

## **Significant Gold Mineralisation Identified at Koala Gold Mine, Mt Coolon Gold Project, Qld**

- **The Koala Gold Deposit has an identified gold endowment 360,000 ounces with significant exploration upside.**
- **Current Underground Resources are estimated at 267,000 tonnes averaging 5.7 g/t Au, containing 49,300 ounces of gold.**
- **Historical gold production from the Koala Gold Mine produced 243,000 ounces at an average grade of 12.7 g/t Au. Production was extracted from workings extending over a strike length of 900 metres and from a depth of only 130 metres from surface.**
- **Additional mineralised zones have been identified for incremental resources and resource estimation is underway. These include areas with high-grade drill intercepts from previous drilling.**
- **Koala Vein System along with several additional prospects and targets which the Company considers to have the potential to yield further very significant gold discoveries.**

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to announce, following a review of available mining and exploration data for the Koala Gold Deposit, located within the Mount Coolon Gold Mines tenements, that it has identified potential for additional gold resources that could be amenable to extraction by open cut mining.

In addition, a number of other gold mineralisation prospects within the Koala Project area are being investigated. This review is part of an ongoing assessment of the multiple resource centres hosted by the Mount Coolon Gold Project tenement portfolio acquired by GBM last year.

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## Data Review Results

Work on the complete data base and previous geological references resulted in the identification of a set of proximal and distal targets within the Koala Lode System. Proximal targets along the Koala Lode have the potential to incrementally add to the existing Resource. These include:

- Remnant and low-grade mineralisation in and surrounding the historical underground workings which was excluded from the existing Resource model. This material may be able to be mined by open pit and has potential to be incorporated into the Resource estimate.
- There is potential to substantially increase the existing Resource tonnage by the inclusion of a low-grade halo, encompassing the mineralisation domain (existing Resource). The Company considers that any such Resource extension to have the potential for extraction by open pit methods.
- Review of grade control data for the Koala open pit revealed untested and open south-westward strike extension of the northeast striking, southeast dipping zone. This is linked to the main zone mined in the Koala pit and is moderate to high-grade. The current mineralised domain did not encompass this zone and actually excludes four exploration holes (see Table 1 below) that intersected this zone.
- Drilling at either end of the open pit and underground Resource is unlikely to have adequately tested the favourable andesitic host.
- Open pit potential at the south end of the lode system (still to be evaluated).

Hole	From (m)	To (m)	Length (m)	Grade (Au g/t)
MDDH032	42	54.4	13.4	11.5
DH100	23	35	12	7.5
MDDH003	94.8	110.53	15.73	8.0
MDDH056	95	100.25	5.25	5.4
and	109.55	115.35	5.8	7.1

Table 1: Drill intercepts in southwest zone not included in current Resource estimate.

Three of the exploration targets (see Table 2 below) within the immediate area of mine workings, have been estimated based on the available data including drillhole data base, underground mining outlines, open pit grade control data and open pit survey data. These targets are based on volumes from preliminary wire-framed areas of mineralisation and estimates of grade ranges from known mining production and available drillhole assays. These targets have potential to add between 24,000 ounces and 75,000 ounces to the Koala Resource. A Resource estimate to realise the target potential has been commissioned and expected to be completed during the June Quarter.

It should be noted that the potential quantity and grade of an exploration target is conceptual in nature and there has been insufficient exploration available to estimate a Mineral Resource and it is uncertain further exploration will result in the estimation of a Mineral Resource.

Target	Tonnage target (@ 2.6 t/m3)	Grade range (g/t Au)	Ounces range	Mining method
Low-grade halo above 890RL (within 100m of surface, excluding old workings zone)	~ 500,000t	0.7 – 2.0	10k – 30k	Open pit
South west pit extension, 100m strike	~60,000t	2.0 – 7.0	4k – 15k	Open pit
Old workings zone	~ 500,000t	0.7 – 2.0	10k – 30k	Open pit

Table 2: List of exploration targets.

