(4,598,611)	-
Capitalised costs at the end of the financial year		41,765,261	45,629,203

Capitalised exploration and evaluation expenditure represents expenditure and acquisition costs incurred by the Group on its exploration assets. The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

	Consolidated	
	2024	2023
	\$	\$
12. PROPERTY, PLANT AND EQUIPMENT		
Carrying values at 30 June:		
Property and improvements:		
Cost	193,117	193,117
Depreciation	(141,448)	(140,771)
	51,669	52,346
Office equipment and software:		
Cost	292,758	292,758
Depreciation	(291,224)	(284,748)
	1,534	8,010
Site equipment and plant:		
Cost	648,244	1,135,616
Depreciation	(324,229)	(456,111)
	324,015	679,505
Motor vehicles:		
Cost	222,769	279,840
Depreciation	(131,368)	(169,788)
	91,401	110,052
Buildings:		
Cost	-	2,303,327
Depreciation	-	(529,895)
	-	1,773,432
Mine properties:		
Cost	-	741,550
Depreciation	-	(210,106)
Impairment	-	(405,277)
	-	126,167
Total	468,619	2,749,512

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

	Note	Consolidated	
		2024	2023
		\$	\$
12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)			
Reconciliation of movements:			
Property and improvements:			
Opening net book value		52,346	54,991
Depreciation	5	(677)	(2,645)
Closing net book value		51,669	52,346
Office equipment and software:			
Opening net book value		8,010	45,793
Depreciation	5	(6,476)	(37,783)
Closing net book value		1,534	8,010
Site equipment and plant:			
Opening net book value		679,505	912,229
Reclassification		-	(39,327)
Additions		42,539	30,756
Disposals		(44,738)	-
Depreciation	5	(155,171)	(224,153)
Transfer to asset held for sale	21(a)	(198,120)	-
Closing net book value		324,015	679,505
Motor vehicles:			
Opening net book value		110,052	128,702
Depreciation	5	(18,651)	(18,650)
Closing net book value		91,401	110,052
Buildings			
Opening net book value		1,773,432	2,191,365
Reclassification		-	39,327
Depreciation	5	(276,875)	(457,260)
Impairment charge	21(a)	(687,286)	-
Transfer to asset held for sale	21(a)	(809,271)	-
Closing net book value		-	1,773,432
Mine properties-Capital Work in Progress:			
Opening net book value		126,167	200,322
Depreciation		(74,154)	(74,155)
Transfer to asset held for sale	21(a)	(52,013)	-
Closing net book value		-	126,167
Total		468,619	2,749,512

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GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

	Consolidated	
	2024	2023
	\$	\$
13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Current	15,041	132,512
Non-current	-	1,246,392
	15,041	1,378,904
Balance at the start of the financial year	1,378,904	1,634,642
Investments acquired – Novo ¹	-	1,665,493
Investments acquired – C29 ²	-	250,000
Disposal of investments	(133,606)	(1,889,214)
Loss on fair value of investment recognised through profit or loss	(784,685)	(282,017)
Transfer of Novo shares ³	(445,572)	-
Balance at the end of the financial year ⁴	15,041	1,378,904

¹ Fair value of fully paid ordinary shares and warrants received from Novo Resources Corp (Novo), a TSX-V listed company, as consideration for the remaining 50% of the Malmsbury Project.

² Fair value of fully paid ordinary shares received from C29 Metals Limited as part consideration for the sale of the Mayfield Project tenement. The shares have been classified as a current asset.

³ On 24 June 2024, the remaining shares held in Novo were transferred to Collins St Convertible Notes Pty Ltd. The value of the shares has been offset against the amount owing on the convertible note loan (refer Note 16). The warrants attached to the shares were retained by the Company

⁴ Value of Novo warrants.

Investments designated at fair value through profit or loss have been measured at Level 1 in the fair value hierarchy. Refer to accounting policy at Note 1(i).

14. BONDS AND SECURITY DEPOSITS

	Consolidated	
	2024	2023
	\$	\$
Environmental bonds and security deposits for:		
Mount Coolon Gold Project	1,033,068	1,238,000
Yandan Project	5,277,151	5,077,151
White Dam ¹	-	1,940,000
Twin Hills	2,023,290	1,467,656
Other	92,374	116,299
	8,425,883	9,839,106

¹ Transferred to non-current assets held for sale.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

15. TRADE AND OTHER PAYABLES

	Consolidated	
	2024	2023
	\$	\$
Current		
Unspent funds received from farm-in partner	148,103	126,445
Acquisition costs payable ¹	12,500	12,500
Trade creditors ²	172,702	362,485
Sundry creditors and accruals	172,213	21,970
Employee liabilities	66,018	74,802
Share subscription liability	-	28
	571,536	598,230

¹ Acquisition costs payable to Drummond Gold Limited pursuant to the acquisition of Mt Coolon Gold Mines Pty Ltd.

