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ASX Announcement

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GBM Resources Makes Rare Earth Elements (REE) Discovery at Brightlands Copper-Gold Project in Queensland

HIGHLIGHTS:

- **GBM Resources announces broad zone of Rare Earth Element and Yttrium (REEY) mineralisation discovered at Milo Prospect, part of the Brightlands Copper-Gold Project in NW Queensland;**
- **Significant RC Results include:**
  - **MIL001: 120m@ 1,911ppm Total Rare Earth Element and Yttrium Oxides (TREEYO), including 32m@ 7,239ppm TREEYO; and**
  - **MIL002: 138m @ 1,792 TREEYO, including 16m @ 9,367ppm TREEYO;**
- **The dominant Rare Earth Elements associated with mineralisation at Milo are Lanthanum (La), Neodymium (Nd) and Cerium (Ce) with associated Yttrium (Y);**
- **Drill holes MIL001 and MIL007 are separated by 400 metres and the REEY zone is open along strike and at depth. Further drilling is required to test extension and depth;**
- **Previously drilled holes at Milo are now being re-examined to determine if additional potential for REEY mineralisation exists.**

Australian resources company **GBM Resources Limited** (ASX:**GBZ**) ("**GBM**" or "the **Company**") today announced that 3 Reverse Circulation (RC) pre-collars drilled at the Milo Prospect, for its Brightlands Copper-Gold Project in northwest Queensland, have identified previously undiscovered Rare Earth Element Yttrium Oxide (REEY) mineralisation.

GBM Resources Executive Chairman Peter Thompson said, "GBM is focussed on progressing development of Milo as an IOCG development, however the discovery of rare earths at the Milo Prospect is an unexpected bonus. We intend to conduct further test work to determine the extent and grade of the rare earths mineralisation at Milo to evaluate its potential to add value to the project."

Milo is a breccia-hosted IOCG discovery. Breccia-hosted IOCG deposits represent some of the largest Cu-Au discoveries made in Australia by modern exploration and include Ernest Henry, Olympic Dam and Prominent Hill mines.

GBM also advised that pre-collared diamond drilling of hole 9 in its 10-hole drill program on the Milo Prospect is currently underway. Positive results from this program will provide the basis for a Preliminary Feasibility Study (PFS) for GBM's proposed Iron Oxide Copper Gold (IOCG) development. The PFS is currently planned to commence in 2012.

GBM's current program is part of an extensive $2.5 million drilling program to expand and progress the potential development of Milo and other prospects within the Brightlands Cu-Au Project area and is scheduled to run through to November 2011.

Diamond drilling is progressing well with eight of the 10 planned holes completed, and the remainder of this stage expected to be completed in July. Further drilling results are expected to be available this month.

REE Discovery

Early results from three pre-collars drill holes (MIL001, 2 and 7) indicated elevated levels of Lanthunum (La) and Phosphate (P). Subsequently, samples were analysed for a complete REE suite by ALS Laboratory[*2]. The results confirm significant intervals of REEY mineralisation in all three holes, summarised in Table 1 below. Refer to Attachment 1 for drill hole locations.

Previously drilled holes are now being re-examined to determine if additional potential for REEY mineralisation exists elsewhere in the Milo Prospect. The Company advised it is likely that additional analyses of part or all, of these holes will be required.

An average of 87% of the TREEYO contained in Milo samples received to date comprise of four REEY elements; CeO2 (39%), La2O3 (25%), Nd2O3 (13%) and Y2O3 (9%). Oxides of rare earth elements Ce, La, Y, Dy, Er, Eu, Gd, Ho, Lu, Nd, Pr, Sm, Tb, Tm and Yb are included in the estimate of average TREEYO.

For background and to indicate possible economic implications, current metal prices for these elements are; CeO2 (US$148/kg), La2O3 (US$147/kg), Nd2O3 (US$315/kg) and Y2O3 (US$167/kg) (source www.metalpages.com 04/07/2011). Based on the abundances of various REEY in samples analysed to date, the value of this mix of metals would have a weighted average value of approximately US$150/kg. For comparison, the current value of Cu is approximately $9.50/kg.

