11 April 2013

ASX Announcement

GBM Resources commences exploration at Mt Morgan Gold-Copper Project in Central Queensland

HIGHLIGHTS:

- **Geological mapping, rock and soil sampling underway in the Mount Morgan Gold-Copper Project area.**

- **Key targets to be followed up at Sandy Creek and Smelter Return prospects.**

- **Sandy Creek and Smelter Return are located on a significant gold and copper soil anomaly concentrated along the major Mount Morgan structural corridor that hosts the historical and nearby Mt Morgan mine.**

- **Sandy Creek and Smelter Return cover a large area having a strike distance of over 5km, with both alteration style and geochemical signatures pointing to an intrusive related gold and copper system.**

- **Targeting drilling in second half of 2013.**

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to advise it has recommenced exploration activities on the Mount Morgan Project as the Queensland wet season abates.

The Mount Morgan Project is located 40km south west of Rockhampton in Queensland in close proximity to the world class Mt Morgan Copper-Gold mine which produced in excess of 8.0M ounces of gold (Au) and 400,000 tonnes of copper (Cu) metal. The Mount Morgan mine retains the largest gold production of any individual mine in Eastern Australia.

The results of field work completed last year reinforces GBM's decision to focus exploration on the Mount Morgan gold-copper project area and further supports its strategy of acquiring a significant footprint (applications and licenses over 900km2) in close proximity to the old Mount Morgan mine.

Results from extensive soil and rock sampling programmes completed during 2012 provided a number of exploration highlights, which are summarised below:

- Intrusive Related gold and copper mineralisation (IRGS) at Smelter Return and Sandy Creek Prospects, near Mt Morgan.

- Large high-tenor Au (+Cu) soil anomalies associated with major structures.

- Rock-chip assays to 39% Cu, 8.5g/t Au and 44ppm Ag at Sandy Creek.

- Within structural corridor hosting Mt Morgan mine.

