

GBM Resources Limited (ASX:GBZ)

Research Note – 20 June 2025

COMPANY OVERVIEW

GBM Resources Limited (ASX:GBZ) is an Australian mineral exploration company incorporated in April 2007 and listed on the ASX in October of the same year. Headquartered in Brisbane, the company is primarily focused on the exploration and development of gold and copper assets in Eastern Australia. Its flagship asset, the Drummond Basin Gold Project, comprises the Twin Hills, Yandan, and Mount Coolon projects, which together host an estimated 1.84 million ounces of gold under JORC-compliant resource classification.

PROJECTS

Overview

GBZ's flagship asset, the Drummond Basin Gold Project, is located in Queensland and is prospective for gold. It comprises three sub-projects: the Twin Hills Gold Project, the Yandan Gold Project, and the Mount Coolon Gold Project. Other assets include the White Dam Gold-Copper Heap Leach Operation in South Australia, the Mount Morgan Gold-Copper Project in Queensland, and the Cloncurry Copper-Gold Project, also in Queensland.

Consolidated JORC

Cut-off Grade: 0.2g/t	Tonnes (Mt)	Grade (g/t)	Contained Au (koz)	Adjusted Ounces (koz)
Inferred	24.9	1.0	820.9	328.4
Indicated	19.7	1.5	943.2	660.2
Measured	0.9	2.6	80.1	80.1
Total	45.7	1.26	1,844.2	1,068.7

Twin Hills

Project Overview and Background. The Twin Hills Gold Project is subject to a farm in agreement with Wise Walkers, who can earn up to 70% ownership in the project upon a \$6 million cash payment and an additional \$6m in exploring over 18 months. The project is located in Queensland's Drummond Basin, hosts an adjusted 600,400 oz Au and is one of GBM Resources' most significant and scalable gold assets. The project offers strong geological potential with opportunities for resource growth through ongoing drilling and modelling. Situated near GBM's other regional projects, Twin Hills is key to the company's "processing halo" strategy, which aims to consolidate multiple deposits under a centralised processing infrastructure. Its existing access and infrastructure further support its development potential. This resource is open to approximately 250m below surface.

Wise Walkers Agreement. GBM had a \$12 million Farm-in Agreement with Wise Walkers Limited, under which they earned up to a 70% interest in the Twin Hills Gold Project. GBM received \$6 million in cash (partly upfront) and Wise Walkers sole-funded up to \$6 million in exploration over 18 months, with GBM managing the expenditure. GBM retained a 30% free-carried interest to "decision to mine," and the agreement helped partly repay the Collins Street Convertible Note. The deal reduced GBM's exploration costs, provided immediate cash, and advanced Twin Hills toward development.

JORC

Cut-off Grade: 0.2g/t	Tonnes (Mt)	Grade (g/t)	Contained Au (koz)	Adjusted Ounces (koz)
Inferred	11.0	1.1	404.0	161.6
Indicated	11.3	1.4	521.3	364.9
Measured	0.8	2.8	73.9	73.9
Total	23.1	1.3	999.2	600.4

Exploration Activities. GBM is progressing work at the 309 and Lone Sister deposits while also focusing on locating feeder zones that could have driven high grade gold mineralisation. At Yandan, the company is targeting a potential feeder system that may have supplied gold to the Main Pit and East Hill deposits, which together host 1.1 Mt at 5.7 g/t Au for 201 koz Au. At Illamahta, which contains 2.9 Mt at 0.8 g/t Au for 55 koz Au, GBM plans to test for a feeder zone at depth, an opportunity that remains completely unexplored and could significantly upgrade the project's potential.

Planned Exploration Activities. At the Twin Hills 309 deposit, GBM plans to grow the existing resource within the current pits and explore deeper for repeat high grade gold zones, building on historical intersections of 4 to 5.5 g/t Au over 46 to 54 m. The team is integrating modern 3D resistivity and chargeability models with magnetic, gravity, geochemical, and geological data to refine targets. By applying new modelling to substantial legacy datasets, GBM is generating high priority drill targets in preparation for its 2026 exploration programs.

Mount Coolon

Project Overview and Background. The Mount Coolon Gold Project is 100% owned by GBZ and is located within the Drummond Basin, one of Queensland's most prolific gold provinces. The project is located 250 km to the West of Mackay in North Queensland and ~400 km south of Townsville. The tenement package covers a total area of over 2,613 km². Historically, the area has seen gold production to the 1900's totalling 0.59 Mt at 12.2 g/t Au for 232 koz.

