



**GBM Gold Ltd**  
**2015 Annual General Meeting**  
**Company Update**

**John Harrison – Director & CEO**  
**Bendigo**  
**28 October 2015**





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- (i) estimated resources and reserves,
- (ii) planned production and operating costs profiles,
- (iii) planned capital requirements, and
- (iv) plans, strategies and corporate objectives.

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The Company estimates its Mineral Resources and Ore Reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian Securities Exchange.



Following the Company's disposal of its shareholding in Inglewood to Wiltshire Asset Management S.A. on 27 November 2014, the Company has been seeking opportunities to invest in further gold projects in Victoria.

The Acquisition of Bendigo Goldfield represents a significant opportunity for the Company to increase the scale of its activities following the Inglewood disposal.

The Bendigo Assets represent a low-cost start-up which is expected to generate positive cash flow through the processing of existing tailings (which will produce a saleable sand product and recover gold) and allow exploration activities to occur.

The Company has developed a detailed plan to generate production from existing open pit mines, tailings, sand production and other sources, prior to consideration of underground mining.

The approvals for reprocessing the Kangaroo Flat Sand Dams are in place. The Company expects that approvals for mining of Bendigo Region tailings will take approximately one year following completion of the Acquisition.

Using cash flow from the tailings projects the Company will confirm the exploration potential and economics for the goldfield, prior to recommencing underground operations from 2018 onwards. Power, water and transport infrastructure exists, with the workforce to be largely sourced and domiciled in the Bendigo city area.

# Purchase of Bendigo Goldfield GBM Gold Ltd

The key terms of the Acquisition are as follows.

- (a) The total amount payable to Unity by the Purchaser for the Bendigo Assets is \$5.73 million which is payable in several tranches as follows:
  - (i) \$100,000 cash signing fee (Signing Fee);
  - (ii) \$1 million cash repayment of rehabilitation funds on completion of the Acquisition; and
  - (iii) \$4.63 million cash as deferred repayments for rehabilitation funds payable in three instalments on each anniversary of completion of the Acquisition as follows:
    - (A) \$1 million payable on the first anniversary of completion;
    - (B) \$1.8 million payable on the second anniversary of completion; and
    - (C) \$1.83 million payable on the third anniversary of completion.

The Signing Fee was paid to Unity on execution of the Asset Sale Agreement and is non-refundable except where completion of the Acquisition does not occur as a result of a default by Unity.

# GBM Pro-Forma Balance Sheet



GBM Gold Ltd

Item	30 June 2015 (\$'000)	Adjustme nt (\$'000)	Pro forma (\$'000)
Cash	869	900	1,769
Receivables and prepayments	-	-	-
Inventory	-	-	-
Other financial assets			
Property, plant and equipment	398	5,730	6,128
Exploration and evaluation	669	-	669
Other intangible assets	-	-	-
<b>Total assets</b>	<b>2,041</b>	<b>12,260</b>	<b>14,301</b>
Trade and other payables	194	-	194
Financial liabilities	375	4,630	5,005
Provisions	101	5,630	5,731
<b>Total liabilities</b>	<b>670</b>	<b>10,260</b>	<b>10,930</b>
<b>Net assets</b>	<b>1,371</b>	<b>2,000</b>	<b>3,371</b>

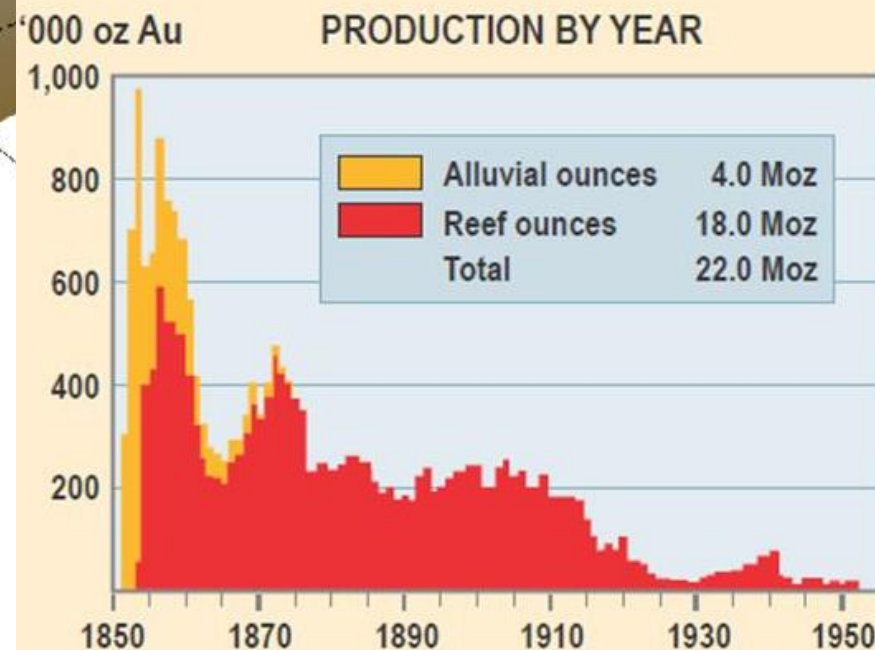
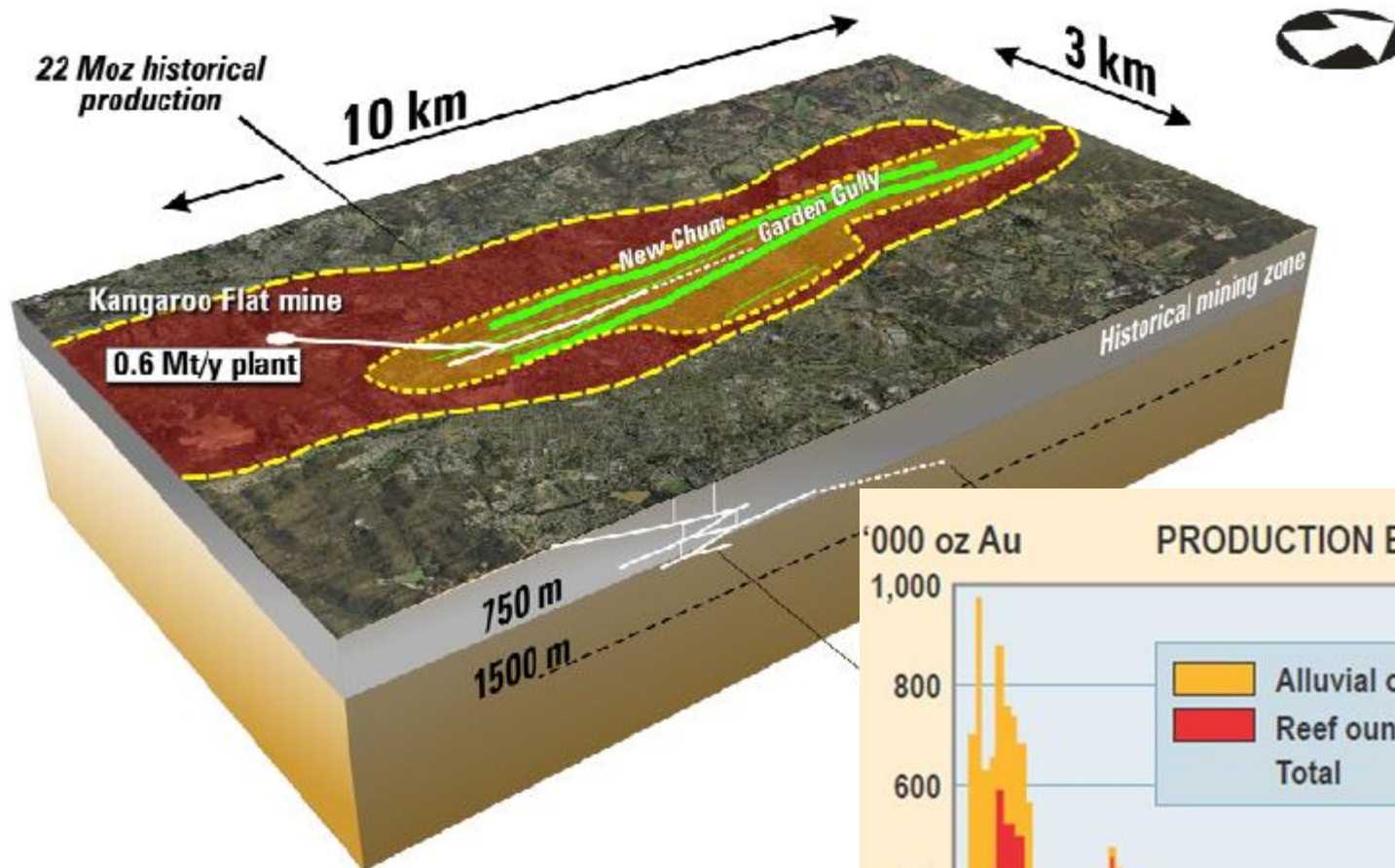