² Trade creditors are non-interest bearing and are normally settled on 30 day terms.

16. BORROWINGS

	Consolidated	
	2024	2023
	\$	\$
Current		
Secured loan ¹	3,354	32,276
Non-Current		
Secured loan ¹	-	2,877
Convertible note liability ²	6,011,972	7,357,544
	6,011,972	7,360,421
Total Borrowings	6,015,326	7,392,697
Movement in Borrowings:		
Secured loan		
Balance at the start of the financial year	35,153	67,594
Principal and Interest repayments	(31,799)	(32,441)
Balance at the end of the financial year	3,354	35,153
Convertible note		
Balance at the start of the financial year	7,357,544	-
Proceeds from drawdown	-	10,000,000
Amounts classified as equity	-	(110,806)
Partial redemption of note	(900,000)	(2,531,650)
Partial redemption - Novo share transfer	(445,572)	-
Balance at the end of the financial year	6,011,972	7,357,544

¹ The Company has entered into loan agreements to finance vehicles/mobile equipment at the White Dam project. The loans have a term of 3 years and are secured over the assets financed, which have a net book value of \$64,366 at 30 June 2024 (30 June 2023: \$77,172).

² The Company entered into a convertible note agreement with Collins St Convertible Notes Pty Ltd during the prior period for funding of up to \$10,000,000 via the issue of two convertible notes each with a face value of \$5,000,000. Each note is due for repayment 3 years after its issue date.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

16. BORROWINGS (CONTINUED)

Interest on the convertible notes is calculated at 10.5% per annum and is paid monthly in advance for the first 12 months from issue date. The remainder of the interest due has been prepaid and is classified as Prepayments on the Statement of Financial Position (refer note 9).

The outstanding face value of the notes is convertible at any time by the holder into fully paid ordinary shares in the capital of the Company. During the financial year, shareholders approved an amendment to the terms of the convertible notes to allow a change in the conversion price from approximately \$0.06 to \$0.02. In addition, shareholders approved \$900,000 of the convertible note debt to be converted into equity via the issue of 100,000,000 Shares (at an issue price of \$0.009) and 50,000,000 free attaching Options.

The convertible notes are secured by way of a mortgage over property of Mt Coolon Gold Mines Pty Ltd (which holds the Twin Hills and Mt Coolon Gold Projects) and Straits Gold Pty Ltd (which holds the Yandan Gold Project). The Group is required to maintain a minimum cash balance of \$1,000,000.

The Company has granted the noteholder a first-ranking security interest over the shares the Company held in Novo Resources Corp. These shares were transferred to the noteholder on 24 June 2024 and the value of the shares has been offset against the amount owing to the note holder.

The value of the notes has been split between the financial liability and an equity component, representing the residual attributable to the option to convert the financial liability into equity, based on a discount rate of 11.2%.

Note	Consolidated	
	2024 \$	2023 \$
17. PROVISIONS		
Current		
Royalty provision ¹	-	30,000
Non-Current		
Rehabilitation provision ²	8,924,182	12,816,444
Royalty provision ¹	-	2,252,223
	8,924,182	15,068,667
Current year movement in Provisions:	Rehabilitation	Royalty
	\$	\$
Balance at the start of the financial year	12,816,444	2,282,223
Additional provisions recognised	-	12,961
Partial release of provision	(1,744,096)	-
Unwinding of discount	32,462	-
Transfer to liabilities associated with assets held for sale ³	(2,180,628)	(2,295,184)
Balance at the end of the financial year	8,924,182	-

¹ Provision for royalty payments on the acquisition of the White Dam gold-copper Project.

² At 30 June 2023, the value of the rehabilitation provision for the Yandan project was recognised at \$9.67 million which represented the Estimated Rehabilitation Cost (ERC) as advised by the Department of Environment and Science (DES). The Group appealed the DES' calculations with the Land Court of Queensland and in November 2023 a decision was agreed by the parties and handed down with an amount of the ERC being \$7.91 million.

