



**APPENDIX 4D:
RESULTS FOR ANNOUNCEMENT TO THE MARKET**

Current Reporting Period: Half-year ended 31 December 2018
 Previous Reporting Period: Half-year ended 31 December 2017

Results for announcement to the market		A\$ 2018	A\$ 2017
Revenue from ordinary activities	No change	-	-
Profit/(Loss) after tax attributed to members	Change is - 68.6%	(767,523)	(455,270)
Profit/(Loss) for the half-year attributed to members	Change is - 68.6%	(767,523)	(455,270)

The loss of GBM Gold Limited ("GBM") and its subsidiaries (the "consolidated entity") for the half-year ended 31 December 2018, after income tax, amounted to \$767,523 (2017: loss \$455,270). Other income of \$252,129 (2017: \$396,466) was received during the half-year being primarily receipt of interest and infrastructure leasing fees of \$245,985 (2017: \$235,221).

GBM incurred operating expenses of \$1,019,652 (2017: \$851,736) during the half-year period due primarily to the Kangaroo Flat Mine care & maintenance expenses of \$450,003 (2017: \$471,000), impairment expenses of \$177,544 (2017: \$Nil) and admin expenses of \$389,921 (2017: \$376,390).

Change in ownership of controlled entity
Nil

Dividends
It is not proposed to pay dividends.

Other information	31 December 2018	31 December 2017
Net Tangible Assets per ordinary share	0.001	0.001

The financial information provided in the Appendix 4D is based on the half-year condensed financial report (attached), which has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

The half-year financial report has been independently reviewed and is not subject to a qualified independent review conclusion.



GBM Gold Ltd

(ABN 59 119 956 624)

INTERIM REPORT
for the half-year ended
31 December 2018

Directors' Report

The directors present their report together with the consolidated financial report of GBM Gold Limited ("GBM" or "the Company") and of the GBM Group being the Company, its subsidiaries and the Group's interest in associates and jointly controlled entities ("GBM Group") for the half year ended 31 December 2018 and the Auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year are:

- **Mr Eric Ng**, Non-Executive Chairman.
- **Mr John Harrison**, Executive Director & CEO. (Resigned as a director 23rd April 2019)
- **Mr Paul Chan**, Non-Executive Director.
- **Mr Andy Lai**, Independent Non-Executive Director.
- **Ms Linda Lau**, Independent Non-Executive Director.
- **Ms Jianping Wang**, Non-Executive Director.
- **Mr Andrew Chan**, Independent Non-Executive Director. (Resigned 26th November 2018)

Company Secretary

The Company Secretary is Mr Andrew Chan.

Overview of operating performance

On its Bendigo site, GBM will use existing underground development to explore the lines of reef traversed by the Swan Decline at locations above the standing water level in the decline. The Nell Gwynne Line of Reef is the first target. The wash plant to recover the contained gold and sulphides for the Coarse Sand Dam project at the Kangaroo Flat mine site has been installed and is projected to be in operation in mid-2019.

GBM Gold's open pit projects, Harvest Home, Queens Birthday and Wehla are located along the Goldsbrough–Wehla Shear Zone. Harvest Home (Mining Licence MIN5510) is located approximately 5 kilometres north of Dunolly in Central Victoria. The tenement encompasses the historic Harvest Home Goldfield. Plans to expand the open pit mine are in the final stages of the approvals process and mining is scheduled to commence later this year. GBM Gold has four mining licences, five exploration licences and a 50% Joint Venture interest in a Mining licence as shown in the table below and Figure 1.

Project	Tenement	Percentage owned
BENDIGO GOLDFIELD		
Greater Bendigo	MIN 5344	100%
Whip & Jersey	MIN 4878	100%
Woodvale	MIN 5364	100%
Bendigo Urban	EL 6595	0%
Raywood	EL 6596	0%
Wilson Hill	EL 5527	100%
GOLDSBOROUGH		
Harvest Home JV	MIN 5510	50% Interest through JV between Truelight Mining Pty Ltd and GBM
Queen's Birthday	EL 5528	100%
FIDDLERS CREEK		
Fiddlers Creek Mine	EL 6155	100%
WEHLA		
MCINTYRE		
	EL 6369	100%
	MIN 5093	0% Pending

