

27 October 2016

ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Attention: Jill Hewitt

Dear Jill

We refer to your letter dated 25 October 2016 and respond as follows.

1. GBM Resources Limited ('GBM or the Company') does consider securing an AUD \$10m loan agreement to advance the Mt Coolan Gold Project redevelopment which were released to ASX on 18 October 2016 to be information that a reasonable person would expect to have a material effect on the price or value of its securities. It is noted that on 23 August 2016 the Company announced the results of the Eugenia Scoping Study and advised that the results of the Study combined with recent support from key shareholders and current market conditions for gold provided the Company with confidence in the potential funding of the Project.
2. Not applicable.
3. Since completion of the Eugenia Scoping Study the Company has been in discussions with a number of parties for the initial funding of the Mt Coolan Gold Project redevelopment. These discussions were advanced over the weekend prior to the announcement with the final form of the agreement being negotiated during the course of Monday 17 October 2016. A board meeting was convened on Tuesday morning 18 October 2016 to approve the entry into the Loan Agreement. The Loan Agreement was executed and following completion of the Board meeting the draft announcement was finalised and was released to the ASX shortly thereafter early on Tuesday afternoon. Accordingly the Company became "aware" of the information late on Tuesday morning.
4. Please refer to the response to question 3 above.
5. Not applicable.
6. The Company confirms that it is in compliance with the Listing Rules and in particular Listing Rule 3.1
7. The Company confirms that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Yours faithfully



Kevin Hart
Company Secretary



25 October 2016

Mr K Hart
Company Secretary
GBM Resources Limited
Suite 8, 7 The Esplanade
MOUNT PLEASANT WA 6153

By Email: kevinh@endeavourcorp.com.au

Dear Mr Hart

GBM RESOURCES LIMITED (the “Entity”): ASX Aware Query

ASX Limited (“ASX”) refers to the following:

1. The Entity’s announcement entitled “GBM Secures AUD \$10 Million Loan Agreement for Mt Coolon” (the “Announcement”) lodged on the ASX Market Announcements Platform and released at 3.47pm AEDT on Tuesday 18 October 2016 disclosing information including that:
 - a) the Entity has entered into a AUD \$10 million Loan Agreement (“Loan Agreement”) with National Federal Capital Ltd to advance the redevelopment of the Entity’s wholly owned Mt Coolon Gold Project in Queensland;
 - b) the Entity expects to be in a position by December 2016 to finalise its redevelopment plan of Mt Coolon Gold Project; and
 - c) the key objective of GBM is to become a gold producer in the near term and securing this funding level supports the redevelopment of the Entity’s flagship Mount Coolon Gold Project.
2. The change in the price of the Entity’s securities from a closing price of \$0.015 on Tuesday 4 October 2016 to a closing price of \$0.023 on the date that the Announcement was released to the market, being Tuesday 18 October 2016.
3. The trading volumes on 17 and 18 October 2016, which were above the average trading volumes on days when the Entity’s securities are traded.
4. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
5. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into

possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

6. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

5. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, ASX asks the Entity to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Entity first become aware of the information?
4. When did the Entity finalise the terms of the Loan Agreement?

5. If the answer to question 1 is “yes” and the Entity first became aware of the information before the release of the Announcement on 18 October 2016, did the Entity make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
6. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that the Entity’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **3:00pm AWST on Thursday 27 October 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at jill.hewitt@asx.com.au and copied to tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to the Entity’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Entity’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity’s securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;

- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in *Guidance Note 16 Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Jill Hewitt

Senior Adviser, Listings Compliance (Perth)

P: (08) 9224 0013

E : jill.hewitt@asx.com.au