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ASX Announcement

28 November 2011

ASX Code: GBZ

Widespread Rare Earth Element Mineralisation Confirmed at GBM Resources' Milo Project in Queensland

HIGHLIGHTS:

- **Broad zone of Rare Earth Element and Yttrium (REEY) mineralisation discovered at Milo Prospect extends throughout the Project area.**
- **In addition to previously reported results, significant drilling results include:**
  - **BTD008 45m @ 1014 ppm TREEYO (including 11m @ 1479 ppm)**
  - **BTD010 13m. @ 2839 ppm TREEYO**
  - **MIL003 26m @ 2212 ppm TREEYO**
  - **MIL010 49m @ 2044ppm TREEYO (including 25 @ 3471ppm)**
- **Dominant Rare Earth elements are Lanthanum (La), Neodynium (Nd) and Cerium (Ce) with associated Yttrium (Y);**
- **REEY mineralisation has now been intersected over the 500 metres drill site and is open along strike and at depth.**
- **REEY mineralisation occurs within a broad breccia zone overlying and as a halo around, previously reported IOCG style Cu-Au-Ag-Mo-U-Co mineralisation.**
- **Scoping Study to commence on the Milo Project**

Australian resources company **GBM Resources Limited** (ASX:**GBZ**) ("**GBM**" or "the **Company**") today announced that the results on analysing a total of 3,696 samples for a full suite of Rare Earth Elements and Yttrium (REEY) has confirmed the widespread nature of mineralisation at Milo.

Review of this data set confirms that the mineralisation is dominated in abundance by Cerium, Lanthanum, Neodymium and Yttrium, comprising 86% by weight of the total REE assemblage present. The Milo REEY assemblage contains 14% HREEY including Dyprosium and Europium.

Milo is emerging as a large tonnage poly-metallic deposit with significant contributions to its economics derived from the copper, silver, gold, molybdenum and uranium. The Rare Earth Element discovery now has the potential to add significant value to the project's future.

Previously reported flotation test work on the metal samples has demonstrated excellent recoveries across all key metals with the ability to produce saleable concentrates.

Preliminary test work has now commenced on the REEY samples to determine if beneficiation is feasible for the rare earth minerals. Initial flotation tests have confirmed that over 30% of TREEYO can be concentrated using traditional flotation techniques to produce a rare earth apatite concentrate.

In addition, initial test work conducted at the University of Tasmania has confirmed that very high concentrations of REEY are also contained in rare earth carbonate minerals. Testing is now underway to determine if gravity separation techniques will provide an effective means of beneficiation.

GBM Resources' Executive Chairman, Peter Thompson, said the confirmation that Rare Earth Elements were widespread at Milo was another important step in the project's potential commercialisation.

"These latest results confirm our confidence to undertake a scoping study in the first half of next year with the key aims of completing a resource and doing the metallurgical testwork on the rare earth elements. A positive outcome from the scoping study will take us into the next development phase of commencing a Pre-Feasibility Study on Milo by the middle of 2012." Mr Thompson said

During the December quarter additional drilling to test extensions of the Milo deposit will continue in tandem with completion of preliminary metallurgical test work targeting beneficiation of REEY along with ongoing modelling of the deposit.

