

ASX Announcement

27 July 2016

\$2.6 Million Capital Raising Completed

The Board of GBM Resources Limited ('GBM' or 'the Company') is pleased to announce that the Company has completed a \$2.6 million capital raising by way of a placement of 160,500,000 ordinary fully paid shares (Shares) at 1.6 cents each to professional and sophisticated investors.

The number of Shares issued is the maximum number that the Company is currently able to issue pursuant to ASX Listing Rules 7.1 and 7.1A. The price represents a 14% premium to the 30 day VWAP. Funds raised from the share placement will be used to advance the Mt Coolon Gold Project and provide working capital. The new ordinary shares issued by GBM under the placement will rank equally with all other fully paid ordinary shares on issue.

The successful completion of the capital raising reflects the confidence of investors to support the Company's forward program of evaluation and development of the 100% owned Mt Coolon Gold Project, located 250km west of Mackay in Queensland in the northern Drummond Basin. The Company believes the targeted deposits at Mt Coolon have the potential to achieve gold production in the short to medium term.

Mt Coolon Gold Project Forward Programme

The Company will continue the evaluation of the known Mt Coolon mineralising systems with the objective of advancing a number of near-term production options and activities which include:

- Finalising the Scoping Study - evaluating the viability of heap leach gold extraction of the known oxide resources at the Eugenia Deposit.
- Investigating development options, including the potential for near term production from toll milling of the Koala and Glen Eva gold resources.
- Drilling of the untested high – priority IP drill target adjacent to the Koala Lode system (*refer ASX announcement dated 3 May 2016*).
- Complete infill drilling and a maiden resource estimate on the Bimurra Prospect. Previously GBM have estimated an exploration target (*refer ASX announcement dated 21 September 2015*).
- Continue the evaluation of the Conway Prospect which contains multiple prospects and is considered to hold potential for both bonanza epithermal vein style deposits and bulk tonnage low grade disseminated deposits. The highest grade intersects occur within the Wobegong prospect and include 14m @ 16.08 g/t Au from surface in CFS005 (including 1m @ 208 g/t Au from 1m), 2m @ 26.6 g/t Au from 40m in CON006 and 8m @ 4.91 g/t Au from 26m in C013 (*refer ASX announcement dated 17 February 2016*).

ASX Code: GBZ

COMPANY DIRECTORS

Peter Thompson
Managing Director/ Executive
Chairman

Neil Norris
Exploration Director – Executive

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Non-Executive Director

CONTACT DETAILS

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Revised global resource table for Mt Coolon Gold Project (Refer ASX announcement dated 8th July 2016)

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	3.0	5,100	230	3.9	28,500	280	3.7	33,700	2.0
	Total				420	2.8	38,500	980	2.60	80,200	1,400	2.6	118,700	
Eugenia	Oxide				1,445	0.9	43,300	252	1.2	9,700	1,698	1.0	53,000	0.4
	Sulphide				2,306	0.9	66,100	1,007	1.4	45,200	3,313	1.0	111,300	0.4
	Total				3,751	0.9	109,400	1,260	1.4	54,900	5,011	1.0	164,300	0.4
Glen Eva	Below pit.				132	7.8	33,200	21	5.9	4,000	154	7.5	37,200	3.0
Total					4,303	1.3	181,100	2,261	1.9	139,100	6,565	1.5	320,200	

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

An Appendix 3B and Section 708 Notice will be issued in due course with respect to the share placement.

For further information please visit www.gbmr.com.au or contact:

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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.