

30 October 2008

The Manager
Company Announcements
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REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2008

Highlights:

QUEENSLAND:

- Phosphate discovered on the Bungalien project near Mt Isa
- Phosphate anomaly in soils extends over a 6km strike
- Soil sampling planned December quarter on second Qld phosphate project - Horse Creek, in the world-class Georgina Basin phosphate province
- Data review commenced on 10 gold-copper tenements acquired near Mount Isa
- Six discrete IOCG magnetic anomaly targets identified on three sites around Mt Isa
- Field trip completed on Brightlands Cu-Au-U project near Mt Isa / Rock chip samples due current quarter

VICTORIA:

- Dump sampling on the Malmsbury Gold Project confirms Au mineralisation
- Existence also confirmed of a large auriferous hydrothermal gold system
- Optimal safety record during operations

EXPLORATION ACTIVITIES

QUEENSLAND

Mount Isa Region Copper Gold Projects

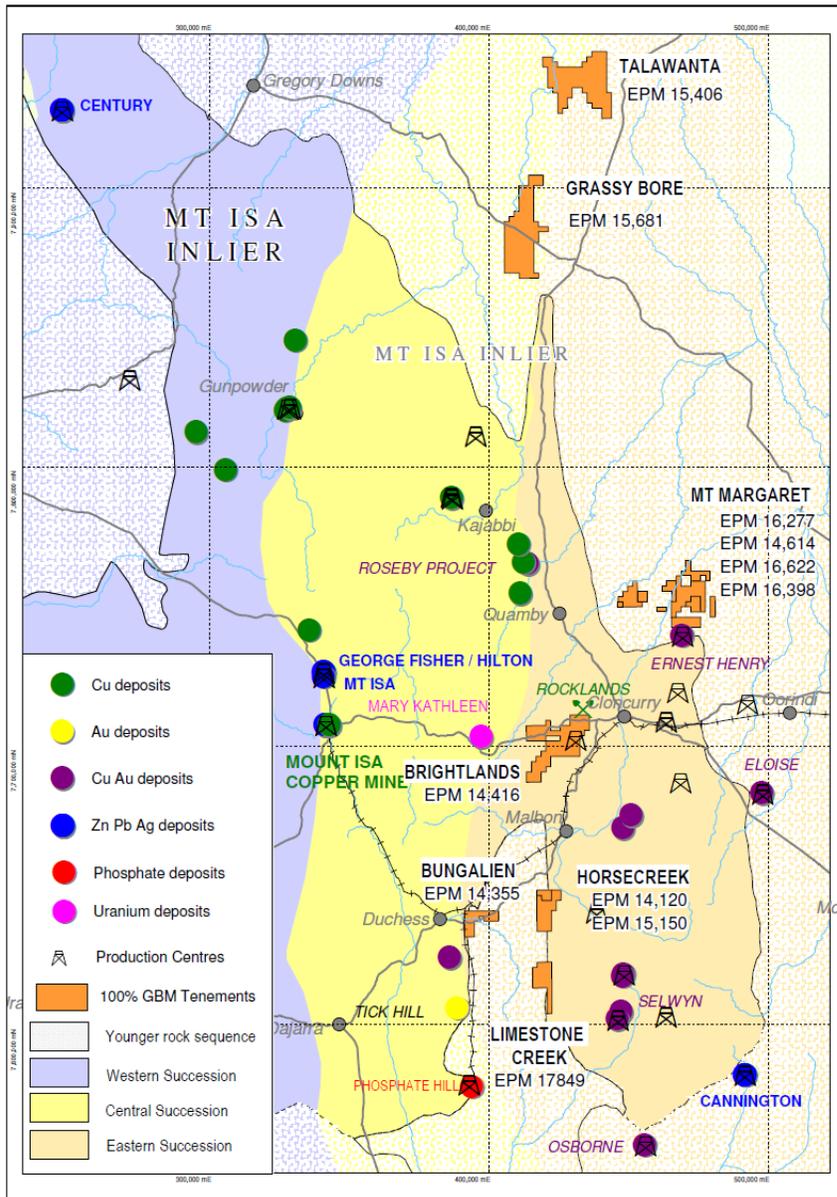
GBM holds extensive copper gold exploration assets in the Mount Isa region covering an area in excess of 1,460 square kilometres, representing over half of the Company's total exploration holdings.

This large tenement footprint delivers GBM a strategic position in the Mount Isa/Cloncurry region of Queensland - which is one of the world's most prolific producers of base metals. More importantly, the tenement package is highly focussed on the Eastern Succession which is recognised as the key host to IOCG (Iron Oxide Copper Gold) targets in the region.

Whilst the key target remains IOCG and gold mineralisation, early review of available data followed up in the quarter by soil sampling, has confirmed phosphate mineralisation throughout the Bungalien project area.

Data review is being systematically conducted by GBMR staff. To date, initial reviews have been completed on the Bungalien – Horse Creek Project area. Review of the Brightlands area has commenced and an initial field visit and rock chip sampling program completed.

