

ASX Release

15 February 2016

GBM Acquires Moonmera Project

A Major Cu-Mo Porphyry Deposit, Mount Morgan District, Central QLD

- **GBM acquires the Moonmera Copper - Molybdenum Project from Rio Tinto.**
- **Outstanding exploration project - one of the largest known porphyry copper systems in Eastern Australia.**
- **The Moonmera Project is a significant addition to GBM's existing Mount Morgan Copper Gold Project portfolio.**

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**"), is pleased to announce it has acquired from Rio Tinto Exploration Pty Ltd ("**Rio**") the Moonmera Cu-Mo porphyry project, located less than 10 km from the Mount Morgan mine in Central Queensland, Australia.

The Moonmera Project is one of the largest known mineralised porphyry copper systems in eastern Australia. The single tenement (EPM19849) will form part of GBM's Mount Morgan porphyry copper-gold project.

The Company's Mount Morgan Project tenements surround the world-class Mt Morgan Au Cu deposit which produced in excess of 8 million ounces of gold and 400,000 tonnes of copper. Recent work by GBM with world renowned porphyry consultant Greg Corbett of CMC Consulting, led to the re-classification of Mt Morgan as a porphyry-related deep epithermal style deposit. Moonmera falls within a north-north-west-trending structural corridor of known porphyry Cu-Au+Mo occurrences.

The Moonmera tenement was purchased from Rio for the equivalent of A\$35,000 in GBM ordinary shares. The terms of the acquisition include a Net Smelter Royalty (1%) on all minerals produced from the project area and a Vendor Back-in Option whereby Rio has the option to purchase, at fair market value a 65% interest in the project in the event that a Mineral Resource is identified within the tenement that has an in-situ value of A\$1.5 billion or greater. GBM has also granted Rio a "right of first refusal" over the following Victorian exploration projects - Willaura, Lake Bolac, Monkey Gully, Tin Creek and Rubicon.

If the Back-in option is exercised, both parties become Joint Venture partners.

