

18 May 2011
ASX Announcement

Major Drilling Underway on the Pan Pacific Copper / Mitsui Farm-in Projects in North West Queensland

HIGHLIGHTS;

- Drilling currently at the Bungalien IOCG Project.
- \$2.75 million to be spent on Pan Pacific Copper / Mitsui Farm-in project areas this year.
- All 4 project areas have potential for Iron Oxide Copper Gold style deposits (IOCG).
- Drilling and field programs will run through to December.

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to advise that drilling is underway on the Bungalien project area, one of four Pan-Pacific Copper/Mitsui Farm-in areas that include Grassy/Talawanta, Mount Margaret West, and Chumvale in the Eastern Succession of the Mount Isa Region of North-West Queensland.



Picture shows Diamond drilling in progress at the Bungalien IOCG Project

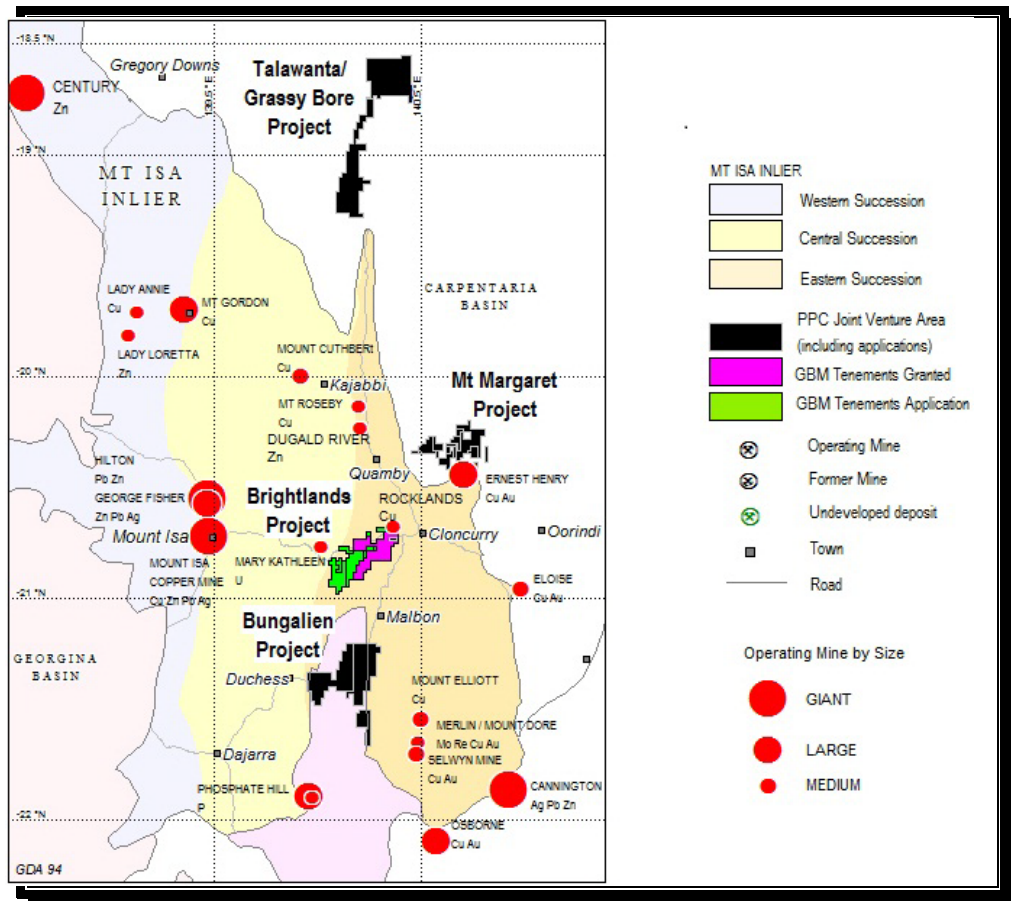
The Bungalien IOCG Project

The project area includes four granted exploration licences - Bungalien(EPM14355), Horsecreek(EPM15150), Malbon 2 and Limestone Creek (EPM 17849)- which together cover an area of 228 square kilometres.

The Bungalien Project includes a number of discrete magnetic features in an area covered by sediments of the Georgina Basin. These features are interpreted to reflect areas of potential metasomatic magnetite formation in the Proterozoic basement. Two of these significant geophysical targets have been selected for initial drill testing.

Diamond drilling currently underway will initially test:

1. Coincident magnetic high and anomalous copper soil geochemistry on the Malbon 2 licence area. This area displays strong copper anomalism despite coverages of over 200m of overlying sediments and is interpreted to represent a significant 'leakage' of bedrock geochemistry through the overlying Georgina Basin sediments; and
2. A discrete magnetic high located in the south western part of the Bungalien licence area.



