



ASX Announcement  
29 July 2011

## QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 30<sup>th</sup> June 2011

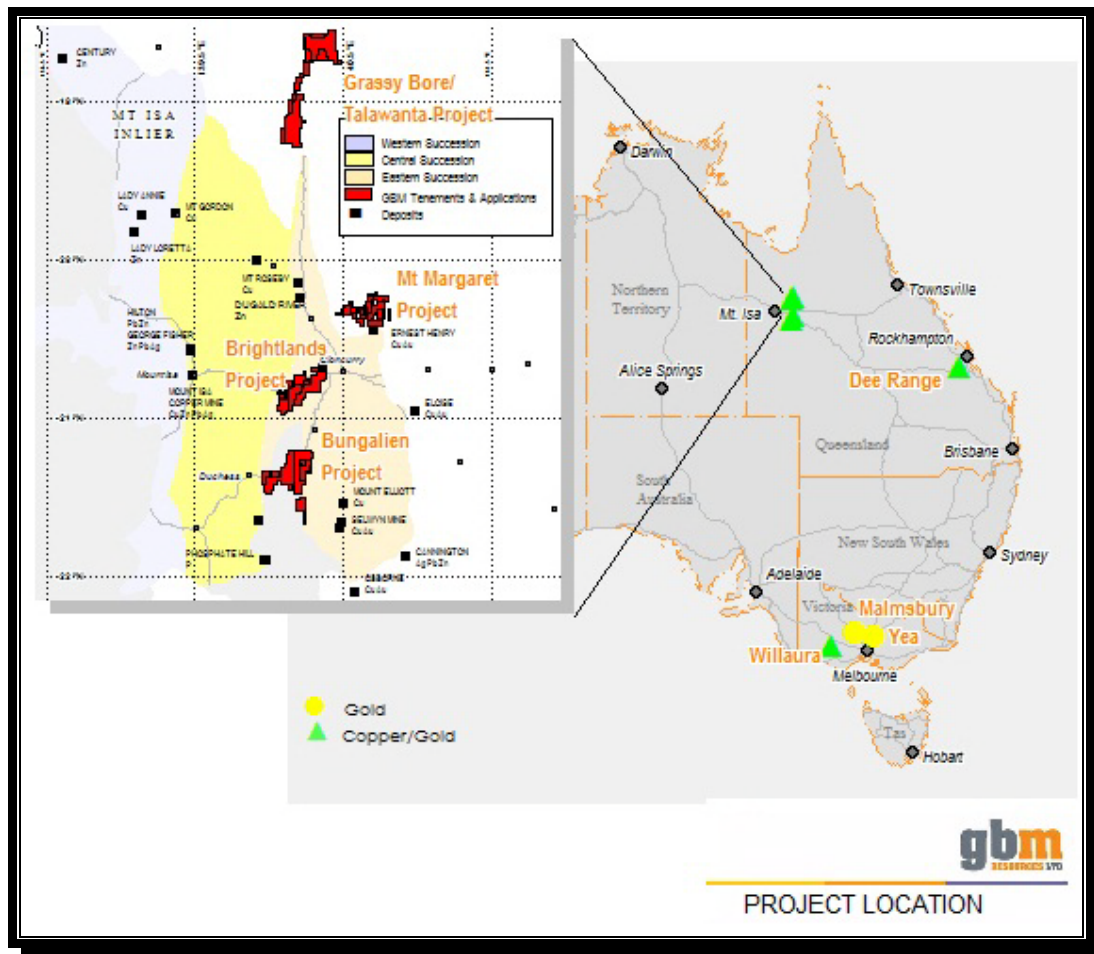
### Highlights:

**Milo Prospect - Completed 4000 metre diamond programme that has substantially upgraded the IOCG deposit.**

- **Significant Cu Eq results include:**
  - MIL007 - 82m@1.2% (incl 43m@1.5%) and 41m@1.0%;
  - MIL008 - 9m@1.4%, 52m@0.9% and 24m@1.4%;
  - MIL010 - 8m@1.1%; and
  - MIL003 - 12m@0.9%
- **Preliminary metallurgical test work demonstrates a saleable copper concentrate and the important by-products gold, silver, molybdenum and uranium show favourable recovery features.**
- **Only 25% of mineralised system evaluated - remains open to south and north. Potential to expand the Cu Eq exploration target.**
- **Discovery of Rare Earth Elements within the Milo deposit has potential to add significant value. High grade results include - MIL001 32m@7,239ppm TREEYO and hole MIL002 for 16m@9,367ppmTREEYO. These high grade intersections fall within very much broader zones of mineralisation.**
- **Drilling and favourable metallurgical and the discovery of significant levels of rare earth mineralisation strongly underline the potential for future development.**

### Other Exploration Activities:

- **Pan Pacific / Mitsui Farm-in Agreement. Drilling in progress on Bungalien. Two holes completed. Results pending.**
- **Phosphate Joint Venture. 1500 metre drilling program completed on the Bungalien phosphate projects. Results pending.**
- **Brightlands Tiger T2 target. 3 RC holes and gravity survey completed.**
- **Yea Gold prospect Vic. Scout hole and sampling completed. Results pending.**



**SAFETY AND ENVIRONMENT**

One LTI incident was reported for the quarter. No other MTI or environmental incidents were reported during the quarter. The Company has now completed consecutive 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 achieve the highest standards in safety and environmental management.

**QUEENSLAND EXPLORATION ACTIVITIES  
Mount Isa Region Copper Gold Projects**

**1. Brightlands Cu Au Project**

GBM Resources major \$2.5M 2011 exploration program to progress its Milo and other prospects within the highly prospective Brightlands Cu-Au Project Area is now approximately 50% complete. Exploration at Brightlands during the quarter focussed on Milo with completion of a nine-hole diamond drilling programme (3,945 metres) and three additional doles drilled at the T2 target at Tiger.

