ABN 91 124 752 745

27 April 2012

ASX Announcement

GBM defines second large gold-copper prospect near Mt Morgan in Central Queensland

HIGHLIGHTS:

- **Large coincident gold and copper system identified 8km from the historical Mt Morgan mine.**
- **The significant gold and copper soil anomaly is concentrated along the major structure that hosts the historical Mt Morgan mine and the recently discovered Sandy Creek gold and copper Prospect.**
- **Both alteration style and geochemical signature point to an intrusive related gold and copper system.**
- **This second mineralised system, called the "Smelter Returns" Prospect is open into GBM ground towards Mt Morgan.**
- **Each discovery, Sandy Creek and Smelter Returns, cover a strike distance of over 5km.**

Australian resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to advise the recent definition of a large zone of anomalous gold and copper in soil in the Mount Morgan project area along structural trend from the recently announced Sandy Creek prospect (refer ASX announcement 9 February 2012).

The Mount Morgan Project is located 40km south west of Rockhampton in Queensland in close proximity to the world class Mt Morgan Copper-Gold mine which produced in excess of 8.0M ounces of gold (Au) and 400,000 tonnes of copper (Cu) metal.

Recent sampling along the Smelter Returns prospect produced an extensive area of >100ppb Au in soil. A number of higher-tenor zones of >150ppb Au occur within the main anomaly, the largest over 700m^2 in area and open along fault strike to the north-east towards Mt Morgan into ground under application by GBM. Coincident copper and gold soil anomalism is associated with variably altered volcanics and minor monzonite intrusives.

Follow up sampling in combination with detailed mapping along the mineralised fault trend will be completed in readiness for initial drill testing during the second half of 2012. The drilling at Smelter Returns will form part of a regional prospect evaluation program by GBM during 2012 in the Mt Morgan project area.

The Mt Morgan Project and Smelter Returns Prospect Summary

The project area includes eight licenses (five granted) covering over 1,000 km2. Within these existing titles, numerous targets are defined ranging from early stage stream sediment anomalies to drill ready geophysical / geochemical targets.