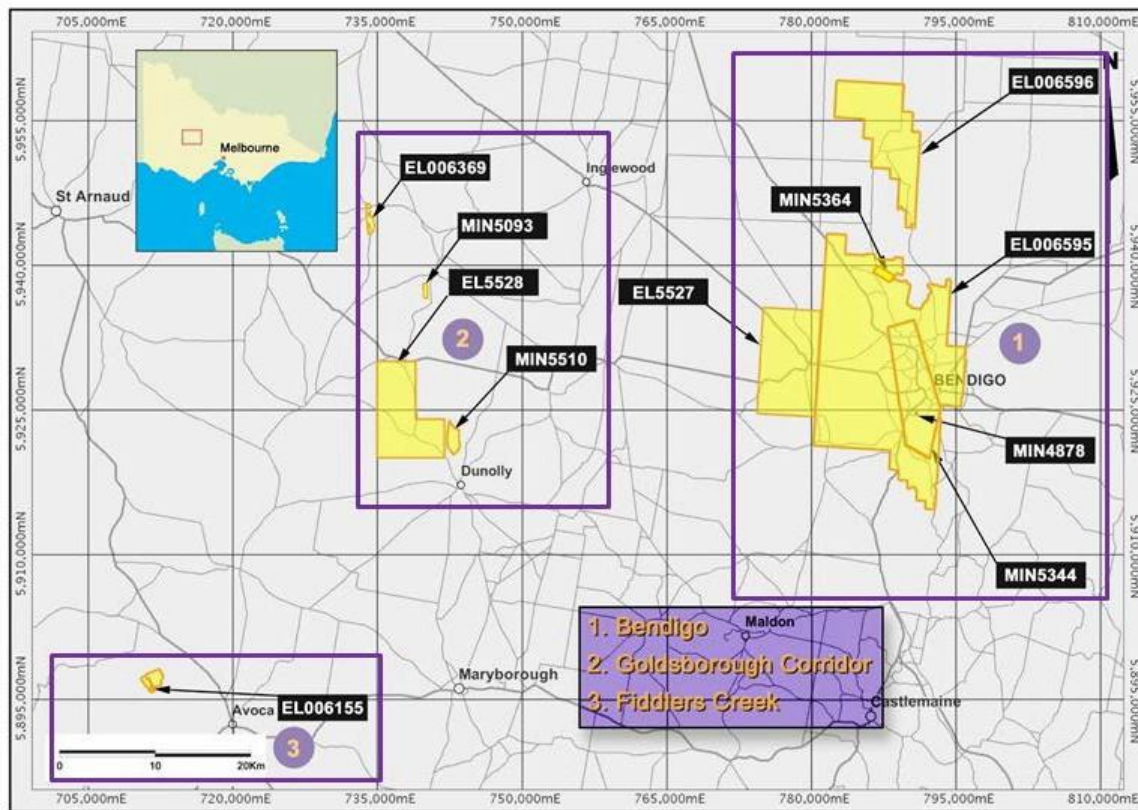


Figure 1: GBM Gold Projects

Bendigo Exploration - Nell Gwynne Dome

The focus of underground exploration is the Nell Gwynne Dome in the vicinity of the historic Concord Mine. GBM has identified the potential for mineralisation close to the path of the Swan Decline on the Nell Gwynne Anticline (Figure 2). This portion of the decline is above water and can be accessed once ventilation, power and other services are re-established.

Decline development in 1999 passed cut the Nell Gwynne Line of Reef at a depth of approximately 180m below ground level (75mAHD). The presence of quartz spurs was recorded when the decline was driven through the area. The decline has a series of numbered cut outs (stockpiles) to allow drilling rigs to operate from those locations. Twenty-five drill holes were drilled by Unity Mining to investigate the area from stockpile six (19 holes) and stockpile nine (6 holes). The holes from stockpile six led to the discovery of the Nankervis reef located approximately 450m below and to the south east of the decline. Drilling from stockpile nine located a number of zones of mineralisation adjacent to, and less than 100m below, the decline. Significantly, there was no drilling at or above the level of the decline. Importantly the drilling also defined the presence of strong west dipping faults within east dipping beds, which are known to control mineralisation elsewhere in the Bendigo goldfield.

