

GBM Gold Ltd

ACN 119 956 624

Notice of annual general meeting

Meeting to be held: 12 November 2014 at 2.00 pm at 2H Thistle Street, Golden Square,
Victoria, 3555

Definitions

A number of capitalised terms are used throughout this notice of annual general meeting and explanatory memorandum. Except to the extent the context otherwise requires:

Term	Definition
ASIC	means Australian Securities & Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of Directors of the Company.
Chairman	means the chairman of the Company.
Company or GBM	means GBM Gold Limited ACN 119 956 624.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Explanatory Memorandum	means the explanatory memorandum attached to the Notice.
Inglewood	means Inglewood Gold Mining Company Pty Ltd ACN 116 623 100.
KMP	means key management personnel as defined in the Corporations Act.
Listing Rules	means the listing rules of ASX.
Notice	means this notice of annual general meeting.
Shares	means a share in the capital of the Company, the terms of which are contained in the constitution of the Company.
Shareholders	means the registered holders of Shares in the Company.

Notice of Annual General Meeting

GBM Gold Ltd ACN 119 956 624

Notice is given that the annual general meeting of GBM Gold Ltd ACN 119 956 624 (**Company**) will be held at:

Location	2H Thistle Street, Golden Square, Victoria, 3555
Date	12 November 2014
Time	2.00 pm

Ordinary business

Financial statements and reports

To receive and consider the Company's financial reports and the reports of the Directors and the auditor for the financial year ended 30 June 2014.

1. Directors' remuneration report

To consider and, if in favour, to pass the following resolution under section 250R(2) *Corporations Act 2001* (Cth) (**Corporations Act**):

'That the remuneration report of the Directors for the financial year ended 30 June 2014 be adopted.'

Note: This resolution will be decided as if it were an ordinary resolution but under section 250R(3) of the Corporations Act the vote on this resolution is advisory only and does not bind the Directors of the Company.

Note: Votes must not be cast on this resolution (in any capacity) by or on behalf of members of key management personnel (**KMP**) details of whose remuneration are included in the remuneration report or their closely related parties. Refer to note 4 below for further information.

2. Retirement and election of Paul Chan

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

'That Paul Chan, who retires by rotation under rule 3.6 of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about the candidate appears in the Explanatory Memorandum.

3. Election of Andrew Chan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That Andrew Chan, having been appointed as a Director of the Company by a resolution of the Board of Directors on 1 July 2014, offers himself for re-election pursuant to rule 3.3 of the Company's constitution and ASX Listing Rule 14.4, and being eligible, be re-elected as a Director of the Company.'

Special business

4. Ratification and approval of previous allotment and issue of securities

To consider, and if in favour, to pass the following resolution as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 7.4, Shareholders ratify and approve the previous issue of 165,000,000 fully paid ordinary Shares as detailed in the Explanatory Memorandum.'

5. Additional capacity to issue equity securities

To consider and, if in favour, to pass the following resolution as a special resolution:

'That the Company be provided an additional 10% capacity to issue equity securities under Listing Rule 7.1A on the terms set out in the Explanatory Memorandum.'

6. Disposal of interest in the share capital of Inglewood

To consider and, if in favour, to pass the following ordinary resolution:

'That for the purposes of ASX Listing Rule 11.2 and for all other purposes, Shareholders approve the transfer by the Company of its shareholding in Inglewood on the terms and conditions set out in the Explanatory Memorandum.'

Date 13 October 2014

By order of the Board



Frederick Eric JP Ng
Chairman of the Board

Notes

- 1 A Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- 2 The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- 3 If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- 4 KMP or their closely related parties (as defined in the Corporations Act) appointed as a proxy must not vote on a resolution connected directly or indirectly with the remuneration of KMP if the proxy is undirected unless:
 - a. The proxy is the person chairing the meeting; and
 - b. The proxy appointment expressly authorises the person chairing the meeting to vote undirected proxies on that resolution.
- 5 A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- 6 The Company has determined under regulation 7.11.37 Corporations Regulations 2001 that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 2.00 pm (Victorian time) on 10 November 2014 (48 hours prior to the commencement of the meeting).

