



# GBM GOLD LTD

ASX/ MEDIA RELEASE

29/11/ 2011

## GBM Gold announces Resource update from further drilling at the Beavis Alluvial Project

Gold production and exploration Company, **GBM Gold Ltd (ASX: GBM)** announces it has received excellent results from its Phase 2 Aircore Drilling program at the Beavis Alluvial Project.

The drilling confirmed the historical information and allowed the estimated resource to be further refined under JORC standards by block modelling using average grades over mineralised intervals. No top cut was imposed and an SG of 1.5 was utilised to estimate tonnage from cubic metres.

Beavis Project						
Resource						
Category (JORC)	Sampling	Wash Volume M3	Tonnes (SG1.5)	Grade Range	Grade (g/t)	Ounces
INFERRED	BLEG 1 Kg	1,475,700	2,200,500	0.25-0.80	0.5	33,700

BLEG analysis completed by Onsite Laboratories in Bendigo

Phase two drilling comprised 713m with all holes except 1 reaching basement. Samples were taken on a metre basis, screened at 5mm and split for BLEG analysis. Block volumes based on the drilling and the mineralised intervals in the basal wash were calculated to provide the volume figure for resource estimation.

The total volume of wash is increased from an industrial minerals resource viewpoint to > 2 million cubic metres (up from phase 1 estimate of 1.4 million cubic metres).

Similar volumes of upper gravels overlie the Beavis sequence and should provide an early cash flow to the project as decorative garden products and road base, whilst establishing access to the gold and basal wash resource.

A resource report which forms the basis of this work will be available on the web site.

Significant results include:

Hole ID	Northing	Easting	From	To	Interval	Grade BLEG g/t	Lithology
PAC013	5897359	54713675	29	30	1	0.76	Gravel/Clay
PAC013			30	31	1	1.04	Clay
PAC022	5897105	54713420	28	29	1	2.92	Gravel
PAC022			29	30	1	2.33	Gravel
PAC023	5896924	54713316	31	32	1	5.38	Gravel/Clay
PAC027	5897402	54713504	25	26	1	8.97	Gravel
PAC028	5896314	54713508	27	28	1	1.24	Gravel/Clay
PAC031	5896932	54713129	31	32	1	41.2	Gravel/Clay

Beavis Aircore – Significant intersections

**Commentary:**

This drilling programme has resulted in a firm gold resource figure for the project as well as enhancing the industrial minerals resource significantly.

Of note is the fact that the small drill size for alluvial gold (100mm) failed to recover any nuggets which the area is known for, and thus may have slightly underreported the true grade by not recovering the top size range of the gold.

Regardless, the size and extent of both the gold and gravel resources are confirmed to a high degree with the higher grade channel within the deposit highlighted. See fig 1.

Further industrial products have been noted by the drilling with a fine sand lens within the overlying clays along with a kaolin basement clay zone present as additional resources.

GBM will now commission a feasibility study for a substantial industrial mineral operation.

“Phase two drilling has confirmed initial estimates from Beavis.” said Resources Director John Cahill. “The gold deposit is conservatively classified as Inferred purely on the smaller sample size provided by the aircore rig and can be elevated to Indicated status by bulk sampling, notwithstanding, the Industrial Resource is very consistent across the deposit and will be the focus of the company as a long term business.”

Chairman Ian Smith stated “The results have given the GBM group great confidence in the potential of Beavis as a major industrial minerals operation with a potentially highly profitable gold warrant, with the industrial minerals operation more than able to cover extraction and processing costs of the gold resource”.

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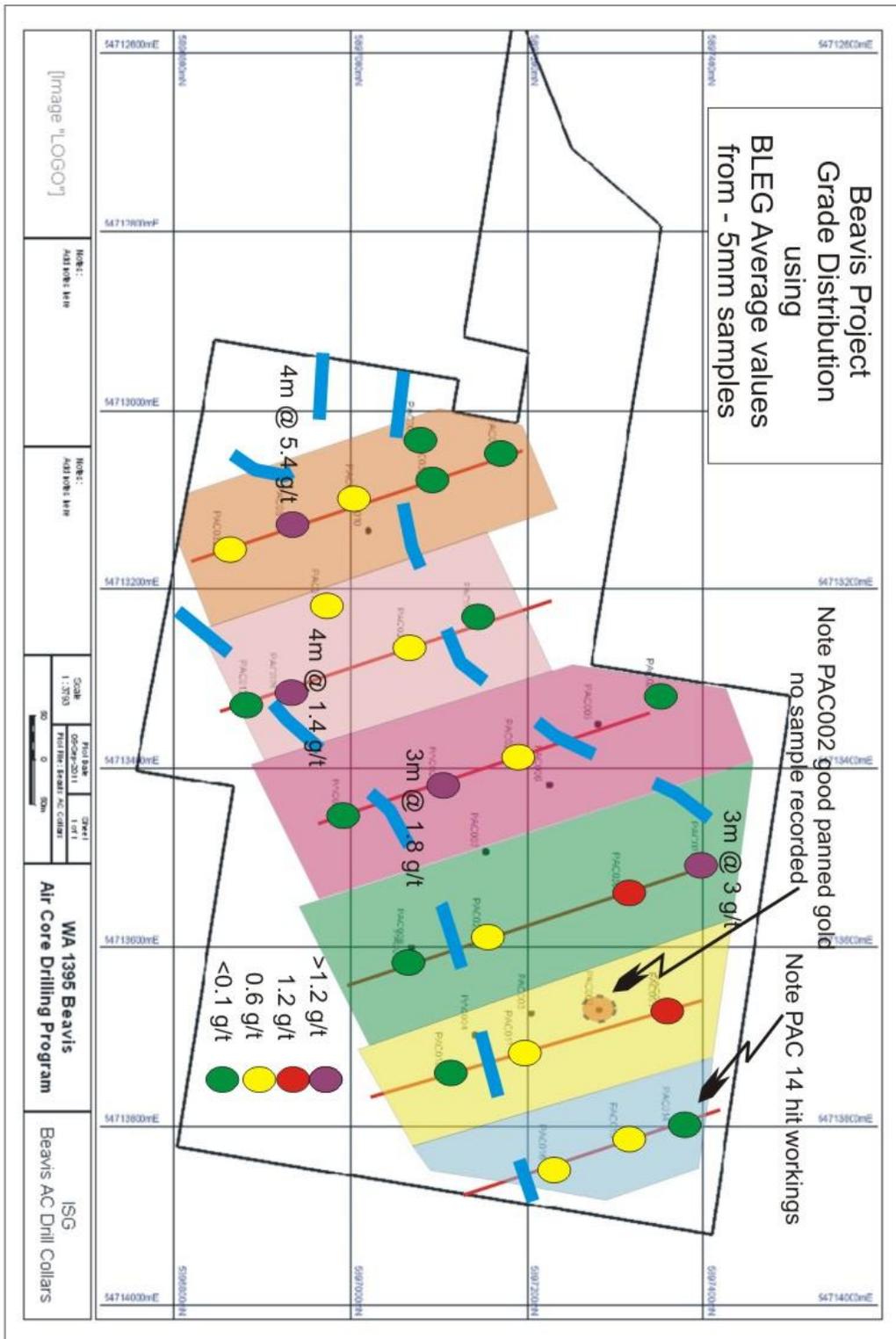


Fig 1. Grade distribution in Blocks

## **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](http://www.gbmgold.com.au)**