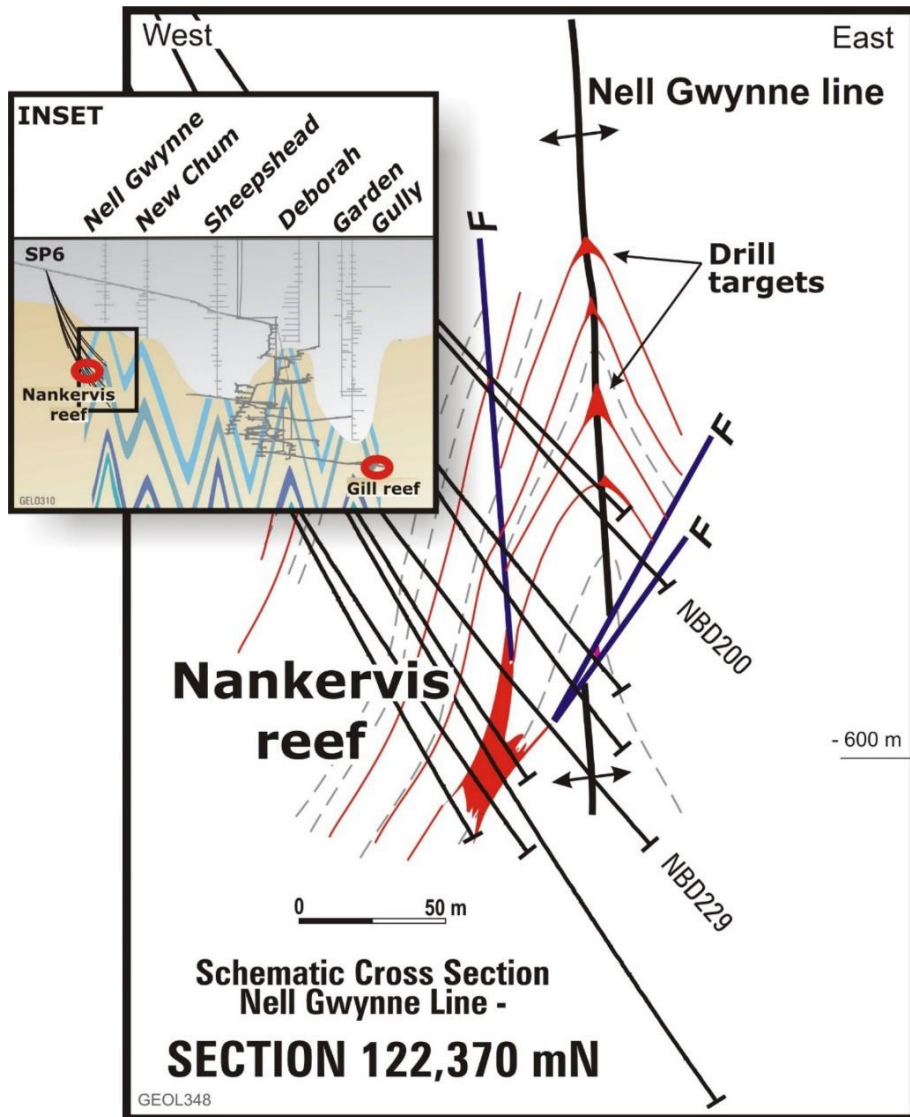


Figure 2: Nell Gwynne Line – Nankervis Reef

A structure revealed in the historic Concord Mine may correspond with the Central Nell Gwynne Reef worked profitably further to the north. This structure is estimated to be within tens of metres of the decline in an area of pitch reversal and double folding. This sort of structural complexity tends to favour localised enrichment of mineralised ribbons. The local structure was confirmed by detailed decline geological mapping conducted in 1999.

The Nell Gwynne Dome area is known to exhibit a degree of geological complexity that elsewhere on the Bendigo Goldfield has been conducive to gold mineralisation.

The exploration of the Nell Gwynne Dome is anticipated to take approximately two years to complete and will involve the following: -

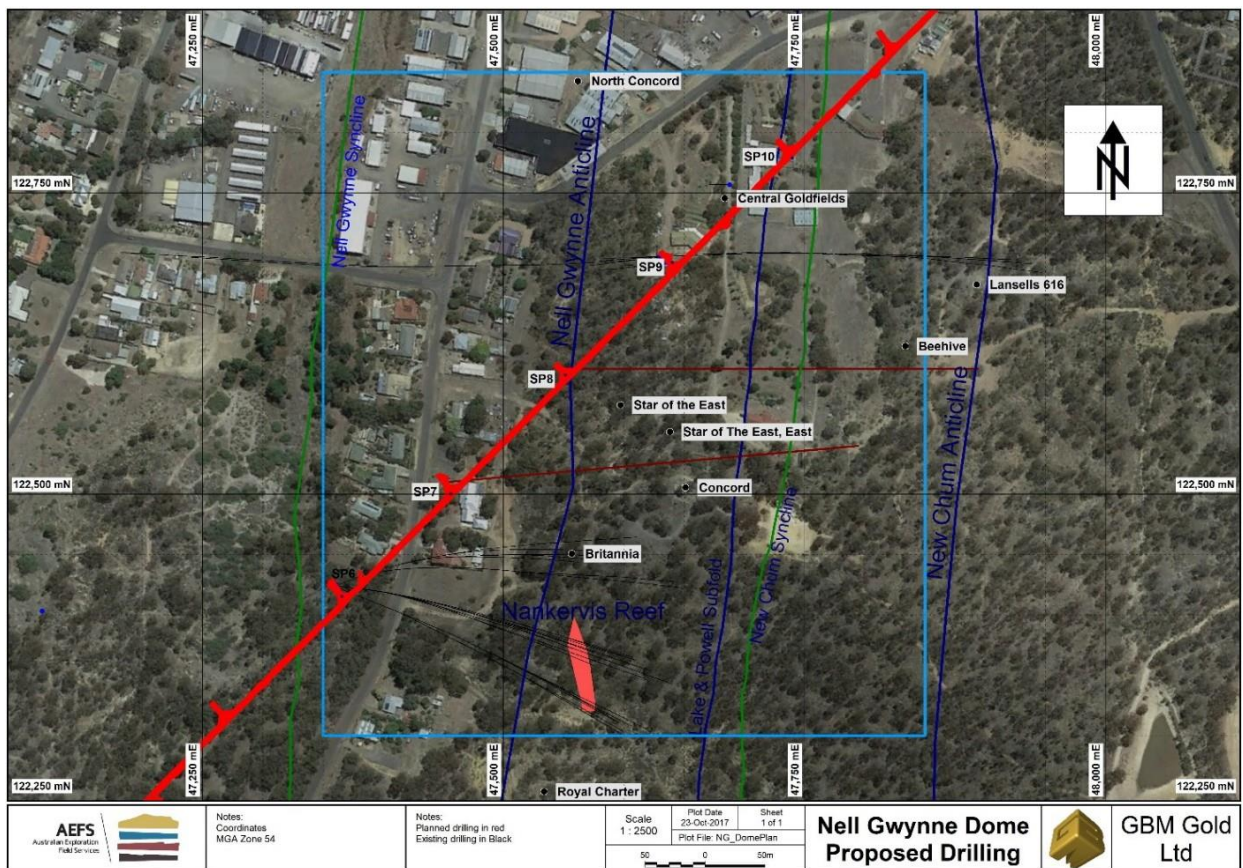
- Removal of redundant infrastructure
- Portal remediation work
- Decline remediation work