Voting exclusion statement

Corporations Act

The Company will disregard votes cast on resolution 1 by a member of the KMP, details of whose remuneration are included in the remuneration report, or a closely related party of such a member, in contravention of section 250R or 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

ASX Listing Rules

Pursuant to the requirements of ASX Listing Rule 14.11, the Company will disregard any votes cast:

Resolution 4 – Approval of previous allotment and issue of securities	Any person who participated in the issue or any of their associates.
Resolution 5 – Approval of additional capacity to issue shares under Listing Rule 7.1A	<p>Any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or an associate of that person.</p> <p>Note: under Listing Rule 14.11.1 and the notes under that rule about Rule 7.1A, as at the date of this notice of meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.</p>
Resolution 6- Approval of transfer of shareholding in Inglewood under Listing Rule 11.2	Any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed or an associate of that person.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, under the directions on the proxy voting form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, under a direction on the proxy voting form to vote as the proxy decides.

Voting by Proxy

If you wish to appoint a proxy, to be effective, proxy forms must be received by the Company at its registered office, no later than 2.00 pm on 10 November 2014 (48 hours prior to the commencement of the meeting):

By mail or hand delivery

2H Thistle Street, Golden Square, Victoria 3555

By fax

+61 3 5444 0036

Explanatory Memorandum

GBM Gold Ltd ACN 119 956 624

1. Introduction

- 1.1. This Explanatory Memorandum accompanies the notice of annual general meeting (**AGM**) of the Company (**Notice**) to be held at 2.00pm on 12 November 2014.
- 1.2. The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice and is intended to be read in conjunction with the Notice.

2. Item 1 – Financial statements and reports

- 2.1. The Corporations Act requires that the report of the Directors, the auditor's report and the financial report be laid before the annual general meeting.
- 2.2. Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of Shareholders at the annual general meeting on the financial statements and reports. However Shareholders will be given reasonable opportunity at the meeting to raise questions with respect to these reports.
- 2.3. Shareholders may also submit written questions to the Company's auditor if the question is relevant to the content of the audit report or the conduct of its audit of GBM's annual report for the year ended 30 June 2014.
- 2.4. Any written questions must be submitted to the Company's registered office at 2H Thistle Street, Golden Square, Victoria 3555, or faxed to the registered office at +61 3 5444 0036 before 10 November 2014 using the form attached to this Notice.

3. Resolution 1 – Adoption of remuneration report

- 3.1. Section 250R(2) of the Corporations Act requires that the section of the Directors' report dealing with the remuneration of the Company's KMP be put to Shareholders for adoption.
- 3.2. The resolution of Shareholders is advisory only and not binding on the directors or the Company.
- 3.3. The remuneration report is set out on pages 6-8 of the 2014 annual report, which is available on the GBM website at <http://www.gbmgold.com.au>.
- 3.4. The report:
 - 3.4.1. explains the Board's policies in relation to the nature and level of remuneration paid to the Company's KMP;
 - 3.4.2. discusses the link between the Board's policies and GBM's performance;
 - 3.4.3. sets out the remuneration details for each of the KMP; and
 - 3.4.4. makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives, including executive Directors.
- 3.5. The Chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the remuneration report.
- 3.6. The Directors unanimously recommend that Shareholders vote in favour of this resolution.

4. Resolution 2 – Retirement and re-election of Paul Chan

Background

- 4.1. Rule 3.6 of the Company's constitution requires that at every annual general meeting, one-third of the directors (other than the Managing Director) must retire from office.
- 4.2. Having retired by rotation in accordance with rule 3.6 of the Company's constitution, and being eligible, Paul Chan offers himself for re-election.

Information on Paul Chan

- 4.3. Paul Chan has accumulated over 30 years of experience investing in and operating businesses in China, Asia and the United States. With his extensive business background and knowledge in the Asia Pacific region, Paul joined Prestige International Investment Ltd, an investment banking firm based in the United States, in 1996, in charge of project investment in Asia.
- 4.4. Paul joined Yorkshire Capital Limited as Project Director in 2001. He has been responsible for accessing project feasibility, corporate restructuring, business and financial advisory for various projects. In recent years, Paul has been focusing on gold mining projects and has been involved in reviewing, accessing, structuring, advising and fund raising for mining projects in base metals and other natural resources worldwide.

