



NOTICE OF GENERAL MEETING

&

EXPLANATORY STATEMENT

To be held

At 9.00am, Monday, 31st January 2011

at

South Perth Yacht Club, Cnr Duncraig and Canning Beach Roads,
Applecross WA 6153



30th December 2010

Dear Fellow GBM Resources Shareholder,

Please find enclosed the Notice of General Meeting for the Shareholders' Meeting to be held at South Perth Yacht Club, Cnr Duncraig and Canning Beach Roads, Applecross WA 6153 at 9.00am on Monday, 31st January 2011.

The purpose of the meeting is to seek shareholder approval in accordance with the Corporations Act 2001 and the Listing Rules of the ASX to a number of resolutions, which are set out in the attached Notice of Meeting paper in relation to a share placement announced by the Company on 22nd December 2010.

Your Directors seek your support and look forward to your attendance at the meeting.

Yours sincerely

Peter Thompson
Executive Chairman

GBM RESOURCES LIMITED

ABN 91 124 752 745

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of GBM Resources Limited will be convened at 9.00am on Monday, 31st January 2011 at South Perth Yacht Club, Cnr Duncraig and Canning Beach Roads, Applecross, Western Australia.

AGENDA

ORDINARY BUSINESS

1. Ratification of Prior Issue of Equity Securities – Share Placement - Tranche 1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of up to 25,000,000 ordinary fully paid shares on the terms and conditions set out in the Explanatory Statement.”

2. Approval of the Issue of Equity Securities – Share Placement – Tranche 2

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 12,500,000 ordinary fully paid shares on the terms and conditions set out in the Explanatory Statement.”

3. Approval of the Issue of Equity Securities – Corporate Advisory Fee Options

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 10,000,000 options to acquire ordinary shares in the Company to its corporate advisor, on the terms and conditions set out in the Explanatory Statement.”

GBM RESOURCES LIMITED
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NOTICE OF GENERAL MEETING

GENERAL NOTES

1. The Company will disregard any votes cast on agenda item 1 by any person who participated in the issue, and any associate of that person (or those persons).
2. The Company will disregard any votes cast on agenda item 2 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associate of that person (or those persons).
3. The Company will disregard any votes cast on agenda item 3 by Greenday Corporate Pty Ltd and any of its associates, and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associate of that person (or those persons).
4. Before a voting exclusion applies, the Company need not disregard a vote if:
 - (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
5. The Explanatory Statement to Shareholders attached to this Notice of General Meeting is hereby incorporated into and forms part of this Notice of General Meeting.
6. The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at 5.00pm on 28th January 2011.

BY ORDER OF THE BOARD



Kevin R Hart
COMPANY SECRETARY

Dated this 30th day of December 2010

GBM RESOURCES LIMITED
ABN 91 124 752 745

EXPLANATORY STATEMENT

The purpose of the Explanatory Statement is to provide shareholders with information concerning all of the Agenda items in the Notice of General Meeting.

Share Placement

On 22nd December 2010, the Company announced to the ASX that it had received firm commitments from institutional and sophisticated investors for a Placement of 37,500,000 ordinary fully paid shares at an issue price of 12 cents per share to raise \$4.5 million before costs of the issue. The Placement is to be completed in two tranches.

The settlement of the first tranche of 25,000,000 shares, for which the first agenda item of this Notice seeks Shareholder ratification of the issue, falls within the Company's available 15% placement capacity and will be completed on or about 18th January 2011. The second tranche of 12,500,000 shares, for which approval is sought in the second agenda item of this Notice, will occur as soon as practicable after the completion of the General Meeting, subject to Shareholder approval.

Greenday Corporate Pty Ltd has acted as advisor and coordinated the Share Placement and a proportion of their fee for the management of the placement and related corporate advice is to be settled, subject to Shareholder approval sought in the third agenda item of this Notice, by the issue of 10,000,000 Options to acquire ordinary fully paid shares in the Company.

Resolution 1 Ratification of Prior Issue of Equity Securities – Share Placement - Tranche 1

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of up to 25,000,000 ordinary fully paid shares, which is due to be completed on or about 18 January 2011.

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

Listing Rule 7.4 allows an issue of securities made without the approval of Shareholders to be ratified by shareholders, in order to refresh the 15% capacity under Listing Rule 7.1, provided at the time the issue was made, the issue was made within the Company's existing 15% capacity under Listing Rule 7.1.