## Milo Prospect

### Poly-metallic Copper Mineralisation

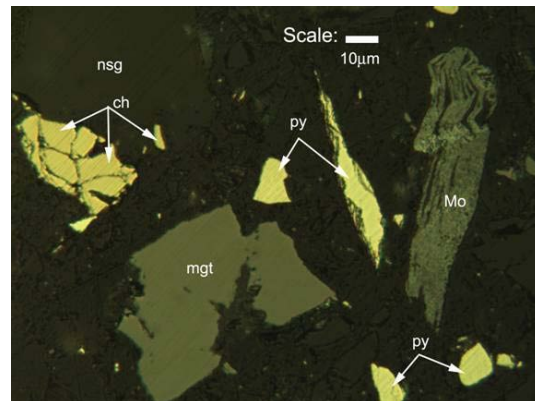
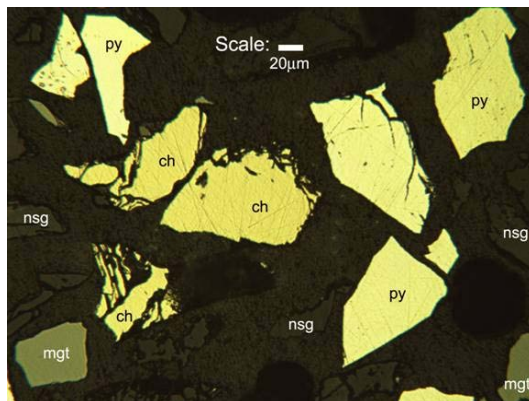
A nine-hole diamond drilling programme has recently been completed and results for the sulphide zones in all but the diamond tail of hole MIL010 have now been received. A complete tabulation of poly-metallic copper mineralisation is provided below, with many holes intersecting multiple zones of mineralisation. Importantly, the diamond tails of holes MIL007, 008 and 010 have returned further significant intersections. Seven of the nine holes completed intersected zones of poly-metallic copper mineralisation.

While the zone of cupriferous poly-metallic mineralisation remains open - both North and South, there is evidence that stronger mineralisation is plunging north (see figure below) providing confidence that the Exploration Target\*<sup>3</sup> of between 30-80 million tonnes (Mt) of mineralised material which averages between 0.8% and 1.2% Cu Eq at Milo has significant potential to be expanded.

### Metallurgical Results

Metallurgical test work is progressing well with initial results indicating that copper occurs largely as coarse chalcopyrite grains which provide good concentration through flotation (roughing and cleaning). Preliminary results have provided recoveries of between 75 and 80% to a concentrate grading from 24 to 27% copper. Petrography and initial concentrates also indicate that molybdenum occurs largely as discrete molybdenite grains. This is considered a positive indication for ultimate recovery levels.

Current testwork is in progress covering the suite of other metals that include gold, silver, molybdenum, cobalt and uranium. A metallurgical flow sheet detailing metals recoveries is expected to be available in September.



*These photomicrographs accentuates the high degree of liberation of the sulphides from the non sulphide gangue component in floatation concentrate. Left; the sulphide, the iron oxide and the non sulphide particles are liberated. Note the liberated chalcopyrite particles slightly centre left. The pyrite particle upper left shows inclusion pits which show identical textures to that of gold entrapment sites sighted elsewhere in some of the pyrite particles. Right; coarse molybdenite, magnetite and chalcopyrite. Legend; py = pyrite-FeS<sub>2</sub>, ch = chalcopyrite-CuFeS<sub>2</sub>, mgt = magnetite-Fe<sub>3</sub>O<sub>4</sub>, mo = molybdenite-MoS<sub>2</sub>, nsg = non sulphide gangue.*

Hole ID	Interval m	Length m	Cu %	Au ppm	Co ppm	Ag ppm	Mo ppm	U ppm	Cu Equiv* %
<b>2011 Drilling (3945 metres)</b>									
MIL001	83 to 90	7.0	0.05	0.06	168	0.34	185	111	0.4
MIL001	241 to 244	3.0	0.21	0.10	208	1.07	168	130	0.6
MIL002	128 to 136	8.0	0.22	0.05	198	0.83	23	2	0.4
MIL003	124 to 131	7.0	0.17	0.12	323	2.54	264	184	0.8
MIL003	168 to 182	14.0	0.20	0.13	269	0.62	166	101	0.6
MIL003	218 to 230	12.0	0.17	0.12	325	2.53	323	268	0.9
MIL004	121 to 141 I/C	20.0	0.07	0.00	129	0.58	21	28	0.2
MIL005	I/C								
MIL006	NSA (Cu Eq)								
MIL007	46 to 128	82.0	0.37	0.15	356	9.81	233	244	1.2
MIL007	incl. 80 to 123	43.0	0.52	0.24	470	17.48	283	218	1.5
MIL007	168 to 179	11.0	0.27	0.02	380	1.97	54	34	0.6
MIL007	263 to 280	17.0	0.22	0.06	286	2.24	221	198	0.8
MIL007	307 to 348	41.0	0.24	0.07	352	3.05	214	279	1.0
MIL007	incl 331 to 343	12.0	0.32	0.16	423	2.83	220	378	1.2
MIL008	151 to 177	26.0	0.26	0.10	278	6.21	190	178	0.8
MIL008	incl. 167 to 177	9.0	0.44	0.24	369	16.26	285	242	1.4
MIL008	187 to 239	52.0	0.29	0.13	272	8.89	261	174	0.9
MIL008	incl. 187 to 216	29.0	0.32	0.13	322	10.44	249	208	1.1
MIL008	incl. 203 to 227	24.0	0.49	0.22	380	17.20	295	237	1.4
MIL009	NSA (Cu Eq)								
MIL010	136 to 144	8.0	0.29	0.12	289	3.88	257	301	1.1
MIL010	156 to 175	19.0	0.18	0.13	146	1.37	69	76	0.5
<b>2010 Drilling (3582 metres)</b>									
BTD005	28 to 33m	5.0	0.25	0.02	97	0.58	4	14	0.3
BTD005	147.4 to 152m	4.6	0.27	0.17	313	1.88	239	217	0.9
BTD006	105 to 115m	10.0	0.15	0.06	145	3.21	74	55	0.4
BTD008	9 to 18m	8.0	0.60	0.04	428	0.36	26	91	1.0
BTD008	37 to 48m	12.0	0.21	0.09	272	0.83	69	69	0.5
BTD008	70 to 83m	13.0	0.26	0.02	153	1.48	8	10	0.4
BTD008	140 to 178.5m	38.5	0.32	0.10	276	4.08	220	195	0.9
BTD008	Incl. 147.4 to 152m	6.0	0.59	0.13	262	6.65	160	170	1.2
BTD008	219 to 244m	25.0	0.20	0.05	28	0.67	19	8	0.3
BTD008	266 to 273m	7.0	0.23	0.11	206	0.51	86	55	0.5
BTD009	41 to 54m	13.0	0.46	0.20	549	17.46	228	205	1.4
BTD009	82 to 85m	3.0	0.25	0.10	300	1.47	83	80	0.6
BTD009	151 to 179m	28.0	0.26	0.15	274	2.48	253	166	0.9
BTD010	32 to 51m	19.0	0.31	0.15	282	7.69	197	125	0.9
BTD014	69 to 81m	12.0	0.32	0.15	168	1.63	68	96	0.7
BTD022	229 to 250	21.0	0.23	0.05	250	1.93	156	112	0.6
BTD022	260 to 276	16.0	0.22	0.15	269	3.48	225	179	0.8
BTD024	129 to 226	106.6	0.25	0.13	220	5.90	180	137	0.8
BTD024	Incl. 171 to 180	9.0	0.38	0.18	275	5.92	229	210	1.1
BTD024	incl. 189 to 226	37.0	0.37	0.18	279	10.55	247	192	1.1
BTD025	118 to 205	86.0	0.27	0.12	260	5.69	195	153	0.8
BTD025	incl. 153 to 180	27.0	0.42	0.18	358	9.38	253	221	1.2
BTD025	incl. 187 to 205	18.0	0.44	0.20	362	10.89	260	220	1.3
BTD025	227 to 245	18.0	0.45	0.13	285	6.91	276	225	1.2

