

ASX Announcement  
12 January 2011

## **Airborne Magnetic Data Extends IOCG Potential at Milo, Brightlands Copper-Gold Project, North-West Queensland**

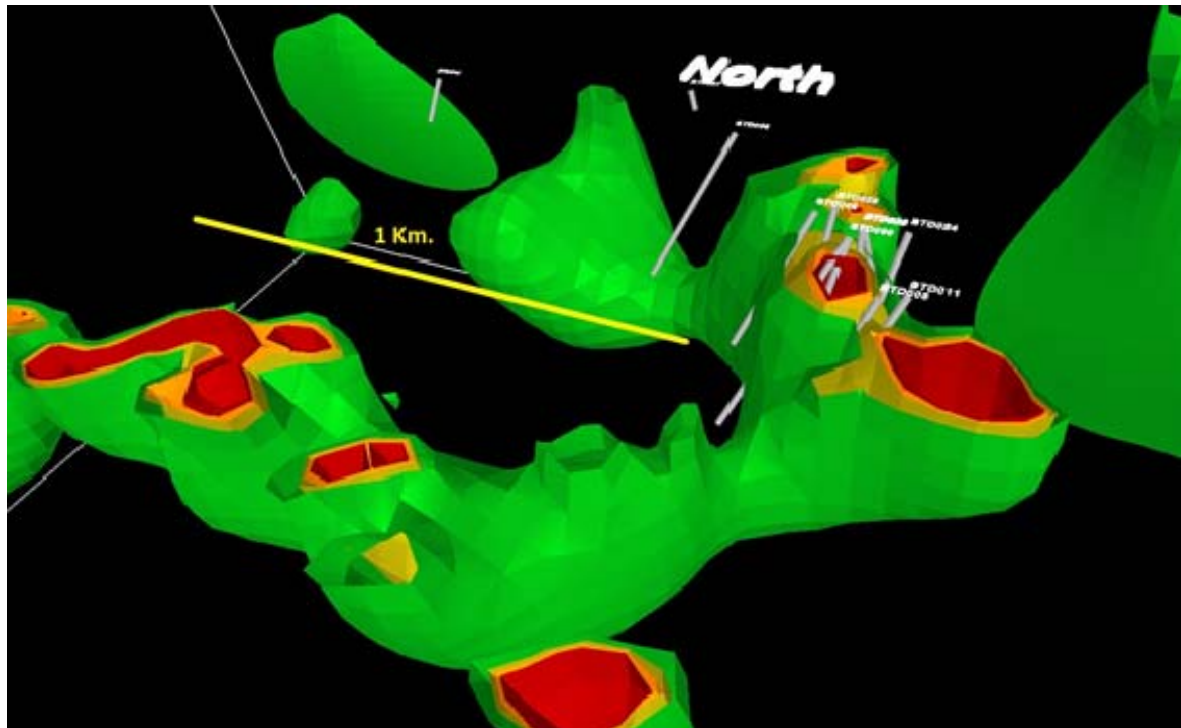
3D modelling of airborne magnetic data for the Milo IOCG Prospect area has increased the potential for mineralisation to extend beyond the recently released initial exploration target of between 30Mt and 80Mt within a grade range of 0.8% and 1.2% Cu equivalent.

Key points from initial examination of this model in conjunction with other available data are;

- Model shows the magnetic feature associated with Milo mineralisation extends further to the South East and North West.
- Initial field inspection has confirmed that alteration and mineralisation does extend to the south east.
- Magnetite (likely source of magnetic anomalies) shows a general correlation with copper mineralisation in data available from drilling completed to date.
- Drill testing of this area may result in an increase to the recently released initial exploration target of between 30Mt and 80Mt within a grade range of 0.8% and 1.2% Cu equivalent.
- The Milo area appears to be part of a large semicircular magnetic feature containing several other magnetic highs which require follow up field work.

Australian resources company GBM Resources Limited (**ASX:GBZ**) (“GBM or “the Company”) has received positive results from the airborne magnetic survey, that continues to support the Milo prospect at its Brightlands Copper Gold Project in North-West Queensland has potential to be a large Iron Oxide Copper Gold (IOCG) system to be hosted within the extensive breccia developed in the prospect area.

GBM commissioned a detailed low level (40m terrain clearance) airborne magnetic survey in the second half of 2010 over the northern section of the Brightlands project area to assist in geological interpretation and target definition. Data from this survey has been incorporated into a 3D Inversion to produce a model that best represents the magnetic properties of rocks in the Milo Prospect area to assist in interpretation and target generation following the successful drilling program completed in 2010.



*Figure; oblique view of Milo magnetic model showing GBM Drillholes. Model shells (in magnetic susceptibility units) are green 30,000, olive 50,000, orange 60,000 and red 70,000.*

***The 3D Model shows the magnetic feature associated with Milo mineralisation extends further to the South East and North West- demonstrating the potential to increase the initial exploration target size.***

Highlights from the 4 hole diamond program released to the ASX on 14 December 2010 are below:

- Results from recently completed diamond drill program of 1600m at Milo Prospect confirmed potential for a large Iron Oxide Copper Gold (IOCG) system to be hosted within the extensive breccia developed in the prospect area.
- Significant results - BTDO24: 107m @ 0.8% Cu equivalent including 37m @1.1% Cu equivalent  
BTDO25: 86m @ 0.8% Cu equivalent including 27m@ 1.2% Cu equivalent and 18m @ 1.3% Cu equivalent.
- Initial Exploration Target of 30 to 80 million tonnes within a grade range of 0.8% and 1.2% Cu equivalent.
- Drilling program confirms consistent mineralisation over broad intervals with significant results for copper, gold, silver, molybdenum, cobalt and uranium.
- The Milo IOCG mineralising system remains open both at depth and along strike which suggests potential for future increases in exploration target size.
- Drilling to date supports that Milo has the potential to be a large breccia hosted, poly-metallic IOCG system.



