

29 August 2016

Mining Evaluation of the Koala Gold Mine Underway at Mt Coolon Gold Project, Qld

- **Scoping Study started to evaluate recommencement of mining operations at the Koala Gold Mine.**
- **This review focuses on the Company's strategy to generate early cashflow from near-term gold production opportunities**
- **Drilling is planned to test the mineralisation around existing old underground mine workings with the objective of improving resource level confidence**

Australian Resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to announce the commencement of a Scoping Study to evaluate the options for recommencement of mining operations at the Koala Gold Mine at Mount Coolon, located in Queensland's Drummond Basin.

A drilling programme to infill existing data in the areas surrounding the old Koala underground workings is planned to commence in the coming weeks.

This Study continues to build on the Company's strategy of assessing the best near-term production options and supports the recent announcement of the Eugenia Heap Leach Scoping Study that demonstrated its potential economic viability (refer ASX release dated 23 August 2016).

The Scoping Study will be:

1. Conducted by independent international mining consultants Mining One Pty Ltd, and is expected to be completed by the end of September Quarter 2016.
2. The Study will investigate options for recommencement of mining operations at Koala including open pit mining with treatment options including toll treatment, owner treatment plant and heap leaching.
3. A two staged drilling programme forms part of the Study to test the resource area around the old (circa 1930) underground workings at the Koala Gold Mine. The first stage of drilling will comprise around 1,100 metres of drilling in 19 holes and is expected to commence in September.

A second stage of drilling will comprise a further 3,500 metres of drilling. It is expected that completion of these two programmes will provide sufficient data to improve the confidence level of the current Koala resource in the area of the old underground workings.

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Mt Coolon Gold Project Forward Strategy

The Company will continue the evaluation of the known mineralising systems and aims to advance a number of near-term production options and activities during the September Quarter 2016. The Company expects to be in a position to confirm the intention to proceed with the development of either toll milling or heap leaching the old open pits, along with the progress with the Eugenia Heap Leach or both by the end of the fourth quarter this calendar year.

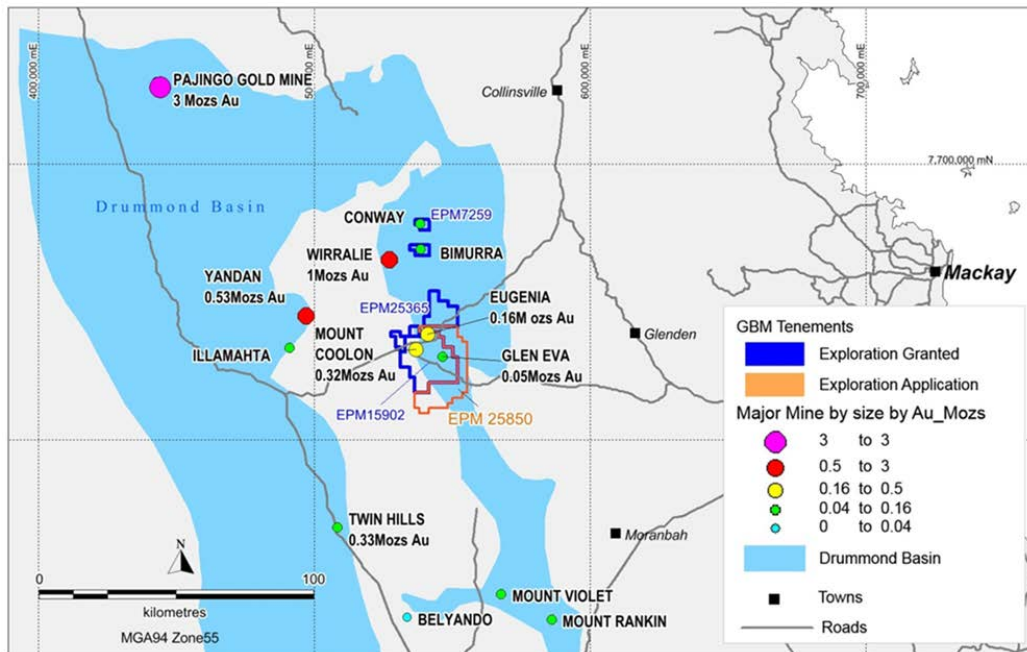


Figure 1: Mt Coolon Gold Project tenement group location plan.

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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 Queensland and Victoria.

The Company's primary focus is in key commodities of gold and copper-gold, assets in Australia. GBM tenements cover 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.

Mt Coolon Project Resource Summary

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	Open Pit				370	2.8	33,500	750	2.1	51,700	1,110	2.4	85,000	0.4
	Underground Extension				50	3	5,100	230	3.9	28,500	280	3.7	33,700	2.0
	Tailings	114	1.6	6,200	9	1.6	400				124	1.6	6,600	1
	Total	114	1.7	6,200	429	2.8	39,000	980	2.5	80,200	1,514	2.6	125,300	
Eugenia	Oxide				1,305	0.9	39,300	219	0.7	5,100	1,524	0.9	44,400	0.4
	Sulphide				2,127	0.9	62,300	1,195	1.2	45,500	3,322	1.0	107,800	0.4
	Total				3,432	0.9	101,600	1,414	1.1	50,600	4,846	1.0	152,200	0.4
Glen Eva	Below pit.				132	7.8	33,200	21	5.9	4,000	154	7.5	37,200	3.0
	Total	114	1.7	6,200	3,993	1.4	173,800	2,415	1.7	134,800	6,514	1.5	314,700	

Table 1: Current global resource table for Mt Coolon Gold Project. Please note rounding; tonnes (1,000t), grade (0.1g/t) and contained gold (100 ounces). Refer ASX announcement 23 August 2016.

Notes

The information in this report that relates to Mineral Resources, 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.