Newmont Agreement. In October 2022, GBM Resources signed a farm-in agreement with Newmont who can earn up to 75% by spending \$25 million across three phases. The Minimum Commitment requires \$2 million and 3,000 metres of drilling within 24 months. Upon completion, Stage 1 grants Newmont 51% by spending an additional \$5 million and drilling 7,000 metres within 36 months. If pursued, Stage 2 allows Newmont to reach 75% by investing a further \$18 million and completing another 10,000 metres over 36 months. As of April 30th, 2025, Newmont is progressing through Stage 1 with 5,500m air core and 1,000m diamond drilling completed toward the 10,000m goal. Newmont holds a Right of First Refusal (ROFR) over GBM's other Drummond Basin assets, triggered in 2024 by a JV with Wise Walkers on the Twin Hills project (~60-day ROFR window). The structure is asymmetrical—Newmont can exit any time before finishing Stage 1 and forfeit all interest, or complete Stage 1 and retain 51% without continuing. Given Stage 2 requires a higher spend (\$18M) for a smaller interest (24%), their ongoing participation likely depends on drill results and project economics.

JORC

Cut-off Grade: 0.2g/t	Tonnes (Mt)	Grade (g/t)	Contained Au (koz)	Adjusted Ounces (koz)
Inferred	2.9	1.5	142.4	56.7
Indicated	3.6	1.6	181.9	127.3
Measured	0.1	1.7	6.2	6.2
Total	6.6	1.3	330.5	190.5

Exploration Activities. On 30 April 2025, GBZ reported assay results from an air core drilling program conducted by its farm-in partner, Newmont, at the Glen Eva prospect within the Mt Coolon Project. The program comprised of 94 holes totalling 5,499 metres. The program’s primary aim was to test for shallow mineralisation and geochemical anomalism along known epithermal gold trends.

Hole ID	From (m)	To (m)	Interval (m)	Grade (g/t)	Gram-Metres
MTCAC027	60	62	2	0.49	0.98
MTCAC045	38	40	2	0.45	0.9
MTCAC063	58	60	2	0.33	0.66
MTCAC045	58	60	2	0.22	0.44
MTCAC045	60	62	2	0.13	0.26

Planned Exploration Activities. With Newmont driving drilling activity across the sit, plans have been outlined to commence field-based exploration at Mount Coolon in the coming months, following recent rehabilitation, mapping, and project evaluation work. The next key focus is completing an additional 7,000 metres of drilling under the Stage 1 Farm-In requirements.

Yandan

Project Overview and Background. GBZ’s wholly owned Yandan Gold Project in Queensland’s Drummond Basin is a cornerstone of its “processing halo” strategy, aiming to consolidate regional gold resources into a centralized processing hub. The project hosts a JORC 2012 Mineral Resource of 15.9 Mt at 1.0 g/t Au for 514,500 ounces, with 53% now classified as Indicated following recent drilling and geological modeling at the East Hill deposit. Yandan’s existing infrastructure, including permitted water, tailings facilities, and grid power access, supports its role as a central processing site within GBM’s broader regional development plan.

JORC

Cut-off Grade: 0.2g/t	Tonnes (Mt)	Grade (g/t)	Contained Au (koz)	Adjusted Ounces (koz)
Inferred	10.0	0.8	270.0	108.0
Indicated	4.9	1.5	274.5	192.2
Measured	-	-	-	-
Total	14.9	1.0	544.5	300.2

Exploration Activities. At Yandan, exploration activities included defining the 514 koz gold resource with a 201 koz high-grade core, reprocessing historic IP data, and reviewing high-grade drill intercepts such as 43.7 m @ 13.9 g/t Au. GBM also began reassessing historic geochemical datasets, including 1980s stream sampling that had minimal follow-up.

Planned Exploration Activities. Exploration for Yandan is aiming to advance exploration across its Drummond Basin portfolio, with upcoming work centred on expanding the high-grade core at Yandan and testing the feeder zone, alongside soil and IP surveys, mapping, and follow-up drilling to generate and prioritise new targets. This program is designed to build a robust pipeline of drill-ready prospects and support potential resource growth.

FINANCIALS

Cash Position and Debt Owed

In the most recent quarter (Q3 FY25), GBZ reported a cash balance of \$1.16m. According to its half-yearly report for H1 FY25, total debt amounted to \$6.29m. This results in a net debt position of \$5.13m.

