

21 May 2012

ASX Announcement

\$3.8million budget approved on Pan Pacific/Mitsui Farm-in Projects in North West Queensland

HIGHLIGHTS:

- **Drilling to commence this month on Pan Pacific/Mitsui Projects.**
- **\$3.8 million to be spent on Farm-in project areas to 31 March 2013.**
- **All 4 project areas have potential for Iron Oxide Copper Gold (IOCG) style deposits.**
- **Drilling and field programs will run through to March 2013.**
- **GBM to manage the exploration programs.**

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to advise that Pan Pacific and Mitsui have approved a budget of \$3.8million to be spent on the four areas that cover the Bungalien, Grassy/Talawanta, Mount Margaret, and Chumvale projects in the Eastern Succession of the Mount Isa Region of North-West Queensland.

Exploration during 2011 succeeded in the discovery of buried IOCG mineralisation at Bronzewing Bore, one of a number of targets identified in the Bungalien Project Area (see ASX release 2/09/2011). In addition, the Mt Margaret West tenement group includes a number of targets in close Proximity to Xstrata's Ernest Henry Cu-Au Mine which has a mineral endowment (production and resources) of over 200Mt averaging 1% Cu and 0.5 g/t Au.

The increased exploration Budget for 2012 will support geophysical surveys and significant drilling of over 10,000m on a range of targets over the four project areas.

GBM Resources' Managing Director, Peter Thompson, said the company was excited to be heading back to the Pan Pacific/Mitsui farm-in areas.

"We are delighted that Pan Pacific and Mitsui have approved the budget for this next exploration program and we look forward to following up the great success we had in the Farm-in areas in our last campaign."

For Further information please contact:

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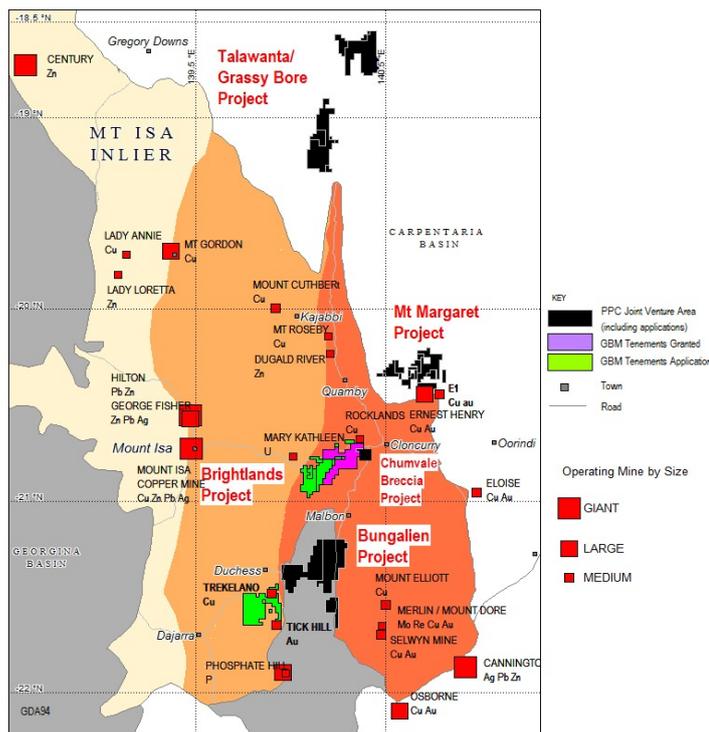
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About The Pan Pacific Copper Co and Mitsui & Co Farm-in Agreement

Under the Farm-in Agreement, Pan Pacific/Mitsui, through their co-established Australian subsidiary, Cloncurry Exploration and Development Pty Ltd ("CED"), can spend up to A\$55million on the development of new copper-gold exploration and mining projects in northwest Queensland.

Highlights of the Farm-in Agreement include:

- CED has the right to earn a 51% interest in the projects by spending a total of A\$15 million within a six year period. .
- During the initial Farm-in period, GBM will manage all exploration activities on the projects on behalf of CED.
- CED may subsequently increase its interest up to 90% in the projects (other than the Chumvale Breccia Prospect) by spending A\$1.026 million for each 1% increment through total additional expenditure of \$A40 million.
- Upon CED acquiring a 90% interest in the projects, GBM will retain a free carried interest of 10% through to the completion of a Bankable Feasibility Study on the projects.



Location map showing Farm in Areas

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.