

19 August 2013

Completion of Malaysian Gold Mine Acquisition

Australian resources company GBM Resources (ASX: GBZ) (**GBM** or the **Company**) is pleased to announce that it has completed the acquisition with Angka Alamjaya Sdn Bhd (**AASB**) of the Lubuk Mandi Gold Mine in Peninsular Malaysia as announced on 11 June 2013.

GBM, under the Acquisition and Joint Venture Agreement with AASB has acquired approximately 40% of AASB by issuing 15% of ordinary shares in GBM.

AASB and GBM have agreed a total budget of up to SDG\$8 million to be used for completion of resource estimation programs, metallurgical testing, plant design, capital equipment purchase and plant construction to commence retreatment of tailings. The total budget also includes IPO provisional costs for listing in Singapore. The first Tranche of SDG\$3million has been secured.

With the completion of the acquisition and the first tranche of funding secured, GBM has commenced exploration drilling on the Lubuk Mandi Tailings Dam. The Parties intend to complete an Initial Public offer of AASB shares on the Singapore Stock Exchange by mid next year.

GBM's Managing Director Peter Thompson commented: "This acquisition is significant as it provides both funding and growth outcomes for GBM. The project has a total JORC exploration target estimated to contain between 174,000 and 443,000 ounces of gold with multiple gold discoveries that offer exceptional exploration potential in an established gold mining region." (*see table 1*).

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The Lubuk Mandi Gold Mine

The Lubuk Mandi Gold Mine, which was previously owned and operated by government body Terengganu State Economic Development, in the mid 90's, produced 108,000 ounces of gold from two shallow pits. The associated processing plant is rated at 300,000 tpa and involves single stage crushing to a stockpile and mill. The mine and processing plant have been on care and maintenance.



Location Map of the Lubuk Mandi Gold Mine

GBM have conducted due diligence and developed a business plan to develop the project and recommence mining operations. The review is based on data provided by the current owners, AASB.

The project has three identified sources of mineralised material that may provide ore for future mining and treatment. Exploration targets have been estimated for these and are summarized below (see table 1 for further details)¹:

- **Tailings Dam** - exploration target between 1Mt at 0.7 g/t Au containing 23,000 oz Au, and 1.4Mt at 0.9 g/t Au containing 38,000 oz Au.
- **Main Zone** - exploration target between 370,000 tonnes averaging 2.9 g/t Au containing 35,000 oz Au and 1,100,000t averaging 3.6 g/t Au containing 127,000 oz Au.
- **East Zone** - exploration target between 1,440,000 tonnes averaging 2.5 g/t Au containing 116,000 oz Au and 2,400,000 tonnes averaging 3.6g/t Au containing 278,000 oz Au.

Total JORC exploration target for the project is estimated to contain between 174,000 and 443,000 ounces of gold. (See Table 1 for tonnes and average grade and note on estimation basis) .

The project area covers 221 hectares and includes over a million tonne of tailings which has the potential for early gold production and provides development funding options.

