

28 January 2010

The Manager
Company Announcements
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REPORT FOR THE QUARTER ENDED 31st DECEMBER 2009

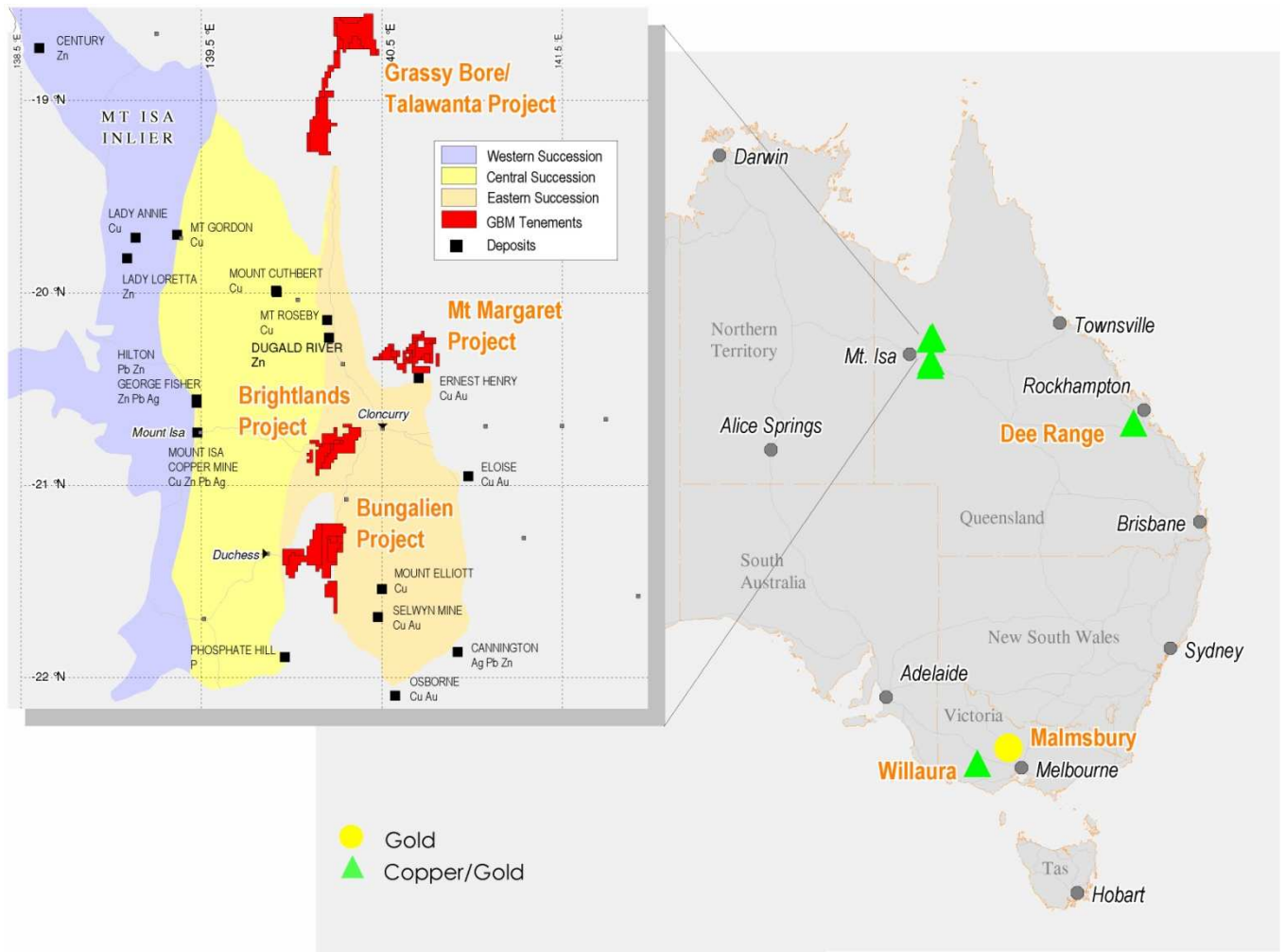
Exploration Highlights:

Exploration Focus in the quarter has been on the Brightlands Copper Gold Project, Mt Isa, Northern Queensland.

- *Initial 4 diamond drill hole program completed before Xmas at the Tiger Prospect on the T1 and T3 targets. Visual inspection showed sulphide alteration with chalcopyrite and native copper. Follow up drilling is required on both targets to continue to test the combined strike length of 2kms. Results are pending.*
- *Additional significant SAM anomalies identified as new conductive zones, T2 and T4, potentially extending the size of the Rocklands system in the Tiger area. Soil sampling and mapping commenced.*
- *Strategic exploration licences applications around the Brightlands Project footprint have been applied for and have received priority from the Qld Mines Dept. In particular the Highway tenement which abuts the company's Milo prospect in which previous exploration has returned encouraging results including 10m @ 0.23% Cu and 30m @ 0.4% Cu on the Highway tenement.*
- *Field work was completed on priority targets within the Brightlands Project and include, Tambourine, Milo and the Fine Gold Gully prospects. Strategy is to progress the other high order targets to drill ready.*

Corporate:

- *Letter of Intent signed with Tokyo –based Pan Pacific Copper which could see the global group spend up to \$55 million on tenements in the Mount Isa Region. Currently finalising Farm In and Joint Venture Agreements.*
- *Successful completion in November of share placement raising \$2.5 million at a price of 20 cents per share.*
- *Phosphate Joint Venture to secure \$2.6million in funding.*



**PROJECT LOCATION
DECEMBER QUARTER 2009**

Figure: GBM Resources Project Location Summary.

SAFETY & ENVIRONMENT

One LTI and no environmental incidents were reported during the quarter. The LTI related to the recurrence of a pre-existing injury incurred by an employee of a contractor company, however is reported as part of the company’s injury statistics. The company has one LTI’s for the financial year. The company has now completed 24 months with no significant environmental incidents.

