

10 August 2010

The Manager
Company Announcements
Australian Securities Exchange Ltd
Level 5, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

PRIORITY ENTITLEMENT ISSUE PROSPECTUS AND APPENDIX 3B

Please find attached a prospectus in relation to a pro rata non-renounceable priority entitlement issue on the basis of 1 option for every 1 expired option held by qualifying optionholders as at 30 June 2010. The options pursuant to this Offer will be issued at \$0.01 each, to raise up to \$698,146 before costs of the Offer.

The Company will make an application to the Australian Securities Exchange (ASX) for official quotation of the Options.

The issue of Options under the Prospectus is conditional on shareholders of the Company approving the issue of the Options at the General Meeting to be held on 18 August 2010.

With respect to the Priority Offer, the Company will accept applications until 5.00pm WST on Friday 3 September 2010 or any other date the Directors in their absolute discretion determine, subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable law. An indicative timetable for the Priority Offer is as follows:

Record Date (5.00pm)	30 June 2010
Lodgement of Prospectus with ASIC	9 August 2010
Prospectus despatched to Qualifying Optionholders	11 August 2010
General Meeting (to approve issue of Options under this Prospectus)	18 August 2010
Closing Date of Offer	3 September 2010
Despatch date	13 September 2010

GBM Resources Limited



Kevin Hart
Company Secretary



GBM RESOURCES LIMITED

ABN 91 124 752 745

PRIORITY ENTITLEMENT ISSUE PROSPECTUS

For a pro rata non-renounceable priority entitlement issue on the basis of one (1) Option for every one (1) Expired Option held by Qualifying Optionholders at an issue price of \$0.01 per Option, to raise up to approximately \$698,146 (**Entitlement Issue**).

The issue of Options under this Prospectus is conditional on shareholders of the Company approving the issue of the Options at the General Meeting to be held on 18 August 2010.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered by this Prospectus should be considered as speculative.

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1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

TIMETABLE AND IMPORTANT DATES*

Record Date(5.00pm)	30 June 2010
Lodgement of Prospectus with ASIC	9 August 2010
Prospectus despatched to Qualifying Optionholders	11 August 2010
General Meeting (to approve issue of Options under this Prospectus)	18 August 2010
Closing Date of Offer	3 September 2010
Despatch date	13 September 2010

* These dates are determined based upon the current expectations of the Directors and may be changed without notice.

IMPORTANT NOTES

Qualifying Optionholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 9 August 2010 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 9 September 2011 (**Expiry Date**). No Options will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

The Offer to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act sets out how the Offer must be made.

There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Options is not New Zealand dollars. The value of the Options will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the Options to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 3.5, the Company will apply to the ASX for quotation of the Options offered under this Prospectus. If quotation is granted, the Options offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the Options through that market, you will have to make arrangements for a participant in that market to sell the Options on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

2. CORPORATE DIRECTORY

Directors

Mr Peter May, Chairman

Mr Neil Norris, Exploration Director

Mr Peter Thompson, Managing Director

Mr Cameron Switzer, Non Executive Director

Company Secretary

Mr Kevin Hart

Registered Office

Suite 8
7 The Esplanade
Mount Pleasant, WA 6153

Principal Place of Business

Suite 8
7 The Esplanade
Mount Pleasant, WA 6153

General Enquiries:

Telephone: (08) 9316 9100
Facsimile: (08) 9315 5475

Share Registry*

Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6008

Telephone: (08) 9389 8033

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor*

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus

3. DETAILS OF THE OFFER

3.1 Offer

By this Prospectus the Company offers for subscription, on a non-renounceable basis, one (1) new Option for every one (1) Expired Option held by Qualifying Optionholders on the Record Date at an issue price of \$0.01 per Option. Fractional entitlements will be rounded up to the nearest whole number.

The Offer is subject to and conditional upon shareholders of the Company approving the issue of the Options under this Prospectus at the General Meeting to be held on 18 August 2010. If this shareholder approval is not obtained, the Offer will not proceed and all application monies will be refunded.

The Options issued under this Prospectus will be exercisable at \$0.20 on or before 30 June 2013. The full terms of the Options are set out in Section 5.1 of this Prospectus.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Options to be issued pursuant to the Offer is approximately 69,814,553 Options. The Offer will raise approximately \$689,146 (if fully subscribed). The purpose of the Offer and the use of funds raised are set out in Section 4 of this Prospectus.

3.2 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on that relevant Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate application monies (at \$0.01 per Option); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**GBM Resources Ltd – Option Entitlement Account**” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company’s share registry no later than 5.00pm WST on the Closing Date.