Operating and Financial Review

- Dewatering of Concord shaft to level of decline (if necessary)
- Ventilation installation inside portal
- Underground disposal of mullock (as far as is practicable)
- Underground drilling
- Underground development

The first stage of the project will entail re-equipping and re-entering the Swan Decline to a position approximately 1,100m from the decline portal. Reconnaissance diamond drilling will be undertaken from drill platforms from within the decline (between 1,000m and 1,100m from the portal) to demonstrate mineralisation potential.

In the second stage of the project new levels at approximately 1,050m from the portal will be developed for distances of approximately 300m north and south along strike of the Nell Gwynne Anticline. This development will be in the western limb of the anticline and will provide opportunity for establishment of additional diamond drill platforms for purposes of defining a mineral resource.



MIN5344: Kangaroo Flat Sand Dam Project

As reported in the September 2017 Quarterly Report, GBM Gold Ltd entered into an agreement with Gold Miners Australia to jointly reprocess tailings sand in the Kangaroo Flat Coarse Sand Dam to recover the contained gold and sulphides.

The wash plant containing 2x35tph Great Engineering concentrators to recover the contained gold and sulphides have been installed and commissioned and is projected to be in operation in mid-2019 (see Figure 4). Additional gravity separation equipment is being added to the circuit to increase the efficiency of the operation. The sand dam is estimated to hold 320,000 tonnes indicated and 110,000 tonnes inferred for a total of 430,000 tonnes of material containing 5,100 ounces of gold at a grade of 0.37 g/t as reported in the revised March 2017 Quarterly Report released in April 2017. The project is expected to take two to three years to complete. Profit will be shared 50/50 between the parties.



Figure 4: Kangaroo Flat Coarse Sand Dam Processing Equipment

The design of the Kangaroo Flat Mine was focused on the beneficial reuse of by-products to reduce the environmental impact of the project in keeping with the principles of Economically Sustainable Development, and subsequently reduce the area required for by-product (rock and sand) storage. The majority of the tailings from the process plant were planned to be from early process stages that did not require the addition of chemicals for leaching. Implementing these principals resulted in the construction of separate dams for Coarse Sand, Fine Sand and Leached Tailings (Figure 5).

Bendigo Mining constructed a 600,000 tonne per annum plant complete with crushing, grinding, gravity, flotation and leaching circuits. The plant produced 750,000 tonnes of tailings split into the following categories:

- Coarse Sand – 430,000 tonnes
- Fine Sand – 200,000 tonnes
- Leached Tailings – 20,000 tonnes

Operating and Financial Review

The concept for the Coarse Sand Dam outlined in the 2004 Deborah Reef Supplementary EES was for the sale of the 430,000 tonnes of sand for reuse in markets such as the packing sand and concrete market, which did not occur. Reprocessing the sand will improve the quality and increases potential for reuse.

In summary:

- Gold and sulphide material will be recovered without the use of chemicals
- The gold and sulphide concentrate will be further processed off site to recover the contained gold
- The project will provide an environmental benefit by reducing arsenic content and improving sand reuse potential



Figure 5: Kangaroo Flat Site

Goldsborough-Wehla Zone (MIN 5510, EL 5528, MIN 5063 and EL 6369)

These projects lie in the western margin of the Bendigo Zone. The Avoca fault defines the western margin of this zone. The projects are along the 24 km long Goldsborough–Wehla Shear Zone which forms part of the Wedderburn-Ballarat trend. Within the Goldsborough–Wehla Shear Zone mineralised quartz reefs occur from Wehla (EL6369) in the north to Harvest Home (MIN 5510) and Queens Birthday in the south. The Queens Birthday Mine at Goldsborough (EL 5528) and the mine at Stuart’s Reef at Moliagul were significant producers of gold with over 100,000 ounces being mined from Queens Birthday.