**Table; Summary of significant Cu-Equivalent drill intersections at Milo during 2010 & 2011**

## REE Discovery Review

Following the discovery of elevated Rare Earth metals in reverse circulation pre-collars MIL001 and MIL002 (see release of 7<sup>th</sup> July 2011), a review of the existing database has been completed with multiple zones of Lanthanum enrichment identified. Based on complete analyses available for holes MIL001, 2 and 7, the Lanthanum is closely related to the occurrence of a broad suite of Rare Earth Elements (REE), strongly suggesting that further widespread zones of overall REE enrichment are present at Milo.

Lanthanum appears to define a broad halo surrounding and overprinting the zone of poly-metallic copper mineralisation, however the relationship between these styles is still being investigated.

Hole ID	from	to	Interval	CeO <sub>2</sub> ppm	La <sub>2</sub> O <sub>3</sub> ppm	Nd <sub>2</sub> O <sub>3</sub> ppm	Y <sub>2</sub> O <sub>3</sub> ppm	TREEOY ppm	TREEYO kg/t
MIL001*	16	136	120	818	557	232	117	1911	1.9
MIL001	Incl 36	114	78	1267	863	359	181	2958	3.0
MIL001	incl 82	114	32	3101	2113	878	442	7239	7.2
MIL002	0	138	138	755	519	230	106	1792	1.8
MIL002	incl 11	27	16	3976	2838	1180	476	9367	9.4
MIL002	incl 69	77	8	1241	861	370	153	2898	2.9
MIL002	incl 127	136	9	1065	677	359	134	2498	2.5
MIL002*	180	204	24	158	97	54	40	407	0.4
MIL007	51	201	150	272	192	86	41	669	0.7
MIL007	incl 166	179	13	637	479	183	69	1513	1.5

**Table; Summary of REE intersections received to date. (\* denotes incomplete intersections awaiting further analyses from diamond tail.)**

An average of 87% of the TREEYO contained in Milo samples analysed to date is comprised of four Rare Earth Element and Yttrium (REEY) elements; CeO<sub>2</sub> (39%), La<sub>2</sub>O<sub>3</sub> (25%), Nd<sub>2</sub>O<sub>3</sub> (13%) and Y<sub>2</sub>O<sub>3</sub> (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.

As previously stated (see ASX release of 7<sup>th</sup> July 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.

## Forward Programme

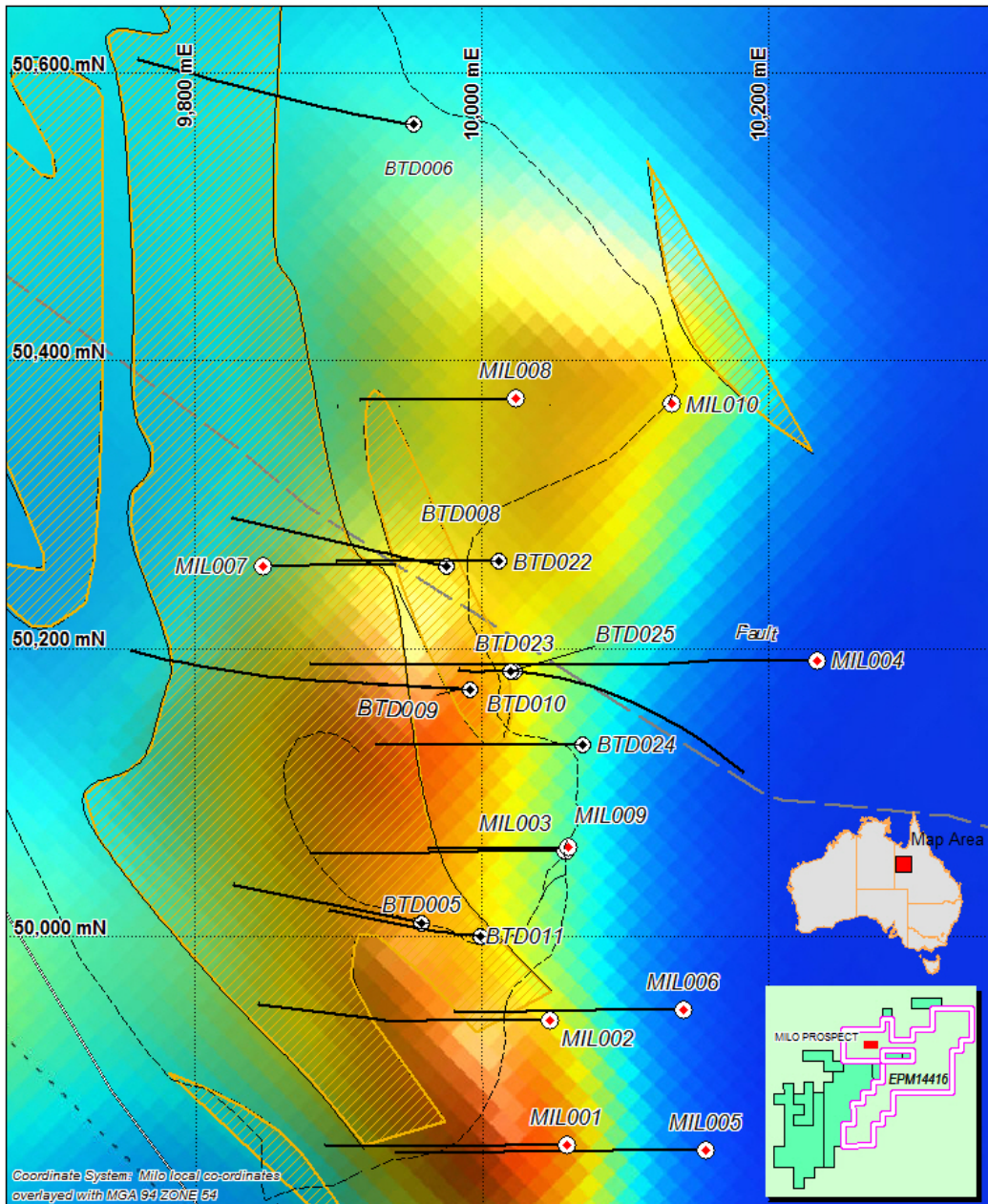
GBM plans to maintain a high level of activity at Milo during the second half of 2011. The programme will include additional drilling of the northern and southern continuation of mineralisation, progression of metallurgical testwork, analyses of a large number of samples for a complete REE suite and cutting and sampling of additional intervals of core for analyses to determine more fully the extent and grade of the widespread REE mineralisation.