# Bendigo Goldfield



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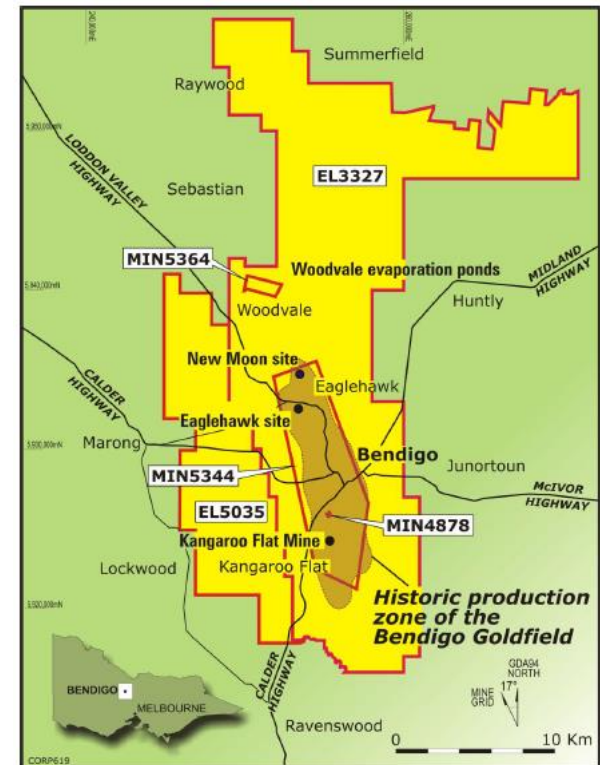
ABN: 38 147 300 418



Bendigo Goldfield is the largest goldfield in Victoria and the second largest goldfield in Australia

## ***Bendigo Gold Project***

- In excess of 22Moz of gold has been mined from quartz saddle reef deposits since the 1850's.
- Largest goldfield in Victoria, 2<sup>nd</sup> largest goldfield in Australia.
- Unity acquired Bendigo Goldfields in 1997 and subsequently completed construction of a world class gold plant and related facilities at the Bendigo Gold Project at a total cost of \$350 million.
- The Bendigo Gold Project includes the current mining licences and extensive exploration ground.
- From 2008 – 2011 production at Bendigo was 450,000t at 6.1g/t to produce 102,000 ounces of gold.
- Assets include:
  - ~18km of underground development;
  - a 600ktpa processing plant;
  - the Deborah Triangle ventilation shaft; and
  - extensive surface infrastructure.
- Historical and modern mining has left;
  - Significant quantities of tailings containing gold,
  - Construction sand as a by-product,
  - Extensive landholding with no modern exploration





# Bendigo Assets



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Low cost start up projects to generate cashflow while exploring Bendigo;

- Kangaroo Flat Sand Dam (Producing Gold plus Sand)
- Bendigo Tailings (Producing Gold plus Sand)
- Harvest Home Open Pit mine



Tailings and Sand Dams

Gold Processing Plant

Decline

Offices

Total investment to date in excess of \$350m  
Significant tangible assets relative to purchase price



# Kangaroo Flat Sand Dams



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Fine Sand Dam – 200,000 tonnes

Coarse Sand Dam - 425,000 tonnes



Process t	Grade g/t	Ounces	Recovery %	Ounces	Loss
679,346	5.94	129,680	89%	114,943	14,737

The table above shows the total production of the Bendigo Gold Processing Plant. Approximately 14,700 ounces of gold was not recovered during processing. Approximately 5,000 ounces was in tailings sold to Octagonal Resources Processing the sand will produce a saleable sand product and recover gold.

