

ASX Announcement
28 January 2011

REPORT FOR THE QUARTER ENDED 31 DECEMBER 2010

Highlights

Corporate

- A\$4.5 million Placement closed heavily oversubscribed to accelerate Exploration activities at the Brightlands Cu Au Project.

Brightlands Copper Gold Project

Milo Prospect

Significant Results at Milo Prospect confirm potential for a large Iron Oxide Copper Gold system (IOCG System).

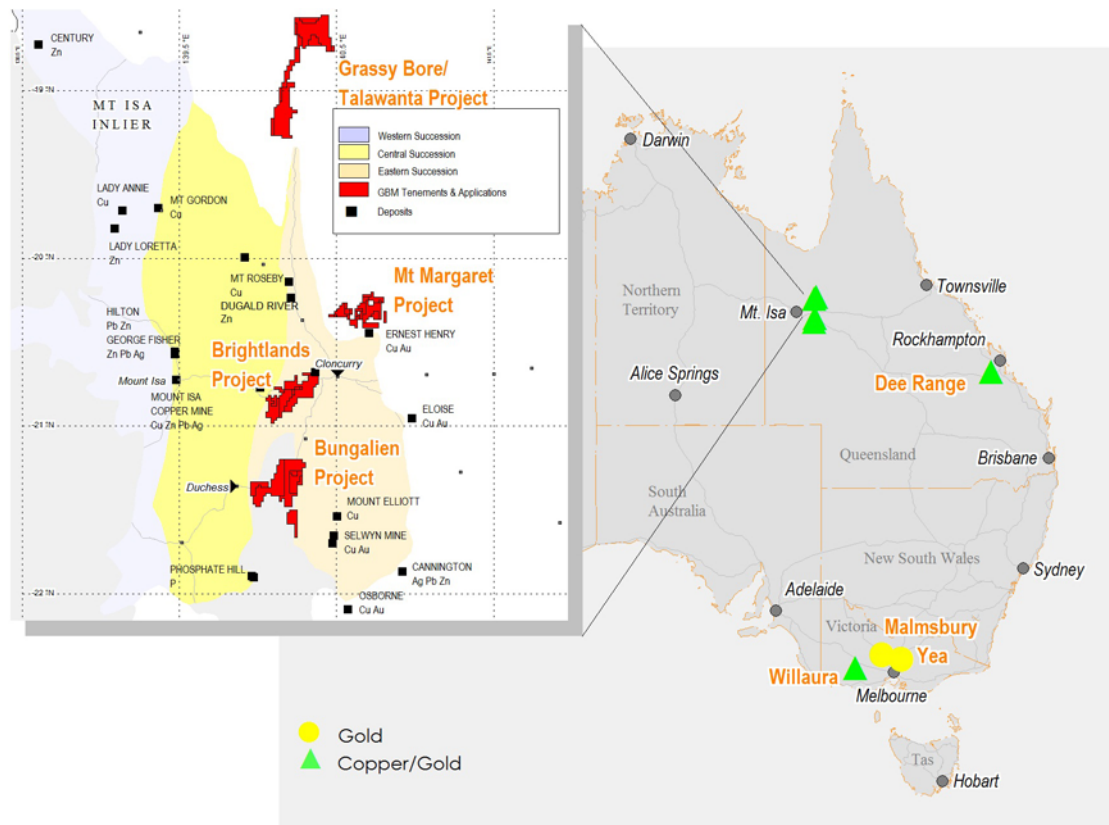
- Results include:-
 - BTD024: 107m @ 0.8% Cu equivalent including 37m @1.1% Cu equivalent; and
 - BTD025: 86m @ 0.8% Cu equivalent including 27m@ 1.2% Cu equivalent and 18m @ 1.3% Cu equivalent.
- Initial Exploration Target*³ of 30 to 80 million tonnes within a grade range of 0.8% and 1.2% Cu equivalent.
- Drilling program confirms consistent mineralisation over board intervals with significant results for copper, gold, silver, molybdenum, cobalt and uranium.
- Recent 3D modelling of airborne magnetic data for the Milo IOCG Prospect area has now increased the potential for mineralisation to extend beyond the recently released initial exploration target The Milo IOCG mineralising system remains open both at depth and along strike which suggests potential for future increases in exploration target size.


Tiger T2 Prospect

- Results from a 12 hole shallow drilling program at T2 Prospect have upgraded the coincident copper soil anomaly and Sub Audio Magnetic (SAM) anomaly and provided further evidence that the T2 Prospect is host to IOCG style mineralization.

Pan Pacific Copper Farm-in Project

- Drilling of two 600m deep diamond holes has commenced at the Ibis Prospect to test gravity highs with associated high magnetic responses.
- The work carried out under the A\$55 m exploration 'Farm-in' Agreement between GBM and the Japanese Company, Pan Pacific, announced to the market in the June quarter (ASX on 22 June 2010).




PROJECT LOCATION
DECEMBER QUARTER 2010

SAFETY AND ENVIRONMENT

No LTI or environmental incidents were reported during the quarter. The Company has now completed consecutive 30 months period 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 achieve the highest standards in safety and environmental management.