For general information on rare earths please see www.AustralianRareEarths.com

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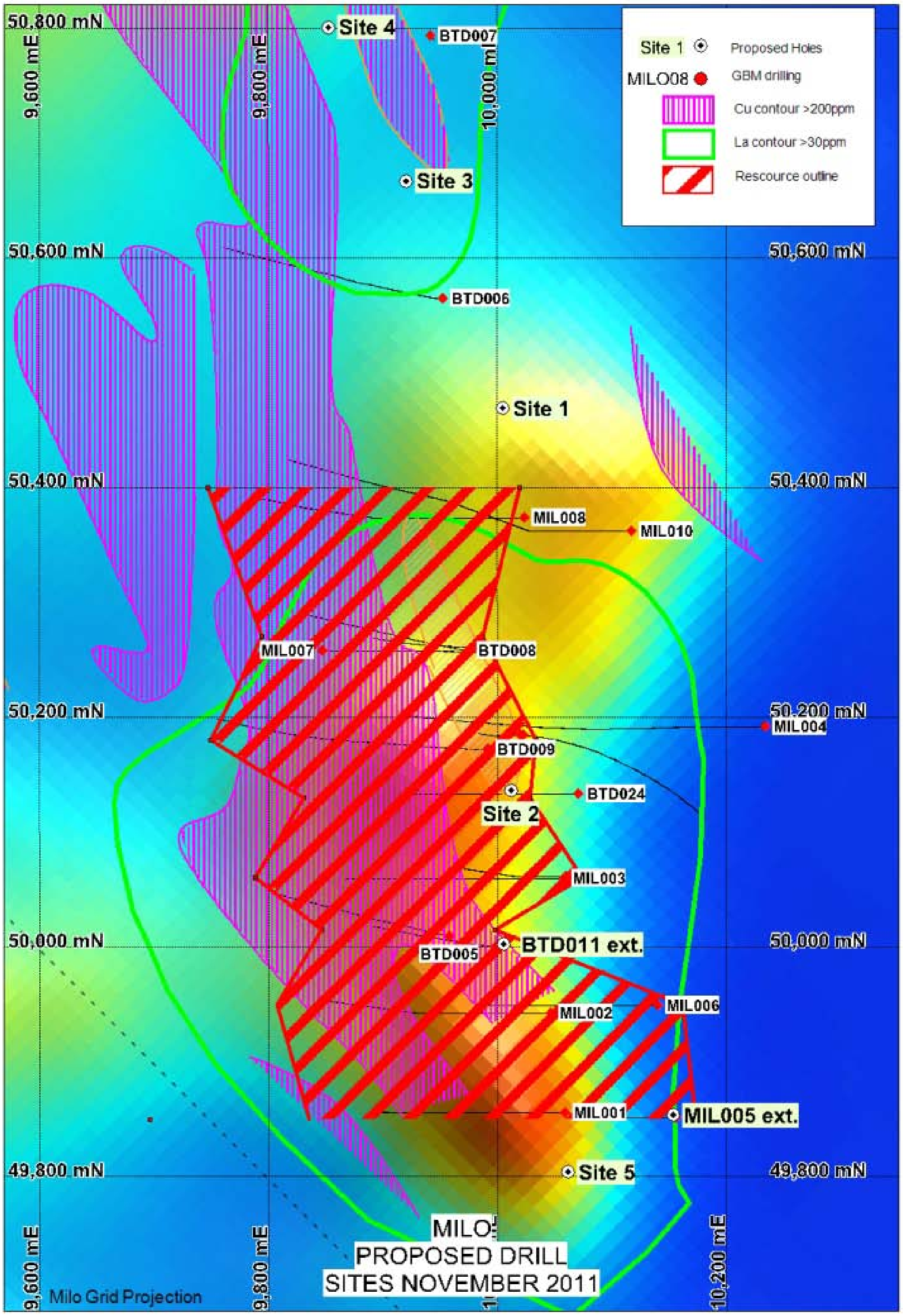