ASX Code: GBZ

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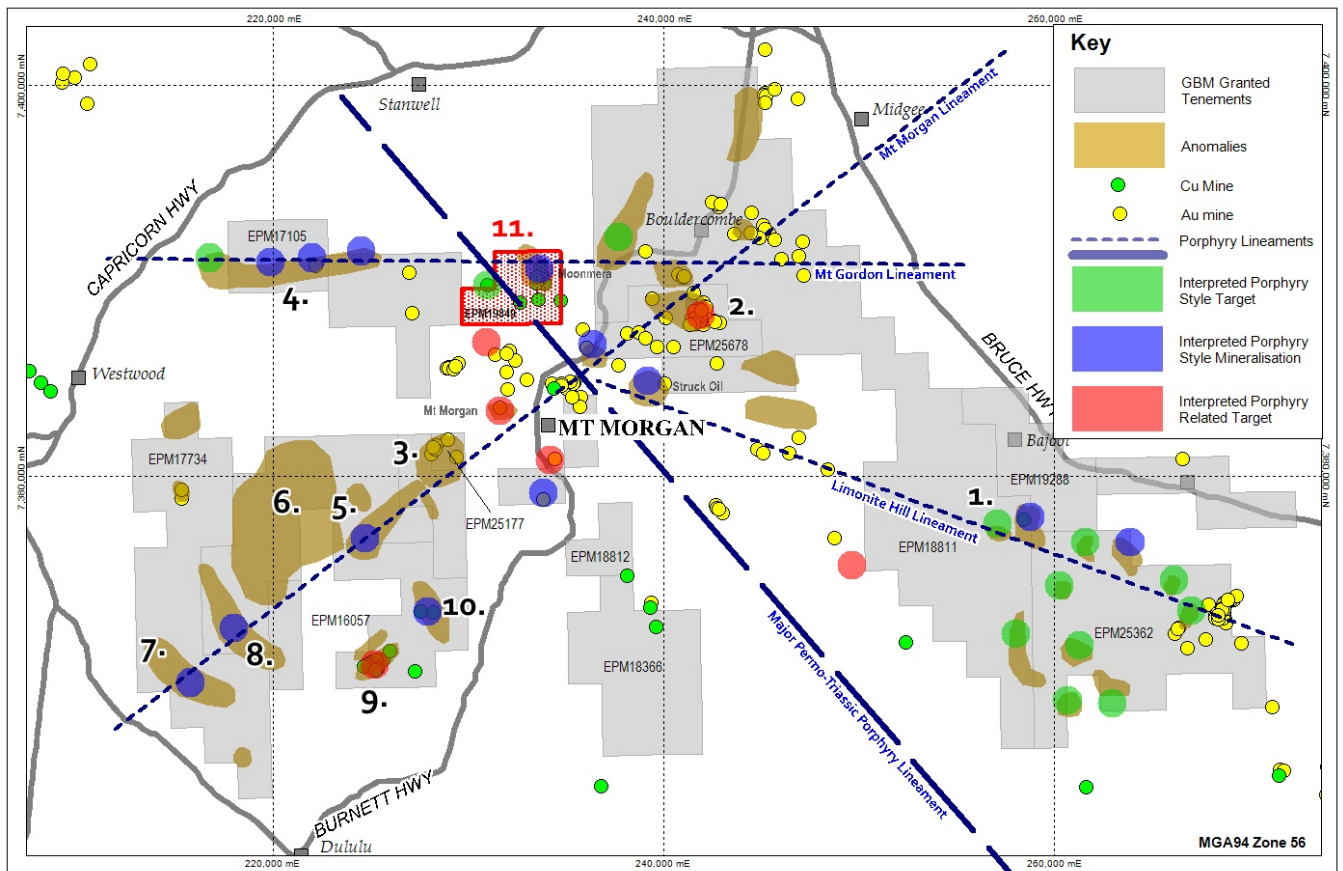
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|--|---|---|--|---|
| <p>1. Limonite Hill
-12m @ 1.4% Cu & 700 ppm Mo
-Limonite Hill Cu-Mo porphyry
-Series of "Mag Lows" within structural corridor.
-Veneer of cover sediments</p> | <p>3. Mt. Victoria
-Alluvial gold workings
-28m @ 0.26 g/t Au in Devonian basement</p> | <p>5. Smelter Returns
-300x400m skarn indented
-Shallow drilling only
-8m @ 0.3% Cu, 0.8 g/t Au
-Large untested high tenor Au-Cu soil anomalies</p> | <p>7. Black Range 1
-2km alteration zone
-Central breccia gossan with Zn-Cu-Pb-Ag</p> | <p>9. Dee Copper Mines
-High grade Au-Cu veins
-Porphyry-related 'D-veins'
-Not tested at depth</p> |
| <p>2. Mt. Usher
-100k oz Au production from alluvial and hard rock
-Junction of 2 major structural linears
-Large mag high rimmed by historic workings</p> | <p>4. Mt. Gordon
-Porphyry Cu-Au-Mo
-23m @ 0.3% Cu, 0.2 g/t Au
-4km magnetic low
-Shallow drilling only</p> | <p>6. Kyle Mohr
-Intrusive hosted
-Pervasive porphyry alteration
-Strong Au-Cu in soils
-No drilling</p> | <p>8. Sandy Creek
-4km porphyry-style alteration zone
-Hydrothermal breccia CuO at surface
-Rockchips to 39% Cu, 8.5g/t Au 44ppm Ag
-No drilling</p> | <p>10. Oakey Creek
-3x1km porphyry-style alteration
-Rock-chips to 6.7% Cu & 40 ppm Ag
-Not drilled</p> |
| <p>11. Moonmera
-3x2km porphyry system
-Crackle veins, pebble breccias
-Pervasive low-grade Cu-Mo
-Discrete high-grade zones
-Large-tonnage potential</p> | | | | |

Figure 1-1: GBM tenements and prospect areas. Moonmera project and tenement (EPM19849) shown hashed red.

About the Moonmera Copper Project

The Moonmera system consists of a series of Permo-Triassic age intrusives associated with a pronounced magnetic low anomaly, including a suite of porphyritic units and breccias all hosted near the south-east margin of the Bouldercombe Granodiorite pluton. Mineralisation is present within multiple intrusive phases, notably a quartz monzodiorite porphyry breccia which hosts an intense stockwork of quartz/K-spar and quartz/molybdenum veins with chalcopyrite slugs present in vugs. Disseminated sulphides and copper oxide also occur throughout intensely bleached and sericitised diorite porphyry.