QUEENSLAND EXPLORATION ACTIVITIES

Mount Isa Region Copper Gold Projects

1. Brightlands Cu Au Project



Picture; Looking west to massive breccia outcrop at Milo

Milo Prospect

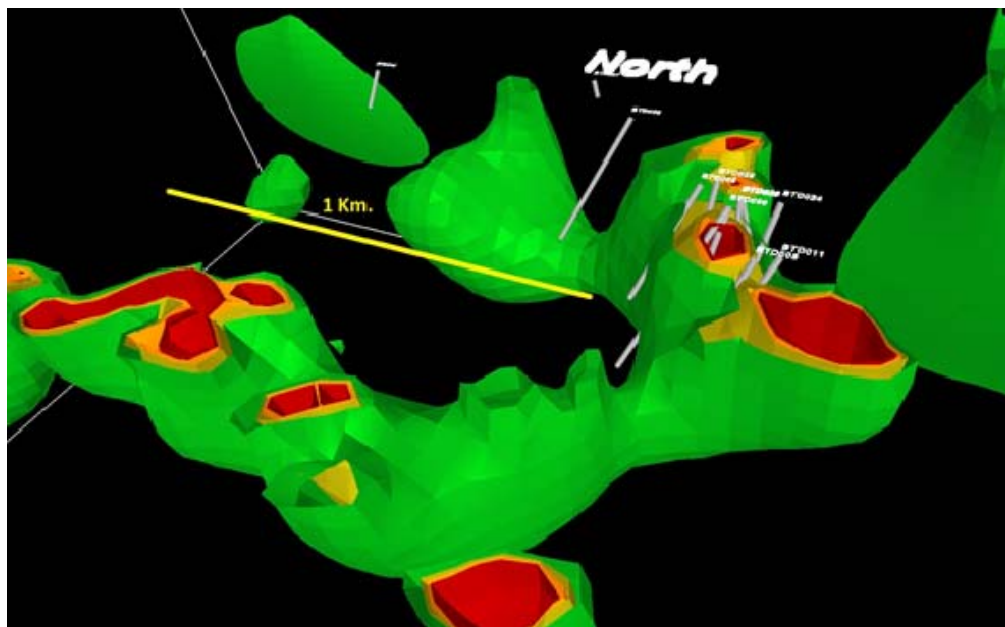
The Milo Prospect is emerging as a large breccia hosted, poly-metallic Iron Oxide Copper Gold system (IOCG). The recent drilling programme has confirmed consistent mineralisation over long intervals containing significant zones of higher grade mineralisation. Key outcomes of the Milo Drilling include;

- Results from recently completed diamond drill program of 1600m at Milo Prospect confirmed potential for a large Iron Oxide Copper Gold (IOCG) system to be hosted within the extensive breccia developed in the prospect area.
- Significant results -
 - BTD024: 107m @ 0.8% Cu equivalent including 37m @1.1% Cu equivalent; and
 - BTD025:86m @ 0.8% Cu equivalent including 27m@ 1.2% Cu equivalent and 18m @ 1.3% Cu equivalent.
- **Initial Exploration Target of 30 to 80 million tonnes within a grade range of 0.8% and 1.2% Cu equivalent.**
- Drilling program confirms consistent mineralisation over board broad intervals with significant results for copper, gold, silver, molybdenum, cobalt and uranium.
- The Milo IOCG mineralising system remains open both at depth and along strike which suggests potential for future increases in exploration target size.
- Drilling to date supports that Milo has the potential to be a large breccia hosted, poly-metallic IOCG system.

Three dimensional modelling of recently collected low level airborne magnetic data further extended the potential of this prospect. Key points from initial examination of this model in conjunction with other available data are:

- Model shows the magnetic feature associated with Milo mineralisation extends further to the south east and north west.
- Initial field inspection has confirmed that alteration and mineralisation does extend to the South east.
- Magnetite (likely source of magnetic anomalies) shows a general correlation with copper mineralisation in data available from drilling completed to date.
- Drill testing of this area may result in an increase to the recently released initial exploration target of between 30Mt and 80Mt within a grade range of 0.8% and 1.2% Cu equivalent.

The Milo area appears to be part of a large semicircular magnetic feature containing several other magnetic highs which require follow up field work.



Figure; oblique view of Milo magnetic model showing GBM Drillholes. Model shells (in magnetic susceptibility units) are green 30,000, olive 50,000, orange 60,000 and red 70,000.

Significant results from the full drill program comprising 4 pre-collared diamond drillholes include 37.0 metres averaging 1.1% copper equivalent within a broader interval of 106.6m metres averaging 0.8% copper equivalent*¹ (see table 1 below).

To date GBM has conducted soil sampling, geological mapping and completed eleven drillholes. The work has demonstrated a broad zone of calc silicate gossan and breccia at surface which is consistent with initial sectional interpretation of drill hole data.

Initial sectional interpretation indicates that mineralisation is contained within a steep north easterly dipping envelope of intense alteration, deformation and breccia development associated with strong sulphide mineralisation, magnetite development and variable chlorite, albite and k-feldspar alteration. The mineralisation envelope outlined above is in

turn enclosed within a broader (approximately 350m wide) zone of fractured to brecciated, altered calc-silicate host rock. Zones of copper mineralisation occur within the steep north easterly dipping altered and brecciated envelope. These range from a broad continuous zone at a 0.1% Cu cut-off, to smaller zones (widths up to 30m down hole) at higher grade (>1% Cu equivalent).

Mineralised zones consistently contain a range of valuable metals, and a copper equivalent*¹ has been used as a means of appreciating the overall metal content of this mineralisation. Further petrographic and metallurgical investigations are required before this reporting methodology could be applied to any future resource estimates.

The body of information now available is considered sufficient to provide the basis for estimation of an initial Exploration Target*³ of between 30Mt and 80Mt of mineralised material averaging between 0.8% and 1.2% Cu equivalent for the Milo breccia hosted, polymetallic IOCG mineralisation.

GBM has now completed in total eleven drill holes in the Milo Prospect which extends over at least 2 kms. The following summarises significant points demonstrated by work to date:

- Milo hosts a strongly developed and extensive breccia which is widely mineralised with poly-metallic IOCG mineralisation.
- Broad zones of strong sulphide mineralisation and calc-silicate breccia persist beyond the depths and strike drilled to date.
- Mineralisation remains poly-metallic with significant concentrations of Cu, Co, Au, Ag, Mo and U consistently observed in analyses.
- Drilling to date has only been on the central 350 metres of the prospect area, with mineralisation defined previously by soil geochemistry and rock sampling extending over two kilometres.
- The Milo IOCG mineralised breccia system remains open both at depth and along strike which supports the high potential for large tonnage.



