ABN 91 124 752 745

ASX Announcement
13 January 2012

REPORT FOR THE QUARTER ENDED 31st December 2011

Highlights :

Milo IOCG- Rare Earth Project (NW Queensland)

- **Widespread Rare Earth Element (REEY) mineralisation confirmed throughout the Project area. Dominant Rare Earth elements are Lanthanum (La), Neodynium (Nd) and Cerium (Ce) with associated Yttrium (Y).**

- **The Rare earth mineralisation occurs within the Copper equivalent (Cu eq) zone and also as a halo around the Cu eq mineralisation group of metals being copper, gold, silver, molybdenum, cobalt and uranium.**

- **Three diamond drill holes (MIL 011,012 &013) completed in December have all intersected sulphide mineralisation. Drilling is aimed at confirming extensions of the Iron Oxide Copper Gold (IOCG) mineralisation north of the current site.**

- **Scoping Study now underway on Milo with the key aims of:**

    - **Achieving a maiden resource;**
    - **Completing metallurgical test work on the rare earths to produce a saleable concentrate;**
    - **Completing preliminary financial modelling to demonstrate economics; and**
    - **Completing the Study by June 2012.**

- **Milo is emerging as a large tonnage, Iron Oxide Copper Gold and Rare Earth discovery.**

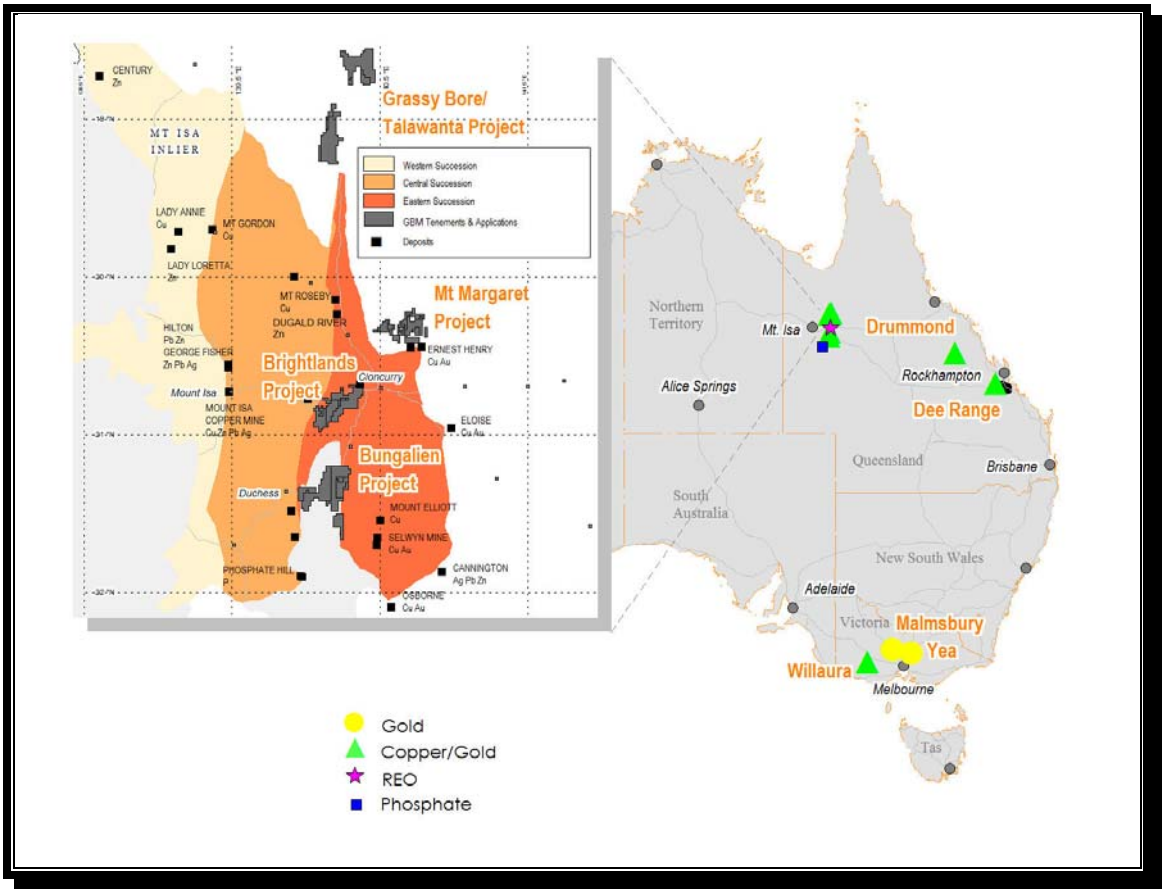


Figure: GBM Resources Project Location Plan

SAFETY AND ENVIRONMENT

No LTI or environmental incidents were reported during the quarter. One MTI was reported.

The Company has now completed 50 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 IOCG Project, 100% GBM.

GBM Resources' major 2011 exploration programme to progress its Milo within the highly prospective Brightlands Cu-Au Project Area achieved significant success during 2011, with extensions of the mineralised zone and identification of extensive REE mineralisation. These results have supported the commencement of a project scoping study that is planned to be completed in the first half of 2012.