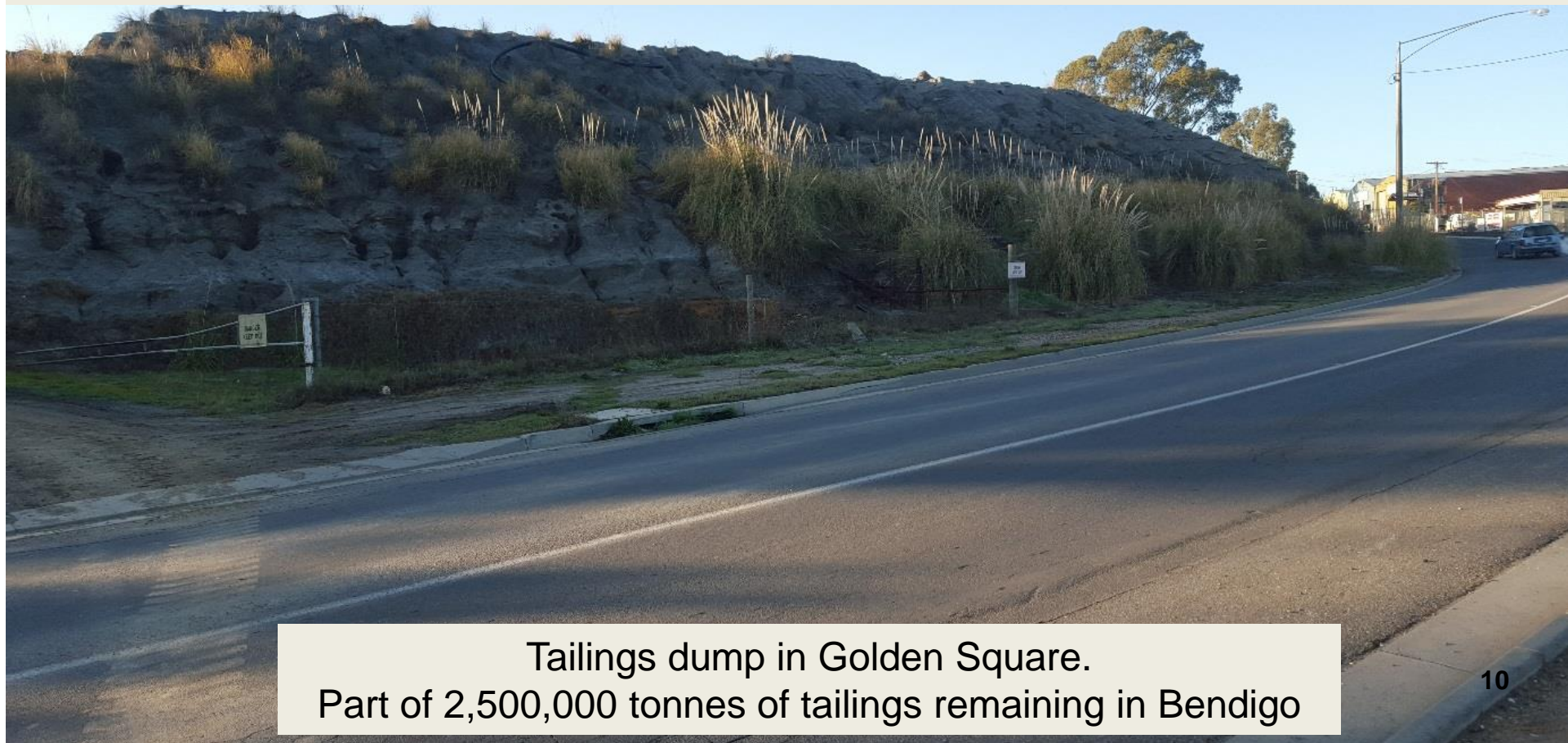


# Bendigo Tailings Resource



Bendigo Council made a submission to the Victorian Government to clean up the tailings in Bendigo to provide more land for residential development. GBM Gold plans to implement this process.

Over 2.5 million tonnes of tailings remain, which based on historic grades may contain up to 78,000 ounces of gold. It is planned to investigate and where economic process these tailings and recover the gold and the sands.



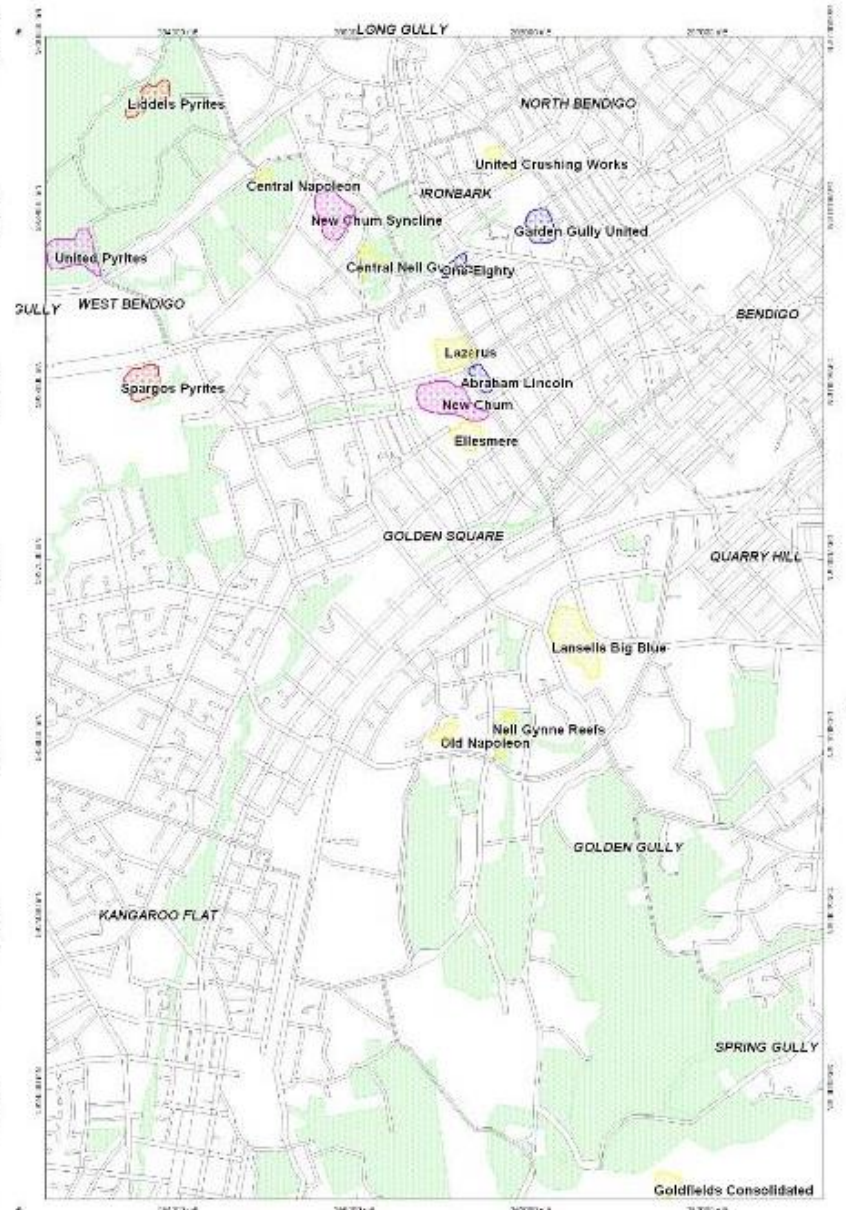
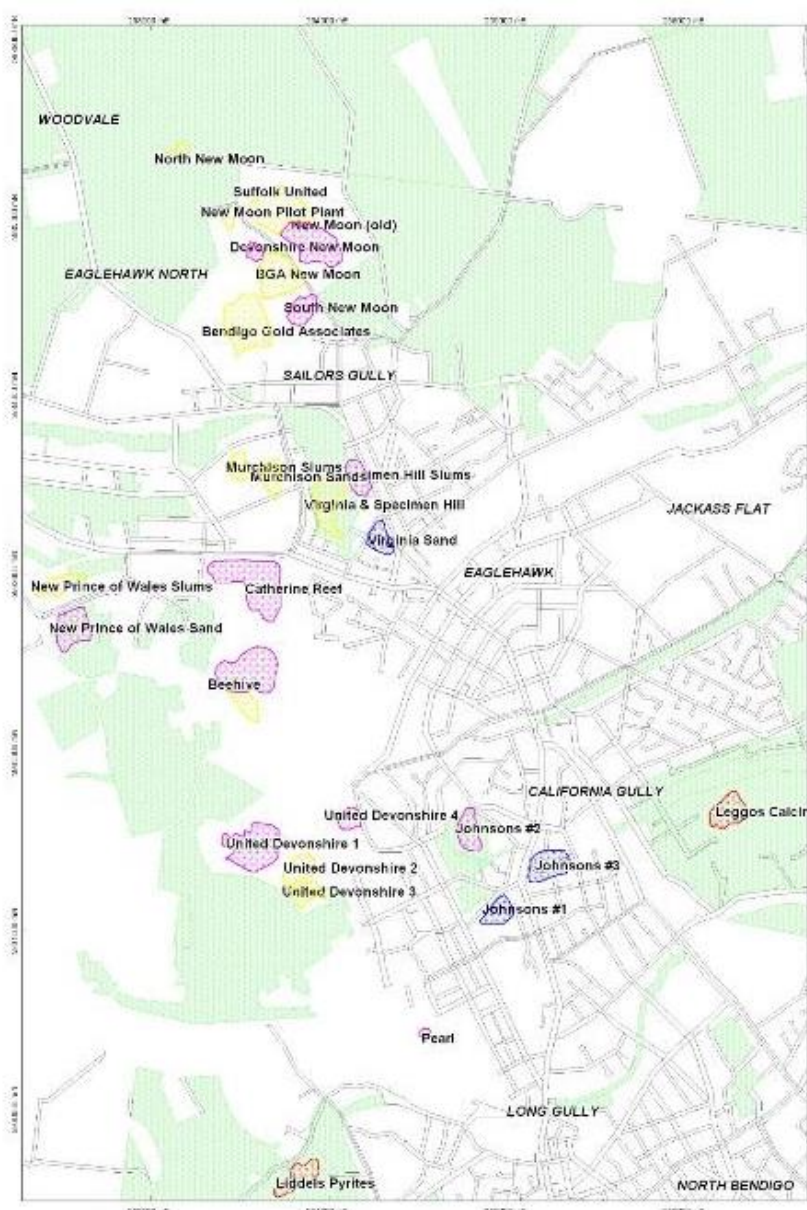
Tailings dump in Golden Square.  
Part of 2,500,000 tonnes of tailings remaining in Bendigo