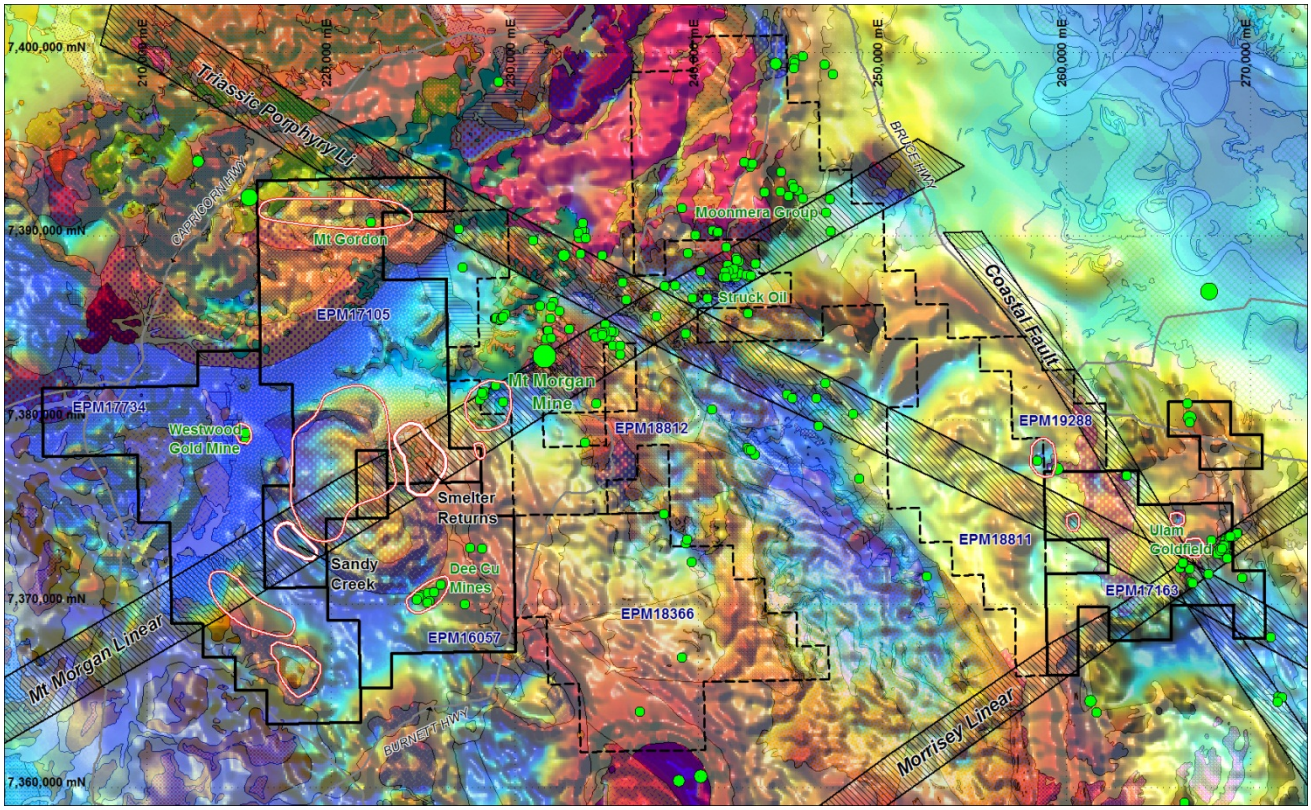

Figure 1: *GBM tenement and prospect location plan showing historic mines (green dots), major structural linears, and GBM defined prospects (red/white) on state magnetics and geology. Smelter Returns and Sandy Creek prospects are shown within NE-trending Mt Morgan Linear.*

Previous History

Historic exploration in the Mount Morgan area has primarily focused on the discovery of a Mount Morgan analogue which has, up until recently, been interpreted by many as a VHMS (massive sulphide) type. Until recent GBM work, no activity targeting intrusion related systems had been completed nor had there been thorough examination and interpretation of geophysical datasets or detailed compilation of existing exploration data.

The Smelter Returns Au-Cu anomaly was first defined by Dominion in the early 1990's from regional stream and rock sampling. Twenty four shallow RC holes (60m maximum depth) were completed for best results of 8m @ 0.33% Cu & 0.84g/t Au from 32m in DRP08 and 4m @ 0.68% Cu from 16m in DRP09 [1]. Peak assays from 2m intervals were 0.99% Cu and 1.78g/t Au. Widespread propyllitic alteration was mapped surrounding local zones of potassic

alteration, silicification and stratabound skarn. Dominion's conclusion was that the mineralisation at Smelter Returns may be 'a manifestation of reworked significant mineralisation at depth' and that the numerous dyke phases and alteration styles is 'possible evidence for the existence of an intrusive porphyry'. Dominion then relinquished all interest in the area due to company restructuring and no further work was completed at Smelter Returns prior to GBM's exploration program in 2011.

Following data compilation of Dominion's encouraging work, GBM staff recognized the prospective structural and lithological setting of the area. In addition, a string of K:Th anomalies were noted at the nearby Sandy Creek prospect. A program of grid soil sampling was then completed over the zone at 100m x 100m $_2$. Of the 309 samples collected, 58% returned greater than 100ppb Au and 21% returned greater than 150ppb Au with a peak soil assay of 320ppb Au. The Cu anomaly pattern is similar to Au with 36% of all assays greater than 100ppm Cu and a peak assay of 703ppm Cu.

Although outcrop is minimal in the prospect area, a variety of rock types were observed. The host sedimentary and mixed volcanic units are intruded by a variety of fine-grained or porphyritic igneous rocks including monzonite, rhyolite, granodiorite porphyry and gabbro. Alteration is widespread and includes K-feldspar, sericite, silica, pyrite, epidote and chlorite, associated with local magnetite skarn development and spherulitic (quartz-eye) textures.

The figures below show current surface sampling assay results from the Smelter Returns prospect and proposed soil grid extensions for the 2012 field season.

The field and soil results from the Smelter Returns prospect which sits within the same geological structure of the Sandy Creek prospect and the Historical Mt Morgan mine elevate its potential for a new gold and copper discovery.

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1. Based on a nominal 500ppm cut-off, holes were vertical RC drillholes sampled in two metre intervals and analysed by methods G001/4 and PM219 at ALS laboratory Townsville (Alston, A. J., January 1994. Annual Report, Dominion Mining Ltd, QDEX No. CR25805A).

