

ASX Announcement

29 July 2015

Independent Review Supports Porphyry-style Copper-Gold-Molybdenum Mineralisation at Mount Morgan Project, Central QLD

- **Independent expert review supports porphyry-related alteration, vein style and mineralisation at Mount Morgan Project**
- **Sandy Creek prospect ranks highly for buried porphyry style mineralising system**
- **Other prospects have been identified and field inspection is planned to further assess potential.**

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) (“**GBM**” or “**the Company**”) is pleased to announce the recent completion of an independent expert review of the Company’s Mount Morgan porphyry copper-gold project, located near Rockhampton in Central Queensland.

The project tenements surround the world-class Mt Morgan Au Cu deposit which produced in excess of 8.0M ounces of Au and 400,000 tonnes of Cu metal.



Photograph; Massive quartz vein with chalcopyrite and molybdenum rosettes at 164.00m (photo from Menzies and Corbett 2015), from 6 metre interval which reported 2.64% Cu and 908 ppm Mo from 158 metres downhole (see GBM ASX Report for the Quarter Ended 31st December 2014).

ASX Code: GBZ

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GBM commissioned world renowned Dr Greg Corbett of CMC Consulting to review drill core from beneath and surrounding the Mount Morgan mine and a number of GBM prospects at surface and from historic drilling. The purpose of the review was to confirm the Company's intrusive-related/porphyry-style exploration strategy within the Mount Morgan project.