Photograph; Milo breccia with chalcopyrite mineralisation (half NQ2 core height approx. 50mm)

Hole ID	Interval m	Length m	Cu %	Au ppm	Co ppm	Ag ppm	Mo ppm	U ppm	Cu Equiv* %
BTD025	118 to 205	86.0	0.27	0.12	260	5.7	195	153	0.8
	incl. 153 to 180	27.0	0.42	0.18	358	9.4	253	221	1.2
	incl. 187 to 205	18.0	0.44	0.20	362	10.9	260	220	1.3
BTD024	227 to 245	18.0	0.45	0.13	285	6.9	276	225	1.2
	129 to 226	106.6	0.25	0.13	220	5.9	180	137	0.8
	Incl. 171 to 180	9.0	0.38	0.18	275	5.9	229	210	1.1
BTD022	incl. 189 to 226	37.0	0.37	0.18	279	10.6	247	192	1.1
	229 to 250	21	0.23	0.05	250	1.9	156	112	0.6
	260 to 276	16	0.22	0.15	269	3.5	225	179	0.8

Table: Summary of significant Intersection from results of recent Milo Diamond Drilling programme.

Hole ID	Interval m	Length m	Cu %	Au ppm	Co ppm	Ag ppm	Mo ppm	U ppm	Cu Equiv* %
BTD005	28 to 33m	5.0	0.25	0.02	97	0.6	4	14	0.3
BTD005	147.4 to 152m	4.6	0.27	0.17	313	1.9	239	217	0.9
BTD006	105 to 115m	10.0	0.15	0.06	145	3.2	74	55	0.4
BTD008	9 to 18m	8.0	0.60	0.04	428	0.4	26	91	1.0
BTD008	37 to 48m	12.0	0.21	0.09	272	0.8	69	69	0.5
BTD008	70 to 83m	13.0	0.26	0.02	153	1.5	8	10	0.4
BTD008	140 to 178.5m	38.5	0.32	0.10	276	4.1	220	195	0.9
BTD008	Incl. 147.4 to 152m	6.0	0.59	0.13	262	6.7	160	170	1.2
BTD008	219 to 244m	25.0	0.20	0.05	28	0.7	19	8	0.3
BTD008	266 to 273m	7.0	0.23	0.11	206	0.5	86	55	0.5
BTD009	41 to 54m	13.0	0.46	0.20	549	17.5	228	205	1.4
BTD009	82 to 85m	3.0	0.25	0.10	300	1.5	83	80	0.6
BTD009	151 to 179m	28.0	0.26	0.15	274	2.5	253	166	0.9
BTD010	32 to 51m	19.0	0.31	0.15	282	7.7	197	125	0.9
BTD014	69 to 81m	12.0	0.32	0.15	168	1.6	68	96	0.7

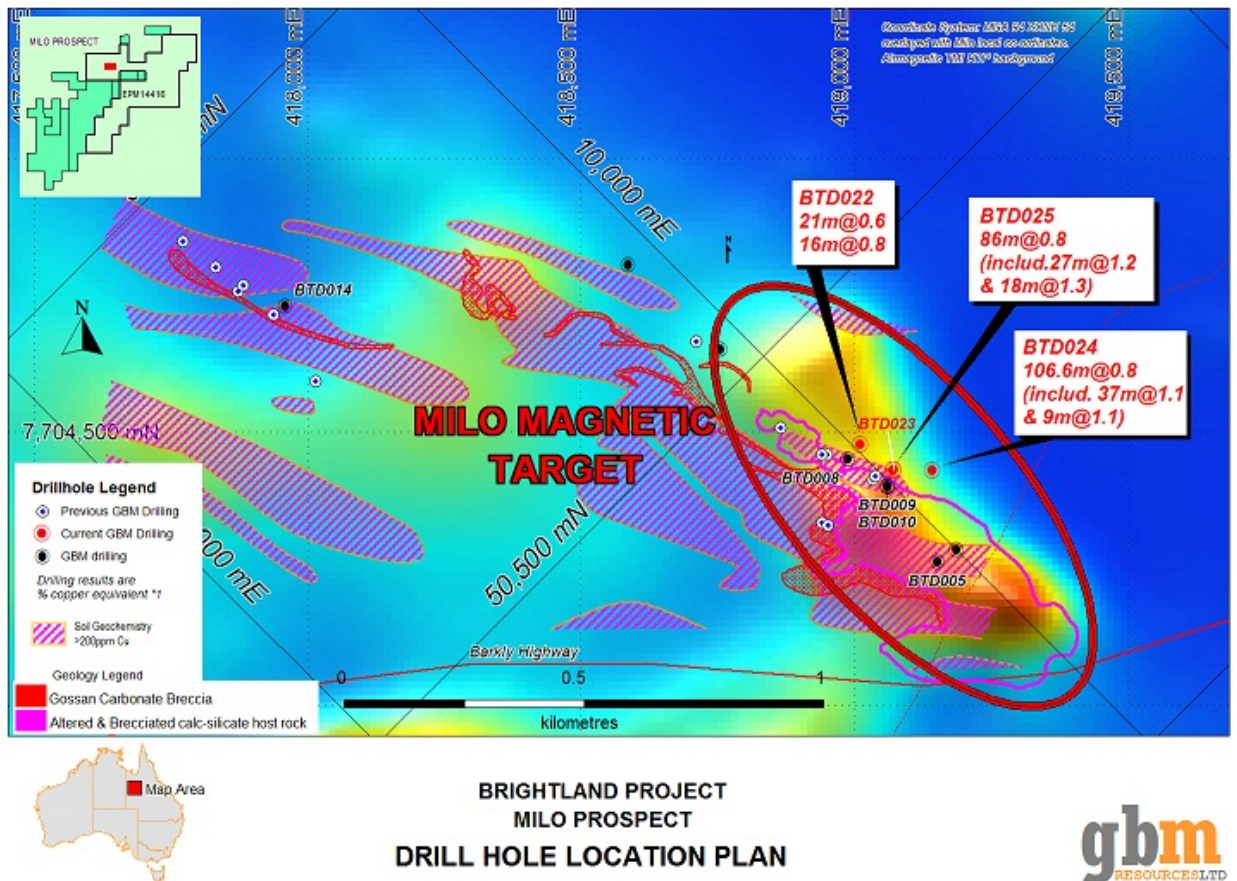
Results from initial RC completed in the first half of the year at Milo(refer ASX release 3 June 2010)

