



GBM RESOURCES LIMITED

ACN 124 752 745

NOTICE OF GENERAL MEETING

TIME: 9 am WST

DATE: Tuesday 5 January 2010

PLACE: Royal Perth Golf Club
Board Room
Labouchere Road
South Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+ 61 8) 6424 8637.

CONTENTS PAGE

Notice of General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	5
Glossary	10
Proxy Form	11

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of GBM Resources Limited which this Notice of General Meeting relates to will be held at 9am (WST) on Tuesday, 5th January 2010 at:

Royal Perth Golf Club
Board Room
Labouchere Road
South Perth, Western Australia

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed:

- (1) send the proxy form by post to GBM Resources Limited, c/o Advanced Share Registry Services, PO Box 1156, Western Australia, 6909; or
- (2) by facsimile to Advanced Share Registry Services on facsimile number (+ 61 8) 9389 78 71,

so that it is received not later than 9am WST on 3 January 2010.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of GBM Resources Limited (ABN 35 124 752 745) (**Company**) will be held at 9.00am (WST) on 5 January 2010 at the Royal Perth Golf Club.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 5pm WST on 4 January 2010.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Meeting.

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange and for all other purposes, Shareholders ratify the issue and allotment of 12,500,000 Shares at an issue price of \$0.20 per Share on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PLACEMENT FEE OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange and for all other purposes, Shareholders ratify the issue and allotment of 6,250,000 options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 8,500,000 Shares at an issue price of \$0.31 per Share together on the terms set out in the Explanatory Statement."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 1 December 2009

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Stuart Usher', with a small dot at the end.

**MR STUART USHER
COMPANY SECRETARY
GBM RESOURCES LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at 9.00am (WST) on 5 January 2010 at the Royal Perth Golf Club.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF PLACEMENT

Introduction

The Company has issued 12,500,000 Shares at \$0.20 each, in a share placement announced to the ASX on 5 November 2009. None of the subscribers pursuant to the placement were related parties of the Company.

Regulatory Requirements – ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Ratification by the Shareholders of the Company is now sought pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required in the next 12 months without Shareholder approval.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders:

- (a) the total number of securities issued was 12,500,000 Shares;
- (b) the Shares were issued at a price of \$0.20 per Share;
- (c) the Shares allotted and issued rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares were issued in accordance with the schedule of applicants and clients of brokers in Annexure A; and
- (e) the funds raised have been or will be applied for the purposes of exploration at the Brightlands copper-gold project near Mount Isa in Queensland.

2. RESOLUTION 2 – RATIFICATION OF PLACEMENT FEE OPTIONS

Introduction

The Company has entered into a mandate agreement with Greenday Corporate Pty Ltd whereby, on successful completion of a placement of 12,500,000 shares at \$0.20 to raise \$2,500,000, Greenday Corporate Pty Ltd is entitled to the issue of 6,250,000 options to be issued on the same terms and conditions as the existing \$0.25 quoted options expiring 30 June 2010. The placement was successful with the fee options being issued in accordance with the agreement. None of the subscribers of options pursuant to this issue are related parties of the Company.

ASX Listing Rule Requirements

An overview of ASX Listing Rules 7.1 and 7.4 is set out in Section 1 of this Explanatory Statement above.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders:

- the maximum number of securities issued pursuant to Resolution 3 is 6,250,000 options;
- the Options were issued for nil cash consideration;
- the Options were issued on the terms outlined in Annexure B;
- the Options were issued on 23 November 2009; and
- the Options were issued to Greenday Corporate Pty Ltd (and its nominees).

3. RESOLUTION 3 – PLACEMENT

Introduction

Resolution 3 seeks approval for the placement of 8,500,000 Shares at an issue price of 31 cents each to raise \$2,635,000. On 10 November 2009, GBM Resources Ltd announced to the ASX a Phosphate joint venture and advised it had entered into a binding term sheet with Singapore based Resource Kings Pte Ltd to acquire a joint venture interest in potentially large-scale phosphate projects held by GBM resources Ltd in the Mount Isa region of North Queensland.

ASX Listing Rule Requirements

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders to enable them to consider Resolution 3:

- the maximum number of securities to be issued pursuant to Resolution 3 is 8,500,000 Shares;

- the Shares will be issued at a price of 31 cents per Share;
- the Shares, when issued, will rank equally with the Company's current Shares on issue;
- the Shares will be issued no later than three (3) months after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on one date;
- the Shares will be issued to Resource Kings Pte Ltd or their nominee; and
- funds raised from the issue of the Shares are intended to be used as follows:

\$635,000	Phosphate exploration in the Mount Isa region of north Queensland, specifically Bungalien, Horsecreek and Malbon tenements.
\$2,000,000	Exploration at the Brightlands Cooper-gold project and the Malmsbury gold project.
TOTAL \$2,635,000	

4. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 6424 8637 if they have any queries in respect of the matters set out in these documents.

ANNEXURE A – RATIFICATION OF PLACEMENT

Allottee	No. of Shares
Cygnnet Capital Pty Ltd	3,750,000
Constance Tan	3,500,000
Alto Capital Pty Ltd	1,000,000
Syracuse Capital Pty Ltd	1,250,000
Financial Pathfinders Pty Ltd	500,000
Mr. Vlado Bosanac	250,000
Mr. Nik Lackovic	250,000
Austock Investments Pty Ltd	2,000,000
TOTAL NUMBER OF SHARES	12,500,000

ANNEXURE B – OPTION TERMS

Terms of the Options the subject of Resolution 2:

- (a) the Options will be exercisable at any time prior to 5.00pm WST on 30 June 2010 (**Expiry Date**). Options not exercised on or before the Expiry Date will automatically lapse;
- (b) the Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
- (c) each Option will entitle the holder to subscribe (in respect of each Option held) for a Share with an exercise price of \$0.25 per share.
- (d) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted official quotation;
- (e) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to all holders of Options when the initial holding statement is sent;
- (f) any Notice of Exercise received by the Company's share registry on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received;
- (g) there will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options;
- (h) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option holder are to be changed in a manner consistent with the ASX Listing Rules. Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Options may be transferred at any time prior to the Expiry Date; and
- (i) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

GLOSSARY

All references to currency are to Australian Dollars and cents.

ASX means the ASX Limited ABN 98 008 624 691.

Board means the board of Directors as constituted from time to time.

Company means GBM Resources Limited ABN 124 752 745.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.

Option means an option to acquire a Share.

Share or **Shares** means an ordinary fully paid share or shares in the Company.

Shareholder means a shareholder in the Company.

WST means Western Standard Time observed in Perth, WA.

PROXY FORM

**APPOINTMENT OF PROXY
GBM RESOURCES LIMITED
ABN 124 752 745**

GENERAL MEETING

I/We

of

being a member of GBM Resources Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 9.00am (WST) on 5 January 2010 at the Royal Perth Golf Club and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the General Meeting

Resolution 1	Ratification of Placement			
Resolution 2	Ratification of placement fee options			
Resolution 3	Placement			

FOR AGAINST ABSTAIN

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If more than one proxy is being appointed, the proportion of voting rights this proxy represents is: _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

SIGNATURE

Sole Director and Sole Company Secretary

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act 2001. Section 127 of the Corporations Act 2001 provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act 2001, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed:
 - send the proxy form by post to GBM Resources Ltd c/o Advanced Share Registry Services, PO Box 1156, Western Australia, 6909; or
 - by facsimile to Advanced Share Registry Services on facsimile number (+ 61 8) 9389 78 71,

so that it is received not later than 10am WST on 9am, 3 January 2010.

Proxy forms received later than this time will be invalid.