Annual Report 2014

GBM RESOURCES LTD
ABN 91 124 752 745

Secured rights to graphite at Sevastapol Graphite Prospect

Construction of Lubuk Mandi Tailings Treatment Plant

New Tenement and Project Status at Mount Morgan

2014

Lubuk Mandi G.M. Joint Venture

2013

Cu-Au targets identified at Mayfield

IRGS with tungsten and molybdenite at Monkey Gully, Yea

New Cu-Au porphyry-style mineralisation at Sandy Creek, Mount Morgan

2012

Acquired Limonite Hill IRGS-porphyry Mount Morgan

IOCG Discovery at Bronzewing Bore

REE Cu-U Resource defined at Milo, Brightlands

2011

Malmsbury resource increased to 104,000 ozs Au

Mitsui Corporation joint Cloncurry Farm-in – Joint Venture

2010

Pan Pacific Copper Cloncurry Farm-in – Joint Venture Agreement

Phosphate identified at Burke Bore, Bungalien

2009

New tenements acquired at Mount Morgan

Purchase of Bungalien, Brightlands, Mount Margaret and Talawanta-Grassy Bore tenements, Mount Isa region

2008

Drilling commences at Malmsbury IRGS

GBM listed on ASX

2007

Contents

Chairman's Report

Dear Fellow Shareholder,

This last year has been a transformational one for all the Company's shareholders and employees as a number of significant changes have been made which have set your Company on a new course.

During 2013 the Board determined that an acquisition of near term gold production assets would assist in securing the companies long term future and compliment and support our exploration strategy. In August 2013 the Company completed the acquisition of a 40% share of the Lubuk Mandi gold Mine in Malaysia. This strategy remains in place and the company has continued to pursue other opportunities throughout the year.

GBM has maintained an extremely high level of activity during the year resulting in the advancement of the Lubuk Mandi Gold Mine in Peninsular Malaysia, of which GBM has a 40% interest through it's investment in Angka Alamjaya Sdn Bhd (AASB), towards gold production from retreatment of tailings dumps from previous mining. The JORC Compliant Resource for the tailings is 1.5 million tonnes containing 34,700 ounces of gold.

Our Joint Venture partners, AASB, are now constructing a treatment plant which is expected to be in steady state production in early 2015. AASB is currently estimating a resource to potentially support recommencing hardrock mining operations at Lubuk Mandi. The Board believe that a planned Initial Public Offering of AASB on the Singapore Stock Exchange is a key value driver to GBM.

Importantly, this project re-enforces GBM's commitment to development and early production assets.

Significant progress was also achieved on the Cloncurry Joint Venture Projects (which are subject to a Farm-in agreement with our Japanese partners, PPC and Mitsui Corporation). The company has also been active with recent ground acquisition and target identification at our 100% owned Mount Morgan Gold Project together with identifying the graphite potential at Mt Margaret on the Sevastapol and Rhea Prospects.

The company is proud to confirm that this has been achieved with a zero harm record in safety and environment in 2014. This is the third consecutive year that GBM has achieved zero harm, a record the Board and management are proud to uphold and determined to continue into the future. We like to recognize the efforts of our employees and contractors who are key in achieving these outcomes.

The Company continues to remain focussed on the discovery and development of its projects in the shortest possible timeframe.

During the year the Board was restructured and we appointed Mr Frank Cannavo as Executive Director. Two Directors stepped down from the Board and I would like to thank Mr Cameron Switzer and Mr Sunny Loh for their respective contributions to the Company during their tenure.

We continue to operate within a strong cash position and recently completed a placement of $860,000 bringing a total of $2m now raised by the Company since the end of the financial year.

The placement allows us to continue our exploration programme on our 100% owned exploration assets for 2014 and 2015, and key areas for testing in the current field season are graphite on the Mount Margaret Project area and copper and gold on the Mount Morgan project.

On behalf of the Board I would like to thank all of our Shareholders for their continued support throughout the year and we remain committed to managing the Company's operations in a safe, sustainable manner, socially and environmentally responsible, with minimal impact on the communities on which we operate.

Yours sincerely

Peter Thompson
Executive Chairman

GBM Projects

Au / Cu 100%	Mt Morgan Projects	IRGS and Porphyry style targets in a highly under explored and prospective terrain adjacent to the Mt Morgan Gold mine which produced over 8 million ounces of gold and 500,000 tonnes of copper.
	Mayfield	High order Cu-Au geochemical and drilling anomalies adjacent to Trekelano Copper and Tick Hill Gold Mines
	Lachlan Fold Belt Projects	IRGS projects in the fertile Lachlan Fold Belt of Eastern Australia. Malmsbury 104,000oz inferred resource. Monkey Gully significant W-Mo intersections. Willaura targets prospective for Porphyry style Cu-Au mineralization in Andean Style Arc.
	Brightlands	50 targets for Cu-Au mineralization. Includes Milo inferred resource containing 108,000t TREEYO, 97,000t Cu, 14Mlbs U_3O_8
Cu / Au Pan Pacific/ Mitsui JV 100% (to10%)	Bungalien	Inlcudes the Bronzewing Bore IOCG discovery and other high order targets for IOCG style mineralisation
	Mt Margaret	Multiple IOCG targets under shallow cover adjacent to the Ernest Henry Gold Mine
	Talawanta/Grassy Bore	Strong IOCG targets under deep cover. Exciting targets challenging current exploration techniques, likely to host the next generation of major discoveries.
	Chumvale	Drilling by GBM has defined highly anomalous zinc mineralization.
Lubuk Mandi 40% AASB	Lubuk Mandi	Orogenic Gold deposit in highly under explored mineral. Tailings resource containing 34,000 ounces, hardrock resource definition in progress.
Industrial Minerals 100%	Sevastopol & Rhea Extended Graphite	Potential for very large to giant shale hosted graphite deposits. Initial hole averaged 8.1% TGC.
	Bungalien Phospate	Includes a large area of the Beetle Creek formation which hosts the giant Phosphate Hill Mine nearby. Drilling by GBM has returned grades of up to 22% P_2O_5.

2014 Highlights Summary

Vision

GBM Resources Limited (GBM) remains strongly focused on delivery of shareholder value through discovery, acquisition and development in the key commodities of gold and copper. The Company is determined to achieve this in a safe and responsible manner with the highest regard for the environment and communities in which we operate.

Company highlights for the 2014 financial year included:

- **Zero LTI's and Environmental incidents during the year.**
- **Delineation of 36,000 ounce tailings resource at the Lubuk Mandi Gold Project in Malaysia.**
- **Commencement of drilling to test the hard rock potential at the Lubuk Mandi Gold Project.**
- **Commencement of construction of the tailings treatment plant at the Lubuk Mandi Gold Project.**
- **Graphite potential identified and mineral rights for Sevastapol and Rhea Graphite Prospects secured.**
- **Mountain Maid Gold Mine area included in new EPM application at Mount Morgan Project.**

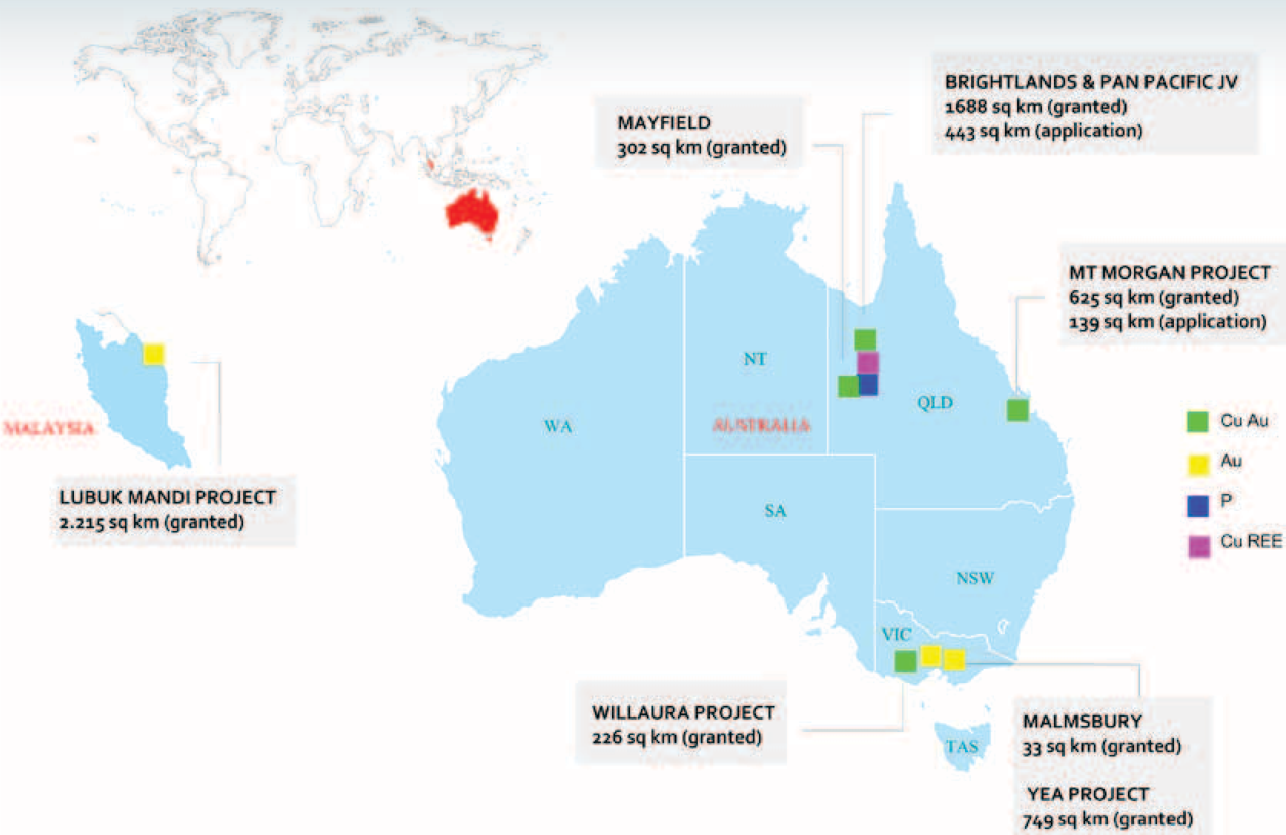


Figure 1: GBM Resources Tenement map.

Review of Operations

1.0 Exploration Strategy

As the worldwide downturn in exploration continues, the number of companies competing for the reduced pool of exploration funding continues to fall. The ASX contained over 1,100 listed junior exploration companies at the height of the mineral exploration boom, this figure had reduced to 865 in early September 2014. This creates opportunities for companies able to secure funding and willing to commit to actively exploring quality exploration targets. There will be more quality projects on offer, and expectations are now returning to realistic levels.

The Board of GBM Resources annually reviews the key drivers for exploration success. This year we have not changed our view as the drivers previously identified remain constant and are seen as a sound basis for exploration success and adding to shareholder value.

Seven key drivers are summarised as follows:

Identifying opportunities for early production and cashflow in deposits with potential for major resource growth

GBM has reviewed several opportunities throughout the year and consider it likely that current difficult conditions for explorers may present further opportunities for those with access to funding.

Focus on the discovery of world class gold and copper-gold deposits

While there has been some recent weakness in pricing, most forecasts appear to present a positive medium to long term outlook for these commodities. The Company continues to target mineralisation styles capable of delivering large deposits in these commodities. Discovery of a new deposit(s) is the key to adding significant value to shareholders.

Competent, rapid and cost effective evaluation of discoveries

The continuing trend to exploration under cover requires smarter exploration. However ensuring that evaluation of discoveries is cost effective and timely is essential to unlock value for shareholders in the most favourable timeframe.

Applying a systematic approach to mineral exploration

In conventional exploration in outcropping areas, the importance of this approach, in 'seeing what others have not', cannot be emphasised too strongly. In areas where the host rocks are obscured by later sequences it is even more relevant as we need to understand where in the mineralising system the first drill holes are as we attempt to 'vector in' on the prize.

Exploring in regions with historic production offers a higher probability of new discovery

GBM's main focus during the year has been on regions of eastern Australia, which, apart from being highly prospective from a mineral exploration perspective, offer the opportunity to acquire quality tenure in areas with good infrastructure and access to an experienced workforce.

Strengthen GBM's executive and technical capabilities

GBM employs a small group of specialist geoscientists, who along with a group of specialist consultants, form the core of GBM's business and is essential for successful mineral exploration. The Board believes that highly experienced and highly motivated people are the cornerstone for successful exploration and will be vital in realising GBM's development and growth plans in the coming years. The intellectual capacity to identify opportunities to apply new technology in exploration, mining and processing will provide GBM with sound growth options.

Maximising in-ground exploration expenditure

With reduced exploration budgets the challenge to ensure that a high percentage of exploration funding is channelled into direct, in-ground exploration becomes increasingly difficult. GBM has met this challenge by finding further ways to reduce funding by employees taking voluntary salary reductions and continuing to operate from a small exploration base in regional Victoria, minimising company overheads.

2.0 Introduction

GBM is a successful mineral exploration company which since listing on the ASX in 2007 has:

- **Defined a gold resource at the Malmsbury Gold Project and a polymetallic Cu-U-M-P-REE resource at the Milo IOCG Project.**
- **Discovered IOCG mineralisation at Bronzewing Bore in the Bungalien Project area.**
- **Identified potential for phosphate mineralisation at Burke Bore.**
- **Identified a significant graphite occurrence at Sevastapol in the Mount Margaret West Project area.**

Throughout that period a number of targets have been tested and rejected in addition to the quality projects that have been retained. The Company now holds an extensive portfolio of mineral exploration tenements including licences and applications covering an area of greater than 4,200 square kilometres in the Northwest Mineral Province, Lachlan fold Belt and Drummond Basin, all fertile mineral terrains. Exploration remains focussed on the discovery of significant gold and copper-gold deposits.

The Company remains committed to acquiring and exploring tenements which combine location in prospective mineral provinces and high quality targets. It is convinced that this in conjunction with innovative technology and a high level of exploration activity provide GBM with excellent prospects for the discovery of one or more world class deposits within this high quality tenement package.

GBM and CED geologists examinng BNG008 core in Cloncurry.

Review of Operations

3.0 Exploration Expenditure and Assets

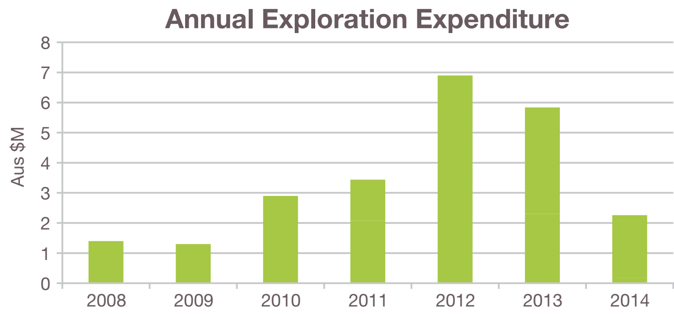
During the financial year, GBM has completed: geophysical surveys and drilling programs in the Mount Margaret West and Bungalien Projects in Queensland, resource drilling on both tailings and hardrock targets at the Lubuk Mandi gold Project in Malaysia, geophysical and geochemical modelling and ground acquisition on the Mount Morgan Project in the Queensland.

The main activity in Australia included a total of four diamond drillholes in a combination of 1,172 metres of mud rotary drilling and 928 metres of diamond core. Soil sampling has been completed at FC2, FC6 and FC4S prospects (Mt Margaret) and Burke Bore Prospect on Bungalien for a total of 1,646 MMI samples. A significant database relating to these tenements continues to grow as new tenements are acquired and data becomes available.

In Malaysia, at Lubuk Mandi, an addition 84 drill holes were drilled for a total of 6,813 metres as well as 340 metres of trench channel sampling and an additional 68 rock samples collected.

Total exploration expenditure on the Company's tenements (excluding GBM's contribution to the Lubuk Mandi Gold Project) for 2014 was $2.3 million compared to a total of $5.8 million in the 2013 year.

GBM has maintained a solid level of expenditure and manages to ensure a high percentage of 'on ground' exploration and maintains a low cost base. These factors continue to position GBM well for future discovery and value creation.



4.0 Mount Morgan Intrusive Related Gold Project

(EPM16057, EPM17105, EPM17163, EPMA17734 & EPMA18366)

The Mount Morgan Project hosts multiple high order geochemical and geophysical anomalies surrounding the world class Mount Morgan deposit (8M ounces Gold and 420,000 tonnes of Copper). GBM has had a long term presence in the region, progressively acquiring key areas as they became available with the result that GBM now holds a large strategic tenement position in the area. The wholly-owned project portfolio covering an area of 860km^2 includes many prospective mineralised targets. In May 2014 this year GBM's permits were granted project status by the Queensland Department of Natural Resources and Mines. In addition, a more recent permit application covers a large magnetic low, interpreted to represent a buried felsic intrusive. This feature is overlain by shallow alluvial cover and the permit also contains the second largest historic gold producer in the immediate area, the Mountain Maid Mine.

The company has identified fifteen advanced high order gold and gold copper anomalies targeted with outlines of system boundaries defined. These anomalies range from stream sediment to geophysical and include direct drill targets.

The project focus is Gold and Copper-Gold targets and the anomalies present suggest that these metal bearing systems are large. There has been limited previous exploration activity within many of these anomalous areas.

Several of these targets have received significant geochemical exploration by GBM in recent years. The fifteen anomalies can be grouped into metallogenic suites: Gold Targets (Kyle Mohr, T1 and T2, Mount Usher), Copper-Gold Targets (Sandy Creek, Dee Copper Mines), Smelter Returns, Oakey Creek, Mount Victoria, Copper-Gold-Moly Targets (Limonite Hill, San Jose, T3, Mt Gordon, Moonmera East) and Gold-Base Metals Targets (Black Range). Some of the key target areas are discussed below.

SMELTER RETURNS

Data compilation and field work during 2011 confirmed the Smelter Returns area and the host wedge of Devonian volcanics trending NE towards Mt Morgan as prospective for large porphyry Cu-Au deposits. The south-western end of the Smelter Return Au-Cu anomaly was first defined by previous explorers in the early 1990s from regional stream and rock sampling. Twenty four shallow RC holes (60m maximum depth) were completed for best results of 8m @ 0.33% Cu and 0.84g/t Au from 32m in DRP08 and 4m @ 0.68% Cu from 16m in DRP09 2 (GBM Quarterly Activities Report September 2011). Widespread propyllitic alteration was mapped surrounding local zones of potassic alteration, silicification and stratabound skarn. Previous explorers recognised numerous dyke phases and alteration styles and considered these as possible evidence for the existence of an intrusive porphyry and porphyry style mineralisation at depth.

GBM continued the pre-existing soil grid to the north east and completed detailed prospect-scale mapping during the 2012 field season. Almost 1,000 soil samples on a 100m x 100m grid have been collected and assayed to date at Smelter Return. Gold anomalism at >150 ppb Au is present over a 3.5km x 2.5km area, open in three directions. Within that zone an area of almost 1km^2 has returned assays >0.3g/t Au including a number of samples greater than 1g/t Au.

Whilst some of the gold-copper in the soil samples may be derived from overlying Jurassic sandstones and possibly wind-blown smelter dust from the mine, evidence of significant alteration in basement Devonian rocks from recent mapping along with anomalous Au-Cu in historic drilling results at both ends of the prospect point to a possible local basement source for the soil anomaly. Given the scale and tenor of the anomaly, such a basement source would likely be of considerable size.

LIMONITE HILL PROSPECT

This prospect area is associated with a broad and diffuse magnetic low, one of a number of mag lows defining an E-W trend about 8km in length through the Bajool Quartz Diorite Complex. A second cluster of magnetic lows within the Bajool Diorite is located directly south of the EW corridor.

In total 12 anomalies have been defined from TMI RTP magnetic analysis and historic exploration data within the Bajool Project. Two of the mag lows have outcropping large quartz pipes (Ultimo, San Jose) or limonite cappings (Limonite Hill) with associated mineralised alteration envelopes.

Existing data suggests a porphyry Cu-Mo system is present at Limonite Hill and Ultimo and possibly San Jose, which may represent the outflow portions of a larger more productive Cu-Mo porphyry system at T4.

Thin but extensive Quaternary cover masks the Permo-Triassic diorites across most of the prospect area. Drilling by previous explorers intersected hydrothermal alteration and brecciation in most drilling. Mineralisation is hosted by intense quartz breccia in albitised granite with significant intervals of greater than one percent copper recorded.

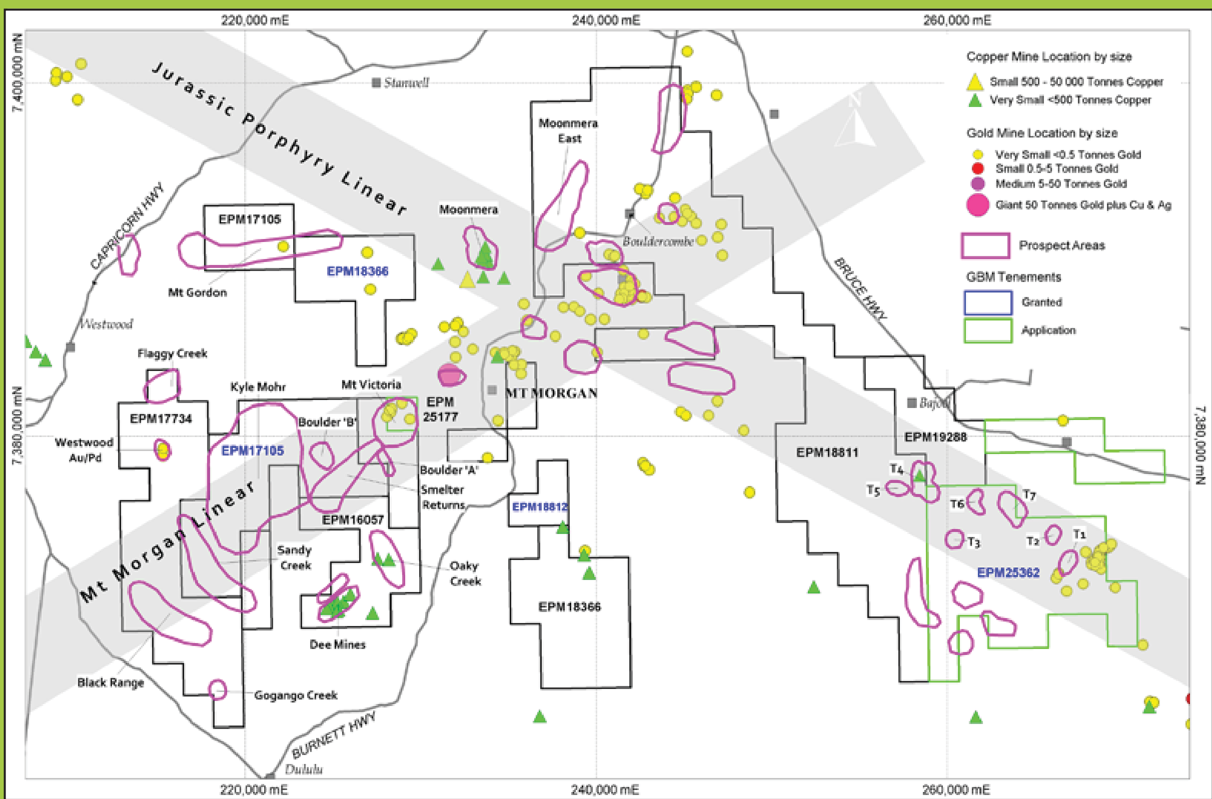


Figure 2: Mount Morgan tenement plan with key target areas and linears shown.

Review of Operations

OAKEY CREEK

GBM ranked the prospect area for attention on the strength of a linear K:Th airborne radiometric anomaly parallel to the regional structural trend along with the presence of some historic copper oxide workings located near the centre of the K:Th anomaly. Reconnaissance mapping revealed an extensive zone of porphyry-style propyllitic alteration consisting of epidote, potassic feldspar, quartz, carbonate and specularite completely replacing the host fine-grained volcanic rock. The alteration zone is at least 3.2km x 1km in size, and is parallel to and partly overlapping the radiometric anomaly. The linear nature of the alteration zone and its orientation suggests fault control to the system. Pods or dykes of a felsic feldspar porphyry rock are scattered throughout the alteration zone and may have a genetic relationship to the alteration and mineralisation.

Localised zones of intense copper-bearing hydrothermal breccia were also observed within the main alteration envelope. The breccia is dominated by a quartz, epidote and hematite matrix hosting angular fine grain green clasts up to 10cm. Copper oxide and native copper is primarily hosted at the boundaries of the angular clasts. The copper in soil anomaly generally correlates well with the broad alteration zone and the breccia. It was noted that alteration and mineral assemblage is similar to that observed at Sandy Creek. The anomaly is open to the north where alteration is known to continue beyond the extent of the current soil grid.

Rock-chip sampling within the alteration and breccia units produced a number of assays returning greater than 0.3% Cu. The best results were 6.74% Cu, 39.8 ppm Ag, and 52 ppb Au. Anomalous gold in soil is also present within the soil survey area with a peak assay of 0.2ppm Au and 31 of the total sample set returning greater than 100ppb Au. (GBM Quarterly Review of operations, June 2012).The pattern of gold in soil does not correlate particularly well with copper and the low level gold response in the rock-chip samples means more work is required to understand the gold anomalism at Oakey Creek.

THE MOONMERA EAST PROSPECT

This prospect lies entirely within GBM's recently granted Limonite Hill lease. The prospect is defined by a large and pronounced linear magnetic low located approximately 5km ENE from the Moonmera Cu-Mo low-grade porphyry deposit, another similar magnetic low, outside GBM ground. Moonmera East is almost entirely obscured by thin Cainozoic cover sediments.

The Moonmera Porphyry consists of pyrite-chalcopyrite-molybdenite mineralisation occurring as disseminations and fracture coatings in Bouldercombe Igneous Complex intrusives as well as the adjacent wall rocks. This deposit is characterised by an anomalously low magnetic response probably caused by the destruction of magnetite during alteration of the host rocks during mineralisation.