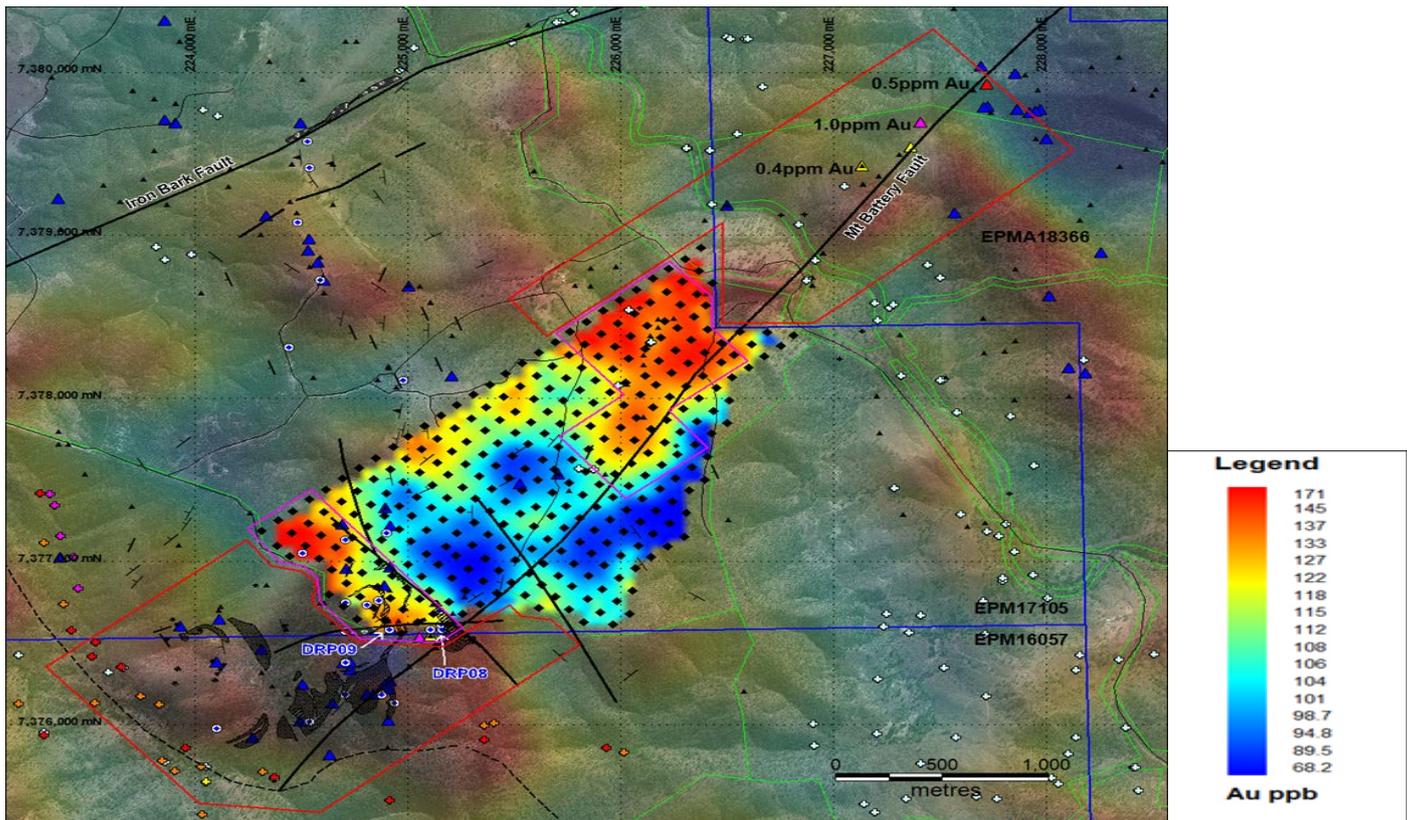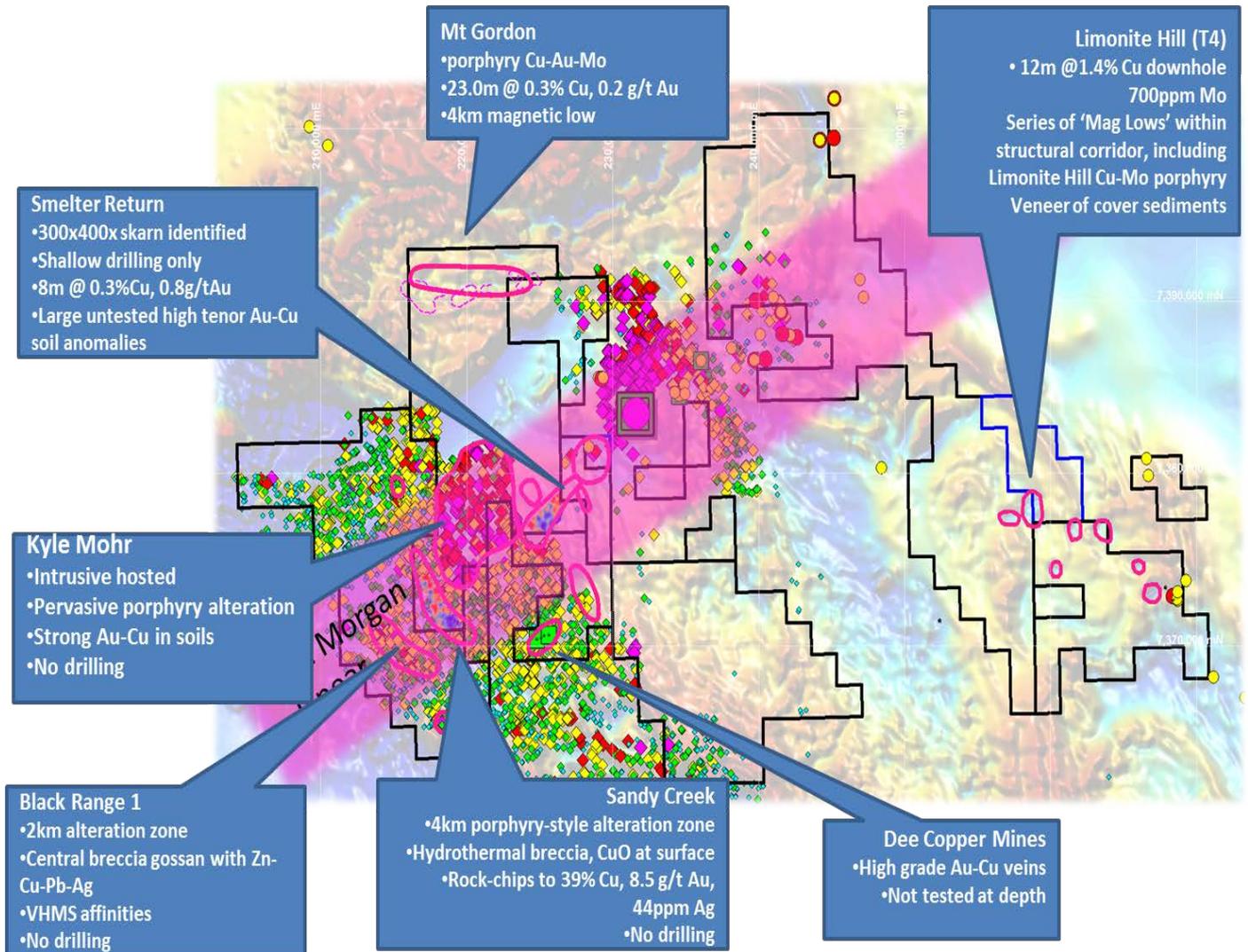- Anomaly is open along fault strike into GBM ground towards Mt Morgan.