GBM will continue to target zero injuries and environmental incidents in line with the company’s policy of striving to too achieve the highest standards in safety and environmental management.

Mount Isa Region Copper Gold Projects Overview

The Brightlands Cu-Au Project remained the company's primary focus and a high level of activity was sustained throughout the December quarter. Significant geophysical, geochemical and drilling programmes were completed. A large volume of data will continue to flow in throughout January with compilation, interpretation and planning for the coming field season continuing into the March quarter.

Two additional EPM applications were lodged adjoining the Brightlands tenement during the quarter. These tenement areas contain additional prospect areas worthy of further exploration. In addition three tenements were applied for covering and extending the Talawanta and Grassy Bore project areas. Current tenement holding in the Mount Isa Region is approximately 3,712 square kilometres with an increased inventory of Cu-Au exploration targets.

The prospectivity of the Eastern Succession of the Mount Isa Region to host world class deposits further underlined this quarter by announcement of increased resources at Ivanhoe Australia's Mo-Rh Merlin project following the discovery of further near surface bonanza grade mineralisation last quarter, continuing positive news from Cuddeco's drilling of the nearby Rocklands Cu-Co Deposit with a major resource announcement considered imminent and approval of a major underground development at the massive Ernest Henry Cu-Au Mine giving the mine an extended life.

GBM remains strongly committed to the strategy of exploring in the Mount Isa Inlier. Importantly, GBM's tenement package is highly focussed on the Eastern Succession which continues to yield new and exciting mineral discoveries of world class deposits.

The key target remains Iron Oxide Copper Gold (IOCG) and gold mineralisation.

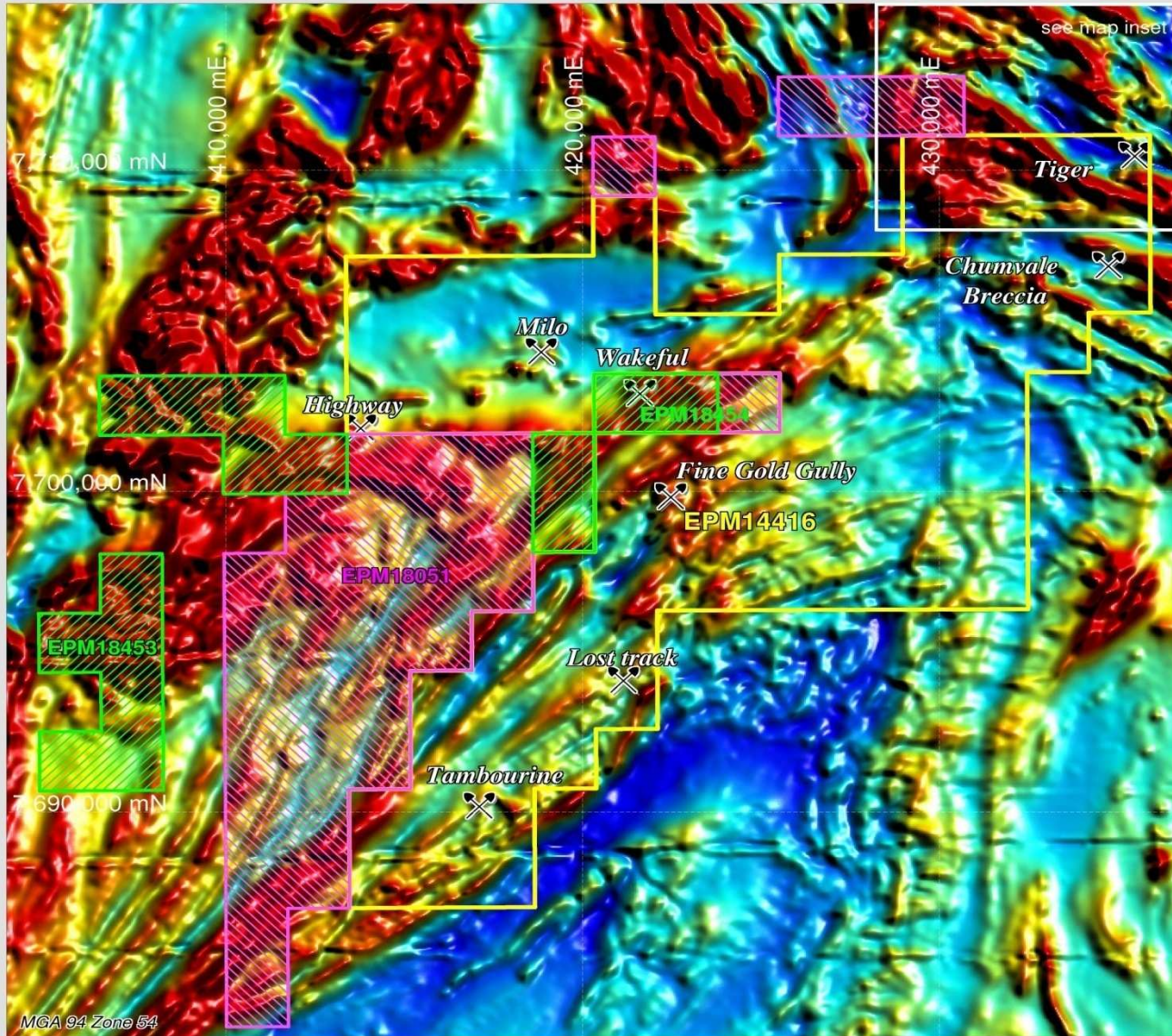
1. Brightlands Cu Au Project Summary

A four hole diamond drilling programme was completed at Tiger testing the T3 IP target and the T1 structure.