A six hole diamond drilling programme designed to extend the known mineralisation commenced during December and will continue when weather permits. Samples from the first hole were submitted prior to the end of the 2011 field season, with the remainder to be submitted during January. Results of all holes completed in December 2011 are expected in the March quarter.

Milo IOCG - REE Prospect.

Three diamond drillholes completed during December all intersected sulphide mineralisation similar in appearance to that located in previous drilling at Milo. All holes were drilled north of the area (refer Figure Milo Plan end of this section) targeted by GBM's previous drilling programmes to further delineate the extent of the Milo Mineralised zones.

Results of analyses of 3696 samples for a suite of Rare Earth Elements and Yttrium has confirmed the existence of a broad zone of REE mineralisation, as previously indicated by Lanthanum analyses. REEY mineralisation at Milo occurs within a broad breccia hosted zone overlying and as a halo around, previously reported IOCG style Cu-Au-Ag-Mo-U-Co mineralisation. Milo is emerging as a large tonnage poly-metallic deposit with significant contributions to its potential economics derived from the copper, silver, gold, molybdenum and uranium. The Rare Earth Element discovery has the potential to add significant value to the project's future.

Significant RC Results summarised in the TREEYO table (end of this section) 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

REEY mineralisation has now been intersected over the 500 metres of project drill tested prior to the current programme. Further drilling is required to test extensions to the REEY zone both along strike and at depth.

The dominant Rare Earth Elements associated with mineralisation at Milo are Lanthanum (La), Neodyinium (Nd) and Cerium (Ce), with associated Yttrium (Y). Several Heavy Rare Earth Element's (HREE), in particular Europium and Dyprosium, are present in low concentrations .

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 confirmed significant intervals of REEY mineralisation in all three holes, and provided support for analyses of a large number of mineralised samples based on available La analyses.

An average of 86% of the TREEYO contained in Milo samples received to date comprise 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.

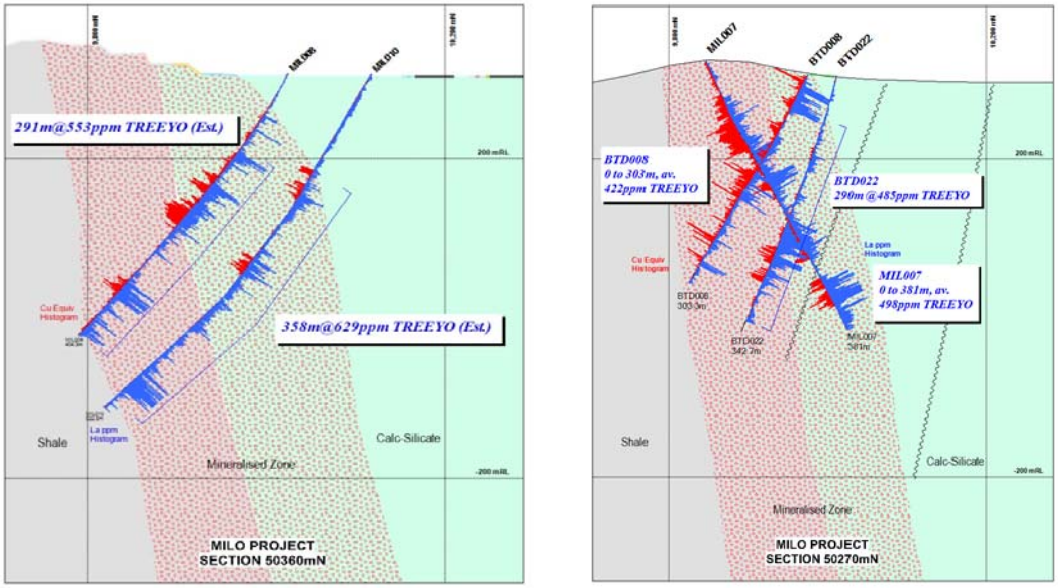
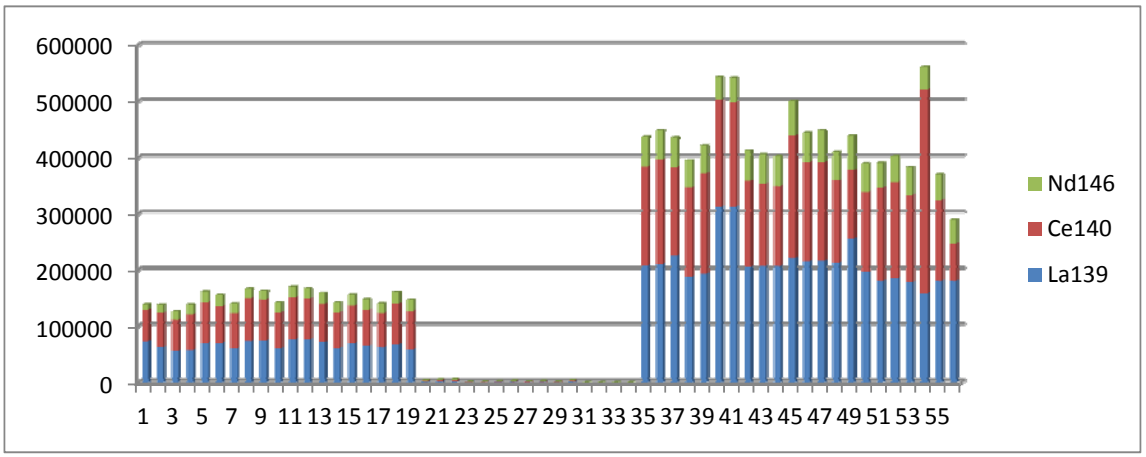