Figure 1: Gold in soil at Smelter Returns prospect. Polygons: Red = planned soil grid extensions, Pink = soil grid infills for 2012 programme. Stippled areas (black) show outcropping magnetite/hornblende skarn. Blue/white points = Dominion shallow RC drill collars. Background image is state airborne K:Th radiometrics and GeoEye satellite data.

Field work in 2013 will commence by testing the extensions of the large anomalies along the Mount Morgan Corridor. Follow up soil and rock sampling in combination with detailed mapping along the mineralised fault trend will be completed for both prospects allowing them to be drill ready by the second half of 2013.

Mt Gordon
• porphyry Cu-Au-Mo
• 23.0m @ 0.3% Cu, 0.2 g/t Au
• 4km magnetic low

Limonite Hill (T4)
• 12m @1.4% Cu downhole 700ppm Mo
Series of 'Mag Lows' within structural corridor, including Limonite Hill Cu-Mo porphyry
Veneer of cover sediments

Smelter Return
• 300x400x skarn identified
• Shallow drilling only
• 8m @ 0.3%Cu, 0.8g/tAu
• Large untested high tenor Au-Cu soil anomalies

Kyle Mohr
• Intrusive hosted
• Pervasive porphyry alteration
• Strong Au-Cu in soils
• No drilling

Black Range 1
• 2km alteration zone
• Central breccia gossan with Zn-Cu-Pb-Ag
• VHMS affinities
• No drilling

Sandy Creek
• 4km porphyry-style alteration zone
• Hydrothermal breccia, CuO at surface
• Rock-chips to 39% Cu, 8.5 g/t Au, 44ppm Ag
• No drilling

Dee Copper Mines
• High grade Au-Cu veins
• Not tested at depth

Figure 2: *GBM tenement and prospect location plan showing previous stream sediment gold sample locations (diamonds), and GBM defined prospects (pink) on state magnetics. Smelter Returns and Sandy Creek prospects are shown within NE-trending Mt Morgan Linear.*

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.