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## **REPORT FOR THE QUARTER ENDED 31 DECEMBER 2007**

### **Highlights**

- Listed on ASX on 24 October after raising \$3.44 million.
- Exploration team and office established in Castlemaine, Victoria.
- Diamond drilling program commenced at the Malmsbury Project.
- New licence applications at Malmsbury and Dee Range Projects.
- Successful placement of \$1.75 million completed.
- Proceeding with 1:2 Loyalty Option Issue.

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### **Summary of Exploration Activity**

The first quarter of operations as a listed company included the establishment of an exploration office in Castlemaine, Victoria and the recruitment of a senior exploration team to manage and develop the project activities as outlined in the IPO prospectus.

Exploration activity included securing a diamond drill rig and the commencement of a 2,000 metre drilling program at the Malmsbury Project where the first drillhole MD01 at Belltopper Hill was completed by 23 December. This hole intersected disseminated sulphide mineralisation and quartz veining in the target zone. A further 2,000 metres of drilling has been scheduled to further explore this area.

Priority notification has been received for our new licence application at Malmsbury ELA 5120 and a landholder compensation agreement has been signed over the anomaly 'A' area on the Willaura Project (EL4631 near Lake Bolac) where a 1,000 metre drilling program has been approved.

Two new exploration tenements (Boulder Creek EPM17105 and Mount Morrissey EPM17163) totalling approximately 339 sq km have been applied for and are expected to be granted in the near term. The tenements are located near Mount Morgan covering known copper-gold occurrences identified during research into our nearby Dee Range licence area.

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## Corporate

### Share Placement

Singapore based Alvito Capital Holdings has successfully completed a placement to raise A\$1.75 million to fund accelerated development of the Company's gold and copper projects in Victoria and Queensland. Alvito Capital has placed 8.75 million shares at 20 cents each, with one free option exercisable at 25 cents on or before 30 June 2010 with overseas institutions and sophisticated professional investors. The placement represents approximately 15% of the issued capital of GBM.

GBM believes that the overseas support from a significant broking group endorses the Company's projects and corporate objectives, underpins the company's working capital requirements and increases our opportunities to invest in new projects.

### Loyalty Option Issue

The company is proceeding with an underwritten one for two non renounceable entitlement issue of options as proposed in the company's IPO prospectus. The loyalty options will be fully underwritten by Greenday Corporate Pty Ltd.

The record date is anticipated to be in the first week in February 2008 whereby shareholders will be entitled to receive one new option for every two shares held at an issue price of one cent each. The options will have an exercise price of \$0.25 and expire on 30 June 2010. A disclosure document will be available soon.

## Exploration Activity

### Malmsbury Project



The 2,000m drilling program commenced at Malmsbury on 3 December and a total of 328 metres of drilling was completed by the end of December using a Longyear LF90 diamond drill rig contracted from Silver City Drilling. Logging of the holes is in progress however visual examination as drilling progressed indicated that a number of broken and stock-worked zones have been intersected in this hole.

A strong zone of faulting, stock-working and fine disseminated sulphide mineralisation was intersected close to the target position. This zone includes a 5.0 metre zone of strong disseminated fine grained sulphide mineralisation (from 250.5 metres downhole) with a further 1.5 metres of broken vein quartz containing traces of pyrite, arsenopyrite and stibnite.

The intersection is approximately 180 metres below surface, 150 metres below drillhole LSRC (4.0m@6.4 g/t Au).



Managing Director Peter Thompson and Exploration Manager Neil Norris reviewing core samples at the Malmsbury drilling site.

Mineralisation in the Leven Star mineralised zone hosts an inferred resource of 59,000 ounces of gold at an average grade of 6.0 g/t Au. The primary focus of the current programme is to extend known mineralisation both to depth and along strike to the south.

Adjacent to the Leven Star mineralisation, several other known zones of mineralisation will be tested. Results from previous drilling confirm the presence of similar mineralisation in these zones. In addition, previous studies have suggested that this mineralisation is related to hydrothermal fluids associated with a granitic intrusive at depth. Such systems host a number of large deposits including Cadia Valley Deposits in NSW.

