



ASX/ MEDIA RELEASE

18/10/2011

## **GBM Gold Ltd announces Gold Resource inventory increase to 250,500 oz**

Gold production and exploration company GBM Gold Ltd (ASX: GBM) has reviewed and updated its resource inventory following Snowdens Peer Review of the Maxwells Mine, Woolf Shoot and South Gordon Resource blocks at its Inglewood project.

This has increased the Company's total Resource to 250,500 ounces in all categories across the groups 5 Projects - up from 237,600 ounces in the last update in Feb 2011.

### **Highlights of this announcement**

- **Inglewood project**
  - **Maxwells Mine Indicated and Inferred Resource increased to 31,300 from 23,000 oz after review by International consultants Snowdens**
  - **South Gordon resource block increased to 8,500 oz from 4,800**
  - **Woolf shoot existing resource reconfirmed at 13,000 Oz**
  - **The total Inglewood Resource (excluding Harvest Home now in Goldsbrough project) increased to 98,500 oz from 86,500 oz**
  - ***NB - All of the Maxwells Mine Resource is accessible from the existing Maxwells mine infrastructure***
- **Goldsbrough Resource**
  - **The Harvest Home and Queens Birthday joint ventures have been separated from Inglewood project, to what is now a standalone project, "Goldsbrough", with our new JV partner in the process of finalising its arrangements with both the vendors and GBM**
  - **GBM share of the Goldsbrough gold Resource is presently 28,800 oz with increase expected from review currently underway**
- **Total GBM group Resource increased to 250,500 oz.**
- **Group Exploration Targets still stand at high end of 1.400.000 oz**

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**Details :**

**Maxwells Mine**

A report titled “Inglewood Project, Resources Review September 2011” has been prepared detailing the work undertaken in reviewing the resources stated above. This report has utilised all the past and present data available for GBM to analyze and prepare the resource estimate.

Snowdens, an International Resource consultancy group, has reviewed the methodology and the data utilised along with the current operating practices and have provided a report titled “Independent Review of Inglewood Mineral Resources” by Dr Simon Dominy. This report and the above report will be available on the company’s website.

**Maxwells Mine:**

At the Maxwells Mine, work is continuing in driving along the reef at various horizons and stoping is currently underway at level 1, 63mN south, 97mN and is to commence at shortly 180mN. At 63 and 97,mN stoping is taking place on high grade reef with visible gold and Galena, Sphalerite and other significant sulphides present in the vein.

On 3 level, further driving is approaching an indicated resource block from ~10,200mN and grade assessments will shortly commence.

Reconciliation processing will shortly commence with further alterations to the plant allowing the underground ore to be crushed and fully ground for CIP treatment.

The operation of the ball mill has passed commissioning and is grinding tailings for an increased recovery rate.

Maxwells Mine	From	To	Tonnes	Ounces
<b>Resource Inventory</b>	Northing	Northing		
<b>Indicated Tonnes</b>	10035	10250	37,090	20,850
<b>Inferred Tonnes</b>	10035	10250	22,930	10,450
Note* grade range of 8g/t to 30 g/t, sg of 2.6				
<b>Total</b>			<b>60,000</b>	<b>31,300</b>

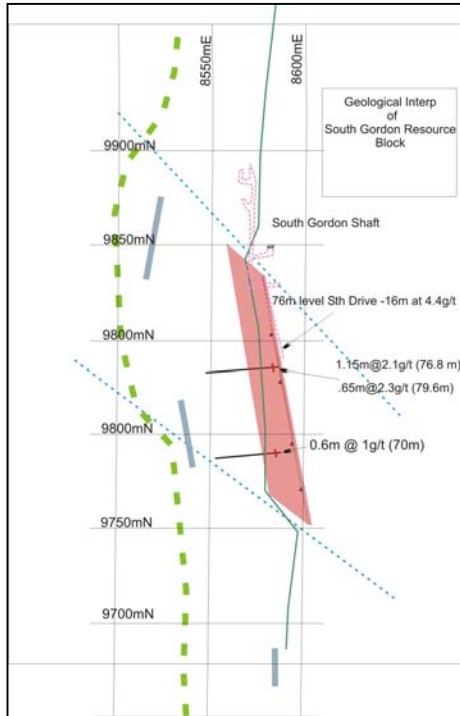
Table 2. Resource Inventory at Maxwells Mine.

\* Note: rounding down from calculated totals has occurred



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**South Gordon:**

The South Gordon mine is a high grade, small tonnage producer situated on the Jersey reef line. Goldquest N.L. dewatered, mapped and sampled the workings and estimated a 10,000 tonne resource.

Analysis and modeling of the mapping has revealed a separate west dipping vein system that was also intersected by drilling further south of the shaft. This allows a block which is bounded by two faults to be inferred. The oblique faults have effectively defined the extent of the veining seen in the mine workings and drilling.

This has allowed an increase in tonnes to be inferred along with a global grade for the reef. Table 3 shows the calculated resource figure. See fig 1.