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* All figures quoted from NW QLD Mineral Province Report, Qld Government DME, Nov 2000

Mt. Isa Tenements

Brightlands (EPM 14416)

Review of data for this project has commenced with the focus initially on the Milo area which has, as previously reported, returned significant rock chip results for copper, gold and uranium. Previous drilling conducted in the 1950s and 1970s also returned significant intervals of copper mineralisation, and semi-massive sulphides (pyrite-pyrrhotite-chalcopyrite) were noted in the lower six metres of a prospecting shaft.

A field visit has confirmed the location of the prospecting shaft and of the Milo 'pit', a 30 metre long excavation out of the northwest side of a hill displaying extensive outcrop of gossan and highly fractured and veined shale. The Milo pit is recorded as producing a small tonnage of hand picked uranium ore. The main ore mineral described is Torbernite which was observed in several shale outcrops around the Milo pit.

Rock chip samples were collected to characterise the key outcrops in the area and results are expected during this quarter.

In addition to Milo, multiple exploration target areas have been identified by previous explorers and the following are high priorities for immediate follow-up:

- **Fine Gold Gully-** interpreted by previous owner, Newcrest, as being in a similar stratigraphic position as the Tick Hill Mine (470,000t @ 28g/t Au) with a similar geochemical anomaly, one hole drilled over weaker (30ppb in soil) geochemical response returned 6m @ 0.2g/t Au and 0.23% Cu.
- **Tiger Prospect-** anomalous gold in rock chip samples in shear zone interpreted as part of a structural zone including structures hosting the Rocklands deposit (Cuddeco Limited) 2.5km northwest. Rock chip sampling of the structure has returned Au values up to 1.87g/t Au and up to 17% Cu.
- **The Range-** 43 anomalous rock chip samples collected over 1.3km². Samples between 0.5 and 21.1 g/t Au, 25% contain >1% Cu and as high as 8%Cu.
- **Southern Gold** – Extensive areas in the Chumvale Breccia hosting widespread anomalous base metal and gold values at surface.

Bungalien (EPM 14355), Malbon 2 (EPM 14120), Horse Creek (EPM 15150) & Limestone Creek (EPM 17849)

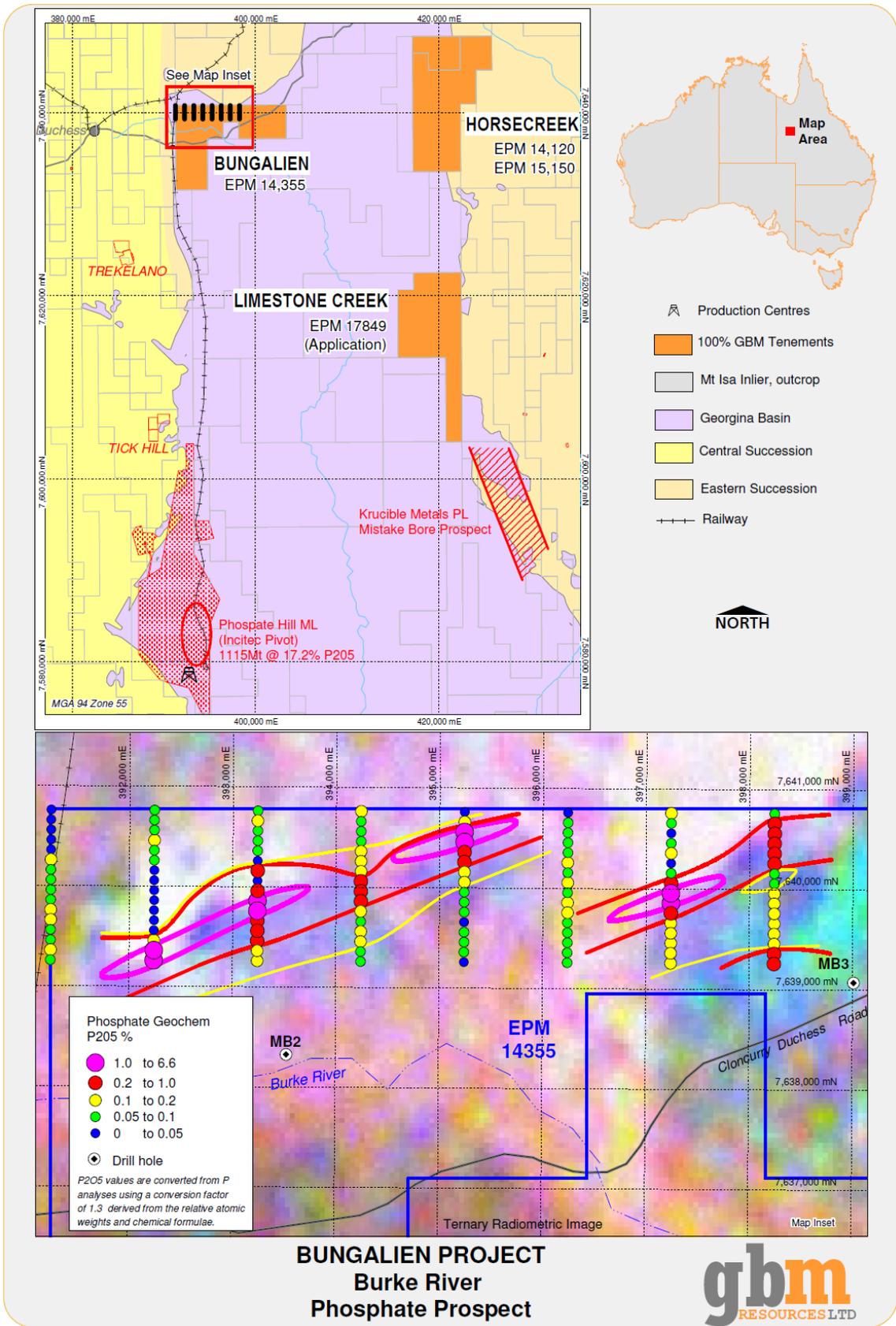
A phosphate anomaly extending over a strike length in excess of six kilometres has been identified from soil sampling over GBM Resources' Burke River Phosphate Prospect in the Mount Isa region.

