GBM Gold Ltd

ACN: 119 956 624

Annual Report and Financial Statements

For the Year Ended

30 June 2015

Contents

Company Information

Registered Office

2H Thistle Street Golden Square

BENDIGO, Victoria, Australia 3555

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Auditors

ShineWing Australia

Level 10, 530 Collins St

MELBOURNE, Victoria, Australia 3000

Telephone: 03 8635 1800

Share Registry

Computershare Investor Services Pty Ltd

MELBOURNE, Victoria, Australia 3000

Telephone: 1300 850 505

Stock Exchange Listing

Australian Stock Exchange — Code: GBM

Resource and Operational Review

Dear Shareholders,

I am pleased to report on your Company's progress during the financial year ended 30 June 2015.

GBM completed the disposal of its shareholding in Inglewood Gold Mining Company Pty Ltd ('INGMCo') to Wiltshire Asset Management S.A. on 27 November 2014. The Board had determined that a minority ownership of INGMCo was not in the best interests of GBM and sold the final 20% of INGMCo to Wilshire for $2.4 million.

Following the disposal of Inglewood the Company has been seeking opportunities to invest in other gold projects in Victoria. As was announced recently GBM has signed an agreement to purchase the Bendigo Gold Project from Unity Mining for a signing fee of $100,000 and additional repayments in respect of assigned rehabilitation funds over a three year period totalling $5.63 million, subject to shareholder and regulatory approvals. The acquisition represents a significant opportunity for GBM to increase the scale of its activities going forward.

Central Victoria is a world class gold province with the richest gold producing area being Bendigo which is Australia's second richest historical goldfield after Kalgoorlie's Golden Mile having produced approximately 22 million ounces of gold. More recently, under the ownership of Unity, production from the Bendigo goldfield was 135,000 ounces.

The Bendigo Assets represent a low-cost start-up to the Company but is expected to generate positive cash flow from existing open pit mines, tailings, sand production and other sources. On completion of the acquisition, the Company intends to implement an exploratory drilling program and, ultimately, re-commence underground production on the Bendigo Goldfield.

Exploration on our other Central Victorian tenements has been at a low to moderate level and the Company will invest in an increased exploration program with the aim of building the resource base. The Harvest Home JV project has advanced with a bulk-sampling program completed in June 2015. The completed bulk sample pit produced a 107 ounce (3.35kg) gold dore bar from 2,700 tonnes of ore. This program is a step in the development of a planned larger scale open pit mine development.

This purchase of Bendigo is a new beginning for the Company and provides the platform for GBM to effectively develop gold assets to deliver long term sustainable growth for the Company and value for our shareholders.

Yours faithfully,

Frederick Eric JP Ng Chairman

GBM Gold Ltd

24 September 2015

GBM's corporate strategy is to develop a profitable and sustainable gold mining operation. The sale of the Inglewood project and the post balance sheet date purchase of the Bendigo Gold Project present new opportunities for the Company. GBM Gold has two mining licences, three exploration licences, one Work Authority and a 50% Joint Venture interest in a Mining licence as shown in the table below and Figure 1.

Project	Tenement	Percentage owned
GOLDSBOROUGH		
Harvest Home JV	MIN 5510	50% interest through JV between Truelight Mining Pty Ltd and GBM
Queen's Birthday	EL 5528	100%
WILSON HILL	EL 5527	100%
AVOCA	EL 4936	100%
FIDDLERS CREEK		
Fiddlers Creek Mine	MIN 4023	100%
	MIN 4548	100%
BEAVIS/ISG	WA 1395	100%

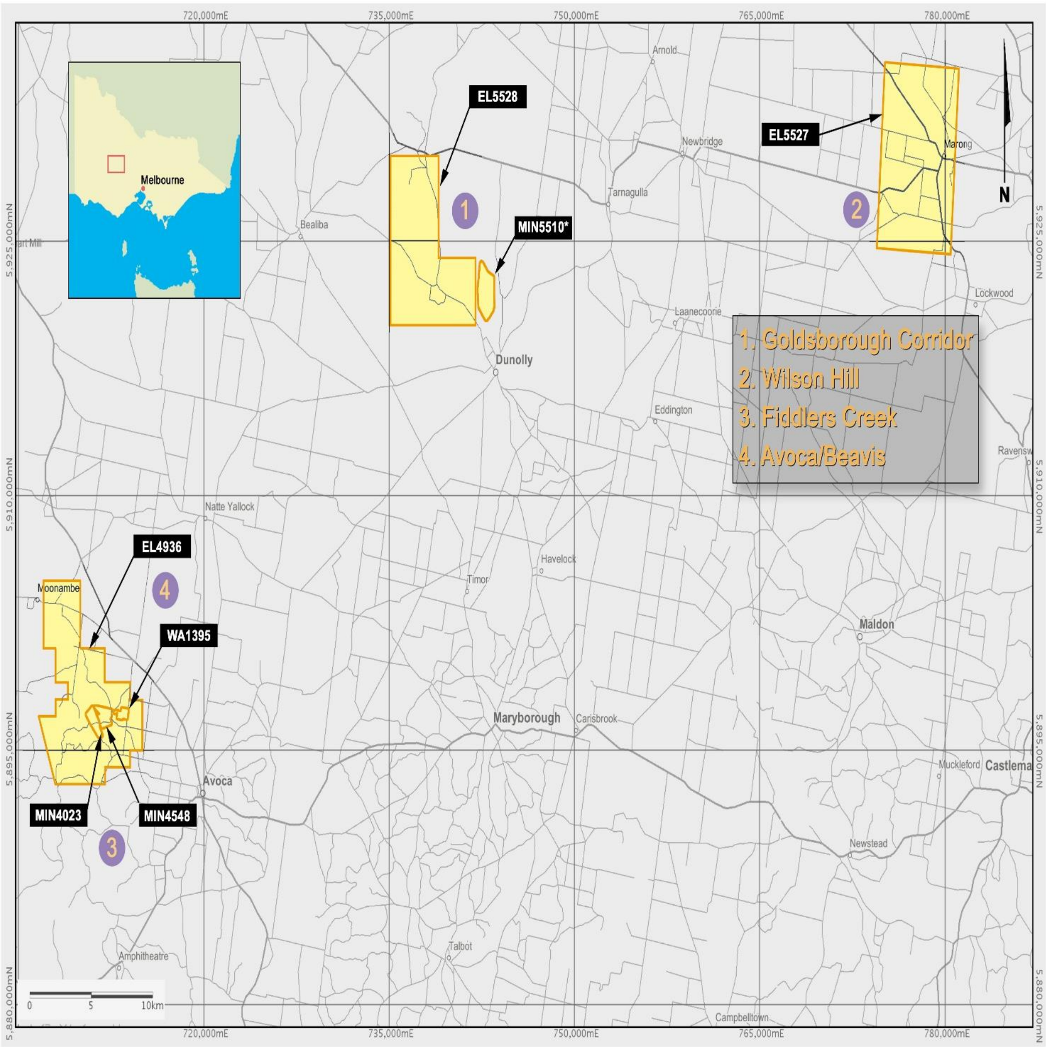

Figure 1: GBM Gold Projects

Goldsborough Corridor Gold Project (MIN 5510 and EL 5528)

The Goldsborough Corridor Gold Project is located 10km northwest of Dunolly and 192 km from Melbourne via the Dunolly-Moliagul Road in Central Victoria. The project lies in the western margin of the Bendigo – Ballarat Zone. The Avoca fault defines the western margin of this zone. The project is at the southern termination of the 24 km long Goldsborough–Wehla Shear Zone which is part of the Wedderburn-Ballarat line.

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

MIN 5510 is located approximately 5 kilometres north-west of Dunolly, Victoria. It has an area of 316 hectares and covers the historic "Harvest Home Goldfield". A curvilinear zone of gold mineralisation trends north-northwest through the tenement and includes the Mother o' Gold, Appletons, Harvest Home and Morans Luck prospects (Figure 2). This zone is approximately 3.5 km long and up to 0.4 km wide. Historic production is in excess of 60,000 ounces (1,860kg) of gold over a number of episodes of activity. The historical mine workings reached depths of up to 122m.

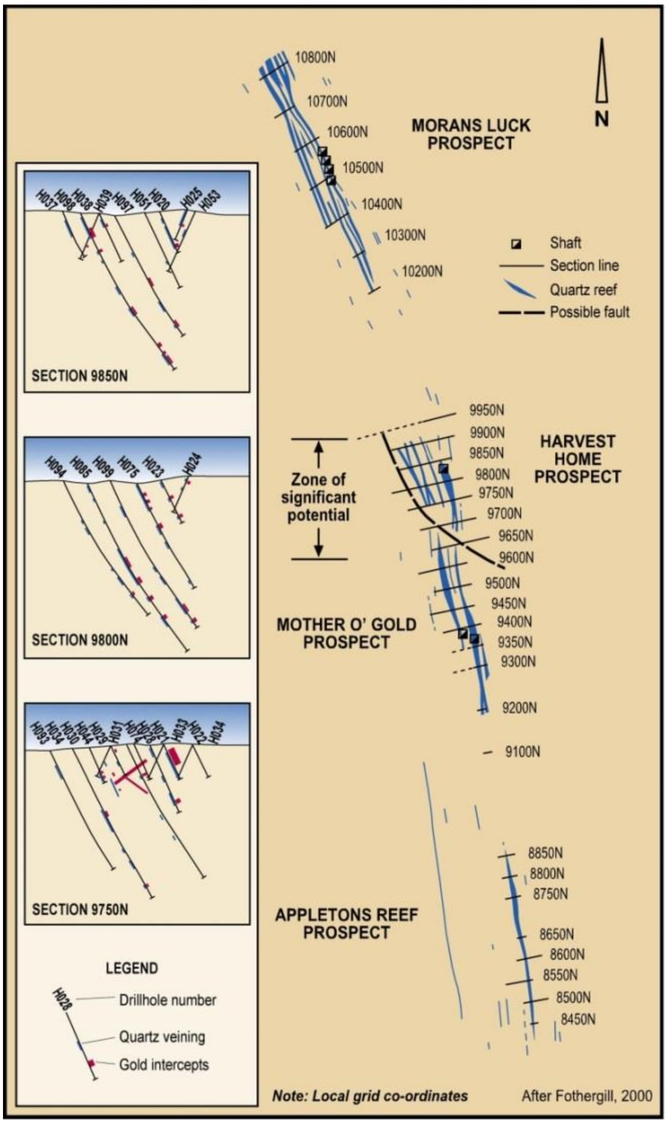

Figure 2: Harvest Home Deposit

The economic potential of the Harvest Home prospect was evaluated by BHP Gold in the 1980's in conjunction with Bendigo Mining on EL 1191. In the 1990's Highlake Resources N.L. undertook a substantial RC program over the Harvest Home area and the Moran's Luck and Appleton's targets. In the 2000's several resource calculations were undertaken by Highlake and Ballarat Goldfields. Whitehouse reviewed the data in 2009 and concluded that a JORC compliant Inferred resource of ~1,000,000 tonnes at 2.4 g/t exists (Whitehouse and Watts 2009).

Drilling work carried out on the prospect has included 12,470 metres of RC holes over a total strike length of 3,200 metres. The drill-hole depths varied from 17 to 240 metres. The drill holes on the closer spaced drill sections of < 50 metres has proven that the Harvest Home prospect consists of a multiple veined system over widths of 100m.

Harvest Home drill hole data, (as collated by G.K. Whitehouse, Fiddlers Creek Gold Mining Company Pty Ltd), was analysed for gold grade distribution by statistical methods. Interpretation of the results suggested two main mineralised structures; west dipping quartz veins forming the "walls" of a shear zone with dominant steeply north plunging low grade shoots (that may be controlled by lithology type) and a series of anastomosing "spur" structures that are proximal to the wall structures. Modelling (Figure 3) suggested this lineation plunges moderately to the north, oblique to the strike of the wall structures. One or more cross-course faults of unknown displacement were modelled as dissecting the orebody.