Mineralisation at Moonmera was first reported more than a century ago at the time minor small-scale mining at the deposit was taking place. The first modern exploration was undertaken by Enterprise Exploration Pty Ltd, a wholly-owned subsidiary of CRA in the early 1960's. Initial drill-testing defined extensive low-grade, sub-economic mineralisation (including 67m @ 0.34% Cu and 262 ppm Mo) (Whitcher, I.G., 1962 'Final Report on Investigation of the Moonmera Copper Mineralisation, Mount Morgan District, Queensland' CRAE Report No. 4078).

A series of four deep diamond holes drilled by North Broken Hill Ltd led to the conclusion that the entire very large magnetic low complex is altered and mineralised to at least the base of the deepest hole (893m) and that the intensity of stockwork veining and sulphide content varies locally.

The pervasive disseminated mineralisation is generally low-grade but where brecciation and quartz vein development is more intense the potential for higher economic grades is shown at Moonmera. During 1983, Geopeko in JV with CRA Exploration (CRAE) explored for a small higher-grade resource for Mount Morgan mine mill feed. Some reported intersections from this shallow drilling program are (*A. Taube B.Sc. Aust IMM., April 1983 'Results of Geopeko Investigation of the Moonmera Prospect C.M.L.'s 128 and 129; Mount Morgan 1 and the Moonmera triangle Area, A. to P.508M GEOPEKO A Division of Peko-Wallsend Operations Ltd*):

- DDH61/13 - 12m @ 1.11 % Cu and 113ppm Mo from 27m in sericitised breccia & qtz diorite
 - Incl. 3m @ 3.4 % Cu and 142 ppm Mo
- PDH63 - 3m @ 3.0 % Cu & 160 ppm Mo from 13m in quartz-sericite porphyry
- PDH43 - 9m @ 1.34 % Cu & 460 ppm Mo from 10m in quartz diorite porphyry breccia
- PDH38 - 7m @ 1.3 % Cu & 155 ppm Mo from 9m in altered breccia
- DDH61/3 - 7m @ 1.1% Cu from 11m in altered intrusive

CRAE revisited the prospect once again in the 1990's in Joint Venture with Pasminco and then again most recently in 2014 (Rio Tinto Exploration). High-resolution airborne magnetic data collected during the Joint Venture was reprocessed and 3d-modelled last year by in-house Rio geophysicists. This work successfully characterized the intrusive complex in more detail. The original TMI RTP anomaly was resolved into three separate NW-SE striking sub vertical phases of magnetic material; a non-magnetic western phase, a central lobe with a remanent magnetic response and a weakly magnetized eastern phase.

The distribution of old mine workings, soil anomalism and historic drilling displays a concentration at or adjacent to the interfaces between the magnetic lobes. This observation may provide vectors to higher-grade mineralisation at Moonmera. The western lobe is also almost entirely obscured beneath a thick cover (50m) of flat-lying Jurassic sandstone and as a result is considered underexplored with little or no modern exploration testing this area. The non-magnetic response of the western lobe may indicate pervasive and intense magnetite-destructive hydrothermal alteration.