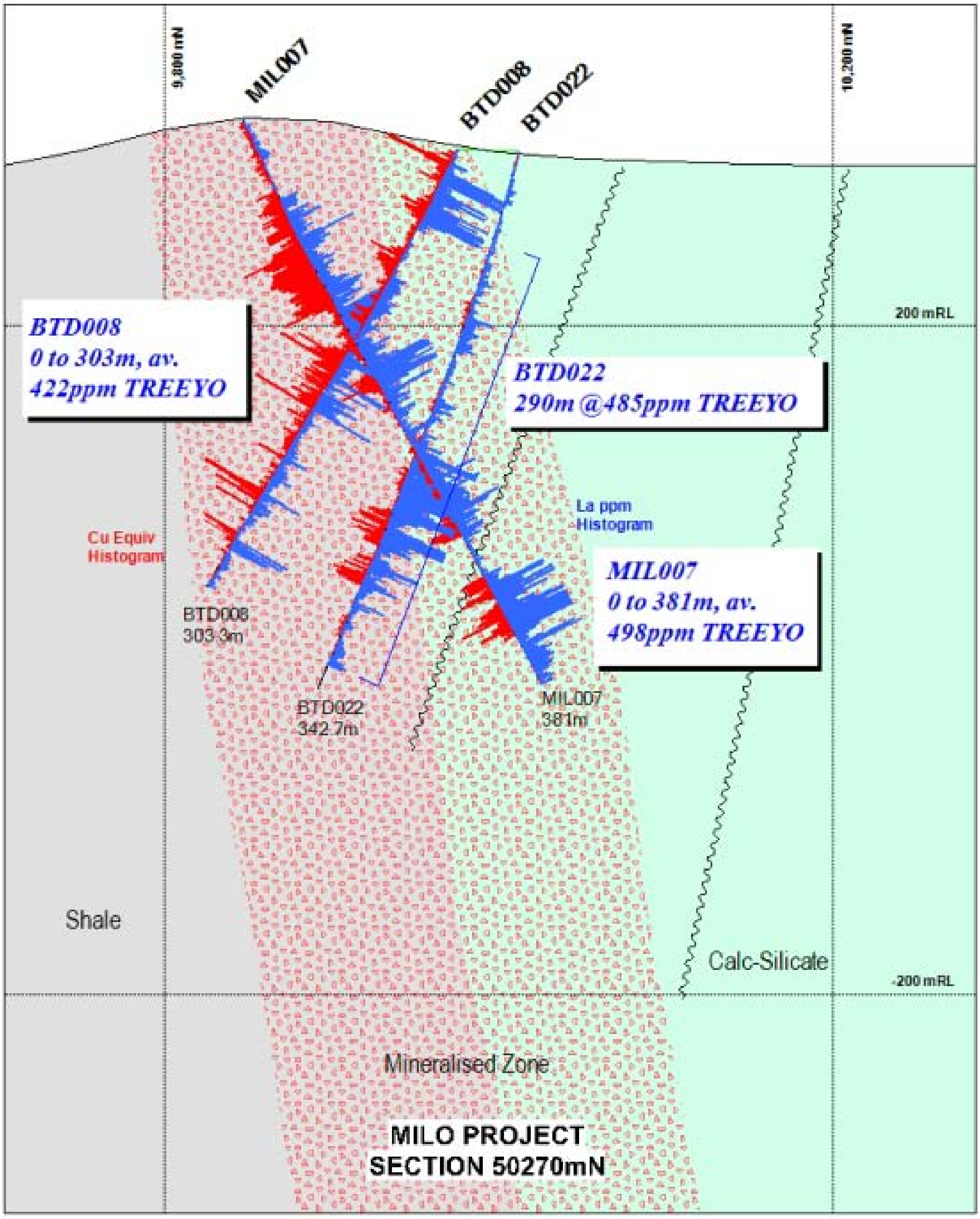
Table; Listing of drillhole interections based on nominal cut-off grades of 250ppm and 1000ppm(red) TREEYO respectively.

