

16 February 2012
ASX Announcement

GBM to Realise \$3.3million from Sale of Queensland Phosphate Project

HIGHLIGHTS:

- **GBM to realise \$3.3M in fully paid shares in IPO for its 30% interest in the Queensland Phosphate assets**
- **GBM will seek to distribute the shares via in-specie distribution to GBM shareholders.**
- **Deal allows GBM to further focus on “flagship” Milo IOCG/Rare Earths Project in Queensland.**

Australian resources company GBM Resources Limited (ASX: GBZ) (“GBM” or “the Company”) is pleased to announce that Swift Resources Limited (“Swift”), a wholly owned subsidiary of Singaporean company Swift Venture Holdings Corporation, has conditionally agreed to acquire 100% of GBM’s Queensland Joint Venture phosphate rights under a conditional Share Sale and Purchase Agreement (SSPA) dated 16 February 2012.

The Key Terms and Outcomes of the SSPA are:

1. Swift to acquire 100% of the issued share capital of Bungalien Phosphate Pty Limited (“Bungalien”) on the successful admission of Swift to the ASX’s official list. At present Bungalien is a wholly owned subsidiary of GBM and shall have a 100% interest in the phosphate rights subject to Swift being officially listed and quoted on the ASX, among other conditions.
2. A consideration of 16.5 million fully paid \$0.20 shares in Swift will be allotted to GBM, subject to Swift being admitted to the official list of ASX among other conditions.
3. Subject to shareholder approval, GBM will seek to distribute the 16.5 million fully paid ordinary shares in Swift in specie to GBM shareholders. This will provide GBM shareholders one fully paid ordinary share in the listed public company Swift for approximately every 15 GBM shares.
4. The initial public offer by Swift is for up to 25 million fully paid ordinary shares at an issue price of \$0.20 per share to raise up to \$5 million. Swift plans to seek admission and quotation to the official list of ASX within the next two-three months.

5. If Swift does not achieve admission to the official list of the ASX then Swift Venture Holdings Corporation and GBM's interests in the phosphate rights will revert to an unincorporated joint venture in which Swift Venture Holdings Corporation's interest will be 70% and GBM's 30%. (See background note in this release).
6. Other conditions precedent to the proposed transaction include Swift and GBM obtaining all necessary shareholder, third party and regulatory approvals and consents.

In September 2010 GBM entered into a binding agreement with Swift Venture Holdings Corporation (SVH), over GBM's phosphate assets in North Queensland.

The agreement covered the GBM /SVH Joint Venture Phosphate assets held in exploration licences EPM14355, EPM14120 and EPM15150 and licence applications EPMA17849, EPMA18207 and EPMA18208 located south east of Mount Isa in North Queensland.

Under the terms of that September 2010 agreement SVH would acquire a 70% interest in the phosphate assets by subscribing for a placement of 17.8 million shares at an issue price of A\$0.10 and 17.8 million options exercisable at A\$0.20 on or before 30 June 2013.

GBM Resources' Managing Director, Peter Thompson, said the conditional sale of the Bugalien Phosphate Project will be a "win/win" result for GBM and its shareholders.

"GBM's shareholders will have the opportunity to participate in a new, well managed, well funded company at no cost," Mr Thompson said.

"For GBM the sale of a non-core asset will allow us to further our focus on our 'company-making' Milo IOCG/Rare Earths Project."

Bungalien and the other projects are contained within the Mt Isa area's phosphate-rich Beetle Creek Formation, part of the broader Georgina Basin mineralised footprint near Mount Isa.

For Further information please contact:

Peter Thompson
Managing Director
GBM Resources Limited
Tel: 08 9316 9100

Colin Hay
Professional Public Relations
Tel: 0404 683 355
E: Colin.Hay@ppr.com.au