Recommendation

- 4.5. The Directors (other than Paul Chan who does not make a recommendation) unanimously recommend that Shareholders vote in favour of this resolution.

5. Resolution 3 – Election of Andrew Chan

Background

- 5.1. Rule 3.3(a) of the Company's constitution provides that the Directors may appoint any person to be a Director and that person holds office until the end of the next general meeting and is eligible for election at that meeting.
- 5.2. Shareholder approval is sought for the election of Andrew Chan as a director pursuant to rule 3.3(a) of the Company's constitution. Andrew Chan was appointed by the directors as a director on 1 July 2014.
- 5.3. Andrew Chan offers himself for election at this meeting.

Information on Andrew Chan

- 5.4. Andrew Chan holds Bachelor of Arts and Bachelor of Laws degrees. Andrew's background is as a corporate and commercial lawyer for 10 years. He has worked both in private practice and in-house in the resources sector, in a variety of roles. Andrew has advised a number of Australian and international companies in the resources sector.

Recommendation

- 5.5. The Directors (other than Andrew Chan who does not make a recommendation) unanimously recommend that Shareholders vote in favour of this resolution.

6. Resolution 4 – Ratification and approval of previous allotment and issue of securities

Background

- 6.1. The purpose of resolution 4 is for shareholders to approve and ratify, under ASX Listing Rule 7.4, those security issues which occurred during the 12 months before the date of the annual general meeting and which count toward the Company's 15% limit under ASX Listing Rule 7.1.
- 6.2. The securities that are the subject of this resolution are 165,000,000 fully paid ordinary shares issued by the Company pursuant to the conversion of convertible securities.
- 6.3. ASX Listing Rule 7.1 provides that (subject to certain exceptions), prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.
- 6.4. The allotment and issue of securities detailed in resolution 4 and issued without approval under ASX Listing Rule 7.1:
- 6.4.1. did not exceed the 15% threshold; and/or
- 6.4.2. were issued with approval under ASX Listing Rule 7.1A;
- and are also able to be ratified in accordance with ASX Listing Rule 7.4.
- 6.5. ASX Listing Rule 7.4 provides that where an entity ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby replenishing that entity's 15% capacity and enabling it to issue further securities up to that limit.

Ratification and approval

- 6.6. Resolution 4 proposes the ratification and approval of the allotment and issue of securities for the purpose of satisfying the requirements of ASX Listing Rule 7.4.
- 6.7. The information required to be given to shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5. In compliance with the information requirements of ASX Listing Rule 7.5, shareholders are advised of the following particulars in relation to the allotment and issue:

Date of issue	30 August 2014
Number of securities issued without security holder approval under ASX Listing Rule 7.1	100,167,741 64,832,259 were issued with approval under ASX Listing Rule 7.1A.
Issue price per security	\$0.00659
Terms of securities issued	Fully paid ordinary Shares

Persons to whom securities were issued	40,000,000 Shares – Ganesha Capital Holdings Limited 25,000,000 Shares – Yan Zhang 29,500,000 Shares – Wise Epoch Holdings Ltd 29,500,000 Shares – People Honour Ltd 41,000,000 Shares – Wealth Express Group Limited
Use of funds raised by the issue	Working capital and payment of creditors, including \$220,000 to direct creditors of the Company and \$780,000 to creditors of the Company's wholly owned subsidiaries.