*Picture; Looking west to massive breccia outcrop at Milo*

The forward program at the Milo prospect will commence after the normal North-West Queensland wet season (approximately March 2011) and will involve:

- Drilling to test the depth and the strike of the current work area to confirm and or expand the initial exploration target size of 30-80 million tonnes grading between 0.8% to 1.2% Cu equivalent,
- Drill test the magnetic high that sits alongside the current work area,
- Complete a step-out drill program over the 2km strike to confirm Milo's mineralizing potential, and
- Complete metallurgical test work to provide indicative recovery data for a project scoping study.

The results from this program would provide the basis for resource drilling to follow. The Milo Prospect at the Brightlands Cu Au Project remains the Company's primary focus. The T2 prospect at Tiger will be progressed along with other exploration targets during 2011.

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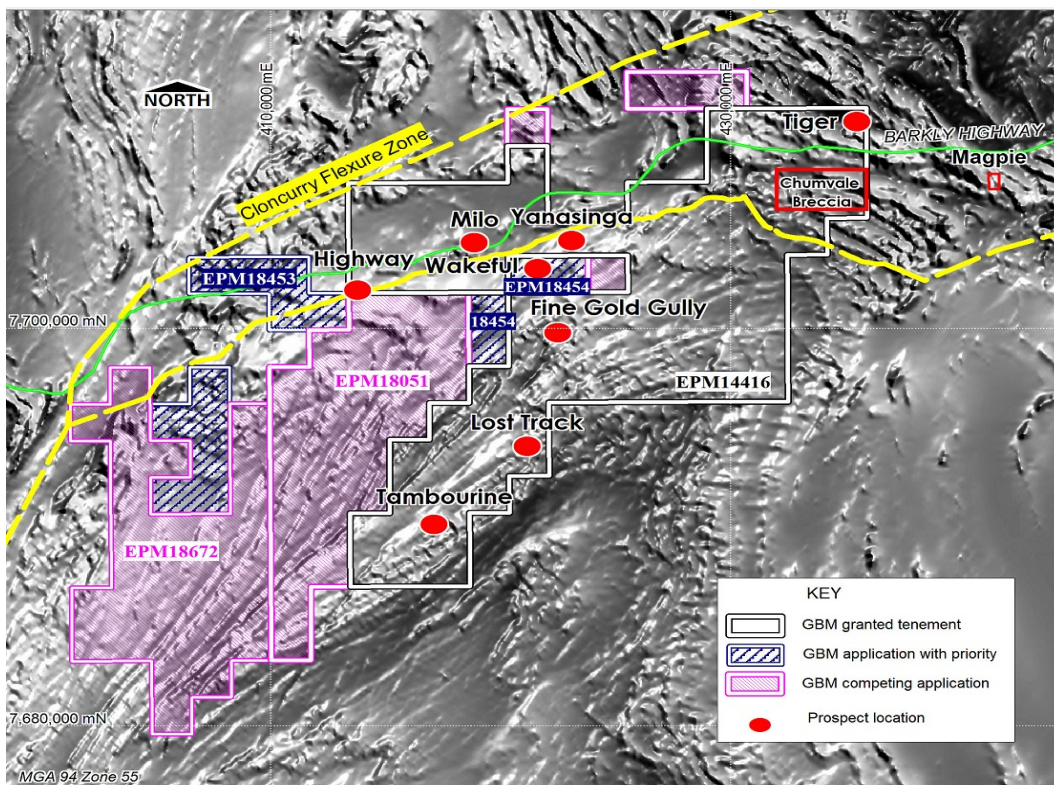
*\*<sup>1</sup> Copper Equivalent calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. However it is the company's opinion that elements considered here have a reasonable potential to be recovered. It should also be noted that current state and federal legislation may impact any potential future extraction of Uranium. Prices and conversion factors used are summarised below, rounding errors may occur.*

Commodity	Price	Units	unit value	unit	Conversion factor (unit value/Cu % value)
copper	6836	US\$/t	68.36	US\$/%	1.0000
gold	1212	US\$/oz	38.97	US\$/ppm	0.5700
cobalt	40000	US\$/t	0.04	US\$/ppm	0.0006
silver	18	\$/oz	0.58	US\$/ppm	0.0085
uranium	40	US\$/lb	0.08	US\$/ppm	0.0012
molybdenum	38000	US\$/t	0.04	US\$/ppm	0.0006

*\*<sup>2</sup> Intersections quoted are length weighted averages of results for individual sample intervals. Samples were taken at 1 metre intervals in RC drilling by multistage splitter and generally 1 metre intervals of half sawn core with maximum of 2metres for diamond drilling. Analyses were completed by ALS in Mt Isa for all elements other than gold by ME-ICP61, over limit (>1%) Cu by Cu-OG46 and AU by Au-AA25 in Brisbane. Holes range in declination from 50<sup>o</sup> to 70<sup>o</sup> to 225<sup>o</sup> MGA which are interpreted to dip steeply to 045<sup>o</sup> MGA and are drilled approximately perpendicular to the interpreted strike of mineralised zones.*

<sup>3</sup> It should be noted that this is an exploration target only, potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The tonnage estimate is based on a 475 metre strike length with an average combined width of 80 metres and depth of 500 metres being the volume broadly tested by drilling to date. A nominal bulk density of 3.0 t/m<sup>3</sup> was assumed. An accuracy of +/- 50% was assumed to provide a tonnage range reflecting the conceptual nature of this target estimate. Grade ranges represent the range of downhole intersections available over significant widths to date.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Neil Norris, who is a Member 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.



Brightlands Project area showing prospects over TMI RTP magnetic image