

5 September 2016

Drilling Underway At The Koala Gold Mine, Mt Coolon Gold Project, Qld

- **Stage 1 drilling for 1,100 metres has commenced on schedule at the Koala Gold Mine.**
- **Drilling is designed to test the resource area around the old (circa 1930) underground workings, including old stope margins and remnant pillars.**
- **Stage 2 will follow and comprise a further 3,500 metres of drilling and both programmes will provide data to improve the confidence level of the current Koala resource in the area of the old underground workings.**
- **The drilling program forms part of the study to evaluate recommencement of mining operations at the Koala Gold Mine.**

Australian Resources company **GBM Resources Limited** (ASX: **GBZ**) (“**GBM**” or “**the Company**”) is pleased to announce the commencement of a diamond drilling program at the Koala Gold Mine at Mount Coolon, located in the Drummond Basin, Queensland.

The program is designed to infill historical drilling data through the Koala Lode within the area of old underground workings located along strike of the Ross Mining open pit.

Drilling will test for mineralisation along stope margins and high-grade lode quartz in remnant pillars and along strike from stopes. Maximum drill hole target depths have been kept to below-surface depths considered accessible by open pit mining.

Assay results are expected to come available late October 2016.

The Company continues the evaluation of the known mineralising systems and aims to advance a number of near-term production options and activities during the September Quarter 2016.

The Company expects to be in a position to confirm the intention to proceed with the development of either toll milling or heap leaching the old open pits, along with the progress with the Eugenia Heap Leach or both by the end of the fourth quarter this calendar year.

ASX Code: **GBZ****COMPANY DIRECTORS**

Peter Thompson
Managing Director/ Executive
Chairman

Neil Norris
Exploration Director – Executive

Hun Seng Tan
Non- Executive Director

CONTACT DETAILS

Principal & Registered Office
Suite 8, 7 The Esplanade,
Mt Pleasant, WA 6153

Exploration Office
10 Parker Street,
Castlemaine, Victoria 3450

Website
www.gbmr.com.au

Email
info@gbmr.com.au
Phone
+61 (8) 9316 9100

Fax
+61 (8) 9315 5475

Phone (Exploration Office)
+61 (3) 5470 5033





Figure 1: Drill site at Koala for Stage 1 program. View to north-east.