2. All soil samples were collected from the base of A-horizon (nominally 150mm depth) and sieved at the collection point. The minus 200µ fraction was then pulped and assayed at ALS Laboratories Brisbane by methods ME-ICP61 and Au-AA23.

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.

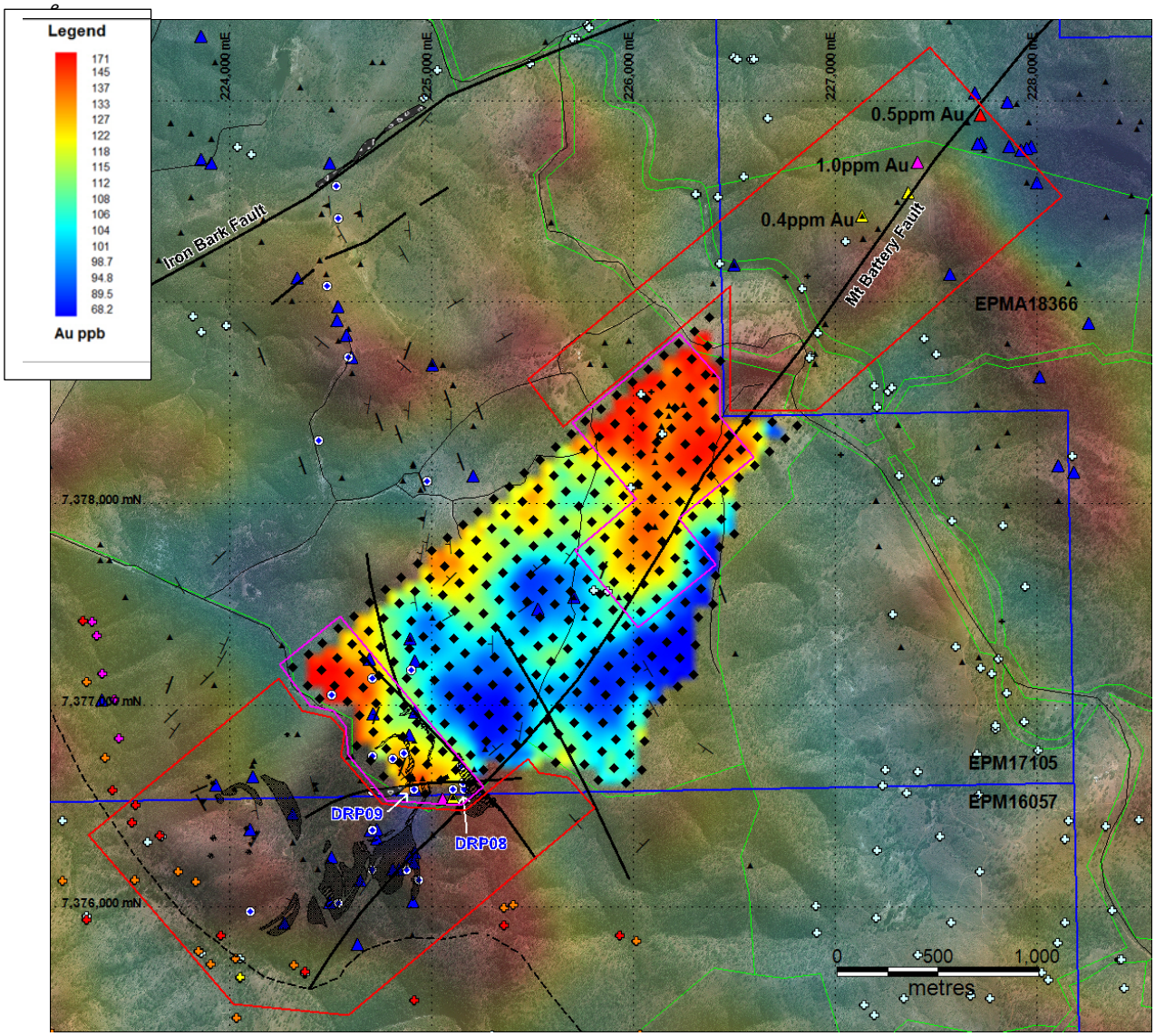

Figure 1: *Gold in soil at Smelter Returns prospect. Polygons; Red = planned soil grid extensions, Pink = soil grid infills for 2012 program. Stippled areas (black) show outcropping magnetite/hornblende skarn. Blue/white points = Dominion shallow RC drill collars. Background image is state airborne K:Th radiometrics and GeoEye satellite data.*