The Goldsborough – Wehla Shear Zone is a major deep penetrating structure that has provided fluid pathways for large quantities of gold and quartz. The host rocks are Ordovician deep marine sediments composed of siltstone and shale with minor well sorted and rounded fine grained sandstones. These rocks have been deformed resulting in a moderate west dipping sequence containing north-northwest trending folds that plunge gently (10°) either north or south.

Operating and Financial Review

Harvest Home (MIN 5510, 50% JV with Truelight Mining Pty Ltd)

MIN 5510 is located approximately 5 kilometres north of Dunolly in Central Victoria on the eastern margin of the Goldsbrough – Wehla Shear. A broad zone of gold mineralisation trending north-northwest through MIN 5510 is approximately 3.5 km long and up to 0.4 km wide. Moran's Luck, Harvest Home, Mother O'Gold and Appleton's Gold mines have produced in excess of 60,000 oz. (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. A selective program of costeaning and infill drilling will build resource potential at Harvest Home and other prospects on the tenement.

The approvals processes for the development of a production pit that will encompass and extend the existing bulk sample pit is complete. Approximately 44,000 tonnes of ore at an estimated grade of 2.46g/t will be excavated in the next phase of the operation. Mining will be conventional drill & blast utilising hydraulic excavator and articulated trucks. Ore will be hauled from the pit to a stockpile location on site for progressive transfer to an offsite processing facility.

Queens Birthday (EL 5528)

This area is adjacent to and immediately to the south of Harvest Home. It contains the Queen's Birthday mine that historically yielded about 100,000 ounces of primary gold mineralisation and has the potential to expand the resources found on the Harvest Home tenement. GBM has carried out a field exploration survey of the tenement and is preparing the next stage of field sampling aimed at defining targets under cover.

Wehla (EL 6369)

Wehla is a shear hosted gold mineralised system that lies at the northern end of the Goldsbrough – Wehla Shear Zone. The main gold workings consist of north trending auriferous reefs; Adelaide, Prince of Wales, Frenchman's, Petticoat, Black, Bismarck and Little Nell with Scotchman's and Hungarian between 50 and 200 metres to the east. Each discrete set of gold workings provides an exploration target. GBM is preparing an exploration program.

McIntyre (MIN 5093)

The McIntyre project is located 50 kilometres northwest of Maldon just to the east of the Goldsbrough Wehla Shear Zone. Mining Licence MIN 5093 is centred on the Matrix Reef Mine, which is part of the Berlin goldfield. GBM is awaiting finalisation of the transfer of the tenement.

Fiddlers Creek (EL6155)

There is an abundance of known workings associated with the Percydale Fault Zone. Planned exploration is directed towards known mineralization trends in the vicinity of Fiddlers Creek and Perseverance mines particularly near areas of historical workings.

Woodvale Evaporation Pond Complex

The remediation plan for this site has been subject to an environmental audit under Section 53V of the Environment Protection Act 1970. The Company is implementing the recommendations of the audit.

Operating and Financial Review

Summary

GBM is moving to commence production to generate revenue at the Kangaroo Flat Sand Dam and Harvest Home projects. The Company will also remain focused on growing its Resource base.

Financial performance

The loss of GBM Gold Limited (“GBM”) and its subsidiaries (the “consolidated entity”) for the half-year ended 31 December 2018, after income tax, amounted to \$767,523 (2017: loss \$455,270). Other income of \$252,129 (2017: \$396,466) was received during the half-year due primarily to the receipt of interest and infrastructure leasing fees of \$245,985 (2017: \$235,221).

GBM incurred other operating expenses of \$1,019,652 (2017: \$851,736) during the half-year period due primarily to the Kangaroo Flat Mine care & maintenance expenses of \$450,003 (2017: \$471,000), impairment expense of \$177,544 (2017: Nil) and administration expenses of \$389,921 (2017: \$376,390).

Current structure of the Group

Controlling Entity:	ACN	Percentage Owned 31 December 2018
GBM Gold Ltd	119 956 624	—
Controlled Entities		
Goldsborough Mining Pty Ltd	072 849 220	100%
GBM Fiddlers Creek Pty Ltd	119 943 421	100%
Greater Bendigo Gold Mines Pty Ltd	116 991 691	100%
GBM Wilson Hill Pty Ltd	007 257 452	100%
Kralcopic Pty Ltd	007 222 086	100%

Dividends

No dividends have been paid or provided for in the period of this report or since balance date.

Events subsequent to reporting date

The following material events occurred after 31 December 2018.

As announced to the ASX on the 14th March 2019, GBM Gold received a 1 year term, \$1,000,000 gold loan, which is being funded by Maradox Pty Ltd (“Maradox”). Maradox provided a \$3,000,000 gold loan to GBM Gold in 2011. GBM Gold also received an additional \$200,000 loan from Silverbright International Development Ltd on the 11th January 2019.