Burke River is one of several areas identified by GBM as having potential for phosphate development in the Company's Bungalien and Horse Creek Projects in the Georgina Basin area around Mount Isa. The Company has also lodged application for a further tenement, EPM17849 Limestone Creek, which straddles the eastern margin of the prospective Georgina Basin south of the Horse Creek tenement, and along strike from Krucible Metals' Mistake Bore Prospect.

The results are from a sampling program undertaken during September in the Burke River Phosphate Prospect area (which lies within Bungalien EPM14355). The area was sampled on a one kilometre by 100 metre grid to confirm that the underlying Beetle Creek Formation contained phosphate in this area, and to determine the extent and continuity of the horizon.

Results confirmed a zone of highly anomalous phosphate in soils coinciding closely with the previously identified radiometric high which can be traced for more than 14 kilometres. A number of samples returned >2.3% P₂O₅ with a peak value of 6.6% P₂O₅. These phosphate soil values are no indicator of bedrock grades due to chemical leaching and physical dispersion in the surface environment but strongly confirm the presence of phosphate mineralisation throughout the project area.

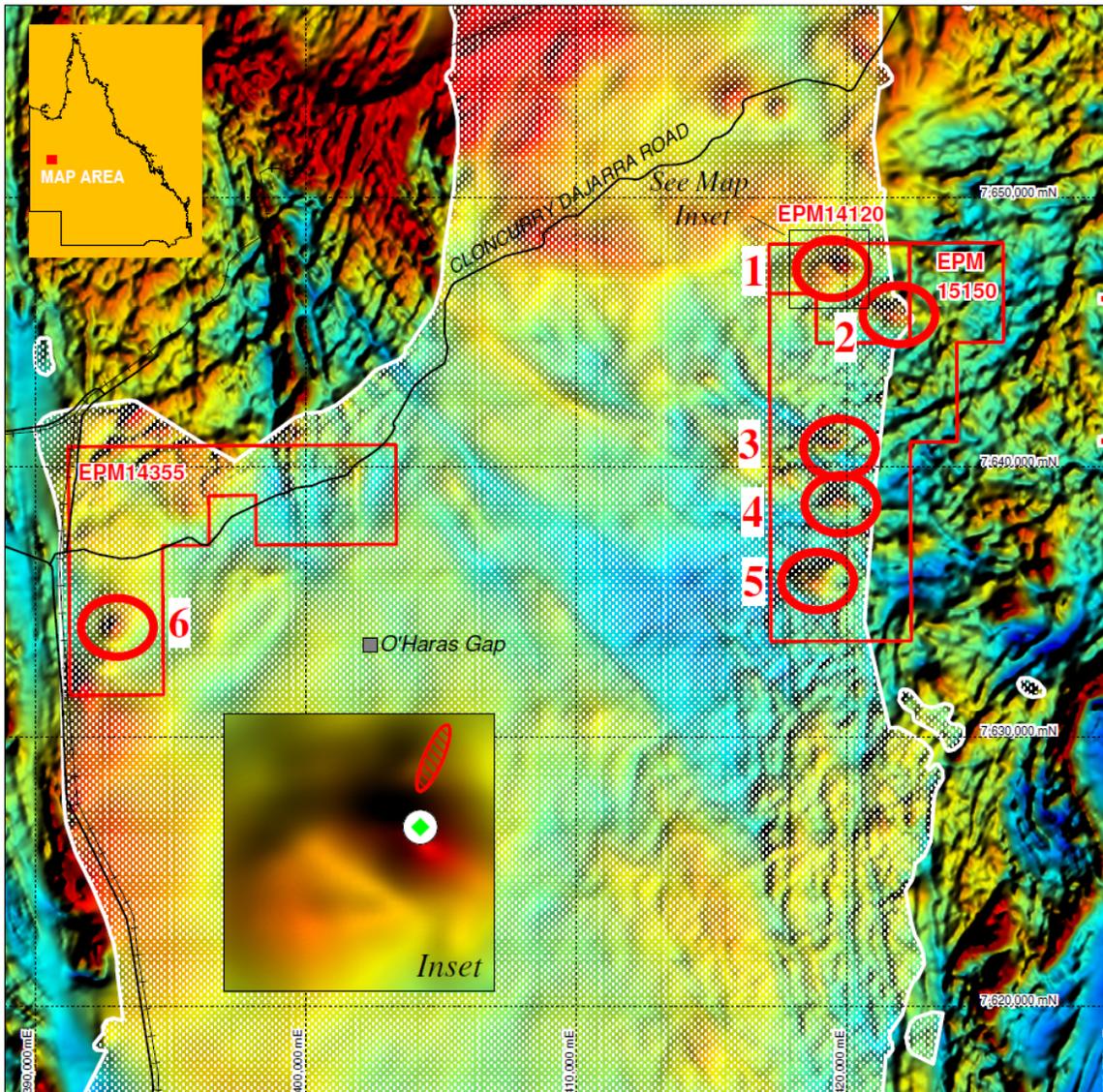
GBM holds a strategic landholding in the Georgina Basin which is emerging as a world-class phosphate province with more than 3 billion tonnes of phosphate resources, of which the largest is the Incitec Pivot owned Phosphate Hill, located 50 kilometres south of GBM's Bungalien project. The Bungalien project is ideally supported by a road and rail corridor which goes through its tenement boundary. Recent upward movement in fertilizer prices has greatly enhanced the appeal of phosphate minerals as exploration targets.



