

10 December 2015

## **Eight Major Gold Systems Identified, Mount Coolon Gold Project**

- **Eight major gold mineralising systems identified at the Mount Coolon Gold Project.**
- **45 exploration prospects associated within these areas identified in a review of historical exploration data.**
- **GBM will continue to systematically process historical data, prioritising prospects with potential for oxide or high-grade epithermal gold mineralisation.**

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to announce that the ongoing review of exploration data has continues to reveal significant exploration data supporting the existence of several major gold mineralising systems within the Company's 100% owned Mount Coolon Gold Project, located near Charters towers in Central Queensland.

The Company will investigate the potential for the Mt Coolon resource base to be increased by testing of priority targets identified within the Company's extensive Mt Coolon tenement package.

The Mt Coolon tenement package covers an area of over 770 square kilometres (greater than the entire 714 square kilometre area of Singapore) in Queensland's Drummond Basin, host to a number of million ounce deposits including the +3 million ounce Pajingo Gold Mine currently operated by Evolution Mining Limited.

GBM geologists have identified eight key mineralising systems which will be systematically assessed. Auriferous mineralising systems identified in the Mount Coolon Project tenements frequently contain multiple individual prospects, anomalies or targets for future exploration. Mineralising systems are located within broad north westerly trending structural corridors which have been identified as regionally significant and are considered favourable for formation of gold deposits.

Key areas are summarised and illustrated on the following figure.

ASX Code: GBZ

### COMPANY DIRECTORS

**Peter Thompson**  
Managing Director/ Executive Chairman

**Neil Norris**  
Exploration Director – Executive

**Hun Seng Tan**  
Non- Executive Director

### CONTACT DETAILS

**Principal & Registered Office**  
Suite 8, 7 The Esplanade,  
Mt Pleasant, WA 6153

**Exploration Office**  
10 Parker Street,  
Castlemaine, Victoria 3450

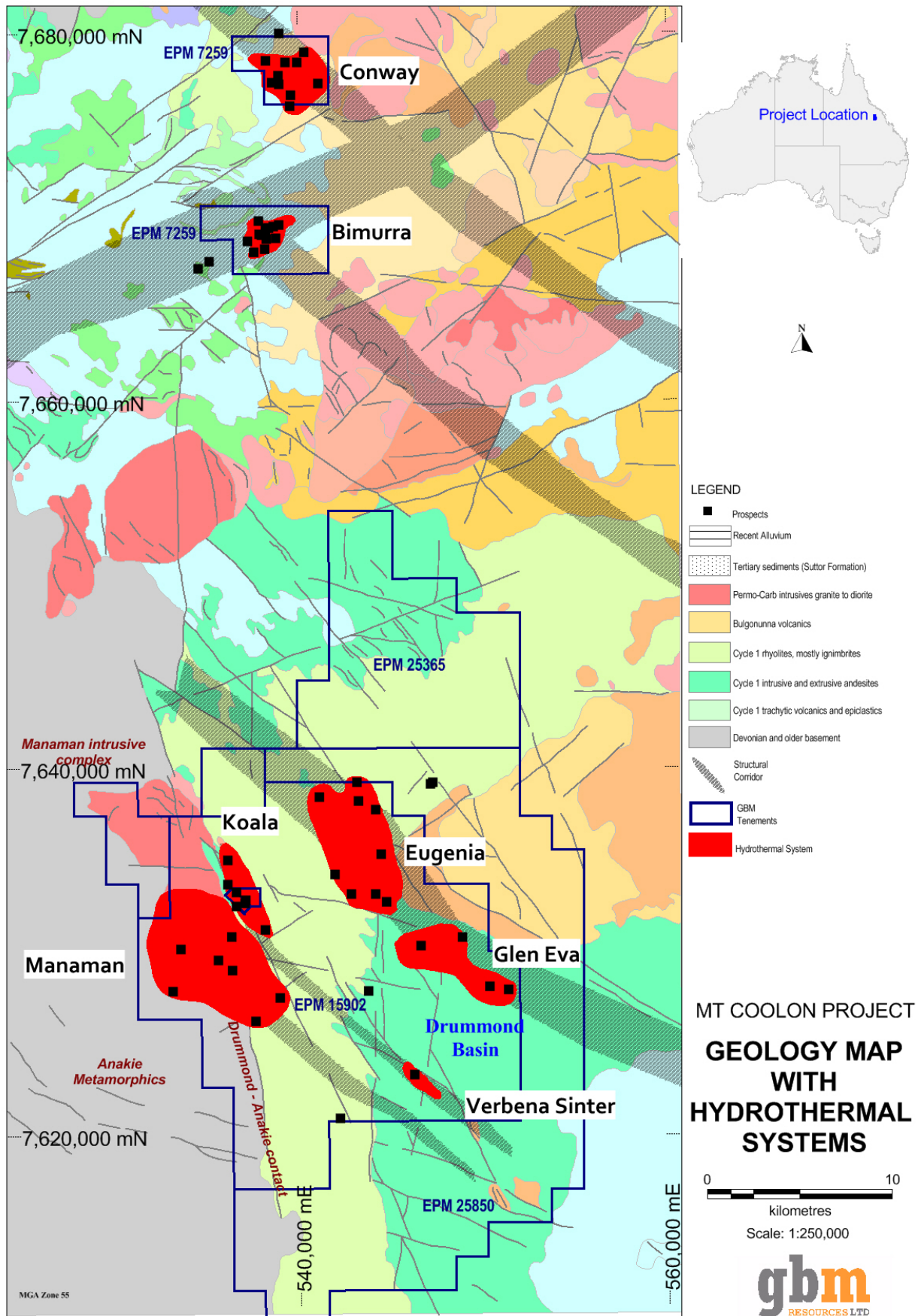
**Website**  
[www.gbmr.com.au](http://www.gbmr.com.au)