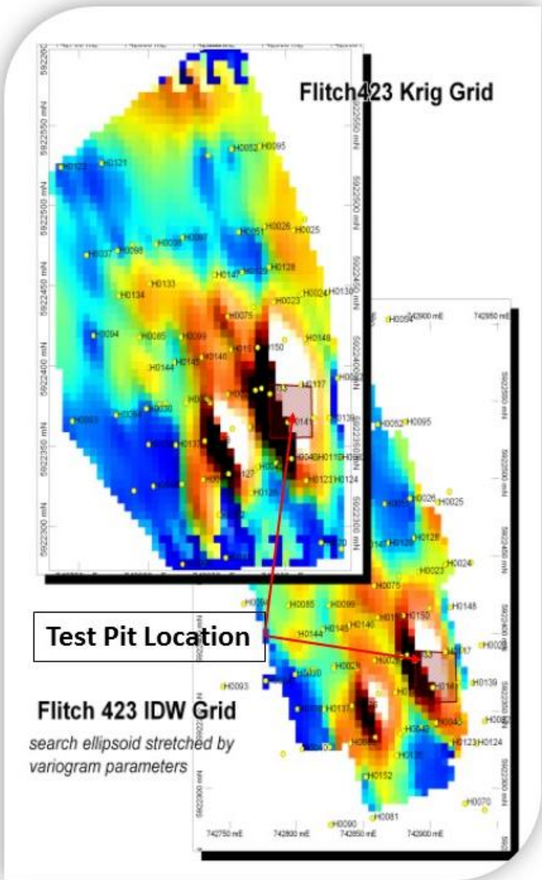

Figure 3: Interpretation of Mineralised Structures

The results from the exploration undertaken prior to GBM Ltd interest in the tenement suggested potential for open-pit mining development. A commitment was made to undertake a small bulk-sampling program by means of a shallow test pit at the Harvest Home prospect (Figure 4).

Figure 4: Test Pit Looking West

Objectives of the bulk sampling program were to refine understanding of structural controls on mineralisation, evaluation of metallurgical recovery, testing 'predictability' of ore zones from current sample density and to gauge the viability of a larger scale open pit mine development and understanding of the mineralisation.

Excavation of the Harvest Home Bulk Sample pit was completed on 19th June, 2015. The completed pit is 34.4m long x 25.9m wide for a total void of 8,520m and produced 2,700 tonnes of ore. The ore was processed at the A1 Gold Mines *processing* plant at Maldon.

A 107 ounce (3.35kg) gold dore bar was produced (Figure 5) from which 2.98kg of gold and 282 grams of silver were refined.

Figure 5: Gold Pour from Harvest Home

Queens Birthday (EL 5528)

This area is adjacent to and immediately to the west 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.

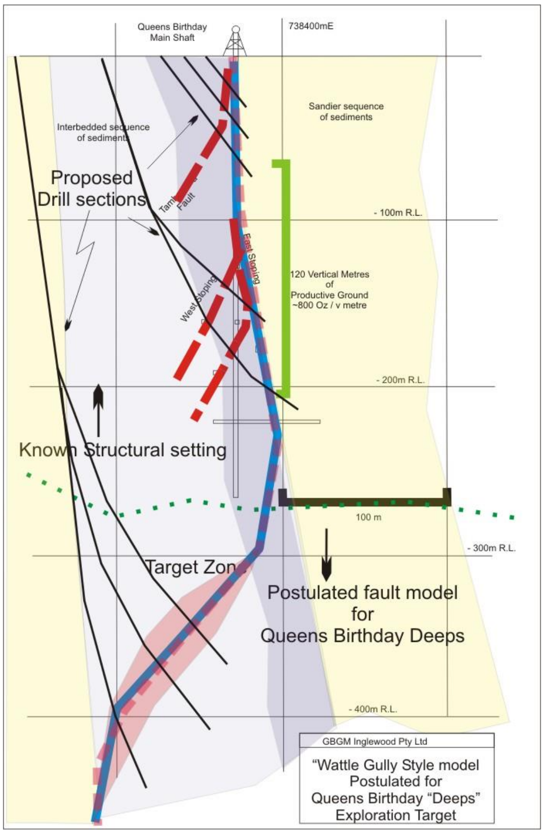

Figure 6: Queen's Birthday Exploration Targets

Wilson Hill (EL 5527)

This area lies along structural and stratigraphic strike that parallels those of Bendigo Goldfield. The basement rocks form part of Ballarat-Bendigo Zone and has folding that is similar to those hosting gold mineralisation at Bendigo Goldfield. Western Mining Corporation (WMC) in 1990 reported that the development of quartz reef is structurally controlled.

WMC located 5 main parallel structures trending 340° that are spaced 50 - 100 m apart. The Albion structure was considered the central structure that was flanked to the east by the Grays anticline and to the west by the Wilson anticline. Saddle reef mineralisation was reported to occur within each structure with an east dipping fault occurring to the east of Grays anticline.

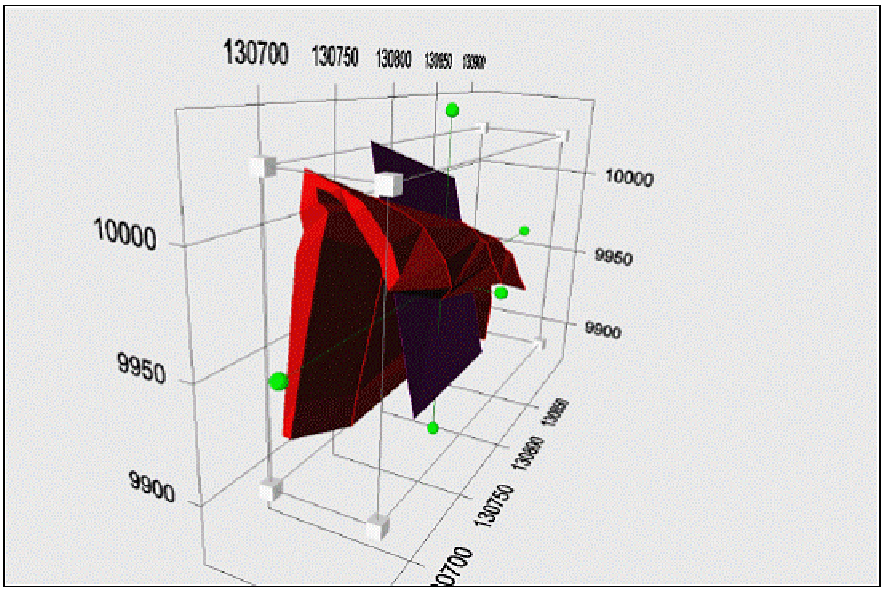

Figure 7: 3D Model of Grays Reef at Wilson Hill

Fiddlers Creek (MIN 4023 & MIN 4548)

During the year the Company continued the rehabilitation of the processing plant site. The major parts of the processing plant were transferred to the Inglewood mine in 2013. The remainder of the plant is being progressively sold and the site rehabilitated. Ore from any future mining at this site will be processed in a third party plant. At Fiddlers Creek there is an abundance of known workings associated with the Percydale Fault Zone. This is a sheared altered zone of higher deformation with numerous internal structures of up to 0.5 km wide. The geology in the area show regular northwest striking west dipping fault zones. Gold mineralisation has been associated with many of these structures. The current exploration strategy is directed towards known mineralization trends in the vicinity of Fiddlers Creek and Perseverance mines particularly near areas of historical workings. Fiddlers Creek has an indicated and inferred resource of approximately 15,000 tonnes at a grade of 6 g/t with 6,000 tonnes at 6 g/t in “Measured” and “Indicated” category (Whitehouse (2015)).

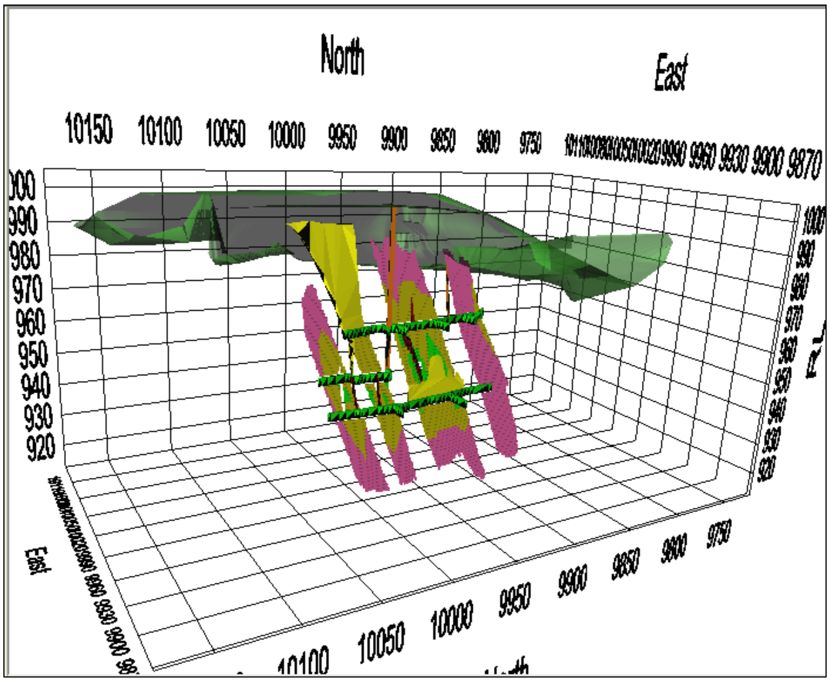

Figure 8: 3D Model of Fiddlers Creek Mine and Resource Blocks

Avoca and Beavis (EL 4936 and WA 1395)

At Beavis, GBM has outlined a clean quartz gravel and sand resource in excess of 2.2 million cubic metres by 33 Aircore and Reverse Circulation Drillholes. Contained within the gravel resource is an Inferred gold resource of 33,000 Ounces of gold (Cahill 2011). The gravel in the same horizon is 99.6 pure Si02 with minor iron as the main impurity. This has the potential or form an industrial mineral resource. Underlying the gravel deposit is 1.2 metres of kaolin clay which, from initial observation and testing, shows good purity.

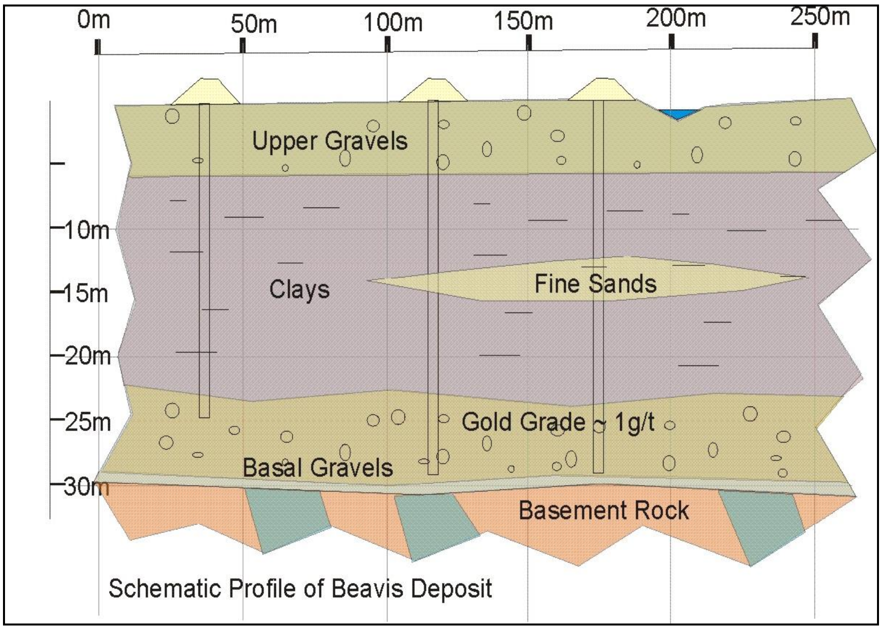

Figure 9: Schematic of Beavis Deposit

Resource and Operational Review

Summary

GBM is moving to improve its production capacity and is also focused on growing its Resource base.

John Harrison, Director and CEO

24 September 2015

Competent Person Declaration

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Keith Whitehouse, who is a Member of The Australasian Institute of Mining and Metallurgy and a Chartered Professional in Geology. Mr Whitehouse has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Whitehouse consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Disclosure

Mr Whitehouse is a Director of Fiddlers Creek Gold Mining Company Pty Ltd (FCGMC). The Mining Lease Min 5510 on which the Harvest Home deposit is located has been sold by FCGMC to GBM's joint venture partners in the Goldsbrough Gold Corridor Project, Truelight Pty Ltd, a company associated with Mr Paul Chan who is a Director of GBM Gold Ltd. As required by the sale agreement application has been made to the Minister for Resources in Victoria for the Licence to be transferred. FCGMC were former owners of MIN 4023 and Min 4548,which form part of the Fiddlers Creek Project.

