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ASX Announcement

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LATEST DRILLING RESULTS TO THE NORTH EXPANDS "FLAGSHIP" MILO IOCG - REE DEPOSIT IN QUEENSLAND

Highlights:

- **Four drill holes completed confirm a significant northern extension of the Milo mineralised system beyond the resource[(*3)] outline with significant copper equivalent (CuEq*[1]) intersections.**
- **MIL017 intersected 70m @ 0.8% CuEq, including 18 metres @ 1.3% CuEq. MIL018 returned 51 metres @ 0.8% CuEq and MIL019 7m@1.2% CuEq.**
- **Significant Rare Earth element intersections include 20 metres @ 3,979 ppm in MIL017 and 11 metres @1,382 ppm in MIL020A.**
- **Mineralisation remains open to the north and south.**
- **Results continue to confirm that mineralisation identified to date is part of a much larger mineralising system at Milo.**

Australian resources company GBM Resources Limited (ASX:"**GBZ**" or the "**Company**") is pleased to provide a further update of its activities at the Milo IOCG-REE deposit in the North West Mineral Province of Queensland.

Drilling Summary:

Results from four holes MIL017 to MIL020A - drilled on the northern area of the Milo REEY inferred resource have demonstrated that CuEq and REEY mineralisation extends to the north beyond the current resource and that the mineralising system remains open to the north and at depth.

These holes will contribute to an extension of the resource model in an upcoming re-estimation of the previously announced maiden inferred resource of 103Mt at an average grade of 760ppm TREEYO, containing 83,500 tonnes of total rare earth elements and yttrium (TREEYO). Significant CuEq and TREEYO intersections from these new holes are summarised in the tables below.

All holes completed to the north in this round of drilling intersected mineralisation with significant intersections recorded for both CuEq and TREEYO mineralisation. CuEq mineralisation includes 70 metres @ 0.8% CuEq, including 18 metres averaging 1.3% CuEq in MIL017 and 51 metres averaging 0.8% in MIL018. In addition, significant TREEYO intersections included 20 metres averaging 3,979 ppm TREEYO in MIL017 and 11 metres averaging 1,382 ppm TREEYO in MIL020A. These intersections are summarised in tables below, while drillhole locations are illustrated on the attached figure.

KEY outcomes from this program:

1. The completed seven (numbers MIL014 to MIL20A) hole program (also refer ASX release dated 12 June 2012) has successfully confirmed that the mineralisation remains open to the north and south and at depth.
2. Drill Hole MIL015 returned 2m @ 6.2% copper*[4] which demonstrated that a phase of high grade copper mineralisation exists at Milo.
3. Five of the seven holes returned significant rare earth element and copper equivalent results.
4. The program confirms that both the southern extension and northern extension of the mineralised system are beyond the previous maiden rare earth resource outline.[(*3)]
5. The Milo system is linked to the regionally significant Cloncurry Flexure and to further define the size of the Milo mineralising system, extensive soil geochemistry and mapping is in progress to target additional zones of mineralisation with in this extensive hydrothermal system.

As a result of the recent successful drilling program the maiden rare earth inferred resource[(*3)] will be revised and the copper equivalent results will be incorporated to delineate a maiden copper equivalent resource. This work is expected to be completed later this month followed up by the completion of the preliminary scoping study, which will incorporate the revised resource figures.

