



ASX ANNOUNCEMENT

30 SEPTEMBER 2014

GBM Gold agrees to sell its interest in Inglewood operation

GBM Gold Ltd (ASX: GBM) announces today that it has entered into an agreement to sell its shares in Inglewood Gold Mining Company Pty Ltd (Inglewood) for approximately \$2.4 million, subject to obtaining GBM shareholder approval.

Panama based Wilshire Asset Management SA (Wilshire) agreed with GBM in September 2012 to invest \$9 million into Inglewood. GBM and Wilshire executed a deed amending the original agreement in November 2013 under which Wilshire paid \$4.5 million for a 50% shareholding in Inglewood.

The deal also gave Wilshire an option to increase its interest in Inglewood to up to 80% through a further investment of \$1.5 million and the assumption of the Maradox Gold loan liability of approximately \$3 million. Wilshire has indicated its intention to exercise this option, which would have left GBM with only a residual 20% shareholding in Inglewood.

The Board determined that a minority ownership of Inglewood was not in the best interests of GBM and have reached agreement to sell GBM's remaining shareholding to Wilshire for approximately \$2.4 million.

Wilshire has agreed to pay the consideration in several tranches completing by 30 June 2015, with the payment obligation secured over Inglewood's assets.

The transaction is subject to the approval of GBM shareholders in accordance with ASX Listing Rule 11.2. GBM is currently preparing a notice of meeting and explanatory memorandum, which it will despatch during October 2014. Completion is expected to occur in November 2014.

GBM has consulted with ASX in respect of the transaction in accordance with Listing Rule 11.1 and 11.2 and ASX has indicated that based on the information GBM has provided, Listing Rule 11.1.3 will not apply to the transaction. The transaction is not expected to have a material impact on GBM's net assets.

On completion of the sale GBM will have the flexibility and resources to pursue gold projects free from the debt burden that it has carried in recent years resulting from loss making operations. This is a new

beginning for the Company and provides the platform for us to effectively develop gold assets to deliver long term sustainable growth for the Company and value for our shareholders.

Wilshire also agreed to purchase GBM subsidiary Industrial Sands & Gravels Pty Ltd in August 2012 for \$5 million. The parties have now agreed to terminate this agreement. The \$750,000 deposit paid by Wilshire in connection with this transaction was credited to its original investment in Inglewood.

ENDS

About GBM Gold Ltd (ASX: GBM)

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

Following completion of the transaction described above, GBM will have two mining licences, seven exploration licences and a 50% Joint Venture interest in another Mining licence in four project areas - Goldsbrough, Beavis-ISG, Fiddlers Creek-Avoca and Wilsons Hill.

GBM's corporate strategy is to develop a long term sustainable mining operation in Central Victoria to fund the Company's growth through the discovery and development of major gold deposits.

For more information please visit the Company website: www.gbmgold.com.au