The Moonmera deposit has indicative results published from previous drilling indicating extensive low grade copper and molybdenum mineralisation. Minimal exploration has occurred over Moonmera East and the magnetic feature has never been drill tested

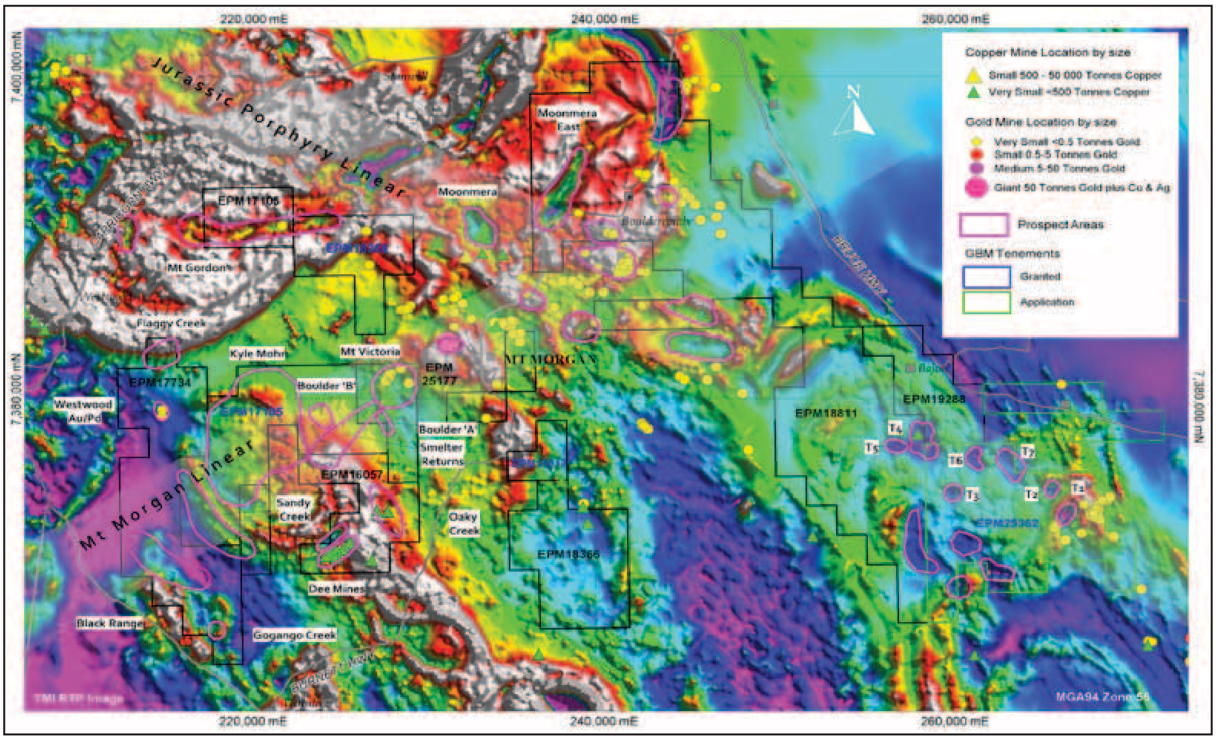


Figure 3: Mount Morgan tenement plan underlain by TMI rtp magnetic image with key target areas and linears shown.

5.0 Mayfield IOCG Project

A new exploration permit EPM19483 was granted on 14 March 2014 and replaces previously held permit EPM14111. The Mayfield Project area surrounds the Trekelano Copper Mine and extends southwards to within close proximity of the Tick Hill Gold Mine. The Trekelano Copper mine which is a high-grade structurally hosted copper gold deposit with a known metal inventory (production and resources) of 63,000 tonnes of copper and 73,000 ounces of gold. Trekelano is currently being explored by Ivanhoe Australia who have recently reported high grade copper intersections including 44 metres @ 5.7% Cu & 1.4g/t Au (TRNQ53, Presentation to Global Resources Conference on 26-27 September 2011). Tick Hill gold Mine has produced 513,333 ounces from 705,000 tonnes of ore at an average grade of 22.6g/t Au ranking it as one of the highest grade significant gold producers in Australia's modern mining era.

Preliminary research by the company has identified a number of promising results in data obtained from open file exploration reports. These include significant copper intersections from the Clarries Prospect including 79m at 0.27% Cu and base metal mineralisation at Maiden Creek Prospect including 48m averaging 1.23% Zn, 0.17% Pb, 0.1% Cu and 7.4g/t Ag. In addition, a soil geochemical survey at Kiama indentified a semi circular feature at plus 100ppm Cu which is 1.2 kilometres long and 120 metres wide located immediately south of an untested magnetic high.

The agreement with Newcrest requires GBM to make a cash payment of $10,000 and to expend $100,000 on exploration of the area within 18 months of the title being transferred. Newcrest also retain a 2% royalty over minerals produced from the licence area.

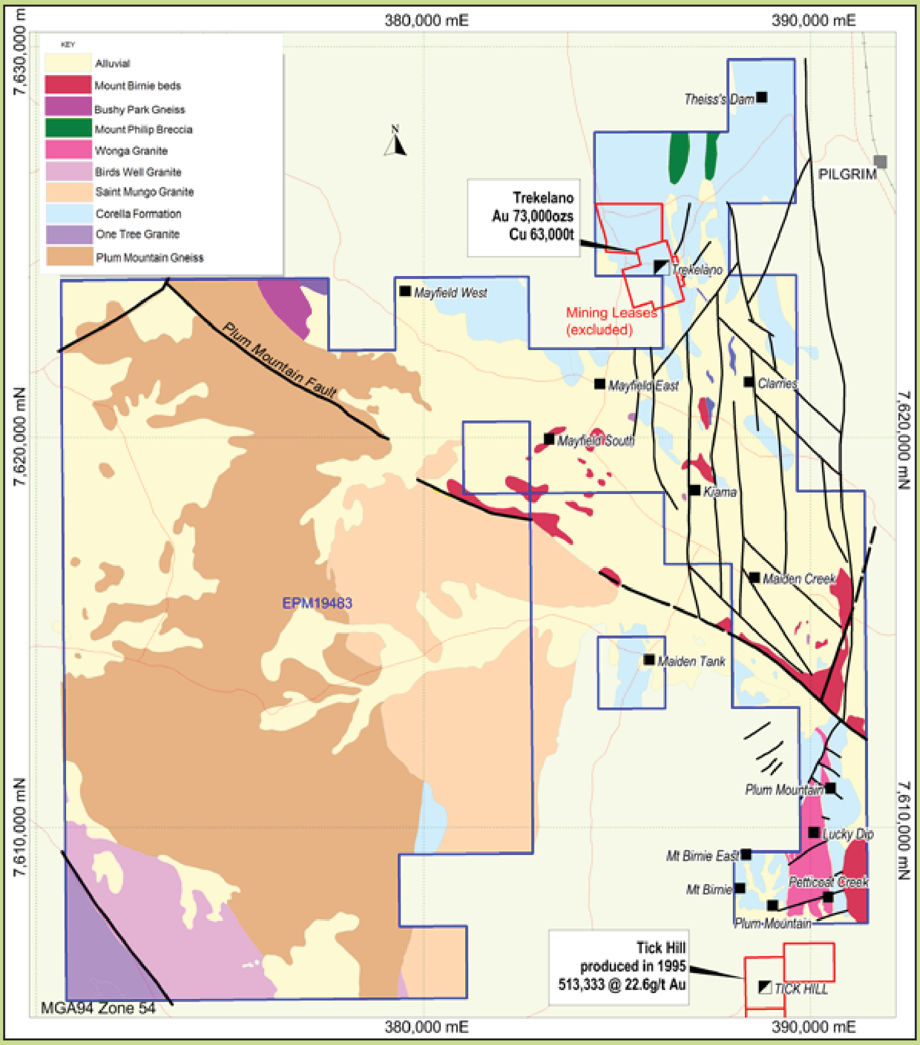


Figure 4: Location plan for the Mayfield Project showing key prospect locations and basement geology (based on GSQ data).

Review of Operations

6.0 Lachlan Fold Belt Intrusive Related Gold Projects

During the year New tectonic models for Eastern Australia have unveiled new orogenic gold and base metal opportunities in the Lachlan and Delamarian Fold Belts of Eastern Australia. Victoria may host parts of two mineralised arc systems.

In the west, a Cambrian Andean-style system – the Miga Arc which would include the Willaura Project area, and in the east, the Ordovicain Macquarie Arc which to the north is host to giant porphyry Cu-Au ore systems at Cadia and North Parkes. These models have been developed by the Geological Survey of Victoria in conjunction with Geoscience Australian and New South Wales and South Australian Surveys.

The Miga Arc contains the Stavely Volcanics which are known to host porphyry style mineralisation at Thursday's Gossan which is currently being drilled by Stavely Minerals. Early drilling is confirming prorphyry style veining and copper mineralisation consistent with the outer areas of a large porphyry driven hydrothermal mineralising system.

Porphyry systems worldwide are known to form clusters and already additional systems are known in Western Victoria. This is a new and exciting mineral province at the early stages of exploration by modern, system based approach. Through the Willaura Project, GBM is well positioned for discovery in this area.

The Lachlan Fold Belt hosts many intrusive related mineral systems and supports the potential of the Yea and Willaura Projects.

6.1 YEA PROJECT

(EL5292, EL5293 & EL5347)

The Yea Project tenements were acquired by GBM after it recognised potential for IRGS in an area which had largely escaped attention by previous explorers, and which contained a number of interesting targets for gold and other minerals often associated with IRGS.

The target for this project is large IRGS-style Au, W, Mo, Cu deposits related to the Marysville Igneous Complex and hosted within the Black Range Granodiorite and its associated hornfelsed sedimentary envelope south-east of Yea, and ring dykes of the Cerberean Cauldron near Taggerty and Buxton townships.

A number of prospects have been defined by previous exploration work. Geologoical mapping of intrusives in the Monkey Gully area was a positive encouragement, and subsequent work initiated by GBM has confirmed that the Yea Pluton is a multiphase intrusive rather than a simple single pulse intrusive as indicated by existing regional scale mapping.

The most advanced prospect is at Monkey Gully where previous W-Mo drill intercepts and large geochemical corridor requires further testing.

GBM completed one diamond drillhole in 2012 – results for Tungsten and Molybdenum from GBM's drilling at Monkey Gully include 17 metres averaging 0.15% W2O3 and 262ppm Mo and 2 metres averaging 0.27% W2O4 and 1,067ppm Mo. The peak value for tungsten was 5,030ppm from 166 to 167 metres and for molybdenum 1,850ppm from 131 to 132 metres.

Drilling at Monkey Gully Prospect, part of the Yea Project, in 2012.

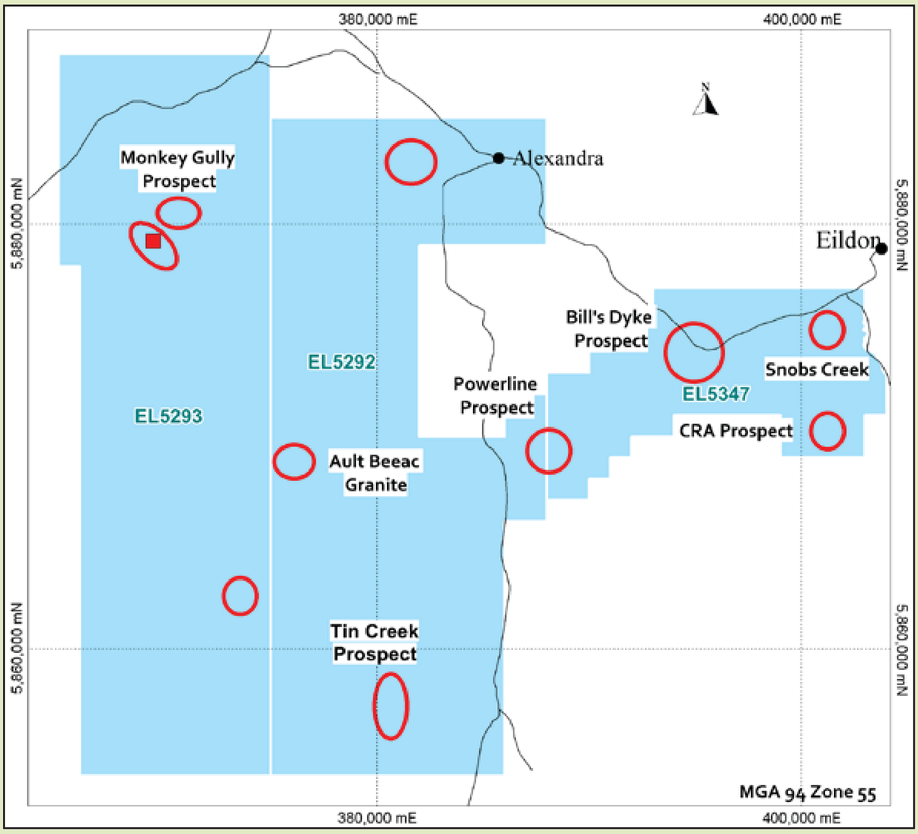


Figure 5: Yea Project tenement location plan showing target locations.

Copper is also anomalous throughout most of the hole (peak assay 784ppm Cu). Logging of the two hole drill program confirmed the existence of a stockwork of thin quartz comprised of several generations of veining. Molybdenum and tungsten mineralisation was observed as coarse molybdenite and scheelite with associated pyrrhotite and chalcopyrite. The mineralisation is within and adjacent to an interpreted high temperature vein set consistent with observations of occasional surface outcrops.

Results from the company's soil sampling programs indicate that W-Mo-Cu soil anomalism extends for at least 1,000m in a NW orientation across the prospect. Detailed mapping in 2012 revealed a series of narrow parallel tonalite and dacite dykes in the centre of the prospect, parallel to the soil anomaly strike and the regional structural grain. A program of ridge and spur soil and rock-chip sampling was completed in the Monkey Gully area concurrently with the drilling.

The program was designed to test whether a larger IRGS system is present beneath Monkey Gully and the nearby existing Mumbil Au-Bi-W prospect. Mumbil is and trenching a zone of high-grade gold mineralisation defined by soil sampling located 2km NE of Monkey Gully (within GBM's EL5293).

GBM's recent work confirmed anomalous Au at the Mumbil prospect in tourmalinised metasediments hosting extensive comb quartz veining (0.67g/t Au peak) and anomalous Au-As-Bi in soils in the area between the two prospects.

The drilling results at Monkey Gully when considered with the extensive Au-As soil anomalism and Au-Bi in tourmaline-altered metasediments within the prospect area are considered strongly supportive of the existence of an IRGS in the Monkey Gully area.

Compilation and assessment of the previous data has defined nine prospects and anomalies in the region that require follow up exploration activity. These additional targets include: Ault Beeac, Tin Creek, Powerline, Snob's Creek, Bill's Dyke and Mumbil.

The Yea Project is located in central Victoria between the townships of Yea, Alexandra and Marysville, approximately 100km north-east of Melbourne.

The first drill hole completed by GBM in 2012 intersected Tungsten and Molybdenum mineralisation which is coarse grained of potentially economic grade. Monkey Gully is a new Tungsten Molybdenum discovery, and the area still retains potential for IRGS style gold mineralisation.

The Yea project includes three exploration licences EL5292 Tin Creek, EL5293 Monkey Gully and EL5347 Rubicon which cover an area of approximately 740 square kilometres. The project area is centred on two separate intrusive systems: the Black Range Granodiorite and the Marysville Intrusive Complex.

Review of Operations

6.2 MALMSBURY PROJECT

(EL4515 and EL5120)

GBM's Malmsbury Project hosts a large area of alteration and mineralisation associated with a demonstrated endowment of almost 200,000 ounces within 200 metres of surface. IRGS systems are known to persist to much greater depths in other regions and GBM considers the Malmsbury Project (located in Central Victoria) has the potential to host a large IRGS in a world class gold province.

GBM has previously supported structural studies which note a valid comparison of the architecture of the fault and reef system at Malmsbury with the Fosterville System which hosts over 3 million ounces of gold, and identified additional strong North East trending structures similar to the Leven Star Zone, supported by reprocessed magnetic data which highlights a clear complex magnetic feature with a similar trend.

Extensive soil sampling program completed during 2012 confirms an intense geochemical anomaly centred over the historic workings of Belltopper Hill. In addition to gold, coincident anomalism in elements including Bismuth (a signature mineral of IRGS) further support the existence of a large IRGS in the Malmsbury Project area.

Completion of a 12 hole diamond drilling program during 2008 which targeted the Leven Star Zone, part of the Malmsbury Project, resulted in the deposit's Inferred Resource increasing to 0.8Mt at an average grade of 4.0g/t Au containing 104,000 ounces of gold using a 2.5g/t Au cut off grade (see table below). This cut off was chosen to reflect a grade, which based on experience is considered to be applicable to extraction by underground mining methods.

This resource is contained within a 450 metre section of the Leven Star Zone within the Drummond North Goldfield which has an identified strike length of over 4,000 metres. The resource is considered open both to depth and along strike. Details of the parameters used are contained in the resource statement.

Resource Classification	Tonnes ($x10^3$)	Au (g/t)	Au ($x10^3$ ounces)
Inferred	820	4.0	104

Note: Cut-off grade of 2.5g/t Au anticipated to reflect underground mining production costs.

Table 1: 2008 Leven Star Gold Resource Estimate.

Available historical, recent exploration and mining data indicate a known gold endowment of 195,000 ounces of gold in the near surface (approximately 150 metres from surface) portion of the structurally controlled mineralised zones explored or mined to date.
This endowment is based on mineralisation within a 2 kilometre section of the Drummond North Goldfield which remains open in all directions.

Welding of large storage tanks at the Lubuk Mandi Gold Mine, Malaysia.

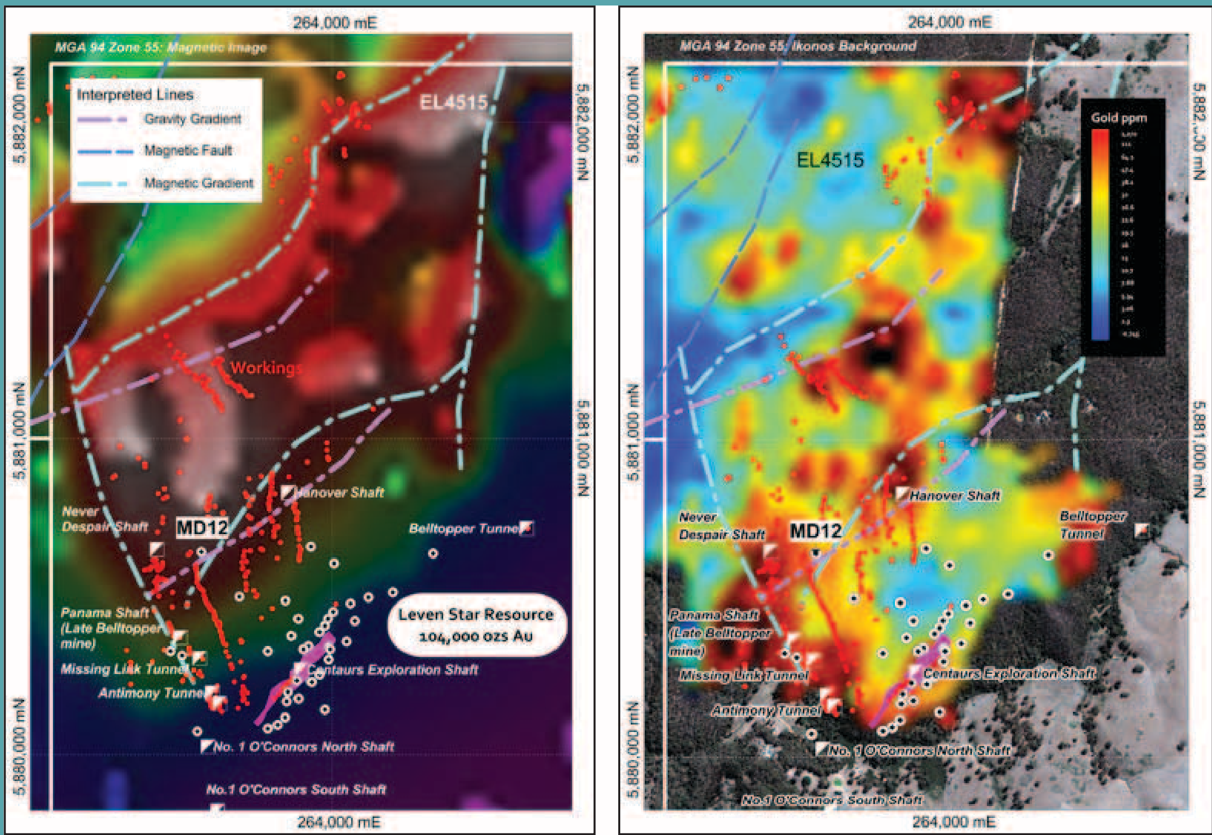


Figure 6: Malmsbury plans. Left: Magnetic feature and major cross structures related to gold mines and resources. Right: Related to gold soil geochemistry. Gold in soils defines a strong anomaly at 50 ppb centred on the intersection of known mineralisation, but trending north wards to areas not previously drill tested. At low levels (10ppb) this anomaly is continuous over the 2km covered by the initial survey and remains open to both the East and West.

This endowment comprises 91,000 ounces of historical production and 104,000 ounces of the current Leven Star Resource.

At this time, historical production from a number of shafts in the project area is still unknown. Many zones remain to be drill tested and resources evaluated. The current estimate of gold endowment is considered incomplete in the near-surface environment.

A one kilometre deep diamond drill hole was completed in March 2010 with assistance from the Victorian Government RDV grants program. Results strongly support the conclusion that the Malmsbury Gold Project is part of a large Intrusive Related Gold System (IRGS) centred on Belltopper Hill.

Competent Person's Statement for Exploration Results and Mineral Resources for Malmsbury included in this report that were previously reported pursuant to JORC 2004: This information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Mineral Resources (Malmsbury) is based on information compiled by Kerrin Allwood, who is a Member of The Australasian Institute of Geoscientists Mining and Metallurgy. Mr Allwood is a full-time employee of Geomodelling Pty Ltd a New Zealand based consultancy. Mr Allwood 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 Allwood consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Review of Operations

6.3 WILLAURA PROJECT
(EL4631 and EL5346)

The Stavely Belt in western Victoria has become a current regional focus due to the recent interpretation of the area as an ancient Andean style arc, now referred to as the Miga Arc.

The region has a number of identified porphyry copper occurrences, and whilst an economic discovery has to date been elusive, recent exploration and ore system modeling by several companies is now being tested by deep drilling. These companies, including Stavely Minerals have provided expert interpretation supporting the potential for porphyry copper mineralisation to occur at depth below that tested by previous exploration drilling.

GBM's Willaura Project area straddles one of the state's major deep crustal structures, the Moysten Fault, and lies within the newly identified Miga Arc (similar area to the Stavely Grampians Strucural Zone).

GBM holds two granted exploration licences within the Willaura Project covering an area of approximately 226 square kilometres included in granted exploration licences. The Company is targeting a large copper-gold system in the Stavely Grampians Zone.

The Project recognises the prospective and under-explored nature of the Stavely-Grampians Zone as a potential host to intrusive related Cu-Au deposits of the Mount Lyell or Cadia styles. Discrete magnetic features covered by recent basalt cover offer potential for new discoveries.

Due to the extensive tertiary basalt covering much of the Willaura target area, modern and advanced "deep seeing" exploration techniques must be employed to identify suitable drill targets.

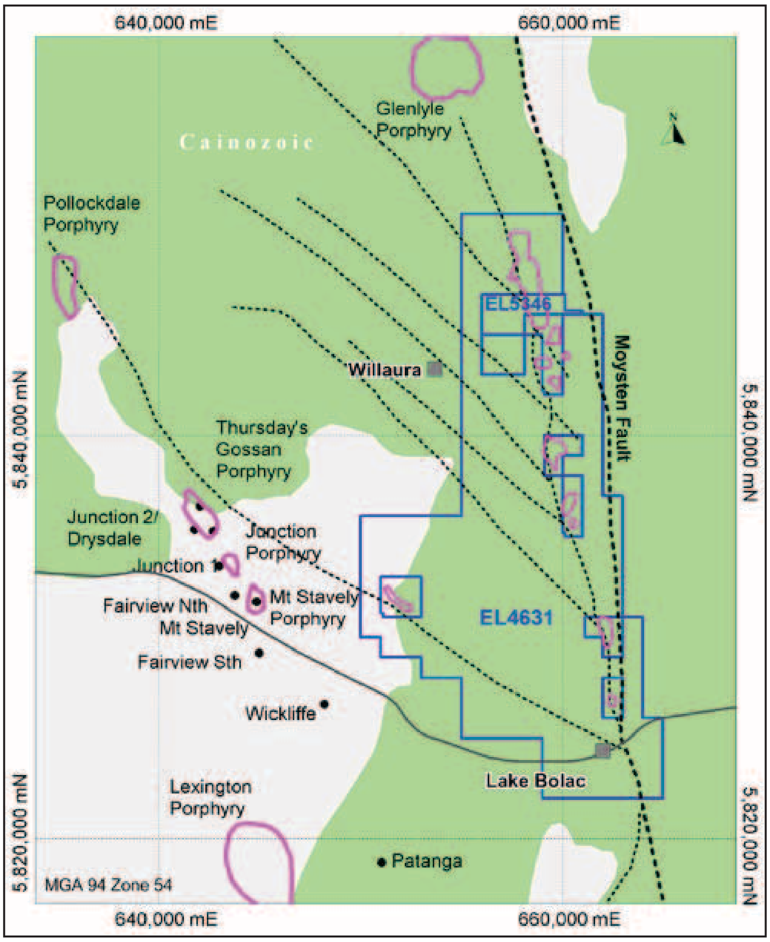


Figure 7: Willaura tenement plan showing location of key target areas.