Recommendation

6.8. The Directors recommend that Shareholders vote in favour of this resolution.

7. Resolution 5 – Additional capacity to issue equity securities

Background

- 7.1. ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its issued capital in any 12 month period without requiring Shareholder approval.
- 7.2. Under ASX Listing Rule 7.1A, eligible entities, being companies that are outside the S&P/ASX 300 index and have a market capitalisation of \$300 million or less, can issue a further 10% (on top of the 15% permitted by ASX Listing Rule 7.1) of the share capital in 12 months on a non pro rata basis.
- 7.3. The Company is an eligible entity as at the date of this notice and must remain compliant with the requirements of ASX Listing Rule 7.1A to be able to utilise the additional capacity to issue shares under that Listing Rule.
- 7.4. The ability of the Company to issue shares under ASX Listing Rule 7.1A is subject to shareholder approval by way of special resolution at an annual general meeting.
- 7.5. For the purposes of ASX Listing Rule 7.3A the Company provides the following information:

Minimum price at which the equity securities may be issued	<p>The issue price of each Share must be no less than 75% of the volume weighted average price for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> the date on which the price, at which the Shares are to be issued, is agreed; or if the Shares are not issued within five trading days of that date, the date on which the Shares are issued.
Risk of economic and voting dilution	<p>An issue of Shares under ASX Listing Rule 7.1A involves the risk of economic and voting dilution for existing Shareholders. The risks include:</p> <ul style="list-style-type: none"> the market price for Shares may be significantly lower on the issue date other than on the date of the approval under Listing Rule 7.1A; and Shares may be issued at a price that is at a discount to the market price for the Shares on the issue date.

	A table describing the notional possible dilution, based upon various assumptions as stated, is set out below.
Date by which the Company may issue the securities	<p>The period commencing on the date of the annual general meeting and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> the date which is 12 months after the date of the annual general meeting; and the date of the approval by holders of the Company's ordinary securities of a transaction under ASX Listing Rules 11.1.2 or 11.2 (other than the transaction described in resolution 6.
Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration	<p>The Company may issue Shares:</p> <ul style="list-style-type: none"> to raise funds to advance the production of gold, undertake further exploration or progress feasibility studies at the Company's project areas; for non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; to raise funds to provide cash consideration for the acquisition of new assets or investments (including any expense associated with such acquisition); or to raise working capital.
The Company's allocation policy for issues under the approval	<p>The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue. The identity of allottees of Shares will be determined on a case-by-case basis having regard to factors including but not limited to the following:</p> <ul style="list-style-type: none"> the methods of raising funds that are available to the Company including but not limited to, rights issues or other issues in which existing Shareholders can participate; the effect of the issue of the Shares on the control of the Company; the financial situation and solvency of the Company; and advice from corporate, legal, financial and broking advisors (if applicable). <p>The allottees under the 10% placement facility approved under ASX Listing Rule 7.1A have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.</p>
Previous approvals obtained under rule 7.1A	<p>The Company obtained approval under ASX Listing Rule 7.1A at its annual general meeting held on 15 January 2014.</p> <p>As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, and is now seeking Shareholder approval to renew its capacity to issue an additional 10% of its issued capital under Listing Rule 7.1A, it is required by Listing Rule 7.3A.6 to provide details</p>

	<p>of all issues of securities in the 12 months preceding the date of the meeting.</p> <p>The total number of securities issued preceding the date of the meeting and the percentage they represent of the Company's securities on issue at the commencement of that 12 month period are set out below.</p>
Total number of securities issued in the last 12 months preceding the date of the meeting	165,000,000 Shares
Percentage that this number represents of the total securities on issue at the commencement of the 12 month period	24.7%
Issue price per security	\$0.00659
Terms of securities issued	Fully paid ordinary Shares
Persons to whom securities were issued	<p>40,000,000 Shares – Ganesha Capital Holdings Limited</p> <p>25,000,000 Shares – Yan Zhang</p> <p>29,500,000 Shares – Wise Epoch Holdings Ltd</p> <p>29,500,000 Shares – People Honour Ltd</p> <p>41,000,000 Shares – Wealth Express Group Limited</p>
Total proceeds received from issue	\$1,087,350.00
Use of funds raised by the issue	Working capital and payment of creditors, including \$220,000 to direct creditors of the Company and \$780,000 to creditors of the Company's wholly owned subsidiaries.