**Continuing positive results from this programme will provide the basis for a Preliminary Feasibility Study (PFS) for Milo's proposed Iron Oxide Copper Gold (IOCG) development. The PFS is currently planned to commence in 2012.**



Figure; Milo Longitudinal Projection showing distribution of drillhole intersections for copper equivalent metal suite (top) and Lanthanum (bottom). Figure shows estimated true width times grade.





0 0.5

- Key
- ◆ 2011 GBM Drilling
  - ◆ 2010 GBM Drilling
  - ◆ Historical Drilling
  - Soil Geochemistry >200ppm Cu

kilometres

EPM14416 Brightlands Project  
**Milo Prospect**  
 Drillhole Location Plan



## **Tiger T2 Prospect**

The focus of exploration in the Tiger area is the T2 Prospect. Drilling completed at T2 during the December Quarter, 2010 yielded positive results including the longest drill hole intersections of 0.1% Cu mineralisation drilled in the Tiger area to date.

Copper mineralization is hosted by and contained within a broader envelope of carbonate-quartz-pyrite+pyrrhotite+chalcopyrite veining and alteration in Overhang Jaspilite. Veining intensity varies from approximately 5 to 50% over 10m to 30m intervals and contains as much as 20% pyrite+pyrrhotite+chalcopyrite as vein infill and fine to medium-grained disseminations. The prospect was explored to a depth of approximately 60metres and strike length of 1km in 2010.

On the basis of drilling results and geophysical characteristics (confirmed by drilling to be chargeable sulphides), the T2 Prospect is considered to have potential to be an Iron Oxide Copper Gold (IOCG) system. Within this class of deposit, it remains possible that T2 is a vein-hosted deposit akin to the Rocklands Cu-Co-Carbonate system; or is the near surface expression of a hydrothermal breccia-hosted system at depth.

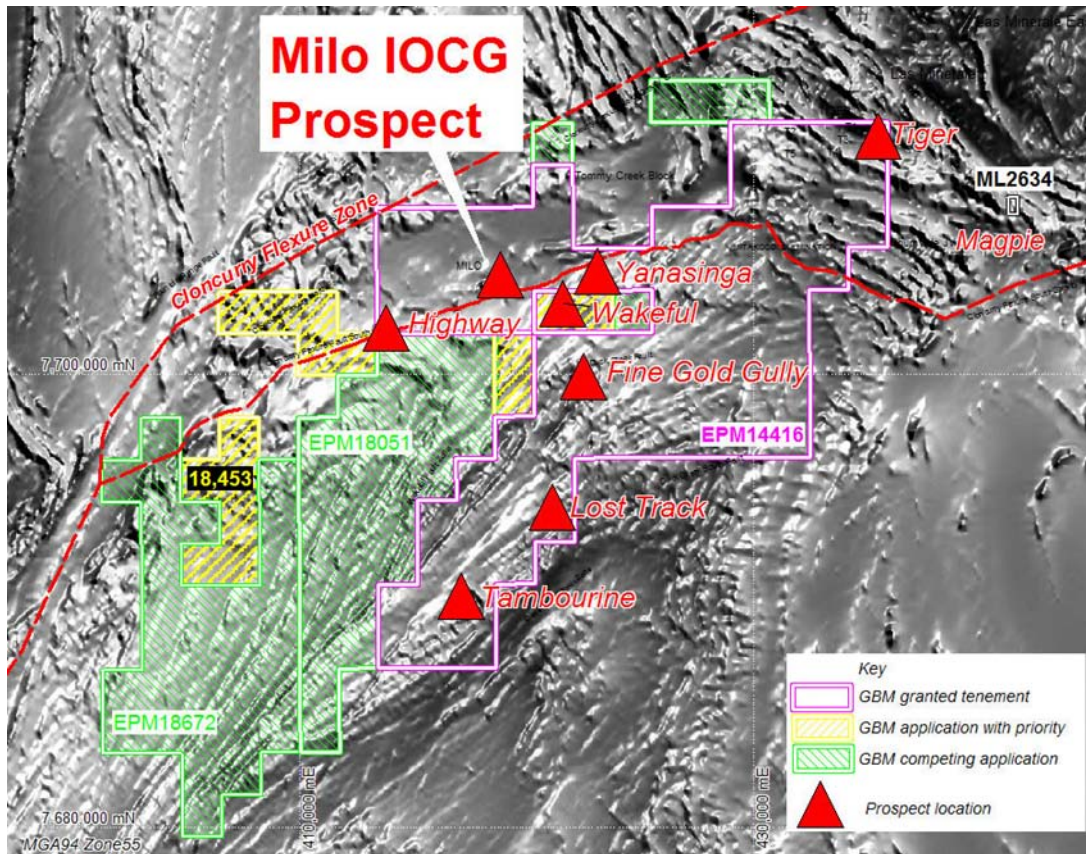
Three drillholes were completed to drill test the broad mineralised zones previously intersected in BTD027 and BTD037 at the T2 prospect. The objective of the drill program is to assess whether these results in the order of 1000ppm copper, or better, are both repeatable and developed at greater depth. Three holes were completed for a total of 454 metres of reverse circulation drilling, however the final hole BTD042 was abandoned due to high water flow and extension with diamond drilling is planned. This hole returned 29m averaging 0.1% Cu from 64 metres to the end of the hole.

In addition, a gravity survey was completed in June involving 17.6 line kilometres; 100 x 50m spaced stations. Processing of this data is underway.

## **Forward Programme**

Extension of drillhole BTD042 and review of gravity data will be completed before any further work is planned at T2.