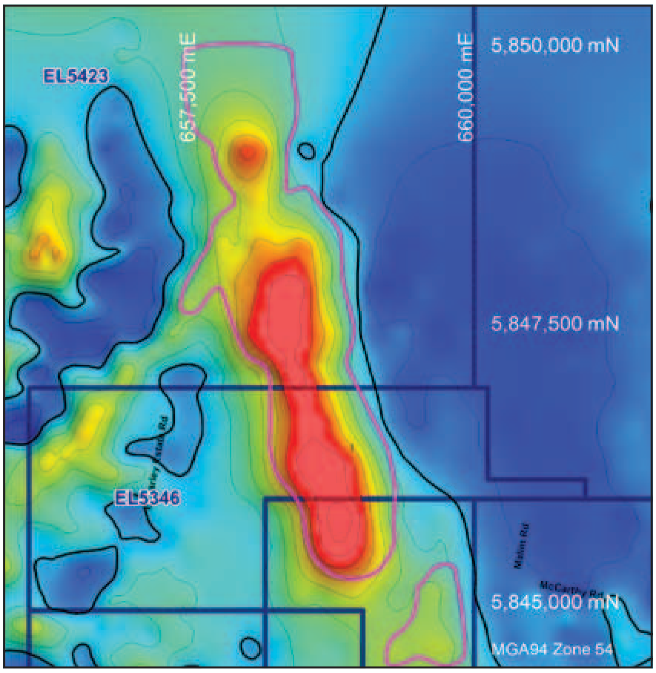


Figure 8: Detail of magnetic feature defining Anomaly D, the northern most anomaly in the Willaura Project area.

7.0 Milo IOCG REE Project
(EPM14416)

The scoping study released by GBM in November 2012 highlighted that Milo hosts a significant polymetallic resource containing rare earth oxides, copper, phosphate and uranium. This resource remains open at depth and along strike. In addition, recent geochemical surveys confirm the existence of a number of additional targets in the Milo area with similar geochemical signatures. GBM believe that Milo is part of a very large mineralising system and that significant future exploration is warranted. In the case of the Milo West target, the geochemical response is more intense than the Milo area itself. These anomalies are considered to be part of the large system operating at Milo and represent high priority targets for future exploration.

The mineralisation is hosted in a northwest striking, highly brecciated and altered rock coincident with magnetic highs within a broader magnetic low anomaly that has been interpreted as a possible buried granite source for the IOCG & REE mineralisation. The REE and yttrium mineralisation (REEY) appears to overprint and envelope the IOCG style Cu-Au-Ag-Mo-U-Co mineralisation. Drilling shows that the mineralisation dips steeply to the east, is possibly fault related, and that higher grade copper mineralisation plunges to the north. The mineralisation at Milo is considered to be closely linked to the Cloncurry Flexure, a deep structural feature in the region.

Uranium is a significant credit for the Milo Project, and the recent announcement by the Queensland Government that it is moving to allow the recommencement of uranium mining in that State is very significant for the project. The Milo inferred resource contains over 14 Mlbs of U_3O_8 making it one of the largest undeveloped uranium deposits in Queensland.

The Milo Project on Brightlands EPM14416 is located due east of Mount Isa, and just 20 kilometres west of Cloncurry on the Barkley Highway, far northwest Queensland.

A total of 32 drillholes have been drilled on Milo so far, with each phase of drilling extending the main resource to the north and south. The drilling has delineated continuous Cu and REE mineralisation over a strike length of 1 kilometre and up to 200 metres wide. The resource is still open-ended to the north, south and at depth. Drilling from the 2012 drilling program intersected some high grade Cu mineralisation including 2 metres @ 6.19% Cu at 163 metres downhole in MIL015, one of the most southern drilled holes.

A total of 1,594 soil samples and 295 rock samples have been collected on the Milo prospect to date. From the data collected it is possible that the total strike length of the Milo mineralisation could extend for up to two kilometres.

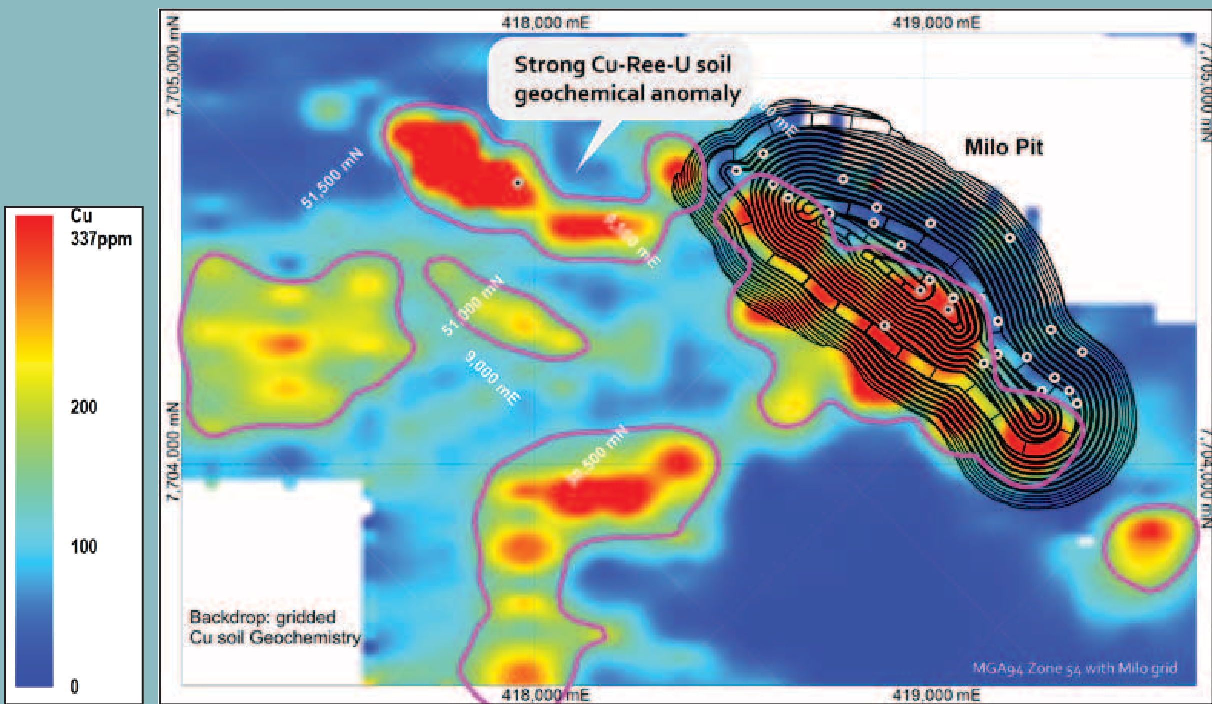


Figure 9: Milo conceptual pit outline over soil geochemistry highlighting the location of additional high priority target area to the west of the known deposit.

Review of Operations

Soil sampling in 2012 identified a number of soil geochemical anomalies within the Milo Prospect area. A number of parallel zones of coincident Cu-Au-La soil anomalism have been defined north west of the resource area and adjacent to drillhole BTD014 where peak downhole grades of 4,550ppm Cu, 650ppm La, and 0.7ppm Au were returned. It is likely that these anomalous zones will extend further with additional soil sampling, that they may be structurally related, and that drill testing may discover new mineralisation.

Additionally, there is a large Cu-La soil geochemical anomaly west of the Milo prospect that returned peak assay results of 1.44% Cu, 0.35ppm Au, and 120ppm La that is associated with a coincident strong magnetic and topographic high.

The Milo mineralisation is still open-ended to the north, south and at depth. Further soil sampling and follow-up drilling will be required to determine the extent of mineralisation.

The Milo mineral resource estimates were based on data from 31 holes drilled in a roughly 100m by 50m grid pattern. These holes total 11,572m, comprising 3,503m of RC drilling and 8,069m of DD drilling.

Of the total, 9,878m was sampled at largely 1 metre intervals and assayed for a comprehensive suite of elements.

Milo is a large IOCG breccia style deposit with a TREEYO-enriched halo. Base and precious metal (Cu-Au-Ag-Mo-Co-U) mineralisation occurs as moderate to steeply east dipping, sulphide rich breccia zones striking northwest. The mineralogy of this domain includes massive to semi-massive pyrite with lesser amounts of (in order of abundance) pyrrhotite, chalcopyrite and sphalerite. The sulphide rich zone forms a large, well defined body up to 200 metres wide. Base and precious metal grades are variable within the sulphide rich zone.

A zone of TREEYO-P_2O_5 enrichment overprints and forms a halo to the base metal mineralisation. The REE zone occurs as a moderate to steeply east dipping, northwest striking zone with a width of 100m to 200m. This zone is very continuous at low grades (<200ppm TREEYO) and has a simple shape. The TREEYO (total rare earth elements and yttrium as oxides) and phosphate (P_2O_5) resource above a 300ppm TREEYO cutoff is estimated as **176Mt at 620ppm TREEYO and 0.75% P_2O_5**.

Drill site at the Milo IOCG REE Project, North West Queensland.

	cutoff (TREEYO ppm)	tonnes (Mt)	TREEYO (ppm, t)	P205 (%, t)	LREEO							HREEY			
					Ce02 (ppm, t)	La203 (ppm, t)	Nd203 (ppm, t)	Pr203 (ppm, t)	Sm203 (ppm, t)	Eu203 (ppm, t)	Gd203 (ppm, t)	Y203 (ppm, t)	Dy203 (ppm, t)	Er203 (ppm, t)	Others (ppm, t)
Grades	300	176	620	0.75	260	150	80	24	12	4	10	52	8	5	9
Contained Metal			108,000	1,330,000	46,140	26,460	13,850	4,230	2,170	710	1,780	9,150	1,480	850	1,620

Table 2: Milo Inferred TREEYO resource, at a 300ppm TREEYO cut-off. Red designates elements assessed as being in critical supply by the US Dept. of Energy, Dec 2011: Critical Materials Strategy, P4.

As a result of the 2012 drilling campaigns, the Inferred JORC resource for the REEY component of the Milo Project from the maiden 103 million tonnes at 760ppm for approximately 82,500 tonnes of TREEYO (based on a 400ppm cut-off grade) increased to 187 million tonnes at 610ppm for 113,360 tonnes (based on a 300ppm cut-off grade). This represents an 82% increase in total resource tonnes and a 25% increase in the total REEYO tonnes.

During 2012 a maiden copper equivalent resource was announced. This inferred resource is estimated at a 0.1% copper equivalent cut-off as 88Mt at 0.11% Cu, 0.04g/t Au, 1.6g/t Ag, 65ppm Mo, 130ppm Co and 60ppm U, containing 300Kt of CuEq metal.

While commodity prices have fallen since the initial resource estimation for Milo, the company believes that the long term nature of the project and the positive outlook for the key commodities to be produced, combined with favourable exchange rate movements provide firm support for the future development of Milo.

	cutoff (CuEQ %)	tonnes (Mt)	CuEQ (%, t)	Au (ppm, ozs)	Cu (ppm, t)	Ag (ppm, ozs)	Mo (ppm/t)	Co (ppm/t)	U_3O_8 (ppm/Mlbs)
Resource	0.10	88.4	0.34	0.04	1090	1.63	65	130	72
Contained Metal			301,000	126,000	96,500	4,638,000	5,700	11,700	14.0

Table 3: Inferred copper equivalent resource (above 0.1% copper equivalent).

For a complete summary, please refer to ASX announcement dated 22 November 2012, 'Scoping Study Confirms Strong Commercial Opportunity at GBM's Milo IOCG-REE Project'.

Explanatory Notes

** 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 (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

Table 4: Milo Project conversion factors used in copper equivalent calculations.

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Review of Operations

8.0 Pan Pacific Copper and Mitsui Farm-in Iron-Oxide-Copper-Gold (IOCG) Style Projects in the Mount Isa Region

This year marked the commencement of the fifth year of a farm-in agreement with our partners Pan Pacific Copper and Mitsui Corporation to explore for IOCG deposits under cover in the North West Mineral Province of Queensland. This exploration programme is largely exploring areas of the ancient Proterozoic Mount Isa Inlier basement where it is covered by younger sediments. This programme has already resulted in the discovery of IOCG style mineralisaiton at the Bronzewing Bore Prospect in the Bungalien Project, and in addition a number of exciting targets have been identified in the Mount Margaret West Project area.

Over 80% of the Australian continent is covered by younger sediments which obscure basement hosted mineralisation from explorers and make discovery more difficult. However modern exploration techniques are continuing to evolve and have the capacity to 'see' through deeper and deeper layers of overlying cover sequences. The discovery of IOCG mineralisation at Bronzewing Bore under almost 400 metres of cover by the company has lead to the advancement of current geophysical techniques and inversion software. These programmes are at the forefront of pushing the boundaries of existing technology and the company is proud of its progress in this area.

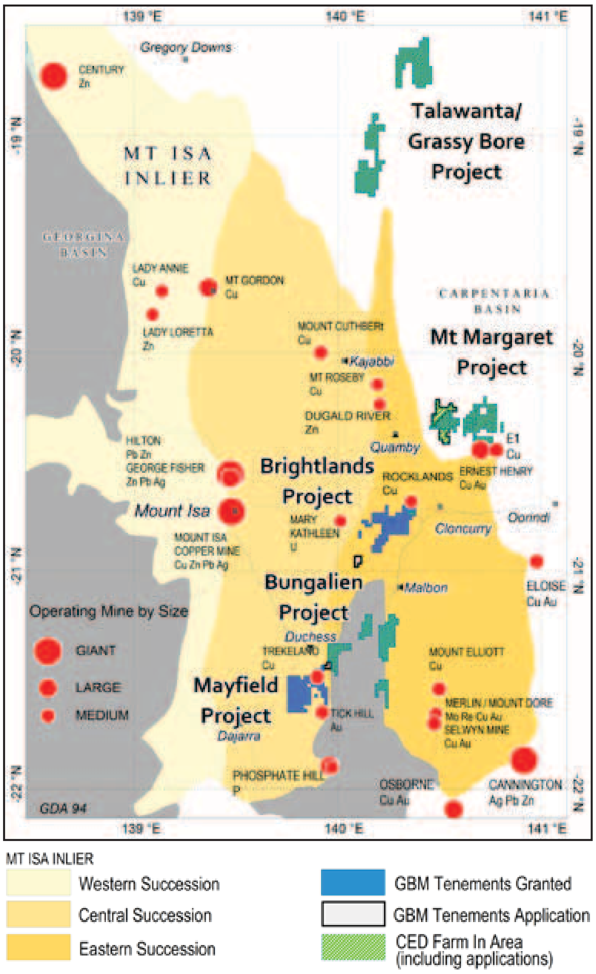


Figure 10: Mt Isa Inlier Project Location Plan.

The North West mineral Province is recognised as one of the most prolific terrains in the world for base metal and other minerals, and yet, there are virtually no discoveries in this terrain where it is covered to even relatively shallow depths. This is seen by the company and our partners as presenting a tremendous opportunity for discovery by applying modern exploration technology to these areas. The potential for hidden deposits in the covered portions of the NW Mineral Province has also been highlighted recently in initiatives by UNCOVER, a new collaborative venture to promote and facilitate exploration of such regions throughout Australia.

The following sections summarise progress on the key projects that form part of the Pan Pacific and Mitsui Farm-in Agreement.

Diamond drill hole (BNG008) drill site at Bronzewing Bore Prospect.

8.1 BUNGALIEN-HORSE CREEK PROJECT

(EPM17849, EPM18207, EPM18208 & EPMA25213)

Work at the Bungalien Project continued into the fourth consecutive field season since the discovery of broad intervals of IOCG style low-grade copper mineralisation in 2011 below almost 400 metres of cover rocks in drillhole BNG001. Extensive geophysical surveys have been completed and a total of eight deep diamond holes drilled in the search for economic mineralisation within the broadly mineralised and IOCG-altered highly prospective Bronzewing Bore Prospect.

The Bungalien Project area consists of: EPM18207 Bungalien 2, EPM18208 Horse Creek 2, and EPM17849 Limestone Creek, and EPMA25213 The Brothers and covers an area of 393km^2 located approximately 100km southwest of Cloncurry. The Bungalien 2 and Horse Creek 2 tenements were granted in 2012 and incorporated and replaced the existing enclosed permits with new titles.

Historical exploration in the Bungalien tenements has been limited to broad-spaced regional-scale magnetic and gravity surveys and very minor drilling into the basement and a small soil survey. Most of the previous activity is concentrated along the Pilgrim Fault zone to the west, and around the basin margin testing for phosphate or uranium. Only two historical holes were drilled into the basement on the JV tenements prior to CED JV activities.

The Bungalien tenements are within the Quamby-Malbon Zone of the Mt Isa Block Eastern Fold Belt. The Proterozoic basement is dominated by felsic and mafic volcanics and quartzite intruded by a large pluton and associated stocks of Wimberu Granite. The Wimberu Granite is a member of the 1550-1500Ma Williams Batholith plutonic suite which has a close spatial relationship to copper-gold mineralisation in the Eastern Succession. The Bungalien Project is bound on the west by the Pilgrim Fault zone, a major north-south trending fault separating Cambrian cover rocks in the east from outcropping Proterozoic rocks in the west.

The eastern margin of the block is marked by the Overhang Shear that separates the voluminous felsic and mafic volcanics and quartzite from the slates, shales and ironstones hosting the IOCG deposits along the Starra trend (Starra, Mount Elliot, Mount Dore and Osborne). Cambrian to Middle Ordovician marine sedimentary rocks of the Georgina Basin, typically on the order of 100-500m thickness obscure the Proterozoic basement.

The focus of activity during the 2014 field season was at the Bronzewing Bore and Burke Bore prospects. Detailed infill gravity and magnetotellurics (MT) surveys were completed over Bronzewing Bore and a targeted MMI partial leach soil survey completed at Burke Bore.

The eighth drillhole at Bronzewing Bore (BNG008) was completed late in the year.

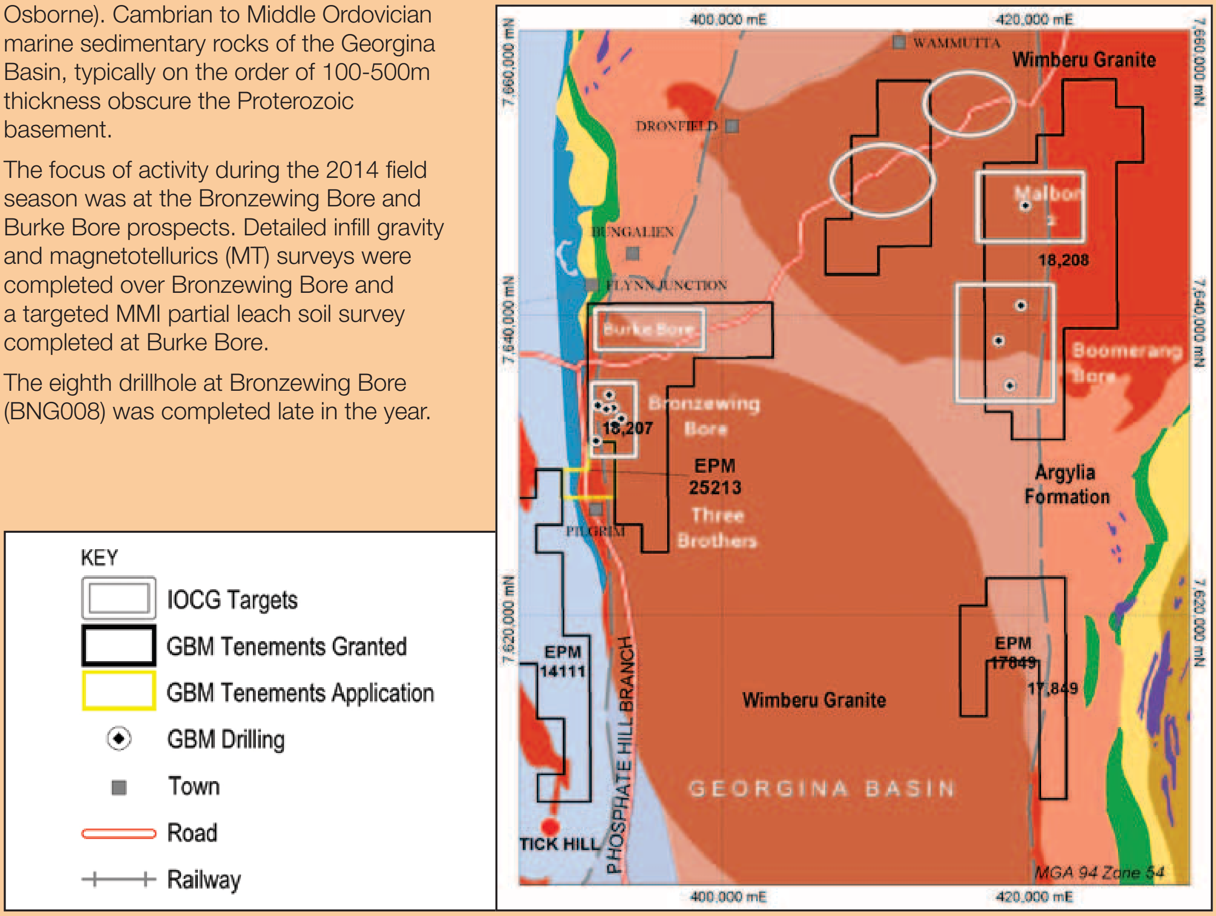


Figure 11: Bungalien Project Area tenement location plan showing the subsurface interpreted geology. Key exploration target areas in white outlines.

Review of Operations

Bronzewing Bore Prospect

Diamond drill hole (BNG008) at the Bronzewing Bore Prospect was designed based on an analysis of previous drilling and of all existing geophysics, especially 3D inversion models of gravity and MT data. A schematic geological cross-section was created to aid in interpretation of the basement and positioning of the collar.

The hole targeted a both the high magnetic and gravity feature successfully tested by drillhole BNG001 and an interpreted mineralised NW-SE trending structural/lithological contact zone between Wimberu Granite and older felsic and mafic volcanics. BNG008 was sited close to BNG001 in which an encouraging 200m mineralised interval at approximately 0.1% Cu was intersected (chalcopyrite and magnetite disseminated in granite). Hole BNG008 reached a final depth of 712m.

Hole BNG008 intercepted a zone of intense magnetite, red feldspar and chlorite alteration within host Wimberu granite from the top of basement at 382m. The top of the magnetite 'skarn' zone at the unconformity is characterised by intense brecciation and apatite mineralisation. Minor pyrite and chalcopyrite is observed locally throughout the skarn zone and also within carbonate veining scattered throughout the hole. Core cutting and sampling of BNG008 was underway at the end of the reporting period.

The magnetite skarn zone and the apatite breccia zone above it in BNG008 appears to correlate with similar intervals in BNG001. This suggests that a broad band of magnetite alteration (and probably sulphide mineralisation) is dipping to the NNE.

The amount of magnetite intersected in BNG008 was surprising and indicates that the extent of the magnetite alteration is larger than just the area immediately surrounding BNG001. Detailed core and geophysical analysis is required to provide vectors for future follow-up drilling.

Of the eight holes now drilled into the basement at Bronzewing Bore, all have intersected anomalous Cu mineralisation associated with IOCG-style mineralisation, veining and alteration.

The best visible intersections occur within holes BNG001, BNG005 and now BNG008 and the prospectivity for large IOCG deposits remains high under deep cover at Bronzewing Bore.

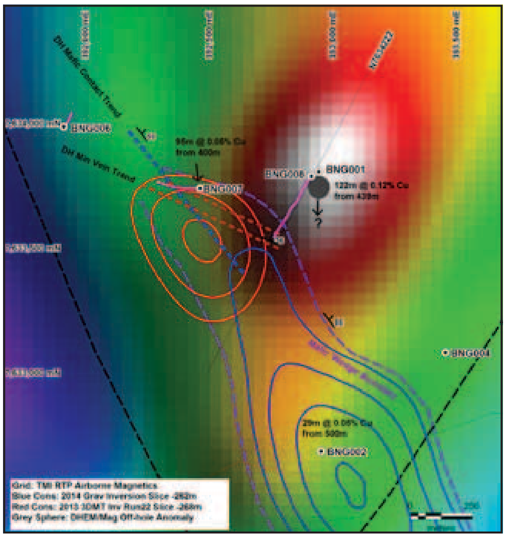


Figure 12: Bronzewing Bore Prospect compilation of geophysical anomalies and structural trends in the vicinity of mineralised drillhole BNG001. The drill-hole trace for BNG008 is shown over background image of TMI_RTP. Depth slice contours at ca -265mRL also shown through 3D gravity and MT inversion models.

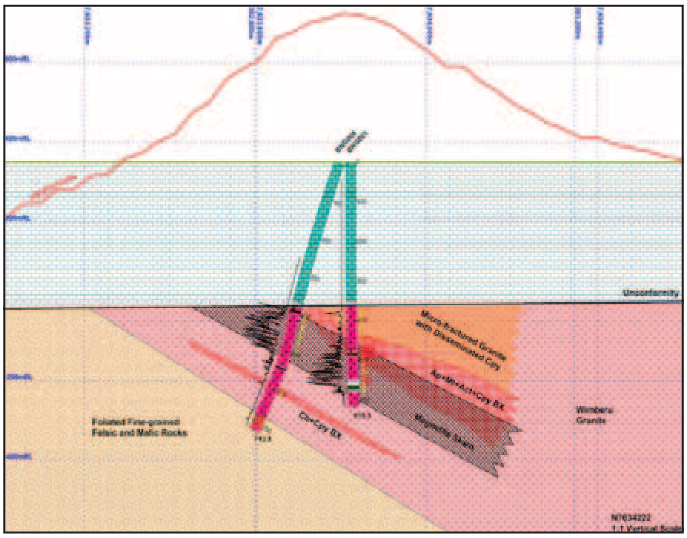


Figure 13: Bronzewing Bore Prospect cross-section with schematic target model through BNG001 & BNG008 showing drill-hole lithology and magnetic susceptibility for both, and Cu assays for BNG001. The inferred NNW-SSE trending contact zone with country rock (in this case foliated felsic volcanic or shallow intrusive). Note magnetic susceptibility is not directly comparable between holes as a different instrument was used for BNG001.

