

ASX Announcement

25<sup>th</sup> August 2014

## Graphite at Cloncurry District Mount Margaret Project, QLD

### HIGHLIGHTS:

- **Sevastopol and Rhea Extended Graphite Prospects have been recently defined on EPM 16398.**
- **GBM has 100% ownership rights over the two Prospects for graphite.**
- **Very large scale graphitic shale deposits defined from historic base-metal drilling and reprocessed Induced Potential (IP) geophysical data.**
- **The graphitic shale deposit is near surface; only 3-30m of cover sediments and is located close to Ernest Henry mine and related infrastructure.**

GBM Resources (ASX: GBZ) ("GBM" or "the Company") has completed Data compilation work as part of the ongoing IOCG copper exploration program at its wholly owned Mount Margaret Project and results has indicated the presence of graphite in RC chips and diamond core from holes drilled by Xstrata on EPM16398 tenement located proximate to the Ernest Henry mine, near Cloncurry in Queensland.

Reprocessing and interpretation of Induced Potential (IP) geophysical data highlighted extensive and continuous zones of strong chargeability response coincident with graphite drill intercepts.

The two prospects within the EPM16398 tenement, Sevastopol prospect graphite area covers approximately 2 km<sup>2</sup>, whilst the Rhea Extended prospect covers approximately 1 km<sup>2</sup>.

**The combination of very large chargeability anomalies, open-pit potential due to thin cover sediments, and proximity to established infrastructure all combine to make the Sevastopol and Rhea Extended graphite prospects compelling exploration targets.**

ASX Code: GBZ

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GBM Resources Executive Chairman Peter Thompson said, “We are delighted that the recent completed geophysical Data compilation work has indicated the presence of graphite at two additional large prospects. The Sevastopol and Rhea prospect are shaping up as a potential large scale graphite project.”

“This is a very exciting early stage program and confirms to us that our targeting methods are proving to be very successful.”



**Figure 1:** Location of GBM graphite exploration targets on EPM 16398 and proximity to Ernest Henry mine.

Follow up field work is planned for the next month including locating historic drill core and chips for re-logging and sampling for graphite analysis, interpretation of reprocessed MIMDAS IP data for drill program design and the completion of a preliminary air-core and diamond drilling program at Sevastopol prospect. Access negotiations for drilling on the Rhea Extended prospect will also begin this month.

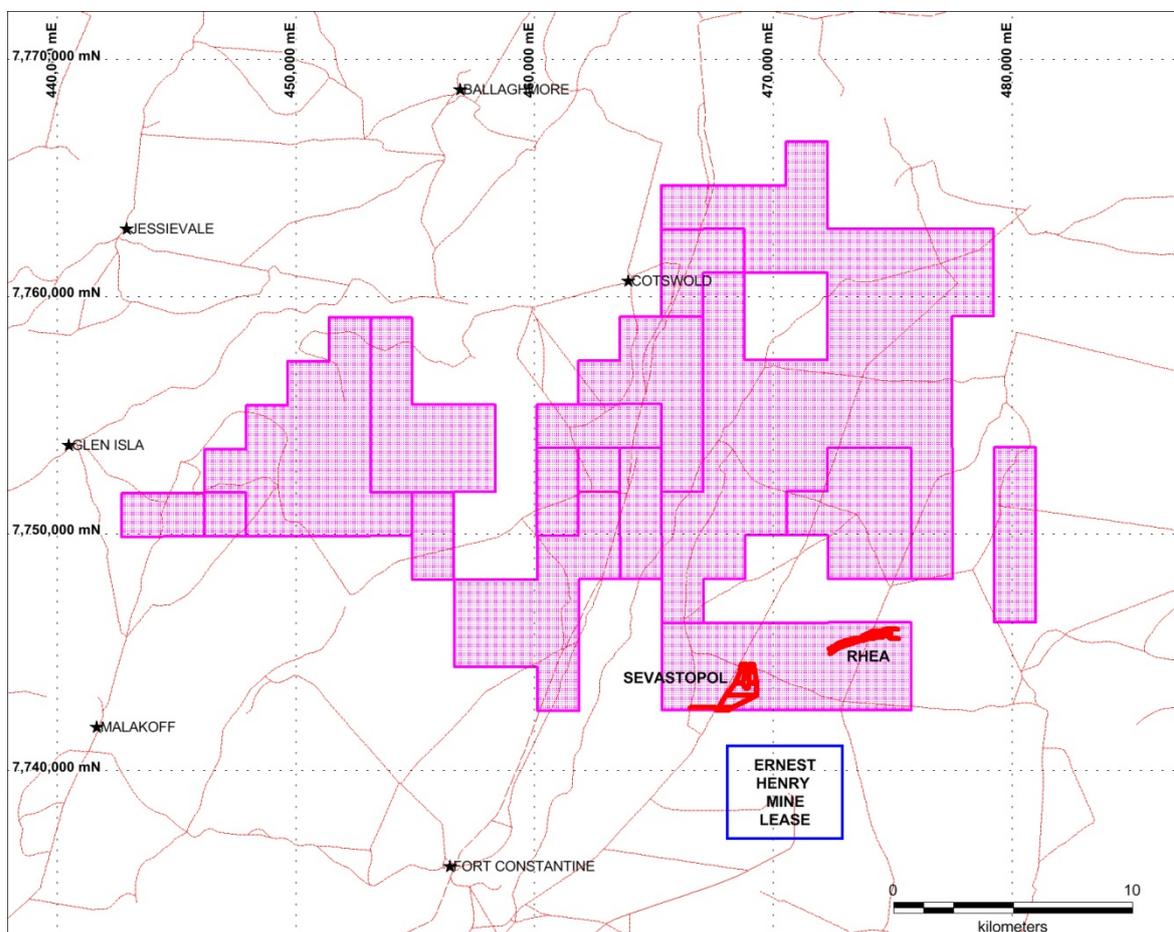


Figure 2: Tenement and graphite prospect location plan.

Notes

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.

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