Burke River Phosphate Contours

The review currently underway by GBM staff has confirmed strong magnetic anomalies as targets for potential IOCG style mineralisation on Bungalien, Malbon2 and Horsecreek tenements. The Company's review has identified six discrete magnetic anomalies under cover of the Georgina Basin which comprises between 100 to 500 metres of sediment cover.

Lag sampling on Malbon2 returned a clear +400ppm Cu anomaly which is interpreted to represent a significant 'leakage' of bedrock geochemistry through more than 100 metres of the overlying Georgina Basin sediments. This anomaly lies on a major northeasterly trend identified in the regional magnetic image, and is interpreted as being underlain by the Wimberu Granite. The outcropping Wimberu Granite hosts a number of historic Cu-Au-U occurrences and is being actively explored by other companies. A magnetic high located in the southwestern part of Bungalien was considered prospective by Newcrest, which was successful in obtaining Queensland DME Strategic drilling initiative funding to test this anomaly. This hole, however, was not drilled and the target remains untested.



TMI image above shows magnetic anomalies visible through cover sequence of the Georgina Basin in the Horsecreek, Malbon2 and Bungalien licences.

Talawanta (EPM 15406) & Grassy Bore (EPM 15681)

These tenements are centred on a north trending linear magnetic complex interpreted to represent basement feature in the underlying Proterozoic basement interpreted as the northward extension of the Eastern Sequence of the Mount Isa Inlier under cover. The magnetic complex is locally, extremely intense, particularly given the depth of the cover sequence which would tend to mask the magnetic response.

Talawanta is centred on a major magnetic anomaly, which is one of the most intense anomalies in the district, next to Ernest Henry, and covers an area 15km x 7km. The anomaly is clearly associated with alteration with potential for discovery of IOCG style mineralisation.

Grassy Bore is centred on a series of bull's eye magnetic anomalies and gravity features. Limited drilling has confirmed the presence of alteration and weak mineralisation. A review of EXCO's exploration data and BHP historic drilling highlighted the northern Boomeria region as being highly prospective for copper mineralisation. These targets are IOCG targets of substantial size and intensity.

Mt Margaret Group (Mt Margaret West EPM 14614, Mt Margaret Extended EPM 16227, Cotswold EPM 16622 and Mt Malakoff Extended 16398)

These tenements are situated in the same geophysical/geological domain as Ernest Henry and are centred on a series of magnetic anomalies that surround prospective granites. The area also contains extensive geochemical targets (Cu, Au) though the relationship with basement magnetic features has not been established in our review to date. It is a highly mineralised district with Ernest Henry and E1 deposits located within this domain. This area also appears likely to host IOCG targets of substantial size and intensity.

Mt. Isa Region Summary Outlook

- Bungalien, Malbon2 and Horse Creek- Soil sampling of additional phosphate target areas is scheduled for the current December quarter with priority targets to be drill tested in 2009. Orientation soil sampling of IOCG targets will also be conducted in tandem with Phosphate programs.
- Brightlands- complete data review and field trip to upgrade the key gold, copper and uranium targets by the end of the year.
- Mount Margaret, Talawanta/Grassy Bore – Commence data review, prospect ranking and upgrade IOCG targets associated with significant magnetic features.

