

ASX Quarterly Report – September 2014

31st October 2014

REPORT FOR THE QUARTER ENDED 30th September 2014

Key Exploration Highlights

Sevastopol and Rhea Graphite Prospects

- Large scale graphitic shale deposits identified.
- GBM has 100% ownership rights over the two prospects.
- First scout hole on Sevastopol returns 37.5m @8.1% Total Graphitic Carbon (TGC) and includes 19m @ 10.3%.
- 21 hole drilling program underway at Sevastopol Prospect to test grade and graphite grain size distribution.

Pan Pacific/Mitsui Farm-in Projects NW Queensland

- 2 drill holes were completed to test discrete, intense magnetic anomalies with semi-coincident gravity highs for IOCG-style Cu-Au mineralisation.
- FC2 prospect is the second of 5 key targets prioritised for drilling in the 2014 field season.
- Pan Pacific Copper Co., Ltd. and Mitsui & Co approved a \$2.2M exploration budget for the 2014/15 year.

Lubuk Mandi Gold Mine Project Malaysia

- Joint Venture partners, AASB, constructing a treatment plant expected to be commissioned in December 2014 and in steady state production in early 2015.
- Company is currently estimating a resource to potentially support recommencing hardrock mining operations at Lubuk Mandi.
- The Board believe that a planned Initial Public Offering of AASB on the Singapore Stock Exchange remains a key value driver for the Company.

ASX Code: GBZ

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SAFETY AND ENVIRONMENT

No LTI or environmental incidents were reported during the quarter. The Company has now completed 39 consecutive months with no LTI's and 83 consecutive months with no significant environmental incidents.

SEVASTAPOL GRAPHITE PROJECT, Queensland – GBM 100% INTEREST

(Refer ASX announcements 22 September 2014). The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and the form and context of the announcement have not been materially modified.

The Company recently announced during the quarter, the definition of a very large graphitic shale deposit at its wholly-owned Mount Margaret project. The Sevastopol target is located within EPM16398 tenement and within four kilometres of the Ernest Henry mine, near Cloncurry in Queensland.

Reprocessing of historic IP geophysical data and analysis of historic drilling downhole data enabled the identification of a very large unit of graphitic shale extending to significant depth within the basement Proterozoic Corella Volcanics Sequence. The graphitic shale unit is at or near surface in the eastern portion of the Sevastopol target area and the top of basement dips shallowly to the west beneath a thin veneer of Palaeozoic cover sediments. The IP inversions and downhole logging data indicates a shallow to moderate west dipping graphitic shale unit.

The Sevastopol target is approximately 4 to 8 km from the Ernest Henry Cu-Au mine which is serviced by bitumen road access. In addition a major water supply pipeline and power supply line pass close to the prospect area. The nearby town of Cloncurry is a regional centre and is located on the railway to Townsville where significant port infrastructure exists.

A total of 20 of the 36 (55%) historic and GBM drill holes that intersected Proterozoic basement within proximity of the interpreted IP chargeability anomaly intersected graphitic shale. A further 5 holes are logged as schist or biotite schist, a lithology that elsewhere in the world can contain appreciable amounts of coarse flake graphite. Many of the holes that did not intersect graphitic shale were terminated above the IP anomaly in section view. Some intercalation of non-graphitic basement rock units is indicated from drill logs and surface exposure, however analysis of the geophysical and drilling data suggests that approximately 55-80% of the IP chargeability anomaly volume is graphitic shale. The deepest hole within the IP anomaly (SEVS016D) bottomed in graphitic shale at 345.2m downhole highlighting the significant depth and tonnage potential of the Sevastopol target.

Recent laboratory analysis of historic RC and Diamond drill product and GBM aircore drill chip samples returned consistent high-grade total graphitic carbon (TGC). TGC assays from across the target and from surface to almost 300m downhole depth. GBM has collected and analysed 34 drill samples which have an arithmetic average of 8.3%TGC with a standard deviation of 2.9%TGC. Individual values range from a high of 18.7%TGC to a low of 4.2%TGC. Whilst these drill samples are from two closely spaced holes, a further 21 specimens from remaining washed drill cuttings were also sampled, and although these cannot be considered representative, they did return analytical values for graphite in a similar range, providing evidence that graphite occurs widely throughout the area of the IP anomaly, and possibly in a similar grade range.

Initial petrographic data that confirms the presence of fine flake graphite and amorphous graphite. This data is limited in quantity and cannot be considered representative of the prospect area as a whole. The Mount Isa inlier consists of a sequence of Proterozoic rocks which over 1500 million years old, and have been subjected to repeated periods of deformation and metamorphism. This long geologic history is considered by GBM to be favourable for the formation of crystalline graphite.

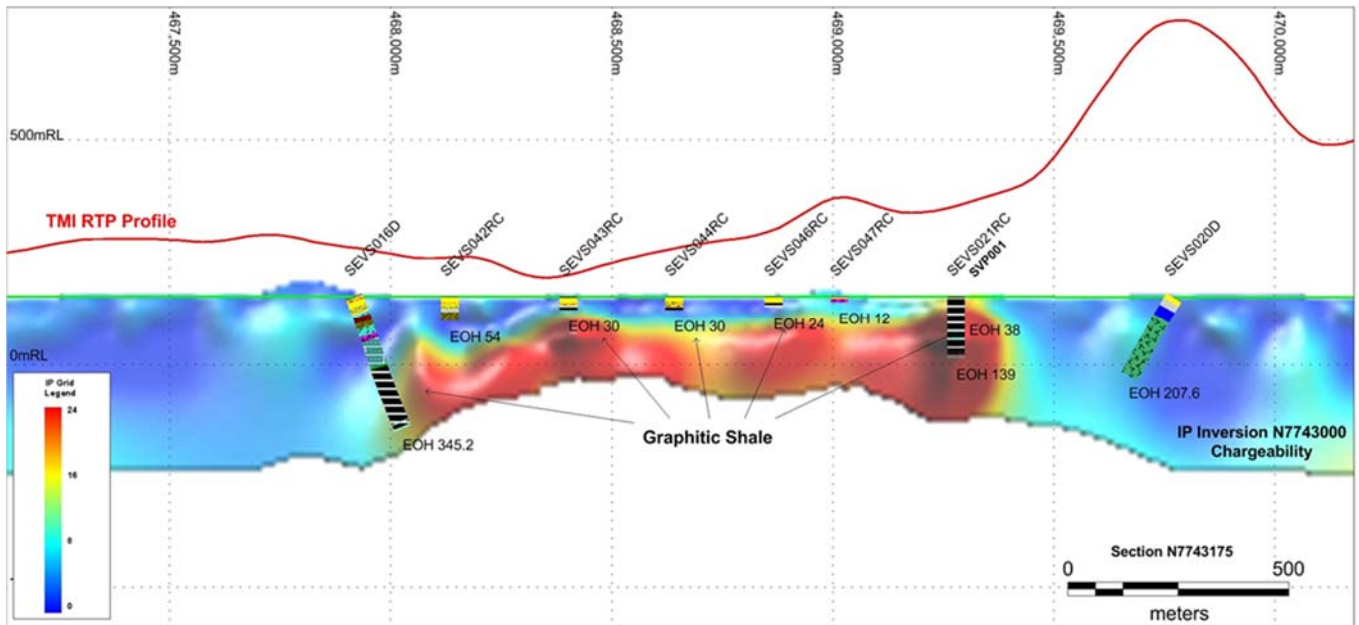


Figure: Sevastopol graphite target drilling cross-section with historic IP chargeability 2D inversion model. Historic and GBM drilling (SVP001) coded for downhole lithology where graphitic shale is hashed black. Profile through TMI RTP magnetic grid also shown in red. Geological legend included with the prospect plan below.