# Eaglehawk & Golden Square Tailings



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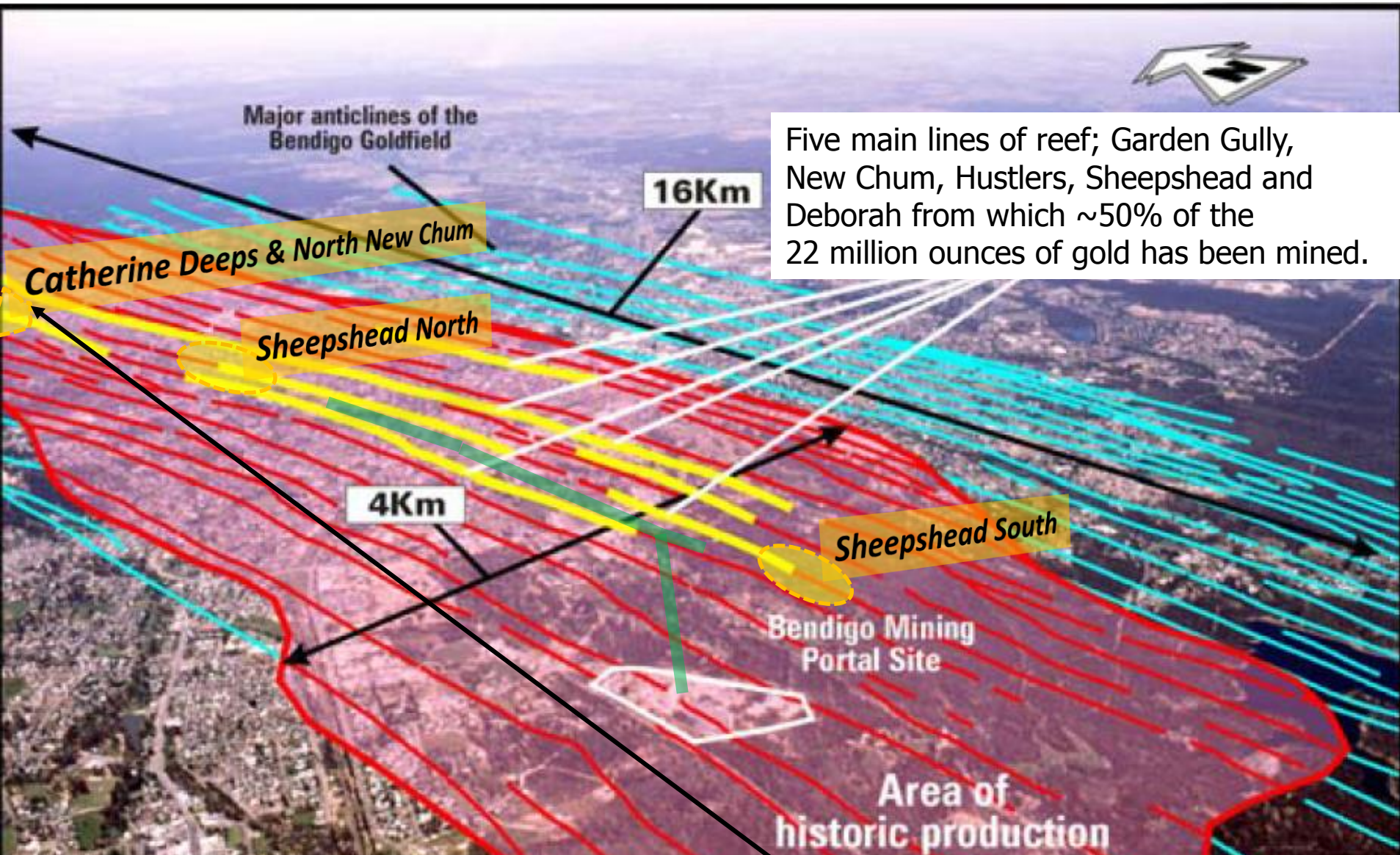




# Bendigo Exploration Potential



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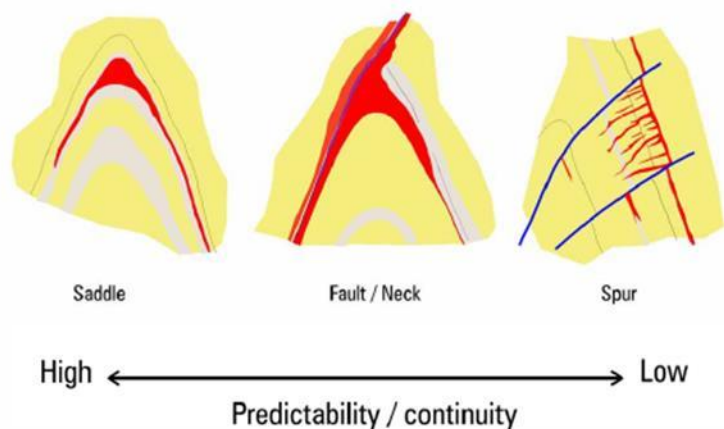


Five main lines of reef; Garden Gully, New Chum, Hustlers, Sheepshead and Deborah from which ~50% of the 22 million ounces of gold has been mined.