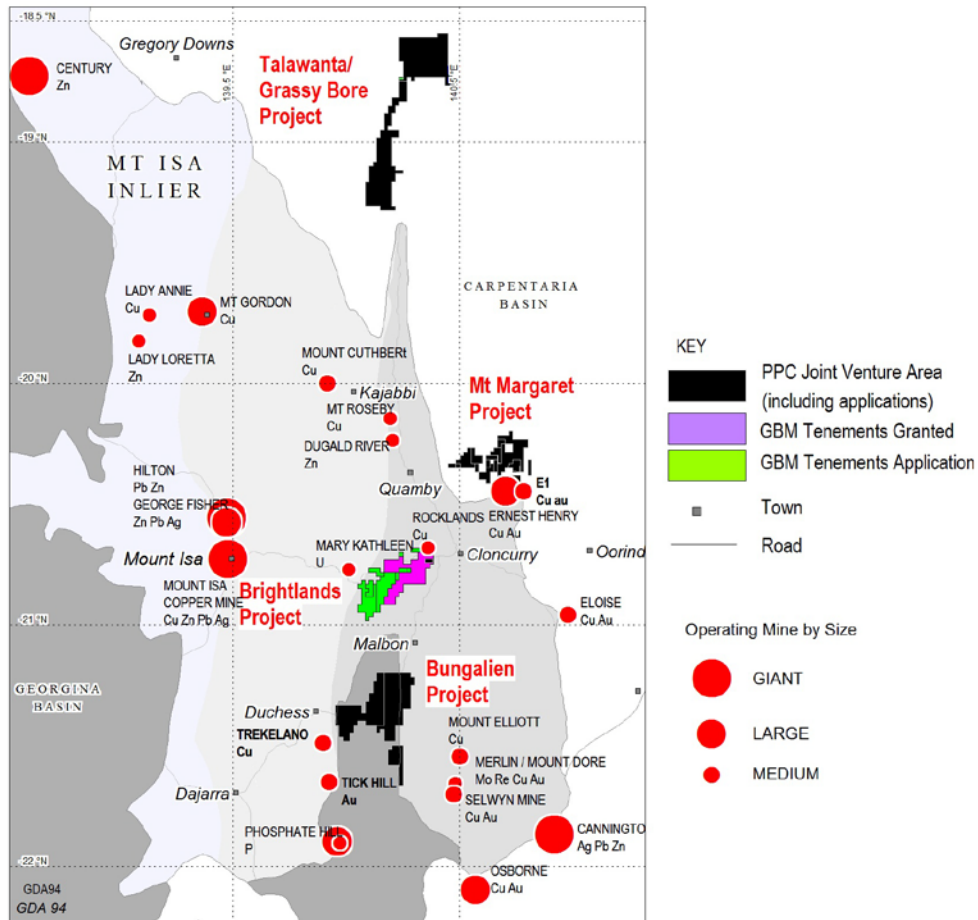
Brightlands Copper Gold Project Area

## 2.0 Pan Pacific Copper/ Mitsui Farm in Projects

Significant exploration has been completed during the quarter on these projects which cover 1,580km of highly prospective multi-minerals ground in the Eastern Succession of the Mount Isa Inlier. Commencement of programmes was delayed due to a prolonged North Queensland wet season and availability of contractors. However work is currently progressing rapidly with drilling and geophysical surveys in progress. During the June Quarter the first drillholes to test IOCG targets on Bungalien were completed and extensive gravity surveys are in progress.

Under the Farm-in Agreement, Pan Pacific / Mitsui, through their co-established Australian subsidiary Cloncurry Exploration and Development Pty Ltd ("**CED**"), can spend up to A\$55million on the development of new copper–gold exploration and mining projects in northwest Queensland.

A \$3.0M joint venture budget has been approved by CED and initial drilling and field work will be undertaken this year on all project areas including Grassy/Talawanta, Mount Margaret, Chumvale and Bungalien IOCG projects



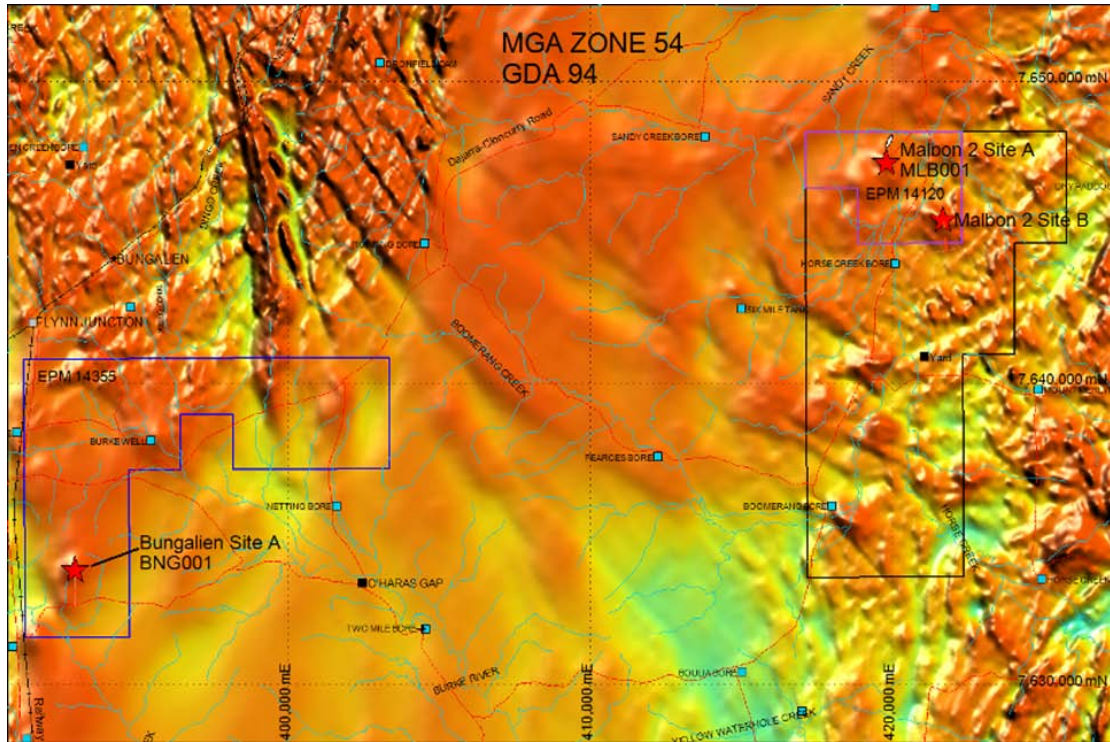
Figure; GBM tenements in the Mount Isa Region.