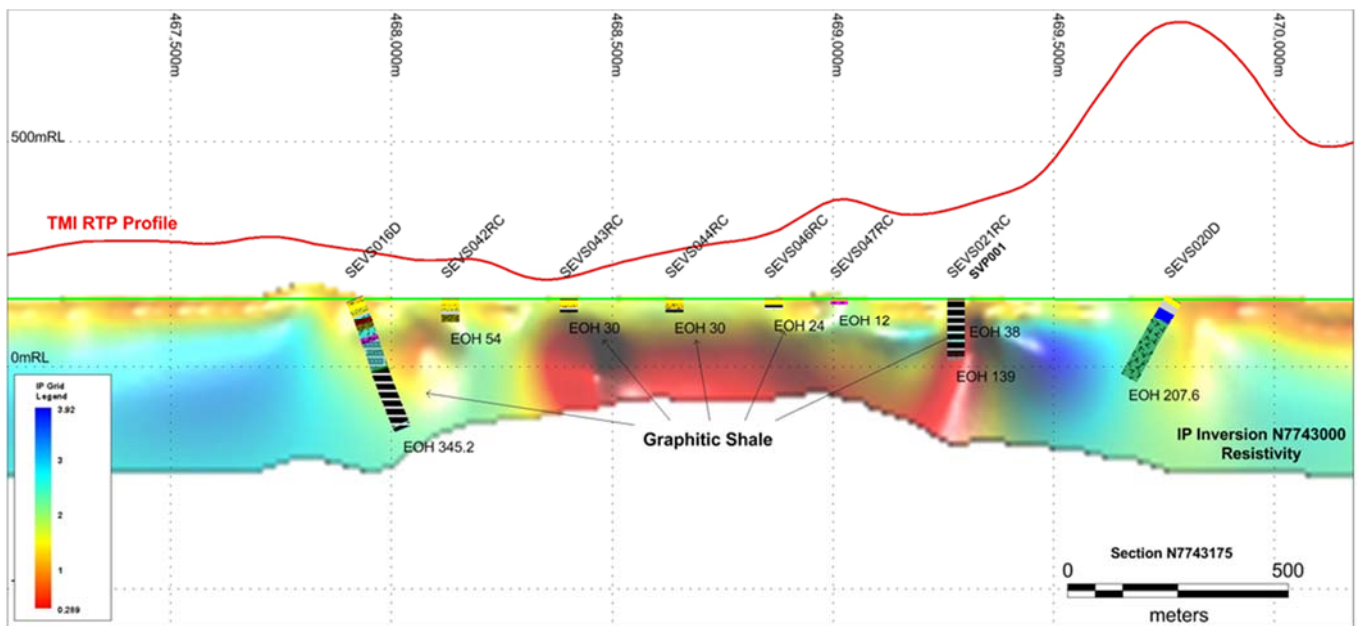


Figure: Sevastopol graphite target drilling cross-section with historic IP resistivity 2D inversion model. Geological legend included with the prospect plan below.

Forward Program

Further exploration will include a program of shallow RC or aircore drilling to provide more confirmation of the grade and nature of graphite occurrence throughout the prospect area. From this initial drilling, holes will be selected for deepening and collection of core samples for further analyses and preliminary metallurgical testwork. The initial phase of this programme is expected to commence during the December quarter.

The Sevastopol and the nearby Rhea graphite targets are located within the established Cloncurry mining district in the Australian state of Queensland.

100% GBM Gold Projects

Mount Morgan Copper –Gold Project

Exploration Results relating to the Mt Morgan Copper-Gold Project were previously reported pursuant to JORC 2004: This information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Project status was awarded for granted tenements in the Mount Morgan Project tenement group, providing increased flexibility in aspects of tenement management and recognizes the geological coherence of the key target areas. Secondly another key target area has been identified as a priority. The area was applied for under EPM25678 and contains a number of historic mines and is a target for porphyry style copper-gold mineralisation.

The Mount Morgan Project is centred 40km south west of Rockhampton in Queensland in close proximity to the world class Mt Morgan Gold/Copperdeposit which produced in excess of 8.0M ounces of Au and 400,000 tonnes of Cu metal. The existence of a deposit of this scale in isolation is extremely rare in mineral districts around the world, and GBM consider that on a statistical basis alone, there is a high probability that a number of previously unmined or under-exploited gold-copper deposits exist within the region. Interestingly, the second largest recorded gold producer in the area, the Mount Usher Mine with 30,000 ounces of recorded production is included within the boundaries of GBM's new licence application.

The project area originally consisted of a single tenement (EPM16057) enclosing a cluster of historic Cu Au mines. Research of prior exploration activities suggested that an opportunity existed for the potential discovery of further areas of mineralisation. Review of previous exploration data has also highlighted a number of significant geochemical and geophysical anomalies representing targets for future exploration.

GBM is now the beneficial holder of seven granted Exploration Permits for Minerals and three Exploration Permits for Minerals Applications, one of which is the recent application lodged in June 2014 (Mountain Maid). The tenement group including applications, covers an area of approximately 860 square kilometres.

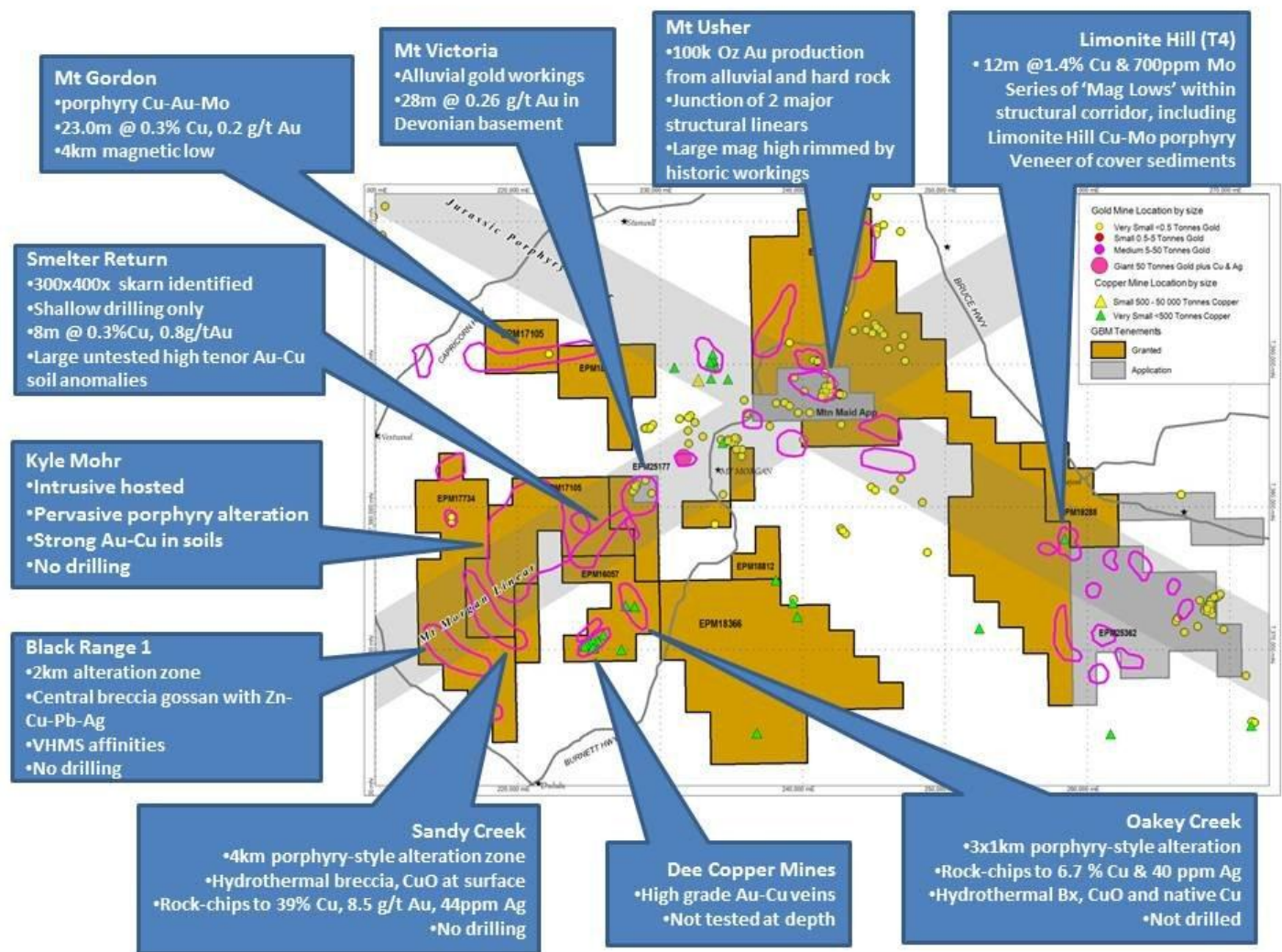
The targets and anomalies in the Mount Morgan Project, generated through detailed compilation and interpretation of historic data and recent intensive field programs, represent advanced stage targets of significant size and tenor that require follow up activities and rapid drill testing.

Priority targets for further work have been defined on a range of features including; soil, rock-chip and historic drilling, Cu-Au + Mo anomalism, presence of porphyry or IRGS alteration assemblages in surface rocks, geophysical signature, prospective host rocks, structural setting or proximity to Mt Morgan orebody, and size potential.

On this basis a number of key targets have been identified for further exploration including: Smelter Return, Limonite Hill and other buried targets within the Bajool Project, Sandy Creek and Oakey Creek and the Mt Gordon porphyry system.

