

ASX Announcement  
9 May 2011

## **GBM Resources Provides Drilling Program Update on Brightlands Copper Gold Project in North-West Queensland**

### **Overview:**

- **Milo Prospect** – 9 RC pre collar holes have been completed and diamond drilling of these pre collars has commenced. Diamond drilling is planned to be completed by early June with assay results expected by end of June.
- **Work is following-up significant results returned at Milo last year which confirmed potential for a large Iron Oxide Copper Gold system (IOCG).**
- **Tiger T2 prospect** – RC drilling program now underway, with assay results also expected in June. Drilling testing for higher grade Cu-Au mineralisation.

Australian resources company **GBM Limited** (ASX:GBZ) ("**GBM**" or "**the Company**") is pleased to advise that the June quarter drilling programs for the Milo and Tiger T2 are on schedule and budget.

The programs have an overall budget of \$2.5 million and are scheduled to run through to November 2011.



*Picture: Diamond drilling at the Milo Prospect.*

## Program Summary

(as previously announced to the ASX on 8 April 2011).

### Milo Prospect

Milo has reached advanced prospect stage and the 2011 program is being staged as follows:

- **June Quarter 2011:** Drilling to test the depth and strike of the current work area and an immediate extension indicated by magnetic data. It is also aimed at confirming, and or expanding, the initial exploration target size of 30-80 million tonnes, grading between 0.8% to 1.2% Cu equivalent.
- **2<sup>nd</sup> Half 2011:** Ongoing drill testing of the current work area to progress to inferred resource status. A project scoping study, including associated metallurgical testwork and preliminary financial modeling, will also be completed. Concurrently, testing of additional strike extensions over two kilometres, as indicated by soil geochemistry, to extend the exploration target area, will be undertaken.

Positive results from this program would provide the basis for a preliminary feasibility study to follow in 2012.

The work is following-up significant results returned at Milo last year which confirmed potential for a large Iron Oxide Copper Gold system (IOCG). The data from that work provided GBM Resources with the basis for an initial Exploration Target\*<sup>3</sup> of between 30-80 million tonnes (Mt) of mineralised material, averaging between 0.8% and 1.2% Cu equivalent\*<sup>1</sup>.

The Milo Prospect is a large breccia hosted, poly-metallic Iron Oxide Copper Gold system (IOCG). The 2010 drilling program confirmed consistent mineralisation over long intervals which contained significant zones of higher grade mineralisation. Significant results included: BT024: 107m @ 0.8% Cu equivalent, including 37m @ 1.1% Cu, and BT025: 86m @ 0.8% Cu equivalent, including 27m @ 1.2% Cu equivalent and 18m @ 1.3% Cu equivalent. The drilling program results confirmed consistent mineralisation over broad intervals with significant results returned for copper, gold, silver, molybdenum, cobalt and uranium.

### Tiger T2 Prospect

Further drill testing to advance the T2 prospect is planned for completion during the June Quarter. This drilling will test for higher grade Cu-Au mineralisation extending from the existing broadly spaced scout drill holes completed last year. The drilling will follow up on the strong results from the most recent Tiger T2 program, which upgraded the copper soil anomaly and confirmed the previous results obtained from a Sub Audio magnetic (SAM) survey. These results have indicated that T2 has the potential to host IOCG style mineralisation.

The program is planned to commence in May and will be staged as follows:

- **June Quarter 2011:** Drilling to test the strike continuation of the anomalous area defined by soil geochemistry and upgraded by drilling in the December quarter. A detailed gravity survey will also be completed to further assist in targeting areas of potential mineralisation.
- **2<sup>nd</sup> Half 2011:** Ongoing drill testing of the T2 area, testing mineralisation at depth. Additional electrical geophysical surveys may be utilised to assist in targeting deeper mineralisation.



*Picture: RC drilling at Tiger T2*

The Milo and Tiger Prospects are located on the regionally significant structural trend, the 'Cloncurry Flexure' in the Eastern Succession of the Mt Isa Inlier. Metamorphic rocks of the Eastern Succession host the world-class Ernest Henry IOCG Deposit and recent exploration in the area has resulted in new significant discoveries of IOCG-style mineralisation.