Hole ID	from	to	Interval	Ce02 ppm	La2O3 ppm	Nd2O3 ppm	Y2O3 ppm	TREEOY ppm	TREEYO kg/t
MIL001	16	136	120	818	557	232	117	1911	1.9
MIL001	36	114	78	1267	863	359	181	2958	3.0
MIL001	82	114	32	3101	2113	878	442	7239	7.2
MIL001	36	42	6	1433	948	400	195	3293	3.3
MIL002	0	138	138	755	519	230	106	1792	1.8
MIL002	11	30	19	3435	2444	1018	414	8085	8.1
MIL002	11	27	16	3976	2838	1180	476	9367	9.4
MIL002	69	77	8	1241	861	370	153	2898	2.9
MIL002	127	136	9	1065	677	359	134	2498	2.5
MIL002	127	133	6	1326	864	439	150	3095	3.1
MIL002	180	204	24	158	97	54	40	407	0.4
MIL007	51	201	150	272	192	86	41	669	0.7
MIL007	166	179	13	637	479	183	69	1513	1.5

Table 1: Summary of down hole intersections from reverse circulation sections of drill holes MIL001, 2 and7.The length weighted average grade of all long intervals above is 1.4 kg/t.

Available results confirm long down-hole intervals of REEY mineralisation, up to 150 metres, in broadly spaced drill holes. At this stage, true widths cannot be confirmed however the zone is currently interpreted as steeply east dipping (grid), suggesting that true widths will be approximately 60% of down-hole intervals. Hole MIL001 is 400 metres south of MIL007, which when combined with the long down-hole intervals of mineralisation recorded, provide an outline for a large zone of potential REEY mineralisation at the Milo Prospect.

Previously drilled holes will provide additional information relating to the overall distribution and grade of the newly discovered REEY mineralisation.

Discovery of broad zones of REEY mineralisation has the potential to add considerably to current exploration and builds on significant results returned to date on Milo, which has confirmed potential for a large Iron Oxide Copper Gold system (IOCG). The data from that work provided GBM Resources with the basis for an initial IOCG Exploration Target*[3] of between 30-80 million tonnes (Mt) of mineralised material which averaged between 0.8% and 1.2% Cu equivalent*[1].