Forward Program

The Company's geological staff have formulated an initial work program and budget focused on the priority target areas with commencement of activities planned for the December Quarter. This program will include flying of low level airborne magnetic survey, location logging and sampling of previous Diamond drilling and further field mapping and sampling.



Figure; Mount Morgan Project area plan showing key targets and Tenement status.

LUBUK MANDI GOLD MINE PROJECT, MALAYSIA – GBM 40% INTEREST

(Refer ASX announcements 26 November 2013, 31 January 2014, 25 February 2014, 12 May 2014 and 23 June 2014 for Lubuk Mandi JORC 2012 disclosures). The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and the form and context of the announcement have not been materially modified.

Construction of the tailings treatment plant and stage one tailings storage facility advanced significantly during the Quarter. Construction is on track to allow commissioning to be completed during the December Quarter.

Assay results for Phase 1 drilling and initial sample submissions from Phase 2 have been received and final QA/QC samples have been submitted. A preliminary hardrock resource estimate is underway at the end of the quarter. Drilling completed as part of a two phase programme at Lubuk Mandi has intersected a broad, zone of gold mineralisation beneath the northern end of the south pit and visible gold and significant mineralised quartz veining has been observed in a number of other holes throughout the MSZ. Further drilling to extend the resource is also under consideration.

The Lubuk Mandi Gold Mine is located on the east coast of the Malaysian Peninsula in the state and sultanate of Terengganu, approximately 7 km south of the state capital city Kuala Terengganu. Gold was discovered in 1989 at the site and initially worked as alluvial deposits along a 2 km strike length prior to hard rock mining at Lubuk Mandi. A CIP/CIL plant operated between 1993 and 1999, producing over 107,000 ounces of gold and approximately 11,000 ounces of silver. All mining was by open pit methods. Current testing below the historic pit is planned with the objective of delineating resources to JORC standard.

GBM is working with our Malaysian Joint Venture partners to develop the Lubuk Mandi Mine to a sufficient scale to incorporate this operation into a new Company to be listed on the Catalyst Board of the Singapore Stock Exchange.

Tailing Gold Production

Earthworks

The contract earthmoving fleet on site at Lubuk Mandi have progressed the wall of the stage one tailings storage facility to a height of approximately six metres of a design height of 13.7 metres. All earthworks and associated activities are being managed and supervised by AASB personnel. This initial embankment is designed to store between 450,000 and 600,000 tonnes. At the new design capacity this is approximately two years capacity.

Construction

The construction and installation has now reached an advanced stage. However, due to weather and equipment delivery delays, the overall schedule has been delayed by 28 days from the original plan. Civil and structure works are now expected to be completed by the first week of November, machinery and equipment erection is targeted to be completed by mid-November and low voltage electrical installation is also targeted to be completed by end November. Subject to achieving these deadlines, commissioning is expected to commence in early December.

During the quarter GBM has been able to clarify that a number of changes to the original plant design have been adopted by AASB in consultation with their Chinese equipment suppliers Yantai Jinpeng. Key changes include the reduction of throughput rate from 600,000 tpa to 300,000 tpa and changes to ore feed system incorporating additional feed bin and conveyor. A revised financial model is being prepared by AASB to reflect these changes. The proposed mining method is currently under review by AASB, alternative mining options for the Tailings dam are being assessed.



Photographs; Clockwise from top left; installation of the flotation cells and large, CIL tanks nearing completion, vista of stage 1 tailings storage facility and large run-off drain around tailings storage facility.

Hard Rock Resource Drilling Program

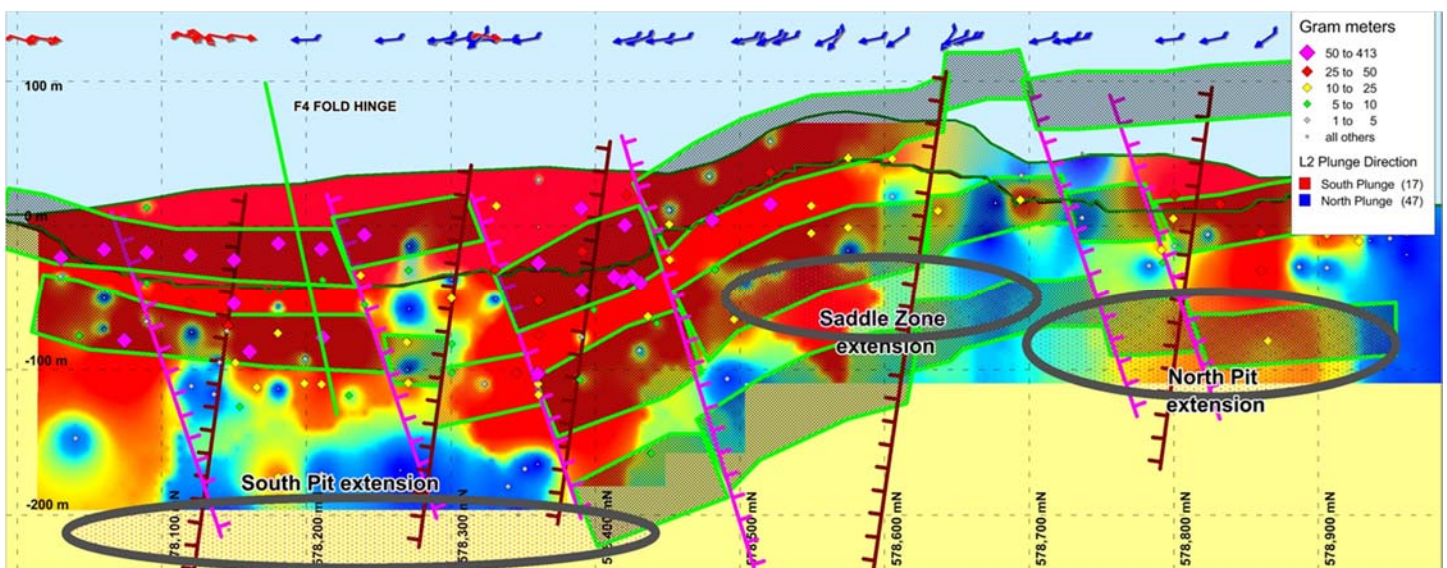
During the September quarter all historic and recent exploration data was entered into the GBM data base for use in geological interpretation, mineralisation modelling and resource estimation. From the recently completed drilling, trenching and mapping program this included some 23,000 individual data items covering lithology, recovery, structure, alteration, minerals, veining and mapping with an additional 5,900 samples analysed for gold and a multi element suite.

Interpretation indicates that the Lubuk Mandi Deposit, is a shear related mesothermal gold deposit hosted within a double plunging sequence of folded metasediments. A north-south structurally controlled gold bearing Main Shear Zone (MSZ) is focused along the limbs of a tight F2 related fold. Significant quartz veining and associated high grade mineralisation is focussed between the break out zone of fold packages.

Structural interpretations have highlighted potential for repeat mineralised structures at depth below the current drilling and three areas of interest for future drill testing have been identified: under the North pit, beneath the saddle between the two pits and a deeper zone under the current drilling of the South pit.



Photographs; left, drill rigs on the east side of the main pit at Lubuk Mandi Gold Mine. Right, quartz veining in the open pit at Lubuk mandi.



Figure; West facing long projection with interpreted high grade zones defined. The repetition of high grade zones highlights the significant potential of untested mineralisation at depth. Generalised target zones are highlighted in grey.

Forward Program

Prior to further drilling, it is recommended that a thorough structural analysis of drill core is completed along with additional mapping focussing on understanding the shear related F2 fold pattern and structure. Further drilling under consideration would comprise two stages; the first testing for additional mineralisation below the North Pit area, and a second probing for deeper repeats located beneath the saddle area between the north and South Main Pits. If the programs proceeds it is estimated that it will require approximately 4,500 metres of diamond drilling.

