



30 July 2019

ASX Announcement

UPDATE ON RIGHTS ISSUE

<p>GBM Gold Limited ABN 59 119 956 624</p> <p>ASX CODE: GBM</p> <p>CORPORATE DETAILS:</p> <p>Shareholders: 684</p> <p>Shares on Issue: 1,118,319,556</p> <p>Options: Nil</p> <p>Directors: Eric JP Ng (<i>Chairman</i>) Paul Chan Andy Lai Linda Lau Jianping Wang</p> <p>Chief Executive Officer John Harrison</p> <p>Company Secretary: Andrew Chan</p> <p>CONTACT DETAILS:</p> <p>Principal and Registered Office: GBM Gold Ltd 66 Ham Street Kangaroo Flat VIC 3550</p> <p>Telephone +61 3 5445 2300</p> <p>Email admin@gbmgold.com.au</p> <p>Website www.gbmgold.com.au</p>	<p>HIGHLIGHTS</p> <ul style="list-style-type: none">✓ Update on renewal of GBM Gold licences MIN5344, MIN5364 and MIN4878✓ Rights issue now fully underwritten by Metropolis Enterprises Group Limited✓ Rights Issue to be extended and withdrawal rights offered <p>GBM Gold Limited (ASX: GBM) (“GBM Gold”) wishes to provide shareholders with the following updates.</p> <p>Applications to renew licences MIN5344, MIN5364 and MIN4878</p> <p>GBM Gold refers to previous announcements regarding renewal of licences MIN5344, MIN5364 and MIN4878 (together “Bendigo Mining Licences”), which include the Company’s Kangaroo Flat Project. The Bendigo Mining Licences are held by the Company’s wholly owned subsidiary, Kralcopic Pty Limited (“Kralcopic”).</p> <p>The Victorian Government’s Earth Resources Department (“Earth Resources”), advised GBM Gold on 5 June 2019 that it was not satisfied that Kralcopic was likely to be able to finance the proposed work and rehabilitation requirements on Mining Licences MIN5344, MIN4878 and MIN5364 (Bendigo Mining Licences) and was considering refusing the application to renew these licences. GBM Gold is working to fulfil Earth Resources requirements and confirm that it is able to finance the proposed work and rehabilitation requirements for the renewal of the Mining Licences, including completing the previously announced Rights Issue.</p> <p>As detailed in GBM’s Prospectus dated 15 May 2019, Earth Resources issued a Section 80 notice to increase the amount of the rehabilitation bond applicable to MIN5364 Woodvale. The Company considers that both the request and the increase in the bond sought are not properly justifiable, and has challenged the Section 80 notice, with an application to the Supreme Court of Victoria seeking orders to set aside the decision.</p> <p>Underwriting Status, extension of entitlement offer period and withdrawal rights</p> <p>Nex Kiwi had informed GBM that it has decided to terminate its underwriting agreement (announced to ASX on 10 May 2019). GBM Gold has entered into a new underwriting agreement with Metropolis Enterprises Group Limited (MEG). Under that agreement, MEG has agreed to fully underwrite the Company’s \$6.7 million rights issue in consideration for an underwriting fee of 5%.</p>
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Further information on MEG and its intentions in relation to GBM Gold will be set out in a supplementary prospectus which will be lodged with ASIC and announced to ASX shortly.

As a result of the above, the Directors have resolved to give applicants under the rights issue one month to withdraw their applications and to extend the rights issue for a further week thereafter. Investors wishing to withdraw their investment can contact either the Company's share registry, Computershare, or contact the Company Secretary (andrewchan.bright@gmail.com or +61 418 401 049). An updated timetable will be set out in the supplementary prospectus.

ENDS

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 Gold has a 50% equity interest, and the adjacent Queen's Birthday will continue to be developed together with tailings projects on the Bendigo Goldfield.

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

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