

ASX Announcement

21 October 2022

Strategic Farm-in Agreement with Newcrest in Drummond Basin

KEY POINTS

- GBM has executed a **A\$25m farm-in agreement with Newcrest Operations Limited, a subsidiary of Newcrest Mining Limited (Newcrest)**, to advance its Mount Coolon Gold Project in the Drummond Basin in QLD, Australia.
- This farm-in agreement provides the potential for substantial funding to advance exploration on the known mineral resources together with the other targets in the Mount Coolon Project area while allowing GBM to focus its efforts on its highly prospective Twin Hills and Yandan Gold Projects.
- During the farm-in period (subject to the terms of the Agreement), Newcrest will have a first right of refusal over the Twin Hills and Yandan Projects should GBM look to sell or joint venture these assets.
- The strategic farm-in agreement with Newcrest greatly supports GBM's consolidation of the three historic gold producers being Mount Coolon, Yandan and Twin Hills in the Drummond Basin which together have a combined JORC gold resource base of ~1.6 million ounces with a pending Mineral Resource Estimate (MRE) update for Twin Hills and Yandan.

GBM Resources Limited (ASX: GBZ) (**GBM** or the **Company**) advises that it has signed a farm-in agreement with Newcrest Operations Limited, a subsidiary of Newcrest Mining Limited (**Newcrest**), Mt Coolon Gold Mines Pty Ltd (**MCGM**) and Straits Gold Pty Ltd (**Straits Gold**) (**Agreement**) relating to the Mt Coolon Project tenements in the Drummond Basin in Queensland, Australia, held by MCGM (**Mt Coolon Project**).

Newcrest has the right to acquire up to a 75% interest in the Mount Coolon Project tenements (See Figures 1 and 2) (**Tenements**) by spending up to A\$25m and completing a series of exploration milestones in a 3 stage farm-in over six years.

Farm-in agreement expenditure and interest acquired overview:

- I. **Minimum Commitment Period:** A\$2 million spend within 24 months and reasonable endeavours of completing at least 3,000 metres of drilling.
- II. **Stage 1 Phase:** Subject to satisfying the Minimum Commitment Period Newcrest may acquire a 51% farm-in interest in the Tenements by spending an additional A\$5 million and completing a further 7,000 metres of drilling within a period of 36 months of the commencement of the agreement.
- III. **Stage 2 Phase:** Subject to satisfying Stage 1 Phase Newcrest may earn a further 24% farm-in interest in the Tenements by spending an additional A\$18 million and completing at least another 10,000 metres of drilling within a period of a further 36 months.

GBM Managing Director and CEO, Peter Rohner, commented: *“Over the last 3 years GBM has assembled a highly prospective tenement package in the Drummond Basin where large high grade epithermal gold deposits exist and we are pleased to have joined forces with Newcrest on advancing exploration in the basin and accessing its funding and geological experience in epithermal systems. In the short term GBM will continue its exploration focus on the highly prospective Twin Hills tenement package and advance resource re-estimation work following the recent initial drilling program”*

Newcrest General Manager Exploration, Fraser MacCorquodale, commented: *“We are pleased to partner with GBM on their Mt Coolon tenements in Queensland. The Drummond Basin has a historic pedigree of hosting high grade epithermal mines, and we are looking forward to using both team’s expertise to accelerate the exploration program at Mt Coolon to support the potential for discovery.”*

The key terms of the Agreement are:

- Newcrest will have the right but not the obligation to acquire up to a 75% farm-in interest in the Tenements in accordance with the following three-stage farm-in procedure:
 - **Minimum Commitment Period:** Newcrest must fund or incur A\$2 million in relation to the Tenements (**Minimum Commitment**) within a period of 24 months (**Minimum Commitment Period**). During this phase Newcrest must use its reasonable endeavours to complete at least 3,000 metres of drilling on the Tenements. If Newcrest does not satisfy the Minimum Commitment within the 24 month period, Newcrest must pay a shortfall amount to GBM of the amount of expenditure under A\$2 million (**Shortfall Amount**). Newcrest may elect to withdraw from the Agreement after satisfying the Minimum Commitment or paying the Shortfall Amount, following which MCGM will retain 100% ownership of the Tenements.
 - **Stage 1 Phase:** Newcrest may incur expenditure of A\$7 million (inclusive of the Minimum Commitment) in relation to the Tenements (**Stage 1 Expenditure Commitment**) within a period of 36 months from the commencement of the Agreement, to earn a 51% farm-in interest (**Stage 1 Interest**). During this phase Newcrest will need to complete at least 10,000 metres of drilling on the Tenements (inclusive of the exploration drilling metres, on a reasonable endeavours basis, completed by Newcrest during the Minimum Commitment Period) (**Stage 1 Drilling Commitment**) to earn a 51% interest. If Newcrest does not satisfy the Stage 1 Expenditure Commitment and the Stage 1 Drilling Commitment within 36 months from the commencement of the Agreement, Newcrest is deemed to have withdrawn from the Agreement and MCGM will retain 100% ownership of the Tenements.
 - **Stage 2 Phase:** If Newcrest satisfies the Stage 1 Expenditure Commitment and Stage 1 Drilling Commitment, Newcrest may incur further expenditure of A\$18 million (A\$25 million in total) in relation to the Tenements within a period of a further 36 months, to earn a further 24% farm-in interest (**Stage 2 Interest**) (75% in total). During this phase Newcrest will need to complete a least 10,000 metres of additional drilling on the Tenements to earn a 75% interest.
- If Newcrest satisfies the Stage 1 Expenditure Commitment and Stage 1 Drilling Commitment and acquires the Stage 1 Interest, the parties will establish a joint venture to own Tenements and to carry out all exploration, development and mining on the Tenements, which will be governed by a separate joint venture agreement to be entered into between MCGM, GBM and Newcrest (**Joint Venture**). Newcrest may withdraw from the Joint Venture prior to acquiring the Stage 2 Interest, following which Newcrest’s interest in the Tenements will remain at 51%.

- Newcrest will act as Manager during the stages outlined above and in respect of the Joint Venture, with a Technical Committee formed with MCGM and Newcrest representatives to discuss technical, operational and financial matters in connection with exploration activities on the Tenements during the farm-in period. A Management Committee comprised of representatives of the Joint Venture participants shall be formed upon the commencement of the Joint Venture and shall replace the Technical Committee.
- During the farm-in period, Newcrest will have a first right of refusal in respect of any proposed sale or transfer of the Twin Hills Project tenements (held by MCGM and GBM) or the Yandan Project tenements (held by Straits Gold) (**Proposed Sale**), which will enable Newcrest to purchase the tenements within a period of 60 days on the same terms as the Proposed Sale. Any Proposed Sale shall be subject to any existing royalty and security agreements in respect of the Twin Hills or Yandan Project tenements.
- Newcrest may lodge a caveat over the Twin Hills and Yandan Project tenements to protect its interests under the Agreement. Any caveat registered shall be subject to the rights of any existing security holder in respect of the Twin Hills or Yandan Project tenements and Newcrest must withdraw any caveat registered if required in order for the existing security holder to enforce its rights under the relevant security agreement.
- GBM has agreed to guarantee the obligations of MCGM and Straits Gold under the Agreement.
- Neither party may assign or grant any security interest in respect of its rights and obligations under the Agreement or Joint Venture without the prior written consent of the other party.
- MCGM must not during the farm-in period enter any streaming, royalty or similar transaction which provides for a direct or indirect assignment of its present or future interest in the minerals extracted or recovered from the Tenements.
- The Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and indemnity provisions).