³ Reclassified as liabilities associated with assets held for sale. Refer to Note 21.

The present value of the provision for future rehabilitation costs was reassessed during the reporting period. The effect of discounting the provision amounts to \$46,484 (for continuing operations) and is recognised in the Statement of Profit or Loss and Other Comprehensive Income as financing income.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

	Issue price	2024 No.	2023 No.	2024 \$	2023 \$
18. ISSUED CAPITAL					
Issued capital at the balance date		1,156,688,889	615,960,932	70,858,065	65,878,950
Movements in issued capital:					
Balance at the start of the year		615,960,932	522,928,466	65,878,950	62,217,473
Share placement	\$0.054	-	25,269,262	-	1,364,540
Share placement	\$0.050	-	6,100,000	-	305,000
Share placement	\$0.027	3,703,704	51,881,485	100,000	1,400,800
Share Entitlement Offer	\$0.009	414,191,532	-	3,727,724	-
Shares in lieu of payment for services ¹		21,780,543	918,869	301,202	31,325
Shares in lieu of director fees ²		656,928	-	12,482	-
Shares issued on redemption of convertible note		100,000,000	-	900,000	-
Shares on exercise of options		250	8,380,893	28	654,816
Shares on exercise of rights		395,000	481,957	49,375	59,375
Share issue costs		-	-	(111,696)	(154,379)
Balance at the end of the reporting year		1,156,688,889	615,960,932	70,858,065	65,878,950

¹ 2024: Shares issued to consultants at agreed issued prices.

2023: Shares issued at 3.41 cents per share to a consultant and employee in lieu of cash payment for services.

² Fair value of shares issued to P Rohner at a deemed price of 1.9 cents per share as payment in lieu for accrued salaries.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

19. OPTIONS

Details of the Company's Incentive Option Scheme are provided at Note 22.

	2024 No.	2023 No.
(a) <u>Options over unissued shares</u>		
Options on issue at the balance date	314,394,002	106,561,007
Movements in options:		
Options on issue at the start of the year	106,561,007	120,696,052
Lapsed during the year	(50,567,051)	(56,692,858)
Issued to directors	-	8,000,000
Options issued ¹	258,400,296	38,738,706
Options issued pursuant to the employee incentive plan (Note 22)	-	4,200,000
Options exercised	(250)	(8,380,893)
Options on issue at the end of the reporting year	314,394,002	106,561,007

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

19. OPTIONS (CONTINUED)

¹ 2024: Unlisted free-attaching options issued pursuant to a placement and entitlement offer. The options are exercisable at 1.5 cents each and expire 2 years after issue date.

2023: Unlisted options issued pursuant to a Priority Option Offer. The options are exercisable at 7.5 cents each and expire 2 years after issue date.

(b) Option capital

	Consolidated	
	2024	2023
	\$	\$
Opening balance	193,694	977,990
Issue of options	-	193,694
Exercise of options	-	(9,522)
Cancellation of options	-	(968,468)
Closing balance	193,694	193,694

	Consolidated	
	2024	2023
	\$	\$

20. RESERVES AND ACCUMULATED LOSSES

Accumulated losses

Opening balance	(26,589,533)	(25,523,814)
Transfer from option reserve on expiry of options	-	1,046,935
Net loss attributable to the members of the Company	(5,926,950)	(2,112,654)
Closing balance	(32,516,483)	(26,589,533)

Share based payments reserve

Opening balance	761,517	773,056
Vesting expense of options/rights	34,389	343,030
Options/rights exercised during the year	(49,375)	(276,102)
Options cancelled during the year	-	(78,467)
Closing balance	746,531	761,517

Share based payments reserve

The share based payments reserve represents the fair value of vested equity instruments issued as remuneration or consideration.

Convertible note reserve

Opening balance	110,806	-
Issue of convertible notes	-	110,806
Closing balance	110,806	110,806

Convertible note reserve

The convertible note reserve represents the residual value of the fair value of a compound financial instrument after deducting the fair value of the liability.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

21. NON-CURRENT ASSET DIVESTMENTS

a) White Dam Project – Asset Held For Sale and Discontinued Operation

On 8 July 2024, the Company reported that it had entered into a conditional term sheet with Olary Gold Mines Limited (Olary) in relation to the sale of the White Dam gold-copper heap leach project (White Dam). The Company further announced on 27 August 2024 that the minimum funding condition precedent had been met by Olary to allow completion to occur by 15 October 2024.