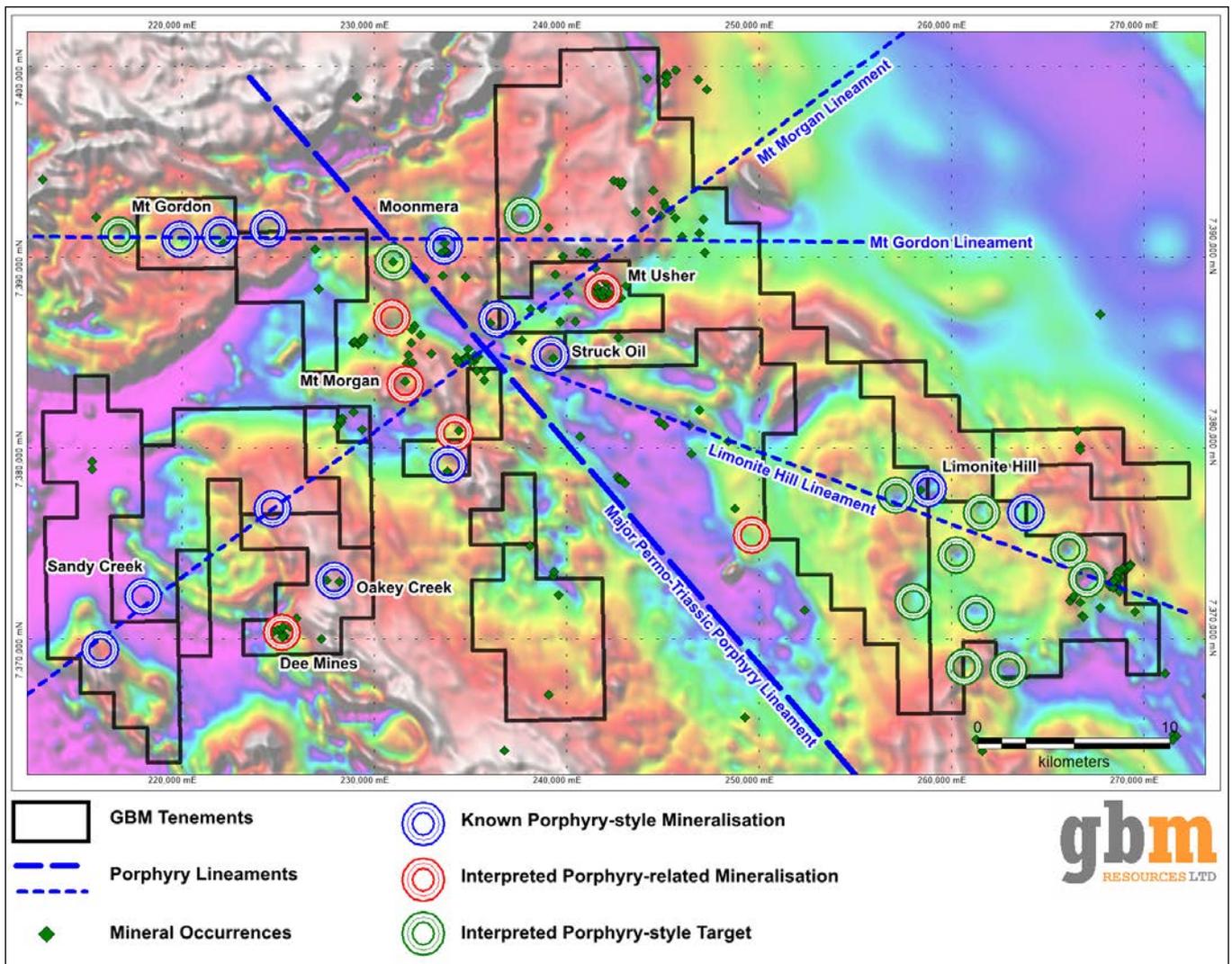


Figure: Known and interpreted porphyry-style Cu-Au+Mo deposits, occurrences and structural lineaments within the Mount Morgan project area.

Intrusive related and porphyry style copper-gold systems are large mineralising systems which have potential to support large, long life, world-class mining operations. Porphyry systems are well understood with alteration, metal zonation and mineral assemblages that may be determined from geochemical sampling, geological mapping and electrical geophysical surveys. As such, they represent one of the key target styles sought by the Company.

Analysis of historic Geopeko and Perilya drill core from beneath the main pit at Mt Morgan and the nearby blind Carpark Zn-Pb mineralisation along with a literature review led Corbett to propose a low-sulphidation (deep) epithermal quartz-sulphide Au+Cu deposit style for the Mt Morgan orebody. This style of mineralisation is characterised by gold hosted within pyrite with quartz. Examples of such mineralisation style are Charters Towers in Australia, Lihir and Bilimoia in PNG, and Comstock in Nevada, among many others. While most recent authors classify Mount Morgan as a VMS style deposit, it is noteworthy that Arnold and Sillitoe (1989) also proposed an intrusive related structurally controlled replacement origin and Cornelius (1969) proposed a porphyry related origin for the Mount Morgan deposit.

The Mt Morgan quartz-sulphide mineralisation is interpreted to have been derived from a buried magmatic source related to either the nearby Devonian poly-phase tonalite complex or a Permian intrusive. The Lihir qtz-S mineralisation is also interpreted to have been derived from an underlying porphyry Cu-Au source. The intrusive source at Mt Morgan may be localised on a splay fault off the NE-trending Slide Fault which transects the mine pit. Splay faults localise many porphyry Cu-Au ore systems such as Chuquicamata, Frieda, Ridgeway and Cadia East.

In a regional context, the existence of porphyry type copper mineralisation belts in Eastern Queensland has been well documented (Horton, 1978) with a number of occurrences identified in the Mount Morgan area. With the recognition of additional occurrences by GBM, there is strong support for the existence of a cluster of porphyry type copper occurrences in the Mount Morgan area, further enhancing the prospectivity of the area.