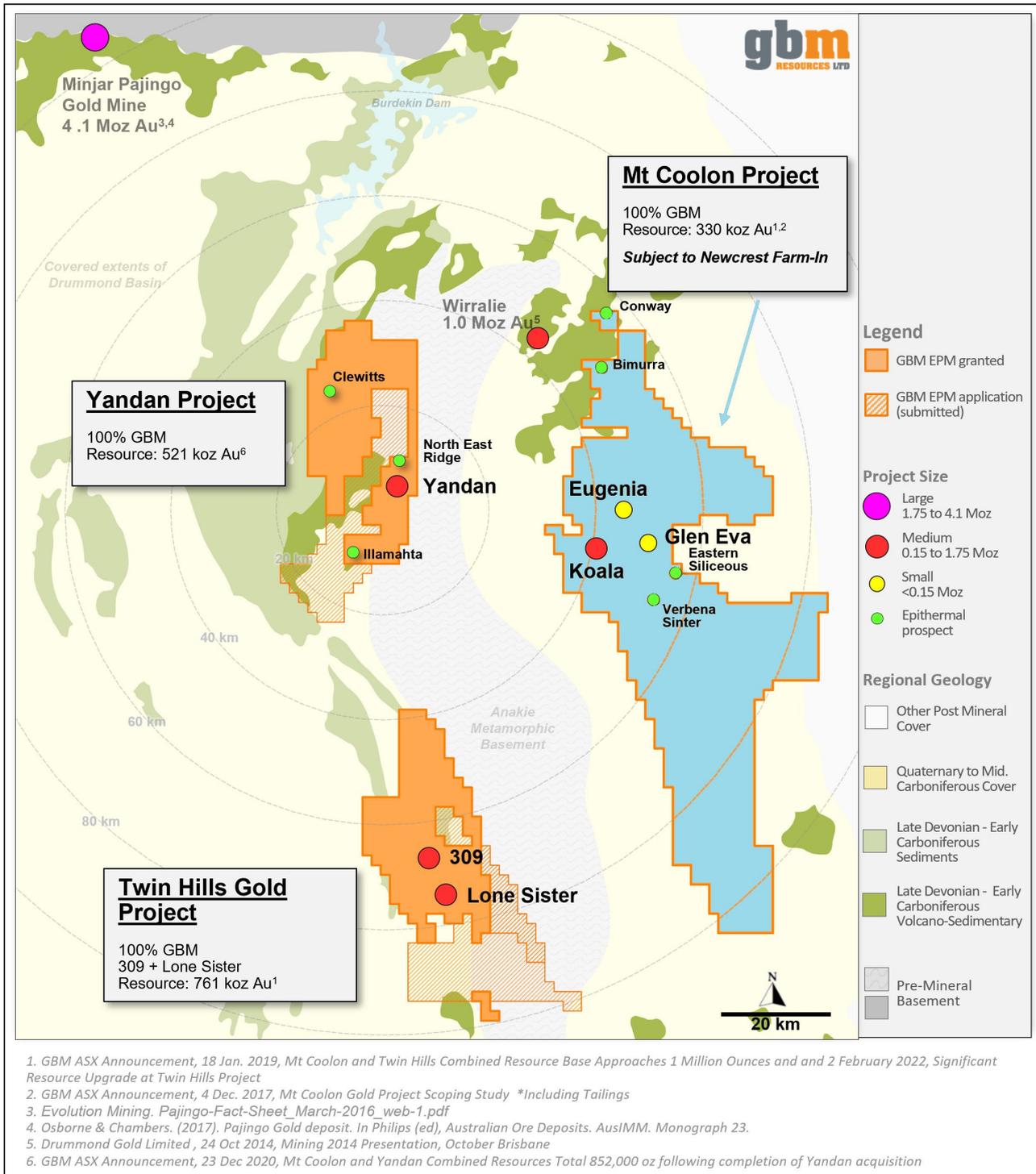


Figure 1: A map showing the distribution of GBM's tenements in the Drummond Basin and area subject to Newcrest Farm-in.