**Email**  
[info@gbmr.com.au](mailto:info@gbmr.com.au)  
**Phone**  
+61 (8) 9316 9100

**Fax**  
+61 (8) 9315 5475

**Phone (Exploration Office)**  
+61 (3) 5470 5033





The following list summarises briefly the key elements of priority areas identified to date:

**Koala System** - Centred on the high-grade Koala Gold Mine, and operated as a high-grade underground gold mine by the early pre-cursor to Western Mining Corporation, Gold Mines of Australia. The total production from underground mining to 1940 was 303,408 tonnes @ 18.4g/t Au, for 179,475 ounces of gold & 60,000 ounces of silver. A further 270,000 tonnes averaging 5.6 g/t Au yielded 53,000 ounces of gold from 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. However GBM believe that drilling may not have tested the limits of mineralisation either at depth or along strike. The known mineralisation has been mined and prospected over a strike length in excess of one kilometre. In addition, a number of structural targets exist in the area nearby which hold potential to host structural repeats of the Koala Gold Mine setting.

**Verbena Sinter** - Located 15 kilometres south east of Mount Coolon and Koala Gold Mine on the same structural corridor. The sinter outcrops over a 1.5 kilometre strike length and up to 600 metres wide. Rock chip sampling and shallow Reverse Circulation (RC) drilling have in the past confirmed the presence of gold mineralisation, but no Resource has been substantiated. It is considered possible that an improved understanding of the nature of the hydrothermal system operating at the Verbena Sinter may lead to future discovery of epithermal gold mineralisation at this prospect.

**Glen Eva Gold Mine** - Yielded 37,200 ounces of gold from 154,000 tonnes averaging 7.5 g/t Au from open cut mining during the 1990's. The Deposit currently hosts a Resource estimated at 154,000 tonnes averaging 7.5 g/t Au containing 37,200 ounces of gold. This high-grade Deposit remains open at depth, and exploration along strike does not appear to have penetrated the shallow cover that obscures the extensions to the mineralisation. A number of prospects have been generated in close proximity to the Glen Eva Gold Mine by mapping, geophysical analyses and soil sampling including; Four Posts, Fence, Serpent and Arsenic Anomaly. More distal prospects include Eastern Siliceous Zone, Canadian-Blackbutt, Last Stand and Porcupine each show evidence of gold mineralisation and alteration and remain to be investigated in detail by GBM.