Forward Program

The forward program at the Milo prospect will commence after the normal North-West Queensland wet season (approximately March 2011) and will involve:

- Drilling to test the depth and the strike of the current work area to confirm and or expand the initial exploration target size of 30-80 million tonnes grading between 0.8% to 1.2% Cu equivalent.
- Drill test the magnetic high that sits alongside the current work area.
- Complete a step-out drill program over the 2km strike to confirm Milo's mineralizing potential, and
- Complete metallurgical test work to provide indicative recovery data for a project scoping study.

The results from this program will provide the basis for resource drilling to follow.



Tiger T2 Prospect

Drilling completed at the Tiger T2 prospect during the December Quarter was designed to test the strongest section of the soil geochemical copper anomaly and also the continuation of the strong SAM conductivity anomaly as it trends under alluvial cover to the southeast. This program has yielded positive results and has upgraded the T2 Prospect as a potential Iron Oxide Copper Gold (IOCG) system.

Highlights include:

- Results from a 12 hole shallow drilling program at the T2 Prospect have upgraded the copper soil anomaly and confirmed previous results of the Sub Audio Magnetic (SAM) survey that the T2 Prospect has potential IOCG style mineralisation.
- Drilling returned significant intersections*² including:
 - Hole BTD027 returned 52m @0.11% Cu (peak value 0.2% Cu)
 - Hole BTD037 returned 37m @0.10%
 - Hole BTD033 returned 24m@0.10% Cu (peak value 0.3% Cu),
 9 of the 12 holes recorded down-hole intervals of approximately 0.1% Cu or greater. These are potential halo intercepts in an IOCG system.
- BTD027 and BTD037 are longest intersections*² of copper mineralisation drilled in the Tiger area to date. The closest holes to BTD027 along strike in the Tiger area are 400 metres North West and 900 metres South East.

- With this initial program upgrading the T2 Prospect, further planning will be developed during the wet season for the next stage which may include a combination of further bedrock drilling and deeper reverse circulation drilling to test the whole prospect.

The drilling program was designed to test the strongest section of the soil geochemical copper anomaly and also the continuation of the strong SAM conductivity anomaly as it trends under alluvial cover to the southeast. The program comprised a total of 12 widely spaced reverse circulation drill holes involving 773 metres of drilling. Holes ranged from 50 to 80 metres deep and were inclined to the southwest at -80 degrees.

These results significantly upgrade the soil anomaly and provide further confirmation of the widespread copper mineralisation in the Tiger area, adjacent to the Rocklands Cu-Co deposits in the Cloncurry District of North West Queensland.

Soil sampling on the T2 Prospect has defined large areas of anomalous copper in soil with a clearly anomalous area identified coincident with the T2 SAM anomaly. This anomaly is the strongest soil anomaly yet generated by the company in the Tiger area, and is truncated to the South West by alluvium associated with the Butcher's Creek Drainage system.

Hole BTD027 intersection is a line testing the area of strongest SAM EQNMR response which is largely obscured by alluvium associated with the Butcher's Creek Drainage system. Hole BTD027 returned 52m @.11% copper.

The T2 Prospect recorded strong Sub Audio Magnetic (SAM) conductivity responses in a survey completed in 2009. SAM has been successfully utilised on other areas within the Eastern Succession of the Mount Isa Inlier to identify possible mineralised structures in areas of poor exposure and shallow cover.

Future work program will be developed during the wet season to include detailed gravity, further bedrock drilling and deeper RC.