Figure: Milo Cross Section 50270 N and Milo Cross Section 50360 N(local grid) showing broad interpreted TREEYO mineralised zone[5].*

The discovery of broad zones of REEY mineralisation 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 previous 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].

Ongoing metallurgical test-work to identify the host minerals for the REE mineralisation continued to be co-ordinated by Core Processing and Engineering. Work completed has included production of gravity concentrates, laser ablation and electron microprobe analyses to determine the nature and grade of minerals hosting REE's. This has confirmed the presence of high grade rare earth carbonate minerals with REE concentrations of between 29 and 56% REE by weight. Initial flotation tests have confirmed that around 30% of TREEYO (including 70% of contained Yttrium) can be concentrated using traditional flotation techniques to produce a rare earth apatite concentrate.



Graph: Laser ablation ICPMS analyses of mineral grains showing concentrations of major REE's as ppm (10,000 ppm = 1%). Analyses represent minerals as follows: allanite 1-19, apatite 20-30, calcite 31-34, REE carbonate 35-56.

A previously reported completed Stage 1 - Flotation Test Program confirmed excellent recovery potential of the copper equivalent metals contained within the Milo Project in north west Queensland. The Stage 1 Flotation Test Program was undertaken over 5 months and managed by Core Process Engineering in Brisbane. The flowsheet is based on a standard flotation concentrator plant to produce copper concentrate with gold, silver and molybdenum credits. Cobalt and magnetite recovery test work will be undertaken in the next phase of testing.

Flotation test work has been completed on three composite copper equivalent metal samples and has demonstrated good recoveries across all key metals. This is a significant economic milestone for Milo.

Flowsheet results include:

- Copper recoveries of 75% -80% with a saleable copper concentrate grading 25%.
- Molybdenum recoveries up to 80% and Uranium levels achieved over 90%.
- Gold /silver recoveries in the order of 75%-80% to concentrate and dore.

Forward Programme

GBM plans to complete a scoping study in the first half of the 2012 calendar year. This study is anticipated to include; geological modelling, a preliminary resource estimate, additional metallurgical testing, concept plant design, and preliminary project economics to an accuracy of +/- 40%.

The diamond drilling programme initiated in December is expected to recommence as soon as conditions permit in 2012. Sampling of core drilled immediately prior to Christmas will be completed during January with results expected during the March quarter. This will be accompanied by further geological mapping and extension of soil sampling grids in the Milo area to test for further extensions of REE and Cu soil anomalies identified in previous surveys.

As previously stated, continuing positive results from this programme will provide the basis for a Preliminary Feasibility Study (PFS) for the proposed Milo's IOCG–REEY development. The PFS is currently planned to commence in July 2012.

