



13 May 2015

ASX Announcement

Mining at Harvest Home Open Pit Gold Project Commences

GBM Gold Limited

ABN 59 119 956 624

ASX CODE: GBM

CORPORATE DETAILS:

Shareholders: ~674

Shares on Issue:
834,784,944,674

Options: Nil

Directors:

Eric JP Ng (*Chairman*)

John Harrison (*CEO*)

Paul Chan

Andy Lai

Linda Lau

Andrew Chan

Company Secretary:

Andrew Chan

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HIGHLIGHTS

- Harvest Home (MIN 5510) Open Pit at Dunolly Victoria has commenced operations
 - ✓ Excavation of a 7,500 tonne bulk sample pit commenced today
 - ✓ Ore will be transported to the gold processing plant at Stawell
 - ✓ Infill Resource drilling has also commenced
 - ✓ Work expected to be completed by the end of June
 - ✓ Planning for expansion of the pit into a larger project is proceeding and will be refined with results from drilling and the bulk sample

GBM Gold Limited (ASX: GBM) has commenced operations at its Goldsbrough Corridor Gold Project located 10km northwest of Dunolly and 192 km from Melbourne via the Dunolly-Moliagul Road in Central Victoria (Figure 1).

Results from the exploration undertaken to date demonstrate that open-pit mining is the preferred method of development within the licence. The first stage of development is a bulk-sampling program from a shallow test pit (Figure 2), where a near surface positive gold anomaly has been identified at the Harvest Home prospect. The bulk sampling program is a step in the development of a planned larger scale open pit mine development.

Historic drill-hole data assisted in design of the pit (Figure 2) which, as designed, is approximately 35m long by 30m wide and 15m deep. Total pit void is calculated at 7,550 m³ (bank) and is expected to yield between 728oz (5,586t @ 4.1g/t) and 917oz (8,828t @ 3.2g/t). (Figure 3).

The objective of this pit is to investigate controls on mineralisation, evaluate metallurgical recovery and validate modelling used to predict ore tonnages / grades. The information from the reconciliation will be used to further understand the Harvest Home deposit as plans progress towards production-scale mining. Exploration programs to expand the resource can then be optimised to minimise discovery cost (exploration dollars per mineable ounce).

Drilling work carried out on the deposit has included 12,470 metres of RC drilling over a total strike length of 3,200 metres. Drill hole depths vary from 17 to 240 metres. The drill holes on the closer spaced drill sections of < 50 metres has shown that the Harvest Home deposit consists of a multiple veined system over widths of 100m. Some drilling is widely spaced, therefore a shallow Reverse Circulation ("RC") infill drilling program consisting of four (4) RC holes, totalling 420 m will test extensions of the near surface target area. Following completion of the drilling and bulk sampling programs a resource estimate will be completed to define the extent of open pit mining potential.

Gold mineralisation at Harvest Home occurs in a broad zone trending north-northwest through MIN 5510 and is approximately 3.5 km long and up to 0.4 km wide (Fig 4). Moran's Luck, Harvest Home, Mother O' Gold and Appleton's Gold mines have produced in excess of 60,000 ounces (1,860kg) of gold between them (Whitehouse and Watts 2009). A number of discrete smaller prospects are also contained within the tenement. The historical mine workings reached depths of up to 122m.

In the 2000's several resource calculations were undertaken by previous tenement holders. Whitehouse reviewed and checked the data in 2009 and concluded that a JORC compliant Inferred Resource of ~1,040,000 tonnes at 2.4 g/t exists (Whitehouse and Watts 2009).

Depth (m)	Tonnes	Grade	Ounces
Total Resource	1,040,000	2.42	80,784

The majority of the Inferred Resource defined is in a 200m strike length between 9700N and 9900N (Local Grid). The grade within this smaller strike length is higher than the grade for the entire prospect and it contributes to a majority of the estimate of contained gold as shown in the table below.

9700-9900N to max depth	614,000t @ 3.04 g/t	for	60,000 ounces
9700-9900N to 50m depth	219,300t @ 3.55 g/t	for	25,000 ounces

Following the completion of the bulk sample pit a drilling program is planned to increase confidence in the deposit with the aim of declaring an Indicated Resource.

ENDS

About GBM Gold Ltd (ASX: GBM)

GBM Gold is a gold focused mining and exploration company with mining and exploration assets located in underexplored areas of one of Australia's most significant gold producing regions; the Central Victorian Goldfields.

The Company is targeting low cost open pit gold projects to develop a long term sustainable mining operation in Central Victoria and to fund the Company's growth through the discovery and development of major gold deposits.