Under the terms of the sale of the White Dam agreement, Olary has agreed to purchase the issued capital of direct wholly-owned subsidiary Millstream Resources Pty Limited and wholly owned subsidiaries Polymetals Operations Pty Ltd, Polymetals (White Dam) Pty Ltd Exco Operations (SA) Pty Limited and Exco Resources (SA) Pty Ltd, the group of companies that hold and operate White Dam.

Consideration for the sale comprises:

- \$0.95 million cash payable prior to 31 July 2024 or a later date as mutually agreed;
- \$1 million cash payable 12 months from the Completion Date;
- \$1 million cash payable 24 months from the Completion Date; and
- 1.5% net smelter royalty paid quarterly in arrears for all Au and Ag production at White Dam to a maximum of \$2.5 million

As a result of the sale, the assets and liabilities of the White Dam subsidiaries are classified as assets held for sale and liabilities associated with assets held for sale and financial performance as a discontinued operation.

	2024	2023
	\$	\$
Assets classified as held for sale		
Cash and cash equivalents	24,733	-
Trade and other receivables	71,858	-
Inventories	213,074	-
Exploration and evaluation	4,598,611	-
Property, plant and equipment	1,059,404	-
Bonds and security deposits	1,940,000	-
Total assets classified as held for sale	<u>7,907,680</u>	-
Liabilities associated with assets held for sale		
Trade and other payables	261,205	-
Employee leave liabilities	220,663	-
Provisions	4,475,812	-
Total liabilities associated with assets held for sale	<u>4,957,680</u>	-
	2024	2023
	\$	\$
Cashflow Information		
Net cash used in operating activities	(1,005,716)	(1,859,996)
Net cash used investing activities	(228,598)	(129,378)
Net cash from financing activities ¹	1,241,910	2,000,405
Increase/(decrease) in net cash from discontinued operations	<u>7,596</u>	<u>11,031</u>

¹ Loan from parent.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

21. NON-CURRENT ASSET DIVESTMENTS

	2024	2023
	\$	\$
Financial Performance Information		
Revenue from metal sales	1,399,090	1,626,372
Gain on sale of assets	(137,191)	-
Other revenue	43,927	-
Interest and finance income	14,180	275,441
Processing expenses	(2,288,934)	(3,267,569)
Royalty expenses	(79,327)	(117,618)
Employee expenses	(79,410)	(169,238)
Share based payments to suppliers	(250,000)	-
Depreciation and amortisation expenses	(461,362)	(712,037)
Impairment of property, plant and equipment ¹	(687,286)	-
Administration and other expenses	(198,339)	(201,976)
Loss before income tax	(2,724,652)	(2,566,625)
Income tax benefit	-	-
Other comprehensive income	-	-
Total comprehensive loss for the year from discontinued operations	(2,724,652)	(2,566,625)

¹ AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* requires a non-current asset held for sale to be measured at the lower of carrying value and fair value less costs to sell. An impairment charge of \$687,286 has been recognised during the financial year, thereby reducing the carrying value of White Dam to \$2.95 million, this being the value of consideration to be received on sale of the project.

b) Sale White Dam Tenement-Prior Year

The Group entered into a sale agreement with Havilah Resources Limited (ASX: HAV) for the sale of non-core White Dam exploration lease EL6299 for a cash consideration of \$100,000 along with some development rights to two Havilah owned prospects Green and Gold and Wilkins. Capitalised exploration expenditure of \$132,775 had been transferred to assets held-for-sale at the end of the prior financial year.

c) Twin Hills Farm-In

On 15 July 2024, the Company announced the execution of a binding Heads of Agreement with Wise Walkers Limited to earn up to a 70% joint venture interest in the Twin Hills Gold Project (Twin Hills) for a total of A\$6 million cash consideration. In June 2024, a non-refundable exclusivity fee of A\$1 million (which forms part of the A\$6 million consideration) was received and has been treated as deferred consideration on the Statement of Financial Position.

22. SHARE BASED PAYMENTS

The Company's Incentive Option Plan and Incentive Performance Rights Plan ("Plan") were adopted and approved by Shareholders on 7 September 2023. Details of the Plans, under which performance rights and options are issuable to employees, directors and consultants are summarised below. Details of share rights and options issued to Directors and executives are set out in the Remuneration Report that forms part of the Directors' Report.