ASX Additional Information

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this Annual Report is set out below. The information is current to 24 September 2015 and has not been audited.

As at the date of this report GBM Gold Ltd had one class of securities being ordinary fully paid shares. Ordinary shares have a single vote for each share held. No ordinary shares are restricted.

Substantial Shareholders

The Substantial Shareholders as Notified to the ASX are Shown Below.

Substantial Shareholder	Voting Shares	Voting Power	Date of Notice
Chasen Holdings Limited	75,622,500	9.08%	30.9.14
Mr Paul Chan (Non-executive Director) Silver Bright Investments Limited	79,157,041	9.51%	30.9.14

Distribution of Shareholders

Range	Ordinary Shares
1 – 1,000	9
1,001 – 5,000	52
5.001 – 10.000	112
10,001 – 100,000	314
100,001 and over	183
Total Shareholders	670

Holders of Non-Marketable Securities

There are 379 shareholders holding less than a marketable parcel of ordinary shares based on the market price of 1.1c at 24 September 2015.

Names of 20 Largest Holders by Quoted Security

Holders of Quoted Ordinary Shares (as at 24 September 2015)

Rank	Name	Units Held	% of Issued Capital
1	Chasen Holdings Ltd	75,622,500	9.06%
2	JP Morgan Nominees Australia Limited	72,355,210	8.67%
3	Silver Bright Investments Limited	62,957,041	7.54%
4	Sterlington Resources Ltd	47,916,667	5.74%
5	Wealth Express Group Limited	41,000,000	4.91%
6	Ganesha Capital Holdings Limited	40,000,000	4.79%
7	MS VV Limited	33,333,333	3.99%
8	People Honour Ltd	29,500,000	3.53%
9	Wise Epoch Holdings Limited	29,500,000	3.53%
10	Belvin Investments Limited	26,088,000	3.13%
11	Diamond Rich Enterprises	25,535,342	3.06%
12	Home Web Office Inc	25,535,342	3.06%
13	Ultra Sea Holdings Limited	25,535,342	3.06%
14	Yan Zhang	25,000,000	2.99%
15	Pershing Australia Nominees Pty Ltd	22,236,933	2.66%
16	HSBC Custody Nominees (Australia) Limited	18,690,500	2.24%
17	Swift Chance Holdings Limited	16,400,000	1.96%
18	Hoi Kwong Paul Chan	16,200,000	1.94%
19	Golden Nugget Resources Limited	16,000,000	1.92%
20	Easemind Limited	12,000,000	1.44%
Total		661,406,210	79.23%

Options

There were no options on issue at year end and none were issued subsequently to year end and up to the date of this report.

The directors present their report together with the financial report of GBM Gold Ltd ('GBM' or 'the Company') and of the Group, being the Company, its subsidiaries and its interest in associates and jointly controlled entities for the financial year ended 30 June 2015 and the Auditor's report thereon.

Directors

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

Mr Eric J P Ng

Non-Executive Chairman (2010 – present)

Eric has been the Principal Consultant of Chadway Management Service Pty Ltd since 1982. He is responsible for providing operational management, planning and executing growth strategies, merger and acquisitions activities and corporate finance services to companies in Singapore and the region including Australia. He also advises on business growth and globalisation strategies, capital market and corporate governance issues and is an active capital market intermediary matching capital with business. Chadway also provides advisory services for companies in their listing via an Initial Public Offering or a Reverse Takeover on a stock exchange in the region such as SGX and ASX.

Eric is currently the Chairman of Chasen Holdings Ltd (listed on the Singapore Exchange), an Independent Director of Richfield International Ltd and the Executive Director of Ephraim Resources Ltd, (both listed on the Australian Securities Exchange). At Chasen Eric chairs the Audit Committee and is a member of the Remuneration and Nominations Committees.

Eric is also active in various societies and institutions, being a member of the Singapore Institute of Directors and a Fellow of the Singapore Human Resource Institute. He also served as District Governor for Singapore of Lions Clubs International from 2002 to 2003.

Mr Paul Chan

Non-Executive Director (2011 - present)

Paul has accumulated over 30 years of experience investing and operating businesses in China, Asia and the US. 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 US, in 1996, in charge of project investment in Asia.

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.

Mr John Harrison

Executive Director & CEO (2013 - present)

John was appointed to the Board in May 2013. John is a mining engineer with 43 years of experience in mining and exploration in Victoria, South Australia, Queensland, New South Wales, Tasmania, Western Australia and New Zealand. John's expertise is in management, project evaluation, planning and mining operations. During his career with the State Electricity Commission of Victoria, CSR Ltd, Australian Mining Consultants, Adelaide Hills Council and the University of South Australia he has managed engineering and operational teams, operated open pit mines, evaluated exploration and mining projects and lectured in mining engineering. He is a Member of the Institution of Engineers (Australia) and a Fellow of the Australasian Institute of Mining and Metallurgy.

Mr Andy Lai

Independent Non-Executive Director (2011 - present)

Andy was appointed to the Board on 17 October 2011. Andy, Managing Director of Yorkshire Capital Limited a merchant bank operation since 1993, has been responsible for numerous IPO and RTO cases worldwide and numerous M&A and financing projects with total value of over US$3 billion. In recent years, his focus has been on mining and resources business covering financing, investment & M&A initiatives. He is an MBA from the Chinese University of Hong Kong.

Ms Linda Lau

Independent Non-Executive Director (2013 – present)

Linda was appointed to the Board on 9 July 2013. Ms Lau has a Bachelor of Arts Asian Studies and a Diploma of Business communications and has experience in commercial and corporate practice in Australia and China and has been an Australian citizen for forty five years. Ms Lau has had an interesting career having served as a senior consultant and executive for major Australian and international corporations and in particular resources and mining companies. Ms Lau does not hold any other listed company directorships.

Mr Andrew Chan

Independent Non-Executive Director & Company Secretary (2014 – present)

Andrew was appointed to the Board on 1 July 2014 and has held the position of Company Secretary since 9 July 2013. Mr Chan holds a Bachelor of Arts and a Bachelor of Laws degrees. Mr Chan'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. Mr Chan has advised a number of Australian and international companies in the resources sector.

Directors Who Resigned During The Year

Nil

Company Secretary

Mr Andrew Chan – refer to Directors section above.

Directors' Meetings

Refer to the Directors section above for details of when directors were appointed or resigned.

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by Directors (while they were a Director or committee member).

	Board Meetings		Audit Committee Meetings	
Director	Attended	Held	Attended	Held
Mr E JP Ng	7	7	2	2
Mr P H K Chan	7	7	-	-
Mr J Harrison	7	7	-	-
Mr A Lai	6	7	2	2
Ms L Lau	4	7	-	-
Mr A Chan	7	7	-	-

Corporate Governance Statement

This statement outlines the main corporate governance practices in place throughout the financial year which comply with the ASX Principles of Good Corporate Governance and Best Practice Recommendations (2008) and Amendments 3rd Edition (2014), unless otherwise stated.

Board of Directors

Role of the Board

The Board of Directors of GBM Gold Ltd is primarily responsible for its corporate governance, that is, the system by which the Company and its subsidiaries are managed. In fulfilling its role the Board undertakes to serve the interests of its shareholders, employees and the broader community honestly, fairly, diligently and in accordance with applicable laws.

The board has adopted systems of control and accountability as the basis for the administration of corporate governance. The board is committed to administering the policies and procedures. As the Company's activities develop in size, nature and scope, the size of the board and the implementation of additional corporate governance policy and structure are given further consideration.

The primary functions reserved to the board by way of its *Principles of Corporate Governance* charter are:

- determining the direction of the Company and approving corporate strategy,
- approving the business plan and reviewing the plan annually or as it may determine,
- setting objectives and performance indicators for management,
- establishing policies appropriate for the Company,
- appointing the managing director, or in place of the managing director an executive director or management structure in charge, and determining the functions delegated to management,
- setting control, accounting and reporting structures, standards and format,
- approving major investments and monitoring the return of those investments,
- setting systems of risk management and internal compliance and control, codes of conduct, and legal compliance, and

- ensuring that the Company provides continuous disclosure of information such that shareholders and the investment community have available all information to enable them to make informed assessments of the Company's prospects.

The board's *Corporate Governance Charter* is located on the Company's website.

Responsibility for operation and administration of the Company has been delegated to the Chief Executive Officer, and his executive management. Responsibilities are delineated by formal authority delegations.

Board Processes

The board has established, and continues to review as the Company and Group mature, a framework of management with clearly defined responsibilities. This framework considers internal control, business risk management and ethical standards.

The board conducts an annual performance review of the Chief Executive Officer in October/November – who in turn over the same period conducts an annual review of senior management.

The board formally delegates the duties other than those it retains above to the Chief Executive Officer and also has assigned discretionary expenditure limits.

The board has not held a formal performance evaluation of either individual board members or the board as a whole.

The Company seeks at all time to deploy the best people it can secure in whatever role based on merit and ability and no bias either negative or positive is applied to age, race, religion, creed, culture, background and/or gender in the employment decision. The Board encourages transparent and contestable employment processes and aims to keep the workplace environment open and diverse, with no bias involved in any employment process. The Board does not see that at its size and scale a formal diversity policy will provide any measurable benefit to the company or employees which is not provided by the overall "no bias" and "merit and ability" based employment and contracting philosophies. The Company views that the "no bias" philosophy is efficient in ensuring diversity and has the effect of leaving open the widest possible employee recruitment pool, allowing for the widest cultural and social perspectives and is socially and economically responsible. Given the Company does not have a formal diversity policy, it has not implemented specific measurable objectives for achieving gender diversity as it does not consider that they are appropriate for a Company of this size and scale. The percentage of females employed in the Company at 30 June 2015 were 50%, none were employed in senior positions and the percentage of females on the Board were 17%.

Board meetings are scheduled monthly and are attended by directors in person or via conference call. Additional meetings occur as required. The aim of the board is to support the Company and Group by being proactive and meeting when necessary with the relevant information to hand rather than adhering to a rigid schedule.

Each meeting's agenda is prepared in conjunction with or by the Chairperson and Company Secretary. Standing items include the management reports, financial reports, strategic matters, governance and compliance. Submissions to the board are circulated in advance. Executives are regularly involved in board discussions and directors have other opportunities, including visits to the Company's various operating locations, for contact with a wider group of staff.

Director Education

Upon joining the board, new directors are able to spend time with the Chairperson and Company Secretary who outline the corporate expectations of them in the areas of company knowledge and background, and the Company's financial, strategic, operational and risk management position.

Directors are provided a copy of the board's *Principles of Corporate Governance*. This outlines the functions reserved to the board and the requirements of its directors. They are also provided with a copy of the Company's *Continuous Disclosure Policy*. This program of induction extends to key executives.

The Company does not provide a formal *Director's Letter of Appointment*.

Independent Professional Advice and Access to Company Information

Each director has a right of access to all relevant Company information and to the Company's executives, and subject to prior consultation with the Chairperson, may seek independent professional advice from a suitably qualified advisor at the Group's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairperson's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the board.

All board members have direct access to the Company Secretary on governance matters.

Composition of the Board

The names of the directors of the Company in office at the date of this report are set out in the first section of this Directors report. The composition of the board is determined using the following principles.

- The Board should comprise 5–6 persons with at least three persons being independent directors.
- Independence of directors is to be determined not just by considering shares held or connection with suppliers or customers, but also having regard to the particular director's ability to exercise independent judgment.
- The board as a whole should review nominations to the board prior to any appointment of directors. It is not considered necessary that the board should establish a nomination committee considering the size and nature of the Company.
- In accordance with the constitution directors are to rotate by retirement each year, and in the ordinary course should be reappointed.
- The board may, but at present does not, appoint a managing director of the Company. Instead it has appointed as the Executive Director of the group the Chief Executive Officer who therefore has the dual role. The role of Managing Director is not a constitutionally required position and

the board has elected to have a Chief Executive Officer of the Company acting as the Executive Director in overall charge.

