



GBM GOLD
LTD

ASX/ MEDIA RELEASE

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**GBM Gold announces
Excellent Drilling results from Phase 1 Daly Kentish RC Program**

Gold production and exploration Company, **GBM Gold Ltd (ASX: GBM)** announces it has received excellent results from its Phase 1 Daly Reef Drilling Programme at the Inglewood Project.

The drilling returned significant widths and grades for this potential open pit target which were in line with the exploration target parameters announced earlier of ~250,000 tonnes for 13 – 26,000 Ounces (grade range of 2 -3 g/t) down to 50 metres.

Significant results include:

Daly Kentish – Significant intersections

Hole No	Section	Interval	g/t	From	To
DKRC003	200mN	7	1.85	22	29
Including		3	3.00	23	26
DKRC009	150mN	9	1.19	49	58
Including		1	5.39	55	56
DKRC015	975mN	10	0.37	14	24
DKRC019	925mN	15	0.29	18	33
Including		1	1.59	32	33
DKRC027	775mN	13	0.10	7	20
DKRC028	775mN	10	0.40	18	28
Including		1	1.06	18	19
&		1	1.29	26	27

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(See Table 1. For full details)

Commentary:

The Daly Kentish Reef is located approximately 1Km South east of the Maxwells Mine site and was noted historically to have large widths of quartz veining up to 10 metres but with low grades compared to the other Inglewood Reefs.

The reef was described as having a westerly underlay and was estimated to average 1.5 penny weights per ton.(~2.5g/t)

Several company operations worked the known higher grade sections of the reef but with low returns and production is recorded as 529 tonnes at 17 g/t. with the bulk coming from the Kentish operation.

Mine	Tonnes	Kg	Grade g/t
Daly	159	1.07	6.7
Kentish	370	8.15	22.0
total	529		17.4

Table 2. Recorded Production

While the production history is poor, the line exhibits ~800metres of significant workings with some mullock heaps exhibiting fresh rock which is encountered at approximately 50 metres below surface. Various low level exploration programmes involving limited drilling took place over the recent history with Goldquest N.L. identifying Daly Kentish as a target.

GBM in reviewing the Inglewood goldfield estimated an Exploration Target of ~250,000 tonnes based on an average 3 metre width of veining to 50 metres vertical depth.

A target of 13,000 to 25,000 ounces based on a grade range of 2 – 3g/t was estimated and the drilling results from the phase 1 program have confirmed these parameters.

This phase 1 program saw drill lines at ~50 metre spacing undertaken with 3 holes per line planned to give a series of intersections down the structure to ~ 35 – 40 metres below surface. All holes were drilled to the east at angles of ~60 to 75 degree inclination.

NTL Drilling Ltd provided a Reverse Circulation drill rig with a 900/350 compressor utilising a 75mm hammer to provide 1 – 2 Kg samples for Fire Assay analysis at Onsite Laboratories in Bendigo.

Samples were split on the rig utilising a 75:25 splitter. Residue bags are stored at the Laidlaws compound nearby.

A total of 1,840 metres were completed and a process of sending all “even” numbered samples to the Laboratory was undertaken to gain initial indications of mineralisation.

Odd numbered samples have since been selected to infill initial mineralised intervals and have revealed the following results. (see Table 1.)

Table 1. Drill intersections from the Daly Kentish Drill Program – cut off at ~0.1 g/t