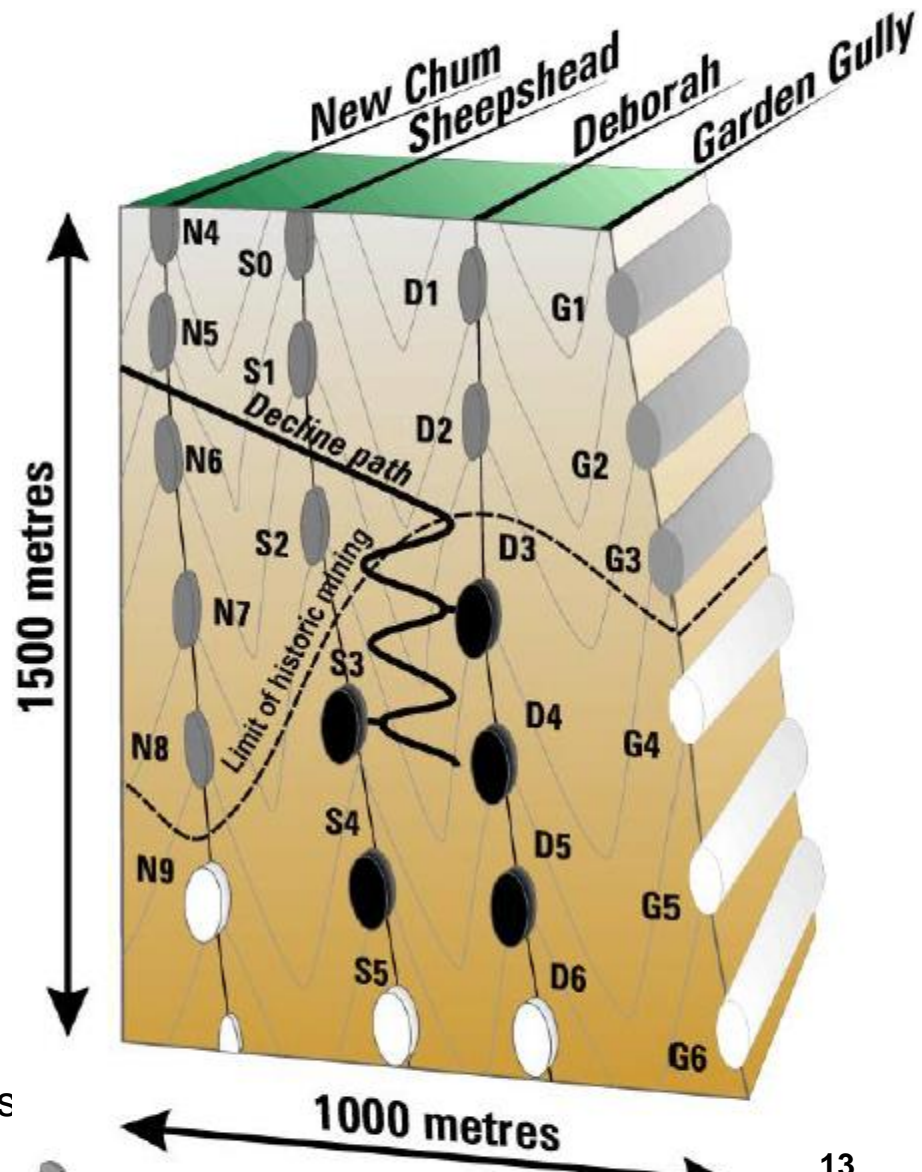
Exploration targets identified on Sheepshead and New Chum Lines



- Bendigo has repetitive geology and structure
- It is famous for its quartz saddle reefs
- These reefs form in favourable rocks or strata
- This strata has been correlated across the field
- After 150 years of mining geology is well known
- **Unexplored targets still remain**



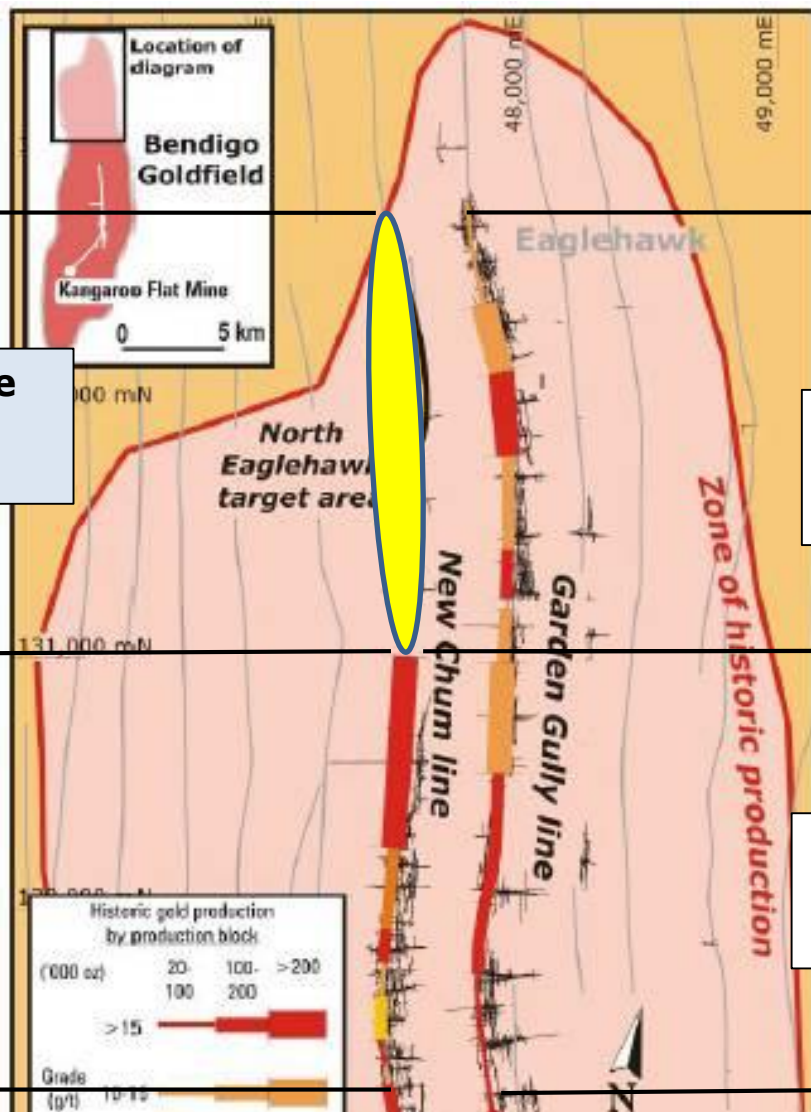
- Three types of reef in the field
- Saddle Reefs highest grade and most continuous