Independence of Directors

An independent director is a director who is not a member of management (a non-executive director) and:

- is not a substantial shareholder of the Company† or an officer of, or otherwise associated directly with, a substantial shareholder of the Company,
- within the last three years has not been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold any such employment,
- within the last three years has not been a principal of a material‡ professional advisor or a material‡ consultant to the Company or another Group member, or an employee materially associated with the service provided,
- is not a material‡ supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material‡ supplier or customer,
- has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company,
- has no material‡ contractual relationship with the Company or another Group member other than as a director of the Company, and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially‡ interfere with the director's ability to act in the best interests of the Company.

† For this purpose a "substantial shareholder" is a person with a substantial holding as defined in section 9 of the Corporations Act 2001.

‡ The board considers, 'material', in this context, to be where any director-related business relationship has represented, or is likely in future to represent the lesser of at least 10 per cent of the Companies or the director-related business's revenue. The board considered the nature of the relevant industries' competition and the size and the nature of each director-related business relationship in arriving at this threshold.

Recommendation 2.1 of the *ASX Principles of Corporate Governance* recommends that a majority of the board should be independent directors. The Board does not currently meet this recommendation as the Board comprises three independent directors and three non-independent directors.

At all times the board seeks a membership which enables it to meet its objectives in an effective and efficient manner and in accordance with the board's principles of governance, a director may also be considered independent if, in the view of the board, they are capable of exercising independent judgement or abstaining from matters where their independence cannot be split.

Recommendation 2.2 of the *ASX Principles of Corporate Governance* recommends that the chairperson should be an independent director. The board does not currently meet this recommendation as Mr Eric Ng represents a substantial shareholders, however, whilst the board recognises the importance of independence in decision making, the chairperson, Mr Ng, has proven capable of leading the board in a manner that is efficient and functional, providing sufficient briefing for the directors to independently consider issues raised at board meetings.

Nomination Committee

Recommendation 2.4 of the *ASX Principles of Corporate Governance* recommends the Company establishes a nomination committee. The Company does not have a nomination committee. The board addresses those matters and issues arising that would usually fall to a nomination committee. The board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee.

Remuneration Committee

Recommendation 8.1 of the *ASX Principles of Corporate Governance* recommends the Company establish a remuneration committee. The Board has established a Remuneration Committee. During the financial year, the Committee consisted of Directors: Eric J P Ng (Chairman) and Andy Lai. In relation to its remuneration responsibilities, the Committee reviews and makes recommendations to the Board on remuneration frameworks involving employees and Directors after consulting industry recognised remuneration surveys. Further details are contained in the Remuneration Report below.

The remuneration committee is only made up of two members due to the small number of company directors and one director is an executive and therefore not eligible to be a member.

Remuneration Report

Principles of Compensation

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group. Key management personnel comprise the directors of the Company and the executives of the Company and the Group including the most senior managers.

Remuneration levels for key management personnel of the Company and the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives. The board seeks as it deems necessary independent advice on the appropriateness of remuneration packages of both the Company and the Group given trends in comparative companies both locally and internationally and the objectives of the Company's remuneration strategy.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control their relevant areas performance
- the Group's performance including:
    - the Group's earnings;

- the growth in share price and delivering constant returns on shareholder wealth; and
- the amount of incentives within each key management personnel's remuneration.

Remuneration packages in place for the period of this report were of a fixed nature only, with no short-term bonuses issued to senior executives.

Fixed Remuneration

Fixed remuneration consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually by the board through a process that considers individual and overall performance of the Group. A senior executive's compensation is also reviewed on promotion.

Performance Linked Remuneration

Performance linked remuneration includes both short-term and long-term incentives and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The Company does not currently reward key management personnel for meeting or exceeding their financial and personal objectives.

Short-term Cash Bonus

Despite having no formal structure for rewarding key management personnel for meeting or exceeding their financial and personal objectives the board reserves the right to issue a cash bonus for exceptional performance.

The board considers the cash bonus to be paid to the individuals and chooses an amount which fairly recognises the individuals' contribution.

No short-term cash bonuses were issued during or since the end of the financial year.

Consequences on Performance on Shareholders Wealth

In considering the Company and Group performance and benefits for shareholder wealth, the board takes into account profitability and share price movements of the Company when setting the total amount of remuneration.

Other Benefits

Key management personnel can receive additional benefits of up to $1,000 per month as non-cash benefits, as part of the terms and conditions of their appointment. Non-cash benefits typically include payment of club membership or motor-vehicle expenses and key management personnel pay fringe benefits tax on these benefits as appropriate.

There are no loans to directors or key executives at year end.

Service Contract

It is the Group's practice to enter into service contracts for key management personnel, including the Chief Executive Officer. The key management personnel are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave.

The service contract outlines the components of remuneration paid to the key management personnel but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the remuneration policy.

Mr John Harrison's employment contract specifies the duties and responsibilities of the Chief Executive Officer and expires in December 2017. The current contract can be terminated with three months' notice by either party.

Non-executive Directors

Total remuneration for all non-executive directors, is not to exceed in aggregate $100,000 per annum. The board does not currently pay any fees to non-executive directors.

A director may also be paid fees or other amounts as the board determines for a director who performs with the board's prior approval special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for reasonable out of pocket expenses incurred as a result of their directorship or any special duties.

Directors and Executive Officer's Remuneration

Executives		Salary & Fees	Non- monetary benefits*1	Post employment benefits	Termination benefits	Share based payments – options and rights	S300A(1)(e)(i) Proportion of remuneration performance related	S300A(1)(e)(vi) Value of options as proportion of remuneration%
Directors								
Mr J Harrison (Director & CEO)	2015	182,648	-	17,352	-	-	-	-
	2014	183,066	-	16,934	-	-	-	-
Mr P HK Chan (Non-Executive Director)	2015	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-
Mr A Lai (Non-Executive Director)	2015	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-
Mr E JP Ng (Non-Executive Chairman)	2015	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	
Ms L Lau (Non-Executive Director)	2015	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-
Mr A Chan (Non-Executive Director & Company Secretary)*2	2015	30,000	-	-	-	-	-	-
	2014	18,000	-	-	-	-	-	-

*1 Non-monetary benefits include the provision of motor cars and accommodation.

*2 Company secretarial fees.

Modification of Terms of Equity-Settled Share-based Payment Transactions

No terms of equity settled share-based payment transactions (including options and rights granted as remuneration to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.

Exercise of Options Granted as Compensation

During the reporting period, no shares were issued on the exercise of options previously granted as remuneration.

END OF AUDITED REMUNERATION REPORT

Audit Committee

The audit committee is responsible for the oversight and review of the audit process and preparation of the annual report, advising on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the group. All members must be non-executive directors with a majority being independent.

A formal charter for the audit committee that defines the objectives of the Committee, membership, responsibilities and functions and relationship with the external auditor has been adopted by the Committee. During the financial year, the committee consisted of two Directors: Mr Eric JP Ng (Chairman) and Mr Andy Lai.

The external auditor is welcome to meet with the audit committee and board of directors without management being present if they so desire.

Risk Management

Oversight of the Risk Management System

The board oversees the establishment, implementation, and annual review of the Company's risk management system. Management has throughout the year maintained a risk management system for assessing, monitoring and managing operational, financial reporting and compliance risks for the Group as directed by the board. The Chief Executive Officer as the Executive Director has declared, in writing to the board, that the financial reporting risk management and associated compliance and controls in place have been assessed and found to be operating effectively and efficiently in accordance with the board's direction. The operational and other risk management compliance and controls in place have also been assessed and found to be operating efficiently and effectively in accordance with the board's direction.

Risk Profile

The Company monitors and acts to mitigate where necessary all major risks that it has identified. Major risks arise from such matters as actions by competitors, government policy changes, the impact of exchange rate movements on the price of sales, difficulties in sourcing equipment, environment, occupational health and safety, property, financial reporting and the availability of a suitably skilled workforce.

Risk Management and Compliance and Control

The board is responsible for the overall internal control framework. It recognises that no cost-effective internal control system will preclude all errors and irregularities.

Practices have been established to ensure:

- capital expenditure and revenue commitments above a certain size require board approval,
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations,
- business transactions are properly authorised and executed,
- the quality and integrity of personnel,
- financial reporting accuracy and compliance with the financial reporting regulatory framework (see below), and
- environmental regulation compliance (see below).

Financial Reporting

The Chief Executive Officer as the Executive Director has declared, in writing to the board, that the Company's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

Environmental Regulation

The Group's operations are subject to significant environmental regulation under both Commonwealth and State legislation in relation to its exploration and mining activities. The board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

Assessment of Effectiveness of Risk Management

Internal Audit Function

There is no established and distinct internal audit function. The board addresses those matters and issues arising that would usually fall to an internal audit function. The board considers that no efficiencies or other benefits would be gained by establishing a separate internal audit function.

Regular board meetings and the ability for board members to make inquiry of key management personnel are considered sufficient for the Company at this time. However the board will continue to monitor the need for an internal audit function and will adjust to any change in the assessed risk.

Ethical Standards

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. The board reviews the ethical standards policy regularly and processes are in place to promote and communicate these policies.

Conflict of Interest

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The board has developed procedures to assist directors to disclose potential conflicts of interest, including a standing item on the board meeting agenda. The Company Secretary keeps a register of all disclosures made by directors.

Where the board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Details of any director related entity transactions with the Company and the Group are set out in the Related Party Transactions Note 24 to the Financial Statements.

Code of Conduct

The Group has advised each director and manager that they must comply with the *Principles of Corporate Governance* of the Company. The principles may be viewed on the Company's website.

Trading in General Company Securities by Directors and Employees

The key elements of the *Principles of Corporate Governance* of the Company as they relate to directors, officers and employees trading in Company securities are:

- identification of those restricted from trading – directors and senior executives or other persons,
- trading not to occur in the period between the end of a financial quarter and the release to the market of that quarter's results or when it is suspected that an announcement to the market may occur,
- to require details in writing fully describing the intended transaction, and
- to require details in writing confirming the transaction has occurred.

Communication with Shareholders

The board provides shareholders with information using a comprehensive *Continuous Disclosure Policy* which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX and posting them on the Company's website.

In summary, the *Continuous Disclosure Policy* operates as follows:

- all directors, management and employees are notified of the need for the Company to keep its shareholders informed,
- all directors, management and employees are informed how to recognise potentially price-sensitive information and what to do should they suspect they have come into possession of price-sensitive information,
- the Chief Executive Officer and Company Secretary are responsible for interpreting the Company's policy and where necessary informing the board. The Company Secretary is responsible for delivery of all communications to the ASX. Such matters are advised to the ASX if possible on the day they are discovered, otherwise the next business day,
- the full Annual Financial Report is released to the ASX, Australian Securities and Investments Commission and posted on the Company's website. A notification email is sent to shareholders should they request it. A printed copy is sent to shareholders should they request it,
- the need to maintain all necessary confidentiality with third parties,
- restrictions on who may speak with the media or analysts – Chief Executive Officer only, and
- all announcements made to the market, and related information (including information provided to analysts or the media during briefings), are placed on the Company's website after they are released to the ASX.

Principal Activities

The principal activities of the Group during the financial year were:

1. The Company entered into an agreement with Wilshire Asset Management Ltd ('Wilshire') on the 30th September 2014, to sell the final 20% of shares in its subsidiary, Inglewood Gold Mining Company Pty Ltd ('INGMCo') for approximately $2,400,000. Wilshire agreed with GBM in September 2012 to invest $9,000,000 into INGMCo. GBM and Wilshire executed a deed amending the original agreement in November 2013. Under the amended deal, Wilshire paid $4,500,000 for a 50% shareholding in INGMCO.

   (i) The deal with Wilshire provided an option for Wilshire to acquire up to 80% of the shareholding in INGMCo for a further investment of $1,500,000 and the assumption of the approximate $3,000,000 Maradox gold loan liability.

   (ii) The Board determined that a minority ownership of INGMCo was not in the best interests of GBM. The agreement to sell the final 20% of INGMCo was approved at the GBM AGM on 12 November 2014.

   (iii) Wilshire paid approximately $2,400,000 to GBM in several tranches during the 2015 financial year.