Hole Id	Northing	Easting	Section	Azimuth	Dip	From	To	Interval	Grade g/t
DKRC002	5950196	757191	200	181	-60	29	31	2	1.46
DKRC003	5950198	757164	200	180	-70	22	29	7	1.85
DKRC005	5950172	757163	175	179	-60	22	26	4	0.12
DKRC006	5950172	757162	175	181	-70	53	55	2	0.84
DKRC008	5950152	757167	150	178	-60	15	21	6	0.09
DKRC009	5950151	757165	150	178	-70	21	27	6	0.23
DKRC009						49	58	9	1.19
DKRC009					including	55	56	1	5.39
DKRC011A	5950057	757169	50	178	-70	11	18	7	0.19
DKRC012	5950028	757188	25	177	-60	14	18	4	0.16
DKRC013	5950026	757173	25	177	-60	23	28	5	0.20
DKRC014	5950027	757172	25	177	-70	24	26	2	0.14
DKRC014						29	37	8	0.10
DKRC015	5949972	757172	975	175	-60	14	24	10	0.37
DKRC016	5949970	757194	975	175	-60	18	23	5	0.11

Table 1. continued

Hole Id	Northing	Easting	Section	Azimuth	Dip	From	To	Interval	Grade g/t	
DKRC017	5949970	757193	975	175	-70	29	37	8	0.17	
DKRC017						41	51	10	0.23	
DKRC017						including	50	51	1	1.32
DKRC018	5949927	757225	925	171	-60	15	19	4	0.27	
DKRC019	5949924	757212	925	171	-60	18	33	15	0.29	
DKRC019						including	32	33	1	1.59
DKRC020	5949924	757213	925	170	-70	39	44	5	0.18	
DKRC021	5949879	757221	875	170	-60	19	24	5	0.35	
						including	23	24	1	1.47
DKRC025	5949815	757218	825	171	-60	19	24	5	0.09	
DKRC027	5949777	757248	775	170	-60	7	20	13	0.10	
DKRC028	5949775	757232	775	170	-60	18	28	10	0.40	
						including	18	19	1	1.06
						&	26	27	1	1.29
DKRC031	5949732	757236	725	171	-60	19	22	3	0.16	
DKRC031						24	30	6	0.17	
DKRC032	5949733	757237	725	171	-70	23	27	4	0.62	
						including	25	26	1	1.81
DKRC033	5949663	757257	675	172	-60	23	27	4	0.61	
						including	26	27	1	1.18
DKRC039	5949587	757278	575	171	-60	19	20	1	0.78	

Notes: 1. In reviewing assay data, further odd numbered samples are currently being sent for analysis to infill some isolated anomalous results as well as significant quartz intervals.

2. A program of BLEG sampling of selected intervals is also being prepared to assess the coarse gold component of the veining.

Due to a number of significant high quartz percentage intersections which have returned results from low to “below detection” levels, selected samples are to be BLEG analysed to check if a coarse gold component exists within this system.

Some check samples and QA QC sampling has also been undertaken at a separate laboratory.