**Eugenia System** - The Eugenia Deposit Resource was recently upgraded by GBM to a total estimated Resource of 5.0 million tonnes, averaging 1.0g/t Au containing 164,000 ounces, including an oxide Resource containing 1.7 million tonnes, averaging 1.0 g/t Au and containing an estimated 53,000 ounces of gold ( ASX Release dated 27 August 2015). It is considered likely that exploration completed to date has not adequately tested the system limits, or the potential for a possible high-grade feeder zone to the mineralisation. In addition, exploration by previous explorers have demonstrated gold mineralisation at prospects located in close proximity including Boundary, Boundary North and Quarry.

**Bimurra Prospect** - GBM have estimated an Exploration Target range for the Perseverance-Elizabeth area of the Bimurra Prospect of between 10 million tonnes at an average grade of 0.7 g/t Au, containing an estimated 230,000 ounces of gold and 4 million tonnes at an average grade of 1.2 g/t Au, containing an estimated 120,000 ounces of gold. There is also evidence of high-grade epithermal veins with intersections including a 0.5 metre interval which returned 51.5 g/t Au from 79 metres in hole DDHBIMS57( refer ASX release dated 21<sup>st</sup> September 2015). It should be noted that the potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. In addition, the Bimurra system hosts a number of prospects and mineral occurrences with characteristics typical of low sulphidation epithermal systems. Prospects identified to date include Blenheim, Hilltop, Perseverance, Elizabeth, Bimurra east, Cap Creek, Ramillies, Bungobine Peak and Bimurra North East. The system is located on the intersection of a north west structural corridor and a north east trending corridor which hosts the 3 million ounce Wirralie Gold Mine.

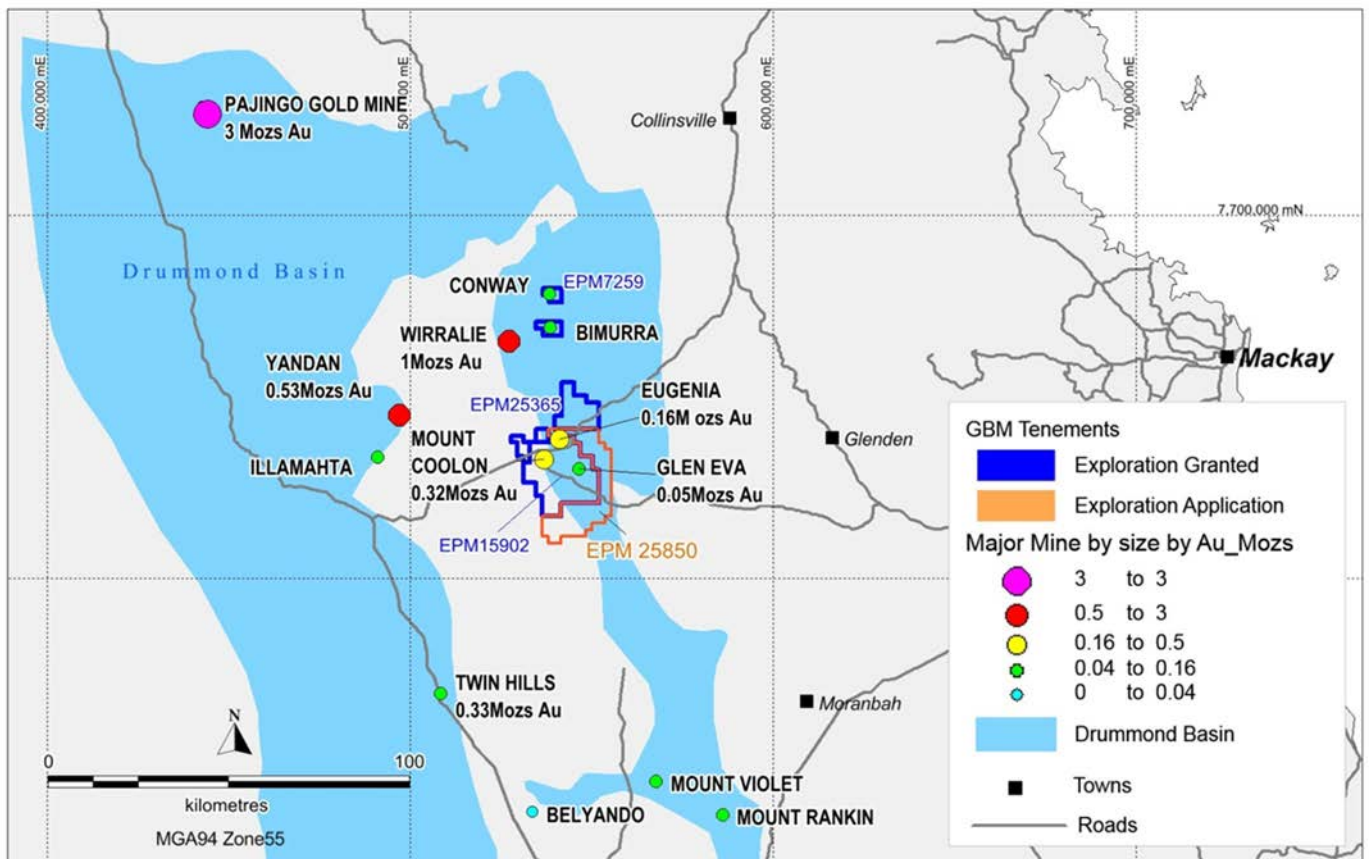
**Conway System** - Contains multiple prospects and is considered to hold potential for both bonanza epithermal vein style deposits and bulk tonnage low grade disseminated deposits. Conway is also considered to be a low sulphidation epithermal gold system with similarities to the Waihi Gold Mine in New Zealand which has produced over 7million ounces of gold. Prospects identified by previous explorers include: Wobegong, Red Flag Hill, Quartz Reef Hill, Split Hill, Bustard Egg Hill, Mill Hill, Big Sinter Hill, and Sinter Valley. High-grade results have been reported by previous explorers including 2m @27.0 g/t Au and 2m @9.3 g/t Au at Wobegong Prospect (refer Drummond Gold Ltd. IPO Prospectus 6 November 2007). Future work by GBM will seek to verify previous drill results and include them in a database to support analyses and interpretation.