Regional targets are still being evaluated, however it can be seen (see Longitudinal Projection below) that the Main Lode System appears to remain open to the North, and there remains potential at depth, despite some deeper drillholes not intersecting mineralisation. A number of deep drillholes are interpreted to have failed to reach the Main Lode target, and the structure remains to be well understood at depth. The Main Lode has an identified gold endowment of 360,000 ounces of gold and remains open for further material extensions to be discovered at depth and along strike. The endowment estimate is based on past production, identified Resources and the mid-range of new incremental exploration targets.

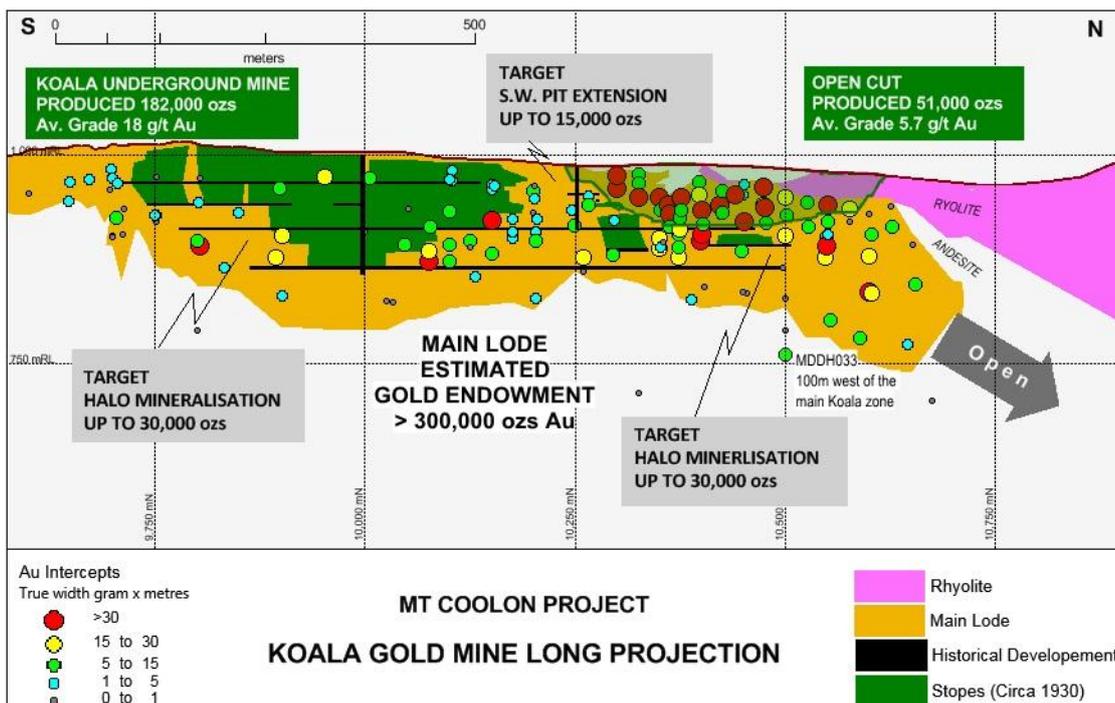


Figure 1: Koala Gold Mine Longitudinal Projection showing exploration targets and past production.

## Koala Mine Background

The Mt. Coolon mineralised vein system and the associated Koala Lode was discovered in 1913. The discovery led to 25 years of continuous mining until 1939. By 1932 it was Queensland's largest gold producer, operated by Gold Mines of Australia, an early precursor to Western Mining Corporation. Open stopes measuring 2 to 16 metres wide extend over a 400 metre strike length within the central portion of the Koala reef to a maximum depth of 130 metres. The mine was closed and dismantled in 1941 and there was no further activity until new mine Leases were granted in 1974. Part of the Deposit was again mined by open pit (Koala Open Pit) in 1996/97 by Ross Mining.



Figure 2: Historic open stopes directly south of Koala open pit.



Figure 3: Ross 1996 Koala open pit, South facing view.

The total production from underground mining to 1940 at Koala was 303,408 tonnes @ 18.4g/t Au, for 179,475 ounces of gold and 60,000 ounces of silver (Mutton 2014). A further 270,000 tonnes averaging 5.6 g/t Au yielded 53,000 ounces of gold from the open cut mining in the 1990's. The Koala Gold Mine currently has an underground Resource estimated at 267,000 tonnes averaging 5.7 g/t Au and containing 49,300 ounces of gold.