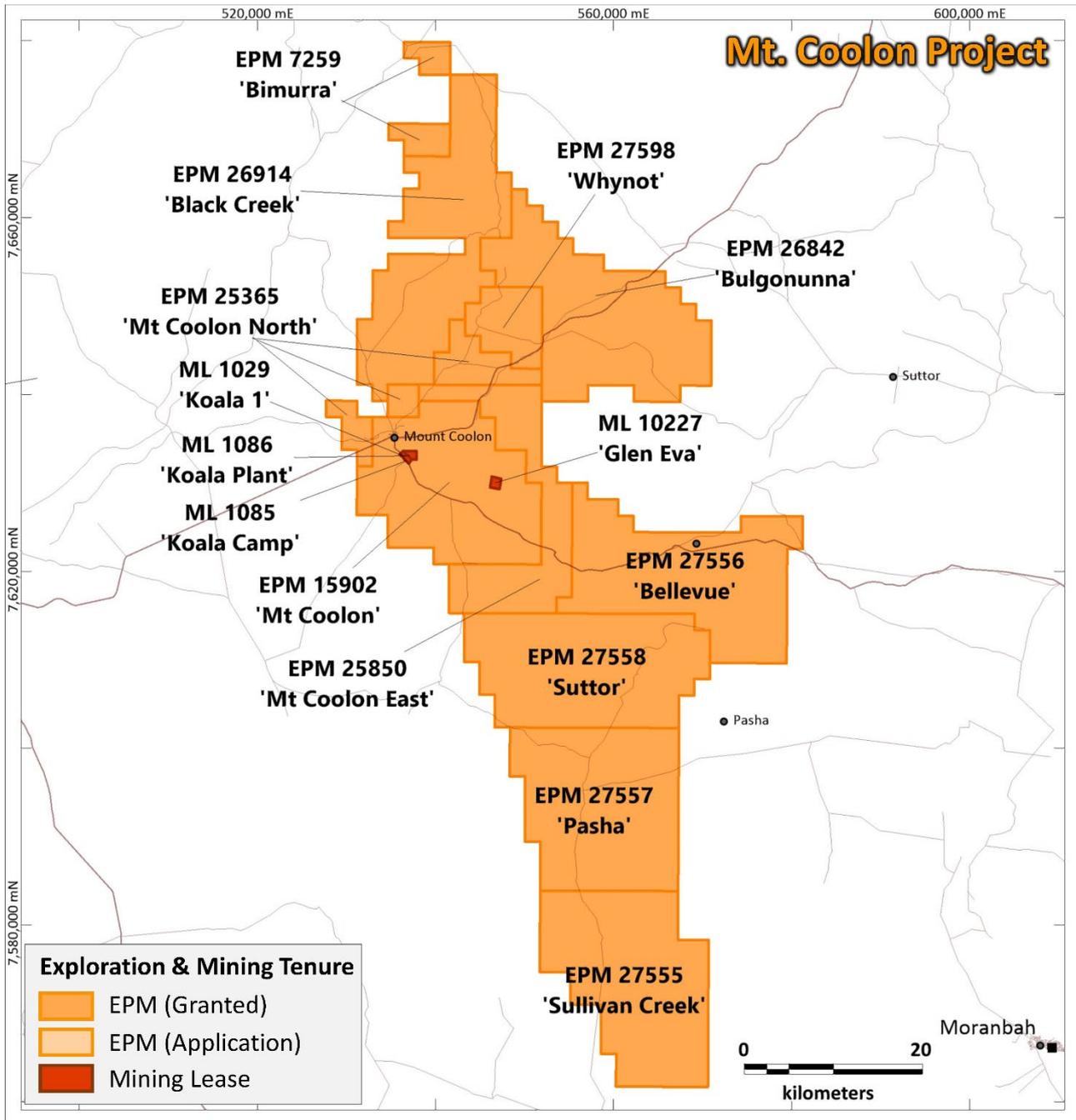


Figure 2: Map of Tenements included in the Newcrest Farm-in Agreement in the eastern part of the Drummond Basin.