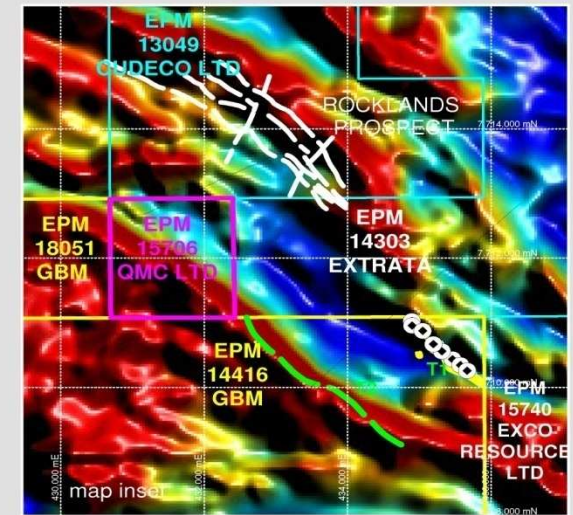
SAM (Sub Audio Magnetics) surveys at Tiger and Tambourine and soil sampling at the T3 area and part of the T2 area was completed in the quarter.

Geological mapping and sampling have been initiated at the Milo, Highway (new prospect area) and Fine Gold Gully Prospect areas.

Highway tenement added to the list of five high priority targets which are already being systematically evaluated since being identified as a result of GBM's review of existing exploration data and a detailed lithostructural review of the Brightlands project.



**BRIGHTLANDS PROJECT
TENEMENT STATUS**



TMI Image

KEY

-  GBM granted tenement
-  GBM application with priority
-  GBM competing application
-  Prospect location



Tiger Prospect

Interpretation of results of the SAM survey completed during this quarter resulted in additional target areas being identified. The SAM survey confirmed the existence of a strong conductivity trend over approximately three kilometres associated with the T2 magnetic structure and a further conductivity feature to the south east designated T4. Soil sampling has been completed over exposed areas of the T2 anomaly and will continue over T4. Mapping at the T4 SAM anomaly identified outcropping ironstone breccia with native copper at surface.

A series of four angled diamond drillholes was completed at the Tiger Prospect during December for a total of 972 metres of drilling. These holes were positioned following cultural heritage clearance by the Mitakoodi Mayi People. Holes BTDD001 and BTDD004 tested the T1 zone and holes BTDD002 and BTDD003 tested anomaly T3, a strong IP chargeability and conductivity target. Details of these holes are contained in the table below. Logging, sampling and analyses of these holes is in progress with results expected to be available in the coming weeks.

Key outcomes of the drilling identified to date are;

- Native copper particles observed in the hole BTDD004 at Tiger T1. Indicates supergene mineralisation in a breccia zone. The tenor of this zone is unknown pending the completion of geochemical assaying. Follow up drilling required to test this structure at depth and along strike.
- 2 holes in the T3 target show sulphide alteration with chalcopyrite. Down hole IP required to target areas of stronger sulphide mineralisation for further drill testing.

Hole	Final E_GDA94	Final N_GDA94	Dip	Azim_True	Azim_Mag	Total Depth	Date started	Date Finished
BTDD001	435567	7710452	-50	225	219	218.4	25-Nov-09	1-Dec-09
BTDD002	434995	7710486	-50	225	219	357.0	1-Dec-09	10-Dec-09
BTDD003	434995	7710486	-70	225	219	275.9	10-Dec-09	15-Dec-09
BTDD004	435273	7710660	-60	225	219	121.0	15-Dec-09	19-Dec-09

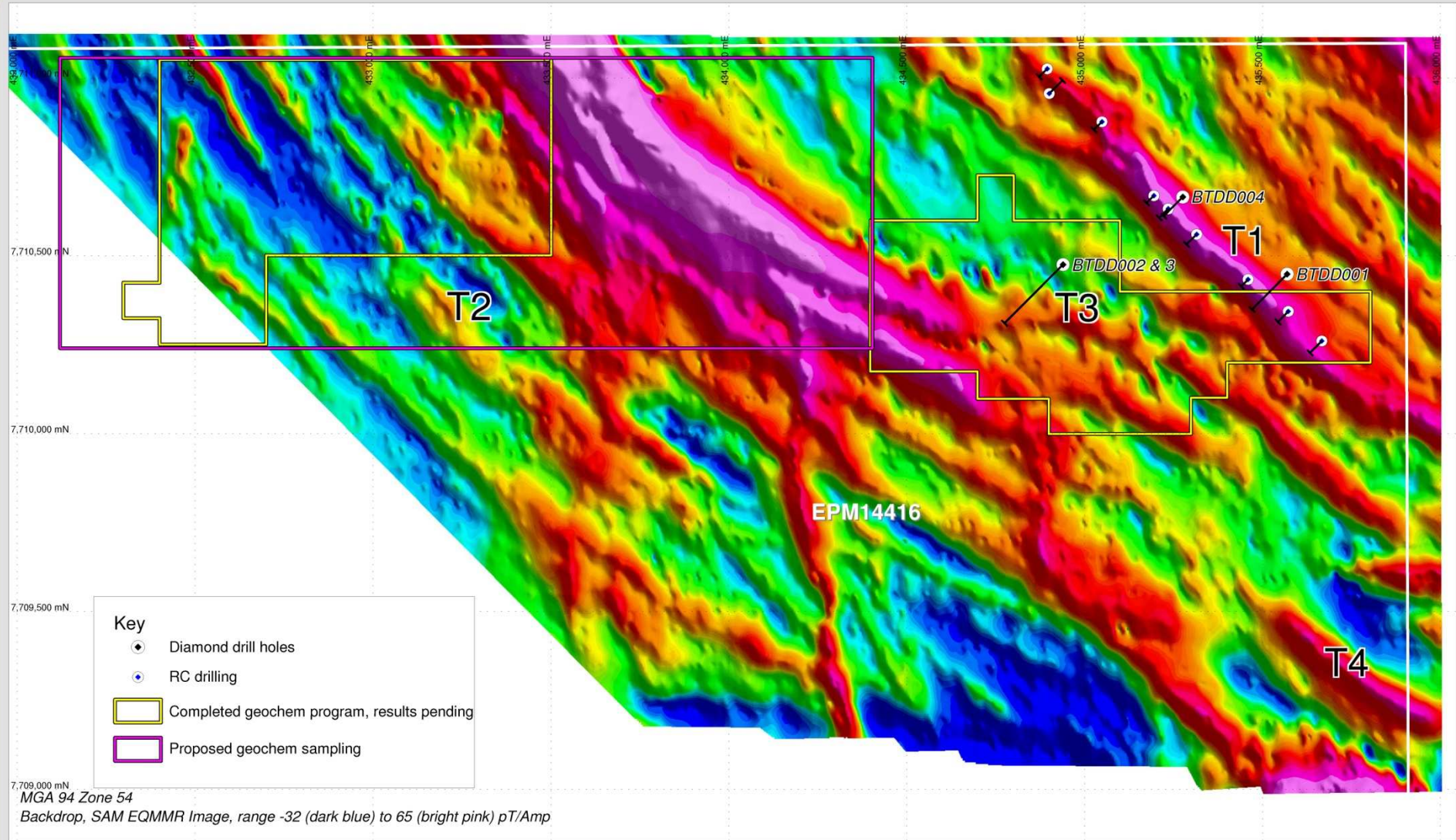
Table: Diamond drillhole summary.