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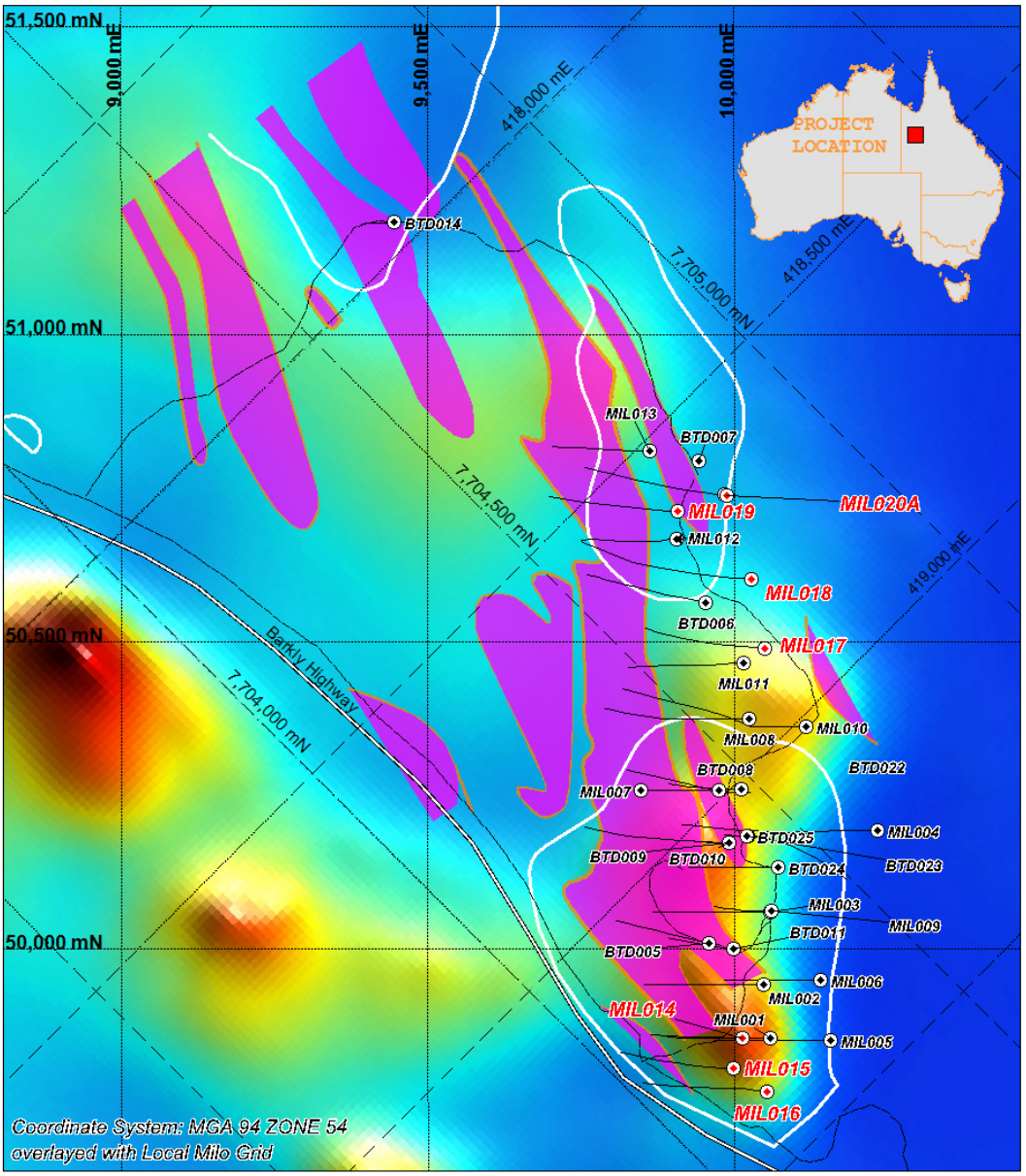
Significant results are summarised in the tables below and illustrated in the plan view in the attached figure. All holes reported were diamond drilled from surface at declinations of approximately 60^0 degrees toward 270^0 (Milo Grid). Samples were half NQ or HQ size core.

Hole ID	Interval m	Length m	Cu %	Au ppm	Co ppm	Ag ppm	Mo ppm	U ppm	Cu Equiv* %	Cut-off % CuEq
MIL017	166 to 236	70	0.30	0.17	218	6.2	114	111	0.8	0.2
	incl. 167 to 185	18	0.50	0.33	260	11.6	231	236	1.3	1
MIL018	224 to 275	51	0.30	0.06	198	6.3	204	171	0.8	0.5
	304 to 333	29	0.15	0.08	105	4.2	91	80	0.4	0.1
	incl. 309 to 320	11	0.24	0.10	192	5.8	145	145	0.7	0.5
MIL019	92 to 99	7	0.39	0.56	279	11.0	175	153	1.2	0.5
MIL020A	238 to 243	5	0.14	0.03	116	0.7	45	40	0.3	0.2

Table 1: CuEq results summary for Milo drillholes MIL017 to MIL020A (note MIL020 was abandoned and no samples analysed).

