GTN TERMINATES THE MERGER AGREEMENT

The Directors of GTN Resources today resolved to terminate the merger agreement between GTN and ZBB. Under the terms of the agreement ZBB was required to raise $10 million in new equity by 15 October 2003. When that date passed the Directors agreed, in writing, to extend the completion date but reserved their right to terminate the agreement should ZBB fail to raise the new equity. The Directors consider the additional time provided to ZBB more than adequate to have raised the required equity.

The Directors have been advised that there are no additional costs to be incurred for terminating the agreement, although GTN will now have to pay for the transaction costs incurred which total approximately $350,000, which had been deferred until the merger was completed.

As a result of the above, GTN will now return the subscriptions for new equity which amounts to $979,334 to the relevant investors and has advised its share registrar, Computershare Investor Services, to complete this task as soon as possible.

The Directors also advise that the proposed sale of the remaining sapphire assets to Excel Mining Ltd will no longer proceed. GTN will resume its sapphire operations in Inverell, albeit on a limited basis in the short term.

The Directors will continue to seek new opportunities for GTN.