The Brothers Prospect

Two target areas have been identified at 'The Brothers' prospect. The first is a discrete circular magnetic anomaly of similar size and intensity to that drill-tested by BNG001 to the NE. An attempt was made to test this anomaly via drillhole BNG003 in 2011 however this missed the centre of the magnetic target (only moderately magnetic core intersected). This was due to the centre of the anomaly being located to the south of the Bungalien 2 tenement boundary. Since that time GBM (on behalf of the CED JV) has applied for the ground to the south ('The Brothers' application) and this is expected to be granted late in 2014.

As significant Cu was intersected in BNG001, the look-a-like magnetic high at 'The Brothers' is a highly-rated target under ca. 400m of cover and a tentative drill-target has been designed. As this area is still an application this proposed hole has not been included in the 2014 budget.

The second area of interest is an apparent, discrete, high-order gravity anomaly ca 800m to the south of the magnetic anomaly described above. This area is the subject of ongoing analysis of existing gravity, magnetic and 3DMT models. The ground gravity coverage needs to be expanded to help to define and increase confidence in the anomaly. The cover-rocks are likely to be >400m thick over the target based on the results from BNG003 ca 1km to the north.

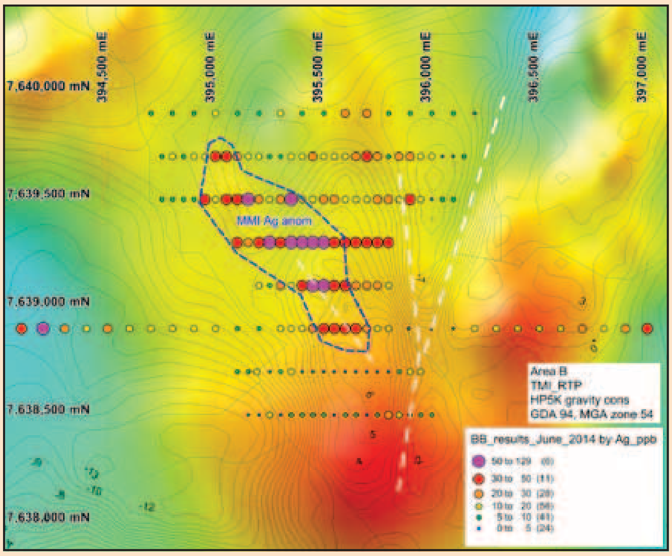


Figure 14: Burke Bore Prospect Site B. Thematic map of MMI Ag (ppb) including infill assay data. Ag anomaly is adjacent to the NW flank of a gravity high and overlapping magnetic high.

Burke Bore Prospect

A Mobile Metal Ion (MMI) soil survey was completed in late 2013 at the Burke Bore prospect over geophysical anomalies at three sites on the Burke Bore prospect. A follow-up survey was then completed to infill an area of highly anomalous silver-in-soil at Area 'B'.

The soil anomaly is adjacent to and partly overlapping a linear basement gravity and magnetic anomaly obscured under thin cover sediments. The gravity, magnetic and silver-in-soil anomalies are scheduled for RC drill testing in the next field season.

8.2 MOUNT MARGARET WEST PROJECT

(EPM16398, EPM16622, EPM19834, EPMA18172, EPM18174, EPMA25544 & EPMA25545)

The Mount Margaret West group of tenements consist of Mt Malakoff Ext EPM16398, Dry Creek EPM18172, Dry Creek Ext EPM18174, Mt Marge EPM19834 and Cotswold EPM16622 (all granted). Tenements Tommy Creek EPMA25544 and Corella EPMA25545 are recent applications, applied for in April 2014. Both applications have received work plan approval and are currently progressing through the Native Title process.

In very close proximity to the Mt Margaret West tenements, less than four kilometres south from EPM16398, lies Ernest Henry. Ernest Henry was discovered in 1991 using aeromagnetics and has a global resource estimated at 220Mt @ 1.2% Cu and 0.4g/t Au. The mineralisation is located in an ovate SSE plunging breccia pipe with dimensions measuring 300m by 250m. The breccia has been intersected at depths of 1200m below surface to date with consistent mineralisation over this entire distance.

The exploration strategy is to identify areas with promising structural settings, host lithology and/or encouraging drill results associated with near contiguous magnetic highs that hold scope for further discovery. In particular areas where further detailed modern geophysical surveys, in particular gravity and electrical geophysical techniques may be beneficial.

Work completed during the year began with the continued compilation and review of the large historic open-file dataset in the Mount Margaret area. This work has in previous years resulted in the definition of a number of IOCG-style drill targets. Field work included the drilling of three diamond holes at FC2W prospect, the completion of a large MMI soil survey at FC2 and FC4S and the interpretation of soils data at FC2, FC2W, FC12 and FC15. A gravity survey was completed at FC15 and 3D inversions of magnetic and gravity data created for the entire Mount Margaret project area. A detailed airborne magnetics survey was flown over FC2 and FC2W in the last quarter and the results merged with the regional dataset. Assay results were received for drill holes MMA005 and 006, drilled at FC2W late last year and a 3D inversion of the detailed MT survey data collected at FC4S in 2013 was completed.

Review of Operations

FC4S Prospect

Work completed during 2012 and 2013 confirmed the potential for significant IOCG-style mineralisation to exist within the heavily explored terrain immediately north of Ernest Henry mine. A number of geophysical surveys were completed, including MT, IP and gravity, exhaustive historic data collation and interpretation was undertaken, and three diamond holes were drilled into two targets during 2013.

Hole MMA003 was designed to follow up the promising low grade Cu intersection in MMA001 drilled during 2012, targeting an interpreted east dipping mineralised system of Ernest Henry affinity. MMA003 intersected the magnetic target where expected though mineralisation was lower than that observed in the adjacent MMA001. However, overall, the presence of Ernest Henry style IOCG alteration, shearing and mineralisation within the same magnetic/gravity belt that hosts the mine gives confidence that this horizon is highly prospective at FC4S and inadequately tested by historic drilling.

An infill MT geophysical survey at FC4S has confirmed at least two, possibly three, large and discrete conductivity anomalies beneath an area of strongly anomalous gold mineralisation defined by historic drilling.

To date, these targets have not been drill tested, however both targets show a spatial relationship with the distribution of gold mineralisation. The priority target is scheduled for drill testing next year.

FC2 and FC2W Prospects

Analysis of the historic geophysical and drilling data over the FC2 magnetic-gravity anomaly suggests the prospect may be prospective for Starra/Selwyn-style ironstone-hosted gold and copper mineralisation. Prior to the 2014 year, the JV completed detailed ground gravity over FC2W, and MMI soils and 2DIP over FC2.

An aeromagnetic survey was commissioned during the Jun 2014 quarter for the FC2 and FC2W prospect areas to provide more detailed magnetic data over prospective drill target areas. A detailed 3D magnetic inversion using the recent 100m flight line data has been initiated for FC2W and FC2 prospect.

During the year, three shallow diamond drill holes were completed at FC2W, designed to test combined MMI soil and gravity and/or magnetic anomalies. Locations of the drillholes are shown in Figure 16 below. MMA004 was designed to test an intense gravity bulls-eye feature within a north-south trending magnetic belt in

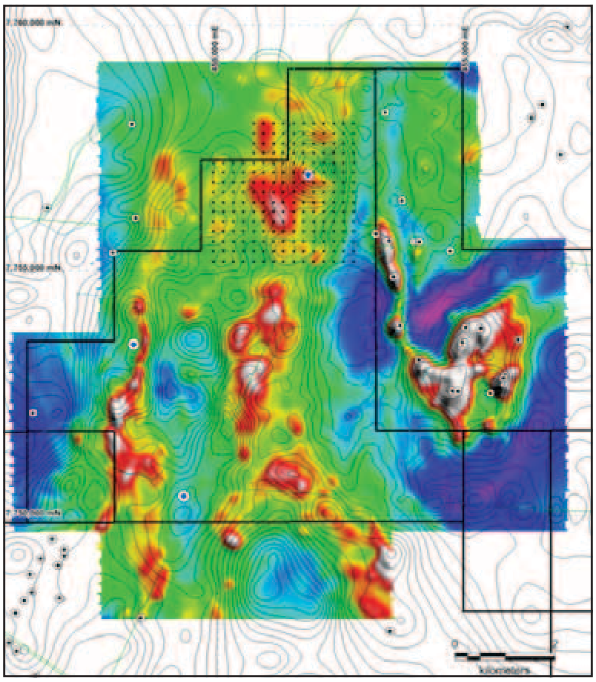


Figure 15: FC2 & FC2W Prospect area. Completed airborne magnetics survey extent. Background image is TMI-RTP. Historic drill collars (black) and JV drill collars (blue and labelled) also shown. Contours are merged JV and state bouguer gravity (HP5k, 0.2mgal). Proposed MMI soil grid in northern prospect area (black stars).

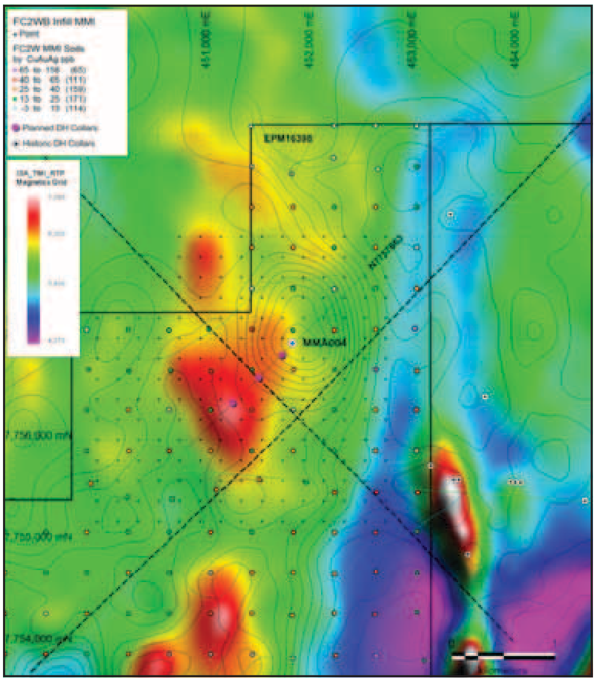


Figure 16: FC2W Prospect Site 'B' target area showing collar for MMA004 and proposed CDI drillholes (pink dots). Background image is TMI RTP from existing aeromagnetic data, stretched to highlight the arcuate magnetic feature SW and W of the gravity bullseye. Thematic map of Cu-Au-Ag for completed regional partial leach (MMI) soil grid shown (400x400m), along with planned infill MMI sampling (small dots), and interpreted shear zones as dashed lines.

the northern portion of the prospect area. The hole returned anomalous copper, vanadium and titanium throughout the basement host dense mafic rock. Copper averaged 745ppm and vanadium 0.11% over 71m to the base of hole with peaks of 0.13% Cu and 0.19% V. The untested magnetic high immediately to the SW of the gravity bullseye and a possible faulted contact between the two anomalies are considered highly prospective drill targets for IOCG mineralisation and will be scheduled for drill testing next year.

Drillholes MMA005 and MMA006 reported anomalous copper values up to 1,600ppm Cu in isolated samples. The holes, which were drilled 4km apart within a large prospect area with no prior drilling, confirmed lithological indicators (rock type, alteration, sulphides) for IOCG style deposits were present. Drilling confirmed that the cover sequence in the area is less than 60 metres thick and Induced Polarisation geophysics should be an effective next step in locating conductivity/chargeability features associated with IOCG style mineralisation.

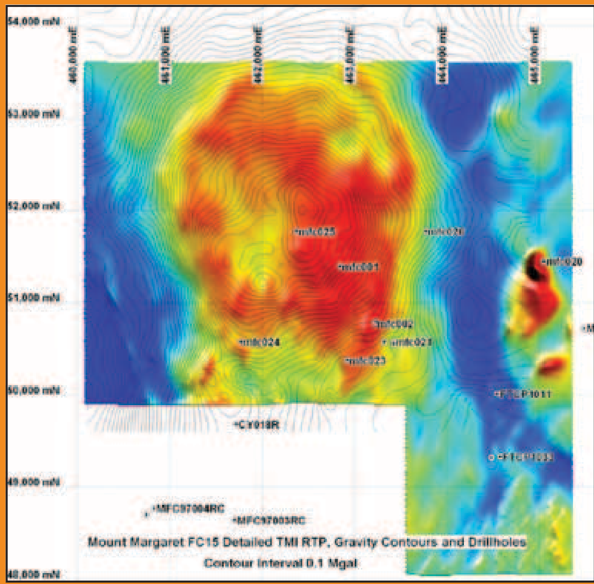


Figure 17: FC15 Prospect. Image shows the detailed gravity contours data from the recent survey and the detailed TMI-RTP magnetics incorporating the historical aeromagnetic data.

FC15 Prospect

The FC15 prospect is characterised by an large circular gravity high and coincident magnetic high showing limited prior drill testing and a maximum recorded basement depth of 46m. The mineral assemblages and alteration style identified in the historical drilling indicate the area is potentially prospective for IOCG style mineralisation.

The JV completed a detailed ground gravity survey of 483 points in the September 2013 quarter over the prospect. Historic aeromagnetic data was also located and merged with the regional dataset and the combination shows a complex dense magnetic circular anomaly. More work is required to generate potential drill targets at FC15.

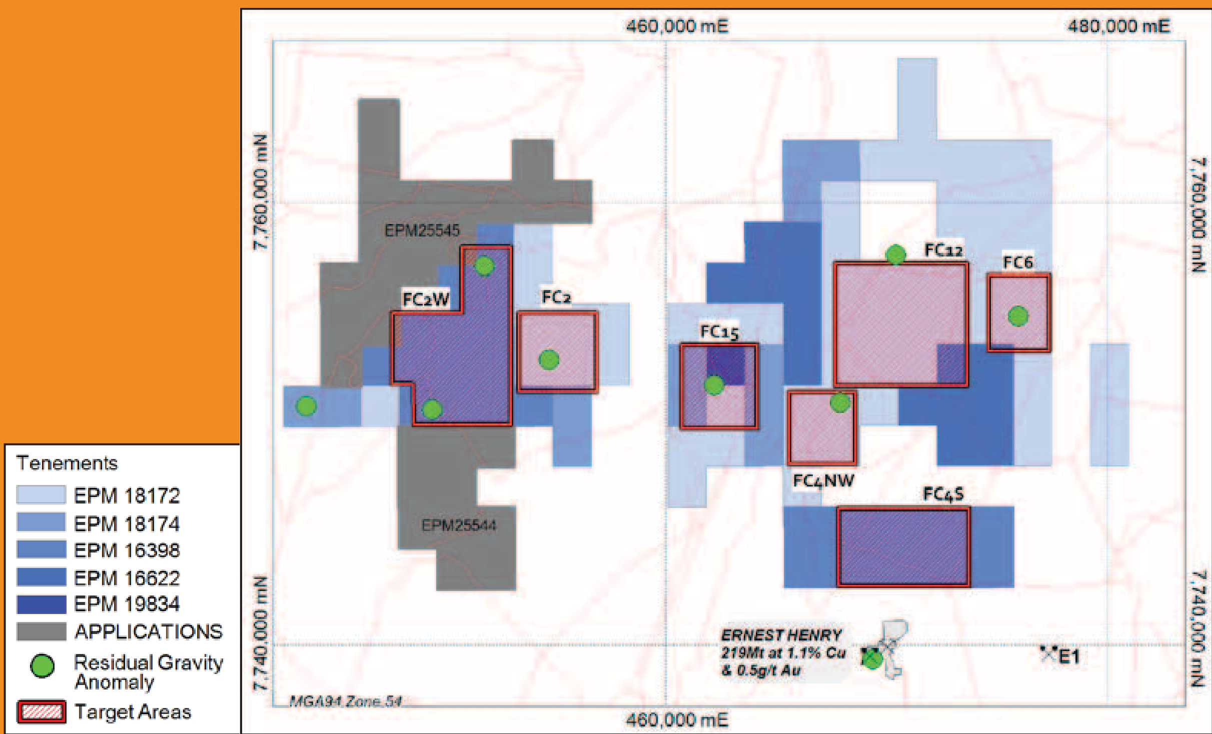


Figure 18: Mount Margaret West tenement and target plan.

Review of Operations

8.3 CHUMVALE PROJECT

(Part EPM14416
Project is part of the CED Farm-in Agreement)

The Chumvale Breccia project is an 8km^2 block within the larger Brightlands tenement (EPM14416) that is held by GBM Resources and is located 15km west of Cloncurry.

The Chumvale prospect covers a prominent outcropping ridge of breccia (Chumvale Breccia) that is locally coated in hydrated Mn- and Fe-oxides. The breccia ridge is located along a broad WNW_ESE structural corridor termed 'The Cloncurry Flexure'.

The chemical analyses for all drill holes completed by GBM in 2013 confirmed the widespread anomalous Zn within the Chumvale breccia body. The assays for BTD045 and BTD046 returned highly anomalous Zn in the upper parts of the holes (from surface), whereas minor Cu occurred locally.

High zinc values appear in the upper weathered breccia zone of both holes with the Zn concentration decreasing down-hole in both BTD045 and BTD046. In BTD044 Zn is common throughout the upper 228m of the hole with values typically in the 0.1-0.3wt% range (peak value of 0.72wt%).

8.4 TALAWANTA-GRASSY BORE PROJECTS

(EPM15406, EPM19256 & EPMA19255
Projects are part of the CED Farm-in agreement)

The Talawanta-Grassy Bore project consists of two large granted exploration permits: EPM15406 (Talawanta) and recently granted EPM19256 (Grassy Bore2). Grassy Bore (EPM15681) was conditionally surrendered in favour of Grassy Bore2 (EPM19256). Talawanta is located approximately 220kms north of Cloncurry and Grassy Bore2 approximately 180kms NNW of Cloncurry.

An overlying application for additional ground around Talawanta has also been lodged. The total area under licence and application in this project is over 640km^2 and is subject to a farm-in agreement with PPC and Mitsui Corporation.

The Talawanta and Grassy Bore tenements lie within a north-south trending zone of prominent magnetism commonly associated with gravity highs that are believed to reflect Proterozoic basement features beneath ca. 300 to 650m of younger Carpentaria Basin cover rocks. The magnetic ridges can be traced back to the Cloncurry area.

CED and GBM Geologists on site at BBNG008, Bronzewing Bore Prospect.

Ground gravity surveys over areas of coincident or near coincident magnetic and gravity highs in 2010 and 2011 in the Grassy Bore tenement (Ibis and Landing Ground areas) and over most of the Talawanta EPM where large gravity highs were situated in broad areas of elevated magnetic response. Regional-scale 3D magnetic and gravity inversion models were also created over the target areas. Regional-scale 3D magnetic and gravity inversion models were also created over the target areas.

Between 2011 and 2012 the CED JV drilled five scout drillholes into selected targets. Two JV scout drill holes at the Ibis and Ibis-south prospects (Grassy Bore) intersected extensive magnetite-bearing alteration systems, and a JV scout hole at Talawanta (Happy Valley) intersected an altered magnetite rich gabbro with a high background Cu content.

In 2012 two scout-holes were drilled into near coincident gravity and magnetic highs on the Landing Ground prospect in the central part of the Grassy Bore EPM. Minor magnetite and trace sulphide mineralisation occurred in both holes.

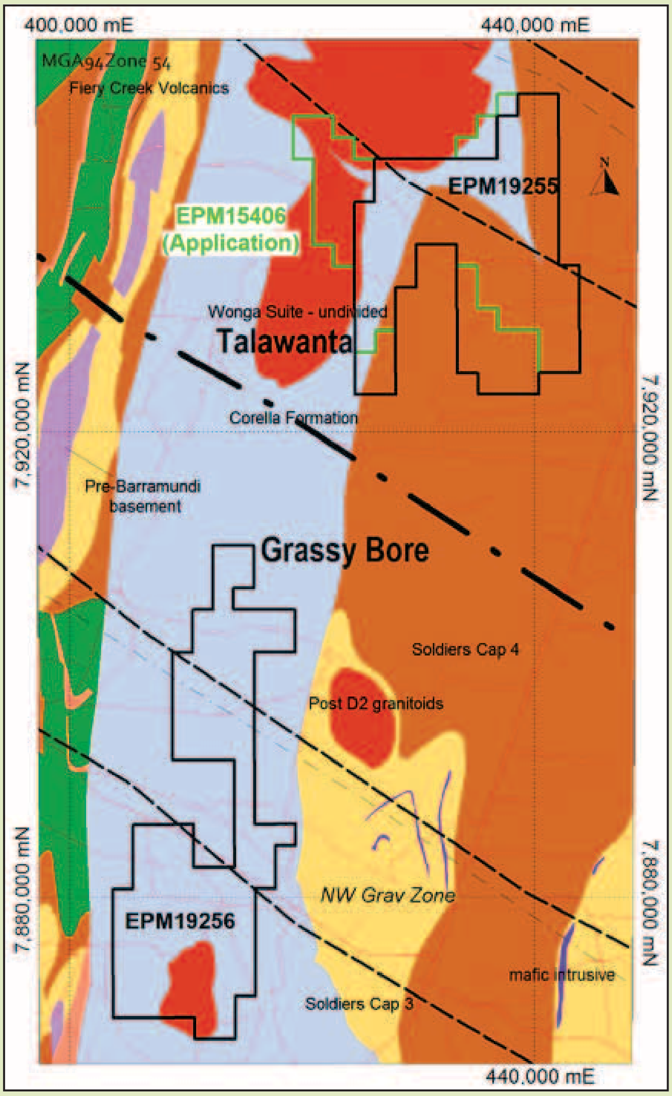


Figure 19: Talawanta and Grassy Bore tenement areas with GBM drillholes labelled.

Talawanta Project

The gravity survey (500m spacing) completed on Talawanta defined large, discrete gravity highs within a broader magnetic high, adjacent to a large gravity and magnetic low, interpreted as a granite. As a result of the survey, four geological drill targets were defined, one of which was selected for scout drill testing in latter part of 2011.

The first scout hole on the Talawanta tenement (TGD003) targeted a discrete, gravity and magnetic high, at the southern end (but separated from) a north-south trending gravity high. The diamond drill passed through the unconformity at ca. 640m and intersected a weathered chloritic, magnetite-bearing meta-gabbro. The gabbro showed unusually high background Cu averaging 152ppm Cu from 60 samples assayed.

Grassy Bore Project

A 48 point magneto-telluric (MT) survey over the Landing Ground Prospect was carried out during the year. The survey was designed to see if any apparent conductive zones occurred in the basement within or adjacent to the pair of near-coincident gravity and magnetic highs that had been targeted by two scout drillholes in 2012 (TGD004, TGD005). Both scout holes intersected strongly altered magnetite-rich mafic and granitic rocks.

A 3DMT resistivity model over Landing Ground north was conducted over the tenement as well as 1D and 2D inversions of single lines over Landing Ground south. The 3DMT model over Landing Ground north indicates an apparent basement conductive zone to the west of the 2012 scout drillhole TGD005.

A new inversion model of the gravity data over the Landing Ground area was generated. The new model suggests the main basement gravity anomaly is located ca 400m to the NE of the scout drillhole TGD004 at LGS.

A further 3D inversion model of the gravity data over the Landing Ground was also created and confirmed that the centre of higher density mass is ca 400m NNE of TGD004. A ca 0.8mGal gravity anomaly is also indicated in basement to the east of Landing Ground.

Review of Operations

8.0 Lubuk Mandi Orogenic Gold JV Project, Malaysia (GBM 40% Interest)

INTRODUCTION

GBM announced on 11 June 2013 that it had entered a binding agreement to acquire a 40% interest in Anka Alamjaya Sdn Bhd (AASB), a sole purpose Malaysian company which owns mining rights to the Lubuk Mandi Gold Project in Malaysia. This agreement was ratified at a meeting of GBM shareholders on 22 July 2013. Lubuk Mandi is located approximately 2km from the coast near Kuala Terengganu in Terengganu State, Peninsular Malaysia. Malaysia has a long history of mining, a skilled workforce and stable government.

The Lubuk Mandi Gold Mine operated as an open cut mine between 1993 and 1999 with recorded production of 108,000 ounces of gold. While gold has been known in Terengganu for centuries, alluvial mining at Lubuk Mandi appears to have only commenced in 1989, and virtually no modern exploration for gold has been conducted in this region which is now recognised as part of a new gold belt in Malaysia.

TAILINGS PROJECT

Drilling and sampling tailings from previous mining at Lubuk Mandi resulted in estimation of a total resource of 1.5M tonnes averaging 0.7g/t Au and containing 34,700 ounces of gold. This resource was estimated after completion of a 29 hole core drilling programme during September 2013. The drill program tested the Tailings Dam on a 50 metre grid pattern yielding 439 tailings samples which were analysed to provide the primary database. This was in line with GBM's initial assessment and development plan identified an exploration target (GBM ASX 11 June 2013) for the Tailings Dam Project of between 1Mt at 0.7g/t Au containing 23,000 ounces of gold and 1.4Mt at 0.9g/t Au containing 38,000 ounces of gold based on limited available data from previous operators at the site (refer ASX release 11 June 2013).

Indicated + Inferred	Tonnes	Contained Gold		Grade (ppm Au)	Tonnage %
		Grammes	Ounces		
Indicated	1,445,000	1,009,000	32,400	0.70	94%
Inferred	87,000	72,000	2,300	0.80	6%
Total	**1,532,000**	**1,081,400**	**34,800**	**0.70**	**100%**

Table 5: Resource summary for Lubuk Mandi tailings deposit (ASX announcement 24 October 2013).

Old tailings storage areas from Lubuk Mandi treatment plant site, March 2013.

Following this and completion of metallurgical testwork utilising samples generated from the drilling programme, an internal scoping study was completed recommending construction of a combined flotation and CIP plant to reprocess these tailings at 600,000 tpa. As a result of design changes by AASB, the plant will be commissioned at an initial rate of approximately 300,000 tpa with scope to increase production incrementally once the initial phase is complete. This plant is scheduled to be commissioned late in 2014 with steady state gold production planned from early 2015.

