



ASX/ MEDIA RELEASE

27/08/ 2012

GBM sells its Beavis project for substantial profit

GBM Gold Ltd (GBM) announces that it has signed an agreement to sell all of its shares in Industrial Sands & Gravels Pty Ltd (ISG) to Panama based Wiltshire Asset Management (Wiltshire) for A\$5m.

ISG's sole asset is the Beavis project in Percydale, comprising freehold land, a work authority, planning permit, resource extraction royalty agreement and associated geological work product.

"We are extremely pleased to announce this sale" said Executive Chairman Ian Smith. "We invested \$325,000 in to this project to develop it to its present state and with the sale at A\$5m we have achieved an entirely acceptable profit and return on our investment".

Details of the sale are as follows :

- \$100,000 paid immediately on signing, which sum has been received
- \$650,000 payable by 30 August 2012 [with a \$10,000 per day delay charge if not settled by that date].
- \$250,000 per month for 17 months payable from 5 July 2013 to 5 November 2014
- In the event the project is not in production within 18 months GBM retains 10% of ISG and a further 10% for each 6 months thereafter
- A 2% royalty agreement to GBM subsidiary GBM Avoca Pty Ltd which owns the EL overlaying the entire project

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About GBM Gold Ltd (ASX: GBM)

GBM Gold Ltd (GBM) is focused on becoming a strong gold production company – initially from building a solid gold production base in Central Victoria, Australia from its 2 processing sites at Inglewood and Avoca and their surrounding Resource projects.

Within each of the numerous Resource projects surrounding the 2 processing sites are one or more granted tenements, each containing a number of well defined Resource blocks and/or Exploration Targets. The various Resource projects are at a mix of development stages, from production through to later or earlier analysis, exploration or development phases.

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

GBM is also aiming to and focused on acquiring a few select international gold assets in due course.

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