At T1, drilling has confirmed the location, continuity and general orientation of the strongly developed fault zone previously mapped and sampled in the area. Drilling at this stage remains on very broadly spaced centres, interpretation of surface and both RC and recent diamond drilling results highlights the continuity of this structure over a strike length of 1.5 kilometres in the Brightlands Project area.

In hole BTDD002, some native copper was observed around 64 metres down hole, confirming that a supergene zone exists at Tiger and that it is deeper than initially indicated by preliminary RC drilling. The depth of weathering was also deeper than expected in BTDD001 with partially oxidised rock observed to around 119 metres down hole. Diamond drilling largely overcame the difficult drilling conditions encountered in the previous RC programme. These conditions are a direct result of the highly fractured and altered nature of rocks within this structural zone.

Diamond drilling has intersected highly altered and brecciated zones. As with previous drilling, the mineralised zone is marked by strong quartz carbonate veining and variable carbonate alteration associated with vein and disseminated sulphide mineralisation. Holes intersecting the mineralised zone below the base of oxidation encountered strong pyrite and pyrite-magnetite mineralisation with trace chalcopyrite.

The Tiger Prospect is located on the southern extension of a structural trend which is a major fault system being part of the Rocklands Fault system. The Tiger Prospect is considered a prospective host to similar mineralisation. Ongoing geological mapping and interpretation continue to confirm this view.



**BRIGHTLANDS PROJECT
 TIGER PROSPECT
 DRILLING AND SAM**

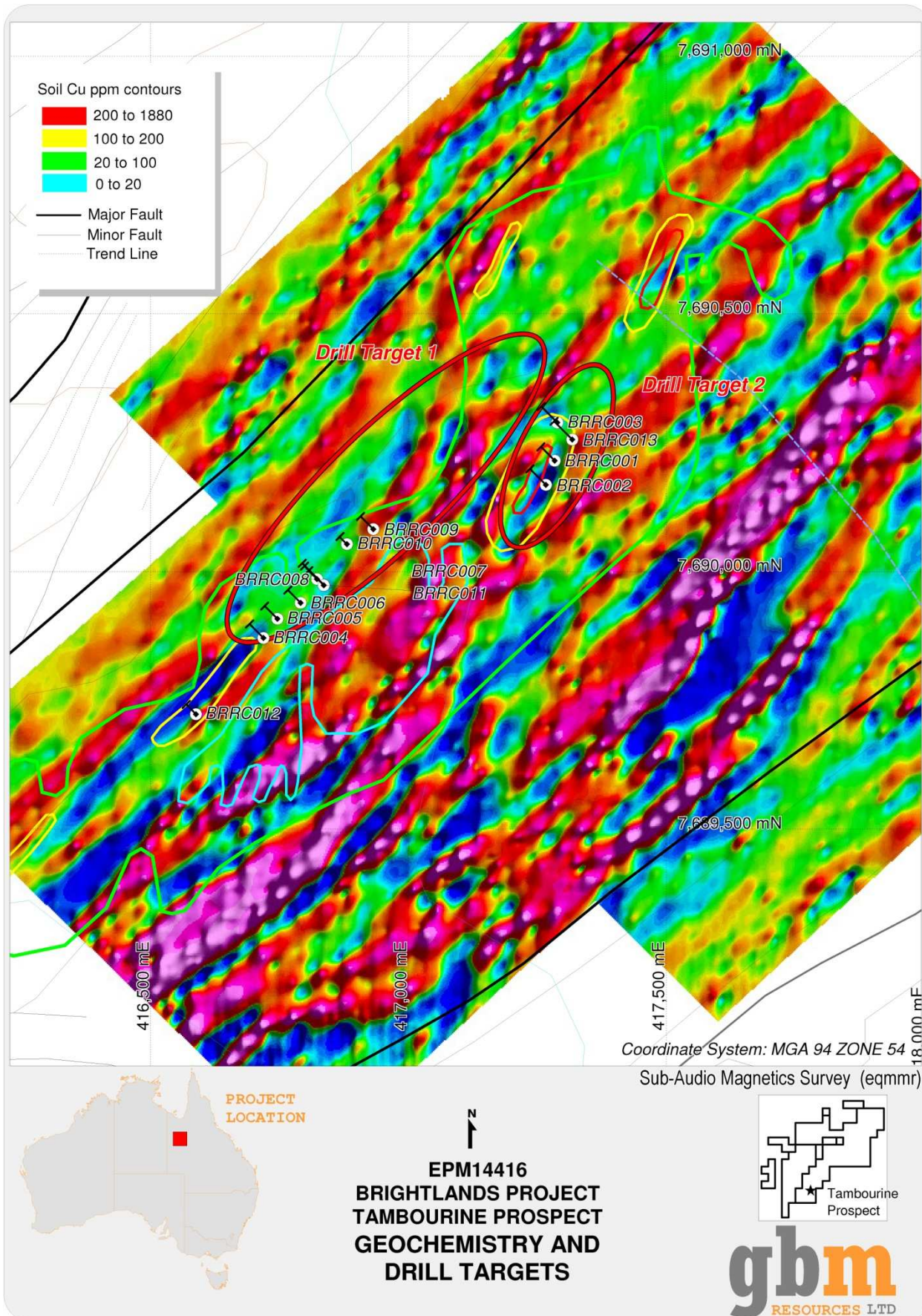


Tambourine Prospect

Following from maiden 13 hole RC drilling programme completed during the previous quarter which confirmed copper mineralisation at Tambourine Prospect, a SAM survey and geological mapping and sampling has been completed over this prospect. Initial review of the SAM data indicates several very strong conductivity trends, which appear to be related to and extend previously confirmed mineralised trends. Compilation of geological mapping and sampling data is progressing to compliment SAM and to refine drill targets in this area.