The Offer is non-renounceable. Accordingly, a Qualifying Optionholder may not sell or transfer all or part of their Entitlement.

3.3 Minimum Subscription

There is no minimum subscription in respect of the Offer.

3.4 Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall. Qualifying Optionholders who wish to apply for Options above their Entitlement can complete the Shortfall Application Form accompanying this Prospectus and return it, together with a cheque for the value of those Shortfall Options (at \$0.01 per Share) to the Company.

The offer of the Shortfall is a separate offer pursuant to this Prospectus. The issue price of any Options offered pursuant to the Shortfall Offer shall be \$0.01 being the price at which the Entitlement has been offered to Qualifying Optionholders pursuant to this Prospectus. The Shortfall shall be placed at the discretion of the Company within three (3) months after the Approval Date. The Company reserves the right to allot to an applicant a lesser number of Shortfall Options than the number for which the applicant applies, or to reject an application, or to not proceed with placing the Shortfall.

3.5 Australian Securities Exchange Listing

Application for official quotation by ASX of the Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as modified by the ASIC), the Company will not issue any Options and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.6 Allotment of Options

Options issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. The Company will allot the Options on the basis of a Qualifying Optionholder's Entitlement. Where the number of Options issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.7 Overseas Qualifying Optionholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Qualifying Optionholders, the number and value of Securities these Qualifying Optionholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Qualifying Optionholders with a registered address which is outside Australia or New Zealand.

Qualifying Optionholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to exercise their Entitlements under the Offer.

3.8 Taxation Implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Securities offered pursuant to this Prospectus.

3.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company will apply to ASX to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.10 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of Options, facilitate distribution payments and corporate communications to you as a holder of Options and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$698,146 (before expenses). The proceeds of the Offer, are planned to be used in accordance with the table set out below:

Proceeds of the Offer	\$
Working Capital	656,205
Expenses of the Offer ¹	41,941
Total	698,146

Notes:

1. Refer to Section 7.5 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer and Pro Forma Consolidated Balance Sheet

The principal effect of the Offer will be to:

- (a) increase the cash reserves and equity by approximately \$656,205 immediately after completion of the Offer after deducting the estimated expenses of the Offer; and
- (b) increase the number of Options on issue from nil Options prior to the date of this Prospectus to approximately 69,814,553 Options following completion of the Offer.

4.3 Consolidated Balance Sheet

The unaudited Balance Sheet as at 30 June 2010 and the unaudited Pro Forma Balance Sheet as at 30 June 2010 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Options pursuant to the Offer in this Prospectus are issued.

The unaudited Balance Sheets have been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

**Consolidated Balance Sheet and Pro Forma Balance Sheet as at 30 June 2010
(unaudited)**

	Note	30 June 2010 Actual \$	30 June 2010 Pro-forma \$
CURRENT ASSETS			
Cash and cash equivalents		756,127	1,412,332
Trade and other receivables		365,216	365,216
Other		33,728	33,728
TOTAL CURRENT ASSETS		1,155,071	1,811,276
NON-CURRENT ASSETS			
Plant and equipment		113,930	113,930
Exploration and evaluation costs		6,999,652	6,999,652
TOTAL NON-CURRENT ASSETS		7,113,582	7,113,582
TOTAL ASSETS		8,268,653	8,924,858
CURRENT LIABILITIES			
Trade and other payables		230,117	230,117
Annual leave liability		9,031	9,031
TOTAL CURRENT LIABILITIES		239,148	239,148
TOTAL LIABILITIES		239,148	239,148
NET ASSETS		8,029,505	8,685,710
EQUITY			
Issued capital		11,179,440	11,835,645
Accumulated Losses		(3,149,935)	(3,149,935)
TOTAL EQUITY		8,029,505	8,685,710

Since 30 June 2010, the Company entered into the following transaction on 8 July 2010, the Company announced that it had received \$280,000 in relation to a 60 day option agreement to acquire the Company's Queensland phosphate assets. If the option is exercised the Company will receive a further \$2,520,000, at which time it will issue 28,000,000 shares and 28,000,000 options exercisable at 20 cents each on or before 30 June 2013 to the subscriber. If the option is not exercised the company will retain the option payment and issue 2.8 million ordinary fully paid shares at an issue price of 10 cents each together with 2.8 million attaching options exercisable by payment of 20 cents each on or before 30 June 2013. See ASX announcement dated 8 July 2010 for details.

