

**ASX Announcement
24 April 2017**

GB Energy Limited
is an exploration
company focused on
energy metals

Directors

Chairman
Mr Stuart Rechner
Executive Director
Mr Nick Burn
Director
Dr David Detata

Operations

Chief Financial Officer
Ms Anna MacKintosh
Lead Consultant
Mr James Allchurch

Issued Capital

Ordinary Shares
1,046,849,199
Unlisted Options
70,000,000

**Share Price –
24 April 2017**

\$0.016

ASX Code

GBX

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Quarterly Activities Report Quarter Ended 31 March 2017

GB Energy (ASX: GBX) ("the Company") is pleased to provide the following summary of activities conducted in the March quarter

Option to Acquire Kalia Holdings Pty Ltd

On 20 March 2017, GBX announced the signing of a binding Term Sheet with Kalia Holdings Pty Ltd (Kalia) and its shareholders that grants GBX a 120-day option to acquire 72.29% (and potentially 100%) of the shares in Kalia.

Kalia, the parent company of Papua New Guinean registered subsidiary Kalia Investments Ltd, holds contractual rights to explore for minerals and develop mines in the Tinputz district of North Bougainville, Papua New Guinea which is prospective for gold, copper, and other minerals.

Bougainville is one of the last undeveloped mineralised provinces of the world. The island straddles the Pacific 'Ring of Fire' tectonic plate boundary, an ideal setting for porphyry copper-gold and associated epithermal gold mineralisation (Figure 1).



Figure 1: Bougainville tectonic setting

Bougainville remains largely unexplored with a moratorium on mining exploration and development preventing activity since 1971. In August 2015 Bougainville passed a new Mining Act and subsequent Regulations (2016) which states "All minerals existing on, in or below the surface of customary land in Bougainville are the

property of the owners of the customary land.”¹

Subsequent to the end of the quarter, GBX by a first stage of the transaction has loaned Kalia \$600,000 (on an unsecured and interest free basis) in consideration for an exclusive 120-day Option to purchase 72.29% of the Kalia shares from the Kalia shareholders. Kalia agreed to spend the \$600,000 loan amount on advancing the Tore Project. The full transaction details are detailed in the GBX ASX announcement of 20 March 2017.

Due diligence on this significant transaction has been initiated.

Mt Denison Copper-Gold, South Australia

Preparations are continuing for the Mt Denison drill program with heritage surveys undertaken during the quarter and approvals for the proposed drill program sought. The Mt Denison project has been awarded \$200,000 in PACE Discovery Drilling co-funding from the Government of South Australia.

The Mt Denison project is considered prospective for Iron Oxide Copper-Gold (IOCG) hosted mineralisation given the following attributes:

- Location: an inlier of Paleoproterozoic rocks adjacent to the NE margin of the Gawler Craton;
- Structure: parallels and is constrained by regional NW striking structures;
- Mineralisation: historic copper workings prevalent in the area interpreted to be remobilised from basement lithologies - Copper mining occurred in the Peake Denison Inliers during the late 1890s and early 1900s from numerous mines and shafts;
- Magmatism: Palaeoproterozoic and Mesoproterozoic igneous intrusives and extrusives known in the area; and
- Alteration: density highs potential indicator of hematite alteration.

GB Energy has also completed detailed ground gravity and airborne magnetic / radiometric surveys over the project area identifying several targets of interest beneath sedimentary cover.

The proposed drill program is to be undertaken in the next quarter.

Indiana Ni-Cu-Co-PGE Exploration, Northern Territory

Exploration Licence 31275 was granted in the January quarter. EL31275 contains the Blackadder and Baldrick Cu-Ni-PGE prospects over outcropping copper-bearing gabbro intrusions. EL31275 lies approximately 15km NE of the Basil Copper-Cobalt sulphide prospect defined by Mithril Resources Ltd.²

The Irindina Province was identified in the 2016 Geoscience Australia report “Potential for intrusion-hosted Ni-Cu-PGE sulphide deposits in Australia” as having high potential to host tholeiitic intrusion-hosted Ni-Cu-PGE sulphide deposits.

GBX is targeting sulphide mineralisation within the Riddock Amphibolite and later intrusives within the Irindina Province and extensions eastwards under thin cover. EL31275 is also known to contain outcropping pegmatites and historic mica workings. The Northern Territory Geological Survey (NTGS) and neighbouring explorers have noted Lithium-Caesium-Tantalum (LCT) type pegmatites in the province³. No previous lithium exploration has been recorded on EL31275 in the NTGS database.