Mount Isa Region Copper Gold Projects

Pan Pacific Copper/ Mitsui Farm-in Projects

Exploration Results relating to the Pan Pacific/Mitsui Farm-in Projects were previously reported pursuant to JORC 2004: This information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

(Through their Australian Subsidiary, Cloncurry Exploration & Development Pty Ltd (CED) can earn 51% of the projects by expending \$15M on exploration over 6 years)

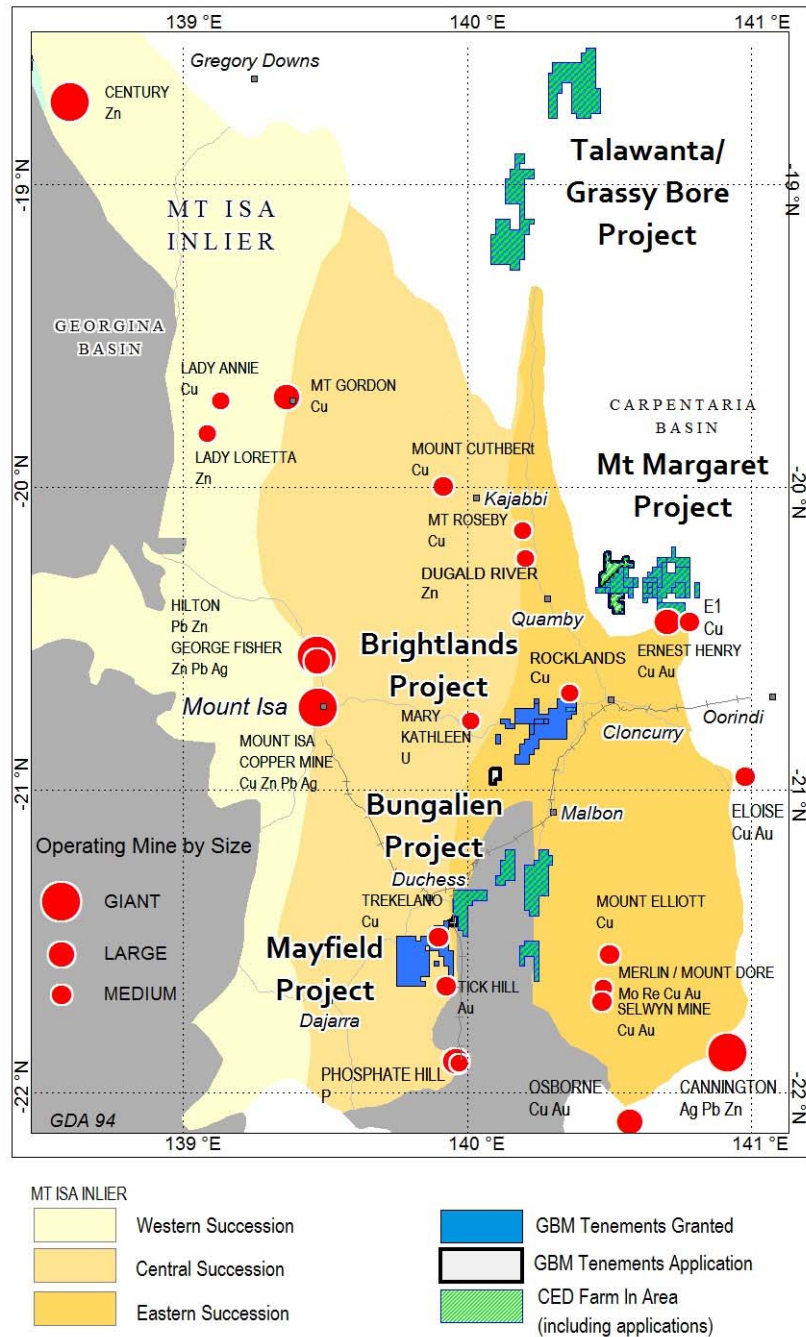


Figure: Location map showing Farm-in Areas.

Activity Overview:

Exploration fieldwork during the quarter included the completion of drilling and logging of the diamond drill-hole BNG008 at Bronzewing Bore prospect. An updated geological interpretation model through drill-holes BNG001 and BNG008 at Bronzewing Bore. This deep diamond drill hole which penetrates through thick cover at Bronzewing Bore in the Bungalien Project area south of Mt Isa, intersected a significant interval of sulphide-bearing intense magnetite alteration from the top of basement and lends further encouragement that the project is highly prospective for large IOCG Cu-Au-magnetite deposits.

At the Burke Bore prospect, also in the Bungalien Project, design of 3 RC scout holes from MMI and geophysics is at the final stages for drilling during December quarter. These holes target a large, discrete high-tenor silver anomaly adjacent to a semi-coincident magnetic-gravity anomaly requires further investigation and drill testing.

At the Mount Margaret Project, located north of the Ernest Henry Mine, inversion models of detailed magnetic and gravity data, and also historical MIMDAS IP data was completed over the FC2 prospect area. This resulted in the drilling and logging of the two MR-DD holes MMA007 & MMA008 at the FC2 prospect. At the nearby FC2W Prospect 260MMI soil samples were collected and submitted for analyses to supplement previous survey data. In addition, Stage 1 of the IP Survey Program (6 Lines) over the FC2W prospect was completed. Also at Mt Margaret, ground-based gravity surveys were completed at FC2W (South), FC4E, FC4W and FC4NW prospect areas.

Bungalien Project**Bronzewing Bore Prospect**

Diamond drill-hole BNG008 was commenced on the 28th May and stopped due to drilling difficulties on the 2nd July at a final depth of 713.8m (planned depth 800 - 850m). An intense magnetite skarn in Wimberu Granite of similar width and intensity occurs in both BNG008 and the nearby hole, BNG001. BNG008 reached the main contact zone with foliated felsic volcanic/shallow intrusive country rock at a down-hole depth of ca 680m. Apatite-rich High REE associated with P and Cu occurs near the upper skarn boundary in both holes (see figures below).). BNG008 was sited close to BNG001 in which an encouraging 200m mineralised interval at approximately 0.1% Cu was intersected (chalcopyrite and magnetite disseminated in granite).

The down-hole logs through BNG001 and BNG008 display very similar down-hole geochemistry. A REE + P + high sulphide zone is overlapping with the top of an intense magnetite skarn interval in both holes. The REE, P, Cu zone is broader in hole BNG001 and Cu is disseminated throughout the granite host whereas Cu is rarer in the granite in BNG008. Cu also occurs in carbonate breccia below the Fe-skarn in hole BNG008. The Max Cu in BNG008 is 0.61% (+ 0.19 ppm Au) at 588-589m down-hole.

The updated geological interpretation is consistent with the magnetic profile. Similarly, the Inflection around BNG008, BNG001 in the residual gravity contours is likely to be reflecting the magnetite observed in the core. The disseminated Chalcopyrite in Wimberu Granite in BNG001 could be indicating a broader mineralized zone to the NNE. Bronzewing Bore contains well developed IOCG mineralisation with potential for significant zones of stronger mineralisation to be located by further exploration.

| | | | | | | |
|------------------|-------------------------|------------|------------------|-----------------|--------|-----------------------|
| Tenement: | Bungalien 2 (EPM 18207) | | Prospect: | Bronzewing Bore | | (GDA 94, MGA zone 54) |
| Hole ID | Easting_m | Northing_m | Dip | Az_True | Az_Mag | Hole Depth |
| BNG008 | 392900 | 7633800 | -70 | 219 | 214 | 713.8m |

Table: BNG008 drill-hole details.

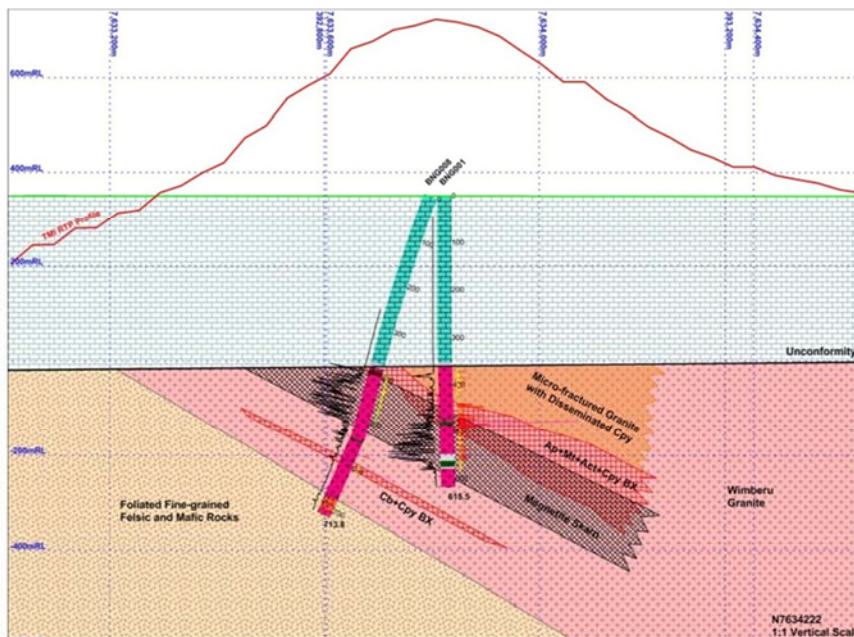
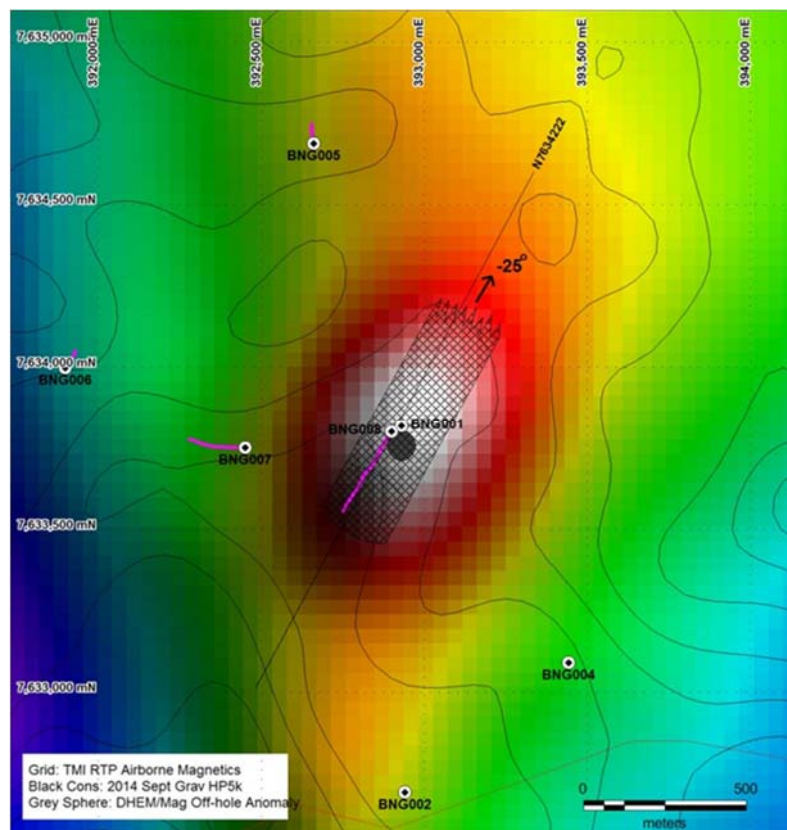