Phosphate Joint Venture Background Note

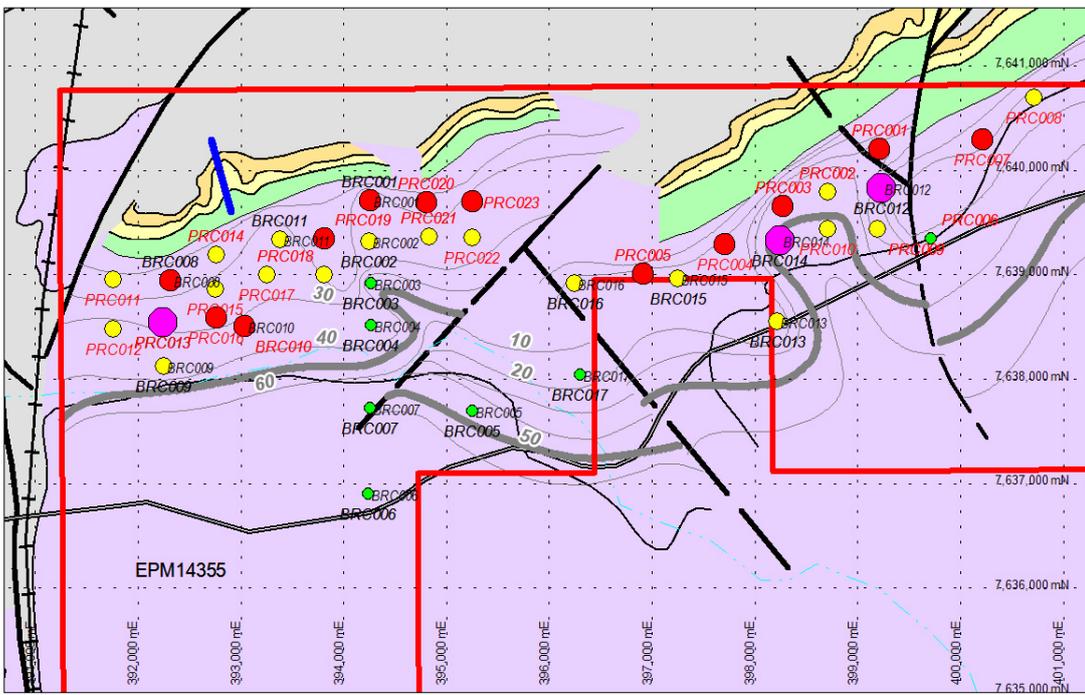
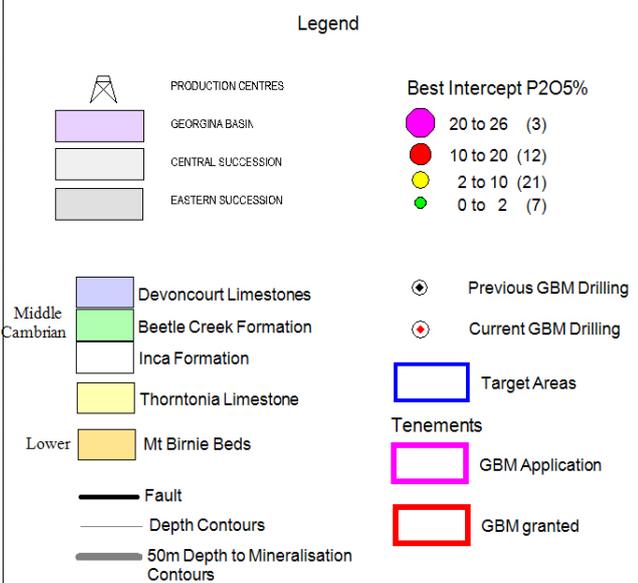
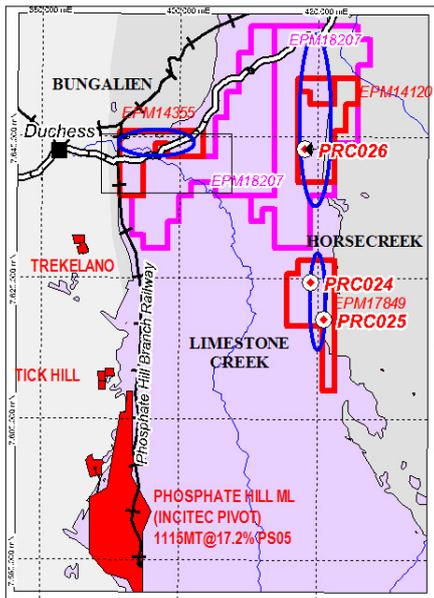
The Bungalien Phosphate Joint Venture project areas located southeast of Mount Isa in North Queensland.

The phosphate JV is being undertaken under a joint venture agreement with Singapore-based investor Swift Venture Holdings Corporation (SVH) which raised working capital for the Company in 2010 (*refer to ASX announcement dated 21 September 2010*) over GBM's phosphate assets. Under the terms of that agreement all future exploration expenditure will be met by SVH. GBM retains a 30% free carried interest until completion of a bankable feasibility study on the phosphate.

About GBM Resources

GBM Resources is an emerging minerals explorer with a major focus on its significant exploration interests in the Mt Isa region of north Queensland. GBM Resources' "flagship" Milo Project is rapidly developing into a large tonnage, Iron Oxide Copper Gold (IOCG)/Rare Earths discovery.

The information in this announcement 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.



MGA 94 Zone 55



BUNGALIEN PROJECT
Burke River
Phosphate Prospect