### GBM Mount Coolon Resources

Resources were previously reported by GBM (see GBM 2015 Annual Report and refer ASX release 27 August 2015) and are summarised in the table below. 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. These resources contain a total of 268,600 ounces of gold.

| 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; 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.



*Figure: Mt Coolon project tenement group location plan.*

## Forward Programme

A Scoping Study evaluating the potential benefit of heap leach gold extraction from known oxide Resources at Eugenia and possibly Bimurra prospects is planned to be completed during the first half of 2016.

Completion of database compilation and validation along with limited confirmatory drilling and metallurgical testwork in the Bimurra area is expected to lead to estimation of a mineral Resource for the more intensively drill tested portion of the Exploration Target area. From this work, it is planned to provide firm options to fast track resources at the Mt Coolon Gold Project to gold production.

In conjunction with this, GBM will further investigate the potential for future additions to the Resource base by testing of priority Targets within the Company's extensive Mt Coolon tenement package. Progressive completion of detailed data base compilation for key mineralising systems within the Mount Coolon Gold Project is planned and the Company intends to provide updates of significant outcomes from this programme.

## Background to Mount Coolon Gold Project

In January 2015 GBM announced the signing of a binding Share Sale Agreement with Drummond Gold Limited (ASX: DGO) pursuant to which GBM acquired a 100% interest in all of the issued capital of Mt Coolon Gold Mines Pty Ltd. This transaction was completed during April (refer ASX release dated 13 April 2015). The project is located 250km 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 M ozs) to bulk tonnage intrusive related gold deposits (eg Mt Leyshon 2.1 M ozs).

**For Further information please contact:**

Peter Thompson  
Managing Director  
GBM Resources Limited  
Tel: 08 9316 9100

Karen Oswald  
Marko Communications  
Tel: + 0423 602 353  
Email: Karen.oswald@markocommunications.com.au

**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 cover an area greater than 4,300 square kilometres in eight major projects areas in Queensland and Victoria. GBM also has a substantial interest in the Lubuk Mandi gold project in Malaysia.

GBM is prioritizing the exploration and development of the Mount Coolon Gold Project and Mount Morgan Gold Copper Project along with ongoing exploration conducted under the PPC-Mitsui Farm-In Agreement.

**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.*