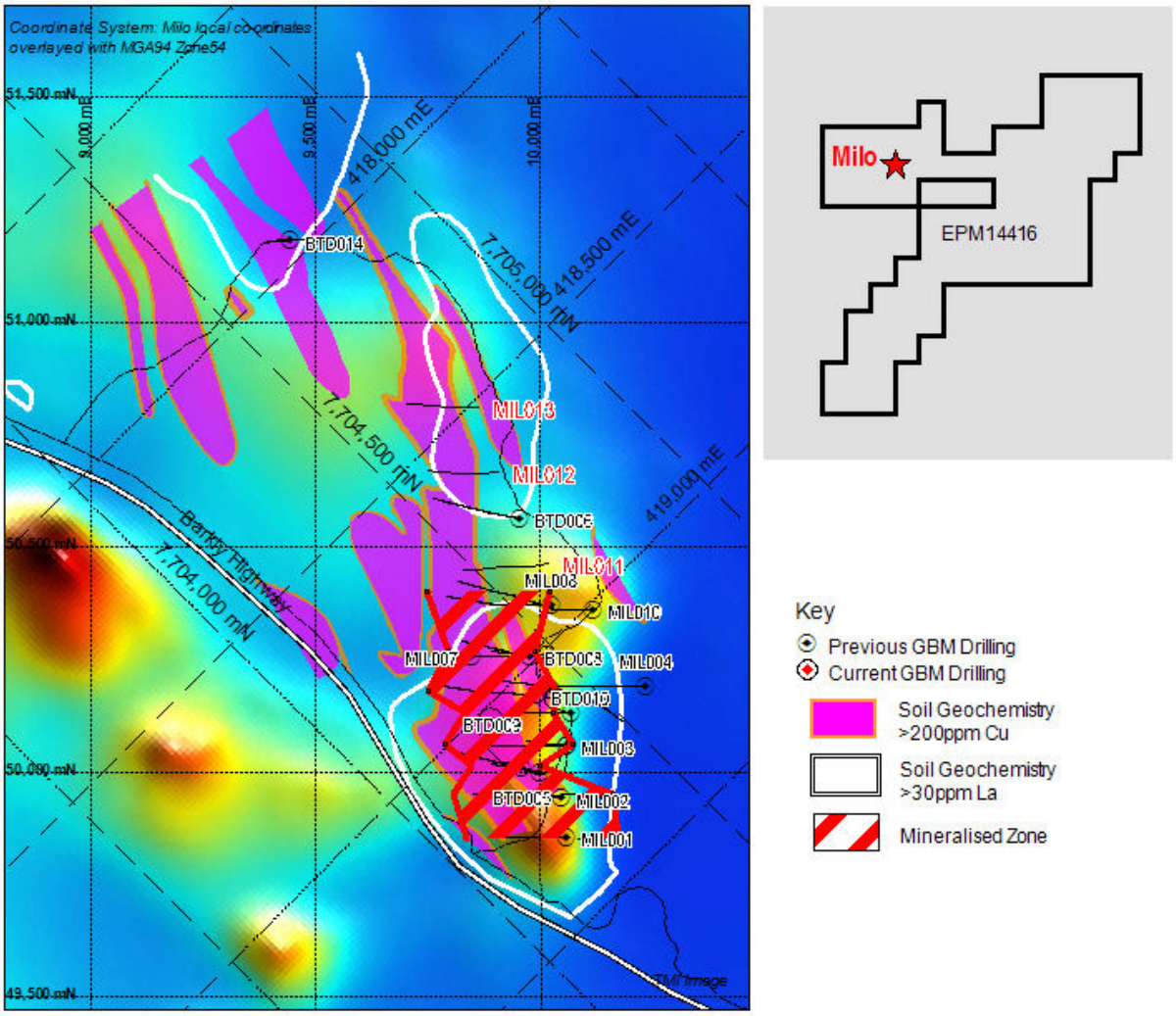


Figure: Milo Plan showing proposed drillholes in relation to the mineralised zone outlined by previous GBM drilling. Holes MIL011, 012 and 013 were completed prior to the end of the 2011 field season.

TREEYO 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

2.0 Pan Pacific Copper/Mitsui Farm in Projects

Two scout drillholes were completed at the Chumvale Breccia Prospect prior to the onset of the wet season. Logging and sampling of these holes will be completed during January. In addition, further IP surveys were completed at Bronzewing Bore (within the Bunglaien IOCG Project) and a Squitem Survey undertaken at the Bronzewing Bore and Mount Margaret Project areas during the December Quarter.

Exploration activity was sustained at a high level on projects included in this agreement which has an approved budget of over $3.0M for the year to 30 March 2012. These projects cover 1,580km of highly prospective multi-minerals ground in the Eastern Succession of the Mount Isa Inlier.

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.