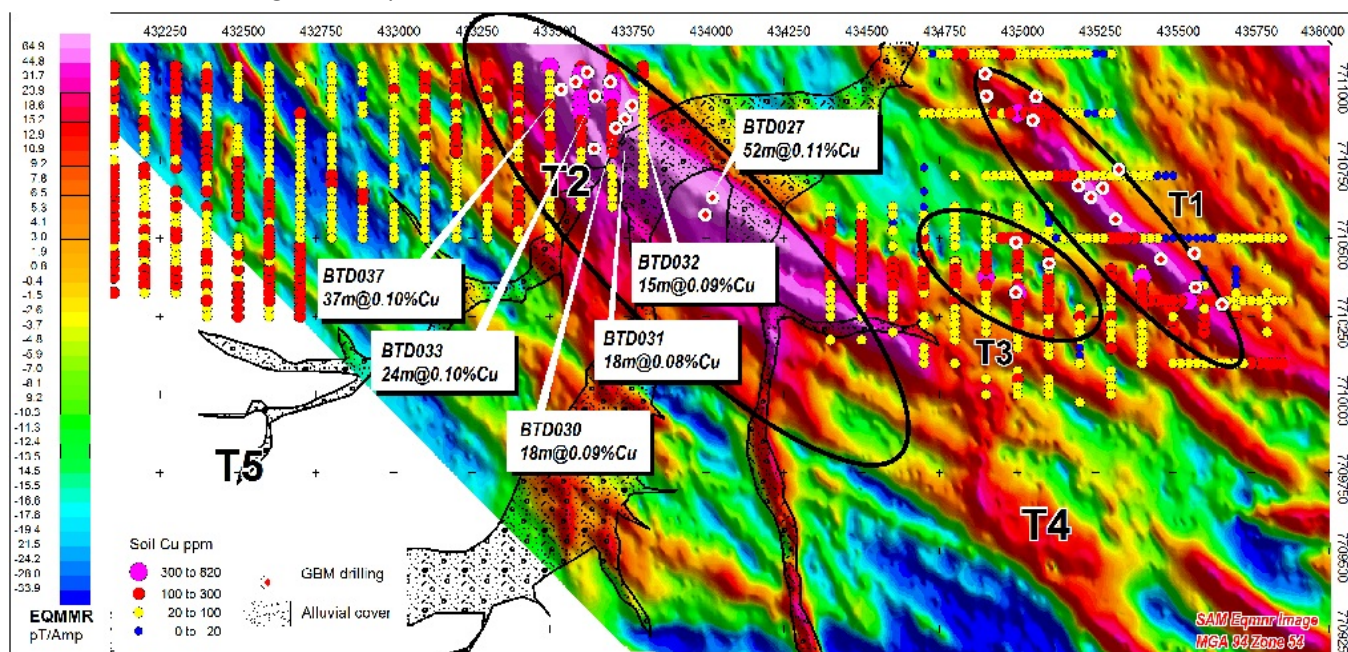


Figure: Tiger T2 drillhole location plan over SAM EQMMR.

Magpie ML 2634 Option

A 3 hole drilling program was carried out under the Option Agreement with Lawlor Contracting Pty Ltd in which GBM can acquire 100% of the Magpie Mining Lease.

Highlights:

- **All holes in the initial three hole reverse circulation drilling programme intersected copper mineralisation associated with structurally controlled carbonate veining.**
- **Downhole intersections include 8.0 metres @ 0.9% Cu and 5.0 metres @ 0.9% Cu, with a peak value of 2.0% Cu.**
- **Mineralisation is a simple chalcopyrite dominated assemblage.**

Drilling tested the downward continuation of mineralisation below the existing shallow open pit and has confirmed the continuation of copper mineralisation in all holes. Mineralisation is associated with intense to massive carbonate veining in a northerly to north-westerly trending structure splaying from the southern margin of the Cloncurry Flexure, a major regional tectonic feature. Initial interpretation suggests that Magpie is similar to other carbonate dominated vein-replacement deposits in the Cloncurry copper gold field including Great Australia (44,000t Cu) and Eloise (170,000t Cu, 140,000 ozs Au). All holes have intersected primary copper mineralisation and the depth of oxidation and limits of supergene material which may exist are not known from this program.



Photograph: Magpie open pit looking south.

All holes intersected two zones of mineralisation, and field inspection has located old workings suggesting a further mineralised zone exists. Detailed mapping and compilation of available data will be undertaken to support a decision to further test Magpie prior to making a decision to exercise the option not to extend or to acquire the Magpie mining lease.

Hole ID	From m	to m	interval m	Cu %	Au ppm.	Co ppm
MAG001	6	14	8	0.1	0.00	47
	47	63	16	0.6	0.07	83
	*Incl 53	61	8	0.9	0.08	55
	73	88	15	0.2	0.01	46
MAG002	69	76	7	0.5	0.17	86
	*Incl 72	74	2	1.2	0.27	129
	81	92	11	0.2	0.06	42
MAG003	52	81	29	0.4	0.06	53
	*Incl 71	76	5	0.9	0.11	80
	105	118	13	0.3	0.07	29

Table: significant intersections*² in Magpie Drilling. Intersections based on a nominal 0.1% Cu cut, * denotes a nominal 0.5% Cu cut off.