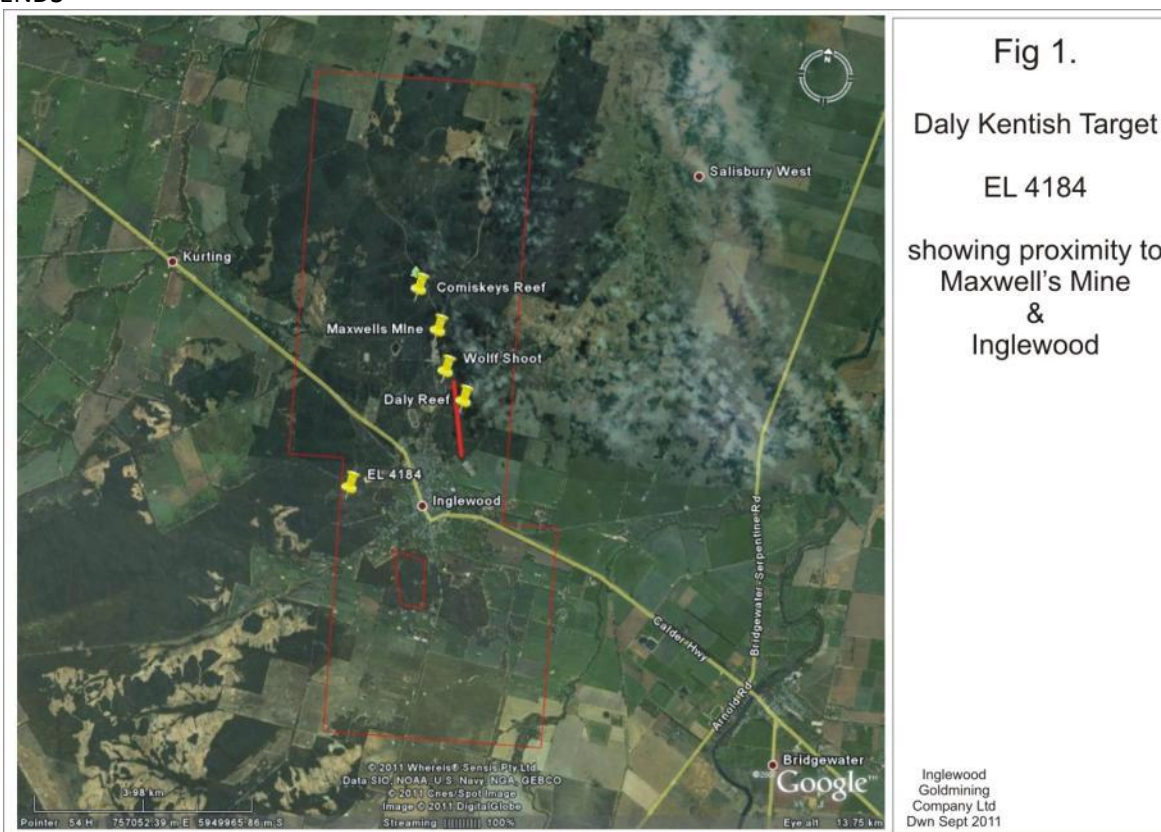
Fig 1 shows the location of the Daly Kentish Target while Fig 2. shows drill collars completed along the length of the workings on a Google image.

Interpretation of the drilling results will be carried out with the intention of defining the structural model for the Daly Kentish reef and looking at infill positions / redrill sites to confirm the structural model. This will be crucial in preparing any resource estimate. Larger diameter drill holes (up to 125mm) will be utilised to increase sample size significantly in future drilling.

Summarizing the program, GBM Gold’s Resource Director, Mr John Cahill stated “The Daly Kentish drilling has outlined a large, shallow mineralised system”. “The intersection widths and tenure of mineralisation recorded are excellent results for a first pass program with the results in line with the Exploration Target estimate” he also said “the geological team will be working to refine the structural model for resource estimation and further drilling to close up the sections as required”.

Par Hallberg, GBM Gold’s General Manager commented “This result has further progressed the GBM Gold teams plan for expanding its operations to higher tonnage, low cost mining operations in the near future and early assessments that the Inglewood goldfield would support this philosophy is being clearly shown to be correct”.

ENDS





About GBM Gold Ltd (ASX: GBM)

GBM Gold Ltd (GBM) is focused on building a strong gold production base from what are at present 5 gold projects in Central Victoria, Australia.

Within each of these 5 projects - Inglewood, Goldsbrough, Beavis-ISG, Fiddlers Creek-Avoca and Wilsons Hill - are one or more granted Exploration or Mining licences, each containing a number of well defined Resource blocks and/or Exploration Targets. The various projects are at a mix of development stages, with some projects in production and others in later or earlier analysis, exploration or development phases.

GBM has highly experienced teams focused on the requirements of its operating areas, a centralised geology team with strong background in the Central Victoria style of mineralisation as well as Bendigo based management, finance and administration personnel.

Competent Person Statement

The information in this statement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by John Cahill, who is a Member the Australian Institute of Geoscientists.

John Cahill is both Resources Director of GBM Gold Ltd and a full time employee of Kralcopic Pty Ltd, the 100% owned operating company subsidiary of GBM Gold Limited.

John Cahill 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'. John Cahill consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For more information please visit the Company website: www.gbmgold.com.au

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