# North New Chum Target



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Target Area has had little mining and exploration. High Potential

Historic Mining  
2,100,000 t @ 13.9g/t  
950,000 ounces

Historic Mining  
2,500,000 t @ 13.6g/t  
1,100,000 ounces

Historic Mining  
1,900,000 t @ 14.3g/t  
870,000 ounces of gold

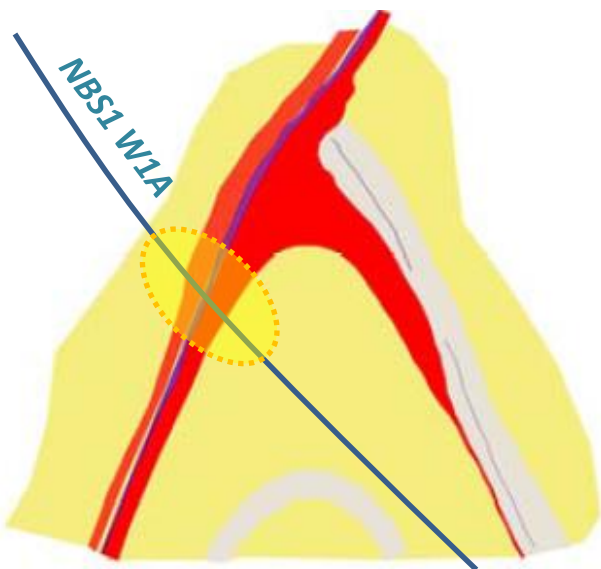
Historic mining produced 2,920,000 ounces of gold in the northern area but intensive mining did not extend into the target area



# NORTH NEW CHUM

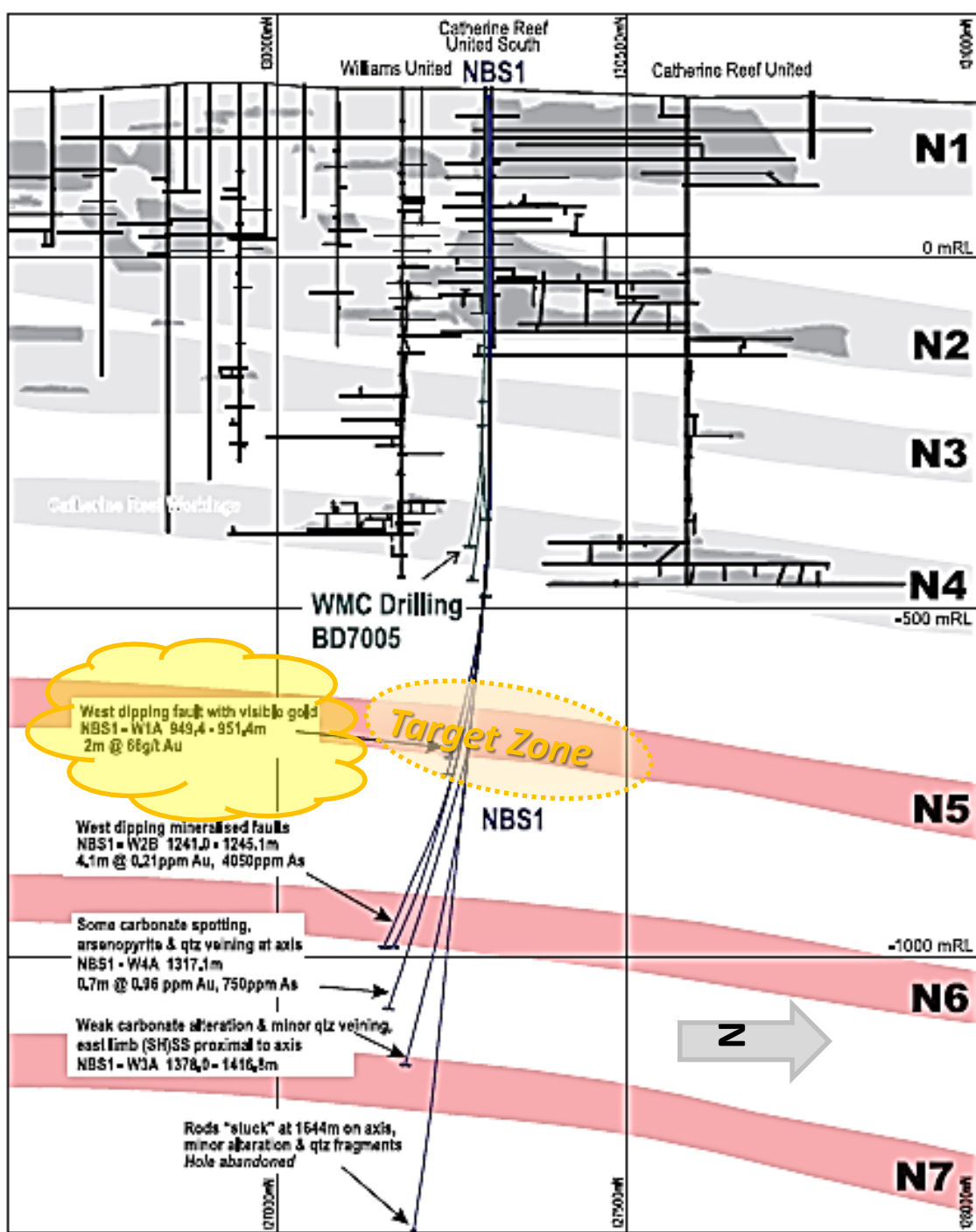
## Catherine Deeps Target

Bendigo Mining Drilling in 2000.  
 "...metre wide bedded fault... in west dipping stratigraphy.... laminated-massive quartz ...weighted assays returned 2m @ 66 g/t Au"