2. Loan amounts of $300,000 were received from Ephraim Resources Limited during the financial year period to assist with working capital requirements and $508,000 from Wilshire Asset Management

S.A. for capital expenditure and care and maintenance costs associated with the Inglewood Gold Mining Company Pty Ltd up to 30 September 2014. The loan funds from Ephraim Resources Limited were repaid during January 2015 and the loan funds from Wilshire Asset Management S.A. were incorporated into the sale of Inglewood Gold Mining Company.

3. Loan amounts of $200,000 were repaid to United Bright Investments and $126,000 were repaid to Silver Bright Investments during the financial year.
4. Regulatory approval work to undertake exploration and mining activities from the Groups tenements in Victoria.
5. Excavated a 2,700 tonne bulk sample from the Harvest Home Open Pit project late in the 2015 financial year. Processing of the bulk sample at the A1 gold processing plant at Maldon produced a 107 ounce (3.35kg) gold dore bar early in the 2016 financial year. Planning for expansion of the pit into a larger project is proceeding and will be refined with results from drilling and the bulk sample.
6. Assessment of the Company's existing exploration tenements to determine their fit into the strategic direction being developed by the Company.
7. Searching for prospective gold projects with near term production potential in the Central Victorian goldfields.

There were no significant changes in the nature of the activities of the Group during the year other than what has been outlined above.

Objectives

The objective of the Company is to become a mid-tier gold producer.

Operating and Financial Review

The sale of the Inglewood Gold Mining Company was approved by the Company's shareholders at its AGM on 12 November 2014. The $2,400,000 for the final 20% of Inglewood was paid in several tranches completing by 30 June 2015.

The Company focussed on obtaining regulatory approvals for the Harvest Home Open Pit bulk sample and the mine project. A 2,700 tonne bulk sample was extracted late in the 2015 financial year and was processed at the A1 gold processing plant at Maldon early in the 2016 financial year. A 107 ounce (3.35kg) gold dore' bar was produced from the bulk sample program. Planning for expansion of the pit into a larger project is proceeding and will be refined with results from drilling and the bulk sample.

Strategies and Prospects for Future Financial Years

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

- The sale proceeds from the Inglewood Mining Company were applied to eliminate Company debt, for working capital, and to allow the Company to invest in other projects to generate ongoing positive cash flows.

- The Company continues to pursue transformational opportunities to add value to the Company. There have been discussions with a number of parties but they remain incomplete.

Review of Principal Businesses

The company's principal business is gold exploration and production.

State of Affairs

The following significant changes in the state of affairs of the Company during the period of the report year, other than those referred to elsewhere in this report, are detailed below.

- Refer to the 'Principal Activities' section above for the details of the final 20% sale of the Inglewood Gold Mining Company to Wilshire Asset Management and the loan funds received and paid during the financial year.

- Sterlington Resources has not completed the planned funding contribution of $1,750,000 and as a result the $375,000 contributed during the 2013 financial year is classified as a 'Current Financial Liability' as a loan. The conversion into fully paid shares in GBM Gold Limited may not occur until the full loan contribution is received.

Controlled Entities List

	ACN	Percentage Owned 30 June 2015	Percentage Owned 30 June 2014
Controlling Entity			
GBM Gold Ltd	119 956 624	–	–
Controlled Entities			
Goldsborough Mining Pty Ltd	072 849 220	100%	100%
GBM Fiddlers Creek Pty Ltd	119 943 421	100%	100%
Inglewood Gold Mining Company Pty Ltd	116 623 100	-	50%
GBM Wilson Hill Pty Ltd	007 287 452	100%	100%
GBM Avoca Pty Ltd	129 861 123	100%	100%
Industrial Sands & Gravels Pty Ltd	072 258 158	100%	100%
Kralcopic Pty Ltd	007 222 086	100%	100%
Greater Bendigo Gold Mines Pty Ltd	116 991 691	100%	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 30 June 2015.

As announced to the ASX on the 17th September 2015, GBM has entered into a binding Assets Sale Agreement with Unity Mining Limited for the purchase the Kangaroo Flat gold processing plant, equipment and facilities, including mining and exploration tenements, buildings and freehold land in the Bendigo area.

The key terms of the Asset Sale Agreement signed between the parties are as follows:

- $100,000 in cash (non-refundable except in certain limited circumstances) signing fee paid to Unity;
- On Completion (to be prior to 31 October 2015) – GBM to pay Unity $1,000,000 in cash, and Unity to assign to GBM the funds held to meet rehabilitation obligations at Bendigo ($5.63 million). GBM will also assume responsibility for any liabilities relating to the Bendigo project on and from completion;
- On the first anniversary of completion – GBM to pay Unity $1,000,000 in cash;
- On the second anniversary of completion – GBM to pay Unity $1,800,000 in cash; and
- On the third anniversary of completion – GBM to pay Unity $1,830,000 in cash.
- In addition, the parties have agreed that, should GBM sell or otherwise realise value from certain assets, Unity is entitled to a share of the payments received, with any such payments being used to accelerate, but not to increase, the deferred payments.

GBM's obligations to pay the deferred payments will be secured by a first-ranking security interest granted in favour of Unity over certain assets acquired under the Asset Sale Agreement.

The transaction is expected to complete by 31 October 2015, subject to satisfaction or waiver of the following conditions on or before that time:

- GBM shareholders approving the acquisition, as required by ASX;
- Victorian Government Ministerial approval to the transfer and registration of the Bendigo Tenements to GBM; and
- Release of existing environmental bonds by Unity and acceptance of the replacement environmental bonds from GBM by the Victorian Department of Economic Development, Jobs, Transport & Resources.

GBM has agreed to issue 200,000,000 shares at a price of $0.01 per share to sophisticated investors to raise $2,000,000 to provide additional funding.

Directors' interests

The relevant interest of each director in the shares or options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary Shares	Options over ordinary shares
Directors		
Mr J Harrison	Nil	Nil – no options on issue
Ms L Lau	Nil	"
Mr Eric JP Ng	75,771,000	"
Mr Paul Chan	79,157,041	"
Mr Andy Lai	25,535,342	"
Mr Andrew Chan	Nil	"

Share options

Options Granted to Directors and Officers of the Company

The Company has not granted to any directors or its employees options for no consideration over unissued ordinary shares in the Company during or since the end of the financial year.

Unissued Shares Under Options

At the date of this report there are no unissued ordinary shares of the Company under option.

Shares Issued on Exercise of Options

During or since the end of the financial year, there have been no issued ordinary shares as a result of the exercise of options.

Indemnification of Insurance of Officers and Auditors

Indemnification

The Company has agreed to indemnify the following current directors of the Company, Messrs J Harrison, P HK Chan, A Lai, E JP Ng, Ms L Lau and Mr A Chan, the current and past directors of its controlled entities and each officer or past officer of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors or officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses to a limit of $5,000,000 for any one claim or in aggregate for all directors of the Company.

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related body corporate against a liability incurred by the auditor.

Insurance Premiums

Since the end of the previous financial year the Company has paid insurance premiums of $8,945 in respect of directors' and officers' liability and legal expenses' insurance contracts, for current and former directors and officers, including senior executives of the Company and directors, senior executive and secretaries of its controlled entities.

Non-audit Services

No non-audit services were provided by the external auditors during the financial year.

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 32 forms part of the Directors' Report for the financial year ended 30 June 2015.

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

Frederick Eric J P Ng

Chairman

24 September 2015

John Harrison

Director & CEO

ShineWing AUSTRALIA

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and

ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

SHINEWING AUSTRALIA (formerly Moore Stephens)
Chartered Accountants

Nick Michael
Partner

Melbourne, 24 September 2015

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2015

	Note	2015	2014
		$	$
Sales Revenue	6	-	-
Cost of Sales		-	-
Gross profit/(loss)		-	-
Other income	6	12,745	13,068
Profit on sale of subsidiary	8	33,103	-
Depreciation and impairment expenses	7	(353,782)	(586,983)
Interest		(151,198)	(103,793)
Rehabilitation provision		(90,500)	-
Administrative expenses	7	(794,660)	(537,124)
Results from continuing activities		(1,344,292)	(1,214,832)
Income Tax Expense	5	-	-
Loss for the year from continuing operations		(1,344,292)	(1,214,832)
Loss from discontinued operations		(595,892)	(3,826,313)
Other comprehensive income		-	-
Total Comprehensive Loss for the half year		(1,940,184)	(5,041,145)
Loss for the year attributable to:			
Owners of GBM Gold Ltd.		(1,344,292)	(1,214,832)
Owners of GBM Gold Ltd – discontinued operations		(297,946)	(2,797,045)
Non-controlling interests	22	(297,946)	(1,029,268)
		(1,940,184)	(5,041,145)
Earnings per share for loss attributable to owners of GBM Gold Ltd:			
Basic Loss per share (cents per share)		(0.002)	(0.01)
Diluted Loss per share (cents per share)		(0.002)	(0.01)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

For the year ended 30 June 2015	Note	Consolidated 2015	2014
		$	$
Assets			
Current assets			
Cash and cash equivalents	11	869,792	30,118
Receivables and prepayments	12	12,517	50,401
Inventory	13	-	117,005
Total current assets		882,309	197,524
Non-current assets			
Other financial assets	14	95,362	284,301
Property, plant and equipment & mine development	15	377,164	7,835,781
Exploration and evaluation	16	641,352	661,962
Other intangible assets	17	-	64,250
Total non-current assets		1,113,878	8,846,294
Total assets		1,996,187	9,043,818
Liabilities			
Current liabilities			
Trade and other payables	19	146,949	1,255,123
Financial liabilities	20	375,000	1,517,727
Provisions	21	22,250	2,781,296
Total current liabilities		544,199	5,554,146
Non-current liabilities			
Provisions		90,500	200,000
Total non-current liabilities		90,500	200,000
Total liabilities		634,699	5,754,146
Net assets		1,361,488	3,289,672
Equity			
Share capital	22	25,162,707	25,150,707
Minority interest acquisition reserve	22	-	1,843,355
Accumulated losses		(23,801,219)	(25,331,767)
Equity attributed to GBM Gold Ltd		1,361,488	1,662,295
Non-controlling interests	22	-	1,627,377
Total equity		1,361,488	3,289,672

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

Consolidated	Share capital	Reserves	Accumulated losses	Non-controlling interests	Total
	$	$	$	$	$
Balance 1 July 2013	24,063,357	–	(21,319,890)	–	2,743,467
Comprehensive Income for the Year					
Loss for the year	–	–	(4,011,877)	(1,029,268)	(5,041,145)
Total Comprehensive Income for the Year	–	–	(4,011,877)	(1,029,268)	(5,041,145)
Transactions with Owners in their Capacity as Owners:					
Shares Issued	1,087,350	–	–	–	1,087,350
Non-controlling interests – shares issued in subsidiary	–	1,843,355	–	2,656,645	4,500,000
Transaction Costs	–	–	–	–	–
Balance at 30 June 2014	25,150,707	1,843,355	(25,331,767)	1,627,377	3,289,672
Comprehensive Income for the Year					
Loss for the year	–	–	(1,642,238)	(297,946)	(1,940,184)
Total Comprehensive Income for the Year	–	–	(1,642,238)	(297,946)	(1,940,184)
Transactions with Owners in their Capacity as Owners:					
Shares issued	12,000	–	–	–	12,000
Non-controlling interests – sale of shares in subsidiary	–	(1,843,355)	3,172,786	(1,329,431)	–
Transaction Costs	–	–	–	–	–
Balance at 30 June 2015	25,162,707	–	(23,801,219)	–	1,361,488

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Note	Consolidated 2015	2014
		$	$
Cash flows from operating activities			
Cash receipts from customers		80,778	9,663
Cash paid to suppliers and employees		(2,243,308)	(2,772,062)
Interest received		5,472	4,371
Interest paid		(66,652)	(671,772)
Net cash inflow/(outflow) from operating activities	29	**(2,223,710)**	**(3,429,800)**
Cash flows from investing activities			
Acquisition of exploration and evaluation assets		(243,540)	(548)
Acquisition of property, plant & equipment		-	(564,353)
Proceeds from sale of property, plant & equipment		2,273	32,405
Sale of subsidiary net assets		769,161	-
Net cash inflow/(outflow) from investing activities		**527,894**	**(532,496)**
Cash flows from financing activities			
Net proceeds from the issue of share capital		-	3,062,633
Proceeds from the sale of shares in subsidiary		2,432,800	-
Repayment of loans		(667,727)	(428,173)
Proceeds from borrowings		770,417	1,232,593
Net cash inflow/(outflow) from financing activities		**2,535,490**	**3,867,053**
Net (decrease)/increase in cash and cash equivalents		839,674	(95,243)
Cash and cash equivalents at 1 July		30,118	125,361
Cash and cash equivalents at 30 June	11	**869,792**	**30,118**

The accompanying notes are an integral part of these consolidated financial statements.