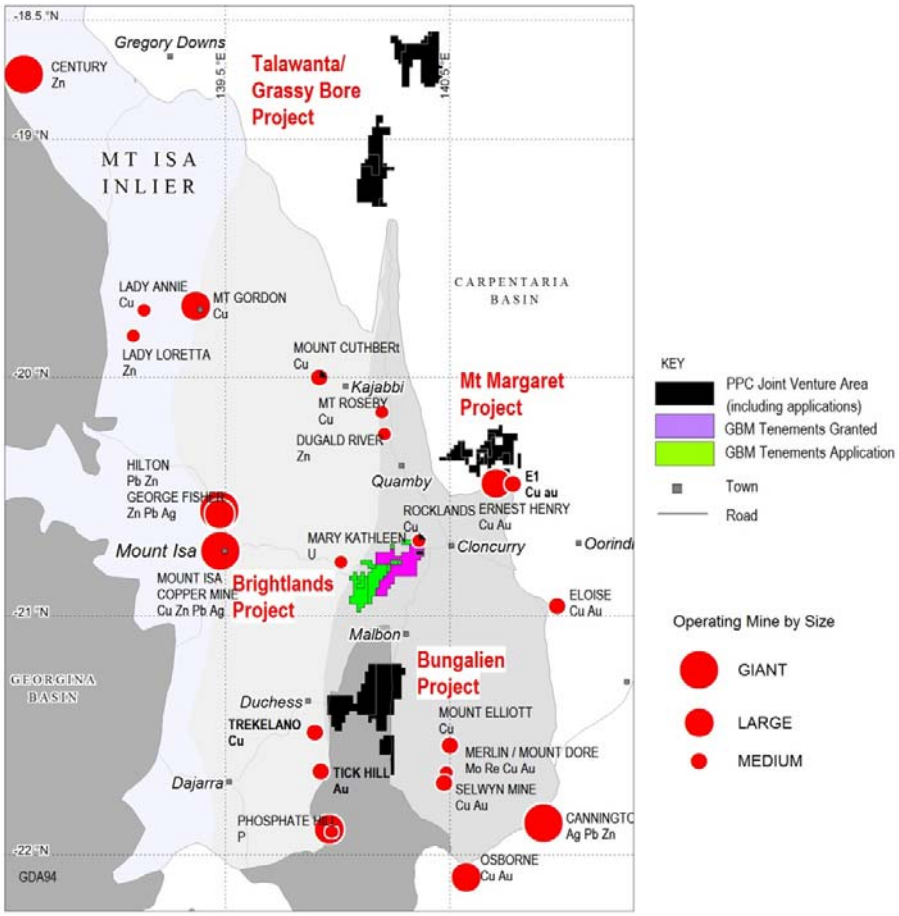


Figure: Location map showing Farm in Areas

Bungalien IOCG Project

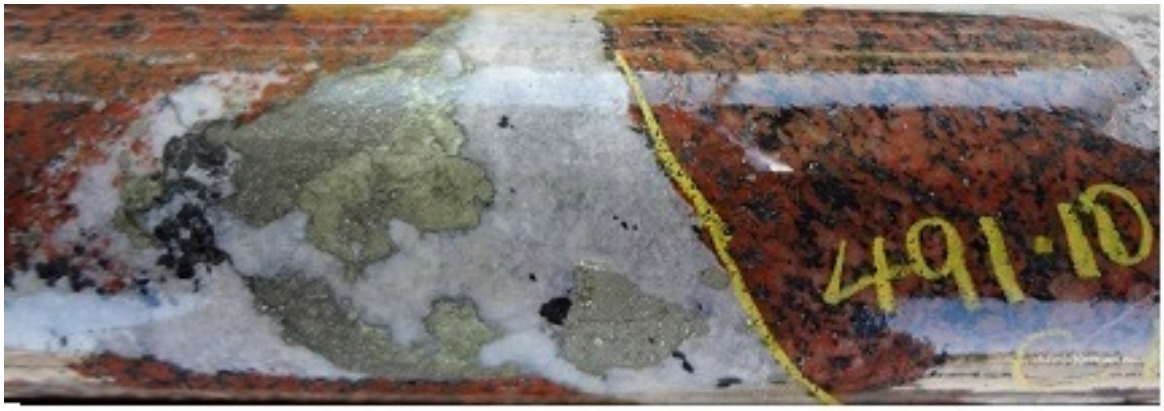
Two additional diamond drillholes were completed late in the September quarter at the Bronzewing Bore Prospect area. The first hole (BNG001) into the initial target, now referred to as Bronzewing Bore, intersected a broad interval of anomalous copper mineralisation (chalcopyrite associated with intense magnetite mineralisation forming up to 70% of the rock as matrix to a polymict breccia and as fracture fill) over 200m averaging almost 0.1% Cu, and including 24m averaging 0.28% Cu. This is the first hole drilled into this geophysical feature and is a new discovery of IOCG style copper mineralisation at Bungalien.

Hole BNG002 passed through to basement at 374m down-hole and intersected a mixture of fine-grained mafic and felsic igneous rocks, granite and meta-sediments until the hole was terminated at 651m. Logging of BNG002 recorded minor chalcopyrite as veins and locally disseminated within metasediments, fine-grained meta- mafic and felsic igneous rocks, and in medium-grained granite. The chalcopyrite was associated with pyrite, magnetite, chlorite and carbonate, and locally albite alteration of the host rocks and occurred over a 120m section of the core from 500m to 620m down-hole. Although sporadic in occurrence, anomalous copper over a wide interval within the 2nd scout hole at Bronzewing Bore gives encouragement for further exploration of this prospect.

The third scout drillhole at the Bronzewing Bore prospect (BNG003) was targeted at a discrete circular magnetic high, similar in character to that successfully targeted by BNG001. The drill-hole passed through the unconformity at 407m down-hole and intersected a medium-grained magnetite-bearing granite, with minor mafic intervals and altered sediments. The hole was terminated in granite at 602m. Minor chalcopyrite associated with pyrite was observed in core, mostly as veins associated with carbonate and chlorite. Traces of sulphides were observed (but not continuously) between 440 to 570m down-hole. A total of 58 samples have been submitted for analysis.

All the samples assayed (1 metre sample intervals) contained minor Cu with an average value of 442ppm and a highest value of 2000ppm. The Cu occurs as chalcopyrite associated with pyrite with carbonate + chlorite veins. BNG003 is ca. 2.5km SSW of BNG001 and thus extends the distribution of known chalcopyrite-bearing mineralisation at the Bronzewing Bore prospect. **All three holes drilled at this prospect (BNG001, BNG002, BNG003) intersected significant widths of anomalous Cu.**

Nine lines of IP (Dipole-Dipole array) were completed over the Bronzewing bore prospect by Planetary Geoscience. Eight of the lines were surveyed using a 300m dipole spacing and 400m line spacing. This survey was designed to complement (by seeing deeper into the crust) and infill between three earlier lines done with 200m dipole spacing. One additional line with a 200m dipole spacing was surveyed to help define an apparent shallow anomaly to the east of the targeted area. Preliminary analysis of the data gathered suggests a chargeable anomaly near and slightly east of hole BNG001, and an apparent shallow chargeable anomaly further to the east.