Dee Range Copper Gold Project

No field activity has occurred during this quarter.

The Dee Range Copper Gold Project now includes four exploration permits areas in proximity to the Mount Morgan Mine which produced 8m ounces of gold and over 400,000 tonnes of copper in a mining history spanning more than 100 years. Mt Morgan is a world-class deposit and the nearby Dee Range project area contains a number of Cu-Au anomalies from previous exploration that remain unexplained in a highly prospective geological setting.

Project Outlook

A review of data covering the Ulam anomaly on EPM 17163 will be completed this quarter with a follow-up field visit to the area. Upgrading of the GIS database is progressing and will greatly enhance the understanding and ranking of exploration targets. Survey design will be undertaken during the quarter.

VICTORIA

Malmsbury Gold Project

Results of dump sampling have provided further confirmation of the disseminated nature of gold mineralisation within the Drummond North Goldfield. Of 32 dump samples collected, 29 (91%) were mineralised with greater than 0.1 g/t Au, and 7 (22%) contained greater than 1g/t Au. The peak value of 14.5 g/t Au was hosted by a sericitic shale with 5% disseminated sulphides, mainly acicular arsenopyrite. This sample was from the O'Connors United Mine dump, an area which is yet to be drill tested.

During the previous quarter, GBM completed its Stage 1 drilling program at Malmsbury. Results of this program confirmed the extension to depth of the Leven Star Mineralisation with hole MD01 intersecting 3.9 metres averaging 9.5 g/t Au, including 1.2 metres at 17.7 g/t Au, clearly demonstrating the potential for high grade mineralisation within this system. Also of great significance was completion of drill hole MD11, the first hole ever to test the Drummond North Goldfield. This hole intersected disseminated gold mineralisation associated with a strongly altered and deformed zone over 10 metres down-hole below the old workings, the lower section of 4.3m down-hole averaging 0.9g/t Au from 240m.

Drummond North produced 98,000 tonnes grading 29 g/t Au, or approximately 91,000 ounces of gold late in the 19th century. On Belltopper Hill, the Leven Star Zone contains an identified and inferred resource containing 59,000 ounces from 305,000 tonnes at an average grade of 6.0g/t gold (previously published). The geological setting, mineral assemblage observed and alteration are interpreted as an IRGD style of mineralisation.

Recently completed interpretation of detailed gravity data collected last quarter in conjunction with available airborne magnetic data indicated a subtle feature to the northwest of the Leven Star area which may represent an intrusive stock at depth where hydrothermal fluids may be responsible for the formation of the larger mineralising system now being defined in the area.

Previous examination of regional magnetic data revealed a subtle high immediately northwest of Belltopper Hill which potentially represents a weakly magnetic intrusive stock or a zone of magnetic alteration at the periphery of an intrusive body. This is further supported by the intense stockwork development and alteration, mineral assemblage and strongly hornfelsed wallrock rock in the Belltopper Hill area.

Project Outlook

Soil sampling will be used to further define the extent of the mineralising system with samples to be collected during the December quarter. Compilation and interpretation of available data will continue to focus on further defining the overall mineralising potential and identifying specific targets for further testing later this year or early next year to extend and develop GBM's resource base in this project area.

Further drilling is planned from the already approved work plan for Belltopper Hill. These programs are consistent with GBM's objective of further defining the potential of the known resource and the longer term "IRGD" target.

Willaura Copper Gold Project

Previous exploration has identified three discrete magnetic features with coincident geochemical anomaly's considered worthy of further investigation for intrusive related gold mineralisation. These anomalies are located in the Stavely region of western Victoria. During the March quarter this year, the Company drilled two diamond holes testing anomaly 'A' on EL4631.

During September a detailed ground magnetic survey was completed over anomaly 'C' to confirm the exact location and nature of this feature prior to further testing. Processing and detailed interpretation is not yet available.