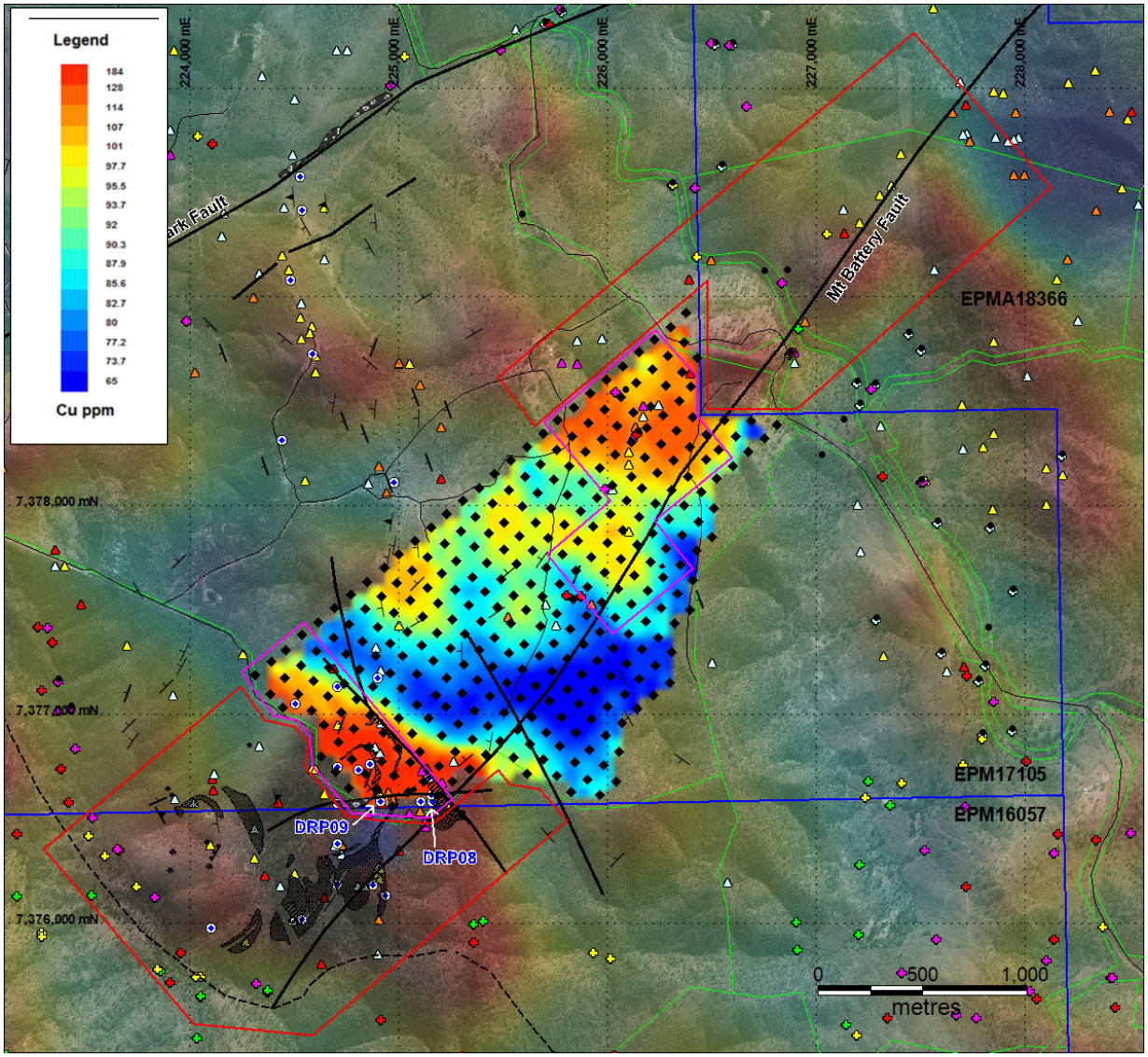

Figure 2: *Copper in soil at Smelter Returns prospect.*