### Bungalien IOCG Project

The Bungalien Project includes a number of discrete magnetic features in an area covered by sediments of the Georgina Basin. These features are interpreted to reflect areas of metasomatic magnetite formation, targets for IOCG mineralisation, in the Proterozoic basement. Preliminary work has identified seven anomalies in the tenement area considered worthy of further evaluation. Of these the Bronzewing Bore and Malbon 2 areas were chosen for initial evaluation. Malbon 2 already had one exploration drillhole indicating basement depth, and soil geochemistry indicating copper anomalism despite over 200m of overlying sediments.

Two scout drillholes were completed during the quarter; BNG001 Bronzewing Bore (final depth 615.5m) and MLB001 at Malbon 2 (final depth 363.4m). Results for these holes are still being processed and are expected to be finalised in early August.

Additional targeted gravity surveys have also been completed over Bronzewing Bore and one other target in the area. Processing is underway and final grids are expected in early August.



*Figure: Location of Drill holes BNG001 and MLB001 on the Bungalien and Malbon 2 prospects over magnetic image (TMI RTP). Granted exploration licences shown as solid lines.*

### **Forward Program**

The Bungalien Project area contains significant geophysical targets in the highly prospective Eastern Succession of the Mt Isa Inlier under cover of the Georgina Basin. The area is considered by GBM to be highly prospective for IOCG style mineralisation.

Exploration for the remainder of 2011 programme will include; processing and interpretation of gravity data, additional drilling testing other targets in the project area, deep seeing, electrical geophysical surveys to further elucidate these target areas will also be undertaken.

### **Talawanta- Grassy Bore Cu Au Projects**

In November 2010, GBM Resources Limited commenced drilling the first of two 600 metre holes 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. However the programme was interrupted by the onset of a prolonged wet season and the second hole is now scheduled to commence in early August. 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.

During the June quarter gravity targeted surveys covering additional IOCG targets in the Grassy bore area were initiated, and the regional coverage at Talawanta was extended. Processing and interpretation of this data is expected to be completed during the September Quarter.



## Forward Program

The Talawanta and Grassy Bore Projects contain significant geophysical targets in the northern continuation of the highly prospective Eastern Succession of the Mt Isa Inlier under cover. The area referred to as the Boomara Ridge is considered by GBM to be highly prospective for IOCG style mineralisation. Exploration for the second half of 2011 will include: completion of the initial drilling to test discrete coincident gravity and magnetic anomalies at Ibis and Ibis South at Grassy Bore, completion of additional ground gravity surveying to extend survey areas at Grassy Bore, processing and interpretation of gravity data, commencement of initial scout drilling of targets at Talawanta, deep seeing electrical geophysical surveys to further elucidate target areas at both Talawanta and Grassy Bore will also be undertaken.

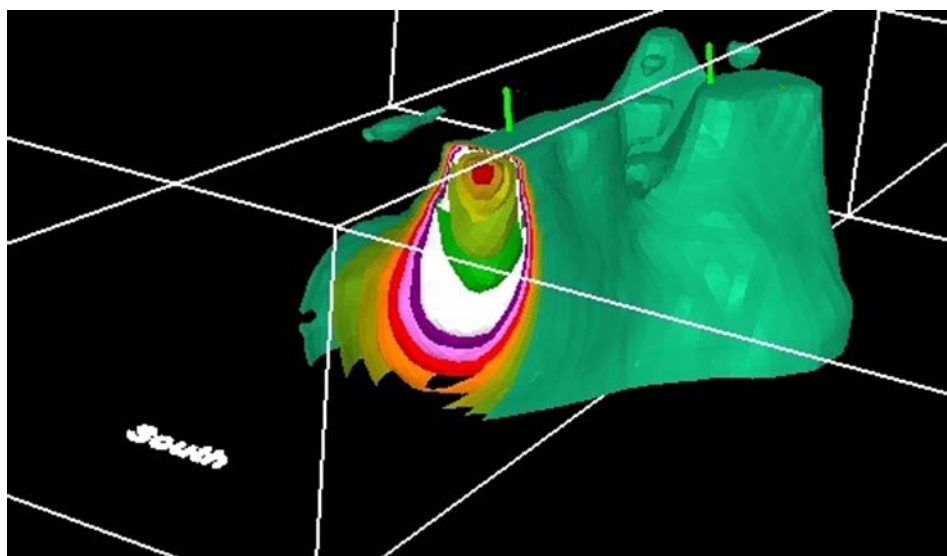


Figure 2: Oblique view of 3D inversion model showing proposed drillholes in bright green intersecting modelled magnetic and gravity targets after passing through cover sequence (approximately 300m thick). Larger outer shells represent magnetic model (Magnetic susceptibility units 100k intervals increasing from outer green 200k to inner white 800k shell) while inner shells represent gravity (density contrast to host rock in g/cm<sup>3</sup> increasing inwards from bright green 0.3 to red 0.7 shell)

## Mt Margaret West IOCG Project

The Mt Margaret West Project area is located immediately north of the Ernest Henry IOCG deposit. The complex tenement group contains a number of mature prospect areas where GBM believe that further testing of discrete magnetic features considered targets for IOCG style mineralisation is warranted.