Figure: Bronzewing Bore Prospect, Updated geological interpretation through BNG001 and BNG008 (Sept 2014).
 Photograph: Drill-Hole BNG008 in progress, 26th June 2014. Site visit by CED JV management group.



Figure; Bronzewing Bore Prospect, Plan view of updated interpretation from BNG001 and BNG008. Background image is TMI RTP with HP5k gravity contours. Note the inflection of the gravity contours about the interpreted magnetite-rich alteration.

'The Brothers' Prospect

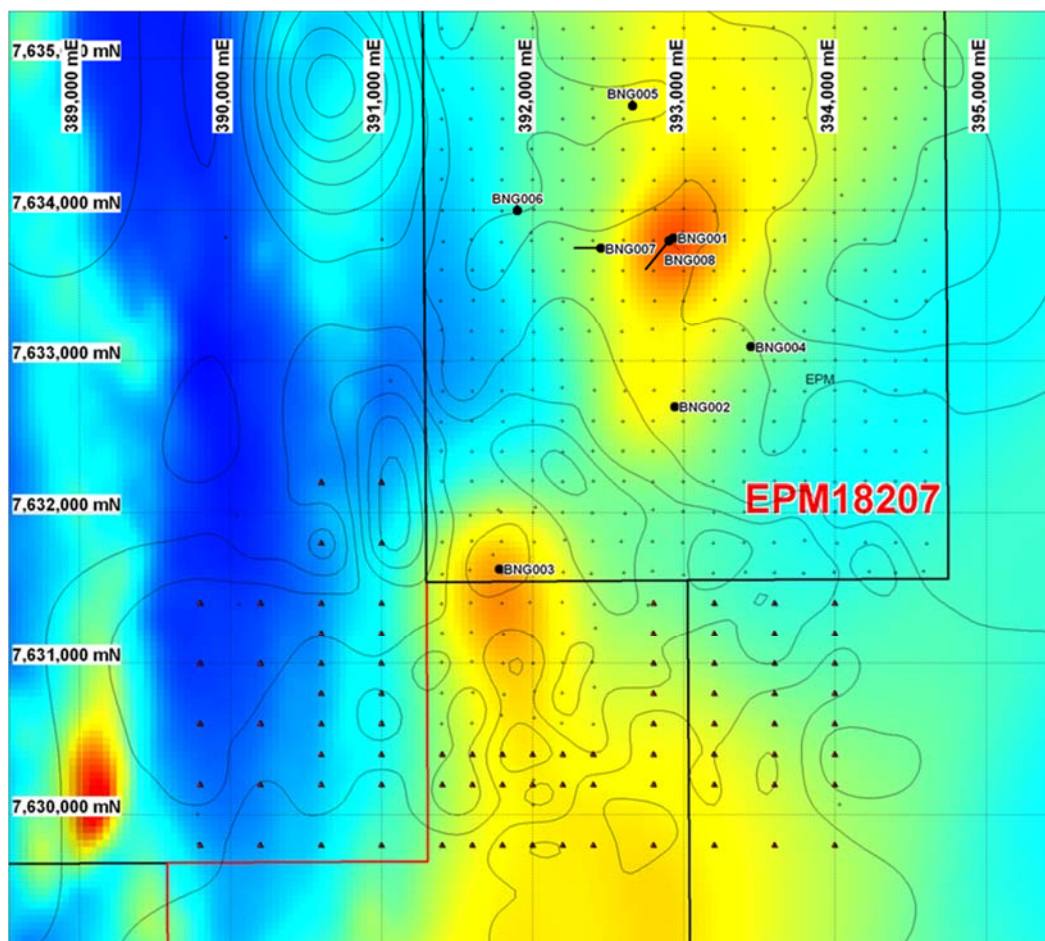
As previously reported, two significant geophysical targets have been identified on 'The Brothers' EPMA just to the south of the Bronzewing Bore prospect. The basement in this area lies beneath ca 400m of flat-lying cover. The targets identified at 'The Brothers' are:

Target 1: a bullseye magnetic anomaly, very similar to that intersected by BNG001 although likely to be of slightly higher magnitude

Target 2: a significant residual gravity anomaly located ca 800m south of target 1. The target was identified by a ground gravity survey.

To improve the definition around both targets, a ground-based gravity survey was designed and completed by Haines Surveys over The Brothers prospect area in mid-July. 82 gravity points were collected over The Brothers using 400m line spacing's and 400m (& 200m) grid spacing's.

Using this data, an image of the merged gravity over the Brothers which is a simple merge of the Bouguer gravity delivered to the JV by Haines in 2013 and 2014 which does not include the previous data further north. This data will be merged with the overall gravity data base using a range of densities that better suit this prospect. Drill-testing of Brothers Magnetic anomaly target and the Brothers Gravity anomaly target has not been included in the 2014 work program or budget.

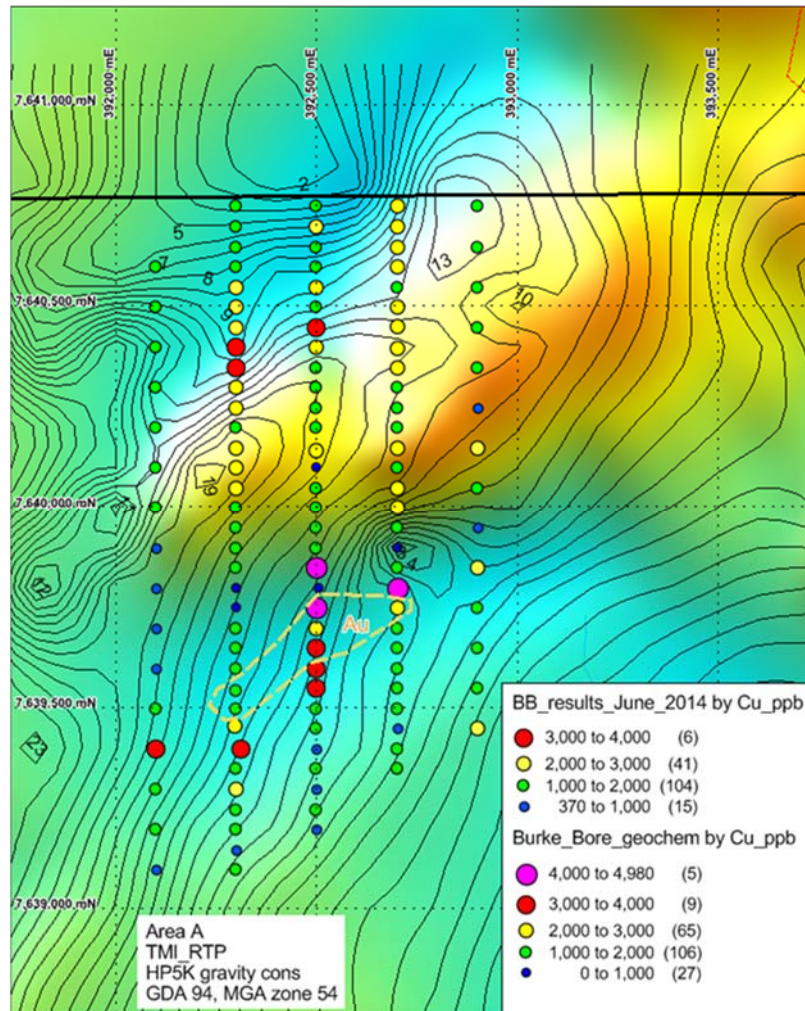


Figure; The Brothers prospect, background image of TMI RTP (regional from 400m spaced lines) with gravity contours from HP5k filter (0.2mGal contour intervals). Gravity stations from 2014 survey (triangles) and previous stations (faint dots).