Cash Burn and Runway

In the most recent quarter (Q3 FY25), GBZ had a cash burn of \$0.38m, with the four-quarter average being \$0.61m. With an estimated cash balance of \$1.16m, GBZ is estimated to have 3 quarters of operational runway left before having to raise additional capital.

Exploration Expenditure

GBZ spent \$0.35m in the latest quarter, which is down from the \$0.69m spent in Q1 FY25. Over the past 4 quarters, a steady decline in exploration and evaluation expenditure can be observed, which can be attributed to drilling programs primarily being funded by JV partners such as Newmont. Additionally, the company's focus on divesting non-core assets, including the White Dam operation and Mount Morgan project, has likely reduced attention dedicated to exploration activities on its core projects.

<i>In '000s of AUD</i>	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
Exploration and Evaluation Expenditure	767	691	632	350

Capital Structure

As at the 20 June, GBZ currently has around 1.6 billion diluted shares on issue, which is above levels typically viewed as excessive. However, Canary sees this as manageable given the company's strong growth trajectory.

Although options and performance rights make up a notable portion of GBZ's diluted share count, all tranches remain well out of the money and therefore pose minimal dilution risk.

Share Price	\$0.006
Ordinary Shares Outstanding	1.16bn
Market Capitalisation	\$7.02m
Debt	\$6.29m
Cash	\$1.16m
Enterprise Value	\$12.15m
Options and Performance Rights Outstanding	415m
Diluted Shares Outstanding	1.59bn

Shareholder Analysis

	Percentage Ownership
Collins St Asset Management and associated entities	16.46%
Wise Walkers Limited	9.61%
Peter Rohner (KMP)	5.96%
Bell Potter Nominees Ltd <BB Nominees A/C>	5.38%
Syndicate Minerals Pty Ltd	3.85%
Mr Michael Piperoglou	3.70%
BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient>	3.08%
Straits Mineral Investments Pty Ltd	2.86%
Verrierdale Investments Pty Ltd <Brush Box Super Fund A/C>	2.70%
Mr Thomas Lloyd Hodge	1.88%
Total	55.48%

GBZ's management holds between 5% and 20% of the company's shares, which demonstrates alignment with shareholders. While not at a level we view as highly significant, we still regard this as a modestly positive indicator.

	Percentage Ownership
Peter Rohner	5.96%
Peter Thompson	0.61%
Sunny Loh	1.15%
Total	7.72%

Relative Valuation

Given its adjusted ounces of 1.069 Moz and a gold price of \$5,200/oz, we estimate that the market value of GBZ's gold resources is ~\$5.6 billion. On an EV/Ounce basis, the market is currently valuing GBZ's resources at \$35.65 per ounce - a slight increase from \$21.50 prior to the capital raise. This EV/Ounce is significantly below the peer average of approximately \$130/oz.

	Metric
Adjusted Ounces	1.069 m
Adjusted Grade (g/t)	0.73
Market Value of Adjusted Ounces (at \$5,200/oz)	\$5.56 bn
EV/Ounce (\$)	\$35.65
Peer Median EV/Ounce (\$)	\$130

Intrinsic Valuation

While GBZ has released a scoping study, it is outdated and covers only a portion of the project, which has since undergone significant development. As such, an intrinsic valuation cannot currently be derived.

MANAGEMENT

Management Biographies

Ian Middlemas – Non-Executive Chairman (Since 2025). Ian Middlemas is a highly experienced resources executive and chartered accountant. He began his career with an international accounting firm before spending a decade as a senior executive with Normandy Mining Group. He has since chaired or served as a director for numerous ASX, LSE, NASDAQ and European-listed resource companies. He was appointed Non-Executive Chairman of GBM Resources in June 2025 as part of a board restructure.

Andrew Krelle – Executive Director (Since 2024). Andrew Krelle is an exploration geologist and mining executive with over 15 years' experience across geology, finance, and corporate development. His career includes technical roles with BHP, corporate advisory with Bacchus Capital in London, and investor relations for Yellow Cake Plc. He has also run exploration ventures and worked in capital markets across Asia. Andrew joined GBM Resources as Executive Director in November 2024 to lead investor relations and strategic growth.

Peter Rohner – Chief Executive Officer (Since 2019, Transitioning 2025). Peter Rohner is a mining executive with more than 30 years of industry experience. He joined GBM Resources as Managing Director in 2019, later becoming Chief Executive Officer, and has overseen major exploration programs and asset transactions. Peter previously held senior technical and leadership roles with Core Group, Stibium China, and Tartana Resources. He will transition from CEO to a consulting role with GBM in mid-2025.