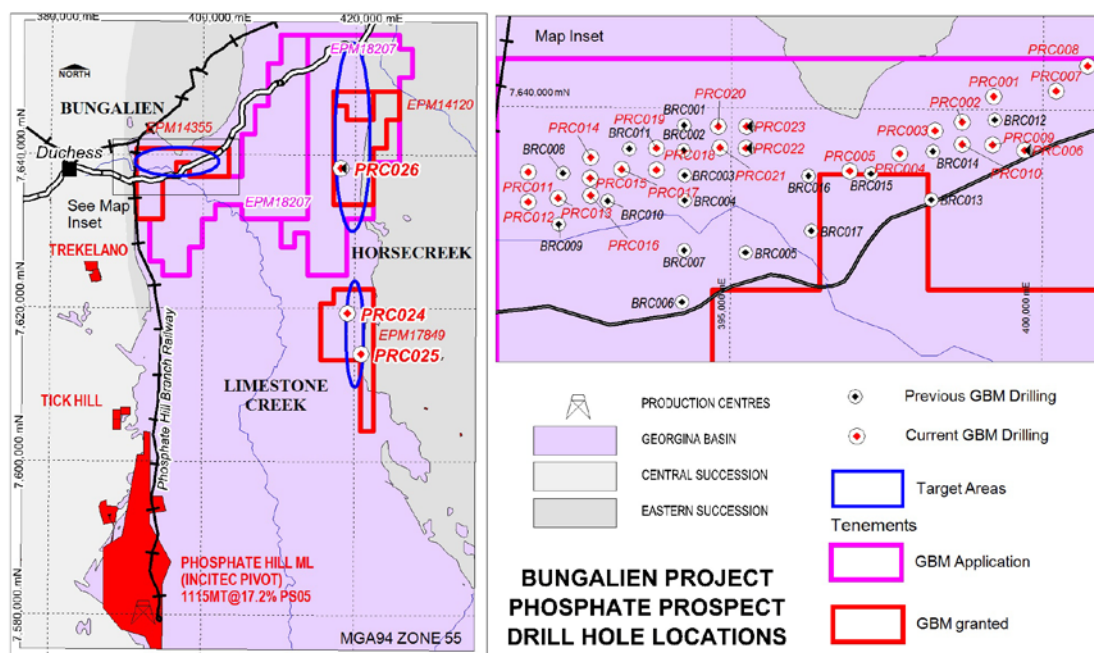
## Forward Program

The Mt Margaret West Project area database is currently being reviewed. The targets being identified are considered under explored and further exploration is being planned. The area is adjacent to the Ernest Henry and Mt Margaret West deposits and are considered by GBM to be highly prospective for further IOCG style discoveries. Exploration for the June Quarter and the 2011 programme will be staged as follows; additional geophysical testing as indicated by data review, initial drill testing of targets.

### 3.0 Phosphate Joint Venture

GBM is working in a joint venture with Singapore-based investor, Swift Venture Holdings in an area known as the Bungalien projects. These projects are contained within the region's phosphate-rich Beetle Creek Formation and the recent program is aimed at advancing the work GBM completed in December 2008 when peak phosphate values of more than 22%  $P_2O_5$  were recorded.

During the quarter a total of 26 reverse circulation drillholes were completed for a total of 1436 metres of drilling were completed and 946 samples dispatched for analyses. Complete results are expected to be in hand during August. Drilling extended the coverage of the Bungalien area previously drilled by GBM in 2008, and also included scout holes in the Limestone Creek EPM17849 and Horse Creek EPM15150 tenements. Drillhole locations are summarised in the figure below.



Figure; Drillhole locations and tenement summary for Bungalien Phosphate Project.



## **QUEENSLAND EXPLORATION ACTIVITIES**

### **Mount Morgan Copper Gold Project Region**

A reconnaissance field trip to Mount Morgan was undertaken late in the month. A number of key landowners in the western half of the project area were visited with verbal permission for access granted in all cases. An assessment of terrain and access was made for the large and relatively remote Kyle Mohr prospect area. A small EPM was applied for (Limonite Hill East, 9 sub-blocks) to cover the eastern half of the Limonite Hill prospect magnetic anomaly.

#### **FORWARD PROGRAMME**

- Ongoing collation and interpretation of historic exploration data. Initial focus is on the Kyle Mohr and Black Range stream sediment Au anomalies.
- Design of a ridge and spur soil program for Kyle Mohr targeting areas of >100ppb Au anomalism, and a gridded soils program for the Black Range. Field work is scheduled to start 1<sup>st</sup> August.
- For prospects with historic drilling data (Smelter Returns, Dee Copper Mines, Mt Gordon), simple 3D Discover models will be generated and work programs planned accordingly.
- The prospective Limonite Hill area is within an EPMA under competitive application. We will investigate fast-tracking this application.
- Assess possible JV of the high-grade Clarincarde/Midas Mines prospect, located west of Mt Morgan and just outside GBM ground, currently held by Lodestone Energy.

## **VICTORIAN EXPLORATION ACTIVITIES**

### **Yea Gold Project**

Two exploration licences, Monkey Gully EL5293 and Tin Creek EL5292 were granted to GBM in March this year. The area is considered prospective for Intrusive Related Gold Systems which elsewhere in the world host significant gold deposits. Initial data review and a reconnaissance field trip confirmed that the Monkey Gully Prospect was of significant interest and a scout drillhole MGD08 has been completed at this prospect. In addition a total of 156 soil samples and 42 rock samples have been collected in the area. Results are expected during August.

#### **Forward Programme**

Exploration for the second half of 2011 will include; Interpretation of drill logging/assay results and soil program results, assessment of suitable geophysical techniques to delineate further drill targets in the prospect area, prospect-scale mapping of Monkey Gully/Mumbil area, dataset interpretation and Phase 2 drill program planning, track and drill-site rehabilitation at Monkey Gully