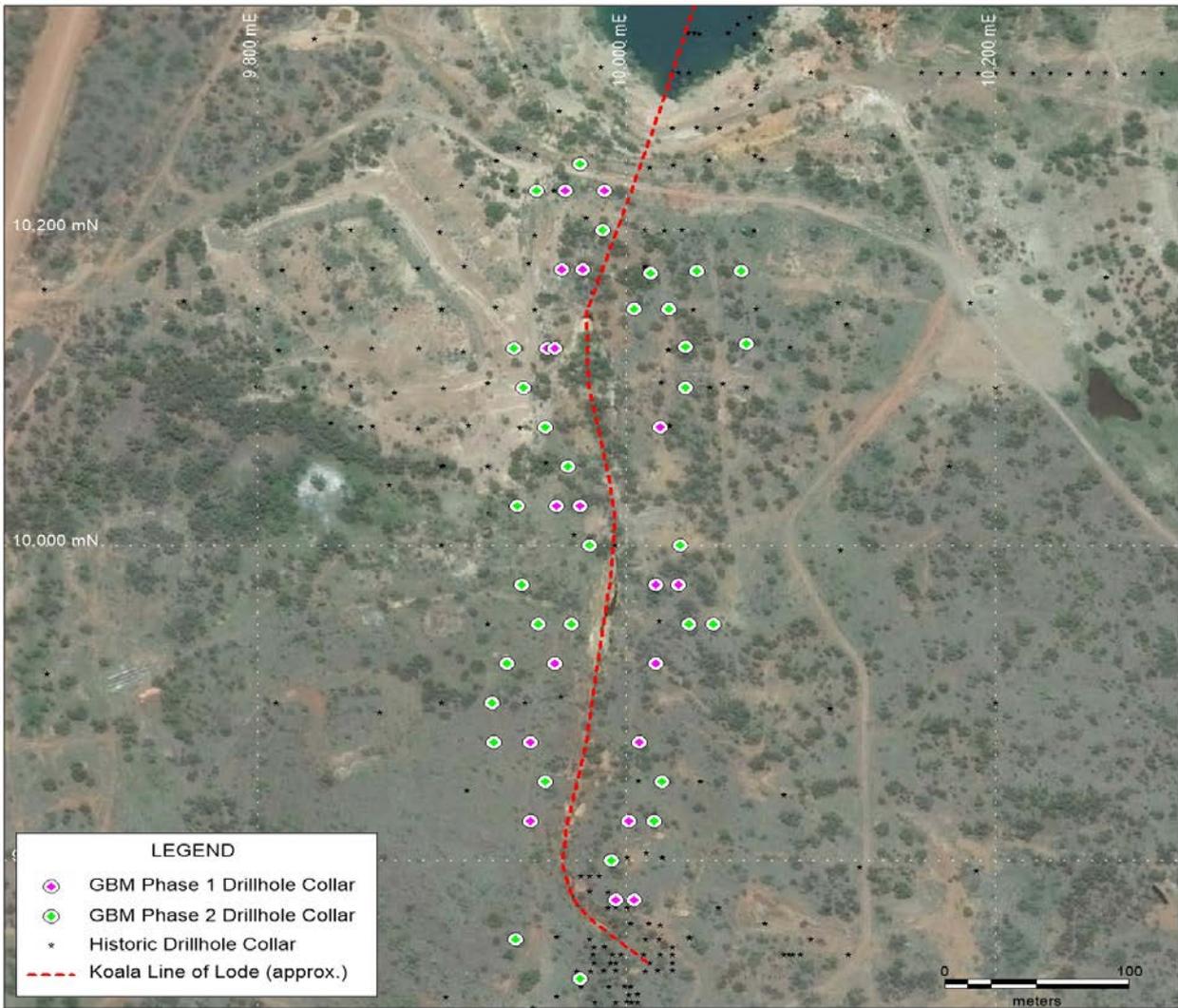


Figure 2: Koala planned drilling program (Phase 1 and 2).

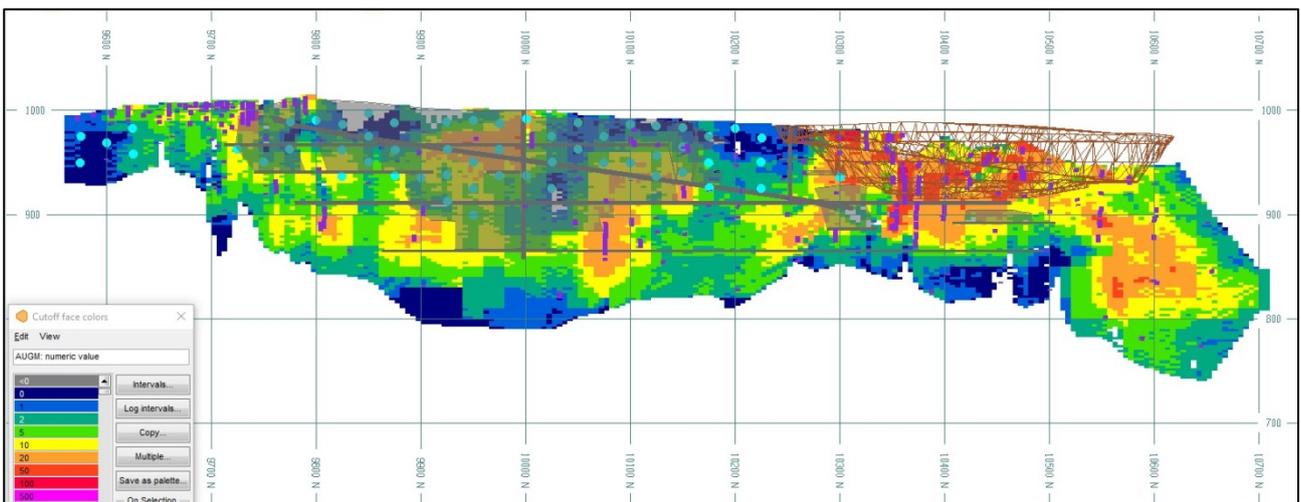


Figure 3: Koala long projection showing current Inferred Resource colour coded for gold grade x width. Old workings stopes and drives shown in grey. Ross pit outline (1990's) at north end. Historic drilling pierce points in purple and GBM planned drilling pierce points in pale blue.