Incentive Options

Options are granted free of charge and are exercisable at a fixed price in accordance with the terms of the grant. Options over unissued shares are issued under the terms of the Plan at the discretion of the Board.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

22. SHARE BASED PAYMENTS (CONTINUED)

Options granted during the year

During the reporting period no unlisted options were issued under the Plan.

The fair value of options is apportioned over the vesting period of the options. A total expense of \$8,244 has been recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the financial year in respect of options vesting during the period.

A total of 258,400,296 unquoted free attaching options were issued pursuant to a placement and a non-renounceable pro rata entitlement offer.

Options exercised and cancelled during the year

During the year no unlisted employee options were exercised or cancelled. A total of 50,567,051 quoted options lapsed without exercise on the expiry date and 250 quoted options were exercised during the year.

Options on issue under the plan at balance date

The number of options issued under the Plan and outstanding over unissued ordinary shares at 30 June 2024 is 17,255,000 as follows.

Grant date	Exercise price	Expiry date	Balance at 30 June	Vested and Exercisable at 30 June
15 Sep 20	\$0.21	14 Sep 24	300,000	300,000
12 Feb 21	\$0.18	11 Feb 25	2,000,000	2,000,000
29 Apr 21	\$0.18	11 Feb 25	1,900,000	1,900,000
9 Dec 21	\$0.18	15 Oct 25	855,000	570,000
30 Nov 22	\$0.069	1 Dec 26	8,000,000	8,000,000
20 Feb 23	\$0.061	19 Feb 27	4,200,000	4,200,000

In addition to the incentive options listed above, at 30 June 2024 there are a further 38,738,706 unquoted priority offer options (expiry 7 February 2025), 91,429,098 unquoted placement options (expiry 5 February 2026) and 166,971,198 unquoted entitlement offer options (expiry 15 March 2026) on issue.

Subsequent to balance date

Subsequent to the end of the financial year, no Plan options were issued, exercised or cancelled.

Reconciliation of movement of options

Set out below is a summary of options granted under the plan:

	2024		2023	
	No.	WAEP (cents)	No.	WAEP (cents)
Options outstanding at the start of the year	17,255,000	9.7	14,935,000	9.6
Options granted during the year	-	-	12,200,000	6.6
Options exercised during the year	-	-	(8,000,000)	5.0
Options cancelled during the year	-	-	(1,880,000)	9.0
Options outstanding at the end of the year	17,255,000	9.7	17,255,000	9.7

Weighted average contractual life

The weighted average contractual life for un-exercised options is 23.6 months (2023: 35.6 months).

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

22. SHARE BASED PAYMENTS (CONTINUED)

Performance Rights

Movements during the year

During the reporting period 395,000 performance rights vested and were exercised, with 395,000 ordinary shares being issued on exercise. No performance rights were granted or cancelled during the year.

The fair value of performance rights is apportioned over the vesting period of the rights with a total expense of \$26,145 being recognised in the consolidated statement of profit or loss and other comprehensive income during the year.

Subsequent to balance date

Subsequent to balance date, no performance rights were granted, vested, exercised or cancelled.

23. FINANCIAL INSTRUMENTS

Credit risk

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made (note 2(a)).

Impairment losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements (note 2(b)):

Consolidated	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
30 June 2024							
Borrowings	6,015,326	6,015,497	3,525	-	5,000,000	1,011,972	-
Leases	7,717	7,717	7,717	-	-	-	-
Trade and other payables	571,536	571,536	571,536	-	-	-	-
	6,594,579	6,594,750	582,778	-	5,000,000	1,011,972	-
30 June 2023							
Borrowings	7,392,697	7,768,102	281,770	14,457	3,525	7,468,350	-
Lease liabilities	97,676	99,215	45,672	45,894	7,649	-	-
Trade and other payables	598,230	598,230	598,230	-	-	-	-
	8,088,603	8,465,547	925,672	60,351	11,174	7,468,350	-

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

23. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

At the reporting date the interest profile of the Group's interest-bearing financial instruments were:

	Consolidated	
	2024	2023
	\$	\$
Fixed rate instruments:		
Financial liabilities	(6,023,043)	(7,490,373)
	(6,023,043)	(7,490,373)
Variable rate instruments:		
Financial assets	1,600,808	1,901,042
	1,600,808	1,901,042

The Group is not materially exposed to interest rate risk on its variable rate investments.

Fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities not measured at fair value on a recurring basis, as described in the consolidated statement of financial position represent their estimated net fair value.

