

21 June 2010

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

Priority Entitlement Offer to Existing Option Holders

GBM Resources Limited (**Company**) has resolved, subject to Shareholder approval, to proceed with a Priority Entitlement Offer (**Offer**) to holders of listed and unlisted options over unissued shares in the Company.

Under the terms of the Offer, each holder of listed and unlisted options at the close of business on the record date of 30 June 2010, being the expiry date of the existing options, will be entitled to subscribe for one option, at a subscription price of \$0.01 for each option held at that date.

The new options will be exercisable at \$0.20 each and will expire on 30 June 2013. Upon issue of the new options, the Company intends to apply to ASX for quotation of the securities.

If fully subscribed, the Offer will raise approximately \$700,000 before costs. The proceeds of the Offer will be used to provide working capital for the Company and contribute to the funding of its ongoing exploration programs.

A Notice of Meeting will be despatched shortly seeking shareholder approval for the issue of new options under the Offer. A prospectus providing full details of the Offer will be lodged as soon as possible.

Yours faithfully

Peter Thompson
Managing Director