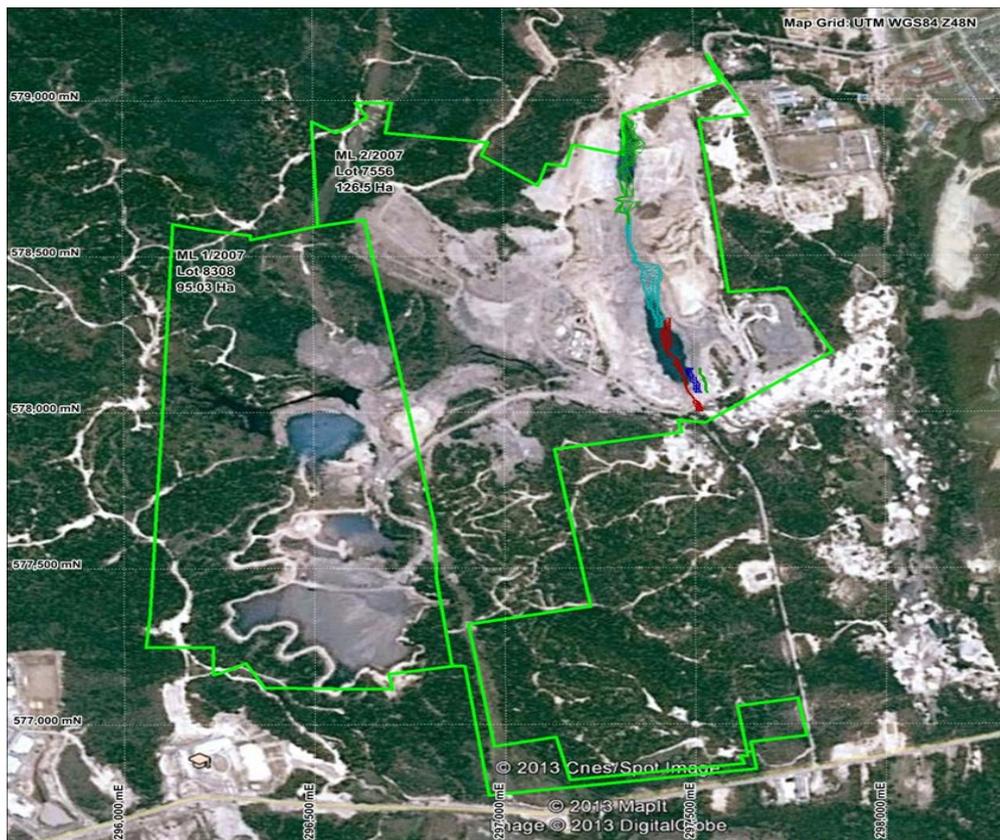


Photograph; Dendritic gold on quartz. Sample M446 (Field of view approx 5mm), Henney et al 1994 pp33, Characterisation of Gold from Lubuk Mandi ,British Geological Survey Technical Report WC94021

¹ The potential tonnage and grade of the exploration targets expressed are conceptual in nature and should not be considered as estimates of Mineral Resources. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of the Mineral Resource.



Photograph; Mineralised vein in thin bedded sediments at south end of North Pit



Mine Lease location plan. Approximate location only relative to Google Earth image. Projected mineralised envelopes also shown. Base Google satellite image of Lubuk Mandi Mine environs. (Grid UTM WGS84 Zone 48N)

Note on Estimation of Exploration Targets:

Although several resource estimates have been quoted in previous reports by other companies, it not possible to validate any of these to meet JORC requirements as no primary data from drilling is available, nor has the drillcore or other sample material been located. This applies to both hardrock and tailings materials. However, considering the availability of a database of drillhole details and analyses, location of various company reports referring to the drilling and results, existence of a mine and production records quoted by a government company and the credibility of the previous mine operator in the Malaysian Mining Industry, it is considered that this information is of sufficient quality and reliability to be used in the estimation of exploration targets. Exploration Targets have been estimated to JORC standard for the main tailings dam, main pit mineralisation, and a zone of mineralisation on the south east side of the main pit, referred to here as the East Zone. It should be noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

GBM Resources Limited									
Lubuk Mandi Gold Mine Exploration Target Summary									
Target	Low Range				High Range				
	Tonnes	Grade (g/t Au)	Gold (ozs)	Comments	Tonnes	Grade (g/t Au)	Gold (ozs)	Comments	
Tailings Dams	1,010,000	0.7	23,000	3D volume estimate of upper dam only, 20% reduction in average grade of available samples (Bidalan Mayang SDN BHD Exploration Progress Report 08-10-04)	1,400,000	1.0	38,000	3D volume estimate of upper with 40% allowance for error and lower dams, and 20% above average grade of available samples.	
Main Zone	370,000	2.9	35,000	Block Model S McManus Skandus, based largely on unconfirmed pit and UG series drillholes	1,100,000	3.6	127,000	Based on full volume of mineralised zones in block model at average grade estimated for previous mining.	
East Zone	1,440,000	2.5	116,000	Mapped zone 320m long, 30m wide, 60m deep, 2.5 g/t Au average grade of rock samples collected by previous operator (field plan, original analyses not available), SG =2.5.	2,400,000	3.6	278,000	320m long, 30m wide, 100m deep, 3.6 g/t Au estimated average grade of previous mine, SG =2.5.	
Total			174,000	ozs.			443,000	ozs.	

Table 1: Exploration Target Estimates for Lubuk Mandi Project. The potential tonnage and grade of the exploration target expressed is conceptual in nature and should not be considered as an estimate of a Mineral Resource. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of the Mineral Resource.

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.