Overview of Mount Coolon Gold Project

The Mount Coolon Gold Project is in the northern Drummond Basin, approximately 250 km west of Mackay in Northern Queensland, Australia. In April 2015 GBM Resources Pty Ltd completed the acquisition of Mount Coolon Gold Mines Pty Ltd which holds a portfolio of tenements and gold resources currently estimated by GBM to contain 330,500 ounces of gold. See Appendix 1 for more details.

Since that time GBM has advanced the various projects in the tenement package and added significant new tenements.

Key phases of more recent historical work include.

- 2015 – 2017,
 - o Resource upgrade work leading to a Scoping Study. Refer ASX: GBZ release 4 December 2017.
- 2020,
 - o Project ranking and prioritisation of the Glen Eva - Eastern Siliceous Zone (ESZ) corridor.
 - o Drilling a total of 3,415 m; 11 holes at the Glen Eva prospect and 3 holes at the Koala prospect. Refer ASX: GBZ releases 9 September 2020, 22 October 2020 and 29 January 2021.
 - o Significant geophysical programs in which GBM completed a 31 line km 3D and 2D Induced Potential (IP) geophysics surveys to test a +6 km long trend from Glen Eva and Eastern Siliceous zone (**GEES**). See Figures 3 and 4 and refer ASX: GBZ release 29 January 2021.
- 2021,
 - o Drilling a total of 5,701 m, 13 drill holes for 4,167.4 m in the vicinity of the Glen Eva pit and a further 3 initial holes for 1,533.3 m drilled between Glen Eva and Eastern Siliceous to start to test the geophysical anomalies identified in the 2020/21 geophysical program. Refer ASX: GBZ releases 30 August 21, 11 November 2021 and 22 February 2022.
 - o Two scout holes for 496.6 m were drilled at Koala at the end of 2021. Refer ASX: GBZ release 22 February 2022.

The results of the 2021 and 2020 drill programs have demonstrated a substantial multi-stage hydrothermal system is present at GEES. Zoning across epithermal systems has been well documented at several deposits and a Pb-Zn to Au-Ag-Te to Au-As-Sb zoning consistent with other epithermal deposits is present at GEES. Given the position of the IP chargeability anomaly along strike from Glen Eva pit and the Carbonate Base Metal (CBM) veins intersected in 21GEDD019, GBM interprets the anomaly, and associated abundant disseminated pyrite, to represent the concealed alteration halo of a large hydrothermal system.

GBM believes that the Glen Eva epithermal veining, the pyrite halo, and CBM veining may be part of a large mineral system that zones outward from a base metal bearing core to a low sulfidation precious metal system to the northwest at Glen Eva and potentially also to the southeast at Eastern Siliceous. See Figure 5. This is a preliminary interpretation and requires additional drill testing over 1.5 km of intervening untested strike projection of the vein corridor back to Glen Eva and over 2 km of intervening untested strike towards Eastern Siliceous. Gold mineralisation along the GEES trend displays clear Au-As-Sb and Au-Ag-Te ± Mo-Bi element associations while vein textures suggest the best grades may be shoot controlled.

Following the acquisition of the Twin Hills Project, GBM has decided to engage a well-credentialed partner in Newcrest to advance this work along with the other highly prospective targets in the Mount Coolon Project area.