1. Reporting Entity

GBM Gold Ltd (the 'Company') is a company limited by shares. The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise GBM Gold Ltd and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates and jointly controlled entities. The Group primarily is involved in the exploration of gold.

2. Basis of Preparation

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the consolidated group of GBM Gold Ltd and controlled entities. GBM Gold Ltd is a listed public company, incorporated and domiciled in Australia and is a for profit entity for financial reporting purposes.

The consolidated financial report of GBM Gold Ltd and controlled entities comply with International Financial Reporting Standards.

The financial statements were approved by the Board of Directors on 24 September 2015.

Basis of Measurement

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs except for the following where applicable:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value;
- available-for-sale financial assets are measured at fair value;
- investment property is measured at fair value; and
- liabilities for cash-settled share-based payment arrangements are measured at fair value.

Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is GBM Gold Limited's functional currency and the functional currency of the Group.

Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The accounting policies have been consistently applied by each entity in the consolidated entity.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical Judgements in Applying the Group's Accounting Policies

Exploration and evaluation assets, mine development, and joint venture assets

The ultimate recoupment of costs carried for exploration and evaluation, mine development and joint venture phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

Income Taxes

The Group is subject to income taxes in Australia. Significant judgement is required in determining the provision for income taxes. Tax laws existing at the present time may change in the future affecting judgements made at this time. The Group estimates its tax liabilities based on the Group's understanding of the tax law as it applies now.

The Group does not recognise deferred tax assets relating to carried forward tax losses unless realisation is probable. However the Group may utilise the unused tax losses in the future, subject to the satisfaction to meet certain tests, at the time the losses are recouped.

3. Significant accounting policies

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(A) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that presently are exercisable are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In Note 31, investments in subsidiaries are carried at fair value. Fair value is determined by the directors taking into account the underlying net assets of the subsidiaries.

(ii) Associates and Joint Ventures (Equity Accounted Investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. The company reports its interest in joint venture arrangements on a proportional interest in the joint venture basis. Expenses incurred under the joint venture are expensed as incurred by each joint venture partner. Expenditure in joint ventures on exploration and evaluation assets are accounted for in accordance with the note 3(D)(i) below.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

(iii) Transactions Eliminated on Consolidation

Intra-group balances, and income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(B) Financial Instruments

(i) Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

(ii) Classification and Subsequent Measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a) the amount at which the financial assets or financial liability is measured at initial recognition
b) less principal repayments
c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*, and
d) less any reduction for impairment

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group’s intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(i) Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(ii) De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit and loss.

(C) Property, Plant and Equipment

(i) Properties

Freehold land and buildings are shown at cost less any accumulated depreciation and impairment losses.

(ii) Plant and Equipment

Plant and equipment are measured on the cost basis less any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

(iii) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Leasehold Improvements	4–5%
Plant and Equipment	3–50%
Leased Plant and Equipment	15%
Mine Development	5%

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Income Statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(D) Intangible Assets

(i) Exploration and Evaluation Asset

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, exploration and evaluation expenditures are capitalised as an asset for each area of interest where the conditions of AASB 6 are satisfied. The costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

At balance date the Directors have examined the conditions for continuing to carry forward the capitalised value of each area of interest, including allowance for impairment in the value.

Once an area of interest has reached the development stage, the future costs are accounted for in accordance with AASB 116 *Property, Plant and Equipment*, and AASB 138 *Intangible Assets*. Once the commercial viability of the extraction of mineral reserves in an area of interest are demonstrable, exploration, and evaluation assets attributable to that area of interest are reclassified to mine development. These costs are amortised over a period, and the carrying value is assessed annually by the Directors for impairment.

(ii) Other Intangible Assets

Other intangible assets are recognised at cost. Their useful lives are assessed as finite or indefinite. Assets with a finite useful life are carried at cost less accumulated amortisation and any impairment. Assets with indefinite useful lives are carried at cost less any impairment losses and are reviewed annually for impairment.

(E) Mine Development

The costs of mine development is capitalised to the extent that these costs are expected to be recouped through commercially viable extraction of resources. Costs arising from mine development are depreciated according to the depreciation accounting policy.

(F) Inventories

Gold in solution form, ore on the heap leach pad, ore on the ROM pad and gold in progress are physically measured or estimated and stated at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and a portion of fixed and variable direct overhead expenditure including depreciation and amortisation. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(G) Leased Assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases and these leased assets are not recognised on the Group's Statement of Financial Position.

(H) Impairment

(i). Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii). Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than investment property, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(I) Employee Benefits

(i) Defined Contribution Superannuation Funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due. These funds are accumulation type funds and the Group has no further obligations to the funds.

(ii) Defined Benefit Superannuation Funds

The Group has no obligation in respect of defined benefit pension plans.

(iii) Other long-term Employee Benefits

The Group's net obligation in respect of long-term employee benefits other than defined benefit superannuation funds is the amount of future benefit that employees have earned in return for their service in the current and prior periods and is not expected to be settled wholly within 12 months. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

The discount rate is the yield at the reporting date on AA credit-rated [Commonwealth Government] bonds that have maturity dates approximating the terms of the Group's obligations.

(iv) Termination Benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(v) Short-Term Benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to settle wholly within 12 months. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(J) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(K) Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale.

(L) Finance Income and Expenses

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in profit or loss.

Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

(M) Income Tax

(i) Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

(ii) Deferred Tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(iii) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

(N) New Standards for Application in Future Periods

No new accounting policies came into effect in the current year that is considered relevant to GBM Gold Limited. Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 20218).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The directors anticipate that the adoption of AASB 9 will not have a significant impact on the Group's financial instruments.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The directors anticipate that the adoption of AASB 15 will not have a significant impact on the Group's financial statements.

- AASB 2014-3 Amendments to AAS – Accounting for Acquisitions of Interests in Joint Operations (effective for annual reporting periods beginning on or after 1 January 2016).
- AASB 2014-4 Amendments to AAS – Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual reporting periods beginning on or after 1 January 2016).
- AASB 2014-9 Amendments to AAS – Equity Method in Separate Financial Statements (effective for annual reporting periods beginning on or after 1 January 2016).
- AASB 2014-10 Amendments to AAS – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual reporting periods beginning on or after 1 January 2016).
- AASB 2015-1 Amendments to AAS – Annual Improvements to AAS 2012-2014 Cycle (effective for annual reporting periods beginning on or after 1 January 2016).
- AASB 2015-2 Amendments to AAS – Disclosure Initiative: Amendments to AASB 101 (effective for annual reporting periods beginning on or after 1 January 2016).
- AASB 2015-3 Amendments to AAS arising from the Withdrawal of AASB 1031 Materiality (effective for annual reporting periods beginning on or after 1 January 2015).

These Standards will be first applied in the financial report of the Company that relates to the annual reporting period beginning after the effective date of each pronouncement.

4. Determination of Fair Values

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Derivative financial instruments;
- Financial assets held for trading;
- Available-for-sale financial assets;

- Freehold land and buildings;
- Investment properties; and
- Obligation for contingent consideration arising from a business combination.

The Group subsequently measures some items of freehold land and buildings at fair value on a non-recurring basis.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

5. Income Tax

	Consolidated	
	2015	2014
	$	$
Income tax recognised in Loss		
Loss from ordinary activities	(1,940,184)	(5,041,145)
Income tax benefit calculated at 30% of loss from ordinary activities	(582,055)	(1,512,344)
Add tax effect of permanent and timing differences:		
Non-deductible items	95	182
Movements in provisions	(8,068)	7,751
Income tax benefit attributable to operating loss	(5,900,028)	(1,504,411)

No income tax asset has been recognised due to the uncertainty of timing in relation to when taxable profits will be derived.

6. Revenue

	Consolidated	
	2015	2014
	$	$
a. Operating activities		
- Trading revenue	-	-
Total Revenue from operating activities	-	-
b. Non-operating activities		
- Profit on sale of assets	2,273	4,334
- Interest received	5,472	2,628
- Other Income	5,000	6,106
Total Revenue from non-operating activities	12,745	13,068
Total Operating and Non-operating revenue	12,745	13,068

7. Depreciation & Administrative Expenses

	Consolidated 2015	2014
	$	$
Depreciation - Amortisation	39,460	65,310
Impairment expense	314,322	521,672
	353,782	586,983
Employee benefit expenses		
Salaries and Wages	319,978	327,868
On-costs	41,600	9,887
	421,578	337,755
Other administrative expenses		
Accounting / Taxation	38,029	43,625
Audit fees	43,900	49,500
Loss on sale of assets	-	2,947
Other administrative expenses	291,153	103,297
	373,082	199,369
Total Administrative Expenses	794,660	537,124

8. Profit on Sale of Subsidiary and Discontinued Operations

The GBM Group entered into an agreement with Wilshire on the 30th September 2014, to sell the final 20% of shares in its subsidiary, INGMCo for approximately $2,400,000. Wilshire agreed with GBM in September 2012 to invest $9,000,000 into INGMCo. GBM and Wilshire executed a deed amending the original agreement in November 2013. Under the amended deal, Wilshire paid $4,500,000 for a 50% shareholding in INGMCO.

The deal with Wilshire provided an option for Wilshire to acquire up to 80% of the shareholding in INGMCo for a further investment of $1,500,000 and the assumption of the approximate $3,000,000 Maradox gold loan liability.

The Board determined that a minority ownership of INGMCo was not in the best interests of GBM. The agreement to sell the final 20% of INGMCo was approved at the GBM Annual General Meeting on 12 November 2014.

Wilshire paid approximately $2,400,000 directly to GBM in several tranches completing by 30 June 2015.

The $33,103 profit on the sale of INGMCo was derived by deducting the valuation of the investment in the GBM Gold Limited accounts of $3,000,000 from the final 20% purchase consideration of approximately $2,400,000 in cash, $750,000 from the transfer of the ISG deposit for the discontinued sale of the Beavis Project less assets transferred in the sale of approximately $110,000.

Details of the Inglewood Mining Company subsidiary are disclosed in the following table:

	June 2015	June 2014
Results from discontinued operations:	**$**	**$**
Revenue	33,427	9,663
Cost of sales	(90,756)	(443,433)
Expenses	(538,563)	(3,392,543)
Pre-tax loss	**(595,892)**	**(3,826,313)**
Income tax	-	-
Total loss for the half year	**(595,892)**	**(3,826,313)**
Cash flows generated in the period by the discontinued operations:	**30-Jun-15**	**30-Jun-14**
Cash outflows from operating activities	(350,115)	(2,509,462)
Cash inflows from financing activities	470,417	3,062,633
Cash outflows from investing activities	(144,018)	(530,145)
Reconciliation of cash flows to the statement of cash flows:		
Cash and cash equivalents at start of period	23,716	690
Net decrease in cash and cash equivalents	(23,716)	23,026
Cash and cash equivalents at end of period	**-**	**23,716**
Reconciliation of cash:		
Cash and cash equivalents of continuing operations	869,792	6,402
Cash and cash equivalents of discontinued operations	-	23,716
	869,792	**30,118**

9. Auditors' Remuneration

	Consolidated	
	2015	**2014**
Remuneration of ShineWing Australia (formerly Moore Stephens) for:	$ 43,900	49,500
Auditing or reviewing the financial report	49,900	49,500

10. Earnings Per Share

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

Consolidated

	2015	**2014**
Basic and diluted earnings per share:	$	$
From continuing operations	(0.002)	(0.01)
From disposal group classified as held for sale	-	-
Total basic and diluted earnings per share	(0.002)	(0.01)
Earning used in calculating basic and diluted earnings per share:		
Loss from continuing operations	(1,940,184)	(5,041,145)
Loss from disposal group classified as held for sale	-	-
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	833,579,465	667,784,944

11. Cash and Cash Equivalents

	Consolidated 2015	Consolidated 2014
	$	$
Cash at bank and in hand	869,792	30,118
	869,792	30,118

12. Receivables & Prepayments

	Consolidated 2015	Consolidated 2014
	$	$
Pre-payments	12,073	42,401
Other Receivables	444	8,000
	12,517	50,401

The Company has a history of 100% collection of accounts receivable amounts, and therefore no provision for doubtful debts is provided.

