

ASX Announcement

9 February 2015



GBM TO ACQUIRE THE MT COOLON GOLD ASSETS FROM DRUMMOND GOLD LTD

Highlights:

- **Binding Share Sale Agreement signed with Drummond Gold Limited to acquire 100% interest in Mt Coolon Gold Mines Pty Ltd, a wholly owned subsidiary of Drummond Gold Limited.**
- **Mt Coolon's assets are located in the Drummond Basin, one of Australia's most prominent regions for large, epithermal vein and stockwork style gold.**
- **This transaction supports GBM's Malaysian gold interest in acquiring assets with early production opportunity.**

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to announce the signing of a binding Share Sale Agreement ("**SSA**") with Drummond Gold Limited (ASX: **DGO**) whereby GBM will acquire a 100% interest in all of the issued capital of Mt Coolon Gold Mines Pty Ltd (**Mt Coolon**), a wholly owned subsidiary of DGO.

Key terms of the SSA are summarized as follows:

1. Consideration

Consideration payable by GBM to DGO consists of:

- I. Payment of cash amount of \$850,000 and
- II. The issue and allotment of 50 million fully paid ordinary shares in the capital of GBM.

The 50 million fully paid ordinary shares in the capital of GBM will remain in voluntary escrow for a period of 12 months from settlement. The Financial Assurance Security Bonds of \$370,000 held by the Queensland Mines Department shall transfer to GBM via the acquisition of Mt Coolon and is inclusive of the cash consideration payable to DGO.

2. Conditions Precedent

DGO to obtain shareholder approval to sell its interest in Mt Coolon to GBM.

3. Settlement

Settlement is to take place within 75 days of executing the SSA. It is anticipated that settlement should be completed in March 2015.

ASX Code: GBZ

COMPANY DIRECTORS

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Managing Director/ Executive Chairman

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The Acquisition of Mount Coolon brings to GBM a significant tenement holding and resource inventory in a premier Australian gold province. The target styles and commodities are in line with GBM's stated objectives of exploring for gold projects with significant upside in large mineralising systems and with near term production potential. While the focus of this acquisition is the defined resources and potential for near term production, the tenement package also includes a number of exploration prospects. Some of these prospects are advanced exploration targets which hold potential to supplement existing resources with minimal additional exploration. These advanced exploration targets will be fully evaluated once priority work on identified resources is sufficiently advanced.

Included in the acquisition is a modern site office, four man camp, workshop, a range of exploration and maintenance equipment and field vehicles all located in the township of Mount Coolon.

Mt Coolon Gold Assets

The project is located 250km west of Mackay in Queensland in the northern Drummond Basin. The Drummond Basin is an established gold mining region with past production of more than 4.5 Mozs and a known gold endowment totalling over 7.5 Mozs of gold. Deposit styles range from bonanza grade epithermal veins (eg. Pajingo 3.00 M ozs) to bulk tonnage intrusive related gold deposits (eg. Mt Leyshon 2.07 M ozs).

Resources

Mount Coolon Gold Mines have published resources containing a total of 283,000 ounces of gold (these resources are tabulated below). The inventory is comprised of three deposits of which the largest, Eugenia contains 63% of the total defined resource is considered to have considerable exploration potential by GBM. Eugenia (previously referred to as Police Creek) is considered to represent the upper levels of a low sulphidation epithermal system.

Mineralisation is hosted by quartz veins and sulphide stringers and breccias forming a broad mineralised zone dipping gently to the west. Mineralisation is hosted by a thick dacitic ignimbrite unit. The area is extensively covered by shallow, post mineralisation sediments beneath which potential to extend the deposit with further drilling exists. In addition, to date no feeder zone has been identified and potential exists for the discovery of high grade fissure veins through further exploration.