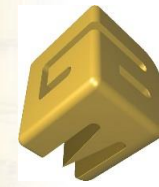
Fault / Neck

Drilling has identified significant gold mineralisation in an underexplored area



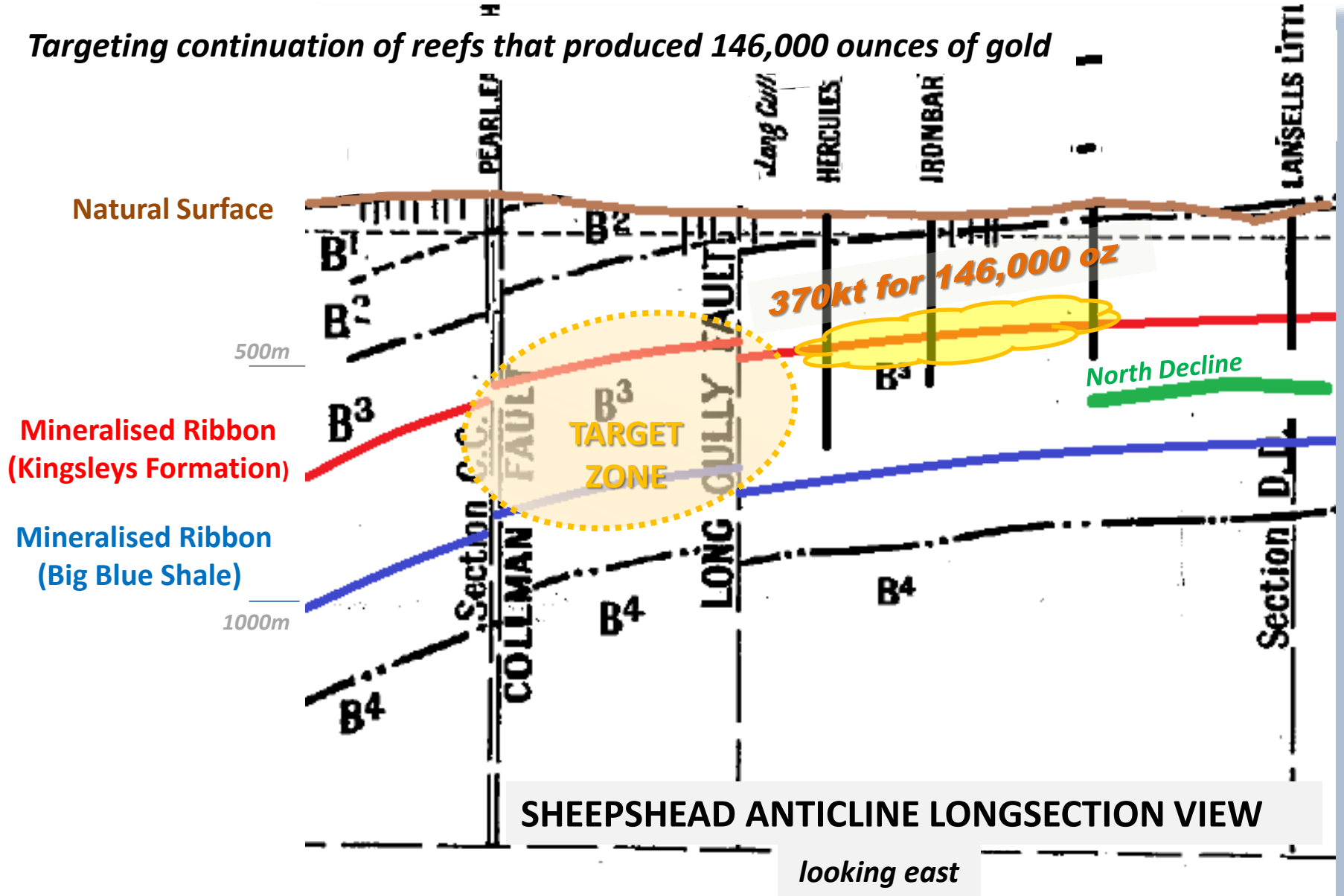
# SHEEPSHEAD LINE

## North Target



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Targeting continuation of reefs that produced 146,000 ounces of gold





# SHEEPSHEAD LINE

## South Target



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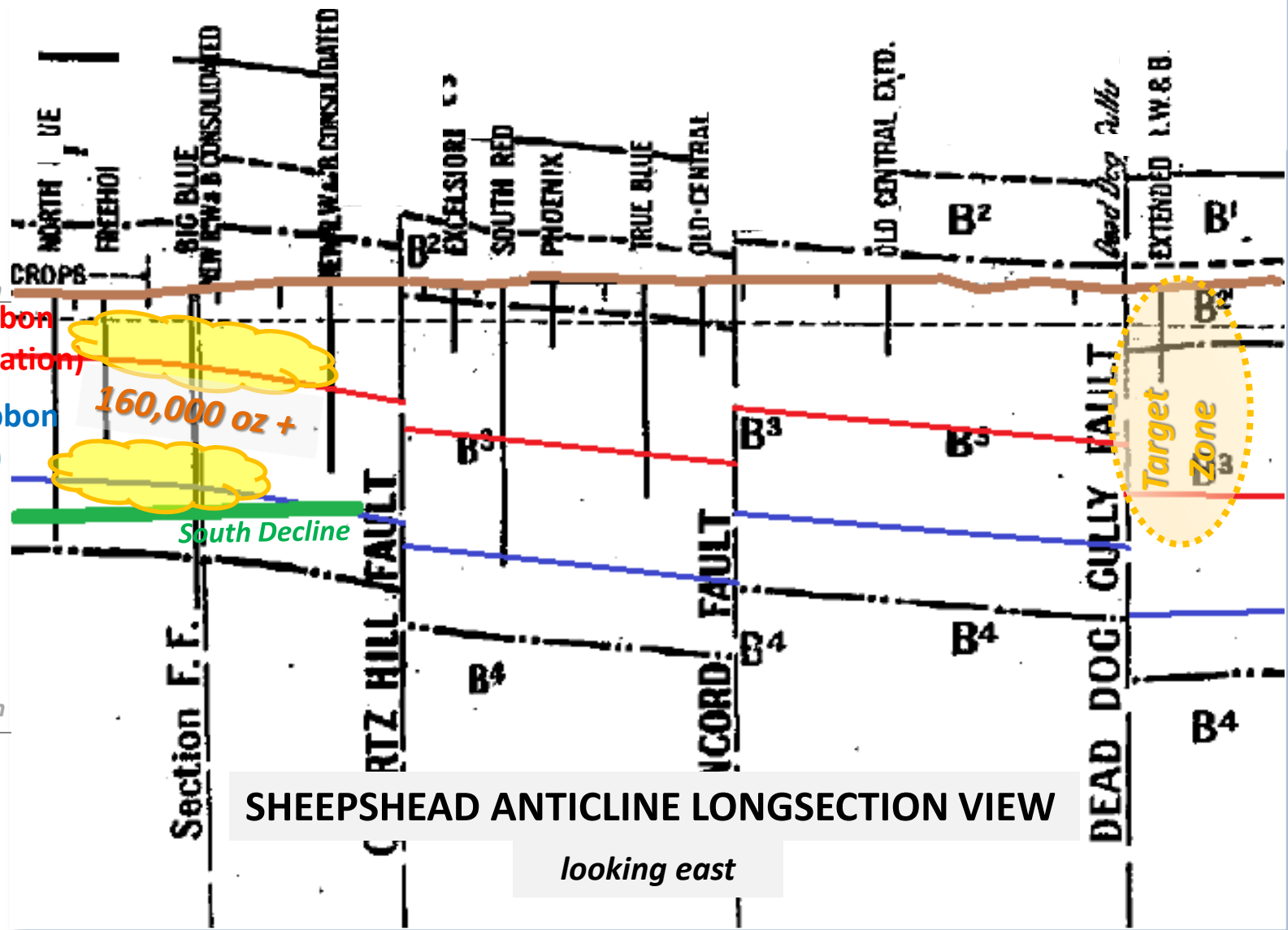
Targeting reefs in an area that produced 160,000 ounces of gold