13. Inventory

	Consolidated 2015	Consolidated 2014
	$	$
Work In Progress (sale of INGMCo. subsidiary, refer to Note 8)	-	117,005
	-	117,005

14. Other Financial Assets

	Consolidated 2015	Consolidated 2014
	$	$
Non-Current Bonds	95,362	284,301
	95,362	284,301

These represent bonds held on tenements for rehabilitation obligations with the Department of Economic Development, Jobs, Transport and Resources and the rental bond on the Thistle Street office.

15. Property, Plant and Equipment

	Consolidated 2015	Consolidated 2014
	$	$
Plant and Equipment		
At cost	66,149	5,989,654
Accumulated Depreciation	(61,270)	(3,211,599)
	4,879	2,778,055
Mine Development		
At cost	294,765	5,812,281
Accumulated Depreciation	(69,041)	(1,051,116)
	225,724	4,761,165
Land		
At cost	146,561	296,561
	146,561	296,561
	377,164	7,835,781

(i) Reconciliation of Movement in Property, Plant and Equipment

Consolidated 2015	Plant & Equipment	Mine Development	Land	Total
	$	$	$	$
Balance 1 July 2014	2,778,055	4,761,165	295,561	7,835,781
Reallocation	–	–	–	–
Additions	138,000	–	–	138,000
Impairment	(203,185)	–	–	(203,185)
Disposals (sale of INGMCo. subsidiary – refer to Note 8)	(2,682,359)	(4,521,613)	(150,000)	(7,353,972)
Depreciation Expense	(25,632)	(13,828)	–	(39,460)
Balance at 30 June 2015	4,879	225,724	146,561	377,164

Consolidated 2014	Plant & Equipment	Mine Development	Land	Total
	$	$	$	$
Balance 1 July 2013	558,661	246,956	166,561	972,178
Additions	651,707	–	–	651,707
Impairment	(157,312)	–	–	(157,312)
Disposals	(11,021)	–	(20,000)	(31,021)
Transfers to disposal group classified as held for sale	2,834,114	4,931,015	150,000	7,915,129
Depreciation Expense	(1,098,094)	(416,806)	–	(1,514,900)
Balance at 30 June 2014	2,778,055	4,761,165	296,561	7,835,781

16. Exploration & Evaluation

	Consolidated	
Area of interest	2015	2014
	$	$
Industrial Sands & Gravel	100,000	211,138
Fiddlers Creek	7,909	7,909
Avoca	145,848	145,848
GBGM Operations	60,000	-
Inglewood (sale of INGMCo. subsidiary, refer to Note 8)	-	236,209
Wilson Hill (Harvest Home joint venture)*1	327,595	60,858
	641,352	661,962

*1 Expenditure associated with the bulk sample project at Harvest Home.

(i). Reconciliation of Movement in Exploration & Evaluation

	2015	2014
	$	$
Balance 1 July	661,962	945,514
Additions	326,737	558
Disposals	-	-
Impairment of joint venture interest and exploration expenditure *1	(111,138)	(521,762)
Disposals (sale of INGMCo. subsidiary, refer to Note 8)	(236,209)	-
Transfer from/(to) disposal group classified as held for sale	-	235,662
Balance at 30 June	641,352	661,962

*1 The Fiddlers Creek exploration expenditure was written down during the 2015 financial period.

17. Intangible Assets

Intangible Assets are not depreciated due to having an indefinite life, but are assessed on an annual basis for impairment and the holding value is adjusted accordingly for any impairment found. The database is not depreciated as it is aligned to the resource potential of the Inglewood tenements and re-assessed annually.

	2015	2014
	$	$
Database (sale of INGMCo. subsidiary)	-	64,250
	-	64,250

18. Interest in Joint Venture Operations

The economic entity is the holder of a 50% interest in a joint ventures with Wilson Hill Pty Ltd.

The Company's interest in the Joint Ventures is restricted to the tenement and output and there are no Joint Venture financial statements.

The value of the joint ventures areas of interest are recorded on the Statement of Financial Position (refer Note 16).

19. Trade and Other Payables

	2015	2014
	$	$
Accrued Expenses	84,489	43,257
Trade Creditors	62,460	461,866
Receivable (Wilshire) ISG Deposit*1	-	750,000
	146,949	1,255,123

*1 The Wilshire receivable was part of the acquisition consideration for the INGMCo that occurred during the FY15 financial period.

20. Financial Liabilities

	Consolidated	
	2015	2014
	$	$
Current		
Convertible note (sale of INGMCo. subsidiary, refer to Note 8)	-	750,000
Director & Related Parties Loans*1	-	392,727
Leases (sale of INGMCo. subsidiary, refer to Note 8)	-	16,530
Other*2	375,000	375,000
	375,000	1,517,727

*1 $200,000 was repaid to United Bright Investments, $126,240 was repaid to Silver Bright Investments and other director and related parties loans were repaid during the FY15 financial period.

*2 This component of the other financial liability is loan funds from Sterlington Resources and these will be converted to GBM shares when the remaining terms of the agreement are satisfied.

21. Provisions

	Consolidated 2015	2014
	$	$
Current		
Employee benefits	22,250	49,143
Provision for Maradox agreement (sale of INGMCo. subsidiary, refer to Note 8)	-	2,732,153
Total Provisions	22,250	2,781,296

(i) Reconciliation of Movement in Provisions

Current	Employee Benefits	Maradox Agreement	Total
	$	$	$
Balance 1 July 2014	49,143	2,732,153	2,781,296
Amounts used/paid	(18,930)	-	(18,930)
Additional amounts provided	20,530	-	20,530
Sale of INGMCo. (see Note 8)	(28,493)	(2,732,153)	(2,760,646)
Balance at 30 June 2015	22,250	-	22,250

	Consolidated 2015	2014
	$	$
Non - Current		
Rehabilitation Provision	90,500	200,000
Total Provisions	90,500	200,000

22. Issued Capital, Reserves & Minority Interests

(i). Issued Capital

	Consolidated 2015	2014
	$	$
Fully paid ordinary shares	25,162,707	25,150,707

The Company has authorised share capital of 834,784,944 (832,784,944 at end of 2014 reporting period) ordinary shares of no par value.

	Consolidated 2015	2014
	No.	No.
Ordinary Shares		
At the beginning of the reporting period	832,784,944	667,784,944
Shares issued during the year*1	2,000,000	165,000,000
At the end of the reporting period	834,784,944	832,784,944

*1 Shares were issued as settlement of a dispute with a former contractor on the 5th February 2015.

(ii). Minority Interest Acquisition Reserve

	Consolidated 2015	2014
	$	$
Balance 1 July	1,843,355	-
Sale of INGMCo. subsidiary, refer to Note 8.	(1,843,355)	
Balance 30 June	-	1,843,355

*1 The minority interest acquisition reserve was created during the FY14 financial period when Wilshire acquired 50% of the

INGMCo. The sale of the INGMCo. During the FY15 financial period reduced the minority interest acquisition reserve to nil.

(iii). Non-controlling interests

	Consolidated 2015	2014
	$	$
Balance 1 July	1,627,377	-
Balance 30 June	-	1,627,377

	30-Jun-15	30-Jun-14
	$	$
Balance at the beginning of the reporting period	1,627,377	-
Minority interest of INGMCo. at acquisition date	-	2,656,645
Share of loss for the reporting period	(297,946)	(1,029,268)
Sale of INGMCo. subsidiary, refer to Note 8.	(1,329,431)	-
Balance at the end of the reporting period	-	1,627,377

*1 The sale of the INGMCo. during the FY15 financial period reduced the non-controlling interest to nil.

23. Interests of Key Management Personnel (KMP)

Names and positions held of the group key management personnel in office at any time during the financial year are:

KMP	Position	Tenure
Directors		
Mr J Harrison	Director & CEO	Full year
Mr Eric J P Ng	Chairman (non-executive)	Full year
Mr Paul Chan	Director (non-executive)	Full year
Mr Andy Lai	Director (non-executive)	Full year
Ms Linda Lau	Director (non-executive)	Full year
Mr Andrew Chan	Director (non-executive) & Company Secretary	Full year

The totals of remuneration paid to KMP of the company and the Group during this year are:	Consolidated 2015	2014
	$	$
Short-term employee benefits	212,648	201,066
Post-employment benefits	17,352	16,934
Other long-term benefits	–	–
Share Based payments	–	–
	230,000	218,000

Refer also to the remuneration report contained in the director's report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2015.

The director and related parties loans (Nil - 2015 - $392,727 - 2014) were unsecured short term loans from directors or related entities to assist the company with meeting their short term liabilities as they fall due. The loans were repaid during the 2H FY15 financial period.

(i). KMP Options and Rights Holdings

There were no options over shares held by each KMP of the Group during the 2015 or 2014 financial year.

(ii). KMP Shareholdings

Number of ordinary shares in GBM Gold Ltd held by each KMP of the Group during the financial year is as follows:

30 June 2015	Balance Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Changes During the Year†	Balance at end of Year
Directors					
Mr J Harrison	-	-	-	-	-
Mr E JP Ng	75,771,000	-	-	-	75,771,000
Mr Paul Chan	79,157,041	-	-	-	79,157,041
Mr Andy Lai	25,535,342	-	-	-	25,535,342
Mr L Lau	-	-	-	-	-
Mr Andrew Chan	-	-	-	-	-
	180,463,363	-	-	-	180,463,383

† Net Change Other refers to shares purchased or sold during the financial year.

30 June 2014	Balance Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Changes During the Year†	Balance at end of Year
Directors					
Mr J Harrison	-	-	-	-	-
Mr I W Smith	60,499,750	-	-	-	Note 1
Mr E J P Ng	30,523,500	-	-	45,247,500	75,771,000
Mr P Chan	79,157,041	-	-	-	79,157,041
Mr A Lai	25,535,342	-	-	-	25,535,342
Mr S Hall	-	-	-	-	-
Ms L Lau	-	-	-	-	-
Key management personnel (non-directors)					
Mr J P Cipriano	123,375	-	-	-	Note 1
	195,839,008	-	-	45,247,500	180,463,383

† Net Change Other refers to shares purchased or sold during the financial year.

Note 1. Mr I. Smith and Mr S. Hall ceased on the 9th July 2013, and Mr J. Cipriano ceased on the 12th July 2013 and are no longer Key Management Personnel.

(iii). Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

For the details of other transactions with KMP, refer to Note 24: Related Party Transactions. There were no loans made to KMP during the year.

24. Related Party Transactions

(i). The Group's Main Related Parties are as Follows:

(a) Entities Exercising Control over the Group:

The ultimate parent entity, which exercises control over the Group, is GBM Gold Ltd which is incorporated in Australia.

(b) Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 23: Interests of Key Management Personnel (KMP).

(c) Subsidiaries:

	ACN	Percentage Owned 30 June 2015	Percentage Owned 30 June 2014	Investment in Subsidiary 2015	Investment in Subsidiary 2014
Controlling Entity				$	$
GBM Gold Ltd	119 956 624				
Controlled Entities†					
Goldsborough Mining Pty Ltd	072 849 220	100%	100%	-	122,024
GBM Fiddlers Creek Pty Ltd	119 943 421	100%	100%	100,100	500,100
Inglewood Gold Mining company Pty Ltd	116 623 100	-	50%	-	3,000,000
GBM Wilson Hill Pty Ltd	007 257 452	100%	100%	575,008	575,008
GBM Avoca Pty Ltd	129 861 123	100%	100%	-	100
Industrial Sands & Gravels Pty Ltd	072 258 158	100%	100%	102,051	102,051
Kralcopic Pty Ltd	007 222 086	100%	100%	54,763	54,763
Greater Bendigo Gold Mines Pty Ltd	116 991 691	100%	100%	-	-
				831,922	4,354,046

(d) Joint Venture Entities that are Accounted for under the Equity Method:

For details of interests held in joint venture entities, refer to Note 18: Interests in Joint Venture Operations.

(e) Other Related Parties:

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel exercise significant influence.

(ii). Transactions with Related Parties

Transactions between related parties occur on normal commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated. During the year loan transactions occurred between the Parent Entity and its' wholly owned subsidiaries. The details of transactions with related parties of key management personnel are set out in Note 23.