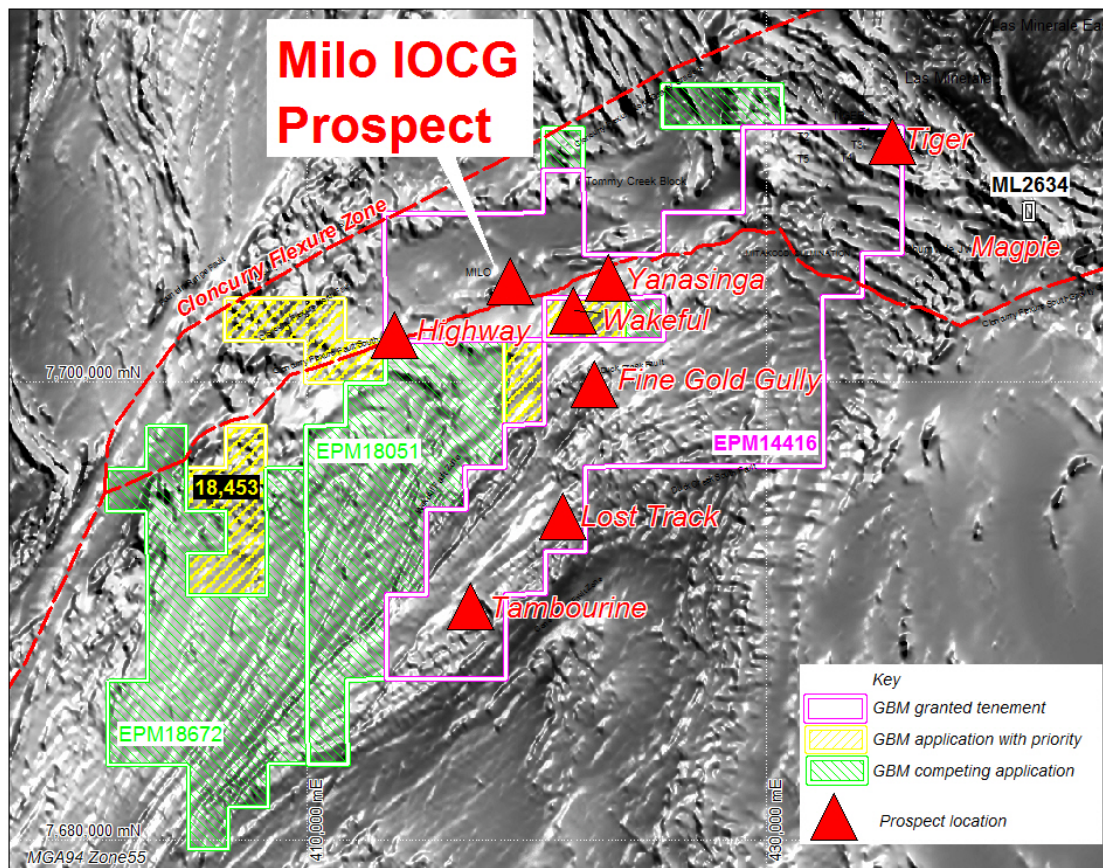


Figure: Brightlands Project area showing prospects over TMI RTP magnetic image. Note that priority for most of the area covered by EPM18051 has been awarded to other applicants

2.0 Pan Pacific Copper Farm in Projects

(The work program is being carried out under the \$55m exploration 'Farm-in' Agreement between GBM and the Japanese company, Pan Pacific Copper, announced to the ASX on 22 June 2010.)

Grassy Bore Cu Au Projects

In November 2010, GBM Resources Limited commenced drilling the first of two 600 metre holes planned at the Ibis, and Ibis South Prospects that form part of the companies Grassy Bore Copper Gold project in the North-West Mineral Province, Queensland. The two holes were planned to test two (under cover) gravity highs with near-coincident magnetic highs, adjacent to a gravity low interpreted as a felsic intrusion.

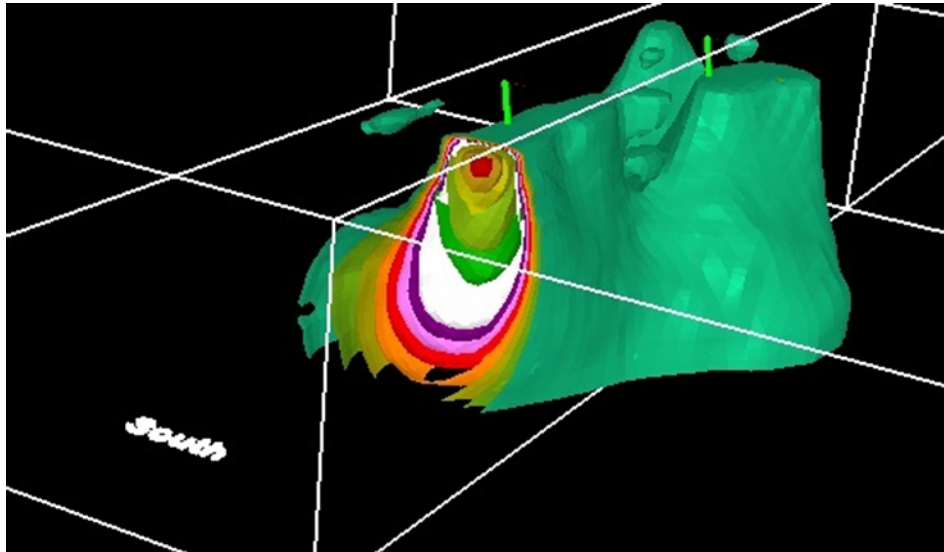
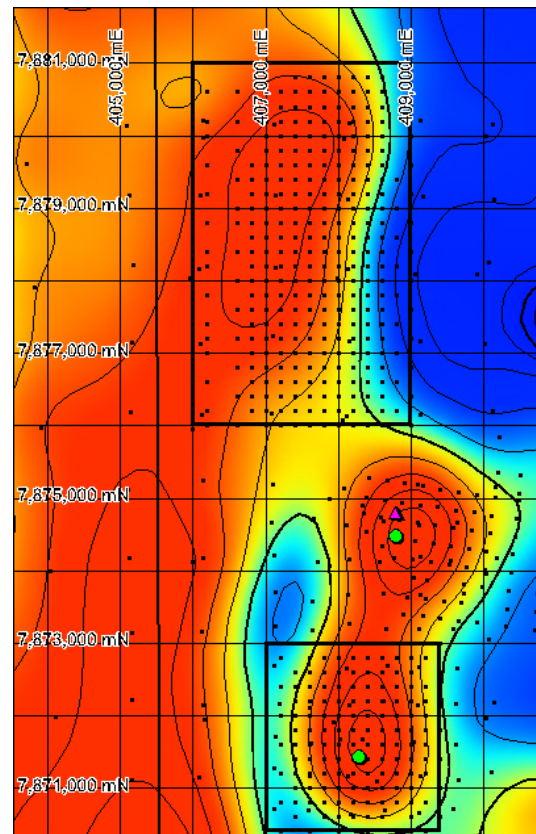
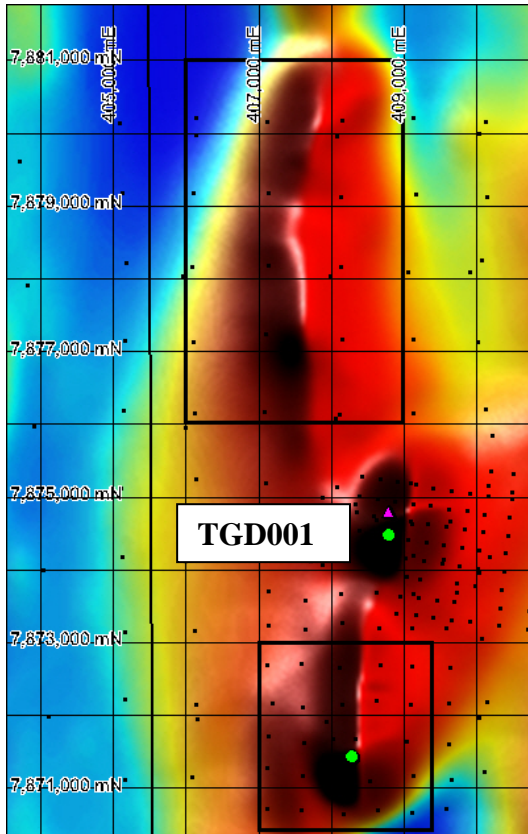