The gold mineralisation within the Mount Coolon / Koala vein system generally occurs as, steeply dipping high-grade reefs up to 5 metres wide within a wider lower grade, veined mineral zone, locally disrupted by faulting. Host rocks consist of ignimbrite, tuff, volcanoclastics and andesite. The favourable host for structural dilation and subsequent mineralisation is the coherent porphyritic andesitic. Some authors (Mustard 1993) have observed gold to be associated with epithermal crustiform adularia-quartz veins within a typical low-sulphidation alteration assemblage dominated by silica-sericite-pyrite. Others (including R Sillitoe, 1986) have suggested the gold mineralisation to be associated with an alteration assemblage similar to that normally associated with an Intrusive Related Gold System (IRGS). The proximity of the Koala system to the adjacent Manaman Granodiorite and the lack of some geological features observed at other Drummond Basin epithermal Deposits provides support to the suggestion that Koala mineralisation is at least in part, an IRGS. This would support two exploration models being valid within the Koala Project; classic epithermal vein-hosted gold mineralisation and more deep-seated intrusion related vein and breccia systems.

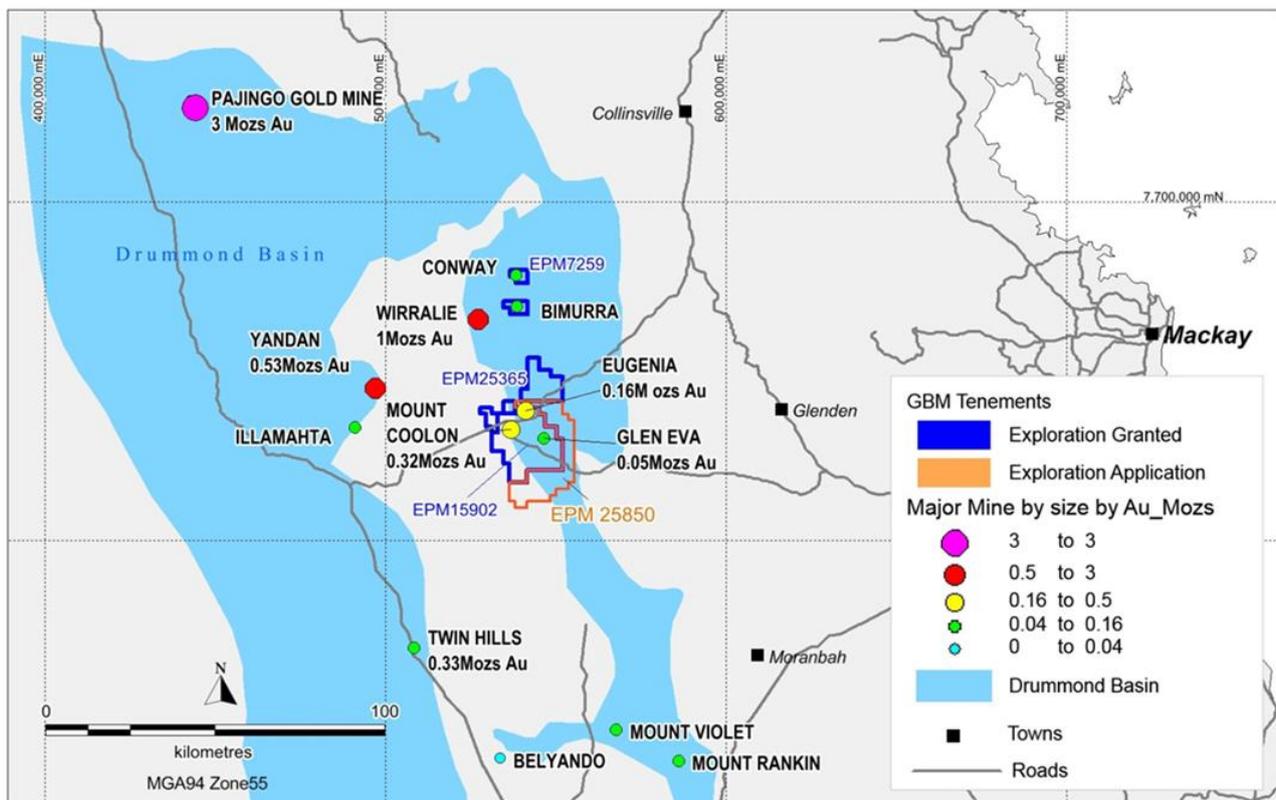


Figure 4: Mt Coolon project tenement group location plan.

