

ASX Release

31 August 2017

Program update on the Mount Coolon Gold Project, QLD

Australian Resources company **GBM Resources Limited** (ASX: **GBZ**) ("**GBM**" or "**the Company**") is pleased to give an update on the Mt Coolon Scoping Study.

Scoping Study

The Mount Coolon Scoping Study has been rescheduled to be completed by the end of September to review the potential of new development options that have arisen out of the Study. The Scoping Study is designed to bring together key aspects of the work completed to date into one coherent document providing a blue print for the future redevelopment of the Mount Coolon Project.

New developments under review include:

- i. Inclusion in the Study of a starter pit south of the current Koala North pit which may represent a lower start-up capital cost and an improved time line regarding the environmental approval processes.
- ii. At Koala the main decline and shaft are reported to be in good condition and there is potential to go underground to access ore below the current pit optimisation floors, potentially increasing gold production at Koala.
- iii. Consideration of a staged approach to construction of the processing facility which has been designed based on a relocatable CIL plant. The CIL circuit to be constructed as phase one which would provide the flexibility to initially treat the old tailings material.

The second construction phase to follow with the crushing and grinding circuits to process fresh ore.

ASX Code: **GBZ**

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Key tasks being undertaken in the Scoping Study to include:

- Re-optimisation of the Koala, Glen Eva and Eugenia open pit designs based on upgraded resources using inputs derived from recently completed metallurgical testwork, current plant design and geotechnical data from recent drilling.
- Preliminary treatment plant design and scale.
- Mine layout design and infrastructure.
- Tailings Storage.
- Water management plan.
- Ore sale and or toll milling opportunities.

Since acquiring the Mount Coolon Gold project the Company has been updating and expanding the known resources at Koala, Glen Eva and Eugenia, to support options for near term production. In conjunction with the Scoping Study, the Company is developing an exploration strategy with the aim of extending the current resource base on the Mount Coolon tenements to in excess of 1 Million ounces of contained gold.

For Further information please visit our website at www.gbmr.com.au or contact:

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About GBM Resources

GBM Resources Ltd (ASX: GBZ) is an Australian resource company that listed on the ASX in 2007, headquartered in Perth WA, with exploration operations in Queensland and Victoria.

The Company's primary focus is in key commodities of gold and copper-gold, assets in Australia. GBM tenements cover an area greater than 3,200 square kilometres in eight major projects areas in Queensland and Victoria.

GBM is prioritising the exploration and development of the Mount Coolon Gold Project and Mount Morgan Gold Copper Project.

Project	Location	Resource Category									Total			Cut-off
		Measured			Indicated			Inferred			000' t	Au g/t	Au ozs	
		000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs				
Koala	Open Pit				370	2.8	33,500	750	2.1	51,700	1,110	2.4	85,000	0.4
	Underground Extension				50	3	5,100	230	3.9	28,500	280	3.7	33,700	2.0
	Tailings	114	1.6	6,200	9	1.6	400				124	1.6	6,600	1
	Total	114	1.7	6,200	429	2.8	39,000	980	2.5	80,200	1,514	2.6	125,300	
Eugenia	Oxide				1,305	0.9	39,300	219	0.7	5,100	1,524	0.9	44,400	0.4
	Sulphide				2,127	0.9	62,300	1,195	1.2	45,500	3,322	1.0	107,800	0.4
	Total				3,432	0.9	101,600	1,414	1.1	50,600	4,846	1.0	152,200	0.4
Glen Eva	Open Pit				700	2.2	48,800	232	2.3	17,200	932	2.2	66,000	0.7
Total		114	1.7	6,200	4,561	1.3	189,400	2,626	1.8	148,000	7,291	1.5	343,500	

Table: Revised (1 June 2017) global resource table for Mt Coolan Gold Project. Please note rounding; tonnes (1,000t), grade (0.1g/t) and contained gold (100 ounces).

The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the respective announcements and all material assumptions and technical parameters underpinning the resource estimate with those announcements continue to apply and have not materially changed.