

**ASX Announcement
20 October 2016**

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

CFO/Company Secretary
Ms Anna MacKintosh
Lead Consultant
Mr James Allchurch

Issued Capital

Ordinary Shares
905,955,825
Unlisted Options
75,000,000

**Share Price – 20 October
2016**

\$0.004

**Securities Exchange
Listing**

Australian Securities
Exchange
Code: GBX

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Sediment and Brine Sampling at Lake Gregory

Lake Gregory selected for potential to host lithium and potash

Subsurface brines and sediment samples collected from shallow pits excavated across Lake Gregory

Samples submitted to laboratory for analysis

In May 2016, GB Energy (ASX: GBX) was granted Exploration Licence (EL) 5778 incorporating Lake Gregory in South Australia. Lake Gregory was targeted following review of a Geoscience Australia prospectivity analysis which identified the potential of Lake Gregory to host lithium brines, potash and uranium mineralisation.

GB Energy has completed a sampling programme that included the excavation of nine hand-dug pits across Lake Gregory to a total depth of between 0.8 metres below ground surface (mbgs) and 1.1mbgs.

Highly saline water was recovered from five of the nine pits using a peristaltic pump. Water levels ranged from 0.69mbgs to 1mbgs.

Sediment samples from the pits as well as surface sediments and waters were also collected for analysis.

Sediment and water samples have been submitted for analysis. A detailed analytical suite has been designed to ascertain the potential for lithium, potassium and other important elements in the brine water beneath Lake Gregory. Results are expected in the coming weeks.

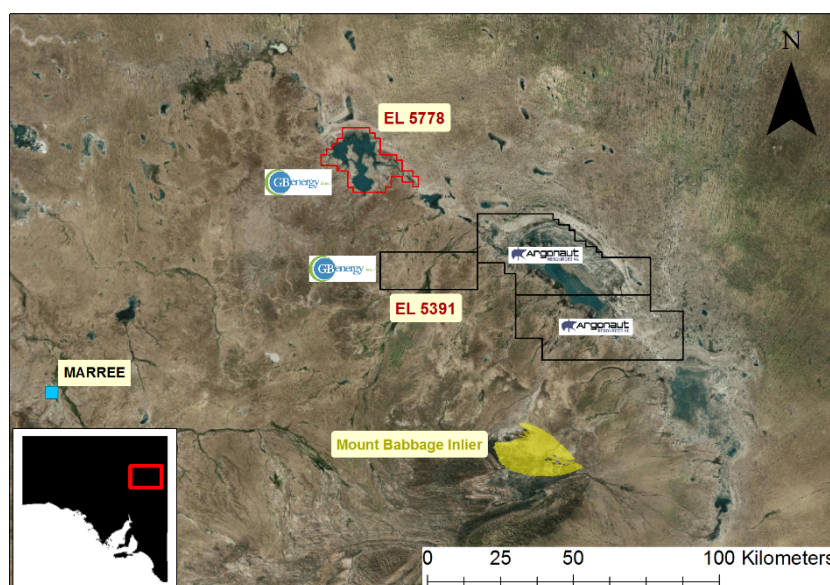


Figure 1: Lake Gregory EL 5778 with nearby tenements including GBX-held EL 5391



Figure 2: Lake Gregory Pit 1 excavated and hand-augered to 0.94m. Standing water level - 0.69m.

Background - Lake Gregory

EL 5778 “Lake Gregory” covers the Lake Gregory salt lake, an area of 351km² approximately 120km NE of Marree. GBX believes Lake Gregory, and the nearby EL 5391 Lake Blanche project, have the potential to host lithium brines, potash and uranium mineralisation.

GBX selected the project area based on a prospectivity analysis conducted by Geoscience Australia: *A Review of Australian Salt Lakes and Assessment of their Potential for Strategic Resources (Record 2013/39)*.

Lithium brines occur where ground waters percolate through lithium-bearing source rocks and deposit in a closed basin. Lake Gregory is fed by a catchment containing rocks with unusually high levels of uranium and lithium (the Mount Babbage Inlier).

No previous lithium exploration has been recorded in the area.

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.