¹ Bougainville Mining Act 2015, section 8

² www.mithrilresources.com.au/pdfs/2012-03-20-22144220120321_JORC_Basil_Cu-Co_Resource.pdf

³ Frater KM, 2005. Tin-tantalum pegmatite mineralisation of the Northern Territory. Northern Territory Geological Survey, Report 16

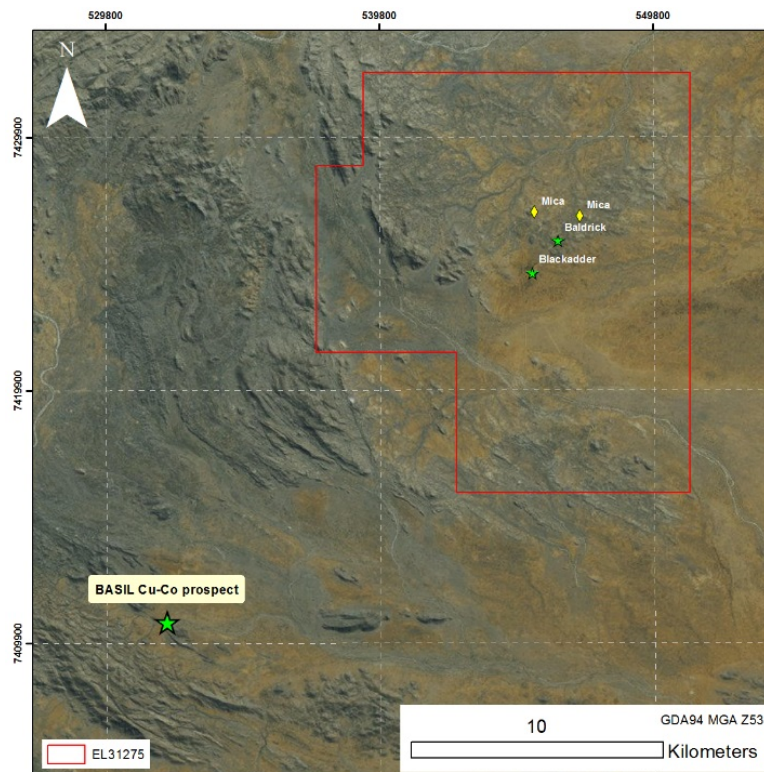


Figure 2: EL31275 Location and prospects

Neighbouring application ELA31391, which forms part of our Indiana project targeting Ni-Cu-Co-PGE in mantle-derived mafic-ultramafic intrusions within the Irindina Province, will be granted in the next quarter following advice from the NT Government.

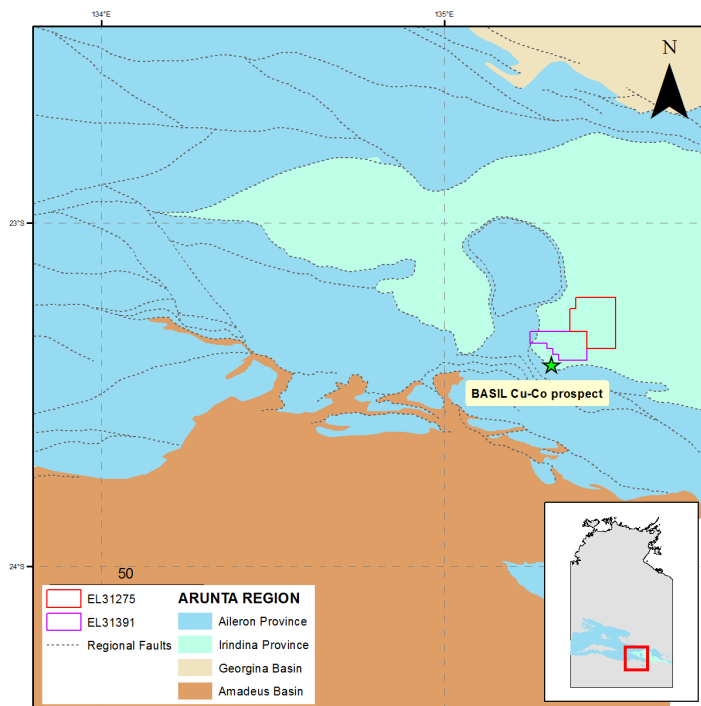


Figure 3: EL31275 and application ELA31391

Ongoing GIS compilation of data from the Indiana project area has generated several targets for field inspection. Following the grant of ELA31391 in the next quarter, GBX will undertake field inspection and check geochemical sampling of the historic Blackadder and Baldrick prospects as well as newly generated targets.

As part of the Indiana project generation program, two new exploration licence applications have been lodged with the NT Department of Primary Industries and Resources.

ELAs 31537 (229 blocks, 721 km²) and 31542 (153 blocks, 472 km²) are also targeting sulphide mineralisation within the Riddock and other Amphibolite's and later intrusives within the Irindina Province and cover extensions eastwards under thin cover from the Basil Project resource. Exploration licence applications EL31537 and EL31542 will be subject to the standard processes of the Northern Territory Department of Primary Industries and Resources and grant cannot be guaranteed.