During the 2012 financial year Mr Paul Chan placed $235,000 on deposit with the ANZ Bank ('ANZ') to secure the DPI bonds that had been issued by ANZ. This enabled ANZ to release its security over the Group. At balance date only $10,000 of these funds were still on deposit with the ANZ. During the financial year GBM repaid Mr Paul Chan $31,500 for some of the Bendigo Bank bonds that had been funded by Mr Paul Chan. During the financial year loan repayments of $300,000 were made to Ephraim

Resources of which Eric Ng is a director, $200,000 was repaid to United Bright Investments and $126,239 was repaid to Silver Bright Investments of which Paul Chan is a director, and $9,987 was repaid to A Lai.

At 30 June 2015 there are nil amounts (2014: $392,727) payable to directors or related parties and key management personnel.

25. Events Subsequent to the Reporting Date

The following material events occurred after 30 June 2015.

As announced to the ASX on the 17th September 2015, GBM has entered into a binding Assets Sale Agreement with Unity Mining Limited for the purchase the Kangaroo Flat gold processing plant, equipment and facilities, including mining and exploration tenements, buildings and freehold land in the Bendigo area.

The key terms of the Asset Sale Agreement signed between the parties are as follows:

- $100,000 in cash (non-refundable except in certain limited circumstances) signing fee paid to Unity;
- On Completion (to be prior to 31 October 2015) – GBM to pay Unity $1,000,000 in cash, and Unity to assign to GBM the funds held to meet rehabilitation obligations at Bendigo ($5.63 million). GBM will also assume responsibility for any liabilities relating to the Bendigo project on and from completion;
  - On the first anniversary of completion – GBM to pay Unity $1,000,000 in cash;
  - On the second anniversary of completion – GBM to pay Unity $1,800,000 in cash; and
  - On the third anniversary of completion – GBM to pay Unity $1,830,000 in cash.

In addition, the parties have agreed that, should GBM sell or otherwise realise value from certain assets, Unity is entitled to a share of the payments received, with any such payments being used to accelerate, but not to increase, the deferred payments.

GBM's obligations to pay the deferred payments will be secured by a first-ranking security interest granted in favour of Unity over certain assets acquired under the Asset Sale Agreement.

The transaction is expected to complete by 31 October 2015, subject to satisfaction or waiver of the following conditions on or before that time:

- GBM shareholders approving the acquisition, as required by ASX;
- Victorian Government Ministerial approval to the transfer and registration of the Bendigo Tenements to GBM; and
- Release of existing environmental bonds by Unity and acceptance of the replacement environmental bonds from GBM by the Victorian Department of Economic Development, Jobs, Transport & Resources.

GBM has agreed to issue 200,000,000 shares at a price of $0.01 per share to sophisticated investors to raise $2,000,000 to provide additional funding.

There were no other significant events after balance date which impacted the operations of the Group.

26. Contingent Liabilities and Commitments

Nil

27. Operating Segments

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

28. Financial Risk Management

The Group's financial instruments consists mainly of deposits with banks, local money market instruments, short-term investments, accounts receivables and payables, bills, leases, convertible notes and borrowings.

The total of each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated	
	Note	2015	2014
Financial assets		$	$
Cash and cash equivalents		869,792	30,118
Receivables and prepayments		12,517	50,401
Total Financial assets		882,309	80,519
Financial Liabilities			
Trade and other payables		146,949	1,255,123
Borrowings		375,000	1,517,727
Total Financial Liabilities		521,949	2,772,850

(i). Financial Risk Management Policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework including the development and monitoring of risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Company and the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's and Group's activities. The Group, through their training and management standards and procedures, aim to develop a disciplined and constructive environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company and the Group.

(ii). Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions conducted is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits. The Group measures credit risk on a fair value basis.

The Group does not have any individual or in aggregate, material trade accounts receivable at 30 June 2015.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(a) Credit Risk with Banks and Other Financial Institutions

Credit risk with banks and other financial institutions is managed by the Group in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparts with a Standard & Poor's rating of at least A-.

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Consolidated	
	2015	2014
Cash and cash equivalents	$	$
A- rated	-	-
A rated	869,792	30,118
Total Financial Liabilities	869,792	30,118

(iii). Liquidity Risk Management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. The Board aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties.

(a) Cash Flow Realised From Financial Assets

Cash flow realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis	Within 1 Year		1 – 5 Years		Over 5 Years		Total	
Consolidated Group $	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Financial Liabilities due for payment								
Loans	375,000	1,517,727	-	-	-	-	375,000	1,517,727
Trade and other payables	146,949	1,255,123	-	-	-	-	146,949	1,255,123
Finance lease liability	-	-	-	-	-	-	-	-
Total contracted Outflow	521,949	2,772,850	-	-	-	-	521,949	2,772,850
Financial assets – cash flows realisable								
Cash and cash equivalents	869,792	30,118	-	-	-	-	869,792	30,118
Trade, term and loan receivables	12,517	50,401	-	-	-	-	12,517	50,401
Total anticipated inflows	882,309	80,519	-	-	-	-	882,309	80,519
Net (outflow)/inflow on financial instruments	360,360	(2,692,331)	-	-	-	-	360,360	(2,692,331)

(iv). Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

The Company's and Group's exposure to market risk is low. No derivatives or financial liabilities were entered into during the year ended 30 June 2015 with the purpose of managing market risks.

The Board will continue to monitor the Company's and Group's exposure to market risk and in the event that derivatives and/or financial liabilities are entered into, the Board will consider the costs and benefits of seeking to apply hedge accounting in order to manage volatility in profit and loss.

(a) Currency Risk

The Groups Assets, as per the Statement of Financial Position, are subject to Currency risk given gold is priced in US dollars

(b) Interest Rate Risk

The Group's present borrowings are relatively short term, and some of the recent borrowings can be of a convertible loan in nature (Note 20) with a view to reducing borrowings and increasing equity.

Given the levels of interest-bearing loans and borrowings held by the Group at 30 June 2014 and 30 June 2015, and the expected impact of any fluctuations in the respective interest rate may have on the profit or loss, the Group has not entered into any interest rate swaps.

The interest rate profile of the Company's and Group's interest-bearing financial instruments at reporting date is provided in Note 20.

(v). Exposure to Liquidity and Interest Rate Risk

The following tables detail the Group's exposure to liquidity risk and interest rate risk as at 30 June 2015.

Financial Instrument	Weighted average Effective interest rate		Consolidated Entity		Floating Interest Rate		Non-Interest Bearing		Fixed Interest Rate	
			2015	2014	2015	2014	2015	2014	2015	2014
	%	%	$	$	$	$	$	$	$	$
Financial Assets										
Cash and cash equivalents	4	4	869,792	30,118	869,792	30,118	-	-	-	-
Trade and other receivables	-	-	12,517	50,401			12,517	50,401	-	-
Other financial assets	-	-		-			-	-	-	-
			882,309	80,519	869,792	30,118	12,517	50,401	-	-
Financial Liabilities										
Trade and other payables	-	-	146,949	1,255,1213			146,949	1,255,123	-	-
Other financial liabilities	-	8	375,000	1,517,727			-	1,517,727	375,000	-
			521,949	2,772,850			146,949	2,772,850	375,000	-

Financial Instrument	Weighted average Effective interest rate		Maturity Profile					
			3 months or less		3 months to 1 year		1 year to 5 years	
			2015	2014	2015	2014	2015	2014
	%	%	$	$	$	$	$	$
Financial Assets								
Cash and cash equivalents	4	4	869,792	30,118	-	-	-	-
Trade and other receivables	-	-	12,517	50,401	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
			882,309	80,519	-	-		-
Financial Liabilities								
Trade and other payables	-	-	146,949	505,123	-	750,000	-	-
Other financial liabilities	-	-	-	-	375,000	1,517,727	-	-
			146,949	505,123	375,000	2,267,727	-	-

(vi).Fair Values of Financial Assets and Liabilities

Fair value of assets and liabilities approximates their carrying values as terms to maturity are short. No financial assets and financial liabilities are readily traded on organised markets in standard form.

The aggregate fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

	Carrying amount		Fair value	
Consolidated	2015	2014	2015	2014
Financial Assets	$	$	$	$
Cash and cash equivalents	869,792	30,118	869,792	30,118
Trade and other receivables	12,517	50,401	12,517	50,401
Other financial assets	-	-	-	-
	882,309	80,519	882,309	80,519
Financial Liabilities				
Trade and other payables	146,949	1,255,123	146,949	1,255,123
Financial liabilities	375,000	1,517,727	375,000	1,517,727
	521,949	2,772,850	521,949	2,772,850

(vii). Sensitivity Analysis – Interest Rate Risk, Foreign Currency Risk and Price Risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year.

	Consolidated	
Sensitivity Analysis	Profit	Equity
Year end 30 June 2015	$	$
+/-2% in interest rates	6,580	6,580
+/-5% in $A/$US	-	-
Year end 30 June 2014		
+/-2% in interest rates	4,754	4,754
+/-5% in $A/$US	-	-

29. Reconciliation of Cash

	Consolidated	
Reconciliation of cash	2015	2014
	$	$
Cash flows from operating activities		
Loss for period	(1,940,184)	(5,041,145)
Depreciation and impairment	353,782	2,193,975
Change in trade and other receivables	(5,765)	84,250
Change in other financial assets	30,439	(264,202)
Change in inventory	-	133,581
Change in trade and other payables	(724,932)	(611,071)
Change in provisions	98,330	76,199
(Profit)/loss on sale of assets	(35,376)	(1,386)
Net cash from operating activities	(2,223,710)	(3,429,800)

30. Dividends

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

31. Parent Entity Disclosures

GBM Gold Limited is the parent entity of the Consolidated Entity. GBM Gold Limited is a party to a Deed of Cross Guarantee with all subsidiaries under which each company guarantees the debts of the others. Details of contingent liabilities of the Parent Entity are contained in Note 26. Summarised financial information in respect of the Parent Entity is set out below.

	2015	2014
a) Financial Position	$	$
Assets		
Current assets	788,704	2,293
Non-current assets	5,698,976	8,378,148
Total assets	6,487,680	8,380,441
Liabilities		
Current liabilities	463,631	1,569,939
Non-Current liabilities	-	-
Total Liabilities	463,631	1,569,339
Net Assets	6,024,049	6,811,102
Equity		
Contributed Equity	25,144,353	25,132,353
Accumulated Losses	(21,120,304)	(20,321,251)
Reserves	2,000,000	2,000,000
Total Equity	6,024,049	6,811,102
b) Financial Performance		
Profit/(Loss) of the year *1	(799,053)	(7,810,497)
Other comprehensive Income	-	-
Total comprehensive Income	(799,053)	(7,810,497)

*1 $522,124 of the 2015 loss related to the write down of investments in subsidiary companies Goldsborough $122,024 and Fiddlers Creek $400,100. $7,435,177 of the 2014 loss related to an inter-company loan forgiveness from GBM Gold Limited to the Inglewood Gold Mine Pty Ltd subsidiary.

Notes to the Financial Statements

The Directors of GBM Gold Ltd declare that:

In the opinion of the Directors:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
   (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2015 and of their performance for the financial year ended on that date, and
   (ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The remuneration disclosures set out on pages 6 to 8 of the Directors Report (as part of the audited remuneration report) for the year ended 30 June 2015, comply with section 300A of the Corporations Act 2001.

The Directors have declared that:

1. The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001,
2. The financial statements and notes for the financial year comply with the Accounting Standards, and
3. The financial statements and notes for the financial year give a true and fair view.

This declaration is made in accordance with a resolution of the directors.

Frederick Eric JP Ng
Chairman
24 September 2015

John Harrison
Director & CEO

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GBM GOLD LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of GBM Gold Limited and Controlled Entities (the "consolidated entity"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of GBM Gold Limited would be the same terms if given to the directors as at the time of this auditor's report.

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ShineWing AUSTRALIA

Opinion

In our opinion:

a) the financial report of GBM Gold Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

   i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the period ended on that date; and

   ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b) the financial reports also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of GBM Gold Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

ShineWing Australia

SHINEWING AUSTRALIA (formerly Moore Stephens)
Chartered Accountants

Nick Michael
Partner

Melbourne, 24 September 2015