## 4.0 Tenement Summary

Project / Name	Tenement No.	Owner	GBMR Equity	Manager	Granted	Expiry	Approx Area* <sup>3</sup> (km <sup>2</sup> )	Status
<b>Victoria</b>								
<b>Malmsbury</b>								
Belltopper	EL4515* <sup>1</sup>	GBMR/Belltopper Hill	100%	GBMR	6/10/2005	5/10/2012	25	Granted
Lauriston	EL5120	GBMR	100%	GBMR	17/12/2008	16/12/2013	94	Renewal
<b>Willaura</b>								
Lake Bolac	EL4631	GBMR	100%	GBMR	21/03/2002	20/03/2012	98	Granted
Woorndoo	EL4751	GBMR	100%	GBMR	19/11/2003	18/11/2012	29	Granted
Willaura	EL5346	GBMR	100%	GBMR	02-Jun-11	01-Jun-14	11	Granted
<b>Yea</b>								
Tin Creek	EL5292	GBMR	100%	GBMR	23-Mar-11	22-Mar-16	442	Granted
Monkey Gully	EL5293	GBMR	100%	GBMR	23-Mar-11	22-Mar-16	442	Granted
Rubicon	EL5347	GBMR	100%	GBMR			155	Appl'n
<b>Queensland</b>								
<b>Dee Range</b>								
Dee Range	EPM16057	GBMR	100%	GBMR	27-Sep-07	26-Sep-12	88	Granted
Boulder Creek	EPM17105	GBMR	100%	GBMR	26-Mar-08	25-Mar-10	178	Renewal
Mt Morrisey	EPM17163	GBMR	100%	GBMR	23-Apr-08	23-Apr-10	161	Renewal
Black Range	EPM17734	GBMR	100%	GBMR	20-May-09	19-May-14	180	Granted
Smelter Return	EPMA18366	GBMR	100%	GBMR			195	Appl'n
Limonite Hill	EPMA18811	GBMR	100%	GBMR			260	Appl'n
Mt Hoopbound	EPMA18812	GBMR	100%	GBMR			23	Appl'n
Limonite Hill East	EPMA19288	GBMR	100%	GBMR			29	Appl'n
<b>Drummond Basin</b>								
Diamond Creek	EPM 19193	GBMR	100%	GBMR	27-Jun-11	26-Jun-14	247	Granted
<b>Mount Isa Region</b>								
<b>Talawanta - Grassy Bore</b>								
Talawanta	EPM15406	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	15-Jan-08	14-Jan-11	<u>325</u>	Renewal Pending
Grassy Bore	EPM15681	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	28-Sep-07	28-Sep-10	<u>325</u>	Renewal Pending
Talawanta	EPMA 19255	GBMR/Isa Tenements	100%	GBMR			325	Appl'n
Grassy Bore	EPMA 19256	GBMR/Isa Tenements	100%	GBMR			322	Appl'n
<b>Mount Margaret</b>								
Mt Margaret W.	EPM16227	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	31-Jul-07	30-Jul-12	<u>36</u>	Granted
Mt Margaret West	EPM14614	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	2-Aug-05	1-Aug-10	<u>129</u>	Renewal Pending
Mt Malakoff Ext	EPM16398	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	19-Oct-10	18-Oct-15	84	Granted
Cotswold	EPM16622	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR			45	Appl'n
Dry Creek	EPM 18172	GBMR/Isa Tenements	100%	GBMR			227	Appl'n
Dry Creek	EPM 18174	GBMR/Isa Tenements	100%	GBMR			39	Appl'n
<b>Brightlands</b>								
Brightlands	EPM14416	GBMR* <sup>2</sup> /Isa Brightlands	100%	GBMR	5-Aug-05	4-Aug-10	251	Renewal Pending
Wakeful	EPM18454	GBMR/Isa Brightlands	100%	GBMR			13	Appl'n
Highway	EPM18453	GBMR/Isa Brightlands	100%	GBMR			36	Appl'n
	EPM18672	GBMR/Isa Brightlands	100%	GBMR			97	Appl'n
Brightlands West	EPM18051	GBMR/Isa Brightlands	100%	GBMR			99	Appl'n
<b>Bungalien</b>								
Bungalien	EPM14355	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	13-Oct-04	12-Oct-09	<u>61</u>	Renewal Pending
Horse Creek	EPM15150	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	13-Jul-06	12-Jul-11	<u>80</u>	Granted
Limestone Creek	EPM17849	GBMR/Isa Tenements	100%	GBMR	20-Oct-10	19-Oct-15	72	Granted
Malbon 2	EPM14120	GBMR* <sup>2</sup> /Isa Tenements	100%	GBMR	24-Aug-04	23-Aug-10	<u>15</u>	Renewal Pending
Bungalien 2	EPM18207	GBMR/Isa Tenements	100%	GBMR			325	Appl'n
Horse Creek 2	EPM18208	GBMR/Isa Tenements	100%	GBMR			325	Appl'n
							<b>4568</b>	

Note \*<sup>1</sup> subject to a 2.5% net smelter royalty to vendors.

\*<sup>2</sup> subject to a 2% net smelter royalty is payable to Newcrest Mining Ltd.

\*<sup>3</sup> For Q'ld tenements, 1 sublock ~3.2km<sup>2</sup>. Underlined areas indicate the tenement is contained in new application area.

Table; GBM Resources Tenement Summary June 30<sup>th</sup> 2011

Tenement maintenance, including reporting and renewals has been ongoing during the quarter.

Exploration licences application, EPM 19193 Diamond Creek has been granted in the Drummond Basin where previous exploration and geophysical data outlines a target for and Intrusive Related Gold System (IRGS).

An additional exploration permit application EPM 19288 was lodged to cover part of the Limonite Hill Intrusive Related Gold Prospect in the Mount Morgan Project area.

## CORPORATE

### Expenditure for the Quarter and Working Capital

The Company spent A\$1.66million in the quarter, of which \$1.4 million was for exploration and \$260k for administration costs. Cash at 30 June 2011 was \$5.2 million.

#### For Further information please contact:

Peter Thompson  
Managing Director  
GBM Resources Limited  
Tel: 08 9316 9100

Colin Hay  
Professional Public Relations  
Tel: 0 415 056 432  
E:Colin.Hay@ppr.com.au

#### Explanatory notes:

<sup>\*1</sup> 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

<sup>\*2</sup> 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<sup>o</sup> to 70<sup>o</sup> to 225<sup>o</sup> MGA at Milo and 270<sup>o</sup> 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.

<sup>\*3</sup> 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<sup>3</sup> 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.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/01, 01/06/10, 17/12/10

Name of entity

**GBM Resources Limited**

Quarter ended ("current quarter")

**ABN 91 124 752 745**

**30 June 2011**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation (including JV Farm-in spend)	(1,434)	(3,446)
(b) development	-	-
(c) production	-	-
(d) administration	(260)	(991)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	76	149
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Grants and JV management fees	111	286
<b>Net Operating Cash Flows</b>	<b>(1,507)</b>	<b>(4,002)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(18)	(400)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	36
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - JV Farm-in contributions received	926	1,834
<b>Net investing cash flows</b>	<b>908</b>	<b>1,470</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(599)</b>	<b>(2,532)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(599)	(2,532)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	7,478
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)	(2)	(504)
	<b>Net financing cash flows</b>	(2)	6,974
	<b>Net increase (decrease) in cash held</b>	(601)	4,442
1.20	Cash at beginning of quarter/year to date	5,799	756
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	5,198	5,198

**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	159
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

Expenditure for the quarter of \$517,072 (year to date \$1,146,969) has been incurred by other entities under joint venture farm-in agreements on projects held by the Company.

**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	1,500
4.2	Development	-
4.3	Production	-
4.4	Administration	250
<b>Total</b>		<b>1,750</b>

**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	5,085	5,686
5.2	Deposits at call	113	113
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>5,198</b>	<b>5,799</b>

**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 19193 EPM 19288	100% 0	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 <b>Preference securities</b> <i>(description)</i>	-			
7.2 Changes during quarter	-			
7.3 <b>+Ordinary securities</b>	219,793,503	219,793,503		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,100,000 -	1,100,000 -		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-		
7.6 Changes during quarter	-	-		
7.7 <b>Options</b> <i>(description and conversion factor)</i>	113,793,124	113,793,124	<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 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		
7.13 <b>Performance Share Rights</b> <i>(description and vesting dates)</i>	1,100,000	-	<i>Vesting date</i> 16/12/2011	<i>Expiry date</i> 15/12/2016
7.14 Issued during quarter	-	-	-	-
7.15 Exercised during quarter	1,100,000	-	16/3/2011	15/3/2016
7.16 Expired during quarter	-	-	-	-

+ 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:   
..... Date: 29 July 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: 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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