ABN 91 124 752 745

ASX Announcement

16 January 2017

AUD$ 10 Million Loan Agreement Update

As announced on 18 October 2016, GBM Resources Limited ('GBM' or 'the Company') entered into an AUD$10 million loan agreement with National Federal Capital Ltd (NFC) (Loan Agreement). Pursuant to the terms of the Loan Agreement, the AUD$10m was to be provided in two tranches of AUD$5m each. Tranche 1 was due to be paid on 21 November 2016 whilst Tranche 2 is due to be paid on 28 February 2017.

Part payment of Tranche 1 for AUD$1.5million was received on 7 December 2016. The balance of Tranche 1 was rescheduled to be received by 13 January 2017. However, the Board of GBM now advises that this balance has not been received.

Accordingly, NFC is in breach of the terms of the Loan Agreement. The Company previously advised on the 21 November 2016 that the Loan Agreement was unconditional and further confirms that it is in compliant with its obligations under the Loan Agreement.

The Company is currently in discussions with NFC and is considering its options under the Loan Agreement. The Company will provide a further update once discussions with NFC have been concluded.

Refer to ASX announcement dated 18 October 2016 for further details of the Loan Agreement.

For further information please visit www.gbmr.com.au or contact:

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