Fig 1. South Gordon resource

South Gordon	Tonnes	Grade g/t	Grade Range	Oz
Inferred Resource	29000	9	4 to 12	8500
SG 2.6 No cut off utilised				

Table 3: South Gordon Resource

\* Note: rounding down from calculated totals has occurred

**Wolf Shoot**

Ongoing Modeling work at the Wolff shoot (See Fig 2.) shows that the mineralised reef blocks outlined by Goldquest N.L.’s drilling programs are showing a progressive rotation into a North West orientation due to cross faulting.

While this work is ongoing to provide an updated resource for the Wolff shoot as well as block shapes for mine planning, it has confirmed the existing resource as quoted to date.

The Wolff shoot has the potential to be an undiscovered classic Inglewood high grade shoot.





Initial 1850's shafts in the sub 30 metre depth range recorded low grades of up to 6 g/t.

This saw activity focus north on the Laidlaws shaft area where surface grades were significantly higher. The southern zone was untouched until MacNee Investments drilled a percussion hole in 1980's which was sufficiently anomalous for Goldquest N.L. to undertake a significant diamond drilling program during the late 1980's which was completed on 25m sections.

Goldquests drilling to date has returned significant intersections in all drill sections from 9450mN to 9550mN (see table 4). This level of gold assay from drilling is not seen at Maxwells where the known high grade shoots rarely assay much above 1 g/t.

Both Strata Mining Corporation and GBM have drilled at shallow intervals and returned grades in the 2 – 7 g/t range which confirms the historical recorded grades for the shallow (sub 30 m) horizon.

The Wolff shoot is controlled by two strong oblique faults and has all the structural features of the current known high grade shoots although buried at depth.

Planning for a decline access to this mineralisation is currently underway.

**Exploration Drilling:**

A Work Plan Variation has recently been approved which will allow further drill testing of the Comisky reef Resource, South Gordon Resource and numerous other Exploration Targets across the Inglewood Project for shallow mineralisation.

This work will be aimed at confirming the GBM Mineralization model for the Inglewood project and will look at converting the large Exploration Target at Inglewood into Resource.



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Table 4: Drill intersections recorded by Goldquest N.L. in its Wolff Shoot drill program

From 9450mN to 9550m N

Drill Hole Name	Northing	Easting	From	To	Interval	Au g/t
DDH Max 11	9450	10039	40.45	41.1	0.65	2.3
DDH Max 11	9450	10039	39.5	40.2	0.7	1.9
DDH Max 11	9450	10039	42.8	44.05	1.25	1.7
DDH Max 9	9449	10064	74.35	74.93	0.58	11.5
DDH Max 9	9449	10064	74.93	75	0.07	7.5
DDH Max 10	9449	10065	86.5	86.7	0.2	19.2
DDH Max 28	9475	10085	123.35	124.4	1.05	4.9
DDH Max 28	9475	10085	122.9	123.35	0.45	2.3
DDH Max 25	9475	10045	65.35	66.05	0.7	4.2
DDH Max 25	9475	10045	64.85	65.35	0.5	4.1
DDH Max 25	9475	10045	84.9	85.1	0.2	3.6
DDH Max 53	9475	10116	162.4	162.9	0.5	4.2
DDH Max 26	9475	10062	66.65	67.2	0.55	7.1
DDH Max 26	9475	10062	67.2	67.95	0.75	1.5
DDH Max 3	9502	10065	91	91.1	0.1	174.0
DDH Max 3	9502	10065	91.1	91.5	0.4	129.0
DDH Max 3	9502	10065	90.7	91	0.3	55.0
DDH Max 3	9502	10065	90.2	90.7	0.5	27.5
DDH Max 3	9502	10065	101.95	102.3	0.35	1.9
DDH Max 3	9502	10065	81.48	81.7	0.22	1.6
DDH Max 6	9501	10069	83.2	83.4	0.2	22.5
DDH Max 6	9501	10069	100.2	100.9	0.7	5.5
DDH Max 6	9501	10069	100.9	101.35	0.45	5.3
DDH Max 2	9501	10037	49.7	49.9	0.2	2.0
DDH Max 1	9495	10005	67.3	68	0.7	60.0
DDH Max 1	9495	10005	59	59.5	0.5	7.1
DDH Max 1	9495	10005	58.5	59	0.5	7.0
DDH Max 1	9495	10005	57	57.3	0.3	2.8

Drill Intersections recorded by Goldquest N.L.