24. COMMITMENTS

(a) *Exploration*

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements. These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

Minimum expenditure requirements for the following 12 months on the Group's exploration licences as at 30 June 2024, including licences subject to farm-in arrangements are approximately \$4,220,000 (2023: \$4,240,000).

(b) *Environmental Bonds*

The Queensland State Government has a Financial Provisioning Scheme (FPS) to assist with managing environmental and rehabilitation obligations. Estimated Rehabilitation Costs (ERC) as advised by the Department of Environment and Science (DES) for the Yandan, Twin Hills, and Mount Coolon Gold Projects were re-assessed during the period, resulting in an increase of environmental bonds due of approximately \$3.2 million.

(c) *Lease Commitments*

During the financial year, premises in Victoria were leased on a month by month basis or under short term leases of 12 months or less. The Group has availed itself of the exemption in AASB 16 Leases to not capitalise these leases. An amount of \$8,355 (2023: \$7,777) has been expensed in relation to short term leases.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

	Consolidated	
	2024	2023
	\$	\$

25. NOTES TO THE STATEMENT OF CASH FLOWS

a) Reconciliation of cash recorded in Statement of Financial Position to Statement of Cash Flows

Cash at bank and on hand	1,600,808	1,901,042
Cash and cash equivalents classified as held for sale	24,733	-
Balance as per Statement of Cash Flows	<u>1,625,541</u>	<u>1,901,042</u>

b) Cash available for specific use

Included in cash and cash equivalents at 30 June 2024 is \$507,744 relating to cash calls received in advance from farm in and joint venture partners. These funds are for specific use on tenements covered under the Cloncurry Joint Venture agreements.

	Consolidated	
	2024	2023
	\$	\$

c) Reconciliation of Profit/(loss) from Ordinary Activities after Income Tax to Net Cash Used in Operating Activities

Loss after income tax	(5,926,950)	(2,112,654)
<i>Add (less) non-cash items:</i>		
(Loss)/Gain on sale of assets	130,407	(2,122,340)
Share based payments-employees	27,845	343,030
Share based payments-suppliers	250,000	-
Depreciation and impairment expenses	616,600	899,241
Fair value loss/(gain) on financial assets	784,685	282,017
Exploration expenditure written off, expensed and impaired	74,073	386,173
Impairment of property, plant and equipment	687,286	-
Non-cash interest and finance costs	687,760	(2,211,044)
<i>Changes in assets and liabilities:</i>		
Increase/(decrease) in trade creditors and other payables	138,462	(68,550)
Decrease in inventories	86,193	750,680
Decrease/(increase) in sundry receivables	290,949	(143,812)
Net cash flows used in operations	<u>(2,152,690)</u>	<u>(3,997,259)</u>

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

25. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

	Consolidated	
	2024	2023
	\$	\$
d) Reconciliation of changes in borrowings arising from financing activities		
<i>Convertible note</i>		
Opening Balance	7,357,544	-
Net cash from financing activities	-	5,515,174
Non-cash redemption (note 16)	(1,345,572)	-
Allocated to prepaid interest	-	1,568,354
Other adjustments	-	274,016
Closing balance	6,011,972	7,357,544

	Consolidated	
	2024	2023
	\$	\$

26. AUDITOR'S REMUNERATION

Amounts received or receivable by HLB Mann

Judd for:

- Audit and review of financial reports	83,243	99,925
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2024	2023
%	%

27. CONTROLLED ENTITIES**Particulars in Relation to Ownership of Controlled Entities**

Belltopper Hill Pty Ltd	100	100
Syndicated Resources Pty Ltd	100	100
Willaura Minerals Pty Ltd	100	100
Isa Brightlands Pty Ltd	100	100
Isa Tenements Pty Ltd	100	100
Mt Morgan Metals Pty Ltd (formerly Koala Quarries Pty Ltd)	100	100
Mt Coolon Gold Mines Pty Ltd	100	100
Millstream Resources Pty Ltd	100	100
Straits Gold Pty Ltd	100	100
Polymetals Operations Pty Ltd	100	100
Polymetals (White Dam) Pty Ltd	100	100
Exco Operations (SA) Pty Limited	100	100
Exco Resources (SA) Pty Ltd	100	100

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in the note. Details of transactions between the Group and other related parties are disclosed in note 29.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

28. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Details of Key Management Personnel

The following were key management personnel of the Group at any time during the year and unless otherwise stated were key management personnel for the entire year.