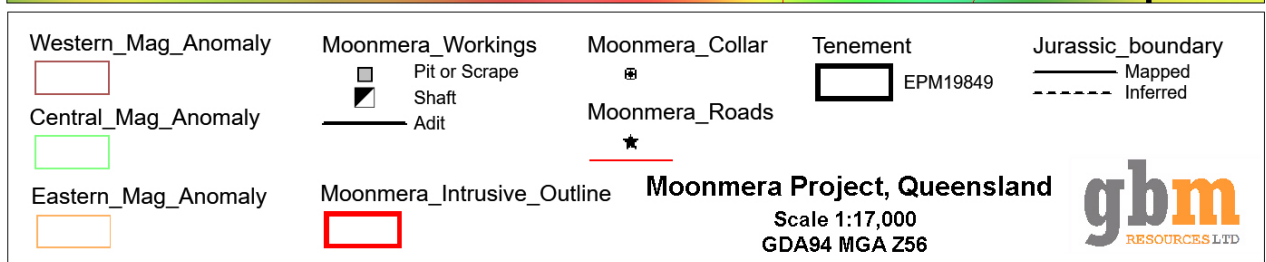
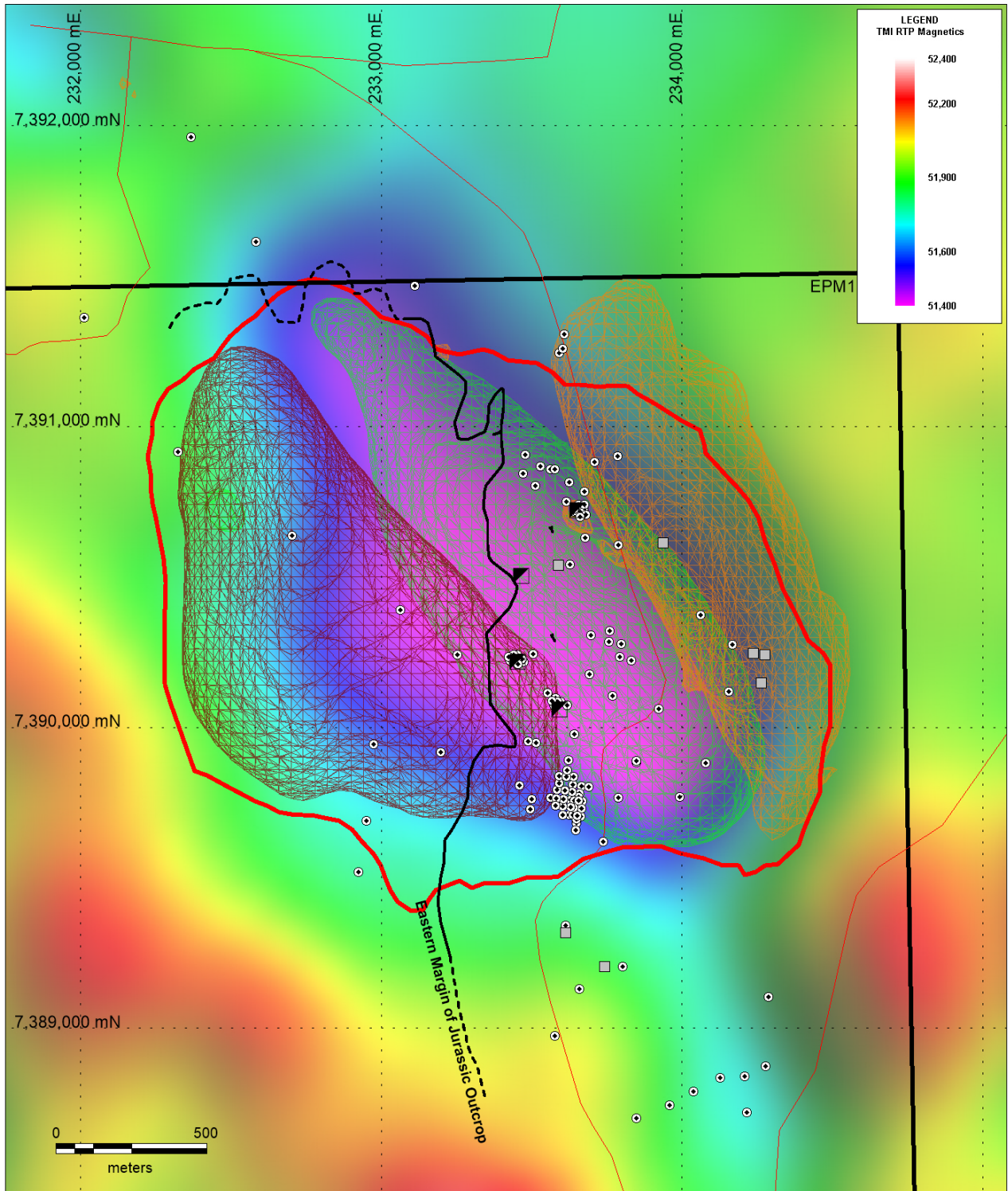


Figure 1- 2: Location of three 3D magnetic lobes associated with the Moonmera TMI RTP magnetic anomaly.

Summary

The potential for discovery of significant higher-grade zones of Cu-Mo mineralisation within the very large (2x2.5 km) Moonmera porphyry system remains high. Historic drilling has shown the potential for high grade mineralisation at the prospect with intersections reported above 3% Cu and 300 ppm Mo. Mapping by CRAE revealed a highly complex, multi-phase porphyry intrusive system with widespread crackle-veining, mineralised breccia and disseminated sulphide and oxide mineralisation. Recent Rio modelling of the high-quality magnetic data has produced a largely untested anomaly wholly concealed beneath the Jurassic cap that obscures the western half of the prospect.