Hole ID	selected from	to	interval	CeO2 ppm	La2O3 ppm	Y2O3 ppm	Dy2O3 ppm	Eu2O3 ppm	Nd2O3 ppm	Pr2O3 ppm	Tb2O3 ppm	Yb2O3 ppm	Other ppm	TREEYO ppm
BTD005	0	32	32	219	150	41	6.3	2.0	63	19	1.0	3.0	22	528
BTD005	247	272	25	119	48	37	6.2	1.9	55	15	1.1	3.1	22	308
BTD005	278	291	13	100	46	40	6.5	1.6	44	12	1.1	3.4	21	275
BTD006	105	116	11	309	206	46	7.9	9.1	78	26	1.3	3.7	28	714
BTD006	121	147	26	262	113	99	17.0	2.5	104	28	2.9	8.5	51	688
BTD006	189	197	8	234	105	55	9.8	1.8	92	25	1.8	5.0	35	565
BTD006	294	337	43	124	64	33	5.0	1.3	47	13	0.9	3.0	17	307
BTD006	342	357	15	233	138	72	12.0	2.1	81	23	1.9	6.4	38	608
BTD008	9	54	45	415	312	79	12.3	7.5	105	35	2.0	5.9	40	1014
BTD008	15	23	8	823	711	21	3.8	6.8	118	54	0.7	1.9	19	1758
BTD008	37	48	11	584	446	132	20.3	10.3	158	53	3.2	9.7	63	1479
BTD008	82	113	31	162	84	52	9.1	1.7	68	18	1.6	5.0	32	434
BTD008	140	150	10	284	190	39	6.5	8.2	78	25	1.1	2.6	25	660
BTD008	221	231	10	126	80	35	5.3	1.7	40	11	0.9	3.2	16	319
BTD008	270	277	7	385	277	59	10.4	6.7	98	32	1.8	4.4	36	911
BTD009	33	59	26	274	192	34	4.9	9.5	58	20	0.8	2.2	17	613
BTD009	68	89	21	295	205	50	7.3	4.4	72	23	1.2	3.7	25	687
BTD009	150	189	39	262	176	34	5.3	9.0	61	20	0.9	2.3	19	591
BTD010	28	80	52	223	148	38	6.1	5.9	60	19	1.1	3.0	22	527
BTD010	106	132	26	713	511	96	14.5	4.8	190	64	2.7	5.9	59	1661
BTD010	115	128	13	1225	891	151	23.0	8.0	322	111	4.3	8.6	95	2839
BTD010	319	329	10	285	172	57	8.1	3.4	73	23	1.4	4.4	29	656
BTD011	90	134	44	243	144	41	6.1	3.6	69	21	1.1	3.0	24	557
BTD011	211	222	11	110	53	30	5.2	1.6	49	14	0.9	2.5	18	284
BTD014	70	81	11	390	243	44	7.7	5.8	82	29	1.4	4.4	28	835
BTD022	187	276	89	495	358	71	11.1	6.9	129	42	2.1	4.6	42	1161
BTD022	200	230	30	781	559	120	18.7	6.2	220	69	3.7	6.9	73	1858
BTD022	239	245	6	1021	756	87	14.1	6.1	235	81	2.8	5.5	58	2266
BTD024	125	189	64	228	142	40	6.3	7.9	55	18	1.1	3.0	21	524
BTD024	201	235	34	235	161	31	5.0	11.6	53	19	0.8	2.1	18	537
BTD024	274	285	11	517	402	61	10.3	6.5	126	43	1.7	4.6	38	1210
BTD024	279	283	4	844	686	67	11.4	9.7	188	66	2.0	4.6	46	1925
BTD024	290	308	18	308	249	38	6.6	8.4	73	25	1.1	3.1	24	737
BTD025	56	90	34	418	290	61	9.8	3.2	112	36	1.7	4.3	37	975
BTD025	62	75	13	721	497	91	14.2	3.9	186	61	2.5	5.7	57	1638
BTD025	114	136	22	283	222	37	6.1	8.3	67	24	1.0	2.6	21	672
BTD025	150	206	56	270	179	29	4.7	11.2	52	19	0.8	2.2	16	584
BTD025	229	246	17	284	183	36	5.9	12.5	62	22	1.0	2.6	20	629
BTD025	295	312	17	112	47	34	5.6	2.1	43	12	1.1	2.9	21	280
MIL001	16	136	120	818	557	117	17.3	5.3	232	76	3.6	21.1	77	1925
MIL001	30	114	84	1062	722	147	21.7	6.4	302	100	4.6	26.1	98	2489
MIL001	185	275	90	413	280	65	10.5	3.3	124	39	1.8	4.5	40	980
MIL001	198	238	40	723	503	103	16.4	4.8	214	68	2.9	6.5	65	1706
MIL002	0	87	87	1046	729	139	24.6	6.7	311	102	4.4	45.4	95	2504
MIL002	11	30	19	3435	2444	414	76.3	18.0	1018	340	13.6	147.5	299	8205
MIL002	69	77	8	1241	861	153	25.1	7.1	370	120	4.8	54.9	106	2944
MIL002	124	138	14	765	488	104	16.7	3.9	257	80	3.9	12.1	82	1813
MIL002	127	136	9	1065	677	134	21.8	5.2	359	111	5.2	16.2	111	2505
MIL002	180	204	24	158	97	40	7.3	3.4	54	16	1.4	10.7	26	414
MIL002	312	344	32	246	101	103	18.5	5.7	114	28	3.1	8.4	60	689
MIL002	333	341	8	391	150	147	27.9	9.3	189	47	4.8	11.9	93	1072
MIL003	106	114	8	259	168	40	5.7	2.3	60	19	0.9	3.4	21	578
MIL003	124	150	26	223	160	31	4.8	5.2	47	16	0.8	2.6	17	507
MIL003	168	176	8	433	358	35	5.5	9.1	73	27	0.9	2.6	20	964
MIL003	185	231	46	637	405	94	18.2	7.0	228	67	3.6	6.6	78	1545
MIL003	205	231	26	920	576	117	24.7	10.1	339	100	5.1	8.5	112	2212

