



25 October 2018

ASX Announcement

GBM GOLD SECURES \$3 MILLION LOAN

GBM Gold Limited

ABN 59 119 956 624

ASX CODE: GBM

CORPORATE DETAILS:

Shareholders:

684

Shares on Issue:

1,118,319,556

Options: Nil

Directors:

Eric JP Ng (*Chairman*)

John Harrison (*CEO*)

Paul Chan

Andy Lai

Linda Lau

Jianping Wang

Andrew Chan

Company Secretary:

Andrew Chan

CONTACT DETAILS:

Principal and Registered Office:

GBM Gold Ltd
66 Ham Street
Kangaroo Flat VIC 3550

Telephone

+61 3 5445 2300

Email

admin@gbmgold.com.au

Website

www.gbmgold.com.au

HIGHLIGHTS

- Investor subscribing for 275,000,000 ordinary shares at \$0.01 per share in a private placement of \$2.75 million announced on 4 October 2018 has been withdrawn.
- \$3 million loan secured from Silver Bright International Development Limited.
- Total receipt of \$3.0 million in loan funds to be completed by 15th November 2018 with an upfront payment of \$1.0 million.
- The total proceeds of the loan will be used for the payment of the deferred bond repayment in the amount of \$1.878m and for working capital purposes in the amount of \$1.122m.
- GBM Gold will remain in suspension until the receipt of the \$3m.

GBM Gold Limited (ASX: GBM) (“GBM Gold”) advises that the private placement announced to the ASX on 4th October 2018 of \$2.75 million has been cancelled, due to the inability of the investor party to settle within the specified timeframe.

A loan of \$3.0 million has now been secured for the Company from Silver Bright International Development Limited, GBM Gold’s largest shareholder.

The terms of the loan are that:

- GBM Gold will be in receipt of \$1.0 million within three days of the agreement’s execution;
- the balance of \$2.0 million will be received before Thursday 15th November 2018;
- the loan is unsecured;
- the interest rate is 6% per annum
- the loan matures in 4 months; and
- GBM Gold may repay any loan amount prior to the end date without penalty.

The proceeds of the loan will be used for the payment of the third deferred bond payment to Unity Mining for the Kangaroo Flat assets and for working capital purposes.

GBM Gold is exploring a range of capital raising activities for the repayment the loan.

Kangaroo Flat Asset Sale Agreement

As announced in [September 2015](#), GBM Gold entered into a Binding Asset Sale Agreement for the purchase of Unity Mining Limited's ("Unity Mining") Kangaroo Flat gold plant, equipment and facilities, including mining and exploration tenements, buildings and freehold land in the Bendigo area.

- \$100,000 signing fee paid to Unity Mining; and
- Deferred bond payments of \$5.908 million over a three-year period to repay cash provided by Unity Mining to GBM Gold, to meet the rehabilitation obligations at Bendigo.

The key terms of the Asset Sale Agreement signed between the parties are as follows:

On Completion – GBM Gold to pay Unity Mining \$1,100,000 in cash, and Unity Mining to assign to GBM Gold the funds held to meet rehabilitation obligations at Bendigo (\$5.908 million). GBM Gold will also assume responsibility for any liabilities relating to the Bendigo project on and from completion;

- On the first anniversary of completion – GBM Gold to pay Unity Mining \$1,100,000 in cash;
- On the second anniversary of completion – GBM Gold to pay Unity Mining \$1,878,000 in cash; and
- On the third anniversary of completion – GBM Gold to pay Unity Mining \$1,830,000 in cash.

In addition, the parties have agreed that, should GBM Gold sell or otherwise realise value from certain assets, Unity Mining is entitled to a share of the payments received, with any such payments being used to accelerate, but not to increase, the deferred payments.

About GBM Gold Ltd (ASX: GBM)

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

GBM Gold purchased the Bendigo Goldfield, Australia's second largest goldfield. The Company is targeting projects to develop long term sustainable mining to fund the Company's growth. Recent work has centred on the Bendigo Goldfield and the Harvest Home deposit located north-east of Dunolly in the Golden Triangle area of Central Victoria. Harvest Home, in which GBM has a 50% equity interest, and the adjacent Queen's Birthday will continue to be developed together with projects on the Bendigo Goldfield.

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

John Harrison, CEO and Director

GBM Gold Limited

T: +61 (0)3 5445 2300

E: admin@gbmgold.com.au

Rod North, Managing Director

Bourse Communications Pty Ltd

T: (03) 9510 8309, **M:** 0408 670 706

E: rod@boursecommunications.com.au