

HD GPM GPM Metals forms JV for Walker Gossan Pb-Zn-Ag project

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GPM Metals Inc (TSX-V:GPM)

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Monday January 27 2014 - News Release

Mr. J. Patrick Sheridan reports

GPM METALS INC. ANNOUNCES SIGNING OF EARN-IN/JOINT VENTURE AGREEMENT WITH RIO TINTO EXPLORATION PTY LIMITED FOR THE WALKER GOSSAN **LEAD**-ZINC-SILVER PROJECT, NORTHERN TERRITORY, AUSTRALIA

GPM Metals Inc., through its wholly owned subsidiary, DPG Resources Australia Pty. Ltd., has entered into an earn-in/joint venture agreement with Rio Tinto Exploration Pty. Ltd., a wholly owned subsidiary of Rio Tinto Ltd., covering base metal exploration and development rights in relation to certain granted exploration tenements and tenement applications in the McArthur basin **mining** district, Northern Territory, Australia.

Rio Tinto and GPM have entered into a definitive two stage earn-in/joint venture agreement, granting GPM an initial 51-per-cent interest under certain conditions.

Stage one

- Payment of \$1-**million** on signing;
- Minimum expenditure of \$2-**million** within three years of effective date;
- Combined expenditures of \$20-**million** over a 10-year period;
- Milestone payments within the combined expenditures as follows:
 - \$100,000 upon the grant of licences to all of the properties;
 - \$1-**million** upon the completion of the first drill hole on the Walker Gossan;
 - \$4-**million** upon the completion of a JORC code-compliant resource study that shows an indicated status for minimum 20 **million** tons of greater than 8 per cent combined **lead** and zinc, or **lead**, zinc and silver, within the licensed area, or a decision to mine being made.

Stage two

GPM may increase its interest to 75 per cent by completing a feasibility study within three years of completing stage one.

Rio Tinto may elect to contribute, pursuant to its participating share, not contribute and be diluted or convert its interest into a net smelter return (2.5 per cent) royalty.

There are rights of first refusal on **purchase** and **sale** of interest for both parties at fair market value.

GPM will be responsible for all negotiations with the Northern Land Council for consent to issue the exploration licence applications and work programs to be conducted by GPM under its sole rights or as operator.

Description of property

The 166,000-hectare Walker Gossan project is located within the Walker trough, a package of middle Proterozoic carbonate sediments, situated in Arnhem land in the Northern Territory of Australia.

Geographical maps and geological setting illustrations are available on the **company's** website.

The primary area of interest is the Walker Gossan. Gossanous outcrops with highly anomalous **lead** values were discovered by CRA -- Conzinc RioTinto of Australia (predecessor to Rio Tinto Ltd.) in 1970 and a tenement application was made to the government of the Northern Territory in 1972. An agreement under the Aboriginal Land Rights Act is required prior to grant of the tenement. To date the area has been held under tenement application and no exploration has been undertaken within the 40 years which have followed the discovery of the gossan.

The Walker trough is part of an extensive middle Proterozoic carbonate sequence, which occurs from the south of Mount Isa through to Darwin over an area of approximately 600,000 square kilometres, which hosts one of the great metallogenic belts of the world.

The region includes a number of major silver, **lead**, zinc and **copper** deposits. These include the Mount Isa, George Fisher and MacArthur River mines owned by Xstrata; the Cannington silver mine, regarded as the largest silver mine in the world, owned by BHP; the Century zinc deposit, one of the largest zinc mines in the world and owned by MMG **Mining of China** and several other deposits.

The Walker trough region was identified by the Northern Territory geological survey team as being a direct analogy of the **lead**-zinc-endowed Batten fault trough which contains the MacArthur River zinc mine. Further, it was considered the hottest untested exploration play in the Northern Territory in a 2004 publication of the Northern Territory geological survey.

Peter Mullens, president, DPG Resources (Australian subsidiary of GPM Metals), states: "We are excited to have signed this agreement with Rio Tinto and to partner with them in this project area. The Walker Gossan project has the potential to be a **company** maker."

The qualified person for GPM is Peter Mullens, PGeo, who is a member of the Australian Institute of **Mining** and Metallurgy. Mr. Mullens has reviewed and approved the contents of this release.

We seek Safe Harbor.

CO craaus : Rio Tinto Ltd | minsie : GPM Metals Inc. | rtz : Rio Tinto PLC

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