Sunny Loh – Non – Executive Director (Since 2018). Sunny Loh is an experienced corporate director with expertise in corporate strategy, finance, investor relations, and capital restructuring. He holds business and finance qualifications from Singapore and the UK, and is an Associate of the Institute of Chartered Secretaries and Administrators. A substantial shareholder in GBM, Sunny has been a long-time supporter of the company and served as Chairman before becoming a Non-Executive Director in June 2025.

Robert Behets – Non – Executive Director (Since 2025). Robert Behets is a geologist and mining executive with over 35 years of international experience. He was a founding Managing Director of Mantra Resources, guiding its growth into a leading uranium developer prior to its acquisition. He also held senior positions at WMC Resources and has served as a director of several ASX-listed resource companies. Robert currently holds directorships with Berkeley Energia, Equatorial Resources, Odyssey Gold, Apollo Minerals, and Constellation Resources, and joined GBM's board in June 2025.

Peter Fox – Non – Executive Director (Since June 2025). Peter Fox is a seasoned corporate finance executive specialising in project generation and business development for emerging companies. With deep experience in equity capital markets, strategic growth, and full project lifecycle execution—including upstream, midstream, and downstream strategies—he excels in forming key partnerships with global multinationals. He joined GBM's board in June 2025 as part of a strategic restructure to strengthen the company's exploration and development capabilities.

Management Compensation

Below is GBZ's total management compensation, which we view as broadly in line with acceptable benchmarks. Of note, FY23 included \$184k of share-based compensation through the issue of 8 incentive million options, granted within the bound of a standard employment agreement. Importantly, there are no disclosed instances of management receiving secondary payments as consultants to the company, which we consider a positive governance indicator.

<i>In AUD</i>	Salary and Fees	Superannuation	Cash Bonus	Share-Based Compensation	Total Compensation
FY24	293,720	29,122	-	12,482	334,324
FY23	381,285	30,795	-	184,704	596,784
FY22	541,502	39,450	-	-	580,952

Related Party Transactions

At 30 June 2024, GBZ reported related party balances limited to intra-group loans between controlled entities, comprising \$44.98m in non-current receivables and \$3.95m in non-current payables. These transactions are internal to the consolidated group and do not raise governance concerns.

Notably, no loans to or from insiders were disclosed during the period.

INVESTMENT ANALYSIS

Investment Thesis

Relative Valuation. Given the absence of detailed data typically available from a scoping study, GBZ was valued on a relative basis using its reported JORC-compliant resources. Discount factors of 0.7 and 0.4 were applied to Indicated and Inferred resources respectively, to reflect their varying levels of geological confidence. After adjusting for ownership dilution across individual projects, a total attributable gold ounce figure was calculated. Dividing the enterprise value (EV) by this adjusted figure results in an EV/ounce of \$35.65—a slight increase from \$21.50 prior to the capital raise, but still significantly below the peer average of approximately \$130/oz.

Investment Risks

Equity Dilution. Over the past five years GBZ has exhibited a strong pattern of continuous equity dilution, with shares outstanding increasing by 17x since 2020. However, this risk is mitigated by the strong chance that GBZ will consolidate its shares in the future.

Early Stage Operations. With operations continuing to remain at an exploration level since inception, the persistent risks surrounding far off production remain. As a result, the company faces the typical risks and uncertainties associated with long development timelines, including regulatory approvals, feasibility studies, and market fluctuations. However, a 2019 pivot lead by Rohner saw the consolidation of operations and a refocusing of GBZ's attention to the prospective Drummond Basin has helped de-risk this challenge. More recent efforts to integrate a processing halo model within the Yandan project further supports a management transition towards becoming a 'mid-tier Australian gold company'.

INVESTMENT RECOMMENDATION

Buy. GBZ is attractively valued on an EV/ounce basis. The key overhangs remain its significant debt position and the dilution of ownership from joint venture arrangements, which reduce its exposure to otherwise quality assets. Canary Capital will closely monitor JV developments for any shifts in ownership terms that may enhance GBZ's position, as well as any material debt reduction achieved through equity conversion or capital raisings.

Contact Details

Paul Hart - Executive Director
Canary Capital
M: 0421 051 474
E: phart@canarycapital.com.au

Arun Sengupta - Executive Director
Canary Capital
M: 0417 617 181
E: asengupta@canarycapital.com.au

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