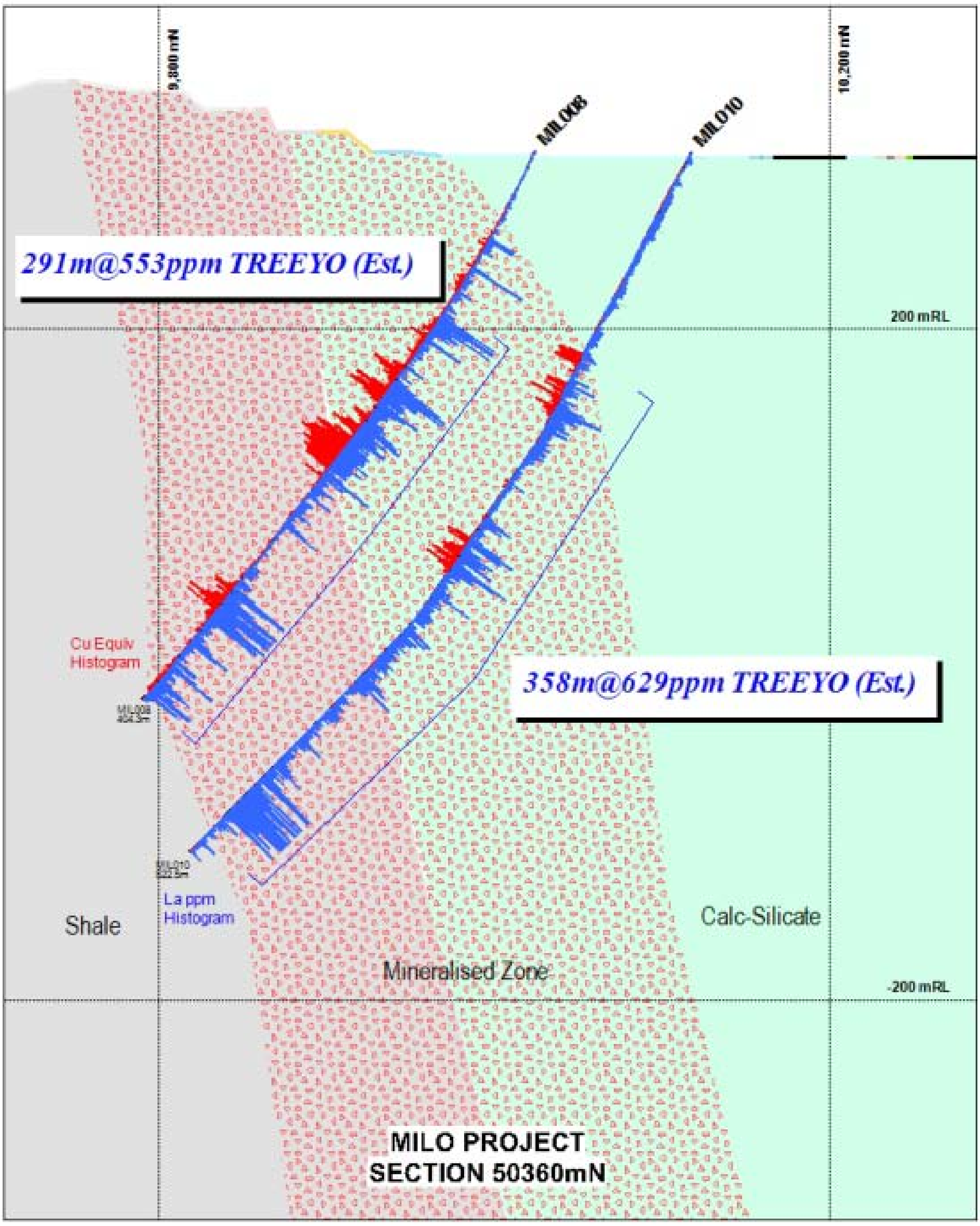
MIL003	318	360	42	196	104	52	7.7	2.0	71	21	1.3	3.8	26	484
MIL003	324	330	6	557	321	103	14.8	3.6	174	53	2.7	6.2	56	1291
MIL004	400	424	24	203	123	35	5.5	1.7	53	16	0.9	3.0	20	459
MIL004	439	505	66	262	148	44	7.1	2.4	78	23	1.2	3.8	27	596
MIL004	454	460	6	536	356	46	7.6	4.5	164	50	1.4	5.1	39	1209
MIL004	510	526	16	345	204	68	10.6	2.4	99	29	1.8	4.5	38	802
MIL004	517	525	8	523	319	93	14.4	3.3	146	44	2.4	5.8	52	1203
MIL006	150	165	15	206	137	41	6.5	2.5	62	18	1.1	3.4	23	501
MIL007	52	190	138	285	202	43	7.3	7.4	90	30	1.5	3.4	31	701
MIL007	127	135	8	1660	1179	235	40.6	14.2	574	186	8.6	17.1	185	4100
MIL007	166	179	13	637	479	69	12.0	4.8	183	63	2.6	5.2	58	1513
MIL007	248	283	35	247	160	31	5.0	6.1	53	17	0.9	2.4	19	541
MIL007	308	381	73	329	253	31	5.3	8.0	62	21	0.9	2.9	20	733
MIL007	333	347	14	561	547	26	4.0	13.7	74	30	0.8	2.5	18	1276
MIL008	110	124	14	411	285	66	10.2	3.5	114	35	1.7	5.0	39	970
MIL008	113	120	7	613	427	91	13.7	4.2	167	53	2.4	6.2	53	1430
MIL008	160	204	44	310	213	43	6.4	9.7	83	28	1.1	3.0	24	722
MIL008	239	261	22	141	80	42	6.1	1.8	49	13	1.0	3.6	22	361
MIL009	12	27	15	96	43	49	7.6	2.0	44	11	1.2	3.6	24	282
MIL009	59	76	17	230	121	36	7.2	2.6	86	23	1.4	2.8	30	540
MIL009	93	111	18	639	447	102	14.9	3.8	176	55	2.7	6.1	60	1506
MIL009	93	108	15	614	434	97	14.2	3.6	167	53	2.5	5.9	57	1448