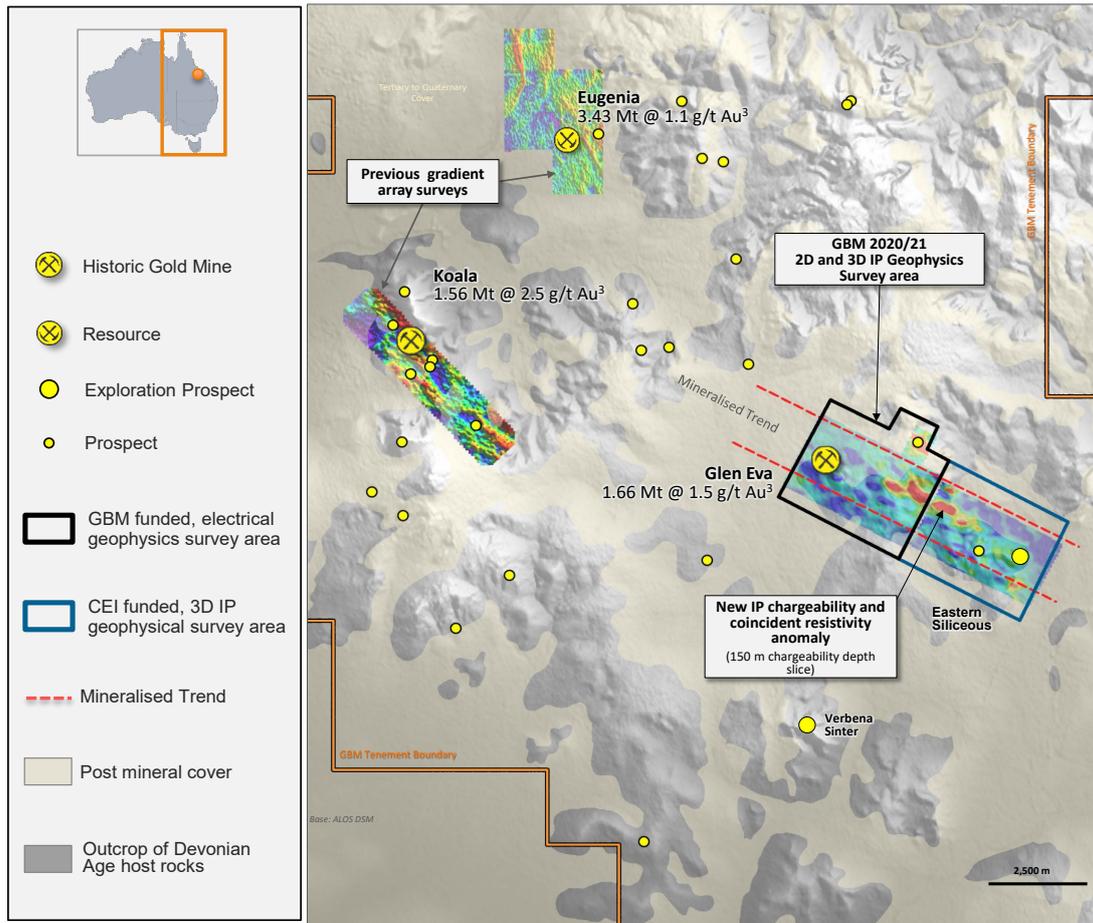


Figure 3. Koala, Eugenia and Glen Eva resource areas and geophysical targets 1.5 km to the southeast of Glen Eva overlain on a 150 m IP chargeability depth slice.