GBM is searching for new long-life gold deposits in the Central Victorian Goldfields that host the Bendigo (~22 million ounce) and Ballarat (~12 million ounce) gold deposits. The Harvest Home deposit is the Company's prime focus for 2015, located 6km north-east of Dunolly in the Golden Triangle area of Central Victoria. GBM is earning a 50% equity interest in the deposit and has a 50% profit share agreement on the bulk sample pit.

The Company is targeting its next gold deposit at Queen's Birthday to the West of Harvest Home and is seeking to expand its tenement holding to further explore this prospective area. It is also seeking to grow through acquisition of underdeveloped assets.

For further information, please visit www.gbmgold.com.au or contact:

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Competent Person Declaration

The information in this release that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Keith Whitehouse, who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional in Geology. Mr Whitehouse 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Whitehouse consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Disclosure

Mr Whitehouse is a Director of Fiddlers Creek Gold Mining Company Pty Ltd (FCGMC). The Mining Lease Min 5510 on which the Harvest Home deposit is located has been sold by FCGMC to GBM's joint venture partners in the Goldsbrough Gold Corridor Project, Truelight Mining Pty Ltd, a company associated with Mr Paul Chan who is a Director of GBM Gold Ltd. As required by the sale agreement application has been made to the Minister for Resources in Victoria for the Licence to be transferred.

Forward-Looking Statements

This announcement contains "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of GBM Gold and any of its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Exploration potential, where discussed is conceptual in nature and indicates there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Readers are cautioned not to place undue reliance on forward-looking statements and GBM Gold assumes no obligation to update such information.