Final design, construction and commissioning are being implemented by AASB. During June site preparation was completed and construction of large material holding tanks had commenced. Agreements for provision of other equipment have been signed with Yantai Jinpeng Machinery Co. Ltd of Shandong Province in North Eastern China and delivery of most key components is expected during October. Upgrading of power and water supply are on track to be completed in time to support commissioning and operations. Earthworks had also commenced on the stage one waste storage facility. This facility is a compacted earth wall which will reach an ultimate height of 9 metres and provide storage for waste from tailings treatment produced during the first 12 months of operations. A larger stage two facility is planned to commence immediately on completion of stage one and will provide storage for the balance of waste materials to be produced for the life of the tailings retreatment operations.

The information in this report that relates to Mineral Resources is based on information compiled by Scott McManus, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr McManus is a full-time employee of Skandus. Mr McManus 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 McManus consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

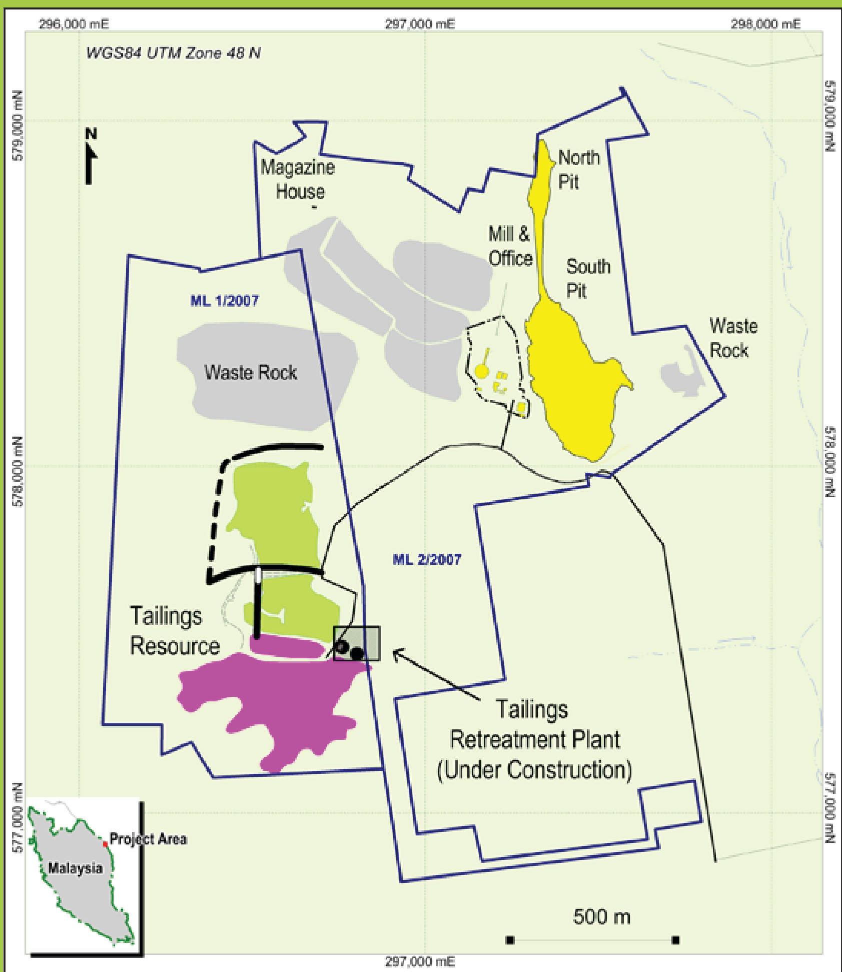


Figure 20: Lubuk Mandi mine layout plan showing exploration target locations.

Review of Operations

HARD ROCK DRILLING PROGRAM

A two stage diamond drilling programme to confirm previous drilling beneath the existing shallow open pit and for further potential at deeper levels. Phase 1 drilling was completed in February with a total of ten holes and 2,080 metres of diamond drilling. Phase 2 had commenced at year's end.

Results from Phase 1 confirmed gold mineralisation associated with deformed zones with extensive quartz veining and elevated arsenic values. The best intersection was drillhole LMD010 which returned an intersection of 19.5 metres downhole from 162.3 metres averaging 11.1g/t gold. This included a 1.9 metre downhole interval from 168.9 metres comprising three samples each over 60g/t Au and averaging (length weighted) 66.4g/t Au (ASX announcement 23 June 2014).

At year's end, three diamond drill rigs were on site completing stage 2 drilling.

10.0 Rhea and Sevastapol Graphite Prospects

GBM has identified extensive areas of graphite bearing shales at the Sevastopol and Rhea Extended Prospects on EPM16398 in the Mount Margaret West tenement group. Very large scale graphitic shale deposits have been defined from historic base-metal drilling and reprocessed Induced Potential (IP) geophysical data. The graphitic shale deposit is near surface – only 3-30m of cover sediments and is located close to Ernest Henry mine and related infrastructure.

Under an addendum to the Farm-in Agreement with Cloncurry Exploration and Development signed on 30 July 2014, GBM has 100% ownership rights over the two Prospects for graphite and plan to progress investigation of the potential of these areas in the coming year.

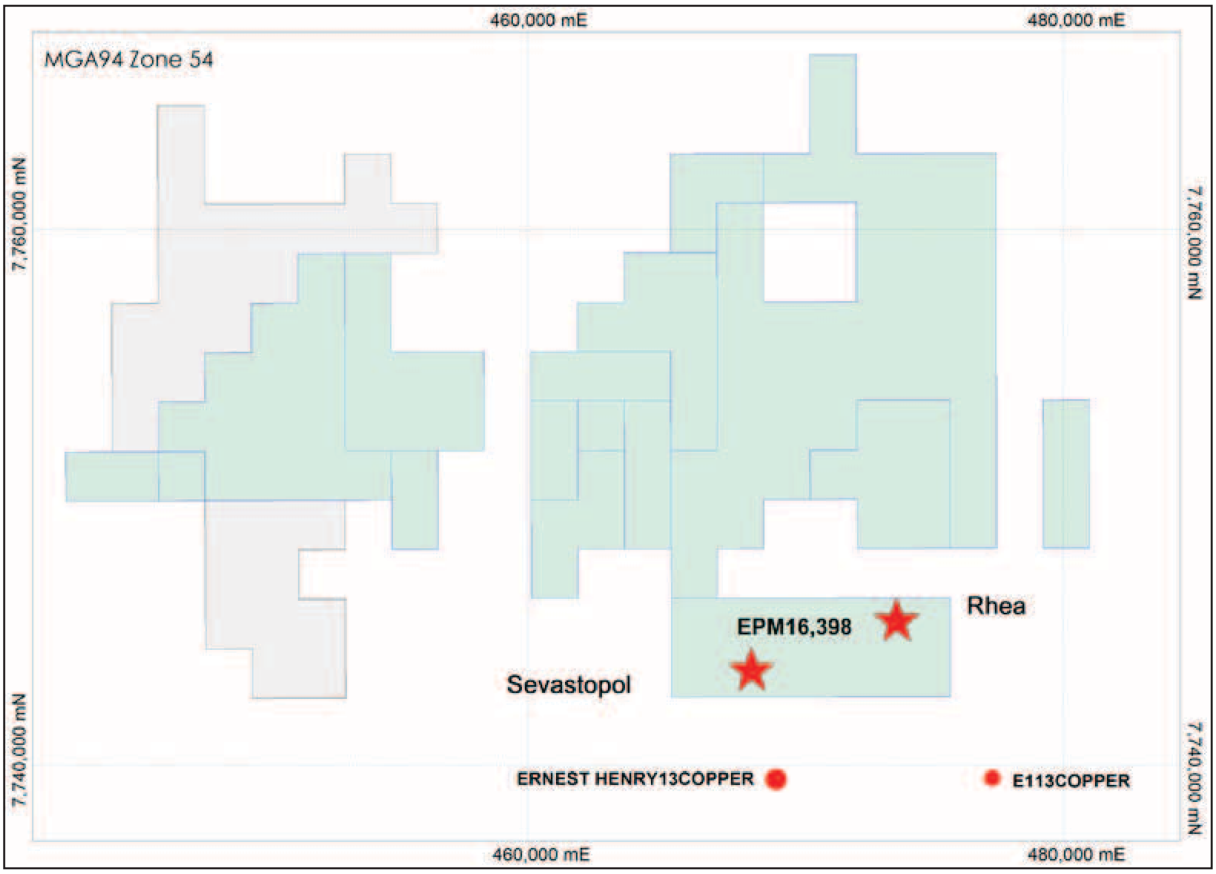


Figure 21: Location of Sevastapol and Rhea Graphite Prospects within the Mount Margaret West tenement group.

11.0 Bungalien Phosphate Project

GBM's Phosphate Project located in the Georgina Basin, southeast of Mount Isa in North Queensland, is adjacent to Australia's largest phosphate deposit at Phosphate Hill.

GBM has completed 43 shallow RC drill holes for a total of 1,436 metres during two stages on the Bungalien Phosphate project. Both drilling campaigns are very encouraging and confirm the extent of phosphate prospectivity in the area.

Peak phosphate results returned values exceeding 25% P_2O_5 and include many intersections of significant widths of greater than 10% P_2O_5 mineralisation. In addition phosphate mineralisation was intersected in scout drill holes on GBM's Horse Creek EPM18208 and Limestone Creek EPM17849 tenements; PRC026 on Horse Creek intersected 7m @ 4.19% P_2O_5, and PRC024 on Limestone Creek intersected 9m @ 2.14% P_2O_5. These holes demonstrate that further substantial areas of these large tenements hold potential for untested phosphate mineralisation at shallow depths.

Bungalien Project remains a highly prospective area for discovery of rock phosphate resources. The Georgina Basin sediments which overlay the Proterozoic basement continues to emerge as one of the world's major phosphate provinces with phosphate resources currently identified totalling over three billion tonnes.

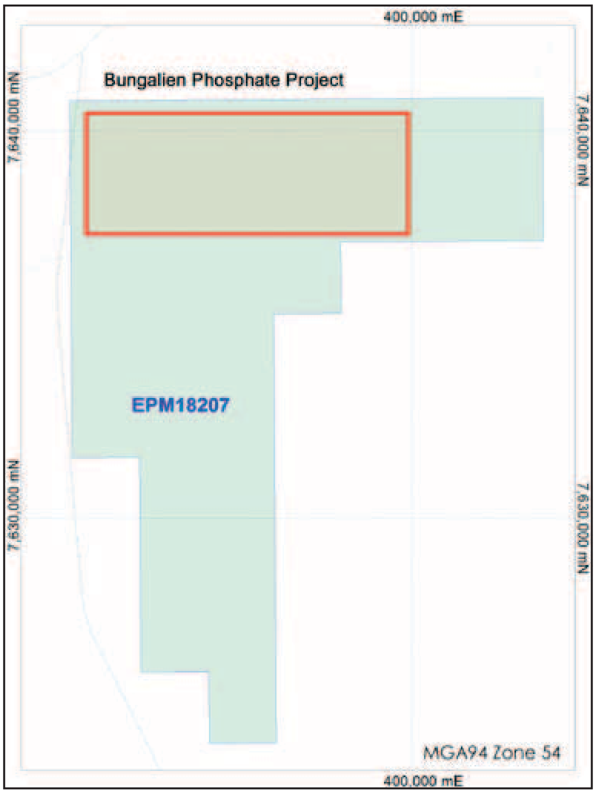


Figure 22: Location of the Burke Bore phosphate project within EPM18207.

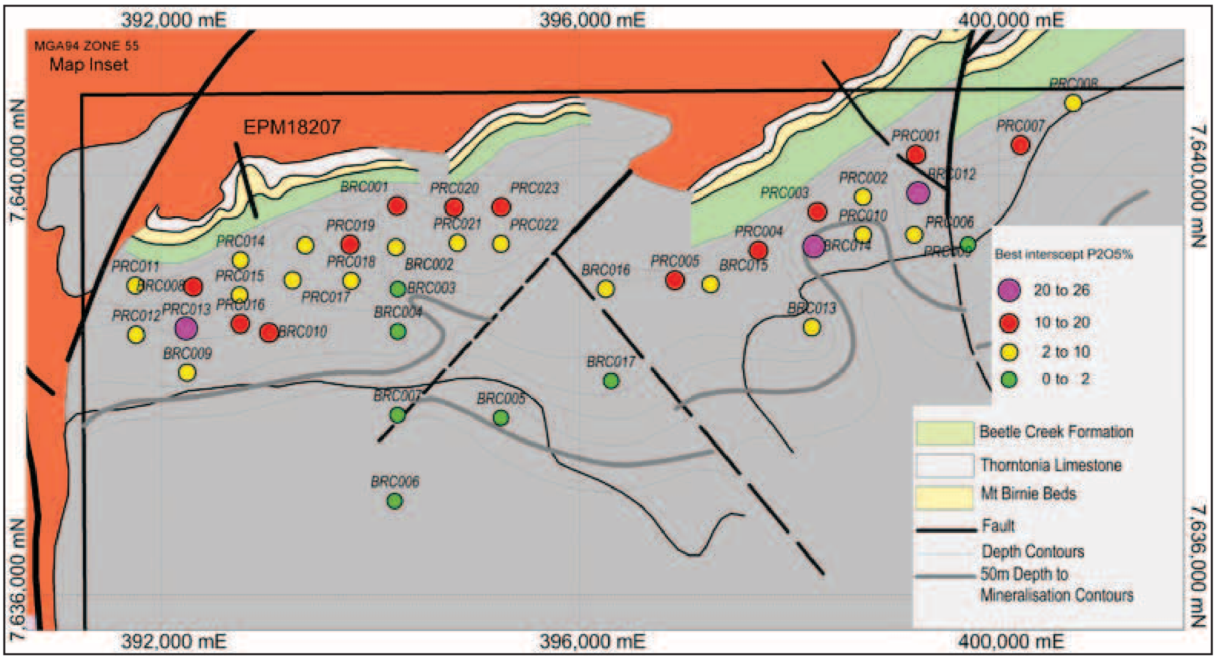


Figure 23: Hole location, best grades and geology of the Burke Bore phosphate prospect.

Review of Operations

12.0 Tenements

GBM has continued to assess opportunities to add quality exploration targets to its portfolio by acquisition of new tenements. The Company currently holds 37 tenements in nine project areas that cover a total area of approximately 4,200km^2 in some of Australia's most prospective mineral provinces. This includes eight applications in Queensland totalling 581km^2.

Four new tenements were granted during 2013/2014. One in the Mt Morgan region, Central Queensland (Limonite Hill East EPM19288) and three in the Mt Isa region, North West Queensland (Grass Bore2 EPM19256, Brightlands West EPM18051 and Mayfield EPM19483). In order for the granting of Grassy Bore2 EPM19256 and Mayfield EPM19483, Grassy Bore EPM15681 and Mayfield2 EPM14111 were conditionally surrendered.

Applications that were lodged during the year include Bajool EPMA25362 and Mountain Maid EPMA25678 in the Mount Morgan Region, Central Queensland, and Tommy Creek EPMA25544 and Corella EPMA25545 in the Mount Margaret West Region, North West Queensland.

All of these licences and applications (see tenement schedule) are held 100% by the Company (or its wholly owned subsidiaries), however all tenements in the Talawanta-Grassy Bore, Mount Margaret and Bungalien Projects are subject to a farm-in agreement with Cloncurry Exploration and Development Pty Ltd (owned by Pan Pacific Copper and Mitsui Corporation). Application EPMA18672 is a competing application and GBM have priority.

EPMA19255 and EPMA14111 are overlying applications encompassing existing, granted tenements. On grant of overlying application EPM19256, EPM15681 was conditionally surrendered.

In addition GBM has signed agreements with Newcrest to acquire EPMA19483 Mayfield and Cotswold EPM16622 in the Mount Isa area. This is subject to the transfer being approved by the Queensland Department.

A summary of GBM's tenements is provided on page 33 of this report.

Abbreviations

CuEq	*Copper Equivalent, as defined in note in Milo Section.*
EM	*Electro Magnetic (geophysical surveys)*
IP	*Induced Polarisation (geophysical surveys)*
RC	*Reverse circulation drilling*
REE(O)	*Rare Earth Elements (oxides). There are 14 rare earth elements: Lanthanum (La), Cerium (Ce), Praseodymium (Pr), Neodymium (Nd), Samarium (Sm), Europium (Eu), Gadolinium (Gd), Terbium (Tb), Dysprosium (Dy), Holmium (Ho), Erbium (Er), Thulium (Tm), Ytterbium (Yb), Lutetium (Lu) but excluding Promethium (Pm)*
TREEY(O)	*Total Rare Earth element and Yttrium (oxides). (Yttrium (Y) is not always considered as a Rare Earth Element but does have many similar properties)*

Exploration Results Previously Reported under JORC 2004

Competent Person's Statement for Exploration Results included in this report that were previously reported pursuant to JORC 2004: This information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to 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 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.

Exploration Results and Mineral Resources Previously Reported under JORC 2012

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Annual Mineral Resources Statement

The following Annual Statement of Mineral resources statement reflects GBM's mineral the company's resources as at the 30th of June 2014. Details of the competent person for each of these resources is provided separately in the relevant section of this annual report.

For the purpose of preparing this Annual Statement of Mineral resources as at 30th of June 2014, GBM has completed a review of each resource taking into account long term metal price, foreign exchange rates, cost assumptions based on current industry conditions, any changes that may affect the capability for these resources to be exploited or which may result in material changes to cut-off grades and physical mining parameters.

Malmsbury Gold Project Resources

Resource Classification	Tonnes ($x10^3$)	Au (g/t)	Au ($x10^3$ ounces)
Inferred	820	4.0	104

Note: there has been no change in the resource for the Malmsbury Project from the previous year.

Lubuk Mandi Tailings Resource (GBM 40% interest)

Indicated + Inferred	Tonnes (t)	Grade (g/t Au)	Gold (ounces)
Indicated	1,445,000	0.70	32,400
Inferred	87,000	0.80	2,300
Total	**1,532,000**	**0.70**	**34,800**

Note: The Lubuk Mandi Tailings resource was first reported during the current reporting year.

Milo IOCG Project

TREEYO Inferred Resource

					LREEO							HREEY			
	cutoff (TREEYO ppm)	tonnes (Mt)	TREEYO (ppm, t)	P205 (%, t)	Ce02 (ppm, t)	La203 (ppm, t)	Nd203 (ppm, t)	Pr203 (ppm, t)	Sm203 (ppm, t)	Eu203 (ppm, t)	Gd203 (ppm, t)	Y203 (ppm, t)	Dy203 (ppm, t)	Er203 (ppm, t)	Others (ppm, t)
Grades	300	176	620	0.75	260	150	80	24	12	4	10	52	8	5	9
Contained Metal			108,000	1,330,000	46,140	26,460	13,850	4,230	2,170	710	1,780	9,150	1,480	850	1,620

Copper Equivalent Resource

	cutoff (CuEQ %)	tonnes (Mt)	CuEQ (%, t)	Au (ppm, ozs)	Cu (ppm, t)	Ag (ppm, ozs)	Mo (ppm/t)	Co (ppm/t)	U_3O_8 (ppm/Mlbs)
Resource	0.10	88.4	0.34	0.04	1090	1.63	65	130	72
Contained Metal			301,000	126,000	96,500	4,638,000	5,700	11,700	14.0

Note: There has been no change to Milo Resources during the current reporting year.

The Company has not changed its governance and internal controls with regards to each of the estimates of mineral resources since previous reporting as no change was warranted, pending commencement of any new estimation.

The information in this Annual Mineral Resources Statement is based on and fairly represents information and supporting documentation prepared by the competent persons named in the relevant sections of this Annual Report.

The information in this Annual Mineral Resources Statement as a whole that relates to Mineral Resources is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Norris is a holder of shares and options in the company and 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Norris consents to the inclusion in the Annual report of the matters based on this information in the form and context in which it appears.

Sustainable Development

GBM Resources Ltd strives to operate in a manner that puts the health and safety of our people first, is environmentally responsible, supports the communities in which we operate, and maintains effective relationships with suppliers and customers. As we extend our operations and exploration projects, we are mindful of the need to establish and maintain our excellent reputation. We seek to build and maintain enduring relationships with our employees, host communities, suppliers and customers, based on recognition and respect for human rights, trust and active partnerships.

GBM Resources is focused on maintaining a safe workplace. We discover, build, develop and operate in line with good environmental practices and we embrace a strong sense of commitment to local communities. We aim to minimise the impact on ecosystems in which we operate.

We recognise that economic participation around our exploration sites by host communities creates opportunities to contribute to their broader social development objectives. We also seek opportunities for sustainable economic development beyond the direct relationship with the mine, plant or exploration site.

GBM achieved an exceptional level of safety performance for the year. The current 12-month rolling total lost time injury frequency rate (LTIFR) is 0.0, based on combined GBM and contracting partners' working hours (18,850.3). This compares to the 2012 average LTIFR published by Safe Work Australia for the Exploration sector of 6.6.

GBM is committed to safe and responsible development of Australia's mineral resources.

The Company's continued focus on safety has resulted in improved safety performance during the year with no LTI's recorded. GBM strongly believes that the health and safety of personnel and the environment in which we operate are of the highest priority in all of our operations.

SAFETY & TRAINING

A range of training programmes was completed throughout the year as part of the Company's commitment to the safety of our people. GBM remains committed to a process of continuous improvement of its standards procedures and work practices.

Training completed during 2013/2014 included Job Safety Analysis and First Aid.

COMMUNITY & ENVIRONMENT

GBM is committed to working with the communities in which we operate with the aim of reducing our Environmental impact whilst achieving mutually acceptable rehabilitation outcomes.

GBM will identify and show consideration for the rights, beliefs and concerns of relevant landholders and all other parties that have a legitimate interest in our exploration activities. To achieve this we will ensure that all of our employees and contractors are aware of their role in implementing company environmental responsibilities, policies and commitments.

Each exploration site undergoes a rigorous examination for the environmental aspect prior to, during and after work has been conducted on the site.

STATISTICS/ACHIEVEMENTS:

- No lost time injuries were sustained during operations in 2013/14 (LTI frequency rate of 0.0 against an industry average of 6.6 in 2012),
- No medically treated injury was sustained during operations in 2013/14.
- No environmental incidents were sustained in the reporting period.
- Refresher First Aid Courses were undertaken during the year for all staff members.
- Ongoing reviews of GBM's Risk Register and procedures continued this year.

Tenement Schedule

Project/Name	Tenement No.	Owner	Interest	Status	Granted	Expiry	Approx Area (km²)	Sub-blocks*[3]	JV
VICTORIA									
Malmsbury									
Belltopper	EL4515	GBMR*[1]/Belltopper Hill	100%	Granted	06-Oct-05	05-Oct-15	25	25	
Lauriston	EL5120	GBMR	100%	Granted	17-Dec-08	16-Dec-15	8	8	
Willaura									
Willaura	EL5346	GBMR	100%	Granted	02-Jun-11	01-Jun-14	8	8	
Lake Bolac2	EL5423	GBMR	100%	Granted	03-Dec-12	02-Dec-17	218	218	
Yea									
Monkey Gully	EL5293	GBMR	100%	Granted	23-Mar-11	22-Mar-16	316	316	
Tin Creek	EL5292	GBMR	100%	Granted	23-Mar-11	22-Mar-16	329	329	
Rubicon	EL5347	GBMR	100%	Granted	27-Feb-12	26-Feb-17	104	104	
QUEENSLAND									
Mount Morgan									
Dee Range	EPM16057	GBMR	100%	Granted	27-Sep-07	26-Sep-14	46	14	
Boulder Creek	EPM17105	GBMR	100%	Granted	26-Mar-08	25-Mar-15	88	27	
Black Range	EPM17734	GBMR	100%	Granted	20-May-09	19-May-16	81	25	
Smelter Return	EPM18366	GBMR	100%	Granted	21-Jun-12	20-Jun-17	98	30	
Limonite Hill	EPM18811	GBMR	100%	Granted	21-Nov-12	20-Nov-17	260	80	
Limonite Hill East	EPM19288	GBMR	100%	Granted	31-Oct-13	30-Oct-18	29	9	
Mt Hoopbound	EPM18812	GBMR	100%	Granted	26-Jul-12	25-Jul-17	23	7	
Mt Victoria	EPMA25177	GBMR	100%	Appl'n			3	1	
Bajool	EPMA25362	GBMR	100%	Appl'n			110	34	
Mountain Maid	EPMA25678	GBMR	100%	Appl'n			26	8	
Mount Isa Region									
Talawanta-Grassy Bore									
Talawanta	EPM15406	GBMR*[2]/Isa Tenements	100%	Granted	15-Jan-08	14-Jan-15	325	100	CEDJV
Talawanta2	EPMA19255	GBMR*[2]/Isa Tenements	100%	Proposal			325	100	CEDJV
Grassy Bore2	EPMA19256	GBMR*[2]/Isa Tenements	100%	Granted	27-Jun-14	26-Jun-18	322	99	CEDJV
Mount Margaret									
Mt Malakoff Ext	EPM16398	GBMR*[2]/Isa Tenements	100%	Granted	19-Oct-10	18-Oct-15	85	26	CEDJV
Cotswold	EPM16622	GBMR*[2,4]/Isa Tenements	100%	Granted	30-Nov-12	29-Nov-17	46	14	CEDJV
Mt Marge	EPM19834	GBMR/Isa Tenements	100%	Granted	04-Mar-13	03-Mar-18	3	1	CEDJV
Dry Creek	EPM18172	GBMR/Isa Tenements	100%	Granted	13-Jul-12	12-Jul-17	189	58	CEDJV
Dry Creek Ext	EPM18174	GBMR/Isa Tenements	100%	Granted	25-Oct-11	24-Oct-14	39	12	CEDJV
Corella	EPMA25545	GBMR/Isa Tenements	100%	Appl'n			59	18	CEDJV
Tommy Creek	EPMA25544	GBMR/Isa Tenements	100%	Appl'n			33	10	CEDJV
Brightlands							452		
Brightlands	EPM14416	GBMR*[2]/Isa Brightlands	100%	Granted	5-Aug-05	4-Aug-14	254	78	CED JV*[6]
Brightlands West	EPM18051	GBMR/Isa Brightlands	100%	Granted	22-Oct-13	21-Oct-18	7	2	
Brightlands West Ext	EPMA18672	GBMR/Isa Brightlands	100%	Appl'n			16	5	
Wakeful	EPM18454	GBMR/Isa Brightlands	100%	Granted	23-Jan-12	22-Jan-17	13	4	
Highway	EPM18453	GBMR/Isa Brightlands	100%	Granted	23-Jan-12	22-Jan-17	20	6	
Bungalien									
Limestone Creek	EPM17849	GBMR/Isa Tenements	100%	Granted	20-Oct-10	19-Oct-15	59	18	CEDJV
Bungalien 2	EPM18207	GBMR*[2]/Isa Tenements	100%	Granted	24-May-12	23-May-17	163	50	CEDJV
Horse Creek 2	EPM18208	GBMR*[2]/Isa Tenements	100%	Granted	2-Aug-12	1-Aug-17	163	50	CEDJV
The Brothers	EPMA25213	GBMR/Isa Tenements	100%	Appl'n			10	3	CEDJV
Mayfield							718		
Mayfield	EPMA19483	GBMR*[2,4]/Isa Tenements	100%	Granted	11-Mar-14	10-Mar-19	302	93	
MALAYSIA									
Lubuk Mandi	ML1/2007 & ML2/2007	AASB*[5]	0%	Granted		March 2017	2.215		

Notes:
*[1] Subject to a 2.5% net smelter royalty to vendors.
*[2] Subject to a 2% net smelter royalty is payable to Newcrest Mining Ltd on all or part of the tenement area.
*[3] For Q'ld tenements, 1 sublock ~3.2km². Underlined areas indicate the tenement is contained in new application area.
*[4] Subject to approval by DME of transfer from Newcrest.
*[5] GBM holds approximately 40% of AASB.
*[6] Chumvale prospect within GBM's Brightlands tenement.