As announced to the ASX on the 10th May 2019, GBM Gold will be raising \$6.67 million via a fully underwritten rights issue which is due for completion on the 19th June 2019. Highlights of the announcement included:

- a) One for one non-renounceable rights issue at an issue price of \$0.006 to raise approximately \$6.67 million;
- a) Any shortfall in the take up of the non-renounceable rights issue will be fully underwritten by Nex Kiwi;
- b) Funds raised will repay Unity debt of approximately \$3.28 million in full and provide working capital;
- c) Unity Mining debt deferred pending completion of the rights issue; and

Operating and Financial Review

- d) Recapitalisation will allow reinstatement of GBM's shares on the ASX for trading purposes.

There were no other significant events after the balance date which impacted the operations of the Group, other than what is outlined in the Going Concern note 1 in the notes to the financial statements on page 19.

Likely developments

The likely developments in the operations of the Group are as follows:

1. Commencement of production from the coarse sand dam at Kangaroo Flat.
2. Planning for exploration of the Nell Gwynne exploration target in the Bendigo Goldfield.
3. Planning for rehabilitation at the Woodvale Evaporation Ponds.
4. Exploration and mining work plan approvals for the Harvest Home project.

Operating and Financial Review

Auditor's independence declaration

The auditor's independence declaration is set out on page 14 and forms part of the Directors' Report for the half-year ended 31 December 2018.

This report is made in accordance with a resolution of the directors:



Eric Ng
Chairman

Bendigo, 15 May 2019



Paul H K Chan
Director

Auditors Independence Declaration



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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of GBM Gold Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the review.

ShineWing Australia

ShineWing Australia
Chartered Accountants

M. Schofield

Matthew Schofield
Partner

Melbourne, 15 May 2019

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2018

	Note†	31-Dec-18	31-Dec-17
		\$	\$
Continuing operations			
Sales Revenue		-	-
Other income		252,129	396,466
Kangaroo Flat Mine care & maintenance expenses		(450,003)	(471,000)
Depreciation and impairment		(179,728)	(4,346)
Administrative expenses		(389,921)	(376,390)
Profit/(Loss) before income tax		(767,523)	(455,270)
Income Tax Expense		-	-
Profit/(Loss) for the half year before discontinued operations		(767,523)	(455,270)
Discontinued operations			
Profit / (loss) from discontinued operations after tax		-	-
Net loss for the half year		(767,523)	(455,270)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents per share)		(0.001)	(0.001)
Diluted earnings per share (cents per share)		(0.001)	(0.001)
From continuing operations:			
Basic earnings per share (cents per share)		(0.001)	(0.001)
Diluted earnings per share (cents per share)		(0.001)	(0.001)
From discontinued operations:			
Basic earnings per share (cents per share)		-	-
Diluted earnings per share (cents per share)		-	-

† The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2018

	Note†	31-Dec-18	Consolidated 30-Jun-18
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		63,893	76,285
Receivables and prepayments		230,265	267,424
Assets classified as held for sale	7	3,772,911	3,950,455
Total current assets		4,067,029	4,294,164
Non-current assets			
Other financial assets		5,963,000	5,963,000
Property, plant and equipment		286,729	288,914
Exploration and evaluation		629,306	629,306
Total non-current assets		6,879,035	6,881,220
Total assets		10,946,104	11,175,384
Liabilities			
Current liabilities			
Trade and other payables		1,032,292	574,747
Financial liabilities		4,068,383	4,023,000
Provisions		118,419	83,104
Liabilities directly associated with assets classified as held for sale		-	-
Total current liabilities		5,219,094	4,680,851
Non-current liabilities			
Provisions		5,963,000	5,963,000
Financial liabilities		-	-
Total non-current liabilities		5,963,000	5,963,000
Total liabilities		11,182,094	10,643,851
Net liabilities		(235,990)	531,533
Equity			
Share Capital	5	27,951,122	27,951,122
Accumulated losses		(28,187,112)	(27,419,589)
Net Asset Deficiency		(235,990)	531,533

† The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2018

Consolidated	Share capital	Accumulated losses	Total
	\$	\$	\$
Balance at 30 June 2018	27,951,122	(27,419,589)	531,533
Comprehensive Income for the Period			
Loss for the period	-	(767,523)	(767,523)
Total Comprehensive Income for the Period	-	(767,523)	(767,523)
Transactions with Owners in their Capacity as Owners:			
Shares issued	-	-	-
Share issue transaction Costs	-	-	-
Total transactions with Owners in their Capacity as Owners	-	-	-
Other: Share based payments	-	-	-
Total other:	-	-	-
Balance at 31 December 2018	27,951,122	(28,187,112)	(235,990)
Balance at 30 June 2017	27,951,122	(26,396,190)	1,554,932
Comprehensive Income for the Period			
Loss for the period	-	(455,270)	(455,270)
Total Comprehensive Income for the Period	-	(455,270)	(455,270)
Transactions with Owners in their Capacity as Owners:			
Shares issued	-	-	-
Share issue transaction Costs	-	-	-
Total transactions with Owners in their Capacity as Owners	-	-	-
Other: Share based payments	-	-	-
Balance at 31 December 2017	27,951,122	(26,851,460)	1,099,662