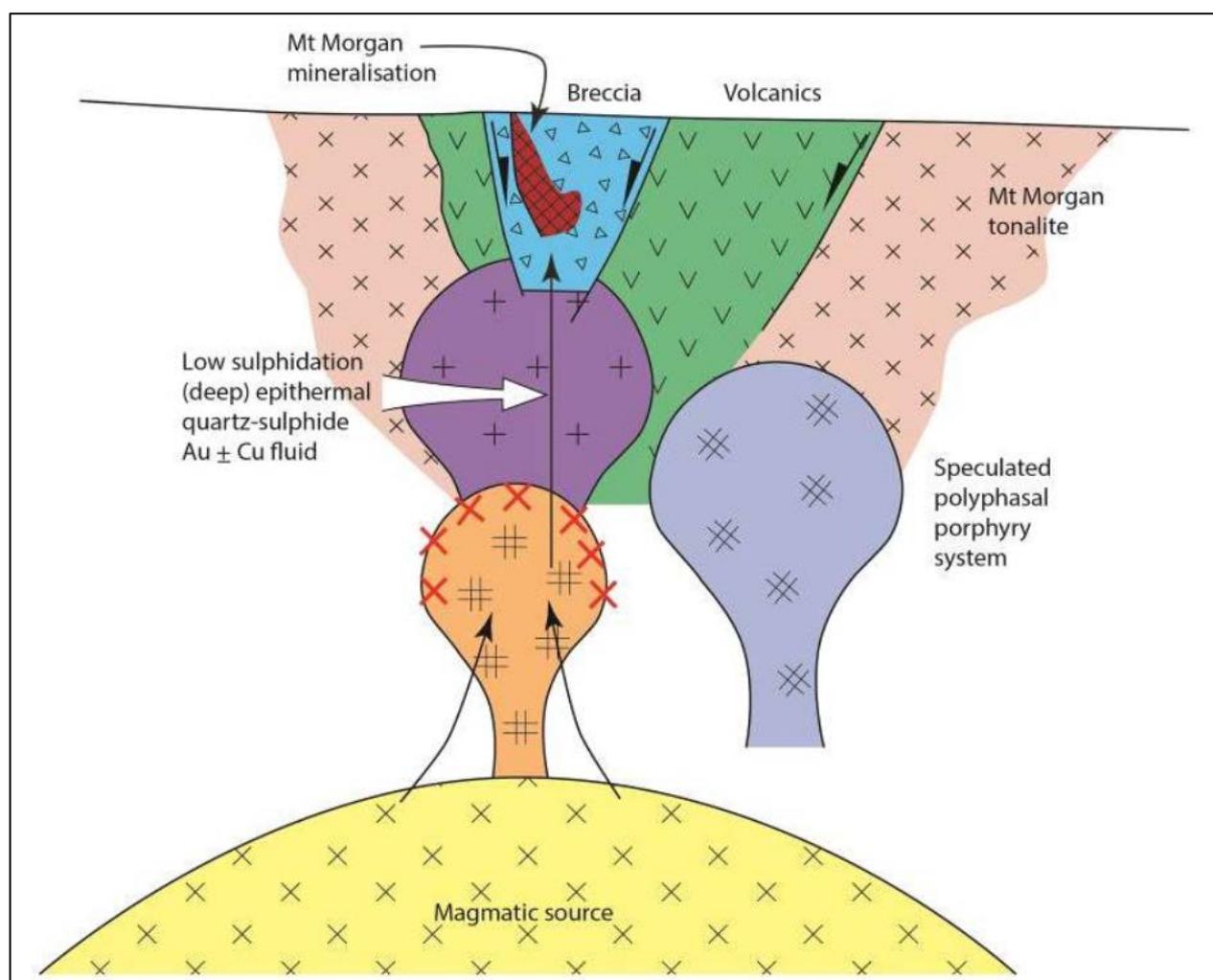


Figure: Conceptual model in which Mt Morgan mineralisation developed within a collapse breccia pipe overlying a poly-phase porphyry intrusion source (Menzies & Corbett, 2015).

Field examination by CMC Consulting of prospects such as Sandy Creek and Limonite Hill (Bajool area) confirmed GBM's interpretation of porphyry-related alteration, vein style and mineralisation at these prospects, further enhancing the prospectivity of the area.

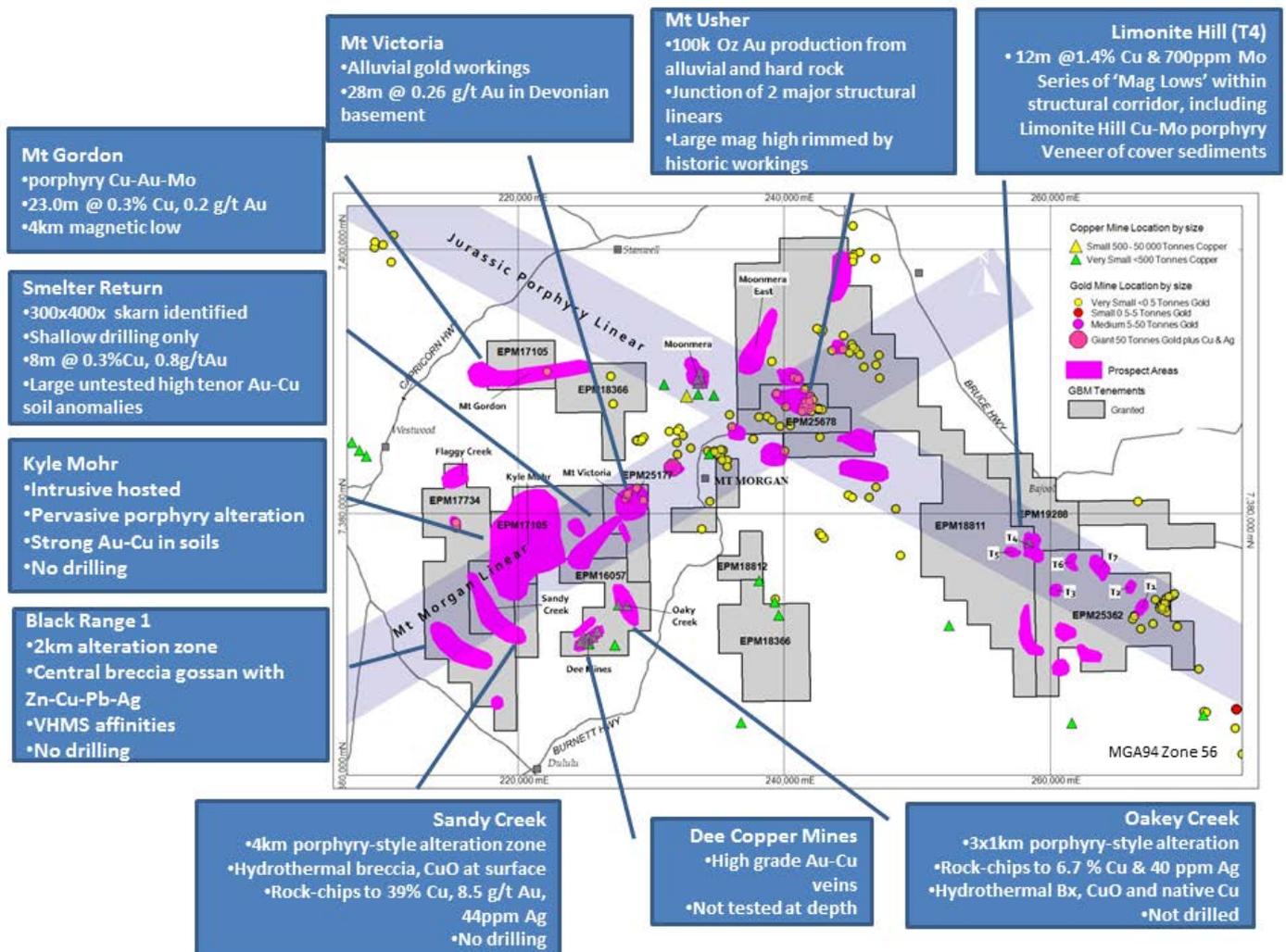
Many of the Company's prospects display classic propylitic alteration assemblages, 'D'-vein type quartz-sulphide vein styles, or epithermal-style disseminated quartz-sulphide and metal assemblages. The field assessments evidence from GBM's exploration to date and confirmation from independent experts strongly supports the existence of porphyry systems beneath the present day surface.