Project Location Map

For Further information please contact:

Peter Thompson
Managing Director

GBM Resources Limited
Tel: 08 9316 9100

Colin Hay
Professional Public Relations
Tel: 0423 602 353
E: Colin.Hay@ppr.com.au

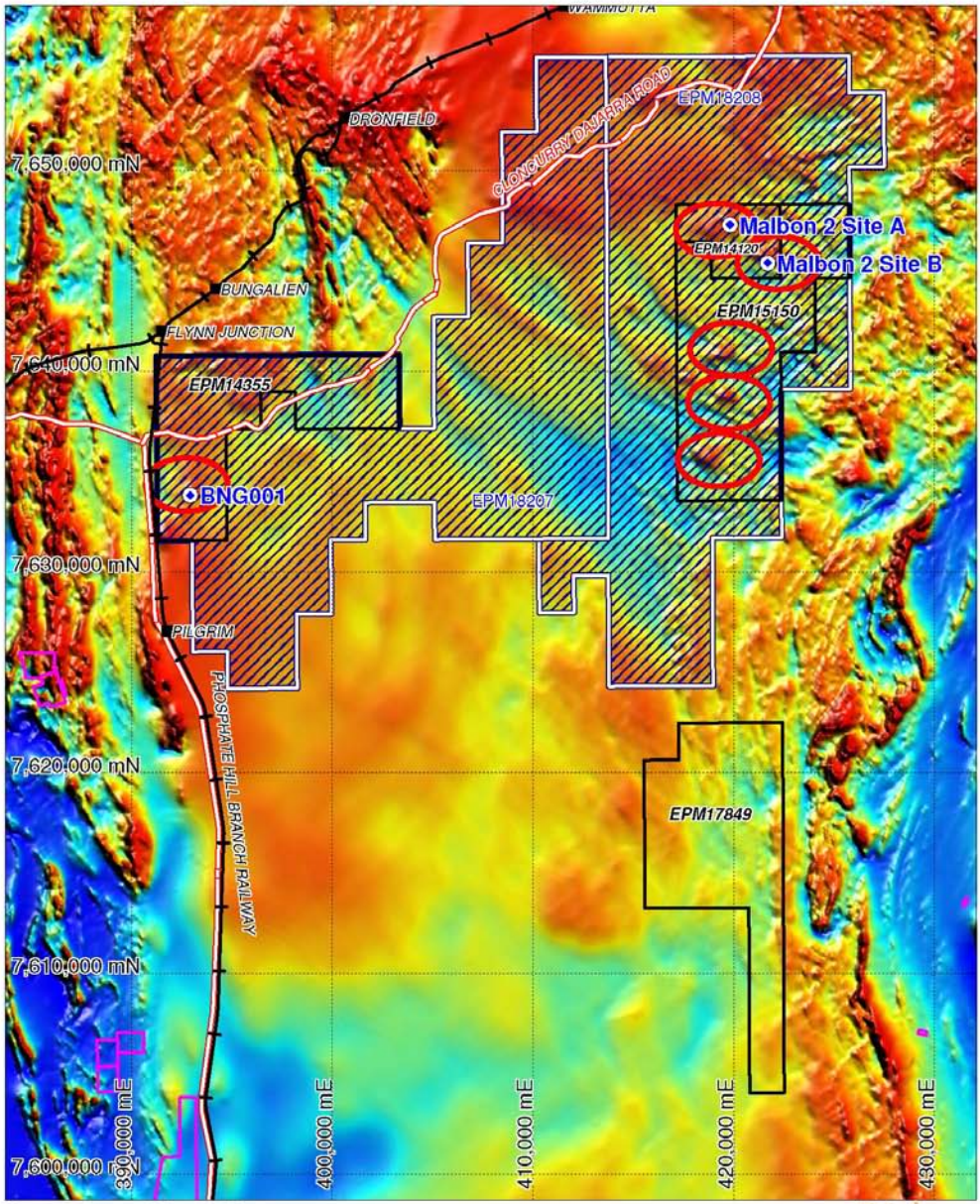
About The Pan Pacific Copper Co and Mitsui & Co Farm-in Agreement

Under the Farm-in Agreement, Pan Pacific Copper/Mitsui, through their co-established Australian subsidiary, Cloncurry Exploration and Development Pty Ltd ("CED"), can spend up to A\$55million on the development of new copper–gold exploration and mining projects in northwest Queensland.

Highlights of the Farm-in Agreement include:

- *CED has the right to earn a 51% interest in the projects by spending a total of A\$15 million within a six year period. CED is required to spend a minimum of A\$2 million on the 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 CED.*
- *CED may subsequently increase its interest up to 90% in the projects (other than the Chumvale Breccia Prospect) by spending A\$1.026 million for each 1% increment through total additional expenditure of \$A40 million.*
- *Upon CED 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.*

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 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.



Coordinate System: MGA 94 ZONE 54
TMI Image

- Key
- IOCG Proposed Drilling May 2011
 - IOCG Targets
 - ▭ Granted Tenements
 - ▨ Application Tenements

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BUNGALIÉN PROJECT
IOCG TARGETS
WITH PROPOSED
DRILLING