Burke Bore Prospect

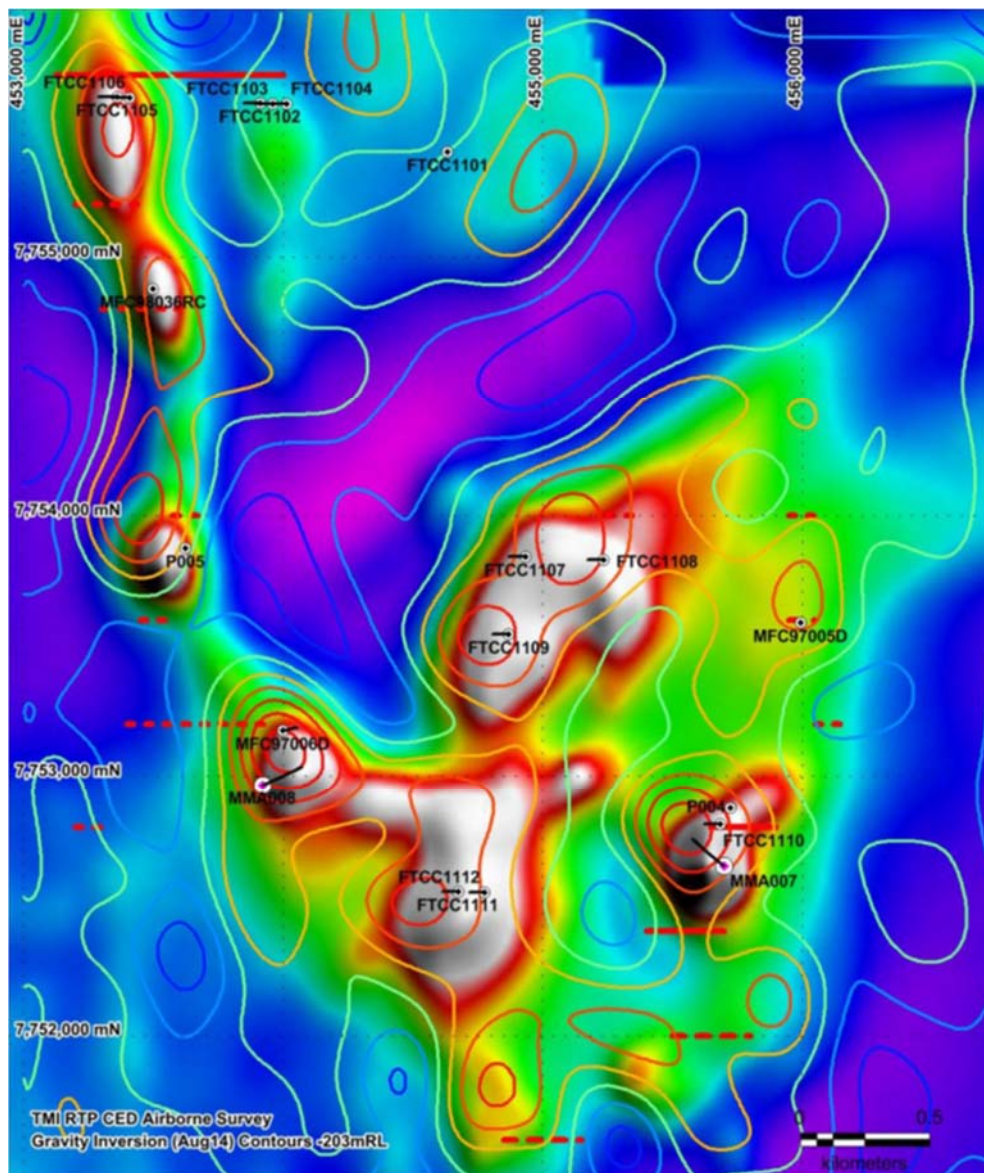
A Mobile Metal Ion (MMI) soil survey, completed in late 2013 at the Burke Bore prospect over geophysical anomalies at three sites (A, B & C), was followed up with an infill MMI survey over sites A and B in May this year. At site 'B' the combined data set successfully closed off the strong Ag anomaly but identified a further high magnitude Ag anomaly (129ppm). The Cu anomaly, adjacent to the magnetic and gravity anomaly at site 'B', has been strengthened by the expanded grid. With no sub-crop and a shallow cover sequence (<100m), Site B was identified as a potential shallow drill target suited to RC drilling.

There are two (3) RC holes under consideration at Site B based on geophysics and MMI soil survey geochemical results



Figure; Burke Bore Prospect: Thematic map of Cu at Site A, including infill over background image of TMI RTP with residual gravity contours.

Mount Margaret West Project



Figure; FC2 Prospect, planned 2014 drill collars (pink) on background image of airborne TMI-RTP & gravity inversion contours (-203mRL, 345m depth), MIMDAS anomalies and historical drill-collars.

Lithologies present in drill hole MMA007 are predominantly medium to fine-grained mafic intrusive units with intense to moderate Magnetite-Actinolite veining (\pm Feldspar) and alteration. Magnetite content varies from < 5% to up to 30% locally. The magnetite is due to hydrothermal concentration/remobilization in a Fe-rich oxidized mafic rock unit and is therefore not a Banded Iron Formation as suggested in historical reports. A pink feldspar rich phenocrystic rock unit possibly albitite, is present from 92.2m – 120.6m with minor magnetite-actinolite veining locally. Minor pegmatite veins cutting magnetite-actinolite veins are evident with the largest vein (350mm) at the 128m interval.

Strong to intense magnetite veining and alteration is evident across several intervals, namely 59.8 – 92.2m. 130 – 155m, 175 -196m and 251 – 260.7m. Sulphides (pyrite, chalcopyrite, minor covellite) are typically associated with veining and are weakly evident throughout the hole. Chalcopyrite varies locally from trace amounts up to a maximum of 0.5%. Pyrite is more prominent throughout although typically minor varying from 0.1% to <1%. Covellite is evident in a single vein at 250.6m.

In drill hole MMA008, the lithology is primarily comprised of alternating broad intervals of moderate to intense banded magnetite- actinolite – red feldspar altered calc-silicate units and thinner intervals of strongly altered pink feldspar rock (felsic, dykes) which are typically phenocrystic, weakly magnetic and weakly veined. The calc-silicate is comprised of dark laminated mafic and pink siliceous bands (see core image below). The mafic bands are preferentially replaced by magnetite and actinolite and to a lesser extent by red feldspar. Strong chlorite alteration, with lesser biotite rich intervals locally, is evident from the start of the hole to 118m. Minor pegmatite veins are evident around the 250m intervals.

Magnetite, associated with red feldspar alteration and veining, conforms to the banding with the most intense magnetite-bearing intervals occurring from 150m to 245m down-hole with values typically ranging from 15% to 30% locally. Magnetite intensity decreases down-hole (<5%) from 245m – 377.8m (EOH). Strong preferential replacement of more mafic bands by actinolite with weak to strong patchy red feldspar alteration is evident from 245m to the EOH. Pyrite ± chalcopyrite is evident locally with pyrite typically < 0.5% and chalcopyrite estimates <0.2%; Maximum chalcopyrite is ca.1% at 193m.



Photograph; FC2 Prospect: MMA007 drill core @ 130m. Magnetite-Actinolite-Pyrite-Chalcopyrite veining of Feldspar-altered mafic intrusive.