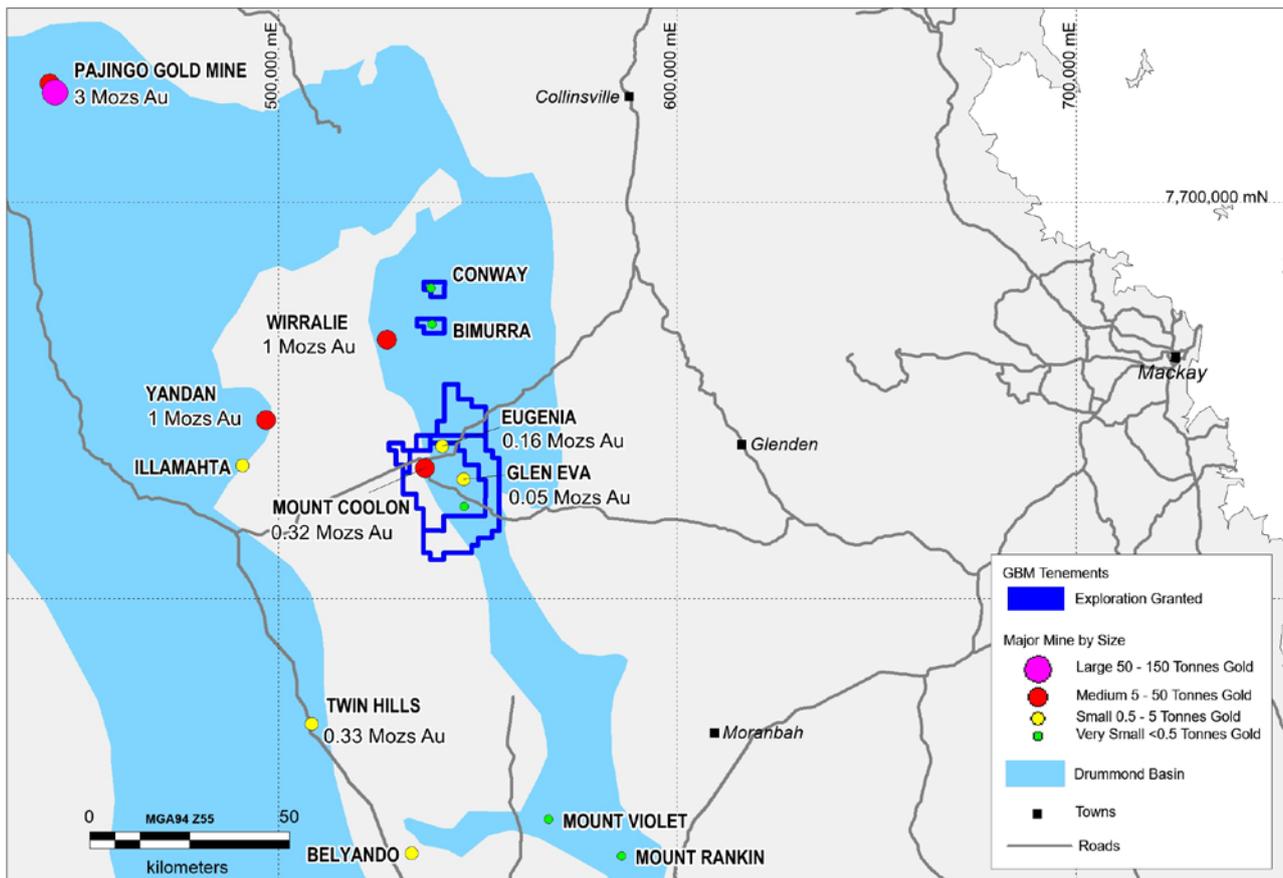


Figure 4: Mt Coolon Gold Project tenement group location plan.

For Further information please contact:

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

Karen Oswald
 Marko Communications
 Tel: 0423 602 353
 Email: Karen.oswald@markocommunications.com.au

About GBM Resources

GBM Resources Ltd (ASX: GBZ) is an Australian resource company that listed on the ASX in 2007, headquartered in Perth WA, with exploration operations in Queensland and Victoria.

The Company's primary focus is in key commodities of gold and copper-gold, assets in Australia. GBM tenements cover an area greater than 4,300 square kilometres in eight major projects areas in Queensland and Victoria.

GBM is prioritising the exploration and development of the Mount Coolon Gold Project and Mount Morgan Gold Copper Project.

Mt Coolon Project Resource Summary

Project	Location	Resource Category									Total			Cut-off
		Measured			Indicated			Inferred			000' t	Au g/t	Au ozs	
		000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs				
Koala	Open Pit				370	2.8	33,500	750	2.1	51,700	1,110	2.4	85,000	0.4
	Underground Extension				50	3	5,100	230	3.9	28,500	280	3.7	33,700	2.0
	Tailings	114	1.6	6,200	9	1.6	400				124	1.6	6,600	1
	Total	114	1.7	6,200	429	2.8	39,000	980	2.5	80,200	1,514	2.6	125,300	
Eugenia	Oxide				1,305	0.9	39,300	219	0.7	5,100	1,524	0.9	44,400	0.4
	Sulphide				2,127	0.9	62,300	1,195	1.2	45,500	3,322	1.0	107,800	0.4
	Total				3,432	0.9	101,600	1,414	1.1	50,600	4,846	1.0	152,200	0.4
Glen Eva	Below pit.				132	7.8	33,200	21	5.9	4,000	154	7.5	37,200	3.0
Total		114	1.7	6,200	3,993	1.4	173,800	2,415	1.7	134,800	6,514	1.5	314,700	

Table 1: Current global resource table for Mt Coolon Gold Project. Please note rounding; tonnes (1,000t), grade (0.1g/t) and contained gold (100 ounces).

Notes

The information in this report that relates to Mineral Resources, Exploration Targets and Exploration Results is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Mr Norris is a full-time employee of the company, and is a holder of shares and options in 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 2012 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.

The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the respective announcements and all material assumptions and technical parameters underpinning the resource estimate with those announcements continue to apply and have not materially changed.