Photograph: Chalcopyrite + pyrite in a carbonate + chlorite + magnetite vein at 491.1m down drillhole BNG003 at the Bronzewing Bore prospect.

Forward Program

The exploration programme for the 2012 field season is currently being planned but is envisaged to include further geophysical surveys to identify the hot spots within this large IOCG mineralising system. Drill testing of these areas would follow or commence in areas identified from existing data.

In addition, the Bungalien Project area contains a number of other 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 and further targets will be tested in the 2012 field season.

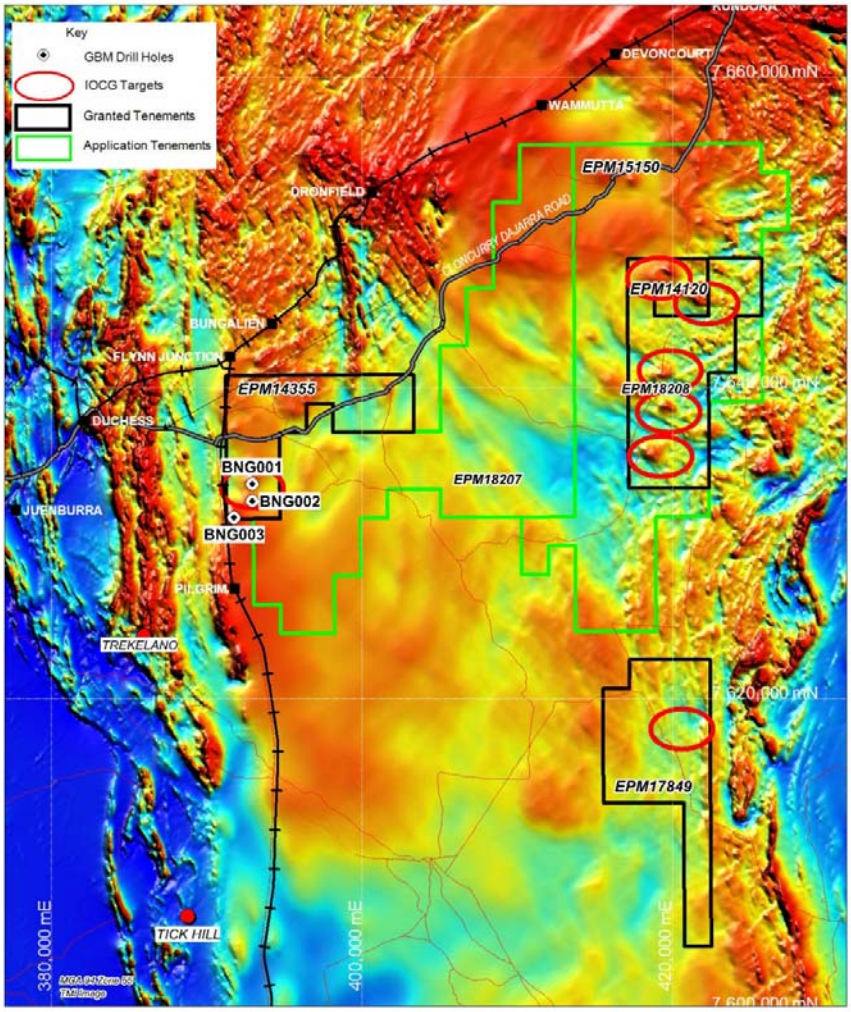


Figure: Bungalien IOCG Project area showing location of targets and recently completed drillholes BNG001 to BNG003.

Talawanta- Grassy Bore Cu Au Projects

The 2nd and 3rd planned drill holes on the Talawanta EPM, as well as MT surveys at Talawanta and IP surveys at Grassy Bore have been deferred until 2012. Negotiations with landholders in the Cloncurry district (relating to Conduct and Compensation agreements) are ongoing at the time of writing.

Sampling of diamond drill hole TGD003 at Talawanta was completed and 60 samples submitted to ALS for analysis. The analyses of the 60 representative metre intervals within TGD003 core showed that the magnetite-bearing gabbro intersected was consistently anomalous with respect to Cu (average of all 60 analyses was 152ppm Cu). This is an unusually high background Cu content for a mafic rock and is thus a fertile source for any hydrothermal enrichment in the vicinity.

Forward Program

The Talawanta and Grassy Bore Projects remain significant underexplored 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.

The 2012 programme will include continuation of drilling programme at Talawanta. Three more targets have been selected, and access tracks and pads prepared for two of these holes, deep-ground penetrating TM surveys to assist in targeting at Talawanta and at the Ibis Prospect in the south, finalise logging and sampling of TGD003, additional sampling of TDG002.

Mt Margaret West IOCG Project

A 3km line-length IP survey was carried out over a strong magnetic anomaly ca. 5km north of the Ernest Henry Cu-Au mine (FC4 prospect). The assay results for 29 soil samples from the same area were received in November. These preliminary surveys will provide valuable background information for more extensive programme planned for 2012 field season. A planned IP survey on Gypsy Plains (FC6 prospect) was deferred until 2012 due to increasing storm activity. The data from the SQUITEM survey conducted over the FC4 prospect in October is still being analysed at the time of writing.