- 7.6. Listing Rule 7.3A.2 requires the Company to provide a table demonstrating the potential dilution effect based on three different assumed prices of Shares and three different numbers of Shares on issue in the Company (Variable 'A' in Listing Rule 7.1 and 7.1A). For convenience, we will refer to the latter as Variable 'A'.
- 7.7. The following table shows the dilution of existing Shareholdings on the basis of the current market price of Shares and the current number of Shares for Variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (described above) as at the date of this Notice.
- 7.8. The table also shows:
- 7.8.1. two examples where Variable 'A' has increased by 50% and 100%. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- 7.8.2. two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2	Dilution	0.002	0.004	0.008
		50% decrease in issue price	Issue price	100% increase in issue price
Current Variable A 832,784,944	10% Voting Dilution	83,278,494	83,278,494	83,278,494
	Funds raised	\$166,557	\$333,114	\$666,228
50% increase in current Variable A 1,249,177,416	10% Voting Dilution	124,917,742	124,917,742	124,917,742
	Funds raised	\$249,835	\$499,671	\$999,342
100% increase in current Variable A 1,665,569,888	10% Voting Dilution	166,556,989	166,556,989	166,556,989
	Funds raised	\$333,114	\$666,228	\$1,332,456

- 7.9. This table has been prepared on the following assumptions:

- 7.9.1. The Company issues the maximum number of Shares available under the 10% placement facility.
- 7.9.2. No options are exercised into Shares before the date of the issue of Shares.
- 7.9.3. The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- 7.9.4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% placement facility, based on that Shareholder's holding at the date of the meeting.
- 7.9.5. The table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- 7.9.6. The issue of Shares under the 10% placement facility consists only of Shares, to the exclusion of all options.
- 7.9.7. The issue price is \$0.004, being the closest price of the Shares on ASX at the time of this Notice.

8. Resolution 6 – Disposal of interest in share capital of Inglewood

Background

- 8.1. On 30 September 2012 the Company and Panama based Wilshire Asset Management S.A (**WAM**) entered into a heads of agreement whereby the Company proposed that it would transfer 80% of its shareholding in its wholly owned subsidiary Inglewood to WAM for \$9 million.
- 8.2. This heads of agreement was amended by deed dated 7 November 2013 so that:

- 8.2.1. the Company transferred 50% of its shareholding in Inglewood to WAM for consideration of \$4.5 million; and
- 8.2.2. WAM obtained an option to increase its interest in Inglewood to 80% through the issue of new Inglewood shares for a further \$4.5 million.
- 8.3. The option was originally exercisable between November 2014 and November 2016, although the parties subsequently agreed that the exercise period would commence in July 2014.
- 8.4. WAM has indicated an intention to increase its interest in Inglewood to 80% through the issue of new Inglewood shares.
- 8.5. The Company and WAM have now entered into a share sale agreement (**Sale Agreement**) with WAM that:
 - 8.5.1. supersedes WAM's right to exercise its option under the Original Agreement; and
 - 8.5.2. provides for the transfer of the Company's remaining shareholding in Inglewood to WAM (**Disposal**).
- 8.6. The Company 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 that the Company has provided, Listing Rule 11.1.3 will not apply to the transaction. The transaction is not expected to have a material impact on the Company's net assets.
- 8.7. ASX Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities which involves the disposal of its main undertaking, it must first obtain the approval of its shareholders. Further, a company must not enter into an agreement to dispose of its main undertaking unless the agreement is conditional on the entity getting that shareholder approval.

Resolution 6 seeks shareholder approval for the Disposal.

Key terms

- 8.8. The key terms of the Disposal are as follows:
 - 8.8.1. WAM will pay consideration of approximately \$2.4 million directly to GBM in several tranches completing by 30 June 2015.
 - 8.8.2. WAM's payment obligations will be secured over Inglewood's assets.
 - 8.8.3. Completion of the Disposal is conditional on the shareholders of the Company approving the transfer under ASX Listing Rule 11.2.

Indicative timetable

- 8.9. If Shareholder approval is obtained, the Company intends to complete the Disposal during November 2014.

Financial effect of the Disposal on the Company

- 8.10. The impact of the Disposal on the Company's balance sheet is set out in the pro forma balance sheet set out below.
- 8.11. The table assumes that proceeds from the Disposal are held as cash and does not take into account changes in the period since 30 June 2014, or the reinvestment opportunities described below.