The future program at Moonmera will include the processing and interpretation of historic drilling, geophysical and surface geochemical data. Existing Induced Potential (IP) geophysical surveys have detected known sulphide mineralisation and a new IP survey using modern techniques and high-power transmitters may delineate high-grade mineralised zones within the greater magnetic anomaly. The western lobe target has no previous IP coverage due to the rugged topography associated with the Jurassic sandstone cap. Drill-testing of electrical targets will follow.

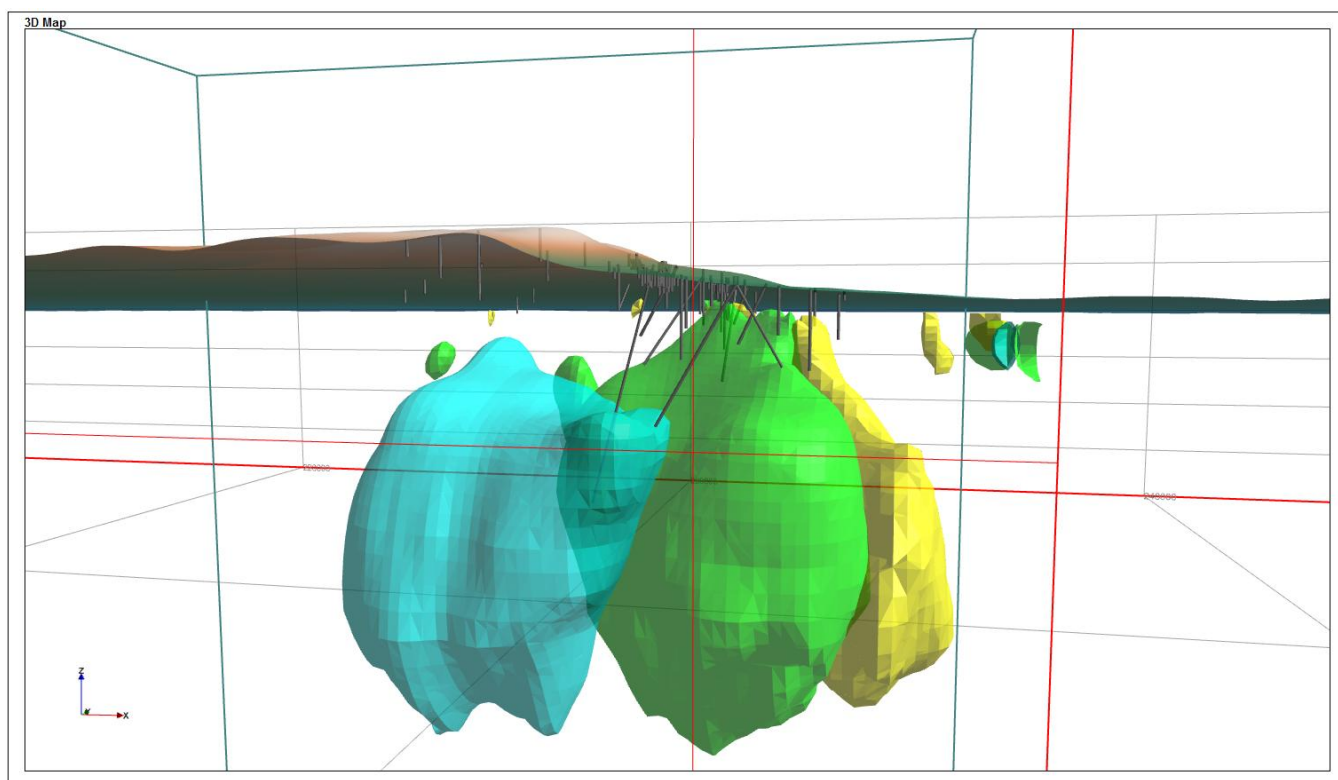


Figure 1-3: 3d capture of west, central and east lobes of the Rio magnetic inversion highlighting the cluster of historic drilling where the central and east anomalies approach the surface (view to the north). Topography shows the Jurassic plateau covering the western lobe.

