

28 October 2014

## **Aircore Drilling Program Commenced at Sevastopol Graphite Prospect, Cloncurry, Queensland**

### **HIGHLIGHTS:**

- **Drilling commenced at the Sevastopol Graphite prospect located within the Mount Margaret West Project, Cloncurry, Queensland.**
- **Aircore program consisting of 21 drill holes will assist in defining the near surface extent of graphite mineralisation within the very large IP chargeability anomaly.**
- **The Aircore program has also been designed to test zones within the IP anomaly historically logged as weathered schist for the presence of coarse flake graphite.**

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to announce that it has commenced an aircore drilling program at Sevastopol prospect, one of two graphite prospects within its wholly-owned Mount Margaret project.

The Sevastopol prospect is located within EPM16398 tenement and within four kilometres of the Ernest Henry mine, near Cloncurry in Queensland. Cloncurry is an established mining centre and the prospect is ideally situated close to existing road, rail, water and power infrastructure.

The current drilling program consists of 21 vertical aircore drill holes over 1,050 metres and planned to nominally 50m depth at 200m collar spacing along existing IP survey lines (500m line spacing). Where intercepted, the graphitic unit will be sampled at 2m composite intervals and samples to be sent for analysis by ALS method C-IR18 for Total Graphitic Carbon. A representative sample from each hole will also be dispatched for petrographic analysis, principally to allow the interpretation of graphite grain size distribution across the prospect.

The Sevastopol graphite target is defined by a very large IP chargeability anomaly reflecting strongly graphitic shale and possible schist horizons within the Proterozoic basement. The IP anomaly area extent covers at least 2 km<sup>2</sup> and the graphitic units have been intersected from near-surface to a deepest EOH intersection of 345m in historic drilling. Analysis of the geophysical and drilling data suggests that approximately 55-80% of the IP chargeability anomaly volume is graphitic, possibly higher if lithology logged as biotite schist is determined to be graphite-bearing following the current drilling program.

ASX Code: GBZ

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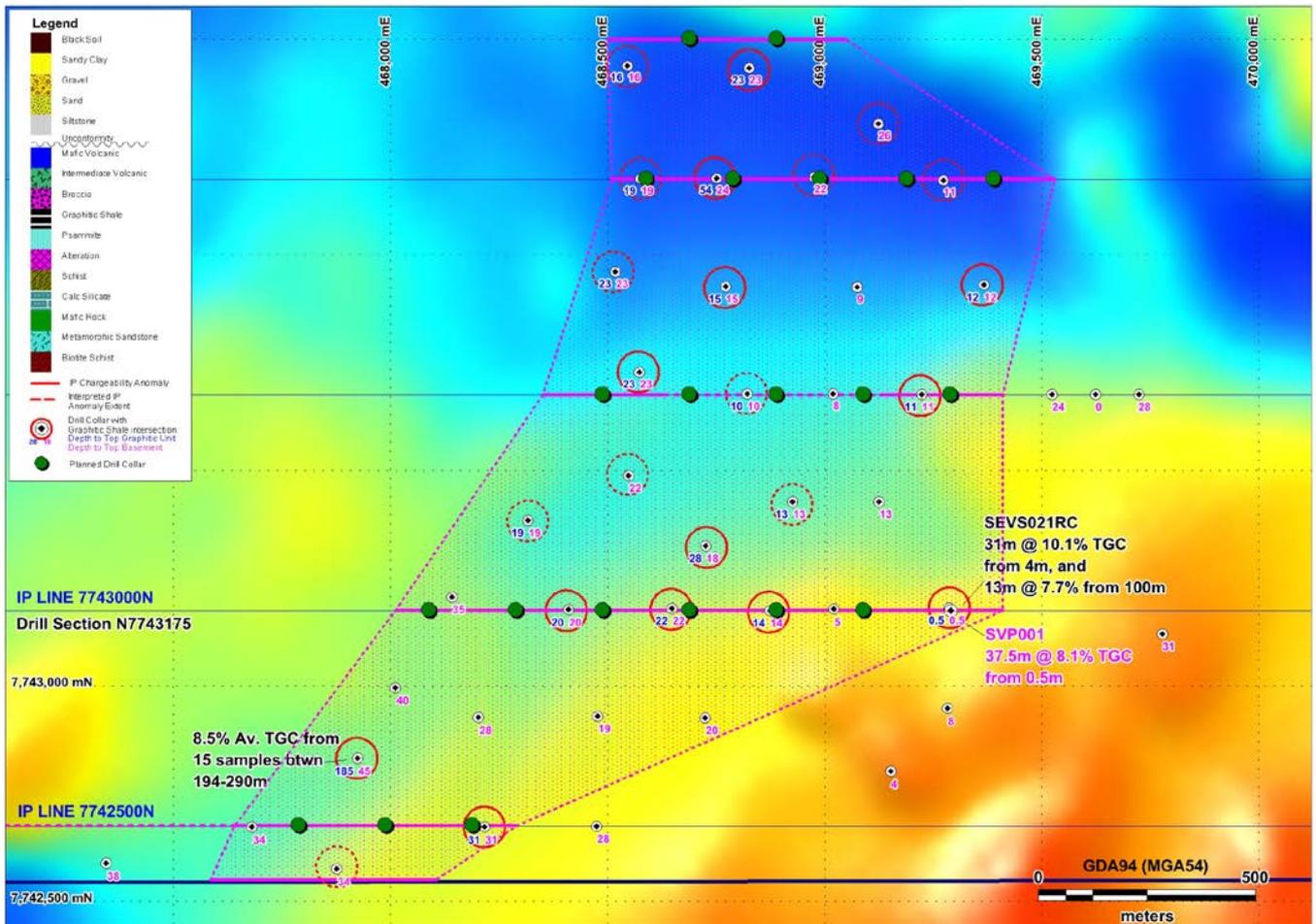
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Recent laboratory analysis of graphitic shale from a GBM scout aircore hole and historic Reverse Circulation (RC) and diamond drilling product returned consistent high-grade Total Graphitic Carbon (TGC) assays from across the prospect. An arithmetic average for all samples assayed returned 8.3 % TGC with a peak assay value of 18.7 % TGC (refer ASX announcement 22 September 2014).