Item	30 June 2014 (\$'000)	Adjustment (\$'000)	Pro forma (\$'000)
Cash	30	2,500	2,530
Receivables and prepayments	50	(43)	7
Inventory	117	(117)	-
Other financial assets	284	(158)	126
Property, plant and equipment	7,897	(7,107)	790
Exploration and evaluation	601	(236)	365
Other intangible assets	64	(64)	-
Total assets	9,043	(5,225)	3,818
Trade and other payables	554	(330)	224
Financial liabilities	2,267	(1,875)	392
Provisions	2,932	(2,932)	-
Total liabilities	5,753	(5,137)	616
Net assets	3,290	(88)	3,202
Equity - GBM	1,662	1,540	3,202
Equity - minority interest	1,628	(1,628)	-
Total Equity	3,290	(88)	3,202

Reasons for the Disposal

- 8.12. The Board has determined that a minority ownership of Inglewood is not in the best interests of the Company.
- 8.13. On completion of the sale the Company 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.

Future activities and direction on completion of the Disposal

Harvest Home project

- 8.14. The Company is earning a 50% interest in the Harvest Home joint venture.
- 8.15. The deposit has a broad zone of gold mineralisation 3.5km long and up to 0.4km wide containing the Moran's, Harvest Home, Mother O'Gold and Appleton's Gold mines that between them have produced in excess of 1,860kg of gold.

8.16. The Company intends to use approximately \$450,000 of the proceeds received from the Disposal to:

8.16.1. undertake initial drilling; and

8.16.2. obtain a 7,500 tonne bulk sample,
from the Harvest Home project.

Queen's Birthday exploration licence

8.17. The Company has an exploration licence adjacent to the Harvest Home project. This licence is currently under reapplication to the Department of Sustainability, Business and Innovation.

8.18. The target area includes a highly mineralised quartz lode of over 600 metres in length that produced 100,000 ounces of gold from 250,000 tonnes of ore in the period leading up to the early 1920's.

8.19. In the 1970's Ando Minerals N.L. undertook a significant exploration program along the Queen's Birthday area with several lines of percussion drilling and one diamond drill hole. This program identified three distinct exploration targets.

8.20. The Company intends to use approximately \$40,000 of the proceeds received from the Disposal to undertake exploration of the Queen's Birthday area over the next twelve months.

Avoca

8.21. The Company's Avoca project consists of:

8.21.1. the Fiddlers creek underground mining project; and

8.21.2. the Beavis alluvial deposit.

8.22. Production records indicate that around 700,000 ounces of gold have been mined from within the Avoca goldfield.

8.23. The Company intends to use approximately \$100,000 of the proceeds received from the Disposal to undertake exploration of the Avoca project over the next twelve months.

Wilson Hill

8.24. The Company's Wilson Hill project has the potential for an open pit resource and a large scale high grade underground accessed goldfield.

8.25. The area requires further exploration to extend the resource. This licence is currently under reapplication to the Department of Sustainability, Business and Innovation.

8.26. The Company intends to use approximately \$40,000 of the proceeds received from the Disposal to undertake exploration of the Wilson Hill area over the next twelve months.

Future activities

8.27. In addition to the existing assets noted above, the Company is considering opportunities to invest in further gold projects in Victoria which it expects will help it achieve positive cash flows in the near term.

8.28. Some of these opportunities may be funded using consideration from the Disposal.

Recommendation

8.29. The Directors recommend that Shareholders vote in favour of this resolution.

Section 1: Name and address of member

Full name _____

Address _____

Section 2: Appointment of proxy

I, being a member of the Company and entitled to attend and vote appoint

☐ the Chairman of the meeting
(mark with an 'X')

OR

Write here the full name of the person or body corporate you are appointing if this person **is someone other than** the Chairman of the meeting.

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the meeting, as my proxy to attend, to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit), and to act generally on my behalf, at the general meeting of the Company to be held at:

Location	2H Thistle Street, Golden Square, Victoria, 3555
Date	12 November 2014
Time	2.00 pm

and at any adjournment of that meeting.

