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PRESS RELEASE

Intention to Change Management, Grant of Stock Options, Private Placement and Debt Settlement

June 6, 2005

GFM Resources Limited (the Company) wishes to announce its intention to submit new nominees for the board of directors to be approved by the Company's shareholders at the upcoming annual general meeting scheduled for June 30, 2005. The new nominees will include Messrs. Roman Friedrich III, James Robertson, Pedro Reynoso and Erik Jurgensen. Messrs. José. A. Rivero and Lizardo Galván will remain as part of the Board.

Mr. Roman Friedrich III is President of Roman Friedrich & Company ("RFC"), established in July 1997 after having spent over twenty years in the investment and commercial banking business with major firms in the US and Canada. RFC has been engaged by companies based in the US, Canada, Europe and Mexico. A former V.P. of Chase Manhattan Bank responsible for Latin America and former President of Chase Manhattan Bank Canada, Mr. Friedrich sits on the board of Strategic Minerals Corporation, Brazilian Emeralds Inc, StrataGold Corporation (TSX: SGV) and Gateway Gold Corp. (TSX: GTQ). He is also chairman of Dreman Claymore Dividend and Income Fund.

Mr. James Robertson, P.Eng., a metallurgical engineer, is president of Midas Management Inc. of Vancouver since 1975, and a director of Gateway Gold Corp, (TSX: GTQ), Riverstone Resources Inc. (TSXV: RVS), Sennen Resources Ltd., and Primary Metals Inc. He has been involved in the past in other resource companies, bringing considerable public company experience to the Board.

Mr. Erik Jurgensen, a Canadian living in Mexico for many years, is former CFO of Grupo Industrial Alfa, a US \$7.5 billion industrial conglomerate, and is presently the president of his own investment banking firm. Since 1993 Mr. Jurgensen has been a member of the Board of Compañía Minera Autlán, S.A. de C.V. ("Autlan"), a company also controlled by the Company's majority shareholder, Grupo Ferrominero, S.A. de C.V. ("Grupo"), as has been previously disclosed.

Mr. Pedro Reynoso, of Monterrey, Mexico, is a chartered accountant and has been President of Planfin, an investment advice firm, since 1982, and Director General of Textile Operations of CYDSA, a textile industry company, since 2002. He was President of Financiamiento Azteca, an investment banking firm, from 1993 to 2002. In the past Mr. Reynoso was also a director of Banca Serfin and Director of Consumer Goods at Grupo Industrial Alfa, and has been a member of Autlan's board for eleven years.

The Company has agreed to grant an aggregate of up to 618,500 stock options to directors, officers and consultants. Each option entitles its holder to purchase one common share of the Company at an exercise price of \$0.10 per share for a period of five years from this date, and is subject to a four-month hold period in compliance with TSX Venture Exchange (the "Exchange") policies and securities law. The grant will be effective on June 30, 2005.

The Company also wishes to announce that it has settled its current debt with Grupo of \$258,923 (US \$205,120) by issuing Grupo 2,589,230 common shares at a deemed price of \$0.10 per share. These shares carry no warrants, and have a hold period of four months in compliance with Exchange policies and securities laws.

Finally the Company announces that it intends to raise \$239,700 for general working capital in a non-brokered private placement with Grupo by the issuance of 2,397,000 units at a price of \$0.10 per unit. Each unit will consist of one common share, and one half share purchase warrant. Each full warrant will entitle its holder to purchase one common share at an exercise price of \$0.20 per share for a period of one year from the date of Exchange approval. The units will have a four-month hold period in compliance with Exchange policies and securities laws.

The debt settlement and private placement are related party transactions pursuant to Exchange policy 5.9. The debt settlement and private placement will provide the Company with necessary working capital for general corporate purposes and for investigating potential acquisitions. Grupo is a Mexican incorporated company which is controlled by José A. Rivero, a Mexican citizen and a director of the Company. Upon completion of the debt settlement and private placement, Grupo will own 9,461,390 common shares of the Company, equal to 85% of the currently outstanding common shares, and will hold warrants entitling it to increase its interest in the Company to 86% of the outstanding common shares.

All of the aforementioned transactions are subject to regulatory approval.

For further information contact Mr. Salvador Miranda, administrator, at (604) 806-6110.

THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.