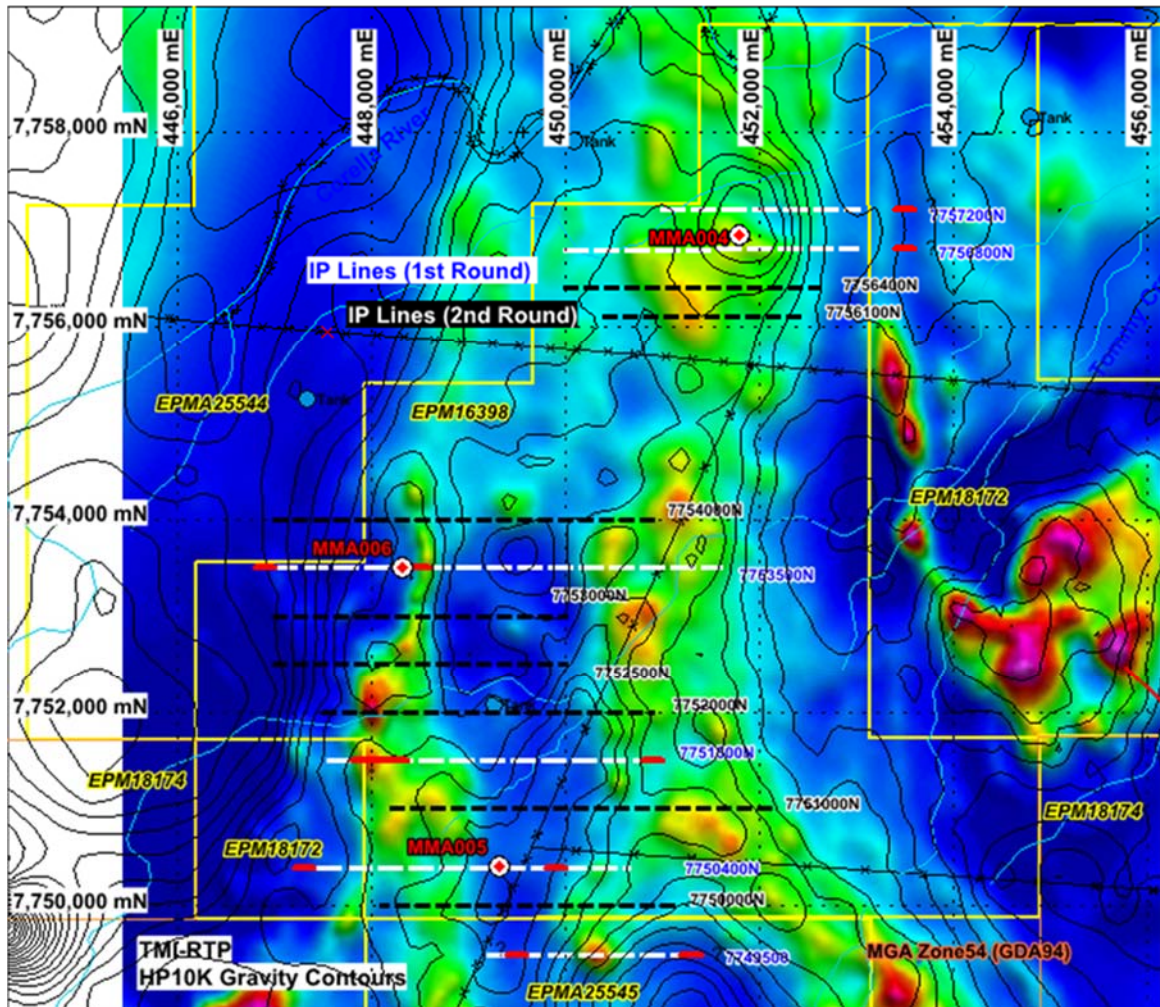
Photograph; FC2 Prospect: Drill core from MMA008 @ 193m DH. Pyrite and Chalcopyrite (ca.1%) in magnetite altered banded calc-silicate rock unit.

| Tenement: | Dry Creek (EPM18172) | | Prospect: | FC2 | | GDA 94, MGA Zone 54 | |
|------------------|----------------------|-----------------|------------------|----------------|---------------|-----------------------|-------------------|
| Hole ID | Easting | Northing | Dip | Az True | Az Mag | Basement Depth | Hole Depth |
| MMA007 | 455697 | 7752649 | -65 | 310 | 304 | 56m | 383.9m |
| MMA008 | 453920 | 7752965 | -65 | 65 | 59 | 80m | 377.8m |

Table: Drill-hole details for MR-DD holes MMA007 & MMA008 at the FC2 Prospect.

At FC2W Prospect, SEARCH Exploration Services was contracted to carry out an IP program comprised of 13 E-W lines (200m dipoles) during August and October 2014. The survey lines were designed to test the basement units around 5 prospective target areas (A, B, C, D & E) within the FC2W prospect area. The IP survey was to be carried out in 2 stages, with stage 1 comprised of 5 lines and stage 2 comprised of 8 lines (see image below). Stage 1, amended to include a sixth line in the south, was carried out between the 29th August and the 10th September.

Analysis of the IP data from stage 1 indicates the data was of high quality and the use of 200m dipoles provided confidence that the surveys were seeing into the basement. Stage 1 data has provided confirmation of the N-S trending anomaly identified in historical MIMDAS data to the NNW of FC2.



Figure; FC2W Prospect, Image of completed IP lines (white) from stage 1 and planned IP lines (black) stage 2; Background image is TMI-RTP (Aug14) and HP10K gravity contours (Aug14). Weak to moderate chargeability zones shown as red lines.

Forward Program

During the December quarter drilling will be conducted to test the FC4SE prospect, Burke Bore Prospect and FC2/2W prospect areas. In addition stage 2 IP at FC2W will be completed. Evaluation and interpretation of new and historic data is ongoing.

TENEMENT SUMMARY

Throughout the quarter the required payments and reports have been lodged as necessary. Technical reports continue to be lodged and are up to date in line with the Department requirements.

- Willaura, EL5346 was renewed for a further 2 years
- Dee Range, EPM16057 was renewed for a further 2 years
- Talawanta2 EPM19255 overlying application granted for 5 years
- Brightlands, EPM14416 renewed for 2 years
- Limestone Ck, EPM17849 relinquishment of 3 sub-blocks approved
- Smelter return, EPM18366 relinquishment of 30 sub-blocks approved

Talawanta2 EPM19255 granted for a period of 5 years, consequently Talawanta, EPM15406 was conditionally surrendered. The Company is still awaiting Cotswolds (EPM16622) and Mayfield (EPM19483) transfers. Relevant documents have been sent to the Department.

During the quarter ended 30 June 2014 there were no changes to beneficial interests in respect of exploration assets subject to farm-in agreements.

GBM holds a 40% interest in the Lubuk Mandi mineral assets via its 40% ownership of Angka Alamjaya Sdn Bhd, a Malaysian company which holds the mining concession for the Lubuk Mandi Gold Project.