Hole ID	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	Cut-off ppm
MIL017	167	187	20	343	14	84	2.2	5.4	110.5	5	0.7	4.0	177	3979	500
MIL017	236	275	39	456	317	62	9.5	2.4	109.1	35	1.8	4.3	37	1033	500
MIL018	166	194	28	180	111	56	9.8	2.8	61.2	17	1.7	5.0	31	475	250
MIL018	222	452	230	227	139	48	7.5	4.2	67.3	20	1.3	4.1	27	546	250
MIL018	Incl. 327	386	59	411	252	76	12.2	3.0	125.6	37	2.3	6.2	49	974	500
MIL019	70	99	29	236	146	51	7.7	4.2	60.5	20	1.3	4.0	26	555	250
MIL019	93	99	6	706	494	48	7.5	12.5	128.7	50	1.4	3.0	30	1482	1000
MIL019	112	150	38	175	90	34	5.5	1.7	58.7	17	1.1	2.8	23	409	250
MIL020A	264	275	11	441	290	64	9.7	2.4	119.5	37	1.8	4.1	38	1008	500
MIL020A	310	349	39	313	217	54	7.9	2.3	84.8	27	1.4	3.9	29	741	250
MIL020A	incl. 319	344	25	417	291	65	9.4	2.9	111.2	36	1.7	4.3	36	974	500
MIL020A	Incl. 326	337	11	596	422	83	12.0	4.3	157.3	52	2.2	5.2	47	1382	1000

Table 2: Significant TREEYO intersections from recent drillholes MIL017 to MIL020A.


51,500 mN
51,000 mN
50,500 mN
50,000 mN
9,000 mE
9,500 mE
10,000 mE
418,000 mE
418,500 mE
419,000 mE
7,705,000 mN
7,704,500 mN
7,704,000 mN
PROJECT LOCATION
Barkly Highway
BTD014
MIL013
BTD007
MIL019
MIL020A
MIL012
MIL018
BTD006
MIL017
MIL011
MIL010
MIL008
BTD022
BTD008
MIL007
BTD025
MIL004
BTD009
BTD010
BTD024
BTD023
MIL003
MIL009
BTD011
BTD005
MIL006
MIL002
MIL014
MIL001
MIL005
MIL015
MIL016
Coordinate System: MGA 94 ZONE 54
overlayed with Local Milo Grid
1km
Collar Legend
Previous GBM Drilling
Current GBM Drilling
Soil Geochemistry >200ppm Cu
Soil Geochemistry >30ppm La
Resource Outline
EPM14416
MILO PROJECT
DRILLHOLE LOCATION PLAN
Milo
EPM14416
gbm RESOURCES LTD

Abbreviations:
REE(O) Rare Earth Elements(oxides). There are*14 rare earth elements; Lanthanum (La), Cerium (Ce), Praseodymium (Pr), Neodymium (Nd), Samarium (Sm), Europium (Eu), Gadolinium (Gd), Terbium (Tb), Dysprosium (Dy), Holmium (Ho), Erbium (Er), Thulium (Tm), Ytterbium (Yb), Lutetium (Lu) but excluding Promethium (Pm).*
TREEY(O) Total Rare Earth element and Yttrium (oxides) (Yttrium (Y) is not always considered as a Rare Earth Element but does have many similar properties.
CuEq Copper Equivalent, as defined in Note 1 below.

Reference 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 2 metres for diamond drilling. Analyses were completed by ALS in Mt Isa for all elements other than gold by ME-MS61r, over limit (>1%) Cu by Cu-OG46 and AU by Au-AA25 in Brisbane. Holes generally range in declination from 50^0 to 70^O to 225^0 MGA at Milo. 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 *Maiden inferred resource of 103Mt at an average grade of 760ppm TREEYO, containing 83,500 tonnes of total rare earth elements and yttrium. Announced to ASX on 29 February 2012.*

**4 Orientation of veining has not been confirmed and no estimation of true width can be made at this time.*

The information in this report that relates to Mineral Resources is based on information compiled by Kerrin Allwood, who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy. Mr Allwood is a full-time employee of the Geomodelling Pty. Ltd a New Zealand based consultancy. Mr Allwood 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 Allwood consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.