Project	Location	Resource Category									Total			Cut-off
		Measured			Indicated			Inferred			000' t	Au g/t	Au ozs	
		000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs				
Koala	Hecorina Pit				15	2.6	1,300				15	2.6	1,300	None
	Underground Extension				205	5.9	39,600	39,600	5.3	10,600	267	5.7	49,300	3.0
	Tailings	305	1.6	15,800	11	1.6	500	6	1.5	300	322	1.6	16,700	None
	Total	305	1.6	15,800	231	5.5	40,400				604	305	67,200	
Eugenia	In Whittle pit							428	1.5	20,800	428	1.5	20,800	0.5
	Outside pit							3,988	1.2	157,500	3,988	1.2	157,500	0.5
	Total							4,416	1.3	178,200	4,416	1.3	178,200	0.5
Glen Eva	Below pit.				132	7.8	33,200	21,000	5.9	4,000	154	7.5	37,200	3.0
Total		305	1.6	15,800	363	6.3	73,600	4,506	1.3	193,100	5,174	1.7	283,000	

Table; Mount Coolon Gold Proprietary limited consolidated gold resources (Drummond Gold Limited annual report for the year ended 30 June 2014, released to the ASX 30 September 2014).

The tenement package includes four granted Mining Leases, two granted exploration permits and one exploration permit application covering a total area of 802 Ha. These tenements are summarised in the table below. Independent review of these tenements confirm that all are in good standing and key mining Licences have recently been renewed until 2024.

Tenement	Holder	Equity	Project Name	Granted	Expiry Date	Area (Ha)
EPM 7259	Mount Coolon Gold Mines Pty Ltd	100%	Conway	18/05/1990	17/05/2019	38.4
EPM15902	Mount Coolon Gold Mines Pty Ltd	100%	Mt Coolon	13/06/2008	12/06/2018	320.0
EPM 25365	Mount Coolon Gold Mines Pty Ltd	100%	Mt Coolon North	18/09/2014	17/09/2019	144.0
ML 1029	Mount Coolon Gold Mines Pty Ltd	100%	Koala 1	30/05/1974	31/01/2024	70.8
ML 1085	Mount Coolon Gold Mines Pty Ltd	100%	Koala Camp	27/01/1994	31/01/2024	4.9
ML 1086	Mount Coolon Gold Mines Pty Ltd	100%	Koala Plant	27/01/1994	31/01/2024	97.6
ML 10227	Mount Coolon Gold Mines Pty Ltd	100%	Glen eva	5/12/1996	31/12/2016	126.8

Table ; Mount Coolon Gold Mines Limited tenement summary.

Future Work

The Mount Coolon Gold Mines acquisition provides an opportunity to rapidly upgrade the confidence levels of the key Eugenia resource, and to quickly add further resources from known project areas. This upgraded resource base will provide the foundation to investigate near term production options, including from heap leaching of oxidised ores at Eugennia. GBM will evaluate a range of funding options to progress Mount Coolon .

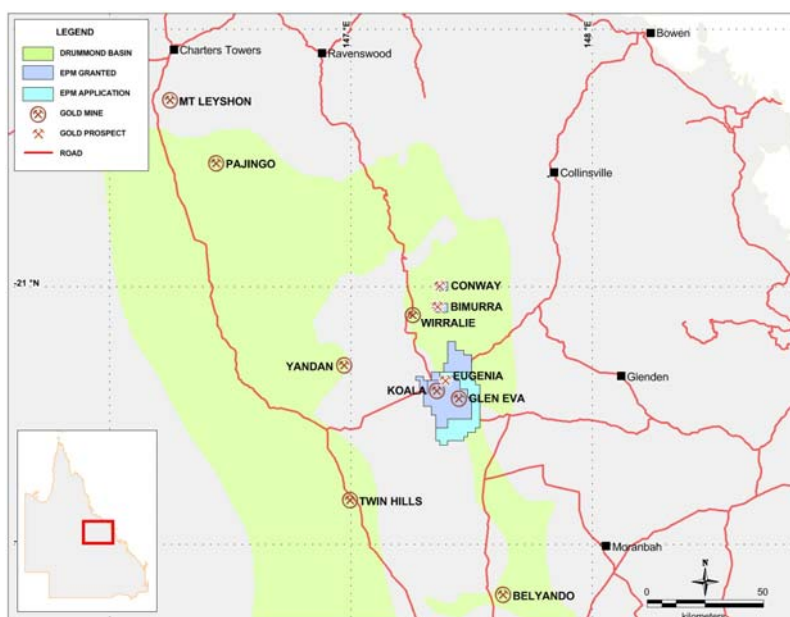


Figure: Location, EPMs as at 2009, prospects and mines.

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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.