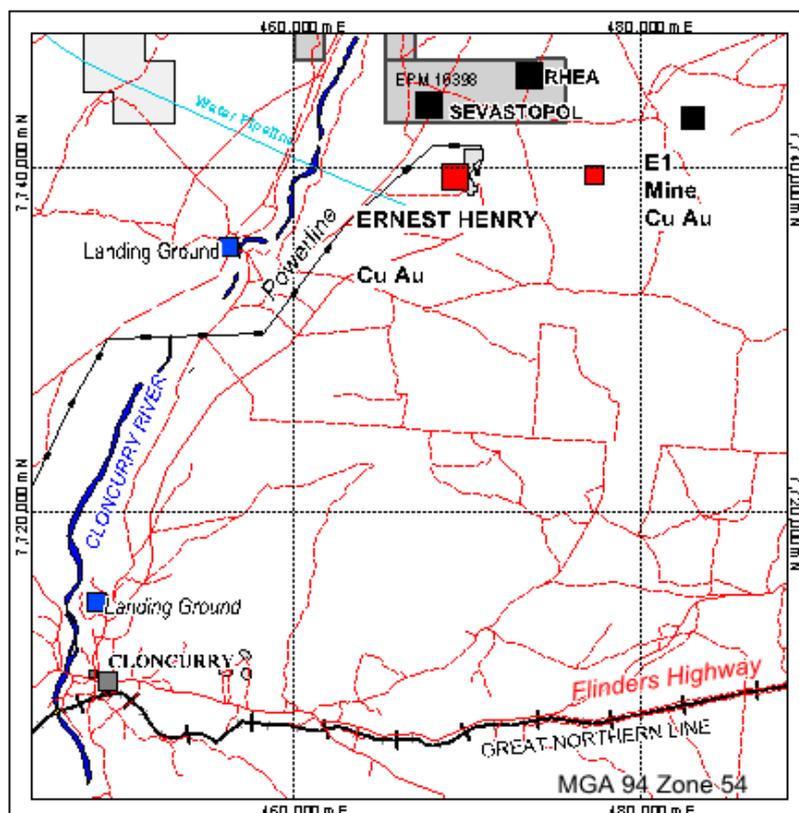
A program of Aircore drilling is also planned at the Company's second graphite prospect, Rhea within its wholly-owned Mount Margaret project for the first quarter next year.



**Figure 1:** Sevastopol graphite target showing interpreted IP chargeability anomaly extent in plan view and planned drill collars. All historic drill collars also shown over airborne TMI TRTP magnetic image.



**Figure 2:** First hole of aircore grid drilling program at FC4S Sevastopol graphite project. Ernest Henry mine waste dumps visible in the background.



**Figure 3:** Sevastopol and Rhea prospect location plan. Proximity to operating mines and established infrastructure highlighted.

For further information please visit [www.gbmr.com.au](http://www.gbmr.com.au) or contact:

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*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 holder of shares and options in the company and 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 Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed.*