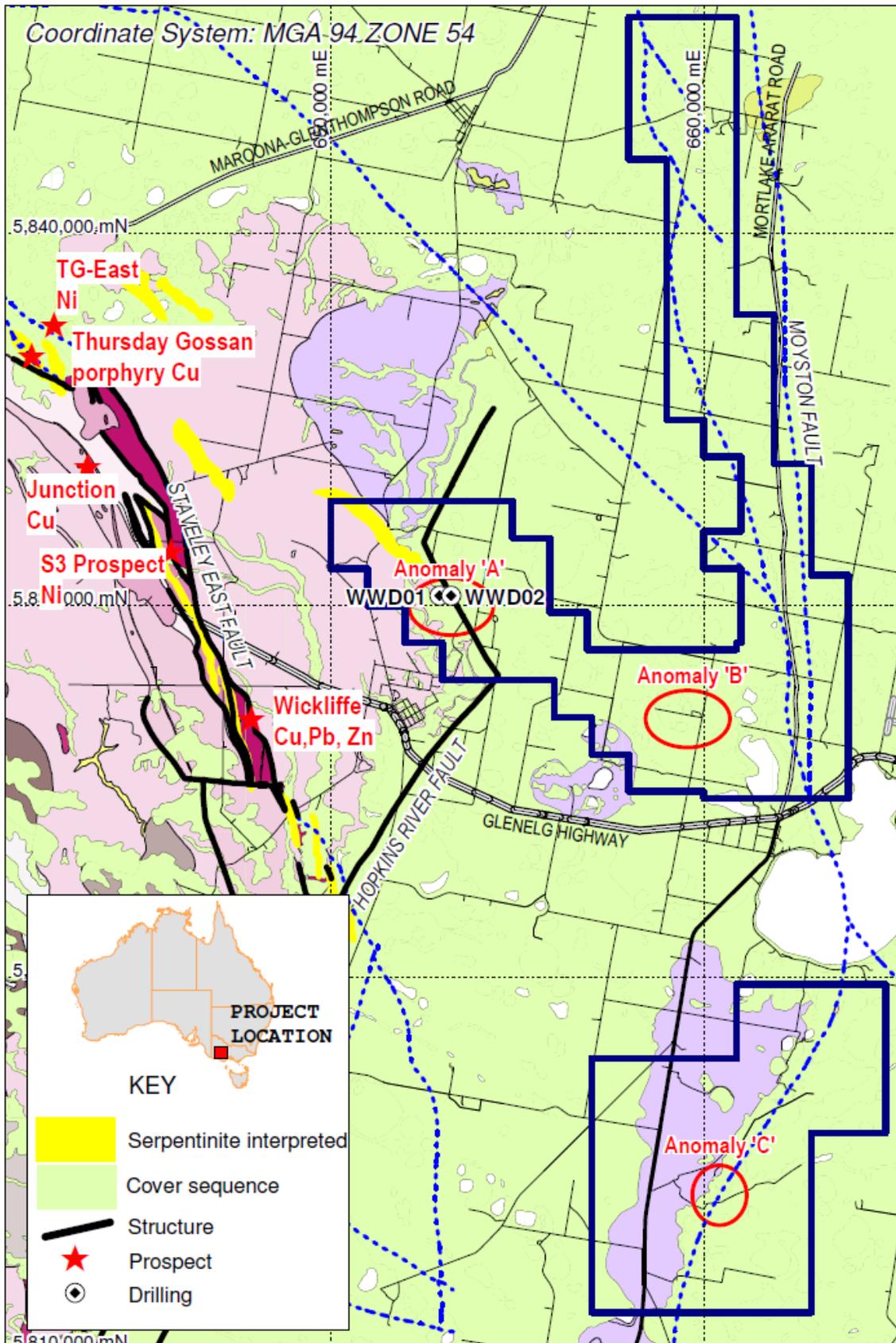
The Stavely Belt is considered by the Company as one of Australia's most underexplored volcanic terrains with recent exploration results released by Beaconsfield Gold confirming the prospectivity of the region for IRDG style deposits, representing some of the first high grade gold and base metal intersections in this highly prospective terrain.

Project Outlook

A number of significant geochemical and geophysical anomalies remain to be tested within the project area. These will be reassessed in light of data from the current program. It is planned to complete ground magnetic and follow-up IP surveys (Induced Polarization) to identify possible disseminated sulphide deposits with a view to determining the priority for future drill testing.

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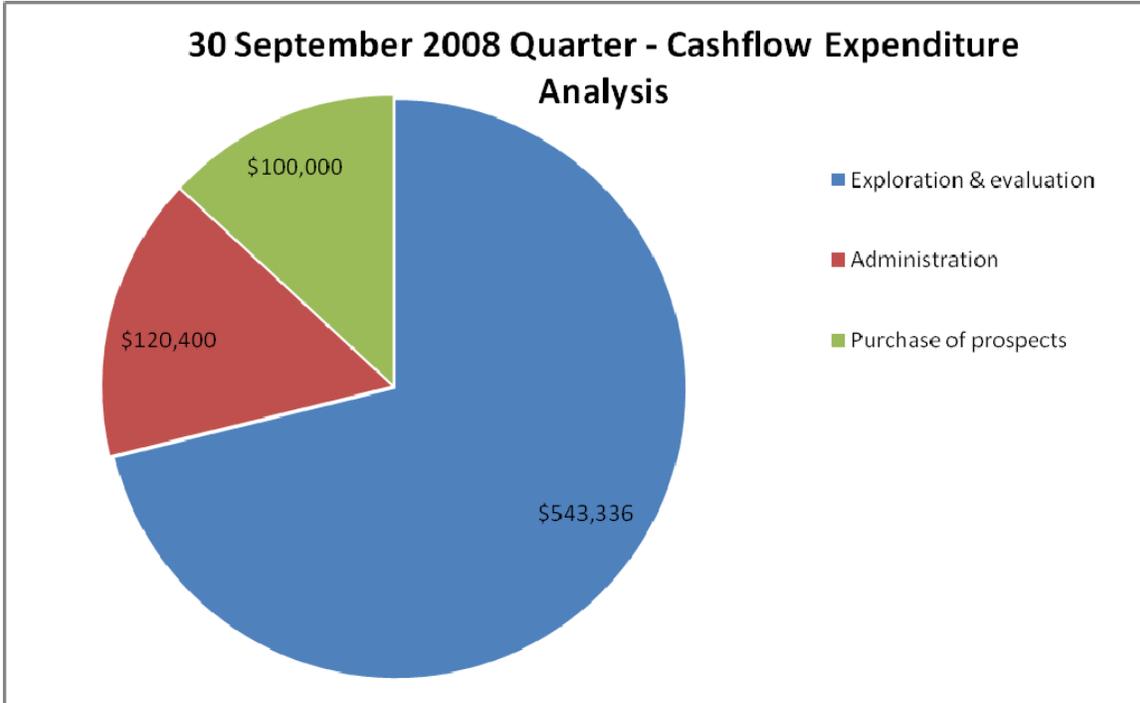


Compiled after the GSV geological map and the Questem EM survey by North Ltd (EL3474,1994)

Regional Setting of coincident magnetic and geochemical anomalies within EL4631 and EL4751 in relation to recent high grade Cu Au intersections drilled as part of the Rediscover Victoria programme by Beaconsfield Gold Mines limited. Structures hosting this mineralisation are clearly linked to the north-westerly structure hosting anomalies 'A' and 'B'.

EXPENDITURE

The Company spent \$763,736 in the quarter of which \$ 543,336 was for exploration, \$100,000 for the purchase of prospects and \$120,400 on administration costs. Cash at the end of the quarter totals \$2.04 million. Forecast exploration expenditure for the December 2008 quarter is estimated at \$200,000.



Yours sincerely

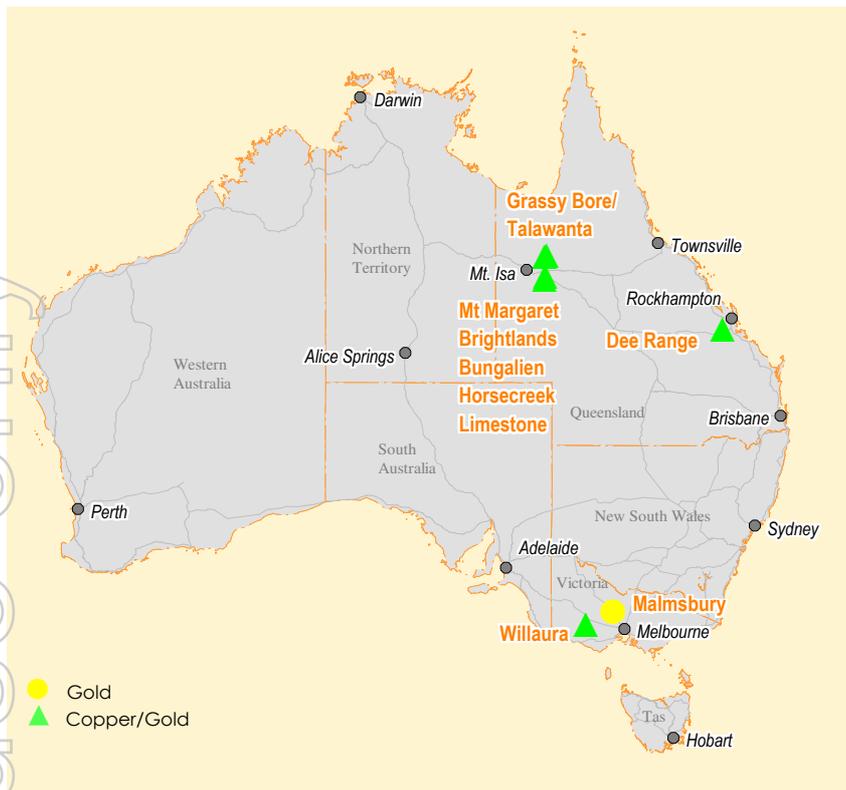
Peter Thompson
Managing Director

Note; The information in this report that relates to Exploration Results is based on information compiled by Neil Norris, who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy. Mr Norris is a full-time employee of 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.