Key outcomes from previous work include:

- Zones of highly anomalous (>1000ppm or 0.1%) Cu mineralisation were intersected in 10 of the thirteen holes drilled
- Peak values of up to 13.8% Cu are in line with surface samples and confirm that at least narrow zones of high grade mineralisation do occur.
- Gold values in zone 2 are in line with surface samples with peak value of 2.6 ppm associated with high grade copper mineralisation are also in line with surface sampling results.
- Drilling has confirmed the presence of continuous mineralisation at levels up to 3.3% Cu and 0.3ppm Au associated with a steeply east dipping structure defining zone 1 over 600m strike length.
- Mineralisation is intimately associated with fine to medium grained metamorphosed mafic intrusive rocks (meta-dolerite and met-gabbro) in both mineralised zones.
- In Zone One mineralisation occurs both at the margin of the intrusive as zones of tourmalinite with elevated gold and copper values in surface sampling, and as cross cutting quartz carbonate veins with pervasive haloes of alteration and mineralisation.
- In Zone Two strong zones of quartz carbonate veining and associated alteration host disseminated copper and gold mineralisation. Mineralisation seems to penetrate the intrusive body and may relate to structural zones cutting across the host rock
- The host rock in zone two appears to define open folds with a shallow north plunge. The mineralisation interested is near the crest of an anticline and the downplunge, northward continuation of this may represent a valid exploration target.
- The area lies on or adjacent to major regional fault structures identified in the structural review conducted earlier this year. These structures would appear to link to deep seated possibly mantle tapping regional structures indentified in recent research by the pmd-CRC.



Figure; Tambourine Prospect SAM showing conductivity trends and previous drilling.

Other Prospects

Further field work to progress Milo and other priority targets in the Brightlands Project area to drill ready was advanced during the December Quarter. This work included;

- **Milo Area**-geological mapping and sampling to characterise mineralisation and define mineralised structures.
- **Fine Gold Gully**- access track has been cleared and initial samples collected. . Review of previous exploration data confirms that this area hosts a large coherent +100ppb Au geochemical anomaly, where one hole drilled over weaker (30ppb in soil) geochemical response returned 6m @ 0.2g/t Au and 0.23% Cu.
- **Highway** - geological mapping and sampling south of Milo has located this prospect. An additional licence application EPM18453 has been lodged to cover extension of this prospect beyond the Brightlands licence area. Previous exploration has returned encouraging results including 10m @ 0.23% Cu in DDH1 and 30m @ 0.4% Cu in DDH2 of a three hole programme by AMAX .

Isa Region Summary Outlook

- Brightlands- complete drillhole logging and sampling. Compilation and interpretation of mapping, sampling, drilling and geophysical data for Tiger and Tambourine Prospects to design programme of further surveys and drilling. Compilation and interpretation of data collected from Highway and Milo Prospect areas and programme design for the coming season.
- Progress on other IOCG targets and Phosphate targets will be dependant on timing of funding flowing from Joint Ventures currently being finalised.

Dee Range Copper Gold Project

The Dee Range Copper Gold Project now includes five exploration permits areas with the addition of the Smelter Returns application lodged during the December Quarter. These licences cover approximately 890 square kilometres proximal to the Mount Morgan Mine which produced 8M ounces of gold and over 400,000 tonnes of copper in a mining history spanning more than 100 years. This is a world-class deposit and the project area contains a number of Cu-Au anomalies from previous exploration that remain unexplained in a highly prospective geological setting.

During the December quarter geological mapping, soil and rock sampling was conducted over one target area on the Mt Morrissey EPM 17163. This work investigated the Ulam magnetic anomaly which is associated with historic gold workings and a felsic porphyry intrusive. Geological and geochemical data is currently being compiled and interpreted.

Project Outlook

Further field inspection, including field mapping with rock and or soil sampling of other target areas is required and planned for the March quarter.

1. *Malmsbury Gold Project*

Soil sampling completed during the March Quarter defined a Gold-Antimony-Molybdenum-Stibnite anomaly at Belltopper Hill which lies within the Malmsbury Project. Belltopper Hill hosts a number of zones of auriferous mineralisation including the Leven Star Zone for which GBM recently announced an increased gold resource of 0.8Mt containing an estimated 104,000 ounces of gold at an average grade of 4.0 g/t Au.

Mineralisation at Belltopper Hill was discovered along with the nearby Drummond North Goldfield during the 1880's and these areas have yielded over 90,000 ounces of gold from hardrock mining, and an unknown quantity of gold from extensive alluvial areas on and around Belltopper Hill. Belltopper Hill is a prominent landform resulting from the resistive nature of the metamorphism and silicification of the area. These features have been interpreted to indicate the emplacement of a granitic intrusive below Belltopper Hill, a potential source for gold and other metals associated with numerous gold mines in the area. This interpretation is supported by the existence of a subtle magnetic high over the area.

This feature was interpreted from high quality airborne magnetic survey data available as part of the Victorian Governments VIMP initiatives. The area is interpreted to be centre of an IRGS, such systems may host one or more of a range of deposit styles, including large disseminated and stockwork style deposits.