Non-Executive Director

Guan Huat Sunny Loh – Non-Executive Director

Peter Thompson – Non-Executive Director

Executive Directors

Peter Rohner – Managing Director

Total remuneration paid to key management personnel during the year:

	Consolidated	
	2024	2023
	\$	\$
Short-term benefits	293,720	381,285
Post-employment benefits	29,122	30,795
Share based payments	12,482	184,704
	335,324	596,784

b) Other Transactions and Balances with Key Management Personnel

There are no other transactions with Directors, or Director related entities or associates, other than those reported in note 28 and note 29.

	Consolidated	
	2024	2023
	\$	\$

29. RELATED PARTY TRANSACTIONS

a) Total amounts receivable and payable from entities in the wholly-owned group (see Note 27 for details of controlled entities) at balance date:

Non-Current Receivables

Loans to controlled entities	44,978,083	41,286,012
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Non-Current Payables

Loans from controlled entities	3,946,115	3,946,115
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b) Transactions with Directors

During the year, other than the payment of directors' fees, there were no transactions with director related entities and at 30 June 2024, there was no amount owing to director related entities.

30. DIVIDENDS

There are no dividends paid or payable during the year ended 30 June 2024 or the 30 June 2023 comparative year.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

31. EVENTS SUBSEQUENT TO BALANCE DATE

Other than as stated below, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 8 July 2024, the Company announced that it had entered into a conditional term sheet with Olary Gold Mines Limited in relation to the sale of the White Dam gold-copper heap leach project (White Dam) for a total consideration of \$2.95 million in cash and a 1.5% net smelter royalty (capped at \$2.5 million). Currently both parties are working towards completion of the sales transaction (refer note 21(a) for further detail). Furthermore, on 27 August 2024 the Company announced that Olary and its funding parties confirmed that they had secured the minimum funding requirement under the term sheet to allow completion by 15 October 2024.
- On 15 July 2024, the Company announced the execution of a binding Heads of Agreement with Wise Walkers Limited to earn up to a 70% joint venture interest in the Twin Hills Gold Project (Twin Hills) for a total of A\$6 million cash consideration including a non-refundable exclusivity fee of A\$1 million. At the date of this report, A\$3 million has been received. In addition, Wise Walkers will sole fund further exploration of A\$6 million over an 18 month period to earn a 70% interest. The Company will also retain a 30% free carried interest to decision to mine. A full form farm-in and joint venture agreement is currently being negotiated.
- On 27 August 2024, the Company announced that it had entered into an option agreement with Graphite Plains Pty Ltd in relation to the sale of the Company's 100% owned Sevastopol Graphite Prospect in North-West Queensland for a maximum consideration of \$1.2 million (if certain milestones are achieved) and a 1% net smelter royalty applied to graphite product produced.

32. CONTINGENCIES

(i) *Contingent liabilities*

The Group has no contingent liabilities outstanding at the end of the year.

(ii) *Native Title and Aboriginal Heritage*

Native title claims have been made with respect to areas which include tenements in which the Group has an interest. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

(iii) *Contingent assets*

There were no material contingent assets as at 30 June 2024 or 30 June 2023.

GBM Resources Limited

ABN 91 124 752 745

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2024

	2024	2023
	\$	\$
33. PARENT ENTITY INFORMATION		
<i>Financial position</i>		
Assets		
Current assets	2,337,076	2,593,394
Non-current assets ¹	44,916,346	45,913,812
Total Assets	47,253,422	48,507,206
Liabilities		
Current liabilities	(1,752,554)	(618,884)
Non-current liabilities	(6,108,255)	(7,532,888)
Total Liabilities	(7,860,809)	(8,151,772)
NET ASSETS	39,392,613	40,355,434
Equity		
Issued capital	70,858,065	65,878,950
Option capital	193,694	193,694
Accumulated losses	(32,516,483)	(26,589,533)
Share based payment reserve	857,337	872,323
TOTAL EQUITY	39,392,613	40,355,434
<i>Financial performance</i>		
Loss for the year	(5,926,950)	(3,611,157)
Other comprehensive income	-	-
Total comprehensive loss	(5,926,950)	(3,611,157)

¹ The Company has recognised a provision against the investment in subsidiary holdings to the extent that parent company net assets exceed those of the Group.

Contingent liabilities

For full details of contingent liabilities see Note 32.

Commitments

For full details of commitments see Note 24.