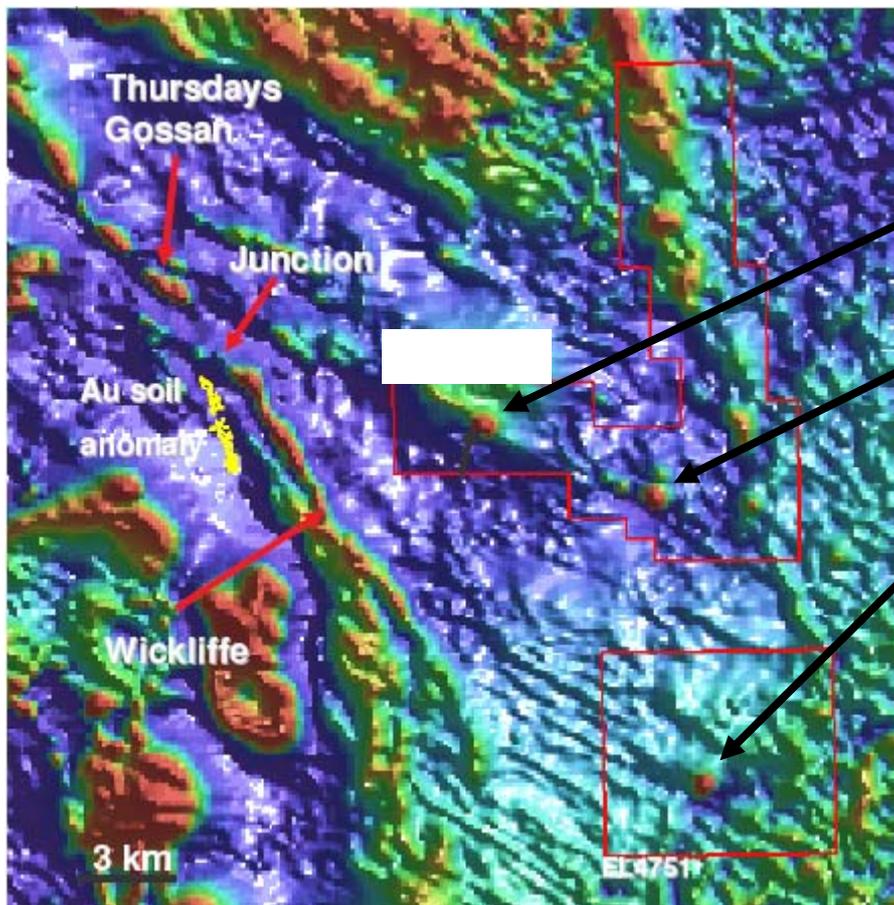
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## Willaura Project

Exploration at the Willaura project in western Victoria is targeting a potentially large porphyry copper-gold system located in the Mt Stavely volcanic complex. This volcanic belt is thought to be geologically similar to the Mount Read Volcanics in Western Tasmania and a potential host for deposits similar to large mines such as Cadia, Mt Lyell and North Parkes.

Discussions with the landholder occupying the area of anomaly 'A' (on EL 4631) has resulted in a compensation agreement for drilling being signed. This will facilitate drilling this anomaly subject to rig availability. A review of the geophysical modelling will be available shortly to assist in detailed drillhole planning.

The discovery of large copper-gold anomalies in the adjacent tenement is encouraging for the prospectivity of Willaura where approval for an initial 1,000m drilling program is in place and scheduled to commence in the March quarter after geophysical analysis has been completed.



Anomaly A  
Au Geochemistry  
Est. Depth 53m

Anomaly B  
Au Cu geochemistry  
Est. depth 146m

Anomaly C  
Au Cu geochemistry  
Est. depth 58m

## Dee Range Project

The Dee range copper project is located in NE Queensland 20km from Mt Morgan which produced 8 million ounces of gold and 420,000 tonnes of copper. A review of previous exploration has been initiated and preliminary work has identified two additional areas of interest. An exploration licence applications has been lodged for Boulder Creek (EPM 17105) located immediately north of our Dee Range project.

The second, EPMA 17163 was under moratorium and expired on 31 December 2007. An application was lodged on the first available day after the end of moratorium. Both areas

contain numerous copper / gold occurrences. A geological review is currently in progress and will be available during the March quarter.

**Option over Broadhurst Uranium Tenements**

GBM entered into an exclusive option to purchase agreement in November 2007 relating to tenements E45/3135 and E45/3138. The option agreement has been extended to 31 March to enable GBM to complete its due diligence.

**Tenement Summary**

Project	Area	Tenement No.	Interest	Status	State
Malmsbury	Belltopper	EL4515	100%	Granted	Victoria
	Lauriston	EL5120	100%	Application	Victoria
Willaura	Lake Bolac	EL4631	100%	Granted	Victoria
	Woorndoo	EL4751	100%	Granted	Victoria
	Ararat	EL5033	100%	Application	Victoria
Dee Range	Dee Range	EPM16057	100%	Granted	Queensland
	Boulder Creek	EPM17105	100%	Application	Queensland
	Mt Morrissey	EPMA17163	100%	Application	Queensland

**Project Tenement Map**



Yours Sincerely

Peter Thompson  
Managing Director

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