

24th October 2013

Completion of Resource Estimate on Tailings Supports Redevelopment of the Lubuk Mandi Gold Mine in Malaysia

Highlights:

- A total JORC compliant Resource of 1.5M tonnes containing 34,700 ounces of gold.
- 94% of the total resource tonnage has been classified as Indicated.
- The contained gold is on the upper end of the target range of 38,000 ounces.
- Commencement of hard rock drilling program is on schedule for this month.
- Final stage of metallurgical test work program in progress.

Australian resources company GBM Resources Limited (ASX: GBZ) (GBM or the Company) is pleased to announce that it has finalized the resource estimate for the Tailings Dam Project, located at the Lubuk Mandi Gold Mine in Terengganu State in Peninsular Malaysia.

The total resource is 1.5M tonnes containing 34,800 ounces of gold at an average grade of 0.7 g/t Au. Of this 94% is classified as indicated with the remaining 6% inferred reflecting lack of sampling data largely due to access conditions on the dam.

Indicated + Inferred					
	Contained Gold			Grade	
	Tonnes	Grammes	Ounces	ppm Au	% Tonnage
Indicated	1,445,000	1,009,000	32,400	0.70	94%
Inferred	87,000	72,000	2,300	0.80	6%
Total	<u>1,532,000</u>	<u>1,081,400</u>	<u>34,800</u>	<u>0.70</u>	<u>100%</u>

(All resources reported by ASX listed companies must comply with the JORC Code.)

ASX Code: GBZ

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GBM Chairman Peter Thompson said "The successful estimation of indicated resource at Lubuk Mandi is a key milestone for the project as it potentially underpins the redevelopment to achieve recommencement of hard rock mining at the Mandi gold mine. The resource blocks indicate that 83% are above 0.5 g/t of gold, indicating a relatively tight grade distribution, adding further confidence in the economic retreatment of the Tailings Dam."

Redevelopment plan key milestones are:

- Retreatment of tailings dam to achieve production by April 2014.
- Complete hard rock drilling program and achieve exploration target between 174,000 ounces and 443,000 ounces.
- Complete Initial public offering of the Lubuk Mandi on the Singapore Stock Exchange (SXG) in 2014.
- Post Listing on SXG, recommence open cut operations and re commission the existing Carbon-in-Pulp plant.

GBM's initial assessment and development plan identified an exploration target** for the Tailings Dam Project of between 1 Mt at 0.7 g/t Au containing 23,000 ounces of gold and 1.4Mt at 0.9 g/t Au containing 38,000 ounces of gold based on limited available data from previous operators at the site (Refer ASX release 11 June 2013).

Completion of a 29 hole core drilling programme during September 2013 provided data for estimation of a resource by independent consultant Skandus. The drill program tested the Tailings Dam on a 50 metre grid pattern yielding 439 tailings samples which were analysed to provide the primary database. Samples were logged and split by local geological consultants Antap and submitted to ALS in Brisbane. Individual one metre samples were submitted for fire assay Au-AA25 and for the multi-element analysis five metre composites were analysed by inductively coupled plasma technique ME-ICP61. The resource estimate uses inverse distance weighting to assign grades to blocks of 5 metres and 25 metres by 25 metres in plan. A bulk density of 1.5t/m³ was used based on field measurements.

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***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 information in this report that relates to Exploration Results is based on information compiled by Neil Norris, who is a Member 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 2012 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.

The information in this report that relates to Mineral Resources is based on information compiled by Scott McManus, who is a Member of The Australasian Institute of Geoscientists. Mr McManus is a full-time employee of Skandus. Mr. McManus 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. McManus consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About GBM Resources

GBM Resources Limited (ASX: GBZ) is an Australian resources company actively building a gold portfolio of projects within Malaysia and the east coast of Australia.

GBM Resources has a major interest (40%) in the historic Lubuk Mandi Gold Mine in Peninsular in Malaysia which covers 221 hectares and includes over an estimated million tonnes of tailings, which has significant potential for early gold production through the development and recommencement of the mining operations with joint venture partners Angka Alamjaya Sdn Bhd (AASB).

Malaysia is a premier mining country with a stable political regime with production cash costs among the lowest in the world.

The Company also plans to complete an Initial Public Offering of the Lubuk Mandi Project on the Singapore Stock Exchange during 2014.