Table 6: GBM Resources Limited tenement summary at 30 June 2014.

Corporate Governance Statement

Introduction

Since the introduction of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Guidelines" or "the Recommendations"), GBM Resources Limited ("Company") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this report. Commensurate with the spirit of the ASX Guidelines, the Company has followed each Recommendation where the Board has considered the Recommendation to be an appropriate benchmark for corporate governance practices, taking into account factors such as the size of the Company, the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

Further information about the Company's corporate governance practices is set out on the Company's website at *www.gbmr.com.au*. In accordance with the recommendations of the ASX, information published on the Company's website includes:

- Board Charter
- Nomination Committee Charter
- Remuneration Committee Charter
- Audit and Risk Committee Charter
- Corporate Code of Conduct
- Performance Evaluation Policy
- Continuous Disclosure Policy
- Risk Management Policy
- Guidelines for Trading in Company Securities
- Shareholder Communication Strategy
- Diversity Policy

Explanation for Departures from Best Practice Recommendations

During the Company's 2013/2014 financial year the Company has sought to comply with the Corporate Governance Principles and the corresponding Best Practice Recommendations as published by the ASX Corporate Governance Council ("Corporate Governance Principles and Recommendations") and has adopted the revised Principles and Recommendations taking effect from reporting periods beginning on or after 1 January 2008. Significant policies and details of any significant deviations from the principles are specified below.

Corporate Governance Council Recommendation 1
Lay Solid Foundations for Management and Oversight

Role of the Board of Directors

The role of the Board is to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and ensure the Company is properly managed.

In order to fulfil this role, the Board is responsible for the overall corporate governance of the Company including formulating its strategic direction, setting remuneration and monitoring the performance of Directors and executives. The Board relies on senior executives to assist it in approving and monitoring expenditure, ensuring the integrity of internal controls and management information systems and monitoring and approving financial and other reporting.

In complying with Recommendation 1.1 of the Corporate Governance Council, the Company has adopted a Board Charter which clarifies the respective roles of the Board and senior management and assists in decision making processes. A copy of the Board Charter is available on the Company's website.

Board Processes

An agenda for the meetings has been determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and or regular review are scheduled when appropriate. The agenda is regularly reviewed by the Executive Chairman and the Company Secretary.

Evaluation of Senior Executive Performance

The Company has not complied with Recommendation 1.2 of the Corporate Governance Council. Due to the early stage of development of the Company it is difficult for quantitative measures of performance to be established. As the Company progresses its projects, the Board intends to establish appropriate evaluation procedures. The Chairman assesses the performance of the Executive Directors on an informal basis.

Corporate Governance Council Recommendation 2
Structure the Board to Add Value

Board Composition

The Constitution of the Company provides that the number of Directors shall not be less than three. There is no requirement for any share holding qualification.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the Company

Corporate Governance Council Recommendation 2
Structure the Board to Add Value (continued)

intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the Board and are subject to re-election by shareholders at the next general meeting. In any event one third of the Directors are subject to re-election by shareholders at each general meeting.

At the start of the 2014 financial year the Board was comprised of four members, two Non-Executive and two Executive. The Non-Executive Directors were Mr Cameron Switzer and Mr Guan Huat Loh. On 2 September 2013 Mr Chiau Woei Lim was appointed as a Non-Executive Director. The skills, experience and expertise of all Directors is set out in the Directors' Report.

Subsequent to the end of the financial year Messrs Switzer and Loh resigned as directors of the Company and Mr Frank Cannavo was appointed as an executive director.

The Board has assessed the independence of its Non-Executive Directors in office during the period according to the definition contained within the ASX Corporate Governance Guidelines and has concluded that the two Non-Executive Directors, Mr Switzer and Mr Loh, met the recommended independence criteria. Mr Lim did not meet the recommended independence criteria due to his substantial shareholding. The Company does not comply with Recommendation 2.1 of the Corporate Governance Council.

However, the Board considers that both its structure and composition are appropriate given the size of the Company and that the interests of the Company and its shareholders are well met.

Independent Chairman

The Chairman is not considered to be an independent director as at the reporting date due to his executive status, and as such Recommendation 2.2 of the Corporate Governance Council has not been complied with.

Roles of Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer are not currently exercised by different individuals, and as such the Company does not comply with Recommendation 2.3 of the Corporate Governance Council.

The Board considers that the appointment of Mr Thompson as Executive Chairman and Chief Executive Officer is appropriate for the current operations and activities that the Company is currently undertaking.

Nomination Committee

The Board does not have a separate Nomination Committee comprising of a majority of independent Directors and as such does not comply with Recommendation 2.4 of the Corporate Governance Council. The selection and appointment process for Directors is carried out by the full Board. The Board considers that given the importance of Board composition it is appropriate that all members of the Board partake in such decision making. The Company has adopted a Nomination Committee Charter, which is available for review on the Company's website.

Evaluation of Board Performance

The Company has not to date implemented a formal process for the evaluation of the performance of the Board and as such does not comply with Recommendation 2.5 of the Corporate Governance Council. The Board is of the opinion that the competitive environment in which the Company operates will effectively provide a measure of the performance of the Directors. In addition the Chairman assesses the performance of the Board, individual directors and key executives on an informal basis.

Education

All Directors are encouraged to attend professional education courses relevant to their roles.

Independent Professional Advice and Access to Information

Each Director has the right to access all relevant information in respect of the Company and to make appropriate enquiries of senior management. Each Director has the right to seek independent professional advice at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

Corporate Governance Council Recommendation 3
Promote Ethical and Responsible Decision Making

The Board actively promotes ethical and responsible decision making.

Corporate Code of Conduct

The Board has adopted a Corporate Code of Conduct that applies to all employees, executives and directors of the Company, and as such complies with Recommendation 3.1 of the Corporate Governance Council. This Code addresses expectations for conduct in accordance with legal requirements and agreed ethical standards. A copy of the Code is available on the Company's website.

Corporate Governance Statement

Corporate Governance Council Recommendation 3
Promote Ethical and Responsible Decision Making (continued)

Guidelines for Trading in Company Securities

The Board has committed to ensuring that the Company, its Directors and executives comply with their legal obligations as well as conducting their business in a transparent and ethical manner. The Board has adopted a procedure on dealing in the Company's securities by directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information.

The guidelines also provide that the acknowledgement of the Chairman or the Board should be obtained prior to trading. A summary of the Guidelines are available on the Company's website.

The Company's policy restricts, notwithstanding exceptional circumstances, the trading in Company's securities by those individuals covered by the policy to trading windows that are open for 10 days following the hosting of General Meetings of the Company, the release of annual, half yearly results and quarterly reports and after any other public announcement on ASX.

Diversity

The Board has adopted a diversity policy that details the purpose of the policy and the employee selection and appointment guidelines, consistent with the recommendations of the Corporate Governance Council. The Board believes that the adoption of an efficient diversity policy has the effect of broadening the employee recruitment pool, supporting employee retention, including different perspectives and is socially and economically responsible governance practice.

The Company employs new employees and promotes current employees on the basis of performance, ability and attitude. The Board is continually reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

The Company, in keeping with the recommendations of the Corporate Governance Council provides the following information regarding the proportion of gender diversity in the organisation as at 30 June 2014:

	Proportion of female/total number of persons employed
Females employed in the Company as a whole	1/13
Females employed in the Company in senior executive positions	0/0
Females appointed as a Director of the Company	0/5

The recommendations of the Corporate Governance Council relating to reporting require a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis.
The Company has implemented measurable objectives as follows:

Measurable Objective	Objective Satisfied	Comment
Adoption and promotion of a Formal Diversity Policy.	Yes	The Company has adopted a formal diversity policy which has been made publicly available via the ASX and the Company's website.
To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy.	Yes	The Company's selection, remuneration and promotion practices are merit based and as such are consistent with the goals of the Company's Diversity Policy.
To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of current and potential employees.	Yes	The Company does, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements.
To implement clear and transparent policies governing reward and recognition practices.	Yes	The Company grants reward and promotion based on merit and responsibility as part of its annual and ongoing review processes.
To provide relevant and challenging professional development and training opportunities for all employees.	Yes	The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring.

Corporate Governance Council Recommendation 3
Promote Ethical and Responsible Decision Making
(continued)

The Company has not implemented specific measurable objectives regarding the proportion of females to be employed within the organisation or implement requirements for a proportion of female candidates for employment and Board positions. The Board considers that the setting of quantitative gender based measurable targets is not consistent with the merit and ability based policies currently implemented by the Company.

The Board will consider the future implementation of gender based diversity measurable objectives when more appropriate to the size and nature of the Company's operations.

Council Recommendation 4
Safeguarding Integrity in Financial Reporting

Audit Committee
The Board does not have a separate Audit Committee with a composition as suggested by Recommendations 4.1 and 4.2 of the Corporate Governance Council, and as such does not comply with those recommendations. The full Board carries out the function of an Audit Committee. The Board believes that the Company is not of a sufficient size to warrant a separate committee and that the full Board is able to meet objectives of the best practice recommendations and discharge its duties in this area. The relevant experience of Board members is detailed in the Directors' section of the Directors' Report. The Company has adopted an Audit and Risk Committee Charter and as such complies with Recommendation 4.3 of the Corporate Governance Council.

Financial Reporting
The Board relies on senior executives to monitor the internal controls within the Company. Financial performance is monitored on a regular basis by the Executive Chairman who reports to the Board at the scheduled Board meetings.

The Board reviews the performance of the external auditors on an annual basis and meets with them during the year to review findings and assist with Board recommendations.

In the absence of a formal Audit Committee, Non-Executive Directors of the Company are available for correspondence with the auditors of the Company.

Corporate Governance Council Recommendation 5
Make Timely and Balanced Disclosure

Continuous Disclosure
The Board is committed to the promotion of investor confidence by providing full and timely information to all security holders and market participants about the Company's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the Australian Securities Exchange's Listing Rules. The Company has established written policies and procedures, designed to ensure compliance with the ASX Listing Rule Requirements, in accordance with Recommendation 5.1 of the Corporate Governance Council.

Continuous disclosure is discussed at all regular Board meetings and on an ongoing basis the Board ensures that all activities are reviewed with a view to the necessity for disclosure to security holders.

In accordance with ASX Listing Rules the Company Secretary is appointed as the Company's disclosure officer.

Corporate Governance Council Recommendation 6
Respect the Rights of Shareholders

Communications
The Board fully supports security holder participation at general meetings as well as ensuring that communications with security holders are effective and clear. This has been incorporated into a formal shareholder communication strategy, in accordance with Recommendation 6.1 of the Corporate Governance Council. A copy of the policy is available on the Company's website.

In addition to electronic communication via the ASX web site, the Company publishes all significant announcements together with all quarterly reports. These documents are available in both hardcopy on request and on the Company web site at *www.gbmr.com.au*

Shareholders are able to pose questions on the audit process and the financial statements directly to the independent auditor who attends the Company Annual General Meeting for that purpose.

Corporate Governance Council Recommendation 7
Recognise and Manage Risk

Risk Management Policy
The Board has adopted a risk management policy that sets out a framework for a system of risk management and internal compliance and control, whereby the Board delegates day-to-day management of risk to the Executive Chairman, therefore complying with Recommendation 7.1 of the Corporate Governance Council. The Board is responsible for supervising management's framework of control and accountability systems to enable risk to be assessed and managed.

Risk Management and the Internal Control System
The Executive Chairman, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

Corporate Governance Statement

Corporate Governance Council Recommendation 7
Recognise and Manage Risk (continued)

In order to implement the Company's Risk Management Policy, it was considered important that the Company establish an internal control regime in order to:

- Assist the Company to achieve its strategic objectives;
- Safeguard the assets and interests of the Company and its stakeholders; and
- Ensure the accuracy and integrity of external reporting.

Key identified risks to the business are monitored on an ongoing basis as follows:

- Business risk management
  The Company manages its activities within budgets and operational and strategic plans.
- Internal controls
  The Board has implemented internal control processes typical for the Company's size and stage of development. It requires the senior executives to ensure the proper functioning of internal controls and in addition it obtains advice from the external auditors as considered necessary.
- Financial reporting
  Directors approve a budget for the Company and regularly review performance against budget at Board Meetings.
- Operations review
  Members of the Board regularly visit the Company's exploration project areas, reviewing both geological practices, and environmental and safety aspects of operations.
- Environment and safety
  The Company is committed to ensuring that sound environmental management and safety practices are maintained on its exploration activities.

The Company's risk management strategy is evolving and will be an ongoing process and it is recognised that the level and extent of the strategy will develop with the growth and change in the Company's activities.

Risk Reporting

As the Board has responsibility for the monitoring of risk management it has not required a formal report regarding the material risks and whether those risks are managed effectively therefore not complying with Recommendation 7.2 of the Corporate Governance Council. The Board believes that the Company is currently effectively communicating its significant and material risks to the Board and its affairs are not of sufficient complexity to justify the implementation of a more formal system for identifying, assessing monitoring and managing risk in the Company.

The Company does not have an internal audit function.

Chief Executive Officer and Chief Financial Officer Written Statement

The Board requires the Executive Chairman and the Company Secretary provide a written statement that the financial statements of company present a true and fair view, in all material aspects, of the financial position and operational results and have been prepared in accordance with Australian Accounting Standards and the Corporation Act. The Board also requires that the Executive Chairman and Company Secretary provide sufficient assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is working effectively.

The declarations have been received by the Board, in accordance with Recommendation 7.3 of the Corporate Governance Council.

Corporate Governance Council Recommendation 8
Remunerate Fairly and Responsibly

Remuneration Committee

The Board does not have a separate Remuneration Committee and as such does not comply with Recommendations 8.1 and 8.2 of the Corporate Governance Council. Remuneration arrangements for Directors are determined by the full Board. The Board is also responsible for setting performance criteria, performance monitors, share option schemes, superannuation, termination and retirement entitlements, and professional indemnity and liability insurance cover.

The Board considers that the Company is effectively served by the full Board acting as a whole in remuneration matters, and ensures that all matters of remuneration continue to be decided upon in accordance with Corporations Act requirements, by ensuring that no Director participates in any deliberations regarding their own remuneration or related issues.

Distinguish Between Executive and Non-Executive Remuneration

The Company does distinguish between the remuneration policies of its Executive and Non-Executive Directors in accordance with Recommendation 8.3 of the Corporate Governance Council.

Executive Directors receive salary packages which may include performance based components, designed to reward and motivate, including the granting of share options, subject to shareholder approval and vesting conditions relating to continuity of engagement.

Non-Executive Directors receive fees agreed on an annual basis by the Board, within total Non-Executive remuneration limits voted upon by shareholders at Annual General Meetings. In the current financial year, no Non-Executive Director received shares or share options as remuneration.

Directors' Report

The Directors present their report together with the consolidated financial statements for the Company and its controlled entities ('Group') for the financial year ended 30 June 2014.

Directors

The names of Directors in office at any time during or since the end of the year are:

Peter Thompson

BBus, CPA, FCIS
Executive Chairman

Experience
Mr Thompson is a CPA qualified accountant and Fellow of Governance Institute of Australia. He has over 30 years experience in the mining industry in Australia, UK and South America. He has held senior roles with several major companies including Xstrata Plc, MIM Holdings Ltd and Mt Edon Gold Mines.

Since 2000, Mr Thompson has been involved in the development of various infrastructure projects, including mine and refinery expansions and establishment of infrastructure including roads, rail, port and power utilities.

Mr Thompson has held no other directorships of listed companies in the last 3 years.

Neil Norris

BSc(Hons), MAIMM, MAIG
Exploration Director – Executive

Experience
Mr Norris is a geologist with over 25 years' experience gained in Australia and overseas. Recently he was Group Exploration Manager for Perseverance Corporation Limited and spent over ten years with Newmont Australia Limited holding senior positions in both mining and exploration areas. A key achievement was his development of the geological models which contributed to the discovery of the Phoenix ore body at Fosterville. Mr Norris was also involved in the discovery of the world class Cadia and Ridgeway deposits. Mr Norris has a track record in the successful identification of mineral deposits and his experience will greatly advance GBM's exploration efforts.

Mr Norris has held no other directorships of listed companies in the last 3 years.

Frank Cannavo

Executive Director (Appointed 5 August 2014)

Experience
Mr Cannavo is an experienced public company director with significant business and investment experience working with exploration companies in the mining industry, and has been instrumental in assisting several listed and unlisted companies achieve their growth strategies through the raising of investment capital and the acquisition of assets.

Mr Cannavo is a visionary entrepreneur with a strong network of investors and industry contacts in the public company sector and the mining industry in Australia, boasts a proven track record of success and has extensive experience in capital raisings, investment activities and IPO's.

He is currently a director of Euro Petroleum Ltd, an unlisted public company with interests in graphite exploration assets in Sri Lanka and which is currently undergoing a merger with ASX company, Viculus Ltd (ASX:VCL), which is scheduled to complete in Q3 of 2014, and is also a director of Baltic Energy Pty Ltd, an unlisted private company incorporated to acquire an interest in, and develop, oil and gas assets in Eastern Europe, with the aim of an eventual listing on the ASX in late 2014.

Previously, Mr Cannavo was a founding director of Fortis Mining Ltd (resigned 23 December 2011) and played a key role in guiding Fortis Mining Ltd through its early stages of raising seed capital, acquiring exploration assets in Western Australia, and achieving a listing on the ASX in December 2010, through to its growth phase in 2011 as the company raised significant investment capital and acquired an interest in two major potash assets in Kazakhstan. Following completion of the acquisition of the Kazakhstan potash projects, Fortis Mining Ltd was renamed to Kazakhstan Potash Corporation Ltd (ASX: KPC). The IPO of Fortis Mining was considered one of the most successful IPO's of 2011. He was also previously a director of a Great Western Exploration Ltd (resigned 11 October 2013), a public listed company on the ASX with mining interests in Western Australia. In addition, he has been a director of several other ASX – listed companies including Hannans Reward Ltd (resigned 24 March 2009), Motopia Ltd (resigned 8 August 2011) and ATOS Wellness Ltd (resigned 14 January 2011).

Mr Cannavo has held no other directorships of listed companies in the last 3 years.

Directors' Report

Directors (continued)

Chiau Woei Lim

MBA
Non-Executive Director (Appointed 2 September 2013)

Experience
Mr Lim is managing director and major shareholder of Angka Alamjaya SDN BHD (AASB) which owns the Lubuk Mandi Gold Mine in Malaysia. Mr Lim has a wealth of experience in quarrying, construction and property development.

He holds a MBA from Leicester University UK and science degree in Electrical and Computer Engineering from Oklahoma State University, USA.

Mr Lim has held no other directorships of listed companies in the last 3 years.

Guan Huat (Sunny) Loh

BBA, MBA, ACIS
Non-Executive Director (resigned 5 August 2014)

Experience
Mr Loh is the Managing Director of Swift Venture Holdings Corporation, an investment Company focussed on investing in small to mid-sized listed companies and resources based companies in Asia.

Mr Loh is the Vice Chairman and Board Member of Shanghai Fortune Capital, a professional investment banking firm based in Shanghai, which has a focus on the restructuring and disposal of state owned companies, as well as merger and acquisition advisory services.

Mr Loh has held no other directorships of listed companies in the last 3 years.

Former Directors

Cameron Switzer

BSc(Hons), MAusMM, MAIG
Non-Executive Director (resigned 5 August 2014)

Experience
Mr Switzer is a geologist with over 24 years of experience gained in 11 countries. He has held senior positions with a number of major mining companies including Senior Project Geologist at Newcrest Mining Ltd's Telfer gold mine in Western Australia and Geology Manager at Acacia Resources Ltd's Union Reef Gold Mine in the Northern Territory. Mr Switzer was also Principal Geologist with MIM Exploration Ltd for seven years during which time he gained broad experience with a range of deposits and geological and operating environments. Mr Switzer has a strong skill base in Cu Au and most recently coal.

Mr Switzer has a track record in the successful identification of mineral deposits, highly successful project generation, exploration management, validation of resources and the subsequent commercialisation of resources. Mr Switzer is a geological consultant based in Queensland.

Mr Switzer is also the President and CEO of TSX.V listed entity WCB Resources Ltd, a junior explorer focussed in the Asia Pacific Region.

Mr Switzer has held no other directorships of listed companies in the last 3 years.

Company Secretary

Mr Kevin Hart

BComm FCA

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 3 February 2010. He has over 30 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

He is currently a partner in an advisory firm which specialises in the provision of company secretarial services to ASX listed entities.

Meetings of Directors

During the financial year, the following meetings of Directors (including committees) were held:

	Directors' Meetings	
	Number Eligible to Attend	Number Attended
P Thompson	4	4
C Switzer	4	4
N Norris	4	3
G Loh	4	3
C Lim	3	3

Principal Activities

The principal activity of the Group during the financial year was investment and gold and copper exploration in Australia.

Operating and Financial Review

During the financial year the Group's activities were focussed on exploration at its Queensland IOCG prospects under the farm-in agreement with Mitsui and Pan Pacific, and on the 40% owned Lubuk Mandi Gold Project in Malaysia.

Full details are available in the Review of Operations in the Annual Report.

Operating Results

The net loss after income tax attributable to members of the Group for the financial year to 30 June 2014 amounted to $4,872,404 (2013: $1,727,043). Including in the loss for the financial year is $3,510,587 in respect of exploration costs written off and expensed (2013: $1,114,163), and the Company's share in the net loss of its equity accounted associate amounting to $400,634 (2013: Nil).

Financial Position

At the end of the financial year, the Group had $527,372 (2013: $1,521,888) in cash on hand and on deposit. Carried forward exploration expenditure was $10,569,552 (2013: $13,740,089).

Equity Securities on Issue

	30 June 2014	30 June 2013
Ordinary fully paid shares	**385,194,121**	327,415,003
Options over unissued shares	**134,746,562**	–

Ordinary Fully Paid Shares

During the year ended 30 June 2014 the Company issued 57,779,118 ordinary fully paid shares to acquire a 40% interest in the issued capital of Angka Alamjaya Sdn Bhd (AASB) (see Significant Changes in State of Affairs note for further details).

The following ordinary fully paid shares have been issued since 30 June 2014, (see Events Subsequent to Balance Date note for further details):

- 57,000,000 ordinary fully paid shares on 22 July 2014; and
- 33,000,000 ordinary fully paid shares on 17 September 2014.

Other than the above, no shares have been issued between the end of the financial year and the date of this report.

Options over Ordinary Shares

At 30 June 2014, there were 134,746,562 options to acquire ordinary shares on issue.

During the year ended 30 June 2014, no options were issued pursuant to the terms of the Company's Option Plan.

During the year ended 30 June 2014, the following options were issued by the Company:

- 50,000,000 options issued, exercisable at 3.5 cents each on or before 30 June 2016, pursuant to a share placement;
- 20,000,000 options issued, exercisable at 3.5 cents each on or before 30 June 2016, pursuant to a corporate services agreement; and
- 64,746,562 options issued, exercisable at 3.5 cents each on or before 30 June 2016, pursuant to a priority entitlement offer which closed on 13 August 2013.

During the year ended 30 June 2014 no ordinary shares were issued on exercise of options.

There were no options lapsed unexercised during the financial year.

No options have been issued, exercised or cancelled between the end of the financial year and the date of this report.

Performance Share Rights

The Company's Performance Share Rights Plan was approved by Shareholders at the Company's Annual General Meeting held on 30 November 2010.

At 30 June 2014, there were nil performance share rights to acquire ordinary shares on issue.

During the year ended 30 June 2014, there were no performance share rights issued, becoming vested, exercised or cancelled.

No performance share rights have been issued, becoming vested, exercised or cancelled between the end of the financial year and the date of this report.

Significant Changes in State of Affairs

Other than the following, there were no significant changes in the state of affairs of the Group during the financial year, not otherwise disclosed in this Directors' Report or in the Review of Operations.

- During the year ended 30 June 2014 the Company issued 57,779,118 ordinary fully paid shares to nominees of Angka Alamjaya Sdn Bhd (AASB) in respect of the acquisition of a 40% interest in the share capital of AASB, which holds the Lubuk Mandi gold project mining concession. AASB is an associate of the Company, and its Managing Director Mr Chiau Woei Lim is a Non-Executive Director of GBM Resources Limited.