GBM Resources Limited
ABN 91 124 752 745
Consolidated Entity Disclosure Statement
For the Year Ended 30 June 2024

Entity Name	Entity Type	Place Formed/ Country of Incorporation	Ownership Interest %	Tax Residency
GBM Resources Limited	Body corporate	Australia	N/A	Australia
Belltopper Hill Pty Ltd	Body corporate	Australia	100%	Australia
Syndicated Resources Pty Ltd	Body corporate	Australia	100%	Australia
Willaura Minerals Pty Ltd	Body corporate	Australia	100%	Australia
Isa Brightlands Pty Ltd	Body corporate	Australia	100%	Australia
Isa Tenements Pty Ltd	Body corporate	Australia	100%	Australia
Mt Morgan Metals Pty Ltd	Body corporate	Australia	100%	Australia
Mt Coolon Gold Mines Pty Ltd	Body corporate	Australia	100%	Australia
Millstream Resources Pty Ltd	Body corporate	Australia	100%	Australia
Straits Gold Pty Ltd	Body corporate	Australia	100%	Australia
Polymetals Operations Pty Ltd	Body corporate	Australia	100%	Australia
Polymetals (White Dam) Pty Ltd	Body corporate	Australia	100%	Australia
Exco Operations (SA) Pty Limited	Body corporate	Australia	100%	Australia
Exco Resources (SA) Pty Ltd	Body corporate	Australia	100%	Australia

All entities are members of the GBM Resources Limited consolidated tax group.

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GBM Resources Limited

ABN 91 124 752 745

Directors' Declaration

For the Year Ended 30 June 2024

1. In the opinion of the Directors:
 - a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended; and
 - ii. complying with Accounting Standards and Corporations Regulations 2001.
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c) the financial statements and notes are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
 - d) the information disclosed in the Consolidated Entity Disclosure Statement is true and correct.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

This declaration is made in accordance with a resolution of the Board of Directors.



PETER ROHNER
Managing Director

Dated this 27th day of September 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of GBM Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of GBM Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying value of exploration and evaluation expenditure Refer to Note 11</p> <p>The Group has capitalised exploration and evaluation expenditure of \$41,765,261 as at 30 June 2024.</p> <p>We considered this to be a key audit matter due to its materiality, the degree of audit effort and communication with management required and its importance to the users' understanding of the financial statements.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> - We obtained an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation expenditure; - We considered the existence of any indicators of impairment with respect to the Group's areas of interest; - We ensured expenditure across the Group's areas of interest was budgeted or planned; - We obtained evidence that the Group has current rights to tenure of its areas of interest; - We substantiated a sample of additions to exploration expenditure during the year; - We considered whether classification as exploration and evaluation remained appropriate with respect to the criteria of AASB 6; and - We examined the disclosures made in the financial report.
<p>Rehabilitation provision Refer to Note 17</p> <p>The Group has recorded a rehabilitation provision of \$8,924,182 as at 30 June 2024.</p> <p>We considered this to be a key audit matter due to the degree of audit effort and communication with management and its importance to the users' understanding of the financial statements.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> - We obtained an understanding of the key processes associated with management's review of the rehabilitation obligations of the Group; - We evaluated the associated costings with each of the areas subject to rehabilitation obligations; - We assessed the expected timing of the rehabilitation of each relevant area; - We assessed the reasonableness of the discount and inflation rates applied to the expected cash flows; and - We examined the disclosures made in the financial report.

Assets held for sale and discontinued operations

Refer to Note 21(a)

As at 30 June 2024, the Group had assets held for sale of \$7,907,680 and associated liabilities of \$4,957,680 relating to the Group's White Dam Project disposal group. In addition, a loss from discontinued operations of \$2,724,652 was incurred during the year.

We considered this to be a key audit matter due to judgement required as to whether the criteria in AASB 5 were met, the associated measurement of the disposal group, the degree of audit effort and communication with management and the materiality for users of the financial statements.

Our audit procedures included but were not limited to the following:

- We reviewed the contractual arrangements in relation to the disposal and considered whether the criteria for classification as held for sale in AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* were met;
 - We considered whether the criteria for classification as a discontinued operation were met under AASB 5;
 - We ensured that the disposal group was measured at the lower of its carrying amount and fair value less costs to sell; and
 - We considered the appropriateness of disclosures within the financial statements.
-

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of GBM Resources Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
27 September 2024



M R Ohm
Partner