The project is located 250 km west of Mackay in Queensland in the northern Drummond Basin. The Drummond Basin is an established gold mining region with past production of more than 4.5 Mozs and a total known gold endowment of over 7.5 Mozs of gold. Deposit styles range from bonanza grade epithermal veins (eg. Pajingo 3.0 Mozs) to bulk tonnage intrusive related gold deposits (eg. Mt Leyshon 2.1 Mozs).

## Forward Programme

The Company will continue its evaluation of the known mineralising systems which includes Koala, Glen Eva and aims to complete by the first half of 2016 a Scoping study evaluating the potential benefit of heap leach gold extraction from known oxide Resources at Eugenia Deposit and also potential for heap leach at the Bimurra, Koala or Glen Eva areas.

## Mount Coolon Resources

Resources were previously reported by GBM (see GBM 2015 Annual Report and refer ASX announcement 27 August 2015) and are summarised below. These Resources contain a total of 268,600 ounces of gold. In addition, Bimurra is a separate prospect area to the three main Deposits (Eugenia, Koala and Glen Eva) which contribute to the Resources at the Mount Coolon Gold Project.

Project	Location	Resource Category									Total			Cut-off
		Measured			Indicated			Inferred			000' t	Au g/t	Au ozs	
		000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs				
Koala	Hecorina Pit				15	2.6	1,300				15	2.6	1,300	None
	Underground Extension				205	5.9	39,600	62	5.3	10,600	267	5.7	49,300	3
	Tailings	305	1.6	15,800	11	1.6	500	6	1.5	300	322	1.6	16,700	None
	<b>Total</b>	<b>305</b>	<b>1.6</b>	<b>15,800</b>	<b>231</b>	<b>5.5</b>	<b>40,400</b>	<b>68</b>	<b>5.0</b>	<b>10,900</b>	<b>604</b>	<b>3.5</b>	<b>67,200</b>	<b>0</b>
Eugenia	Oxide				1,445	0.9	43,300	252	1.2	9,700	1,698	1.0	53,000	0.4
	Sulphide				2,306	0.9	66,100	1,007	1.4	45,200	3,313	1.04	111,300	0.4
	<b>Total</b>				<b>3,751</b>	<b>0.9</b>	<b>109,400</b>	<b>1,260</b>	<b>1.4</b>	<b>54,900</b>	<b>5,011</b>	<b>1.0</b>	<b>164,300</b>	<b>0.4</b>
Glen Eva	Below pit.				132	7.8	33,200	21	5.9	4,000	154	7.5	37,200	3.0
<b>Total</b>		<b>305</b>	<b>1.6</b>	<b>15,800</b>	<b>4,114</b>	<b>1.4</b>	<b>183,000</b>	<b>1,349</b>	<b>1.6</b>	<b>69,800</b>	<b>5,769</b>	<b>1.4</b>	<b>268,600</b>	

Table 3: Mount Coolon Gold Mines Global Resource Summary August 2015. Please note rounding (1000's tonnes, 100's ounces, 0.1 g/t) may cause minor variations to totals.

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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 is prioritising the exploration and development of the Mount Coolon Gold Project and Mount Morgan Gold Copper Project.

## **References**

*Mustard R. 1993 Controls on Ore Formation and Potential of the Koala Mine and Environs.*

*A report prepared for Ross Mining NL Mutton B.K. 2014 Mount Coolon (Koala) Gold Mine, Queensland's Great Unknown Mine. Q'ld Geol. Survey, 12/11/2014.*

*Sillitoe R.H. 1987 'Field Work in the Mount Morgan and Mount Coolon AtoP's, Queensland, Australia. A report prepared for Gold Fields Exploration Pty. Ltd.*

## **Notes**

*The information in this report that relates to Exploration Targets and 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 2012 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.*

*The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.*

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the respective announcements and all material assumptions and technical parameters underpinning the resource estimate with those announcements continue to apply and have not materially changed.*