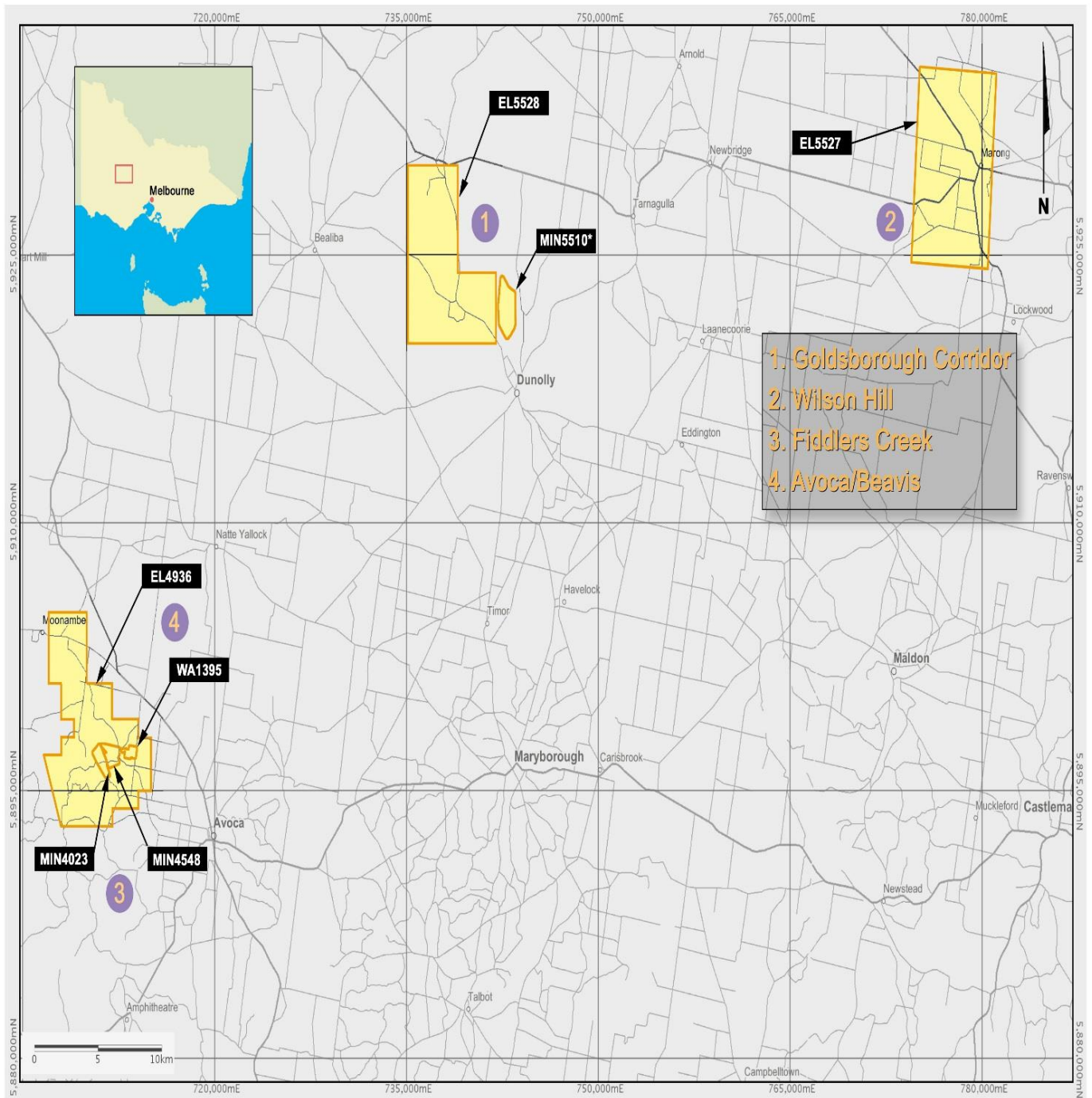


Figure 1: GBM Gold Projects

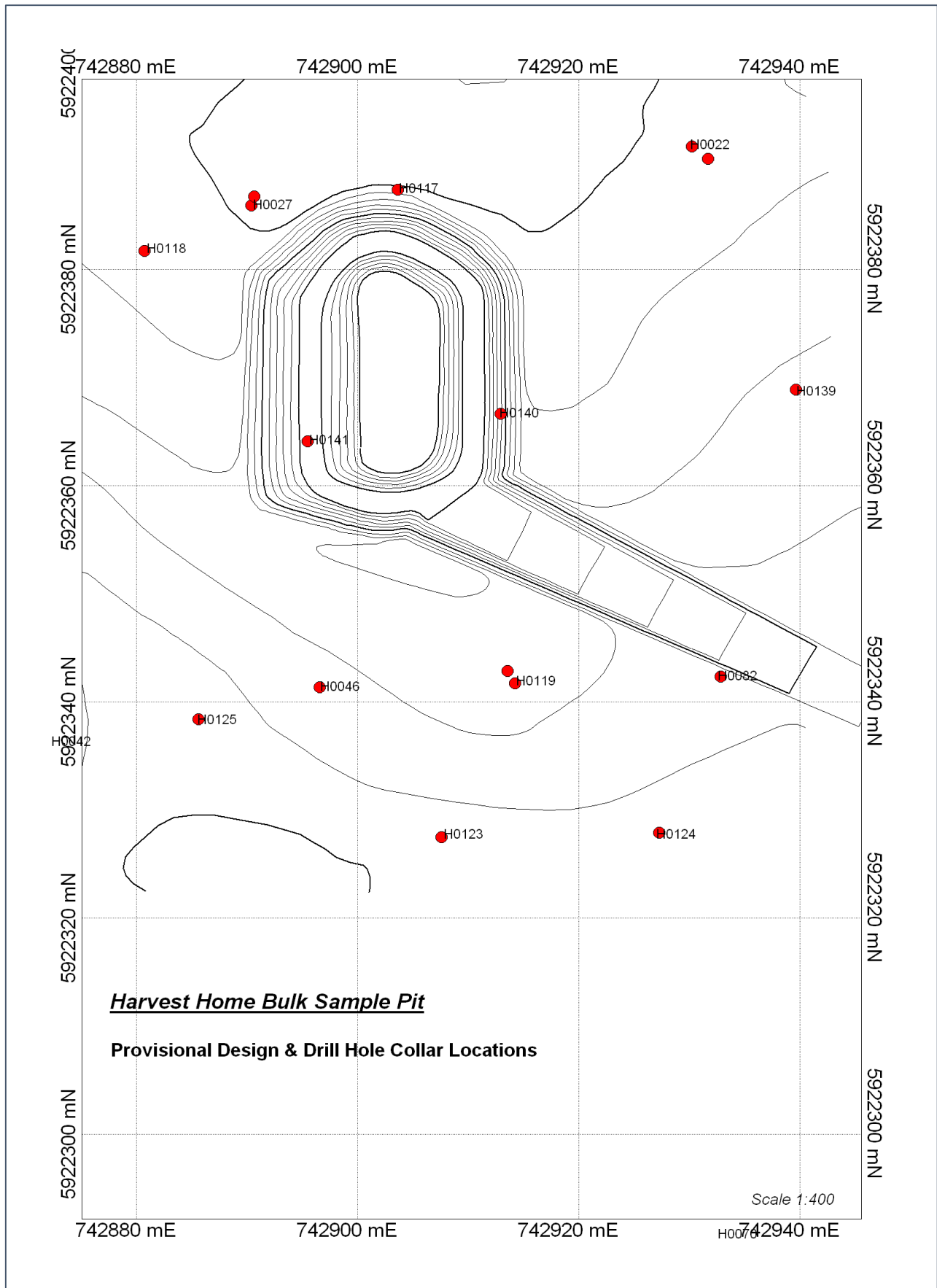