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 IP surveys planned for the FC6 prospect will be carried out early next season (subject to landowner agreement). A programme of gravity and IP surveys at the FC4, FC6 and FC2 prospects is being prepared for early in 2012 in collaboration with PPC geologists. Negotiations with landowners are on-going at the time of writing. Initial drilling of targets is planned for early in the 2012 field season.

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 deposits and is considered by GBM to be highly prospective for further IOCG style discoveries.

QUEENSLAND EXPLORATION ACTIVITIES
Mount Morgan Copper Gold Project Region

Extensive soil and rock sampling programmes continued until early December on a range of high order targets within the Mount Morgan Project area as outlined in the previous quarterly. During the December Quarter over 1230 soil and rock samples were collected over a range of target areas including Smelter Return, Sandy Creek, Black Range and Kyle Mohr. Final results are expected during the 2012 March quarter.

FORWARD PROGRAMME

- Ongoing collation and interpretation of both new GBM and historic exploration data.
- Completion of soil sampling programmes for Sandy Creek South and Smelter Returns targeting areas of >100ppb Au anomalism.
- For prospects with historic drilling data (Smelter Returns, Dee Copper Mines, Mt Gordon, Limonite Hill), simple 3D Discover models will be generated and work programmes planned accordingly.

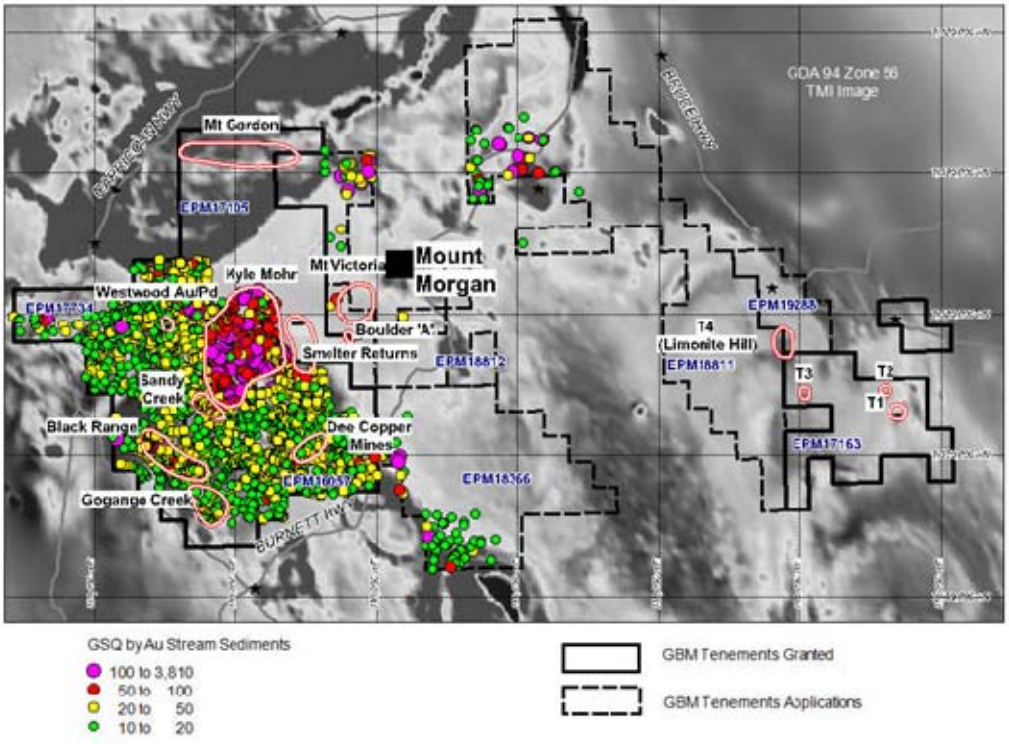


Figure: Mount Morgan Project tenement areas and initial targets.

VICTORIAN EXPLORATION ACTIVITY

No significant exploration activity was undertaken on the company's Victorian properties during the December Quarter. However activity is set to re-commence during the March quarter as resources become available during the northern wet season.

CORPORATE

The Company spent A$1.977 million in the quarter, of which $1.709 million was for exploration and $268,000 for administration costs. Cash at 31 December 2011 was $1.9 million.

On 21 November 2011 the Company issued 10,000,000 listed options (in lieu of payment), exercisable at 20 cents each on or before 30 June 2013 (GBZOA), in respect of a 12 month consultancy agreement to manage an investor relations program in the Asian region, with a particular emphasis on China and India.

On 21 December 2011 the Company announced the publication of a research report completed in respect of the Company's projects by RM Research.

For Further information please contact:

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Explanatory notes:

*[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 50^0 to 70^O to 225^0 MGA at Milo and 270^0 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/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 downhole intersections available over significant widths to date.*

*[4] *All holes at Bungalien are vertical, drilled by reverse circulation method and sampled on one metre interval using a three tier riffle splitter. Samples were submitted to Beureau Veritas Mt Isa Laboratory for analyses of 22 elements by SC202/IC3E/M.*

*[5] *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 and Mineral Resources 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.