Natural Surface

Mineralised Ribbon  
(Kingsleys Formation)

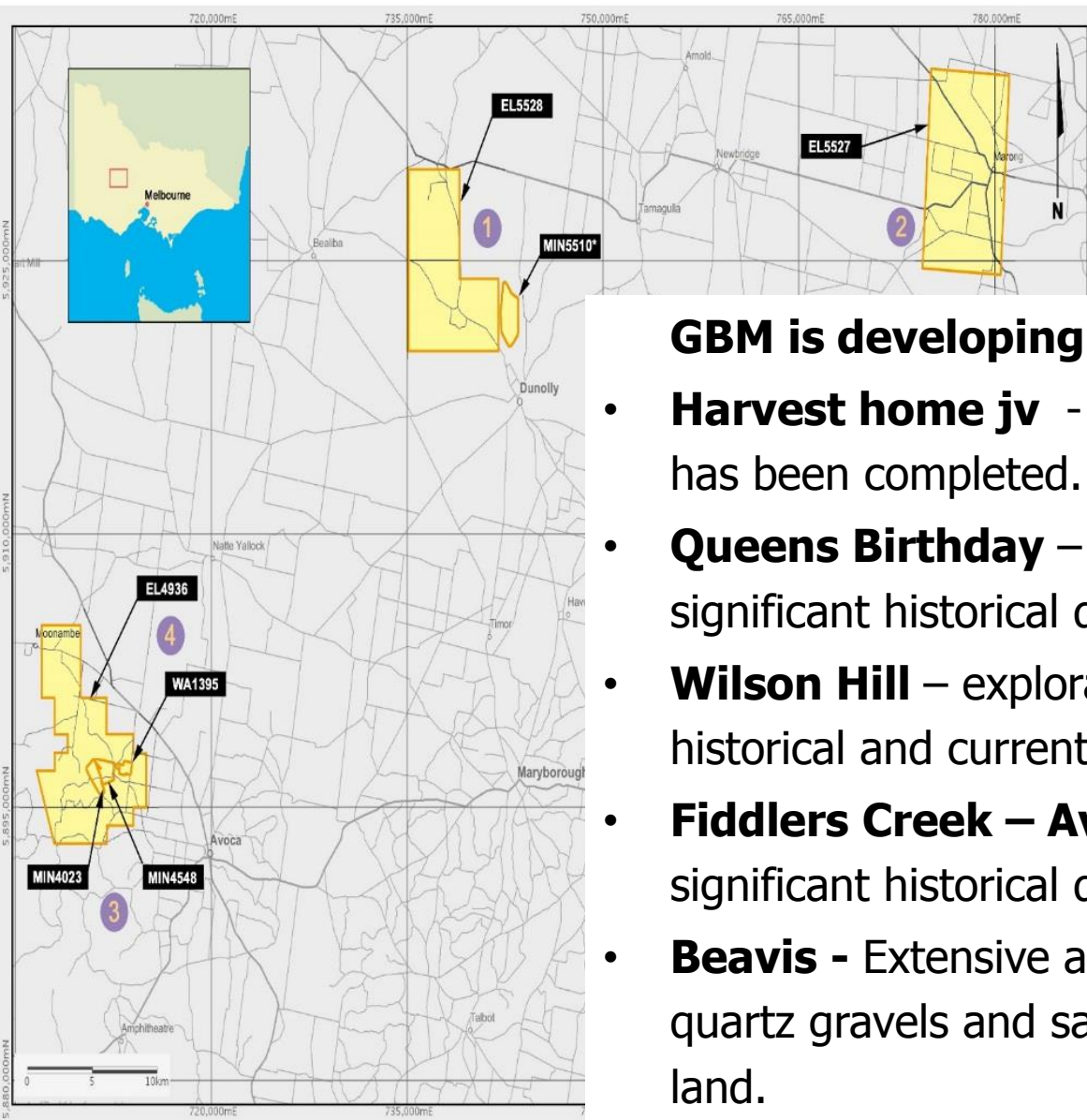
Mineralised Ribbon  
(Big Blue Shale)

1000m



SHEEPSHEAD ANTICLINE LONGSECTION VIEW

looking east



## GBM is developing its other projects

- **Harvest home jv** - a 2,700 tonne bulk sample pit has been completed.
- **Queens Birthday** – exploration project with significant historical data
- **Wilson Hill** – exploration project with significant historical and current drill data
- **Fiddlers Creek – Avoca** – exploration projects with significant historical data and mining potential
- **Beavis** - Extensive alluvial workings with clean quartz gravels and sands on GBM owned freehold land.



# Harvest Home Open Pit



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An operational project with open pit and underground ore resources




9700-9900N to 50 metres depth 219,000 t @ 3.55 g/t for 25,000 ounces of gold

Total Resource	1,040,000 t @ 2.42 g/t for	80,784 ounces of gold
9700-9900N	614,000 t @ 3.04 g/t for	60,000 ounces of gold





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- A close-up photograph of a person wearing a bright orange high-visibility safety jacket with reflective silver stripes. The person is holding a large, rectangular, textured gold dore bar with both hands. The bar has a granular, crystalline appearance. The background is slightly blurred, showing industrial equipment and a metal fence.
- Bulk sample pit produced 2,700 tonnes of ore
  - Ore processed at the A1 gold processing plant at Maldon
  - A 107 ounce (3.35kg) gold dore bar was produced
  - Planning for expansion of the pit into a larger project





- ▶ Bendigo is the largest goldfield in Victoria and the second largest goldfield in Australia.
- ▶ The Bendigo Goldfield has produced 22,000,000 ounces of gold since 1853
- ▶ There are prospective areas that have not been explored or developed.
- ▶ The acquisition of the Bendigo Gold Project by GBM represents an opportunity to unlock the potential of this historically prolific goldfield.
- ▶ GBM has an agreement to acquire Bendigo for \$100,000 plus the assumption of the rehabilitation liability of \$5.63 million.
- ▶ The value of the tangible assets at Bendigo relative to the cost of acquisition provides a highly attractive entry point.
- ▶ GBM will implement low cost tailings projects in Bendigo to produce gold and industrial sands for early cash flow.
- ▶ Develop other GBM projects to support cashflow.
- ▶ From cash flow confirm the exploration potential at Bendigo with the target of gold production at a rate of 30kozpa.
- ▶ It is a high quality brownfields project.