† The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

**For the half-year ended 31 December
2018**

	Consolidated	
	31-Dec-18	31-Dec-17
Cash flows from operating activities		
Cash receipts from customers	212,424	170,597
Cash paid to suppliers and employees	(347,064)	(961,858)
Interest received	74,773	81,706
Interest paid	-	(19,378)
Net cash outflow from operating activities	(59,867)	(728,933)
Cash flows from investing activities		
Proceeds from sale of property, plant & equipment	2,091	1,585,451
Proceeds from the disposal of other non-current assets	-	-
Acquisition of property, plant & equipment	-	-
Net cash inflow / (outflow) from investing activities	2,091	1,585,451
Cash flows from financing activities		
Proceeds from borrowings	45,384	-
Proceeds from the issue of share capital	-	-
Share issue transaction costs	-	-
Repayment of loans	-	(550,000)
Net cash from financing activities	45,384	550,000
Net increase in cash and cash equivalents	(12,392)	306,518
Cash and cash equivalents at start of reporting period	76,285	49,601
Cash and cash equivalents at end of reporting period	63,893	356,119

† The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

1. Statement of Preparation and Accounting Policies

Statement of compliance

These general purpose financial statements for the half-year reporting period ended 31 December 2018 has been prepared in accordance with the requirements of the *Corporations Act 2001* and *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

Basis of preparation

The half-year financial statements are intended to provide users with an update on the last annual financial statements of the GBM Group. As such it does not contain information that represents relatively insignificant changes occurring during the half-year within the GBM Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the GBM Group for the year ended 30 June 2018, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements in the *Corporations Act 2001*.

The accounting policies applied in the presentation of these financial statements are consistent with those applied in the most recent annual financial statements and the comparative interim reporting period.

Going Concern

The Directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. The Group incurred a net loss of \$767,523 and an operating cash outflow of \$59,867 for the half-year ended 31 December 2018. At that date the Group was in a net current asset deficiency position of \$1,152,065 and a net asset deficiency of \$235,990.

In forming a view that the Group is a going concern, the directors note the following: -

As announced to the ASX on the 9th May 2019, GBM Gold will be raising \$6.67million via a fully underwritten rights issue which is due for completion on the 19th June 2019. Highlights of the announcement included: -

- a) One for one non-renounceable rights issue at an issue price of \$0.006 to raise approximately \$6.6 million;
- b) Any shortfall in the take up of the non-renounceable rights issue will be fully underwritten by Nex Kiwi;
- c) Funds raised will repay Unity debt of approximately \$3.28 million in full and provide working capital;
- d) Unity Mining debt deferred pending completion of the rights issue; and
- e) Recapitalisation will allow reinstatement of GBM's shares on the ASX for trading purposes.

Funds raised under the capital raising will be used:

- a) to repay Unity Mining debt of approximately \$3.28 million and shareholder debts of approximately \$750,000;
- b) for working capital; and
- c) for the costs associated with the offer.

Notes to the Financial Statements

GBM has appointed Sanston Securities as corporate advisor to the issue. Nex Kiwi Group Holdings Limited, a private Hong Kong entity associated with Silver Bright International Development Limited, has agreed to underwrite any shortfall in the renounceable rights issue. The underwriting is subject to certain terminating events which are consistent with underwriting arrangements typical for a company in GBM's circumstances.

The rights issue is conditional upon ASX reinstating GBM's shares to trading, and GBM is addressing the requirements for reinstatement, including appointing two Australian resident directors and lodging its half year financial statements for the period ending 31 December 2018.

To facilitate the rights issue, Unity Mining Limited, which holds security over GBM's assets, has agreed to forbear from exercising its rights, subject to a prospectus being lodged for the right issue by no later than 15 May 2019, the underwriting agreement not being terminated and all amounts owing repaid by 19 June 2019.

The rights issue is open to shareholders who have a registered address within Australia or New Zealand and who hold shares on 21 May 2019 (Record Date), and will close on 4 June 2019 (unless extended). Shareholders can apply for additional new shares, and shortfall will be placed by Stanston Securities in priority to eligible shareholders and others (including foreign shareholders who can show that securities can be issued to them without unreasonable legal and regulatory requirements) before Nex Kiwi.

All new shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the new shares. A prospectus in relation to the rights issue will be lodged with ASIC by 15 May 2019 and, together with a personalised entitlement acceptance form, will be sent to eligible shareholders shortly after the Record Date.

Eligible shareholders should consider the prospectus in deciding whether to acquire securities under the rights issue and will need to complete the personalised entitlement and acceptance form that will accompany the prospectus.