Directors' Report

Events Subsequent to Balance Date

Other than the following, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years:

- On 22 July 2014 and 5 August 2014 the Company announced that it had entered into agreements to place 100,000,000 shares at $0.02 per share to raise $2,000,000, before costs. In addition the Company would issue free attaching options exercisable at 3.5 cents each and expiring 30 June 2016, on the basis of 1 option for each share subscribed for in the share placement.

  The first tranche of 57,000,000 shares were issued on 22 July 2014 under the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1. A second tranche of 33,000,000 shares was issued pursuant to the placement on 17 September 2014, following shareholder approval of the issue.

- On 5 August 2014 the Company appointed Mr Frank Cannavo as an Executive Director of the Company. In addition Non-Executive Directors, Mr Cameron Switzer and Mr Sunny Loh resigned from the Board.

Dividends

No dividends were paid during the year and the Directors recommend that no dividends be paid or declared for the financial year ended 30 June 2014.

Likely Developments and Expected Results of Operations

Comments on expected results of the operations of the Company are included in this report under the Review of Operations.

Disclosure of other information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Environmental Issues

The Group holds participating interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2014.

Remuneration Report (Audited)

The remuneration report is set out in the following manner:

- Policies used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share based compensation

Remuneration Policy

The Board of Directors is responsible for remuneration policies and the packages applicable to the Directors of the Company. Whilst the broad remuneration policy is to ensure that packages offered properly reflect a person's duties and responsibilities and that remuneration is competitive and attracts, retains, and motivates people of the highest quality, the Board has consciously been focused on conserving the Company's funds to ensure the maximum amount is spent on exploration, and this is reflected in the modest level of Director fees.

The policy of the Group is to offer competitive salary packages which provide incentive to Directors and executives and are designed to reward and motivate. Total remuneration for all Non-Executive Directors was voted on by shareholders, whereby it is not to exceed in aggregate $200,000 per annum. Non-Executive Directors receive fees agreed on an annual basis by the Board.

At the date of this report, the Company had not entered into any remuneration packages with Directors or senior executives which include performance-based components.

Remuneration Report (Audited) (continued)

Details of Remuneration for Directors and Executive Officers

The remuneration of each Director of the Company and relevant executive officers (together known as Key Management Personnel or KMP) are set out in the attached Table.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and senior executives. The Board of Directors obtains independent advice when appropriate in reviewing remuneration packages.

During the year, there were no senior executives who were employed by the Company for whom disclosure is required.

2014	Short term		Post Employment	Share Based Payments		
Remuneration of KMP Directors	Salary and fees $	Other $	Super-annuation $	Options/ shares $	Total $	Share Based Payments as % of remuneration %
P Thompson[1]	**214,136[2]**	–	**19,808**	–	**233,944**	–
C Switzer	**36,000**	–	–	–	**36,000**	–
N Norris[1]	**198,296[2]**	**20,037**	**18,342**	–	**236,675**	–
G Loh	**36,000**	–	–	–	**36,000**	–
C Lim	–	–	–	–	–	–
Total Directors	**484,432**	**20,037**	**38,150**	–	**542,619**	

[1] From 1 July 2013 total remuneration payable to the Executive Directors Peter Thompson and Neil Norris was reduced on a temporary basis, by $90,000 per annum as part of the Company's cash conservation measures implemented during the 2012/13 financial year. From 1 April 2014 remuneration payable to the Executive Directors was further reduced, on a temporary basis, to $125,000 per annum, exclusive of superannuation.
[2] Includes payments for unused annual leave.

See disclosure relating to service agreements for further details of remuneration of executive directors.

2013	Short term		Post Employment	Share Based Payments		
Remuneration of KMP Directors	Salary and fees $	Other $	Super-annuation $	Options/ shares $	Total $	Share Based Payments as % of remuneration %
P Thompson	275,229	–	24,771	–	300,000	–
C Switzer	36,000	–	–	–	36,000	–
N Norris	275,229	20,037	24,771	–	320,037	–
G Loh	36,000	–	–	–	36,000	–
Total Directors	622,458	20,037	49,542	–	692,037	

Remuneration Report (Audited) (continued)

Options Provided as Remuneration

During the years ended 30 June 2014 and 30 June 2013 no options have been granted and issued to Directors or Senior Executives of the Company.

No shares were issued to Directors or Senior Executives of the Company in respect of the exercise of options previously granted as remuneration.

Service Agreements

Remuneration and other terms of employment for the Managing Director and Executive Director are set out in Service Agreements:

Peter Thompson – Executive Chairman

The service agreement has a term of 12 months from 1 July 2014. Total remuneration under the contract of $300,000 per annum inclusive of superannuation has been temporarily reduced to $235,425 per annum as part of the Company's cost reduction program. The reduced remuneration level will remain in place until otherwise decided by the Board.

The Service agreement contains certain provisions typically found in contracts of this nature. The Company may terminate the Service Agreement without cause by providing nine months written notice to the individual or by making a payment in lieu of notice. The Service Agreement may be terminated immediately in the case of serious misconduct.

The Service Agreement is subject to annual review.

There is no specific cash bonus or other performance based compensation contemplated in the agreement. Long term and short term incentives, may be awarded subject to Board discretion.

Neil Norris – Exploration Director

The service agreement has a term of 12 months from 1 July 2014. Total remuneration under the contract of $300,000 per annum inclusive of superannuation has been temporarily reduced to $217,000 per annum as part of the Company's cost reduction program. The reduced remuneration level will remain in place until otherwise decided by the Board. In addition the Exploration Director is given the use of a company vehicle.

The Service agreement contains certain provisions typically found in contracts of this nature. The Company may terminate the Service Agreement without cause by providing nine months written notice to the individual or by making a payment in lieu of notice. The Service Agreement may be terminated immediately in the case of serious misconduct.

The Service Agreement is subject to annual review.

There is no specific cash bonus or other performance based compensation contemplated in the agreement. Long term and short term incentives, may be awarded subject to Board discretion.

Frank Cannavo – Executive Director

The service agreement has a term of 12 months from 31 July 2014. Total remuneration under the contract is $202,575 per annum inclusive of superannuation.

The Service agreement contains certain provisions typically found in contracts of this nature. The Company may terminate the Service Agreement without cause by providing nine months written notice to the individual or by making a payment in lieu of notice. The Service Agreement may be terminated immediately in the case of serious misconduct.

The Service Agreement is subject to annual review.

There is no specific cash bonus or other performance based compensation contemplated in the agreement. Long term and short term incentives, may be awarded subject to Board discretion.

Share Based Compensation

At the date of this report the Company has not entered into any agreements with Directors or Senior Executives which include performance based components. Options issued to Directors are approved by shareholders and were not the subject of an agreement or issued subject to the satisfaction of a performance condition. Options are issued to provide an appropriate level of incentive using a cost effective means given the Company's size and stage of development.

Remuneration Report (Audited) (continued)

DIrectors' Interests

The relevant interest of each Director in the ordinary shares and options issued by the Company as notified by the Directors to the Australian Securities Exchange at the date of this report, is set out in the table below.

Ordinary Shares Director	Ordinary shares held at 1 July 2013	Movement during the financial year	Ordinary Shares held at 30 June 2014	Ordinary shares held at the date of the Directors' Report
P Thompson	9,862,582	–	9,862,582	9,862,582
C Switzer (resigned 5/8/14)	6,693,750	–	6,693,750	6,693,750[3]
N Norris	9,550,000	–	9,550,000	9,550,000
G Loh[1] (resigned 5/8/14)	12,888,065	968,643	13,856,708	13,856,708[3]
C Lim (appointed 2/9/13)[2]	–	24,077,285	24,077,285	24,077,285
F Cannavo (appointed 5/8/14)	–	–	–	–

[1] Shares acquired on market.

[2] Shares issued to Mr Lim as nominee and shareholder of Angka Alamjaya Sdn Bhd (AASB), for the acquisition of 40% interest in AASB by the Company.

[3] Shares held on ceasing to be a director of the Company on 5 August 2014.

Options Director	Options held at 1 July 2013	Movement during the financial year[4]	Options held at 30 June 2014	Options held at the date of the Directors' Report
P Thompson	–	2,468,763	2,468,763	2,468,763
C Switzer (resigned 5/8/14)	–	1,878,126	1,878,126	1,878,126
N Norris	–	1,546,818	1,546,818	1,546,818
G Loh (resigned 5/8/14)	–	8,900,000	8,900,000	8,900,000
C Lim (appointed 2/9/13)	–	–	–	–
F Cannavo (appointed 5/8/14)	–	–	–	–

[4] Options acquired during the period pursuant to a priority entitlement offer.

Loans to Directors and Executives

There were no loans entered into with Directors or executives during the financial year under review.

Other Transactions with Key Management Personnel

During the financial year the Company issued 57,779,118 ordinary fully paid shares to nominees of Angka Alamjaya Sdn Bhd (AASB) to acquire a 40% interest in the issued capital of AASB, a Company associated with Mr Chiau Woei Lim. As a nominee of AASB, Mr Lim received 24,077,285 shares in GBM Resources. Mr Lim is a shareholder and director of AASB. The fair value of shares issued to nominees of AASB to acquire the 40% interest was $2,831,177.

During the financial year the Company incurred costs of $1,237,364 in respect of AASB's operations on a reimbursable basis. As at 30 June 2104 an amount of $732,491 has been reimbursed to the Company by AASB. An amount of $504,873 is payable to the Company by AASB as at 30 June 2014.

Other than the above, there are no transactions with Directors, or Director related entities or associates.

End of Remuneration Report

Directors' Report

Indemnification and Insurance of Officers and Auditors

During the year, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

Other than the above, the Group has not, during or since the end of the financial year, given an indemnity or5entered an agreement to indemnify, or paid or agreed to pay insurance premiums for the Directors, officers or auditors of the Company or the controlled entity.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-Audit Services

No non-audit services were provided by the external auditors in respect of the current or preceding financial year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001, is set out on the following page.

Signed in accordance with a resolution of the Board of Directors.

Dated this 30th day of September 2014

Peter Thompson
Executive Chairman

HLB Mann Judd
Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of GBM Resources Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2014

L Di Giallonardo
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2014

	Note	Consolidated 2014 $	2013 $
Revenue	3	**273,469**	430,401
Consulting and professional services		**(184,573)**	(203,394)
Corporate and project assessment costs		**(111,716)**	(179,741)
Share of net loss of Associate	11	**(400,634)**	–
Depreciation	4	**(36,439)**	(39,663)
Employee benefits expense	4	**(315,813)**	(435,636)
Employee share based payments	15	**–**	(23,333)
Exploration expenditure written off and expensed	4	**(3,510,587)**	(1,114,163)
Other share based payments	15	**(400,000)**	–
Travel expenses		**(164,043)**	(130,417)
Administration and other expenses		**(169,792)**	(316,047)
Loss before income tax		**(5,020,128)**	(2,011,993)
Income tax benefit	5	**147,724**	284,950
Loss for the year		**(4,872,404)**	(1,727,043)
Other comprehensive income		**–**	–
Total comprehensive loss for the year		**(4,872,404)**	(1,727,043)
		Cents	Cents
Basic loss per share	6	**(1.3)**	(0.7)
Diluted loss per share	6	**(1.3)**	(0.7)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

As at 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Current assets			
Cash and cash equivalents	20	**527,372**	1,521,888
Trade and other receivables	7	**570,943**	134,795
Assets held for sale	8	**308,499**	–
Total Current Assets		**1,406,814**	1,656,683
Non-current assets			
Trade and other receivables	7	**30,936**	43,608
Exploration and evaluation expenditure	9	**10,569,552**	13,740,089
Property, plant and equipment	10	**100,033**	444,971
Investments accounted for using the equity method	11	**2,438,523**	–
Total Non-current Assets		**13,139,044**	14,228,668
TOTAL ASSETS		**14,545,858**	15,885,351
Current liabilities			
Trade and other payables	12	**446,066**	446,085
Total Current Liabilities		**446,066**	446,085
TOTAL LIABILITIES		**446,066**	446,085
NET ASSETS		**14,099,792**	15,439,266
Equity			
Issued capital	13	**23,927,441**	21,118,244
Option reserve	15	**323,733**	–
Share based payments reserve	15	**400,000**	–
Accumulated losses	15	**(10,551,382)**	(5,678,978)
TOTAL EQUITY		**14,099,792**	15,439,266

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2014

Consolidated	Note	Issued capital $	Option reserve $	Share based payments reserve $	Accumulated losses $	Total $
Balance at 1 July 2012		18,228,936	698,146	920,638	(5,559,052)	14,288,668
Share based payments	15	–	–	23,333	–	23,333
Shares issued	13	2,854,308	–	–	–	2,854,308
Loss attributable to members of the Company	15	–	–	–	(1,727,043)	(1,727,043)
Transfer to issued capital on exercise of performance rights	15	35,000	–	(35,000)	–	–
Transfer to accumulated losses on expiry of options	15	–	(698,146)	(908,971)	1,607,117	–
Balance at 30 June 2013		21,118,244	–	–	(5,678,978)	15,439,266
Balance at 1 July 2013		**21,118,244**	**–**	**–**	**(5,678,978)**	**15,439,266**
Share based payments	**15**	**–**		**400,000**	**–**	**400,000**
Shares issued	**13**	**2,809,197**	**–**	**–**	**–**	**2,809,197**
Options issued pursuant to priority entitlement offer	**15**	**–**	**323,733**	**–**	**–**	**323,733**
Loss attributable to members of the Company	**15**	**–**	**–**	**–**	**(4,872,404)**	**(4,872,404)**
Balance at 30 June 2014		**23,927,441**	**323,733**	**400,000**	**(10,551,382)**	**14,099,792**

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2014

	Note	Consolidated 2014 $	2013 $
Cash flows from operating activities			
Interest received		**21,416**	43,743
Research and development concession refund		**147,724**	543,642
JV management fee income		**250,447**	383,737
Payments to suppliers and employees		**(942,688)**	(1,151,823)
Net cash flows (used in) operating activities	20(b)	**(523,101)**	(180,701)
Cash flows from investing activities			
Proceeds on redemption of security bonds		**14,277**	–
Payments on acquisition of equity investments		**(7,980)**	–
Funds provided by JV partner under Farm-in agreement		**2,087,059**	3,528,289
Payments for exploration and evaluation, including JV Farm-in spend		**(2,261,651)**	(5,838,058)
Payments to acquire property, plant and equipment		**–**	(32,784)
Payments made on behalf of associate		**(1,237,364)**	–
Proceeds received on reimbursement by associate		**732,491**	–
Net cash flows (used in) investing activities		**(673,168)**	(2,342,553)
Cash flows from financing activities			
Proceeds from the issue of shares and options		**323,733**	2,544,200
Share issue costs		**(121,980)**	(89,882)
Net cash flows from financing activities		**201,753**	2,454,318
Net decrease in cash and cash equivalents		**(994,516)**	(68,936)
Cash and cash equivalents at the beginning of the financial year	20(a)	**1,521,888**	1,590,824
Cash and cash equivalents at the end of the financial year	20(a)	**527,372**	1,521,888

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the Year Ended 30 June 2014

1. Statement of Significant Accounting Policies

GBM Resources Limited ('the Company') is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2014 comprises the Company and its subsidiaries (together referred to as the 'Group').

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards and Interpretations. The financial report has also been prepared on an historical cost basis, unless otherwise stated. The financial report is presented in Australian dollars.

Adoption of New and Revised Standards –
Changes in accounting policies on initial application of accounting standards

In the year ended 30 June 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

Going Concern Basis for Preparation of Financial Statements

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The ability of the Group to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets.

As disclosed in Note 25, subsequent to the balance date the Company has raised $2,000,000 before costs by way of share placements. The Directors are confident that the proceeds of these share placements, together with the Group's current cash balances, will enable the Group to continue as a going concern.

b) Statement of Compliance

The financial report was authorised for issue on 30 September 2014.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

c) Principles of Consolidation

The consolidated financial statements comprise the financial statements of GBM Resources Limited and its subsidiaries as at 30 June each year (the Group). The financial statements for the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which the control is transferred out of the Group.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition. Minority interests represent the portion of profit and loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position.

1. Statement of Significant Accounting Policies (continued)

d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Management Fees

Revenue from farm-in management fees is recognised at the time the fees are invoiced.

e) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are re-assessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1. Statement of Significant Accounting Policies (continued)

f) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

g) Financing Costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method.

Borrowing costs are expensed as incurred and included in net financing costs.

h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs – refer Note 1(g).

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

i) Cash and Cash Equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at bank and in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

j) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

k) Plant and Equipment

Plant and equipment is stated at cost, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Office furniture and equipment	2.5-20 years
Plant and equipment	0-40 years
Motor Vehicles	8 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

1. Statement of Significant Accounting Policies (continued)

k) Plant and Equipment (continued)

i) Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

ii) De-recognition and Disposal
An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is de-recognised.

l) Investments and Other Financial Assets
Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

i) Financial Assets at Fair Value through Profit or Loss
Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

ii) Held-to-Maturity Investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity.

Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are de-recognised or impaired, as well as through the amortisation process.

1. Statement of Significant Accounting Policies (continued)

l) Investments and Other Financial Assets (continued)

iii) Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

iv) Available-for-Sale Investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

v) Investment in Associated Entities
The Group's investment in its associate is accounted for using the equity method of accounting in the consolidated financial statements, after initially being recognised at cost. The associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate.

Goodwill included in the carrying amount of the investment in an associate is not tested separately; rather the entire carrying amount of the investment is tested for impairment as a single asset. If an impairment is recognised, the amount is not allocated to the goodwill of the associate.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivable and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with AASB 139. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a Group entity transacts with its associate, profits and losses resulting from those transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

1. Statement of Significant Accounting Policies (continued)

m) Exploration and Evaluation Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

i) the rights to tenure of the area of interest are current; and
ii) at least one of the following conditions is also met:
   a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
   b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

n) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a re-valuation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at re-valued amount, in which case the reversal is treated as a re-valuation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1. Statement of Significant Accounting Policies (continued)

o) Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

p) Interest Bearing Liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are de-recognised.

q) Employee Benefits

i) Wages, Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and non-accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

ii) Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

r) Share Based Payments

Equity Settled Transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by using a Black and Scholes model. Share rights are valued at the underlying market value of the ordinary shares over which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of GBM Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge or credit to the consolidated statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

1. Statement of Significant Accounting Policies (continued)

r) Share Based Payments (continued)

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, the cumulative expense recognised in respect of that award is transferred from its respective reserve to accumulated losses. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

s) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t) Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing the net profit or loss attributable to members of the Company for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus element.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion, by the weighted average number of ordinary shares and potential dilutive ordinary shares, adjusted for any bonus element.

u) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Accounting for capitalised mineral exploration and evaluation expenditure

The Group's accounting policy is stated at 1(m). A regular review is undertaken of each area of interest to determine the reasonableness of continuing to carry forward costs in relation to that area of interest.

Share based payments

The Group uses independent advisors to assist in valuing share based payments.

Estimates and assumptions used in these valuations are disclosed in the notes in periods when these share based payments are made.

2. Financial Risk Management

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks. Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the risk management framework.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables
The Group has no investments and the current nature of the business activity does not result in trading receivables. The receivables that the Group recognises through its normal course of business are short term in nature and the most significant (in quantity) is the receivable from the Australian Taxation Office and interest receivable. The risk of non recovery of receivables from this source is considered to be negligible.

Cash deposits
The Group's primary banker is Commonwealth Bank. At balance date all operating accounts and funds held on deposit are with this bank. The Directors believe any risk associated with the use of only one bank is mitigated by its size and reputation. Except for this matter the Group currently has no significant concentrations of credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Group's current and future operations, and consideration is given to the liquid assets available to the Group before commitment is made to future expenditure or investment.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Currency risk
The Group is not exposed to any currency risk other than the respective functional currencies of each Company within the Group, the Australian dollar (AUD).

Interest rate risk
As the Group has significant interest bearing assets, the Group's income and operating cash flows are materially exposed to cshanges in market interest rates. The assets are short term interest bearing deposits, and no financial instruments are employed to mitigate risk (Note 18 – Financial Instruments).

d) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows as mentioned in (b).

	Note	Consolidated 2014 $	2013 $

3. Revenue

	Note	2014 $	2013 $
Interest income		**23,022**	46,664
Joint venture management fee		**250,447**	383,737
		273,469	430,401

4. Expenses

	Note	2014 $	2013 $
Employee expenses			
Gross employee benefit expense:			
Wages and salaries		**1,264,570**	1,668,099
Directors' fees		**102,000**	72,000
Superannuation expense		**116,359**	147,137
Other employee costs		**17,543**	78,504
		1,500,472	1,965,740
Less amount allocated to exploration		**(1,184,659)**	(1,530,104)
Net consolidated statement of comprehensive income employee benefit expense		**315,813**	435,636
Depreciation expense:			
Office equipment and software	10	**18,027**	21,250
Site equipment	10	**2,083**	2,083
Motor vehicles	10	**16,329**	16,330
		36,439	39,663
Exploration costs:			
Unallocated exploration costs		**121,118**	136,381
Exploration costs written off	9	**3,389,469**	977,782
		3,510,587	1,114,163

5. Income Tax

a) Income tax recognised in profit and loss

The prima facie tax benefit on the operating result is reconciled to the income tax provided in the financial statements as follows:

	2014 $	2013 $
Accounting loss before income tax from continuing operations	**(5,020,128)**	(2,011,993)
Income tax benefit calculated at 30%	**(1,506,038)**	(603,598)
Share based payments	**120,000**	7,000
Share of net loss of equity accounted associate	**120,190**	–
Capital raising costs claimed	**(58,908)**	(58,789)
Exploration costs written off	**1,016,841**	293,335
Unused tax losses and temporary differences not recognised as deferred tax assets	**307,915**	362,052
R&D tax concession	**(147,724)**	(284,950)
Income tax (benefit) reported in the consolidated statement of comprehensive income	**(147,724)**	(284,950)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Notes to the Financial Statements

For the Year Ended 30 June 2014

5. Income Tax (continued)

b) Unrecognised deferred tax assets and liabilities

The following deferred tax assets and liabilities have not been brought to account:

	Consolidated 2014 $	Consolidated 2013 $
Unrecognised deferred tax assets relate to:		
Losses available for offset against future taxable income	**5,718,137**	5,484,166
Capital raising costs	**78,199**	130,512
Accrued expenses and liabilities	**35,960**	73,976
	5,832,296	5,688,654
Unrecognised deferred tax liabilities relate to:		
Exploration expenditure	**(3,170,866)**	(4,122,027)
	(3,170,866)	(4,122,027)
Net unrecognised deferred tax asset	**2,661,430**	1,566,627

The deductible temporary differences and tax losses do not expire under current tax legislation. Potential deferred tax assets attributable to tax losses carried forward have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future tax benefit as probable.

The potential future income tax benefit will only be obtained if:

i) the Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;

ii) the Group companies continue to comply with the conditions for deductibility imposed by the law; and

iii) no changes in tax legislation adversely affect the Group in realising the benefits.

6. Loss Per Share

	Consolidated 2014 $	Consolidated 2013 $
Loss used in calculation of loss per share	**(4,872,404)**	(1,727,043)
	Cents	Cents
Basic earnings/(loss) per share	**(1.3)**	(0.7)
	#	#
Weighted average number of shares used in the calculation of earnings per share	**375,696,184**	266,121,118

Options and performance share rights

Options and share rights to acquire ordinary shares granted by the Company and not exercised at the reporting date have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

7. Trade and Other Receivables

	Consolidated 2014 $	Consolidated 2013 $
Current		
Amounts due from farm-in partner	**29,932**	95,129
Amounts due from Associate (Note 24)	**504,873**	–
GST recoverable	**36,138**	36,118
Other debtors	**–**	3,548
	570,943	134,795
Non-current		
Security and environmental bonds	**30,936**	43,608
	30,936	43,608

8. Assets Held For Sale

	2014 $	2013 $
Land reclassified as held for sale	**308,499**	–

During the financial period the Board made the decision to dispose of the freehold land held at its Malmsbury Gold Project in Victoria. The carrying value of $308,499 has been reclassified from non-current assets (property, plant and equipment) to current assets. (Refer Note 10).

9. Exploration and Evaluation Expenditure

	Note	Consolidated 2014 $	Consolidated 2013 $
Exploration and evaluation phase:			
Capitalised costs at the start of the financial year		**13,740,089**	13,202,731
Costs capitalised during the financial year		**218,932**	1,515,140
Capitalised costs written off during the financial year	4	**(3,389,469)**	(977,782)
Capitalised costs at the end of the financial year		**10,569,552**	13,740,089

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or alternatively, sale of the respective areas.

Notes to the Financial Statements

For the Year Ended 30 June 2014

10. Property, Plant and Equipment

	Note	Consolidated 2014 $	Consolidated 2013 $
Carrying values at 30 June:			
Land:			
Cost		**–**	308,499
Depreciation		**–**	–
		–	308,499
Office equipment and software:			
Cost		**153,402**	153,402
Depreciation		**(141,114)**	(123,087)
		12,288	30,315
Site equipment and plant:			
Cost		**22,545**	22,545
Depreciation		**(8,883)**	(6,800)
		13,662	15,745
Motor vehicles:			
Cost		**130,633**	130,633
Depreciation		**(56,550)**	(40,221)
		74,083	90,412
Total		**100,033**	444,971
Reconciliation of movements:			
Land:			
Opening net book value		**308,499**	308,499
Transferred to assets held for sale (Note 8)		**(308,499)**	–
Closing net book value		**–**	308,499
Office equipment and software:			
Opening net book value		**30,315**	45,492
Cost of additions		**–**	6,073
Depreciation	4	**(18,027)**	(21,250)
Closing net book value		**12,288**	30,315
Site equipment and plant:			
Opening net book value		**15,745**	17,828
Depreciation	4	**(2,083)**	(2,083)
Closing net book value		**13,662**	15,745
Motor vehicles:			
Opening net book value		**90,412**	106,742
Depreciation	4	**(16,329)**	(16,330)
Closing net book value		**74,083**	90,412
Total		**100,033**	444,971

11. Investments Accounted for Using the Equity Method

	Consolidated 2014 $	Consolidated 2013 $
a) Carrying value of investments		
Associated companies	**2,438,523**	–

b) Details of associated companies

Name	Country of Incorporation	Shares	Ownership Interest 30 Jun 2014 %	Ownership Interest 30 Jun 2013 %	Carrying Amount of investment 30 Jun 2014 $	Carrying Amount of investment 30 Jun 2013 $
Angka Alamjaya Sdn Bhd (AASB)	Malaysia	Ord	**40%**	Nil	**$2,438,523**	Nil

During the period the Company acquired a 40% interest in the ordinary share capital of Angka Alamjaya Sdn Bhd (AASB), a Malaysian company that holds the mining concession for the Lubuk Mandi Gold Project in Malaysia. Consideration for the acquisition was 57,779,118 fully paid GBM Resources Ltd shares at a fair value of 4.9 cents per share (Note 23).

c) Movements during the period in equity accounted investments in associated companies

	Note	Consolidated 2014 $	Consolidated 2013 $
Balance at the beginning of the financial period		**–**	–
Initial investment in AASB during the period – issue of 57,779,118 ordinary fully paid shares @ 4.9 cents per share	13	**2,831,177**	–
Share of AASB loss after tax for the financial period		**(400,634)**	–
Other movements for the financial period[1]		**7,980**	–
Balance at the end of the financial period		**2,438,523**	–

[1] Other costs for the financial period relate to costs associated with the acquisition of the initial 40% interest in the share capital of Angka Alamjaya Sdn Bhd (AASB).

