

6 April 2010
The Manager
Company Announcements
Australian Securities Exchange Ltd
Level 5, 20 Bridge Street
Sydney NSW 2000

Dear Sirs,

GBM Resources Not Proceeding with Proposed Phosphate Joint Venture

GBM Resources Ltd (ASX code: 'GBZ') advises that it will not be proceeding with the proposed joint venture agreement with the Singapore based Resource Kings Pte Ltd.

Resource Kings, a commodities based trading company with a focus on steel and fertiliser products signed a binding term sheet last November to acquire a joint venture interest in GBM's potentially large-scale phosphate projects in the Mt. Isa region of North Queensland.

Under the term sheet agreement, Resource Kings could earn a 90% interest in GBM's phosphate assets by subscribing for 8.5 million new ordinary shares in the company for total consideration of \$2.635m. Shareholders approved the transaction at a general meeting on 5 January 2010.

Over the period Resource Kings had sought to restructure its financing facilities and GBM agreed to settlement on or before 31 March 2010. Resource Kings did not complete settlement as agreed. GBM advised Resource Kings that an extension of time would not be granted and therefore the proposed joint venture agreement is at an end.

Since signing the terms sheet last year the global market for phosphate has improved significantly and the price for the fertiliser diammonium phosphate (DAP) has increased from \$US300 to \$US490 per tonne, an increase of 63% over that period.

The phosphate assets are an increasingly valuable asset, particularly in the improving market and the directors are confident of attracting a strategic partner to further develop these assets.

GBM's core focus remains its copper gold assets in northern Queensland and the current 6,000m drilling program which is underway at the Brightlands Cu Au project.

The company's working capital position is adequate for its planned exploration activities. It remains a key strategy of the company to potentially obtain additional working capital from the exercise of options expiring 30 June 2010

I look forward to updating shareholders on the progress at Brightlands and on any further development opportunities as they arise for the phosphate projects.

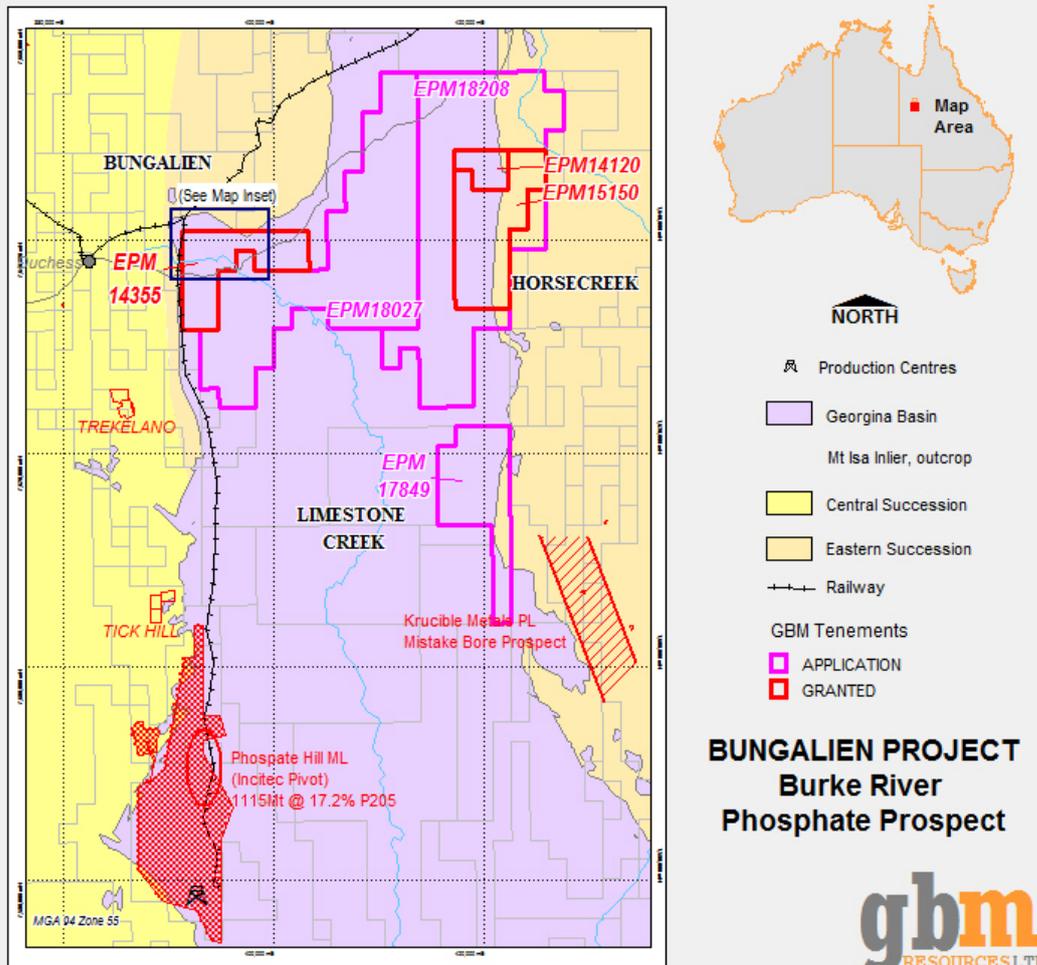
Yours sincerely

Peter Thompson
Managing Director

Phosphate Projects

Drilling completed in December 2008 confirmed widespread phosphate mineralisation at the Bungalien tenement. Peak phosphate values of more than 22% P₂O₅ were among some of the strongest results from the 1,000 metre Reverse Circulation program.

Bungalien is among a suite of nearby phosphate projects including Horse Creek, Limestone Creek and Malbon2, owned by the Company within the area's phosphate rich Beetle Creek Formation, part of the broader Georgina Basin mineralised footprint near Mount Isa.



Note; The information in this report that relates to Exploration Results is based on information compiled by Neil Norris, who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy. Mr Norris is a full-time employee of the company. Mr Norris has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.