Shareholder approval is therefore now sought pursuant to Listing Rule 7.4 to ratify tranche 1 of the Placement so that the Company refreshes its capacity to issue up to 15% of its issued ordinary capital, if required, in the next 12 months without first requiring Shareholder approval for those future issues.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of equity securities issued under tranche 1 of the Placement is 25,000,000 Shares;
- (b) the Shares were issued at a price of \$0.12 per Share;
- (c) the Shares issued rank equally with existing Shares on issue;
- (d) the Securities were issued to institutional and sophisticated investors, none of whom are related parties of the Company;
- (e) the Shares are listed on ASX, and
- (f) the funds raised via the Placement will be applied to continue exploration activities at the Brightlands Copper Gold project, primarily to accelerate the exploration activities at the Company's Milo Prospect and provide working capital.

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Resolution 2 Approval of the Issue of Equity Securities – Share Placement - Tranche 2

Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the allotment and issue of up to 12,500,000 ordinary fully paid shares.

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

The effect of Resolution 2 will be to allow the Directors to issue the Shares pursuant to tranche 2 of the Share Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

By approving this issue, and subject to successful Shareholder ratification of Tranche 1 of the Placement, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the maximum number of equity securities to be issued under tranche 2 of the Placement is 12,500,000 Shares;
- (b) the Shares will be issued at a price of \$0.12 per Share;
- (c) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (d) the Shares issued will rank equally with existing Shares on issue;
- (e) the Shares will be issued to institutional and sophisticated investors, none of whom are related parties of the Company;
- (f) the Company will apply to ASX for quotation of the Shares on ASX; and
- (g) the funds raised via the Placement will be applied to continue exploration activities at the Brightlands Copper Gold project, primarily to accelerate the exploration activities at the Company's Milo Prospect and provide working capital.

EXPLANATORY STATEMENT

Resolution 3 Approval of the Issue of Equity Securities – Greenday Corporate Pty Ltd – Advisory Fee Options

Resolution 3 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the allotment and issue of up to 10,000,000 options to acquire ordinary fully paid shares in the Company.

The Options, subject to Shareholder approval, will be issued to Greenday Corporate Pty Ltd as part consideration for corporate services provided in relation to the Share Placement the subject of Resolutions 1 and 2.

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

The effect of Resolution 3 will be to allow the Directors to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

By approving this issue, and subject to successful Shareholder ratification of Tranche 1 of the Placement, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the maximum number of equity securities to be issued is 10,000,000 Options;
- (b) the Options will be issued in relation to the provision of corporate advisory services in respect of the Placement the subject of Resolutions 1 and 2;
- (c) the Options will be issued for nil further cash consideration and no funds will be raised from the issue;
- (d) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (e) the Options issued will rank equally with existing Listed Options on issue;
- (f) the Options will be issued to Greenday Corporate Pty Ltd, which is not a related party of the Company; and
- (g) the Company will apply to ASX for quotation of the Options on ASX.

Terms and conditions of the Options are included at Schedule 1 to this Notice.

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SCHEDULE 1 – TERMS AND CONDITIONS OF LISTED OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on 30 June 2013 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.20 (Exercise Price).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;(Exercise Notice).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Company will apply to the ASX for quotation of these options. All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (i) The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (j) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (l) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

PROXY FORM

**To: GBM Resources Limited (ABN: 91 124 752 745)
Suite 8, 7 The Esplanade
Mt Pleasant WA 6153**

Fax No: 61 8 9315 5475

Mark this box with an 'X' if you have made any changes to your address details (see reverse)

Name: _____
(PLEASE PRINT)
Address: _____

Appointment of Proxy:

I/We being a member/s of GBM Resources Limited and entitled to attend and vote hereby appoint:

The Chairman of the Meeting
(mark with an 'X') **OR** Write here the name of the
person you are appointing if this
person is **someone other than**
the Chairman of the Meeting.

Or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of GBM Resources Limited to be held at South Perth Yacht Club, Cnr Duncraig and Canning Beach Roads, Applecross, WA 6153 on Monday, 31 January 2011 at 9.00am (Perth time) and at any adjournment of that meeting.

Voting directions to your proxy – please mark **to indicate your directions**

Agenda Item

	For	Against	*Abstain
1. Ratification of Prior Issue of Equity Securities – Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of the Issue of Equity Securities – Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of the Issue of Equity Securities – Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on you behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If you do not wish to direct your proxy how to vote, and wish him or her to vote at his or her discretion, please place a mark in this box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution, and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your vote on the resolutions and your vote will not be counted in computing the required majority if a poll is called.

PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

**Individual / Sole Director and
Sole Company Secretary**

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

HOW TO COMPLETE THE PROXY FORM

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. The Chairman intends to vote in favour of resolutions for which no voting indication has been given.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate securityholder or proxy is to attend the meeting, the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of a Proxy and Deadline for Receipt of Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 9am (Perth time) on 29th January 2011, being 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by post, delivery or facsimile to the Registered Office of GBM Resources Limited being:

**Suite 8, 7 The Esplanade, Mt Pleasant WA 6153
Or by facsimile to fax number +61 8 9315 5475**