4.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

Shares

	Number
Shares on issue at date of Prospectus	158,393,504
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	158,393,504

Options

	Number
Options on issue at date of Prospectus	0
Options offered pursuant to the Offer	69,814,553
Total Options on issue after completion of the Offer	69,814,553

5. RIGHTS ATTACHING TO OPTIONS AND UNDERLYING SECURITIES

5.1 Rights Attaching to Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the holder the right to subscribe for one Share. To obtain the right given by each Option, the holder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5.00pm (WST) on 30 June 2013 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).
- (d) The Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) A holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) A written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) A cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

(Exercise Notice).

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 business days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Company will apply to the ASX for quotation of these options upon completion of the priority offer. Optionholders acknowledge that there is no guarantee that ASX will grant quotation of these options and/or quote the options on ASX, as ASX has the discretion to grant quotation for an entity's securities and there are minimum requirements that must be met before quotation may be granted(including without limitation, minimum spread requirements)
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation of all shares allotted pursuant to the exercise of options on ASX within 10 business days after the date of allotment of those shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- (l) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to holders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 business days after the issue is announced. This will give holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

5.2 Rights Attaching to Shares (being the underlying securities)

The following is a summary of the more significant rights and liabilities attaching to Shares. Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) Notice of Meetings

Each Shareholder is entitled to receive notice of general meetings of the Company. Except in certain circumstances, Shareholders are entitled to be present in person, or by proxy, attorney or representative to speak or to vote at general meetings of the Company or to join in demanding a poll. Shareholders may requisition general meetings in accordance with the Corporations Act.

(b) Voting

At a general meeting, on a show of hands, every person present who is either; a member, a proxy, an attorney or a representative of a Shareholder has one vote. At the taking of a poll, every Shareholder present in person or by proxy, attorney or representative has one vote for each Share held.

(c) Dividends

The Directors may from time to time authorise and pay dividends out of the profits of the Company. Dividends are payable in proportion to the number of Shares held by Shareholders.

(d) Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the property of the Company. The liquidator may also, with the sanction of a special resolution, vest the whole or any part of the property in a trustee on trust for Shareholders.

(e) Transfer of Shares

A Shareholder may transfer Shares by a written transfer or by a transfer effected under a computerised or electronic system recognised by the

Listing Rules or by the Corporations Act. The Directors may refuse to register a transfer of Shares where the Listing Rules permit the Company to do so. On any refusal to register a transfer of Shares, the Company must give written notice to the transferee and the reasons for the refusal.

(f) **Allotment of Shares**

The Directors may, subject to the Constitution, allot new Shares with such terms and conditions as they think fit.

6. RISK FACTORS

Applicants should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Operating Risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) adverse geological conditions;
- (b) limitations on activities due to seasonal weather patterns and cyclone activity;
- (c) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (d) mechanical failure of operating plant and equipment;
- (e) industrial and environmental accidents, industrial disputes and other force majeure events;
- (f) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (g) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (h) inability to obtain necessary consents or approvals.

6.2 Native Title and Title Risks

Both the *Native Title Act 1993* (Cth), related State Native Title legislation and Aboriginal Land Rights and Aboriginal Heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles.

Compensatory obligations may be necessary in settling Native Title claims if lodged over any tenements acquired by the Company. The existence of outstanding registered Native Title claims means that the grant of a tenement in respect of a particular tenement application may be significantly delayed or thwarted pending resolution of future act procedures in the Native Title Act. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company. At this stage it is not possible to quantify the impact (if any) which these developments may have on the operations of the Company.

6.3 Environmental Risks and Regulations

The Company's projects are subject to Commonwealth and State laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be

expected to have a variety of environmental impacts should development proceed.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the conditions attaching to the Tenements.

6.4 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

6.5 Market conditions

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

6.6 Commodity Price Volatility and Exchange Rate Risks

The revenue the Company will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australia dollar as determined in international markets.

6.7 Security Investments

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating

performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

6.8 Legislative changes, Government policy and approvals

Changes in government regulations and policies may adversely affect the financial performance of the Company. For example, any increased rentals under the Mining Act may impact on the Company's actual financial statements. The Company's capacity to explore and mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

6.9 Future Capital Requirements

The Company's ongoing activities will require substantial expenditures. There can be no guarantee that the funds raised through the Offer, will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

6.10 Reliance on Key Personnel and Employees

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

6.11 General Risks

The value of the Company's Securities are affected by a number of general factors which are beyond the control of the Company and its Directors.

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices, local and international economic conditions and general investor sentiment.

The Company's share price can be afflicted by these factors which are beyond the control of the Directors.

