

14 August 2019



Dear Shareholder,

NON-RENOUCEABLE RIGHTS ISSUE – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On 15 May 2019 GBM Gold Limited (ASX:GBM) (**Company** or **GBM**) lodged a prospectus to raise approximately \$6.7 million in a non-renounceable rights issue (**May Rights Issue**) fully underwritten by Nex Kiwi Group Holdings Limited (**Nex Kiwi**).

On 30 July 2019 the Company announced that Nex Kiwi had informed the Company that it had decided to terminate its underwriting agreement, and that GBM had entered into a new underwriting agreement with Metropolis Enterprises Group Limited (**MEG**). Under that agreement, MEG had agreed to underwrite the May Rights Issue in consideration for an underwriting fee of 5%.

ASX subsequently advised that it would not extend the closing date for the May Rights Issue and ASIC informed GBM that it required GBM to offer applicants under the May Rights Issue an opportunity to withdraw their applications. As withdrawal rights could not be offered without extending the closing date, GBM's board resolved to withdraw the May Rights Issue, return applications received and re-make an offer on the same terms as the May Rights Issue; namely a non-renounceable pro rata offer to shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**) of approximately 1,118,319,556 fully paid ordinary shares on the basis of 1 New Share for every existing Share held as at 5:00pm (AEDT) on 19 August 2019, at an issue price of \$0.006 per new share to raise up to approximately \$6.7 million (before costs) (**Offer or Rights Issue**).

To facilitate the Offer, the Company has appointed Sanston Securities as corporate advisor to place Shortfall Shares on a best endeavours basis, MEG has agreed to underwrite the Offer (excluding Shares underwritten by the Underwriting Directors), and Unity Mining has agreed to defer repayment of its debt until the Offer is completed.

The Company has decided that it is unreasonable to make offers under the Rights Issue to shareholders with a registered address outside Australia or New Zealand (**Ineligible Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the Shares under the Rights Issue to those shareholders.

As you are an Ineligible Shareholder no offer is made to you and you are not required to do anything.

However, you are invited to contact Kit Foo Chye of Sanston Securities (kitfoo.chye@sanston.com.au or +61 437 779 092) if you may wish to subscribe for Shares under the Rights Issue. Shortfall Shares will be placed firstly to existing Shareholders and then to other investors introduced by Sanston Securities and finally to Metropolis Enterprises Group Limited.

This letter is not an offer of securities where it would be unlawful to do so.

Yours faithfully,

Eric JP Ng
Chairman