	Consolidated 2014 $	Consolidated 2013 $
d) Associate's summarised statement of comprehensive income		
Revenue	**–**	–
Loss from continuing operations	**(1,001,584)**	–
Other comprehensive income for the period	**–**	–
Total comprehensive loss for the period	**(1,001,584)**	–
e) Associate's summarised assets and liabilities		
Current assets	**2,267,480**	–
Non-current assets	**10,475,867**	–
Current liabilities	**(1,661,466)**	–
Non-current liabilities[1]	**(4,985,573)**	–
Net assets	**6,096,308**	–

[1] Note, non-current liabilities include convertible debt funding of $4,985,573 (2013: Nil).

11. Investments Accounted for Using the Equity Method (continued)

	Consolidated 2014 $	Consolidated 2013 $
f) Reconciliation of the above summarised financial information to the carrying amount of the investment in Associate recognised in the consolidated financial statements		
Net assets of Associate	**6,096,308**	–
Proportion of Group's ownership interest in Associate	**40%**	–
Carrying amount of the Group's ownership interest in Associate	**2,438,523**	**–**

12. Trade and Other Payables

	2014 $	2013 $
Current		
Trade creditors	**290,049**	141,486
Sundry creditors and accruals	**101,149**	208,012
Employee leave liabilities	**54,868**	96,587
	446,066	446,085

13. Issued Capital

	Issue price	2014 No.	2013 No.	2014 $	2013 $
Issued capital at the balance date		**385,194,121**	327,415,003	**23,927,441**	21,118,244
Movements in issued capital:					
On issue at the start of the year		**327,415,003**	236,181,003	**21,118,244**	18,228,936
Share purchase plan	$0.05	**–**	10,884,000	**–**	544,200
Share placement	$0.05	**–**	20,000,000	**–**	1,000,000
Shares issued to acquire phosphate rights	$0.05	**–**	10,000,000	**–**	500,000
Shares issued on the exercise of vested performance rights	$0.10	**–**	350,000	**–**	35,000
Share placement	$0.02	**–**	50,000,000	**–**	1,000,000
Shares issued to acquire interest in AASB (Note 11)	$0.049	**57,779,118**	–	**2,831,177**	–
Share issue costs		**–**	–	**(21,980)**	(189,892)
On issue at the end of the reporting year		**385,194,121**	327,415,003	**23,927,441**	21,118,244

Shares Subject to Restriction Agreement
At balance date there were no ordinary shares subject to any restrictions.

14. Options and Performance Rights

Details of the Company's Incentive Option Scheme are provided at Note 16.

	2014 No.	2013 No.
a) Options over unissued shares		
Options on issue at the balance date	**134,746,562**	–
Movements in options:		
Options on issue at the start of the year	**–**	129,493,124
Options issued for corporate services (Note 15)	**20,000,000**	–
Options issued pursuant to priority entitlement offer	**64,746,562**	–
Options issued attaching to share placement	**50,000,000**	–
Options cancelled on expiry	**–**	(129,493,124)
Options on issue at the end of the reporting year	**134,746,562**	–

i) Options Issued, Exercised and Expired During the Year

During the financial year the Company issued and granted 134,746,562 options over unissued shares (2013: nil).
During the year, no options over unissued shares were exercised (2013: Nil).
During the year, no options were cancelled on expiry of their exercise term (2013: 129,493,124).

ii) Options on Issue at the Balance Date

The number of options outstanding over unissued ordinary shares at 30 June 2014 is 134,746,562 (2013: nil).

iii) Subsequent to the Balance Date

No options have been issued, exercised or cancelled between the end of the financial year and the date of this report.

iv) Basis and assumptions used in the valuation of options granted in the period

Date Issued	Number of Options Issued	Exercise Price ($)	Expiry Date	Valuation of Options
30 August 2013	20,000,000	$0.035	30 June 2016	$400,000. Market value of listed option (GBZO) issued on 30 August 2013 was $0.05.

Other options issued during the financial year were issued as free attaching securities to a share placement and options issued pursuant to a priority entitlement off to holders of options expiring on 30 June 2013. Participants in the priority entitlement offer subscribed a total of $323,733, being 0.5 cents per option. This subscription amount is recognised in the Company's option reserve (Note 15).

	2014 No.	2013 No.
b) Performance Share Rights		
Details of the Company's Performance Rights Plan are provided at Note 16.		
Performance rights on issue at the balance date	**–**	–
Movements in share rights:		
Share rights on issue at the start of the year	**–**	350,000
Vested share rights exercised during the year	**–**	(350,000)
Number of vested performance share rights at the end of the reporting year	**–**	–

14. Options and Performance Rights (continued)

b) Performance Share Rights

i) Performance share rights Issued, Exercised and Expired during the Year
During the financial year the Company granted nil performance share rights (2013: nil)
During the year, no vested share rights were exercised into ordinary fully paid shares (2013: 350,000).
No unvested performance share rights were cancelled on cessation of employment (2013: nil).

ii) Performance share rights on Issue at the Balance Date
The number of share rights, vested unexercised and un-vested at 30 June 2014 is nil (2013: nil).

iii) Subsequent to the Balance Date
No share rights have been granted, exercised or cancelled subsequent to the reporting date.

iv) Basis and assumptions used in the valuation of share rights granted in the period
Share rights are valued at the underlying market value of the ordinary shares over which they are granted.

15. Reserves and Accumulated Losses

	Consolidated	
	2014 $	2013 $
Share based payments reserve[i]		
Opening balance	**–**	920,638
Employee share based payments – performance rights vesting	**–**	23,333
Share based payments – options issued for corporate services (Note 14)	**400,000**	–
Transferred to issued capital on exercise of performance rights	**–**	(35,000)
Transferred to accumulated losses on cancellation of expired options	**–**	(908,971)
Closing balance	**400,000**	–
Option reserve[ii]		
Opening balance	**–**	698,146
Options issued pursuant to priority entitlement offer (Note 14)	**323,733**	
Transferred to accumulated losses on cancellation of expired options	**–**	(698,146)
Closing balance	**323,733**	–
Accumulated losses		
Opening balance	**(5,678,978)**	(5,559,052)
Net loss attributable to the members of the Company	**(4,872,404)**	(1,727,043)
Transferred from reserves on cancellation of expired options	**–**	1,607,117
Closing balance	**(10,551,382)**	(5,678,978)

i) Share based payments reserve
The share based payments reserve represents the fair value of performance share rights and options, issued as consideration for services to employees or consultants as remuneration, or to third parties for the acquisition of assets, goods or services.

ii) Option reserve
The option reserve represents the proceeds received on the issue of options.

16. Employee Benefits

Details of the Company's share right and option plans, under which share rights and options are issuable to employees, directors and consultants are summarised below. Details of share rights and options issued to Directors and executives are set out in Note 23.

Incentive Option Plan
The Company has a formal option plan for the issue of options to employees, directors and consultants, which was approved by shareholders at the Company's Annual General Meeting on 30 November 2010. Options are granted free of charge and are exercisable at a fixed price in accordance with the terms of the grant. Options over unissued shares are issued under the terms of the Plan at the discretion of the Board.

There are no options on issue under the Incentive Option Plan at 30 June 2014 (2013: nil). Refer to Note 14(a).

Performance Rights Plan
The Company has a formal plan for the issue of performance share rights to employees, which was approved by shareholders at the Company's Annual General Meeting on 30 November 2010. Share rights are granted free of charge and are exercisable into ordinary fully paid shares in accordance with the terms of the grant. Share rights are issued to employees under the terms of the Plan at the discretion of the Board.

There are no share rights on issue under the Performance Rights Plan at 30 June 2014 (2013: nil). Refer to Note 14(b).

17. Segment Reporting

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's activity is mineral exploration and resource development within Australia, and mineral exploration and resource development in Malaysia (via the investment in an associate).

The reportable segments are represented as follows:

30 June 2014	Australia $	Malaysia $	Consolidated $
Revenue			
Joint venture management fee	250,447	–	250,447
Total segment revenue	250,447	–	250,447
Segment net operating loss after tax	(4,471,770)	(400,634)	(4,872,404)
Interest revenue	23,022	–	23,022
Share of profit of associates and joint ventures	–	(400,634)	(400,634)
Depreciation	(36,439)	–	(36,439)
Exploration expenditure written off and expensed	(3,510,587)	–	(3,510,587)
Income tax benefit	147,724	–	147,724
Segment assets	12,107,335	2,438,523	14,545,858
Capital expenditure during period	218,932	–	218,932
Segment liabilities	446,066	–	446,066
Segment non-current assets	10,700,521	2,438,523	13,139,044

30 June 2013
There was only one reportable segment for the year ended 30 June 2013, being exploration in Australia.

Notes to the Financial Statements

For the Year Ended 30 June 2014

18. Financial Instruments

Credit risk

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made. Refer to Note 2(a).

Impairment losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. Refer to Note 2(b):

Consolidated	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $	2-5 years $	More than 5 years $
30 June 2014							
Trade and other payables	**290,049**	**290,049**	**290,049**	**–**	**–**	**–**	**–**
	290,049	**290,049**	**290,049**	**–**	**–**	**–**	**–**
30 June 2013							
Trade and other payables	141,486	141,486	141,486	–	–	–	–
	141,486	141,486	141,486	–	–	–	–

The Group does not have any interest bearing liabilities to report a weighted average interest rate.

Currency risk

The Group does not have any direct exposure to foreign currency risk, other than in respect of its impact on the economy and commodity prices generally. Refer to Note 2 (c).

Interest rate risk

At the reporting date the interest profile of the Group's interest-bearing financial instruments were:

	Consolidated 2014 $	Consolidated 2013 $
Fixed rate instruments:		
Financial liabilities	**–**	–
	–	–
Variable rate instruments:		
Financial assets	**527,372**	1,521,888
	527,372	1,521,888

Fair value sensitivity analysis for fixed rate investments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

18. Financial Instruments (continued)

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit and Loss		Equity	
	100bp increase $	100bp decrease $	100bp increase $	100bp decrease $
30 June 2014				
Variable rate instruments	**5,274**	**(5,274)**	**5,274**	**(5,274)**
30 June 2013				
Variable rate instruments	15,219	(15,219)	15,219	(15,219)

Fair values

Fair values versus carrying amounts
The carrying amounts of financial assets and liabilities as described in the consolidated statement of financial position represent their estimated net fair value.

19. Commitments

a) Exploration
The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements. These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

Minimum expenditure requirements for the following 12 months on the Group's exploration licences as at 30 June 2014, including licences subject to farm-in arrangements are approximately $1,756,500.

b) Operating Lease Commitments
The Group has no operating lease commitments.

c) Contractual Commitment
The Group has no contractual commitments.

Notes to the Financial Statements

For the Year Ended 30 June 2014

20. Notes to the Statement of Cash Flows

	Consolidated 2014 $	Consolidated 2013 $
a) Cash Assets		
Cash at bank and on hand	**438,765**	1,389,984
Bank at call cash account	**88,607**	131,904
Total cash and cash equivalents	**527,372**	1,521,888

The Bank at call account holds funds at call subject to certain trading restrictions and pays interest at an average of 3.30% (2013: 5.20%).

	Consolidated 2014 $	Consolidated 2013 $
b) Reconciliation of Loss from Ordinary Activities after Income Tax to Net Cash Used In Operating Activities		
Profit/(Loss) after income tax	**(4,872,404)**	(1,727,043)
Add (less) non-cash items:		
Depreciation	**36,439**	39,662
Share based payments	**400,000**	23,333
Exploration expenditure written off and expensed	**3,510,587**	1,114,163
Share of net loss of equity accounted associate	**400,634**	–
Changes in assets and liabilities:		
Increase/(decrease) in trade creditors and accruals	**(295)**	18,530
(Increase)/decrease in sundry receivables	**1,938**	91,962
(Increase)/decrease in research and development tax concession receivable	**–**	258,692
Net cash flow from operations	**(523,101)**	(180,701)

Material non-cash transactions

2014

During the 2014 financial year the Company completed the following material non-cash settled transactions:

- Issued 20,000,000 listed GBZO options, exercisable at 3.5 cents each and expiring 30 June 2016, in consideration for corporate advisory and public relations services. The fair value of the options issued amounted to $400,000.
- Issued 57,779,118 ordinary fully paid shares to nominees of Angka Alamjaya Sdn Bhd (AASB) for a 40% interest in the issued capital of AASB, a Company which holds the mining concession for the Lubuk Mandi Gold Project in Malaysia. The fair value of the shares issued amounted to $2,831,177 (Note 11).

2013

During the 2013 financial year the Company completed the following material non-cash settled transaction:

- Issued 10,000,000 ordinary fully paid shares in consideration for the acquisition of the 70% Bungalien Phosphate rights from Swift Venture Corporation. The value of the shares amounted to $500,000.

21. Auditor's Remuneration

	Consolidated 2014 $	Consolidated 2013 $
Amounts received or receivable by HLB Mann Judd for:		
– Audit and review of financial reports	**30,100**	27,750

22. Controlled Entities

	2014 %	2013 %
a) Particulars in Relation to Ownership of Controlled Entities		
Belltopper Hill Pty Ltd	**100**	100
Syndicated Resources Pty Ltd	**100**	100
Willaura Minerals Pty Ltd	**100**	100
Isa Brightlands Pty Ltd	**100**	100
Isa Tenements Pty Ltd	**100**	100
Bungalien Phosphate Pty Ltd	**100**	100

	2014 $	2013 $
b) GBM Resources Limited – Investments in Controlled Entities		
Belltopper Hill Pty Ltd	**596,850**	596,850
Syndicated Resources Pty Ltd	**100**	100
Willaura Minerals Pty Ltd	**–**	–
Isa Brightlands Pty Ltd	**1**	1
Isa Tenements Pty Ltd	**1**	1
Bungalien Phosphate Pty Ltd	**10**	10
	596,962	596,962

During the 2013 financial year the Company recognised a provision against the investment in Willaura Minerals Pty Ltd. The fair value of this investment had previously been recognised as fair value acquisition costs on consolidation in respect of the Willaura Minerals assets acquired on the Company's initial public offer.

	2014 $	2013 $
c) Loans to/(from) Controlled Entities		
Belltopper Hill Pty Ltd	**2,228,211**	2,204,082
Syndicated Resources Pty Ltd	**–**	–
Willaura Minerals Pty Ltd	**–**	–
Isa Brightlands Pty Ltd	**7,672,176**	7,630,888
Isa Tenements Pty Ltd	**1,368,324**	1,368,324
Bungalien Phosphate Pty Ltd	**–**	–

	2014 $	2013 $
d) Contribution to Consolidated Result		
GBM Resources Limited	**(1,760,069)**	(1,726,492)
Belltopper Hill Pty Ltd[1]	**(1,254,868)**	–
Syndicated Resources Pty Ltd	**–**	–
Willaura Minerals Pty Ltd	**–**	–
Isa Brightlands Pty Ltd[1]	**(88,514)**	–
Isa Tenements Pty Ltd[1]	**(1,368,319)**	–
Bungalien Phosphate Pty Ltd	**–**	–
Total	**(4,471,770)**	(1,726,492)

[1] Contribution to net result by subsidiary companies relates to previously capitalised exploration costs written off during the financial year.

Notes to the Financial Statements

For the Year Ended 30 June 2014

23. Key Management Personnel Disclosures

a) Details of Key Management Personnel

The following were key management personnel of the Group at any time during the year and unless otherwise stated were key management personnel for the entire year.

Non-Executive Directors
Cameron Switzer – Non-Executive Director
Guan Huat Loh – Non-Executive Director
Chiau Woei Lim – Non-Executive Director (appointed 2 September 2013)

Executive Directors
Peter Thompson – Managing Director/Executive Chairman
Neil Norris – Exploration Director

	Consolidated	
	2014 **$**	2013 $
Total remuneration paid to key management personnel during the year:		
Short-term benefits	**504,469**	642,495
Post-employment benefits	**38,150**	49,542
	542,619	692,037

b) Other Transactions and Balances with Key Management Personnel

During the financial year the Company issued 57,779,118 ordinary fully paid shares to nominees of Angka Alamjaya Sdn Bhd (AASB) to acquire a 40% interest in the issued capital of AASB, a Company associated with Mr Chiau Woei Lim. As a nominee of AASB, Mr Lim received 24,077,285 shares in GBM Resources. Mr Lim is a shareholder and director of AASB. The fair value of shares issued to nominees of AASB to acquire the 40% interest was $2,831,177 (Note 11).

Other than the above, there are no transactions with Directors, or Director related entities or associates, other than those reported in Note 24.

24. Related Party Transactions

	Consolidated	
	2014 **$**	2013 $
Total amounts receivable and payable from entities in the wholly-owned group (see Note 22 for details of controlled entities) at balance date:		
Non-Current Receivables		
Loans to controlled entities	**11,268,711**	11,203,294
Non-Current Payables		
Loans from controlled entities	**–**	–

Transactions with Associate – Angka Alamjaya Sdn Bhd (AASB)

During the financial year the Company incurred costs of $1,237,364 in respect of AASB's operations on a reimbursable basis. As at 30 June 2104 an amount of $732,491 has been reimbursed to the Company by AASB. An amount of $504,873 is payable to the Company by AASB as at 30 June 2014 (Note 7).

25. Events Subsequent to Balance Date

Other than the following, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years:

- On 22 July 2014 and 5 August 2014 the Company announced that it had entered into agreements to place 100,000,000 shares at $0.02 per share to raise $2,000,000, before costs. In addition the Company would issue free attaching options exercisable at 3.5 cents each and expiring 30 June 2016, on the basis of 1 option for each share subscribed for in the share placement.

  The first tranche of 57,000,000 shares were issued on 22 July 2014 under the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1. A second tranche of 33,000,000 shares was issued on 17 September 2014, following shareholder approval of the issues.

- On 5 August 2014 the Company appointed Mr Frank Cannavo as an Executive Director of the Company. In addition Non-Executive Directors, Mr Cameron Switzer and Mr Sunny Loh resigned from the Board.

26. Dividends

There are no dividends paid or payable during the year ended 30 June 2014 or the 30 June 2013 comparative year.

27. Contingencies

i) Contingent liabilities
There were no material contingent liabilities not provided for in the financial statements of the Group as at 30 June 2014 or 30 June 2013.

Ii) Native Title and Aboriginal Heritage
Native title claims have been made with respect to areas which include tenements in which the Group has an interest. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

iii) Contingent assets
There were no material contingent assets as at 30 June 2014 or 30 June 2013.

Notes to the Financial Statements

For the Year Ended 30 June 2014

28. Parent Entity Information

	Consolidated 2014 $	2013 $
Financial position		
Assets		
Current assets	**1,406,756**	1,656,683
Non-current assets	**13,139,102**	14,228,668
Total Assets	**14,545,858**	15,885,351
Liabilities		
Current liabilities	**(446,066)**	(446,085)
Total Liabilities	**(446,066)**	(446,085)
NET ASSETS	**14,099,792**	15,439,266
Equity		
Issued capital	**23,927,441**	21,118,244
Option reserve	**323,733**	–
Share based payments reserve	**400,000**	–
Accumulated losses	**(10,551,382)**	(5,678,978)
TOTAL EQUITY	**14,099,792**	15,439,266
Financial performance		
Loss for the year	**(4,872,404)**	(1,726,492)
Other comprehensive income	**–**	–
Total comprehensive loss	**(4,872,404)**	(1,726,492)

Contingent liabilities

For full details of contingent liabilities see Note 27.

Commitments

For full details of commitments see Note 19.

Directors' Declaration

For the Year Ended 30 June 2014

1. In the opinion of the Directors:

   a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year then ended; and

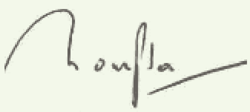
      ii. complying with Accounting Standards and Corporations Regulations 2001.

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c) the financial statements and notes are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

This declaration is made in accordance with a resolution of the Board of Directors.



Peter Thompson
Executive Chairman

Dated this 30th day of September 2014

INDEPENDENT AUDITOR'S REPORT

To the members of GBM Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of GBM Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of HLB International, a worldwide organisation of accounting firms and business advisers.

Auditor's opinion

In our opinion:

(a) the financial report of GBM Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(b).

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of GBM Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
30 September 2014

ASX Additional Information

Pursuant to the Listing Rules of the Australian Securities Exchange Limited, the shareholder information set out below was applicable as at 30 September 2014.

a. Distribution of Equity Securities

	Listed Shares (GBZ)		Listed Options (GBZO)	
Range	Number of Holders	Securities Held	Number of Holders	Securities Held
1 – 1,000	51	9,934	2	1,800
1,001 – 5,000	77	297,467	3	10,500
5,001 – 10,000	142	1,249,921	3	23,750
10,001 – 100,000	511	21,935,286	21	854,857
100,001 and over	283	451,701,513	81	133,855,655
	1,064	**475,194,121**	**110**	**134,746,562**

There are 350 shareholders holding less than a marketable parcel of shares.

b. Substantial Shareholders

An extract of the Company's register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder	Shares Held	% of Issued Capital
Kim Choon Loh	50,200,000	11.35%
Chiau Woei Lim	24,077,285	6.25%
Chew Leok Chuan	19,900,000	6.08%

c. Twenty Largest Shareholders

Shareholder	Shares Held	% of Issued Capital
UOB Kay Hian Pte Ltd <Clients A/c>	171,446,846	36.08%
Citicorp Nominees Pty Ltd	61,866,115	13.02%
Chew Leok Chuan	19,900,000	4.19%
HSBC Custody Nominees (Australia) Limited	18,634,021	3.92%
Lion Resources Development Pte Ltd	10,000,000	2.10%
Superfine Nominees Pty Ltd	9,862,582	2.08%
Swift Venture Holdings Corporation	8,366,708	1.76%
Lay Hong Lim	6,943,346	1.46%
Cheng Ee Huang	5,500,000	1.16%
Carpentaria Corporation Pty Ltd <Daikoku Inv A/c>	4,856,250	1.02%
Neil Norris <North Atlantic S/F A/c>	4,800,000	1.01%
De Gracie Nominees Pty Ltd <Le Havre A/c>	3,750,000	0.79%
BNP Paribas Nominees Pty Ltd	3,356,114	0.71%
Kevin James Hendry	2,833,334	0.60%
Nefco Nominees Pty Ltd	2,554,554	0.54%
Ivan Perry Wu	2,526,500	0.53%
KH & RL Payne	2,410,166	0.51%
Vissing Holdings Pty Ltd	2,300,001	0.48%
Foundation Asset Pty Ltd	2,183,333	0.46%
Gebrun Pty Ltd	2,037,750	0.43%
Total	**346,127,620**	**72.84%**

d. Twenty Largest Option Holders

Optionholder	Options Held	% of Issued Options
Constance Tan Cai Ai	22,400,000	16.62%
Chew Leok Chuan	10,000,000	7.42%
Swift Venture Holdings Corporation	8,900,000	6.61%
Bell Potter Nominees Limited	6,702,188	4.97%
Sung Yoon Chon	6,270,500	4.65%
Lay Hong Lim	6,108,000	4.53%
Sung Yoon Chon	5,725,000	4.25%
Alvito Capital Holdings Inc	5,615,000	4.17%
Tan Hong Huat	4,894,000	3.63%
KH & RL Payne	4,725,786	3.51%
Au Sai Chuen	2,600,000	1.93%
Sin Yew Seng (2004) Pte Ltd	2,500,000	1.86%
John Saunders	2,460,709	1.83%
Jason Separovic	2,224,111	1.65%
ABN Amro Clearing Sydney Nominees Pty Ltd	2,200,000	1.63%
Phooi Wong Law	2,000,000	1.48%
Superfine Nominees Pty Ltd	1,718,750	1.28%
HSBC Custody Nominees (Australia) Limited	1,552,500	1.15%
Rosegate Investments Pty Ltd	1,540,000	1.14%
Kristin Eileen Franco	1,519,742	1.13%
Total	**101,656,286**	**75.44%**

e. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

f. Restricted Securities

There are no restricted securities.

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Plunging lineation in shale at Lubuk Mandi

Corporate Directory

Directors
Peter Thompson
Executive Chairman

Chiau Woei Lim
Non-Executive Director

Neil Norris
Executive Director – Exploration Director

Frank Cannavo
Executive Director

Company Secretary
Kevin Hart

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AUSTRALIA

Share Registry
Advanced Share Registry Services
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Nedlands WA 6009
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Telephone: +61 8 9389 8033
Facsimile: +61 8 9262 3723

Securities Exchange Listing
GBM Resources Limited – shares & options
are listed on the Australian Securities Exchange
(ASX Code: GBZ, GBZO)

Solicitors
Steinepreis Paganin
Lawyers and Consultants
Level 4, Next Building
16 Milligan Street
Perth WA 6000
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