GBM have targeted the Malmsbury Project as a potential host to an Intrusive Related Gold System (IRGS).

Significant trends in the Belltopper Prospect soil sampling programme (reported previously) are summarized below;

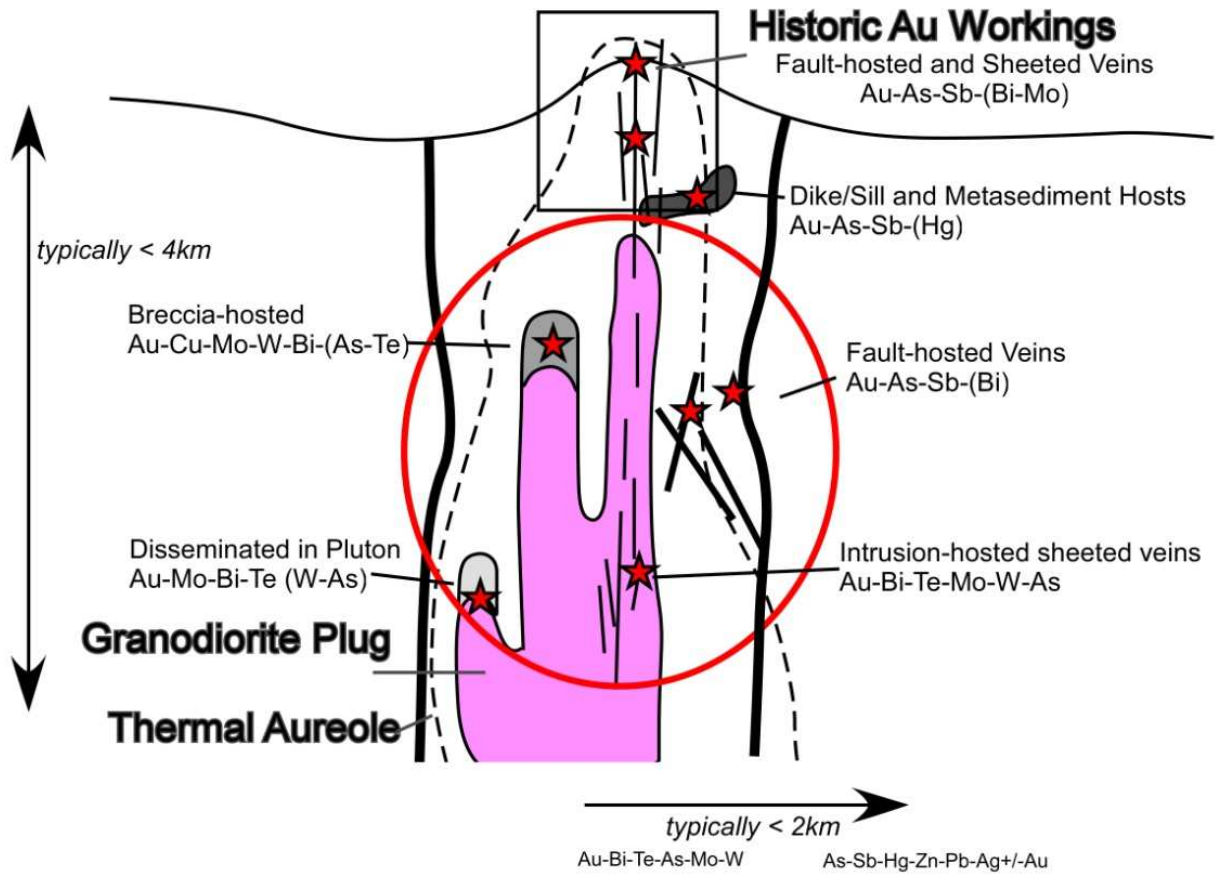
- Gold defines a strong anomaly at 50 ppb centred on the intersection of known mineralisation but trending north wards to areas not previously drill tested.
- Arsenic defines a very similar pattern to gold, both reflecting the strong structural controls known to operate in the area.
- Antimony (Sb) closely follows the Au distribution pattern.
- Molybdenum defines a discrete ovoid pattern centred near south east margin of the magnetic feature, and very close to the Missing Link mineralised zone.
- Bismuth distribution pattern very closely reflects molybdenum.

The broader distribution of Au, As and Sb in association with structurally hosted mineralisation comparison is consistent with the metal zoning to be expected in an IRGS. This model would also predict the tighter distribution of Mo and Bi in closer proximity to an intrusive body. The coincidence of the Mo-Bi anomaly with the magnetic feature is further supportive of an intrusive body at depth in this vicinity.

Project Outlook

The Malmsbury Project will be reactivated during the March quarter. Compilation and interpretation of soil results is progressing to assist in final drill targeting. Drilling of a deep (approximately 1 kilometre) hole to test for mineralisation styles associated with an IRGS in the Malmsbury Project area will be undertaken with the assistance of a Rediscover Victoria Drilling grant for 50% of drilling costs up to \$132,000.

Potential for vertical zonation of mineralization styles at Belltopper Hill



2. Willaura Copper Gold Project

Previous exploration has identified three discrete magnetic features with coincident geochemical anomalies considered worthy of further investigation for intrusive related gold mineralisation. These anomalies are located in the Stavely region of western Victoria. The Stavely Belt is considered by the Company as one of Australia's most under-explored volcanic terrains with exploration results previously released by Beaconsfield Gold representing some of the first high grade gold and base metal intersections in this terrain and confirming the prospectivity of the region for IRGD style deposits.

Further success by Beaconsfield Gold who recently reported an initial resource containing 47,000t copper in the supergene zone at Thursdays Gossan, and in addition, high grade porphyry hosted gold mineralisation at the nearby Fairview Au Prospect further supports the prospectivity of this terrain. Drilling is ongoing at these areas.

The company was successful in receiving funding as part of the Rediscover Victoria Strategic Drilling Initiative. This funding is for 50% of direct drilling costs up to \$56,000 to test three coincident geochemical and magnetic anomalies with two holes each.

