

22 March 2011
ASX Announcement

GBM to Launch \$5.8 million Exploration Program in North West Queensland

HIGHLIGHTS;

- **\$2.5 million budgeted for Milo and Tiger T2 drilling at Brightlands**
- **\$3.0 million to be spent on Pan Pacific/Mitsui Farm- in project areas; and**
- **\$280,000 budgeted for follow-up work with Phosphate Joint Venture.**

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) (“**GBM**” or “**the Company**”) is preparing to commence its 2011 exploration drilling program at its Brightlands copper gold project and joint venture projects in the Eastern Succession of the Mount Isa Region in North-West Queensland.

The total exploration budget for GBM Resources’ “Flagship” project region is \$5.8 million and is focused on advancing existing targets within the company’s exploration portfolio. Budgeted project expenditure is summarised as follows:

1. Brightlands Copper Gold Project – budget \$2.5 million

GBM Resources will be undertaking a new drilling program to progress its Milo and Tiger T2 prospects.

The work will follow-up significant results returned at Milo last year which confirmed potential for a large Iron Oxide Copper Gold system (IOCG). The data from that work provided GBM Resources with the basis for an initial Exploration Target*³ of between 30-80 million tonnes (mt) of mineralised material which averaged between 0.8% and 1.2% Cu equivalent*¹.

GBM also obtained strong results from the most recent Tiger T2 program, which upgraded the copper soil anomaly and confirmed previous results of the Sub Audio magnetic (SAM) survey. These results have indicated that T2 has the potential to host IOCG style mineralisation.

2. Pan Pacific /Mitsui \$55 million Farm- in Agreement – budget \$3.0 million

The joint venture budget, managed by GBM, has been approved and initial drilling and field work will be undertaken on all areas covering the Grassy/Talawanta, Mount Margaret, Chumvale and Bungalien IOCG projects.

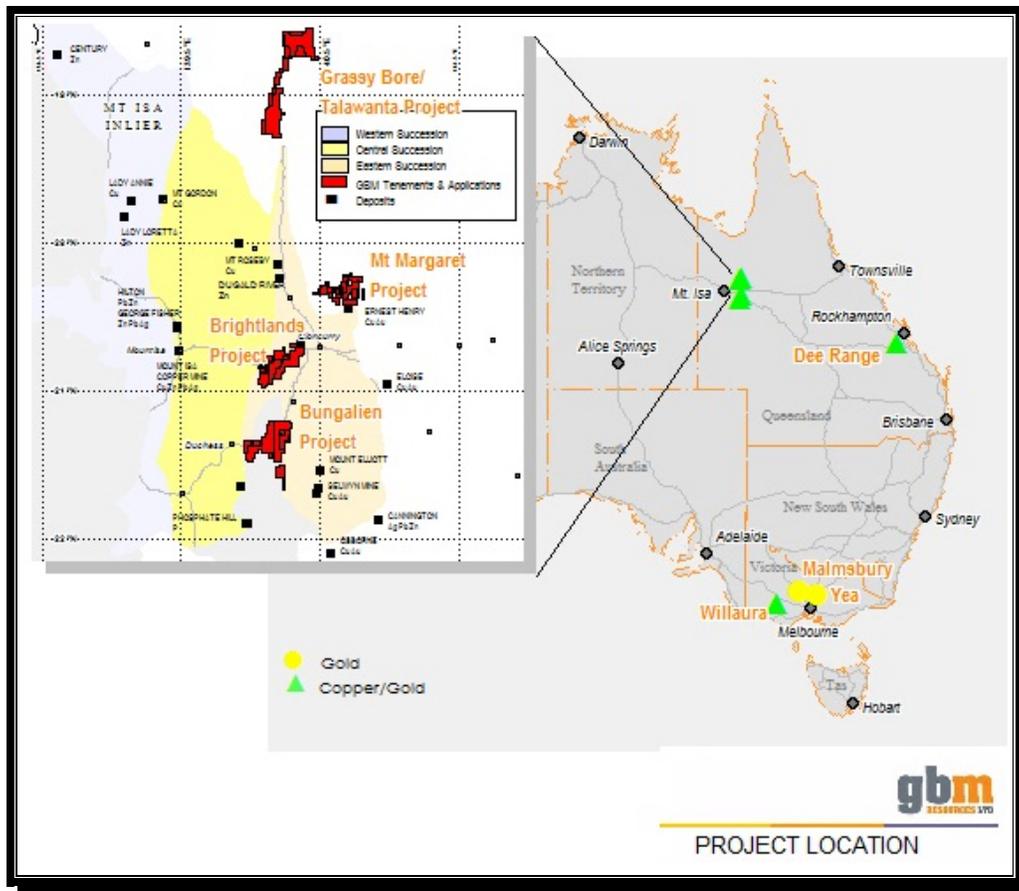
3. Phosphate Joint Venture – budget \$280,000

GBM is working in a joint venture with Singapore-based investor, Swift Venture Holdings in an area known as the Bungalien projects. These projects are contained within the region’s phosphate-rich Beetle Creek Formation and the up-coming

program is aimed at advancing the work GBM completed in December 2008 where peak phosphate values of more than 22% P2 O5 were recorded.

“This year will be a significant period for the company. The budget spend of nearly \$6 million for exploration is a milestone for the company and represents an excellent opportunity for GBM to advance and add significant value to its exploration projects in the Mount Isa Region,” GBM Resources’ Managing Director, Peter Thomson, said.

Mr Thompson said preparations for the drilling programs are at an advanced stage, targeting an on-ground start by the end of March to early April.



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^{*1} Copper Equivalent calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. However it is the company's opinion that elements considered here have a reasonable potential to be recovered. It should also be noted that current state and federal legislation may impact any potential future extraction of Uranium. Prices and conversion factors used are summarised below, rounding errors may occur.

Commodity	Price	Units	unit value	unit	Conversion factor (unit value/Cu % value)
copper	6836	US\$/t	68.36	US\$/%	1.0000
gold	1212	US\$/oz	38.97	US\$/ppm	0.5700
cobalt	40000	US\$/t	0.04	US\$/ppm	0.0006
silver	18	\$/oz	0.58	US\$/ppm	0.0085
uranium	40	US\$/lb	0.08	US\$/ppm	0.0012
molybdenum	38000	US\$/t	0.04	US\$/ppm	0.0006

^{*2} Intersections quoted are length weighted averages of results for individual sample intervals. Samples were taken at 1 metre intervals in RC drilling by multistage splitter and generally 1 metre intervals of half sawn core with maximum of 2metres for diamond drilling. Analyses were completed by ALS in Mt Isa for all elements other than gold by ME-ICP61, over limit (>1%) Cu by Cu-OG46 and AU by Au-AA25 in Brisbane. Holes range in declination from 50^o to 70^o to 225^o MGA at Milo and 80^o to 270^o MGA at Tiger. Mineralised zones are interpreted to dip steeply in the opposite direction, holes are therefore drilled approximately perpendicular to the interpreted strike of mineralised zones.

^{*3} It should be noted that this is an exploration target only, potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The tonnage estimate is based on a 475 metre strike length with an average combined width of 80 metres and depth of 500 metres being the volume broadly tested by drilling to date. A nominal bulk density of 3.0 t/m³ was assumed. An accuracy of +/- 50% was assumed to provide a tonnage range reflecting the conceptual nature of this target estimate. Grade ranges represent the range of downhole intersections available over significant widths to date.

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.