Figure: Oblique view of 3D inversion model showing proposed drillholes in bright green intersecting modelled magnetic and gravity targets after passing through cover sequence (approximately 300m thick). Larger outer shells represent magnetic model (Magnetic susceptibility units 100k intervals increasing from outer green 200k to inner white 800k shell) while inner shells represent gravity (density contrast to host rock in g/cm³ increasing inwards from bright green 0.3 to red 0.7 shell)

Drilling of the first hole at the Ibis Prospect (TGD001) began on the 22nd November and continued (with several wet weather interruptions) until late December. Drilling from surface to 303.5 metres utilised a rotary mud technique before switching to diamond coring at this depth. Drilling of TGD001 was eventually halted at a depth of just over 500 metres due to an early onset of the summer wet season. Drilling of subsequent holes at Grassy Bore is scheduled to resume at the end of the wet season in early 2011.



Grassy bore magnetic highs (left) with previous drilling (pink triangle) and proposed holes (green dots). Grassy Bore detailed gravity merged with regional data (right, stations as black dots) SLAB BA with 10K HP filter. Strong gravity response near previous hole (Ibis Prospect) displaced southwards, possible reflecting offset hematite rich alteration zone.

About the PPC Farm-In Agreement

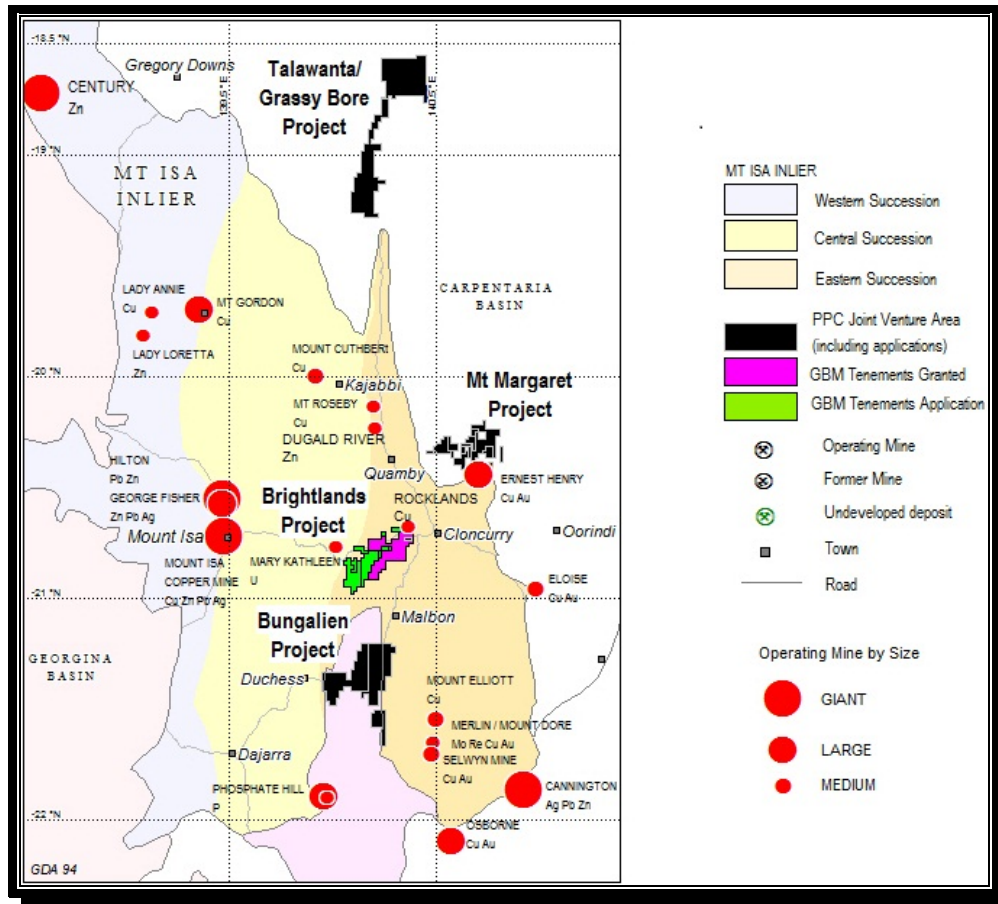
On 12 April 2010 GBM and Pan Pacific Copper Co Limited (Pan Pacific) signed a binding Farm-in Agreement relating to five project areas in the Mt Isa region of North Queensland.

Pan Pacific whose two shareholders are Nippon Mining & Metals Co. Ltd 66% and Mitsui Mining & Smelting 34% is an integrated copper business involved in the full value chain including the procurement and development of copper resources, the production of refined copper and related by-products and the marketing of those products in Japan, Korea, other countries and in particular to meet the increasing demand from China. For the year ended 31 March 2010 Pan Pacific net sales were approximately US \$7 billion.

Under the Farm-in Agreement, Pan Pacific could spend up to A\$55m on the development of new copper gold exploration and mining projects in North West Queensland.

During the Farm-in period, GBM will manage all exploration activities for Pan Pacific at the Mt 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.

The Farm-in Agreement with a major strategic global partner achieves a key strategy for GBM, allowing these projects to be advanced and have the required level of funding to target a potential new discovery.



Tenement Summary

Tenement maintenance, including reporting and renewals has been ongoing during the quarter. Priority for most of the area covered by application EPM18051 was awarded to other companies late in the quarter.

