

15 April 2010  
The Manager  
Company Announcements  
Australian Securities Exchange Ltd  
Level 5, 20 Bridge Street  
Sydney NSW 2000

Dear Sirs,

## **GBM and Pan Pacific Copper Sign A\$55 million Farm-in Agreement**

GBM Resources Limited (**GBM**) (ASX:GBZ) is pleased to announce that it has executed a binding Farm-in Agreement with Pan Pacific Copper Co., Limited (**PPC**), a leading global company in the copper market, relating to five project areas in the Mount Isa region of North Queensland (set out in Figure 1).

The projects cover 1,580km<sup>2</sup> of highly prospective multi-minerals ground in the Eastern Succession of the Mount Isa Inlier held by wholly owned subsidiaries of GBM. The area is considered highly prospective for large Iron-Oxide-Copper-Gold style deposits.

The Farm-in Agreement provides PPC with the option to earn up to a 90% interest in certain of the projects by spending up to A\$55m on project exploration and development expenditure.

The highlights of the Farm-in Agreement are as follows:

- PPC has the right to earn a 51% interest in the projects by spending a total of A\$15 million within a six year period. PPC is required to spend a minimum of A\$2 million on exploration during the first two years of the agreement.
- During the initial farm-in period, GBM will manage all exploration activities on the projects on behalf of PPC.
- PPC may subsequently increase its interest up to 90% in the projects (other than the Chumvale Breccia Prospect) by spending A\$1.026m for each 1% increment for total additional expenditure of A\$40m. PPC may only earn a maximum interest of 51% in the Chumvale Breccia Prospect.
- Upon PPC acquiring a 90% interest in the projects, GBM will retain a free carried interest of 10% through to the completion of a Bankable Feasibility Study on the projects.

Commencement of the Farm-in Agreement is conditional on limited due diligence and regulatory approval.

PPC (whose shareholders are Nippon Mining & Metals and Mitsui Mining & Smelting) is an integrated copper business involved in the full value chain, including the procurement and development of copper resources, the production of refined copper and related by-products and the marketing of those products in Japan, Korea, China and other countries.

PPC is the world's largest buyer of copper concentrate procuring 1.7m tonnes per annum. It operates copper smelting facilities in Japan and Korea and is the leading producer of copper products in Asia with annual sales revenue of approximately A\$6.6bn. PPC also invests directly in copper resources projects at various stages of development including the Caserones copper deposit in Chile and the Quechua copper deposit in Peru.

GBM's Managing Director, Peter Thompson, commented: "This Farm-in Agreement with a major strategic global partner achieves a key strategy for GBM. It means that these projects can be advanced and have the required level of funding to target a potential new discovery."

"The terms of the Farm-in Agreement enable PPC to participate in the development potential of these projects within a highly prospective region and to secure a future supply of raw materials if it leads to a world class copper-gold discovery".

"The signing of the Farm-in Agreement with PPC represents a major step forward in realising value from GBM's extensive tenement portfolio in the Mount Isa region, and generating significant benefits for shareholders."

Yours Sincerely,

Peter Thompson  
Managing Director  
GBM Resources Limited

**Figure 1 – Farm-in Project Areas**

The Mount Isa projects subject to the Farm-in Agreement are:

1. Talawanta
2. Grassy Bore
3. Mt Margaret
4. Bungalien (excluding phosphate rights)
5. Chumvale Breccia Prospect (located within the Brightlands tenement and representing less than 3% of the area of the tenement).

Project Farm-in areas shown in red:

