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ASX Announcement

10 February 2017

AUD$ 10 Million Loan Agreement Update

The Board of GBM Resources Limited ('GBM' or 'the Company') advises that the Company has entered into a Deed of Variation with National Federal Capital Ltd (NFC) regarding the settlement of the outstanding advances under the Loan Agreement.

Part payment of the loan of AUD$1.5million was received on 7 December 2016. The balance of the total loan monies of AUD$8.5million is now scheduled to be settled by 31 March 2017. The repayment schedule has been adjusted to commence in April 2019. There are no further amendments and refer to the ASX announcement dated 18 October 2016 for the details of the Loan Agreement.

While there has been commercial circumstances impacting the performance of NFC under the Loan Agreement, based on recent discussions the Company is satisfied that NFC is able to complete its obligations under the Loan Agreement. The Company previously advised on 21 November 2016 that the AUD$10million Loan Agreement was unconditional and further confirms that GBM is in compliance with its various obligations and undertakings under the Loan Agreement.

The Company is now targeting by end of the March 2017 (previously December 2016) to commence the Feasibility Studies which will extend the development schedule on the Mt Coolon Gold Project by a quarter. The Company's objective remains on track to be a gold producer this calendar year.

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