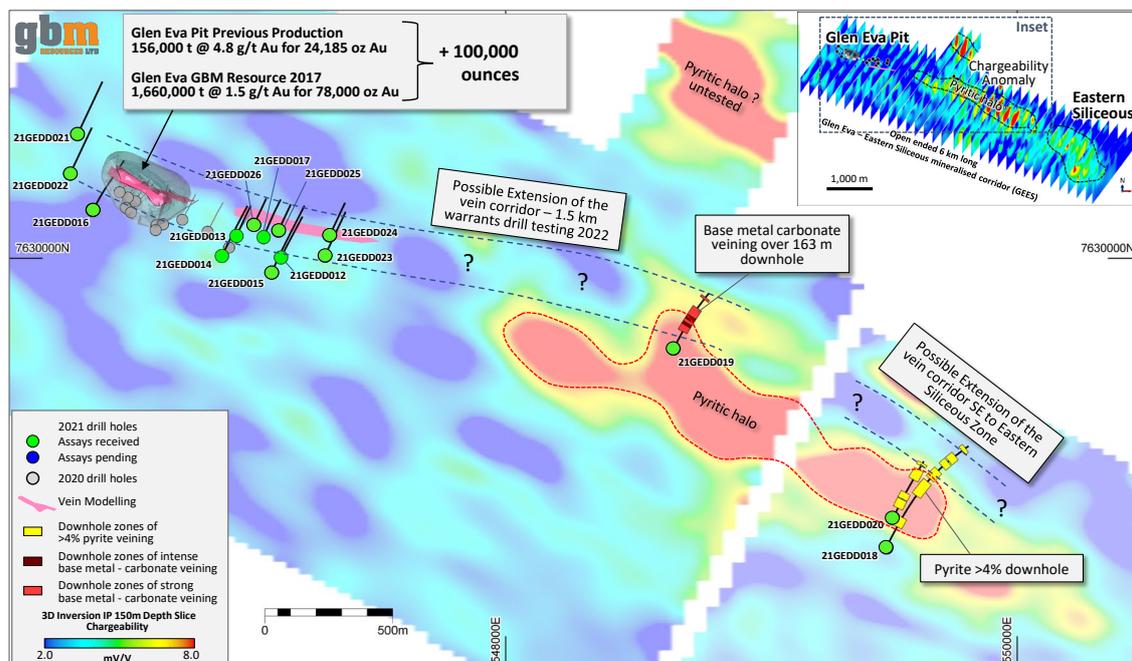


Figure 4. 2021 and 2020 GBM drilling at Glen Eva and geophysical targets 1.5 km to the southeast overlain on a 150 m IP chargeability depth slice. Also shown are modelled veins and the Glen Eva pit, 21GEDD018 and 21GEDD020 "pyrite halo" and 21GEDD019 down hole interval of carbonate base metal veining.