Project Outlook

Field and landholder visits are planned for early in the March quarter in preparation for field work required to follow up previously identified geophysical anomalies 'A' to 'C'. Extension of ground magnetic grid over anomaly 'C' and modelling of anomaly is required prior to planning drill hole testing. Field inspection of the northern continuation of anomaly 'A' to assist target development and drill hole planning is required. A number of other significant geochemical and geophysical anomalies remain to be tested within the project area. These will be reassessed in light of data from the current program. It is planned to complete ground magnetic and follow-up IP surveys (Induced Polarization) to identify possible disseminated sulphide deposits with a view to determining the priority for any future drill testing.

TENEMENT SUMMARY

Three new exploration permit applications were lodged during the quarter. Two titles (EPM's 18453 and 18454) cover some new areas which contain potential targets for IOCG style mineralisation adjacent to the Brightlands Project. The third new application will include the extension of the Smelter Return Prospect in the Dee Range area. Tenement maintenance, including reporting and renewals have been ongoing during the quarter.

Project / Name	Tenement No.	Owner	GBMR Equity	Manager	Granted	Expiry	Approx Area* ³ (km ²)	Status	State
Victoria									
Malmsbury									
Belltopper	EL4515* ¹	GBMR	100%	GBMR	6/10/2005	5/10/2010	25	Granted	Vic
Lauriston	EL5120	GBMR	100%	GBMR	17/12/2008	16/12/2013	143	Granted	Vic
Willaura									
Lake Bolac	EL4631	GBMR	100%	GBMR	21/03/2002	20/03/2009	98	Granted	Vic
Woorndoo	EL4751	GBMR	100%	GBMR	19/11/2003	18/11/2010	29	Granted	Vic
Queensland									
Dee Range									
Dee Range	EPM16057	GBMR	100%	GBMR	27-Sep-07	26-Sep-12	178	Granted	Q'ld
Boulder Creek	EPM17105	GBMR	100%	GBMR	26-Mar-08	25-Mar-10	178	Granted	Q'ld
Mt Morrisey	EPM17163	GBMR	100%	GBMR	23-Apr-08	23-Apr-10	161	Granted	Q'ld
Black Range	EPM17734	GBMR	100%	GBMR	20-May-09	19-May-14	180	Granted	Q'ld
Smelter Return	EPMA18366	GBMR	100%	GBMR			195	Appl'n	Q'ld
Mount Isa Region									
Talawanta - Grassy Bore									
Talawanta	EPM15406	GBMR* ² /Isa Tenements	100%	GBMR	15-Jan-08	14-Jan-11	<u>325</u>	Granted	Q'ld
Grassy Bore	EPM15681	GBMR* ² /Isa Tenements	100%	GBMR	28-Sep-07	28-Sep-10	<u>325</u>	Granted	Q'ld
Talawanta	EPM 18290	GBMR/Isa Tenements	100%	GBMR			455	Appl'n	Q'ld
Grassy Bore	EPM 18291	GBMR/Isa Tenements	100%	GBMR			455	Appl'n	Q'ld
Mount Margaret									
Mt Margaret W. Ext	EPM16227	GBMR* ² /Isa Tenements	100%	GBMR	31-Jul-07	30-Jul-12	<u>36</u>	Granted	Q'ld
Mt Margaret West	EPM14614	GBMR* ² /Isa Tenements	100%	GBMR	2-Aug-05	1-Aug-10	<u>129</u>	Granted	Q'ld
Mt Malakoff Ext	EPM16398	GBMR* ² /Isa Tenements	100%	GBMR			84	Appl'n	Q'ld
Cotswold	EPM16622	GBMR* ² /Isa Tenements	100%	GBMR			45	Appl'n	Q'ld
Dry Creek	EPM 18172	GBMR/Isa Tenements	100%	GBMR			227	Appl'n	Q'ld
Dry Creek Extended	EPM 18174	GBMR/Isa Tenements	100%	GBMR			39	Appl'n	Q'ld
Brightlands									
Brightlands	EPM14416	GBMR* ² /Isa Brightlands	100%	GBMR	5-Aug-05	4-Aug-10	251	Granted	Q'ld
Wakeful	EPM18454	GBMR/Isa Brightlands	100%	GBMR			13	Appl'n	Q'ld
Highway	EPM18453	GBMR/Isa Brightlands	100%	GBMR			36	Appl'n	Q'ld
Brightlands West	EPM18051	GBMR/Isa Brightlands	100%	GBMR			99	Appl'n	Q'ld
Bungalien									
Bungalien	EPM14355	GBMR* ² /Isa Tenements	100%	GBMR	13-Oct-04	12-Oct-09	<u>61</u>	Granted	Q'ld
Horse Creek	EPM15150	GBMR* ² /Isa Tenements	100%	GBMR	13-Jul-06	12-Jul-09	<u>80</u>	Granted	Q'ld
Limestone Creek	EPM17849	GBMR/Isa Tenements	100%	GBMR			72	Appl'n	Q'ld
Malbon 2	EPM14120	GBMR* ² /Isa Tenements	100%	GBMR	24-Aug-04	23-Aug-10	<u>15</u>	Granted	Q'ld
Bungalien 2	EPM18207	GBMR/Isa Tenements	100%	GBMR			325	Appl'n	Q'ld
Horse Creek 2	EPM18208	GBMR/Isa Tenements	100%	GBMR			325	Appl'n	Q'ld
Totals	26						3712		
<p>Note *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. *³ For Q'ld tenements, 1 sublock ~3.2km². Underlined areas indicate the tenement is contained in new application area.</p>									

Table; GBM Resources Tenement Summary December 2009.

CORPORATE

Pan Pacific Copper Joint Venture

The company announced on the 16th December 2009 that it had signed a non-binding Letter of Intent with the Japanese copper group, Pan Pacific Copper Co., Limited, which could see the global group spend up to A\$55 million on the development of new copper - gold exploration and mining projects in northwest Queensland.