Bitterwasser Lithium Clay Project Application, Namibia

In this quarter, GBX subsidiary (Namib Lithium Pty Ltd), via a wholly owned Namibian subsidiary, has lodged three Exclusive Prospecting Licence (EPL) applications over the Bitterwasser lithium clay project in Namibia. These three applications (EPLA 6589, 6590 and 6591) cover the same project area as described within the previously announced option agreement (19 May 2016) that was terminated in September 2016. Located approximately 160km south east of the Namibian capital Windhoek, the Bitterwasser Project consists of five large salt pans with a total area of around 58km² (see Figure 2). Please note these applications are contested and there is no guarantee GBX will be awarded the licences.

This project is consistent with the current Company strategy of targeting minerals critical for the future energy environment, including lithium and uranium.

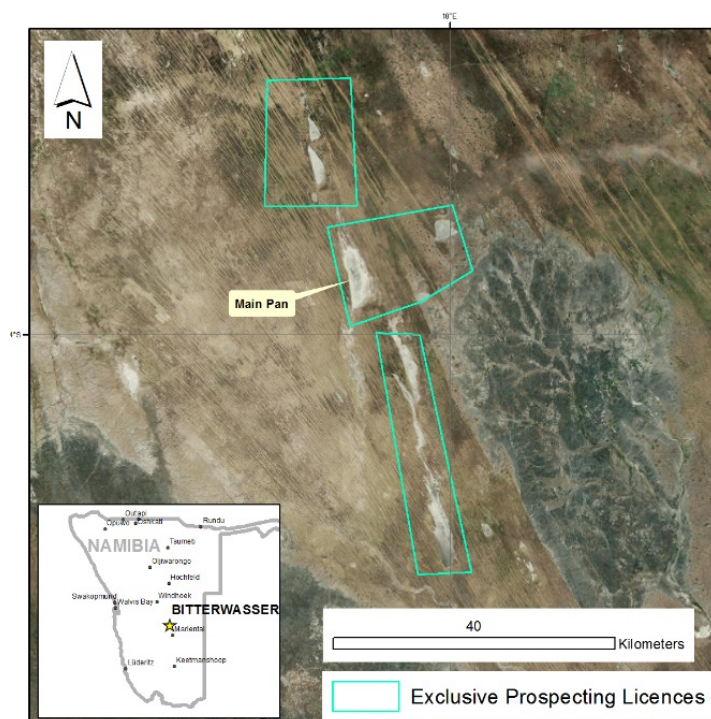


Figure 4: Bitterwasser EPL applications

Lake Blanche, South Australia

GBX has entered a Heads of Agreement (HoA) for the sale of EL5391 (Lake Blanche) to Eagle Nickel Limited (to be renamed Pure Minerals Ltd), subject to their successful relisting to the ASX later this year. Consideration for this 100% acquisition by Eagle Nickel is \$30,000 and is subject to standard due diligence conditions.

Lake Gregory, South Australia

As previously discussed in the September 2016 quarter, the Company undertook field reconnaissance and sediment/brine sampling work at the Lake Gregory project in South Australia however assay results for both sediments and water samples returned no anomalous results for the target minerals. The exploration licence was surrendered in the March quarter to focus on priority projects.

Half Year Accounts

The Half Year Accounts were published on 3 March 2017.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information reviewed by Mr Nick Burn who is an employee of the Company and is a director of the Company. Mr Burn is a member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation, the types of deposits under consideration and the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results. Mr Burn consents to the inclusion of the information in the form and context in which it appears.

Tenement Schedule (Disclosure per ASX Listing Rule 5.3.3)

Tenements held at end of the quarter by GB Energy and subsidiary companies.

TENEMENT	LOCATION	NAME	INTEREST
EL 5231	South Australia	Stuart Shelf	100%
EL 5255	South Australia	Stuart Shelf	100%
EL 5302	South Australia	Mt Denison	100%
EL 5391	South Australia	Lake Blanche	100%
EL31275	Northern Territory	Indiana	100%
ELA31391	Northern Territory	Indiana	Application
ELA31392	Northern Territory	Ngalia	Application
ELA31393	Northern Territory	Ngalia	Application
ELA31537	Northern Territory	Indiana	Application
ELA31542	Northern Territory	Indiana	Application
E45_4572	Western Australia	Kintyre North	Application
E80_5012	Western Australia	Mt Angelo	Application
E80_5013	Western Australia	Armanda River	Application
EPLA6589	Namibia	Bitterwasser	Application
EPLA6590	Namibia	Bitterwasser	Application
EPLA6591	Namibia	Bitterwasser	Application