| Project / Name | Tenement No. | Owner | Interest | Status | Granted | Expiry | Approx Area (km ²) | sub-blocks |
|--|----------------------|----------------------------|----------|---------|-----------|------------|--------------------------------|------------|
| Victoria | | | | | | | | |
| Malmsbury | | | | | | | | |
| Belltopper | EL4515* ¹ | GBMR/Belltopper Hill | 100% | Granted | 06-Oct-05 | 05-Oct-15 | 25 | 25 |
| Lauriston | EL5120 | GBMR | 100% | Granted | 17-Dec-08 | 16-Dec-15 | 8 | 8 |
| Willaura | | | | | | | | |
| Willaura | EL5346 | GBMR | 100% | Granted | 02-Jun-11 | 01-Jun-16 | 8 | 8 |
| Lake Bolac2 | EL5423 | GBMR | 100% | Granted | 03-Dec-12 | 02-Dec-17 | 218 | 218 |
| Yea | | | | | | | | |
| Monkey Gully | EL5293 | GBMR | 100% | Granted | 23-Mar-11 | 22-Mar-16 | 316 | 316 |
| Tin Creek | EL5292 | GBMR | 100% | Granted | 23-Mar-11 | 22-Mar-16 | 329 | 329 |
| Rubicon | EL5347 | GBMR | 100% | Granted | 27-Feb-12 | 26-Feb-17 | 104 | 104 |
| Queensland | | | | | | | | |
| Mount Morgan | | | | | | | | |
| Dee Range | EPM16057 | GBMR | 100% | Granted | 27-Sep-07 | 26-Sep-14 | 46 | 14 |
| Boulder Creek | EPM17105 | GBMR | 100% | Granted | 26-Mar-08 | 25-Mar-15 | 88 | 27 |
| Black Range | EPM17734 | GBMR | 100% | Granted | 20-May-09 | 19-May-16 | 81 | 25 |
| Smelter Return | EPM18366 | GBMR | 100% | Granted | 21-Jun-12 | 20-Jun-17 | 98 | 30 |
| Limonite Hill | EPM18811 | GBMR | 100% | Granted | 21-Nov-12 | 20-Nov-17 | 260 | 80 |
| Limonite Hill East | EPM19288 | GBMR | 100% | Granted | 31-Oct-13 | 30-Oct-18 | 29 | 9 |
| Mt Hoopbound | EPM18812 | GBMR | 100% | Granted | 26-Jul-12 | 25-Jul-17 | 23 | 7 |
| Mt Victoria | EPM25177 | GBMR | 100% | Appl'n | | | 3 | 1 |
| Bajool | EPMA25362 | GBMR | 100% | Appl'n | | | 110.50 | 34 |
| Mountain Maid | EPMA25678 | GBMR | 100% | Appl'n | | | 26 | 8 |
| Mount Isa Region | | | | | | | | |
| Talawanta - Grassy Bore | | | | | | | | |
| Talawanta2 | EPMA19255 | GBMR* ² /Isa | 100% | Granted | 26-Aug-14 | 25-Aug-19 | 325 | 100 |
| Grassy Bore2 | EPMA19256 | GBMR* ² /Isa | 100% | Granted | 27-Jun-14 | 26-Jun-18 | 322 | 99 |
| Mount Margaret | | | | | | | | |
| Mt Malakoff Ext | EPM16398 | GBMR* ^{2, 4} /Isa | 100% | Granted | 19-Oct-10 | 18-Oct-15 | 85 | 26 |
| Cotswold | EPM16622 | GBMR* ^{2, 4} /Isa | 100% | Granted | 30-Nov-12 | 29-Nov-17 | 46 | 14 |
| Mt Marge | EPM19834 | GBMR/Isa | 100% | Granted | 04-Mar-13 | 03-Mar-18 | 3 | 1 |
| Dry Creek | EPM18172 | GBMR/Isa | 100% | Granted | 13-Jul-12 | 12-Jul-17 | 189 | 58 |
| Dry Creek Ext | EPM18174 | GBMR/Isa | 100% | Granted | 25-Oct-11 | 24-Oct-14 | 39 | 12 |
| Corella | EPMA25545 | GBMR/Isa | 100% | Appl'n | | | 59 | 18 |
| Tommy Creek | EPMA25544 | GBMR/Isa | 100% | appl'n | | | 33 | 10 |
| Brightlands | | | | | | | | |
| Brightlands | EPM14416 | GBMR* ² /Isa | 100% | Granted | 5-Aug-05 | 4-Aug-14 | 254 | 78 |
| Brightlands West | EPM18051 | GBMR/Isa | 100% | Granted | 22-Oct-13 | 21-Oct-18 | 7 | 2 |
| Brightlands West Ext. | EPMA18672 | GBMR/Isa | 100% | Appl'n | | | 16 | 5 |
| Wakeful | EPM18454 | GBMR/Isa | 100% | Granted | 23-Jan-12 | 22-Jan-17 | 13 | 4 |
| Highway | EPM18453 | GBMR/Isa | 100% | Granted | 23-Jan-12 | 22-Jan-17 | 20 | 6 |
| Bungalien | | | | | | | | |
| Limestone Creek | EPM17849 | GBMR/Isa | 100% | Granted | 20-Oct-10 | 19-Oct-15 | 59 | 18 |
| Bungalien 2 | EPM18207 | GBMR* ² /Isa | 100% | Granted | 24-May-12 | 23-May-17 | 163 | 50 |
| Horse Creek 2 | EPM18208 | GBMR* ² /Isa | 100% | Granted | 2-Aug-12 | 1-Aug-17 | 163 | 50 |
| The Brothers | EPMA25213 | GBMR/Isa | 100% | Appl'n | | | 10 | 3 |
| Mayfield | | | | | | | | |
| Mayfield | EPMA19483 | GBMR* ^{2, 4} /Isa | 100% | Granted | 11-Mar-14 | 10-Mar-19 | 302 | 93 |
| Malaysia | | | | | | | | |
| Lubuk Mandi | ML1/2007 & ML2/2007 | AASB* ⁵ | 0% | Granted | | March 2017 | 2.215 | |
| 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. On all or part of the tenement area. | | | | | | | | |
| * ³ For Q'ld tenements, 1 subblock ~3.2km ² . Underlined areas indicate the tenement is contained in new application area. | | | | | | | | |
| * ⁴ subject to approval by DME of transfer from Newcrest. | | | | | | | | |
| * ⁵ GBM holds approximately 40% of AASB | | | | | | | | |
| * ⁶ Chumvale prospect within GBM's Brightlands tenement | | | | | | | | |

Figure; GBM Tenement summary table as at 30 September 2014.

CORPORATE

The Company spent a total of \$1,158,000 in the quarter, of which \$969,000 (includes \$610k of JV expenditure) was for exploration and \$189,000 for administration costs. Cash at 30 September 2014 was \$1.6 million.

During the quarter the Company announced a \$2 million capital raising by the issue of 100,000,000 ordinary fully paid shares at 2 cents each. The share issue was completed during October 2014. The Company issued 14,000,000 options exercisable at 3.5 cents each and expiring 30 June 2016 (GBZO) attaching to the share placement, the remaining 86,000,000 attaching options are to be allotted in due course. The issue of securities pursuant to the capital raising was approved by Shareholders on 16th September 2014.

On 5th August 2014 the Company undertook a Board restructuring, and appointed Mr Frank Cannavo as an Executive Director of the Company, and accepted the resignations of Mr Cameron Switzer and Mr Sunny Loh.

For Further information please contact:

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

Media
Karen Oswald
Marko Communications
Tel: 0423 602 353

Explanatory notes:

Competent Person's Statement for Exploration Results included in this report that were previously reported pursuant to JORC 2004: This information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to 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 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.

The information in this report that relates to 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 it is not aware of any new information or data that materially affects the information included in the relevant market announcements and the form and context of the announcements have not been materially modified.

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

Quarter ended ("current quarter")

ABN 91 124 752 745

30 September 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (3 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) | (969) | (969) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (257) | (257) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 1 | 1 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other - Grants and JV management fees | 67 | 67 |
| - R&D concession refund | - | - |
| Net Operating Cash Flows | (1,158) | (1,158) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a)prospects | - | - |
| (b)equity investments | - | - |
| (c) other fixed assets | - | - |
| (d) bonds | (20) | (20) |
| 1.9 Proceeds from sale of: (a)prospects | - | - |
| (b)equity investments | - | - |
| (c)other fixed assets | - | - |
| (d) bonds redeemed | - | - |
| 1.10 Loans to other entities | (204) | (204) |
| 1.11 Loans repaid by other entities | 200 | 200 |
| 1.12 Other - JV Farm-in contributions received | 558 | 558 |
| Net investing cash flows | 534 | 534 |
| 1.13 Total operating and investing cash flows (carried forward) | (624) | (624) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | (624) | (624) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 1,841 | 1,841 |
| 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) | (189) | (189) |
| | Net financing cash flows | 1,652 | 1,652 |
| | Net increase (decrease) in cash held | 1,028 | 1,028 |
| 1.20 | Cash at beginning of quarter/year to date | 527 | 527 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 1,555 | 1,555 |

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 | 138 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |
| 1.25 | Explanation necessary for an understanding of the transactions <i>Director remuneration – fees and salaries.</i> | |

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

| |
|--|
| |
|--|

- 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 \$610,037 (\$610,037 year to date) incurred by other entities under joint venture farm-in agreements on projects held by the Company has been included at 1.2(a).

+ See chapter 19 for defined terms.

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 | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--|------------|
| 4.1 Exploration and evaluation (including CED JV expenditure) | 600 |
| 4.2 Development | |
| 4.3 Production | |
| 4.4 Administration | 200 |
| 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 | 1,456 | 439 |
| 5.2 Deposits at call | 99 | 88 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 1,555 | 527 |

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 | - | | | |
| 6.2 Interests in mining tenements acquired or increased | - | | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 <i>(description)</i> | - | | | |
| 7.2 Changes during quarter | - | | | |
| 7.3 +Ordinary securities | 475,194,121 | 475,194,121 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 90,000,000 - - | 90,000,000 - - | | |
| 7.5 +Convertible debt securities <i>(description)</i> | - | - | | |
| 7.6 Changes during quarter | - | - | | |
| 7.7 Options <i>(description and conversion factor)</i> | 134,746,562 | 134,746,562 | <i>Exercise price</i> \$0.035 | <i>Expiry date</i> 30 Jun 2016 |
| 7.8 Issued during quarter | - | - | | |
| 7.9 Exercised during quarter | - | - | | |
| 7.10 Expired during quarter | - | - | | |
| 7.11 Debentures <i>(totals only)</i> | - | - | | |
| 7.12 Unsecured notes <i>(totals only)</i> | - | - | | |
| 7.13 Performance Share Rights <i>(description and vesting dates)</i> | - | - | <i>Vesting date</i> | <i>Expiry date</i> |
| 7.14 Issued during quarter | - | - | | |
| 7.15 Exercised during quarter | - | - | | |
| 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: 
.....
Company Secretary

Date: 31 October 2014

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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