For general information on Rare Earths please see www.AustralianRareEarths.com

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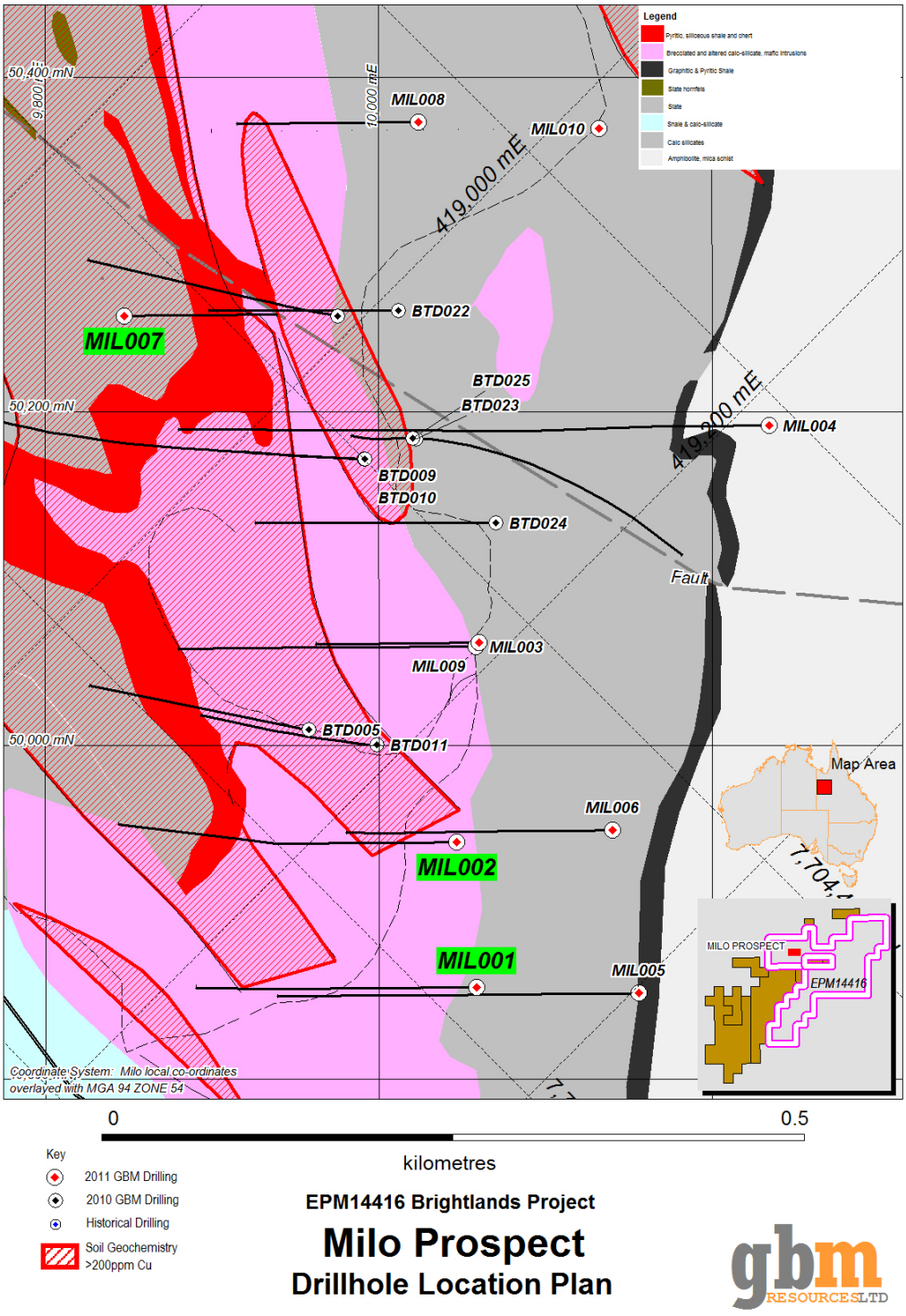
*[1] *Copper Equivalent calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. However it is the company's opinion that elements considered here have a reasonable potential to be recovered. It should also be noted that current state and federal legislation may impact any potential future extraction of Uranium. Prices and conversion factors used are summarised below, rounding errors may occur.*

Commodity	Price	Units	unit value	unit	Conversion factor (unit value/Cu % value)
copper	6836	US$/t	68.36	US$/%	1.0000
gold	1212	US$/oz	38.97	US$/ppm	0.5700
cobalt	40000	US$/t	0.04	US$/ppm	0.0006
silver	18	$/oz	0.58	US$/ppm	0.0085
uranium	40	US$/lb	0.08	US$/ppm	0.0012
molybdenum	38000	US$/t	0.04	US$/ppm	0.0006