A formal Farm In and Joint Venture agreement is currently being negotiated based on the key terms of the Letter of Intent. Pan Pacific will earn a 51% interest in seven exploration permits and nine exploration permit applications in GBM's extensive portfolio of tenements in the Mount Isa region, by spending A\$15 million within the first six years – including a firm commitment to spend at least \$2 million in the first two years.

After earning its initial 51%, Pan Pacific will be entitled to increase its share of the venture to 90% by spending a further \$40 million on exploration and development of the tenements over the following five years.

During the farm-in period, GBM will carry out all exploration activities for Pan Pacific on the Mount Isa projects, which cover 1,580 square kilometres of highly prospective multi-minerals ground in the Eastern Succession of the Mount Isa Inlier. This area is considered highly prospective for large Iron Oxide Copper Gold style deposits.

Under the terms of the initial agreement, if Pan Pacific reaches a 90% interest in the JV at Mount Isa, GBM's 10% will be free carried through to the completion of a Bankable Feasibility Study. GBM has also agreed that, once production from the tenements commences, it will sell its interest in the minerals produced to Pan Pacific at prevailing market rates.

Pan Pacific Copper Co Limited was established in October 2000 as a joint venture between the Japanese minerals producers, Nippon Mining & Metals Co Limited and Mitsui Mining & Smelting Co Limited.

As well as a world-leading buyer of copper concentrate, Pan Pacific operates a network of smelting facilities producing an extensive range of copper products in Japan, and has invested in a number of major copper projects in Chile, Australia and other countries.

Phosphate Joint Venture

Singapore based Resource Kings Pte Ltd has entered into a Binding Term Sheet to acquire a joint venture interest in potentially large-scale phosphate projects held by GBM Resources Limited in the Mount Isa region of north Queensland.

Resource Kings Pte Ltd is a commodities based trading company that includes a focus on steel and fertiliser products.

Under the proposed agreement GBM Resources will issue 8.5 million new ordinary shares in the company to Resource Kings Pte Ltd at an issue price of A\$0.31 per ordinary share being a premium to current market price to raise \$2,635,000 and GBM will agree to commit \$635,000 of the funds invested toward a phosphate exploration program to be managed by GBM.

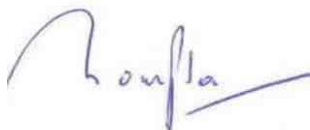
Upon completion of the initial exploration program, the joint venture agreement will enable Resource Kings Pte Ltd to have earned a 90% interest in the phosphate projects and to have full responsibility for all future development and mine related costs and GBM to retain a free carried interest of 10% of any income generated from the successful production and sale of phosphate. GBM's interest is subject to a 2% royalty.

The remaining \$2.0 million will be used by GBM to further enhance its exploration efforts at the Brightlands Cu Au project and the Malmsbury Au project.

Expenditure for the Quarter

The Company spent \$923,000 in the quarter of which \$790,000 was for exploration and \$133,000 on administration costs. Cash at the end of the quarter totals \$ 2.9 million. Forecast exploration expenditure for the March 2009 quarter is estimated at \$ 600,000.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'P Thompson', with a long horizontal flourish extending to the right.

Peter Thompson
Managing Director

Note; The information in this report that relates to Exploration Results is based on information compiled by Neil Norris, who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy. Mr Norris 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 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GBM Resources Limited

Quarter ended ("current quarter")

ABN 91 124 752 745

31 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	--	--
1.2 Payments for: (a) exploration and evaluation	(790)	(1,078)
(b) development	--	--
(c) production	--	--
(d) administration	(133)	(346)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	9	11
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other – Option fees paid	--	--
Net Operating Cash Flows	(914)	(1,413)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	--	--
(b)equity investments	--	--
(c) other fixed assets	--	--
1.9 Proceeds from sale of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	--	--
1.10 Loans to other entities	--	--
1.11 Loans repaid by other entities	--	--
1.12 Other (provide details if material)	--	--
Net investing cash flows	--	--
1.13 Total operating and investing cash flows (carried forward)	(914)	(1,413)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(914)	(1,413)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,554	3,010
1.15	Proceeds from sale of forfeited shares	--	--
1.16	Proceeds from borrowings	--	--
1.17	Repayment of borrowings	--	--
1.18	Dividends paid	--	--
1.19	Other (capital raising costs)	(185)	(243)
	Net financing cash flows	2,369	2,767
	Net increase (decrease) in cash held	1,455	1,354
1.20	Cash at beginning of quarter/year to date	1,469	1,570
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	2,924	2,924

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	\$149
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil
1.25	Explanation necessary for an understanding of the transactions	
	\$48k Director fees \$101k Executive Director fees All payments relating to Directors and Associates were on normal commercial terms.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	600
4.2	Development	Nil
Total		600

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	2,778	1,327
5.2	Deposits at call	146	142
5.3	Bank overdraft	Nil	Nil
5.4	Other (provide details)	Nil	Nil
Total: cash at end of quarter (item 1.22)		2,924	1,469

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	EPM 18454 EPM 18453	Application lodged Application lodged	100% 100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	Nil			
7.2 Changes during quarter	Nil			
7.3 +Ordinary securities	158,143,504	158,143,504		
7.4 Changes during quarter				
(a) Increases through issues	12,545,000	12,545,000	\$0.20	
	8,800,000	8,800,000	\$0.03	
	45,000	45,000	\$0.22	
(b) Decreases through returns of capital, buy-backs	Nil			
7.5 +Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter	Nil			
7.7 Options <i>(description and conversion factor)</i>	3,730,000	Nil	<i>Exercise price</i> \$0.25	<i>Expiry date</i> 30 June 2010
	19,955,000	Nil	\$0.22	30 June 2010
	40,379,552	40,379,552	\$0.25	30 June 2010
7.8 Issued during quarter	Nil	Nil	<i>Exercise price</i>	<i>Expiry date</i>
7.9 Exercised during quarter	45,000	45,000		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

..... Date: 28 January 2010
Company Secretary

Print name: Stuart Usher

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.