MIL009	146	164	18	129	88	40	6.4	2.8	44	12	1.1	3.3	21	349
MIL009	326	369	43	150	69	59	9.7	2.1	54	14	1.6	5.7	31	396
MIL010	33	62	29	107	50	39	6.3	2.5	42	11	1.1	3.3	22	284
MIL010	87	97	10	101	53	36	6.6	2.5	40	10	1.2	3.3	22	275
MIL010	153	205	52	182	116	41	6.5	2.7	53	15	1.1	3.7	22	442
MIL010	266	409	143	210	107	58	10.0	6.3	73	21	1.7	4.7	33	525
MIL010	417	430	13	141	79	43	7.6	3.0	46	13	1.2	3.8	24	360
MIL010	443	492	49	897	769	72	11.7	5.0	173	63	2.1	4.8	46	2044
MIL010	466	491	25	1529	1356	99	16.2	7.8	281	106	3.1	6.0	67	3471



Figure; Plan showing proposed drillholes and surface interpretation of the TREEYO mineralisation (red hatch). Figure shows MGA grid as well as location of cross sections in local grid. Background image TMI rtp.



Figure; Milo Cross Section 50270 N (local grid showing broad interpreted TREEYO mineralised zone[1].*



Figure; Milo Cross Section 50360 N(local grid) showing broad interpreted TREEYO mineralised zone[1].*

Reference note:

**[1] note downhole intersections are across the mineralised zone using a nominal 70 ppm La cutoff , the downhole average is an estimate with La multipled by 3.8 to provide an estimate for TREEYO for the small number of intervals where full analyses are not available*

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.