



GBM GOLD
LTD

ASX/ MEDIA RELEASE

17/01/ 2012

**GBM Gold Ltd announces
Commencement
of
Diamond Drilling Program
at
Gowks Hill, Wedderburn**

Gold production and exploration Company, **GBM Gold Ltd (ASX: GBM)** announces it has engaged EDRILL Australia to undertake a short three hole resource upgrade drilling program at its Gowks Hill Target (EL 3800) within the Inglewood Project.

The program will comprise three shallow HQ diamond drillholes (50 – 70 m planned length) which are designed to obtain structural and grade data on the Gowks Hill resource.

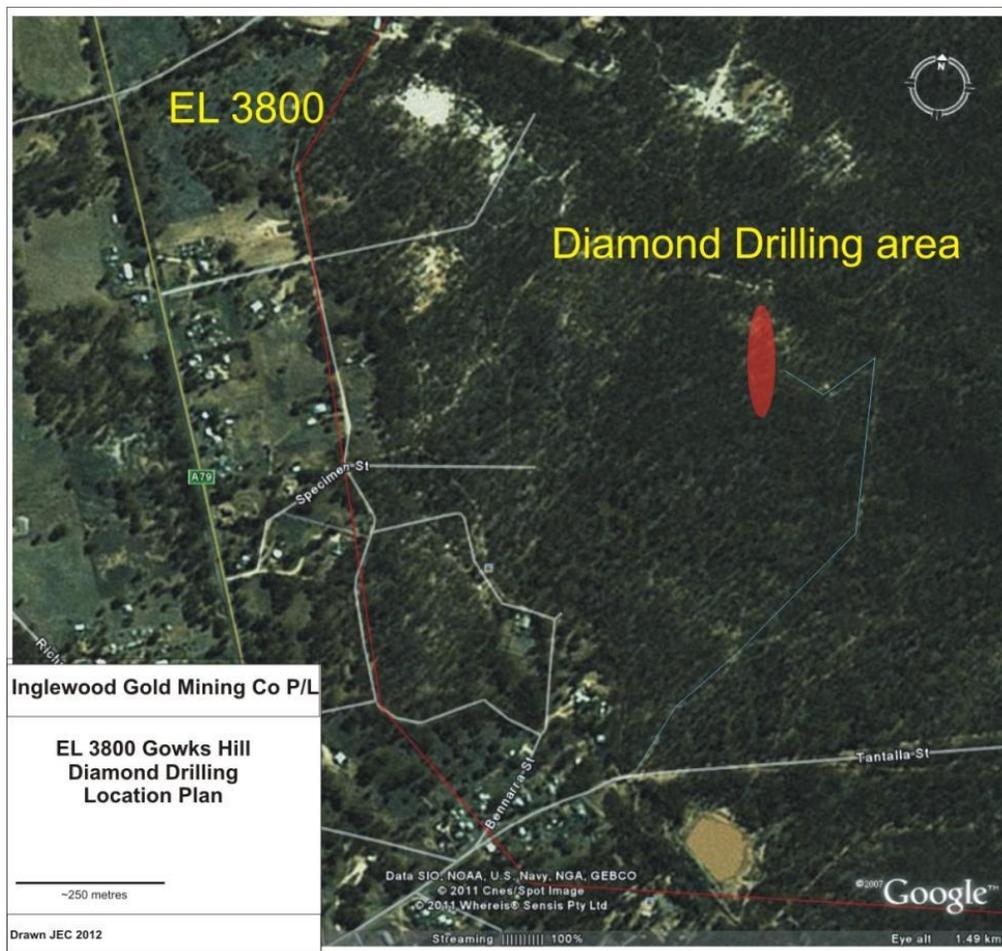
The diamond holes will be twinning existing RC / RAB holes to firm up current geological interpretation and grade estimation.

The Gowks Hill Resource is currently under review following an extensive RAB program in 2010 and on completion of the current program, is expected to provide an increase in the current resource.

Following completion of this diamond program, the company will look to estimate an Indicated Resource and commence prefeasibility studies for mining.

EDRILL have mobilised the rig on site and have commenced the first drillhole. The program is expected to take less than 2 weeks to complete.

ENDS



Edrill Diamond Rig setting up on site

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.

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

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 Kralcop 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.