The recent inspection of several of GBM's targets in the Mount Morgan Project area supported the company's view that these targets display porphyry-related alteration, vein style and mineralization. Whilst the review ranked Sandy Creek highest, there are other prospects not inspected which GBM believe are of equal potential including the untested GBM discovery at Oaky Creek Prospect. In addition there are areas within the more recently acquired licence areas which require field inspection, which, based on historical information, may also rank highly for porphyry mineralisation potential.

The widespread near surface evidence across the project and the revised interpretation of Mt Morgan as having a polyphasal porphyry Cu-Au intrusion source at depth suggests that exploration in the district should focus on buried porphyry style mineralisation.

GBM geologists are now reviewing historic data from recent tenement acquisitions, and planning a project-scale exploration program for Mount Morgan. Prospects and targets will be ranked according to buried porphyry/intrusive related discovery potential prior to the application of geochemical, geophysical and drill testing methods.

GBM consider the Mount Morgan Project as highly prospective and worthy of a substantial exploration programme. GBM will continue to investigate options to further fund and explore this project, including joint venture and farm in options.



Figure; GBM tenements and prospect areas.

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About GBM Resources

GBM Resources Ltd (ASX: GBZ) is an Australian resource company that listed on the ASX in 2007, headquartered in Perth WA, with exploration operations in Victoria and Queensland.

The Company's primary focus is in key commodities of gold and copper-gold, assets in Australia. GBM tenements covers an area greater than 4,300 square kilometres in eight major projects areas in Queensland and Victoria. GBM also has a 30% interest in a Malaysia gold project.

GBM is prioritising exploration on four of its projects that has current resources in gold, copper, rare earths, phosphate and uranium. The company remains strongly focused on delivery of shareholder value through discovery, acquisition and development in its key commodities.

Notes

Competent Person's Statement for Exploration Results included in this report that were previously reported pursuant to JORC 2004. This information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Exploration Results is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Mr Norris is a full-time employee of the company, and is a holder of shares and options in 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.

References

- Arnold and Sillitoe 1989, *Mount Morgan Gold-Copper Deposit, Queensland, Australia: Evidence for an Intrusion-Related Replacement Origin*, Ec. Geol. Vol 84, pp 1805-1816.
- Cornelius 1969, *The Mount Morgan mine, Queensland--a massive gold-copper pyritic replacement Deposit*, Econ. Geol vol 64, pp. 885-902.
- Menzies and Corbett 2015, *Comments on Exploration Projects in the Mt Morgan Region Held by GBM Resource Ltd*. Corbett Menzies Cuncliff Py Ltd, Unpublished report for GBM Resources Ltd. April 2015.
- Horten 1978, *Porphyry-Type Copper-Molybdenum Minerlisation Belts in Eastern Queensland*, Queensland Government Mining Journal, September pp474-489.
- #1 Geological Survey of Queensland, DEED. 2011, *North West Queensland Mineral and Energy Province Report*. pp 69.