TENEMENT SUMMARY

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

Project / Name	Tenement No.	Owner	GBMR Equity	Manager	Granted	Expiry	Approx Area*3 (km^2)	Status	State
Victoria									
Malmsbury									
Belltopper	EL4515*1	GBMR/Belltopper Hill	100%	GBMR	6/10/2005	5/10/2012	25	Granted	Vic
Lauriston	EL5120	GBMR	100%	GBMR	17/12/2008	16/12/2013	81	Granted	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	18/11/2012	23	Granted	Vic
Willaura	EL5346	GBMR	100%	GBMR	02-Jun-11	01-Jun-14	11	Granted	Vic
Yea									
Tin Creek	EL5292	GBMR	100%	GBMR	23-Mar-11	22-Mar-16	442	Granted	Vic
Monkey Gully	EL5293	GBMR	100%	GBMR	23-Mar-11	22-Mar-16	442	Granted	Vic
Rubicon	EL5347	GBMR	100%	GBMR			155	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	150	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
Limonite Hill East	EPMA19288	GBMR	100%	GBMR			29	Appl'n	Q'ld
Drummond Basin									
Diamond Creek	EPM 19193	GBMR	100%	GBMR	27-Jun-11	26-Jun-14	247	Granted	Q'ld
Mount Isa Region									
Talawanta - Grassy Bore									
Talawanta	EPM15406	GBMR*2/Isa Tenements	100%	GBMR	15-Jan-08	14-Jan-11	325	Renewal Pending	Q'ld
Grassy Bore	EPM15681	GBMR*2/Isa Tenements	100%	GBMR	28-Sep-07	28-Sep-10	325	Renewal Pending	Q'ld
Talawanta	EPMA 19255	GBMR/Isa Tenements	100%	GBMR			325	Appl'n	Qld
Grassy Bore	EPMA 19256	GBMR/Isa Tenements	100%	GBMR			322	Appl'n	Qld
Mount Margaret									
Mt Margaret W. Ext	EPM16227	GBMR*2/Isa Tenements	100%	GBMR	31-Jul-07	30-Jul-12	36	Granted	Q'ld
Mt Margaret West	EPM14614	GBMR*2/Isa Tenements	100%	GBMR	2-Aug-05	1-Aug-10	129	Renewal Pending	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	Qld
Dry Creek Extended	EPM 18174	GBMR/Isa Tenements	100%	GBMR	25-Oct-11	24-Oct-14	39	Granted	Qld
Brightlands									
Brightlands	EPM14416	GBMR*2/Isa Brightlands	100%	GBMR	5-Aug-05	4-Aug-12	251	Granted	Q'ld
Wakeful	EPM18454	GBMR/Isa Brightlands	100%	GBMR			13	Appl'n	Q'ld
Highway	EPM18453	GBMR/Isa Brightlands	100%	GBMR			36	Appl'n	Q'ld
Brightlands West Ext.	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	61	Renewal Pending	Q'ld
Horse Creek	EPM15150	GBMR*2/Isa Tenements	100%	GBMR	13-Jul-06	12-Jul-11	80	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	15	Renewal Pending	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
							4532		

Note *1 *subject to a 2.5% net smelter royalty to vendors.*

*2 *subject to a 2% net smelter royalty is payable to Newcrest Mining Ltd.*

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

Table; GBM Resources Tenement Summary January 4th 2012.

Rule 5.3

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

ABN 91 124 752 745

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for: (a) exploration and evaluation (including JV Farm-in spend)	(1,709)	(4,067)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(303)	(599)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	35	83
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Grants and JV management fees	-	147
	Net Operating Cash Flows	(1,977)	(4,436)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	(70)	(101)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other - JV Farm-in contributions received	-	1,226
	Net investing cash flows	(70)	1,125
1.13	Total operating and investing cash flows (carried forward)	(2,047)	(3,311)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,047)	(3,311)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(2,047)	(3,311)
1.20	Cash at beginning of quarter/year to date	3,934	5,198
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	1,887	1,887

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 $924,877 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	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	1,769	3,816
5.2	Deposits at call	118	118
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	1,887	3,934

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	N/a			

+ See chapter 19 for defined terms.

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** *(description)*	-			
7.2	Changes during quarter	-			
7.3	**+Ordinary securities**	220,893,503	220,893,503		
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	**+Convertible debt securities** (*description)*	-	-		
7.6	Changes during quarter	-	-		
7.7	**Options** *(description and conversion factor)*	123,793,124	123,793,124	*Exercise price* $0.20	*Expiry date* 30/6/2013
7.8	Issued during quarter	10,000,000	10,000,000	$0.20	30/6/2013
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		
7.13	**Performance Share Rights** *(description and vesting dates)*	-	-	*Vesting date* -	*Expiry date* -
7.14	Issued during quarter	-	-		
7.15	Exercised during quarter	1,100,000	-	16/12/2011	15/12/2016
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: 13 January 2012
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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