\* note a further 90 intersections >0.2 g/t recorded at Wolff Shoot

1.0g/t cut off

Analysis by Fire Assay

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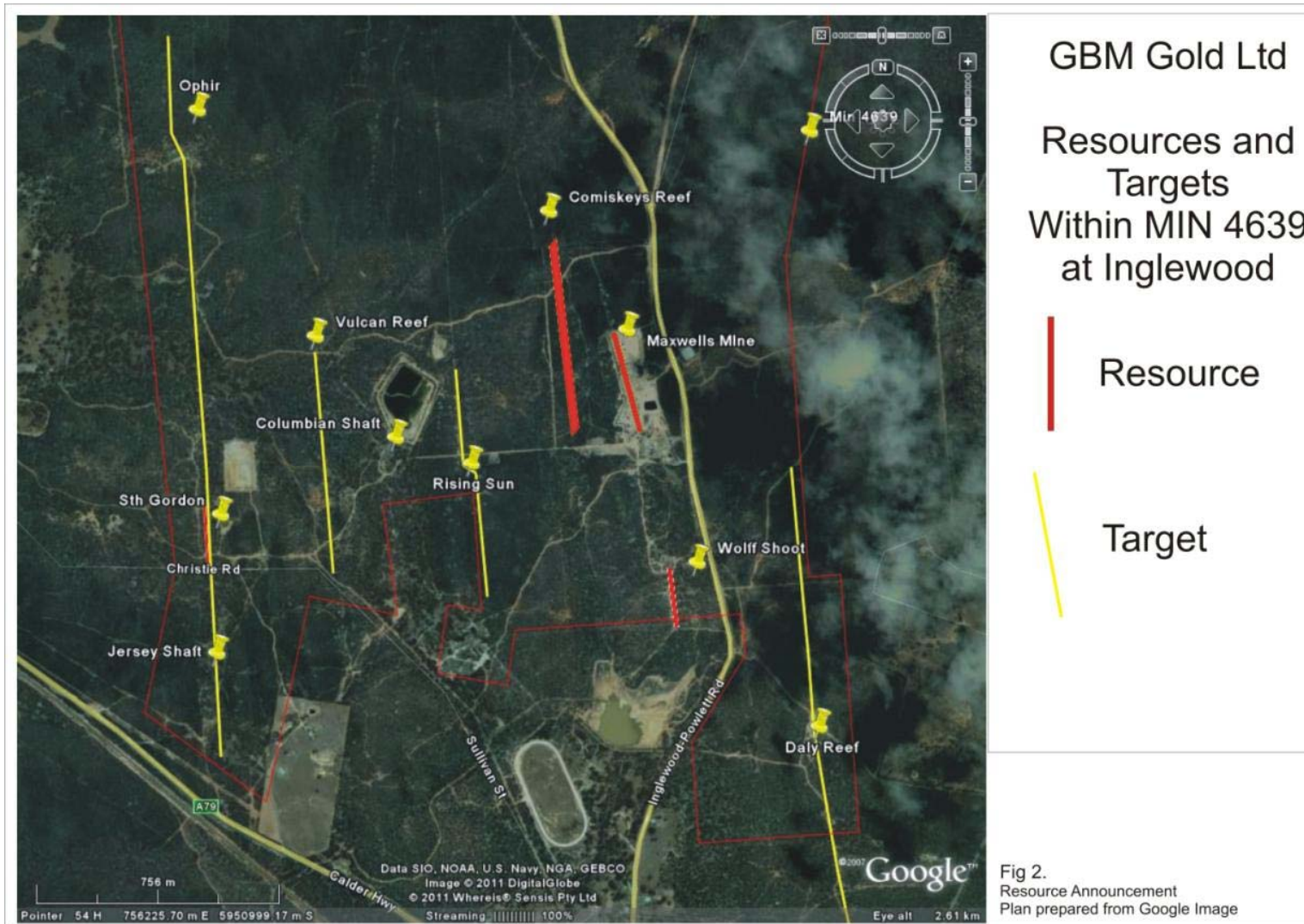


Drill Hole Name	Northing	Easting	From	To	Interval	Au g/t
DDH Max 21	9525	10040	63.4	63.9	0.5	24.6
DDH Max 21	9525	10040	63.9	64.5	0.6	24.4
DDH Max 21	9525	10040	66.95	68	1.05	1.7
DDH Max 21	9525	10040	66.2	66.95	0.75	1.3
DDH Max 8	9550	10038	80.2	80.25	0.05	165.7
DDH Max 8	9550	10038	80.25	81.5	1.25	35.0
DDH Max 8	9550	10038	70.2	70.9	0.7	32.5
DDH Max 7	9550	10037	54.9	55.1	0.2	25.5
DDH Max 7	9550	10037	56.05	56.1	0.05	19.0
DDH Max 8	9550	10038	79.9	80.2	0.3	9.5
DDH Max 8	9550	10038	85.55	86.5	0.95	4.9
DDH Max 8	9550	10038	86.5	87.1	0.6	4.7
DDH Max 8	9550	10038	81.5	82.25	0.75	3.2
DDH Max 7	9550	10037	77.6	78.3	0.7	1.8
DDH Max 7	9550	10037	76.6	77.6	1	1.7
DDH Max 8	9550	10038	64.7	65.6	0.9	1.3
DDH Max 8	9550	10038	62.4	62.5	0.1	1.2
Drill Intersections recorded by Goldquest N.L.						
* note a further 90 intersections >0.2 g/t recorded at Wolff Shoot			1.0g/t cut off		Analysis by Fire Assay	

Table 4 continued.



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GBM Gold Ltd  
Resources and  
Targets  
Within MIN 4639  
at Inglewood

Resource

Target

Fig 2.  
Resource Announcement  
Plan prepared from Google Image

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## 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 are one or more tenements, 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](http://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 Limited 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.

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