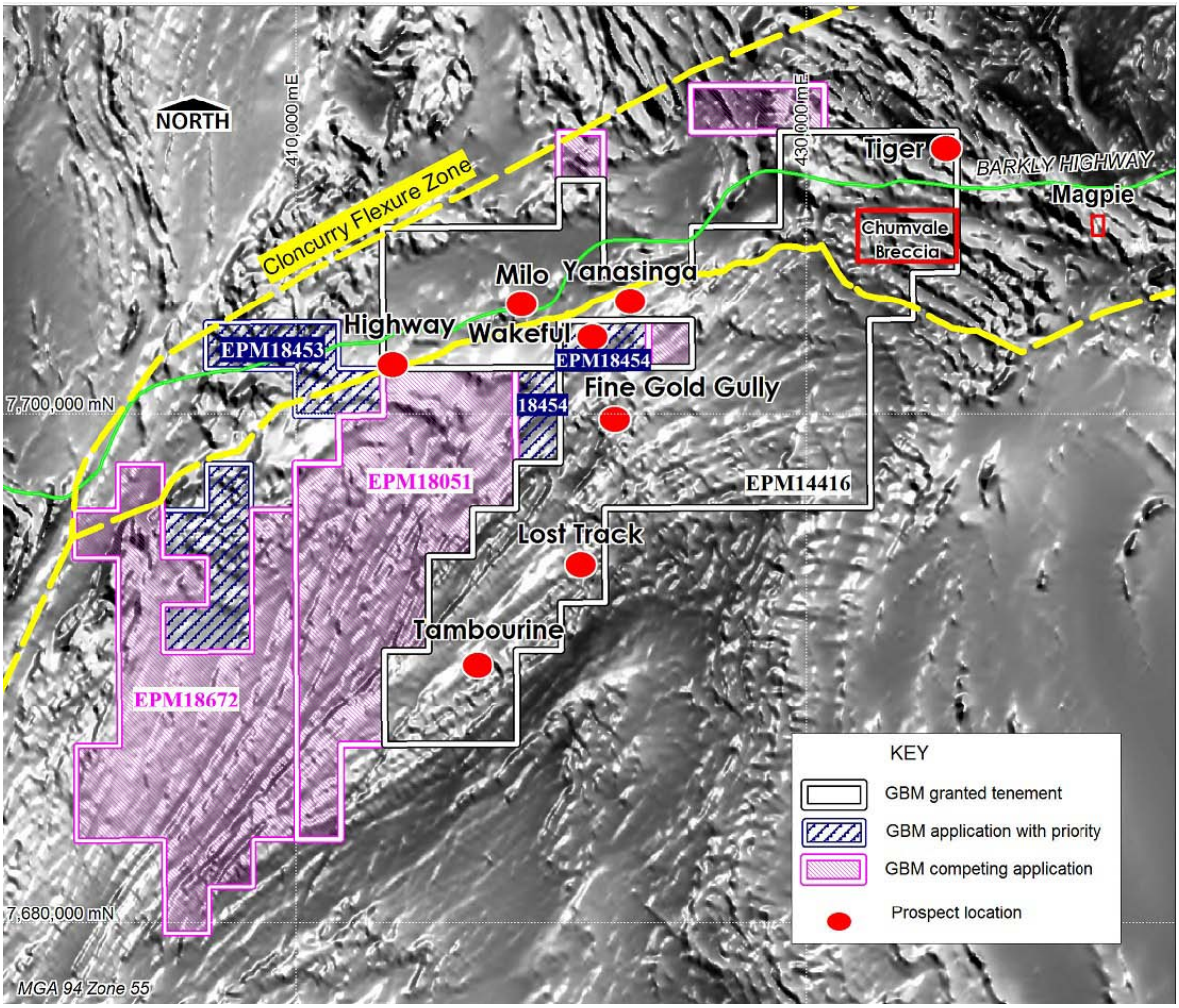
*[2] *Intersections quoted are length weighted averages of results for individual sample intervals. Samples were taken at 1 metre intervals in RC drilling by multistage splitter and generally 1 metre intervals of half sawn core with maximum of 2 metres for diamond drilling. Analyses were completed by ALS in Mt Isa for all elements other than gold by ME-MS61r, over limit (>1%) Cu by Cu-OG46 and AU by Au-AA25 in Brisbane. Holes generally range in declination from 50^0 to 70^O to 225^0 MGA at Milo. Mineralised zones are interpreted to dip steeply in the opposite direction, holes are therefore drilled approximately perpendicular to the interpreted strike of mineralised zones.*

*[3] *It should be noted that this is an exploration target only, potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The tonnage estimate is based on a 475 metre strike length with an average combined width of 80 metres and depth of 500 metres being the volume broadly tested by drilling to date. A nominal bulk density of 3.0 t/m^3 was assumed. An accuracy of +/- 50% was assumed to provide a tonnage range reflecting the conceptual nature of this target estimate. Grade ranges represent the range of down-hole intersections available over significant widths to date.*

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.



Attachment 1 – Drill hole location map



Attachment 2 - Brightlands Project area showing prospects over TMI RTP magnetic image.