Section 3: Voting instructionsVoting directions to proxy – please mark ☒ to indicate your directions.

Resolution 1	Adoption of remuneration report
Resolution 2	Retirement and re-election of Mr Paul Chan as Director
Resolution 3	Election of Mr Andrew Chan as Director
Resolution 4	Ratification and approval of previous allotment and issue of securities
Resolution 5	Additional capacity to issue equity securities
Resolution 6	Disposal of interest in share capital of Inglewood

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular item, you are directing your proxy **not** to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Important information in relation to Resolution 1

If you appoint the Chairman as your proxy (or the Chairman becomes your proxy by default), and do not provide voting instructions, you are expressly authorising the Chairman to cast your vote in accordance with his stated intentions, even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP. The Chairman intends to vote all available proxies in favour of all resolutions, including Resolution 1. You can direct the Chairman how to cast your vote (or to abstain from voting) by marking the appropriate boxes above.

If you appoint another Director or member of the KMP as your proxy, you must direct your proxy how to vote by marking the appropriate boxes above, otherwise your vote will not be counted.

Section 4: Signing by memberThis section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.**Individual or Member 1****Member 2** (if joint holding)**Member 3** (if joint holding)
Sole Director and Sole Secretary

Director/Company Secretary
(delete one)
Director

Please provide the information below in case we need to contact you.

/ /

Contact name

Contact day time telephone

Date

Instructions for completion of proxy form

Section 1: Name and address of member

- 1 Insert your name and address. If it is a joint holding, insert details of all holders.

Section 2: Appointment of proxy

- 2 If you wish to appoint the Chairman of the meeting as your proxy, mark the box. If the person or body corporate you wish to appoint as your proxy is someone other than the Chairman of the meeting, write the full name of that person or body corporate in the space provided. A proxy may be an individual or a body corporate. If you leave this section blank or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy. A proxy need not be a member of the Company.
- 3 If you are entitled to cast two or more votes at the general meeting, you are entitled to appoint two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company. Alternatively you may copy this form.
- 4 To appoint a second proxy:
- (a) on each of the first proxy form and second proxy form state the percentage of your voting rights or number of shares applicable to that form (if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes, and fractions of votes will be disregarded); and
 - (b) return both forms in the same envelope.

Section 3: Voting instructions

- 5 You may direct your proxy how to vote on an item of business by placing a mark in one of the three boxes opposite that item of business. All of your shares will be voted in accordance with your direction unless you indicate a proportion of voting rights on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may decide whether or how to vote on that item. If you mark more than one box on an item, your vote on that item will be invalid.

Section 4: Signing by member

- 6 You must sign this form as follows in the spaces provided:

Individual	Where the holding is in one name, the member must sign.
Joint holding	Where the holding is in more than one name, all of the members must sign.
Power of Attorney	To sign under power of attorney, either the power of attorney must have already been lodged with the Company's share registry for notation or the original (or a certified copy) of the power of attorney must accompany this document.
Companies	<p>In the following cases, subject to the Company's constitution, the following person must sign:</p> <ul style="list-style-type: none">(a) Australian proprietary company with a sole director who is also the sole company secretary - that person must sign;(b) Australian proprietary company with a sole director and no company secretary - that person must sign;(c) other Australian companies - two directors, or one director and one company secretary must sign; and(d) foreign company - in accordance with the laws of the jurisdiction of incorporation and constituent documents.

Corporate Representatives

- 7 If a representative of the corporation is to attend the meeting the appropriate 'Certificate of Appointment of Corporate Representative' should be produced prior to admission in accordance with the Notice. A form of the certificate may be obtained from the Company's registry.

Section 5: Lodging of proxy

- 8 This proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not later than the time and date set out below, by mail, hand delivery or facsimile.

Last time and date for lodgement	2.00 pm (Victorian time) on 10 November 2014*
By delivery	2H Thistle Street, Golden Square, Victoria 3555
By mail	2H Thistle Street, Golden Square, Victoria 3555
By facsimile	+61 3 5444 0036

* Any proxy form received after this time will not be valid.