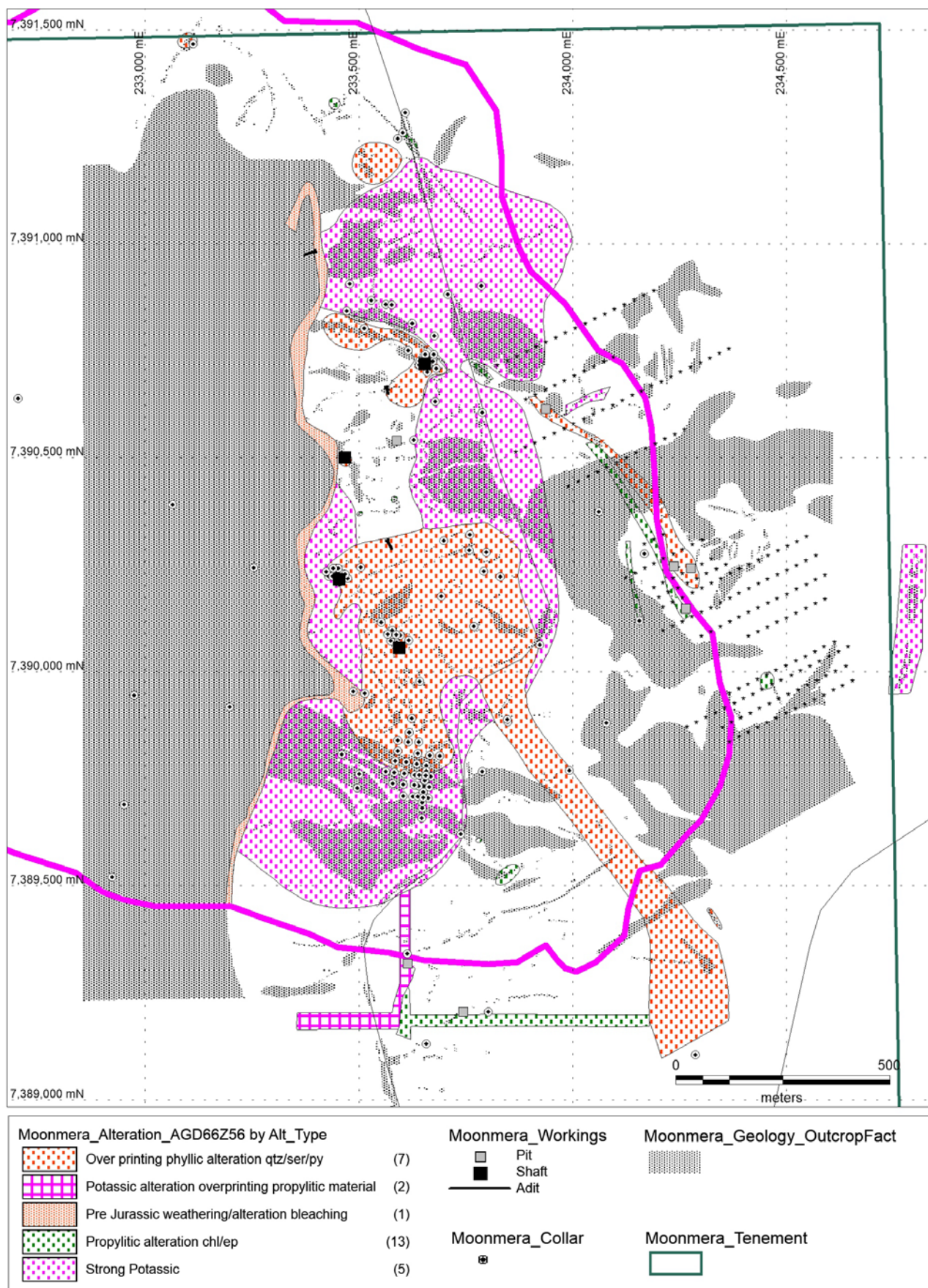


Figure 1-4: Moomera surface alteration mapping derived from CRAE data (1990's). Pink outline is the interpreted porphyry system margin.

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Notes

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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

References

Whitcher, I.G. 1962, 'Final Report on Investigation of the Moonmera Copper Mineralisation, Mount Morgan District, Queensland' CRAE Report No. 4078

Taube, A. 1983, Results of Geopeko Investigation of the Moonmera Prospect (M.L.'s 128 and 129, Mount Morgan) and the Moonmera Triangle Area, A.P. 508M.

Menzies and Corbett 2015, *Comments on Exploration Projects in the Mt Morgan Region Held by GBM Resource Ltd.* Corbett Menzies Cuncliff Py Ltd, Unpublished report for GBM Resources Ltd. April 2015.