TENEMENT SUMMARY

Project / Name	Tenement No.	Owner	GBMR Equity	Manager	Granted	Expiry	Approx Area (km ²)	Status
Victoria								
Malmsbury								
Belltopper	EL4515* ¹	GBMR	100% GBMR		6/10/2005	5/10/2010	25	Granted
Lauriston	EL5120	GBMR	100% GBMR				143	Appl'n
Willaura								
Lake Bolac	EL4631	GBMR	100% GBMR		21/03/2002	20/03/2009	98	Granted
Woorndoo	EL4751	GBMR	100% GBMR		19/11/2003	18/11/2008	54	Granted
Arrarat	EL5033	GBMR	100% GBMR		6/07/2007	6/07/2012	83	Granted
Queensland								
Dee Range								
Dee Range	EPM16057	GBMR	100% GBMR		27-Sep-07	26-Sep-12	178	Granted
Boulder Creek	EPM17105	GBMR	100% GBMR		26-Mar-08	25-Mar-10	178	Granted
Mt Morrissey	EPM17163	GBMR	100% GBMR		23-Apr-08	23-Apr-10	161	Granted
Black Range	EPMA17734	GBMR	100% GBMR				180	Appl'n
Mount Isa Region								
Talawanta - Grassy Bore								
Talawanta	EPM15406	GBMR* ²	100% GBMR		15-Jan-08	14-Jan-11	325	Granted
Grassy Bore	EPM15681	GBMR* ²	100% GBMR		28-Sep-07	28-Sep-10	325	Granted
Mount Margaret								
Mt Margaret W. Ext	EPM1627	GBMR* ²	100% GBMR		31-Jul-07	30-Jul-12	36	Granted
Mt Margaret West	EPM14614	GBMR* ²	100% GBMR		2-Aug-05	1-Aug-10	129	Granted
Mt Malakoff Ext	EPM16398	GBMR* ²	100% GBMR				84	Appl'n
Cotswold	EPM16622	GBMR* ²	100% GBMR				45	Appl'n
Brightlands								
Brightlands	EPM14416	GBMR* ²	100% GBMR		5-Aug-05	4-Aug-08	251	Granted
Bungalien								
Bungalien	EPM14355	GBMR* ²	100% GBMR		13-Oct-04	12-Oct-09	61	Granted
Horse Creek	EPM15150	GBMR* ²	100% GBMR		13-Jul-06	12-Jul-09	80	Granted
Limestone Creek	EPM17,849	GBMR	100% GBMR				72	Appl'n
Malbon 2	EPM14120	GBMR* ²	100% GBMR		24-Aug-04	23-Aug-10	122	Granted
Totals							2630	
<p>Note *¹ subject to a 1% net smelter royalty to vendors.</p> <p>*² subject to completion of transfer from Newcrest Operations Ltd., a 2% net smelter royalty is payable to Newcrest Mining Ltd.</p>								

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PROJECT LOCATION
SEPTEMBER QUARTER 2008

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GBM Resources Limited

Quarter ended ("current quarter")

ABN 91 124 752 745

30 September 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	--	--
1.2 Payments for: (a) exploration and evaluation	(543)	(543)
(b) development	--	--
(c) production	--	--
(d) administration	(120)	(120)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	37	37
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other – Option fees paid	--	--
Net Operating Cash Flows	(626)	(626)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	(100)	(100)
(b)equity investments	--	--
(c) other fixed assets	--	--
1.9 Proceeds from sale of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	--	--
1.10 Loans to other entities	--	--
1.11 Loans repaid by other entities	--	--
1.12 Other (provide details if material)	--	--
Net investing cash flows	(100)	(100)
1.13 Total operating and investing cash flows (carried forward)	(726)	(726)

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(726)	(726)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	--	--
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)	--	--
	Net financing cash flows	--	--
	Net increase (decrease) in cash held	(726)	(726)
1.20	Cash at beginning of quarter/year to date	2,765	2,765
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	2,039	2,039

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	\$91
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

\$36k Director fees
 \$55k MD fees
 All payments relating to Directors and Associates were on normal commercial terms.

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

Nil.

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

Nil.

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	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	200
4.2	Development	Nil
Total		200

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	564	335
5.2	Deposits at call	1,475	2,430
5.3	Bank overdraft	Nil	Nil
5.4	Other (provide details)	Nil	Nil
Total: cash at end of quarter (item 1.22)		2,039	2,765

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		

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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>	Nil			
7.2 Changes during quarter	Nil			
7.3 +Ordinary securities	65,759,103	29,734,103		
7.4 Changes during quarter (a) Increases through issues	Nil			
(b) Decreases through returns of capital, buy-backs	Nil			
7.5 +Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter	Nil			
7.7 Options <i>(description and conversion factor)</i>	3,730,000 20,000,000 40,379,552	Nil Nil 40,379,552	<i>Exercise price</i> \$0.25 \$0.22 \$0.25	<i>Expiry date</i> 30 June 2010 30 June 2010 30 June 2010
7.8 Issued during quarter	Nil	Nil	<i>Exercise price</i>	<i>Expiry date</i>
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

..... Date: 30 October 2008
Company Secretary

Print name: Stuart Usher

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 1022: Accounting for Extractive Industries* and *AASB 1026: 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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