Notes to the Financial Statements

The following are indicative dates in respect of the rights issue:

Event	Date
Lodge prospectus	15 May 2019
Ex entitlement date	20 May 2019
Record Date for determining entitlements (5:00pm EST)	21 May 2019
Prospectus and personalised Entitlement and Acceptance Forms sent to Eligible Shareholders	24 May 2019
Closing date of entitlement issue (5:00pm EST)	4 June 2019
Issue date	12 June 2019
Reinstatement of GBM shares to trading	13 June 2019

In addition to the aforementioned capital raising, it is expected that future cash inflows are expected from the gold revenue sales from the processing of tailings and open pit operations and also inflows from a number of rental and operating leases for various facilities and infrastructure.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern and to be able to pay their debts as and when they fall due, and therefore the consolidated entity, maybe unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

2. Segment Information

The GBM Group operates as a single operating segment, within the gold mining industry in one geographic area, that being Central Victoria, Australia. The Bendigo project is on care and maintenance and all other tenements are utilised primarily for exploration purposes.

3. Dividends

No dividends have been paid or provided for in the current period.

Notes to the Financial Statements

4. Events Subsequent to Reporting Date

The following material events occurred after 31 December 2018.

As announced to the ASX on the 14th March 2019, GBM Gold received a 1 year term, \$1,000,000 gold loan, which is being funded by Maradox Pty Ltd (“Maradox”). Maradox provided a \$3,000,000 gold loan to GBM Gold in 2011. GBM Gold also received an additional \$200,000 loan from Silverbright International Development Ltd on the 11th January 2019.

As announced to the ASX on the 9th May 2019, GBM Gold will be raising \$6.67million via a fully underwritten rights issue which is due for completion on the 19th June 2019. Highlights of the announcement included:

- a) One for one non-renounceable rights issue at an issue price of \$0.006 to raise approximately \$6.67 million;
- b) Any shortfall in the take up of the non-renounceable rights issue will be fully underwritten by Nex Kiwi;
- c) Funds raised will repay Unity debt of approximately \$3.28 million in full and provide working capital;
- d) Unity Mining debt deferred pending completion of the rights issue; and
- e) Recapitalisation will allow reinstatement of GBM’s shares on the ASX for trading purposes.

There were no other significant events after the balance date which impacted the operations of the Group other than what is outlined in the Going Concern note 1 in the notes to the financial statements on page 19.

5. Issued Capital

	Consolidated	
	31-Dec-18	30-Jun-18
	\$	\$
Fully paid ordinary shares	27,951,122	27,951,122
	27,951,122	27,951,122

	Consolidated	
	31-Dec-18	30-Jun-18
	No.	No.
Ordinary Shares		
At the beginning of the reporting period	1,118,319,556	1,118,319,556
Shares issued during the reporting period	-	-
At the end of the reporting period	1,118,319,556	1,118,319,556
Nil options available during both reporting periods	-	-

Notes to the Financial Statements

6. Assets Held for Sale

	31 Dec 2018	30 Jun 2018
Assets classified as held for sale	\$	\$
Plant, property & equipment *1	3,772,911	3,950,455
	3,772,911	3,950,455
Liabilities directly associated with assets classified as held for sale		
Provisions	-	-
	-	-

*1 Plant, property and equipment relates to the Kangaroo Flat Mine 600,000 tonne per annum gold ore processing plant that is currently held for sale. Part of the 600,000 tonne per annum gold ore processing plant was disposed to Australian Mining Equipment Exporters Pty Ltd ('AME') during the six month period ending 31 December 2017 for \$1,500,000 less a minor finder fee. The remaining components of the processing plant are surplus to the GBM Group requirements as the size of the components are not in line with the expected extraction rate of mining in the future. AME has been notified that it is in breach of its obligations under the Asset Sale Agreement ('ASA') to proceed with the Second Tranche Completion and pay the Second Tranche Purchase Price. The Second Tranche Completion was due to occur on the 1st December 2017. Kralcopic was capable of fulfilling its obligations under the ASA subject to AME paying the Second Tranche Purchase Price. GBM and AME are working together to resolve the situation. GR Engineering Services have prepared a current valuation on the 600,000 tonne per annum gold processing plant, on the basis of the plant being sold as a complete processing plant (excluding the floatation circuit and goldroom equipment) for relocation. The current valuation of \$3,772,911 is less than the carrying value of \$3,950,455 and an impairment of \$177,544 has been made during the half-year reporting period ending 31 December 2018.

Director's Declaration

The Directors of GBM Gold Limited declare that:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
 - i. comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - ii. give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
- (b) in the director's opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



Eric J P Ng
Chairman



Paul H K Chan
Director

Bendigo, 15 May 2019

Independent Auditors Review Report



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GBM GOLD LIMITED AND ITS CONTROLLED ENTITIES

Report on the Half-year Financial Report

Conclusion

We have reviewed the half-year financial report of GBM Gold Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes to the financial statements and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 : *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$767,523 and an operating cash outflow of \$59,867 for the half-year ended 31 December 2018, and has a net current asset deficiency of \$1,152,065 and a net asset deficiency of \$235,990 as at 31 December 2018. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 : *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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Independent Auditors Review Report



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

ShineWing Australia

ShineWing Australia
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'M. Schofield'.

Matthew Schofield
Partner

Melbourne, 15 May 2019

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Stock Exchange Listing

Australian Stock Exchange — Code: GBM