During the quarter EPM16398 Mt Malakoff Extended and EPM17498 Limestone Creek in the Mount Isa Region were granted. In addition a statutory reduction was completed in respect of EL5120 Lauriston of 49 km²

Project / Name	Tenement No.	Owner	GBMR Equity	Manager	Granted	Expiry	Approx Area* ³ (km ²)	Status	State
Victoria									
Malmsbury									
Belltopper	EL4515* ¹	GBMR/Belltopper Hill	100%	GBMR	6/10/2005	5/10/2010	25	Granted	Vic
Lauriston	EL5120	GBMR	100%	GBMR	17/12/2008	16/12/2013	94	Renewal	Vic
Willaura									
Lake Bolac	EL4631	GBMR	100%	GBMR	21/03/2002	20/03/2012	98	Granted	Vic
Woorndoo	EL4751	GBMR	100%	GBMR	19/11/2003	18/11/2010	29	Renewal	Vic
Yea									
Tin Creek	EL5292	GBMR	100%	GBMR			442	Appl'n	Vic
Monkey Gully	EL5293	GBMR	100%	GBMR			442	Appl'n	Vic
Queensland									
Dee Range									
Dee Range	EPM16057	GBMR	100%	GBMR	27-Sep-07	26-Sep-12	88	Granted	Q'ld
Boulder Creek	EPM17105	GBMR	100%	GBMR	26-Mar-08	25-Mar-10	178	Renewal	Q'ld
Mt Morrisey	EPM17163	GBMR	100%	GBMR	23-Apr-08	23-Apr-10	161	Renewal	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
Limonite Hill	EPMA18811	GBMR	100%	GBMR			260	Appl'n	Q'ld
Mt Hoopbound	EPMA18812	GBMR	100%	GBMR			23	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>	Renewal	Q'ld
Grassy Bore	EPM15681	GBMR* ² /Isa Tenements	100%	GBMR	28-Sep-07	28-Sep-10	<u>325</u>	Renewal	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.	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>	Renewal	Q'ld
Mt Malakoff Ext	EPM16398	GBMR* ² /Isa Tenements	100%	GBMR	19-Oct-10	18-Oct-15	84	Granted	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	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	Renewal	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
	EPM18672	GBMR/Isa Brightlands	100%	GBMR			97	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>	Renewal	Q'ld
Horse Creek	EPM15150	GBMR* ² /Isa Tenements	100%	GBMR	13-Jul-06	12-Jul-11	<u>80</u>	Granted	Q'ld
Limestone Creek	EPM17849	GBMR/Isa Tenements	100%	GBMR	20-Oct-10	19-Oct-15	72	Granted	Q'ld
Malbon 2	EPM14120	GBMR* ² /Isa Tenements	100%	GBMR	24-Aug-04	23-Aug-10	<u>15</u>	Renewal	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
							4521		

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 subblock ~3.2km². Underlined areas indicate the tenement is contained in new application area.

Table; GBM Resources Tenement Summary December 2010.

CORPORATE

\$4.5 million Placement

The company has received firm commitments from institutional and sophisticated investors for a Placement of 37.5million shares at an issue price of 12 cents per share to raise A\$4.5 million.

The Placement will be completed in two tranches. The placement of the first tranche of 23,541,666 shares was completed on 19 January 2011 and was issued within the Company's existing 15% placement capacity.

The second tranche of 13,958,334 shares will be completed subsequent to a general meeting to be held on 31 January 2011.

The Placement was planned to be within the Company's 15% capacity, however strong demand has resulted in the Placement being heavily oversubscribed. The Placement was at an 11% discount to the closing price of 13.5 cents on 20 December 2010.

GBM is very keen to maintain its growth momentum and the funds raised from the Placement will be used primarily on the Brightlands Copper Gold Project in North West Queensland to accelerate the exploration activities at the Milo Prospect.

Expenditure for the Quarter and Working Capital

The Company spent A\$1.3million in the quarter of which \$1.003 million was for exploration and \$337,000 on administration costs. Cash at 31 December 2010 was \$2.2 million.

GBM's current cash balance at date of this report is \$5.3 million.

**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 2metres for diamond drilling. Analyses were completed by ALS in Mt Isa for all elements other than gold by ME-ICP61, over limit (>1%) Cu by Cu-OG46 and AU by Au-AA25 in Brisbane. Holes range in declination from 50° to 70° to 225° MGA at Milo and 270° MGA at Tiger. 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/m³ 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 downhole 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.

For Further information please contact:

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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 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	(1,003)	(1,116)
(b) development	-	-
(c) production	-	-
(d) administration	(337)	(506)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	24	32
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Grants and JV management fees	47	148
Net Operating Cash Flows	(1,269)	(1,442)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(336)	(336)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	36	36
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(300)	(300)
1.13 Total operating and investing cash flows (carried forward)	(1,569)	(1,742)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,569)	(1,742)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	400	3,378
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)	(124)	(188)
	Net financing cash flows	276	3,190
	Net increase (decrease) in cash held	(1,293)	1,448
1.20	Cash at beginning of quarter/year to date	3,497	756
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,204	2,204

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	199
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Director remuneration – fees and consultancy.	

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

N/a

- 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

During the quarter Pan Pacific Copper Co Ltd incurred exploration expenditure of \$233,154 under the joint venture Farm-in Agreement.

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	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	500
4.2	Development	-
4.3	Production	-
4.4	Administration	300
Total		800

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	2,091	3,384
5.2	Deposits at call	113	113
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		2,204	3,497

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	N/a		
6.2	Interests in mining tenements acquired or increased	Granted Granted	- -	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>	-			
7.2 Changes during quarter	-			
7.3 +Ordinary securities	181,193,504	181,193,504		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter	-	-		
7.7 Options <i>(description and conversion factor)</i>	103,793,124	103,793,124	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 30/6/2013
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
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 2011
Company Secretary

Print name: Kevin Hart

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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