Figure 2: Harvest Home Mine Plan

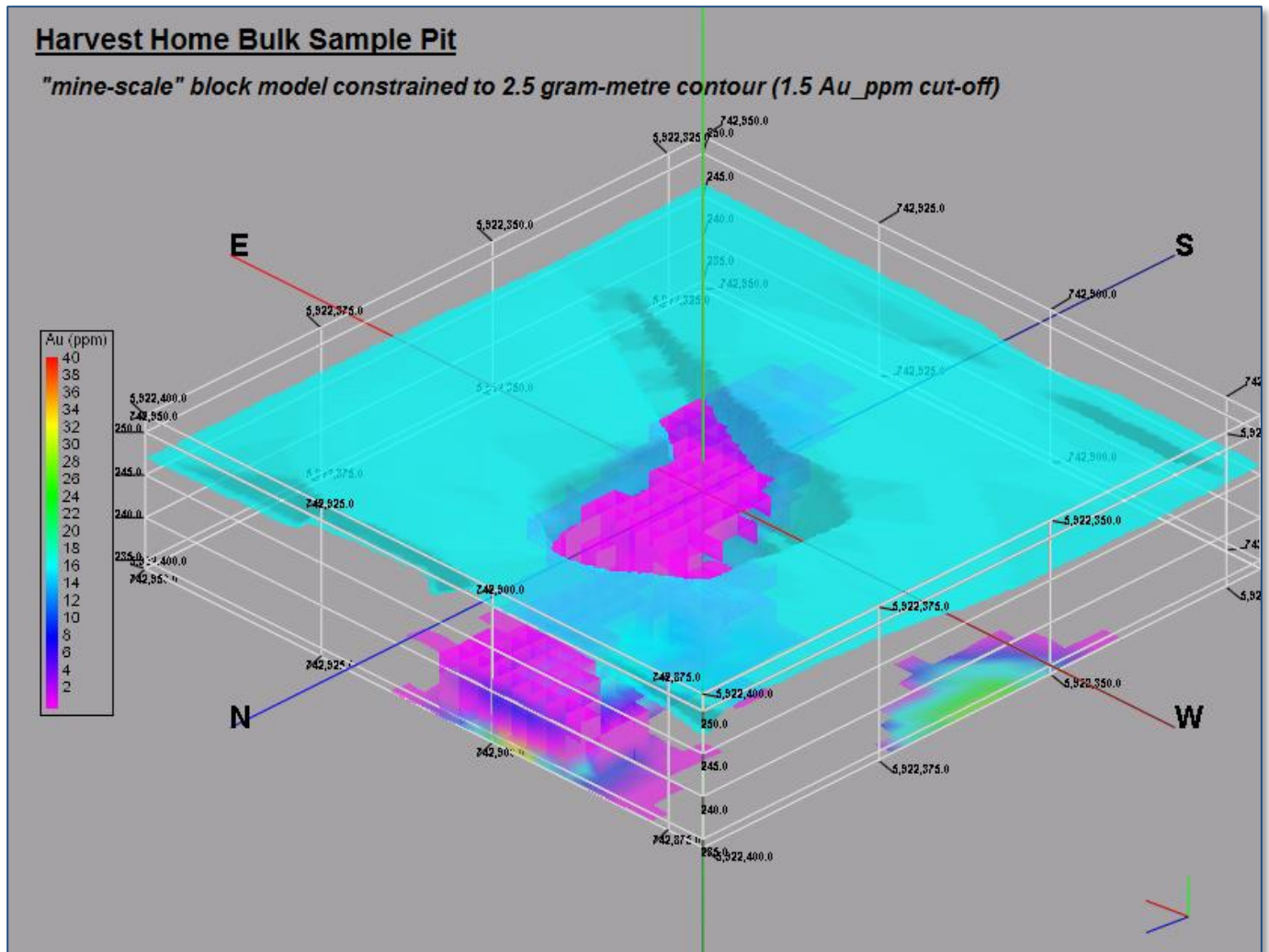


Figure 3: Bulk Sample Pit Mineralisation Model