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 30 June 2009 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the

year ended 30 June 2009 lodged with ASIC before the issue of this Prospectus; and

- (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2009 audited financial statements:

Date	Description of Announcement
30/07/2010	Quarterly Activities Report and Appendix 5B
19/07/2010	Notice of General Meeting
08/07/2010	Option to Acquire GBM's Queensland Phosphate Assets
07/07/2010	Appendix 3Y - Change of Directors Interest Notices (x4)
05/07/2010	Brightlands Copper Gold Project - Update
22/06/2010	Exploration to Commence on Pan Pacific Copper \$55m Farm-in
21/06/2010	Priority Entitlement Offer to Existing Option Holders
11/06/2010	Boardroom Radio Interview - Managing Director
03/06/2010	Significant Poly-Metallic IOCG Mineralisation at Brightlands
02/06/2010	Notification of Listed Option Expiry
01/06/2010	Boardroom Radio Interview with the Managing Director
25/05/2010	First Deep Hole Confirms IR Gold System at Malmsbury
17/05/2010	Drilling Progress - Brightlands Cooper Gold Project
12/05/2010	Appendix 3B
30/04/2010	Quarterly Activities Report and Appendix 5B
15/04/2010	GBM and Pan Pacific Copper Sign A\$55 million Agreement
13/04/2010	Trading Halt Request
13/04/2010	Trading Halt
07/04/2010	Boardroom Radio Interview with the Managing Director
06/04/2010	GBM not proceeding with Proposed Phosphate JV

31/03/2010	Drilling Underway at the Brightlands Copper Gold Project
25/03/2010	Change of Registered Office
25/03/2010	Kilometre Drill Hole Completed at Malmsbury Gold Project
15/03/2010	Half Year Financial Statements
12/03/2010	2010 Drill Program to Commence on Brightlands Cu Au Project
22/02/2010	Boardroom Radio interview with the Managing Director
19/02/2010	Progress Report- Brightlands Copper Gold Project Qld
15/02/2010	Malmsbury Gold Project - 1km Deep Drilling Commenced
02/02/2010	Company Secretary Appointment/Resignation
28/01/2010	Quarterly exploration report and appendix 5B
25/01/2010	Boardroom Radio Interview with MD
05/01/2010	Results of Meeting
29/12/2009	Progress Report - Brightlands Copper Gold Project
18/12/2009	Boardroom Radio
16/12/2009	GBM and Pan Pacific Copper JV
16/12/2009	Letter of intent signed with world leading copper producer
14/12/2009	Boardroom radio broadcast
08/12/2009	Finance news network interview with MD
02/12/2009	Notice of General Meeting/Proxy Form
02/12/2009	Diamond Drilling commences on the Tiger Prospect
20/11/2009	Results of Meeting
20/11/2009	AGM Presentation
20/11/2009	Appendix 3B
17/11/2009	Significant SAM Anomalies at Tiger
10/11/2009	Phosphate Joint Venture secures \$2.6M in funding
06/11/2009	Change of Director`s Interest Notice
06/11/2009	Appendix 3B
05/11/2009	Deep target zone at Tiger and \$2.5M placement completed
30/10/2009	Quarterly Activities Report and Appendix 5B Cash flow

27/10/2009	Geophysics surveys at Tiger prospect Mt Isa
20/10/2009	Notice of Annual General Meeting/Proxy Form
15/10/2009	Progress at Tiger Prospect Brightlands Copper Gold Project
13/10/2009	Release of escrow securities
02/10/2009	Update on Brightlands Copper project Mt Isa

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.gbmr.com.au.

7.2 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer pursuant to this Prospectus.

Directors' interests in securities of the Company at the date of this Prospectus are:

Name	Shares	Options	Entitlement	Remuneration (\$)(i)
Cameron Switzer	6,393,750	3,756,250	3,756,250	18,964
Peter May	2,097,250	1,095,350	1,095,350	23,356
Neil Norris	9,250,000	3,093,635	3,093,635	198,588
Peter Thompson	9,562,582	4,937,525	4,937,525	159,909

(i) Remuneration from 1 July 2009 to 31 May 2010

Notes:

- Each of the Directors has indicated that it is their present intention to subscribe for their full Entitlement under the Offer.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The Company paid to the Directors a total of \$161,243 the year ended 30 June 2008 and \$293,748 for the year ended 30 June 2009. In addition to the above, the Directors have been paid remuneration totalling \$400,817 from the end of the previous financial year until 31 May 2010. Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.3 Interests and Consents of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of securities pursuant to this Prospectus; or
- (c) the Offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

Pursuant to Section 716 of the Corporations Act, Steinepreis Paganin has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Steinepreis Paganin has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Steinepreis Paganin act as solicitors to the Company. Steinepreis Paganin will be paid approximately \$10,000 for services in relation to this Prospectus.