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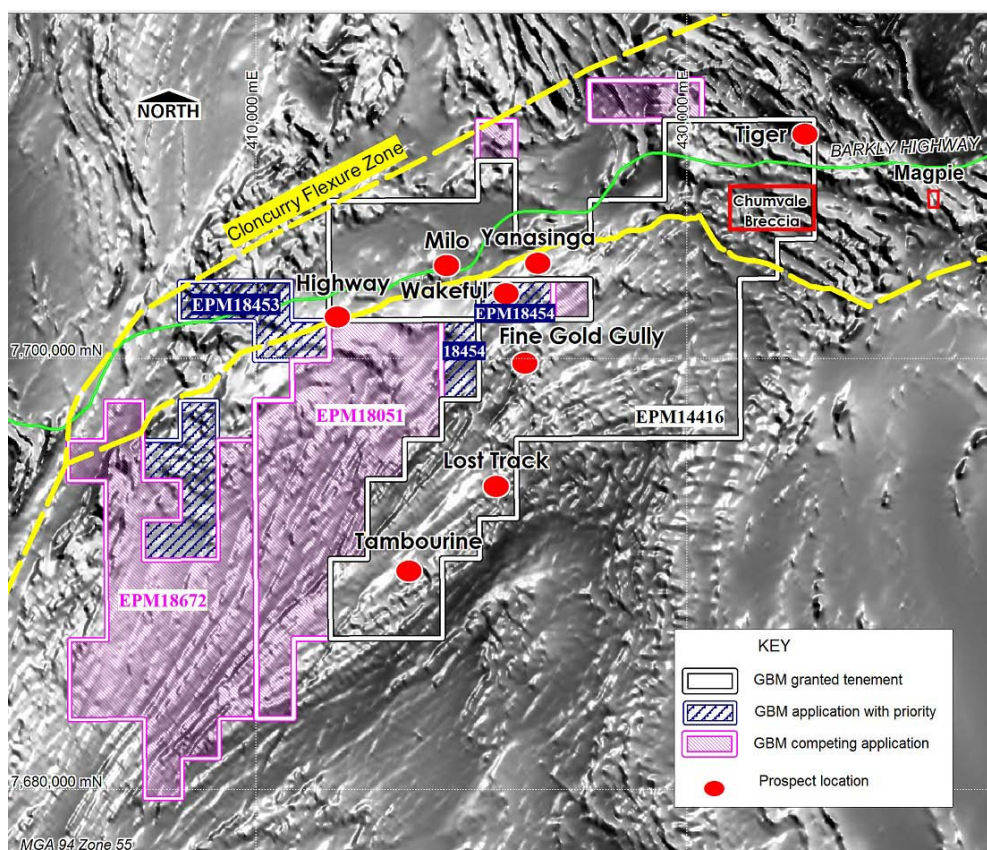
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**Brightlands Project area showing prospects over TMI RTP magnetic image.**

**Notes:**

<sup>\*1</sup> Copper Equivalent calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. However it is the company's opinion that elements considered here have a reasonable potential to be recovered. It should also be noted that current state and federal legislation may impact any potential future extraction of Uranium. Prices and conversion factors used are summarised below, rounding errors may occur.

| Commodity  | Price | Units   | unit value     | unit | Conversion factor<br>(unit value/Cu % value) |
|------------|-------|---------|----------------|------|----------------------------------------------|
| copper     | 6836  | US\$/t  | 68.36 US\$/%   |      | 1.0000                                       |
| gold       | 1212  | US\$/oz | 38.97 US\$/ppm |      | 0.5700                                       |
| cobalt     | 40000 | US\$/t  | 0.04 US\$/ppm  |      | 0.0006                                       |
| silver     | 18    | \$/oz   | 0.58 US\$/ppm  |      | 0.0085                                       |
| uranium    | 40    | US\$/lb | 0.08 US\$/ppm  |      | 0.0012                                       |
| molybdenum | 38000 | US\$/t  | 0.04 US\$/ppm  |      | 0.0006                                       |

<sup>\*2</sup> Intersections quoted are length weighted averages of results for individual sample intervals. Samples were taken at 1 metre intervals in RC drilling by multistage splitter and generally 1 metre intervals of half sawn core with maximum of 2metres for diamond drilling. Analyses were completed by ALS in Mt Isa for all elements other than gold by ME-ICP61, over limit (>1%) Cu by Cu-OG46 and AU by Au-AA25 in Brisbane. Holes range in declination from 50° to 70° to 225° MGA at Milo and 80° to 270° MGA at Tiger. Mineralised zones are interpreted to dip steeply in the opposite direction, holes are therefore drilled approximately perpendicular to the interpreted strike of mineralised zones.

<sup>\*3</sup> It should be noted that this is an exploration target only, potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The tonnage estimate is based on a 475 metre strike length with an average combined width of 80 metres and depth of 500 metres being the volume broadly tested by drilling to date. A nominal bulk density of 3.0 t/m<sup>3</sup> was assumed. An accuracy of +/- 50% was assumed to provide a tonnage range reflecting the conceptual nature of this target estimate. Grade ranges represent the range of downhole intersections available over significant widths to date.

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