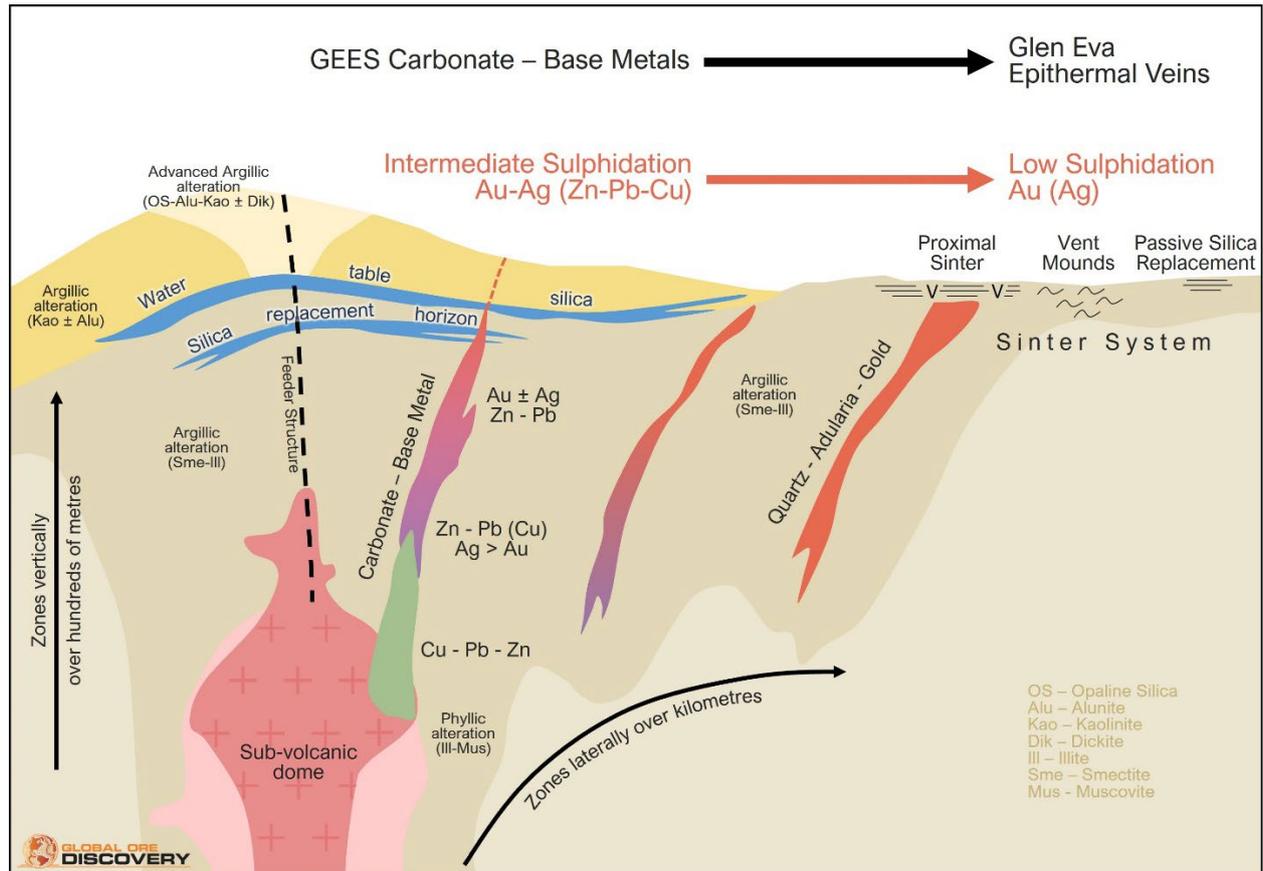


Figure 5. Epithermal gold deposit characteristics and potential relationship to the GEES Trend

This ASX announcement was approved and authorised for release by:

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About GBM Resources

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

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

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

About Newcrest

Newcrest Mining Limited (ASX, TSX, PNGX: NCM) is one of the world's largest gold mining companies with headquarters in Melbourne, Australia and operating mines in Australia, Canada and Papua New Guinea. Newcrest is a technical industry leader, with particular expertise in exploration, deep underground block caving and metallurgical processing. Newcrest is committed to creating a work environment where everyone can go home safe and healthy every day, and where everyone actively contributes to this outcome; operating and developing mines in line with strong environmental, social and governance practices; developing a diverse workforce; and developing and maintaining strong relationships with communities and governments.

COMPETENT PERSON STATEMENT

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

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

APPENDIX 1: GBM Mineral Resource Estimate for the Drummond Basin Projects (Mt Coolon, Yandan and Twin Hills) along with other company interests

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

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

- Koala/Glen Eva and Eugenia – GBM ASX Announcements, 4 December 2017, Mt Coolon Gold Project Scoping Study
 - Yandan – GBM ASX Announcement, 23 December 2020, Mt Coolon and Yandan Combined Resources Total 852,000 oz, following completion of Yandan acquisition
 - Twin Hills – GBM ASX Announcement, 18 January 2019, Mount Coolon and Twin Hills Combined Resource Base Approaches 1 Million Ounces and 2 February 2022, Significant Resource Upgrade at Twin Hills Project
 - White Dam - GBM ASX Announcement, 18 August 2020, White Dam Maiden JORC 2012 Resource of 102 koz
 - Malmsbury – GBM ASX Announcement, 4 July 2019, Malmsbury Resource Upgraded to JORC 2012
 - Including this announcement
- a) The preceding statements of Mineral Resources conforms to the “Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition”
 - b) All tonnages are dry metric tonnes
 - c) Data is rounded to ('000 tonnes, 0.0 g/t and '000 ounces). Discrepancies in totals may occur due to rounding
 - d) Resources have been reported as both open pit and underground with varying cut-off based off several factors as discussed in the corresponding Table 1 which can be found with the original ASX announcement for each Resources.