

ASX Announcement

15th October 2013

Update on Redevelopment of Lubuk Mandi Gold Mine in Malaysia

Highlights:

- **Systematic testing of Tailings Dam complete.**
- **Testing program included 28 drill holes.**
- **First assays results from 7 holes return average grade of 0.7 g/t Au.**
- **Results in line and confirm the exploration target** range of 0.7g/t Au to 0.9 g/t Au.**
- **Hard rock geological mapping and interpretation programs for main and eastern zones completed.**
- **Hard rock drilling program to commence this month.**
- **JORC resource estimate on Tailings Dam to be completed this month.**
- **Metallurgical sampling of Tailings Dam completed and testwork now in progress.**

Australian resources company GBM Resources Limited (ASX: GBZ) (GBM or the Company) is pleased to announce that it has completed a 28 drill-hole program at the Tailings Dam Project, located at the Lubuk Mandi Gold Mine in Terengganu State in Peninsular Malaysia.

GBM's initial assessment and development plan identified an exploration target** for the Tailings Dam Project of between 1 Mt at 0.7 g/t Au containing 23,000 ounces of gold and 1.4Mt at 0.9 g/t Au containing 38,000 ounces of gold based on limited available data from previous operators at the site (Refer ASX release11 June 2013)

The drill program was designed to test the targets at Tailings Dam Project on a 50 metre grid pattern which yield some 400 samples to be used for further analyses, resource estimation and Stage 3 Metallurgical Test Work.

Hole depths are in line with initial expectations indicating that the volume of tailings should also be as expected.

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Geologists sample the core of damp tailings at Lubuk Mandi.

Samples were split with a knife and approximately 40% submitted for sample preparation and analyses. Samples were dried, split to approximately 1kg and pulverized. Analysis of samples was by fire assay at ALS in Queensland using their method AA25.

Results for the first seven holes (143 samples) returned a simple arithmetic average of 0.7 g/t Au. Although incomplete, this is in line with the exploration target** range.

**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 information in this report that relates to Mineral Resources and Exploration Results 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.



Drilling of tailings target on Lubuk Mandi. Drilling utilized standard diamond drilling equipment with a finger lifter to retain wet tailings samples.

About GBM Resources

GBM Resources Limited (ASX: GBZ) is an Australian resources company actively building a gold portfolio of projects within Malaysia and the east coast of Australia.

GBM Resources has a major interest (40%) in the historic Lubuk Mandi Gold Mine in Peninsular in Malaysia which covers 221 hectares and includes over an estimated million tonnes of tailings, which has significant potential for early gold production through the development and recommencement of the mining operations with joint venture partners Angka Alamjaya Sdn Bhd (AASB).

Malaysia is a premier mining country with a stable political regime with production cash costs among the lowest in the world.

The Company also plans to complete an Initial Public Offering of the Lubuk Mandi Project on the Singapore Stock Exchange during 2014.