7.4 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

7.5 Estimated Expenses of Offer

In the event that the Offer is fully subscribed, the estimated expenses of the Offer are as follows:

	\$
ASIC fees	2,068
ASX fees	19,931
Legal expenses	10,000
Printing and other expenses	9,942
Total	41,941

7.6 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.17 on 15 April 2010

Lowest: \$0.046 on 8 July 2010

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.051 on 6 August 2010.

7.7 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8. AUTHORITY OF DIRECTORS

8.1 Directors' Consent

Each of the Directors of GBM Resources Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act

Dated the 9th day of August 2010

PETER THOMPSON

DIRECTOR

**Signed for and on behalf of
GBM Resources Limited**

9. DEFINITIONS

Applicant means a Qualifying Optionholder or other party instructed who applies for Options pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX means the ASX Limited (ACN 008 624 691) or the Australian Securities Exchange (as the context requires).

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer, being 5.00pm (WST) on 3 September 2010 (unless extended).

Company means GBM Resources Limited (ACN 124 752 745).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001*(Cth).

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Entitlement means the entitlement of a Qualifying Optionholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Expired Options means:

- (a) listed Options trading under ASX Code "GBZO" that had an exercise price of \$0.25 each and an expiry date of 30 June 2010 (which expired on 30 June 2010);
- (b) unlisted Options that had an exercise price of \$0.22 each and an expiry date of 30 June 2010 (which expired on 30 June 2010); and
- (c) unlisted Options that had an exercise price of \$0.25 each and an expiry date of 30 June 2010 (which expired on 30 June 2010).

General Meeting means the general meeting of Shareholders that has been convened for 18 August 2010 to approve, inter alia, the issue of the Options under this Prospectus.

Issue means the issue of Options offered by this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offer means the offer of Options pursuant to the Prospectus on the basis of one (1) Option for every one (1) Expired Option held by a Qualifying Optionholder on the Record Date at an issue price of \$0.01 per Option, to raise approximately \$698,416.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Qualifying Optionholder means any person or entity that held Expired Options on the Record Date.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 5.00pm (WST) on 30 June 2010.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Shortfall means those Options under the Offer not applied for by Qualifying Optionholders under their Entitlement on or prior to the Closing Date.

Shortfall Application Form means the shortfall application form attached to or accompanying this Prospectus.

WST means Western Standard Time.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

GBM Resources Limited

ABN

91 124 752 745

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 69,814,553 (depending on acceptances) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Options exercisable at \$0.20 each on or before 30 June 2013. |

+ See chapter 19 for defined terms.

4	Do the ⁺ securities rank equally in all respects from the date of allotment with an existing ⁺ class of quoted ⁺ securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No						
5	Issue price or consideration	\$0.01 each						
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Proceeds from the Offer will be used to provide working capital for the Company and to the funding of the Company's ongoing exploration programs in Victoria and Queensland.						
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	To be advised						
<table border="1"> <thead> <tr> <th></th><th>Number</th><th>⁺Class</th></tr> </thead> <tbody> <tr> <td>8</td><td>Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</td><td> 158,393,504 Ordinary shares ('GBZ') 69,814,553 Options expiring 30 June 2013 exercisable at \$0.20 </td></tr> </tbody> </table>				Number	⁺ Class	8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	158,393,504 Ordinary shares ('GBZ') 69,814,553 Options expiring 30 June 2013 exercisable at \$0.20
	Number	⁺ Class						
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	158,393,504 Ordinary shares ('GBZ') 69,814,553 Options expiring 30 June 2013 exercisable at \$0.20						

⁺ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/a

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Yes
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 for 1
14	+Class of +securities to which the offer relates	All classes of listed and unlisted options held at the record date.
15	+Record date to determine entitlements	30 June 2010
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	N/a
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries with the exception of Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	3 September 2010
20	Names of any underwriters	N/a
21	Amount of any underwriting fee or commission	N/a
22	Names of any brokers to the issue	N/a

+ See chapter 19 for defined terms.

23	Fee or commission payable to the broker to the issue	N/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/a
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	18 August 2010
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	11 August 2010
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/a
28	Date rights trading will begin (if applicable)	N/a
29	Date rights trading will end (if applicable)	N/a
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/a
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/a
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/a
33	⁺ Despatch date	13 September 2010

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40	Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">⁺Class</th> </tr> </thead> <tbody> <tr> <td style="height: 60px;"></td> <td></td> </tr> </tbody> </table>	Number	⁺ Class		
Number	⁺ Class					

⁺ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company secretary

Date: 10th August 2010

Print name:

Kevin Hart

== == == == ==

+ See chapter 19 for defined terms.